

## *Paying for the Project: 2015 and beyond*

- By July 2015, we would have an outstanding balance of £395,000 and some choices to make.
- We could transfer our mortgage elsewhere, or continue for the remaining term of the 20 year mortgage with the Yorkshire Bank.
- This mortgage would become part of our regular church budget.
- We could seek further interest free loans.

### **Further Notes**

- We are actively seeking grants, although many grant-making bodies exclude all religious bodies. A number of others are wholly or partly funded by lottery money, which we would not seek.
- We have received confirmation that the project will be zero-rated for VAT.
- The current annual giving to the project is around £30,000. Clearly, the more that is given, the quicker we can pay off any mortgage and the less bank interest we will pay.
- As an example of what a *new* mortgage in 2015 might look like, if we were to borrow £395,000 for 20 years at 5% interest, then our repayment would be £31,700 per annum. If we remained with the Yorkshire Bank mortgage for the remaining 14½ years of the existing mortgage, the annual repayment at 5% would be £38,000.
- We will not be having a further gift day this year, but if you would like to give a one-off gift, offer an interest free loan or start to give regularly to the project, please speak to David Richards, or in his absence, one of the wardens or ministry team.



*The aim of this leaflet is to explain how we plan to pay for the rebuilding of our church hall.*

*It is designed to accompany and expand the presentations made to church in September 2009.*

### **Introduction**

After several years of discussion, design and decisions, the moment has arrived to re-build the church hall. We have sought the Lord's will throughout, and he has answered our prayers by enabling substantial unity and significant generosity. Many of you have given faithfully and liberally since our first gift day three years ago. Thank you. We have come a long way together – and the time to build for the future is at hand.

However, the final costs of the project are only now available. They are much lower than we feared for a time, but a little higher than our first guesses three years ago. The numbers are large, and the financial package is complex. So, to help you see that the numbers really do add up, we have put this presentation together to demonstrate what has already been given (around three quarters of a million pounds, representing 55% of the total cost of the project\*) and how we intend to raise the rest.

I hope this leaflet will encourage us all to do two things: first, to give thanks to our generous God for all he has given us so far; and, second, to commit ourselves to continue in generosity so that we may see this project through to completion.

If you are one of those members of our church family who have thus far stood on the sidelines, waiting to see if it would really happen, and perhaps a little anxious about whether this project was manageable, now is the time to join your brothers and sisters so that we may build for the future together.

*Mike*

(\*see note 6 on page 2.)

## Paying for the Project: the current picture

Date	Description	Expenditure	Income	Balance	
to Oct 09	Project planning costs	90		90	(1)
Oct 09–Jul 10	Project Build Cost (97.5%)	1,108		1,198	(2)
	Project other costs (Fees, land, furniture, etc)	145		1,343	(3)
	Initial giving to Mission Projects	45		1,388	(4)
	Hartford Sunday School Fund		170	1,218	(5)
	Monies received by Oct 2009		593	625	(6)
	Interest free loans		176	449	(7)
	Bank loan required		449	0	(8)

*Outstanding debts at July 2010:  
bank loan, interest free loans and the remaining 2.5% of the building costs.*

*We are actively seeking grants.*

*All figures are in thousands of pounds.*

### Notes (referring to blue numbers above)

- (1) This includes the fees paid to the architect and professional team who have designed our building, plus legal fees and the cost of the planning process.
- (2) This is the whole cost of building and fitting out the new hall (apart from a small proportion to be paid later – see note 10) . We will need to pay this amount in instalments during the building phase of the project. The current economic climate has meant that it is significantly lower than it could have been.
- (3) This includes the remainder of the professional fees, bank charges, land and legal costs, plus providing for a Church Representative on Site and for furnishing the new building.
- (4) We intend to give 10% of all the money given to Christian building projects in more deprived places, representing a mixture of home and foreign mission.
- (5) The Hartford Sunday School Fund received this windfall amount several years ago from the sale of the old church school and adjoining properties. The trustees have kept it in reserve for this project.
- (6) Praise God! This is the amount given so far to the project, including the reclaimed tax. When added to the amount being given by the Hartford Sunday School Fund, this total represents 55% of £1.388m, the total cost of the project.
- (7) These have been offered within the congregation. They need to be paid back over the next five years, but enable us to save significant sums in bank interest.
- (8) We have been offered a half million pound mortgage with the Yorkshire Bank. We do not anticipate taking the full amount, but the larger facility would enable us, for instance, to repay a congregational loan if someone's personal circumstances changed.

## Paying for the Project: the next five years

Date	Description	Expenditure	Income	Balance	
Jul 10–Jul 15	Mission Projects (10%)	38		38	(9)
	Project Build Cost (2.5%)	28		66	(10)
	Interest on Bank Loan	94		160	(11)
	Interest Free Loans	176		336	(12)
	Estimated gifts based on current pledges		220	116	(13)
	Potential Gift Day receipts		170	(54)	(14)
	Bank loan remaining	395		0	(15)



*All figures are in thousands of pounds.*

- (9) See note 4.
- (10) This small proportion of the building cost is retained by us until 1 year after practical completion of the works to ensure that the contractor corrects any minor defects.
- (11) See table below for the breakdown of this figure, including the estimates made for interest rates during this period. We have carefully considered, and rejected to date as too expensive, the possibility of a fixed rate mortgage.
- (12) See notes 7 and 8.
- (13) See table below for the breakdown of this figure.
- (14) See table below for the breakdown of this figure.
- (15) This is the remaining debt by July 2015 – see overleaf.

Project Cashflow Forecast ('000s)	July 2010	July 2011	July 2012	July 2013	July 2014	July 2015	Totals
<b>INCOME</b>							
Pledged Income	£25	£40	£40	£40	£40	£35	£220
Easter Gift Days	£35	£35	£30	£30	£20	£20	£170
<b>Total Income</b>	<b>£60</b>	<b>£75</b>	<b>£70</b>	<b>£70</b>	<b>£60</b>	<b>£55</b>	<b>£390</b>
<b>EXPENDITURE</b>							
Mission giving	£6	£7	£7	£7	£6	£5	£38
Remaining Construction Cost		£28					£28
Interest on Bank Loan	£2	£16	£19	£18	£18	£21	£94
Repayment of Congregational Loans			£25	£50	£101		£176
<b>Total Expenditure</b>	<b>£8</b>	<b>£51</b>	<b>£51</b>	<b>£75</b>	<b>£125</b>	<b>£26</b>	<b>£336</b>
<i>Surplus available to repay Bank Loan</i>	<i>£52</i>	<i>£24</i>	<i>£19</i>	<i>(£5)</i>	<i>(£65)</i>	<i>£29</i>	
<b>Balance of Bank Loan</b>	<b>£449</b>	<b>£397</b>	<b>£373</b>	<b>£354</b>	<b>£359</b>	<b>£424</b>	<b>£395</b>
Balance of Congregational Loans	£176	£176	£176	£151	£101	£0	£0
Interest Rate assumed	4%	4%	5%	5%	5%	5%	