

Company No 79323

Contents

Trustees' and Directors' report	1-3
Auditors' report	4
Balance sheet	5
Notes to the financial statements	6

Financial statements for
the year ended 31 December 2004

Church Society Trust

(A Company Limited by Guarantee)



Church Society Trust

Financial statements for the year ended 31 December 2004

Directors

The Revd Canon M W Walters (Chairman)
The Revd Dr M Burkill (from 2 Nov 2004)
The Revd J A Cheeseman
J M Fothergill Esq
The Ven Dr P D Gardner
P Gore Esq.
T J P Stevenson Esq (until 2 Nov 2004)
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 2004

The directors present their report and the financial statements for the year ended 31 December 2004.

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 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 Lightbowne 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.

Church Society Trust

Directors' report for the year ended 31 December 2004

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.

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 2004, the Trust Directors considered a number of issues impacting the work of patronage and the churches for which they have responsibility. At one meeting the Trust Directors welcomed Barry Goodwin of St. Saviour's Brixton Hill to talk about ministry in areas of urban regeneration. There were also issues relating to properties, in particular vicarages. The Trust noted and monitored the Rochester Report on Women Bishops and the Clergy Terms of Service proposals.

The General Secretary of the Society continued to act as Secretary to the Trust, with assistance in paperwork from David Meager as Administrative Assistant. The Trust Directors and some Trust Members undertake much of the work.

It is customary for the Trust to refer to benefices by the name of the parish for which we originally held the patronage rights rather than by the name they are presently known by. Whilst this sometimes causes problems of identification it is beneficial over the long-term where parishes are being re-organized on a frequent basis.

During 2004 the following **appointments** were made:

- Holy Trinity, OLD HILL (Worcester) Martin Hancock was appointed as Incumbent with the Bishop of Worcester presenting. (Presentation to this living lapsed to the Archbishop of Canterbury because no candidate approached had been accepted after 9 months.)
- Holy Trinity, WALLINGTON (Southwark) Stephen Coe (Presentation to this living lapsed to the Archbishop, although Stephen Coe had been put forward by the Trust prior to presentation lapsing.)
- St. Andrew, BRADFIELD and St. Denys STANFORD DINGLEY (Oxford) Eddie Marquez was appointed by the Bishop as Priest-in-Charge.
- EVENLODE (Broadwell Group, Gloucester) Richard Rendall was appointed as incumbent (patronage is jointly held).
- St. Saviour BACUP (Bacup Team, Manchester) Garry Whittaker was appointed as Team Rector. (This appointment was made by the Area Bishop with only limited participation from the other patrons. A candidate had been appointed earlier in the year but then withdrew.)
- All Saints with Holy Trinity WANDSWORTH (Southwark). Gregg Prior was appointed as Incumbent.
- WOODHAM WALTER (Chelmsford) Barry Johnson, curate of a neighbouring parish, was appointed by the Bishop as Priest-in-Charge.
- WHINBURGH (Norwich) Douglas Alexander was appointed as Team Rector. (The Trust had no involvement in this appointment.)
- GLOUCESTER MARINERS Chapel. Michael Swain was appointed as a part-time lay chaplain.
- KENCOT (Shill Valley and Broadshire Group) Harry MacInnes was instituted as incumbent. (This was the Trust's turn, but the patronage is held jointly.)

There were 9 **vacancies outstanding** at 31 December 2004.

Church Society Trust

Directors' report for the year ended 31 December 2004

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

STOKE ASH etc (St. Eds and Ips) – to change the benefice name.

STIRCHLEY (Central Telford Team, Lichfield Diocese) – incorporating a further parish.

BACUP, St. Saviour (Manchester) – creating a team out of four parishes. (The Trust objected to the new patronage arrangements but were overruled by the Church Commissioners.)

During the course of the year the Team Rector of Worthing Team became vacant. Although the Trust has often included this in its lists it is not actually under our patronage. The Trustees of Holy Trinity Worthing have one place on the Board and although at one stage all these appear to have been members of the Trust, and although we hold the historical record, it is not actually our patronage. We were, however, able to offer some advice and assistance to the Trustees most of whom are members of Church Society.

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 2004, there were 36 members of the Trust.

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 preparing those financial statements, the trustees/directors are required to: -

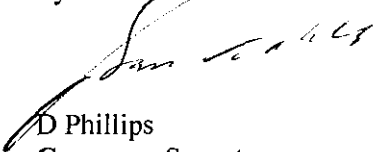
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements 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

25 May 2005

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 2004 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 2004 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

26 July 2005

Balance sheet

As at 31 December 2004

5

Church Society Trust

Notes to the financial statements For the year ended 31 December 2004

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

	2004 £	2003 £
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 2004 (2003: £nil).

4 Creditors: amounts falling due within one year

	2004 £	2003 £
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 2004 that have not been provided for in these accounts (2003: £nil).