



THE CHURCHES CONSERVATION TRUST

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2012**

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



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The Churches Conservation Trust ('The Trust') is the national charity protecting historic churches at risk. We've saved over 342 beautiful buildings which attract more than 1.89 million visitors a year. With our help and with your support they are kept open and in use – living once again at the heart of their communities.

We aim to:

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

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CHAIRMAN'S FOREWORD

The Churches Conservation Trust is about to embark on a three-year plan which will celebrate the unique collection of historic buildings of which we are so proud to be custodian. Our plan will transform the visitor welcome in our churches, it will create a comprehensive network of volunteer teams to provide that welcome and it will significantly increase our independent income. This strong focus on tourism, volunteering and fundraising will ensure that the Trust in 2015 is a fit and sustainable force for conserving historic churches and returning them to the heart of the community, in the years to come.

Much of 2011-12 has been about preparing the Trust for the new plan. A second structural review following the 2010 DCMS funding settlement has seen us boost our local, frontline teams having cut costs in management and support functions. New roles aimed at recruiting and supporting much larger numbers of volunteers in a more professional and consistent way, have replaced successful, but localised project posts. The need for a more rapid increase in independent income has also meant big changes in our small fundraising, communications and marketing team. These have been tough times for the Trust's staff and managers; I commend them for the professional approach which they have maintained throughout.

While the Trust has had to respond to the changing demands upon it, work with the churches and their communities has continued apace. This year as well as carrying out major repairs to 65 churches and rescuing the beautiful Cotswold church of Saintbury St Peter, we've invested in the next stage of our massive project to replace and improve signage, made further strides forward with our urban church regeneration projects, and achieved increases – for the tenth year in a row - in the number of visitors and community and arts events in our churches.

It's not an easy time for a charity like ours to be embarking on a fundraising drive, but the strength of our cause and your willingness to respond give us great hope. This year our membership continued to grow, donations from visitors increased wherever we installed new signs and collection boxes and we were successful in attracting project grants from a range of charitable funders. The return of Kentish Town St Luke's to parish use and the lease of Kingsbury Old Church to a Christian group are not only positive outcomes for those churches but also help us manage the costs of our estate and free us up to assist more churches at risk. Last but by no means least, generous legacies have, this year, allowed us to address a number of longstanding repair needs at several important churches.

I'm so grateful to every one of the individuals and organisations which makes the Churches Conservation Trust and its wonderful collection, the success it is. We face challenging, exciting years ahead in which we aim to achieve great things. Dramatic projects such as the Heritage Lottery Fund-supported revitalisation of Bolton All Souls will help define the future of churches at risk in this country. A myriad of smaller but equally important achievements by local volunteers, donors, staff and partners will also, if we work together, help reinstate historic parish churches as a vital part of community life in areas across the country.

Our success is dependent upon your support, now more than ever before.

Loyd Grossman OBE FSA
Chairman

1. INTRODUCTION

Constitution

The Churches Conservation Trust (CCT) is registered as a charity (number 258612) and its governing document is the Pastoral Measure 1983, as amended. Its 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

The Trust cares for those parish churches which are of particular historic, architectural or archaeological merit and are no longer required for regular parish worship by the Church of England. The churches are vested in the Trust by the Church Commissioners to be conserved for the nation and opened to the public.

The Trust has now completed the third year of its 2009-15 strategic plan, in which we aim to:

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

These aims guide our activities, projects and the allocation of our resources for six years. They take account of the external environment and internal organisational imperatives. They are delivered through plans, projects and budgets carried out by the Trust's regional and national teams.

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

The Trust runs a wide range of projects in order to further its strategic objectives. It manages an on-going programme of conservation, repair and maintenance of all 342 buildings in its estate and of additional churches at risk coming into the ownership of the Trust during the year. Adaptation of some of its churches for community use through addition of facilities such as toilets and heating are an increasing feature of its work. The Trust also runs projects to support and promote community, arts, cultural and educational use, tourism and the local management or leasing of its buildings. Other projects aim to increase external funding, volunteering, partnerships and local involvement.

Public Benefit

The Trust meets its obligations through 'advancing arts, culture, heritage or science'. It manages and provides free admission to 342 historic buildings which are open to the public on a daily basis throughout the year and which are made available for community use. In the past year the Trust welcomed 1.9 million visitors to its churches, which also hosted nearly 4,400 community and arts events. Thousands of members of the public volunteer for the Trust and many are provided with training and support as a part of this activity. All Trustees give their time voluntarily and receive no benefit from the charity. Expenses reclaimed from the charity are set out in note 5 to the accounts.

2. REVIEW OF THE YEAR

Challenges and Achievements in 2011-12

During the year the Trust has conducted major repairs to 65 of its historic buildings and continued to deliver cost-effective preventive maintenance and small repairs to many more, keeping its entire collection of 342 churches open and safe for public visiting and use. Staff and volunteers have also developed and delivered a wide range of projects to encourage learning, visiting and community engagement in many parts of the country, highlights of which are reported below.

New regions came into effect on April 1st 2011, combining four into three to create West, North and Southeast teams with greater resources to support volunteers on the frontline. During the year these teams were themselves restructured to provide a consistent model of professional support to local churches and communities and significantly increase volunteer numbers across the whole Trust. Conservation Management was also devolved from the centre to regional teams.

The Trust's response to the new economic environment included reorganisation and moderate investment in independent income generation and marketing. Costs were reduced through a reduction in the number of regional teams and management posts. A director of income generation was appointed and the senior management team (SMT) remodelled to bring together regional and national management. The new SMT will take the lead on ensuring that the new structure runs effectively and that the organisation is 'fit for purpose' to deliver our plans to 2015.

The Trust also undertook a 'mid-term' review of its six year strategy which resulted in a new business plan which is reported in section 9 below.

The table below summarises the priorities we set for ourselves in 2011 and an overview of progress in each area. This report then goes on to highlight the Trust's main activities and achievements over the year by strategic aim.

Priority 2011	Achievements
Income generation and fundraising, harder and faster with separate strategies for donor and business development	New income generation team and strategy in place Investment in new signs and donation boxes leads to increase in visitor donations Non-statutory income targets exceeded
Sustain our conservation programme at present levels - without 100% public funding	Repair and adaptation projects attracting match-funding from donors, trusts and Heritage Lottery Fund Investment in conservation repairs higher than previous year despite cut in statutory grant
Become a business-like, efficient and effective organisation	Management and regional restructuring completed New posts focussed on volunteer support and income generation Modern IT and communications facilitating remote working
Increase public awareness, appreciation and enjoyment of CCT and churches	Record number of visitors and community events Marketing collaborations including CCT sites in EH handbook Comprehensive programme of directional signing under way

3. AIM ONE: SUSTAIN OUR CHURCHES

Conservation, Repair and Adaptation

In 2011-12 the Trust completed major conservation repairs on 65 of its historic churches and continued its cost-effective programme of regular maintenance and small repairs across the estate. **£3.9 million** or **61%** of our expenditure was committed to keeping all 342 of our buildings safe and open to the public. We were also able to utilise income from some generous legacies during the year to tackle longstanding repairs backlogs at some churches which have been with us for many years.

Theft of lead from church roofs was a severe problem as for many historic buildings, with significant loss occurring at 18 CCT sites and emergency measures and remedial work costing a total of £211,600 in 2011-12.

Increasingly, repair problems are being addressed as part of a wider project to introduce basic facilities into churches to improve the visitor welcome and/or enable community and arts use. This makes it more likely that we are able to attract external match-funding for the project and ensures that repairs are not carried out in isolation from plans to sustain the life of the church in the community. Examples of key projects from our three regions illustrate this below.

In the North, projects this year have included the refurbishment and re-landscaping of the vestry anterooms, kitchen, toilet and churchyard at **Leeds St. John** to provide a new regional staff base in May 2012 and support plans for a hub for city centre arts. Successful fundraising for **Bridgnorth St. Leonards** will see new heating and toilet facilities to develop potential as an events venue and heritage attraction. Improvements at **Milton Mausoleum** have provided disabled access, a parking amenity and, with the generous support of a donor, have opened up three of the windows of the church allowing greater levels of natural light into the building. A project team led by the Friends Group is developing a major regional 'Maritime Landmark' project at **Waterloo Old Christchurch**, to secure funds in excess of £500,000 for major and urgent repairs to the roof and tower, improved events facilities and a new community-led interpretation programme.

In the South East a successful stage one HLF bid was prepared with the local Friends group and other partners for **King's Lynn St Nicholas**, the largest building in CCT's care. The project will provide funds for major repairs including urgent attention to the Grade I medieval roof structure as well as adaptations for concert and community use. Significant progress was made on the development of **Sandwich St Peter** with funding from the friends and Heritage Lottery Fund and with repairs and adaptation to our recent acquisition **Swingfield St Peter** for community use. Repairs were carried out to **Blatherwyke** and **Aldwinckle** and several roofs damaged by lead theft. We also improved the presentation of **Cambridge All Saints**.

In the West unexpected major works caused by lead theft included replacement of much of the roof at **Langport All Saints** and at **Idmiston All Saints**. Both are now protected with an electronic alarm system. Donations from generous donors made it possible to improve amenities at **Bristol St Paul** to allow increased audiences for Circomedia performances, helping the church to meet its running costs in the long term and much needed kitchen facilities were provided at **Worcester St Swithun** with substantial funding from the Friends. The completion of work at **Pensford St Thomas a Becket** led to a very well attended community gathering church blessing and community event. At all three locations, the result is closer links with our partners and a more sustainable future.

2011 saw an emerging partnership with the Church Building Council's Shrinking the Footprint to develop a Green church project. Our aim will be to use a CCT church as a 'showcase' for diocesan advisory committees (DACs), parish churches and other heritage places of worship on practical measures to reduce their energy consumption. Other green initiatives include:

Edible Churchscapes – a pilot at **Preston Gubbals St Martin**, Shropshire - is a partnership project between a skilled local edible landscaper, Shropshire Council's Natural Environment team and The Churches Conservation Trust and aims to create a lasting legacy for wildlife and local people, and encourage others to unlock the potential that churchyards have to be community spaces. The project has been funded by a grant from the Big Lottery Awards for All scheme.

A Green Gym, launched at **All Saints, Theddlethorpe**, Lincolnshire with volunteers participating in a range of green exercises from grass cutting to grave maintenance. The scheme is supervised by staff at the Saltfleetby - Theddlethorpe Dunes National Nature Reserve.

Regeneration and Prevention

The Trust's Regeneration Taskforce runs CCTs major urban church use projects and a range of preventive and community development projects. Working with regional staff, the Taskforce made significant progress in finding sustainable futures for a number of buildings over the course of 2011-12. Projects included:

- With Suffolk MIND at **Ipswich St Mary at Quay** taking the Heritage Lottery Fund bid successfully to stage one and building partnerships and match-funding packages around the project. For example the EU's **INTERREG 2 Seas** will include over £200,000 of investment in **Ipswich St Mary at Quay** as part of a project to develop a methodology for the reuse of religious heritage buildings.
- A successful Heritage Lottery Fund bid for the youth-led project at **Langport All Saints**
- An EU partnership – Heritage Recycled – with Kempens Landscape and Suffolk MIND.
- At **Bolton All Souls** the funding shortfall following the abolition of the Regional Development Authority has now been fully met and permission to start given by the Heritage Lottery Fund as main funder. The construction phase has been further delayed because of professional advice issues but we expect to be on site later this year. Capacity building work with the All Souls Trust has continued meanwhile and they are fast becoming a strong corporate body able to take a lead with the centre when it opens.
- The Taskforce secured the future of **Kingsbury St Andrew's Old Church** through a 10 year full repairing lease with the Romanian Orthodox Church and successfully transferred **Kentish Town St Luke's** back to parish use and ownership.

The team continues to be supported by the multi-agency Regeneration Taskforce Advisory Group, helping to build partnerships and develop its approach.

4. AIM TWO: ENCOURAGE PEOPLE

Visitors and Tourism

A further increase in visitors this year builds on long term trends boosted by a number of initiatives to inform and encourage people visiting churches. In the North, new tourism marketing activities have included events, partnerships with other heritage attractions and with Tourism Management Organisations. Clusters of CCT churches have been marketed widely via tourism websites and through associated hard copy publications. A pilot 'Saints and Sinners' promotion linked three sites in Yorkshire with local pubs and this initiative is now being replicated in Lincolnshire. A student Geocaching project has brought new visitors to four sites and, through logging of comments on the associated websites, has taken the CCT name across the globe. A series of "When do you think you are" posters were displayed on five railway station billboards (including Manchester Piccadilly) directing passengers to CCT's website including the new 'days out' section.

York Holy Trinity, now managed fully by volunteer teams, welcomed a record 63,000 visitors and was awarded the Visit England 'Visitor Attraction Quality Assurance Standard', making it the first parish church in England to achieve this mainstream national accreditation for its visitor welcome and experience. **Shrewsbury St. Mary** welcomed 56,000 visitors as did **Keddleston All Saints**, this site now managed on our behalf by the National Trust.

A major investment in new signs over the past three years, is almost complete. This has seen the replacement of all 342 external wall plaques, which were wearing badly, with more durable stainless steel. New internal signs provide visitors with a much clearer explanation of CCT, its work and the need for public support. Most significantly, a rolling programme of improving directional signage with CCT fingerposts and 'Brown Signs' is well under way. Increases in visitor numbers and donations are one result of this investment.

Opening churches, at least during daylight hours, has a direct impact on visitor numbers and the Trust is rapidly increasing the number of sites where the public can gain access without recourse to a key holder. This work is completely reliant upon local volunteers, who open up the buildings and keep a watchful eye on them. In an increasing number of cases, churches can be left open for 24 hours, improving public access, increasing 'eyes and ears' surveillance, and reducing the likelihood of damage from attempts to force entry. In the West, for example, access was improved this year by leaving churches open at **Princetown St Michael & All Angels** and **Maddington St Mary** and through the installation of electronic door locks at **Wilton St Mary** and **Portland St George**.

Volunteering

Volunteers play an increasingly important role at the Trust and much of our work is focussed on recruiting, managing and supporting volunteer groups. As well as carrying out vital frontline work to ensure CCT churches are open and welcoming to visitors, volunteers are taking on increasing levels of responsibility and during the year we appointed several new 'area volunteers' to oversee groups of CCT churches. Support to volunteers and volunteer teams was significantly strengthened through the restructuring, new volunteer newsletters are being issued by regional teams, and regional volunteer training and networking events have been trialled. In the year ahead, volunteering becomes one of the Trust's three national strategies and will move centre stage for much of our work.

Learning

Work with schools is focussed on local projects where geographical proximity makes it practicable. In the West, for example, a partnership at **Stratford Tony St Mary & St Lawrence**, involved a class of primary school children in the writing and redesign of the guide through a series of visits and discussions at the church. In the North region alone, the Trust engaged with more than 300 school aged children over the past twelve months through

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organised tours, curriculum based activities and annual services. We also engaged with more than 100 16-24 year old students from tertiary colleges and Universities through a mixture of practical live projects, volunteering opportunities and University lectures. CCT talks have been delivered to at least ten U3A or similar special interest groups reaching more than 250 people.

5. AIM THREE: GROW THE TRUST

The Trust aims to increase its capabilities in an era of tight resources, developing new skills to achieve a more diverse range of projects, building new partnerships to broaden its range of support, and attracting new income to ensure the sustainability of its buildings.

Income Generation

Following the appointment of a director of income generation, the Trust has reviewed arrangements and expenditure associated with fundraising, marketing and PR. Events and activities are to be much more strongly focussed on generating net income and targets have been set by activity, for the income generation team and for each region.

During the year the income generation team worked with regional staff and regional directors to deliver a programme of national fundraising events including the midsummer tea party, challenge events such as abseils and sponsored bike rides. The team recruited interns and volunteers to help build capacity and share fundraising, marketing and PR skills with our volunteer workforce.

Membership

Membership of our regular giving schemes grew significantly during the year, with a 34% increase in the number of Supporters and a 39% increase in Directors club membership. The Patron scheme grew more slowly and recruitment to this scheme is a priority for the 2012-13 income generation strategy.

Donor development

The first step in this new programme has been to gain a full understanding of our current donor audience and their propensity to give and support the Trust. We began working with donors through focus groups, evaluations and interviews. A schedule of visits to donors has been developed to update donors on how their gifts have supported the work of the Trust and aim to engage them in future projects. Roles and responsibilities of staff within the team have been revised to support and develop this cultivation process.

The direct mailing programme has continued throughout 2011-12, an annual appeal that raised £21,000, distribution of the annual review, information on national events, a revamped newsletter and news on the new historic church tours. Cultivation events have focused on capital campaigns. Stewardship events included the annual lecture and the enterprising heritage event.

Better financial reporting to aid the management and cultivation of donors has been achieved through the automatic transfer of financial information from Sage onto the Thank Q database.

The national development board has continued to support the recruitment of higher value supporters through a programme of cultivation events. We have also piloted a capital project development board for the Kings Lynn project.

Community Fundraising

A national fundraising events programme has been launched to raise income from activities taking place in our churches. The Midsummer Tea Party continued into its second year and was promoted as the flagship event. This raised £14,000 against a target of £30,000. We are undergoing a review of the Midsummer Tea Party and looking at how we can improve the return for this event.

There has been a significant focus on working with volunteer fundraising committees and developing the fundraising capacity of 'friends groups' in 2011-12. Abseils in **Bridgnorth St Leonard** and **Burham St Mary** were examples working with friends groups to raise money for the Trust.

Legacy Promotion

A conservative target of £50,000 was set for legacy income in 2011-12. Although there is currently no structured programme in place, we received a total of £829,000 from this source. Four focus groups were conducted to find out more about what potential legators are looking for from the Trust and the findings have informed the 2012-13 legacy strategy. Pilot marketing was undertaken which included banner adverts in the supporter newsletters and recognitions of legacies received published in the quarterly newsletter.

Trusts and Foundations

The annual grant income target was met for 2011-12. A new fundraising group has been formed to share best practice gained from successful applications, coordinate bids across all three regions and develop application writing skills.

Earned Income

Ensuring that we maximise the potential for unrestricted, earned income from the use of our unique buildings, is key to the future funding of our work. This has to be balanced against, but not compromised by, the importance of continued, low or no cost community use. Income from this source is making steady progress. In the North, for example, fees for wedding blessings increased at key sites such as **Stapleford St. Mary** where a positive relationship with the Stapleford Park Hotel and Spa is reaping rewards. Facilities rental has been particularly successful in **Lancaster St. John** where the church is now used for regular weekly activities coordinated by a local volunteer.

Increasing public awareness

A capital appeal campaign for **Kings Lynn St Nicholas** was launched in January, with a full suite of marketing materials, an online campaign page and local marketing. We have also revised the hospitality days programme and launched the historic church tours programme. Within four weeks of launching this programme, over half the tours were sold out.

This year we achieved exceptional PR coverage with our 'And thereby hangs a tale' interpretation initiative at **Billesley All Saints**, through a series of short films with BBC South and through coverage of the opening of **Imber St Giles** on Salisbury Plain, including Songs of Praise

A social media campaign to raise awareness of the Trust was launched in July. Within eight months we have reached 1,400 twitter followers and tripled our Facebook followers. All news on Trust campaigns is posted on the various social media channels. We are in the process of developing a full social media strategy to include regional activity. Individual visits to the Trust's website have increased from 73,000 to 87,000.

We revised the supporter and director/patron member newsletter to help improve the appreciation and enjoyment of the Trust, including regular news on events, campaigns and conservation work.

Human Resources

Supporting the Staff Team

Following the successful implementation of the management restructuring in 2010, the resources team were focused on providing new systems, tools and services to the new teams. The overriding theme guiding our work was working together – working smarter. Our focus was in three areas: information management, communication and collaboration and knowledge and skills development.

The HR agenda saw the completion of the job evaluation project, the update and re-launch of the Trust's new performance review process and the start of the pay and reward review. A new, part electronic system was used for an appraisal which was largely successful. The team successfully supported the appointment of 15 permanent and temporary staff; launched and

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managed a new internship programme and organised six training and induction days. The training programme delivered sessions in ThankQ, Office 2012, Excel and Time Management. In the second half of the year, the major project for the team was the review of regional teams and the implementation of the new regional team structure.

Thinking has now started on the national office relocation at the end of 2012 and negotiations with the landlord, the development of an office space brief were developed during the year.

Information and Technology

The second and third stages of the upgrade to the Trust's IT infrastructure were completed, with the installation of a leased line in the national office, new servers and the migration to an outsourced exchange and back up service. These projects have provided significant improvements to speed and accessibility for remote workers, as well as security and risk management.

New hardware, software and communications, with appropriate training, were also rolled out to regional staff. The Trust is now operating on the latest Microsoft Windows and Office technology which will support the implementation of the next stage of information management activities. Access to the Trust's IT infrastructure for regional staff and remote workers has also been significantly improved with the introduction of Terminal Services/Remote Desktop technology. This massive exercise was implemented in the context of significant change as new teams and structures bedded into the organisation. The Trust also upgraded its Sage accounting software.

Work began on tackling the Trust's knowledge and information management systems and an introductory workshop was held to identify priority areas. The results of the workshop are being used to inform the development of a Trust-wide knowledge and information management charter. A review of the business needs for upgrading ThankQ will be conducted in the context of an organisation wide understanding of KIM during 2012-13. Other activities undertaken in this key area include the development of a new system for managing church keys. A major archiving initiative in the national office was started in preparation for the forthcoming office relocation.

6. AIM FOUR: SHARE OUR LEARNING

Interpretation

Interpretation and information about the churches themselves is the next target for improvement. The traditional detailed, printed guides have proven expensive and impossible to keep up to date. They will be replaced over time with a variety of interpretation depending on the classification of the church. Shorter walk-round guides are a popular innovation and many more sites have benefitted from their production this year.

For example in the North, volunteer teams have produced 26 new guides, bringing the total number of sites with a newly branded walk-around-guide to over 40%. In the Southeast, the anniversary of Charles Dickens' birth and a new partnership with Visit Kent was occasion for the promotion of **Cooling St James** and **Higham St Mary**. Interpretation boards including Great Expectations were specifically designed for Cooling.

Two national web-based interpretation projects were launched to great acclaim during the year:

English church wallpaintings –the aim of the project was to bring to life: the history and development of wallpaintings, the meaning behind them and the conservation techniques and challenges of looking after them, but the most exciting and vital aspect of this project was to make the information accessible, interesting and visually alluring to everyone. The site was launched October 2011 and received extremely good media coverage, both local and national.

The second project dealt with **Royal Arms** –a project to tie in with the Queen's Diamond Jubilee celebrations. The detailed research and development work was completed by the end of the year with the launch at the end of April 2012 as planned and in conjunction with a competition for primary school children to design their own Royal Arms.

Events and training

CCT has a wealth of knowledge and experience which it seeks to make available to those concerned with protecting heritage and historic churches beyond its own estate. This year we held a number of events to promote new approaches to the conservation and extended use of historic places of worship.

The **Annual lecture** entitled 'Pythons, Dragons and other medieval Misconceptions' was given by Terry Jones, a serious medievalist and ex-Python, to an appreciative audience. Pictures and anecdotes on such subjects as medieval chastity belts and whether the world really was perceived as flat entertained all and was followed by a drinks reception.

The Trust's first **Regeneration conference** on funding the future of historic churches was held at the headquarters of the Royal Bank of Scotland in the City on 17 November. The conference saw speakers from across the public, private, government, funding and finance sectors explore a range of issues on historic building projects and the methods for financing them. The keynote speech from Andrew Stunell MP, Communities Minister at the Department for Communities and Local Government outlined the Government's plans for the Big Society and the ways communities can work together to help secure the future of historic buildings. The conference was well-received by delegates and second conference is planned for early 2013 on a related theme.

In the North, partnerships with educational establishments aimed at sharing our learning have included Bishop Grosseteste College, University of Leeds, Leeds College of Construction, York College, National Trust (Midlands), Towton Battlefield Society, U3A and Boroughbridge High School. Our annual guest lecture at the University of Newcastle on the Trust and its work to MA Heritage Management and Heritage Education students has become a popular institution, while twenty 19-24 year old construction students from Leeds College took part in our annual

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Harewood working party, this year funded through the Hedley Trust. The programme was adopted by the college tutor as a new course module for these students, who wouldn't otherwise have learned about heritage crafts skills. The college has won an award as a result.

In the South East events included a limewashing course and textile cleaning at Deene which taught lay people how to care for textiles and clean them. From this project one volunteer actually gained employment with the textile conservators. We will develop more of these events over the next year.

In the West craft skills training included building dry stone dykes at **Billesley All Saints** and wall painting conservation **Inglesham St John the Baptist**, and will continue in 2012. We are extremely grateful to the Hedley Trust for their support for the Trust's growing craft skills training programme.

The Trust is increasingly involved with professional and sector forums which have shared objectives, this year examples included the South West and West Midland heritage environment forums and the SW Association of Building Preservation Trusts.

Many Trust staff and Trustees frequently appear as external speakers in a wide variety of settings including national conferences, civic society meetings and NADFAS lectures.

7. PERFORMANCE AGAINST TARGETS

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

The results demonstrate the considerable achievements of staff and volunteers in all areas in 2011-12 and above-target results in the crucial areas of visitors, donations and events. Strong progress on visitor and member donations and non-statutory income is also clear, a crucial foundation for the Trust's sustainability.

Key Indicators

Target	National Annual Target	Full year Result	% of target achieved	Previous year 2010-11
1. Increase external grant funding	£380,000	£509,727	134%	£337,822
2. Increase numbers of volunteers participating in conservation events	53	Included in the total figure below	n/a	71
3. Increase support to volunteers through training and networking	400	278 volunteers supported	70%	296
4. Increase visitor numbers	1,840,000	1,898,012*	103%	1,840,000
5. Increase number of events	3,851	4,357	113%	4,201
6. Increase visitor satisfaction	3 surveys	Moving to new monitoring system for 2012-13	n/a	3 surveys plus new visitor books
7. Meet sector wide standards of presentation	60%	70% of churches meet Visit England code of practice standards	117%	49%
8. Increase church-based donations	£357,500	£394,536	110%	£360,669
9. Increase fundraising return on investment (fundraising income/costs)	n/a - new targets introduced for 2012-13	1.1	n/a	0.9
10. Increase proportion of voluntary income	£1,089,368	£1,262,661	116%	£972,080
11. Keep administrative / operating costs in proportion with direct project costs	18%	18%	n/a	19%
12. Young volunteers making a significant and measurable contribution	90	55 young volunteer placements	61%	266
13. Value our people		Management and regional restructuring complete	n/a	New performance review process in place.
14. Increase Trust profile (website hits per Google analytics)	75,000	87,416	117%	72,694

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

The Year in Numbers

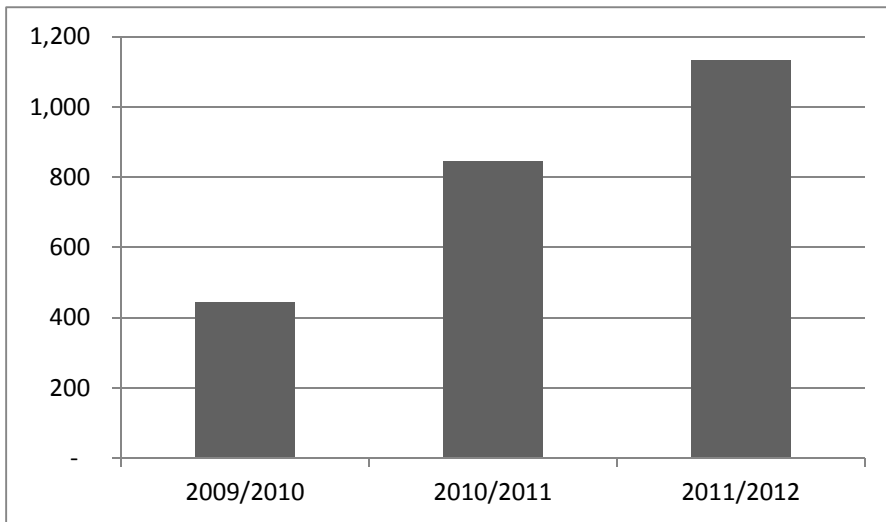


Table 1: Number of Supporter Scheme Members

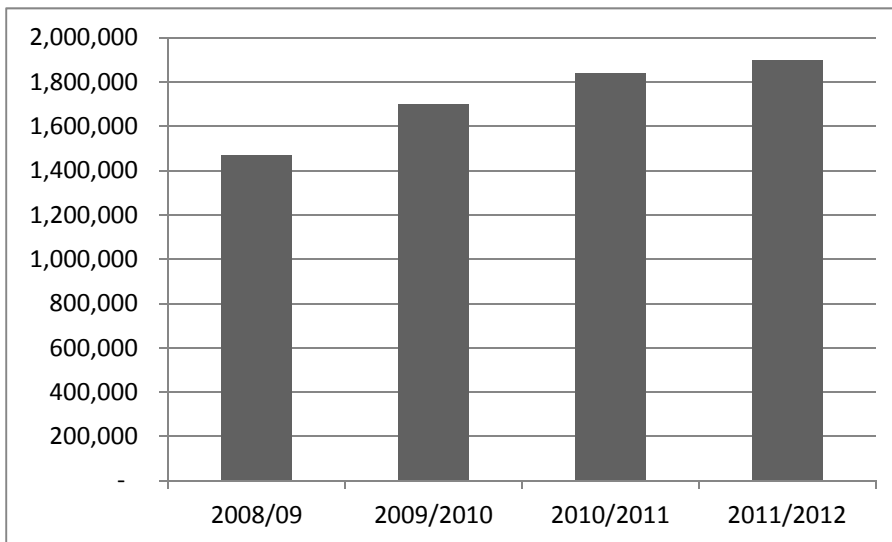


Table 2: Number of Visitors to CCT Churches

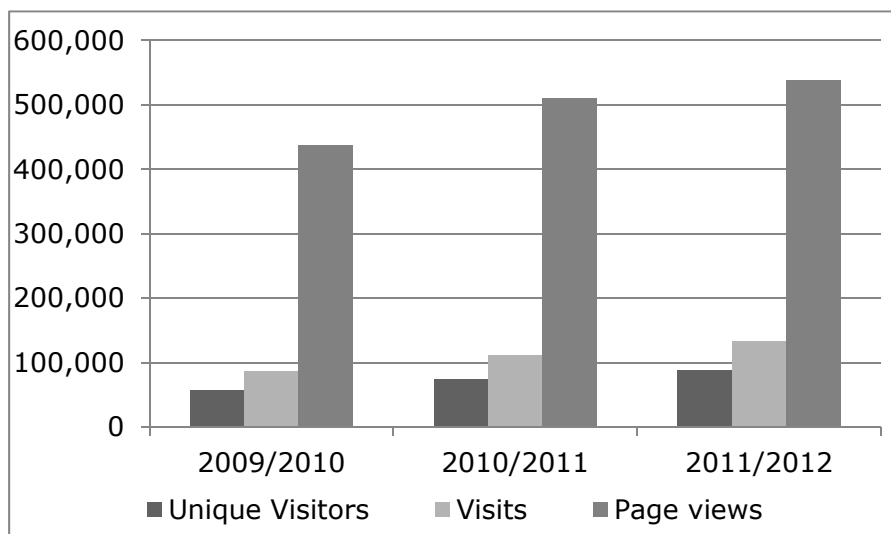


Table 3: Number of Visitors to CCT Website

8. FINANCIAL REPORT

Income

In the year ending 31 March 2012, overall income reached £6.45 million, an increase of £754,000 or 13% on 2010-11 figures.

Grant-in-Aid from the Department for Culture, Media and Sport (DCMS) and the Church Commissioners of the Church of England provided the majority of income, at £4.28 million or 66%. This figure compares to £4.42 million in 2010-11 following a £141,000 reduction as part of the 20% cut in funding under the Comprehensive Spending Review.

Non-statutory grant income of £639,000 (£609,000 in 2010-11) comprises grants from trusts and foundations for specific projects together with income from the Listed Places of Worship Grants Scheme (LPWS) where VAT is reclaimed on eligible church repairs. Income from trusts and foundations reached £510,000, a 51% increase on the £338,000 received in 2010-11. It is expected that this figure will be further boosted in the year ahead when the delayed Bolton project moves into the construction phase.

Donated income has made excellent progress, increasing by £55,000 or 15% to £434,000. This growth was fuelled in particular by increased box collections, up 22% to £184,000. With continued focus on the need for donations through better donation box and church signposting, we now have a strong basis on which to further build our donated income.

Legacies and bequests brought in an exceptional £829,000 (£66,000 in 2010-11). This additional income was put to good use, allowing us to bring forward a number of specialist conservation and repair projects planned for 2012-13 and to complete the installation of new signage at all Trust churches, well ahead of schedule.

Earned income also showed strong growth at £239,000 (£189,000 in 2010-11) due mainly to the de-vesting agreement signed for St Luke's, Oseney Crescent.

Investment returns of £30,000 were achieved, slightly down on last the £32,000 received last year reflecting continued low UK interest rates and investment returns.

Expenditure

At just over £3.90 million or 61% of total expenditure, 'Church repairs and maintenance' continues to be the main call on our funds. Compared to the previous year, this represents an increase of £360,000 or 10%. Projects that benefited from this increased expenditure are reported in section 3 above.

Our expenditure on 'Supporting volunteers and communities, keeping churches open' increased by 32% to £1.91 million or 30% of total expenditure. This work focuses on the initiatives to build the Trust's tourism, volunteering and partnership programmes and is crucial to the sustainability of the churches.

Governance costs fell slightly to £49,000 from £50,000 in 2010-11, representing 0.8% of total expenditure.

Although expenditure on Fundraising and Communications increased slightly from £536,000 to £553,000, the percentage of total expenditure dropped from 9.6% to 8.6%. Salary costs fell by £12,000 to £1.69 million, representing 26% of total expenditure, down from 30% in 2010-11.

During 2011-12 following the management restructuring carried out last year, the Trust underwent a regional restructuring programme, with associated costs of £51,000, representing

redundancy, restructuring and associated professional fees. This programme is intended to provide consistent model of professional support to local churches and communities and significantly increase volunteer numbers across the whole Trust. Conservation Management was also devolved from the centre to regional teams.

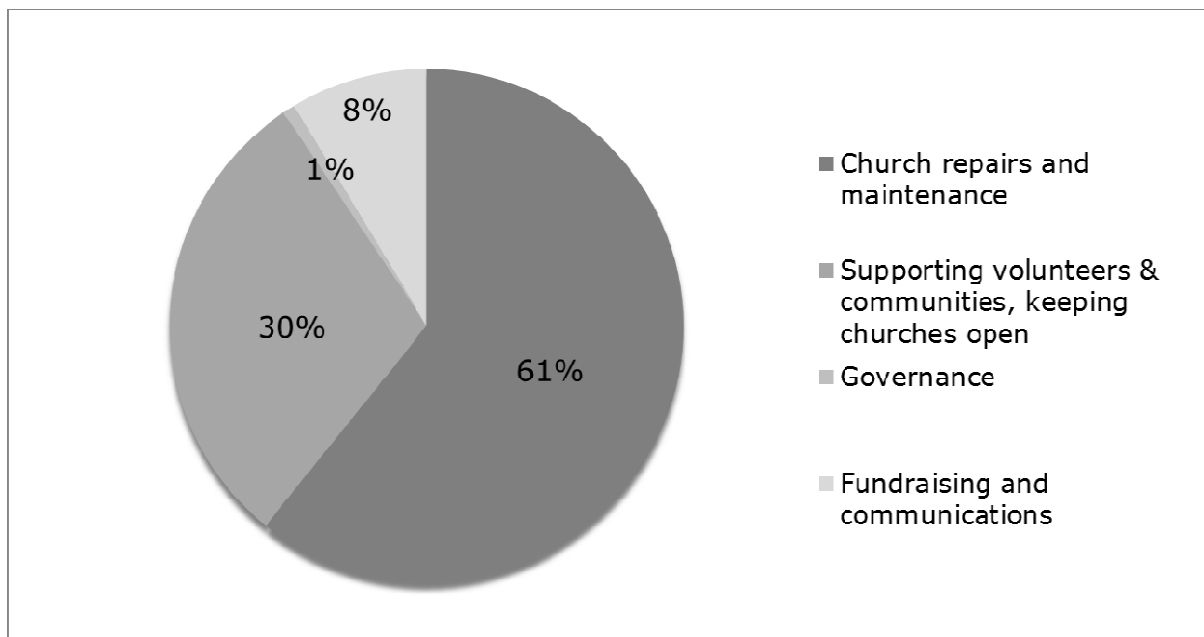


Table 4: Where the Trust spends its money, 2011-12

Reserves

The Charity Commission defines 'free reserves' as "income which becomes available to the charity and is to be expended at the Trustees' discretion in furtherance of the charity's objectives, but which is not yet spent, committed or expended". At the balance sheet date, the Trust has free reserves of unrestricted funds, less the carrying value of fixed assets, of £267,329 (that is, £306,990 less £39,661). This represents a small increase compared to the free reserves of £262,000 held at 31 March 2011, lower than the Trustee-approved target figure of £400,000.

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

Restricted Reserves

The Trust also has reserves and endowment funds whose use, under the terms by which they were given, is restricted solely to work at specific churches. The Trust's policy is always to utilise these funds first when carrying out necessary works at eligible churches, before any call is made on unrestricted funds. These restricted funds stood at £1,389,000 (£1,385,000 on 31 March 2011).

Investment Policy

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

Management, with Trustees' approval, monitor and regularly review the Trust's investment strategy. The current policy was updated in September 2010.

9. FUTURE DEVELOPMENTS

DCMS/Commissioners Funding Agreement

The Trust works to a three-year funding agreement with its two main sponsors, the Department for Culture Media and Sport and the Church Commissioners. The Agreement sits within the Strategic Plan and highlights those parts of the Trust's strategy of particular concern to the sponsors. Funding Agreement targets are mapped into the priorities for the year. The 2010-11 funding agreement was extended to cover the period 2011-12.

A new three year funding agreement is being drafted to cover the period 2012-13 to 2014-15. The targets contained¹ in that agreement are:

1. Increase philanthropy including introducing a major donor programme and capital appeals
2. Conserve to a high standard and open to visitors the CCTs collection of 340+ historic churches
3. Increase visitor numbers and improve the visitor welcome
4. Increase volunteering
5. A continued commitment and capacity to take on new vestings, taking into account both longer-term sustainability and increased collaboration with the Commissioners over securing pre-vesting support packages where these can be achieved. £2.2 million will be ring-fenced in the three-year budget to undertake the necessary conservation work on new vestings.

2012-15 National strategies and business plan

In 2012, CCT embarks on an ambitious three-year plan in an era of financial constraint and growing need. The plan begins with a new mission which will both help us achieve our existing strategic plan and lay the basis for the next one in 2015.

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

We will offer the very highest standard of welcome to growing numbers of visitors at every church, creating a comprehensive, professionally-managed, 'welcome team' of volunteers across the Trust. We will transform the make-up of our income profile to one which is more independent, diverse, and able to sustain our historic buildings and support continual improvement, for the long term.

As we set out on this mission, our 2012-15 operating plan seeks to increase the proportion of **income** which comes from independent sources and so to reduce our dependence on statutory income. If we are to do that by 2015, we will have to achieve a great deal of change in a short time.

We will transform the role of **volunteers and communities**, giving them greater responsibility and control, asking Friends, volunteers and communities to look after their CCT church and in return equipping ourselves to better support and facilitate a comprehensive and consistent team of volunteers nationally. CCT will become a volunteering, community-led organisation, adding support, expertise and partnership around a shared vision for each church.

We will become the professional church **tourism** organisation, setting the standard for the visitor experience in churches and providing the point of contact between mainstream tourism and the diverse historic church tourism sector. We will innovate and set new standards in

¹ These targets were draft at the time of writing and subject to final confirmation

REPORT OF THE TRUSTEES AND ACCOUNTING OFFICER

learning and art in historic churches, and in the interpretation of ecclesiastical heritage, making the most of social media and new technology and helping the whole sector to develop.

We will also build on our 42-years, internationally-recognised reputation in **conservation**, repair and maintenance centred on our collection. We will take on additional highly listed churches most at risk, as well as working in partnership to help others remain in parish use. Our **regeneration**, community management and youth projects will go from strength to strength, informing our wider work as we take a more holistic approach to ensuring the future of our historic churches at the heart of vibrant communities.

Progress against this three year plan will be measured by the management team and reported to Trustees through a combination of short qualitative reports and a small number of highly targeted 'change' performance indicators, or KPIs.

	Strategic Theme	National, strategic reporting to Board
1.	INCOME GENERATION	Increase independent (non grant-in-aid) income
2.	INCOME GENERATION	Return on Investment of 1:2.5 on income-generating projects
3.	TOURISM	3% annual increase in visitor numbers
4.	VOLUNTEERING	Increasing volunteer base
5.	OPERATIONAL	Quality of conservation repair

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

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

Bankers

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

Remuneration of Senior Managers

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
	Salary, including performance pay	Benefits in kind	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 at 31/3/11 and related lump sum	CETV at 31/3/11	CETV at 31/3/12	Real increase in CETV as funded by employer
Crispin Truman <i>Chief Executive</i>	70-75	Nil	0-2.5	11-15	157	187	12
Sarah Robinson <i>Deputy Chief Executive / Director of Conservation (part time: 3 days per week)</i>	30-40	Nil	0-2.5	16-20	95	108	4
Colin Shearer <i>Regional Director West</i>	50-60	Nil	0-2.5	5-10	96	118	12
Rosi Lister <i>Regional Director North</i>	40-50	Nil	0-2.5	0-5	13	21	6
Rebecca Rees <i>Regional Director South East (maternity leave from 08/01/12)</i>	40-50	Nil	0-2.5	0-5	11	17	4
Peter Aiers <i>Regional Director South East (maternity cover from 01/01/12)</i>	40-50	Nil	0-2.5	0-5	31	42	7
Melanie Knight <i>Director of Income Generation (from 04/07/11)</i>	40-50	Nil	0-2.5	0-5	4	5	1

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. The factors used in the CETV calculation have been revised during this year, mainly to account for the change from the use of RPI to CPI to calculate future pensions increase. This

REPORT OF THE TRUSTEES AND ACCOUNTING OFFICER

means that the opening CETV value shown in this year's report will differ to the amount shown as the closing CETV value in last year's report.

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

Signed on behalf of the Trustees on:

Loyd Grossman

Chairman of the Trustees

Crispin Truman

Chief Executive

The Trust is a sponsored body of the Department for Culture, Media and Sport. The Trustees are required to prepare accounts for each financial year in the form and on the basis determined by the Secretary of State for Culture, Olympics, Media and Sport, with the consent of the Treasury and in accordance with the Charities Act 2011 and the Pastoral Measure 1983. The accounts are prepared on an accruals basis to show a true and fair view of the state of affairs of the Trust at the balance sheet date and of the income and expenditure and cash flows for that period. In preparing those accounts, the Trustees are required to:

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

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

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

The Accounting Officer's responsibilities, including the responsibility for the propriety and regularity of the public finances for which the Trustees are accountable and for the keeping of

REPORT OF THE TRUSTEES AND ACCOUNTING OFFICER

proper records, are set out in the Non-Departmental Public Bodies 'Accounting Officers' Memorandum, issued by the Treasury and published in 'Managing Public Money'.

Signed on behalf of the Trustees on:

Loyd Grossman
Chairman of the Trustees

Crispin Truman
Accounting Office

10. GOVERNANCE STATEMENT

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

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

Corporate Governance

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

Trustees

The Trustees during the year were:

Mr Loyd Grossman OBE FSA	Chairman
Mrs Jennifer Baker OBE	(Until 6.11.2011)
Mrs Debbie Dance	
Mr Alec Forshaw	Chair of the Conservation Committee
Mr Matthew Girt	(Until 6.11.2011)
The Very Reverend Peter Judd	
Mr Keith Halstead	(From 7.11.2011)
Mr Christopher Knight	(From 7.11.2011)
The Reverend Brian McHenry CBE	Chair of the Human Resources sub-Committee
Mr Nick Thompson	
Ms Jane Weeks	Deputy Chair of Trustees
Mr Duncan Wilson OBE	Chair of the Finance and Audit Committee

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

During the year to 31 March 2012, the Board and its committees all met on quarterly cycle. Minutes of the meetings, including attendance are kept and approved by the Board at subsequent meetings. The attendance rate is over 90%.

During the year the Board met to review strategy and its own performance at a 24-hour residential awayday. It approved the new strategy 2012-15 presented in this report.

The Finance and Audit Committee

The Finance and Audit Committee comprises three Trustees: Duncan Wilson (Chair), Nick Thompson, Reverend Brian McHenry (until February 2012), Christopher Knight (from February 2012) and two co-opted members: Petar Stojic and Major Geoffrey Berry. It reviews key risks and controls; the management of resources through review of the latest management accounts and end of year reserves predictions; and receives reports from management and the internal and external auditors on key risk areas. It also approves the final accounts subject to signing by the Board.

REPORT OF THE TRUSTEES AND ACCOUNTING OFFICER

From these reviews, the committee is able to provide assurance to the Board on the Trust's financial position and risk management.

The Finance and Audit Committee has a Human Resources sub-Committee to advise it on HR issues and remuneration. The HR sub-Committee met on three occasions during the year.

Conservation Committee

The Conservation Committee is chaired by a Trustee (Alec Forshaw) and comprises relevant experts and senior representatives of partners conservation organisations. It advises the Board on significant conservation and development matters relating to its 342 historic buildings. Having an expert committee at such a high level in the Trust's governance protects the organisation against legal, reputational and other risks associated with the management of a large historic estate.

Highlights of Committee Reports

During the year, the Trustees approved the formation of a trading subsidiary and a charitable foundation. These bodies will be setup in the new financial year, 2012-13. Trustees agreed the principles of a new pay and reward policy, moving towards a single annual salary review, a national pay structure and an optional performance related award on a cross-organisation basis. Trustees also approved the 2012-15 budget and plan, and the national strategies for volunteering, tourism and income generation as noted above in section nine.

Management Structure

Trustees employ a salaried Chief Executive to manage the organisation and implement the strategic objectives. The Chief Executive has a senior management team comprising a deputy chief executive and four directors with specific regional and/or operational responsibilities. Each director has their own small team of staff who carry out a range of projects with the support of volunteers. The Trust's operational teams are organised by regions, the number of which was reduced from four to three in the previous year.

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

Communication with Sponsors

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

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

Internal Audit

The Trust's provider of internal audit services, Chantrey Vellacott, was appointed in 2009-10. Their work is risk-based and compliant with Government Internal Audit Standards. The internal audit plan covering 2009-12 considers strategic and operational risks and has been approved by the Finance and Audit Committee. It is reviewed annually to confirm audit prioritisation.

During 2011-12 Chantrey Vellacott carried out a review of gift aid procedures and risk management policy and procedures. These reports concluded that the Trust's processes are strong and raised useful control improvement points that have since been implemented by management. The reports and management actions were reviewed by the Finance and Audit Committee.

External Audit

As part of their annual audit of the Trust's accounts, the External Auditors' provide a Management Letter covering any identified control weaknesses. For 2011-12, no substantive weaknesses were raised which provided the Trust with additional comfort over its internal controls.

Remuneration

Senior management remuneration

2011-12 was the final year of the current pay policy whereby all staff were awarded a cost of living increase and a separate progression award. Progression is a management tool designed to address performance and development issues. Under the existing policy approximately 80% of staff received a progression award (at rates between zero and 2.5% depending where they sat in their current band). It was paid to eligible staff subject to the achievement of satisfactory performance agreed during the appraisal process. The system was designed and implemented in July 2004.

A new pay and reward system is currently being finalised for introduction in 2012-13 which will consist of one cost of living award and a second non-consolidated bonus payment based on organisational objectives being achieved. All pay awards are subject to Trustee approval and are based on affordability together with financial and non-financial targets.

As at 31 March 2012, the highest paid director was paid in the £62,740 to £74,086 band. The ratio of the mid-point of this band to the Trust's median pay of £25,500 was 2.7.

Contracts

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

The Planning and Budgeting Process

The senior management team compiles the Trust's business plan and budget on an annual basis. During the year the Trust moved to three-year business planning to improve forward planning, end-year management and allow for the longer preparation time required for more complex projects. The resulting 2012-15 three-year plan and budget is summarised in this report and will be updated on a rolling annual basis.

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

SMT brokers and collates and sets the national plan and budget, ensuring that all priorities are being met, resources appropriately allocated and risks managed. The plan and budget is subject to analysis by the Finance and Audit Committee and formal approval by the Board of Trustees.

Project Management

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

Performance monitoring and reporting

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

Risk Management

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

- **Take opportunities** - for circumstances where the potential gain seems likely to outweigh the 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); and
- **Terminate** - for intolerable risks, where it is possible for the organisation to exit.

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

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

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

During the year departmental risk registers were introduced in response to recommendations from internal audit. The key components of the risk management framework following the internal audit review are as follows:

The Risk Register

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

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

Information Management

The Trust is registered with the Information Commissioner's Office. The Trust suffered no protected personal data incidents during 2011-12. Controls are in place to monitor information management risk.

Sickness Absence Disclosure

During the year-ending 31 March 2012, staff were off work due to sickness for a total of 61 days or an average of 1.4 days per staff member after three long-term absences are discounted. This compares to an average of 2.2 days per staff member in the previous year.

Review of Effectiveness

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

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

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

No significant control issues arose during the year.

Crispin Truman

Accounting Officer and Chief Executive

11. AUDITORS' STATEMENT

We have audited the financial statements of the Churches Conservation Trust for the year ended 31 March 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 15 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report, including our opinion, has been prepared for and only for the charity's Trustees as a body. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2012 and of the charity's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

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

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2012

12. FINANCIAL STATEMENTS

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total <u>2012</u> £	Total <u>2011</u> £
<u>INCOMING RESOURCES</u>						
Incoming resources from charitable activities						
Grants	4	4,409,941	509,727	-	4,919,668	5,031,118
		4,409,941	509,727	-	4,919,668	5,031,118
Incoming resources for generated funds						
Voluntary income		1,178,314	84,347	-	1,262,661	445,248
Activities for generating funds		238,959	-	-	238,959	189,010
Investment income		3,404	26,505	-	29,909	32,037
		1,420,677	110,852	-	1,531,529	666,295
TOTAL INCOMING RESOURCES	4	5,830,618	620,579	-	6,451,197	5,697,413
Less cost of generated funds						
Fundraising and communications		(547,888)	(5,347)	-	(553,235)	(535,804)
Total incoming resources available for charitable application		5,282,730	615,232	-	5,897,962	5,161,609
<u>RESOURCES EXPENDED</u>						
Charitable activities						
Church repairs and maintenance	1(c)	(3,412,425)	(485,641)	-	(3,898,066)	(3,537,974)
Supporting volunteers & communities, keeping churches open		(1,797,827)	(116,370)	-	(1,914,197)	(1,455,514)
Governance		(49,099)	(304)	-	(49,403)	(49,754)
Total charitable activities		(5,259,351)	(602,315)	-	(5,861,666)	(5,043,242)
RESOURCES EXPENDED	5	(5,807,239)	(607,662)	-	(6,414,901)	(5,579,046)
Other recognised gains and losses						
Realised profits/(loss) on investments		-	3,439	(13,723)	(10,284)	-
TOTAL RESOURCES EXPENDED		(5,807,239)	(604,223)	(13,723)	(6,425,185)	(5,579,046)
Net incoming resources		23,379	16,356	(13,723)	26,012	118,367
Other recognised gains and losses						
Unrealised profits on investments	8	-	-	1,120	1,120	21,388
Net movement in funds		23,379	16,356	(12,603)	27,132	139,755
Balances brought forward at 1 April 2011		283,611	939,292	446,130	1,669,033	1,529,278
Balances carried forward at 31 March 2012	12	306,990	955,648	433,527	1,696,165	1,669,033

SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012

	Notes	<u>2012</u> £	<u>2011</u> £
Income			
Grants	4	4,919,668	5,031,118
Voluntary income		1,262,661	445,248
Activities for generating funds		238,959	189,010
Investment income		29,909	32,037
Total income		6,451,197	5,697,413
Expenditure			
Fundraising and Communications	1(c)	(553,235)	(535,804)
Church repairs and maintenance		(3,898,066)	(3,537,974)
Supporting volunteers & communities, keeping churches open		(1,914,197)	(1,455,514)
Governance		(49,403)	(49,754)
Realised (loss) on sale of investments		(10,284)	-
Total expenditure		(6,425,185)	(5,579,046)
Surplus of income over expenditure		26,012	118,367

BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total <u>2012</u> £	Total <u>2011</u> £
FIXED ASSETS						
Tangible fixed assets	7	39,661	-	-	39,661	22,001
Fixed assets investments	8	-	-	254,356	254,356	599,713
		39,661	-	254,356	294,017	621,714
CURRENT ASSETS						
Debtors	9	739,095	46,901	-	785,996	281,791
Cash on deposit		644,480	916,250	179,171	1,739,901	1,807,941
Cash at bank and in hand		260	-	-	260	171
		1,383,835	963,151	179,171	2,526,157	2,089,903
Creditors						
Amounts falling due within one year:	10	(1,116,506)	(7,503)	-	(1,124,009)	(980,333)
NET CURRENT ASSETS		267,329	955,648	179,171	1,402,148	1,109,570
Creditors						
Amounts falling due after one year:						
Provision for liabilities and charges	11	-	-	-	-	(62,251)
NET ASSETS		306,990	955,648	433,527	1,696,165	1,669,033
FUNDS						
Endowment funds	12	-	-	433,527	433,527	446,130
Income funds	12	306,990	955,648	-	1,441,809	1,222,903
		306,990	955,648	433,527	1,696,165	1,669,033

Approved and authorised for issue by the Trustees on:

Signed on their behalf by:

Loyd Grossman
Chairman of the Trustees

NOTES TO THE ACCOUNTS

Notes	<u>2012</u>	<u>2011</u>
	£	£
Cash flow from operating activities		
Net incoming resources	26,012	118,367
Investment income	(29,909)	(32,037)
Realised loss on investments	10,284	-
Depreciation	7,732	3,053
(Increase)/Decrease in debtors and prepayments	(504,205)	160,720
Increase/(Decrease) in creditors	143,676	(17,298)
Decrease in provisions	(62,251)	(16,643)
Net cash (outflow)/inflow from operating activities	(408,661)	216,162
Cash flows from investing activities		
Sales of investments	571,547	-
Purchase of investments	(235,354)	-
Investment income received	29,909	32,037
Net cash inflow from investing activities	366,102	32,037
Cash flows from financing activities		
Capital expenditure:		
Purchase of tangible fixed assets	(25,392)	(18,889)
Net cash (outflow) from financing activities	(25,392)	(18,889)
(Decrease)/Increase in cash during the year 17	(67,951)	229,310

13. NOTES TO THE ACCOUNTS

1. Accounting Policies

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

(a) *Basis of Accounting*

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

(b) *Incoming Resources*

Statutory Grants comprise Grant-in-Aid from the Department for Culture, Media and Sport amounting to £2,926,000 (2010-11: £3,066,952) and a grant from the Church Commissioners amounting to £1,355,060 (2010-11: £1,355,060). Grant-in-Aid is allocated to general unrestricted purposes and is taken to the Statement of Financial Activities in the year to which it relates. Other grants are included where the conditions of the grant have been fulfilled and the grant is claimable. Donations and Investment income is included in the accounts in the year they are receivable. Legacies are included when the Trust is notified by the personal representatives of an estate that payment will be made or property transferred and the amount involved can be quantified with reasonable certainty.

(c) *Resources Expended*

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

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Head office premises costs are apportioned on the basis of the space occupied by particular groups of staff. 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) *Fund Accounting*

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

(e) *Tangible Fixed Assets*

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

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

NOTES TO THE ACCOUNTS

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

(f) Fixed Asset Investments

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

(g) Finance and Operating Leases

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

(h) Heritage Assets

The Trust maintains 342 (2011: 342) churches in support of the Trust's objective to protect these historic churches for the benefit of future generations. The Trustees consider that owing to the incomparable nature of the churches vested in the trust, conventional approaches lack sufficient reliability and that even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Trust and the users of these accounts. As a result, no value is reported for these assets in the Trust's balance sheet. This approach is also in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005).

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

Further information is given in note 13 to the accounts.

(i) Pensions

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

(j) Early Retirement Costs

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

2. Unrestricted Income and Expenditure Account for the Year Ended 31 March 2012

		<u>2012</u>	<u>2011</u>
		£	£
<u>INCOMING RESOURCES</u>			
Incoming resources from charitable activities			
Grants	1(b)	<u>4,409,941</u>	4,693,296
		4,409,941	4,693,296
Incoming resources for generated funds			
Voluntary income		1,178,314	371,148
Activities for generating funds		238,959	160,919
Investment income		<u>3,404</u>	<u>3,628</u>
		1,420,677	535,695
TOTAL INCOMING RESOURCES		<u>5,830,618</u>	<u>5,228,991</u>
Less cost of generated funds			
Fundraising and communications		(547,888)	(535,804)
Total incoming resources available for charitable application		<u>5,282,730</u>	<u>4,693,187</u>
<u>RESOURCES EXPENDED</u>			
Charitable activities			
Church repairs and maintenance	1(c)	(3,412,425)	(3,304,866)
Supporting volunteers & communities, keeping churches open		(1,797,827)	(1,295,546)
Governance		(49,099)	(49,754)
Total charitable activities		<u>(5,259,351)</u>	<u>(4,650,166)</u>
TOTAL RESOURCES EXPENDED		<u>(5,807,239)</u>	<u>(5,185,970)</u>
Net incoming resources		23,379	43,021
Balance brought forward at 1 April 2011		<u>283,611</u>	240,590
Balance carried forward at 31 March 2012	12	<u>306,990</u>	<u>283,611</u>

3. Taxation

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

4. Incoming Resources

	<u>2012</u>	<u>2011</u>
	£	£
Statutory grants	4,281,060	4,422,012
Other grants	638,608	609,106
Legacies and bequests	828,656	66,112
Donations	434,005	379,136
Investment income	29,909	32,037
Other income	238,959	189,010
TOTAL INCOMING RESOURCES	<u>6,451,197</u>	<u>5,697,413</u>

5. Expenditure

	Direct staff costs	Other direct costs	Support costs	<u>2012</u> Total	<u>2011</u> Total
	£	£	£	£	£
Cost of generating funds					
Fundraising and communications	412,112	85,133	55,990	553,235	535,804
Charitable activities					
Church repairs and maintenance	435,658	3,110,265	352,143	3,898,066	3,537,974
Supporting volunteers & communities, keeping churches open	844,958	683,343	385,896	1,914,197	1,455,514
Governance	12,124	29,465	7,814	49,403	49,754
Total charitable activities	<u>1,292,740</u>	<u>3,823,073</u>	<u>745,853</u>	<u>5,861,666</u>	<u>5,043,242</u>
TOTAL RESOURCES EXPENDED	<u>1,704,852</u>	<u>3,908,206</u>	<u>801,843</u>	<u>6,414,901</u>	<u>5,579,046</u>

	Fundraising and communication	Church repairs & maint.	Regional activities	Governance	<u>2012</u> Total	<u>2011</u> Total
	£	£	£	£	£	£
ALLOCATED SUPPORT COSTS						
Staff costs	16,988	106,949	118,397	2,243	244,577	331,969
Premises costs	12,610	79,266	86,470	1,801	180,147	153,825
Communications	9,028	56,746	61,906	1,290	128,970	175,241
Publications	2,824	17,753	19,366	403	40,346	62,295
Office costs	6,007	37,759	41,191	858	85,815	91,560
IT costs	4,686	29,487	32,186	670	67,029	52,012
Prof. consultancy	3,306	20,781	22,668	472	47,227	45,616
Depreciation	541	3,402	3,712	77	7,732	3,053
	<u>55,990</u>	<u>352,143</u>	<u>385,896</u>	<u>7,814</u>	<u>801,843</u>	<u>915,571</u>

Support costs are apportioned on the basis of staff time

NOTES TO THE ACCOUNTS

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 (2010-11: £nil). Four Trustees received reimbursements for travel and subsistence of £719 (2010-11 reimbursements totalled £257 for three Trustees).

Net incoming resources are stated after charging Auditors' Remuneration

	<u>2012</u>	<u>2011</u>
	£	£
Auditors' remuneration	<u>15,300</u>	<u>14,000</u>

6. Salaries, Employment Costs and Expenses

	Fundraising and comms	Church repairs & maint.	Regional activities	Govern ance	Support	<u>2012</u> Total	<u>2011</u> Total
	£	£	£	£	£	£	£
Gross salaries	296,797	313,863	571,799	8,479	185,099	1,376,037	1,375,102
Provision for redundancy	5,508	9,610	25,796	1,012	9,105	50,581	80,000
Social security costs	21,174	22,480	40,845	551	9,797	94,847	95,604
Pension costs	48,375	50,763	93,474	1,171	20,376	214,159	220,679
Early retirement	348	661	1,774	70	626	3,479	3,799
Travel expenses	13,336	26,434	81,502	140	1,942	123,354	140,097
Staff training	7,845	3,571	8,183	317	10,222	30,138	13,137
Car leasing	1,526	3,297	10,685	6	0	15,513	14,684
Recruitment costs	16,381	3,270	5,858	229	5,422	31,160	11,819
Staff admin costs	1,272	1,711	5,042	149	1,988	10,162	7,438
	<u>412,112</u>	<u>435,658</u>	<u>844,958</u>	<u>12,124</u>	<u>244,577</u>	<u>1,949,429</u>	<u>1,962,359</u>
Average number of employees on a full time basis:	<u>5</u>	<u>9</u>	<u>24</u>	<u>1</u>	<u>8</u>	<u>47</u>	<u>47</u>

One employee earned over £60,000 during 2011-12 and 2010-11, with a salary falling in the £70,000 to £80,000 band in both years.

Pensions

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

The Churches Conservation Trust 2012

NOTES TO THE ACCOUNTS

in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

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

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

Pension Contributions

For 2011-12 employers' contributions of £213,586 were payable to the PCSPS (2010-11: £220,255) at one of three rates in the range 17.1% to 25.5% of pensionable pay. For the stakeholder pension account, employers' contributions of £573 (2010-11: £424) were paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. Contributions due to the pension providers at 31 March 2012 were nil (2010-11: nil).

Exit Packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
£0 to £5,000	4	1	5
£5,001 to £10,000	1	0	1
£10,001 to £15,000	1	2	3

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Redundancy compensation payments accrued in 2011-12 totalled £63,527.

7. Tangible Fixed Assets

	<u>Tenants'</u> <u>Improvements</u> £	<u>Furniture &</u> <u>Equipment</u> £	<u>Total</u> <u>2012</u> £
COST			
At 1 April 2011	46,897	173,746	220,643
Additions	-	25,392	25,392
Disposals	-	(1,822)	(1,822)
At 31 March 2012	<u>46,897</u>	<u>197,316</u>	<u>244,213</u>
DEPRECIATION			
1 April 2011	46,897	151,745	198,642
Charge for the year	-	7,732	7,732
Eliminated on disposal	-	(1,822)	(1,822)
At 31 March 2012	<u>46,897</u>	<u>157,655</u>	<u>204,552</u>
NET BOOK VALUE:			
At 31 March 2012	<u>-</u>	<u>39,661</u>	<u>39,661</u>
At 31 March 2011	<u>-</u>	<u>22,001</u>	<u>22,001</u>

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 2011	332,754	266,959	599,713
Sales	(336,193)	(235,354)	(571,547)
Purchases	-	235,354	235,354
Realised profit / (loss)	3,439	(13,723)	(10,284)
Net unrealised profit on revaluation	-	1,120	1,120
At 31 March 2012	<u>-</u>	<u>254,356</u>	<u>254,356</u>
Historic cost at 31 March 2012	<u>-</u>	<u>198,598</u>	<u>198,598</u>

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

NOTES TO THE ACCOUNTS

9. Debtors

All amounts fall due within one year.

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2012</u> <u>Total</u> £	<u>2011</u> <u>Total</u> £
Listed Places of Worship Grant Scheme	90,186	-	90,186	71,230
Due from grant giving bodies	-	46,901	46,901	88,465
Debtors bequests due	496,242	-	496,242	20,000
Other debtors and prepayments	152,667	-	152,667	102,096
	<u>739,095</u>	<u>46,901</u>	<u>785,996</u>	<u>281,791</u>

10. Creditors

Amounts falling due within one year:

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>2012</u> <u>Total</u> £	<u>2011</u> <u>Total</u> £
Restructuring costs provision	41,219	-	41,219	80,000
Trade creditors	705,126	-	705,126	649,386
Accruals and deferred income	232,111	3,893	236,004	173,498
Early retirement pension provision	46,844	-	46,844	-
Other creditors	91,206	3,610	94,816	77,449
	<u>1,116,506</u>	<u>7,503</u>	<u>1,124,009</u>	<u>980,333</u>

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

11. Provision for Liabilities and Charges

	<u>2012</u> <u>Total</u> £
At 1 April 2011	62,251
Released during the year	(15,407)
Transfer to creditors due within 1 year	(46,844)
At 31 March 2012	<u>-</u>

12. Funds

	<u>Balance</u> <u>as at 1 April</u> <u>2011</u> £	<u>Incoming</u> <u>Resources</u> £	<u>Resources</u> <u>Expended</u> £	<u>Unrealised</u> <u>profits</u> £	<u>Balance as</u> <u>at 31 March</u> <u>2012</u> £
Unrestricted funds	283,611	5,830,618	(5,807,239)	-	306,990
Restricted funds	939,292	620,579	(604,223)	-	955,648
Permanent Endowment	267,335	-	(13,723)	1,120	254,732
Expendable Endowment	178,795	-	-	-	178,795
	<u>1,669,033</u>	<u>6,451,197</u>	<u>(6,425,185)</u>	<u>1,120</u>	<u>1,696,165</u>

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

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

Restricted Funds are an accumulation of smaller sums of money donated by the public for expenditure on the church for which they were given. A separate fund is maintained for each vested church with income, known collectively as the Specific Churches Funds. Expenditure funded by grants for specific projects is also accounted for through restricted funds. The largest five balances relate to York Holy Trinity, Leeds St John, Stirchley, Shorncote and Holcombe Old, collectively holding £689,501 at 31 March 2012.

13. Heritage Assets

The Trust maintains 342 churches which have been acquired during the last 40 years since the inception of the Trust. These churches are those which have fallen into disuse and are considered to be sufficiently important to be restored and maintained for the benefit of future generations. Although churches are transferred from the relevant Diocese at no cost to the Trust, they often arrive with urgent repair needs and no accompanying endowment, creating an increasing long term burden on the Trust's already limited finances. Every three years half of the Trust's estate is reviewed for repair liabilities.

Additions in 2011-12: Swingfield St Peter, Kent

Disposals in 2011-12: Oseney Crescent St Luke's, London

Six year summary of heritage asset transactions

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

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Total Number of Churches vested in the Trust	342	342	342	340	340	340
New Vestings	1	1	2	-	-	2
Disposals	1	1	-	-	-	-

14. Operating Lease Commitments

The annual commitment in respect of operating leases were:

	<u>2012</u>	<u>2011</u>
Leases expiring under one year:	£	£
Land and buildings	82,800	-
Leases expiring between two and five year:		
Motor vehicles	9,576	9,452
Land and buildings	-	106,918

15. Repair Commitments

At 31 March 2012 the Trust had committed to or contracted for the following repair projects:

	<u>2012</u>	<u>2011</u>
	£	£
2011-12 Programme	124,850	2,000
2012-13 Programme	431,295	466,372
	<u>556,145</u>	<u>468,372</u>

16. Net Assets

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2012 Total £
Tangible fixed assets	39,661	-	-	39,661
Investments	-	-	254,356	254,356
Cash	644,740	916,250	179,171	1,740,161
Debtors less creditors	(377,411)	39,398	-	(338,013)
Total	<u>306,990</u>	<u>955,648</u>	<u>433,527</u>	<u>1,696,165</u>

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

	<u>2012</u>	<u>2011</u>
	£	£
(Decrease)/Increase in cash during the year	(67,951)	229,310
Change in net funds resulting from cash flows	(67,951)	229,310
Net cash funds at 31 March 2011	<u>1,808,112</u>	<u>1,578,802</u>
Net cash funds at 31 March 2012	<u>1,740,161</u>	<u>1,808,112</u>

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

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

20. Acknowledgements

The Trust wishes to record its thanks for the continuing help and support it receives that enables it to do its work across its 342 churches. The list below notes the Trust's sponsors (who provide its Statutory Grant), the Trusts and Foundations, Friends of Churches, other organisations and individuals that, in the year, gave generously to the Trust.

The Trust's Key Sponsors

The Department for Culture, Media and Sport
The Church Commissioners

CCT Patrons

Mr R Aldwinckle
Mr R Allport
Mr J S Anderson
Mr F M Bartlett
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Mr R Broyd OBE
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Other major donors
Mrs B Kipling
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Mr & Mrs J Sheffield

Friends of Churches

Albury Old Parish Church Fund
Friends of Capel St Thomas Church
Friends of St Mary's Church Bungay

Trusts and Foundations

Awareness Fund
Colyer-Fergusson Charitable Trust
English Heritage
Graveney and Goodnestone Trust
Heritage Lottery Fund (South East)
King's Lynn Civic Society
Lady Hind Trust
Leonard Laity Stoate Charitable Trust
Lincolnshire County Council
National Manuscripts Conservation Trust
National Society of United States Daughters of 1812
Nottinghamshire County Council
St Thomas Ecclesiastical Charity
Thomas Freke and Lady Norton Charity
The Alice Ellen Cooper Dean Charitable Foundation
The Brocklebank Charitable Trust
The Charles Dunstone Charitable Trust
The Charles Littlewood Hill Trust
The Gosling Foundation
The Headley Trust
The Lopylugs and Barbara Morrison Charitable Trust
The Radcliffe Trust
The Swire Charitable Trust
V
The Wyss Foundation
York Georgian Society

21. Value of CCT Volunteers

The Trust relies heavily on the contribution made by volunteers to achieve its objectives. These volunteers include our Friends' groups and our younger volunteers, all of whose work helps enormously to enable the work of and help sustain the Trust.

We have not put a monetary value in the accounts on the many hours of work that our volunteers freely give. If we were to value them at £6.75 hour, the economic worth of the work they do, for the year-ending 31 March 2012, would amount to £3.5 million.



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