

## **CHURCH OF SCOTLAND TRUST**

### **CHAIRMAN'S SPEECH TO GENERAL ASSEMBLY 2024**

Moderator, I have pleasure in presenting the report of the Church of Scotland Trust.

We are perhaps one of the least-known committees of the General Assembly but our Board of Trustees, although small, comprises a mixture of accountants, solicitors, surveyors, and three former Moderators of the General Assembly, so we have a wide-ranging knowledge of the workings of the Church of Scotland.

As the opening paragraph of our Report states “The function of the Church of Scotland Trust is to hold properties outwith Scotland and to act as a trustee in a number of third party trusts”.

During the last year, the Trust acted as trustee of 48 third party trusts which benefit different areas of the Church's work, such as support for university faculties of divinity, educational grants to divinity students, study grants to ministers, and financial support for specific congregations or presbyteries or the work of the Unincorporated Entities. The total value of these funds at 31 December 2023 was more than £7.5m. Some of the individual funds are very small, four of them being under £10,000 – some are much larger, the largest being over £1.6m.

The Trust provides a very efficient and cost-effective way of managing these funds. Where professional firms or solicitors or accountants are involved in managing trust funds, the administration costs incurred can very often use up a significant part of the annual income. With the expertise offered by the Board of Trustees and the

professional skills of the General Treasurer's and Church Law department, the annual charge levied by the Trust to cover the work of these departments is only 0.125% of the capital value of each Trust. Thus, for a Trust with capital of £100,000, the annual charge is only £125, which might just buy you ten minutes of partner's time in one of our capital's prestigious legal practices ! It is therefore worth stressing that for anyone considering creating a legacy to benefit some aspect of the Church's work, the Church of Scotland Trust would be a very cost-effective Trustee.

With regard to the Trust's work outwith Scotland, this falls under three headings.

Firstly, Pakistan. Since the 1950's it has been the policy of the Church of Scotland to transfer its former foreign mission properties to the indigenous Christian community in the country in question, and that has happened everywhere throughout the world, except in Pakistan. In that country, the Church of Scotland interests are located in Sialkot district, which is in the north-east of Punjab Province, comprising land, church buildings, residences, and other property. For more than fifty years, the Trust has been trying to divest itself of these properties to the Church of Pakistan, without success.

I expressed last year a degree of optimism that we finally seemed to be making some progress, while noting that my immediate predecessors as Chairman all seemed to have expressed similar optimistic noises on an annual basis. We are, however, fortunate in continuing to have the services of Dr Peter David, our attorney for Pakistan, and he has undertaken to deal personally with the registration of transfer documentation in Pakistan, an area where we have previously been badly let down by

our local agents. Perhaps, over the forthcoming twelve months, this is a saga which will finally reach a conclusion.

Secondly, with regard to Israel, the Church of Scotland Trust acts as trustee on behalf of the Faith Action Programme Leadership Team, holding the title deeds of our various properties there, and also holding the shares in our two commercial ventures, St Andrew's Galilee Ltd and St Andrew's Scottish Centre Ltd. While policy and operational matters are the responsibility of FAPLT, the Church of Scotland Trust is consulted on all major financial, land, and property developments. Rental payments, loan interest payments, and loan repayments are all made to the Trust by the hotel and guest house and then passed on in their entirety to FAPLT. All of these properties are held by the Trust as a bare trustee and the beneficial owner is required to indemnify any losses suffered by the Trust due to its position as title holder.

Thirdly, with regard to the International Presbytery, the Church of Scotland Trust has a broadly similar role to that of the General Trustees for congregations within Scotland. Once again, policy decisions are the responsibility of the International Presbytery, but the Trust has to approve any extensive alterations to properties, any property purchased, and the lease of any property in excess of one year. The Trust is also involved in the disposal of any buildings and is required to review the contents of all congregational Property Reports on an annual basis.

Finally, in terms of our constitution, the number of trustees in the Trust must not exceed twenty. At present, there are ten serving trustees. Those retiring at this time are John Hodge and Christopher Mackay. Both are eligible for reappointment, are willing to be reappointed, and we seek the Assembly's approval of this.

I would like to thank all of the members of the Trust for their commitment and contributions to the work of the Trust over the past year. We are ably supported by the General Treasurer and members of her department, and we add our congratulations to Anne Macintosh on her retirement. I thank also the Law Department, in particular Madelaine Sproule, who acts as our secretary, clerk, and solicitor for her support in ensuring the smooth and efficient functioning of our responsibilities.

I table a copy of the audited Trust accounts for the year ended 31 December 2023, copies of which are available for inspection by request to our clerk, Madelaine Sproule.

Moderator, I present our report to the Assembly and, as I am not a Commissioner, I would ask the Principal Clerk to move the Deliverance.

Leon Marshall  
Chairman