

**SCOTTISH EPISCOPAL CHURCH DIOCESE OF  
GLASGOW AND GALLOWAY  
REPORT AND ACCOUNTS  
FOR THE YEAR ENDED  
30 NOVEMBER 2015**

**Charity Number SC013925**

**SRG LLP**  
Chartered Accountants & Statutory Auditor  
4th Floor  
Turnberry House  
175 West George Street  
Glasgow  
G2 2LB

# **SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY**

## **REPORT AND ACCOUNTS**

**YEAR ENDED 30 NOVEMBER 2015**

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# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## REFERENCE AND ADMINISTRATION DETAILS

<b>Registered charity name</b>	Scottish Episcopal Church Diocese of Glasgow and Galloway
<b>Charity number</b>	SC013925
	Diocese of Glasgow and Galloway Diocesan Office 5 St Vincent Place Glasgow G1 2DH
<b>Diocesan Council</b>	The Rt Revd Dr Gregor Duncan (Bishop of Glasgow & Galloway) The Very Revd Ian Barcroft (Dean) Revd Canon Shelley Marsh (Synod Clerk) The Very Revd Kelvin Holdsworth (Provost) Mr Robert Burgon (Diocesan Treasurer) Mr Chris Zochowski (Diocesan Secretary) Rev Canon David Bayne Mr Alan Rumble Rev Martin Sofield Mrs Betty Matheson Rev Paul Fletcher Dr Richard Evans Rev Andrew Richardson (Retired 31 January 2015) Mr Kennedy Fraser (Retired 31 January 2015) Rev L Ireland (Appointed 1 May 2015) Dr B Routledge (Appointed 1 May 2015) Canon Rev James Milne (Retired 31 January 2015) Dr David Simmons Rev Tom Wilson Mrs Carol Lovett Rev Maggie McTernan Ms Jennifer Whelan (Retired 31 January 2015) Ms Fiona Graham (Appointed 1 September 2015)
<b>Trustees for the charity</b>	The following are trustees for the Diocese in respect of heritable and moveable property: The Rt Revd Dr Gregor Duncan (Bishop of Glasgow & Galloway) The Very Revd Ian Barcroft (Dean) Revd Canon Shelley Marsh (Synod Clerk) Lord R G McEwan (Chancellor) Mr David Ballantine (Registrar)
<b>Other Diocesan appointments</b>	Mr Elliot Glen-Esk (Surveyor) Mrs R Cadie of ARP Lorimer Ltd (Architect)

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## REFERENCE AND ADMINISTRATION DETAILS *(continued)*

**Auditor**

SRG LLP  
Chartered Accountants  
& Statutory Auditor  
4th Floor  
Turnberry House  
175 West George Street  
Glasgow  
G2 2LB

**Investment adviser**

Speirs & Jeffrey Limited  
George House  
50 George Square  
Glasgow  
G2 1EH

**Bankers**

The Royal Bank of Scotland  
10 Gordon Street  
Glasgow  
G1 3PL

**Office manager**

Mrs Jean Graham

# **SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY**

## **REPORT OF THE DIOCESAN COUNCIL**

**YEAR ENDED 30 NOVEMBER 2015**

The Diocesan Council present their report and the report and accounts of the charity for the year ended 30 November 2015.

### **REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are shown in the schedule of reference and administration details on pages 1 to 2 of the report and accounts.

### **THE DIOCESAN COUNCIL**

The Diocesan Council who served the charity during the period are as listed on page 1 of the report.

The Glasgow and Galloway Diocese of the Scottish Episcopal Church was founded in 1837.

The Diocesan Council is pleased to present the annual accounts for the United Diocese of Glasgow and Galloway for the year ended 30th November 2015. This annual report and accounts presents a summary of our financial activities during the year and gives an overview of the general activities which have taken place in the life of our Diocese in the past year.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Diocese is an unincorporated association, subject to the Code of Canons of the Scottish Episcopal Church and to a constitution adopted in 2005, and amended in 2011 and 2012. The Diocese is governed by a Synod meeting annually, who appoint Diocesan Officials and a Diocesan Council to execute its decisions and manage the Diocese according to the Code of Canons. For the purposes of charities law, the members of the Diocesan Council together with the Diocesan Officials accountable to the Diocesan Council, are the Charity Trustees of the Church.

The charitable objective of the Diocese is "the advancement of religion", and to this end it offers resources, funding, support and expertise to charges to enable them to carry out their mission effectively, and monitors attendance, mission activity, and child and vulnerable adults protection compliance.

The Code of Canons require the Diocesan Synod to supervise all church properties, capital funds, payment of charges stipends, salaries and insurance premiums, and maintenance of and adherence to church constitutions.

Apart from the Bishop, members of the Diocesan Council are elected by the seven regions of the Diocese in Regional Council annual meetings, and the Officials are appointed annually by the Synod. The Synod Clerk is elected by the clergy of the Diocese, and the Provost and the Dean are appointed by the Bishop. The Bishop is elected by an Electoral Synod, broadly congruent with the Diocesan Synod. The Synod consists of a) all clergy meeting certain criteria, and b) a Lay member elected by each charge in the Diocese.

The members of Diocesan Council receive sufficient information to enable them to carry out their duties effectively, and can call upon specialised legal, financial, and canonical advice when they require it. Certain responsibilities are delegated to the Officials, who nevertheless have to give an account of their decisions to the Diocesan Council.

As a constituent of the Scottish Episcopal Church, the Diocese has an obligation to contribute to the costs of the Province through payment of an annual 'quota'. This amount is approved by the General Synod. In turn, the Diocese obtains its income by levying a quota on each charge, as approved by the Diocesan Synod, and by careful stewardship of its own funds.

# **SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY**

## **REPORT OF THE DIOCESAN COUNCIL *(continued)***

### **YEAR ENDED 30 NOVEMBER 2015**

#### **Risk Management**

The Bishop's Staff Group keeps under review the main financial and operating risks which the Diocese faces and confirms that systems and procedures are in place and are considered to be robust. In recognition that the financial standing of the Diocese depends to a large extent on the financial viability of the individual congregations, priority is given on a continuous basis to working and supporting Vestries whose accounts were in deficit for two or more years.

#### **OBJECTIVES AND ACTIVITIES**

We have referred to the guidance contained in the Charity Regulator's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

The Diocese is responsible for the costs of the Bishopric and payment of Quota to the Province. The Diocese also provides support to some charges for the costs of local ministry, property grants and support for mission activity through Development Teams which includes education, training, outreach and the promotion of ecumenical relations. A large number of volunteers are engaged in these activities but the main thrust for mission and ministry is through local congregations.

#### **ACHIEVEMENTS AND PERFORMANCE**

During the year, the Charity Trustees:

- Approved loans and grants to various charges to enable them to meet their obligations and objectives
- Received regular reports from the Dean and the Bishop on the filling of clerical vacancies, and on their scheduled visitations to charges
- Received regular reports from each region on mission activities
- Received regular reports from the Diocesan Treasurer on financial developments, and variances from budget
- Reviewed the Financial Regulations of the Diocese
- Received regular reports on the state, maintenance and proposals for church property, including disabled access to and facilities in church property
- Ensured that vacancies for Diocesan representatives on other bodies were filled, if necessary on a temporary basis until the next election
- Continued the development of the Diocesan website
- Budgeted for and advertised for a new Canon Missioner to succeed the Ministry Development Officer
- Supported the Bishop's Lenten Appeal, which raised approximately £12,770 for the Scottish Episcopal Institute
- Arranged the annual Diocesan Synod, and for representation on, and reports to and from the General Synod

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## REPORT OF THE DIOCESAN COUNCIL *(continued)*

YEAR ENDED 30 NOVEMBER 2015

### FINANCIAL REVIEW

The General Fund Income and Expenditure account (Unrestricted Funds) shows a deficit of £41,030 against a projected budget deficit of £166,553.

Overall Income benefited from a higher than expected return of dividend income which more than covered the shortfall in received congregational quota and the return of unused funds to the Province in respect of vacancies in supported ministry.

In Expenditure, major underspend variances were experienced in Support for Ministry, Diocesan Action Groups, and Regional Growth Strategy support although these benefits were offset to some extent by an overspend in Grant payments.

The main source of revenue to the General Fund is from quota paid by the Charges across the Diocese and the Diocesan Council is grateful to congregational Vestries all of whom strive to meet their quota in full even when, in some cases, their own financial position can be fragile.

### Reserves Policy

The largest part of Diocesan funds is committed to specific purposes and the Diocesan Council is of the view that the financial position is sound and that the reserves held are adequate. In forming this view the Diocesan Council has had regard to the future anticipated expenditure requirements of the Diocese while being mindful of some of the unanticipated expenditure requirements that have arisen in the past and that may accordingly arise in the future.

### Property

The care of Diocesan, church and ancillary buildings is supervised by a Property Committee convened by the Dean, and advised by the Diocesan Architect and Diocesan Surveyor.

### PLANS FOR FUTURE PERIODS

The top priority for the future continues to be to develop and implement the "Growth Strategy" for the Diocese which the Bishop pledged at his consecration.

### AUDITOR

SRG LLP will be proposed for re-appointment as auditor for the ensuing year.

Diocese of Glasgow and Galloway  
Diocesan Office  
5 St Vincent Place  
Glasgow  
G1 2DH

Signed on behalf of the  
Diocesan Council



The Right Reverend Dr G Duncan  
Bishop

30 January 2016

# **SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY**

## **STATEMENT OF RESPONSIBILITIES OF THE DIOCESAN COUNCIL**

### **YEAR ENDED 30 NOVEMBER 2015**

The Diocesan Council are responsible for preparing the Report of the Diocesan Council and the report and accounts in accordance with applicable law and regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Diocesan Council to prepare report and accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these report and accounts, the Diocesan Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the report and accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Diocesan Council are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the report and accounts comply with the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY**

## **INDEPENDENT AUDITOR'S REPORT TO THE DIOCESAN COUNCIL OF SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY**

**YEAR ENDED 30 NOVEMBER 2015**

We have audited the report and accounts of Scottish Episcopal Church Diocese of Glasgow and Galloway for the year ended 30 November 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Diocesan Council, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charity's Diocesan Council 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 Diocesan Council as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIOCESAN COUNCIL AND AUDITOR**

As explained more fully in the Statement of responsibilities of the Diocesan Council, the Diocesan Council are responsible for the preparation of report and accounts which give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the report and accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE REPORT AND ACCOUNTS**

An audit involves obtaining evidence about the amounts and disclosures in the report and accounts sufficient to give reasonable assurance that the report and accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Diocesan Council; and the overall presentation of the report and accounts. In addition, we read all the financial and non-financial information in the Report of the Diocesan Council to identify material inconsistencies with the audited report and accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON REPORT AND ACCOUNTS**

In our opinion the report and accounts:

- give a true and fair view of the state of the charity's affairs as at 30 November 2015 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## INDEPENDENT AUDITOR'S REPORT TO THE DIOCESAN COUNCIL OF SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY *(continued)*

YEAR ENDED 30 NOVEMBER 2015

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Report of the Diocesan Council is inconsistent in any material respect with the report and accounts; or
- proper accounting records have not been kept; or
- the report and 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.



SRG LLP  
Chartered Accountants  
& Statutory Auditor

4th Floor  
Turnberry House  
175 West George Street  
Glasgow  
G2 2LB

*30 January 2016*

SRG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 30 NOVEMBER 2015

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2015 £	Total Funds 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generating funds:						
Voluntary income	3	410,284	—	—	410,284	951,844
Investment income	4	217,414	—	—	217,414	156,368
Incoming resources from charitable activities	5	37,635	24,538	—	62,173	54,990
Other incoming resources	6	15,596	—	—	15,596	14,434
<b>TOTAL INCOMING RESOURCES</b>		<b>680,929</b>	<b>24,538</b>	<b>—</b>	<b>705,467</b>	<b>1,177,636</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities	7	(707,816)	(27,323)	(400)	(735,539)	(764,280)
Governance costs	8	(14,143)	—	—	(14,143)	(11,775)
<b>TOTAL RESOURCES EXPENDED</b>		<b>(721,959)</b>	<b>(27,323)</b>	<b>(400)</b>	<b>(749,682)</b>	<b>(776,055)</b>
<b>NET (OUTGOING) /INCOMING RESOURCES BEFORE TRANSFERS</b>						
Transfer between funds	9	(41,030)	(2,785)	(400)	(44,215)	401,581
	10	7,586	(17,644)	10,058	—	—
<b>NET (OUTGOING) /INCOMING RESOURCES BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(33,444)</b>	<b>(20,429)</b>	<b>9,658</b>	<b>(44,215)</b>	<b>401,581</b>
Carried forward		(33,444)	(20,429)	9,658	(44,215)	401,581

The notes on pages 13 to 25 form part of these report and accounts.

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## STATEMENT OF FINANCIAL ACTIVITIES *(continued)*

YEAR ENDED 30 NOVEMBER 2015

Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2015 £	Total Funds 2014 £
Brought forward	(33,444)	(20,429)	9,658	(44,215)	401,581
<b>OTHER RECOGNISED GAINS AND LOSSES</b> (Losses)/gains on investment assets	<u>(134,694)</u>	<u>(30,222)</u>	<u>(32,175)</u>	<u>(197,091)</u>	<u>50,863</u>
<b>NET MOVEMENT IN FUNDS</b>	(168,138)	(50,651)	(22,517)	(241,306)	452,444
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward	<u>5,088,796</u>	<u>901,292</u>	<u>762,174</u>	<u>6,752,262</u>	<u>6,299,821</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>4,920,658</u>	<u>850,641</u>	<u>739,657</u>	<u>6,510,956</u>	<u>6,752,265</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 12 to 23 form part of these report and accounts.


# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY


## BALANCE SHEET

30 NOVEMBER 2015

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	13	1,852,315	1,853,603
Investments	14	4,225,690	4,545,376
		<u>6,078,005</u>	<u>6,398,979</u>
<b>CURRENT ASSETS</b>			
Debtors	15	163,448	205,425
Cash at bank and in hand		363,357	308,458
		<u>526,805</u>	<u>513,883</u>
<b>CREDITORS: Amounts falling due within one year</b>	16	<u>(93,852)</u>	<u>(160,598)</u>
<b>NET CURRENT ASSETS</b>		<b>432,953</b>	<b>353,285</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>6,510,958</b></u>	<u><b>6,752,264</b></u>
<b>FUNDS</b>			
Endowment funds	17	739,658	762,174
Restricted income funds	18	850,642	901,296
Unrestricted income funds	19	4,920,658	5,088,794
<b>TOTAL FUNDS</b>		<u><b>6,510,958</b></u>	<u><b>6,752,264</b></u>

These report and accounts were approved by the Diocesan Council and authorised for issue on the 30 January 2016 and are signed on their behalf by:

  
The Right Reverend Dr G D Duncan  
Bishop

  
Mr R Burgon  
Diocesan Treasurer

The notes on pages 12 to 23 form part of these report and accounts.

# **SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY**

## **NOTES TO THE REPORT AND ACCOUNTS**

**YEAR ENDED 30 NOVEMBER 2015**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The report and accounts have been prepared under the historical cost convention, except for investments which are included at market value and the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005).

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

Donations, legacies and similar income are accounted for when receivable and are credited to the relevant fund.

#### **Grants**

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

#### **Investment income**

Income from investments including tax recoverable is recognised in the year in which it is due and repayable.

#### **Income and expenditure**

The normal recurring income and expenditure of the Diocese is credited/(debited) to the relevant revenue fund. Substantial non-recurring items of income and expenditure are credited/(debited) to the relevant capital fund.

#### **Expenditure**

Grants are made to charges within the Diocese, to further the work of the Church. A small number of grants are made to individuals to help fund their studies or for the relief of poverty.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## NOTES TO THE REPORT AND ACCOUNTS

### YEAR ENDED 30 NOVEMBER 2015

#### 1. ACCOUNTING POLICIES *(continued)*

##### **Pension provision**

All employees are eligible to join the Scottish Episcopal Church Pension Fund which is a non contributory defined benefit scheme with benefits based on final pensionable salary. The majority of employees are members of the Fund and others employed by the Scottish Episcopal Church are also members. The Diocese is unable to identify its share of the underlying assets and liabilities of the Fund on a consistent and reasonable basis therefore accounts for its contributions as if the scheme was a defined contribution scheme. The contribution rate for the year ended 30 November 2015 was 34.9% based on the recommendation of the Fund's Actuary following the last valuation of the Fund.

The last actuarial valuation of the fund was at 31 December 2014 and the estimated surplus at that stage was of the order of £1,300,000. The Pension Trustees have agreed with the Province that with effect from 1 January 2016 the rate of contribution paid by the Church will be 32.2% per annum of Pensionable Salary/Standard Stipend. Contributions paid by the Diocese in the year ended 30 November 2015 amounted to £36,134 (2014 - £43,132) and there are no contributions outstanding as at 30 November 2015.

##### **Depreciation**

Depreciation is provided on tangible fixed assets at the following rates:

Office Equipment - 20% Straight Line

Motor Vehicles - 25% Straight Line

No depreciation is provided on heritable property. It is the policy of the Diocese to maintain the property it owns to such a standard that the property will have an infinite useful life.

##### **Property**

The properties, of which the Diocesan Trustees consider themselves the beneficial owners, are stated at the cost, or the Trustees valuation, on acquisition by the Diocese.

The Diocese has, over its life, obtained title to various properties for no financial consideration. Some of these properties are used in the work of the Diocese whilst others are let to third parties. The insurance value of all properties beneficially owned by the Diocese is £5,769,454.

The Diocese holds ultimate title to Church properties which are used by individual congregations. However, it does not regard itself to be the beneficial owner of them but merely holding them in trust for, in the first instance, the specific congregations, and then for the benefit of the Diocese within the wider Scottish Episcopal Church. These properties are used by congregations of the Diocese and each respective Charge is responsible for the insurance, maintenance and upkeep of the property. Each Charge must abide by Canon Law in respect of the property to ensure it is kept decent, clean and in good repair. Each Vestry shall make provision for the adequate protection and insurance of all Church fabric and property. Given these foregoing factors these properties are not reflected in the accounts.

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## NOTES TO THE REPORT AND ACCOUNTS

YEAR ENDED 30 NOVEMBER 2015

### 1. ACCOUNTING POLICIES *(continued)*

#### **Related party transactions**

Given the nature of the Diocese and the functions that the Trustees and Diocesan Officials invariably discharge with individual congregations and with the Province it is not considered feasible or appropriate to quantify transactions with related parties. Where the Diocese does have transactions with its Charges or Trustees or Diocesan Officials these are all conducted within the terms of Canon Law or on a normal commercial basis.

### 2. NATURE AND PURPOSE OF THE MAJOR FUNDS

#### **General Fund**

To maintain and develop the ministry of the Scottish Episcopal Church in the Diocese of Glasgow and Galloway.

#### **The Gordon Fund**

Represents monies donated to the Diocese from St Ninian's Church, Castle Douglas which is invested in the names of the Diocesan Trustees. Income arising thereon is applied towards or to supplement the Stipends of any of the rectors and curates serving the Diocese.

#### **Bishop's Discretionary Fund (Stanton Bequest)**

To be used at the discretion of the Bishop for clerical exigencies.

#### **Bishop Goldie Memorial Fund**

To assist the training of students for the ministry within the Diocese of Glasgow and Galloway.

#### **Congregational Fund**

Represents the free proceeds from the realisation of Charges' assets. These monies are held in the fund pending utilisation by the Charges.

#### **St George's Fund**

Set up on 2007 from the proceeds of the sale of St George's Church and funds held on behalf of the East End, split two thirds and one third respectively, the Diocesan share of the income from this fund will be used for ministry support. The East End share of the income is remitted directly to the charge.

#### **The West Bequest**

The trust income may be applied only in providing or augmenting the stipend of a priest, or towards the stipend for a lay preacher, or for providing occasional preachers to assist in the provision of regular services in St. Ninian's Church for the benefit of members of the Episcopal Church in Scotland in Portpatrick and district.

#### **Drumchapel Legacy Fund**

Represents monies from a legacy which has to be used for the benefit of the Drumchapel Mission of Holy Cross.



# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## NOTES TO THE REPORT AND ACCOUNTS

YEAR ENDED 30 NOVEMBER 2015

### 3. VOLUNTARY INCOME

	Unrestricted Funds £	Total Funds 2015 £	Total Funds 2014 £
<b>Legacies</b>			
The West Bequest	—	—	35,138
Gifts			
Donated Assets Received	—	—	487,651
Grants receivable			
Provincial Grants	79,275	79,275	86,970
Congregational Quota			
Congregational Quota	331,009	331,009	342,085
	<u>410,284</u>	<u>410,284</u>	<u>951,844</u>

### 4. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Income from UK listed investments	213,065	213,065	152,738
Bank interest receivable	4,349	4,349	3,630
	<u>217,414</u>	<u>217,414</u>	<u>156,368</u>

### 5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Property income	37,635	—	37,635	35,485
Charity income for Disbursement	—	12,719	12,719	13,806
Congregational Funds received	—	1,956	1,956	315
Bishop's Discretionary Fund	—	9,863	9,863	5,384
	<u>37,635</u>	<u>24,538</u>	<u>62,173</u>	<u>54,990</u>

### 6. OTHER INCOMING RESOURCES

	Unrestricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Sundry income	15,596	15,596	14,434

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## NOTES TO THE REPORT AND ACCOUNTS

YEAR ENDED 30 NOVEMBER 2015

### 7. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2015 £	Total Funds 2014 £
Support for Ministry	119,509	—	—	119,509	142,163
Grants awarded	145,988	—	—	145,988	144,835
Provincial quota	152,753	—	—	152,753	148,436
Episcopal ministry and administration	81,098	—	—	81,098	97,043
Action Groups	55,713	—	—	55,713	69,727
Other property expenses	48,560	—	—	48,560	38,814
Charitable income disbursed	—	13,065	—	13,065	17,632
Support costs	74,237	—	—	74,237	63,913
Sundry	1,483	—	—	1,483	1,741
Diocesan Office Bearers	16,612	—	—	16,612	19,414
Synods, conferences and meetings	11,863	—	—	11,863	12,062
Bishop's Discretionary funds released	—	9,500	—	9,500	8,500
Bishop Goldie Funds Released	—	—	400	400	—
Congregational Funds Released	—	4,758	—	4,758	—
	<u>707,816</u>	<u>27,323</u>	<u>400</u>	<u>735,539</u>	<u>764,280</u>

### 8. GOVERNANCE COSTS

	Unrestricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Professional Fees - Financial Audit fees	3,204	3,204	—
	10,939	10,939	11,775
	<u>14,143</u>	<u>14,143</u>	<u>11,775</u>

### 9. NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2015 £	2014 £
Staff pension contributions	36,134	49,722
Auditors' remuneration: - audit of the financial statements	<u>10,939</u>	<u>11,775</u>

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## NOTES TO THE REPORT AND ACCOUNTS

YEAR ENDED 30 NOVEMBER 2015

### 10. FUND TRANSFERS

A transfer of £2,000 was made from Congregational Funds to General Funds in order to support St Mary's Family Project. The Provincial Conference Fund balance has been transferred into General Funds, thereby becoming unrestricted money. The St George's Vestry Reserve Fund balance has been transferred to the St George's Fund, thereby remaining restricted. The Bishop Goldie Memorial Reserve Fund balance has been transferred to the Bishop Goldie Memorial Fund thereby becoming part of the endowment funds.

### 11. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	128,787	138,215
Social security costs	9,093	14,250
Other pension costs	36,134	49,722
	<u>174,014</u>	<u>202,187</u>

#### Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2015	2014
	No	No
Number of administrative staff	<u>4</u>	<u>4</u>

No employee received remuneration of more than £60,000 during the year (2014 - Nil).

### 12. EXPENSES PAID TO DIOCESAN OFFICE BEARERS

Diocesan Office Bearers are entitled to receive an honorarium and reimbursement of necessarily incurred travel expenses. Remuneration of £7,380 was paid to the Diocesan Treasurer, £8,000 was paid to the Diocesan Secretary and £1,230 was paid to the Synod Clerk for expenses.

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## NOTES TO THE REPORT AND ACCOUNTS

YEAR ENDED 30 NOVEMBER 2015

### 13. TANGIBLE FIXED ASSETS

	Heritable property £	Equipment, Fixtures & Fittings £	Investment Property £	Total £
<b>COST</b>				
At 1 December 2014 and 30 November 2015	<u>1,166,242</u>	<u>36,933</u>	<u>684,364</u>	<u>1,887,539</u>
<b>DEPRECIATION</b>				
At 1 December 2014	–	33,936	–	33,936
Charge for the year	–	1,288	–	1,288
At 30 November 2015	<u>–</u>	<u>35,224</u>	<u>–</u>	<u>35,224</u>
<b>NET BOOK VALUE</b>				
At 30 November 2015	<u>1,166,242</u>	<u>1,709</u>	<u>684,364</u>	<u>1,852,315</u>
At 30 November 2014	<u>1,166,242</u>	<u>2,997</u>	<u>684,364</u>	<u>1,853,603</u>

### 14. INVESTMENTS

#### Movement in market value

	2015 £	2014 £
Market value at 1 December 2014	4,545,376	4,442,438
Acquisitions at cost	228,479	551,814
Disposals at opening book value	(487,680)	(468,647)
Net gains on revaluations in the year ended 30 November 2015	(60,485)	19,771
Market value at 30 November 2015	<u>4,225,690</u>	<u>4,545,376</u>
Historical cost at 30 November 2015	<u>2,806,860</u>	<u>3,483,990</u>

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## NOTES TO THE REPORT AND ACCOUNTS

YEAR ENDED 30 NOVEMBER 2015

### 14. INVESTMENTS *(continued)*

Analysis of investments at 30 November 2015 between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2015 £	Total Funds 2014 £
<b>Listed investments</b>					
Investments - Endowment Funds	-	-	672,739	672,739	-
Investments - Restricted Funds	-	673,177	-	673,177	61,497
Investments - Unrestricted Funds	2,816,303	-	-	2,816,303	4,483,879
	<u>2,816,303</u>	<u>673,177</u>	<u>672,739</u>	<u>4,162,219</u>	<u>4,545,376</u>
<b>Other investments</b>					
Other UK Investments	-	63,471	-	63,471	-
	<u>2,816,303</u>	<u>736,648</u>	<u>672,739</u>	<u>4,225,690</u>	<u>4,545,376</u>

### 15. DEBTORS

	2015 £	2014 £
Trade debtors	34,993	32,814
Other debtors	128,455	172,611
	<u>163,448</u>	<u>205,425</u>

### 16. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Other creditors	<u>93,852</u>	<u>160,598</u>

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## NOTES TO THE REPORT AND ACCOUNTS

YEAR ENDED 30 NOVEMBER 2015

### 17. ENDOWMENT FUNDS

	Balance at 1 December 2014 £	Outgoing resources £	Transfers £	Gains and losses £	Balance at 30 November 2015 £
<b>Permanent endowments</b>					
Bishop Goldie Memorial Fund	59,782	(2,206)	10,058	(826)	66,808
The Gordon Fund	631,276	(18,064)	–	(8,259)	604,953
The West Bequest	35,501	(1,112)	–	(508)	33,881
Drumchapel Legacy Fund	35,615	(1,097)	–	(502)	34,016
	<u>762,174</u>	<u>(22,479)</u>	<u>10,058</u>	<u>(10,095)</u>	<u>739,658</u>

### 18. RESTRICTED INCOME FUNDS

	Balance at 1 Dec 2014 £	Incoming resources £	Outgoing resources and transfers £	Gains and losses £	Balance at 30 Nov 2015 £
Congregational Funds	102,312	1,956	(6,757)	–	97,511
Charitable income for disbursement Fund	355	12,719	(13,065)	–	9
Bishop's Discretionary Fund	64,871	9,863	(9,500)	1,974	67,208
The St George's Fund	714,461	–	(18,445)	(10,102)	685,914
Provincial Conference Fund	5,586	–	(5,586)	–	–
St George's Vestry Fund	3,649	–	(3,649)	–	–
Bishop Goldie Fund Revenue Reserve	10,058	–	(10,058)	–	–
	<u>901,292</u>	<u>24,538</u>	<u>(67,060)</u>	<u>(8,128)</u>	<u>850,642</u>

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## NOTES TO THE REPORT AND ACCOUNTS

YEAR ENDED 30 NOVEMBER 2015

### 19. UNRESTRICTED INCOME FUNDS

	Balance at 1 Dec 2014 £	Incoming resources £	Outgoing resources and transfers £	Gains and losses £	Balance at 30 Nov 2015 £
General Funds	<u>5,088,796</u>	<u>680,929</u>	<u>(806,805)</u>	<u>(42,262)</u>	<u>4,920,658</u>

### 20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investments £	Net current assets £	Total £
<b>Restricted Income Funds:</b>				
Congregational Funds	–	–	97,511	97,511
Charitable income for disbursement Fund	–	–	9	9
Bishop's Discretionary Fund	–	63,471	3,737	67,208
The St George's Fund	–	673,177	12,737	685,914
	–	<u>736,648</u>	<u>113,994</u>	<u>850,642</u>
<b>Endowment Funds:</b>				
Bishop Goldie Memorial Fund	–	55,040	11,768	66,808
The Gordon Fund	–	550,396	54,557	604,953
The West Bequest	–	33,870	11	33,881
Drumchapel Legacy Fund	–	33,433	583	34,016
	–	<u>672,739</u>	<u>66,919</u>	<u>739,658</u>
<b>Unrestricted Income Funds</b>	<u>1,852,315</u>	<u>2,816,303</u>	<u>252,040</u>	<u>4,920,658</u>
<b>Total Funds</b>	<u>1,852,315</u>	<u>4,225,690</u>	<u>432,953</u>	<u>6,510,958</u>

# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## NOTES TO THE REPORT AND ACCOUNTS

### YEAR ENDED 30 NOVEMBER 2015

#### 21. INVESTMENTS VALUATION AS AT 30 NOVEMBER 2015

Holding	Name of Stock	Cost £	Value £
	41,250 Dunedin Smaller Cos IT	42,486	82,242
	9,800 Finsbury Growth & Income Trust	31,846	57,379
	75,500 Marlborough Multi Cap Income P Inc	104,304	122,453
	18,850 Murray Income Trust	81,969	129,405
	16,450 Perpetual Income & Growth IT	39,827	68,679
	48,350 Aberdeen Asian Income Fund	65,918	75,789
	35,000 Alliance Trust	104,320	179,025
	8,700 Bankers Investment Trust	21,903	54,897
	67,500 BlackRock Inc Strategies Trust	93,411	93,994
	2,850 European assets Trust NV (Regd)	30,066	30,495
	33,750 Henderson Far East Income Ltd	91,484	95,048
	24,000 Henderson Global Trust	46,684	89,880
	25,850 Law Debenture	73,782	130,026
	10,500 Murray International Trust	85,760	88,095
	43,000 Newton Global Higher Income W Inc	47,697	51,888
	77,829 Sarasin Intl Equity Inc P Inc	83,648	97,597
	747 Veritas Global Equity Income D	121,698	112,778
	18,000 Witan	50,150	141,930
	9,600 Amlin	44,553	63,312
	76,400 Polar Cap Global Financials Tst	78,415	79,456
	2,750 Schroders Vtg	26,279	82,390
	8,500 St James Place	30,972	86,360
	22,377 Standard Life	44,834	93,200
	115,000 UK Commercial Property Trust	90,998	95,450
	8,000 Diageo	41,186	152,800
	3,000 Reckitt Benckiser Group	22,540	186,900
	12,900 Tate & Lyle	84,613	76,110
	4,450 Unilever	58,379	126,113
	7,300 GlaxoSmithKline	70,102	98,952
	6,600 Worldwide Healthcare Trust	41,510	121,440
	6,200 Greene King	51,062	52,700
	8,000 Kingfisher	29,778	28,272
	6,600 BT Group	29,696	32,766
	46,200 Vodafone Group	77,549	103,604
	8,300 Polar Capital Technology Trust	39,807	52,456
	21,000 Centrica	63,144	45,801
	8,000 National Grid	36,507	74,064
	7,940 SSE	73,669	113,860
	8,000 Experian	27,878	98,480
	575 Intertek Group	15,835	16,255
	750 Spectris	14,925	13,343
	2,000 Travis Perkins	16,302	40,660
	3,500 BG Group	41,166	36,103
	17,500 BP	91,668	67,419
	9,065 Royal Dutch Shell B	94,505	149,754
	1,875 Total SA	66,093	61,842



# SCOTTISH EPISCOPAL CHURCH DIOCESE OF GLASGOW AND GALLOWAY

## NOTES TO THE REPORT AND ACCOUNTS

### YEAR ENDED 30 NOVEMBER 2015

38,500 BlackRock Commodities Income IT	53,333	23,004
3,000 Johnson Matthey	31,743	84,900
4,000 Rio Tinto	46,403	88,340
750 Victrex	14,653	14,513
	<u>2,767,050</u>	<u>4,162,219</u>

There is one non-UK investment held at the year end which is a holding of 1,875 shares in Total SA with a current market value of £61,842 and there are no material investments in any one company.