



Scottish Episcopal Church

40th Annual Report

The General Synod of the Scottish Episcopal Church

Annual Report and Accounts for the year ended 31 December 2022

Notes

Membership

The membership of each Board and Committee is listed on pages 3 - 7 and reflects the membership at 31 December 2022.

Financial information

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

Synod Papers

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

General Synod of the Scottish Episcopal Church

Scottish Charity Number SC015962

Scottish Episcopal Church Nominees

Scottish Charity Number SC013463

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General Synod of The Scottish Episcopal Church

Reference and administrative information

Charity name and address	General Synod of the Scottish Episcopal Church 21 Grosvenor Crescent Edinburgh EH12 5EE	
Scottish Charity Number	SC015962	
Charity Trustees	<i>Standing Committee</i> Ms Bridget Campbell (Convener) 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 (<i>to 11 June 2022</i>)	
Principal Officers	Secretary General Treasurer	Mr John Stuart Mr Malcolm Bett
Solicitors	Shepherd and Wedderburn LLP 1 Exchange Crescent, Conference Square Edinburgh EH3 8UL Brodies LLP 58 Morrison Street Edinburgh, EH3 8BP	
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> Rt Rev David Chillingworth (<i>from 31 August 2022</i>) Canon Dr John Ferguson-Smith (<i>from 31 August 2022</i>) Mr Gavin Gemmell (<i>from 31 August 2022</i>) Mr Robert Gordon Mr Martin Haldane Rt Rev Edward Luscombe (<i>deceased 3 May 2022</i>) Prof Patricia Peattie <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 Most Rev Mark Strange	

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 2022 by the Primus, Most Rev Mark Strange

This year's annual report comes at the end of a year when many things have changed here and in the world around us. Last year, I wrote my report before the invasion of Ukraine by Russian forces. The effect of that military decision has had a profound effect upon all of us and last year at General Synod we heard first hand experiences of the turmoil created when Markus Dünzkofer addressed us following his trip to Poland. Many churches were involved in providing support for those impacted by the war and many continue to support the many refugees living amongst us.



One effect of the ongoing conflict has been huge increases in the cost of electricity, gas and oil. These have impacted all of us but especially those on lower incomes. Once again, churches have been at the forefront of providing help, but we are also aware of the implications of those increased costs for our own buildings. As part of our commitment to net zero carbon emissions by 2030, the extensive work being undertaken by the Provincial Environment Group will help to give a lead to our churches in improving their energy efficiency which in the longer term should reduce energy consumption. We thank all involved for their hard work in providing us with resources.

Last year also saw the death of our late Queen Elizabeth, whose strong Christian faith was an inspiration to so many. The Scottish Episcopal Church was able to offer prayer and places for prayer and memorial across the length and breadth of Scotland as the nation mourned her passing. I was honoured to be invited to read the Gospel at the National Memorial in St Giles' Cathedral and to attend the funeral in Westminster Abbey.

In June 2022, we were pleased to return to an in person General Synod in Edinburgh. It was good to see one another and share in worship and debate. We had done well previously in conducting an online synod, but it was good to be together. The relaxation in Covid restrictions and the roll out of vaccinations also enabled the seven bishops of our Church to attend the Lambeth Conference. That was an important moment for our Church. Decisions had previously been made in the Anglican Communion imposing sanctions on Provinces that were deemed to be out of step with the majority on matters of human sexuality. The effect of the Lambeth Conference was that differing views were recognised and that previous sanctions were removed and would not be reinstated. The Conference touched on many issues and a full report can be found on the Lambeth Conference web page.

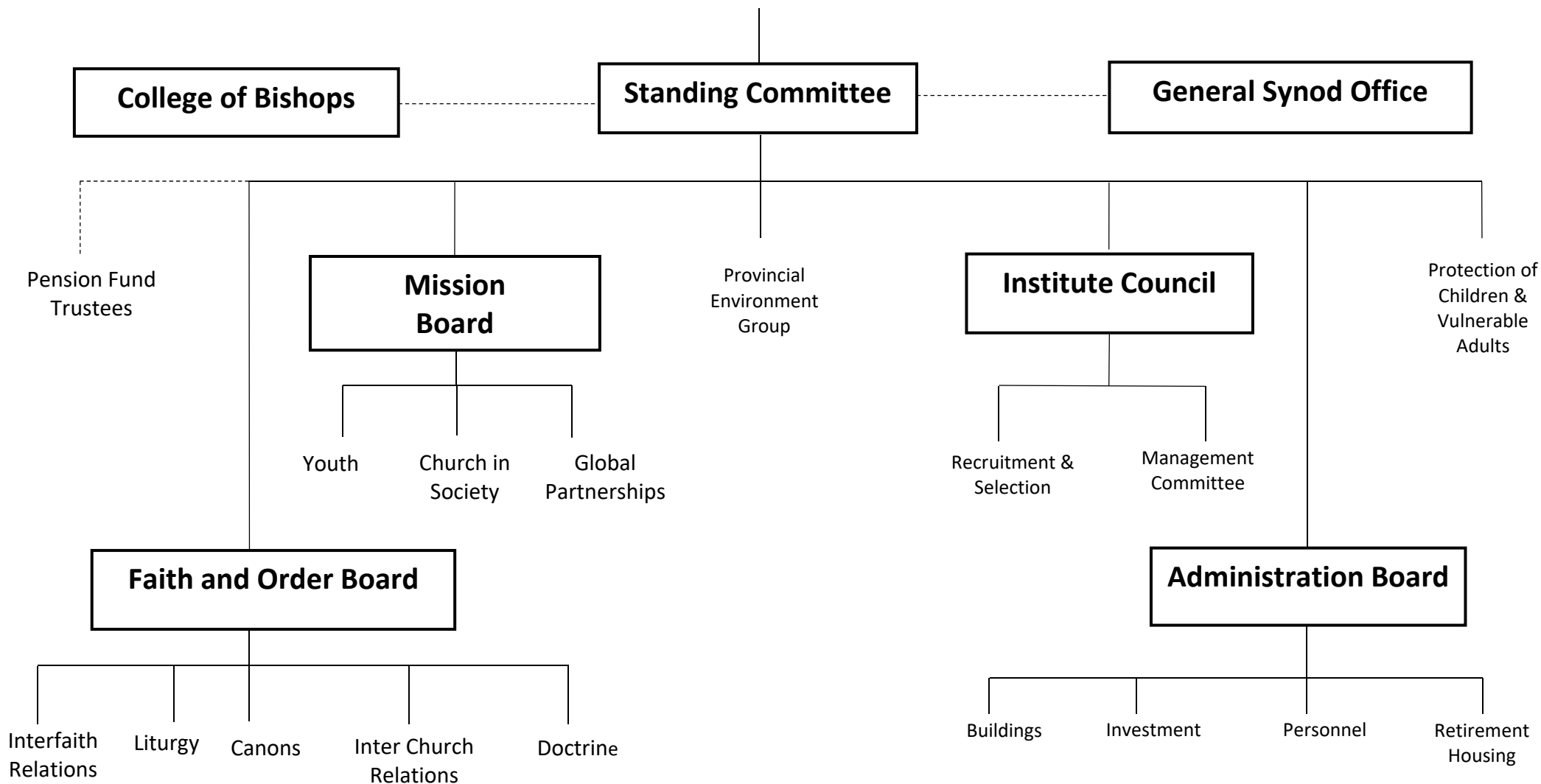
2022 was a difficult year for the Diocese of Aberdeen and Orkney and the College of Bishops in relation to ongoing matters in that Diocese. We ask for prayers for all those affected.

As a Church we have had many things to address in the last few years. Some have been a joy, others painful and exhausting, but we will come together at General Synod in Edinburgh in 2023 in the knowledge of the work in front of us and in thanks for those who have given so much to keep us "Marching in the Light of Christ".

**Bishop Mark
Primus**

Provincial Boards and Committees

THE GENERAL SYNOD (Bishops, Clergy & Laity)



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
Vacancy	General Synod Representative (laity)	

Provincial Environment Group

Rt Rev the Bishop of St Andrews, Dunkeld and Dunblane	Convener	2021 - 2026
Mrs C Johnston	Member	2021 - 2025
Dr V Cameron	Member	2021 - 2025
Rev W J Shaw	Member	2021 - 2025
Rev L Smith	Member	2022 - 2026

Committee for the Protection of Children and Vulnerable Adults

Mr R Baker	Convener	2020 - 2025
Rev R Campbell	Member	2022 - 2026
Rev Canon Dr M F Chatterley	Member	2017 - 2024
Rev M Goodman	Member	2022 - 2026
Mrs A Jones	Member	2019 - 2023
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
Vacancy	Aberdeen and Orkney	
Ms M MacKay	Argyll and The Isles	2022 - 2026
Rev Canon P Moger	Argyll and The Isles	2022 - 2026
Ms S Rowe	Brechin	2021 - 2025
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 Canon P R Watson	Glasgow and Galloway	2019 - 2023
Mr M Campbell	Moray, Ross and Caithness	2022 - 2026
Rev S Scott	Moray, Ross and Caithness	2022 - 2026
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	

Board and Committee Membership

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 McEwan	Member	2020 - 2024
Ms G Reynolds	Member	2019 - 2023
Mr S White	Member	2019 - 2023

Doctrine Committee

Rev Dr H A Harris	Convener	2021 - 2026
Rt Rev the Bishop of Argyll and The Isles	College of Bishops	
Dr E 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

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	
Rev A Horsburgh	Ecumenical Rep (CofS)	
Rev J Patron-Bell	Ecumenical Rep (Meth)	

Interfaith Relations Committee

Rev B Evans-Hills	Convener	2020 - 2025
Most Rev the Primus	College of Bishops	
Rev N Bowry	Member	2021 - 2025
Dr S J Innes	Member	2017 - 2025
Rev D Paton-Williams	Member	2020 - 2024
Mrs V Webb	Member	2015 - 2023
Rev J Bremner	EMU Rep (URC)	
Rev I Malik	EMU Rep (Meth)	

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 Canon P Moger	Member	2022 - 2026
Rev Dr S B Marriage	Member	2020 - 2024
Dr L van Ommen	Member	2018 - 2026
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 S Scott	Convener, Church in Society Committee	2022 - 2027
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 C Brett	Argyll and The Isles	2022 - 2026
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 Canon E Baker	St Andrews, Dunkeld and Dunblane	2022 - 2026

Church in Society Committee

Rev S Scott	Convener	2022 - 2027
Rev B Evans-Hills	Rep for Interfaith Relations Cttee	2020 - 2025
Ms C Beel	Member	2022 - 2026
J Benvie	Member	2022 - 2026
Rev R Campbell	Member	2022 - 2026
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
Rev Canon T Taggart	Member	2021 - 2025

Youth Committee

Vacancy	Chair	
Mrs C Benton-Evans	Acting 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	
Mrs C Benton-Evans	Youth Officer, Brechin	
Vacancy	Youth Officer, Edinburgh	
Miss A Byers	Acting Youth Officer, Glasgow and Galloway	
Ms L Forsyth	Youth Officer, Moray, Ross and Caithness	
Mr J Gardner	Youth Officer, St Andrews, Dunkeld and Dunblane	
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	

Board and Committee Membership

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
Mr M Harris	Convener, Investment Committee	2022 - 2027
Mrs J Whiteside	Convener, Personnel Committee	2018 - 2023
Mr P Marsh	Convener, Retirement Housing Committee	2022 - 2027
Mr D R Crosley	Aberdeen and Orkney	2017 - 2025
Mrs J Ainsley	Argyll and The Isles	2016 - 2024
Mr M Duncan	Brechin	2021 - 2025
Vacancy	Edinburgh	
Rev L S Ireland	Glasgow and Galloway	2019 - 2023
Mr D Campbell	Moray, Ross and Caithness	2016 - 2024
Mr B Grimley	St Andrews, Dunkeld and Dunblane	2019 - 2023
Rev R Kilgour	General Synod	2022 - 2026
Rev D Davison	General Synod	2020 - 2024
Vacancy	General Synod	

Buildings Committee

Prof P F Sharp	Convener	2020 - 2025
Mr N Gaunt	Member	2018 - 2026
Mr D Gibbon	Member	2019 - 2023
Mr S Jamieson	Member	2022 - 2026
Very Rev E Lamont	Member	2020 - 2024
Rev Canon A MacLean	Member	2015 - 2023
Rev Dr D Orr	Member	2020 - 2024

Investment Committee

Mr M Harris	Convener	2022 - 2027
Mr G Arthur	Member	2019 - 2023
Rev A Fairclough	Member	2019 - 2023
Dr M D Green	Member	2015 - 2023
Mr A Hunter	Member	2016 - 2024
Mr R MacDonald	Member	2021 - 2025
Mr R Nelson	Member	2022 - 2026

Personnel Committee

Mrs J Whiteside	Convener	2018 - 2023
Rt Rev the Bishop of Brechin		
Rev A Fairclough	Member	2018 - 2026
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

Mr P Marsh	Convener	2022 - 2027
Mr D D Campbell	Member	2017 - 2025
Rev Canon D J B Fostekew	Member	2019 - 2023
Mr I Spence	Member	2019 - 2023
Mrs J Whiteside	Member	2016 - 2024
Ms C Wigston	Member	2022 - 2026

Board and Committee Membership

Institute Council

Rt Rev the Bishop of Aberdeen and Orkney	Convener	2020 - 2025
Rt Rev the Bishop of Brechin	Acting Convener/College of Bishops	
Rev Canon Prof G P Foster	Member	2015 - 2023
Rev E Garman	Member	2018 - 2026
Mrs C Johnston	Member	2022 - 2026
Rev D Paton-Williams	Member	2018 - 2026
Mrs P Thomson	Member	2017 - 2025
Rev Canon P R Watson	Member	2015 - 2023
Mrs L Symon	Student Representative	2022 - 2023
Rev S Henderson	Ecumenical Member	2022 - 2026
Rev Canon Dr A L Tomlinson (in attendance)	Convener, Institute Management Committee (Board of Studies)	

Pension Fund Trustees

Ms S Whitley	Chair	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

1. The Scottish Episcopal Church (SEC) is a province of the Anglican Communion.
2. The General Synod of the Scottish Episcopal Church is an unincorporated association. The affairs of the SEC are regulated by the Code of Canons and the Synod's Digest of Resolutions which are binding upon the General Synod and the SEC's dioceses and congregations. 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.)
3. The Standing Committee acts as the Executive Committee of the General Synod between Synod meetings. 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 works closely with the College of Bishops in addressing strategic issues facing the SEC as a whole. (The College comprises all the Diocesan Bishops, each of whom has a collective or shared responsibility to oversee and care for the SEC as well as oversee and care for his or her own diocese.) With the exception of the Primus and the representative of the College of Bishops, Standing Committee members are appointed by the General Synod for a term of either four or five years. The College of Bishops appoints its representative.
4. The members of Standing Committee are the Charity Trustees of the General Synod.
5. 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 on initiatives of joint concern.
6. 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.
7. 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 is at page 3.

Objectives and activities of Standing Committee

8. In its role of Executive Committee of the General Synod, Standing Committee acts to progress the General Synod's objective of securing the general advancement of the SEC's mission. Its work 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 (now the Scottish Episcopal 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

The statement of financial activities groups these objectives into the following 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

9. Much of the work is undertaken by the four Boards and their pendant Committees. Further information about the work of these groups can be found in the Conveners' reports included in pages 24 to 61. The rest of this report describes the work of the Standing Committee itself.

Achievements of Standing Committee

10. The Committee had five regular meetings during 2022. It was a year in which the Church, along with society as a whole, began to emerge from the restrictions arising from by the Covid 19 pandemic and, from April it resumed meeting in person. It also gathered on several other occasions to address issues arising from the difficulties in the Diocese of Aberdeen and Orkney.

Strategic Planning

Vision and Strategy

11. The Committee was able to devote limited time to developing vision and strategy. It worked with the Boards and Committees of the General Synod to begin to draw together a composite workplan. The Committee intends to bring a version of the composite workplan to General Synod 2023 to help Synod members to engage with the scope and breadth of the work being undertaken across the Board and Committee structure.
12. The workplan can be expected to develop over time, but it has already proved a useful tool in providing, in a single document, clarity on Board and Committee objectives. For Boards, it supports management and oversight of the work of their Committees. For the Standing Committee, it encourages focus in the work of the Boards and Committees and will be a useful resource when the Standing Committee needs to make decisions about budget allocation between potentially competing priorities. The Committee is grateful to the Conveners and members of the Boards and Committees for their help in developing the workplan.
13. The Committee also overhauled its risk register to develop it as a tool to help it to manage risks which face the Church as a whole, proactively. The risk register has already proved useful in helping the members of the Committee in the understanding and discharge of their responsibilities as Charity Trustees of the General Synod.

Emerging from the pandemic

14. In March 2022 the Scottish Government lifted the remaining legal restrictions to which places of worship had been subject during the pandemic. Over time, congregations resumed former patterns of worship and church life. The Committee continued to be grateful to the Advisory Group established in 2020 for its work in providing advice to the bishops and the wider church on responding to lockdown regulations and their subsequent easing. In 2022 the Group issued a small number of email updates to clergy, lay readers and vestry secretaries. Once legal restrictions had been removed, there was less need for general guidance from the province. The Advisory Group issued its final update in April 2022 and was wound up later in the year. The Group reflected upon its role during the pandemic and helpfully offered suggestions to the Standing Committee for consideration, were similar situations to arise again in the future. We thank Group members for their significant work during the pandemic. Standing Committee considers that the establishment of Advisory Group was a model which worked well and could be replicated again if needed.
15. The Committee continued to support the provision of weekly online worship streamed by the province and this has been maintained notwithstanding the resumption of "in-person" services locally. It will be reviewed during 2023 but appears still to be appreciated by many. Children's Chapel was discontinued during 2022 as demand for it dwindled and demand for resources in other areas increased.
16. During the year, many provincial Boards and Committees resumed some in person meetings, whilst also continuing with some meetings online. Hybrid meetings were also undertaken from time to time, including that of the General Synod in June 2022. General Synod Office staff now work partly from home and partly from the office and the office reception moved back to operating on a daily, but part-time, basis.
17. One indirect benefit of the pandemic was that the Scottish Government established a "Faith and Belief Representatives Group" as a forum for communication on matters concerning Covid 19 between Government and Scotland's faith communities. That group continued to meet following the end of Covid restrictions and became permanent, its focus changing to cover matters of Government policy generally. The Secretary General represents the SEC on the Group.

Cost of living and economic challenges

18. Throughout the year the Committee been aware of the multiple challenges faced by congregations and the Church as a whole arising in part from the legacy of the Covid pandemic, working towards net zero carbon emissions and cost of living crisis, including prospective increases in stipend. The Provincial Treasurer maintained contact with Diocesan Treasurers during the year in order to monitor the overall financial situation across dioceses.
19. Every level of the SEC needs to adjust to these challenges for the longer term. The Standing Committee has taken steps to help the Church in that transition by providing some extra financial support over 2021, 2022, 2023 and 2024. General Synod 2020 set provincial quota for 2021 at a significantly lower level than for previous years. Quota for 2022 was increased from the 2021 level but still represented a reduced demand compared to historic levels. In the light of ongoing financial pressures faced by the Church, Standing Committee proposed a smaller increase to General Synod 2022 for 2023 quota than had been intimated previously. The overall increase in quota for 2023 was limited to 3.8%, substantially below the rate of inflation.
20. General Synod 2021 agreed a new policy for increases in Standard Stipend, recognising that in previous years, stipend had not kept pace with inflation. That Synod agreed a period of catch up which included setting the stipend increase for 2023 at 1% above the rate of inflation. That has resulted in an increase in Standard Stipend for 2023 of 11.1%, with a consequent increase in pension contributions. Recognising that the increase would prove challenging for many congregations, the Committee agreed to apply £365,000 of reserves to ease the transition to the new rate. Transitional Stipend Assistance Grants will therefore be

paid to dioceses to enable them to provide financial support to charges with the greatest difficulty in funding the increased cost. The Committee agreed provision of £265,000 for 2023 and £100,000 for 2024.

21. Conscious that the stipend policy had been set in 2021, at a time when inflation rates were substantially lower than those experienced in 2022, the Committee invited the Administration Board to reconvene its Clergy Remuneration Review Group to consider whether any adjustment in future increases might be appropriate. That Group reported to the Administration Board at the end of March 2023 and decided not to make any recommendation for change to the stipend policy and the Board has accepted that recommendation.
22. During the year, the Committee also received reports on how grants of £300,000 from the provincial Recovery and Renewal Fund provided by the province to dioceses in 2021 had been spent. It was encouraged by the creativity and imagination demonstrated by congregations in the application of grant monies.

Carbon Emissions and Net Zero

23. The Provincial Environment Group (PEG) established by the Standing Committee following General Synod 2021 met regularly during 2022. The Committee thanks the Group for its work to help the Church move towards its target of net zero carbon emissions by 2030. We are also grateful to those congregations who used the analyser tool produced by PEG to assess the current level of their emissions. The challenge faced by the Church in this area is enormous and needs engagement at every level. The Committee met representatives of PEG and, recognising the need for resources to take the matter forward, agreed to create a provincial staff post on climate change matters. The post was publicly advertised in March/April 2023 and at the time of completion of this report, interviews were expected to be undertaken during May. Pending such recruitment, it also agreed the appointment of Robert Woodford as a part-time consultant to PEG until the summer of 2023 to assist PEG in its development of an overall strategy for the Church which will feature as an item for discussion at General Synod 2023. (Robert has stepped down as a member of PEG for the period of his consultancy.)

Financial Strategy

24. Over recent years the key strategic financial objective has been to avoid deficits and achieve a balanced budget year by year. For various 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 and longer lead times for filling posts. 2022 was another year in which the financial outcome was better than budget. A significant challenge in setting future budgets will be agreeing the funding required to enable the SEC to implement Synod's decision to work towards achieving net zero carbon emissions by 2030. Standing Committee has acknowledged that budget deficits will be required for the foreseeable future as reserves are used to help fund the work necessary to achieve this objective. The Committee will continue to scrutinise all areas of expenditure and seek to ensure that the budgets set are consistent with priorities emerging from the workplan and the SEC's strategic objectives.
25. The Committee remains committed to using the financial resources available to it to further the Church's work. In recent years it has used reserves to fund reduction in Quota, provide Recovery and Renewal grants and has committed reserves to provide Transitional Stipend Assistance Grants in 2023 and 2024. Reserves will also be used to fund achieving the SEC's net zero target by 2030.
26. The Committee is also 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.

General Synod 2022

27. For the first time since 2019, the Synod gathered in person. The meeting was organised on a hybrid basis, allowing those unable to come to Edinburgh to participate in the meeting fully, but remotely. This meeting was the first ever fully hybrid Synod. Feedback on the meeting indicated that members appreciated being able to be present physically and the hybrid format was also positively received. Synod 2023 will again operate on a hybrid basis.
28. Full minutes of the Synod meeting are available on the provincial website.

Matters relating to the Diocese of Aberdeen and Orkney

29. Issues of difficulty in the Diocese of Aberdeen and Orkney continued in 2022 to be a matter of concern to the Committee and featured regularly on its agenda. Substantive comment upon the situation would be inappropriate in this report since a canonical process is still in train. Bishop Anne Dyer, who is a member of the Standing Committee in her capacity as Convener of the Institute Council, was suspended following initiation of canonical process. For the duration of her suspension she has taken no part in the affairs of the Standing Committee, the College of Bishops or the Institute Council.
30. The Committee appointed Bishop Ruth Worsley, Bishop of Taunton, to the Preliminary Proceedings Committee (PPC) under Canon 54 for that process. It also filled two vacancies on the PPC which arose during the year by appointing Callum Kennedy as a practising lawyer, and Niall McLean as the new Secretary. Standing Committee thanks all members of the PPC for their service.

Health and safety matters

31. A tragic accident in Peterhead in 2021 sadly resulted in the deaths of two church volunteers.
32. During 2022, the Health and Safety Executive issued statutory notices on various bodies in the church, including the province. These have been the subject of legal process which, at the time of preparation of this report, is ongoing.
33. Following the incident, the Buildings Committee has undertaken significant work in developing comprehensive new health and safety resources, with an emphasis on risk assessment, for local congregations. These comprise a training video, a risk assessment booklet and an online toolkit of resources. All congregations were invited to participate in a pilot of those materials and some 35 congregations took up the invitation. The materials were rolled out to the entire SEC in February 2023.

Standing Committee membership and appointments

34. Jenny Whelan stepped down as a lay member of the Committee at General Synod 2022. We are grateful to Jenny for her service. No nominations for the vacancy were received and the Committee has functioned with one vacancy since then. We hope that the vacancy for a lay member will be filled at General Synod 2023, at which time two clergy vacancies will also arise.
35. The Committee made a number of appointments to other bodies during the year: the Rev Lee Johnston to succeed the Rev Dr Jenny Wright as one of the SEC's two representatives on the Anglican Consultative Council; the Rev Lewis Smith as an additional member of PEG; the Rev Mark Goodman and the Rev Roxanne Campbell as new members of the Safeguarding Committee and the interim appointment of the Rev Susan Henderson of the United Reformed Church as an ecumenical member of the Institute Council.

Other matters

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

- The Ethical Investment Advisory Group, established after General Synod 2019, completed its work by reporting to General Synod in June. Its report included proposals for a definition of "unethical sources of revenue" for the purposes of the Church's Unit Trust Pool and also a framework for considering and implementing ethical investment criteria. The report was accepted by Synod and the Committee is grateful to all members, including its chair, Alan McLean KC, for their work. As required by the ethical investment policy previously adopted, the Investment Committee provided a compliance report to Standing Committee which confirmed that the Unit Trust Pool held no investments in the "restricted categories" set out in the ethical investment policy, either directly or in pooled funds.
- Towards the end of 2022, the Committee also benefited from a joint session with representatives of the Investment Committee on future investment strategy. That provided useful food for thought as Standing Committee considers priorities for the future and how they can be funded.
- The Land Reform (Scotland) Act 2016 (Register of Persons Holding a Controlled Interest in Land) Regulations 2021 will, in their current form, have significant administrative implications for the SEC, principally at diocesan level. The transitional period for compliance with the Regulations was to come to an end on 31 March 2023. Diocesan Registrars have engaged in discussion of the implications of the Regulations and the SEC, together with other denominations on the Scottish Churches Committee, made representations to the Scottish Government to seek modification to the Regulations. Those representations included a meeting with the relevant Scottish Government Minister (following which the General Synod was formally registered with the Scottish Parliament Lobbying Register). In February 2023, a response from Government was received indicating that the transitional period for compliance would be extended until March 2024, but that no other change would be made to the Regulations.
- In discussions with the Diocese of Edinburgh it was agreed that the Diocese's lease of the basement of Forbes House should continue on a year-to-year basis. A review of the rent was in hand at the year-end.

General Synod Office Staff matters

37. There were a number of developments during 2022.

38. Responding to needs identified within the Church, the position of Digital Communications Coordinator, held by Aidan Strange, was increased to full-time and that of Provincial Youth Coordinator, held by Claire Benton-Evans, increased to half-time. Both posts were made permanent, as was that of the Director of Mixed Mode, held by the Rev Dr Richard Tiplady.

39. The staff of the Scottish Episcopal Institute (SEI) was increased by the creation of a part-time (one day per week) role of Initial Ministerial Education 2 Officer to oversee formation and training of those undertaking curacy (the second phase of IME). Previously, such matters have been the responsibility of dioceses and the creation of a provincial post should allow consistency across the whole of the SEC to be improved. In anticipation of the retirement of the current SEI Principal, the Rev Canon Dr Anne Tomlinson, the Institute Council undertook an open recruitment process and in March 2023 announced that the Rev Dr Michael Hull, currently SEI Director of Studies, would take up the position at the beginning of July 2023. The Council will now commence a process to find a new Director of Studies.

40. Standing Committee agreed the creation of the post of Safeguarding Training and Development Officer. However, following minimal response to advertisement of the post, and the subsequent announcement of the retirement of Donald Urquhart, Provincial Safeguarding Officer, with effect from the end of 2022, it was decided, as a first step, to recruit for a new full-time post of Head of Safeguarding. That recruitment

process was under way at the year end. We are grateful to Donald Urquhart for his service to the Church over 12 years.

41. The Committee sets the pay and remuneration of all staff employed in the General Synod Office, following the salary scales previously adopted. It also considers specific recommendations on remuneration, including the remuneration of key management personnel, annually. (Details of key management personnel are at note 3 to the accounts.) The Committee agreed an increase in the General Synod Office scales from 1 November (the annual review date) at the same level as the increase in Standard Stipend for 2023, mentioned above.

Financial Review

42. (The audited accounts are at page 71)

Result for the year

43. The total revenue surplus for the year was £251,900, compared with a total budgeted deficit of £73,700. There was a surplus of £78,500 on the General Fund rather than the budgeted deficit of £191,000. The General Fund provides an indication of the recurring costs of the General Synod and gives the most accurate indication of the underlying financial position. The General Fund account is at page 21. In addition to the General Fund, the General Synod has a number of Restricted and Designated Funds which are all reflected in the total surplus of £251,900. General Fund income was some £115,700 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 previously agreed phased increases following the significant reduction in 2021. Total expenditure was £75,400 less than budgeted. There were a number of factors contributing to the underspend: very few applications for grants administered by the Church in Society Committee; delays in planned staffing changes; reduced expenditure on curate grants due to some curates moving to their first charge earlier than anticipated; continued use of video conference facilities for many meetings and events. Offsetting the various underspends against budget were a few areas where expenditure in excess of budget was required. The ongoing situation in the Diocese of Aberdeen and Orkney and the actions arising out of the tragic accident in Peterhead referred to above have required additional unbudgeted expenditure on legal and advisory fees.
44. A capital surplus of £295,700 was generated due to the profit arising on the sale of three retirement properties. Surpluses arising on the sale of such properties are available for reinvestment in new properties to be purchased when required. (Two such properties were acquired during the year.)
45. The market value of total investments decreased by £18.0m of which £13.5m relates to General Fund investments. As detailed in the Investment Committee report (page 54), 2022 was a challenging year for investments and the reduction in value reflects general market conditions. No investments were sold during the year and the reduction in value represents an unrealised loss. The reduction in value follows two years of increases in market value which resulted in unrealised gains of £27.8m.

Principal funding sources

46. 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 22% 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 SEC 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 increased by 10% (£60,000) in 2022. As noted above the Quota policy has been further revised with the expectation that it will be possible

to increase quota back to 2020 levels by 2025 rather than 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. Fortunately, investment income has increased by 29% since 2020 mitigating the impact of the agreed reductions in quota. The Quota requested and received from each diocese is detailed at Table B on page 20.

Investment policy and performance

47. The General Synod's investments are held in the SEC Unit Trust Pool, an investment vehicle dealing with investments for the General Synod, dioceses and individual congregations of the SEC. Oversight of the SEC Unit Trust Pool is delegated to the Investment Committee. The Committee's report (page 54) provides more information about investment performance.
48. 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. Over the last two years the Investment Committee has been able to agree above inflation increases in the distribution rate. In 2022 the distribution was increased by 15.4% to 75p per unit. The real value of the distribution is therefore being maintained and the investment objective achieved. (The SEC Unit Trust Pool accounts are at page 93).

Ethical investment

49. 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. The Investment Committee's second compliance report produced pursuant to that framework confirmed that **no investments in the 'restricted categories' were held, either directly or in pooled funds.** (Details of the Ethical Investment Policy are at page 99.)

Social investment

50. 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 endorses the use of General Synod's resources to further its objectives in this way.
51. 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. The provision of loans to individuals to assist in such purchases is considered to be a social investment. 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 or partners and intends that additional investment in retirement housing will, therefore, be made when required.
52. 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 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

53. 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 £2.9m.
54. 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 (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 £50m at 31 December 2022 and are represented by investments and liquid funds which generate an annual income of approximately £1.6m. The Committee therefore considers that the reserves held are reasonable and consistent with its reserves policy.
55. The Committee recognises that the General Synod has significant reserves and is committed to ensuring that they are used effectively for the church's benefit. It acknowledges that it will be necessary to use reserves to fund the various streams of work required to achieve the SEC's agreed aim of working towards Net Zero by 2030. The Committee also notes the General Synod's commitment to continue to provide retirement housing and recognises that this too may require the use of reserves. It recognises that, whilst it is difficult to predict with any certainty the extent to which reserves will need to be used General Synod's annual income is likely to be reduced as its reserves are used in this way.

Risk management

56. 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 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. Each member of the Standing Committee also annually updates and signs an entry in a Register of Interests. As noted above the Committee has devoted time to overhauling the Risk Register and anticipates that the revised Register will help direct its efforts in risk management.
57. 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 is confident that the work plan being created in conjunction with boards and committees will assist in developing a more comprehensive overview of their work and assist in forward planning and allocation of resources. The Committee acknowledges that another significant governance risk is the management and resolution of conflict within the Church and welcomes the introduction of the specific 'Living Well with Differences' training course for clergy to assist in such cases. It notes too that a formal complaints procedure has been developed and is now in use.
58. 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. The Investment Committee meets the fund managers at least twice a year.

59. The Standing Committee considers the principal external risk to be declining church membership and is keen to work with bishops and the Mission Board in identifying appropriate ways of nurturing church growth.

Future Plans

60. For the year 2023 Standing Committee decided to prioritise the following actions:

- encourage and support initiatives of the College of Bishops and the Mission Board with the potential to lead to growth
- support the Church in working towards the net zero target of 2030, including financial support to enable the delivery of steps outlined in the Net Zero Action Plan
- support the Season for Christian Life initiative
- work with the Investment Committee to release funds to support the SEC where lack of funding is a barrier to positive action
- help the Church respond to the cost of living crisis
- continue to oversee and develop the composite SEC workplan to improve coherence and shape overall future priorities from the General Synod
- use the revised risk register as an active tool of governance
- support, as necessary, the canonical processes concerning Aberdeen and Orkney
- oversee design of staffing structures in the General Synod Office to meet future needs

Reference and Administrative Details

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

Funds held as custodian trustee on behalf of others

62. 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. Further information is provided in the accounts for the SEC Unit Trust Pool on page 93

Thanks

63. 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 7). On behalf of the Committee, I express our gratitude to all those who have served during the year.

Bridget Campbell
Convener

27 April 2023

General Synod Financial Overview

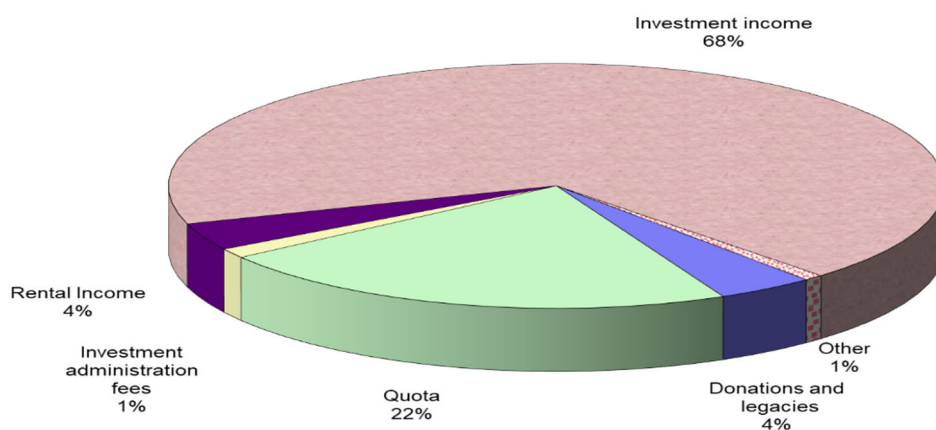
Most of the activities of the General Synod are funded by allocations from the General Fund. The Fund's income was £115,700 in excess of budget primarily as a result of investment income exceeding budget. Standing Committee's expenditure was £73,000 in excess of budget largely due to the legal and advisory fees incurred in relation to the ongoing situation in the Diocese of Aberdeen and Orkney and the tragic accident in Peterhead. All the boards however worked within, or close to, their budgets, more than offsetting the Standing Committee overspend. The Mission Board's expenditure was £81,500 less than budget mainly due a lack of demand for the grants programmes operated by the Church in Society Committee. Total expenditure was £75,400 less than budget. The General Fund surplus of £78,500 was £191,100 better than budgeted. (See General Fund financial statement on page 21.)

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 surplus of £252,000 (The Revenue Account on page 76 summarises the results of all the funds.)

The Statement of Financial Activities (page 77) provides information regarding income and expenditure. A summary of revenue income and expenditure is provided below:

Analysis of income

(Total revenue income: £2,982,811)



Analysis of expenditure

(Total revenue expenditure: £2,730,832)

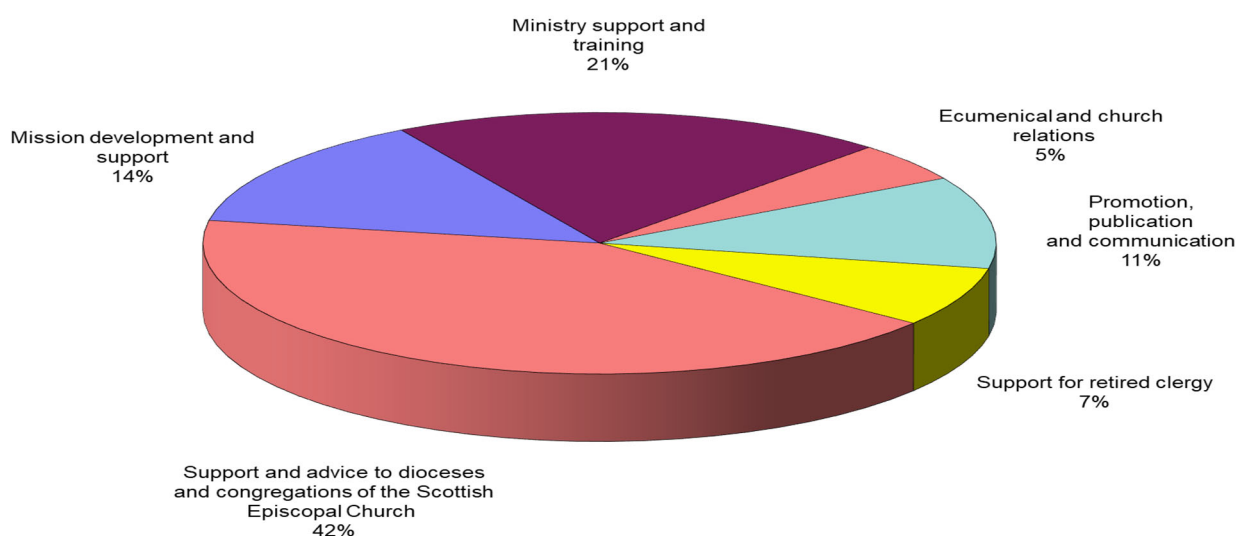


Table A: Legacies and Donations Received

Legacies	Recipient Fund	£
Mrs Mary Haggart	Alastair Haggart Bursary Fund	75,000
RAM MacKenzie	General Fund	435
	Sub total	<u>75,435</u>
 Donations	 Recipient Fund	 £
Benefact Trust (formerly Allchurches Trust)	Building Grants Fund	17,980
Callendar Trust	General Fund	2,500
DB Flanagan Trust	General Fund	487
Clifford Leonard Trust	General Fund	739
St Cuthbert's, Edinburgh	SEI Training Fund	13,000
Church donations	SEI Training Fund	1,327
Individual donors	SEI Training Fund	2,782
Individual donors	St James Fund	2,295
Individual donor	Alastair Haggart Bursary Fund	100
University of Durham	Research Fund	2,520
Individual donors	Community Fund	530
Church donations	Community Fund	15
Individual donors	Retirement Supplementary Fund	144
St Mary's Tolbooth Trust	Church in Society Committee	844
St Mary's Tolbooth Trust	Mission Board	845
	Sub total	<u>46,108</u>
 Total		 <u>121,543</u>

Table B: Quota

Diocese	2020 Requested and Received £	2021 Requested and Received £	2022 Requested and Received £	2023 Requested
Aberdeen and Orkney	85,127	62,880	71,262	74,229
Argyll and The Isles	26,398	22,860	25,008	24,515
Brechin	49,386	40,380	44,340	44,577
Edinburgh	280,279	237,360	264,438	280,322
Glasgow and Galloway	157,649	124,740	131,064	132,786
Moray, Ross and Caithness	47,384	40,440	45,234	47,218
St Andrews, Dunkeld and Dunblane	85,795	71,340	78,654	81,353
Total	732,018	600,000	660,000	685,000

General Fund

Actual 2021 £		Revised Budget 2022 £	Actual 2022 £	Variance fav/ (adv) £
INCOME				
<i>Investment Income</i>				
1,336,969	UTP income	1,439,819	1,542,668	102,849
5,402	Interest	4,000	11,407	7,407
21,243	Net investment property income	21,243	21,243	-
1,363,614		1,465,062	1,575,318	110,256
<i>Administration fees</i>				
7,283	UTP / investment administration	2,000	6,311	4,311
30,235	Pension Fund administration	31,870	31,870	-
18,395	Restricted and other funds	19,400	19,400	-
55,913		53,270	57,581	4,311
600,000	Quota	660,000	660,000	-
6,853	Donations and legacies	3,000	4,161	1,161
2,026,380	<i>Total Income</i>	2,181,332	2,297,060	115,728
ALLOCATIONS				
857,426	Standing Committee	1,021,205	1,094,267	(73,062)
253,670	Administration Board	267,320	268,218	(898)
443,429	Institute Council	494,600	441,400	53,200
411,049	Mission Board	481,920	400,412	81,508
2,781	Faith and Order Board	28,875	14,260	14,615
300,000	Recovery and Renewal Fund	-	-	-
2,268,355	<i>Total allocations</i>	2,293,920	2,218,557	75,363
BALANCES				
(241,975)	Surplus/(deficit) for year	(112,588)	78,503	191,091
1,050,831	Balance brought forward	808,856	808,856	-
808,856	<i>Balance carried forward</i>	696,268	887,359	191,091
CAPITAL ACCOUNT				
INCOME			Actual 2022 £	
-	<i>Total Income</i>		-	
EXPENDITURE				
-	<i>Total expenditure</i>		-	
BALANCES				
-	Surplus/(deficit) for year		-	
57,241,192	Balance brought forward		62,778,628	
5,537,436	Unrealised gain (loss) on revaluation as at 31 December 2022		(13,469,727)	
62,778,628	<i>Balance carried forward</i>		49,308,901	

General Synod Office and Provincial and Other Expenditure

Actual 2021 £			Revised Budget 2022 £	Actual 2022 £	Variance fav/(adv) £
INCOME					
857,426	Allocation from General Fund		1,021,205	1,094,267	73,062
<u>857,426</u>			<u>1,021,205</u>	<u>1,094,267</u>	<u>73,062</u>
EXPENDITURE					
Costs of General Synod Office					
570,155	Employees	Salaries, NIC, Pension Contributions	655,700	635,536	20,164
714		Staff travel and subsistence	4,250	2,538	1,712
-		Staff training	1,910	40	1,870
230		Recruitment costs	3,500	3,800	(300)
<u>571,099</u>	<i>Sub-total</i>		<u>665,360</u>	<u>641,914</u>	<u>23,446</u>
24,996	Premises	Building repairs and maintenance	30,000	19,557	10,443
2,585		Rates	3,500	2,852	648
18,161		Light, heat and cleaning	23,000	20,203	2,797
<u>11,263</u>		Insurance	<u>12,000</u>	<u>11,871</u>	<u>129</u>
<u>57,005</u>	<i>Sub-total</i>		<u>68,500</u>	<u>54,483</u>	<u>14,017</u>
9,416	Administration	Telephone and postage	11,000	9,056	1,944
1,369		Printing and stationery	4,000	1,309	2,691
12,637		Photocopier	12,400	9,646	2,754
23,370		Computing maintenance and equipment	18,500	29,813	(11,313)
9,186		Payroll Bureau processing costs	9,000	13,406	(4,406)
1,901		Miscellaneous	4,000	3,223	777
<u>124</u>		Office equipment and furniture	<u>1,000</u>	<u>1,227</u>	<u>(227)</u>
<u>58,003</u>	<i>Sub-total</i>		<u>59,900</u>	<u>67,680</u>	<u>(7,780)</u>
<u>686,107</u>	<i>Total Costs of General Synod Office</i>		<u>793,760</u>	<u>764,077</u>	<u>29,683</u>
Provincial Costs					
16,108	Primus		19,895	29,062	(9,167)
8,992	College of Bishops		13,000	21,564	(8,564)
10,000	Election of Bishop		10,000	10,000	-
3,750	General Synod	Annual meeting	34,000	43,966	(9,966)
746		Annual report	1,000	780	220
3,814		Synod papers	3,300	4,245	(945)
305	Office for Protection of Children and Vulnerable Adults		2,000	457	1,543
7,843	Communication costs		10,000	9,252	748
-	New Clergy Welcome Day		350	-	350
7,236	Clergy Training		4,000	4,000	-
162	Clergy Legal Expenses Insurance		200	202	(2)
1,634	Trustee Liability Insurance		1,900	1,634	266
15,120	Professional fees	Audit	15,450	17,400	(1,950)
44,837		Legal and advisory	48,000	133,663	(85,663)
3,535	Subscriptions	Scottish Churches Committee etc	3,750	3,208	542
<u>124,082</u>	<i>Total Provincial Costs</i>		<u>166,845</u>	<u>279,433</u>	<u>(112,588)</u>

General Synod Office and Provincial and Other Expenditure

Actual 2021 £		Revised Budget 2022 £	Actual 2022 £	Variance fav/(adv) £
	Committee Meeting Expenses			
-	Standing Committee	2,000	1,760	240
-	Committee for Protection of Children & Vulnerable Adults	400	-	400
-	Ethical Investment Advisory Group	100	-	100
261	Provincial Environment Group	2,000	1,564	436
-	Preliminary Proceedings Committee	-	186	(186)
<u>261</u>	<i>Total Committee Meeting Expenses</i>	<u>4,500</u>	<u>3,510</u>	<u>990</u>
	Subscriptions to church bodies			
4,107	World Council of Churches	4,000	4,428	(428)
1,225	Conference of European Churches	1,400	1,175	225
5,000	Churches Together in Britain and Ireland	5,000	5,000	-
-	Action of Churches Together in Scotland	8,000	-	8,000
<u>35,644</u>	Anglican Consultative Council	<u>36,700</u>	<u>35,644</u>	<u>1,056</u>
<u>45,976</u>	<i>Total Subscriptions to church bodies</i>	<u>55,100</u>	<u>46,247</u>	<u>8,853</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>857,426</u>	<i>Total Expenditure</i>	<u>1,021,205</u>	<u>1,094,267</u>	<u>(73,062)</u>
	BALANCES			
	Revenue			
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
-	<i>Balance carried forward</i>	-	-	-

Provincial Safeguarding Committee

The Committee met three times by Zoom during 2022.

The Committee considered priorities for the future development of Safeguarding in the Scottish Episcopal Church (SEC), focusing particularly on restructuring the Safeguarding Team. The proposal to appoint a full-time Head of Safeguarding to replace Donald Urquhart who retired at the end of 2022, and in due course a part-time training officer was approved by the Provincial Standing Committee. The recruitment process for the Head of Safeguarding post was ongoing at the year end, and until the new appointment is in post, Daphne Audsley has taken on the role of Acting Provincial Safeguarding Officer.

During January and February 2022, online training sessions on the SEC Safeguarding Policy Principles and Commitments and Safe Recruitment and the Protecting Vulnerable Groups (PVG) Scheme were attended by over 380 people including clergy, vestry members and PVG co-ordinators.

The Committee approved changes to the content of the annual return form. It is the responsibility of each vestry to complete an annual safeguarding return. The new format aims to improve engagement with vestries as well as helping the Committee to assess compliance, knowledge and understanding of safeguarding in the SEC. It seeks input from three key stakeholders in each congregation: PVG Co-ordinator, Vestry Secretary and Rector/Priest-in-Charge, with questions aimed at identifying where additional support is needed and the opportunity to reflect on the importance of safeguarding and how it affects each congregation.

Robert Nellist and Colin Gregory retired from the Committee and thanks are due for their service and commitment over an eight-year period. The Committee welcomed new members Roxanne Campbell and Mark Goodman.

I would like to thank members of the Committee for their support, wisdom and guidance. I continue to be grateful to the Provincial Team, Donald Urquhart, Daphne Audsley and Vicki Anderson for their professionalism and commitment. Their help and support has been invaluable to the Committee throughout. In particular, I would like to extend the thanks of the Committee to Donald Urquhart on his significant and greatly valued contribution to promoting the importance of safeguarding throughout the province. Over the course of his work as Provincial Safeguarding Office his expertise and commitment has been invaluable in taking forward vital work to improve safeguarding throughout the Church.

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 safeguarding, not just to vulnerable people 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

Provincial Environment Group

The Provincial Environment Group (PEG) was established by Standing Committee in October 2021, with a remit, “to support the Scottish Episcopal Church (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.”

The members, were appointed by Standing Committee. Robert Woodford was initially a member, but stood down in December 2022 in order to serve as a temporary Consultant for the SEC. The Group has been assisted by his careful and professional approach, and the equally professional work of Miriam Weibye and Fiona Campbell from General Synod Office (GSO).

As PEG began its work in 2022, it had the great advantage of building on the work on a climate ‘toolkit’ begun by the Church in Society Committee and its Technical Group, and for this the group are very grateful.

The first objective in 2022 was the urgent task of enabling SEC charges and dioceses to assess the carbon footprint data of buildings and activities the starting place from which we need to move forward towards Net Zero in 2030. The Net Zero Toolkit and Checklist was released in early in 2022, followed by the launch in March 2022 of the Energy Footprint Analyser, expertly produced for the SEC by Robert Woodford. These resources remain available on the SEC website to guide churches through the process of identifying their current energy footprint, identifying opportunities to make meaningful changes, and prioritising in the local context. About 25% of charges have sent in returns for the Energy Footprint Analyser.

PEG’s second objective this year was to enable the SEC to adopt a robust, credible definition of Net Zero. This is needed to establish clear practical objectives and to assess our progress towards achieving them. Dialogue with partner churches and organisations led to the drafting of the proposed definition and consequent practical objectives in the Net Zero Action Plan which will be presented to General Synod in 2023.

At General Synod in 2022 PEG provided an interactive exhibition on Net Zero and gave a presentation, to help inform the way forward and the scale of the challenge set by General Synod in 2020, and to receive feedback.

Further objectives included starting discussions with partners, including the Church of England, towards making their Energy Footprint Calculator available to SEC charges, the Church of Scotland, and Eco Congregation Scotland and working with Standing Committee towards establishing a full-time staff post of Net Zero Delivery Director for the SEC. Also the series of webinars that are being offered in 2023, and the Net Zero Action Plan consultation that is taking place leading up to Diocesan and General Synod meetings in 2023.

PEG would not have been able to achieve any of this, or lay the foundations for its ongoing work, without the support of many people, especially Miriam Weibye, Fiona Campbell, and John Stuart from GSO, Bridget Campbell and Standing Committee.

**Bishop Ian
Convener**

Faith and Order Board

Actual 2021 £		Revised Budget 2022 £	Actual 2022 £	Variance fav/ (adv) £
	INCOME			
2,781	Allocation from General Fund	28,875	14,260	(14,615)
<u>2,781</u>	<i>Total Income</i>	<u>28,875</u>	<u>14,260</u>	<u>(14,615)</u>
	EXPENDITURE			
-	Board expenses	5,770	1,669	4,101
2,225	Work of Liturgy Committee	3,700	2,275	1,425
214	Work of Committee on Canons	800	785	15
-	Work of Doctrine Committee	2,000	-	2,000
192	Inter-Church Relations Committee	5,305	552	4,753
75	Europe Group	3,800	487	3,313
75	Interfaith Relations Committee	2,500	254	2,246
-	Diaconate Working Party Committee	1,000	-	1,000
-	World Council of Churches Assembly	4,000	8,238	(4,238)
<u>2,781</u>	<i>Total Expenditure</i>	<u>28,875</u>	<u>14,260</u>	<u>14,615</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 2022 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 pendant committees – Canons, Doctrine, Inter-Church Relations, Interfaith Relations, and Liturgy – and also discussed a number of other matters affecting the life of the church.

Much discussion in earlier in the year focused on material being presented to General Synod 2022, principally the first reading of Canon 4 and the Pastoral Offices, and the second reading of the revised Scottish Liturgy 1982. Other discussion throughout the year covered the preparation of ecumenical guidelines in light of the Saint Andrew Declaration, and hearing about the Lambeth Conference from the bishops.

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

I wish to thank all the members of the Board for giving serious consideration to all that comes before them and equally to thank the conveners and members of the pendant committees. I am also grateful to all the GSO staff for their support throughout 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 five times by Zoom and once in person in 2022.

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. It had been hoped initially that these Canons would be presented to General Synod for First Reading in June 2023. In the spring of 2022 and at the request of the College of Bishops, the Faith and Order Board agreed to the establishment of a Working Group on External Accountability. In the summer of 2022 a process was raised under Canon 54. The Board decided that, in view of these developments, the disciplinary Canons 53, 54 and 64 would not go forward for First Reading until the process under Canon 54 has been completed and the Report of the Working Group is available and has been fully considered. It was agreed, however that, if possible, Canon 65 on Safeguarding be presented for First Reading in June 2023.

Canon 4 passed its First Reading at General Synod 2022. It will be presented for Second Reading in 2023. Guidelines and a Commentary on the Canon will also be presented to General Synod for adoption.

The Committee has seven members. Individually they cover a wide range of specialism and experience. The Committee worked within budget. Thanks are extended to the Committee members for their substantial contribution to the work, which is sometimes complex and challenging. I would like to record my thanks to George MacWilliam who retired during the year. His legal experience and his vast knowledge of the workings of the Church were invaluable and the members will miss his wise counsel. 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 Faith and Order Board brought to General Synod 2022, for a second reading under Canon 22, a number of changes to Scottish Liturgy 1982, some of which had been in permissive use for several years, others initiated in that year's sessions of Diocesan Synods. The revised text was passed by the required majorities in all houses, and subsequently published both in print and on the SEC website.

The Faith and Order Board brought to General Synod 2022, for a first reading under Canon 22, the books of Pastoral Offices for Priests, Deacons, and for Readers and other authorised lay ministers, which had been in experimental use since 2017. The texts which received their first reading included provision for Baptism outside public worship (intended for use in circumstances of pastoral necessity only), and resources for prayer with the bereaved at the time of death (from Funeral Rites 1987). Following adoption of the Revised (Inclusive Language) Liturgical Psalter of the Anglican Church of Canada, psalmody in these rites has been replaced with the new version.

The Faith and Order Board has adopted a document drafted by the Committee outlining the process for adding commemorations to the Calendar and criteria for inclusion. This is now being used to guide the Committee as it considers proposals on behalf of the Board.

The Committee has continued work on revisions to Daily Prayer, to Ordination of Deacons, and to Funeral Rites, and will submit texts to the Faith and Order Board in due course.

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 supports the SEC's wider relationships in the Porvoo Communion, the Reuilly Agreement, Conference of European Churches (CEC) and the World Council of Churches (WCC). The SEC participation in Four-Nations Anglican ecumenical meetings is facilitated through the ICRC.

Achievements

The work of the ICRC in 2022 focused on producing guidelines on implementing ecumenical agreements. These were approved by the College of Bishops in November 2022 and will now be made available via the SEC website. Arising from this project, the ICRC has drafted preliminary proposals for the amendment of the SEC's Canon 15, which have been forwarded to the Faith and Order Board; it is hoped that these will be referred to the Canons' Committee.

The Convener and Rachel Walker formed the SEC delegation to the Eleventh General Assembly of the WCC; Rachel Walker also attended the youth Pre-Assembly. The Convener was appointed to the Policy Reference Committee and became its Rapporteur, in which role she presented the Unity Statement to the Assembly. The SEC and Church of Scotland (CofS) delegations worked together in a form of joint delegation, in the spirit of the Saint Andrew Declaration. The WCC Assembly brought together Christians from across the world and some fascinating encounters were possible.

Activities

Miriam Weibye, SEC Church Relations Officer, has been involved in the on-going negotiations relating to the transition from ACTS to a Scottish Christian Forum (SCF). The ICRC welcomes the wider participation of Scottish churches in the bodies that currently constitute the SCF: the Scottish Church Leaders Forum, the Scottish Ecumenical Officers' Forum, and the Scottish Churches Parliamentary Office.

The SEC was well-represented at the service at Dunfermline Abbey on St Margaret's Day, 16 November 2022 to witness the St Margaret Declaration between the CofS and the Roman Catholic Church in Scotland being signed. Archbishop Leo Cushley expressed his hope that a similar agreement might be signed with the SEC.

Concerns/Challenges

There has been concern at the slow progress at constituting the SCF and at the current lack of an effective overarching ecumenical body in Scotland.

It is recognised that the CofS is currently undergoing radical reorganisation. The SEC, along with the CofS's other ecumenical partners, has been affected by the lack of attention to the ecumenical dimension of this reorganisation. Presbytery replanning has broken up some established working relationships. We welcome the commitment to integrate an ecumenical dimension into the implementation of these plans, but are concerned that this is coming too late in the process for some of the existing relationships. The ICRC would encourage SEC clergy to offer support to individual parishes and ministers

Financial review and plans for future periods

The ICRC is operating a mixture of meetings in person and meetings on zoom. There are costs for travel expenses and subsistence for in person meetings. There will be costs related to attendance of SEC members at the CEC Assembly. Four Nations meetings have resumed 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 of the Scottish Episcopal Church (SEC). The Committee 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 Church congregations to engage with local and national interfaith bodies.

Province

The Scottish Government's Religious Leaders Forum has continued to follow up on COP 26, as well as other issues. A retreat was held on Iona, and a statement issued commemorating the twenty year anniversary of the group, including a commitment to further collaboration. This statement is found on the Interfaith Scotland website. A number of events were held across Scotland for Scottish Interfaith Week 13-20 November. The Convener visited the Om Hindu Mandir in Glasgow alongside the Moderator of the General Assembly of the Church of Scotland, Rt Rev Dr Iain Greenshields. On 30th of November, the St Andrew's Day Cross Party Group celebrated St Andrew's Day at the Scottish Parliament.

Interfaith Scotland/Interfaith Glasgow/Edinburgh Inter Faith Association

Interfaith Scotland and the Edinburgh Inter Faith Association, collaborated on hosting a session looking ahead to the International Ministerial for Freedom of Religion or Belief held in London, and hosted by the UK government, in July. The Convener attended the AGMs of both Interfaith Scotland and Interfaith Glasgow on behalf of the SEC, and was invited to address the AGM of the Edinburgh Inter Faith Association on the subject of Freedom of Religion or Belief. Edinburgh Central Mosque held a launch of Islamophobia Awareness Month, which the Convener attended alongside other ecumenical partners and members of the IFRC.

Refugees

The SEC continues to provide grants to Scottish Faiths Action for Refugees (SFAR) through the Church in Society Committee. The SEC & IFRC representative to SFAR is Nicholas Bowry. The IFRC has participated with Interfaith Glasgow online in sessions for those local to Glasgow. We have connected with Sunflower Scotland, an organisation set up by Ukrainians to support those seeking refuge in Scotland, and bringing aid to vulnerable communities in Ukraine itself.

National (UK-wide)

IFRC collaborates with Churches Together in Britain & Ireland (CTBI) through the Inter Faith Theological Advisory Group (IFTAG) and the Churches' Forum for Inter-Religious Relations (CFIRR). CTBI is looking to host a series of webinars examining gender and faith, sparked in part by their recent publication, #HerFaithMatters, edited by Bonnie Evans-Hills. CTBI is also working with the Christian Muslim Forum on a resource for confronting Islamophobia.

International

The Convener attended a conference in Fes, Morocco in July. A report from the conference was published in Inspires July 2022. A workshop was held in Edinburgh in November for the UN programme Faiths4Rights. Participants from across Scotland, Ireland and other UK faith groups examined areas where faith and human rights work together in the arena of societal interaction focussing on areas of civil and political rights, gender rights and community cohesion.

Financial Review

Few financial obligations were incurred this past year, predominantly due to continuing COVID restrictions.

Bonnie Evans-Hills
Convener

Doctrine Committee

Harriet Harris has returned to the role of Convener.

Doctrine 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, who coordinated the Scottish Episcopal Church (SEC) response to the bill.

The Committee sought views from the College of Bishops as to how the Committee might serve and resource the SEC's 'Season of Discipleship', and as to resource for possible podcast production.

The Committee continued to consider the St Andrew's Day Statement, and how the SEC might inhabit it as a Church and in relation to the Church of Scotland, including our different understandings of 'order', our relationship to 'ordained eldership', and what is meant by 'faithfully administered'. This consideration has continued into 2023.

The Doctrine Committee also considered the International Reformed Anglican Dialogue paper, alongside the St Andrew's Day Statement, ahead of meeting to discuss both documents with Inter-Church Relations Committee in early 2023.

Discussions as to work to take forward include the themes of embodiment, responsible protest, questioning and rebellion, and the role of critical thinking in the life of discipleship.

Bishop Keith Riglin has succeeded Bishop Bob Gillies and Eric Stoddart stood down from the Committee in June 2022. Both retiring members are thanked for their valuable contributions.

Harriet Harris
Convener

Mission Board

Actual 2021 £		Revised Budget 2022 £	Actual 2022 £	Variance fav/ (adv) £
INCOME				
411,049	Allocation from General Fund	481,920	400,412	(81,508)
13,396	Investment income	14,425	15,505	1,080
713	Legacies and donations	1,000	845	(155)
<u>425,158</u>	<i>Total Net Income</i>	<u>497,345</u>	<u>416,762</u>	<u>(80,583)</u>
EXPENDITURE				
-	Board expenses	3,000	729	2,271
-	Miscellaneous	-	400	(400)
353,900	Mission and Ministry Support Grants	361,000	361,000	-
2,795	Provincial Youth Week	18,000	18,276	(276)
-	Children's work	500	-	500
640	Local Mission Development Committee	1,000	991	9
394	Youth Committee	4,000	752	3,248
140	Other activities	1,000	90	910
-	Training courses and events	2,500	2,780	(280)
<u>357,869</u>	<i>Sub-total</i>	<u>391,000</u>	<u>385,018</u>	<u>5,982</u>
<i>Allocation to Committee funds</i>				
67,289	Church in Society Committee	106,345	31,744	74,601
<u>67,289</u>	<i>Total allocated to committees</i>	<u>106,345</u>	<u>31,744</u>	<u>74,601</u>
<u>425,158</u>	<i>Total Expenditure</i>	<u>497,345</u>	<u>416,762</u>	<u>80,583</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
<u>-</u>	<i>Balance carried forward</i>	<u>-</u>	<u>-</u>	<u>-</u>

Mission Board

The work of the Mission Board has continued over the past year. The Board has met four times and returned to an in-person meeting at its December meeting. This was a good opportunity for some members to meet each other for the first time. The Board plans to hold a mixture of online and in person meetings in the year ahead to account for potential bad weather but mindful that meeting in person allows for conversations and connections to be made.

The Board has a number of pendant committees which report to it: 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. The Board was delighted to welcome Simon Scott as the new Church in Society Convener. Church in Society, as it plans its work going forward, will hold the umbrella of Justice in Community and Justice in Creation, recognising that the Provincial Environment Group (PEG) is working in this area as well.

Over the course of the last year the Local Mission Development Committee (which also reports to the Board but which at the current time operates informally in the structure rather than as a formal committee) has undertaken a desk-top review of mission activity in the Province. The results are encouraging in both number and diversity. Some activities may not have been described as 'Mission' by those undertaking them, but were nevertheless an integral part of the outworking of the faith of worshipping communities. Building on these observations, the Committee is now entering into a listening exercise with those holding a specific 'Mission' remit at diocesan level. This aims to encourage networking between the dioceses; to allow the Committee to hear from the diocesan representatives about the joys and challenges of particular contexts; and to consider how the Committee might best serve them and ensure that missional concerns are both appropriately represented in and supported from, provincial structures.

As part of the work of Standing Committee in developing a work plan and priorities across the boards and committees, the Board has looked at its priorities and continues to ask questions about what its work should be and how best to support the mission of the church through the work of its committees. Within this the Board continues to work with the Season of Christian Life Steering Group as that Group develops the resources for this season. The Board continued to explore Intentional Discipleship, Pioneer Ministry and Youth Work and has reviewed the success of Children's Chapel and how this might support children's work in the church; this continues to be a piece of research and discernment. Each Diocese is represented on the Board and news and information is disseminated from the Board to Dioceses and examples of good news stories are shared from the Dioceses to the Board as well, which provide a vitally important aspect of our story telling and sharing for our communications team.

The Board continues to offer its thanks and appreciation to the communications team for their work on the livestreaming of services and for the support given to the Children's Chapel during the first half of 2022.

My continued thanks to all who serve on the Board, for their time, gifts and skills. Thanks also go to the General Synod staff and officers for their considerable time and work that goes to supporting the work of the Board and pendant committees.

Sarah Murray
Convener

Church in Society Committee

Actual 2021 £		Revised Budget 2022 £	Actual 2022 £	Variance fav/ (adv) £
INCOME				
67,289	Allocation from General Fund	106,345	31,744	(74,601)
713	Donations	1,000	844	(156)
<u>68,002</u>	<i>Total Net Income</i>	<u>107,345</u>	<u>32,588</u>	<u>(74,757)</u>
EXPENDITURE				
54,645	Grants	54,845	27,320	27,525
13,357	Child poverty projects grants	50,000	5,000	45,000
-	Meeting costs etc	2,500	268	2,232
<u>68,002</u>		<u>107,345</u>	<u>32,588</u>	<u>74,757</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

This year has seen significant change to the membership of the Church in Society Committee (CiS). A new convener was appointed by the Mission Board and the full committee has met twice during the year. Meetings of smaller working parties, made up of members have also taken place in order to accelerate the work of the Committee.

With a number of new members representing almost all diocese in the Province joining, it has been important for the Committee members to get to know one another and begin to shape a longer-term vision that will enable us to be as effective as we can be.

Whilst the specific priorities for the Committee can change each year, following discussion and reflection, members felt that a positive direction of travel would be to adopt two overarching 'headlines' into which the rest of its scope of work would fit. These are Justice for Creation and Justice for Communities.

The scope of work described as Justice for Creation includes (but is not limited to) close partnership working with the Provincial Environment Group (PEG) as they lead us towards our target of 'Net Zero'. The Committee is now considering how the CiS might best support the PEG in its continuing work.

The scope of work described as Justice for Communities is currently focused on the revision of what were previously known as Child Poverty Grants. In a response to the worsening Cost of Living Crisis, this revision will include broadening the criteria and name for the grants in order to encourage more applications and afford the committee the opportunity to distribute all funding made available to it by the Mission Board. Three applications for Child Poverty Grants have been received and approved by the Committee.

The Committee has also distributed grants to key partners from its General Grants Fund. Partners who have received funding from the committee are to be invited to a grant recipient's lunch in Autumn 2023 where committee members will be able to find out more about their work.

The Committee continues its work with the Scottish Churches Parliamentary Office and a new member has agreed to attend the Holyrood monthly meeting. The Committee has issued an invitation to David Bradwell (the Scottish Churches Parliamentary Officer) to a future meeting in order to understand more fully how we can work in partnership.

Finally, the Committee is reviewing how it communicates its work and actions with the wider province and thanks the central Scottish Episcopal Church team for their continuing support.

Simon Scott
Convener

Global Partnerships Committee

Actual 2021 £		Revised Budget 2022 £	Actual 2022 £	Variance fav/ (adv) £
INCOME				
125,445	Investment income Unit Trust Pool	135,094	144,744	9,650
4	Deposit account	-	56	56
8,363	Noel Philipps Trust	9,006	9,650	644
-	Grants awarded in prior years no longer required	-	500	500
<u>133,812</u>	<i>Total Income</i>	<u>144,100</u>	<u>154,950</u>	<u>10,850</u>
EXPENDITURE				
29,689	Grants Education	28,000	37,020	(9,020)
28,804	Africa	33,000	39,303	(6,303)
6,000	Middle East and Pacific	6,000	9,000	(3,000)
10,000	Asia	6,000	25,574	(19,574)
500	Small grants	3,000	497	2,503
11,153	Companion Relationships / Covid-19 Support	14,000	1,000	13,000
10,000	Agency Support	6,000	5,120	880
-	Anglican Comm Network Support	8,000	109	7,891
-	South America	6,000	-	6,000
1,519	Bank and Currency Transfer Fees	5,500	1,293	4,207
86	Committee expense Travel / meetings	3,000	608	2,392
-	Publicity / correspondence	1,000	-	1,000
<u>97,751</u>	<i>Total Expenditure</i>	<u>119,500</u>	<u>119,524</u>	<u>(24)</u>
BALANCES				
Revenue				
36,061	Surplus/(deficit) for year	24,600	35,426	10,826
180,591	Balance brought forward	216,652	216,652	-
<u>216,652</u>	<i>Balance carried forward</i>	<u>241,252</u>	<u>252,078</u>	<u>10,826</u>

Actual 2021 £	CAPITAL ACCOUNT	Actual 2022 £
5,544,254	Balance brought forward	6,077,645
533,391	Unrealised gain (loss) on revaluation as at 31 December 2022	(1,297,466)
<u>6,077,645</u>	<i>Balance carried forward</i>	<u>4,780,179</u>

Global Partnerships Committee

The Global Partnerships Committee (GPC) aims to foster partnerships between the Scottish Episcopal Church (SEC) and Anglican churches around the world by supporting their ministry in their local contexts, promoting shared spirituality and understanding of Christian mission through the experiences of our global partners. Supporting SEC congregations and Dioceses to forge and maintain partnership links with Anglican churches globally and to strengthen ecumenical relations by working with other churches and agencies, increasing awareness of global issues and providing support where possible.

2022 was both an exciting and challenging year. The effects of the pandemic disruption in the work of the GPC were observed. It was evident from the drop in funding applications that the mission priorities of dioceses have altered, focusing perhaps more on local and immediate concerns rather than developmental and community building projects. However, we had several opportunities to support the work of the churches predominantly in the global south.

Renewing contact with SEC's historic mission in India was a significant development of the past year. In July, the Convener visited St Andrew's, Chandrapur. For more on the visit, please see: Inspires Online - January 2023. There is much interest in an ongoing link, which is now established with St John's, Forbes and for recording stories from the older members of the St Andrew's congregation, who shared time with the missionaries and from the children of Missionaries who spent parts of their childhood in Chandrapur.

Last year the Committee launched a concerted effort to encourage SEC churches across the province to establish new companion links, where possible, or revive and strengthen existing links. The Committee used the channels of last year's annual report, a pitch at the General Synod and a survey that was sent out to all charges. There has not been much of a result as yet. The Committee is keen to continue the promotion of companion links between SEC churches and Anglican churches across the globe for more meaningful and continued engagement and support, where appropriate.

The GPC received an annual investment income of £154,950 last year. This year £119,525 has been spent on supporting projects and capacity building for churches and partner agencies across the world. These included the usual mixture of support for theological education, community development projects, such as clean water and sanitation projects, and providing opportunities for rebuilding lives for the most neglected in poorer communities.

Moving forward, we are looking into adopting a targeted approach in building and maintaining partnerships around the world by strengthening strategic links with existing global partners, working with international Christian/church-based agencies for identifying future links and projects to support and continuing the Committee's grant-making programme and respond to incoming applications.

I am grateful to members of the Committee, Fiona Campbell and Miriam Weibye for all their hard work and enthusiastic contributions.

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 (Yeek) and other provincial youth events.

The PYC held all their meetings over Zoom this year.

The highlight of the year was the return to an in-person youth camp, in August, at Glenalmond College. This return had been highly anticipated by delegates and leaders and did not disappoint. The theme of the camp was God's Year: Out of the Ordinary. In that theme we explored all 365 days of the Church year in just one week, tracing the journey from a stable to a throne – from Advent to Christ the King – in just one week. How would you find celebrating midnight mass at midday in the middle of summer? Well, we've tried that!

The Youth Week featured activities, relaxation, house groups, worship, all camp activities, personal time, socialising and food. We aim to be an inclusive camp, welcoming to all, and seeking to create a safe space for young people in our church to share their faith and lives, and discovering that there are other people like them in the church. Friendships are made and strengthened. Connections are made across the Province, and these feed into the shorter provincial youth events held around the Province.

Since a return to more 'normal life', it has been noticeable that our young people have grown busier than ever. In the structure of the PYC there is some rebuilding needing to be done. In the coming year we are looking to recruit a new chair and secretary, as well as new youth representatives. In the wider sphere, we are looking to restart the smaller provincial youth events from January onwards, which are excellent ways for our young people to get together and get to know people.

The PYC remained in budget this year.

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 previously 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 2022, however, the general trend evident in 2021 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 and as the cost of living crisis deepened. We would be surprised if the level of applications does not pick up during 2023 but will keep matters under review.

In 2022 donations of £545 were received (£510 in 2021) and a balance of £2,435 was brought forward from 2021 resulting in £2,980 being available for allocation in 2023. The donations made to the Fund during 2022 will 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.

John Stuart
Secretary General

Actual 2021 £		Revised Budget 2022 £	Actual 2022 £	Variance fav/ (adv) £
INCOME				
510	Donations	5,000	545	(4,455)
<u>510</u>	<i>Total Net Income</i>	<u>5,000</u>	<u>545</u>	<u>(4,455)</u>
EXPENDITURE				
-	Grants	5,000	-	5,000
<u>-</u>	<i>Total Expenditure</i>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
BALANCES				
Revenue				
510	Surplus(deficit) for year	-	545	545
1,926	Balance brought forward	2,436	2,436	-
<u>2,436</u>	<i>Balance carried forward</i>	<u>2,436</u>	<u>2,981</u>	<u>545</u>

Miscellaneous Funds

Actual 2021 £		Actual 2022 £
	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	
751,473	Balance brought forward	803,084
51,611	Unrealised gain (loss) on revaluation as at 31 December 2022	(125,544)
803,084	<i>Balance carried forward</i>	677,540
	TOTAL FUNDS as at 31 December:	
17,050	Revenue	17,050
803,084	Capital	677,540
820,134		694,590
	Being for:	
818,292	Restricted purposes	692,748
1,842	Designated purposes	1,842
820,134		694,590

Scottish Episcopal Institute Council

Actual 2021 £		Revised Budget 2022 £	Actual 2022 £	Variance fav/ (adv) £
	INCOME			
443,429	Allocation from General Fund	494,600	441,400	(53,200)
31,500	Allocation from Training Fund	45,150	43,835	(1,315)
3,706	Investment income	3,990	4,277	287
13,100	Fees	14,730	16,230	1,500
491,735	Total Income	558,470	505,742	(52,728)
	EXPENDITURE			
	Board			
-	Meeting costs	2,500	40	2,460
-	Management Committee	-	63	(63)
-	Total Board	2,500	103	2,397
	Scottish Episcopal Institute			
	Staff Costs			
151,598	Salaries, pensions, expenses	157,500	157,695	(195)
1,631	Staff training / development	3,500	808	2,692
153,229	Total staff costs	161,000	158,503	2,497
	Training costs			
22,130	Residential weekends	42,000	30,687	11,313
664	Field Education (placement) costs	7,000	1,692	5,308
24,300	Associate Tutors	22,800	22,900	(100)
8,605	Common Awards	12,500	8,866	3,634
55,699	Total training costs	84,300	64,145	20,155
	Mixed Mode ordination training costs			
58,613	Director of MM Training salary, pension, expenses	62,500	62,791	(291)
27,000	Maintenance grants	31,380	30,065	1,315
85,613	Total Mixed Mode ordination training costs	93,880	92,856	1,024
	Other costs			
2,051	Library, Administration and publicity	2,000	1,972	28
-	Lay Reader conference	10,000	2,822	7,178
2,051	Total other costs	12,000	4,794	7,206
296,592	Total SEI costs	351,180	320,298	30,882
	Full Time ordinands			
4,500	Maintenance grants	13,770	13,770	-
4,500	Total full time ordinands	13,770	13,770	-
	IME 2 Training Costs			
133,552	Stipendiary Curate grants	110,650	96,199	14,451
-	IME 2 training programme	4,770	2,429	2,341
133,552	Total IME 4-6 Training Costs	115,420	98,628	16,792
	Recruitment and Selection			
56,611	PDO stipend / salary and expenses	60,600	58,970	1,630
460	Advisory Selection Panels and Discernment Meetings	11,000	8,302	2,698
20	Training	4,000	5,671	(1,671)
57,091	Total Recruitment and Selection	75,600	72,943	2,657
491,735	Total Expenditure	558,470	505,742	52,728
	BALANCES			
	Revenue			
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
-	Balance carried forward	-	-	-

Scottish Episcopal Institute Council

The meetings of the Institute Council continued in online format throughout 2022: this has become a norm. As before, as well as the oversight and management of the Scottish Episcopal Institute (SEI), the Council has aimed to support the staff, students, and all those participating in the SEI programme as operation has moved from pandemic challenges back into hybrid online and in person modes. In this year, membership of the Council has changed, most notably in late September 2022 when Bishop Anne, the Convener, was temporarily moved back from this role. Standing Committee requested that I, already the College of Bishops representative on Council, take over as Acting Convener (the Digest of Resolutions 2.6.1 requires a bishop to be convener). I wish to thank Bishop Anne for all her work earlier in the year and Anne Tomlinson and the staff for their assistance, allowing me an easy transition into this temporary role.

Achievements and performance of SEI against objectives:

1. **To ensure greater differentiation of training according to vocations:** Significant steps were taken towards this goal by ensuring that the choice of placement settings was better tailored to the particular vocations of the candidates; by identifying Diocesan Advisers who understood those vocations; by offering Distinctive Deacons a course in Community Engagement which existing Deacons were invited to audit.
2. **Review of student support:** 'Families' Support Group' and Chaplain's role were both reviewed. SEI's specific learning difficulty and dyslexia policies were updated. A preliminary safeguarding training session was added into the period between a candidate's recommendation and his/her starting at SEI. 'Bravetalk', a student-led hour-long space for open discussion at every residential, was further developed. The value of cross-cultural placements was promoted such that three students were awarded places on Communion-wide placements in the period under review. Attention was paid to Common Awards' strategies for diversity and inclusion to ensure a theological training process that recognised the gifts and backgrounds of all students and staff and celebrated diversity.
3. **To ensure that corporate worship at residentials mirrored the wide diversity of churchmanship evidenced in the Scottish Episcopal Church:** Care was taken to ensure a variety of worship styles were evidenced at Orientation Week and encouraged through the year. A curriculum of teaching about sacred music was developed that offered a range of tutors from different traditions.
4. **Initial Ministerial Education (IME) 2 Officer:** All were delighted by the appointment of an IME2 Officer, Liz Crumlish, to start work towards creation of a seamless six-year curriculum from IME1 through IME2.
5. **Communication/website:** Work was undertaken in the early part of 2022 with the provincial Communications Department to design and build a dedicated SEI website (<http://sei.scot>), to connect with the wider church and beyond. The dissemination of SEI news items was moved to this site in June 2022 and the former Newsletter terminated.
6. **Seedcorn grant for the 'Greening the Curriculum' Research Project:** SEI was delighted to be awarded a generous grant towards the cost of this year-long piece of research looking at how a pro-environmental ethos might be woven through the entire life of a Theological Education Institution.
7. **Masters Level courses:** Two have now been developed - the MA in Theology, Ministry and Mission, and that in Contemporary Christian Leadership.
8. **Mixed Mode:** extension of the principles of the Mixed Mode pathway for self-supporting candidates proved very successful.

Plans for 2023 and onward

1. Recruitment of a new Principal in 2023, as Anne Tomlinson retires after 9 years in post.
2. Ongoing conversations about shared training opportunities with Faith Action Forum staff (Church of Scotland) arising from the St Andrew Declaration.
3. Development of the SEI-CEA (Centro de Estudos, Brazil) link; consider taking the partnership to the next level by exploring the possibility of the students setting up a social enterprise.
4. Rolling out of a new MA in Worship and Liturgy from September 2023.

5. Development of the Continuing Ministerial Development training aspect of SEI's work alongside the work done in Lay Learning and IME2; looking at how SEI might be involved in 'training the trainers' and helping to build a church-wide culture of supervision.

Bishop Andrew
Acting 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 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.

From 2019: Total number of Enquirers & Candidates in the SEC Discernment Process. Age not requested.

Year	Total nos. processed		
		Female	Male
2019-20	16	5	11
2020-21	17	12	5
2021-22	35	16	19

From 2019 Candidates are recommended by SEC Discernment Meeting for a SEC Advisory Selection Panel

Year	Total nos.	Ages and Gender					
		→30		31 - 45		45+	
		Female	Male	Female	Male	Female	Male
2019-20	7/9	0	0	0	2	2	3
2020-21	7/10	1	1	2	0	3	0
2021-22	7/8	0	2	1	1	2	1

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
2019-20	7/7	0	0	0	2	2	3
2020-21	5/6	1	0	2	0	2	0
2021-22	7/8	0	2	1	1	2	1

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
2019-20	0	0	0	0	0	0	0
2020-21	1/1	0	0	1	0	0	0
2021-22	0	0	0	0	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
2021-22	0	0	0	0	0	0	0

Miscellaneous Funds

Actual 2021 £		Actual 2022 £
	INCOME	
3,290	Investment income	5,054
17,157	Legacies and Donations	97,025
10,740	Other income	12,392
<u>31,187</u>	<i>Total Net Income</i>	<u>114,471</u>
	EXPENDITURE	
500	Grants	4,150
-	Other expenditure	2,400
31,500	Transfer to Institute Council	43,835
<u>32,000</u>	<i>Total Expenditure</i>	<u>50,385</u>
	BALANCES	
	Revenue	
(813)	Surplus/(deficit) for year	64,086
(832)	Transfer (to)/from capital	(75,000)
118,482	Balance brought forward	116,837
<u>116,837</u>	<i>Balance carried forward</i>	<u>105,923</u>
	CAPITAL ACCOUNT	
		Actual 2022 £
1,598,648	Balance brought forward	1,752,877
832	Transfer from revenue	75,000
153,397	Unrealised gain (loss) on revaluation as at 31 December 2022	(376,340)
<u>1,752,877</u>	<i>Balance carried forward</i>	<u>1,451,537</u>
	TOTAL FUNDS as at 31 December:	
116,837	Revenue	105,923
1,752,877	Capital	1,451,537
<u>1,869,714</u>		<u>1,557,460</u>
	Being for:	
1,595,894	Restricted purposes	1,342,096
273,820	Designated purposes	215,364
<u>1,869,714</u>		<u>1,557,460</u>

Administration Board

Actual 2021 £		Revised Budget 2022 £	Actual 2022 £	Variance fav/ (adv) £
INCOME				
<u>253,670</u>	Allocation from General Fund	<u>267,320</u>	<u>268,218</u>	<u>898</u>
<u>253,670</u>	<i>Total Income</i>	<u>267,320</u>	<u>268,218</u>	<u>898</u>
EXPENDITURE				
<i>Meeting Costs</i>				
-	Board	1,000	336	664
-	Building Grants Group	500	-	500
-	Investment Committee	100	299	(199)
-	Retirement Housing Committee	400	434	(34)
-	Buildings Committee	400	1,348	(948)
-	Personnel Committee	400	277	123
-	<i>Sub-total</i>	<u>2,800</u>	<u>2,694</u>	<u>106</u>
<i>Grants</i>				
<u>6,650</u>	Child Allowance	<u>10,000</u>	<u>11,500</u>	<u>(1,500)</u>
<u>6,650</u>	<i>Sub-total</i>	<u>10,000</u>	<u>11,500</u>	<u>(1,500)</u>
<i>Allocation to other funds</i>				
<u>247,020</u>	Building Grants Fund	<u>254,520</u>	<u>254,024</u>	<u>496</u>
<u>247,020</u>	<i>Sub-total</i>	<u>254,520</u>	<u>254,024</u>	<u>496</u>
<u>253,670</u>	<i>Total Expenditure</i>	<u>267,320</u>	<u>268,218</u>	<u>(898)</u>
BALANCES				
Revenue				
-	Surplus/(deficit) for year	-	-	-
-	Balance brought forward	-	-	-
-	<i>Balance carried forward</i>	-	-	-

Administration Board

Some more steps along the world we go. The Board's work and that of its committees seeks to ensure that the interlinked resources of personnel, finance and buildings work well together. The work is wide ranging and there is always a need to adapt to changing circumstances, whether prompted by events within or outside the Scottish Episcopal Church (SEC). The church is well served by the dedication, skill and professionalism of the Board's committees and its Building Grants Group who seek to ensure that these resources of personnel, finance and buildings do 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 challenges. The Board's meetings during 2022 have continued to deal with the interlinked issues of clergy wellbeing, stipends, investments and buildings.

Clergy wellbeing: progress towards robust procedures. The Personnel Committee continues its task of addressing issues identified by the 2019 Clergy Wellbeing Survey, in particular taking on board the various comments made in the Synod debates of 2021 and 2022. This task is underpinned by the belief that difficulties in personnel matters can be tackled by building relationships based on honesty and a willingness to listen to each other. Inevitably there is a degree of overlap between Canon Law, Employment Law and good practice, and the Committee's aim is to produce a suite of resources which is clear to understand and free of inconsistencies.

Stipends: responding to changes. As a church we value our clergy. The 2021 Synod accepted the Clergy Remuneration Package Interim Review Group's recommendation to break the longstanding policy of linking SEC Standard Stipend with Church of England National Stipend Benchmark and to restore Stipend to its 2006 level adjusted for inflation. In agreeing to a period of above inflation increases it had, however, not been envisaged that inflation would rise by 10%. Fortunately, Provincial reserves have been able to provide a measure of transitional relief to assist congregations to meet the increased stipends for 2023. The long term goal of restoring stipends to their 2006 level adjusted for inflation still remains, and the Clergy Remuneration Review Group has been asked to reconsider how best to achieve that goal in light of what may be a period of high inflation in the coming years.

Investments: increased distribution despite portfolio volatility. Investment income remains crucial to the SEC, especially given the large increase in stipends and the fact that other sources of congregational income have not fully recovered from the Covid pandemic. The Board is grateful to the Investment Committee for its continued oversight of the SEC Unit Trust Pool (UTP). As detailed in the Committee's report (page 54), despite a challenging investment environment it was able to increase the annual distribution by 15.4% from 65p to 75p per unit providing much needed income to the province and to many charges and dioceses. The Board takes ethical considerations seriously and is pleased that Synod adopted the Ethical Investment Policy proposed by the Ethical Investment Advisory Group (EIAG), which sets out criteria to help assess what may count as ethical sources of revenue for the UTP. The Board looks forward to working with the EIAG's successor body to be established by Standing Committee to lead the SEC's thinking on this issue.

Building Grants: demand outstrips supply. The Building Grants Group again found that applications (£359,000) exceeded the funds available. Grants totalling £275,169 were awarded to 31 charges. They ranged from £1,000 to £30,000 and were for a variety of purposes including roof repairs, redevelopment of church buildings and work to rectories to improve Energy Performance Certificate ratings. One Building Loan of £14,300 was also agreed.

The road to Net Zero. The Board looks forward to engaging with the Provincial Environment Group (PEG) on this issue, with a view to helping the SEC achieve its net zero carbon target by 2030, particularly as it relates to church buildings.

James N Gibson
Convener

Building Grants Fund

Actual 2021		Revised Budget 2022	Actual 2022	Variance fav/ (adv)
£		£	£	£
INCOME				
247,020	Allocation from General Fund	254,520	254,024	(496)
1,590	Earmarked grants surrendered	-	3,165	3,165
17,980	Donations	17,980	17,980	-
<u>266,590</u>	<i>Total Gross Income</i>	<u>272,500</u>	<u>275,169</u>	<u>2,669</u>
EXPENDITURE				
92,305	Grants - Issued		70,206	
174,285	- Earmarked		204,963	
<u>266,590</u>	<i>Total Expenditure</i>	<u>272,500</u>	<u>275,169</u>	<u>(2,669)</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 2021 £		Revised Budget 2021 £	Actual 2022 £	Variance fav/ (adv) £
	INCOME			
3,092	Interest on loans	3,500	2,963	(537)
<u>3,092</u>	<i>Total Income</i>	<u>3,500</u>	<u>2,963</u>	<u>(537)</u>
	BALANCES			
	Revenue (liquid funds for advancement of loans)			
3,092	Surplus/(deficit) for year	3,500	2,963	(537)
13,273	Transfer (to)/from capital	(296,200)	(4,335)	291,865
296,335	Balance brought forward	312,700	312,700	-
<u>312,700</u>	<i>Balance carried forward</i>	<u>20,000</u>	<u>311,328</u>	<u>291,328</u>

Actual 2021 £	CAPITAL ACCOUNT	Actual 2022 £
108,351	Balance brought forward	95,078
	<i>Transfers to revenue</i>	
(16,633)	Loans repaid	18,000
	<i>Transfers from revenue</i>	
<u>3,360</u>	Loans paid	<u>(13,665)</u>
(13,273)	Net transfer from / (to) revenue	4,335
<u>95,078</u>	<i>Balance carried forward</i>	<u>99,413</u>

Investment Committee

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

Financial Markets and Performance: Market conditions in 2022 were extremely challenging, with both bond and equity markets delivering negative returns for the first time in more than 50 years and only the fourth time in the last 100 years. Bond markets fell by around 14% (2021: -3%) with worse declines in equity markets, as illustrated by the S&P500 which recorded a decline of 19.4%, reversing the 2021 increase of 26.9%. Rapidly rising inflation, the energy price shock and increasing interest rates all weighed heavily on both markets. Inevitably, these factors meant that the performance of the UTP was also negative, recording a total decline of -18.6% (2021: +11.8%). The market value of the Fund at 31 December 2022 was £107.9m (2021: £135.3m). The accounts for the UTP are on page 93.

Notwithstanding the 2022 performance, the average total return for the UTP since Baillie Gifford (BG) were appointed in 1995 is 9.3% p.a., well above inflation for that period and the Committee has continued to make efforts to re-establish the real value of the distribution to unit holders and to improve the yield offered. Accordingly, the Committee declared an above inflation increase in the 2022 distribution of 15.4% bringing it to 75.0p (2021: 65.0p), representing a yield of 3.0% on the year end value (2020: 2.1%).

UTP Investments and Ethical Policy: The Ethical Investment Policy approved by General Synod in June 2022 is on page 99. The UTP is managed by 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 SEC's Policy Framework for Investment in Pooled Funds 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 as at 30 September 2022 confirmed that no investments in any of the restricted categories of the Ethical Investment Policy were held by either of the pooled funds. Pooled fund review reports are available on the SEC website.

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: Robin Nelson was appointed to the Committee in November 2022.

Mark Harris
Convener

Buildings Committee

The Committee met twice in 2022.

The remit of the Buildings Committee is to consider any appeals made under Canon 35. For the first time in many years the Committee received an appeal against a decision by a Diocesan Buildings Committee to refuse an application under Canon 35. We are grateful to Bishop Ian Paton for chairing the appeal hearing. The decision was to refuse the appeal.

Following consideration of the appeal process, the Committee agreed that the guidance on appeals should be updated. Also, Synod should be asked to approve a change to the resolution under Canon 35 to allow 6 weeks for an appeal to be made.

As explained in the Committee's presentation to General Synod 2022, following an investigation into the fatalities at St Peter's, Peterhead, the Health and Safety Executive (HSE) had issued statutory notices of contravention and improvement. The Committee was asked to develop guidance on health and safety to be issued to all charges. The Committee is very grateful for the help provided by Simon Pain, a retired health and safety consultant, in drawing up this guidance. A risk assessment booklet, supported by an instructional video, together with an on-line toolkit was piloted by 35 congregations. The Health and Safety Executive subsequently confirmed that the video and documentation produced by us is "sufficient to comply with the requirements of the improvement notices" and has now withdrawn them. The final version has now been issued to charges.

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. Following consultation with the Provincial Environment Group, the Committee issued guidance on sources of advice on church heating.

The Committee revised the guidance on the minimum standards for clergy housing. In particular, it proposed that rectories should have an Energy Performance Certificate (EPC) rating of at least C. It recommends that when there is a change of incumbent an EPC be obtained for the property. Should the rating be lower than C then the vestry should consider taking remedial action or offering an appropriate heating allowance. The advice on the Scottish Episcopal Church website about EPCs has also been updated.

There is clearly a need for close collaboration between the Committee and the Provincial Environment Group particularly on key elements of the Net Zero Action Plan with regards to buildings. Discussions are taking place between the two bodies on both energy efficiency measures and the decarbonisation of heating across SEC buildings.

Peter Sharp
Convener

Personnel Committee

The Personnel Committee is concerned with the wellbeing and support of the clergy of the Scottish Episcopal Church (SEC). The Committee has been at full strength this year but two members will step down in 2023 and the Convener's term of office is due to terminate at General Synod.

Work continues on issues raised by the clergy wellbeing survey of 2019. Discussions have taken place with the volunteers for the Listening Ears project - to provide confidential listening support for clergy and it is hoped to have details available in the Spring. The Convener is very grateful to those members of clergy who have offered their time and expertise to be part of this project.

The Committee has been working on a template Vestry Code of Conduct which is expected to be finalised shortly and will then be circulated to clergy and vestry secretaries.

Other areas of the Committee's work this year have moved beyond the issues raised by the Clergy Wellbeing survey of 2019. A substantial piece of work has been around the clergy personnel handbook. The handbook will now comprise a series of pages on the SEC website with relevant links and that format will allow details to be updated more readily as required.

Work continues on changes to the Clergy Grievance Procedure in consultation with the Committee of Canons. It is likely that this will become a stand-alone Canon rather than as part of Canon 53, as is currently the case.

Work is also ongoing on preparing a note of guidance for Bishops on how they should best seek to support any of their clergy when absent on long-term sickness. This will also give clergy a sense of what support they might expect from their Bishop.

The handbook on vacancy procedures requires to be updated and it is hoped that this piece of work will be completed in early summer 2023.

As always, the Convener is grateful to John Stuart and his staff for their unstinting support throughout the year and to the staff of the HR Dept, the external consultancy retained by the Province, for their work with the Committee.

Jan Whiteside
Convener

Retirement Housing Committee

The Retirement Housing Committee has responsibility for the Retirement Housing Fund and the Retirement Supplementary Fund. The work of the Committee involves consideration of applications for assistance with housing, approval of property purchases and sales, and property renovations. The Committee met twice by zoom in 2022.

During 2022 three properties (of which two were shared ownership) were sold and two rented properties were purchased. Three properties were vacant at the year end, two of which will be sold in 2023.

In 2021, recognising the increasingly complex regulatory environment associated with the management of its housing portfolio the Committee began an independent review of the housing stock to better inform its discussions of its responsibilities and how best to manage them. The first stage of the review was completed in early 2022. The second stage involved remedial works in a number of properties and these works have been carried out during the course of the year. In most cases the works were relatively minor, including updating electrical systems and replacing smoke alarms.

During the year the standard property price was increased from £200,000 to £225,000 to reflect the general increase in house prices.

It was agreed to pay a Christmas Gift of £115 to all SEC pensioners. The increase from £100 was possible because of higher income from the Supplementary Fund's holdings in the SEC Unit Trust Pool.

I would like to thank the outgoing Convener Lorna Mortis for her leadership of the Committee. The Committee welcomed new member Catherine Wigston.

Peter Marsh
Convener

Retirement Housing Committee

Supplementary Fund

Actual 2021 £		Revised Budget 2022 £	Actual 2022 £	Variance fav/ (adv) £
INCOME				
47,102	Investment income	50,725	54,348	3,623
8	Interest	50	105	55
2,000	Cargill Trust - Widows and Orphans	2,000	-	(2,000)
125	Legacies & Donations	-	144	144
<u>49,235</u>	<i>Total Income</i>	<u>52,775</u>	<u>54,597</u>	<u>1,822</u>
EXPENDITURE				
200	Grants - Clergy	4,000	-	4,000
-	- Widows and Orphans	4,000	-	4,000
34,600	- Christmas payment	35,000	40,020	(5,020)
1,293	- Yearbooks (retired clergy)	1,400	1,293	107
-	Pension Fund (CRBF) top up	1,500	-	1,500
148	Miscellaneous	150	164	(14)
6,145	GSO Administration charge	6,500	6,500	-
<u>42,386</u>	<i>Total Expenditure</i>	<u>52,550</u>	<u>47,977</u>	<u>4,573</u>
BALANCES				
Revenue				
6,849	Surplus/(deficit) for year	225	6,620	6,395
41,714	Balance brought forward	48,563	48,563	-
<u>48,563</u>	<i>Balance carried forward</i>	<u>48,788</u>	<u>55,183</u>	<u>6,395</u>
CAPITAL ACCOUNT				
Actual 2021 £		Actual 2022 £		
2,090,039	Balance brought forward	2,290,315		
200,276	Unrealised gain (loss) on revaluation as at 31 December 2022	(487,168)		
<u>2,290,315</u>	<i>Balance carried forward</i>	<u>1,803,147</u>		

Retirement Housing Committee

Housing Fund

Actual 2021 £		Revised Budget 2022 £	Actual 2022 £	Variance fav/(adv) £
INCOME				
684	Interest	1,000	7,268	6,268
29,852	Investment income	32,148	34,445	2,297
91,468	Rents	91,000	86,708	(4,292)
122,004	Total Net Income	124,148	128,421	4,273
EXPENDITURE				
7,276	Insurance	8,600	7,972	628
40,280	Repairs	35,000	50,556	(15,556)
8,783	Gas appliance and electrical testing etc	27,400	17,941	9,459
-	Property surveys and management etc	23,000	19,845	3,155
11,750	GSO Administration Charge	12,400	12,400	-
68,089	Total Expenditure	106,400	108,714	(2,314)
BALANCES				
Revenue				
53,915	Surplus/(deficit) for year	17,748	19,707	1,959
(52,461)	Transfers (to)/from capital	(28,166)	(24,247)	3,919
8,964	Balance brought forward	10,418	10,418	-
10,418	Balance carried forward	-	5,878	5,878
Actual 2021 £		Actual 2022 £		
CAPITAL ACCOUNT				
Additions to capital				
40,171	Profit on sale of property	295,728		
152,454	Purchase of property	510,910		
61,578	Net funds placed on deposit account	-		
254,203		806,638		
Disposals of capital				
161,571	Sales of property (book value)	126,378		
-	Net funds from deposit account	360,285		
161,571		486,663		
92,632	Net additions of capital	319,975		
6,013,505	Balance brought forward	6,233,067		
126,930	Unrealised gain (loss) on revaluation as at 31 December 2022	(308,756)		
6,233,067	Balance carried forward	6,244,286		

Miscellaneous Funds

Actual 2021 £		Actual 2022 £
	INCOME	
172,045	Investment income	198,460
3,000	Legacies and donations	-
26,000	Other income	26,000
<u>201,045</u>	<i>Total Net Income</i>	<u>224,460</u>
	EXPENDITURE	
143,536	Grants	168,183
10,740	Other expenditure	12,392
500	GSO Administration charge	500
<u>154,776</u>	<i>Total Expenditure</i>	<u>181,075</u>
	BALANCES	
	Revenue	
46,269	Surplus/(deficit) for year	43,385
329,005	Balance brought forward	375,274
<u>375,274</u>	<i>Balance carried forward</i>	<u>418,659</u>
Actual 2021 £	CAPITAL ACCOUNT	Actual 2022 £
<u>-</u>	INCOME	<u>-</u>
	<i>Total Income</i>	
<u>-</u>	EXPENDITURE	<u>-</u>
	<i>Total expenditure</i>	
	BALANCES	
-	Surplus/(deficit) for year	-
8,484,314	Balance brought forward	9,297,374
813,060	Unrealised gain (loss) on revaluation as at 31 December 2022	(1,977,757)
<u>9,297,374</u>	<i>Balance carried forward</i>	<u>7,319,617</u>
	TOTAL FUNDS as at 31 December:	
375,274	Revenue	418,659
9,297,374	Capital	7,319,617
<u>9,672,648</u>		<u>7,738,276</u>
	Being for:	
2,416,135	Restricted purposes	1,923,152
7,256,513	Designated purposes	5,815,124
<u>9,672,648</u>		<u>7,738,276</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. 2022 was an interim year in the cycle of full actuarial valuations and the next one is due on 31 December 2023. Financial markets have been turbulent during 2022 as a combination of the outbreak of War in Ukraine, rapidly rising global inflation and in the UK, political uncertainty affecting bond markets. However, whilst weak markets affect the assets of the pension fund, rising bond yields also depress the calculated liabilities and the final estimated outcome for the current funding position remains healthy

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. The investment strategy of the pension fund, which does not rely on borrowing for returns as some Liability Matching strategies do, means that the funding position has been relatively stable in this volatile time.

Financial

Key financial figures for the year were as follows

	2021	2022
	£	£
Net Assets as at 1 January	64,829,102	64,008,646
+ Contributions received	1,477,617	1,536,903
- Benefits and other payments	(2,342,064)	(2,339,004)
+ Investment Income	297	2,370
+/- Change in market value of investments	43,694	(18,167,606)
Net Assets as at 31 December	64,008,646	45,041,309

Net fund assets decreased by £18,165,236 over the year as a result of pension payments and adverse market movements.

Activity

The Trustees have closely considered how the pension fund could be aligned with SEC policy on responsible investment and looked at several options. It has been decided to move the Growth portion of the portfolio to the Schroders' Sustainable Future Multi-Asset Fund which aims to generate financial returns and have a positive ESG impact. This change will take place during 2023 and all the assets of the fund will remain with Schroders. Although a contract for administrative services with Mercer was signed in February 2022, work on the data transfer was delayed and this is now expected to be completed during 2023. Otherwise, the Trustees dealt with the regular cycle of routine monitoring, reporting and administration.

Membership

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

	<i>1 Jan 2022</i>	<i>31 Dec 2022</i>
Serving members		
- Clergy	139	140
- Staff	39	40
Pensioners		
- Clergy	235	236
- Staff	44	45
Widowed Spouses	83	76
Members with deferred pension rights	130	119
Total	670	656

Trustees

As mentioned in last year's report two new Trustees were appointed at the beginning of 2022. There were no further changes during the year.

Sarah Whitley
Chair

The Seven Dioceses of the Scottish Episcopal Church



Diocesan Statistics

Diocesan Summary

	ROLL		
	Membership	Communicant Numbers	Total Attendance
ABERDEEN	2,350	1,731	725
ARGYLL	802	574	369
BRECHIN	1,500	1,106	530
EDINBURGH	8,493	5,652	2,853
GLASGOW	4,188	3,255	1,726
MORAY	2,998	1,847	808
ST ANDREWS	3,604	2,658	1,521
TOTALS 2022	23,935	16,823	8,532
TOTALS 2021	24,039	17,132	7,644

Membership	Number of persons of all ages belonging to the congregation
Communicant Numbers	Number of persons on the Communicants' Roll
Attendance Figures	Total attendance on Sunday next before Advent
Incomplete data	For a number of charges figures for 2022 were not available. Figures from previous years have been used.

United Diocese of Aberdeen and Orkney

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	115	95	73
Aberdeen:			
St Clement's	80	80	13
St Devenick's Bieldside	109	81	46
St James'	53	30	29
St John's	108	105	26
St Machar's Bucksburn	19	13	11
St Margaret's	285	183	34
St Mary's	92	120	32
St Ninian's	15	16	18
Aboyne	66	54	22
Alford	51	39	34
Auchindoir	12	10	17
Ballater	40	36	22
Banchory	112	55	38
Banff	58	14	5
Braemar	-	-	-
Buckie	98	24	10
Burravoe	23	7	12
Cruden Bay	77	66	18
Ellon	164	148	46
Fraserburgh	68	43	19
Insch	42	17	16
Inverurie	77	63	26
Kemnay	20	18	10
Kincardine O'Neil	83	70	13
Kirkwall	45	42	15
Lerwick	67	67	30
Longside	39	21	6
New Pitsligo	32	32	7
Old Deer	36	14	6
Oldmeldrum	44	44	17
Peterhead	121	71	17
Strichen	62	22	10
Stromness	14	14	8
Whiterashes	13	11	11
Woodhead All Saints	10	6	8
Student Chaplaincy	-	-	-
TOTALS 2022	2,350	1,731	725
TOTALS 2021	2,619	1,961	616

United Diocese of Argyll and The Isles

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Oban Cathedral	248	138	51
Ardbrecknish	18	17	6
Arran	7	7	7
Ballachulish	4	4	8
Campbeltown	20	18	4
Dunoon	94	69	31
Duror	9	9	11
Fort William	53	45	23
Glencoe	3	3	5
Gruline	20	20	12
Inveraray	<i>With Lochgilphead</i>		
Iona	5	-	5
Islay	16	14	9
Kilmartin	<i>With Lochgilphead</i>		
Kinlochleven	9	9	16
Kinlochmoidart	11	13	-
Lochgilphead	58	41	20
Millport	30	21	15
North Uist:			
St Brendan the Navigator	5	5	4
Onich	8	7	54
Portnacrois	3	3	10
Portree	60	45	19
Rothsay	37	28	18
Stornoway	84	58	41
Strontian	<i>With Kinlochmoidart</i>		
TOTALS 2022	802	574	369
TOTALS 2021	800	568	287

Diocese of Brechin

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	178	159	64
Arbroath	74	68	16
Auchmithie	12	8	8
Brechin	111	71	36
Broughty Ferry	51	51	35
Carnoustie	84	65	29
Catterline	<i>With Stonehaven</i>		
Drumlithie	9	5	-
Drumtochty	26	5	-
Dundee:			
St Luke's	54	47	18
St Margaret's	16	16	10
St Martin's	42	22	16
St Mary Magdalene	122	99	43
St Ninian's	123	62	46
St Salvador's	41	28	24
Fasque	25	16	4
Glencarse	122	105	72
Inverbervie	14	11	9
Invergowrie	29	21	8
Laurencekirk	60	27	5
Monifieth	47	38	9
Montrose	59	50	25
Muchalls	57	43	31
Stonehaven	135	80	16
Tarfside	9	9	6
TOTALS 2022	1,500	1,106	530
TOTALS 2021	1,551	1,133	635

Diocese of Edinburgh

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	655	575	183
Balerno	690	491	363
Bathgate	71	71	36
Bo'ness	85	55	12
Coldstream	22	22	9
Dalkeith	200	41	25
Dalmahoy	141	141	22
Dunbar	121	102	41
Duns	25	34	10
Edinburgh:			
Christ Church	298	154	94
Good Shepherd	126	105	31
Holy Cross	140	98	36
Mustard Seed	74	61	20
Old St Paul's	320	284	97
St Barnabas'	73	35	14
St Columba's	80	60	44
St Cuthbert's	166	163	74
St David's	37	32	19
St Fillan's	49	48	28
St James', Leith	118	123	55
St John's	384	355	84
St Margaret's	24	24	26
St Mark's	106	62	33
St Martin's	45	38	20
St Michael/All Saints	115	94	43
St Ninian's	120	110	30
St Paul/St George	1,441	193	484
St Peter's	138	129	110
St Philip/St James	60	45	31
St Salvador's	40	40	25
St Vincent's	101	90	42
Eyemouth	11	11	10
Falkirk	125	86	38
Galashiels	58	29	22
Grangemouth	99	45	27
Gullane	75	66	26
Haddington	154	109	63
Hawick	76	29	11
Innerleithen	11	11	4
Jedburgh	66	57	23
Kelso	133	233	74
Lasswade	300	54	26
Linlithgow	117	86	26
Livingston	234	107	92
Melrose	250	228	n/a
Musselburgh	69	49	35
North Berwick	120	112	48
Peebles	161	151	59
Penicuik	114	90	29
Roslyn	89	89	36
Selkirk	59	47	30
South Queensferry	53	53	24
West Linton	54	35	9
TOTALS 2022	8,493	5,652	2,853
TOTALS 2021	8,005	5,611	2,517

United Diocese of Glasgow and Galloway

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	252	240	183
Airdrie/Monklands	38	21	16
Annan	18	12	4
Ardrossan **	72	69	27
Ayr	176	113	74
Bearsden	74	67	40
Bridge of Weir	16	16	13
Cambuslang	28	18	11
Castle Douglas	66	40	23
Challoch	59	53	67
Cumbernauld	21	15	10
Dalbeattie	25	25	19
Dalry **	23	23	11
Dumbarton	143	103	25
Dumfries	228	201	64
East Kilbride	59	39	14
Eastriggs	42	15	10
Gatehouse-of-Fleet	110	72	16
Glasgow:			
All Saints	33	31	22
Good Shepherd	18	18	10
St Aidan's	104	55	22
St Bride's	63	59	35
East End Ministry *	74	60	41
St James' (Bishopbriggs)	87	63	44
St Margaret's	166	151	52
St Matthew's	36	33	20
St Ninian's	76	49	29
St Oswald's	28	26	14
Greenock	108	62	36
Gretna	68	29	14
Hamilton	114	112	39
Helensburgh	202	179	89
Johnstone	56	41	19
Kilmacolm	34	35	21
Kilmarnock	129	66	52
Kirkcudbright	180	130	30
Lanark	126	126	40
Largs	105	75	33
Lenzie	52	36	20
Lockerbie	61	50	25
Maybole	46	36	18
Milngavie	56	55	31
Moffat	39	34	22
Motherwell	69	48	23
New Galloway	26	20	8
Paisley	110	76	50
Port Glasgow	80	46	31
Portpatrick	13	13	8
Prestwick	131	71	92
Renfrew	87	74	27
Stranraer	32	31	14
Troon	70	75	43
Uddingston	26	23	16
Wishaw	33	25	9
TOTALS 2022	4,188	3,255	1,726
TOTALS 2021	4,467	3,376	1,501

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

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

United Diocese of Moray, Ross and Caithness

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	453	287	131
Aberlour	39	27	7
Black Isle Charges:	215	210	60
Arpafeelie			
Cromarty			
Fortrose			
Brora	18	13	8
Culloden	7	5	6
Dingwall/Strathpeffer	90	55	23
East Sutherland Charges:	69	64	73
Ardgay			
Crask			
Dornoch			
Lairg			
Elgin/Lossiemouth/Burghead	198	125	76
Forres	175	152	60
Glenurquhart/Ft Augustus	42	42	20
Gordonstoun	500	150	-
Grantown	60	34	16
Isla Spey Deveron Group:	146	90	55
Aberchirder			
Dufftown			
Fochabers			
Huntly			
Keith			
Invergordon	33	33	17
Inverness:			
St John's	100	40	14
St Michael's	97	30	34
South West Charges:			
Kinlochewe	20	20	11
Kishorn	120	12	15
Lochalsh	15	12	11
Poolewe	24	18	5
North West Charges:	103	77	53
Achiltibuie			
Kinlochbervie			
Lochinver			
Ullapool			
Tongue	34	32	-
Nairn	132	106	23
Rothiemurchus	88	61	28
Strathnairn	33	33	13
Tain	69	49	22
Thurso	75	45	19
Wick	43	25	8
TOTALS 2022	2,998	1,847	808
TOTALS 2021	2,939	1,856	715

United Diocese of St Andrews, Dunkeld and Dunblane

CHARGES	ROLL		
	Membership	Communicant Numbers	Total Attendance
Cathedral	241	226	87
Aberdour	56	45	16
Aberfoyle	64	64	22
Alloa	32	32	22
Alyth	20	18	6
Auchterarder	85	59	19
Ballintuim	42	25	-
Blairgowrie	45	38	18
Bridge of Allan	75	67	35
Burntisland	48	47	29
Callander	37	37	19
Comrie	27	27	12
Coupar Angus	44	42	20
Crieff	44	44	16
Cupar	87	85	32
Dollar	89	76	38
Doune	70	58	21
Dunblane	154	99	47
Dunfermline	162	86	50
Dunkeld (Birnam)	57	57	37
Elie	26	35	15
Forfar	163	87	22
Glamis	29	24	13
Glenalmond	385	95	335
Glenrothes	27	24	8
Inverkeithing	117	110	95
Kilmaveonaig	43	24	10
Kinghorn	<i>With Kirkcaldy</i>		
Kinloch Rannoch	4	2	10
Kinross	101	62	14
Kirkcaldy	74	53	37
Kirriemuir	41	25	12
Ladybank	5	5	4
Leven	32	26	15
Lochearnhead	8	8	-
Lochgelly	13	24	13
Muthill	24	17	8
Newport	30	22	14
Perth, St John's	155	125	38
Pitlochry	62	41	16
Pittenweem	25	26	12
Rosyth	34	30	21
St Andrews:			
All Saints	207	118	71
St Andrew's	257	230	100
Stanley	9	8	5
Stirling	175	131	48
Strathtay/Aberfeldy	34	34	19
Tayport	45	40	20
TOTALS 2022	3,604	2,658	1,521
TOTALS 2021	3,658	2,627	1,373

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

In relation to accounts on pages 76 to 89 and 93 to 95.

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 accounts may differ from legislation in other jurisdictions.

**Bridget Campbell
Convener, Standing Committee
27 April 2023**

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Page No.	2022 General Fund Income £	2022 Other Income £	2022 Total Income (note 5) £	2022 Expenditure £	2022 Surplus/ (deficit) £	2021 Surplus/ (deficit) £
General Fund	21	2,297,060	-	2,297,060	2,218,557	78,503	(241,975)
Allocated to Boards / Standing Committee		(2,218,557)	-	(2,218,557)	(2,218,557)	-	-
<i>Sub-total</i>		<u>78,503</u>	<u>-</u>	<u>78,503</u>	<u>-</u>	<u>78,503</u>	<u>(241,975)</u>
Standing Committee	22						
<i>Sub-total</i>		<u>1,094,267</u>	<u>-</u>	<u>1,094,267</u>	<u>1,094,267</u>	<u>-</u>	<u>-</u>
Administration Board							
Board	50	268,218	-	268,218	268,218	-	-
Allocated to Building Grants Fund		(254,024)	-	(254,024)	(254,024)	-	-
Net (direct income and expenditure of Board)		<u>14,194</u>	<u>-</u>	<u>14,194</u>	<u>14,194</u>	<u>-</u>	<u>-</u>
Buildings funds							
Building Grants Fund	52	254,024	21,145	275,169	275,169	-	-
Building Loans Fund	53	-	2,963	2,963	-	2,963	3,092
Retirement Housing Committee							
Retirement Supplementary Fund	58	-	54,597	54,597	47,977	6,620	6,849
Retirement Housing Fund	59	-	128,421	128,421	108,714	19,707	53,915
Miscellaneous funds	60	-	224,460	224,460	181,075	43,385	46,269
<i>Sub-total for Board and its Committees</i>		<u>268,218</u>	<u>431,586</u>	<u>699,804</u>	<u>627,129</u>	<u>72,675</u>	<u>110,125</u>
Mission Board							
Board	34	400,412	16,350	416,762	416,762	-	-
Allocated to Committees		(31,744)	-	(31,744)	(31,744)	-	-
Net (direct income and expenditure of Board)		<u>368,668</u>	<u>16,350</u>	<u>385,018</u>	<u>385,018</u>	<u>-</u>	<u>-</u>
Global Partnerships Committee	38	-	154,950	154,950	119,524	35,426	36,061
Church in Society Committee	36	31,744	844	32,588	32,588	-	-
The Community Fund	41	-	545	545	-	545	510
Miscellaneous funds	42	-	-	-	-	-	-
<i>Sub-total for Board and its Committees</i>		<u>400,412</u>	<u>172,689</u>	<u>573,101</u>	<u>537,130</u>	<u>35,971</u>	<u>36,571</u>
Institute Council							
Board	44	441,400	64,342	505,742	505,742	-	-
Miscellaneous funds	49	-	114,471	114,471	50,385	64,086	(813)
<i>Sub-total</i>		<u>441,400</u>	<u>178,813</u>	<u>620,213</u>	<u>556,127</u>	<u>64,086</u>	<u>(813)</u>
Faith and Order Board							
<i>Sub-total</i>	26	<u>14,260</u>	<u>-</u>	<u>14,260</u>	<u>14,260</u>	<u>-</u>	<u>-</u>
Publications							
<i>Sub-total</i>		<u>-</u>	<u>5,584</u>	<u>5,584</u>	<u>4,840</u>	<u>744</u>	<u>(588)</u>
TOTAL FOR YEAR		<u>2,297,060</u>	<u>788,672</u>	<u>3,085,732</u>	<u>2,833,753</u>	<u>251,979</u>	<u>(96,680)</u>

The notes on pages 80 to 89 form part of these accounts.

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

	Revenue Accounts and Reserves			Capital Accounts and Reserves			Total 2022	Total 2021
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total		
	£	£	£	£	£	£	£	£
Income from								
Donations and legacies								
Quota	660,000	-	660,000	-	-	-	660,000	600,000
Donations	21,706	24,402	46,108	-	-	-	46,108	49,051
Legacies	435	75,000	75,435	-	-	-	75,435	-
	<u>682,141</u>	<u>99,402</u>	<u>781,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>781,543</u>	<u>649,051</u>
Investments								
Investment income - UTP distributions	1,857,074	152,020	2,009,094	-	-	-	2,009,094	1,740,163
Investment income - interest	14,370	7,486	21,856	-	-	-	21,856	9,195
Rental income	21,243	-	21,243	-	-	-	21,243	21,243
	<u>1,892,687</u>	<u>159,506</u>	<u>2,052,193</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,052,193</u>	<u>1,770,601</u>
Charitable activities								
Publication sales	4,291	-	4,291	-	-	-	4,291	3,466
Other income	19,895	-	19,895	-	-	-	19,895	14,690
Pension Fund and investment administration fee	38,181	-	38,181	-	-	-	38,181	37,518
Rental income	-	86,708	86,708	-	-	-	86,708	91,468
	<u>62,367</u>	<u>86,708</u>	<u>149,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,075</u>	<u>147,142</u>
Other								
Gain on sale of property	-	-	-	-	295,728	295,728	295,728	40,171
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295,728</u>	<u>295,728</u>	<u>295,728</u>	<u>40,171</u>
Total Income	<u>2,637,195</u>	<u>345,616</u>	<u>2,982,811</u>	<u>-</u>	<u>295,728</u>	<u>295,728</u>	<u>3,278,539</u>	<u>2,606,965</u>
Expenditure on charitable activities (note 6)								
Mission development and support	368,425	10,494	378,919	-	-	-	378,919	298,918
Ministry support and training	502,133	50,385	552,518	-	-	-	552,518	528,192
Ecumenical and church relations	131,516	-	131,516	-	-	-	131,516	103,230
Promotion, publication and communication	312,214	-	312,214	-	-	-	312,214	248,103
Support for retired clergy	62,786	138,338	201,124	-	-	-	201,124	137,062
Support and advice to dioceses and congregations within SEC	1,122,084	32,457	1,154,541	-	-	-	1,154,541	1,347,969
	<u>2,499,158</u>	<u>231,674</u>	<u>2,730,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,730,832</u>	<u>2,663,474</u>
Total expenditure	<u>2,499,158</u>	<u>231,674</u>	<u>2,730,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,730,832</u>	<u>2,663,474</u>
Net income before transfers and gain on revaluation of investments	<u>138,037</u>	<u>113,942</u>	<u>251,979</u>	<u>-</u>	<u>295,728</u>	<u>295,728</u>	<u>547,707</u>	<u>(56,509)</u>
Gain (loss) on revaluation of investments (note 8)	-	-	-	(16,307,630)	(1,735,126)	(18,042,756)	(18,042,756)	7,416,101
Net income before transfers (note 2)	<u>138,037</u>	<u>113,942</u>	<u>251,979</u>	<u>(16,307,630)</u>	<u>(1,439,398)</u>	<u>(17,747,028)</u>	<u>(17,495,049)</u>	<u>7,359,592</u>
Transfers between funds	20,193	(20,193)	-	-	-	-	-	-
Transfers between revenue and capital	(4,335)	(99,247)	(103,582)	4,335	99,247	103,582	-	-
Net movement in funds	<u>153,895</u>	<u>(5,498)</u>	<u>148,397</u>	<u>(16,303,295)</u>	<u>(1,340,151)</u>	<u>(17,643,446)</u>	<u>(17,495,049)</u>	<u>7,359,592</u>
Fund balances at 1 January 2022	1,631,779	289,666	1,921,445	76,202,174	13,125,452	89,327,626	91,249,071	83,889,479
Fund balances at 31 December 2022	<u>1,785,674</u>	<u>284,168</u>	<u>2,069,842</u>	<u>59,898,879</u>	<u>11,785,301</u>	<u>71,684,180</u>	<u>73,754,022</u>	<u>91,249,071</u>

Detailed comparatives are at note 15.

All income is derived from continuing activities.

The notes on pages 80 to 89 form part of these accounts.

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
BALANCE SHEET AS AT 31 DECEMBER 2022**

		2022		2021	
		£	£	£	£
Fixed Assets (note 8)					
Heritable Properties at book value		4,405,926		4,021,394	
Investments at market value (Book Cost: £8,364,819)		66,534,872		84,502,628	
	(2021: £8,289,819)				
Social Investments		<u>359,873</u>		<u>355,538</u>	
		71,300,671		88,879,560	
Current Assets					
Debtors (note 9)		1,150,418		979,923	
Bank and Cash		<u>1,759,724</u>		<u>1,771,482</u>	
		2,910,142		2,751,405	
Current Liabilities					
Creditors and Accruals (note 10)		<u>(456,791)</u>		<u>(381,894)</u>	
Net Current Assets		2,453,351		2,369,511	
TOTAL ASSETS LESS LIABILITIES		<u>73,754,022</u>		<u>91,249,071</u>	
 Capital and Reserves (note 11)					
Unrestricted Funds	Capital	59,898,879		76,202,174	
	Revenue	<u>1,785,674</u>		<u>1,631,779</u>	
		61,684,553		77,833,953	
Restricted Funds	Capital	11,785,301		13,125,452	
	Revenue	<u>284,168</u>		<u>289,666</u>	
		12,069,469		13,415,118	
TOTAL FUNDS (note 12)		<u>73,754,022</u>		<u>91,249,071</u>	

Bridget Campbell
Convener, Standing Committee
27 April 2023

The notes on pages 80 to 89 form part of these accounts.

THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities:		
Net cash (used in) operating activities (reconciliation below)	<u>(1,718,514)</u>	<u>(1,754,869)</u>
Cash flows from investing activities:		
Dividends, interest and rent from investments	1,874,895	1,676,689
Proceeds from the sale of property	422,106	201,741
Purchase of property and equipment	(510,910)	(152,454)
Purchase of investments	(75,000)	(832)
Loans advanced (to dioceses / charges)	(18,000)	(351,394)
Loans repaid (by dioceses / charges)	13,665	364,667
Net cash provided by investing activities	<u>1,706,756</u>	<u>1,738,417</u>
Change in cash in year	(11,758)	(16,452)
Cash at 1 January 2022	1,771,482	1,787,934
Cash at 31 December 2022	<u>1,759,724</u>	<u>1,771,482</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)	(17,495,049)	7,359,592
Adjustments for:		
Loss / (Gains) on investments	18,042,756	(7,416,101)
Dividends, interest and rent from investments	(2,052,193)	(1,770,601)
Profit on sale of property	(295,728)	(40,171)
Repayment of loan	-	-
Decrease / (Increase) in debtors	6,803	12,396
(Decrease) / Increase in creditors	74,897	100,016
Net cash (used in) operating activities	<u>(1,718,514)</u>	<u>(1,754,869)</u>

Analysis of changes in net debt

	At 1 January 2022	Cash flows	At 31 December 2022
Cash	1,771,482	(11,758)	1,759,724
Total	<u>1,771,482</u>	<u>(11,758)</u>	<u>1,759,724</u>

The notes on pages 80 to 89 form part of these accounts.

**THE GENERAL SYNOD OF THE SCOTTISH EPISCOPAL CHURCH
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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 54 and accounts of the SEC Unit Trust Pool at page 93.)

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 76, which summarises the revenue accounts of each of the individual Boards and Committees, reflects this income allocation procedure.

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

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

	2022	2021
	£	£
Salaries	642,250	584,582
Pension contributions	205,168	189,510
Social security costs	53,084	45,952
Travel and subsistence	5,584	2,299
Training	783	2,049
	906,869	824,392
Average number of employees	21	20
Average number of full time equivalent posts	17.6	16.5

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 £417,289 (2021: £401,246).

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

	2022 Number	2021 Number
£70,001 - £80,000	1	1

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

All employees are members of the Scottish Episcopal Church Pension Fund which is a non contributory defined benefit scheme with benefits based on final pensionable salary. Others employed by the Scottish Episcopal Church, clergy for the most part, are also members. The General Synod is unable to identify its share of the underlying assets and liabilities of the Fund on a consistent and reasonable basis and so accounts for its contributions as if the scheme was a defined contribution scheme. The contribution rate for the year under review was 32.2%. The rate is based on the triennial Actuarial Valuation of the Fund as at 31 December 2020 which estimated the Fund's surplus to be £5.6m. No change in the contribution rate was recommended following the Valuation. There were no contributions outstanding at 31 December 2022 in relation to the General Synod's employees.

4 Expenses paid to board and committee members

Board and committee members are entitled to reimbursement of necessarily incurred travel and subsistence expenses in accordance with the rates determined by the Standing Committee. No remuneration is paid to committee members. Expenses totalling £1,377 were paid to five members of the Standing Committee during the year, in relation to their membership of that Committee. (2021: No expenses paid to members).

5 Total income

Total Income in the Revenue Account (page 76) 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 £	2022 Total £	2021 Total £
Charitable activities					
Mission development and support	31,202	149,943	197,774	378,919	298,918
Ministry support and training	368,390	144,184	39,944	552,518	528,192
Ecumenical and church relations	55,524		75,992	131,516	103,230
Promotion, publication and communication	14,092		298,122	312,214	248,103
Support for retired clergy	96,912	41,860	62,352	201,124	137,062
Provision of support and advice to Dioceses and Congregations	40,457	814,012	300,072	1,154,541	1,347,969
	606,577	1,149,999	974,256	2,730,832	2,663,474
2021	498,017	1,434,858	730,599	2,663,474	

	2022 £	2021 £
Analysis of support costs		
Staff costs	630,976	547,208
Property and equipment costs	42,274	43,044
General administration costs	64,889	56,964
Board and committee expenses	5,058	318
Governance costs	231,059	83,065
	974,256	730,599

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

2022	£17,400
2021	£15,120

7 Grants

Grants are made to Dioceses, Charges and individuals within the Scottish Episcopal Church for a number of purposes. Grants are also made to other church bodies, non-church bodies and to individuals. The range and variety of grants and further information regarding the grants made is provided in the accounts of the various funds (pages 21 to 60). The grants awarded during the year can be analysed:

	UK	Overseas	2022 Total	2021 Total
	£	£	£	£
Scottish Episcopal Church bodies	903,716	-	903,716	1,209,017
Other church bodies	27,000	95,559	122,559	95,077
Non church bodies	440	9,000	9,440	31,663
Individuals	100,839	13,445	114,284	99,101
	1,031,995	118,004	1,149,999	1,434,858
2021	1,346,412	88,446	1,434,858	

Grants were awarded to 389 individuals (2021: 398).

Included in Creditors and Accruals are Grants totalling £330,630 approved but not paid out (2021: £313,912).

8 Fixed Assets

	Heritable Property	Investments	Social Investments	Total
	£	£	£	£
At 31 December 2021	4,021,394	84,502,628	355,538	88,879,560
Additions during year	510,910	75,000	-	585,910
Disposals during year	(126,378)	-	-	(126,378)
Loans advanced in year	-	-	18,000	18,000
Loans repaid in year	-	-	(13,665)	(13,665)
Net loss on revaluation at 31 December 2022	-	(18,042,756)	-	(18,042,756)
Balance at 31 December 2022	4,405,926	66,534,872	359,873	71,300,671

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. 72.3% of investments in the Unit Trust Pool relate to UK investments. The unit value at 31 December 2022 was £24.7688. The unit value at 31 March 2023 was £27.0783 and so 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

	2022 £	2021 £
Accrued Unit Trust Pool distribution	1,117,031	941,057
Sundry debtors including grant repayments	<u>33,387</u>	<u>38,866</u>
	<u>1,150,418</u>	<u>979,923</u>

10 Creditors

	2022 £	2021 £
Grants approved but not paid	330,630	313,912
Accruals and deferred income	<u>126,161</u>	<u>67,982</u>
	<u>456,791</u>	<u>381,894</u>

11 Reconciliation of movement in funds

	Balance at 31 Dec 21 £	Surplus for year prior to transfers £	Transfers between funds £	Unrealised loss on revaluation at 31 Dec 22 £	Balance at 31 Dec 22 £
Unrestricted Funds					
General Fund	63,587,484	59,603	18,900	(13,469,727)	50,196,260
Other funds	14,246,469	78,434	1,293	(2,837,903)	11,488,293
	77,833,953	138,037	20,193	(16,307,630)	61,684,553
Restricted Funds					
Housing Fund	6,243,485	327,835	(12,400)	(308,756)	6,250,164
Other funds	7,171,633	81,835	(7,793)	(1,426,370)	5,819,305
	13,415,118	409,670	(20,193)	(1,735,126)	12,069,469
Total Funds	91,249,071	547,707	-	(18,042,756)	73,754,022

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 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

12 Analysis of net assets between funds

Fund balances at 31 December 2022 are represented by:

	Unrestricted Funds	Housing Fund	Restricted Funds Other Funds	Total Restricted	Total Funds
	£	£	£	£	£
Fixed Assets					
Heritable Property at cost	27,598	4,378,328	-	4,378,328	4,405,926
Investments at market value	60,079,672	1,137,532	5,317,668	6,455,200	66,534,872
Social Investments	104,413	44,875	210,585	255,460	359,873
Current Assets					
Debtors and Prepayments	1,068,598	29,450	52,370	81,820	1,150,418
Bank and Cash	842,044	670,296	247,384	917,680	1,759,724
Current Liabilities					
Creditors and Accruals	(437,772)	(10,317)	(8,702)	(19,019)	(456,791)
	61,684,553	6,250,164	5,819,305	12,069,469	73,754,022

The majority of Unrestricted Funds are Undesignated Funds. The total of Undesignated Funds, representing the General Fund, at 31 December 2022 was £50.2m (2021 £63.6m).

The majority of Restricted Funds relate to the Retirement Housing Fund administered by the Retirement Housing Committee (see the Committee's report on page 57 and the Fund's financial statement on page 59). 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 40 properties located throughout Scotland. A number of the properties were specifically gifted to the General Synod for such use. The Fund has also benefitted from legacies and donations given to assist in the provision of housing to retired clergy.

Of the investments held by other Restricted Funds approximately £1.8m relates to the Retirement Supplementary Fund administered by the Retirement Housing Committee. (The Fund's financial statement is on page 58.) Annual investment income is used to provide a range of grants and an annual Christmas gift to beneficiaries of the SEC Pension Fund. The balance of the investments and other assets relate to a range of smaller funds most of which are included in the Miscellaneous Funds administered by the Mission Board, the Institute Council and the Administration Board. (The financial statements on pages 42, 49 and 60 include these Restricted Funds with other Designated Funds administered by the Boards.)

Prior year comparative information:

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

13 Future commitments

A loans of £14,300 to a charge had been approved, but not drawn down at the Balance Sheet date. The loan has not yet been paid.

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 2021 £
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	
	Funds £	Funds £	£	Funds £	Funds £	£	
Income from							
Donations and legacies							
Quota	600,000	-	600,000	-	-	-	600,000
Donations	24,833	24,218	49,051	-	-	-	49,051
Legacies	-	-	-	-	-	-	-
	<u>624,833</u>	<u>24,218</u>	<u>649,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>649,051</u>
Investments							
Investment income - UTP distributions	1,609,409	130,754	1,740,163	-	-	-	1,740,163
Investment income - interest	8,494	701	9,195	-	-	-	9,195
Rental income	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>
Charitable activities							
Publication sales	3,466	-	3,466	-	-	-	3,466
Other income	14,690	-	14,690	-	-	-	14,690
Pension Fund and investment admin fee	37,518	-	37,518	-	-	-	37,518
Rental income	-	91,468	91,468	-	-	-	91,468
	<u>55,674</u>	<u>91,468</u>	<u>147,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,142</u>
Other							
Gain on sale of property	-	-	-	-	40,171	40,171	40,171
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,171</u>	<u>40,171</u>	<u>40,171</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>
Expenditure on charitable activities							
Mission development and support	289,842	9,076	298,918	-	-	-	298,918
Ministry support and training	496,192	32,000	528,192	-	-	-	528,192
Ecumenical and church relations	103,230	-	103,230	-	-	-	103,230
Promotion, publication and communication	248,103	-	248,103	-	-	-	248,103
Support for retired clergy	43,836	93,226	137,062	-	-	-	137,062
Support and advice to dioceses and congregations within SEC	1,319,446	28,523	1,347,969	-	-	-	1,347,969
	<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>
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>
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>
Gain on revaluation of investments	-	-	-	6,704,105	711,996	7,416,101	7,416,101
Net income before transfers	<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>
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>
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
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>

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 2022 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 2022 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

28 April 2023

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 2022

		2022		2021
	£	£	£	£
Income				
Capital gains - net				
Realised		4,174,988		9,309,571
Unrealised		<u>(32,151,898)</u>		<u>2,470,824</u>
		(27,976,910)		11,780,395
Revenue	2,585,986		2,296,760	
Management expenses	<u>120,200</u>		<u>(21,118)</u>	
		<u>2,465,786</u>		<u>2,317,879</u>
Total return before distributions		(25,511,124)		14,098,274
Distributions 75p per unit. 2021: 65p)		<u>3,211,668</u>		<u>2,726,187</u>
Change in net assets attributable to unitholders from investment activities		<u>(28,722,792)</u>		<u>11,372,087</u>
Statement of change in net assets attributable to unitholders				
Net assets attributable to unitholders as at 31 December 2021		133,965,300		116,636,111
Receipts from issue of new units		2,050,753		6,996,133
Realisation of units:				
Book value		(428,523)		(362,309)
Appreciation		<u>(525,165)</u>		<u>(676,723)</u>
		135,062,365		122,593,213
Change in net assets attributable to unitholders from investment activities		<u>(28,722,792)</u>		<u>11,372,087</u>
Net assets attributable to unitholders as at 31 December 2022		<u>106,339,573</u>		<u>133,965,300</u>
Number of units in issue		<u>4,293,283</u>		<u>4,253,994</u>
Unit value as at 31 December 2022		<u>£24.7688</u>		<u>£31.4917</u>

The notes on page 95 form part of these accounts.

**THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL
BALANCE SHEET AS AT 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Capital Account			
Investments valued at closing prices	3	107,545,348	134,778,054
Current Assets			
Bank		460,112	1,032,575
Investment income receivable		141,796	34,994
Income tax recoverable		131,235	111,325
Sundry debtors		<u>23,772</u>	<u>45,459</u>
		<u>756,915</u>	<u>1,224,353</u>
Current Liabilities			
Sundry creditors		55,977	48,209
Proposed distribution at 41.5p/unit (2021: 65p/unit)		1,781,714	1,488,898
Funds awaiting investment		<u>125,000</u>	<u>500,000</u>
		<u>1,962,691</u>	<u>2,037,107</u>
Net Current (Liabilities)		<u>(1,205,776)</u>	<u>(812,754)</u>
Total Net Assets attributable to unitholders		<u>106,339,572</u>	<u>133,965,300</u>

Bridget Campbell
Convener, Standing Committee
27 April 2023

The notes on page 95 form part of these accounts.

THE SCOTTISH EPISCOPAL CHURCH UNIT TRUST POOL

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 54. An Ethical Investment Policy has been adopted in respect of the Unit Trust Pool (see page 99).

Investment Managers

For the year ended 31 December 2022, 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 2022 was £489,714 (2021: £471,569) 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 reducing the Management Expenses shown in the Statement of Total return. (In 2021 the rebate exceeded other expenses and resulted in negative expenses.)

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	£36,552,627	33.9%
Baillie Gifford Multi Asset Income Fund B Income	£38,646,245	35.8%

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 2022 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 2022 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

28 April 2023

ETHICAL INVESTMENT POLICY

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

Policy approved by General Synod 2022:

The Scottish Episcopal Church (SEC) recognises its members' duty as Christians to live in society in a manner which represents an effective witness to our Christian faith. In a complex world this is not an easy task and the difficulties are particularly challenging in the context of investing funds in the UTP.

Amongst other matters, we need to consider:

- our duties as responsible stewards of the funds entrusted to the SEC;
- what determines our values and our understanding of ethical investment, recognising that these will develop over time;
- in practical terms, how these may be applied to the UTP on an on-going basis.

1. Principles of responsible stewardship

The SEC Ethical Investment Advisory Group's 2020 report identified three foundational principles:

- The responsibility of prudent use of the money entrusted to the church, in wise and effective investments, in the context of the economic situation prevailing at the time.
- The responsibility to make investments directly or indirectly in companies whose activities are not inconsistent with the church's spiritual and moral values under God, reflecting the most pressing needs of the times, and not to invest in those whose activities are contrary to those values.
- The responsibility arising from the dependence of the missional work of the SEC upon the annual returns made from the investments for the work of the church, the staff it employs and the voluntary efforts of time, energy and talents of the wider church membership.

2. Principles of ethical investment

Certain categories of investments are deemed to be inconsistent with SEC's values. The Investment Committee should therefore avoid direct investment in companies deriving more than 10% of their revenues in the following restricted categories:

- Armaments
- Fossil Fuel extraction
- Gambling
- Pornography
- Tobacco

The Investment Committee relies on the use of pooled funds to achieve the investment objectives for the UTP. Pooled funds are the subject of a separate policy which was approved by General Synod 2021 and can be found [here](#)ⁱ. The policy states that the total value of investments in the restricted categories held in pooled funds should be less than 1% of the total value of the UTP.

Ethical investment includes far more than simply avoiding areas that are incompatible with the SEC's values. It can involve making a commitment to investing in areas that actively produce social and environmental benefits.

Useful broad criteria to guide the assessment of what may or may not be an ethical source of revenue for the UTP are the positive or negative impacts of the entity in question on:

- a) the health and dignity of human beings, particularly the most disadvantaged in society;
- b) the long-term stewardship of the planet; and
- c) the mission of the worldwide church.

Assessment of ESG criteria (Environmental, Social and Governance) can be a useful tool for understanding how seriously a company takes such questions and integrates them into its business practices. However, as yet there is no universally accepted standard for assessing relative ESG performance. The Investment Committee therefore depends on its investment and fund managers for analysis of ESG performance of

the companies it selects for investment. The Church Investors Group (CIG), of which the SEC is a member, conducts valuable research in this area.

When considering the appointment of an investment manager for the UTP, the Investment Committee will seek to appoint a firm that can demonstrate a responsible and progressive ESG policy.

In addition, SEC should have regard, where possible, to the desirability of investing the UTP in funds with a focus on making a positive contribution in one or more of the following areas:

- Developments in human health, wellbeing, education and communications.
- Sustainable development of just and peaceful societies.
- Businesses that minimise and mitigate the harmful effects of industry, recognising that all human activity has an impact on the planet.

3. Practical considerations

In selecting appropriate funds to invest in, the practical considerations include balancing ethical criteria with the need to meet the investment objectives and the resources required to administer the UTP.

This raises questions of how appropriate funds should be selected for the UTP, the triggers that will result in an immediate review of on-going suitability, the frequency of routine reviews and reporting requirements, and the process for considering future ethical investment concerns and opportunities as and when they arise.

(a) Selection and monitoring of funds

- A pooled fund under consideration for the UTP must comply with the SEC's Policy Framework on Investment of SEC Unit Trust Pool Monies in Pooled Funds at the outset.
- Investment Committee will engage with the UTP's investment manager on ESG issues at least annually.
- Investment Committee will have regard to the level of impact investment in any fund under consideration for investment and in the UTP as a whole.
- Investment Committee will include an impact investment statement in its annual compliance report to Standing Committee.
- Investment Committee will include ethical investment criteria in its formal review of the UTP's investments which takes place every three years.

(b) Triggers to change fund or investment manager

- Investment Committee is required to report to Standing Committee on options for action in the event of non-compliance in terms of the SEC's Policy Framework for investment in pooled funds.
- Timing of any divestment will be dependent on the identification of an appropriate alternative fund that meets ethical and investment criteria and/or an appropriate alternative investment manager.

(c) Framework for investigating ethical concerns

It is recognised that issues will arise that require SEC to consider the ethics of how the UTP is invested. The SEC recognises its responsibility to give careful consideration to such areas of concern.

Standing Committee will appoint and oversee an advisory group to be tasked with looking out for such issues and assessing ethical investment concerns raised by SEC groups or individual members and providing advice to Standing Committee in that regard. In carrying out its work, the group will act collaboratively in consultation with IC, CISC and other groups within SEC having an interest in the field of ethical investment.

The Terms of Reference for that group will be as set by Standing Committee from time to time.

ⁱ <https://www.scotland.anglican.org/wp-content/uploads/Policy-on-the-use-of-Pooled-Funds-in-the-UTP-June-2021.pdf>