

Important Budget 2025 Notes

There are two budgets each on a separate tab in the spreadsheet:

- A General Budget for the ongoing running of the church and its regular activities;
- A Building Budget for the projected renovation and rebuild of the church building.

General Budget

The General Budget has a planned deficit for 2025 of approx. **£10,000**. This is something that the church needs to be vigilant about. If such a deficit were to occur it would take our reserves **below** the level that we consider appropriate for the financial well being of our church.

We trust God to oversee our finances and remember his generous provision over the years allowing his work to flourish in Shinfield Community Church. Within this context the church needs to be vigilant in monitoring our finance. Some factors that may reduce the potential deficit include:

- **Growth** - The church continues to grow (average growth rate is about 15-20% a year over the past 10 years). Income may increase more than the projected 6%;
- **Giving Trends:** The overall giving of the church has increased by at least **70%** when both General and Building budgets are taken into account (this does not include legacy giving). But this increase is almost entirely to the Building Fund. An effort will be made to encourage those new to the church to consider sharing their regular donation to both General and Building funds;
- **Technology:** the church is increasingly using technology to support giving and gift aid e.g. website, QR codes. This makes it easier both for people to donate and to opt for gift aid increasing income.

Nevertheless the church also needs to look to reduce costs for 2025 in avoid a larger deficit than £12,000. The General Fund budget plans to do this by:

- **Expenses Reduction:**
 - Cost centre reductions – there have been reductions in a number of cost centres
 - Salary reduction – Nathan as Pastor is voluntarily returning his salary to its 2023 level;
- **Redirect Giving:** if building has not yet started, church members could be requested to redirect a proportion of their regular giving from Building Fund to the General Fund to top up reserves – but this should be considered a short term measure if the building project is to continue.

Nevertheless the church does need to monitor this situation since it needs to raise an additional £12,000 per year to break even on its current running cost model.

Building Budget

The Building Budget is calculated on the basis of no building taking place in 2025. This is not because we do not wish to build (we hope some building may take place!). But it is not possible to create an accurate budget for a single year that would include projected building costs because

- **Planning permission is still in process** – the building design may need to change, adjusting cost projections either up or down conditional to planning being granted;
- **Building costs** and consequent finance to support these costs need to be projected over a number of years and can only be fully calculated when planning permission is granted. Only from these projections can an annual budget be made that reflects building costs. Financing for the building will include a complex package of donation, grants and loans. For the building project to go ahead we need to have firm financial foundations upon which to build.

What the Building Budget demonstrates is that by God's grace all costs for completing planning permission submission are more than covered.

Budget Preparation and Presentation Notes

1. The budget has been calculated using management accounts from August end which were the latest available figures available at the time of its preparation.
2. It is likely that the bulk of the £9636 for legal fees related to the creation of the CIO and approved by the church in meetings in 2024 will be spent in 2025 due to delays in this work.
3. Increase in gift aid and non-gift aid giving is calculated as a 6% increase (which is the same increase in giving as 2024 over 2023);
4. The gift aid total is a combined claim for the financial years 2022/23 and 2023/24. It is distributed proportionally to both Building and General Fund Budgets in respect of the donations made (further fine tuning of these amounts is required but the sums are broadly accurate);
5. Some budget cost centres have been combined to make management of accounts easier e.g. the 2025 budget has a single cost centre for SCBA (Southern Counties Baptist Association – our regional Baptist group) and Home mission giving (since donations for these enter the same account at the Baptist Union). This leads to a higher total for Evangelism than 2024.
6. Church gift is 10% of giving to General Fund for calendar year 2024 minus BU Home mission and Church of Year
7. Returning pastor salary and pension to 2023 level saves £3564 (some adjusting the increased employers NI contribution from UK Government's national 2024 budget will need to be taken into account but it is believed that the church does have a level of exemption from this increase as a 'small business.'