



Scottish Episcopal Church

38th Annual Report

The General Synod of the Scottish Episcopal Church

Annual Report and Accounts for the year ended 31 December 2020

Notes

Membership

The membership of each Board and Committee is listed on pages 3 - 6 and reflects the membership at 31 December 2020.

Financial information

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

Synod Papers

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

General Synod of the Scottish Episcopal Church

Scottish Charity Number SC015962

Scottish Episcopal Church Nominees

Scottish Charity Number SC013463

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General Synod of The Scottish Episcopal Church

Reference and administrative information

Charity name and address	General Synod of the Scottish Episcopal Church 21 Grosvenor Crescent Edinburgh EH12 5EE	
Scottish Charity Number	SC015962	
Charity Trustees	<i>Standing Committee</i> Ms Bridget Campbell (Convener) (from 5 December 2020) Mr Robert Gordon (Convener) (to 5 December 2020) Most Rev Dr Mark Strange Rt Rev Dr John Armes Rt Rev Anne Dyer (from 5 December 2020) Mr James Gibson Very Rev Sarah Murray (from 5 December 2020) Rt Rev Kevin Pearson (to 5 December 2020) Rev Canon Dave Richards Rev Canon Jane Ross (to 3 February 2020) Very Rev Alison Simpson Ms Jenny Whelan	
Principal Officers	Secretary General	Mr John Stuart
	Treasurer	Mr Malcolm Bett
Solicitors	Shepherd and Wedderburn LLP 1 Exchange Crescent, Conference Square Edinburgh EH3 8UL	
Auditor	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL	
Fund Managers	Baillie Gifford & Co Calton Square, 1 Greenside Row Edinburgh EH1 3AN	
Bankers	Bank of Scotland plc Triodos Bank NV Scottish Widows Bank plc	
Trustees for the Charity	<i>Trustees of the General Synod of the Scottish Episcopal Church</i> Lady Caroline Douglas-Home (to 7 May 2020) Mr Robert Gordon (from 5 December 2020) Mr Martin Haldane Rt Rev Edward Luscombe The Hon Lord McEwan Canon David Palmer (to 4 January 2020) Sheriff Alexander Wilkinson <i>Directors of Scottish Episcopal Church Nominees</i> Rt Rev David Chillingworth Lady Caroline Douglas-Home (to 6 May 2020) Dr John Ferguson-Smith Mr Gavin Gemmell Mr Robert Gordon (from 9 July 2020) Mr Martin Haldane The Hon Lord McEwan Canon David Palmer (to 4 January 2020) Most Rev Mark Strange 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 2020 by the Primus, Most Rev Mark Strange

I am sitting writing this report in my study at Arpafeelie, a place I have come to know very well in the past year. I am writing it almost exactly a year since we first changed our regulations in regard to the chalice and to the exchanging the peace because of the Cov-19 pandemic. I have to say it - what a lot has happened, yet at times it feels like things are happening so slowly. It is with some emotion that I offer thanks to our clergy and lay ministers for the commitment shown in finding ways to continue the life of the Church through the complications of the pandemic, thanks to our congregations who rallied round and shared whatever worship and fellowship was available, to those who spent time helping the least advantaged in society, and to the staff of the General Synod Office and the digital departments across the Church. Whatever else has happened, Church has not been shut and faith has been sustained.



During this time there has developed a growing awareness of the need to work alongside those of other denominations and those of other faiths, and engagement with government and secular organisations has been greatly enhanced by a more united voice.

The development of the Scottish Christian Forum which replaces ACTS as our main ecumenical body in Scotland has been a long and complicated process but now things are really beginning to take shape, further enhancing our relationships with others.

The decision at last year's General Synod to aim for a zero emissions policy has created much work and planning, some which will come to Synod 2021. The expected meeting of COP26 in Glasgow later in the year is also focussing our minds on both the environment and the continuing climate emergency as it affects the planet and the most disadvantaged of the world's communities. The Boards and Committees of the Church are all looking at what they can contribute to the discussion.

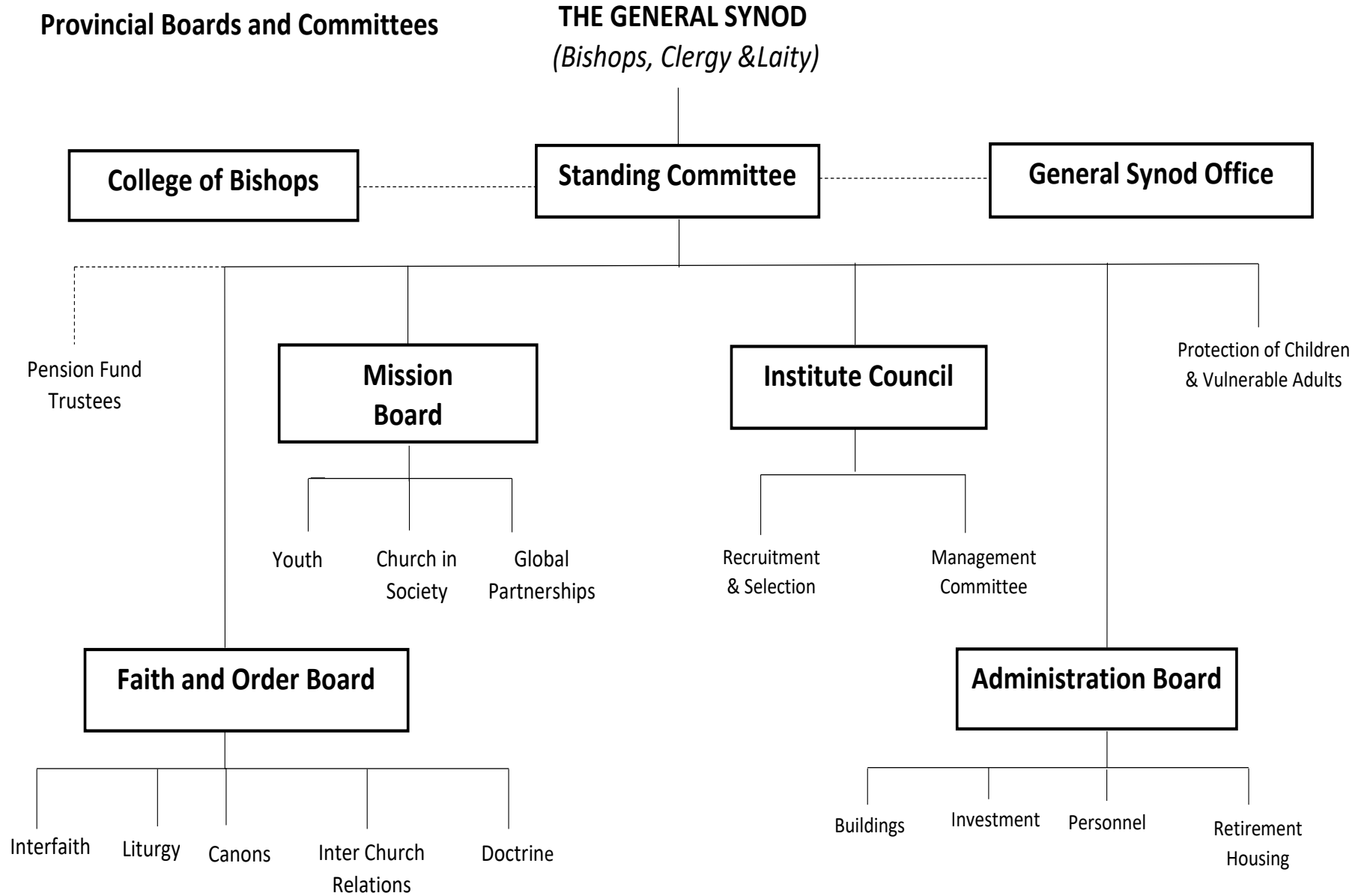
The cancellation of the 2020 Lambeth Conference due to the pandemic has delayed a number of opportunities for the building of relationships across the Anglican Communion and it has also delayed the resolution of a number of Communion issues. The Primates of the Communion met digitally in November 2020 and another digital meeting is planned for this November.

General Synod succumbed to the pandemic and was firstly delayed until December and then became, for the first time, a virtual meeting. The meeting went well thanks largely to the hard work put into the preparations, and thanks must go to all involved.

This year also saw a change in the convenership of the Standing Committee. Robert Gordon completed his term of office and I would like to thank him again for all the work he did to challenge and support this Church, not least during this pandemic. I also take this opportunity to welcome our new convener, Bridget Campbell, thanking her for being prepared to take on this role.

The decision by the Scottish Government in March 2021 to enable us to reopen our places of worship, provided no further setbacks are experienced, is hopefully a step towards the ending of the many restrictions currently placed on our lives. This will of course affect the plans of us all as we once again pick up those things that we put to one side and lay down some of the things we have needed to do. We will all have ideas about what could come from this experience and those conversations are important as we continue to proclaim our faith, serve one another and worship God.

**Bishop Mark
Primus**



Board and Committee Membership

Standing Committee

Ms B Campbell	Convener	2020 - 2025
Rt Rev the Bishop of Edinburgh	College of Bishops	
Most Rev the Primus	Convener, Faith and Order Board	
Very Rev S Murray	Convener, Mission Board	2020 - 2025
Mr J N Gibson	Convener, Administration Board	2019 - 2024
Rt Rev the Bishop of Aberdeen and Orkney	Convener, Institute Council	2020 - 2025
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 R Baker	Convener	2020 - 2025
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
Dr J Hoy	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	Vacancy	
Rt Rev the Bishop of Brechin		
Rt Rev the Bishop of Edinburgh		
Rt Rev the Bishop of Glasgow and Galloway		
Rt Rev the Bishop of St Andrews, 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 B Evans-Hills	Convener, Interfaith Committee	2020 - 2025
Rev Canon Dr N H Taylor	Convener, Liturgy Committee	2020 - 2025
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 - 2024
Dr J Jacobs	Brechin	2018 - 2022
Vacancy	Brechin	
Mrs V Elliott	Edinburgh	2019 - 2023
Rev E L Talbot	Edinburgh	2020 - 2024
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 - 2024
Rev Canon Dr A L Tomlinson	Pantonian Professor	

Committee on Canons

Mr G Robertson	Convener	2018 - 2023
Most Rev the Primus	College of Bishops	
Ms A Clarke	Member	2019 - 2023
Rev C Lowdon	Member	2020 - 2024
Mr G MacWilliam	Member	2019 - 2023
Mr G McEwan	Member	2020 - 2024
Ms G Reynolds	Member	2019 - 2023
Mr S White	Member	2019 - 2023

Board and Committee Membership

Doctrine Committee

Rev Canon Prof D Jasper	Convener	2017 - 2022
Vacancy	College of Bishops	
Rev Dr M J Fuller	Member	2017 - 2021
Rt Rev Dr R A Gillies	Member	2017 - 2021
Rev Dr H A Harris	Member	2020 - 2024
Rev Prof T A Hart	Member	2017 - 2021
Dr D M Reid	Member	2019 - 2023
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 - 2024
Miss E Tofield	Member	2019 - 2023
Ms R Walker	Member	2019 - 2023
Mr P Goldfinch	SEC ACTS Trustee - ex-officio	

Interfaith Relations Committee

Rev B Evans-Hills	Convener	2020 - 2025
Dr S J Innes	Member	2017 - 2021
Rev Dom Ind	Member	2020 - 2024
Rev D Paton-Williams	Member	2020 - 2024
Dr M Tolstoy	Member	2018 - 2022
Mrs V Webb	Member	2015 - 2023
Rev C Blakey	Co-opted Member	2020 - 2021
Rev T A Anderson	EMU Rep (Methodist)	
Rev J Bremner	EMU Rep (URC)	

Liturgy Committee

Rev Canon Dr N H Taylor	Convener	2020 - 2025
Rt Rev the Bishop of St Andrews, Dunkeld and Dunblane	College of Bishops	
Rev R A Addis	Member	2016 - 2024
Ms E Alldritt	Member	2019 - 2023
Rev N Brown	Member	2019 - 2023
Rev Dr J E P Currall	Member	2015 - 2023
Rev J R Davies	Member	2020 - 2024
Rev Dr S B Marriage	Member	2020 - 2024
Dr L van Ommen	Member	2018 - 2022
Rev C J Wutscher	Member	2020 - 2024

Mission Board

Very Rev S E Murray	Convener	2020 - 2025
Rt Rev the Bishop of St Andrews, 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	
Vacancy	Aberdeen and Orkney	
Dr R Brett	Argyll and The Isles	2019 - 2023
Rev Canon K Dixon	Brechin	2019 - 2023
Rev E A O’Ryan	Edinburgh	2020 - 2024
Rev Canon A O Stewart	Glasgow and Galloway	2019 - 2023
Vacancy	Moray, Ross and Caithness	
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 Blakey	Rep for Interfaith Relations Cttee	2020 - 2021
Dr D Bruce	Member	2014 - 2022
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 J Collings	EMU Rep (URC)	

Global Partnerships Committee

Mr D Kenvyn	Convener	2016 - 2021
Rev Canon E Baker	Member	2020 - 2024
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 - 2024

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	
Prof P F Sharp	Convener, Buildings Committee	2020 - 2025
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 - 2024
Vacancy	Brechin	
Mr M Harris	Edinburgh	2020 - 2024
Rev L S Ireland	Glasgow and Galloway	2019 - 2023
Mr D D Campbell	Moray, Ross and Caithness	2016 - 2024
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 Davison	General Synod	2020 - 2024

Buildings Committee

Prof P F Sharp	Convener	2020 - 2025
Mr N Gaunt	Member	2018 - 2022
Mr D Gibbon	Member	2019 - 2023
Very Rev E Lamont	Member	2020 - 2024
Rev Canon A MacLean	Member	2015 - 2023
Mr R Nellist	Member	2014 - 2022
Rev Dr D Orr	Member	2020 - 2024

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 - 2023
Mr A Hunter	Member	2016 - 2024
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 - 2023
Rev S L K Shaw	Member	2017 - 2021
Mr G Robertson	Committee on Canons Representative	2018 - 2023

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 - 2023
Mrs J M Robinson	Member	2012 - 2020
Mr I Spence	Member	2019 - 2023
Mrs J Whiteside	Member	2016 - 2024

Institute Council

Rt Rev the Bishop of Aberdeen and Orkney	Convener	2020 - 2025
Rt Rev the Bishop of Brechin	College of Bishops	
Rev Canon Prof G P Foster	Member	2015 - 2023
Rev E Garman	Member	2018 - 2022
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	2020 - 2021
Rev M McPherson	Ecumenical Member	2016 - 2024
Rev Canon Dr A L Tomlinson (in attendance)	Convener, Institute Management Committee (Board of Studies)	

Pension Fund Trustees

Mr R McIndoe	Chairman	2015 - 2021
Rev Canon Dr J Cuthbert	Member Nominated Trustee	2015 - 2023
Ms B Campbell	Trustee	2020 - 2025
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 22 to 53. 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 six times during 2020 and whilst future plans had been articulated in the Committee's annual report for 2019, priorities were of necessity re-visited and revised as a result of the Covid-19 pandemic.

1. Strategic Planning

1.1 Responding to the Pandemic

The Committee responded strategically to the circumstances of the pandemic, holding an additional meeting in early April to assess initial implications for the Church and all subsequent meetings during the year included significant time in discussion to monitor developments and plan future action. The Committee's strategic response to the situation included the following:

- A move from physical meetings to online engagement. This included the closure of the General Synod Office and moving staff to home working. Similarly, provincial boards and committees ceased physical meetings and gatherings on Zoom became the norm. Physical closure of the office meant that a small number of staff who were unable to work from home were placed on furlough under the UK Government's job retention scheme.
- Establishing, in conjunction with the College of Bishops, an Advisory Group to provide advice to the Bishops and the wider church on the application and practical consequences of Government guidance on lockdown regulations, with particular emphasis on implications for places of worship. That Group comprises Robert Gordon, Elaine Garman, Dr Mike Jones, Bishop Andrew Swift and Derek Thomson, supported by the Secretary General and Director of Communications. It has produced a range of guidance for churches, frequently asked questions, a pro forma plan for church reopening and has regularly updated such material during the course of the pandemic. It has liaised with the College of Bishops over pastoral guidance and other general communications from the College during the course of the pandemic. In addition, it has sought to answer specific queries from clergy and congregations as they endeavour to comply with the ever-changing position and increasing complexity of the official guidance and regulations. The work of the Advisory Group has been informed by the benefit of regular contact with the Scottish Government - both the Primus and Secretary General have separately had regular meetings with civil servants and, occasionally, Government ministers, and have been a means of two-way communication between the Government and the Faith Communities.

- Enabling a weekly online Eucharist streamed by the province and at which each of the diocesan bishops has presided in turn. As lockdown continued, an increasing number of local churches took steps to provide their own online worship but nevertheless the provincial offering remains appreciated by many and access by telephone had been of benefit to those without internet facilities. Sunday worship has been supplemented at times by the streaming of Evening Prayer on Thursdays and additional services were also arranged during Holy Week, Advent and Christmas.
- Monitoring provincial finances and maintaining an overview of the financial situation pertaining in dioceses through regular contact between the Provincial Treasurer and Diocesan Treasurers. Consideration was given to whether there was a need for immediate financial support. Whilst there have been some exceptions, it appears that most charges have managed to continue to cope financially during the pandemic. However, [as is reported on in more detail below], the Committee decided to propose a significant reduction in the level of provincial quota for 2021 in order to alleviate pressure on dioceses – thereby allowing dioceses to decide how best to apply the benefit of that reduction locally. Also, as explained to General Synod 2020, it has been agreed in principle to establish a Recovery and Renewal Fund of £250,000 which will make grants to dioceses to help finance the cost of adapting to meet the challenges and opportunities created by Covid-19 and its aftermath. The grants will be available on a one-off basis and are expected to be allocated during the latter half of 2021, once dioceses have had an opportunity to put forward applications. The Treasurer has also kept the Committee apprised of the financial performance of the Unit Trust Pool, the major contributor to provincial income. The Committee has been delighted at the strong performance of the UTP, with the unit price at the year-end being at an all-time high.
- Conscious that whilst there were many downsides to lockdown, there proved to be some financial upside in that some financial savings arose, for example, savings on relation to meeting costs. Standing Committee was aware that there were particular needs within certain sectors of Scottish society and considered it appropriate to share some of the financial benefit accruing to the province with others. Following advice received from the Church in Society Committee, it agreed an allocation of £50,000, split between Aberlour Childcare Trust, Scottish Women's Aid and the Scottish Association for Mental Health.
- At its meeting in September 2020, the Committee established a Task Group in order to scope the longer-term issues arising out of the period of the pandemic needing to be addressed and to identify how any conclusions reached on such issues should be implemented. The Task Group met twice in the run up to the meeting of General Synod in December 2020. Robert Gordon reported to Synod on the main areas on which the Task Group had focused its discussions: managing through the pandemic, exploring governance models and support for charges concerned with viability and sustainability; new opportunities; and the role of the General Synod Office.
- The period of the pandemic has emphasised once again how crucial the role of communications is within the Church. Once physical meetings ceased to be possible, electronic and virtual communication took on an even greater significance and, as will be apparent from what is said above, the provincial communications function has fulfilled an essential role in helping the Church address new needs and requirements. Aware that the provincial communications team is small, the Committee was delighted to be able to increase the role of the Digital Communications Coordinator temporarily to full-time for much of 2020. From the beginning of 2021, the post operates at 28 hours per week rather than the 15 hours which applied prior to the pandemic. Standing Committee has also in principle agreed to the bringing in of additional external resource as and when needed.

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 2020 was however unlike any other year. With the necessary curtailments on travel, residential meetings, training events etc imposed due to the Covid-19 pandemic there was a significant reduction in many areas of expenditure resulting in a surplus rather than the large budgeted deficit. It is the Committee's intention that the unexpected reductions in expenditure will be used to fund the Recovery and Renewal Fund to provide support and assistance to charges and dioceses as they emerge from the constraints imposed by the pandemic. Budgeting for future years presents new challenges as we seek to establish the extent to which patterns of working will be changed in the light of the experience of the last year. 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 has taken action to ensure that assistance is available to dioceses and charges as they face the challenges the pandemic has imposed. It acknowledges that funding might be required as the SEC seeks to implement Synod's decision to work towards working achieving net zero carbon emissions by 2030. It welcomes the emergence of a new committee focussed on the development of local mission. It is encouraged by the continuing development of new processes for vocational discernment and the possible emergence of new training programmes for both clergy and laity. It is keen to work with the Director of Communications in further developing the provincial communications function. It recognises that such initiatives require appropriate financial support. There are therefore likely to be many demands on the reserves generated in recent years.

2. General Synod Meeting

The meeting of General Synod in 2020 had been planned originally to take place in June, as usual. As the pandemic unfolded, it became obvious that a physical meeting at that time would not be possible and Standing Committee concluded that it was appropriate to postpone the meeting. At the Committee's June meeting, matters had clarified sufficiently to make it clear that a physical meeting even later in 2020 would not be possible and the Committee, therefore, put in motion plans to arrange a one-day virtual meeting of Synod which took place in December. Business at the meeting was restricted to those items considered essential and, despite the experience being very different from our "normal" meeting of Synod, feedback on the virtual format has generally been very favourable, albeit many members commented on the fact that it was tiring. The use of breakout groups during the virtual meeting enabled a degree of interaction amongst members and gave an opportunity to discuss issues arising in relation to the pandemic.

Full minutes of the Synod meeting are available on the provincial website but, in brief, apart from dealing with the usual issues of appointments to provincial bodies, receiving the annual report and accounts, considering budgets and setting quota for 2021, particular items included discussion about options for possible reform of Canon 4 (regarding the election of bishops), the adoption of a new Safeguarding Policy and Principles document for the Church, a report from the Ethical Investment Advisory Group (in response to a motion passed at Synod 2019), the adoption of a motion expressing the need for urgent action in relation to climate change and calling for a programme of actions to be brought to Synod 2021 to resource the Church in working towards achieving net zero carbon emissions by 2030. An update was also given to Synod from the Administration Board and Personnel Committee on matters of clergy stipends and bullying and harassment.

As reported last year, Standing Committee considered possible revision to the Rules of Order for Synod meetings and, had General Synod 2020 taken a more usual form, would have brought forward proposed changes to address the possibility of "counter motions" being presented to Synod. It expects that such changes will now be proposed to General Synod 2021 and opportunity may also be taken to refine some parts of the Rules of Order to take account of the possibility of virtual meetings of Synod in future.

3. Standing Committee Membership and Appointments

There were various changes to the membership of the Committee during the course of the year. Canon Jane Ross resigned as convener of the Mission Board and as a member of the Committee in February and thanks are expressed to her for her significant contribution to both bodies. Provost Sarah Murray was nominated to General Synod in December as her successor as Mission Board convener and, having been appointed, has now joined the Standing Committee. She had kindly chaired meetings of the Mission Board as "acting convener" for much of 2020. Bishop Kevin Pearson completed his term of office as convener of the Institute Council at General Synod, as did Robert Gordon as convener of the Standing Committee itself. Tribute is paid to Bishop Kevin for establishing a firm foundation for the Scottish Episcopal Institute and the Institute Council, as well as his contribution to Standing Committee. The Committee also expresses huge thanks to Robert Gordon for his role in steering the Committee, stimulating and leading its provincial thinking over the course of the last five and a half years. General Synod 2020 accepted the Committee's nominations of Bishop Anne Dyer as the new Institute Council convener and of Bridget Campbell as the new Standing Committee convener, both of whom are welcomed to the Committee.

During the year, a number of appointments were made to various other bodies. In addition to the nominations made by the Committee to General Synod mentioned elsewhere in this report, the following nominations were all accepted by General Synod: the appointment of Marjory McPherson to serve a second term as a member of the Institute Council; of Deborah Davidson as a new member of the Administration Board; of Fraser Falconer, Susan Horne and John Whittall as lay members of the Clergy Discipline Tribunal and of Canon John Richardson as its clerical member; of Robert Gordon as a General Synod Trustee. Synod also agreed the extension of Richard McIndoe's term of office as chair of the Pension Fund Trustees until General Synod 2021 and the ratification of the appointment of Robert Phillips as a member of the Preliminary Proceedings Committee. The Committee appointed Richard Baker to serve as the convener of the Committee for the Protection of Children and Vulnerable Adults (the Safeguarding Committee) as a successor to Christopher Townsend who is thanked for his service over many years.

The Committee was delighted early in 2020 to hear the news of the translation of Bishop Kevin from the Diocese of Argyll and The Isles to Glasgow and Galloway. Appointments were made to the Preparatory Committee established under Canon 4 for the process of electing a new Bishop of Argyll and The Isles. Dr John Cuthbert and Dean Fay Lamont were appointed as clerical members and Karen Gaskell as a lay member, in addition to the diocesan members of the provincial panel for episcopal elections Rosemary Bungard and Maureen McKellar. The Committee also approved a paper clarifying the categories of expenses which a diocese is entitled to recover from the province in connection with an episcopal election process.

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 changes, required to comply with new regulations, to the Trustees' Statement of Investment Principles, and which the Committee was happy to endorse.

Following discussion by the Trustees, the Standing Committee also agreed a change to the Pension Fund Rules to the effect that death in service benefit should continue during any period of unpaid family leave, notwithstanding that contributions to the Pension Fund would not be made during such a period of absence.

The Committee, following discussion by the Trustees, agreed in principle that certain elements of Pension Fund administration should be outsourced in future. This decision was taken partly on the grounds of risk management since, at the present time, in-house administration falls largely within the responsibilities of just one member of staff. As a result of lockdown, it was not possible during 2020 to progress with such outsourcing as had been expected at the beginning of the year and the Committee expresses its gratitude to Daphne Audsley for her understanding in the deferral of her phased retirement which this has entailed.

Current policy in relation to the setting of Standard Stipend, agreed by General Synod in the 1990s, is that Standard Stipend should be at the same rate as the Church of England National Stipend Benchmark. In 2020, the Church of England agreed a freeze to that benchmark, with the result that Standard Stipend for 2021 remains at the 2020 level. The Committee is aware that the Administration Board, as at the year-end, was continuing its consideration of a report from a review group which it had established to consider the level of stipend in Scotland and looks forward to seeing the outcome of these discussions. The Committee noted the automatic increase in Pensionable Stipend from 1 July 2020 to match Standard Stipend 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. Unless otherwise required by the Committee, 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 resolved that, as with the Stipend, there should be no change in General Synod Office salary scales from 1 November (the annual review date). In consequence, there is no change to the rate of Pensionable Salary from 1 November 2020.

5. Other Matters

A number of other matters were addressed during the year including:

- the work of the Mission Board is reported on more fully elsewhere, but Standing Committee encouraged discussion between the Board and the College of Bishops in relation to local mission development. The Board has now approved in principle the establishment of a new committee to address such matters. In due course formal proposals will be brought to General Synod but, in the meantime, the Standing Committee is keen to encourage and support the new body, once established, in its endeavours.
- as reported last year, Standing Committee responded to the motion passed by General Synod 2019, by establishing an Ethical Investment Advisory Group under the convenership of Alan McLean QC. That group worked diligently over the course of the year and Mr MacLean met with the Standing Committee in November to present the Group's interim report. The Committee was delighted to receive a thoughtful and helpful report setting out clearly the range of difficult issues with which the Group, and the Church as a whole, needs to grapple. It approved submission of the report to General Synod and the Group will continue its work in the year ahead to explore a number of the remaining outstanding issues.
- the Committee received the new Safeguarding Policy and Principles, the fruit of the initial work of the Safeguarding Audit Implementation Group, and was pleased to support its submission to Synod, where it was adopted.
- early in 2020, continuing consideration was given to the question of office premises for the General Synod Office. The advent of the pandemic necessarily put matters on hold but, as mentioned elsewhere, the experience of the pandemic, including that of homeworking, has been beneficial and will help to inform future thinking about office requirements once greater clarity can be achieved as the pandemic eventually recedes. The Committee is equally conscious that the 2020 Synod motion seeking to achieve net carbon emissions within the Church by 2030 has a clear bearing on matters such as the size and energy efficiency of office premises and home working. Such matters remain on the future agenda of the Committee. As a further holding exercise the lease by the province of the basement of Forbes House to the Diocese of Edinburgh was rolled forward until 31 December 2022.

General Synod Office Staff Changes

The year was a quieter one in terms of changes of personnel at the General Synod Office. As was anticipated in last year's report, Donald Walker joined the staff in January 2020 as Director of Communications and the Church has benefited from the strengths which he brings to provincial operations.

As mentioned above, the overall communications resource has been amplified by an increase in hours in the post of Digital Communications Coordinator, held by Aidan Strange. Also, some members of staff were furloughed, in whole or part and Standing Committee expresses its thanks to them for their understanding and cooperation. Afternoon receptionist, Kay McDonald, tendered her resignation in the summer and is thanked for her service.

Financial Review

(The audited accounts can be found at page 69)

Result for the year

The total revenue surplus for the year was £145,000, some £337,100 better than the total budgeted deficit of £192,100. There was a surplus of £49,900 on the General Fund rather than the budgeted deficit of £231,500. 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 19. In addition to the General Fund the General Synod has a number of Restricted and Designated Funds which are all reflected in the total surplus of £145,000. General Fund income was some £46,000 greater than budgeted primarily as a result of the larger than budgeted increase in distribution from the SEC Unit Trust Pool agreed by the Investment Committee. Quota income was in accordance with budget and reflected an agreement with the Diocese of Edinburgh for it to pay less quota than previously requested due to the departure of one of its charges, St Thomas. Total expenditure was £235,350 less than budgeted. The majority of the savings are directly related to the impact of Covid-19 restrictions on many areas of normal activity. The use of video conferencing facilities not only for board and committee meetings but for SEI residential training weekends, discernment section panels, youth events and General Synod was a major factor in reducing costs. The postponement of planned staff changes in the General Synod Office and the furloughing of a small number of staff also contributed to cost savings. Few additional costs were incurred directly as a result of the pandemic: as noted above the provision of online weekly Eucharist and other services was enabled by an increase in the Digital Communications Coordinator's hours; grants totalling £50,000 were provided to three charities facing increased demands on their services.

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. Whilst acknowledging that the continuation of lockdown restrictions into 2021 is likely to result in cost savings in the current year the Committee is conscious of the plans emerging from a number of boards that are likely to result in requests for additional funding. It therefore remains of the view that over time substantial resources will be required to meet a number of strategic objectives and supporting dioceses in meeting the financial challenges being encountered by their charges. 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 £149,000 was generated due to the profit arising on the sale of two retirement properties. These surpluses are available for reinvestment in new properties to be purchased when required. (One such property was acquired during the year.)

The market value of total investments increased by £20.4m of which £15.3m 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 63% and 29% 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 one of the responses to the impact of the Covid-19 pandemic on charge and diocesan finances has been the agreement of a substantial reduction in the amount of Quota dioceses are required to pay. A reduction of about 19% (£142,000) has been agreed for 2021. It is hoped that it will be possible to increase quota back to 2020 levels by 2024. The short term reduction of quota income is being funded by the use of about £250,000 reserves and has had no direct impact on budgeted expenditure. Longer term however any ongoing inability of charges and dioceses to fund increase in quota will require a review of provincial expenditure. Inevitably reductions in quota place 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 18.

Investment policy and performance

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

The investment objective of the SEC Unit Trust Pool is to earn a return on the assets, over the long term, sufficient at least to maintain the real value of the distribution to the unit holders. Following the substantial reduction in investment income in 2009 there were several years of little or modest growth in distribution levels. Larger increases have however been made in recent years and in 2020 it was possible to increase the annual distribution by 2.5p to 58p. The increase of 4.5% is in excess of current rates of inflation. The real value of the distribution has therefore been maintained.

(The SEC Unit Trust Pool accounts are at page 89).

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). As noted in the Investment Committee's report (page 50) agreements are now also in place with our fund managers to ensure no future direct investment in companies involved in the extraction of fossil fuels. 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. In addition to undertaking a general review of the ethical investment policy the Ethical Investment Advisory Group established following General Synod 2019 is seeking to develop a framework within which ethical criteria could be applied to pooled funds.

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 Financial Reporting Standard 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 41 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 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 £2.2m.

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 £57m at 31 December 2020 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. Standing Committee continues to encourage Boards and Committees to consider possible improvements in the manner in which they conduct their meetings.

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 50) the Investment Committee is awaiting the outcome of the work of the Ethical Investment Advisory Group to enable it to undertake a review of UTP's investments. The Investment Committee meets with the fund managers at least twice a year.

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 reflect the changing and challenging environment in which both it and the Scottish Episcopal Church as a whole continues to operate. Given the current context, continuing to address the challenges and opportunities arising from the Covid 19 pandemic will remain a current and necessary priority. That will include, for as long as necessary, the continuation of the work of the Advisory Group to provide guidance to bishops and the wider Church in applying Government rules and regulations on lockdown, the transition out of lockdown and life thereafter. The Committee will similarly continue the work of the Task Group referred to earlier in this report, including the implementation of the Recovery and Renewal Fund to assist the Church not only in the process of recovering from the challenges of the pandemic, but of looking forward to seize new opportunities.

The Committee will re-energise its commitment to develop a longer term vision and strategy, deploying the strengths and resources available to the province to best effect. In so doing, it intends to draw together the range of work and activities undertaken on behalf of the boards and committees of the General Synod, to enable a coherence of planning and implementation to be achieved. In particular, the Committee plans to progress the work of the General Synod in the following specific areas:

- Working jointly with the College of Bishops to assess the future ministry needs of the Church, which will in turn inform future training needs for addressing in the programmes of training and formation delivered by SEI;
- Continuing to support the work of SEI by working with the Institute Council and College of Bishops in planning and action to provide appropriate curacies and for ordinands emerging from SEI;
- Encouraging the Mission Board in its work in establishing support for local mission development and in exploring and fostering discipleship through a planned Season of Discipleship;
- Taking forward 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.

Progress will continue to be monitored regularly by the Committee and we intend to resume collaborative and productive meetings with the College of Bishops on a regular basis.

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 89.

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 all those who shouldered additional responsibilities arising out of the Covid-19 pandemic. The fact that provincial activities have, to a very great extent, been able to continue undiminished during 2020 is evidence of the commitment of conveners, members and the staff of the General Synod Office. On behalf of the Committee, whilst I was appointed only in December 2020, it is my privilege to express our gratitude to all those who have served during the course of the year and, in particular, to my predecessor Robert Gordon.

Bridget Campbell

Convener

22 April 2021

General Synod Financial Overview

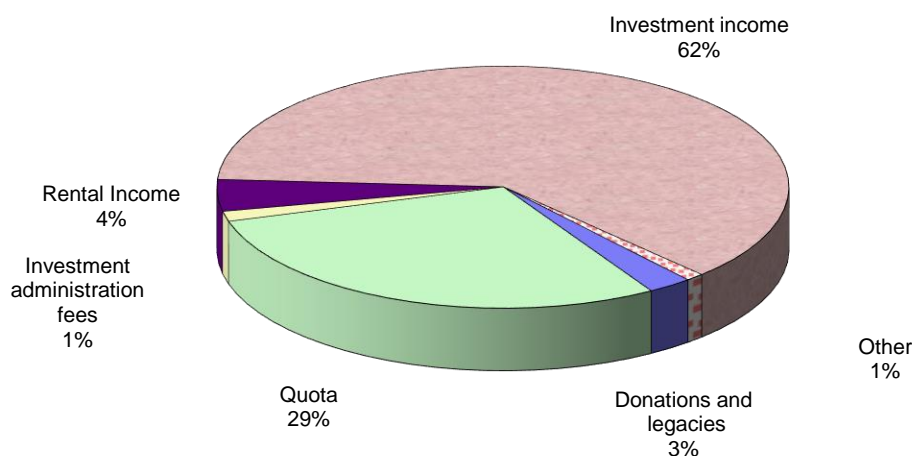
Most of the activities of the General Synod are funded from allocations from the General Fund. The Fund's income was £46,000 in excess of budget primarily as a result of investment income exceeding budget. The restrictions on travel and face-to-face meetings imposed due to the Covid-19 pandemic resulted in changes in the way in which many activities were undertaken. The move to virtual meetings and training events and general lack of travel were the major factors in expenditure being £235,350 less than budgeted. The combination of unbudgeted income and reduced expenditure resulted in a General Fund surplus of £49,900. The surplus is some £281,350, better than the budgeted deficit of £231,500. (See General Fund financial statement on page 19.)

Some of the General Synod's activities are funded from sources other than the General Fund. A number of these other funds produced surpluses in the year resulting in a total revenue surplus of £145,000. (The Revenue Account on page 72 summarises the results of all the funds.)

The Statement of Financial Activities (page 73) provides information regarding income and expenditure. A summary of revenue income and expenditure is provided below:

Analysis of income

(Total revenue income: £2,522,413)



Analysis of expenditure

(Total Revenue expenditure: £2,377,416)

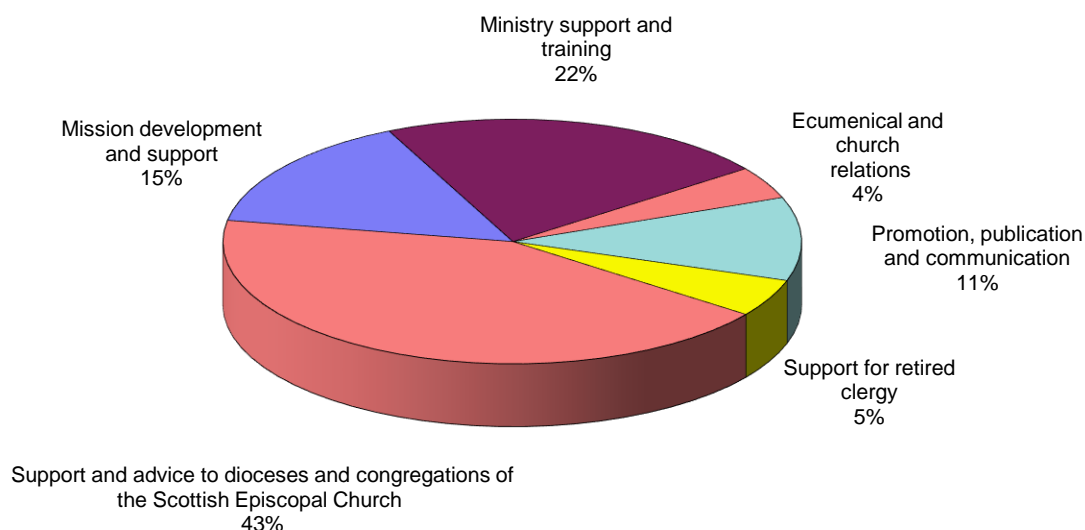


Table A: Legacies and Donations Received

Legacies	Recipient Fund	£
Mr D Murray-Jones	General Fund	3,336
Rev Canon B Hardy	Community Fund	100
	Sub total	<u>3,436</u>
Donations	Recipient Fund	£
Allchurches Trust	Building Grants Fund	17,980
Callendar Trust	General Fund	2,500
DB Flanagan Trust	General Fund	458
Church donations	SEI Training Fund	9,211
Benson-Wilson Charitable Trust	SEI Training Fund	1,100
Individual donors	SEI Training Fund	2,308
Individual donor	Mixed Mode Training Fund	16,665
Individual donors	St James Fund	1,340
Individual donor	Alastair Haggart Bursary Fund	100
Individual donors	Community Fund	538
Church donations	Community Fund	500
WA Cargill Trust	Clergy Widows and Orphans (Cargill Trust)	3,000
WA Cargill Trust	Retirement Supplementary Fund	2,000
Individual donors	Retirement Supplementary Fund	113
St Mary's Tolbooth Trust	Church in Society Committee	981
St Mary's Tolbooth Trust	Mission Board	981
	Sub total	<u>59,775</u>
Total		<u>63,211</u>

Table B: Quota

Diocese	2018 Requested and Received £	2019 Requested £	2019 Received £	2020 Requested and Received £	2021 Requested £
Aberdeen and Orkney	83,941	84,312	84,312	85,127	62,880
Argyll and The Isles	25,360	25,360	25,360	26,398	22,860
Brechin	48,422	49,905	49,905	49,386	40,380
Edinburgh	286,155	287,861	264,672	280,279	237,360
Glasgow and Galloway	164,100	160,466	160,466	157,649	124,740
Moray, Ross and Caithness	48,273	47,977	47,977	47,384	40,440
St Andrews, Dunkeld and Dunblane	85,276	85,646	85,646	85,795	71,340
Total	741,527	741,527	718,338	732,018	600,000

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 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/ (adv) £
INCOME				
<i>Investment Income</i>				
1,141,555	UTP income	1,151,840	1,192,980	41,140
7,505	Interest	4,000	3,293	(707)
21,243	Net investment property income	21,243	21,243	-
<u>1,170,303</u>		<u>1,177,083</u>	<u>1,217,516</u>	<u>40,433</u>
<i>Administration fees</i>				
2,838	UTP / investment administration	2,000	4,276	2,276
29,640	Pension Fund administration	30,055	30,055	-
18,395	Restricted and other funds	18,395	18,395	-
<u>50,873</u>		<u>50,450</u>	<u>52,726</u>	<u>2,276</u>
718,338	Quota	732,018	732,018	-
32,041	Donations and legacies	3,000	6,294	3,294
50	Other	-	-	-
<u>1,971,605</u>	<i>Total Income</i>	<u>1,962,551</u>	<u>2,008,554</u>	<u>46,003</u>
ALLOCATIONS				
946,638	Standing Committee	969,280	836,835	132,445
240,530	Administration Board	251,320	252,047	(727)
461,624	Institute Council	489,290	408,987	80,303
373,334	Mission Board	459,910	455,008	4,902
24,773	Faith and Order Board	24,250	5,821	18,429
<u>2,046,899</u>	<i>Total allocations</i>	<u>2,194,050</u>	<u>1,958,698</u>	<u>235,352</u>
BALANCES				
(75,294)	Surplus/(deficit) for year	(231,499)	49,856	281,355
1,076,269	Balance brought forward	978,289	1,000,975	(22,686)
<u>1,000,975</u>	<i>Balance carried forward</i>	<u>746,790</u>	<u>1,050,831</u>	<u>1,236,958</u>
CAPITAL ACCOUNT				
			Actual 2020 £	
INCOME				
-	<i>Total Income</i>		-	
EXPENDITURE				
-	<i>Total expenditure</i>		-	
BALANCES				
-	Surplus/(deficit) for year		-	
34,867,849	Balance brought forward		41,985,893	
7,118,044	Unrealised gain on revaluation as at 31 December 2020		15,255,299	
<u>41,985,893</u>	<i>Balance carried forward</i>		<u>57,241,192</u>	

General Synod Office and Provincial and Other Expenditure

Actual 2019 £			Revised Budget 2020 £	Actual 2020 £	Variance fav/(adv) £
INCOME					
946,638	Allocation from General Fund		969,280	836,835	(132,445)
<u>946,638</u>			<u>969,280</u>	<u>836,835</u>	<u>(132,445)</u>
EXPENDITURE					
Costs of General Synod Office					
567,034	Employees	Salaries, NIC, Pension Contributions	589,850	552,029	37,821
3,920		Staff travel and subsistence	4,250	861	3,389
452		Staff training	1,910	30	1,880
7,433		Recruitment costs	3,500	-	3,500
<u>578,839</u>	<i>Sub-total</i>		<u>599,510</u>	<u>552,920</u>	<u>46,590</u>
26,742	Premises	Building repairs and maintenance	30,000	23,747	6,253
2,780		Rates	5,100	2,974	2,126
30,258		Light, heat and cleaning	23,000	18,383	4,617
10,359		Insurance	11,000	11,453	(453)
<u>70,139</u>	<i>Sub-total</i>		<u>69,100</u>	<u>56,557</u>	<u>12,543</u>
9,477	Administration	Telephone and postage	11,000	7,786	3,214
2,009		Printing and stationery	4,000	1,417	2,583
13,250		Photocopier	12,400	11,724	676
25,785		Computing	18,500	32,050	(13,550)
7,122		Payroll Bureau processing costs	8,000	7,957	43
5,381		Miscellaneous	4,000	2,371	1,629
1,227		Office equipment and furniture	1,000	409	591
<u>64,251</u>	<i>Sub-total</i>		<u>58,900</u>	<u>63,714</u>	<u>(4,814)</u>
<u>713,229</u>	<i>Total Costs of General Synod Office</i>		<u>727,510</u>	<u>673,191</u>	<u>54,319</u>
Provincial Costs					
20,573	Primus		27,150,000	18,422	8,728
14,134	College of Bishops		26,000	11,030	14,970
10,000	Election of Bishop		10,000	10,000	-
34,813	General Synod	Annual meeting	34,000	8,670	25,330
817		Annual report	1,000	739	261
3,950		Synod papers	3,300	2,705	595
1,255	Office for Protection of Children and Vulnerable Adults		2,000	702	1,298
6,297	Communication costs		10,000	11,059	(1,059)
739	New Clergy Welcome Day		350	1,162	(812)
162	Clergy Legal Expenses Insurance		300	162	138
1,538	Trustee Liability Insurance		2,000	1,485	515
13,821	Professional fees	Audit	14,420	14,441	(21)
66,928		Legal and advisory	48,000	31,826	16,174
-	Immigration Sponsors Licence		-	536	(536)
2,752	Subscriptions	Scottish Churches Committee etc	2,800	2,762	38
<u>177,779</u>	<i>Total Provincial Costs</i>		<u>181,320</u>	<u>115,701</u>	<u>65,619</u>

General Synod Office and Provincial and Other Expenditure

Actual 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/(adv) £
Committee Meeting Expenses				
2,801	Standing Committee	2,000	689	1,311
266	Committee for Protection of Children & Vulnerable Adults	400	8	392
-	Ethical Investment Advisory Group	-	252	(252)
<u>3,067</u>	<i>Total Committee Meeting Expenses</i>	<u>2,400</u>	<u>949</u>	<u>1,451</u>
Subscriptions to church bodies				
4,025	World Council of Churches	4,000	4,145	(145)
1,225	Conference of European Churches	1,400	1,205	195
5,000	Churches Together in Britain and Ireland	5,000	5,000	-
8,000	Action of Churches Together in Scotland	12,500	-	12,500
33,313	Anglican Consultative Council	34,150	35,644	(1,494)
<u>51,563</u>	<i>Total Subscriptions to church bodies</i>	<u>57,050</u>	<u>45,994</u>	<u>11,056</u>
Grants				
1,000	Primus discretionary	1,000	1,000	-
<u>1,000</u>	<i>Total Grants</i>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<u>946,638</u>	<i>Total Expenditure</i>	<u>969,280</u>	<u>836,835</u>	<u>132,445</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Provincial Safeguarding Committee

As with the Scottish Episcopal Church's (SEC) other Boards and Committees, the Provincial Safeguarding Committee's schedule of meetings experienced significant disruption as a result of the Coronavirus pandemic and its associated restrictions on regular activities. In spite of that, the Committee continued its business, meeting on five occasions throughout the year, three of these meetings to allow the Committee to discuss a specific area of concern – how the SEC supports victims of abuse within the Church. The February meeting was the only meeting at which the Committee met face to face with the others being conducted by video conferencing.

The Committee considered the ongoing work of the Safeguarding Audit Implementation Group under its Chair, David Strang with the principal outcome being the updated Safeguarding Policy and Principles which was approved by General Synod at its meeting in December. The implementation of the remaining recommendations has been paused for a period to enable some joint work between the Implementation Group and the Safeguarding Committee. A short life working group has been established for that purpose.

The main work of the Committee has been to focus on how the SEC supports victims of abuse in the Church. There is no room for complacency on these matters as previous cases with which the Safeguarding Officers have had to deal have highlighted deficiencies in both Canon 65 and Canon 54, which the Committee believes emphasises the need for reform of the canons. To that end, the Committee considered the Draft Report of the Canonical Review Group in respect of possible changes to these canons. The Committee have welcomed the opportunity to highlight to the Review Group its view that appropriate support for victims of abuse should be an important aspect of reform of the canons, and also fair and equal treatment for those bringing allegations of abuse as well as for those who are the subject of allegations.

With significant media scrutiny and the recommendations from the Independent Inquiry into Child Sexual Abuse (IICSA) in England and Wales likely to focus on the need for changes in the way that faith groups deal with safeguarding, the Committee considers that it is important that the SEC stays ahead of the curve and implements necessary changes voluntarily before such change is forced on the Church.

Looking ahead, the Committee will be presenting its proposals for better ways of dealing with victims/survivors of abuse within the church. Supporting and facilitating the work of the joint short life working group with a view to developing a more effective approach to safeguarding in the SEC. It is also anticipated that the awareness of the importance of safeguarding can be raised which, the Committee is confident, will enable a safer culture to be developed in the Church.

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 will conclude by reminding everyone that the Provincial Safeguarding 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.

Richard Baker
Convener

Faith and Order Board

Actual 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/ (adv) £
	INCOME			
24,773	Allocation from General Fund	24,250	5,821	(18,429)
<u>24,773</u>	<i>Total Income</i>	<u>24,250</u>	<u>5,821</u>	<u>(18,429)</u>
	EXPENDITURE			
6,930	Board expenses	5,600	2,530	3,070
4,679	Work of Liturgy Committee	3,500	627	2,873
1,219	Work of Committee on Canons	800	631	169
2,185	Work of Doctrine Committee	2,000	97	1,903
3,862	Inter-Church Relations Committee	5,150	349	4,801
1,710	Europe Group	3,700	708	2,992
2,472	Interfaith Relations Committee	2,500	869	1,631
1,716	Diaconate Working Party Committee	1,000	10	990
<u>24,773</u>	<i>Total Expenditure</i>	<u>24,250</u>	<u>5,821</u>	<u>18,429</u>
	BALANCES			
	Revenue			
-	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 2020 the Faith and Order Board met two times to oversee important areas of our church's life and work, including a residential meeting not long before lockdown was announced. The Board considered the work and interplay of its five pendant committees – Canons, Doctrine, Inter-Church Relations, Interfaith Relations, and Liturgy – and also discussed a number of other matters affecting the life of the church.

The Board considered the impact of Covid-19 as it affects the different areas of faith and order in the church, for example the theological nature for online worship, new and revised liturgical material for lockdown, and the impact on ecumenical and interfaith relations. Each pendant committee will continue to reflect and feed back to the Board on these matters.

Recognising the urgency of the climate crisis, the Board also discussed the particular need for faith and order consideration as part of wider provincial discussions. Each committee was asked to consider how it can best contribute to a whole-church approach to the climate crisis.

The Diaconate Working Group (DWG), an ad-hoc group reporting to the Board, met to consider plans to support a provincial network of vocational deacons, and to look at changes to the Ordinal for Ordinations to the Diaconate.

In addition to looking at the continuing work of the Canonical Review Group on a range of clergy HR and safeguarding matters, the Board also noted the work of the Canon 4 Review Group, which has begun detailed consultation across the province on options for a revised canon for the election of bishops. The review group aims to bring any such revised canon for first reading to General Synod 2022.

The detailed work of the five pendant committees of Faith and Order is set out in the reports which follow.

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. I am also grateful to all the GSO staff for their support throughout this unusual year.

Bishop Mark
Convener

Committee on Canons

The Committee continues to deal with requests for changes to the Code of Canons.

The Committee met three times in 2020.

A further report from the Canonical Review Group (CRG) is awaited, and once instructions are issued by the Faith and Order Board, the Committee will proceed with canonical changes. In the meantime work continues on the basis of recommendations contained in the interim report of the CRG issued in March 2020

The Committee is now at full strength with eight members. Individually they cover a wide range of specialism and experience. Thanks are extended to the Committee members for their substantial contribution to the work, which is sometimes complex and challenging. The Committee is very grateful for the continued support given by the Secretary, Miriam Weibye.

Graham Robertson
Convener

Liturgy Committee

Objectives and activities

Until the coronavirus pandemic led to “lockdown”, with its particular challenges for the Church and its worship. The main item of business this year would have been a minor revision of Scottish Liturgy 1982, incorporating new seasonal Eucharistic prayers suitable for Christmas and Epiphany and the permitted changes currently authorised by the College of Bishops.

During the period of lockdown, material was produced to address real and anticipated contingencies, such as time constraints on funerals and the inability of families to gather for such occasions. This material was largely authorised by individual bishops for use in their dioceses. The Committee is now considering which may have longer-term usefulness, and be submitted to normal processes of authorisation.

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

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 mainly by members of the Liturgy Committee. We 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 SEC.

The Liturgy Committee continues to engage with the Anglican Four Nations Liturgy Group, and the Joint Liturgical Group of Great Britain.

John Davies completed his term as Convener in June, and was succeeded by Nicholas Taylor. John Davies returned to this role while the Convener recuperated from eye surgery. We are grateful for the contribution John Davies has made to the work of the Committee over many years, including his five very productive years as Convener.

Nicholas Taylor
Convener

Inter-Church Relations Committee

Local Ecumenism

Much of the work of the Inter-Church Relations Committee (ICRC) in 2020 was focused on how the churches in Scotland can find ways of working together in a new and uncertain context. Leaders of various Scottish churches have been meeting regularly throughout the pandemic to work and pray together; this new forum has been a welcome addition to the usual ecumenical scene, and represents a positive sign of the emerging Scottish Christian Forum.

The member churches of Action of Churches Together in Scotland (ACTS) continue the difficult and oft-times, frustrating task of completing a transition to new patterns of working together in the Scottish Christian Forum, a task made more difficult by the inability to meet together in person. Nevertheless, ICRC is hopeful of seeing significant progress within the next few months.

At a bilateral level, Our Common Calling - the Scottish Episcopal Church's dialogue with the Church of Scotland - continues fruitfully even though Covid-19 delayed a proposed partnership declaration. This delay has given time to discuss sharing mission and practical outworkings of being church - it is hoped that the fruits of the last few years of journeying together will be presented in 2021.

An Ecumenical Policy for the Scottish Episcopal Church having been agreed in 2019, this year the ICRC has focused on how to highlight the Policy at local and diocesan levels.

International Matters

Although many international ecumenical events have been cancelled or postponed, the Porvoo Communion (Nordic and Baltic Lutherans) was able to hold a fruitful theological conference in October on 'Communion', which looked back on the last 25 years of communion, and encouraged members to consider how we continue to journey together for the next 25 years.

Thanks to all committee members for their efforts over the year. Particular thanks to Miriam Weibye, our Church Relations Officer, 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 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.

A report for the preceding year was submitted by the previous convener, Cedric Blakey, to General Synod held in December 2020. There is very little to add at this point of writing, but we do look forward to fulfilling a number of aspirations, not least providing resource for that which is mentioned above. To this end, we hope to invite new members to the committee.

The SEC have participated with the Churches' Forum for Inter-religious Relations (CFIRR), hosted by Churches Together in Britain & Ireland (CTBI), with upcoming publications from the CTBI Interfaith Theological Advisory Group.

There has been positive interaction with Scottish Faiths Action for Refugees, and we look forward to further collaboration.

Interfaith Scotland hosted a service of commemoration for Holocaust Memorial Day, and there has been attendance at the UK national commemoration.

Bonnie Evans-Hills
Convener

Doctrine Committee

During the past year the Doctrine Committee completed Grosvenor Essay No. 13, *Theology of Authority in the Ministry of the Church*. This is now available online on the Scottish Episcopal Church (SEC) website, and it is hoped that a hard copy will be printed in due course. Thanks are especially due to Nicholas Taylor who edited the Essay which, we hope, will stimulate discussion within both ordained and lay ministries.

Work has been completed on a new volume of essays by members of the Committee, edited by Michael Fuller and David Jasper and entitled *In the Image of God: What Does it Mean to be Human?* The manuscript is now in press with Sacristy Press and costs have been covered by a grant from the Drummond Trust. This will be an interdisciplinary book dealing with questions of religious anthropology. Publication is expected in Summer 2021, and thanks are due to the Primus who has written a Preface.

A brief paper describing the nature and work of the Doctrine Committee has been put on the SEC website.

The Committee continues to co-operate with the Liturgy Committee as it continues to undertake revision of the 1982 Liturgy at the request of the College of Bishops. Advice was offered on the wording of proposed new Eucharistic prayers. Issues concerning liturgy and gender have also been discussed with the Liturgy Committee.

The Convener offered a short paper on the subject of theological issues after Covid-19 to a meeting of NIFENAC (Network for Interfaith in North American and European Concerns) chaired by the Archbishop of Dublin on 7 September, 2020, and this has been the basis for further discussion in the Committee with a view to expansion in the coming year. A short paper prepared by three members of the Committee has been sent to the Faith and Order Board and the College of Bishops. It is hoped that this might provide the basis for a new Grosvenor essay.

The Committee received the document *What Do Anglicans Believe?* (Theological Education in the Anglican Communion [TEAC]).

The Committee welcomed Harriet Harris and another person as new members in the past year.

David Jasper
Convener

Mission Board

Actual 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/ (adv) £
INCOME				
373,334	Allocation from General Fund	459,910	455,008	(4,902)
11,392	Investment income	11,475	11,919	444
950	Legacies and donations	1,000	981	(19)
<u>385,676</u>	<i>Total Net Income</i>	<u>472,385</u>	<u>467,908</u>	<u>(4,477)</u>
EXPENDITURE				
3,160	Board expenses	3,000	428	2,572
316,800	Mission and Ministry Support Grants	346,900	346,900	-
17,074	Provincial Youth Week	18,000	4,195	13,805
358	Children's work	500	-	500
741	Local Mission Resourcing Group	1,000	184	816
2,812	Youth Committee	4,000	1,269	2,731
453	Other activities	1,000	40	960
<u>341,398</u>	<i>Sub-total</i>	<u>374,400</u>	<u>353,016</u>	<u>21,384</u>
	<i>Allocation to Committee funds</i>			
<u>44,278</u>	Church in Society Committee	<u>97,985</u>	<u>114,892</u>	<u>(16,907)</u>
<u>44,278</u>	<i>Total allocated to committees</i>	<u>97,985</u>	<u>114,892</u>	<u>(16,907)</u>
<u>385,676</u>	<i>Total Expenditure</i>	<u>472,385</u>	<u>467,908</u>	<u>4,477</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Mission Board

The Mission Board met four times over the course of the year, with all meetings online via Zoom. The schedule for the year ahead also plans to meet via Zoom until such time as in-person meetings are able to resume.

The work of the Board is wide and varied, all with the focus of mission. In recognising the executive function of the pendant committees and groups and the governance role of the Board, an important piece of work this year has been to look at the role of the Board. In this process, a pilot piece of work was undertaken to set up a new pendant committee to look at the work of 'Home Mission', with the working title of Local Mission Development Committee. Diana Hall has taken up the role of convener for this committee. As the remit for this committee is identified over the coming months, work is underway to find those with the gifts, skills and passion for this area. This new committee will bring together the work and experience of the Local Mission Resourcing Group (LMRG) and will continue to draw on its expertise and to continue to harness and support the recognised and significant creativity of the group. The Mission Board would like to offer its thanks to Richard Tiplady for his work in developing the LMRG and the work that took place there. It has been a springboard for many and varied reports and pieces of work on matters such as Pioneer Ministry, Church Planting and Discipleship. The Board was encouraged to hear that over forty people had undertaken the Developing a Pioneer Culture courses offered by Dr Tiplady, as a result of which a peer learning group has been formed.

The Board has a number of pendant committees reporting to the Board: Church in Society, Global Partnerships and Youth. Each of these committees presents their minutes and business to the Board for consideration along with any relevant actions as appropriate. Some key pieces of work include Climate Change and Child Poverty.

A number of standing items are on the agenda each meeting. The Board has as its main focus future mission policy priorities. Within this, the Board has continued to explore Intentional Discipleship, Fresh Expressions and, in this year, the impact of Covid-19 and mission in light of Covid-19.

Members of the Board have met with other representatives from the Province including the College of Bishops to bring a number of discussions together, including one on Intentional Discipleship with a view to offering a conference on this topic in 2022.

Many thanks go to all those serving on the Board and the various pendant committees, who all bring their gifts and enthusiasm to the Church through this Board. Grateful thanks are also expressed to the former convener, Jane Ross, who resigned early in the year, and for the energy, enthusiasm and commitment which she brought to the work of the Board.

Sarah Murray
Convener

Church in Society Committee

Actual 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/ (adv) £
INCOME				
44,278	Allocation from General Fund	97,985	114,892	16,907
950	Donations	1,000	981	(19)
<u>45,228</u>	<i>Total Net Income</i>	<u>98,985</u>	<u>115,873</u>	<u>16,888</u>
EXPENDITURE				
41,855	Grants	46,485	46,380	105
-	Covid-19 Support Grants	-	50,000	(50,000)
-	Child poverty projects grants	50,000	19,152	30,848
3,373	Meeting costs / participating in consultations / conferences	2,500	341	2,159
<u>45,228</u>		<u>98,985</u>	<u>115,873</u>	<u>(16,888)</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Church in Society Committee

The Church in Society (CiS) Committee has continued to work on its overarching objectives of 1) exploring the interface between church and society 2) assessing the impact of secular issues on our church and 3) developing appropriate strategic partnerships. Three priority topics were agreed during 2020: climate change, child poverty and genome editing. General Synod 2019 considered the issues in the paper *What it Means to be Human: The Challenge of Genome Editing* and this document remains the work in progress. Dr Donald Bruce attends relevant events and liaises with other similar experts.

Following discussion at General Synod 2018, Standing Committee in 2019 agreed to allocate £50,000 for child poverty projects. In 2020 these monies have been disbursed from this fund. The CiS Committee will evaluate the effectiveness and impact of the grants, with Child Poverty Fund grant holders being invited to an event in 2021 where learning can be shared and then disseminated with the help of the SEC Communications team. The CiS Committee also made recommendations to the Standing Committee for the disbursement of £50,000 to Aberlour, Scottish Women's Aid and the Scottish Association for Mental Health to provide support to those in greatest need during the COVID-19 pandemic. A further allocation of £7,000 was made to each of these organisations at the end of the financial year for the same purpose.

Work was carried out to take a motion to Synod 2020 on the climate emergency which committed the SEC to work towards achieving the target of being carbon neutral by 2030. Synod passed the motion and in 2021 the CiS Committee will continue to work on this issue. This will include liaison with organisations preparing for the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), due to be held in November 2021. Membership from CiS Committee is also represented on the Ethical Investment Advisory Group which forms part of the SEC's overall response to climate change.

Our work with strategic partners is encompassed in the networking, grant funding and liaison that goes on with different members of the Committee throughout the year. The annual Grant Recipients' Lunch provides a focal point and celebration of that work and includes not only strategic partners but also national and local charities, and local SEC churches, all of whom have received monies from the SEC. This was held by video conference in November 2020. In 2021 our challenge is to improve the dissemination of this work and publicity of the activities undertaken through disbursement of monies towards the alleviation of child poverty.

All the work of the Committee was completed within its budget allocation.

Jenny Wright
Convener

Global Partnerships Committee

Actual 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/ (adv) £
INCOME				
107,111	Investment income Unit Trust Pool	108,076	111,935	3,859
33	Deposit account	-	12	12
7,141	Noel Philipps Trust	7,205	7,462	257
<u>114,285</u>	<i>Total Income</i>	<u>115,281</u>	<u>119,409</u>	<u>4,128</u>
EXPENDITURE				
33,282	Grants Education	20,000	23,444	(3,444)
39,299	Africa	35,000	52,375	(17,375)
12,964	Asia (inc Middle East)	15,000	11,878	3,122
1,600	Small grants	5,000	1,000	4,000
1,360	Companion Relationships / Covid-19 Support	10,000	10,285	(285)
11,270	Agency Support	8,000	10,120	(2,120)
4,023	Anglican Comm Network Support	12,000	79	11,921
9,947	South America	10,000	3,616	6,384
-	UN Sustainable Development goals	500	-	500
586	Committee expense Travel / meetings	3,000	195	2,805
(26)	Publicity / correspondence	1,000	(8)	1,008
20	Miscellaneous	-	-	-
<u>114,325</u>	<i>Total Expenditure</i>	<u>119,500</u>	<u>112,984</u>	<u>6,516</u>
BALANCES				
Revenue				
(40)	Surplus/(deficit) for year	(4,219)	6,425	10,644
174,206	Balance brought forward	174,166	174,166	-
<u>174,166</u>	<i>Balance carried forward</i>	<u>169,947</u>	<u>180,591</u>	<u>10,644</u>

Actual 2019 £	CAPITAL ACCOUNT	Actual 2020 £
3,389,151	Balance brought forward	4,074,794
685,643	Unrealised gain on revaluation as at 31 December 2020	1,469,460
<u>4,074,794</u>	<i>Balance carried forward</i>	<u>5,544,254</u>

Global Partnerships Committee

The Global Partnerships Committee 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 spent on any other purpose. While this is not a great deal of money, it enables us to make considerable differences in the lives of ordinary people worldwide through carefully targeted spending.

In 2020, the GPC spent all but a few pounds of the money that was available for us to allocate to projects abroad. Our original plans for 2020 included grants to each of the seven Scottish Episcopal Church (SEC) dioceses to support programmes around the Lambeth Conference. With the onset of Covid-19, and the cancellation of Lambeth 2020, these grants were reallocated to a specific Covid-19 fund, and dioceses were invited to apply in support of their own companion dioceses. Grants made from this fund so far have aided in: the provision of PPE in Zambia; running a counselling service for women at increased risk of domestic abuse in Palestine; and provided a grant to the Diocese of Brechin to help support their partnership with the Diocese of Swaziland. With the effects of Covid continuing to be felt around the world, the GPC will continue to offer the Covid-19 fund in 2021.

A snapshot of some of the other new projects funded in 2020 include:

- the provision of latrines and boreholes in Yida Refugee Camp in South Sudan
- contributing to the costs of a cathedral roof in Biharamulo, Tanzania, and of desks for a primary school in Kenya
- assisting with higher theological education costs for students in India, China, and South Sudan
- providing workshops for healing of memories from conflict in South Africa
- buying blankets, facemasks and hand sanitiser for a refugee camp for internally displaced people in Myanmar.

The GPC encountered a difficulty with our guidelines in relation to the grants provided. We received an application which included the payment of salaries, which was therefore rejected. It has been highlighted to us that our guidelines say that we do not pay stipends, and that salaries are not mentioned. Work is being undertaken to amend our guidelines so that Stipends and salaries are not paid.

This General Synod 2021 will be my last as the convener of the Global Partnerships Committee. The process of looking for a successor has begun.

Finally, I 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 the Argyll & Brechin dioceses.

The PYC met in person in February 2020, then over Zoom for the rest of the year. In February, we had planned and thought and dreamed as usual, little realising how different things would soon be. As lockdown progressed, it seemed increasingly unlikely the Glen 20 camp would go ahead at Glenalmond College as it had for so many years. What to do instead? It is perhaps difficult to explain just what a wrench it was for young people and leaders. This is not just a 'fun camp'. Over the years, Glen has become an anticipated spiritual support as well as cherished experience.

For the Glen week in August, we planned an online week. Care packages with mugs, hot chocolate, sweets and stickers came through the post. Activities were planned each day – not too many as online meetings are tiring, but enough to get the favourites from the week. This way we had a quiz, breakfast, morning prayer, house-groups, murder mystery, film night, afternoon activities and night eucharist - complete with a, battery operated, tea light.

Although the most obvious effect of the pandemic on PYC activities was the moving of the Glen 2020 camp from in person to an online version, our work has continued, and in fact increased in importance. The first tentative steps in digital working led quickly to a support structure for our young people. We started a series of regular online worship, meetups and games. Different youth groups around the Province led worship in varying styles. This regular contact time supported and upheld our young people, in important ways when we could not meet up. What a difference, to see peoples' faces and hear their news from around the country. It became evident how important these meetups were from the way in which young people continued to engage with each opportunity presented.

November saw the 'Winter Wonderland' online sleepover. Designed to be like the Provincial youth weekends, but online, it proved to be a great success. Our Youth reps created a video contribution for General Synod in December and put together the provincial service for Christmas Eve. Lastly, we shared a chilled out post-Christmas dinner to round off the year.

Looking to next year, Glen 2021 will go ahead, but in what form we have yet to discover. We are also due to have our Youth Pilgrimage to Iona in October, but will need to see how restrictions will affect that.

Tembu Rongong
Convener

Community Fund

In the past few years, the Community Fund has made 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.

2020, however, proved to be a year like no other and, very surprisingly, only one grant was made during the year. We had expected that there might have been a greater number of applications as individuals suffered hardship during the Covid-19 pandemic. We think it likely that the organisations which normally make applications on behalf of individuals either restricted their own operations during the pandemic or furloughed staff who might otherwise have processed such applications. We fully anticipate that the level of applications will pick up during 2021.

In 2020 donations (including Gift Aid) representing income of £1,138 (£1,735 in 2019) were received and the grant represented expenditure of £100 (£1,917 in 2019).

The effectiveness of the Community Fund continues to rely entirely on the very generous donations received both from congregations and individuals. As always, I would like to thank all those congregations and individuals who have contributed to the Fund over the past year and can assure them that their donations will greatly help people who are in genuine need

John Stuart
Secretary General

Actual 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/ (adv) £
INCOME				
1,735	Donations	5,000	1,138	(3,862)
<u>1,735</u>	<i>Total Net Income</i>	<u>5,000</u>	<u>1,138</u>	<u>(3,862)</u>
EXPENDITURE				
1,917	Grants	5,000	100	4,900
<u>1,917</u>	<i>Total Expenditure</i>	<u>5,000</u>	<u>100</u>	<u>4,900</u>
BALANCES				
Revenue				
(182)	Surplus(deficit) for year	-	1,038	(1,038)
1,070	Balance brought forward	888	888	-
<u>888</u>	<i>Balance carried forward</i>	<u>888</u>	<u>1,926</u>	<u>(1,038)</u>

Miscellaneous Funds

Actual 2019 £		Actual 2020 £
	INCOME	
-	Legacies	
-	<i>Total Net Income</i>	-
	EXPENDITURE	
500	Other expenditure	
500	<i>Total Expenditure</i>	-
	BALANCES	
	Revenue	
(500)	Surplus/(deficit) for year	-
17,550	Balance brought forward	17,050
17,050	<i>Balance carried forward</i>	17,050
	CAPITAL ACCOUNT	
		Actual 2020 £
542,942	Balance brought forward	609,286
66,344	Unrealised gain on revaluation as at 31 December 2020	142,187
609,286	<i>Balance carried forward</i>	751,473
	TOTAL FUNDS as at 31 December:	
17,050	Revenue	17,050
609,286	Capital	751,473
626,336		768,523
	Being for:	
624,491	Restricted purposes	766,681
1,845	Designated purposes	1,842
626,336		768,523

Scottish Episcopal Institute Council

Actual 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/ (adv) £
	INCOME			
461,624	Allocation from General Fund	489,290	408,987	(80,303)
17,300	Allocation from Training Fund	26,000	33,161	7,161
16,670	Allocation from Mixed Mode Training Fund	16,660	16,660	-
3,165	Investment income	3,195	3,307	112
12,000	Fees	17,985	18,785	800
<u>510,759</u>	Total Income	<u>553,130</u>	<u>480,900</u>	<u>(72,230)</u>
	EXPENDITURE			
	Board			
2,437	Meeting costs	2,500	503	1,997
<u>2,437</u>	Total Board	<u>2,500</u>	<u>503</u>	<u>1,997</u>
	Scottish Episcopal Institute			
	Staff Costs			
146,979	Salaries, pensions, expenses	151,600	149,951	1,649
2,449	Staff training / development	3,500	2,227	1,273
<u>149,428</u>	Total staff costs	<u>155,100</u>	<u>152,178</u>	<u>2,922</u>
	Training costs			
36,280	Residential weekends	40,000	9,335	30,665
12,323	Field Education (placement) costs	7,000	654	6,346
12,620	Associate Tutors	10,760	12,158	(1,398)
6,841	Common Awards	7,500	15,803	(8,303)
<u>68,064</u>	Total training costs	<u>65,260</u>	<u>37,950</u>	<u>27,310</u>
	Mixed Mode ordination training costs			
60,517	Director of MM Training salary, pension, expenses	60,570	58,546	2,024
1,103	Associate Tutors	-	-	-
20,473	Maintenance grants	26,000	33,161	(7,161)
<u>82,093</u>	Total Mixed Mode ordination training costs	<u>86,570</u>	<u>91,707</u>	<u>(5,137)</u>
	Other costs			
1,491	Library, Administration and publicity	2,000	2,112	(112)
-	Lay Reader conference	10,000	-	10,000
<u>1,491</u>	Total other costs	<u>12,000</u>	<u>2,112</u>	<u>9,888</u>
<u>301,076</u>	Total SEI costs	<u>318,930</u>	<u>283,947</u>	<u>34,983</u>
	Full Time ordinands			
17,300	Maintenance grants	-	-	-
<u>17,300</u>	Total full time ordinands	<u>-</u>	<u>-</u>	<u>-</u>
	Curate funding			
132,469	Curate grants	156,000	139,824	16,176
<u>132,469</u>	Total curate funding	<u>156,000</u>	<u>139,824</u>	<u>16,176</u>
	Recruitment and Selection			
46,392	PDO salary and expenses	56,700	54,839	1,861
967	Advisory Selection Panels and Discernment Meetings	15,000	1,787	13,213
10,118	Training	4,000	-	4,000
<u>57,477</u>	Total Recruitment and Selection	<u>75,700</u>	<u>56,626</u>	<u>19,074</u>
<u>510,759</u>	Total Expenditure	<u>553,130</u>	<u>480,900</u>	<u>72,230</u>
	BALANCES			
	Revenue			
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	Balance carried forward	<u>-</u>	<u>-</u>	<u>-</u>

Scottish Episcopal Institute Council

The Periodic External Review (PER) of the Scottish Episcopal institute (SEI) took place in January 2020. In November 2020, the PER report was received by the Institute Council. Council and staff are pleased that the balance between achieving a formational core to the course while striving for academic excellence was appreciated by the Review Team. The PER report states: *Our overall conclusion is that the [SEI] continues to provide an appropriate environment for ministerial formation and is fit for purpose for preparing candidates for ordained and licensed ministry We say this in respect of the SEI's teaching and learning, its worship and spirituality, its staff team and leadership, its community life and its contextual learning opportunities.* Staff have started to action the report's recommendations, many of which involve conversations with others in the Scottish Episcopal Church (SEC) about the Church's identity, core narrative and future ministerial requirements. The recommendations are major items for discussion and action by the Council.

Move to online existence: The transition to conducting all SEI business online occasioned by Covid was easily effected, thanks to Linda Harrison's expertise and the support of Ken Farrimond of the Church of England Ministry Team. Staff learned new ways of teaching and ensured student access to virtual materials. Students adjusted well to the rigours of online 'residentials' reporting that *'the sessions worked really well and whilst it is not the same as physically meeting together, the sense of being together in spirit was not lost.'* If SEI's vision is to *'help students become ever more proficient in the art of making connections between contingent reality and the varieties and breadth of Christian tradition, and ever more adept at integrating knowing, being and doing'*, then the lockdown months have indeed been a period of notable formation for both staff and students, but demands on all have been significant, recovery time after weekends essential.

Widening provision

(i): SEI's offering of theological courses (on Christian ethics, pioneer and entrepreneurial ministry, and leadership in Covid-times) as part of lay learning or CMD pathways has been met with enthusiasm and positivity.

(ii): in keeping with other Theological Education Institutions (TEIs) across the Common Awards family, SEI has worked hard in conjunction with the Provincial Director of Ordinands to ensure equality of 'access to learning' for all candidates. A Specific Learning Differences (SpLD) ombudsperson has been appointed, and appropriate training offered on supporting neuro-diverse candidates. Dr Michael Hull now also serves SEI as Inclusion Officer, as required by Common Awards.

(iii): the SEI Journal, under the editorship of Dr Hull, has gone from strength to strength and is now widely acknowledged as a significant source of theological reflection in Scotland and the Anglican Communion. The sixteenth issue, Winter 2020, marked four years for the Journal.

SEI staff are to be commended for this extension of provision in such demanding times.

Increasing diversification of programme: although the total number of candidates was smaller than in previous years, the number of courses taught increased to 24 across IME 1-6 year. Dr Hull, as Director of Studies, has managed the intricate task of matching programme regulations against multiple student needs, marrying the need to ensure a cohesive student community with individual vocational requirements. Several curates and Lay Readers in their first three years of public ministry have taken up the opportunity of continuing with accredited studies with SEI. It is hoped that SEI will receive permission to teach to Masters level in the next academic year.

Developments in the Mixed Mode pathway: in the past year four students have either completed the programme or are currently enrolled on it, and 3-4 potential Mixed Mode students for 2021 entry. The twin foci of the Mixed Mode programme are context-based training for ordination, and an enhanced focus on mission within training. Several mission-focused modules have been taught by the Director of Mixed Mode training as well as a module on leadership; many of these have been taken by some or all of the wider student body, increasing their understanding of and preparation for mission. Dr Richard Tiplady has also shared his considerable expertise in developing training for pioneer ministry and church planting with

the wider SEC. The Council is now preparing to review the first three years of the Mixed Mode programme, to identify lessons learned, the impact of the programme, and how it might be adapted to be even more effective in the future.

Through this period the Staff have continued to work closely with the Council. The Council, and the wider learning community, are well-supported through high quality reporting and communications related to the SEI.

Bishop Anne
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

From 2019: Total number of Enquirers (1st Stage of SEC Discernment Process) Age not requested.

Year	Total nos. processed	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2017-18	12	4	1	2	1	1	3
2018-19	12	1	3	1	2	1	4
2019-20	16	5	11				

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

From 2019 Candidates recommended by SEC Discernment Meeting to go to Advisory Selection Panel

Year	Total nos.	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2017-18	7	3	0	1	1	1	1
2018-19	6	1	1	0	1	0	3
2019-20	7/9	0	0	0	2	2	3

Candidates Recommended for Training by Bishops' Advisory Panel

From 2019 Candidates Recommended for Training by SEC Advisory Selection Panel

Year	Total nos.	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2017-18	4/5	2	0	1	1	0	0
2018-19	4/5	1	1	0	1	0	1
2019-20	7	0	0	0	2	2	3

Lay Readership Statistics (From 2020 SEC Discernment Process will consider Lay Readership Candidates)

Year	Total number entering training	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2017-18	0	0	0	0	0	0	0
2018-19	1	0	0	0	0	1	0
2019-20	0	0	0	0	0	0	0

Miscellaneous Funds

Actual 2019 £		Actual 2020 £
	INCOME	
2,804	Investment income	2,931
35,115	Donations	30,724
9,170	Other income	9,584
<u>47,089</u>	<i>Total Net Income</i>	<u>43,239</u>
	EXPENDITURE	
3,897	Grants	2,400
33,970	Transfer to Institute Council	49,816
<u>37,867</u>	<i>Total Expenditure</i>	<u>52,216</u>
	BALANCES	
	Revenue	
9,222	Surplus/(deficit) for year	(8,977)
(717)	Transfer (to)/from capital	(735)
119,689	Balance brought forward	128,194
<u>128,194</u>	<i>Balance carried forward</i>	<u>118,482</u>
	CAPITAL ACCOUNT	
		Actual 2020 £
977,691	Balance brought forward	1,175,381
717	Transfer from revenue	735
196,973	Unrealised gain on revaluation as at 31 December 2020	422,532
<u>1,175,381</u>	<i>Balance carried forward</i>	<u>1,598,648</u>
	TOTAL FUNDS as at 31 December:	
128,194	Revenue	118,482
1,175,381	Capital	1,598,648
<u>1,303,575</u>		<u>1,717,130</u>
	Being for:	
1,119,990	Restricted purposes	1,467,341
183,585	Designated purposes	249,789
<u>1,303,575</u>		<u>1,717,130</u>

Administration Board

Actual 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/ (adv) £
INCOME				
240,530	Allocation from General Fund	251,320	252,047	727
<u>240,530</u>	<i>Total Income</i>	<u>251,320</u>	<u>252,047</u>	<u>727</u>
EXPENDITURE				
<i>Meeting Costs</i>				
1,393	Board	1,000	775	225
139	Building Grants Group	500	49	451
499	Investment Committee	100	-	100
205	Retirement Housing Committee	400	84	316
101	Buildings Committee	400	-	400
1,073	Personnel Committee	400	469	(69)
<u>3,410</u>	<i>Sub-total</i>	<u>2,800</u>	<u>1,377</u>	<u>1,423</u>
<i>Grants</i>				
5,100	Child Allowance	9,000	11,150	(2,150)
<u>5,100</u>	<i>Sub-total</i>	<u>9,000</u>	<u>11,150</u>	<u>(2,150)</u>
<i>Allocation to other funds</i>				
232,020	Building Grants Fund	239,520	239,520	-
<u>232,020</u>	<i>Sub-total</i>	<u>239,520</u>	<u>239,520</u>	<u>-</u>
<u>240,530</u>	<i>Total Expenditure</i>	<u>251,320</u>	<u>252,047</u>	<u>(727)</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Administration Board

An active and engaged Board. To many in the church the Board's work and that of its committees may seem unglamorous and mysterious, but it 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, and my grateful thanks go to the committee conveners and SEC staff who support the Board's work. The Board's meetings during 2020 have dealt principally with the interlinked issues of clergy wellbeing, stipends and investments.

Clergy wellbeing: a work in progress. Much time on behalf of the Personnel Committee has been focused on the development of a strategy to address the issue of bullying identified by the Clergy Wellbeing Survey of 2019 and followed up by the Committee's convener in conversations with clergy. Work is being undertaken with the College of Bishops in drafting an anti-bullying policy. The Committee has helped facilitate bullying awareness training to assist the Bishops in their consideration of this issue, as a first step towards addressing the issue on a whole-church basis. Underlying this approach is a belief that most bullying behaviour is not deliberate and can be tackled by building relationships based on honesty and a willingness to listen to each other. In addition the Committee is seeking to identify sources of support and advice to address clergy wellbeing issues.

Stipends: to link or not to link? As a church we value our clergy. The Board has been considering the issue of Standard Stipend and other matters related to clergy remuneration in the light of comments arising from the Clergy Wellbeing Survey. The Clergy Remuneration Package Interim Review Group established by the Board undertook its work during the year. The Board received the Group's Report at its September meeting and had a full initial discussion on the issues raised. The Report looked at stipend comparisons with other denominations, the extent to which stipend had kept pace with inflation, as well as responses from a confidential survey of stipendiary clergy.

The current policy of linking SEC Standard Stipend with Church of England National Stipend Benchmark was agreed by General Synod in 2000 (based on recommendations of the Clergy Personnel Commission which reported to synod that year). A major question posed by the Report is whether to break that link and if so how and when. The Board recognises that there are a number of interrelated issues to consider in determining any revised stipend policy. It plans to discuss these issues more fully and bring a recommendation to General Synod 2021.

Investments: continuing the balancing act. Investment income is crucial to the SEC, especially at a time when the Covid pandemic threatens other sources of congregational income. The Board is grateful to the Investment Committee for its continued oversight of the SEC Unit Trust Pool which has performed well in what was a turbulent year. The 4.5% increase in annual distribution providing much needed income to many charges was particularly welcomed. At the same time, however, it is important that ethical considerations are taken into account. The Board is pleased that the Ethical Investment Advisory Group established in 2019 has had constructive conversations and was able to give a progress report to Synod 2020. The Board looks forward to hearing about the Group's further deliberations.

Building Grants: demand outstrips supply. The Building Grants Group has again found that demand for grant assistance exceeded the funds available. 15 applications totalling almost £400,000 were considered and 14 grants totalling £260,317 were awarded. The grants ranged from £3,000 to £72,000 and were for a variety of purposes including rectory repairs, the provision of insulation and more efficient heating. A number of Building Loans were also agreed in the year (three loans totalling £26,190). Congregations considering building projects are encouraged to investigate a range of possible funding sources in addition to the Building Grants Fund.

James N Gibson
Convener

Building Grants Fund

Actual 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/ (adv) £
INCOME				
232,020	Allocation from General Fund	239,520	239,520	-
-	Earmarked grants surrendered	-	3,117	3,117
17,980	Donations	17,980	17,980	-
<u>250,000</u>	<i>Total Income</i>	<u>257,500</u>	<u>260,617</u>	<u>3,117</u>
EXPENDITURE				
185,077	Grants - Issued		124,865	
64,923	- Earmarked		135,752	
<u>250,000</u>	<i>Total Expenditure</i>	<u>257,500</u>	<u>260,617</u>	<u>(3,117)</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Building Loans Fund

Actual 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/ (adv) £
	INCOME			
1,144	Interest on loans	1,000	2,823	1,823
<u>1,144</u>	<i>Total Income</i>	<u>1,000</u>	<u>2,823</u>	<u>1,823</u>
	BALANCES			
	Revenue (liquid funds for advancement of loans)			
1,144	Surplus/(deficit) for year	1,000	2,823	1,823
(30,010)	Transfer (to)/from capital	(262,533)	32,754	295,287
289,624	Balance brought forward	260,758	260,758	-
<u>260,758</u>	<i>Balance carried forward</i>	<u>(775)</u>	<u>296,335</u>	<u>297,110</u>

Actual 2019 £	CAPITAL ACCOUNT	Actual 2020 £
111,095	Balance brought forward	141,105
	<i>Transfers to revenue</i>	
(13,485)	Loans repaid	(32,754)
	<i>Transfers from revenue</i>	
<u>43,495</u>	Loans paid	-
30,010	Net transfer from / (to) revenue	(32,754)
<u>141,105</u>	<i>Balance carried forward</i>	<u>108,351</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 volatile during 2020 with the UK's FTSE 100 producing a total return of -12% (2019: +17%). Performance of the UTP has been positive in total return terms. The total return over the year to 31 December 2020 was +38.8% after fees. The unit value as at 31 December 2020 was £28.73 (2019: £21.11). The 2020 distribution represents a yield of 2.0% of the year end value.

The UTP is invested with a view to being able at least to maintain the real value of the distribution. This objective has been achieved in recent years – with annual increases in the distribution broadly in line with rates of inflation. The Committee however considered that, given the very strong performance of the UTP over the year, an above inflation increase of 4.5% in the distribution was affordable and likely to be sustainable in the longer term. The Committee increased the 2020 distribution to 58.0p (2019: 55.5p). The UTP is managed on a total return basis and income from its investments does not fully fund the distribution. The capital element of the distribution was 13.8p per unit (2019: 12.1p). The Committee is aware of the importance of the income stream for unit holders and continues to act conservatively, so as to avoid volatility and to protect the capital base of the fund.

The market value of the Fund at 31 December 2020 was £117.7m (2019: £86.7m). The accounts for the UTP are on page 89.

UTP Investments: Following the sale of the direct holding in the oil and gas company Total, the Committee put in place an agreement with Baillie Gifford that excludes future direct investment in companies involved in the extraction of fossil fuels. The Committee awaits the SEC's policy on the use of pooled funds, currently under consideration by the Ethical Investment Advisory Group, before carrying out a further review of the UTP's investments.

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 including specific areas: such as the impact of increasing carbon legislation on fossil fuel companies, director remuneration in the banking sector and, more generally, in the areas of capital management, board composition, remuneration, environmental impact and reputational risk. BG is a member of the UK Corporate Governance Forum, the International Corporate Governance Network, UK Sustainable Investment & Finance Association and the Asian Corporate Governance Association. In addition, BG complies with the UK Stewardship Code and is also a signatory to the United Nations Principles for Responsible Investments.

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 both the formulation of investment policies, based on Christian ethical principles, as well as 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: Paul Sweetnam retired after completing two terms on the Committee.

Buildings Committee

The Provincial Buildings Committee is appointed by Synod under Canon 52.23 as provided for under Canon 35.1 to hear appeals against decisions made by Diocesan Buildings Committees. It also discusses issues concerning the management of church buildings and other properties in the care of vestries and provides advice of a generic nature. While it normally meets twice a year, owing to restrictions linked to the current pandemic it has met only once since the previous report.

The Committee continues to encourage the financial support given through the Provincial Buildings Grant Fund for assistance with the cost of building and maintenance works for churches, halls and rectories. It was reported that the Buildings Grant Group had had no difficulty in dispersing the funds available to it, although in some cases the grant was less than that applied for. Concern was expressed that some applications had not received sufficient scrutiny at diocesan level before submission.

Obtaining grant funding remains challenging but it was confirmed that raising funds for religious purposes through crowdfunding via Just Giving was acceptable. Reclaiming VAT on eligible building work through the 'Listed Places of Work Scheme' is still open, at least until March 2021.

The checklist on the maintenance of graveyards that had been prepared by the previous Convener has been approved and placed on the website.

A checklist for the allocation of responsibilities in relation to clergy housing has been considered. The Committee noted that regulations concerning the provision of smoke, heat and carbon monoxide detectors were due to come into force in February 2021 but were likely to be delayed for 12 months. The final version of the checklist will be considered once the review of Minimum Standards for Clergy Housing is available.

During the year the Convener, Rebecca Cadie, has stepped down at the end of her period of office. The Committee wishes to thank her for her hard work over the years.

The Committee welcomes Professor Peter Sharp as its new Convener and Fay Lamont and Donald Orr as new members.

Peter Sharp
Convener

Personnel Committee

The Personnel Committee is concerned with the wellbeing and support of the clergy of the Scottish Episcopal Church. The Committee is at full strength and the Convener is indebted to the members who offer their time and support.

Since General Synod in June 2019, and the results of the Clergy Wellbeing Survey, the Committee has been seeking ways in which support could be offered to clergy at all levels of the Church. Many members of clergy, at all levels, both stipendiary and non-stipendiary, retired and in post were prepared to offer the Convener their time and their views. Through these conversations it is evident that a clear and concise anti-bullying statement is required to which all members of the SEC can agree. This statement must be backed up by a variety of support. The College of Bishops has asked the Committee to prepare a strategy document as to how this can be moved forward and work to this end is ongoing.

Other issues that had been raised by the well-being survey were that of clergy stipends, pensions and housing and the Administration Board established a specific working group, which resulted in a further survey being sent to the clergy. The results of the review will be reported on separately once the Administration Board has completed its consideration of the group's report.

The Convener has been keen to consider clergy 'time off'. Consideration is being given to whether provision should be made for an additional day off in every four weeks, in effect giving five days off in a month, instead of four. This would be a positive step and the practicalities will be addressed over the coming months. Given the feedback from clergy at General Synod 2020 and since then, it is clear that the potential to reduce the clergy working week to five days should also be given serious consideration.

The work of the Committee over the next year will be largely around the anti-bullying and harassment strategy, and how support can be offered. In particular, the Committee is looking at ways in which congregations might be made more aware of their responsibilities to offer care and support to their cleric and to work together.

The Convener would want to record her gratitude to John Stuart and Ian Pilbeam for their unswerving support and advice.

Jan Whiteside
Convener

Retirement Housing Committee

The Retirement Housing Committee usually meets three times a year, February, May and September, in order to consider applications for funding, to review the current situation regarding house sales and purchases and to receive updates regarding current property repairs. In 2020 the committee only met twice, once at the General Synod Office in February and once via zoom in August. Fortunately, unlike 2019 which had been an exceptionally busy year, no new applications for assistance had been intimated.

At our Zoom meeting in August the Committee received updates on work in progress and gave advice on cases.

During 2020, one property became vacant and was allocated to another tenant. The sale of one property was completed at the end of February, but the purchase of another agreed for April was delayed until mid-June. The sale of a further property was completed towards the end of 2020. It is expected that another property will be placed on the market in 2021.

During lockdown emergency repairs were carried out when necessary, but planned refurbishments were delayed until after restrictions had eased and businesses re-opened.

As the housing market continued to be volatile and there were no expected applications for assistance no change was made to the Standard Property Price, which remains at £180,000. This will be reviewed if a new application for assistance is made.

It was agreed to pay a Christmas Gift of £90 to all SEC pensioners.

Judy Robinson retired from the Committee in June 2020 after serving for two terms of office and the Paul Fletcher was appointed in September 2020.

The Committee continues to monitor the situation regarding the properties it is responsible for and will ensure any necessary repairs are carried out with the safety of tenants in mind and in compliance with any ongoing restrictions. We plan to meet again in May 2021 and will consult via email if necessary before that.

Lorna Mortis
Convener

Retirement Housing Committee

Supplementary Fund

Actual 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/ (adv) £
INCOME				
40,218	Investment income	40,580	42,029	1,449
62	Interest	50	22	(28)
2,000	Cargill Trust - Widows and Orphans	2,000	2,000	-
490	Legacies & Donations	-	113	113
<u>42,770</u>	<i>Total Income</i>	<u>42,630</u>	<u>44,164</u>	<u>1,534</u>
EXPENDITURE				
1,000	Grants - Clergy	4,000	216	3,784
-	- Widows and Orphans	4,000	-	4,000
30,690	- Christmas payment	27,000	31,050	(4,050)
1,269	- Yearbooks (retired clergy)	1,400	1,354	46
-	Pension Fund (CRBF) top up	1,500	1,083	417
144	Miscellaneous	150	-	150
6,145	GSO Administration charge	6,145	6,145	-
<u>39,248</u>	<i>Total Expenditure</i>	<u>44,195</u>	<u>39,848</u>	<u>4,347</u>
BALANCES				
Revenue				
3,522	Surplus/(deficit) for year	(1,565)	4,316	5,881
33,876	Balance brought forward	27,731	37,398	-
<u>37,398</u>	<i>Balance carried forward</i>	<u>26,166</u>	<u>41,714</u>	<u>5,881</u>
CAPITAL ACCOUNT				
1,280,848	Balance brought forward		1,538,291	
257,443	Unrealised gain on revaluation as at 31 December 2020		551,748	
<u>1,538,291</u>	<i>Balance carried forward</i>		<u>2,090,039</u>	

Retirement Housing Committee

Housing Fund

Actual 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/(adv) £
INCOME				
4,903	Interest	3,000	1,784	(1,216)
25,489	Investment income	25,719	26,637	918
77,817	Rents	81,000	85,529	4,529
<u>108,209</u>	<i>Total Net Income</i>	<u>109,719</u>	<u>113,950</u>	<u>4,231</u>
EXPENDITURE				
6,802	Insurance	6,900	6,939	(39)
16,030	Repairs	35,000	24,417	10,583
8,217	Gas appliance and electrical testing	8,900	8,954	(54)
-	Property surveys / legal fees	2,500	-	2,500
11,750	GSO Administration Charge	11,750	11,750	-
<u>42,799</u>	<i>Total Expenditure</i>	<u>65,050</u>	<u>52,060</u>	<u>12,990</u>
BALANCES				
Revenue				
65,410	Surplus/(deficit) for year	44,669	61,890	17,221
(61,484)	Transfers (to)/from capital	(55,506)	(63,763)	(8,257)
6,911	Balance brought forward	10,837	10,837	-
<u>10,837</u>	<i>Balance carried forward</i>	<u>-</u>	<u>8,964</u>	<u>8,964</u>
CAPITAL ACCOUNT				
			Actual 2020 £	
Additions to capital				
162,272	Profit on sale of property		149,024	
8,700	Other income		-	
840,384	Purchase of property		183,269	
4,750	Capital repairs		-	
<u>1,016,106</u>			<u>332,293</u>	
Disposals of capital				
351,242	Sales of property (book value)		73,814	
8,500	Repayment of loan		-	
<u>423,908</u>	Net funds from deposit account		<u>45,692</u>	
<u>783,650</u>			<u>119,506</u>	
232,456	<i>Net additions of capital</i>		212,787	
5,055,416	Balance brought forward		5,451,033	
163,161	Unrealised gain on revaluation as at 31 December 2020		349,685	
<u>5,451,033</u>	<i>Balance carried forward</i>		<u>6,013,505</u>	

Miscellaneous Funds

Actual 2019 £		Actual 2020 £
	INCOME	
146,959	Investment income	153,560
3,000	Legacies and donations	3,000
26,000	Other income	36,000
<u>175,959</u>	<i>Total Net Income</i>	<u>192,560</u>
	EXPENDITURE	
9,095	Building repairs	2,455
157,671	Grants	141,102
27,308	Other expenditure	21,960
500	GSO Administration charge	500
<u>194,574</u>	<i>Total Expenditure</i>	<u>166,017</u>
	BALANCES	
	Revenue	
(18,615)	Surplus/(deficit) for year	26,543
321,077	Balance brought forward	302,462
<u>302,462</u>	<i>Balance carried forward</i>	<u>329,005</u>
Actual 2019 £	CAPITAL ACCOUNT	Actual 2020 £
<u>-</u>	INCOME	
	<i>Total Income</i>	<u>-</u>
	EXPENDITURE	
<u>-</u>	<i>Total expenditure</i>	<u>-</u>
	BALANCES	
-	Surplus/(deficit) for year	-
5,199,243	Balance brought forward	6,244,383
1,045,140	Unrealised gain on revaluation as at 31 December 2020	2,239,931
<u>6,244,383</u>	<i>Balance carried forward</i>	<u>8,484,314</u>
	TOTAL FUNDS as at 31 December:	
302,462	Revenue	329,005
6,244,383	Capital	8,484,314
<u>6,546,845</u>		<u>8,813,319</u>
	Being for:	
1,641,860	Restricted purposes	2,207,316
4,904,985	Designated purposes	6,606,003
<u>6,546,845</u>		<u>8,813,319</u>

Pension Fund

Funding

The Trustees' statutory objective is to ensure that the Pension Fund has sufficient and appropriate assets to meet its liabilities - the cost of paying benefits as they fall due. This is assessed every 3 years in an actuarial valuation. The next valuation is due as at 31 December 2020 and will set the employer contribution rate for the 3 years 2022 to 2024. Completion of this will be the Trustees' priority for 2021. Summary results of the last two actuarial valuations, together with the actuary's estimate of the position as at 31 August 2020 are set out in the table below.

	31 Dec 2014	31 Dec 2017	31 Aug 2020 Estimate
	(£m)	(£m)	(£m)
Total assets	46.0	53.9	60.8
Total liabilities	44.7	50.2	58.4
Past service surplus	1.3	3.7	2.4
Funding level	103%	107%	104%
Future service contribution rate	30.3%	35.9%	42.0%
Agreed contribution rate	32.2%	32.2%	n/a

The investment strategy has been successful in its objective of keeping the funding level reasonably stable and above the target of 100%. However, this offers limited protection against increases in the cost of future service. This will be fully re-assessed in the 2020 valuation. The key question is likely to be the extent to which any funding surplus is able to offset a higher future service cost. Preliminary results of the valuation should be available for General Synod 2021.

Investment Strategy

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

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

There were no changes to the strategy during the year.

Investment Performance

Investment markets fell sharply in the first quarter of 2020, but recovered surprisingly quickly with most going on to record positive or strongly positive returns for the year. The notable exceptions were UK equities and property which were held back by a combination of COVID restrictions and Brexit concerns and lost value over the year.

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 8.4%. The liability matching portfolio has 2 components: the Schroder Life Long Dated Corporate Bond Fund returned 15.7%; the UK government bond funds returned 13.3%.

Total return for the year net of fees was 12.4%.

Financial

Key financial figures for the year were as follows.

	2019 (£)	2020 (£)
Net Assets as at 01 January	52,434,139	58,393,858
+ Contributions Received	1,541,874	1,506,865
- Benefits and other Payments	1,975,646	2,203,941
+ Investment Income	1,732	568
+ Change in Market Value of Investments	6,391,759	7,131,752
Net Assets as at 31 December	58,393,858	64,829,102

Net fund assets increased by £6,435,244 over the course of the year as a result of investment gains being larger than pensions payments.

Activity

In addition to routine activity, and ensuring some form of business continuity amidst the varying levels of COVID restrictions, items prioritised by the Trustees during the year included:

- Adopting a Replacement Definitive Trust Deed and Rules after a comprehensive review was concluded at the March meeting; and
- Ensuring compliance with increasingly onerous regulatory requirements. A CMA compliance order statement was prepared and submitted for the first time as required.

After completion of the actuarial valuation, planned activity for 2021 will include a further review of investments including any additional pooled fund options.

Membership

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

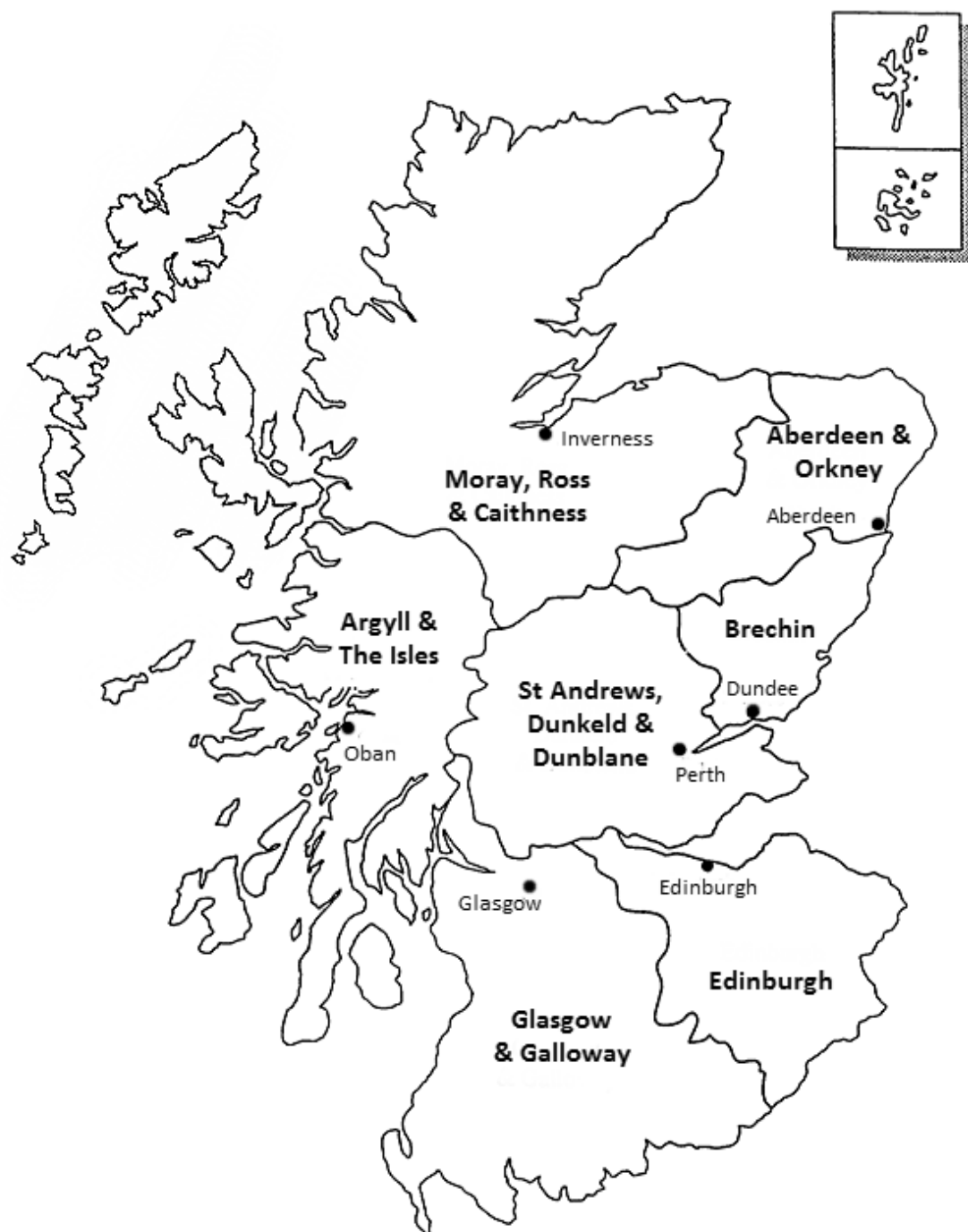
Membership	01 Jan 2020	31 Dec 2020
Serving members		
- Clergy	147	139
- Staff	38	36
Pensioners		
- Clergy	229	234
- Staff	45	45
Widowed Spouses	79	80
Members with deferred pension rights	133	133
Total	671	667

Trustees

Two of the trustees – Robert Gordon and Michael Green – retired from their positions at General Synod 2020. Bridget Campbell, as the new Convener of Standing Committee, will join the Trustee Board. Another Employer Nominated Trustee will be confirmed in due course.

Richard McIndoe
Chairman

The Seven Dioceses of the Scottish Episcopal Church



Diocesan Statistics

Diocesan Summary

	ROLL	
	Membership	Communicant Numbers
ABERDEEN	3,209	2,540
ARGYLL	857	594
BRECHIN	1,729	1,227
EDINBURGH	7,914	5,860
GLASGOW	4,964	3,661
MORAY	3,113	2,031
ST ANDREWS	3,766	2,840
TOTALS 2020	25,552	18,753
TOTALS 2019	27,585	19,784

Membership

Number of persons of all ages belonging to the congregation

Communicant Numbers

Number of persons on the Communicants' Roll

Attendance Figures

The Diocesan Statistics normally include figures for church attendance on the Sunday next before Advent. Given the lockdown constraints on church attendance imposed during the Covid-19 pandemic, physical attendance at church services was significantly reduced during much of 2020. There is no reliable measure of those who gathered together to join in the online services provided by many of the charges within the Scottish Episcopal Church. No attendance figures are provided for 2020.

United Diocese of Aberdeen and Orkney

CHARGES	ROLL	
	Membership	Communicant Numbers
Cathedral	220	197
Aberdeen:		
St Clement's	40	25
St Devenick's Bieldside	142	106
St James'	36	35
St John's	106	105
St Machar's Bucksburn	33	17
St Margaret's	348	200
St Mary's	91	126
St Mary's Cove Bay	10	10
St Ninian's	45	40
Aboyne	81	78
Alford	35	34
Auchindoir	15	15
Ballater	70	63
Banchory	217	180
Banff	56	12
Braemar	16	9
Buckie	121	33
Burravoe	23	8
CAF4E Bridge of Don	12	12
Cruden Bay	86	72
Cuminestown	14	21
Ellon	187	161
Fraserburgh	52	47
Insch	40	10
Inverurie	91	82
Kemnay	14	14
Kincardine O'Neil	60	59
Kirkwall	44	40
Lerwick	51	51
Longside	43	24
New Pitsligo	32	32
Old Deer	42	18
Oldmeldrum	48	48
Peterhead	133	83
Strichen	65	23
Stromness	20	19
Turriff	52	52
Westhill	348	348
Whiterashes	14	14
Woodhead All Saints	8	6
Student Chaplaincy	32	1
SOLI Unst	16	10
TOTALS 2020	3,209	2,540
TOTALS 2019	3,332	2,647

United Diocese of Argyll and The Isles

CHARGES	ROLL	
	Membership	Communicant Numbers
Oban Cathedral	254	141
Ardbrecknish	17	15
Arran	8	8
Ballachulish	5	5
Campbeltown	28	17
Dunoon	91	62
Duror	20	18
Fort William	60	50
Glencoe	14	14
Gruline	24	23
Inveraray	<i>With Lochgilphead</i>	
Iona	2	-
Islay	14	11
Kilmartin	<i>With Lochgilphead</i>	
Kinlochleven	19	17
Kinlochmoidart	18	18
Lochgilphead	65	34
Millport	38	19
North Uist:		
Holy Cross Chapel	6	5
St Brendan the Navigator	6	5
Onich	6	6
Portnacrois	3	3
Portree	52	43
Rothesay	32	24
Stornoway	75	56
Strontian	<i>With Kinlochmoidart</i>	
TOTALS 2020	857	594
TOTALS 2019	872	619

Diocese of Brechin

CHARGES	ROLL	
	Membership	Communicant Numbers
Cathedral	195	153
Arbroath	81	72
Auchmithie	12	7
Brechin	88	81
Broughty Ferry	87	56
Carnoustie	93	67
Catterline	<i>With Stonehaven</i>	
Drumlithie	11	6
Drumtochty	22	10
Dundee:		
Diocesan Centre/St John's	<i>With St Martin's, Dundee</i>	
St Luke's	54	47
St Margaret's	43	24
St Martin's	49	41
St Mary Magdalene	241	124
St Ninian's	121	72
St Salvador's	47	45
Fasque	26	17
Glencarse	121	101
Inverbervie	10	9
Invergowrie	57	33
Laurencekirk	63	31
Monifieth	61	53
Montrose	59	50
Muchalls	49	40
Stonehaven	128	79
Tarfside	11	9
TOTALS 2020	1,729	1,227
TOTALS 2019	1,812	1,241

Diocese of Edinburgh

CHARGES	ROLL	
	Membership	Communicant Numbers
Cathedral	645	570
Balerno	725	506
Bathgate	68	61
Bo'ness	72	44
Coldstream	33	33
Dalkeith	46	46
Dalmahoy	114	112
Dunbar	101	93
Duns	43	43
Edinburgh:		
Christ Church	394	274
Good Shepherd	121	109
Holy Cross	116	93
Mustard Seed	60	45
Old St Paul's	260	217
St Barnabas'	68	35
St Columba's	94	83
St Cuthbert's	189	183
St David's	34	29
St Fillan's	58	57
St James', Leith	120	120
St John's	393	393
St Margaret's	24	24
St Mark's	117	99
St Martin's	69	65
St Michael/All Saints	119	94
St Ninian's	137	122
St Paul/St George	1,030	189
St Peter's	140	127
St Philip/St James	33	32
St Salvador's	30	29
St Vincent's	105	84
Eyemouth	14	13
Falkirk	118	88
Galashiels	72	47
Grangemouth	87	59
Gullane	74	61
Haddington	148	99
Hawick	68	68
Innerleithen	22	22
Jedburgh	64	64
Kelso	170	157
Lasswade	105	40
Linlithgow	124	96
Livingston	234	107
Melrose	250	228
Musselburgh	45	45
North Berwick	128	108
Peebles	178	178
Penicuik	110	91
Rosslyn	180	135
Selkirk	62	50
South Queensferry	44	43
West Linton	59	50
TOTALS 2020	7,914	5,860
TOTALS 2019	8,499	6,058

United Diocese of Glasgow and Galloway

CHARGES	ROLL	
	Membership	Communicant Numbers
Cathedral	300	161
Airdrie/Monklands	57	38
Alexandria	27	29
Annan	25	20
Ardrossan **	53	45
Ayr	164	118
Bearsden	200	139
Bridge of Weir	15	14
Cambuslang	25	19
Castle Douglas	80	76
Challoch	80	69
Cumbernauld	25	22
Dalbeattie	38	35
Dalry **	20	18
Dumbarton	128	91
Dumfries	232	204
East Kilbride	77	50
Eastriggs	56	25
Gatehouse-of-Fleet	130	79
Glasgow:		
All Saints	46	46
Drumchapel Mission	7	7
Good Shepherd	35	21
St Aidan's	137	76
St Bride's	66	60
East End Ministry *	90	69
St James' (Bishopbriggs)	110	84
St Margaret's	168	158
St Matthew's	49	41
St Ninian's	89	74
St Oswald's	30	30
Gourock	31	14
Greenock	135	70
Gretna	71	49
Hamilton	322	170
Helensburgh	189	180
Irvine**	26	20
Johnstone	60	45
Kilmacoll	41	33
Kilmarnock	83	68
Kirkcudbright	152	113
Lanark	128	125
Largs	106	81
Lenzie	40	40
Lockerbie	48	34
Maybole	37	34
Milngavie	55	48
Moffat	35	32
Motherwell	79	56
New Galloway	34	36
Paisley	90	58
Port Glasgow	122	76
Portpatrick	45	18
Prestwick	120	69
Renfrew	91	78
Stranraer	26	24
Troon	170	122
Uddingston	38	23
Wishaw	31	27
TOTALS 2020	4,964	3,661
TOTALS 2019	5,734	4,066

**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
Cathedral	446	250
Aberlour	32	30
Black Isle Charges:	268	249
Arpafeelie		
Cromarty		
Fortrose		
Brora	16	10
Culloden	21	11
Dingwall/Strathpeffer	115	75
East Sutherland Charges:	65	61
Ardgay		
Crask		
Dornoch		
Lairg		
Elgin/Lossmouth/Burghead	225	136
Forres	180	133
Glenurquhart/Ft Augustus	32	30
Gordonstoun	500	150
Grantown	60	44
Isla Spey Deveron Group:	150	100
Aberchirder		
Dufftown		
Fochabers		
Huntly		
Keith		
Invergordon	33	25
Inverness:		
St John's	121	87
St Michael's	118	93
South West Charges:		
Kinlochewe	20	18
Kishorn	28	17
Lochalsh	17	17
Poolewe	32	25
North West Charges:	134	121
Achiltibuie		
Kinlochbervie		
Lochinver		
Ullapool		
Tongue	35	33
Nairn	172	122
Rothiemurchus	75	55
Strathnairn	44	40
Tain	65	44
Thurso	58	37
Wick	51	18
TOTALS 2020	3,113	2,031
TOTALS 2019	3,281	2,068

United Diocese of St Andrews, Dunkeld and Dunblane

CHARGES	ROLL	
	Membership	Communicant Numbers
Cathedral	281	277
Aberdour	59	49
Aberfoyle	81	80
Alloa	40	40
Alyth	21	21
Auchterarder	94	79
Ballintuim	33	24
Blairgowrie	73	65
Bridge of Allan	74	59
Burntisland	61	51
Callander	31	30
Comrie	48	43
Coupar Angus	39	39
Crieff	61	47
Cupar	100	90
Dollar	92	78
Doune	75	63
Dunblane	147	102
Dunfermline	166	119
Dunkeld (Birnam)	44	44
Elie	31	27
Forfar	182	91
Glamis	31	21
Glenalmond	350	66
Glenrothes	24	24
Inverkeithing	112	108
Killin	3	2
Kilmaveonaig	41	24
Kinghorn	<i>With Kirkcaldy</i>	
Kinloch Rannoch	5	2
Kinross	113	80
Kirkcaldy	77	60
Kirriemuir	46	34
Ladybank	6	5
Leven	23	16
Lochearnhead	10	8
Lochgelly	13	13
Muthill	22	16
Newport	32	22
Perth, St John's	155	125
Pitlochry	70	52
Pittenweem	34	32
Rosyth	36	35
St Andrews:		
All Saints	206	135
St Andrew's	268	233
Stanley	10	10
Stirling	170	130
Strathtay/Aberfeldy	35	33
Tayport	41	36
TOTALS 2020	3,766	2,840
TOTALS 2019	4,055	3,085

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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 72 to 85 and 89 to 91.

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

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

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

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

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

**Bridget Campbell
Convener, Standing Committee
22 April 2021**

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Page No.	2020 General Fund Income £	2020 Other Income £	2020 Total Income (note 5) £	2020 Expenditure £	2020 Surplus/ (deficit) £	2019 Surplus/ (deficit) £
General Fund	19	2,008,554	-	2,008,554	1,958,698	49,856	(75,294)
Allocated to Boards / Standing Committee		(1,958,698)	-	(1,958,698)	(1,958,698)	-	-
<i>Sub-total</i>		<u>49,856</u>	<u>-</u>	<u>49,856</u>	<u>-</u>	<u>49,856</u>	<u>(75,294)</u>
Standing Committee	20						
<i>Sub-total</i>		<u>836,835</u>	<u>-</u>	<u>836,835</u>	<u>836,835</u>	<u>-</u>	<u>-</u>
Administration Board							
Board	46	252,047	-	252,047	252,047	-	-
Allocated to Building Grants Fund		(239,520)	-	(239,520)	(239,520)	-	-
Net (direct income and expenditure of Board)		<u>12,527</u>	<u>-</u>	<u>12,527</u>	<u>12,527</u>	<u>-</u>	<u>-</u>
Buildings funds							
Building Grants Fund	48	239,520	21,097	260,617	260,617	-	-
Building Loans Fund	49	-	2,823	2,823	-	2,823	1,144
Retirement Housing Committee							
Retirement Supplementary Fund	54	-	44,164	44,164	39,848	4,316	3,522
Retirement Housing Fund	55	-	113,950	113,950	52,060	61,890	65,410
Miscellaneous funds	56	-	192,560	192,560	166,017	26,543	(18,615)
<i>Sub-total for Board and its Committees</i>		<u>252,047</u>	<u>374,594</u>	<u>626,641</u>	<u>531,069</u>	<u>95,572</u>	<u>51,461</u>
Mission Board							
Board	32	455,008	12,900	467,908	467,908	-	-
Allocated to Committees		(114,892)	-	(114,892)	(114,892)	-	-
Net (direct income and expenditure of Board)		<u>340,116</u>	<u>12,900</u>	<u>353,016</u>	<u>353,016</u>	<u>-</u>	<u>-</u>
Global Partnerships Committee	36	-	119,409	119,409	112,984	6,425	(40)
Church in Society Committee	34	114,892	981	115,873	115,873	-	-
The Community Fund	39	-	1,138	1,138	100	1,038	(182)
Miscellaneous funds	40	-	-	-	-	-	(500)
<i>Sub-total for Board and its Committees</i>		<u>455,008</u>	<u>134,428</u>	<u>589,436</u>	<u>581,973</u>	<u>7,463</u>	<u>(722)</u>
Institute Council							
Board	42	408,987	71,913	480,900	480,900	-	-
Miscellaneous funds	45	-	43,239	43,239	52,216	(8,977)	9,222
<i>Sub-total</i>		<u>408,987</u>	<u>115,152</u>	<u>524,139</u>	<u>533,116</u>	<u>(8,977)</u>	<u>9,222</u>
Faith and Order Board							
<i>Sub-total</i>	24	<u>5,821</u>	<u>-</u>	<u>5,821</u>	<u>5,821</u>	<u>-</u>	<u>-</u>
Publications							
<i>Sub-total</i>		<u>-</u>	<u>4,484</u>	<u>4,484</u>	<u>3,401</u>	<u>1,083</u>	<u>(3,341)</u>
TOTAL FOR YEAR		<u>2,008,554</u>	<u>628,658</u>	<u>2,637,212</u>	<u>2,492,215</u>	<u>144,997</u>	<u>(18,674)</u>

The notes on pages 76 to 85 form part of these accounts.

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Revenue Accounts and Reserves			Capital Accounts and Reserves			Total 2020 £	Total 2019 £
	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £		
Income from								
Donations and legacies								
Quota	732,018	-	732,018	-	-	-	732,018	718,338
Donations	20,938	38,837	59,775	-	-	-	59,775	65,398
Legacies	3,336	100	3,436	-	-	-	3,436	28,863
	<u>756,292</u>	<u>38,937</u>	<u>795,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>795,229</u>	<u>812,599</u>
Investments								
Investment income - UTP distributions	1,436,088	116,660	1,552,748	-	-	-	1,552,748	1,485,800
Investment income - interest	6,116	1,830	7,946	-	-	-	7,946	13,681
Rental income	21,243	-	21,243	-	-	-	21,243	21,243
	<u>1,463,447</u>	<u>118,490</u>	<u>1,581,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,581,937</u>	<u>1,520,724</u>
Charitable activities								
Publication sales	3,485	-	3,485	-	-	-	3,485	4,718
Other income	21,902	-	21,902	-	-	-	21,902	20,750
Pension Fund and investment administration fee	34,331	-	34,331	-	-	-	34,331	32,478
Rental income	-	85,529	85,529	-	-	-	85,529	77,817
	<u>59,718</u>	<u>85,529</u>	<u>145,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,247</u>	<u>135,763</u>
Other								
Gain on sale of property	-	-	-	-	149,024	149,024	149,024	162,272
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,024</u>	<u>149,024</u>	<u>149,024</u>	<u>162,272</u>
Total Income	<u>2,279,457</u>	<u>242,956</u>	<u>2,522,413</u>	<u>-</u>	<u>149,024</u>	<u>149,024</u>	<u>2,671,437</u>	<u>2,631,358</u>
Expenditure on charitable activities (note 6)								
Mission development and support	352,819	8,543	361,362	-	-	-	361,362	341,844
Ministry support and training	468,308	52,216	520,524	-	-	-	520,524	585,001
Ecumenical and church relations	101,980	-	101,980	-	-	-	101,980	126,392
Promotion, publication and communication	261,634	-	261,634	-	-	-	261,634	296,088
Support for retired clergy	43,449	75,469	118,918	-	-	-	118,918	118,830
Support and advice to dioceses and congregations within SEC	987,394	25,604	1,012,998	-	-	-	1,012,998	1,010,905
	<u>2,215,584</u>	<u>161,832</u>	<u>2,377,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,377,416</u>	<u>2,479,060</u>
Total expenditure	<u>2,215,584</u>	<u>161,832</u>	<u>2,377,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,377,416</u>	<u>2,479,060</u>
Net income before transfers and gain on revaluation of investments	<u>63,873</u>	<u>81,124</u>	<u>144,997</u>	<u>-</u>	<u>149,024</u>	<u>149,024</u>	<u>294,021</u>	<u>152,298</u>
Gain / (Loss) on revaluation of investments (note 8)	-	-	-	18,469,401	1,961,441	20,430,842	20,430,842	9,532,748
Net income before transfers (note 2)	<u>63,873</u>	<u>81,124</u>	<u>144,997</u>	<u>18,469,401</u>	<u>2,110,465</u>	<u>20,579,866</u>	<u>20,724,863</u>	<u>9,685,046</u>
Transfers between funds	18,894	(18,894)	-	-	-	-	-	-
Transfers between revenue and capital	32,754	(64,498)	(31,744)	(32,754)	64,498	31,744	-	-
Net movement in funds	<u>115,521</u>	<u>(2,268)</u>	<u>113,253</u>	<u>18,436,647</u>	<u>2,174,963</u>	<u>20,611,610</u>	<u>20,724,863</u>	<u>9,685,046</u>
Fund balances at 1 January 2020	1,665,132	279,760	1,944,892	51,074,695	10,145,029	61,219,724	63,164,616	53,479,570
Fund balances at 31 December 2020	<u>1,780,653</u>	<u>277,492</u>	<u>2,058,145</u>	<u>69,511,342</u>	<u>12,319,992</u>	<u>81,831,334</u>	<u>83,889,479</u>	<u>63,164,616</u>

Detailed comparatives are at note 16.

All income is derived from continuing activities.

The notes on pages 76 to 85 form part of these accounts.

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
BALANCE SHEET AS AT 31 DECEMBER 2020**

		2020		2019	
		£	£	£	£
Fixed Assets (note 8)					
Heritable Properties at book value		4,030,510		3,921,055	
Investments at market value (Book Cost: £8,288,987)		77,085,695		56,654,118	
(2019: £8,288,252)					
Social Investments		<u>368,811</u>		<u>401,565</u>	
		81,485,016		60,976,738	
Current Assets					
Debtors (note 9)		898,407		854,237	
Bank and Cash		<u>1,787,934</u>		<u>1,519,158</u>	
		2,686,341		2,373,395	
Current Liabilities					
Creditors and Accruals (note 10)		<u>(281,878)</u>		<u>(185,517)</u>	
Net Current Assets		2,404,463		2,187,878	
TOTAL ASSETS LESS LIABILITIES		<u>83,889,479</u>		<u>63,164,616</u>	
 Capital and Reserves (note 11)					
Unrestricted Funds	Capital	69,511,342		51,074,695	
	Revenue	<u>1,780,653</u>		<u>1,665,132</u>	
		71,291,995		52,739,827	
Restricted Funds	Capital	12,319,992		10,145,029	
	Revenue	<u>277,492</u>		<u>279,760</u>	
		12,597,484		10,424,789	
TOTAL FUNDS (note 12)		<u>83,889,479</u>		<u>63,164,616</u>	

Bridget Campbell
Convener, Standing Committee
22 April 2021

The notes on pages 76 to 85 form part of these accounts.

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from operating activities:		
Net cash (used in) operating activities (reconciliation below)	<u>(1,318,134)</u>	<u>(1,569,107)</u>
Cash flows from investing activities:		
Dividends, interest and rent from investments	1,515,322	1,520,708
Proceeds from the sale of property	222,838	513,513
Purchase of property and equipment	(183,269)	(845,134)
Purchase of investments	(735)	(717)
Loans advanced (to dioceses / charges)	(125,000)	(293,495)
Loans repaid (by dioceses / charges)	157,754	263,485
Net cash provided by investing activities	<u>1,586,910</u>	<u>1,158,360</u>
Change in cash in year	268,776	(410,747)
Cash at 1 January 2020	1,519,158	1,929,905
Cash at 31 December 2020	<u>1,787,934</u>	<u>1,519,158</u>

Reconciliation of net income to net cash flow from operating activities

Cash flows from operating activities:		
Net (expenditure) / income for the year (as per the Statement of Financial Activities)	20,724,863	9,685,046
Adjustments for:		
Loss / (Gains) on investments	(20,430,842)	(9,532,748)
Dividends, interest and rent from investments	(1,581,937)	(1,520,724)
Profit on sale of property	(149,024)	(162,272)
Repayment of loan	-	8,500
Decrease / (Increase) in debtors	22,445	(36,814)
(Decrease) / Increase in creditors	96,361	(10,095)
Net cash (used in) operating activities	<u>(1,318,134)</u>	<u>(1,569,107)</u>

Analysis of changes in net debt

	At 1 January 2020	Cash flows	At 31 December 2020
Cash	1,519,158	268,776	1,787,934
Total	<u>1,519,158</u>	<u>268,776</u>	<u>1,787,934</u>

The notes on pages 76 to 85 form part of these accounts.

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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 2019.

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 50 and accounts of the SEC Unit Trust Pool at page 89.)

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 72, 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

	2020 £	2019 £
Salaries	568,222	575,685
Pension contributions	187,373	162,389
Social security costs	44,025	43,105
Travel and subsistence	2,759	9,490
Training	995	1,222
	803,374	791,891
Average number of employees	21	21
Average number of full time equivalent posts	16.8	15.8

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 £Nil (2019: 30,000).

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 £393,138 (2019: £373,973).

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

	2020 Number	2019 Number
£60,001 - £70,000	1	1

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

All employees are members of the Scottish Episcopal Church Pension Fund which is a non contributory defined benefit scheme with benefits based on final pensionable salary. Others employed by the Scottish Episcopal Church, clergy for the most part, are also members. The General Synod is unable to identify its share of the underlying assets and liabilities of the Fund on a consistent and reasonable basis and so accounts for its contributions as if the scheme was a defined contribution scheme. The contribution rate for the year under review was 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 2020 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 £218 were paid to four members of the Standing Committee during the year, in relation to their membership of that Committee. (2019: Expenses of £1,337 paid to seven members).

5 Total income

Total Income in the Revenue Account (page 72) does not include any capital receipts. Such receipts are credited directly to the Capital Accounts. Both Capital and Revenue receipts are reflected in the Statement of Financial Activities.

6 Expenditure on charitable activities and governance costs

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

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

	Direct Costs £	Grants awarded £	Support Costs £	2020 Total £	2019 Total £
Charitable activities					
Mission development and support	12,743	228,642	119,977	361,362	341,844
Ministry support and training	302,496	175,385	42,643	520,524	585,001
Ecumenical and church relations	47,051	-	54,929	101,980	126,392
Promotion, publication and communication	14,452	-	247,182	261,634	296,088
Support for retired clergy	41,832	33,721	43,365	118,918	118,830
Provision of support and advice to Dioceses and Congregations	41,238	757,101	214,659	1,012,998	1,010,905
	459,812	1,194,849	722,755	2,377,416	2,479,060
2019	520,436	1,092,917	865,707	2,479,060	

	2020 £	2019 £
Analysis of support costs		
Staff costs	531,342	559,412
Property and equipment costs	59,263	89,809
General administration costs	50,834	56,814
Board and committee expenses	4,251	13,295
Governance costs	77,065	146,377
	722,755	865,707

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

2020	£14,400
2019	£13,800

7 Grants

Grants are made to Dioceses, Charges and individuals within the Scottish Episcopal Church for a number of purposes. Grants are also made to other church bodies, non-church bodies and to individuals. The range and variety of grants and further information regarding the grants made is provided in the accounts of the various funds (pages 19 to 56). The grants awarded during the year can be analysed:

	UK	Overseas	2020 Total	2019 Total
	£	£	£	£
Scottish Episcopal Church bodies	908,027	-	908,027	857,622
Other church bodies	25,612	65,716	91,328	99,497
Non church bodies	84,401	17,527	101,928	28,373
Individuals	80,764	12,802	93,566	107,425
	1,098,804	96,045	1,194,849	1,092,917
2019	1,014,059	78,858	1,092,917	

Grants were awarded to 397 individuals (2019: 410).

Included in Creditors and Accruals are Grants totalling £218,876 approved but not paid out (2019: £126,535).

8 Fixed Assets

	Heritable Property	Investments	Social Investments	Total
	£	£	£	£
At 31 December 2019	3,921,055	56,654,118	401,565	60,976,738
Additions during year	183,269	735	-	184,004
Disposals during year	(73,814)	-	-	(73,814)
Loans advanced in year	-	-	125,000	125,000
Loans repaid in year	-	-	(157,754)	(157,754)
Net gain on revaluation at 31 December 2020	-	20,430,842	-	20,430,842
Balance at 31 December 2020	4,030,510	77,085,695	368,811	81,485,016

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. 73.5% of investments in the Unit Trust Pool relate to UK investments. The unit value at 31 December 2020 was £28.7279. The unit value at 31 March 2021 was £28.7105, a decrease of 0.1%. 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

	2020 £	2019 £
Accrued Unit Trust Pool distribution	846,943	779,716
Sundry debtors including grant repayments	<u>51,464</u>	<u>74,521</u>
	<u>898,407</u>	<u>854,237</u>

10 Creditors

	2020 £	2019 £
Grants approved but not paid	218,876	126,535
Accruals and deferred income	<u>63,002</u>	<u>58,982</u>
	<u>281,878</u>	<u>185,517</u>

11 Reconciliation of movement in funds

	Balance at 31 Dec 19 £	Surplus for year prior to transfers £	Transfers between funds £	Unrealised gain on revaluation at 31 Dec 20 £	Balance at 31 Dec 20 £
Unrestricted Funds					
General Fund	42,986,868	31,961	17,895	15,255,299	58,292,023
Other funds	9,752,959	31,912	999	3,214,102	12,999,972
	<u>52,739,827</u>	<u>63,873</u>	<u>18,894</u>	<u>18,469,401</u>	<u>71,291,995</u>
Restricted Funds					
Housing Fund	5,461,870	222,664	(11,750)	349,685	6,022,469
Other funds	4,962,919	7,484	(7144)	1,611,756	6,575,015
	<u>10,424,789</u>	<u>230,148</u>	<u>(18,894)</u>	<u>1,961,441</u>	<u>12,597,484</u>
Total Funds	<u>63,164,616</u>	<u>294,021</u>	<u>-</u>	<u>20,430,842</u>	<u>83,889,479</u>

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 at 31 Dec 18 £	Surplus (deficit) for year prior to transfers £	Transfers between funds £	Unrealised gain on revaluation at 31 Dec 19 £	Balance at 31 Dec 19 £
Unrestricted Funds					
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
	<u>44,221,174</u>	<u>(118,240)</u>	<u>19,164</u>	<u>8,617,729</u>	<u>52,739,827</u>
Restricted Funds					
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
	<u>9,258,396</u>	<u>270,538</u>	<u>(19,164)</u>	<u>915,019</u>	<u>10,424,789</u>
Total Funds	<u>53,479,570</u>	<u>152,298</u>	<u>-</u>	<u>9,532,748</u>	<u>63,164,616</u>

12 Analysis of net assets between funds

Fund balances at 31 December 2020 are represented by:

	Unrestricted Funds	Housing Fund	Restricted Funds Other Funds	Total Restricted	Total Funds
	£	£	£	£	£
Fixed Assets					
Heritable Property at cost	27,597	4,002,913	-	4,002,913	4,030,510
Investments at market value	69,683,197	1,319,358	6,083,140	7,402,498	77,085,695
Social Investments	113,351	44,875	210,585	255,460	368,811
Current Assets					
Debtors and Prepayments	830,312	28,104	39,991	68,095	898,407
Bank and Cash	912,318	627,440	248,176	875,616	1,787,934
Current Liabilities					
Creditors and Accruals	(274,780)	(221)	(6,877)	(7,098)	(281,878)
	71,291,995	6,022,469	6,575,015	12,597,484	83,889,479

The majority of Unrestricted Funds are Undesignated Funds. The total of Undesignated Funds, representing the General Fund, at 31 December 2020 was £58.3m (2019 £43.0m).

The majority of Restricted Funds relate to the Retirement Housing Fund administered by the Retirement Housing Committee (see the Committee's report on page 53 and the Fund's financial statement on page 55). 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 41 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 £2.1m relates to the Retirement Supplementary Fund administered by the Retirement Housing Committee. (The Fund's financial statement is on page 54.) 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 40, 45 and 56 include these Restricted Funds with other Designated Funds administered by the Boards.)

Prior year comparative information:

Fund balances at 31 December 2019 are represented by:

	Unrestricted Funds	Housing Fund	Restricted Funds Other Funds	Total Restricted	Total Funds
	£	£	£	£	£
Fixed Assets					
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
Current Assets					
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
Current Liabilities					
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

13 Future commitments

A loan of £15,000 to a charge had been approved, but not drawn down at the Balance Sheet date. The loan has not yet been drawn down.

14 Related party transactions

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

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

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.

15 Post balance sheet event

The Standing Committee continues to monitor the impact of Covid-19 on the General Synod and the wider Scottish Episcopal Church. The impact to date on the finances of the General Synod has been positive with much reduced expenditure in 2020. The initial reduction in investment values during the early stages of the pandemic were reversed by significant gains later in the year. In response to the financial impact on a number of the charges within the SEC the Standing Committee has launched a Recovery and Renewal Fund to assist not only in the process of recovering from the challenges of the pandemic, but of looking forward to seize new opportunities. A total of £250,000 will be made available during 2021.

16 Statement of Financial Activities previous year

	Revenue Accounts and Reserves			Capital Accounts and Reserves			Total 2019 £
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	
	Funds £	Funds £	£	Funds £	Funds £	£	
Income from							
Donations and legacies							
Quota	718,338	-	718,338	-	-	-	718,338
Donations	21,158	44,240	65,398	-	-	-	65,398
Legacies	28,863	-	28,863	-	-	-	28,863
	<u>768,359</u>	<u>44,240</u>	<u>812,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>812,599</u>
Investments							
Investment income - UTP distributions	1,374,207	111,593	1,485,800	-	-	-	1,485,800
Investment income - interest	8,649	5,032	13,681	-	-	-	13,681
Rental income	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>
Charitable activities							
Publication sales	4,718	-	4,718	-	-	-	4,718
Other income	12,050	-	12,050	-	8,700	8,700	20,750
Pension Fund and investment admin fee	32,478	-	32,478	-	-	-	32,478
Rental income	-	77,817	77,817	-	-	-	77,817
	<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>
Other							
Gain on sale of property	-	-	-	-	162,272	162,272	162,272
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,272</u>	<u>162,272</u>	<u>162,272</u>
Total Income	<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>
Expenditure on charitable activities							
Mission development and support	331,836	10,008	341,844	-	-	-	341,844
Ministry support and training	546,634	38,367	585,001	-	-	-	585,001
Ecumenical and church relations	126,392	-	126,392	-	-	-	126,392
Promotion, publication and communication	296,088	-	296,088	-	-	-	296,088
Support for retired clergy	53,879	64,951	118,830	-	-	-	118,830
Support and advice to dioceses and congregations within SEC	985,115	25,790	1,010,905	-	-	-	1,010,905
Total expenditure	<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>
Net income before transfers and gain on revaluation of investments	<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>
Gain on revaluation of investments	-	-	-	8,617,729	915,019	9,532,748	9,532,748
Net income before transfers	<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>
Transfers between funds	19,164	(19,164)	-	-	-	-	-
Transfers between revenue and capital	(30,010)	(62,201)	(92,211)	30,010	62,201	92,211	-
Net movement in funds	<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>
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
Fund balances at 31 December 2019	<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>

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 2020 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 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 FRC'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

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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. The trustees are responsible for the other information. 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the information given in the accounts is inconsistent in any material aspect with the trustees' report.

Responsibilities of Standing Committee

As explained more fully in the Statement of Responsibilities of the Standing Committee (as charity trustees), the Standing Committee is responsible for the preparation of the accounts and for being satisfied that they 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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- A review of manual adjustments made in coming to the accounts would identify any unusual adjustments.
- Through gaining a detailed understanding of the business and operations this allowed for identification of irregularities.
- Analytical review of figures against expectation in order to assess movements which may be caused by irregularities or fraud.
- Specific consideration was given to transactions with related parties.
- Fixed assets were suitably tested for potential impairment.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the accounts or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the accounts, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the accounts, including the disclosures, and whether the accounts represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

23 April 2021

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 2020

	£	2020 £	£	2019 £
Income				
Capital gains - net				
Realised		6,019,665		786,808
Unrealised		<u>25,453,376</u>		<u>14,135,856</u>
		31,473,041		14,922,664
Revenue	1,767,534		1,885,862	
Management expenses	<u>(28,747)</u>		<u>124,711</u>	
		<u>1,796,280</u>		<u>1,761,171</u>
Total return before distributions		33,269,321		16,683,835
Distributions (<i>58p per unit. 2019: 55.5p</i>)		<u>2,356,047</u>		<u>2,253,091</u>
Change in net assets attributable to unitholders from investment activities		<u>30,913,274</u>		<u>14,430,744</u>
Statement of change in net assets attributable to unitholders				
Net assets attributable to unitholders as at 31 December 2019		85,661,976		71,470,089
Receipts from issue of new units		867,194		452,547
Realisation of units:				
Book value		(287,540)		(385,151)
Appreciation		<u>(518,793)</u>		<u>(306,253)</u>
		85,722,837		71,231,232
Change in net assets attributable to unitholders from investment activities		<u>30,913,274</u>		<u>14,430,744</u>
Net assets attributable to unitholders as at 31 December 2020		<u>116,636,110</u>		<u>85,661,976</u>
Number of units in issue		<u>4,060,024</u>		<u>4,057,152</u>
Unit value as at 31 December 2020		<u>£28.7279</u>		<u>£21.1138</u>

The notes on page 91 form part of these accounts.

**THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL
BALANCE SHEET AS AT 31 DECEMBER 2020**

	Notes	£	2020 £	£	2019 £
Capital Account					
Investments valued at closing prices	3		117,378,323		86,445,759
Current Assets					
Bank		331,003		301,603	
Investment income receivable		117,164		112,842	
Income tax recoverable		<u>91,199</u>		<u>72,581</u>	
		571,382		<u>487,026</u>	
Current Liabilities					
Sundry creditors		34,686		31,235	
Proposed distribution at 31.5p/unit (2019: 29p/unit)		1,278,908		1,176,574	
Funds awaiting investment		<u>-</u>		<u>63,000</u>	
		<u>1,313,593</u>		<u>1,270,809</u>	
Net Current (Liabilities)			(742,212)		(783,783)
Total Net Assets attributable to unitholders			<u>116,636,111</u>		<u>85,661,976</u>

Bridget Campbell
Convener, Standing Committee
22 April 2021

The notes on page 91 form part of these accounts.

THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Status of the Unit Trust Pool

The Unit Trust Pool was established by the Investment Committee of the General Synod of the Scottish Episcopal Church to bring together the disparate investments of the various Funds of the General Synod, the dioceses and the individual congregations of the Church to enable these to be managed professionally. The Unit Trust Pool is therefore purely an investment vehicle of the Scottish Episcopal Church. The annual report of the Investment Committee appears on page 50. An Ethical Investment Policy has been adopted in respect of the Unit Trust Pool (see page 95).

Investment Managers

For the year ended 31 December 2020, 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 2020 was -£28,747 (2019 £124,711) including VAT, calculated quarterly on the value of the managed portfolio by applying a reducing percentage as the fund values exceed set bands. The fee for the current year is negative, due to significant fee rebates applied in the year.

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	£50,360,266	42.8%
Baillie Gifford Multi Asset Income Fund B Income	£32,294,259	27.4%

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 2020 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 the affairs of the Scottish Episcopal Church Unit Trust Pool as at 31 December 2020 and of its Total Return for the year then ended;
- 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 financial statements in the UK, including the FRC'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

In auditing the account, we have concluded that the Standing Committee's use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Scottish Episcopal Church Unit Trust Pool's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Standing Committee with respect to going concern are described in the relevant sections of this report.

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. The trustees are responsible for the other information. 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Unit Trust Pool and its environment obtained in the course of the audit, we have not identified material misstatements in the Committee's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the information given in the accounts is inconsistent in any material aspect with the Committee's report.

Responsibilities of Standing Committee

As explained more fully in the Statement of Responsibilities of the Standing Committee, the Standing Committee are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Committee 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 Committee are 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 trustees either intend 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 financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- A review of manual adjustments made in coming to the accounts would identify any unusual adjustments.
- Through gaining a detailed understanding of the business and operations this allowed for identification of irregularities.
- Analytical review of figures against expectation in order to assess movements which may be caused by irregularities or fraud.
- Specific consideration was given to transactions with related parties.
- Investments were suitably tested for valuation confirmation

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the accounts, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Unit Trust Pool's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the accounts represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

23 April 2021

ETHICAL INVESTMENT POLICY

Policy approved by General Synod 2013:

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.

Changes since 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.

An Ethical Investment Advisory Group was appointed following discussions at General Synod 2019 and is reviewing the Ethical Investment Policy.

In 2020 the last direct investment in a company involved in the extraction of fossil fuels was sold and agreements put in place with the Fund Managers to ensure that no further such direct investments are made.