



THE CHURCHES CONSERVATION TRUST

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017**

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



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

We aim to:

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

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1. CHAIRMAN'S FOREWORD

It has been a great joy and privilege to take up the Chair of The Churches Conservation Trust. I know that we are all grateful to Loyd Grossman for all that he contributed before my arrival. It's great to know that he is now involved as Vice-President, he will continue to add lustre to all we do.

The range, depth and cultural importance of what we do at CCT is easily overlooked. Taking care of our historic buildings isn't just about bricks and mortar, wattle, daub or corbels, clerestories and spires; it's about making places live for now and for the future. It's a huge responsibility.

That is a responsibility which is shared by all of us. At the CCT we are deeply grateful to those who support us in Government, in the Church of England, to funders like the Heritage Lottery Fund, and to those who help us simply because they care: the volunteers and Friends groups and donors who so lovingly dedicate their time and energy to keeping the churches open and so well looked after.

In my first year I have visited quite a few of our rural churches. In Norfolk, Dorset, Warwickshire, Sussex and – most recently - in Essex. In every single case I have been awed by their beauty. In some there's a sadness too. These are mostly places which time, economics and people have left behind. They stand there still, a testament to the faith of previous generations and they pose a question to us here and now: what next?

Part of the answer to that question is provided by the partnership forged with Suffolk Mind at St Mary at Quay in Ipswich. There's more about that project in this report; but the pairing of a previously at risk medieval building with an organisation dedicated to very contemporary social need is a brilliant example of what CCT can do.

This was the year when the number of historic churches saved by CCT topped 350. We were delighted to take on the care of the Grade 1 listed churches of Sapperton in Gloucestershire and Merston near Chichester, working as ever in partnership with the local communities.

As you will know, we are bidding farewell to our Chief Executive Crispin Truman. He has served the CCT for almost 14 years. He has done an outstanding job for the CCT – helping to position us in a very good place with both the heritage and church communities. The Trust owes him a great debt of gratitude for his work on our behalf.

Crispin was awarded an OBE this year for his work on behalf of the CCT; he would be the first to say that the honour reflects not only his own immense personal contribution, but also the role played by every single member of our staff in making the CCT such a dynamic force within the heritage sector.

I very much look forward to working with anyone who loves churches as much as I do, in the run up to our 50th anniversary in 2019.

Peter Ainsworth
Chairman

2. INTRODUCTION

Who we are

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

Constitution

The Churches Conservation Trust (CCT) is registered as a charity (number 258612) and its governing document is the Mission and Pastoral Measure 2011 (2011 No.3). Its object, as defined principally in Section 57 (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 vested in the Trust by the Church Commissioners to be conserved for the nation and opened to the public.

Strategic Aims 2015-19

Our strategic aims for the five years from 2015, taking us to the conclusion of our 50th Anniversary in 2019, are to:

Inspire People;

Protect History; and

Create Value.

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

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

The programmes will result in the conservation, repair, adaptation and maintenance of the 350 buildings in our collection and of additional churches at risk coming into ownership. The Trust also runs a wide range of projects to support and promote community, arts, cultural and educational use, tourism and the local management or lease of its buildings. All projects serve to increase external funding, volunteering, partnerships and local involvement.

DCMS and Church Commissioners Funding Agreement

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

The Trust works to a 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 interest to the sponsors.

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

During the year a new funding and management agreement was agreed for 2016-2020, the agreed aims are to:

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

DCMS Single Departmental Plan 2015-20

The Trust will ensure it addresses those of the targets in the DCMS Single Departmental Plan 2015-20 and in the Culture White Paper, which relates to its functions, in particular:

- Promoting the UK's heritage and historic environment
- Working with the arts and culture sectors to emphasise the benefits of participation for all
- Promoting an understanding of and access to the historic environment so that all people can appreciate and enjoy heritage assets
- Articulating the benefits of access and participation, including through working with other government departments and partners
- Supporting essential roof repairs to local churches
- Ensuring more visitors travel outside the capital
- Investing to boost tourism in the South West

On efficiency, we will also aim to deliver on a 1% year-on-year efficiency target against total grant-in-aid funding across the Spending Review period, which can be recycled into frontline services.

Public Benefit

The Trust meets its obligations through 'advancing arts, culture, heritage or science'. It manages and provides free admission to 350 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 a vast array of community and arts events. Almost two thousand members of the public volunteer for the Trust and many are provided with training and support as a part of this activity. All Trustees give their time voluntarily and receive no benefit from the charity. Expenses reclaimed from the charity are set out in note 3 to the accounts.

3. REVIEW OF THE YEAR

2016/17 was another full and exciting year at CCT in which we celebrated several significant achievements and delivered unprecedented levels and variety of activity in and around the churches.

Two years into our strategic plan we are making good progress against our targets. We are attracting wider and increased audiences, rescuing more churches and strengthening volunteering. Although independent income continues to rise slowly, it is increasing across a variety of different strands. All these areas have seen considerable activity during the year and many of the projects planned two years ago are now complete or well underway. Highlights across the country include:

- Our latest regeneration project - Quay Place wellbeing centre - opened in Ipswich, marking completion of major repairs and adaptation of Grade II* St Mary at Quay. The building is now managed by Suffolk Mind and the project has attracted significant attention and widespread praise.
- Our international 'Heritage and Wellbeing' conference, which celebrated the new centre and brought people together from a wide range of sectors to explore how promoting the health benefits of a beautiful and well-presented built environment.
- £331,000 raised for urgent and significant repairs to the tower stonework at [Waterloo Christ Church](#). This was completed and reopened at a grand Friends'-led event in the spring.
- Three more Grade I-listed churches saved from closure; at Sapperton St Anselm in Gloucestershire, [Merston St Giles](#) in Sussex and [Freeby St Mary](#) in Leicestershire. The latter was also extensively repaired and reopened with its first service in 20 years.
- Champing expanded across six sites, and with 600 Champers attending during the year raising £30,000 towards church repairs, this attracted unprecedented levels of publicity.
- A national volunteering conference held at St Pancras hotel in London.
- First-ever CCT SPAB Fellow funded and appointed.
- Five roofs repaired and two more DCMS roof repair grants secured. £50,000 raised to match the costs of the very special slate roof at [Warminghurst Holy Sepulchre](#).
- Launch of our new members' magazine, *Pinnacle*.
- Greater numbers of tours, community events and learning and family activities, attracting more participants and donations nationwide.
- The complete overhaul of our new, mobile-friendly website.
- Completion of a DCMS-funded town centre 'gateway' programme of improvements to visitor facilities and information, including the opening up of the tower at [Sandwich St Peter](#) and new interpretation at Cambridge, York, [Bristol St John](#) and Evesham.
- Reopening of [King's Lynn St Nicholas](#) after major repairs and an extensive programme of family, learning, community and commercial events.
- Pioneering 'Church Keys' programme of contemporary music concerts in partnership with Dave Stewart Enterprises, launched at [Langport All Saints](#) in Somerset.
- Our Regeneration team [consultancy programme](#) has resulted in new contracts and income as well as providing wider support to the sector in the UK and abroad, as reported in a new [Impact Report](#). This has included helping St Marylebone parish church in London raise £3m for its own renewal project. Partnership project '[Inspired Northeast](#)' helps 12 historic churches at risk in the Newcastle Diocese.

4. AIM ONE: INSPIRE PEOPLE

Our first aim is to attract more people from a wider variety of backgrounds to our historic church collection and to enthuse them about the history and beauty they contain. Our visitor experience, volunteering and learning programmes make up a large part of the work of the staff team and are key to attracting the numbers and support we need.

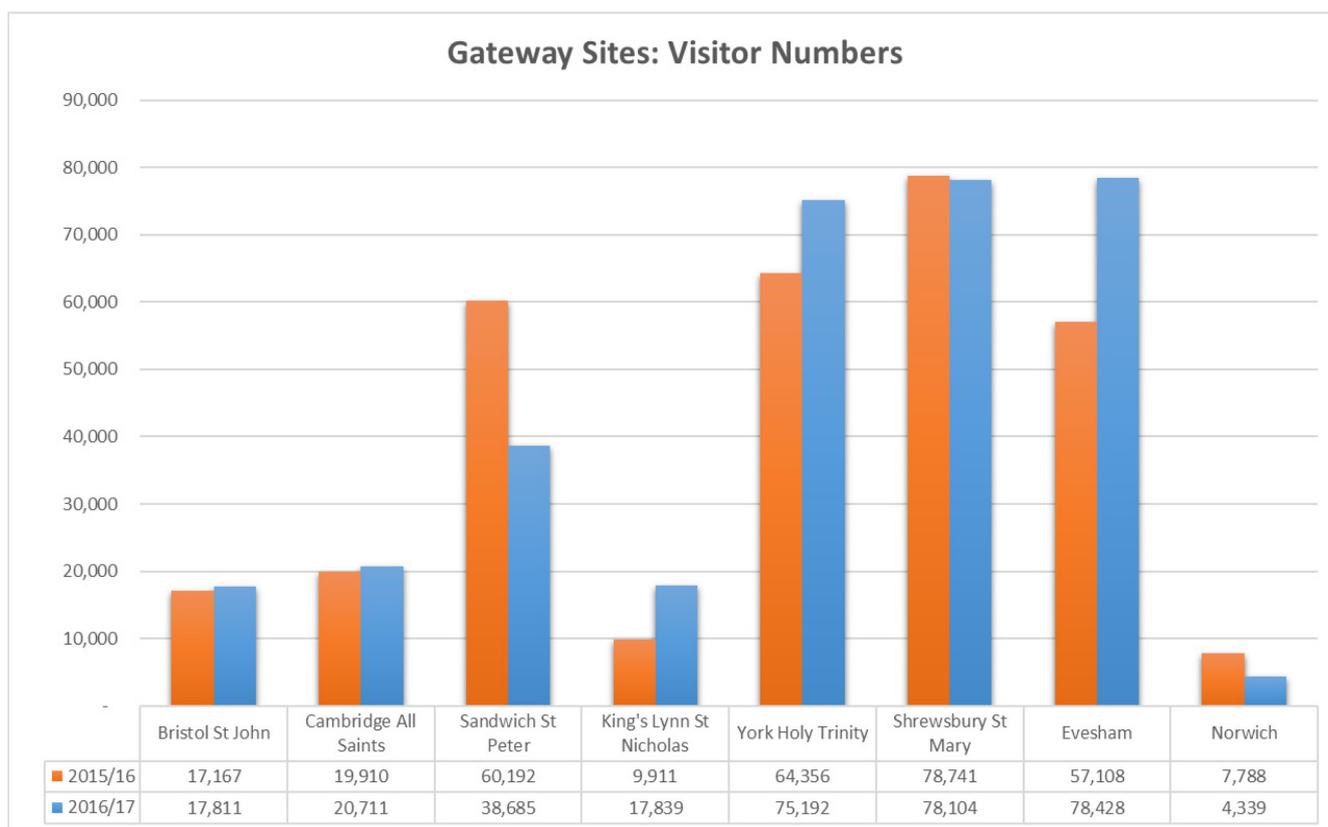
Visitors

This year the number of visitors to all CCT churches have increased slightly by 0.5% nationally and by 5% in our 'Gateway' sites (see below). This hides wide variations in sites. The first half of the year was slow but we have seen a positive trend going into the 2017 visitor season.

The Gateway Programme

The main focus for our work in increasing visitors and their donations currently is our 'Gateway' programme, aimed at upgrading our town centre sites to a high standard of 'visitor experience' on a par with other heritage attractions. The programme also allows us to prioritise sites for investment.

This year we completed a major DCMS-funded project to improve presentation and information at York, Bristol St John's, Northampton, Cambridge All Saints and Sandwich St Peter and began to operate and market them as visitor attractions. The graph shows how investment in eight key sites has resulted in an average 5% increase in visitors over and above our other sites. King's Lynn, for example, is clearly showing dividends after its first full year of operation, while Sandwich has seen a temporary drop because of closure during building works.



Visitor numbers at 'Gateway' sites: comparison with last year

Total visitor numbers in 2016/17 were 1,949,350, which is an increase of 9,882 on the visitors welcomed in 2015/16. However, those figures include a number of sites which were closed for works for part of the year (for example Sandwich and Norwich), so we expect higher overall figures next year.

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Following DCMS investment an evaluation of Gateways has been carried out and learning will inform the next phase of development in 2017/18. This will include a major focus on 'Visitor Welcome' training for volunteers, volunteer team recruitment and specific commercial projects.

Visitor Income

A major piece of work was the production of a five year business model and projections which regions and the CCT can use to assess profitability and monitor commercial progress. Visitor donations across the whole collection are still very low, at 8.9p, but this is an average figure including many very remote, unstaffed sites. It hides some big increases at town centre sites such as York Holy Trinity and overall shows a small increase from 2015/16. Other visitor projects this year included:

- A new style Gateway guide book has been produced for Shrewsbury, and Jarrolds appointed to produce five further guidebooks.
- VAQAS quality evaluation reports were produced for four of our Gateway churches.
- Gateway events successfully targeted families at Evesham, and the arts community in a literary and poetry event at Bristol St John's.
- Heritage Open Days, notably at Gloucester, Bristol and Uphill, provided a successful route to attract audiences. Evensong services often extend to picnics and refreshments.
- Evesham and Bristol St John's reported best ever visitor figures. The new HLF-funded interpretation at Torbryan has drawn considerable praise and is now a significant exhibition.
- A 2015 pilot event at Exeter St Martin's has expanded to a season of weekly concerts for US audiences on a weekly Trafalgar Britain tour.
- Sandwich St Peter tower tours opened to the public this year and we have seen good visitor numbers and increased interest in the church. We are developing the operation and the church as a destination.

Champing™

The Champing™ phenomenon, whereby guests spend a night in a CCT church, with breakfast brought to them next day for a fee, has continued to grow. At the end of the 2016 season we had had 600 guests and raised £30,000 income from Champing™. We launched a new updated Champing™ website in January with 12 sites right across the CCT portfolio and including two franchise sites. By the beginning of the 2017 season more bookings had been made than in the whole of 2016 and we look forward to continued growth.

Volunteering

Volunteering plays an ever greater part in the Trust's success and volunteers are now at the heart of the operation, with strong backing from Trustees and at every level of the professional operation. This year we made progress on delivering long-term aspirations to enhance volunteer involvement such as locally-led church plans and partnership agreements with Friends groups, better sharing of financial information and a new and consistent approach to recruitment and induction.

Volunteers have been sent the new *Pinnacle* magazine, more joined the member's scheme and the monthly electronic newsletter continued. Volunteer numbers grew at a modest rate.

A national volunteer event became firmly established at a fine venue, the St Pancras Renaissance Hotel with workshops, marketplace and a keynote speaker. The event also included the annual Marsh Christian Trust CCT Volunteer Awards ceremony.

The increasingly-influential Volunteer Advisory group elected a new Chair and the introduction of community fundraisers and estate officers has had a beneficial effect on being more responsive

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on maintenance issues and on engaging volunteer teams in fundraising. Recent acquisitions are now associated with strong volunteer and friends' group development and new Friends groups established, at Mongewell and Torbryan in the West region for example.

A significant challenge has been that of recruiting teams of volunteers to support the opening and running of our Gateway churches. Some sites such as Bristol St John have, with significant staff input, been highly successful in this regard, while others have struggled. More successful has been the recruitment of Area Volunteer Coordinators, which sees volunteers covering a number of churches and managing other groups of volunteers. This arrangement significantly increases the Trust's capacity to open and promote churches and is in place in almost all counties.

Learning and Interpretation

Funding from the Department for Education with Historic England provides 50% of the cost of our three Heritage Learning Officers who work with schools to bring young people into our church buildings. The programme has now been going for five years, allowing us to build relationships with schools, teachers and learning networks, as well as more recently providing popular family learning programmes in our Gateways.

28 family learning events with over 1,700 children and adults attending took place. Gateways tend to be in town centres, and thus have co-ordinated marketing from tourism bodies, particularly over Easter and summer holidays, which CCT can take advantage of.

Evaluation of our Gateway initiative suggests that our project to put new interpretation in town centre sites in 15-16, was overall a success but there is plenty of learning for the future. The Torbryan, Devon, screen interpretation project, which was funded by a Heritage Lottery Fund grant has been particularly well received and an exemplar for staff to follow. It facilitated local creation of stories to tell visitors by the community, and built a good working relationship with them that will continue for many years. Other events included:

- Our national young volunteers of the year, based in Bristol are running an innovative and outreach focused arts group. <https://www.facebook.com/DrawingGbristol/>
- The Bristol Law Society met at Bristol St John's celebrating their heritage in the November 2016 Bristol edition of Magna Carta.
- Working with Sunderland Young Mums at Holy Trinity to write the story and create a story sack about George the Church Mouse for young children.
- In partnership with the British Science Association, an evening of sun/stargazing, rocket and constellation making at St. Peter, South Somercotes, Lincolnshire.
- Medieval Monks at St. Lawrence Evesham, a day of children and family activities illuminating their own manuscripts, making a quill and re-creating medieval music.

5. AIM TWO: PROTECT HISTORY

This year we invested just under £5.9 million in the repair and care of our historic collection of 350 churches, including the full repair of three acquisitions and improvements to facilities providing for increased public access and engagement with the buildings.

Conservation

We have reviewed all our term consultant (architect and surveyor) appointments and all CCT churches now have either their existing or a new consultant in a more cost-effective framework agreement which will continue to December 2022. Repairs to three acquisitions – Wardley in Rutland, Sapperton in Gloucestershire and Merston in Sussex – are complete or nearing completion; we have repaired five roofs at risk thanks to the DCMS Roof Repair fund, matched by our own funds and generous local donations at: Warminghurst, Portland, Hove, Haugham, Stainburn; and ensured comprehensive preventive maintenance of the entire collection.

Our preventive maintenance in the South East has been re-tendered using a new framework to provide a comprehensive service and the other two regions are now following suit. Building on this we have developed a maintenance consultancy aimed at sharing our expertise with parishes and other religious heritage buildings and achieving economies of scale where we have clusters of churches.

Other key conservation projects this year included:

- At Hartwell, Buckinghamshire, a conservation approach to considerable problems with stonework has been agreed and costed at over £800,000. The funds will need to be found through a joint appeal with the adjoining Historic House Hotel and National Trust.
- The Bats in Churches Partnership, aimed at finding and promoting better ways for these important mammals to co-exist alongside the historic churches they sometimes inhabit, has received Heritage Lottery Fund stage 1 approval. This project sees CCT working with Natural England and the Church of England on shared challenges and solutions.
- Our first CCT SPAB Fellow, a stained glass conservator, has completed her course and is now setting up her own business. She will use her experience to share and promote CCT's conservation expertise, including an article for our new members' magazine, Pinnacle.
- Promoting our conservation approach and projects is a growing part of our work and this year has included an article in Pinnacle on Collyweston slates, for the SPAB magazine on the delightful new vestry at York, and a presence at the stakeholder forum for National Federation of Building, Heritage group.
- Acts of vandalism and theft affected Tetbury, South Tidworth, Everleigh and Wilton.
- The damaged screen at Torbryan has been superbly conserved and an alarm fitted.
- Community volunteers lime-washed the church and cleared the churchyard at Llanrothal.
- Lighting strike repairs at Eastleach and lead theft at Alton Priors led to significant local help in raising the repair funds. At Exeter St Martin we avoided major damage when the adjacent hotel was destroyed in a fire.
- Waterloo in Liverpool has been repaired and reopened with funding raised by the local community.
- The roof lights in Hove have been repaired and first phase of repairs to the Drummond Chapel in Albury completed.
- The work at Sandwich St Peter's to build a new staircase up the tower was completed to a high standard within a tight timescale and budget.

Regeneration

Major projects

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In 2017 our major priority - the wellbeing centre, Quay Place in Ipswich – was delivered with Suffolk Mind after several years planning, conservation and adaptation. Funded by Heritage Lottery Fund, European Union and other grants, the project launched in October 2017 and has been warmly received by the local community, funders and the media. The project won the RICS East of England Award for Conservation.

Much of the year has been spent preparing our Heritage Lottery Fund Round 2 proposals for our next major projects to rescue and adapt Holy Trinity Sunderland and St Swithun's Worcester. Work has progressed well on both projects, although a gap still has to be closed in the outstanding match-fundraising targets.

We have paused projects in Gloucester and Norwich where sustainable business cases were proving difficult to develop and begun to look at projects such as St Thomas in Bristol. This review will lead to a new set of priority projects and options appraisals over the coming year.

In partnership with the Friends of St. Peter's, Sudbury, the team has developed a scheme for repair work and additional facilities. This will increase use of this town centre church and bring in further income streams. The next year will see our stage 1 submission to the HLF for funding.

We have made some progress with the London Cloudesley Square project and have completed a viability assessment and concept designs.

Consultancy and advice

Our consultancy work has had a good 12 months generating £83,000 of vital unrestricted funding for the Trust. A notable success was the award of a major HLF grant to St Marylebone parish church, following a CCT-developed bid. We are also assisting a number of other churches with fundraising bids and development work, focusing on how parishes use their buildings for greater community impact.

We helped the Church Commissioners to update the options appraisal for St Luke's Blakenhall in Wolverhampton. We are hopeful that this will help guide efforts to save the building, which is one of the Victorian Society's 'most endangered'.

We have begun new pieces of work and continue to have good relationships with key clients such as the Diocese of Lund and Benington Community Heritage Trust. In Benington we are in the process of letting the contract for the capital works and hope to have the project up and running in 2018. We have also been working on the Inspired Futures project in Newcastle and Durham and we are now developing similar projects with the Big Lottery and hope to interest new funders such as the Power to Change.

CCT hosted a policy 'roundtable' looking at the wider potential of religious heritage buildings as places for community renewal and sustainable growth, and maximising opportunities for collaboration. It brought together people with significant influence from key sectors including heritage, regeneration, community development and community finance. Conclusions included the need for:

1. a mixed economy of funding, multi-partner support, and engagement with local communities;
2. a clear, structured, and positive engagement with community groups;
3. strategic investment in multidisciplinary support and enabling infrastructure for disadvantaged communities dealing with heritage at risk;
4. new and mixed uses of heritage buildings, with a strong focus on community-leadership;
5. innovative approaches to ways of financing heritage regeneration. These might include more use of Community Share issues; and engaging local businesses in supporting investment.

6. AIM THREE: CREATE VALUE

Fundraising/Development

Our national development team supports fundraising in the regions and runs direct membership and donor support programmes and national appeal.

Donations and Membership

This year saw a return to growth in membership numbers, reaching CCT's record so far of 1,700. The creation of *Pinnacle* magazine provides a valuable new member benefit and a voice for our members. Membership has been promoted to volunteers at a special rate, and to Champers, and this year total membership income reached £97,000 up from £86,000 the previous year.

We increased membership of our Bulmer Thomas Circle, with events at St James Theatre, the Society of Antiquaries and the House of Lords. The 2016 *Candida Lycett Green Annual Lecture* achieved record attendance and income, with a presentation by Lucinda Lambton; and we secured a £10,000 profit on our nine *Historic Church Tours*, introducing members to our conservation work and local volunteers.

Our partnership with Dave Stewart Enterprises saw a number of contemporary music concerts in CCT, and other, churches including a particular success at Langport in Somerset. We are now working towards a national tour of both CCT and non-CCT churches. A gig for Record Store Day at St Giles' in London showed that we could effectively brand a non-CCT church and attract new audiences. Dave Stewart has agreed to be creative director for Canny Space.

Legacy income saw £412,000 of vital unrestricted funds secured through pecuniary and residuary estates.

This year collaboration with Civil Service Fast Stream and Erasmus fellowship has resulted in four highly-talented full-time secondments which have produced:

- our first Digital Strategy, and the securing of \$10,000-worth of online advertising, per month;
- the creation of *Pinnacle*, our new members' magazine; and
- a rigorous evaluation of our Gateway programme.

Trusts and Foundations

Independent grant income from trusts and foundations, to support a wide variety of conservation and volunteering projects across the collection, exceeded target by 151% with £788,000 of grants raised. Vital project funding including £125,000 of Landfill grants for Waterloo and Albury.

A major focus has been raising match-funding for our two current capital projects at Worcester and Sunderland. We hosted press events and a luncheon with Sir Simon Jenkins and our new Chairman, Peter Ainsworth in the Guildhall at Worcester, in aid of St Swithun's. Our annual appeal there has generated over £30,000 at the time of writing. We have made similar inroads into our parallel capital appeal for Sunderland Holy Trinity, with a hosted event at the House of Lords kindly hosted by Baroness Andrews generating over £100,000 in donations.

We completed our appeal for Waterloo, Liverpool and made initial overtures into new capital projects in Sudbury and Hartwell.

Health & Heritage Conference

The Health & Heritage Conference was CCT's second biennial conference, held at our newly-opened wellbeing centre Quay Place in Ipswich. Organised in partnership with Suffolk Mind, and the European network Future for Religious Heritage, its aim was to inspire action on mental health provision and access to cultural heritage as a positive force for healthy communities. The programme was ambitious with 2 plenary sessions, 3 keynotes and 15 workshops spread out

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over two days and a study tour in the Suffolk Coast area on the third day. Exploring new elements, such as a movement session and the Drawing Group, created a distinctive and unique event.

The line-up of speakers and topics all pointed to the value of partnerships between the health and heritage sector. The programme gave delegates the opportunity to create a personalised programme modelled on their interests and needs. In recent months "mental health" and "wellbeing" have become increasingly part of the news agenda - our conference successfully positioned CCT within this discussion.

Community Fundraising

Three regional community fundraisers were appointed for the first time in 2015, and in the year just completed have got into their stride. Working very closely with regional teams and the national development team, their aim is to support and encourage volunteers and communities at CCT churches to raise funds and attract members, both for specific local projects and to help the CCT nationally to save churches at risk. This year the community fundraisers have collaborated to create a national plan, materials and training to support an annual programme focussed on Christmas events, Summer Tea Parties, alongside Easter and Harvest festivals.

Thirty-four Christmas services were held. Twenty-four Christmas memory trees were in place, eight of which had local sponsorship from businesses such as the Tidworth Polo Club, Knightstone Housing, Tetbury Council, Chalmers Accountants and Bygones of Worcester. The tiny CCT church of Catmore returned £785 for its Christmas Eve service, with media coverage of the retiring incumbent who received a CCT recognition certificate. Other individual successes have included:

- Funds were raised locally for the Pugin chapel at Albury; £50,000 to secure the Warminghurst roof repair; £20,000 for conservation work at Nuneham Courtenay and substantial donations from the US Daughters of 1812 and the Sapperton Perpetual Fabric fund.
- Imber St Giles goes from strength to strength and the Friends group there have made generous donations after the openings which see heritage bus tours across Salisbury Plain bringing thousands of visitors.
- Emergency repairs to Eastleach and Alton Priors were match-funded by very generous support from local people.
- A range of summer events in the West included: "Friday Night is Music Night" in deeply rural Yazor; Three Choirs festival events in Gloucester; volunteer and staff led walking tours; Pop up Opera at Leigh Delamere.

Marketing and Communications

In July 2016, to coincide with the opening of our new tower tours 'Haven Heights' at St Peter's Sandwich and extend the reach of our 'discover' messaging, we initiated a nationwide awareness programme entitled *Church Tourism Week*.

The aim of the week was to package all our visitor/tourist-related activity together in the first week of the school holidays and label it in a way that would appeal to our target audiences, resulting in increased engagement with CCT both online and in physical visits, and to provide a strong media and social media hook resulting in media coverage. The title was chosen to echo Visit Britain's 'English Tourism Week', which takes place every spring.

36 events took place nationwide during the week. CCT produced 20 new pieces of content, including blog posts (which had 500 views) and a short film.

The events reached 1.4 million people via social media, increased social media engagement by 500% on Twitter and 140% on Facebook and drew 1,260 views of visitchurches.org.uk.

We had good coverage in local print outlets and 8 pieces of regional broadcast coverage via interviews on BBC Meridian, BBC Look South, BBC Kent, BBC Norfolk and BBC Hereford &

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Worcester, plus a lengthy piece in Christian Today. National media coverage suffered because of the fatal attack on the priest in France in July.

Digital Marketing

This year, after much preparation, we launched our new website which is mobile-responsive, delivers much-needed integration with our CRM, provides a more efficient and flexible event booking system, allows for delivery of tailored and exclusive content to members and volunteers, and has a streamlined structure. This is part of a broader push to become a 'digital first' organisation, with an accompanying growth strategy. Our first-ever dedicated digital specialist has driven engagement across multiple platforms driving content generation and rolling data analysis.

Resources

The backbone of CCT's work is our finance and resources team who ensure that the systems, procedures, and equipment are in place to support and enable our diverse activities and widely-dispersed staff and volunteer teams.

Knowledge and Information management

This year CCT achieved Cyber Essentials accreditation, a government-backed scheme which demonstrates that organisations have effective policies and practices in place. A new information security policy has been published and we have undertaken an internal audit on data protection, and the use of our contacts database ThankQ. In addition:

1. CCT's new property management system, Qube PM, has been launched and is now in use across the Trust.
2. A cross-organisational knowledge management forum has been set up to build information and knowledge sharing capability.
3. ThankQ, our contacts database, is now integrated with our new website; a major undertaking which will massively improve management information and reduce administration.
4. A new process improvement task force has been set up to review and develop more effective processes that underpin all aspects of our operations.

ICT

Following the successful retender of the cloud services in 2015/16, the focus this year has been focused on improving the end-user experience of ICT services and systems. The major project in this regard has been the migration to Office365, which, as well as providing users with a new integrated look and feel, also offers additional security and data protection. Additionally:

1. New user equipment (laptops, desktops and screens) has been purchased, to refresh out-dated machines, including as well as kit out new members of staff.
2. Our fixed line telephony contract has been re-tendered; the new contract allows for free transfer of calls between our London, Bristol and Cambridge offices.
3. Due to growth in staff and volunteer cloud access, one additional server has been added to our server farm. This has improved IT service availability to Trust cloud applications.

People

We have begun work to strengthen our people-management capabilities, with the organisation of training courses for new managers, using both external training providers and in-house coaching. The launch of the Trust's first HR information system, 'Cascade', has given staff new levels of information about their employment at the Trust and a new way of engagement between staff and their line managers. Following the successful attainment of the Investors in People Silver award, we are now consolidating our efforts and reviewing the criteria for the Gold standard.

Finance

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

Extensive work has been carried out to update financial reports provided to teams as our business has expanded and diversified. VAT procedures have been updated for all new activities and further work has been carried out to reconcile and confirm procedures for all commercial activity. Streamlining is underway to reduce the number of separate payments systems being used.

7. PERFORMANCE AGAINST TARGETS

Key Performance Indicators

The Trust uses targets to measure progress against strategic aims and to demonstrate trends over time. The table below shows national targets and performance against them. Where they can be compared to previous years' targets this is shown in the final column.

	Strategic aim	Five-year target 2020	Annual target 2016/17	2016/17 RESULT	2015/16	Note
1	Inspire People	2.2m visitors	5% increase (2.07m)	1.94m	1.93m	+1% with significant regional variations. 5% in town centre 'gateways'
2		VQAS certified Conservation Church network in place	5 new VQAS awards each year	4	3	
3		2,200 volunteers	1,918	1,914	1,870	
4		30 Learning & Interpretation projects	10 a year	83 learning events including school visits	5 interpretation schemes; 100 learning workshops	Includes school visits and family learning events
5	Protect our history	Reduce repair liability	£5m invested in repairs nationally	£1.02m	£2.3m	Does not include maintenance, adaptation or acquisition repairs
6		2% repair expenditure on traditional building skills	2% repair expenditure (£15,000)	£16,000	£15,000	Investment in CCT SPAB Fellow
7	Create Value	Independent unrestricted income increased by 75%	£780,000	£819,952	£679,000	
8		5,000 members	2,000 members	1,805	1,708	
9		Investors in People Silver		ACHIEVED Silver Award	N/A	

The results show a small, although below-target, growth in **visitor numbers**. The first half of the year saw no growth while the second six months saw an improvement. However visitor number growth in our **gateway** churches – i.e. town centre sites with high footfall and the capacity to have staff or volunteers on the door - which have received recent investment, was 5% as opposed to 1% across the entire collection. Our strategy for increasing visitor numbers and in-church donations involves prioritisation of investment in visitor experience in these churches. This was achieved in a year when some sites were closed for repairs. The VQAS awards demonstrate the attainment of industry-wide presentation standards in our gateway churches.

The **repair liability** target, while appearing low, is very specific to investment in repair of the existing collection and does not include maintenance, adaptation or repair to acquisitions. This is because it is our long-term strategic goal to reduce the backlog of capital repairs which has built up over many years. Our regeneration programme is key to achieving this goal. As reported in

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

section 5, CCT invested £5.9m overall on the repair of churches last year. The target of £5m a year is an ambitious one but important to keep in mind in terms of the long-term sustainability of the collection.

CCT's commitment to ensuring the future of traditional buildings skills is demonstrated by our target of investing 2% of repair expenditure in skills training.

The growth of **independent income** is vital to the sustainability of the Trust. We are pleased to have met our target in this area although fully aware of the amount which still has to be raised. **Membership** is now showing signs of healthy growth as a direct consequence of the efforts of the new membership team and some excellent collaboration between regional and national staff. The results show progress on all fronts but not all to the level of targets set.

Sustainability

From 2011/12 public bodies are obliged to include a sustainability report within the annual report and accounts unless the body falls under the de-minimis threshold for reporting of 250 full time equivalent staff or floor space of less than 1,000 metres. As CCT full time equivalent staff for 2016/17 was 64 we are not required to include a report, however details of work we doing to improve the sustainability of our estate is included below.

16/17 has been a great year for sustainability at the Trust. Please find below information about how we have embodied sustainability into the Trust's regeneration projects.

Managing increased operational costs through green energy

In September 2015 our £2.7 million pound regeneration project at St Nicholas' Chapel, King's Lynn, launched. Powered by the Trusts first ever foray into large-scale green energy, the PV array (comprising 92 cells installed on the south nave roof) is providing energy to heat and light the Chapel. The cells are proving to be a cost effective approach to managing increased use and operational costs. Income received from the Governments Feed-in-Tariff scheme is also helping to pay for future maintenance costs. We have received positive feedback from visitors and user groups on both the look and performance of the heating and lighting units and the system itself is proving to be extremely effective in warming people. The PV cells were funded by a generous grant from the Green Energy Trust at Scottish Power.

During 2016/17, the PV array generated £3,111. This generation of income will help the sustainable use of the historic Chapel, ensuring it is enjoyed as a long-term cultural, social, tourism and educational resource at the heart of the community.

Following the success of the cells at King's Lynn, the Trust is intending to install a PV array into the regeneration project in Worcester. The Trust is in the process of submitting a round two Heritage Lottery bid to repair St. Swithun's Church in Worcester City Centre and transform it into a unique arts venue and community space. If successful, 2017 will be a development year and the building will be closed for construction in 2018. The church would be re-opened in spring 2019. The Trust intends to install a PV array, consisting of 38 panels on a south facing roof slope at St Swithun's.

Energy saving

Partnering with the mental health charity, Suffolk Mind, the Trust embarked on an ambitious project to transform St Mary-at-the-Quay in Ipswich into a unique heritage and wellbeing centre: Quay Place. In a £5.1m project that was eight years in the making, the Trust repaired, adapted and extended the medieval church, opening to the public in November 2016. Quay Place features underfloor heating. An insulating layer built into the sub floor reduces heat loss and improves user comfort. Since launching Quay Place, we have been working with the project partners Suffolk Mind to explore options for improving user comfort and preventing heat loss. We are currently working with the Quay Place team on options to improve the thermal performance of the space.

Minimising loss of original fabric

Carrying out the minimum amount of work required to conserve and protect our sites is a guiding principle in developing repair solutions. For Quay Place the principle objective of conservation and repairs to this historic building was the retention of original material. Where the building fabric showed evidence of decay which would result in harm (structural, rot or water), these sections were repaired to match the original material in form and detail, combining traditional methods with innovative approaches where appropriate. Extensive surveys of the stone columns were undertaken, ensuring original stone was not removed if in good enough condition.

Training opportunities

An outreach and education programme was developed at Quay Place to deliver training opportunities, community engagement events and learning activities based upon the building and local heritage, including:

- Several community open days with hard-hat roof tours, archaeology workshops and general site access opportunities
- 2 primary school taster-days showcasing historic buildings and craft skills
- 6-week work-experience placements for 2 local students focusing on traditional building techniques
- 7 technical events for sector professionals, students and general public, promoting awareness of traditional building materials, techniques and appropriate interventions
- Visits by local/national heritage organisations, including IHBC and SPAB

Green space creation

The Canny Space project has been awarded Phase 1 HLF funding and we are now working with the community to raise funds ahead of a Phase 2 bid (2017). If the bid is successful, the Canny Space will reconnect the city with its past by transforming Holy Trinity Church, Sunderland, into a cultural venue. The venue will bring the heritage of the church and Old Sunderland to life through storytelling, interpretation, innovative events and performances. A Storytelling Garden will be set up at the Canny Space. The outside greenspace that was formally the churchyard will be redeveloped and planted to encourage local communities to engage in local stories, issues around biodiversity and the environment. The churchyard used to house an orchard, and so this will be reintroduced, encouraging the creation of new habitats.

Building materials which consider whole life environmental impact

The Canny Space project is in its early stages. However, the CCT and the architects working on its development will ensure that building materials consider whole life environmental impact, preferring materials with low embodied energy. Traditional, locally-sourced materials will be used as well as natural finishes. Paints and stains which are water based or have low volatile organic compound (VOC) content will be used alongside materials with a high recycled content. Timber used will come from verifiable legal sources and sustainably managed forests.

8. FINANCIAL REPORT

Income

In the year ending 31 March 2017, overall income stood at £9.2 million, 18% down from the exceptional £11.1 million reached in 2015/16. The drop was due to the reduced value of legacies recognised (£424,000, 2015/16: £1.2 million) and HLF Grants (£1.3 million, 2015/16: £2.5 million).

Income and Expenditure reached £9.2m this year

92% of expenditure spent on frontline projects

Grant-in-Aid from the Department for Culture, Media and Sport (DCMS) and the Church Commissioners of the Church of England (CC) provided 45% of income at £4.1 million (£4.7m 2015/16). Since 2013/14 CCT has consistently generated over half its income from non-Government and Church sources.

Non-statutory grant income dropped from £3.8 million to £3.6 million. However, removing Heritage Lottery Fund (HLF) grants towards major projects, the total increased from £1.9 million to £2.2 million. This figure comprises grants from trusts and foundations for specific projects together with income from the Listed Places of Worship Grants Scheme, where VAT is reclaimed on eligible church repairs. Grants are recognised in our accounts under charity SORP accounting rules and the Trust moves into 2017/18 with a healthy pipeline of externally-funded projects.

Total donations finished the year at £651,000, £192,000 or 42% higher than in 2015/16. Within this figure, wallsafe income increased by £20,000 or 13% to stand at £171,000, back to 2014/15 levels after a slight drop in 2015/16. This was accompanied by a small increase (1%) in the total number of visitors for the year. Of total donations, £394,000 was unrestricted income - an increase of £37,000 or 10% from the £357,000 reported last year.

Legacies brought in £424,000, down from the exceptional figure of £1.2 million in 2015/16. Of this total, £412,000 was unrestricted income.

Earned income increased slightly to £435,000 (2015/16:£329,000). Of this total, £426,000 was unrestricted income. Within this total, consultancy income generated by our Regeneration team reached £83,000, up from £55,000 in 2015/16.

Investment income amounted to £16,000 (2015/16: £20,000) reflecting continuing low returns from the Trust's investment portfolio.

Total unrestricted donations and earned income, the growth of which is a key part of our financial strategy to increase and diversify our income base, rose 21% to £819,000 from £679,000 in 2015/16. This performance exceeded the KPI target for the year of £780,000.

Expenditure

92% of the Trust's expenditure went on frontline projects to repair churches and support communities. At just under £6 million, or 65% of total expenditure, 'Church repairs and maintenance' continues to be the main call on our funds. Compared to the previous year, this represents a drop of £2.0 million due to completion of HLF grant-funded project expenditure at Ipswich and Kings Lynn.

Legacies provided £412,000 of unrestricted income

Expenditure on 'Supporting volunteers and communities, keeping churches open' remained at £2.5 million. This work focuses on initiatives to build the Trust's tourism, volunteering and partnership programmes and is crucial to the sustainability of the churches.

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

Expenditure on fundraising and marketing rose by £160,000 to £779,000 and represents 8% of our annual expenditure.

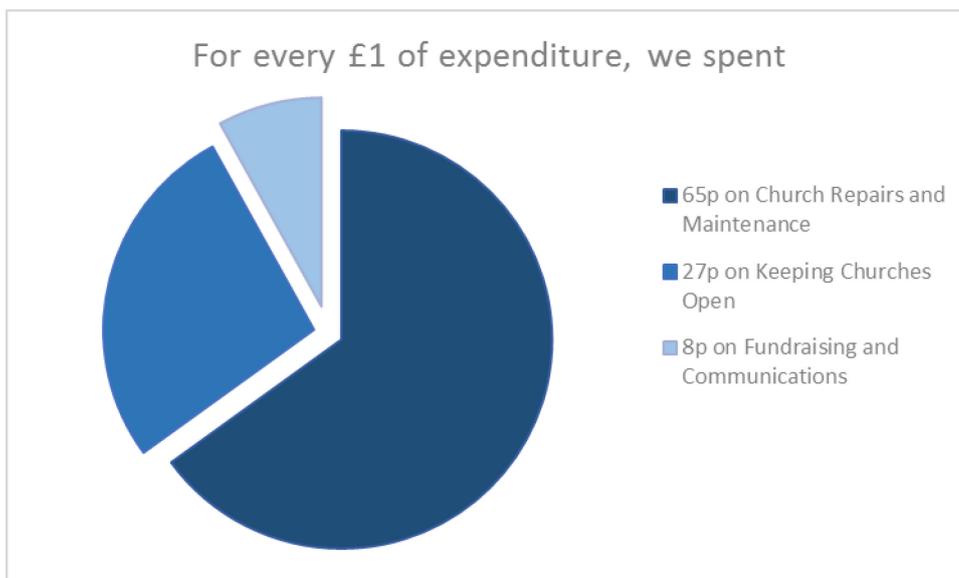


Table 1: Where the Trust spends its money

Reserves

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

The Trustees have considered the scale, complexity, and risk profile of the Trust, and taken account of the funding base which consists of Grant-in-Aid from the Department of Culture, Media and Sport, the Church Commissioners and self-generated income. The former has historically been reasonably foreseeable, given that it is subject to a three year funding agreement, but in the current climate the level of this can no longer be assumed. Self-generated income is always liable to fluctuation depending on economic circumstances and visitor activity.

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

Restricted Reserves

Although the Trust's total reserves at 31 March 2017 are shown as £1.58 million (2015/16: £1.53 million) on the Statement of Financial Position, all but £446,000 are restricted funds whose use, under the terms by which they were given, is restricted solely to work at specific churches and cannot be used for other purposes. The Trust's policy is always to utilise these funds first when carrying out necessary works at eligible churches, before any call is made on unrestricted funds.

Free Reserves

The Charity Commission defines 'free reserves' as, 'income which becomes available to the charity and is to be expended at the Trustees' discretion in furtherance of the charity's objectives, but which is not yet spent, committed or expended'. As at 31 March 2017, the Trust had free reserves of unrestricted funds, less the carrying value of fixed assets £338,000 (£477,000 minus £139,000). This represents a small increase of £26,000 compared to the free reserves of £312,000 held at 31 March 2016. The Trustees consider this level acceptable and within the target range of £300,000 to £400,000.

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

Investment Policy

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

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

9. FUTURE DEVELOPMENTS

To 2020

Our current strategy will take the Trust to the end of its fiftieth anniversary year in 2019/20. As described above, and available in a separate document, our aims in this period are to:

Inspire people

Protect our history

Create value

The strategy is delivered through six high-level strategic programmes which direct the plans and priorities of our teams for the four-year period and which are the responsibility of all of us to deliver. Detailed separately, they are:

Volunteering

Our aim is to have volunteer teams, with skills and a plan, running open churches which are sustainable and meet a high visitor standard. By 2020 our volunteer team, deeply connected to local communities, will grow to over 2,000 people and will be well supported and trained providing a consistent, high standard visitor welcome and.

Development

Our aim is to significantly increase major gifts, drive up membership, and transform volunteered, in-church fundraising. Our case for support aims to achieve a £50m fund, launching in our Anniversary Year, with the three goals below:

- A capital reserve fund for the long-term protection of our churches.
- A rolling conservation fund to repair and conserve our special collection and to save more churches of exceptional merit.
- Putting churches back at the heart of communities: a fund to sensitively adapt our churches for 21st century community, tourism and cultural use.

Visitor Enterprise

We will establish a nationally-marketed, publicly recognised 'gateway church' network featuring a high quality visitor experience. We aim to quadruple commercial income through new in-church activity, hospitality and marketing. Our tourism offer will be attracting over 2.2m visitors from diverse audiences. CCT also aims to become known as a curator of the arts and our churches recognized as venues for high quality contemporary art.

Conservation

Our aim is to achieve £15.5m worth of additional investment in essential work on our collection over the period. Conservation standards will be as high as ever, our long-term repair liability will be reduced by 10% and our programme will increasingly be supported by donations and a new Capital Reserve fund. CCT will also have a growing reputation for high quality design in historic buildings and for our contribution to traditional building skills through the 2% commitment.

We expect to acquire a further 2-3 highly listed churches each year from the Church of England which will further enhance our visitor offer. We will repair them to a high standard, building strong community involvement in their rescue and reopening.

Regeneration

We will deliver regeneration projects in urban churches including completion of Ipswich and King's Lynn and developing and funding programmes for repair and use of Sunderland, Blackburn and Worcester. We will share learning, and maximise promotional benefits, developing new partnerships with the Church of England particularly at Diocesan level. Our growing consultancy service, and a small but continued programme of disposals of appropriate sites, will generate new income to cover costs of the regeneration task force and make a return to the Trust.

Learning & Interpretation

We will develop and deliver excellent, innovative, and creative interpretation and learning plans for all 'gateway church' sites and rural clusters, including for schools and families. We will create a national programme for children using new material and partnerships including Big Draw and Kids in Museums. We will facilitate local creation and management of interpretation and learning programmes to embed participant enjoyment, creativity and empowerment. Volunteer partnerships will include links with U3A, local secondary and primary schools, youth groups, and heritage and civic buildings.

2017/18

Our operational plan and budget for the year, available separately, takes into account progress and challenges as well as the priorities of stakeholders and the wider environment. We have also considered the financial resources, staff and volunteer time which are at our disposal and aim to allocate them in a way which achieves maximum progress against our strategic aims.

This year we've selected one overriding operational priority so that, in a year's time, we will be able to point to tangible change in our churches and projects. Our priority in 2017-18 is **'Making the Ask'**.

We do some great things at CCT and we want to engage people at the moment when they're most excited about our beautiful church, the expert repair work just completed, or the way we bring new life into our buildings. We need to do all we can to secure the income to sustain this work in the future.

This year every project and event has built into it a plan for 'making the ask'. We will review the publicity, the online presence, and the training for staff and volunteers who will welcome people in the light of this. We will prioritise work in six key areas:

1. **Community Fundraising** – this year we aim to mobilise volunteers and Friends to raise donations for CCT and to support local appeals to meet particular needs. Locally-organised community fundraising will be supported by regional teams according to a seasonal timetable of Summer Tea Parties, Easter and Harvest events and Christmas celebrations.
2. **Commercial Sales** – Although admission to our churches is free, there are many aspects for which we can charge in order to fund repairs. This year we will expand and promote tower and churches tours, merchandise, event hire, chargeable events and **Champing™**. These projects are a high priority for all teams in the year ahead.
3. **Gateway** – there is now some excellent practice happening in CCT Gateways, we will learn from our successes, strengthen volunteer welcome teams and secure improvements in visitor experience, fundraising and promotion across 12 town-centre sites.
4. **Capital Appeals and major gifts**. Achieving the match-funding targets and submitting Stage 2 bids to HLF for the rescue and reopening of Grade I Worcester St Swithun and Sunderland Holy Trinity, are top of the list.
5. **Membership growth**. Key to securing the revenue income which will keep the CCT supporting historic churches, is regular giving. We want all of our visitors, volunteers and communities to understand that and to join.
6. **Arts and the Anniversary**. As we build up to our 50th in 2019 we will be partnering new cultural activity in CCT churches and encouraging local initiatives for the celebrations. This year these will include **Church Keys**, the contemporary music partnership with Dave Stewart Entertainment and BBC Music.

Register of Interests

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

Registered Office

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

Auditors

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

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

Bankers

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

Legal Advisers

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

Remuneration of Senior Managers

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
	£,000	£,000	£,000	£,000	£,000	£,000
	Salary, including performance pay	Real increase in pension at pension age	Accrued pension at pension age as at 31/03/2017	CETV at 31/3/16	CETV at 31/3/17	Real increase in CETV
Crispin Truman <i>Chief Executive</i>	70-90	0-2.5	20-25	343	384	16
Sarah Robinson <i>Deputy Chief Executive / Director of Conservation (4 days per week)</i>	50-70	0-2.5	10-15	180	200	11
Peter Aiers <i>Regional Director South East</i>	50-70	2.5-5	10-15	102	135	25
Anthony Bennet <i>Director of Development</i>	50-70	0-2.5	0-5	11	27	10
Mathew McKeague <i>Director of Regeneration (from June 2016)</i>	50-70	0-2.5	10-15	77	94	11
Stuart Popple <i>Director of Finance and Resources</i>	50-70	0-2.5	5-10	68	82	7
Colin Shearer <i>Regional Director West</i>	50-70	0-2.5	10-15	226	245	16
Rosi Lister <i>Regional Director North (to May 2016)</i>	50-70	0-2.5	5-10	91	93	2

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

Notes to the above table:

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

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

Column 7: 'Real increase in CETV'. 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: 22 June 2017

Peter Ainsworth
Chairman of the Trustees

Crispin Truman
Chief Executive

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

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

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

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

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

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

Signed on behalf of the Trustees on: 22 June 2017

Peter Ainsworth
Chairman of the Trustees

Crispin Truman
Accounting Officer

10. GOVERNANCE STATEMENT

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

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

Corporate Governance

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

Trustees

The Trustees during the year were:

Loyd Grossman OBE FSA	Chairman (until 30 June 2016)
Peter Ainsworth	Chairman (from 1 July 2016)
Reverend Duncan Dormor	
Lady Lucy French	
Edward Harley	(from October 2016)
Sir Simon Jenkins	(from January 2016)
Beth McHattie	
Liz Peace CBE	
Jane Weeks	(until 30 March 2017) Deputy Chair of Trustees
Humphrey Welfare	Chair of the Conservation Committee
Duncan Wilson OBE	(until 30 March 2017) Chair of the Finance, Audit and Resources Committee

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

During the year to 31 March 2017, the Board and its committees all met on a quarterly cycle. Minutes of the meetings, including attendance, are kept and approved by the Board at subsequent meetings. Trustee attendance at Board meetings was 81%.

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

The Finance, Audit and Resources Committee

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

REPORT OF 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 and Resources Committee also considers HR issues and remuneration.

Conservation Committee

The Conservation Committee is chaired by a Trustee (Humphrey Welfare) and comprises relevant experts and senior representatives of other conservation organisations. It advises the Board on significant conservation and development matters relating to its 350 historic buildings. Having an expert committee at such a high level in the Trust's governance protects the organisation against legal, reputational and other risks associated with the management of a large historic estate.

Highlights of Committee Reports

During the year, the Board of Trustees approved expenditure for the major works at Wardley St Botolphs Church. Trustees approved the new DCMS / Church Funding agreement that runs to 2020 the Health and Safety annual report, and the budget and plan for 2017/18.

Management Structure

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

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

Communication with Sponsors

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

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

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 2016/17, no substantive weaknesses were raised which provided the Trust with additional comfort over its internal controls. The Trust's rolling three year internal audit plan considers strategic and operational risks and has been approved by the Finance, Audit and Resources Committee. It is updated annually to confirm audit prioritisation. All reports and management actions were reviewed by the Finance and Audit and Resources Committee.

Corporate Governance

The system of governance has continued in place in the Trust for the financial year ended 31 March 2017 and up to the date of approval of the Annual Report and Accounts. It accorded with HM Treasury guidance, including the Corporate Governance Code of Good Practice 2011 in so far

as it is applicable to Arm's Length Bodies, save in relation to the Code's recommendation for a separate nominations committee.

Remuneration

In 2016/17 all employees were awarded a single cost of living pay award. No separate non-consolidated bonus, dependent on organisational objectives and subject to affordability, was paid. All pay awards are subject to Trustee approval.

Senior management remuneration

As at 31 March 2017, the highest paid director was paid in the £80,000 to £90,000 band. The ratio of the mid-point of this band to the Trust's median pay of £26,572 was 3.2 (2015/16: £27,517 and 2.9). The senior management team is defined as the directors of the Trust and comprises the following roles: chief executive, deputy chief executive/director of conservation, director of finance and resources, development director, three regional directors and director of regeneration. The total cost of senior management remuneration in 2016/17 was £565,481 (2015/16: £519,114).

Contracts

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

The Planning and Budgeting Process

The senior management team compiles the Trust's business plan and budget on an annual basis. In 2016/17 the Trust started the second year of its three-year business plan which aims to improve forward planning, end-year management and allow for the longer preparation time required for more complex projects.

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

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

Project Management

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

Performance monitoring and reporting

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

Risk Management

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

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

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

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

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

The key components of the risk management framework are as follows:

The Risk Register

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

Risks are ranked according to the Trust's priorities and the three 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. The three highest risk facing the Trust at were: Lack of staff capacity and skills to deliver on all areas of work; four year income targets not met; and sufficient funds available for conservation projects. Mitigating actions are in place for all risk contained in the Trust's risk register.

Information Management

The Trust is registered with the Information Commissioner's Office. The Trust suffered no significant protected personal data incidents during 2016/17 and has not had to make any report on the loss of personal protected information to the Information Commissioner's office. Controls are in place to monitor information management risk.

Sickness Absence Disclosure

During the year-ending 31 March 2017, staff were off work due to sickness for a total of 158 days (2015/16: 139) or an average of 2.5 days (2015/16: 2.4) per staff member.

Consultancy and Contingent Labour Spend Disclosure

During the year-ending 31 March 2017, £138,497 (2015/16: £61,981) was spent on consultancy. £105,265 (2015/16: £124,731) was spent on temporary staff.

Tax Assurance Disclosure

Following the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, Government departments and their arm's length bodies must publish information on their highly paid and/or senior off-payroll engagements. For the year ending 31 March 2017, the Trust did not have any off-payroll engagements.

Review of Effectiveness

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

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

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

No significant control issues arose during the year.

Crispin Truman

Accounting Officer and Chief Executive

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

We have audited the financial statements of The Churches Conservation Trust for the year ended 31 March 2017 which comprises the consolidated statement of comprehensive income, the consolidated and Charity statements of financial position, the consolidated statement of cash flows 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 including FRS102).

Respective responsibilities of Trustees and auditor

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

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

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

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity and the group's affairs as at 31 March 2017 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS102; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

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

Mazars LLP, Chartered Accountants and Statutory Auditor

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

Date: 10 July 2017

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

12. FINANCIAL STATEMENTS**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2017	Total 2016
Notes	£	£	£	£	£
INCOME					
Donations & Legacies	806,783	268,155	-	1,074,938	1,700,826
Income from Charitable Activities	4,531,535	3,126,976	-	7,658,511	9,098,720
Income from Investments	802	14,969	-	15,771	19,882
Other Trading Activities	425,615	9,448	-	435,063	328,832
TOTAL INCOME	5,764,735	3,419,548	-	9,184,283	11,148,260
Expenditure on Raising Funds					
Fundraising and Communications	(719,136)	(59,389)	-	(778,525)	(608,285)
Expenditure on charitable activities					
Church Repairs and Maintenance	(3,007,543)	(2,931,593)	-	(5,939,136)	(8,071,553)
Keeping Churches Open	(2,002,154)	(469,246)	-	(2,471,400)	(2,453,083)
Total charitable activities	(5,009,697)	(3,400,839)	-	(8,410,536)	(10,524,636)
TOTAL EXPENDITURE	3 (5,728,833)	(3,460,228)	-	(9,189,061)	(11,132,921)
Net income/(expenditure)	35,902	(40,680)	-	(4,778)	15,339
Other recognised gains and losses					
Unrealised gains / (losses) on investments	8 -	-	52,337	52,337	(13,987)
Net movement in funds	35,902	(40,680)	52,337	47,559	1,352
Balances brought forward at					
1 April 2016	410,063	639,620	479,980	1,529,663	1,528,311
Balances carried forward at 31 March 2017	11 445,965	598,940	532,317	1,577,222	1,529,663

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017

		Charity 2017	Group 2017	Charity 2016	Group 2016
	Notes	£	£	£	£
FIXED ASSETS					
Intangible fixed assets	6	126,409	126,409	69,994	69,994
Tangible fixed assets	7	6,906	6,906	28,538	28,538
Investment in Subsidiary		1	-	1	-
Fixed assets investments	8	353,146	353,146	300,810	300,810
		486,462	486,461	399,343	399,342
CURRENT ASSETS					
Debtors	9	1,407,680	1,355,128	1,427,267	1,431,678
Cash at bank and in hand		1,536,271	1,624,841	3,071,465	3,096,030
		2,943,951	2,979,969	4,498,732	4,527,708
Creditors					
Amounts falling due within one year:	10	(1,853,191)	(1,889,208)	(3,368,411)	(3,397,387)
NET CURRENT ASSETS		1,090,760	1,090,761	1,130,321	1,130,321
NET ASSETS	11	1,577,222	1,577,222	1,529,664	1,529,663
FUNDS					
Endowment funds	11	532,317	532,317	479,980	479,980
Income funds	11	1,044,905	1,044,905	1,049,684	1,049,683
		1,577,222	1,577,222	1,529,664	1,529,663

Approved and authorised for issue by the Trustees on: 22 June 2017

Signed on their behalf by:

Peter Ainsworth - Chairman of the Trustees

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 MARCH 2017**

	2017	2016
	£	£
Cash flow from operating activities		
Net income	(4,778)	15,339
Adjustments for:		
Depreciation	66,853	31,883
Investment Income	(15,771)	(19,882)
Trade and other receivables	76,550	1,601,119
Trade and other payables	(1,508,178)	(103,497)
Net cash (outflow) / inflow from operating activities	(1,385,324)	1,524,962
Cash flows from investing activities		
Purchase of tangible fixed assets	(101,636)	(53,245)
Interest received	15,771	19,882
Net cash (outflow) / inflow from investing activities	(85,865)	(33,363)
Net increase in cash and cash equivalents	(1,471,189)	1,491,599
Balance as at 1 April	3,096,030	2,775,207
Balance as at 31 March	1,624,841	3,096,030

13. NOTES TO THE ACCOUNTS

1.

(a) Accounting Policies

The accounts have been prepared in accordance with the Accounts Direction issued by the Department for Culture, Media and Sport, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The main accounting policies, which have been applied consistently, are set out below.

(c) Basis of Consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertakings, all of which were prepared to 31 March 2017. The trading results of the subsidiary undertakings as shown in note 16 are consolidated on a line-by-line basis within the consolidated statement of comprehensive income.

(d) Income

Income from Charitable Activities includes Grant-in-Aid from the Department for Culture, Media and Sport amounting to £2,749,000 (2015/16: £3,208,000) and a grant from the Church Commissioners amounting to £1,355,000 (2015/16: £1,355,000). Grant-in-Aid, unless for one-off specified purposes, is allocated to general unrestricted purposes and is taken to the Income Statement in the year to which it relates. Grants and other income that is awarded subject to specific performance conditions are recognised when the performance conditions for their receipt have been met. Donations and Investment income are included in the accounts in the year they are receivable. Legacies are included when the 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.

(e) Expenditure

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

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

(f) 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.

(g) Tangible Fixed Assets

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

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

Depreciation is calculated so as to write off the cost of 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%.

(h) Intangible Fixed Assets

Intangible fixed assets, intellectual property owned by the Trust, are included in 2015/16. They are capitalised at cost where they exceed a value of £1,000 and are depreciated over an estimated useful life of four years.

(i) Fixed Asset Investments

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

(j) Finance and Operating Leases

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

(k) Heritage Assets

The Trust maintains 350 (2015/16: 349) churches in support of the Trust's objective to protect these historic churches for the benefit of future generations. The Trustees consider that owing to the incomparable nature of the churches vested in the trust, conventional valuation approaches lack sufficient reliability and that even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the Trust and the users of these accounts. As a result, no value is reported for these assets in the Trust's balance sheet. This approach is also in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' 2015 (FRS 102).

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

Further information is given in note 12 to the accounts.

(l) Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) which are described in Note 5. The defined benefit schemes are unfunded. The 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.

(m) 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.

(n) Going Concern

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

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

2. COMPARATIVE SOFA 2015-16

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2016
	£	£	£	£
INCOME				
Donations & Legacies	1,486,069	214,757	-	1,700,826
Income from Charitable Activities	4,587,639	4,511,081	-	9,098,720
Income from Investments	1,934	17,948	-	19,882
Other Trading Activities	322,294	6,538	-	328,832
TOTAL INCOME	6,397,936	4,750,324	-	11,148,260
Expenditure on Raising Funds				
Fundraising and communications	(578,413)	(29,872)	-	(608,285)
Expenditure on charitable activities				
Church repairs and maintenance	(3,867,253)	(4,204,300)	-	(8,071,553)
Keeping churches open	(1,926,967)	(526,116)	-	(2,453,083)
Total charitable activities	(5,794,220)	(4,730,416)	-	(10,524,636)
TOTAL EXPENDITURE	(6,372,633)	(4,760,288)	-	(11,132,921)
Net income/(expenditure)	25,303	(9,964)	-	15,339
Other recognised gains and losses				
Unrealised (losses) / gains on investments	-	-	(13,987)	(13,987)
Net movement in funds	25,303	(9,964)	(13,987)	1,352
Balances brought forward at				
1 April 2015	384,760	649,584	493,967	1,528,311
Balances carried forward at				
31 March 2016	410,063	639,620	479,980	1,529,663

3. Expenditure

	Direct staff costs	Other direct costs	Support costs	2017 Total	2016 Total
	£	£	£	£	£
Expenditure on Raising Funds					
Fundraising and communications	461,818	59,929	256,778	778,525	608,285
Expenditure on Charitable Activities					
Church repairs and maintenance	667,977	4,933,892	337,267	5,939,136	8,071,553
Supporting volunteers & communities, keeping churches open	1,489,883	278,468	703,049	2,471,400	2,453,083
Total charitable activities	2,157,860	5,212,360	1,040,316	8,410,536	10,524,636
TOTAL EXPENDITURE	2,619,678	5,272,289	1,297,094	9,189,061	11,132,921

The church repairs and maintenance figure above includes a grant of £1.4m (2015/16: £2.2m) to Churches Conservation, restricted for furtherance of the Churches Conservation Trust's charitable objects.

The Trust has spent all of its grant-in-aid received during the year and any reserves carried forward relate wholly to other sources of funding. The Trustees neither received nor waived any emoluments during the year (2015/16: £nil). Six Trustees (2015/16: 6) received reimbursements for travel and subsistence for a total of £2,147 (2015/16: £1,615). Unclaimed Trustee expenses for the year totalled £100.

Net income is stated after charging Auditors' Remuneration of £18,060 (2015/16: £18,500)

ALLOCATED SUPPORT COSTS	Fundraising	Church repairs & maint.	Keeping churches open	2017 Total	2016 Total
	£	£	£	£	£
Staff costs	77,082	101,244	211,049	389,375	352,093
Office costs	70,045	92,013	191,805	353,863	269,901
Communications	30,921	40,613	84,660	156,194	108,115
IT costs	37,285	48,942	102,085	188,312	146,672
Professional consultancy	23,154	30,442	63,394	116,990	73,201
Depreciation	13,234	17,383	36,236	66,853	31,884
Governance	5,057	6,630	13,820	25,507	64,728
	256,778	337,267	703,049	1,297,094	1,046,594

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

4. Salaries, Employment Costs and Expenses

	2017	2016
	Total	Total
	£	£
Gross salaries	2,084,346	1,900,110
Social security costs	191,004	136,767
Pension costs	391,030	328,547
Travel expenses	283,359	217,894
Staff training	30,346	22,674
Car leasing	2,611	5,525
Recruitment costs	14,966	44,069
Staff admin costs	10,852	8,627
	3,008,514	2,664,213
Number of employees on FT basis as at 31/03/2017	64	57

Three employees (2015/16: two) earned over £60,000 during 2016/17, with two salaries falling in the £60,000 to £70,000 band, and one in the £80,000 to £90,000 band. Total remuneration for the senior management team in 2016/17 was £565,000 (£519,114 in 2015/16). The total number of employees at 31/03/17 was 72, which includes 14 employees on fixed term contracts or interim agency workers.

5. Pensions

Pension benefits are provided through the Civil Service pension arrangements. Members may be in one of five schemes: classic; premium; classic plus; nuvos; or alpha from 1st April 2015. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are set at the rate of between 3.5% and 8.85% of pensionable earnings. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos and alpha, 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% (2.32% alpha) 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 0.5% and 14.8% (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 or alpha.

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 2016/17 employers' contributions of £363,000 were payable to the PCSPS (2015/16: £317,077) at one of four rates in the range 20.0 to 24.5% of pensionable pay. For the stakeholder pension account, employers' contributions of £26,000 (2015/16: £10,594) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Redundancy compensation payments accrued in 2016/17 totalled £0 (2015/16 £0).

Exit packages

All redundancy and other departure costs are paid in accordance with the provisions of the Civil Services Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. No redundancy, compensation or other departure costs were made in 2016/17 (2015/16 £0).

6. Intangible Fixed Assets

GROUP AND CHARITY	Total
COST	£
At 1 April 2016	89,665
	<hr/> 89,665
Additions	101,636
At 31 March 2017	191,301
	<hr/> <hr/>
DEPRECIATION	
At 1 April 2016	19,671
	<hr/> 19,671
Charge for the year	45,221
At 31 March 2017	64,892
	<hr/> <hr/>
NET BOOK VALUE	
At 31 March 2017	126,409
	<hr/> <hr/>
At 31 March 2016	69,994
	<hr/> <hr/>

7. Tangible Fixed Assets

GROUP AND CHARITY	Tenants'	Furniture &	Total
COST	Improvements	Equipment	
	£	£	£
At 1 April 2016	39,619	105,544	145,163
Additions	-	-	-
At 31 March 2017	<hr/> 39,619	<hr/> 105,544	<hr/> 145,163
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
DEPRECIATION			
At 1 April 2016	25,106	91,519	116,625
Charge for the year	7,924	13,708	21,632
At 31 March 2017	<hr/> 33,030	<hr/> 105,227	<hr/> 138,257
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
NET BOOK VALUE			
At 31 March 2017	6,589	317	6,906
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2016	14,513	14,025	28,538
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

8. Fixed Asset Investments

	Permanent Endowment Funds	Total Funds
GROUP AND CHARITY	£	£
At 1 April 2016	300,809	300,809
Sales	42,301	42,301
Purchases	(38,126)	(38,126)
Movement in cash	(4,175)	(4,175)
Net unrealised profit on revaluation	52,337	52,337
At 31 March 2017	353,146	353,146
Historic cost at 31 March 2017	255,361	255,361

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

9. Debtors

All amounts fall due within one year.	2017 Group	2017 Charity	2016 Group	2016 Charity
	£	£	£	£
Listed Places of Worship Grant Scheme	251,987	251,987	224,981	224,981
Due from grant giving bodies	471,010	471,010	797,992	797,992
Legacies due	463,500	463,500	217,888	217,888
Other debtors and prepayments	168,631	221,184	190,817	186,406
	1,355,128	1,407,680	1,431,678	1,427,267

10. Creditors

Amounts falling due within one year.

	2017 Group	2017 Charity	2016 Group	2016 Charity
	£	£	£	£
Trade creditors	134,090	128,161	600,783	600,183
Accruals and deferred income	103,861	77,035	54,587	50,474
Grant payment due to Foundation	1,142,801	1,142,801	2,411,466	2,411,466
Other creditors	508,456	505,194	330,551	306,288
	1,889,208	1,853,191	3,397,387	3,368,411

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

11. Funds

GROUP AND CHARITY	Balance as at	Income	Expenditure	Unrealised	Balance as at
	1 April 2016			gains on	31 March 2017
	£	£	£	£	£
Unrestricted funds	410,063	5,764,735	(5,728,833)	-	445,965
Restricted funds	639,620	3,419,548	(3,460,228)	-	598,940
Permanent Endowment	300,809	-	-	52,337	353,146
Expendable Endowment	179,171	-	-	-	179,171
	<u>1,529,663</u>	<u>9,184,283</u>	<u>(9,189,061)</u>	<u>52,337</u>	<u>1,577,222</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 at 31 March 2017 relate to: Bungay St Mary's, Kirk Sandall St Oswald's, Stoneham Parva St Mary the Virgin, Eastleach St Michael and St Martin's, Clixby All Hallow's.

12. Heritage Assets

The Trust maintains 350 churches which have been acquired during the 40 years since the inception of the Trust. These churches are those which have fallen into disuse and are considered to be sufficiently important to be restored and maintained for the benefit of future generations. Although churches are transferred from the relevant Diocese at no cost to the Trust, they often arrive with urgent repair needs and no accompanying endowment, creating an increasing long term burden on the Trust's already limited finances. Every three years, one third of the Trust's estate is reviewed for repair liabilities.

Additions in 2016/17: Sapperton.

Disposals in 2016/17: None

Five year summary of heritage asset transactions

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

	2016/17	2015/16	2014/15	2013/14	2012/13
Total Number of Churches vested in the Trust	350	349	347	344	342
New Vestings	1	2	3	2	1
Disposals	-	-	-	-	1

13. Operating Lease Commitments

The annual commitment in respect of operating leases were:	2017	2016
	£	£
Leases expiring under one year:		
Motor vehicles	-	5,985
Land and Buildings	43,770	55,000
Leases expiring between two and five years:		
Land and buildings	3,552	-
	47,322	60,985

Lease payments for Land and Buildings amounting to £55,000 were made in 2016/17 (2015/16: £55,000).

14. Repair Commitments

At 31 March 2017 the Trust had contracted for the following repair projects:

	2017	2016
	£	£
2015/16 Programme	-	1,400,602
2016/17 Programme	813,276	1,005,669
2017/18 Programme	546,438	-
	1,359,714	2,406,271

At 31 March 2017, the Trustees had approved expenditure totalling £7.10m (2016 £11.02m) which, apart from the above programme expenditure, had not been contracted for at 31 March 2017.

15. Net Assets

	Unrestricted	Restricted	Endowment	2017	2016
	Funds	Funds	Funds	Total	Total
	£	£	£	£	£
Tangible fixed assets	6,906	-	-	6,906	28,538
Intangible fixed assets	126,409			126,409	69,994
Investments	-	-	353,146	353,146	300,809
Cash	766,736	678,934	179,171	1,624,841	3,096,030
(creditors) less debtors	(464,086)	(79,994)	-	(534,080)	(1,965,708)
Total	445,965	598,940	532,317	1,577,222	1,529,663

16. Trading Subsidiary

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

	2017	2016
	£	£
Turnover	144,197	51,960
Cost of sales	(90,073)	-
Overhead costs	(26,066)	(32,633)
Profit	28,058	19,327
Gift Aid	(28,058)	(19,327)
Operating Profit	-	-
	89,647	48,304
Current Assets	89,647	48,304
Current Liability	89,646	48,303
Net Assets	1	1
Share Capital	1	1

17. Related Party Transactions

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

Churches Conservation (charity number 1150968), established during 2012/13, shares a minority of its Trustees with the Trust. £890,000 was received from Churches Conservation in 2016/17 (2015/16: £797,000). A grant of £1.1m was paid to Churches Conservation in 2016/17 (2015/16: £2.2m).

As at 31 March 2017, CCT had a creditor balance of £1.1 million (£2.3 million at 31 March 2016) and a debtor balance of £399,000 (£457,000 at 31 March 2016).

The Trust's Chief Executive and Director of Finance and Resources serve as unremunerated Directors of the Trust's trading subsidiary, Churches Conservation Trust Enterprises Ltd.

18. Post balance sheet events

There were no post balance sheet events that need to be disclosed in these accounts.

19. Value of Volunteers

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

We have not put a monetary value in the accounts on the many hours of work that our volunteers freely give. In 2016/17, based on responses to a volunteer survey, it has been calculated that our volunteers work 133,980 (2015/16: 130,900) hours per annum. If we were to value them at £7.50 per hour (national minimum wage), the economic worth of the work they do for the year-ended 31 March 2017 would amount to £1,004,850 (2015/16: £981,750).

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 350 churches. The list below notes the Trust's sponsors (who provide its Statutory Grant), the Trusts and Foundations, Friends of Churches, other organisations and individuals that, in the year, gave generously to the Trust.

The Trust's Key Sponsors

The Department of Culture, Media and Sport
The Church Commissioners

Donors

Mr Ralph Aldwinckle
Mr & Mrs N Asplundh
Mr Michael Bartlett
Mr David Barnes
Ms Sylvia Barnes
Mr Michael Bartlett
Mr Charles Bates
Mr Derek Blunt
Mr Derek Bond
Dr David Booth
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Professor Desmond Donovan
Mr Denis Dunstone
The Rt Hon Frank Field
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Mr James Gilpin
Mrs Gina Goldhammer
Mr Edward Harley
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Mr Simon Hood
Mr Peter Hirschmann
Dr Peter Ingle
Mr James Jackson
Mr Charles Jenkins
Mr Richard Jenkyns
Mr Chris Kenny
Mr Mark Kirby
Mr Mark Loveday
Mr Rupert Lycett Green
Mr Colin McCorquodale

Trusts, Foundations and Organisations

Allchurches Trust Ltd
Arts Council England
CB and HH Taylor 1984 Trust
Duchy of Lancaster Benevolent Fund
Eleanor Rathbone Charitable Trust
Francis Coales Charitable Foundation
Grimley Charity
Harrison's Charity
Heritage Lottery Fund
Historic England
J Paul Getty Jr General Charitable Trust
Michael Guest Charitable Foundation
Monumental Brass Society
Northamptonshire Historic Churches Trust
Sandwich St Mary's Community Trust
Sefton Borough Council
The Spiller Charitable Trust
Suez Communities Trust Ltd
Suffolk Historic Churches Trust
The Hawthorne Charitable Trust
The Ian Addison Charitable Foundation
The Loppylugs and Barbara Morrison Charitable Trust
The LPH Charitable Trust
The Paul Bassham Charitable Trust
The Pettit Trust
The PF Charitable Trust
The Ratcliff Foundation
The Swire Charitable Trust
The Veolia Environmental Trust
The W.E.D. Charitable Trust
WREN's FCC Heritage Action Fund
Friends of Old Christ Church, Waterloo
Friends of St Peters, Sandwich

NOTES TO THE ACCOUNTS

Mr Robert McCracken
Mr & Mrs Peter Mansfield
Mr M Roger Moore
Mr Geoffrey Munn
Mr Colin Mynett
Mr John Newman
Dr Michael Nussbaum
Prof Vincent Porter
Mr Michael Rimmer
Mr Michael F Robinson
Mr & Mrs Colin Soden
Mrs Patricia Stewart
Prof Andrew Spicer
Mr Richard Taylor
Mrs Margaret Thornton
Mr Michael Walker
Mr Jim Webber
Mrs Miranda Wilson

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