

Appendix C – Cash Flow Projections – Beetons Way Warehouse

Figure 1 – Cash flow projection based on the warehouse being demolished and turned into a 253 space surface car park.

Beetons Way Warehouse - Cashflow Statement								
Year	-1	0	1	2	38	39	40	
Financial Year	31/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2058	31/03/2059	31/03/2060	TOTAL
Cash inflows								
- Financing - Existing Capital Receipts	(1,740,000)	1,740,000	-	-	-	-	-	-
- Financing - Strategic Priorities & MTFS Reserve	(35,000)	(70,000)	-	-	-	-	-	(105,000)
- Financing - Borrowing	-	(2,840,000)	-	-	-	-	-	(2,840,000)
- Income from car parking	-	-	(164,500)	(166,145)	(237,715)	(240,092)	(242,493)	(8,041,808)
Total Cash Inflows	(1,775,000)	(1,170,000)	(164,500)	(166,145)	(237,715)	(240,092)	(242,493)	(10,986,808)
Cash outflows								
- Development Costs	-	1,100,000	-	-	-	-	-	1,100,000
- Purchase of asset - Beetons Way Warehouse	1,740,000	-	-	-	-	-	-	1,740,000
- Borrowing Costs	-	-	144,500	144,500	144,500	144,500	144,500	5,780,000
- Initial holding costs	35,000	70,000	-	-	-	-	-	105,000
- Car Park running costs	-	-	19,000	19,380	39,533	40,324	41,130	1,147,638
Total Cash Outflows	1,775,000	1,170,000	163,500	163,880	184,033	184,824	185,630	9,872,638
Net Cash (Inflow) / Outflow	-	-	(1,000)	(2,265)	(53,682)	(55,269)	(56,863)	(1,114,171)
Assumptions:								
- Capital purchase cost in Q2 2018/19.								
- Capital demolition / construction cost in Q4 2019/20.								
- Revenue benefits start from 01/04/2020.								
- 1% inflation applied to car parking income and 2% inflation to car park running costs.								
- No inflation applied to holding costs.								
- MRP contributions start when car park becomes operational i.e. 01/04/2020 over life of 40 years.								
- Interest Rate Payable at 2.75%								

Figure 2 - Cash flow projection based on the warehouse being retained in its current use and becoming part of the council's property portfolio.

Beetons Way Warehouse - Cashflow Statement								
Year	-1	0	1	2	38	39	40	
Financial Year	31/03/2019	31/03/2020	31/03/2021	31/03/2022	31/03/2058	31/03/2059	31/03/2060	TOTAL
Cash inflows								
- Financing - Existing Capital Receipts	(1,740,000)	1,740,000	-	-	-	-	-	-
- Financing - Strategic Priorities & MTFS Reserve	(35,000)	(70,000)	-	-	-	-	-	(105,000)
- Financing - Borrowing	-	(1,940,000)	-	-	-	-	-	(1,940,000)
- Rental income	-	-	(150,465)	(150,465)	(217,450)	(217,450)	(217,450)	(6,182,875)
Total Cash Inflows	(1,775,000)	(270,000)	(150,465)	(150,465)	(217,450)	(217,450)	(217,450)	(8,227,875)
Cash outflows								
- Refurbishment Costs	-	200,000	-	-	-	-	-	200,000
- Purchase of asset - Beetons Way Warehouse	1,740,000	-	-	-	-	-	-	1,740,000
- Borrowing Costs	-	-	97,125	97,125	97,125	97,125	97,125	3,885,000
- Initial holding costs	35,000	70,000	-	-	-	-	-	105,000
- Building maintenance contribution	-	-	22,000	22,440	45,775	46,691	47,624	1,328,844
Total Cash Outflows	1,775,000	270,000	119,125	119,565	142,900	143,816	144,749	7,258,844
Net Cash (Inflow) / Outflow	-	-	(31,340)	(30,900)	(74,550)	(73,634)	(72,701)	(969,031)
<u>Assumptions:</u>								
- Capital purchase cost in Q2 2018/19.								
- Estimated capital refurbishment cost of £200,000 in Q4 2019/20.								
- Revenue benefits start from 01/04/2020.								
- Rental income at £7.50 per sq ft over 20,062 sq ft.								
- 5 year leases with 12 month void periods - compound interest at 1% per annum applied to new lease terms.								
- Building maintenance contribution of 1.10% of total capital cost.								
- 2% inflation applied to building maintenance contribution.								
- MRP contributions start when building becomes operational i.e. 01/04/2020 over life of 40 years.								
- Interest Rate Payable at 2.75%.								