

7 December 2024

Dear fellow members of Benedictus,

I present this report together with the Benedictus Contemplative Church Inc (**BCC**) draft Statement of Accounts for 2023-24 and the BCC Budget for 2024-25 that has been approved by the BCC Council.

By incident of when BCC was incorporated as an association, our financial year runs from 1 December to 30 November. The short period between the end of our financial year and the AGM is the reason the Statement of Accounts is in draft. The audited Statement will be circulated early in the new year, and whilst I do not anticipate discrepancies between the draft and the audited versions, we can meet again if anyone wishes to raise a matter arising from the audit.

There are a couple of points I would like to make arising from the Statement of Accounts for 2023-24.

First, we continue to be in a reasonably solid financial position. The Statement shows that we finished the financial year with an operating loss of ca \$7,700, but that is less than the \$35,000 operating loss we had budgeted for. One reason for our less-than-expected operating loss is that the fee support budget was not fully utilised.¹ The other main reason for the less-than-expected operating loss is that our giving has been slightly stronger than we anticipated.

So it is appropriate that I extend on behalf of the Council our sincere gratitude to members of the community, both members based here in Canberra and members who take part online, who support us financially. Your generosity this year, as in previous years, continues to be vital to our existence and growth. I take this opportunity, principally for the benefit of new members of Benedictus, to state that we are an entirely self-supporting community, which does not receive any money or support in kind from any Australian (or other) government or any Christian denomination.

Second, while by no means taking your generosity this year for granted, for reasons which I next outline, the Council has proposed a budget for giving next year that in fact exceeds this year's by roughly 10%. The Council sensed wisdom in introducing an aspirational element into the budget for giving because the budget projects an operating loss of some \$15,000 for 2024-25. Although we could cover this loss with our existing savings, we note that regulators and observers in the not-for-profit sector, such as the Scottish Funders' Forum,² suggest that charities should maintain an operating reserve of about one year's staff salaries, which in our case is about \$150,000.00. Our cash at bank is currently some \$113,000.00 so by this measure,

¹ This item enables participation in cost-bearing ministry offerings of Benedictus by members of the community who, together with the Directors, discern a calling to participate in an offering and for whom the cost is an impediment.

² Cairns, B., Hopgood, R. and Mills, C. *Thinking about ... charity reserves A recent report into charity reserves management in Scotland*, October 2022, Scottish Funders' Forum, p. 8. See <http://www.ivar.org.uk/publication/thinking-about-charity-reserves/>

we have less than what best practice indicates is desirable. In light of this, the Council has been less concerned than in previous years about the amount of savings in our bank account. Indeed, we now recognize that there is legitimate scope for these savings to grow. Furthermore, there is obviously a limit to the extent we can continue to run operating deficits without that affecting the scope of our offerings and activities in the longer term.

In terms of our operating budget for next year, the Council proposes a roughly similar budget to this year, although with a small increase for staff salaries, to allow for the continuing increased cost of living. The stipends for the Director and Associate Director will be commensurate with the cash component of the clergy stipend in the Anglican Diocese of Canberra and Goulburn for 2024 (not 2025). Staff salaries represent our largest expense and our giving and gifted staff are, of course, crucial to the viability of the community; we want to care for them as best we can.

To conclude, on behalf of Council I would once again like to state we are grateful for your giving, especially in straightened and uncertain times, and for the equally valuable non-monetary contributions so many of you make to the life of the community.

I am always happy to respond to individual questions and queries throughout the year.

Blessings from me,

Andrew Grimm
BCC Treasurer