



**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2023**

*Presented to Parliament Pursuant to  
Section 57(21) of the Mission and Pastoral Measure 2011 (2011 No.3)*

July 2023



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The Churches Conservation Trust ('The Trust') is the national charity protecting historic churches at risk. We've saved over 350 beautiful buildings which attract over 1.5m visitors a year. With our help and with your support they are kept open and in use – living once again at the heart of their communities.

Our aims are:

- **Supporting Communities To Use And Love Their Historic Places of Worship.**
- **Sharing Our Skills To Sustain Churches.**
- **Promoting The Value Of Our Shared Cultural Heritage.**

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## **1. CHAIR'S FOREWORD**

It is my pleasure to be introducing the 2022/23 Annual Accounts of The Churches Conservation Trust (CCT) as Chair of Trustees. I would like to start by thanking our Deputy CEO Sarah Robinson who stepped up as Interim CEO following the departure of Peter Aiers at the beginning of the year. Sarah's efforts, alongside the rest of our dedicated senior management team, ensured the Trust stayed on track whilst we awaited the appointment of our new CEO. We were delighted to welcome Greg Pickup to this position in September 2022.

Alongside this, we were pleased to welcome three new trustees in February of this year with the appointment of Tanvir Hasan, Dr Emma Wells and Erin Walsh. Together, they bring a vast array of experience, as well as enthusiasm, that will benefit our Trust in future years. We also said farewell to outgoing trustees Edward Harley and Carol Pyrah and thank them for their commitment and contributions during their time with us.

This year we completed much needed works to our Churches that were supported by the government's Heritage Stimulus Fund and I was pleased to see the results of some of this work during recent visits. This funding has made a huge difference to the buildings in our care and we remain enormously grateful for this support.

None of our work would be possible without the support of our volunteers and communities who have continued with fundraising initiatives and activities. They continue to keep our churches open and alive and I was delighted to hear more about their work during our recent annual volunteer awards evening. I would like to thank each of them for their efforts.

The number of those who support us continue to grow, as do our digital audiences across all our social media. We look forward to continuing to engage with those of us who joined us through the digital lectures during Covid as we continue to build our online presence.

The number of visitors to our sites remains below pre-pandemic levels however we remain committed to working with communities to support their plans to encourage greater use of our buildings. With this in mind, we have been pressing ahead on work to a number of major projects including large capital schemes at Sudbury and Lancaster. Work has also begun on site at the Old Black Lion, our innovative project to support our neighbouring St Peter's Church with much needed facilities for its activities, in addition to bringing a much loved historic building back into use as a pub on the ground floor and our new national office above. For all our projects large and small we remain grateful to a range of Trusts, Foundations and individuals, in particular the National Lottery Heritage Fund as major funder for our larger schemes.

The continuing care of our growing estate of Churches is also made possible due to the continued support of DCMS and the Church of England, whose commissioners continue to recognise the important of our role in keeping these historic places of worship active and of service to the communities for whom they were built.

We end the year on an optimistic note, having made significant progress against our objectives but with continued challenges ahead. We look forward to working with our key partners at DCMS and the Church of England to explore how we can make use of the monies invested in us within our own estate and beyond, as well as with all of our friends, volunteers and supporters to build on our success in the year to come.

## 2. INTRODUCTION

### **Who we are**

The Churches Conservation Trust is the national charity protecting historic churches at risk. We've saved over 350 beautiful buildings which attract over 1.5 million visitors a year. With our help and your support they are kept open and in use – living once again at the heart of their communities.

### **Constitution**

The Churches Conservation Trust (CCT) is registered as a charity (number 258612) and its governing document is the Mission and Pastoral Measure 2011 (2011 No.3). Its object, as defined principally in Section 57 (21), is: 'the preservation, in the interests of the nation and of the Church of England, of redundant churches and parts of churches of historic and archaeological interest or architectural quality vested in the Trust, together with their contents so vested.'

### **Objectives and Activities**

The CCT cares for those parish churches which are of particular historic, architectural or archaeological merit and are vested in the CCT by the Church Commissioners to be conserved for the nation and opened to the public.

### **Strategic Aims 2019-25**

#### **1: Supporting communities to use and love their historic places of worship**

The CCT has responsibility for a growing collection of historic churches. In order to best care for these buildings it is essential that they are used and loved by the local community. Where there are historic churches with a motivated and well-supported community the building thrives.

In order to deliver this first pillar of our strategy, we have created a network of Local Community Officers who will create and maintain relationships with the communities around CCT churches. We will support communities to use their historic church and raise the funds necessary to keep it in good repair.

Our Conservation Team will continue to provide an excellent maintenance service to our historic churches and will manage a national list of repair priorities. This element of the strategy also allows the CCT to consider how we might support communities care for their historic places of worship beyond the CCT collection.

#### **2: Sharing our skills to sustain churches**

The CCT will develop profitable commercial activity to help support investment in the conservation and repair of our collection of historic churches. The initial areas of investment will be in Champing™, our consultancy work and the development of our fledgling maintenance service.

The Head of Enterprise will drive and develop the profitability of our commercial work. This role will also advise how we invest and develop flagship visitor churches.

#### **3: Promoting the value of our shared cultural heritage**

The CCT is concerned that there is a precarious future for many historic places of worship. We seek to ensure that society continues to value these buildings for their social, architectural, historical, aesthetic and cultural qualities.

We will develop and grow our supporter base. We seek to gather a strong voice for all of those who value historic places of worship in their community. To ensure that historic places of worship

remain relevant and important to society, the CCT will develop a learning programme to explain these complex buildings.

The programmes will result in the conservation, repair, adaptation and maintenance of the 357 buildings in our collection and of additional churches at risk coming into ownership. The CCT also runs a wide range of projects to support and promote community, arts, cultural and educational use, tourism and the local management or lease of its buildings. All projects serve to increase external funding, volunteering, partnerships and local involvement.

### **DCMS and Church Commissioners Funding Agreement**

The CCT works to a Funding Agreement with its two main sponsors, the Department for Culture, Media and Sport and the Church Commissioners. We are extremely grateful for their support throughout the year and for the grant-in-aid without which the CCT could not function. The Agreement sits within the strategic plan and funding agreement targets are mapped into the priorities for the year.

Our funding and management agreement aims include:

- Exploring how to effectively articulate the value of churches and heritage for the local community;
- Investing in commercial and philanthropic approaches to generating revenue to complement grant-in-aid funding, and seeking innovative cost-sharing solutions to maximise these additional sources of income;
- Working effectively with government to finalise and uphold the Framework Document and provide confidence in delivery of the CCT's strategic aims;
- Remaining within annual delegation limits and providing appropriate assurance through rigorous reporting, forecasting and control of costs.

### **Public Benefit**

The CCT meets its obligations through 'advancing arts, culture, heritage or science'. It manages and provides free admission to 357 historic buildings which are open to the public on a daily basis throughout the year and which are made available for community use. Some 2,000+ members of the public volunteer for the CCT and many are provided with training and support as a part of this activity. All Trustees give their time voluntarily and receive no benefit from the charity. Expenses reclaimed from the charity are set out in the notes to the accounts.

### 3. REVIEW OF THE YEAR

Whilst 2021-22 was dominated by post-covid recovery, during 2022-23 we have returned to business as usual and refocussed our efforts on delivering our key strategic aims.

The CCT is the result of an agreement between State and Church to protect church buildings that are historically significant. Our remit is set out in Church legislation through the Mission and Pastoral Measure 2011 which governs our activity and therefore any change to this legislation is of significant interest to us. In 2021 the Church Commissioners began a review of the Mission and Pastoral Measure 2011, the main aim of the review being to consider how the legislation and processes could be improved. Discussions have continued during 2022-23 as Commissioners' thinking has developed and we have welcomed the opportunity to discuss the changes under consideration to understand the likely impact on CCT.

In February 2023 CCT was very pleased to receive the news that His Majesty the King had approved the appointment of three new trustees; (i) Tanvir Hasan, a practising conservation architect of over 25 years' experience and Deputy Chairman and lead Director of Donald Insall London, (ii) Erin Walsh, Director of Built Environment at Connected Places Catapult, who has led major built environment programmes across the not-for-profit, public, private and academic sectors and (iii) Dr Emma Wells, author, broadcaster and former Lecturer in Ecclesiastical and Architectural History at the University of York who currently works as a Principal Historic Buildings Consultant.

Work this year continued on our project to relocate our national office to Northampton. In November 2022 we vacated our London office and moved to a temporary office in the centre of Northampton in anticipation of the completion of works to the Old Black Lion, which will be our new national office and is adjacent to one of our Grade I listed Churches.

This year we have been able to commence development of a new people strategy for the organisation, including a focus on equality, diversity and inclusion (EDI). Our EDI working group will continue to look at this key area of work both within our own organisation and those with whom we interact outside of it.

Highlights of the year include:

- completion of second tranche of Heritage Stimulus Fund £2.5m major repair programme;
- completion of works to 1719 in Sunderland which has since been recognised with multiple awards;
- strong performance by our trading subsidiary CCTEL which reported a surplus of £58k against a target of £36.5k;
- increase in digital audiences, now numbering over 60,000 followers across our social media;
- growth in our supporters to over 9,000, compared to a target of 7,500;
- our ambitious digital transformation programme saw teams moving to Microsoft 365, work on a new HR system and progress towards a new website, CRM and property management system;
- church-based income reaching an all-time high, albeit one that falls short of the stretching pre-pandemic target we had originally set in 2019;
- improvements to our volunteer satisfaction rating, reflecting the work undertaken by the team to ensure volunteers feel supported by CCT.

## **4. AIM ONE: Supporting communities to use and love their historic places of worship**

The CCT has responsibility for a growing collection of historic churches. In order to best care for these buildings it is essential that they are used and loved by the local community. Where there are historic churches with a motivated and well-supported community the building thrives.

To deliver this element of our strategy we created a network of Local Community Officers to develop and maintain relationships with the communities around CCT churches; supporting them to use their historic church and raise funds to keep it in good repair.

Our Conservation Team continue to provide an excellent maintenance service to our historic churches and manage a national list of repair priorities.

This element of the strategy also allows the CCT to consider how we might support communities to care for their historic places of worship beyond the CCT collection.

### **Regions**

The regional teams have worked hard throughout the year to strengthen local relationships, focusing particularly on face to face meetings, including reinstating regional gatherings. There has been strong use by communities to host events and activities in their churches and the variety is growing too with music acts and tribute bands being added to theatre, fairs and seasonal celebrations.

The church plan continues to be a significant tool for engagement, even where there is no obvious community associated with a church. The south-east region have developed a light touch version that can be displayed on noticeboards with key statistics relating to a church.

Our annual community and volunteer awards took place in March with continued support from the Marsh Trust. The quality of entries was again strong and the virtual awards and celebration evening well attended. The Community Engagement and Volunteering Manager joined in January and is working to ensure we're doing our utmost to support our brilliant volunteers.

### **Fundraising and Membership**

Fundraising activities continue to perform well, demonstrated by a continued growth in supporters and associated income. Our 2022-23 Annual Appeal *At the Heart of Communities. Always* was launched on Monday 4 July and we have received £32,980 to date excluding gift aid.

Our Church Based Membership offer finished the year with 66 members electing to designate a portion of their membership subscription to a specific and often favourite church. Our higher level members have been invited to join our annual trustee tour in the south-east region, taking place in May and development of the major gifts strategy continues to ensure that each donor who has given a gift in excess of £500 has a bespoke cultivation approach. The legacy income pipeline is in an excellent position, with 62 known members of the Legacy Giving Group who have pledged a gift in their will to CCT. With trusts and foundations, at smaller levels we saw good returns with grants of £1000 to £1500 at a number of churches and there remains a healthy pipeline of applications for a range of projects for 23/24.

### **Conservation**

Completion of the second tranche of Heritage Stimulus Fund (HSF) supported projects in full means that the majority of our Top 15 urgent repair priorities as set out at the start of the strategic period have been dealt with. A new Top 15 has been developed in consultation with the regional teams although the focus for both conservation and regional staff for the remainder of the strategic period is delivering a number of community initiatives.



A small repairs list has also now been developed, gathering projects that due to their size do not meet the criteria of the top 15 list but are beyond the scope of the maintenance programme; projects that if not carried out in a timely fashion are likely to become the large repair liabilities of the future. The team continue to work with fundraising and regional colleagues to find funding opportunities.

This years' maintenance programme had a particular focus on meeting legal and regulatory compliance across the estate using additional funds received at the start of the strategy period from the Church Commissioners. North Hill, St Torney in Cornwall was vested at the start of the year and phase I repairs are currently underway to repair external stonework, rainwater goods and roofs, as well as grout the tower.

### Regeneration

Our major project at **Sudbury** has been on site since the start of the year and the project continues to progress well with completion scheduled in summer 2023. Additional heating upgrades can now also be funded through additional fundraising and project contingencies. Lease negotiations with the Operator are nearing conclusion at the year end.

At the **Old Black Lion** in Northampton, contracts were signed and work started on site 20<sup>th</sup> March. Ongoing negotiations with CCT's preferred pub operator, a local Northampton firm are positive and nearing completion. Acquisition of the neighbouring churchyard by CCT is also in progress.

St John's in **Lancaster** secured a significant round 1 National Lottery Heritage Fund grant and development work is now progressing. CCT's Conservation Committee visited to discuss the impact of the scheme on the significance of the church and specifically its interior joinery and fittings. Negotiations continue with the Chamber of Commerce who intend to take the lease of the site once capital work is completed.

We were delighted that our recently completed works at **Sunderland's 1719** received a number of awards including:

- Georgian Group 'Re-use of a Georgian Building' winner
- Museums+Heritage 'Conservation project of the Year'
- National Brick awards (conservation and restoration awards) - Judges Commendation  
National Construction in Excellence awards (conservation and regeneration awards) - Highly Commended

### Finance and ICT

The Finance team continue to support the organisation through cross organisational projects, particularly the Old Black Lion in Northampton. Additionally work to improve analysis of CCT's income and expenditure is ongoing to provide improved management information to senior management and stakeholders.

Our organisation-wide **Digital Transformation Programme**, covering five key systems, has continued to progress. Strategic briefs and end-to-end project plans have now been established for all of these. Our new HR System is due to go live in June 2023 whilst Microsoft 365 continues a planned phased-rollout across our teams. In the coming year work will progress further on development of our new website, CRM and property management system.

Work has continued to ensure our organisation's cyber-security is maximised. This has included rollout of a number of new measures ranging from email filters, password management, anti-virus and malware and implementing updated backup and disaster recovery plans.

## **5. AIM TWO: Sharing our skills to sustain churches**

The CCT aims to develop sustainable commercial activity to help support investment in the conservation and repair of our collection of historic churches. We have invested in Champing™, our consultancy work and the development of our fledgling maintenance service. Our Head of Enterprise is also tasked with developing the profitability of our wider commercial work and assisting with the development of our flagship visitor churches.

### **Major Footfall Sites**

Our Major Project Governance Board is now established and continues to give operational oversight as well as work on issues that are common to each project. It has been a challenging time for our major sites as we have worked to recover momentum, activity and income post-covid; a task that has proven particularly challenging in places, with team continuing to work hard to control costs and improve income. A major sites review has also been commissioned to consider the financial sustainability of major sites and look at options for these and future projects in terms of operating and income models.

### **Champing™**

Champing revenue is comparative to the previous season, but with a larger allocation to our partner churches, higher costs, and no VAT reduction in place this year (in place last year as a result of Covid), the profit margin is lower. CCT noted that demand dropped considerably after Her Majesty Queen Elizabeth's death, and also with ongoing economic and cost of living pressures. Following a flurry of early pre-season media coverage significant exposure was generated for Champing, particularly around our work with partner churches, meaning bookings for 2023 are up compared to the same point in 2022.

We have also been reviewing Champing overall to consider its future sustainability and business model. A review of CCT's filming activities was also begun during 21-22 and will be concluded in the next financial year.

### **Consultancy**

Consultancy revenue remains buoyant, contributing to a better-than-expected year-end performance for Churches Conservation Trust Trading Enterprises Limited. The regeneration team continue to work on a range of projects and to explore new opportunities for this work.

The three-year Find a Use Manchester project (to work with local partners and the Church Commissioners to develop new uses for 8 strategic closed churches) ended in June with only limited success showing just how challenging this area of the sector can be. CCT has learnt much from the project that we can apply to our own programme of estate management.

CCT has been approached by a number of Diocese and PCCs during the year to provide advice and support in a number of ways. These tend to be churches where there are already huge challenges and such approaches do not always come to fruition because of governance or funding limitations and we therefore continue to explore ways in which we can continue to support such work.

We have been successful in winning tenders this year for a number of Heritage-Action-Zone (HAZ) traditional skills and learning contracts, as well as repeat contracts with groups of Quakers.

### **Historic Chapels Trust**

The CCT has continued to support the Historic Chapels Trust (HCT) over the last year, managing their finances. Having been successful in their application for a Cultural Asset Fund grant CCT began recruitment for a project team to provide asset management services including urgent repairs.

## **6. AIM THREE: Promoting the value of our shared cultural heritage**

The CCT continues to be concerned that there is a precarious future for many historic places of worship. We seek to ensure that society continues to value these buildings for their social, architectural, historical, aesthetic and cultural qualities.

We aim to develop and grow our supporter base. We seek to gather a strong voice for all of those who value historic places of worship in their community. To ensure that historic places of worship remain relevant and important to society we deliver learning programmes to explain these complex buildings.

The programmes will result in the conservation, repair, adaptation and maintenance of the buildings in our collection and of additional churches at risk coming into our ownership. The CCT also runs a wide range of projects to support and promote community, arts, cultural and educational use, tourism and the local management or lease of its buildings. All projects serve to increase external funding, volunteering, partnerships and local involvement.

### **Communications**

The Communications team's efforts have resulted in strong performance against our digital engagement key performance indicators. They continue to out-perform targets in nearly all areas with the exception being the website, demonstrating the need for the updated website that will be delivered as part of the digital transformation project. Audience development work has also been progressing in order to better understand and appeal to both existing and new audiences. This work will conclude later in 2023 and inform our future plans. Digital delivery continued, particularly with the lunch time lectures, bringing in an external host to support in finding speakers and promoting the lecture series.

### **Learning and Interpretation**

Through funding from the Department for Education via Historic England, we have continued to support the equivalent of three full time **Heritage Learning Officers** who work with schools to bring young people into our church buildings. The programme has now been going for ten years, allowing us to build relationships with schools, teachers and learning networks, as well as more recently providing popular family learning programmes in our major footfall sites.

The Learning and Participation team were pleased to note the popularity of their Heritage Open Days linked resource pack as well as content for Christmas. The team also supported the annual appeal by delivering a fun family engagement activity. In addition, nationally, the team have been working on Contested Heritage, joining several external working groups and conversations as well as undertaking desk based research on the extent of contested heritage across CCT's estate.

## 7. PERFORMANCE AGAINST TARGETS

### Key Performance Indicators

Three Key Performance Indicators across each of our three strategic aims help us to measure progress against these over time. The table below shows progress from the beginning of our strategic period (baseline) and our annual target within this.

<b>Supporting communities to use and love their historic places of worship</b>				
	<b>KPI</b>	<b>Measure</b>	<b>2022/23 Target</b>	<b>2022/23 Actual</b>
<b>1</b>	80% of volunteers and communities around our churches feel well supported by the CCT by 2025	Annual volunteer survey. Baseline: The annual survey provided that 38% of volunteers felt well supported by the CCT	65% of volunteers feel well supported by CCT	67% of volunteers feel well supported by CCT
<b>2</b>	A further £700k of church based funding is generated every year by 2025	Church based income. Baseline (2018/19): £492,655	£684,660	£543,472
<b>3</b>	To increase our annual regular maintenance expenditure to over £1m by 2024/25	Amount spent on regular maintenance annually. Baseline (2018/19): £526,559	£627,375	£595,623
<b>4</b>	We will deliver the 15 priority projects by 2024/25	Progress against the project list as agreed by Management and Board of Trustees	Progress against the agreed top 15 list	Original top 15 addressed and new 2nd tier added. Within 2022-23 – 5 further projects completed.  Three further schemes in development, 2 new vestings and new top 15 community-led projects in development

<b>Sharing our skills to sustain churches</b>				
	<b>KPI</b>	<b>Measure</b>	<b>2022/23 Target</b>	<b>2022/23 Actual</b>
<b>5</b>	Achieve our 5 year commercial target	Progress against the commercial plan to be devised by the Head of Enterprise once appointed	£36,500 surplus	£58,346 surplus
<b>6</b>	Work with 50 communities outside the CCT collection	Number of communities worked with as part of consultancy work or partnership working	28	15
<b>Promoting the value of our shared cultural heritage</b>				
	<b>KPI</b>	<b>Measure</b>	<b>2022/23 Target</b>	<b>2022/23 Actual</b>
<b>7</b>	Achieve 2 million annual visitors per year	2018/19 baseline: 1.7m visitors	1.85m visitors	1.59m visitors
<b>8</b>	Grow CCT supporters to 10,000 by 2024/25	Numbers of supporters recorded on CRM 2018/19 baseline: 2,060 members	7,500 supporters	9,203 supporters
<b>9</b>	Grow digital audience by 250% by 2024/25	Baseline: Twitter 13,000 LinkedIn 2,500 Instagram 2,500 (total 18,000)	50,715	61,219

## **8. SUSTAINABILITY**

Since 2011/12 public bodies are obliged to include a sustainability report within the annual report and accounts unless they fall under a de-minimus threshold. Whilst CCT falls below this threshold and we are not required to include a report, further details of our work in this important area can be found below and on our website.

CCT works in partnership with all kinds of community groups to support them in caring for redundant places of worship and finding sustainable new uses. Our aim is to ensure these special buildings remain conserved, in use, and at the heart of their communities. Our approach is to promote sustainable stewardship of historic churches, so that problems of decay and redundancy are tackled before they become overwhelming. Our projects also use locally sourced materials and sub-contractors as far as is practical in our repair, conservation and regeneration programmes.

### **Churchyard Policy**

Our churchyard policy is particularly focused on conservation of wildlife and the natural landscape. It has been adopted across all our vested churchyards, c. 70 across England. In some urban places, our churchyards are one of the key green spaces remaining.

Local Community Officers along with Conservation and Regeneration Project Managers are working with local communities to re-wild our churchyards. We always include bat slates when reroofing or repairing the roofs of our churches and have installed bat and swift boxes in many locations including Lower Basildon in Berkshire and Cameley in Somerset. At the latter our new swift boxes on top of the church tower are accompanied by an electronic speaker playing swift-song, powered by a tiny solar panel.

At Shrewsbury we are growing our own organic dahlias in recycled half-barrel planters; encouraging bees and other wildlife, educating the public on growing their own flowers/plants, and contributing to the town's beautiful greenspaces. After cutting the fresh flowers for a floristry workshop, we will keep the bulbs safe over winter and hope to replant next year.

### **Wildlife Management**

As part of all our projects we commission surveys and monitoring work to ensure that protected species such as bats and birds are not adversely affected by repair and conservation works. We include mitigation and enhancement schemes where needed in all our projects.

We have produced school and family activities to raise awareness of bats, lichens, moss, decline of the hare population, churchyard wildflowers and foraging. We continue to support volunteers in caring for our sites for the benefit of nature. We have recently been awarded funded from DEFRA to work with the Broads Authority on a wildlife project in the Norfolk and Suffolk Broads. Some 15 churches will benefit from better churchyard management and wildlife training from organisations such as the Norfolk Wildlife Trust.

### **Energy Saving**

We monitor energy consumption at all our sites to identify periods of high energy consumption and develop strategies to reduce waste. New and more efficient heating systems at Sound & Art at St Swithun's, Worcester and at Seventeen Nineteen in Sunderland, two of our major projects, are now operational.

At St Peter's Sudbury a new more efficient boiler, which is suitable for conversion to hydrogen, has been installed. We are also undertaking repairs to the external boiler house to ensure the heating system is more energy efficient.

For CCT's new vesting at Brougham, St Wilfrid's, the Conservation Team have commissioned a Services Engineer to report on a number of options for the church which currently has wall-mounted gas heaters. The Conservation Team have appointed a Sustainability Consultant to work on North Hill, our new vesting in Cornwall. This project will look at producing a carbon lifecycle assessment for all stages of the church's life from the embodied carbon from its construction and adaptation over the last 700 years, including the current repair project, to the operational carbon involved in its ongoing use and maintenance.

Many of our churches, not having heating systems, are 'net-zero by accident'.

### **Conservation Repair and Maintenance**

The team's annual maintenance and repair programmes is delivered through frameworks of local contractors and, as much as possible, local consultants and specialist conservators. The conservation work on the stained glass windows at St Mary's in Shrewsbury will include sustainability plans requiring awareness from contractors of environmentally sustainably design. The conservator carrying out work on the stained glass windows runs his workshop on green technologies, including a heat pump and solar panels. The lead used in his work is recycled and he uses mouthblown handmade glass, as opposed to mass-produced factory materials.

### **Minimising Loss of Original Fabric and Sustainable Design**

Carrying out the minimum amount of work required to conserve our sites is a guiding principle in developing conservation and regeneration projects. We have followed this approach on site at our major projects as well as in new vestings and repair projects.

### **Craft / Heritage Skills**

A heritage craft skills apprenticeship is being delivered at St Peter's, Sudbury, as part of the building contract there, alongside six work experience placements. We have an apprentice at Sound & Art St Swithun's in Worcester. We have undertaken various heritage craft skills workshops as part of our consultancy work in Hexham, Sunderland, Leeds, Lancaster and North Tyneside. We have employed skilled local contractors on all of our Heritage Stimulus Fund repair projects.

### **People and Communities**

We support cycling to work schemes and encourage our staff to use sustainable transport as much as possible. Our staff are mostly based within the geographical area of their remit to maximise efficiency in costs and resources and minimise environmental impact from extensive travel. The majority of the schools we work with walk to their local CCT church for their sessions. In Buckinghamshire, we have been involved in a local initiative encouraging school parents to walk to explore the district and have been leading regular walks to St Lawrence's Church, Broughton.

## 9. FINANCIAL REPORT

### Income

In the year ending 31 March 2023, overall income stood at £9.9 million, 15% down on the £11.7 million received in 2021/22. This mainly reflected a reduction in grants, particularly from the Heritage Stimulus Fund (HSF). The HSF was a time-limited fund established to support the heritage sector to weather the impacts of Covid-19.

Grant-in-Aid from DCMS and the Church Commissioners provided £4.4 million, equivalent to 44% of income (2021/22: £4.4 million, 38%).

Non-statutory grant income reduced by 45% to £2.9 million from £5.3 million. This figure comprises grants from trusts and foundations for specific projects, together with grant income from Churches Conservation. Grants are recognised in our accounts under charity SORP accounting rules and the CCT moves into 2023/24 with a healthy pipeline of externally-funded projects. Grants from the Listed Places of Worship Scheme, where VAT is reclaimed on eligible church repairs, showed a small drop from £493,000 to £425,000, reflecting the reduction in eligible repairs carried out in 2022/23.

Donations overall remained nearly unchanged at £595,000 compared to prior year (2021/22: £597,000). Unrestricted donations were marginally lower at £419,000 (2021/22: £429,000).

Legacies brought in a substantial £547,000 in the year, up from £283,000 in 2021/22. Of this total, £454,000 was unrestricted income (up from £182,000 in 2021/22).

Earned income rose by £174,000 (26%) to reach £837,000 (2021/22: £663,000). Of this total, £822,000 was unrestricted, up from £659,000 in 2021/22. Within earned income, hire fees showed a significant increase, continuing the recovery from the large Covid related fall in 2020/21. Hire fees generated £157,000, up from £135,000 in 2021/22. Other income within this category that grew significantly in the year includes rental fees, up £32,000 to £142,000.

Total Group unrestricted donations and earned income increased again to £1.2million from £1.1 million in 2021/22. These results include income generated via the CCT's trading subsidiary.

### Expenditure

88% of the CCT's expenditure went on frontline projects to repair churches and support communities (2021/22: 91%). At £5.8 million, 'Church repairs and maintenance' continues to be the main call on our funds. This is a reduction from the previous year figure of £8.3 million.

£2.6 million (2021/22: £2.1m) was spent on 'Supporting volunteers and communities, keeping churches open' and £1.1 million or 11% (2021/22: £1.0m) of our expenditure is spent on fundraising and communications.

### Reserves

Trustees recognise that an unrestricted reserve allows the organisation to deal with short-term fluctuations in income, to provide adequate working capital and to underpin budgetary risk arising from capital expenditure projects.

The Trustees have considered the scale, complexity and risk profile of the CCT, and taken account of the funding base which consists of grant-in-aid from DCMS and the Church Commissioners, and self-generated income. The former has historically been reasonably foreseeable, given that it is subject to multi-year funding agreement, but in the current economic climate the level of this can no longer be assumed. Self-generated income is always liable to fluctuation depending on economic circumstances and visitor activity.

The Trustees consider £500,000 of Free Unrestricted Reserves are required after taking into account: annual operational expenditure; short-term fluctuations in income; unexpected repair



issues; adequate working capital; budgetary risks arising from major projects; and uncertainty in future income.

The policy on reserves is reviewed by the Trustees as part of the annual planning and budget setting process.

### *Restricted Reserves*

Although the CCT's total reserves at 31 March 2023 are shown as £2.3 million (2021/22: £1.9 million) on the Statement of Financial Position, all but £983,000 (2021/22: £781,000) are restricted funds whose use, under the terms by which they were given, is restricted solely to work at specific churches and cannot be used for other purposes. The CCT's policy is always to utilise these funds first when carrying out necessary works at eligible churches, before any call is made on unrestricted funds.

### *Free Reserves*

The Charity Commission defines 'free reserves' as: 'income which becomes available to the charity and is to be expended at the Trustees' discretion in furtherance of the charity's objectives, but which is not yet spent, committed or expended'. As at 31 March 2023, the CCT had free reserves of unrestricted funds, less the carrying value of fixed assets, of £983,000 (2021/22: £781,000).

Although our free reserves are currently above the target level of £500,000, Trustees consider the current figure acceptable especially considering continuing post-covid. The policy on reserves is reviewed by the Trustees as part of the annual planning and budget setting process.

## **Investment Policy**

The Trustees' objective for its long-term funds is to seek a real above-inflation return, both in terms of capital appreciation and income, through investment of permanent endowments in broadly based funds. Deposit funds are split between the Central Board of Finance of the Church of England Deposit Fund, Bath Building Society, Nationwide Building Society, Scottish Widows Bank and Virgin Money. Permanent Endowment funds are invested with Investec Wealth and Investment.

Senior Management Team, with Trustees' approval, monitor and regularly review the Trust's investment strategy.

## **Register of Interests**

The CCT maintains a register of Trustees' interests which is available for inspection at the CCT's offices on application to the Chief Executive.

## **Registered Office**

G41 Vulcan Works, 34-38 Guildhall Road, Northampton NN1 1EW.

## **Auditors**

The CCT's auditors are Mazars LLP, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS. The auditors are re-appointed annually by the Trustees.

As far as the Trustees are aware, there is no relevant audit information (as defined by the Companies Act 2006) of which the charity's auditors are unaware, and each Trustee has taken all the steps they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

## **Bankers**

Coutts and Co, 440 Strand, London WC2R 0QS.

## Legal Advisers

Charles Russell Speechleys, 5 Fleet Place, London EC4M 7RD.  
Church Commissioners Legal Office, Church House, Great Smith Street, London, SW1P 3AZ.

## Remuneration of Senior Managers


	Pension Benefits (to nearest £1,000) 2022-23	Pension Benefits (to nearest £1,000) 2021-22	Accrued pension at 31/03/2023 £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/2023 £'000	CETV at 31/03/2022 £'000	Real increase in CETV £'000
Greg Pickup Chief Executive (from 12.09.2022)	18,000	0	0-5	0-2.5	10	0	6
Sarah Robinson Interim Chief Executive / Director of Conservation	55,000	18,000	25-30 (plus a lump sum of 10-15)	2.5-5 (plus a lump sum of 0-2.5)	452	367	43
Stuart Popple Finance Director (to 23/12/2022)	10,000	27,000	15-20	0-2.5	219	201	4
Marian Carson Director of Operations	28,000	25,000	5-10	0-2.5	53	35	10
Mark Toller Interim Finance Director (from 01.12.2022)	6,000	0	0-5	0-2.5	0	0	-1
Judith Patrick Interim Director of Operations (from 27.03.2023)	0	0	5-10	0-2.5	85	85	0

'The Cash Equivalent Transfer Value (CETV)'. A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

'Real increase in CETV'. This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Signed on behalf of the Trustees on: 21 June 2023



**Elizabeth Peace CBE**  
**Chair of the Trustees**



**Greg Pickup**  
**Chief Executive**

## REPORT OF TRUSTEES AND ACCOUNTING OFFICER

The CCT is a sponsored body of the Department for Culture, Media and Sport. The Trustees are required to prepare accounts for each financial year in the form and on the basis determined by the Secretary of State for Culture, Media and Sport, with the consent of the Treasury and in accordance with the Charities Act 2011 and the Mission and Pastoral Measure 2011. The accounts are prepared on an accruals basis to show a true and fair view of the state of affairs of the CCT at the balance sheet date and of the income and expenditure and cash flows for that period. In preparing those accounts, the Trustees are required to:

- Observe the accounts direction applicable to the year issued by the Secretary of State for Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, and disclose and explain any material departures in the accounts.
- Prepare the accounts on the going concern basis, unless it is inappropriate to presume that the CCT will continue in business.

The Trustees are responsible for ensuring that proper accounting records are kept of the CCT's financial position and income and expenditure. They are also responsible for safeguarding the assets of the CCT and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are also responsible for ensuring that the Trustees' Report and other information included in the Annual Report is prepared in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Accounting Officer for the Department for Culture, Media and Sport has designated the Chief Executive of The Churches Conservation Trust as the Accounting Officer for the CCT.

The Accounting Officer's responsibilities, including the responsibility for the propriety and regularity of the public finances for which the Trustees are accountable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies 'Accounting Officers' Memorandum, issued by the Treasury and published in 'Managing Public Money'.

Signed on behalf of the Trustees on: 21 June 2023



**Elizabeth Peace CBE**  
**Chair of the Trustees**



**Greg Pickup**  
**Accounting Officer**

## 10. GOVERNANCE STATEMENT

The Governance Statement describes how the CCT manages and controls its resources in delivering its strategic plan.

Achievement of the charity's objectives entails taking certain risks which have been identified and require careful and on-going management. To address risk and ensure the CCT is best placed to meet its strategic and operational aims, the Accounting Officer and Board of Trustees have responsibility for maintaining a sound system of governance which supports the achievement of the policies, aims and objectives of the CCT. At the same time the system is in place to safeguard the CCT's public funds and assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned them in Government Accounting.

### Corporate Governance

The CCT is governed by a board of Trustees, including the Chair. The Trustees are appointed by His Majesty the King, on the advice of the Archbishops of Canterbury and York, submitted through the Prime Minister. New Trustees are fully inducted into the CCT to better understand their responsibilities and the operational and strategic framework in which the CCT operates.

#### *Trustees*

The Trustees during the year were:

Elizabeth Peace CBE	Chair
Sue Wilkinson	Chair of the Finance and Audit Committee
Carol Pyrah (to June 2022)	Chair of the Conservation Committee
Edward Harley OBE, DL (to September 2022)	
Sir Simon Jenkins	
William Donaldson	
Canon Revd Tim Goode	
Inayat Omarji	
Dr Oliver Cox	
Tanvir Hasan (from February 2023)	
Dr Emma Wells (from February 2023)	
Erin Walsh (from February 2023)	

The Board delegates some issues to its Finance and Audit Committee, Conservation Committee, and Health and Safety Committee. Terms of reference for each are agreed by the Board. These Committees report to the Board their discussions of relevant matters and advise on decisions, which are then taken by the Board. All Committees are advised and serviced by senior managers.

During the year to 31 March 2023, the Board and its Committees all met on a quarterly cycle. Minutes of the meetings, including attendance, are kept and approved by the Board at subsequent meetings. Trustee attendance at Board meetings was 95% (2021/22: 100%).

During the year the Board met to specifically review strategy and its own performance at an away day.

#### *The Finance and Audit Committee*

The Finance and Audit Committee comprises three Trustees: Sue Wilkinson (Chair), William Donaldson, Erin Walsh and one external co-optee. It reviews key risks and controls, the management of resources through review of the latest management accounts and end of year reserves predictions and receives reports from management and the internal and external auditors on key risk areas. It also approves the final accounts subject to signing by the Board.

## REPORT OF TRUSTEES AND ACCOUNTING OFFICER

From these reviews the Committee is able to provide assurance to the Board on the CCT's financial position and risk management.

### *Conservation Committee*

The Conservation Committee is chaired by a Trustee and comprises relevant experts, and senior representatives of other conservation organisations. It advises the Board on significant conservation and development matters relating to its 357 historic buildings. Having an expert Committee at such a high level in the CCT's governance protects the organisation against legal, reputational, and other risks associated with the management of a large historic estate.

### *Highlights of Board Reports*

During the year, the Board of Trustees approved: updated KPIs; the 2022 annual report and accounts; and expenditure on a number of repair projects. The Board also approved the annual Health and Safety report, and the plan and budget for 2023/24.

### *Management Structure*

Trustees employ a salaried Chief Executive to manage the organisation and implement the strategic objectives. The Chief Executive has a senior management team comprising a deputy chief executive and two other directors. Each director has their own small team of staff who carry out a range of projects with the support of volunteers. The CCT's operational teams are organised into three regions.

The CCT's Chief Executive Officer and Accounting Officer is Greg Pickup.

### *Communication with Sponsors*

The Accounting Officer and the other Directors hold six-monthly review meetings with officers in DCMS to discuss performance against targets and the three-yearly Funding Agreement, governance and other risk management matters. These meetings are also where the CCT is advised of actual and potential changes to Government legislation and requirements.

The Accounting Officer and members of the senior management team also meet on a quarterly basis with Officers of the Church Commissioners and six-monthly with DCMS to review the estate and its management, share information and discuss specific issues and future vestings. Broader discussions of progress and strategy take place through annual member-level meetings with the Church Commissioners and DCMS.

### *Audit*

As part of their annual audit of the CCT's accounts the external auditors provide a Management Letter covering any identified control weaknesses. For 2022/23, no substantive weaknesses were raised (2021/22: zero) which provided the CCT with additional comfort over its internal controls. The CCT's rolling three-year internal audit plan considers strategic and operational risks and has been approved by the Finance and Audit Committee. It is updated annually to confirm audit prioritisation. All reports and management actions were reviewed by the Finance and Audit Committee.

### *Corporate Governance*

The system of governance has continued in place in the CCT for the financial year ended 31 March 2023 and up to the date of approval of the Annual Report and Accounts. It accorded with HM Treasury guidance, including the Corporate Governance Code of Good Practice 2011 in so far as it is applicable to Arm's Length Bodies, save in relation to the Code's recommendation for a separate nominations committee.

## Remuneration

In 2022/23 a 5% pay increase was paid to junior staff (2021/22: none) with a 3% award to eligible senior staff. All pay awards are subject to Trustee approval.

### *Gender Pay Gap*

At 31 March 2023 the CCT had a mean gender pay gap of 6% in favour of male employees (March 2022: 5%). The median figure was 12% in favour of male employees (March 2022: 11%). CCT's gender pay gap is lower than the national ONS average of 14.9% median for all employees (full-time and part-time) as of April 2022.

The below table illustrates the proportion of Female and Male employees in each pay quartile.

	Women	Men	Total	% Women in Quartile	2022: % Women in Quartile
Top Quartile	12	8	20	60%	56%
Upper Middle Quartile	13	7	20	65%	67%
Lower Middle Quartile	16	4	20	80%	72%
Lower Quartile	13	8	21	62%	65%
<b>Total</b>	<b>54</b>	<b>27</b>	<b>81</b>	<b>67%</b>	<b>65%</b>

### *Senior management remuneration*

As at 31 March 2023, the highest paid director was paid in the £80,000 to £90,000 band. The ratio of the mid-point of this band, to the CCT's median pay of £33,726, was 2.5 (2021/22: 3.3). The senior management team is defined as the directors of the CCT, and comprises the following roles: Chief Executive, Deputy Chief Executive/Director of Conservation, Finance Director and Director of Operations. The total remuneration of senior management was £365,428 (2021/22: £401,518).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind and employer national insurance and pension contributions. It does not include severance payments and the cash equivalent transfer value of pensions.

### *Civil Service compensation scheme exit packages*

Exit Package Cost Band	2022-23		2021-22	
	Number of compulsory redundancies	Number of other departures agreed	Number of compulsory redundancies	Number of other departures agreed
<£10,000	0	0	0	0
£10,000 - £25,000	0	1	0	0
£25,000 - £50,000	0	0	0	0
£50,000 - £100,000	0	1	0	0
<b>Total</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure.

### *Contracts*

Senior management contracts have minimum notice periods of three months. Any termination payments would be subject to the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972.

### *Trade Union facility Time*

The CCT complies with the Trade Union (Facility Time Publication Requirements) Regulations 2017. The total number of employees who were relevant union officials during 2022/23 was zero (2021/22: zero). As such zero time and zero remuneration was spent on facility time during the year (2021/22: zero).

## **Planning and Budgeting Process**

The senior management team compiles the CCT's business plan and budget on an annual basis. In 2018/19 CCT launched a new planning process that aimed to improve forward planning, budget management and allow for the longer preparation time required for more complex projects. It also ensures that there is a clear link between individual projects and organisational objectives and KPIs.

The process begins with management determining the CCT's strategic and operational priorities for the next financial year. Risk management is integral to the business planning process. Each team then generate their own priorities, projects and budgetary requirements which it deems necessary to deliver the strategic aims within its area of responsibility as well as through cross-team working. The teams also identify key risks and their mitigation, feeding results through the main risk management process to the Senior Management Team (SMT).

SMT then review the individual team plans and priorities and prepare the national plan and budget, ensuring that all priorities are being met, resources appropriately allocated and risks managed. The plan and budget is subject to analysis by the Finance and Audit Committee and formal approval by the Board of Trustees.

### *Project Management*

Individual projects are defined by project plans and budgets which feed into the team business plans. Cross-disciplinary project teams manage and report on individual projects within a scheme of delegated authority. Expenditure is governed by authorisation rules which ensure its sign-off at the appropriate level of seniority.

### *Performance Monitoring and Reporting*

Trustees receive quantitative and qualitative reports against the national plan and budget at their quarterly meetings, with a full performance report every six months. These reports explain team and management actions that have led to positive variances and how adverse variances are being addressed.

## **Risk Management**

In assessing risks and appropriate actions, the CCT's approach is taken from the Treasury's 'Managing Public Money'. In addressing risks, the CCT will:

- **Take opportunities** - for circumstances where the potential gain seems likely to outweigh the possible downside;

## REPORT OF TRUSTEES AND ACCOUNTING OFFICER

- **Tolerate** - for unavoidable risks, or those so mild or remote as to make avoidance action disproportionate or unattractive;
- **Treat** - for risks that can be reduced or eliminated by prevention or other control action;
- **Transfer** - where another party can take on some or all of the risk more economically or more effectively (for example through insurance, sharing risk with a contractor); and
- **Terminate** - for intolerable risks, where it is possible for the organisation to exit.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The CCT's system of internal control has been in place throughout the year up to the date of approval of the annual report and accounts, and accords with Treasury guidance. The system is based on an on-going process designed to:

- Identify and prioritise risks that may affect the achievement of the Trust's policies, aims and objectives through assessing the likelihood and impact of those risks occurring; and
- Through key controls, specific actions and responsibilities, manage risk efficiently, effectively and proportionately.

The Trustees are satisfied that appropriate systems are in place to manage risk.

### *The Risk Register*

- Departmental risk registers are reviewed at monthly team meetings to ensure risks are considered. The teams are the three regions, Conservation, Enterprise, Regeneration, Communications, Fundraising, and Finance and ICT. Any departmental risk of severity 12 or more, or an impact of 5 is reported to SMT for consideration in the national risk register.
- SMT formally review risks on a quarterly basis and prior to preparation of the Finance and Audit Committee papers. SMT considers departmental risk registers on a rotational basis.
- The Finance and Audit Committee formally review the risk register every six months.
- The Board of Trustees review the risk register annually, prior to the accounts being signed off, in order that the Governance Statement can be signed.

### *Whistleblowing*

The CCT is committed to the highest standards of accountability and transparency. A whistleblowing policy is in place that encourages staff to raise issues. Various reporting mechanisms are in place for staff including direct access to our internal auditors.

### *Information Management*

The CCT is registered with the Information Commissioner's Office. The CCT suffered no significant protected personal data incidents during 2022/23 (2021/22: zero) and has not had to make any report on the loss of personal protected information to the Information Commissioner's office. Controls are in place to monitor information management risk.

### *Approach to Fundraising*

We hold our members, donors, volunteers, and other supporters who fund our work in the highest regard and are committed to fundraising best practice based on the core principles of integrity, transparency, and accountability.



## REPORT OF TRUSTEES AND ACCOUNTING OFFICER

We are registered with and are committed to, supporting, and complying with the guidelines and directives of the Fundraising Regulator and the Fundraising Preference Service (FPS). We are also members of the Chartered Institute of Fundraising and follow the Fundraising Code of Practice. In 2022/23 there were no failures to comply with standards, no complaints were received directly, and no requests were made to be removed from our database via the Fundraising Preference Service.

Our fundraising activities are organised and coordinated by our own members of staff and/or by committed volunteers and friends' groups. With the exception of legacy fundraising and the distribution of our membership magazine Pinnacle, we do not make use of external professional fundraisers or commercial participators.

A fuller description of our approach to fundraising along with our privacy and complaints policies are available on our website.

### *Sickness Absence Disclosure*

During the year, staff were off work due to sickness for a total of 201 days (2021/22: 218), an average of 2.5 days (2021/22: 2.9) per staff member. These figures exclude long term sickness. If long term absences are included, the total rises to 275 days (2021/22: 345 days).

### *Consultancy and Contingent Labour Spend Disclosure*

During the year-ending 31 March 2023, £198,460 (2021/22: £81,124) was spent on consultancy. £116,965 (2021/22: £59,420) was spent on temporary staff.

### *Tax Assurance Disclosure*

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, Government departments and their arm's length bodies must publish information on their highly paid and/or senior off-payroll engagements. For the year ending 31 March 2023, the CCT did not have any off-payroll engagements.

## **Review of Effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the Governance Statement. My review of the system's effectiveness is informed by the work of the internal auditors, the senior managers within the CCT who have responsibility for the development and maintenance of the governance and control framework, and comments made by the external auditors in their Management Letter and other reports, including health and safety assessments.

I am satisfied from the results of my on-going review that risk management processes and corresponding systems are in place and give me reasonable assurance of their effectiveness.

Risk management is an on-going process and will continue to be integral to strategic and operational planning and to the delivery of the objectives and targets of the CCT. Risk management practice and procedure will also continue to be reviewed and developed to ensure effective control, good management and accountability. No significant control issues arose during the year.



**Greg Pickup**  
**Accounting Officer and Chief Executive**

## **11. INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES**

### **Opinion**

We have audited the financial statements of Churches Conservation Trust ('the parent charity') and its subsidiary ('the group') for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Statements of Financial Position, the Consolidated Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2023 and of the group's 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 for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 the parent charity'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.

### **Other information**

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

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

We have nothing to report in this regard.

**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 Report of the Trustees which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Report of the Trustees.

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 and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the parent charity 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 the parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the charity and its sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Charities Act 2011, tax legislation, safeguarding, pensions legislation, employment regulation, health and safety regulation, anti-bribery, corruption and fraud and anti-money laundering regulation.

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To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;

Inspecting correspondence, if any, with relevant licensing or regulatory authorities;

Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and

Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as The Charities Statement of Recommended Practice and the Companies Act 2006.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;

Gaining an understanding of the internal controls established to mitigate risks related to fraud;

Discussing amongst the engagement team the risks of fraud; and

Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

### **Use of the audit report**

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



### **Nicola Wakefield (Senior Statutory Auditor)**

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

2<sup>nd</sup> Floor, 6 Sutton Plaza, Sutton Court Road, Sutton, SM1 4FS

Date: 12 July 2023

## 12. FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2023	Total 2022
Notes	£	£	£	£	£
<b>INCOME</b>					
Donations & Legacies	873,028	268,974	-	<b>1,142,002</b>	<b>879,167</b>
Income from Charitable Activities	4,974,771	2,945,502	-	<b>7,920,273</b>	<b>10,183,596</b>
Income from Investments	5,580	33,986	-	<b>39,566</b>	<b>19,222</b>
Other Trading Activities	822,078	14,916	-	<b>836,994</b>	<b>662,860</b>
<b>TOTAL INCOME</b>	<b>6,675,457</b>	<b>3,263,378</b>	<b>-</b>	<b>9,938,835</b>	<b>11,744,845</b>
<b>Expenditure on Raising Funds</b>					
Fundraising and Communications	(1,043,368)	(98,931)	-	<b>(1,142,299)</b>	<b>(1,021,265)</b>
<b>Expenditure on charitable activities</b>					
Church Repairs and Maintenance	(3,115,738)	(2,668,620)	-	<b>(5,784,358)</b>	<b>(8,259,008)</b>
Keeping Churches Open	(2,313,663)	(330,358)	-	<b>(2,644,021)</b>	<b>(2,106,090)</b>
Total charitable activities	(5,429,401)	(2,998,978)	-	<b>(8,428,379)</b>	<b>(10,365,098)</b>
<b>TOTAL EXPENDITURE</b>	<b>3 (6,472,769)</b>	<b>(3,097,909)</b>	<b>-</b>	<b>(9,570,678)</b>	<b>(11,386,363)</b>
<b>Net income / (expenditure)</b>	202,688	165,469	-	<b>368,157</b>	<b>358,482</b>
<b>Other recognised gains and losses</b>					
Unrealised losses	8 -	-	(35,437)	<b>(35,437)</b>	<b>8,982</b>
<b>Net movement in funds</b>	202,688	165,469	(35,437)	<b>332,720</b>	<b>367,464</b>
Balances brought forward at 1 April 2022	<b>780,766</b>	<b>559,591</b>	<b>595,198</b>	<b>1,935,555</b>	<b>1,568,091</b>
<b>Balances carried forward at 31 March 2023</b>	<b>983,454</b>	<b>725,060</b>	<b>559,761</b>	<b>2,268,275</b>	<b>1,935,555</b>

All amounts relate to continuing activities; there are no other recognised gains or losses which are not included above.

The notes to the Financial Statements are on pages 29-40.

**STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2023**

		Group	Charity	Group	Charity
		2023	2023	2022	2022
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible fixed assets	<b>6</b>	-	-	-	-
Tangible fixed assets	<b>7</b>	-	-	-	-
Investment in Subsidiary		-	1	-	1
Fixed assets investments	<b>8</b>	380,590	380,590	416,027	416,027
		<b>380,590</b>	<b>380,591</b>	<b>416,027</b>	<b>416,028</b>
<b>CURRENT ASSETS</b>					
Debtors	<b>9</b>	1,851,781	1,774,969	1,935,105	1,898,450
Cash at bank and in hand		1,876,172	1,733,730	2,080,614	1,966,112
		<b>3,727,953</b>	<b>3,508,699</b>	<b>4,015,719</b>	<b>3,864,562</b>
<b>Creditors</b>					
Amounts falling due within one year:	<b>10</b>	(1,840,268)	(1,686,204)	(2,496,191)	(2,389,550)
<b>NET CURRENT ASSETS</b>		1,887,685	1,822,495	1,519,528	1,475,012
<b>NET ASSETS</b>	<b>11</b>	<b>2,268,275</b>	<b>2,203,086</b>	<b>1,935,555</b>	<b>1,891,040</b>
<b>FUNDS</b>					
Endowment funds	<b>11</b>	559,761	559,761	595,198	595,198
Income funds (Unrestricted)	<b>11</b>	983,454	918,265	780,766	736,251
Income funds (Restricted)	<b>11</b>	725,060	725,060	559,591	559,591
		<b>2,268,275</b>	<b>2,203,086</b>	<b>1,935,555</b>	<b>1,891,040</b>

Approved and authorised for issue by the Trustees on: 21 June 2023

Signed on their behalf by:



**Liz Peace**  
**Chair of the Trustees**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDING 31 MARCH 2023**

	<b>2023</b>	2022
	<b>£</b>	£
<b>Cash inflow / (outflow) from operating activities</b>		
Net income / (expenditure)	<b>368,157</b>	358,482
Adjustments for:		
Depreciation	-	-
Investment Income	<b>(39,566)</b>	(19,222)
Trade and other receivables	<b>83,324</b>	244,809
Trade and other payables	<b>(655,923)</b>	164,676
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(244,008)</b>	748,745
<b>Cash flows from investing activities</b>		
Interest received	<b>39,566</b>	19,222
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(204,442)</b>	767,967
Balance as at 1 April	<b>2,080,614</b>	1,312,647
Balance as at 31 March	<b>1,876,172</b>	2,080,614

## 13. NOTES TO THE ACCOUNTS

### 1.

#### (a) Accounting Policies

The accounts have been prepared in accordance with the Accounts Direction issued by the Department for Culture, Media and Sport, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The main accounting policies, which have been applied consistently, are set out below.

#### (b) Basis of Consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertakings, all of which were prepared to 31 March 2023. The trading results of the subsidiary undertakings as shown in note 17 are consolidated on a line-by-line basis within the Consolidated Statement of Financial Activities.

#### (c) Income

Income from Charitable Activities includes Grant-in-Aid from the Department for Culture, Media and Sport amounting to £2,903,000 (2021/22: £2,924,000) and a grant from the Church Commissioners amounting to £1,500,000 (2021/22: £1,500,000). Grant-in-Aid, unless for one-off specified purposes, is allocated to general unrestricted purposes and is taken to the Income Statement in the year to which it relates. Grants and other income that is awarded subject to specific performance conditions are recognised when the performance conditions for their receipt have been met. Donations and Investment income are included in the accounts in the year they are receivable. Legacies are included when the CCT is notified by the personal representatives of an estate that payment will be made or property transferred and the amount involved can be quantified with reasonable certainty.

#### (d) Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis. The CCT is not registered for VAT and accordingly, expenditure is shown gross of VAT.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Head office premises costs are apportioned on the basis of the space occupied by particular groups of staff. Grant expenditure is recognised when there is a commitment to make a grant payment and all relevant conditions of the award have been met. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities. Governance costs include costs associated with meeting the constitutional and statutory requirements of the CCT and include the audit fees and costs linked to the strategic management of the CCT. These costs are apportioned between Expenditure on Raising Funds and Expenditure on Charitable activities.

#### (e) Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the CCT. Restricted funds are funds subject to specific restrictions imposed by donors. Permanent endowment funds are funds which the donor has stated are to be held as capital with income being used for church repairs and maintenance. Expendable endowment



funds are funds which the donor has stated, along with the income generated, can be used for church repairs and maintenance.

**(f) Tangible Fixed Assets**

The Accounts Direction issued to the CCT by the Department for Culture, Media and Sport requires that tangible fixed assets are accounted for by modified historic cost accounting. However, the Trustees consider that the adjustments required to account for the tangible fixed assets by modified historic cost accounting are immaterial and consequently, tangible fixed assets are accounted for by historic cost accounting.

Where individual tangible fixed assets exceed a value of £1,000, they are capitalised. They are stated at cost, which represents their purchase cost, together with any incidental costs of acquisition less accumulated depreciation.

Depreciation is calculated so as to write off the cost of assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are: Tenant's improvements: 20%; Furniture and fittings: 20%; and Equipment: 25%.

**(g) Intangible Fixed Assets**

Intangible fixed assets, intellectual property owned by the CCT, are included. They are capitalised at cost where they exceed a value of £1,000 and are depreciated over an estimated useful life of four years.

**(h) Fixed Asset Investments**

Fixed asset investments are stated at their year-end middle market value. Investments vested with churches are accounted for at their market value at the date of vesting. As a result, the consolidated statement of comprehensive income includes those unrealised gains and losses arising from the revaluation of the investment portfolio at the year end.

**(i) Finance and Operating Leases**

The CCT has no Finance leases. Operating lease costs are charged to the Statement of Comprehensive Income as incurred.

**(j) Heritage Assets**

The CCT maintains 357 (2021/22: 356) churches in support of the CCT's objective to protect these historic churches for the benefit of future generations. The Trustees consider that owing to the incomparable nature of the churches vested in the CCT, conventional valuation approaches lack sufficient reliability and that even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the CCT and the users of these accounts. As a result, no value is reported for these assets in the CCT's balance sheet. This approach is also in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' 2019 (FRS 102).

The cost of associated major repairs is reported in the Income Statement in the year in which it is incurred.

Further information is given in note 12 to the accounts.

**(k) Pensions**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) which are described in Note 5. The defined benefit schemes are unfunded. The CCT recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the CCT recognises the contributions payable for the year.

**(l) Taxation**

The CCT is a registered charity and takes advantage of the exemptions available to charitable organisations. No provision has been made for taxation on its current activities.

**(m) Going Concern**

The Trustees have reviewed detailed cash flow projections to 31 August 2024 and have agreed detailed budgets for the year ended 31 August 2024. Both sources of income and types of expenditure have been reviewed. Whilst one of the main charitable purposes of the CCT is to maintain the historic churches vested in the CCT, the level of this necessary expenditure is at the discretion of the Trustees and can be adjusted during the year. The Trustees have also considered the Group's working capital and capital expenditure requirements. As a result of the foregoing the Trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

The charity's business activities, together with the factors likely to affect its future performance are set out in sections 3 to 9 of this report. Trustees consider the CCT has sufficient reserves together with long-term funding agreements with both DCMS and the Church Commissioners and as a consequence, Trustees believe that the Charity is well placed to manage its risks successfully. Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

No other material uncertainties that may cast significant doubt about the ability of CCT to continue as a going concern have been identified by the Trustees.

**2. Comparative SOFA 2021/22**

	Unrestricted Funds	Restricted Funds	Endowment Funds	<b>Total 2022</b>
Notes	£	£	£	£
<b>INCOME</b>				
Donations & Legacies	676,410	202,757	-	<b>879,167</b>
Income from Charitable Activities	4,917,007	5,266,589	-	<b>10,183,596</b>
Income from Investments	158	19,064	-	<b>19,222</b>
Other Trading Activities	659,307	3,553	-	<b>662,860</b>
<b>TOTAL INCOME</b>	<b>6,252,882</b>	<b>5,491,963</b>	-	<b>11,744,845</b>
<b>Expenditure on Raising Funds</b>				
Fundraising and Communications	(904,269)	(116,996)	-	<b>(1,021,265)</b>
<b>Expenditure on charitable activities</b>				
Church Repairs and Maintenance	(3,180,776)	(5,078,232)	-	<b>(8,259,008)</b>
Keeping Churches Open	(1,817,635)	(288,455)	-	<b>(2,106,090)</b>
Total charitable activities	(4,998,411)	(5,366,687)	-	<b>(10,365,098)</b>
<b>TOTAL EXPENDITURE</b>	<b>3 (5,902,680)</b>	<b>(5,483,683)</b>	-	<b>(11,386,363)</b>
<b>Net income/(expenditure)</b>	350,202	8,280	-	<b>358,482</b>
<b>Other recognised gains and losses</b>				
Unrealised gains on investments	8 -	-	8,982	<b>8,982</b>
<b>Net movement in funds</b>	350,202	8,280	8,982	<b>367,464</b>
Balances brought forward at 1 April 2021	<b>430,564</b>	<b>551,311</b>	<b>586,216</b>	<b>1,568,091</b>
<b>Balances carried forward at 31 March 2022</b>	<b>780,766</b>	<b>559,591</b>	<b>595,198</b>	<b>1,935,555</b>

All amounts relate to continuing activities; there are no other recognised gains or losses which are not included above.

### 3. Expenditure

	Direct staff costs £	Other direct costs £	Support costs £	<b>2023 Total</b> £	2022 Total £
<b>Expenditure on Raising Funds</b>					
Fundraising and communications	622,898	48,467	470,934	<b>1,142,299</b>	1,021,265
<b>Expenditure on Charitable Activities</b>					
Church repairs and maintenance	980,329	4,300,673	503,356	<b>5,784,358</b>	8,259,008
Keeping churches open	1,391,306	438,557	814,158	<b>2,644,021</b>	2,106,090
<b>Total Charitable Activities</b>	<b>2,371,635</b>	<b>4,739,230</b>	<b>1,317,514</b>	<b>8,428,379</b>	10,365,098
<b>TOTAL EXPENDITURE</b>	<b>2,994,533</b>	<b>4,787,697</b>	<b>1,788,448</b>	<b>9,570,678</b>	11,386,363

The church repairs and maintenance figure above includes a grant of £1.0m (2021/22: £1.1m) to Churches Conservation, restricted for furtherance of the CCT's charitable objects.

The CCT has spent all of its grant-in-aid received during the year and any reserves carried forward relate wholly to other sources of funding. The Trustees neither received nor waived any emoluments during the year (2021/22: nil). Three Trustees (2021/22: One) received reimbursements (£722) for travel and subsistence (2021/22: £81). Unclaimed Trustee expenses for the year are estimated at £2,000.

Net income is stated after charging Auditors' Remuneration of £23,700 (2021/22: £18,371)

ALLOCATED SUPPORT COSTS	Fundraising £	Church repairs & maint. £	Keeping churches open £	<b>2023 Total</b> £	2022 Total £
Staff costs	189,101	202,120	326,919	<b>718,140</b>	582,437
Office costs	103,218	110,323	178,444	<b>391,985</b>	368,867
Communications	20,409	21,813	35,283	<b>77,505</b>	81,658
IT costs	91,660	97,972	158,466	<b>348,098</b>	286,547
Professional consultancy	48,703	52,056	84,198	<b>184,957</b>	78,667
Governance	17,843	19,072	30,848	<b>67,763</b>	27,873
	<b>470,934</b>	<b>503,356</b>	<b>814,158</b>	<b>1,788,448</b>	1,426,049

Support costs are apportioned on the basis of staff time. Under FRS102 Governance costs have been removed from the Statement of Comprehensive Income and are now allocated across the main expenditure areas on a staff time basis.

#### 4. Salaries, Employment Costs and Expenses

	<b>2023 Total £</b>	2022 Total £
Gross salaries	2,480,345	2,237,975
Social security costs	246,270	194,866
Pension costs	581,985	558,784
Travel expenses	179,044	105,657
Staff training	25,262	18,378
Recruitment costs	30,438	4,553
Staff admin costs	169,331	103,387
	<b>3,712,675</b>	3,223,600
Number of employees as at 31 March	<b>81</b>	<b>76</b>

As at 31<sup>st</sup> March six employees (2021/22: three) earned over £60,000. Total remuneration for the senior management team in 2022/23 was £365,428 (2021/22: £401,518). The total number of employees on 31 March 2023 was 81 (FTE of 76) which includes 22 employees on fixed term contracts (2021/22: 13). There were three interim agency workers (2021/22: one).

#### 5. Pensions

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” – are unfunded multi-employer defined benefit schemes but CCT is unable to identify its share of the underlying assets and liabilities.

The scheme actuary valued the PCSPS as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation.

<http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>

For 2022-23, employers’ contributions of £562,925 were payable to the PCSPS (2021/22 £537,182) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers’ contributions of £17,454 (2021/22 £20,024) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%.

## NOTES TO THE ACCOUNTS

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £1,606 (2021/22 £1,578), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

### 6. Intangible Fixed Assets

<b>GROUP AND CHARITY COST</b>	Total £
At 1 April 2022 and 31 March 2023	-
<b>DEPRECIATION</b>	
At 1 April 2022 and 31 March 2023	-
<b>NET BOOK VALUE</b>	
<b>At 31 March 2023</b>	-
<b>At 31 March 2022</b>	-

### 7. Tangible Fixed Assets

<b>GROUP AND CHARITY COST</b>	Tenants' Improvements £	Furniture & Equipment £	<b>Total £</b>
At 1 April 2022 and 31 March 2023			
<b>DEPRECIATION</b>			
At 1 April 2022 and 31 March 2023			
<b>NET BOOK VALUE</b>			
<b>At 31 March 2023</b>	-	-	-
<b>At 31 March 2022</b>	-	-	-

### 8. Fixed Asset Investments

<b>GROUP AND CHARITY</b>	Permanent Endowment Funds £	Total Funds £
At 1 April 2022	416,027	416,027
Sales	76,723	76,723
Purchases	(87,126)	(87,126)
Movement in cash	10,403	10,403
Net unrealised (loss) on revaluation	(35,437)	(35,437)
<b>At 31 March 2023</b>	<b>380,590</b>	<b>380,590</b>
Historic cost at 31 March 2023	255,361	255,361

The unrealised loss is calculated as a result of CCT's annual revaluation of its assets

**9. Debtors**

All amounts fall due within one year.

	2023 Group £	2023 Charity £	2022 Group £	2022 Charity £
Listed Places of Worship Grant Scheme	160,740	160,740	120,811	120,811
Grant receipts due from Foundation	1,309,431	1,309,431	1,016,665	1,016,665
Intercompany debtors	-	120,410	-	78,246
Other debtors and prepayments	381,610	184,388	797,629	682,728
	<b>1,851,781</b>	<b>1,774,969</b>	<b>1,935,105</b>	<b>1,898,450</b>

**10. Creditors**

Amounts falling due within one year.

	2023 Group £	2023 Charity £	2022 Group £	2022 Charity £
Trade creditors	219,924	198,409	535,104	517,007
Accruals and deferred income	198,628	71,071	490,031	406,720
Grant payment due to Foundation	1,028,457	1,028,457	1,067,558	1,067,558
Intercompany creditors	-	41,414	-	-
Other creditors	393,259	346,853	403,498	398,265
	<b>1,840,268</b>	<b>1,686,204</b>	<b>2,496,191</b>	<b>2,389,550</b>

The CCT paid 99.5% of supplier invoices within 30 days of receipt.

**11. Funds**

GROUP	Balance as at 1 April 2022 £	Income £	Expenditure £	Unrealised gains on investments £	Balance as at 31 March 2023 £
Unrestricted funds	<b>780,766</b>	6,675,457	(6,472,769)	-	<b>983,454</b>
Restricted funds	<b>559,591</b>	3,263,378	(3,097,909)	-	<b>725,060</b>
Permanent Endowment	<b>416,027</b>	-	-	(35,437)	<b>380,590</b>
Expendable Endowment	<b>179,171</b>	-	-	-	<b>179,171</b>
	<b>1,935,555</b>	<b>9,938,835</b>	<b>(9,570,678)</b>	<b>(35,437)</b>	<b>2,268,275</b>

## NOTES TO THE ACCOUNTS

<b>CHARITY</b>	Balance as at 1 April 2022	Income	Expenditure	Unrealised gains on investments	<b>Balance as at 31 March 2023</b>
	£	£	£	£	£
Unrestricted funds	<b>736,253</b>	6,522,397	(6,340,385)	-	<b>918,265</b>
Restricted funds	<b>559,591</b>	3,017,611	(2,852,142)	-	<b>725,060</b>
Permanent Endowment	<b>416,027</b>	-	-	(35,437)	<b>380,590</b>
Expendable Endowment	<b>179,171</b>	-	-	-	<b>179,171</b>
	<b>1,891,042</b>	<b>9,540,008</b>	<b>(9,192,527)</b>	<b>(35,437)</b>	<b>2,203,086</b>

**Permanent Endowment Funds** comprise investments held by the CCT to provide income for certain specific churches vested in the Trust.

**Expendable Endowment funds** comprise assets held by the CCT which, together with the income generated, can be used for church repairs and maintenance.

**Restricted Funds** are an accumulation of smaller sums of money donated by the public for expenditure on the church for which they were given. A separate fund is maintained for each vested church with income, known collectively as the Specific Churches Funds. Expenditure funded by grants for specific projects is also accounted for through restricted funds. The largest five church balances at 31 March 2023 relate to: Stirchley St James; Norwich St Laurence; York Holy Trinity; Northampton St Peter's; Saintbury St Nicholas'

## 12. Heritage Assets

The CCT maintains 357 churches which have been acquired since the CCT was established in 1969. These churches are those which have fallen into disuse and are considered to be sufficiently important to be conserved and maintained for the benefit of future generations. Although churches are transferred from the relevant Diocese at no cost to the CCT, they often arrive with urgent repair needs and no accompanying endowment, creating an increasing long term burden on the CCT's already limited finances. Every three years, one third of the CCT's estate is reviewed for repair liabilities.

**Additions in 2022/23:** One: North Hill, St Torney, Cornwall

**Disposals in 2022/23:** None

### Five year summary of heritage asset transactions

The number of Churches vested in the CCT and disposals are shown in the table below:

	2022/23	2021/22	2020/21	2019/20	2018/19
Churches vested in the CCT	357	356	356	356	353
New Vestings	1	0	0	3	-
Disposals	-	-	-	-	-



### 13. Operating Lease Commitments

The commitment in respect of operating leases were:	<b>2023</b>	2022
<b>Leases expiring under one year:</b>	<b>£</b>	£
Land and Buildings	<b>61,172</b>	62,438
<b>Leases expiring between two and five years:</b>		
Land and buildings	-	-
	<b>61,172</b>	62,438

Lease payments for Land and Buildings amounting to £61,172 were made in the year (2021/22: £105,237).

### 14. Repair Commitments

At 31 March 2023 the CCT had contracted for the following repair projects:

	<b>2023</b>	2022
	<b>£</b>	£
2023/24 Programme	<b>3,575,948</b>	673,437

At 31 March 2023, the Trustees had approved an overall CCT budget expenditure totalling £9.4 million (March 2022: £8.8 million) which, apart from the above programme expenditure, had not been contracted for at 31 March 2023.

### 15. Net Assets

<b>GROUP</b>	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	<b>2023 Total £</b>	2022 Total £
Tangible fixed assets	-	-	-	-	-
Intangible fixed assets	-	-	-	-	-
Investments	-	-	380,590	<b>380,590</b>	416,027
Cash	1,903,380	(206,379)	179,171	<b>1,876,172</b>	2,080,614
(creditors) less debtors	(919,926)	931,439	-	<b>11,513</b>	(561,086)
<b>Total</b>	<b>983,454</b>	<b>725,060</b>	<b>559,761</b>	<b>2,268,275</b>	1,935,555

<b>CHARITY</b>	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	<b>2023 Total £</b>	2022 Total £
Tangible fixed assets	-	-	-	-	-
Intangible fixed assets	-	-	-	-	-
Investments	-	-	380,590	<b>380,590</b>	416,027
Cash	1,760,939	(206,379)	179,171	<b>1,733,731</b>	1,966,112
(creditors) less debtors	(842,674)	931,439	-	<b>88,765</b>	(491,099)
<b>Total</b>	<b>918,265</b>	<b>725,060</b>	<b>559,761</b>	<b>2,203,086</b>	1,891,040

## 16. Value of Volunteers

The CCT relies heavily on the contribution made by volunteers and Friends Groups' to achieve its objectives. All of whose work helps enormously to enable the work of and help sustain the CCT.

CCT's volunteer numbers show 2,334 individuals who support the organisation's work and participate in training, consultation and conferences. This increase from 1,800 volunteers in 2021/22 reflects both continuing support but also improved data gathering.

It has been calculated that our volunteers worked 93,360 hours, this is based on an average of 40 hours per volunteer. If we were to value those hours at £9.50 per hour (national minimum wage for over 23's), the economic worth of the work they did for the year-ended 31 March 2023 amounted to £886,920 (2021/22: £691,122).

## 17. Trading Subsidiary

The CCT has a trading subsidiary, Churches Conservation Trust Enterprises Ltd (company number 08125965). Summary results are included below.

	<b>2023</b>	2022
	<b>£</b>	£
Turnover	519,236	187,883
Cost of Sales	(441,304)	(131,429)
Overhead costs	(19,586)	(14,438)
Profit / (Loss)	<b>58,346</b>	42,016
Tax	1,465	-
Reserves movement	(39,137)	-
Operating Profit / (Loss)	<b>20,674</b>	42,016
	<b>2023</b>	2022
Current Assets	<b>231,699</b>	151,157
Creditors	<b>(166,512)</b>	(106,642)
Net Assets	<b>65,187</b>	44,515
Profit and Loss account	<b>65,187</b>	44,514
Share Capital	<b>1</b>	1
Total Shareholder's funds	<b>65,188</b>	44,515

**18. Related Party Transactions**

The CCT is sponsored by DCMS and the Church Commissioners. The Department for Culture, Media and Sport is regarded as a related party and transactions with the Department are fully disclosed in the notes to the accounts.

Churches Conservation (charity number 1150968), established during 2012/13, and shares a minority of its Trustees with the CCT. £1.3m was received from Churches Conservation in 2022/23 (2021/22: £1m). A grant of £1m was paid to Churches Conservation in 2022/23 (2021/22: £1.1m).

As at 31 March 2023, CCT had a creditor balance of £1.0m (£1.1m at 31 March 2022) and a debtor balance of £1.3m (£1m at 31 March 2022).

The CCT's CEO and Director of Conservation serve as unremunerated Directors of the CCT's trading subsidiary, Churches Conservation Trust Enterprises Ltd.

Income of £162,426 was received from CCTEL in 22-23 and expenditure of £7,598 was paid to CCTEL from CCT.

As at 31 March 2023, CCT had a debtor balance of £120,410 due from CCTEL and a creditor balance of £41,414 due to CCTEL.

**19. Post balance sheet events**

None.

## 20. Acknowledgements

The Trust wishes to record its thanks for the continuing help and support it receives which enables it to do its work across its 357 churches. The list below notes the Trust's sponsors (who provide its Statutory Grant), key funders, Trusts, Foundations, Friends of Churches, other organisations and individuals that in the year gave generously to the Trust. We do our best to acknowledge all of those who have supported us, but we are also grateful to those who we have not been able to list and those who would like their support to remain anonymous.

### The Trust's Key Sponsors

The Department for Culture, Media and Sport

The Church Commissioners

The Department of Education

National Lottery Heritage Fund

Cultural Recovery Fund

### Chancel Club

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The Loppylugs & Barbara Morrison Charitable Trust  
The Lord Belstead Charitable Settlement  
The Rochester Bridge Trust  
The Tory Family Foundation  
The WGFJM Charitable Trust

**Pledged gifts in wills**

Gifts in wills play an important and much valued part in supporting the work of the Trust. We would like to thank the following named donors and those who wish to remain anonymous for pledging a gift for the Trust in their wills, including members of our Legacy Giving Group:

Christopher Anderson  
Nigel Benford  
Darrell Buttery  
Richard Digby Day  
David Flemington

Paul Mollard  
Robert Perrin  
Howard & John Prescott  
John Peverley

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