

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 2002**

Church Society Trust
(A Company Limited by Guarantee)

Church Society Trust

Financial statements for the year ended 31 December 2002

Directors	The Revd Canon M W Walters (Chairman) The Revd Canon T K Parkin (until 5 November 2002) The Revd J A Cheeseman (until 5 November 2002) J M Fothergill Esq. (from 5 November 2002) The Revd Dr P D Gardner The Revd Canon S C Holbrooke-Jones (from 5 November 2002) 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 ONY
Auditors	Skingle Helps & Co 28 Southway Carshalton Beeches Surrey SM5 4HW
Business address	Dean Wace House 16 Rosslyn Road Watford WD18 ONY

Church Society Trust

Directors' report for the year ended 31 December 2002

The directors present their report and the financial statements for the year ended 31 December 2002.

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 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 2002

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 Private Patrons Consultative Group and the Evangelical Patronage Consultative Council.

During the course of 2002 the Trust made representations in respect of a review of the Pastoral Measure. The Trust also staged a one-day conference on preparing a Church for an interregnum. This was very well received and some delegates travelled considerable distances to attend.

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.

During 2002 the following **appointments** were made:

UPHILL with St. Barnabas Mission Church (Bath & Wells) - Everton McLeod was instituted as incumbent.

FOWEY, St. Fimbarus (Truro) - Philip de Grey-Warter was licensed as Priest-in-charge of Fowey and the neighbouring parish of Golant.

Shill Valley incl. KENCOT (Oxford) - Richard Harrison was licensed as Priest-in-charge (The Trust was not party to this appointment.)

HOLBORN, St. George the Martyr (London) - John Valentine was licensed as Priest-in-charge (This appointment was agreed before the Trust were notified.)

There were 15 **vacancies outstanding**, or known to be shortly vacant, 31 December 2002.

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:

BRUNSWICK, Christ Church (Manchester)

EAST BRIXTON, St. Jude (Southwark)

OLD WOKING, St. Peter (Guildford)

PANGBOURNE with Tidmarsh and Sulham (Oxford)

WALLINGTON, Holy Trinity (Southwark)

In addition a scheme came into effect creating a single benefice out of the former benefices of REEDHAM etc. and FREETHORPE etc. both in Norwich Diocese. This had the effect of reducing the patronage interests of the Trust by one, however notice was also received that the Trust would be receiving the Patronage of St. John's Hartford in Chester Diocese.

The Directors of the Trust are normally appointed annually in November at the first meeting of the new Council of Church Society. Directors are appointed from among the members of the Trust. At the end of 2002 there were 34 members of the Trust. However, it is expected that this practice may change in 2003 as the Society has moved its AGM to June.

Church Society

Directors' report for the year ended 31 December 2002

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. has 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

Auditors' report to the trustees on the audited accounts of Church Society Trust

We have audited the financial statements on pages 5 to 6, which have been prepared following the accounting policies set out on page 6.

Respective responsibilities of the directors/trustees and auditors

As described on page 3 the charitable company's directors/trustees are responsible for the preparation of financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the trustees'/directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting reports, 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.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 2002 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.

SKINGLE HELPS & CO
Chartered Accountants
and Registered Auditors

Church Society Trust

Balance sheet As at 31 December 2002

	Notes	2002 £	2001 £
Current assets			
Bank and short term deposits		1	1
		_____	_____
		1	1
Creditors: amounts falling due within one year		(1)	(1)
		_____	_____
Net assets		-	-
		=====	=====
Accumulated Reserves			
		_____	_____
		-	-
		=====	=====

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

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

Director

Director

Church Society Trust

Notes to the financial statements For the year ended 31 December 2002

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 accounts have been prepared under the historical cost convention.

2 Employee information

	2002 £	2001 £
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 2001 (2000: £nil).

3 Creditors: amounts falling due within one year

	2002 £	2001 £
Amounts owed to Church Society	1	1
	=====	=====

4 Commitments and contingent liabilities

4.1 Contingent liabilities

The company had no material contingent liabilities at 31 December 2002 that have not been provided for in these accounts (2001: £nil).