



# **ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022**

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

July 2022



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

Our aims are:

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

# CONTENTS

<b>1. CHAIR'S FOREWORD .....</b>	<b>1</b>
<b>2. INTRODUCTION .....</b>	<b>2</b>
<b>3. REVIEW OF THE YEAR .....</b>	<b>4</b>
<b>4. AIM ONE: Supporting communities to use and love their historic places of worship</b>	<b>5</b>
<b>5. AIM TWO: Sharing our skills to sustain churches .....</b>	<b>8</b>
<b>6. AIM THREE: Promoting the value of our shared cultural heritage .....</b>	<b>9</b>
<b>7. PERFORMANCE AGAINST TARGETS .....</b>	<b>10</b>
<b>8. SUSTAINABILITY .....</b>	<b>12</b>
<b>9. FINANCIAL REPORT .....</b>	<b>14</b>
<b>10. GOVERNANCE STATEMENT .....</b>	<b>18</b>
<b>11. INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES .....</b>	<b>24</b>
<b>12. FINANCIAL STATEMENTS .....</b>	<b>27</b>
<b>13. NOTES TO THE ACCOUNTS .....</b>	<b>30</b>

## 1. CHAIR'S FOREWORD

It is a pleasure to be introducing the 2021/22 Annual Accounts of The Churches Conservation Trust (CCT) for the first time as Chair of Trustees. I would like to start by thanking my fellow trustee, Sue Wilkinson, for stepping in as Interim Chair last year after the sad death of Peter Ainsworth. Sue has provided steady leadership in what has been a challenging period.

We recently said goodbye to CCT Chief Executive Peter Aiers after his move to become Master and CEO of Charterhouse after 15 years at CCT. We all wish him the very best for his new role.

Alongside departures, CCT was fortunate to welcome new trustees in January of this year with the appointment Dr Oliver Cox and Inayat Omarji MBE, and Sir Simon Jenkins was reappointed to the board. I have been a trustee since 2013, supporting and guiding CCT through periods of change and growth and I am honoured and delighted to have been appointed Chair.

I am grateful to all those who continue to support us through challenging times, and it was with relief that we were able to re-open our churches to visitors after two lockdowns. The pandemic did, however, bring one unanticipated benefit in the shape of a £2 million grant from the Government's Culture Recovery fund which enabled us to carry out urgent and necessary repair work to 19 of our churches during the year.

Of course, we would not have been able to carry out any of our work without the support of our wonderful volunteers and communities who have continued with fundraising initiatives and activities, being advocates for our work and opening churches. Thank you to each and every one of you.

A lot has changed in the past two years, most notably with the technology we use to communicate with each other. In 2020, we saw the launch of CCT's live-streamed lectures, which have attracted a whole new audience and brought churches to people 'digitally' via Zoom. I am pleased to say that the lectures have continued and in addition to this, we have a new platform, CCTDigital.com, which hosts our new video content. All of this has contributed to our membership recruitment, which continues to rise.

The constant task of raising funds to repair and maintain churches was notably helped this year by the Garfield Weston Foundation, the Architectural Heritage Fund and the Elmley Foundation for major projects such as Sunderland, Lancaster and Worcester. We are very grateful for the donations and contributions made by Trusts, Funds, Foundations and individuals who support our work, and also for the continuing support of the National Lottery Heritage Fund. We are also very grateful to the Government's ongoing contribution through DCMS and to the Church of England, and in particular the Church Commissioners, who recognise the importance of the work we do to protect these wonderful historic places of worship.

It is clear that people care about heritage. Our most recent Annual Appeal highlighting the importance of heritage craft skills was our most successful appeal yet, reaching over £65,000, and I would like to thank all those who donated.

The Board is pleased to report that we have ended this year in a much better financial position than we had thought possible, thanks to the hard work of our former CEO, the Senior Management Team and our staff. We look forward to working with all our friends, volunteers and supporters to build on that success in the coming year.

## 2. INTRODUCTION

### **Who we are**

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

### **Constitution**

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

### **Objectives and Activities**

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

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

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

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

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

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

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

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

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

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

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

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

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

The programmes will result in the conservation, repair, adaptation and maintenance of the 356 buildings in our collection and of additional churches at risk coming into ownership. The CCT also runs a wide range of projects to support and promote community, arts, cultural and educational use, tourism and the local management or lease of its buildings. All projects serve to increase external funding, volunteering, partnerships and local involvement.

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

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

Our funding and management agreement aims are to:

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

### **Public Benefit**

The CCT meets its obligations through 'advancing arts, culture, heritage or science'. It manages and provides free admission to 356 historic buildings which are open to the public on a daily basis throughout the year and which are made available for community use. Some 1,800 members of the public usually volunteer for the CCT and many are provided with training and support as a part of this activity. All Trustees give their time voluntarily and receive no benefit from the charity. Expenses reclaimed from the charity are set out in the notes to the accounts.

### 3. REVIEW OF THE YEAR

When the pandemic struck in March 2020 we moved very quickly to have our staff work from home. The CCT immediately declared three Covid priorities for the organisation; Re-opening, Fundraising and Community Support, and these priorities remained in place for 2021-22.

Our Reopening Taskforce continued to provide guidance and training, process and risk assessments for staff and volunteers over the past year as the Government announcements and strategies for dealing with the global pandemic have evolved. Our aim was to return to business as usual in as many of our operations as possible.

The CCT is the result of an agreement between State and Church to protect church buildings that are historically significant. The Trust's remit is set out in Church legislation through the Mission and Pastoral Measure, and this governs our activity. Any change to this legislation is of significant interest to the organisation. In 2021 the Church Commissioners undertook a review of the Mission and Pastoral Measure, the main aim of the review being to consider how the legislation and processes associated with the Measure could be improved and simplified. Trustees were very grateful to be able to discuss the review face to face with the Commissioners, understand its impact on CCT and to subsequently respond formally to the consultation.

In January 2022 CCT was very pleased to receive the news that Her Majesty the Queen had approved the appointment of Elizabeth Peace CBE as Chair of the Churches Conservation Trust. Elizabeth has been a member of CCT's Board of Trustees supporting and guiding the charity through periods of change and growth. At the same time we were delighted to welcome two new trustees; Dr Oliver Cox, Heritage Engagement Fellow with Oxford University's Humanities Division and Inayat Omarji MBE who was instrumental in leading the development of All Souls, Bolton, one of CCT's flagship regeneration projects. We were also very pleased at the re-appointment of Sir Simon Jenkins FSA FRSL as trustee.

In its March 2020 budget, the government committed to moving 22,000 civil services jobs out of London and the South East by 2030. DCMS, and CCT as an arms-length body, is included in this remit. Our current lease expires in November 2022 and there is an expectation from DCMS that we will move at this date. The Board of Trustees considered the options in December and unanimously agreed to relocate CCT's national office to our Old Black Lion project in Northampton; the first floor is an appropriate size and can be designed to meet our needs, the costs savings are significant, and it provides an opportunity to showcase one of our regeneration projects as well as locate next door to one of our Grade I listed churches. CCT will rent commercial office space in Northampton on a short-term basis until the Old Black Lion project is completed, currently anticipated in spring 2024.

The outcome of the year, as in 2020-21, was much better than we could have envisaged at the start of the financial year when an easing of Covid restrictions was announced. The hard work of the team in strengthening our new sources of revenue, and the generous support of National Lottery Heritage Fund, Historic England and DCMS is to be particularly noted.

Highlights of the year include:

- £2.5m major repair programme, under the Heritage Stimulus Fund 2
- £120,800 from NLHF Cultural Recovery Fund 2 focussed on opening up our estate to visitors after lockdowns
- Completion of our major regeneration projects at Sunderland and Worcester
- Champing™ performed very well again – our best year ever
- Membership growth at highest level since the scheme began
- Launch of CCT Digital – our new digital channel
- Launch of CCT's staff Wellbeing at Work Policy alongside Mental Health Awareness week
- Placements provided for two young people under the Government's Kickstart scheme

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

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

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

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

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

### Regions

In April, following the Government's announcement of the roadmap to easing Covid-19 restrictions, regional teams spent the spring preparing to **open CCT church doors** for general visiting. This included the regular six monthly check visits which support compliance with Health and Safety and refreshing visitor materials. By May, 305 churches were open and promoted for general visiting and by September, 335 churches were open. This represents 94% of the estate, demonstrating stronger than pre-pandemic levels of opening, a situation that continued for the remainder of the year.

Local Community Officers have continued with the longer-term work of co-creating **Church Plans** with communities. With restrictions easing, face-to-face community engagement has been focused on creating community-supported plans for churches. Given the strong focus of this work, we developed a summary of the Church Plan rationale and process for staff, our volunteers and external audiences. This has been published on our website.

Alongside Local Community Officer engagement with volunteers and community members through Church Plans, we continued to deliver our national strategy for **Community Engagement and Volunteering**. We have increased communication, introducing a national bulletin in response to feedback, and holding two well attended virtual events which included volunteer reward and recognition. We are very grateful to the Marsh Christian Trust who support our Volunteer Awards for another year. Again, in response to feedback regional staff have supported county-based volunteer gatherings to enable peer to peer support and best practice sharing. The 2021 Volunteer Survey delivered by Survey Monkey ran from July through to October and we have spent time reviewing the results, following these up with staff and volunteer focus groups, and forming a plan for improvements to volunteer and community member support in 2022-23.

The CCT is not able to function without the commitment of the communities and volunteers that surround our churches. The support and enthusiasm from volunteers has remained during this difficult time, ensuring that that our collection of historic church buildings can be used and loved in to the future, and we wish to record our very grateful thanks.

### Fundraising and Membership

The Fundraising Taskforce convened in response to Covid-19 in April 2020 continued to co-ordinate and drive communications and fundraising activities in this financial year. Activities and communications are planned around three seasons: Autumn (including Heritage Open Days), Christmas, and Spring/Summer (which in 2022 will focus on the Jubilee). We published a series of 'How To Guides' covering a range of regional fundraising activities and a timetable of "Clinics" for our Local Community Officers. The Taskforce also supported Local Community Officers to seek



local funding as our financial contribution to the programme the Heritage Stimulus Fund Round 2 programme of repairs.

Our **online lectures**, started in May 2020, continue to go from strength to strength. These weekly lunchtime lectures, hosted on CCT's Facebook page, see 200 – 600 live participants each week, with subsequent views often exceeding 6,000. There is a membership ask as part of the lectures and we use the 'text to donate' codes as a way of raising unrestricted income. Largely as a result of our online presence, we were delighted to reach the historic milestone of 3,000 members in April and finished the year with 3,827 members. To support member retention, we launched our monthly members' only exclusive online lecture series in June, which have been well received. This significant virtual activity led to the launch of [CCTdigital.com](https://www.cctdigital.com) in November, an online video platform which acts as a library of all past lecture content and hosts member exclusive content.

The monthly **Members' e-newsletter** continues to be popular and in March we launched an additional membership type, Church Based membership. This membership enables supporters to nominate 50% of their membership fee to support the care of a specific CCT church and will be an important tool in growing church based income.

Our **Annual Appeal, Heritage Skills**, promoting CCT's conservation work and highlighting the importance of traditional building crafts and skills launched in June. The appeal has been our most successful ever, raising just over £65,000 excluding gift aid.

Overall, our total number of supporters (comprising members, volunteers, donors over £5 and recipients of our supporters' e-newsletter) finished the year at 8,261. This provides us with confidence that we will reach our KPI of 10,500 by March 2025.

Our legacy work continues to grow with total legacy income received in 2021-22 at £283,000. We finished the year with over 50 known legacy pledgers.

## Conservation

The first months of the year were challenging for conservation staff following the sudden death of a much valued and respected colleague, but the team remained focussed on ensuring completion of the HSF1 programme of repairs. A second application for a **Heritage Stimulus Fund** grant (HSF2) in August was successful to the tune of £2 million allowing us to undertake major programme of repair in excess of £2.5 million. This saw 19 churches receive a funding for urgent repairs, once again mainly focussed on roofing and masonry work, with 84% of spend achieved by the year end against Historic England's target of 80%.

Our three-year **Maintenance Term contracts were re-tendered** in the West region to ensure we continue to receive value for money. We also obtained condition reports on a third of our estate, which will inform our estate liability review in 2022-23.

## Regeneration

Following numerous delays as a result of Covid and considerable increases in costs, our major repairs at **Sunderland and Worcester were completed** by the end of the year. Uplifts in funding for both projects were received from the NLHF. Holy Trinity in Sunderland was handed over to the operational team and opened to the public in March. Worcester will be open to the public in Spring 2022.

The tender for the capital phase of repair and adaptation for community use at **St Peter, Sudbury**, funded by the NLHF was awarded in March, with the work planned to start in May and completed in March 2023.

**St Peter's and the Old Black Lion** regeneration project in Northampton received planning and listed building consent in December just as Trustees decided that CCT's national office should be relocated there. Redesign of the site layout to accommodate our office has been completed and revised consents applied for following staff consultation. We received confirmation of £365,000 of

funding from West Northamptonshire Council and £110,000 from the Architectural Heritage Foundation for the remaining fundraising required for this £2.7million project.

At Lancaster St John we have been exploring two different approaches to the sustainability of this site – community reuse run by CCT and an enterprise hub run by a third party – using a grant of £19,000 from the Architectural Heritage Fund. Lancaster & District Chamber of Commerce are keen to partner as end operator for the latter model. Partnership and consultation with local stakeholders and the community, including the Lancaster Civic Society, has been strengthened by a series of open days and a public exhibition in September. We also received an anonymous donation of £20,000 towards the project. With the encouragement of the NLHF a stage 1 application for project funding will be submitted in 2022-23.

## **Finance and ICT**

We have launched an organisation-wide **Digital Transformation Programme**, reviewing five key systems. This work commenced with a comprehensive consultation process with all staff to determine the priorities and challenges of our Digital Transformation Programme. The intel gathered has been analysed and interpreted in line as Epics and User stories to support the programme delivery in an Agile framework, in keeping with GovS-002 and industry best practice. The programme has begun in earnest, with both the HR systems and the Website projects underway.

The Information Governance Manager led the team in the backend implementation of the new **church based membership scheme**, working cross-functionally with stakeholder teams and liaising direct with software developers. The project has seen a successful launch, with further iterative developments ongoing post-launch to streamline integrations between the website and CRM.

We have welcomed a **new IT Officer** to the team, meaning dedicated internal resource for day-to-day IT management is now in place. This fills a long-vacant post and provides further support at a time of significant change. The IT Officer will ensure secure deployment and monitoring of new software solutions in the Digital Transformation Programme. They will also deliver training and support for business systems through video content and monthly clinics.

The Finance team has supported numerous cross organisational projects during the year, notably: the introduction of finance systems for our major projects at Worcester and Sunderland; the full roll out of church based membership scheme and numerous Covid related grant applications.

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

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

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

### **Major Footfall Sites**

Much work has been put into the Enterprise aspect of major footfall sites during the year – as well as supporting projects that are operational or just launching, with oversight of business plans and integration of systems and processes that will make revenue generation easier, support has also been given to teams developing future projects at Lancaster and Sudbury. Additionally the Major Project Governance Board has been set up this year in order to give operational oversight as well as work on issues that are common to each project. The search for, and selection of, a suitable operating partner for the Old Black Lion public house has seen a particular focus in the latter part of the year.

### **Champing™**

This year Champing has been particularly successful showing the strongest performance since launch in 2016, generating just over £86,000 of net revenue against 573 bookings. Additionally, Champing contributed 253 new members to the CCT over the year.

CCT would like to expand the Champing franchise operation in the short-term. Whilst the revenue generated through franchising is low, margins are generally higher, and it offers a good alternative channel for community groups to generate their own income to support their historic place of worship. Despite Covid an additional two franchise sites were offered over the season, as well as the groundwork being laid for more expansion in future seasons. There is currently a pipeline of at least 12 further franchise sites for the coming season, with another two new partner sites already signed up.

### **Consultancy**

Consultancy revenue has increased over the year, with over £70,000 of income being bought in by teams across the organisation. All this contributes to a solid year-end performance for Churches Conservation Trust Trading Enterprises Limited. In particular the Regeneration team has been awarded a number of Heritage Action Zone consultancy contracts to deliver traditional building skills training to communities, owners and sector practitioners, following our very successful work in Sunderland.

### **Historic Chapels Trust**

The CCT has continued to support the Historic Chapels Trust over the last year, managing the buildings as well as supporting the Trustees. Towards the end of the year we provided information to support an Expression of Interest to the NHMF's Cultural Assets Fund programme, which we hope will be successful.

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

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

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

The programmes will result in the conservation, repair, adaptation and maintenance of the 356 buildings in our collection and of additional churches at risk coming into ownership. The CCT also runs a wide range of projects to support and promote community, arts, cultural and educational use, tourism and the local management or lease of its buildings. All projects serve to increase external funding, volunteering, partnerships and local involvement.

### Learning and Interpretation

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

Our Learning and Participation team experienced a slow start to the year due extended lockdown restrictions, but were able to start delivering activities in-church and as outreach over the summer months. School activities built back up as confidence increased throughout the year. At year end, 74 school sessions had been delivered against a target of 72. This compares to just nine sessions in 2020-21.

We have seen a steady uptake of our online and remote resources throughout the year. For the Heritage Open Days theme, '**Edible England**', the team created a resource pack to support community events, focussing on use of herbs and flowers in England throughout the ages. For Christmas, a virtual advent calendar was produced featuring seasonal images from our collection with a brief introduction to each. Throughout the year we have also run a cross- functional Interpretation and Presentation Standards Working Group which has reviewed the challenges and opportunities for a revised approach to engaging with our churches.

We were delighted to learn that Tyler Wallace, 20, from South Shields, was awarded Trade Apprentice of the Year 2021 in the Constructing Excellence North East G4C Awards in November. Tyler joined Historic Property Restoration Ltd in 2019 on an apprenticeship, run in partnership with CCT, working on our Sunderland regeneration project. Initially working across a range of mainstream and specialist heritage trades, he discovered a passion and flair for stonemasonry. As a result of his drive, commitment and growing skills, Tyler was taken on permanently with HPR Ltd and has begun specialist stone masonry training at York College.

## 7. PERFORMANCE AGAINST TARGETS

### Key Performance Indicators

The CCT uses targets to measure progress against strategic aims and to demonstrate trends over time. The table below shows national targets and performance against them.

<b>Supporting communities to use and love their historic places of worship</b>				
	<b>KPI</b>	<b>Measure</b>	<b>2021/22 Target</b>	<b>2021/22 Actual</b>
<b>1</b>	85% of volunteers and communities around our churches feel well supported by the CCT by 2024	Taking the annual Volunteer Survey and expanding our audience for it, this should include incumbents. Baseline: The annual survey provided that 38% of volunteers felt well supported by the CCT	Volunteer survey: 55% of volunteers feel well supported by CCT	49% of volunteers feel well supported by CCT
<b>2</b>	A further £700k of church based funding is generated every year by 2024	Church based income baseline (2018/19): £492,655	£542,333	£497,318 (92%)
<b>3</b>	To increase our annual regular maintenance expenditure to over £1m by 2024	Amount spent on regular maintenance annually. Baseline (2018/19): £526,559	£573,635	£698,530
<b>4</b>	We will deliver the 15 priority projects by 2024	Progress against the project list as agreed by SMT and Board of Trustees	Progress against the project list as agreed by SMT and Board of Trustees	Top 15 (tier 1): 8 (11 in total)  (tier 2): 4 complete (5 in total)

<b>Sharing our skills to sustain churches</b>				
	<b>KPI</b>	<b>Measure</b>	<b>2021/22 Target</b>	<b>2021/22 Actual</b>
<b>5</b>	Achieve our 5 year commercial target	Progress against the commercial plan to be devised by the Head of Enterprise once appointed	Develop Commercial Plan	Plan signed off by CCTEL Directors and Board. £42,016 profit
<b>6</b>	Work with 50 communities outside the CCT collection over 5 years	Number of communities worked with as part of consultancy work or partnership working	Target: 10	18
<b>Promoting the value of our shared cultural heritage</b>				
	<b>KPI</b>	<b>Measure</b>	<b>2021/22 Target</b>	<b>2021/22 Actual</b>
<b>7</b>	Achieve 2 million annual visitors per year	2018/19 baseline: 1.7m visitors	1.80m visitors	Apr '21-Sep '21: no data due to Covid Oct '21 - Mar '22: 476,414 (Extrapolated annual figure 950,000)
<b>8</b>	Grow CCT supporters to 10,000 by 2024	Numbers of supporters recorded on CRM 2018/19 baseline: 2,060 members	5,000 members	8,261
<b>9</b>	Grow digital audience by 250% by 2024	Baseline figures: Twitter 13,000 LinkedIn 2,500 Instagram 2,500	42,223	48,077

## 8. SUSTAINABILITY

Since 2011/12 public bodies are obliged to include a sustainability report within the annual report and accounts unless the body falls under the de-minimus threshold for reporting of 50 full time equivalent staff or floor space of less than 1,000 metres. As CCT's floor space is less than this threshold we are not required to include a report, however, further details of our work can be found below and on our website.

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

### **Churchyard Policy**

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

Lead Local Community Officers and Local Community Officers, along with Conservation and Regeneration Project Managers, are working with local communities to re-wild our churchyards. We always include bat slates when reroofing or repairs the roofs of our churches, for example most recently at Aldwincle All Saints, and Little Hormead St Mary. We have installed bat boxes in many locations, for example St Peter's Northampton.

### **Wildlife Management**

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

### **Energy Saving**

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

At St Peter's Sudbury we are updating the boiler, and doing some repairs to the external boiler house to ensure the heating system is more energy efficient.

For CCT's new vesting at Brougham, St Wilfrid's, the Conservation Team are commissioning a Services Engineer to report on a number of options for the church which currently has wall-mounted gas heaters. We are asking them to estimate the capital and operating costs of alternate replacement options to include their respective conservation and operating benefits and dis-benefits, and their embodied and operational carbon emissions. We are asking them to consider on-site renewable heat and/or energy.

The Conservation Team have been creating a brief for a Sustainability Consultant to work on North Hill, our new vesting in Cornwall. This project will look at producing a carbon lifecycle assessment for all stages of the churches life from the embodied carbon from its construction and adaptation over the last 700 years, including the current repair project, to the operational carbon involved in its ongoing use and maintenance.

### **Conservation Repair and Maintenance**

The Conservation Team is the national team responsible for the care, maintenance and repairs of the CCT estate of 356 highly listed historic churches across England. The annual maintenance

and repair programmes are delivered through frameworks of local contractors and, as much as possible, local consultants and specialist conservators.

Our maintenance and repairs are guided by conservation principles, which have at the core, the use of traditional and local materials and crafts. We have delivered a grant-funded programme of capital works, mostly focused on re-roofing and masonry repairs of c. £2.5m across 19 sites through the Heritage Stimulus Fund. This has seen the repair and conservation of historic churches in 17 counties across the country. The programme, by supporting and creating jobs, has provided vital support and financial stimulus to the heritage sector and rural economies.

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

Carrying out the minimum amount of work required to conserve our sites is a guiding principle in developing conservation and regeneration projects. We have followed this approach on site at our major projects – St Swithun’s Worcester, Seventeen Nineteen in Sunderland and St Peter’s Sudbury – as well as in the repair projects commissioned through the Heritage Stimulus Fund, described above.

We also promote reducing waste and recycling at all our sites and activities. For example, our ID cards and holders are biodegradable and our lanyards bamboo.

### **Craft / Heritage Skills**

A heritage craft skills apprenticeship is being delivered at St Peter’s, Sudbury, as part of the building contract there, alongside six work experience placements.

Our heritage craft skills programme at Seventeen Nineteen was completed in 2021-22. It provided three apprentice opportunities and a number of work-based placements for students as well as over 15 workshops engaging people in craft skills.

We are recruiting an apprentice at Sound & Art St Swithun’s in Worcester.

We have undertaken various heritage craft skills workshops as part of our HAZ consultancy work with in Hexham, Sunderland, Hartlepool and North Tyneside. We have employed skilled local contractors on all of our Heritage Stimulus Fund repair projects.

### **People and Communities**

We develop and deliver regeneration and conservation projects that contribute to more resilient and cohesive communities and provide our buildings with a sustainable future. Roles such as the Estate Officer, Regeneration Officer, Heritage Learning Officer, and Local Community Officer support volunteers in caring for their churches, providing training and specialist advice. We deliver workshops on conservation cleaning, fundraising, working at height, the importance of maintenance, business planning, and in the use of traditional lime. We also work with schools, college and universities.

We supported communities outside of the CCT estate through our consultancy work at Stowlangtoft in Suffolk, the Unitarian Chapels at Bridgewater and Whitby, All Saints Maidstone, Stockton-on-Tees, and with students at UCL.

Through the Find a Use Manchester project we have supported communities and diocese in the North-West to find beneficial new uses for closed church buildings.

### **Sustainable Travel**

Travel by car dropped by over 50 percent during the Covid-19 pandemic. The decline in travel throughout the Trust has been mostly sustained during 2021/2022 by continuing with virtual meetings. We support cycling to work schemes and encourage our staff to use sustainable transport as much as possible.

Our staff are mostly based within the geographical area of their remit, so to maximise efficiency in costs and resources, and minimise environmental impact from extensive travel. Our national teams, such as Conservation and Regeneration, work close to the projects they manage.



## 9. FINANCIAL REPORT

### Income

In the year ending 31 March 2022, overall income stood at £11.7 million, 39% up on the £11.1 million received in 2020/21. Increases were most apparent in grants, especially from the National Lottery Heritage Fund and Heritage Stimulus Fund.

Grant-in-Aid from DCMS and the Church Commissioners provided 38% of income at £4.4 million (2020/21: £4.2 million, 38%).

Non-statutory grant income increased by 6% to £5.3 million from £5.0 million. This figure comprises grants from trusts and foundations for specific projects, together with grant income from Churches Conservation. Grants are recognised in our accounts under charity SORP accounting rules and the CCT moves into 2022/23 with a healthy pipeline of externally-funded projects. Grants from the Listed Places of Worship Scheme, where VAT is reclaimed on eligible church repairs, dropped from £835,000 to £493,000, reflecting the reduction in eligible repairs carried out in 2021/22.

Donations rose by 22% compared to our 2020/21 performance to finish the year at £597,000 (2020/21: £490,000). Unrestricted donations rose by 56% to £429,000 (2020/21: £275,000). This £153,000 increase was due to our churches opening up after Covid restrictions being lifted. Within this figure, Wall safe income showed significant growth, reaching £76,000, up from £29,000 in 2020/21.

Legacies brought in a welcome £283,000 in the year, up from £223,000 in 2020/21. Of this total, £248,000 was unrestricted income (up from £182,000 in 2020/21).

Earned income rose by £85,000 (15%) to reach £663,000 (2020/21: £578,000). Of this total, £659,000 was unrestricted, up from £340,000 in 2020/21. Within Earned Income, hire fees showed the biggest increase, reversing the large Covid related fall in 2020/21. Hire fees generated £135,000 up from £42,000 in 2020/21. Other income within this category that grew significantly in the year include: rental fees, up £35,000 to £110,000; Supporters scheme fees, up £35,000 to £127,000 and champing income, up £44,000 to £86,000.

Total Group unrestricted donations and earned income, the growth of which is a key part of our financial strategy to increase our income base, rose by £473,000 (77%) to £1.1 million from a Covid-impacted £615,000 in 2020/21. These results include income generated via the CCT's trading subsidiary.

### Expenditure

91% of the CCT's expenditure went on frontline projects to repair churches and support communities (2020/21: 92%). At £8.3 million, 'Church repairs and maintenance' continues to be the main call on our funds. This is no change on the previous year figure of £8.3 million.

£2.1 million (2020/21: £1.9m) was spent on 'Supporting volunteers and communities, keeping churches open' and £1 million or 9% (2020/21: £0.9m) of our expenditure is spent on fundraising and communications.

### Reserves

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

The Trustees have considered the scale, complexity and risk profile of the CCT, and taken account of the funding base which consists of grant-in-aid from DCMS and the Church Commissioners, and self-generated income. The former has historically been reasonably foreseeable, given that it is subject to multi-year funding agreement, but in the current economic

climate the level of this can no longer be assumed. Self-generated income is always liable to fluctuation depending on economic circumstances and visitor activity.

The Trustees consider £500,000 of Free Unrestricted Reserves are required after taking into account: annual operational expenditure; short-term fluctuations in income; unexpected repair issues; adequate working capital; budgetary risks arising from major projects; and uncertainty in future income.

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

### *Restricted Reserves*

Although the CCT's total reserves at 31 March 2022 are shown as £1.9 million (2020/21: £1.6 million) on the Statement of Financial Position, all but £781,000 (2020/21: £431,000) are restricted funds whose use, under the terms by which they were given, is restricted solely to work at specific churches and cannot be used for other purposes. The CCT's policy is always to utilise these funds first when carrying out necessary works at eligible churches, before any call is made on unrestricted funds.

### *Free Reserves*

The Charity Commission defines 'free reserves' as: 'income which becomes available to the charity and is to be expended at the Trustees' discretion in furtherance of the charity's objectives, but which is not yet spent, committed or expended'. As at 31 March 2022, the CCT had free reserves of unrestricted funds, less the carrying value of fixed assets, of £781,000 (2020/21: £431,000).

Although our free reserves are currently above the target level of £500,000, Trustees consider the current figure acceptable especially considering the impacts of Covid-19. Trustee will be updating the reserves policy to take this into account during 2022/23. The policy on reserves is reviewed by the Trustees as part of the annual planning and budget setting process.

## **Investment Policy**

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

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

## **Register of Interests**

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

## **Registered Office**

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

## **Auditors**

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

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

## REPORT OF TRUSTEES AND ACCOUNTING OFFICER

relevant audit information and to establish that the charity's auditors are aware of that information.

### Bankers

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

### Legal Advisers

Charles Russell Speechleys, 5 Fleet Place, London EC4M 7RD.

Church Commissioners Legal Office, Church House, Great Smith Street, London, SW1P 3AZ.

### Remuneration of Senior Managers

	Pension Benefits (to nearest £1,000) 2021-22	Pension Benefits (to nearest £1,000) 2020-21	Accrued pension at 31/03/2022 £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/03/ 2022 £'000	CETV at 31/03/ 2021 £'000	Real increase in CETV £'000
Peter Aiers Chief Executive (to 22 March 2022)	33,000	33,000	20-25	0-2.5	334	300	15
Sarah Robinson Interim Chief Executive / Director of Conservation	18,000	32,000	20-25 (plus a lump sum of 10-15)	0-2.5 (plus a lump sum of 0)	365	336	9
Stuart Pople Finance Director	27,000	27,000	15-20	0-2.5	201	179	13
Marian Carson Director of Operations	25,000	25,000	0-5	0-2.5	35	21	9

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

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

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

Signed on behalf of the Trustees on: 21 June 2022

**Elizabeth Peace CBE**  
Chair of the Trustees

**Sarah Robinson**  
Acting Chief Executive

## REPORT OF TRUSTEES AND ACCOUNTING OFFICER

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

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

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

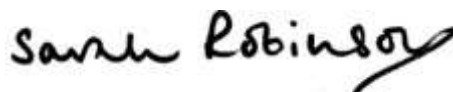
The Accounting Officer for the Department for Digital, Culture, Media and Sport has designated the Chief Executive of The Churches Conservation Trust as the Accounting Officer for the CCT.

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

Signed on behalf of the Trustees on: 21 June 2022



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



**Sarah Robinson**  
**Acting Accounting Officer**

## 10. GOVERNANCE STATEMENT

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

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

### Corporate Governance

The CCT is governed by a board of Trustees, including the Chair. The Trustees are appointed by 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 CCT to better understand their responsibilities and the operational and strategic framework in which the CCT operates.

#### *Trustees*

The Trustees during the year were:

Elizabeth Peace CBE	Chair (from March 2022) and Chair of the Finance and Audit Committee
Sue Wilkinson	Acting Chair to March 2022
Carol Pyrah	Chair of the Conservation Committee
Dr Oliver Cox (from January 2022)	
William Donaldson	
Canon Revd Tim Goode	
Edward Harley OBE, DL	
Sir Simon Jenkins	
Inayat Omarji (from January 2022)	

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

During the year to 31 March 2022, the Board and its Committees all met on a quarterly cycle. Minutes of the meetings, including attendance, are kept and approved by the Board at subsequent meetings. Trustee attendance at Board meetings was 100% (2020/21: 100%).

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

#### *The Finance and Audit Committee*

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

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

### *Conservation Committee*

The Conservation Committee is chaired by a Trustee (Carol Pyrah) and comprises relevant experts, and senior representatives of other conservation organisations. It advises the Board on significant conservation and development matters relating to its 356 historic buildings. Having an expert Committee at such a high level in the CCT's governance protects the organisation against legal, reputational, and other risks associated with the management of a large historic estate.

### *Highlights of Board Reports*

During the year, the Board of Trustees approved: updated KPIs; the 2021 annual report and accounts; relocation of the national office to Northampton; a new Equality, Diversity and Inclusion Committee and terms of reference; expenditure on a number of repair projects including Saintbury, Stonham Parva, North Huish, Chiselhampton and Sudbury. The Board also approved the annual Health and Safety report, and the plan and budget for 2022/23.

### *Management Structure*

Trustees employ a salaried Chief Executive to manage the organisation and implement the strategic objectives. The Chief Executive has a senior management team comprising a deputy chief executive and two other directors 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 CCT's operational teams are organised into three regions.

The CCT's acting Chief Executive Officer is Sarah Robinson.

### *Communication with Sponsors*

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

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

### *Audit*

As part of their annual audit of the CCT's accounts, the external auditors' provide a Management Letter covering any identified control weaknesses. For 2021/22, no substantive weaknesses were raised (2020/21: zero) which provided the CCT with additional comfort over its internal controls. The CCT's rolling three year internal audit plan considers strategic and operational risks and has been approved by the Finance and Audit Committee. It is updated annually to confirm audit prioritisation. All reports and management actions were reviewed by the Finance and Audit Committee.

### *Corporate Governance*

The system of governance has continued in place in the CCT for the financial year ended 31 March 2022 and up to the date of approval of the Annual Report and Accounts. It accorded with HM Treasury guidance, including the Corporate Governance Code of Good Practice 2011 in so far as it is applicable to Arm's Length Bodies, save in relation to the Code's recommendation for a separate nominations committee.

## Remuneration

In 2021/22 no cost of living pay award or separate non-consolidated organisational bonus was paid to staff (2020/21: none). All pay awards are subject to Trustee approval.

### *Gender Pay Gap*

As at 31 March 2022 the CCT had a mean gender pay gap of 5% (March 2021: 8%). The median figure was 11% (March 2021: 5%). The below table illustrates the proportion of Female and Male employees in each pay quartile.

	Women	Men	Total	% Women in Quartile	2020: % Women in Quartile
Top Quartile	10	8	18	56%	56%
Upper Middle Quartile	10	9	19	53%	67%
Lower Middle Quartile	15	4	19	79%	72%
Lower Quartile	13	6	19	68%	65%
<b>Total</b>	<b>48</b>	<b>27</b>	<b>75</b>	<b>64%</b>	<b>65%</b>

### *Senior management remuneration*

As at 31 March 2022, the highest paid director was paid in the £60,000 to £70,000 band. The ratio of the mid-point of this band, to the CCT's median pay of £25,507, was 3.3 (2020/21: 3.2). The senior management team is defined as the directors of the CCT, and comprises the following roles: Chief Executive (vacant at 31<sup>st</sup> March), Deputy Chief Executive/Director of Conservation, Finance Director and Director of Operations. The total remuneration of senior management was £401,518 (2020/21: £396,350).

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

### *Civil Service compensation scheme exit packages*

Exit Package Cost Band	Number of compulsory redundancies	Number of other departures agreed
<£10,000	0	0
£10,000 - £25,000	0	0
£25,000 - £50,000	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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

### *Contracts*

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

### *Trade Union facility Time*

The CCT complies with the Trade Union (Facility Time Publication Requirements) Regulations 2017. The total number of employees who were relevant union officials during 2021/22 was zero (2020/21: zero). As such zero time and zero remuneration was spent on facility time during the year (2020/21: zero).

### **Planning and Budgeting Process**

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

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

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

### *Project Management*

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

### *Performance Monitoring and Reporting*

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

### **Risk Management**

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

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



## REPORT OF TRUSTEES AND ACCOUNTING OFFICER

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

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

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

### *The Risk Register*

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

### *Covid 19*

At this point in time it is not possible to fully consider the ongoing impacts arising from COVID-19, however the Trustees have considered the possible risks and have put in place measures to maintain income and reduce future expenditure if required. The position will be kept under constant review and the Trustees will as required take necessary steps to ensure the group continues as a going concern.

### *Whistleblowing*

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

### *Information Management*

The CCT is registered with the Information Commissioner's Office. The CCT suffered no significant protected personal data incidents during 2021/22 (2020/21: zero) and has not had to make any report on the loss of personal protected information to the Information Commissioner's office. Controls are in place to monitor information management risk.

### *Approach to Fundraising*

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

We are registered with, and are committed to, supporting and complying with the guidelines and directives of the Fundraising Regulator and the Fundraising Preference Service (FPS). We are also members of the Institute of Fundraising and follow the Fundraising Code of Practice. In 2021/22 there were no failures to comply with standards (2020/21: zero), no complaints were received

directly and no requests to be removed from our database via the Fundraising Preference Service.

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

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

#### *Sickness Absence Disclosure*

During the year, staff were off work due to sickness for a total of 218 (2020/21: 123), an average of 2.9 days (2020/21: 1.7) per staff member. These figure exclude long term sickness. If long term absences are included, the total rises to 345 (2020/21: 188 days).

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

During the year-ending 31 March 2021, £81,124 (2020/21: £15,762) was spent on consultancy. £59,420 (2020/21: £105,320) was spent on temporary staff.

#### *Tax Assurance Disclosure*

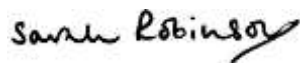
Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, Government departments and their arm's length bodies must publish information on their highly paid and/or senior off-payroll engagements. For the year ending 31 March 2022, the CCT did not have any off-payroll engagements.

### **Review of Effectiveness**

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

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

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



**Sarah Robinson**  
**Accounting Officer and acting Chief Executive**

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

### **Opinion**

We have audited the financial statements of Churches Conservation Trust ('the parent charity') and its subsidiary ('the group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, the Statements of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2022 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.

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

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

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

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

### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, non-compliance with implementation of government support schemes relating to COVID-19.

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

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Charities Act 2011.

## REPORT OF TRUSTEES AND ACCOUNTING OFFICER

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to income recognition and significant one-off or unusual transactions.

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

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

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

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

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

This report is made solely to the charity's trustees as a body in accordance with Part 4 of the Charities (Accounts and Report) Regulation 2008. 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.

Signed:

  
Mazars LLP (Jul 1, 2022 17:55 GMT+1)

Mazars LLP

Chartered Accountants and Statutory Auditor

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

Date: 01-Jul-2022

## 12. FINANCIAL STATEMENTS

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021
	£	£	£	£	£
<b>INCOME</b>					
Donations & Legacies	676,410	202,757	-	<b>879,167</b>	712,825
Income from Charitable Activities	4,917,007	5,266,589	-	<b>10,183,596</b>	10,019,883
Income from Investments	158	19,064	-	<b>19,222</b>	17,881
Other Trading Activities	659,307	3,553	-	<b>662,860</b>	353,566
<b>TOTAL INCOME</b>	<b><u>6,252,882</u></b>	<b><u>5,491,963</u></b>	<b><u>-</u></b>	<b><u>11,744,845</u></b>	<b><u>11,104,155</u></b>
<b>Expenditure on Raising Funds</b>					
Fundraising and Communications	(904,269)	(116,996)	-	<b>(1,021,265)</b>	(891,866)
<b>Expenditure on charitable activities</b>					
Church Repairs and Maintenance	(3,180,776)	(5,078,232)	-	<b>(8,259,008)</b>	(8,337,084)
Keeping Churches Open	(1,817,635)	(288,455)	-	<b>(2,106,090)</b>	(1,894,488)
Total charitable activities	(4,998,411)	(5,366,687)	-	<b>(10,365,098)</b>	(10,231,572)
<b>TOTAL EXPENDITURE</b>	<b><u>3 (5,902,680)</u></b>	<b><u>(5,483,683)</u></b>	<b><u>-</u></b>	<b><u>(11,386,363)</u></b>	<b><u>(11,123,438)</u></b>
<b>Net income / (expenditure)</b>	350,202	8,280	-	<b>358,482</b>	(19,283)
<b>Other recognised gains and losses</b>					
Unrealised gains	8 -	-	8,982	<b>8,982</b>	81,259
<b>Net movement in funds</b>	350,202	8,280	8,982	<b>367,464</b>	61,976
Balances brought forward at 1 April 2021	<b><u>430,564</u></b>	<b><u>551,311</u></b>	<b><u>586,216</u></b>	<b><u>1,568,091</u></b>	<b><u>1,506,115</u></b>
<b>Balances carried forward at 31 March 2022</b>	<b><u>780,766</u></b>	<b><u>559,591</u></b>	<b><u>595,198</u></b>	<b><u>1,935,555</u></b>	<b><u>1,568,091</u></b>

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

**STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2022**

		Group	Charity	Group	Charity
		2022	2022	2021	2021
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible fixed assets	<b>6</b>	-	-	-	-
Tangible fixed assets	<b>7</b>	-	-	-	-
Investment in Subsidiary		-	1	-	1
Fixed assets investments	<b>8</b>	<u>416,027</u>	<u>416,027</u>	<u>407,045</u>	<u>407,045</u>
		<b>416,027</b>	<b>416,028</b>	<b>407,045</b>	<b>407,046</b>
<b>CURRENT ASSETS</b>					
Debtors	<b>9</b>	1,935,105	1,898,450	2,179,914	2,165,438
Cash at bank and in hand		<u>2,080,614</u>	<u>1,966,112</u>	<u>1,312,647</u>	<u>1,266,542</u>
		<b>4,015,719</b>	<b>3,864,562</b>	<b>3,492,561</b>	<b>3,431,980</b>
<b>Creditors</b>					
Amounts falling due within one year:	<b>10</b>	(2,496,191)	(2,389,550)	(2,331,515)	(2,273,434)
<b>NET CURRENT ASSETS</b>		<u>1,519,528</u>	<u>1,475,012</u>	<u>1,161,046</u>	<u>1,158,546</u>
<b>NET ASSETS</b>	<b>11</b>	<b><u>1,935,555</u></b>	<b><u>1,891,040</u></b>	<b><u>1,568,091</u></b>	<b><u>1,565,592</u></b>
<b>FUNDS</b>					
Endowment funds	<b>11</b>	595,198	595,198	586,216	586,216
Income funds (Unrestricted)	<b>11</b>	780,766	736,251	430,564	428,065
Income funds (Restricted)	<b>11</b>	<u>559,591</u>	<u>559,591</u>	<u>551,311</u>	<u>551,311</u>
		<b>1,935,555</b>	<b>1,891,040</b>	<b>1,568,091</b>	<b>1,565,592</b>

Approved and authorised for issue by the Trustees on: 21 June 2022

Signed on their behalf by:



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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDING 31 MARCH 2022**

	<b>2022</b>	2021
	<b>£</b>	£
<b>Cash inflow / (outflow) from operating activities</b>		
Net income / (expenditure)	<b>358,482</b>	(19,283)
Adjustments for:		
Depreciation	-	357
Investment Income	<b>(19,222)</b>	(17,881)
Trade and other receivables	<b>244,809</b>	(674,467)
Trade and other payables	<b>164,676</b>	546,954
<b>Net cash inflow / (outflow) from operating activities</b>	<b>748,745</b>	(164,320)
<b>Cash flows from investing activities</b>		
Interest received	<b>19,222</b>	17,881
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>767,967</b>	(146,439)
Balance as at 1 April	<b>1,312,647</b>	1,459,086
Balance as at 31 March	<b>2,080,614</b>	1,312,647



## 13. NOTES TO THE ACCOUNTS

### 1.

#### (a) Accounting Policies

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

#### (b) Basis of Consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertakings, all of which were prepared to 31 March 2022. The trading results of the subsidiary undertakings as shown in note 17 are consolidated on a line-by-line basis within the consolidated statement of comprehensive income.

#### (c) Income

Income from Charitable Activities includes Grant-in-Aid from the Department for Digital, Culture, Media and Sport amounting to £2,924,000 (2020/21: £2,788,000) and a grant from the Church Commissioners amounting to £1,500,000 (2020/21: £1,430,000). Grant-in-Aid, unless for one-off specified purposes, is allocated to general unrestricted purposes and is taken to the Income Statement in the year to which it relates. Grants and other income that is awarded subject to specific performance conditions are recognised when the performance conditions for their receipt have been met. Donations and Investment income are included in the accounts in the year they are receivable. Legacies are included when the CCT is notified by the personal representatives of an estate that payment will be made or property transferred and the amount involved can be quantified with reasonable certainty.

#### (d) Expenditure

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

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

#### (e) Fund Accounting

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

#### (f) Tangible Fixed Assets

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

assets by modified historic cost accounting are immaterial and consequently, tangible fixed assets are accounted for by historic cost accounting.

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

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

**(g) Intangible Fixed Assets**

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

**(h) Fixed Asset Investments**

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

**(i) Finance and Operating Leases**

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

**(j) Heritage Assets**

The CCT maintains 356 (2020/21: 356) churches in support of the CCT's objective to protect these historic churches for the benefit of future generations. The Trustees consider that owing to the incomparable nature of the churches vested in the CCT, conventional valuation approaches lack sufficient reliability and that even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the CCT and the users of these accounts. As a result, no value is reported for these assets in the CCT's balance sheet. This approach is also in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' 2019 (FRS 102).

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

Further information is given in note 12 to the accounts.

**(k) Pensions**

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

**(l) Taxation**

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

**(m) Going Concern**

**COVID-19**

The Trustees have reviewed detailed cash flow projections to 31 March 2023 and have agreed detailed budgets for the year ended 31 March 2023. Both sources of income and types of expenditure have been reviewed. Whilst one of the main charitable purposes of the CCT is to maintain the historic churches vested in the CCT, the level of this necessary expenditure is at the discretion of the Trustees and can be adjusted during the year. The Trustees have also considered the Group's working capital and capital expenditure requirements. As a result of the foregoing the Trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

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

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

**2. Comparative SOFA 2020/21**

	Unrestricted Funds	Restricted Funds	Endowment Funds	<b>Total 2021</b>
Notes	£	£	£	£
<b>INCOME</b>				
Donations & Legacies	457,242	255,583	-	<b>712,825</b>
Income from Charitable Activities	5,052,592	4,967,291	-	<b>10,019,883</b>
Income from Investments	533	17,348	-	<b>17,881</b>
Other Trading Activities	339,590	13,976	-	<b>353,566</b>
<b>TOTAL INCOME</b>	<b>5,849,957</b>	<b>5,254,198</b>	-	<b>11,104,155</b>
<b>Expenditure on Raising Funds</b>				
Fundraising and Communications	(808,538)	(83,328)	-	<b>(891,866)</b>
<b>Expenditure on charitable activities</b>				
Church Repairs and Maintenance	(3,365,431)	(4,971,653)	-	<b>(8,337,084)</b>
Keeping Churches Open	(1,675,075)	(219,413)	-	<b>(1,894,488)</b>
Total charitable activities	(5,040,506)	(5,191,066)	-	<b>(10,231,572)</b>
<b>TOTAL EXPENDITURE</b>	<b>3 (5,849,044)</b>	<b>(5,274,394)</b>	-	<b>(11,123,438)</b>
<b>Net income/(expenditure)</b>	913	(20,196)	-	<b>(19,283)</b>
<b>Other recognised gains and losses</b>				
Unrealised gains on investments	8 -	-	81,259	<b>81,259</b>
<b>Net movement in funds</b>	913	(20,196)	81,259	<b>61,976</b>
Balances brought forward at 1 April 2020	429,651	571,507	504,957	<b>1,506,115</b>
<b>Balances carried forward at 31 March 2021</b>	<b>430,564</b>	<b>551,311</b>	<b>586,216</b>	<b>1,568,091</b>

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

### 3. Expenditure

	Direct staff costs £	Other direct costs £	Support costs £	<b>2022 Total</b> £	2021 Total £
<b>Expenditure on Raising Funds</b>					
Fundraising and communications	517,979	58,109	445,177	<b>1,021,265</b>	891,866
<b>Expenditure on Charitable Activities</b>					
Church repairs and maintenance	843,352	6,990,670	424,986	<b>8,259,008</b>	8,337,084
Keeping churches open	1,279,833	270,371	555,886	<b>2,106,090</b>	1,894,488
<b>Total Charitable Activities</b>	<b>2,123,185</b>	<b>7,261,041</b>	<b>980,872</b>	<b>10,365,098</b>	10,231,572
<b>TOTAL EXPENDITURE</b>	<b>2,641,165</b>	<b>7,319,150</b>	<b>1,426,049</b>	<b>11,386,363</b>	11,123,438

The church repairs and maintenance figure above includes a grant of £1.1m (2020/21: £1.1m) to Churches Conservation, restricted for furtherance of the CCT's charitable objects.

The CCT has spent all of its grant-in-aid received during the year and any reserves carried forward relate wholly to other sources of funding. The Trustees neither received nor waived any emoluments during the year (2020/21: nil). One (2020/21: Zero) received reimbursements (£81) for travel and subsistence (2020/21: £nil). Unclaimed Trustee expenses for the year are estimated at £1,000.

Net income is stated after charging Auditors' Remuneration of £18,371 (2020/21: £19,740)

ALLOCATED SUPPORT COSTS	Fundraising £	Church repairs & maint. £	Keeping churches open £	<b>2022 Total</b> £	2021 Total £
Staff costs	181,822	173,576	227,039	<b>582,437</b>	553,955
Office costs	115,151	109,928	143,788	<b>368,867</b>	264,631
Communications	25,492	24,335	31,831	<b>81,658</b>	44,403
IT costs	89,452	85,396	111,699	<b>286,547</b>	260,841
Professional consultancy	24,558	23,444	30,665	<b>78,667</b>	29,662
Depreciation	-	-	-	-	357
Governance	8,701	8,307	10,865	<b>27,873</b>	29,434
	<b>445,176</b>	<b>424,986</b>	<b>555,887</b>	<b>1,426,049</b>	1,183,283

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

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

	<b>2022 Total £</b>	2021 Total £
Gross salaries	2,237,975	2,223,170
Social security costs	194,866	201,878
Pension costs	558,784	552,997
Travel expenses	105,657	37,715
Staff training	18,378	5,002
Recruitment costs	4,553	9,675
Staff admin costs	103,387	80,869
	<b>3,223,600</b>	<b>3,111,306</b>
Number of employees as at 31 March	76	73

As at 31<sup>st</sup> March three employees (2020/21: four) earned over £60,000 during 2021/22, with three salaries falling in the £60,000 to £70,000 band. Total remuneration for the senior management team in 2021/22 was £401,518 (2020/21: £396,350). The total number of employees on 31 March 2022 was 76 (FTE of 67) which includes 13 employees on fixed term contracts (2020/21: 16). There was one interim agency worker (2020/21: 0).

**5. Pensions**

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

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

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

For 2021-22, employers’ contributions of £537,182 were payable to the PCSPS (2020/21 £528,431) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2020/21 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers’ contributions of £20,024 (2020/21 £23,857) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £1,578 (2020/21 £708), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

## NOTES TO THE ACCOUNTS

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

### 6. Intangible Fixed Assets

<b>GROUP AND CHARITY COST</b>	Total £
At 1 April 2021 and 31 March 2022	191,301
<b>DEPRECIATION</b>	
At 1 April 2021 and 31 March 2022	191,301
<b>NET BOOK VALUE</b>	
<b>At 31 March 2022</b>	-
<b>At 31 March 2021</b>	-

### 7. Tangible Fixed Assets

	Tenants' Improvements £	Furniture & Equipment £	<b>Total £</b>
<b>GROUP AND CHARITY COST</b>			
At 1 April 2021 and 31 March 2022	39,619	105,544	<b>145,163</b>
<b>DEPRECIATION</b>			
At 1 April 2021 and 31 March 2022	39,619	105,544	<b>145,163</b>
<b>NET BOOK VALUE</b>			
<b>At 31 March 2022</b>	-	-	-
<b>At 31 March 2021</b>	-	-	-

### 8. Fixed Asset Investments

	Permanent Endowment Funds £	Total Funds £
<b>GROUP AND CHARITY</b>		
At 1 April 2021	407,045	407,045
Sales	94,386	94,386
Purchases	(70,878)	(70,878)
Movement in cash	(23,508)	(23,508)
Net unrealised profit on revaluation	8,982	8,982
<b>At 31 March 2022</b>	<b>416,027</b>	<b>416,027</b>
Historic cost at 31 March 2022	255,361	255,361

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

**9. Debtors**

All amounts fall due within one year.	2022	2022	2021	2021
	Group	Charity	Group	Charity
	£	£	£	£
Listed Places of Worship Grant Scheme	120,811	120,811	504,058	504,058
Due from grant giving bodies	1,016,665	1,016,665	1,385,569	1,385,569
Other debtors and prepayments	797,629	760,974	290,287	275,811
	<b>1,935,105</b>	<b>1,898,450</b>	<b>2,179,914</b>	<b>2,165,438</b>

**10. Creditors**

Amounts falling due within one year.

	2022	2022	2021	2021
	Group	Charity	Group	Charity
	£	£	£	£
Trade creditors	535,104	517,007	859,685	836,246
Accruals and deferred income	490,031	406,720	80,752	38,752
Grant payment due to Foundation	1,067,558	1,067,558	1,061,610	1,061,610
Other creditors	403,498	398,265	329,468	336,826
	<b>2,496,191</b>	<b>2,389,550</b>	<b>2,331,515</b>	<b>2,273,434</b>

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

**11. Funds**

GROUP	Balance as at	Income	Expenditure	Unrealised gains on investments	Balance as at
	1 April 2021				31 March 2022
	£	£	£	£	£
Unrestricted funds	<b>430,564</b>	6,252,882	(5,902,680)	-	<b>780,766</b>
Restricted funds	<b>551,311</b>	5,491,963	(5,483,683)	-	<b>559,591</b>
Permanent Endowment	<b>407,045</b>	-	-	8,982	<b>416,027</b>
Expendable Endowment	<b>179,171</b>	-	-	-	<b>179,171</b>
	<b>1,568,091</b>	<b>11,744,845</b>	<b>(11,386,363)</b>	<b>8,982</b>	<b>1,935,555</b>

CHARITY	Balance as at	Income	Expenditure	Unrealised gains on investments	Balance as at
	1 April 2021				31 March 2022
	£	£	£	£	£
Unrestricted funds	<b>428,065</b>	6,432,245	(5,835,059)	-	<b>736,251</b>
Restricted funds	<b>551,311</b>	5,491,963	(5,483,683)	-	<b>559,591</b>
Permanent Endowment	<b>407,045</b>	-	-	8,982	<b>416,027</b>
Expendable Endowment	<b>179,171</b>	-	-	-	<b>179,171</b>
	<b>1,565,592</b>	<b>11,635,208</b>	<b>(11,318,742)</b>	<b>8,982</b>	<b>1,891,040</b>

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



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

**Restricted Funds** are an accumulation of smaller sums of money donated by the public for expenditure on the church for which they were given. A separate fund is maintained for each vested church with income, known collectively as the Specific Churches Funds. Expenditure funded by grants for specific projects is also accounted for through restricted funds. The largest five church balances at 31 March 2022 relate to: Stirchley St James; Inglesham St John; Sudbury St Peter's; Shrewsbury St Mary; and Croome d'Abitot St Mary Magdalene.

## 12. Heritage Assets

The CCT maintains 356 churches which have been acquired since the CCT was established in 1969. These churches are those which have fallen into disuse and are considered to be sufficiently important to be conserved and maintained for the benefit of future generations. Although churches are transferred from the relevant Diocese at no cost to the CCT, they often arrive with urgent repair needs and no accompanying endowment, creating an increasing long term burden on the CCT's already limited finances. Every three years, one third of the CCT's estate is reviewed for repair liabilities.

**Additions in 2021/22:** None

**Disposals in 2021/22:** None

### Five year summary of heritage asset transactions

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

	2021/22	2020/21	2019/20	2018/19	2017/18
Churches vested in the CCT	356	356	356	353	353
New Vestings	0	0	3	-	3
Disposals	-	-	-	-	-

## 13. Operating Lease Commitments

The commitment in respect of operating leases were:	<b>2022</b>	2021
<b>Leases expiring under one year:</b>	<b>£</b>	£
Land and Buildings	<b>62,438</b>	99,900
<b>Leases expiring between two and five years:</b>		
Land and buildings	-	62,438
	<b>62,438</b>	162,338

Lease payments for Land and Buildings amounting to £105,237 were made in the year (2020/21: £117,802).

**14. Repair Commitments**

At 31 March 2022 the CCT had contracted for the following repair projects:

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
2022/23 Programme	<b>673,437</b>	572,376

At 31 March 2022, the Trustees had approved expenditure totalling £8.8 million (March 2021: £8.2 million) which, apart from the above programme expenditure, had not been contracted for at 31 March 2022.

**15. Net Assets**

<b>GROUP</b>	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	<b>2022 Total £</b>	2021 Total £
Tangible fixed assets	-	-	-	-	-
Intangible fixed assets	-	-	-	-	-
Investments	-	-	416,027	<b>416,027</b>	407,045
Cash	1,848,416	53,027	179,171	<b>2,080,614</b>	1,312,647
(creditors) less debtors	(1,067,650)	506,564		<b>(561,086)</b>	(151,601)
<b>Total</b>	<b>780,766</b>	<b>559,591</b>	<b>595,198</b>	<b>1,935,555</b>	1,568,091

<b>CHARITY</b>	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	<b>2022 Total £</b>	2021 Total £
Tangible fixed assets	-	-	-	-	-
Intangible fixed assets	-	-	-	-	-
Investments	-	-	416,027	<b>416,027</b>	407,045
Cash	1,733,914	53,027	179,171	<b>1,966,112</b>	1,266,542
(creditors) less debtors	(997,663)	506,564	-	<b>(491,099)</b>	(107,995)
<b>Total</b>	<b>736,251</b>	<b>559,591</b>	<b>595,198</b>	<b>1,891,040</b>	1,565,592

**16. Value of Volunteers**

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

CCT has held firm on its volunteer numbers at 1,800 individuals who support the organisation's work and participate in training, consultation and conferences.

2021/22 continued to be impacted by the pandemic with less sites open, less events and lower visitor numbers as the country returned to some form of normality. It has been calculated that our volunteers worked 77,567 hours, this is based on 70% of the 19/20 total hours (110,810 hours) which was the last full year of volunteering activity. If we were to value them at £8.91 per hour (national minimum wage for over 23's), the economic worth of the work they did for the year-ended 31 March 2022 amounted to £691,122 (19/20: £909,750. It was not possible to calculate data for 20/21 due to the closure of our sites).

**17. Trading Subsidiary**

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

	<b>2022</b>	2021
	<b>£</b>	£
Turnover	187,883	72,379
Cost of Sales	(131,429)	(75,762)
Overhead costs	(14,438)	(8,303)
Profit / (Loss)	<b>42,016</b>	(11,686)
Tax	-	(1,655)
Distribution	-	(500)
Operating Profit / (Loss)	<b>42,016</b>	(13,841)

	<b>2022</b>	2021
Current Assets	<b>151,157</b>	74,897
Creditors	<b>(106,642)</b>	(72,399)
Net Assets	<b>44,515</b>	2,498
Profit and Loss account		
Share Capital	<b>1</b>	1
Total Shareholder's funds	<b>44,515</b>	2,498

**18. Related Party Transactions**

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

Churches Conservation (charity number 1150968), established during 2012/13, and shares a minority of its Trustees with the CCT. £999,945 was received from Churches Conservation in 2021/22 (2020/21: £680,312). A grant of £1,067,558 was paid to Churches Conservation in 2021/22 (2020/21: £1,061,608).

As at 31 March 2022, CCT had a creditor balance of £1,067,558 (£1,061,610 at 31 March 2021) and a debtor balance of £999,945 (£641,764 at 31 March 2021).

The CCT's Finance Director serves as unremunerated Director of the CCT's trading subsidiary, Churches Conservation Trust Enterprises Ltd.

**19. Post balance sheet events**

None.

**20. Acknowledgements**

The CCT wishes to record its thanks for the continuing help and support it receives that enables it to do its work across its 356 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. We are also grateful to those who would like their support to remain anonymous.

**The Trust's Key Sponsors**

The Department for Digital, Culture, Media and Sport  
The Church Commissioners  
National Lottery Heritage Fund  
Cultural Recovery Fund  
Historic England  
The Department of Education

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The Prynce's Holme Lacy Charity  
The WGFJM Charitable Trust  
Tom Hall Charitable Trust  
Vale of Evesham Historical Society

**Pledged gifts in wills**

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

Christopher Anderson  
Nigel Benford  
Darrell Buttery  
Richard Digby Day  
David Flemington

Paul Mollard  
Robert Perrin  
Howard & John Pescott  
John Peverley

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