

St James the Less

Treasurer's Report for AGM, 1 Oct 24 to 30 Sep 25

1. Accounts for the year ending 30 Sep 2025

I have reviewed the Accounts with our accountant/independent examiner in depth. We are satisfied that they are a true and accurate summary of our financial situation. Consequently, I recommend the approval of these accounts.

The Accounts include our investment portfolio whereas my review of finances (below) does not – it is solely based on cash in and out of our bank account. I will, however, comment on the performance of the portfolio.

2. Bank Balance and Brewin Dolphin Portfolio Value as of **30-Sep-25** (30-Sep-24)

- a. Virgin Current Account Balance: **£12,552** (£7,854)
- b. Brewin Dolphin total portfolio value: **£563,888¹** (£555,892)
 - i. Cash: **£9,451** (£34,891)
 - ii. Projected annual income: **£12,466** (12,970)

3. Review of Finances

Figure 1a shows a bar chart of total income and expenditure for each of the last 12 months. The red line indicates a year-end income surplus of £4,698. The pie charts in Figure 2a show the main categories of Income and Expenditure. Total Income was £53,523, with £38,000 (71%) coming from RBC Brewin Dolphin. Total Expenditure was £48,825, with roof repairs costing £7,110 (14%).

If we exclude repairs and one-off RBC Brewin Dolphin withdrawals and look at our Regular Income and Expenditure, we get a different outcome. Figure 1b shows a bar chart of Regular Income and Expenditure by month along with the cumulative deficit/surplus (red line). In 11 of the 12 months, expenditure exceeded income so that at year end, the cumulative deficit was £8,192, an increase over last year. The pie charts in Figure 2b show that Total Regular Income was £33,523 with free will offerings (stewardship) of £8,748 (26%), Brewin Dolphin monthly withdrawals of £18,000 (54%), OFGEM RHI repayments of £3,347 (10%), HMRC (Gift Aid) of £1,893 (6%) and donations from Craft groups of £575 (2%). Our Total Regular Expenditure was £41,715 made up largely of parish costs of £21,503 (51%), the diocesan quota of £4,958 (12%), electricity costs of £8,776 (21%) and insurance of £2,811 (7%). Maintenance of the heat pump system cost £972 (2%).

Points to note:

- a. The monthly cash withdrawals of £1,500 from our RBC Brewin Dolphin investment portfolio are NOT sufficient to cover our regular outgoings. Our deficit for the year of £8,192 represents a monthly shortfall of ~£700.
- b. We made 2 irregular withdrawals from the cash account of the investment portfolio of £15,000 and £5,000 in January and July respectively. These withdrawals have provided some headroom in our finances to cover roof repairs and the monthly shortfall.

Some actions to consider going forward:

- a. Withdraw a lump sum from the investment portfolio cash account from time to time, say when the value of the portfolio exceeds a certain threshold, to cover any deficit and maintenance.
- b. Increase the size of the congregation (and thereby, hopefully, stewardship)
- c. Set aside £5,000-10,000 each year to build up a maintenance fund (see below)

¹ Includes Cash and Stock

Repairs to the roof and pointing have hopefully stopped water ingress at the east window, office and south-west corner of the nave. However, the bell tower/entrance) is still leaking, despite correctly re-routing the GaleBreaker membrane outside at the base of the louvres. We have begun the process for sourcing funding to replace our inefficient and ineffective microwave heaters.

4. Gift Aid

I have not revisited the gift aid status of members since becoming Treasurer and have simply assumed that what I inherited from Irene Dooley is still correct. With two exceptions, everyone who is contributing via a Standing Order is considered to have made a Gift Aid declaration in the past that is still valid. Please confirm this is the case by completing a Gift Aid Declaration form (attached) and returning it to me. Please let me know if your circumstances have changed. With Gift Aid, every pound donated is worth £1.25 to St James.

5. Electricity

Our electricity is supplied by SmartestEnergy at a unit rate of 28.6p/kWh and standing charge of 75.09 p/day on a fixed renewable energy contract extending to 27 October 2028. The Scottish Episcopal Church has an objective of 95% of charges being on a renewable (green) tariff by 2026. We have now fulfilled our role in this objective.

6. Brewin Dolphin Investment Portfolio – John Anderson Legacy

Figure 3 shows the performance of the portfolio from the start to the end of the financial year. The total value (stock + cash) of the portfolio has increased by £8.4k (1.5%) from £555.5k to £563.9k despite monthly and 2 irregular withdrawals of £38k (to cover our income shortfall and repairs). The diverse spread of investments in equities and bonds in different markets is illustrated in Figure 5. The biggest share of investment is in the North American market. The portfolio is invested in a managed fund with a low-moderate risk factor of 6. The stocks and shares that make up the fund are reviewed regularly and transactions (buying, selling) made to achieve the best performance. A review (Figure 6) of the portfolio's overall performance since the initial investment of £628,360 in May 2008 shows that regular monthly payments total £193,400, withdrawals total £354,548, and irregular payments before October 2010 were £31,299. Taken together, these total £579,247. Had we not invested the original sum, we would only have ~£49k left in our bank account. Despite all the above, our portfolio valuation stands at £564k, attesting to its continuing excellent performance.

7. Marna Cruickshank Legacy (£76,729)

As a result of Marna's generosity, we have been able to upgrade the path to the church and to restore the original main entrance, install new glass interior doors, and to completely refurbish the toilets and kitchen area. In March, we received a cheque from Marna's estate for £83.75, the result of an unclaimed dividend. This has been recorded as a donation in my review.

8. Summary

We are still living well beyond our means so must continue to monitor and challenge future expenses. That said, our investment portfolio continues to provide sufficient income to cover the deficit without eroding capital.

Steve Rainey

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