



Scottish Episcopal Church

32nd Annual Report

The General Synod of the Scottish Episcopal Church

Annual Report and Accounts for the year ended 31 December 2014

Notes

Membership

The membership of each Board and Committee is listed on pages 3 - 6 and reflects the membership at 31 December 2014. 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 Mr James Gibson (from 14th June 2014) Very Rev Kelvin Holdsworth (until 14th June 2014) Mrs Anne Jones (until 14th June 2014) Very Rev Richard Kilgour Mr Michael Lugton Rev Chris Mayo (from 14th June 2014) 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 LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL	
Fund Managers	Baillie Gifford & Co Calton Square, 1 Greenside Row Edinburgh EH1 3AN	
Bankers	Bank of Scotland plc Triodos Bank NV Scottish Widows Bank plc	
Trustees for the Charity	<i>Trustees of the General Synod of the Scottish Episcopal Church</i> Lady Caroline Douglas-Home Mr Ivor Guild (deceased January 2015) Mr Martin Haldane Rt Rev Edward Luscombe The Hon Lord McEwan Sheriff Alexander Wilkinson <i>Directors of Scottish Episcopal Church Nominees</i> Most Rev David Chillingworth Lady Caroline Douglas-Home Mr Gavin Gemmell Mr Ivor Guild (deceased January 2015) Mr Martin Haldane Rt Rev Dr Idris Jones (appointed June 2014) Rt Rev Edward Luscombe (resigned January 2014) The Hon Lord McEwan Sheriff Alexander Wilkinson	

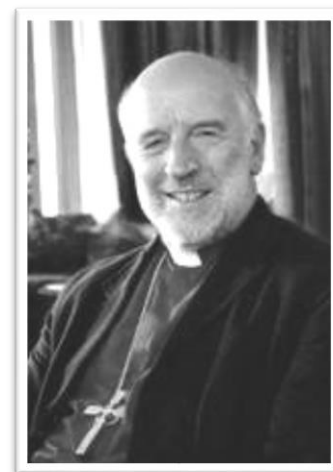
The Trustees for the Charity have no involvement, in their capacity as Trustees for the Charity, in the management and control of the General Synod. Their role is to be nominees holding title to assets (principally heritable properties and investments) on behalf of the General Synod.

A Review of the Year 2014 by the Primus Most Rev David Chillingworth

We give thanks for another year of faithful witness in the life of our Church.

The past year has been a very significant period in the life of the Scottish Episcopal Church. It is one of the signs of health in our Church that we can face difficult issues and develop responses which are both creative and forward-looking.

General Synod 2014 saw the establishment of the Transitional Council for the Scottish Episcopal Institute. We are establishing a training institute whose work is formation-led. The aspiration is that we shall make provision for the training of full-time students, for an increased number of curacies and for the possibility of mixed mode training. All of these provisions are intended to provide high quality training for clergy and lay readers who will provide leadership for our Church in the next generation.



As a result of those changes it has been possible to revise the work of the Mission and Ministry Board. During the past year the Board has further developed the Whole Church Mission and Ministry Policy. A pattern of networks is being developed. These will be places where those with commitment in particular areas of mission and ministry, skilled practitioners and others come together for mutual support and for sharing of best practice.

During the year, we have also seen progress in the Cascade process of conversation around human sexuality issues. The heart of this programme was the major Conversation which our Church sponsored at Pitlochry. The intention of the programme is to provide a space in which open and honest exchanges of view can take place - helping us to sustain our unity in Christ as we address issues which have the potential to divide. The Cascade process has continued into our dioceses and into the wider life of the Church. We have seen this process as a necessary precursor to the point at which we shall begin to address these issues synodically.

During the past year we have recorded with sadness the death of two former Bishops.

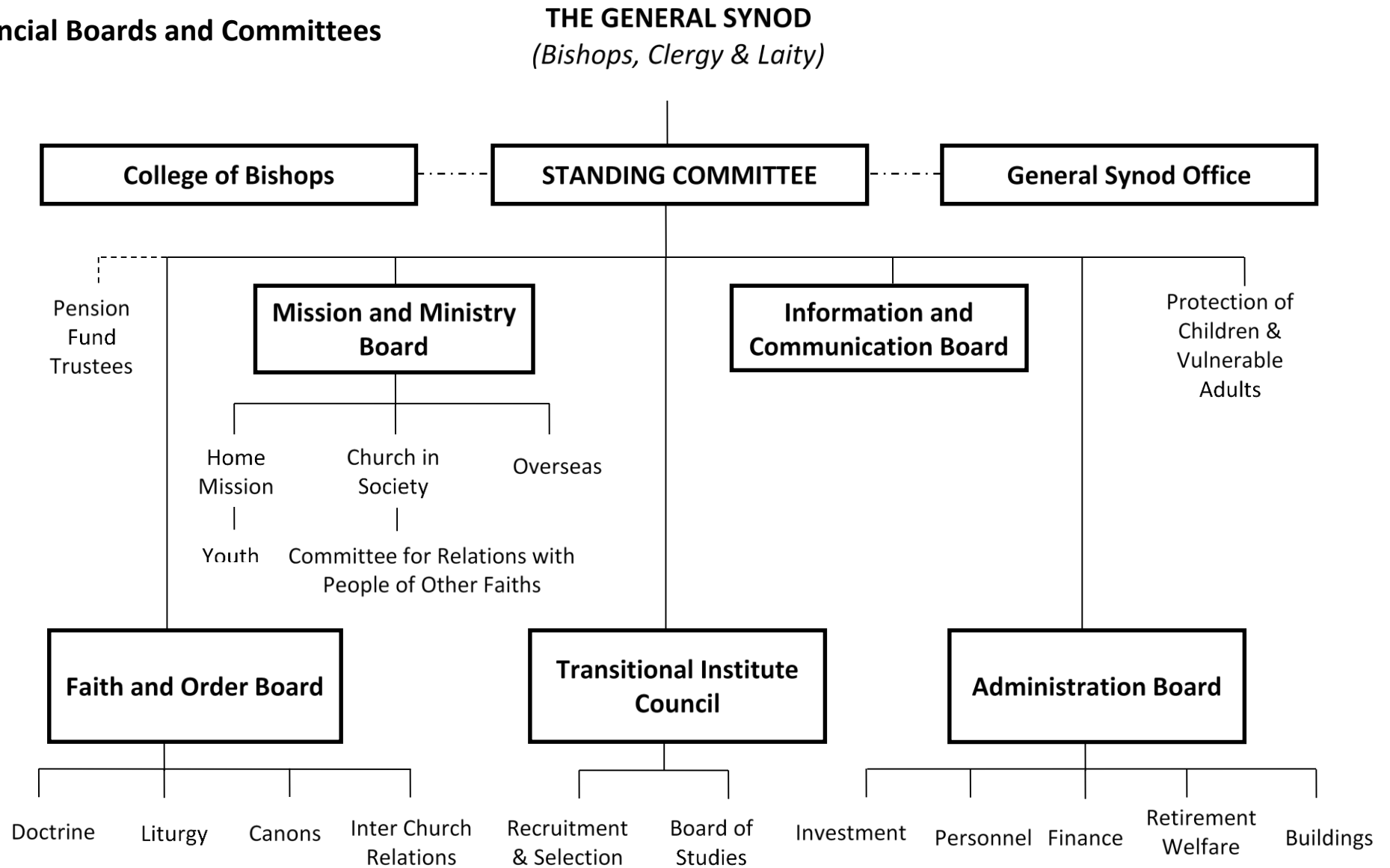
The Rt Rev Michael Henley served with distinction as Senior Chaplain in the Royal Navy. He then exercised a faithful and pastorally sensitive ministry in the Diocese of St Andrews, Dunkeld and Dunblane.

The Rt Rev Michael Hare-Duke, also a former Bishop of St Andrews, Dunkeld and Dunblane, was a significant figure in the life of our Church. He was at the centre of many significant developments in training and in the development of our current pattern of liturgy.

We give thanks for their lives and their former ministries.

**+David
Primus**

Provincial Boards and Committees



Board and Committee Membership

Standing Committee

Mr D J Palmer	Convener	2010 - 2015
Rt Rev the Bishop of Moray, Ross and Caithness	College of Bishops	
Mr C M A Lugton	Convener, Administration Board	2010 - 2015
Most Rev the Primus	Convener, Faith and Order Board	
Rt Rev the Bishop of Glasgow and Galloway	Acting Convener, Faith and Order Board	
Rev C Mayo	Convener, Information and Communication Board	2014 - 2019
Most Rev the Primus	Convener, Mission and Ministry Board	2008 - 2015
Rt Rev the Bishop of Argyll and The Isles	Convener, Transitional Institute Council	2014 - 2015
Rev Canon M J H Round	General Synod Representative (clergy)	2007 - 2015
Mr J N Gibson	General Synod Representative (laity)	2014 - 2018

Committee for the Protection of Children and Vulnerable Adults

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

Faith and Order Board

Most Rev the Primus	Convener	
Rt Rev the Bishop of Glasgow and Galloway	Acting Convener	
Rt Rev the Bishop of Aberdeen and Orkney	College of Bishops	
Rt Rev the Bishop of Argyll and The Isles	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, Ross and Caithness	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 J H Milne	Convener, Liturgy Committee	2014 - 2019
Rev Canon Dr A L Tomlinson	Principal of Scottish Episcopal Institute	2014 -
Dr N Mills	Aberdeen and Orkney	2013 - 2017
Very Rev Dr A E Nimmo	Aberdeen and Orkney	2009 - 2017
Dr G Headden	Argyll and The Isles	2012 - 2016
Rev Sister C Lockhart, SC	Argyll and The Isles	2012 - 2016
Mr W Neill	Brechin	2013 - 2017
Mrs H Hood	Edinburgh	2011 - 2015
Rev Canon J M McLuckie	Edinburgh	2013 - 2017
Mr R Horrell	Glasgow and Galloway	2009 - 2017
Rev Canon Dr S Robertson	Glasgow and Galloway	2013 - 2017
Mr C Phillips	Moray, Ross and Caithness	2011 - 2015
Very Rev A Simpson	Moray, Ross and Caithness	2011 - 2015
Rev Canon D M Ind	St Andrews, Dunkeld and Dunblane	2010 - 2018
Mrs S White	St Andrews, Dunkeld and Dunblane	2009 - 2017

Committee on Canons

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

Board and Committee Membership

Doctrine Committee

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

Liturgy Committee

Rev Canon J H Milne	Convener	2014 - 2019
Rt Rev the Bishop of Edinburgh	College of Bishops	
Dr J R Davies	Member	2009 - 2018
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
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 and Orkney	College of Bishops	
Mrs N Higgott	EMU Rep ex-officio	
Rev D J B Fostekew	Member	2009 - 2018
Mrs H Hood	Member	2010 - 2018
Dr A Mason	Member	2013 - 2017
Rev Canon J M McLuckie	Member	2013 - 2017
Rev Dr C Methuen	Member	2011 - 2015

Mission and Ministry Board

Most Rev the Primus	Convener	2008 - 2015
Rt Rev the Bishop of Argyll and The Isles	College of Bishops	
Rev Prof D Atkinson	Convener, Church in Society	2014 - 2019
Rev Canon F Lamont	Convener, Home Mission Committee	2009 - 2015
Rev V A Nellist	Convener, Overseas Committee	2011 - 2016
Rev A R MacDonald	Aberdeen and Orkney	2014 - 2018
Ms C A Beel	Argyll and The Isles	2010 - 2018
Vacant	Brechin	
Rev D J B Fostekew	Edinburgh	2009 - 2017
Vacant	Glasgow and Galloway	
Mrs N Higgott	Moray, Ross and Caithness	2013 - 2017
Mr A Glover	St Andrews, Dunkeld and Dunblane	2008 - 2016

Home Mission Committee

Rev Canon F Lamont	Convener	2009 - 2015
Mrs L Darlow	Co-opted	2014 - 2015
Rev Canon F W Tomlinson	Co-opted	
Mrs G F Young	Co-opted	
Mrs N Higgott	Moray, Ross and Caithness	2013 - 2017
Rev T N Rongong	PYC Convener, Ex officio	
Very Rev K W Rathband	St Andrews, Dunkeld and Dunblane	2006 - 2018

Youth Committee

Rev T N Rongong	Convener	
Rt Rev the Bishop of Moray, Ross and Caithness	College of Bishops	
Miss A Daye	Administrator	
Mr J Marlow	Member - 12-18	
Miss M Strange	Member - 12-18	
Mr C Warren	Member - 12-18	
Mr A Poon	Member - 12-18	
Miss R Ferguson	Member - 12-18	
Mr T Reid	Member - 18-25	
Miss H Plummer	Member - 18-25	
Miss S Tomlinson	IAYN Representative	

Board and Committee Membership

Mrs M Swift	Youth Officer, Argyll and The Isles
Mrs C Benton-Evans	Youth Officer, Edinburgh
Mr S Lidwell	Youth Officer, Glasgow and Galloway
Miss L Forsyth	Youth Officer, Moray, Ross and Caithness
Mr J Gardner	Youth Officer, St Andrews, Dunkeld and Dunblane

Overseas Committee

Rev V A Nellist	Convener	2011 - 2016
Mrs J Benvie	Member	2014 - 2018
Mrs L Brownlie	Member	2014 - 2018
Miss A Daye	Member	2008 - 2012
Rev Canon D McCosh	Member	2014 - 2018
Mr J Rea	Member	2007 - 2015

Scottish Episcopal Institute: Transitional Institute Council

Rt Rev the Bishop of Argyll and The Isles	Convener	2014 - 2015
Mr N C J Cook	Member	2014 - 2015
Rev Canon A C Dyer	Member	2014 - 2015
Rev Dr G P Foster	Member	2014 - 2015
Rt Rev the Bishop of Aberdeen and Orkney	Member	2014 - 2015
Rev Professor D Jasper	Member	2014 - 2015
Mrs M A Kennedy	Member	2014 - 2015
Ms Z van Zwanenberg	Member	2014 - 2015
Dr J A Wright	Student Member	2014 - 2015
Rev J W Jones	Ecumenical Member	2014 - 2015

Church in Society Committee

Rev Prof D Atkinson	Convener	2014 - 2019
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 - 2018
Dr D Bruce	Member	2014 - 2018
Mrs V Dunford	Member	2012 - 2016
Mrs A Glenesk	Member	2012 - 2016
Mrs S Horne	Member	2011 - 2015
Professor J H McKillop	Member	2014 - 2018
Very Rev N McNelly	Member	2014 - 2018
Rev D C Mumford	Member	2014 - 2018
Mr R B Murray	Member	2010 - 2018

Committee for Relations with People of Other Faiths

Rev J Conway	Convener	2010 - 2015
Mrs V M Stark	CAIRS Representative ex officio	
Rev M Bunting	EMU Rep	2010 - 2018
Rev C L Blakey	Member	2013 - 2017

Information and Communication Board

Rev C Mayo	Convener	2014 - 2019
Rt Rev the Bishop of Brechin	College of Bishops	
Rev Canon Dr S Palmer	Aberdeen and Orkney	2013 - 2017
Very Rev A C Swift	Argyll and The Isles	2013 - 2017
Mrs K Willey	Brechin	2012 - 2016
Rev K S Reynolds	Edinburgh	2014 - 2018
Rev Dr J E P Currall	Glasgow and Galloway	2014 - 2018
Mr A R Thornton	St Andrews, Dunkeld and Dunblane	2012 - 2016
Mrs S White	Faith and Order Board Representative	
Ms C A Beel	Mission and Ministry Board Representative	

Administration Board

Mr C M A Lugton	Convener	2010 - 2015
Rt Rev the Bishop of Aberdeen and Orkney	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 - 2015

Board and Committee Membership

Mr J Burchill	Convener, Investment Committee	2010 - 2015
Mrs M P McKellar	Convener, Personnel Committee	2014 - 2019
Mr E Glen-Esk	Convener, Retirement Welfare Committee	2012 - 2017
Miss M Allardyce	Aberdeen and Orkney	2013 - 2017
Vacant	Argyll and The Isles	
Mr A Duffus	Brechin	2007 - 2015
Mr I Kerry	Edinburgh	2012 - 2016
Mr T Lillie	Glasgow and Galloway	2008 - 2016
Rev Canon I N Pallett	Moray, Ross and Caithness	2013 - 2017
Mr N H Cooke	St Andrews, Dunkeld and Dunblane	2011 - 2015
Mr C G Hely	General Synod	2013 - 2017
Mrs M A Kennedy	General Synod Representative	2014 - 2018
Investment Committee		
Mr J Burchill	Convener	2010 - 2015
Mr R W Burgon	Member	2010 - 2018
Mr J Gibbs	Member	2008 - 2016
Mr J Reynolds	Member	2014 - 2018
Mr P Sweetnam	Member	2012 - 2016
Dr E Trevillion	Member	2013 - 2017
Finance Committee		
Dr J Ferguson-Smith	Convener	2010 - 2015
Rev Canon F Lamont	Convener, Home Mission Committee	2009 - 2015
Miss A Harper	Aberdeen and Orkney	2013 - 2017
Mrs J Ainsley	Argyll and The Isles	2010 - 2018
Mr G W Stirling	Brechin	2011 - 2015
Rev F S Burberry	Edinburgh	2012 - 2016
Very Rev I D Barcroft	Glasgow and Galloway	2010 - 2018
Mrs L Monaghan	Moray, Ross and Caithness	2012 - 2016
Very Rev K W Rathband	St Andrews, Dunkeld and Dunblane	2010 - 2018
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
Prof R Fawcett	Member	2014 - 2018
Mr R Nellist	Member	2014 - 2018
Very Rev Dr A E Nimmo	Member	2014 - 2018
Mrs E Proudfoot	Member	2010 - 2018
Miss L Thoms	Member	2009 - 2017
Personnel Committee		
Mrs M P McKellar	Convener	2014 - 2019
Mrs E Cameron	Member	2012 - 2016
Rev D C Mumford	Member	2010 - 2018
Ms A Plumtree	Member	2011 - 2015
Rev P Romano	Member	2013 - 2018
Mrs G Scott	Member	2015 - 2019
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 16).

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 22 to 60.

Achievements and performance

The Standing Committee met five times during 2014 and gave attention not only to the plans for the future expressed in its report for the year ended 31 December 2013 but also to a number of additional matters, including:-

1. Mission and Ministry

The Standing Committee noted significant developments, handled mainly under the auspices of the Mission and Ministry Board, in the fields of ministerial formation and training and in the Whole Church Mission and Ministry Policy.

As reported by the Committee last year, following the report of the TISEC Review Working Party at the end of 2013, an Implementation Group was established in order to shape the implementation of proposals in relation to both ministerial formation and governance. The result of this has been the launching in 2014 of the new Scottish Episcopal Institute (SEI) which replaces the former Theological Institute of the Scottish Episcopal Church (TISEC). Proposals were brought to General Synod 2014 to set up new governance structures for SEI. A first reading of the necessary canonical change was accepted by Synod and, pending a second reading at General Synod 2015, a transitional Institute Council has been established by the Standing Committee as the governing body for SEI. The effect of the changes, once completed at General Synod 2015, will also be to establish an Institute Council with the same status as other boards of the General Synod and also to replace the existing Mission and Ministry Board with a new Mission Board, the former ministry-related aspects of the Mission and Ministry Board's work being passed to the new Institute Council.

Within SEI, the Rev Canon Dr Anne Tomlinson was appointed as Principal in August 2014 and, at the year end, SEI eagerly anticipated the arrival of Dr Michael Hull to fill the new post of Director of Studies at the beginning of 2015. Grateful thanks are expressed to the Rev Canon Dr Michael Fuller, the former Provincial Ministry Training Officer employed within TISEC, who moved on during 2014 after more than 14 years of loyal and dedicated service. During that time, as the Primus recognised at General Synod 2014, Dr Fuller had worked unstintingly, with limited resources, to provide quality training and had helped to shape a generation of clergy.

A further result of the Review Working Party report referred to above is that the concept of "formation" will be central to the ethos of SEI. At the current time, work is being undertaken to assess the Common Awards system established within the Church of England so that a decision can be made as to whether or not SEI's formational programme should in future fall under the umbrella of Common Awards. Another aspect of the new emphasis on formation relates to the role of the Provincial Director of Ordinands. The Review Working Party report recommended an expansion of that role to enable the Director to accompany students throughout their Initial Ministerial Education. Standing Committee agreed to expand the role to two thirds of full time and is pleased that the Rev Canon Dr Alison Peden will take on extra hours to operate in this role from early March 2015. It is expected that Dr Peden will work closely with Dr Tomlinson and Dr Hull.

During the year the Standing Committee also monitored continuing progress in relation to the outworking of the missional aspects of the Whole Church Mission and Ministry Policy. The various networks referred to in the Committee's report last year have been established and the new governance structures referred to above should enable the Province to play a helpful and supportive role in the functioning of the networks, facilitating communication and collaboration between dioceses.

Some further work has been undertaken during the year, in conjunction with the College of Bishops, regarding the possibility of replacing the current Grants for Ministry system with a new framework

of Block Grants. The Standing Committee intends to continue this work in the early part of 2015 with a view to proposals being brought to General Synod 2015 for consideration.

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 2014 indicated a projected General Fund deficit for 2015 of £69,085. The revised budget subsequently adopted by the Committee for 2015 showed a reduced deficit of £20,783. Whilst a further delay in the re-introduction of Maintenance and Development Fund grants and an increased rate of distribution from the Unit Trust Pool have helped reduced the deficit these have been partly offset by transitional costs associated with the phasing out of the previous funding arrangement associated with TISEC activities undertaken by dioceses. The budgets for 2016 and 2017 are for deficits of around £63,000 and £101,000 respectively.

It remains the intention of Standing Committee to manage a balanced budget for the future and during 2015 it will continue to give further attention to future deficits. In relation to provincial buildings grants, the process noted in last year's report which the Administration Board had initiated took longer to complete than had been hoped since responses to a survey of congregations were limited in number. As at the year end, congregations which had not responded to the survey were being encouraged to do so in order to enable as complete a picture as possible of the need for provincial building grants to be assembled.

Following a request made at General Synod 2013, Standing Committee arranged for the provision of fuller financial information to be provided to the Synod in 2014, including information about diocesan finances and this appeared to have been well received.

3. "Cascade Conversations"

The Standing Committee was kept informed during the year of the initiative developed by the Mission and Ministry Board to promote conversations within the Church on the subject of same-sex relationships. The Committee authorised a budget to enable the holding of an event at Pitlochry which was attended by approximately 60 people drawn from all seven dioceses. The process was reported on to General Synod 2014 and it is hoped that these conversations, which have also been replicated in dioceses, will help to inform future synodical discussion.

4. Pensions and Retirement

The changes made to the benefit structure of the Scottish Episcopal Church Pension Fund agreed in 2013 require the Standing Committee to consider and determine annually the levels of Pensionable Stipend and Pensionable Salary. Owing to the low rates of inflation, it was possible to determine that for the twelve months from 1 July 2014 Pensionable Stipend would be at the level of Standard Stipend and that for the twelve months from the next annual salary review dates, Pensionable Salary would be at the same level as actual salary.

During the year, the Standing Committee also agreed the terms of a Service Level Agreement with the Pension Fund Trustees regarding the provision of services by the General Synod Office to the Pension Fund. It also provided information to the Pension Fund Trustees regarding the strength of the "employer covenant" as part of the Trustees' ongoing due diligence in relation to the funding of the Scheme.

Consequent upon the changes made to the Scheme in 2013, it was agreed to alter the Rules to increase the maximum entry age to 65. It was also agreed to bring forward an addition to the Digest

of Resolutions to make clear that congregations should contribute to the Church Pension Fund in relation to eligible members and not be permitted, instead, to fund contributions to alternative schemes.

The Standing Committee also received a report of a task group on canonical retirement ages and, in the light of the report, decided to make no recommendation for change at the current time.

5. General Synod Meeting

Following recommendations made in 2013, Standing Committee arranged for General Synod 2014 to take place in a new venue, namely St Paul's and St George's Church, Edinburgh. The new venue allowed for a new layout for Synod with members sitting in table groups. This enabled extensive group discussion during the course of the meeting which appeared to have been appreciated.

Standing Committee received a report of the responses to the annual feedback questionnaire provided to General Synod members and will consider some possible modifications for 2015.

As reported last year, consideration had been given to the role of ecumenical and interfaith guests at Synod and, for the first time, in 2014, one of the ecumenical delegates was invited to bring formal greetings to the Synod meeting.

On the recommendation of the Organisation Review Committee, the Standing Committee brought forward some minor alterations to the Synod's Rules of Order to avoid the need for members of Synod to have to stand or sit at certain points. The proposals were accepted by the Synod.

The 2014 Synod also saw the implementation of the decennial review of the size of General Synod. That size is determined by a canonical formula and relates to the communicant size of the dioceses. The review resulted in a reduction in the Synod membership from 140 diocesan members to 124. Whilst the Standing Committee has not resolved upon a wider review of Synod, it decided to stand down the former Organisation Review Committee and establish a new Synod Business Committee. The role of the new Business Committee will be to advise Standing Committee on the agenda for Synod, review the workings of the Synod meeting and be available to provide advice to the Convener of the Standing Committee, the Primus, the Assessor and the Secretary General on decisions which may need to be taken during Synod regarding the handling of Synod business.

6. Development of Website

Standing Committee was delighted to note the launch by the Information and Communication Board of a new website for the Church in March 2014. The new website has been designed with a clear missional emphasis whilst also enhancing communication within the Church. The Standing Committee looks forward to the development of an intranet facility which will allow more effective internal communication within the General Synod structures.

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. It was decided to introduce a form of Code of Conduct for those serving on provincial boards and committees and proposals regarding this will be brought to General Synod 2015.

8. Standing Committee Membership and Appointments

During the year there were a number of changes to the membership of Standing Committee. At General Synod 2014, the Very Rev Kelvin Holdsworth completed his term of office as Convener of the Information and Communication Board and so stepped down from Standing Committee. Similarly, Mrs Anne Jones completed her term of office as a lay General Synod representative on the Committee. Later in the year, the Very Rev Richard Kilgour moved on from his post as provost of St Andrew's Cathedral, Aberdeen, and resigned from Standing Committee. All three are thanked for their respective contributions to the work of the Committee.

The Committee was pleased to welcome the Rev Chris Mayo, the incoming Convener of the Information and Communication Board, and Mr James Gibson as a new lay General Synod member, both of whom were elected by General Synod 2014.

The Rt Rev Dr Gregor Duncan, the acting Convener of the Faith and Order Board, continued to be in attendance at meetings of Standing Committee during the year and, following the establishment of the transitional Institute Council, referred to above, its Convener, the Rt Rev Kevin Pearson, has also joined meetings of the Committee.

9. Other Matters

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

The Committee considered a request for funding for the new Churches' Mutual Credit Union being established by the Church of England, along with ecumenical partners. The Committee agreed to make an investment of £5,000 in the form of deferred shares. The Scottish Episcopal Church has also been offered a place on the board of the new Credit Union and the Convener of the Church in Society Committee, the Rev Prof David Atkinson, has agreed to take on that responsibility for an initial term.

Consideration was given to whether the General Synod needed to register with the Electoral Commission under the Transparency of Lobbying, Non-party Campaigning and Trade Union Administration Act 2014 in connection with the forthcoming General Election. After consultation with the Church in Society Committee, it was concluded that registration was not required.

During the year, a number of fabric-related matters were dealt with at the General Synod Office, including the construction of a ramp to enable wheelchair access to the rear of the building. A limited amount of redecoration was also undertaken. Towards the end of the year, the Committee agreed proposals for an upgrade to the General Synod Office IT systems and this will be implemented during 2015.

Considerable change in the membership of Standing Committee is expected during 2015 and the Committee commenced appropriate succession planning during the year. Recommendations are expected to come to General Synod 2015.

Standing Committee resolved to appoint the Rev Maggie McTernan as a new member of the Clergy Discipline Tribunal to fill the vacancy arising as a result of the resignation from the Tribunal by the Rev Canon Dr Anne Tomlinson upon her appointment as Principal of SEI. During the year, the Committee also appointed Mrs Mari Mander and Mr Colin Gregory as new members of the Committee for the Protection of Children and Vulnerable Adults. Unfortunately, owing to relocation to England, Mrs Mander had to resign from that committee later in the year.

Staffing

In addition to the staff changes at TISEC/SEI mentioned above, Joy Black moved on and is thanked for her service. The post of Communications Administrator, as at the year end, was due to be filled by Victoria Stock, starting in January 2015. Plans were also in progress at the year end regarding prospective staff retirement taking effect in 2015.

Financial Review

(The audited accounts can be found at page 75.)

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 £335,500 some £279,000 greater than the total budgeted surplus for the year of £56,500. There was a surplus of £190,800 on the General Fund rather than the budgeted surplus of £28,800. 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 19. In addition to the General Fund the General Synod has a number of Restricted and Designated Funds which are all reflected in the total surplus of £335,500. The better than anticipated outcome in the General Fund is a result of both greater than anticipated income and, more importantly, less than budgeted expenditure. The increased income arises from investment income and donations. The continuing deferral of the proposed addition to the TISEC staff pending the launch of SEI was one of the most significant savings in expenditure during the year. (As noted above the new Director of Studies joined the SEI staff in early 2015.) Other significant factors in expenditure being less than budget include the lower than anticipated take up of available Ministry support grants due to delays in appointments and vacancies arising during the year, no applications being submitted to the emergency building grants fund, the provincial Cascade Conversation process costing less than anticipated and limited demand for grants to assist with youth work.

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. The opportunity was taken during the year to add to the General Synod's Unit Trust Pool holdings by investing surplus cash held by both the General Fund and the Retirement Housing Fund. The increased distribution rate combined with the increased holding have resulted in income from Unit Trust Pool investments increasing by almost £35,500 to £1.33m. (The Unit Trust Pool accounts are at page 89.)

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. Total grant expenditure was £834,000 (2013: £810,000). Further information regarding allocation of grants can be found in notes 6 and 7 on page 84 and in the accounts of the various Funds (pages 19 to 63). Grant support provided to support curate training costs increased by approximately £23,000 from 2013 reflecting the increased number of stipendiary curates in training. The Overseas Committee was able to increase its grant support by some £12,000. The lack of applications for emergency building repair grants resulted in an overall reduction of some £10,000 in the level of grant supported provided to dioceses and congregations.

Capital Surplus for the year

There were no capital transactions during the year. Unusually there were no sales of retirement properties or large legacies received during the year. The increase in the market value of investments amounted to £1.8m of which £1.4m 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 and to allow for the possibility of deficit budgets in the short term should they be required for specific reasons such as the transition from TISEC to SEI. As previously noted the surpluses have also provided the opportunity to increase future investment income by adding a further £200,000 to the General Fund's Unit Trust Pool holding. In recent years 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 £26.4m at 31 December 2014 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 intends to continue 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 and will include consideration of matters relevant to the training and formation of clergy, such as the availability of training grants for full-time students and the level of the provincial curate grant to support curate stipend and on-costs.

It remains 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 will continue work already underway in connection with the creation of a new framework for provincial funding to dioceses, in the form of a Block Grant. It expects to bring proposals to General Synod 2015 regarding this as a means of supporting the thrust of the Whole Church Mission and Ministry Policy which emphasises the role of dioceses as the locus for mission.

2. Ministerial Formation in the Scottish Episcopal Church

Standing Committee will oversee completion of the arrangements, commenced at General Synod 2014, for a new governance structure for SEI and the creation of a new Mission Board to replace the current Mission and Ministry Board. It also expects that during 2015, the Institute Council will receive a recommendation as to whether or not the Church should enter the Church of England Common Awards scheme for ministerial formation. Such a move would be a significant one, as the Church continues its planning for the provision of its future ministerial needs.

3. Succession

Conscious of the fact that there is likely to be significant change in the membership of Standing Committee during 2015, the Committee will bring forward recommendations to General Synod with a view to ensuring appropriate continuity, in the context of significant changes to the structure of certain boards and committees of the Synod.

4. Other matters

The Committee is aware that the Faith and Order Board will bring questions relating to same-sex marriage to General Synod 2015 for discussion and debate. The Committee looks forward to working with the Board on the planning of the agenda for Synod, fully aware of the sensitivities which attach to that subject.

During the early months of 2015, the preliminary results of the triennial valuation of the Scottish Episcopal Church Pension Fund, as at 31 December 2014, will become available. The Committee will work with the Pension Fund Trustees in assessing the implications of that valuation for the Church.

The Committee is also aware that the General Synod has a "staging date" of July 2016 in relation to the application of pensions "auto-enrolment" and expects steps to be taken during 2015 for the Church to prepare for this.

Vote of thanks

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

David J Palmer
Convener

23 April 2015

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

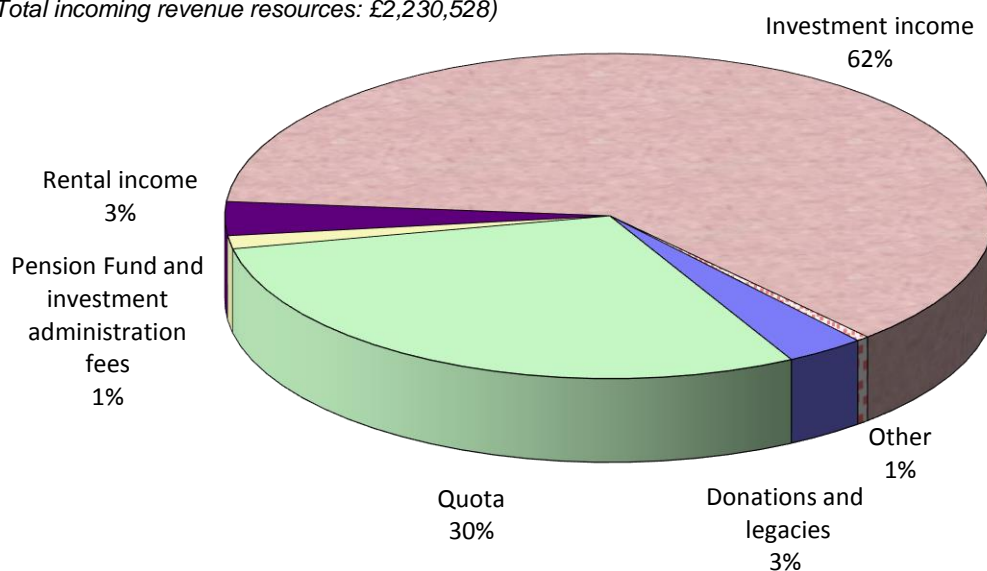
Most of the activities of the General Synod are funded from allocations from the General Fund. The Fund's income was some £11,000 in excess of budget. All Boards worked within their budgets. Expenditure in some areas was considerably less than budgeted and this has resulted in a surplus of almost £191,000 – some £162,000 better than the budgeted surplus of £29,000. (See General Fund financial statement on page 19.)

Some of the General Synod's activities are funded from sources other than the General Fund. A number of these other funds produced surpluses in the year contributing to a total revenue surplus of £335,600. (The Revenue Account on page 78 summarises the results of all the funds.)

The Statement of Financial Activities (page 79) provides information regarding incoming and expended resources. The incoming and expended revenue resources are summarised below:

Analysis of income

(Total incoming revenue resources: £2,230,528)



Analysis of expenditure

(Total revenue resources expended: £1,894,968)

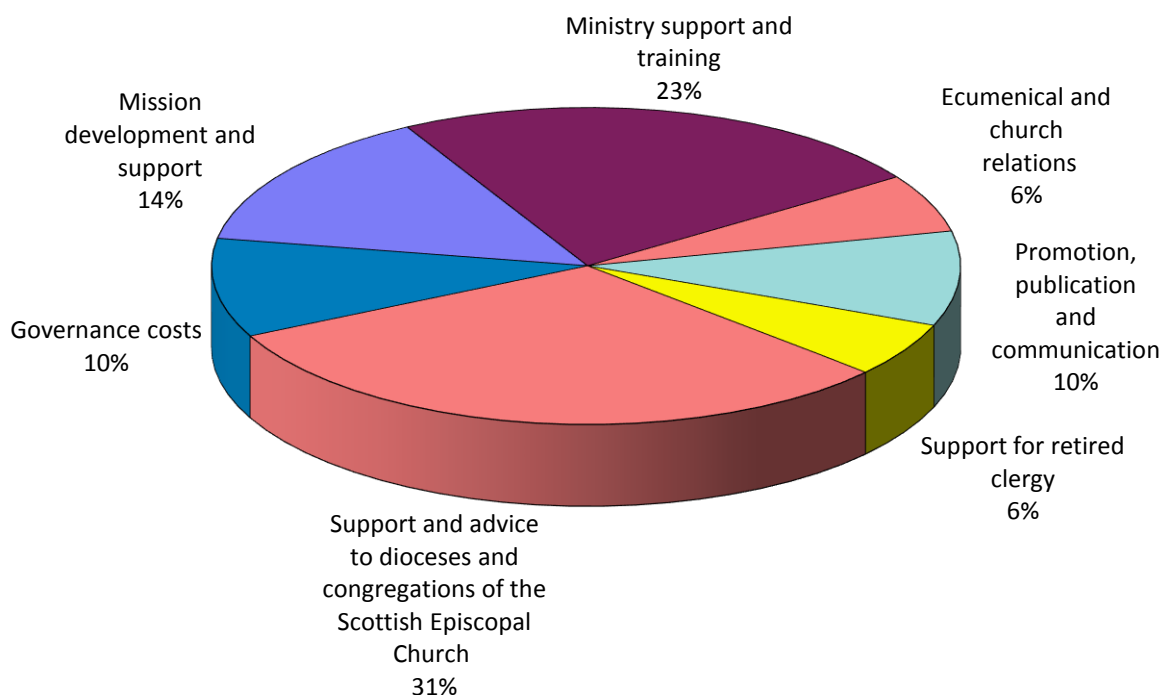


Table A: Legacies and Donations Received

Legacies	Recipient Fund	£
Dr Irene McAlpine	Mission Fund	15,347
Dr Irene McAlpine	Overseas Committee	10,000
Mr Alfred Murray Card	General Fund	1,000
	Sub total	<u>26,347</u>
Donations	Recipient Fund	£
Allchurches Trust	General Fund	26,254
Anonymous	St James Fund	3,875
Various	Community Fund	3,682
WA Cargill Trust	Clergy Widows and Orphans (Cargill Trust)	3,000
Callendar Trust	General Fund	2,000
WA Cargill Trust	Retirement Supplementary Fund	2,000
St Mary's Tolbooth Trust	Grants for Ministry Fund	1,481
St Mary's Tolbooth Trust	Church in Society Committee	1,482
Various	Retirement Supplementary Fund	1,375
Various	SEI Training Fund	1,042
Benson-Wilson Charitable Trust	Ministry Development Committee	1,000
DB Flanagan Trust	General Fund	541
Mrs S Crosfield	Alastair Haggart Bursary Fund	125
	Sub total	<u>47,857</u>
Total		<u>74,204</u>

Table B: Quota

Diocese	2012 Requested and Received	2013 Requested and Received	2014 Requested and Received	2015 Requested
	£	£	£	£
Aberdeen	68,063	70,425	71,879	74,239
Argyll	22,667	23,347	24,772	24,769
Brechin	39,000	40,170	41,046	42,073
Edinburgh	227,603	234,176	249,765	260,787
Glasgow	142,213	146,415	148,436	152,753
Moray	44,713	46,055	45,723	45,127
St Andrews	76,758	79,060	77,216	78,854
Total	621,017	639,648	658,837	678,602

General Fund

Actual 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
<i>Investment Income</i>				
1,001,673	UTP income	1,010,223	1,020,325	10,102
9,929	Interest	6,000	8,585	2,585
21,101	Investment property income	21,101	21,101	-
<u>1,032,703</u>		<u>1,037,324</u>	<u>1,050,011</u>	<u>12,687</u>
<i>Administration fees</i>				
2,729	UTP / investment administration	2,000	1,530	(470)
27,000	Pension Fund administration	27,500	27,500	-
18,395	Restricted and other funds	18,395	18,395	-
<u>48,124</u>		<u>47,895</u>	<u>47,425</u>	<u>(470)</u>
639,648	Quota	658,837	658,837	-
11,904	Inspires - subscriptions and advertising	14,000	1,008	(12,992)
21,740	Donations and legacies	18,000	29,795	11,795
350	Other	-	100	100
<u>1,754,469</u>	<i>Total Income</i>	<u>1,776,056</u>	<u>1,787,176</u>	<u>11,120</u>
ALLOCATIONS				
793,784	Standing Committee	796,250	828,635	(32,385)
353,833	Administration Board	438,100	377,803	60,297
17,341	Faith and Order Board	22,450	15,184	7,266
23,877	Information and Communication Board	39,000	12,758	26,242
328,144	Mission and Ministry Board	451,475	362,000	89,475
<u>1,516,979</u>	<i>Total allocations</i>	<u>1,747,275</u>	<u>1,596,380</u>	<u>150,895</u>
BALANCES				
237,490	Surplus/(deficit) for year	28,781	190,796	162,015
-	Transfer to capital (investment in UTP)	(200,000)	(200,000)	-
862,194	Balance brought forward	1,099,684	1,099,684	-
<u>1,099,684</u>	<i>Balance carried forward</i>	<u>928,465</u>	<u>1,090,480</u>	<u>162,015</u>
CAPITAL ACCOUNT				
INCOME				
40,702	Legacies		-	
<u>40,702</u>	<i>Total Income</i>		-	
EXPENDITURE				
-	<i>Total expenditure</i>		-	
BALANCES				
40,702	Surplus/(deficit) for year		-	
-	Transfer from revenue		200,000	
21,191,399	Balance brought forward		23,792,817	
2,560,716	Unrealised gain on revaluation as at 31 December 2014		1,363,776	
<u>23,792,817</u>	<i>Balance carried forward</i>		<u>25,356,593</u>	

General Synod Office and Provincial and Other Expenditure

Actual 2013 £			Revised Budget 2014 £	Actual 2014 £	Variance fav/(adv) £
INCOME					
793,784	Allocation from General Fund		796,250	828,635	32,385
<u>793,784</u>			<u>796,250</u>	<u>828,635</u>	<u>32,385</u>
EXPENDITURE					
Costs of General Synod Office					
475,888	Employees	Salaries, NIC, Pension Contributions	501,695	491,243	10,452
1,381		Staff travel and subsistence	4,250	1,330	2,920
332		Staff training	1,910	444	1,466
9,634		Recruitment costs	3,500	4,321	(821)
<u>487,235</u>	<i>Sub-total</i>		<u>511,355</u>	<u>497,338</u>	<u>14,017</u>
27,961	Premises	Building repairs and maintenance	30,000	28,177	1,823
2,646		Rates	3,000	2,464	536
17,137		Light, heat and cleaning	20,000	17,319	2,681
6,923		Insurance	7,000	7,008	(8)
<u>54,667</u>	<i>Sub-total</i>		<u>60,000</u>	<u>54,968</u>	<u>5,032</u>
10,253	Administration	Telephone & postage	12,600	11,214	1,386
4,465		Printing and stationery	5,000	4,366	634
11,764		Photocopier	12,500	11,056	1,444
15,404		Computing	13,500	15,383	(1,883)
5,862		Payroll Bureau processing costs	5,800	4,938	862
6,694		Miscellaneous	4,000	5,909	(1,909)
-		Office equipment and furniture	1,000	462	538
<u>54,442</u>	<i>Sub-total</i>		<u>54,400</u>	<u>53,328</u>	<u>1,072</u>
<u>596,344</u>	<i>Total Costs of General Synod Office</i>		<u>625,755</u>	<u>605,634</u>	<u>20,121</u>
Provincial Costs					
12,346	Primus		13,395	13,012	383
6,365	College of Bishops		5,500	12,837	(7,337)
10,000	Election of Bishop		10,000	10,000	-
22,241	General Synod	Annual meeting	21,630	24,982	(3,352)
1,079		Annual report	1,500	918	582
3,100		Synod papers	3,200	3,100	100
269	Office for Protection of Children and Vulnerable Adults		2,000	2,148	(148)
1,080	Code of Canons		2,000	462	1,538
476	New Clergy Induction Day		350	566	(216)
4,244	Clergy Legal Expenses Insurance		4,350	4,244	106
2,966	Trustee Liability Insurance		3,000	2,984	16
11,623	Professional fees	Audit	12,000	11,825	175
66,145		Legal and advisory	35,000	11,582	23,418
125	Immigration Sponsors Licence		-	125	(125)
2,324	Subscriptions	Scottish Churches Committee etc	1,750	1,144	606
<u>144,383</u>	<i>Total Provincial Costs</i>		<u>115,675</u>	<u>99,929</u>	<u>15,746</u>

General Synod Office and Provincial and Other Expenditure

Actual 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/(adv) £
	Committee Meeting Expenses			
1,856	Standing Committee	2,000	1,415	585
185	Organisation Review Committee	500	76	424
199	Committee for Protection of Children & Vulnerable Adults	400	71	329
<u>2,240</u>	<i>Total Committee Meeting Expenses</i>	<u>2,900</u>	<u>1,562</u>	<u>1,338</u>
	Subscriptions to church bodies			
3,037	World Council of Churches	3,300	2,890	410
14,000	Action of Churches Together in Scotland	14,000	5,000	9,000
5,000	Churches Together in Britain and Ireland	5,000	14,000	(9,000)
27,780	Anglican Consultative Council	28,620	28,620	-
<u>49,817</u>	<i>Total Subscriptions to church bodies</i>	<u>50,920</u>	<u>50,510</u>	<u>410</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>793,784</u>	<i>Total Expenditure</i>	<u>796,250</u>	<u>758,635</u>	<u>37,615</u>
	BALANCES			
	Revenue			
-	Surplus/(deficit) for year	-	70,000	70,000
-	Transfer to Computer Fund (Administration Board Miscellaneous Funds) to fund IT Upgrade	-	(70,000)	(70,000)
-	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 is responsible for promoting a safe and protective environment for all children and vulnerable adults pursuing or undertaking activities within the Church. The Office 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. 2014 saw some changes on the Committee with new members joining and existing members standing down and, at the time of writing, the Committee is seeking to fill another vacancy. As Convener I am very grateful to all members who have supported the work of the Committee towards ensuring the safety of everyone within the Scottish Episcopal Church.

During 2014, the focus of the Committee was on ensuring that the Church was progressing effectively towards meeting its legal obligations for implementing the retrospective requirements of the Protection of Vulnerable Groups (Scotland) Act 2007. This involved ensuring that a significant number of clergy and volunteers within the Church were transferred from the previous Disclosure system to the new PVG Scheme. This work will continue into 2015 with completion required by November of this year. Another aspect of the Committee's work was the development of a Report on the Anglican Consultative Council's Safe Church Charter which will be before the 2015 General Synod.

The Committee continues to monitor developments in safeguarding across Scotland with the Provincial Officers maintaining effective liaison with safeguarding colleagues in other faith groups and organisations outside the Church. This enables the Scottish Episcopal Church to be well informed about current safeguarding practice. Recommendations emerging from safeguarding enquiries, both within and outwith Scotland, have been considered by the Committee to identify learning that can be usefully applied within the Scottish Episcopal Church. The sustained public focus on historical abuse continues to feature in some of the enquiries received by the Provincial Officers and the Committee is assured that all enquiries are addressed by the Provincial Officers promptly and effectively in meeting the needs of all interests.

2014 saw a full programme of safeguarding training delivered across all seven Dioceses by the Provincial Officers and a similar training programme is planned for 2015. This will reflect ongoing developments in safeguarding and it is hoped that there will be a good take up, in particular by those who have been unable to attend training to date.

Once again 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 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
	INCOME			
17,341	Allocation from General Fund	22,450	15,184	(7,266)
<u>17,341</u>	<i>Total Income</i>	<u>22,450</u>	<u>15,184</u>	<u>(7,266)</u>
	EXPENDITURE			
2,937	Board expenses	6,695	3,002	3,693
2,213	Work of Liturgy Committee	2,120	1,841	279
361	Work of Committee on Canons	1,525	297	1,228
675	Work of Doctrine Committee	1,090	747	343
4,416	Inter-Church Relations Committee	6,900	4,549	2,351
3,035	Europe Group	2,120	4,737	(2,617)
290	Diaconate Working Party	1,000	11	989
3,414	World Council of Churches Assembly	1,000	-	1,000
<u>17,341</u>	<i>Total Expenditure</i>	<u>22,450</u>	<u>15,184</u>	<u>7,266</u>
	BALANCES			
	Revenue			
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Actual 2013 £	PUBLICATIONS	Actual 2014 £
851	Income	1,027
-	Expenditure	-
851	Surplus/(deficit) for year	1,027
(921)	Balance brought forward	(70)
<u>(70)</u>	<i>Balance carried forward</i>	<u>957</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. Much of its work is done through its pendant Committees, whose individual reports give Synod members much information about the issues covered. Generally speaking, the Board deals with doctrine, liturgy, canon law and inter-church relations.

Major matters discussed in 2014 included the admission of two further churches to the Porvoo Communion of Churches; a report on proceedings at the World Council of Churches' (WCC) Assembly in Korea in autumn 2013; reception and study of the WCC Assembly's statements on unity; discussion of transitivity in ecumenical relationships; the visit of a senior Church of Norway delegation to Scotland and the SEC response to the WCC Faith and Order Commission paper *The Church: Towards a Common Vision*.

The Board looked at responses to the questionnaire on the Service of the Word and heard a report on progress with a new translation of the Sarum Collects. It also agreed a response to the Assisted Suicide (Scotland) Bill and began consideration of the process it might recommend to General Synod 2015 concerning same sex marriage. It discussed the place of Confirmation in our church and asked the Bishops to look at this once more.

These issues give a flavour of the variety of work which comes within the purview of the Board and are indeed only a fraction of it. The Board worked within its budget.

I wish once more to thank the members of the Board for giving serious consideration to all that comes before them and equally to thank the conveners and members of the pendant Committees for their hard work throughout the year.

+Gregor
Acting Convener

Committee on Canons

As the new Convener of the Committee on Canons, I take this opportunity to pay tribute to my predecessor, Jeremy Auld, who made my life so trouble-free by bequeathing me a most harmonious and eager Committee. This was in no small part due to his powers of leadership and bonhomie.

As has been said before, the Committee is not for the creation of policy (although it can and does offer general papers on topics to aid the thinking of the Faith and Order Board); rather, its major purpose is to be reactive to any perceived difficulty in the life of the Church that can be ameliorated by a change or an addition to our Canons. Clearly, and on that basis, some years will see intense activity and others the Committee will slumber fitfully until awoken by the clarion call to action.

The Committee presented to the Synod of 2014 the following items of business:

- Canon 50, section 3
- Canon 63, sections 1 and 4

The Committee worked within budget.

Whatever the state of readiness of the Committee, I could not make any progress without the enthusiasm and diligence of my colleagues, to whom my thanks go. Equally, the administrative foundation relies upon the ministrations of our most excellent and indefatigable Secretary, Elspeth Davey to whom, also, go my profound thanks.

Paul Romano
Convener

Liturgy Committee

The Liturgy Committee concentrated on three principal tasks this year:

- consulting on changes to the experimental Service of the Word;
- drafting new Pastoral Rites;
- composing new collects for Sundays, Festivals & Holy Days, and special occasions.

The most intensive work of the Committee in the past year was the final drafting of new Collects. Rites for healing, ministry with the sick and dying, reconciliation, and the blessing of a home have been drafted and are under discussion.

An extensive consultation on the Service of the Word was conducted across the Province, and the Committee was grateful to all those who had used the Service of the Word to provide feedback on its use together with suggestions for its revision. A draft revision of the Service of the Word has now been completed.

The routine work of revising and updating the liturgical calendar continued. The Scottish Calendar (1991) had been amended by General Synod 2014, altering the commemoration of John Mason Neale, Priest (1866) from 9 August to 7 August.

In addition, the Committee produced original liturgical materials for use during the 2014 Commonwealth Games in Glasgow that were widely used both in the Diocese of Glasgow & Galloway and throughout the Province.

Ian Paton attended a consultation on a liturgy for the blessing of same sex unions in The Episcopal Church (USA), which is an official liturgy currently approved for experimental use in the USA. Representatives from seven other Anglican provinces were present.

The Liturgy Committee Budget for 2014 covered attendance at international and national liturgical consultations, an annual residential meeting, the cost of regular day meetings, and membership for the Committee members of the Society for Liturgical Study. The Committee worked well within budget.

Ian Paton stood down as Convener in May, after his second period as Convener, and his place was taken by James Milne (Glasgow and Galloway), who has subsequently been appointed as Minor Canon and Sacrist at St Paul's Cathedral, London.

The Committee thanks both Ian and James, who have been long-standing members of the Committee, for their dedicated hard work and leadership. Especial thanks are also due to Elspeth Davey, as our Secretary, for her administrative expertise, unfailing efficiency, and cheerful enthusiasm.

John Davies
Acting Convener

Inter-Church Relations Committee

The Committee, whose members and secretary deserve our unreserved thanks, contributed, as far as resources allowed, to the fostering of greater unity and closer fellowship within the ecumenical movement nationally and internationally.

Our Covenant with the United Reformed Church Synod of Scotland and the Methodist Church in Scotland concentrated again on training in its widest form embracing universities, other providers and other denominations. The Covenant will be reviewed in 2015. We monitored other Anglican Methodist developments in the other three nations and contributed when invited.

Action of Churches Together in Scotland (ACTS) saw a good number of staff changes which facilitated improvements in its ways of working. The National Sponsoring Body for Local Ecumenical Partnerships was renamed the Ecumenical Development Group as one of the core activities of ACTS; the purchase of Scottish Churches' House by the sitting tenants was pursued; and Livingston Ecumenical Parish adopted a new constitution.

Churches Together in Britain and Ireland, of which the Convener is the ACTS' Trustee, continued to monitor events abroad through its overseas desk; had revamped its very useful website; was rightly proud of the invaluable Good Society Project; and produced excellent material for use at the General Election 2015.

Our Third Scottish Seminar, Lived Communion and its Theology, focussed on our relationship with the Community of Protestant Churches in Europe and thus those churches at home that are members. A senior delegation of leaders from the Church in Norway was shared with the Church of Scotland and, as with the Seminar, allowed us to deepen our understanding of, and commitment to, one another.

Our attention to our relationships with the Lutheran communion was also focussed by attendance at the Anglican Lutheran Society's conference Fear Not Little Flock and the Convener's ongoing membership of the Anglican Lutheran International Continuing Committee, as well as preparations for the 2015 Kirchentag in Stuttgart.

In particular, with the blessing of the Faith and Order Board, we began quietly exploring how the notion of Transitivity can be employed to open up deeper fellowship with Lutherans in Canada and the USA.

We have noted the unification of the four French Churches of the Reuilly Agreement and sought further information as well as a review of the current arrangements. We were represented on the Meissen Commission by one of the other Celtic Churches. Our contribution to the workings of the Porvoo Communion of Churches was not inconsiderable due not least to the dedicated work of our secretary, Elspeth Davey, but also by willing and contributing attendees at consultations and conferences. Plans are well advanced to host the Primates' Meeting later in 2015.

We continued to foster the work of the World Council of Churches, disseminating both the Unity Statement and The Message of the 10th Assembly and by responding to The Church Towards a Common Vision while exploring how it might prove a useful tool in ecumenical endeavours amongst the Churches in Scotland.

John Lindsay
Convener

Doctrine Committee

The Doctrine Committee published the 2014 Grosvenor Essay on The Church and Scottish Identity, in order to aid reflection both before and after the Scottish Independence Referendum. The Essay was launched at General Synod 2014 with time built in for group discussion.

The Committee has commissioned pieces for the 2015 Grosvenor Essay, which will be on New Issues in Science and Theology. The contributors are experts in diverse fields of science and religion scholarship, two of whom sit on the Doctrine Committee and others of whom are guest contributors.

The Faith and Order Board commissioned the Doctrine Committee to produce a paper setting out the SEC's current theology of marriage as reflected in our Canons and Liturgy, and whether there is a case for change according to Scripture, tradition and reason. The Committee will be forwarding this work to the Board in January 2015.

The Doctrine Committee worked within its budget.

Harriet Harris
Convener

Mission and Ministry Board

Actual 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
328,144	Allocation from General Fund	451,475	362,000	(89,475)
<u>328,144</u>	<i>Total Income</i>	<u>451,475</u>	<u>362,000</u>	<u>(89,475)</u>
EXPENDITURE				
3,558	Board expenses	2,840	2,862	(22)
-	Miscellaneous	200	-	200
-	Church for All Working Group	500	-	500
693	Same sex relationships discussion design process	30,000	15,904	14,096
-	WCMMP implementation	1,500	-	1,500
<u>4,251</u>	<i>Sub-total</i>	<u>35,040</u>	<u>18,766</u>	<u>16,274</u>
<i>Allocation to Committee funds</i>				
26,614	Church in Society Committee	37,500	28,168	9,332
26,896	Home Mission Committee	37,000	26,863	10,137
261,752	Ministry Development Committee	331,975	279,935	52,040
-	Overseas Committee	-	-	-
8,631	Recruitment and Selection	9,960	8,268	1,692
<u>323,893</u>	<i>Total allocated to committees</i>	<u>416,435</u>	<u>343,234</u>	<u>73,201</u>
<u>328,144</u>	<i>Total Expenditure</i>	<u>451,475</u>	<u>362,000</u>	<u>89,475</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

The Mission and Ministry Board exercises oversight for all aspects of the mission of the Scottish Episcopal Church.

General Synod 2014 received the report of the TISEC Review Working Party and accepted its recommendations to create a new body to act as the agency for the training and formation for authorised ministry. The development of the new Scottish Episcopal Institute (SEI) has, in consequence, taken away from the Board oversight the work of such training and formation. This has been a welcome reduction in the responsibilities - leaving it free to develop further the Whole Church Mission and Ministry Policy. Such a significant change in the Board's remit has also provided an opportunity for a review of the functions of work of the Board.

The Whole Church Mission and Ministry Policy has been further developed by the establishment of a number of networks. These are groups of committed practitioners and others who share an interest in particular areas of ministry. They come together – often meeting electronically – to share experience and best practice. The new Mission Board will exercise oversight of those networks.

During the year, considerable work has been undertaken on the development of a Block Grant system which will shape the financial relationship between Province and Dioceses. This is a logical extension of the Whole Church Mission and Ministry Policy. That policy recognises that the primary location for the missional energy of the Church is in the dioceses under the leadership of bishops as leaders of mission. The proposed Block Grant system expresses the same principle in the administrative life of our Church.

During the year the Board has received reports from its Committees and is deeply appreciative of work that has been done. These include the Overseas (now called Global Partnerships), the Home Mission and the Church in Society Committees. The Board oversaw the submission of responses prepared to various public consultations addressing issues such as armed policing, organ donation, religious representation on Local Authority Education Committees and the Scottish Government's paper on Becoming a Good Food Nation. The Board also monitored the work of its Design Group set up to devise a process for enabling the Church to discuss same sex relationships. It was delighted that the Cascade Conversation organised by the Design Group in Pitlochry was found helpful by those who attended and that Dioceses have subsequently been able to adopt the principles involved to encourage discussion more locally.

The Board appointed Emily Alldritt to attend the 2015 session of the UN Commission on the Status of Woman and was pleased to receive reports from Elaine Cameron as Provincial Link on the International Anglican Women's Network – a position passed from Elaine to Emily during 2014.

In the year which saw the completion of the life of the former Theological Institute (TISEC) we express our grateful thanks to Michael Fuller who served for many years and contributed significantly to the training of a generation of those entering authorised ministry. Their continuing ministry is in some measure the fruit of Michael's dedicated service. We also thank Susan Macdonald who steered the Ministry Development Committee through a transitional year to its conclusion at General Synod 2014. We were also delighted to welcome Anne Tomlinson as the incoming SEI Principal, joined just after the year end by Michael Hull as Director of Studies.

Thanks are expressed to John Cuthbert and Sari Salvesen who stepped down from the Board. Alastair Macdonald was welcomed as a new member, taking over as the Aberdeen and Orkney representative from David Atkinson who was appointed Church in Society Committee Convener. This is the last report which I shall present as Convener of the Mission and Ministry Board. It has been a privilege to work with members and staff during a period of such significant change in the life of the Board.

**+David
Convener**

Home Mission Committee

Actual 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
26,896	Allocation from General Fund	37,000	26,863	(10,137)
<u>26,896</u>	<i>Total Income</i>	<u>37,000</u>	<u>26,863</u>	<u>(10,137)</u>
EXPENDITURE				
379	Committee expenses	1,205	583	622
(56)	LCM Booklets	-	(43)	43
-	Mission Advisers' meetings	1,090	-	1,090
-	Materials	550	-	550
67	Other Costs	875	1,224	(349)
-	Training for Mission	-	100	(100)
922	Rural work	1,120	1,346	(226)
3,300	Retreats - grants	3,935	3,300	635
25	Retreats - other costs	-	30	(30)
22,259	Youth Committee	28,225	20,323	7,902
<u>26,896</u>	<i>Total Expenditure</i>	<u>37,000</u>	<u>26,863</u>	<u>10,137</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.

The establishment of Networks operating under the Whole Church Mission and Ministry Policy was reported to General Synod in June 2014. The Committee heard accounts from these active networks of interested people, coordinated by skilled practitioners from across the Province, working within the areas of youth, spirituality, stewardship, rural affairs, mission initiatives and children. The Provincial Lay Learning Group has done sterling work under the former Ministry Development Committee and will continue to do so in future as one of the Networks. We are seeking a committed person to lead the Stewardship network.

The Diocese is the focus for mission with each Diocesan Bishop acting as leader in mission 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, helping to maximise resources and strengthen work across the Province. The Networks have been working through email/telephone/website with occasional meetings. Regular reports are received by the Committee to enable effective oversight. A meeting of Network Conveners, the Mission and Ministry Board, the Bishops and representatives of the Standing Committee and Institute Council is planned for March 2015.

The Committee receives reports from the Provincial Youth Committee and congratulates them on another two successful 'Glen' weeks strengthening the faith and leadership talents of our young folks across Dioceses. Although numbers were down the weeks performed within budget. Planning is in hand for just one week in 2015.

The Committee continues to receive news from Faith in Older People, the Scottish Pilgrim Routes Forum and the Scottish Rural Parliament.

The Committee investigated the status of episcopalian denominational schools and the Government has confirmed that the following state schools are regarded as having denominational status under the Education (Scotland) Act 1980: Bishop Eden Primary in Inverness, St. Ninian's, Perth and St. Mary's, Dunblane. They are all served by our clergy.

Through its parent Board, the Committee opposed a petition lodged with the Scottish Parliament seeking the abolition of religious representatives on local authority education committees.

The Committee is represented on the CTBI Consultative Group on Ministry among Children and the ACTS Children within the Church Community Core Group. The Convener represented the SEC at a seminar in Bossey, Switzerland studying the new WCC report on ecumenical affirmation on mission and evangelism in a changing landscape. This document needs to be taken further within the context of our Scottish culture and nation. This may be best done ecumenically through the Committee and the Board.

The Convener is representing the SEC on a group making plans to hold another Scottish Church Census in 2015.

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

During 2014, the Committee operated within budget and the 2015 budget was approved.

Fay Lamont
Convener

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.

Outside of the 'Glen' weeks, the PYC met once in 2014, most of its business being conducted through Facebook and email. It is planned to meet more regularly in 2015 particularly as membership sometimes changes mid-year according to age and changes in school/university.

The two SEC youth camps held at Glenalmond this summer were enormously enjoyed by those taking part, and formed the foundation of lasting friendships and a way to connect with other young people around Scotland. The theme was 'Life Story' – focussing on the life of Jesus and making connections with our lives, our stories. Delegates and leaders left feeling enthused and ready to take that enthusiasm back into their daily lives.

What makes the experience so special? The people. It is the delegates (young people), the leaders, the catering staff at the school, that create the magic of Glen rather than any clever format, special effects or particularly innovative programming. That and opportunity. Opportunity to prepare and lead worship, opportunity to discuss serious questions, opportunity to be yourself and opportunity to have fun in a safe, supportive, and non-judgemental environment. A place of faith, food (lots of food), activities, socialising, outdoors and indoors, physical and restful.

Despite how important the camps are to those who attend, there has been a decline in numbers of delegates over the past few years. As a result we have decided to move from 2 weeks to 1 week for Glen 15. We believe one large camp will give a better experience for the delegates and will have the added advantage of not dividing our youth from Scotland in two.

Why have numbers declined? Some decline could be put down to natural fluctuations, but really the loss of youth officers at provincial and diocesan level have a large part to play. Some dioceses do not have a named youth officer/representative, and there is only one paid diocesan officer (part time) in the whole province. Diocesan youth officers are vital in making contact with young people and encouraging them to meet up, and in promotion of Glen and other youth opportunities.

The 18+ network had an excellent retreat in Fraserburgh this year. Another is planned at St Drostan's Lodge in September 2015.

The PYC remained well in budget in 2014.

Tembu Rongong
Convener

Committee for Relations with People of Other Faiths

The Committee for Relations with People of Other Faiths (CRPOF) exists to resource and develop the engagement of Scottish Episcopalians with people of other faiths and to help the Scottish Episcopal Church (SEC) deepen our mission as that is lived out among the increasing diversity of faith communities present in Scotland. CRPOF encourages its members, and the wider church, to engage with local and national interfaith bodies, knowing from experience that such engagement both enriches our own faith understanding, and helps build the relationships of trust and mutual support across difference that our context of pluralism demands. In a year that has seen further, appalling, violence in the Middle East, a spilling out of that violence nearer to home, the building of bridges that enable understanding and dialogue is a more urgent task than ever. In the context of a rise in anti-Jewish and Islamophobic hate crime, CRPOF has been involved in local responses during the year, seeking to engage with and assuage the anxieties of members of the Muslim Community, and to respond also to the experience of many in Scotland's Jewish Community, that they are increasingly marginalised and unwelcome in Scotland.

In 2014, CRPOF met with the Imam and other community leaders at the newly built Al Makthoum Mosque in Dundee, and also with members of the Dundee Hindu community at their Community Centre. In September, CRPOF visited Derby Cathedral and the Inter-Faith Centre based in the University of Derby, to reflect on how those institutions work to alleviate community tensions and foster understanding. During the year, members of CRPOF were actively involved in interfaith chaplaincy and the Religion and Belief Reference Group of the Commonwealth Games, a significant and celebratory event in the life of Glasgow and Scotland.

Members of CRPOF remained actively involved in their local Inter-faith associations in Glasgow, Edinburgh and Dundee, and participated in the planning and delivery of a number of events during Interfaith Week, which takes place in the last week in November. These included an inaugural Dialogue Event between Christians (from the Church of Scotland, the Roman Catholic Church and the SEC) and Shia Muslims (based in both Glasgow and Edinburgh).

During 2014, the Churches' Agency for Inter-Faith Relations Scotland (CAIRS) was wound up in recognition that the energy of Christians and the Churches was more effectively channelled through involvement in Inter-Faith Scotland (IFS) and local Inter-Faith organisations. CRPOF has continued to work ecumenically, however and its membership (under the auspices of the Episcopal, Methodist, United Reformed Church (EMU) Agreement) includes a representative of the United Reformed Church, Synod of Scotland. In December, CRPOF convened a meeting with the Roman Catholic Bishops' Conference on Inter-Religious Dialogue, to which the Society of Friends and the Church of Scotland sent delegates, and at which a number of joint initiatives were planned, including work with schools to broaden the understanding of different faiths, and a Conference in Autumn 2015 to mark the 50th anniversary of *Nostre Aetate*, the pioneering Papal Encyclical on relations with other faiths.

John Conway
Convener

Church in Society Committee

Actual 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
26,614	Allocation from General Fund	37,500	28,168	(9,332)
-	Donations	-	1,482	1,482
<u>26,614</u>	<i>Total Net Income</i>	<u>37,500</u>	<u>29,650</u>	<u>(7,850)</u>
EXPENDITURE				
-	Valuing older people	-	-	-
Living with people of other faiths				
460	CRPOF	1,500	941	559
3,000	Festival of Spirituality and Peace	5,000	5,193	(193)
<u>3,460</u>		<u>6,500</u>	<u>6,134</u>	<u>366</u>
Campaigning for Social Justice				
2,000	Scottish Churches Parliamentary Office	2,000	2,100	(100)
5,000	Faith in Scotland Community Action Fund	5,000	5,000	-
-	Racial Justice work	4,500	-	4,500
3,000	Scottish Churches Housing Action	3,000	3,000	-
<u>10,000</u>		<u>14,500</u>	<u>10,100</u>	<u>4,400</u>
Caring for Creation				
5,000	SEC Sustainability Initiatives	5,000	7,000	(2,000)
291	Stop Climate Chaos	250	250	-
<u>5,291</u>		<u>5,250</u>	<u>7,250</u>	<u>(2,000)</u>
-	Working for peace	-	-	-
Acting in Faith				
-	Consultations / working with local congregations	1,500	-	1,500
	Working with local congregations and other organisations (grants)			
7,432		7,500	4,500	3,000
<u>7,432</u>		<u>9,000</u>	<u>4,500</u>	<u>4,500</u>
-	Promoting Economic Justice	-	-	-
Other costs				
371	Meeting costs / participating in consultations / conferences	2,000	1,546	454
60	Scottish Churches Religious and Moral Education Group	250	120	130
<u>431</u>		<u>2,250</u>	<u>1,666</u>	<u>584</u>
<u>26,614</u>		<u>37,500</u>	<u>29,650</u>	<u>7,850</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

During the past year we have reviewed what should be our role and in what ways we might contribute a distinctive voice on the part of the Scottish Episcopal Church (SEC). The predominant focus is on identifying what we can do to prevent and to alleviate poverty. This is a broad agenda especially as we were clear that our relationship to the environment and our use and pricing of resources and how they are delivered to our society must underpin such an agenda. The presentation to General Synod 2014 with the associated motion “What does it mean to be a Good Society?” we saw as an opening of dialogue within our churches, and between them, and to the communities they serve. Work on this will continue in the run up to the 2015 General Election. In dealing with issues of this type we accept the slogan of the Poverty Truth Commission “Nothing about us without us is for us”.

We have worked with partners, by responding to consultations issued by the Scottish Government and others, and by the creation of small groups to focus on particular issues. We have maintained a working relationship and funding for the Scottish Churches’ Parliamentary Office, Scottish Churches’ Housing Action, Eco-congregation Scotland, Faith in Scotland Community Action Fund, Just Festival and Stop Climate Chaos Scotland. We have begun to work with the RSPB to consider what faith groups and secular organisations might achieve by working together on creation related issues. We have responded on behalf of the SEC to Scottish Government consultations on Becoming a Good Food Nation, The Arming of Police, Land Reform and also to a World Council of Churches’ (WCC) statement on a Nuclear Free World. The Committee actively supported the “Putting the Baby in the Bath Water” Coalition on ensuring that children are cared for in safe environments and the “For the Love of” Campaign on climate change. Our work was carried out within budget.

Our own work related to means of aiding poorer members of society to gain access to credit and financial services such as through the use of Credit Unions. The Committee provided the SEC representation on the Churches’ Mutual Credit Union, which will be launched by Church Leaders on 11 February 2015. We have begun to consider issues related to the provision of energy including trying to identify at what point we, as a church should begin to divest from investing in Fossil fuel dependant business and the linked issue of the use of Nuclear Power. The Committee was represented at the Porvoo Consultation on Economics and Ethics in November and at the first Scottish Rural Parliament held in November.

Our work has been enhanced by four new members: Donald Bruce, James McKillop, Nicola McNelly and David Mumford, and I would like to thank them and continuing members Bishop John Armes, Sue Horne, Val Dunford, Richard Murray and John Conway, Convener of the Committee for Relations with People of Other Faiths (CRPOF), Ann Glen-Esk of the Mothers’ Union and Mitchell Bunting of the United Reformed Church for their commitment to taking forward the Churches’ work on faith in action. In addition we owe of significant debt to Elspeth Davey from the General Synod Office for all the work she does on a day-to-day basis and for guiding me as the new Convener.

David Atkinson
Convener

Overseas Committee

Actual 2013 £			Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME					
96,496	Investment income	Unit Trust Pool	96,496	97,461	965
22		Interest	-	22	22
6,433		Noel Phillips Trust	6,433	6,497	64
-		Legacy	-	10,000	10,000
<u>102,951</u>	<i>Total Income</i>		<u>102,929</u>	<u>113,980</u>	<u>11,051</u>
EXPENDITURE					
44,195	Grants	Education	40,000	58,968	(18,968)
23,017		Africa	21,000	14,126	6,874
8,294		Asia (inc Middle East)	18,000	9,664	8,336
3,018		Small grants	7,750	850	6,900
3,396		Companion Relationships	10,500	2,531	7,969
8,100		Agency Support	17,000	5,100	11,900
8,217		Anglican Comm Network Support	-	14,602	(14,602)
		South America	-	6,000	(6,000)
618	MiDGies (formerly Justice, Peace and Creation Network)		1,250	1,791	(541)
1,213	Committee expenses	Travel	3,000	1,041	1,959
-		Publicity / correspondence	1,500	-	1,500
<u>100,068</u>	<i>Total Expenditure</i>		<u>120,000</u>	<u>114,673</u>	<u>5,327</u>
BALANCES					
Revenue					
2,883	Surplus/(deficit) for year		(17,071)	(693)	16,378
100,283	Balance brought forward		103,166	103,166	-
<u>103,166</u>	<i>Balance carried forward</i>		<u>86,095</u>	<u>102,473</u>	<u>16,378</u>
CAPITAL ACCOUNT					
2,130,477	Balance brought forward			2,384,435	
253,958	Unrealised gain on revaluation as at 31 December 2014			134,303	
<u>2,384,435</u>	<i>Balance carried forward</i>			<u>2,518,738</u>	

Overseas Committee

The remit of the Provincial Overseas Committee (POC) is to promote, on behalf of the Scottish Episcopal Church, mission, companionship links and development projects overseas, in partnership with Churches of the Anglican Communion and the ecumenical agencies. To facilitate this, the Committee has responsibility for the oversight of the Provincial Overseas Committee Fund, money that is generated from investments designated for overseas mission and ministry. The POC worked within its budget. In order to tackle the work effectively members of the Committee have areas of responsibility within the overall remit. These areas of responsibility are Africa, Asia, South America, Inter Anglican Networks, Companionship Links, Education, MiDGies (Millennium Development Goals) Publicity and Small Grants.

In 2014 grants for mission and development were given to dioceses in Ghana for a health clinic, to South Sudan for agriculture projects and to Tanzania for church buildings. In Asia continuing mission support was given through the Papua New Guinea Church Partnership and a grant was made to the Theological College of Sri Lanka for its work on reconciliation. Working in partnership with Christian Aid, funding was given to the Anglican Church in Brazil for the development of an educational programme to combat violence against women. The Inter Anglican Network support went to the Province of Southern Africa for clergy training in environmental protection, the Council of Anglican Provinces in Africa for a theological consultation and to cover the expenses of our own representatives on the Family and Women's Networks. In November the Committee ran a successful sharing day in Perth on Companion Relationships, which gathered folk from across Scotland. Education is the highest spending area of the Committee's work and deliberately so in order to foster growth in church and community leadership. We are currently funding theological and development training for individuals in South Sudan, Guinea, Angola, Ghana, Tanzania, Democratic Republic of the Congo, Papua New Guinea and Burma.

The period of time set for achieving the Millennium Development Goals comes to an end in 2015 but much remains to be done. The Committee has and will continue to give support to agencies actively involved in the issues concerned. We have a good working relationship with Christian Aid, the Scottish Churches' China Group and the Ecumenical Accompaniment Programme in Palestine and Israel. The latter has funding from the Committee for a UK staff member and a number of past and current volunteer accompaniers from Scotland have served or are preparing to serve in the Occupied Territories. We were also pleased to be able to fund Kate Reynolds of Old St Paul's, Edinburgh to be our SEC representative on the Scottish Churches' visit to Israel/Palestine in November 2014. She joins a group of people from the churches in Scotland who are ready and able to share the experience of this and previous visits.

Jan Benvie and Linda Brownlie joined the Committee during the year replacing Eileen Thomson and Jack Wardell. My thanks to all the Committee and to Elspeth Davey for the careful work they do in fulfilling the responsibilities we have been given.

Val Nellist
Convener

Ministry Development Committee

Transitional SEI Council

Actual 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
261,752	Allocation from General Fund	331,975	279,935	(52,040)
2,851	Investment income	2,850	2,880	30
1,000	Donations	-	1,000	1,000
4,400	Fees	4,400	3,650	(750)
5	Module / paper sales	-	10	10
<u>270,008</u>	<i>Total Net Income</i>	<u>339,225</u>	<u>287,475</u>	<u>(51,750)</u>
EXPENDITURE				
Provincial Staff Costs				
82,503	Salaries, pensions etc	140,500	97,502	42,998
523	Travel expenses	1,150	506	644
-	Recruitment Costs	-	3,627	(3,627)
401	Staff training / development	1,000	1,052	(52)
<u>83,427</u>	<i>Sub-total</i>	<u>142,650</u>	<u>102,687</u>	<u>39,963</u>
Diocesan staff costs				
143,755	Contribution to Diocesan costs	146,350	140,950	5,400
1,697	IME Staff training / development	2,000	2,792	(792)
-	DYSJUC, MT, LF training / development	875	-	875
<u>145,452</u>	<i>Sub-total</i>	<u>149,225</u>	<u>143,742</u>	<u>5,483</u>
Ecumenical liaison				
34	Meetings	150	-	150
-	Events	250	-	250
<u>34</u>	<i>Sub-total</i>	<u>400</u>	<u>-</u>	<u>400</u>
General / shared administrative costs				
484	Administrative expenses	500	476	24
-	Publicity	200	-	200
3,770	Library	5,000	4,712	288
	Meeting Costs			-
3,403	- Ministry Development Committee	2,000	1,489	511
30	- Diocesan Coordinators	500	-	500
571	- Board of Studies	750	569	181
<u>8,258</u>	<i>Sub-total</i>	<u>8,950</u>	<u>7,246</u>	<u>1,704</u>
Initial Ministerial Education				
884	Course materials	4,000	2,233	1,767
10,091	Residential weekends (net cost)	8,650	9,272	(622)
10,000	Module co-ordinators honoraria	9,600	10,210	(610)
950	Module Co-ordinators book grants	800	783	17
39	Miscellaneous	-	-	-
-	Graduation Costs	500	-	500
9,700	YSJU Validation costs	9,000	9,300	(300)
616	QFP Costs (Min Div Validation)	1,000	365	635
-	General Contingency	500	-	500
	Meeting Costs			
70	- Module coordinators	300	168	132
-	- Quality Assurance and Enhancement Panel	250	-	250
146	- Assessment Panel	500	390	110
12	- Other	-	-	-
<u>32,508</u>	<i>Sub-total</i>	<u>35,100</u>	<u>32,721</u>	<u>2,379</u>
Lay Learning				
-	Support and Materials	700	-	700
-	Staff Costs	200	-	200
-	General Contingency	500	-	500
	Meeting Costs			
329	- Provincial Lay Learning Group	1,000	813	187
<u>329</u>	<i>Sub-total</i>	<u>2,400</u>	<u>813</u>	<u>1,587</u>
Continuing Ministerial Development				
-	Lay Readers' Conference	500	266	234
-	CMD 1-3	-	-	-
-	CMD 4+	-	-	-
<u>-</u>	<i>Sub-total</i>	<u>500</u>	<u>266</u>	<u>234</u>
<u>270,008</u>	Total Expenditure	<u>339,225</u>	<u>287,475</u>	<u>51,750</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Scottish Episcopal Institute: Transitional Council

Background

The Scottish Episcopal Institute (SEI) was created in 2014 to replace the former Theological Institute of the Scottish Episcopal Church (TISEC).

The ethos of the SEI has a very intentional emphasis on formation - the shaping of a person for ministerial functions and ensuring that the person has sufficient maturity in Christ to carry out those functions. The importance of the formational programme has been shown by the fact that all members of the College of Bishops have been involved in its delivery.

The governing body of SEI will be called the Institute Council and had its first meeting in September 2014 having been given initial approval at General Synod 2014 but it remains 'Transitional' until final approval is given by the General Synod of 2015.

Council members

The ten Council members were appointed because of individual expertise in the fields of academia (the Universities of Edinburgh and Glasgow are both represented), finance, management and formation. The Council also includes student representation and an ecumenical member.

SEI staff

Dr Anne Tomlinson was appointed Principal in August. Dr Mike Hull joined as Director of Studies in January 2015. Dr Alison Peden, the Provincial Director of Ordinands, is integral to the Institute, and it was agreed prior to the year end that that her role would be expanded early in 2015 to so that she could accompany candidates throughout their initial ministerial education. Mrs Denise Brunton remains the administrator for SEI.

Business of Council

In this initial year staff appointments have been of paramount importance. The consideration of "Common Awards", has taken much time. The Common Awards scheme is validated by the University of Durham, as the vehicle of theological education and training, and the Council will make a recommendation regarding entry to Common Awards in April.

Student feedback

The 24 students have been incredibly positive about the programme and the ethos of SEI. Residential weekends continue to give the learning community a focus for the exploration of Christian discipleship alongside education and training.

The Future

There is great confidence and enthusiasm among all those who have been involved in this first year of SEI and its Council. This reflects the mood of confidence in the Scottish Episcopal Church, as we participate in God's mission to establish the Kingdom and respond to the needs of Scotland today.

**+Kevin
Convener**

Recruitment and Selection

Actual 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
8,631	Allocation from General Fund	9,960	8,268	(1,692)
<u>8,631</u>	<i>Total Income</i>	<u>9,960</u>	<u>8,268</u>	<u>(1,692)</u>
EXPENDITURE				
<i>Employee:</i>				
PDO and PDO assistant:				
5,711	Salary & pension contributions	5,825	5,823	2
965	Travel & subsistence	1,475	327	1,148
<i>Administration:</i>				
58	Telephone, postage, stationery, etc.	160	3	157
1,897	<i>Workshops</i>	2,500	2,115	385
<u>8,631</u>	<i>Total Expenditure</i>	<u>9,960</u>	<u>8,268</u>	<u>1,692</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
2011-12	10	2	0	3	3	1	1
2012-13	11	1	0	0	4	4	2
2013-14	13	0	3	1	0	6	3

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
2011-12	3	1	0	1	0	1	0
2012-13	8*	1	0	0	3	2	2
2013-14	7*	0	2	1	0	3	1

* 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
2011-12	1	0	0	1	0	0	0
2012-13	7	1	0	0	2	2	2
2013-14	6	0	2	1	0	1	2

Community Fund

Actual 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
3,693	Donations	5,000	3,682	(1,318)
<u>3,693</u>	<i>Total Net Income</i>	<u>5,000</u>	<u>3,682</u>	<u>(1,318)</u>
EXPENDITURE				
3,780	Grants	5,000	2,407	2,593
<u>3,780</u>	<i>Total Expenditure</i>	<u>5,000</u>	<u>2,407</u>	<u>2,593</u>
BALANCES				
Revenue				
(87)	Surplus(deficit) for year	-	1,275	1,275
2,746	Balance brought forward		2,659	-
<u>2,659</u>	<i>Balance carried forward</i>	<u>-</u>	<u>3,934</u>	<u>1,275</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.

Surprisingly, there was a drop in the number of applications received – only 22 in 2014 compared with 42 the previous year. Donations to the Fund were also very slightly down on the 2014 figure. In 2014 donations (including Gift Aid) representing income of £3,682 (£3,693 in 2013) were received and the 22 grants represented expenditure of £2,407. Whilst this means there is a surplus on the Fund that is a useful buffer in case applications once again run ahead of receipts, as happened in 2013.

The grants we have been able to make in 2014 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 One Parent Families Scotland, Circle Scotland, Bethany Homemaker and Social Work departments in Scotland and are promptly processed so that help can be provided as quickly as possible.

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

John Stuart
Secretary General

Miscellaneous Funds

Actual 2013 £		Actual 2014 £
	INCOME	
2,404	Investment income	2,448
-	Legacies	15,347
4,000	Donations	5,042
<u>6,404</u>	<i>Total Net Income</i>	<u>22,837</u>
	EXPENDITURE	
3,060	Grants	1,520
<u>3,060</u>	<i>Total Expenditure</i>	<u>1,520</u>
	BALANCES	
	Revenue	
3,344	Surplus/(deficit) for year	21,317
(517)	Transfer (to)/from capital	(549)
26,146	Balance brought forward	28,973
<u>28,973</u>	<i>Balance carried forward</i>	<u>49,741</u>
	CAPITAL ACCOUNT	
		Actual 2014 £
1,034,622	Balance brought forward	1,132,383
517	Transfer from revenue	549
97,244	Unrealised gain on revaluation as at 31 December 2014	51,442
<u>1,132,383</u>	<i>Balance carried forward</i>	<u>1,184,374</u>
	TOTAL FUNDS as at 31 December:	
28,973	Revenue	49,741
1,132,383	Capital	1,184,374
<u>1,161,356</u>		<u>1,234,115</u>
	Being for:	
1,052,086	Restricted purposes	1,118,795
109,270	Designated purposes	115,320
<u>1,161,356</u>		<u>1,234,115</u>

Information and Communication Board

Actual 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
23,877	Allocation from General Fund	39,000	12,758	(26,242)
<u>23,877</u>	<i>Total Income</i>	<u>39,000</u>	<u>12,758</u>	<u>(26,242)</u>
EXPENDITURE				
2,277	Board expenses	2,760	2,565	195
22,042	Website Development	12,000	9,341	2,659
475	anglican.org domain	740	432	308
-	Exhibitions / promotion / publicity	4,000	-	4,000
10,083	<i>inspires</i> publication / distribution costs	18,000	420	17,580
-	Miscellaneous projects	1,500	-	1,500
<u>34,877</u>	<i>Total Expenditure</i>	<u>39,000</u>	<u>12,758</u>	<u>26,242</u>
BALANCES				
Revenue				
(11,000)	Surplus/(deficit) for year	-	-	-
11,000	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Actual 2013 £	PUBLICATIONS	Actual 2014 £
8,482	Income	7,063
<u>(12,196)</u>	Expenditure	<u>(4,023)</u>
(3,714)	Surplus/(deficit) for year	3,040
11,447	Balance brought forward	7,733
<u>7,733</u>	<i>Balance carried forward</i>	<u>10,773</u>

Information and Communication Board

The work of the Information and Communication Board has gone through a period of transition in reviewing past activity and priorities and putting into place some building blocks for going forward.

Throughout the year we have received helpful and encouraging comment and feedback on the Scottish Episcopal Church website. One of its key features is the Office of Daily Prayer (Morning, Evening and Night); this has proved highly popular. The Board will review the website in 2015 and carry out some minor updates and changes to the website's structure, accessibility and content to reflect general feedback and usage. We would encourage continual feedback - the site is not perfect but is designed to be amended easily. Any comments should be provided to your diocesan or board representatives to bring to meetings of the Board.

A website template for charges has been created, sharing the aesthetics of the Provincial site but reduced down in scope and complexity to become a drop-in theme for a standard installation of WordPress. Currently we are experimenting with a 'one-click' set up to allow a fresh ready-to-go installation for ease of use. Simultaneously, the Provincial site itself has been reworked for use at a Diocesan level. Moray, Ross and Caithness being the first to use this edition. Glasgow and Galloway are now working on their own expression of this diocesan edition.

During the Board's residential meeting in September it met with Damian Bates, Editor in Chief of Aberdeen Journals and Editor of the Press & Journal. Damian spoke about how the Church can work effectively with the Media, reminding us that "the message is more important than the medium". To this effect, the Convener of the Board and the Communications Officer met with the College of Bishops to work on a media strategy for the Church that can contribute to the Board's overall Communications Strategy. Work in this area is ongoing.

Inspires magazine celebrates its 10th anniversary in March 2015 and an editorial group on behalf of the Board has been established to re-launch the magazine and return to a regular production schedule of four editions per year. This is part of a two year experimental period to enable the Board to assess and review the viability of a printed magazine.

Inspires online continues to provide a regular update of news, activities and comment from across the Church. Board members are liaising with diocesan offices to ensure news from dioceses is shared at a provincial level when and where possible.

The Board is now undergoing a thorough review of the Communications Strategy. As part of this we are seeking to more fully embed an approach that encourages editorial consistency across all our channels of communication whilst encouraging a robust relationship with the civic and political realms.

My thanks go to all members of the board and its sub groups who support the shaping of the way we can communicate as a Church, both to our internal and external audiences. My particular thanks goes to Lorna Finley, Communications Officer, at the General Synod Office.

Chris Mayo
Convener

Administration Board

Actual 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
353,833	Allocation from General Fund	438,100	377,803	(60,297)
<u>353,833</u>	<i>Total Income</i>	<u>438,100</u>	<u>377,803</u>	<u>(60,297)</u>
EXPENDITURE				
<i>Meeting Costs</i>				
699	Board	1,010	528	482
1,419	Finance Committee	1,050	985	65
40	Investment Committee	100	192	(92)
326	Retirement Welfare Committee	850	382	468
445	Buildings Committee	500	333	167
367	Personnel Committee	490	329	161
<u>3,296</u>	<i>Sub-total</i>	<u>4,000</u>	<u>2,749</u>	<u>1,251</u>
<i>Allocation to Finance Committee funds</i>				
290,233	Grants for Ministry Fund	369,100	334,609	34,491
-	Maintenance and Development Fund	-	-	-
60,304	Dunderdale Building Fund	65,000	40,445	24,555
<u>350,537</u>	<i>Sub-total</i>	<u>434,100</u>	<u>375,054</u>	<u>59,046</u>
<u>353,833</u>	<i>Total Expenditure</i>	<u>438,100</u>	<u>377,803</u>	<u>60,297</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 four of the Convenerships continued unchanged: Jeremy Burchill for the Investment Committee, John Ferguson-Smith for Finance, Alex Stewart in charge of the Buildings Committee and Elliott Glen-Esk for Retirement Welfare. Maureen McKellar, a member of the Personnel Committee since 2012 succeeded Nick Bowry as Convener.

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 second recurring year. 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 continues in order 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 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
Convener

Investment Committee

Remit

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

Stockmarket

Investment conditions were volatile throughout 2014, with the FTSE 100 producing a return of –2.7% (total return 0.7%). Performance of the UTP has been strong with a unit value of £13.05 as at 31 December 2014. The 2014 distributions represent a yield of 3.9% of the year end value.

The UTP is managed on a total return basis and income does not fully fund the distribution. In view of the portfolio's strong performance the Committee increased the distribution to 50.5p (2013: 50p). The capital element of the distribution was 15.6p per unit (2013: 14.3p). The Committee is aware of the importance of the income stream for holders, but continues to act conservatively so as to avoid volatility and to protect the capital base of the fund.

The total return objective has proved successful and we are grateful to the fund managers for their sound management of the fund. One issue for ongoing consideration is that the fund managers are unable to offer greater diversity in the portfolio. The Committee considers that exposure to property could achieve increased diversification without prejudice to the yield, although in view of the continuing strong performance it cannot recommend any change in fund manager at this time.

Performance

The total return performance of the Fund to 31 December 2014 is shown in the table below

Period	Fund	Benchmark
Five years (p.a.)	12.3%	9.9%
Three years (p.a.)	14.8%	13.1%
One year (p.a.)	10.5%	11.0%

The equity income portfolio continues to underperform against the present benchmark. The benchmark does not adequately reflect the current investment structure of this sector of the portfolio, and the fund managers have been asked to recommend a more appropriate benchmark.

The market value of the Fund at 31 December 2014 was £52.0m. During the year the total number of units increased by 80,628, and to 3,906,979.

The accounts of the UTP appear on page 89.

Ethical Policy

During the year the Church in Society Committee asked the Committee to consider the investment merits of holding securities issued by companies involved in the fossil fuel sector. The Committee held a joint meeting with Church in Society Committee and the fund managers. After detailed discussion the Committee noted that exposure to this sector had reduced over recent years and that the fund managers continued to take into consideration the potential negative factors that could arise from investment in this sector.

Committee Membership

At General Synod I will retire from the Committee at the end of my term of office. I should like to record my appreciation of the courtesy and support from John Stuart, Malcolm Bett and Daphne Audsley. They have made my work much easier than it might otherwise have been.

Jeremy Burchill
Convener

Finance Committee

The Committee has continued to administer the Grants for Ministry Fund in accordance with the procedures developed in recent years, including 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 an SEC “presence” in the area. Grant assistance, both transitional and longer term, was provided to help support a range of different ministries in all seven dioceses. A total of 33 posts benefited from such support. Funding was also provided to support ten stipendiary curacies in five dioceses. The Committee is aware of the College of Bishops discussions in relation to the use of a formula based Block Grant scheme of allocation of financial assistance to dioceses instead of the current application based method and has welcomed the opportunity to comment on the emerging proposals. Whilst acknowledging the desire to develop a funding basis which provides dioceses with greater discretion and responsibility in the use of the funds provided to them, the Committee would also wish to ensure that the possible uses of such funds be sufficiently well defined to minimise potential ambiguity and misunderstanding between dioceses and to enable an appropriate degree of accountability.

Financial assistance was provided to congregations in all dioceses to assist in the funding of a variety of building maintenance projects. The Committee was pleased to be able to provide seventeen grants totalling £40,445 from the Dunderdale Building Fund and two loans totalling £132,225 from the Building Loans Fund. No applications were however received for “emergency” grants from the small fund which continues to be available during the ongoing moratorium on Maintenance and Development Fund grants. As reported last year the Committee, in conjunction with the Administration Board and the Buildings Committee, has been considering the future of the buildings grants programmes it administers. During the year a questionnaire was issued to all congregations asking a range of questions relating to building grants. The Committee is grateful to all those that responded. At the year end a reminder was sent to all those congregations that had not responded in the hope that a more complete picture can be established to inform further discussions.

One of the Committee’s responsibilities is to recommend the level of Standard Stipend to the Administration Board. For the past 15 years the Committee has endorsed the General Synod decision of 2000 to achieve and maintain parity with the Church of England National Stipend Benchmark. In considering the level of Stipend for 2015 the Committee was however of the view that it would be appropriate to increase stipend by more than the 2% agreed by the Church of England and recommended an increase of 2½% in line with then rate of RPI. Whilst accepting the Board’s view that it would be inappropriate to depart from the current policy without a more general review of clergy remuneration the Committee remains concerned regarding stipend levels and welcomes the Board’s suggestion that such a review be considered following the Actuarial Valuation of the Pension Fund due to be undertaken during 2015.

Once again I am most grateful for the good humoured collegial approach adopted by the members of the Committee in undertaking its work. 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 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
290,233	Allocation from General Fund	369,100	334,609	(34,491)
10,232	Investment income	10,000	10,337	337
15,000	Legacies and donations	16,000	1,481	(14,519)
<u>315,465</u>	<i>Total Income</i>	<u>395,100</u>	<u>346,427</u>	<u>(48,673)</u>
EXPENDITURE				
77,328	Curate grants	108,250	100,587	7,663
187,405	Stipend Support grants	236,850	199,660	37,190
9,000	Other grants	6,000	6,000	-
35,370	Travel / Island grants	35,670	35,670	-
5,175	Child Allowance	5,000	3,300	1,700
1,187	Resettlement grants	3,330	1,210	2,120
<u>315,465</u>	<i>Total Expenditure</i>	<u>395,100</u>	<u>346,427</u>	<u>48,673</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 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
60,304	Allocation from General Fund	65,000	40,445	(24,555)
<u>60,304</u>	<i>Total Income</i>	<u>65,000</u>	<u>40,445</u>	<u>(24,555)</u>
EXPENDITURE				
20,774	Grants - Issued		34,683	
39,530	- Earmarked		5,762	
<u>60,304</u>	<i>Total Expenditure</i>	<u>65,000</u>	<u>40,445</u>	<u>24,555</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 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
2,673	Interest on loans	3,000	12,655	9,655
<u>2,673</u>	<i>Total Income</i>	<u>3,000</u>	<u>12,655</u>	<u>9,655</u>
BALANCES				
Revenue (liquid funds for advancement of loans)				
2,673	Surplus/(deficit) for year	3,000	12,655	9,655
18,000	Transfer (to)/from capital	(217,806)	(77,999)	139,807
214,133	Balance brought forward	234,806	234,806	-
<u>234,806</u>	<i>Balance carried forward</i>	<u>20,000</u>	<u>169,462</u>	<u>149,462</u>

Actual 2013 £	CAPITAL ACCOUNT	Actual 2014 £
156,500	Balance brought forward	138,500
<i>Transfers to revenue</i>		
(18,000)	Loans repaid	(44,226)
-	Previously earmarked loans no longer required	(10,000)
<i>Transfers from revenue</i>		
-	Loans paid/earmarked	132,225
(18,000)	Net transfer from / (to) revenue	77,999
<u>138,500</u>	<i>Balance carried forward</i>	<u>216,499</u>

Finance Committee

Free and Open Church Association

Actual 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
796	Investment income	797	805	8
2	Interest	3	2	(1)
<u>798</u>	<i>Total Income</i>	<u>800</u>	<u>807</u>	<u>7</u>
EXPENDITURE				
200	Grants issued	800	110	690
<u>200</u>	<i>Total Expenditure</i>	<u>800</u>	<u>110</u>	<u>690</u>
BALANCES				
Revenue				
598	Surplus/(deficit) for year	-	697	697
6,489	Balance brought forward	7,087	7,087	-
<u>7,087</u>	<i>Balance carried forward</i>	<u>7,087</u>	<u>7,784</u>	<u>697</u>
CAPITAL ACCOUNT				
18,086	Balance brought forward		20,182	
2,096	Unrealised gain on revaluation as at 31 December 2014		1,109	
<u>20,182</u>	<i>Balance carried forward</i>		<u>21,291</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 2014.

In the light of the possible threat to grants for building repairs and developments from the Maintenance and Development Fund the Committee had supported the Finance Committee in its proposal to send out two questionnaires to all charges enquiring about their buildings and their experience of and requirements for grant assistance with buildings matters and was disappointed with the negative response received from Dioceses to this proposal. It therefore supported the distribution of a shorter questionnaire in the hope of receiving a fuller, more meaningful, response and the subsequent sending out of a reminder. Concern for the future was expressed if resources at vestry level were such that the questionnaire could not be adequately responded to.

The Committee reviewed the scope of Canon 35 in relation to Church grounds and graveyards and undertook to consider whether it would be appropriate to recommend the specific inclusion of these within the scope of the Canon.

The Committee also began its review of the current guidance provided on compliance with the Disability Discrimination Act 1995 as superseded by the Equality Act of 2010.

Clifford Piper and Hugh Symmons retired from the Committee and were thanked warmly for their contribution to the work of the Committee over their period of membership.

Alex Stewart
Convener

Personnel Committee

The Personnel Committee is responsible for considering general personnel policy issues affecting clergy as a whole within the SEC and in particular terms and conditions of clergy service. The Committee met four times in 2014.

The Committee has had a fairly heavy workload this year. There has been much work on a capability procedure and sickness absence procedure which when completed will be subject to consultation and will require a change to the Canons.

Considerable work has been done on updating the handbook for stipendiary clergy which should be available for issue in 2015. Work has begun on a Bishop's handbook to help ensure consistency across the Province in personnel matters.

The guidelines for flexible working and parental leave were updated in line with recent legislation changes and issued. Guidelines for retention and updating of personnel files were issued to Diocesan offices and the Committee also commenced work to consider the applicability of "clergy current status" reference letters as used in the Church of England to see whether a common style could be developed for use in Scotland when Bishops are asked for references at the time of clergy moves.

The main priorities for 2015 are to produce a bullying and harassment policy, to update the appointments process in the light of recent practice and to complete the capability and sickness absence policies.

The Committee welcomed Andrew Barton at its meeting in May but later in the year wished him well as he departed for a role in England. I took over as Convener at the beginning of the year and would like to thank Nick Bowry, the previous Convener for all his work. I would also like to thank John Stuart for all his efforts for the Committee which enables us to work effectively.

Maureen McKellar
Convener

Retirement Welfare Committee

The Committee's main remit is to provide assistance from the Housing Fund for retired clergy and their spouses or civil partners who are unable to fully fund adequate accommodation from their own resources. In order to qualify for assistance, clergy must be members of the SEC Pension Fund and have completed 10 years full time stipendiary service in the SEC.

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

There are two options depending on circumstances:

1. Standard Rented Property

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

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

2. Shared Ownership

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

Under Shared Ownership there are two options

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

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

The Committee oversees the acquisition and disposal of properties, arranges repairs and undertakes regular visits to properties. The Housing Fund has an interest in 44 properties throughout Scotland. The Committee approved approximately £25,000 in repairs and renovations over the year.

One property was bought in 2014 and one was on the market at the year end.

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

In addition a Christmas Gift is made to pensioners. In 2014 this amounted to a payment of £100 each to 330 pensioners. The payment is under review as the increasing number of pensioners is putting pressure on the Fund.

Elliott Glen-Esk
Convener

Retirement Welfare Committee Supplementary Fund

Actual 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/ (adv) £
INCOME				
36,232	Investment income	36,232	36,594	362
42	Interest	50	41	(9)
2,000	Cargill Trust - Widows and Orphans	2,000	2,000	-
325	Donation	-	1,375	1,375
<u>38,599</u>	<i>Total Income</i>	<u>38,282</u>	<u>40,010</u>	<u>1,728</u>
EXPENDITURE				
906	Grants - Clergy	4,000	690	3,310
3,300	- Widows and Orphans	4,000	500	3,500
30,700	- Christmas payment	30,000	31,700	(1,700)
1,203	- Yearbooks (retired clergy)	1,200	1,303	(103)
811	Pension Fund (CRBF) top up	1,500	-	1,500
121	Miscellaneous	120	109	11
6,145	GSO Administration charge	6,145	6,145	-
<u>43,186</u>	<i>Total Expenditure</i>	<u>46,965</u>	<u>40,447</u>	<u>6,518</u>
BALANCES				
Revenue				
(4,587)	Surplus/(deficit) for year	(8,683)	(437)	8,246
35,158	Balance brought forward	30,571	30,571	-
<u>30,571</u>	<i>Balance carried forward</i>	<u>21,888</u>	<u>30,134</u>	<u>8,246</u>
CAPITAL ACCOUNT				
Actual 2013 £			Actual 2014 £	
808,245	Balance brought forward		903,600	
95,355	Unrealised gain on revaluation as at 31 December 2014		50,428	
<u>903,600</u>	<i>Balance carried forward</i>		<u>954,028</u>	

Retirement Welfare Committee Housing Fund

Actual 2013 £		Revised Budget 2014 £	Actual 2014 £	Variance fav/(adv) £
INCOME				
15,457	Interest	5,000	6,061	1,061
7,094	Investment income	22,844	23,193	349
72,581	Rents	73,000	74,683	1,683
<u>95,132</u>	<i>Total Net Income</i>	<u>100,844</u>	<u>103,937</u>	<u>3,093</u>
EXPENDITURE				
5,702	Insurance	5,900	5,828	72
29,204	Repairs	35,000	25,444	9,556
7,496	Gas appliance and electrical testing	8,000	7,556	444
-	Property surveys / legal fees	2,500	492	2,008
11,750	GSO Administration Charge	11,750	11,750	-
<u>54,152</u>	<i>Total Expenditure</i>	<u>63,150</u>	<u>51,070</u>	<u>12,080</u>
BALANCES				
Revenue				
40,980	Surplus/(deficit) for year	37,694	52,867	15,173
(53,696)	Transfers (to)/from capital	(37,946)	(45,403)	(7,457)
12,968	Balance brought forward	252	252	-
<u>252</u>	<i>Balance carried forward</i>	<u>-</u>	<u>7,716</u>	<u>7,716</u>
CAPITAL ACCOUNT				
Additions to capital				
-	Profit on sale of property		-	
-	Purchase of property		177,247	
-	Capital repairs		-	
53,696	Net funds placed on deposit account		-	
<u>53,696</u>			<u>177,247</u>	
Disposals of capital				
-	Sales of property (book value)		-	
-	Net funds from deposit account		131,844	
<u>-</u>			<u>131,844</u>	
53,696	<i>Net additions of capital</i>		45,403	
4,055,504	Balance brought forward		4,127,870	
18,670	Unrealised gain on revaluation as at 31 December 2014		24,086	
<u>4,127,870</u>	<i>Balance carried forward</i>		<u>4,197,359</u>	

Miscellaneous Funds

Actual 2013		Actual 2014
£	INCOME	£
133,799	Investment income	132,921
3,000	Legacies and donations	3,000
33,000	Other income	31,000
<u>169,799</u>	<i>Total Net Income</i>	<u>166,921</u>
	EXPENDITURE	
400	Building repairs	37,088
122,278	Grants	128,356
420	Other expenditure	17,961
500	GSO Administration charge	500
<u>123,598</u>	<i>Total Expenditure</i>	<u>183,905</u>
	BALANCES	
	Revenue	
46,201	Surplus/(deficit) for year	(16,984)
-	Transfer from Standing Committee to fund IT upgrade	70,000
275,640	Balance brought forward	321,841
<u>321,841</u>	<i>Balance carried forward</i>	<u>374,857</u>
Actual 2013	CAPITAL ACCOUNT	Actual 2014
£	INCOME	£
-	Donation	-
<u>-</u>	<i>Total Income</i>	<u>-</u>
	EXPENDITURE	
<u>-</u>	<i>Total expenditure</i>	<u>-</u>
	BALANCES	
-	Surplus/(deficit) for year	-
-	Transfer (to)/from revenue	-
3,257,050	Balance brought forward	3,641,822
384,772	Unrealised gain on revaluation as at 31 December 2014	203,481
<u>3,641,822</u>	<i>Balance carried forward</i>	<u>3,845,303</u>
	TOTAL FUNDS as at 31 December:	
321,841	Revenue	374,857
<u>3,641,822</u>	Capital	<u>3,845,303</u>
<u>3,963,663</u>		<u>4,220,160</u>
	Being for:	
1,046,638	Restricted purposes	1,103,747
<u>2,917,025</u>	Designated purposes	<u>3,116,413</u>
<u>3,963,663</u>		<u>4,220,160</u>

Pension Fund

The Trustees have responsibility for ensuring adequate funding of the SEC Pension Fund. The measure of funding level (and therefore the contribution rate) is tied in to a three year cycle of actuarial valuations which provide a measure of the assets and liabilities of the Scheme on a specific date. The most recent valuation of the Fund was carried out as at 31 December 2011 when the value of the Fund had increased since the 2008 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 after the 2008 valuation. 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. This resulted in a change to future benefit accrual from 1 January 2014 by increasing normal pension age from 65 to 67 and limiting future increases in pensionable salary and stipend. Following formal consultation with the members the amendment to the trust deed was signed in December 2013. The latest actuarial valuation is being carried out on the Fund as at 31 December 2014 with the results to be reported at General Synod in 2015.

The Trustees and Standing Committee had agreed a de-risking strategy in 2010 and this was reviewed in 2012. 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 when the final tranche of the Global Core Fund was sold and invested in fixed income assets. No changes were made in 2014 as the next trigger was not reached, and the strategy is due for further review in 2015.

At the year end, the benchmark asset allocation was 40% Diversified Growth Fund, 35% Long Dated Corporate Bond Fund, 15% Index Linked Bond Fund and 10% Long Dated Sterling Bond Fund. As at 31 December 2014, the Fund's net assets were £47,045,898, an increase of £5,623,180 over the previous year.

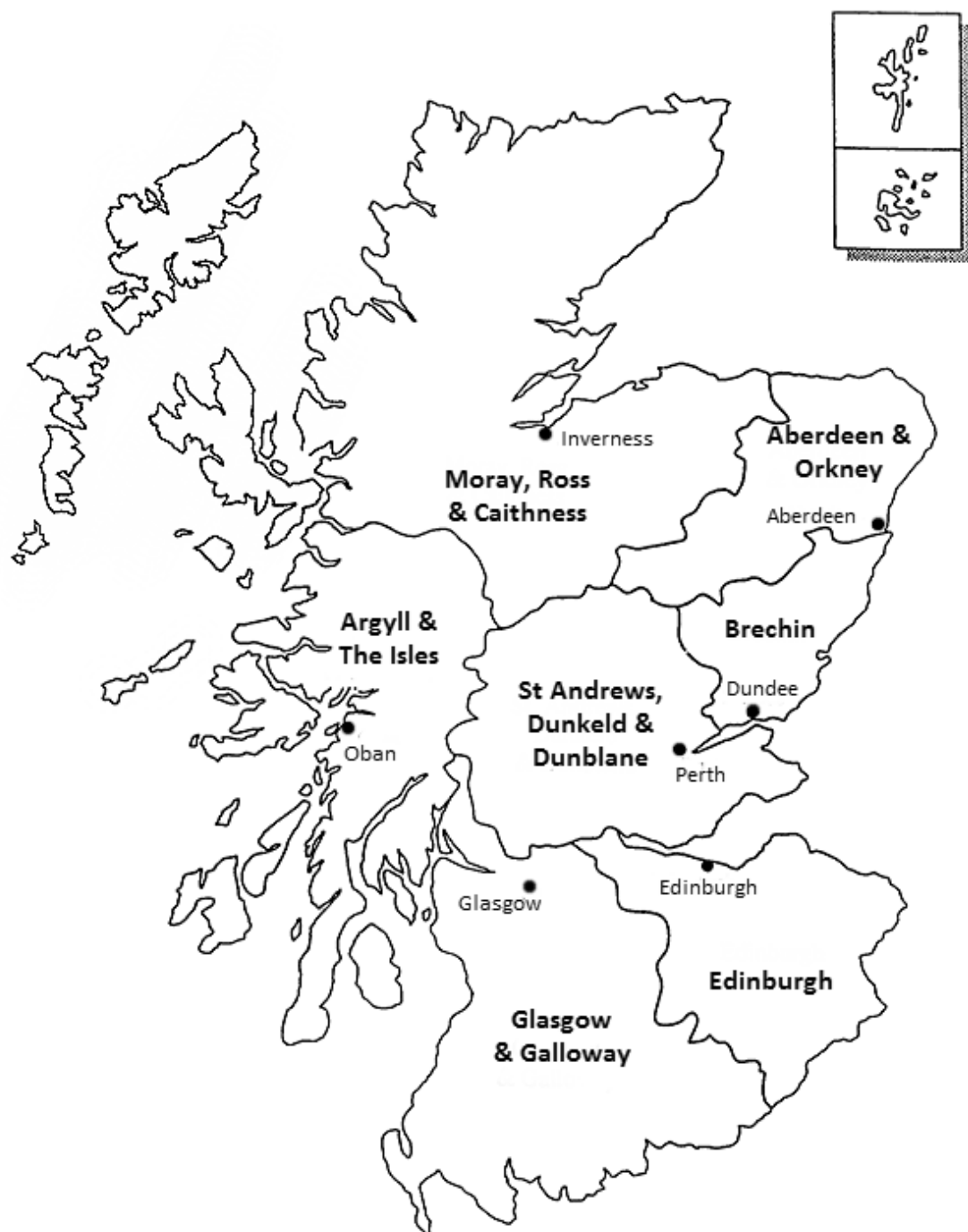
The Annual Report and Accounts for the year ended 31 December 2014 are available from Daphne Audsley at the General Synod Office.

On 31 December 2014, the number of members and beneficiaries was as follows:

Serving Members:	
Clergy	144
Staff	29
Pensioners:	
Clergy	224
Staff	38
Widowed Spouses	67
Members with deferred pension rights	132
	<hr/>
	<u>634</u>

Andrew November
Chairman

The Seven Dioceses of the Scottish Episcopal Church



Diocesan Statistics

Diocesan Summary

	ROLL		
	Membership	Communicant Numbers	Total Attendance
ABERDEEN	4,189	2,798	1,467
ARGYLL	1,095	701	448
BRECHIN	2,396	1,605	881
EDINBURGH	10,250	7,482	4,824
GLASGOW	6,760	4,798	2,766
MORAY	3,307	2,279	1,081
ST ANDREWS	4,637	3,482	2,144
TOTALS 2014	32,634	23,145	13,611
TOTALS 2013	34,119	24,852	13,631

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	203	138	94
Aberdeen:			
St Clement's	46	34	21
St Devenick's Bieldside	195	148	99
St James'	57	44	33
St John's	160	131	62
St Machar's Bucksburn	72	38	15
St Margaret's	375	242	58
St Mary's	133	126	60
St Mary's Cove Bay	41	14	9
St Ninian's	53	50	36
Aboyne	110	92	29
Alford	43	43	25
Auchindoir	31	24	7
Ballater	65	57	37
Banchory	300	201	78
Banff	42	18	6
Braemar	20	17	8
Buckie	141	30	23
Burravoe	28	9	7
Cruden	63	66	39
Cuminestown	22	21	8
Ellon	221	199	111
Fraserburgh	111	68	27
Insch	38	17	21
Inverurie	141	112	61
Kemnay	32	42	14
Kincardine O'Neil	88	71	14
Kirkwall	71	55	22
Lerwick	288	115	31
Longside	43	26	8
New Pitsligo	43	38	8
Old Deer	56	21	8
Oldmeldrum	35	25	19
Peterhead	141	89	45
Portsoy	14	10	8
Strichen	67	30	11
Stromness	3	3	8
Turriff	41	40	17
Westhill	458	236	243
Whiterashes	33	17	11
Woodhead All Saints	12	9	12
Student Chaplaincy	45	24	0
SOLI Fetlar	8	8	14
TOTALS 2014	4,189	2,798	1,467
TOTALS 2013	4,214	2,861	1,426

United Diocese of Argyll and The Isles

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Oban Cathedral	276	130	48
Ardbreknish	20	16	13
Ardchattan	<i>Included with Oban Cathedral</i>		
Arran	11	11	10
Ballachulish	17	15	10
Campbeltown	30	26	15
Dunoon	102	72	35
Duror	12	12	13
Eorraphaid/Tong	<i>(with Stornoway)</i>		
Fort William	74	52	40
Glencoe	39	22	21
Groline	24	24	13
Harris	21	17	15
Inverary	5	3	16
Iona	4	4	11
Islay	11	11	7
Kilmartin	11	7	<i>In Lochgilphead</i>
Kinlochleven	17	10	6
Kinlochmoidart/Strontian	25	25	10
Lochgilphead	53	29	15
Millport	20	9	22
North Uist:			
Holy Cross Chapel	7	5	2
St Brendan the Navigator	7	6	19
Onich	15	11	7
Portnacraois	13	8	7
Portree	90	73	18
Rothesay	38	31	33
Stornoway	139	62	33
Strontian <i>(see Kinlochmoidart)</i>	14	10	9
TOTALS 2014	1,095	701	448
TOTALS 2013	1,116	717	434

Diocese of Brechin

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	217	162	164
Arbroath	222	181	81
Auchmithie	8	8	8
Brechin	102	71	27
Broughty Ferry	146	143	42
Carnoustie	127	102	35
Catterline	<i>Included with Stonehaven</i>		
Drumlithie	15	4	0
Drumtochty	25	7	7
Dundee:			
St John's	31	22	18
St Luke's	21	17	14
St Margaret's	67	38	22
St Martin's	65	46	20
St Mary Magdalene	468	175	84
St Ninian's	114	94	37
St Salvador's	61	58	40
Fasque	22	16	6
Glencarse	128	100	30
Inverbervie	14	10	15
Invergowrie	59	40	18
Laurencekirk	75	40	13
Monifieth	77	64	84
Montrose	178	97	45
Muchalls	55	37	27
Stonehaven	84	65	37
Tarfside	15	8	7
TOTALS 2014	2,396	1,605	881
TOTALS 2013	2,509	1,652	757

Diocese of Edinburgh

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	949	825	318
Balerno	701	470	629
Bathgate	77	67	49
Bo'ness	121	87	29
Coldstream	71	55	17
Dalkeith	114	61	32
Dalmahoy	229	122	62
Dunbar	107	43	44
Duns	94	85	17
Edinburgh:			
Christ Church	417	286	181
Emmanuel	56	51	29
Good Shepherd	144	110	50
Holy Cross	210	177	45
Old St Paul's	400	256	204
St Barnabas'	91	35	15
St Columba's	121	111	70
St Cuthbert's	264	225	108
St David's	47	46	26
St Fillan's	93	58	37
St James', Leith	139	129	84
St John's	492	492	282
St Margaret's	27	27	20
St Mark's	156	114	55
St Martin's	85	77	34
St Michael/All Saints	154	115	60
St Ninian's	157	118	68
St Paul/St George	1,024	258	796
St Peter's	259	235	133
St Philip/St James	105	80	61
St Salvador's	32	28	19
St Thomas'	250	166	164
St Vincent's	61	57	24
Eyemouth	63	43	13
Falkirk	155	119	46
Galashiels	100	80	56
Grangemouth	127	100	37
Gullane	118	89	28
Haddington	162	132	55
Hawick	232	96	26
Innerleithen	37	31	10
Jedburgh	131	120	48
Kelso	147	102	50
Lasswade	148	58	45
Linlithgow	93	82	46
Livingston	344	344	111
Melrose	238	221	103
Musselburgh	119	119	66
North Berwick	201	156	79
Peebles	146	169	46
Penicuik	120	96	49
Prestonpans	<i>Closed November 2014</i>		
Rosslyn	110	85	45
Selkirk	71	60	38
South Queensferry	78	65	34
West Linton	63	49	31
TOTALS 2014	10,250	7,482	4,824
TOTALS 2013	10,787	8,232	4,728

United Diocese of Glasgow and Galloway

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	390	254	281
Airdrie/Monklands	160	68	25
Alexandria	74	54	27
Annan	34	32	17
Ardrossan **	88	62	38
Ayr	291	177	63
Bearsden	282	143	87
Bridge of Weir	22	19	17
Cambuslang	23	22	47
Castle Douglas	172	138	71
Challoch	102	68	14
Cumbernauld	40	36	20
Dalbeattie	73	50	30
Dalry **	42	23	15
Dumbarton	156	104	36
Dumfries	643	447	128
East Kilbride	81	61	35
Eastriggs	80	41	14
Gatehouse-of-Fleet	59	53	26
Girvan	Closed May 2014		
Glasgow:			
All Saints	60	52	38
Drumchapel Mission	11	10	5
Good Shepherd	60	39	36
Holy Cross	Closed December 2013		
St Aidan's	154	86	69
St Bride's	106	81	36
East End Ministry *	193	85	51
St James' (Bishopriggs)	124	90	47
St Margaret's	206	160	85
St Matthew's	42	37	26
St Ninian's	113	97	220
St Oswald's	39	38	13
St Silas	250	138	54
Gourock	35	35	13
Greenock	168	148	54
Gretna	87	58	19
Hamilton	225	175	70
Helensburgh	276	205	115
Irvine**	42	27	23
Johnstone	78	60	26
Kilmacolm	56	53	34
Kilmarnock	114	75	44
Kirkcudbright	64	58	28
Lanark	127	127	42
Largs	148	120	52
Lenzie	56	52	32
Lockerbie	56	43	22
Maybole	65	36	25
Milngavie	62	45	42
Moffat	45	42	25
Motherwell	63	55	36
New Galloway	48	44	25
Paisley	104	104	54
Port Glasgow	163	80	62
Portpatrick	26	23	16
Prestwick	101	87	38
Renfrew	90	61	49
Stranraer	31	30	15
Troon	202	134	100
Uddingston	29	28	15
Wishaw	29	28	19
TOTALS 2014	6,760	4,798	2,766
TOTALS 2013	7,061	5,161	3,031

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

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

**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	275	194	114
Aberlour	62	43	21
Black Isle Charges:	270	211	71
Arpafellie			
Cromarty			
Fortrose			
Culloden	39	26	22
Dingwall/Strathpeffer	317	126	50
Dufftown	16	14	4
East Sutherland Charges:	116	111	54
Brora			
Crask			
Dornoch			
Invershin			
Lairg			
Elgin/Lossiemouth/Burghead	429	259	89
Fochabers	131	128	28
Forres	169	177	133
Glenurquhart/Ft Augustus	49	15	21
Gordonstoun	55	0	31
Grantown	81	70	38
Isla Deveron Group:	134	65	44
Aberchirder			
Huntly			
Keith			
Invergordon	44	40	20
Inverness:			
St John's	153	98	31
St Michael's	111	51	26
North West Charges:	128	123	76
Achiltibuie			
Kinlochbervie			
Lochinver			
Tongue			
Ullapool			
Nairn	188	172	46
Rothiemurchus	125	55	34
South West Charges:	170	145	57
Kinlochewe			
Kishorn			
Lochalsh			
Poolewe			
Strathnairn	45	39	19
Tain	48	34	14
Thurso	87	43	20
Wick	65	40	18
TOTALS 2014	3,307	2,279	1,081
TOTALS 2013	3,280	2,353	947

United Diocese of St Andrews, Dunkeld and Dunblane

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	358	334	103
Aberdour	120	60	18
Aberfoyle	80	73	17
Alloa	81	81	31
Alyth	28	25	15
Auchterarder	75	70	40
Ballintuim	35	37	11
Blairstown	106	95	37
Bridge of Allan	158	119	65
Burntisland	68	50	18
Callander	45	35	21
Comrie	67	51	46
Coupar Angus	51	43	79
Crieff	81	64	27
Cupar	102	94	36
Dollar	149	120	73
Doune	76	74	21
Dunblane	173	115	55
Dunfermline	217	161	82
Dunkeld (Birnam)	96	90	30
Elie	39	38	14
Forfar	220	150	66
Glamis	32	32	17
Glenalmond	450	180	428
Glenrothes	32	30	23
Inverkeithing	40	32	10
Killin	13	12	8
Kilmaveonaig	46	24	11
Kinghorn	<i>(with Kirkcaldy)</i>		
Kinloch Rannoch	6	3	10
Kinross	189	103	40
Kirkcaldy	109	75	33
Kirriemuir	84	50	20
Ladybank	15	15	11
Leven	27	23	11
Locheearnhead	30	23	7
Lochgelly	22	19	11
Muthill	36	27	14
Newport	52	36	19
Perth, St John's	168	133	87
Pitlochry	55	37	17
Pittenweem	40	27	20
Rosyth	32	28	83
St Andrews:			
All Saints	228	168	105
St Andrews	227	202	150
Stanley	12	12	10
Stirling	196	151	70
Strathray/Aberfeldy	41	34	15
Tayport	30	27	9
TOTALS 2014	4,637	3,482	2,144
TOTALS 2013	5,152	3,876	2,308

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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 78 to 87 and 89 to 91.

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
23 April 2015

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Page No.	2014 General Fund Income	2014 Other Income	2014 Total Income (note 5)	2014 Expenditure	2014 Surplus/ (deficit)	2013 Surplus/ (deficit)
		£			£	£	£
General Fund	19	1,787,176	-	1,787,176	1,596,380	190,796	237,490
Allocated to Boards / Standing Committee		(1,596,380)	-	(1,596,380)	(1,596,380)	-	-
<i>Sub-total</i>		<u>190,796</u>	<u>-</u>	<u>190,796</u>	<u>-</u>	<u>190,796</u>	<u>237,490</u>
Standing Committee	20						
<i>Sub-total</i>		<u>828,635</u>	<u>-</u>	<u>828,635</u>	<u>758,635</u>	<u>70,000</u>	<u>-</u>
Administration Board							
Board	50	377,803	-	377,803	377,803	-	-
Allocated to Committees		(375,054)	-	(375,054)	(375,054)	-	-
Net (direct income and expenditure of Board)		<u>2,749</u>	<u>-</u>	<u>2,749</u>	<u>2,749</u>	<u>-</u>	<u>-</u>
Finance Committee							
Grants for Ministry Fund	54	334,609	11,818	346,427	346,427	-	-
Dunderdale Building Fund	55	40,445	-	40,445	40,445	-	-
Loans Fund	56	-	12,655	12,655	-	12,655	2,673
Free & Open Church Association	57	-	807	807	110	697	598
Retirement Welfare Committee							
Retirement Supplementary Fund	61	-	40,010	40,010	40,447	(437)	(4,587)
Retirement Housing Fund	62	-	103,937	103,937	51,070	52,867	40,980
Miscellaneous funds	63	-	166,921	166,921	183,905	(16,984)	46,201
<i>Sub-total for Board and its Committees</i>		<u>377,803</u>	<u>336,148</u>	<u>713,951</u>	<u>665,153</u>	<u>48,798</u>	<u>85,865</u>
Mission and Ministry Board							
Board	30	362,000	-	362,000	362,000	-	-
Allocated to Committees		(343,234)	-	(343,234)	(343,234)	-	-
Net (direct income and expenditure of Board)		<u>18,766</u>	<u>-</u>	<u>18,766</u>	<u>18,766</u>	<u>-</u>	<u>-</u>
Overseas Committee	38	-	113,980	113,980	114,673	(693)	2,883
Home Mission Committee	32	26,863	-	26,863	26,863	-	-
Church in Society Committee	36	28,168	1,482	29,650	29,650	-	-
Ministry Development Committee (SEI)	40	279,935	7,540	287,475	287,475	-	-
Recruitment and Selection	42	8,268	-	8,268	8,268	-	-
The Community Fund	44	-	3,682	3,682	2,407	1,275	(87)
Miscellaneous funds	46	-	22,837	22,837	1,520	21,317	3,344
<i>Sub-total for Board and its Committees</i>		<u>362,000</u>	<u>149,521</u>	<u>511,521</u>	<u>489,622</u>	<u>21,899</u>	<u>6,140</u>
Faith & Order Board							
Board	24	15,184	-	15,184	15,184	-	-
Publications	24	-	1,027	1,027	-	1,027	851
<i>Sub-total</i>		<u>15,184</u>	<u>1,027</u>	<u>16,211</u>	<u>15,184</u>	<u>1,027</u>	<u>851</u>
Information & Communication Board							
Board	48	12,758	-	12,758	12,758	-	(11,000)
Publications	48	-	7,063	7,063	4,023	3,040	(3,714)
<i>Sub-total</i>		<u>12,758</u>	<u>7,063</u>	<u>19,821</u>	<u>16,781</u>	<u>3,040</u>	<u>(14,714)</u>
TOTAL FOR YEAR		<u>1,787,176</u>	<u>493,759</u>	<u>2,280,935</u>	<u>1,945,375</u>	<u>335,560</u>	<u>315,632</u>

The notes on pages 81 to 87 form part of these accounts.

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2014

	Revenue Accounts and Reserves			Capital Accounts and Reserves				
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total	Total 2014	Total 2013
	£	£	£	£	£	£	£	£
Incoming Resources								
Incoming resources from generated funds								
Voluntary income								
Quota	658,837	-	658,837	-	-	-	658,837	639,648
Donations	28,795	19,062	47,857	-	-	-	47,857	50,410
Legacies	1,000	25,347	26,347	-	-	-	26,347	41,050
	688,632	44,409	733,041	-	-	-	733,041	731,108
Investment income								
Investment income - UTP distributions	1,232,010	101,432	1,333,442	-	-	-	1,333,442	1,297,991
Investment income - interest	21,240	6,145	27,385	-	-	-	27,385	28,144
Rental income	21,101	-	21,101	-	-	-	21,101	21,101
	1,274,351	107,577	1,381,928	-	-	-	1,381,928	1,347,236
	1,962,983	151,986	2,114,969	-	-	-	2,114,969	2,078,344
Incoming resources from charitable activities								
Publication sales	8,086	-	8,086	-	-	-	8,086	20,325
Other income	3,760	-	3,760	-	-	-	3,760	4,755
Pension Fund and investment administration fee	29,030	-	29,030	-	-	-	29,030	29,729
Rental income	-	74,683	74,683	-	-	-	74,683	72,581
	40,876	74,683	115,559	-	-	-	115,559	127,390
Other incoming resources								
Gain on sale of property	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total Incoming Resources	2,003,859	226,669	2,230,528	-	-	-	2,230,528	2,205,734
Resources Expended								
Charitable activities (note 6)								
Mission development and support	247,718	21,906	269,624	-	-	-	269,624	245,971
Ministry support and training	444,097	1,000	445,097	-	-	-	445,097	390,115
Ecumenical and church relations	112,922	-	112,922	-	-	-	112,922	107,339
Promotion, publication and communication	182,617	-	182,617	-	-	-	182,617	197,789
Support for retired clergy	32,274	73,910	106,184	-	-	-	106,184	108,067
Support and advice to dioceses and congregations within SEC	559,014	28,197	587,211	-	-	-	587,211	574,937
	1,578,642	125,013	1,703,655	-	-	-	1,703,655	1,624,218
Governance costs (note 6)	191,313	-	191,313	-	-	-	191,313	225,182
Total Resources Expended	1,769,955	125,013	1,894,968	-	-	-	1,894,968	1,849,400
Net Incoming Resources Before Transfers (note 2)	233,904	101,656	335,560	-	-	-	335,560	356,334
Transfers between funds	18,907	(18,907)	-	-	-	-	-	-
Transfers between revenue and capital	(277,999)	(45,952)	(323,951)	277,999	45,952	323,951	-	-
Gain on revaluation of investments (note 8)	-	-	-	1,657,531	171,094	1,828,625	1,828,625	3,412,811
Net Movement in Funds	(25,188)	36,797	11,609	1,935,530	217,046	2,152,576	2,164,185	3,769,145
Fund balances at 1 January 2014	1,610,177	226,526	1,836,703	29,177,191	6,964,418	36,141,609	37,978,312	34,209,167
Fund balances at 31 December 2014	1,584,989	263,323	1,848,312	31,112,721	7,181,464	38,294,185	40,142,497	37,978,312

All incoming resources are derived from continuing activities.

The notes on pages 81 to 87 form part of these accounts.

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
BALANCE SHEET AS AT 31 DECEMBER 2014**

	£	2014 £	£	2013 £
Fixed Assets (note 8)				
Heritable Properties at book value		3,312,677		3,135,430
Investments at market value (Book Cost: £7,780,654) (2013: £7,180,104)		34,541,125		32,111,951
Loans		<u>178,274</u>		<u>190,275</u>
		38,032,076		35,437,656
Current Assets				
Debtors (note 9)	704,442		682,370	
Bank & Cash	<u>1,480,582</u>		<u>1,974,818</u>	
	2,185,024		2,657,188	
Current Liabilities				
Creditors & Accruals (note 10)	<u>(74,603)</u>		<u>(116,532)</u>	
Net Current Assets		2,110,421		2,540,656
TOTAL ASSETS LESS LIABILITIES		<u>40,142,497</u>		<u>37,978,312</u>

Capital and Reserves (note 11)

General Fund	Capital	25,356,593		23,792,817	
	Revenue	<u>1,090,480</u>		<u>1,099,684</u>	
		26,447,073		24,892,501	
Administration Board	Capital	9,234,480		8,831,974	
	Revenue	<u>589,953</u>		<u>594,557</u>	
		9,824,433		9,426,531	
Mission and Ministry Board	Capital	3,703,112		3,516,818	
	Revenue	<u>156,149</u>		<u>134,799</u>	
		3,859,261		3,651,617	
Faith and Order Board	Capital	-		-	
	Revenue	<u>957</u>		<u>(70)</u>	
		957		(70)	
Information and Communication Board	Capital	-		-	
	Revenue	<u>10,773</u>		<u>7,733</u>	
		10,773		7,733	
TOTAL FUNDS (note 12)		<u>40,142,497</u>		<u>37,978,312</u>	

The notes on pages 81 to 87 form part of these accounts.

David J Palmer
Convener, Standing Committee
23 April 2015

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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 78, 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. The members of the Standing Committee are the Charity Trustees.
Administration Board	To oversee the general administration of the Church as a whole through its pendant committees.
Mission 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

	2014	2013
	£	£
Salaries	405,104	383,870
Pension contributions	135,764	133,515
Social security costs	38,199	37,574
Travel and subsistence	1,836	1,904
Training	1,456	733
	582,359	557,596
Average number of full time equivalent posts	12.1	12.3

Included in the “Staff Costs” disclosed in the various fund accounts on pages 19 to 63 and in the Statement of Financial Activities (page 79) 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:

	2014	2013
	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 2014 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 20 and 21.

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

2014	£11,820
2013	£11,580

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 £619 (2013: £536).

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 £	2014 Total £	2013 Total £
Charitable activities					
Mission development and support	27,763	165,321	76,540	269,624	245,971
Ministry support and training	157,392	243,057	44,648	445,097	390,115
Ecumenical and church relations	61,896	-	51,026	112,922	107,339
Promotion, publication and communication	16,781	-	165,836	182,617	197,789
Support for retired clergy	40,102	34,190	31,892	106,184	108,067
Provision of support and advice to Dioceses and Congregations	42,273	391,860	153,078	587,211	574,937
Governance	76,503	-	114,810	191,313	225,182
	422,710	834,428	637,830	1,894,968	1,849,400
2013	481,014	810,178	558,208	1,849,400	

7 Grants

Grants are made to Dioceses, Charges and individuals within the Scottish Episcopal Church for a number of purposes. Grants are also made to other church bodies, non-church bodies and to individuals. The range and variety of grants and further information regarding the grants made is provided in the accounts of the various funds (pages 19 to 63). The grants awarded during the year can be analysed:

	UK £	Overseas £	2014 Total £	2013 Total £
Scottish Episcopal Church bodies	659,783	-	659,783	641,702
Other church bodies	43,058	28,844	71,902	69,386
Non church bodies	2,569	-	2,569	9,331
Individuals	47,206	52,968	100,174	89,759
	752,616	81,812	834,428	810,178
2013	735,991	74,187	810,178	

Grants were awarded to 388 individuals (2013: 381).

Included in Creditors and Accruals are Grants totalling £26,542 approved but not paid out (2013: £49,530).

8 Fixed Assets

	Heritable Property £	Investments £	Loans £	Total £
At 31 December 2013	3,135,430	32,111,951	190,275	35,437,656
Additions during year	177,247	600,549	-	777,796
Disposals during year	-	-	-	-
New loans advanced in year	-	-	32,225	32,225
Loans repaid in year	-	-	(44,226)	(44,226)
Net gain on revaluation at 31 December 2014	-	1,828,625	-	1,828,625
Balance at 31 December 2014	3,312,677	34,541,125	178,274	38,032,076

The majority of the General Synod's investments are held in the Scottish Episcopal Church Unit Trust Pool. The Unit Trust Pool was established by the Investment Committee of the General Synod to bring together the disparate investments of the various funds of the General Synod, the Dioceses and the individual congregations of the Church to enable these to be managed professionally. The Unit Trust Pool is therefore purely an investment vehicle of the Scottish Episcopal Church. 73.7% of investments in the Unit Trust Pool relate to UK investments. The unit value at 31 December 2014 was £13.0510. 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 2015 was £13.9139 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

	2014 £	2013 £
Accrued Unit Trust Pool distribution	689,496	664,111
Sundry debtors including grant repayments	14,946	9,910
Prepayments and accrued income	-	8,349
	<u>704,442</u>	<u>682,370</u>

10 Creditors

	2014 £	2013 £
Grants approved but not paid	26,542	49,530
Accruals and deferred income	48,061	67,002
	<u>74,603</u>	<u>116,532</u>

11 Reconciliation of movement in funds

	Balance at 31 Dec 13	Surplus/ (deficit) for year	Transfers between Revenue & Capital	Transfer to Computer Fund	Unrealised gain on revaluation at 31 Dec 14	Balance at 31 Dec 14
	£	£	£	£	£	£
Capital and Reserves						
General Fund	23,792,817	-	200,000	-	1,363,776	25,356,593
Administration Board	8,831,974	-	123,402	-	279,104	9,234,480
Mission & Ministry Board	3,516,818	-	549	-	185,745	3,703,112
Faith & Order Board	-	-	-	-	-	-
Information & Communication Board						
	36,141,609	-	323,951	-	1,828,625	38,294,185
	£	£	£	£	£	£
Revenue						
General Fund	1,099,684	190,796	(200,000)	-	-	1,090,480
Standing Committee	-	70,000	-	(70,000)	-	-
Administration Board	594,557	48,798	(123,402)	70,000	-	589,953
Mission & Ministry Board	134,799	21,899	(549)	-	-	156,149
Faith & Order Board	(70)	1,027	-	-	-	957
Information & Communication Board	7,733	3,040	-	-	-	10,773
	1,836,703	335,560	(323,951)	-	-	1,848,312
Total Funds	37,978,312	335,560	-	-	1,828,625	40,142,497

Standing Committee agreed to a transfer of £70,000 to the Computer Fund, one of the Administration Board's miscellaneous funds, to fund the upgrade of the General Synod Office's IT systems.

12 Analysis of net assets between funds

Fund balances at 31 December 2014 are represented by:

	Unrestricted Funds	Housing Fund	Restricted Funds Other Funds	Total Restricted	Total Funds
	£	£	£	£	£
Fixed Assets					
Heritable Property at cost	27,596	3,074,496	210,585	3,285,081	3,312,677
Investments at market value	31,180,987	599,380	2,760,758	3,360,138	34,541,125
Loans	116,499	61,775	-	61,775	178,274
Current Assets					
Debtors & Prepayments	655,971	15,258	33,213	48,471	704,442
Bank & Cash	788,019	454,166	238,397	692,563	1,480,582
Current Liabilities					
Creditors & Accruals	(71,362)	-	(3,241)	(3,241)	(74,603)
	32,697,710	4,205,075	3,239,712	7,444,787	40,142,497

The majority of Unrestricted Funds are Undesignated Funds. The total of Undesignated Funds, representing the General Fund, at 31 December 2014 was £26.4m (2013 24.9m).

The majority of Restricted Funds relate to the Retirement Housing Fund administered by the Retirement Welfare Committee (see the Committee's report on page 60 and the Fund's financial statement on page 62). The Fund provides assistance in the provision of retirement housing to eligible beneficiaries of the SEC Pension Fund (mostly retired clergy and their widowed spouses / partners). It has an interest in 44 properties located throughout Scotland. A number of the properties were specifically gifted to the General Synod for such use. The Fund has also benefitted from legacies and donations given to assist in the provision of housing to retired clergy.

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 £946,000 relates to the Retirement Supplementary Fund administered by the Retirement Welfare Committee. (The Fund's financial statement is on page 61) 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 46 and 63 include these Restricted Funds with other Designated Funds administered by the Boards.)

13 Future commitments

A loan of £100,000 to a charge had been approved but not drawn down at the Balance Sheet date. £50,000 of the loan has subsequently been drawn down.

Prior to the year end contracts were agreed for a general upgrade of the computer equipment within the General Synod Office and the replacement of accounting software. The total value of the contracts is approximately £50,000 against which payments of almost £18,000 had been made by 31 December 2014. Further payments of £24,500 had been made by 23 April 2015. The costs of the upgrade and proposed replacement of the General Synod Office's database will be funded from the £70,000 transfer of funds to the designated Computer Fund. (See note 11.)

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 2014 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 77, 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 2014 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on which we are required to report by exception

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

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

CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh EH3 6NL

24 April 2015

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

THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL
STATEMENT OF TOTAL RETURN YEAR ENDED 31 DECEMBER 2014

	£	2014 £	£	2013 £
Income				
Capital gains/(losses) - net				
Realised		1,630,745		862,114
Unrealised		<u>1,674,768</u>		<u>4,672,445</u>
		3,305,513		5,534,559
Revenue	1,568,537		1,555,740	
Management expenses	<u>208,575</u>		<u>195,679</u>	
		<u>1,359,962</u>		<u>1,360,061</u>
Total return before distributions		4,665,475		6,894,620
Distributions (50.5p per unit. 2013: 50p)		<u>1,969,309</u>		<u>1,903,495</u>
Change in net assets attributable to unitholders from investment activities		<u>2,696,166</u>		<u>4,991,125</u>
Statement of change in net assets attributable to unitholders				
Net assets attributable to unitholders as at 31 December 2013		47,274,770		41,804,927
Receipts from issue of new units		1,203,553		813,814
Realisation of units:				
Book value		(152,980)		(217,963)
Appreciation		<u>(31,710)</u>		<u>(117,133)</u>
		48,293,633		42,283,645
Change in net assets attributable to unitholders from investment activities		<u>2,696,166</u>		<u>4,991,125</u>
Net assets attributable to unitholders as at 31 December 2014		<u>50,989,799</u>		<u>47,274,770</u>
Number of units in issue		<u>3,906,979</u>		<u>3,826,351</u>
Unit value as at 31 December 2014		<u>£13.0510</u>		<u>£12.3551</u>

**THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL
BALANCE SHEET AS AT 31 DECEMBER 2014**

	Notes	2014 £	2013 £
Capital Account			
Investments valued at closing prices	3	51,050,067	47,842,157
Current Assets			
Bank		1,088,517	481,254
Settlements receivable		-	83,210
Investment income receivable		11,548	22,974
Income tax recoverable		<u>26,556</u>	<u>2,457</u>
		<u>1,126,621</u>	<u>609,895</u>
Current Liabilities			
Sundry creditors		56,154	53,365
Proposed distribution at 26p/unit (2013: 25.5p/unit)		1,015,815	975,720
Settlements payable		-	83,197
Funds awaiting investment		<u>114,920</u>	<u>65,000</u>
		<u>1,186,889</u>	<u>1,177,282</u>
Net Current (Liabilities)		(60,268)	(567,387)
Total Net Assets attributable to unitholders		<u>50,989,799</u>	<u>47,274,770</u>

David J Palmer
Convener, Standing Committee
23 April 2015

THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 52. An Ethical Investment Policy has been adopted in respect of the Unit Trust Pool (see page 93).

Investment Managers

For the year ended 31 December 2014, 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 2014 was £194,434 (2013 £184,682) 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>16,662,347</u>	32.6%
Baillie Gifford Corporate Bond Fund C Income	<u>16,149,780</u>	31.6%

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 2014 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 77, 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 2014 and of its total return for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh EH3 6NL

24 April 2015

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