



To:
All members of the
Corporate Policy and Resources
Committee

Please reply to:
Contact: Gary Lelliott
Service: Committee Services
Direct line: 01784 446240
E-mail: g.elliott@spelthorne.gov.uk
Date: 14 April 2022

Supplementary Agenda

Corporate Policy and Resources Committee - Wednesday, 20 April 2022

Dear Councillor

I enclose the following items 7. and 13. which were marked 'to follow' on the agenda for the Corporate Policy and Resources Committee meeting to be held on Wednesday, 20 April 2022 and an item of urgent business:

7. Knowle Green Estates – repatriation of profits and cashflow to Spelthorne Borough Council 3 - 30

To note the options available to Council for the repatriation of funds and estimate forecast of cash inflows to Spelthorne Borough Council from Knowle Green Estates Ltd.

13. Update on proposed Transactional Financial Service Partnership 31 - 40

To note an update on the systems review of the proposed Transactional Financial Service Partnership and consider the appointment of a Partnership Manager.

This report contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006:

Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in the bidding process for the

Spelthorne Borough Council, Council Offices, Knowle Green

Staines-upon-Thames TW18 1XB

www.spelthorne.gov.uk customer.services@spelthorne.gov.uk telephone 01784 451499

site/services by allowing other bidders to know the position of the Council. This in turn prejudices the Council by (i) distorting the bids process and (ii) prejudicing the opportunity for the Council to acquire a site/service to enable regeneration in the Borough.

19. Urgent Business - 2021/22 Revenue Carry Forwards to 2022/23

41 - 44

To consider requests for 2021/22 revenue expenditure to be carried forward to 2022/23.

This item has been agreed as urgent business on this agenda for the following reason:

To ensure that the Corporate Policy and Resources Committee is able to make decisions on the use of Revenue Carry Forwards, to facilitate any spending before the deadline of 30 June 2022, as stipulated in the Financial Regulations.

Yours sincerely

Gary Lelliott
Corporate Governance

To the members of the Corporate Policy and Resources Committee

Councillors:

L. E. Nichols (Chairman)	J.R. Boughtflower	N. Islam
J.R. Sexton (Vice-Chairman)	A. Brar	V.J. Leighton
C.F. Barnard	S.M. Doran	S.C. Mooney
I.J. Beardsmore	S.A. Dunn	O. Rybinski
M. Beecher	N.J. Gething	V. Siva

Substitute Members: Councillors: C. Bateson, J.T.F. Doran, T. Fidler, H. Harvey, D. Saliagopoulos, R.A. Smith-Ainsley and J. Vinson

Corporate Policy & Resources Committee



20 April 2022

Title	Knowle Green Estates – financial contribution to Spelthorne Borough Council.
Purpose of the report	To note the options available to Council for the repatriation of funds and estimate forecast of cash inflows to Spelthorne Borough Council from Knowle Green Estates Ltd.
Report Author	Paul Taylor Chief Accountant
Ward(s) Affected	All
Exempt	No
Corporate Priority	Community Affordable Housing Recovery Environment Service Delivery
Recommendations	<p>The Committee is asked to note the options available to the Council for repatriation of funds from Knowle Green Estates Ltd to Spelthorne Borough Council and the estimated potential annual cash inflow.</p> <p>(Once the final plans for the development properties have received Council approval, officers will revisit this report and submit formal recommendations to the Corporate Policy & Resources Committee for approval).</p>
Reason for Recommendation	<p>This report is to enable Council to understand the estimated annual cash inflows that Knowle Green Estates Ltd., could potentially make to Spelthorne Borough Council, to support services, regenerate the Borough or build new homes for private renters.</p> <p>From the initial plans agreed by Cabinet under the old strong leader model of Governance, the size of the buildings and number of apartments being proposes has reduced substantial on several occasions and the Council has seen the potential cash inflows to the council, as agreed by the Knowle Green Estates Board in June 2021, reduce from approximately £88m to £47m, as at 7 April 2022, meaning that the cash flow projections have almost halved.</p> <p>Noting that the projections included with this report are subject to the final Council approval of the size and height of the remaining development properties as at 7 April 2022 and because of the impact of inflationary pressures currently being experienced with</p>

	building materials and labour in the construction sector, officers anticipate that capital costs for each development will increase costs for Spelthorne Borough Council who in turn will pass on these costs to KGE, who currently have the capacity to absorb them.
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1. Key issues

- 1.1 Knowle Green Estates Ltd, (KGE) was established by Spelthorne Borough Council (SBC) to manage the Council's Housing delivery programme, to provide a mix of affordable homes for our residents and keyworkers, and private rental homes and make a positive annual contribution towards the Council's budget for it to fund its regeneration programme, building new homes and support the delivery of services across the Borough.
- 1.2 SBC are responsible for building the affordable homes and upon completion they are transferred at cost to KGE.
- 1.3 In 2021 under the former strong leader model, Cabinet agreed the financial projections (and the proposed tenure mixes were shared with Council) for KGE, based on an affordable housing model, with a small amount of private rental tenants. This is because 100% private rental model consumed too much cash in the first ten years and would require a multi-million pound cash backed investment from SBC in to KGE for it to be viable.
- 1.4 The projections agreed by the KGE Board in June 2021 indicated that based on the original plans for each property, where maximising returns were the key focus, KGE would have approximately £96.7m in the bank and the balance sheet was in a healthy position with a positive position shown from year end 31 March 2055, and would be able to contribute a seven figure sum to SBC to provide funds to support services, regenerate the Borough and contribute to the development of new housing for private rental market, once it had built up sufficient cash reserves. (NB. the updated projections as at 7 April 2022, (appendices A to C) start from the June 2021 projections and have been updated by the material changes highlighted in appendix D)
- 1.5 Given the transfer from Strong Leader to Committee Structure mode, Council has not formally agreed a strategy for KGE to confirm the level of profit repatriation from KGE to SBC which could then be used to support the provision of Council services, regenerate the Borough or building new homes for private renters. Since the original projections were prepared there have been long delays caused by the Council approved moratorium and reductions in planned height of the buildings, leading to fewer apartments being constructed and therefore reduced rental income for KGE and the revised projections at 7 April 2022, reflect these changes and the reduction in cash inflows to SBC from KGE to a modest six figure number.
- 1.6 Officers have reviewed the projections for KGE as shown in appendix A, B and C based on the current plans for all our residential developments particularly the Oast House and Thameside and before any considerations of how KGE will repatriate cash inflows to SBC.

- 1.7 Appendix D highlights the major changes to the projections agreed by the KGE Board and shown to Council in 2021. With the two significant changes being the £34m capital investment in the Oast House by the NHS and the £1.0m per annum, reduction in rental income from the reconfigured Thameside House.
- 1.8 HMRC will look closely at the methodology applied because for every pound that KGE pay to SBC, under legitimate avoidance methods, the Public Exchequer will lose currently 19p in corporation tax.
- 1.9 Council should be aware that from the financial year 2023-24 the corporation tax rate will rise to 25p in the pound
- 1.10 During November 2021, officers spent a great deal of time, reviewing the financial viability of KGE, Since that time, Council has approved the increased cost of construction for the Leisure Centre and Victory Place, which amounts to £12m., as a result of these additional and the increased monthly costs for delaying these development projects, officers have had to reassess the viability of KGE and SBC together, rather than just KGE.

2. Options analysis and proposal

- 2.1 There are three legitimate recognised tax avoidance options available to the Council for the repatriation of profits from KGE to SBC and they are summarised in order of priority and based on the current financial structure of the equity, loans, and rental contribution in KGE.

Option 1 – Loan interest margin - the senior method

- 2.2 HMRC allow group companies to legitimately charge a margin on the loan interest between the holding company (SBC) and its subsidiary (KGE), up to a maximum of £2m per annum, based on reasonable commercial terms for the environment the subsidiary operates in.
- 2.3 The next element of the equation is, can the subsidiary (KGE) afford it?
- 2.4 Therefore, officers have spent a great deal of time confirming to Council the viability of each project as far as KGE is concerned, as after the interest rate margin has been paid, KGE must still be able to pay its debts as they fall due in the ordinary course of business, otherwise KGE will not be able to make the contracted payments which would then require SBC to step in as the 100% owner.
- 2.5 By complying with this legislation, the interest payments from KGE to SBC are fully tax deductible and this reduces KGE's annual corporation tax liability.
- 2.6 Council should note that depreciation is not an allowable expense for calculating KGE's corporation tax liability, which is why officers focus on the net profit after interest.
- 2.7 No formal guidance is given on the rate to charge, and officers need to consider each individual property and KGE, as a whole, when it comes to setting the right level of interest rate margin for Council to approve.
- 2.8 Further, with variable cash inflows, particularly at times of replacement to, for example, bathrooms, kitchens and windows, makes the task even more difficult and in some years, may give rise to KGE requesting additional short-term funding to manage these replacement costs and maintain the loan repayments to SBC, otherwise it could put at risk, KGE's financial viability over the short term, i.e., for twenty-four months.

Option 2 - Management charges – the junior method

- 2.9 Applying management charges is a recognised method for repatriation of profits from a subsidiary (KGE) back to its holding company (SBC).
- 2.10 Subject to the amounts charged and for what type of expenditure, HMRC would expect to see detailed time records and a justification for the charge in respect of any employee related costs.
- 2.11 Both the S151 Officer and the Chief Accountant are reluctant to introduce a time recording system or recruit staff just to record the time spent by SBC for KGE related work.
- 2.12 This is because the provision of staff and support resources from SBC to KGE is a short-term issue, as KGE will in the next couple of years, recruit and employ its own team, once it has gained a critical mass, which has been delayed by the issues mentioned in 1.5 above, along with delays to Victory Place and Benwell Phase II.
- 2.13 At present, SBC officers provide an estimate of the split of work between SBC and KGE duties and this is then recharged from SBC to KGE.
- 2.14 Another area for SBC to consider as a legitimate management charge, is a management fee and arrangement fee, around the level of borrowing and officers strongly recommend that due to the delays with bringing all the development properties on line, the financial structure and loan facilities are reviewed on a regular basis, say every three years and KGE pays a percentage (to be determined) of the loans outstanding, as a business would through a banking relationship in the ordinary course of business.
- 2.15 This would assist officers when calculating the interest rate margin in option 1 and provide some flexibility to KGE and certainty of cash inflows to SBC.

Option 3 – last resort methodology

- 2.16 Dividends are a legitimate way of distributing surplus profits from KGE to SBC. However, it comes with one significant draw back.
- 2.17 KGE can only distribute dividends from the positive profit and loss reserves, meaning that KGE must be making a profit and the Public Exchequer has taken its (current rate) 19% corporation tax (rising to 25% in April 2023), which leaves 81% of KGE's profit available for distribution.
- 2.18 Because of the payment of corporation tax this methodology should only be used as a last resort by KGE to pass positive cash inflows to SBC.

3. Financial implications

- 3.1 Please note that the financial projections included in appendices A, B and C are solely based on the revised capital costs and reconfigurations for our development properties, at 7 April, which are subject to Council's final approval.
- 3.2 They do not reflect the detailed changes for each repatriation option mentioned below. Officers are showing the high-level indicative position, based on the options and the impact on the revised projections in the table below 3.20.
- 3.3 Each option has different financial implications, and is based on each development, as at the 7 April 2022.

- 3.4 The largest changes are surrounding the Oast House & Thameside House, initially approved by Cabinet for 350 and 120 apartments respectively. Then in the 2021 projections these were revised down to 216 and 140 respectively, now at the 7 April Council is looking at proposals to construct 182 and 104 apartments. Please refer to appendix D.
- 3.5 This reduction in the number of apartments has consequences for both KGE and SBC.
- 3.6 In the case of the Oast House monthly rental income has fallen by 8% and for Thameside House by 32% and this has reduced cash flow in to KGE by just over £1m per annum. Coincidentally, the capital investment of £34m by the NHS into the Oast House site reduces our annual cash outflow by approximately £1m per annum. Making the revised projections, almost cash neutral. Based on the current configuration, this indicates that the NHS investment is critical to the current plans of SBC and ultimately KGE.
- 3.7 This fluctuation and the fact that Council has yet to formally approve the plans for these development projects makes it difficult to provide a definitive answer as to the interest rate margin to be charged by SBC to KGE, or how much SBC should charge by way of management charges or indeed, should dividends be used.

Therefore, detailed below is an indicative interest rate, together with estimated average forecasts of the cash inflows that SBC can expect to receive from KGE on an annual basis, to support services, regeneration projects and new housing throughout the Borough.

Option 1 (as referred to above) – interest rate margins

- 3.8 Officers will recommend that as well as an interest rate margin, Council approves the establishment of a KGE sinking fund to be held by SBC on its Balance Sheet. This will operate in the same way as the investment property sinking funds, in that each year the net commercial income is fixed at circa £10m and the transfers in to and out of the sinking fund are approved by Council and will smooth out any issues of support to KGE, particularly as it will be responsible for a housing portfolio of £250m (based on cost) with there being years when the Company will need to undertake significant bathroom and kitchen refurbishments in the future.
- 3.9 This would enable Council to control the flow of funds from KGE, leaving enough to manage its day to day finances and meets its liabilities, with all the surplus funds retained within SBC and covered by their treasury management team.
- 3.10 Interest would be credited to the KGE sinking fund in SBC accounts, in the same way as the investment property sinking fund.
- 3.11 This means that by reviewing the cashflows, KGE should retain sufficient funds to meet the main creditor, SBC, when it submits the annual interest and capital repayment invoices in November.
- 3.12 Therefore, the approach would be to leave a, say, 50% of the multiple of the next payment to SBC, say, twice the annual interest and capital repayments to SBC.
- 3.13 In the unlikely event that KGE needs more funds than this it would provide officers and Council with a safety valve that something is going astray and needs to be reviewed urgently.

- 3.14 KGE would have to submit annually in advance detailed plans of its replacement programme together with costings for Council to approve and for the funds to be released back to KGE, again, another control mechanism to provide Council with the assurances it needs that everything is on plan at KGE.
- 3.15 Therefore, for this exercise and subject to a review once all the plans for the remaining development properties have been approved by Council, officers are recommending that on average from 31 March 2027, KGE bank balances does not exceed £13m at 31 October each year, made up of £8.7m of annual capital and interest repayment, due out in November each year, multiplied by a factor of one and a half.
- 3.16 This is because KGE currently pay its capital and interest annually in arrears and is an area that officers will be reviewing once Council has approved all the development properties, and this is something that officers can review and make recommendations to Council, after this exercise has been completed.

Option 2 – management charges

- 3.17 The projections would indicate that on a regular basis, SBC should charge KGE an arrangement fee and a figure of between £125-175,000 per annum should be achievable once all the development properties are built, transferred to KGE at cost and fully occupied, which is anticipated to be from 1 April 2026, as the last property is due to be transfer under practical completion in February 2026.

Option 3 – dividends

- 3.18 Based on the revised projections, KGE will not have positive cumulative profit and loss reserves until September 2067 and therefore will not be able to pay any dividends.
- 3.19 Further, the increase in the interest margin and the management charges indicated in 3.7 and 3.8 above would further reduce the positive profit and loss reserves and therefore, officers are ruling this approach out until after 31 March 2074.

Summary of annual cash inflows to SBC

- 3.20 Based on the figures above, the table below shows the forecast consolidated cash flow position on SBC for the 50 years. The options are not mutually exclusive and it is possible to use a mixture of all three options, subject to the comments made in section 2 above.

	Impact on SBC £	Impact on KGE £	Consolidated impact £
Closing KGE bank balance per revised projections at 31 March 2072.	0	47,239,380	47,239,380
Option 1 – estimate interest margin leaving £13m average closing balance in KGE (2.2 to 2.8 above refers)	26,500,000	-26,500,000	0
AND (not mutually exclusive)			

Option 2 – estimated £150k p.a. management fee (2.9 to 2.15 above refers)	7,500,000	-7,500,000	0
Option 3 – dividends (2.16 to 2.18 above refers)	0	0	0
Revised bank balances after adjusting for profit repatriation	34,000,000	13,239,380	47,239,380

This would result in an annual average cash inflow to SBC of £680,000 of which officers be suggesting to council that between one quarter and a third, i.e., £170-225,000 is charged to the KGE sinking fund, leaving between £455-510,000 per annum available to support services, for regeneration projects or building new homes, within the Borough.

Risks

- 3.21 Council has already seen a significant increase in the capital costs of construction with the current annualised interest rates ranging from 15-22%. Should there be further delays to the construction of the projects, this will increase the burden on KGE, and would result in the interest margin adjustment having to be reviewed downwards to rebalance the cash flows within KGE, to ensure that it remains viable and can meet its debts as they fall due in the ordinary course of business.
- 3.22 These figures are subject to Council's final approval on all the remaining unapproved development projects.

4. Other considerations

- 4.1 The projections agreed by the KGE Board in June 2021 showed a closing cash balance of £91.8m as at 31 March 2021.
- 4.2 The major factors changing the projections from June 2021 to the revised projections (7 April 2021) are as follows:

	£m savings (costs)	£m
Closing cash balance from KGE Board approved projections (June 2021)		96.7
Reduction in housing rental income (appendix D)	(51.4)	
Reduction in commercial rental income (appendix D)	(32.3)	
Capital contribution from the NHS (1.7 above)	34.2	
Subtotal of savings (costs)		(49.5)
Closing cash balances 7 April 2022 £m		47.2

5. Equality and Diversity

- 5.1 In meeting the housing needs of local residents and by utilising the surplus funds for the benefit of most of the residents in the Borough, these proposals meet with the Council's requirements for equity and diversity.

6. Sustainability/Climate Change Implications

- 6.1 Whilst these proposals do not impact on the sustainability and climate change, they will provide SBC with the funds required to support service and regeneration initiatives that do.
- 6.2 Further, the development properties are being designed with the environment and current fuel crisis in mind, for example, the installation of heat pumps, within our latest property to be approved at Victory Place. We fully expect to see further changes that will benefit the environment into the remaining properties once approved.

7. Timetable for implementation

- 7.1 The above information is indicative at this stage as Council is yet to approve the building height for several development properties and therefore, the due to the current uncertainty, officers are recommending that this is implemented from 1 April 2027.
- 7.2 Proposal also to go to the KGE Board in April 2022

Background papers: There are none.

Appendices:

Appendix A – Projected cashflow for the 50 years ended 31 March 2072 as at 7 April 2022

Appendix B – Projected profit and loss account for the 50 years ended 31 March 2072 as at 7 April 2022

Appendix C - Projected balance sheet for the 50 years ended 31 March 2072 as at 7 April 2022

Appendix D – Summary of the major changes in assumptions between the projections agreed by the KGE Board in June 2021 and circulated to Council and the revised position as at 7 April 2022, which is subject to final approval from Council.

Knowle Green Estates Ltd
Financial forecasts for the year ending 31 March

	Total Mar-22 £	Total Mar-23 £	Total Mar-24 £	Total Mar-25 £	Total Mar-26 £	Total Mar-27 £	Total Mar-28 £	Total Mar-29 £	Total Mar-30 £	Total Mar-31 £	Total Mar-32 £
APPENDIX A - CASH FLOW											
	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32
Trading receipts											
Rental received	701,481	1,105,731	1,044,907	1,857,206	3,293,924	8,147,108	9,629,530	9,686,467	9,743,973	9,802,054	9,860,716
Sundry debtor receipts	9,000	-	-	-	-	-	-	-	-	-	-
	<u>710,481</u>	<u>1,105,731</u>	<u>1,044,907</u>	<u>1,857,206</u>	<u>3,293,924</u>	<u>8,147,108</u>	<u>9,629,530</u>	<u>9,686,467</u>	<u>9,743,973</u>	<u>9,802,054</u>	<u>9,860,716</u>
Supplier (trade creditor) payments	(547,906)	(595,004)	(663,080)	(811,551)	(885,618)	(894,474)	(903,419)	(912,453)	(921,577)	(930,793)	(960,101)
Sundry creditor payments	(135,789)	-	-	-	-	-	-	-	-	-	-
Capital expenditure payments	(15,150,000)	-	-	(57,190,000)	(149,690,000)	-	-	-	-	-	-
	<u>(15,833,695)</u>	<u>(595,004)</u>	<u>(663,080)</u>	<u>(58,001,551)</u>	<u>(150,575,618)</u>	<u>(894,474)</u>	<u>(903,419)</u>	<u>(912,453)</u>	<u>(921,577)</u>	<u>(930,793)</u>	<u>(960,101)</u>
Operating cash inflow/(outflow)	<u>(15,123,214)</u>	<u>510,727</u>	<u>381,826</u>	<u>(56,144,345)</u>	<u>(147,281,693)</u>	<u>7,252,634</u>	<u>8,726,112</u>	<u>8,774,014</u>	<u>8,822,396</u>	<u>8,871,261</u>	<u>8,900,615</u>
Financing & Other Receipts											
Loans	15,150,000	-	-	57,190,000	149,690,000	-	-	-	-	-	-
Financing & Other Payments											
Loan repayments capital and Interest	(149,061)	(479,465)	(700,629)	(700,629)	(2,026,695)	(3,675,331)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)
	<u>(149,061)</u>	<u>(479,465)</u>	<u>(700,629)</u>	<u>(700,629)</u>	<u>(2,026,695)</u>	<u>(3,675,331)</u>	<u>(8,703,722)</u>	<u>(8,703,722)</u>	<u>(8,703,722)</u>	<u>(8,703,722)</u>	<u>(8,703,722)</u>
Net monthly cash inflow/(outflow)	<u>(122,275)</u>	<u>31,262</u>	<u>(318,803)</u>	<u>345,026</u>	<u>381,611</u>	<u>3,577,303</u>	<u>22,390</u>	<u>70,292</u>	<u>118,674</u>	<u>167,539</u>	<u>196,893</u>
B/fwd balance	225,449	(53,358)	(22,096)	(340,899)	4,127	385,738	3,963,041	3,985,431	4,055,724	4,174,398	4,341,937
C/fwd balance	<u>(53,358)</u>	<u>(22,096)</u>	<u>(340,899)</u>	<u>4,127</u>	<u>385,738</u>	<u>3,963,041</u>	<u>3,985,431</u>	<u>4,055,724</u>	<u>4,174,398</u>	<u>4,341,937</u>	<u>4,538,830</u>

As at 7 April 2022

Knowle Green Estates Ltd
Financial forecasts for the year ending 31 March

	Total Mar-33 £	Total Mar-34 £	Total Mar-35 £	Total Mar-36 £	Total Mar-37 £	Total Mar-38 £	Total Mar-39 £	Total Mar-40 £	Total Mar-41 £	Total Mar-42 £	Total Mar-43 £
APPENDIX A - CASH FLOW											
	Mar-33	Mar-34	Mar-35	Mar-36	Mar-37	Mar-38	Mar-39	Mar-40	Mar-41	Mar-42	Mar-43
Trading receipts											
Rental received	9,919,964	9,979,805	10,040,244	10,101,288	10,162,942	10,225,213	10,288,107	10,351,629	10,415,787	10,480,586	10,546,033
Sundry debtor receipts	-	-	-	-	-	-	-	-	-	-	-
	<u>9,919,964</u>	<u>9,979,805</u>	<u>10,040,244</u>	<u>10,101,288</u>	<u>10,162,942</u>	<u>10,225,213</u>	<u>10,288,107</u>	<u>10,351,629</u>	<u>10,415,787</u>	<u>10,480,586</u>	<u>10,546,033</u>
Supplier (trade creditor) payments	(959,502)	(1,115,997)	(1,127,157)	(1,008,273)	(1,058,056)	(1,022,936)	(1,518,915)	(1,017,995)	(1,098,175)	(2,144,456)	(1,058,841)
Sundry creditor payments	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure payments	-	-	-	-	-	-	-	-	-	-	-
	<u>(959,502)</u>	<u>(1,115,997)</u>	<u>(1,127,157)</u>	<u>(1,008,273)</u>	<u>(1,058,056)</u>	<u>(1,022,936)</u>	<u>(1,518,915)</u>	<u>(1,017,995)</u>	<u>(1,098,175)</u>	<u>(2,144,456)</u>	<u>(1,058,841)</u>
Operating cash inflow/(outflow)	<u>8,960,462</u>	<u>8,863,808</u>	<u>8,913,088</u>	<u>9,093,015</u>	<u>9,104,887</u>	<u>9,202,277</u>	<u>8,769,191</u>	<u>9,333,634</u>	<u>9,317,612</u>	<u>8,336,130</u>	<u>9,487,192</u>
Financing & Other Receipts											
Loans	-	-	-	-	-	-	-	-	-	-	-
Financing & Other Payments											
Loan repayments capital and Interest	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)
	<u>-</u>										
Net monthly cash inflow/(outflow)	<u>256,741</u>	<u>160,087</u>	<u>209,366</u>	<u>389,294</u>	<u>401,165</u>	<u>498,555</u>	<u>65,470</u>	<u>629,913</u>	<u>613,890</u>	<u>(367,592)</u>	<u>783,471</u>
B/fwd balance	4,538,830	4,795,571	4,955,657	5,165,023	5,554,317	5,955,482	6,454,038	6,519,507	7,149,420	7,763,310	7,395,718
C/fwd balance	<u>4,795,571</u>	<u>4,955,657</u>	<u>5,165,023</u>	<u>5,554,317</u>	<u>5,955,482</u>	<u>6,454,038</u>	<u>6,519,507</u>	<u>7,149,420</u>	<u>7,763,310</u>	<u>7,395,718</u>	<u>8,179,189</u>

Knowle Green Estates Ltd
Financial forecasts for the year ending 31 March

	Total Mar-44 £	Total Mar-45 £	Total Mar-46 £	Total Mar-47 £	Total Mar-48 £	Total Mar-49 £	Total Mar-50 £	Total Mar-51 £	Total Mar-52 £	Total Mar-53 £	Total Mar-54 £
APPENDIX A - CASH FLOW											
	Mar-44	Mar-45	Mar-46	Mar-47	Mar-48	Mar-49	Mar-50	Mar-51	Mar-52	Mar-53	Mar-54
Trading receipts											
Rental received	10,612,135	10,678,897	10,746,328	10,814,432	10,883,218	10,952,691	11,022,860	11,093,729	11,165,308	11,237,602	11,310,620
Sundry debtor receipts	-	-	-	-	-	-	-	-	-	-	-
	<u>10,612,135</u>	<u>10,678,897</u>	<u>10,746,328</u>	<u>10,814,432</u>	<u>10,883,218</u>	<u>10,952,691</u>	<u>11,022,860</u>	<u>11,093,729</u>	<u>11,165,308</u>	<u>11,237,602</u>	<u>11,310,620</u>
Supplier (trade creditor) payments	(3,552,329)	(3,377,923)	(1,140,622)	(1,121,428)	(1,192,342)	(1,113,366)	(1,124,499)	(1,195,744)	(1,237,102)	(1,193,573)	(1,838,159)
Sundry creditor payments	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure payments	-	-	-	-	-	-	-	-	-	-	-
	<u>(3,552,329)</u>	<u>(3,377,923)</u>	<u>(1,140,622)</u>	<u>(1,121,428)</u>	<u>(1,192,342)</u>	<u>(1,113,366)</u>	<u>(1,124,499)</u>	<u>(1,195,744)</u>	<u>(1,237,102)</u>	<u>(1,193,573)</u>	<u>(1,838,159)</u>
Operating cash inflow/(outflow)	<u>7,059,805</u>	<u>7,300,975</u>	<u>9,605,706</u>	<u>9,693,004</u>	<u>9,690,876</u>	<u>9,839,326</u>	<u>9,898,360</u>	<u>9,897,985</u>	<u>9,928,206</u>	<u>10,044,030</u>	<u>9,472,461</u>
Financing & Other Receipts											
Loans	-	-	-	-	-	-	-	-	-	-	-
Financing & Other Payments											
Loan repayments capital and Interest	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)
	<u>-</u>										
Net monthly cash inflow/(outflow)	<u>(1,643,916)</u>	<u>(1,402,747)</u>	<u>901,984</u>	<u>989,283</u>	<u>987,154</u>	<u>1,135,604</u>	<u>1,194,639</u>	<u>1,194,264</u>	<u>1,224,485</u>	<u>1,340,308</u>	<u>768,740</u>
B/fwd balance	8,179,189	6,535,273	5,132,526	6,034,510	7,023,792	8,010,946	9,146,550	10,341,189	11,535,453	12,759,937	14,100,245
C/fwd balance	<u>6,535,273</u>	<u>5,132,526</u>	<u>6,034,510</u>	<u>7,023,792</u>	<u>8,010,946</u>	<u>9,146,550</u>	<u>10,341,189</u>	<u>11,535,453</u>	<u>12,759,937</u>	<u>14,100,245</u>	<u>14,868,985</u>

Knowle Green Estates Ltd
Financial forecasts for the year ending 31 March

	Total Mar-55 £	Total Mar-56 £	Total Mar-57 £	Total Mar-58 £	Total Mar-59 £	Total Mar-60 £	Total Mar-61 £	Total Mar-62 £	Total Mar-63 £	Total Mar-64 £	Total Mar-65 £
APPENDIX A - CASH FLOW											
	Mar-55	Mar-56	Mar-57	Mar-58	Mar-59	Mar-60	Mar-61	Mar-62	Mar-63	Mar-64	Mar-65
Trading receipts											
Rental received	11,384,367	11,458,852	11,534,082	11,610,064	11,686,806	11,764,316	11,842,600	11,921,667	12,001,525	12,082,182	12,163,645
Sundry debtor receipts	-	-	-	-	-	-	-	-	-	-	-
	<u>11,384,367</u>	<u>11,458,852</u>	<u>11,534,082</u>	<u>11,610,064</u>	<u>11,686,806</u>	<u>11,764,316</u>	<u>11,842,600</u>	<u>11,921,667</u>	<u>12,001,525</u>	<u>12,082,182</u>	<u>12,163,645</u>
Supplier (trade creditor) payments	(1,181,860)	(1,293,679)	(1,205,615)	(1,217,672)	(1,229,848)	(1,242,147)	(1,254,568)	(2,363,114)	(1,289,785)	(3,785,583)	(1,305,509)
Sundry creditor payments	-	-	-	-	-	-	-	-	-	-	-
Capital expenditure payments	-	-	-	-	-	-	-	-	-	-	-
	<u>(1,181,860)</u>	<u>(1,293,679)</u>	<u>(1,205,615)</u>	<u>(1,217,672)</u>	<u>(1,229,848)</u>	<u>(1,242,147)</u>	<u>(1,254,568)</u>	<u>(2,363,114)</u>	<u>(1,289,785)</u>	<u>(3,785,583)</u>	<u>(1,305,509)</u>
Operating cash inflow/(outflow)	<u>10,202,507</u>	<u>10,165,174</u>	<u>10,328,467</u>	<u>10,392,393</u>	<u>10,456,958</u>	<u>10,522,169</u>	<u>10,588,032</u>	<u>9,558,553</u>	<u>10,711,740</u>	<u>8,296,599</u>	<u>10,858,136</u>
Financing & Other Receipts											
Loans	-	-	-	-	-	-	-	-	-	-	-
Financing & Other Payments											
Loan repayments capital and interest	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)	(8,703,722)
	<u>-</u>										
Net monthly cash inflow/(outflow)	<u>1,498,786</u>	<u>1,461,452</u>	<u>1,624,745</u>	<u>1,688,671</u>	<u>1,753,236</u>	<u>1,818,447</u>	<u>1,884,310</u>	<u>854,832</u>	<u>2,008,019</u>	<u>(407,123)</u>	<u>2,154,415</u>
B/fwd balance	14,868,985	16,367,771	17,829,223	19,453,968	21,142,639	22,895,875	24,714,322	26,598,632	27,453,464	29,461,483	29,054,360
C/fwd balance	<u>16,367,771</u>	<u>17,829,223</u>	<u>19,453,968</u>	<u>21,142,639</u>	<u>22,895,875</u>	<u>24,714,322</u>	<u>26,598,632</u>	<u>27,453,464</u>	<u>29,461,483</u>	<u>29,054,360</u>	<u>31,208,775</u>

As at 7 April 2022

Knowle Green Estates Ltd
Financial forecasts for the year ending 31 March

Total Mar-66 £	Total Mar-67 £	Total Mar-68 £	Total Mar-69 £	Total Mar-70 £	Total Mar-71 £	Total Mar-72 £
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APPENDIX A - CASH FLOW

Mar-66	Mar-67	Mar-68	Mar-69	Mar-70	Mar-71	Mar-72
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Trading receipts

Rental received	12,245,923	12,329,024	12,412,955	12,497,726	12,583,345	12,669,819	12,757,159
Sundry debtor receipts	-	-	-	-	-	-	-
	<u>12,245,923</u>	<u>12,329,024</u>	<u>12,412,955</u>	<u>12,497,726</u>	<u>12,583,345</u>	<u>12,669,819</u>	<u>12,757,159</u>

Supplier (trade creditor) payments

Supplier (trade creditor) payments	(3,626,564)	(1,401,750)	(1,370,067)	(1,869,518)	(1,372,103)	(1,456,824)	(1,471,392)
Sundry creditor payments	-	-	-	-	-	-	-
Capital expenditure payments	-	-	-	-	-	-	-
	<u>(3,626,564)</u>	<u>(1,401,750)</u>	<u>(1,370,067)</u>	<u>(1,869,518)</u>	<u>(1,372,103)</u>	<u>(1,456,824)</u>	<u>(1,471,392)</u>

Operating cash inflow/(outflow)

	<u>8,619,359</u>	<u>10,927,274</u>	<u>11,042,888</u>	<u>10,628,208</u>	<u>11,211,242</u>	<u>11,212,995</u>	<u>11,285,767</u>
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Financing & Other Receipts

Loans	-	-	-	-	-	-	-
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Financing & Other Payments

Loan repayments capital and Interest	(8,703,722)	(8,703,722)	(8,703,722)	(8,538,417)	(8,526,630)	(8,526,630)	(7,194,287)
	<u>(84,363)</u>	<u>2,223,552</u>	<u>2,339,166</u>	<u>2,089,791</u>	<u>2,684,612</u>	<u>2,686,366</u>	<u>4,091,480</u>

Net monthly cash inflow/(outflow)

B/fwd balance	31,208,775	31,124,413	33,347,965	35,687,131	37,776,922	40,461,534	43,147,900
C/fwd balance	<u>31,124,413</u>	<u>33,347,965</u>	<u>35,687,131</u>	<u>37,776,922</u>	<u>40,461,534</u>	<u>43,147,900</u>	<u>47,239,380</u>

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Knowle Green Estates Ltd

Financial forecasts for the year ending 31 March

	Total Mar-22 £	Total Mar-23 £	Total Mar-24 £	Total Mar-25 £	Total Mar-26 £	Total Mar-27 £	Total Mar-28 £	Total Mar-29 £	Total Mar-30 £	Total Mar-31 £	Total Mar-32 £
APPENDIX B - PROFIT & LOSS ACCOUNT											
Rental Income	772,651	1,108,644	1,119,731	1,970,827	3,419,613	8,473,346	9,633,310	9,690,284	9,747,829	9,805,948	9,864,649
Direct Materials Costs	(217,506)	(257,996)	(319,332)	(460,928)	(527,982)	(533,262)	(538,594)	(543,980)	(549,420)	(554,914)	(580,464)
Direct Labour Costs	-	-	-	-	-	-	-	-	-	-	-
Gross profit	555,145	850,648	800,399	1,509,899	2,891,631	7,940,084	9,094,716	9,146,304	9,198,408	9,251,034	9,284,185
Wages and Salaries	-	-	-	-	-	-	-	-	-	-	-
Other overheads (exc. Depreciation and Interest)	(330,400)	(337,008)	(343,748)	(350,623)	(357,636)	(361,212)	(364,824)	(368,472)	(372,157)	(375,879)	(379,637)
EBITDA	224,745	513,640	456,650	1,159,276	2,533,995	7,578,872	8,729,891	8,777,832	8,826,251	8,875,155	8,904,548
Interest on loans	(335,833)	(484,183)	(478,802)	(1,448,974)	(3,163,249)	(6,544,262)	(6,484,941)	(6,422,952)	(6,359,680)	(6,294,023)	(6,226,438)
Profit before depreciation	(111,087)	29,457	(22,152)	(289,698)	(629,254)	1,034,610	2,244,950	2,354,880	2,466,572	2,581,132	2,678,110
Depreciation	(428,789)	(438,539)	(438,539)	(1,253,039)	(2,594,606)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)
Profit before taxation	(539,877)	(409,082)	(460,691)	(1,542,737)	(3,223,860)	(3,498,490)	(2,288,150)	(2,178,220)	(2,066,528)	(1,951,968)	(1,854,990)
Taxation	-	-	-	-	-	-	-	-	-	-	-
Profit after taxation	(539,877)	(409,082)	(460,691)	(1,542,737)	(3,223,860)	(3,498,490)	(2,288,150)	(2,178,220)	(2,066,528)	(1,951,968)	(1,854,990)
Dividends	-	-	-	-	-	-	-	-	-	-	-
Retained profit/(loss)	(539,877)	(409,082)	(460,691)	(1,542,737)	(3,223,860)	(3,498,490)	(2,288,150)	(2,178,220)	(2,066,528)	(1,951,968)	(1,854,990)
Cumulative profit/(loss)	(539,877)	(409,082)	(460,691)	(1,542,737)	(3,223,860)	(3,498,490)	(2,288,150)	(2,178,220)	(2,066,528)	(1,951,968)	(1,854,990)

As at 7 April 2022

Knowle Green Estates Ltd

Financial forecasts for the year ending 31 March

	Total Mar-33 £	Total Mar-34 £	Total Mar-35 £	Total Mar-36 £	Total Mar-37 £	Total Mar-38 £	Total Mar-39 £	Total Mar-40 £	Total Mar-41 £	Total Mar-42 £	Total Mar-43 £
APPENDIX B - PROFIT & LOSS ACCOUNT											
Rental Income	9,923,937	9,983,817	10,044,297	10,105,381	10,167,076	10,229,388	10,292,324	10,355,888	10,420,088	10,484,931	10,550,421
Direct Materials Costs	(576,068)	(728,729)	(736,016)	(613,221)	(659,053)	(619,943)	(1,111,893)	(606,902)	(682,971)	(1,725,100)	(635,291)
Direct Labour Costs	-	-	-	-	-	-	-	-	-	-	-
Gross profit	9,347,869	9,255,089	9,308,281	9,492,161	9,508,024	9,609,445	9,180,431	9,748,986	9,737,118	8,759,830	9,915,130
Wages and Salaries	-	-	-	-	-	-	-	-	-	-	-
Other overheads (exc. Depreciation and Interest)	(383,434)	(387,268)	(391,141)	(395,052)	(399,003)	(402,993)	(407,023)	(411,093)	(415,204)	(419,356)	(423,549)
EBITDA	8,964,435	8,867,820	8,917,140	9,097,108	9,109,021	9,206,452	8,773,408	9,337,894	9,321,914	8,340,474	9,491,580
Interest on loans	(6,156,866)	(6,085,244)	(6,015,584)	(5,977,547)	(5,900,811)	(5,821,810)	(5,740,473)	(5,656,727)	(5,570,497)	(5,481,707)	(5,390,275)
Profit before depreciation	2,807,569	2,782,577	2,901,556	3,119,562	3,208,210	3,384,642	3,032,935	3,681,167	3,751,417	2,858,768	4,101,306
Depreciation	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)
Profit before taxation	(1,725,531)	(1,750,523)	(1,631,544)	(1,413,538)	(1,324,890)	(1,148,458)	(1,500,165)	(851,933)	(781,683)	(1,674,332)	(431,794)
Taxation	-	-	-	-	-	-	-	-	-	-	-
Profit after taxation	(1,725,531)	(1,750,523)	(1,631,544)	(1,413,538)	(1,324,890)	(1,148,458)	(1,500,165)	(851,933)	(781,683)	(1,674,332)	(431,794)
Dividends	-	-	-	-	-	-	-	-	-	-	-
Retained profit/(loss)	(1,725,531)	(1,750,523)	(1,631,544)	(1,413,538)	(1,324,890)	(1,148,458)	(1,500,165)	(851,933)	(781,683)	(1,674,332)	(431,794)
Cumulative profit/(loss)											

As at 7 April 2022

Knowle Green Estates Ltd

Financial forecasts for the year ending 31 March

	Total Mar-44 £	Total Mar-45 £	Total Mar-46 £	Total Mar-47 £	Total Mar-48 £	Total Mar-49 £	Total Mar-50 £	Total Mar-51 £	Total Mar-52 £	Total Mar-53 £	Total Mar-54 £
APPENDIX B - PROFIT & LOSS ACCOUNT											
Rental Income	10,616,567	10,683,374	10,750,849	10,818,999	10,887,830	10,957,350	11,027,564	11,098,481	11,170,107	11,242,450	11,315,516
Direct Materials Costs	(3,124,544)	(2,945,860)	(704,238)	(680,681)	(747,188)	(663,759)	(670,397)	(737,101)	(773,872)	(725,711)	(1,365,618)
Direct Labour Costs	-	-	-	-	-	-	-	-	-	-	-
Gross profit	7,492,022	7,737,514	10,046,610	10,138,318	10,140,642	10,293,590	10,357,167	10,361,380	10,396,235	10,516,739	9,949,898
Wages and Salaries	-	-	-	-	-	-	-	-	-	-	-
Other overheads (exc. Depreciation and Interest)	(427,785)	(432,063)	(436,383)	(440,747)	(445,155)	(449,606)	(454,102)	(458,643)	(463,230)	(467,862)	(472,541)
EBITDA	7,064,238	7,305,451	9,610,227	9,697,571	9,695,488	9,843,984	9,903,065	9,902,737	9,933,006	10,048,877	9,477,357
Interest on loans	(5,296,119)	(5,199,155)	(5,095,130)	(4,992,180)	(4,886,147)	(4,776,932)	(4,657,902)	(4,509,103)	(4,388,230)	(4,263,697)	(4,135,388)
Profit before depreciation	1,768,118	2,106,297	4,515,097	4,705,390	4,809,341	5,067,052	5,245,163	5,393,634	5,544,775	5,785,180	5,341,969
Depreciation	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)
Profit before taxation	(2,764,982)	(2,426,803)	(18,003)	172,290	276,241	533,952	712,063	860,534	1,011,675	1,252,080	808,869
Taxation	-	-	-	-	-	-	-	-	-	-	-
Profit after taxation	(2,764,982)	(2,426,803)	(18,003)	172,290	276,241	533,952	712,063	860,534	1,011,675	1,252,080	808,869
Dividends	-	-	-	-	-	-	-	-	-	-	-
Retained profit/(loss)	(2,764,982)	(2,426,803)	(18,003)	172,290	276,241	533,952	712,063	860,534	1,011,675	1,252,080	808,869
Cumulative profit/(loss)											

As at 7 April 2022

Knowle Green Estates Ltd

Financial forecasts for the year ending 31 March

	Total Mar-55 £	Total Mar-56 £	Total Mar-57 £	Total Mar-58 £	Total Mar-59 £	Total Mar-60 £	Total Mar-61 £	Total Mar-62 £	Total Mar-63 £	Total Mar-64 £	Total Mar-65 £
APPENDIX B - PROFIT & LOSS ACCOUNT											
Rental Income	11,389,312	11,463,847	11,539,126	11,615,159	11,691,952	11,769,513	11,847,849	11,926,969	12,006,880	12,087,590	12,169,107
Direct Materials Costs	(704,594)	(811,640)	(718,756)	(725,944)	(733,203)	(740,535)	(747,941)	(1,851,420)	(772,974)	(3,263,604)	(778,310)
Direct Labour Costs	-	-	-	-	-	-	-	-	-	-	-
Gross profit	10,684,718	10,652,207	10,820,370	10,889,215	10,958,748	11,028,977	11,099,908	10,075,549	11,233,906	8,823,986	11,390,797
Wages and Salaries	-	-	-	-	-	-	-	-	-	-	-
Other overheads (exc. Depreciation and Interest)	(477,266)	(482,039)	(486,859)	(491,728)	(496,645)	(501,611)	(506,628)	(511,694)	(516,811)	(521,979)	(527,199)
EBITDA	10,207,452	10,170,168	10,333,511	10,397,487	10,462,103	10,527,366	10,593,281	9,563,855	10,717,095	8,302,007	10,863,598
Interest on loans	(4,003,182)	(3,866,956)	(3,726,581)	(3,587,458)	(3,438,515)	(3,285,014)	(3,127,849)	(2,965,856)	(2,880,889)	(2,710,740)	(2,535,327)
Profit before depreciation	6,204,270	6,303,212	6,606,930	6,810,030	7,023,589	7,242,352	7,465,432	6,597,999	7,836,205	5,591,268	8,328,271
Depreciation	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)
Profit before taxation	1,671,170	1,770,112	2,073,830	2,276,930	2,490,489	2,709,252	2,932,332	2,064,899	3,303,105	1,058,168	3,795,171
Taxation	-	-	-	-	-	-	-	-	-	-	-
Profit after taxation	1,671,170	1,770,112	2,073,830	2,276,930	2,490,489	2,709,252	2,932,332	2,064,899	3,303,105	1,058,168	3,795,171
Dividends	-	-	-	-	-	-	-	-	-	-	-
Retained profit/(loss)	1,671,170	1,770,112	2,073,830	2,276,930	2,490,489	2,709,252	2,932,332	2,064,899	3,303,105	1,058,168	3,795,171
Cumulative profit/(loss)											

As at 7 April 2022

Knowle Green Estates Ltd
Financial forecasts for the year ending 31 March

Total Mar-66 £	Total Mar-67 £	Total Mar-68 £	Total Mar-69 £	Total Mar-70 £	Total Mar-71 £	Total Mar-72 £
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APPENDIX B - PROFIT & LOSS ACCOUNT

Rental Income	12,251,440	12,334,595	12,418,583	12,503,410	12,589,085	12,675,617	12,763,015
Direct Materials Costs	(3,094,093)	(863,954)	(826,894)	(1,320,913)	(818,012)	(897,192)	(906,164)
Direct Labour Costs	-	-	-	-	-	-	-
Gross profit	9,157,346	11,470,641	11,591,689	11,182,497	11,771,073	11,778,426	11,856,851
Wages and Salaries	-	-	-	-	-	-	-
Other overheads (exc. Depreciation and Interest)	(532,471)	(537,795)	(543,173)	(548,605)	(554,091)	(559,632)	(565,228)
EBITDA	8,624,876	10,932,846	11,048,516	10,633,892	11,216,982	11,218,794	11,291,623
Interest on loans	(2,352,659)	(2,172,236)	(1,940,676)	(1,743,713)	(1,541,208)	(1,332,343)	(1,049,294)
Profit before depreciation	6,272,217	8,760,610	9,107,840	8,890,179	9,675,774	9,886,450	10,242,329
Depreciation	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)	(4,533,100)
Profit before taxation	1,739,117	4,227,510	4,574,740	4,357,079	5,142,674	5,353,350	5,709,229
Taxation	-	-	-	-	-	-	-
Profit after taxation	1,739,117	4,227,510	4,574,740	4,357,079	5,142,674	5,353,350	5,709,229
Dividends	-	-	-	-	-	-	-
Retained profit/(loss)	1,739,117	4,227,510	4,574,740	4,357,079	5,142,674	5,353,350	5,709,229
Cumulative profit/(loss)							

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Knowle Green Estates Ltd
Financial forecasts for the year ending 31 March

	Total Mar-22 £	Total Mar-23 £	Total Mar-24 £	Total Mar-25 £	Total Mar-26 £	Total Mar-27 £	Total Mar-28 £	Total Mar-29 £	Total Mar-30 £	Total Mar-31 £	Total Mar-32 £
APPENDIX C - BALANCE SHEET											
	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30	Mar-31	Mar-32
Fixed assets											
Tangible	19,263,483	18,824,943	18,386,404	74,323,365	221,418,759	216,885,659	212,352,559	207,819,459	203,286,359	198,753,259	194,220,159
	19,263,483	18,824,943	18,386,404	74,323,365	221,418,759	216,885,659	212,352,559	207,819,459	203,286,359	198,753,259	194,220,159
Current assets											
Trade debtors	71,170	74,083	148,908	262,528	388,217	714,455	718,235	722,053	725,909	729,803	733,736
Sundry & prepayments	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999
VAT	-	-	-	-	-	-	-	-	-	-	-
Bank	-	-	-	4,127	385,738	3,963,041	3,985,431	4,055,724	4,174,398	4,341,937	4,538,830
	74,169	77,082	151,907	269,654	776,954	4,680,496	4,706,666	4,780,776	4,903,305	5,074,739	5,275,565
Current liabilities (negative input)											
Bank overdraft	(53,358)	(22,096)	(340,899)	-	-	-	-	-	-	-	-
Trade creditors	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)
VAT	-	-	-	-	-	-	-	-	-	-	-
PWLB Capital Creditor	(143,632)	(216,446)	(221,827)	(577,722)	(512,081)	(2,159,460)	(2,218,780)	(2,280,770)	(2,344,042)	(2,409,698)	(2,477,283)
Sundry & accruals	-	-	-	-	-	-	-	-	-	-	-
Corporation tax	-	-	-	-	-	-	-	-	-	-	-
PWLB Loan Interest Creditor	(335,833)	(484,183)	(478,802)	(1,448,974)	(3,163,249)	(6,544,262)	(6,484,941)	(6,422,952)	(6,359,680)	(6,294,023)	(6,226,438)
Loans	(307,468)	(307,468)	(307,468)	(841,046)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)
	(851,100)	(1,041,003)	(1,359,806)	(2,878,550)	(5,881,980)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)
Net current assets	(776,931)	(963,920)	(1,207,899)	(2,608,896)	(5,105,026)	(6,229,876)	(6,203,706)	(6,129,596)	(6,007,066)	(5,835,633)	(5,634,806)
Creditors: Amounts falling due >1 year											
Loans	(19,312,286)	(19,095,840)	(18,874,013)	(74,952,714)	(222,775,838)	(220,616,378)	(218,397,598)	(216,116,828)	(213,772,786)	(211,363,088)	(208,885,805)
Provisions for liabilities & charges											
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-
Net Assets	(825,735)	(1,234,817)	(1,695,508)	(3,238,245)	(6,462,105)	(9,960,595)	(12,248,745)	(14,426,965)	(16,493,494)	(18,445,462)	(20,300,452)
Share capital & reserves											
Share Capital	1	1	1	1	1	1	1	1	1	1	1
Capital Redemption Reserve	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)
P+L Account Brought Forward	(712,085)	(1,121,322)	(1,577,715)	(3,018,335)	(5,772,703)	(9,685,299)	(11,982,505)	(14,169,970)	(16,245,937)	(18,207,542)	(20,072,373)
P+L Account	(34,027)	(33,873)	(38,171)	(140,289)	(609,780)	(195,674)	(186,618)	(177,373)	(167,935)	(158,298)	(148,457)
	(825,735)	(1,234,817)	(1,695,508)	(3,238,245)	(6,462,105)	(9,960,595)	(12,248,745)	(14,426,965)	(16,493,494)	(18,445,462)	(20,300,452)

As at 7 April 2022

Knowle Green Estates Ltd
Financial forecasts for the year ending 31 March

Total Mar-33 £	Total Mar-34 £	Total Mar-35 £	Total Mar-36 £	Total Mar-37 £	Total Mar-38 £	Total Mar-39 £	Total Mar-40 £	Total Mar-41 £	Total Mar-42 £	Total Mar-43 £
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APPENDIX C - BALANCE SHEET

	Mar-33	Mar-34	Mar-35	Mar-36	Mar-37	Mar-38	Mar-39	Mar-40	Mar-41	Mar-42	Mar-43
Fixed assets											
Tangible	189,687,059	185,153,959	180,620,859	176,087,759	171,554,659	167,021,559	162,488,459	157,955,359	153,422,259	148,889,159	144,356,059
	189,687,059	185,153,959	180,620,859	176,087,759	171,554,659	167,021,559	162,488,459	157,955,359	153,422,259	148,889,159	144,356,059
Current assets											
Trade debtors	737,709	-	745,774	749,867	754,000	758,176	762,393	766,652	770,954	775,298	779,687
Sundry & prepayments	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999
VAT	-	-	-	-	-	-	-	-	-	-	-
Bank	4,795,571	4,955,657	5,165,023	5,554,317	5,955,482	6,454,038	6,519,507	7,149,420	7,763,310	7,395,718	8,179,189
	5,536,278	4,958,656	5,913,796	6,307,182	6,712,482	7,215,212	7,284,899	7,919,071	8,537,263	8,174,016	8,961,875
Current liabilities (negative input)											
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-
Trade creditors	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)
VAT	-	-	-	-	-	-	-	-	-	-	-
PWLB Capital Creditor	(2,546,856)	(2,618,478)	(2,688,138)	(2,726,175)	(2,802,910)	(2,881,911)	(2,963,249)	(3,046,995)	(3,133,224)	(3,222,015)	(3,313,447)
Sundry & accruals	-	-	-	-	-	-	-	-	-	-	-
Corporation tax	-	-	-	-	-	-	-	-	-	-	-
PWLB Loan Interest Creditor	(6,156,866)	(6,085,244)	(6,015,584)	(5,977,547)	(5,900,811)	(5,821,810)	(5,740,473)	(5,656,727)	(5,570,497)	(5,481,707)	(5,390,275)
Loans	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)
	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)
Net current assets	(5,374,093)	(5,951,715)	(4,996,576)	(4,603,189)	(4,197,890)	(3,695,159)	(3,625,472)	(2,991,300)	(2,373,108)	(2,736,356)	(1,948,497)
Creditors: Amounts falling due >1 year											
Loans	(206,338,949)	(203,720,471)	(201,032,333)	(198,306,158)	(195,503,247)	(192,621,336)	(189,658,087)	(186,611,093)	(183,477,868)	(180,255,853)	(176,942,406)
Provisions for liabilities & charges											
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-
Net Assets	(22,025,983)	(24,518,227)	(25,408,050)	(26,821,588)	(28,146,479)	(29,294,936)	(30,795,101)	(31,647,035)	(32,428,718)	(34,103,050)	(34,534,844)
Share capital & reserves											
Share Capital	1	1	1	1	1	1	1	1	1	1	1
Capital Redemption Reserve	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)
P+L Account Brought Forward	(21,807,954)	(23,568,743)	(25,208,268)	(26,631,451)	(27,967,167)	(29,126,686)	(30,638,153)	(31,501,637)	(32,295,126)	(33,981,525)	(34,425,657)
P+L Account	(138,407)	(128,141)	(120,160)	(110,515)	(99,689)	(88,629)	(77,326)	(65,776)	(53,970)	(41,903)	(29,566)
	(22,025,983)	(23,776,506)	(25,408,050)	(26,821,588)	(28,146,479)	(29,294,936)	(30,795,101)	(31,647,035)	(32,428,718)	(34,103,050)	(34,534,844)

As at 7 April 2022

Knowle Green Estates Ltd
Financial forecasts for the year ending 31 March

Total Mar-44 £	Total Mar-45 £	Total Mar-46 £	Total Mar-47 £	Total Mar-48 £	Total Mar-49 £	Total Mar-50 £	Total Mar-51 £	Total Mar-52 £	Total Mar-53 £	Total Mar-54 £
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APPENDIX C - BALANCE SHEET

	Mar-44	Mar-45	Mar-46	Mar-47	Mar-48	Mar-49	Mar-50	Mar-51	Mar-52	Mar-53	Mar-54
Fixed assets											
Tangible	139,822,959	135,289,859	130,756,759	126,223,659	121,690,559	117,157,459	112,624,359	108,091,259	103,558,159	99,025,059	94,491,959
	139,822,959	135,289,859	130,756,759	126,223,659	121,690,559	117,157,459	112,624,359	108,091,259	103,558,159	99,025,059	94,491,959
Current assets											
Trade debtors	784,119	788,595	793,116	797,683	802,295	806,953	811,658	816,410	821,209	826,056	830,952
Sundry & prepayments	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999
VAT	-	-	-	-	-	-	-	-	-	-	-
Bank	6,535,273	5,132,526	6,034,510	7,023,792	8,010,946	9,146,550	10,341,189	11,535,453	12,759,937	14,100,245	14,868,985
	7,322,390	5,924,120	6,830,625	7,824,474	8,816,240	9,956,503	11,155,846	12,354,861	13,584,145	14,929,301	15,702,936
Current liabilities (negative input)											
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-
Trade creditors	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)
VAT	-	-	-	-	-	-	-	-	-	-	-
PWLB Capital Creditor	(3,407,603)	(3,504,567)	(3,608,592)	(3,711,541)	(3,817,575)	(3,926,790)	(4,045,820)	(4,194,618)	(4,315,491)	(4,440,024)	(4,568,334)
Sundry & accruals	-	-	-	-	-	-	-	-	-	-	-
Corporation tax	-	-	-	-	-	-	-	-	-	-	-
PWLB Loan Interest Creditor	(5,296,119)	(5,199,155)	(5,095,130)	(4,992,180)	(4,886,147)	(4,776,932)	(4,657,902)	(4,509,103)	(4,388,230)	(4,263,697)	(4,135,388)
Loans	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)
	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)
Net current assets	(3,587,981)	(4,986,251)	(4,079,746)	(3,085,897)	(2,094,131)	(953,869)	245,475	1,444,490	2,673,774	4,018,929	4,792,565
Creditors: Amounts falling due >1 year											
Loans	(173,534,804)	(170,030,237)	(166,421,645)	(162,710,104)	(158,892,529)	(154,965,739)	(150,919,919)	(146,725,301)	(142,409,809)	(137,969,785)	(133,401,451)
Provisions for liabilities & charges											
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-
Net Assets	(37,299,826)	(39,726,629)	(39,744,632)	(39,572,342)	(39,296,101)	(38,762,149)	(38,050,086)	(37,189,552)	(36,177,877)	(34,925,797)	(34,116,928)
Share capital & reserves											
Share Capital	1	1	1	1	1	1	1	1	1	1	1
Capital Redemption Reserve	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)
P+L Account Brought Forward	(37,203,252)	(39,642,953)	(39,674,494)	(39,515,703)	(39,253,271)	(38,733,446)	(38,039,103)	(37,193,484)	(36,197,073)	(34,960,619)	(34,167,746)
P+L Account	(16,952)	(4,054)	9,483	22,983	36,792	50,919	68,639	83,553	98,818	114,444	130,440
	(37,299,826)	(39,726,629)	(39,744,632)	(39,572,342)	(39,296,101)	(38,762,149)	(38,050,086)	(37,189,552)	(36,177,877)	(34,925,797)	(34,116,928)

As at 7 April 2022

Knowle Green Estates Ltd
Financial forecasts for the year ending 31 March

	Total Mar-55 £	Total Mar-56 £	Total Mar-57 £	Total Mar-58 £	Total Mar-59 £	Total Mar-60 £	Total Mar-61 £	Total Mar-62 £	Total Mar-63 £	Total Mar-64 £	Total Mar-65 £
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APPENDIX C - BALANCE SHEET

	Mar-55	Mar-56	Mar-57	Mar-58	Mar-59	Mar-60	Mar-61	Mar-62	Mar-63	Mar-64	Mar-65
Fixed assets											
Tangible	89,958,859	85,425,759	80,892,659	76,359,559	71,826,459	67,293,359	62,760,259	58,227,159	53,694,059	49,160,959	44,627,859
	89,958,859	85,425,759	80,892,659	76,359,559	71,826,459	67,293,359	62,760,259	58,227,159	53,694,059	49,160,959	44,627,859
Current assets											
Trade debtors	835,897	840,891	845,935	851,030	856,176	861,373	866,622	871,923	877,278	882,686	888,148
Sundry & prepayments	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999	2,999
VAT	-	-	-	-	-	-	-	-	-	-	-
Bank	16,367,771	17,829,223	19,453,968	21,142,639	22,895,875	24,714,322	26,598,632	27,453,464	29,461,483	29,054,360	31,208,775
	17,206,667	18,673,113	20,302,902	21,996,668	23,755,050	25,578,694	27,468,253	28,328,386	30,341,760	29,940,045	32,099,922
Current liabilities (negative input)											
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-
Trade creditors	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)
VAT	-	-	-	-	-	-	-	-	-	-	-
PWLB Capital Creditor	(4,700,539)	(4,836,766)	(4,977,141)	(5,116,264)	(5,265,207)	(5,418,708)	(5,575,873)	(5,737,865)	(5,822,832)	(5,992,982)	(6,168,394)
Sundry & accruals	-	-	-	-	-	-	-	-	-	-	-
Corporation tax	-	-	-	-	-	-	-	-	-	-	-
PWLB Loan Interest Creditor	(4,003,182)	(3,866,956)	(3,726,581)	(3,587,458)	(3,438,515)	(3,285,014)	(3,127,849)	(2,965,856)	(2,880,889)	(2,710,740)	(2,535,327)
Loans	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)	(2,195,841)
	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)	(10,910,371)
Net current assets	6,296,295	7,762,742	9,392,531	11,086,297	12,844,678	14,668,323	16,557,882	17,418,015	19,431,388	19,029,674	21,189,551
Creditors: Amounts falling due >1 year											
Loans	(128,700,912)	(123,864,146)	(118,887,006)	(113,770,742)	(108,505,535)	(103,086,827)	(97,510,954)	(91,773,089)	(85,950,257)	(79,957,274)	(73,788,880)
Provisions for liabilities & charges											
Deferred taxation	-	-	-	-	-	-	-	-	-	-	-
Net Assets	(32,445,758)	(30,675,646)	(28,601,816)	(26,324,887)	(23,834,398)	(21,125,146)	(18,192,814)	(16,127,915)	(12,824,810)	(11,766,642)	(7,971,471)
Share capital & reserves											
Share Capital	1	1	1	1	1	1	1	1	1	1	1
Capital Redemption Reserve	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)
P+L Account Brought Forward	(32,512,955)	(30,759,614)	(28,702,960)	(26,443,160)	(23,970,680)	(21,279,878)	(18,366,362)	(16,320,745)	(13,030,565)	(11,992,486)	(8,217,906)
P+L Account	146,819	163,590	180,765	197,896	215,905	234,354	253,171	272,452	285,377	305,466	326,057
	(32,445,758)	(30,675,646)	(28,601,816)	(26,324,887)	(23,834,398)	(21,125,146)	(18,192,814)	(16,127,915)	(12,824,810)	(11,766,642)	(7,971,471)

As at 7 April 2022

Knowle Green Estates Ltd
Financial forecasts for the year ending 31 March

Total Mar-66 £	Total Mar-67 £	Total Mar-68 £	Total Mar-69 £	Total Mar-70 £	Total Mar-71 £	Total Mar-72 £
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APPENDIX C - BALANCE SHEET

	Mar-66	Mar-67	Mar-68	Mar-69	Mar-70	Mar-71	Mar-72
Fixed assets							
Tangible	40,094,759	35,561,659	31,028,559	26,495,459	21,962,359	17,429,259	12,896,159
	<u>40,094,759</u>	<u>35,561,659</u>	<u>31,028,559</u>	<u>26,495,459</u>	<u>21,962,359</u>	<u>17,429,259</u>	<u>12,896,159</u>
Current assets							
Trade debtors	893,664	899,236	904,864	910,548	916,289	922,087	927,943
Sundry & prepayments	2,999	2,999	2,999	2,999	2,999	2,999	2,999
VAT	-	-	-	-	-	-	-
Bank	31,124,413	33,347,965	35,687,131	37,776,922	40,461,534	43,147,900	47,239,380
	<u>32,021,076</u>	<u>34,250,200</u>	<u>36,594,994</u>	<u>38,690,469</u>	<u>41,380,822</u>	<u>44,072,986</u>	<u>48,170,322</u>
Current liabilities (negative input)							
Bank overdraft	-	-	-	-	-	-	-
Trade creditors	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)	(10,809)
VAT	-	-	-	-	-	-	-
PWLB Capital Creditor	(6,351,063)	(6,531,486)	(6,597,742)	(6,782,916)	(6,985,421)	(7,194,287)	(6,992,248)
Sundry & accruals	-	-	-	-	-	-	-
Corporation tax	-	-	-	-	-	-	-
PWLB Loan Interest Creditor	(2,352,659)	(2,172,236)	(1,940,676)	(1,743,713)	(1,541,208)	(1,332,343)	(2,381,637)
Loans	(2,195,841)	(2,059,482)	(2,048,310)	(2,048,310)	(2,048,310)	(1,925,008)	(1,888,372)
	<u>(10,910,371)</u>	<u>(10,774,012)</u>	<u>(10,597,536)</u>	<u>(10,585,748)</u>	<u>(10,585,748)</u>	<u>(10,462,447)</u>	<u>(11,273,066)</u>
Net current assets	21,110,705	23,476,188	25,997,458	28,104,721	30,795,073	33,610,539	36,897,256
Creditors: Amounts falling due >1 year							
Loans	(67,437,817)	(61,042,690)	(54,456,121)	(47,673,204)	(40,687,783)	(33,616,797)	(26,661,186)
Provisions for liabilities & charges							
Deferred taxation	-	-	-	-	-	-	-
Net Assets	<u>(6,232,354)</u>	<u>(2,004,844)</u>	2,569,896	6,926,975	12,069,649	17,423,000	23,132,228
Share capital & reserves							
Share Capital	1	1	1	1	1	1	1
Capital Redemption Reserve	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)	(79,623)
P+L Account Brought Forward	(6,499,557)	(2,293,683)	2,255,332	6,589,799	11,709,277	17,038,831	22,726,215
P+L Account	346,825	368,461	394,186	416,799	439,994	463,791	485,636
	<u>(6,232,354)</u>	<u>(2,004,844)</u>	2,569,896	6,926,975	12,069,649	17,423,000	23,132,229

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Major changes to the assumptions between KGE Board approved projections and revised projections for the repatriation of profit.

Officers have highlighted below the major changes to the assumptions between the original version agreed by the KGE Board and shared with Council in June 2021 and the latest set of projections as at 7 April 2022.

This means that

A -There are no changes to the PWLB interest rates used, as we had erred on the slightly higher side in the original projections

B - There was not a significant change in the percentage split between affordable housing and private rentals and therefore the total combined interest rates have not changed.

C - Based on the actual profiling of other related costs over the last year, officers have assessed that there is no material change required to the projections.

D - officers do not expect any potential increases in the PWLB interest rate to exceed those used in the original projections.

Estimated Practical Completion Date

	Was	Now
Oast House	Nov-25	Dec-25
Thameside	Jun-24	Feb-26
Victory Place	Dec-23	Jun-24
Benwell phase II	Oct-22	Oct-24
Ashford Multi storey car park	Dec-25	unchanged
West Wing	May-21	Dec-21

This will cause delays to rental cash inflows

Capital costs

	Was	Now
Oast House	£105.1m	£71.4m NHS on board
Thameside	£60.9m	£62.8m
Victory Place	£33.0m	£36.4m
Benwell phase I	£9.3m	£9.3m
Benwell phase II	£20.8m	£20.8m
Ashford Multi storey car park	£15.5m	£15.5m
West Wing	£5.9m	£5.9m

Number of apartments

	Was	Now
Oast House	216	182 *
Thameside	140	104 *
Victory Place	127	127 *
Benwell phase I	55	55
Benwell phase II	39	39
Ashford Multi storey car park	48	48
West Wing	25	25

*Configuration of apartment sizes has changed.

Major changes to the assumptions between KGE Board approved projections and revised projections for the repatriation of profit.

Apartment configuration change for Thameside

	Was	Now
1 bed - 50:50 AH:PRS	69	
2 bed - 50:50 AH:PRS	67	
3 bed - 50:50 AH:PRS	4	
1 bed/2p - PRS		2
2 bed/4p - PRS		27
3 bed/5p - PRS		4
2 bed/4p - AH		27
1 bed/2p - PRS		22
1 bed/2p - AH		7
2 bed/4p - AH		15
	<u>140</u>	<u>104</u>

Monthly residential rental income £000s

	Was	Now
Oast House	226.5	208.6
Thameside	165.4	112.9
Victory Place	131.5	116.3
Benwell phase I	53.9	53.9
Benwell phase II	43.7	43.7
Ashford Multi storey car park	47.0	47.0
West Wing	22.2	22.2
	<u>690.2</u>	<u>604.6</u>

A difference of £ -85.6 k per month
-1,027.2 k per annum

Monthly commercial rental income £000s

	Was	Now
Oast House	47.7	17.9
Thameside	124.1	100.0
Victory Place	0.0	0.0
Benwell phase I	0.0	0.0
Benwell phase II	0.0	0.0
Ashford Multi storey car park	6.7	6.7
West Wing	0.0	0.0
	<u>178.5</u>	<u>124.6</u>

A difference of £ -53.9 k per month
-646.8 k per annum

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Corporate Policy & Resources Committee



20 April 2022

Title	2021/22 Revenue carry forwards to 2022/23
Purpose of the report	To make a decision
Report Author	Paul Taylor Chief Accountant
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Affordable Housing Recovery Environment Service Delivery
Recommendations	The Committee is asked to agree the attached requests for 2021/22 revenue expenditure to be carried forward to 2022/23. Should the carry forwards exceed the underspend at year the Committee is asked to delegate the prioritisation of these requests to the Chair and Vice Chair of this Committee, along with the three members of MAT.
Reason for Recommendation	In accordance with our financial regulations, the Committee is asked to approve the requests for 2021/22 revenue expenditure carry forward into 2022/23.

1. Key issues

- 1.1 Subject to the yearend outturn report indicating that there is an underspend, the Committee is asked to approve the 2021/22 revenue expenditure items listed in Appendix A for carry over into 2022/23.
- 1.2 In the event that the request for carry forwards exceed the value of the final outturn, the Committee is asked to delegate the final decision to the Chair and Vice Chair of this Committee along with the three colleagues on MAT.

2. Options analysis and proposal

- 2.1 This is an annual process and if the outturn report for the year end (officers are currently working on the report) shows an overspend, this report will be withdrawn.
- 2.2 There are no other options to discuss, as each request needs to be evaluated and approved, or not by the Committee.

3. Financial implications

- 3.1 In aggregate, this means that £ 135,113 of 2021/22 revenue expenditure will be moved into 2022/23 and the relevant 2022/23 budgets will be adjusted.
- 3.2 There is an expectation that this expenditure will be fully spent by 30 June 2022.
- 3.3 At the end of the process, any unspent funds will be returned to the general fund.
- 4. Other considerations**
 - 4.1 None.
- 5. Equality and Diversity**
 - 5.1 Most requests will impact on the whole Borough, with the request for grants having more of an impact on our vulnerable residents.
- 6. Sustainability/Climate Change Implications**
 - 6.1 By carrying forward the request for Green Initiatives, we will be ensuring that the Council has sufficient funds to deliver on the carbon reduction strategy.
- 7. Timetable for implementation**
 - 7.1 All 2021/22 revenue expenditure carried forward, will be spent by 30 June 2022.

Background papers: There are none.

Appendices:

Appendix A – list of 2021/22 revenue expenditure items to be carried forward in to 2022/23.

Spelthorne Borough Council
Carry forward requests 2021/22

Appendix A
14/04/2022

GL Code	Account Description	Budget 21/22 £	Spend 21/22 £	Unspent budget £	Amount requested to be carried forward £	Comments
318024899	General Grants	257,500	235,800	21,700	21,700	Carry forward of unallocated grant money in 21/22
141011001	Leisure Admin Salaries	50,000	-	50,000	50,000	Carry forward of unallocated consultant fees to support tender and procurement of leisure centre operator contract in 2022/23
301034960	Better Neighbourhood Grant	78,000	59,311	18,689	18,413	Carry forward of unallocated grant money in 21/22
315041011	Corporate Project Management Temp. staff	24,000	8,334	15,666	15,000	This money is needed to carry forward to continue to pay for FOI assistance especially as under resourced and unable to recruit into information Governance Officer post
315051011	Corporate Back Scanning Temp. staff	40,000	7,808	32,192	30,000	£12k is to pay for data capture team extra costs and to cover next years costs for project management and climate change training as this will need to be undertaken with the assistance of external resources due to limited internal resources.
					135,113	

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