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)**

Assumptions:

- 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%.