



Scottish Episcopal Church

39th Annual Report

The General Synod of the Scottish Episcopal Church

Annual Report and Accounts for the year ended 31 December 2021

Notes

Membership

The membership of each Board and Committee is listed on pages 3 - 6 and reflects the membership at 31 December 2021.

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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The Scottish Episcopal Church
21 Grosvenor Crescent
Edinburgh EH12 5EE

0131 225 6357

office@scotland.anglican.org

www.scotland.anglican.org

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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) Most Rev Mark Strange Rt Rev Dr John Armes Rt Rev Anne Dyer Mr James Gibson Very Rev Sarah Murray Rev Canon Dave Richards 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> Mr Robert Gordon Mr Martin Haldane Rt Rev Edward Luscombe The Hon Lord McEwan (<i>to 22 June 2021</i>) Prof Patricia Peattie (<i>from 11 June 2021</i>) Sheriff Alexander Wilkinson (<i>to 11 June 2021</i>) <i>Directors of Scottish Episcopal Church Nominees</i> Rt Rev David Chillingworth Canon Dr John Ferguson-Smith Mr Gavin Gemmell Mr Robert Gordon Mr Martin Haldane The Hon Lord McEwan (<i>to 29 May 2021</i>) Most Rev Mark Strange Sheriff Alexander Wilkinson (<i>to 11 June 2021</i>)	

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 2021 by the Primus, Most Rev Mark Strange

As I write this report, the conflict in the Ukraine is uppermost in many minds. We continue to pray for peace in that beleaguered country, for those who are now refugees and for the governments of Europe to offer welcome and respite for those in need.



When I wrote last year's introduction to our Annual Report, I commented on how we were looking forward to more freedom from regulation and a gradual opening up of our churches and our lives. That optimism is still there even though the long and often deeply confusing path out of Covid regulations continues to tax many of us. I would like to thank the Advisory Group for all their work in guiding us through this difficult process.

The continuing work done by so many to enable the Church to fulfil its purposes is wonderful and once again I would like to thank you all. I am very aware just how exhausting it all has become and how long it seems to take to get things done. I am also very aware of how intentional we need to be in our care for each other.

This year has seen some important developments in the life of the Church.

At the beginning of May, Keith Riglin was consecrated as the Bishop of Argyll and The Isles at a service in St John's Cathedral, Oban. The process of election was, for the first time, conducted online, a process that seemed to work well. It is so good to have a full College of Bishops again.

On St Andrew's Day, in St Mary's Cathedral Edinburgh, the Moderator of the Church of Scotland and I signed the St Andrew Declaration, following approval earlier in the year by both the General Assembly and the General Synod. This was the result of much work by the Inter-Church committees of both denominations and commits us to seeking the best ways of working together in the service of Christ. This was an historic day and it felt good.

During the year, the Church set up the Provincial Environment Group which is already working hard to help us reach our targets on the environment and emissions. This work is so vital, and this was highlighted for me when I had the privilege to represent the SEC during the COP26 meeting in Glasgow.

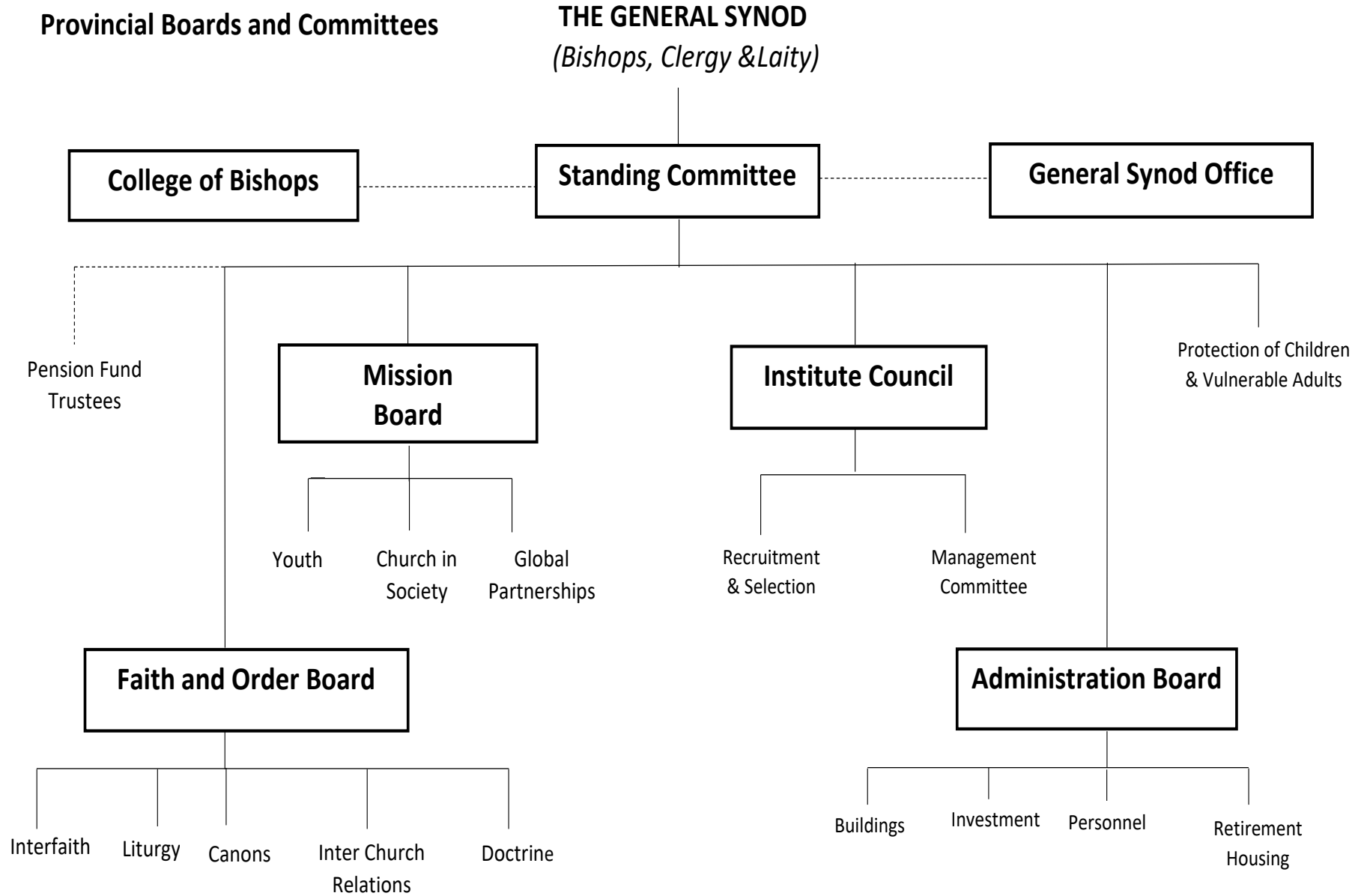
Considerable time has been spent by the Bishops in relation to issues arising in Aberdeen and Orkney. Following advice leading to the setting up of a mediation process, we pray for all involved.

We welcomed the arrival of Bridget Campbell as the Convener of the Standing Committee.

As Primus I represented the Church at the events already mentioned in this introduction and also attended two Anglican Primates meetings with a third, in person, taking place in London at the end of March. I have also been able to take up my role as alternate member of the Anglican Communion Standing Committee - it was good to be back in the middle of things.

At the time of preparing this report, the removal of the last legal restrictions on our worship and church life has just taken place as we continue to discover how to live with Covid. We have helped each other through this pandemic; I pray we can help each other on our journey of faith.

**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 - 2025
Mr C V Gregory	Member	2014 - 2022
Mrs A Jones	Member	2019 - 2023
Mr R Nellist	Member	2014 - 2022
Mr S Somerfield	Member	2021 - 2025

Faith and Order Board

Most Rev the Primus	Convener	
Rt Rev the Bishop of Aberdeen and Orkney		
Rt Rev the Bishop of Argyll and The Isles		
Rt Rev the Bishop of Brechin		
Rt Rev the Bishop of Edinburgh		
Rt Rev the Bishop of Glasgow and Galloway		
Rt Rev the Bishop of St Andrews, Dunkeld and Dunblane		
Mr G Robertson	Convener, Committee on Canons	2018 - 2023
Rev Dr H Harris	Convener, Doctrine Committee	2021 - 2026
Rev Canon Prof C Methuen	Convener, ICRC	2021 - 2026
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
Rev P Mead	Brechin	2021 - 2025
Mrs V Elliott	Edinburgh	2019 - 2023
Rev E L Talbot	Edinburgh	2020 - 2024
Mr R Gascoigne	Glasgow and Galloway	2021 - 2025
Rev P R Watson	Glasgow and Galloway	2019 - 2023
Mr G Swain	Moray, Ross and Caithness	2018 - 2022
Vacancy	Moray, Ross and Caithness	
Rev Canon Dr A Coles	St Andrews, Dunkeld and Dunblane	2021 - 2025
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 Dr H A Harris	Convener	2021 - 2026
Rt Rev the Bishop of Argyll and The Isles	College of Bishops	
Dr Esther Elliot	Member	2021 - 2025
Rev Canon Prof P Foster	Member	2021 - 2025
Rev Dr M J Fuller	Member	2017 - 2025
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 Prof C Methuen	Convener	2021 - 2026
Rt Rev the Bishop of Edinburgh	College of Bishops	
Rev M Dünzkofer	Member	2019 - 2023
Rev Canon D Fostekew	Member	2021 - 2025
Rev C Latimer	Member	2021 - 2025
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
Rev N Bowry	Member	2021 - 2025
Dr S J Innes	Member	2017 - 2025
Rev D Paton-Williams	Member	2020 - 2024
Dr M Tolstoy	Member	2018 - 2022
Mrs V Webb	Member	2015 - 2023
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 E Garman	Convener, Church in Society Committee	2021 - 2022
Rev Dr H Inbadas	Convener, Global Partnerships Committee	2021 - 2026
Rev T N Rongong	Convener, Youth Committee	
Rev Canon V Hancock	Aberdeen and Orkney	2021 - 2025
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
Rev J Boothby	Moray, Ross and Caithness	2021 - 2025
Rev D L Norby	St Andrews, Dunkeld and Dunblane	2019 - 2023

Church in Society Committee

Rev E Garman	Convener	2021 - 2022
Rev B Evans-Hills	Rep for Interfaith Relations Cttee	2020 - 2025
Dr D Bruce	Member	2014 - 2022
Dr E Cameron	Member	2018 - 2022
Rev D C Mumford	Member	2014 - 2022
Rev W Shaw	Member	2021 - 2025
Mr J Collings	EMU Rep (URC)	

Global Partnerships Committee

Rev Dr H Inbadas	Convener	2021 - 2026
Rev Canon E Baker	Member	2020 - 2024
Ms C Beel	Member	2021 - 2025
Ms I Booth-Clibborn	Member	2015 - 2023
Mrs L Crichton	Member	2019 - 2023
Dr G H Moody	Member	2016 - 2024
Rev Canon T Taggart	Member	2021 - 2025

Youth Committee

Vacancy	Chair	
Vacancy	Secretary	
Rev T N Rongong	Convener	
Most Rev the Primus	College of Bishops	
Vacancy	Youth Officer, Aberdeen and Orkney	
Rev R Cansdale	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	
Ms L Forsyth	Youth Officer, Moray, Ross and Caithness	
Mr A Buxel	Member - 12-18	
Miss P Pryce	Member - 12-18	
Miss F McLeman	Member - 12-18	
Miss E Mills	Member - 12-18	
Miss M Shanks	Member - 18-25	
Miss R Cromwell	Member - 18-25	
Miss O Smith	Member - 18-25	
Miss K Byers	Member - 18-25	
Miss M Philp	Member - 18-25	
Mr M Haigh	Co-opted Member, Aberdeen and Orkney	

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 - 2025
Mrs J Ainsley	Argyll and The Isles	2016 - 2024
Mr M Duncan	Brechin	2021 - 2025
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

Board and Committee Membership

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

Investment Committee

Vacancy	Convener	
Mr G Arthur	Member	2019 - 2023
Rev A Fairclough	Member	2019 - 2023
Dr M D Green	Member	2015 - 2023
Mr M Harris	Member	2021 - 2025
Mr A Hunter	Member	2016 - 2024
Mr R MacDonald	Member	2021 - 2025

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 - 2025
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 - 2025
Rev P Fletcher	Member	2020 - 2024
Rev Canon D J B Fostekew	Member	2019 - 2023
Mr P Marsh	Member	2015 - 2023
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 - 2025
Rev P R Watson	Member	2015 - 2023
Mr G Chimara	Student Representative	2021 - 2022
Rev S Cutler	Ecumenical Member	2021 - 2025
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

Ms S Whitley	Chairman	2021 - 2025
Rev Canon Dr J Cuthbert	Member Nominated Trustee	2015 - 2023
Ms B Campbell	Trustee	2020 - 2025
Mr A Hunter	Trustee	2017 - 2025
Rev D C Mumford	Member Nominated Trustee	2015 - 2023
Mr R O'Riordan	Trustee	2021 - 2024

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 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 by 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 25 to 59. 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 2021 and whilst future plans had been articulated in the Committee's annual report for 2020, priorities were re-visited and revised as a result of the Covid-19 pandemic. Also, at certain points during the year significant time on the part of the Bishops, the Convener of the Standing Committee and certain members of GSO staff was devoted to issues concerning the Diocese of Aberdeen and Orkney.

1. Strategic Planning

1.1 Responding to the Pandemic

The Covid 19 pandemic continued to affect many areas of church activity during 2021 and practices adopted during the course of 2020 largely continued. The Committee continued to respond to the circumstances of the pandemic including action as follows:

- Provincial meetings had moved from physical meetings to online ones during 2020. That pattern continued in 2021, with the exception of a very small number of residential meetings held at locations other than the General Synod Office. In all cases, there were specific reasons why an in-person meeting was needed. Board and committee members continued to respond well to meeting online which, despite the obvious disadvantages, provided advantages in savings of travelling time and expense and in helping to reduce carbon footprint. The very minimal staff presence maintained at the General Synod Office was increased slightly during the course of the year with two staff members resuming their normal hours at Forbes House. Staff presence at the office was, however, pared back again in December in response to the Scottish Government plea to encourage home working in response to the emergence of the Omicron variant.
- The Committee was grateful to the Advisory Group established during 2020 for its continued diligence throughout the year in providing advice to the Bishops and the wider church on the application and practical consequences of lockdown regulations, their easing or strengthening, at various points of the pandemic. It issued regular email updates to clergy, lay readers and vestry secretaries as well as monitoring and updating as necessary guidance documents and frequently asked questions. It also oversaw responses to a large number of specific queries raised by clergy and congregations as they sought to adjust to an ever-changing situation. The Secretary General acted as a link person with Scottish Government and regular weekly meetings took place throughout the year between Government officials and Faith Communities at which useful two-way communication took place.

- The Committee continued to support the provision of weekly online worship streamed by the province and Children's Chapel was also sustained on a weekly basis for much of the first half of the year. The allocation of some increased provincial resource allowed Children's Chapel to be resumed after the summer, albeit on a scaled-down basis.
- During the year, the Provincial Treasurer maintained contact with Diocesan Treasurers in order to monitor the overall financial situation pertaining in dioceses. Financial support was provided via two main mechanisms. The first was the setting of quota for 2021 by General Synod 2020 at a significantly lower level than previous years. Quota for 2022 was increased from the 2021 level but still represented a reduced demand compared to historic levels. The reduced level of quota has provided dioceses with a degree of flexibility to respond to financial challenges. The second mode of assistance was principally directed towards congregational finances and comprised the implementation of the proposal reported to General Synod in December 2020 for the establishment of a one-off Recovery and Renewal Fund. Applications were submitted during 2021 by dioceses, based, in large part, on applications made to the dioceses by charges. The Standing Committee was delighted at the applications received and heartened that many applications demonstrated the forward-looking approach of congregations seeking to engage in mission in their local contexts. The applications submitted exceeded the £250,000 provision which Standing Committee had set aside, and the Committee was pleased to be able to respond positively by increasing the total sum available to £300,000. Reports from Dioceses on the spending of the grant monies is being sought in 2022.
- In the autumn of 2020, the Committee had established a Task Group in order to scope the longer-term issues arising out of the period of the pandemic. That Group met twice in early 2021 and reported on its final deliberations to the Standing Committee. The Task Group was wound up and the Committee offers thanks to its members Robert Gordon, the Primus, Jim Gibson, Dave Richards, Alison Simpson and Bishop Andrew Swift.
- The provincial communications function continued to play an important role throughout the year, not least through the regular provision of provincial worship and Advisory Group updates referred to above. In order to provide additional resource, particularly in the latter half of 2021, the role of the Digital Communications Coordinator was increased temporarily to full-time and in early 2022 that temporary increase was made permanent.

1.2 Vision and Strategy

At General Synod 2021, the Committee Convener outlined an intention on the part of the Standing Committee to address issues of vision and strategy. Synod members engaged in online breakout group discussion on a series of questions which provided rich feedback for the Standing Committee. In the weeks following Synod, the Convener undertook a series of discussions with individual Bishops and groups of provincial board and committee conveners, supported by General Synod Office staff, as a preliminary step in this work. However, given the continuing extra work arising from the ongoing pandemic and the focus on responding to issues in Aberdeen and Orkney Diocese, the Committee agreed to pause this work for now.

The Committee was pleased that the Mission Board had appointed members to the new Local Mission Development Committee. As at the year-end, that committee had met only once and was, therefore, only in the early stages of establishing itself. However, Standing Committee intends that its future work on vision and strategy will support local mission, aligning with the work of the Local Mission Development Committee.

1.3 Matters relating to the Diocese of Aberdeen and Orkney

The widely publicised issues relating to the Diocese of Aberdeen and Orkney were of concern to the Committee and featured on its agenda. At its meeting in September, the (non-episcopal) Committee members identified that their key roles in relation to the situation in Aberdeen and Orkney were to discharge their responsibilities as charity trustees of the General Synod; uphold the reputation of the SEC; ensure that appropriate resources were available to support all priority work of the province including extra

work arising from the Aberdeen and Orkney situation; and ensure that SEC discharges its duty of care towards clergy and members of provincial staff. The Committee took various steps in implementation of those identified roles and, following the decision of the Episcopal Synod in late September to set up a mediation process, agreed funding for such a process and entered into a contract with the University of Dundee Mediation and Dispute Resolution Service for its delivery.

1.4 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 2021, like that of 2020, has however been exceptional. In preparing the 2021 budgets some return to 'normal' pre-Covid activities had been assumed. Whilst there has been some limited resumption of such activities the continuing restrictions on travel, residential meetings, training events etc has again resulted in a financial outcome for the year significantly better than that budgeted. Budgeting for future years continues to be a challenge as we seek to establish the extent to which patterns of working will be changed in the light of the experience of the last two years. In agreeing budgets for future years, the Committee will continue to allow a prudent level of overcommitment 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 acknowledges that funding is likely to be required as the SEC seeks to implement Synod's decision to work towards achieving net zero carbon emissions by 2030. There may also be new requirements for funding emerging from the work of the newly established Local Mission Development Committee as it reflects on how best it is able to support and enable mission throughout the SEC. The Standing Committee acknowledges the need to ensure the ongoing development of appropriate training programmes for both clergy and laity and appropriately funded curacies and training placements for those entering stipendiary ministry. The Director of Communications is making progress with further developing the provincial communications function. The Committee 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 first experience of a virtual meeting of General Synod was in December 2020. The meeting in June 2021 was also virtual and held over two days only, building on experience. That approach enabled a greater quantity of business to be processed than had been possible the previous year.

Full minutes of the Synod meeting in June are available on the provincial website. Particular items on the agenda included: approval of the St Andrew Declaration – a joint commitment by the Scottish Episcopal Church and the Church of Scotland; approval of an action plan and guidance points from the Church in Society Committee on issues of climate change, consequent upon the decision in 2020 to work towards achieving net zero carbon emissions by 2030; a report on the review of Canon 4 (election of Bishops); adoption of a Complaints Procedure and Bullying and Harassment Policy; the setting of new policy in relation to how the level of Standard Stipend is determined; and the adoption of a policy proposed by the Ethical Investment Advisory Group on how to apply ethical principles to investment in pooled funds by the Unit Trust Pool.

Since Synod, work has continued on all of those issues and in response to the Synod motion, Standing Committee has established a Provincial Environment Group (PEG) to take forward the important work in matters of climate change and biodiversity, thereby enabling the Church in Society Committee which had been carrying the climate change brief, to concentrate on other matters. Thanks are expressed to the Church in Society Committee and its Technical Group for all their work in this area during the year.

A remit for PEG was agreed and following advertisement, the Standing Committee was pleased to appoint the following as members, to join the convener, Bishop Ian Paton: Cathy Johnston, Dr Valerie Cameron, the Rev Willie Shaw and Robert Woodford. A toolkit to assist congregations in addressing climate change issues was issued in March 2022.

3. Standing Committee Membership and Appointments

There were no changes to the membership of the Standing Committee itself during the year, but a number of appointments were made to other bodies. The General Synod accepted all the Committee's nominations as follows: Patsy Thomson and the Rev Stewart Cutler for membership of the Institute Council; the Rev Canon Kenneth Rathband, the Rev Canon Dr Marion Chatterley and the Hon Lord Arthurson for membership of the Clergy Discipline Tribunal; John Stirling for membership of the Preliminary Proceedings Committee; and Prof Patricia Peattie as a new General Synod Trustee.

The Committee was very grateful to Richard McIndoe for extending his period of office as Chair of the Pension Fund Trustees until the end of 2021, as well as for his dedicated service for over 6 years which included overseeing two triennial valuations of the Fund. It is similarly grateful to Michael Green who completed his term of office as a trustee. To succeed them, Standing Committee was delighted to appoint Sarah Whitley as the new Pension Fund Chair and Robert O'Riordan as a new trustee and to re-appoint Andrew Hunter for a second term of office as a Trustee.

4. Pensions, Stipends and Salaries

During the year, the Committee liaised with the Pension Fund Trustees in connection with the triennial valuation of the Pension Fund as at 31 December 2020. The Committee met the Chair of the Trustees in May to discuss the preliminary results of the valuation. On the "technical provisions" valuation basis, the valuation showed a surplus of £5.6 million, and the Committee was heartened that, notwithstanding that the valuation also indicated a future service contribution rate of 41%, the surplus on the Fund allowed the actual contribution rate to be maintained at 32.2% of Standard Stipend or salary. A proposal to that effect was agreed by General Synod in June 2021.

The Committee also processed a small number of applications for early retirement and, as part of its annual duties, provided the Pension Fund Trustees with detailed information to enable the latter to assess the strength of the employer covenant.

Plans referred to in the previous annual report of the Committee to outsource certain elements of Pension Fund administration were not advanced as quickly as had been hoped, in large part owing to limitations arising from the pandemic. However, it is intended that these matters will be completed during 2022.

The Administration Board brought proposals to General Synod 2021 in relation to the mechanism for setting Standard Stipend following a report from a review group. Previously, Standard Stipend had been set at the same rate as the Church of England National Stipend Benchmark and had consequently failed to keep pace with inflation in recent years. Synod agreed that for 2022 Standard Stipend should be increased in line with increases in Church of England National Stipend Benchmark (or Consumer Price Index – CPI - if greater); that from 2023, Standard Stipend should rise at 1% above the rate applied to the Church of England National Stipend Benchmark, (or by 1% above CPI if greater), until such time as it reaches a level equal to 2006 Standard Stipend scaled up pro rata with CPI; and that in subsequent years, Standard Stipend should maintain the same percentage uplift as the Church of England National Stipend Benchmark, subject to a triennial review in the light of changes in CPI and other relevant factors. In consequence of the new policy, the Administration Board agreed an increase of 2% in Standard Stipend for 2022.

The Committee also sets the pay and remuneration of all staff employed in the General Synod Office following salary scales it has adopted. It also considers specific recommendations on remuneration, including the remuneration of key management personnel, annually. (Details of key management personnel can be found at note 3 to the accounts.) In September 2021, the Committee agreed a 2%

increase in General Synod Office salary scales from 1 November (the annual review date) with a similar increase in Pensionable Salary from 1 November 2021.

5. Other Matters

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

- The Committee received submissions from the College of Bishops about potential curacy placements to begin in 2022. Recognising that all of the placements in question would provide excellent training contexts but that these curacies could not be sustained on the basis of the traditional 50% provincial grant, the Committee agreed to increase provincial support to 75% of stipend and on-costs for those three specific placements. Providing such enhanced support is consistent with the Committee's desire to continue to ensure excellence in the training and formation of those entering authorised ministry in the Church.
- Following upon issues arising from the Clergy Wellbeing Survey conducted by the Personnel Committee in 2019, the Committee responded positively to the request from the College of Bishops to fund the rolling out of a four-session training course delivered by Place for Hope on 'Living with Differences'. Delivery of the course began in 2021 and will continue throughout 2022.
- In order to assess the future resourcing implications for the management and maintenance of the province's clergy retirement housing stock, the Committee supported the commissioning of an independent review of all such properties. The review began towards the end of 2021 and a report is expected early in 2022.
- In accordance with the policy adopted by General Synod 2021 on the application of ethical investment principles to pooled fund investments held by the Unit Trust Pool, the Committee was pleased to receive its first compliance report from the Investment Committee on such matters. The report, up to 30 September 2021, confirmed that the Unit Trust Pool held no investments in the 'restricted categories' set out in the ethical policy, either directly or in pooled funds.
- The COP 26 climate change conference held in Glasgow in November 2021 attracted very significant worldwide interest. The Primus, supported by the Church Relations Officer, played a significant role in hosting the Anglican Communion delegation to COP as well as a brief visit by the Archbishop of Canterbury. The SEC's role in hosting and supporting the delegation was widely appreciated within the Anglican Communion.
- The Committee was apprised of work being undertaken by the Safeguarding Committee in particular in relation to proposed changes to the structures in the province for addressing the Church's future safeguarding needs. That work is ongoing and specific proposals are expected during 2022.

General Synod Office Staff Changes

There were few changes in personnel at the General Synod Office. Two staff who were on part furlough at the beginning of the year resumed their normal hours during the course of the year. Towards the end of the year Marion Watson, who was part-time assistant to Miriam Weibye, moved on to another post, and thanks are expressed to her for her service. In the light of the increased resourcing needed to support the Church and its work towards achieving net zero carbon emissions, it was decided to create a full-time assistant to the Church Relations Officer, and Fiona Campbell was welcomed to the office to take up that new post of Environmental and Church Relations Assistant in mid-November. In order to respond to the need for greater resource in other areas, modest increases in hours were agreed for implementation in 2022 in relation to the posts of PA to the Secretary General (Donna Glass) and the Provincial Youth Enabler (Claire Benton-Evans).

Financial Review

(The audited accounts can be found at page 71)

Result for the year

The total revenue deficit for the year was £96,700, some £326,300 less than the total budgeted deficit of £423,000. There was a deficit of £242,000 on the General Fund rather than the budgeted deficit of

£499,000. 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 underlying General Fund result, ignoring the impact of the Recovery and Renewal Fund grants paid during the year, was a surplus of £58,000 – some £307,000 more than budgeted.) 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 deficit of £96,700. General Fund income was some £123,400 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 the agreed reduction for the year. Total expenditure was £133,600 less than budgeted. Most of the reduced expenditure was directly related to the impact of Covid-19 restrictions on many areas of normal activity. The continuing use of video conferencing facilities for most meetings and many other activities and limitations on travel were major factors in reducing costs. One area of agreed over-expenditure was the additional £50,000 funding provided to charges and dioceses through the Recovery and Renewal Fund.

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, as a consequence of its decision to provide additional grants totalling £300,000 to dioceses and charges, a deficit was incurred in 2021 and that future deficits are anticipated which will be funded from the reserves generated by recent surpluses. 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 £40,200 was generated due to the profit arising on the sale of one retirement property. Surpluses arising on the sale of such properties 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 £7.4m of which £5.5m 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 69% and 23% 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. In line with the agreed policy designed to assist charges and dioceses respond to the impact of the Covid-19 pandemic on their finances, Quota income fell by 19% (£142,000) in 2021. The agreed 10% increase for 2022 is in line with the expectation 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 52) provides more information about 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. Given the UTP's recent good performance a substantial increase in the annual distribution was agreed for 2021. The distribution was increased by 7p to 65p. The increase of 12% 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 91).

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. Agreements were put in place in 2020 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 impractical. Such pooled funds are however now subject to a policy framework developed by the Ethical Investment Advisory Group and agreed by General Synod in 2021. As noted above the Investment Committee's first compliance report produced pursuant to that framework confirmed no investments in the 'restricted categories' were held, either directly or in pooled funds. (Details of the Ethical Investment Policy can be found at page 97.)

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 is. 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 £2.3m.

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 £64m at 31 December 2021 and are represented by investments and liquid funds which generate an annual income of approximately £1.4m. The Committee therefore considers that the reserves held are reasonable and 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 52) 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 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. The impact of the pandemic (senior staff absent on sick leave at the same time) underlined the leanness of senior staff resources.

Future Plans

It is difficult for the General Synod to make firm future plans with confidence that they will be implemented when both it and the Scottish Episcopal Church as a whole continue to operate in a particularly changing and challenging environment. The outbreak of war in Ukraine recently changed the global context in ways which we are only beginning to understand.

We are still living through the Covid-19 pandemic although now beginning to prepare for transition to living with Covid and life thereafter. The Committee has been very grateful for the work of the Advisory Group in guiding us all through difficult decisions. The Group comprises Robert Gordon, Elaine Garman, Dr Mike

Jones, Bishop Andrew Swift and Derek Thomson. (In March 2022 the Group signalled a return to each church making its own decisions on precautions based on local risk assessment and local views.)

In 2022, the Committee expects to progress the work of the General Synod in the following areas:

- Drawing together the range of work and activities of the boards and committees of the General Synod to improve coherence of plans and implementation;
- Finding ways of sharing learning from the inspiring local work to respond to the pandemic supported by the Recovery and Renewal Fund;
- Overseeing completion of changes to the structures in the province to address the Church's future needs on safeguarding to complement rollout of training on that subject;
- Encouraging the Mission Board in its work in establishing support for local mission development and in exploring and fostering discipleship through the Season of Christian Life;
- Encouraging the Provincial Environment Group's work to support the SEC in working towards the target set by General Synod 2020 to achieve net zero carbon emissions by 2030 and in responding to related environmental concerns such as loss of biodiversity.
- Supporting realisation of the ambitions of the St Andrew Declaration on more effective collaboration with the Church of Scotland.

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 91.

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 thanks are due to all those who have continued to shoulder additional responsibilities arising out of the Covid-19 pandemic. On behalf of the Committee, I express our gratitude to all those who have served during the year.

Bridget Campbell
Convener

28 April 2022

General Synod Financial Overview

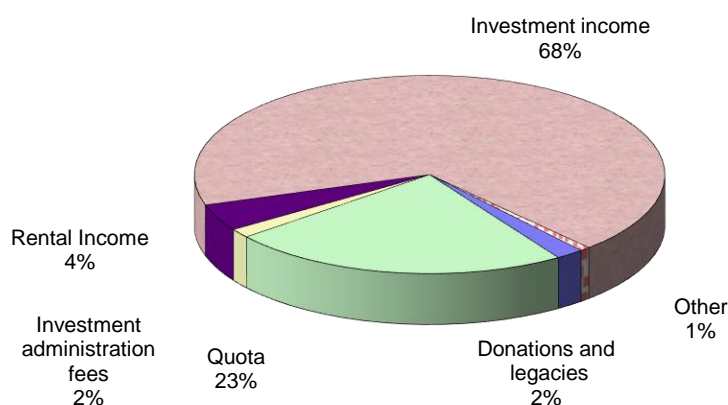
Most of the activities of the General Synod are funded from allocations from the General Fund. The Fund's income was £123,400 in excess of budget primarily as a result of investment income exceeding budget. The continuing limitations on travel and in-person meetings arising from the Covid-19 pandemic meant that many costs were again less than budgeted. Underlying routine expenditure was some £183,600 less than budgeted. The underspend enabled an increased allocation of funds to the Recovery and Renewal Fund. A total of £300,000 (rather than the budgeted £250,000) was provided to dioceses and charges under this one-off scheme intended to assist them as they adapted to the challenges and new opportunities encountered as they emerged from the pandemic. Total General Fund expenditure was therefore £133,600 less than budgeted. The General Fund deficit of £242,000 was £257,000 better than budgeted. (See General Fund financial statement on page 19.)

Some of the General Synod's activities are funded from sources other than the General Fund. Most of these other funds produced surpluses in the year resulting in a total revenue deficit of £96,680. (The Revenue Account on page 74 summarises the results of all the funds.)

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

Analysis of income

(Total revenue income: £2,566,794)



Analysis of expenditure

(Total Revenue expenditure: £2,663,474)

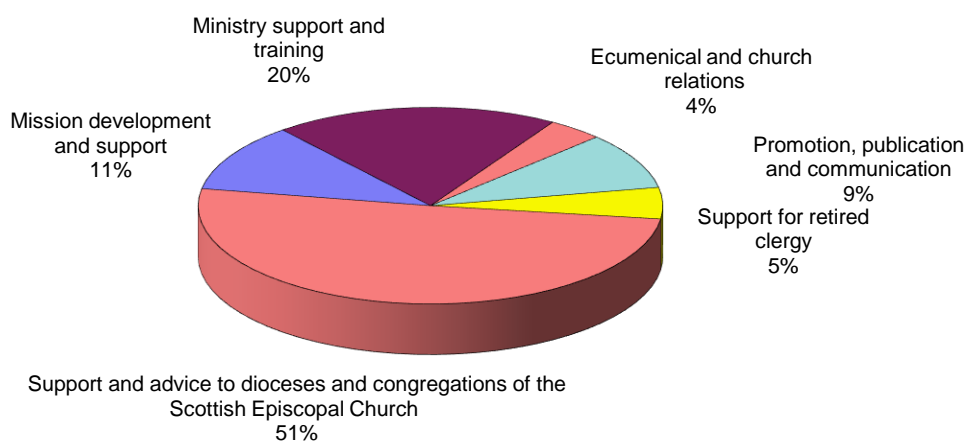


Table A: Legacies and Donations Received

Legacies	Recipient Fund	£
No legacies received in year		
	Sub total	-
Donations	Recipient Fund	£
Benefact Trust (formerly Allchurches Trust)	Building Grants Fund	17,980
Callendar Trust	General Fund	2,500
DB Flanagan Trust	General Fund	353
St Margaret of Scotland's House	General Fund	4,000
St Cuthbert's, Edinburgh	SEI Training Fund	13,000
Church donations	SEI Training Fund	682
Benson-Wilson Charitable Trust	SEI Training Fund	1,200
Individual donors	SEI Training Fund	1,650
Individual donors	St James Fund	525
Individual donor	Alastair Haggart Bursary Fund	100
Individual donors	Community Fund	485
Church donations	Community Fund	25
WA Cargill Trust	Clergy Widows and Orphans (Cargill Trust)	3,000
WA Cargill Trust	Retirement Supplementary Fund	2,000
Individual donors	Retirement Supplementary Fund	125
St Mary's Tolbooth Trust	Church in Society Committee	713
St Mary's Tolbooth Trust	Mission Board	713
	Sub total	49,051
Total		49,051

Table B: Quota

Diocese	2019 Requested	2019 Received	2020 Requested and Received	2021 Requested and Received	2022 Requested
	£	£	£	£	£
Aberdeen and Orkney	84,312	84,312	85,127	62,880	71,262
Argyll and The Isles	25,360	25,360	26,398	22,860	25,008
Brechin	49,905	49,905	49,386	40,380	44,340
Edinburgh	287,861	264,672	280,279	237,360	264,438
Glasgow and Galloway	160,466	160,466	157,649	124,740	131,064
Moray, Ross and Caithness	47,977	47,977	47,384	40,440	45,234
St Andrews, Dunkeld and Dunblane	85,646	85,646	85,795	71,340	78,654
Total	741,527	718,338	732,018	600,000	660,000

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 2020 £		Revised Budget 2021 £	Actual 2021 £	Variance fav/ (adv) £
INCOME				
<i>Investment Income</i>				
1,192,980	UTP income	1,223,835	1,336,969	113,134
3,293	Interest	4,000	5,402	1,402
21,243	Net investment property income	21,243	21,243	-
1,217,516		1,249,078	1,363,614	114,536
<i>Administration fees</i>				
4,276	UTP / investment administration	2,000	7,283	5,283
30,055	Pension Fund administration	30,500	30,235	(265)
18,395	Restricted and other funds	18,395	18,395	-
52,726		50,895	55,913	5,018
732,018	Quota	600,000	600,000	-
6,294	Donations and legacies	3,000	6,853	3,853
2,008,554	<i>Total Income</i>	1,902,973	2,026,380	123,407
ALLOCATIONS				
836,835	Standing Committee	912,170	857,426	54,744
252,047	Administration Board	259,820	253,670	6,150
408,987	Institute Council	476,830	443,429	33,401
455,008	Mission Board	476,820	411,049	65,771
5,821	Faith and Order Board	26,275	2,781	23,494
-	Recovery and Renewal Fund	250,000	300,000	(50,000)
1,958,698	<i>Total allocations</i>	2,401,915	2,268,355	133,560
BALANCES				
49,856	Surplus/(deficit) for year	(498,942)	(241,975)	256,967
1,000,975	Balance brought forward	1,050,831	1,050,831	-
1,050,831	<i>Balance carried forward</i>	551,889	808,856	256,967
CAPITAL ACCOUNT				
INCOME			Actual 2021 £	
-	<i>Total Income</i>		-	
EXPENDITURE				
-	<i>Total expenditure</i>		-	
BALANCES				
-	Surplus/(deficit) for year		-	
41,985,893	Balance brought forward		57,241,192	
15,255,299	Unrealised gain on revaluation as at 31 December 2021		5,537,436	
57,241,192	<i>Balance carried forward</i>		62,778,628	

General Synod Office and Provincial and Other Expenditure

Actual 2020 £			Revised Budget 2021 £	Actual 2021 £	Variance fav/(adv) £
INCOME					
836,835	Allocation from General Fund		912,170	857,426	(54,744)
<u>836,835</u>			<u>912,170</u>	<u>857,426</u>	<u>(54,744)</u>
EXPENDITURE					
Costs of General Synod Office					
552,029	Employees	Salaries, NIC, Pension Contributions	583,510	570,155	13,355
861		Staff travel and subsistence	4,250	714	3,536
30		Staff training	1,910	-	1,910
-		Recruitment costs	3,500	230	3,270
<u>552,920</u>	<i>Sub-total</i>		<u>593,170</u>	<u>571,099</u>	<u>22,071</u>
23,747	Premises	Building repairs and maintenance	30,000	24,996	5,004
2,974		Rates	5,100	2,585	2,515
18,383		Light, heat and cleaning	23,000	18,161	4,839
11,453		Insurance	12,000	11,263	737
<u>56,557</u>	<i>Sub-total</i>		<u>70,100</u>	<u>57,005</u>	<u>13,095</u>
7,786	Administration	Telephone and postage	11,000	9,416	1,584
1,417		Printing and stationery	4,000	1,369	2,631
11,724		Photocopier	12,400	12,637	(237)
32,050		Computing maintenance and equipment	18,500	23,370	(4,870)
7,957		Payroll Bureau processing costs	9,000	9,186	(186)
2,371		Miscellaneous	4,000	1,901	2,099
409		Office equipment and furniture	1,000	124	876
<u>63,714</u>	<i>Sub-total</i>		<u>59,900</u>	<u>58,003</u>	<u>1,897</u>
<u>673,191</u>	<i>Total Costs of General Synod Office</i>		<u>723,170</u>	<u>686,107</u>	<u>37,063</u>
Provincial Costs					
18,422	Primus		19,650	16,108	3,542
11,030	College of Bishops		8,000	8,992	(992)
10,000	Election of Bishop		10,000	10,000	-
8,670	General Synod	Annual meeting	8,000	3,750	4,250
739		Annual report	1,000	746	254
2,705		Synod papers	3,300	3,814	(514)
702	Office for Protection of Children and Vulnerable Adults		2,000	305	1,695
11,059	Communication costs		10,000	7,843	2,157
1,162	New Clergy Welcome Day		350	-	350
-	Clergy Training		-	7,236	(7,236)
162	Clergy Legal Expenses Insurance		300	162	138
1,485	Trustee Liability Insurance		2,000	1,634	366
14,441	Professional fees	Audit	15,000	15,120	(120)
31,826		Legal and advisory	48,000	44,837	3,163
536	Immigration Sponsors Licence		-	-	-
2,762	Subscriptions	Scottish Churches Committee etc	2,800	3,535	(735)
<u>115,701</u>	<i>Total Provincial Costs</i>		<u>130,400</u>	<u>124,082</u>	<u>6,318</u>

General Synod Office and Provincial and Other Expenditure

Actual 2019 £		Revised Budget 2020 £	Actual 2020 £	Variance fav/(adv) £
	Committee Meeting Expenses			
689	Standing Committee	2,000	-	2,000
8	Committee for Protection of Children & Vulnerable Adults	400	-	400
252	Ethical Investment Advisory Group	100	-	100
-	Provincial Environment Group	-	261	(261)
<u>949</u>	<i>Total Committee Meeting Expenses</i>	<u>2,500</u>	<u>261</u>	<u>2,239</u>
	Subscriptions to church bodies			
4,145	World Council of Churches	4,000	4,107	(107)
1,205	Conference of European Churches	1,400	1,225	175
5,000	Churches Together in Britain and Ireland	5,000	5,000	-
-	Action of Churches Together in Scotland	8,000	-	8,000
35,644	Anglican Consultative Council	36,700	35,644	1,056
<u>45,994</u>	<i>Total Subscriptions to church bodies</i>	<u>55,100</u>	<u>45,976</u>	<u>9,124</u>
	Grants			
<u>1,000</u>	Primus discretionary	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<u>1,000</u>	<i>Total Grants</i>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<u>836,835</u>	<i>Total Expenditure</i>	<u>912,170</u>	<u>857,426</u>	<u>54,744</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

Throughout 2021, the Provincial Safeguarding Committee continued to meet virtually while in-person meetings were not possible. In spite of that, the Committee continued its business, meeting on three occasions throughout the year with the meetings focusing on the proposals developed from the Safeguarding Audit, completed in 2019, for changing safeguarding structures across the Province.

The Committee considered and developed proposals from the short life working group (SLWG) established jointly by the Safeguarding Committee and the Safeguarding Audit Implementation Group on what a 'safe church' would look like and what changes would be required to enable the Scottish Episcopal Church (SEC) to be better prepared for current developments on safeguarding within wider society.

The Committee was mindful of how the findings of the Independent Inquiry on Child Sexual Abuse (IICSA) in England and Wales on safeguarding in faith groups might inform and influence policy development in Scotland and how important it was for the SEC to look to be 'ahead of the game' and properly prepared for possible changes. The Committee is keen to provide leadership and guidance to all in the Church to address safeguarding proactively so as it obviate the need to react to incidents reactively where someone had been harmed.

The Committee has maintained an overview of the work of the SEC's Canonical Review Group in reviewing the two canons which have the most significant implications for safeguarding within the SEC, Canons 65 and 54. Unfortunately, the work of the Review Group has not been as rapid as the Committee would have wished for speedier progress with this work. The Committee also completed work on how the SEC will deal effectively with victims/survivors of abuse within the church.

Looking ahead, the Committee will be considering the implications of the changes to the Protection of Vulnerable Groups (PVG) legislation by the Disclosure (Scotland) Act 2020. During the year, the Safeguarding Team had to take account of a number of changes to the PVG Scheme to accommodate the restrictions under which the staff at Disclosure Scotland and Volunteer Scotland Disclosure Services were operating. The new legislation will present significant additional and ongoing administrative requirements of the SEC that will fall to the Safeguarding Team.

I continue to be 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, as I always do, by reminding everyone that the Provincial Safeguarding Committee is responsible for providing guidance to the rest of the Church on the safety of members and compliance with all the requirements of current legislation. The focus that we, as a Church, provide to safeguarding, not just to the vulnerable but to 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 2020 £		Revised Budget 2021 £	Actual 2021 £	Variance fav/ (adv) £
INCOME				
5,821	Allocation from General Fund	26,275	2,781	(23,494)
<u>5,821</u>	<i>Total Income</i>	<u>26,275</u>	<u>2,781</u>	<u>(23,494)</u>
EXPENDITURE				
2,530	Board expenses	5,770	-	5,770
627	Work of Liturgy Committee	5,100	2,225	2,875
631	Work of Committee on Canons	800	214	586
97	Work of Doctrine Committee	2,000	-	2,000
349	Inter-Church Relations Committee	5,305	192	5,113
708	Europe Group	3,800	75	3,725
869	Interfaith Relations Committee	2,500	75	2,425
10	Diaconate Working Party Committee	1,000	-	1,000
<u>5,821</u>	<i>Total Expenditure</i>	<u>26,275</u>	<u>2,781</u>	<u>23,494</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 2021 the Faith and Order Board met two times to oversee important areas of our Church's life and work, both times meeting on Zoom. The Board considered the work and interplay of its five pendent committees – Canons, Doctrine, Inter-Church Relations, Interfaith Relations, and Liturgy – and also discussed a number of other matters affecting the life of the Church.

In the year of United Nations Framework Convention on Climate Change (COP26), and recognising the urgency of the climate crisis, the Board discussed the particular need for faith and order consideration as part of wider provincial discussions. Each committee was asked to consider how it could best contribute to a whole-church approach to the climate crisis.

The Diaconate Working Group (DWG), an ad-hoc group reporting to Faith and Order, met to consider updating resources on the diaconate that are available on the Scottish Episcopal Church website, and continued to reflect on the role of deacons in liturgy. It also engaged with the newly established provincial chapter of deacons, and looked at continued ministerial formation.

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, following the direction expressed at General Synod 2021 that the Electoral Synod model should be maintained, has worked with the Committee on Canons to produce a revised canon for first reading to General Synod 2022. The Review Group has also considered producing resources to support the use of Canon 4.

The detailed work of the five pendent 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 pendent committees. I am also grateful to all the General Synod Office staff for their support throughout the year.

Bishop Mark
Convener

Committee on Canons

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

The Committee met seven times by Zoom in 2021.

The final report from the Canonical Review Group on Canons 53 , 54, 64 and 65 was submitted to the Faith and Order Board in August 2021 and the Committee was instructed by the Board to proceed with the canonical changes covered by the Report. The Committee continues to work on these changes but the Faith and Order board has decided to defer presenting these to General Synod for first reading for the time being. In drafting new Canons, the Committee is taking professional advice on several, more technical legal issues included in some of the Canons.

The Canon 4 Review Group reported to the Faith and Order Board in August 2021 and the Committee was instructed by the Board to proceed with the canonical changes covered by the report. The Committee is drafting the necessary changes to Canon 4 so that it can be presented to General Synod for first reading.

The Committee has eight members. Individually they cover a wide range of specialism and experience. The Committee works within budget. 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 and additional secretarial help provided by Fiona Campbell.

Graham Robertson
Convener

Liturgy Committee

The pandemic has continued to impact on the work of the Committee in two principal ways. The disruption in the schedule of Synodical business has meant that procedures under Canon 22 were delayed, meaning that a body of material has accumulated for submission to General Synod 2022. There has also been some reordering of priorities in light of changing needs in the Church during the last two years.

Following approval by the Faith and Order Board, a Season of Creation has been introduced to the calendar, with Propers for use with Scottish Liturgy 1982 and with Daily Prayer authorised for experimental use. A supplementary collection of intercessory resources was also published.

A number of changes to Scottish Liturgy 1982 which have hitherto been permissive, were brought to General Synod 2021 for first reading. These changes mostly concern gendered language of God, and also Eucharistic Prayers suitable for the Christmas and Epiphany seasons, currently numbered IIa and IIb. These have been in use for several years, and have been widely accepted, but do not represent the end of renewal in the liturgical life of our Church.

During 2021, the Committee worked on a substantial volume of material intended for first reading at General Synod 2022. The books of Pastoral Offices for Priests, Deacons, and for Readers and other authorised lay ministers, have been in experimental use since 2017. These will be brought to Synod with some amendments, and with the inclusion of provision for Baptism outside public worship (intended for use in circumstances of pastoral necessity only) and for prayer with the bereaved at the time of death (from Funeral Rites 1987). The liturgies for Lent, Holy Week, and Easter have also been in experimental use for several years, and in the light of the pandemic, the period for their experimental use has been extended until 2025.

Liturgical material for times of lament have been approved by the Faith and Order Board, and authorised by the Bishops for experimental use.

A new departure has been the use of “Webinars” to introduce newly authorised liturgical material to the wider Church. These will be publicised as the occasion arises.

The Liturgy pages on the Scottish Episcopal Church website have been revised, with rites authorised for experimental use now posted on a dedicated sub-page. These each have a feedback form attached, which members of the Church are encouraged to use. This will assist refinements when, in due course, this material is prepared for submission to General Synod.

The use of the internet platform Zoom for meetings has enabled considerable savings in travel time and costs. Some of the latter has been used to finance a longer annual residential meeting, which has proved worthwhile.

Nicholas Taylor
Convener

Inter-Church Relations Committee

Objectives

The Inter-Church Relations Committee (ICRC) exists to promote the Scottish Episcopal Church's (SEC) relationships to other churches. It works locally and nationally with Local Ecumenical Partnerships and Action of Churches together in Scotland (ACTS) and successor bodies. It works to support other ecumenical instruments and agreements.

Achievements

The highlight of 2021-2022 was the approval of the St Andrew Declaration by both the General Assembly of the Church of Scotland (CofS) in May 2021, and the General Synod of the SEC, in June 2021. In conjunction with the Ecumenical Relations Committee of the CofS, the ICRC organised a successful conference on 30 November 2021 (St Andrew's Day), leading into the signing of the St Andrew Declaration by the Primus of the SEC and the Moderator of the CofS General Assembly at a festal evensong at St Mary's Cathedral on the evening of St Andrew's Day, including a liturgical reading of the St Andrew Declaration. Despite the ongoing restrictions due to Covid-19, both the conference and the service were well attended. Members of a CofS – SEC Working Group now need to be appointed to take the work of the Declaration forward.

Activities

In addition to the on-going work with the CofS, the Church Relations Officer, has been closely involved in the protracted negotiations relating to the transition from ACTS to a Scottish Christian Forum. It had been expected that this process would have been complete by now, but at present it is still on-going.

On behalf of the Anglican Communion Office, the ICRC convener, Charlotte Methuen, has acted as consultant to negotiations between the Evangelical Lutheran Church of Bavaria (ELKB) and The Episcopal Church (USA) (TEC); these have resulted in a proposal for full communion which will be presented to the TEC General Convention and the Synod of the ELKB in summer and autumn 2022.

In June 2021, two members of ICRC, Charlotte Methuen and Markus Dünzhofer, spoke at an online conference organised by the Willibrord Society (UK) to mark 90 years of the Bonn Agreement, signed between Anglicans and Old Catholics in June 1931.

The ICRC continues to be closely involved in the Porvoo Communion and of the Reuilly Agreement and to monitor the work of the Meissen Commission. The ICRC is also preparing for participation in the Eleventh General Assembly of the World Council of Churches, originally planned for September 2021, and now due to take place in Karlsruhe, Germany, in September 2022.

Financial review and plans for future periods

The ICRC has met via zoom since spring 2020. The St Andrew Declaration conference and service were the only in-person events. This has meant a significant reduction in the cost of meetings. Going forward, the ICRC plans that most of its meetings will continue online, with one residential meeting each year.

In 2022, there will be additional costs incurred relating to the WCC General Assembly. Four Nations meetings will also resume in person, with associated costs for SEC delegates.

Charlotte Methuen
Convener

Interfaith Relations Committee

Objectives & activities

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). The Church of Scotland's Interfaith Officer is welcomed to its meetings as an observer. As a recent committee of the Faith and Order Board (since General Synod 2019) it exists to resource and develop engagement of member Churches, with people of other faiths and to aid in deepening community relations with the diverse faith communities in Scotland. The IFRC encourages its members and Church congregations to engage with local and national interfaith bodies. Knowing from experience that such engagement enriches our own faith understanding and identity, and helps build relationships of trust and mutual support for the common good.

Achievements and performance

Province

The IFRC provided two seminars for the SEI, in theologically resourcing and encouraging engagement with people from other faiths. The Scottish Government's Faith Leaders Group has continued to meet with regard both to Covid guidance and the United Nations Framework Convention on Climate Change (COP 26), with the First Minister addressing the group ahead of the gathering in Glasgow.

Interfaith Scotland/Interfaith Glasgow

Aside from a number of other opportunities for engagement, Interfaith Scotland arranged faith participation at COP26 on behalf of the Scottish Government, although organisation of the full conference was in the hands of Westminster. To this end, Interfaith Scotland, in partnership with Interfaith Glasgow, organised a Multifaith Vigil in Glasgow at the start of the conference. A Declaration from religious leaders across both Scotland and the UK was read out.

Refugees

The SEC has provided grants to Scottish Faiths Action for Refugees (SFAR). The SEC & IFRC representative to SFAR is Nicholas Bowry, who has had considerable experience in various parts of Scotland in working with refugees. SFAR is currently promoting the Community Support Programme, bringing communities together in welcoming and supporting refugees. The IFRC has participated with Interfaith Glasgow in online zoom sessions for those local to Glasgow. Our relationship with Interfaith Glasgow in supporting refugees and those new to Scotland continues.

National (UK-wide)

IFRC regularly meets with ecumenical partners with Churches Together in Britain & Ireland through the Inter Faith Theological Advisory Group (IFTAG) and the Churches' Forum for Inter-Religious Relations (CFIRR). The Primus invited the committee to participate with Anglican Communion Leaders from the Four Nations (England, Ireland, Scotland & Wales), where interfaith engagement was discussed.

International

We continue to participate with NIFENAC – the Anglican Communion's Network of Inter Faith European and North American Concerns, as well as with the World Council of Churches Office for Inter-Religious Dialogue and Cooperation. Through her work prior to coming into the SEC the Convener has continued to work with the United Nations Office for Genocide Prevention & the Responsibility to Protect.

Financial Review and plans for future periods

This past year, no financial obligations were incurred, predominantly due to Covid restrictions.

Bonnie Evans-Hills
Convener

Doctrine Committee

Members of the Doctrine Committee joined with the Liturgy Committee in providing recorded conversations, online panel presence, and chairing, at the conference 'Gender and Liturgy in Conversation', 12-17 April.

Members of the Doctrine Committee published *Made in the Image God: Being Human in the Christian Tradition*, eds. Michael Fuller & David Jasper (Sacristy Press, 2021), with a Foreword by the Primus, and Afterword by David Fergusson. The Publishers hosted a successful online book launch in May at which the Primus spoke, along with the editors, and contributors to the volume.

The Book has received favourable reviews, including in *The Church Times*, 11 Feb 2022 and the *International Journal for the Study of the Christian Church*, an ambivalent review in *New Directions*, and an article in the *Church of England Newspaper* 10 June 2021.

Grosvenor Essay 13, *Theology of Authority in the Ministry of the Church*, available online, has also been made available in hard copy and is available from the General Synod Office.

David Jasper, Oliver O'Donovan and Trevor Hart presented the paper *Theological Reflections on the Church and the Pandemic* to the Faith and Order Board meeting in March, and to the Four Nations Faith and Order Consultation hosted by the Archbishop of Dublin in May 2021. The reception in Dublin focused particularly on anxieties about pastoral care for the dying during the pandemic.

It has been agreed to return to reflections on this topic at a later date.

The Committee thanked David Jasper for his vision and guidance as Convener, and Bishop Bob for his thoughtfulness and service to the Committee. Both stood down at General Synod 2021. Bishop Keith succeeds Bishop Bob, and Harriet Harris has returned to the role of Convener.

The Committee prepared a response to the Assisted Dying Consultation – Consultation on Assisted Dying for Terminally Ill Adults (Scotland) Bill, which it shared with the Church in Society Committee, which coordinated the Scottish Episcopal Church response to the bill.

Harriet Harris
Convener

Mission Board

Actual 2020 £		Revised Budget 2021 £	Actual 2021 £	Variance fav/ (adv) £
INCOME				
455,008	Allocation from General Fund	476,820	411,049	(65,771)
11,919	Investment income	12,225	13,396	1,171
981	Legacies and donations	1,000	713	(287)
<u>467,908</u>	<i>Total Net Income</i>	<u>490,045</u>	<u>425,158</u>	<u>(64,887)</u>
EXPENDITURE				
428	Board expenses	3,000	-	3,000
346,900	Mission and Ministry Support Grants	353,900	353,900	-
4,195	Provincial Youth Week	18,000	2,795	15,205
-	Children's work	500	-	500
184	Local Mission Development Committee	1,000	640	360
1,269	Youth Committee	4,000	394	3,606
40	Other activities	1,000	140	860
-	Training Course	2,500	-	2,500
<u>353,016</u>	<i>Sub-total</i>	<u>383,900</u>	<u>357,869</u>	<u>26,031</u>
<i>Allocation to Committee funds</i>				
<u>114,892</u>	Church in Society Committee	<u>106,145</u>	<u>67,289</u>	<u>38,856</u>
<u>114,892</u>	<i>Total allocated to committees</i>	<u>106,145</u>	<u>67,289</u>	<u>38,856</u>
<u>467,908</u>	<i>Total Expenditure</i>	<u>490,045</u>	<u>425,158</u>	<u>64,887</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

In 2021 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. It is hoped that some in-person meetings may resume in 2022.

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 (LMDC). Diana Hall has taken up the role of convener for this committee. The core committee has been formed and the work of the LMDC is progressing well as they determine where their focus should be and consider a subjective approach to look at data that is already available in the province to ensure their work has a bottom up approach in the coming year.

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 and with new members and a new convener due to be appointed in the summer the Church in Society Committee will look at its focus in 2022. The members of the Church in Society Committee are thanked for the resources and skills they have brought and are grateful to the Provincial Environmental Group for continuing and enhancing the work already undertaken on this important issue. Our thanks were noted to Jenny Wright for her work as convener of the Church in Society Committee as she departed for pastures new and to Elaine Garman for taking on the convenership temporarily. Thanks are also due to David Kenvyn who completed his term of office as convener of the Global Partnerships Committee. The Board welcomed Hamilton Inbadas as the new Committee convener.

A number of standing items are on the agenda for each meeting. The Board has as its main focus future mission policy priorities and is aware of the work being done by the Standing Committee in terms of the future vision and strategy of the province. 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. The work on Intentional Discipleship has now developed into creating a Season for Christian Life to follow on from the Season of Pilgrimage; a Steering Group has been formed and others with specific expertise or experience will be invited to offer their knowledge and skills as appropriate and as the planning progresses.

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.

Sarah Murray
Convener

Church in Society Committee

Actual 2020 £		Revised Budget 2021 £	Actual 2021 £	Variance fav/ (adv) £
INCOME				
114,892	Allocation from General Fund	106,145	67,289	(38,856)
981	Donations	1,000	713	(287)
<u>115,873</u>	<i>Total Net Income</i>	<u>107,145</u>	<u>68,002</u>	<u>(39,143)</u>
EXPENDITURE				
46,380	Grants	54,645	54,645	-
50,000	Covid-19 Support Grants	-	-	-
19,152	Child poverty projects grants	50,000	13,357	36,643
341	Meeting costs / participating in consultations / conferences	2,500	-	2,500
<u>115,873</u>		<u>107,145</u>	<u>68,002</u>	<u>39,143</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 Committee (CiS) 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. The priority topics during 2021 were: climate change, child poverty and genome editing. With regard to the latter Donald Bruce attends relevant events and liaises with other similar experts.

For the past three years Standing Committee has allocated £50,000 per year for child poverty projects. In 2021 £13,357 has been disbursed. Following discussion with the Treasurer not to disburse the funds to national organisations but have the fund available for longer it was agreed by the Committee that more work needs to take place to promote the fund.

There was also an underspend in the General Grants Fund. Subsequently the remaining £17,325 was split between Scottish Association of Mental Health, Scottish Women's Aid and Aberlour – all charities whose need continues.

Work has been carried out on the development of a detailed Climate Change Toolkit to supplement the information that went to General Synod 2021 to allow charges, Dioceses, and the Province to progress to the SEC's target of being carbon neutral by 2030. This work was passed to the Provincial Environment Group for finalisation.

During the year considerable time was spent liaising with organisations preparing for the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), held in November 2021. The CiS 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 (Just Festivals, Eco Congregation Scotland, Scottish Faiths Action for Refugees, Scottish Churches Parliamentary Office and Faith in Older People) is encompassed in the networking, grant funding and liaison that goes on with different members of the Committee throughout the year.

Responses were sent to the Scottish Government on the Public Engagement Strategy on Climate Change, National Care Standards and the proposed Bill on Assisted Dying.

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

Elaine Garman
Interim Convener

Global Partnerships Committee

Actual 2020 £			Revised Budget 2021 £	Actual 2021 £	Variance fav/ (adv) £
INCOME					
111,935	Investment income	Unit Trust Pool	114,830	125,445	10,615
12		Deposit account	-	4	4
7,462		Noel Phillipps Trust	7,655	8,363	708
<u>119,409</u>	Total Income		<u>122,485</u>	<u>133,812</u>	<u>11,327</u>
EXPENDITURE					
23,444	Grants	Education	28,000	29,689	(1,689)
52,375		Africa	33,000	28,804	4,196
-		Middle East and Pacific	6,000	6,000	-
11,878		Asia	6,000	10,000	(4,000)
1,000		Small grants	3,000	500	2,500
10,285		Companion Relationships / Covid-19 Support	14,000	11,153	2,847
10,120		Agency Support	6,000	10,000	(4,000)
79		Anglican Comm Network Support	8,000	-	8,000
3,616		South America	6,000	-	6,000
-	Bank and Currency Transfer Fees		5,500	1,519	3,981
195	Committee expense	Travel / meetings	3,000	86	2,914
(8)		Publicity / correspondence	1,000	-	1,000
<u>112,984</u>	Total Expenditure		<u>119,500</u>	<u>97,751</u>	<u>21,749</u>
BALANCES					
Revenue					
6,425	Surplus/(deficit) for year		2,985	36,061	33,076
174,166	Balance brought forward		180,591	180,591	-
<u>180,591</u>	Balance carried forward		<u>183,576</u>	<u>216,652</u>	<u>33,076</u>

Actual 2020 £	CAPITAL ACCOUNT	Actual 2021 £
4,074,794	Balance brought forward	5,544,254
1,469,460	Unrealised gain on revaluation as at 31 December 2021	533,391
<u>5,544,254</u>	<i>Balance carried forward</i>	<u>6,077,645</u>

Global Partnerships Committee

The Global Partnerships Committee (GPC) aims to:

- Foster partnership between the Scottish Episcopal Church (SEC) and Anglican churches around the world by supporting their ministry in their local contexts.
- Promote shared spirituality and understanding of Christian mission through the experiences of our global partners and support SEC congregations and Dioceses.
- To forge maintain partnership links with Anglican churches globally.
- Strengthen ecumenical relations by working with other churches and agencies to increase awareness of global issues and provide support where possible.

Following a series of discussions over the past year, we have updated the guidance and application form for securing funding from the GPC. This was based on the Committee's experiences of dealing with applications in the past and reflecting the current dynamics of funding needs and application processes. We believe that the new guidelines facilitate clarity, ease for potential applicants and for the Committee.

The work of the Committee over the past year stood against the backdrop of the Covid19 pandemic. A considerable proportion of our attention was drawn to supporting churches from around the world responding to the needs of their local communities - some directly relating to health needs and others dealing with the impact of the virus and lockdowns on various aspects of life.

The following are examples of projects the Committee supported in 2021: hospitals in Malawi, India, Zambia among others with their responses to the Covid19 crisis; theological institutions to help switch to online education and deal with the effects of the pandemic on students and staff; Abyei diocese in South Sudan to sustain and support food production; and Sittew diocese in Myanmar for provision of rice and basic medical supplies to those dispersed in the Internally Displaced People's camps.

While it has been difficult for SEC congregations to develop and foster companion links, several well-established links found ways of discovering the struggles of their linked churches in poorer and ill-equipped health settings and channel support from the Committee.

The Committee also launched a survey to map existing companion links with partial success. It seeks to gather any missing data and complete the exercise in the coming year.

The Committee received the annual investment income of £115,500. Total expenditure was slightly under budget, with the majority being spent on supporting projects and capacity building for Anglican dioceses and partner agencies across the world.

The Committee will continue to seek opportunities to work with our partners across the globe supporting and partnering with their mission priorities. The Committee wishes to encourage SEC churches across the province to establish new companion links, where possible, or revive and strengthen existing links and maximise the opportunities for mutual learning and sharing.

I would like to thank Miriam Weibye, Marion Watson, Fiona Campbell and members of the Committee for their commitment and hard work throughout the past year.

Hamilton Inbadas
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 summer Youth Week (Glen) and other provincial youth events.

The PYC held all its meetings over Zoom this year. It was not immediately clear when initially looking at booking the summer camp at Glenalmond, if it would be possible to have an in-person camp or not. It subsequently became plain it was not going to be possible in 2021. With changing restrictions in mind, it was decided to run an online Youth Week, but with two potential in-person meet-ups as part of the week. There was more content offered in this year's week than last – many of us had become more proficient online, and we also had a website where our young people could do a range of activities in their own time, during the week. Care packages with hot chocolate, sweets and any ingredients for workshops came through the post.

The in-person meet-ups midweek were super, and so greatly needed. Organised around geographical areas, each group did something different, but what mattered most was that groups of our young people were finally together. Some of our young people we had never even met in person, since they had only previously joined us online.

Our final worship was hosted by St Ninian's Cathedral in Perth. This brought all of us together. After the service Bishop Andrew was there to give the speech to the Glen Graduates - those for whom this was their final year at camp. This was a joyful and special occasion, and due to a generous donation, we were able to have it filmed and streamed to those delegates who were not able to attend.

Support for our young people continues to be something the PYC cares about. Both those of school age, but also those going to university for the first time. We try to make connections with leaders and other delegates who might be in the area, but also offer to put them in touch with churches, frequently accompanying them.

The Youth Pilgrimage to Iona was not able to go ahead and has been rescheduled to 2023.

We hope and pray that our plans to hold an in-person Youth Week at Glenalmond College will work out in 2022.

Tembu Rongong
Convener

Community Fund

In the past, 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.

In 2021, however, the general trend evident in 2020 continued and, very surprisingly, no grants were applied for, or 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 might otherwise have processed such applications on behalf of individuals have either restricted their own operations during the pandemic, furloughed staff, or had to divert resource to other areas. We would be surprised if the level of applications does not pick up during 2022 but will keep matters under review.

In 2021 donations of £510 were received. As a result of the lack of applications the previous year, a balance of £1,926 was brought forward from 2020 giving a balance of £2,436 available for allocation in 2022. The donations made to the Fund during 2021 will of course stand it in good stead to respond to future applications.

As always, I express thanks to all those congregations and individuals who have contributed to the Fund over the past year and can assure them that their donations will be put to good use in helping those in genuine need.

John Stuart
Secretary General

Actual 2020 £		Revised Budget 2021 £	Actual 2021 £	Variance fav/ (adv) £
	INCOME			
1,138	Donations	5,000	510	(4,490)
<u>1,138</u>	<i>Total Net Income</i>	<u>5,000</u>	<u>510</u>	<u>(4,490)</u>
	EXPENDITURE			
100	Grants	5,000	-	5,000
<u>100</u>	<i>Total Expenditure</i>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
	BALANCES			
	Revenue			
1,038	Surplus(deficit) for year	-	510	510
888	Balance brought forward		1,926	-
<u>1,926</u>	<i>Balance carried forward</i>	<u>-</u>	<u>2,436</u>	<u>510</u>

Miscellaneous Funds

Actual 2020 £		Actual 2021 £
	INCOME	
-	Legacies	
-	<i>Total Net Income</i>	-
	EXPENDITURE	
-	Other expenditure	
-	<i>Total Expenditure</i>	-
	BALANCES	
	Revenue	
-	Surplus/(deficit) for year	-
17,050	Balance brought forward	17,050
17,050	<i>Balance carried forward</i>	17,050
	CAPITAL ACCOUNT	
609,286	Balance brought forward	751,473
142,187	Unrealised gain on revaluation as at 31 December 2021	51,611
751,473	<i>Balance carried forward</i>	803,084
	TOTAL FUNDS as at 31 December:	
17,050	Revenue	17,050
751,473	Capital	803,084
768,523		820,134
	Being for:	
766,681	Restricted purposes	818,292
1,842	Designated purposes	1,842
768,523		820,134

Scottish Episcopal Institute Council

Actual 2020 £		Revised Budget 2021 £	Actual 2021 £	Variance fav/ (adv) £
	INCOME			
408,987	Allocation from General Fund	476,830	443,429	(33,401)
33,161	Allocation from Training Fund	34,500	31,500	(3,000)
16,660	Allocation from Mixed Mode Training Fund	-	-	-
3,307	Investment income	3,390	3,706	316
18,785	Fees	12,230	13,100	870
<u>480,900</u>	Total Income	<u>526,950</u>	<u>491,735</u>	<u>(35,215)</u>
	EXPENDITURE			
	Board			
503	Meeting costs	2,500	-	2,500
<u>503</u>	Total Board	<u>2,500</u>	<u>-</u>	<u>2,500</u>
	Scottish Episcopal Institute			
	Staff Costs			
149,951	Salaries, pensions, expenses	153,000	151,598	1,402
2,227	Staff training / development	3,500	1,631	1,869
<u>152,178</u>	Total staff costs	<u>156,500</u>	<u>153,229</u>	<u>3,271</u>
	Training costs			
9,335	Residential weekends	22,000	22,130	(130)
654	Field Education (placement) costs	7,000	664	6,336
12,158	Associate Tutors	10,750	24,300	(13,550)
15,803	Common Awards	12,500	8,605	3,895
<u>37,950</u>	Total training costs	<u>52,250</u>	<u>55,699</u>	<u>(3,449)</u>
	Mixed Mode ordination training costs			
58,546	Director of MM Training salary, pension, expenses	60,400	58,613	1,787
33,161	Maintenance grants	30,000	27,000	3,000
<u>91,707</u>	Total Mixed Mode ordination training costs	<u>90,400</u>	<u>85,613</u>	<u>4,787</u>
	Other costs			
2,112	Library, Administration and publicity	3,000	2,051	949
<u>2,112</u>	Total other costs	<u>3,000</u>	<u>2,051</u>	<u>949</u>
<u>283,947</u>	Total SEI costs	<u>302,150</u>	<u>296,592</u>	<u>5,558</u>
	Full Time ordinands			
-	Maintenance grants	4,500	4,500	-
<u>-</u>	Total full time ordinands	<u>4,500</u>	<u>4,500</u>	<u>-</u>
	Curate funding			
139,824	Curate grants	148,800	133,552	15,248
<u>139,824</u>	Total curate funding	<u>148,800</u>	<u>133,552</u>	<u>15,248</u>
	Recruitment and Selection			
54,839	PDO salary and expenses	58,500	56,611	1,889
1,787	Advisory Selection Panels and Discernment Meetings	6,500	460	6,040
-	Training	4,000	20	3,980
<u>56,626</u>	Total Recruitment and Selection	<u>69,000</u>	<u>57,091</u>	<u>11,909</u>
<u>480,900</u>	Total Expenditure	<u>526,950</u>	<u>491,735</u>	<u>35,215</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 meetings of the Institute Council were on-line through 2021. A key aim of the Council has been to support the staff, students, and all those participating in the Scottish Episcopal Institute (SEI) programme through the continually demanding period of pandemic. All involved are to be commended both for the high quality of all that has been done, and the grace with which challenges have been approached.

Objectives and activities: to address the objectives outlined in the 'five-year vision' section of the Periodic External Review report:

- Review the Mixed Mode programme at the end of its initial 3-year span.
- Find creative ways in which SEI can offer stretching academic work to candidates who enter the community with advanced degrees in theology while they engage in their three years of formation.
- Expand the ways in which SEI can resource active disciples and lay ministers across the Province.
- Develop the integration between IME 1-3 and 4-6 (Phase 1 and Phase 2).
- Continue to improve the ways in which a 'learning community' may be built in a part-residential model of formation, with particular thought being given to the needs of candidates' families.

Achievements and performance:

- **Mixed Mode review:** A group was set up to conduct questionnaires and interviews. It reported to Institute Council in November 2021 and an action plan has been drafted to carry forward the recommendations.
- **Postgraduate programmes enabled:** the Quality and Standards Committee of Durham University approved the inclusion of the requested Level 7 programmes (Postgraduate Diploma and MA) in SEI's Common Awards offering, and recommended the renewal of the validation contract, thus extending this to the end of the current overarching validation contract with Archbishops' Council in 2024.
- **Lay learning and CMD courses:** a wide array of courses has been offered through the year, on biblical and spiritual topics, pioneer ministry, and leadership in a changing church. These have been well attended; indeed in many cases have had to be offered multiple times to cope with demand. In addition Biblical languages have been offered for the first time to students and others.
- **IME 1-3 and 4-6:** an outline curriculum for Phase 2 studies has been drafted, ensuring that topics are neither omitted nor studied at the wrong time, and plans have been put forward to handle the staffing of such continued formation.
- **Learning community:** considerable attention has been paid to student feedback in this past year, with many amendments to community life being made in the light of such evaluation. A 'Spouses, Partners, and Families' group has been set up by an ordinand's spouse, enabling good sharing amongst that constituency.

Following the Annual Self-Evaluation process, the Durham University Liaison Officer (ULO) noted several examples of good practice at the SEI which he suggested could be disseminated to other Theological Education Institutions, including the Special Learning Differences (SpLD) policy, the high rate of module evaluation questionnaire responses and other feedback. In addition the ULO highlighted the establishment of the 'Scottish Episcopal Institute Journal' which provides examples of theological engagement and academic reading and writing for students, and SEI's Annual Lecture which rotates around four Scottish universities. Both of these initiatives were commended as being *'creative and interesting ways of ensuring that research culture surrounds all aspects of the TEI work'*.

Plans for future periods

As well as continuing to develop these objectives, SEI has launched three other thrusts in the past months which will be attended to in this coming year:

- The development of new 'community-facing' modules on 'Health, healing and mission', 'Community development', and 'Environmental theology', these intended to be offered as Continuing Ministerial Development opportunities across the Province.

- ‘Greening the curriculum’: the Institute is striving to place environmental issues at the heart of its formational programme. In so doing, it seeks to move beyond simply implementing ‘green actions’, and instead form students as co-creative care-givers by means of a traversal curricular approach. In the coming year SEI students and staff will work with *Eco-Congregation Scotland* to study how that organisation might develop partnerships with educational establishments; a seedcorn grant from Common Awards will be sought for such research.
- Developing the link with CEA, the theological institute in Brazil with whom SEI has formed a partnership through the Anglican Communion Office, by means of shared webinars on environmental issues.

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.

Since 2019, Enquirers for possible selection as Lay Readers or Church Army Lay Evangelists have been processed via the Scottish Episcopal Church (SEC) discernment process, rather than via former channels. Suitable Lay Reader candidates attend the SEC Advisory Selection Panel and Church Army candidates attend the Church Army Selection conference.

2018-19 Total Number of Candidates Processed

From 2019: Total number of Enquirers & Candidates Processed. Age not requested.

Year	Total nos. processed	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2018-19	12	1	3	1	2	1	4
2019-20	16	5	11				
2020-21	17	12	5				

2018-19 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
2018-19	6	1	1	0	1	0	3
2019-20	7/9	0	0	0	2	2	3
2020-21	7/10	1	1	2	0	3	0

2018 -19 Candidates Recommended for Training by Bishops' Advisory Panel

From 2019 Candidates Recommended for SEI Training by SEC Advisory Selection Panel

Year	Total nos.	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2018-19	4/5	1	1	0	1	0	1
2019-20	7/7	0	0	0	2	2	3
2020-21	5/6	1	0	2	0	2	0

Lay Readership Statistics (From 2020 SEC Discernment Process selects Lay Readership Candidates)

Year	Total number entering SEI training	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2018-19	1	0	0	0	0	1	0
2019-20	0	0	0	0	0	0	0
2020-21	1/1	0	0	1	0	0	0

Church Army Lay Evangelist Statistics (From 2020 Candidates considered for Church Army Selection)

Year	Total number entering SEI training	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2020-21	1/1	0	0	0	0	0	1

Miscellaneous Funds

Actual 2020 £		Actual 2021 £
	INCOME	
2,931	Investment income	3,290
30,724	Donations	17,157
9,584	Other income	10,740
<u>43,239</u>	<i>Total Net Income</i>	<u>31,187</u>
	EXPENDITURE	
2,400	Grants	500
49,816	Transfer to Institute Council	31,500
<u>52,216</u>	<i>Total Expenditure</i>	<u>32,000</u>
	BALANCES	
	Revenue	
(8,977)	Surplus/(deficit) for year	(813)
(735)	Transfer (to)/from capital	(832)
128,194	Balance brought forward	118,482
<u>118,482</u>	<i>Balance carried forward</i>	<u>116,837</u>
	CAPITAL ACCOUNT	
1,175,381	Balance brought forward	1,598,648
735	Transfer from revenue	832
422,532	Unrealised gain on revaluation as at 31 December 2021	153,397
<u>1,598,648</u>	<i>Balance carried forward</i>	<u>1,752,877</u>
	TOTAL FUNDS as at 31 December:	
118,482	Revenue	116,837
1,598,648	Capital	1,752,877
<u>1,717,130</u>		<u>1,869,714</u>
	Being for:	
1,467,341	Restricted purposes	1,595,894
249,789	Designated purposes	273,820
<u>1,717,130</u>		<u>1,869,714</u>

Administration Board

Actual 2020 £		Revised Budget 2021 £	Actual 2021 £	Variance fav/ (adv) £
INCOME				
252,047	Allocation from General Fund	259,820	253,670	(6,150)
<u>252,047</u>	<i>Total Income</i>	<u>259,820</u>	<u>253,670</u>	<u>(6,150)</u>
EXPENDITURE				
<i>Meeting Costs</i>				
775	Board	1,000	-	1,000
49	Building Grants Group	500	-	500
-	Investment Committee	100	-	100
84	Retirement Housing Committee	400	-	400
-	Buildings Committee	400	-	400
469	Personnel Committee	400	-	400
<u>1,377</u>	<i>Sub-total</i>	<u>2,800</u>	<u>-</u>	<u>2,800</u>
<i>Grants</i>				
11,150	Child Allowance	10,000	6,650	3,350
<u>11,150</u>	<i>Sub-total</i>	<u>10,000</u>	<u>6,650</u>	<u>3,350</u>
<i>Allocation to other funds</i>				
239,520	Building Grants Fund	247,020	247,020	-
<u>239,520</u>	<i>Sub-total</i>	<u>247,020</u>	<u>247,020</u>	<u>-</u>
<u>252,047</u>	<i>Total Expenditure</i>	<u>259,820</u>	<u>253,670</u>	<u>6,150</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

Underneath the bonnet. The Board's work and that of its committees is varied and carried out with willingness, skill and dedication. As a motor vehicle needs an engine with its component parts running smoothly and efficiently, so the Board's committees and its Building Grants Group seek to ensure that the Scottish Episcopal Church's (SEC) resources of personnel, finance and buildings work well together. On behalf of all Synod members I am grateful to the committee conveners and SEC staff who support the Board's work in what has been a year not without some potholes on the road. The Board's meetings during 2021 have continued to deal with the interlinked issues of clergy wellbeing, stipends and investments.

Clergy wellbeing: progress despite some potholes. The Personnel Committee continues its work in addressing issues identified by the 2019 Clergy Wellbeing Survey. The Board endorsed the Bullying and Harassment Policy and related Complaints Procedure developed by the Committee and recommended them to General Synod for adoption. Synod's detailed discussion and amendment of the Policy and Procedure only served to emphasise their importance. As noted in its report (page 54) the Committee is working to address the issues raised in the Synod debate. General Synod's agreement to the Policy and Procedure, along with recommended changes in the guidelines for clergy time off and holidays, represented a significant step in addressing some of the issues identified by the Wellbeing Survey.

In the context of other issues arising from the Wellbeing Survey, the Board received reports from the Buildings Committee on work to revise and update the Guidelines for Minimum Standards of Clergy Housing and discussed ways of helping clergy better prepare for retirement.

Stipends: standing on our own two feet. The Board concluded its discussion of Standard Stipend and other matters related to clergy remuneration in the light of comments arising from the 2019 Clergy Wellbeing Survey and the Report prepared by the Clergy Remuneration Package Interim Review Group. Recognising that a number of interrelated issues affect any revision to a stipend policy, and that the longstanding policy of linking SEC Standard Stipend with Church of England National Stipend Benchmark might no longer be appropriate, the Board presented the Interim Review Group report to Synod. The accompanying motions, designed to restore Stipend to its 2006 level adjusted for inflation, were agreed by Synod. The new Stipend Policy will result in above inflation increases in the next few years.

Investments: balancing ethics and economics. Investment income is crucial to the SEC, particularly as the Covid pandemic has reduced other sources of congregational income. The Board is grateful to the Investment Committee for its oversight of the SEC Unit Trust Pool (UTP) which has performed exceptionally well during 2021; not only has the underlying value of the portfolio increased but the annual distribution has increased by 12% from 58p to 65p per unit. This provides much needed income to the province and to many charges and dioceses. The Board is pleased that Synod accepted the Ethical Investment Advisory Group's recommended policy framework for the UTP's use of pooled funds. The Board also approved changes to the UTP rules, designed to give more clarity to unitholders when making transactions.

Building Grants: demand outstrips supply. Applications amounted to £381,500 and grants totalling £266,590 were awarded to all 18 applicants. They ranged from £1,700 to £50,000 and were for a variety of purposes including roof repairs, the installation of solar panels and major redevelopment of church buildings. Three building loans totalling £23,160 were also agreed.

"Greening" the buildings. The Board has also discussed its responsibilities for helping the SEC achieve its net zero carbon by 2030 target, particularly as they relate to church buildings, and looks forward to further engaging with the Provincial Environment Group (PEG) on this issue, noting that the Buildings Committee had provided PEG with information relating to church heating systems for its consideration.

James N Gibson
Convener

Building Grants Fund

Actual 2020 £		Revised Budget 2021 £	Actual 2021 £	Variance fav/ (adv) £
INCOME				
239,520	Allocation from General Fund	247,020	247,020	-
3,117	Earmarked grants surrendered	-	1,590	1,590
17,980	Donations	17,980	17,980	-
<u>260,617</u>	<i>Total Income</i>	<u>265,000</u>	<u>266,590</u>	<u>1,590</u>
EXPENDITURE				
124,865	Grants - Issued		92,305	
135,752	- Earmarked		174,285	
<u>260,617</u>	<i>Total Expenditure</i>	<u>265,000</u>	<u>266,590</u>	<u>(1,590)</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 2020 £		Revised Budget 2021 £	Actual 2021 £	Variance fav/ (adv) £
	INCOME			
2,823	Interest on loans	1,500	3,092	1,592
<u>2,823</u>	<i>Total Income</i>	<u>1,500</u>	<u>3,092</u>	<u>1,592</u>
	BALANCES			
	Revenue (liquid funds for advancement of loans)			
2,823	Surplus/(deficit) for year	1,500	3,092	1,592
32,754	Transfer (to)/from capital	(277,835)	13,273	291,108
260,758	Balance brought forward	296,335	296,335	-
<u>296,335</u>	<i>Balance carried forward</i>	<u>20,000</u>	<u>312,700</u>	<u>292,700</u>

Actual 2020 £	CAPITAL ACCOUNT	Actual 2021 £
141,105	Balance brought forward	108,351
	<i>Transfers to revenue</i>	
(32,754)	Loans repaid	(16,633)
	<i>Transfers from revenue</i>	
-	Loans paid	3,360
<u>(32,754)</u>	Net transfer from / (to) revenue	<u>(13,273)</u>
<u>108,351</u>	<i>Balance carried forward</i>	<u>95,078</u>

Investment Committee

Remit: The Committee oversees the investment of the Unit Trust Pool (UTP).

Financial Markets and Performance: Although stock market conditions were volatile during 2021 investors globally shrugged off concerns related to Covid-19, rising energy prices, resurgent inflation and geopolitical worries. Major markets achieved strong gains, with the UK's FTSE 100 rising 14.3% (2020: -14.3%) from 6,460 to 7,384 over the year. Performance of the UTP was positive, recording a net total return over the year of +11.8% (2020: +38.8%). Whilst the UTP's holdings in the Multi Asset Income Fund and the Global Income Growth Fund performed strongly the concerns relating to inflation and rising interest rates unsurprisingly had a greater impact on the returns generated by the Long Term Global Growth Fund.

The UTP is invested with a view to being able at least to maintain, over the long term, the real value of the distribution to unit holders. Whilst this objective has been achieved recently, the Committee has been aware that the yield per unit has been declining. To address this, the Committee declared another above inflation increase in the distribution in 2021 that was considered to be affordable and likely to be sustainable in the longer term. The Committee increased the 2021 distribution by 12.1% to 65.0p (2020: 58.0p) representing a yield of 2.1% on the year end value (2020: 2.0%).

The market value of the Fund at 31 December 2021 was £135.3m (2020: £117.7m). The accounts for the UTP are on page 91.

UTP Investments and Ethical Policy: The Ethical Investment Policy (page 97) 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 and excludes direct investment in certain restricted business activities as mandated by the Ethical Investment Policy. No such investments were held at any time during the year. The Scottish Episcopal Church's Policy Framework for Investment in Pooled Funds (approved in 2021 - see page 97 allows the UTP to invest in pooled funds provided that the aggregate amount invested in business activities that would otherwise be restricted if held directly, must not exceed 1% of the UTP's total funds. Further, the Committee is required to conduct an annual review to ensure that the requirements of the policy framework continue to be met. The review carried out in October 2021 confirmed that no investments in any of the restricted categories of the Ethical Investment Policy were held by either of the pooled funds.

BG has a dedicated Corporate Governance team that works with their 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 a wide range of business and ESG related topics. BG is a member of several international corporate governance associations and is a signatory to the United Nations Principles for Responsible Investments.

Committee Membership: Thanks to Ed Trevillion who completed his second term on the Committee. Mark Harris and Robert MacDonald were appointed to the Committee during the year, with Mr Harris becoming Convener in January 2022.

Mark Harris
Convener

Buildings Committee

The Committee met twice in 2021.

The remit of the Buildings Committee is to consider any appeals under Canon 35. Fortunately, it hasn't been called upon to do this in the past year. Hopefully, this signifies a strong and meaningful relationship between churches and the dioceses at a local level.

The Committee also considers responses to government and other consultations on buildings matters and, where appropriate, provides advice and guidance to Diocesan Buildings Committees on buildings and property matters. In this regard the Committee circulated a communication to Clergy/Vestry Secretaries and Diocesan Secretaries reminding them of proposed new legislation on smoke and heat alarms in rectories. A further reminder was issued just before the implementation deadline.

Following a number of requests, the Committee has produced a paper setting out sources of advice on church heating. In view of its relevance to the climate change agenda, this has been forwarded to the Provincial Environment Group for consideration.

In response to a question from the Building Grants Group, the Committee has produced guidance on the general responsibilities of vestries with regard to the management of maintenance and building work. This guidance is now available on the Scottish Episcopal Church (SEC) website.

The Clergy Stipend Review Group has asked the Committee to review the guidance on the minimum standards for clergy housing. That work has now been completed and will be presented to the Administration Board.

The work on producing a Gazetteer to record historic buildings with significant architectural features, is still in progress. Much useful information has been collected and consideration is currently being given as to how best to disseminate it.

The Convener attended the inaugural meetings of the Built Environment Forum Scotland. This is an umbrella body bringing together a number of interested parties in relation to heritage matters. Its main focus was on developing pathways to assist places of worship who were going through a period of transition to lead to sustainable solutions beyond worship. While the SEC was not, at present, faced with repurposing a large number of buildings, it was felt useful to maintain a link with the Forum as a corresponding member.

Peter Sharp
Convener

Personnel Committee

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

Since General Synod in June 2019, the Committee has been seeking to address the issues raised in the Clergy Wellbeing Survey some of which have also arisen in the work of the Canonical Review Group established by the Faith and Order Board. On that basis several motions were brought to General Synod 2021. The Committee decided that, while recognising that further work would be required, a Bullying and Harassment policy and a Complaints Procedure should be offered to members of Synod for consideration. A number of amendments were tabled for both of these items and were duly considered by General Synod. The Convener agreed to consider all amendments, moving forward, whether agreed or not.

One amendment sought, that consideration be given to the appointment of an independent Complaints Officer. At the request of the Administration Board, the Committee subsequently considered that matter but felt that it was not necessary. Given that in practice many “complaints” were thought to be minor and could be resolved straightforwardly, it was felt to be overly bureaucratic for all complaints to go to a complaints officer and could instead be dealt with satisfactorily under the Complaints Procedure. However, the Committee recognised that in some cases there might be merit in certain matters being brought within the scope of procedures under Canon 53 and suggests that the issue be considered as part of the general revision of Canon 53.

A further amendment at Synod seeking the appointment of an independent Bullying and Harassment officer was also considered by the Committee and it was hoped that the additional work being done in connection with the Complaints Procedure would fulfil any concerns that there might be.

New guidance prepared by the Committee regarding clergy time off was approved by Synod and suggested a change to the working week of the clergy from 6 to 5 days. It is acknowledged that it may be challenging for the clergy to restructure their working week and that it may take time for them to do so. It may also be challenging for the laity to remember the agreed changes.

A question regarding the use of Non-Disclosure Agreements (NDA) was raised at General Synod and the Committee discussed the issue at length. The Committee’s role does not involve it in specific cases, but it considered that use of an NDA would require to be considered carefully on a case-by-case basis. While recognising that it would not be appropriate to be used in all cases, it would nevertheless be unwise to commit to never using such an agreement.

The Committee’s work in 2022 will be to refine the Complaints Procedure and the Bullying and Harassment Policy. It is also working to update the Clergy Personnel Handbook and has been supporting training in “Living with Differences” from Place for Hope which is being rolled out across the province.

The Convener records her grateful thanks to John Stuart for his support and guidance throughout the year.

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. Because of the continuing pandemic situation during 2021 the committee only met once via zoom in April to consider an application, receive updates on required works and to discuss how the housing portfolio should be managed in the future. Other matters arising during the year were dealt with via email.

During 2021, a vacant property was refurbished and allocated to a new tenant, one property was sold and a joint ownership property purchased. A further joint ownership property is currently on the market and we await works being carried out on another property before marketing it.

Following the easing of restrictions a number of repairs were notified and these were actioned although because of the demand for tradespeople these have taken longer than normal to be carried out. It is hoped that all planned refurbishments will be completed by early 2022 and any further renovations and repairs will be dealt with as required.

Recognising the increasingly complex regulatory environment associated with the management of its housing portfolio the Committee agreed to initiate an independent review of the housing stock to better inform its discussions of its responsibilities and how best to manage them. The review will be completed in early 2022.

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. The committee will next meet to consider the outcome of the independent review and will consult via email if required before that.

During the year the Standard Property Price was increased from £180,000 to £200,000 to reflect the general increase in house prices. This will be reviewed if a new application for assistance is made.

It was agreed to pay a Christmas Gift of £100 to all SEC pensioners.

My term of office as convener comes to an end this year and I am pleased to say that Peter Marsh, currently a member of the Committee, has agreed to be the new convener.

I would like to take this opportunity to thank the Committee members for their work and support over the last few years I have been convener. A special thanks must also go to Daphne Audsley and Malcolm Bett for the sterling work they do in the management of the Retirement Housing Committee. Without their commitment the Committee would not be able to function as smoothly as it does.

Lorna Mortis
Convener

Retirement Housing Committee

Supplementary Fund

Actual 2020 £		Revised Budget 2021 £	Actual 2021 £	Variance fav/ (adv) £
INCOME				
42,029	Investment income	43,116	47,102	3,986
22	Interest	50	8	(42)
2,000	Cargill Trust - Widows and Orphans	2,000	2,000	-
113	Legacies & Donations	-	125	125
<u>44,164</u>	<i>Total Income</i>	<u>45,166</u>	<u>49,235</u>	<u>4,069</u>
EXPENDITURE				
216	Grants - Clergy	4,000	200	3,800
-	- Widows and Orphans	4,000	-	4,000
31,050	- Christmas payment	27,000	34,600	(7,600)
1,354	- Yearbooks (retired clergy)	1,400	1,293	107
1,083	Pension Fund (CRBF) top up	1,500	-	1,500
-	Miscellaneous	150	148	2
6,145	GSO Administration charge	6,145	6,145	-
<u>39,848</u>	<i>Total Expenditure</i>	<u>44,195</u>	<u>42,386</u>	<u>1,809</u>
BALANCES				
Revenue				
4,316	Surplus/(deficit) for year	971	6,849	5,878
37,398	Balance brought forward	41,714	41,714	-
<u>41,714</u>	<i>Balance carried forward</i>	<u>42,685</u>	<u>48,563</u>	<u>5,878</u>
CAPITAL ACCOUNT				
Actual 2020 £			Actual 2021 £	
1,538,291	Balance brought forward		2,090,039	
551,748	Unrealised gain on revaluation as at 31 December 2021		200,276	
<u>2,090,039</u>	<i>Balance carried forward</i>		<u>2,290,315</u>	

Retirement Housing Committee

Housing Fund

Actual 2020 £		Revised Budget 2021 £	Actual 2021 £	Variance fav/(adv) £
INCOME				
1,784	Interest	1,500	684	(816)
26,637	Investment income	27,326	29,852	2,526
85,529	Rents	86,000	91,468	5,468
<u>113,950</u>	<i>Total Net Income</i>	<u>114,826</u>	<u>122,004</u>	<u>7,178</u>
EXPENDITURE				
6,939	Insurance	7,500	7,276	224
24,417	Repairs	35,000	40,280	(5,280)
8,954	Gas appliance and electrical testing	9,100	8,783	317
-	Property surveys / legal fees	2,500	-	2,500
11,750	GSO Administration Charge	11,750	11,750	-
<u>52,060</u>	<i>Total Expenditure</i>	<u>65,850</u>	<u>68,089</u>	<u>(2,239)</u>
BALANCES				
Revenue				
61,890	Surplus/(deficit) for year	48,976	53,915	4,939
(63,763)	Transfers (to)/from capital	(57,940)	(52,461)	5,479
10,837	Balance brought forward	8,964	8,964	-
<u>8,964</u>	<i>Balance carried forward</i>	<u>-</u>	<u>10,418</u>	<u>10,418</u>
CAPITAL ACCOUNT				
Additions to capital			Actual 2021 £	
149,024	Profit on sale of property		40,171	
183,269	Purchase of property		152,454	
-	Net funds placed on deposit account		61,578	
<u>332,293</u>			<u>254,203</u>	
Disposals of capital				
73,814	Sales of property (book value)		161,571	
45,692	Net funds from deposit account		-	
<u>119,506</u>			<u>161,571</u>	
212,787	<i>Net additions of capital</i>		92,632	
5,451,033	Balance brought forward		6,013,505	
349,685	Unrealised gain on revaluation as at 31 December 2021		126,930	
<u>6,013,505</u>	<i>Balance carried forward</i>		<u>6,233,067</u>	

Miscellaneous Funds

Actual 2020 £		Actual 2021 £
	INCOME	
153,560	Investment income	172,045
3,000	Legacies and donations	3,000
36,000	Other income	26,000
<u>192,560</u>	<i>Total Net Income</i>	<u>201,045</u>
	EXPENDITURE	
2,455	Building repairs	-
141,102	Grants	143,536
21,960	Other expenditure	10,740
500	GSO Administration charge	500
<u>166,017</u>	<i>Total Expenditure</i>	<u>154,776</u>
	BALANCES	
	Revenue	
26,543	Surplus/(deficit) for year	46,269
302,462	Balance brought forward	329,005
<u>329,005</u>	<i>Balance carried forward</i>	<u>375,274</u>
Actual 2020 £	CAPITAL ACCOUNT	Actual 2021 £
<u>-</u>	INCOME	<u>-</u>
	<i>Total Income</i>	
<u>-</u>	EXPENDITURE	<u>-</u>
	<i>Total expenditure</i>	
	BALANCES	
-	Surplus/(deficit) for year	-
6,244,383	Balance brought forward	8,484,314
2,239,931	Unrealised gain on revaluation as at 31 December 2021	813,060
<u>8,484,314</u>	<i>Balance carried forward</i>	<u>9,297,374</u>
	TOTAL FUNDS as at 31 December:	
329,005	Revenue	375,274
8,484,314	Capital	9,297,374
<u>8,813,319</u>		<u>9,672,648</u>
	Being for:	
2,207,316	Restricted purposes	2,416,135
6,606,003	Designated purposes	7,256,513
<u>8,813,319</u>		<u>9,672,648</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 three years in an actuarial valuation. Completion of the valuation as at 31 December 2020 was the Trustees' priority for 2021.

The actuarial approach and assumptions were considered by the Trustees at their first meeting of the year in March. Preliminary results were reviewed in April and the final results were agreed in November. These are summarised in the following table.

	31 Dec 2014	31 Dec 2017	31 Dec 2020
	(£m)	(£m)	(£m)
Total assets	46.0	53.9	64.0
Total liabilities	44.7	50.2	58.4
Past service surplus	1.3	3.7	5.6
Funding level	103%	107%	110%
Future service contribution rate	30.3%	35.9%	42.0%
Agreed contribution rate	32.2%	32.2%	32.2%

The increased surplus and improved funding level in comparison to the last valuation in 2017 represented a very satisfactory outcome. The key changes that affected the 2020 funding level were:

- investment returns had been higher than assumed (positive impact)
- change to demographic assumptions (positive)
- change in market conditions (negative).

The positive impact from investment returns does not affect the cost of future service, and this increased as a result of the other factors. However, taking account of the surplus, the Trustees agreed that the Church could continue to pay the previously agreed contribution rate of 32.2% of stipend/salary. This was endorsed by Standing Committee in May and approved at General Synod in June.

The next actuarial valuation will be carried out as at 31 December 2023. In the interim, the actuary will provide periodic funding updates to the Trustees. These indicate some further improvement in the funding level over the course of 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

Growth markets achieved a positive performance in 2021. Global equities were buoyed by optimism based on the successful roll-out of Covid-19 vaccines, widespread economic recovery and ongoing fiscal and monetary support measures by governments and central banks. Bond markets were much weaker: concerns over inflationary pressures and future monetary policy led to rising yields and some sharp sell-offs.

The Pension Fund's investments performed largely as expected in this context. The growth portfolio is invested in Schroder's Diversified Growth Fund. This produced a return of +8.1%. The liability matching portfolio has 2 components: the Schroder Life Long Dated Corporate Bond Fund returned -4.6%; the UK government bond funds returned -0.7%. Overall, this meant that the Fund's investment performance was flat for the year – a total return of a fraction more than 0%.

Financial

Key financial figures for the year were as follows.

	2020 (£)	2021 (£)
Net Assets as at 01 January	58,393,858	64,829,102
+ Contributions Received	1,506,865	1,477,617
- Benefits and other Payments	2,203,941	2,342,064
+ Investment Income	568	297
+ Change in Market Value of Investments	7,131,752	43,694
Net Assets as at 31 December	64,829,102	64,008,646

Net fund assets decreased by £820,456 over the course of the year as a result of pension payments and flat investment performance.

Activity

Given the Trustees' focus on the actuarial valuation, other activity during 2021 was largely restricted to routine monitoring, reporting and administration. However, the Trustees did also conclude a contract with Mercer for the provision of a range of administrative services. This will provide greater resilience for key functions and an improved system for membership data storage, reducing dependence on paper records.

Planned activity for 2022 will include a review of investments in light of the actuarial results.

Membership

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

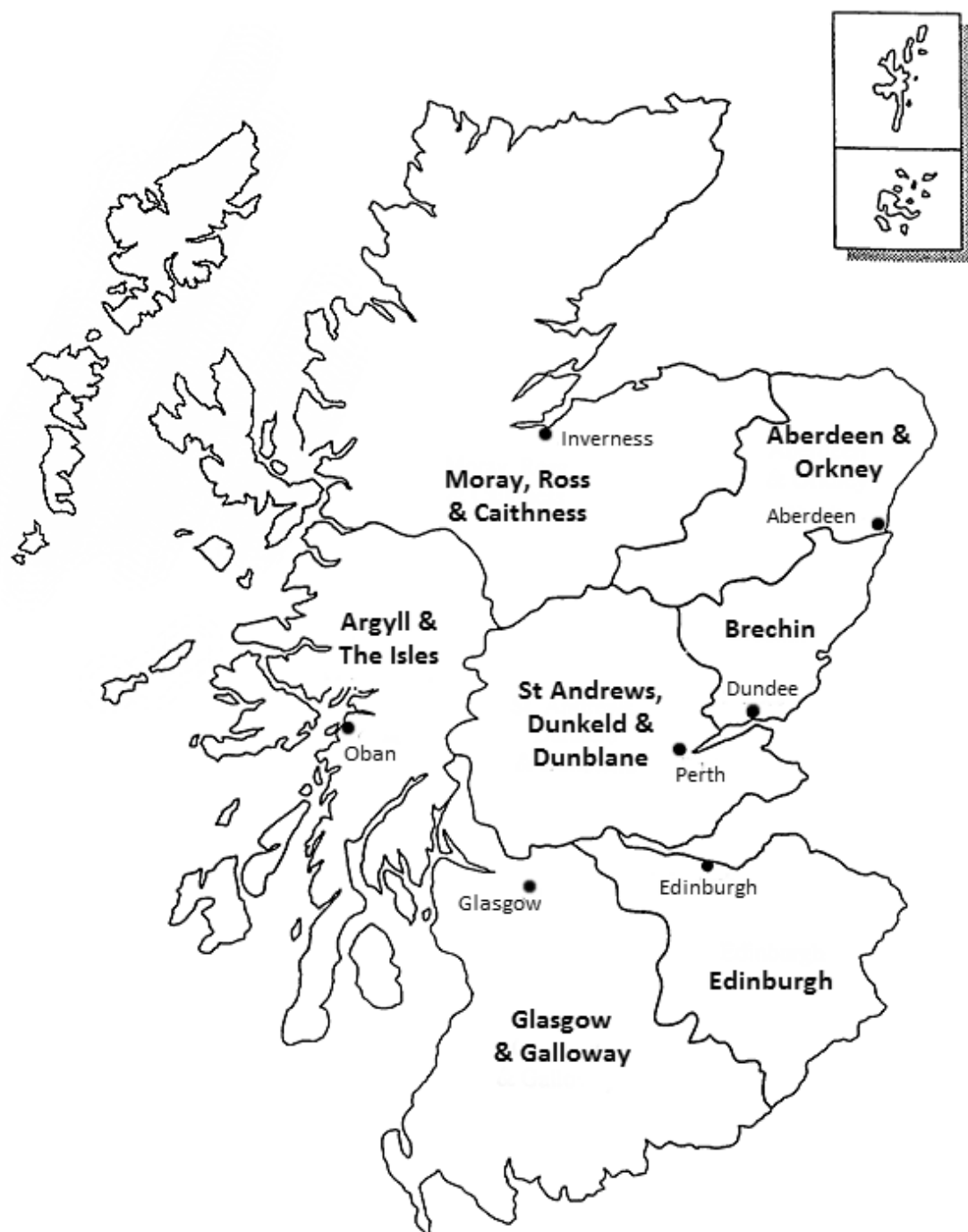
Membership	01 Jan 2021	31 Dec 2021
Serving members		
- Clergy	139	139
- Staff	36	39
Pensioners		
- Clergy	234	235
- Staff	45	44
Widowed Spouses	80	83
Members with deferred pension rights	133	130
Total	667	670

Trustees

Two new trustees were appointed. On 1 January 2022 Robert O'Riordan took up the employer appointed trustee position that had been vacant following Michael Green's retirement at the end of 2020 and Sarah Whitley became Chair of Trustees, replacing Richard McIndoe who had completed his term of office on 31 December 2021.

Richard McIndoe
Chairman

The Seven Dioceses of the Scottish Episcopal Church



Diocesan Statistics

Diocesan Summary

	ROLL		
	Membership	Communicant Numbers	Total Attendance
ABERDEEN	2,619	1,961	616
ARGYLL	800	568	287
BRECHIN	1,551	1,133	635
EDINBURGH	8,005	5,611	2,517
GLASGOW	4,467	3,376	1,501
MORAY	2,939	1,856	715
ST ANDREWS	3,658	2,627	1,373
TOTALS 2021	24,039	17,132	7,644
TOTALS 2020	25,552	18,753	n/a

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 and 2021. There was 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. Many churches resumed physical services in 2021. The attendance figures provided for 2021 reflect physical attendance and do not include those who continued to attend services online.

Comparative figures

The 2020 figures for the Diocese of Aberdeen and Orkney include two charges that are no longer part of the SEC and are therefore not included in 2021 figures. (Membership and Communicant numbers for the two charges totalled 360 in 2020).

Incomplete data

For a small number of charges, figures for 2021 were not available, figures from previous years have been used.

United Diocese of Aberdeen and Orkney

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	92	84	28
Aberdeen:			
St Clement's	100	30	16
St Devenick's Bieldside	133	92	35
St James'	44	41	25
St John's	112	108	30
St Machar's Bucksburn	31	14	5
St Margaret's	335	184	30
St Mary's	91	127	29
St Mary's Cove Bay	-	-	-
St Ninian's	15	15	9
Aboyne	80	80	15
Alford	44	38	32
Auchindoir	15	15	-
Ballater	67	60	20
Banchory	206	174	43
Banff	56	12	5
Braemar	9	7	-
Buckie	120	32	7
Burravoe	23	7	9
Cruden Bay	76	65	14
Cuminestown	14	21	-
Ellon	170	155	36
Fraserburgh	54	47	21
Insch	34	30	17
Inverurie	86	70	40
Kemnay	23	18	11
Kincardine O'Neil	83	70	13
Kirkwall	45	40	13
Lerwick	67	67	21
Longside	40	22	6
New Pitsligo	32	32	13
Old Deer	37	16	6
Oldmeldrum	44	44	17
Peterhead	127	79	15
Strichen	65	22	11
Stromness	12	12	7
Turriff	-	-	-
Whiterashes	18	12	-
Woodhead All Saints	9	9	9
Student Chaplaincy	-	-	-
SOLI Unst	10	10	8
TOTALS 2021	2,619	1,961	616
TOTALS 2020	3,209	2,540	n/a

United Diocese of Argyll and The Isles

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attedance
Oban Cathedral	244	134	37
Ardbrecknish	19	18	10
Arran	7	7	7
Ballachulish	3	3	9
Campbeltown	28	15	3
Dunoon	91	67	26
Duror	12	12	8
Fort William	60	50	27
Glencoe	11	11	7
Gruline	24	21	6
Inveraray	<i>With Lochgilphead</i>		
Iona	7	-	-
Islay	19	11	9
Kilmartin	<i>With Lochgilphead</i>		
Kinlochleven	12	12	11
Kinlochmoidart	11	13	9
Lochgilphead	46	35	14
Millport	39	20	16
North Uist:			
St Brendan the Navigator	7	7	6
Onich	4	4	20
Portnacrois	1	1	6
Portree	53	39	8
Rothesay	32	26	12
Stornoway	70	62	36
Strontian	<i>With Kinlochmoidart</i>		
TOTALS 2021	800	568	287
TOTALS 2020	857	594	n/a

Diocese of Brechin

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	179	162	62
Arbroath	80	68	25
Auchmithie	12	7	4
Brechin	105	68	23
Broughty Ferry	66	44	26
Carnoustie	82	64	27
Catterline	<i>With Stonehaven</i>		
Drumlithie	9	5	-
Drumtochty	26	3	-
Dundee:			
Diocesan Centre/St John's	<i>With St Martin's, Dundee</i>		
St Luke's	54	47	18
St Margaret's	30	24	10
St Martin's	46	26	14
St Mary Magdalene	136	114	169
St Ninian's	127	73	42
St Salvador's	39	22	14
Fasque	25	16	4
Glencarse	122	102	56
Inverbervie	14	11	9
Invergowrie	32	27	12
Laurencekirk	60	27	4
Monifieth	51	39	17
Montrose	59	50	25
Muchalls	55	42	31
Stonehaven	125	77	26
Tarfside	17	15	17
TOTALS 2021	1,551	1,133	635
TOTALS 2020	1,729	1,227	n/a

Diocese of Edinburgh

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	638	540	184
Balerno	689	483	98
Bathgate	67	64	23
Bo'ness	83	50	17
Coldstream	19	19	19
Dalkeith	80	40	32
Dalmahoy	141	141	22
Dunbar	130	100	60
Duns	30	30	9
Edinburgh:			
Christ Church	339	130	87
Good Shepherd	135	107	26
Holy Cross	122	92	36
Mustard Seed	70	70	45
Old St Paul's	320	284	97
St Barnabas'	73	33	9
St Columba's	88	75	42
St Cuthbert's	180	168	64
St David's	37	32	19
St Fillan's	57	45	24
St James', Leith	100	82	67
St John's	384	355	84
St Margaret's	24	24	26
St Mark's	107	95	20
St Martin's	53	44	28
St Michael/All Saints	109	94	53
St Ninian's	125	118	33
St Paul/St George	1,146	190	454
St Peter's	132	126	64
St Philip/St James	49	49	29
St Salvador's	37	35	31
St Vincent's	124	124	29
Eyemouth	9	9	7
Falkirk	120	89	25
Galashiels	63	37	22
Grangemouth	94	43	16
Gullane	75	66	26
Haddington	127	98	63
Hawick	40	35	11
Innerleithen	19	19	9
Jedburgh	63	47	29
Kelso	160	160	65
Lasswade	100	49	29
Linlithgow	109	87	28
Livingston	234	107	92
Melrose	250	228	n/a
Musselburgh	69	49	35
North Berwick	120	112	48
Peebles	180	171	53
Penicuik	111	70	29
Rosslyn	191	149	23
Selkirk	63	60	31
South Queensferry	64	44	28
West Linton	56	43	17
TOTALS 2021	8,005	5,611	2,517
TOTALS 2020	7,914	5,860	n/a

United Diocese of Glasgow and Galloway

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	186	176	119
Airdrie/Monklands	51	34	14
Annan	20	16	9
Ardrossan **	70	67	47
Ayr	167	111	44
Bearsden	82	69	33
Bridge of Weir	14	12	14
Cambuslang	29	18	11
Castle Douglas	67	67	21
Challoch	59	43	12
Cumbernauld	21	16	12
Dalbeattie	30	29	29
Dalry **	26	23	13
Dumbarton	134	97	31
Dumfries	229	203	47
East Kilbride	92	54	14
Eastriggs	47	16	14
Gatehouse-of-Fleet	120	84	18
Glasgow:			
All Saints	40	37	29
Drumchapel Mission	5	5	5
Good Shepherd	33	26	35
St Aidan's	134	75	23
St Bride's	57	50	32
East End Ministry *	85	60	26
St James' (Bishopbriggs)	104	78	39
St Margaret's	167	152	56
St Matthew's	50	40	18
St Ninian's	88	60	29
St Oswald's	16	21	11
Gourock	18	12	13
Greenock	118	70	32
Gretna	72	31	14
Hamilton	271	166	46
Helensburgh	201	185	73
Johnstone	57	42	16
Kilmacolm	42	48	22
Kilmarnock	134	63	24
Kirkcudbright	170	120	28
Lanark	127	121	48
Largs	40	87	2
Lenzie	42	38	29
Lockerbie	59	30	22
Maybole	46	36	17
Milngavie	55	54	25
Moffat	37	32	25
Motherwell	78	54	22
New Galloway	43	35	22
Paisley	90	66	28
Port Glasgow	83	49	31
Portpatrick	17	17	10
Prestwick	100	71	39
Renfrew	90	77	24
Stranraer	20	19	15
Troon	167	65	45
Uddingston	36	21	18
Wishaw	31	28	6
TOTALS 2021	4,467	3,376	1,501
TOTALS 2020	4,964	3,661	n/a

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

*East End Ministry include
Baillieston St John's
Dennistoun St Kentigerr
Shettleston St Serf's

United Diocese of Moray, Ross and Caithness

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	436	243	131
Aberlour	30	23	12
Black Isle Charges:	215	179	43
Arpafeelie			
Cromarty			
Fortrose			
Brora	16	11	7
Culloden	21	11	5
Dingwall/Strathpeffer	115	7	29
East Sutherland Charges:	67	52	19
Ardgay			
Crask			
Dornoch			
Lairg			
Elgin/Lossiemouth/Burghead	219	133	94
Forres	175	151	54
Glenurquhart/Ft Augustus	32	30	14
Gordonstoun	500	150	-
Grantown	70	49	17
Isla Spey Deveron Group:	146	96	50
Aberchirder			
Dufftown			
Fochabers			
Huntly			
Keith			
Invergordon	33	33	14
Inverness:			
St John's	121	87	22
St Michael's	87	87	23
South West Charges:			
Kinlochewe	20	18	10
Kishorn	28	17	9
Lochalsh	17	17	6
Poolewe	31	22	5
North West Charges:	102	85	43
Achiltibuie			
Kinlochbervie			
Lochinver			
Ullapool			
Tongue	34	32	-
Nairn	129	126	23
Rothiemurchus	75	50	22
Strathnairn	44	40	-
Tain	66	46	15
Thurso	73	42	30
Wick	37	19	18
TOTALS 2021	2,939	1,856	715
TOTALS 2020	3,113	2,031	n/a

United Diocese of St Andrews, Dunkeld and Dunblane

CHARGES	ROLL		
	Membership	Communicant Numbers	Communicant Numbers
Cathedral	257	251	54
Aberdour	53	43	16
Aberfoyle	68	39	18
Alloa	63	63	27
Alyth	24	15	10
Auchterarder	85	59	19
Ballintuim	42	25	-
Blairgowrie	59	30	19
Bridge of Allan	73	58	33
Burntisland	59	49	17
Callander	36	36	18
Comrie	38	26	13
Coupar Angus	52	42	15
Crieff	42	42	23
Cupar	104	92	41
Dollar	91	78	39
Doune	70	58	18
Dunblane	150	100	49
Dunfermline	166	100	39
Dunkeld (Birnam)	27	27	34
Elie	19	30	10
Forfar	166	90	24
Glamis	32	22	24
Glenalmond	380	90	165
Glenrothes	24	24	10
Inverkeithing	111	109	84
Killin	-	-	-
Kilmaveonaig	39	23	15
Kinghorn	<i>With Kirkcaldy</i>		
Kinloch Rannoch	4	2	13
Kinross	115	55	25
Kirkcaldy	68	45	32
Kirriemuir	30	30	16
Ladybank	8	8	7
Leven	29	21	15
Locheearnhead	6	6	5
Lochgelly	13	13	14
Muthill	24	16	7
Newport	37	26	16
Perth, St John's	156	126	40
Pitlochry	65	41	16
Pittenweem	27	31	21
Rosyth	36	33	28
St Andrews:			
All Saints	181	101	61
St Andrew's	270	240	131
Stanley	5	5	6
Stirling	175	133	42
Strathtay/Aberfeldy	34	34	15
Tayport	45	40	29
TOTALS 2021	3,658	2,627	1,373
TOTALS 2020	3,766	2,840	n/a

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

In relation to accounts on pages 74 to 87 and 91 to 93.

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
28 April 2022**

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Page No.	2021 General Fund Income £	2021 Other Income £	2021 Total Income (note 5) £	2021 Expenditure £	2021 Surplus/ (deficit) £	2020 Surplus/ (deficit) £
General Fund	19	2,026,380	-	2,026,380	2,268,355	(241,975)	49,856
Allocated to Boards / Standing Committee		(1,968,355)	-	(1,968,355)	(1,968,355)	-	-
<i>Sub-total</i>		<u>58,025</u>	<u>-</u>	<u>58,025</u>	<u>300,000</u>	<u>(241,975)</u>	<u>49,856</u>
Standing Committee	20						
<i>Sub-total</i>		<u>857,426</u>	<u>-</u>	<u>857,426</u>	<u>857,426</u>	<u>-</u>	<u>-</u>
Administration Board							
Board	48	253,670	-	253,670	253,670	-	-
Allocated to Building Grants Fund		(247,020)	-	(247,020)	(247,020)	-	-
Net (direct income and expenditure of Board)		<u>6,650</u>	<u>-</u>	<u>6,650</u>	<u>6,650</u>	<u>-</u>	<u>-</u>
Buildings funds							
Building Grants Fund	50	247,020	19,570	266,590	266,590	-	-
Building Loans Fund	51	-	3,092	3,092	-	3,092	2,823
Retirement Housing Committee							
Retirement Supplementary Fund	56	-	49,235	49,235	42,386	6,849	4,316
Retirement Housing Fund	57	-	122,004	122,004	68,089	53,915	61,890
Miscellaneous funds	58	-	201,045	201,045	154,776	46,269	26,543
<i>Sub-total for Board and its Committees</i>		<u>253,670</u>	<u>394,946</u>	<u>648,616</u>	<u>538,491</u>	<u>110,125</u>	<u>95,572</u>
Mission Board							
Board	32	411,049	14,109	425,158	425,158	-	-
Allocated to Committees		(67,289)	-	(67,289)	(67,289)	-	-
Net (direct income and expenditure of Board)		<u>343,760</u>	<u>14,109</u>	<u>357,869</u>	<u>357,869</u>	<u>-</u>	<u>-</u>
Global Partnerships Committee	36	-	133,812	133,812	97,751	36,061	6,425
Church in Society Committee	34	67,289	713	68,002	68,002	-	-
The Community Fund	39	-	510	510	-	510	1,038
Miscellaneous funds	40	-	-	-	-	-	-
<i>Sub-total for Board and its Committees</i>		<u>411,049</u>	<u>149,144</u>	<u>560,193</u>	<u>523,622</u>	<u>36,571</u>	<u>7,463</u>
Institute Council							
Board	42	443,429	48,306	491,735	491,735	-	-
Miscellaneous funds	47	-	31,187	31,187	32,000	(813)	(8,977)
<i>Sub-total</i>		<u>443,429</u>	<u>79,493</u>	<u>522,922</u>	<u>523,735</u>	<u>(813)</u>	<u>(8,977)</u>
Faith and Order Board							
<i>Sub-total</i>	24	<u>2,781</u>	<u>-</u>	<u>2,781</u>	<u>2,781</u>	<u>-</u>	<u>-</u>
Publications							
<i>Sub-total</i>		<u>-</u>	<u>4,418</u>	<u>4,418</u>	<u>5,006</u>	<u>(588)</u>	<u>1,083</u>
TOTAL FOR YEAR		<u>2,026,380</u>	<u>628,001</u>	<u>2,654,381</u>	<u>2,751,061</u>	<u>(96,680)</u>	<u>144,997</u>

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

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

	Revenue Accounts and Reserves			Capital Accounts and Reserves			Total 2021 £	Total 2020 £
	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £		
Income from								
Donations and legacies								
Quota	600,000	-	600,000	-	-	-	600,000	732,018
Donations	24,833	24,218	49,051	-	-	-	49,051	59,775
Legacies	-	-	-	-	-	-	-	3,436
	<u>624,833</u>	<u>24,218</u>	<u>649,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>649,051</u>	<u>795,229</u>
Investments								
Investment income - UTP distributions	1,609,409	130,754	1,740,163	-	-	-	1,740,163	1,552,748
Investment income - interest	8,494	701	9,195	-	-	-	9,195	7,946
Rental income	21,243	-	21,243	-	-	-	21,243	21,243
	<u>1,639,146</u>	<u>131,455</u>	<u>1,770,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,770,601</u>	<u>1,581,937</u>
Charitable activities								
Publication sales	3,466	-	3,466	-	-	-	3,466	3,485
Other income	14,690	-	14,690	-	-	-	14,690	21,902
Pension Fund and investment administration fee	37,518	-	37,518	-	-	-	37,518	34,331
Rental income	-	91,468	91,468	-	-	-	91,468	85,529
	<u>55,674</u>	<u>91,468</u>	<u>147,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,142</u>	<u>145,247</u>
Other								
Gain on sale of property	-	-	-	-	40,171	40,171	40,171	149,024
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,171</u>	<u>40,171</u>	<u>40,171</u>	<u>149,024</u>
Total Income	<u>2,319,653</u>	<u>247,141</u>	<u>2,566,794</u>	<u>-</u>	<u>40,171</u>	<u>40,171</u>	<u>2,606,965</u>	<u>2,671,437</u>
Expenditure on charitable activities (note 6)								
Mission development and support	289,842	9,076	298,918	-	-	-	298,918	361,362
Ministry support and training	496,192	32,000	528,192	-	-	-	528,192	520,524
Ecumenical and church relations	103,230	-	103,230	-	-	-	103,230	101,980
Promotion, publication and communication	248,103	-	248,103	-	-	-	248,103	261,634
Support for retired clergy	43,836	93,226	137,062	-	-	-	137,062	118,918
Support and advice to dioceses and congregations within SEC	1,319,446	28,523	1,347,969	-	-	-	1,347,969	1,012,998
	<u>2,500,649</u>	<u>162,825</u>	<u>2,663,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,663,474</u>	<u>2,377,416</u>
Total expenditure	<u>2,500,649</u>	<u>162,825</u>	<u>2,663,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,663,474</u>	<u>2,377,416</u>
Net income before transfers and gain on revaluation of investments	<u>(180,996)</u>	<u>84,316</u>	<u>(96,680)</u>	<u>-</u>	<u>40,171</u>	<u>40,171</u>	<u>(56,509)</u>	<u>294,021</u>
Gain on revaluation of investments (note 8)	-	-	-	6,704,105	711,996	7,416,101	7,416,101	20,430,842
Net income before transfers (note 2)	<u>(180,996)</u>	<u>84,316</u>	<u>(96,680)</u>	<u>6,704,105</u>	<u>752,167</u>	<u>7,456,272</u>	<u>7,359,592</u>	<u>20,724,863</u>
Transfers between funds	18,849	(18,849)	-	-	-	-	-	-
Transfers between revenue and capital	13,273	(53,293)	(40,020)	(13,273)	53,293	40,020	-	-
Net movement in funds	<u>(148,874)</u>	<u>12,174</u>	<u>(136,700)</u>	<u>6,690,832</u>	<u>805,460</u>	<u>7,496,292</u>	<u>7,359,592</u>	<u>20,724,863</u>
Fund balances at 1 January 2021	1,780,653	277,492	2,058,145	69,511,342	12,319,992	81,831,334	83,889,479	63,164,616
Fund balances at 31 December 2021	<u>1,631,779</u>	<u>289,666</u>	<u>1,921,445</u>	<u>76,202,174</u>	<u>13,125,452</u>	<u>89,327,626</u>	<u>91,249,071</u>	<u>83,889,479</u>

Detailed comparatives are at note 15.

All income is derived from continuing activities.

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

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
BALANCE SHEET AS AT 31 DECEMBER 2021**

		2021		2020	
		£	£	£	£
Fixed Assets (note 8)					
Heritable Properties at book value		4,021,394		4,030,510	
Investments at market value (Book Cost: £8,289,819)		84,502,628		77,085,695	
	(2020: £8,288,987)				
Social Investments		<u>355,538</u>		<u>368,811</u>	
		88,879,560		81,485,016	
Current Assets					
Debtors (note 9)		979,923		898,407	
Bank and Cash		<u>1,771,482</u>		<u>1,787,934</u>	
		2,751,405		2,686,341	
Current Liabilities					
Creditors and Accruals (note 10)		<u>(381,894)</u>		<u>(281,878)</u>	
Net Current Assets		2,369,511		2,404,463	
TOTAL ASSETS LESS LIABILITIES		<u>91,249,071</u>		<u>83,889,479</u>	
 Capital and Reserves (note 11)					
Unrestricted Funds	Capital	76,202,174		69,511,342	
	Revenue	<u>1,631,779</u>		<u>1,780,653</u>	
		77,833,953		71,291,995	
Restricted Funds	Capital	13,125,452		12,319,992	
	Revenue	<u>289,666</u>		<u>277,492</u>	
		13,415,118		12,597,484	
TOTAL FUNDS (note 12)		<u>91,249,071</u>		<u>83,889,479</u>	

Bridget Campbell
Convener, Standing Committee
28 April 2022

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

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities:		
Net cash (used in) operating activities (reconciliation below)	<u>(1,754,869)</u>	<u>(1,318,134)</u>
Cash flows from investing activities:		
Dividends, interest and rent from investments	1,676,689	1,515,322
Proceeds from the sale of property	201,741	222,838
Purchase of property and equipment	(152,454)	(183,269)
Purchase of investments	(832)	(735)
Loans advanced (to dioceses / charges)	(351,394)	(125,000)
Loans repaid (by dioceses / charges)	364,667	157,754
Net cash provided by investing activities	<u>1,738,417</u>	<u>1,586,910</u>
Change in cash in year	(16,452)	268,776
Cash at 1 January 2021	1,787,934	1,519,158
Cash at 31 December 2021	<u>1,771,482</u>	<u>1,787,934</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)	7,359,592	20,724,863
Adjustments for:		
Loss / (Gains) on investments	(7,416,101)	(20,430,842)
Dividends, interest and rent from investments	(1,770,601)	(1,581,937)
Profit on sale of property	(40,171)	(149,024)
Decrease / (Increase) in debtors	12,396	22,445
(Decrease) / Increase in creditors	100,016	96,361
Net cash (used in) operating activities	<u>(1,754,869)</u>	<u>(1,318,134)</u>

Analysis of changes in net debt

	At 1 January 2021	Cash flows	At 31 December 2021
Cash	1,787,934	(16,452)	1,771,482
Total	<u>1,787,934</u>	<u>(16,452)</u>	<u>1,771,482</u>

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

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021**

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 has a reasonable expectation that the General Synod has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the accounts. The most significant areas of uncertainty with regard to the value of assets held by the General Synod and its ability to continue to operate is the performance of the SEC Unit Trust Pool and the income it produces. (See the investment policy and performance and risk management sections of the Standing Committee's report for more information. The Investment Committee report can be found at page 52 and accounts of the SEC Unit Trust Pool at page 91.)

Fund accounting

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

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

Accruals

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

Tangible fixed assets and depreciation

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

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

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

Fixed asset investments

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

Social investments

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

Disposals of investments and heritable properties

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

Investment income

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

Quota income

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

Donations, legacies and similar income

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

Grant expenditure

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

Governance Costs

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

Apportionment of Support Costs (including Governance Costs)

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

Basic financial instruments

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

2 Funds

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

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

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

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

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

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

3 Employee costs and remuneration of key management personnel

	2021	2020
	£	£
Salaries	584,582	568,222
Pension contributions	189,510	187,373
Social security costs	45,952	44,025
Travel and subsistence	2,299	2,759
Training	2,049	995
	<u>824,392</u>	<u>803,374</u>
Average number of employees	20	21
Average number of full time equivalent posts	16.5	16.8

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.)

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 £401,246 (2020: £393,138).

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

	2021 Number	2020 Number
£70,001 - £80,000	1	-
£60,001 - £70,000	-	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. The Actuarial Valuation as at 31 December 2020 estimated the Fund's surplus to be £5.6m and recommended no change in the contribution rate from 1 January 2022. There were no contributions outstanding at 31 December 2021 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. No expenses were paid to members of the Standing Committee during the year, in relation to their membership of that Committee. (2020: Expenses of £218 paid to four members).

5 Total income

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

6 Expenditure on charitable activities and governance costs

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

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

	Direct Costs £	Grants awarded £	Support Costs £	2021 Total £	2020 Total £
Charitable activities					
Mission development and support	11,299	164,148	123,471	298,918	361,362
Ministry support and training	330,494	165,552	32,146	528,192	520,524
Ecumenical and church relations	46,243	-	56,987	103,230	101,980
Promotion, publication and communication	12,850	-	235,253	248,103	261,634
Support for retired clergy	56,826	36,400	43,836	137,062	118,918
Provision of support and advice to Dioceses and Congregations	40,305	1,068,758	238,906	1,347,969	1,012,998
	498,017	1,434,858	730,599	2,663,474	2,377,416
2020	459,812	1,194,849	722,755	2,377,416	

	2021 £	2020 £
Analysis of support costs		
Staff costs	547,208	531,342
Property and equipment costs	43,044	59,263
General administration costs	56,964	50,834
Board and committee expenses	318	4,251
Governance costs	83,065	77,065
	730,599	722,755

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

2021	£15,120
2020	£14,400

7 Grants

Grants are made to Dioceses, Charges and individuals within the Scottish Episcopal Church for a number of purposes. Grants are also made to other church bodies, non-church bodies and to individuals. The range and variety of grants and further information regarding the grants made is provided in the accounts of the various funds (pages 19 to 58). The grants awarded during the year can be analysed:

	UK	Overseas	2021 Total	2020 Total
	£	£	£	£
Scottish Episcopal Church bodies	1,209,017	-	1,209,017	908,027
Other church bodies	42,000	53,077	95,077	91,328
Non church bodies	21,645	10,018	31,663	101,928
Individuals	73,750	25,351	99,101	93,566
	1,346,412	88,446	1,434,858	1,194,849
2020	1,098,804	96,045	1,194,849	

Grants were awarded to 398 individuals (2020: 397).

Included in Creditors and Accruals are Grants totalling £313,912 approved but not paid out (2020: £218,876).

8 Fixed Assets

	Heritable Property	Investments	Social Investments	Total
	£	£	£	£
At 31 December 2020	4,030,510	77,085,695	368,811	81,485,016
Additions during year	152,454	832	-	153,286
Disposals during year	(161,570)	-	-	(161,570)
Loans advanced in year	-	-	351,394	351,394
Loans repaid in year	-	-	(364,667)	(364,667)
Net gain on revaluation at 31 December 2021	-	7,416,101	-	7,416,101
Balance at 31 December 2021	4,021,394	84,502,628	355,538	88,879,560

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. 70.3% of investments in the Unit Trust Pool relate to UK investments. The unit value at 31 December 2021 was £31.4917. The unit value at 31 March 2022 was £28.5728, a decrease of 9.3%. 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

	2021 £	2020 £
Accrued Unit Trust Pool distribution	941,057	846,943
Sundry debtors including grant repayments	<u>38,866</u>	<u>51,464</u>
	<u>979,923</u>	<u>898,407</u>

10 Creditors

	2021 £	2020 £
Grants approved but not paid	313,912	218,876
Accruals and deferred income	<u>67,982</u>	<u>63,002</u>
	<u>381,894</u>	<u>281,878</u>

11 Reconciliation of movement in funds

	Balance at 31 Dec 20 £	Surplus Deficit for year prior to transfers £	/Transfers between funds £	Unrealised gain on revaluation at 31 Dec 21 £	Balance at 31 Dec 21 £
Unrestricted Funds					
General Fund	58,292,023	(259,870)	17,895	5,537,436	63,587,484
Other funds	12,999,972	78,874	954	1,166,669	14,246,469
	71,291,995	(180,996)	18,849	6,704,105	77,833,953
Restricted Funds					
Housing Fund	6,022,469	105,836	(11,750)	126,930	6,243,485
Other funds	6,575,015	18,651	(7,099)	585,066	7,171,633
	12,597,484	124,487	(18,849)	711,996	13,415,118
Total Funds	83,889,479	(56,509)	-	7,416,101	91,249,071

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 19 £	Surplus for year prior to transfers £	Transfers between funds £	Unrealised gain on revaluation at 31 Dec 20 £	Balances 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
	52,739,827	63,873	18,894	18,469,401	71,291,995
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
	10,424,789	230,148	(18,894)	1,961,441	12,597,484
Total Funds	63,164,616	294,021	-	20,430,842	83,889,479

12 Analysis of net assets between funds

Fund balances at 31 December 2021 are represented by:

	Unrestricted Funds	Housing Fund	Restricted Funds Other Funds	Total Restricted	Total Funds
	£	£	£	£	£
Fixed Assets					
Heritable Property at cost	27,598	3,993,796	-	3,993,796	4,021,394
Investments at market value	76,386,802	1,446,288	6,669,538	8,115,826	84,502,628
Social Investments	100,078	44,875	210,585	255,460	355,538
Current Assets					
Debtors and Prepayments	900,698	34,782	44,443	79,225	979,923
Bank and Cash	795,769	723,744	251,969	975,713	1,771,482
Current Liabilities					
Creditors and Accruals	(376,992)	-	(4,902)	(4,902)	(381,894)
	77,833,953	6,243,485	7,171,633	13,415,118	91,249,071

The majority of Unrestricted Funds are Undesignated Funds. The total of Undesignated Funds, representing the General Fund, at 31 December 2021 was £63.6m (2020 £58.3m).

The majority of Restricted Funds relate to the Retirement Housing Fund administered by the Retirement Housing Committee (see the Committee's report on page 55 and the Fund's financial statement on page 57). The Fund provides assistance in the provision of retirement housing to eligible beneficiaries of the SEC Pension Fund (mostly retired clergy and their widowed spouses / partners). It has an interest in 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 £2.3m relates to the Retirement Supplementary Fund administered by the Retirement Housing Committee. (The Fund's financial statement is on page 56.) Annual investment income is used to provide a range of grants and an annual Christmas gift to beneficiaries of the SEC Pension Fund. The balance of the investments and other assets relate to a range of smaller funds most of which are included in the Miscellaneous Funds administered by the Mission Board, the Institute Council and the Administration Board. (The financial statements on pages 40, 47 and 58 include these Restricted Funds with other Designated Funds administered by the Boards.)

Prior year comparative information:

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

13 Future commitments

Loans totalling £18,000 to two charges had been approved, but not drawn down at the Balance Sheet date. Both the loans were paid in January 2022. Quotes totalling £23,750 for repairs to four retirement properties had been accepted prior to the year end for work to be undertaken in 2022. All the works have now been completed and paid for.

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 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 Statement of Financial Activities previous year

	Revenue Accounts and Reserves			Capital Accounts and Reserves			Total 2020 £
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	
	Funds £	Funds £	£	Funds £	Funds £	£	
Income from							
Donations and legacies							
Quota	732,018	-	732,018	-	-	-	732,018
Donations	20,938	38,837	59,775	-	-	-	59,775
Legacies	3,336	100	3,436	-	-	-	3,436
	<u>756,292</u>	<u>38,937</u>	<u>795,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>795,229</u>
Investments							
Investment income - UTP distributions	1,436,088	116,660	1,552,748	-	-	-	1,552,748
Investment income - interest	6,116	1,830	7,946	-	-	-	7,946
Rental income	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>
Charitable activities							
Publication sales	3,485	-	3,485	-	-	-	3,485
Other income	21,902	-	21,902	-	-	-	21,902
Pension Fund and investment admin fee	34,331	-	34,331	-	-	-	34,331
Rental income	-	85,529	85,529	-	-	-	85,529
	<u>59,718</u>	<u>85,529</u>	<u>145,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,247</u>
Other							
Gain on sale of property	-	-	-	-	149,024	149,024	149,024
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,024</u>	<u>149,024</u>	<u>149,024</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>
Expenditure on charitable activities							
Mission development and support	352,819	8,543	361,362	-	-	-	361,362
Ministry support and training	468,308	52,216	520,524	-	-	-	520,524
Ecumenical and church relations	101,980	-	101,980	-	-	-	101,980
Promotion, publication and communication	261,634	-	261,634	-	-	-	261,634
Support for retired clergy	43,449	75,469	118,918	-	-	-	118,918
Support and advice to dioceses and congregations within SEC	987,394	25,604	1,012,998	-	-	-	1,012,998
	<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>
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>
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>
Gain on revaluation of investments	-	-	-	18,469,401	1,961,441	20,430,842	20,430,842
Net income before transfers	<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>
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>
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
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>

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 2021 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 2021 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

29 April 2022

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 2021

	£	2021 £	£	2020 £
Income				
Capital gains - net				
Realised		9,309,571		6,019,665
Unrealised		<u>2,470,824</u>		<u>25,453,376</u>
		11,780,395		31,473,041
Revenue	2,296,760		1,767,534	
Management expenses	<u>(21,118)</u>		<u>(28,747)</u>	
		<u>2,317,879</u>		<u>1,796,280</u>
Total return before distributions		14,098,274		33,269,321
Distributions (65p per unit. 2020: 58p)		<u>2,726,187</u>		<u>2,356,047</u>
Change in net assets attributable to unitholders from investment activities		<u>11,372,087</u>		<u>30,913,274</u>
Statement of change in net assets attributable to unitholders				
Net assets attributable to unitholders as at 31 December 2020		116,636,111		85,661,976
Receipts from issue of new units		6,996,134		867,194
Realisation of units:				
Book value		(362,309)		(287,540)
Appreciation		<u>(676,723)</u>		<u>(518,793)</u>
		122,593,213		85,722,837
Change in net assets attributable to unitholders from investment activities		<u>11,372,087</u>		<u>30,913,274</u>
Net assets attributable to unitholders as at 31 December 2021		<u>133,965,300</u>		<u>116,636,111</u>
Number of units in issue		<u>4,253,994</u>		<u>4,060,024</u>
Unit value as at 31 December 2021		<u>£31.4917</u>		<u>£28.7279</u>

The notes on page 93 form part of these accounts.

**THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL
BALANCE SHEET AS AT 31 DECEMBER 2021**

	Notes	2021	2020
		£	£
Capital Account			
Investments valued at closing prices	3	134,778,054	117,378,323
Current Assets			
Bank		1,032,575	331,003
Investment income receivable		34,994	117,164
Income tax recoverable		111,325	91,199
Sundry debtors		<u>45,459</u>	<u>32,016</u>
		1,224,353	571,382
Current Liabilities			
Sundry creditors		48,209	34,686
Proposed distribution at 35p/unit (2020: 31.5p/unit)		1,488,898	1,278,908
Funds awaiting investment		<u>500,000</u>	<u>-</u>
		<u>2,037,107</u>	<u>1,313,593</u>
Net Current (Liabilities)		<u>(812,754)</u>	<u>(742,212)</u>
Total Net Assets attributable to unitholders		<u>133,965,300</u>	<u>116,636,111</u>

Bridget Campbell
Convener, Standing Committee
28 April 2022

The notes on page 93 form part of these accounts.

THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Status of the Unit Trust Pool

The Unit Trust Pool was established by the Investment Committee of the General Synod of the Scottish Episcopal Church to bring together the disparate investments of the various Funds of the General Synod, the dioceses and the individual congregations of the Church to enable these to be managed professionally. The Unit Trust Pool is therefore purely an investment vehicle of the Scottish Episcopal Church. The annual report of the Investment Committee appears on page 52. An Ethical Investment Policy has been adopted in respect of the Unit Trust Pool (see page 97).

Investment Managers

For the year ended 31 December 2021, 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 is calculated quarterly, under the Investment Management Agreement, on the value of the managed portfolio by applying a reducing percentage as the fund values exceed set bands. The fee for the year ended December 2021 was £471,569 (2020: £371,194) including VAT. The daily fees charged through the price of the units held in Baillie Gifford's pooled fund exceed the agreed management fee. A management fee rebate is therefore received by the fund and is shown on the Statement of Total return.

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 B Income	£43,667,937	32.3%
Baillie Gifford Multi Asset Income Fund B Income	£46,851,254	34.6%

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 2021 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 2021 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

29 April 2022

ETHICAL INVESTMENT POLICY

(The Policy relates to investments in the Scottish Episcopal Church Unit Trust Pool)

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. A copy of the report discussed by General Synod and the resolutions passed can be downloaded from the SEC Website. (<https://www.scotland.anglican.org/wp-content/uploads/Climate-Change-Action-and-Fossil-Fuel-Investments-002.pdf>)

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.

The Ethical Investment Advisory Group proposed a Policy Framework for Investment in Pooled Funds to General Synod in 2021. The Policy Framework was approved by General Synod. The Policy Framework document is available from the SEC Website. (<https://www.scotland.anglican.org/wp-content/uploads/Policy-on-the-use-of-Pooled-Funds-in-the-UTP-June-2021.pdf>)