

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

GENERAL ASSEMBLY 2009

Paul, an apostle of Jesus Christ reminded the church in Corinth whilst discussing worship *“For God is not a God of disorder but of peace.”* (1 Cor. 14:33). The work of the Committee is to assist the Church in its work and witness for the Lord. The Committee seeks to do this in an orderly and peaceful way. In the face of many challenges and demands this is not always an easy task.

GENERAL ASSEMBLY 2009

The outline Order of Business in Appendix 1 details the arrangements for the 2009 General Assembly.

The Assembly will meet in the Salutation Hotel, Perth from Wednesday 10th to Friday 12th June. The annual meetings of the Women’s Home and Overseas Committee and all Business Sessions and the Opening and Closing Services of the General Assembly will take place in the Salutation Hotel. The Leaders’ Forum will be held in Perth United Free Church on Wednesday morning at 11 a.m. The culmination of the General Assembly will be the Closing Service during which the Moderator will give his address.

GENERAL ASSEMBLY 2010

The 2008 General Assembly agreed that future meetings of the General Assembly be held in a central location. The Committee recommends that the General Assembly 2010 be held in the Salutation Hotel, Perth from Wednesday 9th to Friday 11th June.

STEDFAST

The Stedfast Team continues to explore ways of developing the content and appeal of Stedfast. The group seeks to provide articles and items which inform in aspects of life and faith. It includes information from church life, current issues, theological reflection and mission at home and abroad. The Team is always keen to receive articles from congregations and members which share thoughts, activities and new initiatives. There is some space available for photographs of local events and these are welcomed.

The Committee continues to look for a suitable person to act as Editor. In the past year the General Secretary has carried out this work and the Committee is indebted to him for his talent and hard work.

The Stone Agency has continued to provide its considerable expertise to making the magazine attractive and accessible to its readers. The Committee is thankful to the Agency for its willing support.

PRAYER UNION

The vital ministry of prayer within the life of our church is encouraged greatly by the work of the Prayer Union. Mrs Wemyss Billows and the committee contribute considerable time and effort in the production of the Prayer and Study Guide. It continues to be widely distributed and used throughout the denomination and beyond. The Committee wishes to convey its thanks for all the good work of the Prayer Union.

CHILD PROTECTION

As indicated in last year's report, a review of Child Protection procedures, material and training was carried out in this past year. Thanks are due to Mr John Skinner (National Child Protection Coordinator) and to Mrs Sheena MacKenzie, Miss Jackie Ramsey and Mr Nicky Kyle (Presbytery Coordinators) for carrying out the review.

As a result a new Pocket Card for leaders has been produced. The information has been updated and the print size is more accessible. It has been some time since Child Protection Seminars were held and these are in the process of being organised to be held in each Presbytery.

MANUAL OF PRACTICE AND PROCEDURE

The 2009 revised edition of the Manual of Practice and Procedure is now available. It has been produced in a loose-leaf format which enables the Manual to be up-dated with future amendments. Copies of the Manual are available for purchase from the Church Office. The Committee would express its thanks to the Principal Clerks for the work involved in carrying out the revision. We would thank Mrs H McKillop from Menstrie for her work in indexing the Manual and the office staff for collating it.

COORDINATING FORUM

The Coordinating Forum which includes representatives of General Assembly Committees and the three Presbyteries held a one day seminar at Darnley Church. The Seminar was led by Mr Derek Robertson who runs a small training company and is an elder in our Bannockburn: Murrayfield congregation. The purpose of the day was to allow the Coordinating Forum to review the work and witness of the denomination and to consider better ways of operation. Discussions on the day were wide ranging but a number of matters were identified for the attention and action of committees. These included priorities, sharing what works, an audit of gifts and skills within the denomination, better use of resources and Stedfast on-line. It is hoped that these will be taken up by the relevant committees in the year ahead. The Committee is pleased to report that Stedfast is now available on-line.

APPEAL COMMISSION

A meeting of the Appeal Commission was held on Friday 12th December 2008. The Commission heard an appeal from Rev Donald J Loosemore against the decision of the Presbytery of the West to suspend him *sine die* from his office as a Minister of the United Free Church of Scotland. The decision of the Commission was to uphold the decision of the Presbytery of the West. Eleven members of the Commission were present and heard the appeal.

QUINQUENNIAL VISITATION

East: Gorebridge

West: Duntocher West; Glasgow: Darnley, Knightswood, Shieldhall & Drumoyne; Greenock: St Andrew Square, Largs

North: Arbroath, Carnoustie, Perth

MODERATORIAL VISITATION

Thanks are expressed to the Moderator, Dr D Macdonald and Mrs Macdonald for their visits to congregations during the past year and for the encouragement they have brought.

East: Alloa: Moncrieff, Bannockburn: Murrayfield, Bo'ness: Craigmalen, Broxburn: St Nicholas, Menstrie, West Calder: Limefield.

West: Ardeer, Ayr, Bargeddie, Chryston, Clydebank, Cumnock: St Andrews, Duntocher: West, Stomehouse: Paterson, Whifflet, Wishaw.

North: Aberdeen; Torry, Balbeggie, Balintore, Boddam, Cunningburgh, Dounby, Dundee, Perth, Sandwick.

Congregations are reminded that, any requests for visits by the Moderator should be made through the Church Office.

CHURCH OFFICE

As promised in last year's report, repairs were carried out to the basement staircase to meet health and safety requirements. The main entrance and staircase were redecorated and this has added considerably to the general appearance of the offices.

A fire risk assessment was carried out and as a result it was recommended that a fire alarm system be installed throughout the premises. This has been completed and ensures that warning of fire is given on each level of the offices.

GENERAL ASSEMBLY COMMITTEES

The Christian Education Committee and Evangelism Committee indicated their desire to be reformed as one committee. The committees have found a need in recent years to work together on various initiatives. This has necessitated a number of joint meetings. The committees considered a Christian Education and Evangelism Committee would operate more effectively with two working groups looking at Evangelism and Christian Education separately and then meeting as one.

The Administration and Finance Committee has taken this opportunity to review the current committee arrangement which was introduced in 2004. When this committee structure was drawn up, we wanted to keep the committees small and that is still our view. However it has resulted, on occasion, in meetings having to be cancelled at short notice because it was not possible to have a quorum. It is felt that by slightly increasing the size of the committees it will help to address this issue and also make it possible for committees to have additional nominated members with expertise or gifts which will benefit them in their work.

GENERAL TREASURER

Rev J G Marshall wrote to the Committee indicating his intention to retire as General Treasurer during 2009. Mr Marshall indicated that he felt the time had come for him to relinquish the work. The Committee while sad to lose such a capable and good treasurer was aware of Mr Marshall's reasons for retiring at this particular time. The Committee was thankful for the advanced notice given to enable it to consider the best way ahead. Rev J G Marshall has served the United Free Church of Scotland for the past 13 years as General Treasurer. Throughout this time he has combined his wisdom and skills in finance with

spiritual insight and a deep love for his Lord and the Church. The Committee would like to thank Mr Marshall for all that he has done as General Treasurer.

OFFICE STAFFING AND ARRANGEMENTS

The Committee in considering the retirement of the General Treasurer was also aware that Mr Peter Dick the Church Accountant will complete his training for the ministry in the Baptist Union and is likely to resign in the summer. The operation of the Church Office has not been reviewed for a considerable period and it was felt that it would be beneficial to review the entire workings of administration and finance. This has been done and a Supplementary Report will be presented to the General Assembly outlining proposals in respect of new arrangements.

THANKS

This report began by reflecting on the challenge of the work of the Committee in assisting the Church in many practical ways. The desire for order and peace was also mentioned. The Committee would record its grateful thanks to the General Secretary, Mrs Helena Jarvis, Mr Peter Dick and the General Treasurer for their faithful service and considerable support.

FINANCE

Basis and Content of this Report

The Report and Financial Statements for the year ended 31 December 2008 ('Accounts') are at the back of this volume of Reports. Commissioners may obtain detailed Assembly Fund Accounts from the General Secretary. If Commissioners have questions or require further information please contact the General Treasurer and/or General Secretary in advance of the General Assembly.

This Report highlights the principal factors affecting changes in Church Funds in 2008, explains the Budget and the allocation of Target for 2009 and provides an assessment of the Church's financial position and the importance of this to the level of the Target recommended for 2010.

The Schedule on page 16 provides in columns 1 to 7 a summary of the movement (excluding Property) in total Church Funds and on individual Funds under the responsibility of each of the Committees. Columns 8 to 13 give the Budget and Target Allocation for 2008 and indication of the resources of Funds at the end of that year.

Principal Factors in 2008

- Target 2008 - £40 per member = £160k; received from Congregations £45.8 income= £185k!
- UK - Worldwide Finance crisis - Investment portfolio beginning 2008, £1,236k, end £983k; fall 20%!
- Blackhall - Sale Land/Buildings realised (Jan 09) £550k!
- N. Woodside Dissolution: £50k to 4 Assembly Funds; donations to connected UF congregations.
- Membership end 2008 - 3828; trend - fall of 5%; end 2009 – 3650!
- Target 2009 - £45; target 2010 to maintain income level £47; required to cover core costs £60!
- Ministry Committee are reviewing training/development of those engaged in 'Ministry'. Christian Education and Evangelism are encouraging spiritual growth and outreach. Cost

of implementing these aims are not yet identified but are crucial to the growth of the Church and Congregations.

Church Funds

All Property owned by the denomination is recorded at cost or for Church Offices at market value. Funds of Committees owning property have two elements - 'Revenue', represented by cash/ investments – and 'Property'. The former is readily realisable; the latter are long term commitments. The 'book cost' of Property does not reflect market or any disposable cost of individual properties.

Change in Funds in 2008:- (decrease)	2008	2007	Increase
	£	£	£
Revenue funds	921,880	1,206,454	(284,574)*
Property funds	2,180,870	2,075,124	105,746**
Total funds at end 2008	<u>3,102,750</u>	<u>3,281,578</u>	<u>(178,828)</u>

Movement in Church Funds in 2008 Summary of increase (decrease) in Funds:-

Revenue*	£
Net revenue resources - decrease	(67,724)
Ordinary income less expenditure	
Gain (loss) on sale/ revaluation of investments	(217,450)
Decrease in Revenue Funds	<u>284,574*</u>

Comment: Exceptional legal costs and un-recovered stipend are covered by grants from General Trustees. Loss on investment portfolio is due to stock market collapse and affects all funds. On dissolution of N. Woodside £50,000 donated to Ministry, Youth, Evangelism and Christian Education Committees to encourage individuals and congregation to engage in training and development.

Property **

Re-valuation of Office Building, 11 Newton Place	68,625
Prior Year adjustment	<u>37,121</u>
Increase in Property Fund	<u>105,746**</u>

Comment: Office property 5 yearly revaluation - 2008, £495,000 (2003 £450,00). (Depreciation eliminated £23,625). Prior year adjustment due to write back of depreciation on manse property.

Budget and Target Allocation 2009

Schedule on page 16 gives a comparison of 2008 actual figures with the Budget for 2009, and the allocation of expected Target income for that year. The Budget for each Fund has been agreed with the respective Committee and reflects the expenditure which it is considered is necessary to fulfil their role in accordance with the responsibilities placed on them by General Assembly.

Budget income, expenditure and allocation of Target for 2009 for all Assembly Committee funds is set out in columns 8 to 12. The budget shortfall, column 12, for all funds

is £31,450 (excluding General Trustees who received proceeds of sale of Blackhall Land and Buildings). The shortfall comes from mainly Overseas funds; all other funds 'break even' after the target allocation.

For many years there has been a shortfall in income from target and other sources compared to the core costs of the denomination, giving recurring deficits. In the last two years this has been highlighted by giving a target figure per member, in 2008 £40 and also the level required to cover core costs £60. It is very encouraging to report that a number of congregations have exceeded the lower target and some the higher. Thus in 2008 the Target received is £45.80 per member with income of about £185k, (budget £160k). The 'gap' is not closed but we believe it can be!

2009 Target is £45 per member. The Budget assumes Congregations who exceeded the minimum and having indicated they will endeavour to do so in 2009, will do so! Our hope is that other congregations who have surplus funds available will consider increasing their target contribution in 2009. The Budget provides that about £50 per member will come in and income will be £194,000. On that basis the needs of the funds who receive target will be met. (see '2010 and Beyond')

Target for 2010 and beyond

Denominational membership is declining by about 5% per annum. At end 2008 it is 3828 and may be 3650 by close of 2009. There are many more fundamental implications but it means the target per member must be increased just to maintain income flow. The Target for 2010 is recommended to be £47 per member. The level of income required to cover the core costs of the Denomination is still estimated to be £60 per member. We urge every congregation, as some are already doing, to consider increasing their basic target contribution in 2009 and beyond.

Ministry Committee are reviewing the training and development of everyone engaged in 'Ministry' (ministers, pastors, readers). Christian Education and Evangelism are seeking to advance spiritual growth and outreach in Congregations. Cost of implementing these endeavours has not been identified but the aims are crucial to the future shape and growth of the Denomination!

Congregational Finance

The Summary of Congregational Funds for 2008 is on pages 17 - 19. These figures are taken from the Annual Schedule and Financial Statements provided by Congregations.

Charity Legislation and 'OSCR' (Office of the Scottish Charity Regulator)

There has been no change in Charity Legislation but accounting regulations which underpin detailed application of the law are constantly under review and amendment.

OSCR, in operation for a year or two and having established a more accurate Register of Scottish Charities, are homing in on individual charities and stepping up their examination of Annual and Monitoring Returns and Accounts. A number of our Congregations whose Returns and Accounts had been accepted initially are now being questioned. The 'model format' for Reports and Accounts which has been given to all Congregations was 'cleared' with OSCR. A meeting is being arranged with OSCR as a matter of urgency to clarify these issues and seek to reconcile any differences or misunderstandings. It is essential that any such 'questions' are reported to Church Offices so they can be taken up with OSCR on behalf of the Denomination.

Audit of Church Accounts

Alexander Sloan, Chartered Accountants, who were appointed as Auditors at the last General Assembly have carried out their first audit which has involved a detailed review of our systems and the format of the Denominational Report and Accounts. It is recommended that this firm be reappointed for the 2009 audit.

STATISTICS

Presbyteries: The number of Presbyteries remains at 3.

Congregations: The number of Congregations at the end of 2008 was 64, a decrease of 1, following the dissolution of Glasgow: North Woodside.

Name of Presbytery	Number of Congregations
1. East	16
2. West	29
3. North	19

Roll of Ministers, etc.

Ministers:

	2007	2008
a) Retired	25	26
b) In Pastorate.....	24	22
c) Others	5	5
Total	53	53
 Ordained Pastors.....	 1	 1
Part-time Ministers & Pastors.....	9	8
Students.....	1	1
Widows of Ministers.....	12	13
Widows of Pastors.....	3	3

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 2008 was 3,828 compared with 3,982 at the end of 2007.

Admissions were as follows: -

	2007	2008
By Profession	39	26
By Certificate	29	55
By Resolution	11	17

Removals were as follows: -

By Death	178	136
By Certificate	39	47
Without Certificate	56	73

Office-Bearers: The number of Elders was 503 of whom 220 were women. There were 370 Deacons, Managers or Board Members who are not Elders, of whom 276 were women.

Baptisms: There were 47 Baptisms of which 5 were adult.

Sunday Schools:

	2007	2008
Schools	41	38
Classes	70	69
Teachers	131	136
Children	370	371

Bible Classes/ Youth Fellowships:

Groups	30	26
Membership	154	142

Youth Organisations:

Number	61	57
Membership	891	901

Adult Organisations:

Number	178	173
Membership	2,621	2,365

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, ARCHIBALD M FORD WILLIAM R MacMILLAN JOHN O. FULTON	Convener Vice-Convener Secretary
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Appendix 1

**GENERAL ASSEMBLY 2009
OUTLINE PROGRAMME
SALUTATION HOTEL, PERTH**

WEDNESDAY 10th June

11.00 & 2.15 Committee on Women's Home and Overseas.

11.00 Leaders' Forum

7.00 Opening of General Assembly

THURSDAY 11th

09.45 Opening Devotions
Memorial Tributes
Reception of Delegates from other Churches
Report of Assembly Business Committee
Presentation by Christian Education Committee
Presentation by Evangelism Committee
Presentation by Administration & Finance Committee
Presentation by Church & Society Committee
Presentation by Representative of Scottish Bible Society

*Breaks will be: Lunch 12.30 – 1.45, Tea 4.30 – 6.00 (Meal at 5 p.m.)
with tea/ coffee from 11 – 11.15 and 3.00 – 3.15 p.m.
The Annual meeting of the Friends of the Students Association will be at 4.30 p.m.*

FRIDAY 12th

09.45 Opening Devotions
Report by Committee on Women's Home and Overseas
Presentation by Overseas Committee
Presentation by Ministry Committee
Presentation by Youth Committee
Presentation by Ecumenical Relations Committee
Report by General Trustees
Committee on Records and Minute Books
Any business left over from previous diets/ closing items

*Breaks will be: Lunch 12.30 – 1.45, Tea 4.30 – 7.00 (Meal at 5 p.m.)
and tea/ coffee from 11 – 11.15 and 3.00 – 3.15*

7.00 **Closing Service**
Including Moderator's Address