



THE CHURCHES CONSERVATION TRUST
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009

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

**THE CHURCHES CONSERVATION TRUST
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

FOREWORD AND TRUSTEES' REPORT	3-20
STATEMENT OF TRUSTEES' AND ACCOUNTING OFFICER'S RESPONSIBILITIES	21
STATEMENT ON INTERNAL CONTROL	22-24
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES	25
STATEMENT OF FINANCIAL ACTIVITIES	26
SUMMARY INCOME AND EXPENDITURE ACCOUNT	27
BALANCE SHEET	28
CASH FLOW STATEMENT	29
NOTES TO THE ACCOUNTS	30-41

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

CHAIRMAN'S INTRODUCTION: FORTY YEARS OF PRACTICAL ACTION

One of the things I enjoy most about the Churches Conservation Trust ('CCT') is seeing it turn ideas into practical action. A relatively small charity with a considerable national responsibility, it delivers cost effective results by making the most of the voluntary and community support which the much-loved historic churches in its direct care generate.

In the forty years since we were founded the Trust has saved 340 historic churches of national importance and put them all into a good state of repair. The number of people visiting our churches has grown consistently over the last decade, reaching 1.47m in 2008/09. More churches are open for more hours than ever before and, in our 40th year, we'll be breaking all records for community use with over 600 local events. Thousands of volunteers and 60 plus Friends' Groups are now taking an active role in running their local CCT building.

Only this summer I visited five CCT churches in Kent and Sussex which not long ago were vandalised and at risk and which are now vibrant centres of community life, thanks to the formation of strong local groups. The same story can be found at CCT churches across the country.

The Trust is also devising practical solutions to problems which face the wider sector. In Bolton, Heritage Lottery Fund, the local and regional authorities and grant-making trusts are backing our nationally-important £4.6m All Souls Crompton Community Centre project to demonstrate that heritage can transform disadvantaged areas and regenerate community life. Practical futures have been found for other large urban churches through partnership, including with East Suffolk Mind at Ipswich St Mary at Quay and with the Diocese of Liverpool to bring about the exciting return of Toxteth St James to parish worship.

So CCT's modest investment sees not only the continued care and repair of its unique and wonderful estate for the enjoyment of ever more members of the public, but catalyses innovative, community-led activity which helps improve individual lives. That includes helping people develop new skills and gain experience which will benefit them and the conservation industry. Most notable this year has been our cutting-edge young people's volunteering project, funded by 'v' and grant-making Trusts J Paul Getty, Lankelly Chase and Henry Smith's. The new project has already involved 148 young people with CCT recently becoming Youthnet's 'Do-It' website organisation of the month.

All of this has been achieved against a background of ever-tighter public funding and increasing demand. After eight years of frozen grant, the Trust received a 3.3% rise in our DCMS and Church Commissioners' grant in 2008/09. In the current financial climate we are, like every charity, having to work harder for every penny donated to us. Not only is income tight, but costs are rising: our new long-term repairs forecast shows that we will need an additional £1.6m a year for the next six years just to ensure that all our churches remain open and their historic fabric protected.

Which is why I'm pleased that the Trust has been making the most of its 40th Anniversary celebrations to raise profile and build long-term support to ensure the future of our churches. As I write, Anniversary events are bringing people together in our churches across the country and a series of national celebrations are revealing the work of the Trust to a wider public. Most important this year has been the establishment of new membership schemes: Supporters, Directors and Patrons, which enable people who want to help the Trust to get involved at a level which suits them. People who care about our work and those able to make a gift will make a huge difference as we look to the next 40 years.

Thank you to all of our funders, donors and partner organisations and particularly on this occasion to our 40th Anniversary Sponsor, Ecclesiastical Insurance. More than ever it's important to acknowledge that our work, and ensuring we build on the Trust's legacy in the future, is a joint endeavour.

Loyd Grossman, Chairman

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

CONSTITUTION

The Churches Conservation Trust ('The Trust') is registered as a charity (number 258612) and its governing document is the Pastoral Measure 1983, as amended. Its main object – defined principally in Section 44 (4) – is the preservation, in the interests of the nation and of the Church of England, of redundant churches and parts of churches of historic and archaeological interest or architectural quality vested in the Trust, together with their contents so vested.

OBJECTIVES AND ACTIVITIES

During 2008-9 the Trust carried out a review of its strategic objectives. Following extensive external and internal consultation new aims and objectives came into place on 1 April 2009, 40 years on from the founding of the Trust.

The strategic plan for The Churches Conservation Trust for 2009-15 provides the organisation and its supporters and partners with a direction and set of high level aims which will guide our activities, projects and the allocation of our resources for six years. The aims take account of the external environment and internal organisational imperatives. They will be delivered through plans, projects and budgets to be carried out by the Trust's teams. A review will take place at three years.

The new aims will continue the Trust's move towards supporting communities and their care and use of historic church buildings. They demonstrate the Trust's response to a changing environment where sustainability of church buildings is inextricably linked to their being put back at the heart of community life. The aim is also to sustain the Trust itself, managing its ever-growing estate more proactively, working preventively, and diversifying the sources of support and income upon which it depends. We will:

- 1. Sustain** our historic churches. We will conserve, repair and adapt the Trust's 340 historic churches to meet community needs and strengthen our preventative maintenance programme. Our work with our churches will help to regenerate communities' new self-sustaining uses and local management.
- 2. Encourage** people. We will promote visiting and a satisfying and distinctive visitor experience at historic churches, enabling wider enjoyment and understanding of historic churches and their place in the landscape and the country's history. We will also support and encourage new community, education and cultural uses and increase the involvement of volunteers including innovative approaches to involving young people.
- 3. Grow** the Trust. We will develop the skills and experience of our staff and volunteers and of the wider group of people we attract to our work. We will seek to increase and diversify our resources through new partnerships, investment in fundraising, strengthening our brand and raising our profile and developing new donor programmes, whilst protecting core grant-in-aid. Increased regionalisation and strengthened and modernised systems will enhance our cost-effectiveness.
- 4. Share** our learning. We will learn from others and from our own experience and promote good practice in conservation, design, use, volunteering and tourism and highlight the public value of historic churches. The Trust will aim to become known as a specialist and valued resource in the heritage and regeneration sectors.

The Trust runs a wide range of projects across its estate in order to further its strategic objectives. It manages an ongoing programme of conservation, repair and maintenance of all 340 buildings in its estate and of new vestings – additional churches at risk – coming to the Trust during the year. Appropriate adaptation of some of its churches for community use through the insertion of facilities

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

such as toilets and heating are an increasing feature of its work. The Trust also runs a range of projects to support and promote community, arts, cultural and educational use, tourism and the local management or in some cases leasing of its buildings. In order to sustain the Trust and its churches in the future, other projects aim to increase external funding, volunteering, partnerships and local involvement.

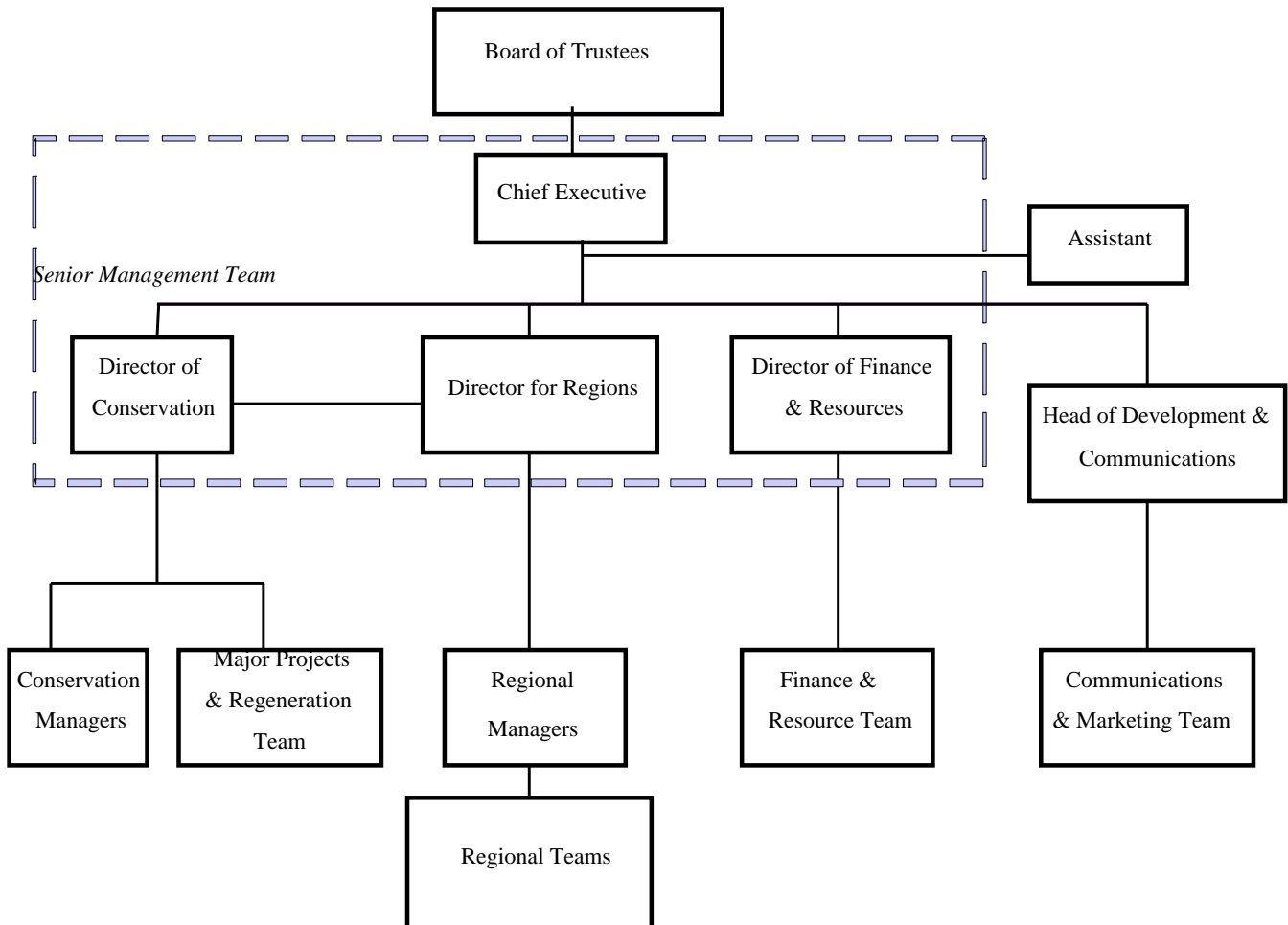
GOVERNANCE

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.

MANAGEMENT AND STRUCTURE

Trustees employ a salaried Chief Executive to manage the day to day running of the Trust and implement the strategic objectives. The Chief Executive has a senior management team comprising executive Directors of Conservation, Regions and Finance & Resources. Each director has their own team of staff as illustrated in the organisational chart below.



**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

TRUSTEES

The Trustees during the year were:

Mr Loyd Grossman OBE FSA	Chairman of the Trustees
Mrs Jennifer Baker OBE	
Mrs Debbie Dance	From 1 April 2008
Mr Alec Forshaw	Chair of the Conservation Committee
Mr Matthew Girt	
The Very Reverend Peter Judd	
The Reverend Brian McHenry CBE	From 1 April 2008; Deputy Chair of the Finance & Audit Committee
Mr Nick Thompson	From 1 April 2008
Ms Jane Weeks	From 1 April 2008
Mr Duncan Wilson OBE	From 1 April 2008; Chair of the Finance & Audit Committee

During the year to 31 March 2009, both the Finance & Audit Committee (formed during the year from the merging of the Finance, Performance and Remuneration Committee and the Audit Committee) and the Conservation Committee, which are both sub-committees of the Trustees, met on four occasions. The Trust's Chief Executive Officer is Mr Crispin Truman.

RESERVES POLICY

- The Trust has restricted reserves and endowment funds whose use, under the terms by which they were given, is restricted to specific churches. These funds stood at £1,007,000 on 31 March 2009. The Trust's policy is to use them to fund work at eligible churches wherever possible.
- The Charity Commission defines free reserves as 'income which becomes available to the charity and is to be expended at the Trustees' discretion in furtherance of the charity's objectives, but which is not yet spent, committed or expended'. At the balance sheet date the Trust has free reserves of unrestricted funds, less the carrying value of fixed assets, of £254,000 (that is, £267,000 less £13,000).
- In the past year, 83% of Trust income took the form of grant-in-aid from the government, core funding from the Church Commissioners and refunds of VAT payments under the Listed Places of Worship Scheme. At present, these forms of income are assured.
- The Trust aims to maintain free reserves at a level which provides a reasonable level of security against unanticipated shortfall in its other, less assured, sources of income and against the risk of delays in receipt of grants for specific projects which are paid in arrears. This level of reserves should also be adequate to cover one-off emergency repairs or similar unforeseen expenditure. In the year-ending 31 March 2008, Trustees adopted a new reserves policy aimed at increasing these free reserves to £400,000. The Trustees are to review this target in light of the current economic circumstances and will keep under review.

INVESTMENT POLICY

The Trustees' objective is to seek long-term capital growth, through holding cash in deposit accounts and investment in broadly based funds, of the Trust's permanent endowment and restricted funds. In each year, a significant proportion of these remain unspent for the foreseeable future. The majority of

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

such funds are invested in the Investment Fund of the Central Board of Finance (CBF) of the Church of England Deposit Accounts. It is the Board's policy to adopt the same ethical investment strategy as the CBF. Management, with Trustees approval, periodically review the Trust's investment strategy.

The Trust's current review of its investment strategy and asset allocation will be completed during the year ending 31 March 2010, and noted in next year's annual report and accounts.

IDENTIFICATION OF RISKS

The Trustees, through the Finance & Audit Committee, have reviewed the Trust's exposure to risk and are satisfied that there are systems being put into place to mitigate the major risks identified.

The Trust's exposure to risk is reviewed regularly and also, formally recorded via the maintenance and updating of its risk register. This notes by risk rating, the key risks faced by the Trust and the actions and persons responsible for addressing those risks. The register is reviewed at each of its (quarterly) meetings by the Finance & Audit Committee and then annually by the full Board.

Key risks affecting the Trust and how these are being mitigated are as follows:

- The risk to the Trust in not identifying and securing new sources of income to further diversify its income base. Management is seeking to address this risk through its ongoing and phased investment in the Trust's fundraising activity.
- The risk of poor brand awareness of the Trust and its work which, for instance, directly affects the Trust's fundraising efforts, as well as its ability to meet its strategic aims. This is being addressed through the implementation, starting in 2009/10, of the communications review and strategy undertaken over the past year.

Full detail on how the Trust manages risk is contained later in the 'Statement on Internal Control' (pages 22-24).

CREDITOR PAYMENT POLICY

The Trust's current policy concerning the payment of the majority of its trade creditors is to follow the 'Better Payment Practice Code'. For other suppliers, the Trust's policy is to agree the terms of payment with those suppliers at the start of the contract by inclusion of the relevant terms in contracts and to pay in accordance with its contractual and other legal obligations.

PUBLIC BENEFIT

Under Charity Commission legislation, annually, charity Trustees must now confirm that they are carrying out their charity's aims for the public benefit under a charitable purpose. To do this the activities of the Trust must fall within the descriptions of charitable purposes set out in the Charities Act and be for the public benefit. The Trust meets its obligations through 'advancing arts, culture, heritage or science'. It manages and provides free admission to over 340 historic buildings which are open to the public on a daily basis and which are made available for community use. As reported in pages 17 and 18, in the past year the Trust received almost 1.47 million visitors at its churches, 4% above target and 7% more than that achieved last year. Also, the number of educational visits in Trust churches increased from 318 to 387, exceeding target for the year by 40%. These and the other figures reported on pages 17 and 18 help demonstrate the public benefit the Trust brings through its work. All Trustees give their time voluntarily and receive no benefit from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

ACHIEVEMENTS AND PERFORMANCE

1) Overview

During the year staff, supported to an increasing extent by volunteers and community bodies, kept the Trust's historic churches in good repair, open and welcoming while engaging in a growing number of new and innovative projects. The specialist repair and conservation needs of CCT's large and important heritage estate continue to be met whilst, at the same time, new initiatives to improve the visitor experience, support and increase volunteering, and engage communities in church use and management, are meeting with increasing success. Increasing visitor numbers and events and promoting learning opportunities are now core activities of regional teams. Likewise support to volunteers, keeping churches open and increasing the role of Friends' Group is a well established part of our work. Regeneration, increasing income and raising the profile of our work and sites are activities which demand new skills, resources and partnerships and considerable effort has been made in these areas in 2008/09.

2) Key Achievements Last Year

The Trust continues to meet or exceed its key performance targets with visitor numbers, events, volunteering and community involvement on an upward path (see 'Financial Review'). Conservation repair projects were completed on time and to budget and significant progress has been made in new areas such as the appointment of Regional Managers, first stage approval from the Heritage Lottery Fund of £3.6m for the Bolton All Souls project, external funding of the new national volunteering project and setting up strategic partnerships such as those with the Media Trust on social media and youth engagement and Lankelly Chase Foundation on grants to build the capacity of communities around churches at risk.

We also set ourselves a number of overall national priorities, or 'change projects' for the year. Our intention was to make particular progress in these areas while continuing to do well in all activities which contribute to our strategic aims. How well we did is summarised in the table below:

Our priority/change project 2008-9	How we've done
New strategic plan 09-12 Governance review; new Trustee induction	Consultation complete and stakeholders brought in New plan in place New Trustees appointed and induction complete
Income generation	First two hospitality events for Supporters receive top marks from participants Trust funding for national volunteer project secured Supporter Scheme regular income growth continues But donated income behind target
Implement regional management review	Four new regional managers appointed to plan Induction complete and capacity building under way First integrated regional plans and budgets developed
Supporting the Regions	Accounting system upgraded; BACS payments and Direct Debit in place Line management and team support in place First stage of ICT upgrade: new server; remote access improved Trust, Employee, Volunteer and Public Insurance now in place PR review completed and first steps implemented Estate review and prioritisation exercise underway Improved management information to budget-holders
40 th anniversary plan	Full events programme and branding in place

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

	Corporate sponsorship obtained PR and fundraising plans in place But photo digitisation project behind schedule
Regeneration Task Force	Team appointed External multi-agency advisory group convened First project sites identified Bolton HLF bid £3.6m stage one approval secured Ipswich partner in place and committing £0.5m Oseney Crescent lease/freehold sale advanced Toxteth divesting negotiations making progress
Volunteer development	Steering group established Youth volunteering project up and running First multi-church 'area volunteers' recruited

3) Church Repairs and Maintenance

The rescue, repair and maintenance of the buildings are what the Trust does extremely well and are the focus of the majority of its expenditure. Spending on repairs to Trust churches during the year amounted to 70% of the Trust's total charitable expenditure. Over 114 projects were started this year, varying in cost from only a few hundred pounds to £180,000 - the majority of which were completed by the end of March.

New Vestings

Unusually and for the second consecutive year there were no new vestings, although Knotting St Margaret of Antioch arrived on the 1 April 2009 and decisions were taken to vest three churches in the Trust over the coming months – Swingfield, Thornton and Linley. Vesting at Swingfield is awaiting match funding and the outcome at Linley is dependent on an acceptable and legally binding access agreement being settled. Accordingly, the new vestings budget was comparatively small this year with only a fourth [penultimate] phase of work at St Giles, Imber (£53,000) which concentrated on arcade wall-paintings, re-plastering, and a comprehensive overhaul of the fabric and fittings at Shipton Sollars (£80,000) being undertaken.

In future, the Trust will be actively seeking to ensure, where possible, that new vestings are financially viable with self-financing before being taken on by the Trust. Divesting will also be considered where the long term future of a church outside the Trust can be guaranteed.

Existing Estate

Repair projects this year, as always, ranged in size and complexity. The major projects are noted below by region. A number of smaller repair projects were also completed, which, despite their relatively low cost, are essential to the effective conservation of the estate. For instance, small-scale drainage work at Redgrave, Pitstone and Hove have solved dampness problems in the fabric and significantly improved the internal environments of these churches for a variety of uses.

North

Leeds – the previous lighting had been failing and was beyond repair leaving the interior very dark and so limiting its use. The new scheme, installed during the year and costing £110,000, shows the church to its best advantage, highlights specific areas and items of interest and focus, and is very flexible; increased sockets around the whole church also improve flexibility for users.

Stanwick – the failing concrete roof tiles were replaced with terne coated stainless steel at a cost of £143,000. The high risk of theft, an issue for a number of Trust churches once again this year, persuaded English Heritage that this rather than lead was the best option in this particular case.

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

Low Marnham – an otherwise standard repair contract for re-roofing the church, costing £62,000, needed careful handling owing to the presence of bats which dictated the time of year when the contract could be undertaken. The Conservation Manager developed a good working relationship with the bat consultants during the project and they will be using the church later in the year for in-house bat training for the conservation team. The presence of bats and how they affect our ability to carry out our work is becoming more widespread.

Milton – urgent structural work to the cornice and pediment of this fine classical church became necessary following a period of monitoring. Although this particular element is now complete and stabilized at a cost of £68,000, there is still a huge amount of masonry work needed as well as improvements to the interior at a not inconsiderable cost to the Trust.

Midlands

Ozleworth – a heavily Victorianised church in a small village, had re-roofing, masonry repairs, internal joinery repairs, an overhaul of rainwater goods and drains, and internal redecoration. The total project cost for this quaint church came to £70,000.

Avon Dassett – 2008/09 saw the completion of structural consolidation and masonry repair of the tower and spire at Avon Dassett church in Warwickshire. The work began in 2007/08, with a final total cost to the Trust of £700,000.

Lower Basildon – an estate church situated in the middle of Gloucestershire, surrounded by parkland. Repair work totalling £120,000 has invigorated and “lifted” the interior making it a significantly more pleasant and visually impressive place for people to visit and use.

South East & Anglia

Chichester – this was a complex project involving various consultants, contractors and architects to install heating at St John’s Chapel. The heating will allow the chapel to be used throughout the year and has already resulted in a doubling of bookings since October 2008. The total project cost was £118,500 which included a very much appreciated £15,000 contribution from the Friends group.

Higham – phase one of two years work including extensive external masonry repairs, roof repairs, guttering repairs and the structural underpinning of the South West window. The wall safe was also replaced with a larger version for this much-visited church. The total cost of the project was £80,760.

Chilton – a project to replace the 1970s fibreglass glazing panels and conservation of the medieval stained glass. This has substantially improved the water tightness of the church and its aesthetics, both internally and externally. The stolen lead roof over the chapel was also replaced following the theft in 2007. The combined cost of these projects was £71,350.

Esher – a new lighting scheme and rewiring of church was essential for both health and safety and the future development of this much-used town centre church. The total cost of the project was £31,265, including a £6,000 contribution from the active local Friends group.

South West

Parracombe – a second phase of work on the tower, costing £100,000 was undertaken. The wall voids were grouted following extensive masonry repairs and reporting in 2007/08. The project, and its success in dramatically reducing the damp tower walls, was illustrated at an Institute of Conservation conference in April 2009.

Bristol St Thomas – a contract costing £60,000 took the two vestries in this city centre church and converted one to the Trust’s South West regional office, the other into two toilets and a kitchen point.

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

General

A second year of lead thefts, as metal prices continued to rise (in the first half of the year), put a great strain on an already pressured repairs budget. In response the conservation team has instigated comprehensive protection measures for the estate by investing in *Smartwater* technology. Over seventy vulnerable churches have been coded and protected, whilst all churches are now registered with *Smartwater* and signage implemented at a majority of churches. Despite the relatively high time investment this is preventative conservation at its best. The team will monitor the effectiveness of the system over the next year.

Other conservation led projects were progressed through the year: the maintenance pilot saw benchmarking with other similar organisations and investigation of the most appropriate form of contract; the Land Registry project, begun in 2007/08, was completed so that title to all Trust churches (bar a few with access issues which are being resolved) has been registered and well in advance of the Government's deadline of 2012; Supporter's Days at Albury and Inglesham churches were a great success, providing members with the opportunity to hear from our professional teams about the conservation issues facing the Trust; and the Repair Liability report, a major piece of work to determine the Trust's long term repair needs for its estate was presented to Trustees prior to being issued to our sponsors in early 2009/10.

Regeneration

The Major Projects and Regeneration Team has continued to make great progress on a defined number of projects in 2008/09. After the successful HLF application for All Souls Bolton, the project has been developed and the stage two bid to HLF was submitted in September 2009. The project has received Ministerial and Local Authority support and the Trust is optimistic that Bolton will become a landmark project for the creative re-use of a pastorally redundant church.

At Oseney Crescent, a religious use, with either a freehold or long lease option, is being negotiated, whilst at Ipswich plans for East Suffolk MIND to utilise the site for their regional headquarters have been developed, and a substantial financial contribution promised from East Suffolk MIND's Trustees as evidence of their commitment to the project. At Toxteth we have continued to give advice and expertise to the Diocesan project team to support the devesting of the church back to parish use, and specifically to find ways of providing a financial package to re-roof the church.

The Regeneration Taskforce is developing its business process to maximize the potential of the CCT sites for use by the local community or groups that can serve local communities. A methodology for Community Audits has been developed which is seen as essential in all of the projects undertaken. The first, at St Andrew's Old Church Kingsbury, has been carried out. The Regeneration Team has commissioned a pilot project to establish how the CCT can be placed in the heart of local authorities planning policy via Local Development Frameworks.

The success of these projects is demonstrative of a high professional standard and the ability of the Conservation Team to work as a co-ordinated unit, applying a range of skills and expertise to complex projects. All the Major Projects and Regeneration Team projects have devolution as a key part of the project.

4) The Regions: Communities, use and partnerships

This was a year of transition with the restructuring of five regions to four and the introduction of Regional Managers with major areas of devolved responsibility. The Regional Managers joined the Trust in summer 2008, with an extensive induction programme.

The new teams have been party to a strategic review and forward six year planning process. They have been getting to know their churches, their teams, including volunteers, while working with Conservation Managers who are also realigning geographic areas of responsibility as well as the

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

newly established regeneration and fundraising teams. The South West and Midlands found that their staffing complement was, for historical reasons, initially insufficient which meant that for these regions, efforts were focussed on basic day-to-day support for churches and volunteers.

Priority has also been given to establishing regular regional team meetings and Regional Manager meetings, which on a quarterly basis also involve Senior Management Team (SMT) and Conservation Managers.

Particular regions face particular challenges with a whole new generation of volunteers being essential for most churches in the South West. The North region benefited from the Trustee tour of Yorkshire with connections made being followed up in many instances, including with the regional Heritage Lottery Fund (HLF) team.

Churches

Several churches benefited from improved lighting and electrical supplies making a wider range of events possible while a heating system was completed at Chichester. Newly installed electronic door locking mechanisms proved of great benefit at Privett in Hampshire and East Peckham in Kent and offer a model for improved access elsewhere. Other churches to figure prominently were Imber where visitor numbers were exceptional on open weekends and Northampton which was relaunched to the public on completion of extensive conservation works.

Volunteering

Several appointments were made to a recently created role of area volunteer which enables regional staff to delegate some vital local support and church presentation matters.

Work with young people expanded through our residential programme with Cathedral Camps and further growth is planned across all regions for 2009/2010. Funding was secured from the HLF Young Roots programme for an innovative youth work project using modern media to interpret their experience of our church in Evesham.

The potential of Friends groups and volunteering is exemplified at Worcester St Swithun, where in two years, a strong Friends group has opened the church on a regular basis and raised significant funds for a historic organ restoration.

Tourism

The Trust succeeded in gaining Brown sign status for some of our churches in the West Midlands. We began to benchmark our churches using the Association of Leading Visitor Attractions (ALVA) scheme and also against Visit Britain standards. The Church Tourism conference proved to be a catalyst for many follow up initiatives at regional level.

Partnerships

These became ever more important, notably with stately homes at Newby Hall, Harewood, with Calderdale Council at Haley Hill Halifax and Wescott House adjacent to Cambridge All Saints. Each resulted in improved access and joint promotional activity.

Public Relations

The year culminated in unprecedented publicity for the Trust, in our 40th Anniversary year, with the Trust's nationwide bell ringing event across 70 of its churches, in February 2009.

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

5) Maximising Resources, and Modernising the Organisation

Delivery of the Trust's projects requires professional support from our finance and resources team. In 2008/09, this support was strengthened through a number of measures including:

- The Introduction of BACS payments processing, which means the Trust can now make payments more securely and with less risk of human error.
- Introducing the functionality to accept Direct Debits for those joining or renewing their membership to the Trust's Supporter's Scheme. Involved working with four different service providers.
- Appointing new external auditors. The Trust would like to thank its previous auditors, PKF LLP, for its strong working relationship forged over the past eight years.
- Putting in place Public Liability and Employers Liability Insurance, including a full tender exercise in 2008/09. Cover commences from 1 April 2009 and will mitigate the financial and reputation risk to the Trust from any claims that arise as a result of injuries sustained, whilst on Trust property or in doing Trust work, from members of the public, employees and volunteers.
- Further devolution of the budget process included a budget-training day, more holistic bids from budget holders for Trust resources and match-funding being allotted across a range of competitive funding bids.
- Upgrade of the Trust's accounting system occurred without issue following a needs analysis and phased implementation process. The new system is aiding the team in rolling out better and timelier reporting to budget-holders. The Trust would like to thank its system supplier, TSG, for its ongoing support. The upgrade of the Trust's database extended and speeds up use of database by regional and head office staff.
- Provision of a professional in-house HR service to the organisation. In 2008/09, this supported the recruitment of 22 members of staff, including 4 new regional managers. Induction, training days and ongoing support was provided for these new staff.
- Enhancing best value, the Trust re-tendered its mobile, landline and broadband suppliers.
- Undertook a review of the Trust's pensions administration and met Cabinet Office requirements for pensions management; no queries on annual Accounting Officer's certificate.
- Other notable projects in the year included: setting up a new agreement for CRB checks, ensuring jobs are risk assessed and staff appropriately checked and introduction of a new expenses policy.

Employee involvement and training

The Trust is committed to promoting effective consultation and communications with staff. The main channels for this are through: regular line management meetings and team meetings across the Trust; regional, multi-professional team meetings each quarter – including new, major project team meetings and bi-annual 'Trust days' for all staff.

Additionally, staff are briefed on matters discussed at the Trustees' and senior management meetings through regular face to face meetings, email updates and a monthly staff 'e-newsletter'.

Management recognise the importance of training and strongly encourage, and support financially, managers and staff to book training appropriate to their needs. Through a staff survey, the Trust has identified those key areas where Trust-wide training will be focussed over the next two years.

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

6) Fundraising and Promotion

The Development and Communications team has, in a year of economic uncertainty, worked to build a stronger base of regular giving, which is reflected in the year on year growth in Supporter Scheme numbers. Preparations for the 40th Anniversary year in 2009 created opportunities for sponsorship from our corporate partner, Ecclesiastical Insurance, whilst the expansion of fundraising activity - through new sponsored events to further investment in support materials at our church sites, created stronger foundations for long term growth in donated income to the Trust.

At the end of its second year, the Supporter Scheme has grown to over 600 members and has an impressive 75% retention rate, which is a reflection on the successful package of supporter benefits, secured through partnerships with other heritage sites. The annual hospitality days for supporters are now proven stewardship and profile raising events on the fundraising calendar.

A PR audit commissioned in advance of our 40th Anniversary in 2009 outlined how future resources should be targeted for maximum impact and led to the creation of a Marketing Manager role and recruitment of media agency Kallaway to raise the Trust's profile. Subsequently the Trust has enjoyed excellent publicity through working closely with The Sunday Telegraph on their 'Save our Churches' campaign and a series of PR and communications activities.

The success of the Birthday Bells campaign in February demonstrated the effectiveness of a co-ordinated Trust wide PR campaign. The campaign orchestrated by the media agency, in close consultation with the Development and Communications team had been supported by all the teams throughout the Trust and resulted in excellent national and regional TV, radio and press coverage.

7) Policy work

The Trust uses its experience of running the largest single collection of historic places of worship in the UK, to contribute to and lead sector-wide policy development concerned with securing the future of historic places of worship and the public and community benefit arising from their use. There are a large number of issues facing and, therefore, solutions available to, historic places of worship, which have wide application. The Trust believes that it can play a constructive role in working with the sector to share good practice and inform policymakers, increasing consistency of approach and strengthening the case for investment and support.

The Chief Executive is chair of the '*placesofworship@heritagelink*' group which provides a policy and practice forum for all the key church, voluntary sector and government bodies involved in the field. The group is part of heritage sector body, '*Heritage Link*', of which the Chief Executive became a Trustee during the year. The group also provides the secretariat for the All Party Parliamentary Group (APPG) for historic churches and chapels, chaired by Rt Hon Frank Dobson MP.

The Chief Executive is also a member of the English Heritage Places of Worship Forum and of the Church of England's Church Heritage Forum. The Trust continued to give its backing to the English Heritage 'Inspired' campaign for historic places of worship, in which restoration of its own funding is one of the five key proposals.

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

FINANCIAL REVIEW

In the year-ending 31 March 2009, The Trust's Grant-in-Aid from DCMS and the Church Commissioners continued to provide the core of its income, accounting for over 80% of the total. The increase in the Trust's Grant-in-Aid by £142,000 (or 3.3%) in 2008/09, recognises the work of the Trust and, in an economic environment where funding is being squeezed, is greatly appreciated.

Income

Other income areas that improved relative to the previous year were legacies and donations. The £51,000 (or 67%) increase in legacies received builds strongly on the sharp rise seen in the year-ending 2007/08. Though this source of income is unpredictable, the Trust plans to introduce a formal legacy programme in 2009/10. Industry averages suggest that such plans tend to lead to a step change in returns in a three to five year period.

The 8% (or £17,000) increase in donations to £222,000, was as a result of increased box collections at five high visitor number churches where earlier in the year the Trust had installed new, highly visible Perspex donations boxes. Within the donations figure, disappointingly, returns from the Supporter's Scheme in the year fell from £16,000 to £14,000. Though pleasingly overall Supporter numbers increased, the recession has contributed to the donations Supporters make on joining being 25-30% down compared to the previous year. Increasing Supporter Scheme numbers and revenues is core to the Trust's aim to diversify its income base, so this area will be a key focus in 2009/10. Whilst donations returns were more than £100,000 behind that budgeted for in 2008/09, the small increase compared to the same period in 2007/08 is welcome news.

Note 19 to the accounts provides an update on the Trust's successful efforts to recover deposit monies written off in 2007/08 due to the collapse of Kaupthing, Singer & Friedlander, the Icelandic Bank where it had held deposits.

Total project grant income in 2008/09 totalled £425,000. Within this figure, the Listed Places of Worship Grant Scheme (VAT reclaim) income came in near budget, at £226,000, whilst restricted project grant income from trusts and foundations raised £199,000. The £23,000 decrease in investment income reflects lower interest rates and lower balances.

Increasing grant income and donations are key priorities for 2009/10. In the midst of a recession, with funders and donors returns under pressure, this will not be easy. Efforts will be redoubled in 2009/10, including the recruitment of Regional Fundraising and Trusts and Foundations posts with strong income targets will help to recruit support in the regions, increase donations and improve grant applications and success rates. The Trust will continue to closely monitor returns from its fundraising activity; with the economy and the Charity sector in particular feeling the impact of the recession, it is likely to be a further 12-18 months before this rises significantly.

Expenditure

The main component of Trust expenditure, at 70% of the total, is church repairs and maintenance. Pages 9 to 12 explain how this money was used across the Trust's estate. Excluding the monies written off due to Kaupthing (see above), Trust expenditure was 2% or £112,000 down compared to 2007/08 due to the delay of a small amount of spend into 2009/10 to address the difficult financial climate, which had contributed to the lower than expected income, as noted above.

In further developing community use and promoting access to its buildings, the Trust again spent over £1.1 million on its regional activities, which includes for example, expenditure on tourism, volunteering, partnership building, and preparatory work for the Trust's 40th Anniversary and also on better signage. This work has other benefits: for example, aiding the Trust in identifying maintenance

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

issues sooner and enhancing the visitor experience and so the opportunities for church-based income raising.

Total salary costs for the organisation increased by 11%, primarily due to the planned introduction of Regional Managers into the organisation and a growth in fundraising and marketing activity. They will drive regional initiatives, volunteering, tourism, partnerships and work closely with Head Office in fundraising efforts.

The percentage of Trust monies spent on fundraising increased in the year to £375,000, from 3% to 7% of total Trust expenditure.

Reserves

The Trust's 'free' reserves position as at the start of 2009/10 stands at £254,000 (see page 6). This compares to the Trustees reserves target of £400,000. Trustees are to review this target in light of the current economic circumstances and will keep under review. The Trust's three-yearly grant-in-aid settlement means that it is at present prudent for the level of the Trust's unrestricted reserves to be lower than would be the case for a charity without Government or Church support.

Key Financial Challenges in 2009/10

In 2009/10 the key financial challenges facing the Trust are to increase its level of non Grant-in-Aid income through targeted fundraising, ensure costs remain carefully managed. As the first year of the Trust's 2009-15 financial strategy, the Trust has set itself ambitious targets in increasing its fundraised income - to enable the Trust to start to address the gap between the work it can do and that it would like to do. This gap is evidenced by the results of the Conservation team's review of the Trust's Estate, completed in 2008/09. This shows an annual shortfall of c£1,500,000; that is, work to protect the fabric of churches that the Trust would over time, scale up to do if it had the monies to do so.

PERFORMANCE AGAINST TARGETS

Performance against quantitative targets is shown on the next page. Where applicable, comparisons against the previous year, ending 31 March 2008, are also shown. The results show good progress, with the Trust exceeding its numerical measures in key areas such as visitors and educational visits. Most notably:

- The Trust received 1.47 million visitors at its churches. This is 4% above target and 7% more than that achieved last year. This continues the strong positive trend reported in the past few years – for example in 2007/08, the comparable growth figures 5% and 13% respectively.
- The number of educational visits in Trust churches increased from 318 to 387. This exceeded the target for the year by 40%.

These and the other figures overleaf highlight the public benefit the Trust brings through its work.

Church repairs continue to be completed to a high standard, on or below budget and at a speed which minimises the closure of buildings to visitors. The newer target areas such as social inclusion and local involvement are beginning to feature in the plans of teams working up projects around individual churches.

2008/09 was the third year in which the Trust's teams also provided 6-monthly qualitative and quantitative reports on their annual plan. These provide the Trust's management team with an important guide as to how teams are performing against plan.

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

Table: Performance results for the Year Ended 31 March 2009

Performance Measure	National Annual Target 2008/09	Full Year Result 2008/09	% achieved (2008/09)	Comparison with 2007/08 Figures	Source
Target 1: Access					
Number of initiatives reaching disadvantaged groups (PSA3 target)	5	6	120 %	10	Internal
Number of educational visits	275	387	141 %	318	Internal
Disabled access reviewed and recommendations considered	6	7	117 %	11 (note 1)	DCMS
Number of public events	813	722	89 %	789	Internal
Target 2: Tourism					
Increase numbers of visitors by 3% each year	1,410,000	1,472,000	104 %	1,369,397	DCMS
Joint marketing strategy for sector	N/A	N/A	N/A	Achieved	DCMS
Joint church trails established	6 initiatives per annum	6	100 %	19	DCMS
Research 'public value' of CCT churches	Surveys at 4 churches (1 per region)	3	75 %	4 surveys completed	DCMS
Heritage Open Day visitor numbers	15,500	14,372	93 %	14,821	Internal
Target 3: Local involvement					
Number of new local management agreements/leases	4 (1 per region)	3	75 %	3	DCMS
Number of new Church Plans	4 (1 per region)	1	25 %	3	DCMS
Number of new churches with active volunteers or Friends groups	4 (1 per region)	5	125 %	8	Internal
Target 4: Conservation & Repair					
% of churches open, safe and weather tight	95 %	100%	100 %	98 %	DCMS
Average time between vesting and repair	Max 6 months	n/a	n/a	3 months	Internal
Average time between repairs and opening	Max 2 years	n/a	n/a	1 year 3 months	Internal
Peer Review Panel visits completed	2	0	0 %	0	Internal
Contribute to use-seeking and pre-vesting discussions	4 per year	4	100 %	6	Church Commissioners
Assess medium and long-term repair need	n/a	n/a	n/a	Project plan written and research work started	Church Commissioners

Note 1 Involved a range of hand-rail, ramp and pathway improvements and improved lighting schemes.

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

PLANS FOR THE FUTURE

Implementing the Strategic Plan

The Trust's new 2009-15 strategic plan with its four key aims sets the framework for our activity. The plan can be viewed on the Trust website at www.visitchurches.org.uk/uploads/publications/260.pdf

The Trust's strategic aims are to:

- sustain** our historic churches
- encourage** people to use and enjoy them
- grow** the Trust's skills, profile and income
- share** our learning with others

Funding Agreement Targets

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. A new Funding Agreement was introduced from April 2008. Funding Agreement targets are mapped into the priorities for the year set out below.

Our Priorities for 2009/10

National priorities for the year ahead are focused on achieving the changes necessary to deliver our strategic plan, and work across strategic aims.

Priority/Change project	Key Outputs
Complete and launch new strategic plan	Plan complete and integrated with finance strategy, team objectives and rolling annual plans/budgets. Plan launched and work begun Estate Review complete and in use
Make case to Government and Parliament for growth in grant-in-aid	Proposal for increase in funding from Comprehensive Spending Review Active involvement in heritage/cultural sector bid
Raise profile in 40 th Anniversary	National and regional events programme delivered Press profile significantly increased Website dynamic and interactive PR review fully implemented
Improve performance reporting	New KPIs adopted by all teams Measuring and data gathering arrangements in place Collation and reporting within 2 months of period end
Generate new income	Trusts & Foundations post appointed Community fundraiser appointed Regional fundraising committees in place Supporters 'Patrons' Scheme established along with a Major Donors programme
Respond to health and safety review	Management response to Ostas report agreed Plan complete and work begun H&S Committee effective Training in place
Consolidate regional management review	Consistent, effective regional staff structures in place Regional Budgets and plans devolved and operating

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

	Clear and agreed Smithfield/regional management, communications, management information and support in place
Smithfield support to regions: strengthen finance and resources systems	IT Strategy complete and implementation begun New internal auditors appointed to new brief and plan Database improvements implemented and in use by regions 'road map' to external benchmarking (IIP or similar) in place DD facility in place from 1 April Insurance (PLI/ELI) in place Trust VAT registered (if threshold exceeded)
Regeneration Task Force projects progress	Bolton HLF Stage 2 passed Ipswich ESM plans approved and funded Oseney new user taken on church Public launch Partnership Advisory Group meeting Three preventive projects begun First devesting project complete
New engagement with communities and young people	All aspects of external communications reviewed for appeal to communities and young people Programme of new media interactive activities Manifesto for including volunteers across the organisation Website content frequently updated and owned

These aims will be achieved through a range of projects, most of which take place at regional level. They are described in the Trust's 2009/10 plan and budget available on www.visitchurches.org.uk

How We Deliver

Our strategic aims and national objectives describe the work of the whole organisation. We achieve them by working in teams and organising our work into projects based on a CCT church or group of churches, a regional or national initiative. These projects are described in the team plans below which, when taken together, make up the whole of the Trust's activity towards its strategic aims during the year. Our resources are allocated by team. In broad terms, including staff costs, in the year ahead we plan to allocate:

- £3.28m or 59% on repair, maintenance and conservation projects
- £934,000 or 16.5% for regional delivery of volunteering, tourism promotion, learning and interpretation, community use and local management projects
- £937,000 or 16.5% for resourcing, central support, ICT/project work, office rent, travel costs and governance
- £380,000 or 7% on fundraising and communications
- £48,000 or 1% on unrestricted reserves contribution

Income Generation

The 40th anniversary celebrations in 2009 will enable the Trust to significantly raise its profile, and will also create opportunities to sustain income during a period of economic downturn and financial uncertainty.

Key objectives for the year are to:

- develop a higher level tier of the Supporter Scheme and growth of the existing membership scheme.
- establish an anniversary committee to drive the implementation of a high net worth giving programme

**THE CHURCHES CONSERVATION TRUST
FOREWORD AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2009**

- develop regional fundraising committees with clear objectives, terms of reference and role descriptions to support the major donor strategy for 2009.
- further develop the Trust's first national appeal, *Building Futures* and secure income for Holy Trinity Wentworth and St Leonard's Colchester as a priority
- work with the regional managers and their teams to facilitate their fundraising and communications objectives.

We shall also concentrate on establishing the infrastructure to support fundraising, including enhanced financial and database systems, additional staff resources and support structures such as the communications strategy and an improved website and photo library.

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

1 West Smithfield, London EC1A 9EE

AUDITORS

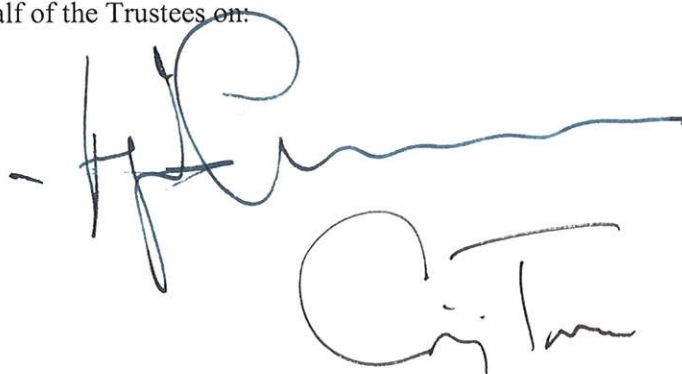
The auditors are: Mazars LLP, Times House, Throwley Way, Sutton, Surrey, SM1 4JQ
The auditors were appointed during the year and are re-appointed annually by the Trustees.

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 234SA of the Companies Act 1985) of which the charity's auditors are unaware, and each Trustee has taken all the steps they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

BANKERS

Coutts & Co, St Martin's Office, 440 Strand, London WC2R 0QS.
The Central Board of Finance of the Church of England, 80 Cheapside, London EC2V 6DZ.

Signed on behalf of the Trustees on:



Loyd Grossman
Chairman of the Trustees

Crispin Truman
Chief Executive

15 October 2009

**THE CHURCHES CONSERVATION TRUST
STATEMENT OF TRUSTEES' AND ACCOUNTING OFFICER'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2009**

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 1993 and the Pastoral Measure 1983. The accounts are prepared on an accruals basis to show a true and fair view of the state of affairs of the Trust at the balance sheet date and of the income and expenditure and cash flows for that period. In preparing those accounts, the Trustees are required to:

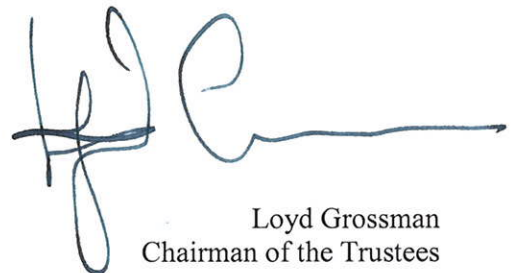
- Observe the accounts direction applicable to the year issued by the Secretary of State for Culture, Media and Sport, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates that are reasonable and prudent;
- 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 ('UK GAAP').

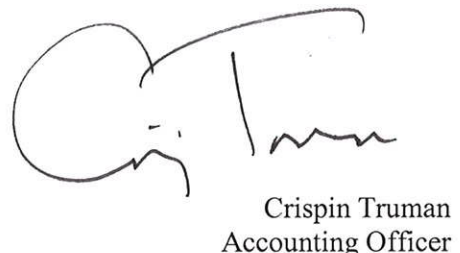
The Accounting Officer for the Department for Culture, Media and Sport has designated the Chief Executive of The Churches Conservation Trust as the Accounting Officer for the Trust.

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 Government Accounting (HMSO).

Signed on behalf of the Trustees on:



Loyd Grossman
Chairman of the Trustees



Crispin Truman
Accounting Officer

15 October 2009

**THE CHURCHES CONSERVATION TRUST
STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 31 MARCH 2009**

Scope of Responsibility

The Accounting Officer and Board of Trustees have responsibility for maintaining a sound system of internal control which supports the achievement of the policies, aims and objectives of The Churches Conservation Trust ('The Trust') whilst safeguarding the public funds and assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned to him in Government Accounting.

Regular meetings with the Trust's main funders form a key part of this system. The Accounting Officer and the Director of Finance and Resources 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 risk management matters. The Trust also welcomes this opportunity to be kept up to date with government requirements and to share best practice in this field.

The Accounting Officer and other members of the senior management team also meet with officers of the Church Commissioners and DCMS on a quarterly basis for an overall review of progress, information sharing and more detailed problem solving on specific issues. At these meetings control issues associated with, for example, future vestings of churches in the Trust are routinely considered. Member-level meetings also take place with the Church Commissioners and DCMS once a year for broader discussions of progress and strategy.

The Purpose of the System of Internal Control

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 system is based on an ongoing process designed to:

- Identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives;
- Evaluate the likelihood of those risks being realised and the impact should they be realised; and
- Through key controls and specific actions and responsibilities, manage them efficiently, effectively and economically.

The system of internal control, which accords with Treasury guidance, was fully implemented in The Churches Conservation Trust in the year ended 31 March 2005 and has remained in place up to the date of approval of the annual report and accounts

The Risk and Control Framework; the Risk Register

The Trust's approach to risk and control is summarised in its risk register. This is organised according to overall corporate risks as well as risks associated with and addressed by the four current strategic aims which prescribe all of the Trust's activities.

The register addresses risk relating to finance, reputation and organisational effectiveness – the latter includes resources, governance, organisational management and health and safety of staff and visitors. As noted above, risks are prioritised according to their impact and likelihood with actions assigned to ensure the Trust is appropriately managing them.

The register is reviewed by the Trust's senior management team, at each of its meetings by the Finance & Audit Committee and then annually by the Board. During the year, the register is updated to reflect the highest risks and information added on routine management actions and its effect in mitigating risk. Trustees and management now have a clearer picture of where residual risk remains highest and therefore the action required.

The Trust's provider of internal audit services adopts a risk-based approach to its work and is compliant with Government Internal Audit Standards. An internal audit plan, which is based on an assessment of the Trust's strategic and operational risks, is approved annually by the Finance & Audit

**THE CHURCHES CONSERVATION TRUST
STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 31 MARCH 2009**

Committee. The results of this work, coupled with the outcome of the External Audit, enable us to conclude the Trust's internal controls are appropriate for the organisation.

How the Trust Assesses Risk and its Actions in Addressing Issues

In assessing risks and appropriate actions, the Trust's approach is summarised as follows, taken from the Treasury document 'Managing Public Money' (October 2007). The Trust aims to:

- **take opportunities:** for circumstances where the potential gain seems likely to outweigh the probable 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)
- **terminate:** for intolerable risks, but only where it is possible for the organisation to exit

The key steps and processes the Trust has in place to achieve this are:

The Risk Register, covering all key risks, mitigation and management actions; is reviewed and updated at key points in the year by:

- Staff in regional / functional team meetings; during the plan/budget setting process and the six months and annual review.
- The senior management team every quarter.
- The Finance & Audit Committee every quarter.
- The Board every quarter. The highest-level risks should be considered regularly by the Board. Specific risk priorities will change over time and prioritisation will consequently change.

The Annual Planning and Budgeting Process

- Risk management forms part of the business planning process. The senior management team formulates the Trust's annual plan and budget following consultation with staff through their professional groupings and organisation-wide seminars. The Trust's regional structure also adds capacity for regionally-led business planning which will play an increasingly important role in risk management at the Trust.
- Risks, and mitigating actions, to be identified by each budget-holder at budget-preparation stage. Key ways in which risk is managed is through ensuring each plan is prepared only after input from other teams. So, for example, each regional team is to meet with the resources, fundraising and regeneration teams. This will lead to more holistic plans and regional and functional teams better able to plan and budget for the year ahead.
- Trustees approve the annual plan and budget and receive regular quantitative and qualitative reports on progress against targets. They also bring additional expert advice to bear through a range of practical working groups, including the Finance & Audit Committee and the Conservation Working Group.
- On a monthly basis, the Trust's management team updating its 'change projects list' ensures that, for key change projects flagged by the senior management team at the start of the financial year, these are being monitored, progress being made and that risks are being addressed.

**THE CHURCHES CONSERVATION TRUST
STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 31 MARCH 2009**

Project Management

- On a day to day basis, the scheme of delegated authority governs the responsibilities of staff.
- At the start of each project, project teams are to spend time identifying and recording key risks and the systems to be put in place to mitigate them. These are to be revisited at least every quarter by the team and reported upwards through the reporting process.
- During the project, risks are monitored as follows:
 - i. Monthly updating of a shared project risk table by individual project managers. Line managers / directors to ensure updating is carried out.
 - ii. Monthly review of the project risk table by the senior management team, who assess these risks, and the actions to address them, and feedback to the teams with any specific comments, through the relevant director/line manager.
 - iii. Team management. Risks identified in team plans should be reviewed and updated at quarterly team meetings. Team Leaders are responsible for ensuring these are escalated as required.

Information Management

The Trust is registered with the Information Commissioner's Office. The Churches Conservation Trust has suffered no protected personal data incidents during 2008/09 or prior years, and has made no reports to the Information Commissioner's office.

Controls are in place relating to monitor information management risk.

Review of Effectiveness

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. His review is informed by the work of the internal auditors and the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework, comments made by the external auditors in their management letter and health and safety assessments and other reports.

No significant control issues arose during the year.

**THE CHURCHES CONSERVATION TRUST
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2009**

We have audited the financial statements of The Churches Conservation Trust for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Trustees in accordance with section 43 and 44 of the Charities Act 1993. 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 auditors' 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As described in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming an opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the charity's state of affairs as at 31 March 2009 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

Mazars LLP

Mazars LLP
Chartered Accountants and Registered Auditors
Times House
Throwley Way
Sutton, SM1 4JQ

22nd October 2009

THE CHURCHES CONSERVATION TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2009

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Endowment</u> <u>Funds</u> £	<u>Total</u> <u>2009</u>	<u>Total</u> <u>2008</u> £
<u>INCOMING RESOURCES</u>						
Incoming resources from charitable activities						
Grants	1(b)	4,743,348	198,361	-	4,941,709	4,869,704
		4,743,348	198,361	-	4,941,709	4,869,704
Incoming resources for generated funds						
Voluntary income		279,627	69,351	-	348,978	280,715
Activities for generating funds		96,319	10,000	-	106,319	108,413
Investment income		43,545	50,565	8,624	102,734	126,450
		419,491	129,916	8,624	558,031	515,578
TOTAL INCOMING RESOURCES	4	5,162,839	328,277	8,624	5,499,740	5,385,282
Less cost of generated funds						
Fundraising and Publicity		(375,077)	-	-	(375,077)	(176,398)
Total incoming resources available for charitable application		4,787,762	328,277	8,624	5,124,663	5,208,884
<u>RESOURCES EXPENDED</u>						
Charitable activities						
Church repairs and maintenance	1(c)	(3,598,724)	(136,606)	-	(3,735,330)	(4,067,055)
Development		(1,068,327)	(58,821)	-	(1,127,148)	(1,111,112)
Governance		(58,088)	-	-	(58,088)	(52,808)
Total charitable activities		(4,725,139)	(195,427)	-	(4,920,566)	(5,230,975)
Other resources expended	19					(420,488)
TOTAL RESOURCES EXPENDED	5	(5,100,216)	(195,427)	-	(5,295,643)	(5,827,861)
Net incoming/ (outgoing) resources before notional costs		62,623	132,850	8,624	204,097	(442,579)
Notional cost of capital	1(d)	(8,250)	-	-	(8,250)	(12,889)
Net incoming/(outgoing) resources after notional costs		54,373	132,850	8,624	195,847	(455,468)
Reversal of notional costs		8,250	-	-	8,250	12,889
Net incoming/ (outgoing) resources		62,623	132,850	8,624	204,097	(442,579)
Other recognised gains and losses						
Unrealised (losses) on investments	8	-	(98,376)	(78,598)	(176,974)	(49,999)
Net movement in funds before transfers		62,623	34,474	(69,974)	27,123	(492,578)
Balances brought forward at 1 April 2008		204,395	594,179	448,574	1,247,148	1,739,726
Balances carried forward at 31 March 2009	12	267,018	628,653	378,600	1,274,271	1,247,148

All amounts relate to continuing activities. There were no recognised gains or losses other than the result for the year.

**THE CHURCHES CONSERVATION TRUST
SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009**

	<u>Notes</u>	2009 £	2008 £
Income			
Grants	1(b)	4,941,709	4,869,704
Voluntary income		348,978	280,715
Activities for generating funds		106,319	108,413
Investment income		102,734	126,450
Total income		5,499,740	5,385,282
Expenditure			
Development and Publicity	1(c)	(375,077)	(176,398)
Church repairs and maintenance		(3,735,330)	(4,067,055)
Regional spend		(1,127,148)	(1,111,112)
Governance		(58,088)	(52,808)
Other resources expended	19	-	(420,488)
Total expenditure		(5,295,643)	(5,827,861)
Net surplus /(deficit) of income over expenditure before notional costs			
		204,097	(442,579)
Notional costs			
Cost of capital	1(d)	(8,250)	(12,889)
Surplus / (deficit) of income over expenditure after notional costs			
		195,847	(455,468)
Reversal of notional costs		8,250	12,889
Surplus/(deficit) of income over expenditure		204,097	(442,579)

**THE CHURCHES CONSERVATION TRUST
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2009**

<u>Notes</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Endowment Funds</u> £	<u>Total 2009</u> £	<u>Total 2008</u> £	
FIXED ASSETS						
Tangible fixed assets	7	12,833	-	-	12,833	21,038
Fixed Assets investments	8	-	248,998	200,102	449,100	626,074
		12,833	248,998	200,102	461,933	647,112
Current Assets						
Debtors	9	151,922	-	-	151,922	133,445
Cash on Deposit		815,676	445,416	178,498	1,439,590	993,005
Cash at bank and in hand		1,945	-	-	1,945	173,254
		969,543	445,416	178,498	1,593,457	1,299,704
Creditors						
Amounts falling due within one year:	10	(620,032)	(65,761)	-	(685,793)	(589,848)
NET CURRENT ASSETS		349,511	379,655	178,498	907,664	709,856
Creditors						
Amounts falling due after one year:						
Provisions for liabilities and charges	11	(95,326)	-	-	(95,326)	(109,820)
NET ASSETS		267,018	628,653	378,600	1,274,271	1,247,148
FUNDS						
Endowment funds	12	-	-	378,600	378,600	448,574
Income funds	12	267,018	628,653	-	895,671	798,574
		267,018	628,653	378,600	1,274,271	1,247,148

Approved and authorised for issue by the Trustees on: 15 October 2009

Signed on their behalf by:

**THE CHURCHES CONSERVATION TRUST
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009**

<u>Notes</u>	<u>2009</u> £	<u>2008</u> £
Net cash inflow/(outflow) from operating activities	<u>181,919</u>	<u>(604,956)</u>
Returns on investments and servicing of finance		
Investment income received	102,734	126,450
Net cash inflow from returns on investments and servicing of finance	<u>102,734</u>	<u>126,450</u>
Capital expenditure:		
Purchase of tangible fixed assets	(9,377)	-
Net cash outflow from capital expenditure	<u>(9,377)</u>	-
Net cash inflow/(outflow)	<u>275,276</u>	<u>(478,506)</u>
Increase/(decrease) in cash during the year	<u>16</u> <u>275,276</u>	<u>(478,506)</u>
Net cash inflow/(outflow) from operating activities	<u>2009</u> £	<u>2008</u> £
Net incoming/ (outgoing) resources	204,097	(442,579)
Investment income	(102,734)	(126,450)
Depreciation	17,582	42,999
(Increase) / decrease in debtors and prepayments	(18,477)	62,185
Increase / (decrease) in creditors	95,945	(124,042)
Decrease in provisions	(14,494)	(17,069)
Net cash inflow/ (outflow) from operating activities	<u>181,919</u>	<u>(604,956)</u>

**THE CHURCHES CONSERVATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

1. ACCOUNTING POLICIES

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

(a) Basis of Accounting

The accounts have been prepared in accordance with the historic cost convention as modified by the revaluation of fixed asset investments.

(b) Incoming Resources

Statutory grants comprise grant-in-aid from the Department for Culture, Media and Sport amounting to £3,161,806 (2008: £3,000,000) and a grant from the Church Commissioners amounting to: £1,355,060 (2008: £1,285,714). 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, donations and investment income are included in the accounts in the year in which 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. 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 those 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) Notional Costs

As set out in the guidance given by the Department for Culture, Media and Sport, the notional cost of capital is calculated at 3½% of the average capital employed by the Trust in the year, less donated assets and abated by the amount of actual interest or finance charges incurred. The Trust considers its Restricted and Permanent Endowment Funds to meet the definition of donated assets, and they are not financed by grant-in-aid monies. Accordingly they are excluded from the cost of capital calculation.

(e) Fund Accounting

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

**THE CHURCHES CONSERVATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

(f) 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.

Tangible fixed assets 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: Tenants' improvements: 20%; Furniture and fittings: 20%; Equipment: 25%.

(g) 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.

(h) Finance and Operating Leases

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

(i) Vested Churches

At 31 March 2009, 340 (2008: 340) churches were vested in the Trust. No value is attributed to the vested churches or their contents in the accounts, in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), as the Trustees believe the cost of obtaining valuations would be onerous compared to the additional benefit derived by accounts users.

(j) Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) which are described in Note 17. 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.

(k) Early Retirement Costs

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

**THE CHURCHES CONSERVATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

2. UNRESTRICTED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

		<u>2009</u>	<u>2008</u>
		£	£
<u>INCOMING RESOURCES</u>			
Incoming resources from charitable activities			
Grants	1(b)	4,743,348	4,717,375
		4,743,348	4,717,375
Incoming resources for generated funds			
Voluntary income		279,627	236,310
Activities for generating funds		96,319	108,413
Investment income		43,545	51,532
		419,491	396,255
TOTAL INCOMING RESOURCES	4	5,162,839	5,113,630
Less cost of generated funds			
Fundraising and Publicity		(375,077)	(176,398)
Total incoming resources available for charitable application		4,787,762	4,937,232
<u>RESOURCES EXPENDED</u>			
Charitable activities			
Church repairs and maintenance	1(c)	(3,598,724)	(3,756,861)
Development		(1,068,327)	(1,036,830)
Governance		(58,088)	(52,808)
		(4,725,139)	(4,846,499)
Other resources expended	19	-	(233,159)
TOTAL RESOURCES EXPENDED	5	(5,100,216)	(5,256,056)
Net incoming/ (outgoing) resources before notional costs		62,623	(142,426)
Notional cost of capital	1(d)	(8,250)	(12,889)
Net incoming/(outgoing) resources after notional costs		54,373	(155,315)
Reversal of notional costs		8,250	12,889
		62,623	(142,426)
Net movement in funds before transfers		62,623	(142,426)
Balances brought forward at 1 April 2008		204,395	346,821
Balances carried forward at 31 March 2009	12	267,018	204,395

3. TAXATION

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

**THE CHURCHES CONSERVATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

4. INCOMING RESOURCES

	<u>2009</u>	<u>2008</u>
	£	£
Statutory grants	4,516,866	4,347,520
Other grants	424,843	522,184
Legacies and bequests	126,559	75,594
Donations	222,419	205,121
Investment income	102,734	126,450
Other income	106,319	108,413
TOTAL INCOMING RESOURCES	5,499,740	5,385,282

5. EXPENDITURE

	Direct Staff costs £	Other Direct costs £	Support costs £	<u>2009</u> Total £	<u>2008</u> Total £
Cost of generating funds					
Development and publicity	174,227	173,337	27,513	375,077	176,398
Charitable activities					
Church repairs and maintenance	455,115	2,970,704	309,511	3,735,330	4,067,055
Regional spend	599,752	183,491	343,905	1,127,148	1,111,112
Governance	25,676	25,533	6,879	58,088	52,808
Total charitable activities	1,080,543	3,179,728	660,295	4,920,566	5,230,975
Other resources expended	-	-	-	-	420,488
TOTAL RESOURCES EXPENDED	1,254,770	3,353,065	687,808	5,295,643	5,827,861

	Development & Publicity £	Church repairs & maint. £	Regional spend £	Governance £	<u>2009</u> Total £	<u>2008</u> Total £
ALLOCATED SUPPORT COSTS						
Staff costs	10,104	113,668	126,298	2,526	252,596	225,187
Premises costs	6,010	67,615	75,128	1,502	150,255	119,647
Communications	880	9,899	10,999	220	21,998	32,361
Publications	3,507	39,452	43,836	877	87,672	85,049
Office costs	2,055	23,114	25,684	514	51,367	47,160
IT Costs	2,323	26,133	29,038	581	58,075	37,792
Professional consultancy	1,931	21,718	24,131	483	48,263	38,511
Depreciation	703	7,912	8,791	176	17,582	42,999
TOTAL SUPPORT COSTS	27,513	309,511	343,905	6,879	687,808	628,706

Support costs are apportioned on the basis of staff time

**THE CHURCHES CONSERVATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

5. EXPENDITURE (continued)

The Trust has spent all of its grant-in-aid received during the year, and the reserves carried forward relate wholly to other sources of funding

The Trustees neither received nor waived any emoluments during the year (2008: £Nil). Three Trustees (2008: four) received reimbursements for travel and subsistence of £417 (2008: £333)

Net incoming resources are stated after charging

	2009	2008
	£	£
Auditors' remuneration	14,394	15,583

6. SALARIES, EMPLOYMENT COSTS AND EXPENSES

	Development & Publicity	Church repairs & mainten.	Regional spend	Governance	Support	2009	2008 <u>Total</u>
	£	£	£	£	£	£	£
Gross salaries	126,828	341,832	410,426	9,574	153,113	1,041,773	955,358
Social security costs	9,644	22,012	28,863	727	10,649	71,895	67,839
Pension costs	21,302	52,740	64,757	1,746	22,358	162,903	170,250
Early retirement costs	938	938	938	938	938	4,690	5,372
Temporary staff (relates mainly to one-off project work)	1,581	5,269	7,219	1,513	41,834	57,416	27,205
Travel expenses	10,939	24,430	59,410	9,128	10,597	114,504	71,200
Staff Training	677	2,526	2,006	625	2,914	8,748	12,402
Car Leasing	433	330	9,168	125	330	10,386	15,679
Recruitment costs	1,074	1,592	15,952	489	7,863	26,970	23,070
Staff Admin costs	811	3,446	1,013	811	2,000	8,081	7,564
	174,227	455,115	599,752	25,676	252,596	1,507,366	1,355,939
Average number of employees on a full time equivalent basis:	4	8	20	1	7	40	37

**THE CHURCHES CONSERVATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

6. SALARIES, EMPLOYMENT COSTS AND EXPENSES (continued)

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 (rounded to nearest £100)	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 at 31/3/09 and related lump sum	CETV at 31/3/08	CETV at 31/3/09	Real increase in CETV as funded by employer
Crispin Truman Chief Executive (full time)	65-70	Nil	0-2.5	5-10	89	107	10
Sarah Robinson Director of Conservation (part-time; 4days per week)	35-45	Nil	0-2.5	5-10	76	84	2
Vipan Narang Director of Finance & Resources (full time)	50-55	Nil	0.2.5	0-2.5	14	23	6
Colin Shearer Director for Regions (full time)	46-50	Nil	0-2.5	2.5-5	46	61	10

CCT Pension: Benefits and Contributions

Pension benefits are provided through the Civil Service Pension (CSP) arrangements. Members may be in one of four defined benefit schemes (classic, classic plus, premium and nuvos). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under each scheme are increased annually in line with changes in the Retail Prices Index. New entrants after 30 July 2007 may chose between membership of nuvos or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). The rate of CCT annual contributions (expressed as a percentage of pensionable pay) for employees that join the schemes, ranges from 17.1% to 25.5%.

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in the classic scheme accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. The lump sum can be exchanged in return for an increase in pension.

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, but members may give up (commute) some of their pension to provide a lump sum. Classic plus is essentially a variation of premium, with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

Nuvos was introduced on 30 July 2007. It is a defined benefit scheme where employees build up 2.3% of pensionable earnings towards their pension each year. The nuvos scheme is payable at the retirement age of 65. Again, there is no automatic lump sum, but members may give up (commute) some of their pension to provide a lump sum.

The partnership pension account is a stakeholder pension arrangement. Further details about the CSP arrangement can be found at www.civilservice-pensions.gov.uk.

**THE CHURCHES CONSERVATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

6. SALARIES, EMPLOYMENT COSTS AND EXPENSES (continued)

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 & 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.

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.

7. TANGIBLE FIXED ASSETS

	<u>Tenants'</u> <u>Improvements</u> £	<u>Furniture &</u> <u>Equipment</u> £	<u>Total</u> £
Cost			
At 1 April 2008	46,897	179,000	225,897
Additions	-	9,377	9,377
Disposals	-	-	-
At 31 March 2009	<u>46,897</u>	<u>188,377</u>	<u>235,274</u>
Depreciation			
At 1 April 2008	46,897	157,962	204,859
Charge for the year	-	17,582	17,582
Eliminated on disposal	-	-	-
At 31 March 2009	<u>46,897</u>	<u>175,544</u>	<u>222,441</u>
Net book value			
At 31 March 2009	<u>-</u>	<u>12,833</u>	<u>12,833</u>
At 31 March 2008		<u>21,038</u>	<u>21,038</u>

**THE CHURCHES CONSERVATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

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 2008	347,374	278,700	626,074
Acquisitions	-	-	-
Endowment relinquished	-	-	-
Net unrealised loss on revaluation	(98,376)	(78,598)	(176,974)
At 31 March 2009	248,998	200,102	449,100
Historic cost at 31 March 2009	277,036	198,598	475,634

The unrealised loss was calculated as a result of the Trust's annual revaluation of its assets. The Trust's current review of its investment strategy and asset allocation will be completed during the year ending 31 March 2010.

9. DEBTORS

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2009</u> <u>Total</u> £	<u>2008</u> <u>Total</u> £
Listed Places of Worship Grant Scheme	82,848	-	82,848	64,526
Due from grant giving bodies	-	-	-	2,200
Other debtors and prepayments	50,499	-	50,499	50,439
Due from Unrestricted Funds	-	-	-	16,280
Due from Restricted Funds	18,575	-	18,575	-
	151,922		151,922	133,445

All amounts fall due within one year

10. CREDITORS

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2009</u> <u>Total</u> £	<u>2008</u> <u>Total</u> £
Amounts falling due within one year				
Trade creditors	267,602	-	267,602	196,169
Accruals and deferred income	230,014	32,695	262,709	224,360
Taxation and social security	44,710	-	44,710	35,826
Other creditors	77,706	14,491	92,197	117,214
Due to Restricted Funds	-	-	-	16,280
Due to Unrestricted Funds	-	18,575	18,575	-
	620,032	65,761	685,793	589,848

(Note: 99% of invoices were paid within 30 days of receipt.)

**THE CHURCHES CONSERVATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

11. PROVISION FOR LIABILITIES AND CHARGES

	2009
	<u>Total</u>
	£
At 1 April 2008	109,820
Released during the year	(14,494)
At 31 March 2009	<u>95,326</u>

12. FUNDS

	Balance as at 1 April <u>2008</u>	<u>Incoming Resources</u>	<u>Resources Expended</u>	<u>Unrealised losses</u>	Balance at 31 March <u>2009</u>
	£	£	£	£	£
Unrestricted funds	204,395	5,162,839	(5,100,216)	-	267,018
Restricted funds	594,179	328,277	(195,427)	(98,376)	628,653
Permanent endowment funds	279,077	-	-	(78,598)	200,479
Expendable Endowment Fund	169,497	8,624	-	-	178,121
	<u>1,247,148</u>	<u>5,499,740</u>	<u>(5,295,643)</u>	<u>(176,974)</u>	<u>1,274,271</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 current assets held by the Trust to provide income for St James, Stirchley.

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.

13. OPERATING LEASE COMMITMENTS

The annual commitment in respect of operating leases were as follows:

	<u>2009</u>	<u>2008</u>
	£	£
Leases expiring between two and five years		
Motor vehicles	9,468	12,537
Land and buildings	<u>101,200</u>	<u>103,400</u>

**THE CHURCHES CONSERVATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

14. REPAIR COMMITMENTS

At 31 March 2009 the Trust had contracted to carry out repair projects as follows:

	<u>2009</u>	<u>2008</u>
	£	£
2007/08 Programme	-	107,450
2008/09 Programme	7,500	839,400
2009/10 Programme	160,540	-
	<u>168,040</u>	<u>946,850</u>

15 NET ASSETS

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Endowment</u>	<u>2009</u>
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Total</u>
	£	£	£	£
Tangible fixed assets	12,833	-	-	12,833
Investments	-	248,998	200,102	449,100
Cash	817,621	445,416	178,498	1,441,535
Net current liabilities	(468,110)	(65,761)	-	(533,871)
Provisions	(95,326)	-	-	(95,326)
Total	<u>267,018</u>	<u>628,653</u>	<u>378,600</u>	<u>1,274,271</u>

16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	<u>2009</u>	<u>2008</u>
	£	£
Increase/(decrease) in cash in the year	<u>275,276</u>	<u>(478,506)</u>
Change in net funds resulting from cash flows	275,276	(478,506)
Net funds at 31 March 2008	<u>1,166,259</u>	1,644,765
Net funds at 31 March 2009	<u>1,441,535</u>	<u>1,166,259</u>

17. PENSION SCHEME ARRANGEMENTS

The Trust participates in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS is an unfunded multi-employer defined benefit scheme but the Churches Conservation Trust is unable to identify its share of the underlying assets and liabilities. In December 2007, the Scheme Actuary, Hewitt Bacon & Woodrow Limited, valued the Scheme (as at 31 March 2008) and concluded the scheme was in surplus. Details can be found in the resource accounts of Civil Service Pensions: <http://www.civilservice.gov.uk/pensions/>

For 2008/09 employers' contributions of £176,900 were payable to the CSP (2007/08: £154,131) at one of three rates in the range 17.1 to 25.5 per cent of pensionable pay. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £140 (2007/08: £64) were paid to one or more of a panel of four appointed stakeholder

**THE CHURCHES CONSERVATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay.

In addition, employer contributions of £814 (2007/08: £814) 0.8 per cent of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the pension providers at 31 March 2009 were nil (2007/08: nil).

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.

19. POST BALANCE SHEET EVENTS

During 2008 the Trust was one of many charities adversely affected by the financial situation of the Icelandic banks, having for the three years held deposits with Kaupthing, Singer and Friedlander when it went into administration in early October 2008. After the year-end, on 1 July 2009, the Trust recovered this money through the Financial Services Compensation Scheme. This was deemed a non adjusting post balance sheet event due to the high uncertainty as to whether these funds would be recovered as at 31 March 2009.

20. GRANT MAKING AND PUBLIC BODIES

The Trust wishes to record its thanks for the continuing help and support it receives that enables it to do its work across its Estate of 340 churches. The list below notes the Trusts' Key sponsors (who provide its Statutory Grant), the Trusts and Foundations, Friends of Churches and other organisations that in the year-ending 31 March 2009, generously gave to the Trust through grants and donations:

The Trust's Key Sponsors

The Department for Culture, Media and Sport
The Church Commissioners

Trusts and Foundations

Allchurches Trust Ltd
Cambridgeshire Historic Churches Trust
Fitzwilliam Wentworth Amenity Trust
Geoffrey Bond Consultancy
The Goldsmiths' Company Charity
The Henry Smith Charity
The Idlewild Trust
J Paul Getty Jr Charitable Trust
The Jack Patston Charitable Trust
LankellyChase Foundation
The Loppylugs & Barbara Morrison Charitable Trust
Marsh Christian Trust
Orr Mackintosh Foundation
Stephen Clark 1957 Charitable Trust
The Wyss Foundation
Zochonis Charitable Trust

Friends of Churches

Friends of All Saints, Cambridge
Friends of Christ Church, Waterloo
Friends of Cooling Church
Friends of OSS Fylingdales
Friends of St. Andrew's, Hove
Friends of St. George's, Esher
Friends of St John's Chapel, Chichester

**THE CHURCHES CONSERVATION TRUST
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2009**

Friends of St Lawrence, Broughton
Friends of St. Mary's, Shrewsbury
Friends of St. Mary's, Bungay
Friends of St Nicholas, Brockley
Whenby Parish Fund

Other Organisations

All Saints Society
Bridgnorth District Council
Cards for Good Causes
The Diary
Duke's Auctioneers
Heritage Economic Regeneration Scheme
Heritage Lottery Fund
Ipswich Borough Council
O'Dwyer McCall Iddon Ltd
Rensburg Sheppards Investment Management
Rotherham Metropolitan Borough Council
The Russell Commission
Sefton Metropolitan Borough Council
The SR Europe Investment Trust plc
Stratford-on-Avon District Council