



THE CHURCHES CONSERVATION TRUST

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

**Presented to Parliament Pursuant to
Section 57(21) of the Mission and Pastoral Measure 2011**

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The Churches Conservation Trust ('The Trust') is the national charity protecting historic churches at risk. We've saved over 340 beautiful buildings which attract almost two million visitors a year. With our help and with your support they are kept open and in use – living once again at the heart of their communities.

We aim to:

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

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1. CHAIRMAN'S FOREWORD

This has been an exceptional year for CCT. Our innovative approach to tackling the needs of large and complex historic churches has been seen to pay off - most excitingly with the opening and widespread endorsement of All Souls Bolton. Increased investment in our time-honoured conservation work has also resulted in the rescue and reopening of three wonderful rural Grade I churches. Local communities have been involved every step of the way, for example at St Botolph's in the South Downs where 700 years of history has been saved for future generations. Our work on that project was recognised with a RIBA South East Award and demonstrates our ongoing commitment to heritage conservation in rural areas.

The new All Souls Bolton has also already gained recognition through awards in 2015, including Heritage Angels and RICS Northwest. CCT and our partners have shown that heritage conservation and high quality new design can go hand in hand in a project which brings major benefits for a disadvantaged local community. I am so pleased with what has been achieved in Bolton and delighted to see the variety of community, cultural and enterprising uses to which our great Paley and Austin church is now being put.

This report describes many more projects which have secured the future of beautiful historic churches in our care and which have generated growing levels of tourism, community, volunteering and educational activity in and around them. New initiatives such as our Arts Strategy and the Conservation Churches programme mark first steps towards an exciting future and sit alongside a myriad of local projects ranging from fundraising tea parties, services to commemorate the start of World War One and community events to celebrate successes such as the return of the East Window to Princetown.

It is the combination of our longstanding reputation in heritage conservation with this wider work to bring new audiences and uses to historic churches, which has won us the highly-prized recognition of the EU Prize for Cultural Heritage/Europa Nostra Award for dedicated service to heritage. I am hugely proud of this achievement which is down to everyone who has worked with and for the Trust in its forty-five years.

I continue to be impressed by how much our small staff team, supported by growing numbers of CCT volunteers, are able to achieve. We couldn't do it without our partners who bring expertise, funds and people to our work. My thanks this year in particular to the Heritage Lottery Fund who are at the heart of so many great heritage projects, Department for Culture, Media and Sport for their continued support and to the Church of England, whose grant was renewed for a further three years by a unanimous vote at Synod last summer. My thanks also to our many local partners, members and individual donors who support us so generously.

Over the year we have reviewed our strategy with new goals to take us to our 50th Anniversary in 2018/19. There are many challenges ahead - protecting 347 highly-listed church buildings across England is no small task for a charity with limited resources - but we also have many great opportunities and wonderful people to help us. At the heart of our plans is our wish to inspire the public to value and enjoy our great historic collection. By sharing the history, pleasure and importance of CCT's churches with more people we will also secure the support we need to protect them in the future.

Loyd Grossman OBE FSA
Chairman

2. INTRODUCTION

Who we are

The Churches Conservation Trust is the national charity protecting historic churches at risk. We've saved 347 beautiful buildings which attract almost two million visitors a year. With our help and with your support they are kept open and in use – living once again at the heart of their communities.

Constitution

The Churches Conservation Trust (CCT) is registered as a charity (number 258612) and its governing document is the Mission and Pastoral Measure 2011. 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 Trust cares for those parish churches which are of particular historic, architectural or archaeological merit and are vested in the Trust by the Church Commissioners to be conserved for the nation and opened to the public.

During 2014-15 we consulted widely on a new strategic plan for the organisation to take us to our Jubilee Year in 2019. Trustees have now approved the new plan, which will direct all our planning and budgeting for the four years ahead. Our new strategic aims for 2015-19 are to:

Inspire People;

Protect History; and

Create Value.

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

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

The programmes will result in the conservation, repair, adaptation and maintenance of the 347 buildings in its estate and of additional churches at risk coming into ownership. The Trust also runs a wide range of projects to support and promote community, arts, cultural and educational use, tourism and the local management or lease of its buildings. All projects serve to increase external funding, volunteering, partnerships and local involvement.

DCMS and Church Commissioners Funding Agreement

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

The targets contained in the 2012-15 funding agreement have been extended for the year 2015-16 in order to fit in with Government Spending Review plans. They are:

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1. Increase philanthropy, including introducing a major donor programme and capital appeals
2. Conserve to a high standard and open to visitors the CCTs collection
3. Increase visitor numbers and improve the visitor welcome
4. Increase volunteering
5. Ring-fence £2 million in the three-year budget to undertake the necessary conservation work on new vestings
6. Use CCT expertise in agreed preventative projects to help safeguard the ecclesiastical built heritage by building capacity in communities and congregations of churches of vestable equality

Public Benefit

The Trust meets its obligations through 'advancing arts, culture, heritage or science'. It manages and provides free admission to 347 historic buildings which are open to the public on a daily basis throughout the year and which are made available for community use. In the past year the Trust welcomed 1.9 million visitors to its churches, which also hosted nearly 4,000 community and arts events. Almost two thousand members of the public volunteer for the Trust and many are provided with training and support as a part of this activity. All Trustees give their time voluntarily and receive no benefit from the charity. Expenses reclaimed from the charity are set out in note 5 to the accounts.

3. REVIEW OF THE YEAR

There can be no doubt that the highlight of 2014/15 for The Churches Conservation Trust (CCT) was the completion and opening of our biggest and most complex regeneration project yet: All Souls Bolton. Conservation of the historic fabric was followed by the insertion of the new pods and associated services and contractors were on site until late autumn putting the finishing touches to what is now a stunning and innovative scheme. Completion was followed rapidly by opening ceremonies and takeover by the new All Souls Bolton Trust. The challenge now is to secure use and revenue to ensure the long-term future of the project: the local community, businesses and charities have responded with enthusiasm and the building is already in 100% occupancy. The excitement doesn't stop there – All Souls Bolton, OMI Architects, the contractors and CCT have gone on to win awards from Heritage Angels and RICS Northwest for the project and the press coverage has made it a national flagship for heritage regeneration.

The first CCT conference took place in the building in the early spring and drew praise from attendees both because of the unique location – which told its own story – but also because the speakers and content set out a clear and practical vision for community and heritage renewal.

Hot on the heels of All Souls are the Ipswich 'Quay Place' wellbeing project with Suffolk Mind and the conservation of King's Lynn St Nicholas, CCT's largest church, both of which were on site throughout the year. These combine with extensive conservation repairs to new acquisitions at Ayston St Mary's, Rutland; St Botolph's on the South Downs and first stage repairs of Ufford St Peter in Cambridgeshire to make 2014/15 a year in which CCT made its greatest investment yet in historic churches in England. Income and expenditure of £12.9 million is double what it was three years ago, representing our highest ever levels of activity and major capital investment in a number of large sites. It is the culmination of several years of planning and hard work by our team, our partners and local people and it demonstrates success in broadening the base of funding for our work.

Much of the growth represents one-off project income which is invested in repairs to secure the future of some of England's finest Grade I and II* churches. Our challenge therefore remains that of increasing unrestricted donations, earned and visitor income in order to support the charity's work in the longer term. Work continued this year to open more churches, improve signage and the visitor experience and develop more initiatives for earning income from our sites. Progress remains slower than we would like in this area and is a big priority for investment and effort in the year ahead.

Our Conservation Churches programme is one such initiative designed to secure the future. Our aim here is to significantly improve visitor facilities and experience in key town centre and groups of rural churches, creating a network of church heritage sites which will attract new audiences and increased income. Shrewsbury St Mary was the first church to be launched in this way last summer and - with its new café, interpretation project and shop - has seen visitors increase by 14% and income by 31% in its first six months of operation. During the year DCMS gave the programme its backing with a capital grant to upgrade eight further sites in this way.

Our Heritage Learning Officers programme, supported by the Department for Education through English Heritage, received a further year's funding, allowing us to develop projects with primary schools in several areas, bringing young people into CCT churches and engaging them in the history and art the buildings contain. Meanwhile CCT's teams spend much of their time recruiting, supporting and training volunteers to open and run our churches and the measure of their success is demonstrated in a further increase in regular volunteer numbers to 1,766.

DCMS and Church Commissioners' grant form a vital part of our funding mix, supporting volunteer development, keeping buildings open and 'leveraging' match-funding from other sources. We were very pleased to receive the endorsement of General Synod in the summer with a unanimous vote for our next three-year grant and were grateful for the appreciation shown for the work we do with dioceses and parishes and their historic churches.

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95% of the money we raised this year went directly into repairs, practical education and tourism work and support for volunteers and local communities. This and other key indicators are reported in these pages and demonstrate the value which CCT achieves with the money we receive. A new 'impact' report being put together by an expert volunteer will add to this picture and make the case for funding by demonstrating the benefits which our programmes brings to the visiting public, local economies and the tourism economy.

This was the final year of our 2009-15 strategic plan. Below we report on the progress we've made under each of the strategic aims which we set ourselves six years ago.

4. AIM ONE: SUSTAIN OUR CHURCHES

Conservation, Repair and Adaptation

In 2014/15 the Trust completed significant conservation repairs and adaptations on 21 of its historic churches and continued its cost-effective programme of regular maintenance and small repairs across the whole collection. **£10.428 million** or **80%** of our expenditure was committed to repairs and adaptation this year, conserving, regenerating and keeping all 347 of our buildings safe and open to the public. This figure represents the third successive year of record investment in the repair and adaptation of our collection. Projects included completion of a comprehensive programme of repairs at Ayston St Mary's in Rutland - CCT North's newest

Our three major urban regeneration projects on site this year resulted in record investment in conservation repair

acquisition - together with the building of a volunteer support network to manage the site as one of a Rutland cluster of churches, and at Botolph, St Botolph on the South Downs which has been reopened with active community involvement.

We also started works at the magnificent rural church of Ufford, St Andrew in Cambridgeshire. Ufford is notable in that we will use a new method of Collyweston roof stone production, rather than relying on recycled stone which diminishes rather than increases the resource available.

Three more Grade I churches with big repair problems were saved for the nation this year.

Regeneration projects at Bolton, Ipswich and King's Lynn all involved extensive conservation repair and are reported below. Other important conservation projects this year included:

- getting the York vestry project on site after three years of planning and gaining the necessary consents. The adaptation of the vestry as a volunteer space with toilet and kitchen facilities will now run alongside a DCMS-funded upgrade to the visitor experience to create a Conservation Church with integrated shop and family learning resources by October 2015;
- developing a system for volunteers to undertake regular fabric checks and monitor maintenance needs at our churches through a new maintenance log;
- development of and consultation on a major project to repair, upgrade and achieve Conservation Church standard visitor facilities at Worcester St Swithun's, in partnership with the Friends of St Swithun's. This project received HLF Stage 1 approval during the year;
- volunteers clearing the churchyard at Croome St Mary Magdalene, increasing the appeal of the church in its special setting;
- at Princetown St Michael, we completed £100,000 worth of work to the East window. New interpretation was revealed setting a standard for replication elsewhere and the primary school were closely involved. We also began a new national, university-led research project to address tower water ingress issues in SW England; and
- stabilisation of important wall paintings at Shorncote All Saints and Saintbury St Nicholas in Gloucestershire following water damage.

Regeneration and Prevention

Major and complex projects are managed by CCT's national regeneration task force. This year we completed the delivery of the All Souls Bolton capital project.

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The project successfully launched in December 2014 and is now fully let and exceeding its income targets. Three of the trainee placements from the capital phase have gone onto long term jobs. The project was awarded RICS North West Project of the Year, along with awards in three other categories.

Two other major projects in Ipswich and King's Lynn were also on site during the year. At Ipswich all the stage I conservation repairs including roof, stonework and glazing were carried out and the building is already vastly improved on its previous state. Complex work to 'underpin' the columns and replace the Victorian concrete floor which had caused major problems with sea salt destroying stonework, is well advanced. At King's Lynn the vast medieval 'angel' roof has been carefully conserved. Damage from decay was found to be more extensive once £150,000 worth of scaffolding had been erected and we were able to take a close look. Both projects are well underway and on course to complete their capital phases in 2014/15.

We continue to develop the pipeline of new projects to address the repair and use of a number of other CCT churches in town centres and this year have begun working on the recently successful £1.4m HLF funded St Swithun's Worcester project.

Over the course of the year our income from consultancy has grown as we share the skills and experience the regeneration task force has built up. We have helped a number of parishes, including two in London, to make progress on challenges with their historic buildings.

During the year our project with Circomedia and Heritage Lottery Fund at Bristol St Paul's celebrated its tenth year, demonstrating the long-term sustainability of our regeneration work.

5. AIM TWO: ENCOURAGE PEOPLE

Frontline expenditure on our work to support volunteers and communities and keep churches open' stood at £1.935 million, 15% of our total expenditure.

Visitors and Tourism

During the past twelve months visitors to CCT churches have increased by 5.5% to 1,973,518, a reflection of the growing interest in the architecture, history and social value of our collection. We've focussed our energy on getting the most visited 'town centre' churches up to a much higher standard of visitor experience through our new Conservation Churches programme. During the year we invested in and launched our first three Conservation Church sites at Shrewsbury, Evesham and Norwich and began to monitor their performance as visitor attractions.

Investment is focussed on providing basic facilities for visitors and volunteers, which are often lacking in our churches, as well as new additions including 'welcome desks', small shops and where appropriate, cafes. New signage and information as well as more things to do and better explanation of the wealth of history in the buildings, is designed to attract new audiences and, through their support, increase the sustainability of the buildings in the future. In recognition of the long-term value of this initiative we secured a further £600,000 of DCMS capital funding to roll out the Conservation Church programme to a further 8 sites during 2015-16.

Monitoring our progress against mainstream industry standards is a key part of the Conservation Church programme and this year we achieved an average score of 76% for the quality of our visitor experience at York, Cooling, Sandwich and Shrewsbury from Visit England's Visitor Attraction Quality Assessment Scheme.

Other highlights this year have included:

- a £10,000 HLF-funded public and volunteer engagement project using the theme of World War I at Stamford St Johns;
- a significant Arts Council England-funded audience development project in partnership with the Film & Video Umbrella organisation at six urban CCT sites as a part of our national Contemporary Arts Programme;
- installation of directional 'brown signs' continued, county by county, this year including Gloucestershire and Suffolk;
- increased numbers of churches opened every day: Worcester and Alton Priors were among churches where opening arrangements were much improved. Challenges remain elsewhere;

CCT churches inspected by mainstream visitor quality mark VAQAS achieved an average score of 76%

- Easter and Christmas opening at Imber St Giles, including Routemaster bus trips - kindly donated by Transport for London - from Salisbury, a very popular and remunerative attraction with much publicity and led by a strong Friends group;
 - ever more popular Christmas and Carol services, being an important source of income, and an ideal opportunity for volunteer recognition with the local community present; and
- organised tours and visits to CCT churches included involvement with the Bristol Walking festival for the first time and piloted church visits to groups from English Heritage on a commercial basis.

The Arts

The CCT is developing a three year artistic programme aimed at promoting contemporary art in and about our churches, with support from Arts & Heritage and Arts Council England that includes five CCT commissions. During the year we established CCT's Arts Committee with

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Kathleen Soriano as Chairman, developed our first arts policy and guidance for CCT sites and joined the Arts Council National Heritage Agencies Group.

Working with limited existing resources we have this year delivered CCT's first touring contemporary art project in partnership with the FVU National Portfolio Organisation and developed a pilot creative film commission in partnership with Opera North Projects. The aim in the year ahead is to develop a dedicated resource for our arts work.

Volunteering

Volunteer numbers grew in all regions reaching a record 1,744. Three fifths of our churches now have support from some form of volunteer team, enabling them to be open and more welcoming to visitors.

External evaluation of our volunteering strategy led to publication of a set of case studies summarising what we've learned about sustaining churches through volunteering. The new report 'Protect, Create, Inspire' was launched by our new Vice President Baroness Andrews and circulated to all volunteers and partners.

The achievements of volunteers were recognised in a ceremony at the Transport for London HQ at 55 Broadway attended by four Trustees and sponsors the Marsh Christian Trust. Speakers included Sir Peter Hendy MBE and our thanks to him and Transport for London for providing their iconic central London venue for the event.

CCT Volunteer satisfaction is at an all-time high

For the first time we circulated visitor, income and church maintenance cost information, church by church to all volunteers, allowing local groups to fully understand the costs and income for their church as we ask them to help us raise funds for the future.

A residual group of paid part-time cleaner roles were closed following consultations. Many individuals very kindly continued as volunteers, which speaks volumes for their love for those churches. The area volunteer network was strengthened and specialist volunteers offered particular help in areas such as research and providing tours. Numerous volunteers provided administrative support in our national and regional offices, the development of which has proved immensely beneficial

Volunteer training is an important priority as we build up the team. Examples this year included a very successful volunteer training day for 41 volunteers at Kedleston Hall in partnership with SPAB and the National Trust and a £10,000 grant from HLF to undertake a similar style volunteer engagement project at Milton Mausoleum during 2015-16.

CCT now works hard to engage in new acquisitions in order to support. This year we held at Ufford, St Andrew and at local community to enable them progress and at St Botolph's a rededication service was a huge

We estimate that the value of the time volunteers commit to CCT is at least £751,000 a year

communities as a partner increase involvement and open and technical days Merston, St Giles for the to see the works in reopening and success.

Conservation Churches require volunteer teams in order to welcome we want for our visitors. Recruiting, supporting and retaining volunteers in such circumstances is therefore a big part of our job. At Norwich, St John Maddermarket the reopening as a Conservation Church has led to a significant increase of volunteering and engagement with local partners.

6. AIM THREE: GROW THE TRUST

Securing the future work of the Trust and the conservation and public use of our historic churches requires us to build up new sources of income and support. So as well as investing directly in the care of our buildings we also put some of our resources into fundraising and promotional work, in order to ensure that our churches will be available for future generations to enjoy.

Fundraising/Development

During the year the Trust began work on a new development programme which will focus more strongly on the interests and passions of our members and donors as a basis for securing the future of our work. Our aim is now to engage people at all levels in order to increase membership and lead to greater unrestricted, philanthropic giving.

Thanks to our generous members and donors our 2014 Annual Appeal met it's £25,000 target for the first time

A stronger focus on creating a major gift programme and steadily raising the level of gifts is a feature of this new work. This year's Patrons' Lunch was the best attended with 13 guests and good prospective support is being built up as the CCT profile builds. Linked to this is our work to develop a Trust-wide capacity to run capital campaigns, the first of which is for Worcester St Swithun where a local leadership group is taking shape, and Waterloo, Christchurch in Liverpool, where the first donations have come in.

Membership

Our membership schemes, which have been building up for a number of years, are a vital part of our plans to secure the future of CCT and its collection. Numbers have increased year on year and we are delighted that total members at March 31st numbered 1,762, the highest to date.

All the schemes have been revised in order to ensure that Gift Aid can be offered, making a considerable difference to the size of an individual donation. These changes will take 12 months from April 2015 to work through the renewals process. Donation and benefits fees have been increased to ensure HMRC compliance and we are extremely grateful to members for their support for these changes, which will help the Trust in the long run.

A new premium membership group, the Bulmer-Thomas Circle, is being recruited. Named after our founder Ivor Bulmer-Thomas, we are seeking founder members in anticipation of a launch event in the autumn.

Other fundraising news includes:

- **The 2014 Annual Appeal** hit its target of £25,000 by 31st March, with further funds still being received. The final total is expected to be in the region of £40,000 including gift aid.
- **Legacy** income has been outstanding, with £2.386 million recognised. This money will be carefully stewarded and invested to fund repairs and secure long-term revenue income. Efforts to attract new legators and steward our existing ones are a priority.
- Success continues in winning **major grants** from HLF and DCMS, recognition of the quality of the CCT's work in conserving its historic churches and engaging local communities in their future care and of the Trust's track record of effective delivery. A successful stage one HLF Heritage Grants application for St Swithun's Worcester was a particular highlight of the year and will support the development of a £1.4 million bid in 2016/17.
- **Trust and Foundations** income for the year totalled over £5 million. Excluding Heritage Lottery Fund (HLF) major project grants, £396,000 was recognised from Trusts and Foundations. An additional £395,000 was also pledged for future projects.

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- A further £400,000 was pledged via the DCMS roof repair fund for five projects. This money will enabling us to address longstanding roof problems at remote sites where the conservation needs were great and funds scarce. Examples include Haugham All Saints in Lincolnshire which has had a tarpaulin roof cover for two years following lead theft and Warminghurst Holy Sepulchre in Sussex where local people have been working hard to raise enough to repair the very special and historic stone roof.
- CCT West ran a fundraising conference for volunteers as part of our work to increase community fundraising for CCT. The event also featured a Bristol-based lecture on Imber by Sir Peter Hendy.

Marketing

Visitors: our new flagship group of Conservation Churches is the focus of work to develop our brand and create a quality visitor experience. Where the location permits, these churches will become minsters for a local cluster of CCT churches. We have also been working with regional Destination Management Organisations, Visit Britain and Group Tour Operators to develop and market new products for target audiences.

Audience insight: in the last year we embarked on three research projects to provide additional insight into our audiences, their behaviour and their perception of CCT. Over the next three years we will further invest in audience research that will help us better understand our principal visitor groups so we can improve efficiency, engagement and reach.

Communications

Regional teams arranged **visits for MPs** in many areas to see the CCT churches in their constituency and meet the volunteers who look after them. These are fruitful opportunities to raise the profile of our work and highlight the importance of ecclesiastical heritage in community life. A programme of meetings with diocesan secretaries helped to share learning and to identify opportunities for us to work more closely with parishes concerned with sustaining their historic churches.

Website and digital development: Issues with our partner for updating the CCT website were addressed during the year leading to a slight delay in this project. A new partner is now in place and delivery of a new website that will better serve visitors and members and provide a strong marketing and communication tool for CCT is expected in autumn 2015. Alongside development of the new website we will develop a wider plan for digital encompassing data collection, direct email marketing and social/interactive media

In the media, champing (church camping) was the year's most popular story, with features in The Sunday Times, The Guardian, The Metro and others, broadcast features on BBC Radio 4 and BBC News and international coverage in newspapers in Spain, Holland, Belgium and Australia. The launch of All Souls Bolton enjoyed wide coverage, profiled in the Observer and almost all leading architectural (including The Architects' Journal) and heritage publications (SPAB magazine).

TV crews from Sky News and Channel 4 also profiled Easter openings at Imber and reported from St Paul's Bristol in the run up to Christmas. On social media, Twitter followers have grown by more than 1,500 to more than 5,800 in 12 months and Facebook likes grew by a similar degree from 1,583 to 2,187

Earned income

Income generated from the use of our buildings through private hire, events, commercial operations and licence/leases has traditionally been a small part of the Trust's funding base. Looking to the future it is an ever more important strand of our sustainable finance strategy. Trustees have therefore set aside finance on a trial basis for three (regional) commercial managers who will start work in the year ahead. They will focus on business opportunities presented by the very different sites in our care and will prioritise key areas where those opportunities are greatest.

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Meanwhile this year the CCT team made progress on generating earned income through initiatives such as:

Hire of churches for film locations generated £28,000 for our charitable work this year.

- launching our first Conservation Church at Shrewsbury St Marys with a shop and cafe; increasing visitors to 63,241 an uplift of 14% and income by 45% to just under £36,000.
 - achieving significant growth in income from hire for weddings and wedding blessings, up 67% to just under £10,000 in the North Region.
 - Filming hire, which generated some £28,000, with film and TV crews making use of churches in Buckinghamshire, Bristol, Surrey, Lancashire, Kent and elsewhere.
- Press coverage of Champing is estimated to have generated an advertising equivalent of £35,000 this year. The first bookings have been made and the first paying guests will be welcome in the summer.

Resources

Supporting teams

- The **ThankQ upgrade** project was successfully completed in 2014/15. New workflows and operational processes have been developed to support the effective use of database, including a new volunteer recruitment process. A number of training events have been given to staff and work is now progressing to create a national network of champions within teams to provide continuity and support where needed. Preliminary work has been undertaken to ensure CCT's new website will integrate effectively with ThankQ.
- **IT projects** have been undertaken at York, Shrewsbury, Norwich and Kings Lynn. An HLF funded project at Stamford involving IT was also completed and may well lead to a further, larger funded project in future.
- **New and updated policies** in the year were: New/updates: Flexible working; parental leave; cycle to work; volunteer access to ThankQ; acceptable usage of IT; Use of Trust equipment and expenses. Data protection – new policy approved and all-staff have received training.
- There were three all **staff events** arranged in the year in Birmingham, Bolton and London.
- There has been significant activity in **staff turnover** during the year, with some corresponding team reorganisations. Thirteen members of staff left CCT in 2014/15 and there were eleven new appointments in 2014/15. There were a further eight roles beginning the recruitment process in March 2015.
- 2014/15 was a significant year for **pensions**, with the Trust's go-live date of 14 May 2014 for pension auto enrolment and the launch of the new Alpha pension scheme on 1 April 2015 from Cabinet Office. Both these projects required significant effort to ensure staff were accurately enrolled to the correct scheme.

Value for Money

- The Trust's **shared drive clean-up** project has finished, with over 70Gb of storage being reclaimed; this project, together with the removal of image files from shared into Asset Bank, will realise a saving of over £1,100 per quarter on IT cloud costs.

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- We have negotiated with Society for Church Archaeology to act as a post receiver/forwarder, with an annual fee and institutional subscription. This service is due to start in the late summer of 2015.

Knowledge and Information Management

- The **property management project** group carried out preliminary market research; a full specification for the system is currently in development and is expected to be available in the Spring of 2016.
- A **new digital images library**, Asset Bank was trialed and acquired in the year; implementation and training for staff is in progress during the first quarter of 2015/16. Volunteers were recruited to assist with data cleansing and the implementation of Asset Bank.

7. AIM FOUR: SHARE OUR LEARNING

Interpretation and Learning

It's our aim to vastly improve the information available to visitors to our churches: our interpretation strategy now in place sets standards and provides a framework but we are also looking for innovative and unusual ways to engage visitors which will come from more local initiatives supported by our regional staff. Conservation Churches provide a strong focus for this and the new interpretation there – both visual and oral – has drawn much praise and many new visitors this year.

CCT North attracted almost 3,500 young people and more than 200 adults across a range of Explorer Church partner schools and family learning days throughout the year.

CCT supported and promoted a wide range of community events to mark the centenary of the outbreak of World War One. 41 events took place in our churches over the weekend of 4 August around our 'Not Forgotten' theme involving the laying of a white flower in each. In Sandwich all the town churches followed our flower laying event. We estimate that over 1,000 people attended these very special events.

Our learning work is delivered by three Heritage Learning Officers part-funded through English Heritage from a Department for Education grant, which was extended for another year to April 2016. Much of their work is focussed on partnerships with primary schools near CCT churches and has resulted in a wonderful range of imaginative activities bringing many young people into our historic buildings and allowing them to understand and enjoy them.

Examples included a primary school art project at Tetbury themed on Victorian Poetry and creative writing, Batik textile making and Pugin and Geometry. Thurlbear school researched a redesign for the interior of the medieval church culminating in an exhibition devised and curated by year 5 pupils and enjoyed by the entire school, parents and residents. The Science of Sound sessions held in Bristol were a great success.

We are developing a Parish Church interpretation project in Preston Deanery which we hope will have wider application. All the interpretation elements have been installed and work has begun with local schools to put together the finishing touches. Designs for family activities, introduction of Explorer carts and an audio guide have been undertaken at selected churches.

Our learning work was the subject of an article in the EH Conservation Bulletin 73 and a Historic England film. We are active members of Bristol Cultural Education Group and Devon Heritage Education Partnerships. We've contributed to an online CCT learning toolkit, and the development of CCT policies on working with children.

Events and training

Many hundreds of CCT and community events including concerts, exhibitions, talks, services and fundraising events take place in CCT churches throughout the year and are featured on our website. We also organise regional and national events aimed at supporting and sharing information with our volunteers and members. This year for example we have provided training for our volunteers in conservation cleaning, visitor welcome, visitor surveys and undertaking church tours.

"The [conference] was hugely worthwhile, I gained a great deal from it, and found the quality of the input universally high. It would be great if CCT was able to repeat the event"

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

Major national events this year have included the launch of All Souls Bolton in the autumn and our international conference at the same new venue in the early spring. Evaluation of our conference, which aimed to showcase All Souls Bolton and share knowledge gained by the sector on working with communities in order to regenerate heritage, showed it to be very well received and a model for future similar events. It also proved a good opportunity to articulate what we're trying to achieve at CCT and build partnerships for future work.

CCT's Annual Lecture is gaining popularity and helping build interest in and support for our work. This year Clive Aslet spoke at the Charterhouse about the history and conservation of monuments in churches, with special reference to our own collection.

CCT staff and trustees also regularly contribute to other organisations' events, appearing at relevant conferences and talks and engaging in the wider debate about sustaining heritage in the future. This year in particular we were involved in the 'Future Religious Heritage' European Network conference on rural religious heritage and civil society in Halle, Germany and played a lead role in the formulation of the statement on religious heritage coming out of that event.

8. PERFORMANCE AGAINST TARGETS

Key Performance Indicators

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

The results demonstrate the considerable achievements of staff and volunteers in all areas in 2014/15. Strong growth in volunteer numbers and church-based income (willsafe donations and events) as well as membership are notable. Independent income increased as a proportion of total income which, although mostly linked to large one-off capital grants, is a major step towards sustainability as this sort of capital work is the bread and butter of the Trust.

Target	National Annual Target	2014/15 RESULT	Target achieved?	Previous year 2013/14
1. Increase independent (non grant-in-aid) income	50%	69%	Target Met	51%
2. Increase membership of regular giving schemes (+10%)	1,750	1,759	Target Met 11% growth	1,591
3. Return on Investment on income-generating projects	1 : 3.5	1 : 2.8	Target Not Met	1: 2.2
4. Increase church-based income by 10%	£570,243	£460,000	Target not met 81%	£518,403
5. Increase visitor numbers ¹ (+5%)	1,862,339	1,973,518	Target met 5.5% growth	1,773,656 ²
6. Professional visitor experience at more churches	Visit England accreditations	VisitEngland visit to York (76% and Shrewsbury 78%)	Target met	Not available
7. Increase regular volunteer numbers (+10%)	1,691	1,744	Target met 13% growth	1,538
8. Improved volunteer experience	High levels of satisfaction reported	93% would recommend volunteering with CCT to a friend	Target met	7 training events held

¹ Visitor numbers are calculated using both actual counted visitors and statistically produced figures based on the number of signatures in church visitor books. Where visitor book information is used, the total is multiplied by an industry-standard of seven to give an approximation to the actual number of visitors. This formula is regularly checked against actual numbers.

² Updated figure for 2013/14 based on correct data received after the accounts were finalised.

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9. Maintain high standards of conservation repairs	2 Panel inspection reports	Peer review panel site visit to Bolton, All Souls project. Second panel visit to Botolphs, St. Botolphs in Sussex.	Target met	Target met
10. Investors in people	IIP award by 2015	Targets for 2015-16 identified to achieve award	Target not met	Audit undertaken and implementation plan approved
11. Operating costs	<18%	9%	Target Met	14%

Comparisons to previous years

The charts below describe trends over recent years in some of the key performance indicators discussed in the report above. All show strong growth in areas of activity important to CCT’s long-term sustainability.

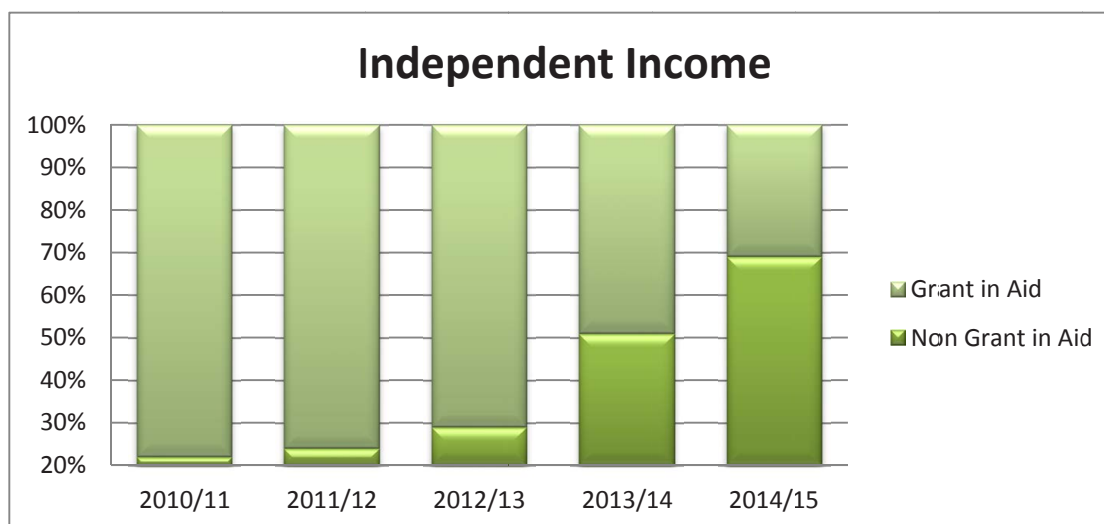


Table 1: Proportion of non Grant in Aid income³

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

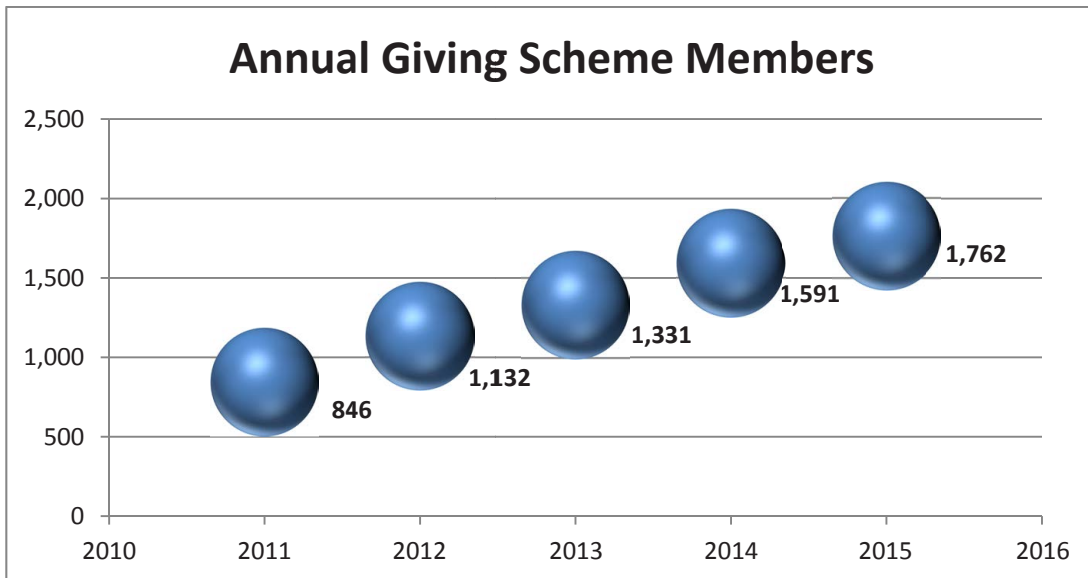


Table 2: Number of Annual Giving Scheme members

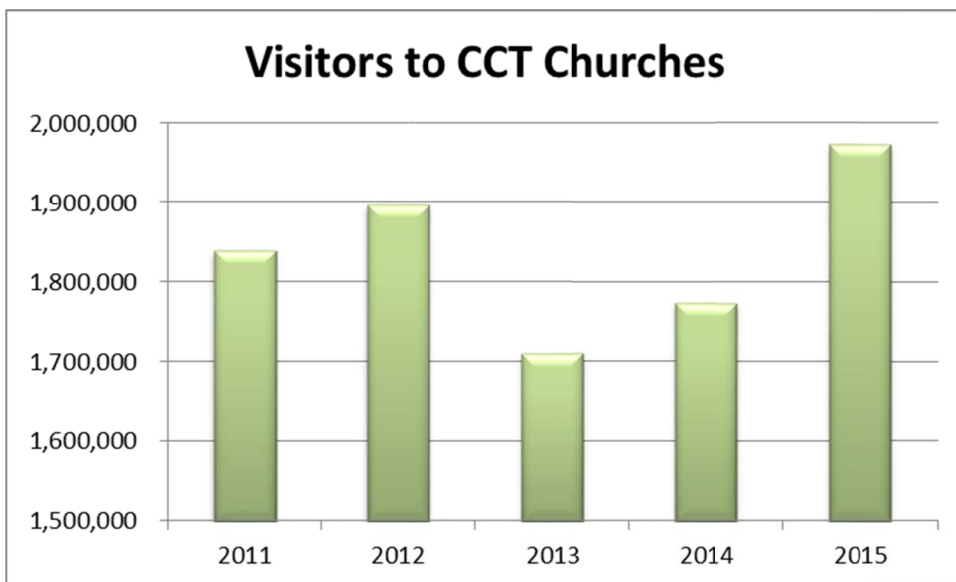


Table 3: Number of Visitors to CCT Churches

Sustainability

From 2011/12 public bodies are obliged to include a sustainability report within the annual report and accounts unless the body falls under the de-minimis threshold for reporting of 250 full time equivalent staff or floor space of less than 1,000 metres. As CCT full time equivalent staff for 2014/15 was 52 we are not required to include a report, however details of work we doing to improve the sustainability of our estate is included below.

Heritage recycling

- The Common Room is a joint project between the CCT, www.architecture00.net / Civic Systems Lab, and the University of East Anglia. The Common Room is transforming St Laurence’s Church into a new type of shared space to help strengthen civic society in Norwich by creating a collaborative, supportive space for social and community enterprises. Having tested the concept of The Common Room, we are now looking for funding to step up the facilitation of the project and to measure to benefit and effect that it can potentially have on society. As part of the social innovation objective of the

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Interreg 2 Seas programme - to work toward inclusive, innovative and reflective societies – funds will be sought to develop a series of community enterprises to demonstrate how the platform of The Common Room can address key societal challenges in the area, but also to highlight the significance of reusing historic buildings in urban areas which can greatly benefit local communities, both socially and economically.

Reducing running costs

- The low carbon heating and lighting system at St Nicholas Chapel, King's Lynn will be installed this year. The chandelier units will provide localised heating and lighting to the space, improving the thermal comfort of the area and encouraging a greater use of the site throughout the winter months. The system will be powered by a large array of solar panels, with the panels themselves generating an income for the Chapel via the Feed-in-Tariff.

Energy consumption monitoring

- We continue to monitor energy consumption at sites such as St Marys, Shrewsbury, to identify periods of high energy consumption and develop strategies for how we can recover income.

Repair and Conservation

- We continue to use locally sourced materials – where viable and appropriate – in our repair and conservation programmes. As part of our stone repair programme at Holy Trinity, York, we have used local limestone and sandstone as well as stone off-cuts supplied by York Minster.

People and Communities

- We continue to develop and deliver regeneration projects that contribute to more resilient and cohesive communities and provide our buildings with a sustainable future. Our flagship regeneration project – Bolton All Souls – launched in 2014 and we will be launching the revitalised St Nicholas Chapel, King's Lynn and Quay Place, at St Mary at Quay, Ipswich, in 2015 and 2016 respectively.

Wildlife Management

- We have held a number of bat events across our sites over the last year which have proved extremely popular with families and the young. These events are designed to show how we are managing our wildlife tenants and demonstrate the mitigation strategies that we employ to reduce any adverse impact that bats may have on the building and that conservation work may have on the bats.
- We continue to commission surveys to ensure that protected species – such as bats and birds – are not adversely affected by our programme of repair and conservation and ensure that appropriate mitigation and enhancement schemes are put into place to compensate for any loss of habitat.

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

9. FINANCIAL REPORT

Income

In the year ending 31 March 2015, overall income reached £12.90 million, a significant increase of £4.44 million or 52% on 2013/14 figures. This increase was due to significant Heritage Lottery funding for the Bolton, Ipswich and Kings Lynn projects together with over £2 million in legacies.

Turnover grew to a record £12.9 million

Grant-in-Aid from the Department for Culture, Media and Sport (DCMS) and the Church Commissioners of the Church of England (CC) provided 31% of income at £4.00 million down from £4.14 million or 49% the previous year. 2013/14 was the first year in which CCT generated over half its income from non-Government and Church sources and this trend has been sustained.

Non-statutory grant income increased significantly to £5.76 million (£2.91 million in 2013/14). Removing Heritage Lottery Fund (HLF) and other grants towards Major Projects, this drops to £1.07 million. This figure comprises grants from trusts and foundations for specific projects (£314,000 vs £290,000 in 2013/14) together with income from the Listed Places of Worship Grants Scheme (£752,000 vs £215,000 in 2013/14), where VAT is reclaimed on eligible church repairs. Grants are recognised in our accounts under SORP accounting rules and the Trust moves into 2015/16 with a healthy pipeline of externally funded projects.

Membership income increased 15% for the second year in a row to £88,000. Other donated income however finished the year £91,000 or 18% behind 2013/14 figures at £406,000. Wallsafe income remained constant (£173,000 vs £172,000 in 2013/14), but other areas didn't perform as well as in the previous year. Of total donations, £347,000 was unrestricted income, a small drop from the £355,000 received last year.

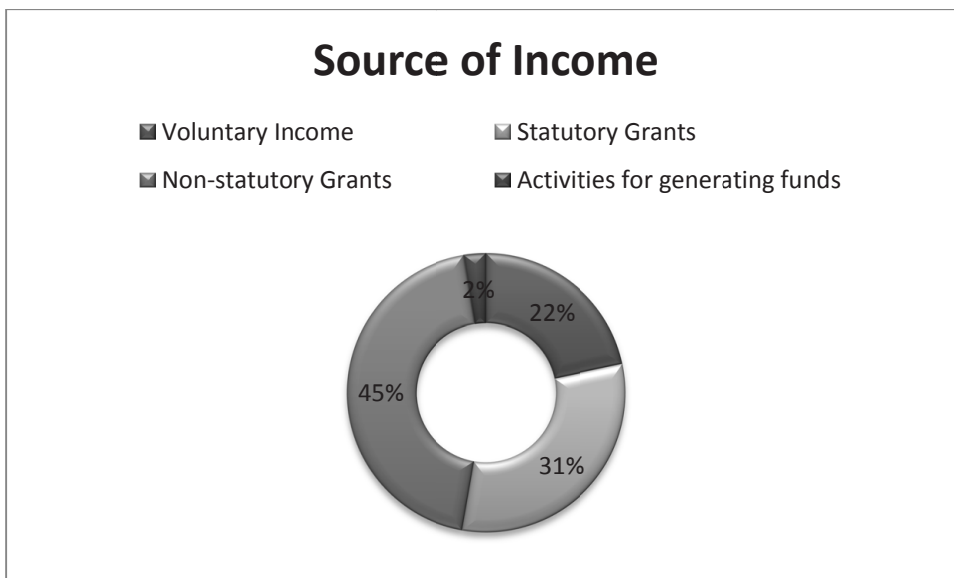


Table 4: How the Trust receives its money

Legacies brought in an exceptional £2.39 million

Legacies brought in an exceptional £2.39 million in 2014/15, a significant increase on the £596,000 last year. Of this total, £1.96 million was unrestricted income.

Earned income rose by 12% to £328,000 from £293,000 last year. This growth has been supported by a large increase in filming income, with £28,000 received in the year. The four year income from the de-vesting of St Luke's, Oseney Crescent

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has now finished but, regular income from Bristol St Paul and numerous other smaller rental agreements continues to grow.

Investment income amounted to £23,000 (£20,000 in 2013/14) reflecting higher returns from the Trust's investment portfolio.

Expenditure

95% of expenditure spent on frontline projects

95% of the Trust's expenditure went on frontline projects to repair churches and support communities (up from 93% in 2013/14). At just over £10.4 million or 80% of total expenditure, 'Church repairs and maintenance' continues to be the main call on our funds. Compared to the previous year, this represents an increase of over £4.38 million, again mainly due to the significant expenditure on the three Major Projects - Bolton, Kings Lynn and Ipswich.

Our expenditure on 'Supporting volunteers and communities, keeping churches open' decreased slightly to £1.93 million (from £1.96 million). This work focuses on initiatives to build the Trust's tourism, volunteering and partnership programmes and is crucial to the sustainability of the churches.

Governance costs remained constant at £53,000 but as the percentage of overall expenditure spent on Governance dropped from 0.6% to 0.4%. Expenditure on fundraising and marketing rose by £6,000 to £568,000.

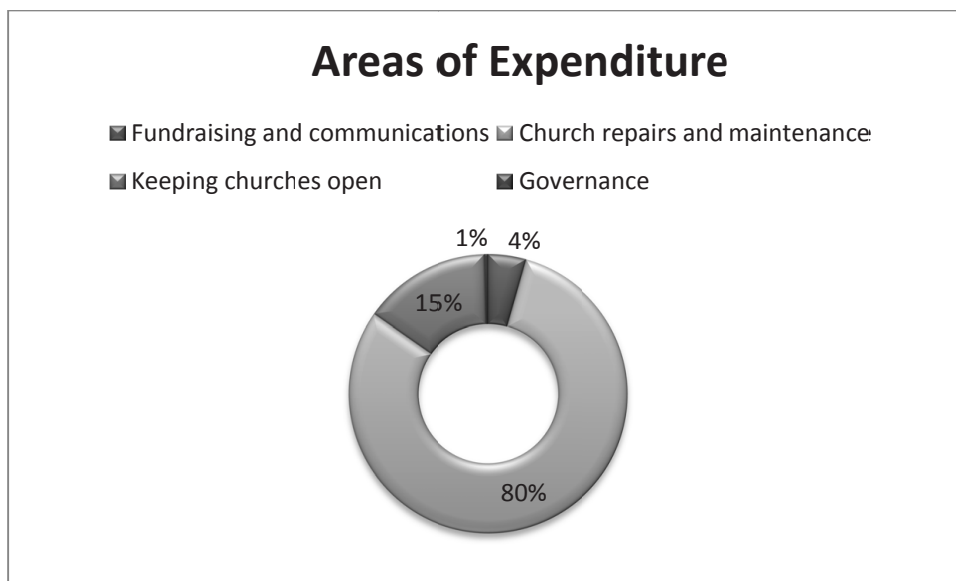


Table 5: Where the Trust spends its money

Reserves

Historic reserves are subject to Treasury budgetary rules under which access to reserves is subject to approval from the Department of Culture, Media and Sport. The same rules also limit the ability to build up reserves from any current year operating surpluses.

Nonetheless the 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

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The Trustees have considered the scale, complexity and risk profile of the Trust, and taken account of the funding base which consists of Grant-in-Aid from the Department of Culture, Media and Sport, the Church Commissioners and self-generated income. The former has historically been reasonably foreseeable, given that it is subject to a three year funding agreement, but in the current 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.

After considering these factors, the Trustees consider that an Unrestricted Reserve of between £300,000 and £400,000 should be maintained, representing around three months of operational expenditure not covered by Grant-in-Aid. This level of reserves is considered to be sufficient to enable financial stability and act as a safeguard against volatile and unpredictable income streams and unforeseen expenditure or liabilities.

Restricted Reserves

Although the Trust's total reserves at 31 March 2015 are shown as £1.53 million (£1.59 million 2013/14) million on the Statement of Financial Position, all but £385,000 are held as restricted funds, whose use, under the terms by which they were given, is restricted solely to work at specific churches, none of which can be used for other purposes. The Trust's policy is always to utilise these funds first when carrying out necessary works at eligible churches, before any call is made on unrestricted funds.

Free Reserves

The Charity Commission defines 'free reserves' as, 'income which becomes available to the charity and is to be expended at the Trustees' discretion in furtherance of the charity's objectives, but which is not yet spent, committed or expended'. As at 31 March 2015, the Trust had free reserves of unrestricted funds, less the carrying value of fixed assets, of £308,000 (£385,000 minus £77,000). This represents a small increase compared to the free reserves of £288,000 held at 31 March 2014. The Trustees consider this level acceptable.

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, Scottish Widows Bank and Virgin Money. Permanent Endowment funds are invested with Investec Wealth and Investment. Management, with Trustees' approval, monitor and regularly review the Trust's investment strategy.

10. FUTURE DEVELOPMENTS

New strategy 2015-19

2015/16 will be the first year of CCT's new strategy, which was formulated in 2014/15 and is now backed by strategic programmes, operational plans and budgets.

Vision

Our vision is for historic churches to be enjoyed by everyone as places of culture, spirituality and beauty and for the significant contribution they make to communities, society and the economy.

Mission

Our mission is to engage and inspire individuals and communities so that together we can conserve, enjoy and promote our fine collection of historic churches. Working with volunteers, visitors and donors we will create innovative partnerships to ensure our churches thrive.

Strategic Aims

Everything we do in the next three years will lead us towards achievement of these aims. Under each aim are up to eight objectives which support those aims.

1. Inspire People

- a) Promote our churches as places for everyone, attracting new audiences and generations
- b) Engage and entertain visitors and provide a high-quality welcome
- c) Empower, respond to and build the capacity of volunteers
- d) Increase giving and support
- e) Promote community involvement and management
- f) Develop and support our staff team
- g) Promote learning

2. Protect our History

- a) Sustain our churches for present and future generations
- b) Conserve and promote the social, historic, contextual and cultural value of each church, its fabric and landscape
- c) Pro-actively manage our collection, work preventively and seek partnership solutions which share responsibility equitably
- d) Adapt for sustainable community use, to a high standard of design and environmental performance
- e) Interpret and present over 1,000 years of history to the public
- f) Support and develop professional, conservation and craft skills, share and promote our specialist expertise

3. Create Value

- a) Develop and promote our brand
- b) Achieve greater independence and diversity of income
- c) Create and realise commercial, profit-making opportunities
- d) Develop cost-effective partnerships and projects
- e) Invest to achieve long-term returns, prioritising where necessary
- f) Regenerate our churches to secure cultural, economic and social sustainability
- g) Provide sector leadership, develop exemplars and share good practice

2015/16

Our top priorities for 2015-16, aimed at getting the first year of our new strategy off to a flying start, are listed below. CCT and its churches face many challenges but also many exciting opportunities, all of which we would like to pursue. Limits on time, resources and of course funds mean that we must prioritise between them and that is what this plan and budget are all

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about. Our aim of course is to do more over time and the better we can get at attracting funds and engaging the public, the more we will be able to achieve.

In 2015-16 we will:

1. Deliver new town centre Conservation Churches including Bristol St John, Sandwich St Peter and York Holy Trinity Goodramgate, using a dedicated DCMS capital fund to adapt and equip these and at least five other CCT churches to create the basis of a new national network of high quality heritage visitor attractions.
2. Fully repair newly acquired churches including Ufford St Andrew, Ayston St Mary and Merston St Giles. Acquire subject to final Church Commissioners' approval three further historic churches at risk in Wardley in Rutland, Freeby in Leicestershire and Sapperton in Gloucestershire.
3. Carry out £900,000 of roof repairs at sites including Chadshunt, Portland and Haugham and £280,000 of urgent conservation work at over ten churches including Michaelchurch, Haceyby, Lancaster, Blackburn, Falinge, Walminghurst, Swaffham Prior, West Bregholt and West Stourmouth.
4. Launch new community fundraising initiatives across the Trust through appointment of three new regional fundraisers working with staff and volunteer teams. Increase philanthropic giving including capital appeals at Worcester St Swithun, Waterloo Christchurch and a new major donor programme.
5. Appoint three new regional commercial managers to raise significant new earned income from private hire, Conservation Church site based retail and catering operations, on-line sales, historic tours and new commercial initiatives such as Champing.
6. Complete and open major regeneration projects at King's Lynn St Nicholas and Ipswich St Mary at Quay. Develop new solutions for other urban churches including Sunderland Holy Trinity, Blackburn Holy Trinity and Macclesfield Christ Church.
7. Build our regeneration and conservation consultancy service
8. Examine opportunities for appropriate disposals of a very small number of sites, for example the ruined St Mary Islington in Norfolk, to reduce liabilities on the Trust in the long term.

Register of Interests

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

Registered Office

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

Auditors

The Trust's auditors are: Mazars LLP, Times House, Throwley Way, Sutton, Surrey, SM1 4JQ. The auditors are re-appointed annually by the Trustees.

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

Bankers

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

Legal Advisers

Farrer & Co, 66 Lincoln's Inn Fields, London, WC2A 3LH.
Church Commissioners Legal Office, Church House, Great Smith Street, London, SW1P 3AZ.

Remuneration of Senior Managers

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
	Salary, including performance pay	Benefits in kind	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 at 31/3/13 and related lump sum	CETV at 31/3/14	CETV at 31/3/15	Real increase in CETV as funded by employer
Crispin Truman <i>Chief Executive</i>	60-80	0	0-2	15-20	250	283	16
Sarah Robinson <i>Deputy Chief Executive / Director of Conservation (p/t: 4 days per week)</i>	40-60	0	0-2	10-15	132	148	7
Colin Shearer <i>Regional Director West</i>	40-60	0	0-2	10-15	164	190	14
Rosi Lister <i>Regional Director North</i>	40-60	0	0-2	5-10	55	70	9
Peter Aiers <i>Regional Director South East</i>	40-60	0	0-2	5-10	66	80	7

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Melanie Knight <i>Director of Income Generation – until 23/09/14</i>	40-60	0	0-2	0 - 5	28	35	4
Stuart Popple <i>Director of Finance and Resources</i>	40-60	0	0-2	5-10	39	52	6

Notes to the above table:

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

Columns 5 and 6: 'The Cash Equivalent Transfer Value (CETV).' This is the actuarially assessed capitalized value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total civil service, not just their current appointment. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. The factors used in the CETV calculation have been revised during this year, mainly to account for the change from the use of RPI to CPI to calculate future pensions increase. This means that the opening CETV value shown in this year's report will differ to the amount shown as the closing CETV value in last year's report.

Column 7: 'Real increase in CETV as funded by employer'. This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Signed on behalf of the Trustees on: 25 June 2015

Loyd Grossman
Chairman of the Trustees

Crispin Truman
Chief Executive

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

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

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

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

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

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

Signed on behalf of the Trustees on: 25 June 2015

Loyd Grossman
Chairman of the Trustees

Crispin Truman
Accounting Officer

11. GOVERNANCE STATEMENT

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

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

Corporate Governance

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

Trustees

The Trustees during the year were:

Loyd Grossman OBE FSA	Chairman
Reverend Duncan Dormor	
Lady Lucy French	
Christopher Knight	
Beth McHattie	(from 7 November 2014)
Liz Peace CBE	
Nick Thompson	(until 31 March 2015)
Jane Weeks	Deputy Chair of Trustees
Humphrey Welfare	Chair of the Conservation Committee
Duncan Wilson OBE	Chair of the Finance, Audit and Resources Committee

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

During the year to 31 March 2015, the Board and its committees all met on a quarterly cycle. Minutes of the meetings, including attendance, are kept and approved by the Board at subsequent meetings. The attendance rate was over 90%.

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

The Finance, Audit and Resources Committee

The Finance, Audit and Resources Committee comprises three Trustees: Duncan Wilson (Chair), Nick Thompson (until 31 March 2015) and Christopher Knight and one external co-optee. It reviews key risks and controls; the management of resources through review of the latest management accounts and end of year reserves predictions; and receives reports from management and the internal and external auditors on key risk areas. It also approves the final accounts subject to signing by the Board.

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

Conservation Committee

The Conservation Committee is chaired by a Trustee (Humphrey Welfare) and comprises relevant experts and senior representatives of partners conservation organisations. It advises the Board on significant conservation and development matters relating to its 347 historic buildings. Having an expert committee at such a high level in the Trust's governance protects the organisation against legal, reputational and other risks associated with the management of a large historic estate.

Highlights of Committee Reports

During the year, the Board of Trustees approved expenditure for the major works at York, Holy Trinity; Ayston, St. Mary's; St. Mary at the Quay, Ipswich; Wardley, St. Botolph; and Freeby, St Mary. Trustees also approved the 2012-18 budget and plan.

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

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

Communication with Sponsors

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

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

Internal Audit

The Trust's rolling three year internal audit plan considers strategic and operational risks and has been approved by the Finance, Audit and Resources Committee. It is updated annually to confirm audit prioritisation.

During 2014/15 Chantrey Vellacott, the Trust's internal auditor reviewed the procurement processes associated with the Trust's tenders for services. A number of recommendations were made including establishing a central depository for relevant documents. All recommendations were agreed by management and will be implemented by June 2015. Data protection, cash handling and pension procedures audits are either underway or planned for 2015/16. All reports and management actions were reviewed by the Finance and Audit and Resources Committee.

External Audit

As part of their annual audit of the Trust's accounts, the External Auditors' provide a Management Letter covering any identified control weaknesses. For 2014/15, no substantive weaknesses were raised which provided the Trust with additional comfort over its internal controls.

Corporate Governance

The system of governance has continued in place in the Trust for the financial year ended 31 March 2015 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

Senior management remuneration

In 2014/15 all staff were awarded a single cost of living pay award and a separate non consolidated bonus dependent on organisational objectives and subject to affordability. All pay awards are subject to Trustee approval.

As at 31 March 2015, the highest paid director was paid in the £70,000 to £80,000 band. The ratio of the mid-point of this band to the Trust's median pay of £26,353 was 3.0 (3.1 2013/14).

Contracts

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

The Planning and Budgeting Process

The senior management team compiles the Trust's business plan and budget on an annual basis. In 2014/15 the Trust moved into the final year of the current three-year business plan which aims to improve forward planning, end-year management and allow for the longer preparation time required for more complex projects.

Planning begins with management determining the Trust's strategic and operational priorities for the next financial year. Risk management is also integral to the business planning process. Each business unit and support team then generate their own priorities, projects and budgetary requirements which it deems necessary for it to deliver the strategic aims within its area of responsibility as well as through cross-team working. The teams also identify key risks and their mitigation, feeding up into the main risk management process through the Senior Management Team (SMT). As a result of more holistic planning within and across teams, last year's budget process saw plans submitted that better considered risk management.

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

Project Management

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

Performance monitoring and reporting

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

Risk Management

In assessing risks and appropriate actions, the Trust's approach is taken from the Treasury's 'Managing Public Money', October 2007. In addressing risks, the Trust will:

- **Take opportunities** - for circumstances where the potential gain seems likely to outweigh the possible downside;
- **Tolerate** - for unavoidable risks, or those so mild or remote as to make avoidance action disproportionate or unattractive;
- **Treat** - for risks that can be reduced or eliminated by prevention or other control action;
- **Transfer** - where another party can take on some or all of the risk more economically or more effectively (for example through insurance, sharing risk with a contractor); and

- **Terminate** - for intolerable risks, where it is possible for the organisation to exit.

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

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

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

The key components of the risk management framework following the internal audit review in 2011/12 are as follows:

The Risk Register

1. Departmental risk registers are reviewed at monthly team meetings to ensure risks are considered. The teams are the three regions, Conservation Policy and Regeneration, Income Generation, Resources and Finance. Any departmental risk of severity 12 or more, or an impact of 5 is reported to SMT for consideration in the national risk register.
2. SMT formally review risks on a quarterly basis and prior to preparation of the Finance, Audit and Resources Committee papers. SMT considers departmental risk registers on a rotational basis.
3. The Finance, Audit and Resources Committee see the risk register at each of their meetings, accompanied by a note regarding any changes to the register. They formally review the risk register every six months.
4. The Board of Trustees review the risk register annually, prior to the accounts being signed off, in order that the Governance Statement can be signed.

Risks are ranked according to the Trust's priorities and the four strategic aims which prescribe the Trust's activities. At the highest level, risks are allocated into four categories – finance, reputation, built fabric and organisational effectiveness. The latter category includes resources, governance, organisational management and the health and safety of staff and visitors. From this, management and Trustees have an on-going picture of where residual risks – those that remain even after management action – are highest and so require closer management and Trustee attention.

Information Management

The Trust is registered with the Information Commissioner's Office. The Trust suffered no significant protected personal data incidents during 2014/15 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.

Sickness Absence Disclosure

During the year-ending 31 March 2015, staff were off work due to sickness for a total of 183 (155 2013/14) days or an average of 3 days (2013/14: 3) per staff member after two long-term absences are discounted. This compares to an average of 3 days per staff member in the previous year.

Consultancy and Contingent Labour Spend Disclosure

During the year-ending 31 March 2015, £47,279 (£47,453 in 2013/14) was spent on consultancy. £149,618 (£15,756 in 2013/14) 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 2015, the Trust did not have any off-payroll engagements.

Review of Effectiveness

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

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

Risk management is an on-going process and will continue to be integral to strategic and operational planning and to the delivery of the objectives and targets of the Trust. Risk management practice and procedure will also continue to be reviewed and developed in order to ensure effective control, good management and accountability.

No significant control issues arose during the year.

Crispin Truman

Accounting Officer and Chief Executive

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

We have audited the financial statements of The Churches Conservation Trust for the year ended 31 March 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 35, the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the charity's Trustees as a body. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2015 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

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

Mazars LLP, Chartered Accountants and Statutory Auditor

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

Date: 7 July 2015

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2015**

13. FINANCIAL STATEMENTS

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014 £
<u>INCOMING RESOURCES</u>						
Incoming resources from charitable activities						
	4					
Grants		4,972,217	4,785,821	-	9,758,038	7,058,082
		4,972,217	4,785,821	-	9,758,038	7,058,082
Incoming resources for generated funds						
Voluntary income		2,308,493	482,589	-	2,791,082	1,093,719
Activities for generating funds		328,053	77	-	328,130	292,659
Investment income		1,592	21,349	-	22,941	20,283
		2,638,138	504,015	-	3,142,153	1,406,661
TOTAL INCOMING RESOURCES	4	7,610,355	5,289,836	-	12,900,191	8,464,743
Less cost of generated funds						
Fundraising and communications		(558,922)	(9,020)	-	(567,942)	(562,236)
Total incoming resources available for charitable application		7,051,433	5,280,816	-	12,332,249	7,902,507
<u>RESOURCES EXPENDED</u>						
Charitable activities						
	1(c)					
Church repairs and maintenance		(5,211,174)	(5,217,046)	-	(10,428,220)	(6,040,935)
Supporting volunteers and communities, keeping churches open		(1,773,737)	(160,799)	-	(1,934,536)	(1,962,756)
Governance		(52,888)	(538)	-	(53,426)	(53,348)
Total charitable activities		(7,037,799)	(5,378,383)	-	(12,416,182)	(8,057,039)
TOTAL RESOURCES EXPENDED	5	(7,596,721)	(5,387,403)	-	(12,984,124)	(8,619,275)
Net incoming (outgoing) resources		13,634	(97,567)	-	(83,933)	(154,532)
Other recognised gains and losses						
Unrealised profits on investments	8	-	-	22,667	22,667	10,831
Net movement in funds		13,634	(97,567)	22,667	(61,266)	(143,701)
Balances brought forward at 1 April 2014		371,126	747,151	471,300	1,589,577	1,733,278
Balances carried forward at 31 March 2015	11	384,760	649,584	493,967	1,528,311	1,589,577

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

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	<u>2015</u> £	<u>2014</u> £
Income			
Grants		9,758,038	7,058,082
Voluntary income		2,791,082	1,093,719
Activities for generating funds		328,130	292,659
Investment income		22,941	20,283
Total income	4	12,900,191	8,464,743
Expenditure			
Fundraising and Communications		(567,942)	(562,236)
Church repairs and maintenance	5	(10,428,220)	(6,040,935)
Supporting volunteers and communities, keeping churches open		(1,934,536)	(1,962,756)
Governance		(53,426)	(53,348)
Total expenditure	1(c)	(12,984,124)	(8,619,275)
Deficit of income over expenditure		(83,933)	(154,532)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015**

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total <u>2015</u> £	Total <u>2014</u> £
FIXED ASSETS						
Tangible fixed assets	7	77,170	-	-	77,170	88,338
Investment in Subsidiary		1	-	-	1	1
Fixed assets investments	8	-	-	314,796	314,796	292,129
		77,171	-	314,796	391,967	380,468
CURRENT ASSETS						
Debtors	9	2,290,463	742,333	-	3,032,796	1,092,503
Cash on deposit		715,812	709,272	179,171	1,604,255	2,774,902
Cash in hand		176	-	-	176	305
		3,006,451	1,451,605	179,171	4,637,227	3,867,710
Creditors						
Amounts falling due within one year:	10	(2,698,862)	(802,021)	-	(3,500,883)	(2,658,601)
NET CURRENT ASSETS		307,589	649,584	179,171	1,136,344	1,209,109
NET ASSETS		384,760	649,584	493,967	1,528,311	1,589,577
FUNDS						
Endowment funds	11	-	-	493,967	493,967	471,300
Income funds	11	384,760	649,584	-	1,034,344	1,118,277
		384,760	649,584	493,967	1,528,311	1,589,577

Approved and authorised for issue by the Trustees on: 25 June 2015

Signed on their behalf by:

Loyd Grossman
Chairman of the Trustees

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 MARCH 2015**

	<u>2015</u>	<u>2014</u>
	£	£
Cash flow from operating activities		
Net (outgoing resources)	(83,933)	(154,532)
Investment income	(22,941)	(20,283)
Loss on disposal of tangible fixed assets	-	8,442
Depreciation	28,773	22,834
(Increase)in debtors and prepayments	(1,940,293)	(151,578)
Increase in creditors	842,282	1,840,322
Net cash (outflow) /inflow from operating activities	(1,176,112)	1,545,205
Cash flows from investing activities		
Sales of investments	5,702	-
Purchase of investments	(5,702)	-
Investment income received	22,941	20,283
Net cash inflow from investing activities	22,941	20,283
Cash flows from financing activities		
Capital expenditure: Purchase of tangible fixed assets	(17,605)	(19,351)
Net cash (outflow) from financing activities	(17,605)	(19,351)
(Decrease) / Increase in cash during the year	(1,170,776)	1,546,137

14. NOTES TO THE ACCOUNTS

1. Accounting Policies

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

(a) Basis of Accounting

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

(b) Incoming Resources

Statutory Grants comprise Grant-in-Aid from the Department for Culture, Media and Sport amounting to £2,647,000 (2013/14: £2,787,000) and a grant from the Church Commissioners amounting to £1,355,000 (2013/14: £1,355,000). Grant-in-Aid is allocated to general unrestricted purposes and is taken to the Statement of Financial Activities in the year to which it relates. Other grants are included where the conditions of the grant have been fulfilled and the grant is claimable. Donations and Investment income are included in the accounts in the year they are receivable. Legacies are included when the Trust is notified by the personal representatives of an estate that payment will be made or property transferred and the amount involved can be quantified with reasonable certainty.

(c) Resources Expended

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

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

(d) Fund Accounting

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

(e) Tangible Fixed Assets

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

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

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

(f) Fixed Asset Investments

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

(g) Finance and Operating Leases

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

(h) Heritage Assets

The Trust maintains 347 (2014: 344) churches in support of the Trust's objective to protect these historic churches for the benefit of future generations. The Trustees consider that owing to the incomparable nature of the churches vested in the trust, conventional valuation approaches lack sufficient reliability and that even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Trust and the users of these accounts. As a result, no value is reported for these assets in the Trust's balance sheet. This approach is also in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005).

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

Further information is given in note 12 to the accounts.

(i) Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) which are described in Note 6. The defined benefit schemes are unfunded. The Trust recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the Trust recognises the contributions payable for the year.

2. Unrestricted Income and Expenditure Account for the Year Ended 31 March 2015

	<u>2015</u>	<u>2014</u>
	£	£
<u>INCOMING RESOURCES</u>		
Incoming resources from charitable activities		
Grants	<u>4,972,217</u>	4,356,885
	4,972,217	4,356,885
Incoming resources for generated funds		
Voluntary income	2,308,493	926,539
Activities for generating funds	328,053	291,078
Investment income	<u>1,592</u>	1,664
	2,638,138	1,219,281
TOTAL INCOMING RESOURCES	<u>7,610,355</u>	<u>5,576,166</u>
Less cost of generated funds		
Fundraising and communications	(558,922)	(554,355)
Total incoming resources available for charitable application	<u>7,051,433</u>	<u>5,021,811</u>
<u>RESOURCES EXPENDED</u>		
Charitable activities		
Church repairs and maintenance	(5,211,174)	(3,116,208)
Supporting volunteers and communities, keeping churches open	(1,773,737)	(1,853,690)
Governance	(52,888)	(47,049)
Total charitable activities	<u>(7,037,799)</u>	<u>(5,016,947)</u>
TOTAL RESOURCES EXPENDED	<u>(7,596,721)</u>	<u>(5,571,302)</u>
Net incoming resources	13,834	4,864
Balance brought forward at 1 April 2014	<u>371,126</u>	366,262
Balance carried forward at 31 March 2015	<u>384,760</u>	<u>371,126</u>

3. Taxation

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

4. Incoming Resources

	<u>2015</u>	<u>2014</u>
	£	£
Statutory grants	4,002,000	4,142,000
Other grants	5,756,038	2,916,082
Legacies and bequests	2,385,559	596,479
Donations	405,523	497,240
Investment income	22,941	20,283
Activities for generating funds	328,130	292,659
TOTAL INCOMING RESOURCES	12,900,191	8,464,743

5. Expenditure

	Direct staff costs	Other direct costs	Support costs	<u>2015</u> Total	<u>2014</u> Total
	£	£	£	£	£
Cost of generating funds					
Fundraising and communications	368,165	60,209	139,568	567,942	562,26
Charitable activities					
Church repairs and maintenance	521,588	9,718,304	188,328	10,428,220	6,040,935
Supporting volunteers & communities, keeping churches open	1,110,573	304,714	519,249	1,934,536	1,962,756
Governance	12,967	27,817	12,642	53,426	53,348
Total charitable activities	1,645,128	10,050,835	720,219	12,416,182	8,057,039
TOTAL RESOURCES EXPENDED	2,013,293	10,111,044	859,787	12,984,124	8,619,275

The church repairs and maintenance figure above includes a grant of £2.9m (£1.4m 2013/14) to Churches Conservation, restricted for furtherance of the Churches Conservation Trust's charitable objects.

The Trust has spent all of its grant-in-aid received during the year and any reserves carried forward relate wholly to other sources of funding. The Trustees neither received nor waived any emoluments during the year (2013/14: £nil). Three Trustees received reimbursements for travel and subsistence for a total of £1,370 (2013/14 reimbursements totalled £949 for three Trustees).

Net incoming resources are stated after charging Auditors' Remuneration

	<u>2015</u>	<u>2014</u>
	£	£
Auditors' remuneration	17,000	15,756

NOTES TO THE ACCOUNTS

ALLOCATED SUPPORT COSTS	Fundraising	Church repairs & maint.	Regional activities	Governance	2015 Total	2014 Total
	£	£	£	£	£	£
Staff costs	52,172	70,399	194,102	4,726	321,399	278,261
Premises costs	20,445	27,589	76,064	1,851	125,949	114,918
Communications	10,992	14,832	40,894	996	67,714	103,639
Publications	6,558	8,850	24,399	594	40,401	43,125
Office costs	23,367	31,531	86,937	2,117	143,952	145,545
IT costs	13,724	18,518	51,058	1,243	84,543	109,412
Prof. consultancy	7,675	10,356	28,553	695	47,279	47,453
Depreciation	4,671	6,302	17,377	423	28,773	22,834
	139,604	188,377	519,384	12,645	860,010	865,187

Support costs are apportioned on the basis of staff time

6. Salaries, Employment Costs and Expenses

	Fundraising	Church repairs & maint.	Regional activities	Gover nance	Support	2015 Total	2014 Total
	£	£	£	£	£	£	£
Gross salaries	285,352	373,321	773,923	9,898	258,424	1,700,918	1,632,142
Social security costs	18,489	28,454	59,219	740	16,377	123,279	125,502
Pension costs	41,026	63,963	129,057	1,374	27,638	263,058	298,238
Travel expenses	17,048	44,652	114,846	428	6,579	183,553	177,095
Staff training	2,492	3,544	9,693	206	2,575	18,510	17,191
Car leasing	1,029	4,115	15,433	-	-	20,577	12,946
Recruitment costs	2,341	2,577	6,665	289	8,176	20,048	8,692
Staff admin costs	448	949	1,441	58	1,630	4,526	3,414
	368,325	521,575	1,110,277	12,993	321,399	2,334,469	2,275,220
Average number of employees on a full time basis:	8	8	26	1	9	52	52

One employee (2013/14: one) earned over £60,000 during 2014/15, with a salary falling in the £70,000 to £80,000 band.

Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, members may be in one of four defined benefit schemes, either a final salary scheme (classic, premium or classic plus) or a whole career scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are set at the rate of between 3.5% and 8.85% of pensionable earnings. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings +for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of two providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

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

Pension Contributions

For 2014/15 employers' contributions of £235,852 were payable to the PCSPS (2013/14: £274,908) at one of four rates in the range 16.7% to 24.3% of pensionable pay. For the stakeholder pension account, employers' contributions of £27,065 (2013/14: £23,204) were paid to one or more of a panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Redundancy compensation payments accrued in 2013/14 totalled £0 (2013/14 £0).

Exit packages

All redundancy and other departure costs are paid in accordance with the provisions of the Civil Services Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. No compensation payments were made in 2014/15 (2013/14 £nil).

7. Tangible Fixed Assets

	<u>Tenants'</u> <u>Improvements</u> £	<u>Furniture &</u> <u>Equipment</u> £	<u>Total</u> £
COST			
At 1 April 2014	39,619	124,359	163,978
Additions	-	17,605	17,605
At 31 March 2015	39,619	141,964	181,583
DEPRECIATION			
1 April 2014	9,259	66,381	75,640
Charge for the year	7,924	20,849	28,773
At 31 March 2015	17,183	87,230	104,413
NET BOOK VALUE			
At 31 March 2015	22,436	54,734	77,170
At 31 March 2014	30,360	57,978	88,338

8. Fixed Asset Investments

	<u>Restricted</u> <u>Funds</u> £	<u>Permanent</u> <u>Endowment</u> <u>Funds</u> £	<u>Total</u> <u>Funds</u> £
At 1 April 2013	-	292,129	292,129
Sales	-	5,702	5,702
Purchases	-	(5,702)	(5,702)
Net unrealised profit on revaluation	-	22,667	22,667
At 31 March 2015		314,796	314,796
Historic cost at 31 March 2015	-	235,963	235,963

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

During 2012/13 the charity set up a 100% owned subsidiary, CCT Enterprises Ltd (company number 08125965). This company had not traded at 31 March 2015 and had net assets of £1 at this date.

9. Debtors

All amounts fall due within one year.	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	2015 <u>Total</u> £	<u>2014</u> <u>Total</u> £
	Listed Places of Worship Grant Scheme	588,297	-	588,297
Due from grant giving bodies	-	628,023	628,023	189,563
Debtors legacies due	1,593,170	111,000	1,704,170	608,546
Other debtors and prepayments	108,996	3,310	112,306	131,694
	2,290,463	742,333	3,032,796	1,092,503

10. Creditors

Amounts falling due within one year.	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2015</u> <u>Total</u> £	<u>2014</u> <u>Total</u> £
Trade creditors	106,758	-	106,758	968,467
Accruals and deferred income	42,482	-	42,482	112,369
Grant payment due to Foundation	2,439,902	645,010	3,084,912	1,418,023
Other creditors	109,720	157,011	266,731	159,742
	<u>2,698,862</u>	<u>802,021</u>	<u>3,500,883</u>	<u>2,658,601</u>

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

11. Funds

	<u>Balance as at</u> <u>1 April 2014</u> £	<u>Incoming</u> <u>Resources</u> £	<u>Resources</u> <u>Expended</u> £	<u>Unrealised</u> <u>gains on</u> <u>investments</u> £	<u>Balance as at</u> <u>31 March 2015</u> £
Unrestricted funds	371,126	7,610,355	7,596,721	-	384,760
Restricted funds	747,151	5,289,836	5,387,403	-	649,584
Permanent Endowment	292,129	-	-	22,667	314,796
Expendable Endowment	179,171	-	-	-	179,171
	<u>1,589,577</u>	<u>12,900,191</u>	<u>12,984,124</u>	<u>22,667</u>	<u>1,528,311</u>

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

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

Restricted Funds are an accumulation of smaller sums of money donated by the public for expenditure on the church for which they were given. A separate fund is maintained for each vested church with income, known collectively as the Specific Churches Funds. Expenditure funded by grants for specific projects is also accounted for through restricted funds. The largest five balances relate to: York, Holy Trinity; Starchley, St James; King's Lynn, St Nicholas; Bungay, St Marys; and Kirk Sandall, St Oswalds collectively holding £532,970 at 31 March 2015.

12. Heritage Assets

The Trust maintains 347 churches which have been acquired during the 40 years since the inception of the Trust. These churches are those which have fallen into disuse and are considered to be sufficiently important to be restored and maintained for the benefit of future generations. Although churches are transferred from the relevant Diocese at no cost to the Trust, they often arrive with urgent repair needs and no accompanying endowment, creating an increasing long term burden on the Trust's already limited finances. Every three years, one third of the Trust's estate is reviewed for repair liabilities.

Additions in 2014/15: St Andrew's Church, Ufford, Cambridgeshire. Church of St Mary the Virgin, Ayston, Rutland. St Giles', Merston, West Sussex.

Disposals in 2014/15: None

Five year summary of heritage asset transactions

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

	2014/15	2013/14	2012/13	2011/12	2010/11
Total Number of Churches vested in the Trust	347	344	342	342	342
New Vestings	3	2	1	1	1
Disposals	-	-	1	1	1

13. Operating Lease Commitments

The annual commitment in respect of operating leases were:

	<u>2015</u>	<u>2014</u>
	£	£
Leases expiring under one year:		
Motor vehicles	-	2,150
Leases expiring between two and five year:		
Motor vehicles	11,095	9,683
Land and buildings	<u>55,500</u>	55,500

14. Repair Commitments

At 31 March 2014 the Trust had contracted for the following repair projects:

	<u>2015</u>	<u>2014</u>
	£	£
2014/15 Programme	1,641,202	362,124
2015/16 Programme	3,473,708	98,288
	<u>5,114,910</u>	460,412

At 31 March 2015, the Trustees had approved expenditure totalling £10.2m (2014 £8.1m) which, apart from the above programme expenditure, had not been contracted for at 31 March 2015.

15. Net Assets

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2015 Total £
Tangible fixed assets	77,170	-	-	77,170
Investments	1	-	314,796	314,797
Cash	715,987	709,271	179,171	1,604,429
(creditors) less debtors	(408,398)	(59,687)	-	(468,085)
Total	<u>384,760</u>	<u>649,584</u>	<u>493,967</u>	<u>1,528,311</u>

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

	<u>2015</u>	<u>2014</u>
	£	£
(Decrease) /Increase in cash during the year	<u>(1,170,776)</u>	1,546,137
Change in net funds resulting from cash flows	(1,170,776)	1,546,137
Net cash at 31 March 2014	<u>2,775,207</u>	1,229,070
Net cash at 31 March 2015	<u>1,604,431</u>	2,775,207

17.Trading Subsidiary

In 2012/13 the Trust established a new trading subsidiary, Churches Conservation Trust Enterprises Ltd (company number 08125965). There were no transactions made by the subsidiary in 2013/14 or 2014/15.

18.Related Party Transactions

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

Churches Conservation (charity number 1150968), established during 2012/13, shares a minority of its Trustees with the Trust. £1.1m was received from Churches Conservation in 2014/15 (2013/14: £0). CCT had a creditor balance of £3.1m at 31 March 2015 (£1.2m at 31 March 2014)

19.Post balance sheet events

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

20.Value of Volunteers

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

We have not put a monetary value in the accounts on the many hours of work that our volunteers freely give. In 2014/15, based on responses to a volunteer survey, it has been calculated that our volunteers work 115,500 hours per annum. If we were to value them at £6.50 per hour (national minimum wage), the economic worth of the work they do for the year-ended 31 March 2015 would amount to £751,000 (2013/14: £636,000).

21. Acknowledgements

The Trust wishes to record its thanks for the continuing help and support it receives that enables it to do its work across its 347 churches. The list below notes the Trust's sponsors (who provide its Statutory Grant), the Trusts and Foundations, Friends of Churches, other organisations and individuals that, in the year, gave generously to the Trust.

The Trust's Key Sponsors

The Department of Culture, Media and Sport
The Church Commissioners

CCT Patrons

Ralph and Elizabeth Aldwinckle
Michael Bartlett
Derek Blunt
Lord Peter Brooke of Sutton Mandeville CH PC
Adrian Clark
Debbie Dance MSc MRICS FRSA
Stephen Dawson and Tom Peers
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Richard Taylor
Margaret Thornton
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Minette Walters
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Other Major Donors

Ned and Neva Asplundh
In memory of Neville Gerald Conrad Bocker
R J Daniels
Roy Eaton
Brenda Kipling
National Society of United States Daughters of 1812
Claire Stacey

Trusts and Foundations

Diocese of Southwell
Doncaster Civic Trust
English Heritage
Ennor Trust Fund
Graveney & Goodnestone Charitable Trust
Harrison's Charity
Heritage Lottery Fund
John Martin's Charity
King's Lynn Preservation Trust
Kyril Charitable Trust
Michael Guest Charitable Foundation
St Andrew's Conservation Trust
St Michael's Princetown Trust
The Anne French Memorial Trust
The Charles Dunstone Charitable Trust
The Feoffees of St Michael's Spurriergate
The Hills Group (via Community First)
The Loppylugs & Barbara Morrison Charitable Trust
The Pennycress Trust
The PF Charitable Trust
The Pilgrim Trust
The Swire Charitable Trust
The Tanner Trust
The Thomas Freke and Lady Norton Charity
The William and Jane Morris Fund
Vzw Kempens Landschap

Friends of Churches

Friends of Old Christ Church, Waterloo
Friends of St George's Church, Esher
Friends of St Martin's Church
Friends of St Mary, Shrewsbury
Friends of St Mary's Church Bungay
Friends of St Mary's, Higham
Friends of St Marys, Stansted Mountfitchet
Friends of St Marys, West Bergholt
Friends of St Peter & St Paul, Albury
Friends of St Wilfrid's Church, Church Norton
Friends of Stourmouth Church, West Stourmouth
Friends of Wolfhamcote
The Christ Church (Macclesfield) Trust
The Friends of St John the Baptist, Yarburgh
Trustees of St Mary's Chilton

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