



Scottish Episcopal Church

31st Annual Report

The General Synod of the Scottish Episcopal Church

Annual Report and Accounts for the year ended 31 December 2013

Notes

Membership

The membership of each Board and Committee is listed on pages 3 - 6 and reflects the membership at 31 December 2013. Dates given in brackets after each name refer to when the term of office began.

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

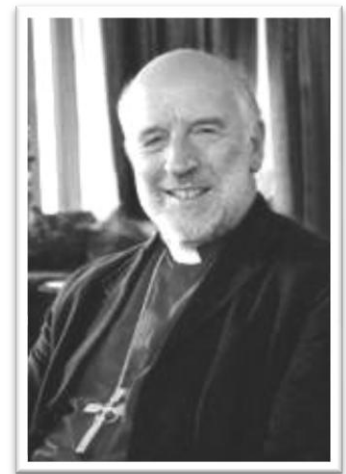
Charity name and address	General Synod of the Scottish Episcopal Church 21 Grosvenor Crescent Edinburgh EH12 5EE
Scottish Charity Number	SC015962
Charity Trustees	<i>Standing Committee</i> Mr David Palmer (Convener) Most Rev David Chillingworth Very Rev Kelvin Holdsworth Mrs Anne Jones Very Rev Richard Kilgour Mr Michael Lugton Rev Canon Malcolm Round 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 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 Mr Martin Haldane Rt Rev Edward Luscombe The Hon Lord McEwan 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 Mr Martin Haldane Rt Rev Edward Luscombe The Hon Lord McEwan 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 2013 by the Primus Most Rev David Chillingworth

2013 seems to have been a year of preparing the ground for future change. We find ourselves in the midst of what feels like 'once in a generation' changes in the life of our Church. I believe that we have within our life the resources which we need to rise to the challenges and I pray that God will guide us in the important decisions which we face.

At the close of 2013, a report from the Theological Institute of The Scottish Episcopal Church (TISEC) Review Working Party established by the Mission and Ministry Board to consider matters of formation and governance was completed. It followed the Quality in Formation Report received from the Ministry Division of the Church of England earlier in the year and challenges us to shape a pattern of training which is 'formation-led'. It places that new understanding of training for authorised ministry firmly in the context of the formation of the whole people of God. It also calls for significant changes in governance which will be discussed at General Synod 2014.



All of this fits readily into the changes which were already under way through the Whole Church Mission and Ministry Board. Further discussion undertaken in 2013 means that we will have the opportunity of creating a new Mission Board focused on the work of a number of networks which bring together and support the missional work of our dioceses.

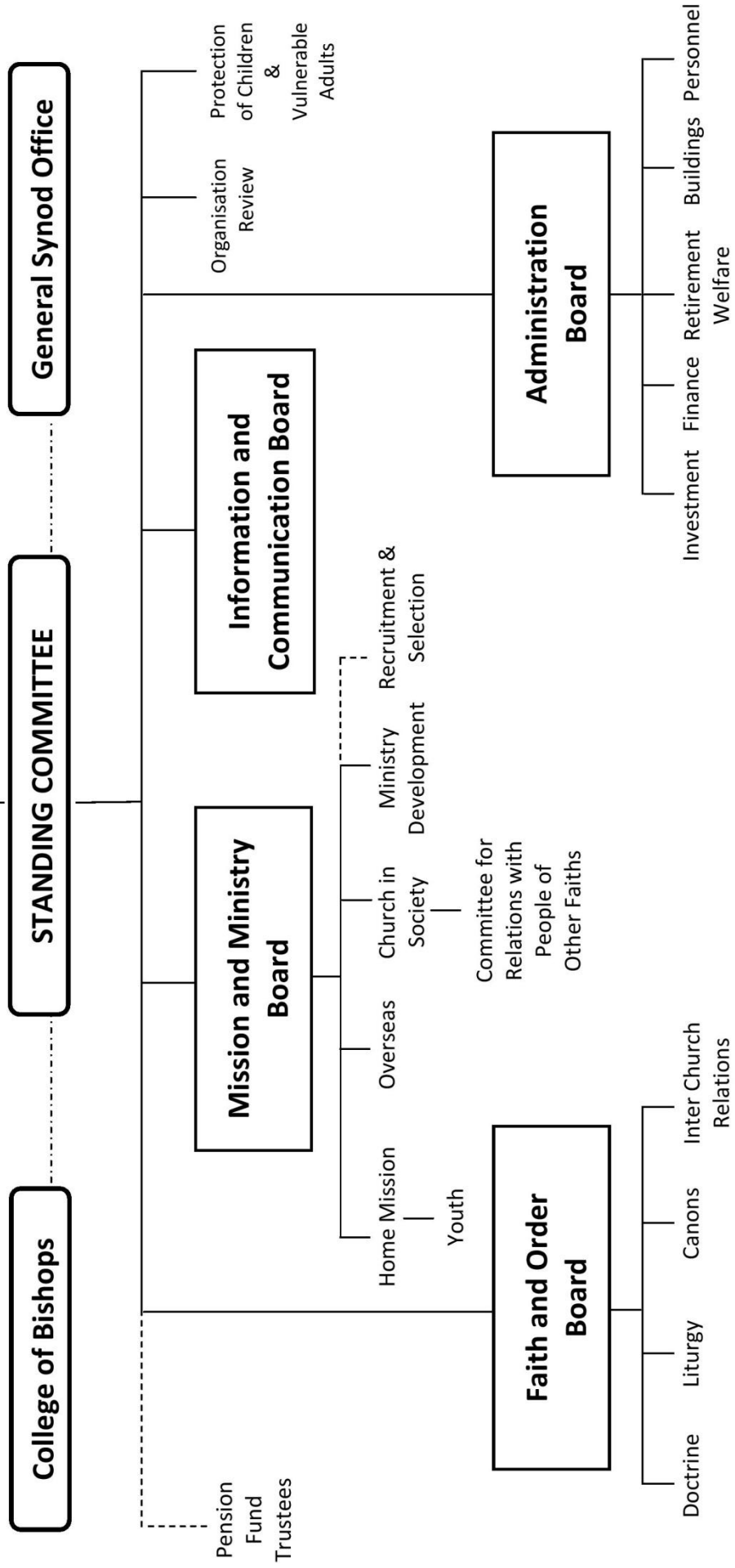
At the same time, the passing of the Marriage and Civil Partnership (Scotland) Act places us in a new social and legislative context. The 'measured process of discussion and reflection within the Church on matters of same sex relationships' which we have established is part of our journey as a diverse church in a diverse Communion. Beyond that, the coming Referendum on the future of Scotland challenges churches and all faith groups to consider what kind of Scotland should emerge after this decision has been taken.

A review of possible venues for General Synod, undertaken by Standing Committee in 2013 means that, in 2014, Synod will take place in new surroundings, at St Paul's and St George's Church. We are grateful for the hospitality of the community there and their splendid facilities will allow us to reshape our meeting and engage more fully with one another. I believe this is for the good of the Church and I hope you will take full advantage of it. I commend the work of General Synod 2014 to you.

**+David
Primus**

Provincial Boards and Committees

THE GENERAL SYNOD *(Bishops, Clergy and Laity)*



Board and Committee Membership

Standing Committee

Mr D J Palmer	Convener	2010 - 2015
Rt Rev the Bishop of Moray	College of Bishops	
Mr C M A Lugton	Convener, Administration Board	2010 - 2015
Very Rev K Holdsworth	Convener, Information & Communication Board	2009 - 2014
Most Rev the Primus	Convener, Mission & Ministry Board	2008 - 2015
Rev Canon M J H Round	General Synod Representative (clergy)	2007 - 2015
Very Rev R E Kilgour	General Synod Representative (clergy)	2007 - 2015
Mrs A P Jones	General Synod Representative (laity)	2010 - 2014

Committee for the Protection of Children & Vulnerable Adults

Mr H R Donald	Convener	2011 - 2016
Ms M Morrison	Member	2006 - 2014
Miss V J Lobban	Member	2010 - 2014
Mr C M Townsend	Member	2010 - 2014
Rev D B H Herbert	Member	2010 - 2014
Rev S R Boardman	Member	2011 - 2015
Dr H Gardiner	Member	2013 - 2017

Faith & Order Board

Most Rev the Primus	Convener	
Rt Rev the Bishop of Aberdeen	College of Bishops	
Rt Rev the Bishop of Argyll	College of Bishops	
Rt Rev the Bishop of Brechin	College of Bishops	
Rt Rev the Bishop of Edinburgh	College of Bishops	
Rt Rev the Bishop of Moray	College of Bishops	
Rt Rev the Bishop of Glasgow	College of Bishops	
Rev P Romano	Convener, Committee on Canons	2013 - 2018
Rev Dr H A Harris	Convener, Doctrine Committee	2013 - 2018
Rev Canon J C Lindsay	Convener, ICRC	2011 - 2016
Rev Canon I J Paton	Convener, Liturgy Committee	2011 - 2016
Very Rev Dr A E Nimmo	Aberdeen	2009 - 2017
Dr N Mills	Aberdeen	2013 - 2017
Rev Sister C Lockhart, SC	Argyll	2012 - 2016
Dr G Headden	Argyll	2012 - 2016
Mr W Neill	Brechin	2013 - 2017
Rev Canon Dr J Cuthbert	Brechin	2013 - 2017
Mrs H Hood	Edinburgh	2011 - 2015
Rev Canon J M McLuckie	Edinburgh	2013 - 2017
Mr R Horrell	Glasgow	2009 - 2013
Rev Canon Dr S Robertson	Glasgow	2013 - 2017
Mr C Phillips	Moray	2011 - 2015
Very Rev A Simpson	Moray	2011 - 2015
Rev Canon Dr M J Fuller	Pantonian Professor, Ex officio	
Mrs S White	St Andrews	2009 - 2013
Rev Canon D M Ind	St Andrews	2010 - 2014

Committee on Canons

Rev P Romano	Convener	2013 - 2018
Rt Rev the Bishop of Moray	College of Bishops	
Mr A Cruickshank	Member	2007 - 2015
Mrs H White	Member	2008 - 2016
Rev Canon Dr J J Morrow	Member	2010 - 2014
Rev C L Blakey	Member	2012 - 2016
Very Rev Dr A E Nimmo	Member	2012 - 2016

Doctrine Committee

Rev Dr H A Harris	Convener	2013 - 2018
Rt Rev the Bishop of Aberdeen	College of Bishops	
Rev Prof D W Brown	Member	2008 - 2016
Professor E Priest	Member	2011 - 2015
Rev Dr M J Harris	Member	2011 - 2015
Rev Dr E R Koepfing	Member	2012 - 2016
Rev Canon Dr N H Taylor	Member	2013 - 2017

Board and Committee Membership

Liturgy Committee

Rev Canon I J Paton	Convener	2011 - 2016
Rt Rev the Bishop of Edinburgh	College of Bishops	
Dr J R Davies	Member	2009 - 2013
Mrs C Daye	Member	2011 - 2015
Rev Canon D M Ind	Member	2013 - 2017
Rev Dr W D Kornahrens	Member	2011 - 2015
Mrs C McIntosh	Member	2011 - 2015
Rev Canon J H Milne	Member	2014 - 2018
Mr S W Muir	Member	2007 - 2015
Prof W Poon	Member	2011 - 2015

Inter-Church Relations Committee

Rev Canon J C Lindsay	Convener	2011 - 2016
Rt Rev the Bishop of Aberdeen	College of Bishops	
Rev D J B Fostekew	Member	2009 - 2013
Mrs H Hood	Member	2010 - 2014
Dr A Mason	Member	2013 - 2017
Rev Canon J M McLuckie	Member	2013 - 2017
Rev Canon Dr C Methuen	Member	2011 - 2015
Very Rev Canon A R Gordon	Reuilly Rep ex-officio	
Mrs N Higgott	EMU Rep ex-officio	

Mission and Ministry Board

Most Rev the Primus	Convener	2008 - 2015
Rt Rev the Bishop of Argyll	College of Bishops	
Rev Canon F Lamont	Convener, Home Mission Committee	2009 - 2014
Very Rev S E Macdonald	Convener, MDC	2013 - 2018
Rev V A Nellist	Convener, Overseas Committee	2011 - 2016
Rev Prof D Atkinson	Aberdeen	2013 - 2017
Ms C A Beel	Argyll	2010 - 2014
Rev Canon Dr J Cuthbert	Brechin	2012 - 2016
Rev D J B Fostekew	Edinburgh	2009 - 2017
Rev E Thompson	General Synod	2012 - 2016
Rev Canon Dr A L Tomlinson	Glasgow	2009 - 2017
Mr A Glover	St Andrews	2008 - 2016
Rev C Mayo	General Synod	2012 - 2016
Mrs S Salvesen	General Synod	2013 - 2017
Mrs N Higgott	Moray	2013 - 2017

Home Mission Committee

Rev Canon F Lamont	Convener	2009 - 2014
Rev Canon G S Taylor	Aberdeen	2007 - 2015
Rev K S Reynolds	Edinburgh	2013 - 2017
Mrs A Glen-Esk	Glasgow	2012 - 2016
Mrs N Higgott	Moray	2013 - 2017
Very Rev K W Rathband	St Andrews	2006 - 2014
Rev Canon F W Tomlinson	Co-opted	
Mrs G F Young	Co-opted	
Rev T N Rongong	PYC Convener, Ex officio	

Youth Committee

Rev T N Rongong	Convener	
Miss A Daye	Administrator	
Miss S Tomlinson	IAYN Representative	
Miss M Strange	Member - 12-18	
Mr C Warren	Member - 12-18	
Miss L Forsyth	Member - 18-25	
Mr J Gardner	Member - 18-25	
Mr J Marlow	Member - 18-25	
Miss E Rainey	Member - 18-25	
Mr T Reid	Member - 18-25	
Ms R Collins	Youth Officer, Aberdeen	
Dr S Pollard	Youth Officer, Argyll	
Mrs M Cuthbert	Youth Officer, Brechin	
Mrs C Benton-Evans	Youth Officer, Edinburgh	
Mr S Lidwell	Youth Officer, Glasgow	
Rt Rev the Bishop of Moray	Youth Officer, Moray	

Overseas Committee

Rev V A Nellist	Convener	2011 - 2016
Ms C A Beel	Member	2006 - 2014
Miss A Daye	Member	2008 - 2012
Mr J Rea	Member	2007 - 2015
Rev E Thompson	Member	2006 - 2014
Mr J Wardell	Member	2010 - 2014

Ministry Development Committee

Very Rev S E Macdonald	Convener	2013 - 2018
Rt Rev the Bishop of Argyll	College of Bishops	2011 - 2015
Very Rev Dr F W Bridger	Member	2013 - 2017
Rev F S Burberry	Member	2009 - 2013
Rev Dr J W Dyce	Member	2009 - 2013
Rev Dr G P Foster	Member	2013 - 2017
Rev Canon T Herbert	Member	2011 - 2015
Mrs A A H Hern	Member	2013 - 2017
Mrs N Higgott	Member	2009 - 2013
Rev Professor D Jasper	Member	2013 - 2017
Rev Prebendary D D Sceats	Member	2011 - 2015
Mrs H Wareing	Member	2006 - 2014

Church in Society Committee

Rt Rev the Bishop of Edinburgh	College of Bishops	2012 - 2016
Rev J Conway	Convener of CRPOF	2010 - 2015
Rev M Bunting	EMU Rep	2010 - 2014
Dr B Reid	EMU Rep	2010 - 2014
Mrs V Dunford	Member	2012 - 2016
Mrs A Glen-Esk	Member	2012 - 2016
Mrs S Horne	Member	2011 - 2015
Mr R B Murray	Member	2010 - 2014

Committee for Relations with People of Other Faiths

Rev J Conway	Convener	2010 - 2015
Rev M Bunting	EMU Rep	2010 - 2014
Dr B Reid	EMU Rep	2010 - 2014
Rev C L Blakey	Member	2013 - 2017
Mrs V M Stark	CAIRS Representative ex officio	

Information and Communications Board

Very Rev K Holdsworth	Convener	2009 - 2014
Rt Rev the Bishop of Brechin	College of Bishops	
Rev Canon Dr S Palmer	Aberdeen	2013 - 2017
Very Rev A C Swift	Argyll	2013 - 2017
Mrs K Willey	Brechin	2012 - 2016
Rev M I Houston	Edinburgh	2006 - 2014
Rev C Mayo	Moray	2012 - 2016
Mr A R Thornton	St Andrews	2012 - 2016
Mrs S White	Faith & Order Board Representative	
Rev Canon Dr A L Tomlinson	Mission & Ministry Board Representative	

Administration Board

Mr C M A Lugton	Convener	2010 - 2015
Rt Rev the Bishop of Aberdeen	College of Bishops	
Mr A M Stewart	Convener, Buildings Committee	2010 - 2015
Dr J Ferguson-Smith	Convener, Finance Committee	2010 - 2015
Rev Canon F Lamont	Convener, Home Mission Committee	2009 - 2014
Mr J Burchill	Convener, Investment Committee	2010 - 2015
Mr N Bowry	Convener, Personnel Committee	2010 - 2015
Mr E Glen-Esk	Convener, Retirement Welfare Committee	2012 - 2017
Miss M Allardyce	Aberdeen	2013 - 2017
Mrs M P McKellar	Argyll	2012 - 2016
Mr A Duffus	Brechin	2007 - 2015
Mr I Kerry	Edinburgh	2012 - 2016
Mr T Lillie	Glasgow	2008 - 2016
Rev Canon I N Pallett	Moray	2013 - 2017
Mr N H Cooke	St Andrews	2011 - 2015
Mr C G Hely	General Synod	2013 - 2017

Investment Committee

Mr J Burchill	Convener	2010 - 2015
Mr R W Burgon	Member	2010 - 2014
Mr R Dorman	Member	2006 - 2014
Mr J Gibbs	Member	2008 - 2016
Mr R C Hyder	Member	2006 - 2014
Mr P Sweetnam	Member	2012 - 2016
Dr E Trevillion	Member	2013 - 2017

Board and Committee Membership

Finance Committee

Dr J Ferguson-Smith	Convener	2010 - 2015
Rev Canon F Lamont	Convener, Home Mission Committee	2009 - 2014
Miss A Harper	Aberdeen	2013 - 2017
Mrs J Ainsley	Argyll	2010 - 2014
Mr G W Stirling	Brechin	2011 - 2015
Rev F S Burberry	Edinburgh	2012 - 2016
Very Rev I D Barcroft	Glasgow	2010 - 2014
Mrs L Monaghan	Moray	2012 - 2016
Very Rev K W Rathband	St Andrews	2010 - 2014

Retirement Welfare Committee

Mr E Glen-Esk	Convener	2012 - 2017
Mr R Anderson	Member	2011 - 2015
Dr J Davis	Member	2012 - 2016
Rev W B Elliot	Member	2011 - 2015
Mrs J M Robinson	Member	2012 - 2016
Rev I D Zass-Ogilvie	Member	2007 - 2015
Rev L A Mortis	Member	2012 - 2016

Buildings Committee

Mr A M Stewart	Convener	2010 - 2015
Rev C J Piper	Member	2010 - 2014
Mrs E Proudfoot	Member	2010 - 2014
Mr H A Symmons	Member	2006 - 2014
Miss L Thoms	Member	2009 - 2017

Personnel Committee

Mr N Bowry	Convener	2010 - 2015
Mrs E Cameron	Member	2012 - 2016
Mrs M P McKellar	Member	2012 - 2016
Rev D C Mumford	Member	2010 - 2014
Ms A Plumtree	Member	2011 - 2015
Rev P Romano	Member	2013 - 2018

Pension Fund Trustees

Mr A J November	Chairman	2012 - 2017
Mr R W Burgon	Member	2012 - 2016
Dr M D Green	Member	2012 - 2016
Very Rev J A Mein	Member	2011 - 2015
Rev Canon J H Milne	Member	2011 - 2015
Mr D J Palmer	Member	2010 - 2015

Standing Committee

Structure, governance and management

Information relating to the structure, governance and management of the General Synod of the Scottish Episcopal Church is provided in an appendix to this report (page 14).

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 four boards and their pendant committees. Further information regarding their activities can be found in the Conveners' reports included in pages 23 to 58.

Achievements and performance

The Standing Committee met five times during 2013 and gave attention not only to the plans for the future expressed in its report for the year ended 31 December 2012 but also to a number of additional matters, including:-

1. Whole Church Mission and Ministry Policy

The Standing Committee noted the progress made in 2013 in relation to the Whole Church Mission and Ministry Policy developed by the Mission and Ministry Board. General Synod 2013 received short presentations from representatives in every diocese indicating aspects of how the Whole Church Policy sought to bring cohesion and co-operation in mission across the Province. The report brought to General Synod 2013 by the Mission and Ministry Board set out proposals to establish a series of networks across the Province as a means of enabling and developing increased communication and collaboration between dioceses. Standing Committee has also considered an invitation to work on the financial relationship between Province and dioceses so as to underpin the Whole Church Policy's emphasis on dioceses being the focus for mission. Whilst certain preliminary work has been undertaken, Standing Committee has noted the significance of matters arising from the review of the Theological Institute of the Scottish Episcopal Church (TISEC) referred to below. Consequently, questions regarding the allocation of provincial financial resources will require further attention in the year ahead.

2. Strategic Financial Planning

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 2013 indicated a projected deficit for 2014 of £131,422. The revised budget adopted by the Committee for 2014 showed a surplus of £28,781. This improvement was largely achieved by a reduction in funding for 2014 anticipated in the Grants for Ministry Fund, a further delay in the re-introduction of Maintenance and Development Fund grants and an increased rate of distribution from the Unit Trust Pool. However, the budgets for 2015 and 2016 continue to show deficits of around £69,000 and £180,000 respectively.

It remains the intention of Standing Committee to manage a balanced budget for the future and during 2014 it will continue to give further attention to future deficits. In particular, it has noted that the Administration Board has initiated a process which it hopes will inform future decision making on the availability of provincial buildings grants.

3. Pension Fund Matters

As indicated in the report of the Committee for 2012, a consultation process had been undertaken during the Autumn of 2012 in order to test the affordability of various levels of pension fund contribution rate and to take soundings on possible alterations to the benefit structure. This consultation had been undertaken in the light of the triennial valuation of the Pension Fund as at 31 December 2011.

Standing Committee reported to General Synod 2013 on the results of the 2012 consultation and recommended that the benefit structure be altered so as to provide, in relation to service accrued from 1 January 2014, that normal retirement age for pension purposes be increased to 67 and that future pensionable stipend/salary growth be limited to no more than the increase in the Retail Prices Index. General Synod accepted those recommendations and Standing Committee then undertook a statutory consultation with the serving members of the Pension Fund regarding those proposed changes. That latter consultation was completed by the end of October 2013 and

Standing Committee resolved to implement the recommendations approved by General Synod with effect from the beginning of 2014.

During the year, the Standing Committee also provided information to the Pension Fund Trustees regarding the strength of the “employer covenant” and was consulted by the Trustees on alterations to their Statement of Investment Principles. Standing Committee was also consulted by the Trustees on their decision to move to the next stage of their investment strategy under the De-Risking Investment Protocol in August 2013.

4. TISEC

The Committee received a copy of the report issued by the Ministry Division Quality and Formation Panel of the Church of England following its inspection of TISEC during the Autumn of 2012. Following receipt of the report, the Mission and Ministry Board established a Review Working Party to consider, in particular, questions of both governance and the formation of those training for authorised ministry in the Scottish Episcopal Church. The Working Party completed its report at the end of 2013. Standing Committee will, during 2014, take a keen interest in the implementation of recommendations arising from that report, especially in relation to governance issues.

5. General Synod Meeting

As part of its routine business, Standing Committee agreed the agenda for General Synod 2013. This included a session on membership statistics during which Synod members were invited to discuss various questions in small groups. The Committee subsequently invited the College of Bishops to consider whether any changes were needed to the form of statistical return currently in use. The College is keeping that under review. After Synod, Standing Committee received a report from the Organisation Review Committee which made a number of recommendations. In particular, the Organisation Review Committee considered that an alternative venue for the General Synod meeting ought to be sought in order to make discussion in small groups more feasible. Standing Committee agreed the recommendation and has agreed that in 2014 the General Synod will meet at St Paul’s & St George’s Church, Edinburgh.

Standing Committee also considered whether a broader review of the workings of General Synod ought to be undertaken. Following its decision to try a new venue for 2014, the Committee decided to defer any broader review of General Synod until after the Synod in 2014.

Standing Committee has invited the Organisation Review Committee to consider the arrangements for inducting new members of Synod in order to enhance participation and also to consider the role of ecumenical and inter-faith guests at Synod. Standing Committee also decided that Synod should not be encouraged to accept late nominations for vacancies on provincial bodies.

6. Development of Website

Standing Committee was kept informed on the progress made by the Information and Communication Board regarding the development of a new website for the Church. The Committee welcomes the new website which was launched in March 2014.

7. Governance and Risk Management

The Committee continued to give attention to matters of governance and risk management. The Risk Register for the General Synod was reviewed.

8. Standing Committee Membership and Appointments

There were no changes to the members of Standing Committee during the year. The Committee noted that it would be necessary to appoint a new representative for the Scottish Episcopal Church on the Anglican Consultative Council prior to the next meeting of the Council scheduled for 2016.

The Committee was delighted to appoint Dr Nicola Mills to the post of volunteer Provincial Records Officer, a position which had been vacant for some time.

9. Other Matters

A range of other matters were addressed by the Committee during the year.

The Committee received a report from the Secretary General on his attendance at the 15th meeting of the Anglican Consultative Council in Auckland in late 2012. It considered the various resolutions passed by ACC-15 and allocated them to appropriate boards and committees of the General Synod.

Standing Committee reminded dioceses of the eligibility criteria for lay members of General Synod. It is aware that the Faith and Order Board will be considering whether in future members of General Synod should require to be confirmed as well as being communicant members of the Church.

The Committee received a comparative Gender Audit Report which provided updated figures as compared with those of the previous audit conducted in 2009. It noted the need for more rigorous procedures for the collection of statistics and also asked the Personnel Committee to consider a recommendation of the report regarding the writing of appropriate equality policies for the Scottish Episcopal Church.

Standing Committee also received a report providing comparative figures for rates of clergy stipend and General Synod Office salary increases against historic rates of inflation. The Committee agreed that during 2014 it would consider whether there was a need for a review of the "clergy remuneration package".

The Committee also received a report on the conclusion of the process previously initiated by it in relation to the allocation of Grants for Ministry. It was noted that certain issues, particularly in relation to long term funding, needed further consideration and the College of Bishops was invited to undertake that. The future of the Grants for Ministry Fund will also feature in the discussions regarding future strategic financial planning.

In the light of the forthcoming Referendum on Scottish Independence, the Committee considered advice issued by the Office of the Scottish Charity Regulator and also noted some possible implications for the Church were Scotland to become independent. The Committee nevertheless noted that in relation to most matters it was difficult to be certain as to future implications many of which remained somewhat speculative at the current time.

Staffing

During 2013, three members of General Synod Office retired: Myra Sanderson, the PA to the Secretary General, Mary Wilkinson, the Publications Secretary, and Linda Douglas, the morning Receptionist. All three are thanked for their respective contributions to the life and work of the office. Donna Glass and Linda Miller were recruited as PA to the Secretary General and Office Administrator, and morning Receptionist respectively. Both posts are part-time. Joy Black was recruited to the new post of Communications Assistant. During the year, Chris Macfarlane left the office and is thanked for her service.

Financial Review

(The audited accounts can be found at page 73.)

Following the substantial reduction in investment income in 2009 similar reductions in expenditure were required to avoid deficits being incurred and, in addition to a number of planned savings, Boards and Committees exercised restraint in their expenditure. The continuing exercising of such restraint is one of the general contributory factors to there being a substantial revenue surplus again this year. Standing Committee continues to be grateful to Boards for their continuing efforts to review and control expenditure.

The total revenue surplus for the year is £316,000 some £242,000 greater than the total budgeted surplus for the year of £74,000. There was a surplus of £237,500 on the General Fund rather than the budgeted surplus of £74,000. The General Fund provides a clearer indication of the recurring costs of the General Synod and is considered to be a more accurate indication of the underlying financial position of the General Synod. The General Fund account is at page 17. 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 £316,000. 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 increased income arises mostly from investment income whilst the most significant element of the saving in expenditure relates to the decision to further postpone the appointment of the budgeted additional member of TISEC staff pending the outcome of the work of the TISEC Review Working Party. Another significant factor has been the lower than anticipated take up of available Ministry support grants due to delays in appointments and vacancies arising during the year.

Income

Investment income continues to account for more than half of the General Synod's income. Other than cash on deposit the General Synod's investments are held in the Scottish Episcopal Church Unit Trust Pool. The investment objective of the Unit Trust Pool is to earn a return on assets over the longer term sufficient at least to maintain the real value of distribution to unit holders. The continuing general improvement in market conditions during the year enabled the Investment Committee to increase the distribution rate during the year from that which had been budgeted. Income from Unit Trust Pool investments therefore increased by almost £40,000 to £1.3m. (The Unit Trust Pool accounts are at page 87.)

The General Synod benefited from a number of grants, donations and legacies during the year.

Expenditure

A number of the General Synod's boards and committees are responsible for awarding grants in furtherance of the General Synod's charitable activities. These grants are primarily made to other church

bodies, including the dioceses and congregations of the Scottish Episcopal Church to further the work of the Church. A small number of grants are made to individuals to help fund their studies or to relieve poverty. Further information regarding allocation of grants can be found in notes 6 and 7 on page 82 and in the accounts of the various Funds (pages 17 to 61). Although there was a reduction in the amount paid by way of Ministry support grants there was an increase in most other forms of grants awarded by board and committees during the year. (Total grants 2013 – £810,200; 2012 – £779,500.)

Capital Surplus for the year

There were very few capital transactions during the year. Unusually there were no sales of retirement properties. Final instalments totalling £40,700 were however received in respect of three large legacies. The total capital surplus for the year is £40,700. The increase in the market value of investments amounted to £3.4m of which £2.6m relates to General Fund investments.

Reserves policy

The Standing Committee is committed to ensuring that the General Synod operates within its available financial resources and to setting budgets which result in a break even position for the General Fund. The General Fund surpluses which have been generated in recent years through a number of factors not least the continued exercising of financial restraint by Boards and Committees and the moratorium on the provision of property grants from the Maintenance and Development Fund, have avoided the need to realise investments to continue to meet planned expenditure and have ensured that there continues to be liquid funds available to provide loans to dioceses and congregations. The surpluses also provide a strong financial position from which to meet some of the challenges facing the General Synod. They have also provided the opportunity to increase future investment income by adding to the General Fund's investments. (£200,000 was invested in the Unit Trust Pool in early 2014.) Capital receipts too, including legacy income have increased reserves.

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 significantly reduced as its reserves are used in this way.

The bulk of the General Synod's reserves are invested in income generating investments (via the 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 £24.9m at 31 December 2013 and are represented by investments and liquid funds which generate an annual income of approximately £1m. The Standing Committee is of the view that the reserves held are not unreasonable given the need to generate income and the anticipated need to use reserves to fund future expenditure. The Standing Committee has 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.

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 Financial Planning

The Committee will continue to work to address the significant financial deficits currently projected for 2015 and beyond. This is likely to include a decision on whether it is feasible or desirable to reinstate the availability of substantial Buildings Grants.

It is committed to ensuring that the limited resources of the General Synod are put to best use to further the work and purposes of the Church. It expects that, during 2014, further work will be undertaken in relation to the financial relationship as between Province and dioceses in order to underpin the diocesan-based emphasis of the Whole Church Mission and Ministry Policy. Integral to such consideration will be the role of the Grants for Ministry Fund and also the funding of formation for ministry through the Theological Institute following changes likely to be made as a result of the Theological Institute of the Scottish Episcopal Church (TISEC) review referred to above.

2. Theological Institute of the Scottish Episcopal Church (TISEC)

Standing Committee expects that during 2014 significant change will be made in relation to Theological Institute of the Scottish Episcopal Church (TISEC). Governance arrangements are likely to include alterations to the board and committee structure of the General Synod and to the composition of the Standing Committee itself. It also looks forward to working with the Mission and Ministry Board to support the implementation of recommendations regarding the formation of those training for authorised ministry within the Church. Proposals will be brought to General Synod 2014 in relation to governance changes and the creation of the Scottish Episcopal Institute as a successor to TISEC.

3. General Synod

Standing Committee looks forward to the meeting of Synod due to take place in St Paul's & St George's Church and will review matters which arise from the new venue after that meeting.

Vote of thanks

I continue to be aware of the time and dedication given by conveners and members of the Boards and Committee of the General Synod. They deserve our grateful thanks, as do all Provincial staff, for their work during 2013.

David J Palmer
Convener

8 April 2014

Appendix to Standing Committee report

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. 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 four 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 four 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. 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 part of this process. All members of Standing Committee have received copies of the *Guidance for Charity Trustees* issued by the Office of the Scottish Charity Regulator.

The General Synod and its Boards and Committees are ably supported by the staff of the General Synod Office and other General Synod employees. Responsibility for overseeing the work of the General Synod Office is delegated by the Standing Committee to the Secretary General, who reports directly to the Convener of the Standing Committee.

Risk Management

The Standing Committee has reviewed the major risks which the General Synod faces and confirms that systems and procedures have been established 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.

General Synod Financial Overview

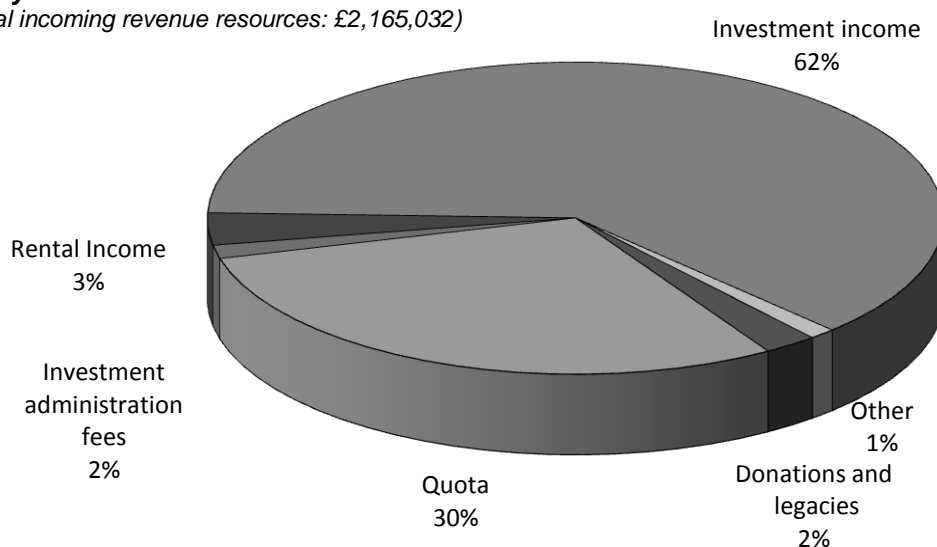
Most of the activities of the General Synod are funded from allocations from the General Fund. The Fund's income was some £29,000 in excess of budget. All Boards worked within their budgets. Expenditure in some areas was considerably less than budgeted and this has resulted in a surplus of almost £237,500 – some £163,500 better than the budgeted surplus of £74,000. (See General Fund financial statement on page 17.)

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 £315,600. (The Revenue Account on page 76 summarises the results of all the funds.)

The Statement of Financial Activities (page 77) provides information regarding incoming and expended resources. The incoming and expended revenue resources are summarised below:

Analysis of income

(Total incoming revenue resources: £2,165,032)



Analysis of expenditure

(Total revenue resources expended: £1,849,400)

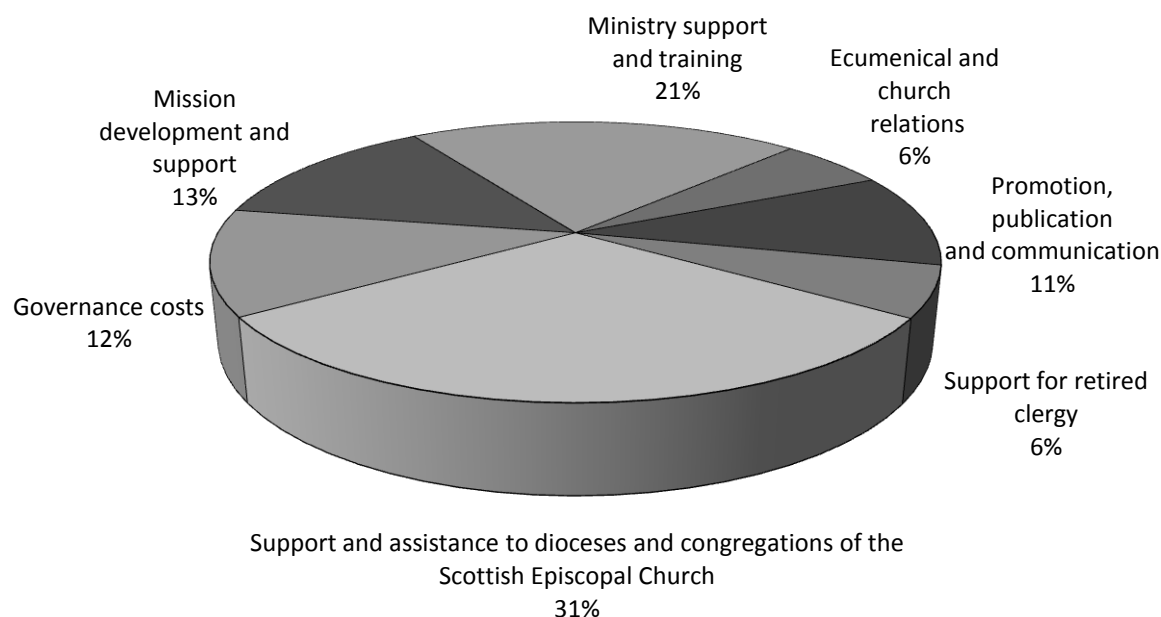


Table A: Legacies and Donations Received

Legacies	Recipient Fund	£
Rev Barbara M Thatcher	General Fund (capital)	31,910
Mrs Catherine Simister	General Fund (capital)	7,714
Mr Ronald MacKenzie	General Fund (capital)	1,078
Barbara & Grace Craig Trust	General Fund	348
	Total Legacies	41,050
Donations	Recipient Fund	£
Allchurches Trust	General Fund	16,298
Anonymous	Grants for Ministry Fund	15,000
Anonymous	St James Fund	3,875
Various	Community Fund	3,693
WA Cargill Trust	Clergy Widows and Orphans (Cargill Trust)	3,000
Anonymous	General Fund	2,500
Callendar Trust	General Fund	2,000
WA Cargill Trust	Retirement Supplementary Fund	2,000
Benson-Wilson Charitable Trust	Ministry Development Committee	1,000
DB Flanagan Trust	General Fund	594
Various	Retirement Supplementary Fund	325
Mrs S Crosfield	Alastair Haggart Bursary Fund	125
	Total Donations	50,410
	Total	91,460

Table B: Quota

Diocese	2011 Requested and Received	2012 Requested and Received	2013 Requested and Received	2014 Requested
	£	£	£	£
Aberdeen	66,563	68,063	70,425	71,879
Argyll	22,007	22,667	23,347	24,772
Brechin	38,165	39,000	40,170	41,046
Edinburgh	216,935	227,603	234,176	249,765
Glasgow	139,940	142,213	146,415	148,436
Moray	44,737	44,713	46,055	45,723
St Andrews	74,582	76,758	79,060	77,216
Total	602,929	621,017	639,648	658,837

General Fund

Actual 2012		Revised Budget 2013	Actual 2013	Variance fav/ (adv)
£		£	£	£
	INCOME			
	<i>Investment Income</i>			
973,881	UTP income	980,690	1,001,673	20,983
8,309	Interest	4,000	9,929	5,929
19,891	Investment property income	21,101	21,101	-
<u>1,002,081</u>		<u>1,005,79</u>	<u>1,032,703</u>	<u>26,912</u>
	<i>Administration fees</i>			
1,633	UTP / investment administration	2,000	2,729	729
26,500	Pension Fund administration	27,000	27,000	-
18,395	Restricted and other funds	18,395	18,395	-
<u>46,528</u>		<u>47,395</u>	<u>48,124</u>	<u>729</u>
621,017	Quota	639,648	639,648	-
12,810	Inspires - subscriptions and advertising	14,000	11,904	(2,096)
11,937	Donations and legacies	18,000	21,740	3,740
200	Other	-	350	350
<u>1,694,573</u>	<i>Total Income</i>	<u>1,724,83</u>	<u>1,754,469</u>	<u>29,635</u>
	ALLOCATIONS			
738,691	Standing Committee	774,125	793,784	(19,659)
360,914	Administration Board	397,500	353,833	43,667
11,928	Faith and Order Board	25,255	17,341	7,914
27,743	Information and Communication Board	38,900	23,877	15,023
313,403	Mission and Ministry Board	415,010	328,144	86,866
<u>1,452,679</u>	<i>Total allocations</i>	<u>1,650,79</u>	<u>1,516,979</u>	<u>133,811</u>
	BALANCES			
241,894	Surplus/(deficit) for year	74,044	237,490	163,446
620,300	Balance brought forward	862,194	862,194	-
<u>862,194</u>	<i>Balance carried forward</i>	<u>936,238</u>	<u>1,099,684</u>	<u>163,446</u>

Actual 2012	CAPITAL ACCOUNT INCOME	Actual 2013
£		£
255,000	Legacies	40,702
<u>255,000</u>	<i>Total Income</i>	<u>40,702</u>
	EXPENDITURE	
-	<i>Total expenditure</i>	-
	BALANCES	
255,000	Surplus/(deficit) for year	40,702
18,831,984	Balance brought forward	21,191,39
2,104,415	Unrealised gain on revaluation as at 31 December 2013	2,560,716
<u>21,191,399</u>	<i>Balance carried forward</i>	<u>23,792,81</u>

General Synod Office and Provincial and Other Expenditure

Actual 2012 £			Revised Budget 2013 £	Actual 2013 £	Variance fav/(adv) £
	INCOME				
738,691	Allocation from General Fund		774,125	793,784	19,659
<u>738,691</u>			<u>774,125</u>	<u>793,784</u>	<u>19,659</u>
	EXPENDITURE				
	Costs of General Synod Office				
482,706	Employees	Salaries,NIC,Pension Contributions	490,550	475,888	14,662
1,729		Staff travel and subsistence	4,250	1,381	2,869
535		Staff training	1,910	332	1,578
1,230		Recruitment costs	1,030	9,634	(8,604)
<u>486,200</u>	<i>Sub-total</i>		<u>497,740</u>	<u>487,235</u>	<u>10,505</u>
28,437	Premises	Building repairs and maintenance	30,000	27,961	2,039
2,976		Rates	3,000	2,646	354
15,355		Light, heat and cleaning	20,000	17,137	2,863
6,611		Insurance	7,000	6,923	77
<u>53,379</u>	<i>Sub-total</i>		<u>60,000</u>	<u>54,667</u>	<u>5,333</u>
11,295	Administration	Telephone & postage	14,600	10,253	4,347
3,718		Printing and stationery	7,000	4,465	2,535
12,377		Photocopier	11,000	11,764	(764)
13,572		Computing	13,500	15,404	(1,904)
5,757		Payroll Bureau processing costs	5,700	5,862	(162)
5,792		Miscellaneous	4,000	6,694	(2,694)
2,460		Office equipment and furniture	1,000	-	1,000
<u>54,971</u>	<i>Sub-total</i>		<u>56,800</u>	<u>54,442</u>	<u>2,358</u>
<u>594,550</u>	<i>Total Costs of General Synod Office</i>		<u>614,540</u>	<u>596,344</u>	<u>18,196</u>
	Provincial Costs				
12,394	Primus		13,185	12,346	839
4,811	College of Bishops		5,500	6,365	(865)
9,451	Election of Bishop		10,000	10,000	-
20,707	General Synod	Annual meeting	21,000	22,241	(1,241)
1,685		Annual report	2,200	1,079	1,121
3,180		Synod papers	3,200	3,100	100
2,399	Office for Protection of Children and Vulnerable Adults		2,000	269	1,731
1,497	Code of Canons		2,000	1,080	920
177	New Clergy Induction Day		350	476	(126)
4,244	Clergy Legal Expenses Insurance		4,350	4,244	106
2,966	Trustee Liability Insurance		3,000	2,966	34
11,298	Professional fees	Audit	11,670	11,623	47
15,602		Legal and advisory	25,750	66,145	(40,395)
125	Immigration Sponsors Licence		-	125	(125)
1,699	Subscriptions	Scottish Churches Committee etc	1,700	2,324	(624)
<u>92,235</u>	<i>Total Provincial Costs</i>		<u>105,905</u>	<u>144,383</u>	<u>(38,478)</u>

General Synod Office and Provincial and Other Expenditure

Actual 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/(adv) £
	Committee Meeting Expenses			
1,429	Standing Committee	2,000	1,856	144
236	Organisation Review Committee	500	185	315
175	Committee for Protection of Children & Vulnerable Adults	100	199	(99)
<u>1,840</u>	<i>Total Committee Meeting Expenses</i>	<u>2,600</u>	<u>2,240</u>	<u>360</u>
	Subscriptions to church bodies			
3,086	World Council of Churches	3,300	3,037	263
14,000	Action of Churches Together in Scotland	14,000	14,000	-
5,000	Churches Together in Britain and Ireland	5,000	5,000	-
26,980	Anglican Consultative Council	27,780	27,780	-
<u>49,066</u>	<i>Total Subscriptions to church bodies</i>	<u>50,080</u>	<u>49,817</u>	<u>263</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>738,691</u>	<i>Total Expenditure</i>	<u>774,125</u>	<u>793,784</u>	<u>(19,659)</u>
	BALANCES			
	Revenue			
-	Surplus/(deficit) for year	-	-	-
-	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 Provincial Committee continues to oversee and support the activities of the Provincial Office for the Protection of Children and Vulnerable Adults which deals 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. This year saw changes on the Committee with a new member joining midway through the year and an existing member standing down and, at the time of writing, the Committee is seeking to fill a vacancy.

The principal piece of work emerging from the General Synod for the Committee followed on the discussion of a paper on the Anglican Consultative Council's Safe Church Charter, and General Synod has delegated work on this to the Provincial Committee with an update to be submitted for General Synod 2014.

The Committee oversaw the introduction of the retrospective checking for PVG Scheme membership of those people who are working with children and vulnerable adults as well as the continuing oversight of the Scheme for new appointments to regulated work within the Scottish Episcopal Church (SEC). Support from and cooperation of all churches in this important aspect of the work of the Provincial Office is appreciated.

The Committee continues to be aware of the approaches to safeguarding adopted, both by other faith groups and organisations outside the Church, and the recommendations emerging from a number of safeguarding enquiries outwith Scotland have been considered by the Committee in terms of learning that can be usefully applied within the SEC. In addition, the publicity associated with a number of celebrities accused of abusive behaviour seems to have heightened awareness regarding the issue of historic abuse in respect of enquiries received by the Provincial Officers.

Work is ongoing in respect of the training that the Provincial Officers deliver and it is intended that a Provincial Training calendar will be developed advising of training available across the Province at a number of central venues and accessible to as many people as possible.

I record my thanks to the Provincial Officer, Donald Urquhart, the Assistant Provincial Officer, Daphne Audsley, and Betty Robertson, their administrative assistant, for the work that they put in throughout the year. Their help and support to me as Convener has been invaluable. I would also thank members of the Committee for their wisdom and guidance during the year.

Hugh R Donald
Convener

Faith and Order Board

Actual 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/ (adv) £
INCOME				
11,928	Allocation from General Fund	25,255	17,341	(7,914)
<u>11,928</u>	<i>Total Income</i>	<u>25,255</u>	<u>17,341</u>	<u>(7,914)</u>
EXPENDITURE				
3,074	Board expenses	6,900	2,937	3,963
2,091	Work of Liturgy Committee	3,060	2,213	847
587	Work of Committee on Canons	1,480	361	1,119
944	Work of Doctrine Committee	1,060	675	385
2,573	Inter-Church Relations Committee	6,695	4,416	2,279
1,989	Europe Group	2,060	3,035	(975)
670	Diaconate Working Party	1,000	290	710
-	World Council of Churches Assembly	3,000	3,414	(414)
<u>11,928</u>	<i>Total Expenditure</i>	<u>25,255</u>	<u>17,341</u>	<u>7,914</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Actual 2012 £	PUBLICATIONS	Actual 2013 £
485	Income	851
<u>(133)</u>	Expenditure	-
352	Surplus/(deficit) for year	851
<u>(1,273)</u>	Balance brought forward	<u>(921)</u>
<u>(921)</u>	<i>Balance carried forward</i>	<u>(70)</u>

Faith and Order Board

The Faith and Order Board meets twice a year to oversee important areas of our Church's life and work. Through the work of its pendant committees, whose individual reports give Synod members much information about the issues covered, the Board deals with doctrine, liturgy, canon law and inter-church relations.

Major matters discussed in 2013 included the Grosvenor Essay on *The Art of Dying Well*, the World Council of Churches document *The Church: Towards a Common Vision*, developing relationships between the Methodist Church and the Church in Wales and the Church of Ireland and their possible relevance to the Scottish Episcopal Church (SEC) and our Episcopal Methodist United Reformed church partnership (EMU) commitments, our withdrawal from direct participation in the Tripartite Talks with the Church of England and the Church of Scotland, transitivity in Anglican/Lutheran agreements, funding the Diaconate Working Group for another 3 years, additional Eucharistic provision in the form of a modern language version of the Scottish Liturgy 1929 Consecration Prayer and further responses to the Scottish Government's consultation on Same-Sex Marriage.

This body of work is representative of much more that the board and its Committees undertake each year. I wish once more to thank the members of the Board for giving serious consideration to the variety of issues brought before them and equally to thank the Convenors and members of the pendant committees for their commitment to, and diligence in, prosecuting their specific areas of responsibility.

+Gregor
Acting Convener

Committee on Canons

The Committee on Canons, a pendant committee of the Faith and Order Board, has had another year of change in terms of its membership but fortunately this has been during a relatively quiet period in terms of its work. We were sad to lose the very level headed and sage input from Shona Boardman who headed off for pastures new in Canada but we were delighted that Joe Morrow, the new Lord Lyon King-at-Arms, and Emsley Nimmo, Dean of Aberdeen and Orkney were persuaded to join the merry band. The work of the committee does not involve the formulation of policy but is kept busy in responding to policy decisions of both General Synod and the Faith and Order Board that require either canonical amendment or the drafting of a new canon. These are then presented to the Faith and Order Board which decides whether the draft proceeds for first reading at the following meeting of the General Synod.

At present, the Committee is working on a number of alterations to the Canons which will, in due course, be presented to the instructing Boards etc with a view to bringing them before General Synod for first reading. In addition, some work has been carried out in relation to Canons that have already received their first reading but required some amendment prior to second reading. The work of the Committee this year has included consideration of:

- Canon 53, Section 15: Of the Resolution of Situations of Pastoral breakdown and Other Differences and Disputes
- Canon 61, Resolution 6: Of Diocesan Officials
- Canon 14: Of Clergy who are not Incumbents
- Canon 62, Section 4: Of Retiral of Clergy
- Canon 63: Of the Office of Lay Representative
- Canon 52, Section 5: Of the General Synod
- Canon 50, Section 3: Of Diocesan Synods

I would as ever like to thank my colleagues on the Committee (and especially our secretary, Elspeth Davey, without whom, as I said last year, we would all be lost) for their support, commitment, hard work, expertise and humour. I served on the Committee for eight years, the last five of which I did so as Convener, and it has always been both stimulating and fun to do so. I already miss it but was supremely confident in handing the 'chain of office' over to Paul Romano, far better suited to the task than I and who brings the necessary combination of legal prowess, vim and vigour to lead the work of the Committee forward for the coming term.

Jeremy Auld
Convener until June 2013

Liturgy Committee

The Committee has concentrated on two principal tasks this year: consulting charges about the experimental Service of the Word; and drafting new Pastoral Rites for healing, ministry with the sick and dying, reconciliation, and the blessing of a home.

The Service of the Word reaches the end of its experimental period in 2014, and a Questionnaire has been distributed (and is available from the General Synod Office for anyone who would like to participate) for all those who have used the Service to provide the Committee with reflections on its use together with suggestions for its revision. A number of charges across Scotland, identified by their bishops, have already been giving feedback on the Service. Draft revision of the Service of the Word will begin once the Committee has received and reflected on these responses.

Work on new Pastoral Rites has begun following the Committee's consultation with the Doctrine Committee about their work on the *'The Art of Dying Well'*. Liturgical resources for ministry with the dying are part of the Church's service to people at the end of life, but other situations also require liturgical resources for pastoral ministry. These would include rites for healing and anointing, confession and reconciliation, blessing and deliverance. The Committee also consulted a group of hospital and hospice chaplains, for whose help we are grateful, about the kinds of resources they use at present, and what Scottish Episcopal Church (SEC) provision they would find useful for these ministries. Drafting work by members of the Committee on some of these rites is now in progress.

The presently authorized series of Collects came originally from the Anglican Church of Canada in the 1980s, who have since extensively revised them, and were intended for temporary use until other Scottish provision could be made. So the Committee is in the process of drafting a new series of Collects for Sundays and Festivals, and looking forward to working on the provision of other new material (especially seasonal material) to accompany the Scottish Liturgy 1982.

On behalf of the SEC the Convener attended the International Anglican Liturgical Consultation in Dublin, where the theme, very usefully for us, was 'Pastoral Rites.' And the Convener and the Secretary attended the 4-Nations Liturgical Contact Group in London, looking at issues of 'Liturgical Formation.'

We were glad to welcome Dom Ind to the Committee this year. I am grateful for the commitment and hard work of every member of the Committee in all of these projects, and especially to Elspeth Davey, as our Secretary, for her graceful efficiency and enthusiasm.

Ian Paton
Convener

Inter-Church Relations Committee

God of Life, lead us to justice and peace

As part of a small Scottish and larger British delegation the Convener and the Ecumenical Officer attended the 10th Assembly of the World Council of Churches in Busan, South Korea. In prayer, bible study, conversation and business the Assembly tried to discern the will of God for the Church. We have brought back statements on Unity, Mission and Evangelism and Justice and Peace for further study over the coming years. A major document, *The Church Towards a Common Vision* is currently under consideration and may prove as influential as its predecessor *Baptism, Eucharist and Ministry*.

To love and serve the Lord

The Jerusalem Report of the Anglican-Lutheran International Commission has directed our attention to questions of self-identity and what happens now with the Anglican Covenant. A visit by Dr Alyson Barnett-Cowen of the Anglican Consultative Council (ACC) helped us to explore these issues together with questions of how ecumenical agreements might be seen as overlapping and therefore transferrable. We have also become acutely aware of the shift in emphasis both internationally and locally from an agenda informed by Faith and Order issues to one driven by Mission and Ministry matters.

As much as you need

The motto of the 34th German Kirchentag in Hamburg encouraged participants to trust in the generous God who provided manna, as much as the people needed, on their journey through the wilderness. The life of the Porvoo Communion of Churches evinces that same reliance on God's goodness whether they are addressing Diaconate issues or planning major gatherings of theologians and church leaders in witness to Gospel imperatives. Meissen and Reuilly also keep us in touch with our continental partners.

See, I am making all things new

Closer to home, Action of Churches Together in Scotland (ACTS) concluded a visioning process in the past year. Concerns over the effectiveness of the four networks have led to a new way of working so that specific pieces of work that can be done by the churches working together can be identified and groups of suitably qualified people established. There will be a new focus on local ecumenism, in that the National Sponsoring Body for Local Ecumenical Partnerships will become a core part of the work of ACTS.

As ACTS embarks on this change of direction, Brother Stephen Smyth intimated his decision to retire as General Secretary at the end of March 2014. For his skills and commitment he has been warmly thanked. Our own Helen Hood was elected Convener earlier in the year.

A similar change to working practice has been instituted by Churches Together in Britain and Ireland, to which the Convener has been appointed a Trustee.

And, as we continue to explore how we might deepen our partnership in Scotland with the Methodist and United Reformed Churches, we have been watching closely ecumenical developments in Wales and Ireland as well as the way in which Methodists and Anglicans in England are addressing their recently concluded covenant.

The Committee is indebted to its members for their dedicated contributions and especially to our secretary for her invaluable insight and undoubted expertise.

John Lindsay
Convener

Doctrine Committee

The primary objective and activity of Doctrine Committee in 2013 has been to produce and promote Grosvenor Essays on matters of current concern to the Church and society.

To this end, the Committee continued to promote Grosvenor Essay 8 on '*Marriage and Human Intimacy*' (published in 2012), and produced Grosvenor Essay No. 9, '*The Art of Dying Well*'. Essay No. 9 aims to retrieve for the twenty-first century the Christian tradition of the Art of Dying. It addresses changes in cultural attitudes and practice around dying, death and bereavement, and provides some cross-cultural study, as well as insights into developments in medicine, palliative care, and dementia studies. The Essay also addresses the matter of Assisted Suicide, which the Committee has been holding in view in anticipation of consultations for a new Bill coming before Parliament. The production of Grosvenor Essay No. 9 involved collaboration with Liturgy Committee, and with the Scottish Episcopal Church (SEC) Chaplaincy to those living with HIV/AIDS.

Throughout 2013 the Committee also worked on, and sought commissions for, the forthcoming Grosvenor Essay, 'Church and National Identity', to be launched at General Synod 2014 ahead of the Referendum on Scottish Independence.

The Committee sought ways of promoting the Grosvenor Essay Series, and other SEC publications, through Church House Book Shop, London, so that the Church of England and others could give people access to SEC output. Doctrine Committee has also engaged in discussion of theological formation with TISEC and the Primus, with a view to ecumenical conversations in 2014. The Convener joined a Faith and Order sub-committee on Membership, due to meet in early 2014.

Reports or updates were received from The Arts Chaplaincy, The Tripartite Faith and Order Talks with the Church of Scotland and Church of England, and the ACTS Faith Studies Network.

We welcomed Rev Canon Dr Nicholas Taylor on to the Doctrine Committee.

Grosvenor Essay No. 9, 'The Art of Dying Well' was launched at General Synod in June 2013. Sales have been relatively quick; we have less than 50 in stock from a print-run of 200. We also now strongly promote web access to the Essays, and are monitoring how this affects sales, so as to inform printing decisions for future Essays. Grosvenor Essay No. 9 is promoted through the JustFestival Death Cafes, and has been made known to a number of networks including: Good Life, Good Grief, Good Death; Palliative Care Scotland; Primary Palliative Care Group at the University of Edinburgh; Faith in Older People; and the cross-disciplinary 'Dying Well' conversations convened through the Chaplaincy at the University of Edinburgh.

Grosvenor Essay No. 10 is progressing according to schedule.

We heard back that Church House Bookshop do not wish to stock SEC publications, but that they have agreed to put the Grosvenor Essays 'on their list'.

Plans now are to promote the Grosvenor Essays to theological institutions, with offers for bulk orders, and also to sell the Essays via Amazon.

Harriet Harris
Convener

Mission and Ministry Board

Actual 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/ (adv) £
	INCOME			
313,403	Allocation from General Fund	415,010	328,144	(86,866)
<u>313,403</u>	<i>Total Income</i>	<u>415,010</u>	<u>328,144</u>	<u>(86,866)</u>
	EXPENDITURE			
2,490	Board expenses	2,760	3,558	(798)
-	- Miscellaneous	200	-	200
30	Church for All Working Group	500	-	500
-	- Same sex relationships design process	-	693	(693)
-	- WCMMP implementation	1,500	-	1,500
<u>2,520</u>	<i>Sub-total</i>	<u>4,960</u>	<u>4,251</u>	<u>709</u>
	<i>Allocation to Committee funds</i>			
17,751	Church in Society Committee	34,500	26,614	7,886
22,583	Home Mission Committee	35,920	26,896	9,024
260,011	Ministry Development Committee	329,775	261,752	68,023
-	- Overseas Committee	-	-	-
<u>10,538</u>	Recruitment and Selection	<u>9,855</u>	<u>8,631</u>	<u>1,224</u>
<u>310,883</u>	<i>Total allocated to committees</i>	<u>410,050</u>	<u>323,893</u>	<u>86,157</u>
<u>313,403</u>	<i>Total Expenditure</i>	<u>415,010</u>	<u>328,144</u>	<u>86,866</u>
	BALANCES			
	Revenue			
-	- Surplus/(deficit) for year	-	-	-
-	- Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Mission and Ministry Board

I commend the work of the Provincial Mission and Ministry Board for your consideration. During the year, the Board received the report arising from the inspection of Theological Institute of the Scottish Episcopal Church (TISEC) by the Quality and Formation Panel of the Ministry Division of the Church of England carried out in 2012. This was reported on to General Synod 2013 and in the light of the conclusions of that report, the Board established a Working Party to review, in particular, the issues of formation and governance, which had been highlighted in the QFP report. An interim report on formation from the Working Party was considered in October and the final report was received by the year end. Significant changes are likely to arise from the Working Party's recommendations and will be reported on more fully to General Synod 2014.

A further significant part of the Board's work in recent years has been the development of the Whole Church Mission and Ministry Policy. The aim is to give shape and direction to the mission of our church in Scotland today. The key dynamic is that 'under the leadership of the present generation of bishops, missional energy lies principally in the dioceses.'

The Board's Next Steps Group has continued to develop aspects of the Policy. In particular, it has been necessary to consider the implications of the TISEC Review for future policy. The increased cost of the training and support envisaged by that review will have implications for the availability of provincial support for missional work in the dioceses. The proposals for governance will potentially remove responsibility for training for authorised ministry from the Mission and Ministry Board. This is likely to result in proposals for General Synod for a 'slimmed down' Mission Board with the various aspects of the Whole Church Mission and Ministry Policy being carried forward by a number of inter-diocesan networks.

The Board also responded to a request from the College of Bishops to shape a "measured process of discussion and reflection" in the Church on matters of same sex relationships. The passing, after the year end, of the Marriage and Civil Partnership (Scotland) Act which allows for same-sex marriage has given added point to the task of the Design Group established by the Board. I hope that this process will give members of the Scottish Episcopal Church the opportunity which they need to help us to discern the future direction of our Church in respect of these important issues.

During the year, the Board handled a number of other matters. It received the resolutions passed by the meeting of the Anglican Consultative Council held in late 2012 and passed these to the appropriate pendant committees for further consideration. It submitted a response to a petition lodged with the Scottish Parliament by the Scottish Secular Society calling for a change to the law so that religious observance in schools would become an "opt-in", rather than an "opt-out", activity. The Board's response opposed that change. The Board also endorsed a submission prepared by Action of Churches Together in Scotland (ACTS) supportive of proposals by Jenny Mara MSP for a Human Trafficking (Scotland) Bill. The Board agreed to join the new Scottish Pilgrim Routes Forum and appointed Margaret Pedersen to represent the Church on that body. It also appointed Elaine Cameron to attend the 2014 meeting of the United Nations Commission on the Status of Women.

At each meeting, the Board received reports of the rich and varied work carried on by its pendant committees. Ian Barcroft completed his term of office as convener of the Church in Society Committee and is thanked for the energy and vision he brought to its work. Peter Smart also stepped down as convener of the Ministry Development Committee and is similarly thanked for the dedication and commitment he brought to TISEC in recent years. The Board appointed Susan Macdonald as a transitional convener pending the out-working of the TISEC review referred to above. Thanks are expressed to Ian Findlay and John Walker who stepped down from the Board. David Atkinson and Sari Salvesen were welcomed as new members.

**+David
Convener**

Home Mission Committee

Actual 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/ (adv) £
	INCOME			
22,583	Allocation from General Fund	35,920	26,896	(9,024)
<u>22,583</u>	<i>Total Income</i>	<u>35,920</u>	<u>26,896</u>	<u>(9,024)</u>
	EXPENDITURE			
57	Committee expenses	1,170	379	791
(15)	LCM Booklets	-	(56)	56
-	Mission Advisers' meetings	1,060	-	1,060
-	Materials	530	-	530
645	Other Costs	850	67	783
623	Rural work	1,090	922	168
3,300	Retreats - grants	3,820	3,300	520
25	Retreats - other costs	-	25	(25)
17,948	Youth Committee	27,400	22,259	5,141
<u>22,583</u>	<i>Total Expenditure</i>	<u>35,920</u>	<u>26,896</u>	<u>9,024</u>
	BALANCES			
	Revenue			
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Home Mission Committee

The Committee continued to address its responsibility for the promotion of mission, evangelism and stewardship and was encouraged by the work within the Dioceses.

In line with the Whole Church Mission and Ministry Policy the Committee has established active Networks of interested people across Dioceses who will work within the areas of mission initiatives, youth, children, spirituality, stewardship, and rural affairs. These are coordinated by people with motivation and skills from across the Province.

The Diocese is the focus for mission with each Diocesan Bishop acting as leader in mission. The Networks affirm the role of the Diocese in the primacy of mission as envisaged in the Whole Church Policy. Therefore, the onus is on the Dioceses and Diocesan Bishops to ensure that they have people in place to cover these areas.

It is hoped that the Networks will support inter-diocesan collaboration and encourage a sharing of time, talents and resources found in the Dioceses thus promoting mission planning, ideas and best practice across the Province. This will help to maximise the resources and strengthen the work across the Province.

The Networks will operate on a 'light touch' basis without imposing significant burdens of infrastructure and no particular paradigm of operation is prescribed but each Network should determine its own means of working. This will probably be by email/telephone/website and possibly occasional meeting. It is hoped that the development of the new provincial website will offer fresh possibilities for interactive communication.

The Networks will report regularly to enable effective oversight and it is envisaged that in future there will be close liaison amongst the coordinators of the various Networks thus enabling connections to be made between the work being undertaken by different Networks and ensuring that no single Network operates in isolation.

The Committee continues to receive reports from the Provincial Youth Committee and congratulates them on another successful 'Glen' event. The weeks performed well within budgetary limits. Planning for 2014 is in hand.

The Committee continues to receive reports from Faith in Older People. We recommend that people sign up to receive their E-News which covers a variety of topics of interest to both Dioceses and Charges.

The Committee was represented this year on the CTBI Consultative Group on Ministry among Children and received a report on their conference. The Committee is represented on the ACTS Children within the Church Community Core Group and keeps a watching brief on the changes within ACTS.

The allocation of Retreat grants to Dioceses continued and reports on how these grants were spent received. The Retreats Handbook can be downloaded on the Scottish Episcopal Church website.

During 2013, the Committee operated within its budget and the 2014 budget was approved.

Fay Lamont
Convener

Provincial Youth Committee

The Provincial Youth Committee (PYC) meets to share information about youth work, publicise upcoming events, oversee the running of the Glen youth camps and offers a limited amount of matched funding for diocesan youth work. 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.

The PYC met in January in Perth, but also met at youth events in the diocese of Glasgow and Galloway in February and November. It has been good to meet at youth events, as it gives Committee members a flavour of what is going on at diocesan level, and also adds value to some quite long journeys from other dioceses.

Glen 2013 was entitled 'A Year in the Life...' and aimed to explore creatively the church's calendar and liturgical colours. This both helped theme each day (today is Christmas, our word is Incarnation and our colour is White) and allowed exploration of the core areas of our faith: incarnation, penitence, resurrection, the Holy Spirit, living as a Christian in daily life, as some examples. Fond memories include a full Christmas dinner cooked by the catering staff at Glenalmond complete with white/red table cloths, crackers, turkey and Christmas pudding *in July*, party games that included the speed eating of a bucket of cold Brussels sprouts, the Amble (an eclectic mix of treasure hunt and basic orienteering) themed round time travel and encompassing maps of ancient Greece, cavemen, and visitors from the future... and our exciting mix of workshops, activities, worship, prayer, ceilidh, disco, film night, food, music and fun.

Glen 2013 also had something of an international flavour, as we welcomed two delegates from Sweden again, and a large group of Canadians in week two as part of their visit to the diocese of Moray, Ross and Caithness. It was wonderful to see Scottish and International delegates mix so well, and friendships were formed that are still maintained over Skype and Facebook.

My heartfelt thanks go to Ley-Anne Forsyth who stepped down from coordinating the 18-25 network this year. Her enthusiasm and energy has done so much to bring our young adults together and we are looking at how we can continue her work in the future.

The PYC remained well in budget in 2013.

Tembu Rongong
Convener

Committee for Relations with People of Other Faiths

The objective of the of the Committee for Relations with People of Other Faiths (CRPOF) is to encourage the engagement of Scottish Episcopalians with people of other faiths and to help the Scottish Episcopal Church (SEC) reflect on our mission as that is lived out among the increasingly diverse faith communities present within Scotland. By engaging with local and national interfaith bodies, CRPOF models the partnership working and dialogue around difference that our context of pluralism demands.

After our visits to Synagogues in Glasgow the previous year, in 2013 we continued a particular focus on Christian - Jewish relations, receiving a report on a Symposium organised by the British Board of Deputies and the Council of Christians and Jews, attended by Rev Cedric Blakey, and dealing with some of the fallout from the Church of Scotland report to the General Assembly (*The Inheritance of Abraham?*), a report which had angered many within the Jewish Community. It was instructive to read that report alongside a document produced by the Anglican Communion Network for Interfaith Concerns (*Land of Promise? An Anglican exploration of Christian attitudes to the Holy Land*).

CRPOF continued to engage with the Government funded body Inter-faith Scotland (IFS), meeting with Isabel Smyth, the Christian Board member of IFS. Members of CRPOF remained actively involved in their local Inter-faith associations in Glasgow, Edinburgh and Dundee. CRPOF itself met with the Project Manager of Interfaith Glasgow to hear something of the interfaith work in that city. The Festival of Spirituality and Peace (FoSP), re-branded as the Just Festival, continued to flourish, with continuing support from the SEC.

CRPOF has enjoyed the opportunity of working ecumenically with colleagues from our Methodist and United Reformed Church partners (EMU), who have shared their inter-faith practice and expertise. Unfortunately, due to re-structuring within the Methodist Church, Bill Reid's post was discontinued in August 2013, and we miss his long experience and networking expertise.

John Conway
Convener

Church in Society Committee

Actual 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/ (adv) £
	INCOME			
17,751	Allocation from General Fund	34,500	26,614	(7,886)
500	Donations	-	-	-
<u>18,251</u>	<i>Total Net Income</i>	<u>34,500</u>	<u>26,614</u>	<u>(7,886)</u>
	EXPENDITURE			
	- Valuing older people	-	-	-
	Living with people of other faiths			
806	CRPOF	1,000	460	540
<u>2,000</u>	Festival of Spirituality and Peace	<u>3,000</u>	<u>3,000</u>	-
<u>2,806</u>		<u>4,000</u>	<u>3,460</u>	<u>540</u>
	Campaigning for Social Justice			
2,000	Scottish Churches Parliamentary Office	2,000	2,000	-
5,000	Faith in Scotland Community Action Fund	5,000	5,000	-
-	Scottish Churches Racial Justice Office	7,500	-	7,500
<u>3,000</u>	Scottish Churches Housing Action	<u>3,000</u>	<u>3,000</u>	-
<u>10,000</u>		<u>17,500</u>	<u>10,000</u>	<u>7,500</u>
	Caring for Creation			
-	SEC Sustainability Initiatives	5,000	5,000	-
<u>250</u>	Stop Climate Chaos	<u>250</u>	<u>291</u>	<u>(41)</u>
<u>250</u>		<u>5,250</u>	<u>5,291</u>	-
	- Working for peace	-	-	-
	Acting in Faith			
-	Consultations / working with local congregations	1,500	-	1,500
3,048	Working with local congregations and other organisations (grants)	4,000	7,432	(3,432)
<u>3,048</u>		<u>5,500</u>	<u>7,432</u>	<u>(1,932)</u>
	- Promoting Economic Justice	-	-	-
	Other costs			
2,027	Meeting costs / participating in consultations / conferences	2,000	371	1,629
<u>120</u>	Scottish Churches Religious and Moral Education Group	<u>250</u>	<u>60</u>	<u>190</u>
<u>2,147</u>		<u>2,250</u>	<u>431</u>	<u>1,819</u>
<u>18,251</u>		<u>34,500</u>	<u>26,614</u>	<u>7,927</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 Convener would like to thank the Committee members: Bishop John Armes, Sue Horne, Val Dunford, Tricia Paton, Richard Crockett, Richard Murray and John Conway (CRPOF), Ann Glen-Esk of the Mothers' Union, Mitchell Bunting of the United Reformed Church and Bill Reid of the Scottish Methodists. Elspeth Davey and Lorna Finley have supported the Committee's work with real commitment and we owe them a debt of gratitude for their continued support of faith-in-action.

As my five year term came to completion in June 2013, I am only able to offer a report on our engagement with the issues that concern our society for the first half of this year. The Committee continued to disseminate information and encourage debate within the Dioceses on the Welfare Reform Act, the Living Wage Campaign and Ethical Investment. The General Synod of 2013 passed two motions affirming the Living Wage and welcoming a joint point paper prepared by the Investment Committee and this Committee on Ethical Investment.

Strategic partnerships have been created to support the valuable work of agencies that share our values especially for a sustainable environment, mentoring homeless people and promoting faith in dialogue with issues of peace-making. Funding and practical support was given to Scottish Churches Housing Action (Julius Project), Eco-Congregations (Post of Eco-Chaplain), The Festival of Spirituality and Peace and Tulloch Net.

Allied to these priorities we continued to work closely with the Scottish Churches' Parliamentary Office (SCPO) responding to key consultations with the Scottish Parliament, often supported by the member faith communities of ACTS.

Opportunities for networking and developing initiatives have continued with the many concerned for Church in Society, with groups such as Church Relations with People of Other Faiths (CROPOF); Scottish Churches Racial Justice Group; the Joint Advisory Board on Criminal Justice (JABCJ); Faith in Older People (FiOP), Faith in Community Scotland (FICS), Scottish Joint Committee for Religious and Moral Education (SJCRME) and also of the Scottish Churches' Education Group (SCEG) and within the SEC, the Diaconate Working Group.

Ian Barcroft

Convener until June 2013

Overseas Committee

Actual 2012			Revised Budget 2013	Actual 2013	Variance fav/ (adv)
£	INCOME		£	£	£
94,566	Investment income	Unit Trust Pool	94,566	96,496	1,930
23		Interest	-	22	22
6,304		Noel Phillips Trust	6,304	6,433	129
<u>100,893</u>	<i>Total Income</i>		<u>100,870</u>	<u>102,951</u>	<u>2,081</u>
	EXPENDITURE				
39,186	Grants	Education	40,000	44,195	(4,195)
15,435		Africa	21,000	23,017	(2,017)
3,621		Asia (<i>inc Middle East</i>)	18,000	8,294	9,706
3,161		Small grants	7,750	3,018	4,732
4,084		Companion Relationships	10,500	3,396	7,104
7,065		Agency Support	17,000	8,100	8,900
-		Anglican Comm Network Support	-	8,217	(8,217)
7	MiDGies (formerly Justice, Peace and Creation		1,250	618	632
2,391	Committee	Travel	3,000	1,213	1,787
-		Publicity / correspondence	1,500	-	1,500
<u>74,950</u>	<i>Total Expenditure</i>		<u>120,000</u>	<u>100,068</u>	<u>19,932</u>
	BALANCES				
	Revenue				
25,943	Surplus/(deficit) for year		(19,130)	2,883	22,013
74,340	Balance brought forward		100,283	100,283	-
<u>100,283</u>	<i>Balance carried forward</i>		<u>81,153</u>	<u>103,166</u>	<u>22,013</u>
	CAPITAL ACCOUNT			Actual 2013	
				£	
1,919,22	Balance brought forward			2,130,477	
211,249	Unrealised gain on revaluation as at 31 December 2013			253,958	
<u>2,130,47</u>	<i>Balance carried forward</i>			<u>2,384,435</u>	

Overseas Committee

This past year the Committee has continued to work on making best use of the money that is generated from the investments designated for overseas mission and ministry. Today mission and ministry belongs to local churches around the world and our role is one of support offered through the dioceses and other agencies linked with the Anglican Church. In recent months we have been engaging in some new areas of support as well as maintaining ongoing work, e.g. finance for ministerial training and post graduate studies. It is very encouraging to receive reports and graduation photographs from the grateful students the Scottish Episcopal Church (SEC) has been able to help. Help with what for us is a relatively small grant but for them a grant that is life changing, and potentially transforming for their church and community. We also support the education of children, mostly in Africa; school fees for a small number of children in Zanzibar but also through the provision of school furniture and roofing materials. Roofing materials for churches are another thing with which we have given help, most recently in Tanzania where there is a growing demand for church buildings as congregations increase in number and size. Church buildings and education for children and adults go together in these places.

Connections with and support for the Anglican Communion Networks are developing. That with the Family Network is maintained by Committee member John Rea and we again publicised the issue of universal birth registration through *inspires online* with material for use at Candlemas. Elaine Cameron is our contact with the Women's Network and we are supporting her work with the Women's Regional Networks as well as in having an SEC presence at the United Nations in New York each year. Donald Reid is our representative on the Refugee and Migrant Workers Network and we were able to facilitate his joining an ecumenical visit to Israel/Palestine last year. This has led to further ecumenical cooperation in prayers for the people of the Holy Land each month at different venues around Scotland. We also gave first time support for Robin Paisley to participate in two consecutive gatherings of the Health Network, concerned with the ministry of healing in a broad sense and its importance in mission. We hope that more, useful cooperation will grow from this. The Networks have brought us into collaborative working with the Church in Society Committee, which we welcome.

The *Enough Food for Everyone.....IF* Campaign featured largely in our presentation to General Synod in 2013 and it renewed our working relationship with Just Trading Scotland (John Riches and his team) and Christian Aid (Kathy Galloway and Val Brown). This led on to a new and exciting venture in book publishing and we were delighted to launch the Lent study guide and cook book in January entitled *and everyone ate and had enough*. This is a book that can be used equally well at other times by groups or individuals or might be offered through food banks as all the recipes are low cost but highly nutritious. The SEC is part of the Scottish Churches China Group (SCCG) and in October I was part of a small deputation invited to join staff and management of the former Scottish mission hospital in Shenyang for their 130th anniversary celebrations. The hospital is now high tech and enormous, occupying several sites in and around the city, some parts of it still under construction. Dr Dougald Christie, the founder, is highly honoured for his insistence on providing a full curriculum of western medicine for his Chinese students, against the direction of his sponsoring missionary society. A new statue of him graces the main entrance to the city centre part of the hospital. The SCCG currently facilitates training for rehabilitation, palliative and spiritual care staff that is not yet available in China and where we have expertise in Scotland. Training support in various kinds of social and educational outreach is also given to the Amity Foundation, the China Churches' Council and the Catholic Diocese of Shanghai and we visited both Nanjing and Shanghai to meet the people concerned. My thanks to the Committee and to Elspeth Davey for the work they put into carefully distributing the resources that are entrusted to us. Eileen Thompson and Jack Wardell come to the end of their terms of office in the summer and Catriona Beel left us in the previous year. We have one new member and hope to fill the remaining vacancies soon in order to maintain these important links with the wider Church.

Val Nellist
Convener

Ministry Development Committee

Actual 2013 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/adv £
260,011	Allocation from General Fund	329,775	261,752	(68,023)
2,794	Investment income	2,850	2,851	1
1,660	Donations	-	1,000	1,000
4,400	Fees	-	4,400	4,400
380	Module / paper sales	-	5	5
<u>269,245</u>	<i>Total Net Income</i>	<u>332,625</u>	<u>270,008</u>	<u>(62,617)</u>
	EXPENDITURE			
	Provincial Staff Costs			
80,915	Salaries, pensions etc	137,740	82,503	55,237
927	Travel expenses	1,150	523	627
371	Staff training / development	1,000	401	599
<u>82,213</u>	<i>Sub-total</i>	<u>139,890</u>	<u>83,427</u>	<u>56,463</u>
	Diocesan staff costs			
142,318	Contribution to Diocesan costs	145,160	143,755	1,405
1,882	IME Staff training / development	2,000	1,697	303
-	DYSJUC, MT, LF training / development	875	-	875
<u>144,200</u>	<i>Sub-total</i>	<u>148,035</u>	<u>145,452</u>	<u>2,583</u>
	Ecumenical liaison			
42	Meetings	150	34	116
-	Events	250	-	250
<u>42</u>	<i>Sub-total</i>	<u>400</u>	<u>34</u>	<u>366</u>
	General / shared administrative costs			
497	Administrative expenses	500	484	16
-	Publicity	200	-	200
6,103	Library	6,700	3,770	2,930
	Meeting Costs			
1,913	- Ministry Development Committee	2,000	3,403	(1,403)
7	- Diocesan Coordinators	500	30	470
601	- Board of Studies	750	571	179
<u>9,121</u>	<i>Sub-total</i>	<u>10,650</u>	<u>8,258</u>	<u>2,392</u>
	Initial Ministerial Education			
1,712	Course materials	5,500	884	4,616
8,735	Residential weekends (net cost)	4,500	10,091	(5,591)
9,165	Module co-ordinators honoraria	9,400	10,000	(600)
670	Module Co-ordinators book grants	800	950	(150)
220	Miscellaneous	-	39	(39)
8,500	YSJU Validation costs	8,500	9,700	(1,200)
1,726	QFP Costs (Min Div Validation)	1,000	616	384
-	General Contingency	500	-	500
	Meeting Costs			
238	- Module coordinators	300	70	230
-	- Quality Assurance and Enhancement Panel	250	-	250
253	- Assessment Panel	500	146	354
237	- Other	-	12	(12)
<u>31,456</u>	<i>Sub-total</i>	<u>31,250</u>	<u>32,508</u>	<u>(1,258)</u>
	Lay Learning			
-	Support and Materials	700	-	700
1,610	Staff Costs	200	-	200
-	General Contingency	500	-	500
603	Meeting Costs - Provincial Lay Learning Group	1,000	329	671
<u>2,213</u>	<i>Sub-total</i>	<u>2,400</u>	<u>329</u>	<u>2,071</u>
<u>269,245</u>	Total Expenditure	<u>332,625</u>	<u>270,008</u>	<u>62,617</u>
	BALANCES			
	Revenue			
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
-	Balance carried forward	-	-	-

Ministry Development Committee

MDC activities continue to focus on the development and delivery of effective Initial Ministerial Education (IME) for Ordinands and Lay Reader candidates, together with its ongoing overview also of Continuing Ministerial Development (CMD), Lay Training and education for discipleship.

IME activities in the year 2013 have focussed on responding to, and implementing recommendations from, the Quality in Formation Panel's inspection report, which was produced at the beginning of the year. This inspection took place at the invitation of the College of Bishops and the Mission and Ministry Board, and we were delighted that, of the sixteen areas investigated, fourteen were adjudged as 'confidence' or 'confidence with qualifications', the overall outcome of the report being 'confidence with qualifications'. However, two areas, relating to the formation of candidates and to governance issues, were adjudged 'no confidence'. Our response was therefore twofold. A Formation and Governance Working Party was set up to address the QFP report's recommendations in these areas and to examine some wider issues around IME provision; and an Action Plan was prepared to address all recommendations in the report that did not relate directly to the areas of formation and governance. The Working Party reported to the Board in early 2014. Meanwhile a number of changes to IME provision have been made, and we are particularly grateful to the College of Bishops for their facilitation of sessions during our Residential Programme in 2013-14 to address formational issues.

Six students were ordained or licensed this year. IME numbers for 2013-14 are high, with fifteen Ordinands and ten Lay Reader candidates attending residential weekends and other groups meeting within the dioceses.

In addition to IME activity the Provincial Lay Learning Group continues to meet regularly to share resources and pool ideas. The Alastair Haggart Bursary was once again awarded, and we are most grateful to its sponsors for making it available.

We anticipate that there will be appreciable dovetailing of Theological Institute of the Scottish Episcopal Church (TISEC), as reconfigured by our responses to the QFP report, with the vision expressed in the Whole Church Mission and Ministry Policy.

MDC operates one of the largest budgets of any SEC Committee, and once again we have kept within budget in 2013.

A major change in August 2013 was the departure of the Committee's Convener, Peter Smart, after three years of painstaking work in this role. We would like to thank Peter for all he has achieved in this time. Our thanks go also to all those who continue to work to enable TISEC to function across the Province, and especially to Michael Fuller and Denise Brunton for their tireless activity in maintaining IME provision alongside all the changes which are currently in progress.

Susan Macdonald
Convener

Community Fund

Actual 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/(adv) £
	INCOME			
4,940	Donations	5,000	3,693	(1,307)
<u>4,940</u>	<i>Total Net Income</i>	<u>5,000</u>	<u>3,693</u>	<u>(1,307)</u>
	EXPENDITURE			
3,039	Grants	5,000	3,780	1,220
<u>3,039</u>	<i>Total Expenditure</i>	<u>5,000</u>	<u>3,780</u>	<u>1,220</u>
	BALANCES			
	Revenue			
1,901	Surplus(deficit) for year	-	(87)	(87)
845	Balance brought forward		2,746	-
<u>2,746</u>	<i>Balance carried forward</i>	<u>-</u>	<u>2,659</u>	<u>(87)</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.

In 2013 donations (including Gift Aid) representing income of £3,693 were received and 42 grants representing expenditure of £3,780 were made. The donations received represent a significant drop compared to the 2012 figure (£4,940) and it has been possible to respond to grant requests only by using some of the surplus carried forward from 2012. Demand on the Fund continues to be high and can only be expected to increase as State benefits become harder to obtain. 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 grants we have been able to make in 2013 have facilitated the purchase of beds and bedding, flooring, clothing, cookers, refrigerators and washing machines when other sources of funding could not be found. These grants are made on the recommendation of clergy or organisations such as Children 1st, One Parent Families Scotland, Circle Scotland 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 Fund continues to serve a very worthwhile role and to deserve the support of the Church and its members.

John Stuart
Secretary General

Recruitment and Selection

Actual 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/(adv) £
INCOME				
10,538	Allocation from General Fund	9,855	8,631	(1,224)
<u>10,538</u>	<i>Total Income</i>	<u>9,855</u>	<u>8,631</u>	<u>(1,224)</u>
EXPENDITURE				
<i>Employee:</i>				
PDO and PDO assistant:				
8,252	Salary & pension contributions	5,720	5,711	9
857	Travel & subsistence	1,475	965	510
<i>Administration:</i>				
60	Telephone, postage, stationery, etc.	160	58	102
1,369	<i>Workshops</i>	2,500	1,897	603
<u>10,538</u>	<i>Total Expenditure</i>	<u>9,855</u>	<u>8,631</u>	<u>1,224</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

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 nos. processed	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2010-11	13	0	0	4	1	3	5
2011-12	10	2	0	3	3	1	1
2012-13	11	1	0	0	4	4	2

Candidates Recommended by Provincial Panel to go to Bishops Advisory Panel

Year	Total nos.	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2010-11	7	0	0	4	1	1	1 (but deferred)
2011-12	3	1	0	1	0	1	0
2012-13	8*	1	0	0	3	2	2

* Plus one candidate over 60 recommended directly for training

Candidates Recommended for Training by Bishops Advisory Panel

Year	Total nos.	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2010-11	5	0	0	3	1	1	0
2011-12	1	0	0	1	0	0	0
2012-13	7	1	0	0	2	2	2

Miscellaneous Funds

Actual 2012 £		Actual 2013 £
	INCOME	
2,338	Investment income	2,404
<u>3,938</u>	Donations	<u>4,000</u>
<u>6,276</u>	<i>Total Net Income</i>	<u>6,404</u>
	EXPENDITURE	
<u>470</u>	Grants	<u>3,060</u>
<u>470</u>	<i>Total Expenditure</i>	<u>3,060</u>
	BALANCES	
	Revenue	
5,806	Surplus/(deficit) for year	3,344
(495)	Transfer (to)/from capital	(517)
<u>20,835</u>	Balance brought forward	<u>26,146</u>
<u>26,146</u>	<i>Balance carried forward</i>	<u>28,973</u>
	CAPITAL ACCOUNT	
953,292	Balance brought forward	1,034,622
495	Transfer from revenue	517
<u>80,835</u>	Unrealised gain on revaluation as at 31 December 2013	<u>97,244</u>
<u>1,034,622</u>	<i>Balance carried forward</i>	<u>1,132,383</u>
	TOTAL FUNDS as at 31 December:	
26,146	Revenue	28,973
<u>1,034,622</u>	Capital	<u>1,132,383</u>
<u>1,060,768</u>		<u>1,161,356</u>
	Being for:	
962,940	Restricted purposes	1,052,086
<u>97,828</u>	Designated purposes	<u>109,270</u>
<u>1,060,768</u>		<u>1,161,356</u>

Information and Communication Board

Actual 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/ (adv) £
	INCOME			
27,743	Allocation from General Fund	38,900	23,877	(15,023)
<u>27,743</u>	<i>Total Income</i>	<u>38,900</u>	<u>23,877</u>	<u>(15,023)</u>
	EXPENDITURE			
1,477	Board expenses	2,660	2,277	383
1,155	Website Development	23,000	22,042	958
454	anglican.org domain	740	475	265
-	Exhibitions / promotion / publicity	4,000	-	4,000
13,657	<i>inspires</i> publication / distribution costs	18,000	10,083	7,917
-	Miscellaneous projects	1,500	-	1,500
<u>16,743</u>	<i>Total Expenditure</i>	<u>49,900</u>	<u>34,877</u>	<u>15,023</u>
	BALANCES			
	Revenue			
11,000	Surplus/(deficit) for year	(11,000)	(11,000)	-
-	Balance brought forward	11,000	11,000	-
<u>11,000</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Actual 2012 £	PUBLICATIONS	Actual 2013 £
8,440	Income	8,482
<u>(5,097)</u>	Expenditure	<u>(12,196)</u>
3,343	Surplus/(deficit) for year	(3,714)
8,104	Balance brought forward	11,447
<u>11,447</u>	<i>Balance carried forward</i>	<u>7,733</u>

Information and Communication Board

The Information and Communication Board met twice in 2013, one of these meetings being a two day 'residential' held in Edinburgh. This was the first residential meeting held for a number of years following requests from Standing Committee to limit expenditure.

The largest piece of work that the Board has engaged with this year (and indeed for some years) is the recent revision of the Scottish Episcopal Church's website. The advantages of this work are twofold. On the public side of the website there is a fresh, modern look and feel which attempts to communicate something of the ethos of the Church without being dominated by particular news items. On the administrative side, the switch to WordPress as the back-end engine for the site means that it can be administered much more easily by members of the General Synod Office (GSO) than was previously the case.

One significant further benefit from this project should also be noted. Provision has been made whilst designing this project to ensure that the template used for the provincial website was actually owned by the Scottish Episcopal Church. This means that it should be possible to make this template available to congregations who may be able to use it to run their own websites which will then have a similar look and feel to the provincial site. This template will supersede those which were designed a couple of years ago and will be mobile-ready, ensuring that both local and provincial sites which use it look their best on devices which have a range of resolutions.

Other items which have occupied the Board include some initial thinking about the corporate image of the Church, the balance of material that should go in *inspires* and *inspires online*, matters surrounding twitter, facebook and social media in general and the usual budgetary planning. The Board has begun to have preliminary discussions that will lead in due course to a review of both the online and printed *inspires* publications.

It is increasingly the case that document planning within the General Synod Office takes into account the need for machine readable formats. There has been significant work from within the GSO to ensure that the Liturgies and Canons of the Church as well as resources for vestry members, can be read as widely as possible.

One of the distinctive features of the Information and Communication Board is that the other boards of the church can be represented on it. For the first time in some years, two of the other three Boards (Faith & Order and Mission & Ministry) have sent representatives who have taken a part in this year's Board deliberations.

My thanks go to Lorna Finley, Joy Black and other members of the General Synod Office as well as current and past members of the Board.

Kelvin Holdsworth
Convener

Administration Board

Actual 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/ (adv) £
INCOME				
360,914	Allocation from General Fund	397,500	353,833	(43,667)
<u>360,914</u>	<i>Total Income</i>	<u>397,500</u>	<u>353,833</u>	<u>(43,667)</u>
EXPENDITURE				
<i>Meeting Costs</i>				
542	Board	1,010	699	311
1,413	Finance Committee	1,050	1,419	(369)
72	Investment Committee	100	40	60
492	Retirement Welfare Committee	850	326	524
386	Buildings Committee	500	445	55
253	Personnel Committee	490	367	123
<u>3,158</u>	<i>Sub-total</i>	<u>4,000</u>	<u>3,296</u>	<u>704</u>
<i>Allocation to Finance Committee funds</i>				
324,979	Grants for Ministry Fund	328,500	290,233	38,267
-	Maintenance and Development Fund	-	-	-
<u>32,777</u>	Dunderdale Building Fund	<u>65,000</u>	<u>60,304</u>	<u>4,696</u>
<u>357,756</u>	<i>Sub-total</i>	<u>393,500</u>	<u>350,537</u>	<u>42,963</u>
<u>360,914</u>	<i>Total Expenditure</i>	<u>397,500</u>	<u>353,833</u>	<u>43,667</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 role of the Administration Board is to oversee the management of the Church's resources of people, property and money. It meets twice a year, reflects the composition of the Church as a whole, and includes both clergy and laity from all dioceses in its membership.

Most of the detailed work of provincial administration is carried on by the five pendant Committees, viz Investment, Finance, Retirement Welfare, Buildings and Personnel, and their Conveners are members of the Board. This year the Convenerships continued unchanged: Jeremy Burchill for the Investment Committee, John Ferguson-Smith for Finance, Alex Stewart in charge of the Buildings Committee, Elliott Glen-Esk for Retirement Welfare and Nick Bowry at Personnel. Nick Bowry has intimated his intention to stand down this year, for the best of reasons – he is now in training at TISEC as an ordinand. His expertise in Personnel policy, his ability to make progress on several fronts at the same time, and his excellent working relationships with other groupings in the Church, will be much missed. We are however fortunate in that Maureen McKellar, a member of the Committee since 2012, will succeed him as Convenir.

The reports which follow from the Conveners of the pendant Committees set out the range of issues which they have covered, and once again I record my thanks to all members for their commitment. The Church's investments have again been effectively managed, and the year-end outcome was sufficiently strong to enable the distribution from the Unit Trust Pool to be increased for the first time for a number of years. Nevertheless the Province's overall financial situation remains challenging, and deficits are predicted for future years without continuing restraint in the one significant area of discretionary expenditure, viz building grants. Against this background, work is under way to make an assessment of the extent and condition of the Church's building estate across Scotland, so that there can be an informed debate about the scale and nature of the need for Provincial assistance in coming years.

The Retirement Welfare Committee has again managed, in another challenging year for the housing market, a portfolio of some 40 houses and flats, in the interests of both the Church and the occupants of the properties. Finally, the Buildings and Personnel Committees have considered a range of practical and policy issues, which are summarised in their respective Conveners' reports.

I conclude by thanking all at the General Synod Office who have supported the Board in its work over the last year, and in particular Malcolm Bett, John Stuart and Daphne Audsley.

Michael Lugton
Convenir

Investment Committee

Remit

The Committee is responsible for investment strategy and monitoring of the investment performance of the Unit Trust Pool. The investment objective 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.

Stockmarket and Performance

Investment conditions during 2013 were broadly positive throughout. This enabled the portfolio to deliver strong investment performance, though the possibility of more challenging times ahead remains. It is pleasing to note that the portfolio managers outperformed the benchmark. The strong performance enabled the Committee to increase the second distribution (payable February 2014) to 25.5p, giving a total distribution for the year of 50p per unit. This represents a yield of 4.5% pa based on the value of a unit at the beginning of the year. To grow this level of distribution in line with inflation represents a demanding target.

The income generated from the investment portfolio does not fully fund the distribution. Accordingly the Committee has used the power to distribute 14.3p per unit from capital (2012:13.2p). The Committee is concerned to develop a clear discipline to govern the extent to which capital will be distributed so as to ensure that the capital base of the fund is not eroded since it is from this base that investment performance must be generated. Whilst this work has not yet reached a conclusion, the Committee is satisfied that it has used this power conservatively and will continue to be cautious especially in times of adverse market conditions.

The Committee is mindful that the asset allocation of the portfolio is currently limited to equities and bonds, and that further diversification of the asset mix may assist in the delivery of strong performance with reduced volatility. The Committee will continue to work on this issue during the first half of 2014, mindful that ultimately any decision will be based on judgement about likely market trends which cannot be determined with accuracy.

The performance of the Fund to 31 December 2013 is shown in the table below

Period	Fund	Benchmark
Five years (p.a.)	14.7%	11.5%
Three years (p.a.)	10.5%	8.4%
One year (p.a.)	17.2%	14.0%

The market value of a unit was £12.36 at the year end (2012: £11.04). The market value of the Fund at 31 December 2013 was £47.3m (2012: £41.8m). The accounts of the UTP appear on page 87.

Ethical Policy

A paper on ethical investment prepared jointly with the Church in Society Committee was presented and approved at General Synod 2013. The paper included an expanded version of the Church's ethical policy as set out on page 91. The Committee is committed to seeking to identify companies whose operational activities give rise to ethical concerns, and will positively engage with, and if deemed appropriate, disinvest from such companies whose securities are held within the investment portfolio.

Committee Membership

Dr Ed Trevillion joined the Committee during the year.

I would like to thank the General Synod Office staff for their help and co-operation and especially Daphne Audsley who has serviced the Committee through what has, as always, been a busy year.

Jeremy Burchill
Convener

Finance Committee

During the year the Committee has continued to develop and administer both the Grants for Ministry Fund and the building grants funds.

The Committee was able to further extend the use of eligibility criteria in the assessment of applications to the Grants for Ministry Fund. In consultation with the Mission and Ministry Board and the College of Bishops the criteria agreed for Transitional Assistance in 2011 were extended to cover those ministries requesting Longer Term Support from the Fund. One of the significant changes is the need for dioceses to submit a statement in support of any applications for which financial assistance is requested for a period in excess of five years explaining why grants are required to maintain a Scottish Episcopal Church “presence” in the area. The Committee is grateful to dioceses for complying with this request. The Committee recognises that, given the increasing focus of the Fund being to support ministries in transition, there continues to be some concern regarding the ongoing provision of such Longer Term Support. The Committee is aware that the College of Bishops is currently considering this issue and hopes that the availability of the statements submitted by dioceses in support of their applications will help inform its discussions. Whilst welcoming the increased number of individuals due to continue their training for ministry within the SEC through stipendiary curate positions, the Committee noted that it was anticipated that the funding required for curate training grants would more than double between 2013 and 2015.

Building grants continued to be available during the year and the Committee was pleased to be able to provide seventeen grants totalling £35,304 from the Dunderdale Building Fund to assist charges in the routine maintenance of their buildings. Two further grants totalling £25,000 were also awarded from the small emergency grants fund which continues to be available during the ongoing moratorium on Maintenance and Development Fund (M&D) grants. The future of the M&D Fund was discussed by the Committee on a number of occasions during the year. The Committee is mindful both of the need to provide assistance to charges in meeting building maintenance costs and the continuing pressures on provincial budgets. After consultation with the Buildings Committee and Administration Board it was agreed to defer any reintroduction of the full buildings grants programmes for a further year whilst information is obtained regarding the Church’s property assets and the impact that the restricted availability of provincial buildings grants has had on property maintenance in recent years. I look forward to working with the Committee, the Buildings Committee and the Administration Board during 2014 as we seek to identify the most appropriate way of addressing this issue. In the meantime the maximum grant from the Dunderdale Building Fund has been increased by £1,000 to £3,500 to reflect the general increase in costs since the grant level was last reviewed. Financial assistance also continues to be available through the Building Loans Fund. No loan applications were however received during 2013.

Once again I am most grateful for the good humoured collegial approach adopted by the members of the Committee in undertaking its work. A particular note of thanks to John Whittall who, having completed eight years’ service, demitted office during the year. Thanks too to Malcolm Bett and his colleagues in the General Synod Office for their invaluable support.

John Ferguson-Smith
Convener

Finance Committee
Grants for Ministry Fund

Actual 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/ (adv) £
INCOME				
324,979	Allocation from General Fund	328,500	290,233	(38,267)
10,021	Investment income	10,000	10,232	232
15,500	Legacies and donations	16,000	15,000	(1,000)
<u>350,500</u>	<i>Total Income</i>	<u>354,500</u>	<u>315,465</u>	<u>(39,035)</u>
EXPENDITURE				
67,235	Curate grants	69,285	77,328	(8,043)
233,972	Stipend Support grants	232,725	187,405	45,320
9,000	Other grants	9,000	9,000	-
35,670	Travel / Island grants	35,370	35,370	-
4,250	Child Allowance	5,000	5,175	(175)
373	Resettlement grants	3,120	1,187	1,933
<u>350,500</u>	<i>Total Expenditure</i>	<u>354,500</u>	<u>315,465</u>	<u>39,035</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 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/ (adv) £
	INCOME			
32,777	Allocation from General Fund	65,000	60,304	(4,696)
<u>32,777</u>	<i>Total Income</i>	<u>65,000</u>	<u>60,304</u>	<u>(4,696)</u>
	EXPENDITURE			
20,277	Grants - Issued		20,774	
12,500	- Earmarked		39,530	
<u>32,777</u>	<i>Total Expenditure</i>	<u>65,000</u>	<u>60,304</u>	<u>4,696</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 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/ (adv) £
	INCOME			
3,090	Interest on loans	3,000	2,673	(327)
<u>3,090</u>	<i>Total Income</i>	<u>3,000</u>	<u>2,673</u>	<u>(327)</u>
	BALANCES			
3,090	Revenue (liquid funds for advancement of	3,000	2,673	(327)
(5,100)	Surplus/(deficit) for year	(197,133)	18,000	215,133
216,143	Transfer (to)/from capital	214,133	214,133	-
<u>214,133</u>	<i>Balance carried forward</i>	<u>20,000</u>	<u>234,806</u>	<u>214,806</u>
	CAPITAL ACCOUNT		Actual 2013 £	
151,400	Balance brought forward		156,500	
46,000	Loans paid/earmarked - transferred from		-	
<u>(40,900)</u>	Loans repaid - transferred to revenue		<u>(18,000)</u>	
<u>156,500</u>	<i>Balance carried forward</i>		<u>138,500</u>	

Finance Committee
Free and Open Church Association

Actual 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/ (adv) £
	INCOME			
781 3	Investment income Interest	781 5	796 2	15 (3)
<u>784</u>	<i>Total Income</i>	<u>786</u>	<u>798</u>	<u>12</u>
	EXPENDITURE			
200	Grants issued	800	200	600
<u>200</u>	<i>Total Expenditure</i>	<u>800</u>	<u>200</u>	<u>600</u>
	BALANCES			
	Revenue			
584	Surplus/(deficit) for year	(14)	598	612
5,905	Balance brought forward	6,489	6,489	-
<u>6,489</u>	<i>Balance carried forward</i>	<u>6,475</u>	<u>7,087</u>	<u>612</u>
	CAPITAL ACCOUNT		Actual 2013 £	
16,342	Balance brought forward		18,086	
1,744	Unrealised gain on revaluation as at 31 December 2013		2,096	
<u>18,086</u>	<i>Balance carried forward</i>		<u>20,182</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 2013. The Committee continued its review of the guidance issued by the General Synod on the compilation and updating of inventories, the practices adopted by Dioceses with regard to inventories, the comments received on the layout of the current inventory form and a draft revised form of inventory and property register drawn up by the Diocese of Edinburgh. The Committee will return to the subject after feedback has been received on this draft.

The Committee reviewed the current guidance provided by Synod on compliance with the Disability Discrimination Act and following receipt of material from the Church for All group will revise this guidance in 2014.

The Committee discussed with concern the continuing moratorium on the availability of grant funding from the Maintenance and Development Fund, although it welcomed the increase to £3,500 in the maximum grant available from the Dunderdale Building Fund. It considered a number of actions to help mitigate the potential problems arising from this moratorium and supported the proposal for a property survey and a questionnaire on grant funding to be carried out with charges in 2014. A meeting was held with the Heritage Lottery Fund regarding the future procedures and criteria for awarding Heritage Lottery Fund/Historic Scotland grants and a response was submitted to the Scottish Government consultation on the Care of the Historic Environment, in which any recognition of the ecclesiastical architectural heritage was conspicuously absent.

The Committee also considered the issue of the carbon footprint of churches and the problems of energy conservation in ecclesiastical buildings and resolved to seek further advice and information from Eco-Congregations and on possible grant funding from the Climate Challenge Fund.

Rebecca Cadie and Patrick Grant retired from the Committee and were thanked warmly for their contribution to the work of the Committee over their period of membership. Lisbeth Thom was appointed for a second term of office. The Committee continues to have difficulty in recruiting members with the appropriate experience and expertise.

Alex Stewart
Convener

Personnel Committee

The Committee met on three occasions during the year.

Work on taking further the development of a formal capability procedure has been a major component of the Committee's work throughout the year. A draft of a procedure was completed and there have been iterations of it with the College of Bishops. It is envisaged that further progress on this will be completed in 2014 to allow appropriate consultation.

The Standing Committee invited the Committee to consider the updated Gender Audit Report commissioned by the Standing Committee. There are some initial actions arising from it that the Committee will undertake, and it will also inform and shape future discussions and actions by the Committee in the medium to longer term.

The Committee's review (which started last year) of the current canonical provisions relating to the retirement of clergy and the Equality Act 2010 has continued. A decision was taken, for the time being, to retain the existing canonical provisions, but will be kept under regular (if infrequent) review.

The Committee has also continued to work on: updating the flexible working and parental leave provisions; considering arrangements for effective office-holder and employment health checks; procedures for the administration and retention of personnel files; and, the content of the Personnel Handbook for Stipendiary Clergy.

The Committee welcomed Paul Romano as a member, as a replacement for Jeremy Auld, who is thanked for his service. This is my last report as Convener and I wish to thank all the members who have made the role a pleasurable one to undertake. I am grateful for Maureen McKellar's agreement to take over as convener. Our committee is very ably assisted by John Stuart, without whom we could not operate so well.

Nicholas Bowry
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 fund adequate accommodation from their own resources. To qualify for assistance clergy must be members of the SEC Pension Fund and have completed a qualifying period of 10 years full time stipendiary service in the SEC. The objective is to ensure as far as is possible that clergy in this position will be provided with suitable housing and that they will have some capital and an income in their retirement. Assistance is for life and is means tested. There are two options depending on circumstances.

Standard Rented Property

This is where a property is purchased at the current Standard Property Price. Standard property price is based on the average house price in Scotland and at present the allowance is £160,000. The pensioner pays rent well below current market rates.

Shared Ownership

This is where the applicant is in a position to make a contribution towards the purchase of the property. Standard Shared Ownership is for purchases of up to Standard Property Price where the applicant is able to contribute up to 25% of the total purchase price. Enhanced Shared Ownership involves a higher level of contribution from the applicant, for which the total purchase price may be up to 50% above the Standard Property Price.

The Committee oversees the acquisition and disposal of properties, arranges repairs and undertakes regular visits to properties. The Housing Fund owns or has an interest in 43 properties spread throughout Scotland. The Committee approved approximately £29,000 in repairs and renovations over the year.

No properties were bought or sold during 2013.

The Committee undertook a Housing Fund Survey to assess future funding requirements. The response rate of 89% was encouraging. The responses indicated that there were no immediate concerns in respect of the ability of the Fund to meet housing needs but pressure on funding from 2018 onwards is anticipated. In 1999 General Synod approved a Resolution to provide for the future funding of retirement housing through the realisation of General Synod investments if required.

The Committee has responsibility for the Supplementary Fund. Small grants are available to assist with unexpected expenditure. The Fund is also used to make a Christmas gift to pensioners. This has been £100 for the last few years. This payment is under review as the number of pensioners has been steadily increasing and Fund's investment income is unlikely to significantly increase in the short term making continued payment at the current level unsustainable.

Elliott Glen-Esk
Convener

Retirement Welfare Committee Supplementary Fund

Actual 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/ (adv) £
INCOME				
35,507	Investment income	35,507	36,232	725
43	Interest	50	42	(8)
2,000	Cargill Trust - Widows and Orphans	2,000	2,000	-
236	Donation	-	325	325
<u>37,786</u>	<i>Total Income</i>	<u>37,557</u>	<u>38,599</u>	<u>1,042</u>
EXPENDITURE				
2,150	Grants - Clergy	4,000	906	3,094
1,820	- Widows and Orphans	4,000	3,300	700
29,500	- Christmas payment	30,000	30,700	(700)
1,121	- Yearbooks (retired clergy)	1,100	1,203	(103)
787	Pension Fund (CRBF) top up	1,500	811	689
116	Miscellaneous	100	121	(21)
6,145	GSO Administration charge	6,145	6,145	-
<u>41,639</u>	<i>Total Expenditure</i>	<u>46,845</u>	<u>43,186</u>	<u>3,659</u>
BALANCES				
Revenue				
(3,853)	Surplus/(deficit) for year	(9,288)	(4,587)	4,701
39,011	Balance brought forward	35,158	35,158	-
<u>35,158</u>	<i>Balance carried forward</i>	<u>25,870</u>	<u>30,571</u>	<u>4,701</u>
CAPITAL ACCOUNT				
728,926	Balance brought forward		808,245	
79,319	Unrealised gain on revaluation as at 31 December 2013		95,355	
<u>808,245</u>	<i>Balance carried forward</i>		<u>903,600</u>	

Retirement Welfare Committee Housing Fund

Actual 2012 £		Revised Budget 2013 £	Actual 2013 £	Variance fav/(adv) £
	INCOME			
13,603	Interest	10,000	15,457	5,457
6,952	Investment income	6,952	7,094	142
68,055	Rents	68,000	72,581	4,581
<u>88,610</u>	<i>Total Net Income</i>	<u>84,952</u>	<u>95,132</u>	<u>10,180</u>
	EXPENDITURE			
5,494	Insurance	5,500	5,702	(202)
35,011	Repairs	35,000	29,204	5,796
6,449	Gas appliance and electrical testing	8,000	7,496	504
530	Property surveys / legal fees	2,500	-	2,500
11,750	GSO Administration Charge	11,750	11,750	-
<u>59,234</u>	<i>Total Expenditure</i>	<u>62,750</u>	<u>54,152</u>	<u>8,598</u>
	BALANCES			
	Revenue			
29,376	Surplus/(deficit) for year	22,202	40,980	18,778
(26,793)	Transfers (to)/from capital	(35,170)	(53,696)	(18,526)
10,385	Balance brought forward	12,968	12,968	-
<u>12,968</u>	<i>Balance carried forward</i>	<u>-</u>	<u>252</u>	<u>252</u>
	CAPITAL ACCOUNT		Actual 2013 £	
	Additions to capital			
33,865	Profit on sale of property		-	
312,360	Purchase of property		-	
4,971	Capital repairs		-	
-	Net funds placed on deposit account		53,696	
<u>351,196</u>			<u>53,696</u>	
	Disposals of capital			
144,197	Sales of property (book value)		-	
146,341	Net funds from deposit account		-	
<u>290,538</u>			<u>-</u>	
60,658	<i>Net additions of capital</i>		53,696	
3,979,316	Balance brought forward		4,055,504	
15,530	Unrealised gain on revaluation as at 31 December 2013		18,670	
<u>4,055,504</u>	<i>Balance carried forward</i>		<u>4,127,870</u>	

Miscellaneous Funds

Actual 2012 £		Actual 2013 £
	INCOME	
126,195	Investment income	133,799
3,000	Legacies and donations	3,000
29,000	Other income	33,000
<u>158,195</u>	<i>Total Net Income</i>	<u>169,799</u>
	EXPENDITURE	
12,680	Building repairs	400
126,218	Grants	122,278
1,259	Other expenditure	420
500	GSO Administration charge	500
<u>140,657</u>	<i>Total Expenditure</i>	<u>123,598</u>
	BALANCES	
	Revenue	
17,538	Surplus/(deficit) for year	46,201
46,654	Transfer (to)/from capital	-
211,448	Balance brought forward	275,640
<u>275,640</u>	<i>Balance carried forward</i>	<u>321,841</u>
	CAPITAL ACCOUNT	
Actual 2012 £	INCOME	Actual 2013 £
<u>172,096</u>	Donation	-
<u>172,096</u>	<i>Total Income</i>	-
	EXPENDITURE	
<u>-</u>	<i>Total expenditure</i>	-
	BALANCES	
172,096	Surplus/(deficit) for year	-
(46,654)	Transfer (to)/from revenue	-
2,823,775	Balance brought forward	3,257,050
307,833	Unrealised gain on revaluation as at 31 December 2013	384,772
<u>3,257,050</u>	<i>Balance carried forward</i>	<u>3,641,822</u>
	TOTAL FUNDS as at 31 December:	
275,640	Revenue	321,841
<u>3,257,050</u>	Capital	<u>3,641,822</u>
<u>3,532,690</u>		<u>3,963,663</u>
	Being for:	
939,318	Restricted purposes	1,046,638
<u>2,593,372</u>	Designated purposes	<u>2,917,025</u>
<u>3,532,690</u>		<u>3,963,663</u>

Pension Fund

The actuarial valuation of the Fund was carried out as at 31 December 2011. The value of the Fund had increased since the last valuation, but the Fund's liabilities had also increased primarily because of the fall in gilt yields. As a result, the past service deficit had reduced to £3m from the £8.8m deficit that had existed at the time of the previous valuation in 2008. This meant that it was possible to maintain the contribution rate at 34.9% from 1 January 2013 and still pay off the past service deficit within the remaining 11 years of the existing Recovery Plan. However, the cost of the future benefit accrual had risen to 32.2% and there existed a significant risk that it could rise again at future valuations and raising questions of affordability for the Church. The long-term implications of the results were discussed with the Standing Committee and at General Synod in 2012 it was agreed to carry out a review of the Scheme benefits. In October 2012 the preliminary consultation with the 'employers' (congregations, dioceses and other bodies responsible for paying pensions contributions) and the current serving clergy and staff members of the Fund whose future benefits would be affected was carried out. The results were reported to General Synod in June 2013 together with a proposal to change future benefit accrual from 1 January 2014 by increasing normal pension age from 65 to 67 and limit future increases in pensionable salary and stipend. The proposal was approved subject to formal consultation with serving members. The consultation was held from 26 August 2013 to 31 October 2013. At the end of the formal consultation period the Provincial Standing Committee noted the responses it had received and confirmed its intention to implement the changes as set out in the consultation document. The amendment to the trust deed was signed in December and the members notified.

The Trustees and Standing Committee had agreed a de-risking strategy in 2010 and this was reviewed in the light of the 2011 actuarial valuation results. The de-risking process involves a series of predetermined adjustments to the asset allocation, to be implemented when funding levels and investment conditions reach agreed trigger points, thus reducing the risk of major loss of fund value. The first point had been reached at the end of 2010 and in October 2012 conditions were again such that the second stage was implemented. In August 2013, further de-risking took place with the final tranche of the Global Core Fund sold and invested in fixed income assets. The combined effect of de-risking and changes to future benefit accrual will help to reduce the risk of the contribution rate rising at the next Actuarial Valuation which is due as at 31 December 2014.

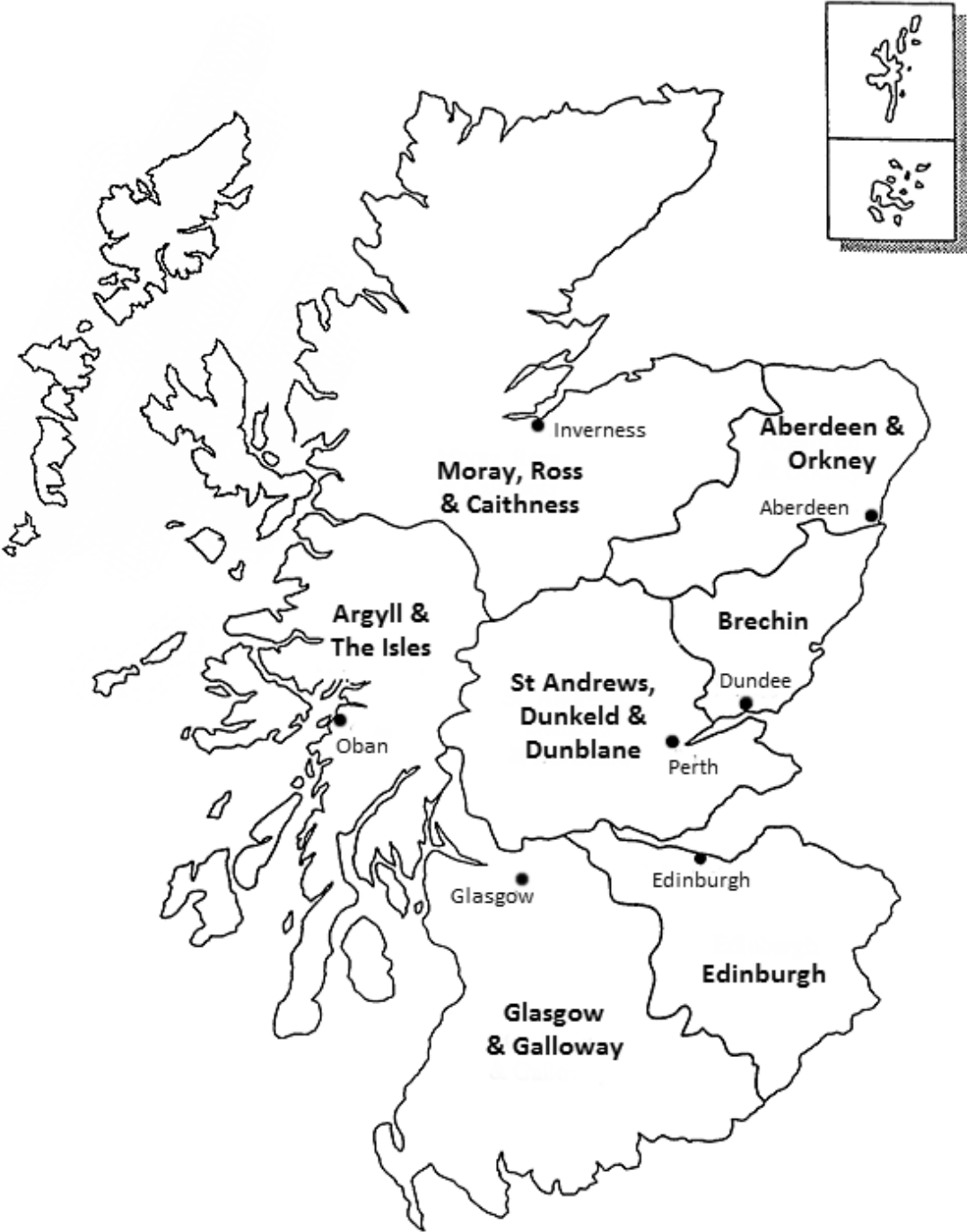
At the year end, the revised benchmark asset allocation was 40% Diversified Growth Fund, 35% Long Dated Corporate Bond Fund, 15% Index Linked Bond Fund and 10% Long Dated Sterling Bond Fund. As at 31 December 2013, the Fund's investments were valued at £41,422,718, an increase of £1,991,546 over the previous year. The Annual Report and Accounts for the year ended 31 December 2013 are available from Daphne Audsley at the General Synod Office.

On 31 December 2013, the number of members and beneficiaries was as follows:

Serving Members:	
Clergy	146
Staff	28
Pensioners:	
Clergy	219
Staff	35
Widowed Spouses	66
Members with deferred pension rights	134
	628

Andrew November
Chairman

The Seven Dioceses of the Scottish Episcopal Church



Diocesan Statistics

Diocesan Summary

	ROLL		
	Membership	Communicant Numbers	Total Attendance
ABERDEEN	4,214	2,861	1,426
ARGYLL	1,116	717	434
BRECHIN	2,509	1,652	757
EDINBURGH	10,787	8,232	4,728
GLASGOW	7,061	5,161	3,031
MORAY	3,280	2,353	947
ST ANDREWS	5,152	3,876	2,308
TOTALS 2013	34,119	24,852	13,631
TOTALS 2012	34,916	24,650	14,126

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	205	148	129
Aberdeen:			
St Clement's	54	53	19
St Devenick's Bieldside	196	137	77
St James'	61	46	26
St John's	136	106	64
St Machar's Bucksburn	67	34	11
St Margaret's	386	246	58
St Mary's	160	100	69
St Mary's Cove Bay	41	13	12
St Ninian's	95	65	32
St Peter's		<i>with St John's</i>	
Aboyne	84	64	36
Alford	53	49	24
Auchindoir	28	21	12
Ballater	63	59	27
Banchory	305	198	76
Banff	42	17	7
Braemar	14	13	4
Buckie	153	43	21
Burravoe	22	8	7
Cruden	80	72	38
Cuminestown	26	26	12
Ellon	220	212	102
Fraserburgh	114	73	31
Insch	23	18	19
Inverurie	133	104	73
Kemnay	46	38	21
Kincardine O'Neil	77	63	15
Kirkwall	70	54	23
Lerwick	290	113	37
Longside	44	27	6
New Pitsligo	48	42	12
Old Deer	60	25	7
Oldmeldrum	44	44	23
Peterhead	143	91	39
Portsoy	14	10	2
Strichen	68	32	6
Stromness	5	5	3
Turriff	26	20	18
Westhill	437	317	192
Whiterashes	27	12	14
Woodhead All Saints	12	12	14
Student Chaplaincy	35	25	0
SOLI Fetlar	7	6	8
TOTALS 2013	4,214	2,861	1,426
TOTALS 2012	4,175	2,867	1,419

United Diocese of Argyll and The Isles

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Oban Cathedral	296	125	65
Ardbrecknish	20	16	12
Ardchattan	<i>Included with Oban Cathedral</i>		
Arran	11	11	6
Ballachulish	17	15	8
Campbeltown	30	26	9
Dunoon	93	66	24
Duror	12	12	13
Eorraphaid/Tong	<i>(with Stornoway)</i>		
Fort William	74	56	44
Glencoe	40	23	13
Gruline	22	22	17
Harris	23	21	18
Inverary	3	3	2
Iona	4	4	11
Islay	10	10	5
Kilmartin	30	8	9
Kinlochleven	32	24	9
Kinlochmoidart/Strontian	20	20	20
Lochgilphead	40	31	10
Millport	29	15	12
North Uist Congregations	16	15	15
Onich	16	12	15
Portnacraois	13	8	6
Portree	89	72	24
Rothesay	37	27	23
Stornoway	139	75	44
Strontian <i>(see Kinlochmoidart)</i>			
TOTALS 2013	1,116	717	434
TOTALS 2012	1,223	887	464

Diocese of Brechin

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	208	156	149
Arbroath	220	176	36
Auchmithie	7	7	4
Brechin	105	73	39
Broughty Ferry	144	141	44
Carnoustie	131	103	38
Catterline	<i>Included with Stonehaven</i>		
Drumlithie	15	4	0
Drumtochty	24	6	4
Dundee:			
St John's	51	30	14
St Luke's	12	12	10
St Margaret's	112	46	10
St Martin's	92	53	15
St Mary Magdalene	506	193	99
St Ninian's	109	101	34
St Salvador's	73	59	37
Fasque	22	16	8
Glencarse	120	93	41
Inverbervie	9	11	7
Invergowrie	71	47	17
Laurencekirk	76	40	22
Monifieth	67	67	21
Montrose	178	97	35
Muchalls	55	42	24
Stonehaven	88	71	42
Tarfside	14	8	7
TOTALS 2013	2,509	1,652	757
TOTALS 2012	2,663	1,717	700

Diocese of Edinburgh

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	925	825	407
Balerno	698	450	582
Bathgate	114	75	50
Bo'ness	124	64	23
Coldstream	86	45	24
Dalkeith	113	61	35
Dalmahoy	222	151	56
Dunbar	137	62	34
Duns	101	82	27
Edinburgh:			
Christ Church	406	277	156
Emmanuel	55	47	30
Good Shepherd	150	112	45
Holy Cross	170	124	47
Old St Paul's	380	299	208
St Barnabas'	92	37	11
St Columba's	119	112	68
St Cuthbert's	270	227	101
St David's	41	37	22
St Fillan's	247	90	42
St James', Leith	139	132	76
St John's	493	493	289
St Margaret's	39	34	22
St Mark's	132	103	85
St Martin's	78	75	33
St Michael/All Saints	154	115	60
St Ninian's	154	120	52
St Paul/St George	725	525	573
St Peter's	262	228	148
St Philip/St James	98	75	76
St Salvador's	30	26	13
St Thomas'	250	218	185
St Vincent's	46	46	24
Eyemouth	69	43	21
Falkirk	144	129	30
Galashiels	131	115	60
Grangemouth	188	92	34
Gullane	119	85	23
Haddington	180	137	60
Hawick	256	98	33
Innerleithen	34	29	13
Jedburgh	158	122	53
Kelso	165	146	55
Lasswade	230	76	47
Linlithgow	111	95	57
Livingston	535	522	92
Melrose	245	230	119
Musselburgh	172	145	78
North Berwick	203	159	72
Peebles	138	160	52
Penicuik	245	210	51
Prestonpans	18	16	14
Rosslyn	130	71	44
Selkirk	121	65	45
South Queensferry	80	68	39
West Linton	65	52	32
TOTALS 2013	10,787	8,232	4,728
TOTALS 2012	10,918	7,691	4,983

United Diocese of Glasgow and Galloway

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	352	235	372
Airdrie/Monklands	170	68	29
Alexandria	90	80	30
Annan	58	46	16
Ardrossan **	86	60	45
Avr	359	192	78
Bearsden	271	173	88
Bridge of Weir	25	25	14
Cambuslang	24	22	12
Castle Douglas	166	141	78
Challoch	115	62	31
Cumbernauld	34	30	63
Dalbeattie	70	58	44
Dalry **	34	26	18
Dumbarton	179	96	60
Dumfries	618	463	127
East Kilbride	64	54	31
Eastriggs	80	41	20
Gatehouse-of-Fleet	59	58	29
Girvan	16	16	10
Glasgow:			
All Saints	50	47	27
Drumchapel Mission	17	17	8
Good Shepherd	70	50	33
Holv Cross	24	23	7
St Aidan's	152	84	63
St Bride's	105	83	35
East End Ministrv *	159	86	45
St James' (Bishopriggs)	133	90	49
St Margaret's	189	136	92
St Matthew's	44	37	22
St Ninian's	114	96	50
St Oswald's	41	41	31
St Silas	300	151	226
Gourock	58	40	15
Greenock	198	154	88
Gretna	87	58	17
Hamilton	237	182	73
Helensburgh	230	210	97
Irvine**	39	29	24
Johnstone	87	67	23
Kilmacolm	66	55	38
Kilmarnock	100	77	40
Kirkcudbright	85	80	28
Lanark	127	127	47
Largs	151	123	55
Lenzie	45	35	30
Lockerbie	50	44	23
Mavbole	59	34	22
Milngavie	57	43	38
Moffat	43	37	27
Motherwell	72	65	33
New Galloway	65	54	31
Paisley	94	94	62
Port Glasgow	334	241	127
Portpatrick	24	15	16
Prestwick	103	83	44
Renfrew	85	60	32
Stranraer	42	41	22
Troon	199	175	63
Uddingston	25	20	14
Wishaw	31	31	19
TOTALS 2013	7,061	5,161	3,031
TOTALS 2012	7,216	5,046	3,058

**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	270	189	104
Aberlour	60	41	17
Black Isle Charges: Arpafeelie Cromarty Fortrose	254	195	62
Culloden	46	28	17
Dingwall/Strathpeffer	323	131	45
Dufftown	15	13	11
East Sutherland Charges: Brora Crask Dornoch Invershin Lairg	106	103	55
Elgin/Lossiemouth/Burghead	489	282	107
Fochabers	116	110	24
Forres	179	153	71
Glenurquhart/Ft Augustus	49	34	11
Gordonstoun	0	56	0
Grantown	85	60	25
Isla Deveron Group: Aberchirder Huntly Keith	145	79	32
Invergordon	54	50	18
Inverness: St John's St Michael's	114 115	92 65	33 40
North West Charges: Achiltibuie Kinlochbervie Lochinver Tongue Ullapool	137	127	70
Nairn	186	170	40
Rothiemurchus	126	55	33
South West Charges: Kinlochewe Kishorn Lochalsh Poolewe	167	153	49
Strathnairn	47	39	19
Tain	47	33	14
Thurso	86	47	33
Wick	64	48	17
TOTALS 2013	3,280	2,353	947
TOTALS 2012	3,233	2,212	1,124

United Diocese of St Andrews, Dunkeld and Dunblane

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	364	340	230
Aberdour	101	63	29
Aberfoyle	78	74	26
Alloa	104	104	41
Alyth	31	26	18
Auchterarder	115	96	43
Ballintuim	37	37	11
Blairgowrie	114	103	29
Bridge of Allan	167	110	92
Burntisland	153	61	14
Callander	46	37	15
Comrie	72	52	19
Coupar Angus	51	39	21
Crieff	103	71	34
Cupar	113	111	40
Dollar	170	150	63
Doone	74	72	33
Dunblane	191	127	61
Dunfermline	245	163	75
Dunkeld (Birnam)	80	80	18
Elie	40	24	12
Forfar	335	264	102
Glamis	31	31	17
Glenalmond	450	180	356
Glenrothes	50	44	23
Inverkeithing	50	25	15
Killin	15	13	10
Kilmaveonaig	48	24	10
Kinghorn		<i>(with Kirkcaldy)</i>	
Kinloch Rannoch	12	8	10
Kinross	186	136	67
Kirkcaldy	111	76	41
Kirriemuir	100	66	24
Ladybank	14	14	10
Leven	30	25	11
Lochearnhead	32	23	12
Lochgelly	44	22	12
Muthill	35	27	13
Newport	60	42	26
Perth, St John's	168	133	122
Pitlochry	55	45	28
Pittenweem	60	36	22
Rosyth	33	29	133
St Andrews:			
All Saints	227	174	94
St Andrews	260	251	117
Stanley	12	10	12
Stirling	186	155	66
Strathtay/Aberfeldy	41	35	19
Tayport	58	48	12
TOTALS 2013	5,152	3,876	2,308
TOTALS 2012	5,376	4,360	2,273

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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 85 and 87 to 89.

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.

David J Palmer
Convener, Standing Committee
8 April 2014

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Page No.	2013 General Fund Income £	2013 Other Income	2013 Total Income (note 5)	2013 Expenditure £	2013 Surplus/ (deficit) £	2012 Surplus/ (deficit) £
General Fund	17	1,754,469	-	1,754,469	1,516,979	237,490	241,894
Allocated to Boards / Standing Committee		(1,516,979)	-	(1,516,979)	(1,516,979)	-	-
<i>Sub-total</i>		<u>237,490</u>	<u>-</u>	<u>237,490</u>	<u>-</u>	<u>237,490</u>	<u>241,894</u>
Standing Committee	18						
<i>Sub-total</i>		<u>793,784</u>	<u>-</u>	<u>793,784</u>	<u>793,784</u>	<u>-</u>	<u>-</u>
Administration Board							
Board	48	353,833	-	353,833	353,833	-	-
Allocated to Committees		(350,537)	-	(350,537)	(350,537)	-	-
Net (direct income and expenditure of Board)		<u>3,296</u>	<u>-</u>	<u>3,296</u>	<u>3,296</u>	<u>-</u>	<u>-</u>
Finance Committee							
Grants for Ministry Fund	52	290,233	25,232	315,465	315,465	-	-
Dunderdale Building Fund	53	60,304	-	60,304	60,304	-	-
Loans Fund	54	-	2,673	2,673	-	2,673	3,090
Free & Open Church Association	55	-	798	798	200	598	584
Retirement Welfare Committee							
Retirement Supplementary Fund	59	-	38,599	38,599	43,186	(4,587)	(3,853)
Retirement Housing Fund	60	-	95,132	95,132	54,152	40,980	29,376
Miscellaneous funds	61	-	169,799	169,799	123,598	46,201	17,538
<i>Sub-total for Board and its Committees</i>		<u>353,833</u>	<u>332,233</u>	<u>686,066</u>	<u>600,201</u>	<u>85,865</u>	<u>46,735</u>
Mission and Ministry Board							
Board	28	328,144	-	328,144	328,144	-	-
Allocated to Committees		(323,893)	-	(323,893)	(323,893)	-	-
Net (direct income and expenditure of Board)		<u>4,251</u>	<u>-</u>	<u>4,251</u>	<u>4,251</u>	<u>-</u>	<u>-</u>
Overseas Committee	36	-	102,951	102,951	100,068	2,883	25,943
Home Mission Committee	30	26,896	-	26,896	26,896	-	-
Church in Society Committee	34	26,614	-	26,614	26,614	-	-
Ministry Development Committee	38	261,752	8,256	270,008	270,008	-	-
Recruitment and Selection	42	8,631	-	8,631	8,631	-	-
The Community Fund	40	-	3,693	3,693	3,780	(87)	1,901
Miscellaneous funds	44	-	6,404	6,404	3,060	3,344	5,806
<i>Sub-total for Board and its Committees</i>		<u>328,144</u>	<u>121,304</u>	<u>449,448</u>	<u>443,308</u>	<u>6,140</u>	<u>33,650</u>
Faith & Order Board							
Board	22	17,341	-	17,341	17,341	-	-
Publications	22	-	851	851	-	851	352
<i>Sub-total</i>		<u>17,341</u>	<u>851</u>	<u>18,192</u>	<u>17,341</u>	<u>851</u>	<u>352</u>
Information & Communication Board							
Board	46	23,877	-	23,877	34,877	(11,000)	11,000
Publications	46	-	8,482	8,482	12,196	(3,714)	3,343
<i>Sub-total</i>		<u>23,877</u>	<u>8,482</u>	<u>32,359</u>	<u>47,073</u>	<u>(14,714)</u>	<u>14,343</u>
TOTAL FOR YEAR		<u>1,754,469</u>	<u>462,870</u>	<u>2,217,339</u>	<u>1,901,707</u>	<u>315,632</u>	<u>336,974</u>

The notes on pages 79 to 85 form part of these accounts.

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2013

	Revenue Accounts and Reserves			Capital Accounts and Reserves			Total 2013 £	Total 2012 £
	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £		
Incoming Resources								
Incoming resources from generated funds								
<i>Voluntary income</i>								
Quota	639,648	-	639,648	-	-	-	639,648	621,017
Donations	21,392	29,018	50,410	-	-	-	50,410	213,807
Legacies	348	-	348	40,702	-	40,702	41,050	257,000
	<u>661,388</u>	<u>29,018</u>	<u>690,406</u>	<u>40,702</u>	<u>-</u>	<u>40,702</u>	<u>731,108</u>	<u>1,091,824</u>
<i>Investment income</i>								
Investment income - UTP distributions	1,211,260	86,731	1,297,991	-	-	-	1,297,991	1,259,319
Investment income - interest	12,602	15,542	28,144	-	-	-	28,144	25,091
Rental income	21,101	-	21,101	-	-	-	21,101	19,891
	<u>1,244,963</u>	<u>102,273</u>	<u>1,347,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,347,236</u>	<u>1,304,301</u>
	<u>1,906,351</u>	<u>131,291</u>	<u>2,037,642</u>	<u>40,702</u>	<u>-</u>	<u>40,702</u>	<u>2,078,344</u>	<u>2,396,125</u>
Incoming resources from charitable activities								
Publication sales	20,325	-	20,325	-	-	-	20,325	20,815
Other income	4,755	-	4,755	-	-	-	4,755	4,980
Pension Fund and investment administration fee	29,729	-	29,729	-	-	-	29,729	28,133
Rental income	-	72,581	72,581	-	-	-	72,581	68,055
	<u>54,809</u>	<u>72,581</u>	<u>127,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,390</u>	<u>121,983</u>
Other incoming resources								
Gain on sale of property	-	-	-	-	-	-	-	33,865
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,865</u>
Total Incoming Resources	<u>1,961,160</u>	<u>203,872</u>	<u>2,165,032</u>	<u>40,702</u>	<u>-</u>	<u>40,702</u>	<u>2,205,734</u>	<u>2,551,973</u>
Resources Expended								
Charitable activities (note 6)								
Mission development and support	232,698	13,273	245,971	-	-	-	245,971	213,901
Ministry support and training	389,115	1,000	390,115	-	-	-	390,115	378,877
Ecumenical and church relations	107,339	-	107,339	-	-	-	107,339	101,664
Promotion, publication and communication	197,789	-	197,789	-	-	-	197,789	163,741
Support for retired clergy	28,236	79,831	108,067	-	-	-	108,067	113,654
Support and assistance to dioceses and congregations within SEC	537,267	37,670	574,937	-	-	-	574,937	599,641
	<u>1,492,444</u>	<u>131,774</u>	<u>1,624,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,624,218</u>	<u>1,571,478</u>
Governance costs (note 6)	224,762	420	225,182	-	-	-	225,182	182,560
Total Resources Expended	<u>1,717,206</u>	<u>132,194</u>	<u>1,849,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,849,400</u>	<u>1,754,038</u>
Net Incoming Resources Before Transfers (note 2)	243,954	71,678	315,632	40,702	-	40,702	356,334	797,935
Transfers between funds	18,807	(18,807)	-	-	-	-	-	-
Transfers between revenue and capital	18,000	(54,213)	(36,213)	(18,000)	54,213	36,213	-	-
Gain on revaluation of investments	-	-	-	3,116,191	296,620	3,412,811	3,412,811	2,800,925
Net Movement in Funds	280,761	(1,342)	279,419	3,138,893	350,833	3,489,726	3,769,145	3,598,860
Fund balances at 1 January 2013	1,329,416	227,868	1,557,284	26,038,298	6,613,585	32,651,883	34,209,167	30,610,307
Fund balances at 31 December 2013	1,610,177	226,526	1,836,703	29,177,191	6,964,418	36,141,609	37,978,312	34,209,167

All incoming resources are derived from continuing activities.

The notes on pages 79 to 85 form part of these accounts.

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
BALANCE SHEET AS AT 31 DECEMBER 2013**

		2013		2012
	£	£	£	£
Fixed Assets (note 8)				
Heritable Properties at book value		3,135,430		3,135,430
Investments at market value (Book Cost: £7,180,104) (2012: £7,078,885)		32,111,951		28,597,921
Loans		<u>190,275</u>		<u>172,275</u>
		35,437,656		31,905,626
Current Assets				
Debtors (note 9)	682,370		760,283	
Bank & Cash	<u>1,974,818</u>		<u>1,595,476</u>	
	2,657,188		2,355,759	
Current Liabilities				
Creditors & Accruals (note 10)	<u>(116,532)</u>		<u>(52,218)</u>	
Net Current Assets		2,540,656		2,303,541
TOTAL ASSETS LESS LIABILITIES		<u><u>37,978,312</u></u>		<u><u>34,209,167</u></u>

Capital and Reserves (note 11)

General Fund	Capital	23,792,817		21,191,399
	Revenue	<u>1,099,684</u>		<u>862,194</u>
		24,892,501		22,053,593
Administration Board	Capital	8,831,974		8,295,385
	Revenue	<u>594,557</u>		<u>544,388</u>
		9,426,531		8,839,773
Mission and Ministry Board	Capital	3,516,818		3,165,099
	Revenue	<u>134,799</u>		<u>129,176</u>
		3,651,617		3,294,275
Faith and Order Board	Capital	-		-
	Revenue	<u>(70)</u>		<u>(921)</u>
		(70)		(921)
Information and Communication Board	Capital	-		-
	Revenue	<u>7,733</u>		<u>22,447</u>
		7,733		22,447
TOTAL FUNDS (note 12)		<u><u>37,978,312</u></u>		<u><u>34,209,167</u></u>

David J Palmer
Convener, Standing Committee
8 April 2014

The notes on pages 79 to 85 form part of these accounts.

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

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, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) issued in 2005.

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.

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 they continue to adopt the going concern basis of accounting in preparing the accounts.

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 virtually certain 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

Resources expended are shown in the Statement of Financial Activities categorised by charitable activity and governance costs 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, 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)

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.
Administration Board	To oversee the general administration of the Church as a whole through its pendant committees.
Mission and Ministry Board	To promote the Church both at home and abroad and to oversee the areas of ministerial education 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 and Mission and Ministry Board 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 and administration costs

	2013	2012
	£	£
Salaries and NIC	421,444	426,843
Pension contributions	133,515	135,276
Travel and subsistence	1,904	2,656
Training	733	906
	<u>557,596</u>	<u>565,681</u>
Average number of full time equivalent posts	12.3	12.9

Included in the "Staff Costs" disclosed in the various fund accounts on pages 17 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.

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

	2013	2012
	Number	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. There were no contributions outstanding at 31 December 2013 in relation to the General Synod's employees.

Administration costs are included in the General Synod Office and Provincial and Other Expenditure account on pages 18 and 19.

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

2013	£11,580
2012	£11,280

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 £536 (2012: £645).

5 Total income

Total Income in the Revenue Account does not include any capital receipts. Such receipts are credited directly to the Capital Accounts as detailed in Note 11. Both Capital and Revenue receipts are reflected in the Statement of Financial Activities.

6 Resources expended on charitable activities and governance costs

Resources expended on charitable activities and governance costs include direct costs, grants awarded and support costs. Support costs, which relate primarily to costs associated with the General Synod Office, 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 £	2013 Total £	2012 Total £
Charitable activities					
Mission development and support	25,148	148,256	72,567	245,971	213,901
Ministry support and training	138,062	224,143	27,910	390,115	378,877
Ecumenical and church relations	62,682	-	44,657	107,339	101,664
Promotion, publication and communication	47,073	-	150,716	197,789	163,741
Support for retired clergy	43,951	36,206	27,910	108,067	113,654
Provision of support and advice to Dioceses and Congregations	39,394	401,573	133,970	574,937	599,641
Governance	124,704	-	100,478	225,182	182,560
	481,014	810,178	558,208	1,849,400	1,754,038
2012	407,495	779,472	567,071	1,754,038	

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 17 to 61). The grants awarded during the year can be analysed:

	UK £	Overseas £	2013 Total £	2012 Total £
Scottish Episcopal Church bodies	641,702	-	641,702	655,395
Other church bodies	29,028	40,358	69,386	46,322
Non church bodies	9,331	-	9,331	6,456
Individuals	55,930	33,829	89,759	71,299
	735,991	74,187	810,178	779,472
2012	720,119	59,353	779,472	

Grants were awarded to 381 individuals (2012: 370).

Included in Creditors and Accruals are Grants totalling £49,530 approved but not paid out (2012: £20,000).

8 Fixed Assets

	Heritable Property £	Investments £	Loans £	Total £
At 31 December 2012	3,135,430	28,597,921	172,275	31,905,626
Additions during year	-	101,219	-	101,219
Disposals during year	-	-	-	-
New loans advanced in year	-	-	36,000	36,000
Loans repaid in year	-	-	(18,000)	(18,000)
Net gain on revaluation at 31 December 2013	-	3,412,811	-	3,412,811
Balance at 31 December 2013	<u>3,135,430</u>	<u>32,111,951</u>	<u>190,275</u>	<u>35,437,656</u>

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. 77.8% of investments in the Unit Trust Pool relate to UK investments. The unit value at 31 December 2013 was £12.3551. The unit value is monitored post year end in the period up to the date of approval of the accounts to ensure that any permanent impairment in value can be reflected in the valuation of investments at the year end. The unit value at 31 March 2014 was £12.4564 and so no impairment falls to be recognised.

The majority of the heritable properties and loans are provided for charitable purposes (such as the provision of housing for retired clergy) and are therefore "programme related investments" in terms of the charity SORP (Reporting by Charities: Statement of Recommended Practice). 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.

9 Debtors

	2013 £	2012 £
Accrued Unit Trust Pool distribution	664,111	635,980
Sundry debtors including grant repayments	9,910	115,634
Prepayments and accrued income	<u>8,349</u>	<u>8,669</u>
	<u>683,370</u>	<u>760,283</u>

10 Creditors

	2013 £	2012 £
Grants approved but not paid	49,530	20,000
Accruals and deferred income	<u>67,002</u>	<u>32,218</u>
	<u>116,532</u>	<u>52,218</u>

11 Reconciliation of movement in funds

	Balance at 31 Dec 12	Surplus/ (deficit) for year	Transfers between Revenue & Capital	Unrealised gain on revaluation at 31 Dec 13	Balance at 31 Dec 13
	£	£	£	£	£
Capital and Reserves					
General Fund	21,191,399	40,702	-	2,560,716	23,792,817
Administration Board	8,295,385	-	35,696	500,893	8,831,974
Mission & Ministry Board	3,165,099	-	517	351,202	3,516,818
Faith & Order Board	-	-	-	-	-
Information & Communication Board	-	-	-	-	-
	32,651,883	40,702	36,213	3,412,811	36,141,609
	£	£	£	£	£
Revenue					
General Fund	862,194	237,490	-	-	1,099,684
Administration Board	544,388	85,865	(35,696)	-	594,557
Mission & Ministry Board	129,176	6,140	(517)	-	134,799
Faith & Order Board	(921)	851	-	-	(70)
Information & Communication Board	22,447	(14,714)	-	-	7,733
	1,557,284	315,632	(36,213)	-	1,836,703
Total Funds	34,209,167	356,334	-	3,412,811	37,978,312

Capital receipts in the year were the final instalments of three legacies totalling £40,702. The Faith and Order Board's revenue deficit relates to the cost of publications purchased but not yet sold.

12 Analysis of net assets between funds

Fund balances at 31 December 2013 are represented by:

	Unrestricted	Restricted Funds			Total
	Funds	Housing Fund	Other Funds	Total Restricted	Funds
	£	£	£	£	£
Fixed Assets					
Heritable Property at cost	27,596	2,897,249	210,585	3,107,834	3,135,430
Investments at market value	29,323,456	175,294	2,613,201	2,788,495	32,111,951
Loans	128,500	61,775	-	61,775	190,275
Current Assets					
Debtors & Prepayments	645,121	4,687	32,562	37,249	682,370
Bank & Cash	775,702	989,335	209,781	1,199,116	1,974,818
Current Liabilities					
Creditors & Accruals	(113,007)	(218)	(3,307)	(3,525)	(116,532)
	30,787,368	4,128,122	3,062,822	7,190,944	37,978,312

The majority of Unrestricted Funds are Undesignated Funds. The total of Undesignated Funds, representing the General Fund, at 31 December 2013 was £24.9m (2012 £22.1m).

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 43 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.

The Heritable Property held by other Restricted Funds relates to the Braeburn residential home in Edinburgh. Although the Home is now run independently from the General Synod the property is still owned by it and leased to the operator for a peppercorn rent.

Of the investments held by other Restricted Funds approximately £900,000 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 Mission and Ministry Board and the Administration Board. (The financial statements on pages 44 and 61 include these Restricted Funds with other Designated Funds administered by the Boards.)

13 Future commitments

Loans to charges totalling £10,000 had been approved but not drawn down at the Balance Sheet date.

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 8 "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 8 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.

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 2013 which comprise the Summary Revenue Account, the Statement of Financial Activities, the Balance Sheet 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

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Standing Committee; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 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

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh EH3 6NL

9 April 2014

Chiene + Tait 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 2013

	£	2013 £	£	2012 £
Income				
Capital gains/(losses) - net				
Realised		862,114		(77,390)
Unrealised		<u>4,672,445</u>		<u>4,664,572</u>
		5,534,559		4,587,182
Revenue	1,555,740		1,538,220	
Management expenses	<u>195,679</u>		<u>185,288</u>	
		1,360,061		1,352,932
Total return before distributions		<u>6,894,620</u>		<u>5,940,114</u>
Distributions		1,903,495		1,846,937
Change in net assets attributable to unitholders from investment activities		<u>4,991,125</u>		<u>4,093,177</u>
 Statement of change in net assets attributable to unitholders				
Net assets attributable to unitholders as at 31 December 2012		41,804,927		36,700,090
Receipts from issue of new units		813,814		1,224,491
Realisation of units:				
Book value		(217,963)		(145,374)
Appreciation		(117,133)		(67,457)
		<u>42,283,645</u>		<u>37,711,750</u>
Change in net assets attributable to unitholders from investment activities		4,991,125		4,093,177
Net assets attributable to unitholders as at 31 December 2013		<u>47,274,770</u>		<u>41,804,927</u>
Number of units in issue		<u>3,826,351</u>		<u>3,786,947</u>
Unit value as at 31 December 2013		<u>£12.3551</u>		<u>£11.0392</u>

**THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL
BALANCE SHEET AS AT 31 DECEMBER 2013**

	Notes	2013	2012
		£	£
Capital Account			
Investments valued at closing prices	3	47,842,157	41,489,983
Current Assets			
Bank		481,254	1,305,015
Settlements receivable		83,210	-
Investment income receivable		22,974	28,729
Income tax recoverable		22,457	17,053
		<u>609,895</u>	<u>1,350,797</u>
Current Liabilities			
Sundry creditors		53,365	50,790
Proposed distribution at 25.5p/unit (2012: 24.5p/unit)		975,720	927,802
Settlements payable		83,197	-
Funds awaiting investment		65,000	57,261
		<u>1,177,282</u>	<u>1,035,853</u>
Net Current (Liabilities) / Assets		(567,387)	314,944
Total Net Assets attributable to unitholders		<u><u>47,274,770</u></u>	<u><u>41,804,927</u></u>

David J Palmer
Convener, Standing Committee
8 April 2014

THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 91).

Investment Managers

During the year ended 31 December 2013, 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 2013 was £184,682 (2012 £174,999) 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>16,619,954</u>	34.7%
Baillie Gifford Corporate Bond Fund C Income	<u>15,951,847</u>	33.3%

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 2013 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

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the circumstances of the Scottish Episcopal Church Unit Trust Pool and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Standing Committee; and the overall presentation of the accounts. In addition we read all the financial and non-financial information in the Annual Report of the Standing Committee to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 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
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh EH3 6NL

9 April 2014

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