

North East Wales Homes LTD

Draft Business Plan  
2017/22



Working in partnership with Flintshire County Council

**North East Wales Homes LTD  
Business plan 2017 - 2022**

**Our Corporate Objectives**

NEW Homes has the following Corporate Objectives:

- To increase the range of housing options for the “squeezed middle” housing market.
- To provide a competitive offer to landlords to encourage growth of the private rented sector.
- To use the income derived from Company assets and activity to help support the affordable offer to tenants.
- To build an asset base to enable a long term vision of building future affordable homes.
- To stay true to the commitment to increase access to affordable housing.
- To provide a professional service with financial stability for NEW homes.

**Growth Strategy**

NEW Homes growth strategy contains three key strands to increase the number of new, affordable units within NEW Homes housing portfolio. The plan assumes a steady growth to 211 units by 2021/22. The three strands are as follows:

**Strategic Housing and Regeneration Programme (SHARP)**

The business plan includes the Walks scheme, Flint a new build scheme of 62 affordable houses and apartments. The capital funding is to be provided from the council in the form of a 45 year annuity loan. The loan is due to be signed on the 31<sup>st</sup> March 2017 and the rate will be agreed at point of transfer.

Further schemes are not included in the business plan at this stage as they are only in early discussions.

The table below shows the properties received to date and projected dates of future pipeline properties.

<b>Total Stock Numbers</b>	<b>2015.16</b>	<b>2016.17</b>	<b>2017.18</b>	<b>2018.19</b>	<b>2019.20</b>	<b>2020.21</b>	<b>2021.22</b>
SHARP 2 Bed House Affordable	0	0	23	0	0	0	0
SHARP 3 Bed House Affordable	0	0	15	0	0	0	0
SHARP 1 Bed Apartment	0	0	6	0	0	0	0
SHARP 2 Bed Apartment	0	0	18	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### **Gifted Units**

NEW Homes currently have 33 gifted units and are anticipating to receive a further 26 homes over the next 5 years from developers meeting their affordable housing provision obligations through Section 106 Agreements.

The table below shows the properties received to date and projected dates of future pipeline properties.

<b>Total Stock Numbers</b>	<b>2015.16</b>	<b>2016.17</b>	<b>2017.18</b>	<b>2018.19</b>	<b>2019.20</b>	<b>2020.21</b>	<b>2021.22</b>
S106 1 Bed Units	0	0	0	0		0	0
S106 2 Bed Units	13	10	2	5	5	5	5
S106 3 Bed Units	8	2	4	0	0	0	0
S106 4 Bed Units	0	0	0	0	0	0	0
<b>Total</b>	<b>21</b>	<b>12</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>

### **Pipeline properties 2017/18**

Northop 2 \* 3 bed houses April 2017

Ewloe 2 \* 3 bed houses June 2017

Ewloe 2 \* 2 bed houses June 2017

### **Pipeline properties July 2018/19**

Kinnerton 5 \* 2 bed houses

The plan assumes that NEW Homes will have 57 gifted units by 2021/22.

### **Managed Lettings Units**

The private rented sector is increasingly becoming the tenure of choice for those unable to access mortgage finance. Research suggests there are a number of investors happy to invest in property, but not keen to take on management responsibilities.

The managed offer enables NEW Homes to increase its affordable offer in Flintshire, NEW Homes currently has 29 units within this portfolio.

The plan reflects steady growth in the budget and forecasts a further 70 managed lettings by the end of 2021/22. The plan assumes the following products are available for our customers:-

- Full managed offer
- Over 55's Housing choice

<b>Total Stock Numbers</b>	<b>2015.16</b>	<b>2016.17</b>	<b>2017.18</b>	<b>2018.19</b>	<b>2019.20</b>	<b>2020.21</b>	<b>2021.22</b>
1 Bed Managed Lettings	3	1	0	0	0	0	0
2 Bed Managed Lettings	14	1	7	7	7	7	7
3 Bed Managed Lettings	13	-5	7	7	7	7	7
4 Bed Managed Lettings	2	0	0	0	0	0	0
HMO	1	-1	0	0	0	0	0
Over 55's 3 bed Housing choice	1	0	0	0	0	0	0
<b>total Stock</b>	<b>34</b>	<b>-4</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>

Growth has been slow in 2016/17 compared to 2015/16 however NEW homes have managed to retain the majority of landlords once signed. The increased growth in future years reflects the recruitment of a full time lettings negotiator to increase the managed business.

The plan assumes that NEW Homes will have 92 managed units by the end of 2021/22.

The relative costs of running this service, as compared to the company's other business activities and the level of competition that is being faced have raised questions about continued investment in this service. However this service does contribute towards the corporate objective to increase the range of options of affordable provision and NEW homes have committed to use income from activities to support this aim. The council agreed at the end of 2016/17 to provide grant funding for a post to enable continued growth in this area.

The over 55's housing choice does not assume any growth. If a home owner decides to go ahead with the scheme, it is dependent on the availability of Council sheltered property in the area they choose, this is sometimes restricted by availability of stock particularly in high demand areas. Whilst this offer is one which NEW Homes would like to remain in their portfolio of products it is also one which is likely to have low take-up.

There may be further scope with this scheme once the SHARP portfolio becomes available. A small new build with low maintenance may also be appealing to potential over 55's which could increase uptake.

## Business plan assumptions

### **Inflation**

Assumed at CPI @ 1.3% for all SHARP and S106 properties, rent review will take place annually. A rent review on managed units is to be introduced annually, currently it is only on change of tenant. No inflation increases are shown in the business plan as a prudent measure.

### **Rental income**

Rent levels will be set at 90% of market value or LHA whichever is higher for all properties. Market value will be set by an independent letting agent when property valuations take place.

### **General income**

General income assumptions are as follows:

- Full managed offer charged at 10% of rental income plus a £195 set up fee
- Over 55's housing choice charged at 25% of rental income to reflect the increased risk of leasing the property.

### **Voids rent loss**

- 1.50% of rental income for all landlord units.

### **Bad Debt Provision**

- 1.00% of rental income for S106 and SHARP units
- 8.00% of rental income for 'over 55' units, based on 2 month's rent loss.

### **Routine repair and Cyclical repair**

- £408 per unit for S106 and SHARP units which includes gas and electrical safety checks.

### **Major Repairs**

As all S106 properties are currently under 5 years old no budget has been provided for major repairs in 2017/18. Budget is included from 2019/20 at 0.6% of asset value. Further analysis is currently being undertaken to agree the costs of a capital replacement scheme for the gifted units.

The SHARP unit's replacement scheme are based on £22.7k per property (pre inflation) over the 45 year life.

## Five year Profit and Loss Forecast

### North East Wales Homes LTD Profit and Loss Forecast

	Actual	Actual	Estimated	Year 1	Year 2	Year 3	Year 4	Year 5
All Units	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>								
Rent Receivable	(52.5)	(96.7)	(161.9)	(402.6)	(644.1)	(683.9)	(723.9)	(765.0)
Management fee income	(5.2)	(23.4)	(30.1)	(22.2)	(30.9)	(39.7)	(48.4)	(57.1)
Sign up Income	0.0		(1.5)	(2.8)	(2.8)	(2.9)	(2.9)	(2.9)
Grant income				(35.0)	(35.0)	(35.0)	(35.0)	(35.0)
Voids rent loss	0.0		0.0	6.0	9.7	10.3	10.9	11.5
<b>Net Rental Income</b>	<b>(57.7)</b>	<b>(120.2)</b>	<b>(193.5)</b>	<b>(456.5)</b>	<b>(703.2)</b>	<b>(751.2)</b>	<b>(799.3)</b>	<b>(848.6)</b>
<b>Direct Costs</b>								
Sign up costs			0.0	1.3	0.3	0.3	0.3	0.3
Routine repair and Cyclical costs			6.5	20.3	28.4	37.4	40.4	57.1
General Management Costs	39.1	94.1	156.8	186.2	194.2	197.1	200.1	203.1
Loan Arrangement Fee			73.8					
Bad Debt Provision			0.0	4.0	6.4	6.8	7.2	7.6
Major Repairs costs			0.0	0.0	0.0	33.5	37.1	40.7
<b>Total Operating Costs</b>	<b>39.1</b>	<b>94.1</b>	<b>237.1</b>	<b>211.8</b>	<b>229.4</b>	<b>275.2</b>	<b>285.1</b>	<b>308.8</b>
<b>Financing Costs</b>								
Interest Payable	0.3	0.3	0.0	0.0	226.6	224.2	221.7	219.1
<b>Total Financing Costs</b>	<b>0.3</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>226.6</b>	<b>224.2</b>	<b>221.7</b>	<b>219.1</b>
<b>(Profit)/Loss Before Tax</b>	<b>(18.4)</b>	<b>(25.8)</b>	<b>43.6</b>	<b>(244.7)</b>	<b>(247.2)</b>	<b>(251.8)</b>	<b>(292.6)</b>	<b>(320.7)</b>
Corporation Tax	3.7	5.2	0.0	41.0	42.0	44.0	51.0	55.8
<b>(Profit)/Loss after Tax</b>	<b>(14.7)</b>	<b>(20.6)</b>	<b>43.6</b>	<b>(203.7)</b>	<b>(205.2)</b>	<b>(207.9)</b>	<b>(241.7)</b>	<b>(264.9)</b>
<b>Cumulative Retained Surplus</b>	<b>(14.7)</b>	<b>(35.3)</b>	<b>8.3</b>	<b>(195.4)</b>	<b>(400.6)</b>	<b>(608.5)</b>	<b>(850.1)</b>	<b>(1,115.0)</b>

## Five Year Profit and Loss Forecast – S106 properties

### North East Wales Homes LTD Profit and Loss Forecast

S106	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income From Lettings</b>						
Rent Receivable	(165.2)	(238.3)	(261.5)	(296.3)	(331.2)	(367.2)
Management fee Income	0.0	0.0	0.0	0.0	0.0	0.0
Grant income	0.0	0.0	0.0	0.0	0.0	0.0
Sign up Income	0.0	0.0	0.0	0.0	0.0	0.0
Voids rent loss	2.5	3.6	3.9	4.4	5.0	5.5
<b>Net Rental Income</b>	<b>(162.8)</b>	<b>(234.7)</b>	<b>(257.6)</b>	<b>(291.8)</b>	<b>(326.2)</b>	<b>(361.7)</b>
<b>Operating Costs</b>						
Sign up costs	0.2	0.1	0.1	0.1	0.1	0.1
Routine repair and Cyclical costs	10.8	14.7	17.3	19.7	22.3	25.0
Cyclical costs	0.0	0.0	0.0	0.0	0.0	0.0
General Management Costs	59.8	68.5	59.7	59.8	60.6	61.4
Bad Debt Provision	1.7	2.4	2.6	3.0	3.3	3.7
Major Repairs costs	0.0	0.0	0.0	33.5	37.1	40.7
Depreciation charges	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Operating Costs</b>	<b>72.4</b>	<b>85.7</b>	<b>79.6</b>	<b>116.0</b>	<b>123.3</b>	<b>130.8</b>
Interest Payable	0.0	0.0	0.0	0.0	0.0	0.0
<b>(Surplus)/Deficit Before Tax</b>	<b>(90.4)</b>	<b>(149.0)</b>	<b>(177.9)</b>	<b>(175.8)</b>	<b>(202.9)</b>	<b>(230.9)</b>

## Five Year Profit and Loss Forecast – Managed Units

### North East Wales Homes LTD Profit and Loss Forecast

Managed units	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income From Lettings</b>						
Rent Receivable	0.0	0.0	0.0	0.0	0.0	0.0
Management fee Income	4.0	(22.2)	(30.9)	(39.7)	(48.4)	(57.1)
Grant income	0.0	(35.0)	(35.0)	(35.0)	(35.0)	(35.0)
Sign up Income	0.8	(2.8)	(2.8)	(2.9)	(2.9)	(2.9)
Voids rent loss	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Rental Income</b>	<b>4.8</b>	<b>(60.0)</b>	<b>(68.7)</b>	<b>(77.5)</b>	<b>(86.3)</b>	<b>(95.1)</b>
<b>Operating Costs</b>						
Sign up costs	(0.1)	0.2	0.2	0.2	0.2	0.2
Routine repair and Cyclical costs	0.0	0.0	0.0	0.0	0.0	0.0
Cyclical costs	0.0	0.0	0.0	0.0	0.0	0.0
General Management Costs	79.5	80.8	79.9	87.3	94.6	100.9
Bad Debt Provision	0.0	0.0	0.0	0.0	0.0	0.0
Major Repairs costs	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation charges	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Operating Costs</b>	<b>79.4</b>	<b>81.1</b>	<b>80.1</b>	<b>87.5</b>	<b>94.8</b>	<b>101.2</b>
Interest Payable	0.0	0.0	0.0	0.0	0.0	0.0
<b>(Surplus)/Deficit Before Tax</b>	<b>84.2</b>	<b>21.1</b>	<b>11.4</b>	<b>10.0</b>	<b>8.5</b>	<b>6.1</b>

## Five Year Profit and Loss Forecast – SHARP

### North East Wales Homes LTD Profit and Loss Forecast

SHARP	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income From Lettings</b>						
Rent Receivable	0.0	(164.3)	(382.7)	(387.6)	(392.7)	(397.8)
Management fee Income	0.0	0.0	0.0	0.0	0.0	0.0
Grant income	0.0	0.0	0.0	0.0	0.0	0.0
Sign up Income	0.0	0.0	0.0	0.0	0.0	0.0
Voids rent loss	0.0	2.5	5.7	5.8	5.9	6.0
<b>Net Rental Income</b>	<b>0.0</b>	<b>(161.9)</b>	<b>(376.9)</b>	<b>(381.8)</b>	<b>(386.8)</b>	<b>(391.8)</b>
<b>Operating Costs</b>						
Sign up costs	0.0	1.0	0.0	0.0	0.0	0.0
Routine repair and Cyclical costs	0.0	5.6	11.2	17.7	18.1	32.1
Cyclical costs	0.0	0.0	0.0	0.0	0.0	0.0
General Management Costs	19.7	36.9	54.6	50.0	44.9	40.7
Bad Debt Provision	0.0	1.6	3.8	3.9	3.9	4.0
Major Repairs costs	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation charges	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Operating Costs</b>	<b>19.7</b>	<b>45.1</b>	<b>69.6</b>	<b>71.6</b>	<b>66.9</b>	<b>76.9</b>
Interest Payable	0.0	0.0	226.6	224.2	221.7	219.1
<b>(Surplus)/Deficit Before Tax</b>	<b>19.7</b>	<b>(116.8)</b>	<b>(80.7)</b>	<b>(86.0)</b>	<b>(98.2)</b>	<b>(95.9)</b>

## General management costs

The management costs are split between the services based on the level of stock, but include a 10% additional charge taken by the gifted units split 5% contribution to SHARP and 5% contribution to managed units. The cost per unit is shown in the table below:-

Management costs p.u	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £
SHARP	1,189	881	807	725	657
S106	1,904	1,438	1,285	1,176	1,087
Managed( incl grant)	1,273	898	817	764	717
Total	1,808	1,246	1,109	999	909

### Finance Service level agreement

This service is bought back via an SLA with the Council. The SLA for 2017/18 is proposed at £32.7k (net of VAT), and includes the following:-

**Finance Director support** – 15 days for strategic planning, capital projects, Corporate Governance, risk management.

**Accountant support** – 70 days (5 days a month, plus 12 days support for budget, year end and audits) for regulatory provision, statutory accounting, annual accounts, audit, SHARP project appraisal and monitoring, management accounting, board support, treasury, investment funding and cashflows.

**Accounting Technician and Finance assistant support** – 73.6 days (6 days a month) for daily running of the transactional finances of NEWH, monthly reporting and pack and support to the accountant.

### Operational Staff

These staff are currently provided via a service level agreement with the Council.

Service Manager – 0.25 FTE

Private Sector Manager – 0.57 FTE

Lettings Negotiator – 1.00 FTE (funded by grant\*)

Travel costs - £3.5k

Total cost £86.9k (net of VAT)

\*Although grant funding is only guaranteed for 2 years, both Lettings Negotiator costs and grant income have been included throughout the plan.

### Legal Costs

£3.0k via a service level agreement with the Council.

### I.T costs

£3.3k I.T costs for Wifi, support for Landlord Manager and hosting of Sage Financials.



**Subscriptions**

£0.9k subscription costs. Membership of UKALA costing £650pa and the RLA costing £125pa.

**Consultancy/Legal Advice**

£15.0k – Anticipated for SHARP and business planning.

**Audit**

£9.2k for client account audit and audit for group accounts (inclusive of VAT).

**Bank charges**

£0.2k Bank and loan charges. e-payments account at £6.50 per month. Daily internet payments and transactions, which are the majority of our transactions, are free of charge, payments made in cash are subject to a small fee. This rises to £0.3k in 2018/19 with the increased stock.

**Marketing**

£5.0k on General marketing.

**Set up loan**

The original loan agreement from Flintshire County Council was £100k of which £25k was drawn down by NEW Homes in August 2014. The agreement is to repay this over 3 years at half yearly instalments at an interest rate of 1.83%. One payment of £4.1k remains to be paid in 2017/18.

**Depreciation**

Following advice from our accountants all properties are classified as investment units and are not depreciated but are revalued every year, any negative revaluation will be required to be taken to the profit and loss in the year of revaluation. Costs of valuing the properties each year are estimated at £1.5k.

All major repairs are taken straight to the profit and loss as revenue costs.

**Walks Annuity**

NEW Homes is due to sign up for a 45 year annuity provided by the Council on the 31<sup>st</sup> March 2017. The projected loan value is £7.55m and the business plan projects the rate at 3.00% although this will not be set until the day of transfer. Yearly interest repayments starting at £226.6k in 2017/18 are included in the business plan.

## Five Year Cash flow Forecast

### NEW Homes Cashflow Forecast

£'000	£'000	£'000	£'000	£'000
Year 1	Year 2	Year 3	Year 4	Year 5
2017/18	2018/19	2019/20	2020/21	21/22

### Operating Activities

Cash Received From Customers					
Rent - The Walks	(164.3)	(382.7)	(387.6)	(392.7)	(397.8)
Rent - S106	(238.3)	(261.5)	(296.3)	(331.2)	(367.2)
Void & Bad Debt Rent Loss	10.1	16.1	17.1	18.1	19.1
Management Fee Income	(22.2)	(30.9)	(39.7)	(48.4)	(57.1)
Sign Up Income	(2.8)	(2.8)	(2.9)	(2.9)	(2.9)
Grant Income	(35.0)	(35.0)	(35.0)	(35.0)	(35.0)
<b>Total Cash Received From Customers</b>	<b>(452.5)</b>	<b>(696.8)</b>	<b>(744.4)</b>	<b>(792.1)</b>	<b>(840.9)</b>

0.0

Cash Paid To Suppliers					
Sign up costs	1.3	0.3	0.3	0.3	0.3
Routine repair and Cyclical costs	20.3	28.4	37.4	40.4	57.1
Major Repairs costs	0.0	0.0	33.5	37.1	40.7
Management Costs	186.2	194.2	197.1	200.1	203.1
<b>Total Cash Paid to Suppliers</b>	<b>207.8</b>	<b>222.9</b>	<b>268.3</b>	<b>277.8</b>	<b>301.2</b>

<b>Net Cash From Operating Activities</b>	<b>(244.8)</b>	<b>(473.8)</b>	<b>(476.0)</b>	<b>(514.3)</b>	<b>(539.8)</b>
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### Returns On Investments & Servicing of Finance

<b>Provisions for tax</b>	<b>0.0</b>	<b>41.0</b>	<b>42.0</b>	<b>44.0</b>	<b>51.0</b>
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Investing Activities					
Acquisition And Construction Of Properties	0.0	0.0	0.0	0.0	0.0
<b>Net Cash From Investment Activities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>Net Cash Before Financing</b>	<b>(244.8)</b>	<b>(432.8)</b>	<b>(434.0)</b>	<b>(470.3)</b>	<b>(488.8)</b>
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Financing					
Debt Draw Down	0.0	0.0	0.0	0.0	0.0
Loan Arrangement Fee	74.0	0.0	0.0	0.0	0.0
Capital Repayments (Annuity)	0.0	81.5	83.9	86.4	89.0
Interest (Annuity)	0.0	226.6	224.2	221.7	219.1
Working Capital Loan	4.2	0.0	0.0	0.0	0.0
<b>Net Cash From Financing</b>	<b>78.2</b>	<b>308.1</b>	<b>308.1</b>	<b>308.1</b>	<b>308.1</b>

<b>BALANCE BROUGHT FORWARD</b>	<b>(65.5)</b>	<b>(232.1)</b>	<b>(356.8)</b>	<b>(482.7)</b>	<b>(645.0)</b>
<b>INCOME LESS PAYMENTS</b>	<b>(166.6)</b>	<b>(124.7)</b>	<b>(125.9)</b>	<b>(162.2)</b>	<b>(180.7)</b>
<b>CLOSING BANK POSITION</b>	<b>(232.1)</b>	<b>(356.8)</b>	<b>(482.7)</b>	<b>(645.0)</b>	<b>(825.7)</b>

## Annual Cash flow Forecast 2017/18

### NEW Homes Cashflow Forecast

£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
17/18	17/18	17/18	17/18	17/18	17/18	17/18	17/18	17/18	17/18	17/18	17/18	17/18

### Operating Activities

Cash Received From Customers												
Rent - The Walks	0.0	(1.7)	(3.5)	(3.5)	(4.8)	(10.6)	(17.4)	(24.4)	(20.6)	(28.2)	(24.2)	(25.3)
Rent - S106	(18.1)	(18.1)	(20.2)	(20.2)	(20.2)	(20.2)	(20.2)	(20.2)	(20.2)	(20.2)	(20.2)	(20.2)
Void & Bad Debt Rent Loss	0.5	0.5	0.6	0.6	0.6	0.8	0.9	1.1	1.0	1.2	1.1	1.1
Management Fee Income	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)	(2.2)
Sign Up Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(2.8)	0.0	0.0	0.0	0.0
Grant Income	(35.0)											
<b>Total Cash Received From Customers</b>	<b>(54.1)</b>	<b>(20.8)</b>	<b>(24.6)</b>	<b>(24.6)</b>	<b>(25.9)</b>	<b>(31.5)</b>	<b>(38.9)</b>	<b>(48.5)</b>	<b>(42.0)</b>	<b>(49.4)</b>	<b>(45.5)</b>	<b>(46.6)</b>

Cash Paid To Suppliers												
Sign up costs	0.0	0.1	0.0	0.0	0.0	0.5	0.1	0.2	0.1	0.1	0.0	0.2
Routine repair and Cyclical costs	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Major Repairs costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Management Costs	16.1	1.1	1.1	1.9	1.1	1.1	1.1	1.1	1.1	1.1	1.1	158.5
<b>Total Cash Paid to Suppliers</b>	<b>17.8</b>	<b>2.9</b>	<b>2.8</b>	<b>3.6</b>	<b>2.8</b>	<b>3.3</b>	<b>2.8</b>	<b>3.0</b>	<b>2.9</b>	<b>2.8</b>	<b>2.8</b>	<b>160.4</b>

<b>Net Cash From Operating Activities</b>	<b>(36.4)</b>	<b>(18.0)</b>	<b>(21.8)</b>	<b>(21.0)</b>	<b>(23.1)</b>	<b>(28.3)</b>	<b>(36.1)</b>	<b>(45.5)</b>	<b>(39.2)</b>	<b>(46.6)</b>	<b>(42.7)</b>	<b>113.7</b>
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### Returns On Investments & Servicing of Finance

Provisions for tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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Investing Activities												
Acquisition And Construction Of Properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Cash From Investment Activities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>Net Cash Before Financing</b>	<b>(36.4)</b>	<b>(18.0)</b>	<b>(21.8)</b>	<b>(21.0)</b>	<b>(23.1)</b>	<b>(28.3)</b>	<b>(36.1)</b>	<b>(45.5)</b>	<b>(39.2)</b>	<b>(46.6)</b>	<b>(42.7)</b>	<b>113.7</b>
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Financing												
Debt Draw Down												
Loan Arrangement Fee	74.0											
Capital Repayments (Annuity)												
Interest (Annuity)												
Working Capital Loan	4.2											
<b>Net Cash From Financing</b>	<b>78.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>BALANCE BROUGHT FORWARD</b>	<b>(65.5)</b>	<b>(23.7)</b>	<b>(41.7)</b>	<b>(63.5)</b>	<b>(84.4)</b>	<b>(107.5)</b>	<b>(135.8)</b>	<b>(171.9)</b>	<b>(217.4)</b>	<b>(256.6)</b>	<b>(303.1)</b>	<b>(345.8)</b>
<b>INCOME LESS PAYMENTS</b>	<b>41.8</b>	<b>(18.0)</b>	<b>(21.8)</b>	<b>(21.0)</b>	<b>(23.1)</b>	<b>(28.3)</b>	<b>(36.1)</b>	<b>(45.5)</b>	<b>(39.2)</b>	<b>(46.6)</b>	<b>(42.7)</b>	<b>113.7</b>
<b>CLOSING BANK POSITION</b>	<b>(23.7)</b>	<b>(41.7)</b>	<b>(63.5)</b>	<b>(84.4)</b>	<b>(107.5)</b>	<b>(135.8)</b>	<b>(171.9)</b>	<b>(217.4)</b>	<b>(256.6)</b>	<b>(303.1)</b>	<b>(345.8)</b>	<b>(232.1)</b>

## Sensitivity Analysis

Ref.	Risk		2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
		Original (profit)/loss after tax	(203.7)	(205.2)	(207.9)	(241.7)	(264.9)
		Original closing bank position	(232.1)	(356.8)	(482.7)	(645.0)	(825.7)
1	6 month delay in practical completion or in finding tenants for the Walks	Income lost	140.2	51.1	-	-	-
		Revised (profit)/loss after tax	(91.5)	(164.3)	(207.9)	(241.7)	(264.9)
		Revised closing bank position	(95.4)	(198.3)	(334.5)	(496.7)	(677.4)
2	Rent increased by 1% instead of 1.3%	Revised (profit)/loss after tax	(203.1)	(203.2)	(203.9)	(235.7)	(256.5)
		Revised closing bank position	(230.8)	(353.1)	(474.8)	(630.6)	(802.4)
3	Rent increased by 0.5% instead of 1.3%	Revised (profit)/loss after tax	(202.2)	(199.8)	(197.2)	(225.5)	(242.6)
		Revised closing bank position	(228.7)	(347.0)	(461.4)	(606.4)	(763.5)