

THE EXETER DIOCESAN BOARD OF FINANCE LIMITED

ANNUAL REPORT

AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020

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

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Key to abbreviations

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

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OUR VISION

'I know the plans I have for you, says the Lord, plans for your welfare and not for harm, to give you a future with hope.' Jeremiah 29.11

We seek to be people who together are:

Growing in prayer

We want to grow in prayer, living a life close to God. This means taking risks as we become more honest with ourselves and more honest with God. Prayer opens up deep places within us to God's grace, which is why it is such a life-giving activity. Growing in prayer is essential if we are to witness to God's Kingdom and become the people God has called us to be.

Making new disciples

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

Serving the people of Devon with joy

We want to make a difference in the world and witness to God's love and justice, especially in the communities and schools where we live. Working in partnership with others who are transforming lives, we seek to address the global issues confronting our generation so that everyone may flourish.

+ Robert Exon

(Bishop of Exeter)

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The trustees, who are also directors for the purposes of company law, present their annual report, together with the audited consolidated financial statements, for the year ended 31 December 2020.

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

The combined report satisfies the legal requirements for:

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

LEGAL OBJECTS

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

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

EDBF has the following statutory responsibilities:

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

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

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STRATEGIC REPORT

STRATEGIC AIMS

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

We seek to work together in Mission Communities

Communities are how we relate to one another. We discover both what we need from others and what we can offer so that all may flourish. In the same way Mission Communities help us as the Church to work together across boundaries and break down any sense of isolation. They enable us to be flexible in our mission and more adept at responding to the different contexts and cultures of Devon.

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

There are 119 mission communities across the Diocese of Exeter. We aim to be mission-oriented, community-focussed and locally rooted. As God's people we are called to live out our faith and continue the mission of God as revealed in the life, death and resurrection of Jesus Christ.

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

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

The Board reviews the financial plan on an annual basis, and this was most recently undertaken in May 2019, with the current plan covering the years 2019 to 2024. The plan requires stringent cost control across all areas of the budget and includes a planned increase in the number of unpaid licensed ministers (self-supporting clergy and readers) and unpaid lay people involved in ministry, alongside a reduction in the number of stipendiary clergy working within the Diocese. One of the key aims is to increase vocations, including the number of self-supporting ministers deployed. This should also now be read in the context of the Covid-19 Financial update on pages 16 to 18.

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OBJECTIVES FOR THE YEAR

The strategic aims were established by the Diocesan Synod in March 2016 and refreshed in June 2019. The aims have informed and will continue to inform decisions and policies at all levels. The vision is what we would like the future to look like and the strategy sets out how we seek to work together in Mission Communities to enable this to happen. It is vital that our planning continues to reflect our priorities, whilst continuing to meet our statutory and operational requirements.

Following an initial review with the Bishop's Strategy Group, four strategic focus groups were set up to consider how we can build on the positive work that has been taking place in our Mission Communities. These groups looked at how we may continue to bring more people to Christ and make new disciples across four key demographic groups:

- **Children, young people and families**
 - Establish a 'platform' to hear and respond to the views of children and young people;
 - Coordinate a group of church schools to provide additional leadership, support and resources for parents and grandparents; and
 - Provide support to better equip existing and future clergy to minister more effectively with children, young people and families.
- **17 – 25 year olds**
 - Invite key leaders (lay and clergy) to refine the strategy and build a 17 – 25 focus group;
 - Develop a digital engagement strategy and create a Media Advisory Group to support social media/digital giving; and
 - Explore and develop possible lay chaplaincies for Further Education colleges by identifying key colleges and facilitating links to local church.
- **People over the age of 55**
 - Welcome and hospitality at a range of events, such as 'Retyrement' sessions led by Bishop Robert and Bishops in Mission;
 - Focus on grandparents with annual 'Grandparents' days' in schools with church engagement; and
 - Addressing social isolation by exploring 'Anna Chaplains' roles, social engagement hubs and sharing of good practice in pastoral care.
- **Fringe Christians**
 - Know your church and community by using Growing the Rural church resources for community and church audits;
 - Enable effective outward-facing leadership by reviewing Continuing Ministerial Development to focus on collaborative models; and
 - Plan pathways and stepping stones from encounter to engagement by reviewing and redefining our understanding of participation, including key life events such as Baptism.

Diocesan Synod approved these priorities at the meeting held on 15 June 2019 and these strategic actions are being implemented over the next five to seven years.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR

“Growing in Prayer, making new disciples and serving the people of Devon with joy” was adopted by Synod as an integral part of our diocesan vision and strategy in March 2016, although it was from the very first moment the vision which Bishop Robert has called us to, and the vision and strategy flows naturally from it.

Many of our activities were curtailed in the period March – June 2020, as we all adjusted to the first national lockdown. As an organisation we transitioned to the majority of staff working from home, whilst at the same time we took full advantage of the Job Retention Scheme, with 40% of staff initially being placed on Furlough when church buildings were closed. As parishes, churches and schools started to open-up again in the summer, staff were able to return to work, although the offices remained closed to all but essential visits.

Following the major consultation across the Diocese on Common Fund, which concluded in 2019, Diocesan Synod reviewed the findings and recommendations at its meeting held in June 2019 and approved a number of changes to the existing system, rather than opting for the alternative cost of clergy model. These relatively minor changes were implemented in 2020.

Having seen a welcome increase in the contribution rate for Common Fund in 2019, the pandemic had a major impact in many parishes. Those parishes with established regular giving schemes, particularly the Parish Giving Scheme, fared significantly better than those reliant on church service collections and fund raising. As a result, the total contributions received by the end of February 2021 were £8.3m (2019: £9.0m), which represented 90.50% (2019: 95.59%) of the amount requested from parishes. As ever, we are very grateful to the continuing generosity of the people in our worshipping communities, particularly in the current climate.

The number of those going forward into training for diaconal/priestly ministry in 2020 was 20 – 15 women and 5 men (2019: 13 – 8 women and 5 men). Stipends were paid to an average of 191 clergy, which was broadly in line with the budget.

Safeguarding continued to have a high priority, with the Diocese providing training courses, advice to parishes, case management, formal risk assessment work and active support of Mission Community leaders. The following training was provided in 2020: Level C0/C1: 493 (2019: 216) and Level C2: 396 (2019: 458). The Past Cases Review 2, with an independent review of all case files, commenced in the second half of 2019 and continued throughout 2020. Progress on the review was slowed by the pandemic but remains on track to be completed within the specified timescale.

The Parish Giving Scheme has continued to grow across the Diocese, following the launch in March 2015, encouraging a deeper understanding of generous giving, streamlining administration in parishes, improving parishes’ cash flows by returning gift aid to parishes every month, and giving donors the option to increase their future giving in line with inflation. In December 2020 there were 2,935 (2019: 2,708) people in our Diocese making donations to 236 (2019: 216) churches, contributing a total (excluding gift aid) equivalent to £2.2m (2019: £2.1m) during the year. The average gift (excluding gift aid) was £14.02 per week (2019: £14.35). EDBF does not carry out any significant fundraising activities.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

The Mission and Ministry team continue to work in close collaboration with Growing the Rural Church, Communications and Mission Resources teams. The team's purpose is to support mission communities as they seek to live out the diocesan vision. In 2020 the team said farewell to Jon Marlow who joined the Diocese of Canterbury as Director of Ordinands and to Penny Doe who left the Mission Community Development team.

The pandemic has severely curtailed opportunities for the Mission and Ministry team to get out and about. However, the team adapted remarkably well to online working and provided a range of training opportunities for both lay and ordained participants online. Indeed, the numbers of clergy and licensed lay ministers attending training courses has increased by approximately 100% as participants have found benefits in not having to travel and great value in opportunity for interaction during a time of isolation. We introduced the Living in Love and Faith process to nearly 300 clergy and readers in an ambitious one-day event on Zoom in November 2020 and were the first diocese in the country to do so.

The Foundations in Christian Ministry Course began again on Zoom with a new cohort of 25 in September (a lower number than in the previous year due to the pandemic).

We continue to have close links with our two local ministry training providers, South West Ministry Training Course and St Mellitus College. Our own in-house training provision has expanded as we have been able to offer a series of Grow courses to equip lay people as a follow on to the Grass Roots discipleship course. In 2020, 160 people used Grassroots and 105 people participated in Grow courses on Pastoral Care, Administration, Small Group Leadership and Administration. This process continues as part of our commitment to the national process of the Setting God's People Free agenda.

Work with children and youth was particularly affected by Covid, with so much face-to-face work unable to continue and online ministry particularly challenging with young people. Yet many churches were brilliantly creative with their online provision especially for children from virtual story times to outdoor services. With the reduction in physical children's work, Clare Cook, our part time 0-5s adviser spent some time on Furlough, returning in August for the arrival of Helen Williams, our new part time 5-11s adviser. They have both worked hard at supporting and encouraging the work. Highlights include a much-appreciated online retreat for workers. South West Youth Ministries (SWYM) also quickly adapted to virtual provision and continued to support, resource and advise, as well as providing online events and opportunities.

Our part-time Church & Society/Environment Officer has also mixed physical and online activities. Thankfully 'The Big Green Event', run in partnership with the cathedral, was able to happen in February 2020: over 200 people attended the day, including the national lead bishop for the environment, and national/local workshop leaders; profit was given to A Rocha's Eco Church initiative. Following General Synod's carbon net zero 2030 resolution, there has been co-ordination of initial scoping consultation responses, planning and synod updates; and oversight and promotion of local and national training opportunities on climate and biodiversity.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

On other social crises, the diocesan officer has chaired or been active in various diocesan, ecumenical and secular groups, including on: mental health (commissioning subsidised or free first aid awareness training available to all church leaders/members ecumenically in Devon, and developing diocesan protocols and wider adviser plans); Anna Chaplaincy for older people (meeting national lead and developing plans for a 2021 pilot); food poverty and mutual aid (collating, mapping and promoting providers, used by DCC); homelessness; rural issues; fair trade; refugee community sponsorship. Promotional work has included webpage development, social media, chapter/PCC meetings, and training sessions for CMD and SWMTC.

The Diocesan Board of Education (DBE) has had a successful year working with our 133 Church of England schools, despite changes in team personnel and the Covid-19 pandemic. The Diocesan Director of Education, John Searson, retired in August and Sue Lockwood took over as Acting Director until a substantive recruitment takes place.

Covid-19 has at times resulted in school buildings closing to all but the most vulnerable students and to the children of key workers, with teaching and learning moving online. In a period of ever-changing expectations and requirements for schools, the team has provided practical support groups and resources; opportunities for leaders to reflect and focus on their own personal wellbeing; and a comprehensive programme of training and forums for staff and for those in governance.

Whilst responding to the challenges created by Covid, the Education Team has supported schools in their reflections on how their response has been shaped by their Christian vision. In every case this will provide strong evidence to feed into their self-evaluation in preparation for their SIAMS (Statutory Inspection of Anglican and Methodist Schools).

Graded inspections halted in March and did not restart in 2020. Outcomes at the end of December 2020 at good or better levels are 86% for Ofsted and 98% for SIAMS, with 84% achieving good or better in both measures (2019: Ofsted 87%, SIAMS 95%, both 86%).

The DBE continue to work jointly with system leaders to ensure schools are providing the best education for children and young people so that all can flourish. Where schools would benefit from increased capacity for improvement, we assist in the brokering of partnerships. In December 2020, 100 church schools were in formal partnerships (federation or Multi-Academy Trusts). Many are in multi-school groupings with community schools meaning 99 community schools are sharing in foundation governance. Through these relationships, the connections and influence of the Diocesan Board of Education has increased.

The communications and engagement team suddenly had a new role in 2020, helping churches rapidly upskill to be able to provide live and recorded church services online when church buildings were closed, or most people were staying away. Digital church suddenly became the norm, and it was exciting to see how churches rose to the challenge and new ways of doing church emerged. We produced monthly diocesan online services, using themes like Sea Sunday, the anniversary of the NHS and the anniversary of VE Day. The communications team also worked hard to livestream the September ordination and priesting services in Exeter Cathedral and across Devon.

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ACTIVITIES AND ACHIEVEMENTS IN THE YEAR (continued)

We had the January 2020 launch of the Be A Governor campaign and the February launch of the Family Fun Cooking Club and the first Joy2020 weekend in North Devon. Sadly, most of the other events had to be cancelled. We continued to receive good media coverage as there was a lot of interest in centuries-old church traditions having to move online. We began producing a weekly e-newsletter "Roots and Shoots" to keep people informed during the pandemic. This replaced the previous monthly newsletter "Roots" and the monthly online diocesan magazine.

KEY PERFORMANCE INDICATORS

Comprehensive quarterly operational reports are produced, and these are presented to the trustees following the end of each quarter, through the Bishop's Diocesan Council, and shared more widely with staff and other key stakeholders. The reports are also available on the diocesan website. The key measures are shown in the table below:

Area	Target for 2020	Actual delivery in 2020
Common Fund collection rate	96.0%	90.5%
Total number of parishes signed up as members of the Parish Giving Scheme (based on 10% per annum target increase)	238	236
Total EDBF Income (excluding asset sales and revaluations)	£13,188k	£12,835k
Total EDBF Expenditure (excluding capital works and asset revaluations)	£14,383k	£13,108k

Please note that the income and expenditure figures in the table above are based on EDBF's management accounts, which show net income/expenditure for some services.

FUTURE PLANS

The strategic aims were reviewed by Diocesan Synod in June 2019 and the review will continue to guide where EDBF's resources are focussed over the next five years. Sadly, the Covid-19 pandemic has prevented progress being made in 2020 and the plans will need to be refreshed and recalibrated once we have a clearer idea what the post-Covid-19 future looks like (see the section on the impact of Covid-19 on pages 16 to 18).

It is important to remain focussed on our key aims to make new disciples, grow in prayer and serve the people of Devon with joy. The current situation gives us the opportunity to think differently and try new things, whilst being mindful of the financial challenges that our parishes will continue to face. Setting a budget for 2021 was a major challenge, and Diocesan Synod initially agreed an interim budget for 2021 in October 2020, with a final budget being approved in May 2021, which makes assumptions about the continuing reduced level of contributions from our parishes. The final budget shows a potential deficit in 2021 of £1.2m, with an additional £600k being required to continue meeting the deficit on the clergy pension scheme.

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FUTURE PLANS (continued)

We were delighted to receive confirmation in April 2021 of our successful application for £1.5m of Strategic Development Funding to support mission in Torbay. Bay Church will be launched in 2021, as we look to grow the church in one of our more socially deprived areas.

SECTION 172(1) STATEMENT

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

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

There have been no major changes to any of the above areas in 2020. The only exception was an extension in the scope of the services available through the Employee Assistance Programme, to provide additional advice and support during the Covid-19 pandemic.

FINANCIAL REVIEW

Financial performance

The Consolidated Statement of Financial Activities (page 35) for the year shows that the income (before investment gains) totalled £16.5m (2019: £15.2m) and expenditure amounted to £14.3m (2019: £12.9m) resulting in net income (before investment gains/losses) of £2.2m (2019: £2.3m). Expenditure in 2019 included a credit of £2.1m in respect of the Church of England's Funded Pension Scheme (for clergy). This credit arose as a consequence of a change to the basis of assessing the Scheme's value for the purposes of the triennial valuation of the Scheme as at 31 December 2018 (see note 27).

The net income, after allowing for net investment gains of £2.1m on investment properties and financial investments, resulted in a net increase in funds amounting to £4.4m. Total fund balances increased from £103.0m to £107.4m over the year.

The Covid-19 pandemic had a major impact on the ability of parishes to make the full Common Fund contribution requested in 2020, leading to a shortfall of £871k. To mitigate this predicted shortfall, decisions were taken in March 2020 to reduce the level of expenditure:

- The programme of quinquennial improvements to our clergy housing stock was suspended, leading to a one-off saving in 2020 of £450k;
- All non-essential clergy and lay vacancies were frozen;
- Appropriate use was made of the government's Job Retention Scheme;

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FINANCIAL REVIEW (continued)

Financial performance (continued)

Further actions were taken in the second half of 2020 to improve the cash position:

- It had been previously agreed that 8 surplus clergy houses would be sold, and the proceeds re-invested to improve the financial return. The decision to re-invest the proceeds has been paused until the longer-term financial plan is clearer;
- A number of redundancies were made in late 2020, removing 9 posts (6 FTE) from the lay staffing budget;
- A loan for £2m was taken from the NatWest bank under the Coronavirus Business Interruption Loan Scheme (CBILS) government scheme; and
- A successful application was made to the Archbishops' Council for £350k of Sustainability Funding.

The net operating surplus in 2020, excluding the surplus from sale of property was £200k.

At 31 December 2020 the unrestricted reserves (see Notes 21 and 22) amounted to £8.0m (2019: £7.1m).

Income from listed securities totalled £921k together with interest on cash balances of £6k. Net rental income received from glebe property amounted to £407k.

There was an aggregate gain on the revaluation of investment assets of £2.1m, based on the value at the start of the year of £1.6m (5.5%) for listed investments and £0.5m (3.4%) for investments held as property.

Significant Property Transactions

No properties were purchased during the year. Notwithstanding, our policy continues to be:

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

In relation to the last bullet point, the development of surplus vicarage land, which includes the provision of a new vicarage, commenced on one site and a major extension/alteration scheme was completed on another in the year.

In addition to the repairs programme of works, £167k was invested in improving existing properties. However, due to the pandemic, planned capital improvement schemes had to be deferred and whilst reactive repairs continued largely as normal, the planned work undertaken through quinquennial repairs was put on hold and the schemes due in 2020 will be undertaken in 2021. Thirty in-going schemes were undertaken in advance of newly appointed clergy taking occupation.

Eight houses were sold within the year. The long-term aim continues to be to seek to maximise income return and to adjust the balance of EDBF's asset holdings, but sales have also assisted cashflow in the short-term.

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FINANCIAL REVIEW (continued)

Balance sheet position

The Trustees consider that the balance sheet together with details in note 22 show that the restricted and endowment funds are held in an appropriate mix of investment and current assets given the purposes for which the funds are held. While the net assets at the balance sheet date totalled £107.4m (2019: £103.0m) it must be remembered that included in these totals are properties, mostly in use for the ministry, whose carrying value amounted to £58.3m (2019: £59.3m). Much of the remainder of the assets shown in the balance sheet are held in restricted funds and cannot be used for the general purposes of EDBF.

Reserves policy

Unrestricted reserves

EDBF needs unrestricted reserves for the following purposes:

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

The Diocese aims for an ongoing level of unrestricted reserves of 25% to 30% of annual budgeted expenditure, in order to cover items a) to c), above. Any amounts required to cover items d) and e), above, are considered on an annual basis. The unrestricted reserves as at 31 December 2020 are outside this range at 56.6% of the 2021 budgeted expenditure of £14.2m. This is mainly the result of selling property assets that were previously in the designated fund (in order to improve the income return). EDBF also holds endowment and restricted reserves which are legally limited in use to specific purposes. Both EDBF's reserve policy and the level of reserves are reviewed annually.

Reserves tied up in fixed assets

The general (unrestricted) fund comprises net assets amounting to £8.0m of which £1.2m is tied up in intangible and tangible fixed assets.

Designated funds

The Trustees may, with the approval of the Board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. Such designated reserves are reviewed on an annual basis and returned to the general fund in the event that the purpose of their designation is no longer considered to be adequate justification for their retention. A description of each reserve together with the intended use of the reserve is set out in note 23. At 31 December 2020 total designated reserves were £21.5m (2019: £21.0m), of which £20.0m was tied up in tangible fixed assets.

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FINANCIAL REVIEW (continued)

Restricted and endowment funds

As set out in note 21 to 23 EDBF holds and administers a large number of restricted and endowment funds. As at 31 December 2020 restricted funds totalled £5.5m (2019: £5.5m) and endowment funds totalled £72.3m (2019: £69.4m). Neither is available for the general purposes of EDBF.

Grant making and donations policies

All grants and donations are made in furtherance of EDBF's strategic aims and objectives – see note 12.

The policies on the making of principal grants are:

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

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

Investment policy

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

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

	Funds at 31 December 2020 £'000	Proportion of Portfolio	Income yield in year	Total Return in year
CCLA Managed				
CBF Investment Fund	27,611	87.3%	2.85%	+9.95%
CBF Property Fund	2,722	8.6%	4.75%	-0.45%
CBF Deposit Fund	1,283	4.1%	0.49%	+0.49%
Other Funds	5	0%		
	<u>31,621</u>	<u>100.0%</u>		

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FINANCIAL REVIEW (continued)

Investment policy (continued)

EDBF also holds investment properties, in the form of three commercial properties and historic glebe land and property. These are all held within the Diocesan Stipends Capital Account (see notes 21 – 23).

	Funds at 31 December 2020 £'000	Income yield in year	Total Return in year
Investment Properties	14,475	2.80%	6.33%

Operational relationships

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

The risks were fully reviewed in the light of the current Covid-19 pandemic and continue to be reviewed by a small group on a monthly basis.

The current principal risks and the steps taken by senior management to mitigate them are as follows:

- EDBF becoming responsible for (multiple) church buildings where there is no longer a PCC;
 - Through Growing the Rural Church initiative and pastoral reorganisation, the Church Buildings Strategy group ensures that information and support is available for the extended use of church buildings.

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- A continuing fall in the number of people within our worshipping communities;
 - Clear statement of our vision and strategy is constantly reinforced by the Bishops and the senior leadership team
 - Provision of additional diocesan-wide support through the Lay Discipleship project and support to Mission Communities
 - A number of mission initiatives have been adopted to encourage and improve participation in church life, with support through Strategic Development Funding
- Unexpected departure or protracted unavailability of a key member of management team;
 - Members of staff have been trained to a level where should this situation arise, there is resource available to cover key areas of responsibility
 - Annual appraisals and regular one to one meetings provide support and high-level communication, with reviews of workload pressures
 - Pastoral care and counselling services are available to all members of staff
- A stock market collapse;
 - EDBF's portfolio is diversified to help minimise risk
 - A statement of Investment Principles was adopted in January 2015
 - Regular review of the financial position is performed by the Assets Group
- Affordability of Pension Scheme Deficits (both clergy and lay);
 - Actuarial valuations (quantifies scale of risk)
 - Review of affordability by EDBF
 - Review of staff terms and conditions (lay)
 - National lobbying (clergy)
- Insufficient people with the necessary qualities offering themselves for ministerial training;
 - Increased provision through Vocations Development Officer, backed by a team of voluntary vocations advisers
 - National drive to encourage younger vocations
- Claims under child protection and safeguarding legislation (including schools);
 - Risks are minimised through an up-to-date, comprehensive Safeguarding policy and training, backed by appropriate insurance policies
 - Disclosure & Barring Service checks are carried out on appropriate staff and volunteers

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- Failure of multi-academy trusts;
 - St Christopher's MAT set-up as standalone company
 - EDBF protected from financial failure through the oversight and ownership of any issues by EDEN
 - Maintain a strong network of MAT CEOs with transparent communication and best practice shared
 - Shared opportunities to work with strategic partners to find the best Church of England solutions
- EDEN directors and/or EDEN member representative act individually and not corporately;
 - Review and publish EDEN members' guidance
 - Provide training and address non-attendance
 - Regular communication and guidance
- Covid-19 implications for staff/student well-being in our schools;
 - Signposting to mental health and well-being support/resources
 - Pastoral support for leaders
 - Support group for practical support and collaborations
 - Regular communication
- Software corruption or loss of data integrity;
 - Contracts with IT consultant and external support provider
 - Regular software updates, firewall and virus protection
 - IT policies and password controls and IT policies
- Theft of data (hacking, denial of service attacks, etc.);
 - Contracts with IT consultant and external support provider
 - Regular software updates, firewall and virus protection
 - IT policies and password controls and IT policies
- Unauthorised access to network systems and inappropriate use of public Wi-Fi;
 - Provision of basic public network
 - Procedures for access to public Wi-Fi
 - Passwords changed regularly
- Security risk associated with "Bring Your Own Device" and access to emails on non-diocesan equipment.
 - Working towards solely using diocesan IT equipment for home working

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PRINCIPAL RISKS AND UNCERTAINTIES (continued)

As a result of the Covid-19 pandemic, all risks were reviewed and the biggest change to the risks identified related to the impact of a potential shortfall in the Common Fund request, which accounts for approximately 70% of our income:

- A shortfall in the Common Fund request;
 - Regular communication of our vision and strategy by the Bishops and the senior leadership team
 - Support provided by the Mission Resources Team to parishes and Mission Communities
 - Promotion of the Parish Giving Scheme as an effective means of regular giving
 - Development of Diocesan Giving Strategy

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

COVID-19 FINANCIAL UPDATE

The impact of the Covid-19 global pandemic started to be felt within the Diocese of Exeter in the second half of March 2020. Following national government guidance our offices were closed with effect from 23 March 2020, with all staff working from home. It was possible to partially re-open the office in September 2020, but subsequent restrictions meant the work from home arrangements continue and this is likely to be the case until the summer of 2021.

The first priority was to ensure the safety of our staff, so significant time was invested in enabling staff to work remotely. This went remarkably smoothly, despite encountering local problems with internet connectivity in some locations. After an initial settling in period, the majority of staff have been able to work successfully from home, making use of Zoom and Microsoft Teams for both internal and external meetings.

In the early days of the first national lockdown, EDBF saw an initial drop in many people's workloads, so was able to take advantage of the government's Job Retention Scheme (Furlough), with 40% of employees being placed in the scheme. The Senior Management Team continued to meet remotely each week to review the situation and plan the appropriate response to what seemed to be daily changes in the early days of that initial lockdown.

The Finance team focussed on the anticipated impact of the pandemic on EDBF's income, recognising that 70% comprises Common Fund contributions from our parishes, who would themselves be affected by the consequences of the lockdown. Significant time was invested in reviewing the cashflow projections and modelling possible scenarios, to come up with a set of working assumptions, which were initially reviewed on a weekly basis and subsequently monthly. The initial cashflow projections showed that cash could become an issue in the second half of 2020 without some action being taken.

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COVID-19 FINANCIAL UPDATE (continued)

The following steps were taken to address the potential shortfall in the second half of 2020:

- The Archbishops' Council agreed to pay the remaining balance of the 2020 Lowest Income Communities funding support due for the remainder of the year to the qualifying dioceses (which includes Exeter) in advance;
- The government's Job Retention Scheme (Furlough) was used where possible;
- All non-essential spending on clergy housing properties was paused; and
- The NatWest bank was approached to provide loan funding support under the government's scheme, with a facility of £2m being subsequently secured.

Unsurprisingly, PCC finances and therefore parishes' ability to continue making the requested Common Fund contributions was impacted in the first half of 2020, when church buildings were closed, and it was not possible to hold any in-person fund raising. However, many parishes quickly adapted and came up with innovative ways to continue meeting with their local community and also to continue raising funds for the church. The use of digital technology for church services and telephone conference calls enabled many to keep meeting as a church family. The early signs were very positive, although those with a greater reliance on local collections and fund raising struggled more than those with a higher proportion of regular giving through the bank by standing order or the Parish Giving Scheme.

Two surveys were undertaken with parishes during 2020 to determine the extent of the local pressures on PCC finance and also to understand the outlook for PCC finance in 2021. The overall position was that total PCC income in the first half of 2020 was down about 20%, compared with 2019. Following the surveys, the projected Common Fund shortfall for 2020 was 10%. The final contributions by the end of February 2021 were 9.5%, which was better than the initial fears. The outlook for 2021 remains uncertain, but a revised shortfall assumption of 10% for 2021 has been included in the budget for 2021.

Whilst there was an initial sharp fall in the value of EDBF's investments, the market responded strongly in the second half of 2020, with EDBF seeing a 5.7% increase in the value compared to December 2019. The investment returns have fallen, but this is not significant. EDBF has not seen any impact on property values.

Prior to the Covid-19 pandemic, EDBF had earmarked 8 properties as being available for sale, and a number were under offer. Following an initial freeze on all property transactions by the government, all of those where offers were received have now moved to completion, which has significantly helped the cashflow position and crystallised gains of £2m. The original plan was to re-invest these funds to achieve a greater return, but these plans have been paused.

An initial £2m loan was secured from the NatWest bank under the government's Coronavirus Business Interruption Loan Scheme (CBILS) in August 2020, with this being interest free for the first 12 months. This loan then converts to a 5-year interest bearing loan in August 2021 if it is not repaid. The current plan is that this loan will not be repaid, as a favourable fixed interest rate has been secured and the funds are required to support the cashflow position in 2021/22.

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COVID-19 FINANCIAL UPDATE (continued)

Planning a budget for 2021 has proved incredibly challenging, as the full impact of 2020 on PCC finances is still being assessed, before we even consider the on-going impact of the more recent lockdowns in early 2021. The Bishop's Diocesan Council and Diocesan Synod initially approved an interim budget in the autumn of 2020, with a final budget being agreed in May 2021. The final budget for 2021 assumes a deficit for the year of £1.2m, with a further £600k required for the clergy pension fund deficit.

EDBF lay staffing was reviewed in the second half of 2020 and it was clear from the review that there was no slack in the current system, but that the current financial pressures dictated that reductions were nonetheless required. In the end a total of 9 posts were removed from the structure (out of 75). The Full Time Equivalent numbers were 6 FTE (out of 60). One person was redeployed into a revised role and a second was redeployed to the clergy budget (to provide ministry support). Three people were subsequently made redundant and 4 vacant posts were deleted. The above changes equate to a net reduction in the lay staff workforce of 11% and a budget reduction of £231k (8.5%).

Whilst many challenges lie ahead for EDBF, the measures already taken mean there are currently no concerns about the immediate viability of the company.

STRUCTURE AND GOVERNANCE

Summary information about the structure of the Church of England

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

The National Church has a General Synod comprised of ex-officio and elected representations from each diocese and it agrees and lays before Parliament, Measures for the governance of the church's affairs which, if enacted by Parliament, have the force of statute law. In addition to the General Synod, the Archbishops' Council has a coordinating role for work authorised by the synod; the Church Commissioners manage the historic assets of the Church of England; and the Church of England Pension Board administers the pension schemes for clergy and lay workers. Within each diocese, overall leadership lies with the Diocesan Bishop, who exercises that responsibility as bishop within the Diocesan Synod. The Diocese of Exeter is itself divided into twenty-two deaneries, each with its own synod and within each parish there is a parochial church council which shares with the parish priest responsibility for the mission of the church in that place, in a similar way to that in which the Bishop shares responsibilities with the Diocesan Synod.

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

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STRUCTURE AND GOVERNANCE (continued)

Organisational structure

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

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

Governance and policy of EDBF is the responsibility of the trustees, who are also members of the company and trustees for the purposes of charity law.

The trustees/directors of EDBF can comprise:

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

The Diocesan Synod, the statutory governing body of the Diocese, is an elected body drawn from across the Diocese with responsibility for setting the vision and strategy of the Diocese, guided by the Bishop's Staff Team. The Synod membership is elected every three years, with the current members elected to take office from 1 August 2018. Whilst EDBF is a separate legal entity, with clear responsibilities under both company and charity law, as well as a governing memorandum and articles of association, by virtue of the National Institutions Measure 2000 EDBF is subject to the direction of the Synod in all its activities, unless such direction is not in accordance with the governing documents or statutory regulations.

Governance Update 2020

In terms of governance within the Diocese, the approval of the Church Representation and Ministers Measure 2019 and the coming into effect of its provisions, including by means of the Church Representation Rules (CRR) 2020, had a significant impact. This latest edition of the CRR ushered in a wide range of substantive changes across the governance system, with the aim of increased local flexibility and simplification of arrangements in a number of different contexts including in respect of PCCs, APCMs and elections. Importantly the quoracy requirements for PCCs were enhanced and a new arrangement for sharing governance at an inter-parish level, the Joint Council, was introduced. During 2020 work was invested in the development and approval of template schemes for Joint Councils that it is anticipated will be taken forward locally for approval in 2021. It is hoped that such Joint Councils will help to improve governance and reduce time spent on administrative processes particularly in multi-parish benefices.

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STRUCTURE AND GOVERNANCE (continued)

Governance Update 2020 (continued)

That said, the impact of the pandemic on the governance system was very substantial and it interacted awkwardly with the provisions of the CRR, including some of those that had recently been introduced. For example, a number of parishes suddenly found themselves at risk of their PCCs becoming inquorate, whether by membership or attendance. Remedial actions were undertaken to enable necessary functions to be discharged legally while longer-term solutions were sought (for example by means of pastoral reorganisation). Work was started to identify parishes at risk and an action plan developed, in order to encourage planning for an appropriate solution before remedial action was required. In addition, a number of other significant actions had to be undertaken in order to comply with national coronavirus regulations, including the following:

- APCMs were delayed to until autumn 2020 by Bishop's Instrument;
- National elections to General Synod were delayed by a year to summer 2021;
- The start of the deanery synod triennium was delayed until December 2020; and
- Temporary measures were put in place to enable remote meetings in all governance contexts (PCC, deanery synod, diocesan synod, BDC and EDBF).

In relation to this final point, it was agreed that given the uncertainty of the duration of the pandemic, the perceived increase risk of pandemics in the future and an unwillingness to rely on short-term legal arrangements at the behest of the Government, changes should be made to the DBF Articles of Association and Diocesan Synod Standing Orders to secure this flexibility on an on-going basis. These processes were completed by September 2020 in respect of the Articles of Association and March 2021 in respect of the Standing Orders.

Decision making structure

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

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

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

- Initiating proposals for action by the Synod and advising it on matters of policy;
- Transacting business of the Synod when it is not in session subject to the directions of the Synod and in accordance with Synod Standing Orders;
- Acting as the Trustees of EDBF;
- Planning the business of the Synod, preparing the agenda for its session, and circulating to members information about matters for discussion;

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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

- Advising the Bishop on any matters he may refer to the committee;
- Initiating consideration of any restructuring of Synod Committees and Departments which may appear necessary and for the establishment of ad hoc review groups, their terms of reference and membership;
- Carrying out such other functions as the Synod delegates to it; and
- Appointing members to committees and representatives to external bodies, subject to the direction of the Synod.

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

Assets Group

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

The Bishop's Strategy Group

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

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

Exeter Diocesan Board of Education

The Board has a responsibility to promote or assist in the advancement of education, which is consistent with the faith and practice of the Church of England, and in the promotion and assistance of religious education and religious worship in schools. In our 133 Church of England schools, of which 68 are academies and 65 are maintained schools (32 Voluntary Aided and 33 Voluntary Controlled), the Board has a responsibility to assist and advise governors on matters affecting church schools, and to promote co-operation between the Board and others involved with education in the Diocese. As part of this, the Diocese is keen to ensure the Christian distinctiveness of all Church of England schools is protected and enhances their community.

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STRUCTURE AND GOVERNANCE (continued)

Decision making structure (continued)

Parsonages Committee

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

Glebe Committee

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

Diocesan Mission and Pastoral Committee

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

Diocesan Advisory Committee for the Care of Churches

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

Exeter Diocesan Board of Patronage

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

Church Building Strategy Committee

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

Vacancy in See Committee

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

Diocesan Synod

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

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STRUCTURE AND GOVERNANCE (continued)

Diocesan Synod (continued)

Devon is predominantly rural, with two major moorland areas, but also includes the two cities of Plymouth and Exeter and the urban area of Torbay. The overall resident population of the county is 1.19 million (based on mid-2019 estimates), with the north and south coastal areas attracting many tourists in the summer months.

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

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

At archdeaconry and deanery levels

The Diocese consists of 488 parishes arranged into 21 deaneries within the four archdeaconries of Exeter, Totnes, Barnstaple and Plymouth. Within these parishes there are 596 Church of England places of worship in the Diocese, the 4th highest number in England.

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

The role of the Deanery Synod is to:

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

Mission Communities

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

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

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STRUCTURE AND GOVERNANCE (continued)

Mission Communities (continued)

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

At a parish level

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

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

Exeter Cathedral

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

Trustee recruitment, selection and induction

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

Standing Committee of the Exeter Diocesan Board of Finance

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

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

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STRUCTURE AND GOVERNANCE (continued)

Standing Committee of the Exeter Diocesan Board of Finance (continued)

and to take decisions on behalf of EDBF on matters which must be decided urgently and for which it is impossible for the normal processes to apply.

Delegation of day-to-day delivery

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

Funds held as Custodian Trustee

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

Further details of financial trust assets, whose market value amounted to £23.2m at 31 December 2020 (2019: £21.7m), are available from EDBF on request, and are summarised in note 30. Where properties are held as custodian trustee, the deeds are identified as such and held in safe custody by EDBF's solicitor, Stephens Scown LLP.

Funds held on behalf of schools

The Board of Education (as incorporated within EDBF) receives contributions from governors of church schools within the Diocese in connection with major repair and capital projects to church schools and also government grants in connection with the same. The Board of Education administers these monies as managing agent and makes appropriate payments to contractors for work carried out. The monies do not belong to the Board of Education and as such the receipts and payments are not treated as income and expenditure in the Statement of Financial Activities. Any monies held at the balance sheet date are treated as creditors on the balance sheet. The amounts included in creditors as at 31 December 2020 were:

- £994,000 (2019: £887,000) received from governors and the Department for Education in advance of repairs and improvements to schools, held in the general bank account; and
- £413,000 (2019: £542,000) held in a separate CCLA deposit account on behalf of the governors of Church of England schools in respect of building funds devolved from the Department for Education.

The income and expenditure relating to school projects not reflected in the Statement of Financial Activities amounted to £2.1m and £2.3m respectively in 2020 (2019: £1.4m and £2.3m). The Excess expenditure over income in the year is due to the timing of receipt of funding (mainly in advance) in prior years for school capital projects.

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TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

STATEMENT OF DISCLOSURE TO THE AUDITORS

In so far as the Trustees are aware:

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

APPOINTMENT OF AUDITORS

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

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

ADMINISTRATIVE DETAILS

Trustees

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

Ex officio

The Rt Rev Robert Atwell, Lord Bishop of Exeter
The Rt Rev Nicholas McKinnel, Bishop of Plymouth
The Rt Rev Jacqueline Searle, Bishop of Crediton
The Ven Andrew Beane, Archdeacon of Exeter
The Ven Mark Butchers, Archdeacon of Barnstaple (until 5 September 2020)
The Ven Douglas Dettmer, Archdeacon of Totnes
The Ven Nicholas Shutt, Archdeacon of Plymouth
The Very Rev Jonathan Greener, Dean of Exeter
The Rev Preb Michael Partridge (Chair, House of Clergy)
Mr Giles Frampton (nominated by the Bishop as Chair)
Mrs Annie Jefferies (Chair, House of Laity)

Appointed by the Bishop

The Rev Preb Simon Franklin
Mr Robert Mills (Vice Chair)
The Rev Jacqueline Taylor
The Rev Canon Dr Michael Williams (Vice Chair)
Dr Michael Wykes

Elected by Barnstaple Archdeaconry

Mrs Marguerite Shapland
Mr Raymond Shapland
The Rev Samantha Stayte

Elected by Exeter Archdeaconry

Mrs Antoinette Foreman
The Rev Edward Hobbs
Mr Philip Mumby

Elected by Plymouth Archdeaconry

The Rev David Bailey
Mr Michael Jefferies
Mr Julian Payne

Elected by Totnes Archdeaconry

The Rev Nicholas Debney (from 18 September 2020)
Ms Hannah Dunn
The Rev William Hazlewood (until 15 July 2020)
Mr Stephen Macey

The Exeter Diocesan Board of Finance Limited
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For the year ended 31 December 2020

ADMINISTRATIVE DETAILS (continued)

Senior staff and advisers

Diocesan Secretary	Stephen Hancock
Assistant Diocesan Secretary	Ed Moffatt
Director of Mission & Ministry	Philip Sourbut
Director of Education (until 31 August 2020)	John Searson
Acting Director of Education (from 1 September 2020)	Sue Lockwood
Director of Finance and Company Secretary	Neil Williams
Director of People & Safeguarding	Anthea Carter-Savigear
Director of Property	Graham Davies
Director of Communications	Chloe Axford
Strategic Programme Manager	Rafael Krasnodebski
Operations Manager	Annemarie Kendell

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

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

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

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

Investment advisers: CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London. EC4V 4ET

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

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

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

ADMINISTRATIVE DETAILS (continued)

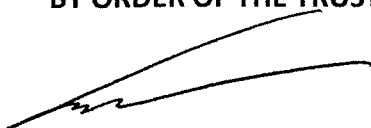
The directors and trustees of the Board's subsidiary undertakings who served throughout the year (unless otherwise stated) were as follows:

DIRECTORS OF EDPS LIMITED

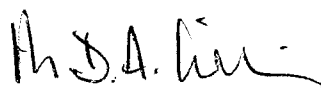
Mr Giles Frampton (Chair)
Mrs Jan Keliher
The Rev Canon Dr Michael Williams
Mr Neil Williams

In approving this Annual Report, the Trustees are also approving the Strategic Report included on pages 3 – 18 within their capacity as company directors.

BY ORDER OF THE TRUSTEES



Giles Frampton
Chair
22 June 2021



Michael Williams
Vice Chair

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

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

We have audited the financial statements of the Exeter Diocesan Board of Finance Limited (the 'parent charitable company') and its subsidiaries ('the group') for the year ended 31 December 2020 which comprise the consolidated statement of the financial activities, the consolidated income and expenditure account, the consolidated and EDBF balance sheets, the consolidated cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2020, and of the groups incoming resources and application of resources, including its income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

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

Other information

The other information comprises the information included in the annual report and consolidated financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 26, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

**The Exeter Diocesan Board of Finance Limited
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For the year ended 31 December 2020**

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

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

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

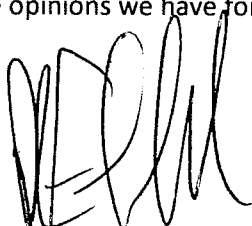
We also communicated identified laws and regulations and potential fraud risks to all members of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and group and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Borton FCA DCHA (Senior Statutory Auditor)

For and on behalf of:

Bishop Fleming LLP, Chartered Accountants & Statutory Auditors

2nd Floor, Stratus House, Emperor Way, Exeter Business Park, Exeter, EX1 3QS

16 September 2021

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

CONSOLIDATED STATEMENT OF THE FINANCIAL ACTIVITIES
For the year ended 31 December 2020

	Note	Unrestricted funds General £'000	Unrestricted funds Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
Income and endowments from							
Donations	2						
Parish contributions		8,332	-	-	-	8,332	9,079
Archbishop's Council		455	-	1,289	-	1,744	1,360
Other donations		322	27	784	-	1,133	1,229
Charitable activities	3	568	-	39	-	607	756
Other trading activities	4	1,332	-	-	-	1,332	1,437
Investments	5	331	-	1,003	-	1,334	1,318
Other	6	973	-	3	1,049	2,025	-
Total income and endowments		12,313	27	3,118	1,049	16,507	15,179
Expenditure on							
Costs of raising funds	7	179	-	50	-	229	261
Charitable activities	8	10,923	2	3,111	-	14,036	12,642
Other	9	-	-	-	-	-	2
Total expenditure		11,102	2	3,161	-	14,265	12,905
Net income/(expenditure) before investment gains		1,211	25	(43)	1,049	2,242	2,274
Net gain/(loss) on investments	17	395	(5)	119	1,611	2,120	3,441
Net income/(expenditure)		1,606	20	76	2,660	4,362	5,715
Transfers between funds	14	(726)	474	-	252	-	-
Net movement in funds		880	494	76	2,912	4,362	5,715
Total funds brought forward		7,150	21,023	5,453	69,399	103,025	97,310
Total funds carried forward	21	8,030	21,517	5,529	72,311	107,387	103,025

All activities derive from continuing activities. The notes on pages 40 to 84 form part of the financial statements.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2020

	Total 2020 £'000	Total 2019 £'000
Total incoming resources	15,458	15,179
Resources expended	14,265	12,905
Operating surplus/(deficit) for the year	1,193	2,274
Net gain/(loss) on investments	509	1,204
Net income for the year	1,702	3,478
Other comprehensive income:		
Net assets transferred from/(to) endowments	(252)	(487)
Total comprehensive income	1,450	2,991

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

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

CONSOLIDATED AND EDBF BALANCE SHEETS
At 31 December 2020

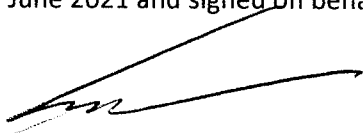
Company Number – 186001

		2020		2019	
	Note	Group £'000	EDBF £'000	Group £'000	EDBF £'000
FIXED ASSETS					
<i>Intangible Assets</i>	15	57	57	6	6
<i>Tangible assets</i>	16	58,532	58,532	59,561	59,561
<i>Investments</i>	17	46,096	46,096	44,088	44,088
Total fixed assets		104,685	104,685	103,655	103,655
CURRENT ASSETS					
<i>Debtors</i>	18	2,040	2,061	1,530	1,561
<i>Cash on deposit</i>		34	34	34	34
<i>Cash at bank and in hand</i>		5,723	5,645	1,103	1,017
Total current assets		7,797	7,740	2,667	2,612
CREDITORS: amounts falling due within one year	19	(2,143)	(2,095)	(1,542)	(1,496)
NET CURRENT ASSETS		5,654	5,645	1,125	1,116
TOTAL ASSETS LESS CURRENT LIABILITIES		110,339	110,330	104,780	104,771
CREDITORS: amounts falling due after one year	20	(2,055)	(2,055)	(224)	(224)
NET ASSETS excluding Pension Liability due after one year		108,284	108,275	104,556	104,547
<i>Defined Benefit Pension scheme liabilities</i>	20	(897)	(897)	(1,531)	(1,531)
TOTAL NET ASSETS		107,387	107,378	103,025	103,016
FUNDS					
Endowment funds					
<i>(Including investment revaluation reserve of £20,136k (2019: £18,657k))</i>		72,311	72,311	69,399	69,399
Restricted income funds					
<i>(Including investment revaluation reserve of £1,141k (2019: £1,024k))</i>		5,529	5,529	5,453	5,453
Unrestricted income funds:					
<i>General Funds (Including investment revaluation reserve of £3,356k (2019: £2,960k))</i>		8,021	8,021	7,141	7,141
<i>Designated Funds (Including investment revaluation reserve of (£7k) (2019: (£2k))</i>		21,517	21,517	21,023	21,023
<i>Trading subsidiary</i>		9	-	9	-
TOTAL CHARITY FUNDS	22	107,387	107,378	103,025	103,016

**The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020**

**CONSOLIDATED AND EDBF BALANCE SHEETS (continued)
At 31 December 2020**

The Cash Flow Statement and the notes on pages 40 to 84 form part of these financial statements.
The financial statements were approved by the Board of Trustees and authorised for issue on 22
June 2021 and signed on behalf of the Board by:



**Giles Frampton
Chair of the Board**

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2020

	2020		2019	
	£'000	£'000	£'000	£'000
Net cash inflow/(outflow) from operating Activities		(2,958)		(2,632)
Cash flows from investing activities				
Dividends, interest and rent from investments	2,455		2,486	
Proceeds from the sale of:				
Tangible fixed assets	3,307		278	
Fixed asset investments	-		4,085	
Purchase of:				
Tangible fixed assets for the use of the EDBF	(233)		(1,174)	
Fixed asset investments	-		(4,085)	
Net cash provided by/(used in) investing Activities		5,529		1,590
Cash flows from financing activities				
Loans repaid by the EDBF	(34)		(35)	
New lending by EDBF	(60)		(125)	
Loans repaid to EDBF	143		275	
Cash inflow from new borrowing	2,000		-	
Net cash provided by/(used in) financing Activities		2,049		115
Change in cash and cash equivalents in the reporting period		4,620		(927)
Cash and cash equivalents at 1 January		1,137		2,064
Cash and cash equivalents at 31 December		5,757		1,137
Reconciliation of net movements in funds to net cash flow from operating activities				
Net movement in funds for the year ended 31 December		2,242		2,274
Adjustments for:				
Depreciation charges		41		42
Dividends, interest and rent from investments		(2,455)		(2,486)
Surplus/(deficit) on sale of functional assets		(2,025)		2
Decrease/(increase) in debtors		(593)		523
(Decrease)/increase in creditors		(168)		(2,987)
Net cash provided by/(used in) operating activities		(2,958)		(2,632)
Analysis of cash and cash equivalents				
Cash in hand		5,723		1,103
Notice deposits (less than 3 months)		34		34
		5,757		1,137

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020

1. ACCOUNTING POLICIES

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

EDBF meets the definition of a public benefit entity under FRS 102. It is a company limited by guarantee and is constituted under a memorandum and articles of association. The company is also a registered charity. The address of the registered office is given in the administrative details on page 28. The nature of the charity's operations and its principal activities are set out in the annual report.

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

The principal accounting policies and estimation techniques are as follows:

a) Income

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

- i) **Common Fund (Parish contributions)** is recognised as income of the year in respect of which it is receivable, with a cut-off date of 28 February 2021 for the 2020 year.
- ii) **Rental income** is brought into the accounts when receivable.
- iii) **Interest and dividends** are recognised as income when receivable.
- iv) **Grants** received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.
- v) **Statutory Parochial fees** are recognised as income of the year to which they relate with a cut-off date of 28 February 2021 for the 2020 year.
- vi) **Donations** other than grants are recognised when receivable.
- vii) **Gains on disposal of fixed assets for the EDBF's own use** (i.e. non-investment assets) are accounted for as other incoming resources. Losses on disposal of such assets are accounted for as other resources expended.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

b) Expenditure

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

- i) **Expenditure on raising funds** is constrained to costs relating to the investment management costs of glebe and any other investment properties and the running costs of EDPS Ltd, EDBF's trading subsidiary.
- ii) **Charitable expenditure** is analysed between contributions to the Archbishops' Council, expenditure on resourcing mission and ministry in the parishes of the Diocese, and expenditure on education and Church of England schools in the Diocese.
- iii) **Grants payable** are charged in the year when the offer is conveyed to the recipient, except in those cases where the offer is conditional on the recipient satisfying performance or other discretionary requirements to the satisfaction of EDBF, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to such conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.
- iv) **Support costs** consist of central management, administration and governance costs. The amount spent on raising funds and other activities is considered to be immaterial and all support costs are allocated to the purpose of charitable activities. Costs are allocated wherever possible directly to the activity to which they relate, but where such direct allocation is not possible, the remainder is allocated on an approximate staff time basis.
- v) **Pension contributions.** EDBF's staff are members of the Church Workers Pension Fund and Clergy are members of the Church of England Funded Pension Scheme (see note 27). The pension costs charged as resources expended represent EDBF's contributions payable in respect of the accounting period, in accordance with FRS102. Deficit funding for the pension schemes to which EDBF participates is accrued at current value in creditors distinguished between contributions falling due within one year and after more than one year, with any adjustments required reflected in the SOFA.
- vi) **Redundancy and termination payments** are recognised when EDBF is demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date, or to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.
- vii) **Irrecoverable VAT** is charged as a cost against the activity for which the expenditure was incurred.

The Exeter Diocesan Board of Finance Limited
Annual Report & Consolidated Financial Statements
For the year ended 31 December 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2020

1. ACCOUNTING POLICIES (continued)

c) Tangible fixed assets and depreciation

Freehold properties

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

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

Properties subject to value linked loans

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

Investment properties

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

Parsonage houses

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

d) Other tangible fixed assets

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

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

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

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

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1. ACCOUNTING POLICIES (continued)

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

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

- l) Preparation of the accounts on a going concern basis.** Having undertaken a review of the impact of the Covid-19 pandemic (see Strategic Report, pages 16 to 18), the Trustees have no concerns about the ability of EDBF to meet its liabilities and on that basis the company is a going concern.
- m) Significant accounting estimates.** The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Revaluation of investment properties

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

Pension and other post-employment benefits

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

Depreciation of freehold properties

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

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

Benefice houses recognition

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

2. DONATIONS

Parish Contributions

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

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Current Year assessments	9,174	-	-	-	9,174	9,377
Shortfall in contributions	(871)	-	-	-	(871)	(414)
	<u>8,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,303</u>	<u>8,963</u>
Receipts for previous years	24	-	-	-	24	116
Receipts for future years	5	-	-	-	5	-
	<u>8,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,332</u>	<u>9,079</u>

Current year common fund receipts represent 90.50% of the total assessed (2019: 95.59%).

Archbishop's Council

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Lowest Income Communities Funding	-	-	1,231	-	1,231	1,265
Transitional funding	105	-	-	-	105	95
Strategic Ministry funding	-	-	58	-	58	-
Sustainability funding	350	-	-	-	350	-
	<u>455</u>	<u>-</u>	<u>1,289</u>	<u>-</u>	<u>1,744</u>	<u>1,360</u>

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

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2. DONATIONS (continued)

Other donations and grants

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
All Churches Trust Grant	169	-	-	-	169	180
Donations and grants	153	27	498	-	678	818
Resourcing Ministerial Education	-	-	286	-	286	231
	<u>322</u>	<u>27</u>	<u>784</u>	<u>-</u>	<u>1,133</u>	<u>1,229</u>

The donations and grants figures above include the following: Government Job Retention Scheme (£99k); Donations (£46k); Strategic Development Funding (£513k); Past Cases Review (£17k) and Other grants (£2k).

3. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Statutory fees	456	-	-	-	456	591
Chaplaincy income	30	-	39	-	69	75
Feed in/Export Tariffs - PV panels	39	-	-	-	39	26
Course/training fees	19	-	-	-	19	24
Miscellaneous income	24	-	-	-	24	40
	<u>568</u>	<u>-</u>	<u>39</u>	<u>-</u>	<u>607</u>	<u>756</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Housing income	1,105	-	-	-	1,105	1,155
Other rental income	16	-	-	-	16	13
Trading – EDPS Ltd	211	-	-	-	211	269
	<u>1,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,332</u>	<u>1,437</u>

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5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Dividends receivable	325	-	596	-	921	954
Interest receivable	6	-	-	-	6	6
Rents receivable	-	-	407	-	407	358
	<u>331</u>	<u>-</u>	<u>1,003</u>	<u>-</u>	<u>1,334</u>	<u>1,318</u>

6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Gains on sale of: Properties	973	-	3	1,049	2,025	-
	<u>973</u>	<u>-</u>	<u>3</u>	<u>1,049</u>	<u>2,025</u>	<u>-</u>

7. COSTS OF RAISING FUNDS

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Glebe agents' fees	-	-	30	-	30	34
Other glebe expenses	24	-	20	-	44	39
Trading activities – EDPS Ltd	155	-	-	-	155	188
	<u>179</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>229</u>	<u>261</u>

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8. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000	£'000
Contributions to Archbishops' Council						
Training for Ministry	346	-	-	-	346	346
National Church Responsibilities	260	-	-	-	260	275
Grants and provisions	29	-	-	-	29	29
Mission agency pension Costs	13	-	-	-	13	4
Retired clergy housing Costs	124	-	-	-	124	118
Pooling of ordinands maintenance grants	52	-	-	-	52	80
	<u>824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>824</u>	<u>852</u>
Resourcing Ministry and Mission						
Parish Ministry						
Stipends and national Insurance	3,346	-	2,234	-	5,580	5,513
Pension costs	1,241	-	56	-	1,297	1,284
Housing costs	1,987	-	-	-	1,987	2,480
Removal, resettlement and grants	198	-	-	-	198	176
Clergy Pension Fund Deficit	48	-	-	-	48	(2,149)
Other expenses	278	-	39	-	317	297
	<u>7,098</u>	<u>-</u>	<u>2,329</u>	<u>-</u>	<u>9,427</u>	<u>7,601</u>
Support for parish ministry						
Mission and Ministry	1,077	2	752	-	1,831	2,194
Church and Society	52	-	-	-	52	41
Mission and Ministry grants	-	-	16	-	16	-
Cooper Legacy grants	-	-	3	-	3	18
Cooper Armstrong Legacy	-	-	8	-	8	16
Support services	1,325	-	3	-	1,328	1,271
Lay Pension Fund Deficit	21	-	-	-	21	25
	<u>2,475</u>	<u>2</u>	<u>782</u>	<u>-</u>	<u>3,259</u>	<u>3,565</u>
	<u>9,573</u>	<u>2</u>	<u>3,111</u>	<u>-</u>	<u>12,686</u>	<u>11,166</u>
Expenditure on Education and Church of England Schools						
Support for church schools and parishes	526	-	-	-	526	624
	<u>10,923</u>	<u>2</u>	<u>3,111</u>	<u>-</u>	<u>14,030</u>	<u>12,642</u>

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The year-on-year decrease of £362k within Mission & Ministry is the result of reduced spending on the Strategic Development funded projects due to less funding being required for capital works being carried out in the year, less spend on employment costs due to the restructuring of the Mission and Ministry team and, due to the pandemic, a reduction in costs associated with staff expenses and post licensing training. The restricted expenditure relates to Theological Ministerial Training (£286k) and Strategic Development Funded projects (£468k). The reduced expenditure on Education is the result of the vacancy following the retirement of the Director of Education and lower spend on consultancy support during the Covid-19 pandemic.

9. OTHER RESOURCES EXPENDED

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Loss on sale of assets	-	-	-	-	-	2

10. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly	Grant Funding of Activities	Support Costs	Pension Funds Deficit Adjustment	Total costs 2020	Total costs 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Raisings funds	230	-	-	-	230	261
Charitable activities:						
Contributions to Archbishop's Council	-	824	-	-	824	852
Resourcing parish ministry	10,699	636	1,327	21	12,683	11,166
Education	526	-	-	-	526	624
Other resources expended	-	-	-	-	-	2
	11,455	1,460	1,327	21	14,263	12,905

Net income/(expenditure) for the year is stated after charging amortisation £5k (2019: £6k), depreciation £34k (2019: £36k) and audit fees EDBF £23k, EDPS £3k (2019: EDBF £23k, EDPS £3k).

11. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2020	Total funds 2019
	General	Designated				
	£'000	£'000	£'000	£'000	£'000	£'000
Central support/administration	1,197	-	3	-	1,200	1,124
Governance:						
External audit of EDBF	23	-	-	-	23	23
External audit of EDPS	3	-	-	-	3	3
Registrar and Chancellor	83	-	-	-	83	90
Synodical costs	18	-	-	-	18	31
	1,324	-	3	-	1,327	1,271

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12. ANALYSIS OF GRANTS MADE	No.	Individuals £'000	Institutions £'000	Total 2020 £'000	Total 2019 £'000
From unrestricted funds for national Church responsibilities:					
Contributions to Archbishop's Council	6	-	824	824	734
From unrestricted funds:					
Ordinands in training	42	132	-	132	137
Clergy ordination	16	40	-	40	35
Clergy resettlement	28	70	-	70	58
Clergy removals	30	60	-	60	77
Clergy 1 st incumbency	7	27	-	27	17
Churches together in Devon	1	-	5	5	5
Church schools – Repairs/improvement	1	-	7	7	8
Church schools – Learn Teach Read	-	-	-	-	35
Mustard Seed Fund	1	1	-	1	4
Unlimited Church	-	-	-	-	15
Growth and mission	3	-	17	17	51
Other small grants	28	14	13	27	10
Adjustments for grants not claimed	-	-	(2)	(2)	(36)
	157	344	40	384	416
From restricted funds for national Church responsibilities:					
Contributions to Archbishop's Council	-	-	-	-	118
From restricted funds for various purposes within resourcing parish ministry:					
Cooper Legacy Fund	1	-	3	3	18
Cooper Armstrong Legacy	1	-	8	8	16
New Church Schools	-	-	-	-	15
Repairs and Maintenance Grant	1	-	15	15	-
Strategic Development Fund					
Plymouth Partnership in Mission	6	-	93	93	98
Exeter, St Matt's	3	-	133	133	427
Total	12	-	252	252	574
Total	175	344	1,116	1,460	1,842

The contribution to the Archbishops' Council for the retired clergy housing scheme (CHARM) is now funded from the unrestricted fund, due to insufficient funds now being available in the previous restricted fund.

Cooper Legacy grants approved by the Board at 31 December 2020 but not yet disbursed at that date were £18k.

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13. STAFF COSTS

	2020	2019
	£'000	£'000
Employee costs during the year were as follows:		
Wages and salaries	2,009	1,965
National insurance contributions	190	188
Pension costs – current year	418	422
– deficit (decrease)/increase	(127)	(119)
	<u>2,490</u>	<u>2,456</u>

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

	2020	2019
	Number	Number
Administration and financial management	27	25
Grant funded projects	3	4
Property	4	4
Mission, Ministry and Stewardship	15	16
Safeguarding	3	4
Archdeacons' staff	5	5
Education and Schools	12	14
	<u>69</u>	<u>72</u>

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

	2020	2019
	Number	Number
Administration and financial management	22.8	20.7
Grant funded projects	2.5	2.9
Property	3.2	3.4
Mission, Ministry and Stewardship	11.7	12.3
Safeguarding	2.5	3.3
Archdeacons' staff	2.1	2.1
Education and Schools	9.8	10.3
	<u>54.6</u>	<u>55.0</u>

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

	2020	2019
	Number	Number
£60,001 – £70,000	3	3
£70,001 – £80,000	-	2
£80,001 – £90,000	1	1
	<u>4</u>	<u>6</u>

Pension payments of £43k (2019: £56k) were made for these employees.

During the year redundancy benefits were provided to two members of staff (2019: 1) totalling £15k (2019: £2k). All benefits are recognised when either a legal or contractual obligation arises.

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13. STAFF COSTS (continued)

Remuneration of key management personnel

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

Diocesan Secretary	Stephen Hancock
Assistant Diocesan Secretary	Ed Moffatt
Director of Mission & Ministry	Philip Sourbut
Director of Education (until 31/08/20)	John Searson
Acting Director of Education (from 01/09/20)	Sue Lockwood
Director of Finance and Company Secretary	Neil Williams
Director of People & Safeguarding	Anthea Carter-Savigear
Director of Property	Graham Davies
Director of Communications	Chloe Axford
Strategic Programme Manager	Rafael Krasnodebski
Operations Manager	Annemarie Kendall

Remuneration, pensions and expenses for these 11 employees (2019: 11) amounted to £695k (2019: £692k).

Trustees' emoluments

No Trustee received any remuneration for services as Trustee (2019: none). Ten Trustees received travelling and out of pocket expenses, totalling £17k (2019: £38k) in respect of General Synod duties, duties as archdeacon or area/rural dean, and other duties as Trustees. The year-on-year decrease is due to less expenses being incurred due to the Covid-19 pandemic.

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

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13. STAFF COSTS (continued)

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

	Stipend	Housing
The Right Rev R Atwell	No	No
The Right Rev N McKinnel	No	Yes
The Right Rev J Searle	No	Yes
The Very Rev J Greener	No	No
The Ven A Beane	Yes	Yes
The Ven M Butchers	Yes	Yes
The Ven D Dettmer	Yes	Yes
The Ven N Shutt	Yes	Yes
The Rev D Bailey	Yes	Yes
The Rev N Debney	Yes	Yes
The Rev S Franklin	Yes	Yes
The Rev W Hazlewood	Yes	Yes
The Rev E Hobbs	Yes	Yes
The Rev M Partridge	Yes	Yes
The Rev S Stayte	Yes	Yes
The Rev J Taylor	Yes	Yes
The Rev Canon Dr M Williams	No	No

Clergy costs

EDBF paid an average of 191.24 full time equivalent (2019: 190.68) stipendiary clergy and stipendiary licensed lay workers as office holders holding parochial or diocesan appointments in the Diocese, and the costs were as follows:

	2020	2019
	£'000	£'000
Stipends	5,175	5,050
National insurance contributions	405	397
Pension costs - current year	1,874	1,857
- deficit reduction	(576)	(573)
	<u>6,878</u>	<u>6,731</u>

The above figures do not include contributions made towards stipends paid by other organisations, e.g. chaplaincies. During the year non-contractual severance benefits totalling £15k (2019: £23k) were provided to two clergy. All benefits are recognised when either a legal or constructive obligation arises.

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

- Self-supporting ministers 55 (2019: 53),
of which 13 (2019: 18) are in training curacies
- Readers 101 (2019: 158)
- Clergy holding licence under seal 37 (2019: 39)

The stipends of the Diocesan Bishop and Suffragan Bishops are funded by the Church Commissioners and are in the range £37,670 - £46,180 (2019 range: £36,930 - £45,270). The annual rate of stipend, funded by EDBF, paid to Archdeacons in 2020 was £36,647 (2019: £35,933) and other clergy who were Trustees were paid £27,040 (2019: £26,510).

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14. ANALYSIS OF TRANSFERS BETWEEN FUNDS	Unrestricted funds		Restricted	Endowment
	General £'000	Designated £'000	Funds £'000	Funds £'000
Improvements to Board properties	(164)	13	-	151
Property transfers from Benefice to Board	-	70	-	(70)
Property transfers from Glebe to Board	-	310	-	(310)
From Designated/Glebe Funds to General Fund for properties earmarked for sale	62	(15)	-	(47)
From General Fund to Clergy Housing Repairs	(29)	29	-	-
From General Fund for Clergy Conference	(30)	30	-	-
From General fund to Stipends endowment for reduction of pensions deficit	(528)	-	-	528
From General Fund to Miscellaneous Designated Funds for Lambeth conferences and Hold Land visit	(15)	15	-	-
From General Fund to Miscellaneous Designated Funds for Grants	(22)	22	-	-
	<u>(726)</u>	<u>474</u>	<u>-</u>	<u>252</u>

15. INTANGIBLE FIXED ASSETS

	Website & Software £'000
Cost	
At 1 January 2020	25
Additions	56
	<u>81</u>
At 31 December 2020	
Amortisation	
At 1 January 2020	19
Charge for the year	5
	<u>24</u>
At 31 December 2020	
Net Book Value	
At 31 December 2020	<u>57</u>
At 31 December 2019	<u>6</u>

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16. TANGIBLE FIXED ASSETS

	Freehold Properties & Land £'000	Office Equipment £'000	Fixtures & Fittings (inc. PV Panels £'000	Motor Vehicles & Car Park £'000	Total £'000
Cost					
At 1 January 2020	59,290	280	369	16	59,955
Additions	167	10	-	-	177
Disposals	(1,167)	-	-	(6)	(1,173)
At 31 December 2020	58,290	290	369	10	58,959
Depreciation					
At 1 January 2020	-	235	149	10	394
Disposals	-	-	-	(3)	(3)
Charge for the year	-	21	15	-	36
At 31 December 2020	-	256	164	7	427
Net Book Value					
At 31 December 2020	58,290	34	205	3	58,532
At 31 December 2019	59,290	45	220	6	59,561

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

	Glebe Houses (Endowment) £'000	Parsonage Houses (Endowment) £'000	Education Property (Endowment) £'000	Other Houses (Restricted) £'000	Board Property (Designated) £'000	Total £'000
At 1 January 2020	12,028	25,726	119	368	21,049	59,290
Additions	-	154	-	-	13	167
Disposals	(147)	(471)	-	-	(549)	(1,167)
Transfers (note 14)	(310)	(70)	-	-	380	-
At 31 December 2020	11,571	25,339	119	368	20,893	58,290

All of the properties in the balance sheet are freehold and are vested in EDBF, except for benefice houses which are vested in the incumbent. Two properties (2019: 2) were previously purchased with the help of value-linked loans from the Church Commissioners; when disposed of the appropriate share of the net sale proceeds will be remitted to the Commissioners, and the related loan liability extinguished. The value of such properties included above amounts to £118k (2019: £118k).

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17. FIXED ASSETS INVESTMENTS

	At 1 January 2020 £'000	Additions £'000	Disposals £'000	Transfers £'000	Change in Market Value £'000	At 31 December 2020 £'000
Unrestricted funds						
Listed investments	6,295	-	-	-	390	6,685
Unlisted investments	5	-	-	-	-	5
	<u>6,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>390</u>	<u>6,690</u>
Restricted funds						
Listed investments	2,820	-	-	-	119	2,939
Endowment funds						
Investment property	14,108	-	(112)	-	479	14,475
Listed investments	20,860	-	-	-	1,132	21,992
	<u>34,968</u>	<u>-</u>	<u>(112)</u>	<u>-</u>	<u>1,612</u>	<u>36,468</u>
Total EDBF	<u>44,088</u>	<u>-</u>	<u>(112)</u>	<u>-</u>	<u>2,120</u>	<u>46,096</u>

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17. FIXED ASSETS INVESTMENTS (continued)

The corresponding historical cost figures are:	Group	EDBF	Group	EDBF
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Unrestricted funds				
Listed investments	3,336	3,336	3,336	3,336
Unlisted investments	5	5	5	5
	<u>3,341</u>	<u>3,341</u>	<u>3,341</u>	<u>3,341</u>
Restricted funds				
Listed investments	1,797	1,797	1,797	1,797
Endowment funds				
Investment property	3,418	3,418	3,443	3,443
Listed investments	12,914	12,914	12,914	12,914
	<u>16,332</u>	<u>16,332</u>	<u>16,357</u>	<u>16,357</u>
Total	<u>21,470</u>	<u>21,470</u>	<u>21,495</u>	<u>21,495</u>

Investment property

- A full list of properties is available for inspection at The Old Deanery.
- All land and buildings held on 31 December 2020 are held on a freehold basis.
- Commercial investment properties were valued as at 31 December 2020 by Stratton Creber Commercial (Chartered Surveyors) on an open market basis and residential properties were revalued by the trustees on an open market value. Historic glebe was valued by Smith Gore, Michelmores Hughes and Philips, Smith and Dunn (all Chartered Surveyors) on an open market basis at 31 December 2017 and their value has been updated by the trustees to 31 December 2020, having regard to suitable indices.
- The investment properties form part of the Diocesan Stipends Capital Account – see notes 21 – 23.
- The income yield on the value of the property investments held as fixed assets in the year was 2.80% (2019: 2.54%). The total return was 6.33% (2019: 1.29%).
- Investment properties are held to provide an investment return, rather than as programme investments.

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18. DEBTORS – GROUP and EDBF	Group	EDBF	Group	EDBF
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Due within one year				
Loans to parishes	82	82	137	137
Common Fund	200	200	201	201
Gift aid from EDPS Ltd	-	56	-	80
Current account with subsidiary company	-	59	-	-
Department for Education/ governors	650	650	149	149
Prepayments	194	194	215	215
Other debtors	778	684	665	616
	<u>1,904</u>	<u>1,925</u>	<u>1,367</u>	<u>1,398</u>
Due after more than one year				
Loans to parishes	76	76	98	98
Loan to St Mellitus College	40	40	40	40
Other debtors and prepayments	20	20	25	25
	<u>136</u>	<u>136</u>	<u>163</u>	<u>163</u>
Total debtors	<u><u>2,040</u></u>	<u><u>2,061</u></u>	<u><u>1,530</u></u>	<u><u>1,561</u></u>
19. CREDITORS: amounts falling due within one year				
	Group	EDBF	Group	EDBF
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Trade creditors	71	71	82	82
Taxation and social security	73	46	73	48
Other creditors and accruals	887	887	464	461
Proceeds of property sold by Board payable to external organisations	51	51	51	51
Receipts in advance	122	101	66	48
CBF Loans – Photovoltaic Panels (parsonages)	34	34	34	34
NatWest Loan – CBILS	133	133	-	-
Pension scheme liabilities				
Lay Defined Benefit Scheme	153	153	153	153
Clergy Pension Scheme	619	619	619	619
Total creditors: amounts falling due within one year	<u><u>2,143</u></u>	<u><u>2,095</u></u>	<u><u>1,542</u></u>	<u><u>1,496</u></u>

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

	Group 2020 £'000	EDBF 2020 £'000	Group 2019 £'000	EDBF 2019 £'000
Loan repayment instalments due after more than one year				
CBF Loans – Photovoltaic Panels (parsonages)	69	69	103	103
NatWest Loan – CBILS	1,867	1,867	-	-
Church Commissioners value-linked loans	119	119	119	119
Other creditors and accruals	-	-	2	2
	<u>2,055</u>	<u>2,055</u>	<u>224</u>	<u>224</u>
Pension Scheme liabilities				
Lay Defined Benefits Scheme	822	822	928	928
Clergy Pension Scheme	75	75	603	603
	<u>897</u>	<u>897</u>	<u>1,531</u>	<u>1,531</u>
Total creditors: amounts falling due after more than one year	<u><u>2,952</u></u>	<u><u>2,952</u></u>	<u><u>1,755</u></u>	<u><u>1,755</u></u>

	2020 £'000	2019 £'000
The maturity of the above loans may be analysed as follows:		
Between one and two years	168	35
Between two and five years	1,768	68
In five years and more	119	119
	<u>2,055</u>	<u>222</u>

The loans with CBF are repayable over 10 years by equal annual instalments. Interest is calculated on a daily basis and is payable semi-annually. All CBF loans are repayable within 5 years. The monthly interest rate is the average rate declared by the CCLA Deposit Fund over the month, plus 0.55%.

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

Value-linked loans (VLLs) represent amounts advanced to EDBF for the purchase of two properties on an equity sharing basis and are repayable on the disposal of the related property. As at 31 December 2020 the Board had no intention of disposing of either of the properties funded via VLLs.

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21. SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2020 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balances at December 2020 £'000
UNRESTRICTED FUNDS						
General	7,141	12,158	(10,947)	(726)	395	8,021
Church Buildings Fund	677	-	-	-	(5)	672
Board Properties	19,486	-	-	378	-	19,864
Clergy Housing Repairs	191	-	-	29	-	220
Diocesan Mission Funds	274	-	2	-	-	276
Clergy Conference Fund	97	-	-	30	-	127
Burrington School Fund	-	27	-	-	-	27
Plymouth SDF Project	197	-	(4)	-	-	193
Miscellaneous Funds	101	-	-	37	-	138
	21,023	27	(2)	474	(5)	21,517
RESTRICTED FUNDS						
Diocesan Pastoral Account	3,597	71	(3)	-	126	3,791
Diocesan Stipends Income	26	2,159	(2,159)	-	-	26
Bampton School sale	314	-	-	-	-	314
Agricultural/Rural	10	-	-	-	-	10
Retired Clergy Housing	231	7	-	-	(7)	231
Growth & Mission Fund	1,130	101	(208)	-	-	1,023
Strategic Development Projects	11	387	(390)	-	-	8
Ministerial Education Training	-	287	(287)	-	-	-
Strategic Ministry Fund	-	48	(48)	-	-	-
Clergy Widows	99	-	-	-	-	99
Cooper Legacy	21	-	(3)	-	-	18
Cooper Armstrong Legacy	14	-	(8)	-	-	6
Miscellaneous Restricted Funds	-	58	(55)	-	-	3
	5,453	3,118	3,161	-	119	5,529
ENDOWMENT FUNDS						
Permanent						
Dr Nobbs	75	-	-	-	6	81
Expendable						
Diocesan Stipends Capital	38,938	216	-	168	1,508	40,830
Benefice Property	25,751	833	-	84	-	26,668
Church Schools	3,895	-	-	-	57	3,952
The Church College Hostel Trust	740	-	-	-	40	780
	69,399	1,049	-	252	1,611	72,311
EDBF Total funds	103,016	16,352	(14,110)	-	2,120	107,378
Subsidiaries						
General Funds						
EDPS Ltd	9	155	(155)	-	-	9
Group Total	103,025	16,507	(14,265)	-	2,120	107,387

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22. SUMMARY OF ASSETS BY FUND

	Tangible/ Intangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Unrestricted funds – General	1,211	6,592	4,071	(3,853)	8,021
Unrestricted - designated					
Church Buildings Fund	-	98	574	-	672
Board Properties	19,981	-	3	(120)	19,864
Clergy Housing Repairs	-	-	220	-	220
Diocesan Mission Funds	-	-	279	(3)	276
Clergy Conference Fund	-	-	127	-	127
Burrington School Fund	-	-	27	-	27
Plymouth SDF Project	-	-	193	-	193
Miscellaneous Designated Funds	-	-	138	-	138
	19,981	98	1,561	(123)	21,517
Restricted					
Diocesan Pastoral Account	-	2,784	1,007	-	3,791
Diocesan Stipends Income	-	-	123	(97)	26
Bampton School sale	-	-	314	-	314
Agricultural/Rural	-	-	10	-	10
Retired Clergy Housing	346	155	(270)	-	231
Growth & Mission Fund	-	-	1,029	(5)	1,024
Strategic Development Fund Projects	-	-	140	(133)	7
Ministerial Education Training	-	-	37	(37)	-
Strategic Ministry Fund	-	-	6	(6)	-
Clergy Widows	21	-	78	-	99
Cooper Legacy	-	-	18	-	18
Cooper Armstrong Legacy	-	-	6	-	6
Miscellaneous Restricted Funds	-	-	79	(76)	3
	367	2,939	2,576	(353)	5,529
Endowment					
Permanent					
Dr Nobbs	-	75	6	-	81
Expendable					
Diocesan Stipends Capital	11,571	32,340	(2,387)	(694)	40,830
Benefice Property	25,340	-	1,348	(20)	26,668
Church Schools	119	3,272	561	-	3,952
Church College Hostel Trust	-	780	-	-	780
	37,030	34,467	(472)	(714)	72,311
Total EDBF funds	58,589	46,096	7,736	(5,043)	107,378
Subsidiaries					
EDPS Ltd	-	-	61	(52)	9
Total Group funds	58,589	46,096	7,797	(5,095)	107,387

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23. DESCRIPTION OF FUNDS

General fund	The general fund is EDBF's unrestricted undesignated fund, available for any of EDBF's purposes without restriction.
Church building fund	This designated fund was created from the previous balances within the new church building and church building repair funds and is used to provide loans for parishes undertaking strategic reviews or major improvements of church buildings.
Board properties	This designated fund is the properties owned and used by EDBF in the furtherance of its work and includes curates housing.
Clergy housing repairs	This designated fund is used to support spending on the repair and maintenance of clergy housing.
Diocesan Mission funds	These designated funds are all part of the mission and ministry development fund, which provide funds for one-off projects to promote the ministry of the church and its overall mission in the Diocese. The growth fund, together with the mustard seed funds has been set aside specifically to fund initiatives in mission communities.
Clergy conference fund	This designated fund was established to provide funding for the diocesan clergy conference, held every three to five years.
Burrington School Fund	This designated fund was established to hold the net proceeds from the sale of the former Burrington School (in 2019), in order that the funds can be used to support educational purposes.
Plymouth SDF Project	This designated fund was established in 2019 to provide EDBF's agreed funding for the church planting SDF project in Plymouth.
Miscellaneous funds	This designated fund is used for holding monies received by EDBF for supporting specific projects/initiatives.
Diocesan Pastoral account	<p>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:</p> <ul style="list-style-type: none"> • To defray costs incurred for the purposes of the Measure or any scheme or order made under the Measure except for salaries of regular diocesan employees; • To make loans or grants for the provision, restoration, improvement or repair of churches and parsonage houses in the Diocese;

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23. DESCRIPTION OF FUNDS (continued)

Diocesan Pastoral account (continued)

- Other purposes of the Diocese or any benefice or parish in the Diocese;
- To make grants or loans to any other Diocese; and
- To transfer funds to the diocesan stipends fund income or capital accounts.

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

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

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

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

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

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

Ministerial Education Training

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

Strategic Ministry Fund This restricted fund was established in 2020 to manage the grant funding received from the Archbishops' Council to support the appointment of additional stipendiary curates.

Clergy widows This restricted fund represents properties purchased from donations to provide for clergy widows.

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23. DESCRIPTION OF FUNDS (continued)

Cooper legacy	This restricted fund, arising from the legacy of Mrs Cooper and is used to provide grants to assist parishes with church building repairs.
Cooper Armstrong legacy	This is restricted fund, arising from the legacy of Mrs Evie Cooper, is used to provide grants and support for work with families and the homeless, in line with the trustees' wishes.
Miscellaneous Restricted Funds	This restricted fund represents the unspent balance of the parish mission fund received from the Church Commissioners. The balance on this fund is usually zero.
Dr Nobbs	This is a permanent endowment held by EDBF for the support of clergy following marriage breakdown.
Diocesan stipends capital	The diocesan stipends capital fund has been created from the diocesan stipends fund capital account assets held on behalf of the Diocese by the Church Commissioners under the Endowments and Glebe Measure 1976 to provide income for clergy stipends. The fund also represents the accumulated sale proceeds of glebe property, sale proceeds of benefice houses and surplus benefice endowments following pastoral reorganisation. Capital funds may be used for the purchase, improvement and maintenance of glebe property and benefice houses. The funds may be invested in the CBF Church of England Property, Investment or Fixed Interest Securities Funds, or simply held on deposit.
Benefice property fund	The benefice property fund consists of resources restricted to provision of benefice houses in the Diocese. They are represented by the benefice houses or by sale proceeds of former benefice houses held on suspense by the Church Commissioners. Although benefice houses are vested in the incumbents for the time being of the benefices concerned, EDBF is obliged to maintain them, to ensure that there are sufficient benefice houses for the pastoral structure of the Diocese; in addition, where a benefice house is no longer required then it is usually transferred into the unrestricted corporate ownership of EDBF.
Church Schools funds	This fund represents premises and endowments vested in EDBF under the Education Act 1993.

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23. DESCRIPTION OF FUNDS (continued)

Church College Hostel Trust

This fund supports the Board of Education in all of its statutory powers and duties under various education acts together with the training of teachers in the principles of the Church of England. The Church College Hostel is also a registered charity.

24. CAPITAL COMMITMENTS

At 31 December 2020 EDBF had capital expenditure commitments authorised but not contracted for of £890,000 (2019: £1,217,000) and contracted for but not yet due of £225,000 (2019: £130,000).

25. OPERATING LEASES

At 31 December 2020 EDBF had future minimum lease commitments under non-cancellable operating lease as follows:

	2020 £'000	2019 £'000
Non-Land & Buildings operating leases:		
Within one year of the balance sheet date	22	22
In the second to fifth years inclusive of the balance sheet date	27	47
	<u>22</u>	<u>47</u>

26. POST BALANCE SHEET EVENTS AND CONTINGENT LIABILITIES

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

27. PENSIONS

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

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

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27. PENSIONS (continued)

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

Church of England Funded Pension Scheme

With effect from 1 January 1998, diocesan clergy became members of the Church of England Funded Pensions Scheme. This defined benefit scheme provides benefits based on the National Minimum Stipend in the year before their date of retirement and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Benefits are currently being accrued on the basis of half of the National Minimum Stipend (NMS) being paid as the normal pension on reaching the age of 68 on completion of maximum service of

41.5 years, or 1.25 times this amount for archdeacons, plus a lump sum of three times the pension based on the previous year's NMS payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 will be provided for by the Church Commissioners under the previous arrangements.

EDBF participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

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

The pensions costs charged to the SOFA in the year are contributions payable towards benefits and expenses accrued in that year (2020: £1,298k; 2019: £1,284k), plus the figures highlighted in the table below as being recognised in the SOFA, giving a total net charge of £1,346k (2019: net credit of £865k). In addition, a further £56k (2019: £66k) has been charged in relation to EDBF employees who are also in this scheme.

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27. PENSIONS (continued)

Church of England Funded Pensions Scheme (continued)

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% per annum;
- RPI inflation of 3.4% per annum (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% per annum; and
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI 2018 extended model with a long-term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% per annum.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the table above.

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

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27. PENSIONS (continued)

Church of England Funded Pensions Scheme (continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and 2020 is set out in the table below.

	2020	2019
Balance sheet liability at 1 January	1,222,000	3,944,000
Deficit contribution paid	(576,000)	(573,000)
Interest cost (recognised in SOFA)	10,000	77,000
Remaining change to the balance sheet liability* (recognised in SOFA)	38,000	(2,226,000)
Balance sheet liability at 31 December	694,000	1,222,000

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

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

	December 2020	December 2019	December 2018
Discount rate	0.2% pa	1.1% pa	2.1% pa
Price inflation	3.1% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.3% pa	1.6% pa

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

Church Workers Pension Fund – Defined Benefits Scheme

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

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

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27. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme (continued)

The Defined Benefits Scheme (“DBS”) section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

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

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute DBS assets and liabilities to specific employers, since each employer, through the Life Risk Section, is exposed to actuarial risks associated with the current and former employees of other entities participating in DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pensions costs charged to the SOFA during the year are contributions payable towards benefits and expenses accrued in that year (2020: £145k; 2019: £202k), plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SOFA, giving a total charge of £166k for 2020 (2019: £227k).

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

A valuation of the DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers’ sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in the DBS was £26.2m.

A valuation as at 31 December 2019 was underway as at 31 December 2020. The contributions agreed at that valuation will be reflected in the figures disclosed in the 2021 accounts.

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27. PENSIONS (continued)

Church Workers Pension Fund – Defined Benefits Scheme (continued)

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay a contribution rate of 39% of pensionable salary and expenses of £10,800 per year. In addition, deficit payments of £152,796 per year have been agreed for 9.25 years from 1 April 2018 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements. Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2020	2019
Balance sheet liability at 1 January	1,081,000	1,175,000
Deficit contribution paid	(127,000)	(119,000)
Interest cost (recognised in SOFA)	14,000	24,000
Remaining change to the balance sheet liability* (recognised in SOFA)	7,000	1,000
Balance sheet liability at 31 December	975,000	1,081,000

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

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

	December 2020	December 2019	December 2018
Discount rate	0.50%	1.40%	2.20%

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

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

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27. PENSIONS (continued)

Pension Builder Scheme (continued)

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

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is considered a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOFA in the year are contributions payable (2020: £216k; 2019: £154k).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was underway as at 31 December 2020.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the on-going assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the on-going assumptions used. There is no requirement for deficit payments at the current time.

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

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28. RELATED PARTY TRANSACTIONS

There are no direct related party transactions involving trustees other than the provision of stipends, housing and expenses as set out in note 13 to the consolidated financial statements.

The wife of Giles Frampton (the Chair of the Board of Finance) is a Self-Supporting Minister (unpaid) leading one of our Mission Communities. A parsonage house is provided by EDBF for this role, with any expenses incurred being paid by the Mission Community.

29. ANALYSIS OF NET DEBT

	As at 1 January 2020 £'000	Cash flows £'000	At 31 December 2020 £'000
Cash at bank and in hand	1,103	4,620	5,723
Cash equivalents	34	-	34
Debt due after 1 year	(222)	(1,833)	(2,055)
Debt due within 1 year	(34)	(133)	(167)
	<u>881</u>	<u>2,654</u>	<u>3,535</u>

30. FUNDS HELD AS CUSTODIAN TRUSTEE

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

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

	2020 £'000	2019 £'000
CBF Church of England Investment Fund income shares	13,011	12,237
CBF Church of England Investment Fund accumulation shares	694	635
CBF Church of England Fixed Interest Securities Fund shares	321	310
CBF Church of England Property Fund shares	946	995
CBF Global Equity Income Fund	1,101	925
Charifund – Income Units	2,422	2,941
Charibond Fixed Interest Income	8	8
Other common investment fund holdings	134	134
Direct holdings in UK gilts	45	41
Other fixed interest stocks	22	16
CBF Church of England Deposit Fund	2,446	1,308
Charles Stanley	772	809
Brewin Dolphin	1,261	1,279
Cash at bank	4	34
Total assets held as custodian trustee	<u>23,187</u>	<u>21,672</u>

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31. MONEY HELD AS INTERMEDIARY AGENT FOR OTHERS

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

- In respect of the Board of Education's involvement in the maintenance and improvement of Church of England schools' buildings, money is sometimes held in advance of work being undertaken. At the end of 2020 the sum of £994,000 (2019: £887,000) was held in the general bank account for this purpose; and
- The board also holds the Department for Education's Formula Capital funding on behalf of Church of England schools in Devon and the sum so held on 31 December 2020 amounted to £413,000 (2019: £542,000) and was also held in the general bank account for this purpose.

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

32. EDBF LIMITED – LIABILITY OF BOARD MEMBERS

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

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33. SUBSIDIARY UNDERTAKINGS

33.1. EDPS Limited

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

Summary profit and loss account	2020 £'000	2019 £'000
Turnover	204	261
Cost of sales	(152)	(185)
Gross Profit	52	76
Administrative expenses	(3)	(3)
Other operating income	7	8
Operating profit	56	81
Gift made to parent company	(56)	(81)
Loss after tax	-	-
Assets and liabilities		
Current assets	176	136
Current liabilities	(167)	(127)
Total net assets	9	9
Capital and reserves		
Issued share capital and retained profit	9	9

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33. SUBSIDIARY UNDERTAKINGS (continued)

33.2. The Church College Hostel Trust

The Diocesan Board of Education was the managing trustee of the Church College Hostel Trust charity (Registered Charity No. 306935). EDBF, on behalf of the Board of Education, was the sole financial beneficiary. A summary of the results for the year is shown below:

	2020	2019
	£'000	£'000
Summary receipts and payments accounts		
Investment income	-	21
Grants transferred to The Diocesan Board of Education	-	(21)
Surplus/(deficit) for the year	-	-
Gains/(losses) on investments	-	94
Net movement in funds	-	94
Funds		
Market value of investments at 1 January	-	646
Net realised and unrealised gains on investments	-	94
Transfer of investments to EDBF Ltd	-	(740)
Market value of investments at 31 December	-	-

On the 22 February 2017, the trustees approved a resolution to wind up the trust and transfer the funds to EDBF to be invested and the income used to fulfil the original purpose of the trust. The formal process of winding up the trust was finalised on 31 December 2019 and all funds transferred to EDBF.

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34. 2019 Comparative figures by fund

Due to space constraints within the main body of the accounts, this note shows the breakdown by fund for 2019 for the following notes:

CONSOLIDATED STATEMENT OF THE FINANCIAL ACTIVITIES
For the year ended 31 December 2019

	Note	Unrestricted funds General £'000	Designated £'000	Restricted Funds £'000	Endowment Funds £'000	Total funds 2019 £'000
Income and endowments from						
Donations	2					
Parish contributions		9,079	-	-	-	9,079
Archbishop's Council		95	-	1,265	-	1,360
Other donations		217	-	1,012	-	1,229
Charitable activities	3	716	-	40	-	756
Other trading activities	4	1,437	-	-	-	1,437
Investments	5	339	-	979	-	1,318
Total income and endowments		11,883	-	3,296	-	15,179
Expenditure on						
Raising funds	7	212	-	49	-	261
Charitable activities	8	9,204	(18)	3,456	-	12,642
Other	9	-	-	2	-	2
Total expenditure		9,416	(18)	3,507	-	12,905
Net income/(expenditure) before investment gains		2,467	18	(211)	-	2,274
Net gains on investments		908	(2)	298	2,237	3,441
Net income/(expenditure)		3,375	16	87	2,237	5,715
Transfers between funds	14	378	(665)	(200)	487	-
Net movement in funds		3,753	(649)	(113)	2,724	5,715
Total funds brought forward		3,397	21,672	5,566	66,675	97,310
Total funds carried forward	21	7,150	21,023	5,453	69,399	103,025

All activities derive from continuing activities.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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A2. DONATIONS

Parish Contributions

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

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2019
	£'000	£'000	£'000	£'000	£'000
Current Year assessments	9,377	-	-	-	9,377
Shortfall in contributions	(414)	-	-	-	(414)
	<u>8,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,963</u>
Receipts for previous years	116	-	-	-	116
Total Income	<u>9,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,079</u>

Archbishop's Council

	Unrestricted funds		Restricted	Endowment	Total funds
	General	Designated	Funds	Funds	2019
	£'000	£'000	£'000	£'000	£'000
Lowest Income Communities Funding	-	-	1,265	-	1,265
Transitional funding	95	-	-	-	95
	<u>95</u>	<u>-</u>	<u>1,265</u>	<u>-</u>	<u>1,360</u>

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

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A2. DONATIONS (continued)

Other Donations and grants

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000
All Churches Trust Grant	180	-	-	-	180
Donations and grants	37	-	781	-	818
Resourcing Ministerial Education	-	-	231	-	231
	<u>217</u>	<u>-</u>	<u>1,012</u>	<u>-</u>	<u>1,229</u>

A3. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000
Statutory fees	591	-	-	-	591
Chaplaincy income	35	-	40	-	75
Feed in/Export Tariffs					
- PV panels	26	-	-	-	26
Course/training fees	24	-	-	-	24
Miscellaneous income	40	-	-	-	40
	<u>716</u>	<u>-</u>	<u>40</u>	<u>-</u>	<u>756</u>

A4. OTHER TRADING ACTIVITIES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000
Housing income	1,155	-	-	-	1,155
Other rental income	13	-	-	-	13
Trading – EDPS Ltd	269	-	-	-	269
	<u>1,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,437</u>

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A5. INVESTMENT INCOME

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000
Dividends receivable	333	-	621	-	954
Interest receivable	6	-	-	-	6
Rents receivable	-	-	358	-	358
	<u>339</u>	<u>-</u>	<u>979</u>	<u>-</u>	<u>1,318</u>

A6. OTHER INCOMING RESOURCES

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000
Gains on sale of Properties	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

A7. COSTS OF RAISING FUNDS

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2019
	General £'000	Designated £'000	£'000	£'000	£'000
Glebe agents' fees	-	-	34	-	34
Other glebe expenses	24	-	15	-	39
Trading activities – EDPS Ltd	188	-	-	-	188
	<u>212</u>	<u>-</u>	<u>49</u>	<u>-</u>	<u>261</u>

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A8. CHARITABLE ACTIVITIES

	Unrestricted funds		Restricted	Endowment	Total
	General	Designated	Funds	Funds	funds
	£'000	£'000	£'000	£'000	2019
					£'000
Contributions to					
Archbishops' Council					
Training for Ministry	346	-	-	-	346
National Church					
Responsibilities	275	-	-	-	275
Grants and provisions	29	-	-	-	29
Mission agency pension					
Costs	4	-	-	-	4
Retired clergy housing					
Costs	-	-	118	-	118
Pooling of ordinands'					
maintenance grants	80	-	-	-	80
	<u>734</u>	<u>-</u>	<u>118</u>	<u>-</u>	<u>852</u>
Resourcing Ministry and					
Mission					
Parish Ministry					
Stipends and national					
Insurance	3,322	-	2,191	-	5,513
Pension costs	1,268	-	16	-	1,284
Housing costs	2,480	-	-	-	2,480
Removal, resettlement					
and grants	176	-	-	-	176
Clergy Pension Fund Deficit	(2,149)	-	-	-	(2,149)
Other expenses	257	-	40	-	297
	<u>5,354</u>	<u>-</u>	<u>2,247</u>	<u>-</u>	<u>7,601</u>
Support for parish ministry					
Mission and Ministry	1,170	(18)	1,042	-	2,194
Church and Society	41	-	-	-	41
Cooper Legacy grants	-	-	18	-	18
Cooper Armstrong Legacy	-	-	16	-	16
Support services	1,271	-	-	-	1,271
Lay Pension Deficit Fund	25	-	-	-	25
	<u>2,507</u>	<u>(18)</u>	<u>1,076</u>	<u>-</u>	<u>3,565</u>
	<u>7,861</u>	<u>(18)</u>	<u>3,323</u>	<u>-</u>	<u>11,166</u>
Expenditure on Education and Church of England Schools					
Support for church schools					
and parishes	609	-	15	-	624
	<u>9,204</u>	<u>(18)</u>	<u>3,456</u>	<u>-</u>	<u>12,642</u>

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A9. OTHER RESOURCES EXPENDED

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2019
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Loss on sale of assets	-	-	2	-	2

A10. ANALYSIS OF EXPENDITURE INCLUDING ALLOCATION OF SUPPORT COSTS

	Activities Undertaken Directly	Grant Funding of Activities	Support Costs	Pension Deficit Fund Adjustment	Total costs 2019
	£'000	£'000	£'000	£'000	£'000
Raisings funds	261	-	-	-	261
Charitable activities:					
Contributions to Archbishop's Council	-	852	-	-	852
Resourcing parish ministry	11,029	990	1,271	(2,124)	11,166
Education	624	-	-	-	624
Other resources expended	2	-	-	-	2
	11,916	1,842	1,271	(2,124)	12,905

Net income/(expenditure) for the year is stated after charging amortisation £6,000, depreciation £36,000 and audit fees EDBF £23,000, EDPS £3,000.

A11. ANALYSIS OF SUPPORT COSTS

	Unrestricted funds		Restricted Funds	Endowment Funds	Total funds 2019
	General	Designated			
	£'000	£'000	£'000	£'000	£'000
Central support/administration	1,124	-	-	-	1,124
Governance:					
External audit of EDBF	23	-	-	-	23
External audit of EDPS	3	-	-	-	3
Registrar and Chancellor	90	-	-	-	90
Synodical costs	31	-	-	-	31
	1,271	-	-	-	1,271

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A12. ANALYSIS OF GRANTS MADE	Nbr.	Individuals	Institutions	Total 2019
		£'000	£'000	£'000
From unrestricted funds for national Church responsibilities:				
Contributions to Archbishop's Council	5	-	734	734
From unrestricted funds:				
Ordinands in training	38	137	-	137
Clergy ordination	14	35	-	35
Clergy resettlement	26	58	-	58
Clergy removals	33	77	-	77
Clergy 1 st incumbency	7	17	-	17
Churches together in Devon	1	-	5	5
Church schools – Repairs/improvements	1	-	8	8
Church schools – Learn Teach Read	1	-	35	35
Mustard Seed Fund	10	-	4	4
Unlimited Church	1	-	15	15
Growth and mission	13	-	51	51
Other small grants	26	5	5	10
Adjustments for grants not claimed	-	-	(36)	(36)
	171	329	87	416
From restricted funds for national Church responsibilities:				
Contributions to Archbishop's Council	1	-	118	118
From restricted funds for various purposes within resourcing parish ministry:				
Cooper Legacy Fund	6	-	18	18
Cooper Armstrong Legacy	1	-	16	16
New Church Schools	1	-	15	15
Strategic Development Fund	5	-	525	525
Total	13	-	574	574
Total	190	329	1,513	1,842

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A21 SUMMARY OF FUND MOVEMENTS

	Balances at 1 January 2019	Income	Expenditure	Transfers	Gains and Losses	Balances at 31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000
UNRESTRICTED FUNDS						
General	3,388	11,695	(9,228)	378	908	7,141
Church Buildings Fund	679	-	-	-	(2)	677
Board Properties	20,294	-	-	(808)	-	19,486
Clergy Housing Repairs	282	-	-	(91)	-	191
Diocesan Mission Funds	253	-	21	-	-	274
Clergy Conference Fund	67	-	-	30	-	97
Plymouth SDF Project	-	-	(3)	200	-	197
Miscellaneous Funds	97	-	-	4	-	101
	21,672	-	18	(665)	(2)	21,023
RESTRICTED FUNDS						
Diocesan Pastoral Account	3,224	71	-	-	302	3,597
Diocesan Stipends Income	26	2,163	(2,163)	-	-	26
Bampton School sale	329	-	(15)	-	-	314
Agricultural/Rural	10	-	-	-	-	10
Retired Clergy Housing	346	9	(120)	-	(4)	231
Growth & Mission Fund	1,258	117	(245)	-	-	1,130
Strategic Development Projects	206	664	(659)	(200)	-	11
Ministerial Education Training	-	231	(231)	-	-	-
Clergy Widows	99	-	-	-	-	99
Cooper Legacy	38	1	(18)	-	-	21
Cooper Armstrong Legacy	30	-	(16)	-	-	14
Miscellaneous Restricted Funds	-	40	(40)	-	-	-
	5,566	3,296	(3,507)	(200)	298	5,453
ENDOWMENT FUNDS						
Permanent						
Dr Nobbs	64	-	-	-	11	75
Expendable						
Diocesan Stipends Capital	37,013	-	-	-	1,925	38,938
Benefice Property	25,264	-	-	487	-	25,751
Church Schools	3,688	-	-	-	207	3,895
The Church College Hostel Trust	-	740	-	-	-	740
	66,029	740	-	487	2,143	69,399
EDBF Total funds	96,655	15,731	(12,717)	-	3,347	103,016
Subsidiaries						
General Funds						
EDPS Ltd	9	188	(188)	-	-	9
Expendable endowment						
The Church College Hostel Trust	646	-	(740)	-	94	-
Elimination of intergroup transactions	-	(740)	740	-	-	-
Group Total	97,310	15,179	(12,905)	-	3,441	103,025

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A22. SUMMARY OF ASSETS BY FUND

	Tangible/ Intangible Fixed Assets £'000	Investments £'000	Current Assets £'000	Creditors £'000	Net Assets £'000
Unrestricted funds – General	1,724	6,197	924	(1,704)	7,141
Unrestricted - designated					
Church Buildings Fund	-	103	574	-	677
Board Properties	19,602	-	2	(118)	19,486
Clergy Housing Repairs	-	-	191	-	191
Diocesan Mission Funds	-	-	281	(7)	274
Clergy Conference Fund	-	-	97	-	97
Plymouth SDF Project	-	-	197	-	197
Miscellaneous Designated Funds	-	-	101	-	101
	19,602	103	1,443	(125)	21,023
Restricted					
Diocesan Pastoral Account	-	2,659	939	(1)	3,597
Diocesan Stipends Income	-	-	123	(97)	26
Bampton School Sale	-	-	329	(15)	314
Agricultural/Rural	-	-	10	-	10
Retired Clergy Housing	347	161	(277)	-	231
Growth & Mission Fund	-	-	1,135	(5)	1,130
Strategic Development Fund Projects	-	-	13	(2)	11
Ministerial Education Training	-	-	1	(1)	-
Clergy Widows	21	-	78	-	99
Cooper Legacy	-	-	21	-	21
Cooper Armstrong Legacy	-	-	14	-	14
Miscellaneous Restricted Funds	-	-	66	(66)	-
	368	2,820	2,452	(187)	5,453
Endowment					
Permanent					
Dr Nobbs	-	69	6	-	75
Expendable					
Diocesan Stipends Capital	12,028	30,944	(2,812)	(1,122)	38,938
Benefice Property	25,726	-	37	(12)	25,751
Church Schools	119	3,215	561	-	3,895
Church College Hostel Trust	-	740	-	-	740
	37,873	34,968	(2,208)	(1,234)	69,399
Total EDBF funds	59,567	44,088	2,611	(3,250)	103,016
Subsidiaries					
EDPS Ltd	-	-	56	(47)	9
Total Group funds	59,567	44,088	2,667	(3,297)	103,025

For Fund Descriptions, please see note 23 on pages 62 – 65.

