



Scottish Episcopal Church

33rd Annual Report

The General Synod of the Scottish Episcopal Church

Annual Report and Accounts for the year ended 31 December 2015

Notes

Membership

The membership of each Board and Committee is listed on pages 3 - 6 and reflects the membership at 31 December 2015.

Financial information

The main audited financial statements are grouped together at the end of the Report. The individual committee and fund statements shown alongside committee reports also form part of these accounts.

Synod Papers

This Report does not include motions and resolutions for General Synod, nor budget figures. This information will be included in the separately published Agenda and Papers for General Synod.

General Synod of the Scottish Episcopal Church

Scottish Charity Number SC015962

Scottish Episcopal Church Nominees

Scottish Charity Number SC013463

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General Synod of The Scottish Episcopal Church

Reference and administrative information

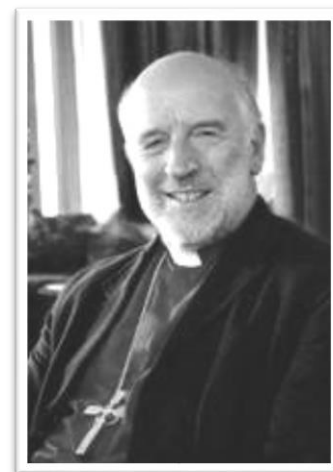
Charity name and address	General Synod of the Scottish Episcopal Church 21 Grosvenor Crescent Edinburgh EH12 5EE
Scottish Charity Number	SC015962
Charity Trustees	<i>Standing Committee</i> Mr Robert Gordon (Convener from 13 June 2015) Canon David Palmer (Convener until 13 June 2015) Most Rev David Chillingworth Mr James Gibson Mr Michael Lugton (until 13 June 2015) Rev Chris Mayo Rt Rev Kevin Pearson (from 13 June 2015) Rev Canon Dave Richards (from 13 June 2015) Rev Jane Ross (from 13 June 2015) Rev Canon Malcolm Round (until 13 June 2015) Very Rev Alison Simpson (from 13 June 2015) Rt Rev Mark Strange
Principal Officers	Secretary General Mr John Stuart Treasurer Mr Malcolm Bett
Solicitors	Shepherd and Wedderburn LLP 1 Exchange Crescent, Conference Square Edinburgh EH3 8UL
Auditor	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
Fund Managers	Baillie Gifford & Co Calton Square, 1 Greenside Row Edinburgh EH1 3AN
Bankers	Bank of Scotland plc Triodos Bank NV Scottish Widows Bank plc
Trustees for the Charity	<i>Trustees of the General Synod of the Scottish Episcopal Church</i> Lady Caroline Douglas-Home Mr Ivor Guild (deceased January 2015) Mr Martin Haldane Rt Rev Edward Luscombe The Hon Lord McEwan Canon David Palmer (appointed June 2015) Sheriff Alexander Wilkinson <i>Directors of Scottish Episcopal Church Nominees</i> Most Rev David Chillingworth Lady Caroline Douglas-Home Mr Gavin Gemmell Mr Ivor Guild (deceased January 2015) Mr Martin Haldane Rt Rev Dr Idris Jones The Hon Lord McEwan Canon David Palmer (appointed June 2015) Sheriff Alexander Wilkinson

The Trustees for the Charity have no involvement, in their capacity as Trustees for the Charity, in the management and control of the General Synod. Their role is to be nominees holding title to assets (principally heritable properties and investments) on behalf of the General Synod.

A Review of the Year 2015 by the Primus Most Rev David Chillingworth

We have been living through a period of rapid change in the life of the Scottish Episcopal Church. Much of what is reported in these papers is the story of how that change is becoming established and maturing.

The Scottish Episcopal Institute (SEI) had its formal launch in October 2015. Its staffing has been completed with the appointment of Michael Hull as Director of Studies and the increasing of the time allowance for Alison Peden as Provincial Director of Ordinands. A significant advance has been the presence of an ordinand who is undertaking full-time training – supported by the Diocesan Lent Appeals of 2015. SEI is moving towards involvement in the Common Awards programme and is also exploring a potential partnership with St Mellitus College. Our hope is that the SEI will provide clergy and lay readers of the highest quality – formed for ministry and deeply rooted in the Scottish context – for the next generation.



The Whole Church Mission and Ministry Policy continues to advance. The most significant change in 2015 was the approval by General Synod of the block grant system – now called the Mission and Ministry Support Grant. This devolves finance from Province to dioceses and enhances the ability of the dioceses to shape their own journey in mission. The new Mission Board continues to develop a range of networks which allow us to share good practice across the Province in a number of areas of policy.

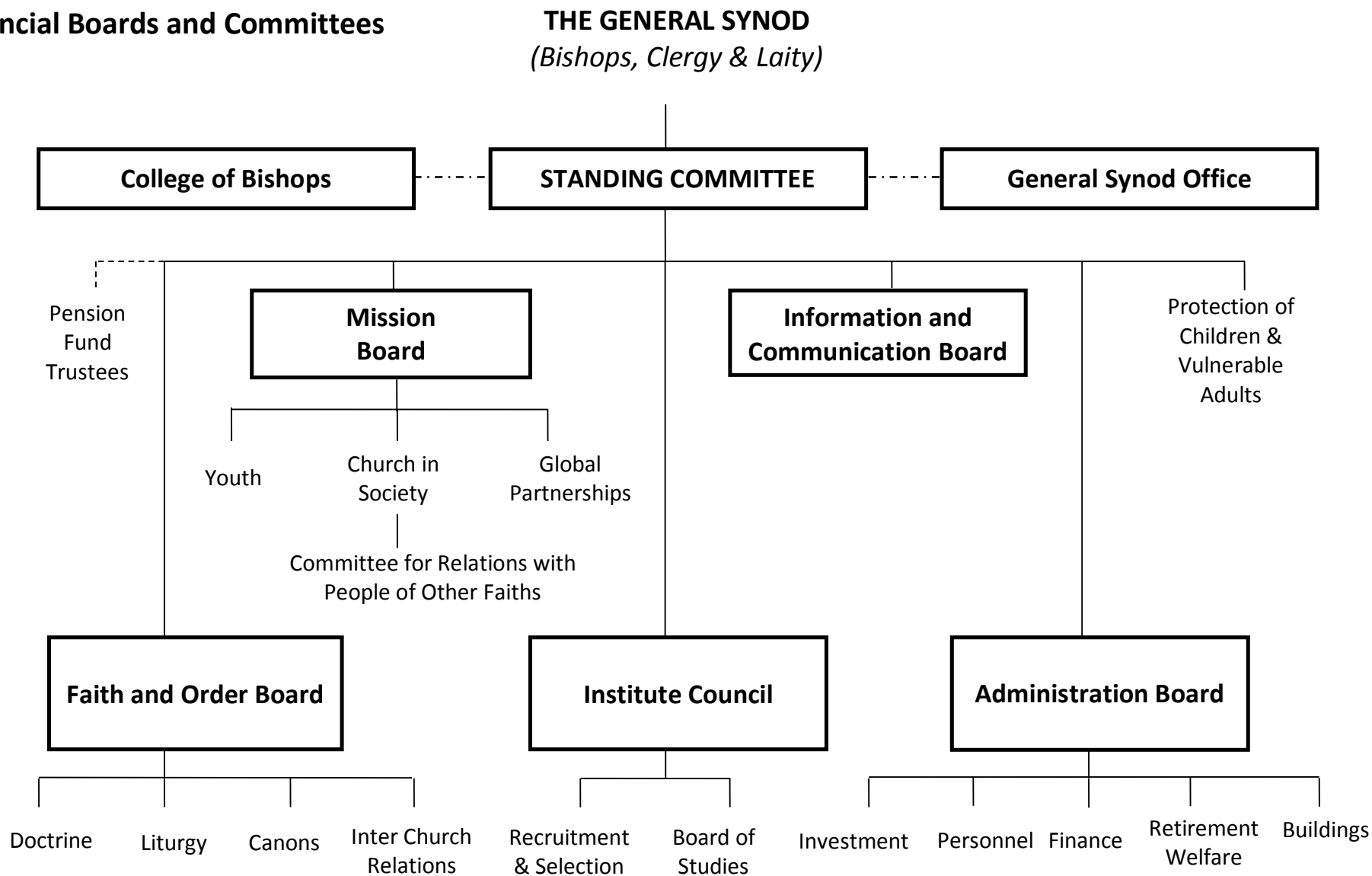
General Synod 2015 began a process through which our Church will decide whether we should introduce canonical change in the area of marriage. Human Sexuality questions in general – and same-sex marriage in particular – continue to be a preoccupation of many churches and of the Anglican Communion. The Primates Meeting of January 2016 attempted to hold the Communion together against the background of sharp divisions in this area.

It was an honour for the Scottish Episcopal Church to host a meeting of the Primates of the Porvoo Communion in October.

We have seen a number of changes in convenerships. We have welcomed Robert Gordon as Convener of the provincial Standing Committee. The provincial Standing Committee attempts to shape the financial and administrative life of our Church so that it reflects our mission policy. Much of what you will read in the material presented for this General Synod reflects our growing ability to do that.

**+David
Primus**

Provincial Boards and Committees



Board and Committee Membership

Standing Committee

Mr R Gordon	Convener	2015 - 2020
Rt Rev the Bishop of Moray, Ross and Caithness	College of Bishops	
Most Rev the Primus	Convener, Faith and Order Board	
Rt Rev the Bishop of Glasgow and Galloway	Acting Convener, Faith and Order Board	
Rev H J Ross	Convener, Mission Board	2015 - 2020
Rev C Mayo	Convener, Information and Communication Board	2014 - 2019
Dr J Ferguson-Smith	Convener, Administration Board	2015 - 2020
Rt Rev the Bishop of Argyll and The Isles	Convener, Institute Council	2015 - 2020
Rev Canon D G Richards	General Synod Representative (clergy)	2015 - 2019
Very Rev A Simpson	General Synod Representative (clergy)	2015 - 2019
Mr J N Gibson	General Synod Representative (laity)	2014 - 2018

Committee for the Protection of Children and Vulnerable Adults

Mr H R Donald	Convener	2011 - 2016
Mr C Gregory	Member	2014 - 2018
Rev D B H Herbert	Member	2010 - 2018
Miss V J Lobban	Member	2010 - 2018
Mr R Nellist	Member	2014 - 2018
Dr J Parkinson	Member	2014 - 2018
Mr C M Townsend	Member	2010 - 2018
Mr J Whannel	Member	2015 - 2019

Faith and Order Board

Most Rev the Primus	Convener	
Rt Rev the Bishop of Glasgow and Galloway	Acting Convener	
Rt Rev the Bishop of Aberdeen and Orkney		
Rt Rev the Bishop of Argyll and The Isles		
Rt Rev the Bishop of Brechin		
Rt Rev the Bishop of Edinburgh		
Rt Rev the Bishop of Moray, Ross and Caithness		
Rev P Romano	Convener, Committee on Canons	2013 - 2018
Rev Dr H A Harris	Convener, Doctrine Committee	2013 - 2018
Vacancy	Convener, ICRC	
Dr J R Davies	Convener, Liturgy Committee	2015 - 2020
Dr N Mills	Aberdeen and Orkney	2013 - 2017
Very Rev Dr A E Nimmo	Aberdeen and Orkney	2009 - 2017
Dr G Headden	Argyll and The Isles	2012 - 2016
Rev Sister C Lockhart, SC	Argyll and The Isles	2012 - 2016
Vacancy	Brechin	
Very Rev Dr F Bridger	Brechin	2015 - 2019
Canon H Hood	Edinburgh	2011 - 2019
Rev Canon J M McLuckie	Edinburgh	2013 - 2017
Mr R Horrell	Glasgow and Galloway	2009 - 2017
Rev Canon Dr S Robertson	Glasgow and Galloway	2013 - 2017
Mr C Phillips	Moray, Ross and Caithness	2011 - 2019
Rev Canon C J Piper	Moray, Ross and Caithness	2015 - 2019
Rev Canon D M Ind	St Andrews, Dunkeld and Dunblane	2010 - 2018
Mrs S White	St Andrews, Dunkeld and Dunblane	2009 - 2017
Rev Canon Dr A L Tomlinson	Pantonian Professor	

Committee on Canons

Rev P Romano	Convener	2013 - 2018
Rt Rev the Bishop of Moray, Ross and Caithness	College of Bishops	
Rev C L Blakey	Member	2012 - 2016
Very Rev Dr A E Nimmo	Member	2012 - 2016
Mrs H White	Member	2008 - 2016

Board and Committee Membership

Doctrine Committee

Rev Dr H A Harris	Convener	2013 - 2018
Rt Rev the Bishop of Aberdeen and Orkney	College of Bishops	
Rev Dr M J Harris	Member	2011 - 2019
Prof E Priest	Member	2011 - 2019
Dr L Schumacher	Member	2015 - 2019
Rev Canon Dr N H Taylor	Member	2013 - 2017

Inter-Church Relations Committee

Vacancy	Convener	
Rt Rev the Bishop of Aberdeen and Orkney	College of Bishops	
Rev D J B Fostekew	Member	2009 - 2018
Canon H Hood	Member	2010 - 2018
Dr A Mason	Member	2013 - 2017
Rev Canon J M McLuckie	Member	2013 - 2017
Rev Dr C Methuen	Member	2011 - 2019
Rev A Montgomerie	Member	2015 - 2019

Liturgy Committee

Dr J R Davies	Convener	2015 - 2020
Rt Rev the Bishop of Edinburgh	College of Bishops	
Mrs C Daye	Member	2011 - 2019
Rev Dr W D Kornahrens	Member	2011 - 2019
Rev Dr J E P Currall	Member	2015 - 2019
Rev Prof D Jasper	Member	2015 - 2019
Rev Canon Dr N H Taylor	Member	2015 - 2019

Mission Board

Rev H J Ross	Convener	2015 - 2020
Rt Rev the Bishop of Edinburgh	College of Bishops	
Rev Prof D Atkinson	Convener, Church in Society Committee	2014 - 2019
Rev V A Nellist	Convener, Global Partnerships Committee	2011 - 2016
Rev T N Rongong	Convener, Youth Committee	
Rev A MacDonald	Aberdeen and Orkney	2014 - 2018
Ms C A Beel	Argyll and The Isles	2010 - 2018
Rev Canon F Lamont	Brechin	2015 - 2019
Rev D J B Fostekew	Edinburgh	2009 - 2017
Mrs L Darlow	Glasgow and Galloway	2015 - 2019
Vacant	Moray, Ross and Caithness	
Rev T Brauer	St Andrews, Dunkeld and Dunblane	2015 - 2019

Church in Society Committee

Rev Prof D Atkinson	Convener	2014 - 2019
Rt Rev the Bishop of Edinburgh	College of Bishops	2012 - 2016
Rev C L Blakey	Convener of CRPOF	2015 - 2020
Rev M Bunting	EMU Rep	2010 - 2018
Dr D Bruce	Member	2014 - 2018
Mrs V Dunford	Member	2012 - 2016
Mrs A Glenesk	Member	2012 - 2016
Mrs S Horne	Member	(tbc) 2011 - 2019
Prof H J McKillop	Member	2014 - 2018
Very Rev N McNelly	Member	2014 - 2018
Rev D C Mumford	Member	2014 - 2018
Mr R B Murray	Member	2010 - 2018

Committee for Relations with People of Other Faiths

Rev C L Blakey	Convener	2015 - 2020
Rev A T Anderson	EMU Rep (Methodist)	2013 - 2017
Rev D C Gifford	Member	2015 - 2019
Rev M Bunting	EMU Rep (URC)	2010 - 2018
Mrs V M Stark	CAIRS Representative - ex officio	
Rev J Conway	EIFA Vice Convener- ex officio	

Global Partnerships Committee

Rev V A Nellist	Convener	2011 - 2016
Mrs J Benvie	Member	2014 - 2018
Miss A Daye	Member	2008 - 2016
Rev Canon D McCosh	Member	2007 - 2019
Ms S Harris	Member	2015 - 2019
Ms I Booth-Clibborn	Member	2015 - 2019
Ven Canon Dr T I Young	Member	2015 - 2019

Youth Committee

Rev T N Rongong	Convener	
Rt Rev the Bishop of Moray, Ross and Caithness	College of Bishops	
Miss A Daye	Administrator	
Mrs H Cundill	Youth Officer, Aberdeen and Orkney	
Mrs M Swift	Youth Officer, Argyll and The Isles	
Mr G Aitken	Youth Officer, Brechin	
Mrs C Benton-Evans	Youth Officer, Edinburgh	
Mr S Lidwell	Youth Officer, Glasgow and Galloway	
Miss L Forsyth	Youth Officer, Moray, Ross and Caithness	
Mr J Gardner	Youth Officer, St Andrews, Dunkeld and Dunblane	
Miss R Cromwell	Member - 12-18	
Mr I Wedge	Member - 12-18	
Miss R Grier	Member - 12-18	
Miss L Gourley	Member - 12-18	
Mr J Marlow	Member - 12-18	
Mr A Poon	Member - 12-18	
Miss R Ferguson	Member - 12-18	
Miss M Philp	Member - 12-18	
Miss A Miller	Member - 12-18	
Mr A Wedge	Member - 18-25	
Mr C Farquhar	Member - 18-25	
T K Wolfe	Member - 18-25	
Miss E Simmons	Member - 18-25	

Information and Communication Board

Rev C Mayo	Convener	2014 - 2019
Rt Rev the Bishop of Brechin	College of Bishops	
Miss M J McKinnell	Aberdeen and Orkney	2013 - 2017
Very Rev A C Swift	Argyll and The Isles	2013 - 2017
Mrs K Willey	Brechin	2012 - 2016
Vacant	Edinburgh	
Vacant	Glasgow and Galloway	
Rev S E Murray	Moray, Ross and Caithness	2015 - 2019
Mr A R Thornton	St Andrews, Dunkeld and Dunblane	2012 - 2016
Mrs S White	Faith and Order Board Representative	
Ms C A Beel	Mission Board Representative	

Administration Board

Dr J Ferguson-Smith	Convener	2015 - 2020
Rt Rev the Bishop of Aberdeen and Orkney	College of Bishops	
Mrs R Cadie	Convener, Buildings Committee	2015 - 2020
Rev F S Burberry	Convener, Finance Committee	2015 - 2016
Mr A Tupper	Convener, Investment Committee	2015 - 2020
Mrs M P McKellar	Convener, Personnel Committee	2014 - 2019
Mr E Glen-Esk	Convener, Retirement Welfare Committee	2012 - 2017
Miss M Allardyce	Aberdeen and Orkney	2013 - 2017
Vacant	Argyll and The Isles	
Mr A Duffus	Brechin	2007 - 2016
Mr I Kerry	Edinburgh	2012 - 2016
Mr G C Sage	Glasgow and Galloway	2015 - 2019
Rev Canon I N Pallett	Moray, Ross and Caithness	2013 - 2017
Mr N H Cooke	St Andrews, Dunkeld and Dunblane	2011 - 2019
Mr C G Hely	General Synod	2013 - 2017
Mrs N Kennedy	General Synod	2014 - 2018

Board and Committee Membership

Buildings Committee

Mrs R Cadie	Convener	2015 - 2020
Prof R Fawcett	Member	2014 - 2018
Mr S Green	Member	2015 - 2019
Rev Canon A MacLean	Member	2015 - 2019
Mr R Nellist	Member	2014 - 2018
Very Rev Dr A E Nimmo	Member	2014 - 2018
Mrs E Proudfoot	Member	2010 - 2018

Finance Committee

Rev F S Burberry	Convener	2015 - 2020
Miss A Harper	Aberdeen and Orkney	2013 - 2017
Mrs J Ainsley	Argyll and The Isles	2010 - 2018
Mr A Duffus	Brechin	2011 - 2019
Vacant	Edinburgh	2012 - 2016
Very Rev I D Barcroft	Glasgow and Galloway	2010 - 2018
Mrs L Monaghan	Moray, Ross and Caithness	2012 - 2016
Very Rev K W Rathband	St Andrews, Dunkeld and Dunblane	2010 - 2018

Investment Committee

Mr A Tupper	Convener	2015 - 2020
Mr R W Burgon	Member	2010 - 2018
Mr J Gibbs	Member	2008 - 2016
Dr M D Green	Member	2015 - 2019
Mr J Reynolds	Member	2014 - 2018
Mr P Sweetnam	Member	2012 - 2016
Dr E Trevillion	Member	2013 - 2017

Personnel Committee

Mrs M P McKellar	Convener	2014 - 2019
Mrs E Cameron	Member	2012 - 2016
Ms A Plumtree	Member	2011 - 2019
Rev P Romano	Member	2013 - 2018
Mrs G Scott	Member	2015 - 2019
Rev A Sheridan	Member	2015 - 2019

Retirement Welfare Committee

Mr E Glen-Esk	Convener	2012 - 2017
Dr J Davis	Member	2012 - 2016
Rev W B Elliot	Member	2011 - 2019
Rev L A Mortis	Member	2012 - 2016
Mrs J M Robinson	Member	2012 - 2016
Mr P Marsh	Member	2015 - 2019

Institute Council

Rt Rev the Bishop of Argyll and The Isles	Convener	2015 - 2020
Rt Rev the Bishop of Aberdeen and Orkney	College of Bishops	
Rev F S Burberry	Convener, Board of Studies	2015 - 2019
Mr N C J Cook	Member	2015 - 2019
Rev Canon A C Dyer	Member	2015 - 2019
Rev Canon Prof G P Foster	Member	2015 - 2019
Rev Prof D Jasper	Member	2015 - 2019
Mrs M A Kennedy	Member	2015 - 2019
Rev Canon P R Watson	Member	2015 - 2019
Ms Z van Zwanenberg	Member	2015 - 2019
Mr P Stollard	Student Member	2015 - 2016
Rev J W Jones	Ecumenical Member	2015 - 2019

Pension Fund Trustees

Mr R McIndoe	Chairman	2015 - 2020
Mr R W Burgon	Member	2012 - 2016
Rev Canon Dr J Cuthbert	Member	2015 - 2019
Dr M D Green	Member	2012 - 2016
Mr R Gordon	Member	2015 - 2020
Rev D C Mumford	Member	2015 - 2019

Standing Committee

Objectives and activities

The objectives of the General Synod are the general advancement of the Church's mission. The Digest of Resolutions adopted by the General Synod details the following specific objects:

- payment of clergy stipends
- the support of retired clergy, widows, widowers and orphans of clergy and the support of others as defined under the rules of the Scottish Episcopal Church Pension Fund
- the endowment of bishoprics and charges
- the building and maintenance of churches, church halls, Episcopal residences and parsonages
- the education and training of candidates for Holy Orders including responsibility for the Theological Institute
- the advancement of the Church's educational work among children, young people and adults and the promotion of training schemes to equip Church members to participate more effectively in the Church's ministry
- home mission work
- overseas mission work
- social responsibility work
- action for world development

These objectives, together with the general objective of advancement of the Church's Mission also referred to in the Digest of Resolutions, can be grouped into six broad charitable activities:

- mission development and support
- ministry support and training
- advancement of ecumenical and church relations
- promotion, publications and communication
- support for retired clergy
- provision of support and advice to dioceses and congregations of the Scottish Episcopal Church

Much of the General Synod's work is undertaken by its five boards and their pendant committees. Further information regarding their activities can be found in the Conveners' reports included in pages 25 to 58. Information regarding the activities of the Standing Committee itself is set out elsewhere in this report.

Achievements and performance

The Standing Committee met five times during 2015 and gave attention not only to the plans for the future expressed in its report for the year ended 31 December 2014 but also to a number of additional matters, including:-

1. Mission and Ministry

The Standing Committee oversaw significant developments during the course of 2015 in relation to mission and ministry.

Last year's report explained the background to the creation of the Scottish Episcopal Institute (SEI) which has now replaced the former Theological Institute of the Scottish Episcopal Church. SEI was formally launched at a special service in St Ninian's Cathedral, Perth in October 2015. This followed the completion of a number of changes to the Church's Code of Canons and Digest of Resolutions in order to establish new governance structures for SEI. In particular, a new board of the General Synod, known as the Institute Council, has been created and acts as the governing body for SEI. This marked the formal 'de-merger' of responsibility for ministerial formation and training from the former Mission and Ministry Board. The creation of the new Institute Council was accompanied by the dissolution of the former Mission and Ministry Board and its replacement by a new Mission Board which now has responsibility for the strategic oversight of mission at provincial level. As anticipated at the time of last year's report, Michael Hull joined the staff of SEI in January 2015 as its Director of Studies. The SEI staff complement was also enhanced, and completed, by the expansion of the role fulfilled by Alison Peden, as Provincial Director of Ordinands, to 2/3 full-time equivalent from March 2015. Standing Committee was also able to approve budget proposals for the introduction of grants to support ordinands undertaking full-time training and was grateful to the members of the College of Bishops for using their Lent Appeals in 2015 to support the work of SEI. All of these developments are designed to assist the Church in fulfilling its objectives, at provincial level, for ministry support and training and mission development and support.

A further significant development during 2015 was the replacement of the former Grants for Ministry system operated by the Province by a new 'block grant' arrangement for Mission and Ministry Support Grants. The impetus for the change arose out of the Whole Church Mission and Ministry Policy, developed by the former Mission and Ministry Board, and will allow dioceses greater flexibility in being able to apply an automatic allocation of provincial funds to aspects of mission and ministry locally. This will provide the financial wherewithal to back up the emphasis of the Whole Church Mission and Ministry Policy, namely that the dioceses are the principal locus of mission. The new system will be accompanied by an appropriate process for accountability to the Province, overseen by the new Mission Board. The proposals were debated at length, and with some vigour, at General Synod 2015. Since then, following liaison with the dioceses, the Standing Committee has agreed to increase the amount to be applied from the provincial budget to the Mission and Ministry Support Grant for the years 2016-19.

2. Strategic Financial Planning

During the latter half of 2015, Standing Committee has been discussing a number of matters in order to shape more clearly the Committee's future priorities and to assist in making decisions regarding future budget allocation. These discussions are continuing and will include joint discussions with the College of Bishops. Proposals to explore with dioceses whether there is scope for greater collaboration or assistance either between Province and dioceses, or between dioceses themselves were being advanced. The Committee made a budgetary allocation of funds to enable the sourcing of external advice on human resources (HR) matters in order to assist bishops in their dioceses and in the development of future personnel policy on a Province-wide basis.

The Committee has continued to monitor the financial position of the General Synod and, through the budgeting process, continues to seek to reduce the risk of future financial deficit. The budgets presented to General Synod 2015 indicated a projected General Fund deficit for 2016 of £62,945 and for 2017 of £101,386. The revised budget subsequently adopted by the Committee for 2016 showed a reduced deficit for 2016 of £11,378 and for 2017 of £17,867. Standing Committee was able to enjoy some flexibility in relation to future budgets as a result of fewer stipendiary curates coming through in the immediate future than had been budgeted for. While future budgets remain very sensitive to the number of curates, Standing Committee was able to respond positively to the request from the Administration Board for additional funds to enable larger buildings grants to be provided by the Province for the first time since 2009. In future the former Maintenance and Development Fund and Dunderdale Building Fund will be replaced by a single building grants fund. The budget for 2018 is for a deficit of around £54,166.

It remains the intention of Standing Committee to manage a balanced budget for the future and during 2016 it will continue to give attention to future deficits

3. General Synod Meeting

Standing Committee arranged for General Synod 2015 to take place again at St Paul's and St George's Church, Edinburgh. Certain improvements to the layout, such as the inclusion of additional lecterns from which speakers could address Synod, worked well.

After operating for a number of years, the Organisation Review Committee was stood down by Standing Committee. The longer term establishment of a Business Committee to assist in the planning of Synod was considered but Standing Committee decided that it would be more helpful, as the body responsible for setting the agenda for General Synod, to assume direct responsibility for reviewing the outcome of Synod and planning future Synods. It received a report of the responses to the annual feedback questionnaire provided to General Synod members and considered some possible modifications for 2016. In particular, as an experiment, it has decided not to hold a General Synod dinner in 2016 and instead arrange a drinks reception with the aim of securing a fuller attendance of Synod members.

A significant part of the agenda for 2015 was given over to discussion of the subject of same-sex marriage and whether alterations ought to be made to the Church's Code of Canons which currently define marriage as being between a man and a woman. The Faith and Order Board staged a number of debates and Standing Committee was pleased that they were conducted in a spirit of generosity and grace, particularly given the sensitivity of the subject matter. The outcome of Synod 2015 was that the Faith and Order Board has been instructed to bring forward in 2016 a change to Canon 31 so that, in future, the Canon would be silent on any expression of doctrine in relation to marriage.

4. Pensions

The Committee worked jointly with the Pension Fund Trustees to consider the preliminary results of the triennial valuation of the SEC Pension Fund as at 31 December 2014. As a consequence of the changes to the benefit structure of the Fund (undertaken a couple of years previously) it was able to propose a reduction to General Synod in the future contribution rate (from January 2016) to 32.2% of stipend/salary. This was accepted by Synod.

Conscious of its obligations as 'employer' in relation to the Pension Fund, work was undertaken by the Committee to provide the Pension Trustees with detailed information to enable the latter to assess the strength of the employer covenant to which the Pensions Regulator attaches increasing importance. This was considered by external advisers on behalf of the Trustees and found to be acceptable. The Committee also approved a revised Statement of Funding Principles and Schedule of Contributions as part of the triennial valuation process.

In anticipation of pensions auto-enrolment, the Committee agreed a change to the rules of the Pension Fund to remove any restriction on age for entry to the Fund.

The Committee secured the agreement of General Synod to a change to the Digest of Resolutions so that where a member of clergy chooses to opt out of the Pension Fund, the congregation in question can still be required to contribute to the costs of life cover, administration and any deficit in the Fund.

5. Standing Committee Membership and Appointments

During the year there were several changes to the membership of Standing Committee. At General Synod 2015, David Palmer, convener of the Committee, completed his term of office and stepped down. Michael Lugton, member of the Committee by virtue of his convenership of the Administration Board, and Malcolm Round, one of the clerical members of the Committee, completed their terms of office and retired. All three made significant contributions to the Committee and I take this opportunity to record appreciation of their commitment and insights.

A number of new appointments were made at General Synod 2015. I was privileged to be appointed as the Committee's new convener and the Committee was also pleased to welcome John Ferguson-Smith, who succeeded Michael Lugton as convener of the Administration Board, Jane Ross, who succeeded the Primus as convener of the Mission Board, and Dave Richards and Alison Simpson who joined as the new clerical representatives on the Committee. Following the creation of the Institute Council (the Board of the Scottish Episcopal Institute), Bishop Kevin Pearson, the Council's convener, who had previously attended meetings of Standing Committee as convener of the former transitional Institute Council, was formally appointed to the Committee at General Synod 2015 and welcomed accordingly.

Bishop Gregor Duncan, the acting convener of the Faith and Order Board, continued to be in attendance at meetings of Standing Committee during the year.

6. Other Matters

The Committee made a number of appointments to other bodies. It appointed Alistair Dinnie as the Scottish Episcopal Church representative on the Anglican Consultative Council. Mr Dinnie will therefore represent the Church at the next meeting of ACC, taking place in Zambia in April 2016. The Committee also appointed Jim Whannell to the Provincial Committee for the Protection of Children and Vulnerable Adults in order to fill a vacancy and Paul Watson as an additional member of the Institute Council.

Following discussions at meetings of the Committee and also in the College of Bishops, the Committee invited the provincial Administration Board to establish a review of the 'clergy remuneration package'. It is a number of years since any review of policy in this area has been undertaken. Now that the Pension Fund actuarial valuation as at 31 December 2014 has been completed, it seemed appropriate that such a review should be initiated. The Administration Board has asked its Review Group to report to it by the autumn of 2016.

Staffing

In addition to the staff changes at SEI mentioned above, Victoria Stock took up the post of Communications Administrator in January 2015 and in the summer Peter Cozens joined as PA to the Treasurer, replacing Betty Robertson who retired after many years' loyal service for which she is greatly thanked. Marion Watson also joined as part-time secretary to replace Amanda Kneller.

Financial Review

(The audited accounts can be found at page 73)

Result for the year

The total revenue surplus for the year was £226,500 some £287,800 greater than the total budgeted deficit of £61,300. There was a surplus of £140,200 on the General Fund rather than the budgeted deficit of £20,800. The General Fund provides a clearer indication of the recurring costs of the General Synod and gives the most accurate indication of the underlying financial position. The General Fund account is at page 19. In addition to the General Fund the General Synod has a number of Restricted and Designated Funds which are all reflected in the total surplus of £226,500. The better than anticipated outcome in the General Fund is a result of both greater than anticipated income and, more importantly, less than budgeted expenditure. The most significant element of additional income was the funds raised to establish a training fund to help finance the costs of full-time ordinands and others in training in the Scottish Episcopal Institute. A total of £42,000, mostly through the Lent Appeals of all seven bishops, was given to the fund during the year. There were a number of areas where expenditure was less than budgeted. Due to vacancies arising in a number of supported posts and there being fewer curates in training during the year than anticipated there was an underspend of some £35,000 on the Grants for Ministry Fund. Expenditure on building grants was about £30,000 less than budget due to the lack of any requests for emergency building grants. Costs of necessary repairs to both Forbes House (the home of the General Synod Office and Scottish Episcopal Institute) and to the stock of retirement properties were also less than budgeted and contributed to the underspend against budget and surplus for the year.

Standing Committee does not plan to generate large surpluses. However the advantage of the current underspend is that resources are available to help meet the costs of supporting an increasing number of candidates presenting for ordination. Standing Committee is committed to seeking to ensure that appropriate funding is in place to enable the potential of new training opportunities to be fully realised.

In addition to the revenue surplus a capital surplus of £33,000 was generated due to the profit arising on the sale of one retirement property. The increase in the market value of investments amounted to £1.6m of which £1.2m relates to General Fund investments.

Principal funding sources

The work of the General Synod is heavily dependent on funding from two sources: investment income and Quota received from dioceses, accounting for approximately 60% and 30% of income respectively. Investment income is primarily derived from the General Synod's holdings in the SEC Unit Trust Pool. Each of the seven dioceses of the Scottish Episcopal Church is asked to contribute to the costs of the General Synod by the payment of Quota. An element of what each diocese pays is funded by similar Quota contributions requested from congregations in the diocese. There is no recent history of non-payment of Quota requested from dioceses. The Quota requested and received from each diocese is detailed at Table B on page 18.

Investment policy and performance

The General Synod's investments are held in the SEC Unit Trust Pool, an investment vehicle established to bring together the disparate investments of the General Synod, dioceses and individual congregations of the Scottish Episcopal Church. Oversight of the SEC Unit Trust Pool is delegated to the Investment Committee. The Committee's report (page 50) provides more information regarding investment performance.

The investment objective of the SEC Unit Trust Pool is to earn a return on the assets, over the long term, sufficient at least to maintain the real value of the distribution to the unit holders. Following the substantial reduction in investment income in 2009 there has been modest growth in distribution levels. Despite market volatility in 2015 it was possible to maintain the distribution paid to unit holders at the rate of 50.5p

per unit. Given the negligible rates of inflation the real value of distribution was effectively maintained and the investment objective met.

The SEC Unit Trust Pool accounts are at page 90).

Ethical investment

Approximately 65% of the SEC Unit Trust Pool's portfolio is invested in pooled funds which are not subject to any specific ethical investment policy. The remaining 35% is managed in accordance with the ethical investment policy agreed by General Synod in 2013 (see page 94). During the year the Investment Committee and Church in Society Committee have engaged in discussion in relation to the SEC Unit Trust Pool's continued investment in fossil fuels given concerns regarding such investments and the number of charities and other organisations that are now actively disinvesting from the fossil fuel sector. The discussions are continuing with a view to establishing a policy in relation to future fossil fuel investment by the SEC Unit Trust Pool.

Social investment

The General Synod has a number of investments which have not been made with a view to achieving any particular rate of return but to further its charitable aims and objectives. In accordance with FRS 102 many of these are now formally recognised as social investments within the General Synod's accounts whilst others continue to be categorised as heritable properties. The Committee has not adopted a formal social investments policy but it endorses the use of General Synod's resources to further its objectives in this way.

Through its Retirement Housing Fund the General Synod has an interest in 44 properties located throughout Scotland which have been purchased not to produce a commercial return but to provide retirement housing to eligible members of the SEC Pension Fund. Although the direct purchase of a property or share in a property is not considered to be a social investment the provision of loans to individuals to assist in such purchases are. There are currently four such loans all classed as social investments. (This type of loan is no longer provided.) Standing Committee recognises the need to ensure that adequate housing provision is made for retired clergy and their spouses / partners and additional investment in retirement housing will, therefore, be made when required.

The loans provided to dioceses and charges to assist in the purchase, repair and development of church properties are also classed as social investments. As was reported last year, the Committee has invested funds in the Churches' Mutual Credit Union (CMCU). It was pleased to note the formal launch of CMCU during the course of 2015 believing that the support by the Church of CMCU sends an important message about the role which credit unions can play generally in society in relation to the management of personal finances and, in particular, debt. The Braeburn residential home previously operated by the General Synod is now leased to the operator of the home for a peppercorn rent. The building continues to be owned by the General Synod and is classed as a social investment.

Reserves policy

The Standing Committee has considered the level of reserves held by the General Synod and concluded that it would not be appropriate to accumulate reserves in the General Fund in excess of those necessary to generate income sufficient to meet budgeted annual expenditure – currently approximately £1.8m.

The bulk of the General Synod's reserves are invested in income generating investments (via the SEC Unit Trust Pool) or restricted-use heritable property used in the furtherance of its objectives (ie retirement housing). The General Fund reserves, which are those unrestricted funds at the disposal of the Standing Committee to fund any aspect of the General Synod's work, stood at £27.8m at 31 December 2015 and are represented by investments and liquid funds which generate an annual income of approximately £1m. The Standing Committee is therefore of the view that the reserves held are reasonable and are consistent with its reserves policy.

The Standing Committee notes the General Synod's commitment to continue to provide retirement housing and the effect that this is forecast to have on reserves in the medium to longer term. It recognises that, whilst it is difficult to predict with any certainty the extent to which reserves will need to be used to purchase retirement housing, and the timing of this requirement, General Synod's annual income is likely to be reduced as its reserves are used in this way.

Risk management

The Standing Committee regularly reviews the Risk Register and considers the major risks facing the General Synod and the systems and procedures in place to mitigate those risks. A fraud policy, fraud response plan and anti-bribery policy have been agreed by the Standing Committee. A Register of Interests and Register of Gifts and Other Benefits have also been established by the Committee. As planned at the end of 2014, proposals were brought to General Synod 2015 to enable the Standing Committee to adopt a Code of Conduct for those serving on provincial boards and committees. Included within these proposals were provisions to enable the removal, if necessary, of a member from a board or committee. The Synod accepted the proposals and Standing Committee subsequently adopted a Code and has promulgated this to board and committee members.

The Standing Committee considers that the principal governance and management risks lie in addressing strategic forward planning. The organisational structure of the General Synod and its boards and committees is complex and the fact that a large number of provincial boards and committees are active across a wide variety of areas can mean that clear leadership and decision making can be hampered by the diffuse nature of that structure. Such a structure is also dependent on identifying appropriate volunteer members with the necessary skills and availability to serve. Currently, the major strategic direction is articulated within the Whole Church Mission and Ministry Policy which places a clear emphasis on mission in the dioceses with the bishops acting as leaders of that mission. Steps have been taken by the adoption of the new Mission and Ministry Support Grant system to give weight to that policy by giving dioceses greater discretion in the spending of provincial grant resources. More generally, however, there is a recognition within the Standing Committee and the College of Bishops of the need to address longer term institutional issues and plans are in hand to do this. The availability of accurate data to assess the health of the Church is an important contributor to consideration of these institutional issues and work is currently being undertaken by the Mission Board to improve the quality of statistical information collected.

The Standing Committee considers that the principal financial risk facing the General Synod is a significant reduction in the return earned from its investments. The risk is mitigated by investing in the SEC Unit Trust Pool which is managed by professional fund managers. The investment objectives, strategy and performance are regularly reviewed by the General Synod's Investment Committee which is comprised of individuals with relevant investment industry knowledge and expertise. The Investment Committee meets with the fund managers at least twice a year. (The Investment Committee's report can be found on page 50.)

The Standing Committee considers the principal operational risk lies in the possible loss of senior staff on whom the day to day operation of the Synod structure is very largely dependent. The risk is mitigated in part by appropriate contractual notice periods. Depending on circumstances it might be necessary to hire external professional expertise or temporary staff. Senior staff turnover has historically been low.

Future Plans

The General Synod's plans for the future continue to reflect the continued changing and challenging environment in which it and the Scottish Episcopal Church as a whole continue to operate. In particular, the Standing Committee plans to progress the work of the General Synod in the following specific areas:-

1. Strategic Planning

The Committee intends to continue to address longer term strategic planning.

This will be explored initially in the context of joint discussions between the Committee and the College of Bishops. The overall intention will be to support the imperative of mission and enable the Church to be fit for purpose in the longer term in relation to its mission in 21st-century Scotland.

Financial aspects will play an important part of future planning. As well as monitoring the operation of the Mission and Ministry Support Grant system referred to above, and the reinstatement of buildings grants, the Committee will take a keen interest in the financing of SEI as it continues to form and train those to exercise ministry in the Church. This will include consideration of the appropriate level of provincial curate grant to be available in the future.

The Committee remains committed to ensuring that the resources of the General Synod are put to best use to further the work and purposes of the Church. Current initiatives include the development of a provincial HR resource to support bishops and dioceses and to develop further personnel policy on a province wide basis and to explore with dioceses the scope for improving administration and the scope for greater synergy between Province and dioceses and amongst dioceses.

2. General Synod

The Committee will continue its work to ensure that that General Synod operates as an effective governing body for the Church and to maximise the potential of that gathering. It hopes that Synod can increasingly be a forum where encouragement and inspiration can be taken from the many positive activities and developments across the Province.

The Committee is aware that in 2016 the Synod is scheduled to continue to grapple with the sensitive issue of the Church's understanding of marriage and will do its utmost to ensure that debate and decision making are carried out in a way which honours the previous decisions of Synod and seeks to maintain the unity of the church.

3. Other matters

The Committee is aware of developments in the wider Anglican Communion since the end of the financial year, most notably at the meeting of the Anglican Primates in Canterbury in January 2016. It will continue to receive reports from the Faith and Order Board as to how that Board progresses the instruction of General Synod 2015 to bring forward changes to the Canon on marriage, mindful of the desire to maintain the unity of the Church. The Committee will also look forward to receiving a report from the Church's representative on the Anglican Consultative Council following the meeting of that body in April 2016. The Committee will similarly monitor the progress of the Faith and Order Board and its Inter-Church Relations Committee as they oversee the denomination's ecumenical relations generally.

A keen interest has been taken by the Committee in the future plans of SEI. These include entry in 2016 into Common Awards, which will be a significant step for our Province in how our ordinands

and lay reader candidates are trained, as well as the exploration by SEI of possible avenues of collaboration with St Mellitus College in England in relation to training and formation. The Committee will continue to monitor and support developments designed to enhance the capability of SEI in its role of providing training and formation.

The Committee is aware that the General Synod has a 'staging date' of July 2016 in relation to the application of pensions 'auto-enrolment' and will support the steps necessary to be taken for the Church to prepare for, and implement, this.

Structure, governance and management

The General Synod of the Scottish Episcopal Church is an unincorporated association. The affairs of the Scottish Episcopal Church are regulated by the Code of Canons which is binding upon the General Synod and the Church's dioceses and congregations. Subsidiary provision is made in the Synod's Digest of Resolutions. The General Synod is a charity in its own right. The dioceses and congregations also enjoy charitable status in their own right and their financial transactions are not reflected in the accounts of the General Synod.

The Scottish Episcopal Church is a province of the Anglican Communion.

The Standing Committee acts as the Executive Committee of the General Synod between meetings of the General Synod. It implements General Synod decisions, and seeks to co-ordinate the work of the General Synod's five boards. The Standing Committee also works with the College of Bishops in addressing strategic issues facing the Church as a whole. The College comprises all of the Diocesan Bishops, each of whom has a responsibility to oversee and care for the Church. The Standing Committee comprises the Conveners of the General Synod's five boards, an independent Lay Convener, a further lay member of General Synod, two clerical members of General Synod and a representative of the College of Bishops. With the exception of the Primus and the representative of the College of Bishops, Standing Committee members are appointed by General Synod for a term of either four or five years and details of any vacancies arising in such positions are intimated to the Synod membership well in advance of the Synod meeting at which appointments are made. The Primus is ex-officio Convener of the Faith and Order Board and the College of Bishops representative is appointed by the College. The members of Standing Committee are the Charity Trustees. A full list of Standing Committee members is at page i.

A diagrammatic illustration of the General Synod's Boards and Committees is at page 2. A full list of Board and Committee members can be found at page 3.

Standing Committee recognises the need for a formal induction programme for new members and any new members appointed during the year meet with the Convener as a means of training for their role. Similarly, new members are briefed by the Secretary General and Treasurer of the General Synod. Training on other aspects of the role of Standing Committee members is covered on an issue-specific basis as matters arise for consideration by the Committee. All members of Standing Committee receive copies of the *Guidance for Charity Trustees* issued by the Office of the Scottish Charity Regulator at the time of their appointment.

The General Synod and its Boards and Committees are ably supported by the staff of the General Synod Office and other General Synod employees. The Standing Committee meets normally five times per annum and takes key decisions on behalf of the charity comprising the General Synod. It receives regular financial reports at its meetings. Certain areas of activity are handled within the other Boards and Committees of the Synod, but within agreed budgetary parameters. Some of these work collaboratively from time to time with other denominations or charitable bodies, such as Christian Aid, on initiatives of joint concern. Responsibility for overseeing the work of the General Synod Office, including responsibility for day to day

administrative decisions, is delegated by the Standing Committee to the Secretary General, who reports directly to the Convener of the Standing Committee.

The Standing Committee sets the pay and remuneration of all staff employed in the General Synod Office, including all key personnel. The Committee has adopted salary scales and specific recommendations on remuneration are made annually to the Committee by the Secretary General. He absents himself from the parts of the meetings where the Committee discusses and agrees any recommendations regarding pay and remuneration.

Reference and Administrative Details

Information setting out reference and administrative details appears on page i.

Funds held as custodian trustee on behalf of others

The SEC Unit Trust Pool of the General Synod is a pooled investment fund managed by the General Synod on behalf of the unit holders. Approximately two thirds of the units are held by the Synod on its own behalf with the balance being held by it, through custodians, on behalf of other Church investors such as dioceses and congregations. Fuller information is provided in the accounts for the SEC Unit Trust Pool on page 90.

Vote of thanks

The work of the General Synod is totally dependent on the time, energy and goodwill of the many conveners and members of the Synod's Boards and Committee whose names are listed on pages 3 to 6 and of the provincial staff, to all of whom I express the grateful thanks of the Standing Committee.

Robert Gordon

Convener

21 April 2016

General Synod Financial Overview

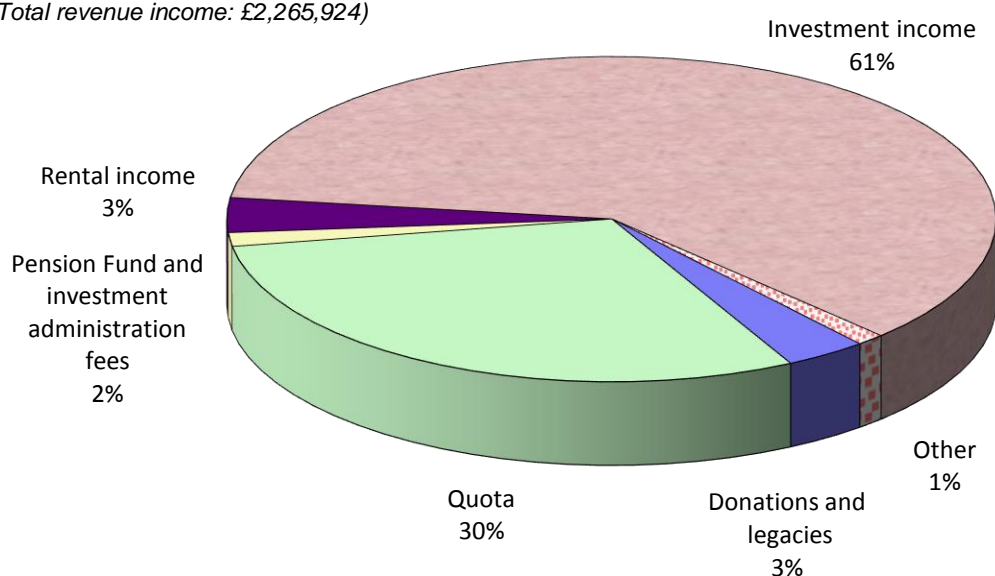
Most of the activities of the General Synod are funded from allocations from the General Fund. The Fund's income was some £3,200 in excess of budget. All Boards worked within their budgets. Expenditure in some areas was considerably less than budgeted and this has resulted in a surplus of £140,200 – some £161,000 better than the budgeted deficit of £20,800. (See General Fund financial statement on page 19.)

Some of the General Synod's activities are funded from sources other than the General Fund. A number of these other funds produced surpluses in the year contributing to a total revenue surplus of £226,500. (The Revenue Account on page 76 summarises the results of all the funds.)

The Statement of Financial Activities (page 77) provides information regarding income and expenditure. A summary of revenue income and expenditure is provided below:

Analysis of income

(Total revenue income: £2,265,924)



Analysis of expenditure

(Total revenue expenditure: £2,039,369)

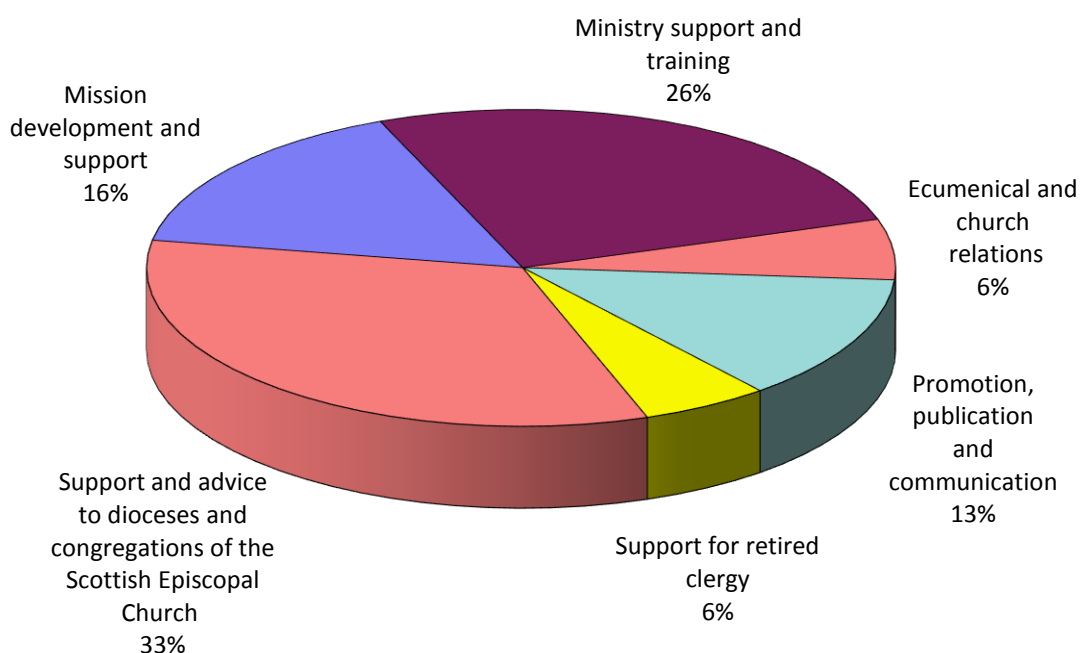


Table A: Legacies and Donations Received

Legacies	Recipient Fund	£
<i>No legacies received</i>		
	Sub total	-
Donations	Recipient Fund	£
Various	SEI Training Fund	41,995
Allchurches Trust	General Fund	17,541
Anonymous	St James Fund	3,800
Various	Community Fund	3,026
WA Cargill Trust	Retirement Supplementary Fund	3,000
Callendar Trust	General Fund	2,500
WA Cargill Trust	Clergy Widows and Orphans (Cargill Trust)	2,000
Benson-Wilson Charitable Trust	Scottish Episcopal Institute	1,000
St Mary's Tolbooth Trust	Grants for Ministry Fund	939
St Mary's Tolbooth Trust	Church in Society Committee	939
DB Flanagan Trust	General Fund	611
Various	Retirement Supplementary Fund	353
Mrs S Crosfield	Alastair Haggart Bursary Fund	125
	Sub total	77,829
Total		77,829

Table B: Quota

Diocese	2013 Requested and Received £	2014 Requested and Received £	2015 Requested and Received £	2016 Requested £
Aberdeen and Orkney	70,425	71,879	74,239	77,235
Argyll and The Isles	23,347	24,772	24,769	25,093
Brechin	40,170	41,046	42,073	43,475
Edinburgh	234,176	249,765	260,787	269,378
Glasgow and Galloway	146,415	148,436	152,753	158,175
Moray, Ross and Caithness	46,055	45,723	45,127	45,992
St Andrews, Dunkeld and Dunblane	79,060	77,216	78,854	79,612
Total	639,648	658,837	678,602	698,960

General Fund

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/ (adv) £
	INCOME			
	<i>Investment Income</i>			
1,020,325	UTP income	1,020,325	1,020,325	-
8,585	Interest	6,000	8,209	2,209
21,101	Investment property income	22,155	21,243	(912)
<u>1,050,011</u>		<u>1,048,480</u>	<u>1,049,777</u>	<u>1,297</u>
	<i>Administration fees</i>			
1,530	UTP / investment administration	2,000	3,563	1,563
27,500	Pension Fund administration	27,775	27,775	-
18,395	Restricted and other funds	18,395	18,395	-
<u>47,425</u>		<u>48,170</u>	<u>49,733</u>	<u>1,563</u>
658,837	Quota	678,602	678,602	-
1,008	Inspires - subscriptions and advertising	14,000	11,333	(2,667)
29,795	Donations and legacies	18,000	20,652	2,652
100	Other	-	380	380
<u>1,787,176</u>	<i>Total Income</i>	<u>1,807,252</u>	<u>1,810,477</u>	<u>3,225</u>
	ALLOCATIONS			
828,635	Standing Committee	805,730	790,842	14,888
377,803	Administration Board	513,700	446,614	67,086
-	Institute Council	355,770	327,040	28,730
15,184	Faith and Order Board	26,920	20,626	6,294
12,758	Information and Communication Board	39,100	25,628	13,472
362,000	Mission Board	86,815	59,503	27,312
<u>1,596,380</u>	<i>Total allocations</i>	<u>1,828,035</u>	<u>1,670,253</u>	<u>157,782</u>
	BALANCES			
190,796	Surplus/(deficit) for year	(20,783)	140,224	161,007
(200,000)	Transfer to capital (investment in UTP)	-	-	-
-	Transfer to Miscellaneous Funds (investment in CMCU)	-	(5,000)	5,000
1,099,684	Balance brought forward	1,090,480	1,090,480	-
<u>1,090,480</u>	<i>Balance carried forward</i>	<u>1,069,697</u>	<u>1,225,704</u>	<u>166,007</u>

Actual 2014 £	CAPITAL ACCOUNT	Actual 2015 £
	INCOME	
-	<i>Total Income</i>	-
	EXPENDITURE	
-	<i>Total expenditure</i>	-
	BALANCES	
-	Surplus/(deficit) for year	-
200,000	Transfer from revenue	-
23,792,817	Balance brought forward	25,356,593
1,363,776	Unrealised gain on revaluation as at 31 December 2015	1,212,756
<u>25,356,593</u>	<i>Balance carried forward</i>	<u>26,569,349</u>

General Synod Office and Provincial and Other Expenditure

Actual 2014 £			Revised Budget 2015 £	Actual 2015 £	Variance fav/(adv) £
INCOME					
828,635	Allocation from General Fund		805,730	790,842	(14,888)
<u>828,635</u>			<u>805,730</u>	<u>790,842</u>	<u>(14,888)</u>
EXPENDITURE					
Costs of General Synod Office					
491,243	Employees	Salaries, NIC, Pension Contributions	508,750	506,326	2,424
1,330		Staff travel and subsistence	4,250	3,452	798
444		Staff training	1,910	1,111	799
4,321		Recruitment costs	3,500	1,025	2,475
<u>497,338</u>	<i>Sub-total</i>		<u>518,410</u>	<u>511,914</u>	<u>6,496</u>
28,177	Premises	Building repairs and maintenance	30,000	26,163	3,837
2,464		Rates	3,000	2,309	691
17,319		Light, heat and cleaning	20,000	16,557	3,443
7,008		Insurance	7,100	7,235	(135)
<u>54,968</u>	<i>Sub-total</i>		<u>60,100</u>	<u>52,264</u>	<u>7,836</u>
11,214	Administration	Telephone & postage	12,000	10,476	1,524
4,366		Printing and stationery	5,000	4,433	567
11,056		Photocopier	12,500	11,532	968
15,383		Computing	16,000	18,761	(2,761)
4,938		Payroll Bureau processing costs	5,900	6,429	(529)
5,909		Miscellaneous	4,000	6,011	(2,011)
462		Office equipment and furniture	1,000	4,922	(3,922)
<u>53,328</u>	<i>Sub-total</i>		<u>56,400</u>	<u>62,564</u>	<u>(6,164)</u>
<u>605,634</u>	<i>Total Costs of General Synod Office</i>		<u>634,910</u>	<u>626,742</u>	<u>8,168</u>
Provincial Costs					
13,012	Primus		13,710	14,857	(1,147)
12,837	College of Bishops		5,500	8,020	(2,520)
10,000	Election of Bishop		10,000	10,000	-
24,982	General Synod	Annual meeting	21,630	24,886	(3,256)
918		Annual report	1,500	927	573
3,100		Synod papers	3,200	3,100	100
2,148	Office for Protection of Children and Vulnerable Adults		2,000	1,117	883
462	Code of Canons		2,000	262	1,738
566	New Clergy Induction Day		350	320	30
4,244	Clergy Legal Expenses Insurance		4,350	4,244	106
2,984	Trustee Liability Insurance		3,000	2,984	16
11,825	Professional fees	Audit	12,400	12,180	220
11,582		Legal and advisory	35,000	25,342	9,658
125	Immigration Sponsors	Licence	-	125	(125)
1,144	Subscriptions	Scottish Churches Committee etc	2,000	2,709	(709)
<u>99,929</u>	<i>Total Provincial Costs</i>		<u>116,640</u>	<u>111,073</u>	<u>5,567</u>

General Synod Office and Provincial and Other Expenditure

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/(adv) £
	Committee Meeting Expenses			
1,415	Standing Committee	2,000	1,670	330
76	Organisation Review Committee	500	23	477
71	Committee for Protection of Children & Vulnerable Adults	400	227	173
<u>1,562</u>	<i>Total Committee Meeting Expenses</i>	<u>2,900</u>	<u>1,920</u>	<u>980</u>
	Subscriptions to church bodies			
2,890	World Council of Churches	3,300	3,127	173
5,000	Action of Churches Together in Scotland	12,500	12,500	-
14,000	Churches Together in Britain and Ireland	5,000	5,000	-
28,620	Anglican Consultative Council	29,480	29,480	-
<u>50,510</u>	<i>Total Subscriptions to church bodies</i>	<u>50,280</u>	<u>50,107</u>	<u>173</u>
	Grants			
1,000	Primus discretionary	1,000	1,000	-
<u>1,000</u>	<i>Total Grants</i>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<u>778,457</u>	<i>Total Expenditure</i>	<u>805,730</u>	<u>790,842</u>	<u>14,888</u>
	BALANCES			
	Revenue			
70,000	Surplus/(deficit) for year	-	-	-
(70,000)	Transfer to Computer Fund (Administration Board Miscellaneous Funds) to fund IT Upgrade	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Committee for the Protection of Children and Vulnerable Adults

The Committee is responsible for promoting and encouraging a safe and protective environment for all children and vulnerable adults pursuing or undertaking activities within the Church. The Committee oversees the work of the officers who deal with the Church's responsibilities for safeguarding the vulnerable, including compliance with legislation, membership of the Protection of Vulnerable Groups (PVG) Scheme and the suitability of clergy, employees and volunteers to undertake regulated work with children and vulnerable adults. 2015 saw further changes on the Committee with a number of new members joining and, as Convener, I am very grateful to all of the Committee members who have supported the work of the Provincial Officers in seeking the safety of everyone within the Scottish Episcopal Church.

During 2015, the focus of the Committee was on ensuring that the Church was fully compliant with the provisions of the Protection of Vulnerable Groups (Scotland) Act 2007 (PVG) and the PVG Scheme. This work carried on from the previous two years and involved ensuring that all clergy and volunteers within the Church were properly transferred from the previous Disclosure system to the new PVG Scheme. The other focus of the Committee's work was completing a Report on the Anglican Consultative Council's Safe Church Charter for the 2015 General Synod, which was accepted in full by Synod.

The Committee continues to monitor developments in safeguarding across Scotland with the Provincial Officers maintaining close liaison with safeguarding colleagues in other faith groups and with organisations outside the Church. This enables the Scottish Episcopal Church to be well informed about current safeguarding practice. Recommendations emerging from safeguarding inquiries, both within and outwith Scotland, have been considered by the Committee to identify learning that can be usefully applied within the Scottish Episcopal Church. The continuing heightened public focus on historical abuse remains a major feature and 2015 saw the establishment of a major inquiry by the Scottish Government, chaired by Susan O'Brien QC, which mirrors that of the Goddard inquiry south of the Border. It is possible that this could have some impact on the safeguarding work of the SEC.

A full programme of safeguarding training was delivered by the Provincial Officers during the year across all of the seven Dioceses with a similar training programme taking place in 2016. This will reflect ongoing developments in safeguarding with the hope that there will be a good take up, in particular by those who have been unable to attend training to date. The Committee is also exploring additional methods of delivering training with a focus on those volunteers coming in to a safeguarding role who may have missed the training organised locally.

Once again I record my thanks to the Provincial Officer, Donald Urquhart; the Assistant Provincial Officer, Daphne Audsley and Peter Cozens, their administrative assistant, for their professionalism and commitment. Their help and support has been invaluable to me and the Committee throughout the year. I would also like to thank Betty Robertson, Peter's predecessor, who retired during the year and wish her well in her retirement. I would also thank members of the Committee for their wisdom and guidance during the year.

As I step down as Convener of the Committee this year and wish my successor well, I am reminded that in ensuring compliance with all the requirements of the legislation, the priority we afford in safeguarding our children and the vulnerable in our society is the mission of the church, reflecting God's love for all and Jesus's own ministry.

Hugh Donald
Convener

Faith and Order Board

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/ (adv) £
	INCOME			
15,184	Allocation from General Fund	26,920	20,626	(6,294)
<u>15,184</u>	<i>Total Income</i>	<u>26,920</u>	<u>20,626</u>	<u>(6,294)</u>
	EXPENDITURE			
3,002	Board expenses	6,900	4,312	2,588
1,841	Work of Liturgy Committee	3,685	3,479	206
297	Work of Committee on Canons	1,525	233	1,292
747	Work of Doctrine Committee	1,090	321	769
4,549	Inter-Church Relations Committee	11,100	10,031	1,069
4,737	Europe Group	2,120	2,050	70
11	Diaconate Working Party	500	200	300
<u>15,184</u>	<i>Total Expenditure</i>	<u>26,920</u>	<u>20,626</u>	<u>6,294</u>
	BALANCES			
	Revenue			
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Actual 2014 £	PUBLICATIONS	Actual 2015 £
1,027	Income	1,299
-	Expenditure	(1,432)
1,027	Surplus/(deficit) for year	(133)
(70)	Balance brought forward	957
<u>957</u>	<i>Balance carried forward</i>	<u>824</u>

Faith and Order Board

In 2015 the Faith and Order Board met twice with a day meeting and a residential meeting. Through its pendant committees, Canons, Liturgy, Doctrine and Inter-Church Relations (ICRC), the Board traverses much that is of central concern to the Church.

Major matters discussed in 2015 included, in the area of Canon Law, the electronic distribution of updates to the Code of Canons. The Faith and Order Board also instructed the Committee on Canons to produce a draft text for a new Canon 31: Of the Solemnisation of Holy Matrimony as instructed by resolution of General Synod 2015.

Liturgical matters included the approval of the final version of *A Service of the Word*, and a request to the College of Bishops to approve new Collects for experimental use. Approval was given for work on Liturgies for Lent, Holy Week and Easter and new material for Christmas and Epiphany for the 1982 Liturgy.

The Faith and Order Board discussed processes concerning the writing and publication of the Doctrine Committee Grosvenor Essays and offered suggestions for the next Grosvenor Essay on Prayer and Spirituality. It also studied at length the Doctrine Committee's paper on *The Theology of Marriage*.

In the area of Inter-Church Relations the Faith and Order Board discussed a huge range of issues among which were transitivity of the three international agreements between Anglicans and Lutherans, Scottish Episcopal Church contributions to the Four Nations' Faith and Order consultation in Dublin, the sale of Scottish Churches' House, the World Council of Churches' Unity Statement and Study Guide and our first joint meeting with the Church of Scotland Ecumenical Relations Committee.

During 2015 the Faith and Order Board devoted considerable time to developing its process at General Synod for considering Same Sex Marriage and to reviewing the outcomes.

All of this reflects only a significant fraction of the Faith and Order Board's work which was accomplished within its budget.

I wish once more to thank the members of the Faith and Order Board for giving serious consideration to all that comes before them and equally to thank the conveners and members of the pendant committees, especially John Lindsay of ICRC who demitted office during the year, for their hard work.

+Gregor
Acting Convener

Committee on Canons

The Committee on Canons met on an ad hoc basis to deal with requests for changes to our Code of Canons. Where appropriate, the Committee used modern methods of communication to transact business without the necessity of meetings in Edinburgh.

The Committee presented to General Synod of 2015 the following items of business:

- Canon 52, section 5: Of the General Synod
- Canon 57, section 6: Of Notices Provided for by this Code of Canons, and of the Interpretation of the Code
- Canon 60, section 5: Of Vestries
- Canon 63, section 4: Of the Office of Lay Representative

The Committee worked within budget.

I thank again all the members of the Committee who work hard to bring wisdom and insight to the matters in hand and, in particular, especial thanks are due to Elspeth Davey, our Secretary, for her unfailing professionalism.

The Committee said farewell to Alastair Cruickshank who demitted office.

Paul Romano
Convener

Liturgy Committee

During the course of this year, the Liturgy Committee completed new rites for healing, ministry with the sick and dying, reconciliation of a penitent, and the blessing of a home. These have been submitted to the College of Bishops for approval for experimental use. These are rites for which there was either no previous authorised provision or no authorised provision beyond the Scottish Book of Common Prayer.

The Faith and Order Board commissioned the Liturgy Committee to draft a new Eucharistic Prayer for the Scottish Liturgy 1982 suitable for use at Christmas and Epiphany: this task has already been completed.

We were also commissioned to draft new rites for Lent, Holy Week and Easter as the current authorised rites were published in 1967 and were intended for use with the Scottish Prayer Book 1929 or what became the Scottish Liturgy 1970. Work on this project is underway.

The Committee is also working on a paper on the nature of intercession, and has had some initial discussion regarding worship and the child.

The Liturgy Committee budget for 2015 covered attendance at international and national liturgical consultations, the cost of regular day meetings, and membership for the Committee members of the Alcuin Club which promotes sound liturgical scholarship by publishing a series of collections and other works. The Committee worked well within budget.

There has been substantial change in the membership of the Committee this year owing to a number of Committee members reaching the end of their term or wishing to manage their commitments. We record our gratitude for the work of Stuart Muir, Wilson Poon, Christine Mackintosh and Dominic Ind.

We welcomed Nicholas Taylor, David Jasper, James Currall and David Todd.

Perennial thanks are due to our Secretary, Elspeth Davey, for her administrative expertise, her valuable store of knowledge, her efficiency and cheerful commitment.

John Davies
Convener

Inter-Church Relations Committee

Local Ecumenism

There were some significant signs of progress in our ecumenical life in Scotland both in continuing partnerships at community level and in our national interactions. Firstly, one of the fruits of our very warm relations with the Methodist Church in Scotland and the United Reformed Church Synod of Scotland (our EMU Agreement partners) was the coming together of theological educators across the entire church spectrum in Scotland to collaborate on lay learning and ministerial training and formation in its widest sense. As this work continued, the EMU partnership was reviewed in order to discern the best way to build on these warm relations and to widen our ecumenical cooperation in Scotland.

A second, and very significant, opportunity arose in our relations with the Church of Scotland. Our two ecumenical committees met for the first time on the 16 June 2015 and undertook a commitment to repeat and continue this pattern of joint working. Following the publication of an agreement between the Church of Scotland and the Church of England: *Growth in Communion, Partnership in Mission Report* which included *The Columba Declaration*, the Faith and Order Board gave the Inter Church Relations Committee (ICRC) permission to initiate a new process to deepen and extend relations between our two churches, with a primary focus on unity in mission in our Scottish context.

Finally, we agreed to work with all our church partners in Scotland to mark the 500th anniversary of the European Reformation in a way that helps us understand our shared past and commits us to closer unity in the future. To that end, we have initiated discussion with churches in Scotland regarding the organisation of an event in 2018 to explore what it means for the church to be continuously reforming (*semper reformanda*).

International Ecumenism

The Scottish Episcopal Church continued to play an important role in international ecumenical partnerships with Nordic and Baltic Lutherans through the on-going work of the Porvoo Communion of Churches and with French Protestants through the Reuilly Agreement. Of particular significance was the successful meeting of the Porvoo Primates and Contact Group which we hosted in Edinburgh in October 2015. These partnerships encourage and inform our engagement with the ever-changing global context in which we live. Further afield, we explored how our existing partnerships with European Lutheran churches might interact more creatively with similar partnerships between Anglicans and Lutherans in the USA and Canada.

The ICRC visited the World Council of Churches (WCC) in Geneva to consider our ongoing use of the recent WCC text, *The Church: Towards a Common Vision* and to deepen our working relationship with both the WCC and the Lutheran World Federation (LWF). The Committee commended the material produced by the LWF for the Reformation 500th anniversary in 2017, *Liberated by God's Grace*, for use in congregations and in ecumenical contexts.

The Committee's work was conducted within budget.

The Committee was grateful for the guidance and ecumenical wisdom of John Lindsay, the previous Convener.

John McLuckie
Interim Convener

Doctrine Committee

At General Synod 2015 the Doctrine Committee launched Grosvenor Essay 11 *Towards an Integration of Science and Theology?* The Essay collected together thoughts from ten leading scientists, philosophers, theologians and biblical scholars on questions at the interface between theology and science and updated the first Grosvenor Essay which was on this topic. The final chapter provides a series of questions for reflection by individuals or groups on each of the ten contributions.

The Doctrine Committee also responded to a request from the Faith and Order Board to produce, “a paper laying out the theology of marriage as currently articulated through the Canons and Liturgy of the Scottish Episcopal Church, and exploring whether there is a case for change based on scripture, tradition and reason”. The paper entitled *The Theology of Marriage* was produced to aid reflection and discussion prior to and during General Synod. The text was received by the Faith and Order Board in March, made available to General Synod members ahead of General Synod 2015, and received by vote at General Synod 2015.

The Committee worked on Grosvenor Essay 12 which looked at prayer and spirituality.

The Doctrine Committee, with the Inter Church Relations Committee, responded to the *Joint Declaration on the Doctrine of Justification* which had been signed between the Lutheran World Federation (LWF) and the Roman Catholic Church on 31 October 1999. The Inter-Anglican Standing Commission for Unity, Faith and Order (IASCUFO) in considering how best Anglicans could join in the 2017 500th anniversary of the publication of Martin Luther’s 95 Theses, and the remembering of the Reformation by many churches, had asked for a response to this document.

Lydia Schumacher joined the Committee.

The Committee’s work was conducted within budget.

Harriet Harris
Convener

Mission Board

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/ (adv) £
INCOME				
362,000	Allocation from General Fund	86,815	59,503	(27,312)
<u>362,000</u>	<i>Total Income</i>	<u>86,815</u>	<u>59,503</u>	<u>(27,312)</u>
EXPENDITURE				
2,862	Board expenses	2,925	1,791	1,134
-	Miscellaneous	200	-	200
15,904	Same sex relationships discussion design process	-	-	-
-	WCMMP implementation	5,000	97	4,903
<u>18,766</u>	<i>Sub-total</i>	<u>8,125</u>	<u>1,888</u>	<u>6,237</u>
<i>Allocation to Committee funds</i>				
28,168	Church in Society Committee	37,500	33,739	3,761
26,863	Home Mission Committee	41,190	23,876	17,314
279,935	Ministry Development Committee	-	-	-
-	Global Partnerships Committee	-	-	-
8,268	Recruitment and Selection	-	-	-
<u>343,234</u>	<i>Total allocated to committees</i>	<u>78,690</u>	<u>57,615</u>	<u>21,075</u>
<u>362,000</u>	<i>Total Expenditure</i>	<u>86,815</u>	<u>59,503</u>	<u>27,312</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Mission Board

The Mission Board has responsibility for the strategic oversight of the mission work of the Scottish Episcopal Church (SEC). It aims to be a supporter and resource for each diocese led by its bishop in mission and to encourage appropriate inter-diocesan collaboration and cooperation. The Board provides Provincial oversight to the Whole Church Networks which at present include Children, Mission Planning, Rural Issues, Spirituality and Lay Learning. Its three pendant committees comprise Global Partnerships (formerly Overseas), Church in Society and Youth.

The new Mission Board was established at General Synod 2015, replacing the former Mission and Ministry Board (matters relating to ministry formation having been passed to the new Scottish Episcopal Institute Council). Thanks must go to all those who worked towards this end, particularly the Primus. The new structure of the Mission Board with its Committees and Networks has needed a period of time to explore how it will operate in order to function effectively. The remits of the Networks and how oversight 'with a light touch' works in practice have been issues addressed at two meetings with Network Coordinators and the Mission Board in 2015. It is clear that whilst there are some things in common between the Networks, their composition, ways of operating and communicating vary according to needs and resources. In future there will be one annual meeting of Network coordinators with the Mission Board in order for Networks to formally report to the Board and one separate annual meeting of coordinators. The SEC is greatly blessed by these groups of enthusiastic practitioners volunteering their time and sharing their passion. Mission Board business is reported back to dioceses through the diocesan representatives in the way most suitable for each diocese.

Under the new Block Grant system (Mission and Ministry Support Grants) dioceses now have greater control over how they spend money provided by the Province on mission. A small review panel has been set up to report to Mission Board and enable the Board to provide Standing Committee and the College of Bishops with information to monitor this new way of funding mission.

Following General Synod 2015, the Board was tasked by the College of Bishops to review the method of annual collection of statistics in the SEC and to propose a process which will

- more usefully and realistically reflect the numerical strength of the SEC and
- inform mission at local, diocesan and provincial level.

In comparing methods from six denominations across the UK, an additional aim has arisen: to find a method which ensures statistical consistency across the Anglican provinces in the UK. Two leading church statisticians have been consulted and it is expected that more information will be available by General Synod 2016. The Board has also had involvement in the planning of the Scottish Church Census for May 2016.

The Board is still seeking a coordinator for the Stewardship Network but it plans to keep the SEC focussed on, equipped for and enthusiastically hopeful about God's mission.

Jane Ross
Convener

Youth Committee

The Provincial Youth Committee (PYC) meets to share information and good practice about youth work, publicise upcoming events, oversee the running of the Glen youth camp and in past years has offered a limited amount of matched funding for diocesan youth work, which has now been discontinued with the advent of diocesan block grants.

The Committee has places for representatives from each diocese: two aged 12-18, one aged 18-25, plus the diocesan youth officer (or equivalent). At present each diocese has some representation, but there are still vacancies to fill. Outside of the Glen week, the PYC met twice in 2015, most of its business being conducted through Facebook and email.

This year there was one combined Scottish Episcopal Church (SEC) youth camp held at Glenalmond in the summer instead of the previous two weeks, and it was wonderful to see how well delegates from the two camps integrated, and managed with a whole group of new faces. Indeed, new friendships were formed even for those who had been coming to camp for several years.

The theme was 'Flying Fish' – focussing on the Holy Spirit and how we can be inspired in our daily lives. The camp was buzzing with energy and life: so many activities, fun to be had, food to eat, deep questions asked, worship to plan and deliver, things to make and see, experiences to cherish - all in a place that successive generations of delegates find supportive, safe and non-judgemental. A time, a space, of nourishment, faith and God.

In September, St James' Goldenacre in Edinburgh was delighted to welcome over 30 Glen delegates and leaders to their 11am Sunday service and have them back for lunch – a phenomenon known as 'Glen-bombing'. Other churches are lined up to do this too next year which is both enormously fun, and encouraging for all involved.

The brand new Superhero Sleepover at the end of October was a great success in both acting as a reunion for Glen delegates, but also being a place where young people who have not been to Glen could come and have some of the experience over a shorter time. Hosted by the Church of the Good Shepherd in Murrayfield, Edinburgh, not only was there an action and fun-filled Saturday night, but the delegates also planned and led the Ministry of the Word for the main Sunday service and were warmly welcomed and fully integrated into the worship of that community.

This year two of our members represented the SEC at the Church of Scotland National Youth Assembly, and two have completed the pilgrimage to Santiago de Compostela as SEC representatives.

The 18+ network had an excellent retreat at St Drostan's Lodge, Tarfside in September.

The PYC remained well in budget in 2015.

Tembu Rongong
Convener

Committee for Relations with People of Other Faiths

The Committee for Relations with People of Other Faiths (CRPOF) exists to resource and develop the engagement of Scottish Episcopalians with people of other faiths and to help the Scottish Episcopal Church (SEC) deepen its mission in the context of the increasing diversity of faith communities in Scotland. CRPOF encourages its members, and the wider church, to engage with local and national interfaith bodies, knowing from experience that such engagement both enriches our own faith understanding, and helps build the relationships of trust and mutual support. 2015 was regrettably another year that has seen savage hatred and violence in the Middle East and elsewhere, which has found expression even in Scotland with further spikes in anti-Semitic and Islamophobic hate crime. The formation and cultivation of relationships that enable understanding and dialogue is as much an urgent task as ever.

In June 2015 John Conway was succeeded as Convener by Cedric Blakey. As part of the Scottish Episcopal Church, Methodist Church in Scotland and United Reformed Church Synod of Scotland Partnership (the EMU partnership) membership continues to include representatives from the SEC's EMU partners in Alan Anderson, who is also the Christian board member of Interfaith Scotland, and Mitchell Bunting. David Gifford, formerly the chief executive of the UK Council for Christians and Jews, joined CRPOF in the autumn.

Members of CRPOF remained actively involved in their local Inter-faith associations in Glasgow, Edinburgh and Dundee, and participated in the planning and delivery of a number of events during Scottish Interfaith Week which, in November, was the busiest on record. This was co-ordinated by Interfaith Scotland (see <http://www.interfaithscotland.org/>) and local associations.

During 2015 CRPOF met on three occasions. It explored networking with the Conforti Institute, Coatbridge and met with its Principal and Programme Director leading to involvement with a weekend conference, which was attended by an SEC ordinand, engaging with Muslims and also with a dialogue with Humanists.

CRPOF collaborated with the Scottish Roman Catholic Bishops' Committee for Interreligious Dialogue in organising a celebration in October to mark the 50th anniversary of *Nostre Aetate*, the pioneering Papal Encyclical on relations with other faiths, at which the booklet *CAIRING for Scotland* was released. This booklet details the churches' contribution to interfaith relations in Scotland.

CRPOF met again with the Roman Catholic Bishops' Committee for Interreligious Dialogue in December and will continue this annual practice.

CRPOF noted the attendance of the Primus at the First Minister's summit in interfaith relations in September. Thirty five people of all faiths climbed Ben Lomond as a peace pilgrimage on 2 August, organised by Cedric Blakey. A number of gatherings and statements were arranged after the tragic bombings and shootings in Paris in November.

CRPOF decided to refresh the Grosvenor Essay *The Interfaith Encounter* with an updated preface to reflect the changes and developments of the interfaith scene in Scotland since its original publication ten years ago.

The Committee's work was carried out within budget.

Cedric Blakey
Convener

Church in Society Committee

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/ (adv) £
INCOME				
28,168	Allocation from General Fund	37,500	33,739	(3,761)
1,482	Donations	-	939	939
<u>29,650</u>	<i>Total Net Income</i>	<u>37,500</u>	<u>34,678</u>	<u>(2,822)</u>
EXPENDITURE				
27,196	Grants	33,500	32,670	830
941	CRPOF	1,500	333	1,167
1,513	Meeting costs / participating in consultations / conferences	2,500	1,675	825
<u>29,650</u>		<u>37,500</u>	<u>34,678</u>	<u>2,822</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Church in Society Committee

The work of the Committee has been to consolidate the theme, “to prevent and alleviate poverty”, and to extend its reach into emerging areas such as the current refugee crisis. This is a broad agenda but if the Scottish Episcopal Church (SEC) is to have a distinctive and effective voice it must focus on some specific aspects within its remit and work with organisations with related interests such as Waverley Care, Faith in Older People and the Scottish Churches’ Parliamentary Office.

At General Synod 2015 the Committee dealt with climate change and our part in preparations for the United Nations’ Climate Change Conference in Paris; the importance of the payment of a Living Wage to alleviate poverty and the role of the Churches’ Mutual Credit Union in making finance available to those unable to access other means of financing.

Global climate change, its management and alleviation remain key areas in our continuing work with organisations such as the RSPB, Stop Climate Chaos Scotland and Eco-Congregation Scotland.

Climate deterioration contributes to the probability of wars and the linked mass movement of people and has led to the establishment of an interfaith organisation, Scottish Faiths Action for Refugees with which we are a partner. This organisation aims to provide information on how making donations can be most effective, to advocate on behalf of refugees and to help with the settling-in process for those arriving in Scotland.

The extraction and use of fossil fuels remains a key element in our work with continued discussions with the SEC’s Investment Committee about environmental and financial criteria which might lead us to disinvesting from fossil fuel companies. We continued our involvement in the related area of the use of nuclear power through discussions with European churches.

The Committee agreed that the SEC should make a statement, preferably in conjunction with other church leaders as was done in 2010, opposing the renewal of Trident as crucial decisions on renewal would be made in 2016.

We were a partner in the launch by Church Action on Poverty of *Enough: Our responsibility to meet families’ Needs* which highlighted the impact of poverty on the lives of children and the adverse impact which the current Government’s Welfare Reform and Works Bill will have on the poorest in our society.

We submitted written and oral evidence to the Scottish Government’s consideration on whether Scotland should move from an opt in to an opt out system in relation to organ transplantation. We began considering issues related to the modification of the Human Genome, which became a real possibility when first steps were authorised by the Human Fertilisation and Embryo Authority in late January 2016.

Cedric Blakey replaced John Conway as convener of the Committee for Relations with People of Other Faiths (CRPOF). I thank all of the members of the Committee for their work. We continue to owe a significant debt to Elspeth Davey from the General Synod Office for the work she does in translating the deliberations of the Committee into actions.

David Atkinson
Convener

Global Partnerships Committee

Actual 2014 £			Revised Budget 2015 £	Actual 2015 £	Variance fav/ (adv) £
INCOME					
97,461	Investment income	Unit Trust Pool	97,461	97,461	-
22		Interest	-	22	22
6,497		Noel Phillips Trust	6,497	6,497	-
-	Grants awarded in prior years no longer required		-	4,120	4,120
10,000		Legacy	-	-	-
<u>113,980</u>	<i>Total Income</i>		<u>103,958</u>	<u>108,100</u>	<u>4,142</u>
EXPENDITURE					
58,968	Grants	Education	40,000	54,801	(14,801)
14,126		Africa	21,000	11,865	9,135
9,664		Asia (inc Middle East)	18,000	25,287	(7,287)
850		Small grants	7,750	-	7,750
2,531		Companion Relationships	10,500	10,138	362
5,100		Agency Support	17,000	6,960	10,040
14,602		Anglican Comm Network Support	-	12,843	(12,843)
6,000		South America	-	6,000	(6,000)
1,791	MiDGies (formerly Justice, Peace and Creation Network)		1,250	600	650
1,041	Committee expenses	Travel	3,000	3,136	(136)
-		Publicity / correspondence	1,500	-	1,500
<u>114,673</u>	<i>Total Expenditure</i>		<u>120,000</u>	<u>131,630</u>	<u>(11,630)</u>
BALANCES					
Revenue					
(693)	Surplus/(deficit) for year		(16,042)	(23,530)	(7,488)
103,166	Balance brought forward		102,473	102,473	-
<u>102,473</u>	<i>Balance carried forward</i>		<u>86,431</u>	<u>78,943</u>	<u>(7,488)</u>

Actual 2014 £	CAPITAL ACCOUNT	Actual 2015 £
2,384,435	Balance brought forward	2,518,738
134,303	Unrealised gain on revaluation as at 31 December 2015	118,980
<u>2,518,738</u>	<i>Balance carried forward</i>	<u>2,637,718</u>

Global Partnerships Committee

The Global Partnerships Committee promotes, on behalf of the Scottish Episcopal Church, mission, companion partnerships and development projects overseas, in partnership with Churches of the Anglican Communion and ecumenical agencies. To facilitate this the Committee has responsibility for the oversight of funds generated from investments designated for overseas mission and ministry. Members of the Committee have areas of responsibility within the overall remit namely Africa, Asia the Middle East and the Pacific, South America, Anglican Networks, Companion Partnerships, Education, MiDGies (Sustainable Development Goals), Publicity and Small Grants.

Grants for mission and development were given to dioceses in South Sudan for agriculture; Uganda for economic development projects for women; Papua New Guinea for an income generating hostel for visitors; South Africa and North India for HIV AIDS education and diagnosis outreach work. For Myanmar a grant was made to purchase a house for a church health worker in a remote village in Chin State where we had previously contributed to setting up a pharmacy. A grant was made to the Wi'am Palestinian Conflict Resolution and Transformation Centre for a summer camp to work with children in Bethlehem traumatised by conflict, with a further grant awarded for facilitating peer counselling training for children. The Al Ahli Hospital in Gaza received a grant for medical equipment. Support too was given for a refugee children's playground in Georgia. The Inter Anglican Women's Network had further support so that our own representatives could attend the UN Commission on the Status of Women and the Lusaka Anglican Consultative Council (ACC) meeting.

Education for leadership remained the highest spending area for the Committee which funded theological and development training for individuals in South Sudan, Angola, Ghana, Tanzania, the Democratic Republic of the Congo, Papua New Guinea and Myanmar. Companion Partnership grants went to Moray, Ross and Caithness for a youth visit to Quebec Diocese and to St Andrews, Dunkeld and Dunblane for a visit to the Diocese of Calcutta 200th anniversary celebrations, including funding for and participation in, a gender justice seminar.

We continued to work with Christian Aid, the Scottish Churches' China Group and the Ecumenical Accompaniment Programme in Palestine and Israel. In connection with the Just Festival, we again sponsored a young dance and drama group from Soweto. We sponsored Moumita Biswas, Executive Secretary of the All India Council of Christian Women, to attend the Just Festival to engage in a 'Conversation' on gender justice in the Indian context. Moumita also engaged with people in Glasgow, Aberdeen and Stirling. Gender justice was a thread running through the year with work with Christian Aid on Bible study material for future publication, the Thursdays in Black campaign against violence and the initiation of a global movement called Sidebyside seeking to encourage gender justice in faith communities.

Isobel Booth-Clibborn and Ian Young replaced Linda Brownlie and John Rea. My thanks to the Committee and Elspeth Davey for the careful work they do in fulfilling the responsibilities we have been given.

Val Nellist
Convener

Community Fund

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/ (adv) £
INCOME				
3,682	Donations	5,000	3,026	(1,974)
<u>3,682</u>	<i>Total Net Income</i>	<u>5,000</u>	<u>3,026</u>	<u>(1,974)</u>
EXPENDITURE				
2,407	Grants	5,000	3,876	1,124
<u>2,407</u>	<i>Total Expenditure</i>	<u>5,000</u>	<u>3,876</u>	<u>1,124</u>
BALANCES				
Revenue				
1,275	Surplus(deficit) for year	-	(850)	(850)
2,659	Balance brought forward		3,934	-
<u>3,934</u>	<i>Balance carried forward</i>	<u>-</u>	<u>3,084</u>	<u>(850)</u>

Community Fund

The Community Fund has continued to make a significant difference to the lives of many people in need in our society. By giving small and immediate grants to those who cannot find help from any other source the Fund has been of considerable help to a number of individuals and families. We know that the grants are appreciated by the letters of thanks we receive from both the recipients and the agencies through which the grants are channelled.

There was an increase in the number of applications received – 31 in 2015 compared with 22 the previous year. However, donations to the Fund were slightly down compared to the 2014 figure. In 2015 donations (including Gift Aid) representing income of £3,026 (£3,682 in 2014) were received and the 31 grants represented expenditure of £3,876. That meant that the Fund was in deficit for the year but we were able to make use of a surplus from the previous year to assist with meeting grant applications.

The grants we have been able to make in 2015 have facilitated the purchase of food, cots/beds and bedding, children's wardrobes/drawers, clothing, cookers, fridge freezers and washing machines when other sources of funding could not be found. These grants were made on the recommendation of clergy or organisations such as One Parent Families Scotland, Circle Scotland, Bethany Homemaker, Waverley Care, Barnardo's Scotland, housing associations and social work departments in Scotland and are promptly processed so that help can be provided as quickly as possible.

The effectiveness of the Community Fund would not be possible without the very generous donations received both from congregations and individuals. I would like to thank all those congregations who took part and to individuals who have contributed to the Fund over the past year and can assure them that their donations have greatly helped people who are in genuine need. The number of contributors to the Fund remains relatively low and congregations and Church members who have not previously made donations to the Fund might like to consider doing so. The Fund continues to serve a very worthwhile role and to deserve the support of the Church and its members.

John Stuart
Secretary General

Home Mission Committee

Actual 2014 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
26,863	Allocation from General Fund	41,190	23,876	(17,314)
<u>26,863</u>	<i>Total Income</i>	<u>41,190</u>	<u>23,876</u>	<u>(17,314)</u>
EXPENDITURE				
583	Committee expenses	1,240	-	1,240
(43)	LCM Booklets	-	-	-
1,224	Other Costs	900	586	314
100	Training for Mission	-	-	-
<i>Networks:</i>				
-	Children	1,000	-	1,000
-	Lay Learning	2,400	260	2,140
-	Mission Planning	1,120	126	994
1,346	Rural work	1,155	100	1,055
	Spirituality			
3,300	Retreats - grants	3,300	3,300	-
30	Retreats - other costs	-	-	-
-	Stewardship	1,000	-	1,000
20,323	Youth	29,075	19,504	9,571
<u>26,863</u>	<i>Total Expenditure</i>	<u>41,190</u>	<u>23,876</u>	<u>17,314</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Miscellaneous Funds

Actual 2014 £		Actual 2015 £
	INCOME	
15,347	Legacies	-
<u>15,347</u>	<i>Total Net Income</i>	<u>-</u>
	EXPENDITURE	
-	Grants	2,500
<u>-</u>	<i>Total Expenditure</i>	<u>2,500</u>
	BALANCES	
	Revenue	
15,347	Surplus/(deficit) for year	(2,500)
4,703	Balance brought forward	20,050
<u>20,050</u>	<i>Balance carried forward</i>	<u>17,550</u>
	CAPITAL ACCOUNT	
445,723	Balance brought forward	458,720
12,997	Unrealised gain on revaluation as at 31 December 2015	11,512
<u>458,720</u>	<i>Balance carried forward</i>	<u>470,232</u>
	TOTAL FUNDS as at 31 December:	
20,050	Revenue	17,550
458,720	Capital	470,232
<u>478,770</u>		<u>487,782</u>
	Being for:	
476,928	Restricted purposes	485,940
1,842	Designated purposes	1,842
<u>478,770</u>		<u>487,782</u>

Scottish Episcopal Institute Council

	Revised Budget 2015 £	Actual to 2015 £	Variance to date fav/ (adv) £
INCOME			
Allocation from General Fund	355,770	327,040	(28,730)
Allocation from Training Fund		4,115	4,115
Investment income	2,850	2,880	30
Donations	-	1,000	1,000
Fees	-	4,400	4,400
Total Income	358,620	339,435	(19,185)
EXPENDITURE			
A Board			
Meeting costs	3,250	1,799	1,451
Total Board	3,250	1,799	1,451
B Scottish Episcopal Institute			
Staff Costs			
Salaries, pensions etc	126,100	128,932	(2,832)
Travel expenses	2,000	854	1,146
Staff training / development	1,000	2,874	(1,874)
Total staff costs	129,100	132,660	(3,560)
Training costs			
Residential weekends	18,800	12,837	5,963
Placement costs	750	-	750
Module teaching staff / Associate Tutors	11,000	8,041	2,959
Course materials / moodle costs	4,000	911	3,089
Common Awards (YSJ)	15,000	10,875	4,125
Total training costs	49,550	32,664	16,886
Other costs			
Library	5,000	2,139	2,861
Admin / publicity	700	1,211	(511)
Total other costs	5,700	3,350	2,350
Total SEI costs	184,350	168,674	15,676
C Full Time ordinands			
Maintenance grants / housing	-	4,115	(4,115)
Total full time ordinands	-	4,115	(4,115)
D Curate funding			
Curate grants	-	-	-
Total curate funding	-	-	-
E Recruitment and Selection			
PDO stipend / salary	27,170	23,620	3,550
PDO expenses (travel etc)	2,000	1,657	343
Provincial panels etc	4,000	2,476	1,524
Training	1,000	709	291
Materials etc	500	35	465
Total Recruitment and Selection	34,670	28,497	6,173
F Dispersed TISEC			
Grants to Dioceses	136,350	136,350	-
Total Dispersed TISEC	136,350	136,350	-
Total Expenditure	358,620	339,435	19,185
BALANCES			
Revenue			
Surplus/(deficit) for year	-	-	-
Balance brought forward	-	-	-
Balance carried forward	-	-	-

Scottish Episcopal Institute Council

Who we are

At General Synod 2015 the Transitional Scottish Episcopal Institute Council was confirmed as the governing body (Board) of the Scottish Episcopal Institute (SEI). The SEI has a very intentional emphasis on formation for ministry. This means ensuring that the person has sufficient maturity in Christ to carry out ministerial functions as a public representative of the Scottish Episcopal Church.

The members of the Council bring expertise from a wide variety of secular contexts; business management, human relations, finance as well as representatives of the established Scottish Universities. The Council made a deliberate decision at its inception to adopt a collaborative model of working, which reflects the ethos of ministry of the SEI. This model serves the Council well and much individual expertise is utilised between meetings, which very much facilitates the business of the Council. The Council was pleased that Standing Committee accepted the recommendation to appoint Paul Watson as an additional Council member towards the end of the year. His appointment will be subject to ratification at General Synod 2016.

Staff and Students

The permanent staff team consists of the Principal Anne Tomlinson, the Director of Studies Michael Hull, the Provincial Director of Ordinands Alison Peden and the Administrator Denise Brunton. There are many more staff who teach at residential weekends and are responsible for the care and nurture of the 23 students. There are Ordinands and Lay Reader candidates from across the Province.

The Business of the Council

This reflects the breadth of the Provincial Whole Church Mission and Ministry Policy with its emphasis on public ordained and lay ministry facilitating the Mission of spreading the good news of God's Kingdom. The varied nature but common purpose of the Council is shown in its work on 'Descriptions of Ministry', work on Pioneer Ministry and using Mixed Mode Training, while ensuring that curacies involve the individual in continuing development. Moving towards Common Awards, validated by Durham University, will be accomplished by the Validation visit of the University team at the end of February 2016, with the intention that 2016/17 will be the first session operating within the Common Awards framework. Exploratory discussions are also underway about some form of partnership with St Mellitus College. Throughout the year the Council has received regular reports from the Board of Studies.

The Future

Feedback from staff and students is incredibly positive and residential weekends and the last Summer School were enthusiastically supported and received. Work is being done to place curates in appropriate training situations while those who supervise are being offered appropriate training. Last year's Lent Appeal (2015) raised a significant amount of money (approximately £40,000) towards training and raised even greater awareness of the need for increased financial support. A group is looking at this area of the Council's work and a possible fundraising initiative. The Council has established a system for providing grants for those undertaking full-time training.

**+Kevin
Convener**

Recruitment and Selection Statistics

Recruitment and selection figures from the Provincial Director of Ordinands (who reports to the College of Bishops) are included below for information. The figures do not include people transferring from other denominations.

Total Number of Candidates Processed

Year	Total number	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2012-13	11	1	0	0	4	4	2
2013-14	13	0	3	1	0	6	3
2014-15	9	0	0	1	1	6	1

Candidates Recommended by Provincial Panel to go to Bishops' Advisory Panel or Training

Year	Total number	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2012-13	9	1	0	0	3	3	2
2013-14	8	0	2	1	0	4	1
2014-15	7	0	0	1	1	4	1

Candidates Recommended for Training by Bishops' Advisory Panel

Year	Total number	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2012-13	7	1	0	0	2	2	2
2013-14	6	0	2	1	0	1	2
2014-15	4	0	0	1	1	1	1

Miscellaneous Funds

Actual 2014 £		Actual 2015 £
	INCOME	
2,448	Investment income	2,471
5,042	Donations	45,920
<u>7,490</u>	<i>Total Net Income</i>	<u>48,391</u>
	EXPENDITURE	
1,520	Grants	4,250
-	Transfer to Institute Council	4,115
<u>1,520</u>	<i>Total Expenditure</i>	<u>8,365</u>
	BALANCES	
	Revenue	
5,970	Surplus/(deficit) for year	40,026
(549)	Transfer (to)/from capital	(582)
24,270	Balance brought forward	29,691
<u>29,691</u>	<i>Balance carried forward</i>	<u>69,135</u>
	CAPITAL ACCOUNT	
686,660	Balance brought forward	725,654
549	Transfer from revenue	582
38,445	Unrealised gain on revaluation as at 31 December 2015	34,094
<u>725,654</u>	<i>Balance carried forward</i>	<u>760,330</u>
	TOTAL FUNDS as at 31 December:	
29,691	Revenue	69,135
725,654	Capital	760,330
<u>755,345</u>		<u>829,465</u>
	Being for:	
641,867	Restricted purposes	710,627
113,478	Designated purposes	118,838
<u>755,345</u>		<u>829,465</u>

Information and Communication Board

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/ (adv) £
INCOME				
12,758	Allocation from General Fund	39,100	25,628	(13,472)
<u>12,758</u>	<i>Total Income</i>	<u>39,100</u>	<u>25,628</u>	<u>(13,472)</u>
EXPENDITURE				
2,565	Board expenses	2,838	1,142	1,696
9,341	Website Development	12,000	7,652	4,348
432	anglican.org domain	762	497	265
-	Exhibitions / promotion / publicity	4,000	-	4,000
420	<i>inspires</i> publication / distribution costs	18,000	16,085	1,915
-	Miscellaneous projects	1,500	252	1,248
<u>12,758</u>	<i>Total Expenditure</i>	<u>39,100</u>	<u>25,628</u>	<u>13,472</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Actual 2014 £	PUBLICATIONS	Actual 2015 £
7,063	Income	6,373
<u>(4,023)</u>	Expenditure	<u>(6,918)</u>
3,040	Surplus/(deficit) for year	(545)
7,733	Balance brought forward	10,773
<u>10,773</u>	<i>Balance carried forward</i>	<u>10,228</u>

Information and Communication Board

A number of priorities set by the Information and Communication Board last year have been carried out however some have been limited in their implementation as the Board only met twice in 2015, due to my diagnosis of renal carcinoma and subsequent surgery.

The Board appointed a sub-group to carry out a minor review of the Scottish Episcopal Church (SEC) website and this will be discussed at the Board's meeting in March 2016.

During 2015 concern was raised both to and within the Board about the inappropriate, and at times abusive, way some members of the SEC (clergy and laity) were using social media. The Board has therefore set up a small group to prepare a social media policy/guideline at the request of the Standing Committee. This too will be discussed at the Board's meeting in March 2016.

The four editions of *inspires* magazine produced in 2015 to mark the magazine's 10th anniversary were well received and were produced and published within their scheduled timeframe. The magazine's viability in print format will be assessed at the end of the agreed two year experimental period in March 2017.

The Communications Officer has worked closely throughout the year with members of the College of Bishops to maintain and develop media relations and to ensure that the SEC's profile continues to be high and its voice continues to be heard.

Given the limited number of meetings of the Board in 2015, work on a Communications Strategy has been restricted but feedback received from some Scottish newspaper editors and journalists in how the SEC is perceived in its public role has been helpful and will contribute to areas of the Communications Strategy going forward.

My thanks and gratitude go to all members of the Board and its sub groups who have shown patience and support throughout this challenging and testing year for the SEC's Communications and in particular I thank the Communications Officer, Lorna Finley, for her commitment and determination in ensuring key communication priorities were met.

Chris Mayo
Convener

Administration Board

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/ (adv) £
INCOME				
377,803	Allocation from General Fund	513,700	446,614	(67,086)
<u>377,803</u>	<i>Total Income</i>	<u>513,700</u>	<u>446,614</u>	<u>(67,086)</u>
EXPENDITURE				
<i>Meeting Costs</i>				
528	Board	1,010	958	52
985	Finance Committee	1,050	734	316
192	Investment Committee	100	94	6
382	Retirement Welfare Committee	850	303	547
333	Buildings Committee	500	178	322
329	Personnel Committee	490	331	159
<u>2,749</u>	<i>Sub-total</i>	<u>4,000</u>	<u>2,598</u>	<u>1,402</u>
<i>Allocation to Finance Committee funds</i>				
334,609	Grants for Ministry Fund	444,700	409,194	35,506
-	Maintenance and Development Fund	-	-	-
40,445	Dunderdale Building Fund	65,000	34,822	30,178
<u>375,054</u>	<i>Sub-total</i>	<u>509,700</u>	<u>444,016</u>	<u>65,684</u>
<u>377,803</u>	<i>Total Expenditure</i>	<u>513,700</u>	<u>446,614</u>	<u>67,086</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Administration Board

The Administration Board has a wide ranging remit with much of its detailed work being undertaken by its five pendant committees. Three of the committees saw changes in convenerships during the year and I should like to thank Alex Stewart and Jeremy Burchill for their oversight of the work of the Buildings Committee and the Investment Committee over the last five years and to their successors Rebecca Caddie and Adrian Tupper for their willingness to take on these roles. I too completed my term of office as a committee convener and handed over the reins of the Finance Committee to Frances Burberry. I was happy to be appointed as the Board's Convener and express my thanks, and that of the Board, to Michael Lugton for his convenership over the last five years. Thanks too to Maureen McKellar and Elliot Glen-Esk, for their continuing convenerships of the Personnel Committee and Retirement Welfare Committee.

The Church is well served by its committee members and the work they undertake each year. The reports which follow from each of the committee conveners demonstrate the range of issues addressed and the expertise that committee members bring to their work. I am grateful to them for their diligence and I look forward to the opportunity of being able to meet with them as I attend occasional committee meetings.

The major issue that the Board itself has sought to address in the past year is that of provincial assistance to congregations as they seek to discharge their responsibilities for the care and maintenance of church buildings. This has involved both the Finance Committee, which has responsibility for the oversight of the current provincial building grants and loans programmes, and the Buildings Committee with its wider role in relation to the provision of advice in respect of church building matters. The Board wishes to be able to provide as much support as possible to congregations within its limited means and I am pleased to be able to report that increased funds have been made available to allow the reintroduction of larger building grants. The Buildings Committee will also seek to work with dioceses in providing a number of training courses throughout the Province. In its discussions on these issues the Board has also agreed that a new group should be formed to consider future building grants applications. It is anticipated that a new building grants system will be established during 2016.

The Board has considered the implications of the proposed changes in relation to building grants and General Synod's decision to replace the old Grants for Ministry system of providing financial support to dioceses and congregations with Mission and Ministry Support Grants administered by the Mission Board and concluded that there is no continuing need for the Finance Committee. Proposals will therefore be made to General Synod in 2016 for the dissolution of the Committee.

One of the Board's responsibilities is to agree the level of Standard Stipend each year. In recent years it has been noted that it has been some time since the last review of clergy remuneration. The Board is therefore pleased that the Standing Committee accepted its recommendation that a review be undertaken. The Board has established a Review Group to consider a range of issues associated with clergy remuneration and looks forward to receiving its report.

As I have moved from other areas of provincial activity to chair the Administration Board, I remain indebted to John Stuart, Malcolm Bett and the General Synod Office staff for all they do.

John Ferguson-Smith
Convener

Investment Committee

Remit

The Committee is responsible for overseeing the investment of the Unit Trust Pool (UTP).

Stockmarket

Market conditions were volatile again throughout 2015 with the FTSE 100 producing a return of -4.9% (total return -1.3%). Performance of the UTP has been positive with a unit value of £13.67 as at 31 December 2015. The 2015 distributions represent a yield of 3.7% of the year end value.

The UTP is managed on a total return basis and income does not fully fund the distribution. The Committee maintained the 2015 distribution at 50.5p. The capital element of the distribution was 17.6p per unit (2014: 15.6p). The Committee is aware of the importance of the income stream for holders, but continues to act conservatively so as to avoid volatility and to protect the capital base of the fund.

Performance

The total return performance of the Fund to 31 December 2015 is shown in the table below

Period	Fund	Benchmark
Five years (p.a.)	10.2%	7.8%
Three years (p.a.)	12.2%	9.3%
One year (p.a.)	9.1%	3.1%

The market value of the Fund at 31 December 2015 was £55.7m.

The accounts of the UTP appear on page 90.

Ethical Policy

The UTP is managed by Baillie Gifford in accordance with the Statement of Investment Objectives. Baillie Gifford has a dedicated Corporate Governance team that works with the fund managers to assess Environmental, Social and Governance (ESG) concerns both before and after investment in a company. Baillie Gifford engages with the companies it invests in on topics including specific areas such as the impact of increasing carbon legislation on fossil fuel companies and director remuneration in the banking sector, and more generally in the areas of capital management, board composition, remuneration, environmental impact and reputational risk. Baillie Gifford are members of the UK Corporate Governance Forum, the International Corporate Governance Network, UK Sustainable Investment and Finance Association and the Asian Corporate Governance Association. In addition, Baillie Gifford complies with the UK Stewardship Code and are also signatories to the United Nations Principles for Responsible Investments.

During the year the Committee continued to discuss matters of common interest with Church in Society Committee. The Investment Committee resolved to join Church Investors Group which represents institutional investors from many mainstream Church denominations and church related charities. The aims of the Group include encouraging the formulation of investment policies based on Christian ethical principles and to encourage responsible business practices through engagement with company managements.

Committee Membership

Jeremy Burchill retired and I took over as Convener, and Michael Green joined the Committee.

Adrian Tupper
Convener

Finance Committee

It has been a year of change for the Committee; a change in convenership and a change in role. John Ferguson-Smith completed his five year term of office in June and I was appointed for a period of one year during which the Committee's future role is being reviewed. I would like to record my thanks and that of the Committee to John for his Convenership and stewardship of the Committee's business. The Committee's main areas of responsibility have been oversight of the Grants for Ministry Fund and the provincial building grants and loans programmes. Discussions are ongoing in respect of the latter with changes anticipated in 2016 and the Grants for Ministry Fund is no longer in operation following changes agreed by General Synod in 2015.

During its last year of operation the Grants for Ministry Fund provided grant assistance to help support a range of ministries in all seven dioceses. A total of 32 posts benefited from such support. Funding was also provided to support ten stipendiary curacies in five dioceses. Responsibility for the provision of curate grants has passed to the newly created Institute Council and will, appropriately, form part of a more integrated approach to the training and formation of ordinands and curates through the Scottish Episcopal Institute. Provincial financial support for other forms of ministry is now provided through the system of Mission and Ministry Support Grants agreed by General Synod. Dioceses will be able to support a range of ministries and mission initiatives with the new formula based block grant allocation of provincial funds administered by the Mission Board. The Committee wishes the Board well in undertaking this new role and encourages it in its task of agreeing an appropriate system of accountability for the use of the funds provided to dioceses.

The Committee has continued to provide financial assistance to congregations and dioceses to fund a variety of building projects. It was pleased to be able to provide thirteen grants totalling £35,182 from the Dunderdale Building Fund and one loan of £100,000 from the Building Loans Fund. No applications were however received for emergency grants from the small fund which has been available since the introduction of the moratorium on Maintenance and Development Fund grants in 2010. The Committee continued to participate in discussions in conjunction with the Administration Board and the Buildings Committee regarding the future of provincial building grants. The Committee is pleased that proposals are emerging that will see increased funding being made available for building grants. The Committee looks forward to the opportunity of participating in further discussions in 2016 to establish a new Building Grants Fund and welcomes the prospect of larger grants once again being available to congregations. The Committee notes that the proposals under discussion envisage it will not be responsible for administering the new grants fund and endorses the suggestion that a small group of individuals with relevant building expertise, reporting directly to the Administration Board, should have oversight of the fund.

If the proposals in relation to building grants are accepted by General Synod the Committee will cease to have any substantial role and its dissolution will be recommended to General Synod, concluding what has been a significant period of change for the Committee. My thanks to the Committee, for its forbearance as it has worked through this period of transition, and to Malcolm Bett and his colleagues at the General Synod Office without whom, in partnership with the Committee members, the work of the Committee could not have been achieved and administrative support provided.

Frances Burberry
Convener

Finance Committee

Grants for Ministry Fund

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/ (adv) £
INCOME				
334,609	Allocation from General Fund	444,700	409,194	(35,506)
10,337	Investment income	10,000	10,337	337
1,481	Legacies and donations	16,000	939	(15,061)
<u>346,427</u>	<i>Total Income</i>	<u>470,700</u>	<u>420,470</u>	<u>(50,230)</u>
EXPENDITURE				
100,587	Curate grants	168,922	131,958	36,964
199,660	Stipend Support grants	251,778	241,342	10,436
6,000	Other grants	6,000	6,000	-
35,670	Travel / Island grants	35,670	35,670	-
3,300	Child Allowance	5,000	5,500	(500)
1,210	Resettlement grants	3,330	-	3,330
<u>346,427</u>	<i>Total Expenditure</i>	<u>470,700</u>	<u>420,470</u>	<u>50,230</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Finance Committee

Dunderdale Building Fund

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/ (adv) £
INCOME				
40,445	Allocation from General Fund	65,000	34,822	(30,178)
-	Previously earmarked grants no longer required	-	360	360
<u>40,445</u>	<i>Total Income</i>	<u>65,000</u>	<u>35,182</u>	<u>(29,818)</u>
EXPENDITURE				
34,683	Grants - Issued		24,788	
5,762	- Earmarked		10,394	
<u>40,445</u>	<i>Total Expenditure</i>	<u>65,000</u>	<u>35,182</u>	<u>29,818</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Finance Committee**Loans Fund**

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/ (adv) £
INCOME				
12,655	Interest on loans	3,000	6,625	3,625
<u>12,655</u>	<i>Total Income</i>	<u>3,000</u>	<u>6,625</u>	<u>3,625</u>
BALANCES				
Revenue (liquid funds for advancement of loans)				
12,655	Surplus/(deficit) for year	3,000	6,625	3,625
(77,999)	Transfer (to)/from capital	(152,462)	(49,409)	103,053
234,806	Balance brought forward	169,462	169,462	-
<u>169,462</u>	<i>Balance carried forward</i>	<u>20,000</u>	<u>126,678</u>	<u>106,678</u>

Actual 2014 £	CAPITAL ACCOUNT	Actual 2015 £
138,500	Balance brought forward	216,499
<i>Transfers to revenue</i>		
(44,226)	Loans repaid	(50,591)
(10,000)	Previously earmarked loans no longer required	-
<i>Transfers from revenue</i>		
<u>132,225</u>	Loans paid/earmarked	<u>100,000</u>
77,999	Net transfer from / (to) revenue	49,409
<u>216,499</u>	<i>Balance carried forward</i>	<u>265,908</u>

Finance Committee

Free and Open Church Association

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/ (adv) £
INCOME				
805	Investment income	804	804	-
2	Interest	3	2	(1)
<u>807</u>	<i>Total Income</i>	<u>807</u>	<u>806</u>	<u>(1)</u>
EXPENDITURE				
110	Grants issued	800	-	800
<u>110</u>	<i>Total Expenditure</i>	<u>800</u>	<u>-</u>	<u>800</u>
BALANCES				
Revenue				
697	Surplus/(deficit) for year	7	806	799
7,087	Balance brought forward	7,784	7,784	-
<u>7,784</u>	<i>Balance carried forward</i>	<u>7,791</u>	<u>8,590</u>	<u>799</u>

Actual 2014 £	CAPITAL ACCOUNT	Actual 2015 £
20,182	Balance brought forward	21,291
1,109	Unrealised gain on revaluation as at 31 December 2015	982
<u>21,291</u>	<i>Balance carried forward</i>	<u>22,273</u>

Buildings Committee

The Buildings Committee receives appeals from charges against decisions made by Diocesan Buildings Committees on applications under Canon 35, considers responses to government and other consultations on buildings matters and, where appropriate, provides advice and guidance to Diocesan Buildings Committees on buildings and property matters.

No appeals against decisions made under Canon 35 by Diocesan Buildings Committees were received and consistent with its policy of meeting only when there is substantive business to discuss the Committee met twice in 2015.

In response to the development of a strategy by the Administration Board for re-introducing provincial building grants, the Committee has been encouraged at the flexibility of grants being considered and replacement of a single grant process in place of the Dunderdale and the Maintenance and Development Funds. We are aware that churches have been struggling to find financial support for necessary repairs and particularly for churches which are not listed.

The Committee has produced new guidance for congregations for provision for those with disabilities and compliance with the new requirements of the Equality Act 2010 and the document is now available on the provincial website.

After a review of the standard inventory form, the Committee has been encouraging the development of an electronic and more user-friendly form which the Diocese of Edinburgh had developed. A few other churches within the Province have been taking part in a trial of the form and we will be assessing its performance in the next few months. Our concern is for churches that are not aware of the monetary and heritage value of items and artefacts within the church and the security and insurance provision that may be required.

During the year there was a consultation with the dioceses about their approach to quinquennial building condition inspections. It is recommended that appropriately qualified persons carry out the surveys and there are specific requirements for major grant funded repairs being carried out under the supervision of conservation accredited architects. The cost of the survey and a suitable report can be significant for smaller charges.

During the year there has been preliminary consideration of whether the scope of Canon 35 should be extended to include Church grounds and graveyards. The wide variety of ownership and ground situations are complex and any external works or development is controlled through the Planning etc (Scotland) Act 2006. The Committee intends to give more in depth consideration to the matter in the coming year.

Lisbeth Thoms and Alex Stewart retired from the Committee and were thanked warmly for their contribution to the work of the Committee over their period of membership.

Rebecca Cadie
Convener

Personnel Committee

The Personnel Committee is responsible for considering general personnel policy issues affecting clergy as a whole within the Scottish Episcopal Church (SEC) and in particular terms and conditions of clergy service. The Committee met four times in 2015.

Much of the activity in 2015 has been on compiling a set of up-to-date personnel policies and procedures and reviewing and working on the clergy personnel handbook for stipendiary clergy so that it becomes a series of information and guidance notes which will be available on the SEC website. We have also updated the vacancy procedures handbook in the light of recent practice and compiled one or two guides to policies to help ensure consistency of approach.

We had hoped to have launched the handbook and issued the updated policies in 2015 but the amount of work involved has meant that this will now be deferred to 2016.

New and updated policies which we hope to finalise in the coming year include guidance on supernumerary cover, fees for weddings and funerals, as well as maternity, paternity, adoption and shared parental leave, annual leave and time away from duties. We are continuing to work on a ministerial partnership document which would set the tone on appointment to a new ministry, theologically, professionally and relationally, identifying particular responsibilities for each party and working to a mutually agreed vision. We are also continuing to work on sickness absence policy, capability policy, a bullying and harassment policy and a policy for “resolving issues”.

The main priorities for 2016 are to continue with the development and revision of personnel policies.

David Mumford resigned from the Committee during 2015 on his retirement from stipendiary ministry and we thank him for all his work. We were pleased to welcome Drew Sheridan and Gill Scott onto the Committee. I thank them and the other members of the Committee for all their work. Thanks are due to Bishop Nigel who has agreed to be a link from the College of Bishops to the Committee and again to John Stuart for all his work without which we would function much less effectively.

Maureen McKellar
Convener

Retirement Welfare Committee

The Committee's main remit is to provide assistance from the Housing Fund for retired clergy and their spouses or civil partners who are unable to fully fund adequate accommodation from their own resources. In order to qualify for assistance, clergy must be members of the SEC Pension Fund and have completed ten years' full-time stipendiary service in the Scottish Episcopal Church (SEC).

The objective is to ensure as far as possible that clergy will be provided with suitable housing, some capital and an income in their retirement. Assistance is for life and is means tested.

There are two options depending on circumstances:

1. Standard Rented Property

A property is acquired at or below the current Standard Property Price. This price is the average cost of a property in Scotland. The price used at present is £165,000 and this is kept under review and adjusted accordingly.

The pensioner is allocated the property and pays an affordable rent well below current market rates.

2. Shared Ownership

This is where the applicant can make a contribution towards the purchase of the property.

Under Shared Ownership there are two options

Standard Shared Ownership is for purchases up to Standard Property Price and where the applicant is able to contribute up to 25% of the total purchase price.

Enhanced Shared Ownership involves a higher contribution but the total purchase price may be up to 50% above the prevailing Standard Property Price.

The Committee oversees the acquisition and disposal of properties, arranges repairs and undertakes regular visits to properties. The Housing Fund has an interest in 44 properties throughout Scotland. The Committee approved approximately £14,000 in repairs and renovations over the year.

One property was bought in 2015 and one was sold.

The Committee also has responsibility for the Supplementary Fund. Small grants are available to assist with unexpected expenditure.

In addition a Christmas Gift is made to pensioners. In 2015 this amounted to a payment of £90 each to all pensioners.

During the year Robert Anderson and Ian Zass-Ogilvie retired and Peter Marsh joined the Committee.

Elliott Glen-Esk
Convener

Retirement Welfare Committee Supplementary Fund

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/ (adv) £
INCOME				
36,594	Investment income	36,594	36,594	-
41	Interest	50	40	(10)
2,000	Cargill Trust - Widows and Orphans	2,000	2,000	-
1,375	Donation	-	353	353
<u>40,010</u>	<i>Total Income</i>	<u>38,644</u>	<u>38,987</u>	<u>343</u>
EXPENDITURE				
690	Grants - Clergy	4,000	200	3,800
500	- Widows and Orphans	4,000	2,275	1,725
31,700	- Christmas payment	28,000	29,070	(1,070)
1,303	- Yearbooks (retired clergy)	1,200	1,220	(20)
-	Pension Fund (CRBF) top up	1,500	847	653
109	Miscellaneous	120	137	(17)
6,145	GSO Administration charge	6,145	6,145	-
<u>40,447</u>	<i>Total Expenditure</i>	<u>44,965</u>	<u>39,894</u>	<u>5,071</u>
BALANCES				
Revenue				
(437)	Surplus/(deficit) for year	(6,321)	(907)	5,414
30,571	Balance brought forward	30,134	30,134	-
<u>30,134</u>	<i>Balance carried forward</i>	<u>23,813</u>	<u>29,227</u>	<u>5,414</u>
Actual 2014 £			Actual 2015 £	
CAPITAL ACCOUNT				
903,600	Balance brought forward		954,028	
50,428	Unrealised gain on revaluation as at 31 December 2015		44,674	
<u>954,028</u>	<i>Balance carried forward</i>		<u>998,702</u>	

Retirement Welfare Committee

Housing Fund

Actual 2014 £		Revised Budget 2015 £	Actual 2015 £	Variance fav/(adv) £
INCOME				
6,061	Interest	5,000	3,311	(1,689)
23,193	Investment income	23,193	23,193	-
74,683	Rents	75,000	77,843	2,843
<u>103,937</u>	<i>Total Net Income</i>	<u>103,193</u>	<u>104,347</u>	<u>1,154</u>
EXPENDITURE				
5,828	Insurance	6,100	6,039	61
25,444	Repairs	35,000	13,722	21,278
7,556	Gas appliance and electrical testing	8,000	7,528	472
492	Property surveys / legal fees	2,500	-	2,500
11,750	GSO Administration Charge	11,750	11,750	-
<u>51,070</u>	<i>Total Expenditure</i>	<u>63,350</u>	<u>39,039</u>	<u>24,311</u>
BALANCES				
Revenue				
52,867	Surplus/(deficit) for year	39,843	65,308	25,465
(45,403)	Transfers (to)/from capital	(47,559)	(62,264)	(14,705)
252	Balance brought forward	7,716	7,716	-
<u>7,716</u>	<i>Balance carried forward</i>	<u>-</u>	<u>10,760</u>	<u>10,760</u>

Actual 2014 £	CAPITAL ACCOUNT	Actual 2015 £
Additions to capital		
-	Profit on sale of property	33,079
177,247	Purchase of property	144,077
-	Net funds placed on deposit account	51,052
<u>177,247</u>		<u>228,208</u>
Disposals of capital		
-	Sales of property (book value)	132,865
131,844	Net funds from deposit account	
<u>131,844</u>		<u>132,865</u>
45,403	<i>Net additions of capital</i>	95,343
4,127,870	Balance brought forward	4,197,359
24,086	Unrealised gain on revaluation as at 31 December 2015	28,313
<u>4,197,359</u>	<i>Balance carried forward</i>	<u>4,321,015</u>

Miscellaneous Funds

Actual 2014		Actual 2015	
£	INCOME	£	
132,921	Investment income	132,951	
3,000	Legacies and donations	3,000	
31,000	Other income	26,000	
<u>166,921</u>	<i>Total Net Income</i>	<u>161,951</u>	
	EXPENDITURE		
37,088	Building repairs	778	
128,356	Grants	128,071	
17,961	Other expenditure	30,571	
500	GSO Administration charge	500	
<u>183,905</u>	<i>Total Expenditure</i>	<u>159,920</u>	
	BALANCES		
	Revenue		
(16,984)	Surplus/(deficit) for year	2,031	
70,000	Transfer from Standing Committee to fund IT upgrade	-	
321,841	Balance brought forward	374,857	
<u>374,857</u>	<i>Balance carried forward</i>	<u>376,888</u>	
Actual 2014	CAPITAL ACCOUNT	Actual 2015	
£	INCOME	£	
-	Donation	-	
<u>-</u>	<i>Total Income</i>	<u>-</u>	
	EXPENDITURE		
<u>-</u>	<i>Total expenditure</i>	<u>-</u>	
	BALANCES		
-	Surplus/(deficit) for year	-	
-	Transfer from General Fund revenue account (investment in CMCU)	5,000	
3,641,822	Balance brought forward	3,845,303	
203,481	Unrealised gain on revaluation as at 31 December 2015	181,241	
<u>3,845,303</u>	<i>Balance carried forward</i>	<u>4,031,544</u>	
	TOTAL FUNDS as at 31 December:		
374,857	Revenue	376,888	
<u>3,845,303</u>	Capital	<u>4,031,544</u>	
<u>4,220,160</u>		<u>4,408,432</u>	
	Being for:		
1,103,747	Restricted purposes	1,156,946	
<u>3,116,413</u>	Designated purposes	<u>3,251,486</u>	
<u>4,220,160</u>		<u>4,408,432</u>	

Pension Fund

The last six years have been challenging for the Pension Fund, but the Actuarial Valuation completed during 2015 confirmed some improvement in the overall position. The 2008 Actuarial Valuation identified a deficit of £8.8m. The Church and Trustees agreed a deficit recovery plan which involved a £2m contribution from General Synod funds and congregations and other employers paying additional contributions until September 2021. The contribution rate since 1 January 2010 has been 34.9% of stipend or salary.

The £2m payment to the Fund from General Synod, combined with good investment returns had reduced the Fund deficit to £3m by the time of the next Actuarial Valuation in 2011, but no change to the contribution rate was possible because the cost of building up pension for serving clergy and staff had risen. Changes to the benefit structure were introduced for pensions built up after 1 January 2014 to help keep the contribution rate within the limits of what was likely to be affordable for congregations.

The latest Actuarial Valuation of the SEC Pension Fund took place as at 31 December 2014. Once again the Fund had benefited from strong investment returns. At the 2008 Actuarial Valuation the Fund's investments had been valued at £23.9m. This had increased to £35.8m at the 2011 Valuation, and £46.0m as at 31 December 2014 Valuation. The funding level of 103% meant that the Fund had a modest surplus and that the recovery plan target agreed after the 2008 valuation had been reached six years ahead of expectation. These factors have contributed to the Church and Trustees approving a modest reduction in the contribution rate to 32.2% of stipend or salary from 1 January 2016.

The Trustees' de-risking protocol which was in operation from 2010 until the end of 2014, changes to the benefit structure and good investment returns contributed to the broadly positive results of the latest Actuarial Valuation, and the Trustees are exploring ways of consolidating the progress that has been achieved.

At the year end, the benchmark asset allocation was 40% Diversified Growth Fund, 35% Long Dated Corporate Bond Fund, 15% Index Linked Bond Fund and 10% Long Dated Sterling Bond Fund. As at 31 December 2015, the Fund's net assets were £46,388,928, a decrease of £656,970 over the previous year.

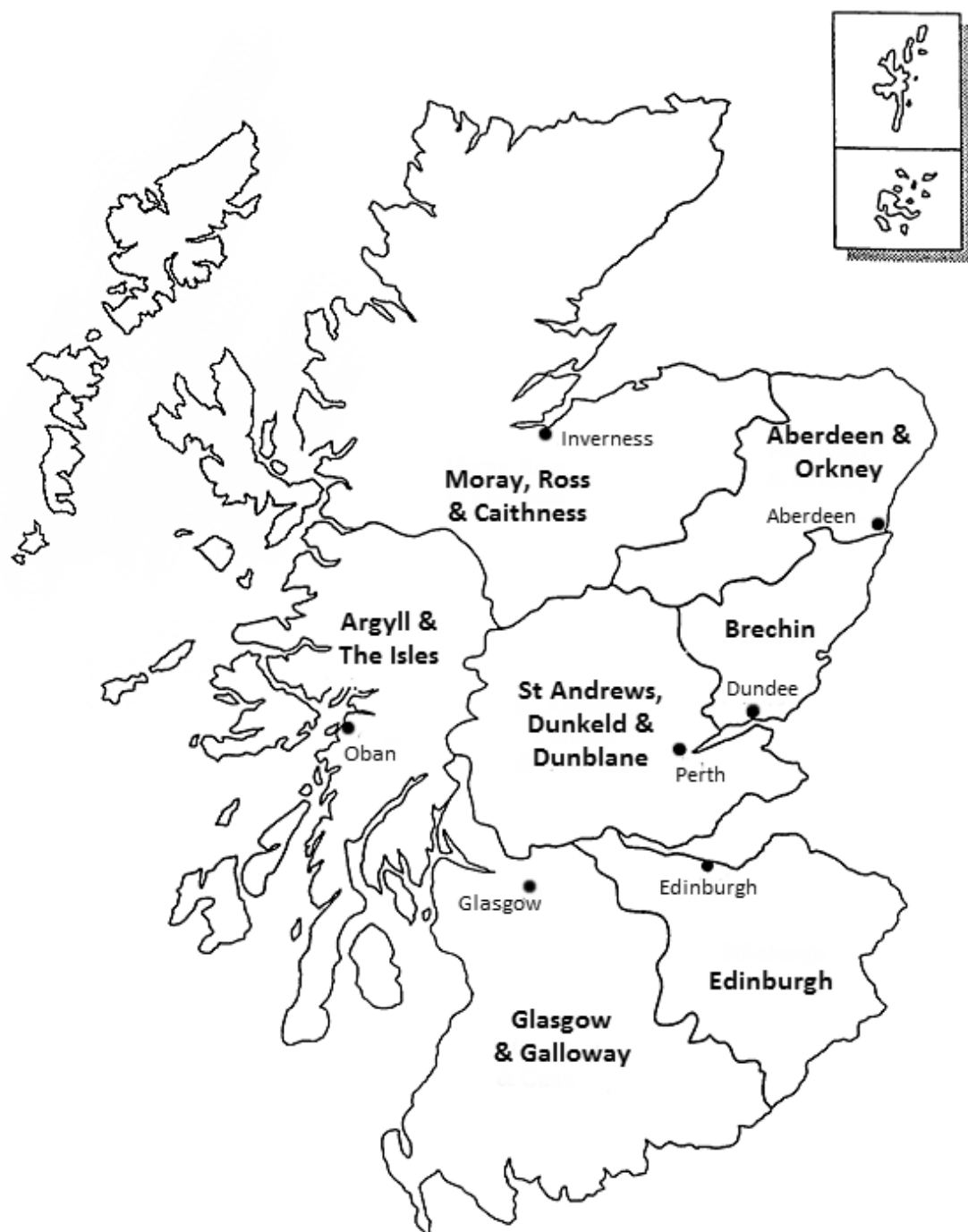
During the year Andrew November, David Palmer, Jim Mein and James Milne retired as Trustees. I was appointed Chairman by General Synod, and Robert Gordon was appointed by Standing Committee. John Cuthbert and David Mumford were appointed Member Nominated Trustees in August.

On 31 December 2015, the number of members and beneficiaries was as follows:

Serving Members:	
Clergy	144
Staff	32
Pensioners:	
Clergy	227
Staff	39
Widowed Spouses	69
Members with deferred pension rights	131
	<hr/>
	<u>642</u>

Richard McIndoe
Chairman

The Seven Dioceses of the Scottish Episcopal Church



Diocesan Statistics

Diocesan Summary

	ROLL		
	Membership	Communicant Numbers	Total Attendance
ABERDEEN	4,113	2,889	1,332
ARGYLL	995	710	490
BRECHIN	2,450	1,517	828
EDINBURGH	10,376	7,520	4,596
GLASGOW	6,412	4,748	2,717
MORAY	3,221	2,520	894
ST ANDREWS	4,574	3,497	2,099
TOTALS 2015	32,141	23,401	12,956
TOTALS 2014	32,634	23,145	13,611

Membership	Number of persons of all ages belonging to the congregation
Communicant Numbers	Number of persons on the Communicants' Roll
Total attendance	Total attendance on Sunday next before Advent

United Diocese of Aberdeen and Orkney

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	210	144	114
Aberdeen:			
St Clement's	48	31	22
St Devenick's Bielside	205	151	64
St James'	59	49	28
St John's	125	125	33
St Machar's Bucksburn	64	37	10
St Margaret's	382	243	44
St Mary's	129	129	58
St Mary's Cove Bay	41	14	10
St Ninian's	67	65	28
Aboyne	110	92	29
Alford	45	41	26
Auchindoir	30	23	8
Ballater	67	60	30
Banchory	232	170	61
Banff	41	14	5
Braemar	20	17	4
Buckie	144	34	20
Burravoe	25	8	8
Cruden Bay	74	64	35
Cuminestown	15	22	15
Ellon	212	190	63
Fraserburgh	111	64	31
Insch	30	15	18
Inverurie	138	109	60
Kemnay	25	35	8
Kincardine O'Neil	89	70	26
Kirkwall	71	55	17
Lerwick	295	120	50
Longside	41	23	6
New Pitsligo	48	42	9
Old Deer	54	19	14
Oldmeldrum	45	31	15
Peterhead	140	89	47
Portsoy	11	6	5
Strichen	67	31	11
Stromness	13	10	8
Turriff	48	48	14
Westhill	475	349	254
Whiterashes	20	15	12
Woodhead All Saints	7	5	7
Student Chaplaincy	35	25	—
SOLI Fetlar	5	5	5
TOTALS 2015	4,113	2,889	1,332
TOTALS 2014	4,189	2,798	1,467

United Diocese of Argyll and The Isles

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Oban Cathedral	280	135	35
Ardbrecknish	20	16	14
Ardchattan	<i>Included with Oban Cathedral</i>		
Arran	13	13	9
Ballachulish	12	12	22
Campbeltown	33	26	8
Dunoon	105	76	35
Duror	12	12	27
Eorraphaid	<i>(with Stornoway)</i>		
Fort William	74	56	48
Glencoe	39	22	27
Gruline	22	22	14
Harris	16	16	15
Inverary	<i>Included with Lochgilphead</i>		
Iona	4	4	19
Islay	9	11	5
Kilmartin	<i>Included with Lochgilphead</i>		
Kinlochleven	17	10	6
Kinlochmoidart	25	25	10
Lochgilphead	51	44	52
Millport	27	16	24
North Uist:			
Holy Cross Chapel	6	5	3
St Brendan the Navigator	5	6	5
Onich	6	6	23
Portnacrois	11	7	7
Portree	90	78	25
Rothsay	38	31	18
Stornoway	69	46	32
Strontian	11	15	7
TOTALS 2015	995	710	490
TOTALS 2014	1,095	701	448

Diocese of Brechin

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	225	169	256
Arbroath	192	151	33
Auchmithie	6	6	4
Brechin	101	72	30
Broughty Ferry	136	92	42
Carnoustie	130	103	41
Catterline	<i>In Stonehaven</i>		9
Drumlithie	12	5	–
Drumtochty	24	10	7
Dundee:			
St John's	13	13	–
St Luke's	35	26	16
St Margaret's	85	38	19
St Martin's	64	21	19
St Mary Magdalene	458	168	86
St Ninian's	119	99	28
St Salvador's	71	58	31
Fasque	27	16	30
Glencarse	139	96	19
Inverbervie	16	12	9
Invergowrie	68	50	11
Laurencekirk	73	40	16
Monifieth	81	59	29
Montrose	182	97	38
Muchalls	58	35	27
Stonehaven	125	73	28
Tarfside	10	8	–
TOTALS 2015	2,450	1,517	828
TOTALS 2014	2,396	1,605	881

Diocese of Edinburgh

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	955	835	385
Balerno	714	474	628
Bathgate	63	61	37
Bo'ness	59	61	17
Coldstream	69	37	18
Dalkeith	112	54	20
Dalmahoy	237	129	36
Dunbar	108	36	98
Duns	87	80	24
Edinburgh:			
Christ Church	418	279	151
Emmanuel	49	46	32
Good Shepherd	153	111	65
Holy Cross	210	154	52
Old St Paul's	400	306	194
St Barnabas'	94	35	6
St Columba's	119	119	55
St Cuthbert's	258	216	89
St David's	42	39	20
St Fillan's	78	58	37
St James', Leith	128	119	98
St John's	526	526	258
St Margaret's	24	24	17
St Mark's	158	118	44
St Martin's	74	74	40
St Michael/All Saints	126	110	71
St Ninian's	147	133	54
St Paul/St George	1,131	246	625
St Peter's	253	231	124
St Philip/St James	108	82	46
St Salvador's	35	32	20
St Thomas'	250	150	130
St Vincent's	68	48	36
Eyemouth	50	38	12
Falkirk	137	120	56
Galashiels	144	110	50
Grangemouth	128	98	22
Gullane	93	56	21
Haddington	186	145	56
Hawick	199	78	27
Innerleithen	36	45	14
Jedburgh	159	121	40
Kelso	167	167	114
Lasswade	226	81	41
Linlithgow	101	75	52
Livingston	310	310	97
Melrose	228	213	88
Musselburgh	120	116	76
North Berwick	220	152	62
Peebles	122	178	48
Penicuik	116	96	47
Rosslyn	169	135	57
Selkirk	76	63	35
South Queensferry	80	60	34
West Linton	56	40	20
TOTALS 2015	10,376	7,520	4,596
TOTALS 2014	10,250	7,482	4,824

United Diocese of Glasgow and Galloway

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	462	312	376
Airdrie/Monklands	68	67	30
Alexandria	76	63	21
Annan	43	33	12
Ardrossan **	85	67	28
Ayr	246	173	65
Bearsden	285	156	92
Bridge of Weir	19	15	15
Cambuslang	20	20	10
Castle Douglas	168	149	84
Challoch	82	69	29
Cumbernauld	38	37	22
Dalbeattie	60	48	24
Dalry **	40	21	10
Dumbarton	174	125	61
Dumfries	653	453	126
East Kilbride	74	62	28
Eastriggs	77	35	17
Gatehouse-of-Fleet	55	55	22
Glasgow:			
All Saints	65	60	28
Drumchapel Mission	8	8	7
Good Shepherd	45	45	18
St Aidan's	143	78	63
St Bride's	98	80	35
East End Ministry *	111	81	49
St James' (Bishopriggs)	128	86	63
St Margaret's	203	150	96
St Matthew's	48	43	25
St Ninian's	102	79	47
St Oswald's	36	36	31
St Silas	258	147	194
Gourock	31	31	13
Greenock	154	132	50
Gretna	70	50	17
Hamilton	236	184	69
Helensburgh	210	196	121
Irvine**	42	26	19
Johnstone	75	54	27
Kilmacolm	58	50	41
Kilmarnock	114	75	44
Kirkcudbright	66	66	30
Lanark	120	76	29
Largs	146	121	46
Lenzie	55	46	29
Lockerbie	44	33	19
Maybole	64	33	19
Milngavie	54	51	33
Moffat	43	39	23
Motherwell	62	56	25
New Galloway	52	44	28
Paisley	103	103	53
Port Glasgow	158	78	59
Portpatrick	26	23	13
Prestwick	98	60	39
Renfrew	86	60	34
Stranraer	31	30	19
Troon	195	129	57
Uddingston	22	22	16
Wishaw	27	27	17
TOTALS 2015	6,412	4,748	2,717
TOTALS 2014	6,760	4,798	2,766

**Ayrshire Joint Team
(Ardrossan, Dalry, Irvine)

*East End Ministry includes
Baillieston St John's
Dennistoun St Kentigern's
Shettleston St Serf's

United Diocese of Moray, Ross and Caithness

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	378	239	105
Aberlour	48	29	11
Black Isle Charges: Arpafellie Cromarty Fortrose	171	162	73
Culloden	33	26	18
Dingwall/Strathpeffer	208	104	36
Dufftown	17	12	5
East Sutherland Charges: Brora Crask Dornoch Invershin Lairg	123	117	71
Elgin/Lossiemouth/Burghead	501	411	78
Fochabers	105	99	19
Forres	179	171	74
Glenurquhart/Ft Augustus	41	36	18
Gordonstoun	58	58	20
Grantown	81	61	32
Isla Deveron Group: Aberchirder Huntly Keith	142	84	31
Invergordon	40	36	16
Inverness: St John's St Michael's	147 120	127 106	28 17
North West Charges: Achiltibuie Kinlochbervie Lochinver Tongue Ullapool	129	122	74
Nairn	188	172	41
Rothiemurchus	120	62	20
South West Charges: Kinlochewe Kishorn Lochalsh Poolewe	158	136	41
Strathnairn	49	37	10
Tain	49	35	20
Thurso	86	44	22
Wick	50	34	14
TOTALS 2015	3,221	2,520	894
TOTALS 2014	3,307	2,279	1,081

United Diocese of St Andrews, Dunkeld and Dunblane

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	350	322	123
Aberdour	120	60	23
Aberfoyle	85	73	25
Alloa	101	79	33
Alyth	28	25	17
Auchterarder	73	70	40
Ballintuim	34	34	–
Blairgowrie	101	91	40
Bridge of Allan	151	117	67
Burntisland	68	50	56
Callander	39	31	18
Comrie	58	52	18
Coupar Angus	50	43	17
Crieff	82	61	33
Cupar	110	88	30
Dollar	156	129	75
Doune	77	75	26
Dunblane	183	125	56
Dunfermline	274	187	80
Dunkeld (Birnam)	64	65	36
Elie	38	28	17
Forfar	135	110	65
Glamis	33	33	18
Glenalmond	440	170	400
Glenrothes	37	32	20
Inverkeithing	95	95	61
Killin	6	6	7
Kilmaveonaig	46	24	15
Kinghorn	<i>(with Kirkcaldy)</i>		
Kinloch Rannoch	7	4	10
Kinross	183	120	34
Kirkcaldy	106	74	43
Kirriemuir	80	49	12
Ladybank	17	17	9
Leven	30	25	13
Lochearnhead	29	26	9
Lochgelly	27	26	12
Muthill	37	28	14
Newport	48	38	18
Perth, St John's	175	138	75
Pitlochry	59	39	19
Pittenweem	33	31	17
Rosyth	33	32	78
St Andrews:			
All Saints	205	168	92
St Andrew's	218	197	154
Stanley	10	10	–
Stirling	170	140	56
Strathtay/Aberfeldy	43	33	11
Tayport	30	27	7
TOTALS 2015	4,574	3,497	2,099
TOTALS 2014	4,637	3,482	2,144

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**STATEMENT OF RESPONSIBILITIES OF THE
STANDING COMMITTEE OF THE GENERAL SYNOD
OF THE SCOTTISH EPISCOPAL CHURCH**

In relation to accounts on pages 76 to 88 and 90 to 92.

As the Charity Trustees of the General Synod of the Scottish Episcopal Church, the Standing Committee is responsible for preparing the Annual Report and the Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to Charities in Scotland requires the Standing Committee to prepare accounts for each financial year which give a true and fair view of the General Synod's financial activities during the year and of its financial position at the end of the year. In preparing the accounts the Committee should follow best practice and:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the General Synod will continue in operation.

The Committee is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the General Synod and enable it to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The applicable law also sets out the Committee's responsibility for the preparation and content of the Annual Report.

The Committee is responsible for safeguarding the assets of the General Synod and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Committee is responsible for the maintenance and integrity of the charity and financial information included on the General Synod's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Robert Gordon
Convener, Standing Committee
21 April 2016**

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015

	Page No.	2015 General Fund Income £	2015 Other Income	2015 Total Income (note 5)	2015 Expenditure £	2015 Surplus/ (deficit) £	2014 Surplus/ (deficit) £
General Fund	19	1,810,477	-	1,810,477	1,670,253	140,224	190,796
Allocated to Boards / Standing Committee		(1,670,253)	-	(1,670,253)	(1,670,253)	-	-
<i>Sub-total</i>		140,224	-	140,224	-	140,224	190,796
Standing Committee	20						
<i>Sub-total</i>		790,842	-	790,842	790,842	-	70,000
Administration Board							
Board	48	446,614	-	446,614	446,614	-	-
Allocated to Committees		(444,016)	-	(444,016)	(444,016)	-	-
Net (direct income and expenditure of Board)		2,598	-	2,598	2,598	-	-
Finance Committee							
Grants for Ministry Fund	52	409,194	11,276	420,470	420,470	-	-
Dunderdale Building Fund	53	34,822	360	35,182	35,182	-	-
Loans Fund	54	-	6,625	6,625	-	6,625	12,655
Free and Open Church Association	55	-	806	806	-	806	697
Retirement Welfare Committee							
Retirement Supplementary Fund	59	-	38,987	38,987	39,894	(907)	(437)
Retirement Housing Fund	60	-	104,347	104,347	39,039	65,308	52,867
Miscellaneous funds	61	-	161,951	161,951	159,920	2,031	(16,984)
<i>Sub-total for Board and its Committees</i>		446,614	324,352	770,966	697,103	73,863	48,798
Mission Board							
Board	30	59,503	-	59,503	59,503	-	-
Allocated to Committees		(57,615)	-	(57,615)	(57,615)	-	-
Net (direct income and expenditure of Board)		1,888	-	1,888	1,888	-	-
Global Partnerships Committee	36	-	108,100	108,100	131,630	(23,530)	(693)
Home Mission Committee	40	23,876	-	23,876	23,876	-	-
Church in Society Committee	34	33,739	939	34,678	34,678	-	-
The Community Fund	38	-	3,026	3,026	3,876	(850)	1,275
Miscellaneous funds	41	-	-	-	2,500	(2,500)	15,347
<i>Sub-total for Board and its Committees</i>		59,503	112,065	171,568	198,448	(26,880)	21,899
Institute Council							
Board	42	327,040	12,395	339,435	339,435	-	-
Miscellaneous funds	45	-	48,391	48,391	8,365	40,026	5,970
<i>Sub-total</i>		327,040	60,786	387,826	347,800	40,026	-
Faith and Order Board							
Board	24	20,626	-	20,626	20,626	-	-
Publications	24	-	1,299	1,299	1,432	(133)	1,027
<i>Sub-total</i>		20,626	1,299	21,925	22,058	(133)	1,027
Information and Communication Board							
Board	46	25,628	-	25,628	25,628	-	-
Publications	46	-	6,373	6,373	6,918	(545)	3,040
<i>Sub-total</i>		25,628	6,373	32,001	32,546	(545)	3,040
TOTAL FOR YEAR		1,810,477	504,875	2,315,352	2,088,797	226,555	335,560

The notes on pages 80 to 88 form part of these accounts.

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2015

	Revenue Accounts and Reserves			Capital Accounts and Reserves			Total	Total
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	2015	2014
	Funds	Funds	£	Funds	Funds	£	£	£
Income from								
Donations and legacies								
Quota	678,602	-	678,602	-	-	-	678,602	658,837
Donations	20,652	57,177	77,829	-	-	-	77,829	47,857
Legacies	-	-	-	-	-	-	-	26,347
	<u>699,254</u>	<u>57,177</u>	<u>756,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>756,431</u>	<u>733,041</u>
Investments								
Investment income - UTP distributions	1,232,010	101,484	1,333,494	-	-	-	1,333,494	1,333,442
Investment income - interest	14,834	3,394	18,228	-	-	-	18,228	27,385
Rental income	21,243	-	21,243	-	-	-	21,243	21,101
	<u>1,268,087</u>	<u>104,878</u>	<u>1,372,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,372,965</u>	<u>1,381,928</u>
Charitable activities								
Publication sales	18,087	-	18,087	-	-	-	18,087	8,086
Other income	9,260	-	9,260	-	-	-	9,260	3,760
Pension Fund and investment administration fee	31,338	-	31,338	-	-	-	31,338	29,030
Rental income	-	77,843	77,843	-	-	-	77,843	74,683
	<u>58,685</u>	<u>77,843</u>	<u>136,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,528</u>	<u>115,559</u>
Other								
Gain on sale of property	-	-	-	-	33,079	33,079	33,079	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,079</u>	<u>33,079</u>	<u>33,079</u>	<u>-</u>
Total Income	<u>2,026,026</u>	<u>239,898</u>	<u>2,265,924</u>	<u>-</u>	<u>33,079</u>	<u>33,079</u>	<u>2,299,003</u>	<u>2,230,528</u>
Expenditure on charitable activities (note 6)								
Mission development and support	313,347	13,812	327,159	-	-	-	327,159	300,234
Ministry support and training	525,709	9,365	535,074	-	-	-	535,074	457,596
Ecumenical and church relations	126,571	-	126,571	-	-	-	126,571	126,186
Promotion, publication and communication	262,896	-	262,896	-	-	-	262,896	245,368
Support for retired clergy	50,379	61,290	111,669	-	-	-	111,669	124,295
Support and advice to dioceses and congregations within SEC	649,123	26,877	676,000	-	-	-	676,000	641,289
	<u>1,928,025</u>	<u>111,344</u>	<u>2,039,369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,039,369</u>	<u>1,894,968</u>
Net income before transfers and gain on revaluation of investments	<u>98,001</u>	<u>128,554</u>	<u>226,555</u>	<u>-</u>	<u>33,079</u>	<u>33,079</u>	<u>259,634</u>	<u>335,560</u>
Gain on revaluation of investments (note 8)	-	-	-	1,472,996	159,556	1,632,552	1,632,552	1,828,625
Net income before transfers (note 2)	<u>98,001</u>	<u>128,554</u>	<u>226,555</u>	<u>1,472,996</u>	<u>192,635</u>	<u>1,665,631</u>	<u>1,892,186</u>	<u>2,164,185</u>
Transfers between funds	18,813	(18,813)	-	-	-	-	-	-
Transfers between revenue and capital	(54,409)	(62,846)	(117,255)	54,409	62,846	117,255	-	-
Net movement in funds	<u>62,405</u>	<u>46,895</u>	<u>109,300</u>	<u>1,527,405</u>	<u>255,481</u>	<u>1,782,886</u>	<u>1,892,186</u>	<u>2,164,185</u>
Fund balances at 1 January 2015	1,584,989	263,323	1,848,312	31,112,721	7,181,464	38,294,185	40,142,497	37,978,312
Fund balances at 31 December 2015	<u>1,647,394</u>	<u>310,218</u>	<u>1,957,612</u>	<u>32,640,126</u>	<u>7,436,945</u>	<u>40,077,071</u>	<u>42,034,683</u>	<u>40,142,497</u>

Detailed comparatives are at note 15.

All income is derived from continuing activities.

The notes on pages 80 to 88 form part of these accounts.

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
BALANCE SHEET AS AT 31 DECEMBER 2015**

	2015		2014
	£	£	restated £
Fixed Assets (note 8)			
Heritable Properties at book value		3,113,304	3,102,092
Investments at market value (Book Cost: £7,780,654) (2014: £7,780,654)		36,174,259	34,541,125
Social Investments		<u>443,268</u>	<u>388,859</u>
		39,730,831	38,032,076
Current Assets			
Debtors (note 9)		698,344	704,442
Bank and Cash		<u>1,663,833</u>	<u>1,480,582</u>
		2,362,177	2,185,024
Current Liabilities			
Creditors and Accruals (note 10)		<u>(58,325)</u>	<u>(74,603)</u>
Net Current Assets		2,303,852	2,110,421
TOTAL ASSETS LESS LIABILITIES		<u>42,034,683</u>	<u>40,142,497</u>

Capital and Reserves (note 11)

Unrestricted Funds	Capital	32,640,126		31,112,721
	Revenue	<u>1,647,394</u>		<u>1,584,989</u>
		34,287,520		32,697,710
Restricted Funds	Capital	7,436,945		7,181,464
	Revenue	<u>310,218</u>		<u>263,323</u>
		7,747,163		7,444,787
TOTAL FUNDS (note 12)		<u>42,034,683</u>		<u>40,142,497</u>

Robert Gordon
Convener, Standing Committee
21 April 2016

The notes on pages 80 to 88 form part of these accounts.

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
STATEMENT OF CASH FLOWS THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
Cash flows from operating activities:		
Net cash (used in) operating activities (reconciliation below)	<u>(1,169,856)</u>	<u>(1,085,807)</u>
Cash flows from investing activities:		
Dividends, interest and rent from investments	1,386,231	1,357,366
Proceeds from the sale of property	165,944	-
Purchase of property and equipment	(144,077)	(177,247)
Purchase of investments	(5,582)	(600,549)
Loans advanced (to dioceses / charges)	(100,000)	(32,225)
Loans repaid (by dioceses / charges)	50,591	44,226
Net cash provided by investing activities	<u>1,353,107</u>	<u>591,571</u>
Change in cash in year	183,251	(494,236)
Cash at 1 January 2015	1,480,582	1,974,818
Cash at 31 December 2015	<u>1,663,833</u>	<u>1,480,582</u>

Reconciliation of net income to net cash flow from operating activities

Cash flows from operating activities:		
Net income for the year (as per the Statement of Financial Activities)	1,892,186	2,164,185
Adjustments for:		
(Gains) on investments	(1,632,552)	(1,828,625)
Dividends, interest and rent from investments	(1,372,965)	(1,381,928)
Profit on sale of property	(33,079)	-
(Increase) / decrease in debtors	(7,168)	2,490
(Decrease) in creditors	(16,278)	(41,929)
Net cash (used in) operating activities	<u>(1,169,856)</u>	<u>(1,085,807)</u>

The notes on pages 80 to 88 form part of these accounts.

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015**

1 Accounting policies

Basis of preparation of accounts

The accounts have been prepared under the historical cost convention as modified by the revaluation of investment assets and are in accordance with applicable accounting standards, Financial Reporting Standard 102 (FRS 102), the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) effective from 1 January 2015.

The General Synod of the Scottish Episcopal Church constitutes a public benefit body as defined by FRS 102.

Going Concern

The accounts have been prepared on a going concern basis. The Standing Committee has assessed the General Synod's ability to continue as a going concern and have a reasonable expectation that the General Synod has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the accounts. The most significant areas of uncertainty with regard to the value of assets held by the General Synod and its ability to continue to operate is the performance of the SEC Unit Trust Pool and the income it produces. (See the investment policy and performance and risk management sections of the Standing Committee's report for more information. The Investment Committee report can be found at page 50 and accounts of the SEC Unit Trust Pool at page 90.)

Reconciliation with previous Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the Standing Committee has considered whether in applying the accounting policies required by FRS 102 and the Charities SORP a restatement of comparative items was needed and concluded that no restatements were required. However, in accordance with the requirements of FRS 102 a reconciliation must be provided, in respect of the comparative year, of the net income/expenditure for the year under previous GAAP with that under FRS 102. That reconciliation follows and reflects the change in the presentation of investment gains/losses in the Statement of Financial Activities.

Reconciliation of reported net income for the year ended 31 December 2014:

	£
Net income before transfers as previously reported	335,560
Adjustment for gains on investments now treated as a component of net expenditure	<u>1,828,625</u>
Net income before transfers as restated	<u><u>2,164,185</u></u>

Fund accounting

Note 2 explains the general purposes of the funds administered by the General Synod. Core funding for the activities of the Boards and most of the Committees is allocated from the General Fund and the Revenue Account on page 76, which summarises the revenue accounts of each of the individual Boards and Committees, reflects this income allocation procedure.

In preparing the accounts the transactions and year end balances of each fund are categorised as Revenue or Capital. Capital Funds generally represent heritable property, investments, loans and funds on deposit while Revenue Funds are represented by other current assets and liabilities. Transfers between Revenue and Capital Funds reflect changes in the underlying mix of capital and current assets on a fund by fund basis.

Accruals

Accruals are made for major items outstanding at the Balance Sheet date to preserve consistency of charge from year to year.

Tangible fixed assets and depreciation

Heritable properties are shown at cost and expenditure on improvements is capitalised. The heritable properties have useful lives in excess of fifty years. No depreciation has been provided against the book value of heritable

properties as, in the opinion of the Standing Committee, due to the long useful economic lives of the properties and their high residual values, any depreciation charge and resultant accumulated depreciation are immaterial. In the opinion of the Committee, no impairment of the carrying values has occurred during the year.

Expenditure on other tangible fixed assets, such as office furniture and equipment, is charged to revenue as incurred as the amounts involved rarely exceed £10,000 which is considered a reasonable limit below which expenditure would not be capitalised.

Should a major asset replacement project be undertaken this policy will be reviewed.

Fixed asset investments

Investments are shown at market value and unrealised gains and losses are taken to the appropriate Capital Account and are included in the Statement of Financial Activities.

Disposals of investments and heritable properties

Realised profits and losses on investments and heritable properties are recognised on the date of disposal and are credited directly to the appropriate Capital Account and are included in the Statement of Financial Activities.

Investment income

Investment income is accounted for on a due and receivable basis.

Quota income

Dioceses' contributions towards the funding of the work of the General Synod ("Quota") are recognised as receivable when it is clear that the funds will be remitted to the General Synod.

Donations, legacies and similar income

Donations, legacies and similar income are recognised as receivable when it is clear that the General Synod is entitled to the income, it is probable that it will be received and when its monetary value can be measured with sufficient reliability. Such income is generally credited to the Revenue Account. Donations and legacies which are, in the opinion of the Standing Committee, exceptionally large are however designated as capital and credited directly to the appropriate Capital Account. All donations and legacies are included in the Statement of Financial Activities.

Grant expenditure

Grants approved but not taken up at the year end are accrued in the accounts.

Governance Costs

Governance Costs relate to those costs necessary to provide the governance infrastructure which allows the General Synod to operate, to generate the information required for public accountability and to address strategic issues facing the Scottish Episcopal Church.

Apportionment of Support Costs (including Governance Costs)

Expenditure is shown in the Statement of Financial Activities categorised by charitable activity in accordance with the requirements of the Statement of Recommended Practice. Certain costs and grants awarded are capable of direct attribution to the categories; however other costs, in particular certain costs associated with the General Synod Office and governance costs, are attributable to more than one category. These costs have been apportioned to the specified categories based on an estimate of the time spent by staff on those activities. (See note 6)

Basic financial instruments

The General Synod has only basic financial assets and liabilities comprising investments, debtors, cash at bank and creditors. These assets and liabilities are initially recorded at cost and subsequently at market value in the case of investments and in respect of other assets and liabilities at the amounts expected to be received or paid.

2 Funds

Unrestricted funds are available for use at the General Synod's discretion; restricted funds are those given for specific purposes. The funds of the General Synod are grouped according to purpose and are administered by boards and the Standing Committee. The functions of each board and Standing Committee are:

Standing Committee	To co-ordinate the work of the boards and to oversee the work of the General Synod Office. The members of the Standing Committee are the Charity Trustees.
Administration Board	To oversee the general administration of the Church as a whole through its pendant committees.
Mission Board	To promote the Church both at home and abroad.
Institute Council	To oversee the areas of ministerial formation and training.
Faith and Order Board	To consider questions of Church government and organisation, doctrine and liturgy, and relationships with other churches.
Information and Communication Board	To oversee the external and internal communication tasks of the General Synod including the production of publications and provision of information.

There are approximately 60 restricted funds administered by the Administration Board, Mission Board and Institute Council depending on the purpose of each restricted fund.

Transfers of Revenue funds from restricted to designated funds represent the administration charges levied on a number of restricted funds for the use of General Synod Office staff and resources.

As explained in note 1 above, transfers between Revenue and Capital balances of the same fund represent changes in the underlying mix of capital and current assets.

Any transfers other than those of a recurring nature are explained in note 11.

3 Employee costs and remuneration of key management personnel

	2015 £	2014 £
Salaries	436,212	405,104
Pension contributions	151,392	135,764
Social security costs	41,794	38,199
Travel and subsistence	4,306	1,836
Training	1,411	1,456
Relocation expenses	4,219	-
	639,334	582,359
Average number of full time equivalent posts	13.6	12.1

Included in the "Staff Costs" disclosed in the various fund accounts on pages 19 to 61 and in the Statement of Financial Activities (page 77) are payments made in respect of staff seconded to the General Synod by their Charges. These members of staff, and payments made in respect of their services to the General Synod, are excluded from the figures noted above. The majority of staff costs are included in support costs and are apportioned to charitable activities. The costs in relation to the staff of the Scottish Episcopal Institute are however included in the direct costs associated with Ministry support and training. (See note 6.)

The Standing Committee considers the key management personnel to be the Secretary General, the Treasurer, the Church Relations Officer, the Communications Officer, the Officer for the Protection of Children and Vulnerable Adults and the Principal of the Scottish Episcopal Institute. These office bearers constitute the

Management Team. The total employment benefits including employer pension contributions of the key management personnel were £339,801 (2014: £332,058).

One employee received emoluments, as defined for taxation purposes, exceeding £60,000 and which fell in the following banding:

	2015 Number	2014 Number
£60,001 - £70,000	1	1

The member of staff is also a member of the defined benefit Scottish Episcopal Church Pension Fund.

All employees are members of the Scottish Episcopal Church Pension Fund which is a non contributory defined benefit scheme with benefits based on final pensionable salary. Others employed by the Scottish Episcopal Church, clergy for the most part, are also members. The General Synod is unable to identify its share of the underlying assets and liabilities of the Fund on a consistent and reasonable basis and so accounts for its contributions as if the scheme was a defined contribution scheme. The contribution rate for the year under review was 34.9%. The rate is based on the Actuarial Valuation of the Fund as at 31 December 2008 which estimated the Fund's deficit to be £8.8m. The Actuarial Valuation as at 31 December 2011 estimated the Fund's deficit to be £3m and the Actuary recommended no change in the contribution rate. Following the Actuarial Valuation as at 31 December 2014, which estimated the Fund's surplus to be £1.3m, the contribution rate effective from 1 January 2016 has been reduced to 32.2%. There were no contributions outstanding at 31 December 2015 in relation to the General Synod's employees.

4 Expenses paid to board and committee members

Board and committee members are entitled to reimbursement of necessarily incurred travel and subsistence expenses in accordance with the rates determined by the Standing Committee. No remuneration is paid to committee members. Expenses paid to members of the Standing Committee during the year, in relation to their membership of that Committee totalled £1,332 (2014: £619).

5 Total income

Total Income in the Revenue Account (page 76) does not include any capital receipts. Such receipts are credited directly to the Capital Accounts. Both Capital and Revenue receipts are reflected in the Statement of Financial Activities.

6 Expenditure on charitable activities and governance costs

Expenditure on charitable activities includes direct costs, grants awarded and support costs. Support costs, which relate primarily to costs associated with the General Synod Office and governance costs, are apportioned based on estimates of time spent by staff on the various activities.

Governance Costs relate to those costs necessary to provide the governance infrastructure which allows the General Synod to operate, to generate the information required for public accountability and to address strategic issues facing the Scottish Episcopal Church. Such costs include the costs of the annual meeting of General Synod and professional fees relating to audit and legal advice.

	Direct Costs	Grants awarded	Support Costs	2015 Total	2014 Total (restated)
	£	£	£	£	£
Charitable activities					
Mission development and support	25,720	194,134	107,305	327,159	300,234
Ministry support and training	201,171	276,673	57,230	535,074	457,596
Ecumenical and church relations	62,188	-	64,383	126,571	126,186
Promotion, publication and communication	33,978	-	228,918	262,896	245,368
Support for retired clergy	28,878	32,715	50,076	111,669	124,295
Provision of support and advice to Dioceses and Congregations	41,242	427,301	207,457	676,000	641,289
	393,177	930,823	715,369	2,039,369	1,894,968
2014 (restated)	346,207	834,428	714,333	1,894,968	

	2015	2014 (restated)
	£	£
Analysis of support costs		
Staff costs	486,771	470,350
Property and equipment costs	79,387	91,714
General administration costs	51,790	51,631
Board and committee expenses	8,495	24,135
Governance costs	88,926	76,503
	715,369	714,333

Included in Governance costs are audit fees (including VAT) of:

2015	£12,180
2014	£11,820

7 Grants

Grants are made to Dioceses, Charges and individuals within the Scottish Episcopal Church for a number of purposes. Grants are also made to other church bodies, non-church bodies and to individuals. The range and variety of grants and further information regarding the grants made is provided in the accounts of the various funds (pages 19 to 61). The grants awarded during the year can be analysed:

	UK	Overseas	2015 Total	2014 Total
	£	£	£	£
Scottish Episcopal Church bodies	736,103	-	736,103	659,783
Other church bodies	50,624	18,040	68,664	71,902
Non church bodies	11,266	9,751	21,017	2,569
Individuals	51,988	53,051	105,039	100,174
	849,981	80,842	930,823	834,428
2014	752,616	81,812	834,428	

Grants were awarded to 400 individuals (2014: 388).

Included in Creditors and Accruals are Grants totalling £21,194 approved but not paid out (2014: £26,542).

8 Fixed Assets

	Heritable Property £	Investments £	Social Investments £	Total £
At 31 December 2014 (restated)	3,102,092	34,541,125	388,859	38,032,076
Additions during year	144,077	582	5,000	149,659
Disposals during year	(132,865)	-	-	(132,865)
New loans advanced in year	-	-	100,000	100,000
Loans repaid in year	-	-	(50,591)	(50,591)
Net gain on revaluation at 31 December 2015	-	1,632,552	-	1,632,552
Balance at 31 December 2015	3,113,304	36,174,259	443,268	39,730,831

The majority of the General Synod's investments are held in the Scottish Episcopal Church Unit Trust Pool. The Unit Trust Pool was established by the Investment Committee of the General Synod to bring together the disparate investments of the various funds of the General Synod, the Dioceses and the individual congregations of the Church to enable these to be managed professionally. The Unit Trust Pool is therefore purely an investment vehicle of the Scottish Episcopal Church. 73.4% of investments in the Unit Trust Pool relate to UK investments. The unit value at 31 December 2015 was £13.6675. The unit value at 31 March 2016 was £13.7422 and so no impairment falls to be recognised.

The majority of the heritable properties are provided for charitable purposes (being the provision of housing for retired clergy). Heritable properties are shown at cost and expenditure on improvements is capitalised. In the opinion of the Standing Committee, no impairment of the carrying values of heritable properties has occurred during the year.

Social investments, as defined by the Charities SORP (FRS 102), include the Braeburn residential home in Edinburgh which is leased to the operator of the care home for a peppercorn rent, loans made to Dioceses and Charges, loans made to retired clergy to assist in the purchase of retirement housing and a nominal investment in the Churches' Mutual Credit Union.

9 Debtors

	2015 £	2014 £
Accrued Unit Trust Pool distribution	676,295	689,496
Sundry debtors including grant repayments	<u>22,049</u>	<u>14,946</u>
	<u>698,344</u>	<u>704,442</u>

10 Creditors

	2015 £	2014 £
Grants approved but not paid	21,194	26,542
Accruals and deferred income	<u>37,131</u>	<u>48,061</u>
	<u>58,325</u>	<u>74,603</u>

11 Reconciliation of movement in funds

	Balance at 31 Dec 14 £	Surplus/ (deficit) for year prior to transfers £	Transfers between funds £	Unrealised gain on revaluation at 31 Dec 15 £	Balance at 31 Dec 15 £
Unrestricted Funds					
General Fund	26,447,073	121,829	13,395	1,212,756	27,795,053
Other funds	6,250,637	(23,828)	5,418	260,240	6,492,467
	32,697,710	98,001	18,813	1,472,996	34,287,520
Restricted Funds					
Housing Fund	4,205,075	110,137	(11,750)	28,313	4,331,775
Other funds	3,239,712	51,496	(7,063)	131,243	3,415,388
	7,444,787	161,633	(18,813)	159,556	7,747,163
Total Funds	40,142,497	259,634	-	1,632,552	42,034,683

The transfers between funds mostly relate to the administration charges levied on a number of restricted and designated funds for the use of General Synod Office staff and resources as described in Note 2. The purchase of 5,000 £1 deferred shares in the Churches' Mutual Credit Union Ltd is also reflected as a transfer of £5,000 between the General Fund and other unrestricted funds.

12 Analysis of net assets between funds

Fund balances at 31 December 2015 are represented by:

	Unrestricted Funds	Housing Fund	Restricted Funds Other Funds	Total Restricted	Total Funds
	£	£	£	£	£
Fixed Assets					
Heritable Property at cost	27,596	3,085,708	-	3,085,708	3,113,304
Investments at market value	32,653,958	627,693	2,892,608	3,520,301	36,174,259
Social Investments	170,908	61,775	210,585	272,360	443,268
Current Assets					
Debtors and Prepayments	653,492	12,225	32,627	44,852	698,344
Bank and Cash	835,055	545,974	282,804	828,778	1,663,833
Current Liabilities					
Creditors and Accruals	(53,489)	(1,600)	(3,236)	(4,836)	(58,325)
	34,287,520	4,331,775	3,415,388	7,747,163	42,034,683

The majority of Unrestricted Funds are Undesignated Funds. The total of Undesignated Funds, representing the General Fund, at 31 December 2015 was £27.8m (2014 £26.4m).

The majority of Restricted Funds relate to the Retirement Housing Fund administered by the Retirement Welfare Committee (see the Committee's report on page 58 and the Fund's financial statement on page 60). The Fund provides assistance in the provision of retirement housing to eligible beneficiaries of the SEC Pension Fund (mostly retired clergy and their widowed spouses / partners). It has an interest in 44 properties located throughout Scotland. A number of the properties were specifically gifted to the General Synod for such use. The Fund has also benefitted from legacies and donations given to assist in the provision of housing to retired clergy.

Of the investments held by other Restricted Funds approximately £990,000 relates to the Retirement Supplementary Fund administered by the Retirement Welfare Committee. (The Fund's financial statement is on page 59.) Annual investment income is used to provide a range of grants and an annual Christmas gift to beneficiaries of the SEC Pension Fund. The balance of the investments and other assets relate to a range of smaller funds most of which are included in the Miscellaneous Funds administered by the Administration Board, Mission Board and the Institute Council. (The financial statements on pages 41, 45 and 61 include these Restricted Funds with other Designated Funds administered by the Boards.)

13 Future commitments

A loan of £100,000 to a charge had been approved but not drawn down at the Balance Sheet date. The loan has not yet been drawn down.

14 Related party transactions

The nature of the General Synod requires that it has a great many financial transactions with Dioceses and congregations within the Scottish Episcopal Church. As all members of the Standing Committee are connected with their respective Diocese and local church congregation these bodies are related parties under Financial Reporting Standard 102 "Related Party Disclosures" and transactions with them are "related party transactions". The governance procedures of the General Synod require that members of all Boards and Committees declare their interest in any grant or loan application prior to its discussion by the Board or Committee.

FRS 102 requires disclosure of material related party transactions and year end balances with related parties. In the case of the General Synod these are for the most part separately disclosed in the statement of financial activities, the balance sheet or in the notes to the accounts and comprise: quota received from Dioceses, grants

made and loan balances outstanding. Other transactions include sales of publications, the provision of training courses and conferences and the leasing of office space to the Diocese of Edinburgh.

15 Statement of Financial Activities previous year

	Revenue Accounts and Reserves			Capital Accounts and Reserves			Total
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	2014
	Funds	Funds		Funds	Funds		
	£	£	£	£	£	£	£
Income from							
Donations and legacies							
Quota	658,837	-	658,837	-	-	-	658,837
Donations	28,795	19,062	47,857	-	-	-	47,857
Legacies	1,000	25,347	26,347	-	-	-	26,347
	688,632	44,409	733,041	-	-	-	733,041
Investments							
Investment income - UTP distributions	1,232,010	101,432	1,333,442	-	-	-	1,333,442
Investment income - interest	21,240	6,145	27,385	-	-	-	27,385
Rental income	21,101	-	21,101	-	-	-	21,101
	1,274,351	107,577	1,381,928	-	-	-	1,381,928
Charitable activities							
Publication sales	8,086	-	8,086	-	-	-	8,086
Other income	3,760	-	3,760	-	-	-	3,760
Pension Fund and investment administration fee	29,030	-	29,030	-	-	-	29,030
Rental income	-	74,683	74,683	-	-	-	74,683
	40,876	74,683	115,559	-	-	-	115,559
Other							
Gain on sale of property	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total Income	2,003,859	226,669	2,230,528	-	-	-	2,230,528
Expenditure on charitable activities							
Mission development and support	278,328	21,906	300,234	-	-	-	300,234
Ministry support and training	456,596	1,000	457,596	-	-	-	457,596
Ecumenical and church relations	126,186	-	126,186	-	-	-	126,186
Promotion, publication and communication	245,368	-	245,368	-	-	-	245,368
Support for retired clergy	50,385	73,910	124,295	-	-	-	124,295
Support and advice to dioceses and congregations within SEC	613,092	28,197	641,289	-	-	-	641,289
Total expenditure	1,769,955	125,013	1,894,968	-	-	-	1,894,968
Net income before transfers and gain on revaluation of investments	233,904	101,656	335,560	-	-	-	335,560
Gain on revaluation of investments	-	-	-	1,657,531	171,094	1,828,625	1,828,625
Net income before transfers	233,904	101,656	335,560	1,657,531	171,094	1,828,625	2,164,185
Transfers between funds	18,907	(18,907)	-	-	-	-	-
Transfers between revenue and capital	(277,999)	(45,952)	(323,951)	277,999	45,952	323,951	-
Net movement in funds	(25,188)	36,797	11,609	1,935,530	217,046	2,152,576	2,164,185
Fund balances at 1 January 2014	1,610,177	226,526	1,836,703	29,177,191	6,964,418	36,141,609	37,978,312
Fund balances at 31 December 2014	1,584,989	263,323	1,848,312	31,112,721	7,181,464	38,294,185	40,142,497

INDEPENDENT AUDITOR'S REPORT TO THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

We have audited the accounts of the General Synod of the Scottish Episcopal Church for the year ended 31 December 2015 which comprise the Summary Revenue Account, the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Standing Committee as Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the Standing Committee 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 General Synod and the Standing Committee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Standing Committee and auditor

As explained more fully in the Statement of Responsibilities of the Standing Committee set out on page 75, the Standing Committee is responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of accounts is provided on the website of the Financial Reporting Council (FRC) at www.frc.org.uk/apb/scope/private.cfm.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the General Synod's affairs as at 31 December 2015 and of its incoming resources and application of resources, 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the accounts; or
- proper accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh EH3 6NL

22 April 2016

Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL
STATEMENT OF TOTAL RETURN YEAR ENDED 31 DECEMBER 2015

		2015		2014
	£	£	£	£
Income				
Capital gains/(losses) - net				
Realised		1,575,726		1,630,745
Unrealised		<u>1,523,868</u>		<u>1,674,768</u>
		3,099,594		3,305,513
Revenue	1,536,358		1,568,537	
Management expenses	<u>218,675</u>		<u>208,575</u>	
		<u>1,317,683</u>		<u>1,359,962</u>
Total return before distributions		4,417,277		4,665,475
Distributions (50.5p per unit. 2014: 50.5p)		<u>2,013,047</u>		<u>1,969,309</u>
Change in net assets attributable to unitholders from investment activities		<u>2,404,230</u>		<u>2,696,166</u>
Statement of change in net assets attributable to unitholders				
Net assets attributable to unitholders as at 31 December 2014		50,989,799		47,274,770
Receipts from issue of new units		1,374,178		1,088,634
Realisation of units:				
Book value		(66,119)		(38,061)
Appreciation		<u>(62,713)</u>		<u>(31,710)</u>
		52,235,145		48,293,633
Change in net assets attributable to unitholders from investment activities		<u>2,404,230</u>		<u>2,696,166</u>
Net assets attributable to unitholders as at 31 December 2015		<u>54,639,375</u>		<u>50,989,799</u>
Number of units in issue		<u>3,997,770</u>		<u>3,906,979</u>
Unit value as at 31 December 2015		<u>£13.6675</u>		<u>£13.0510</u>

The notes on page 92 form part of these accounts.

**THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL
BALANCE SHEET AS AT 31 DECEMBER 2015**

	Notes	£	2015 £	£	2014 £
Capital Account					
Investments valued at closing prices	3		54,971,830		51,050,067
Current Assets					
Bank		765,092		1,088,517	
Investment income receivable		12,512		11,548	
Income tax recoverable		<u>32,371</u>		<u>26,556</u>	
		<u>809,975</u>		<u>1,126,621</u>	
Current Liabilities					
Sundry creditors		57,498		56,154	
Proposed distribution at 25.5p/unit (2014: 26p/unit)		1,019,432		1,015,815	
Funds awaiting investment		<u>65,500</u>		<u>114,920</u>	
		<u>1,142,430</u>		<u>1,186,889</u>	
Net Current (Liabilities)			(332,455)		(60,268)
Total Net Assets attributable to unitholders			<u>54,639,375</u>		<u>50,989,799</u>

Robert Gordon
Convener, Standing Committee
21 April 2016

The notes on page 92 form part of these accounts.

THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Status of the Unit Trust Pool

The Unit Trust Pool was established by the Investment Committee of the General Synod of the Scottish Episcopal Church to bring together the disparate investments of the various Funds of the General Synod, the dioceses and the individual congregations of the Church to enable these to be managed professionally. The Unit Trust Pool is therefore purely an investment vehicle of the Scottish Episcopal Church. The annual report of the Investment Committee appears on page 50. An Ethical Investment Policy has been adopted in respect of the Unit Trust Pool (see page 94).

Investment Managers

For the year ended 31 December 2015, the investment management of the Unit Trust Pool was delegated to Baillie Gifford & Co who are employed under a contract which could be terminated by the General Synod at any time or by Baillie Gifford & Co on giving three months' notice. The Investment Manager's fee for the year ended 31 December 2015 was £202,980 (2014 £194,434) including VAT, calculated quarterly on the value of the managed portfolio by applying a reducing percentage as the fund values exceed set bands.

2 Accounting policies

Basis of accounting

Although the Unit Trust Pool is a private investment vehicle and not an "Authorised Fund", in preparing these accounts, the Standing Committee has followed the format recommendations in the Statement of Recommended Practice "Financial Statements of Authorised Funds" (the SORP). Other matters dealt with by the SORP are not considered to be material to an understanding of the accounts of the Unit Trust Pool.

Accounting Convention

The accounts are prepared under the historical cost convention modified to include investments at market value.

Investment income and charges

Investment income and charges are dealt with as follows:

- (a) Dividends are included in the accounts when the stock is declared ex-dividend by the year end. Investment income is shown gross, inclusive of recoverable tax.
- (b) Deposit interest and bank charges are accrued where applicable.
- (c) All purchases and sales of fixed interest securities are recorded net of accrued interest which is taken to revenue.

3 Investments

The following individual holding exceeded 5% of the total value of the investment portfolio at the year end:

	£	
Baillie Gifford Long Term Global Growth Fund C Income	<u>18,086,043</u>	32.5%
Baillie Gifford Corporate Bond Fund C Income	<u>17,449,983</u>	31.3%

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL

We have audited the accounts of the Scottish Episcopal Church Unit Trust Pool for the year ended 31 December 2015 which comprise the Statement of Total Return, the Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the unit holders of the Scottish Episcopal Church Unit Trust Pool. Our audit work has been undertaken so that we might state to the unit holders of the Scottish Episcopal Church Unit Trust Pool 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 Scottish Episcopal Church Unit Trust Pool and the unit holders of the Scottish Episcopal Church Unit Trust Pool as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Standing Committee and auditor

As explained more fully in the Statement of Responsibilities of the Standing Committee set out on page 75, the Standing Committee is responsible for the preparation of accounts which give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

A description of the scope of an audit of accounts is provided on the website of the Financial Reporting Council (FRC) at www.frc.org.uk/apb/scope/private.cfm.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of affairs of the Scottish Episcopal Church Unit Trust Pool as at 31 December 2015 and of its total return for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh EH3 6NL

22 April 2016

ETHICAL INVESTMENT POLICY

The Investment Committee recognises its responsibilities optimising investment returns for the SEC Unit Trust Pool whilst striving to meet reasonable ethical investment expectations.

The Investment Committee aims to invest in companies that will not only successfully develop their business financially in the interests of shareholders, but also

- (i) demonstrate responsible employment and good corporate governance practices;
- (ii) are conscientious regarding environmental performance and human rights; and
- (iii) act with sensitivity to the communities in which they operate.

The Investment Committee has also adopted strict “negative” criteria as a significant element of the Ethical Investment Policy. No direct investment will be made in companies whose main business is in any of the following *restricted categories*:

- Armaments
- Gambling
- Tobacco
- Pornography

It is recognised that many companies will be involved, to some extent, in businesses in these *restricted categories*. Investment in such companies is deemed inappropriate where in excess of 15% of a company's turnover is derived from businesses in the *restricted categories*.

The Investment Committee will exercise its discretion regarding exclusion from direct investment any company where it has material concerns regarding the ethical acceptability of the company's business model or operational activities.

In achieving these aims the Committee is dependent on its Fund Managers, and in particular the Managers' active engagement with company management, both directly and via company AGMs, to influence the corporate governance and ethical practices in the companies in which the UTP invests.

Policy approved by General Synod 2013