



### Report Cover Sheet

Report to:	Trust Board	
Date of the Meeting:	24 July 2019	
Agenda Item:	P1/150/19	
Title:	Financial Report Month 3	
Report prepared by:	John Andrews, Deputy Director of Finance	
Executive Lead:	James Thomson, Director of Finance	
Status of the Report:	Public	Private
	X	

Paper previously considered by:	N/A
Date & Decision:	N/A

Purpose of the Paper/Key Points for Discussion:	<p>To present the Trust's financial performance for the two months ending June 2019, noting the following:</p> <ul style="list-style-type: none"> <li>- NHSI risk rating (Strategic Outcomes Framework)</li> <li>- Income and expenditure position</li> <li>- Cost Improvement Programme delivery</li> <li>- Capital and cash profile</li> <li>- Risks to the financial position</li> </ul>
-------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Action Required:	Discuss	X
	Approve	
	For Information/Noting	X

Next steps required	The Trust Board will be informed of progress against the plan on a regular basis in accordance with the Board Reporting Cycle.
---------------------	--------------------------------------------------------------------------------------------------------------------------------

*The paper links to the following strategic priorities (please tick)*

Deliver <b>outstanding care locally</b>	X	Collaborative system <b>leadership</b> to <b>deliver better patient care</b>	X
<b>Retain and develop outstanding staff</b>	X	<b>Be enterprising</b>	
<b>Invest in research &amp; innovation</b> to deliver <b>excellent patient care</b> in the future		Maintain <b>excellent</b> quality, operational and financial <b>performance</b>	X

*The paper relates to the following Board Assurance Framework (BAF) Risks*

BAF Risk	Please Tick
1. If we do not optimise quality outcomes we will not be able to provide outstanding care	
2. If we do not prioritise the costs of the delivering the Transforming Cancer Care Programme we will not be able to maintain our long-term financial strength and make appropriate strategic investments.	
3. If we do not have the right infrastructure (estate, communication & engagement, information and technology) we will be unable to deliver care close to home.	X
4. If we do not have the right innovative workforce solutions including education and development, we will not have the right skills, in the right place, at the right time to deliver the outstanding care.	
5. If we do not have an organisational culture that promotes positive staff engagement and excellent health and well-being we will not be able to retain and attract the right workforce.	
6. If we fail to implement and optimise digital technology we will not deliver optimal patient outcomes and operational effectiveness.	
7. If we fail to position the organisation as a credible research partner we will limit patient access to clinical trials and affect our reputation as a specialist centre delivering excellent patient care in the future.	
8. If we do not retain system-wide leadership, for example, SRO for Cancer Alliance and influence the National Cancer Policy, we will not have the right influence on the strategic direction to deliver outstanding cancer services for the population of Cheshire & Merseyside.	
9. If we do not support and invest in entrepreneurial ideas and adapt to changes in national priorities and market conditions we will stifle innovative cancer services for the future.	
10. If we do not continually support, lead and prioritise improved quality, operational and financial performance, we will not provide safe, efficient and effective cancer services.	X

Equality & Diversity Impact Assessment		
Are there concerns that the policy/service could have an adverse impact on:	YES	NO
Age		X
Disability		X
Gender		X
Race		X
Sexual Orientation		X
Gender Reassignment		X
Religion/Belief		X
Pregnancy and Maternity		X

If YES to one or more of the above please add further detail and identify if a full impact assessment is required.

**Trust Board**  
**24<sup>th</sup> July 2019**

**Financial Performance**

**1. Introduction**

- 1.1 This paper provides a summary of the Trust's financial performance for June 2019, the third month of the 2019-20 year.

Colleagues are asked to note the content of the report, and the associated risks.

**2. Summary Financial Performance**

- 2.1 For June the key financial headlines are:

Metric	M3 Actual	M3 Plan	Variance	YTD Actual	YTD Plan	Variance	Risk RAG
NHSI SoF	3	1	2	3	1	2	
NHSI Control Total	139	80	59	706	614	92	
Cost Improvement Programme	146	150	-4	446	445	1	
Cash holding	51,815	51,001	814	51,815	51,001	814	
Capital Expenditure	4,499	4,303	196	17,369	12,711	4,658	

- 2.2 The key drivers of the positions are:

- **Income has overachieved plan by £2.865m (£0.525m in month).** This is due to clinical income being £2.739m over plan, of which £2.435m relates to drug income, matched by expenditure.
- **Expenditure is overspent by £2.943m (£0.648m in month).** Consistent with the income position, mostly due to drug expenditure being £2.169.m (£0.401m in month) above plan. Other non-pay variances are due to budget phasing.
- **Cash held is still ahead of plan by £0.814m.** The decrease in cash from M2 to M3 of £7.839m has been used to pay creditors of £7.7m and there has been a reduction in debtors in month of £0.963m.
- **Capital expenditure is £4.658m above plan.** As noted previously, this relates to TCC and a catch up in expenditure slipped from 2018/19.

**3. Regulator Profile (Strategic Outcomes Framework)**

- 3.1 The Trust is regulated by NHS Improvement, and a series of financial metrics are used every month to determine financial risk (Strategic Outcomes Framework assessment). The Trust aims to achieve an overall financial risk assessment of at least a 2.
- 3.2 For June, the Trust's performance against these metrics are detailed in the following table. The agency expenditure metric is significantly below plan. This is due to the operational requirement to employ locum clinicians to deliver patient care. The medical agency usage covers all of the clinical directorates. Due to the costs incurred

in June, the agency rating has remained as a 4 (highest risk). The Trust recognises the risks associated with the agency expenditure position and the issue is a separate item on July's Performance Committee agenda.

- 3.3 It should be noted that because the agency metric is a 4, the overall Trust metric cannot be higher than a 3. However, given the underlying positive financial and operational position, NHSI will continue to rate the Trust as 'Segment 1', least risk.

Metric	M3 Actual	M3 Plan	Comment	Previous Period
<b>Overall Rating</b>	<b>3</b>	<b>1</b>	<b>Risk Rating worse than planned - due to agency</b>	<b>2</b>
Capital Service Cover Ratio	3	3	As expected	3
Liquidity	1	1	Based on Trust cash holding	1
I&E Margin	1	1	As expected	1
Variance from Control Total	1	1	Delivering Control Total	1
Agency	4	1	Spend of £509k against ceiling cap of £285k	4

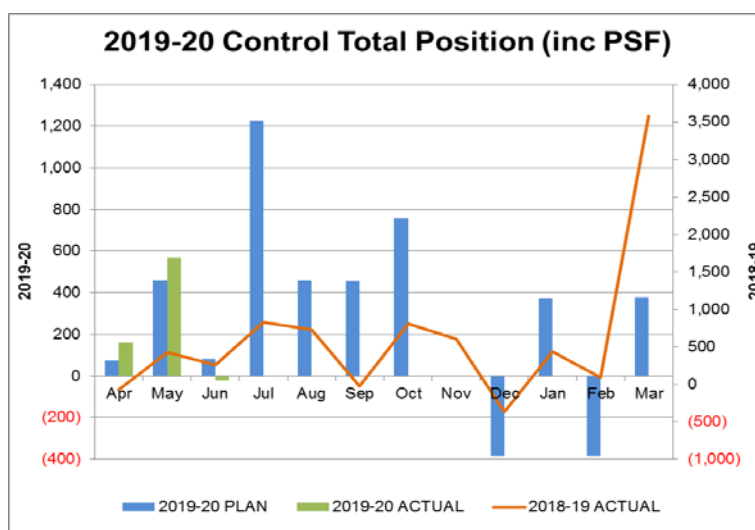
#### 4. Operational Financial Profile – Income and Expenditure

##### 4.1 Overall Income and Expenditure Position

- 4.1.1 The cumulative consolidated financial position of the Trust and subsidiaries for is a surplus above the NHSI control total of £92k. The I&E margin is 0.8%. However, the in-month position shows an actual deficit of £21k and adverse performance against plan by £101k.

- 4.1.2 The table below summarises. Please see Appendix 1 for the more detailed I&E.

Metric (£000)	M3 Actual	M3 Plan	Variance	YTD Actual	YTD Plan	YTD Variance	Annual Plan
Clinical Income	12,534	11,946	588	39,166	36,427	2,739	151,596
Other Income	1,101	1,163	(62)	3,637	3,511	126	20,622
<b>Total Operating Income</b>	<b>13,635</b>	<b>13,109</b>	<b>526</b>	<b>42,803</b>	<b>39,938</b>	<b>2,865</b>	<b>172,218</b>
Total Operating Expenditure	(13,312)	(12,664)	(648)	(41,180)	(38,237)	(2,943)	(164,378)
<b>Operating Surplus</b>	<b>323</b>	<b>445</b>	<b>(122)</b>	<b>1,623</b>	<b>1,701</b>	<b>(78)</b>	<b>7,840</b>
Finance Costs	(428)	(397)	(31)	(1,262)	(1,190)	(72)	(4,764)
<b>Surplus/Deficit</b>	<b>(105)</b>	<b>48</b>	<b>(153)</b>	<b>361</b>	<b>511</b>	<b>(150)</b>	<b>3,076</b>
<b>NHSI Control Total</b>	<b>(21)</b>	<b>80</b>	<b>(101)</b>	<b>706</b>	<b>614</b>	<b>92</b>	<b>3,492</b>



This chart shows monthly planned and actual surplus position for 2019-20.

The line shows the monthly surplus position for 2018-19.

June's actual position shows an adverse position to plan.

4.1.3 The plan and surplus for the Trust NHS Control Total and Trust group position are different because the NHSI Control Total includes subsidiaries and excludes donated asset depreciation. The following table reconciles the two positions for June.

Year to Date: June	Actual (£000)
<b>Trust Surplus</b>	<b>360</b>
Add back Donated Depreciation	114
Add back CPL Profit	79
Add back PropCare Profit	153
<b>NHSI Control Total Delivered</b>	<b>706</b>
<b>Control Total Plan</b>	<b>614</b>
<b>Variance to NHSI Control Total</b>	<b>92</b>

4.1.4 The Trust has assumed that it will receive its notified Provider Sustainability Funding for the year to date period of £62k, (£412k total for 2019-20).

## 4.2 Income and Activity

4.2.1 For 2019-20, the Trust has agreed a block contract arrangement with NHS England Specialist Commissioning Team. This represents 80% of clinical income. The Trust has a cost and volume contract for CCG commissioned activity, which relates to inpatient services and some outpatient activity. For non-English commissioners, e.g. Wales and Isle of Man, the Trust has a cost per case contract for all activity. Activity and income values are monitored through the year.

4.2.2 Year to date, the Trust has generated £39.166m of clinical income, and £12.534m income in month. This is cumulatively ahead of plan by £2.739m (in month £0.588m). The primary driver for this performance is drug income above plan of £2.435m, of which £772k relates to June.

4.2.3 The financial position is based on actual activity data for April to June for drugs and bone marrow transplant. Solid Tumour information is based on actual activity data for months 1 and 2 and plan for month 3. Haemato-Oncology activity is based on actuals for month 1 and plan for months 2 and 3. Using 1<sup>st</sup> Out-patient appointments as a proxy for future demand in the short term, forecasting to plan seems reasonable, as actual 1<sup>st</sup> attends were very close to plan in Months 1 and 2. The Trust is reviewing data flows with the aim to bring forward the reporting timeline for clinical activity to remove the need for estimates.

4.2.4 The majority of the overperformance in chemotherapy (£357k or 7%), and radiotherapy (£513k or 10%) is not financially realisable due to the block nature of the contract with NHS England Specialised Commissioning. However, the Trust is financially protected from the underperformance in BMTs of £51k or -4%. The situation is being closely monitored, and discussed with commissioners.

### 4.3 Expenditure Profile

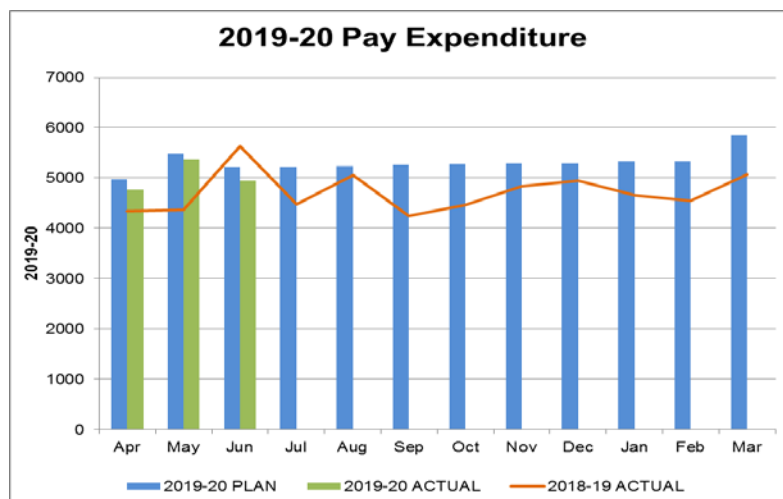
#### 4.3.1 Pay

Pay year to date is underspent to plan by £614k (in month £316k). The underlying Trust pay variance excluding hosted services, Cancer Alliance, R&D and Charity, is £474k, or £89k in month. This shows an increased cost run-rate, compared to previous months.

A key feature of the pay position is that recruitment to approved workforce investments has not yet occurred. The value of investment included in the pay budget is £126k for the month of June, with the cumulative value of investments in the plan of £379k.

The position also reflects that the current level of vacancies may not cover the associated premium costs of agency staffing. This impact reduces the positive variance from vacant posts.

The graph below summaries the total pay spend to date against the monthly plan (compared to 2018-19 actuals).

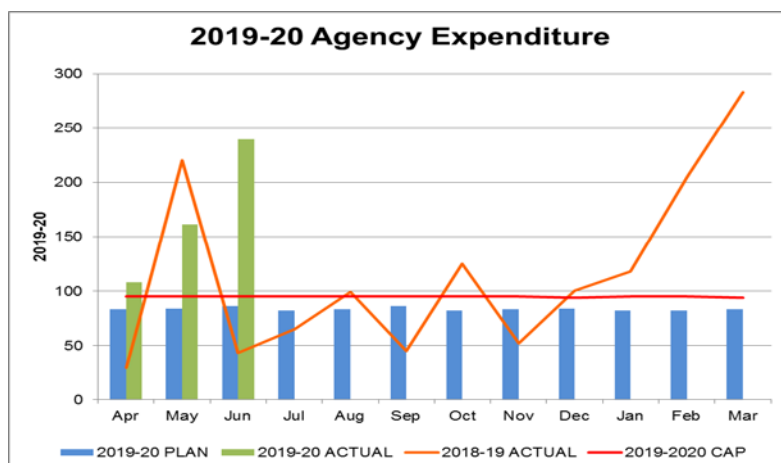


This chart shows monthly planned and actual pay spend for 2019-20.

The line shows the monthly pay spend for 2018-19.

It shows that for Months 1-3 the Trust is underspent against its plan, despite Agency expenditure.

Agency expenditure is a key focus for the Trust. In June, the total expenditure was £240k. The cumulative position of £509k expenditure for the first quarter is set against a ceiling of £285k. Although the agency expend is currently contained within the overall pay budget, there is the non-financial risk of the potential adverse impact on the NHSI risk assessment of the Trust.



This chart shows monthly planned and actual agency position for 2019-20.

The red line shows the 2019-20 agency cap.

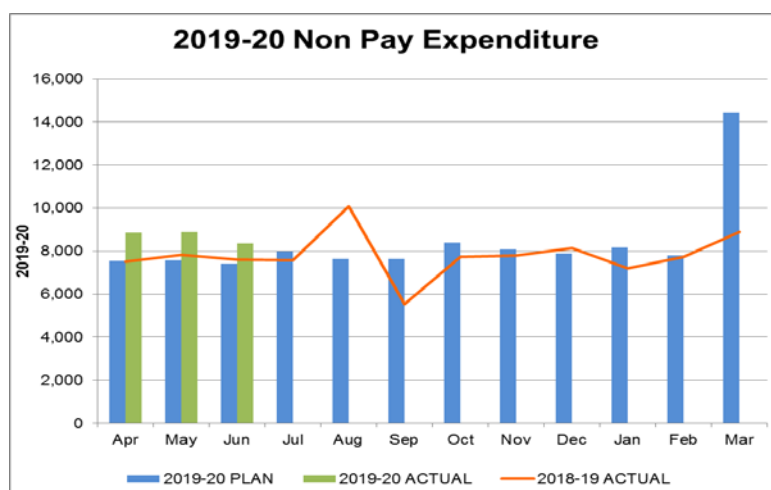
It shows that for M1,2 & 3 the Trust is above the ceiling.

#### 4.3.2 Non Pay

Non-pay is overspent by £3.584m and in month £0.964m). Of this £2.169m is drug related (in month £401k), and matched by additional income.

The non-drug related costs are adverse against plan by £1,414k. The most significant non-drug variance relates to IM&T expenditure, which is £225k over plan, of which £32.5k in month.

There is also a feature of phasing reserves to reflect the NHSI control total. These adverse variances are anticipated to be neutralised over the full year. Depreciation and amortisation is also contributing £149k to the cumulative adverse variance. The Trust is currently reassessing its calculation of asset lives, specifically for IM&T infrastructure.



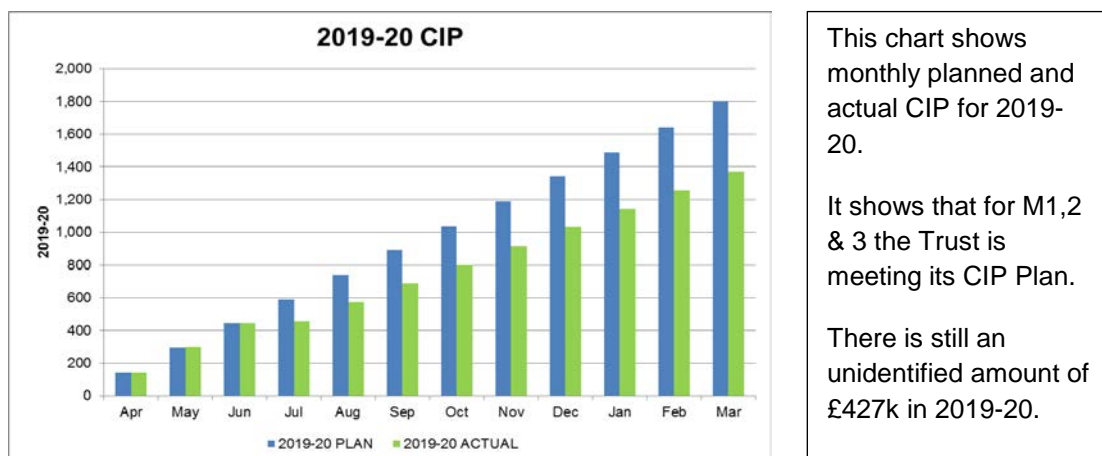
This chart shows monthly planned and actual non pay spend for 2019-20.

The line shows the monthly non pay spend for 2018-19.

In M1,2 and 3 the Trust is overspent against its plan.

## 4.4 Cost Improvement Programme (CIP)

4.4.1 As part of the Trust's financial plan, a cost improvement plan of £1.8m is required to meet target financial performance. The organisation has delivered 24.8% of its CIP requirement at the end of June. The Trust is planning to achieve the CIP target by Q3 in the financial year. At this stage, this is not considered a significant risk.



4.4.2 Areas under current review for efficiency improvements include:

- Chemotherapy – The Directorate have been tasked with identifying areas for further, non-drug, CIP opportunities. Progress has been made to reduce costs for the wig service, rationalise the Isle of Man clinical resource and services received from host NHS Trusts through SLAs.
- Drugs – there are likely to be further CIP opportunities due to significant anticipated expansion of immunotherapy drugs and increase in the reuse of vials.
- Haemato-Oncology – work is ongoing to realise the reduced costs of blood products.
- Radiation Services – Maintenance contracts have been reviewed, and efficiencies have been identified, non-recurrently. The directorate are confident that they will achieve their target.

## 5. Cash and Capital

5.1 For 2019-20 the Trust has a capital programme that supports investment in the new Liverpool hospital, replacement of clinical equipment and development of IT infrastructure.

5.2 Capital expenditure of £17.369m has been incurred to the end of June against a year to date plan of £12.711m, of which £4.499m was incurred in June against the in-month plan of £8.507m. The key variance relates to TCC, with a catch up of expenditure in April slipped from 2018/19.

5.3 NHS Improvement have requested that all Trusts review their capital programmes with the objective of reducing expenditure for the year. The Trust has reviewed its forecast,



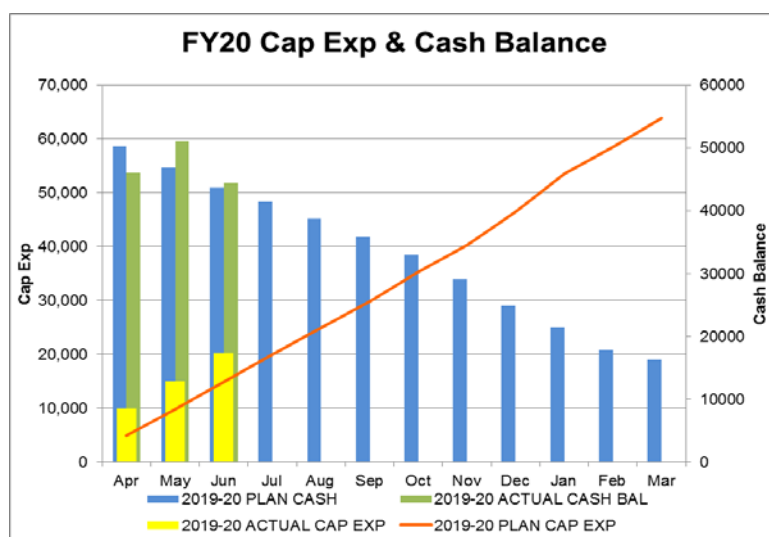
and has discussed this with NHSI. The outcome is that £700k will not be incurred in 2019-20, relating to external works, bridge completion and car parking. The NHSI plan has been amended for these items. Any change to the forecast programme will be discussed with NHSI and managed within the year.

- 5.4 The Forecast Capital expenditure for the year has been updated to reflect the latest potential time line for installing new equipment in the Centre in Liverpool. This has increased the overall planned spend in year by £7.13m from £54.66m to £61.79m, but has not increased the overall cost in the Board approved 5 year plan. As the majority of this equipment will be funded from the Charity the revised timing of this expenditure is not expected to have an adverse impact on Trust cashflow. The forecast excludes potential additional spend on IM&T infrastructure as that will be the subject of a separate Business Case to the Board.

- The capital programme is supported by the organisation's cash position. The Trust has a current cash position of £51.815m, which is a positive variance of £0.814m to the cashflow plan of £51.001m. The cash position has fallen from May to June by £7.839m. £7.7m has been used to pay creditors and there has been a reduction in debtors in month of £0.963m.

- 5.5 In addition to the Trust cash holding of £51.815m, the subsidiaries were holding £4.135m and the Charity £7.639m at the end of June. Total Group Cash was therefore £63.587m

- 5.6 The Balance Sheet (Statement of Financial Position) is included in Appendix B, Cashflow in Appendix C.



This chart shows monthly planned and actual Cash Balances and Planned Capital Expenditure for 2019-20.

It shows that for June the Trust has more cash than planned

## 6. Financial Risks

- 6.1 The Trust is currently reviewing its integrated approach to risk. As part of this process financial risks will be re-assessed so that they are consistent with the Trust framework. It is expected that this will be completed during Q2, following the revision to the Board Assurance Framework (BAF).

6.2 The current risk profile is captured in the following analysis.

Issue	Reason	Risk / Mitigation
Risk of non-delivery of CIP	The Trust has started the year with unidentified CIP of £0.43m (24% of the total).	Directorates and departments have been tasked with identifying further CIP. Non-recurrent slippage can support CIP achievement in the short term.
Risk of non-delivery of CQUIN	The Trust could lose income if CQUIN targets not delivered (£1m).	Improved internal processes, coupled with a national reduction in CQUIN dependent income have reduced this risk for 2019-20.
Data Quality & Timeliness-possible loss of income	There remain issues with data timeliness and accuracy, particularly for HO (from RLUH).	In year risk is mitigated in part by block contracts.
Agency spend and the NHSI risk rating	The Trust anticipates breaching the NHSI agency cap in 2019/20 due to use of locum and agency medical staff.	Although the financial risk is anticipated to be contained within the overall Trust budget, there is likely to be an adverse impact on the Trusts NHSI Financial Risk Rating. There is also an adverse impact risk to the financial position.

## 7. Recommendations

7.1 The Performance Committee is asked to note the contents of the report, with reference to:

- The financial risk rating of 3, which is below the plan of 1, due to agency expenditure
- Overachievement against the cumulative revenue control total
- Risks identified and potential mitigations

## Appendix A – Income & Expenditure (Statement of Comprehensive Income)

	June 19			Cumulative YTD				Previous Annual Plan (£000)	Revised Annual Plan (£000)
	Plan (£000)	Actual (£000)	Variance (£000)	Plan (£000)	Actual (£000)	Variance (£000)	%		
<b>Clinical Income:</b>									
Elective	345	379	34	1,053	1,154	100	9.5%	4,386	4,386
Non-Elective	483	520	37	1,472	1,470	(2)	-0.1%	6,129	6,129
Out-patient Attends	1,945	2,096	151	5,933	6,194	261	4.4%	24,705	24,705
Radiotherapy Attends	1,587	1,850	263	4,842	5,355	514	10.6%	20,160	20,160
Chemotherapy Attends	1,835	2,046	211	5,598	5,962	365	6.5%	23,308	23,308
Impact of Contract Tolerances / Agreed Outturn	0	(1,166)	(1,166)	0	(1,166)	(1,166)	0.0%	0	0
Drugs	4,877	5,648	772	14,874	17,309	2,435	16.4%	61,935	61,935
Diagnostic Imaging	191	254	63	581	678	96	16.5%	2,421	2,421
Bone marrow transplants	448	549	101	1,366	1,315	(51)	-3.7%	5,688	5,688
Other Currencies	76	75	(1)	229	228	(1)	-0.4%	915	915
Private Patients / External Drug Sales	159	282	123	479	668	188	0	1,949	1,949
<b>Sub-Total: Total Clinical Income</b>	<b>11,946</b>	<b>12,534</b>	<b>588</b>	<b>36,427</b>	<b>39,166</b>	<b>2,739</b>	<b>7.5%</b>	<b>151,596</b>	<b>151,596</b>
Other Income	549	734	184	1,669	2,084	415	24.9%	8,534	8,544
Hosted Services	614	367	(246)	1,842	1,553	(289)	-15.7%	3,543	12,078
<b>Total Operating Income</b>	<b>13,110</b>	<b>13,635</b>	<b>525</b>	<b>39,939</b>	<b>42,803</b>	<b>2,865</b>	<b>7.2%</b>	<b>163,673</b>	<b>172,218</b>
Pay: Trust (excluding Hosted)	(4,757)	(4,668)	89	(14,201)	(13,727)	474	-3.3%	(57,308)	(57,257)
Pay: Hosted	(506)	(279)	227	(1,518)	(1,351)	167	-11.0%	(3,119)	(6,593)
Drugs expenditure	(4,630)	(5,031)	(401)	(14,072)	(16,241)	(2,169)	15.4%	(58,100)	(58,100)
Other non-pay: Trust (excluding Hosted)	(2,668)	(3,263)	(595)	(8,136)	(9,683)	(1,547)	19.0%	(36,925)	(36,987)
Non-pay: Hosted	(103)	(72)	31	(310)	(177)	133	-42.8%	(380)	(5,441)
<b>Total Operating Expenditure</b>	<b>(12,664)</b>	<b>(13,312)</b>	<b>(648)</b>	<b>(38,237)</b>	<b>(41,180)</b>	<b>(2,943)</b>	<b>7.7%</b>	<b>(155,833)</b>	<b>(164,378)</b>
<b>Operating Surplus</b>	<b>445</b>	<b>323</b>	<b>(123)</b>	<b>1,701</b>	<b>1,623</b>	<b>(78)</b>	<b>-4.6%</b>	<b>7,839</b>	<b>7,839</b>
Profit /(Loss) from Joint Venture	52	52	0	156	152	(4)	-2.6%	624	624
Interest receivable (+)	8	317	309	25	938	913	3726.7%	98	98
Interest payable (-)	(57)	(397)	(340)	(171)	(1,152)	(981)	572.2%	(686)	(686)
PDC Dividends payable (-)	(400)	(400)	0	(1,200)	(1,200)	0	0.0%	(4,800)	(4,800)
<b>Retained surplus/(deficit)</b>	<b>48</b>	<b>(106)</b>	<b>(154)</b>	<b>510</b>	<b>360</b>	<b>(150)</b>	<b>-29.4%</b>	<b>3,076</b>	<b>3,076</b>
<b>NET I&amp;E Margin (%)</b>	<b>0.4%</b>	<b>-0.8%</b>	<b>-1.1%</b>	<b>1.3%</b>	<b>0.8%</b>	<b>-0.4%</b>	<b>-34.1%</b>	<b>1.9%</b>	<b>1.8%</b>
<b>Operating Surplus Margin (%)</b>	<b>3.4%</b>	<b>2.4%</b>	<b>-1.0%</b>	<b>4.3%</b>	<b>3.8%</b>	<b>-0.5%</b>	<b>-11.0%</b>	<b>4.8%</b>	<b>4.6%</b>

## Appendix B – Balance Sheet (Statement of Financial Position)

	Post Audit 2019	NHSI Plan 2020	May-19			Jun-19		
	(£000)	(£000)	YTD Plan (£000)	Actual YTD (£000)	Variance (£000)	YTD Plan (£000)	Actual YTD (£000)	Variance (£000)
<b>Non-current assets</b>								
Intangible assets	1,673	485	587	1,833	1,246	577	1,823	1,246
Property, plant & equipment	158,340	220,606	178,544	170,082	(8,462)	182,428	174,204	(8,224)
Investments in associates	1,174	1,920	1,400	1,274	(126)	1,452	726	(726)
Other financial assets	78,815	140,261	100,515	94,169	(6,346)	104,515	97,082	(7,433)
Trade & other receivables	1,667	277	4,387	106	(4,281)	4,162	94	(4,068)
Other assets	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>241,669</b>	<b>363,549</b>	<b>285,433</b>	<b>267,464</b>	<b>(17,969)</b>	<b>293,134</b>	<b>273,929</b>	<b>(19,205)</b>
<b>Current assets</b>								
Inventories	1,263	1,000	1,000	913	(87)	1,000	1,264	264
Trade & other receivables								
NHS receivables	10,215	4,860	5,000	24,484	19,484	5,000	23,403	18,403
Non-NHS receivables	24,216	5,000	5,000	10,580	5,580	5,000	10,698	5,698
Cash and cash equivalents	72,963	19,035	54,646	59,656	5,010	51,001	51,815	814
<b>Total current assets</b>	<b>108,658</b>	<b>29,895</b>	<b>65,646</b>	<b>95,633</b>	<b>29,987</b>	<b>62,001</b>	<b>87,181</b>	<b>25,180</b>
<b>Current liabilities</b>								
Trade & other payables								
Non-capital creditors	36,043	15,000	15,000	37,705	22,705	15,000	30,030	15,030
Capital creditors	97	1,952	2,020	462	(1,558)	2,030	377	(1,653)
Borrowings								
Loans	1,730	1,829	1,829	1,730	(99)	1,829	1,730	(99)
Obligations under finance leases	53	53	53	53	0	53	53	0
Provisions	267	489	489	267	(222)	489	267	(222)
Other liabilities:-								
Deferred income	2,402	4,000	4,000	2,599	(1,401)	4,000	2,531	(1,469)
Other	-	700	700	-	(700)	700	-	(700)
<b>Total current liabilities</b>	<b>40,592</b>	<b>24,023</b>	<b>24,091</b>	<b>42,815</b>	<b>18,724</b>	<b>24,101</b>	<b>34,988</b>	<b>10,887</b>
<b>Total assets less current liabilities</b>	<b>309,734</b>	<b>369,421</b>	<b>326,988</b>	<b>320,282</b>	<b>(6,706)</b>	<b>331,034</b>	<b>326,122</b>	<b>(4,912)</b>
<b>Non-current liabilities</b>								
Trade & other payables								
Capital creditors	-	301	301	-	(301)	301	-	(301)
Borrowings								
Loans	37,280	35,550	36,540	36,540	-	36,540	36,540	-
Obligations under finance leases	56	5	56	56	(0)	56	56	(0)
Other liabilities:-								
Deferred income	1,156	1,156	1,156	1,156	0	1,156	1,156	0
PropCare liability	83,567	140,261	100,515	94,388	(6,127)	104,515	99,045	(5,470)
<b>Total non current liabilities</b>	<b>122,059</b>	<b>177,273</b>	<b>138,568</b>	<b>132,140</b>	<b>(6,428)</b>	<b>142,568</b>	<b>136,797</b>	<b>(5,771)</b>
<b>Total net assets employed</b>	<b>187,675</b>	<b>192,148</b>	<b>188,420</b>	<b>188,142</b>	<b>(278)</b>	<b>188,466</b>	<b>189,325</b>	<b>859</b>
<b>Financed by (taxpayers' equity)</b>								
Public Dividend Capital	55,364	57,158	56,042	55,364	(678)	56,042	56,653	611
Revaluation reserve	8,493	7,839	7,839	8,493	654	7,839	8,493	654
Income and expenditure reserve	123,818	127,151	124,539	124,284	(255)	124,585	124,178	(407)
<b>Total taxpayers equity</b>	<b>187,675</b>	<b>192,148</b>	<b>188,420</b>	<b>188,142</b>	<b>(278)</b>	<b>188,466</b>	<b>189,325</b>	<b>859</b>

## Appendix C – Cash Flow

Movement from 1st April 2019	Plan (£000)	Actual (£000)	Variance (£000)
Cash flows from operating activities:			
Operating surplus	1,701	1,623	(78)
Depreciation	1,258	1	(1,257)
Amortisation	31	24	(7)
Impairments	0	0	0
Movement in Trade Receivables	12,286	1,903	(10,383)
Movement in Other Assets	(12,000)	(18,268)	(6,268)
Movement in Inventories	0	(1)	(1)
Movement in Trade Payables	(242)	(8,095)	(7,853)
Movement in Other Liabilities	12,000	15,607	3,607
Movement in Provisions	0	0	0
CT paid	0	0	0
Net cash used in operating activities	15,034	(7,205)	(22,239)
Cash flows from investing activities			
Purchase of PPE	(12,711)	(15,585)	(2,874)
Purchase of Intangibles	0	(174)	(174)
Interest received	24	938	914
Investment in associates	0	600	600
Net cash used in investing activities	(12,687)	(14,221)	(1,534)
Cash flows from financing activities			
Public dividend capital received	1,289	1,289	(0)
Public dividend capital repaid	0	0	0
Loans received	0	0	0
Loans repaid	(740)	(740)	0
Capital element of finance lease	0	0	0
Interest paid	0	(271)	(271)
Interest element of finance lease	0	0	0
PDC dividend paid	0	0	0
Finance lease - capital element repaid	0	0	0
Net cash used in financing activities	549	278	(271)
Net change in cash	2,896	(21,148)	(24,044)
Cash b/f	48,105	72,963	24,858
Cash c/f	51,001	51,815	814