



THE CHURCHES CONSERVATION TRUST

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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



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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 almost two million 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.

We aim to:

- **Inspire people** to enjoy, understand and support England's historic churches
- **Protect history** through the conservation, regeneration and presentation of our unique collection
- **Create value** ensuring that its social, environmental and economic value is realised.

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## **1. CHAIRMAN'S FOREWORD**

Change brings opportunity. In October, after a competitive process and with the unanimous approval of the Trustees, Peter Aiers became the CCT's new Chief Executive. Peter has a deep knowledge of our organisation, having been with us for ten years during which he set up our Regeneration Taskforce, created Champing™ and was Director of our Northern and South East regions.

There's a lot to do. Our collection of beautiful historic churches continues to grow. Over the past year we have taken on the care of three more churches: Low Ham (which, very unusually, has no dedication) and All Saints, Dodington – both in Somerset, and St Peter's Gamston in Nottinghamshire. Each, in their individual ways, are beautiful; each carries its history into our present; and each adds to the responsibilities borne by the Trust and our supporters and volunteers.

Those responsibilities grow every year. Ancient buildings need constant attention and money; not just when we take them into the CCT family but always. We are extremely grateful to the Government through DCMS, and also to the Church of England, who enable us to perform our core duties. This year the Heritage Lottery Fund has also played (as in the past) an essential role in enabling us to do more. Thanks to hard work by our staff and to National Lottery players we secured a grant of £392,000 for St Peter's in Sudbury; £1.6 million towards our arts project at St Swithun's, Worcester and £2.8 million to secure the future of Holy Trinity Church in Sunderland. Each of these projects will underpin the future of beautiful places, but in Sunderland especially we are making a major investment in the regeneration of a deprived area. Our Trust is not just about buildings; it's about people and places and wellbeing.

We are also deeply grateful to other funders like the Allchurches Trust (which made a generous contribution to our education work) and to those who make donations through legacies or by simply putting a fiver in the box when they visit one of our churches. We need their support more than ever.

Nothing we do would be possible without our staff at all levels within the Trust. Nor would it be possible without the commitment and enthusiasm of our volunteers. We are working hard to ensure that their views and those of the communities which live around our churches are valued. They are our partners. In an age when so much that used to be provided by top down institutions is fading away, the idea of local partnership – a sense of common ownership and endeavour centred on shared values – is becoming more and more important.

It is in this spirit and with confidence that we are beginning work on our new strategic plan as we approach our 50<sup>th</sup> Anniversary celebrations next year.

Peter Ainsworth  
Chairman

## 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 almost two 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 (4), 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 Trust cares for those parish churches which are of particular historic, architectural or archaeological merit and are vested in the Trust by the Church Commissioners to be conserved for the nation and opened to the public.

### Strategic Aims 2015-19

Our strategic aims for the four years from 2015, taking us to the beginning of our 50<sup>th</sup> Anniversary in 2019, are to:

Inspire People;  
Protect History; and  
Create Value.

They are delivered through six national strategic programmes which define and support the work of our regional and national staff, volunteer teams and partnership projects:

1. Volunteering
2. Visitor Enterprise
3. Conservation
4. Regeneration
5. Fundraising
6. Learning and Interpretation

The programmes will result in the conservation, repair, adaptation and maintenance of the 353 buildings in our collection and of additional churches at risk coming into ownership. The Trust 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 Trust works to a funding agreement with its two main sponsors, the Department for Digital, 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 Trust could not function. The Agreement sits within the strategic plan and funding agreement targets are mapped into the priorities for the year.

During the year a new funding and management agreement was agreed for 2016-2020, the agreed aims are to:

- support the delivery of the Culture White Paper;

## REPORT OF TRUSTEES AND ACCOUNTING OFFICER

- increase income through fundraising, philanthropic and commercial activities and continue to strengthen financial resilience;
- support the development of digital engagement;
- support the DCMS Single Departmental Plan in encouraging participation; growing the economy and sustaining excellence and promoting Britain;
- reflect the role of vested churches in the history and development of Christianity and their continuing witness to Christian faith; and
- commit £2 million over three years to take on, repair and open to the public newly vested churches.

### **DCMS Single Departmental Plan 2015-20**

The Trust will ensure it addresses those of the targets in the DCMS Single Departmental Plan 2015-20 and in the Culture White Paper, which relates to its functions, in particular:

- Promoting the UK's heritage and historic environment
- Working with the arts and culture sectors to emphasise the benefits of participation for all
- Promoting an understanding of and access to the historic environment so that all people can appreciate and enjoy heritage assets
- Articulating the benefits of access and participation, including through working with other government departments and partners
- Supporting essential roof repairs to local churches
- Ensuring more visitors travel outside the capital
- Investing to boost tourism in the South West

On efficiency, we will also aim to deliver on a 1% year-on-year efficiency target against total grant-in-aid funding across the Spending Review period, which can be recycled into frontline services.

### **Public Benefit**

The Trust meets its obligations through 'advancing arts, culture, heritage or science'. It manages and provides free admission to 353 historic buildings which are open to the public on a daily basis throughout the year and which are made available for community use. In the past year the Trust welcomed 1.9 million visitors to its churches, which also hosted a vast array of community and arts events. Some 1,800 members of the public volunteer for the Trust 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 note 3 to the accounts.



### **3. REVIEW OF THE YEAR**

2017/18 has been a year of considerable change at the CCT, with our new Chief Executive, Peter Aiers starting in October 2017.

There have been considerable successes not only in our major projects but also in terms of working with local communities, volunteers and groups to open our churches, raise much needed money to repair them, and develop ideas to enable people to access and enjoy the wonderful collection that we have care of.

Progress has been made across many fronts as we have continued to improve our relationships with local volunteers, members and communities, raise more independent income, develop our learning programme and save more churches. Highlights from across the country include:

- £2.8 million grant secured from the Heritage Lottery Fund towards a £4.3 million project named the Canny Space in Holy Trinity, Sunderland.
- £1.6 million Heritage Lottery Fund grant secured towards a £2.4 million revitalisation of Worcester St Swithun's which will see the church reopen as a centre for arts in the Worcester.
- £275,000 stage one Heritage Lottery Fund grant secured to develop a project at Sudbury St Peter's. This project has been led by the local Friends Group and is a significant successful example of co-operation between staff and volunteers.
- Three more churches saved from closure at Low Ham in Somerset, Langport, All Saints, Dodington in Somerset and St Peter's Gamston in Nottinghamshire.
- A fully tendered maintenance package is now in place right across England to support our churches and also available to assist other groups and volunteers who care for religious heritage.
- An expanded Champing offer. We had 1,700 paying guests, 1,000 more than last season.
- Our biggest ever national volunteering conference took place in the St Pancras Hotel in London.
- 50 family-friendly events have been held in our Gateway Churches.
- Membership has grown by over 400 members.
- We have continued to support the development of traditional building skills through funding the SPAB Fellows.
- Our Regeneration Team has supported over 40 community groups including Hamra in Sweden.
- We have taken over the direct management of All Souls Bolton.
- Two of our conservation projects have been shortlisted for the SPAB Betjeman Award and one, Leigh, in Wiltshire, has been specially commended.

## **4. AIM ONE: INSPIRE PEOPLE**

Our first aim is to attract more people from a wider variety of backgrounds to our historic church collection and to enthuse them about the history and beauty they contain. Our visitor experience, volunteering, and learning programmes make up a large part of the work of the staff team and are key to attracting the numbers and support we need.

### *Visitors*

Although family audiences have increased this year our overall visitor numbers have decreased by nine percent. It is important to remember that over the last 10 years we have increased visitor numbers by around 47 percent. It is clear however, that after strong initial growth, our visitor numbers are plateauing.

In 2017-18 we estimate that there were 1.78 million visits to a CCT church. This is consistent with an overall downturn in visitors to the UK regions in the same period, owing in part to anxiety of potential terror attacks in the UK. The South East region showed the strongest performance with the North showing the greatest downturn.

The past 10 years has seen an increased focus and professionalism in tourism and we strive to play our part. We are recognised by tourism marketing organisations such as VisitBristol, VisitKent, VisitYorkshire and VisitWiltshire and ALVA (Association of Leading Visitor Attractions), as mainstream heritage experience providers. We have 'signposted' our churches via brown signs, and an improved website.

Our own Church Tourism Week has continued to increase its reach via digital platforms and we have been supporting this initiative with 'Discover Campaigns'. We have increased our family audiences thanks to activities in our Gateway churches.

There has been an overall drop in wall safe donations. We will be addressing this fall with a comprehensive review of in-church donations including trialling contactless payments and text giving.

### *The Gateway Programme*

This year has been the first year that we have operated the Gateway Churches and there has been a great deal of learning. Owing to some staffing issues and circumstances beyond our control there has been an overall drop of 20% in visitor numbers for our Gateway Churches compared to 2016-2017. This is being addressed by each regional team to ensure that we have a stronger performance in 2018-19. We are also developing the way our churches are presented and interpreted for the future following further audience research findings. The spend per-head at Gateway has remained stubbornly low.

### *Champing™*

This innovative tourism product has gone from strength to strength, including for the first time, two franchise sites to accompany the 10 CCT sites. By the end of the season we had raised £80,000 from over 1,700 guests. 20% of these guests were from overseas, two of which stayed in ten different churches on ten consecutive nights. The product continues to be developed and we have 21 churches available for Champing™ in the 2018 season.

### *Volunteering*

Volunteers remain crucial to CCT activities. Access, fundraising at churches, gathering information, and reporting of local issues and providing strategic advice as well as supporting all manner of activities in the national office are all essential activities that our volunteers provide. New induction materials introduced this year provide both briefings on churches and the Trust, as well as health and safety issues.

There is a perennial need to find successors to volunteers who have given many years of unfailing support to their local church. Actual volunteer numbers were down following a thorough review of records to ensure they reflect the most accurate current position.

Various gatherings were held including regional conferences and a second national conference in London with workshops, informal networking, and recognition through the Marsh Christian Trust awards. This event was the largest volunteering conference that we have held so far and received excellent feedback.

Specialist training has been offered to attract volunteers to Gateway sites. This training has been focused on visitor welcome and storytelling. In rural areas, initiatives are underway to form county based volunteering teams offering a social dimension and extra capacity to tackle particular projects.

A national network of Area Volunteers is in place to support regional staff teams and churches in a wide range of tasks.

The Volunteer Advisory group, formed of staff and volunteers, has considered how volunteering can support a new strategy.

### *Learning and Interpretation*

Funding from the Department for Education, through Historic England, provided 50% of the cost of our three Heritage Learning Officers who work with schools to bring young people into our church buildings. The programme has now been going for six years, allowing us to build relationships with schools, teachers and learning networks, as well as more recently providing popular family learning programmes in our Gateways.

50 family learning events took place this year, compared with 28 last year, with the Gateway Churches providing the best opportunities. Overall this year, the team has worked with over 4,000 children and 2,500 adults.

## **5. AIM TWO: PROTECT HISTORY**

We invested nearly £4.6 million in the repair and care of our collection of 353 historic churches. This included the full repair of three churches that joined our collection as well as improvements to facilities which provide greater public access.

### **Conservation**

#### *New Vestings*

We have had a great year for major projects and are just coming to the end of a successful vesting at Low Ham, Somerset. This project has seen all the elements of the building repaired, and 30 of the Friends Group really enjoyed the scaffold tour and are excited about upcoming fundraising opportunities. Repair work to Dodington continues and the medieval roof structures on site have been a joy to repair.

Repairs on vesting were also completed at Wardley, Rutland, and commenced at Gamston, Nottinghamshire. New vesting consultations have taken place for Withernsea, East Yorkshire, alongside Hemington, Somerset and Tickencote in Rutland.

#### *Existing Estate*

A large repair project, consisting of the renewal of the traditional Horsham slate roof covering and significant roof timber repairs, was completed at Holy Sepulchre, Warminghurst. This project benefitted from a Roof Repairs Fund grant and successful fundraising activities by the local Friends group, providing a good example of a concerted effort between the Trust and local community to ensure the long term survival of the church. Two other significant projects, both underway and currently on site, are at Walpole, St Andrew and West Bergholt. Both projects have secured Roof Repair Fund grants and have also been the focus of local fundraising campaigns and activities.

Unfortunately we have experienced lead thefts at Northover, Saintbury, Spetchely and Inglesham, which has diverted precious resources and put at risk church interiors, including wall paintings.

We are very excited to have two of this year's projects shortlisted for the SPAB Betjeman Award. These were the repair to the vandal-damaged altar rail at Leigh Chancel, Wiltshire and historic glazing at Sapperton, Gloucestershire.

St John the Evangelist, Lancaster became one of our highest conservation priorities in the year due to rapid deterioration by fast spreading dry rot, and instability of the precious stained glass windows. Works have commenced to address these issues and will continue through the year ahead.

#### *Maintenance*

The teams have been focused on retendering our maintenance contractors and delivering an efficient and reliable maintenance programme this year with the vital support of our Estate Officers. During the retender exercise, contractors' performance was reviewed and a particular focus paid to quality.

#### *Inspection Reports*

The process of reassessing the repair liability for the whole estate is in progress, having begun with the commissioning of condition reports for a third of the estate in 2017/18. These reports will help inform priority repair projects over the coming years.

#### *Craft Skills*

Through our 2% ring-fenced repair fund, we have supported a plasterer as the CCT SPAB fellow this year. The feedback from the SPAB and the Fellow himself is that it is a hugely valuable contribution.

### *Other Conservation Activity*

The team has also worked on developing and implementing a maintenance consultancy pilot with the Norfolk Quakers. The pilot is part of a wider piece of work to develop a consultancy model to be offered to other historic places of worship. Supported by a consultant, a financial model has been developed, and our maintenance offer is currently in the process of being offered to a number of dioceses across England.

## **Regeneration**

2017/18 was an excellent year for the Regeneration team, securing over £7 million of investment for Worcester St Swithun's, the Canny Space Project, Sunderland, and Sudbury St Peter's.

The team has delivered business process training and co-led the transition of All Souls Bolton back into direct CCT led management. They have also supported the transition of management of Quay Place to the South East team and supported five new community groups.

Extensive work on how we standardise evaluation of our major projects has been completed.

### *Regeneration Consultancy*

The Regeneration team has already met their 2019 target of supporting 40 community groups, recently adding the rural community of Hamra, Sweden to its portfolio of projects.

New promotional literature to help market our consultancy service has been produced, and we have commissioned a short film that will be used to promote the social impact of our programme and help with future fundraising initiatives.

## 6. AIM THREE: CREATE VALUE

### Fundraising/Development

Our national Development team supports fundraising in the regions and runs direct membership and donor support programmes and national appeals.

#### *Membership and Donations*

The Trust hit our annual target of membership growth with over 400 new members this year. *Pinnacle* magazine continues to provide a valuable benefit and a voice for our members. Membership has been promoted to volunteers at a special rate, and also to new "Champers".

Increased support for our higher level membership schemes has also been driven by the introduction of an annual programme of exclusive events which provide the opportunity to get know many of those who give so generously. The highlight this year was the Chancel Club Lunch, hosted by our Chairman and CEO at Lambeth Palace, which was both well received and cited as a reason for members upgrading from Bulmer-Thomas Circle.

Legacy income remains a vital source of funding for the Trust. As well as recognising £217,000 of legacy income in our accounts this year, we have received notification of 27 supporters indicating intentions about making gifts in their wills. A legacy marketing workshop, linked to our Christmas memory tree campaign, was held and further work on legacy marketing will be undertaken in 2018/19.

Our Historic Church Tours continue to be very popular with a record 17 tours in 2017. Over 200 people attended these events, visiting three or four of our churches on each tour.

#### *Major Appeals*

There has been a significant focus on raising match funding for our two current capital projects at Worcester and Sunderland, with dedicated fundraising strategies attached to each. The Annual Appeal this year focused on Sunderland and raised over £43,000 by financial year end, assisted by our first trial of online fundraising.

Independent grant income from trusts and foundations has been key to our success for these two flagship projects. In this financial year alone, £368,000 of grants have been secured for the Canny Space, Sunderland, and £100,000 has been secured for St Swithun's, Worcester.

We finished this financial year with 90% of match funding in place for each appeal, giving us heightened confidence of completion in the next financial year.

In addition, a fundraising strategy was agreed in support of the successful HLF Stage One submission for the project at St. Peter's, Sudbury. A campaign board and chair have been identified, with Lord Phillips of Sudbury in place as campaign president. The board's role will be to help reach the match funding target of £470,000. This appeal will be the central activity of the development team going forward.

#### *Digital*

Over the last eighteen months, we have been consciously investing and growing our digital activities. Following the launch of DCMS' digital strategy, we have progressed our own digital priorities, including better and more dynamic communication with our audiences; enhanced learning materials through our partnership with the Google Cultural Institute; and increased and more efficient monetisation of our assets.

- In the last twelve months, we have more than doubled our social media engagement across all channels.

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- We had 400,000 unique website users in 2017-18 and reached 1.5 million people through Church Tourism Week. We trialled our first ever Crowdfunder and reached over a million unique viewers.
- 197 hire enquiries through our website generated £22,000 through online transactions.
- 3,000 stakeholders read our e-newsletter each month.

We project that digital activity will continue to be a growth priority for us and are in active dialogue with Arts Council England, GovTech and other potential investors.

### **Resources**

The backbone of CCT's work are our finance and resources team who ensure that the systems, procedures, and equipment we need are in place to support and enable our diverse activities and widely-dispersed staff and volunteer teams. As the organisation continues to deliver a growing number of projects and activities, the Finance and Resources team have provided the essential support needed to ensure successful delivery.

Highlights of key projects across the team include:

- Renegotiation of our London office lease to remain at Society Building for a further five years.
- The launch of a value for money initiative. Successes include re-tendering of our office photocopier contract; retendering of our mobile telephony contract; and retendering of our leased line service at the London office with a new back up line to ensure business continuity. These initiatives realised significant savings for the Trust.
- A new online expense system was launched.
- A new accounting system for the Trust was scoped, tendered and delivered both on time and on budget.
- We implemented a new mobile device management platform which improves security and provides support for lone working staff.
- A new bespoke large file transfer system has been launched.

### *People*

We have implemented a programme of one-to-one management coaching as well as formal training for both new and experienced managers. Work has started on developing a national training and development strategy.

We continue to work to improve our internal communications. Two successful staff events were organised in the year with the December meeting introducing digital technology for the first time, using instant messaging and live polling.

An all staff survey was completed in March. The results are currently being analysed and a clear plan of actions will be launched early in 2018/19.

### *Knowledge and Information Management*

The focus this year has been on preparations for GDPR and gaining accreditation, for the second year running, from the government-backed Cyber Essentials programme.

Many of the recommendations of the internal audit and ThankQ database review conducted in 2017 have been implemented, including ensuring that training on data protection is logged and that staff receive regular training to ensure best practice.

The Process Improvement Group has launched new processes for volunteer recruitment, and work is progressing in key areas of project planning, events booking, and health and safety. The knowledge and information management forum continues to meet regularly.

*ICT*

Our small ICT resources now supports over 100 users. We have increased the number of servers and updated them to the latest operating system, improving the availability and reliability of service to staff and volunteers.



## 7. PERFORMANCE AGAINST TARGETS

### Key Performance Indicators

The Trust uses targets to measure progress against strategic aims and to demonstrate trends over time. The table below shows national targets and performance against them. Where they can be compared to previous years' targets this is shown in the final column.

	Strategic aim	Four-year target to 2019	Annual target 2017/18	2017/18 RESULT	2016/17	Note
1	Inspire People	2.2m visitors	8% increase (2.1m)	1.78m	1.94m	9% drop in overall visits
2		Ten town centre sites and three rural cluster conservation churches in place	5 new VQAS awards each year	4	4	
3		10% increase in volunteer numbers each year	2,110	1,719	1,914	Numbers are down from 1,914 at March 2017. These figures reflect more accurate data, notably in the North, rather than an actual decline in volunteering.
4		Develop 40 family learning activities at Gateway and Visitor Welcome sites in 2017/18	40	50	83 learning events including school visits	Lots of family-friendly activities in school holidays has helped achieve the target
5	Protect our history	£15.5m invested in repairs	£5m invested in repairs p.a.	£550,000	£1.02m	This figure does not include the £500,000 invested annually in maintenance
6		2% repair expenditure on traditional building skills	2% invested in traditional building skills	£16,500	£16,000	Money funded a SPAB CCT Fellow
7	Create Value	Unrestricted independent income (donations and earned income) increased to £1.2m	£878,000	£982,412	£819,952	Group figures, includes income generated in our trading subsidiary.
8		5,000 members	2,200 members	2,203	1,805	Target hit for the first time in 3 years. Growth boosted by Champing™ offer (+230) but all categories of membership increased.
9		Achieve IIP minimum silver status	Consolidate Silver competences and review Gold criteria	ACHIEVED Silver Award	ACHIEVED Silver Award	

## **Sustainability**

Since 2011/12 public bodies are obliged to include a sustainability report within the annual report and accounts unless the body falls under the de-minimis threshold for reporting of 250 full time equivalent staff or floor space of less than 1,000 metres. As CCT full time equivalent staff for 2017/18 was 70 we are not required to include a report, however, details of work we are doing to improve the sustainability of our estate is included below.

### *Sustainable management of greenspace within a town centre*

Our project to regenerate St Peter's, Sudbury, which was awarded a development phase grant in March 2018 from the HLF, includes plans to develop the churchyard area to improve this aspect of the public realm, encouraging community activities around gardening, and the sustainable management of green space within the town centre.

### *Building materials which consider whole life environmental impact*

Architects and the CCT will be working on the development plans for St Peter's, Sudbury and will ensure that building materials consider whole-life environmental impact, preferring materials with low embodied energy. Traditional, locally sourced materials will be considered as well as natural finishes. Paints and stains which are water based or have low volatile organic compound (VOC) content will be considered alongside materials with a high recycled content.

### *Energy saving*

In March 2018, the HLF awarded a Round Two award to The Canny Space, Sunderland. Planning took place in 2017/18 in how to improve heating at The Canny Space with energy efficient options. Reinstatement of a timber suspended floor will allow us to provide an insulated underfloor heating system to the large nave volume, as well as creating a ventilated subfloor void, which is proposed to assist in the redirection of water ingress to the building. It is proposed that a small inner lobby be provided, which would allow for the large double doors to be held open when the building is occupied, but still maintain a protective screen to the inner building against weather ingress and heat loss.

### *Minimising loss of original fabric*

Carrying out the minimum amount of work required to conserve and protect our sites is a guiding principle in developing repair solutions. For The Canny Space, Sunderland, the principle objective of conservation and repairs to this historic building is the retention of original material. Where the building fabric shows evidence of decay which would result in harm (structural, rot or water), these sections will be repaired to match the original material in form and detail, combining traditional methods with innovative approaches where appropriate. Extensive surveys of the stone columns will be undertaken, ensuring original stone is not removed if in good enough condition.

### *Training opportunities*

The shortage of skilled craftspeople puts our physical heritage at risk, and The Canny Space, Sunderland, will support people to gain practical knowledge and experience of traditional techniques necessary to the survival of our rich built heritage. The craft skills training programme, due to be delivered in 2019/20, will increase the skills and knowledge of target audiences and improve employability, particularly for people from economically deprived communities.

The Regeneration team also ensures that sustainability is employed in the consultancy projects it works on. Over 2017/18 and 2018/19, the Regeneration team is running training sessions at the consultancy project, The Beonna, All Saints Church, Benington. The project is in the construction phase, and the Regeneration team created sessions run by heritage professionals for college and university students, on subjects such as stone masonry and building pathology and diagnostics. School sessions on construction site safety are also taking place for school children and hard hat

tours are being run for the general public. Encouraging interest in the conservation and sustainability of our built heritage helps to ensure its survival for future generations.

### *Regeneration programme evaluation*

The Regeneration team have created a programme evaluation which can be applied to all current and future projects and this will report against success in achieving performance measures. One of the KPIs included is the sustainability of the projects. This reporting will help us ensure that sustainability continues to be embedded in every regeneration programme.

### *Current work on areas of sustainability*

The CCT has joined the Fit for the Future Network this year and we are actively engaging in the adaption to climate change, and behaviour change working groups. Wider engagement with sustainability organisations is being undertaken, with staff attending networking opportunities such as the Bristol green mingle event that happens once a month. As part of this work, staff have attended meetings with other charities and not for profit organisations, to knowledge-share and broaden experience of integrating sustainability into practice.

### *Inclusion of assessment of travel as part of the West region's maintenance tender.*

Our efforts to be environmentally friendly as an organisation also mean that we can achieve a greater level of economic and social sustainability. This extends to the contractors that we use, and the processes that we engage to manage the routine maintenance of our estate. With a very wide distribution of sites the impact of transport is high in terms of both emissions and cost. Where travel costs are high as a proportion of the annual total expenditure for a region this represents poor value for money; less is being spent directly on labour to maintain the churches. A balance should be struck between the quality of the contractor and the distance they need to travel.

### *Sustainable visitor travel*

With the increasing focus of HLF projects to include significant elements of sustainability we are currently scoping the potential to include electric car charging points as part of the project at Parracombe. There are a number of heritage charities that have succeeded in installing car charging facilities in rural areas and, alongside the project at Parracombe, we are considering the potential benefits of reducing the impact of visitor travel to our sites.

### *Energy efficiency and generation*

It is established practice at the Trust to consider the opportunities for sustainable energy generation at our sites and we have a number of churches with photovoltaics. This year saw our first small scale battery storage installation which will provide LED lighting. Further opportunities for battery storage are being explored as technology and income generation models emerge. A review of the installation of portable electrical appliances will be undertaken in coming months with a view to having a list of recommended appliances that are the most energy efficient options available. Alongside this we have started exploring changing light fittings to LEDs.

### *Development of a churchyard policy*

We are developing a policy that supports both the conservation and operations teams to deliver a better quality of care for our estate and support resource planning. Churchyards are ecological refuges for wildlife and stepping stones of habitat within our increasingly nature deprived landscape. The CCT has a unique opportunity to work holistically within our sites to care for heritage and ecology encouraging the understanding and appreciation of both. Over a third of our churches in the West include a vested churchyard and their management currently requires a significant portion of the maintenance budget. The policy will encourage sustainable management solutions wherever possible and will ensure that habitat and the natural environment are a valued part of CCT decision making.

## 8. FINANCIAL REPORT

### Income

In the year ending 31 March 2018, overall income stood at £7.9 million, 14% down from the £9.2 million reached in 2016/17. The drop was due to the reduced value of legacies recognised (£217,000 versus £424,000), HLF Grants (£1.3 million down to £683,000) and Other Grants £746,000 down to £203,000.

Grant-in-Aid from DCMS and the Church Commissioners (CC) provided 52% of income at £4.1 million (2016/17: £4.1 million, 45%).

Non-statutory grant income dropped from £3.6 million to £2.2 million, as the major regeneration projects at Kings Lynn and Ipswich have been completed. This figure comprises grants from trusts and foundations for specific projects, together with income from the Listed Places of Worship Grants Scheme, where VAT is reclaimed on eligible church repairs. Grants are recognised in our accounts under charity SORP accounting rules and the Trust moves into 2018/19 with a healthy pipeline of externally-funded projects.

Total donations finished the year at £757,000, a rise of £106,000 or 16% on the previous year. Within this figure, restricted donations showed a significant increase, up from £220,000 to £329,000. Wall safe income fell to its lowest level in seven years at £142,000, down from £171,000 last year. Analysis is being done to ascertain the reasons behind this drop which accompanied a fall in visitor numbers. Overall unrestricted donations were broadly the same as in 2016/17 at £392,000 compared to £394,000.

Legacies brought in £217,000, down from the exceptional figure of £1.2 million in 2015/16 and the £424,000 received last year. Of this total, £216,000 was unrestricted income.

Legacies provided  
£216,000 of  
unrestricted income

Earned income increased from £435,000 to £602,000 a rise of £167,000 or 38%. Of this total £591,000 was unrestricted. Within Earned Income, rental income showed the biggest increase, up £67,000 or 133% to £117,000. Other significant sources within this total figure include: Champing at £80,000; Membership scheme at £70,000; and consultancy income at £75,000.

Investment income amounted to £18,000 (2016/17: £16,000) reflecting continuing low returns from the Trust's investment portfolio.

Total Group unrestricted donations and earned income, the growth of which is a key part of our financial strategy to increase and diversify our income base, rose 20% to £982,000 from £820,000. These results include income generated via the Trust's trading subsidiary.

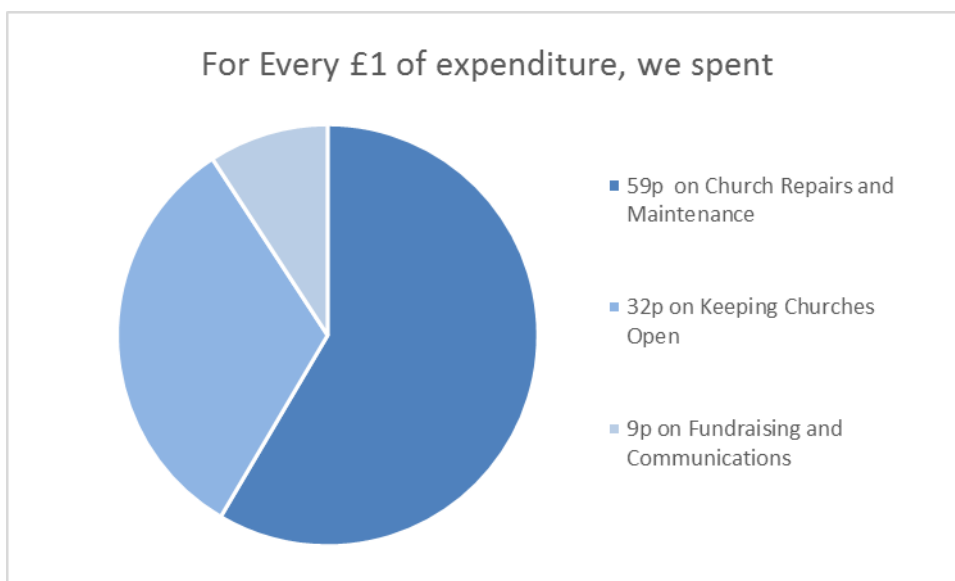
### Expenditure

91% of expenditure  
spent on frontline  
projects

91% of the Trust's expenditure went on frontline projects to repair churches and support communities. At £4.6 million, 'Church repairs and maintenance' continues to be the main call on our funds. Compared to the previous year, this represents a drop of £1.3 million due to completion of HLF grant-funded project expenditure at Ipswich and Kings Lynn.

Expenditure on 'Supporting volunteers and communities, keeping churches open' remained at £2.5 million. This work focuses on initiatives to build the Trust's tourism, volunteering and partnership programmes and is crucial to the sustainability of the churches.

Expenditure on fundraising and marketing fell by £54,000 to £725,000 and represents 9% of our annual expenditure.



**Table 1: Where the Trust spends its money**

## 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 Trust, 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 Trust's total reserves at 31 March 2018 are shown as £1.57 million (2016/17: £1.58 million) on the Statement of Financial Position, all but £463,363 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 Trust'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 2018, the Trust had free reserves of unrestricted funds, less the carrying value of fixed assets, of £386,153 (£463,363 minus £77,210). This represents an increase of £73,503 compared to the free reserves of £312,650 held

at 31 March 2017. The Trustees consider this level acceptable but under the target free reserves figure of £500,000. The Trust aims to reach the £500,000 target by March 2021.

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.

SMT, with Trustees' approval, monitor and regularly review the Trust's investment strategy.

## 9. FUTURE DEVELOPMENTS

### To 2019

Our current strategy will take the Trust to the beginning of its fiftieth anniversary year in 2019/20. As described above, and available in a separate document, our aims in this period are to:

- Inspire people
- Protect our history
- Create value

The strategy is delivered through six high-level strategic programmes which direct the plans and priorities of our teams and which are the responsibility of all of us to deliver. Detailed separately, they are:

#### *Volunteering*

Our aim is to have skilled volunteer teams, with full plans, running open churches which are sustainable and meet a high visitor standard. By 2019 our volunteer teams, which are deeply connected to local communities, are expected to grow to around 2,000 people who will be well supported and trained providing a consistent, high standard visitor welcome.

#### *Development*

Our aim is to significantly increase major gifts, drive up membership, and transform volunteer-led, in-church fundraising. Our case for support aims to achieve a £50m fund, launching in our Anniversary Year, in order to achieve the three goals below:

- A capital reserve fund for the long-term protection of our churches;
- A rolling conservation fund to repair and conserve our special collection and to save more churches of exceptional merit; and
- Putting churches back at the heart of communities: a fund to sensitively adapt our churches for 21<sup>st</sup> century community, tourism and cultural use.

#### *Visitor Enterprise*

We will establish a nationally-marketed, publicly recognised 'Gateway Church' network featuring a high quality visitor experience. We aim to quadruple commercial income through new in-church activity, hospitality, and marketing. Our tourism offer will attract over 2.2 million visitors from diverse audiences.

#### *Conservation*

Our aim is to achieve £15.5 million worth of additional investment in essential work on our collection over the period with conservation standards remaining as high as ever. Our investment programme will be supported by increased donations and a new Capital Reserve fund. The CCT will also have a growing reputation for high quality design in historic buildings and for our contribution to traditional building skills through the 2% commitment.

We expect to acquire a further 2-3 highly-listed churches each year from the Church of England which will further enhance our visitor offer. We will repair them to a high standard, and build strong community involvement in their rescue and reopening.

#### *Regeneration*

We will deliver regeneration projects in urban churches, including completion of Ipswich and King's Lynn, alongside developing and funding programmes for repair and use of Sunderland, Blackburn and Worcester. We will share learning, maximise promotional benefits, and develop new partnerships with the Church of England, particularly at diocesan level. Our growing consultancy

service, alongside a small but continued programme of disposals of appropriate sites, will generate new income to cover costs of the regeneration task force and make a return to the Trust.

### *Learning & Interpretation*

We will develop and deliver excellent, innovative and creative interpretation and learning plans, for all 'Gateway Church' sites and rural clusters, for schools and families. We will create a national programme for children using new materials and partnerships including Big Draw, and Kids in Museums. We will facilitate local creation, management of interpretation, and learning programmes to embed participant enjoyment, creativity, and empowerment. Volunteer partnerships will include links with U3A, local secondary and primary schools, youth groups, and heritage and civic buildings.

## **2018/19**

Our operational plan and budget for the year, available separately, takes into account our progress and challenges as well as the priorities of stakeholders and the wider environment. We have also considered the financial resources, staff, and volunteer time which are at our disposal and aim to allocate them in a way which achieves maximum progress against our strategic aims.

'Building on Success' is the theme for our work during 2018/19. After a period when we have tried out some exciting ideas and seen how they work, we now feel it is the time to concentrate on delivering success from the initiatives which we now know work well. We will make sure that these initiatives are delivered as effectively as possible. There is a considerable challenge in the significant repair liability we have identified in our collection and this means that raising income remains an essential priority and a large challenge for us. We must become as efficient as possible and, as well as investing in success, we must also stop or scale back those areas of work which we recognise do not bring sufficient reward.

The Collection Review, which categorises our estate and areas of need, must become central to our decision making. This document, now close to completion, will determine where we invest our resources and how we will measure success.

The five key areas we will prioritise this year are:

**Fundraising:** Where local engagement has been especially positive, volunteers and Friends Groups are rising to the challenge of raising donations to support repairs and maintenance. We need to continue and improve this approach in 2018/19. The Development team will produce a number of tools for staff to use in order to embed best fundraising practice across the Trust.

**Commercial Sales:** After a busy 2017/2018, the senior management team has reviewed our commercial activity over the past two years and we will concentrate on the strongest commercial activity areas going forward. We will continue to invest in Champing™, as it has the potential to generate a relatively high level of income for us, it attracts new audiences and has been our most successful media campaign ever. Our Champing™ Manager will work with regional teams to streamline activity and make the process more efficient while ensuring high levels of customer satisfaction.

**Gateway:** We have spent considerable resource getting the current sites up and running and we need to make sure they are both efficient, and exemplary, tourist attractions.

**Membership Growth:** This strand of our work is important to secure regular revenue income and start a relationship with people that may end in a legacy in the future, so this will continue to be a priority.

**50th Anniversary:** We are planning and organising the celebration of our 50<sup>th</sup> to ensure we have the resources necessary to deliver such an important programme. The theme of our 50<sup>th</sup> Anniversary is 'Journey'; celebrating and remembering where the CCT has come from, where we are now, and signposting where we are headed to in the future.



## Register of Interests

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

## Registered Office

Society Building, 8 All Saints Street, London, N1 9RL.

## Auditors

The Trust's auditors are Mazars LLP, Times House, Throwley Way, Sutton, Surrey, SM1 4JQ. 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

The Trust's current account is held with Coutts and Co, St Martin's Office, 440 Strand, London WC2R 0QS.

## Legal Advisers

Farrer & Co, 66 Lincoln's Inn Fields, London, WC2A 3LH.  
Church Commissioners Legal Office,

## Remuneration of Senior Managers

	Accrued pension at 31/03/2018	Real increase in pension and related lump sum at pension age	CETV at 31/03/2018	CETV at 31/03/2017	Increase in CETV	Pension benefit to nearest £1,000
Peter Aiers Chief Executive (from Oct 2017) Regional Director (to Oct 2017)	10-15	0-2.5	99	82	9	26,000
Sarah Robinson Deputy Chief Executive / Director of Conservation (4 days per week)	10-15*	0-2.5*	235	200	21	34,000
Anthony Bennet Director of Development	0-5	0-2.5	44	27	12	27,000
Stuart Popple Director of Finance and Resources	10-15	0-2.5	99	82	9	26,000
Colin Shearer Director - Regions	10-15	0-2.5	264	245	12	13,000
<i>Mathew McKeague</i> <i>Director of Regeneration</i> <i>(to Oct 2017)</i>	<i>10-15</i>	<i>0-2.5</i>	<i>101</i>	<i>94</i>	<i>4</i>	<i>13,000</i>
<i>Crispin Truman</i> <i>Chief Executive (to Aug 2017)</i>	<i>20-25</i>	<i>0-2.5</i>	<i>394</i>	<i>384</i>	<i>3</i>	<i>4,000</i>

All figures in £,000

Notes to the above table:

\* plus a lump sum of 10-15 accrued pension and 0-2.5 real increase in related lump sum.

*'The Cash Equivalent Transfer Value (CETV)'*. This is the actuarially assessed capitalized 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. It 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 pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total civil service, not just their current appointment. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. The factors used in the CETV calculation have been revised during this year, mainly to account for the change from the use of RPI to CPI to calculate future pensions increase. This means that the opening CETV value shown in this year's report will differ to the amount shown as the closing CETV value in last year's report.

*'Real increase in CETV'*. This reflects the increase in CETV effectively 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: 28 June 2018

**Peter Ainsworth**  
**Chairman of the Trustees**

**Peter Aiers**  
**Chief Executive**

## REPORT OF TRUSTEES AND ACCOUNTING OFFICER

The Trust is a sponsored body of the Department for Digital, 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 Digital, 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 Trust 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 Digital, 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 Trust will continue in business.

The Trustees are responsible for ensuring that proper accounting records are kept of the Trust's financial position and income and expenditure. They are also responsible for safeguarding the assets of the Trust 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 Digital, Culture, Media and Sport has designated the Chief Executive of The Churches Conservation Trust as the Accounting Officer for the Trust.

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: 28 June 2018

**Peter Ainsworth**  
**Chairman of the Trustees**

**Peter Aiers**  
**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 Trust 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 Trust. At the same time the system is in place to safeguard the Trust'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 Trust is governed by a board of Trustees, including the Chairman. The Trustees are appointed by Her Majesty the Queen, on the advice of the Archbishops of Canterbury and York, submitted through the Prime Minister. New Trustees are fully inducted into the Trust to better understand their responsibilities and the operational and strategic framework in which the Trust operates. Post year end, Carol Pyrah was appointed as a Trustee. Her term of office began on 1 April 2018.

#### *Trustees*

The Trustees during the year were:

Peter Ainsworth	Chairman
Reverend Duncan Dormor	Deputy Chairman
William Donaldson (from July 2017)	
Lady Lucy French	
Edward Harley OBE, DL	
Sir Simon Jenkins	
Beth McHattie	
Liz Peace CBE	Chair of the Finance and Audit Committee
Humphrey Welfare (to March 2018)	Chair of the Conservation Committee
Sue Wilkinson (from July 2017)	

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 2018, 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 88% (2016/17: 81%).

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: Liz Peace (Chair), Will Donaldson, Edward Harley 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.

From these reviews the Committee is able to provide assurance to the Board on the Trust's financial position and risk management. The Finance and Audit Committee also considers HR issues and remuneration.

### *Conservation Committee*

The Conservation Committee is chaired by a Trustee (Humphrey Welfare) and comprises relevant experts, and senior representatives of other conservation organisations. It advises the Board on significant conservation and development matters relating to its 353 historic buildings. Having an expert Committee at such a high level in the Trust's governance protects the organisation against legal, reputational, and other risks associated with the management of a large historic estate.

### *Highlights of Committee Reports*

During the year, the Board of Trustees approved expenditure for the major works at Wardley St Botolphs Church. Trustees approved: Gamston and Low Ham vesting budgets; the extension of the lease for the London office; updated the terms of reference for the Finance and Audit committee; approved a new reserves policy; approved the sale of Brentingby Tower; and approved both the annual Health and Safety report and the plan and budget for 2018/19.

### *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 three other directors with specific regional and/or operational responsibilities. Each director has their own small team of staff who carry out a range of projects with the support of volunteers. The Trust's operational teams are organised into three regions.

The Trust's Chief Executive Officer is Peter Aiers.

### *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 Trust 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 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 Trust's accounts, the External Auditors' provide a Management Letter covering any identified control weaknesses. For 2017/18, no substantive weaknesses were raised which provided the Trust with additional comfort over its internal controls. The Trust's rolling three year internal audit plan considers strategic and operational risks and has been approved by the Finance, Audit and Resources 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 Trust for the financial year ended 31 March 2018 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 2017/18 all employees were awarded a single cost of living pay award. No separate non-consolidated bonus, dependent on organisational objectives and subject to affordability, was paid. All pay awards are subject to Trustee approval.

### *Gender Pay Gap*

As at 31 March 2018 the Trust had a mean gender pay gap of 15.65%. The median figure was minus 2.52%. The below table illustrates the proportion of Female and Male employees in each pay quartile.

	Women	Men	Total	% Woman in Quartile
Top Quartile	12	8	20	60%
Upper Middle Quartile	18	2	20	90%
Lower Middle Quartile	16	4	20	84%
Lower Quartile	12	8	20	63%
<b>Total</b>	<b>58</b>	<b>22</b>	<b>80</b>	<b>73%</b>

### *Senior management remuneration*

As at 31 March 2018, 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 Trust's median pay of £25,717, was 3.3 (2015/16: 3.2). The senior management team is defined as the directors of the Trust, and comprises the following roles: Chief Executive, Deputy Chief Executive/Director of Conservation, Director of Finance and Resources, Director of Development, and Director of Regions. Two other director posts were discontinued in the year. The total cost of senior management remuneration was £508,890 (2016/17: £519,114).

### *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 Trust complies with the newly introduced Trade Union (Facility Time Publication Requirements) Regulations 2017. The total number of employees who were relevant union officials during 2017/18 was zero (2016/17: zero). As such zero time and zero remuneration was spent on facility time during the year (2016/17: zero).

## Planning and Budgeting Process

The senior management team compiles the Trust's business plan and budget on an annual basis. In 2017/18 the Trust started the third year of its four-year business plan which aims to improve forward planning, budget management and allow for the longer preparation time required for more complex projects.

Planning begins with management determining the Trust's strategic and operational priorities for the next financial year. Risk management is also integral to the business planning process. Each business unit and support 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). As a result of more holistic planning within and across teams, last year's budget process saw plans that better considered risk management submitted.

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. Project risks are updated on a monthly basis.

### *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 Trust's approach is taken from the Treasury's 'Managing Public Money', October 2007. In addressing risks, the Trust will:

- **Take opportunities** - for circumstances where the potential gain seems likely to outweigh the possible downside;
- **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 Trust'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 key components of the risk management framework are as follows:

### *The Risk Register*

- Departmental risk registers are reviewed at monthly team meetings to ensure risks are considered. The teams are: the three regions, Conservation and Regeneration, Development, and Finance and Resources. 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 see the risk register at each of their meetings, accompanied by a note regarding any changes to the register. They 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.

Risks are ranked according to the Trust's priorities, and the three strategic aims which prescribe the Trust's activities. At the highest level, risks are allocated into four categories – finance, reputation, built fabric and organisational effectiveness. The latter category includes resources, governance, organisational management and the health and safety of staff and visitors. From this, management and Trustees have an on-going picture of where residual risks – those that remain even after management action – are highest and so require closer management and Trustee attention. The three highest risks facing the Trust were: sufficient funds available for the maintenance of conservation assets, lack of staff capacity and skills to deliver on all areas of work; and four year income targets not met. Mitigating actions are in place for all risks in the Trust's risk register.

### *Whistleblowing*

The Trust 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 Trust is registered with the Information Commissioner's Office. The Trust suffered no significant protected personal data incidents during 2017/18 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 honesty, transparency, and accountability.

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. We are also members of the Institute of Fundraising and follow the Fundraising Code of Practice. In 2017/18 there were no failures to comply with standards and no complaints were received directly or via the Fundraising Preference Service.

Our fundraising activities are organised and coordinated by our own members of staff and/or by volunteers and friends groups. With the exception of legacies, 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 from our website.

#### *Sickness Absence Disclosure*

During the year, staff were off work due to sickness for a total of 193 days (2016/17: 158), an average of 4.8 days (2016/17: 2.5) per staff member. These figure exclude long term sickness. If long term absences are included, the total rises to 567 days.

#### *Consultancy and Contingent Labour Spend Disclosure*

During the year-ending 31 March 2018, £225,464 (2016/17: £138,497) was spent on consultancy. £52,452 (2016/17: £105,265) 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 2018, the Trust 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 Trust 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 Trust. Risk management practice and procedure will also continue to be reviewed and developed in order to ensure effective control, good management and accountability.

No significant control issues arose during the year.

**Peter Aiers**  
**Accounting Officer and Chief Executive**

## **11. INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCHES CONSERVATION TRUST**

### **Opinion**

We have audited the financial statements of The Churches Conservation Trust (the 'charity') for the year ended 31 March 2018 which comprise the consolidated statement of comprehensive income, the consolidated and charity 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 charity's and the group's affairs as at 31 March 2018 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 Charities Act 2011.

### **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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report and accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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 Report of the Trustees and Accounting Officer.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustees and Accounting Officer; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 23, the Trustees 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 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 these financial statements.

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**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and regulations made or having effect thereunder. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP Chartered Accountants and Statutory Auditor  
Times House, Throwley Way, Sutton, Surrey SM1 4JQ  
Date: 6 July 2018

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

## 12. FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2018	Total 2017
Notes	£	£	£	£	£
<b>INCOME</b>					
Donations & Legacies	607,628	366,016	-	<b>973,644</b>	1,074,938
Income from Charitable Activities	4,322,540	1,939,192	-	<b>6,261,732</b>	7,658,511
Income from Investments	691	17,376	-	<b>18,067</b>	15,771
Other Trading Activities	590,513	11,491	-	<b>602,004</b>	435,063
<b>TOTAL INCOME</b>	<b>5,521,372</b>	<b>2,334,075</b>	<b>-</b>	<b>7,855,447</b>	9,184,283
<b>Expenditure on Raising Funds</b>					
Fundraising and Communications	(670,388)	(54,369)	-	<b>(724,757)</b>	(778,525)
<b>Expenditure on charitable activities</b>					
Church Repairs and Maintenance	(2,723,578)	(1,872,756)	-	<b>(4,596,334)</b>	(5,939,136)
Keeping Churches Open	(2,110,008)	(427,635)	-	<b>(2,537,643)</b>	(2,471,400)
Total charitable activities	(4,833,586)	(2,300,391)	-	<b>(7,133,977)</b>	(8,410,536)
<b>TOTAL EXPENDITURE</b>	<b>3 (5,503,974)</b>	<b>(2,354,760)</b>	<b>-</b>	<b>(7,858,734)</b>	(9,189,061)
<b>Net income/(expenditure)</b>	17,398	(20,685)	-	<b>(3,287)</b>	(4,778)
<b>Other recognised gains and losses</b>					
Unrealised (losses) /gains on investments	8 -	-	(62)	<b>(62)</b>	52,337
<b>Net movement in funds</b>	17,398	(20,685)	(62)	<b>(3,349)</b>	47,559
Balances brought forward at 1 April 2017	445,965	598,940	532,317	<b>1,577,222</b>	1,529,663
<b>Balances carried forward at 31 March 2018</b>	<b>11 463,363</b>	<b>578,255</b>	<b>532,255</b>	<b>1,573,873</b>	1,577,222

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

**STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2018**

		Group 2018	Charity 2018	Group 2017	Charity 2017
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible fixed assets	<b>6</b>	75,361	75,361	126,409	126,409
Tangible fixed assets	<b>7</b>	1,849	1,849	6,906	6,906
Investment in Subsidiary		-	1	-	1
Fixed assets investments	<b>8</b>	353,084	353,084	353,146	353,146
		<b>430,294</b>	<b>430,295</b>	<b>486,461</b>	<b>486,462</b>
<b>CURRENT ASSETS</b>					
Debtors	<b>9</b>	1,754,435	1,796,196	1,355,128	1,407,680
Cash at bank and in hand		1,632,528	1,549,702	1,624,841	1,536,271
		<b>3,386,963</b>	<b>3,345,898</b>	<b>2,979,969</b>	<b>2,943,951</b>
<b>Creditors</b>					
Amounts falling due within one year:	<b>10</b>	(2,243,384)	(2,217,492)	(1,889,208)	(1,853,191)
<b>NET CURRENT ASSETS</b>		1,143,579	1,128,406	1,090,761	1,090,760
<b>NET ASSETS</b>	<b>11</b>	<b>1,573,873</b>	<b>1,558,701</b>	<b>1,577,222</b>	<b>1,577,222</b>
<b>FUNDS</b>					
Endowment funds	<b>11</b>	532,255	532,255	532,317	532,317
Income funds	<b>11</b>	1,041,618	1,026,446	1,044,905	1,044,905
		<b>1,573,873</b>	<b>1,558,701</b>	<b>1,577,222</b>	<b>1,577,222</b>

Approved and authorised for issue by the Trustees on: 28 June 2018

Signed on their behalf by:

**Peter Ainsworth** - Chairman of the Trustees

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDING 31 MARCH 2018**

	<b>2018</b>	2017
	<b>£</b>	£
<b>Cash outflow from operating activities</b>		
Net income	<b>(3,287)</b>	(4,778)
Adjustments for:		
Depreciation	<b>56,105</b>	66,853
Investment Income	<b>(18,067)</b>	(15,771)
Trade and other receivables	<b>(399,307)</b>	76,550
Trade and other payables	<b>354,176</b>	(1,508,178)
<b>Net cash (outflow) from operating activities</b>	<b>(10,380)</b>	(1,385,324)
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	-	(101,636)
Interest received	<b>18,067</b>	15,771
Net cash inflow / (outflow) from investing activities	<b>18,067</b>	(85,865)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>7,687</b>	(1,471,189)
Balance as at 1 April	<b>1,624,841</b>	3,096,030
Balance as at 31 March	<b>1,632,528</b>	1,624,841

## 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 Digital, 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 2015) - (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 2018. The trading results of the subsidiary undertakings as shown in note 16 are consolidated on a line-by-line basis within the consolidated statement of comprehensive income.

#### (c) Income

Income from Charitable Activities includes Grant-in-Aid from the Department for Digital, Culture, Media and Sport amounting to £2,738,000 (2016/17: £2,749,000) and a grant from the Church Commissioners amounting to £1,355,000 (2016/17: £1,355,000). 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 Trust 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 Comprehensive Income on an accruals basis. The Trust 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 Trust and include the audit fees and costs linked to the strategic management of the Trust. 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 Trust. 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 Trust by the Department for Digital, 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 Trust, 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 Trust has no Finance leases. Operating lease costs are charged to the Statement of Comprehensive Income as incurred.

**(j) Heritage Assets**

The Trust maintains 353 (2016/17: 350) churches in support of the Trust'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 trust, 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 Trust and the users of these accounts. As a result, no value is reported for these assets in the Trust's balance sheet. This approach is also in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' 2015 (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 Trust 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 Trust recognises the contributions payable for the year.

**(l) Taxation**

The Trust 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**

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



## NOTES TO THE ACCOUNTS

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.

**2. Comparative SOFA 2016-17**

	Unrestricted Funds	Restricted Funds	Endowment Funds	<b>Total 2017</b>
Notes	£	£	£	£
<b>INCOME</b>				
Donations & Legacies	806,783	268,155	-	<b>1,074,938</b>
Income from Charitable Activities	4,531,535	3,126,976	-	<b>7,658,511</b>
Income from Investments	802	14,969	-	<b>15,771</b>
Other Trading Activities	425,615	9,448	-	<b>435,063</b>
<b>TOTAL INCOME</b>	<b>5,764,735</b>	<b>3,419,548</b>	-	<b>9,184,283</b>
<b>Expenditure on Raising Funds</b>				
Fundraising and Communications	(719,136)	(59,389)	-	<b>(778,525)</b>
<b>Expenditure on charitable activities</b>				
Church Repairs and Maintenance	(3,007,543)	(2,931,593)	-	<b>(5,939,136)</b>
Keeping Churches Open	(2,002,154)	(469,246)	-	<b>(2,471,400)</b>
Total charitable activities	(5,009,697)	(3,400,839)	-	<b>(8,410,536)</b>
<b>TOTAL EXPENDITURE</b>	<b>(5,728,833)</b>	<b>(3,460,228)</b>	-	<b>(9,189,061)</b>
<b>Net income/(expenditure)</b>	35,902	(40,680)		<b>(4,778)</b>
<b>Other recognised gains and losses</b>				
Unrealised gains on investments	-	-	52,337	<b>52,337</b>
<b>Net movement in funds</b>	35,902	(40,680)	52,337	<b>47,559</b>
Balances brought forward at 1 April 2016	410,063	639,620	479,980	<b>1,529,663</b>
<b>Balances carried forward at 31 March 2017</b>	<b>445,965</b>	<b>598,940</b>	<b>532,317</b>	<b>1,577,222</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>2018 Total</b> <b>£</b>	2017 Total £
<b>Expenditure on Raising Funds</b>					
Fundraising and communications	454,682	23,254	246,821	<b>724,757</b>	778,525
<b>Expenditure on Charitable Activities</b>					
Church repairs and maintenance	702,325	3,496,926	397,083	<b>4,596,334</b>	5,939,136
Keeping churches open	1,568,006	168,986	800,651	<b>2,537,643</b>	2,471,400
<b>Total Charitable Activities</b>	<b>2,270,331</b>	<b>3,665,912</b>	<b>1,197,734</b>	<b>7,133,977</b>	8,410,536
<b>TOTAL EXPENDITURE</b>	<b>2,725,013</b>	<b>3,689,166</b>	<b>1,444,555</b>	<b>7,858,734</b>	9,189,061

The church repairs and maintenance figure above includes a grant of £1.4m (2016/17: £1.4m) to Churches Conservation, restricted for furtherance of the Churches Conservation Trust's charitable objects.

The Trust 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 (2016/17: £nil). Four Trustees (2016/17: six) received reimbursements for travel and subsistence for a total of £1,167 (2016/17: £2,147). Unclaimed Trustee expenses for the year totalled £1,000.

Net income is stated after charging Auditors' Remuneration of £18,060 (2016/17: £18,060)

ALLOCATED SUPPORT COSTS	Fundraising £	Church repairs & maint. £	Keeping churches open £	<b>2018 Total</b> <b>£</b>	2017 Total £
Staff costs	72,815	117,143	236,200	<b>426,158</b>	389,375
Office costs	66,226	106,543	214,826	<b>387,595</b>	353,863
Communications	24,393	39,244	79,128	<b>142,765</b>	156,194
IT costs	32,000	51,483	103,807	<b>187,290</b>	188,312
Professional consultancy	38,524	61,975	124,965	<b>225,464</b>	116,990
Depreciation	9,586	15,423	31,096	<b>56,105</b>	66,853
Governance	3,277	5,272	10,629	<b>19,178</b>	25,507
	<b>246,821</b>	<b>397,083</b>	<b>800,651</b>	<b>1,444,555</b>	1,297,094

Support costs are apportioned on the basis of staff time. Under FRS102 Governance cost 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>2018 Total</b>	2017 Total
	<b>£</b>	£
Gross salaries	<b>2,231,475</b>	2,084,346
Social security costs	<b>220,532</b>	191,004
Pension costs	<b>415,312</b>	391,030
Travel expenses	<b>216,691</b>	283,359
Staff training	<b>29,713</b>	30,346
Car leasing	-	2,611
Recruitment costs	<b>33,190</b>	14,966
Staff admin costs	<b>4,258</b>	10,852
	<b>3,151,171</b>	3,008,514
Number of employees on FT basis as at 31 March	<b>70</b>	64

As at 31<sup>st</sup> March, four employees (2016/17: three) earned over £60,000 during 2017/18, with three salaries falling in the £60,000 to £70,000 band, and one in the £80,000 to £90,000 band. Total remuneration for the senior management team in 2017/18 was £508,890 (2016/17: £565,000). The total number of employees at 31 March 2018 was 78, which includes 28 employees on fixed term contracts or interim agency workers (2016/17: 72 and 14). The increase in staff numbers is due to new externally funded roles.

**5. Pensions**

Pension benefits are provided through the Civil Service Pension Scheme. Members may be in one of five schemes: classic, premium, classic plus, nuvos or alpha. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable are increased annually in line with pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are set at the rate of between 4.60% and 8.05% of pensionable earnings. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos and alpha, a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% (2.32% alpha) of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 0.5% and 14.8% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The

employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos or alpha.

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/my-civil-service/pensions/index.aspx>

### **Pension Contributions**

For 2017/18 employers' contributions of £377,000 were payable to the PCSPS (2016/17: £391,000) at one of four rates in the range 20.0 to 24.5% of pensionable pay. For the stakeholder pension account, employers' contributions of £27,000 (2016/17: £26,000) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

### **Exit packages**

All redundancy and other departure costs are paid in accordance with the provisions of the Civil Services Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. No redundancy, compensation or other departure costs were made in 2017/18 (2016/17 £0).

## 6. Intangible Fixed Assets

<b>GROUP AND CHARITY COST</b>	Total £
At 1 April 2017 and 31 March 2018	<u>191,301</u>
<b>DEPRECIATION</b>	
At 1 April 2017	<u>64,892</u>
Charge for the year	<u>51,048</u>
At 31 March 2018	<u>115,940</u>
<b>NET BOOK VALUE</b>	
<b>At 31 March 2018</b>	<u><b>75,361</b></u>
<b>At 31 March 2017</b>	<u><b>126,409</b></u>

## 7. Tangible Fixed Assets

<b>GROUP AND CHARITY COST</b>	Tenants' Improvements £	Furniture & Equipment £	<b>Total £</b>
At 1 April 2017 and 31 March 2018	<u>39,619</u>	<u>105,544</u>	<u><b>145,163</b></u>
<b>DEPRECIATION</b>			
At 1 April 2017	33,030	105,227	<b>138,257</b>
Charge for the year	<u>5,886</u>	<u>(829)</u>	<u><b>5,057</b></u>
At 31 March 2018	<u>38,916</u>	<u>104,398</u>	<u><b>143,314</b></u>
<b>NET BOOK VALUE</b>			
<b>At 31 March 2018</b>	<u><b>703</b></u>	<u><b>1,146</b></u>	<u><b>1,849</b></u>
<b>At 31 March 2017</b>	<u><b>6,589</b></u>	<u><b>317</b></u>	<u><b>6,906</b></u>

## 8. Fixed Asset Investments

<b>GROUP AND CHARITY</b>	Permanent Endowment Funds £	Total Funds £
At 1 April 2017	353,146	353,146
Sales	40,667	40,667
Purchases	(36,627)	(36,627)
Movement in cash	(4,040)	(4,040)
Net unrealised loss on revaluation	(62)	(62)
<b>At 31 March 2018</b>	<u><b>353,084</b></u>	<u><b>353,084</b></u>
Historic cost at 31 March 2018	<u>255,361</u>	<u>255,361</u>

The unrealised loss was calculated as a result of the Trust's annual revaluation of its assets.

**9. Debtors**

All amounts fall due within one year.

	2018		2017	
	Group	Charity	Group	Charity
	£	£	£	£
Listed Places of Worship Grant Scheme	123,170	123,170	251,987	251,987
Due from grant giving bodies	1,414,130	1,414,130	471,010	471,010
Legacies due	33,500	33,500	463,500	463,500
Other debtors and prepayments	183,635	225,396	168,631	221,183
	<b>1,754,435</b>	<b>1,796,196</b>	1,355,128	1,407,680

**10. Creditors**

Amounts falling due within one year.

	2018		2017	
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	590,931	568,206	134,090	128,161
Accruals and deferred income	45,533	44,033	103,861	77,035
Grant payment due to Foundation	1,375,556	1,375,566	1,142,801	1,142,801
Other creditors	231,364	229,687	508,456	505,194
	<b>2,243,384</b>	<b>2,217,492</b>	1,889,208	1,853,191

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

**11. Funds**

GROUP	Balance as at	Income	Expenditure	Unrealised	<b>Balance as at</b>
	1 April 2017			gains on	
	£	£	£	£	£
Unrestricted funds	445,965	5,521,372	(5,503,974)	-	<b>463,363</b>
Restricted funds	598,940	2,334,075	(2,354,760)	-	<b>578,255</b>
Permanent Endowment	353,146	-	-	(62)	<b>353,084</b>
Expendable Endowment	179,171	-	-	-	<b>179,171</b>
	<b>1,577,222</b>	<b>7,855,447</b>	<b>(7,858,734)</b>	<b>(62)</b>	<b>1,573,873</b>

CHARITY	Balance as at	Income	Expenditure	Unrealised	<b>Balance as at</b>
	1 April 2017			gains on	
	£	£	£	£	£
Unrestricted funds	445,965	5,358,401	(5,356,145)	-	<b>448,221</b>
Restricted funds	598,940	2,334,075	(2,354,760)	-	<b>578,225</b>
Permanent Endowment	353,146	-	-	(62)	<b>353,084</b>
Expendable Endowment	179,171	-	-	-	<b>179,171</b>
	<b>1,577,222</b>	<b>7,692,446</b>	<b>(7,710,905)</b>	<b>(62)</b>	<b>1,558,701</b>

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

**Expendable Endowment funds** comprise assets held by the Trust 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 2018 relate to: Sunderland Holy Trinity, Redgrave St Mary, Croome d’Abitot St Mary Magdalene, Bungay St Mary and Inglesham St John.

## 12. Heritage Assets

The Trust maintains 353 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 Trust, they often arrive with urgent repair needs and no accompanying endowment, creating an increasing long term burden on the Trust’s already limited finances. Every three years, one third of the Trust’s estate is reviewed for repair liabilities.

**Additions in 2017/18:** All Saints’ Dodington, St Peter’s Gamston, Low Ham Church, Langport.  
**Disposals in 2017/18:** None

### Five year summary of heritage asset transactions

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

	2017/18	2016/17	2015/16	2014/15	2013/14
Churches vested in the Trust	353	350	349	347	344
New Vestings	3	1	2	3	2
Disposals	-	-	-	-	-

## 13. Operating Lease Commitments

The commitment in respect of operating leases were:	<b>2018</b>	2017
<b>Leases expiring under one year:</b>	<b>£</b>	£
Land and Buildings	<b>129,504</b>	43,770
<b>Leases expiring between two and five years:</b>		
Land and buildings	<b>435,504</b>	3,552
	<b>565,008</b>	47,322

Lease payments for Land and Buildings amounting to £72,735 were made in 2017/18 (2016/17: £55,000).

## 14. Repair Commitments

At 31 March 2018 the Trust had contracted for the following repair projects:

	<b>2018</b>	2017
	<b>£</b>	£
2016/17 Programme	-	813,276
2017/18 Programme	<b>366,098</b>	546,438
2018/19 Programme	<b>1,076,066</b>	-
	<b>1,442,164</b>	<b>1,359,714</b>



## NOTES TO THE ACCOUNTS

At 31 March 2018, the Trustees had approved expenditure totalling £7.59m (2017 £7.10 million) which, apart from the above programme expenditure, had not been contracted for at 31 March 2018.

### 15. Net Assets

<b>GROUP</b>	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	<b>2018 Total £</b>	2017 Total £
Tangible fixed assets	1,849	-	-	<b>1,849</b>	6,906
Intangible fixed assets	75,361	-	-	<b>75,361</b>	126,409
Investments	-	-	353,084	<b>353,084</b>	353,146
Cash	875,272	578,085	179,171	<b>1,632,528</b>	1,624,841
(creditors) less debtors	(489,119)	170	-	<b>(488,949)</b>	(534,080)
<b>Total</b>	<b>463,364</b>	<b>578,255</b>	<b>532,255</b>	<b>1,573,873</b>	1,577,222

<b>CHARITY</b>	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	<b>2018 Total £</b>	2017 Total £
Tangible fixed assets	1,849	-	-	<b>1,849</b>	6,906
Intangible fixed assets	75,361	-	-	<b>75,361</b>	126,409
Investments	1	-	353,084	<b>353,085</b>	353,147
Cash	792,476	578,055	179,171	<b>1,549,702</b>	1,536,271
(creditors) less debtors	(421,466)	170	-	<b>(421,296)</b>	(-445,511)
<b>Total</b>	<b>448,221</b>	<b>578,255</b>	<b>532,255</b>	<b>1,558,701</b>	1,577,222

### 16. Trading Subsidiary

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

	<b>2018</b>	2017
	<b>£</b>	£
Turnover	<b>244,522</b>	144,197
Cost of Sales	<b>(187,665)</b>	(90,073)
Overhead costs	<b>(31,685)</b>	(26,066)
Profit	<b>25,172</b>	28,058
Gift Aid	<b>(10,000)</b>	(28,058)
Operating Profit	<b>15,172</b>	-
Current Assets	<b>86,207</b>	89,647
Current Liabilities	<b>71,034</b>	89,646
Net Assets	<b>15,173</b>	1
Share Capital	<b>1</b>	1

## **17. Related Party Transactions**

The Trust is sponsored by DCMS and the Church Commissioners. The Department for Digital, 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, shares a minority of its Trustees with the Trust. £1.02 million was received from Churches Conservation in 2017/18 (2016/17: £890,000). A grant of £1.39 million was paid to Churches Conservation in 2017/18 (2016/17: £1.1 million).

As at 31 March 2018, CCT had a creditor balance of £1.38 million (£1.1 million at 31 March 2017) and a debtor balance of £1.03m (£399,000 at 31 March 2017).

The Trust's Chief Executive and Director of Finance and Resources serve as unremunerated Directors of the Trust's trading subsidiary, Churches Conservation Trust Enterprises Ltd.

## **18. Post balance sheet events**

There were no post balance sheet events that need to be disclosed in these accounts.

## **19. Value of Volunteers**

The Trust 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 Trust.

We have not put a monetary value in the accounts on the many hours of work that our volunteers freely give. In 2017/18, based on responses to a volunteer survey, it has been calculated that our volunteers work 120,330 (2016/17: 133,980) hours per annum. If we were to value them at £7.83 per hour (national minimum wage), the economic worth of the work they do for the year-ended 31 March 2018 would amount to £942,184 (2016/17: £1,004,850).

## 20. Acknowledgements

The Trust wishes to record its thanks for the continuing help and support it receives that enables it to do its work across its 353 churches. The list below notes the Trust's sponsors (who provide its Statutory Grant), the Trusts and Foundations, Friends of Churches, other organisations and individuals that, in the year, gave generously to the Trust.

### The Trust's Key Sponsors

The Department for Digital, Culture, Media and Sport  
The Church Commissioners

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Allchurches Trust  
Andrew Lloyd Webber Foundation  
Awareness Fund  
BW Eddershaw Charitable Trust  
Fitzwilliam Wentworth Amenity Trust  
Groundwork UK  
Harrison's Charity  
Heritage Lottery Fund (West Midlands)  
Historic England  
Innogy Renewables UK Ltd  
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The PF Charitable Trust  
The Prynse's Holme Lacy Charity  
The Rothley Trust  
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The Rowlands Trust

## NOTES TO THE ACCOUNTS

JPK & RC Tillett Charitable Trust  
Laslett's (Hinton) Charity  
Lord Faringdon Charitable Trust  
Lord Leverhulme's Charitable Trust  
Michael Guest Charitable Foundation  
North York Moors National Park Authority  
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