



THE CHURCHES CONSERVATION TRUST

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013**

*Presented to Parliament Pursuant to Section 44(12)
of the Pastoral Measure 1983*



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You can download this publication from our website at www.visitchurches.org.uk

ISBN: 9780108512605

Printed in the UK for The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID 2556349 31609 07/13

Printed on paper containing 75% recycled fibre content minimum

The Churches Conservation Trust ('The Trust') is the national charity protecting historic churches at risk. We've saved over 340 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:

- sustain our historic churches, conserving and adapting them for 21st Century communities;
- encourage people to enjoy, visit, use and care for our churches;
- grow the Trust, its skills, partnerships and income; and
- share our learning.

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CHAIRMAN'S FOREWORD

This has been a year of getting down to business on our work to improve the visitor experience, build volunteering and increase independent income for the 342 churches in our care. We have a lot of exciting progress to report across the board, as well as some tough challenges.

I'm hugely proud of the success of the Friends of King's Lynn St Nicholas who led our first big capital fundraising appeal so magnificently, exceeding their target of £210,000 and securing £2.3m support from the Heritage Lottery Fund. We can now carry out the repairs this beautiful medieval building so urgently needs and improve the facilities to make it a centre of community and arts activity for generations to come.

The work at King's Lynn demonstrates how, if we bring together CCT's small resources with the energy and commitment of local people and the support of partner organisations, we can meet the growing needs of our important national collection. That's the approach we've taken in Ipswich, where our groundbreaking partnership with Suffolk Mind and the Heritage Lottery Fund to transform the large, vulnerable Grade I city-centre church of St Mary at Quay into a mental wellbeing centre, also got the green light this year.

I also take great delight in the smaller, specialist conservation work which CCT carries out all year round. This year projects ranged from the conservation of a highly unusual wooden tower frame at Haltham on Bain in Lincolnshire to the £200,000 repair of Evesham, St Lawrence. Many, such as the archaeological investigations at Holcombe in Somerset, incorporated training and education throughout, securing heritage skills for the future.

Meanwhile, however, over at Haugham in Lincolnshire the roof has been tarpaulined for months following the theft of extensive amounts of lead. Waterloo near Liverpool requires urgent stonework repairs, and at Worcester St Swithun and Cambridge All Saints the roofs need replacing before water damages their unique interiors. These projects are the focus of fundraising appeals this year and are examples of the repair and cost challenges the Trust faces across the country.

Also tough has been the challenge of continuing our upward trend in visitor numbers. In 2013 we'll be redoubling efforts to get every church open and well-signed and to develop new standards for the visitor welcome at our top sites.

Volunteering for CCT has increased significantly this year, not least as a result of the additional support we're now offering through our local teams based in Bristol, Leeds and Cambridge. 1,385 regular volunteers offering almost 90,000 hours of their time is a great achievement and critical to the future success of our work. I want to thank all of them and you, our supporters, donors and partners, for the great contribution you make to ensuring the future of CCT and the historic churches in our care.

Loyd Grossman OBE FSA
Chairman

1. INTRODUCTION

The Churches Conservation Trust is the national charity protecting historic churches at risk. We've saved over 340 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.

Constitution

The Churches Conservation Trust (CCT) is registered as a charity (number 258612) and its governing document is the Pastoral Measure 1983, as amended. Its object, as defined principally in Section 44 (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 no longer required for regular parish worship by the Church of England. The churches are vested in the Trust by the Church Commissioners to be conserved for the nation and opened to the public.

The Trust is now in the fifth year of its 2009-15 strategic plan, in which we aim to:

- **sustain** our historic churches, conserving and adapting them for 21st Century communities;
- **encourage** people to enjoy, visit, use and care for our churches;
- **grow** the Trust, its skills, partnerships and income; and
- **share** our learning.

These aims guide our activities, projects and allocation of resources and direct the work of the Trust's regional and national teams. They take account of the external environment and internal imperatives and demonstrate our response to a changing environment where sustainability of church buildings is inextricably linked to their being at the heart of community life. They will allow us to sustain the Trust's work, managing its estate more proactively, working preventively, and diversifying sources of support and income.

In order to deliver these aims, the Trust runs a programme of conservation, repair, adaptation and maintenance of all 342 buildings in its estate and of additional churches at risk coming into ownership. The Trust also runs 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 three-year funding agreement with its two main sponsors, the Department for Culture Media and Sport and the Church Commissioners. The Agreement sits within the Strategic Plan and funding agreement targets are mapped into the priorities for the year.

During 2012-13 a new funding agreement was signed to cover the period 2012-15. The targets contained in the agreement are:

1. Increase philanthropy, including introducing a major donor programme and capital appeals
2. Conserve to a high standard and open to visitors the CCTs collection of 340+ historic churches
3. Increase visitor numbers and improve the visitor welcome
4. Increase volunteering

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5. Ring-fence £2 million in the three-year budget to undertake the necessary conservation work on new vestings
6. Use CCT expertise in agreed preventative projects to help safeguard the ecclesiastical built heritage by building capacity in communities and congregations of churches of vestable equality

Public Benefit

The Trust meets its obligations through 'advancing arts, culture, heritage or science'. It manages and provides free admission to 342 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 nearly 4,000 community and arts events. Thousands of 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 5 to the accounts.

2. REVIEW OF THE YEAR

Challenges and Achievements in 2012-13

This year North, West and South East teams with key national support, focussed efforts on our three-year programme to improve the visitor welcome, create volunteer teams for every church, and significantly increase independent income. We've made big steps forward in these areas while also conducting a wide range of conservation repair projects and developing new work in learning, interpretation and the arts. **Key results include a 29% increase in donations, 11% increase in membership. 89% of our expenditure went straight to frontline projects** to repair and open churches and support communities and volunteers.

Major breakthroughs were achieved with the regeneration projects at Ipswich and King's Lynn as reported in the Chairman's Foreword. Both Heritage Lottery Fund-backed projects have been given the go-ahead and will go on site during 2013-14. Their scale will have a significant impact on the Trust's finances and on the Trust's project and risk management capacity. Bolton All Souls, the third current major project with stage 2 Heritage Lottery Fund approval in place, is also making excellent progress, although increased capital costs have meant that CCT needs to return to their Trustees for additional support.

This has been the year of the volunteer at CCT. Our new volunteering officer team - nine staff across the three regions - is in place and, with support from the three new operations managers, has done sterling work on setting up professional volunteer recruitment, support and retention. A comprehensive survey of volunteer views at the end of the year demonstrates that the new postholders are helping change culture at the Trust as well as providing a much more consistent and professional approach. The most rewarding find is that **88% of our 1,385 regular volunteers would recommend volunteering for CCT to others**. As we get volunteer teams in place at more and more churches in the next couple of years this is an area of CCT's work where we will see a transformation of benefit to the whole collection, as well as to our tourism and income generation strategies.

While volunteering has flourished, it's been a more difficult year to increase visiting and the picture across our national collection is varied. External factors such as the weather, recession and the 'Jubilee/Olympics' effect may have played a part in making this the first year for a decade in which visitor numbers have barely increased. Strong growth in some areas has been matched by big drops in a minority of highly-visited sites in the North, particularly those on 'paid-for' heritage attractions such as National Trust and other private estates.

Our investment in opening churches and improvements to signage have no doubt prevented the picture from being a worse one. There are still some churches which remain locked or have access via a local keyholder, often because of understandable local nervousness, and this has a negative impact on visitor numbers, satisfaction and donations. During the year, Trustees approved an Open Churches Policy which addresses these concerns and makes clear that CCT funding for repairs requires that a church be open regularly and is easily accessible to the public.

Other highlights from the year include:

- the launch of the new Heritage Learning project in partnership with English Heritage
- the acquisition and repair of Grade I Victorian Gothic St Edmund's in Rochdale
- the completion of conservation repairs and adaptation at 14 CCT churches
- £1.9m raised for our ground breaking preventive project in Benington; and
- A CCT led international conference on extended use in historic churches

The activities and achievements of the Trust's staff and volunteer team during the year are many and varied. The report below summarises many of them and some of the challenges faced along the way.

3. AIM ONE: SUSTAIN OUR CHURCHES

Conservation, Repair and Adaptation

In 2012-13 the Trust completed significant conservation repairs and adaptations on 14 of its historic churches and continued its cost-effective programme of regular maintenance and small repairs across the whole collection. **£3.38 million** or **58%** of our expenditure was committed to keeping all 342 of our buildings safe and open to the public.

In the **North**, the Trust took on the care of a major urban church for the first time in over ten years, reflecting the capacity created by more effective management of the estate during that period. Falinge, St Edmund is a Victorian Gothic masterpiece which had fallen into disuse in the disadvantaged Rochdale suburbs. A small group of locals had struggled to keep the church going but problems and costs had become overwhelming and the CCT, working closely with the local authority and community groups, has provided the vital national safety net needed to rescue this Grade I building.

Urgent repairs were also completed to Lancaster, St John and Garthorpe, St Mary in Leicestershire, as were repairs to the unusual timber tower frame at Haltham-on-Bain, St Benedict in Lincolnshire. At Skelton cum Newby, Christ the Consoler, listed building consent was agreed for a trial of environmentally protective glazing.

Challenges included the Waterloo, Old Christchurch stage one HLF application which turned out to be unsuccessful. A significant amount of time and money went into developing the project with the Friends Group and other local partners. The outcome has affected the Friends' vision for the project, and repairs to the tower are now becoming urgent. Meanwhile at Haugham All Saints in Lincolnshire the roof has been covered with tarpaulin for almost twelve months following severe lead theft. Despite considerable effort to identify sources of funding in that area, none has been found. This sort of basic but vital repair problem is a big part of the fundraising challenge for the future.

The **South East** team is leading the Ipswich St Mary at Quay major project, which was awarded £3.6 million of Stage 2 Heritage Lottery Fund money during the year. Our partner Suffolk MIND have built a business plan around the conservation of this medieval gem, a church in need of serious repair to protect it for the future. The project will illustrate how the built environment and heritage buildings contribute to people's well-being and the learning will be shared through our INTERREG 2 Seas project 'Heritage Recycled', which is being delivered in partnership with Suffolk MIND and the Belgian organisation Kempens Landschap.

The Heritage Lottery Fund-backed project at Sandwich, St Peter's in Kent reached a successful conclusion, with repairs undertaken in parallel with a new interpretation scheme. The project was delivered with considerable support from the local volunteers. At Bungay, St Mary a new development providing facilities for the use of the church has been completed with funding raised by the local friends group. The roof at Fleet Marston, St Mary's reached the end of its useful life and had to be replaced. The electrical supply at Duxford, St John in Cambridgeshire was improved with funds from the village and at King's Lynn, St Nicholas the medieval doors were conserved and painted in medieval colours after many years research and debate as to what the best solution was for this very special feature.

On a more mundane but equally important level, conservation project managers have been developing a new, more cost-effective, safe and reliable 'term maintenance' arrangement which is now being rolled out across the three regions.

In the **West** conservation work at Evesham, St Lawrence has been completed. 'Open Days' raised local awareness and support aided by a growing volunteer team. In Inglesham, St John the Baptist in Wiltshire our wallpaintings conservation project included the training of five students over an 8-week period. Likewise at Holcombe, St Andrews an archaeological survey and excavation was conducted with an emphasis on training students and the involvement of the local community. The project involved photography by aerial drones in an innovative

partnership with Wessex Archaeology. This is the beginning of 'Hidden Somerset' which will involve surveying, training and research at all 18 CCT Somerset churches.

At the idyllic Nether Cerne, All Saints, Dorset very cost-effective conservation work transformed the church from a damp, cement rendered problem building to a light, lime-rendered beauty. The small, but active, local community were very supportive and have plans to organise events at the church to raise funds for the CCT.

Regeneration and Prevention

Major and complex projects are managed by CCT's national regeneration task force. Their achievements this year included:

Bolton, All Souls: Much of 2012/13 was spent reviewing the business and activity plans and re-designing the All Souls scheme alongside our community partner the All Souls Community Centre Committee (ASCCC). We have also redesigned the scheme to achieve costs savings without losing the quality outcomes so important to the vision. The ASCCC has strengthened its governance arrangements and brought new skills into the team. We estimate that we will be on site in summer 2013.

King's Lynn, St Nicholas' Chapel: our plans to create a high quality cultural venue at St Nicholas' Chapel have been awarded £2.3 million by the Heritage Lottery Fund. Green technology measures have been built into the design, including low carbon radiant chandeliers to provide heat and help reduce costs. Powered by 92 PV cells, they are believed to be the first example of cell installation on a Grade I place of worship to be visible from the ground. The project will provide a flagship for the improvement of the environmental performance of historic assets through sympathetic retrofit. It will also give volunteers responsibility for managing a significant historic building with support from the Trust.

The team is also working on the development of future major projects at other large CCT churches, which will require new use in order to secure their future. These include:

Gloucester, St Nicholas: This will require roof repairs in excess of £1m in the near future. Our partner, Art Shape, are consulting on plans to create an arts and heritage centre and we will be using their business plan to inform an initial design brief during the early part of 2013/14.

Sunderland, Holy Trinity: The Canny Space will provide quality space for learning, training and cultural opportunities through the regeneration of this most unusual Georgian church. Launched in May 2012, the Canny Space partnership has been running a range of activities as part of the business planning process. The partnership has been awarded £45,000 by the LankellyChase Foundation to fund a Development Manager to help the partners develop a new social enterprise, increase community involvement, generate activities and fundraise.

Norwich, St Laurence: We have been developing the 'Common Room' concept as a future use for this empty, urban church. A 'prototype day' in November 2012 saw many people turn out to express support for a variety of uses for both community and business. The model is in its infancy and further work will be done on the governance and business case to demonstrate that the 'Common Room' can provide a sustainable future.

The CCT has developed an innovative programme of work to prevent historic churches from being closed to public and community use and, as an alternative to acquisition by the CCT, to help the local community take the building on themselves. Three current 'preventive' projects are underway:

Benington, All Saints: Our flagship preventive project, The Beonna at All Saints, will provide a hub for the local community, provide volunteering and training opportunities and help to generate a sense of pride in an enterprising and vibrant rural village. 2013 saw significant awards to the community group: £200,000 from the Challenge Fund for Historic Buildings at Risk in England (managed by the Architectural Heritage Fund); and Stage 1 approval for a £1.9

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million bid to the Heritage Lottery Fund. CCT's Regeneration Taskforce provided significant support to both these bids. The local Trustees are now working on the recruitment of a Project Manager and Development Manager to run the project and fundraise for its future.

Brighton, St Mary's: The Taskforce assisted the Parochial Church Council (PCC) in the development and management of a consultancy brief to assess options for the church and its asset base and to arrive at a preferred option. This helped the PCC to come to a collective view on St Mary's future and they are now developing detailed proposals to open the church to more people for a range of creative uses.

Brampton Abbots, St Michael's: The CCT have been working with the Brampton Abbots Church Regeneration Group (BACRG) to explore how this church at risk could be managed following its recent closure. Mindful of the investment required to repair and stabilise the church, the BACRG have been investigating potential new uses and management arrangements.

4. AIM TWO: ENCOURAGE PEOPLE

Visitors and Tourism

Trends in visitor numbers varied across the country this year. Improvements to the visitor experience, such as our signage and opening programme, and increased volunteers were matched by bad weather, the Olympics and the Jubilee providing alternative attractions, and by reduced economic activity. Overall, total visits to our churches dropped by 9% from an historic high last year.

A wet summer followed by a freezing winter and late spring led to a dip in visitor figures in the **North**. This, despite the re-opening of Leeds, St John as a city centre visitor attraction which has welcomed nearly 7,000 visitors since September. York, Holy Trinity Goodramgate saw a particularly severe drop of 13%, partly through the weather conditions and partly through a drop in organised tour groups. At Kedleston, All Saints our National Trust managed site in Derbyshire, visitor numbers also dropped considerably by 53%. The good news is that visitors to town centre churches such as Shrewsbury, St Mary and Stamford, St John held up through a raised profile and an expanded events programme.

Similarly, in the **South East**, weather and closures for repairs in three major churches also resulted in a drop in overall visitors. Closure for repairs to Sandwich, St Peter for example, resulted in a drop of 15,417. Upon reopening, however, numbers surged to over 19,000 visitors in six months. The picture is patchy, with reductions at Northampton St Peter, and King's Lynn, St Nicholas offset by a big increase in Norwich, St John Maddermarket as a direct result of new volunteer stewards and access arrangements.

Conversely, in the **West**, visitor numbers increased, aided by a big push on the new Open Churches policy with a notable success at Portland, St George in Dorset. The regional team was also active in making partnerships with tourism bodies, including becoming active in the SW Tourism association. New approaches to the distribution of leaflets are also being phased in.

Across the Trust, the Tourism Strategy is being put into practice with new partnerships with other attractions being developed and considerable work being put into 'Gateway' churches where we aim to significantly improve the visitor experience. The acute need for external and directional signage is gradually being met by steady investment which continued this year. In particular, negotiations with local authorities began to pay off with 'brown signs' going up in a number of counties including Devon, Somerset and West Berkshire. The popular 'county guides' to Trust churches were all reprinted and distributed in time for the visiting season, 18 were updated this year.

Volunteering

The Trust's volunteering strategy and careful restructuring of the staff team to invest in volunteer support, resulted in steady growth in volunteering across the country this year. 1,385 volunteers gave 88,960 hours of time to helping the Trust at all levels of the organisation.

In the **North**, volunteering is up by 19% as a result of a steady and methodical approach to recruitment, training and support and a greater understanding about conversion rates from initial enquiries to induction. The ArChWay Project provided a particular focus to recruiting 70 new volunteers in one area of Lincolnshire thanks in no small part to external funding.

In the **South East**, new volunteers made daily opening possible in 11 more sites and there has been a rise of nearly 15% in the numbers of volunteers. Specialist volunteers provided pro bono help in several areas including development of systems and processes.

In the **West**, the annual Trustee tour, which went to Dorset and Wiltshire, provided an opportunity to bring volunteers together as did a 'whole Trust' conference day in Bristol. A monthly electronic newsletter to volunteers is now well established. New Volunteer Pre-Season Workshops helped develop volunteers skills and knowledge in tourism and income generation.

Volunteer numbers grew by 13%.

Learning

A new Heritage Learning partnership with English Heritage meant that the Trust was able to recruit two of three Education Officers during the year. The new officers have identified six 'Explorer Church' hubs in each region and are developing new relationships with schools in these areas. In the **North**, we hosted 33 learning sessions at CCT churches and engaged 1,427 children and young people as a result. A Learning Volunteer role has been developed and a Learning Volunteer Team is now being drawn together.

In the **West**, two open days during conservation work at St Lawrence Church, tested a new format and collaborative working to provide a model for similar events. Overall the two events attracted 85 visitors, including the High Sheriff of Worcestershire, and raised the profile of CCT locally through marketing, networking and media coverage.

At All Saints, Langport the HLF-funded young people's project in partnership with Somerset Arts Works and Bridgewater College, saw successes that included a Hunky Punk workshop engaging with schools and local artists and a number of student led public events.

5. AIM THREE: GROW THE TRUST

The Trust aims to increase its capabilities in an era of tight resources, developing new skills to achieve a more diverse range of projects, building new partnerships to broaden its range of support, and attracting new income to ensure the sustainability of its buildings. The whole organisation is engaged in fundraising and income generation, supported by the specialist income generation team who also run a number of direct projects to build up regular giving and membership numbers and attract donations.

During the year the Trust achieved a 15% increase in donations and 11% increase in membership. Excluding exceptional legacy income from the previous year, we also succeeded in increasing the proportion of independent income. For every £1 of Government Grant-in-Aid received in 2012/13, £1.08 pence was received in fundraising/contributed income. This compares to 24 pence in the wider cultural and heritage sector.

Income Generation

Capital projects

The Heritage Lottery Fund (HLF) awarded just over £2.3million for urgent conservation and repair works at the medieval Grade I listed St Nicholas' Chapel in King's Lynn. Repair work can now be carried out thanks to all those that supported the 'Calling All Angels' campaign which raised over £210,000 towards the project.

Trusts and Foundations

Trust and Foundation grant fundraising has continued to exceed targets, with significant successes for Kings Lynn, Bridgnorth, Langport and Princetown.

Community Fundraising

In our 'Paddle around the pulpits' event, two supporters paddled 20 miles down the river Stour in Kent this August to visit three CCT churches and raised £1,000. Long standing supporter Andy White organised three 'Pedal around the pulpits' events which ran in the Trust's sports month to align with the Olympics.

This summer 28 churches took part in the Midsummer Tea Party fundraiser, raising a total of £6,000 for CCT. 2012 is said to have been the wettest summer for nearly 100 years, so this may be the reason for the slight fall in participation numbers this year.

We launched the second year of the National Fundraising Events Programme which aims to bring together and boost local events and activity aimed at raising unrestricted funds for CCT. The programme has received positive feedback from staff and volunteers.

Membership and Donor Development

CCT's regular giving membership schemes saw an increase of 18% in the Supporter Scheme, 26% in Director Club and 9% Patron membership. The retention rate continues to be very strong at over 80%, indicating high levels of satisfaction with the schemes. To ensure this continues, we undertook a Supporter Survey over the summer to enable us to segment our supporter audience and gain a clearer understanding of our supporter needs and reasons for supporting CCT.

The Volunteer Supporter scheme was launched in November. This pilot scheme offers regular CCT volunteers half price Supporter Scheme membership. This initiative is in recognition of our volunteers' valued contribution to CCT. We hope that this will also encourage volunteers to promote the Supporters Scheme to our visitors.

An annual appeal, with a 12% response rate, raised just over £22,000 in valuable unrestricted funds. The average donation was £79. We also held a Gift Aid appeal to donors, who had previously left gift aid envelopes at our churches, which raised £1,389, had a 2% response rate, and an average donation of £68.

Philanthropy

Extensive high level donor research, conducting and analysing surveys and undertaking telephone interviews was undertaken by our Patron, Janet Townsend-Stojic on a pro-bono basis. This research formed the development of the major donor programme and a review of the Patron and Director benefit packages. A major donor programme has been established as a result with a new cultivation process now in place.

Continuing the work to ensure all our fundraising is shaped by member feedback, our legacy marketing plan was revised following a series of focus groups held in 2011. A new legacy leaflet has been produced and has been placed in the churches and included in our supporter correspondence. Further legacy focus groups were run in Bristol and Cambridge and were attended by 35 people.

Earned Income

The Annual Lecture, 'For Love of Churches' with Candida Lycett Green at the Royal Academy on 16 October 2012 proved to be very popular. The event also gave members and donors the chance to meet our Trustees and Vice-Presidents over drinks and we gained a number of new supporters and donations on the night.

CCT's **Historic Church Tours** saw a 50% increase in ticket sales on 2011 figures. Next year, we will run nine tours including two on a Saturday for the first time. The 2013 Church Tour programme was launched in January and has proved even more popular.

The online shop was launched in November led by a range of exclusive Matthew Rice designed products, including the 2013 CCT mug, 'Happy Christmas' tea towel and Christmas card. 29 products were devised and launched during the year. Christmas cards continue to be a popular line with total sales of just under £10,000.

Marketing and Press, Events and PR

Marketing partnerships with Hudson's and English Heritage aim to improve the experience of visitors looking for a 'heritage day out' and raise the profile of CCT churches through mainstream publications. The 2013 Hudson's Guide featured 292 of our churches fully integrated into their heritage offer. A full page advertisement also featured opposite the foreword by Ed Vaizey MP, Minister for Culture, Communications and Creative Industries. The new Hudson's website also features CCT churches. The 2013 English Heritage Guidebook includes listings for 50 of our churches. English Heritage also feature CCT events in their newsletters and social media channels.

The first CCT mobile app allows users to navigate CCT's churches using an interactive Google map. It also displays upcoming events and photo galleries with full Twitter and Facebook integration, allowing users to share their own photos and comments with their social networks, raising the profile of the Trust.

We launched a new interactive itinerary builder 'Plan your day out' on our website enabling visitors to plan a whole day out including our churches and other nearby attractions (including English Heritage, National Trust and other heritage sites). Our new 'Your walks' website feature was launched as part of an Autumn Walks campaign on social media and through our supporter newsletters. Users can upload their walks to an interactive OS map on our website and encourage their friends to rate each walk through social media channels.

Significant press coverage this year has included the 'Open Churches' campaign which was featured on BBC breakfast and resulted in 50 new volunteers. There was a Daily Mail Online feature on Historic Church Tours. The 'Ring for Fitness' campaign was featured in all national broadsheets and on national and local BBC. The Daily Telegraph printed a full page feature over the Christmas holidays about the Trust's newest acquisition Falinge, St Edmund's.

Resources

Two significant projects were implemented in 2012-13 in order both to strengthen the Trust through better services and achieve cost-savings, the head office move and the upgrading of our IT infrastructure to a private cloud environment.

A completely new **IT Infrastructure** system meant putting all the Trust's computing on 'the cloud' and removing the need to run our own servers inhouse. The new system also provides CCT with:

1. Greater flexibility and much improved local and remote access to all systems
2. The ability to increase the number of users without a corresponding increase in costs, particularly useful with the growth of volunteers needing computer support
3. A new default disaster recovery system

The Trust also moved its **Head Office** following a thorough review of options, including negotiating to remain at 1 West Smithfield and seeking partners with which to share office space. Discussions with DCMS and the Government Property Unit were also undertaken. The outcome was a move to Society Building, behind King's Cross, owned by the National Council of Voluntary Organisations (NCVO). The office is approximately 25% smaller than 1 West Smithfield, with 8.68sqm per full time equivalent (FTE) member of staff, exceeding the DCMS target of 10sqm per FTE. Financial savings are in excess of £60,000 per annum of previous office costs. As well as providing a modern, bright and flexible space for staff and visitors, additional facilities are available within NCVO, such as a large meeting room space.

During the year, further work was also done to equip three regional 'hubs' for local staff, in churches, two of them owned by CCT. In particular adaptation of the tower and vestry at Leeds, St John has provided a small, modern office for the North team. The SE team moved into Church of England premises at Cambridge, St Luke.

Other key organisational support and resources improvements and activity included:

- The launch of a monthly HR update service, to assist managers in managing their teams
- New policies on social media, pay and reward
- The introduction of 360 degree feedback for senior managers and heads of department
- An upgrade of online-meeting equipment to encourage much more widespread use and to reduce the cost and time involved in staff and volunteers having to travel
- Streamlining of archiving and records management to a more comprehensive 'knowledge and information management' project beginning this year.

Completion of the 2011 restructure involved supporting nine staff who left the Trust, ten staff were placed in new roles and seven new staff joined the Trust.

In January 2013, the biannual survey of staff achieved a very high response rate. The results demonstrated strong levels of engagement with CCT's mission and vision and showed that staff are broadly happy with their working environment. It identified that there is more work to be done to improve internal communication, particularly between our widely dispersed teams.

6. AIM FOUR: SHARE OUR LEARNING

Interpretation

The Interpretation strategy and action plan for 12-15 was completed. The interpretation consultant has started to create guidance notes and workshops to support staff and volunteers as they begin to develop pilot projects which will significantly improve information for visitors in churches. Sandwich, St Peter is one of the first churches to benefit as reported above.

The online Royal Arms interpretation project was completed and launched to much acclaim. Wallpaintings phase II and 'How do they do That' web based interpretation projects were however deferred because of budgetary constraints.

Our regeneration web pages were significantly updated to include film libraries, downloadable project documents, and media coverage links. We have also set up Facebook pages for the majority of our active projects, co-run by ourselves and project partners. Our project webpages now include links to these and project Twitter pages.

A heritage business plan toolkit in partnership with the Prince's Regeneration Trust is complete and will be published in the forthcoming year.

The All Souls Bolton project included craft skills clauses in the tender documents and we will continue to include such clauses in all major project tenders. This is vital to securing the maximum heritage and economic benefits from our initiatives. We will particularly seek out opportunities to publish the outcomes of this area of our work.

Events and training

Almost 4,000 events take place in CCT churches every year, run by local people with support from CCT. They include a huge variety of arts and cultural events, occasional parish worship, fundraising and community meetings.

As a relatively small organisation with a very large number of sites, a lot of our work is dependent on our having good relationships with partner organisations, as well as volunteers and communities. We therefore run programmes of events to support this work and ensure that what we are trying to achieve is understood and that we can share and learn from others. Local and regional volunteer conferences were held across the regions helping relationships with Friends groups and providing support to more isolated volunteers. Key events organised by CCT also included:

- A 'showcase' for all our funders and partner organisations in London in June. This event and reception aimed to increase awareness of CCT's work and create new opportunities for working together on projects
- The annual 'Trustee Tour', this year in Wiltshire, Dorset and Hampshire, provides a cost-effective opportunity for Trustees to see CCT-work in action, meet and thank volunteers and staff and help the regional team raise its profile and strengthen its relationship with its partners
- The launch of our Northern region and its new base at Leeds St John
- Participation in an international conference to share and learn from different organisations concerned with the threats to, and solutions for, historic places of worship, with a particular focus on extended use

CCT staff spoke at a wide range of national and international events and conferences on the conservation and extended use of historic places of worship, presenting and sharing our experience through case studies.

REPORT OF THE TRUSTEES AND ACCOUNTING OFFICER

Craft Skills training is also crucial to the future sustainability of our churches. This year at Roseland, St Anthony in Cornwall and Clapton in Gordano, St Michael near Bristol, conservation projects incorporated craft skills training from start to finish. Students, apprentices and locals were given training from conservation experts in lime rendering, roofing and carpentry. These projects were part of our two-year programme 'Safeguarding Craft Skills for Historic Churches' which finished this year. Part funded by the Headley Trust, the project has ensured that 93 different young people engaged in craft skills activities, working with 14 partners including educational establishments, heritage professionals and local communities.

7. PERFORMANCE AGAINST TARGETS

Key Performance Indicators

The Trust uses a number of targets and indicators to measure progress in certain priority areas. The table below shows national targets and performance against them. Some of these targets are broken down into regional targets which are available separately.

The results demonstrate the considerable achievements of staff and volunteers in all areas in 2012-13. Strong growth in volunteer numbers and church-based income (willsafe donations and events) as well as membership are notable. Independent income increased as a proportion of total income although this was masked by unusually high legacy income in the previous year having dropped back to average levels. The improving quality of our 'visitor welcome' was also recognised by the first ever award of mainstream tourism prizes to 15 CCT churches.

REPORT OF THE TRUSTEES AND ACCOUNTING OFFICER

Target	National Annual Target	Full year Result	% of target achieved	Previous year 2011-12
1. Increase independent (non grant-in-aid) income	35%	29%	83%	34% ¹
2. Increase membership of regular giving schemes	1,320	1,331	101%	1,132
3. Return on Investment on income-generating projects	1 : 2.5	1 : 2.4	96%	New calculation used for 2012-13
4. Increase church-based income by region	£411,125	£499,380	121%	£394,536
5. Increase visitor numbers ²	1,955,000	1,711,000	88%	1,898,000
6. Professional visitor experience at more churches	15 new Visit England accreditations	15 PIQAS/ VAQAS accreditations awarded	100%	New target for 2012/13
7. Increase regular volunteer numbers	1,294	1,385	107%	1,176
8. Improved volunteer experience	High levels of satisfaction reported	88% would recommend CCT for volunteering	100%	New target for 2012/13
9. Maintain high standards of conservation repairs	2 Panel inspection reports	1 inspection undertaken. A second visit was not achieved due to capacity issues.	50%	New target for 2012/13
10. Investors in people	IIP award by 2015	New pay and performance policy implemented; 360 feedback integrated within performance review cycle; staff survey conducted.	n/a	Management and regional restructure
11. Operating costs	18%	14%	n/a	13%

¹ The reduction on last year is wholly a result of exceptional legacy income received in 2011/12, see section 8 on Income.

² Visitor numbers are calculated using both actual counted visitors and statistically produced figures based on the number of signatures in church visitor books. Where visitor book information is used, the total is multiplied by an industry-standard of seven to give an approximation to the actual number of visitors. This formula is regularly checked against actual numbers.

Comparisons to previous years

The charts below describe trends over recent years in some of the key performance indicators discussed in the report above. All show strong growth in areas of activity important to CCT’s long-term sustainability. The drop in visitor numbers this year is clearly seen as a break in a trend of sustained growth, one to which we will seek to return in the year ahead.

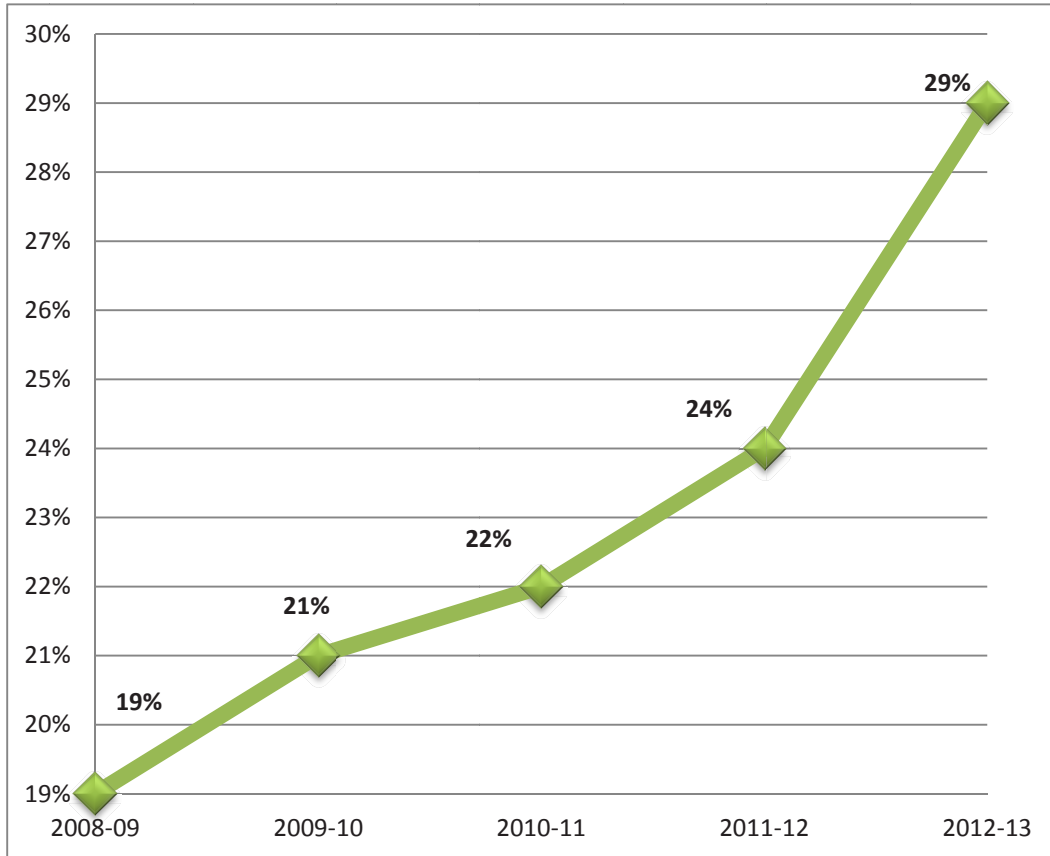


Table 1: Proportion of non Grant in Aid income³

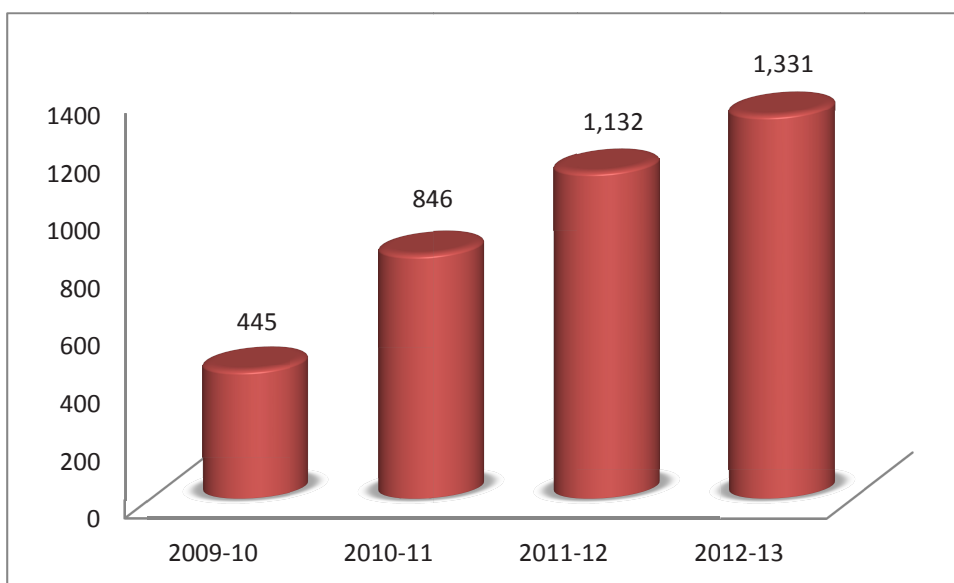


Table 2: Number of Supporter Scheme Members

³ 2011-12 figures exclude exceptional legacy income of £800,000

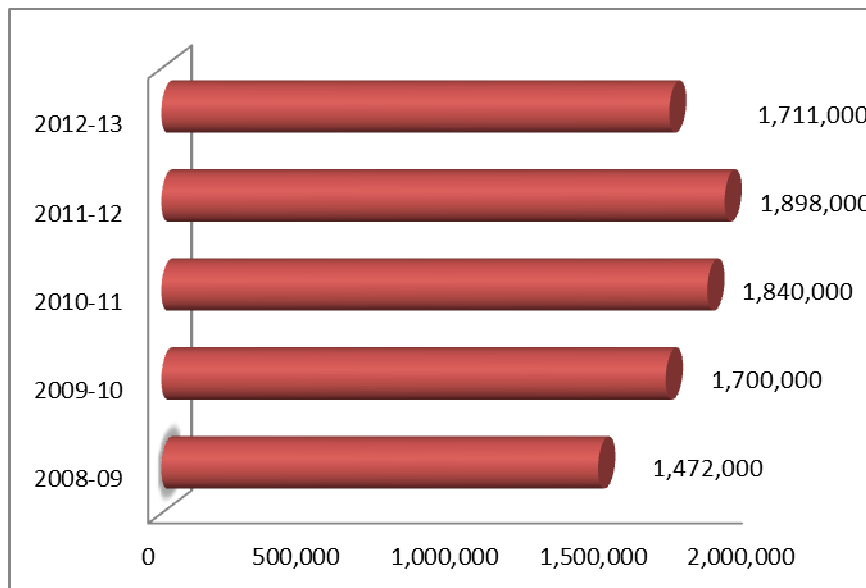


Table 3: Number of Visitors to CCT Churches



Table 4: Church based income

Sustainability

From 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 2012/13 was 52 we are not required to include a report, however details of work we doing to improve the sustainability of our estate is included below.

Improving energy efficiency and reducing carbon footprint

- We have commissioned carbon reduction feasibility surveys at key churches within our estate. Eight are the focus of community-led regeneration, five fall within the top 20

most costly to operate in terms of energy costs. Surveys have helped us to assess and identify how we can improve energy efficiency and reduce carbon footprints. As a result we are now working to build carbon reduction management plans into our regeneration projects.

- In each regeneration project we assess the potential to install green energy/energy saving measures such as PV cells, ground source heating and insulation. Examples include **St Nicholas' Chapel King's Lynn** where an array of 92 PV cells are to be installed following planning permission which was granted in 2012.
- We have registered some of our churches on to the energy monitoring system **sMeasure** which enables us to monitor the energy performance of our historic buildings to better understand patterns of energy use and to better manage energy consumption.
- We will monitor and review the impacts of building adaptation and will disseminate learning.

Churchyard Management

- We have commissioned habitat surveys and churchyard management plans for several of our sites to improve the management of churchscapes for both the benefit of people and biodiversity. Examples include **St Georges Church, Portland; Holy Trinity, York.**
- In 2011 we ran a pilot *Edible Churchscapes* project at **St Martin's Church, Preston Gubbals, Shropshire**, to empower the local community to create an edible community space and contribute to biodiversity conservation. Workshops trained people in biodiversity surveying and identification and churchyard mapping. We hope to extend this project to other sites.
- We are supported by other organisations who help us to manage our estate (churchyard of **All Saints in South Elmham, Suffolk**, is located in a nature reserve and is cared for by Suffolk Wildlife Trust).

Repair and Conservation

- Our repair and new build work is governed by a set of conservation principles. These principles ensure that as an organisation we continue to invest in our historic churches in a way that secures their long-term future.

People and Communities

- Management of our churchyards by local people (e.g. **Christ the Consoler, Skelton cum Newby**) is crucial to ensuring long-term sustainable management of our sites.
- Edible Churchscapes project – skills training for future jobs/support of conservation awards.
- Regeneration projects – adapting churches provides real tangible benefits to both the building and people by increasing site income, generating jobs, supporting local tourism, improving civic pride and confidence in the area, restoring essential services that have been lost in the local community.
- CCT staff make extensive use of cycling and public transport to reduce carbon footprint wherever possible.

Wildlife Management

- Biodiversity surveys to improve churchyard conservation undertaken at: **St George's Portland; St Martin's Preston Gubbals, Shropshire.**
- Commission ecology surveys to ensure that protected species (such as bats) are not adversely impacted through repair works (e.g. **St Benedict's Church, Haltham-on-Bain, Lincolnshire**).

REPORT OF THE TRUSTEES AND ACCOUNTING OFFICER

- Support research into the impacts of bats on historic church fabrics (e.g. impact study at **St Peter's Church, Deene**).

More information on all the above highlighted projects can be found on our website www.visitchurches.org.uk

8. FINANCIAL REPORT

Income

In the year ending 31 March 2013, overall income reached £5.87 million, a drop of £579,000 or 9% on the 2011-12 figures. This drop was wholly as a result of exceptional bequest income (£800,000) received in 2011-12 and the fall in Government Grant-in-Aid (£98,000). If these items are removed, the situation is reversed to an increase of £319,000 or 6%.

Grant-in-Aid from the Department for Culture, Media and Sport (DCMS) and the Church Commissioners of the Church of England (CC) provided the majority of income at £4.18 million or 71%. This figure compares to £4.28 million in 2011-12 following a further £98,000 reduction as part of the 20% cut over four years under the 2010 Comprehensive Spending Review.

Non-statutory grant income increased to £744,000 (£639,000 in 2011-12) and comprises grants from trusts and foundations for specific projects together with income from the Listed Places of Worship Grants Scheme (LPWS), where VAT is reclaimed on eligible church repairs. Income from trusts and foundations reached £483,000, a small drop from the £510,000 received in 2011-12. It is expected that this figure will be boosted considerably as the Bolton, Ipswich and Kings Lynn major projects move into the construction phase in 2013-14.

Donated income has made excellent progress, increasing by £126,000 or 30% to £560,000. Within this figure, unrestricted donations have more than doubled, from £93,000 to £193,000. Events income has also doubled, from £6,000 to £13,000. Restricted donations (donations that can only be used for particular projects or churches) also increased, from £73,000 to £129,000. Our annual appeal continues to grow, bringing in £22,000 compared to £18,000 the previous year. Wallsafe income, which has previously seen year on year growth, has dropped this year from £184,000 down to £148,000. This fall may be linked to visitor numbers but is also partly due to a new coding system being introduced which breaks down types of income into much more detail, giving far more management information and a more accurate picture of where our income comes from.

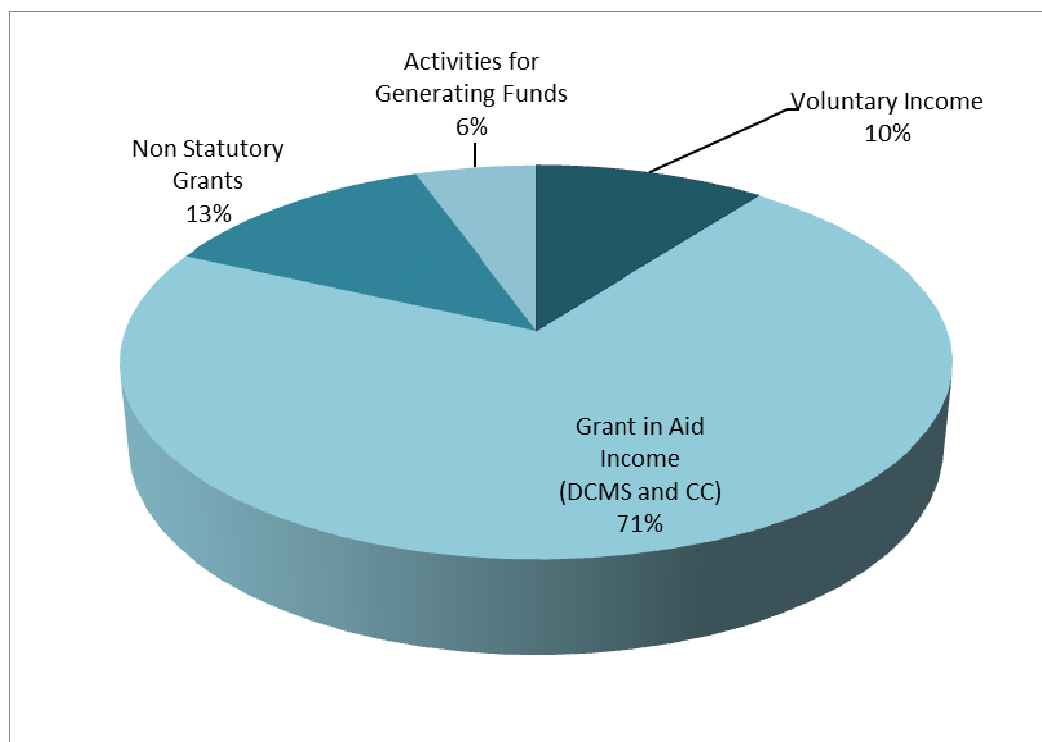


Table 5: How the Trust receives its money

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Legacies brought in an exceptional £829,000 in 2011/12. This year, the figure has dropped to £48,000, in line with our usual expectations.

Earned income also showed strong growth reaching £321,000 (£239,000 in 2011-12). This growth has been helped by income from the de-vesting of St Luke's, Oseney Crescent and the sale of Blawith. Other key elements include the Supporters Scheme fee income up 15% to £66,000 and £15,000 generated by filming at our sites.

Investment returns were lower during 2012-13 reflecting the lower balances held in the deposit accounts and investments held.

Expenditure

89% of the Trust's expenditure went on frontline projects to repair churches and support communities. At just over £3.38 million or 58% of total expenditure, 'Church repairs and maintenance' continues to be the main call on our funds. Compared to the previous year, this represents a fall of £510,000, however 2011-12 repairs expenditure was significantly boosted by the £800,000 exceptional bequest income noted above.

Our expenditure on 'Supporting volunteers and communities, keeping churches open' dropped to £1.85 million from £1.91 million last year. It has increased slightly as a percentage of overall expenditure, from 30% to 31%. This work focuses on initiatives to build the Trust's tourism, volunteering and partnership programmes and is crucial to the sustainability of the churches.

Governance costs fell slightly to £47,000 from £49,000 in 2011-12, representing 0.8% of total expenditure.

Expenditure on Fundraising increased slightly from £553,000 to £579,000. The percentage of total expenditure on Fundraising, 10%, was back to 2010-11 figures after a drop last year due to the increase in total expenditure.

The costs involved in the move to the new head office, £105,000, will be recouped in under two years due to the savings on lower rental payments.

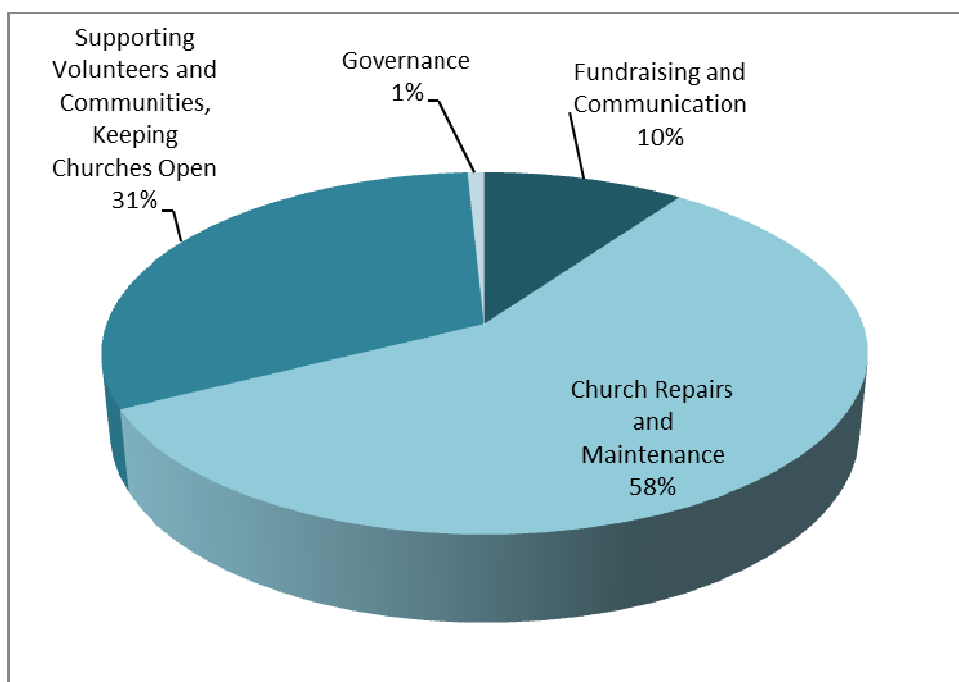


Table 6: Where the Trust spends its money

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". At the balance sheet date, the Trust has free reserves of unrestricted funds, less the carrying value of fixed assets, of £266,000 (that is, £366,000 less £100,000). This represents a small decrease compared to the free reserves of £267,000 held at 31 March 2012, lower than the Trustee-approved target figure of £400,000.

The Trust aims to maintain free reserves at a level which provides a reasonable level of security against unanticipated shortfall in its income and against the risk of delays in receipt of grants for specific projects which are paid in arrears. Its reserves should also be adequate to cover one-off emergency repairs or similar unforeseen expenditure. In 2008-09, £400,000 was viewed as the minimum level of working capital necessary to maintain liquidity when considering the Trust's on-going liabilities. Although these liabilities have not reduced, in the light of current economic circumstances it has not been possible to maintain this level. Trustees are keeping the reserve policy under review.

Restricted Reserves

The Trust also has reserves and endowment funds whose use, under the terms by which they were given, is restricted solely to work at specific churches. 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. These restricted funds stood at £1,366,000 (£1,389,000 on 31 March 2012).

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, Scottish Widows Bank and Virgin Money. Permanent Endowment funds are invested with Investec Wealth and Investment.

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

9. FUTURE DEVELOPMENTS

2013-14 is the second year of the Trust's three-year plan to improve the visitor experience, develop the volunteer workforce and increase financial independence. In an era of financial constraint and growing need it is an ambitious plan to increase activity by making the very best use of the staff, volunteer and financial resources which we have. The overall mission of the business plan is:

CCT is the custodian of an internationally important collection of historic church buildings that represent 1,000 years of English ecclesiastical architecture, history and art and which are unique community resources. We will showcase our collection to the world, provide a volunteer-led quality visitor welcome and achieve a greatly increased independence of income.

Our work during the plan period is directed and defined by three national strategies:

1. Building Income: the income generation strategy
2. Welcoming Visitors: the tourism strategy
3. Supporting Volunteers: the volunteering and communities strategy

A fourth strategy, to significantly upgrade the Trust's internal systems and processes, was introduced during the year and continues in 2013-14. This is focused particularly on introducing formal and consistent arrangements for planning, budget and project management and reporting.

The first priority is the generation of new, independent income through fundraising, membership and earned income. This is in order to secure the future of the churches in our care and of our work to support communities and their historic churches. In 2013-14 our three regions, supported by national income generation, regeneration, conservation and central services teams will run a wide range of projects to deliver our four national strategies. Major delivery projects this year will include:

1. Up to three multi-million pound urban projects going on site. Ipswich St Mary at Quay and King's Lynn will go ahead in the South East. Bolton is awaiting final HLF confirmation which, if given, will see them on site later in the year.
2. We will acquire up to five new churches including those at St Botolph's in Chichester diocese, Freeby in Peterborough, Linley in Shropshire and Ayston in Peterborough and begin initial repairs using new vesting budget. The majority of these sites will involve repair projects to the value of several hundred thousand pounds.
3. The first flagship Gateway churches, incorporating the Trust's latest work on volunteer teams, interpretation and presentation and income generation, will go live with support from a dedicated project director.
4. Capital fundraising appeals for three significant repair and adaptation projects will be run and work carried out on ten churches including York (North), Cambridge All Saints, Albury (both South East) and Princetown and Shorncote (both West). Increasing numbers of these will be match-funded with external funds, making CCT core funding go further.
5. £200,000 will be spent on producing condition reports for a proportion of the estate. The reports will be used to provide a comprehensive update on repair liability to Trustees.
6. Pilot commercial income generation projects, including the online shop and a café/commercial hire pilot, will commence under the new trading arm.
7. Community fundraising, bringing together regional volunteering officers, volunteers and Friends and the national community fundraising role, will be a priority activity for all business units this year.

REPORT OF THE TRUSTEES AND ACCOUNTING OFFICER

8. Launch of new annual giving schemes and a comprehensive online project donation facility will take place.
9. The programme of improvement to the systems and processes which underlie effective delivery will continue. This will include a major overhaul of Knowledge and Information Management, progress towards Investors in People and completion of the Project Management work.
10. The Heritage Learning Project, a partnership with English Heritage, will see the first tranche of partnerships with schools and Arts Council Bridge organisations in place, and first stage of development of the learning resources toolkit in all regions.
11. Implementation of the volunteer learning framework and comprehensive training of new volunteer teams.

In anticipation of the completion of the current strategic plan in 2014/15, this year a strategic review will be carried out involving consultation with all the Trust's internal and external stakeholders. The review is expected to result in the updating and refreshing of the Trust's strategic direction for 2015-18 and everyone's involvement in it, including continued emphasis on independence of income, volunteering and the improved visitor experience.

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, Church House, Great Smith Street, London, SW1P 3AZ.

Remuneration of Senior Managers

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
	Salary, including performance pay	Benefits in kind	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 at 31/3/12 and related lump sum	CETV at 31/3/12	CETV at 31/3/13	Real increase in CETV as funded by employer
Crispin Truman <i>Chief Executive</i>	70-80	Nil	0 - 2	15 - 20	189	220	17
Sarah Robinson <i>Deputy Chief Executive / Director of Conservation (part time: 3 days per week)</i>	30-40	Nil	0 - 2	5 - 10	108	119	3
Colin Shearer <i>Regional Director West</i>	50-60	Nil	0 - 2	5 - 10	118	141	14
Rosi Lister <i>Regional Director North</i>	40-50	Nil	0 - 2	0 - 5	31	43	7
Peter Aiers <i>Regional Director South East</i>	50-60	Nil	0 - 2	0 - 5	42	54	7
Melanie Knight <i>Director of Income Generation</i>	50-60	Nil	0 - 2	0 - 5	7	18	8

Notes to the above table:

Column 1: 'Salary': Includes gross salary, performance pay or bonuses, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.

Columns 5 and 6: '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.

Column 7: 'Real increase in CETV as funded by employer'. 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.

REPORT OF THE TRUSTEES AND ACCOUNTING OFFICER

Signed on behalf of the Trustees on:

Loyd Grossman

Chairman of the Trustees

Crispin Truman

Chief Executive

The Trust is a sponsored body of the Department for Culture, Media and Sport. The Trustees are required to prepare accounts for each financial year in the form and on the basis determined by the Secretary of State for Culture, Olympics, Media and Sport, with the consent of the Treasury and in accordance with the Charities Act 2011 and the Pastoral Measure 1983. 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 Culture, Olympics, 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 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:

Loyd Grossman

Chairman of the Trustees

Crispin Truman

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 to him in Government Accounting.

Corporate Governance

The Trust is governed by a board of ten 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.

Trustees

The Trustees during the year were:

Mr Loyd Grossman OBE FSA	Chairman
Mrs Debbie Dance	(until 31 st March 2013)
Mr Keith Halstead	
The Very Reverend Peter Judd	
Mr Christopher Knight	
The Reverend Brian McHenry CBE	
Mr Nick Thompson	Chair of the Regeneration Project Board
Ms Jane Weeks	Deputy Chair of Trustees
Mr Humphrey Welfare	Chair of the Conservation Committee
Mr Duncan Wilson OBE	Chair of the Finance, Audit and Resources Committee

The Board delegates some issues to its Finance, Audit and Resources 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 2013, 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. The attendance rate was over 90%.

During the year the Board met to review strategy and its own performance at a 3.5 hour residential away day.

The Finance, Audit and Resources Committee

The Finance, Audit and Resources Committee comprises three Trustees: Duncan Wilson (Chair), Nick Thompson, Christopher Knight and two co-opted members: Petar Stojic (until December 2012); and Major Geoffrey Berry (until December 2012). 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 was combined during the year with the Human Resources sub-Committee which advises on HR issues and remuneration. The HR sub-Committee met twice during the year before being combined with the Finance and Audit Committee.

Conservation Committee

The Conservation Committee is chaired by a Trustee (Humphrey Welfare) and comprises relevant experts and senior representatives of partners conservation organisations. It advises the Board on significant conservation and development matters relating to its 342 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: the vesting of and expenditure on Botolph, St Botolph's (West Sussex); the allocation of additional budget for Bolton, All Saints; the move to our new offices; the merger of the Finance and Audit Committee with the HR Sub Committee; the new open churches policy; and significant conservation repair works at Bridgnorth, Falinge and Evesham. Trustees also approved the updated 2012-15 budget and plan for the new financial year.

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 four 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 by regions, the number of which was reduced from four to three in the previous year.

The Trust's Chief Executive Officer is Mr Crispin Truman.

Communication with Sponsors

The Accounting Officer and the other Directors hold six-monthly review meetings with officers in the Department for Culture, Media and Sport (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.

Internal Audit

The Trust's provider of internal audit services, Chantrey Vellacott, was appointed in 2009-10. Their work is risk-based and compliant with Government Internal Audit Standards. The internal audit plan considers strategic and operational risks and has been approved by the Finance and Audit Committee. It is reviewed annually to confirm audit prioritisation.

During 2012-13 Chantrey Vellacott carried out a review of gift aid procedures and the fraud risk specifically associated with donations received by post. These reports concluded that the Trust's processes are strong and raised useful control improvement points that have since been implemented by management. The reports and management actions were reviewed by the Finance and Audit and Resources Committee.

External 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 2012-13, no substantive weaknesses were raised which provided the Trust with additional comfort over its internal controls.

Remuneration

Senior management remuneration

2012-13 was the first year of the new pay policy whereby all staff were awarded a single cost of living and a separate non consolidated bonus dependent on organisational objectives and subject to affordability. All pay awards are subject to Trustee approval.

As at 31 March 2013, the highest paid director was paid in the £70,000 to £80,000 band. The ratio of the mid-point of this band to the Trust's median pay of £25,000 was 3.0.

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.

The Planning and Budgeting Process

The senior management team compiles the Trust's business plan and budget on an annual basis. In 2012-13 the Trust moved into the second year of the current three-year business plan which aims to improve forward planning, end-year management and allow for the longer preparation time required for more complex projects. The updated 2012-15 three-year plan and budget is summarised in this report and is updated on an annual rolling basis.

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 for it 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 up into the main risk management process through the Senior Management Team (SMT). As a result of more holistic planning within and across teams, last year's budget process saw plans submitted that better considered risk management.

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, Audit and Resources 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 ensures 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 following the internal audit review in 2011-12 are as follows:

The Risk Register

1. Departmental risk registers are reviewed at monthly team meetings to ensure risks are considered. The teams are the three regions, Conservation Policy and Regeneration, Income Generation, Resources and Finance. Any departmental risk of severity 12 or more, or an impact of 5 is reported to SMT for consideration in the national risk register.
2. SMT formally review risks on a quarterly basis and prior to preparation of the Finance, Audit and Resources Committee papers. SMT considers departmental risk registers on a rotational basis.
3. The Finance, Audit and Resources 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.
4. 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 four 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.

Information Management

The Trust is registered with the Information Commissioner's Office. The Trust suffered no protected personal data incidents during 2012-13. Controls are in place to monitor information management risk.

Sickness Absence Disclosure

During the year-ending 31 March 2013, staff were off work due to sickness for a total of 154.5 days or an average of 3 days per staff member after three long-term absences are discounted. This compares to an average of 1.4 days per staff member in the previous year.

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.

Crispin Truman

Accounting Officer and Chief Executive

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

We have audited the financial statements of The Churches Conservation Trust for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 24, the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the charity's Trustees as a body. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2013 and of its incoming resources and application of resources, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Mazars LLP, Chartered Accountants and Statutory Auditor

Times House, Throwley Way, Sutton, Surrey SM1 4JQ

Date

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2013

12. FINANCIAL STATEMENTS

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total <u>2013</u> £	Total <u>2012</u> £
<u>INCOMING RESOURCES</u>						
Incoming resources from charitable activities						
Grants	4	4,442,898	483,681	-	4,926,579	4,919,668
		4,442,898	483,681	-	4,926,579	4,919,668
Incoming resources for generated funds						
Voluntary income		414,444	194,086	-	608,530	1,262,661
Activities for generating funds		320,675	530	-	321,205	238,959
Investment income		2,034	15,218	-	17,252	29,909
		737,153	209,834	-	946,986	1,531,529
TOTAL INCOMING RESOURCES	4	5,180,051	693,514	-	5,873,565	6,451,197
Less cost of generated funds						
Fundraising and communications		(571,021)	(8,771)	-	(579,792)	(553,235)
Total incoming resources available for charitable application		4,609,030	684,743	-	5,292,773	5,897,962
<u>RESOURCES EXPENDED</u>						
Charitable activities						
Church repairs and maintenance	1(c)	(2,744,732)	(638,213)	-	(3,382,945)	(3,898,066)
Supporting volunteers and communities, keeping churches open		(1,757,936)	(95,559)	-	(1,853,495)	(1,914,197)
Governance		(47,090)	(72)	-	(47,162)	(49,403)
Total charitable activities		(4,549,758)	(733,844)	-	(5,283,602)	(5,861,666)
RESOURCES EXPENDED	5	(5,120,779)	(742,615)	-	(5,863,394)	(6,414,901)
Other recognised gains and losses						
Realised (loss) on investments		-	-	-	-	(10,284)
TOTAL RESOURCES EXPENDED		(5,120,779)	(742,615)	-	(5,863,394)	(6,425,185)
Net incoming resources		59,272	(49,101)	-	10,171	26,012
Other recognised gains and losses						
Unrealised profits on investments	8	-	-	26,942	26,942	1,120
Net movement in funds		59,272	(49,101)	26,942	37,113	27,132
Balances brought forward at 1 April 2012		306,990	955,648	433,527	1,696,165	1,669,033
Balances carried forward at 31 March 2013	12	366,262	906,547	460,469	1,733,278	1,696,165

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

SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013

	Notes	<u>2013</u>	<u>2012</u>
		£	£
Income			
Grants		4,926,579	4,919,668
Voluntary income		608,530	1,262,661
Activities for generating funds		321,205	238,959
Investment income		17,252	29,909
Total income	4	<u>5,873,565</u>	<u>6,451,197</u>
Expenditure			
Fundraising and Communications		(579,792)	(553,235)
Church repairs and maintenance		(3,382,945)	(3,898,066)
Supporting volunteers and communities, keeping churches open		(1,853,495)	(1,914,197)
Governance		(47,162)	(49,403)
Realised (loss) on sale of investments		-	(10,284)
Total expenditure	1(c)	<u>(5,863,394)</u>	<u>(6,425,185)</u>
Surplus of income over expenditure		<u>10,171</u>	<u>26,012</u>

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2013 £	Total 2012 £
FIXED ASSETS						
Tangible fixed assets	7	100,263	-	-	100,263	39,661
Fixed assets investments	8	-	-	281,298	281,298	254,356
Investment in Subsidiary	8	1	-	-	1	-
		100,264	-	281,298	381,562	294,017
CURRENT ASSETS						
Debtors	9	670,419	54,506	-	724,925	785,996
Cash on deposit		64,409	985,193	179,171	1,228,773	1,739,901
Cash in hand		297	-	-	297	260
		735,125	1,039,699	179,171	1,953,995	2,526,157
Creditors						
Amounts falling due within one year:	10	(469,127)	(133,152)	-	(602,279)	(1,124,009)
NET CURRENT ASSETS		265,998	906,547	179,171	1,351,716	1,402,148
NET ASSETS		366,262	906,547	460,469	1,733,278	1,696,165
FUNDS						
Endowment funds	12	-	-	460,469	460,469	433,527
Income funds	12	366,262	906,547	-	1,271,619	1,262,638
		366,262	906,547	460,469	1,733,278	1,696,165

Approved and authorised for issue by the Trustees on:

Signed on their behalf by:

Loyd Grossman
Chairman of the Trustees

CASH FLOW STATEMENT

	Notes	<u>2013</u>	<u>2012</u>
		£	£
Cash flow from operating activities			
Net incoming resources		8,981	26,012
Investment income		(17,252)	(29,909)
Realised loss on investments		-	10,284
Depreciation		16,016	7,732
Decrease/(Increase) in debtors and prepayments		62,261	(504,205)
(Decrease)/Increase in creditors		(521,730)	143,676
Decrease in provisions		-	(62,251)
Net cash (outflow) from operating activities		(451,724)	(408,661)
Cash flows from investing activities			
Sales of investments		-	571,547
Purchase of investments		(1)	(235,354)
Investment income received		17,252	29,909
Net cash inflow from investing activities		17,251	366,102
Cash flows from financing activities			
Capital expenditure:			
Purchase of tangible fixed assets		(76,618)	(25,392)
Net cash (outflow) from financing activities		(76,618)	(25,392)
(Decrease) in cash during the year	17	(511,091)	(67,951)

13. NOTES TO THE ACCOUNTS

1. Accounting Policies

The accounts have been prepared in accordance with the Accounts Direction issued by the Department for Culture, Media and Sport, the recommendations of the Statement of Recommended Practice (2005), 'Accounting and Reporting by Charities' and applicable Accounting Standards in the United Kingdom. The main accounting policies, which have been applied consistently, are set out below. A copy of the Accounts Direction can be obtained from the Trust's offices.

(a) *Basis of Accounting*

The accounts have been prepared in accordance with the historic cost convention as modified by the revaluation of fixed asset investments. The charity's subsidiary company, CCT Enterprises Limited, has not been consolidated on the grounds that it is immaterial to the charity's financial statements.

(b) *Incoming Resources*

Statutory Grants comprise Grant-in-Aid from the Department for Culture, Media and Sport amounting to £2,828,000 (2011-12: £2,926,000) and a grant from the Church Commissioners amounting to £1,355,000 (2011-12: £1,355,060). Grant-in-Aid is allocated to general unrestricted purposes and is taken to the Statement of Financial Activities in the year to which it relates. Other grants are included where the conditions of the grant have been fulfilled and the grant is claimable. 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.

(c) *Resources Expended*

Resources expended are included in the Statement of Financial Activities 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.

(d) *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.

(e) *Tangible Fixed Assets*

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

NOTES TO THE ACCOUNTS

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 tangible fixed 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%.

(f) 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 Statement of Financial Activities includes those unrealised gains and losses arising from the revaluation of the investment portfolio at the year end.

(g) Finance and Operating Leases

The Trust has no Finance leases. Operating lease costs are charged to the Statement of Financial Activities as incurred.

(h) Heritage Assets

The Trust maintains 342 (2012: 342) 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' (SORP 2005).

The cost of associated major repairs is reported in the statement of financial activities in the year in which it is incurred.

Further information is given in note 13 to the accounts.

(i) Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) which are described in Note 6. 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.

(j) Early Retirement Costs

The Trust bears the full cost of the Principal Civil Service Pension Scheme benefits for employees who retire early until the employee reaches the normal retirement age. The total cost is charged to the Statement of Financial Activities in the year an individual takes early retirement and a provision for future pension payments is created. Payments to the retired employee until normal retirement age are then charged annually against the provision and are being discounted at 6% to reflect the time value of money.

2. Unrestricted Income and Expenditure Account for the Year Ended 31 March 2013

		<u>2013</u>	<u>2012</u>
		£	£
<u>INCOMING RESOURCES</u>			
Incoming resources from charitable activities			
Grants	1(b)	<u>4,442,898</u>	4,409,941
		4,442,898	4,409,941
Incoming resources for generated funds			
Voluntary income		414,444	1,178,314
Activities for generating funds		320,675	238,959
Investment income		<u>2,034</u>	3,404
		737,153	1,420,677
TOTAL INCOMING RESOURCES		<u>5,180,051</u>	<u>5,830,618</u>
Less cost of generated funds			
Fundraising and communications		(571,021)	(547,888)
Total incoming resources available for charitable application		<u>4,609,030</u>	<u>5,282,730</u>
<u>RESOURCES EXPENDED</u>			
Charitable activities			
Church repairs and maintenance	1(c)	(2,744,732)	(3,412,425)
Supporting volunteers and communities, keeping churches open		(1,757,936)	(1,797,827)
Governance		(47,090)	(49,099)
Total charitable activities		<u>(4,549,758)</u>	<u>(5,259,351)</u>
TOTAL RESOURCES EXPENDED		<u>(5,120,779)</u>	<u>(5,807,239)</u>
Net incoming resources		59,272	23,379
Balance brought forward at 1 April 2012		<u>306,990</u>	283,611
Balance carried forward at 31 March 2013	12	<u>366,262</u>	<u>306,990</u>

3. 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.

4. Incoming Resources

	<u>2013</u> £	<u>2012</u> £
Statutory grants	4,183,000	4,281,060
Other grants	743,579	638,608
Legacies and bequests	48,106	828,656
Donations	560,424	434,005
Investment income	17,252	29,909
Activities for Generating Funds	321,205	238,959
TOTAL INCOMING RESOURCES	5,873,565	6,451,197

5. Expenditure

	Direct staff costs £	Other direct costs £	Support costs £	<u>2013</u> Total £	<u>2012</u> Total £
Cost of generating funds					
Fundraising and communications	356,820	88,004	134,968	579,792	553,235
Charitable activities					
Church repairs and maintenance	475,758	2,725,036	182,151	3,382,945	3,898,066
Supporting volunteers & communities, keeping churches open	1,039,764	323,238	490,493	1,853,495	1,914,197
Governance	11,617	24,886	10,659	47,162	49,403
Total charitable activities	1,527,139	3,073,160	683,303	5,283,602	5,861,666
TOTAL RESOURCES EXPENDED	1,883,959	3,161,164	818,271	5,863,394	6,414,901

The church repairs and maintenance figure above includes a grant of £119,526 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 (2011-12: £nil). Three Trustees received reimbursements for travel and subsistence of £800 (2011-12 reimbursements totalled £719 for four Trustees).

Net incoming resources are stated after charging Auditors' Remuneration

	<u>2013</u> £	<u>2012</u> £
Auditors' remuneration	15,300	15,300

NOTES TO THE ACCOUNTS

ALLOCATED SUPPORT COSTS	Fundraising	Church repairs & maint.	Regional activities	Governance	2013 Total	2012 Total
	£	£	£	£	£	£
Staff costs	43,913	59,265	159,586	3,468	266,232	244,577
Premises costs	26,714	36,053	97,083	2,110	161,960	180,147
Communications	14,917	20,131	54,210	1,178	90,436	128,970
Publications	5,612	7,574	20,395	443	34,024	40,346
Office costs	20,395	27,526	74,120	1,611	123,652	85,815
IT costs	11,352	15,320	41,254	896	68,822	67,029
Prof. consultancy	9,423	12,717	34,244	744	57,128	47,227
Depreciation	2,642	3,565	9,601	209	16,017	7,732
	134,968	182,151	490,493	10,659	818,271	801,843

Support costs are apportioned on the basis of staff time

6. Salaries, Employment Costs and Expenses

	Fundraising	Church repairs & maint.	Regional activities	Governance	Support	2013 Total	2012 Total
	£	£	£	£	£	£	£
Gross salaries	259,485	336,892	706,461	8,345	206,818	1,518,001	1,376,037
Provision for redundancy	1,802	3,424	9,192	360	3,244	18,022	50,581
Social security costs	20,451	26,435	55,178	646	14,606	117,316	94,847
Pension costs	35,863	54,475	121,139	1,386	28,864	241,727	214,159
Early retirement	1,539	2,925	7,852	308	2,771	15,395	3,479
Travel expenses	21,269	41,924	112,605	281	3,841	179,920	123,353
Staff training	4,783	3,844	10,123	193	3,489	22,432	30,138
Car leasing	694	2,666	9,894	10	93	13,357	15,513
Recruitment costs	10,119	1,689	4,863	45	1,985	18,701	31,160
Staff admin costs	815	1,484	2,457	43	521	5,320	10,162
	356,820	475,758	1,039,764	11,617	266,232	2,150,191	1,949,429
Average number of employees on a full time basis:	8	8	26	1	9	52	47

NOTES TO THE ACCOUNTS

One employee (2012-13: one) earned over £60,000 during 2012-13, with a salary falling in the £70,000 to £80,000 band.

Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, members may be in one of four defined benefit schemes, either a final salary scheme (classic, premium or classic plus) or a whole career scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos 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 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. 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 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% 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 3% and 12.5% (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.

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 2011-12 employers' contributions of £241,181 were payable to the PCSPS (2011-12: £213,586) at one of three rates in the range 17.1% to 25.5% of pensionable pay. For the stakeholder pension account, employers' contributions of £546 (2010-11: £573) were paid to one or more of a panel of four 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. Contributions due to the pension providers at 31 March 2013 were nil (2011-12: nil).

NOTES TO THE ACCOUNTS

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
£0 to £5,000	5	0	5
£5,001 to £10,000	0	0	0
£10,001 to £15,000	2	1	3

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Redundancy compensation payments accrued in 2012-13 totalled £48,093.

7. Tangible Fixed Assets

	<u>Tenants'</u> <u>Improvements</u> £	<u>Furniture &</u> <u>Equipment</u> £	<u>Total</u> <u>2013</u> £
COST			
At 1 April 2012	46,897	197,316	244,213
Additions	34,939	41,679	76,618
Disposals	(46,897)	(112,422)	(159,319)
At 31 March 2013	<u>34,939</u>	<u>126,573</u>	<u>161,512</u>
DEPRECIATION			
1 April 2012	46,897	157,655	204,552
Charge for the year	2,038	13,978	16,016
Eliminated on disposal	(46,897)	(112,422)	(159,319)
At 31 March 2013	<u>2,038</u>	<u>59,211</u>	<u>61,249</u>
NET BOOK VALUE			
At 31 March 2013	<u>32,901</u>	<u>67,362</u>	<u>100,263</u>
At 31 March 2012	-	39,661	39,661

8. Fixed Asset Investments

	<u>Restricted</u> <u>Funds</u> £	<u>Permanent</u> <u>Endowment</u> <u>Funds</u> £	<u>Total</u> <u>Funds</u> £
At 1 April 2012	-	254,356	254,356
Sales	-	-	-
Purchases	-	-	-
Realised profit / (loss)	-	-	-
Net unrealised profit on revaluation	-	26,942	26,942
At 31 March 2013	<u>-</u>	<u>281,298</u>	<u>281,298</u>
Historic cost at 31 March 2013	<u>-</u>	<u>198,598</u>	<u>198,598</u>

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

During the year the charity set up a 100% owned subsidiary, CCT Enterprises Ltd. This company had not traded at 31 March 2013 and had net assets of £1 at this date.

NOTES TO THE ACCOUNTS

9. Debtors

All amounts fall due within one year.

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2013</u> <u>Total</u> £	<u>2012</u> <u>Total</u> £
Listed Places of Worship Grant Scheme	134,228	-	134,228	90,186
Due from grant giving bodies	-	53,316	53,316	46,901
Debtors bequests due	334,885	-	334,885	496,242
Other debtors and prepayments	201,306	1,190	202,496	152,667
	<u>670,419</u>	<u>54,506</u>	<u>724,925</u>	<u>785,996</u>

10. Creditors

Amounts falling due within one year.

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2013</u> <u>Total</u> £	<u>2012</u> <u>Total</u> £
Restructuring costs provision	-	-	-	41,219
Trade creditors	347,421	13,627	361,048	705,126
Accruals and deferred income	6,647	-	6,647	236,004
Early retirement pension provision	-	-	-	46,844
Other creditors	115,059	119,525	234,584	94,816
	<u>469,127</u>	<u>133,152</u>	<u>602,279</u>	<u>1,124,009</u>

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

11. Provision for Liabilities and Charges

	<u>2013</u> <u>Total</u> £	<u>2012</u> <u>Total</u> £
At 1 April 2012	-	62,251
Released during the year	-	(15,407)
Transfer to creditors due within 1 year	-	(46,844)
At 31 March 2013	<u>-</u>	<u>-</u>

12. Funds

	<u>Balance as at</u> <u>1 April 2012</u> £	<u>Incoming</u> <u>Resources</u> £	<u>Resources</u> <u>Expended</u> £	<u>Unrealised</u> <u>profits</u> £	<u>Balance as at</u> <u>31 March 2013</u> £
Unrestricted funds	306,990	5,180,051	5,120,779	-	366,262
Restricted funds	955,648	693,514	742,615	-	906,547
Permanent Endowment	254,356	-	-	26,942	281,298
Expendable Endowment	179,171	-	-	-	179,171
	<u>1,696,165</u>	<u>5,873,565</u>	<u>5,863,394</u>	<u>26,942</u>	<u>1,733,278</u>

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 balances relate to York Holy Trinity; Stirchley, St James; Shorcote, All Saints; Saintbury, St Nicholas; and King's Lynn, St Nicholas, collectively holding £654,258 at 31 March 2013.

13. Heritage Assets

The Trust maintains 342 churches which have been acquired during the 40 years since the inception of the Trust. These churches are those which have fallen into disuse and are considered to be sufficiently important to be restored 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, half of the Trust's estate is reviewed for repair liabilities.

Additions in 2012-13: Falinge, Greater Manchester

Disposals in 2012-13: Blawith, Cumbria

Six year summary of heritage asset transactions

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

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Total Number of Churches vested in the Trust	342	342	342	342	340	340
New Vestings	1	1	1	2	-	-
Disposals	1	1	1	-	-	-

14. Operating Lease Commitments

The annual commitment in respect of operating leases were:

	<u>2013</u>	<u>2012</u>
Leases expiring under one year:	£	£
Motor vehicles	1,808	-
Land and buildings	-	82,800
Leases expiring between two and five year:		
Motor vehicles	3,376	9,576
Land and buildings	55,500	-

15. Repair Commitments

At 31 March 2013 the Trust had contracted for the following repair projects:

NOTES TO THE ACCOUNTS

	<u>2013</u>	<u>2012</u>
	£	£
2012-13 Programme	25,820	124,850
2013-14 Programme	109,985	431,295
	135,805	556,145

At 31 March 2013, the Trustees had approved expenditure totalling £9.1m (2012 £7.4m) which, apart from the above programme expenditure, had not been contracted for at 31 March 2013.

16. Net Assets

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2013 Total £
Tangible fixed assets	100,263	-	-	100,263
Investments	-	-	281,298	281,298
Cash	64,706	985,193	179,171	1,229,070
Debtors less creditors	201,293	(78,646)	-	122,647
Total	366,262	906,547	460,469	1,733,278

17. Reconciliation of Net Cash Flow to Movement in Net Funds

	<u>2013</u>	<u>2012</u>
	£	£
(Decrease) in cash during the year	(511,091)	(67,951)
Change in net funds resulting from cash flows	(511,091)	(67,951)
Net cash at 31 March 2012	1,740,161	1,808,112
Net cash at 31 March 2013	1,229,070	1,740,161

18. Trading Subsidiary

During 2012-13 the Trust established a new trading subsidiary, Churches Conservation Trust Enterprises Ltd. There were no transactions made by the subsidiary in 2012-13.

19. Related Party Transactions

The Trust is sponsored by the Department for Culture, Media and Sport and the Church Commissioners. The Department for Culture, Media and Sport is regarded as a related party and transactions with the Department are fully disclosed in the notes to the accounts. Churches Conservation (charity number 1150968) was established during the year. A minority of its Trustees are also Trustees of CCT. CCT made a grant to Churches Conservation of £119,526 during the year.

20. Post balance sheet events

At the date of these accounts being signed, there were no post balance sheet events that needed to be disclosed in these accounts.

21. 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 342 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 Culture, Media and Sport
The Church Commissioners

CCT Patrons

Mr R Aldwinckle
Mr M Bartlett
Dr D Booth
Mr R Broyd OBE
Mr A Clark
Mrs D Dance
Mr S Dawson
Mr M Fowle
Lady Getty
Miss L Gibson
Mr L Grossman OBE FSA
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Mr C Powell
Dr M Puliyeel
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Mr H Hofmeister
Lord Leicester
Mr I Lennox
Mr R Mitchell
Mr S Rangeley-Wilson
Mr and Mrs J Robotham
Mr A Schumann
Mr M Schumann
Mr H Webb

Friends of Churches

Friends of St Mary's Church Bungay
Friends of St Andrews Church, Hove
Friends of Pitstone
Friends of St Peters Church, Swingfield

Trusts and Foundations

Anson Charitable Trust
Dame Violet Wills Will Trust
English Heritage
Gannett Foundation
Garfield Weston Foundation
Heritage Lottery Fund
INTERREG 2 seas
LankellyChase
Lincolnshire County Council
National Churches Trust (DCMS Capital - Programme)
National Manuscripts Conservation Trust
Shropshire County Council
Sita Trust
St Thomas Ecclesiastical Charity
Stuart Heath Charitable Settlement
The Charles Littlewood Hill Trust
The Cranfield Charitable Trust
The Geoff Watling Charity
The Headley Trust
The Lopylugs and Barbara Morrison - Charitable Trust
The Paul Bassham Charitable Trust
The PF Charitable Trust
The Simon Gibson Charitable Trust
The Society for the Protection of Ancient-Buildings
The Thomas Freke and Lady Norton Charity

22. 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 2012-13, based on responses to a volunteer survey, it has been calculated that our volunteers work 88,961 hours per annum. If we were to value them at £6.19 per hour (national minimum wage), the economic worth of the work they do for the year-ended 31 March 2013 would amount to £550,669.



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ISBN 978-0-10-851260-5



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