

Company No 79323

**Financial statements for
the year ended 31 December 2006**

Church Society Trust
(A Company Limited by Guarantee)

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Church Society Trust

Financial statements for the year ended 31 December 2006

Directors	The Revd Canon M W Walters (Chairman) The Revd S G Bowen (from 5 July 2006) The Revd Dr M E Burkill The Revd J A Cheeseman The Revd R W Farr (from 5 July 2006) P Gore Esq. T R Musson Esq (from 5 July 2006) The Revd Canon G Rideout (until 5 July 2006) The Revd Canon D H Wheaton (until 5 July 2006)
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 2006

The directors present their report and the financial statements for the year ended 31 December 2006.

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. Therefore, the Trust does not always have a decisive 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 (Gloucester Mariners Church and St James's Ryde), Christ Church, Düsseldorf in the Diocese of Europe and Lightbowne Evangelical Church, an independent church in Greater Manchester.

With the continued decline in clergy numbers together with financial problems there is a constant pressure to cut clergy posts by amalgamating parishes. This means that the majority of benefices which now become vacant are suspended in order to consider possible re-organisation. The attitude to patrons in the case of suspension varies tremendously. In a few instances the appointment is allowed to proceed as if it was not suspended, in others there is already a clear idea of who a Bishop wishes to become Priest-in-Charge and the patron is not involved at all. More often the appointment, though technically belonging to the Bishop alone, is handled with the involvement of parish representatives and patrons. Wherever possible the Trusts is as fully involved in the process as it can be.

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 2006

The Trust is represented at the Patrons Consultative Group (formerly Private Patrons Consultative Group) and the Evangelical Patronage Consultative Council (EPCC). During the course of the year, John Alderman was appointed chairman of EPCC.

During the course of 2006, the Trust Directors considered a number of issues impacting the work of patronage and the churches for which they have responsibility. This included the hearing regarding the removal of a licence for Richard Coekin following the Co-Mission ordinations which took place in the Trust parish of Surbiton Hill. The hearing found in favour of Mr Coekin.

Consideration was also given to the possible impact of the Dioceses, Pastoral and Mission Measure due to get final approval in February 2007.

The General Secretary attended, with other patrons, a meeting with the Clergy Terms of Service Drafting Group. The legislation on this matter, expected to first appear in February 2007 will propose the replacement of Freehold with a new concept of Common Tenure and the transfer of Parsonages from the Benefice to the Diocesan Parsonages Board. These two changes, though portrayed as relatively minor will have far reaching impact on the nature of the Church of England and on the working of patronage. The Trust has sought to monitor the proposals but until legislation is unveiled it has proved difficult to respond in detail because too much is unclear.

In March the Trust held a day conference in London entitled 'Maintaining a Biblical Ministry in the Parish'. This covered in detail the process of appointments as well as general encouragement. It was well attended and well received and the talks were subsequently made available on CDs through the Church Society website.

During the year three new Directors were appointed which necessitated a degree of acclimatization. In addition the Directors lost the wisdom of Canon David Wheaton who retired after over 30 years as a Director and many years as Chairman. Canon Gordon Rideout also retired as a director.

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 Trust Members undertake much of the work.

For its own business the Trust refers to the parish for which it holds the advowson although often a benefice is known by a different name. During 2006 the following **appointments** were made:

- BEBINGTON, St Andrew (Chester) - the appointment of Stephen Venables was announced (Sole patronage)
- The CHISHILLS (Chelmsford) - the appointment of Rod Doulton as Priest-in-Charge was announced (suspended but the various patrons were involved).
- COWDEN (Chichester) - Colin Gibb was appointed Priest-in-Charge (suspended but the appointment recommended by the Trust).
- DOLTON (Exeter) - Carolyn Brodribb was appointed as part-time Priest-in-Charge by the Bishop.
- BACUP, St. Saviour (Manchester) - David Woodhall was appointed as a Team Vicar (the Trust had been largely excluded from the process of this appointment).
- FREETHORPE & REEDHAM (Norwich) - Damon Rogers was appointed as incumbent (the Trust involved as one of three patrons).
- MANNINGFORD BRUCE (Salisbury) - Deborah Larkey and Leslie Valiant were appointed as Team Vicars (the Trust had not been involved in the appointment process).
- NORTH PICKENHAM (Norwich) - Stephen Thorp was appointed incumbent (the Trust was involved as one of four patrons).
- Duloe, Herodsfoot and ST. PINNOCK (Truro) - Richard Stranack was appointed on a house-for-duty basis by the Bishop.
- STOKE ASH (St. Eds & Ips) - Adrian Mason was appointed as Priest-in-Charge by the Bishop.
- TEWKESBURY, Holy Trinity (Gloucester) - Stephen Walker was appointed as Priest-in-Charge (the Trust was involved in the appointment process)

Church Society Trust

Directors' report for the year ended 31 December 2006

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- Woodham Mortimer w Hazeleigh & WOODHAM WALTER (Chelmsford) - Malcolm Pudney was appointed Priest-in-Charge by the Bishop.

There were 16 further **vacancies outstanding, or about to become vacant**, at 31 December 2006.

There were 27 (24%) benefices suspended at the end of the year awaiting possible pastoral re-organisation.

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

- LOW ELSWICK (Newcastle) creating a united benefice with St. Paul's Elswick with joint patronage.
- KINGHAM etc (Oxford) making St. Andrew's Daylesford redundant and uniting the parishes of Kingham and Daylesford within the Team ministry.
- KNODISHALL with BUXLOW (St Eds & Ips) renaming the benefice to "The Whinlands Benefice"
- SOUTHFIELDS, St. Michael and All Angels (Southwark) creating a united benefice with St Stephens Wandsworth with joint patronage.

In their capacity as Shareholders of the Kirchengrundstücksgesellschaft mbH the Directors were pleased to appoint, in conjunction with the Church Council and Bishop, Stephen Seamer as Chaplain of Christ Church Düsseldorf. The KGG is a German registered company which owns the land and properties relating to Christ Church. John Hall, a member of Church Society Council, spent most of the year as acting Chaplain during the vacancy.

The Directors hold the right to appoint a Trustee of St. John's School Blackpool Trust and are represented on the Trustees of St. Stephen on the Cliffs, Blackpool.

The Directors were disturbed to discover that the so-called 'Liberty Church', an organisation apparently encouraging homosexuals to unbiblical lifestyles, was meeting in the church halls of St. John's Blackpool. After protest it was revealed that St. John's had accepted grants to redevelop its building on condition that it did not discriminate on grounds of gender. The Directors issued a public statement opposing both the action and the acceptance of such grants.

During the year the Trust bank account was closed and the pound loaned by Church Society to keep this open was returned.

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.

Church Society Trust

Directors' report for the year ended 31 December 2006

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.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

2007

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 2006 which comprise the Balance sheet and the related notes set out on pages 6 and 7. These financial statements prepared under the historical cost convention and the accounting policies set out on page 6.

This report is made solely to the charitable 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 charitable 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 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.

Respective responsibilities of the directors/trustees and auditors

The responsibilities of the trustees (who are also the directors of Church Society for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page in the Statement of Trustees' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Annual Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 trustees' remuneration and other transactions is not disclosed.

We read the Annual Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2006;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Annual Report of the Trustees is consistent with the financial statements.

Skingle Helps & Co
Chartered Accountants
and Registered Auditors
2007

Church Society Trust

Balance sheet As at 31 December 2006

	Notes	2006 £	2005 £
Current assets			
Bank and short term deposits		-	1
		_____	_____
		-	1
Creditors: amounts falling due within one year		-	(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

2007

Director

Director

Church Society Trust

Notes to the financial statements For the year ended 31 December 2006

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

	2006 £	2005 £
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 2006 (2005: £nil).

4 Creditors: amounts falling due within one year

	2006 £	2005 £
Amounts owed to Church Society	-	1
	=====	=====

5 Commitments and contingent liabilities

5.1 Contingent liabilities

The company had no material contingent liabilities at 31 December 2006 that have not been provided for in these accounts (2005: £nil).