

## **REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE**

### **GENERAL ASSEMBLY 2018**

#### **GENERAL ASSEMBLY 2018**

The outline Order of Business in Appendix 1 details the arrangements for the 2018 General Assembly. The General Assembly will meet in the Salutation Hotel, Perth from Wednesday 6<sup>th</sup> June to Friday 8<sup>th</sup> June. The annual meeting of the Women's Home and Overseas Committee and all Business Sessions along with the Opening and Closing Services of the General Assembly will take place in the Salutation Hotel. The culmination of the General Assembly will be the Closing Service during which the Moderator will give his address.

#### **GENERAL ASSEMBLY 2019**

The committee recommends that the General Assembly 2019 be held in the Salutation Hotel, Perth but will take place a little earlier from Wednesday May 29<sup>th</sup> until Friday May 31<sup>st</sup> due to the hotel not being available the following week because of a major conference in Perth.

The committee discussed proposed changes to the Assembly programme from 2019. These changes would mean that the reception of delegates from other Churches and Moderator's Address would be on the Wednesday evening with the Communion service on Thursday morning. The Assembly would finish by 5 p.m. on the Friday with closing worship in the last half hour.

#### **STEDFAST**

Mr Alastair Wright continues as Stedfast Secretary and works well with the Stedfast Editorial Team. The Team continues to commission and request material from within and beyond the Church in its effort to provide a magazine that encourages, supports and advances the life and witness of the denomination. Congregations are, as always, encouraged to give Stedfast their support.

#### **PRAYER UNION**

The committee appreciates the valuable contribution which the Prayer Union continues to make to the life of the church in providing an opportunity for focused prayer throughout the denomination. Mrs Wemyss Billows and her committee are to be commended for the quality and content of the Prayer and Study Guide which is widely used throughout the church. The Administration and Finance Committee thank the Prayer Union Committee for their written report which replaces their annual meeting and is found as Appendix 2.

#### **COORDINATING FORUM**

The Coordinating Forum continues to meet to share information on the work of presbyteries and the committees of the church. The present committee structure has been in place for a number of years and has encouraged committees to liaise and work together where appropriate.

#### **NOMINATIONS TO GENERAL ASSEMBLY COMMITTEES**

The Committee would again like to express thanks to everyone who has willingly accepted nomination to General Assembly Committees, in particular to those who have agreed to become Conveners and Vice-Conveners of Committees.

#### **RESHAPING FOR MISSION**

The group appointed by the Coordinating Forum to consider Church Planting / Revitalisation has again met on a number of occasions during the last year. Consideration

has been given to the issues involved, and thanks are expressed to Rev Dr David Miller for all the work which he has undertaken. The report of this group is found on page 56.

## **OFFICE ARRANGEMENTS**

In August 2017, the Committee received notification from Rev. John Fulton of his intention to retire as General Secretary in the spring of 2019. Opportunity will be given for the Committee to express its full appreciation to Mr Fulton at a later date but the Committee is appreciative of receiving such an early indication from Mr Fulton of his intentions. In order to prepare for the inevitable changes this will bring, a small sub group was appointed to consider the future working arrangements within the Church Office. Various possibilities were considered including a full time or part time appointment and the remit a future General Secretary might have. In the course of these discussions it became clear that much had changed since Mr Fulton was appointed and the requirements of the Church in the future would be very different from those in the past.

It was also recognised that the denomination was much smaller than at the time of the last appointment and that, although there was a full time job at present that may not be the case in the future. The Committee also referred back to the report of 'The Way Forward' group presented to the General Assembly of 2003. Many of the changes recommended then have been implemented but some have not and some are no longer applicable. The Committee felt the time was right to revisit and update this report and a vacancy in the post of General Secretary provided the opportunity to do this and to review the way the Church is administered.

Clearly, any changes in the workings of the denomination would impact on the role of General Secretary and so the Committee believes that, while this review is being carried out, interim arrangements be made for the Church Office. The proposal is for an interim period lasting of 18 months, following Mr Fulton's retirement, the Principal Clerks will base themselves in the office for a 1 ½ days per week each and Helena Jarvis will take on more of the general running of the office and servicing of Committees. At particularly busy times an extra person will be employed to assist Mrs Jarvis. During this period, General Assembly Committees may also need to take on more responsibility for ensuring their decisions are implemented.

It is recognised this is not entirely satisfactory but the Committee believes there is a need to realistic about the future administration of the denomination and that it would not be fair to change the remit of the General Secretary shortly after a new appointment was made. The Committee also believes that any group reviewing the life and work of the Church should have time to fully review the way the Church operates, so whilst requesting a report to be presented to the General Assembly of 2019, there is a recognition that a final report may only come to the General Assembly of 2020.

## **CHURCH OFFICE**

Exterior painting of the office was carried out in 2017 and there has been some minor upgrading of the electrics.

Highland Theological office had a lease for two years of the two rooms on the top floor of the office. This came to an end in August 2017 when they moved to larger premises in Paisley. In November 2017 UFM Worldwide, who have leased a room in the basement for many years, took over the two rooms on the top floor.

## **SAFEGUARDING**

The Policy and Guidelines for 'Safeguarding Children and Adults at Risk of Harm' were approved by the General assembly in 2017. Since then slight revisions have been made to the document and an abbreviated version has been prepared which will be made more widely available. A pocket card has also been produced which gives a summary of good practice.

A presentation has been prepared to introduce the material across the denomination to all of those involved in work with children and adults at risk of harm. This includes a number of scenarios to help people think about how the guidelines would work in practical situations. The Committee plan to have a number of events across the three presbyteries when the material will be introduced to Congregational Safeguarding Coordinators. The Coordinators will be given copies of the material which they will be asked to share with those in their congregations who are involved in such activities.

### **DATA PROTECTION**

The General Data Protection Regulation (GDPR) will take effect in the UK on 25 May 2018. It replaces the existing law on data protection (the Data Protection Act 1998) and gives individuals more rights and protection in how their personal data is used by organisations. Congregations must comply with its requirements, just like any other charity or organisation. The Committee agreed that information should be sent to congregations to help them ensure that they comply with the new regulation.

### **MODERATORIAL VISITATION**

Thanks are expressed to the Moderator, Rev Ian Boa, for his visits to congregations during the past year and for the encouragement he has brought. The Moderator has also willingly represented the church at a number of meetings and events.

**East:** Alloa: Moncrieff, Bannockburn: Murrayfield, Bo'ness: Craigmalen, Broxburn: St Nicholas

**West:** Bargeddie, Chryston, Cofffoot, Cumnock: St Andrews, Chryston, Darnley, Lochwinnoch: Calder, Stonehouse: Paterson. Wishaw

**North:** Aberdeen: Northfield, Balbeggie, Dundee,

### **QUINQUENNIAL VISITATION**

During the year the following quinquennial visitations have been carried out:

**East:** , Portobello: Wilson Memorial; West Calder

**West:** Ardeer, Ayr, Bargedde, Cathcart, Drumchapel, Millerston, Shieldhall & Drumoyne

**North:** Dundee, Tayport

## FINANCE REPORT

The Report and audited Financial Statements for the year ended 31 December 2017 are at the back of Assembly Reports. Detailed Fund Accounts are available from the General Secretary.

This Report highlights the principal factors affecting movement in Funds in 2017, explains agreed 'Target' contribution amounts for 2017 and 2018 with the recommended level of Target for 2019, and presents the Denomination's budget for 2018.

The General Trustees of the Denomination hold funds deposited for investment on behalf of third parties. These Third Party funds have been excluded from the Balance Sheet amounts for Investments and Creditors (see Note 12 to the Accounts). They should still be accounted for in the financial statements of the third parties.

### MOVEMENT IN FUNDS 2017

<b>Total Funds</b>	<b>2017</b>	<b>2016</b>	<b>change</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted Funds:			
General	1,486,047	1,796,012	(309,965)
Designated	2,147,109	1,920,126	226,983
Restricted Funds	769,606	729,046	40,560
<b>Funds at 31 December 2017</b>	<b><u>4,402,762</u></b>	<b><u>4,445,184</u></b>	<b><u>(42,422)</u></b>
	<b>£</b>	<b>£</b>	
Ordinary income	1,069,273	1,046,328	
Ordinary expenses	<u>1,313,260</u>	<u>1,374,843</u>	
	(243,987)	(328,515)	
Income from Dissolutions	<u>52,068</u>	<u>418,224</u>	
<b>Net Incoming resources</b>	<b><u>(191,919)</u></b>	<b><u>89,709</u></b>	
Net gains on investments etc. (realised & unrealised)	149,497	155,612	
<b>Net Movement in Funds</b>	<b><u>(42,422)</u></b>	<b><u>245,321</u></b>	

### TARGET

**2017** The 'minimum' set for 2017 was £66 per member. Membership at the start of the year was 2,459 and was budgeted at £162,294. Some congregations contributed at the higher level of £76 as suggested and we are grateful for this additional income which helps cover core costs.

**2018** The 'minimum' for 2018, as agreed at last year's General Assembly, is £70 per member, with the higher level set at £80. If the minimum figure is contributed in full, the anticipated income is £166,390.

**2019** If we retain the current method of calculation, the 'minimum' for 2019, proposed by the committee, is £80 per member.

Yearly increases do little more than reflect a falling membership and increases in costs, and aim to ensure the maintaining of essential denominational services. As a result the Committee has been considering alternative ways of calculating Target and funding core costs.

## **BASIS FOR THE CALCULATION OF TARGET**

The Committee has been reviewing the way in which target contributions are calculated. At present one measure, namely the membership at the end of the prior year, is used as the basis. Therefore, if the membership falls, the per capita rate has to increase to take account of that fall in membership and to take account of inflation over that year. Conversely if the membership were to rise, the effect would be to decrease the per capita rate as long as the influence of membership overcame that of inflation. Whilst we recognise that the impact of measures put in place to support congregations through the Reshaping for Mission, the current trend of a decreasing membership is likely to continue into the near future resulting in an increasing level of Target. The Committee recognised that this position was not sustainable and tasked a small group to propose alternatives.

After taking into account the relative financial positions of our congregations, the Committee determined that only three measures could be used as a basis of spreading the central costs of the denomination. Those were: 1) Congregational Membership; 2) Congregational Income and 3) Congregational Funds. Each factor was examined individually as the basis of calculation and each caused significant variances for most congregations. The Committee concluded that basing the calculation on one factor did not solve the issue but merely transferred the problem. A fairer approach would be achieved by using multiple factors. Whilst it was recognised that this may be a slightly more complicated system, the Committee concluded that this would provide a fairer calculation as it would reflect more closely the actual financial positions of congregations.

Therefore, a series of scenarios were modelled under the principle of reducing the per capita element and replacing the shortfall equally by Income and Funds.

As a way of an example, the table below details six fictional congregations who together raise £35,000 through a £70 contribution per member:

Table 1: Congregational Data (£35,000 raised @ £70)

Congregation	Members	Ord Income (£)	Unrestricted Funds (£)	Target (£)
<b>A</b>	50	15000	150000	3,500
<b>B</b>	18	6000	189000	1,260
<b>C</b>	132	45000	9000	9,240
<b>E</b>	187	32000	87000	13,090
<b>F</b>	26	7000	4000	1,820
<b>G</b>	87	28000	50000	6,090
<b>Total</b>	500	133000	489000	35,000

By reducing the Member contribution to £30 per member, a shortfall of £20,000 would result. An assessment based on Ordinary Income and Unrestricted Funds would be introduced to make up this shortfall. In this instance, the shortfall would be shared evenly between the two. Thus £10,000 would be collected through each method. This would be assessed by taking the congregational level of Ordinary Income and of Unrestricted Funds expressed as a percentage of the total. See Table 2 below. The far right-hand column details the impact on the Target calculation.

TABLE 2: Member element £30

Congregation	Member Element £30	Income Element 7.52%	Funds Element 2.04%	New Total	Exist Total	Difference
<b>A</b>	1,500	1,128	3,067	5,695	3,500	2,195
<b>B</b>	540	451	3,865	4,856	1,260	3,596
<b>C</b>	3,960	3,383	184	7,528	9,240	(1,712)
<b>E</b>	5,610	2,406	1,779	9,795	13,090	(3,295)
<b>F</b>	780	526	82	1,388	1,820	(432)
<b>G</b>	2,610	2,105	1,022	5,738	6,090	(352)
<b>Total</b>	15,000	10,000	10,000	35,000	35,000	(0)

Clearly, this has an impact on those congregations who have a large membership, larger income or significant funds on hand. However, by basing the calculation upon three factors, it is unlikely that a single congregation will be adversely affected by all three factors.

The Committee also considered a phased introduction. This could be achieved by gradually reducing the Membership element over a number of years. e.g. year 1: £50; year 2: £40, etc.

Overall the Committee considered this approach to be fair and manageable. It would be up to each congregation to determine how to pay the requested contribution.

#### **ASSEMBLY COMMITTEES' FUNDS 2017/ 2018**

The Schedule on page 13 details the movements in Committee's resources in 2017. The right hand columns project budget income, costs and target allocations for 2018 for each Committee and their resources anticipated at the end of the year.

The policy adopted is to ensure those Committees with limited resources and fairly well defined income and costs have sufficient funds from Target to fulfil their agreed responsibilities and commitments. Ministry and General Purposes funds are more difficult to predict but their outgoings are significant and thus they must maintain adequate reserves. Their allocation from Target however is usually less than their needs and the General Trustees transferred funds to Ministry and to General Purposes in 2017.

The Overseas Fund has traditionally not received a share of Target and, until recently, had significant resources. This fund has now diminished as the Committee continue to actively support overseas mission in line with the decision of the General Assembly that the fund should be used in this way.

The General Trustees Funds have increased significantly due, regrettably, to the dissolution and closure of some congregations and the inflow of their remaining funds and proceeds of property disposals. The Trustees are concerned to support Congregations who find their finances insufficient to meet annual outgoings and/or significant costs to adequately maintain their property and mission. These needs **must** be addressed through Presbyteries and Assembly Committees' who can and do seek the assistance of the Trustees. A number of such requests have been met and others are being considered.

#### **DENOMINATIONAL AND CONGREGATIONAL FINANCIAL RESOURCES**

The resources of the Denomination and the Congregations in funds and property are significant although often unevenly spread. The challenges faced spiritually and practically can seem overwhelming and are reflected in a fall in membership, congregations and human

resources. We continue to strive to be wise and good stewards of the resources God has given to advance His mission, ministry and Kingdom through the Gospel about Jesus Christ His Son and our Lord.

### **CHARITY LEGISLATION AND 'OSCR' (Office of the Scottish Charity Regulator)**

The Charity Regulator (OSCR) continues to ensure Charities adhere to charity accounting standards. The more rigorous standards only apply to charities preparing accrued accounts which generally mean those with income above £250,000 per annum.

OSCR now publish charity's accounts online but this only applies to charities with income in excess of £25,000 per annum.

The advice given is that Presbytery Finance Committee's and Church Office be informed of any case of 'non-compliant' Reports which are returned by OSCR so that corrections are made and help can be offered to avoid a similar situation arising in future. Such information can also be useful for other congregations.

### **GIFT AID**

Many congregations continue to benefit from offerings and other donations given using Gift Aid. Her Majesty's Revenue and Customs (HMRC) has updated its guidance on Gift Aid to reflect changes in the Gift Aid Small Donations Scheme and information on this can be found on the HMRC website. The claims limit on GASDS has been increased to £2,000 for the current tax year, up from £1,250 for earlier years.

### **CONGREGATIONAL TREASURERS**

We acknowledge the additional work and commitment which has been required from all treasurers in recent years to fulfil and the requirements of Charity Law and of OSCR and thank treasurers and responsible committees for their efforts. If problems occur in meeting these requirements Treasurers are advised to contact Church Office.

### **AUDIT OF DENOMINATIONAL ACCOUNTS**

Alexander Sloan, Chartered Accountants, who are the Auditors appointed by General Assembly, have carried out their audit. It is recommended that this firm be reappointed for the 2017 audit.

## STATISTICS

**Presbyteries:** The number of Presbyteries remains at 3.

**Congregations:** The number of Congregations at the end of 2016 was 52, one less than at the end of 2016 following the dissolution of Partick.

Name of Presbytery	Number of Congregations
1. East	13
2. West	25
3. North	14

### Roll of Ministers, etc.

Ministers:

	2016	2017
In Pastorate.....	20	20
Others appointments .....	3	3
Total	<b>23</b>	<b>23</b>
Full time Ministry Assistant	1	1
Part-time Ministers, Ministry Assistants & Pastors.....	12	12
Students.....	1	2
Probationers.....	2	1
Retired Ministers.....	26	24
Widows of Ministers.....	12	14
Widows of Pastors.....	2	2

**Persons and Agencies:** In the table appended to this Report the analysed details of schedules received from Congregations will be found with the corresponding figures for previous years.

**Communicants:** The number of Communicants on the Roll at 31 December 2017 was 2,377 compared with 2,466 at the end of 2016.

Admissions were as follows: -

	2016	2017
By Profession	30	37
By Certificate	42	35
By Resolution	13	28

Removals were as follows: -

By Death	93	117
By Certificate	116	22
Without Certificate	49	34

**Office-Bearers:** There were 396 Elders was and 259 Deacons, Managers or Board Members who are not Elders.

**Baptisms:** There were 22 Baptisms of children and 2 of adults.

**Sunday Activities:**

	<b>2016</b>	<b>2017</b>
Pre-school	68	77
P1 - 7	138	128
Congregations	29	26
Leaders	91	89
S 1 - 3	33	39
Congregations	18	18
S 4 - 6	26	22
Congregations	11	10

**Midweek Organisations for Children & Young People:**

Number	46	48
Membership	662	697

**Adult Organisations:**

Number	145	159
Membership	1,811	2,032

**Roll of persons not yet Communicants:** The Committee recommend to the Kirk Session the practice of keeping a careful record of all persons not yet communicants who are in any way connected with the Church either by attendance or by affiliation with any organisation of the Church.

In the name of the Committee,	
DOUGLAS I CAMPBELL	Convener
IAN A BOA	Vice-convener
JOHN O. FULTON	Secretary



**Appendix 2**

**REPORT OF THE PRAYER UNION**

**GENERAL ASSEMBLY 2018**

What is prayer? Prayer is listening to God. Prayer is hearing what God has to say. Prayer is agreeing with what God does say, and prayer is asking God for the power to obey Him in every area of life.

The Prayer Union Committee have appreciated very much the prayers of God's people over the past year, and for cards and letters of encouragement.

The current Committee stands at:-

Convener: Mrs. Wemyss Billows  
Secretary: Mrs. Beth Skinner  
Members: Mrs. Isabel Baird  
              Mrs. Jane Owens  
              Mr. Ian Sherring  
              Mr. Alec Scrimgeour

Through the generosity of our congregations, we gave a gift of 140.00 to each of our missionaries at Christmas. They greatly appreciate our love, care and financial support.

On the 12<sup>th</sup> February, Sam Paul one of our missionaries went to be with the Lord he served for many years. He was a faithful servant of the Lord Jesus.

We continue to place Booklets in Christian Bookshops, Retirement Homes and other venues, and recently a new venue through one of our members, Lanzarote. We praise and thank God for the commitment of our contributors, and their faithful willingness in communicating the good news of the gospel through the pages of our Booklet. I thank my Committee for their faithful support and loving encouragement over the past year.

We sincerely thank the Administration and Finance Committee for their generosity towards the cost of publication of the Booklet. We pray God's richest blessing upon them, and may He guide them in all their decision making.

Our heartfelt thanks to our Printer, Mr Hugh Clarkson for his faithfulness over many years, a great asset to us, ensuring the high standard in printing our Booklet. To those who organise the packing and distribution of the Booklets, our grateful thanks.

To the Rev. John O. Fulton, General Secretary, and Mrs. Helena Jarvis for their ever ready kindness and support towards the work of the Prayer Union Committee.

Wemyss G Billows  
Convener