

Church of Scotland Trust speech – General Assembly 2019

Moderator, I have pleasure in presenting the report of the Church of Scotland Trust. My report will deal with the work of the Trust under four headings: Third Party Trusts, Pakistan, Israel and the International Presbytery. I will address each of these, briefly in turn.

Firstly, Third Party Trusts.

The Church of Scotland Trust are trustees of 48 trusts set up to benefit in one way or another, the work of the Kirk. The size of these trusts range from quite small funds of a few thousand, to some with six or seven figure capital sums. Income, and in some cases capital too, from these funds is then available to meet the charitable objective of the trust. Trust objectives vary, ranging from providing educational grants to divinity students, study grants to ministers, various welfare purposes for existing and retired ministers and their families, financial support for specific congregations or presbyteries and to support the work of various Councils and Committees, in particular Ministries Council, World Mission Council and Crossreach.

Our over-riding responsibility is to make sure that charitable funds are properly applied for their designated purposes. There are occasions where there have been changes in circumstances and in these cases we consider whether some reorganisation is appropriate. This may be possible with the consent of The Office of the Scottish Charity Regulator, (OSCR).

We are responsible for overseeing the investment of fund capital, which is mainly in one or more of the Church of Scotland Investors' Trust funds, while ensuring that there are sufficient cash resources available to meet claims or grants made for each trust. This is a very efficient way of managing trust and endowment funds, as very often small trusts are burdened with substantial administration costs. However the Church of Scotland Trust enjoys the support of the General Treasurers' and Church Law departments, and no charge is made to individual trusts for managing these trusts.

It is therefore worth mentioning that for anyone considering creating a legacy to benefit some aspect of the Kirk's work the Church of Scotland Trust would be a cost efficient trustee. The Trust's clerk, Jennifer Hamilton, would be happy to advise on this. Generally there is a satisfactory stream of well qualified applications for funds. However, there have been occasions where a few Trust funds have been accumulating at a faster rate than the value of grants made.

There are too many Trust funds to list in the Church of Scotland Yearbook, but our Clerk, Jennifer Hamilton, does write to Council and Committee secretaries regularly, so I do urge them to advertise the availability of grants in their sphere.

Now I would like to deal with Pakistan

On Tuesday Bishop Alwin Samuel spoke very movingly of the plight of the Christian community in Pakistan.

Commissioners may not be aware of the scale of the Christian community in Pakistan as a whole. While Christians represent a very tiny minority of the population of Pakistan, there are still between 2 and 3 million of them. Compare that to Scotland.

Church of Scotland interests are located in Sialkot District which is in the north-east of Punjab Province. The Scottish legacy is not limited just to the Church community; Sialkot is the home of the largest bagpipe manufacturer in the world.

Church of Scotland properties in former Foreign Mission lands throughout the world have, many years ago, been successfully transferred to local National Churches; however Pakistan is a notable exception.

In Sialkot, The Church of Scotland Trust continues to have a large property portfolio comprising land, Church buildings, residences, and other buildings but is under an obligation to divest itself of these interests.

In terms of the 1958 Church of Scotland Trust Order Confirmation Act, the Trust has to transfer the property to an “appropriate authority”. An appropriate authority is a trust or other organisation legally incorporated and properly constituted for holding property on behalf of the Christian Church which the World Mission Council and the Trust are satisfied as to its standing, or to a government or local authority.

We have been in negotiation with the Church of Pakistan over many years to establish such a trust without much success. Hampering our efforts has been a long series of court cases concerning disputed property title, illegal occupancy, and even the legitimacy of Church appointments. Some of these cases have been continued over many years, bringing to mind the notorious legal cases in Charles Dickens’ Bleak House.

Against this background, we have had many false dawns, and the less than ideal option of transferring the assets to the Pakistani Government continues to loom over the situation.

However, as signalled in the chairman's remarks last year, we are now in the process of creating a new trust with local trustees rather than waiting for the Church of Pakistan to produce a suitable body.

Business in that land moves very slowly indeed. The trust document was approved in principle by the Trust and the World Mission Council some time ago and much discussion and negotiation has taken place over the last year in an effort to obtain local agreement. Our lawyers in Pakistan were then charged with getting the local (Pakistani) nominated trustees to sign it.

I am very happy to report that the signed document arrived in Edinburgh from Pakistan on Monday of this week, and has now also been signed by the World Mission Council and Church of Scotland Trust signatories.

Whilst this is clearly a very positive step, Commissioners should note that the succession trust will only come into being when it is successfully registered with the Authorities in Pakistan. That, I am told, may take some time. Until we have in our hands a properly registered document we cannot be sure that it will happen at all.

If the new succession trust is formally approved is that the end of the matter? No. The next task will be for the succession trust trustees to formally transfer all properties to the new trust within a maximum period of 10 years.

The Pakistan question is both time-consuming and complex. The Trust works closely with World Mission, in a Pakistani Strategy Group ably supported by the Asia Secretary, Sandy Sneddon and our own Clerk, Jennifer Hamilton. We also enjoy the long time support of our attorney, Dr Peter David, whose knowledge and local contacts in Sialkot have proved invaluable over the years.

I should now turn to our work concerning the Holy land

The Church of Scotland Trust acts as trustee on behalf of Word Mission Council, holding heritable and other assets on their behalf.

Assembly will already have heard from World Mission Council in their special report about their review of activities and of the assets held in Israel/Palestine. So there is no need to go into that detail here.

As has been usual practice, the Church of Scotland Trust is consulted by World Mission Council on all major financial, land and property developments. A current example is the review of options for the property at Safed. To oversee major projects it has been the practice to form a designated supervisory group to oversee the work.

Trust members have been appointed to join such steering groups. This has worked well, delivering projects within time and budget. Therefore we would expect the designated supervisory group approach to be adopted to oversee any major activities arising from the World Mission Council review.

It is worth mentioning that the back-to back loan for the Hotel in Tiberias has now been transferred to a direct loan, overseen by the Church of Scotland Trust. There should be a saving in bank fees with this new arrangement, and the Trust proposes to donate interest and capital repayments received directly for the benefit of World Mission Council.

Lastly, let me deal with International Presbytery

Since 2016 the Church of Scotland Trust has a broadly similar role in the International Presbytery to that of the General Trustees within Scotland.

The process is now well established, and proposals concerning property matters are being routinely reviewed by the Trust. It must be recognised that there are particular challenges in making this work: congregations and Kirk Sessions are typically very small; the area of the Presbytery is large, making communication difficult; and the property portfolio includes some high value assets, many in need of costly repairs, with limited financial resources to deal with them.

We have commenced a review of the requirements for reports on property and maintenance matters with a view to getting a fuller picture of the property portfolio and its challenges.

Conclusion

It is a privilege for me to chair the Church of Scotland Trust. The Trust has two former Moderators, the Principal Clerk together with experienced accountants, lawyers and surveyors in its membership. We are ably supported by the General Treasurer and the Law Department; in particular we are indebted to our Clerk, Jennifer Hamilton, for her first rate professionalism and not least her encyclopaedic knowledge of Trust matters.

The Deliverance calls for the reappointment of Mr John Hodge and the Very Reverend Dr Lorna Hood to the Trust. I heartily commend these appointments to Assembly. Finally, I take this opportunity of tabling the Trust Accounts for the year ended 31 December 2018.

I commend the report to the Assembly and now move the deliverances.