

Business plan information

To allow St John's Church to make a decision on whether or not to progress with an offer for the Low Port Centre we conducted a comprehensive feasibility study. This study provided the information required to make an informed decision on whether or not to proceed with a Community Asset Transfer application for the Low Port Centre. Some of the information and part of the financial analysis has been included in the attached spreadsheet to demonstrate to WLC the approach which has been undertaken so far.

If our application is successful then the feasibility study information will be used and expanded in the preparation of a fully detailed and costed business plan. WLC will understand that St John's Church can not reasonably be expected to carry out this extensive and detailed piece of work until a decision is made on whether or not the Community Asset Transfer application process is triggered. As a charity we are seeking to keep our costs as low as possible at this stage of the process but we are prepared to seek professional help to assist us if our application is successful.

What have we done so far?

- Carried out an internal feasibility study containing information on:
 - Services which we will provide and service providers
 - Options for use
 - Organisational Structure
 - Schedule
 - Financial analysis and forecast
 - Funding opportunities
- Engaged with Martin Thomson of WLC Economic Development Team regarding general support and assistance and specifically to understand how to identify the economic benefit from social and health improvements.

What will we do during the Community Asset Transfer process?

- Submit for review a draft constitution for the new legal entity, and then proceed to form that entity which will qualify as a community body under the relevant legislation to acquire the property.
- Detail a full and comprehensive business plan for the running and sustainability of the Low Port Centre.
- Further engage with the Economic Development Team to calculate and quantify monetary benefits from social and health improvements.
- Engage building professionals to create upgrade, refurbishment and maintenance plans for the sustainable use of Low Port Centre.
- Develop a fully costed commercial plan for efficient and effective operation of Low Port Centre as a vibrant community hub aided by utilising the offer of local business expertise. e.g., Jim Hay, Court Residences.
- Fully develop workable partnership agreements with willing organisations, local businesses etc.

- Develop a funding and financing strategy to ensure surety and stability in capability to operate Low Port Centre in a cost effective and sustainable manner.
- Develop robust plan for residential wing using learning from other organisations experience e.g., Callander Youth Hostel, Edinburgh Backpackers, Heralds Trust.

Financial Projections

The attached spreadsheet details some of the financial projections which have been carried out on a simple basis and are informed by the information which has been provided by WLC. A number of assumptions have been made in order to provide a view of broad capital and operating/ revenue costs. The existing St John's Church (SJC) spend for 2020 has been used as the basis on which to build up the operating/ revenue costs. The additional costs and income for the Low Port Centre have been added to assess the financial challenge which is required to be met.

For the purposes of this analysis it has been presumed that the finance for capital/ one off costs will be raised with no additional impact on operating/ revenue costs. There are no costs included in the projections to service a loan but included in the table below entitled "Stewardship Services basic loan information for 15 year term" are the additional costs per annum to pay off loans in value between [REDACTED] and [REDACTED]. If we were to take out a loan from Stewardship Services then these additional costs would be incurred which would have an impact on the viability of the project for SJC.

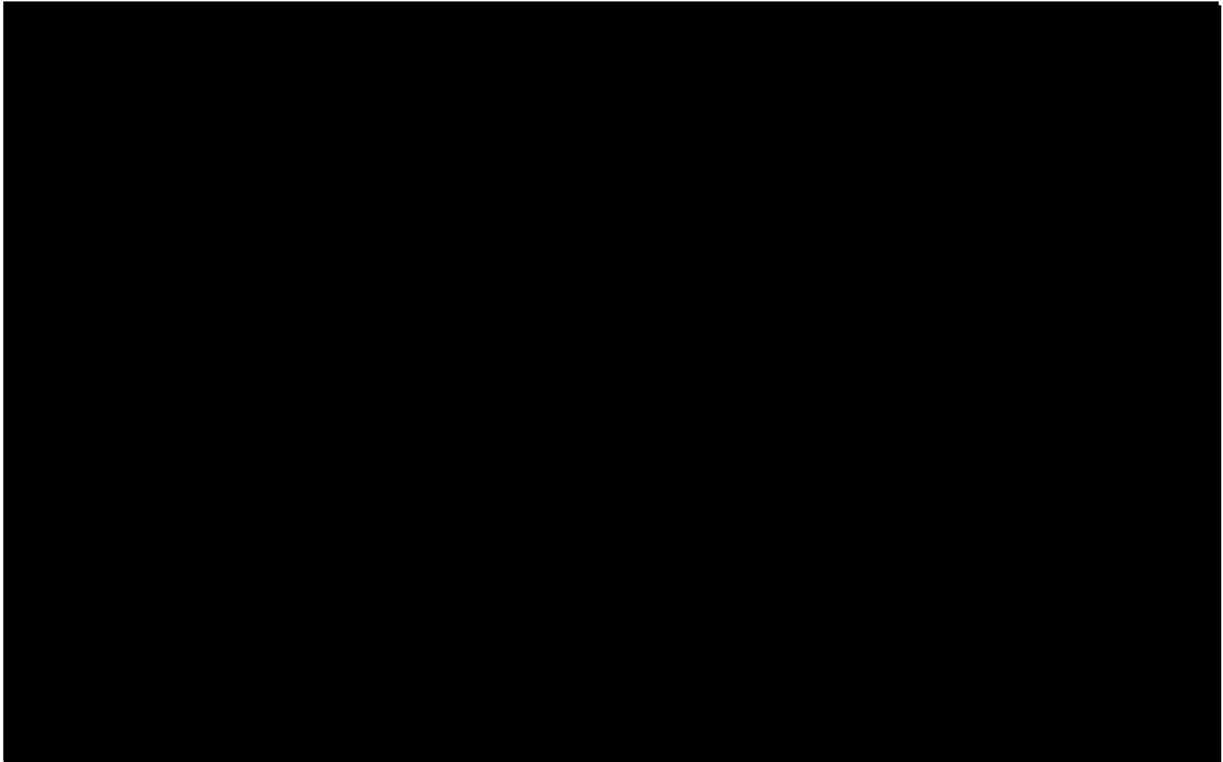
An income range of between [REDACTED] and [REDACTED] has been estimated based on an appraisal of the available opportunities from known organisations including The New Well. It is not unreasonable to expect that the income from LPC could be increased. In the scenario where the Union Road building is retained an income of [REDACTED] has been assumed for rental of the premises.

Within the information provided by WLC there was a condition survey report which had been published on 24/12/16. The purpose of the report was to determine the condition of the property and provide life cycle costs attributed to each element of the property. These costs have been included in the financial projections and the conclusions and recommendations from this condition survey report are shown in Appendix 3. Similarly an electrical condition survey report was included with an estimated cost of [REDACTED] to be carried out over a 5 year period from 2016. For both these reports it has been assumed that any work required in the last 5 years will have to be carried out immediately and any other phased work for years 6-10 will have to be done in the next 1-5 years.

All of the above requirements will have to be verified but we have taken a cautious view and included them in the projections although it should also be noted that they are at 2016 prices and no ROI/ RPI increase has been applied. Of additional concern is that this survey undertaken in 2016 is the most recent information available on the condition of LPC and no additional information is available on current condition and any associated repairs and maintenance requirements.

LPC has not been valued but a valuation of St John's Union Road building has been carried out and it has been assumed that if the property was marketed it would sell for at least [REDACTED] and this figure has been used in the financial analysis.

Below is the summary position of the 10 yr commitment for SJC.



Total 10 year revenue/ operating total costs commitment assuming 3% compounded annual increase	Existing	[REDACTED]
	LPC	
	LPC and Union Road	
	LPC with income	
	LPC and Union Road with income	

Minimum LPC valuation required	Amount of loan available (65% of LPC valuation)	Interest rate	Cost per annum	Total cost of loan
[REDACTED]				