



# **Scottish Episcopal Church**

## **37th Annual Report**

**The General Synod of the Scottish Episcopal Church**

**Annual Report and Accounts for the year ended 31 December 2019**

### **Covid-19**

The reports of the Boards and Committees contained in this Annual Report were prepared before the Covid-19 pandemic took hold in the UK and should therefore be read in that light.

## **Notes**

### **Membership**

The membership of each Board and Committee is listed on pages 3 - 6 and reflects the membership at 31 December 2019.

### **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

Published by the General Synod Office

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# General Synod of The Scottish Episcopal Church

## Reference and administrative information

|                                 |   |                 |
|---------------------------------|---|-----------------|
| <b>Charity name and address</b> | General Synod of the Scottish Episcopal Church<br>21 Grosvenor Crescent<br>Edinburgh EH12 5EE   |                 |
| <b>Scottish Charity Number</b>  | SC015962  |                 |
| <b>Charity Trustees</b>         | <i>Standing Committee</i><br>Mr Robert Gordon (Convener)<br>Most Rev Dr Mark Strange<br>Rt Rev Dr John Armes<br>Dr John Ferguson-Smith (to 8 June 2019)<br>Mr James Gibson<br>Rev Chris Mayo (to 10 February 2019)<br>Rt Rev Kevin Pearson<br>Rev Canon Dave Richards<br>Rev Canon Jane Ross (to 3 February 2020)<br>Very Rev Alison Simpson<br>Ms Jenny Whelan (from 8 June 2019)  |                 |
| <b>Principal Officers</b>       | Secretary General   | Mr John Stuart  |
|                                 | Treasurer   | Mr Malcolm Bett |
| <b>Solicitors</b>               | Shepherd and Wedderburn LLP<br>1 Exchange Crescent, Conference Square<br>Edinburgh EH3 8UL  |                 |
| <b>Auditor</b>                  | Chiene + Tait LLP<br>Chartered Accountants and Statutory Auditor<br>61 Dublin Street<br>Edinburgh EH3 6NL   |                 |
| <b>Fund Managers</b>            | Baillie Gifford & Co<br>Calton Square, 1 Greenside Row<br>Edinburgh EH1 3AN   |                 |
| <b>Bankers</b>                  | Bank of Scotland plc<br>Triodos Bank NV<br>Scottish Widows Bank plc   |                 |
| <b>Trustees for the Charity</b> | <i>Trustees of the General Synod of the Scottish Episcopal Church</i><br>Lady Caroline Douglas-Home<br>Mr Martin Haldane<br>Rt Rev Edward Luscombe<br>The Hon Lord McEwan<br>Canon David Palmer (to 4 January 2020)<br>Sheriff Alexander Wilkinson<br><br><i>Directors of Scottish Episcopal Church Nominees</i><br>Rt Rev David Chillingworth<br>Lady Caroline Douglas-Home<br>Dr John Ferguson-Smith (from 3 July 2019)<br>Mr Gavin Gemmell<br>Mr Martin Haldane<br>The Hon Lord McEwan<br>Canon David Palmer (to 4 January 2020)<br>Most Rev Mark Strange<br>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 2019 by the Primus, Most Rev Mark Strange**

It is with great pleasure that I present to you this Annual Report of the Scottish Episcopal Church.

As is usual this has been a year of challenge and joy: we have seen newly ordained clergy setting out on new journeys, have witnessed celebrations of women's ministry among us and have elected a new Bishop of Glasgow and Galloway.



The process for that election has been long and at times difficult, learning to listen to the voices in the diocese while being aware of the needs of the wider church. My memory of the day the College of Bishops met with the electorate of Glasgow and Galloway was of a Church coming together in prayer and honesty to seek God's will. We now look forward to the Installation of Bishop Kevin and pray for him and Elspeth as they prepare to move. This will leave a vacancy in Argyll and The Isles and the mandate for an episcopal election will be issued by me when the vacancy begins.

Last year at General Synod we spent time considering the growing climate crisis, especially in our debate on ethical investment. The passion and the concern revealed in that debate has led to a year of preparation towards a coordinated approach to our Church's response to the needs of the environment. We are very aware of the forthcoming COP meeting in Glasgow and the need for us to be involved.

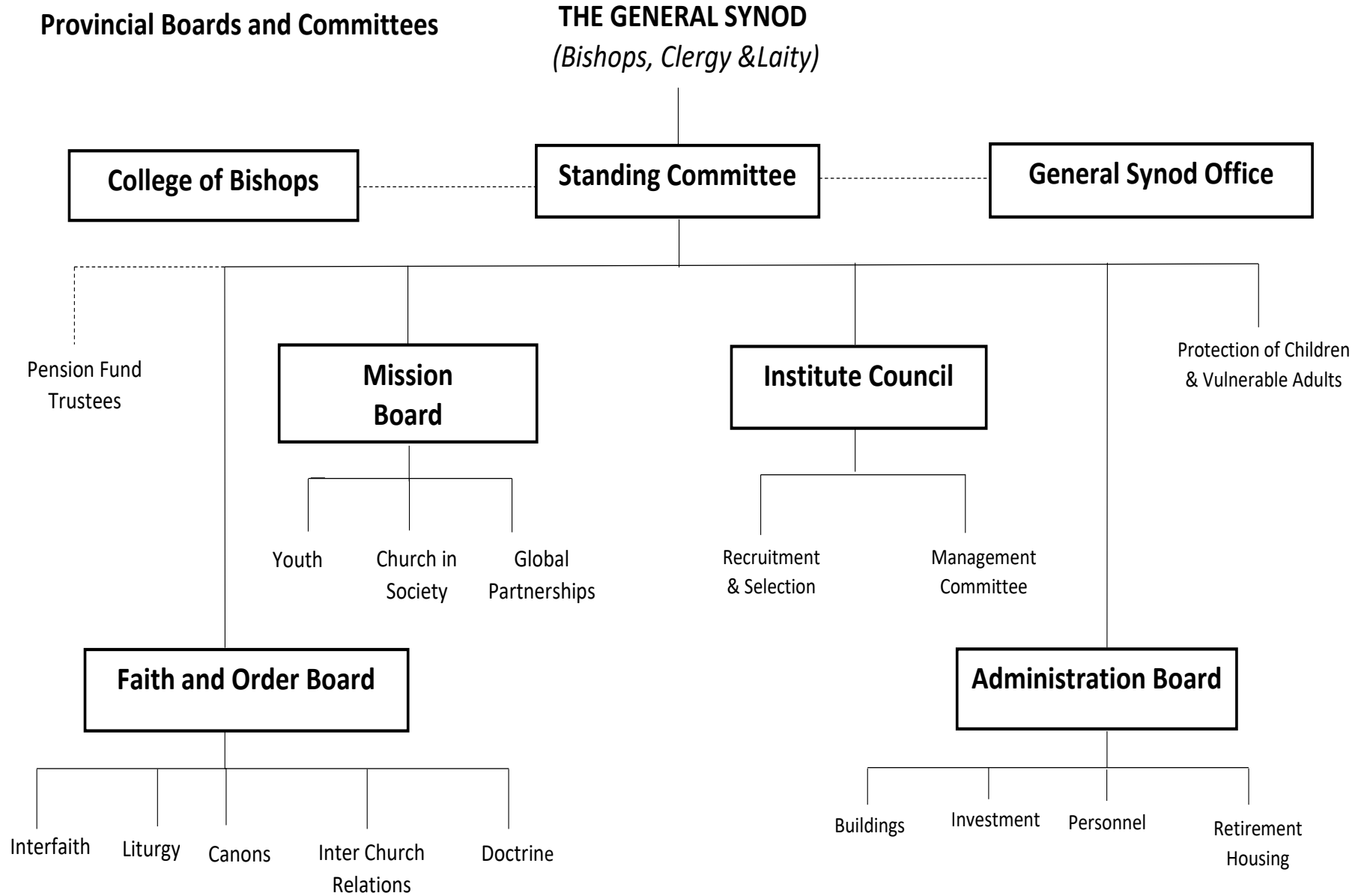
General Synod 2019 also addressed the report received from the Personnel Committee which highlighted a number of issues concerning clergy wellbeing, including bullying and harassment. I would pay tribute to the hard work of the Personnel Committee, and especially its convener, Jan Whiteside, who has worked alongside the College of Bishops and the Standing Committee and spoken with many of those who responded to the survey. The College of Bishops is determined to support work at all levels to bring about change and create a healthier Church.

A backdrop to all our internal debates and discussions in the Church has been the major political issue of Brexit. As a nation, we are still unsure how this will affect our daily lives let alone the future of Scotland and the UK. It is clear that the debate is far from over and that this in turn fuels the debate on the place of Scotland both in Europe and the UK. The Bishops have placed reconciliation at the heart of our discussions and aspirations, whatever the outcome of these political debates. We are a Scottish Church determined to serve the needs of the people regardless of their political views. The political unrest has also heightened the need for people of faith to listen to each other and to work together for a safe and tolerant society. We continue to work with those of other faiths, learning to trust and respect each other and to ensure we live in a society where people are free to follow their faith and worship without fear. In recognition of the importance of interfaith relations, we have 'promoted' the new Interfaith Relations Committee to full committee status under the Faith and Order Board.

As 2019 drew to a close, we began preparing for the arrival of Bishops and Archbishops to Scotland prior to the 2020 Lambeth Conference. Those visits and the conference will engage the Scottish Bishops for much of the summer and we are seeking ways of including the whole church in the build-up to, and follow-up after, those events.

2019 was a busy year but as I have travelled the Province, also a year of joyful worship, deep commitment to prayer and a desire to serve faithfully the people of our communities, allowing them to glimpse the light of Christ through us.

**Bishop Mark  
Primus**





## Board and Committee Membership

### Standing Committee

|   |                                       |             |
|---|---------------------------------------|-------------|
| Mr R Gordon                               | Convener                              | 2015 - 2020 |
| Rt Rev the Bishop of Edinburgh            | College of Bishops                    |             |
| Most Rev the Primus                       | Convener, Faith and Order Board       |             |
| Rev Canon H J Ross                        | Convener, Mission Board               | 2015 - 2020 |
| Mr J N Gibson                             | Convener, Administration Board        | 2019 - 2024 |
| Rt Rev the Bishop of Argyll and The Isles | Convener, Institute Council           | 2015 - 2020 |
| Rev Canon D G Richards                    | General Synod Representative (clergy) | 2015 - 2023 |
| Very Rev A Simpson                        | General Synod Representative (clergy) | 2015 - 2023 |
| Ms J Whelan                               | General Synod Representative (laity)  | 2019 - 2023 |

### Committee for the Protection of Children and Vulnerable Adults

|                             |          |             |
|-----------------------------|----------|-------------|
| Mr C M Townsend             | Convener | 2016 - 2021 |
| Mr R Baker                  | Member   | 2018 - 2022 |
| Rev Canon Dr M F Chatterley | Member   | 2017 - 2021 |
| Mr C V Gregory              | Member   | 2014 - 2022 |
| Mrs A Jones                 | Member   | 2019 - 2023 |
| Mr R Nellist                | Member   | 2014 - 2022 |

### Faith and Order Board

|  |                                  |             |
|--|----------------------------------|-------------|
| Most Rev the Primus                                      | Convener                         |             |
| Rt Rev the Bishop of Aberdeen and Orkney                 |                                  |             |
| Rt Rev the Bishop of Argyll and The Isles                |                                  |             |
| Rt Rev the Bishop of Brechin                             |                                  |             |
| Rt Rev the Bishop of Edinburgh                           |                                  |             |
| Rt Rev the Bishop of Glasgow and Galloway                | Vacancy                          |             |
| Rt Rev the Bishop of St Andrews,<br>Dunkeld and Dunblane |                                  |             |
| Mr G Robertson   | Convener, Committee on Canons    | 2018 - 2023 |
| Rev Canon Prof D Jasper                                  | Convener, Doctrine Committee     | 2017 - 2022 |
| Rev Canon J M McLuckie                                   | Convener, ICRC                   | 2016 - 2021 |
| Rev C L Blakey   | Convener, Interfaith Committee   | 2015 - 2020 |
| Dr J R Davies  | Convener, Liturgy Committee      | 2015 - 2020 |
| Dr N Mills   | Aberdeen and Orkney              | 2015 - 2023 |
| Rev Prof D Atkinson                                      | Aberdeen and Orkney              | 2018 - 2022 |
| Mr C J Sibley  | Argyll and The Isles             | 2019 - 2023 |
| Rev Canon S Mackenzie                                    | Argyll and The Isles             | 2016 - 2020 |
| Dr J Jacobs  | Brechin                          | 2018 - 2022 |
| Very Rev Dr F Bridger                                    | Brechin                          | 2015 - 2023 |
| Mrs V Elliott  | Edinburgh                        | 2019 - 2023 |
| Rev Canon M Round  | Edinburgh                        | 2016 - 2020 |
| Mr K Boak  | Glasgow and Galloway             | 2017 - 2021 |
| Rev P R Watson   | Glasgow and Galloway             | 2019 - 2023 |
| Mr G Swain   | Moray, Ross and Caithness        | 2018 - 2022 |
| Rev Canon Dr J Cuthbert                                  | Moray, Ross and Caithness        | 2019 - 2023 |
| Rev G Taylor   | St Andrews, Dunkeld and Dunblane | 2018 - 2022 |
| Mr B Grimley   | St Andrews, Dunkeld and Dunblane | 2016 - 2020 |
| Rev Canon Dr A L Tomlinson                               | Pantonian Professor              |             |

### Committee on Canons

|                     |                    |             |
|---------------------|--------------------|-------------|
| Mr G Robertson      | Convener           | 2018 - 2023 |
| Most Rev the Primus | College of Bishops |             |
| Mr G MacWilliam     | Member             | 2019 - 2023 |
| Mr R Phillips       | Member             | 2016 - 2020 |
| Ms A Plumtree       | Member             | 2019 - 2023 |
| Ms G Reynolds       | Member             | 2019 - 2023 |

## Board and Committee Membership

### Doctrine Committee

|  |                    |             |
|--|--------------------|-------------|
| Rev Canon Prof D Jasper                  | Convener           | 2017 - 2022 |
| Rt Rev the Bishop of Aberdeen and Orkney | College of Bishops |             |
| Rev Canon Dr C Applegath                 | Member             | 2019 - 2023 |
| Rev Dr M J Fuller                        | Member             | 2017 - 2021 |
| Rt Rev Dr R A Gillies                    | Member             | 2017 - 2021 |
| Rev Prof T A Hart                        | Member             | 2017 - 2021 |
| Rev Canon Dr S Robertson                 | Member             | 2017 - 2021 |
| Dr E Stoddart                            | Member             | 2018 - 2022 |
| Rev Canon Dr N H Taylor                  | Member             | 2013 - 2021 |

### Inter-Church Relations Committee

|                                |                               |             |
|--------------------------------|-------------------------------|-------------|
| Rev Canon J M McLuckie         | Convener                      | 2016 - 2021 |
| Rt Rev the Bishop of Edinburgh | College of Bishops            |             |
| Rev M Dünzkofer                | Member                        | 2019 - 2023 |
| Dr A Mason                     | Member                        | 2013 - 2021 |
| Rev Canon Prof C Methuen       | Member                        | 2011 - 2020 |
| Miss E Tofield                 | Member                        | 2019 - 2023 |
| Mr P Goldfinch                 | SEC ACTS Trustee - ex-officio |             |

### Interfaith Relations Committee

|                  |                     |             |
|------------------|---------------------|-------------|
| Rev C L Blakey   | Convener            | 2015 - 2020 |
| Dr S J Innes     | Member              | 2017 - 2021 |
| Dr M Tolstoy     | Member              | 2018 - 2022 |
| Rev T A Anderson | EMU Rep (Methodist) |             |
| Rev J Bremner    | EMU Rep (URC)       |             |

### Liturgy Committee

|  |                    |             |
|--|--------------------|-------------|
| Dr J R Davies  | Convener           | 2015 - 2020 |
| Rt Rev the Bishop of St Andrews,<br>Dunkeld and Dunblane | College of Bishops |             |
| Rev R A Addis  | Member             | 2016 - 2020 |
| Ms E Alldritt  | Member             | 2019 - 2023 |
| Rev N Brown  | Member             | 2019 - 2023 |
| Rev Dr J E P Currall                                     | Member             | 2015 - 2023 |
| Dr A E Jasper  | Member             | 2016 - 2020 |
| Rev Canon Prof D Jasper                                  | Member             | 2015 - 2023 |
| Rev Canon Dr N H Taylor                                  | Member             | 2015 - 2023 |
| Mr D W S Todd  | Member             | 2016 - 2020 |
| Dr L van Ommen   | Member             | 2018 - 2022 |

### Mission Board

|  |   |             |
|--|---|-------------|
| Rev Canon H J Ross                                       | Convener                                | 2015 - 2020 |
| Rt Rev the Bishop of St Andrews,<br>Dunkeld and Dunblane | College of Bishops                      |             |
| Rev Dr J A Wright  | Convener, Church in Society Committee   | 2019 - 2024 |
| Mr D Kenvyn  | Convener, Global Partnerships Committee | 2016 - 2021 |
| Rev T N Rongong  | Convener, Youth Committee               |             |
| Dr R Brett   | Argyll and The Isles                    | 2019 - 2023 |
| Rev Canon K Dixon  | Brechin                                 | 2019 - 2023 |
| Rev A C Naish  | Edinburgh                               | 2017 - 2021 |
| Very Rev S E Murray                                      | Moray, Ross and Caithness               | 2016 - 2020 |
| Rev D L Norby  | St Andrews, Dunkeld and Dunblane        | 2019 - 2023 |

**Church in Society Committee**

|                   |                        |             |
|-------------------|------------------------|-------------|
| Rev Dr J A Wright | Convener               | 2019 - 2024 |
| Rev C L Blakey    | Convener of Interfaith | 2015 - 2020 |
| Dr E Cameron      | Member                 | 2018 - 2022 |
| Mrs A Clarke      | Member                 | 2017 - 2021 |
| Rev E Garman      | Member                 | 2018 - 2022 |
| Rev D C Mumford   | Member                 | 2014 - 2022 |
| Rev Dr K Suckling | Member                 | 2018 - 2022 |
| Mr R B Murray     | Co-opted               |             |
| Mr J Collings     | EMU Rep (URC)          |             |

**Global Partnerships Committee**

|                     |          |             |
|---------------------|----------|-------------|
| Mr D Kenvyn         | Convener | 2016 - 2021 |
| Ms I Booth-Clibborn | Member   | 2015 - 2023 |
| Mrs L Crichton      | Member   | 2019 - 2023 |
| Rev Dr H Inbadas    | Member   | 2019 - 2023 |
| Dr G H Moody        | Member   | 2016 - 2020 |
| Rev V A Nellist     | Member   | 2016 - 2020 |

**Youth Committee**

|                     |   |  |
|---------------------|---|--|
| Miss E Tofield      | Chair   |  |
| Rev T N Rongong     | Convener  |  |
| Most Rev the Primus | College of Bishops                              |  |
| Vacancy             | Youth Officer, Aberdeen and Orkney              |  |
| Vacancy             | Youth Officer, Argyll and The Isles             |  |
| Vacancy             | Youth Officer, Brechin                          |  |
| Mrs C Benton-Evans  | Youth Officer, Edinburgh                        |  |
| Miss A Byers        | Acting Youth Officer, Glasgow and Galloway      |  |
| Mr J Gardner        | Youth Officer, St Andrews, Dunkeld and Dunblane |  |
| Mr A Buxel          | Member - 12 - 18                                |  |
| Miss M Shanks       | Member - 12 - 18                                |  |
| Miss R Cromwell     | Member - 18 - 25                                |  |
| Miss O Smith        | Member - 18 - 25                                |  |
| Rev J Benton-Evans  | Co-opted Member, Glasgow and Galloway           |  |

**Administration Board**

|                              |  |             |
|------------------------------|--|-------------|
| Mr J N Gibson                | Convener                               | 2019 - 2024 |
| Rt Rev the Bishop of Brechin | College of Bishops                     |             |
| Mrs R Cadie                  | Convener, Buildings Committee          | 2015 - 2020 |
| Vacancy                      | Convener, Investment Committee         |             |
| Mrs J Whiteside              | Convener, Personnel Committee          | 2018 - 2023 |
| Rev L A Mortis               | Convener, Retirement Housing Committee | 2017 - 2022 |
| Mr D R Crosley               | Aberdeen and Orkney                    | 2017 - 2021 |
| Mrs J Ainsley                | Argyll and The Isles                   | 2016 - 2020 |
| Prof P F Sharp               | Brechin                                | 2016 - 2020 |
| Mr I Kerry                   | Edinburgh                              | 2012 - 2020 |
| Rev L S Ireland              | Glasgow and Galloway                   | 2019 - 2023 |
| Mr D D Campbell              | Moray, Ross and Caithness              | 2016 - 2020 |
| Mr B Grimley                 | St Andrews, Dunkeld and Dunblane       | 2019 - 2023 |
| Rev A Fairclough             | General Synod                          | 2018 - 2022 |
| Rev C N Fraser               | General Synod                          | 2018 - 2022 |
| Rev D C Gifford              | General Synod                          | 2018 - 2022 |

**Buildings Committee**

|                     |          |             |
|---------------------|----------|-------------|
| Mrs R Cadie         | Convener | 2015 - 2020 |
| Mr N Gaunt          | Member   | 2018 - 2022 |
| Mr D Gibbon         | Member   | 2019 - 2023 |
| Rev Canon A MacLean | Member   | 2015 - 2023 |
| Mr R Nellist        | Member   | 2014 - 2022 |

## Board and Committee Membership

### Investment Committee

|                  |          |             |
|------------------|----------|-------------|
| Vacancy          | Convener |             |
| Mr G Arthur      | Member   | 2019 - 2023 |
| Rev A Fairclough | Member   | 2019 - 2023 |
| Dr M D Green     | Member   | 2015 - 2019 |
| Mr A Hunter      | Member   | 2016 - 2020 |
| Mr P Sweetnam    | Member   | 2012 - 2020 |
| Dr E Trevillion  | Member   | 2013 - 2021 |

### Personnel Committee

|                              |                                    |             |
|------------------------------|------------------------------------|-------------|
| Mrs J Whiteside              | Convener                           | 2018- 2023  |
| Rt Rev the Bishop of Brechin |                                    |             |
| Rev A Fairclough             | Member                             | 2018 - 2022 |
| Rev K H Freeman              | Member                             | 2019 - 2023 |
| Mrs G Scott                  | Member                             | 2015 - 2019 |
| Rev S L K Shaw               | Member                             | 2017 - 2021 |
| Mr G Robertson               | Committee on Canons Representative | 2018 - 2022 |

### Retirement Housing Committee

|                          |          |             |
|--------------------------|----------|-------------|
| Rev L A Mortis           | Convener | 2017 - 2022 |
| Mr D D Campbell          | Member   | 2017 - 2021 |
| Rev Canon D J B Fostekew | Member   | 2019 - 2023 |
| Mr P Marsh               | Member   | 2015 - 2019 |
| Mrs J M Robinson         | Member   | 2012 - 2020 |
| Mr I Spence              | Member   | 2019 - 2023 |
| Mrs J Whiteside          | Member   | 2016 - 2020 |

### Institute Council

|  |  |             |
|--|--|-------------|
| Rt Rev the Bishop of Argyll and The Isles  | Convener   | 2015 - 2020 |
| Rt Rev the Bishop of Aberdeen and Orkney   | College of Bishops   |             |
| Rev Canon Prof G P Foster                  | Member   | 2015 - 2023 |
| Rev E Garman                               | Member   | 2018 - 2022 |
| Rev Canon Prof D Jasper                    | Member   | 2015 - 2023 |
| Mrs M A Kennedy                            | Member   | 2015 - 2023 |
| Rev D Paton-Williams                       | Member   | 2018 - 2022 |
| Mrs P Thomson                              | Member   | 2017 - 2021 |
| Rev P R Watson                             | Member   | 2015 - 2023 |
| Mr P Schonken                              | Student Representative   | 2019 - 2020 |
| Rev M McPherson                            | Ecumenical Member  | 2016 - 2020 |
| Rev Canon Dr A L Tomlinson (in attendance) | Convener, Institute Management Committee<br>(Board of Studies) |             |

### Pension Fund Trustees

|                         |                          |             |
|-------------------------|--------------------------|-------------|
| Mr R McIndoe            | Chairman                 | 2015 - 2020 |
| Rev Canon Dr J Cuthbert | Member Nominated Trustee | 2015 - 2023 |
| Mr R Gordon             | Trustee                  | 2015 - 2020 |
| Dr M D Green            | Trustee                  | 2012 - 2020 |
| Mr A Hunter             | Trustee                  | 2017 - 2021 |
| Rev D C Mumford         | Member Nominated Trustee | 2015 - 2023 |

## Standing Committee of the General Synod

### Structure, governance and management

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

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

The Standing Committee acts as the Executive Committee of the General Synod between meetings of the General Synod. The 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. It implements General Synod's decisions, and co-ordinates the work of the four boards. The Committee normally meets five times a year. It receives regular financial reports at its meetings. It works closely with the College of Bishops in addressing strategic issues facing the SEC as a whole. The College comprises all of the Diocesan Bishops, each of whom has a responsibility to oversee and care for the Church. 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 also ex-officio Convener of the Faith and Order Board and the College of Bishops' representative on the Standing Committee is appointed by the College.

The General Synod and its Boards and Committees are supported by the staff of the General Synod Office. Certain areas of activity are handled within the other Boards and Committees of the Synod, but within agreed budgetary parameters. Some of these work collaboratively from time to time with other denominations or charitable bodies, such as Christian Aid, on initiatives of joint concern.

Responsibility for overseeing the work of the General Synod Office, including responsibility for day to day administrative decisions, is delegated by the Standing Committee to the Secretary General, who reports directly to the Convener of the Standing Committee.

The 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.

### Objectives and activities of Standing Committee

The Standing Committee in its role of Executive Committee of the General Synod acts to progress the General Synod's objective of securing the general advancement of the SEC's mission. In doing so it is also informed by the following specific objectives contained in the Digest of Resolutions adopted by the General Synod:

- the 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

Operationally all these objectives 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 SEC

Much of the work is undertaken by the four boards and their pendant committees. Further information regarding the activities of these groups can be found in the Conveners' reports included in pages 27 to 58. An account of the activities of the Standing Committee itself is contained in the remainder of this report.

### **Achievements and performance of Standing Committee**

The Committee met five times during 2019. The Committee worked on the plans for the future set out in its report for the year ended 31 December 2018 and also addressed a number of additional matters.

## **1. Strategic Planning**

### **1.1 Strategic Aspirations**

The Committee had hoped that during 2019 the College of Bishops would have returned to full strength but the vacancy in Glasgow and Galloway continued for longer than expected and partly in the light of that there was no joint meeting of the Committee and College during 2019. Nevertheless, the Committee continued during the year to address longer term strategic planning issues. As mentioned last year, the context for this continues to be decline in overall numbers set against the revitalised arrangements for formation in the Scottish Episcopal Institute (SEI), and opportunities for innovation and growth as evidenced by developments – including innovative missional initiatives – in different settings in different parts of the province. Specific points of progress included:

- Practical support in developing the church's mission and ministry, reported on in more detail below.
- Continued encouragement to the Mission Board in fostering intentional discipleship across the province.
- Continued encouragement to the Institute Council/SEI in the implementation and delivery of mixed-mode training. The Church is very grateful for a substantial donation to support this development in its early years.
- The Committee has encouraged the College of Bishops in its plans to articulate a 'narrative', to help the Church appreciate the traditions which have brought it to the present day and the areas and emphases on which it should concentrate and aspire to looking forward. The College has reported to the Committee on its plans for 2020 to take advantage of a generous offer of support from American colleagues in The Episcopal Church, who will provide a number of training sessions to bishops on the practical outworkings of leadership and episcopate. The Committee hopes that such sessions will assist in informing the College as it grapples with the wider strategic challenges facing the SEC and looks forward to the eventual articulation of a 'narrative' by the College to assist the Committee in its prioritisation of provincial activity and resource allocation in pursuit of a holistic SEC strategy for the 2020s.

- Continued consideration of governance and associated structures at provincial and diocesan level to ensure that they are fit to deliver the aspirations of the church. Specifically, the second reading of the necessary canon was concluded in order to dissolve the Information and Communication Board. One underlying objective of that step was to emphasise that communication is essential to all aspects of the Church's life and, consequently, ought to be actively considered by all elements of the provincial structures. One practical outworking of this is that the Committee is devoting time at each of its meetings to reviewing communications activity over the preceding period and considering the communication priorities for the period ahead. Additionally the Committee and all provincial boards are now regularly providing a short report on their meetings in Inspires Online as a way of informing the SEC more widely on the main business of the province's deliberative fora. Another development this year has been the 'feedback on feedback' report by the Committee to General Synod members following its consideration of Synod members' feedback forms. At the end of the year a new Director of Communications was appointed with the key roles of promoting the sharing of information internally within the province and, perhaps more importantly, enabling the province to transmit its core messages to a much wider audience externally.
- A small but practical development for the Committee during the year has been the introduction of a structured agenda, with specific time slots allocated for each agenda item, so as to ensure that items of major importance received the attention they need and to avoid the risk of discussion becoming extended unnecessarily on matters of lesser importance. At the end of each meeting, opportunity is also taken specifically to reflect on and assess both the positive and negative aspects of the meeting. Both of these innovations are to assist the Committee in undertaking its governance role as effectively and efficiently as possible. The practice has been commended to other provincial boards and committees.
- Last year, the Committee reported that consideration was being given to the suitability of the building which houses the General Synod Office (Forbes House). Unfortunately, a flood caused by a cracked cistern at the very beginning of 2019 caused extensive damage to the rear part of the building. Not only has considerable remedial work been required but that work in turn uncovered dry rot which has also needed treatment. Inevitably, priority has had to be given to the undertaking of the necessary repair works, including protracted discussions with the loss adjusters, and progress on other wider property options was largely stalled. However, discussions with external professionals were resumed late in the year and the Committee will continue in its consideration of how to ensure the best kind of office accommodation, within budgetary constraints, for the working and operations of provincial staff and structures.

## **1.2 Financial Strategy**

Over recent years the key strategic financial objective has been to avoid deficits and achieve a balanced budget year by year. For a variety of reasons setting a balanced budget has regularly led to the generation of significant surpluses. This has generally come about, despite careful scrutiny at the budget setting stage, because actual expenditure in particular areas or on particular projects has been less than estimated because of lower uptakes of grants, lower numbers in training, longer lead times for filling posts and so on. The experience of 2019 continues to reflect this general pattern with the deficit arising in the year being less than that budgeted. The deficit has been funded from the reserves arising from the surpluses of recent years. In agreeing budgets for future years, the Committee will continue to allow a prudent level of over commitment in the expectation that underspends will occur and in the knowledge that in the short term reserves will be sufficient to fund any deficits that are likely to be incurred.

The Committee is keen to use the financial resources available to it to further the church's strategic aspirations. It welcomes the development of new processes for vocational discernment and look forward to the emergence of candidates for training. It is encouraged by the continuing development of new training opportunities through the Scottish Episcopal Institute including the

possible emergence of programmes for Lay Learning and the growing interest in the recently established Mixed Mode training pathway for full time ordinands. It recognises that such initiatives require appropriate financial support as will the provision of appropriate curacies. As the Committee works with the new Director of Communications in developing a communications strategy it recognises that additional resourcing might be required in this area. It has already taken steps to help address the financial implications for dioceses arising from the actual or possible departure of congregations from the SEC and recognise that further transitional financial assistance might be required for those dioceses directly affected by such departures. There are therefore likely to be many demands on the reserves generated in recent years.

## **2. Mission and Ministry**

The Committee continued to oversee and encourage developments in relation to mission and ministry.

One way in which such support is provided directly by the province is through the medium of Mission and Ministry Support Grants. During 2019, the first triennial review of the new system was undertaken on behalf of the Mission Board. The Mission and Ministry Support Grants scheme provides money to dioceses on a formula basis which is related to the respective incomes of dioceses and the number of stipendiary clergy posts considered to be required in each diocese. Inevitably, the introduction of the new scheme resulted in some dioceses receiving more, and others less, than they had received previously. A further factor in 2019 was the effect on the application of the formula of the greatly regretted departures from SEC, actual or prospective, of three large congregations (St Silas, St Thomas and Westhill Community Church) over the decision in 2017 regarding equal marriage. The review also noted the fact that the establishment of a New Initiatives Fund might also have an impact on Mission and Ministry Support Grants. In the light of that, and the generally positive feedback from dioceses, extensive modification of the formula itself at the current time was not considered appropriate, except in one respect. Previously, the formula did not take account specifically of information regarding measures of relative deprivation in the dioceses. However, during 2019, the Church Army was helpfully able to provide figures mapping national deprivation statistics onto Scottish dioceses. In the light of this, the formula has been modified to provide a reduced weighting in the formula in relation to the required number of stipendiary posts and has introduced a small weighting in respect of relative deprivation. The Committee agreed in the budgets for 2020 an increase in the total amount of Mission and Ministry Support Grant funding so that in 2020 all dioceses will receive an increase in their allocation as compared with 2019.

As mentioned in previous reports, plans for the implementation of a stream of mixed mode training for ministry in the SEC have become a reality. 2019 saw the completion of the first year of two mixed mode placements and General Synod was given an insight into the effect of such placements by the two supervising rectors, one in Inverness and the other in central Edinburgh. In the 2019/2020 session, two new mixed mode students have started at the SEI and it is perhaps of note that all full-time students now studying within SEI are in fact on the mixed mode pathway.

The Mission Board has continued to consider the question of 'intentional discipleship', all provinces having been encouraged by the Anglican Communion to do so. This was again one of the main themes of its session at Synod 2019 when short videos were shown of two individuals speaking about their experience of discipleship and Synod members undertook discussion in table groups which included identifying opportunities for encouraging new disciples and how the Mission Board could assist with that. The Board has also engaged with intentional discipleship on a broader level by linking with a 'four-nations' (Britain and Ireland) group being supported from the Anglican Communion Office. A further key development during 2019 has been the appointment, for the first time, of a full-time Provincial Director of Ordinands. Ian Barcroft took on this role around the middle of the year and his arrival coincided with significant changes being made to the SEC's processes for vocational discernment. Not only are processes for discerning vocation to the ordained ministry now undertaken exclusively within Scotland (instead of, as previously, our sending candidates to



selection conferences in the Church of England) but they now operate on a much wider basis. That allows discernment to be undertaken in a holistic fashion across a range of possible ministries and vocations, including those undertaken in a lay capacity at local level and those ministries which are authorised more broadly (both lay and ordained).

### **3. General Synod Meeting**

The Committee arranged General Synod 2019 which took place once again at St Paul's and St George's Church, Edinburgh.

The detail of matters discussed at that meeting is reported on in the minutes of the meeting and in a number of the Convener reports contained in this Annual Report.

In response to comments made regarding previous Synods, the agenda was structured with the broad intention of dealing with business requiring specific decisions on the first day of Synod, allowing for more discursive debate and table group discussion on the second day. A number of new faces undertook a role in chairing the meeting and Synod also warmly received an address by Muslim Imam Sayed Ali Abbas Razawi, the Director General and Chief Imam of the Scottish Ahlul Bayt Society.

The Synod agenda included a motion from the Investment Committee proposing alterations to the Synod's existing ethical investment policy to address the question of applying ethical criteria to pooled funds. As Synod was about to start, a motion was brought forward unexpectedly under Rule 10 of the Synod's Rules of Order. Impassioned debate took place on the subject of global climate change and how the Church might respond to it in terms of its investment policy. The Rule 10 motion was accepted by Synod instead of the proposals put forward by the Investment Committee. In consequence, the Committee has since Synod been addressing two separate sets of issues.

Firstly, it has considered how to respond to the motion which called for a new policy to be developed "to reflect the moral imperative to divest fully from fossil fuels" and to establish an Ethical Investment Advisory Group to develop a strategy to disinvest from unethical sources of revenue. The Committee subsequently agreed a remit for such an Advisory Group and has appointed the following to serve on it: Alan McLean QC (Chair), Gordon Arthur, Donald Bruce, Amanda Fairclough, Diana Hall, Andrew Hunter, Andrew Swift, Simeon Wilton and Jenny Wright. This membership includes some who serve on the provincial Church in Society and Investment Committees as well as some independent members. In preparation for the Group's first meeting (expected early in 2020), a seminar was organised at General Synod Office in December at which presentations by representatives from investment advisers Mercer helpfully elucidated a range of issues likely to be of relevance to the Advisory Group's future discussions.

Secondly, the debate at Synod 2019 has prompted the Committee to look again at the Synod's procedures. Whilst the bringing of the Rule 10 motion complied with the Rules of Order, the process unfortunately allowed inadequate time for an informed response to be brought forward from the Investment Committee in relation to the Rule 10 motion and, following the passing of the Rule 10 motion, the convener of the Investment Committee, Adrian Tupper, resigned. He is thanked warmly for his service as Convener and for the extensive work which he had previously undertaken on the development of ethical investment policy in the past. Some other Synod members equally felt that they had not had adequate opportunity to consider the underlying issues. In the light of this, Standing Committee is in the course of reviewing the Rules of Order and is likely to bring forward some proposed changes in 2020. It believes wholeheartedly that the Rules need to continue to allow and, indeed encourage, Synod members to bring forward material for consideration. However, this must also be balanced by a need to ensure adequate prior notice and the opportunity for Synod members to be well-informed on matters which they are to be asked to consider and decide upon.

Following the extensive debates which had taken place at General Synod 2018 on the question of provincial quota, the Committee recommended, and Synod accepted, a freeze on the level of provincial quota for 2020 (the financial implications of that decision are commented on elsewhere in this report). In order to clarify what would happen if, at any point in the future, Synod declined to set the level of future provincial quota, a proposal to alter the Digest of Resolutions was accepted, the effect of which would be to maintain provincial quota at its previous level for the following year.

A significant session at Synod 2019 comprised consideration of the Clergy Wellbeing Survey which had been commissioned by the provincial Personnel Committee. It raised a number of important issues including concerns at the experience of clergy of bullying and harassment. Standing Committee has continued to receive regular updates on the subsequent work being undertaken by the Personnel Committee and is grateful to it for the steps which it is taking.

As usual, the Committee was pleased to receive the comments of Synod members in their feedback forms following the annual meeting. Having considered a detailed report on those comments, the Committee (as noted above) itself issued a short response to Synod members outlining the broad nature of comments received and the action proposed by the Committee.

#### **4. Pensions, Stipends and Salaries**

During the year, the Committee processed a small number of applications for early retirement on health grounds and, as part of its annual duties, also provided the Pension Fund Trustees with detailed information to enable the latter to assess the strength of the employer covenant, to which the Pensions Regulator attaches increasing importance. The Pension Fund Trustees also consulted the Committee on the Trustees' new Statement of Investment Principles, which the Committee were happy to endorse.

The Committee approved increases in Pensionable Stipend for the year from 1 July 2019 and Pensionable Salary from 1 November 2019, in accordance with previously agreed policy.

The Committee also sets the pay and remuneration of all staff employed in the General Synod Office following salary scales it has adopted. Specific recommendations on remuneration, including the remuneration of key management personnel, are made annually to the Committee by the Secretary General. He absents himself from the parts of the meetings where the Committee discusses and agrees any recommendations regarding pay and remuneration. (Details of key management personnel can be found at note 3 to the accounts.) The Committee approved an increase in salaries of 2%.

#### **5. Standing Committee Membership and Appointments**

There were various changes to the membership of the Committee during the year. Chris Mayo, Convener of the Information and Communication Board, resigned from the Committee and was not replaced owing to the subsequent dissolution of that Board. John Ferguson-Smith retired as Convener of the Administration Board and Jim Gibson was appointed by General Synod to succeed him as the new Board Convener, thereby creating a vacancy for one lay person on the Committee which Synod filled by electing Jenny Whelan. Dave Richards and Alison Simpson were both elected to a second term on the Committee by Synod. The Committee is grateful to those who stepped down as members during the year for the contributions they brought to the Committee's work during their period of membership.

As part of its commitment to good governance the Committee recognises the need for a formal induction programme for new members, and any new members of the Committee appointed at any point meet with the Convener to consider training for their role. Similarly, new members are briefed by the Secretary General and Treasurer of the General Synod. Training on other aspects of the role of Committee members is covered on an issue-specific basis as matters arise for consideration by the Committee. At the time of their appointment, all members of the Committee are directed to

the *Guidance and Good Practice for Charity Trustees* available from the Office of the Scottish Charity Regulator.

During the course of the year, the Committee made appointments to various other bodies. Colin Gregory, Robert Nellist and Jennie Parkinson were all appointed to serve second terms on the Committee for the Protection of Children and Vulnerable Adults. Jonathan Chick was appointed as an additional member of the Medical Review Panel established under Canon 64. The Committee nominated Paul Foster, David Jasper, Nan Kennedy and Paul Watson to General Synod to serve second terms on the Institute Council, and they were duly re-appointed.

Mary Birch and Derek Buchanan completed their terms as members, and Graham Robertson his term as secretary, on the Preliminary Proceedings Committee and all are thanked for their service. The Standing Committee nominated Patricia Peattie to Synod to serve as a new lay member on that Committee and Gary Burton to act as Secretary and both nominations were accepted by Synod. Subsequent to General Synod, Standing Committee also appointed Robert Phillips to fill one of the practising lawyer positions and his appointment will be brought to General Synod 2020 for ratification. Synod also accepted the Committee's nomination of Lady Wolffe and Anna Poole to serve as President and member respectively of the Clergy Discipline Tribunal, succeeding Lord Bannatyne and George MacWilliam, who are also gratefully thanked.

Appointments were made to the Preparatory Committee established for the second election process for filling the episcopal vacancy in the bishopric of Glasgow and Galloway, after the first process did not elect a candidate. John Cuthbert, Fay Lamont and Godfrey Robson were all appointed to the Preparatory Committee. All of these names were drawn from the pool of diocesan representatives comprising the provincial panel for episcopal elections established under Canon 4.

## 6. Other Matters

As was reported last year, the Committee for the Protection of Children and Vulnerable Adults was undertaking an audit exercise in relation to safeguarding. At its meeting in April 2019, the Standing Committee was joined by the Provincial Officer for the Protection of Children and Vulnerable Adults and by the convener of that Committee. They were able to report on the findings of the audit exercise and Standing Committee gave its full support to the recommendations contained in the report which were subsequently presented to General Synod 2019. An implementation group, chaired by David Strang, was established after Synod and is taking forward the report's recommendations. Standing Committee continues to receive regular updates on progress in this important aspect of the Church's life and has assured those involved in handling its safeguarding procedures that all necessary resources will be made available.

Sadly, intimation was received during the year of a possible claim relating to a case of historic sexual abuse. At the time of compilation of this report, the case was still under investigation. However, it appears that any successful claim will be met by insurance cover in place at the time.

Various miscellaneous events came before the Committee during the course of the year, normally in the context of requests for funding. The Committee was delighted to provide financial support for the service held in St Ninian's Cathedral, Perth to mark the 25<sup>th</sup> anniversary of the ordination of women priests in the SEC. The service was organised by a small planning group at the invitation of the College of Bishops and the Committee expresses its own thanks to those involved. The Committee also agreed budgetary provision for the meeting of the Celtic Bishops which the SEC is due to host early in 2020 and will take place in Inverness. Similarly, the province has responded positively to the request to host bishops and spouses coming to the Lambeth Conference of bishops in 2020. All the Scottish dioceses will play their part in hosting visitors in the week before the full conference commences in Canterbury and the costs of such visits will be borne in part by dioceses and in part by the province.

The College of Bishops also received an invitation during the course of the year to nominate up to 4 individuals to participate in the 'Anglican Peace-making Institutes', an initiative to foster reconciliation across the Anglican Communion. The Committee responded positively to the College's request to provide funding to enable participation on the part of the SEC.

A meeting of the Anglican Consultative Council took place in Hong Kong in the late spring of 2019. The SEC was represented by its two delegates, Alistair Dinnie and Jenny Wright, as well as by Amy Byers who was selected as an additional youth delegate. Following the ACC meeting, the Committee gave consideration to the various resolutions passed in Hong Kong and has invited appropriate provincial boards and committees to consider the resolutions in more detail.

A decision in the Diocese of Argyll and The Isles to purchase a new rectory in Stornoway allowed the opportunity to rationalise the holding of the property which previously had been subject to a degree of oversight on the part of the province. The Committee agreed to the sale and that the new rectory should be held, like most other rectories, in the names of the Diocesan Trustees, without any direct interest on the province's part. It also agreed the provision of a short-term bridging loan to assist the Diocese with the new purchase. Also, the Committee, having satisfied itself that appropriate procedures were in place, agreed to the Retirement Housing Committee's proposal that it purchase a property from the Rt Rev Dr John Armes, Bishop of Edinburgh, for use by a retired priest. Bishop Armes took no part in the Committee's discussion or decision-making process in relation to this matter.

#### **General Synod Office Staff Changes**

A number of staff changes took place at the General Synod office during the year. Vicki Anderson was appointed to provide support to the Treasurer and assist in the operation of the GSO database and the processing of PVG scheme applications. She succeeds Emma Struthers. At the end of July, Lorna Finley, Director of Communications, moved on and is warmly thanked for all her work in promoting the life and work of the SEC for many years. A recruitment process was undertaken later in the year and Donald Walker has joined the GSO staff in January 2020 as the new Director of Communications. Ann Rae, afternoon receptionist, left the office in the summer and has been succeeded by Kay McDonald.

As noted above, Ian Barcroft took over from Alison Peden as Provincial Director of Ordinands and Claire Benton-Evans was appointed as part-time Provincial Youth Committee Enabler.

#### **Financial Review**

(The audited accounts can be found at page 71)

#### **Result for the year**

The total revenue deficit for the year was £18,700 some £82,500 less than the total budgeted deficit of £101,200. There was a deficit of £75,300 on the General Fund rather than the budgeted deficit of £136,500. The General Fund provides a clearer indication of the recurring costs of the General Synod and gives the most accurate indication of the underlying financial position. The General Fund account is at page 21. In addition to the General Fund the General Synod has a number of Restricted and Designated Funds which are all reflected in the total deficit of £19,500. General Fund income was some £23,530 greater than budgeted. In addition to an unbudgeted legacy of £28,860 additional income of £10,300 was received following a larger than budgeted increase in rate of distribution from the SEC Unit Trust Pool agreed by the Investment Committee. The additional income was however partially offset by a shortfall in quota income received from dioceses. A repayment of an element of 2018 quota was made to the Diocese of Edinburgh to reflect quota payments that it had anticipated receiving from St Thomas', but which were not made prior to its departure. Agreement was also reached with the Diocese to reduce the amount of 2019 quota it was required to pay following St Thomas' departure. These agreements resulted in quota income being some £23,000 less than budgeted. Total expenditure was £37,700 less than budgeted. Significant unbudgeted legal and advisory costs were a major factor in Standing Committee overspending against its budget by about £26,300. Additional costs included the costs of the previously referred to investment

seminar organised to provide advice and information in relation to fossil fuel divestment and ethical investment arising from General Synod's decision in relation to these issues. All the boards however limited their expenditure to budget with some significantly underspending against budget. The funding required by the Mission Board was some £56,600 less than budgeted due primarily to the longer than anticipated time involved in establishing the child poverty projects grant program. A budget of £50,000 had been allocated to the Board's Church in Society Committee to enable it to provide grants to assist congregations in undertaking projects associated with the issue of child poverty. The grants programme was however not launched until January 2020 and therefore no funding was required for it during 2019.

As noted above, Standing Committee's objective continues to be that of achieving a balanced budget over time. The Committee acknowledges that the surpluses generated in recent years appear to be contrary to that objective. It notes however that a deficit was incurred in 2019 and that future deficits are anticipated which will be funded from the reserves generated by recent surpluses. The Committee remains of the view that over time substantial resources are required to meet the strategic objectives of training those preparing for authorised ministry through the SEI (including the provision of appropriate (and appropriately funded) curacies and Mixed Mode training placements), funding new mission initiatives and supporting dioceses in meeting the financial challenges created by the departure of congregations. The Committee is committed to taking the long view and using its best endeavours to ensure that adequate funding is built up and available when needed while seeking to ensure that in setting annual budgets allowance is made for the possibility of underspending in particular areas with a view to achieving outturns that more closely align with budgets.

A capital surplus of £171,000 was generated due to the profit arising on the sale of four retirement properties and the income arising on the repayment of a retirement housing loan. These surpluses are available for reinvestment in new properties to be purchased when required. (Five such properties were acquired during the year.)

The market value of total investments increased by £9.5m of which £7.1m relates to General Fund investments.

### **Principal funding sources**

The work of the General Synod is heavily dependent on funding from two sources: investment income and Quota received from dioceses, accounting for approximately 60% and 30% of income respectively. Investment income is primarily derived from the General Synod's holdings in the SEC Unit Trust Pool. Each of the seven dioceses of the Scottish Episcopal Church is asked to contribute to the costs of the General Synod by the payment of Quota. An element of what each diocese pays is funded by similar Quota contributions requested from congregations in the diocese. As noted above the departure of a small number of large congregations from the SEC has had an impact on the amount of quota received in 2019 and will also result in less than budgeted income in 2020. More generally the departures, coupled with a general pressure on congregational finances, have resulted in no increases in quota requested from dioceses since 2018. Inevitably this places an increasing reliance on investment income as the General Synod's primary source of funding. The Quota requested and received from each diocese is detailed at Table B on page 20.

### **Investment policy and performance**

The General Synod's investments are held in the SEC Unit Trust Pool, an investment vehicle established to bring together the disparate investments of the General Synod, dioceses and individual congregations of the Scottish Episcopal Church. Oversight of the SEC Unit Trust Pool is delegated to the Investment Committee. The Committee's report (page 52) provides more information regarding investment performance.

The investment objective of the SEC Unit Trust Pool is to earn a return on the assets, over the long term, sufficient at least to maintain the real value of the distribution to the unit holders. Following the substantial reduction in investment income in 2009 there has been modest growth in distribution levels. For the third

successive year it was possible to increase the annual distribution by 1.5p. The distribution of 55.5p represents an increase of 2.8% and is therefore broadly in line with rates of inflation. The real value of the distribution has therefore been maintained.

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

### **Ethical investment**

Approximately 30% of the SEC's Unit Trust Pool's portfolio is managed subject to the ethical screening policy incorporated in the ethical investment policy agreed by General Synod in 2013 and modified by further changes in relation to fossil fuels agreed in 2017 (see page 95). The remaining 70% of the SEC Unit Trust Pool's portfolio is invested in pooled funds to which the application of direct ethical screening policies is not practically possible. The Investment Committee's proposal seeking to develop a framework within which ethical criteria could be applied to pooled funds was rejected by General Synod in favour of a more wide ranging review of its ethical investment policy. The ethical investment policy will therefore be subject to review by the recently established Ethical Investment Advisory Group.

### **Social investment**

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

Through its Retirement Housing Fund the General Synod has an interest in 42 properties located throughout Scotland which have been purchased not to produce a commercial return but to provide retirement housing to eligible members of the SEC Pension Fund. Although the direct purchase of a property or share in a property is not considered to be a social investment the provision of loans to individuals to assist in such purchases are. There are currently two such loans all classed as social investments. (This type of loan is no longer provided.) The Committee recognises the need to ensure that adequate housing provision is made for retired clergy and their spouses / partners and additional investment in retirement housing will, therefore, be made when required.

The loans provided to dioceses and charges to assist in the purchase, repair and development of church properties are also classed as social investments. Also categorised as being a social investment is the investment of £5,000 made in the Churches' Mutual Credit Union (CMCU) in 2015. The Braeburn residential home previously operated by the General Synod is now leased to the operator of the home for a peppercorn rent. The building continues to be owned by the General Synod and is classed as a social investment.

### **Reserves policy**

The Committee has considered the level of reserves held by the General Synod and concluded that it would not be appropriate to accumulate reserves in the General Fund in excess of those necessary to generate income sufficient to meet budgeted annual expenditure – currently approximately £2.1m.

The bulk of the General Synod's reserves are invested in income generating investments (via the SEC Unit Trust Pool) or restricted-use heritable property used in the furtherance of its objectives (ie retirement housing). The General Fund reserves, which are those unrestricted funds at the disposal of the Committee to fund any aspect of the General Synod's work, stood at £43m at 31 December 2019 and are represented by investments and liquid funds which generate an annual income of approximately £1.2m. The Committee is therefore of the view that the reserves held are reasonable and are consistent with its reserves policy.

The Committee notes the General Synod's commitment to continue to provide retirement housing and the effect that this is forecast to have on reserves in the medium to longer term. It recognises that, whilst it is difficult to predict with any certainty the extent to which reserves will need to be used to purchase

retirement housing, and the timing of this requirement, General Synod's annual income is likely to be reduced as its reserves are used in this way.

### **Risk management**

The Committee regularly reviews the Risk Register and considers the major risks facing the General Synod and the systems and procedures in place to mitigate those risks. A fraud policy, fraud response plan, anti-bribery policy, a Register of Interests and Register of Gifts and Other Benefits are all in place, along with a Code of Conduct for those serving on provincial boards and committees. Copies of all of these are routinely provided to those joining a board or committee as a new member.

The Committee considers that the principal governance and management risks lie in addressing strategic forward planning. The organisational structure of the General Synod and its boards and committees is complex and the fact that a large number of provincial boards and committees are active across a wide variety of areas can mean that clear leadership and decision making can be hampered by the diffuse nature of that structure. Such a structure is also dependent on identifying appropriate volunteer members with the necessary skills and availability to serve. The proposal to dissolve the Information and Communication Board agreed by Synod in 2019 partly arose out of a desire to simplify the board and committee structure. Standing Committee continues to encourage Boards and Committees to consider possible improvements in the manner in which they conduct their meetings. As reported above, there has been a recognition within the Standing Committee and the College of Bishops of the need to address longer term institutional issues and progress on this is reported above (page 8).

The Committee considers that the principal financial risk facing the General Synod is a significant reduction in the return earned from its investments. The risk is mitigated by investing in the SEC Unit Trust Pool (UTP) which is managed by professional fund managers. The investment objectives, strategy and performance are regularly reviewed by the General Synod's Investment Committee which is comprised of individuals with relevant investment industry knowledge and expertise. As detailed in its report (page 52) the Investment Committee's plans to further restructure the UTP portfolio with a view to reducing volatility and risk have been put on hold pending the outcome of discussions of the Ethical Investment Advisory Group. The Investment Committee meets with the fund managers at least twice a year. The Committee notes that one of the consequences of the current Covid-19 pandemic is increased uncertainty in investment markets and in future economic outlook which might reduce investment income. It will continue to liaise with the Investment Committee regarding the possible impact on future income and adjust future expenditure plans if required

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

### **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 Committee plans to progress the work of the General Synod in the following specific areas:

- Supporting the work of SEI by working with the Institute Council and College of Bishops in planning and action to provide appropriate curacies and early incumbencies for the ordinands emerging from SEI;
- Encouraging the College of Bishops to undertake systematically sustained workforce planning to address the expected clergy retirement bulge over the next decade and to identify openings for new incumbents;

- Work with the Mission Board to provide appropriate provincial encouragement and support for the development of new patterns of ministry to meet changing circumstances and to address emerging needs and opportunities;
- A range of work streams – mainly driven by the Mission Board – in support of initiatives to provide appropriate provincial support to dioceses and charges to foster discipleship and to stimulate increased levels of giving to enable mission;
- Re-energising examination of governance, staffing and associated structures at provincial level (including links between province and dioceses) to ensure that they are fit for contemporary needs taking account of the size, geographical distribution and missional aspirations of the Church;
- Responding to the implications for the Scottish Episcopal Church of the Covid-19 pandemic in providing necessary support to its dioceses and charges and in recognising the need to support the communities and individuals served by the Church.

Progress will continue to be monitored regularly by the Committee. We will aspire to resume collaborative and productive meetings with the College of Bishops on a regular basis. The monitoring will include a particular emphasis on the people and financial resource implications of the changes and initiatives.

#### **Reference and Administrative Details**

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

#### **Funds held as custodian trustee on behalf of others**

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

#### **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 (whose names are listed on pages 3 to 6). This year particular thanks are due to Pip Blackledge who took on responsibility as Acting Convener of the Information and Communication Board in the months leading to its dissolution by Synod 2019. The work carried on at provincial level is also hugely advanced by the commitment and diligence of the staff of the General Synod Office all of whom work selflessly and energetically to further our church's objectives and to support dioceses and charges across a range of issues. On behalf of the Committee it is once again my privilege to express our gratitude for all that has been done by all – including those who have stood down in 2019 - in the course of another busy year to help the SEC pursue our mission. On a concluding personal note as I come to the end of my tenure as Convener of the Committee I express my thanks to all – conveners, members and staff – who have tolerated and supported me over five eventful years.

**Robert Gordon**  
**Convener**

**21 April 2020**



## General Synod Financial Overview

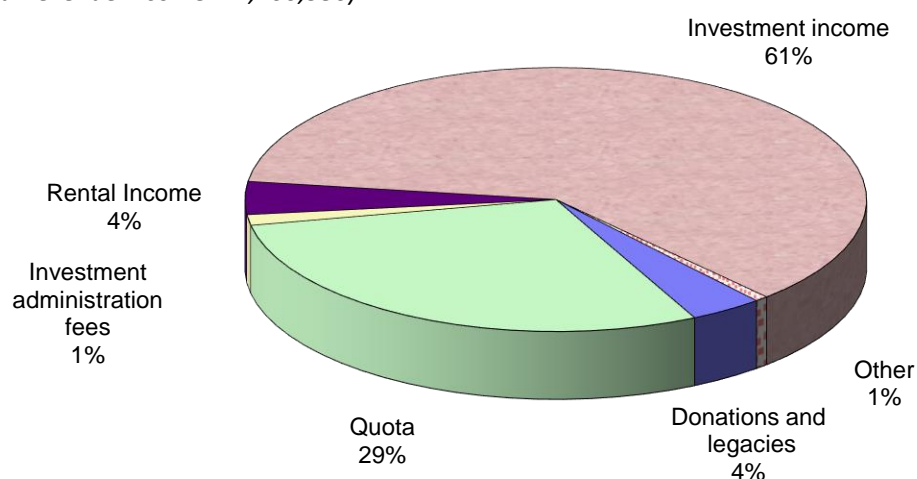
Most of the activities of the General Synod are funded from allocations from the General Fund. The Fund's income was £23,530 in excess of budget. Standing Committee's expenditure was some £26,260 in excess of budget. All the boards however worked within their budgets, more than offsetting the Standing Committee overspend. Total expenditure was some £37,650 less than budget. The General Fund deficit of £75,300 is some £61,180 better than the budgeted deficit of £136,480. (See General Fund financial statement on page 21.)

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 resulting in a total revenue deficit of £19,540. (The Revenue Account on page 74 summarises the results of all the funds.)

The Statement of Financial Activities (page 75) provides information regarding income and expenditure. A summary of revenue income and expenditure is provided below:

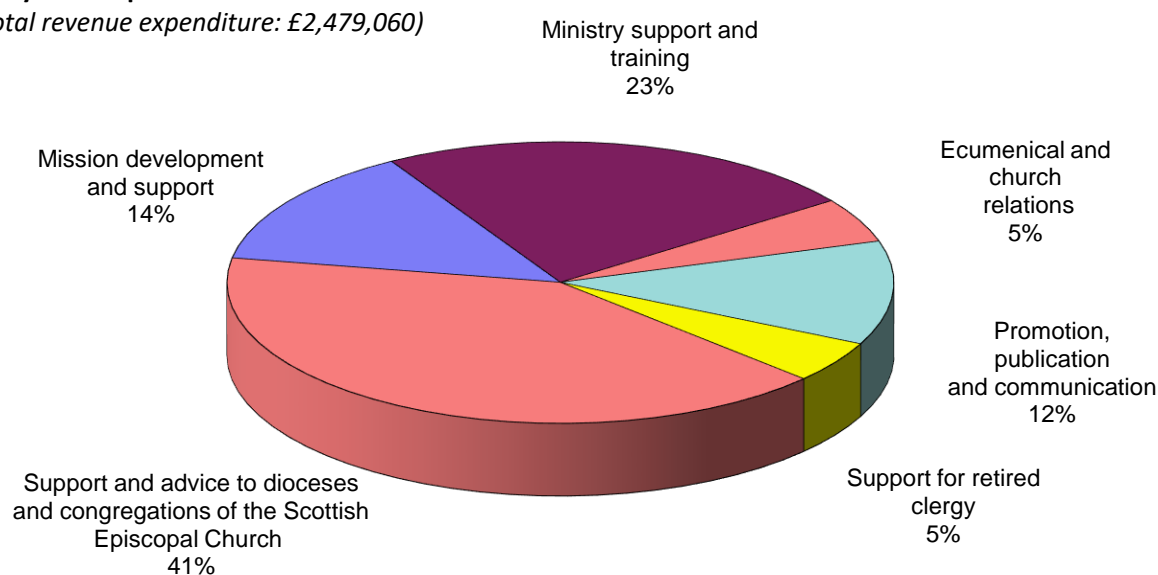
### Analysis of income

(Total revenue income: £2,460,386)



### Analysis of expenditure

(Total revenue expenditure: £2,479,060)



**Table A: Legacies and Donations Received**

| <b>Legacies</b>                | <b>Recipient Fund</b>                     | <b>£</b>             |
|--------------------------------|---|----------------------|
| Mrs AE Austen                  | General Fund                              | 28,863               |
|                                | Sub total                                 | <u>28,863</u>        |
| <b>Donations</b>               | <b>Recipient Fund</b>                     | <b>£</b>             |
| Allchurches Trust              | Building Grant Fund                       | 17,980               |
| Callendar Trust                | General Fund                              | 2,500                |
| DB Flanagan Trust              | General Fund                              | 678                  |
| Church donations               | SEI Training Fund                         | 10,638               |
| Benson-Wilson Charitable Trust | SEI Training Fund                         | 1,000                |
| Individual donors              | SEI Training Fund                         | 2,787                |
| Individual donor               | Mixed Mode Training Fund                  | 16,665               |
| Individual donor               | St James Fund                             | 3,800                |
| Individual donors              | McQueen Fund                              | 125                  |
| Individual donor               | Alastair Haggart Bursary Fund             | 100                  |
| Individual donors              | Community Fund                            | 1,277                |
| Church donations               | Community Fund                            | 458                  |
| WA Cargill Trust               | Clergy Widows and Orphans (Cargill Trust) | 3,000                |
| WA Cargill Trust               | Retirement Supplementary Fund             | 2,000                |
| Individual donors              | Retirement Supplementary Fund             | 490                  |
| St Mary's Tolbooth Trust       | Church in Society Committee               | 950                  |
| St Mary's Tolbooth Trust       | Mission Board                             | 950                  |
|                                | Sub total                                 | <u>65,398</u>        |
| <b>Total</b>                   |   | <u><b>94,261</b></u> |

**Table B: Quota**

| <b>Diocese</b>                   | <b>2017<br/>Requested<br/>and<br/>Received<br/>£</b> | <b>2018<br/>Requested<br/>and<br/>Received<br/>£</b> | <b>2019<br/>Requested<br/>£</b> | <b>2019<br/>Received<br/>£</b> | <b>2020<br/>Requested<br/>£</b> |
|----------------------------------|--|--|---------------------------------|--------------------------------|---------------------------------|
| Aberdeen and Orkney              | 80,848   | 83,941   | 84,312                          | 84,312                         | 85,127                          |
| Argyll and The Isles             | 24,910   | 25,360   | 25,360                          | 25,360                         | 26,398                          |
| Brechin                          | 46,291   | 48,422   | 49,905                          | 49,905                         | 49,386                          |
| Edinburgh                        | 277,461  | 286,155  | 287,861                         | 264,672                        | 280,279                         |
| Glasgow and Galloway             | 161,192  | 164,100  | 160,466                         | 160,466                        | 157,649                         |
| Moray, Ross and Caithness        | 47,227   | 48,273   | 47,977                          | 47,977                         | 47,384                          |
| St Andrews, Dunkeld and Dunblane | 82,000   | 85,276   | 85,646                          | 85,646                         | 85,795                          |
| <b>Total</b>                     | <b>719,929</b>                                       | <b>741,527</b>                                       | <b>741,527</b>                  | <b>718,338</b>                 | <b>732,018</b>                  |

The Quota received from the Diocese of Edinburgh in 2019 reflects the agreement reached with the Diocese following the departure of one of its charges and the resulting loss of quota income to the Diocese. Similarly, the 2020 quota requested reflects the agreed reduction following the charge's departure.

## General Fund

| Actual<br>2018<br>£          |  | Revised<br>Budget<br>2019<br>£ | Actual<br>2019<br>£          | Variance<br>fav/ (adv)<br>£ |
|------------------------------|--|--------------------------------|------------------------------|-----------------------------|
|                              | <b>INCOME</b>  |                                |                              |                             |
|                              | <i>Investment Income</i>                                       |                                |                              |                             |
| 1,110,700                    | UTP income   | 1,131,270                      | 1,141,555                    | 10,285                      |
| 6,921                        | Interest   | 4,000                          | 7,505                        | 3,505                       |
| 21,243                       | Net investment property income                                 | 21,243                         | 21,243                       | -                           |
| <u>1,138,864</u>             |  | <u>1,156,513</u>               | <u>1,170,303</u>             | <u>13,790</u>               |
|                              | <i>Administration fees</i>                                     |                                |                              |                             |
| 3,038                        | UTP / investment administration                                | 2,000                          | 2,838                        | 838                         |
| 29,030                       | Pension Fund administration                                    | 29,640                         | 29,640                       | -                           |
| 18,395                       | Restricted and other funds                                     | 18,395                         | 18,395                       | -                           |
| <u>50,463</u>                |  | <u>50,035</u>                  | <u>50,873</u>                | <u>838</u>                  |
| 741,527                      | Quota  | 741,527                        | 718,338                      | (23,189)                    |
| 21,176                       | Donations and legacies   | -                              | 32,041                       | 32,041                      |
| 350                          | Other  | -                              | 50                           | 50                          |
| <u>1,952,380</u>             | <i>Total Income</i>  | <u>1,948,075</u>               | <u>1,971,605</u>             | <u>23,530</u>               |
|                              | <b>ALLOCATIONS</b>   |                                |                              |                             |
| 878,625                      | Standing Committee   | 920,375                        | 946,638                      | (26,263)                    |
| 202,237                      | Administration Board   | 243,820                        | 240,530                      | 3,290                       |
| 353,533                      | Institute Council  | 465,610                        | 461,624                      | 3,986                       |
| 366,967                      | Mission Board  | 429,895                        | 373,334                      | 56,561                      |
| 18,455                       | Faith and Order Board  | 24,850                         | 24,773                       | 77                          |
| 9,334                        | Information and Communication Board                            | -                              | -                            | -                           |
| <u>1,829,151</u>             | <i>Total allocations</i>                                       | <u>2,084,550</u>               | <u>2,046,899</u>             | <u>37,651</u>               |
|                              | <b>BALANCES</b>  |                                |                              |                             |
| 123,229                      | Surplus/(deficit) for year                                     | (136,475)                      | (75,294)                     | 61,181                      |
| 953,040                      | Balance brought forward  | 1,076,269                      | 1,076,269                    | -                           |
| <u>1,076,269</u>             | <i>Balance carried forward</i>                                 | <u>939,794</u>                 | <u>1,000,975</u>             | <u>61,181</u>               |
| <b>Actual<br/>2018<br/>£</b> | <b>CAPITAL ACCOUNT</b>   |                                | <b>Actual<br/>2019<br/>£</b> |                             |
|                              | <b>INCOME</b>  |                                |                              |                             |
| -                            | <i>Total Income</i>  |                                | -                            |                             |
|                              | <b>EXPENDITURE</b>   |                                |                              |                             |
| -                            | <i>Total expenditure</i>                                       |                                | -                            |                             |
|                              | <b>BALANCES</b>  |                                |                              |                             |
| -                            | Surplus/(deficit) for year                                     |                                | -                            |                             |
| 35,723,569                   | Balance brought forward  |                                | 34,867,849                   |                             |
| (855,720)                    | Unrealised gain / (loss) on revaluation as at 31 December 2019 |                                | 7,118,044                    |                             |
| <u>34,867,849</u>            | <i>Balance carried forward</i>                                 |                                | <u>41,985,893</u>            |                             |

## General Synod Office and Provincial and Other Expenditure

| Actual<br>2018<br>£                  |   |                                      | Revised<br>Budget<br>2019<br>£ | Actual<br>2019<br>£ | Variance<br>fav/(adv)<br>£ |
|--------------------------------------|---|--------------------------------------|--------------------------------|---------------------|----------------------------|
| <b>INCOME</b>                        |   |                                      |                                |                     |                            |
| 878,625                              | Allocation from General Fund                            |                                      | 920,375                        | 946,638             | 26,263                     |
| <u>878,625</u>                       |   |                                      | <u>920,375</u>                 | <u>946,638</u>      | <u>26,263</u>              |
| <b>EXPENDITURE</b>                   |   |                                      |                                |                     |                            |
| <b>Costs of General Synod Office</b> |   |                                      |                                |                     |                            |
| 518,762                              | Employees   | Salaries, NIC, Pension Contributions | 553,455                        | 567,034             | (13,579)                   |
| 1,777                                |   | Staff travel and subsistence         | 4,250                          | 3,920               | 330                        |
| -                                    |   | Staff training                       | 1,910                          | 452                 | 1,458                      |
| 6,586                                |   | Recruitment costs                    | 3,500                          | 7,433               | (3,933)                    |
| <u>527,125</u>                       | <i>Sub-total</i>  |                                      | <u>563,115</u>                 | <u>578,839</u>      | <u>(15,724)</u>            |
| 22,514                               | Premises  | Building repairs and maintenance     | 30,000                         | 26,742              | 3,258                      |
| 4,469                                |   | Rates                                | 5,100                          | 2,780               | 2,320                      |
| 20,975                               |   | Light, heat and cleaning             | 23,000                         | 30,258              | (7,258)                    |
| 9,293                                |   | Insurance                            | 9,500                          | 10,359              | (859)                      |
| <u>57,251</u>                        | <i>Sub-total</i>  |                                      | <u>67,600</u>                  | <u>70,139</u>       | <u>(2,539)</u>             |
| 13,216                               | Administration  | Telephone and postage                | 11,000                         | 9,477               | 1,523                      |
| 2,918                                |   | Printing and stationery              | 4,000                          | 2,009               | 1,991                      |
| 12,582                               |   | Photocopier                          | 12,000                         | 13,250              | (1,250)                    |
| 19,074                               |   | Computing                            | 18,000                         | 25,785              | (7,785)                    |
| 7,409                                |   | Payroll Bureau processing costs      | 7,000                          | 7,122               | (122)                      |
| 6,233                                |   | Miscellaneous                        | 4,000                          | 5,381               | (1,381)                    |
| 1,184                                |   | Office equipment and furniture       | 1,000                          | 1,227               | (227)                      |
| <u>62,616</u>                        | <i>Sub-total</i>  |                                      | <u>57,000</u>                  | <u>64,251</u>       | <u>(7,251)</u>             |
| <u>646,992</u>                       | <i>Total Costs of General Synod Office</i>              |                                      | <u>687,715</u>                 | <u>713,229</u>      | <u>(25,514)</u>            |
| <b>Provincial Costs</b>              |   |                                      |                                |                     |                            |
| 26,226                               | Primus  |                                      | 26,910                         | 20,573              | 6,337                      |
| 10,268                               | College of Bishops                                      |                                      | 8,000                          | 14,134              | (6,134)                    |
| 10,000                               | Election of Bishop                                      |                                      | 10,000                         | 10,000              | -                          |
| 31,837                               | General Synod   | Annual meeting                       | 33,000                         | 34,813              | (1,813)                    |
| 812                                  |   | Annual report                        | 1,000                          | 817                 | 183                        |
| 3,240                                |   | Synod papers                         | 3,200                          | 3,950               | (750)                      |
| 1,952                                | Office for Protection of Children and Vulnerable Adults |                                      | 2,000                          | 1,255               | 745                        |
| -                                    | Communication costs                                     |                                      | 21,500                         | 6,297               | 15,203                     |
| 330                                  | New Clergy Welcome Day                                  |                                      | 350                            | 739                 | (389)                      |
| 162                                  | Clergy Legal Expenses Insurance                         |                                      | 300                            | 162                 | 138                        |
| 1,894                                | Trustee Liability Insurance                             |                                      | 2,000                          | 1,538               | 462                        |
| 13,350                               | Professional fees                                       | Audit                                | 14,000                         | 13,821              | 179                        |
| 69,074                               |   | Legal and advisory                   | 48,000                         | 66,928              | (18,928)                   |
| 2,737                                | Subscriptions   | Scottish Churches Committee etc      | 2,800                          | 2,752               | 48                         |
| <u>171,882</u>                       | <i>Total Provincial Costs</i>                           |                                      | <u>173,060</u>                 | <u>177,779</u>      | <u>(4,719)</u>             |

## General Synod Office and Provincial and Other Expenditure

| Actual<br>2018<br>£ |  | Revised<br>Budget<br>2019<br>£ | Actual<br>2019<br>£ | Variance<br>fav/(adv)<br>£ |
|---------------------|--|--------------------------------|---------------------|----------------------------|
|                     | <b>Committee Meeting Expenses</b>                        |                                |                     |                            |
| 3,704               | Standing Committee                                       | 2,000                          | 2,801               | (801)                      |
| 55                  | Committee for Protection of Children & Vulnerable Adults | 400                            | 266                 | 134                        |
| <u>3,759</u>        | <i>Total Committee Meeting Expenses</i>                  | <u>2,400</u>                   | <u>3,067</u>        | <u>(667)</u>               |
|                     | <b>Subscriptions to church bodies</b>                    |                                |                     |                            |
| 3,631               | World Council of Churches                                | 3,800                          | 4,025               | (225)                      |
| 1,361               | Conference of European Churches                          | 1,400                          | 1,225               | 175                        |
| 5,000               | Churches Together in Britain and Ireland                 | 5,000                          | 5,000               | -                          |
| 12,500              | Action of Churches Together in Scotland                  | 12,500                         | 8,000               | 4,500                      |
| 32,500              | Anglican Consultative Council                            | 33,500                         | 33,313              | 187                        |
| <u>54,992</u>       | <i>Total Subscriptions to church bodies</i>              | <u>56,200</u>                  | <u>51,563</u>       | <u>4,637</u>               |
|                     | <b>Grants</b>  |                                |                     |                            |
| 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>878,625</u>      | <i>Total Expenditure</i>                                 | <u>920,375</u>                 | <u>946,638</u>      | <u>(26,263)</u>            |
|                     | <b>BALANCES</b>  |                                |                     |                            |
|                     | <b>Revenue</b>   |                                |                     |                            |
| -                   | Surplus/(deficit) for year                               | -                              | -                   | -                          |
| -                   | Balance brought forward                                  | -                              | -                   | -                          |
| <u>-</u>            | <i>Balance carried forward</i>                           | <u>-</u>                       | <u>-</u>            | <u>-</u>                   |

## **Committee for the Protection of Children and Vulnerable Adults**

The Committee for the Protection of Children and Vulnerable Adults is responsible for promoting and encouraging a safe and protective environment for vulnerable people within the Church. The Committee oversees the work which deals with the Church's responsibilities for safeguarding the vulnerable, including compliance with legislation and determining the suitability of clergy, employees and volunteers to undertake regulated work. As Convener, I am very grateful to my Committee colleagues who have supported the work of the Provincial Officers in seeking the safety of everyone within the Scottish Episcopal Church (SEC).

The Committee continued to monitor how the SEC ensures that its procedures and processes meet the aspirations of the Anglican Consultative Council's Safe Church Charter and it contributed to the ongoing review of Canon 65 and of Canon 54 as it relates to safeguarding. However, the main business of the Committee was the finalising of the report on the Safeguarding Audit, undertaken in late 2018 and early 2019. Whilst it was considered that the SEC has sound policies in place and has made progress over many years in making the Church safe, the Committee was keen to identify where the Church could improve its procedures to further reduce the risk to vulnerable people in our congregations and to help prevent future harm. Furthermore, it was important to establish how well these policies are known, understood and implemented and the safeguarding audit sought to inform the Committee, and, indeed, the wider Church, on this. During the year, the Committee agreed the final conclusions and recommendations of the Audit Report and the Convener and the Provincial Officer presented the Report to the College of Bishops and the Provincial Standing Committee. An appropriate report was then prepared for and presented to General Synod in June.

Following Synod, the Committee established an Implementation Group to take forward the work relating the Audit's recommendations and this group, under the chairmanship of David Strang, retired chief constable and former HM Inspector of Prisons, has already met on three occasions to focus on identifying the most appropriate way in which these can be implemented.

During the year, the Committee began to consider how the SEC focuses on and responds to victims of abusive and harmful behaviour and this work will continue during 2020. As part of the work under the Safeguarding Audit, the Committee is developing an updated safeguarding policy based on the Safe Church Charter which will be brought to General Synod in 2020.

More generally, I am grateful to the Provincial Officers, Donald Urquhart and Daphne Audsley, and Vicki Anderson, their administrative assistant, for their professionalism and commitment. Their help and support has been invaluable to the Committee throughout. I would also thank members of the Committee for their support, wisdom and guidance.

I conclude this year's Report by reminding everyone that the Provincial Committee is responsible for providing guidance to the rest of the Church on the safety of its members and compliance with all the requirements of current legislation. The focus that we, as a Church, provide to safeguarding, not just our children and the vulnerable but everyone in the Church and in wider society, is the mission of the Church, and reflects God's love for all and the ministry of Jesus.

**Christopher Townsend**  
**Convener**



**Faith and Order Board**

| <b>Actual<br/>2018<br/>£</b> |                                   | <b>Revised<br/>Budget<br/>2019<br/>£</b> | <b>Actual<br/>2019<br/>£</b> | <b>Variance<br/>fav/ (adv)<br/>£</b> |
|------------------------------|-----------------------------------|--|------------------------------|--------------------------------------|
|                              | <b>INCOME</b>                     |  |                              |                                      |
| 18,455                       | Allocation from General Fund      | 24,850                                   | 24,773                       | (77)                                 |
| <u>18,455</u>                | <i>Total Income</i>               | <u>24,850</u>                            | <u>24,773</u>                | <u>(77)</u>                          |
|                              | <b>EXPENDITURE</b>                |  |                              |                                      |
| 6,990                        | Board expenses                    | 5,500                                    | 6,930                        | (1,430)                              |
| 2,989                        | Work of Liturgy Committee         | 7,550                                    | 4,679                        | 2,871                                |
| 203                          | Work of Committee on Canons       | 800                                      | 1,219                        | (419)                                |
| 1,162                        | Work of Doctrine Committee        | 800                                      | 2,185                        | (1,385)                              |
| 4,291                        | Inter-Church Relations Committee  | 5,000                                    | 3,862                        | 1,138                                |
| 2,820                        | Europe Group                      | 3,700                                    | 1,710                        | 1,990                                |
| -                            | Interfaith Relations Committee    | 1,500                                    | 2,472                        | (972)                                |
| -                            | Diaconate Working Party Committee | -  | 1,716                        | (1,716)                              |
| <u>18,455</u>                | <i>Total Expenditure</i>          | <u>24,850</u>                            | <u>24,773</u>                | <u>77</u>                            |
|                              | <b>BALANCES</b>                   |  |                              |                                      |
|                              | <b>Revenue</b>                    |  |                              |                                      |
| -                            | Surplus/(deficit) for year        | -  | -                            | -                                    |
| -                            | Balance brought forward           | -  | -                            | -                                    |
| <u>-</u>                     | <i>Balance carried forward</i>    | <u>-</u>                                 | <u>-</u>                     | <u>-</u>                             |



## Faith and Order Board

In 2019 the Faith and Order Board met two times, with one residential meeting, to oversee important areas of our church's life and work. At General Synod 2019, the Interfaith Relations Committee, formerly Committee for Relations with People of other Faiths (CRPOF), was moved in the provincial structures to the Faith and Order Board, bringing the total number of the Board's permanent pendant committees to five.

During the year, the Board discussed canonical changes to Canon 35 and 52, and noted the work of the Canonical Review Group on a range of clergy HR and safeguarding procedures which, it is hoped, the Committee on Canons will be ready to present as revised Canons 54 and 65 to General Synod in 2020. The Board also noted the work of the review group for Canon 4, *'Of the Election of Bishops to Vacant Sees.'*

The Board discussed the ongoing work of the Liturgy Committee in revising Scottish Liturgy 1982 to include the permitted changes for inclusive language, and the seasonal Eucharistic Prayers currently under experimental use. The Board instructed the Liturgy Committee to begin work on a new Scottish Liturgy for 2024.

Doctrine Committee matters primarily included discussion on the Theology of Ministry, intended to be published as a Grosvenor Essay in 2020. Members of the Doctrine Committee collaborated to produce a book *'Truth and the Church in a Secular Age'*, published by SCM Press in July 2019.

The Inter-Church Relations Committee (ICRC) work included an Ecumenical Policy for the Scottish Episcopal Church, which was introduced and approved at General Synod in 2019. The Board noted the new energy of the Episcopal, Methodist, United Reformed (EMU) partnership and the ongoing work of the Church of Scotland/Scottish Episcopal Church (SEC) group *'Our Common Calling'*, which presented an interim statement to General Synod in 2019. The Board requested that ICRC reopen discussion on transitivity.

The Interfaith Relations Committee, having moved its home in the provincial structures to become part of the Faith and Order Board, introduced discussion on its work and the increasing relevance of interfaith relations in Scottish society.

The Diaconate Working Group (DWG), an ad-hoc group reporting to Faith and Order, was increasingly active in 2019 in light of the number of distinctive deacons currently training in the Scottish Episcopal Institute, and members of the DWG represented the SEC at the DIAKONIA Region Africa Europe (DRAE) conference held in Musselburgh in March 2019. The SEC were welcomed as members of DRAE at that conference. The DWG worked with the Liturgy Committee to suggest amendments to the Scottish Ordinal 1984 for the ordination of deacons.

These issues represent only a fraction of the work of the Faith and Order Board, which was completed within budget.

I wish to thank all 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, whose reports are set out on the pages which follow. I am also grateful to all the GSO staff for their support throughout the year.

**Bishop Mark**  
**Convener**

## **Committee on Canons**

The Committee continues to deal with requests for changes to the Code of Canons. It attempts to achieve this as much as possible by employing modern methods of communication to facilitate meaningful discussion while keeping costs to a minimum.

The Committee presented to General Synod 2019 the following items of business:

### **For Second Reading: -**

- a) Canon 35, sections 1 and 3: Of the Structure, Furniture and Monuments of Churches, and the due care thereof.
- b) Canon 52, Section 23: Of the General Synod.

Thanks are extended to the Committee members for their contribution to the sometimes difficult and complex work of the Committee. Four new members have joined the Committee in 2019 – Lexy Plumtree, Gillian Reynolds, George MacWilliam and Samuel White. The Committee is very grateful for the continued support given by the secretary, Miriam Weibye.

**Graham Robertson**  
**Convener**

## **Liturgy Committee**

The main item of business this year has been a revision of the Scottish Liturgy 1982, incorporating new seasonal Eucharistic prayers suitable for Christmas and Epiphany and the permitted changes currently authorised by the College of Bishops.

A consultation on the '*Collects for Experimental Use*' was carried out, and revisions have been made in the light of comments received.

Work on liturgical material for times of lament has been undertaken and drafts will be forthcoming in due course.

A special issue of the '*Scottish Episcopal Institute Journal*' was curated by John Davies and Nicholas Taylor on the theme of Liturgical Revision in the Scottish Episcopal Church and was published in December 2019. This collaborative publication offered a collection of studies by members of the Liturgy Committee. The Committee also invited several contributions from specialists outside the Committee. The articles do not represent any settled opinion of the Liturgy Committee but rather the considered thoughts of the individual contributors at the outset of a journey towards revision and renewal of the Eucharistic liturgy of the Scottish Episcopal Church (SEC).

The Committee was represented by Nicholas Taylor at a meeting in Exeter of the Anglican Four Nations Liturgy Group which was hosted by the Church of England, and at meetings of the Joint Liturgical Group of Great Britain in London. In January 2019 John Davies represented the SEC at a meeting of the International Anglican Liturgical Consultation in Hong Kong.

The work of the Liturgy Committee was conducted within budget. Thanks are extended to all committee members for their efforts over the year. Particular thanks to Miriam Weibye, our secretary, for all of her support.

**John Davies**  
**Convener**

## **Inter-Church Relations Committee**

### **Local Ecumenism**

Much of the focus of the Committee's work this year has been focussed on how the churches in Scotland forge new ways of working together in a rapidly changing context. This context challenges us to think how we best use our human, physical and financial resources in the most effective way for the work of mission. At a national level, the member churches of Action of Churches Together in Scotland continue the difficult task of completing a transition to new patterns of working together that include new partners and loosen the organisational constraints that may have hindered creative cooperation in the past.

At a bilateral level, *'Our Common Calling'* - The Scottish Episcopal Church's (SEC) dialogue with the Church of Scotland - continues fruitfully.

Through the EMU partnership, relations with the Church's Methodist and United Reformed Church friends remain strong and we continue to seek ways to share resources and initiatives where possible in local communities.

### **International Matters**

The Committee continues to participate fully in the ongoing work of the Porvoo Communion (Nordic and Baltic Lutherans) and the Reuilly Agreement (French Reformed and Lutheran) whose contact group met in Edinburgh in February 2019. As an observer, we also participate in the Meissen Agreement (German Lutheran, United and Reformed churches). Markus Dünzkofer represents the SEC as well as the Church in Wales and Church of Ireland on the Meissen Commission. Two of our young people also participated in the 2019 biennial Kirchentag, a large gathering of Germany's Protestant churches which fosters engagement with wider questions in society.

We are also preparing to participate fully in the 2021 Assembly of the World Council of Churches, also taking place in Germany. Its theme is *'Christ's Love Moves the World to Reconciliation and Unity'*.

The work of the Committee was conducted within budget, and thanks to all committee members for their efforts over the year. Particular thanks to Miriam Weibye, our secretary, for all of her support.

**John McLuckie**  
**Convener**

## Interfaith Relations Committee

The Interfaith Relations Committee (IFRC) is an ecumenical committee comprising representation from the Methodist Church in Scotland and the United Reformed Church Synod of Scotland alongside the Scottish Episcopal Church (SEC). It also welcomes the Church of Scotland's Interfaith Officer to its meetings as an observer. As a new committee of the Faith and Order Board since General Synod 2019 (GS 19) it exists to resource and develop the engagement of member Churches with people of other faiths and to aid them to deepen their mission and dialogue in the context of the diversity of faith communities in Scotland. The IFRC encourages its members and the congregations of the Churches involved to engage with local and national interfaith bodies, knowing from experience that such engagement both enriches our own faith understanding and identity, and helps build the relationships of trust and mutual support for the common good.

During 2019 the Committee met on three occasions, and in February with the Scottish Catholic Bishops' Committee for Interreligious Dialogue. Some time was devoted to the process of changing the name (IFRC was previously the Committee for Relations with People of Other Faiths) and place of interfaith relations in the structures of the SEC, which was concluded with the unanimous approval of GS19 to its becoming a full committee of the Faith and Order Board. In addition, GS19 was addressed by Imam Sayed Razawi. It also approved unanimously the motion emphasising the urgency of the task of enabling all congregations to understand and engage with other faith communities in their neighbourhood.

In 2019, IFRC members were invited to an Eid dinner hosted by the Scottish Ahlul Bayt Society in August, were involved in the Scottish Government consultations concerning the definition of Islamophobia in September, the Interfaith Scotland Religious Leaders meeting in October and the annual Scottish Interfaith Week (SIFW) events throughout the country in November. Links to the SIFW events were provided through Inspires Online. As part of SIFW 2019 the Convener arranged a dialogue event with the Primus, the Moderator of the General Assembly of the Church of Scotland and the Archbishop of St Andrews and Edinburgh with an Imam and leaders of the Annandale Mosque in Edinburgh. There have also been discussions concerning the possibility of the Parliament of World Religions holding one of its global gatherings in Scotland in the 2020s.

The convener, representing the IFRC, also contributed to the Network for Interfaith European and North American Concerns meeting in Cardiff in September, as well as the Churches Together in Britain and Ireland two-day consultation on Christian Zionism held at the General Synod Office the following week.

At the end of the year it was announced in the New Year Honours List that an MBE was awarded to our friend Shabir Beg for services to interfaith relations in Glasgow. In fact, Shabir, Chairman of the Scottish Ahlul Bayt Society, has worked tirelessly throughout Scotland enabling and encouraging a huge range of interfaith events and relationships. We warmly congratulate him and welcome this public recognition of the importance of interfaith relations.

**Cedric Blakey**  
Convener

## Doctrine Committee

In 2019 members of the Doctrine Committee collaborated to complete the book *'Truth and the Church in a Secular Age'* published by SCM Press, edited by David Jasper and Jenny Wright. Thanks are due to contributions from members of the Episcopal Church outside the Doctrine Committee – John McLuckie, Steven Ballard and Alison Jasper. The Primus contributed a Preface and the Afterword was by Jochen Schmidt of the University of Paderborn, Germany. The book has attracted very favourable reviews in such national papers as the *Church Times*. The book offers a wide-ranging discussion of the nature of truth in theological, scientific, philosophical, pastoral and cultural fields, but is not written as a statement from the Scottish Episcopal Church. Following earlier work on episcopal authority, some of which was published in the Scottish Episcopal Institute online journal, and after discussion with the Primus, work has been completed on a new Grosvenor Essay entitled the *'Theology of Authority in the Ministry of the Church'*. The discussion includes the ministry of lay people, lay readers, deacons, priests and bishops and begins with the *'Mission Charge'* in Matthew 28:16-20.

The Committee has worked with two other committees. Jenny Wright and David Jasper attended a meeting of the working group from Church in Society Committee to contribute to its work on genome editing. Thanks, are also due to the contribution of Michael Fuller in this matter. Members of the Committee are continuing to work with the Liturgy Committee on matters relating to the proposed revision of the 1982 Scottish Liturgy, specifically in the field of liturgical language and gender.

Work has begun on a new collection of essays in the field of religious anthropology after initial discussion with SCM Press. The initial question addressed is *"What does it mean to be human made in the image of God?"* Editing is being undertaken by Nicholas Taylor and Scott Robertson, and like its predecessor, the work is being conducted in a widely interdisciplinary manner. The work is progressing well with this project.

Two new members joined the Doctrine Committee in 2019, Carrie Applegath and Delyth Reid. Diana Hall tendered her resignation due to other commitments, and thanks are extended to her for all her contributions to the work of the Committee.

Thanks are due to all members of the Committee for their hard work in what has been a productive year, and to Miriam Weibye, our secretary, for all her support.

**David Jasper**  
**Convener**



## Mission Board

| Actual<br>2018<br>£                  |                                      | Revised<br>Budget<br>2019<br>£ | Actual<br>2019<br>£ | Variance<br>fav/ (adv)<br>£ |
|--------------------------------------|--------------------------------------|--------------------------------|---------------------|-----------------------------|
| <b>INCOME</b>                        |                                      |                                |                     |                             |
| 366,967                              | Allocation from General Fund         | 429,895                        | 373,334             | (56,561)                    |
| 11,075                               | Investment income                    | 11,270                         | 11,392              | 122                         |
| -                                    | Legacies and donations               | 1,000                          | 950                 | (50)                        |
| <u>378,042</u>                       | <i>Total Net Income</i>              | <u>442,165</u>                 | <u>385,676</u>      | <u>(56,489)</u>             |
| <b>EXPENDITURE</b>                   |                                      |                                |                     |                             |
| 2,433                                | Board expenses                       | 3,000                          | 3,160               | (160)                       |
| 308,841                              | Mission and Ministry Support Grants  | 316,800                        | 316,800             | -                           |
| 15,259                               | Provincial Youth Week                | 18,000                         | 17,074              | 926                         |
| 595                                  | Children's work                      | 500                            | 358                 | 142                         |
| 510                                  | Local Mission Resourcing Group       | 1,000                          | 741                 | 259                         |
| 3,817                                | Youth Committee                      | 4,000                          | 2,812               | 1,188                       |
| 865                                  | Other activities                     | 1,000                          | 453                 | 547                         |
| <u>332,320</u>                       | <i>Sub-total</i>                     | <u>344,300</u>                 | <u>341,398</u>      | <u>2,902</u>                |
| <i>Allocation to Committee funds</i> |                                      |                                |                     |                             |
| 45,722                               | Church in Society Committee          | 97,865                         | 44,278              | 53,587                      |
| <u>45,722</u>                        | <i>Total allocated to committees</i> | <u>97,865</u>                  | <u>44,278</u>       | <u>53,587</u>               |
| <u>378,042</u>                       | <i>Total Expenditure</i>             | <u>442,165</u>                 | <u>385,676</u>      | <u>56,489</u>               |
| <b>BALANCES</b>                      |                                      |                                |                     |                             |
| <b>Revenue</b>                       |                                      |                                |                     |                             |
| -                                    | Surplus/(deficit) for year           | -                              | -                   | -                           |
| -                                    | Balance brought forward              | -                              | -                   | -                           |
| <u>-</u>                             | <i>Balance carried forward</i>       | <u>-</u>                       | <u>-</u>            | <u>-</u>                    |



## Mission Board

The Mission Board continues to take seriously its responsibility for the strategic oversight of the Church's mission and its aim to facilitate mission in all its forms across the Province in partnership with the Bishops. The Board works closely with its pendant committees (Global Partnerships, Church in Society and Youth) and the Scottish Episcopal Institute and the Standing Committee.

The Board has been heavily involved in the review of the Mission and Ministry Support Grants (MMSG) resulting in a change in formula and increases for all dioceses. The Local Mission Resourcing Group (LMRG) continues working on the proposal for a New Initiatives Fund available for experimental missional projects which have the support of their diocesan bishop. The LMRG's task of organising a Provincial Mission Strategies Conference as put to General Synod 2018 has been postponed at the request of the College of Bishops and the Board is looking forward to receiving a response from the College on Church Planting.

Activities through the year have included

- Appointment of the part time Provincial Youth Committee Enabler.
- Focus on children through a task group working with Christian Values in Education and others and overlap with the Intentional Discipleship work.
- Continuing engagement with Fresh Expressions, Church Army, HeartEdge, and ecumenical partners in mission such as the Church of Scotland through conversations about '*Our Common Calling*', Pioneer Ministry and their investment in Church Planting.
- Intentional Discipleship through meetings of the Four Nations Intentional Discipleship Group instigated by the Anglican Communion Office and the work of a task group set up to explore the differing understandings of Discipleship using feedback from comments made on the flipcharts at General Synod 2019.
- A pilot of the revised method of collecting church statistics has been run and responses are being analysed.
- Improving communication using Inspires Online, Facebook, Diocesan Representatives, LMRG, and meeting with the College of Bishops. It is hoped to improve the Provincial Website presence.

The Board continues to strive to inspire and resource mission across the Province, seeking to grow churches and develop as disciples together. None of this work happens without considerable input from the experienced and enthusiastic members of the Board, committees, and General Synod Office staff to whom I express my thanks.

**Jane Ross**  
Convener

## Church in Society Committee

| Actual<br>2018<br>£ |  | Revised<br>Budget<br>2019<br>£ | Actual<br>2019<br>£ | Variance<br>fav/ (adv)<br>£ |
|---------------------|--|--------------------------------|---------------------|-----------------------------|
| <b>INCOME</b>       |  |                                |                     |                             |
| 45,722              | Allocation from General Fund                                 | 97,865                         | 44,278              | (53,587)                    |
| -                   | Donations  | 1,000                          | 950                 | (50)                        |
| <u>45,722</u>       | <i>Total Net Income</i>                                      | <u>98,865</u>                  | <u>45,228</u>       | <u>(53,637)</u>             |
| <b>EXPENDITURE</b>  |  |                                |                     |                             |
| 42,020              | Grants   | 46,365                         | 41,855              | 4,510                       |
| -                   | Child poverty projects grants                                | 50,000                         | -                   | 50,000                      |
| 455                 | CRPOF  | -                              | -                   | -                           |
| 3,247               | Meeting costs / participating in consultations / conferences | 2,500                          | 3,373               | (873)                       |
| <u>45,722</u>       |  | <u>98,865</u>                  | <u>45,228</u>       | <u>53,637</u>               |
| <b>BALANCES</b>     |  |                                |                     |                             |
| <b>Revenue</b>      |  |                                |                     |                             |
| -                   | Surplus/(deficit) for year                                   | -                              | -                   | -                           |
| -                   | Balance brought forward                                      | -                              | -                   | -                           |
| <u>-</u>            | <i>Balance carried forward</i>                               | <u>-</u>                       | <u>-</u>            | <u>-</u>                    |

## Church in Society Committee

After a change to the Convener of the Committee after General Synod 2019, it was important to continue to build on the work done by the Committee in previous years as well as prioritise the focus for the coming years. With dedicated members, who have other commitments outside of the Committee, a clear focus and strategy means that the Committee can put valuable time, energy and human resources to help equip the Church, to learn, respond and engage with important justice, ethical and climate issues. We are well supported with ecumenical links and the General Synod Office staff are imperative to the Committee's ongoing work. Particular thanks to Miriam Weibye, our secretary, for all of her support.

An important part of the Committee's work is the dealing with applications for grants and maintaining contact with our grant recipients. The diversity of projects which the Scottish Episcopal Church (SEC) supports through this offers insight into work being done by congregations and charities throughout Scotland. Some are within SEC congregations, such as *'St. Ninian's Stay and Play Family Support Group'* in Dundee and the contact centre at St Mary's Hamilton. Ongoing relationships continue with *'Mission to Seafarers'*, *'Scottish Churches Housing Action'*, *'Faith in Older People'* and *'Scottish Faiths Action for Refugees'*. With the UN Climate Summit COP26 in Glasgow in November 2020, the Committee hope to draw on the wisdom and resources with *'Stop Climate Chaos'* and *'Eco Congregation'*.

The grant application forms for Childhood Poverty Grants (set up in response to a request from General Synod 2018) are now available on the provincial website. The Grant encourages congregations to work in partnership with local communities. Childhood poverty means that many children do not have access to sufficient food, clothing, education and social input to provide them with a suitable start to life. The Committee encourages churches to consider applying for a grant to support their work in the important area of providing safe spaces for children and families and to work towards ending poverty.

The Committee has three main areas of work: climate change, child poverty and genome editing. It aims to provide opportunities and resources for congregations and dioceses to evaluate and consider their own position and impact as well as offering assistance and encouragement to people to engage with the broader political debates. With the climate crisis being one of the themes of the Lambeth Conference 2020, there will be opportunities for conferences and diocesan conversations. The Committee aims to continue this conversation to encompass child poverty and genome editing into 2020, engaging with as many people as possible.

The work of the Church in Society Committee was conducted within budget.

**Jenny Wright**  
Convener

## Global Partnerships Committee

| Actual<br>2018<br>£ |  |                               | Revised<br>Budget<br>2019<br>£ | Actual<br>2019<br>£ | Variance<br>fav/ (adv)<br>£ |
|---------------------|--|-------------------------------|--------------------------------|---------------------|-----------------------------|
| <b>INCOME</b>       |  |                               |                                |                     |                             |
| 104,216             | Investment income                                      | Unit Trust Pool               | 106,146                        | 107,111             | 965                         |
| 31                  |  | Deposit account               | -                              | 33                  | 33                          |
| 6,948               |  | Noel Philipps Trust           | 7,076                          | 7,141               | 65                          |
| 5,000               | Grants awarded in prior years no longer required       |                               | -                              | -                   | -                           |
| <u>116,195</u>      | <i>Total Income</i>                                    |                               | <u>113,222</u>                 | <u>114,285</u>      | <u>1,063</u>                |
| <b>EXPENDITURE</b>  |  |                               |                                |                     |                             |
| 20,468              | Grants   | Education                     | 20,000                         | 33,282              | (13,282)                    |
| 41,724              |  | Africa                        | 35,000                         | 39,299              | (4,299)                     |
| 10,241              |  | Asia (inc Middle East)        | 15,000                         | 12,964              | 2,036                       |
| 2,583               |  | Small grants                  | 5,000                          | 1,600               | 3,400                       |
| 10,650              |  | Companion Relationships       | 10,000                         | 1,360               | 8,640                       |
| 8,520               |  | Agency Support                | 8,000                          | 11,270              | (3,270)                     |
| 8,165               |  | Anglican Comm Network Support | 12,000                         | 4,023               | 7,977                       |
| 2,020               |  | South America                 | 10,000                         | 9,947               | 53                          |
| -                   | MiDGies (formerly Justice, Peace and Creation Network) |                               | 500                            | -                   | 500                         |
| 305                 | Committee expenses                                     | Travel / meetings             | 3,000                          | 586                 | 2,414                       |
| (265)               |  | Publicity / correspondence    | 1,000                          | (26)                | 1,026                       |
| 73                  |  | Miscellaneous                 | -                              | 20                  | (20)                        |
| <u>104,484</u>      | <i>Total Expenditure</i>                               |                               | <u>119,500</u>                 | <u>114,325</u>      | <u>5,175</u>                |
| <b>BALANCES</b>     |  |                               |                                |                     |                             |
| <b>Revenue</b>      |  |                               |                                |                     |                             |
| 11,711              | Surplus/(deficit) for year                             |                               | (6,278)                        | (40)                | 6,238                       |
| 162,495             | Balance brought forward                                |                               | 174,206                        | 174,206             | -                           |
| <u>174,206</u>      | <i>Balance carried forward</i>                         |                               | <u>167,928</u>                 | <u>174,166</u>      | <u>6,238</u>                |

| Actual<br>2018<br>£ | CAPITAL ACCOUNT  | Actual<br>2019<br>£ |
|---------------------|--|---------------------|
| 3,471,578           | Balance brought forward  | 3,389,151           |
| (82,427)            | Unrealised gain / (loss) on revaluation as at 31 December 2019 | 685,643             |
| <u>3,389,151</u>    | <i>Balance carried forward</i>                                 | <u>4,074,794</u>    |

## Global Partnerships Committee

The Global Partnership Committee (GPC) has the responsibility for making grants to partner organisations within the Anglican Communion, and for some liaison with the other provinces of that Communion. We have approximately £110,000 a year available to spend on grants for work overseas in other Anglican provinces. This money is from legacies and cannot be used for any other purpose. This money enables us to make considerable differences in the lives of ordinary people worldwide through carefully targeted spending.

In 2019, the GPC spent the majority of its budget that was available to allocate to projects abroad. This, of course, is exactly what the Committee is supposed to do, and it is a credit to the diligence with which the committee members pursued applications and resolved difficulties with some of the applications.

The Committee has continued its links with Wi'am in Bethlehem, Charities Education International, working in north-west Bangladesh on women's education, and its support for the various diocese in South Sudan working to sustain the peace in the country. The Committee also continued its support for a hospital in Shenyang Province in China, through the Scottish Churches China Trust.

Our most significant initiative this year was to take part in a Christian Aid delegation to Brazil. The Scottish Episcopal Church (SEC) was represented by Miriam Weibye, the SEC Church Relations Officer, Thalia Chappell from the Youth Network, and Val Nellist, the GPC Portfolio Holder for South America. The other person in the delegation was Mary Mulligan of Christian Aid. They visited a women's refuge in rural Brazil, which the GPC helps fund. The support of women's projects of this kind, which help to transform people's lives, is an important part of the Committee's work, and one that it is committed to sustain over the coming years. The SEC also sent a delegate to the UN Commission on the Status of Women, funded by the GPC.

David Kenvyn, the Convener, represented the SEC at the Christian Aid AGM in London, as a proxy for the Primus. He also spoke at an Interfaith event in Edinburgh on the subject of the Home Office report on the persecution of Christians worldwide. The report was produced by a group chaired by the Bishop of Truro.

Finally, the Committee would like to thank Miriam Weibye, Marion Watson and Malcolm Bett for their work in keeping the GPC on track this year.

**David Kenvyn**  
**Convener**

## Youth Committee

The Provincial Youth Committee (PYC) is made up of youth representatives (two 12-18 year olds, one 18-25) from each diocese, plus their Youth Officer. The Chair and Secretary are youth representatives. The Committee meets to share information and good practice about youth work in the province and oversees the running of the Glen Youth Camp and other provincial youth events. We are currently looking to recruit additional youth reps from Aberdeen and Orkney, Argyll and The Isles, and Brechin dioceses.

The PYC met three times in 2019; Dundee (February), Edinburgh (June) and Kirkcaldy (September).

In March 2019, Claire Benton-Evans was appointed as the part-time Provincial Youth Committee Enabler. This post is already making a difference in the amount of support we can give our young people, and in building up clear lines of communication and support in youth work in the province.

The annual youth camp at Glenalmond was a wonderful and inspiring event in July. Young people came from all over Scotland. We had a particularly large group of first timers this year, but soon all were settling in, and enjoying the fun, food and God-filled richness that is the Glen experience. There is something very special in bringing together young Christians, who may normally have no other peers in their own church, with a whole campful of others like them. This year's theme was *'Stories and Songs'* looking at Jesus as a young person in the times before his ministry - linking Jesus' early life with themes of family, refugees, speaking truth to power, and making choices. As a camp we supported *'Thursdays in Black'*, the campaign towards a world without rape and violence, by dressing in black and wearing the Thursdays in Black badges.

We were delighted to welcome Bishop Anne as our visiting bishop this year.

There were four other provincial youth events throughout the year: *'Pathfinders'* in Dundee, *'Just, Love'* in Glasgow, *'Fruits of the Harvest'* in Kirkcaldy, and *'The ColourFest sleepover'* in Edinburgh. These youth events are each hosted by a diocese, but with the leadership team drawn from the provincial pool. The Edinburgh sleepover included an opportunity for provincial youth to design one of the famous murals outside St John's, Princes Street.

Youth leaders and young people have represented the SEC nationally and internationally in 2019:

- Ley-Anne Forsyth at the UN in New York for the Commission on the Status of Women
- Amie Byers at the Anglican Consultative Council in Hong Kong
- Thal Power in Brazil to meet with the Noeli Dos Santos safe house, which is partially funded by partnership between the SEC and Christian Aid Brazil

This year's Pisky Christmas Party for those aged 18+ brought together former Glen delegates, recent Glen graduates and both new and returning Glen leaders for an evening of food and fun. Thank you to St Serf's, Shettleston for hosting us.

The PYC operated within budget during 2019.

**Tembu Rongong**  
**Convener**

## 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.

The grants we were able to make in 2019 have again facilitated the purchase of food, beds and bedding, children's wardrobes/drawers, clothing, cookers, fridge freezers and washing machines when other sources of funding could not be found. These grants are made on the recommendation of clergy or organisations such as One Parent Families Scotland, Children 1<sup>st</sup>, Circle Scotland, NHS Greater Glasgow & Clyde, housing associations and social work departments in Scotland and are promptly processed so that help can be provided as quickly as possible.

In 2019 donations (including Gift Aid) representing income of £1,735 (£1,633 in 2018) were received and the 20 grants represented expenditure of £1,917 (43 grants – representing expenditure of £4,511 in 2018 - had been possible as a result of *inspires* subscribers donating outstanding subscription balances when it ceased publication). The fewer number of grants in 2019 was also because the balance on the Community Fund was low at times and it was necessary to turn down requests for a few months.

The effectiveness of the Community Fund relies entirely on the very generous donations received both from congregations and individuals. As always, I would like to thank those congregations and 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. However, to sustain the work of the Fund, I would encourage those congregations and Church members who have not previously made donations to the Fund 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

| Actual<br>2018<br>£ |                                | Revised<br>Budget<br>2019<br>£ | Actual<br>2019<br>£ | Variance<br>fav/ (adv)<br>£ |
|---------------------|--------------------------------|--------------------------------|---------------------|-----------------------------|
| <b>INCOME</b>       |                                |                                |                     |                             |
| 1,633               | Donations                      | 5,000                          | 1,735               | (3,265)                     |
| <u>1,633</u>        | <i>Total Net Income</i>        | <u>5,000</u>                   | <u>1,735</u>        | <u>(3,265)</u>              |
| <b>EXPENDITURE</b>  |                                |                                |                     |                             |
| 4,511               | Grants                         | 5,000                          | 1,917               | 3,083                       |
| <u>4,511</u>        | <i>Total Expenditure</i>       | <u>5,000</u>                   | <u>1,917</u>        | <u>3,083</u>                |
| <b>BALANCES</b>     |                                |                                |                     |                             |
| <b>Revenue</b>      |                                |                                |                     |                             |
| (2,878)             | Surplus(deficit) for year      | -                              | (182)               | (182)                       |
| 3,948               | Balance brought forward        | 1,070                          | 1,070               | -                           |
| <u>1,070</u>        | <i>Balance carried forward</i> | <u>1,070</u>                   | <u>888</u>          | <u>(182)</u>                |

**Miscellaneous Funds**

| <b>Actual<br/>2018<br/>£</b> |  | <b>Actual<br/>2019<br/>£</b> |
|------------------------------|--|------------------------------|
|                              | <b>INCOME</b>  |                              |
| -                            | Legacies   | -                            |
| -                            | <i>Total Net Income</i>  | -                            |
|                              | <b>EXPENDITURE</b>   |                              |
| -                            | Other expenditure  | 500                          |
| -                            | <i>Total Expenditure</i>                                       | 500                          |
|                              | <b>BALANCES</b>  |                              |
|                              | <b>Revenue</b>   |                              |
| -                            | Surplus/(deficit) for year                                     | (500)                        |
| 17,550                       | Balance brought forward  | 17,550                       |
| 17,550                       | <i>Balance carried forward</i>                                 | 17,050                       |
|                              | <b>CAPITAL ACCOUNT</b>   |                              |
|                              |  | <b>Actual<br/>2019<br/>£</b> |
| 550,918                      | Balance brought forward  | 542,942                      |
| (7,976)                      | Unrealised gain / (loss) on revaluation as at 31 December 2019 | 66,344                       |
| 542,942                      | <i>Balance carried forward</i>                                 | 609,286                      |
|                              | <b>TOTAL FUNDS as at 31 December:</b>                          |                              |
| 17,550                       | Revenue  | 17,050                       |
| 542,942                      | Capital  | 609,286                      |
| 560,492                      |  | 626,336                      |
|                              | <b>Being for:</b>  |                              |
| 558,650                      | Restricted purposes  | 624,491                      |
| 1,842                        | Designated purposes  | 1,845                        |
| 560,492                      |  | 626,336                      |





## Scottish Episcopal Institute Council

| Actual<br>2018<br>£                         |  | Revised<br>Budget<br>2019<br>£ | Actual<br>2019<br>£ | Variance<br>fav/ (adv)<br>£ |
|---|--|--------------------------------|---------------------|-----------------------------|
| <b>INCOME</b>                               |  |                                |                     |                             |
| 353,533                                     | Allocation from General Fund                     | 465,610                        | 461,624             | (3,986)                     |
| 42,570                                      | Allocation from Training Fund                    | 17,300                         | 17,300              | -                           |
| 16,670                                      | Allocation from Mixed Mode Training Fund         | 16,670                         | 16,670              | -                           |
| 3,079                                       | Investment income                                | 3,135                          | 3,165               | 30                          |
| 8,160                                       | Fees   | 12,150                         | 12,000              | (150)                       |
| <b>424,012</b>                              | <b>Total Income</b>                              | <b>514,865</b>                 | <b>510,759</b>      | <b>(4,106)</b>              |
| <b>EXPENDITURE</b>                          |  |                                |                     |                             |
| <b>Board</b>                                |  |                                |                     |                             |
| 2,701                                       | Meeting costs                                    | 2,500                          | 2,269               | 231                         |
| 323   | Management Committee                             | -                              | 168                 | (168)                       |
| <b>3,024</b>                                | <b>Total Board</b>                               | <b>2,500</b>                   | <b>2,437</b>        | <b>63</b>                   |
| <b>Scottish Episcopal Institute</b>         |  |                                |                     |                             |
| <b>Staff Costs</b>                          |  |                                |                     |                             |
| 142,793                                     | Salaries, pensions etc                           | 145,500                        | 146,024             | (524)                       |
| 960   | Recruitment costs                                | -                              | -                   | -                           |
| 1,049                                       | Travel expenses                                  | 2,000                          | 955                 | 1,045                       |
| 2,991                                       | Staff training / development                     | 3,500                          | 2,449               | 1,051                       |
| <b>147,793</b>                              | <b>Total staff costs</b>                         | <b>151,000</b>                 | <b>149,428</b>      | <b>1,572</b>                |
| <b>Training costs</b>                       |  |                                |                     |                             |
| 37,133                                      | Residential weekends                             | 40,000                         | 36,280              | 3,720                       |
| 4,599                                       | Field Education (placement) costs                | 7,000                          | 12,323              | (5,323)                     |
| 7,345                                       | Associate Tutors                                 | 10,550                         | 12,620              | (2,070)                     |
| 7,590                                       | Common Awards                                    | 7,500                          | 6,841               | 659                         |
| <b>56,667</b>                               | <b>Total training costs</b>                      | <b>65,050</b>                  | <b>68,064</b>       | <b>(3,014)</b>              |
| <b>Mixed Mode ordination training costs</b> |  |                                |                     |                             |
| 42,934                                      | Director of MM Training salary, pension          | 55,535                         | 55,513              | 22                          |
| 5,218                                       | Director of MM Training travel, expenses         | 3,900                          | 5,004               | (1,104)                     |
| -   | Associate Tutors                                 | -                              | 1,103               | (1,103)                     |
| 4,325                                       | Maintenance grants                               | 19,680                         | 20,473              | (793)                       |
| <b>52,477</b>                               | <b>Total Mixed Mode ordination training cost</b> | <b>79,115</b>                  | <b>82,093</b>       | <b>(2,978)</b>              |
| <b>Other costs</b>                          |  |                                |                     |                             |
| 1,024                                       | Library  | 1,000                          | 557                 | 443                         |
| 1,623                                       | Admin / publicity                                | 1,000                          | 934                 | 66                          |
| <b>2,647</b>                                | <b>Total other costs</b>                         | <b>2,000</b>                   | <b>1,491</b>        | <b>509</b>                  |
| <b>259,584</b>                              | <b>Total SEI costs</b>                           | <b>297,165</b>                 | <b>301,076</b>      | <b>(3,911)</b>              |
| <b>Full Time ordinands</b>                  |  |                                |                     |                             |
| 42,570                                      | Maintenance grants                               | 17,300                         | 17,300              | -                           |
| <b>42,570</b>                               | <b>Total full time ordinands</b>                 | <b>17,300</b>                  | <b>17,300</b>       | <b>-</b>                    |
| <b>Curate funding</b>                       |  |                                |                     |                             |
| 94,337                                      | Curate grants                                    | 144,200                        | 132,469             | 11,731                      |
| <b>94,337</b>                               | <b>Total curate funding</b>                      | <b>144,200</b>                 | <b>132,469</b>      | <b>11,731</b>               |
| <b>Recruitment and Selection</b>            |  |                                |                     |                             |
| 21,081                                      | PDO stipend / salary                             | 43,700                         | 45,371              | (1,671)                     |
| 1,732                                       | PDO expenses (travel etc)                        | 2,000                          | 1,021               | 979                         |
| 829   | Provincial panels etc                            | 2,000                          | 967                 | 1,033                       |
| 439   | Training   | 6,000                          | 10,118              | (4,118)                     |
| 416   | Materials etc                                    | -                              | -                   | -                           |
| <b>24,497</b>                               | <b>Total Recruitment and Selection</b>           | <b>53,700</b>                  | <b>57,477</b>       | <b>(3,777)</b>              |
| <b>424,012</b>                              | <b>Total Expenditure</b>                         | <b>514,865</b>                 | <b>510,759</b>      | <b>4,106</b>                |
| <b>BALANCES</b>                             |  |                                |                     |                             |
| <b>Revenue</b>                              |  |                                |                     |                             |
| -   | Surplus/(deficit) for year                       | -                              | -                   | -                           |
| -   | Balance brought forward                          | -                              | -                   | -                           |
| <b>-</b>                                    | <b>Balance carried forward</b>                   | <b>-</b>                       | <b>-</b>            | <b>-</b>                    |

## Scottish Episcopal Institute Council

### Core Values: Detail and Strategy

The Core Values of the Scottish Episcopal Institute (SEI) may be summarised as: a) Christ Centred b) Community Based c) Compassion Shown d) Creation Honoured. Each meeting of the SEI Council falls into two distinct parts. In the morning, the Christ Centred nature of the Institute results in discussion of the details of the Institute's life, its working, delivery and governance. The afternoons are an examination of future strategic direction in realising the core values of the Institute. Each of these core values may be examined in terms of detail and strategy during 2019.

**a) Christ Centred:** The Institute exists to provide formational training for those in leadership roles and who exercise a public ministry in proclaiming the good news of the gospel. Christ makes real God's love; God's Holy Spirit is active in our lives and worship helps us realise our experience of the living God. From the point of view of the Council:

Detail: In 2019 'Vocations Sunday' involved students preaching, teaching, on that day throughout the Province. This year every Diocese participated, and the response was overwhelmingly positive.

Strategy: Preparation for the Periodic External Review of the Institute's work by external examiners has involved reflection on the past five years' work and looking forward by reassessing priorities for the next five years. The SEI staff participated in delivering the '*Pioneer Ministry*' pilot course in Autumn 2019 delivered by the University of Edinburgh and the Centre for Open Learning. This was a significant engagement with the ecumenical community. The SEI Journal is now recognised as a major contribution to theological exploration and thought throughout the UK.

**b) Community:**

Detail: At the centre of the Institute's formational work and training is the building of community within the Institute as a means of 'forming' and equipping future church leaders to build communities of faith confident to live out and preach the good news of the Kingdom. Thus, the academic year now begins with an Orientation Week; six days residential experience involving teaching, worship and relationship building. Family engagement with the SEI formational programme has been much increased. Families attend three Eucharists at Residential Weekends throughout the year. SEI Ambassadors attend the Valedictory lunch, small ways in which the community is nurtured.

Strategy: The Mixed Mode training pathway now has four students under 30. The '*Argyll Pilot*' is a scheme involving a group of interested lay people who are studying a Christian Doctrine module via Skype. Thus, a small beginning of Provincial Lay Learning through the SEI.

**c) Compassion:**

Detail: The outworking of Christian Kingdom values is shown in the attitude of staff and students towards the partners and families of staff and students.

Strategy: The values of love, caring, understanding in prayer and practical engagement are ideals. These have been realised in a link with the '*Centro de Estudos Anglicanos Brazil*'. Thus, a prayer partnership and money offerings at Residential Weekends.

**d) Creation:**

Detail: The SEI community has signed up to the Eco-Congregation Scotland scheme.

Strategy: The greater awareness of issues effecting the environment honours our need to thank God for creation and respect that creation as a sign of God's love.

**Bishop Kevin  
Convener**

## Recruitment and Selection Statistics

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

Until 2019 recruitment and Selection of Lay Readers was processed through the Diocesan Wardens of Lay Readers rather than the Provincial Director of Ordinands.

### Total Number of Candidates Processed

| Year    | Total nos. processed | Ages and Gender |      |         |      |        |      |
|---------|----------------------|-----------------|------|---------|------|--------|------|
|         |                      | →30             |      | 31 - 45 |      | 45+    |      |
|         |                      | Female          | Male | Female  | Male | Female | Male |
| 2016-17 | 11                   | 1               | 2    | 2       | 1    | 5      | 0    |
| 2017-18 | 12                   | 4               | 1    | 2       | 1    | 1      | 3    |
| 2018-19 | 12                   | 1               | 3    | 1       | 2    | 1      | 4    |

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

| Year    | Total nos. | Ages and Gender |      |         |      |        |      |
|---------|------------|-----------------|------|---------|------|--------|------|
|         |            | →30             |      | 31 - 45 |      | 45+    |      |
|         |            | Female          | Male | Female  | Male | Female | Male |
| 2016-17 | 8          | 1               | 2    | 2       | 0    | 3      | 0    |
| 2017-18 | 7          | 3               | 0    | 1       | 1    | 1      | 1    |
| 2018-19 | 6          | 1               | 1    | 0       | 1    | 0      | 3    |

### Candidates Recommended for Training by Bishops' Advisory Panel

| Year    | Total nos. | Ages and Gender |      |         |      |        |      |
|---------|------------|-----------------|------|---------|------|--------|------|
|         |            | →30             |      | 31 - 45 |      | 45+    |      |
|         |            | Female          | Male | Female  | Male | Female | Male |
| 2016-17 | 6/7        | 1               | 1    | 2       | 0    | 2      | 0    |
| 2017-18 | 4/5        | 2               | 0    | 1       | 1    | 0      | 0    |
| 2018-19 | 4/5        | 1               | 1    | 0       | 1    | 0      | 1    |

### Lay Readership Statistics

| Year    | Total number entering training | Ages and Gender |      |         |      |        |      |
|---------|--------------------------------|-----------------|------|---------|------|--------|------|
|         |                                | →30             |      | 31 - 45 |      | 45+    |      |
|         |                                | Female          | Male | Female  | Male | Female | Male |
| 2016-17 | 1                              | 0               | 0    | 0       | 0    | 1      | 0    |
| 2017-18 | 0                              | 0               | 0    | 0       | 0    | 0      | 0    |
| 2018-19 | 1                              | 0               | 0    | 0       | 0    | 1      | 0    |

## Miscellaneous Funds

| Actual<br>2018<br>£ |  | Actual<br>2019<br>£ |
|---------------------|--|---------------------|
|                     | <b>INCOME</b>  |                     |
| 2,709               | Investment income  | 2,804               |
| 37,088              | Donations  | 35,115              |
| 8,566               | Other income   | 9,170               |
| <u>48,363</u>       | <i>Total Net Income</i>  | <u>47,089</u>       |
|                     | <b>EXPENDITURE</b>   |                     |
| 3,730               | Grants   | 3,897               |
| 59,240              | Transfer to Institute Council                                  | 33,970              |
| <u>62,970</u>       | <i>Total Expenditure</i>                                       | <u>37,867</u>       |
|                     | <b>BALANCES</b>  |                     |
|                     | <b>Revenue</b>   |                     |
| (14,607)            | Surplus/(deficit) for year                                     | 9,222               |
| (659)               | Transfer (to)/from capital                                     | (717)               |
| 134,955             | Balance brought forward  | 119,689             |
| <u>119,689</u>      | <i>Balance carried forward</i>                                 | <u>128,194</u>      |
|                     | <b>CAPITAL ACCOUNT</b>   |                     |
|                     |  |                     |
| 1,000,796           | Balance brought forward  | 977,691             |
| 659                 | Transfer from revenue  | 717                 |
| (23,764)            | Unrealised gain / (loss) on revaluation as at 31 December 2019 | 196,973             |
| <u>977,691</u>      | <i>Balance carried forward</i>                                 | <u>1,175,381</u>    |
|                     | <b>TOTAL FUNDS as at 31 December:</b>                          |                     |
| 119,689             | Revenue  | 128,194             |
| 977,691             | Capital  | 1,175,381           |
| <u>1,097,380</u>    |  | <u>1,303,575</u>    |
|                     | <b>Being for:</b>  |                     |
| 944,687             | Restricted purposes  | 1,119,990           |
| 152,693             | Designated purposes  | 183,585             |
| <u>1,097,380</u>    |  | <u>1,303,575</u>    |

## Administration Board

| Actual<br>2018<br>£              |                                | Revised<br>Budget<br>2019<br>£ | Actual<br>2019<br>£ | Variance<br>fav/ (adv)<br>£ |
|----------------------------------|--------------------------------|--------------------------------|---------------------|-----------------------------|
| <b>INCOME</b>                    |                                |                                |                     |                             |
| 202,237                          | Allocation from General Fund   | 243,820                        | 240,530             | (3,290)                     |
| <u>202,237</u>                   | <i>Total Income</i>            | <u>243,820</u>                 | <u>240,530</u>      | <u>(3,290)</u>              |
| <b>EXPENDITURE</b>               |                                |                                |                     |                             |
| <i>Meeting Costs</i>             |                                |                                |                     |                             |
| 974                              | Board                          | 1,000                          | 1,393               | (393)                       |
| 122                              | Building Grants Group          | 500                            | 139                 | 361                         |
| 373                              | Investment Committee           | 100                            | 499                 | (399)                       |
| 406                              | Retirement Housing Committee   | 400                            | 205                 | 195                         |
| 131                              | Buildings Committee            | 400                            | 101                 | 299                         |
| 986                              | Personnel Committee            | 400                            | 1,073               | (673)                       |
| <u>2,992</u>                     | <i>Sub-total</i>               | <u>2,800</u>                   | <u>3,410</u>        | <u>(610)</u>                |
| <i>Grants</i>                    |                                |                                |                     |                             |
| 6,800                            | Child Allowance                | 9,000                          | 5,100               | 3,900                       |
| 3,855                            | Resettlement grants            | -                              | -                   | -                           |
| <u>10,655</u>                    | <i>Sub-total</i>               | <u>9,000</u>                   | <u>5,100</u>        | <u>3,900</u>                |
| <i>Allocation to other funds</i> |                                |                                |                     |                             |
| 188,590                          | Building Grants Fund           | 232,020                        | 232,020             | -                           |
| <u>188,590</u>                   | <i>Sub-total</i>               | <u>232,020</u>                 | <u>232,020</u>      | <u>-</u>                    |
| <u>202,237</u>                   | <i>Total Expenditure</i>       | <u>243,820</u>                 | <u>240,530</u>      | <u>3,290</u>                |
| <b>BALANCES</b>                  |                                |                                |                     |                             |
| <b>Revenue</b>                   |                                |                                |                     |                             |
| -                                | Surplus/(deficit) for year     | -                              | -                   | -                           |
| -                                | Balance brought forward        | -                              | -                   | -                           |
| <u>-</u>                         | <i>Balance carried forward</i> | <u>-</u>                       | <u>-</u>            | <u>-</u>                    |

## Administration Board

**An active and engaged Board.** Having been appointed the Board's Convener at General Synod 2019 I have taken the opportunity to attend a number of meetings of its committees to familiarise myself with their work. Their work is wide ranging and carried out with much skill, dedication and good humour. The Board and the Scottish Episcopal Church (SEC) is well served by these committees and the Building Grants Group it is responsible for overseeing. The major themes over the year have been:

**Investments: balancing strategy, ethics and volatility.** Investment income is critical to the SEC. During the year the Board grappled with the Investment Committee's desire to seek a more diversified range of investments for the SEC Unit Trust Pool (UTP). The Committee had been working for some time to find a suitable investment strategy to address its concerns regarding the potential volatility to income from the UTP. Since the strategy previously identified by the Committee had implications for the implementation of the UTP's Ethical Investment Policy, it embarked on a consultation throughout the SEC and brought a revised proposal to the Board for its consideration. The Board endorsed the Committee's proposal that, given the concerns highlighted by the consultation in relation to ethical investment, it would be appropriate to consider revisions to the Ethical Investment Policy particularly in relation to how it might be extended to cover the use of pooled funds which are an increasingly important part of any investment portfolio. The proposal was subsequently considered by General Synod but rejected in favour of a counter motion focussing more on fossil fuel divestment and the need to undertake a review of ethical investment issues and how they might be applied to the UTP. The Board is pleased that the Ethical Investment Advisory Group required by the successful counter motion has now been established and looks forward to hearing the outcome of its deliberations. Understandably the Committee's Convener considered it appropriate to resign following Synod's rejection of the Committee's proposal. I'd like to record the Board's thanks to Adrian Tupper for his diligent convenership of the Committee over the last few years.

**Personnel: progress, but no quick fix.** The Board has continued to receive reports from the Personnel Committee regarding its consultation with clergy concerning a range of personnel issues. The responses to the Clergy Wellbeing Survey issued to clergy early in the year raised a variety of issues and have helped shape the Committee's priorities for its future work. The Board is grateful to all those who took time to complete the survey and to participate in follow up conversations with its Convener. It will take some time to adequately address the issues raised during this process. The Board is, however, encouraged by the progress being made and is grateful to the Committee for rising to the challenges presented by survey responses. Particular thanks to its Convener, Jan Whiteside, for her willingness to meet with clergy to hear more of their experiences and concerns. One of the outcomes of the Survey has been the establishment of a group to undertake an interim review of clergy stipend, housing and pensions which is due to report its findings to the Board later this year.

**Building Grants: demand outstrips supply.** Although increased funding was made available to the Building Grants Group, demand for grant assistance again exceeded the funds available. 25 applications totalling almost £507,000 were considered and 24 grants totalling £250,000 were awarded. The grants ranged from £1,500 to £32,000 and were for a variety of purposes including the extensive refurbishment of church halls and the renovation of a number of rectories during periods of vacancy. Partly as a consequence of the lack of available grant funds there was a slight increase in the number of Building Loans agreed in the year (five loans totalling £44,500). Congregations considering building projects are encouraged to investigate a range of possible funding sources in addition to the Building Grants Fund.

**Risk management.** The Board further considered the issue of risk management for congregations during the year and issued an information note and pro forma Risk Register to dioceses for sharing with vestries.

**James N Gibson**  
Convener

**Building Grants Fund**

| <b>Actual<br/>2018<br/>£</b> |                                | <b>Revised<br/>Budget<br/>2019<br/>£</b> | <b>Actual<br/>2019<br/>£</b> | <b>Variance<br/>fav/ (adv)<br/>£</b> |
|------------------------------|--------------------------------|--|------------------------------|--------------------------------------|
| <b>INCOME</b>                |                                |  |                              |                                      |
| 188,590                      | Allocation from General Fund   | 232,020                                  | 232,020                      | -                                    |
| 6,788                        | Earmarked grants surrendered   | -  | -                            | -                                    |
| -                            | Donations                      | 17,980                                   | 17,980                       | -                                    |
| <u>195,378</u>               | <i>Total Income</i>            | <u>250,000</u>                           | <u>250,000</u>               | <u>-</u>                             |
| <b>EXPENDITURE</b>           |                                |  |                              |                                      |
| 82,850                       | Grants - Issued                |  | 185,077                      |                                      |
| 112,528                      | - Earmarked                    |  | 64,923                       |                                      |
| <u>195,378</u>               | <i>Total Expenditure</i>       | <u>250,000</u>                           | <u>250,000</u>               | <u>-</u>                             |
| <b>BALANCES</b>              |                                |  |                              |                                      |
| <b>Revenue</b>               |                                |  |                              |                                      |
| -                            | Surplus/(deficit) for year     | -  | -                            | -                                    |
| -                            | Balance brought forward        | -  | -                            | -                                    |
| <u>-</u>                     | <i>Balance carried forward</i> | <u>-</u>                                 | <u>-</u>                     | <u>-</u>                             |



**Building Loans Fund**

| <b>Actual<br/>2018<br/>£</b>                           |                                | <b>Revised<br/>Budget<br/>2019<br/>£</b> | <b>Actual<br/>2019<br/>£</b> | <b>Variance<br/>fav/ (adv)<br/>£</b> |
|--|--------------------------------|--|------------------------------|--------------------------------------|
| <b>INCOME</b>  |                                |  |                              |                                      |
| 510  | Interest on loans              | 1,000                                    | 1,144                        | 144                                  |
| <u>510</u>   | <i>Total Income</i>            | <u>1,000</u>                             | <u>1,144</u>                 | <u>144</u>                           |
| <b>BALANCES</b>  |                                |  |                              |                                      |
| <b>Revenue</b> (liquid funds for advancement of loans) |                                |  |                              |                                      |
| 510  | Surplus/(deficit) for year     | 1,000                                    | 1,144                        | 144                                  |
| 7,581  | Transfer (to)/from capital     | (262,533)                                | (30,010)                     | 232,523                              |
| 281,533  | Balance brought forward        | 289,624                                  | 289,624                      | -                                    |
| <u>289,624</u>   | <i>Balance carried forward</i> | <u>28,091</u>                            | <u>260,758</u>               | <u>232,667</u>                       |

| <b>Actual<br/>2018<br/>£</b> | <b>CAPITAL ACCOUNT</b>                                  | <b>Actual<br/>2019<br/>£</b> |
|------------------------------|---|------------------------------|
| 118,676                      | Balance brought forward                                 | 111,095                      |
| (12,231)                     | <i>Transfers to revenue</i><br>Loans repaid             | (13,485)                     |
| <u>4,650</u>                 | <i>Transfers from revenue</i><br>Loans paid / earmarked | <u>43,495</u>                |
| (7,581)                      | Net transfer from / (to) revenue                        | 30,010                       |
| <u>111,095</u>               | <i>Balance carried forward</i>                          | <u>141,105</u>               |

## Investment Committee

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

**Financial Markets and performance:** Stock market conditions were good for sterling investors in 2019 with the UK's FTSE 100 producing a total return of +16.7% (2018: -8.7%). Performance of the UTP has been positive in total return terms. The total return over the year to 31 December 2019 was +23.4% after fees. The unit value as at 31 December 2019 was £21.11 (2018: £17.56). The 2019 distributions represent a yield of 2.63% on the year end value.

The UTP is managed on a 'Total Return' basis and income does not fully fund the distribution. The Committee increased the 2019 distribution to 55.5p (2018: 54p). The capital element of the distribution was 12.1p per unit (2018: 24.2p). The Committee is aware of the importance of the income stream for unit holders, but continues to act conservatively to avoid volatility and to protect the capital base of the fund. (Total Return means the combination of changes in underlying asset values plus income from interest and dividends.) The accounts for the UTP are on page 90.

The market value of the Fund at 31 December 2019 was £86.7m (2018: £72.7m).

**UTP Restructuring:** The Committee continues to seek ways of reducing risk and volatility in the portfolio with a view to maintaining the distribution rate. Following the initial phase of the planned restructuring of the UTP in 2018 to include a holding in Baillie Gifford's Multi Asset Income Fund (MAI Phase One), the Committee consulted with dioceses and vestries on the next phase (MAI Phase Two). Having considered the consultation responses, the Committee recognised the need to develop a framework, consistent with the Ethical Investment Policy, for the use of such pooled funds. The Committee's proposals for developing such a framework were, however, rejected by General Synod. No further restructuring of the UTP will be considered pending the outcome of the discussions of the Ethical Investment Advisory Group (EIAG), established by Synod to consider fossil fuel divestment and review the Ethical Investment Policy.

**Ethical Policy:** The Ethical Investment Policy (page 95) is subject to review by the EIAG. The UTP is managed by Baillie Gifford (BG) in accordance with the Statement of Investment Objectives agreed by the Committee. BG has a dedicated Corporate Governance team that works with the fund managers to assess Environmental, Social and Governance (ESG) concerns both before and after investment in a company. BG engages with the companies it invests in on topics such as increasing carbon legislation on fossil fuel companies and director remuneration in the banking sector; and more generally on capital management, board composition, remuneration, environmental impact and reputational risk. BG are members of the UK Corporate Governance Forum, the International Corporate Governance Network, UK Sustainable Investment and Finance Association and the Asian Corporate Governance Association. In addition, BG comply with the UK Stewardship Code and are signatories to the UN Principles for Responsible Investment.

The Investment Committee represents the Church on the Church Investors Group (CIG) which, in turn, represents institutional investors from many mainstream Church denominations and church related charities. The aims of CIG include encouraging the formulation of investment policies, based on Christian ethical principles, and responsible business practices, through engagement with company managements. The Investment Committee believes that CIG provides an effective voice for engaging in issues of common concern to Christian investors.

**Committee Membership:** The Committee records its thanks to Adrian Tupper for his thoughtful leadership as Convener from 2015 to 2019. Amanda Fairclough joined the Committee during the year. No new Convener of the Committee has as yet been appointed.

## **Buildings Committee**

The Buildings Committee meets twice a year to discuss current issues regarding the management of church buildings and other properties in the care of vestries. Our interest is an overview for the province in being able to review guidance for dioceses and we value the geographical representation of our committee members and their experience. As reported in previous years, the effectiveness of the local diocesan application of Canon 35 is apparent in the fact there have been no appeals against decisions brought to the Committee for a number of years.

The last year has seen us take through the revision of Canon 35 with the successful second reading at General Synod, which extends the remit to include church grounds. Part of the revision included an alteration to the list of exempt Minor Works (for which Canon 35 consent is not needed). The revised Canon and list of Minor Works are available on the provincial website.

It is a coincidence that within the same time frame, Historic Environment Scotland (HES) has reviewed and revised their guidance on the operation of Ecclesiastical Exemption. This affirms the relevance of the Canon 35 process for the Church to be allowed to make decision on changes and development control of its own buildings to a certain degree, and also confirms the requirement for formal planning and, in effect through the Voluntary Scheme agreed between HES and the churches, Listed Building Consent for material changes to the exterior of church buildings through the local authorities planning system and local development policies.

The Committee continues to encourage the financial support given through the provincial Buildings Grant Fund for assistance with cost of building and maintenance works for churches, halls and rectories. It was reported to the Committee from the Buildings Grants Group which administers the grant scheme that the number of applications had increased in the last year and that the allocated budget for the scheme was less than half the sum required to meet all the applications in full. In general, it has become more difficult to secure grants for churches from the established range of funders, and a good case needs to be made with provincial grant applications demonstrating properly developed projects with local missional impact and support from the applicant's diocese.

We are in the process of developing a new guidance document on the care of graveyards, to be available later this year during 2020. We are also considering how to support dioceses in the development of a template for occupation of rectories.

During the year, Richard Fawcett retired from the Committee and we wish to acknowledge his contribution, particularly his work in recording of historic Episcopal church buildings. The best method for sharing this research with those interested is under discussion.

We were pleased to welcome new committee member David Gibbon of the Edinburgh diocese, and are seeking a senior clergy member to join us.

**Rebecca Cadie**  
**Convener**

## **Personnel Committee**

The Personnel Committee is concerned with the wellbeing and support of the clergy of the Scottish Episcopal Church. This includes seeking to ensure that all appropriate personnel related legislation is easily accessible and, where necessary, translate that legislation into notes of guidance.

During the year Lexy Plumtree completed her second term of office and retired from the Committee. She is warmly thanked to her contribution to its work. The Committee welcomed Kirstin Freeman to its ranks, and it is now up to full strength. The Convener is grateful for the time and commitment given by all of the Committee members in a year that has indeed been a year of challenge. In February, the Clergy Wellbeing Survey, as mentioned in last year's report, was issued and 70% of clergy both stipendiary, non-stipendiary and retired completed it. Whilst there were some positive aspects to the responses, the results also raised matters of serious concern. They indicated that many of our clergy had experienced bullying and harassment during the previous 12 months. Other issues commented upon were around work/life balance, clergy stipends and pension provision.

Given the serious concerns highlighted in the Survey responses most of the Committee's time and energy has been devoted to seeking ways to support our clergy in these circumstances. At General Synod 2019, the Convener acknowledged that the Committee had not been listening carefully enough and committed to listen to what the clergy had to say. On that basis, she offered a listening ear to anyone at General Synod who wanted to share their experiences.

Whilst the responses to the survey were strictly confidential, it offered the opportunity for respondents to leave contact details if they wished the Convener to make contact with them. More than 80 members of clergy left their details and the Convener has been gradually making contact with them. Some have preferred to write a note of their experiences, some have preferred a telephone call, but most have preferred a face to face conversation. The Convener hopes to have met with all that wish to meet by the end of March. The identity of those participating in such conversations is strictly confidential but the conversations have allowed the Committee to have more clarity as to the source of the bullying/harassment and to enable it to work on accessing support and training for clerics at all levels of the Church.

Consideration is also being given to how we support clergy to achieve a healthier work/life balance.

General Synod accepted the Committee's proposals to accord stipendiary clergy rights in relation to maternity, paternity and parental leave. Towards the end of the year, the Committee initiated work on guidance on clergy expenses. The Administration Board has also agreed that a Clergy Stipend Review may be undertaken, with the first meeting of the group taking place in February.

It has been a tough year and the Convener is, as always grateful for the support and patience of the Committee members, the support of John Stuart and also of Ian Pilbeam and Ciara McGovern from the HR Department.

**Jan Whiteside**  
**Convener**

## Retirement Housing Committee

The main remit of the Retirement Housing Committee is to provide assistance from the Housing Fund for retired clergy, 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 Scottish Episcopal Church Pension Fund and have completed 10 years full time stipendiary service in the Scottish Episcopal Church.

The objective is to ensure, as far as possible, that clergy will be provided with suitable housing, while allowing them to retain 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 £180,000 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 a further 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 42 properties throughout Scotland. The Committee undertook repairs and renovations costing in the region of £20,780 during the year. This was £29,200 less than budget.

In the past year four properties were sold. A sale has been agreed but not yet concluded for another and we have one further property being prepared for sale. Five rental properties were purchased. We currently have one vacant property which is being retained for future use.

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 2019 this amounted to a payment of £90 to each pensioner.

The Committee is currently at full strength.

Because of the number of property purchases and sales over the past year this was a very busy time for the Committee, especially Daphne Audsley and Malcolm Bett whom I thank for all the work they do on the Committee's behalf. I would also like to thank the members of the Committee for the advice and assistance they give and the visiting they do. I look forward to continuing working with them in administering the Housing Fund for the benefit of our pensioners and retired clergy in the coming year.

**Lorna Mortis**  
**Convener**

## Retirement Housing Committee

### Supplementary Fund

| Actual<br>2018<br>£    |  | Revised<br>Budget<br>2019<br>£ | Actual<br>2019<br>£ | Variance<br>fav/ (adv)<br>£ |
|------------------------|--|--------------------------------|---------------------|-----------------------------|
| <b>INCOME</b>          |  |                                |                     |                             |
| 39,131                 | Investment income  | 39,855                         | 40,218              | 363                         |
| 58                     | Interest   | 50                             | 62                  | 12                          |
| 2,000                  | Cargill Trust - Widows and Orphans                             | 2,000                          | 2,000               | -                           |
| 1,882                  | Legacies & Donations   | -                              | 490                 | 490                         |
| <u>43,071</u>          | <i>Total Income</i>  | <u>41,905</u>                  | <u>42,770</u>       | <u>865</u>                  |
| <b>EXPENDITURE</b>     |  |                                |                     |                             |
| 100                    | Grants - Clergy  | 4,000                          | 1,000               | 3,000                       |
| -                      | - Widows and Orphans   | 4,000                          | -                   | 4,000                       |
| 30,780                 | - Christmas payment  | 27,000                         | 30,690              | (3,690)                     |
| 1,335                  | - Yearbooks (retired clergy)                                   | 1,400                          | 1,269               | 131                         |
| 1,833                  | Pension Fund (CRBF) top up                                     | 1,500                          | -                   | 1,500                       |
| 149                    | Miscellaneous  | 150                            | 144                 | 6                           |
| 6,145                  | GSO Administration charge                                      | 6,145                          | 6,145               | -                           |
| <u>40,342</u>          | <i>Total Expenditure</i>                                       | <u>44,195</u>                  | <u>39,248</u>       | <u>4,947</u>                |
| <b>BALANCES</b>        |  |                                |                     |                             |
| <b>Revenue</b>         |  |                                |                     |                             |
| 2,729                  | Surplus/(deficit) for year                                     | (2,290)                        | 3,522               | 5,812                       |
| 31,147                 | Balance brought forward  | 33,876                         | 33,876              | -                           |
| <u>33,876</u>          | <i>Balance carried forward</i>                                 | <u>31,586</u>                  | <u>37,398</u>       | <u>5,812</u>                |
| <b>CAPITAL ACCOUNT</b> |  |                                |                     |                             |
| 1,311,797              | Balance brought forward  |                                | 1,280,848           |                             |
| (30,949)               | Unrealised gain / (loss) on revaluation as at 31 December 2019 |                                | 257,443             |                             |
| <u>1,280,848</u>       | <i>Balance carried forward</i>                                 |                                | <u>1,538,291</u>    |                             |

## Retirement Housing Committee

### Housing Fund

| Actual<br>2018<br>£         |  | Revised<br>Budget<br>2019<br>£ | Actual<br>2019<br>£          | Variance<br>fav/(adv)<br>£ |
|-----------------------------|--|--------------------------------|------------------------------|----------------------------|
| <b>INCOME</b>               |  |                                |                              |                            |
| 4,090                       | Interest   | 3,000                          | 4,903                        | 1,903                      |
| 24,800                      | Investment income  | 25,259                         | 25,489                       | 230                        |
| 76,543                      | Rents  | 79,000                         | 77,817                       | (1,183)                    |
| 1,000                       | Legacies and donations   | -                              | -                            | -                          |
| <u>106,433</u>              | <i>Total Net Income</i>  | <u>107,259</u>                 | <u>108,209</u>               | <u>950</u>                 |
| <b>EXPENDITURE</b>          |  |                                |                              |                            |
| 6,533                       | Insurance  | 6,700                          | 6,802                        | (102)                      |
| 52,466                      | Repairs  | 35,000                         | 16,030                       | 18,970                     |
| 7,694                       | Gas appliance and electrical testing                           | 8,240                          | 8,217                        | 23                         |
| -                           | Property surveys / legal fees                                  | 2,500                          | -                            | 2,500                      |
| 11,750                      | GSO Administration Charge                                      | 11,750                         | 11,750                       | -                          |
| <u>78,443</u>               | <i>Total Expenditure</i>                                       | <u>64,190</u>                  | <u>42,799</u>                | <u>21,391</u>              |
| <b>BALANCES</b>             |  |                                |                              |                            |
| <b>Revenue</b>              |  |                                |                              |                            |
| 27,990                      | Surplus/(deficit) for year                                     | 43,069                         | 65,410                       | 22,341                     |
| (31,431)                    | Transfers (to)/from capital                                    | (49,980)                       | (61,484)                     | (11,504)                   |
| 10,352                      | Balance brought forward  | 6,911                          | 6,911                        | -                          |
| <u>6,911</u>                | <i>Balance carried forward</i>                                 | <u>-</u>                       | <u>10,837</u>                | <u>10,837</u>              |
| <b>CAPITAL ACCOUNT</b>      |  |                                |                              |                            |
|                             |  |                                | <b>Actual<br/>2019<br/>£</b> |                            |
| <b>Additions to capital</b> |  |                                |                              |                            |
| 303,802                     | Profit on sale of property                                     |                                | 162,272                      |                            |
| 40,100                      | Other income   |                                | 8,700                        |                            |
| 342,287                     | Purchase of property   |                                | 840,384                      |                            |
| -                           | Capital repairs  |                                | 4,750                        |                            |
| <u>686,189</u>              |  |                                | <u>1,016,106</u>             |                            |
| <b>Disposals of capital</b> |  |                                |                              |                            |
| 44,575                      | Sales of property (book value)                                 |                                | 351,242                      |                            |
| 8,400                       | Repayment of loan  |                                | 8,500                        |                            |
| <u>257,881</u>              | Net funds from deposit account                                 |                                | <u>423,908</u>               |                            |
| <u>310,856</u>              |  |                                | <u>783,650</u>               |                            |
| 375,333                     | <i>Net additions of capital</i>                                |                                | 232,456                      |                            |
| 4,699,698                   | Balance brought forward  |                                | 5,055,416                    |                            |
| (19,615)                    | Unrealised gain / (loss) on revaluation as at 31 December 2019 |                                | 163,161                      |                            |
| <u>5,055,416</u>            | <i>Balance carried forward</i>                                 |                                | <u>5,451,033</u>             |                            |

**Miscellaneous Funds**

| <b>Actual<br/>2018<br/>£</b> |  | <b>Actual<br/>2019<br/>£</b> |
|------------------------------|--|------------------------------|
|                              | <b>INCOME</b>  |                              |
| 142,999                      | Investment income  | 146,959                      |
| 3,000                        | Legacies and donations   | 3,000                        |
| 26,000                       | Other income   | 26,000                       |
| <u>171,999</u>               | <i>Total Net Income</i>  | <u>175,959</u>               |
|                              | <b>EXPENDITURE</b>   |                              |
| 14,995                       | Building repairs   | 9,095                        |
| 157,022                      | Grants   | 157,671                      |
| 8,566                        | Other expenditure  | 27,308                       |
| 500                          | GSO Administration charge                                      | 500                          |
| <u>181,083</u>               | <i>Total Expenditure</i>                                       | <u>194,574</u>               |
|                              | <b>BALANCES</b>  |                              |
|                              | <b>Revenue</b>   |                              |
| (9,084)                      | Surplus/(deficit) for year                                     | (18,615)                     |
| 330,161                      | Balance brought forward  | 321,077                      |
| <u>321,077</u>               | <i>Balance carried forward</i>                                 | <u>302,462</u>               |
| <b>Actual<br/>2018<br/>£</b> | <b>CAPITAL ACCOUNT</b>   | <b>Actual<br/>2019<br/>£</b> |
| -                            | <b>INCOME</b>  | -                            |
|                              | <i>Total Income</i>  |                              |
|                              | <b>EXPENDITURE</b>   |                              |
| -                            | <i>Total expenditure</i>                                       | -                            |
|                              | <b>BALANCES</b>  |                              |
| -                            | Surplus/(deficit) for year                                     | -                            |
| 5,324,887                    | Balance brought forward  | 5,199,243                    |
| (125,644)                    | Unrealised gain / (loss) on revaluation as at 31 December 2019 | 1,045,140                    |
| <u>5,199,243</u>             | <i>Balance carried forward</i>                                 | <u>6,244,383</u>             |
|                              | <b>TOTAL FUNDS as at 31 December:</b>                          |                              |
| 321,077                      | Revenue  | 302,462                      |
| 5,199,243                    | Capital  | 6,244,383                    |
| <u>5,520,320</u>             |  | <u>6,546,845</u>             |
|                              | <b>Being for:</b>  |                              |
| 1,376,939                    | Restricted purposes  | 1,641,860                    |
| 4,143,381                    | Designated purposes  | 4,904,985                    |
| <u>5,520,320</u>             |  | <u>6,546,845</u>             |



## Pension Fund

### Funding Objective

The Trustees' statutory objective is to ensure that the Pension Fund has sufficient and appropriate assets to meet the cost of paying benefits as they fall due. This is assessed every 3 years in an actuarial valuation. The most recent valuation was completed as at 31st December 2017 with the following summary results.

|   | <b>31 Dec 2014</b> | <b>31 Dec 2017</b> |
|---|--------------------|--------------------|
|   | <b>(£m)</b>        | <b>(£m)</b>        |
| <b>Total assets</b>                     | <b>46.0</b>        | <b>53.9</b>        |
| <b>Total liabilities</b>                | <b>44.7</b>        | <b>50.2</b>        |
| <b>Past service surplus</b>             | <b>1.3</b>         | <b>3.7</b>         |
| <b>Funding level</b>                    | <b>103%</b>        | <b>107%</b>        |
| <b>Future service contribution rate</b> | <b>30.3%</b>       | <b>35.9%</b>       |
| <b>Agreed contribution rate</b>         | <b>32.2%</b>       | <b>32.2%</b>       |

The next actuarial valuation will be completed as at 31st December 2020. The estimated funding level as at 31st December 2019 was 105%, a surplus of £3.0m.

### Investment Strategy

The Pension Fund investment strategy can be broadly summarised as follows.

| <b>Portfolio</b>          | <b>Allocation</b> | <b>Purpose</b>   |
|---------------------------|-------------------|--|
| <b>Liability Matching</b> | 70%               | To provide protection against changes in the value of the liabilities and generate income to pay current pensions. |
| <b>Growth</b>             | 30%               | To provide growth to pay future pensions   |
|                           | 100%              |  |

A change to improve inflation protection in the liability matching portfolio, which had been agreed in 2018 was implemented during 2019. There were no other changes to the strategy during the year.

Investment Performance 2019 saw both equity and fixed income markets generate strong returns for investors. Given the backdrop of weaker global economic growth, lower earnings growth, elevated geopolitical uncertainty and trade tensions, this was welcome news.

The Pension Fund's investments performed largely as expected in this context. The growth portfolio is invested in Schroder's Diversified Growth Fund. This gained value with a return of 10.9%. The liability matching portfolio has 2 components: the Schroder Life Long Dated Corporate Bond Fund returned 17.4%; the UK government bond funds returned 8.8% in aggregate.

Total return for the year net of fees was 12.2%.

### Financial

Key financial figures for the year were as follows.

|   | <b>2018</b>       | <b>2019</b>       |
|---|-------------------|-------------------|
|   | <b>(£)</b>        | <b>(£)</b>        |
| <b>Net Assets as at 01 January</b>      | <b>54,924,227</b> | <b>52,434,139</b> |
| + Contributions Received                | 1,397,554         | 1,541,874         |
| - Benefits and other Payments           | 2,290,710         | 1,975,646         |
| + Investment Income                     | 1,416             | 1,732             |
| + Change in Market Value of Investments | (1,598,348)       | 6,391,759         |
| <b>Net Assets as at 31 December</b>     | <b>52,434,139</b> | <b>58,393,858</b> |

Net fund assets increased by £5,959,719 over the course of the year as a result of investment gains being larger than pensions payments.

### Activity

In addition to routine activity, items prioritised by the Trustees during the year included:

- Review of actuarial factors used in certain scheme benefit calculations;
- Setting strategic objectives for the investment consultants;
- Comprehensive review of the Trust Deed and Rules;
- Review of the Statement of Investment Principles to take account of new regulations which require the Trustees to set out how they take account of considerations including Environmental, Social and Governance factors (ESG), and explicitly climate change
- Detailed review of the Schroder Diversified Growth Fund.

With respect to the last two items above, the Trustees are seeking to better align the Fund's investments with the new Ethical Investment policy which is being developed by the Church. This will be progressed during 2020.

### Membership

Membership figures at the start and end of the year were as follows.

| Membership                                  | 01 Jan<br>2019 | 31 Dec<br>2019 |
|---|----------------|----------------|
| <b>Serving members</b>                      |                |                |
| - Clergy                                    | 141            | 147            |
| - Staff                                     | 36             | 38             |
| <b>Pensioners</b>                           |                |                |
| - Clergy                                    | 231            | 229            |
| - Staff                                     | 46             | 45             |
| <b>Widowed Spouses</b>                      | 80             | 79             |
| <b>Members with deferred pension rights</b> | 130            | 133            |
| <b>Total</b>                                | <b>664</b>     | <b>671</b>     |

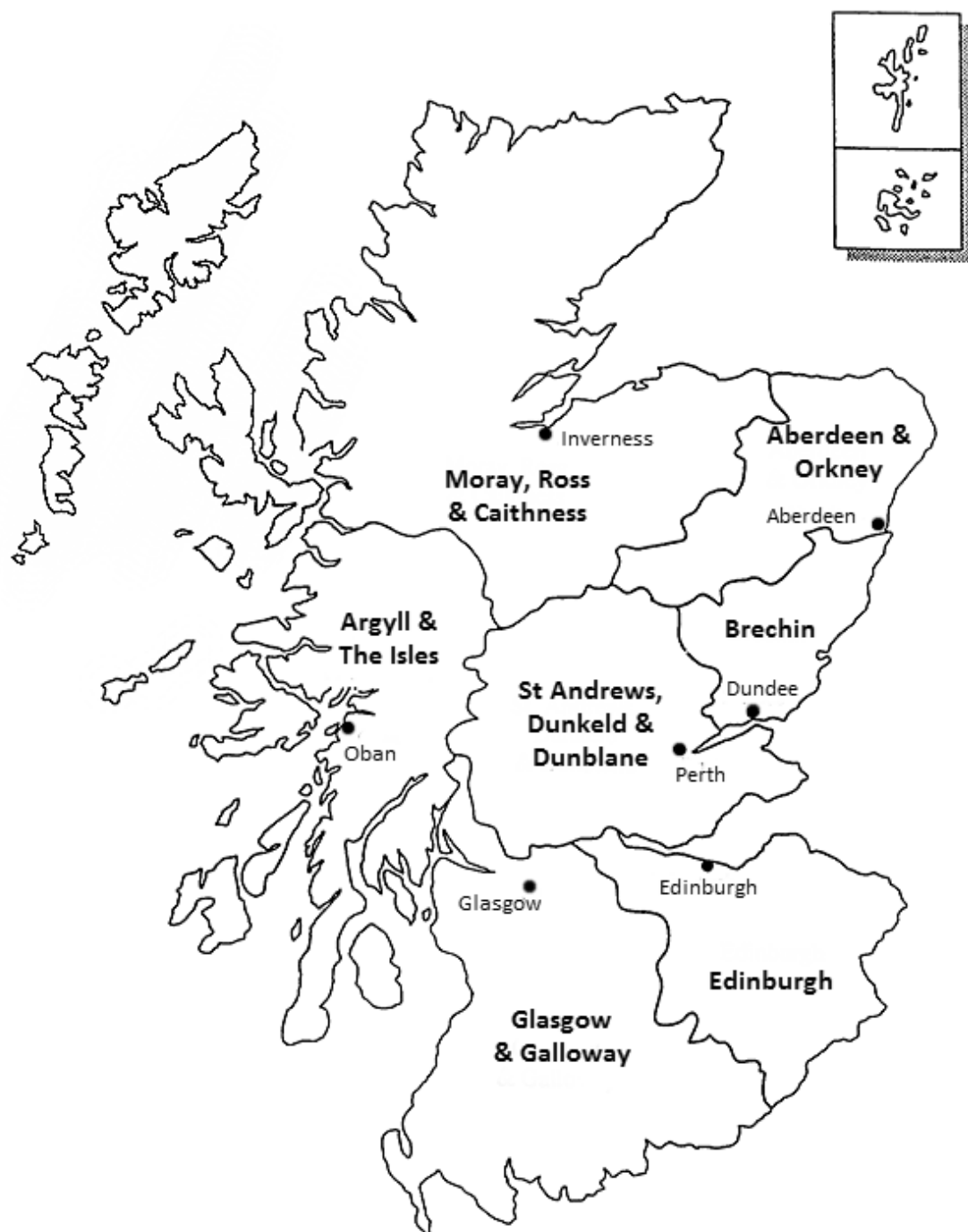
### Trustees

The term of two of the current Member Nominated Trustees - John Cuthbert and David Mumford - ended in August 2019. Both were willing to stand for another term and were duly re-appointed for a further four years.

There were no other changes during the year.

**Richard McIndoe**  
Chairman

## The Seven Dioceses of the Scottish Episcopal Church





## Diocesan Statistics

### Diocesan Summary

|                    | ROLL          |                     |                  |
|--------------------|---------------|---------------------|------------------|
|                    | Membership    | Communicant Numbers | Total Attendance |
| ABERDEEN           | 3,332         | 2,647               | 1,246            |
| ARGYLL             | 872           | 619                 | 456              |
| BRECHIN            | 1,812         | 1,241               | 676              |
| EDINBURGH          | 8,499         | 6,058               | 3,863            |
| GLASGOW            | 5,734         | 4,066               | 2,339            |
| MORAY              | 3,281         | 2,068               | 1,398            |
| ST ANDREWS         | 4,055         | 3,085               | 1,804            |
|                    |               |                     |                  |
| <b>TOTALS 2019</b> | <b>27,585</b> | <b>19,784</b>       | <b>11,782</b>    |
| TOTALS 2018        | 28,647        | 19,983              | 12,430           |

|                            |   |
|----------------------------|---|
| <b>Membership</b>          | Number of persons of all ages belonging to the congregation |
| <b>Communicant Numbers</b> | Number of persons on the Communicants' Roll                 |
| <b>Total attendance</b>    | Total attendance on Sunday next before Advent               |

## United Diocese of Aberdeen and Orkney

| CHARGES                 | ROLL         |                     |                  |
|-------------------------|--------------|---------------------|------------------|
|                         | Membership   | Communicant Numbers | Total Attendance |
| Cathedral               | 220          | 197                 | 98               |
| <b>Aberdeen:</b>        |              |                     |                  |
| St Clement's            | 45           | 40                  | 15               |
| St Devenick's Bieldside | 124          | 111                 | 63               |
| St James'               | 31           | 29                  | 18               |
| St John's               | 105          | 102                 | 30               |
| St Machar's Bucksburn   | 64           | 36                  | 10               |
| St Margaret's           | 319          | 186                 | 39               |
| St Mary's               | 91           | 127                 | 37               |
| St Mary's Cove Bay      | 40           | 10                  | 8                |
| St Ninian's             | 45           | 40                  | 15               |
| Aboyne                  | 82           | 79                  | 30               |
| Alford                  | 46           | 40                  | 26               |
| Auchindoir              | 31           | 24                  | 12               |
| Ballater                | 69           | 62                  | 26               |
| Banchory                | 211          | 180                 | 59               |
| Banff                   | 58           | 15                  | 6                |
| Braemar                 | 20           | 9                   | 15               |
| Buckie                  | 125          | 39                  | 18               |
| Burravoe                | 24           | 9                   | 10               |
| CAF4E Bridge of Don     | 12           | 12                  | 12               |
| Cruden Bay              | 84           | 71                  | 26               |
| Cuminestown             | 14           | 21                  | 17               |
| Ellon                   | 184          | 161                 | 63               |
| Fraserburgh             | 63           | 47                  | 18               |
| Insch                   | 40           | 10                  | 27               |
| Inverurie               | 111          | 88                  | 44               |
| Kemnay                  | 31           | 26                  | 8                |
| Kincardine O'Neil       | 67           | 77                  | 12               |
| Kirkwall                | 44           | 40                  | 18               |
| Lerwick                 | 61           | 60                  | 40               |
| Longside                | 43           | 24                  | 6                |
| New Pitsligo            | 32           | 32                  | 8                |
| Old Deer                | 42           | 18                  | 6                |
| Oldmeldrum              | 53           | 53                  | 23               |
| Peterhead               | 135          | 85                  | 29               |
| Strichen                | 65           | 23                  | 8                |
| Stromness               | 22           | 20                  | 11               |
| Turriff                 | 47           | 46                  | 16               |
| Westhill                | 348          | 348                 | 248              |
| Whiterashes             | 20           | 17                  | -                |
| Woodhead All Saints     | 9            | 6                   | 6                |
| Student Chaplaincy      | 35           | 16                  | 58               |
| SOLI Unst               | 20           | 11                  | 7                |
| <b>TOTALS 2019</b>      | <b>3,332</b> | <b>2,647</b>        | <b>1,246</b>     |
| TOTALS 2018             | 3,531        | 2,129               | 1,431            |

## United Diocese of Argyll and The Isles

| CHARGES                  | ROLL                       |                     |                  |
|--------------------------|----------------------------|---------------------|------------------|
|                          | Membership                 | Communicant Numbers | Total Attendance |
| Oban Cathedral           | 254                        | 141                 | 38               |
| Ardbrecknish             | 17                         | 15                  | 6                |
| Arran                    | 8                          | 8                   | 6                |
| Ballachulish             | 5                          | 5                   | 25               |
| Campbeltown              | 30                         | 19                  | 8                |
| Dunoon                   | 92                         | 62                  | 22               |
| Duror                    | 20                         | 18                  | 21               |
| Fort William             | 60                         | 50                  | 29               |
| Glencoe                  | 14                         | 14                  | 20               |
| Gruline                  | 27                         | 26                  | 15               |
| Inveraray                | <i>With Lochgilphead</i>   |                     |                  |
| Iona                     | 2                          | -                   | 13               |
| Islay                    | 13                         | 11                  | 6                |
| Kilmartin                | <i>With Lochgilphead</i>   |                     |                  |
| Kinlochleven             | 19                         | 17                  | 14               |
| Kinlochmoidart           | 19                         | 19                  | 10               |
| Lochgilphead             | 67                         | 37                  | 48               |
| Millport                 | 38                         | 19                  | 14               |
| <b>North Uist:</b>       |                            |                     |                  |
| Holy Cross Chapel        | 6                          | 5                   | -                |
| St Brendan the Navigator | 6                          | 6                   | 5                |
| Onich                    | 6                          | 6                   | 45               |
| Portnacrois              | 3                          | 3                   | 27               |
| Portree                  | 55                         | 46                  | 26               |
| Rothesay                 | 32                         | 35                  | 18               |
| Stornoway                | 79                         | 57                  | 40               |
| Strontian                | <i>With Kinlochmoidart</i> |                     |                  |
| <b>TOTALS 2019</b>       | <b>872</b>                 | <b>619</b>          | <b>456</b>       |
| TOTALS 2018              | 908                        | 626                 | 438              |

**Diocese of Brechin**

| <b>CHARGES</b>            | <b>ROLL</b>                     |                            |                         |
|---------------------------|---------------------------------|----------------------------|-------------------------|
|                           | <b>Membership</b>               | <b>Communicant Numbers</b> | <b>Total Attendance</b> |
| Cathedral                 | 174                             | 148                        | 130                     |
| Arbroath                  | 79                              | 70                         | 30                      |
| Auchmithie                | 12                              | 6                          | 5                       |
| Brechin                   | 88                              | 81                         | 32                      |
| Broughty Ferry            | 88                              | 82                         | 34                      |
| Carnoustie                | 95                              | 62                         | 34                      |
| Catterline                | <i>With Stonehaven</i>          |                            |                         |
| Drumlithie                | 11                              | 6                          | -                       |
| Drumtochty                | 22                              | 10                         | -                       |
| <b>Dundee:</b>            |                                 |                            |                         |
| Diocesan Centre/St John's | <i>With St Martin's, Dundee</i> |                            |                         |
| St Luke's                 | 68                              | 59                         | 32                      |
| St Margaret's             | 43                              | 24                         | 12                      |
| St Martin's               | 74                              | 27                         | 57                      |
| St Mary Magdalene         | 247                             | 130                        | 60                      |
| St Ninian's               | 125                             | 95                         | 36                      |
| St Salvador's             | 116                             | 46                         | 62                      |
| Fasque                    | 26                              | 17                         | 8                       |
| Glencarse                 | 86                              | 76                         | 15                      |
| Inverbervie               | 8                               | 10                         | 9                       |
| Invergowrie               | 70                              | 28                         | 12                      |
| Laurencekirk              | 69                              | 36                         | 9                       |
| Monifieth                 | 60                              | 54                         | 28                      |
| Montrose                  | 65                              | 54                         | 25                      |
| Muchalls                  | 48                              | 37                         | 20                      |
| Stonehaven                | 123                             | 71                         | 22                      |
| Tarfside                  | 15                              | 12                         | 4                       |
| <b>TOTALS 2019</b>        | <b>1,812</b>                    | <b>1,241</b>               | <b>676</b>              |
| <b>TOTALS 2018</b>        | <b>1,999</b>                    | <b>1,204</b>               | <b>695</b>              |



## Diocese of Edinburgh

| CHARGES               | ROLL         |                     |                  |
|-----------------------|--------------|---------------------|------------------|
|                       | Membership   | Communicant Numbers | Total Attendance |
| Cathedral             | 633          | 613                 | 212              |
| Balerno               | 738          | 528                 | 597              |
| Bathgate              | 71           | 69                  | 29               |
| Bo'ness               | 46           | 21                  | 22               |
| Coldstream            | 48           | 48                  | 22               |
| Dalkeith              | 98           | 46                  | 26               |
| Dalmahoy              | 300          | 230                 | 47               |
| Dunbar                | 110          | 89                  | 45               |
| Duns                  | 76           | 76                  | 25               |
| <b>Edinburgh:</b>     |              |                     |                  |
| Christ Church         | 404          | 282                 | 163              |
| Good Shepherd         | 120          | 102                 | 101              |
| Holy Cross            | 86           | 80                  | 36               |
| Mustard Seed          | 70           | 50                  | 62               |
| Old St Paul's         | 400          | 306                 | 165              |
| St Barnabas'          | 70           | 37                  | 22               |
| St Columba's          | 81           | 81                  | 51               |
| St Cuthbert's         | 201          | 194                 | 85               |
| St David's            | 38           | 38                  | 18               |
| St Fillan's           | 64           | 60                  | 34               |
| St James', Leith      | 117          | 109                 | 86               |
| St John's             | 425          | 299                 | 175              |
| St Margaret's         | 29           | 29                  | 26               |
| St Mark's             | 128          | 107                 | 40               |
| St Martin's           | 70           | 66                  | 34               |
| St Michael/All Saints | 133          | 113                 | 45               |
| St Ninian's           | 129          | 114                 | 87               |
| St Paul/St George     | 1,007        | 194                 | 550              |
| St Peter's            | 158          | 142                 | 53               |
| St Philip/St James    | 74           | 54                  | 51               |
| St Salvador's         | 28           | 26                  | 18               |
| St Vincent's          | 118          | 76                  | 42               |
| Eyemouth              | 18           | 18                  | 9                |
| Falkirk               | 123          | 93                  | 43               |
| Galashiels            | 68           | 55                  | 31               |
| Grangemouth           | 115          | 66                  | 31               |
| Gullane               | 64           | 54                  | 28               |
| Haddington            | 151          | 117                 | 71               |
| Hawick                | 38           | 38                  | 28               |
| Innerleithen          | 22           | 22                  | 10               |
| Jedburgh              | 100          | 89                  | 38               |
| Kelso                 | 169          | 160                 | 78               |
| Lasswade              | 110          | 90                  | 30               |
| Linlithgow            | 114          | 97                  | 53               |
| Livingston            | 267          | 79                  | 92               |
| Melrose               | 221          | 98                  |                  |
| Musselburgh           | 65           | 52                  | 44               |
| North Berwick         | 124          | 108                 | 51               |
| Peebles               | 178          | 178                 | 84               |
| Penicuik              | 106          | 57                  | 45               |
| Rosslyn               | 188          | 146                 | 43               |
| Selkirk               | 73           | 69                  | 30               |
| South Queensferry     | 54           | 54                  | 25               |
| West Linton           | 61           | 39                  | 30               |
| <b>TOTALS 2019</b>    | <b>8,499</b> | <b>6,058</b>        | <b>3,863</b>     |
| <b>TOTALS 2018</b>    | <b>8,794</b> | <b>6,523</b>        | <b>4,103</b>     |

## United Diocese of Glasgow and Galloway

| CHARGES                  | ROLL         |                     |                  |
|--------------------------|--------------|---------------------|------------------|
|                          | Membership   | Communicant Numbers | Total Attendance |
| Cathedral                | 430          | 208                 | 298              |
| Airdrie/Monklands        | 57           | 39                  | 23               |
| Alexandria               | 27           | 27                  | 12               |
| Annan                    | 32           | 27                  | 13               |
| Ardrossan **             | 59           | 52                  | 24               |
| Ayr                      | 160          | 118                 | 59               |
| Bearsden                 | 300          | 161                 | 83               |
| Bridge of Weir           | 18           | 18                  | 14               |
| Cambuslang               | 26           | 20                  | 14               |
| Castle Douglas           | 74           | 71                  | 49               |
| Challoch                 | 90           | 69                  | 19               |
| Cumbernauld              | 27           | 23                  | 13               |
| Dalbeattie               | 42           | 41                  | 22               |
| Dalry **                 | 22           | 20                  | 6                |
| Dumbarton                | 150          | 93                  | 31               |
| Dumfries                 | 641          | 437                 | 124              |
| East Kilbride            | 77           | 50                  | 31               |
| Eastriggs                | 68           | 22                  | 13               |
| Gatehouse-of-Fleet       | 120          | 77                  | 21               |
| <b>Glasgow:</b>          |              |                     |                  |
| All Saints               | 49           | 51                  | 30               |
| Drumchapel Mission       | 7            | 7                   | 6                |
| Good Shepherd            | 45           | 22                  | 13               |
| St Aidan's               | 143          | 78                  | 37               |
| St Bride's               | 64           | 62                  | 37               |
| East End Ministry *      | 95           | 74                  | 40               |
| St James' (Bishopbriggs) | 108          | 78                  | 51               |
| St Margaret's            | 225          | 167                 | 141              |
| St Matthew's             | 50           | 46                  | 22               |
| St Ninian's              | 94           | 83                  | 52               |
| St Oswald's              | 36           | 32                  | 18               |
| St Silas                 | -            | -                   | -                |
| Gourock                  | 23           | 16                  | 8                |
| Greenock                 | 141          | 69                  | 50               |
| Gretna                   | 71           | 49                  | 21               |
| Hamilton                 | 252          | 171                 | 75               |
| Helensburgh              | 189          | 180                 | 129              |
| Irvine**                 | 28           | 22                  | 17               |
| Johnstone                | 63           | 45                  | 22               |
| Kilmacolm                | 43           | 42                  | 71               |
| Kilmarnock               | 99           | 69                  | 46               |
| Kirkcudbright            | 157          | 110                 | 37               |
| Lanark                   | 134          | 120                 | 62               |
| Largs                    | 130          | 93                  | 35               |
| Lenzie                   | 45           | 44                  | 29               |
| Lockerbie                | 44           | 32                  | 25               |
| Maybole                  | 44           | 33                  | 18               |
| Milngavie                | 54           | 51                  | 33               |
| Moffat                   | 34           | 30                  | 26               |
| Motherwell               | 79           | 57                  | 26               |
| New Galloway             | 43           | 33                  | 22               |
| Paisley                  | 117          | 78                  | 35               |
| Port Glasgow             | 130          | 79                  | 50               |
| Portpatrick              | 22           | 18                  | 13               |
| Prestwick                | 120          | 70                  | 40               |
| Renfrew                  | 91           | 76                  | 24               |
| Stranraer                | 29           | 27                  | 24               |
| Troon                    | 152          | 119                 | 46               |
| Uddingston               | 34           | 34                  | 23               |
| Wishaw                   | 30           | 26                  | 16               |
| <b>TOTALS 2019</b>       | <b>5,734</b> | <b>4,066</b>        | <b>2,339</b>     |
| <b>TOTALS 2018</b>       | <b>6,263</b> | <b>4,278</b>        | <b>2,680</b>     |

\*\*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   | 448          | 325                 | 165              |
| Aberlour  | 34           | 26                  | 16               |
| <b>Black Isle Charges:</b><br>Arpafeelie<br>Cromarty<br>Fortrose                              | 246          | 239                 | 94               |
| Brora   | 12           | 12                  | 10               |
| Culloden  | 21           | 11                  | 6                |
| Dingwall/Strathpeffer   | 115          | 75                  | 25               |
| <b>East Sutherland Charges:</b><br>Ardgay<br>Crask<br>Dornoch<br>Lairg                        | 65           | 61                  | 40               |
| Elgin/Lossiemouth/Burghead  | 235          | 132                 | 84               |
| Forres  | 163          | 123                 | 55               |
| Glenurquhart/Ft Augustus  | 32           | 30                  | 13               |
| Gordonstoun   | 650          | 100                 | 432              |
| Grantown  | 82           | 60                  | 30               |
| <b>Isla Deveron Group:</b><br>Aberchirder<br>Dufftown<br>Fochabers<br>Huntly<br>Keith         | 155          | 100                 | 104              |
| Invergordon   | 68           | 30                  | 25               |
| <b>Inverness:</b><br>St John's  | 127          | 87                  | 22               |
| St Michael's  | 124          | 104                 | 20               |
| Kinlochewe  | 20           | 18                  | 10               |
| Kishorn   | 28           | 17                  | 9                |
| Lochalsh  | 17           | 17                  | 6                |
| <b>North West Charges:</b><br>Achiltibuie<br>Kinlochbervie<br>Lochinver<br>Tongue<br>Ullapool | 133          | 120                 | 77               |
| Nairn   | 193          | 151                 | 44               |
| Poolewe   | 31           | 27                  | 8                |
| Rothiemurchus   | 80           | 55                  | 23               |
| Strathnairn   | 44           | 40                  | 21               |
| Tain  | 63           | 45                  | 22               |
| Thurso  | 55           | 40                  | 22               |
| Wick  | 40           | 23                  | 15               |
| <b>TOTALS 2019</b>  | <b>3,281</b> | <b>2,068</b>        | <b>1,398</b>     |
| TOTALS 2018   | 2,911        | 1,999               | 1,270            |

**United Diocese of St Andrews, Dunkeld and Dunblane**

| <b>CHARGES</b>      | <b>ROLL</b>           |                            |                         |
|---------------------|-----------------------|----------------------------|-------------------------|
|                     | <b>Membership</b>     | <b>Communicant Numbers</b> | <b>Total Attendance</b> |
| Cathedral           | 266                   | 263                        | 84                      |
| Aberdour            | 59                    | 49                         | 19                      |
| Aberfoyle           | 81                    | 69                         | 25                      |
| Alloa               | 60                    | 59                         | 47                      |
| Alyth               | 28                    | 19                         | 16                      |
| Auchterarder        | 102                   | 68                         | 33                      |
| Ballintuim          | 39                    | 33                         | -                       |
| Blairgowrie         | 76                    | 63                         | 49                      |
| Bridge of Allan     | 77                    | 62                         | 43                      |
| Burntisland         | 61                    | 51                         | 18                      |
| Callander           | 33                    | 28                         | 15                      |
| Comrie              | 56                    | 52                         | 18                      |
| Coupar Angus        | 70                    | 35                         | 23                      |
| Crieff              | 69                    | 53                         | 16                      |
| Cupar               | 90                    | 90                         | 35                      |
| Dollar              | 104                   | 88                         | 54                      |
| Doune               | 89                    | 71                         | 60                      |
| Dunblane            | 137                   | 102                        | 58                      |
| Dunfermline         | 166                   | 132                        | 61                      |
| Dunkeld (Birnam)    | 44                    | 35                         | 22                      |
| Elie                | 34                    | 30                         | 12                      |
| Forfar              | 191                   | 122                        | 48                      |
| Glamis              | 41                    | 39                         | 11                      |
| Glenalmond          | 430                   | 170                        | 325                     |
| Glenrothes          | 25                    | 24                         | 12                      |
| Inverkeithing       | 101                   | 95                         | 76                      |
| Killin              | 3                     | 3                          | -                       |
| Kilmaveonaig        | 41                    | 27                         | 18                      |
| Kinghorn            | <i>With Kirkcaldy</i> |                            |                         |
| Kinloch Rannoch     | 6                     | 3                          | 6                       |
| Kinross             | 137                   | 96                         | 36                      |
| Kirkcaldy           | 78                    | 65                         | 42                      |
| Kirriemuir          | 63                    | 43                         | 7                       |
| Ladybank            | 8                     | 8                          | 4                       |
| Leven               | 20                    | 19                         | 9                       |
| Lochearnhead        | 10                    | 8                          | -                       |
| Lochgelly           | 19                    | 17                         | 13                      |
| Muthill             | 30                    | 16                         | 9                       |
| Newport             | 32                    | 22                         | 14                      |
| Perth, St John's    | 150                   | 120                        | 66                      |
| Pitlochry           | 71                    | 56                         | 14                      |
| Pittenweem          | 47                    | 32                         | 14                      |
| Rosyth              | 35                    | 34                         | 51                      |
| <b>St Andrews:</b>  |                       |                            |                         |
| All Saints          | 253                   | 167                        | 96                      |
| St Andrew's         | 250                   | 229                        | 138                     |
| Stanley             | 12                    | 12                         | 6                       |
| Stirling            | 169                   | 130                        | 62                      |
| Strathtay/Aberfeldy | 42                    | 37                         | 13                      |
| Tayport             | 50                    | 39                         | 6                       |
| <b>TOTALS 2019</b>  | <b>4,055</b>          | <b>3,085</b>               | <b>1,804</b>            |
| <b>TOTALS 2018</b>  | <b>4,241</b>          | <b>3,224</b>               | <b>1,813</b>            |

## **AUDITED ACCOUNTS**

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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 74 to 87 and 90 to 92.**

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

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

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

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

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

**Robert Gordon**  
**Convener, Standing Committee**  
**21 April 2020**

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH**  
**REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019**

|   | Page No. | 2019<br>General<br>Fund<br>Income<br>£ | 2019<br>Other<br>Income<br>£ | 2019<br>Total<br>Income<br>(note 5)<br>£ | 2019<br>Expenditure<br>£ | 2019<br>Surplus/<br>(deficit)<br>£ | 2018<br>Surplus/<br>(deficit)<br>£ |
|---|----------|--|------------------------------|--|--------------------------|------------------------------------|------------------------------------|
| <b>General Fund</b>                           | 21       | 1,971,605                              | -                            | 1,971,605                                | 2,046,899                | (75,294)                           | 123,229                            |
| Allocated to Boards / Standing Committee      |          | (2,046,899)                            | -                            | (2,046,899)                              | (2,046,899)              | -                                  | -                                  |
| <i>Sub-total</i>                              |          | <u>(75,294)</u>                        | <u>-</u>                     | <u>(75,294)</u>                          | <u>-</u>                 | <u>(75,294)</u>                    | <u>123,229</u>                     |
| <b>Standing Committee</b>                     | 22       |  |                              |  |                          |                                    |                                    |
| <i>Sub-total</i>                              |          | <u>946,638</u>                         | <u>-</u>                     | <u>946,638</u>                           | <u>946,638</u>           | <u>-</u>                           | <u>-</u>                           |
| <b>Administration Board</b>                   |          |  |                              |  |                          |                                    |                                    |
| Board   | 48       | 240,530                                | -                            | 240,530                                  | 240,530                  | -                                  | -                                  |
| Allocated to Building Grants Fund             |          | (232,020)                              | -                            | (232,020)                                | (232,020)                | -                                  | -                                  |
| Net (direct income and expenditure of Board)  |          | <u>8,510</u>                           | <u>-</u>                     | <u>8,510</u>                             | <u>8,510</u>             | <u>-</u>                           | <u>-</u>                           |
| Buildings funds                               |          |  |                              |  |                          |                                    |                                    |
| Building Grants Fund                          | 50       | 232,020                                | 17,980                       | 250,000                                  | 250,000                  | -                                  | -                                  |
| Building Loans Fund                           | 51       | -                                      | 1,144                        | 1,144                                    | -                        | 1,144                              | 510                                |
| Retirement Housing Committee                  |          |  |                              |  |                          |                                    |                                    |
| Retirement Supplementary Fund                 | 56       | -                                      | 42,770                       | 42,770                                   | 39,248                   | 3,522                              | 2,729                              |
| Retirement Housing Fund                       | 57       | -                                      | 108,209                      | 108,209                                  | 42,799                   | 65,410                             | 27,990                             |
| Miscellaneous funds                           | 58       | -                                      | 175,959                      | 175,959                                  | 194,574                  | (18,615)                           | (9,084)                            |
| <i>Sub-total for Board and its Committees</i> |          | <u>240,530</u>                         | <u>346,062</u>               | <u>586,592</u>                           | <u>535,131</u>           | <u>51,461</u>                      | <u>22,145</u>                      |
| <b>Mission Board</b>                          |          |  |                              |  |                          |                                    |                                    |
| Board   | 34       | 373,334                                | 12,342                       | 385,676                                  | 385,676                  | -                                  | -                                  |
| Allocated to Committees                       |          | (44,278)                               | -                            | (44,278)                                 | (44,278)                 | -                                  | -                                  |
| Net (direct income and expenditure of Board)  |          | <u>329,056</u>                         | <u>12,342</u>                | <u>341,398</u>                           | <u>341,398</u>           | <u>-</u>                           | <u>-</u>                           |
| Global Partnerships Committee                 | 38       | -                                      | 114,285                      | 114,285                                  | 114,325                  | (40)                               | 11,711                             |
| Church in Society Committee                   | 36       | 44,278                                 | 950                          | 45,228                                   | 45,228                   | -                                  | -                                  |
| The Community Fund                            | 41       | -                                      | 1,735                        | 1,735                                    | 1,917                    | (182)                              | (2,878)                            |
| Miscellaneous funds                           | 42       | -                                      | -                            | -  | 500                      | (500)                              | -                                  |
| <i>Sub-total for Board and its Committees</i> |          | <u>373,334</u>                         | <u>129,312</u>               | <u>502,646</u>                           | <u>503,368</u>           | <u>(722)</u>                       | <u>8,833</u>                       |
| <b>Institute Council</b>                      |          |  |                              |  |                          |                                    |                                    |
| Board   | 44       | 461,624                                | 49,135                       | 510,759                                  | 510,759                  | -                                  | -                                  |
| Miscellaneous funds                           | 47       | -                                      | 47,089                       | 47,089                                   | 37,867                   | 9,222                              | (14,607)                           |
| <i>Sub-total</i>                              |          | <u>461,624</u>                         | <u>96,224</u>                | <u>557,848</u>                           | <u>548,626</u>           | <u>9,222</u>                       | <u>(14,607)</u>                    |
| <b>Faith and Order Board</b>                  |          |  |                              |  |                          |                                    |                                    |
| <i>Sub-total</i>                              | 26       | <u>24,773</u>                          | <u>-</u>                     | <u>24,773</u>                            | <u>24,773</u>            | <u>-</u>                           | <u>-</u>                           |
| <b>Publications</b>                           |          |  |                              |  |                          |                                    |                                    |
| <i>Sub-total</i>                              |          | <u>-</u>                               | <u>5,987</u>                 | <u>5,987</u>                             | <u>9,328</u>             | <u>(3,341)</u>                     | <u>3,760</u>                       |
| <b>TOTAL FOR YEAR</b>                         |          | <u><b>1,971,605</b></u>                | <u><b>577,585</b></u>        | <u><b>2,549,190</b></u>                  | <u><b>2,567,864</b></u>  | <u><b>(18,674)</b></u>             | <u><b>143,360</b></u>              |

The notes on pages 78 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 2019**

|   | Revenue Accounts and Reserves |                          |                  | Capital Accounts and Reserves |                          |                   | Total<br>2019<br>£ | Total<br>2018<br>£ |
|---|-------------------------------|--------------------------|------------------|-------------------------------|--------------------------|-------------------|--------------------|--------------------|
|   | Unrestricted<br>Funds<br>£    | Restricted<br>Funds<br>£ | Total<br>£       | Unrestricted<br>Funds<br>£    | Restricted<br>Funds<br>£ | Total<br>£        |                    |                    |
| <b>Income from</b>  |                               |                          |                  |                               |                          |                   |                    |                    |
| <b>Donations and legacies</b>   |                               |                          |                  |                               |                          |                   |                    |                    |
| Quota   | 718,338                       | -                        | 718,338          | -                             | -                        | -                 | 718,338            | 741,527            |
| Donations   | 21,158                        | 44,240                   | 65,398           | -                             | -                        | -                 | 65,398             | 66,779             |
| Legacies  | 28,863                        | -                        | 28,863           | -                             | -                        | -                 | 28,863             | 1,000              |
|   | <u>768,359</u>                | <u>44,240</u>            | <u>812,599</u>   | <u>-</u>                      | <u>-</u>                 | <u>-</u>          | <u>812,599</u>     | <u>809,306</u>     |
| <b>Investments</b>  |                               |                          |                  |                               |                          |                   |                    |                    |
| Investment income - UTP distributions   | 1,374,207                     | 111,593                  | 1,485,800        | -                             | -                        | -                 | 1,485,800          | 1,445,627          |
| Investment income - interest  | 8,649                         | 5,032                    | 13,681           | -                             | -                        | -                 | 13,681             | 11,640             |
| Rental income   | 21,243                        | -                        | 21,243           | -                             | -                        | -                 | 21,243             | 21,243             |
|   | <u>1,404,099</u>              | <u>116,625</u>           | <u>1,520,724</u> | <u>-</u>                      | <u>-</u>                 | <u>-</u>          | <u>1,520,724</u>   | <u>1,478,510</u>   |
| <b>Charitable activities</b>  |                               |                          |                  |                               |                          |                   |                    |                    |
| Publication sales   | 4,718                         | -                        | 4,718            | -                             | -                        | -                 | 4,718              | 5,945              |
| Other income  | 12,050                        | -                        | 12,050           | -                             | 8,700                    | 8,700             | 20,750             | 60,398             |
| Pension Fund and investment<br>administration fee                             | 32,478                        | -                        | 32,478           | -                             | -                        | -                 | 32,478             | 32,068             |
| Rental income   | -                             | 77,817                   | 77,817           | -                             | -                        | -                 | 77,817             | 76,543             |
|   | <u>49,246</u>                 | <u>77,817</u>            | <u>127,063</u>   | <u>-</u>                      | <u>8,700</u>             | <u>8,700</u>      | <u>135,763</u>     | <u>174,954</u>     |
| <b>Other</b>  |                               |                          |                  |                               |                          |                   |                    |                    |
| Gain on sale of property  | -                             | -                        | -                | -                             | 162,272                  | 162,272           | 162,272            | 303,802            |
|   | <u>-</u>                      | <u>-</u>                 | <u>-</u>         | <u>-</u>                      | <u>162,272</u>           | <u>162,272</u>    | <u>162,272</u>     | <u>303,802</u>     |
| <b>Total Income</b>   | <u>2,221,704</u>              | <u>238,682</u>           | <u>2,460,386</u> | <u>-</u>                      | <u>170,972</u>           | <u>170,972</u>    | <u>2,631,358</u>   | <u>2,766,572</u>   |
| <b>Expenditure on charitable activities (note 6)</b>                          |                               |                          |                  |                               |                          |                   |                    |                    |
| Mission development and support   | 331,836                       | 10,008                   | 341,844          | -                             | -                        | -                 | 341,844            | 292,336            |
| Ministry support and training   | 546,634                       | 38,367                   | 585,001          | -                             | -                        | -                 | 585,001            | 490,594            |
| Ecumenical and church relations   | 126,392                       | -                        | 126,392          | -                             | -                        | -                 | 126,392            | 123,903            |
| Promotion, publication and communication                                      | 296,088                       | -                        | 296,088          | -                             | -                        | -                 | 296,088            | 271,379            |
| Support for retired clergy  | 53,879                        | 64,951                   | 118,830          | -                             | -                        | -                 | 118,830            | 166,519            |
| Support and advice to dioceses<br>and congregations within SEC                | 985,115                       | 25,790                   | 1,010,905        | -                             | -                        | -                 | 1,010,905          | 934,579            |
|   | <u>2,339,944</u>              | <u>139,116</u>           | <u>2,479,060</u> | <u>-</u>                      | <u>-</u>                 | <u>-</u>          | <u>2,479,060</u>   | <u>2,279,310</u>   |
| <b>Net income before transfers and<br/>gain on revaluation of investments</b> | <u>(118,240)</u>              | <u>99,566</u>            | <u>(18,674)</u>  | <u>-</u>                      | <u>170,972</u>           | <u>170,972</u>    | <u>152,298</u>     | <u>487,262</u>     |
| Gain / (Loss) on revaluation of investments<br>(note 8)                       | -                             | -                        | -                | 8,617,729                     | 915,019                  | 9,532,748         | 9,532,748          | (1,146,097)        |
| <b>Net income before transfers (note 2)</b>                                   | <u>(118,240)</u>              | <u>99,566</u>            | <u>(18,674)</u>  | <u>8,617,729</u>              | <u>1,085,991</u>         | <u>9,703,720</u>  | <u>9,685,046</u>   | <u>(658,835)</u>   |
| Transfers between funds   | 19,164                        | (19,164)                 | -                | -                             | -                        | -                 | -                  | -                  |
| Transfers between revenue and capital   | (30,010)                      | (62,201)                 | (92,211)         | 30,010                        | 62,201                   | 92,211            | -                  | -                  |
| <b>Net movement in funds</b>  | <u>(129,086)</u>              | <u>18,201</u>            | <u>(110,885)</u> | <u>8,647,739</u>              | <u>1,148,192</u>         | <u>9,795,931</u>  | <u>9,685,046</u>   | <u>(658,835)</u>   |
| Fund balances at 1 January 2019   | 1,794,218                     | 261,559                  | 2,055,777        | 42,426,956                    | 8,996,837                | 51,423,793        | 53,479,570         | 54,138,405         |
| <b>Fund balances at 31 December 2019</b>                                      | <u>1,665,132</u>              | <u>279,760</u>           | <u>1,944,892</u> | <u>51,074,695</u>             | <u>10,145,029</u>        | <u>61,219,724</u> | <u>63,164,616</u>  | <u>53,479,570</u>  |

**Detailed comparatives are at note 16.**

All income is derived from continuing activities.

The notes on pages 78 to 87 form part of these accounts.

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH  
BALANCE SHEET AS AT 31 DECEMBER 2019**

|   |         | <b>2019</b>      |                          | <b>2018</b>      |                          |
|---|---------|------------------|--------------------------|------------------|--------------------------|
|   |         | £                | £                        | £                | £                        |
| <b>Fixed Assets (note 8)</b>                        |         |                  |                          |                  |                          |
| Heritable Properties at book value                  |         |                  | 3,921,055                |                  | 3,427,163                |
| Investments at market value (Book Cost: £8,288,252) |         |                  | 56,654,118               |                  | 47,120,653               |
| (2018: £8,287,536)                                  |         |                  |                          |                  |                          |
| Social Investments                                  |         |                  | 401,565                  |                  | 380,055                  |
|   |         |                  | <u>60,976,738</u>        |                  | <u>50,927,871</u>        |
| <b>Current Assets</b>                               |         |                  |                          |                  |                          |
| Debtors (note 9)                                    |         | 854,237          |                          | 817,406          |                          |
| Bank and Cash                                       |         | <u>1,519,158</u> |                          | <u>1,929,905</u> |                          |
|   |         | 2,373,395        |                          | 2,747,311        |                          |
| <b>Current Liabilities</b>                          |         |                  |                          |                  |                          |
| Creditors and Accruals (note 10)                    |         | <u>(185,517)</u> |                          | <u>(195,612)</u> |                          |
| <b>Net Current Assets</b>                           |         |                  | 2,187,878                |                  | 2,551,699                |
| <b>TOTAL ASSETS LESS LIABILITIES</b>                |         |                  | <u><b>63,164,616</b></u> |                  | <u><b>53,479,570</b></u> |
| <br><b>Capital and Reserves (note 11)</b>           |         |                  |                          |                  |                          |
| Unrestricted Funds                                  | Capital | 51,074,695       |                          | 42,427,396       |                          |
|   | Revenue | <u>1,665,132</u> |                          | <u>1,793,778</u> |                          |
|   |         |                  | 52,739,827               |                  | 44,221,174               |
| Restricted Funds                                    | Capital | 10,145,029       |                          | 8,996,837        |                          |
|   | Revenue | <u>279,760</u>   |                          | <u>261,559</u>   |                          |
|   |         |                  | 10,424,789               |                  | 9,258,396                |
| <b>TOTAL FUNDS (note 12)</b>                        |         |                  | <u><b>63,164,616</b></u> |                  | <u><b>53,479,570</b></u> |

**Robert Gordon**  
**Convener, Standing Committee**  
**21 April 2020**

The notes on pages 78 to 87 form part of these accounts.

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019**

|  | 2019<br>£               | 2018<br>£               |
|--|-------------------------|-------------------------|
| <b>Cash flows from operating activities:</b>                   |                         |                         |
| Net cash (used in) operating activities (reconciliation below) | <u>(1,569,107)</u>      | <u>(1,240,799)</u>      |
| <b>Cash flows from investing activities:</b>                   |                         |                         |
| Dividends, interest and rent from investments                  | 1,520,708               | 1,437,870               |
| Proceeds from the sale of property                             | 513,513                 | 348,377                 |
| Purchase of property and equipment                             | (845,134)               | (342,287)               |
| Purchase of investments  | (717)                   | (661)                   |
| Loans advanced (to dioceses / charges)                         | (293,495)               | (404,650)               |
| Loans repaid (by dioceses / charges)                           | 263,485                 | 312,231                 |
| <b>Net cash provided by investing activities</b>               | <u><b>1,158,360</b></u> | <u><b>1,350,880</b></u> |
| Change in cash in year   | (410,747)               | 110,081                 |
| Cash at 1 January 2019   | 1,929,905               | 1,819,824               |
| Cash at 31 December 2019                                       | <u><b>1,519,158</b></u> | <u><b>1,929,905</b></u> |

**Reconciliation of net income to net cash flow from operating activities**

|   |                           |                           |
|---|---------------------------|---------------------------|
| <b>Cash flows from operating activities:</b>  |                           |                           |
| Net (expenditure) / income for the year<br>(as per the Statement of Financial Activities) | 9,685,046                 | (658,835)                 |
| <b>Adjustments for:</b>   |                           |                           |
| Loss / (Gains) on investments   | (9,532,748)               | 1,146,097                 |
| Dividends, interest and rent from investments   | (1,520,724)               | (1,478,510)               |
| Profit on sale of property  | (162,272)                 | (303,802)                 |
| Repayment of loan   | 8,500                     | 8,400                     |
| (Increase) in debtors   | (36,814)                  | (12,201)                  |
| (Decrease) / Increase in creditors  | (10,095)                  | 58,052                    |
| <b>Net cash (used in) operating activities</b>  | <u><b>(1,569,107)</b></u> | <u><b>(1,240,799)</b></u> |

The notes on pages 78 to 87 form part of these accounts.

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH**  
**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019**

**1 Accounting policies**

**Basis of preparation of accounts**

The accounts have been prepared under the historical cost convention as modified by the revaluation of investment assets and are in accordance with applicable accounting standards, Financial Reporting Standard 102 (FRS 102), the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) (FRS102) effective from 1 January 2015.

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

**Going Concern**

The accounts have been prepared on a going concern basis. The Standing Committee has assessed the General Synod's ability to continue as a going concern and have a reasonable expectation that the General Synod has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the accounts. The most significant areas of uncertainty with regard to the value of assets held by the General Synod and its ability to continue to operate is the performance of the SEC Unit Trust Pool and the income it produces. The Standing Committee notes the uncertainties arising from the Covid-19 pandemic (see note 15) but is of the view that, given the resources available to it, the General Synod remains a going concern. (See the investment policy and performance and risk management sections of the Standing Committee's report for more information. The Investment Committee report can be found at page 52 and accounts of the SEC Unit Trust Pool at page 90.)

**Fund accounting**

Note 2 explains the general purposes of the funds administered by the General Synod. Core funding for the activities of the Boards and most of the Committees is allocated from the General Fund and the Revenue Account on page 74, which summarises the revenue accounts of each of the individual Boards and Committees, reflects this income allocation procedure.

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

**Accruals**

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

**Tangible fixed assets and depreciation**

Heritable properties are shown at cost and expenditure on improvements is capitalised. The heritable properties have useful lives in excess of fifty years. No depreciation has been provided against the book value of heritable properties as, in the opinion of the Standing Committee, due to the long useful economic lives of the properties and their high residual values, any depreciation charge and resultant accumulated depreciation are immaterial. In the opinion of the Committee, no impairment of the carrying values has occurred during the year.

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

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

#### **Fixed asset investments**

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

#### **Social investments**

Social investments are shown at cost. In the opinion of the Standing Committee no impairment of the carrying values has occurred during the year.

#### **Disposals of investments and heritable properties**

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

#### **Investment income**

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

#### **Quota income**

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

#### **Donations, legacies and similar income**

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

#### **Grant expenditure**

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

#### **Governance Costs**

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

#### **Apportionment of Support Costs (including Governance Costs)**

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

#### **Basic financial instruments**

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

## 2 Funds

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

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

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

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

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

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

## 3 Employee costs and remuneration of key management personnel

|  | <b>2019</b>           | <b>2018</b>           |
|--|-----------------------|-----------------------|
|  | <b>£</b>              | <b>£</b>              |
| Salaries                                     | 575,685               | 498,282               |
| Pension contributions                        | 162,389               | 158,009               |
| Social security costs                        | 43,105                | 41,568                |
| Travel and subsistence                       | 9,490                 | 6,426                 |
| Training                                     | 1,222                 | 700                   |
|  | <b><u>791,891</u></b> | <b><u>704,985</u></b> |
| Average number of employees                  | 21                    | 19                    |
| Average number of full time equivalent posts | 15.8                  | 15.0                  |

Payments made in respect of staff seconded to the General Synod by their Charges are excluded from the figures noted above. The majority of staff costs are included in support costs and are apportioned to charitable activities. The costs in relation to the staff of the Scottish Episcopal Institute are however included in the direct costs associated with Ministry support and training. (See note 6.) Included within salaries are termination payments of £30,000 (2018: nil).

Key management personnel are considered to be the members of the Standing Committee and the Management Team comprising the Secretary General, the Treasurer, the Director of Communications, the Church Relations Officer, the Officer for the Protection of Children and Vulnerable Adults and the Principal of the Scottish Episcopal Institute. The members of the Standing Committee receive no remuneration and

the total employment benefits including employer pension and National Insurance contributions of the Management Team were £373,973 (2018: £376,156).

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

|                   | <b>2019<br/>Number</b> | <b>2018<br/>Number</b> |
|-------------------|------------------------|------------------------|
| £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 32.2%. The rate is based on the triennial Actuarial Valuation of the Fund as at 31 December 2017 which estimated the Fund's surplus to be £3.7m. No change in the contribution rate was recommended following the Valuation. There were no contributions outstanding at 31 December 2019 in relation to the General Synod's employees.

#### **4 Expenses paid to board and committee members**

Board and committee members are entitled to reimbursement of necessarily incurred travel and subsistence expenses in accordance with the rates determined by the Standing Committee. No remuneration is paid to committee members. Expenses totalling £1,337 were paid to seven members of the Standing Committee during the year, in relation to their membership of that Committee. (2018: Expenses of £1,971 paid to eight members).

#### **5 Total income**

Total Income in the Revenue Account (page 74) does not include any capital receipts. Such receipts are credited directly to the Capital Accounts. Both Capital and Revenue receipts are reflected in the Statement of Financial Activities.

## 6 Expenditure on charitable activities and governance costs

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

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

|  | <b>Direct<br/>Costs<br/>£</b> | <b>Grants<br/>awarded<br/>£</b> | <b>Support<br/>Costs<br/>£</b> | <b>2019<br/>Total<br/>£</b> | <b>2018<br/>Total<br/>£</b> |
|--|-------------------------------|---------------------------------|--------------------------------|-----------------------------|-----------------------------|
| <b>Charitable activities</b>                                     |                               |                                 |                                |                             |                             |
| Mission development and support                                  | 33,444                        | 157,767                         | 150,633                        | <b>341,844</b>              | 292,336                     |
| Ministry support and training                                    | 341,605                       | 174,139                         | 69,257                         | <b>585,001</b>              | 490,594                     |
| Ecumenical and church relations                                  | 57,135                        | -                               | 69,257                         | <b>126,392</b>              | 123,903                     |
| Promotion, publication and communication                         | 15,599                        | -                               | 280,489                        | <b>296,088</b>              | 271,379                     |
| Support for retired clergy                                       | 31,398                        | 33,758                          | 53,674                         | <b>118,830</b>              | 166,519                     |
| Provision of support and advice to<br>Dioceses and Congregations | 41,255                        | 727,253                         | 242,397                        | <b>1,010,905</b>            | 934,579                     |
|  | <b>520,436</b>                | <b>1,092,917</b>                | <b>865,707</b>                 | <b>2,479,060</b>            | 2,279,310                   |
| <b>2018</b>  | 510,110                       | 996,694                         | 772,506                        | 2,279,310                   |                             |

|                                  | <b>2019<br/>£</b> | <b>2018<br/>£</b> |
|----------------------------------|-------------------|-------------------|
| <b>Analysis of support costs</b> |                   |                   |
| Staff costs                      | 559,412           | 513,351           |
| Property and equipment costs     | 89,809            | 44,778            |
| General administration costs     | 56,814            | 60,089            |
| Board and committee expenses     | 13,295            | 13,598            |
| Governance costs                 | 146,377           | 140,690           |
|                                  | <b>865,707</b>    | <b>772,506</b>    |

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

|             |         |
|-------------|---------|
| <b>2019</b> | £13,800 |
| <b>2018</b> | £13,350 |



## 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 21 to 58). The grants awarded during the year can be analysed:

|                                  | UK               | Overseas      | 2019<br>Total    | 2018<br>Total  |
|----------------------------------|------------------|---------------|------------------|----------------|
|                                  | £                | £             | £                | £              |
| Scottish Episcopal Church bodies | 857,622          | -             | <b>857,622</b>   | <b>772,482</b> |
| Other church bodies              | 44,568           | 54,929        | <b>99,497</b>    | <b>45,531</b>  |
| Non church bodies                | 19,841           | 8,532         | <b>28,373</b>    | <b>42,825</b>  |
| Individuals                      | 92,028           | 15,397        | <b>107,425</b>   | <b>135,856</b> |
|                                  | <b>1,014,059</b> | <b>78,858</b> | <b>1,092,917</b> | <b>996,694</b> |
| <b>2018</b>                      | 924,617          | 72,077        | 996,694          |                |

Grants were awarded to 410 individuals (2018: 441).

Included in Creditors and Accruals are Grants totalling £126,535 approved but not paid out (2018: £150,215).

## 8 Fixed Assets

|  | Heritable<br>Property<br>£ | Investments<br>£  | Social<br>Investments<br>£ | Total<br>£        |
|--|----------------------------|-------------------|----------------------------|-------------------|
| At 31 December 2018                            | 3,427,163                  | 47,120,653        | 380,055                    | 50,927,871        |
| Additions during year                          | 845,134                    | 717               | -                          | 845,851           |
| Disposals during year                          | (351,242)                  | -                 | -                          | (351,242)         |
| Loans advanced in year                         | -                          | -                 | 293,495                    | 293,495           |
| Loans repaid in year                           | -                          | -                 | (271,985)                  | (271,985)         |
| Net gain on revaluation at<br>31 December 2019 | -                          | 9,532,748         | -                          | 9,532,748         |
| Balance at 31 December 2019                    | <b>3,921,055</b>           | <b>56,654,118</b> | <b>401,565</b>             | <b>60,976,738</b> |

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. 73.3% of investments in the Unit Trust Pool relate to UK investments. The unit value at 31 December 2019 was £21.1138. The unit value at 31 March 2020 was £19.4831, a decrease of 7.72%. Standing Committee considers that such a reduction in value is within the range of normal price fluctuations and is therefore of the view that no impairment falls to be recognised.

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

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

## 9 Debtors

|   | 2019<br>£             | 2018<br>£             |
|---|-----------------------|-----------------------|
| Accrued Unit Trust Pool distribution      | 779,716               | 779,706               |
| Sundry debtors including grant repayments | <u>74,521</u>         | <u>37,700</u>         |
|   | <b><u>854,237</u></b> | <b><u>817,406</u></b> |

## 10 Creditors

|                              | 2019<br>£             | 2018<br>£             |
|------------------------------|-----------------------|-----------------------|
| Grants approved but not paid | 126,535               | 150,215               |
| Accruals and deferred income | <u>58,982</u>         | <u>45,397</u>         |
|                              | <b><u>185,517</u></b> | <b><u>195,612</u></b> |

## 11 Reconciliation of movement in funds

|                           | Balance<br>at<br>31 Dec 18<br>£ | Surplus<br>(deficit)<br>for year prior<br>to transfers<br>£ | Transfers<br>between<br>funds<br>£ | Unrealised<br>gain on<br>revaluation at<br>31 Dec 19<br>£ | Balance<br>at<br>31 Dec 19<br>£ |
|---------------------------|---------------------------------|---|------------------------------------|---|---------------------------------|
| <b>Unrestricted Funds</b> |                                 |   |                                    |   |                                 |
| General Fund              | 35,944,118                      | (93,189)  | 17,895                             | 7,118,044   | 42,986,868                      |
| Other funds               | 8,277,056                       | (25,051)  | 1,269                              | 1,499,685   | 9,752,959                       |
|                           | <b>44,221,174</b>               | <b>(118,240)</b>  | <b>19,164</b>                      | <b>8,617,729</b>  | <b>52,739,827</b>               |
| <b>Restricted Funds</b>   |                                 |   |                                    |   |                                 |
| Housing Fund              | 5,062,327                       | 248,132   | (11,750)                           | 163,161   | 5,461,870                       |
| Other funds               | 4,196,069                       | 22,406  | (7,414)                            | 751,858   | 4,962,919                       |
|                           | <b>9,258,396</b>                | <b>270,538</b>  | <b>(19,164)</b>                    | <b>915,019</b>  | <b>10,424,789</b>               |
| <b>Total Funds</b>        | <b>53,479,570</b>               | <b>152,298</b>  | <b>-</b>                           | <b>9,532,748</b>  | <b>63,164,616</b>               |

The transfers between funds mostly relate to the administration charges levied on a number of restricted and designated funds for the use of General Synod Office staff and resources as described in Note 2.

### Prior year comparative information:

|                           | Balance<br>at<br>31 Dec 17<br>£ | Surplus<br>for year<br>prior to<br>transfers<br>£ | Transfers<br>between<br>funds<br>£ | Unrealised<br>loss on<br>revaluation at<br>31 Dec 18<br>£ | Balance<br>at<br>31 Dec 18<br>£ |
|---------------------------|---------------------------------|---|------------------------------------|---|---------------------------------|
| <b>Unrestricted Funds</b> |                                 |   |                                    |   |                                 |
| General Fund              | 36,676,609                      | 105,334   | 17,895                             | (855,720)   | 35,944,118                      |
| Other funds               | 8,439,058                       | 16,952  | 1,335                              | (180,289)   | 8,277,056                       |
|                           | <b>45,115,667</b>               | <b>122,286</b>                                    | <b>19,230</b>                      | <b>(1,036,009)</b>  | <b>44,221,174</b>               |
| <b>Restricted Funds</b>   |                                 |   |                                    |   |                                 |
| Housing Fund              | 4,710,050                       | 383,642   | (11,750)                           | (19,615)  | 5,062,327                       |
| Other funds               | 4,312,688                       | (18,666)  | (7,480)                            | (90,473)  | 4,196,069                       |
|                           | <b>9,022,738</b>                | <b>364,976</b>                                    | <b>(19,230)</b>                    | <b>(110,088)</b>  | <b>9,258,396</b>                |
| <b>Total Funds</b>        | <b>54,138,405</b>               | <b>487,262</b>                                    | <b>-</b>                           | <b>(1,146,097)</b>  | <b>53,479,570</b>               |

## 12 Analysis of net assets between funds

Fund balances at 31 December 2019 are represented by:

|                             | Unrestricted<br>Funds | Restricted Funds |                |                     | Total<br>Funds |
|-----------------------------|-----------------------|------------------|----------------|---------------------|----------------|
|                             |                       | Housing<br>Fund  | Other<br>Funds | Total<br>Restricted |                |
|                             | £                     | £                | £              | £                   | £              |
| <b>Fixed Assets</b>         |                       |                  |                |                     |                |
| Heritable Property at cost  | 27,596                | 3,893,459        | -              | 3,893,459           | 3,921,055      |
| Investments at market value | 51,213,300            | 969,672          | 4,471,146      | 5,440,818           | 56,654,118     |
| Social Investments          | 146,105               | 44,875           | 210,585        | 255,460             | 401,565        |
| <b>Current Assets</b>       |                       |                  |                |                     |                |
| Debtors and Prepayments     | 799,885               | 17,543           | 36,809         | 54,352              | 854,237        |
| Bank and Cash               | 734,837               | 536,321          | 248,000        | 784,321             | 1,519,158      |
| <b>Current Liabilities</b>  |                       |                  |                |                     |                |
| Creditors and Accruals      | (181,896)             | -                | (3,621)        | (3,621)             | (185,517)      |
|                             | 52,739,827            | 5,461,870        | 4,962,919      | 10,424,789          | 63,164,616     |

The majority of Unrestricted Funds are Undesignated Funds. The total of Undesignated Funds, representing the General Fund, at 31 December 2019 was £43.0m (2018 £35.9m).

The majority of Restricted Funds relate to the Retirement Housing Fund administered by the Retirement Housing Committee (see the Committee's report on page 55 and the Fund's financial statement on page 57). 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 42 properties located throughout Scotland. A number of the properties were specifically gifted to the General Synod for such use. The Fund has also benefitted from legacies and donations given to assist in the provision of housing to retired clergy.

Of the investments held by other Restricted Funds approximately £1.5m relates to the Retirement Supplementary Fund administered by the Retirement Housing Committee. (The Fund's financial statement is on page 56.) 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 Board, the Institute Council and the Administration Board. (The financial statements on pages 42, 47 and 58 include these Restricted Funds with other Designated Funds administered by the Boards.)

**Prior year comparative information:**

Fund balances at 31 December 2018 are represented by:

|                             | Unrestricted<br>Funds | Restricted Funds |                |                     | Total<br>Funds |
|-----------------------------|-----------------------|------------------|----------------|---------------------|----------------|
|                             |                       | Housing<br>Fund  | Other<br>Funds | Total<br>Restricted |                |
|                             | £                     | £                | £              | £                   | £              |
| <b>Fixed Assets</b>         |                       |                  |                |                     |                |
| Heritable Property at cost  | 27,596                | 3,399,567        | -              | 3,399,567           | 3,427,163      |
| Investments at market value | 42,588,092            | 806,511          | 3,726,050      | 4,532,561           | 47,120,653     |
| Social Investments          | 116,095               | 53,375           | 210,585        | 263,960             | 380,055        |
| <b>Current Assets</b>       |                       |                  |                |                     |                |
| Debtors and Prepayments     | 765,495               | 15,112           | 36,799         | 51,911              | 817,406        |
| Bank and Cash               | 915,173               | 788,037          | 226,695        | 1,014,732           | 1,929,905      |
| <b>Current Liabilities</b>  |                       |                  |                |                     |                |
| Creditors and Accruals      | (191,277)             | (275)            | (4,060)        | (4,335)             | (195,612)      |
|                             | 44,221,174            | 5,062,327        | 4,196,069      | 9,258,396           | 53,479,570     |

### **13 Future commitments**

There were no future commitments at 31 December 2019.

### **14 Related party transactions**

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

FRS 102 requires disclosure of material related party transactions and year end balances with related parties. In the case of the General Synod these are for the most part separately disclosed in the statement of financial activities, the balance sheet or in the notes to the accounts and comprise: quota received from Dioceses, grants made and loan balances outstanding. Other transactions include sales of publications, the provision of training courses and conferences and the leasing of office space to the Diocese of Edinburgh.

Aidan Strange, the son of Most Rev Mark Strange, a Member of the Standing Committee, has been employed by the General Synod as a part time Digital Communications Co-ordinator since May 2017. He was employed following an open recruitment process and his salary is in line with normal salary rates.

During the year a property was purchased from Rt Rev Dr John Armes, a Member of the Standing Committee, by the Retirement Housing Fund for use by a retired priest. The property was not marketed but offered for private purchase. The price paid (£128,500) was mutually agreed by Bishop Armes and the Retirement Housing Committee and was based on two independent valuations consistent with the practice normally adopted by the Committee.

### **15 Post balance sheet event**

In the early part of 2020 the COVID-19 pandemic started to impact the UK and the investments market. The Standing Committee is keeping abreast of the situation, although at the time of approving the accounts the situation is still fluid and the overall impact on the General Synod cannot be quantified.

As explained in note 8 for investments, the significant proportion of investments held are in the Scottish Episcopal Church Unit Trust Pool and the market value of the fund decreased by 7.72% at 31 March 2020. This equates to a decrease in investment value of £4.4m.

## 16 Statement of Financial Activities previous year

|   | Revenue Accounts and Reserves |                 |                  | Capital Accounts and Reserves |                  |                   | Total<br>2018<br>£ |
|---|-------------------------------|-----------------|------------------|-------------------------------|------------------|-------------------|--------------------|
|   | Unrestricted                  | Restricted      | Total            | Unrestricted                  | Restricted       | Total             |                    |
|   | Funds<br>£                    | Funds<br>£      | £                | Funds<br>£                    | Funds<br>£       | £                 |                    |
| <b>Income from</b>  |                               |                 |                  |                               |                  |                   |                    |
| <b>Donations and legacies</b>   |                               |                 |                  |                               |                  |                   |                    |
| Quota   | 741,527                       | -               | 741,527          | -                             | -                | -                 | 741,527            |
| Donations   | 21,176                        | 45,603          | 66,779           | -                             | -                | -                 | 66,779             |
| Legacies  | -                             | 1,000           | 1,000            | -                             | -                | -                 | 1,000              |
|   | <u>762,703</u>                | <u>46,603</u>   | <u>809,306</u>   | <u>-</u>                      | <u>-</u>         | <u>-</u>          | <u>809,306</u>     |
| <b>Investments</b>  |                               |                 |                  |                               |                  |                   |                    |
| Investment income - UTP distributions   | 1,337,064                     | 108,563         | 1,445,627        | -                             | -                | -                 | 1,445,627          |
| Investment income - interest  | 7,431                         | 4,209           | 11,640           | -                             | -                | -                 | 11,640             |
| Rental income   | 21,243                        | -               | 21,243           | -                             | -                | -                 | 21,243             |
|   | <u>1,365,738</u>              | <u>112,772</u>  | <u>1,478,510</u> | <u>-</u>                      | <u>-</u>         | <u>-</u>          | <u>1,478,510</u>   |
| <b>Charitable activities</b>  |                               |                 |                  |                               |                  |                   |                    |
| Publication sales   | 5,945                         | -               | 5,945            | -                             | -                | -                 | 5,945              |
| Other income  | 20,298                        | -               | 20,298           | -                             | 40,100           | 40,100            | 60,398             |
| Pension Fund and investment admin fee   | 32,068                        | -               | 32,068           | -                             | -                | -                 | 32,068             |
| Rental income   | -                             | 76,543          | 76,543           | -                             | -                | -                 | 76,543             |
|   | <u>58,311</u>                 | <u>76,543</u>   | <u>134,854</u>   | <u>-</u>                      | <u>40,100</u>    | <u>40,100</u>     | <u>174,954</u>     |
| <b>Other</b>  |                               |                 |                  |                               |                  |                   |                    |
| Gain on sale of property  | -                             | -               | -                | -                             | 303,802          | 303,802           | 303,802            |
|   | <u>-</u>                      | <u>-</u>        | <u>-</u>         | <u>-</u>                      | <u>303,802</u>   | <u>303,802</u>    | <u>303,802</u>     |
| <b>Total Income</b>   | <u>2,186,752</u>              | <u>235,918</u>  | <u>2,422,670</u> | <u>-</u>                      | <u>343,902</u>   | <u>343,902</u>    | <u>2,766,572</u>   |
| <b>Expenditure on charitable activities</b>                                   |                               |                 |                  |                               |                  |                   |                    |
| Mission development and support   | 280,877                       | 11,459          | 292,336          | -                             | -                | -                 | 292,336            |
| Ministry support and training   | 427,267                       | 63,327          | 490,594          | -                             | -                | -                 | 490,594            |
| Ecumenical and church relations   | 123,903                       | -               | 123,903          | -                             | -                | -                 | 123,903            |
| Promotion, publication and communication                                      | 271,379                       | -               | 271,379          | -                             | -                | -                 | 271,379            |
| Support for retired clergy  | 50,619                        | 115,900         | 166,519          | -                             | -                | -                 | 166,519            |
| Support and advice to dioceses<br>and congregations within SEC                | 910,421                       | 24,158          | 934,579          | -                             | -                | -                 | 934,579            |
|   | <u>2,064,466</u>              | <u>214,844</u>  | <u>2,279,310</u> | <u>-</u>                      | <u>-</u>         | <u>-</u>          | <u>2,279,310</u>   |
| <b>Total expenditure</b>  | <u>2,064,466</u>              | <u>214,844</u>  | <u>2,279,310</u> | <u>-</u>                      | <u>-</u>         | <u>-</u>          | <u>2,279,310</u>   |
| <b>Net income before transfers and<br/>gain on revaluation of investments</b> | <u>122,286</u>                | <u>21,074</u>   | <u>143,360</u>   | <u>-</u>                      | <u>343,902</u>   | <u>343,902</u>    | <u>487,262</u>     |
| (Loss) on revaluation of investments  | -                             | -               | -                | (1,036,009)                   | (110,088)        | (1,146,097)       | (1,146,097)        |
| <b>Net income before transfers</b>  | <u>122,286</u>                | <u>21,074</u>   | <u>143,360</u>   | <u>(1,036,009)</u>            | <u>233,814</u>   | <u>(802,195)</u>  | <u>(658,835)</u>   |
| Transfers between funds   | 19,230                        | (19,230)        | -                | -                             | -                | -                 | -                  |
| Transfers between revenue and capital   | 7,571                         | (32,090)        | (24,519)         | (7,571)                       | 32,090           | 24,519            | -                  |
| <b>Net movement in funds</b>  | <u>149,087</u>                | <u>(30,246)</u> | <u>118,841</u>   | <u>(1,043,580)</u>            | <u>265,904</u>   | <u>(777,676)</u>  | <u>(658,835)</u>   |
| Fund balances at 1 January 2018   | 1,645,131                     | 291,805         | 1,936,936        | 43,470,536                    | 8,730,933        | 52,201,469        | 54,138,405         |
| <b>Fund balances at 31 December 2018</b>                                      | <u>1,794,218</u>              | <u>261,559</u>  | <u>2,055,777</u> | <u>42,426,956</u>             | <u>8,996,837</u> | <u>51,423,793</u> | <u>53,479,570</u>  |

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

### **Opinion**

We have audited the accounts of the General Synod of the Scottish Episcopal Church (the 'charity') for the year ended 31 December 2019 which comprise the Summary Revenue Account, the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its income and expenditure 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report of the Standing Committee, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

*[continued ...]*

## **INDEPENDANT AUDITOR'S REPORT TO THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

### **Responsibilities of Standing Committee**

As explained more fully in the Statement of Responsibilities of the Standing Committee (as charity Trustees) set out on page 73, the Standing Committee is responsible for the preparation of accounts which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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 objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Standing Committee as the charity's Trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **CHIENE + TAIT LLP**

**Chartered Accountants and Statutory Auditor**

**61 Dublin Street**

**Edinburgh**

**EH3 6NL**

**22 April 2020**

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 FOR THE YEAR ENDED 31 DECEMBER 2019**

|  | £              | 2019<br>£         | £              | 2018<br>£          |
|--|----------------|-------------------|----------------|--------------------|
| <b>Income</b>  |                |                   |                |                    |
| Capital gains - net  |                |                   |                |                    |
| Realised   |                | 786,808           |                | 8,465,710          |
| Unrealised   |                | <u>14,135,856</u> |                | <u>(9,211,840)</u> |
|  |                | 14,922,664        |                | (746,130)          |
| Revenue  | 1,885,862      |                   | 1,511,307      |                    |
| <b>Management expenses</b>   | <u>124,711</u> |                   | <u>285,490</u> |                    |
|  |                | <u>1,761,171</u>  |                | <u>1,225,817</u>   |
| <b>Total return before distributions</b>   |                | 16,683,835        |                | 479,687            |
| <b>Distributions</b> (55.5p per unit. 2018: 54p)                                   |                | <u>2,253,091</u>  |                | <u>2,201,683</u>   |
| <b>Change in net assets attributable to unitholders from investment activities</b> |                | <u>14,430,744</u> |                | <u>(1,721,996)</u> |
| <b>Statement of change in net assets attributable to unitholders</b>               |                |                   |                |                    |
| Net assets attributable to unitholders as at 31 December 2018                      |                | 71,470,089        |                | 73,308,037         |
| Receipts from issue of new units   |                | 452,547           |                | 497,391            |
| Realisation of units:  |                |                   |                |                    |
| Book value   |                | (385,151)         |                | (270,582)          |
| Appreciation   |                | <u>(306,253)</u>  |                | <u>(342,761)</u>   |
|  |                | 71,231,232        |                | 73,192,085         |
| Change in net assets attributable to unitholders from investment activities        |                | <u>14,430,744</u> |                | <u>(1,721,996)</u> |
| Net assets attributable to unitholders as at 31 December 2019                      |                | <u>85,661,976</u> |                | <u>71,470,089</u>  |
| Number of units in issue   |                | <u>4,057,152</u>  |                | <u>4,069,799</u>   |
| Unit value as at 31 December 2019  |                | <u>£21.1138</u>   |                | <u>£17.5611</u>    |

The notes on page 92 form part of these accounts.



**THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL  
BALANCE SHEET AS AT 31 DECEMBER 2019**

|   | Notes | £                | 2019<br>£         | £                | 2018<br>£         |
|---|-------|------------------|-------------------|------------------|-------------------|
| <b>Capital Account</b>                                |       |                  |                   |                  |                   |
| Investments valued at closing prices                  | 3     |                  | 86,445,759        |                  | 72,313,958        |
| <b>Current Assets</b>                                 |       |                  |                   |                  |                   |
| Bank  |       | 301,603          |                   | 412,471          |                   |
| Investment income receivable                          |       | 112,842          |                   | 23,769           |                   |
| Income tax recoverable                                |       | <u>72,581</u>    |                   | <u>53,892</u>    |                   |
|   |       | <u>487,026</u>   |                   | <u>490,132</u>   |                   |
| <b>Current Liabilities</b>                            |       |                  |                   |                  |                   |
| Sundry creditors                                      |       | 31,235           |                   | 153,509          |                   |
| Proposed distribution at 29p/unit<br>(2018: 29p/unit) |       | 1,176,574        |                   | 1,180,242        |                   |
| Funds awaiting investment                             |       | <u>63,000</u>    |                   | <u>250</u>       |                   |
|   |       | <u>1,270,809</u> |                   | <u>1,334,001</u> |                   |
| <b>Net Current (Liabilities)</b>                      |       |                  | (783,783)         |                  | (843,869)         |
| <b>Total Net Assets attributable to unitholders</b>   |       |                  | <u>85,661,976</u> |                  | <u>71,470,089</u> |

**Robert Gordon**  
**Convener, Standing Committee**  
**21 April 2020**

The notes on page 92 form part of these accounts.

# THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 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 95).

#### Investment Managers

For the year ended 31 December 2019, 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 2019 was £124,711 (2018 £261,311) 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 holdings exceeded 5% of the total value of the investment portfolio at the year end:

|   |             |       |
|---|-------------|-------|
| Baillie Gifford Long Term Global Growth Fund C Income | £30,343,288 | 35.0% |
| Baillie Gifford Multi Asset Income Fund B Income      | £29,612,266 | 34.2% |

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

### **Opinion**

We have audited the accounts of the Scottish Episcopal Church Unit Trust Pool for the year ended 31 December 2019 which comprise the Statement of Total Return, the Balance Sheet and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2019 and of its Total Return for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the Scottish Episcopal Church Unit Trust Pool in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use by Standing Committee of the Scottish Episcopal Church of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Standing Committee has not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Unit Trust Pool's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

### **Other information**

The Standing Committee is responsible for the other information. The other information comprises the information included in the annual report of the Investment Committee, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

*[continued ...]*

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

### **Responsibilities of Standing Committee**

As explained more fully in the Statement of Responsibilities of the Standing Committee set out on page 73, the Standing Committee is responsible for the preparation of accounts which give a true and fair view, and for such internal control as the Committee determines is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Committee is responsible for assessing the Unit Trust Pool's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Unit Trust Pool or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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 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 unit holders, as a body, for our audit work, for this report, or for the opinions we have formed.

**CHIENE + TAIT LLP**  
**Chartered Accountants and Statutory Auditor**  
**61 Dublin Street**  
**Edinburgh**  
**EH3 6NL**

**22 April 2020**

## 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*

General Synod 2017 agreed a number of resolutions in respect of Climate Change Action and Fossil Fuel Investments. A further restricted category of investment has therefore been added to those detailed above: no direct investment will be made in companies deriving over 10% of their revenues from the extraction of thermal coal or tar sands. The Ethical Investment Policy will be reviewed in the light of the resolutions passed by General Synod.