



### Report Cover Sheet

Report to:	Board of Directors	
Date of the Meeting:	27 November 2019	
Agenda Item:	P1/208/19	
Title:	Financial Report Month 7	
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 month ending October 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>
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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.
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*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  
November 2019**

**Financial Performance**

**1. Introduction**

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

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

**2. Summary Financial Performance**

- 2.1 For October the key financial headlines are:

Metric (£000)	M7 Actual	M7 Plan	Variance	TD Actual	YTD Plan	Variance	Risk RAG
NHSI SoF	3	1	2	3	1	2	
NHSI Control Total (£000)	543	758	(215)	3,850	3,508	342	
Cost Improvement Programme (£000)	146	146	-	1,038	1,038	-	
Cash holding (£000)	43,907	38,414	5,493	43,907	38,414	5,493	
Capital Expenditure (£000)	4,178	4,704	(526)	34,011	30,328	3,683	

- 2.2 The key drivers of the positions are:

- **Income has overachieved plan by £5.474m (£1.105m in month).** This is due to clinical income being £5.050m over plan, of which £4.407m relates to drug income, matched by expenditure.
- **Expenditure is overspent by £5.521m (£1.358m in month).** Consistent with the income position, mostly due to drug expenditure being £4.857m above plan.
- **Cash held is ahead of plan by £5.493m**
- **Capital expenditure is £3.683m 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 October, 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 September, the agency rating has remained as a 4 (highest risk). The Trust recognises the risks associated with the agency expenditure position.

- 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	M7 Actual	M7 Plan	Comment	Previous Period
<b>Overall Rating</b>	<b>3</b>	<b>1</b>	<b>Due to agency override</b>	<b>3</b>
Capital Service Cover Ratio	2	2	As expected	2
Liquidity	1	1	Based on Trust cash holding	1
I&E Margin	1	1	As expected	1
Variance from Control Total	1	1	M7 actuals above plan	1
Agency	4	1	Spend of £1,261k against ceiling cap of £665k YTD	4

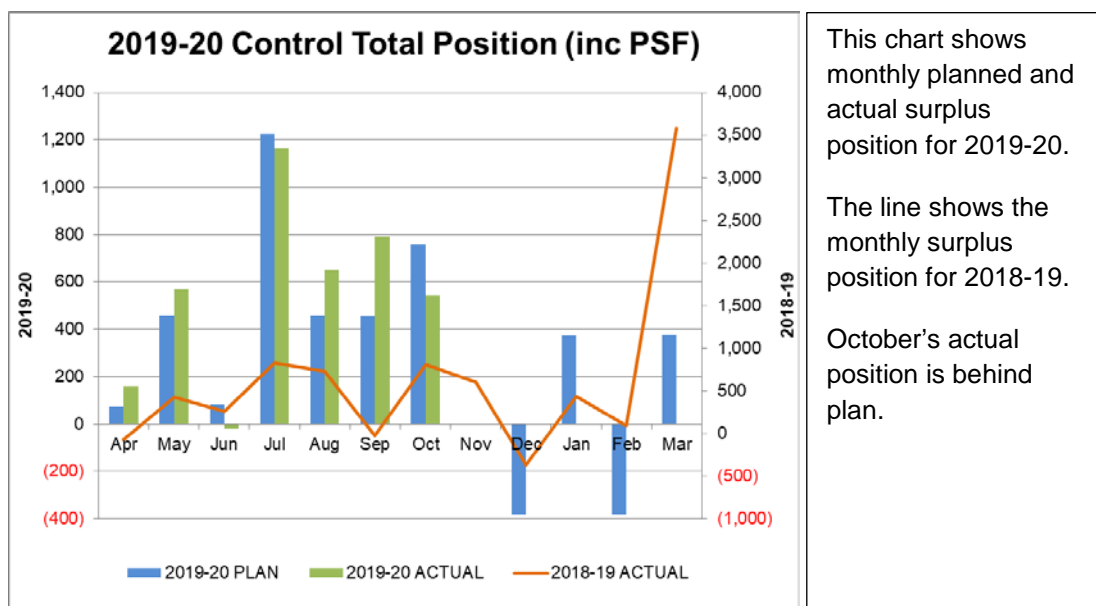
#### 4. Operational Financial Profile – Income and Expenditure

##### 4.1 Overall Income and Expenditure Position

- 4.1.1 The cumulative consolidated financial position of the Trust and subsidiaries for October is a surplus above the NHSI control total of £342k. The in month position is showing a deficit of £215k.

- 4.1.2 The table below summarises. Please see Appendix 1 for the more detailed Income & Expenditure position, which includes a forecast out-turn position for 2019-20.

Metric (£000)	M7 Actual	M7 Plan	Variance	YTD Actual	YTD Plan	YTD Variance	Annual Plan
Clinical Income	14,529	13,714	815	93,986	88,936	5,050	151,621
Other Income	1,440	1,150	290	8,514	8,091	423	18,471
<b>Total Operating Income</b>	<b>15,969</b>	<b>14,864</b>	<b>1,105</b>	<b>102,500</b>	<b>97,027</b>	<b>5,474</b>	<b>170,092</b>
Total Operating Expenditure	(15,102)	(13,744)	(1,358)	(96,504)	(90,983)	(5,521)	(162,252)
<b>Operating Surplus</b>	<b>867</b>	<b>1,120</b>	<b>(253)</b>	<b>5,996</b>	<b>6,044</b>	<b>(48)</b>	<b>7,840</b>
Finance Costs	(440)	(397)	(43)	(2,981)	(2,779)	(202)	(4,764)
<b>Surplus/Deficit</b>	<b>427</b>	<b>723</b>	<b>(296)</b>	<b>3,015</b>	<b>3,265</b>	<b>(250)</b>	<b>3,076</b>
<b>NHSI Control Total</b>	<b>543</b>	<b>758</b>	<b>(215)</b>	<b>3,850</b>	<b>3,508</b>	<b>342</b>	<b>3,492</b>



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 October.

Year to Date: M7	Actual
<b>Trust Surplus</b>	<b>3,015</b>
Add back Donated Depreciation	268
Add back CPL Profit	181
Add back PropCare Profit	386
<b>NHSI Control Total Delivered</b>	<b>3,850</b>
<b>Control Total Plan</b>	<b>3,508</b>
<b>Variance to NHSI Control Total</b>	<b>342</b>

4.1.4 The Trust has assumed that it will receive its notified Provider Sustainability Funding for the year to date period of £230k, (£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 £93.986m of clinical income, and £14.529m clinical income in month. This is cumulatively ahead of plan by £5.050m (in month £0.815m). The primary driver for this performance is drug income above plan of £4.407m, of which £817k relates to October.

4.2.3 The financial position is based on actual activity data for April to October for drugs and bone marrow transplant. Solid Tumour information is based on actual activity data for months 1 to 6 and forecast for month 7. Haemato-Oncology activity is based on actuals for month 1 and 5 and forecast for months 6 and 7. The Trust is reviewing data flows with the aim to bring forward the reporting timeline for clinical activity to remove the need for estimates.

The majority of the over performance in radiotherapy (£903k or 7.6%) and chemotherapy (£382k or 2.8%), is not financially realisable due to the block nature of the contract with NHS England Specialised Commissioning. £547k of the radiotherapy over performance relates to proton activity, which is high cost, low volume activity and therefore quite volatile.

### 4.3 Expenditure Profile

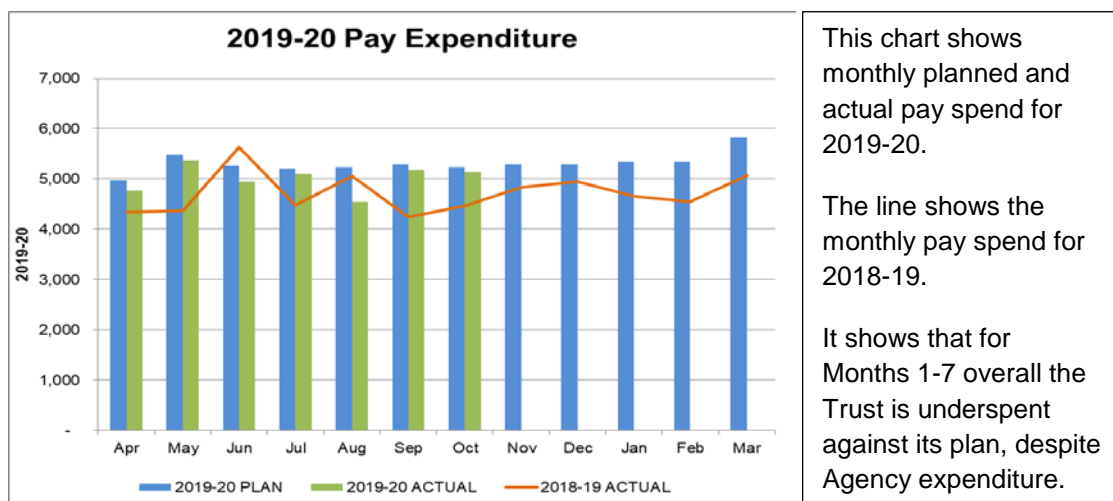
#### 4.3.1 Pay

Pay year to date is underspent to plan by £1,641k (in month £89k). The underlying Trust pay variance excluding hosted services, Cancer Alliance, R&I and Charity, is an under spend of £508k (but an over spend of £18k in month). This shows an increased cost run-rate, compared to previous months.

The value of investment included in the pay budget relating to the workforce investments is £169k for the month of October, with the cumulative value of investments in the plan of £927k.

October's Trust position reflects that the current level of vacancies do not cover the associated premium costs of agency staffing. This impact reduces the positive variance from vacant posts.

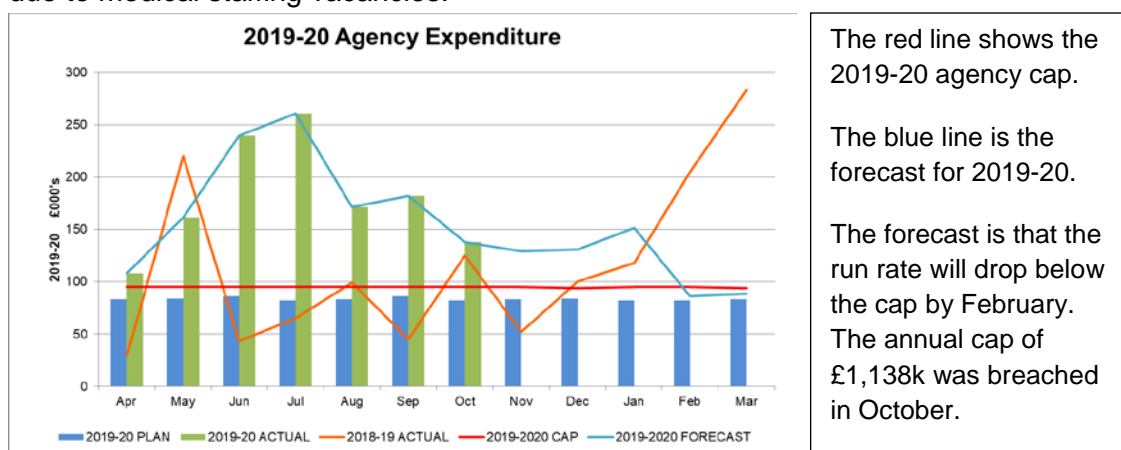
The graph below summaries the total pay spend to date against the monthly plan (compared to 2018-19 actuals).



Agency expenditure continues to be a key focus for the Trust. In October, the total expenditure was £138k. The cumulative position of £1,261k expenditure for the first seven months of the financial year is just under twice the ceiling of £665k.

Although the agency expenditure 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.

It is important to note that the forecast annual expenditure has increased by c.£157k to £1.849m from September to October for 2019-20. The original agency forecast for 2019-20 was £1.681m. This is due to additional HO and clinical oncologists required due to medical staffing vacancies.

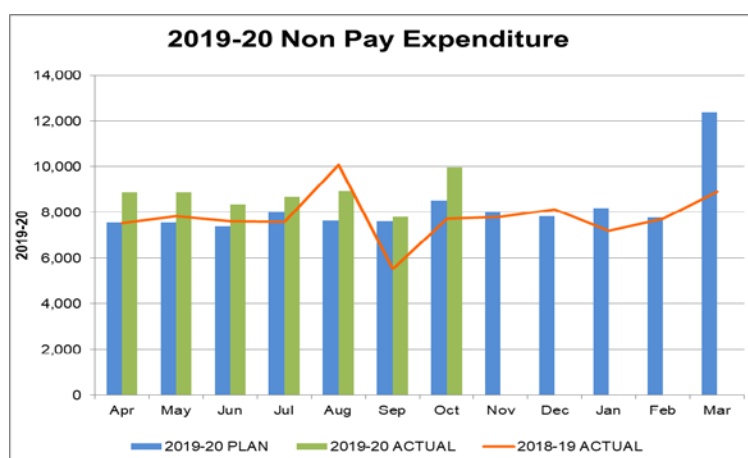


#### 4.3.2 Non Pay

Non-pay is overspent by £7,162k (in month £1,447k). Of this £4,857k is drug related (in month £1,157k), and matched by additional income.

The non-drug related costs are adverse against plan year to date by £2,305k. The most significant non-drug variance relates to IM&T expenditure, which is £192k over plan. The majority of the items are non-recurrent and it is expected that the department will operate within its budget for the year. Depreciation and amortisation is

also contributing £280k to the cumulative adverse variance. Other non pay overspends across the departments are offset by additional income or underspends on pay and do not have a significant adverse impact on the surplus position.



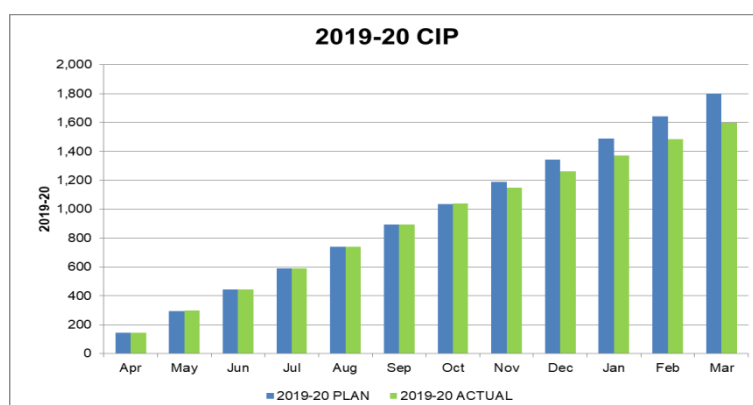
This chart shows monthly planned and actual non pay spend for 2019-20.

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

In M1-6 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 57.67% of its CIP requirement at the end of October. 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.



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

It shows that for M1-M6 the Trust is meeting its CIP Plan.

There is still an unidentified amount of £204k in 2019-20.

4.4.2 Areas under current review for efficiency improvements include:

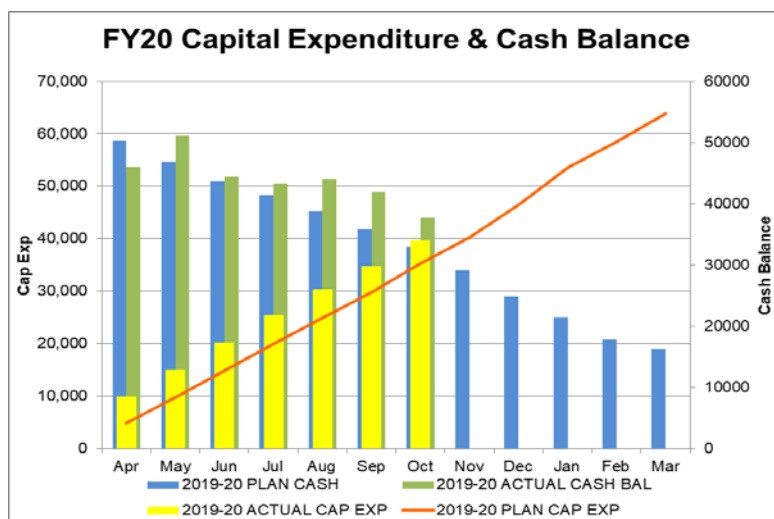
- **Chemotherapy** – The Directorate have been tasked with identifying areas for further, non-drug, CIP opportunities. Progress has been made to reduce costs for the wig service, rationalise the Isle of Man clinical resource and services received from host NHS Trusts through SLAs.
- **Drugs** – there 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. Revenue Forecasting 2019-20**

- 5.1 The current forecast outturn remains the Trust plan of a surplus of £3,076k. The forecast is being reviewed on a monthly basis. Appendix A includes an updated forecast.

## **6. Cash and Capital**

- 6.1 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.
- 6.2 Capital expenditure of £34.011m has been incurred to the end of October against a year to date plan of £30.328m, of which £4.178m was incurred in October against the in-month plan of £4.303m. The key variance relates to TCC, with a catch up of expenditure in April slipped from 2018-19.
- 6.3 The Forecast Capital expenditure for the year reflects the latest potential time line for installing new equipment in the Centre in Liverpool. The overall forecast spend is £63.353m compared to the original plan of £54.66m. The forecast is £1.398m higher than last month primarily due to approval of IM&T equipment (from £2.850m to £4.240m). This has been funded by transfer of TCC contingency from 2020-21. This has not increased the overall cost in the Board approved 5 year plan.
- 6.4 The capital programme is supported by the organisation's cash position. The Trust has a current cash position of £43.907m, which is a positive variance of £5.493m to the cashflow plan of £38.414m.
- 6.5 In addition to the Trust cash holding of £43.907m, the subsidiaries were holding £6.575m and the Charity £7.845m at the end of October. Total Group Cash was therefore £58.326m.
- 6.6 The Balance Sheet (Statement of Financial Position) is included in Appendix B and the Cashflow in Appendix C.



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

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

## 7. Financial Risks

- 7.1 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. This is a work in progress agreed at the September Board.
- 7.2 The current risk profile is captured in the following analysis.

Issue	Reason	Risk / Mitigation
Risk of non-delivery of CIP	Current unidentified CIP of £0.204m (11% 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.

## 8. Recommendations

- 8.1 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
  - Forecast Out-turn remains equal to plan
  - Risks identified and potential mitigations

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

	October 2019			Cumulative YTD				Revised Annual Plan (£000)	2019-20 Forecast Outturn (£000)	Forecast Variance (£000)
	Plan	Actual	Variance	Plan	Actual	Variance				
	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	%			
<b>Clinical Income:</b>										
Elective	397	427	30	2,573	2,852	279	10.8%	4,386	4,888	502
Non-Elective	555	380	(175)	3,595	2,976	(619)	-17.2%	6,129	5,233	(896)
Out-patient Attends	2,239	2,108	(132)	14,507	14,727	220	1.5%	24,730	25,440	710
Radiotherapy Attends	1,826	1,691	(134)	11,826	12,729	903	7.6%	20,160	22,251	2,091
Chemotherapy Attends	2,111	1,947	(163)	13,673	14,054	382	2.8%	23,308	24,406	1,098
Impact of Contract Tolerances / Agreed Outturn	0	693	693	0	(1,109)	(1,109)	0%	0	(3,632)	(3,632)
Drugs	5,608	6,425	817	36,332	40,739	4,407	12.1%	61,935	69,171	7,236
Diagnostic Imaging	219	210	(9)	1,420	1,478	58	4.1%	2,421	2,556	135
Bone marrow transplants	515	303	(212)	3,337	3,211	(125)	-3.8%	5,688	5,688	(0)
Other Currencies	76	76	(0)	534	532	(2)	-0.4%	915	919	4
Private Patients (inc Drug sales)	168	268	100	1,139	1,796	657	57.7%	1,949	3,080	1,131
<b>Sub-Total: Total Clinical Income</b>	<b>13,714</b>	<b>14,529</b>	<b>815</b>	<b>88,936</b>	<b>93,986</b>	<b>5,050</b>	<b>5.7%</b>	<b>151,621</b>	<b>160,000</b>	<b>8,379</b>
Other Income (inc Drug sales)	570	832	261	4,034	5,358	1,325	32.8%	8,850	9,893	1,043
Hosted Services	580	608	29	4,057	3,155	(901)	-22.2%	9,620	9,620	(0)
<b>Total Operating Income</b>	<b>14,864</b>	<b>15,969</b>	<b>1,105</b>	<b>97,027</b>	<b>102,500</b>	<b>5,474</b>	<b>5.6%</b>	<b>170,092</b>	<b>179,513</b>	<b>9,421</b>
Pay: Trust (excluding Hosted)	(4,758)	(4,776)	(18)	(33,376)	(32,868)	508	-1.5%	(57,607)	(57,186)	421
Pay: Hosted	(473)	(365)	107	(3,304)	(2,171)	1,133	-34.3%	(6,139)	(6,139)	(0)
Drugs expenditure	(5,174)	(6,331)	(1,157)	(34,043)	(38,899)	(4,857)	14.3%	(58,100)	(66,069)	(7,969)
Other non-pay: Trust (excluding Hosted)	(3,236)	(3,382)	(145)	(19,537)	(21,579)	(2,042)	10.5%	(36,969)	(38,618)	(1,649)
Non-pay: Hosted	(103)	(249)	(145)	(724)	(987)	(263)	36.4%	(3,437)	(3,437)	0
<b>Total Operating Expenditure</b>	<b>(13,744)</b>	<b>(15,102)</b>	<b>(1,358)</b>	<b>(90,983)</b>	<b>(96,504)</b>	<b>(5,521)</b>	<b>6.1%</b>	<b>(162,252)</b>	<b>(171,449)</b>	<b>(9,197)</b>
<b>Operating Surplus</b>	<b>1,120</b>	<b>867</b>	<b>(253)</b>	<b>6,044</b>	<b>5,996</b>	<b>(48)</b>	<b>-0.8%</b>	<b>7,840</b>	<b>8,064</b>	<b>224</b>
Profit /(Loss) from Joint Venture	52	52	0	364	364	0	0.0%	624	624	0
Interest receivable (+)	8	369	361	57	2,366	2,309	4039.4%	98	4,321	4,223
Interest payable (-)	(57)	(461)	(404)	(400)	(2,911)	(2,511)	628.0%	(686)	(5,133)	(4,447)
PDC Dividends payable (-)	(400)	(400)	0	(2,800)	(2,800)	0	0.0%	(4,800)	(4,800)	0
<b>Retained surplus/(deficit)</b>	<b>723</b>	<b>428</b>	<b>(295)</b>	<b>3,265</b>	<b>3,015</b>	<b>(250)</b>	<b>-7.6%</b>	<b>3,076</b>	<b>3,076</b>	<b>(0)</b>
<b>NET I&amp;E Margin (%)</b>	<b>4.9%</b>	<b>2.7%</b>	<b>-2.2%</b>	<b>3.4%</b>	<b>2.9%</b>	<b>-0.4%</b>	<b>-12.6%</b>	<b>1.8%</b>	<b>1.8%</b>	<b>1.8%</b>
<b>Operating Surplus Margin (%)</b>	<b>7.5%</b>	<b>5.4%</b>	<b>-2.1%</b>	<b>6.2%</b>	<b>5.8%</b>	<b>-0.4%</b>	<b>-6.1%</b>	<b>4.6%</b>	<b>4.6%</b>	<b>4.6%</b>

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

	Post Audit 2019 (£000)	NHSI Plan 2020 (£000)	Sep-19			Oct-19		
			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	546	1,775	1,229	535	2,251	1,716
Property, plant & equipment	158,340	220,606	194,083	185,355	(8,728)	198,368	188,668	(9,700)
Investments in associates	1,174	1,920	1,608	886	(722)	1,660	938	(722)
Other financial assets	78,815	140,261	116,515	109,528	(6,987)	120,515	113,131	(7,384)
Trade & other receivables	1,667	277	3,487	72	(3,415)	3,262	54	(3,208)
Other assets	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>241,669</b>	<b>363,549</b>	<b>316,239</b>	<b>297,616</b>	<b>(18,623)</b>	<b>324,340</b>	<b>305,042</b>	<b>(19,298)</b>
<b>Current assets</b>								
Inventories	1,263	1,000	1,000	1,350	350	1,000	1,227	227
Trade & other receivables								
NHS receivables	10,215	4,860	5,000	11,785	6,785	5,000	13,673	8,673
Non-NHS receivables	24,216	5,000	5,000	13,261	8,261	5,000	13,792	8,792
Cash and cash equivalents	72,963	19,035	41,752	48,935	7,183	38,414	43,907	5,493
<b>Total current assets</b>	<b>108,658</b>	<b>29,895</b>	<b>52,752</b>	<b>75,331</b>	<b>22,579</b>	<b>49,414</b>	<b>72,599</b>	<b>23,185</b>
<b>Current liabilities</b>								
Trade & other payables								
Non-capital creditors	36,043	15,000	15,000	26,607	11,607	15,000	26,323	11,323
Capital creditors	97	1,952	2,030	377	(1,653)	2,070	377	(1,693)
Borrowings								
Loans	1,730	1,829	1,829	1,730	(99)	1,829	1,730	(99)
Obligations under finance leases	53	53	53	56	3	53	56	3
Provisions	267	489	489	267	(222)	489	267	(222)
Other liabilities:-								
Deferred income	2,402	4,000	4,000	3,348	(652)	4,000	4,386	386
Other	-	700	700	-	(700)	700	-	(700)
<b>Total current liabilities</b>	<b>40,592</b>	<b>24,023</b>	<b>24,101</b>	<b>32,385</b>	<b>8,284</b>	<b>24,141</b>	<b>33,139</b>	<b>8,998</b>
<b>Total assets less current liabilities</b>	<b>309,734</b>	<b>369,421</b>	<b>344,890</b>	<b>340,562</b>	<b>(4,328)</b>	<b>349,613</b>	<b>344,502</b>	<b>(5,111)</b>
<b>Non-current liabilities</b>								
Trade & other payables								
Capital creditors	-	301	301	-	(301)	301	-	(301)
Borrowings								
Loans	37,280	35,550	36,415	36,415	-	36,415	36,415	-
Obligations under finance leases	56	5	5	-	(5)	5	-	(5)
Other liabilities:-								
Deferred income	1,156	1,156	1,156	1,156	-	1,156	1,156	-
PropCare liability	83,567	140,261	116,515	111,438	(5,077)	120,515	114,951	(5,564)
<b>Total non current liabilities</b>	<b>122,059</b>	<b>177,273</b>	<b>154,392</b>	<b>149,010</b>	<b>(5,382)</b>	<b>158,392</b>	<b>152,523</b>	<b>(5,869)</b>
<b>Total net assets employed</b>	<b>187,675</b>	<b>192,148</b>	<b>190,498</b>	<b>191,552</b>	<b>1,054</b>	<b>191,221</b>	<b>191,980</b>	<b>759</b>
<b>Financed by (taxpayers' equity)</b>								
Public Dividend Capital	55,364	57,158	56,042	56,653	611	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	126,617	126,406	(211)	127,340	126,833	(507)
<b>Total taxpayers equity</b>	<b>187,675</b>	<b>192,148</b>	<b>190,498</b>	<b>191,552</b>	<b>1,054</b>	<b>191,221</b>	<b>191,980</b>	<b>759</b>

## Appendix C – Cash Flow

Movement from 1st April 2019	Plan (£000)	Actual (£000)	Variance (£000)
<b>Cash flows from operating activities:</b>			
Operating surplus	6,045	5,996	(49)
Depreciation	2,935	45	(2,890)
Amortisation	73	2	(71)
Impairments	0	0	0
Movement in Trade Receivables	13,186	8,579	(4,607)
Movement in Other Assets	(28,000)	(34,316)	(6,316)
Movement in Inventories	0	36	36
Movement in Trade Payables	712	(13,448)	(14,160)
Movement in Other Liabilities	28,000	33,369	5,369
Movement in Provisions	0	0	0
CT paid	0	0	0
<b>Net cash used in operating activities</b>	<b>22,951</b>	<b>263</b>	<b>(22,688)</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE	(30,328)	(30,093)	235
Purchase of Intangibles	0	(580)	(580)
Interest received	57	2,366	2,309
Investment in associates	0	600	600
<b>Net cash used in investing activities</b>	<b>(30,271)</b>	<b>(27,707)</b>	<b>2,564</b>
<b>Cash flows from financing activities</b>			
Public dividend capital received	1,289	1,289	(0)
Public dividend capital repaid	0	0	0
Loans received	0	0	0
Loans repaid	(865)	(865)	0
Capital element of finance lease	(51)	(53)	(2)
Interest paid	(337)	(1,179)	(842)
Interest element of finance lease	(7)	(5)	2
PDC dividend paid	(2,400)	(800)	1,600
Finance lease - capital element repaid	0	0	0
<b>Net cash used in financing activities</b>	<b>(2,371)</b>	<b>(1,613)</b>	<b>758</b>
<b>Net change in cash</b>	<b>(9,691)</b>	<b>(29,056)</b>	<b>(19,365)</b>
<b>Cash b/f</b>	<b>48,105</b>	<b>72,963</b>	<b>24,858</b>
<b>Cash c/f</b>	<b>38,414</b>	<b>43,907</b>	<b>5,493</b>