

Company No 79323

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**Financial statements for
the year ended 31 December 2003**

Church Society Trust
(A Company Limited by Guarantee)



Church Society Trust

Financial statements for the year ended 31 December 2003

Directors

The Revd Canon M W Walters (Chairman)
The Revd J A Cheeseman (from 1 July 2003)
J M Fothergill Esq
The Revd Dr P D Gardner
The Revd Canon S C Holbrooke-Jones (until 1 July 2003)
P Gore Esq.
T J P Stevenson Esq
The Revd Canon D H Wheaton

Secretary

The Revd D K Phillips

Company number

79323

Registered office

Dean Wace House
16 Rosslyn Road
Watford
WD18 0NY

Auditors

Skingle Helps & Co
28 Southway
Carshalton Beeches
Surrey
SM5 4HW

Business address

Dean Wace House
16 Rosslyn Road
Watford
WD18 0NY

Church Society Trust

Directors' report for the year ended 31 December 2003

The directors present their report and the financial statements for the year ended 31 December 2003.

Objectives

The objectives of Church Society Trust are set out in its Memorandum of Association. They are to assist Church Society, a Registered Charity, in its patronage activities.

Church Society Trust exercises its patronage rights in the parishes of which it is Patron and represents the Society's interests in matters such as the protection of the patronage system, challenging the suspension of livings, the training of ordinands and clergy and the selection of suitable candidates for vacancies where the Trust has influence.

The Trust has no financial assets in its own right. All its expenses are paid from the funds of Church Society. It is managed by a Board of Trustees (known as Directors) who are selected from the Members of the Trust who themselves are appointed by the Directors, subject to the approval of the Council of Church Society. The Directors are confirmed in office annually by the Council of Church Society. They meet monthly to conduct their business. In order to assist in filling vacancies, they keep a register of candidates who might be considered. Candidates are expected to support the doctrine and worship of the Church of England as set out in the 39 Articles of Religion and the Book of Common Prayer as adopted in 1662 and to uphold the supreme and exclusive sufficiency and authority of Holy Scripture as containing all things necessary for salvation.

Review of the activities

The main business of the Trust is to exercise Patronage Rights and to support the ministry in the 113 parishes of which it is the Patron. In just under half of these, the Trust is the sole patron. In the remaining parishes, patronage is exercised jointly, in turns, or by a Board. The Trust therefore does not always have a say in appointments. In addition, increasing numbers of benefices are suspended leading to the appointment of a Priest-in-Charge. Legally this is the appointment of the Bishop alone. Recent experience has shown that not all Bishops follow the code-of-practice under which they are expected to involve parish and patron fully in the appointment.

In addition to its patronage work, Church Society Trust is responsible for the ministry at two Proprietary Chapels (the Mariners Church in Gloucester and St James's Ryde) and at Christ Church, Düsseldorf (Diocese of Europe) and Lighbowne Evangelical Church (an independent church in Greater Manchester).

The backdrop to the work of the Trust is the decline in numbers of stipendiary clergy and financial problems being faced by many dioceses. These factors have led to a growing number of schemes for pastoral re-organisation for the creation of teams and united benefices. In the former case, the Trust's sole patronage is replaced by a patronage board, which includes diocesan involvement. Although the formal role of the Trust in appointments is often weakened it is increasingly required to consider schemes for re-organisation and is regularly consulted by Trust parishes and others regarding the application of legislation and the rights of parishes with regards appointments.

The Trust has also found a gradually shifting ecclesiology whereby many are tending to promote the idea of the diocese and Bishop as the fundamental unit of the Church. This is a significant change which impacts on the role of Patrons and is contrary to the doctrine of the Church set out in the 39 Articles.

In working to support local churches and their ministry the Trust is involved in far more than just appointments or re-organisation. The Trust Directors and Members are in regular contact with most of the parishes and preachments are often arranged. Through Church Society, literature and resources are produced and made available to parishes. The Society also engages in campaigning work on behalf of its members and churches.

Church Society Trust

Directors' report for the year ended 31 December 2003

The Trust is also represented at the Patrons Consultative Group (formerly Private Patrons Consultative Group) and the Evangelical Patronage Consultative Council (EPCC). During the course of the year, Kenneth Habershon stepped down as chairman of EPCC and Andy Piggott of CPAS was appointed as chairman.

During the course of 2003, the Trust Directors considered a number of issues impacting the work of patronage and the churches for which they have responsibility. This included consideration of the government's proposals regarding Lord Chancellor's patronage, employment law review and the General Synod initiated review of the pastoral measure. Representation was made on each of these.

The General Secretary of the Society continued to act as Secretary to the Trust and an administrative assistant was employed who was able to help with some of the routine administration of the Trust. However, the Trust Directors and some by Trust Members undertake much of the work.

The Trust received by bequest the patronage of St. John's HARTFORD (Chester Diocese).

During 2003 the following **appointments** were made:

WARBOYS Broughton, Wistow & Bury (Ely) - Peter Dowman was instituted as incumbent.

Great Canfield with HIGH RODING and Aythorpe Roding (Chelmsford). - John Sibson was licensed as Priest-in-charge (the Trust was not party to this appointment).

Duloe, Herodsfoot, Morval & ST. PINNOCK (Truro). - Christopher Newell was licensed as Priest-in-charge (the Trust was not party to this appointment).

High Halstow with Allhallows & HOO (Rochester) - Stephen Gwilt was instituted as incumbent.

St. Mary's CHEADLE (Chester). - The appointment of Rob Munro as next incumbent was announced.

St. Peter's STAPENHILL (Derby) - Michael Andreyev was licensed as Priest-in-Charge.

St. Paul HALLIWELL (Manchester) - Michael Taylor was licensed as NSM Team Vicar.

PELDON with Great & Little Wigborough & East and West Mersea (Chelmsford) - Sam Norton was licensed as Priest-in-Charge (the Trust was not party to this appointment).

HURWORTH with Dinsdale & Sockburn (Durham) - The appointment of Michelle Fergusson as the next incumbent was announced (the Trust did not consent to this appointment).

St. Alban's STREATHAM PARK (Southwark) - The appointment of Marc Richeaux as the next Incumbent was announced.

Kirklington w Burneston & WATH & Pickhill (Ripon and Leeds) - The appointment of Julie Nelson as next Priest-in-Charge was announced (the Trust did not consent to this appointment).

All Saints DANEHILL (Chichester) - David Hall was licensed as Priest-in-Charge.

Six Pilgrims including BABCARY (Bath & Wells) - Patrick Craig was appointed as Priest-in-Charge (the Trust were not party to this appointment).

St. John's HARTFORD (Chester) - The appointment of Mike Smith as the next incumbent was announced (presentation had lapsed to the Bishop).

Pewsey & Swanborough Team (including PEWSEY) (Sarum) - The appointment of Hugh Hoskins as Team Rector was announced. (Appointment by a Board on which the Trust was represented.)

There were 9 **vacancies outstanding**, or known to be shortly vacant, 31 December 2003.

During the year, the Trust Directors considered proposals for suspensions, re-organisation and other **pastoral schemes** in respect of sixteen parishes. Schemes came into effect in the following parishes:

MURSLEY (Oxford)

DAGENHAM (Chelmsford)

Exe Valley Team (including WASHFIELD) (Exeter)

FILLONGLEY & CORLEY (Coventry)

KINGHAM (Oxford)

The Directors of the Trust are appointed annually at the first meeting of the new Council of Church Society, now in July. Directors are appointed from among the members of the Trust. At the end of 2003, there were 34 members of the Trust

Church Society Trust

Directors' report for the year ended 31 December 2003

Statement of directors' responsibilities

Company law requires the trustees/directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the company and of its financial results for the period. The financial statements have also been prepared in accordance with applicable accounting standards and with current charity law in the form of 'Accounting by Charities', the Statement of Recommended Practice (SORP), in order to. In preparing those financial statements, the trustees/directors are required to: -

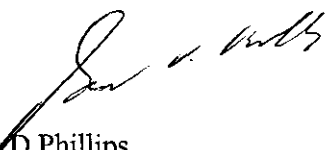
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The trustees/directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud or any other irregularities.

Auditors

Skingle Helps & Co have expressed their willingness to continue in office. A resolution proposing their re-appointment will be put to the forthcoming annual general meeting.

By order of the Directors



D Phillips
Company Secretary

20 July 2004

Independent auditors' report to the members on the audited accounts of Church Society Trust

We have audited the financial statements of Church Society Trust for the year ended 31 December 2003 on pages 5 and 6, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors/trustees and auditors

As described in the statement of directors'/trustees' responsibilities on page 3 the charitable company's directors/trustees are responsible for the preparation of the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors'/trustees' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors'/trustees' remuneration and transactions with the charitable company is not disclosed.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 December 2003 and of its incoming resources and application of resources including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Signature

SKINGLE HELPS & CO
Chartered Accountants
and Registered Auditors

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Church Society Trust

Balance sheet As at 31 December 2003

	Notes	2003 £	2002 £
Current assets			
Bank and short term deposits		1	1
		<u>1</u>	<u>1</u>
Creditors: amounts falling due within one year		(1)	(1)
		<u>(1)</u>	<u>(1)</u>
Net assets		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Accumulated Reserves			
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

The notes on page 6 also form part of these financial statements.

The financial statements were approved by the Board on 20 July 2004
and signed on their behalf by



Director



Director

Church Society Trust

Notes to the financial statements For the year ended 31 December 2003

1 Accounting policies

The following accounting policies are considered material in relation to the charitable company's financial statements.

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with applicable United Kingdom Accounting Standards. The provisions of "Accounting by Charities", the Statement of Recommended Practice (SORP), have been adopted in these financial statements.

2 Income and expenditure

The trust received no income and incurred no expenditure during the year.

3 Employee information

	2003 £	2002 £
Staff costs	-	-

There were no employees during the year apart from the Directors.

The Directors did not receive any remuneration in respect of their services to the company for the year ended 31 December 2003 (2002: £nil).

4 Creditors: amounts falling due within one year

	2003 £	2002 £
Amounts owed to Church Society	1	1

5 Commitments and contingent liabilities

5.1 Contingent liabilities

The company had no material contingent liabilities at 31 December 2003 that have not been provided for in these accounts (2002: £nil).