



**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

*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 over 350 beautiful buildings which attract almost two million visitors a year. With our help and with your support they are kept open and in use – living once again at the heart of their communities.

Our aims are:

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

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1. INTERIM CHAIR'S FOREWORD

It is with great sadness that I write this introduction to the annual accounts 2020/21. Shortly after the end of the financial year our Chair, Peter Ainsworth, died very suddenly and unexpectedly. This news was a terrible blow, not only to his family, but also to the Churches Conservation Trust and the wider heritage sector. Peter provided sure and steady leadership before and during the Covid pandemic and represented us, in his effective and affable style, to Government, the Church of England and to everyone else who could be persuaded to support us. Peter was a passionate and knowledgeable advocate for historic churches and we consider ourselves very fortunate to have had him as our Chair for five years. He will be missed by us all.

As the financial year began and the pandemic took hold, we acted quickly to protect our volunteers and move all our staff to work from home. This was managed very well by our chief executive and senior team who were able to limit the impact on our operations. Financially, we faced a significant drop in our income because of cancelled fundraising events and a lack of visitor donations, so we worked hard to curtail all non-essential expenditure. However, thanks to a lot of hard work by our staff and the vital and timely support of DCMS, National Lottery Heritage Fund and Historic England, we managed to invest around £1.6m in essential repairs to our buildings, also helping to support the livelihoods of crafts people and the companies that deliver conservation work.

Our major projects at Sunderland and Worcester, generously supported by NLHF funding, have been significantly delayed over the course of the year and we were hoping to have had them completed, but this will now happen in 2021-22. We are excited at the benefit that these significant cultural assets will offer the communities surrounding them once they open.

I am grateful to all those who have continued to support us and to the large number of people who have joined our membership scheme on the back of our successful Thursday lunchtime lecture series. Although our churches stayed open as much as possible, we really missed our local communities who use and love the church buildings in our collection. Bringing people together online, from across the world, to hear erudite lectures on all aspects of church history and heritage was an unexpected highlight. Our online lectures are a lasting legacy of this extraordinary year and we now have a programme booked up into 2022.

The Board is pleased and relieved to report that we have ended this year in a much better financial position than we had thought possible and we are grateful for the ongoing support of DCMS and the Church Commissioners. Peter Aiers has successfully led the charity through its most difficult year in living memory, with much hard work from our excellent senior management team and staff.

There will be continuing challenges in 2021 but we look forward to this next year when we can welcome visitors and communities into our precious collection of historic church buildings across the country.

The Board always gives grateful thanks for our invaluable staff, volunteers and supporters but this has never been more heartfelt. Thank you to everyone.

Sue Wilkinson
Interim Chair

2. INTRODUCTION

Who we are

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

Constitution

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

Objectives and Activities

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

Strategic Aims 2019-24



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

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

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

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

2: Sharing our skills to sustain churches

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

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

3: Promoting the value of our shared cultural heritage

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

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

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

DCMS and Church Commissioners Funding Agreement

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

Our funding and management agreement aims are to:

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

Public Benefit

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

3. REVIEW OF THE YEAR

We are certain that most reviews of any organisation for the financial year 2020/21 will start with an expression of how this was extraordinary and unprecedented. Clearly the CCT's review will. This has been a year of extraordinary difficulty given the national response to the global pandemic. It is good to note that the CCT has come through this year intact and in a strong position to weather the storms which subsequent years may bring to the nation's economy. The year 2020-21 was supposed to be a year where the CCT consolidated all the changes that had been made in 2019-20 and really demonstrated how our engagement and support of communities could drive forward the greater sustainability of our collection of 356 churches. As it turned out we did a great deal of work to consolidate our position but we were unable to make quite the impact we intended in quite the way we intended as we had to restrict our teams travelling and work in a completely new way. There were very limited opportunities for any events in our churches and the bulk of our work moved online.

When the pandemic struck in March 2020, we moved very quickly to have our staff work from home thanks to the preparations of our IT team. The CCT immediately declared three Covid priorities for the organisation and these were Re-opening, Fundraising and Community Support.

In the first lockdown we closed our churches and moved all of our work online. Due to the importance of us having our churches open once more and the complexities of Government advice, we set up a Re opening Taskforce. The taskforce provided guidance and training, process and risk assessments for staff and volunteers over the past year as the Government announcements and strategies for dealing with the global pandemic have emerged and changed.

A Fundraising Taskforce was also created as we knew that there would be a huge impact on our income due to there being no events and that our church buildings would be closed. Drawing on the support of colleagues across the organisation, the Taskforce developed a fundraising plan incorporating national and local elements. Underpinning each element was a consistent case for support which can be tailored to 'make the ask' in a range of scenarios.

For the first time in our 50 year history, the CCT cancelled the Spring maintenance visits to our churches. Although this was considered a risk, the process was managed very carefully by the Conservation Team and the most sensitive sites were carefully looked after.

The outcome of the year was much better than we could have envisaged back in April 2020, due to the hard work of the team in generating new sources of revenue, the generous support of National Lottery Heritage Fund , Historic England and DCMS and a huge effort in cost saving and efficiency across the organisation.

This was all achieved in the very tragic context of the deaths of our Conservation Projects Manager Dawn Whitton who had worked with us for 18 years and our Chair Peter Ainsworth who had been with the CCT for 5 years. Our thoughts are with their families.

Highlights of the year include:

- £1.68m major repair programme, under the Heritage Stimulus Fund
- Three out of four new vesting projects were started on site and a fourth within a month of the year end
- Champing™ and the Maintenance Service performed well
- The work of the Reopening and Fundraising Taskforces responding to lockdowns and re-opening
- Heritage Open Days: over 200 events listed from CCT
- Creation of popular weekly online lecture programme sponsored by Ecclesiastical Insurance

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

- Membership growth at highest level since the scheme began
- Online carol service with RSCM and introduction by HRH The Prince of Wales
- New staff HR handbook published
- Regional teams exceeded the revised income targets
- Improvements in digital infrastructure

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

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

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

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

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

Regions

It had been envisaged that our regional teams would have spent this year building on the foundations of year one of the 2019-24 strategy, to begin to grow income and support for our buildings from communities across the country. A full programme of events was expected which would see communities use and love their historic places of worship. The pandemic meant that we had to focus our work very differently.

In late March/early April 2020, regional teams worked effectively with volunteers and community members to implement the rapid closure of all 356 churches and postpone all events in response to the national Covid-19 lockdown. This was achieved alongside the closure of our regional offices and the transfer to homeworking for office-based team members. Heads of Region reviewed the objectives of LCOs, using the opportunity of restricted travel to expedite the desk based community opportunities research required to support the development of Church Plans. Church Plans are central to how the CCT is developing. This work was undertaken alongside continued communication with volunteers and community members, to both support wellbeing and re-orient fundraising efforts.

As restrictions were eased in early July, regional teams then undertook the re-opening of our sites. The safety of our visitors, volunteers and staff has been key. Using guidance and protocols provided by the Re-opening Taskforce, each church has undergone a thorough risk assessment before re-opening with appropriate control measures in place. Control measures to support safe visiting include signage to support social distancing and additional hygiene. We participated in Visit Britain's 'Good to Go' scheme which provides visitors with confidence that our churches are safe to visit and there's lots of information and FAQs on our website.

At the end of October, just prior to the commencement of the second national lockdown, regional teams had re-opened 286 churches, which represents 80% of CCT's estate. Typically, pre Covid-19, 85-90% of churches were open at any one time, as there were always some temporary closures due to volunteer circumstances, damage and repairs. In the vast majority of cases, the 5-10% of churches which could be re-opened, but were closed, were facing challenges in volunteer capacity or confidence. Regional teams were working hard to address these and get as many of the remaining doors open as possible.

With the announcement of the second national lockdown from 5 November-2 December, regional teams, once again, worked hard with volunteers and community members to close the doors to CCT churches for general visiting. Where, possible, however, access was provided for individual prayer, in line with government guidelines and the approach of the Church of England. During

December, when lockdown restrictions were eased, a few churches were able to hold seasonal services and activities.

In January, with the announcement of the third national lockdown, our churches returned to policy of closure for general visiting, but access for independent prayer and services in certain circumstances. Following the announcement of the Government's Roadmap to exit Covid-19 restrictions, regional teams prepared for a final re-opening exercise. During the most recent lockdown period, significant work was undertaken to prepare resources to support volunteers and communities in planning events for when the re-opening allows. The results of this work is a downloadable 'Confidence in Events' pack and a series of mini videos, which can be viewed on [our website](#).

The CCT is not able to function without the support and commitment of the communities and volunteers that surround our churches. It has been a very difficult year but the support and enthusiasm from volunteers has remained to ensure that that our collection of historic church buildings can be used and loved in to the future. Our annual volunteers and community day was held online this year and we are very grateful to the Marsh Christian Trust who support our Volunteer Awards.

Fundraising and Membership

CCT churches had been looking forward to a full programme of community-led fundraising activities throughout the spring and summer. Whilst physical event based activities were postponed, Local Community Officers (LCOs) were tasked with working with community members and volunteers to re-purpose planned events into virtual activities where possible, alongside generating new fundraising activities. Working collaboratively, regional teams quickly generated a 'menu' of suggestions which were shared with local contacts together with the case for support, guidance on donation channels and inspiring case studies. As an example of activities taking place, the Friends of Preston Park, turned their annual fundraising sale in May into a socially-distanced plant sale on one member's front garden, raising £500.

The Fundraising Taskforce and Local Community Officers worked collaboratively to accelerate regional fundraising activities through specific working groups. These focused on the development and implementation of processes and resources to support income generation via recorded/live virtual events, walking tours, community led activities, service collections, localised corporate giving, sales of goods and localised sponsorship packages. As an example of this work CCT listed 200 events for the annual Heritage Open Days which took place 11-20 September. Our headline event was a virtual concert introduced by, and including a contribution from our vice president, Jools Holland. The concert content was drawn together by Local Community Officer, Nick Watts, featured a fantastic mix of wonderful and talented artists who dedicated performances both past and present to their local CCT church.

Due to our success in Heritage Stimulus Fund grant scheme provided by DCMS and Historic England, we had the challenge of providing 20% match funding, some £332,000, of the £1.68m grant. The grant provided funding for vital repairs to 26 church buildings in our collection. This work had to be completed on an extremely tight timetable between October 2020 and March 2021. Our teams worked tirelessly in this short window and thanks to the generosity of the communities around our church buildings we raised £122,000 towards the total.

National fundraising efforts were focused on optimising the existing channels of communications (Members E Newsletter, Pinnacle Spring edition, Website and Social Media) to retain the support of existing supporters and make appropriate unrestricted fundraising asks, and developing new audiences and giving opportunities. Work to cultivate new audiences has been a collaborative effort via the Fundraising Taskforce between the national Fundraising, Communications and Learning and Participation teams.

The primary focus for Trusts and Foundations has been on the impact of Covid-19, prioritising response opportunities. The Grants and Capital Campaigns manager has worked closely with colleagues in the Regions, Conservation and Enterprise to maximise the opportunities with positive success.

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

The new approach to fundraising across the CCT saw total income for national fundraising activities rise to £374,000 of which 75% was unrestricted (2019/20: £221,000 and 25%).

Across the year, we have been successful in receiving:

- Local Authority business support grants
- NLHF Covid grant
- Additional grants from Trusts and Foundations
- Architectural Heritage Fund
- Cultural Recovery Fund
- Historic England Stimulus Fund

This has resulted in over £1.4m received during 2020/21 with over £200k pledged.

Conservation

The team had to change priorities quickly across the year due to the pandemic. Projects focused on the Top 15 priority list slowed and in the second half of the year was superseded by development and delivery of a £1.68m major repair programme, under the Heritage Stimulus Fund. Some of the 26 church buildings in the programme were part of the Top 15 list. By the year end the team had delivered 93% of the required spend, which was above the required level of the funder. This is an outstanding achievement and speaks volumes as to how well prepared the Conservation Team were and how well they knew the buildings and what repairs were needed.

For the first time the Spring maintenance visits were cancelled as this was the safest option at the time. Savings of c£100k were made in the annual maintenance budget but the impact is clear as we are reporting an increase of maintenance costs during the autumn and winter months, as buildings have been found in worse condition with minor defects having exacerbated and routine tasks requiring longer time to be completed. This re-enforces our view that cyclical maintenance is vital to keep buildings in good repair.

Despite initial reserve, 3 of the 4 the New Vesting projects were started on site during the year, the fourth will start on site within a month of the year-end.

Regeneration

Our major projects at Sunderland and Worcester were on site when the first lockdown was announced and were forced to closed. Management of the budgets for the major projects at Sunderland and Worcester has been a huge challenge this year. Additional costs at both sites have been incurred because of a combination of: stoppage of work on site when the pandemic first broke out; ongoing safe working requirements for Covid-19; lack of sufficient site staff because of self-isolation or illness ref Covid-19; and material and sub-contractor shortages as a knock on effect of these issues. As a result by the year end the additional budget required to complete both projects (capital work and ongoing operational costs) as a result of these delays is estimated to be £1.2m – not all, but a large proportion owing to Covid. Uplift request are to be lodged with the NLHF, with alternative funding plans in place if the uplifts are declined.

Work has continued to develop the projects at St Peter's Sudbury and at the St Peter's and the Old Black Lion in Northampton.

Finance and ICT

This team provided very solid support for the CCT operation during this most difficult period. Due to good preparations the CCT was able to ensure all of the staff could work from home in short order. IT systems have been upgraded and cost savings identified from retendering processes. Upgrades have been made to equipment and IT infrastructure in the CCT offices in preparation for a return to office use in 2021/22.

Our digital strategy group continues work on implementing the improvements needed for CCT's digital infrastructure. Ground work has been completed to launch the digital transformation

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

project in 2022, focusing on upgrades to our CRM database, HR system, property management system and website.

The team has supported the introduction of a new Image Management Policy and GDPR review has been undertaken on our consent process and recording processes.

The CCT archive has been relocated. Over 1,500 boxes of historical church records have been moved from our Bermondsey archive to the London office.

Finance has supported numerous cross organisational projects during the year, notably: the introduction of finance systems for our major projects at Worcester and Sunderland; the full roll out of text giving at all CCT church buildings; numerous Covid related grant applications; and the review of restricted fund allocations for maintenance.

5. AIM TWO: Sharing our skills to sustain churches

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

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

Major Footfall Sites

During the year the Head of Enterprise has been working with Centre Managers at major sites to review and revise the business plans to become as sustainable and flexible at a time when the economic impact of Covid is considerable.

The major project at Sudbury, which sees the church developed as a community hub for cultural events and community activity, was successful in stage 2 bringing in £1.7m of NLHF funding. The OBL project has developed during the year securing an additional £315K of investment from Northampton Borough Council in addition to £150K Section 106 money awarded late 2020.

Champing™

Champing™ has been a focus for the Enterprise Team this year in order to take advantage of the limited holiday opportunities that were available due to the pandemic and make the business as profitable as possible. Our mitigation strategies this year included extending the 2020/21 season in to October and starting the 2021/22 season earlier. Postponing bookings rather than refunding unless requested by guests, drastically managing costs and reducing planned investment in sites this year enabled a better performance of the product. The team were successful in obtaining an AHF Grant of £41,000 which will help underpin commercial development for 2021-22.

Regeneration Consultancy

The Trust has won further consultancy work during the year despite the pandemic; St Peters, Brighton to support planning discussions and a design review process, Stockton Parish Church for an outline financial viability and fundraising strategy. Stowlangtoft church for support to engage the local community in the future of the building and prevent closure.

The regeneration team developed a mentoring service specifically to support individuals, groups, charities and community developers who are managing community enterprise models in historic buildings and who were being adversely impacted by Covid 19.

Historic Chapels Trust

The CCT has continued to support the Historic Chapels Trust over the last year, managing the buildings and staff as well as supporting the Board of Trustees.

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

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

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

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

Learning and Interpretation

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

Heritage Learning Officers supported their regional colleagues during the first re-opening, lending their support to the huge task of re-opening by helping with pre-opening visits and risk assessments. As the education sector emerged from lockdown, HLOs were in touch with school contacts. Sessions were booked in for the autumn term.

As part of the newly-formed Fundraising Taskforce Group, it was decided that we should focus on digital resources that our members, supporters and the general public could access online, via the CCT website. Content was gathered through the learning and regional teams and in the first instance, the focus was around looking at what content we already had and could re-use. This included:

- Learning resources to support home-learning
- Family activities
- Arts and crafts
- Quizzes
- Walking routes
- Google Arts exhibitions
- Online lectures

These resources provided a focus for our audience and some resources for people to use whilst churches were closed and events cancelled. The walks were particularly important in keeping people engaged. All of the resources were promoted via social media.

A great success spurred on by the lockdown has been the CCT Virtual Lectures on Thursday lunchtimes. Available live and on YouTube, contributors include CCT staff, academics and authors of considerable expertise. The series has developed a donation request and membership offer, which has been very successful. The team have also sold books relevant to the lectures and, supported by significant behind the scenes work on the website to improve the new member journey, the growth of new members via the lectures has been phenomenal. Total income from donations, memberships and sponsorship as a result of the lectures is just over £28,000. Lectures have had live audiences of up to 1,500 and then thousands of subsequent views. The result is a significant positive impact on our KPIs for digital engagement.

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

In early May, we introduced a free supporters e-newsletter which includes links to donation and membership signup alongside engaging content. As of 31 March 2021, this had gained 345 subscribers. Significant work was also undertaken to provide Resources for Life in Lockdown pages via our website. These provided resources for individuals, schools and families to engage with CCT churches whilst full lockdown restrictions were in place.

For Christmas the CCT partnered with the Royal School of Church Music. Filmed at All Saints, Cambridge on 29-30 October, the service was streamed on 12 December and had a cast including an introduction by HRH The Prince of Wales, John Rutter, Rowan Williams, Theresa May, Alexander Armstrong and Tim Bentinck amongst others. Combined live and post event audience figures across YouTube and Facebook reached 18,000 viewers.

7. PERFORMANCE AGAINST TARGETS

Key Performance Indicators

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

Supporting communities to use and love their historic places of worship				
	KPI	Measure	2020/21 Target	2020/21 Actual
1	85% of volunteers and communities around our churches feel well supported by the CCT by 2024	Taking the annual Volunteer Survey and expanding our audience for it, this should include incumbents. Baseline: The annual survey provided that 38% of volunteers felt well supported by the CCT	Staff survey: 55% of volunteers feel well supported by CCT	39% replied they feel well supported by the CCT. Separately, 65% of volunteers felt either "Supported" or "Very Supported" by their Local Community Officer
2	A further £700k of church based funding is generated every year by 2024	Church based income baseline (2018/19): £492,655	Updated Covid target : £224,773	£327,403 146% of Covid target
3	To increase our annual regular maintenance expenditure to over £1m by 2024	Amount spent on regular maintenance annually. Baseline (2018/19): £526,559	Covid led to this target being suspended.	2019/20: 602,234 2020/21: £498,770 Figures excludes specific investment in legal compliance and security work to protect CCT's churches.
4	We will deliver the 15 priority projects by 2024	Progress against the project list as agreed by SMT and Board of Trustees	Progress against the project list as agreed by SMT and Board of Trustees	Top 15 (tier 1): 3 projects complete, 2 projects complete in part (limited by funding) 5 projects on site Next 10 (tier 2): 5 complete

Sharing our skills to sustain churches				
	KPI	Measure	2020/21 Target	2020/21 Actual
5	Achieve our 5 year commercial target	Progress against the commercial plan to be devised by the Head of Enterprise once appointed	Develop Commercial Plan	The outbreak of Covid-19 has meant that commercial activity was paused and updated targets implemented. The 5 year plan is being reviewed and revised
6	Work with 50 communities outside the CCT collection over 5 years	Number of communities worked with as part of consultancy work or partnership working	10 target	23 Projects
Promoting the value of our shared cultural heritage				
	KPI	Measure	2020/21 Target	2020/21 Actual
7	Achieve 2 million annual visitors per year	2018/19 baseline: 1.7m visitors	1.80m visitors	2020/21 saw our churches closed for most of the year. Visitor data was not collected.
8	Grow CCT supporters to 10,000 by 2024	Numbers of supporters recorded on CRM 2018/19 baseline: 2,060 members	3,000 members	3,031
9	Grow digital audience by 250% by 2024	Baseline figures: Twitter 13,000 LinkedIn 2,500 Instagram 2,500	Twitter 16,000 LinkedIn: 3,800 Instagram: 4,582 Facebook Likes: 8,500	Twitter: 17,038 LinkedIn: 4,455 Instagram 5,605 Facebook Likes: 18,626

8. SUSTAINABILITY

Since 2011/12 public bodies are obliged to include a sustainability report within the annual report and accounts unless the body falls under the de-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 2020/21 was 67 we are not required to include a report, however, further details of our work can be found below and on our website.

This report provides a summary of how the CCT has applied principles of sustainability into the Trust's projects and consultancy work in 2020/21. It focuses mainly on the work of the Regeneration and Conservation Teams, who deliver the Trust's major capital projects, but sustainability goals are followed across the organisation.

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

New Churchyard Policy

We have developed a new churchyard policy in 2020/21 which is particularly focused on conservation of wildlife and the natural landscape. It has been adopted across all our vested churchyards, c. 70 across England. In some urban places, our churchyards are one of the key green spaces remaining.

Wildlife Management

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

Energy Saving

We monitor energy consumption at all our sites to identify periods of high energy consumption and develop strategies for how we can recover income and reduce waste. New and more efficient heating systems at Sound & Art at St Swithun's, Worcester and at Seventeen Nineteen in Sunderland – two of our major projects – were installed in 2020/21. We are considering a new heating system for St Peter's in Sudbury and applying sustainability principles.

Conservation Repair and Maintenance

Our maintenance and repairs are guided by conservation principles, which have at the core the use of traditional and local materials and crafts. We have delivered a grant-funded programme of capital works, mostly focused on re-roofing, masonry repairs and glazing, of c. £1.7m across 26 sites through the Heritage Stimulus Fund. This has seen the repair and conservation of historic churches in 18 counties across the country. The programme, by supporting and creating jobs, has provided vital support and financial stimulus to the heritage sector and rural economies.

We have also carried out large capital work projects at two of our newly vested churches, Hemington (Somerset) and Gamston phase II (Nottinghamshire), the first focused on roofing and masonry repairs and the second focused on new ground drainage, repairs to floors, plaster, timberworks and services.

The Conservation Team is the national team responsible for the care, maintenance and repairs of the CCT estate of 356 highly listed historic churches across England. The annual maintenance and repair programmes are delivered through frameworks of local contractors and, as much as possible, local consultants and specialist conservators.

Minimising Loss of Original Fabric and Sustainable Design

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

Our project to regenerate St Peter’s, Sudbury, was awarded Stage 2 funding from the National Lottery Heritage Fund (NLHF) in 2020 and our NLHF-funded project at the Old Black Lion in Northampton was awarded grants from the Architectural Heritage Fund and the local authority. The proposals for these buildings are now being developed to minimise the loss of historic fabric and reflect principles of sustainability in the designs.

Craft Skills

Our heritage craft skills programme at Seventeen Nineteen has provided two apprentice opportunities and a number of work-based placements for students as well as over 15 workshops engaging 1500 local people in craft skills. We are also recruiting an apprentice at Sound & Art St Swithun’s in Worcester.

A similar programme of public engagement with craft skills and apprenticeship opportunities has been included in Round 2 National Lottery Heritage Fund grant for St Peter’s, Sudbury and will be delivered in 2021/2.

We have employed skilled local contactors on all of our 26 Heritage Stimulus Fund repair projects.

People and Communities

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

During the year we have provided support also to community groups outside the Trust estate, through our consultancy work for the Quakers in Norfolk & Waveney and West Weald areas. We also undertook a strategic review of the Historic Chapels Trust’s estate, to generate ideas to make the HCT more sustainable and proactive. We prepared individual ‘Way Forward’ reports for 18 HCT sites, which provided an overview of the local socio-economic context, considered building condition and repair liability, and examined current community activities and management models. This then informed an assessment of five possible scenarios for the future management for each site.

Sustainable Travel

We have substantially reduced our travel by car this year, due to the Covid-19 pandemic. Out travel by car dropped by over 50 percent. This has generated new ways of working which we hope

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

to continue when restrictions lift. We support cycling to work schemes and encourage our staff to use sustainable transport as much as possible.

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

9. FINANCIAL REPORT

Income

In the year ending 31 March 2021, overall income stood at £11.1 million, 31% up on the £8.4 million received in 2019/20. Increases were most apparent in grants, especially from the National Lottery Heritage Fund and Heritage Stimulus Fund.

Grant-in-Aid from DCMS and the Church Commissioners provided 38% of income at £4.2 million (2019/20: £4.0 million, 48%).

Non-statutory grant income increased significantly to £5.0 million from £2.9 million. This figure comprises grants from trusts and foundations for specific projects, together with grant income from Churches Conservation. Grants are recognised in our accounts under charity SORP accounting rules and the CCT moves into 2021/22 with a healthy pipeline of externally-funded projects, especially for the HLF funded major projects at Sunderland, Worcester and Sudbury. Grants from the Listed Places of Worship Scheme, where VAT is reclaimed on eligible church repairs rose significantly from £289,000 to £835,000.

Donations fell by 5% compared to our 2019/20 performance to finish the year at £490,000 (2019/20: £519,000). Unrestricted donations fell from £388,000 down to £275,000, a drop of 29%. This £113,000 drop was due to our churches being closed for a large part of the year due to Covid restrictions. Within this figure, Wall safe income showed significant drop from £148,000 down to £29,000

Legacies brought in a welcome £223,000 in the year, up from £136,000 in 2019/20. Of this total, £182,000 was unrestricted income (up from £129,000 in 2019/20).

Legacies provided
£182,000 of
unrestricted income

Earned income fell by 39% to £354,000 from £578,000. Of this total £340,000 was unrestricted, down from £572,000 the previous year. Within Earned Income, hire fees showed the biggest fall, down £73,000 to £46,000. Other significant income within this category, both of which fell in the year includes: Filming down £41k to £15,000; and longer term rentals, down £28,000 to £75,000. One notable rise in the year was fees from our Supporters Scheme, up £19,000 to £103,000.

Total Group unrestricted donations and earned income, the growth of which is a key part of our new financial strategy to increase our income base, fell by £345,000 (36%) from £960,000 to £615,000. These results include income generated via the CCT's trading subsidiary.

Expenditure

92% of the CCT's expenditure went on frontline projects to repair churches and support communities (2019/20: 88%). At £8.3 million, 'Church repairs and maintenance' continues to be the main call on our funds. Compared to the previous year, this represents an increase of £3.1 million or 59%.

92% of expenditure
spent on frontline projects

£1.9 million (2019/20: £2.1m) was spent on 'Supporting volunteers and communities, keeping churches open' and just under £0.9 million or 8% (2019/20: £1.1m 12%) of our expenditure goes on fundraising and communications.

Reserves

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

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

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

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

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

Restricted Reserves

Although the CCT's total reserves at 31 March 2021 are shown as £1.57 million (2019/20: £1.51 million) on the Statement of Financial Position, all but £430,564 (2019/20: £429,651) are restricted funds whose use, under the terms by which they were given, is restricted solely to work at specific churches and cannot be used for other purposes. The CCT's policy is always to utilise these funds first when carrying out necessary works at eligible churches, before any call is made on unrestricted funds.

Free Reserves

The Charity Commission defines 'free reserves' as: 'income which becomes available to the charity and is to be expended at the Trustees' discretion in furtherance of the charity's objectives, but which is not yet spent, committed or expended'. As at 31 March 2020, the CCT had free reserves of unrestricted funds, less the carrying value of fixed assets, of £430,564. This represents an increase of £1,270 compared with the free reserves of £429,294 held on 31 March 2020.

Although our free reserves are currently below the target level of £500,000, Trustees consider the current figure acceptable especially considering the impacts of Covid-19 during 2020/21. The CCT aims to reach the £500,000 target by March 2022.

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

Investment Policy

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

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

Register of Interests

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

Registered Office

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

Auditors

The CCT's auditors are Mazars LLP, 6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 24JQ. The auditors are re-appointed annually by the Trustees.

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

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

Coutts and Co, 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

	Accrued pension at 31/03/2021	Real increase in pension and related lump sum at pension age	CETV at 31/03/2021	CETV at 31/03/2020	Increase in CETV	Pension benefit to nearest £1,000
Peter Aiers Chief Executive	20-25	0-2.5	300	270	15	33
Sarah Robinson Deputy Chief Executive / Director of Conservation (4 days per week)	15-20 (plus a lump sum of 10-15)	0-2.5 (plus a lump sum of 0-2.5)	336	300	22	32
Stuart Popple Finance Director	15-20	0-2.5	179	155	12	27
Marian Carson Director of Operations	0-5	0-2.5	21	7	9	25

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

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

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

Signed on behalf of the Trustees on: 22 June 2021

Sue Wilkinson
Interim Chair of the Trustees

Peter Aiers
Chief Executive

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

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

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

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

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

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

Signed on behalf of the Trustees on: 22 June 2021

Sue Wilkinson
Interim Chair of the Trustees

Peter Aiers
Accounting Officer

10. GOVERNANCE STATEMENT

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

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

Corporate Governance

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

Trustees

The Trustees during the year were:

Peter Ainsworth	Chair
William Donaldson	
Canon Revd Tim Goode (from December 2020)	
Edward Harley OBE, DL	
Sir Simon Jenkins	
Beth McHattie (to September 2020)	
Liz Peace CBE	Chair of the Finance and Audit Committee
Carol Pyrah	Chair of the Conservation Committee
Sue Wilkinson	Deputy Chair

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

During the year to 31 March 2021, the Board and its Committees all met on a quarterly cycle. Minutes of the meetings, including attendance, are kept and approved by the Board at subsequent meetings. Trustee attendance at Board meetings was 100% (2019/20: 78%).

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

The Finance and Audit Committee

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

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

Conservation Committee

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

Highlights of Committee Reports

During the year, the Board of Trustees approved: updated safeguarding and anti-fraud policies; expenditure on a number of repair projects including Hemington, Tickencote, Evesham, Bungay and Swingfield; approval for vestings of Brougham, St Wilfred and North Hill, St Torney. The Board also approved the annual Health and Safety report, the plan and budget for 2021/22 and an updated Covid-19 budget.

Management Structure

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

The CCT's Chief Executive Officer is Peter Aiers.

Communication with Sponsors

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

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

Audit

As part of their annual audit of the CCT's accounts, the external auditors' provide a Management Letter covering any identified control weaknesses. For 2020/21, no substantive weaknesses were raised (2019/20 zero) which provided the CCT with additional comfort over its internal controls. The CCT's rolling three year internal audit plan considers strategic and operational risks and has been approved by the Finance and Audit Committee. It is updated annually to confirm audit prioritisation. All reports and management actions were reviewed by the Finance and Audit Committee.

Corporate Governance

The system of governance has continued in place in the CCT for the financial year ended 31 March 2021 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 2020/21 no cost of living pay award or separate non-consolidated organisational bonus was paid to staff. All pay awards are subject to Trustee approval.

Gender Pay Gap

As at 31 March 2021 the CCT had a mean gender pay gap of 8% (March 2020: 9%). The median figure was 5% (March 2020: 0%). The below table illustrates the proportion of Female and Male employees in each pay quartile.

	Women	Men	Total	% Women in Quartile	2020: % Women in Quartile
Top Quartile	12	6	18	67%	56%
Upper Middle Quartile	13	6	19	68%	67%
Lower Middle Quartile	14	4	18	78%	72%
Lower Quartile	12	6	18	67%	65%
Total	51	22	73	70%	65%

Senior management remuneration

As at 31 March 2021, 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 CCT's median pay of £26,650, was 3.2 (2019/20: 3.3). The senior management team is defined as the directors of the CCT, and comprises the following roles: Chief Executive, Deputy Chief Executive/Director of Conservation, Finance Director and Director of Operations. The total remuneration of senior management was £396,350 (2019/20: £415,617).

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

Civil Service compensation scheme Exit packages

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

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

Contracts

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

Trade Union facility Time

The CCT complies with the Trade Union (Facility Time Publication Requirements) Regulations 2017. The total number of employees who were relevant union officials during 2020/21 was zero (2019/20: zero). As such zero time and zero remuneration was spent on facility time during the year (2019/20: zero).

Planning and Budgeting Process

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

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

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

Project Management

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

Performance Monitoring and Reporting

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

Risk Management

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

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

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

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

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

The Risk Register

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

Covid 19

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

Whistleblowing

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

Information Management

The CCT is registered with the Information Commissioner's Office. The CCT suffered no significant protected personal data incidents during 2020/21 (2019/20: zero) and has not had to make any report on the loss of personal protected information to the Information Commissioner's office. Controls are in place to monitor information management risk.

Approach to Fundraising

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

We are registered with, and are committed to, supporting and complying with the guidelines and directives of the Fundraising Regulator and the Fundraising Preference Service (FPS). We are also members of the Institute of Fundraising and follow the Fundraising Code of Practice. In 2020/21

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

there were no failures to comply with standards, no complaints were received directly and no requests to be removed from our database via the Fundraising Preference Service.

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

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

Sickness Absence Disclosure

During the year, staff were off work due to sickness for a total of 123 (2019/20: 189), an average of 1.7 days (2019/20: 2.7) per staff member. These figure exclude long term sickness. If long term absences are included, the total rises to 188 (2019/20: 235 days).

Consultancy and Contingent Labour Spend Disclosure

During the year-ending 31 March 2021, £15,762 (2019/20: £158,414) was spent on consultancy. £105,320 (2019/20: £267,756) 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 2021, the CCT did not have any off-payroll engagements.

Review of Effectiveness

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

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

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

Peter Aiers
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 Churches Conservation Trust ('the parent charity') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees which includes the Strategic Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 23, the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting

REPORT OF TRUSTEES AND ACCOUNTING OFFICER

estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

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

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

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

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

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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 members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:

David Hoose (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS

Date: 2nd July 2021

12. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021	Total 2020
Notes	£	£	£	£	£
INCOME					
Donations & Legacies	457,242	255,583	-	712,825	654,626
Income from Charitable Activities	5,052,592	4,967,291	-	10,019,883	7,192,965
Income from Investments	533	17,348	-	17,881	24,165
Other Trading Activities	339,590	13,976	-	353,566	577,617
TOTAL INCOME	5,849,957	5,254,198	-	11,104,155	8,449,373
Expenditure on Raising Funds					
Fundraising and Communications	(808,538)	(83,328)	-	(891,866)	(1,053,011)
Expenditure on charitable activities					
Church Repairs and Maintenance	(3,365,431)	(4,971,653)	-	(8,337,084)	(5,242,057)
Keeping Churches Open	(1,675,075)	(219,413)	-	(1,894,488)	(2,185,203)
Total charitable activities	(5,040,506)	(5,191,066)	-	(10,231,572)	(7,427,260)
TOTAL EXPENDITURE	3 (5,849,044)	(5,274,394)	-	(11,123,438)	(8,480,271)
Net income / (expenditure)	913	(20,196)	-	(19,283)	(30,898)
Other recognised gains and losses					
Unrealised gains / (losses)	8 -	-	81,259	81,259	(41,749)
Net movement in funds	14,963	(20,196)	81,259	61,976	(72,647)
Balances brought forward at 1 April 2020	429,651	571,507	504,957	1,506,115	1,578,761
Balances carried forward at 31 March 2021	430,564	551,311	586,216	1,568,091	1,506,114

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 2021**

		Group	Charity	Group	Charity
		2021	2021	2020	2020
	Notes	£	£	£	£
FIXED ASSETS					
Intangible fixed assets	6	-	-	357	357
Tangible fixed assets	7	-	-	-	-
Investment in Subsidiary		-	1	-	1
Fixed assets investments	8	407,045	407,045	325,786	325,786
		407,045	407,046	326,143	326,144
CURRENT ASSETS					
Debtors	9	2,179,914	2,165,438	1,505,447	1,498,767
Cash at bank and in hand		1,312,647	1,266,542	1,459,086	1,379,491
		3,492,561	3,431,980	2,964,533	2,878,258
Creditors					
Amounts falling due within one year:	10	(2,331,515)	(2,273,434)	(1,784,562)	(1,714,627)
NET CURRENT ASSETS		1,161,046	1,158,546	1,179,971	1,163,631
NET ASSETS	11	1,568,091	1,565,592	1,506,114	1,489,775
FUNDS					
Endowment funds	11	586,216	586,216	504,957	504,957
Income funds	11	981,875	979,376	1,001,157	984,818
		1,568,091	1,565,592	1,506,114	1,489,775

Approved and authorised for issue by the Trustees on: 22 June 2021
Signed on their behalf by:

Sue Wilkinson
Interim Chair of the Trustees

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 31 MARCH 2021**

	2021	2020
	£	£
Cash outflow from operating activities		
Net expenditure	(19,283)	(30,898)
Adjustments for:		
Depreciation	357	33,922
Investment Income	(17,881)	(24,165)
Trade and other receivables	(674,467)	(557,567)
Trade and other payables	546,954	189,578
Net cash (outflow) from operating activities	(164,320)	(389,130)
Cash flows from investing activities		
Interest received	17,881	24,165
Net cash inflow / (outflow) from investing activities		
Net (decrease) in cash and cash equivalents	(146,439)	(364,965)
Balance as at 1 April	1,459,086	1,824,051
Balance as at 31 March	1,312,647	1,459,086

13. NOTES TO THE ACCOUNTS

1.

(a) Accounting Policies

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

(b) Basis of Consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertakings, all of which were prepared to 31 March 2021. 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.

(c) Income

Income from Charitable Activities includes Grant-in-Aid from the Department for Digital, Culture, Media and Sport amounting to £2,788,000 (2019/20: £2,608,000) and a grant from the Church Commissioners amounting to £1,430,000 (2019/20: £1,430,000). Grant-in-Aid, unless for one-off specified purposes, is allocated to general unrestricted purposes and is taken to the Income Statement in the year to which it relates. Grants and other income that is awarded subject to specific performance conditions are recognised when the performance conditions for their receipt have been met. Donations and Investment income are included in the accounts in the year they are receivable. Legacies are included when the CCT is notified by the personal representatives of an estate that payment will be made or property transferred and the amount involved can be quantified with reasonable certainty.

(d) Expenditure

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

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

(e) Fund Accounting

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

(f) Tangible Fixed Assets

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

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

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

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

(g) Intangible Fixed Assets

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

(h) Fixed Asset Investments

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

(i) Finance and Operating Leases

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

(j) Heritage Assets

The CCT maintains 356 (2019/20: 356) churches in support of the CCT's objective to protect these historic churches for the benefit of future generations. The Trustees consider that owing to the incomparable nature of the churches vested in the CCT, conventional valuation approaches lack sufficient reliability and that even if valuations could be obtained, the costs would be onerous compared with the additional benefits derived by the CCT and the users of these accounts. As a result, no value is reported for these assets in the CCT's balance sheet. This approach is also in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' 2019 (FRS 102).

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

Further information is given in note 12 to the accounts.

(k) Pensions

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

(l) Taxation

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

(m) Going Concern

COVID-19

The Trustees have reviewed detailed cash flow projections to 31 March 2022 and have agreed detailed budgets for the year ended 31 March 2022. Both sources of income and types of expenditure have been reviewed. Whilst one of the main charitable purposes of the CCT is to maintain the historic churches vested in the CCT, the level of this necessary expenditure is at the discretion of the Trustees and can be adjusted during the year. The Trustees have also considered the Group's working capital and capital expenditure requirements. As a result of the foregoing the Trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

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

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

2. Comparative SOFA 2019/20

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020
Notes	£	£	£	£
INCOME				
Donations & Legacies	516,805	137,821	-	654,626
Income from Charitable Activities	4,327,460	2,865,505	-	7,192,965
Income from Investments	3,537	20,628	-	24,165
Other Trading Activities	571,911	5,706	-	577,617
TOTAL INCOME	5,419,713	3,029,660	-	8,449,373
Expenditure on Raising Funds				
Fundraising and Communications	(870,759)	(182,252)		(1,053,011)
Expenditure on charitable activities				
Church Repairs and Maintenance	(2,757,151)	(2,484,906)		(5,242,057)
Keeping Churches Open	(1,849,154)	(336,049)		(2,185,203)
Total charitable activities	(4,606,305)	(2,820,955)		(7,427,260)
TOTAL EXPENDITURE	3 (5,477,064)	(3,003,207)		(8,480,271)
Net income/(expenditure)	(57,351)	26,453	-	(30,898)
Other recognised gains and losses				
Unrealised gains on investments	8 -	-	(41,749)	(41,749)
Net movement in funds	(57,351)	26,453	(41,749)	(72,647)
Balances brought forward at 1 April 2019	487,002	545,053	546,706	1,578,761
Balances carried forward at 31 March 2020	429,651	571,506	504,957	1,506,114

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

3. Expenditure

	Direct staff costs £	Other direct costs £	Support costs £	2021 Total £	2020 Total £
Expenditure on Raising Funds					
Fundraising and communications	504,613	17,862	369,391	891,866	1,053,011
Expenditure on Charitable Activities					
Church repairs and maintenance	837,371	7,171,032	328,681	8,337,084	5,242,057
Keeping churches open	1,215,368	193,909	485,211	1,894,488	2,185,203
Total Charitable Activities	2,052,739	7,364,941	813,892	10,231,572	7,427,260
TOTAL EXPENDITURE	2,557,352	7,382,803	1,183,283	11,123,438	8,480,271

The church repairs and maintenance figure above includes a grant of £1.1m (2019/20: £1.4m) to Churches Conservation, restricted for furtherance of the CCT's charitable objects.

The CCT has spent all of its grant-in-aid received during the year and any reserves carried forward relate wholly to other sources of funding. The Trustees neither received nor waived any emoluments during the year (2019/20: nil). Zero (2019/20: One) received reimbursements for travel and subsistence (2019/20: £518). Unclaimed Trustee expenses for the year are estimated at £1,000.

Net income is stated after charging Auditors' Remuneration of £19,740 (2019/20: £18,000)

ALLOCATED SUPPORT COSTS	Fundraising £	Church repairs & maint. £	Keeping churches open £	2021 Total £	2020 Total £
Staff costs	172,931	153,872	227,152	553,955	619,071
Office costs	82,611	73,507	108,513	264,631	365,115
Communications	13,862	12,334	18,207	44,403	115,796
IT costs	81,428	72,454	106,959	260,841	252,909
Professional consultancy	9,260	8,239	12,163	29,662	182,377
Depreciation	112	99	146	357	33,923
Governance	9,188	8,176	12,070	29,434	32,050
	369,392	328,681	485,210	1,183,283	1,601,241

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

4. Salaries, Employment Costs and Expenses

	2021 Total £	2020 Total £
Gross salaries	2,223,170	2,341,047
Social security costs	201,878	141,129
Pension costs	552,997	446,058
Travel expenses	37,715	218,049
Staff training	5,002	23,653
Recruitment costs	9,675	36,639
Restructuring costs	-	14,843
Staff admin costs	80,869	8,573
	3,111,306	3,229,991
Number of employees as at 31 March	73	71

As at 31st March four employees (2019/20: two) earned over £60,000 during 2020/21, with three 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 2020/21 was £396,350 (2019/20: £415,617). The total number of employees on 31 March 2021 was 73, which includes 16 employees on fixed term contracts (2019/20: 21). There were no interim agency workers (2019/20: 1).

5. Pensions

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

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

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

For 2020-21, employers’ contributions of £528,431 were payable to the PCSPS (2019-20 £423,000) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands.

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

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers’ contributions of £23,857 (2019-20 £23,000) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable earnings. In addition,

employer contributions of £708 (2019-20 £949), 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

6. Intangible Fixed Assets

GROUP AND CHARITY COST	Total £
At 1 April 2020 and 31 March 2021	191,301
DEPRECIATION	
At 1 April 2020	190,944
Charge for the year	357
At 31 March 2021	191,301
NET BOOK VALUE	
At 31 March 2021	0
At 31 March 2020	357

7. Tangible Fixed Assets

GROUP AND CHARITY COST	Tenants' Improvements £	Furniture & Equipment £	Total £
At 1 April 2020 and 31 March 2021	39,619	105,544	145,163
DEPRECIATION			
At 1 April 2020	39,619	105,544	145,163
Charge for the year	-	-	-
At 31 March 2021	39,619	105,544	145,163
NET BOOK VALUE			
At 31 March 2021	-	-	-
At 31 March 2020	-	-	-

8. Fixed Asset Investments

	Permanent Endowment Funds	Total Funds
	£	£
GROUP AND CHARITY		
At 1 April 2020	325,786	367,535
Sales	68,034	27,261
Purchases	(78,611)	(22,371)
Movement in cash	10,577	(4,890)
Net unrealised profit on revaluation	81,259	(41,749)
At 31 March 2021	407,045	325,786
Historic cost at 31 March 2021	255,361	255,361

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

9. Debtors

All amounts fall due within one year.	2021		2020	
	Group £	Charity £	Group £	Charity £
Listed Places of Worship Grant Scheme	504,058	504,058	79,405	79,405
Due from grant giving bodies	1,385,569	1,385,569	1,216,146	1,216,146
Other debtors and prepayments	290,287	275,811	209,896	203,216
	2,179,914	2,165,438	1,505,447	1,498,767

10. Creditors

Amounts falling due within one year.	2021		2020	
	Group £	Charity £	Group £	Charity £
Trade creditors	859,685	836,246	67,569	61,459
Accruals and deferred income	80,752	38,752	144,289	68,139
Grant payment due to Foundation	1,061,610	1,061,610	1,428,303	1,428,303
Other creditors	329,468	336,826	144,401	156,726
	2,331,515	2,273,434	1,784,562	1,714,627

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

11. Funds

GROUP	Balance as at 1 April 2021	Income	Expenditure	Unrealised gains on investments	Balance as at 31 March 2021
	£	£	£	£	£
Unrestricted funds	429,651	5,849,957	(5,848,044)	-	430,564
Restricted funds	571,507	5,254,198	(5,274,394)	-	551,311
Permanent Endowment	325,786	-	-	81,259	407,045
Expendable Endowment	179,171	-	-	-	179,171
	1,506,115	11,104,155	(11,123,438)	81,259	1,568,091

CHARITY	Balance as at 1 April 2021	Income	Expenditure	Unrealised gains on investments	Balance as at 31 March 2021
	£	£	£	£	£
Unrestricted funds	413,311	5,815,923	(5,801,171)	-	428,065
Restricted funds	571,507	5,254,198	(5,274,393)	-	551,311
Permanent Endowment	325,786	-	-	81,259	407,045
Expendable Endowment	179,171	-	-	-	179,171
	1,489,775	11,070,121	(11,075,564)	81,259	1,565,592

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

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

Restricted Funds are an accumulation of smaller sums of money donated by the public for expenditure on the church for which they were given. A separate fund is maintained for each vested church with income, known collectively as the Specific Churches Funds. Expenditure funded by grants for specific projects is also accounted for through restricted funds. The largest five church balances at 31 March 2021 relate to: Stirchley St James; Inglesham St John; Sudbury St Peter's; Kings Lynn St Nicholas' Chapel; and Croome d'Abitot St Mary Magdalene.

12. Heritage Assets

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

Additions in 2020/21: None

Disposals in 2020/21: None

Five year summary of heritage asset transactions

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

	2020/21	2019/20	2018/19	2017/18	2016/17
Churches vested in the CCT	356	356	353	353	350
New Vestings	0	3	-	3	1
Disposals	-	-	-	-	-

13. Operating Lease Commitments

The commitment in respect of operating leases were:	2021	2020
Leases expiring under one year:	£	£
Land and Buildings	99,900	99,000
Leases expiring between two and five years:		
Land and buildings	62,438	171,563
	162,338	270,563

Lease payments for Land and Buildings amounting to £117,802 were made in the year (2019/20: £121,928).

14. Repair Commitments

At 31 March 2021 the CCT had contracted for the following repair projects:

	2021	2020
	£	£
2020/21 Programme	572,376	45,559

At 31 March 2021, the Trustees had approved expenditure totalling £8.2 million (March 2020: £8.4 million) which, apart from the above programme expenditure, had not been contracted for at 31 March 2021.

15. Net Assets

GROUP	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £	2020 Total £
Tangible fixed assets	-	-	-	-	-
Intangible fixed assets	-	-	-	-	357
Investments	-	-	407,045	407,045	325,786
Cash	1,293,651	(160,175)	179,171	1,312,647	1,459,086
(creditors) less debtors	(863,087)	711,486	-	(151,601)	(279,115)
Total	430,564	551,311	586,216	1,568,091	1,506,114

NOTES TO THE ACCOUNTS

CHARITY	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £	2020 Total £
Tangible fixed assets	-	-	-	-	-
Intangible fixed assets	-	-	-	-	357
Investments	-	-	407,045	407,045	325,787
Cash	1,247,546	(160,175)	179,171	1,266,542	1,379,491
(creditors) less debtors	(819,481)	711,486	-	(107,995)	(215,860)
Total	428,065	551,311	586,216	1,565,592	1,489,775

16. Trading Subsidiary

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

	2021	2020
	£	£
Turnover	72,379	177,618
Cost of Sales	(75,762)	(150,607)
Overhead costs	(8,303)	(8,672)
Profit	(11,686)	18,339
Tax	(1,655)	-
Distribution	(500)	(9,532)
Operating Profit	(13,841)	8,807

	2021	2020
Current Assets	74,897	100,593
Creditors	(72,399)	(84,253)
Net Assets	2,498	16,340
Profit and Loss account	2,497	16,339
Share Capital	1	1
Total Shareholder's funds	2,498	16,340

17. Related Party Transactions

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

Churches Conservation (charity number 1150968), established during 2012/13, and shares a minority of its Trustees with the CCT. £680,312 was received from Churches Conservation in 2020/21 (2019/20: £645,000). A grant of £1,061,608 was paid to Churches Conservation in 2019/20 (2019/20: £1,428,000).

As at 31 March 2021, CCT had a creditor balance of £1,061,608 (£1,428,000 at 31 March 2020) and a debtor balance of £641,764 (£369,000 at 31 March 2020).

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

18. Post balance sheet events

None.

19. Value of Volunteers

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

Some 1,800 members of the public usually volunteer for the CCT and many are provided with training and support as a part of this activity. Due to our sites being closed for the majority of the year, it has not been possible to collect volunteer data for 2020/21. In 2019/20, based on responses to a volunteer survey, it was calculated that our volunteers work 110,810 (2018/19: 126,980) hours per annum. If we were to value them at £8.21 per hour (national minimum wage for over 25's), the economic worth of the work they did for the year-ended 31 March 2020 amounted to £909,750 (2018/19: £994,253).

20. Acknowledgements

The CCT wishes to record its thanks for the continuing help and support it receives that enables it to do its work across its 356 churches. The list below notes the Trust's sponsors (who provide its Statutory Grant), the Trusts and Foundations, Friends of Churches, other organisations and individuals that, in the year, gave generously to the Trust. We are also grateful to those who would like their support to remain anonymous

The Trust's Key Sponsors

The Department for Digital, Culture, Media and Sport

The Church Commissioners

National Lottery Heritage Fund

Cultural Recovery Fund

Historic England

The Department of Education

Chancel Club

Ralph & Elizabeth Aldwinckle
Michael Bartlett
Stephen Chater
Adrian Clark
Tim Clarke
Stephen Dawson & Tom Peers
William Donaldson
Judith Donovan CBE
James Gilpin
Tim Harris
Rupert Lycett Green
Professor Vincent Porter
Michael Rimmer
Professor Andrew Spicer
Margaret Thornton

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Lesley Thomson
Simon & Noni de Zoete

Professor Richard Jenkyns
Corporate Partners

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Trusts, Foundations and Organisations

Allchurches Trust	Suffolk County Councillor David Richie from his Locality Budget
Architectural Heritage Fund	Suffolk County Councillor John Field from his Locality Budget
Babergh & Mid Suffolk District Council	The Christmas Carol and Summer Evensong congregations of St Peter ad Vincula, Colemore
Bayfield Charitable Trust	The Fairfield Charitable Trust
Bolton Council	The Geoffrey Watling Charity
Divisional Fund of Bob Banks – Evesham Councillor	The Ian Askew Charitable Trust
Divisional Fund of John Smith – Evesham Councillor	The Loppylugs & Barbara Morrison Charitable Trust
Fitzwilliam Wentworth Amenity Trust	The Osberton Trust
Friends of All Saints, East Horndon	The Parish of Christ The King, Paola, Malta
Friends of Botolphs Church	Giuseppe Piero Mastrovalerio, Sicily, Italy
Friends of Old Christ Church, Waterloo	The Prynce's Holme Lacy Charity
Friends of St Mary's Church, Bungay	The Spiller Trust
Friends of St Mary's, Stainburn	The WGFJM Charitable Trust
Friends of St Peter & St Paul, Albury	Tom Hall Charitable Trust
Harrison's Charity	Worcestershire County Council.
J Paul Getty Jnr Charitable Trust	
Rupert & Elizabeth Nabarro Charitable Trust	
Shrewsbury Town Council	
Sir John Priestman Charity Trust	

Pledged gifts in wills

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

Christopher Anderson
Nigel Benford
Darrell Buttery
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David Flemington
Paul Mollard
Robert Perrin
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