

The National Churches Trust**Annual Report and
Financial Statements
Year ended 31 December 2017**

Charity Registration No. 1119845

Company Registration No. 06265201 (England and Wales)

Contents

	Page
Chairman's message	6
Chief Executive's message	8
Trustees' report	9
Independent auditor's report	29
Consolidated statement of financial activities	31
Consolidated balance sheet	32
Consolidated statement of cash flows	33
Notes to the financial statements	34
Grants awarded	48
Acknowledgements	50

FRIDAY



A7A3FVS2

A15

13/07/2018

#117

COMPANIES HOUSE

Patron

Her Majesty The Queen

Vice Patron

HRH The Duke of Gloucester KG GCVO ARIBA

Presidents

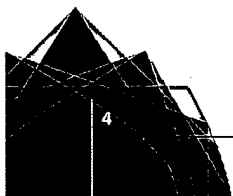
Most Revd Justin Welby, Archbishop of Canterbury
Most Revd Dr John Sentamu, Archbishop of York

Vice Presidents

Bill Bryson OBE
Sarah Bracher MBE
Lord Cormack FSA
Robin Cotton MBE
Huw Edwards
Rt Hon Frank Field MP
Dame Liz Forgan DBE
Dr Jenny Freeman OBE
Professor Alan Gillett OBE FRICS
Lady Nicholas Gordon Lennox LVO
Bryan Gray CBE DL
Brigadier Adam Gurdon
Edward Harley OBE
Lady Harman
Michael Hoare (Senior Vice President)
Rt Revd Nicholas Holtam, Bishop of Salisbury
Dr Bettany Hughes
Lord Inglewood DL
Ruth Lea CBE
Lady Nutting OBE
Dr Rory O'Donnell FSA
Jeremy O'Sullivan
Michael Palin CBE
Prince Nicholas von Preussen
Revd Canon Roger Royle
Most Revd George Stack, Archbishop of Cardiff
Very Revd Henry Stapleton
Richard Taylor

Our Trustees

Luke March DL (Chairman)
Dr Julie Banham
Sir Paul Britton CB CVO
Richard Carr-Archer
Catherine Cobain (resigned July 2017)
John Cowell (resigned June 2017)
Andrew Day (resigned March 2018)
John Drew
Alastair Hunter FCA (Treasurer)
Jennie Page CBE
Stephen Sklaroff (appointed February 2018)
Nicholas Warns (appointed April 2018)
Revd Lucy Winkett (appointed March 2017)



Grants Committee

Sir Paul Britton CB CVO (Chairman)
Elaine Blackett-Ord
Anthony Brown
Richard Carr-Archer
James Crowley
Christina Emerson
Diana Evans
Mother Bernadette Hegarty
Luke March DL

Nominations Committee

Luke March DL (Chairman)
Alastair Hunter FCA
Jennie Page CBE

Audit and Risk Committee

Alastair Hunter FCA (Chairman)
Sir Paul Britton CB CVO
Rachael Henry
Stephen Sklaroff

Chief Executive and Secretary

Claire Walker

Staff

Sarah Ahmed, Events Officer
Cicely Barnett, Church Support Officer
Rosalinde de Best-Allot, Executive Assistant
Sarah Crossland, Church Tourism Manager
Janet Edmond, Maintenance Manager
Eleanor Grigson, Communications Officer
Sophie McKane, Fundraising Manager
Nigel Mills, Grants and Development Officer
Michael Murray, Director of Church Support
and Deputy Chief Executive
Linda Patrick, Church Support Officer
Alison Pollard, Head of Regional Development
Verity Relph, Grants and Development Officer
Anna Tham, Administrative Officer
Catherine Townsend, Grants Manager
Eddie Tulasiewicz, Head of Communications
and Public Affairs
Clare Wand, Head of Finance

Volunteers

We are grateful to our dedicated volunteers whose generosity helps support our work.

Charity Number

1119845

Company Number

06265201 (England and Wales)

Principal Address and Registered Office

7 Tufton Street
London
SW1P 3QB

Auditor

Buzzacott LLP
Chartered Accountants
130 Wood Street
London EC2V 6DL

Bankers

HSBC Bank Plc
First Floor
60 Queen Victoria Street
London EC4N 4TR

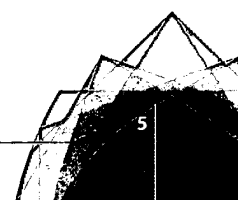
Investment Managers

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London EC4V 4ET

Ruffer LLP
80 Victoria Street
London SW1E 5JL

Solicitors

RadcliffesLeBrasseur
85 Fleet Street
London EC4Y 1AE



Chairman's message

Image

In 2018 we celebrate the 200th anniversary of the Incorporated Church Building Society (ICBS). In the 19th Century, the ICBS was responsible for the building and enlargement of many hundreds of Anglican churches and chapels and for providing many thousands of new spaces in parish churches, the majority of them free for anyone to

occupy, in contrast to the then customary provision of private pews.

The National Churches Trust, and our predecessor charity the Historic Churches Preservation Trust, have had a close association with the ICBS. In 2013 Parliament and the Charity Commission brought its affairs under the National Churches Trust.

In his preface to 'Free Seats for All', a new book about the ICBS written by Gill Hedley, HRH The Duke of Gloucester astutely notes: "Today, the place of religion in both public and private life has adapted to reflect our times. Yet, whether it is small and humble or large and magnificent, through their built form churches continue to inspire and to provide a space for reflection and transcendence."

Image

Keeping churches alive

Keeping churches alive in order to secure our nation's heritage of church buildings is at the heart of our work. Over the past three years we have done this guided by our 2014 - 2017 Strategic Plan. This Annual Report demonstrates the performance of the Trust in delivering this plan and in particular how we have helped keep churches in good repair and enabled them to be used by the wider community as well as for worship.

In 2017, the Trust, in partnership with the Church of England and other bodies such as the Historic Religious Buildings Alliance, was active in making the case for church buildings to Government and statutory heritage organisations.

Along with many other partners, we were deeply disappointed when in April 2017 the Heritage Lottery Fund ended the provision of ring fenced funding for church buildings. In the overwhelming majority of cases, churches are unable to fund repairs or the installation of community facilities from their own resources and so external financial support remains essential to ensuring their future.

In December we therefore welcomed the publication by the Department of Digital, Culture, Media & Sport of the Taylor Review on the sustainability of English churches and cathedrals. Concentrating on the Church of England, although just as relevant to other denominations and to the rest of the UK, the Taylor Review acknowledged that government investment in the maintenance of the architectural heritage of churches will be required for many years to come.

The National Churches Trust will work closely with our partners in the church heritage sector to help in the implementation of the Review's key recommendations and in particular in the testing of pilot programmes, before they can be rolled out nationally.

A new strategic plan

Last year we offered our own five point plan for securing the sustainability of church buildings. This included ensuring that the buildings are properly looked after, are open more often, are centres for their community, and are firmly on the visitor and tourist map.

We will continue this work in the context of our new Strategic Plan, published in June 2018, which will steer the work of the Trust through until 2023. This has at its heart three goals:

1. Preserving heritage

Our work will help ensure that congregations can look after their church buildings. This will include continuing to offer grants for urgent repairs and for new facilities. We will help churches address problems early and to conserve their historic fabric by also providing grants for preventative maintenance and proactive small scale repairs. Through our

MaintenanceBooker website it will be easier for churches to get professional help to maintain their buildings.

2. Promoting sustainability

We will support the development of a culture of sustainability by fostering knowledge and skills in church management. Sustainability also means that churches are placed at the centre of their community. Our grants will allow them to develop improved facilities required for churches to be not only places of worship, but also venues for a wide range of social and cultural activities.

3. Inspiring visitors and support

The Trust will put churches firmly on the visitor and tourist map. We will continue to develop our new ExploreChurches website in close collaboration with partners in the tourism, heritage and church sectors.

Through our growing Friends scheme we will provide more people with an opportunity to join with us in celebrating the architectural and human riches of churches and chapels and build a group of like-minded people who are able to help us champion the cause of church buildings.

Full details of our new strategy can be found on our website at: www.nationalchurchestrust/2018strategy

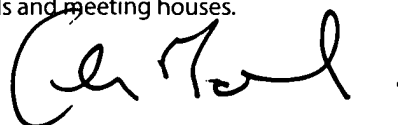
Experience and dedication

I am all too conscious that the work I have described, and which is more fully explained in the pages that follow, is the result of the time, experience and dedication of the Trust's small professional team and of the increasing number of volunteers, throughout the UK, who support our work in all sorts of ways. As Chairman of the Trust, I also rely on the knowledge and expertise of my fellow Trustees. I am most grateful for their support and encouragement.

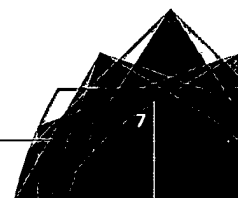
Our work is not funded by government or church authorities, and as ever we are grateful for the generosity of our donors, including trusts and foundations, legators and our Friends. Over the coming year, I look forward to more people helping us continue our work supporting the UK's churches, chapels and meeting houses.

Luke March
Chairman

14 June 2018



Image



Chief Executive's message

Image

2017 marked my sixth year as Chief Executive of the National Churches Trust. Guided by our Trustees and with the support and imagination of our staff, since 2011 the Trust has moved from being primarily a grant giver and has become a charity which is able to offer 'wrap-around' or holistic support to the UK's church buildings.

It is important that church buildings can thrive as local community centres as well as places of worship. We enable this through a combination of grants, services and information to support the dedicated volunteers tasked with looking after churches.

As a charity, we cannot do our work without the generous financial support of others. Thank you to everyone who has helped us.

Our total income in 2017 of £2,380,729 was £829,479 above target thanks to an extremely generous bequest from a long-standing supporter. Friends subscriptions and appeals remained buoyant as 710 new Friends joined the Trust.

As a result, the Trust was able to award £1,689,820 in grants to churches from its own funds. This included £210,760 paid out of legacies to specific churches in line with the original legacy restriction. The Trust also handled another £30,000 of grants for other organisations.

A strong set of values

In 2017 considerable time and effort was put into ensuring the Trust's work is guided by a strong set of values. As a charity, our focus must always be on the people we help through our work. I hope that adopting these values as part of the Trust's new strategic plan in 2018 will allow us to work with even greater confidence.

Guided by these values we will continue to raise the public profile of churches, lobby decision makers when appropriate and take a proactive approach to supporting churches. We will use our high quality publications, social media and our dedicated ambassadors to keep our cause in the public eye and champion the need for support across the UK.

Ongoing development of our staff's skills and knowledge will continue to be a priority, as will continual improvement of the capability of our systems to make it easier for churches to apply for grants or to use our tourism and maintenance services.

Another key priority in the year ahead will be working together with colleagues in the UK and devolved authorities to improve policies affecting churches, and to encourage more joined up provision of support.

Together we can effect real change and make a lasting difference to the future of the UK's unrivalled heritage of church buildings.

Claire Walker
Chief Executive

Our Values

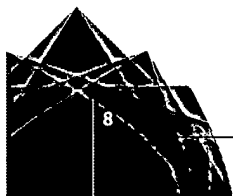
We will be a **catalyst for change**, identifying innovative ideas and opportunities to help churches to remain open and to thrive as both sacred and public spaces.

We will be **collaborative** in working with others to find the most appropriate solutions to issues affecting all Christian places of worship in the United Kingdom.

We will strive to **learn and evolve** what we do in response to feedback from our partners, applicants, service users and Friends.

We will be **transparent** in all our work, ensuring that the people who look to us for help have confidence in our ability to be fair and accessible.

We will be **inclusive** in how we work with Christian denominations and people from all backgrounds across the United Kingdom.



Trustees' report

As the national, independent charity dedicated to supporting and promoting places of worship of historic, architectural and community value used by all Christian denominations throughout the UK, the National Churches Trust continues to play a key role in helping to keep churches, chapels and meeting houses open and supporting local people and communities.

These objectives support the Trust's charitable aims which are:

- **To help maintain the UK's heritage of church buildings and to enhance their ability to serve local communities.**
- **To promote the benefit to communities of church buildings and to inspire everyone to value and enjoy them.**

Christian places of worship – churches, chapels and meeting houses – remain extremely important to people in the UK, whether or not they are churchgoers. In January 2017 the Trust released the findings of its latest opinion poll into attitudes to church heritage, conducted by ComRes. Key findings included:

- 57% of British adults – that equates to 33 million people – say they visited a church, chapel or meeting house in 2016 for worship, for community events or as a visitor.
- Half of British adults (49%) say that churches, chapels and meeting houses should be used as centres for community activities in addition to being used as places of worship.
- 57% of British adults agree that the Government should provide financial support to churches in order to protect their heritage and history.

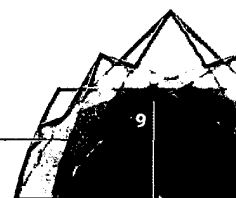
The many thousands of churches and chapels in the UK are one of the most precious – perhaps most precious – parts of our heritage. The buildings and their contents are the physical embodiment of our history. They are visited every year, as our ComRes survey shows, by a remarkably high proportion of the population which gets enormous pleasure from them. This incomparable asset is freely available to all who wish to take advantage of it. Anyone can visit and enjoy a church building, in almost all cases without payment. The church congregations across the country who pay for and look after our churches and chapels are, in effect, making a tremendous gift to the community. We owe it to them to help maintain these buildings, without which we would all be poorer.

Against this background, it was very disappointing that in April 2017, the Heritage Lottery Fund (HLF) announced that from August/September 2017, its Grants for Places of Worship (GPOW) programme would close to new applications in England, Scotland, Wales and Northern Ireland.

This meant that for the first time since 1976, no ring-fenced funding would be available for churches from a national heritage body. In its place, HLF said that funding for repairs to places of worship would be available through HLF's general Our Heritage and Heritage Grants programmes.

Together with denominations and other partners in the church heritage sector, the Trust made strong representations to the HLF and the Government's Department for Digital, Culture, Media & Sport to reverse the planned changes. A particular concern was that it appeared that the changes were made with a minimum level of consultation with church and heritage stakeholders.

Despite the widespread concern, the HLF stood by its original decision, although it guaranteed to make available the same proportion of funding for the next two years. The Trust has worked with the HLF to make sure that its new funding arrangements are understood by those looking after places of worship and to assist congregations needing help and advice in making applications to HLF's Our Heritage and Heritage Grants funding programmes.



The Taylor Review

In 2016 the Government commissioned an independent review of the challenges faced by the Church of England's churches and cathedrals and their long term sustainability.

The Trust's submission to the English Churches and Cathedrals Sustainability Review recommended an examination of all aspects of sustainability, including funding for repairs and new facilities, generating additional income sources and encouraging the better maintenance of church buildings.

Chaired by Bernard Taylor and supported by a distinguished panel of experts, the Review's report to the Secretary of State for Digital, Culture, Media & Sport and the Chancellor of the Exchequer was published in December 2017.

The Review acknowledged that government investment in the maintenance of the architectural heritage of the Church of England will still be required in the future.

It proposed that a national network of Community Support Advisers should be put in place to build cross-community relationships and promote wider and more mixed use of church buildings. It also suggested a network of Fabric Support Officers to provide churches with access to skills and resources including maintenance assessment, building management and maintenance.

A new corporate strategy

2017 was the last year of the Trust's current three-year strategy, covering the period from 2015 – 2017. A new corporate strategy was developed in 2017 and this will be adopted progressively in 2018 and cover the five years from 2019 – 2023.

Efficient management, prudent use of its financial resources, and utilising and developing the knowledge and experience of its professional staff and its dedicated volunteers remained at the centre of the Trust's work.

The Church Support team's experienced and resourceful staff prioritised support, advice and grant funding to as many church buildings as possible, listed and unlisted, from a wide variety of Christian denominations and across all geographical areas of the UK.

Two key new projects launched in 2016 were also taken forward. These are:

- MaintenanceBooker, www.maintenancebooker.org.uk, supported by the Heritage Lottery Fund as part of the Yorkshire Maintenance Project. MaintenanceBooker is a website that allows churches and chapels to book high quality accredited contractors to carry out routine, but vital maintenance tasks.
- ExploreChurches, www.explorechurches.org.uk, which makes it easy to discover the UK's most beautiful and fascinating churches. This has been developed by the National Churches Trust in close co-operation with partners in the tourism, heritage and church sectors.

The Trust's small central services team comprising communications, finance and fundraising provided the expertise required to enable the charity to carry out its work. Considerable time was spent ensuring that the Trust meets all data protection and fundraising standards, in preparation for the new data protection regulations which come into force in 2018.

The Trust's brand was strengthened by the adoption of a clearer visual look for its printed and electronic publications and through the adoption of a new strapline: "for people who love church buildings". Looking forward, the Trust recognises the increasing importance of advocacy, working to ensure that the issues facing the UK's heritage of church buildings are better understood by government and civil society.

This Annual Report and Financial Statements provide key information on the work undertaken in 2017 to achieve the Trust's current four key priorities:

- **A robust and effective grants and church support programme**
- **A strong partnership with local churches trusts**
- **A new website to promote church tourism**
- **An efficient and professional charity.**

1. A ROBUST AND EFFECTIVE GRANTS AND CHURCH SUPPORT PROGRAMME

Ensure that we continue to be able to offer significant direct financial assistance and support and advice to places of worship in a way that makes an impact.

The high level of demand for the National Churches Trust's grants continued in 2017 with a total of 480 applications received, an increase of 26% on 2016.

In 2017, the Trust awarded or recommended grants totalling £1,719,820 to 230 projects at places of worship in England, Scotland, Wales and Northern Ireland. Funding benefited Church of England, Roman Catholic, Church of Ireland, Church of Scotland, Church in Wales, Methodist, United Reformed, Baptist and Presbyterian places of worship. The Trust's financial support for these projects is made possible by the generous funding provided by trusts, foundations, legators, donors and Friends.

The Grants Committee welcomed two new members, Mother Bernadette Hegarty and James Crowley. The committee moved to three decision rounds in a year. This helped to reduce the time that churches waited for a response to their applications to the Trust.

The Trust continued to encourage applications from parts of the UK which have previously been under-represented in its grant funding with priority areas identified as the North East of England, Northern Ireland, Scotland and Wales.

Grant funding was also prioritised for denominations which have historically made only a small number of applications to the Trust, including the Baptist and Presbyterian churches. Almost 21% of the 230 grants awarded in 2017 went to projects in priority areas, totalling £294,618.

Expert knowledge

Assistance in applying for a grant was provided to all who requested it, with the expert knowledge of the Trust's grants team being of particular use in helping places of worship identify additional funding sources and in helping with enquiries over project planning. Over 500 emails offering advice were sent, with many other queries being dealt with by telephone. In addition, the grants team organised and attended 21 events and workshops including in Cornwall, Cumbria, Northern Ireland, Wales and Dorset. This allowed the Trust to communicate information about its grants and church funding directly to approximately 1,300 people.

In 2017 the church heritage sector felt the force of the decision of the Heritage Lottery Fund to close its ring

fenced Grants for Places of Worship programme.

To help those affected by the change, the Trust drew up bespoke guidance to help churches applying to the HLF's Our Heritage and Heritage Grant programmes. It was also made possible for those seeking funding to easily transfer data from the HLF's own forms to those of the National Churches Trust.

A number of new initiatives bore fruit in 2017. The first ever 'Friends Grant' vote took place. This allowed Friends of the Trust to select a church which had received funding in 2016 to benefit from an additional £10,000 award. The church selected was St Mary Magdalene, Paddington, with the award benefitting their major repair and development project. A second Friends Grant will be awarded in 2018.

Following a strategic decision to broaden the reach and impact of the Trust's grants, 2017 saw the first places of worship awarded Project Development grants. There was also good take up for the new Maintenance Grant Programme. Micro-maintenance grants were made available for churches in Yorkshire to support gutter clearing jobs as part of the MaintenanceBooker pilot project, and in Northern Ireland to address small maintenance projects in association with the Ulster Historic Churches Trust.

In addition, the Partnership Grant programme was expanded into Wales and Northern Ireland to help address geographic inconsistencies in the Trust's funding.

In 2018 the Trust will develop new grants programmes as part of the charity's 2019-2023 corporate strategy. The new programmes will consolidate grants across our current six programmes into three. The ambition is to make it more straightforward and less time consuming for places of worship to apply for support. A series of workshops will be arranged to introduce the changes.

In future, grantees will be expected to submit tourism and interpretation information about their church to the Trust's ExploreChurches website, and to register with MaintenanceBooker once this is available in their area. In this way, the benefits of these new initiatives will be available to many more places of worship.

Repair Grants

The National Churches Trust's Repair Grant programme awarded 50 grants of £5,000 and above towards the cost of urgent and essential structural repair projects. A total of £722,000 was awarded, including five Cornerstone awards of £30,000 to £40,000. Demand for the programme continues to outstrip the Trust's available funding, with the success rate for Repair Grants at 39% in 2017.

Community Grants

The National Churches Trust's Community Grant programme awarded 25 grants of £5,000 and above for projects which introduce facilities to enable increased community use of places of worship. A total of £298,000 was awarded. A range of community projects were considered, with the majority of funding allocated to install or improve toilets or catering facilities. Very high demand for these grants meant that the success rates for Community Grant applications was 17%.

Partnership Grants

The National Churches Trust's Partnership Grants programme has for several years awarded grants on the recommendation of local churches trusts in England and Scotland. In 2017, for the first time, this programme included Wales and Northern Ireland. 63 grants of £2,000 to £10,000, totalling £225,560, were awarded with three grants awarded in Wales, each match-funded with £3,000 from the Church in Wales. The grants were primarily awarded to support urgent repair projects with estimated costs of between £10,000 and £100,000.

Project Development Grants

2017 saw the first grants awarded under the Trust's new Project Development programme. These grants are designed to help places of worship begin the early stages of planning for a repair or development project, with funding intended to assist churches up to RIBA Planning Stage 1 and the point at which bids to major funders can be submitted. Grants were awarded to fund a range of projects including options appraisals, feasibility studies and further investigative reports. The Trust awarded £63,610 to 14 projects, with a 33% success rate. This has been a popular new pot of funding supporting churches to get new projects started.

Maintenance Grants

2017 was also the first year of the Maintenance Grants programme for proactive repairs and maintenance works, made possible through the support of the Pilgrim Trust. The grants are designed to support listed places of worship fund small repair issues as they arise, in order to prevent the need for extensive and expensive repair works in the future. Grants can also support investigations into the causes of maintenance problems and to improve maintenance access at high levels. Works funded included small stone repairs, repointing, replacement gutters and drainage works. 51 grants were awarded totalling £104,006.

Preventative Maintenance Micro Grants

This new grants programme was launched in Yorkshire in association with the Trust's MaintenanceBooker website, and in Northern Ireland in conjunction with the Ulster

Historic Churches Trust. Six grants totalling £5,144 were approved in Yorkshire to support churches carrying out work via MaintenanceBooker. Three grants of £1,650 were awarded to places of worship in Northern Ireland, as well as grants totalling £5,090 for drone surveys.

Micro-Grants in Partnership with the Cinnamon Network

Twelve grants were made to allow churches awarded a National Churches Trust Community or Repair Grant to set up a Cinnamon Network Recognised Project with the help of an additional £2,000 micro-grant. The micro-grants supported churches with the set-up costs for initiating social action projects such as CAP Money Courses, Make Lunch and Parish Nursing.

MaintenanceBooker

MaintenanceBooker is an online maintenance management system designed to make it easier for places of worship to keep their building in good repair and for church volunteers to improve their knowledge of maintenance issues.

MaintenanceBooker is being offered through a partnership between the National Churches Trust and 2buy2. The new service will save congregations money in the long run, and help to conserve historic fabric that would otherwise be lost to decay or require major repairs.

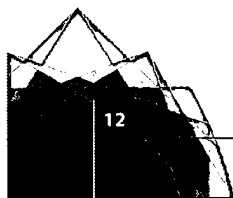
The service was launched in February 2017 as a pilot in Yorkshire. The project benefitted from a grant of £90,100 from the Heritage Lottery Fund, with additional funding from the National Churches Trust for the development of the website.

MaintenanceBooker was launched offering four services:

- Rainwater goods maintenance
- Lightning protection system inspections
- Tree surveys
- Tree surgery

In the first 10 months of operation, nearly 150 churches registered on the system.

In 2018 Phase Two of the project will extend the reach of the Yorkshire pilot across England and Wales, with Scotland and Northern Ireland following subsequently. In response to feedback from denominations, dioceses, architects, contractors and churches, a range of new services will be added to the system in 2018, starting with asbestos surveys and removal. Funding for the Phase Two expansion is being provided by grants from the Pilgrim Trust, the Joseph Rank Trust, and the Church in Wales, with continuing core investment from the National Churches Trust and support from the Ecclesiastical Insurance Group.



Key objectives for 2018

- Distribute £1.2 million of grants across the United Kingdom.
- Develop new grant systems to support the launch of the new 2019 - 2023 strategic plan
- Increase the demand for Maintenance Grants
- Extend the geographic and services reach of MaintenanceBooker across England and Wales
- Work with Historic England, denominations and dioceses to target Project Development Grants at churches at risk.

How our grants make a difference

The church building remains open for public use.

Specific areas of a church, such as a roof or stonework, are repaired with a beneficial impact on the rest of the building.

The church building becomes windproof and watertight.

The church becomes more resilient and sustainable.

Local areas become better places to live as repairs and new facilities enable the wider use of church buildings by local people.

Employment is provided for skilled crafts people.

Economic benefit is spread across the UK, with 79% of grants awarded outside of the South East of England.

Churches are supported to develop appropriate projects based on a strong business case, survey or feasibility study.

National Churches Trust Grants 2017

50 Repair Grants awarded totalling **£722,000**

25 Community Grants awarded totalling **£298,000**

63 Partnership Grants awarded totalling **£255,560**

51 Maintenance Grants awarded totalling **£104,006**

14 Project Development Grants awarded totalling **£63,610**

9 Preventative Maintenance-Micro Grants awarded totalling **£6,794**

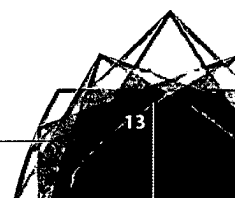
12 Cinnamon Grants awarded totalling **£24,000**

An additional **6** other Grants totalling **£30,000** recommended on behalf of other funders.

Drone Survey Grants awarded totalling **£5,090**

A Further **£210,760** of grants were paid out to specific churches in line with the original legacy restriction

In 2017 National Churches Trust grants helped remove **29** churches from Historic England's Heritage at Risk Register.



Image

National Churches Trust grant distribution 2017

(Excluding grants paid out to specific churches in line with original legacy restrictions.)

2. A STRONG PARTNERSHIP WITH LOCAL CHURCHES TRUSTS

Develop a stronger and deeper partnership with local and regional churches trusts that offers reciprocal benefits; enhance relationships with all parts of the UK; and develop dedicated local support.

In 2017, the National Churches Trust continued to work with local and regional charities to strengthen the network of support for churches and chapels across the UK.

Churches Trusts Forum

The Trust acts as convenor and secretariat for the Churches Trusts Forum (CTF) which brings together almost 40 independent local trusts operating at county or regional level across the UK, supporting churches in their areas. Through the CTF, the Trust provides essential strategic advice and support to representatives of local churches trusts.

In May 2017, the Trust managed, in partnership with the Greater Manchester Churches Preservation Society, the 2017 CTF conference which was held in Manchester at the Central Methodist Hall. This event attracted a large number of delegates from local trusts and other church heritage organisations.

The following day, the Trust ran a well-attended 'Bidding for Success' event at the same venue in partnership with the Heritage Lottery Fund and with the participation of the Greater Manchester Churches Preservation Society.

A new CTF fundraising working group provided additional support to local organisations through meetings held in Birmingham and London. A number of representatives from trusts and churches attended to share best practice on successful initiatives, as well as identifying other useful training opportunities. Further support for fundraisers was provided by a 'Turning Donations Into Gifts' workshop run by fundraising consultancy Gifted Philanthropy in Birmingham.

England

In England, the network of local churches trusts is an essential source of funding and support for church buildings.

On the second Saturday of September each year, the locally managed and volunteer led 'Ride+Stride for Churches' events raise funds that assist a wide range of churches and give people the opportunity to visit and enjoy many local churches.

The National Churches Trust continued to support 'Ride+Stride for Churches' by providing a national website and by advising on branding and publicity. The Trust also provided assistance to a committee of local representatives of the event and helped with strategic planning. In 2017 this included carrying out surveys of volunteers and participants, the results of which are being used to help promotion of the event and to assist volunteers in its running.

The Trust continued to be part of the steering group for Inspired Futures, a project managed by the Inspired North

East team in the Diocese of Newcastle and supported by the Heritage Lottery Fund. This benefits a group of churches in the Newcastle and Durham dioceses.

Northern Ireland

Northern Ireland possesses a wide variety of buildings designed for worship, the product in part of its rich and complex church history. The National Churches Trust has been supporting churches and chapels in Northern Ireland for many years including with funding for urgent repairs.

In March 2017, the Trust, in partnership with the Ulster Historic Churches Trust (UHCT), and with support from the Heritage Lottery Fund, held a seminar, 'Bidding For Success: Maintaining and Repairing Places of Worship' to launch a UHCT Pilot Maintenance Project.

The aim of the project is to improve maintenance systems in Northern Ireland's churches by demonstrating the benefits of information gathered using drone flights to inform condition reports written by conservation accredited professionals. The first year of the pilot study of eight churches was undertaken with the help of a grant of £10,000 from the National Churches Trust and the Pilgrim Trust.

2017 also saw the Trust's Partnership Grants Scheme extended to Northern Ireland. Grants of between £2,500 and £10,000 were available for smaller urgent repair projects costing under £100,000.

Wales

The National Churches Trust works with a wide variety of Christian denominations and organisations responsible for the care and promotion of church and chapel heritage in Wales.

There are an estimated 4,500 churches and chapels in Wales. Around 45% of these are listed because of their historical and architectural significance. The job of raising money and finding volunteers to care for Welsh places of worship is becoming harder and so new ways of supporting these important buildings may be needed.

In 2017, the Trust ran a survey on behalf of the Welsh Places of Worship Forum to establish the key needs of volunteers and church buildings in Wales. A total of 219 places of worship responded between May and July 2017.

The survey showed that there is:

- A severe shortage of volunteers to look after church and chapel buildings. 50% of churches and chapels said that they are not attracting new volunteers because of dwindling congregations and a lack of young people.
- A lack of skills needed to raise funds for repairs.

- A need for funding from external sources to pay for repair and maintenance projects is required by 60% of churches and chapels to keep their building in good repair. But fundraising skills are in short supply. 28% of churches and chapels have no experience at all of making funding applications and 54% little experience.

One of the best ways of preventing the need for expensive repairs is to carry out regular maintenance. But almost half of churches and chapels surveyed (44%) do not have a maintenance plan.

Alongside the survey, the Trust ran a 'Sacred Wales' campaign in partnership with the Welsh Listed Places of Worship Forum to raise awareness about places of worship in Wales. The campaign, supported by Huw Edwards, broadcaster, journalist and Vice-President of the National Churches Trust, aimed to find Wales's favourite church or chapel.

The winner of the public vote from a nominated list of 50 buildings was the Tabernacle Chapel, Morriston, known as the Cathedral of Welsh Nonconformity.

Other initiatives in Wales carried out by the Trust included a well-attended 'Bidding for Success' training event held in the Roman Catholic Archdiocese of Cardiff's Cornerstone venue in July, in partnership with HLF Wales.

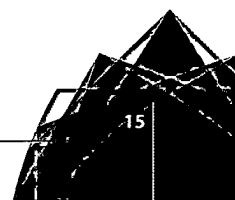
Scotland

Since 2010, the Trust has helped over 35 places of worship in Scotland belonging to a variety of denominations, with over £300,000 of funding for urgent repairs and essential modernisations.

In September, the Trust worked with Scotland's Churches Trust to deliver a sold-out conference focusing on maintenance. The Trust's Yorkshire Maintenance Project and MaintenanceBooker were used as examples of initiatives to support proactive maintenance of church buildings.

Key objectives for 2018

- The National Churches Trust conference in June will launch the Trust's new strategy
- The Marsh Church and Community Volunteer Awards will present awards for individual volunteers for the first time
- Develop volunteer packs to raise awareness of the Trust's support amongst volunteers and churchwardens
- Develop capacity building projects in partnership with local organisations across the UK



3. A NEW WEBSITE TO PROMOTE CHURCHES TO VISITORS

Deliver and develop ExploreChurches, the Trust's website which promotes churches to visitors

In 2016 the Trust launched ExploreChurches, a brand-new website which makes it easy to discover the UK's most beautiful and fascinating churches.

The website, www.explorechurches.org, brings churches to life by using high quality images and providing information about the history and architecture of individual buildings.

The vision for ExploreChurches is for it to become the brand for church tourism in the UK. It will be a central hub fully integrated with tourism, heritage and church sectors, and the source of information about open and accessible churches, chapels and meeting houses for visitors and local people.

ExploreChurches is being developed in collaboration with key partners to ensure effective links between systems focused on churches from particular regions or denominations. The Trust is also working in partnership with other heritage organisations and tourism management organisations to encourage their audiences to explore the full range of the UK's heritage assets.

By developing content for ExploreChurches, churches will be encouraged to improve their interpretation and marketing and to attract visitors. The ambition is for the ExploreChurches website to encourage many more people to visit churches, including those who may never have visited a church before, and to learn about the stories and treasures unique to each building.

Outcomes will be achieved across three areas:

- To help people become more aware of and engaged with their local church as a place to visit, explore and enjoy.
- To support churches become more sustainable visitor destinations, open and with information and stories about their architecture and history.
- To use ExploreChurches to help make the case for keeping churches at the heart of their communities.

By the end of 2017 the website had information about 2,000 churches and chapels. They represent a broad spectrum of buildings and communities across England, Scotland, Wales and Northern Ireland, from all the major denominations, and range from the oldest church in the country to ones built within the last five years.

Themed lists

One of the key areas of the ExploreChurches website is themed lists of churches. These have attracted substantial

traffic to the website and generated media coverage and considerable interest in the church heritage and tourism sector. In 2017 subjects covered by themed lists included: Doctor Who, Nikolas Hawksmoor, Beer Festivals, Heritage Open Days, Thomas Cranmer and Bill Bryson.

ExploreChurches received positive media coverage through the year, with articles in the Daily Telegraph, Country Life and the Church Times and coverage on BBC local radio stations.

Social media sharing continued to be the main way of reaching a targeted audience including advertising on Facebook. This has been successful in reaching new audiences as well as regular and more traditional church heritage followers.

Key work in 2017 included:

- Adding a facility to upload data and information to the website in bulk, thereby minimising the time needed to expand the range of churches featured. This allowed the Trust to work with dioceses and other organisations to bulk-upload batches of churches and chapels in Cumbria, Cornwall, Northamptonshire and South Yorkshire, and for the URC and Congregational denominations and the Churches Conservation Trust
- Working with the Church of England to integrate content from its Church Days website into ExploreChurches, following the closure of Church Days.
- Preparing a marketing plan to ensure that ExploreChurches becomes established as the 'go to' website for church tourism and visiting.

Key objectives for 2018

- Creating a standalone presence for ExploreChurches, separate from the Trust's corporate website
- Increasing the number of churches listed on the site to at least 3,000
- Batch uploads for Norfolk, Herefordshire, Lincolnshire, Worcestershire, Shropshire, Suffolk, Essex, Scotland and Wales
- Developing regional projects in Lincolnshire, Northamptonshire, Staffordshire and Northern Ireland to work with volunteers to develop content, with a destination management organisation on a regional church tourism campaign, and with businesses to attract new audiences
- Adding new features, including an events calendar, downloads and visitor trails.

4. AN EFFICIENT AND PROFESSIONAL CHARITY

Ensure that the Trust operates effectively, maximising the resources devoted to charitable objectives, delivering financial sustainability and maintaining positive relationships with beneficiaries, stakeholders and the public.

Strengthening the charity

The National Churches Trust continued to prioritise its financial controls and regulatory compliance.

The Trust's risk register was reviewed, with remedial work identified during 2017 due to be completed in 2018.

Following an independent review of the Trust's investment strategy and the performance of its investment portfolio, which was carried out in 2016, the Audit and Risk Committee invited three investment managers to tender for our investment portfolio. CCLA was retained as the investment manager of the National Churches Trust. The funds of the Luke Trust were transferred to Ruffer LLP.

The Committee recommended that the Trust's R de Pass endowment investment portfolio should be invested on a total return basis and this was approved by the full Board of the Trust in December 2017.

The average monthly number of employees was 15. The Trust continues to benefit from the expertise of volunteers, who make a valuable contribution to the work of the Church Support, Communications and Fundraising teams.

The Trust reviewed its Data Protection policies in preparation for the new GDPR regulations, which came into force in May 2018. To ensure compliance, a new Privacy Policy was produced and this has been made available to the Trust's supporters. The security and use of data on the Trust's IT systems was reviewed and a staff working group was established to implement actions to ensure compliance.

Fibre optic broadband was installed during 2017, providing super-fast internet speeds and allowing for faster data transfer. The new broadband system has helped boost productivity levels and made the Trust's IT systems more reliable, in particular for those staff members who work regionally rather than in the London office.

All new members of staff, trustees and volunteers receive a comprehensive induction to the Trust, and staff are encouraged to attend training courses and seminars as necessary to encourage professional development and the acquisition of new skills.

Fundraising

The National Churches Trust is committed to high standards in fundraising. It is registered with the Fundraising Regulator and continues to monitor and update Data Protection policies to make sure that fundraising activities and communications with Friends and supporters comply fully with the latest regulations.

The Trust works with a fundraising consultant on its Friends recruitment but does not use the services of any fundraising agency. No fundraising activities were carried out by others on behalf of the Trust and no voluntary fundraising schemes were agreed to by the Trust or anyone fundraising on its behalf.

Any complaints and queries about fundraising are recorded in line with the requirements of the Fundraising Regulator. In 2017, 30,000 people were mailed inviting them to become Friends of the Trust. 28 queries were received, 21 of which were about Data Protection issues and six concerned deceased recipients. Any queries were dealt with rapidly and satisfactorily, in line with the Trust's Vulnerable Donors Policy, which was updated in 2017.

It is the policy of the Trust never to make fundraising telephone calls. No complaints were received from Friends and supporters about fundraising methods.

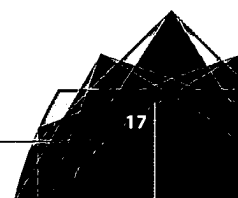
The Trust sends Friends two newsletters a year with accompanying appeals and the Annual Review, and occasional invitations to events. It also posts out two appeals annually to other supporters and donors. The Trust's fundraising materials and communications clearly highlight that:

- The National Churches Trust does not make public or sell supporter details to any third parties; and
- Friends and supporters have the opportunity to receive updates about the Trust's work by post and email but anyone not wanting to receive these can let the Trust know and such communication will not then be sent.

Friends

The National Churches Trust has a growing and popular Friends scheme which allows people to support the work of the Trust.

Increasing the numbers of Friends and ensuring existing members continue their support are important priorities for the Trust. 710 new Friends joined the Trust in 2017, bringing the total number to 2,471. The Trust's Friends continued to remain extremely loyal with a membership renewal rate of 88%. The Trust's Friends scheme was promoted in popular national magazines and newspapers, in churches across the UK, and online via the Trust's website and social media channels.



Friends are given the opportunity to be involved with the work of the Trust and to find out more about the UK's churches, chapels and meeting houses.

In June 2017, the Friends Grant, a new initiative allowing Friends of the National Churches Trust to select a church to receive a £10,000 grant, was successfully launched. Friends selected St Mary Magdalene, Paddington, London, as the recipient of the first Friends Grant, with the funding supporting a major development of the church's community facilities.

Many Friends took part in events specially organised for them by the Trust throughout the year. These included tours of churches in Lincoln, Manchester, East London and Romney Marsh. In addition, over 200 Friends attended the Trust's annual carol service, held at St Giles-in-the-Fields in central London. The service was hosted by Huw Edwards and included performances from singers from the English National Opera, pianist Joe Stilgoe and readings by Bill Bryson, Michael Palin and Hugh Dennis.

In 2017 the National Churches Trust, in association with Bloomsbury books, published English Parish Churches and Chapels, a beautiful new book of church photographs by Matthew Byrne. Friends of the Trust were given the opportunity to order the book at a discounted price.

Cornerstone Club

The Cornerstone Club for those wishing to make a larger contribution to the work of the Trust continued to be well supported. The Trust's Cornerstone awards annually fund eight grants of up to £40,000 to churches carrying out major repair works. Cornerstone Club members play an important role in ensuring that there are sufficient funds for this vital support to churches and their communities.

Members of the Cornerstone Club were among those who attended a number of special events in 2017. These included a private tour of Clare College, Cambridge and its chapel, hosted by the Dean, the Revd Dr James Hawkey, and a special dinner at the House of Lords hosted by Lord Cormack, one of the Trust's Vice Presidents. The Trust is extremely grateful to members of the Cornerstone Club who make an invaluable contribution to its work.

Legacies

Legacies continue to be vital to the Trust's voluntary income, with £1,421,939 notified and accounted for in 2017. Without this support, the work of the Trust would be significantly reduced. Promoting legacy giving is a continuing priority.

The Trust received a number of new legacy pledges during the year, and responded to requests for information about legacy giving from supporters. Legacy pledgers continued to have the opportunity to meet with the Trust's Chief Executive to find out more about its work.

In 2017, the Trust's legacy marketing materials were updated. The benefits to churches of leaving a legacy to the Trust were communicated widely, using in-house publications, in a variety of popular national magazines and newspapers and in legacy giving directories.

Trusts and foundations

In 2017, the Trust continued to benefit greatly from the support of a wide range of grant-making trusts and foundations, with 67% of those providing funding in 2016 choosing to continue their support. This included support from eight trusts and foundations.

The Trust extends warmest thanks to all grant-making trusts who have supported its work in 2017 and in particular to The Beatrice Laing Trust, The Dulverton Trust, The Goldsmith's Company Charity, The Pilgrim Trust, LJC Fund Limited, The Mercers' Company, P F Charitable Trust, The Roger and Douglas Turner Charitable Trust and The Peter Stormonth Darling Charitable Trust.

Communicating the work of the Trust and its impact to trusts and foundations is extremely important, and during the year regular updates and opportunities to meet with the Chief Executive were provided.

Professional Trades Directory

The Professional Trades Directory (PTD) connects churches, chapels and meeting houses with a wide range of companies specialising in services for church buildings.

In 2017 the Trust welcomed 76 new members to the Directory, bringing the total number of members to 152. Members of the Professional Trades Directory are promoted through a unique listing in the PTD's online directory, are acknowledged in the Trust's Annual Review, and have the opportunity to promote their services through news and updates in the Trust's Friends newsletter, its e-newsletter and on its website.

The promotion of the work of PTD members was boosted through the creation of a new dedicated news section on the Trust's website. Companies taking advantage of this marketing opportunity included WallWalkers UK, Norfolk Pamments and Selectaglaze.

Communications

The future of church buildings and religious heritage provides the basis for considerable media coverage of the Trust's work in national, local and specialist newspapers and magazines, online, in social media and on radio and television.

The awarding of grants by the Trust continued to be particularly well reported by local and regional newspapers and websites and provides positive exposure for the Trust and its work.

National media coverage of the Trust's work increased in 2017 with articles about the Trust and its work appearing in publications including The Financial Times, the Daily Telegraph, the Evening Standard and Private Eye, and interviews on BBC One's Sunday Morning Live, BBC Local Radio, Premier Radio and UCB Radio.

In 2017 the National Churches Trust strengthened its brand and made the look and feel of printed and electronic marketing materials and publications more consistent by developing a new corporate identity system. This included the adoption of a new strapline: 'for people who love church buildings'

The Trust's website provides a wide range of news and information about its work, including advice and support for churches and the ability to apply for grants online. The website's design was updated in 2017 to reflect the Trust's new brand. Navigation was made clearer to enable users to find the information they need more quickly.

Use of the Trust's website continued to increase, with total page views rising from 403,472 in 2016 to 556,678 in 2017. The home page, the website's ExploreChurches section and pages about the Trust's grant programmes continued to be the most visited. The use of mobile devices – phones and tablets – to access the website continues to increase and reached almost 50% in 2017.

Videos explaining the grant application process and providing information about individual grant programmes were added to the website and were popular with applicants.

The Trust's monthly e-newsletter, which includes news items about the Trust and the church heritage sector, saw an increase in the total number of subscribers. In a survey in March 2017, 93% of respondents described the content as 'high quality' or 'very high quality'.

Social media users follow the Trust's work in increasing numbers. Twitter followers rose from 6,483 to 7,806 and by the end of 2017 Facebook likes climbed to over 3,000 for the first time.

The Trust's 'Church of the Week' Facebook posts, which link through to its ExploreChurches website, continued to record a high rate of engagement. Amongst the most popular 'Church of the Week' posts were St Michael's Mount Cornwall which reached 8,600 people, St Mary's Chantry Chapel, Wakefield Bridge, Yorkshire, which reached 6,600 people, and Boston Stump, Lincolnshire, which reached 6,000 people.

Architecture Awards

The annual Church Architecture Awards, which are run by the National Churches Trust in conjunction with the Ecclesiastical Architects and Surveyors Association, provide an opportunity to demonstrate the continuing contribution of church buildings to the built environment and to recognise the work of architects and surveyors.

The winners of the 2017 Church Architecture Awards were announced at a ceremony held at St Mellitus College in London on Thursday 26 October 2017.

HRH The Duke of Gloucester, Vice-President of the National Churches Trust, presented the award for the winner of the Presidents' Award for new church architecture to St John the Baptist, Burford, Oxfordshire and Acanthus Clews Architects for a new church hall. The Presidents' Award for reordering, extensions or alteration to church buildings went to St Anne, Soho, London and Upchurch Associates for a new entrance and foyer.

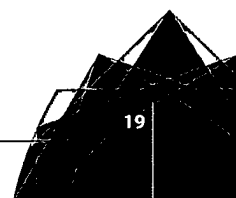
Prince Nicholas von Preussen presented the King of Prussia Gold Medal for church repair and conservation architecture to St Mark's, Leeds, and Richard Crooks Partnership for interior restoration and fabric repairs at the church.

The Young Church Architect of the Year award was presented to Tszwai So of Spheron Architects, who designed the Belarusian Memorial Chapel, Woodside Park, in London, built for the Belarusian diaspora community in the UK, and which was highly commended in the new church architecture category.

Marsh Awards

2017 saw the second year of The Marsh Awards for Innovative Church Projects, run jointly by the National Churches Trust and the Marsh Christian Trust. The awards celebrate the positive impact that new facilities or initiatives can have on churches and local communities.

The 2017 awards received 21 nominations. The winning project was "Playzone@Penzance", at St John the Baptist church in Penzance, a safe indoor play space for children, managed by volunteers and providing an essential



local service for a high number of young families. The concept was proposed and developed by a local mother and the team at St John the Baptist church in an area of significant deprivation in Cornwall.

The judges were impressed by the high level of community involvement, innovative partnerships with other groups, and exceptional involvement with parents and children. They especially liked the contribution of local children in designing the equipment.

The runner up was the Home Community Café at St James and Emmanuel church, Didsbury, Manchester. A successful social enterprise, with a fast-growing rota of volunteers, the Café holds many events that help the local community. A special mention was given to Soupalunch, at Hawick Congregational Community church in Roxburghshire, a lunch club which has an emphasis on tackling the important issues of isolation and loneliness.

Thanks to the success of the awards, in 2018 The Marsh Church and Community Volunteer Awards, an additional scheme, will celebrate the contribution of remarkable individuals in serving their local communities and church buildings.

Public Affairs

In 2017, the Trust continued to play an active part in the church heritage sector. The Trust is part of Historic England's Places of Worship Forum and a member of the Heritage Alliance and the Historic Religious Buildings Alliance. Conferences at which the Trust was represented included the Historic Churches Conference of the Catholic Bishops' Conference and the Church of England's Diocesan Advisory Committees Annual Conference.

In the run-up to the 2017 General Election on 8 June 2017, the National Churches Trust produced a factsheet which outlined some of the key facts about church buildings and questions that voters concerned about the future of church buildings could ask Prospective Parliamentary Candidates.

Through membership of Future for Religious Heritage, a charity based in Brussels, The National Churches Trust exchanges information and ideas with charities supporting and promoting church buildings and heritage in a number of European countries.

Key objectives for 2018

- Launch the new Strategic Plan for 2019 – 2023
- Hold a range of events marking the 200th anniversary of the founding of the Incorporated Church Building Society
- Organise the first National Churches Trust branded conference on church heritage
- Recruit 500 new Friends
- Develop a new corporate income stream
- Diversify legacy marketing and increase the number of legacy pledgers
- Increase the profile of the Trust with Parliamentarians and other decision makers
- Ensure the strategic development of the Trust's social media platforms
- Market the Trust's MaintenanceBooker and ExploreChurches services

Case STUDY

COMMUNITY GRANT St Mary the Virgin, Sutton Valence, Kent

Address:	Chart Road, Sutton Valence, Maidstone, Kent, ME17 3AW
Denomination:	Anglican
NCT grants awarded:	NCT £10,000 Community Grant, June 2016
Setting:	Rural
Architect:	Paul Sharrock AABC of Thomas Ford and Partners
Contractors:	Riverside Construction Co Ltd
Project cost:	£80,301
Opening hours:	Open daily from 10am until dusk
Visitors in 2017:	2,000
Website:	www.handschurches.org/churches/sutton-valence-church

Image

A church has served the village of Sutton Valence and the wider community in times of disaster and celebration since the thirteenth century. The original St Mary's church was built of ragstone, and mentioned in the Domesday Book, but the current Grade II listed church dates to 1825, rebuilt within the original footstep of the earlier church and with further restoration in 1874. The Lambe Chapel, dated to 1519, was preserved from the earlier church and remains in the south east corner.

The village needed a Mother and Baby/Toddler Group which the church hoped to be able to provide. There was also a wish to run coffee mornings, and also be able to welcome walkers and researchers into the church. However, the lack of a toilet precluded its ambitions.

The church proposed to install a disabled toilet with baby changing facilities in an area where there was an outdated kitchen, and a new small kitchen at the rear of the church. The designs were intended to help the installations blend in with existing storage areas, with bifold doors to hide the units when not in use.

Project challenges: Having no existing mains drainage. This was solved by the architect and contractor designing a trench arch system.

Image

Impact:

- Benefits to the church: the new kitchen area has provided a lovely welcoming social area at the rear of church; having a toilet encourages people to remain after services to socialise.
- Benefits to the community: the church now has facilities to support a mother and toddler group.
- Benefits to heritage: it looks good and there is real pride in the congregation.

Key lessons learnt:

1. Having a great architect and builder was vital. Research carefully before appointment, look at examples of their work, and interview them to ensure a 'meeting of minds'.
2. Having a project leader was essential for day to day organisation and to be the link between the architect and builder, keeping clear, single lines of communication.
3. A nominated and accepted Fundraiser was vital to keep fundraising moving forward both locally and with Trust bids.
4. Keeping the congregation informed and involved constantly with photographs and visuals, such as a fundraising barometer, increased enthusiasm for the project.

New uses: More concerts, Thursday Mother and Toddler Group, and a monthly Messy Church.

New users: Kent Police Choir, Mother and Toddler Group, Messy Church, larger congregations for special services as more elderly people can access the church.

"The National Churches Trust grant made all of the difference to our fund raising, both from the monetary value and the feeling of recognition and encouragement by the Trust ... and it was a great incentive to other funders to support us."

Member of the PCC

Supporting the UK's church

Grants

472 applications received (2016: 357)

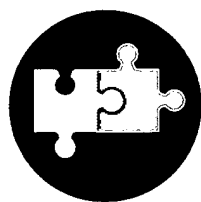
Grants totalling **£1,719,820** awarded or recommended to **230** projects at places of worship in England, Scotland, Wales and Northern Ireland.



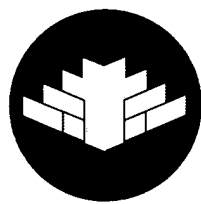
50 Repair Grants awarded totalling **£722,000**



25 Community Grants awarded totalling **£298,000**



63 Partnership Grants awarded totalling **£255,560**



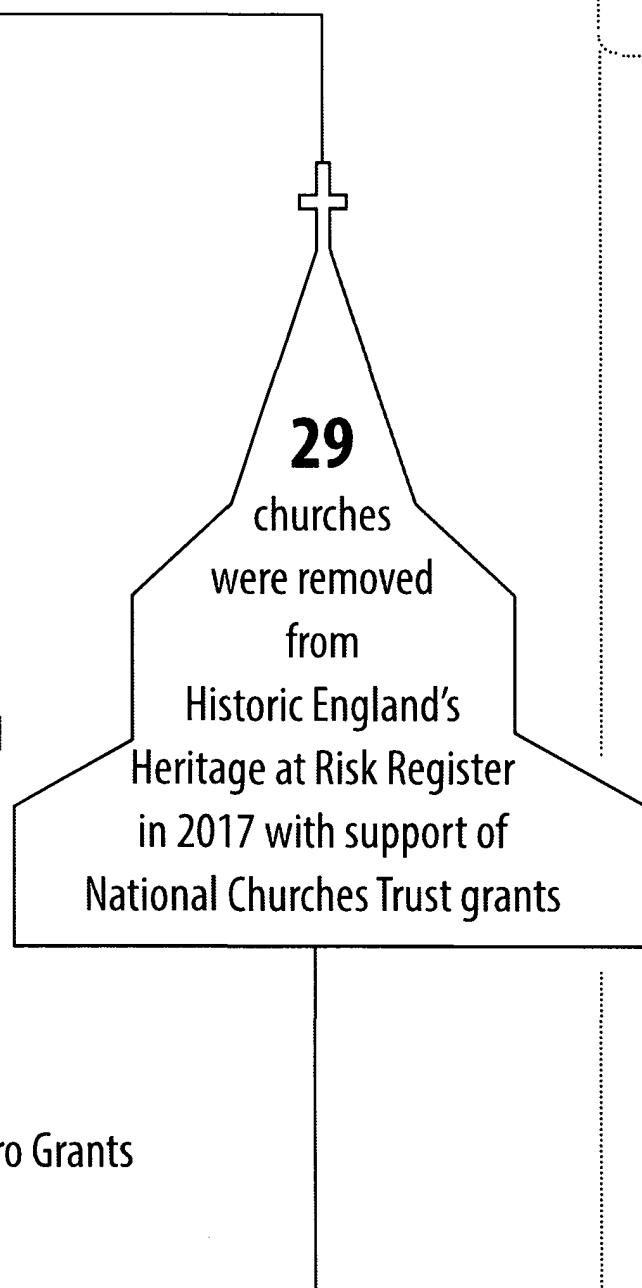
51 Maintenance Grants awarded totalling **£104,006**



14 Project Development Grants awarded totalling **£63,610**



9 Preventative Maintenance-Micro Grants awarded totalling **£6,794**



buildings in 2017

Fundraising

Friends

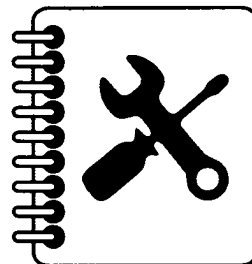
710 new Friends joined the Trust

Membership renewal rate **88%**

Legacy income

£1,421,939

notified and accounted for



Church Support

ExploreChurches

www.explorechurches.org

2,013 Churches featured on website

MaintenanceBooker

www.maintenancebooker.org.uk

110 churches registered on pilot project website

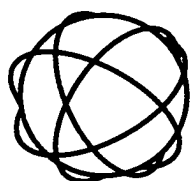
Professional Trades Directory

www.nationalchurchestrust.org/ptd

152 members – **76** new members joined



Communications and public affairs



Website pageviews

556,678

403,472 (2016)



Twitter followers

7,806

6,483 (2016)



Facebook likes

3,000

2,205 (2016)

People love churches

83% of British adults agree that the UK's churches, chapels and meeting houses are an important part of the UK's heritage and history.

80% of British adults agree that churches, chapels and meeting houses are important for society as they provide a space in which community activities can take place, as well as worship.

57% of British adults say they visited a church, chapel or meeting house in 2016 for worship, for community events or as a visitor.



Case STUDY

REPAIR GRANT St George's, Tredegar, Wales

Address:	Church Street, Tredegar, Blaenau Gwent, NP22 3DU
Denomination:	Anglican
NCT grant awarded:	NCT £40,000 Repair Grant, June 2016
Setting:	Small town or suburb
Architect:	Tim Pitt-Lewis RIBA
Contractors:	George Adams Building Contractors
Project cost:	£398,000
Opening hours:	Monday 6-8pm, Tuesday 11am-2pm & 6.30pm-8.30pm, Wednesday 10am-11.30am, Thursday 6.30pm-8.30pm, Sunday 8.30am-1pm
Visitors in 2017:	19,500
Website:	www.facebook.com/stgeorgeschurchtredegar

Image

St George's is a handsome, neo-Norman style church built between 1835 and 1837 to serve the rapidly growing ironworks town of Tredegar in South Wales.

Image

In 2015, it became clear that the church was in desperate need of repairs to its tower; the roof was leaking and water ingress had caused internal damage to three levels of the tower structure. In addition to this, with almost 20,000 visitors a year, there was a need to improve facilities and access to both the church and the upstairs community hall.

The church set about an ambitious restoration project which included tower roof and stone repairs, the installation of a lift, refurbishment of the hall, kitchen and toilets, and disabled access.

The total cost of the project was almost £400,000 and was raised through a mixture of parish fundraising and grant funding. Following a successful outcome from the LPOW Roof Repair Fund, the church applied to the National Churches Trust and was awarded a £40,000 grant towards the tower repairs.

"The National Churches Trust Grant gave us the confidence to believe that a church at the heart of the community, open to all of the people of our town, could be a reality... We believe in community, and our community is enriched by all of our partners who chose to share our church and work with us."

Father John Davis, Vicar: Tredegar St George and St James

Project challenges: Cash flow was undoubtedly the biggest challenge faced by the project team; they had to keep a very close eye on the budget to ensure their outgoings did not exceed their bank balance. The key to their success was in raising £150,000 before they began, which cushioned them against the gap between contractors' invoices being issued and grant awards being paid.

Impact:

- The condition of the building has been enhanced - the tower has a new roof and the building is watertight,
- The project has benefited the congregation and community - the community can access the building and disability is no longer a barrier; hall use has increased, with more people attending the lunch club, and new community groups using the hall. The building is fit for purpose and conferencing facilities are also an asset for mission planning activities.

Key lessons learnt:

1. Use a good architect and be prepared to negotiate fees - don't be afraid to tell a contractor that their bill is too high!
2. Have a small steering group to oversee the project as too many people tend to slow down progress.
3. If you don't invest in your project don't expect anyone else to - be prepared to pay for surveys, specifications and structural reports before anyone will give a grant.

New uses: Since the work has completed, the building is used for: Community Choir Concerts, Cinema Club, Extended Lunch Club, Yoga Class, Armed Forces Support Group, Drugs Awareness Training

New users: The Beavers, Cubs and Scouts have returned, and local schools are once again visiting. A qualified instructor is hosting yoga fitness classes at the church. A local drugs support agency has started using the hall to train local businesses and council staff. A local tenants group is also using the facilities in partnership with an Arts Council project.

Financial Review

Excluding legacies, the total income of £958,790 was somewhat lower than in 2016 as a result of particularly high specific project funding received during 2016 and a fall in income from trusts and foundations. The Trust is working hard to reverse this in 2018. Legacy income at £1,421,939 was an increase of over £800,000 compared to 2016 thanks to an extremely generous unrestricted bequest from a long-standing supporter.

The Trustees made a decision in 2013 to progressively reduce the level of the Trust's restricted reserves by making more grants to churches. Accordingly, in 2017 the Trust budgeted for a deficit, which resulted in the restricted funds of the charity reducing by £1.4m.

Thanks to the large legacy notified during the year, the Group achieved an overall surplus in 2017 of £22,096. This was made up of the deficit of £1,401,547 in restricted funds, a surplus of £1,293,890 in unrestricted funds and an increase in endowment funds of £129,753. The Trust has continued to budget for a deficit in 2018 in order to reduce both its unrestricted and restricted reserves.

The Trust awarded £1,689,820 in grants to churches from its own funds in 2017, which included £210,760 paid out of legacies to specific churches in line with the original legacy restriction. The Trust also handled another £30,000 of grants for other organisations. Overall expenditure rose by £353,432 which reflects an increase in grant giving and church support staff, and also the continuation of new projects benefitting churches, in particular MaintenanceBooker and ExploreChurches.

Investments

The Trust's investments generate income and growth to help sustain the Trust's grants programme and other work. The Trustees consider it appropriate to invest prudently and they continue to hold investments in the CBF Church of England Funds managed by CCLA. Following a review by the Trust's Audit and Risk Committee, investments held in the CBF fixed interest funds were transferred to the CBF investment fund and the funds of the Luke Trust were transferred to Ruffer LLP.

The Trust's investment portfolio gained £303,416 in value during 2017.

R de Pass endowment fund

The trustees of The National Churches Trust under the powers granted under section 104A(2) of the Charities Act 2011 passed a resolution dated 14 December 2017 to allow it to use a total return approach to the assets of the permanent endowment R de Pass legacy fund. The above date was also used to establish the value of the unapplied total return within the endowment based on its 9 May

2017 valuation (the date on which the original investment was purchased).

The total return approach to this investment allows The National Churches Trust to utilise some of the capital growth of the fund for current grant making, instead of only being able to use the investment income received. The power to use a total return approach allows the charity to have an investment strategy aimed at maximising total return without the need to ensure a significant part of the return is in the form of income rather than capital growth.

The Trustees have a duty to maintain even-handedness in regard to supporting both current and future beneficiaries and will only use the power to spend the capital growth to the extent that the ability to support future beneficiaries will not be prejudiced.

It is the Trust's policy that the unapplied total return remains positive overall, therefore the Trustees will make a judgement on an annual basis as to the level of income to be transferred to the income fund. The Trust will also maintain the level of the investment funds by allocating on an annual basis an element of the unapplied total return back to the investment fund.

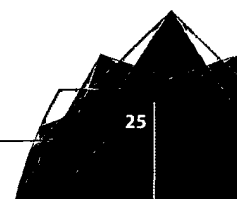
An amount of £15,704 was transferred to the income fund in the year.

Reserves

Following a review in 2013, the Trustees concluded that the Trust needed to increase its level of unrestricted reserves in order to be able to cope with fluctuations in unrestricted income from year to year. At the same time, the Trustees considered that the restricted reserves, available largely only for grants to maintain and enhance churches, should generally be spent as soon as practicable, subject to receipt of suitable applications of sufficient quality from churches.

In recent years, in line with this reserves policy, the Trust has substantially reduced its restricted reserves. Thanks to recent legacy income in particular, unrestricted reserves have increased and now exceed those that are restricted. This provides the flexibility to maintain activities in the event of fluctuations in income, as well as allowing the Trust to top up worthwhile projects which are only partially funded by specific donations. In light of these developments, the Trustees have recently reviewed and revised the Trust's policy regarding reserves. The revised policy is set out below.

The restricted reserve originating from the Historic Churches Preservation Trust (HCPT) is available to support much of the Trust's work, including its grants to churches. For the purpose of this reserves policy, it is therefore considered together with the Trust's unrestricted funds.



The Trustees regard it as appropriate to maintain the combined unrestricted and HCPT reserves at an amount equivalent to approximately the Trust's average annual expenditure over the last two years. This will allow the Trust to maintain a grants programme and other activity for a period even if there should be a temporary dip in income.

At the end of 2017, these reserves stood at £3.3m, which represented 1.3 times the average annual total expenditure over the last two years. It is the Trustees' intention to continue to reduce this progressively over the next one to two years to equal the average annual total, subject to receipt of sufficient high quality grant applications.

Other restricted funds are held for the benefit of certain classes or features of church buildings or for particular grant programmes or projects. It is the policy of the Trustees to spend these funds as soon as suitable, high quality projects are identified.

The amount of funds held as permanent endowments was £2,230,822 at 31 December 2017.

Executive remuneration

The key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day-to-day basis comprise the Trustees, Chief Executive Officer and the Director of Church Support/ Deputy Chief Executive.

All Trustees give of their time freely and no Trustee received remuneration during the year. Details of Trustees' expenses are disclosed in note 9 to the Financial Statements.

The pay of staff is reviewed annually by the Board of Trustees, with increases determined taking account of performance, changes in responsibility and inflation. The Trustees benchmark against pay levels in other charities of a similar size and those in the heritage sector.

Risk management

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the main operational areas, the Trust's investments and its finances.

They have identified the following as key risks:

- Investment volatility – this will be mitigated by recommendations made by the Audit and Risk Committee which reviewed the investment strategy and portfolio in 2017. The Trust uses the services of expert investment managers in order to ensure the Trust has a diversified investment portfolio.

- A significant fall in fundraised income – this is mitigated by continuing to develop and enhance our fundraising strategy in order to diversify and strengthen our income streams so that we are not over-reliant on any one source of income.
- Loss of staff members – this is mitigated by regular review of staff benefits to improve retention and having succession planning in place. The aim is also to have more than one staff member who is capable of carrying out each role, and where this is not possible to have detailed operational notes in place so that duties could be picked up quickly in the event that the staff member leaves or is away for a substantial period of time.
- Not receiving enough high quality grant applications – this is mitigated by ongoing promotion of the Trust's grant programmes as widely as possible, providing support and advice to those seeking to apply, and partnership working with other grant giving bodies in the sector.

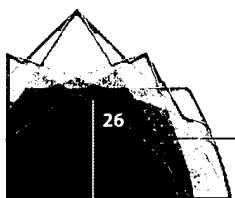
Trustees' responsibilities

The Trustees (who are also the directors of The National Churches Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice on Accounting and Reporting by Charities;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with



the Companies Act 2006. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each Trustee is aware:

- there is no relevant audit information of which the Trust's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees confirm that they have undertaken to comply with the Charity Commission's guidance on public benefit and are satisfied that the Trust meets its obligations through helping maintain the UK's heritage of church buildings and enhancing their ability to serve local communities.

Public benefit is provided by the Trust's grants for the repair, restoration and modernisation of places of worship and its support of projects that enable places of worship to engage with their local communities. The Trustees are also satisfied that providing new ways of promoting visits to places of worship and bringing a new generation of people into contact with church history and architecture is of benefit to the wider public.

Auditor

Buzzacott LLP has been retained throughout 2017 as the Trust's auditor and has indicated its willingness to continue in office. A resolution proposing this will be put to the Trust's Annual General Meeting in 2018.

Governance

The National Churches Trust is a charitable company limited by guarantee. It owes its origins to the Historic Churches Preservation Trust (HCPT) which was set up in 1953 to help repair churches following the earlier years of war damage and economic depression.

HCPT now forms part of the Trust, as does the Incorporated Church Building Society (ICBS), set up in the early nineteenth century to build and extend Anglican churches. The Trust also administers the Luke Trust, a separate charity with consistent objects, and acts as its trustee. The Luke Trust is included in the consolidated financial statements of The National Churches Trust.

Trustees

The Trustees, who are the directors of the charity for the purposes of company law, are responsible for the activities of the Trust, ensuring that it uses its funds for public benefit in accordance with its objects. The following were Trustees during 2017:

Luke March DL (Chairman)
Dr Julie Banham
Sir Paul Britton CB CVO
Richard Carr-Archer
Catherine Cobain (resigned July 2017)
John Cowell (resigned June 2017)
Andrew Day (resigned March 2018)
John Drew
Alastair Hunter FCA (Treasurer)
Jennie Page CBE
Revd Lucy Winkett (appointed March 2017)

Stephen Sklaroff was appointed as a Trustee in February 2018.

Nicholas Warns was appointed as a Trustee in April 2018.

The Trust has three standing committees which focus on particular areas.

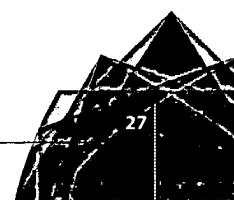
The Nominations Committee recommends the appointment and re-appointment of Trustees, maintains an overview of the process of induction for new Trustees, and ensures that there are appropriate succession plans in place for the Chairman, Treasurer and Chief Executive.

The Grants Committee considers and recommends applications from churches for grants. It includes a number of external, independent members with a wide range of expertise, as well as at least two Trustees.

The Audit and Risk Committee oversees the Trust's financial management and reporting, liaises with the external auditor and periodically reviews risks faced by the Trust and how the Trust manages its investments.

The Trust also from time to time convenes steering groups to lead the development of particular projects.

The members of the Trust's committees are listed on page five. The Trustees and other members of the Trust's committees and steering groups all give their time voluntarily.



New Trustees are recommended for appointment by the existing Trustees on the advice of the Nominations Committee. The appointment of Trustees is subject to ratification by the Trust's Joint Presidents, the Archbishops of Canterbury and York. Each year at the Annual General Meeting, one-third of the Trustees retire by rotation and may be re-appointed subject to a maximum of ten years as a Trustee. Luke March and Andrew Day retired by rotation at the AGM in September 2017 and were re-appointed.

The Nominations Committee meets regularly to consider how to identify the widest possible range of potential Trustees. The Committee is keen to ensure that the Board of Trustees includes people of varied backgrounds and a diverse range of skills.

As part of their work to evaluate the impact of grant funding by the Trust, Trustees held their September 2017 meeting at St Peter upon Cornhill, London, which was previously awarded a £3,000 Project Development Grant by the Trust towards a feasibility study.

Trustees take an active part in supporting the work of the Trust. This includes attending ceremonies and events marking the completion of projects funded by the National Churches Trust and attending church tours and other fundraising events.

Staff and volunteers

The Trust has a small staff responsible for working with the Trustees to develop a strategic plan for the Trust and for delivering its programme of support for churches, under the direction of the Chief Executive, Claire Walker.

Staff are offered the opportunity to be mentored by Trustees to help expand their knowledge of church heritage and provide assistance in the furthering of professional objectives and developing new workplace skills.

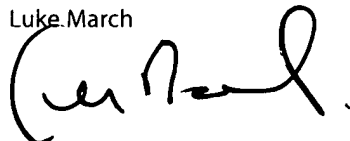
We are grateful for the hard work and dedication of all the staff, and for the support of volunteers who help with a number of our projects and activities.

The National Churches Trust is committed to helping ensure that the United Kingdom's Christian places of worship remain in use and of benefit to as many people as possible.

On behalf of the Trustees, our thanks go to our Friends and supporters who continue to make our work possible through their generous contributions. As a charity which receives no regular funding from Government or church authorities, our work is only possible through the support of voluntary contributions.

No one organisation can ensure the future of the UK's churches, chapels and meeting houses. So our appreciation for their help and guidance is extended to the many church building experts in the UK, the volunteers who help keep churches alive, and the wider heritage community, including the Heritage Lottery Fund, Historic England, and the other statutory heritage bodies in England, Northern Ireland, Scotland and Wales.

Luke March



Chairman

14 June 2018

Independent auditor's report to the members of The National Churches Trust

Opinion

We have audited the financial statements of The National Churches Trust (the 'charitable company') for the year ended 31 December 2017 which comprise the consolidated statement of financial activities, the group and charity balance sheets, the consolidated statement of cash flows, the principal accounting policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charitable company's affairs as at 31 December 2017 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the *Annual Report and Financial Statements 2017* other than the Financial Statements and our auditor's report thereon. 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 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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. 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 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 charitable company'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 charitable company 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 these financial statements.

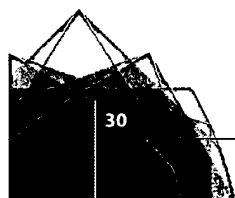
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Buzzacott LLP

Amanda Francis (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

22 June 2018



Consolidated statement of financial activities for the year ended 31 December 2017

Income and expenditure	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2017 £	Total 2016 £
Income and endowments:						
Grants, donations and legacies	3	1,659,919	517,158	9,922	2,186,999	1,530,274
Charitable activities	4	4,448	–	–	4,448	3,498
Other trading activities	5	35,057	–	–	35,057	24,737
Investment income	6	1,541	125,357	27,327	154,225	123,191
Total income and endowments		1,700,965	642,515	37,249	2,380,729	1,681,700
Expenditure:						
Costs of raising funds		125,530	220,887	–	346,417	331,252
Charitable activities:						
• Maintaining and enhancing church buildings		9,447	2,019,378	–	2,028,825	1,716,186
• Promoting church buildings		278,455	8,352	–	286,807	261,179
Total expenditure	7	413,432	2,248,617	–	2,662,049	2,308,617
Net income/(expenditure) before gains on investments		1,287,533	(1,606,102)	37,249	(281,320)	(626,917)
Net gains on investments	13	6,357	188,851	108,208	303,416	294,411
Net income/(expenditure)		1,293,890	(1,417,251)	145,457	22,096	(332,506)
Transfer between funds	20	–	15,704	(15,704)	–	–
Net movement of funds for the year		1,293,890	(1,401,547)	129,753	22,096	(332,506)
Reconciliation of funds:						
Fund balances brought forward 1 January		1,548,814	2,070,434	2,101,069	5,720,317	6,052,823
Fund balances carried forward 31 December		2,842,704	668,887	2,230,822	5,742,413	5,720,317

All of the Group's activities derived from continuing operations in the above two financial years.

Balance sheets as at 31 December 2017

	Notes	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Fixed assets					
Tangible assets	12	32,500	48,883	32,500	48,883
Investments	13	5,322,679	3,493,527	4,571,547	2,852,458
		5,355,179	3,542,410	4,604,047	2,901,341
Current assets					
Debtors	14	1,710,530	1,350,052	1,709,551	1,350,052
Short term deposits		80	1,990,462	77	1,907,370
Cash at bank and in hand		289,932	502,042	289,932	502,042
		2,000,542	3,842,556	1,999,560	3,759,464
Creditors: amounts falling due within one year	15	(1,613,308)	(1,664,649)	(1,617,748)	(1,649,649)
Net current assets		387,234	2,177,907	381,812	2,109,815
Total net assets		5,742,413	5,720,317	4,985,859	5,011,156
Funds:					
Unrestricted general funds		2,842,704	1,548,814	2,842,704	1,548,814
Restricted funds	18	668,887	2,070,434	597,317	2,002,342
Endowment funds	19	2,230,822	2,101,069	1,545,838	1,460,000
Total funds	21	5,742,413	5,720,317	4,985,859	5,011,156

Approved by the Trustees and signed on their behalf by:



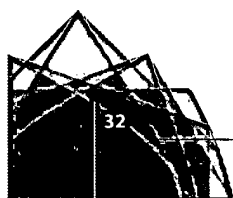
Luke March DL
(Chairman)



Alastair Hunter FCA
(Treasurer)

14 June 2018

Company Registration No. 06265201 (England and Wales)



Consolidated statement of cash flows for the year ended 31 December 2017

	Notes	2017 £	2016 £
Net cash used in operating activities	A	(825,872)	(323,588)
Cash flows from investing activities			
Investment income		154,225	123,191
Purchase of tangible fixed assets		(5,109)	(1,260)
Disposal of investments		1,644,597	-
Purchase of investments		(3,170,333)	-
Cash (used in)/ provided by investing activities		(1,376,620)	121,931
Change in cash and cash equivalents		(2,202,492)	(201,657)
Cash and cash equivalents at 1 January		2,492,504	2,694,161
Cash and cash equivalents at 31 December	B	290,012	2,492,504

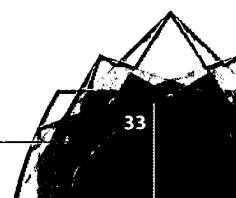
Notes to consolidated statement of cash flows for the year ended 31 December 2017

A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW USED IN OPERATING ACTIVITIES

	2017 £	2016 £
Net movement in funds	22,096	(332,506)
Depreciation	21,492	20,161
Investment income	(154,225)	(123,191)
Investment gains	(303,416)	(294,411)
Increase/(decrease)/in debtors	(360,478)	565,802
Decrease in creditors	(51,341)	(159,443)
Net cash used in operating activities	(825,872)	(323,588)

B. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Short term deposits	80	1,990,462
Cash at bank and in hand	289,932	502,042
Total cash and cash equivalents	290,012	2,492,504



Notes to the financial statements – as at 31 December 2017

1. PRESENTATION

Group structure

These financial statements consolidate the results of two registered charities which are managed together: The National Churches Trust (NCT) and The Luke Trust (Luke). Together, they are referred to as the Group. The Luke Trust is included in these consolidated financial statements because NCT is its sole trustee and it is therefore controlled by the Trustees of NCT.

As a result of directions issued by the Charity Commission, the activities of the Historic Churches Preservation Trust (HCPT) and of the Incorporated Church Building Society (ICBS) are included as part of NCT. Funds given to HCPT and ICBS remain subject to their trusts and the terms under which they were given.

The consolidated statement of financial activities, consolidated balance sheet and consolidated statement of cash flows on pages 31 to 33 (together with their related notes) reflect the financial position of the Group as a whole. The separate charity balance sheet on page 32 and its related notes exclude Luke and cover only NCT (including HCPT and ICBS). NCT is referred to in these financial statements as the Charity. A summary of the financial results and position of Luke is given in Note 24.

Funds

The funds of the Group are divided into three categories, depending on the terms on which they have been donated.

Unrestricted general funds are those which may be used for any purpose within the broad charitable objectives of the Charity and the Group.

Restricted funds are held for specific purposes laid down by the donors, and are not available for any other purpose. Most of the restricted funds are available only for supporting the maintenance and improvement of church buildings, and include some funds which can only be used for specific projects or for churches in particular geographical areas. Further details are set out in Note 18.

Endowment funds comprise a capital sum which must be permanently held. The income which arises on the endowment funds can be used for specified purposes and remain subject to the terms under which they were given.

Permanent endowment funds with a total return approach: Where the Group operates a total return approach for its permanent endowment funds, all income, gains and losses are taken to the part of the fund representing

accumulated unapplied returns in the first instance. An amount reflecting the deemed investment return each year is calculated using the charity's endowment spending policy and is transferred to income funds to be applied within the terms of these funds.

Permanent endowment funds without total return approach: For any permanent endowment funds where the Group is not operating a total return approach, only the income generated from the endowment is available to be applied towards charitable expenditure.

Further details of the endowment funds are set out in Note 19.

2. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation and uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

The financial statements have been prepared for the year to 31 December 2017.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees to make judgements and estimates. Significant judgements and estimates have been made in relation to:

Notes to the financial statements – as at 31 December 2017

- estimating the likely amount of legacy income once the Group is aware of its entitlement to receive a legacy;
- the allocation of shared costs across activities based on staff time; and
- estimating the useful economic life of tangible fixed assets.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements.

The Trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. The Trustees are of the opinion that the Group will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 December 2018, the most significant areas that affect the carrying value of the assets held by the Group are the level of investment return and the performance of investment markets (see the investments and risk management sections of the trustees' report for more information).

Income recognition

All income is recognised once the Group has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Income comprises donations and legacies, investment income and other income.

Donations and grants are recognised when the Group has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Group is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Group and it is probable that those conditions will be fulfilled in the reporting period.

Legacies are included in the statement of financial activities when the Group is entitled to the legacy, the amount of the legacy receivable can be reliably

measured, the executors have established that there are sufficient surplus assets in the estate to pay the legacy and any conditions attached to the legacy are within the control of the Group. Entitlement is taken as the earlier of the date on which either: the Group is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Group that a distribution will be made, or when a distribution is received from the estate. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and title to the asset having been transferred to the charity.

Where legacies have been notified to the Group, or the Group is aware of the granting of probate, but the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the bank.

Resources expended

Expenditure is included in the statement of financial activities when incurred and includes irrecoverable VAT.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Group to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the Group. This includes staff costs associated with fundraising and an allocation of support costs.
- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the Group through the provision of its charitable activities. Such costs include grants, direct costs, and support costs including governance costs.

Notes to the financial statements – as at 31 December 2017

Expenditure on maintaining and enhancing church buildings reflects the costs of the Group's work with churches helping them to maintain the UK's heritage of church buildings and to enhance their suitability as centres of community life. This includes making grants and providing advice and information.

Expenditure on promoting the value of church buildings includes costs related to encouraging visits to churches, liaising with national church bodies and Government, and working generally to promote the value to communities of church buildings and to inspire everyone to value and enjoy them.

Grants payable are included in the statement of financial activities when approved. In order for a grant to be approved, the intended recipient has to provide evidence that it has any necessary consents to carry out the project and that the project is likely to go ahead. Grants approved but not paid at the end of the financial year are accrued.

In addition to grants payable, costs of each expenditure category include the salaries of those employees directly involved (apportioned between activities where necessary based on time spent), other costs directly attributable to the category, and a proportion of general support costs.

In order to carry out the primary purposes of the Group it is necessary to provide support in the form of a suitable working environment, staff development, financial management, office services and equipment, good governance and similar costs. Support costs, including governance costs, represent indirect charitable expenditure. Governance costs comprise costs relating to the public accountability of the charity (including audit costs) and compliance with regulation and good practice. Support costs are apportioned based on staff time.

Tangible fixed assets

All assets or groups of assets costing more than £1,000 and with an expected useful economic life exceeding one year are capitalised. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

- Leasehold improvements - on a straight line basis over the life of the lease up to the date of the first break clause.
- Office equipment – on a straight line basis over four years.

Fixed asset investments

Listed investments are financial instruments which are traded on a public investment market. They are initially recognised at their transaction value and subsequently

measured at their fair value as at the balance sheet date using the closing quoted market price.

As noted above, the main form of financial risk faced by the Group is that of volatility in equity and other investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular investment sectors.

The Group does not acquire put options, derivatives or other complex financial instruments. The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and the opening carrying value or the purchase value if acquired during the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and the previous carrying value. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. Debtors and prepayments are discounted to present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Term deposits of more than three months but less than one year are disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Group anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

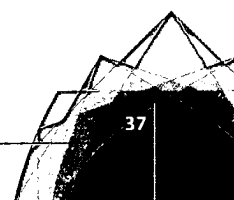
Notes to the financial statements – as at 31 December 2017

Pensions

NCT contributes to the personal pension schemes of its employees. These schemes are defined contribution schemes and the contributions are charged to the statement of financial activities as they are incurred.

Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.



Notes to the financial statements – as at 31 December 2017

3. INCOME FROM GRANTS, DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2017 £
Grants and donations	380,274	384,786	–	765,060
Legacies	1,279,645	132,372	9,922	1,421,939
	1,659,919	517,158	9,922	2,186,999

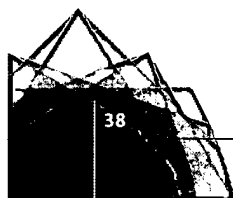
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2016 £
Grants and donations	380,462	544,448	–	924,910
Legacies	258,759	254,605	92,000	605,364
	639,221	799,053	92,000	1,530,274

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Unrestricted funds 2016 £
Contributions towards grant programme costs	100	100
Church support events and consultancy	4,348	3,398
	4,448	3,498

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Unrestricted funds 2016 £
Supporter events	5,102	8,791
Corporate and other income	29,955	15,946
	35,057	24,737



Notes to the financial statements – as at 31 December 2017

6. INVESTMENT INCOME

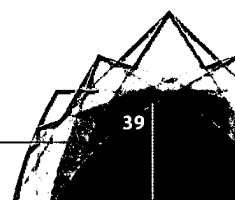
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2017 £
Income from listed investments	–	124,898	26,145	151,043
Interest receivable	1,541	459	1,182	3,182
	1,541	125,357	27,327	154,225

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2016 £
Income from listed investments	–	117,555	–	117,555
Interest receivable	3,974	1,662	–	5,636
	3,974	119,217	–	123,191

7. TOTAL EXPENDITURE

	Grants (Note 16) £	Staff costs (Note 8) £	Other costs (Note 10) £	Governance costs (Note 11) £	Total 2017 £	Total 2016 £
Expenditure on charitable activities:						
Maintaining and enhancing church buildings	1,622,306	243,763	142,985	19,771	2,028,825	1,716,186
Promoting church buildings	20,000	163,584	100,469	2,754	286,807	261,179
	1,642,306	407,347	243,454	22,525	2,315,632	1,977,365
Costs of raising funds	–	200,957	145,460	–	346,417	331,252
	1,642,306	608,304	388,914	22,525	2,662,049	2,308,617

	Raising funds £	Charitable activities £	Total 2017 £	Total 2016 £
Expenditure from:				
Unrestricted funds	125,530	287,902	413,432	382,635
Restricted funds	220,887	2,027,730	2,248,617	1,925,982
Total expenditure	346,417	2,315,632	2,662,049	2,308,617



Notes to the financial statements – as at 31 December 2017

8. STAFF COSTS

The average monthly number of employees during the year was:

	2017 Number	2016 Number
Fundraising	3	3
Communications	2	2
Church support	7	6
Management and administration	3	3
	15	14

Employment costs	2017 £	2016 £
Wages and salaries	502,985	463,496
Social security costs	49,252	44,953
Other pension costs	47,741	45,610
	599,978	554,059
Temporary staff	6,036	3,759
Recruitment costs	2,290	5,090
	608,304	562,908

No employees received £60,000 or more (2016: none).

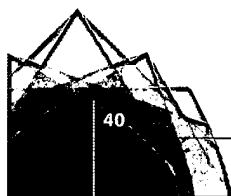
The Trustees were not paid and did not receive any other benefits from employment with the Group (2016: £nil).

The Trustees are responsible for the overall direction and control of the Group. The key management personnel of the Group, having authority and responsibility for planning and controlling the activities of the Group, comprise the Trustees, the Chief Executive and the Director of Church Support. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £139,968 (2016: £133,876).

9. TRUSTEE EXPENSES

None of the Trustees (or any persons connected with them) received any remuneration during the year (2016: none). No Trustee received payment for professional or other services supplied to the Group (2016: none).

Four trustees were reimbursed for expenditure on travel and subsistence totalling £2,859 in the year (2016: four trustees were reimbursed £2,991). The Charity purchased insurance to protect it from any loss arising from the neglect or defaults of its Trustees and to indemnify the Trustees against the consequences of neglect or default on their part. The insurance premium paid in the year by the Charity for a combined insurance policy, which included the cost of insuring the Charity as a whole as well as its Trustees, totalled £3,395 (2016: £3,576).



Notes to the financial statements – as at 31 December 2017

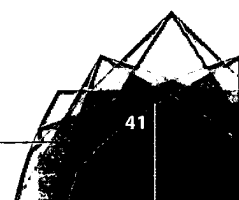
10. OTHER COSTS

	Total 2017 £	Total 2016 £
Property costs	54,960	57,207
Publicity, communications and marketing	101,204	88,954
Printing, post and stationery	52,372	53,360
IT, website and telephone	40,902	32,422
Travel and entertaining	10,305	10,357
Other costs	32,637	28,785
Depreciation	21,492	20,161
Legal fees	–	12,387
Project costs:		
• MaintenanceBooker development	63,497	33,938
• ExploreChurches development	11,545	10,370
	388,914	347,941

11. GOVERNANCE COSTS

These comprise of all costs relating to the public accountability of the Group and its compliance with regulation and good practice. This includes costs related to statutory audit and governance-related legal fees.

	Total 2017 £	Total 2016 £
Auditor's remuneration		
• Statutory audit	11,024	12,560
• Non audit services: tax advisory services	7,170	2,400
Legal and professional fees	1,472	2,347
Trustee expenses (note 9)	2,859	2,991
Staff and consultancy costs	–	4,500
	22,525	24,798



Notes to the financial statements – as at 31 December 2017

12. TANGIBLE FIXED ASSETS

Group & Charity	Leasehold improvements £	Office equipment £	Total £
Cost or valuation			
At 1 January 2017	76,214	20,930	97,144
Additions	3,742	1,367	5,109
At 31 December 2017	79,956	22,297	102,253
Depreciation			
At 1 January 2017	39,340	8,921	48,261
Charge for year	16,074	5,418	21,492
At 31 December 2017	55,414	14,339	69,753
Net book value			
At 31 December 2017	24,542	7,958	32,500
At 31 December 2016	36,874	12,009	48,883

13. FIXED ASSET INVESTMENTS

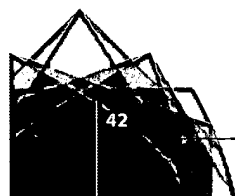
	Group £	Charity £
Listed investments:		
Market value at 1 January 2017	3,482,318	2,841,249
Purchase value of investments	3,170,333	2,423,778
Disposal proceeds	(1,644,597)	(963,779)
Realised gains/(losses)	34,827	(4,922)
Unrealised gains	262,232	257,655
Market value at 31 December 2017	5,305,113	4,553,981
Other investments:		
Market value at 1 January 2017	11,209	11,209
Unrealised gains on revaluation	6,357	6,357
Market value at 31 December 2017	17,566	17,566
	5,322,679	4,571,547

Analysis of listed investment holdings at 31 December 2017:

	Group Market Value £	Group Historical Cost £	Charity Market Value £	Charity Historical Cost £
CCLA Investment Management Investment Fund	4,553,981	3,305,384	4,553,981	3,305,384
Ruffer Investment Management Global Funds	751,132	746,555	-	-
	5,305,113	4,051,939	4,553,981	3,305,384

At 31 December 2017, 53.4% of the CCLA Investment Fund and 37% of the Ruffer Global Funds was held by the fund managers in overseas equities. The remaining listed investments were all held in the UK.

Other investments comprise a Chalice and Paten and the King of Prussia Gold Medal, all of which are recorded at their insurance value.



Notes to the financial statements – as at 31 December 2017

14. DEBTORS

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Legacies receivable	1,665,749	1,263,914	1,665,749	1,263,914
Other debtors and prepayments	44,781	86,138	43,802	86,138
	1,710,530	1,350,052	1,709,551	1,350,052

15. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Grants payable (note 16)	1,565,699	1,427,470	1,535,699	1,412,470
Funds held on behalf of others (note 17)	7,500	187,529	7,500	187,529
Accruals and other creditors	40,109	49,650	40,109	49,650
Amounts due to the Luke Trust	-	-	34,440	-
	1,613,308	1,664,649	1,617,748	1,649,649

16. GRANTS

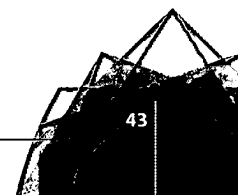
	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Grants unpaid as at 1 January	1,427,470	1,353,500	1,412,470	1,328,000
Grants awarded in the year	1,689,820	1,399,470	1,669,820	1,384,470
Grants cancelled in the year	(47,514)	(26,500)	(47,514)	(26,500)
Grants paid in the year	(1,504,077)	(1,299,000)	(1,499,077)	(1,273,500)
Grants unpaid as at 31 December	1,565,699	1,427,470	1,535,699	1,412,470

All grants are payable to institutions. All restricted fund grants are made in respect of the fabric of the building of places of worship. Grants are cancelled if not taken up within two years. In addition to the grants awarded by the Group from its own funds, as summarised above, NCT managed grant programmes on behalf of other charities (see note 17). Further details of grants awarded in the year are included within the Trustees' Report. Grants awarded and paid out include £210,760 paid out of legacies to specific churches in line with the original legacy restriction.

17. FUNDS HELD ON BEHALF OF OTHERS

Group & Charity	Total 2017 £	Total 2016 £
Funds held as at 1 January	187,529	447,126
Funds received in the year	30,100	364,615
Interest on funds	27	779
Contribution towards grant programme costs	(100)	(100)
Grants paid out in the year	(210,056)	(624,891)
Funds held as at 31 December	7,500	187,529

NCT acts as an agent managing grant programmes on behalf of other charities, as summarised above. The movement of these funds is not recognised in the statement of financial activities of the Group.



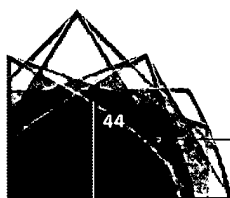
Notes to the financial statements – as at 31 December 2017

18. RESTRICTED FUNDS

	At 1 January 2017 £	Income £	Expenditure £	Gains, losses and transfers £	At 31 December 2017 £
Charity					
General HCPT funds	1,729,202	291,848	(1,713,399)	188,439	496,090
ICBS funds for Church of England churches	6,355	1,717	(7,609)	-	463
Yorkshire Maintenance Project	49,881	-	(49,881)	-	-
Cost of fundraising events	-	6,250	(6,250)	-	-
Ride and Stride	-	4,000	(4,000)	-	-
Spires appeal	269	184	(453)	-	-
Repair grants	-	1,000	-	-	1,000
Community grants	-	25,000	(25,000)	-	-
Repair or community grants	-	75,000	-	-	75,000
Maintenance grants	20,000	132,400	(132,136)	-	20,264
Grants for grade I listed pre-Victorian churches	-	-	(15,704)	15,704	-
Grants for pre-Victorian churches	-	312	(312)	-	-
Grants for churches in:	-	-	-	-	-
England	-	50,000	(50,000)	-	-
Birmingham & West Midlands	-	10,000	(10,000)	-	-
Bristol and Dorset	-	1,000	(1,000)	-	-
Devon	-	2,000	-	-	2,000
Hampshire and the Islands	-	313	(313)	-	-
Leicestershire	-	2,500	-	-	2,500
Norfolk	-	1,100	(1,100)	-	-
Specific Yorkshire churches	55,000	14,825	(69,825)	-	-
St Mary's Church, Redgrave	141,635	-	(141,635)	-	-
Charity total	2,002,342	619,449	(2,228,617)	204,143	597,317
The Luke Trust Income funds (note 24)	68,092	23,066	(20,000)	412	71,570
Group total	2,070,434	642,515	(2,248,617)	204,555	668,887

19. ENDOWMENT FUNDS

	R. de Pass legacy £	Luke Trust £	Total £
At 1 January 2017	1,460,000	641,069	2,101,069
Legacy income	9,922	-	9,922
Investment Income	27,327	-	27,327
Transfers (note 20)	(15,704)	-	(15,704)
	1,481,545	641,069	2,122,614
Investment gain	64,293	43,915	108,208
At 31 December 2017	1,545,838	684,984	2,230,822



Notes to the financial statements – as at 31 December 2017

The endowment fund bequeathed by Mr R. de Pass must be held permanently by the HCPT. Income which arises from this endowment fund can be used for the maintenance of the fabric of Grade I listed historic parish churches dating from before the Victorian period. A total return resolution for this endowment was passed by the trustees in December 2017 (see note 20). The transfer of funds from the de Pass legacy represents the annual transfer to the income fund, to be spent in line with the above restriction.

The endowment fund held by the Luke Trust must be held permanently. The movement in the year represents the gains on revaluation of investments. Income which arises from this endowment fund (see note 18) can be used for grants to churches, subject to certain geographical preferences.

20. APPLICATION OF THE POWER OF TOTAL RETURN TO THE R DE PASS LEGACY ENDOWMENT

The investment power of total return was granted to the Trustees via the passing of a total return resolution on the 14 December 2017. The charity received advice with regard to the use of the power to ensure it does not prejudice the ability of the charity to support both current and future beneficiaries. The power permits the Trustees to invest the permanently endowed funds of the R de Pass legacy endowment to maximise total return and apply an appropriate portion of the unapplied total return income each year. Until the power is exercised to transfer a portion of unapplied total return to income, the unapplied total return remains part of the permanent endowment. The power of total return allows the Trustees to decide in each year how much of the unapplied total return is transferred to income funds and so available for grant making expenditure (as restricted under the terms of the original legacy). An amount of £15,704 was transferred in the year.

The investment fund and application of total return to permanent endowment fund:

	2017 £
Value of original endowment	1,460,000
Opening value of unapplied total return 1 January	-
Add:	
Additional legacy received	9,922
Investment return: income	27,327
Investment return: unrealised gains/(losses) on investments	64,293
Unapplied total return before transfers to income	101,542
Less:	
Unapplied total return applied	(15,704)
Unapplied total return as at 31 December	85,838
Add:	
Value of original endowment	1,460,000
Permanent endowment including unapplied total return as at 31 December	1,545,838

Notes to the financial statements – as at 31 December 2017

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible fixed assets	32,500	–	–	32,500
Investments	1,222,779	1,890,623	2,209,277	5,322,679
Current assets	1,661,034	317,963	21,545	2,000,542
Creditors: due within one year	(73,609)	(1,539,699)	–	(1,613,308)
At 31 December 2017	2,842,704	668,887	2,230,822	5,742,413

Charity	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Tangible fixed assets	32,500	–	–	32,500
Investments	1,257,219	1,790,035	1,524,293	4,571,547
Current assets	1,661,034	316,981	21,545	1,999,560
Creditors: due within one year	(108,049)	(1,509,699)	–	(1,617,748)
At 31 December 2017	2,842,704	597,317	1,545,838	4,985,859

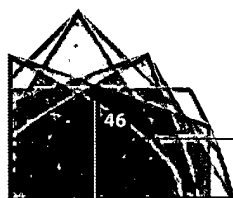
The total unrealised gains /(losses) as at 31 December 2017 constitute movements on revaluation of investments and are as follows:

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Unrealised gains at 1 January	1,291,391	996,980	994,610	754,915
Less: in respect of disposals in the year	(300,448)	–	(3,667)	–
Add: net gains arising on revaluation in the year	268,589	294,411	264,011	239,695
Total unrealised gains at 31 December	1,259,532	1,291,391	1,254,954	994,610

22. OPERATING LEASE COMMITMENTS

Annual commitments of the Group and Charity in respect of operating leases expire as follows:

Group & Charity	2017 £	2016 £
Less than 1 year	16,051	16,051
Between 1 and 2 years	4,013	16,051
Between 2 to 5 years	–	4,013
Total	20,064	36,115



Notes to the financial statements – as at 31 December 2017

23. MEMBERS' LIABILITY

The company has no share capital and is a charitable company limited by guarantee. The members would be required to contribute a maximum of £10 each in the event of liquidation.

24. THE LUKE TRUST

The Luke Trust, registered charity no. 1000550, is deemed to be a subsidiary of NCT as the latter is the sole trustee of the former. The income of the Luke endowment is directed towards churches within the remit of HCPT needing assistance for fabric repair, subject to certain geographical preferences.

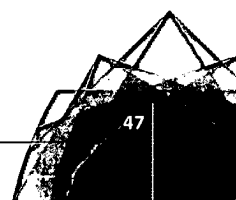
A summary of the financial statements of The Luke Trust is as follows:

	2017 £	2016 £
Statement of financial activities		
Investment income	23,066	22,439
Charitable activities - grants awarded	(20,000)	(15,000)
Gain on investment assets	44,327	54,715
Net increases in funds	47,393	62,154
Balance sheet		
Investments	751,132	641,069
Net current assets	5,422	68,092
Total net assets	756,554	709,161
Income funds available for Luke Trust purposes	71,570	68,092
Permanent endowment funds	684,984	641,069
Total funds	756,554	709,161

25. RELATED PARTY TRANSACTIONS

The Charity has taken advantage of the exemption from disclosing transactions between itself and The Luke Trust, under the terms of FRS 102.

The aggregate amount of donations received in the year from trustees was £11,340 (£2016: £9,320).



In 2017 we awarded or recommended gr

Cinnamon Grants

BOURNWMOOUTH, Cornerstone Church	2,000
BURTON LAZARS, St James	2,000
CHESTER, Blacon, Holy Trinity without-the-walls	2,000
KINGSTON UPON HULL, Hull Minster	2,000
LLANWRTYD, St David's Old Church	2,000
LONDON, SOUTHWARK, St George the Martyr with St Alphege and St Jude	2,000
LYDNEY, St Mary MILTON, St Blaise	2,000
MILTON, St Blaise	2,000
NEWCASTLE, Christ church	2,000
RUGBY, St Peter and St John	2,000
ST NICHOLAS (Dyfed), St Nicholas	2,000
STAMFORDHAM, St Mary the Virgin	2,000

£24,000

Community Grants

APULDRAM, St Mary the Virgin	20,000
AUCKLAND, St Helen	10,000
AVONMOUTH, St Andrew	10,000
BIRMINGHAM, Edgbaston, St Germain	10,000
BLACKPOOL, Marton United Reformed Church	5,000
BOURNEMOUTH, Cornerstone church	10,000
BURTON LAZARS, St James	10,000
CAERWYS, St Michael	10,000
CASTON, Holy Cross	15,000
CHESTER, Blacon, Holy Trinity without-the-walls	10,000
DONNINGTON, St George	10,000
LINLITHGOW, St Peter's Episcopal Church	20,000
LISKEARD, St Martin	15,000
LONDON, Stoke Newington, St Andrew	20,000
LYDNEY, St Mary	10,000
MILTON, St Blaise	5,000
NEWCASTLE, Christ Church	10,000
POOLE, Parkstone Christian Centre	13,000
RUGBY, St Peter and St John	10,000
SEAVIEW, St Peter	10,000
SOUTHWOLD, St Edmund, King and Martyr	20,000
STAMFORDHAM, St Mary the Virgin	10,000
STANLEY, St Andrew	5,000
THETFORD, St Cuthbert	20,000
WINCLE, St Michael's	10,000

£298,000

Maintenance Grants

ABERYSTWYTH, Seion Chapel	1,616
ASCOT HEATH, All Saints	2,500
ASHBY ST LEDGERS, Blessed Virgin Mary and St Leodegarius	2,500
ASTLEY, St Mary the Virgin	1,882
BELCHAMP OTTEN, St Ethelbert and All Saints	1,000
BICKERSTAFFE, Holy Trinity	570
BIRMINGHAM, Edgbaston, St Mary and St Ambrose	2,500
BISHOPTON, Bishopton Parish Church	1,600
BOLTON, St Paul Halliwell (West Bolton Team)	1,101
BUCKNELL, St Marys	950
CAPUTH, Caputh Parish Church	1,397
CARDIFF, Llanishen Methodist Church	2,500
CHIGWELL, St Mary	2,500
CROFT ON TEES, St Peter	2,500
DOYNTON, Holy Trinity	2,500
DUNDEE, St Andrew	2,000
DUNGANNON, Church of the Assumption	2,500
EAST WORLINGTON, St Mary	1,109
EASTLING, St Mary	1,900
EDINBURGH, Craiglockhart Parish Church	1,732
EDINBURGH, St Margarets	2,500
FOVANT, St George	1,500
HAGWORTHINGHAM, Holy Trinity	2,500
HARBERTON, St Andrew	2,500
KETTLEBURGH, St Andrew	2,000
LETCOMBE BASSETT, St Michael and All Angels	2,298
LITTLE WITLEY, St Michaels and All Angels	2,500
LONDON, DEPTFORD, St Paul	2,500

LONDON, St Ethelburga's Centre	2,500
LOSSIEMOUTH, St Gerardine's	2,000
MICHELDEVER, St Mary the Virgin	2,500
NEWBOLD-ON-STOUR, St David	1,000
NEWDIGATE, St Peters	2,500
NEWTOWNARDS, St Mark's	2,500
OVING, St Andrew	2,500
RINGMORE, All Hallows	2,500
SALTASH, St Dominic	2,500
SANQUHAR, St Bride	2,500
SHEFFIELD, CARVER STREET, St Matthew	2,500
SHEFFIELD, Cemetery Road Baptist Church	2,500
SOUTHBOROUGH, St Peter's	1,347
SOWERBY BRIDGE, Christ church	1,816
THORPE MANDEVILLE, St John the Baptist	2,500
TORRINGTON, St Giles	2,500
TROON, Portland Parish Church	1,423
WEM, St Peter and St Paul	1,000
WEST BUTTERWICK, St Mary	2,500
WEST WORLINGTON, St Mary	1,125
WESTON PATRICK, St Lawrence	2,000
WHITFIELD, Holy Trinity	2,140
WINGRAVE, St Peter and St Paul	2,500

£104,006

Northern Ireland Maintenance Micro Grants

Drone surveys	5,090
BANGOR, Bangor Presbyterian Church	500
PORTADOWN, Thomas Street Methodist Church	650
SWATRAGH, Swatragh parish church	500

£6,740

Preventative Maintenance Micro Grants

CROFTON, All Saints	463
ENDCLIFFE, St Augustine	1,000
HOYLAND, St Peter	882
LEEDS, Roundhay, St Edmund	1,358
SHEFFIELD, Carver Street, St Matthew	1,000
YORK, St Olave's	441

£5,144

Project Development Grants

ALSTON, St Augustine	10,000
CARDIFF, Trinity Methodist Church	2,470
DERBY, St Thomas	4,000
EAST BRENT, St Mary The Blessed Virgin	7,000
FLAMSTEAD, St Leonard	7,000
GRINDLEFORD, Padley Chapel	6,000
LONDON, CITY OF LONDON, St Peter upon Cornhill	3,000
LONDON, CLAPTON COMMON, St Thomas'	7,500
LOUGHTON, Loughton Baptist Church	1,100
RHYMNEY, Penuel Baptist Church	2,400
ST LEONARDS-ON-SEA, The Greek Orthodox Church of St Mary Magdalene	6,000
SWYNCOMBE, St Botolph	1,848
THURSFORD, St Andrew	2,500
WOMERSLEY, St Martin	2,792

63,610

Partnership Grants

Bedfordshire and Hertfordshire Historic Churches Trust

BENGEO, St Leonard	5,000
CRANFIELD, St Peter and St Paul	5,000
EYEWORTH, All Saints	5,000
HEATH AND REACH, St Leonard	5,000

Cambridgeshire Historic Churches Trust

LITTLE PAXTON, St James	5,000
SOMERSHAM, St John the Baptist	5,000

Cornwall Historic Churches Trust

BOTUS FLEMING, St Mary	2,500
LANNER, Christ Church	5,000
TREMAINE, St Winwaloe	2,500
TRESLOTHAN, St John the Evangelist	10,000

Grants to 230 projects totalling £1,719,820

Dorset Historic Churches Trust

BRIDPORT, St Mary	5,000
MILTON ABBEY, St Mary, St Blaise and St Branwalader	2,500
NETHER COMPTON, St Nicholas	5,000
PUNCKNOWLE, St Mary the Blessed Virgin	2,500

Friends of Kent Churches

MAIDSTONE, St Martin	5,000
MEREWORTH, St Lawrence	2,500
PRESTON-NEXT-FAVERSHAM, St Catherine	2,500
RAMSGATE, St Laurence	2,500

Greater Manchester Churches Preservation Society

OLDHAM, St Paul	2,500
-----------------	-------

Hampshire and the Islands Historic Churches Trust

AMPFIELD, St Mark	4,000
HYTHE, St John the Baptist	4,060
LAVERSTOKE, St Mary the Virgin	4,000
THRUXTON, St Peter and St Paul	5,000

Herefordshire Historic Churches Trust

ABBEY DORE, Holy Trinity and St Mary	3,000
ALMELEY, St Mary	3,000
LEYSTERS, St Andrew	4,000

Leicestershire Historic Churches Trust

ASHBY DE LA ZOUCH, Holy Trinity	2,500
BUCKMINSTER, St John the Baptist	2,500
HUMBERSTONE, St Mary	2,500
PACKINGTON, The Holy Rood	2,500
THURNBY, St Luke	2,500
WITHERLEY, St Peter	2,500

Norfolk Churches Trust Ltd

COLTON, St Andrew	5,000
-------------------	-------

Northamptonshire Historic Churches Trust

BLISWORTH, St John the Baptist	2,500
EVERDON, St Mary	5,000
STOWE, St Michael	5,000

Oxfordshire Historic Churches Trust

HAILEY, St John the Evangelist	3,000
NORTH ASTON, St Mary	7,500

Scotland's Churches Trust

BRIDGETON, St Francis-in-the-East	5,000
GATEHOUSE OF FLEET, St Mary's Episcopal Church	2,000
KINGSBARN, Parish Church	3,000
MOTHERWELL, Dalziel St Andrew's Parish Church	3,000

Somerset Churches Trust

ENMORE, St Michael	3,000
MARTOCK, All Saints	2,000
MERRIOT, All Saints	7,500
WILLITON, St Peter	2,500

Suffolk Historic Churches Trust

GREAT BEALINGS, St Mary	4,000
HINTLESHAM, St Nicholas	6,000
SOUTH ELMHAM, St James	5,000
TATTINGSTONE, St Mary the Virgin	5,000

Surrey Churches Preservation Trust

COMPTON, St Nicholas	2,500
GUILDFORD, St Mary	5,000
WALTON-ON-THAMES, Methodist Church	5,000
WESTON GREEN, All Saints	2,500

The Nottinghamshire Historic Churches Trust

HAWTON, All Saints	5,000
NORTH MUSKHAM, St Wilfrid	5,000
SUTTON ON TRENT, All Saints	5,000

Wales

BETTWS, Bettws Chapel	5,000
PENRHIWCEIBER, St Winifred	5,000
TREGYNON, St Cynon	5,000

Warwickshire and Coventry Historic Churches Trust

BICKENHALL, St Peter	2,500
----------------------	-------

Wiltshire Historic Churches Trust

SHAW, Christ Church	5,000
STOURTON, St Peter	5,000

£255,560

Repair Grants

ABERDARE, St Elvan	40,000
BARRY, All Saints	20,000
BELFAST, Mount Merrion Parish Church	10,000
BLACKPOOL, Holy Trinity	12,000
BOSTON, St Botolph	40,000
BRADFORD, Bowling St Stephen	34,000
BRISTOL, St Philip and St Jacob	20,000
BUCKLAND, St Mary the Virgin	10,000
BURNSALL, St Wilfrid	10,000
CONGLETON, St Peter	10,000
CWMYSTWYTH, St Michael and All Angels	
(Eglwys Newydd/Hafod church)	10,000
DARWEN, St Peter	15,000
DAVENTRY, Woodford Halse, St Mary the Virgin	5,000
DONHEAD ST ANDREW, St Andrew	20,000
DUNSCORE, Dunscore Parish Church	10,000
GRASSENDALE, St Mary	5,000
HANDSWORTH, St Mary	10,000
HERNE, St Martin in Herne	30,000
HOLLINWOOD, St Margaret of Antioch	7,000
HUDDERSFIELD, Holy Trinity	10,000
KINGSTON UPON HULL, Hull Minster	20,000
LAMPLUGH, St Michael	8,000
LEICESTER, St Mary de Castro	30,000
LLANWRTYD, St David's Old Church	20,000
LONDON, FRIERN BARNET, All Saints	10,000
LONDON, PADDINGTON, St Mary Magdalene	10,000
LONDON, SOUTHWARK, St George the Martyr with St Alphege and St Jude	10,000
LONDON, Stoke Newington, St Andrew	15,000
LONDON, STREATHAM, St Leonard	15,000
LUNDY, St Helen	20,000
LYTHAM St Annes, Fairhaven United Reformed Church	12,000
MALTON, Malton Methodist Church	10,000
NEWCASTLE UPON TYNE, St Thomas the Martyr	20,000
NEWTON ST LOE, Holy Trinity	10,000
OLD HILL, Holy Trinity	10,000
ORDSALL AND SALFORD QUAYS, St Clements	7,000
OVER, WINSFORD, United Reformed Church	5,000
PEVENSEY, St Nicolas	10,000
RAUNDS, St Peter	20,000
SAND HUTTON, St Mary	15,000
SHARDLOW, St James	12,000
SHREWSBURY, Holy Cross (Shrewsbury Abbey)	10,000
SOUTHPORT, St Luke	10,000
ST NICHOLAS (Dyfed), St Nicholas	10,000
STAUNTON-ON-WYE, St Mary	12,000
TOWERSEY, THAME, St Catherine	10,000
ULCEBY, St Nicholas	8,000
WESTON-UNDER-PENYARD, St Lawrence	10,000
WORCESTER, St Helen	10,000
WORKINGTON, St John the Evangelist	25,000

£722,000

An additional 6 other grants totalling £30,000 recommended on behalf of other funders. A further £210,760 of grants were paid out to specific churches in line with the original legacy restriction.

We are grateful to the many donors who generously support the Trust, including those listed below and others who prefer to remain anonymous.

Legacies

Margaret Anson-Owen
Lorna Ash
Frank Barr
Valerie Bertenshaw
J Buswell
Colin Emmins
Peter Hacker
Averill Kelly
Mary Laws
Margaret Miller
Roy Morris
Valerie Pearce
Nigel Power
Florence Summerskill
Anthony Welling
Jennifer Whittington
Peter Wilkinson
John Willetts
Betty Williams

Major Gifts

Richard Carr-Archer
Peter Goodwin
Catharine Kroon
Luke March DL

Trust and Foundations that gave in 2017.

Oliver J Colman
LJC Fund Ltd
Major General Sir A G V Paley's Second Charitable Trust
P F Charitable Trust
Patron's Lunch Events Limited
Sir John Sumner's Trust
The Antelope Trust
The Atlas Fund
The Beatrice Laing Trust
The Cedars Trust
The Doctor and Mrs Alfred Darlington Charitable Trust
The Dulverton Trust
The Dyers' Company
The Earl Mawby Trust
The Edinburgh Trust No 2
The Englefield Charitable Trust
The Eversley Charitable Trust
The G M Morrison Charitable Trust
The Gatliff Trust
The Gladys Wightwick Charitable Trust
The Goldsmiths' Company
The Helen Isabella McMorran Charitable Foundation

The Heritage Lottery Fund
The Ian Askew Charitable Trust
The Jack Patston Charitable Trust
The Jonathan Towler Memorial Foundation
The Kettle Memorial Fund
The McCorquodale Charitable Trust
The Mercers' Charitable Foundation
The Mill Garden Trust
The Oakley Charitable Trust
The Oldcastle Charity
The Patricia and Donald Shepherd Charitable Trust
The Pennycress Trust
The Peter Stormonth Darling Charitable Trust
The Pilgrim Trust
The Privy Purse Charitable Trust
The Rhododendron Trust
The Roger & Douglas Turner Charitable Trust
The Roland Callingham Foundation
The Seven Pillars of Wisdom Trust
The Sir Jeremiah Colman Gift Trust
The Tanner Trust

