



### Report Cover Sheet

Report to:	Board of Directors	
Date of the Meeting:	25 March 2020	
Agenda Item:	P1-055-20	
Title:	Financial Report Month 11	
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 February 2020, 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**

Equality & Diversity Impact Assessment	YES	NO
Are there concerns that the policy/service could have an adverse impact on:		
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**  
**25<sup>th</sup> March 2020**

**Month 11 Financial Performance**

**1. Introduction**

- 1.1 This paper provides a summary of the Trust's financial performance for February 2020, the eleventh month of the 2019-20 financial year.
- 1.2 The Trust predicts that it will meet its financial target for 2020-21.

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

**2. Summary Financial Performance**

- 2.1 For February the key financial headlines are:

Metric (£000)	M11 Actual	M11 Plan	Variance	YTD Actual	YTD Plan	Variance	Risk RAG
NHSI SoF	3	1	2	3	1	2	Orange
NHSI Control Total (£000)	-351	-384	33	3,657	3,114	543	Green
Cost Improvement Programme (£000)	135	153	-18	1,761	1,643	118	Green
Cash holding (£000)	34,195	20,821	13,374	34,195	20,821	13,374	Green
Capital Expenditure (£000)	1,947	4,204	-2,257	44,295	50,125	-5,830	Orange

- 2.2 The key drivers of the positions are:

- **Income has overachieved plan by £14.6m, £2.2m in month.** This is due to clinical income being £9.7m over plan, of which £9.9m relates to drug income.
- **Expenditure is overspent by £14.6m, £2.2m in month.** Consistent with the income position, mostly due to drug expenditure being £9.9m above plan.
- **Cash held is ahead of plan by £13.4m**
- **Capital expenditure is £5.8m behind plan.**

**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 February, 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 December, 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	M11 Actual	M11 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	As expected	1
Agency	4	1	Spend of £1,825k against ceiling cap of £1,044k YTD	4

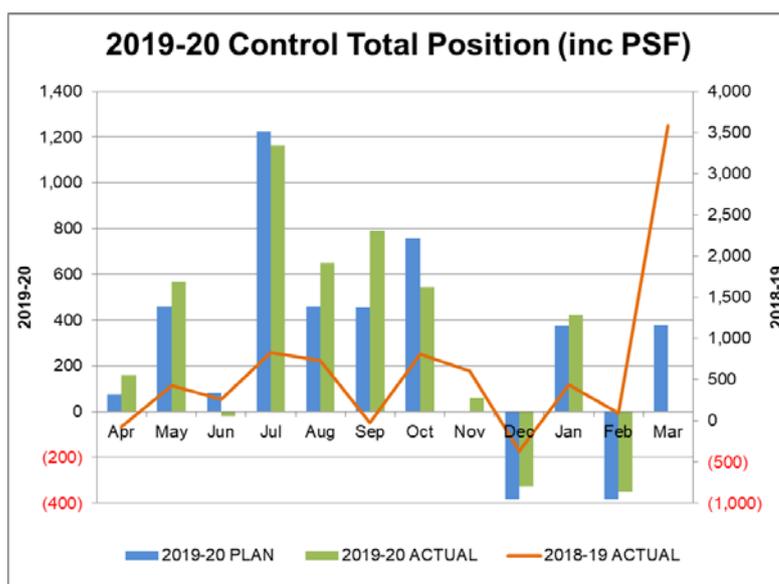
#### 4. Operational Financial Profile – Income and Expenditure

##### 4.1 Overall Income and Expenditure Position

4.1.1 The cumulative consolidated financial position of the Trust and subsidiaries for February is a surplus above the NHSI control total of £543k. The in month position is showing a surplus of £33k.

4.1.2 The table below summarises. Please see Appendix 1 for the more detailed Income & Expenditure position.

Metric (£000)	M11 Actual	M11 Plan	Variance	YTD Actual	YTD Plan	YTD Variance	Annual Plan
Clinical Income	12,640	11,948	691	148,226	138,495	<b>9,731</b>	151,621
Other Income	2,681	1,153	1,528	17,632	12,740	<b>4,892</b>	18,557
<b>Total Operating Income</b>	<b>15,321</b>	<b>13,101</b>	<b>2,220</b>	<b>165,858</b>	<b>151,235</b>	<b>14,623</b>	<b>170,178</b>
Total Operating Expenditure	(15,276)	(13,123)	(2,153)	(158,692)	(144,137)	<b>(14,555)</b>	(162,339)
<b>Operating Surplus</b>	<b>45</b>	<b>(22)</b>	<b>67</b>	<b>7,166</b>	<b>7,099</b>	<b>68</b>	<b>7,840</b>
Finance Costs	(444)	(397)	(47)	(4,716)	(4,367)	<b>(349)</b>	(4,764)
<b>Surplus/Deficit</b>	<b>(399)</b>	<b>(419)</b>	<b>20</b>	<b>2,451</b>	<b>2,732</b>	<b>(281)</b>	<b>3,076</b>
<b>NHSI Control Total</b>	<b>(351)</b>	<b>(384)</b>	<b>33</b>	<b>3,657</b>	<b>3,114</b>	<b>543</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.

February's actual position is slightly ahead of 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 February.

Year to Date: M11	Actual £'000s
<b>Trust Surplus</b>	<b>2,451</b>
Add back Donated Depreciation	<b>400</b>
Add back CPL Profit	<b>262</b>
Add back PropCare Profit	<b>544</b>
<b>NHSI Control Total Delivered</b>	<b>3,657</b>
<b>Control Total Plan</b>	<b>3,114</b>
<b>Variance to NHSI Control Total</b>	<b>543</b>

4.1.4 The Trust has assumed that it will receive its notified Provider Sustainability Funding for the year to date period of £354k, £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 £148.2m of clinical income, and £12.6m clinical income in month. This is cumulatively ahead of plan by £9.7m (in month £0.7m). The

primary driver for this performance is drug income above plan of £9.9m, of which £0.8m relates to February.

4.2.3 The financial position is based on actual activity data for April to February for drugs and bone marrow transplant. Solid Tumour information is based on actual activity data for April to January and forecast for February. Haemato-Oncology activity is based on actuals for April to December and forecast for January and February. 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 (£1.8m or 9.8%) and chemotherapy (£1.3m or 6.3%), is not financially realisable due to the block nature of the contract with NHS England Specialised Commissioning. £0.6m of the radiotherapy over performance relates to proton activity, which is high cost, low volume activity.

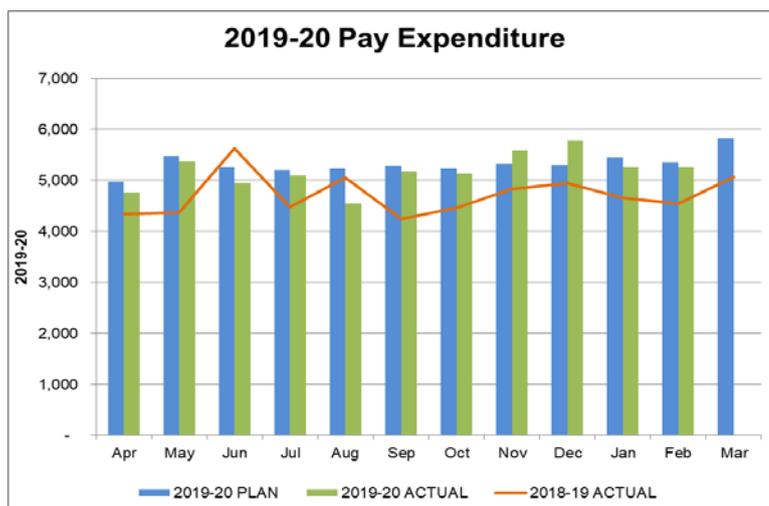
### 4.3 Expenditure Profile

#### 4.3.1 Pay

Pay year to date is underspent to plan by £1.2m, in month is underspent by £99k. The underlying year to date Trust pay variance excluding hosted services, Cancer Alliance, R&I and Charity, is an under spend of £250k, an over spend of £72k in month.

The value of investment included in the pay budget relating to the workforce investments is £247k for the month of February, with the cumulative value of investments in the plan of £1,760k.

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

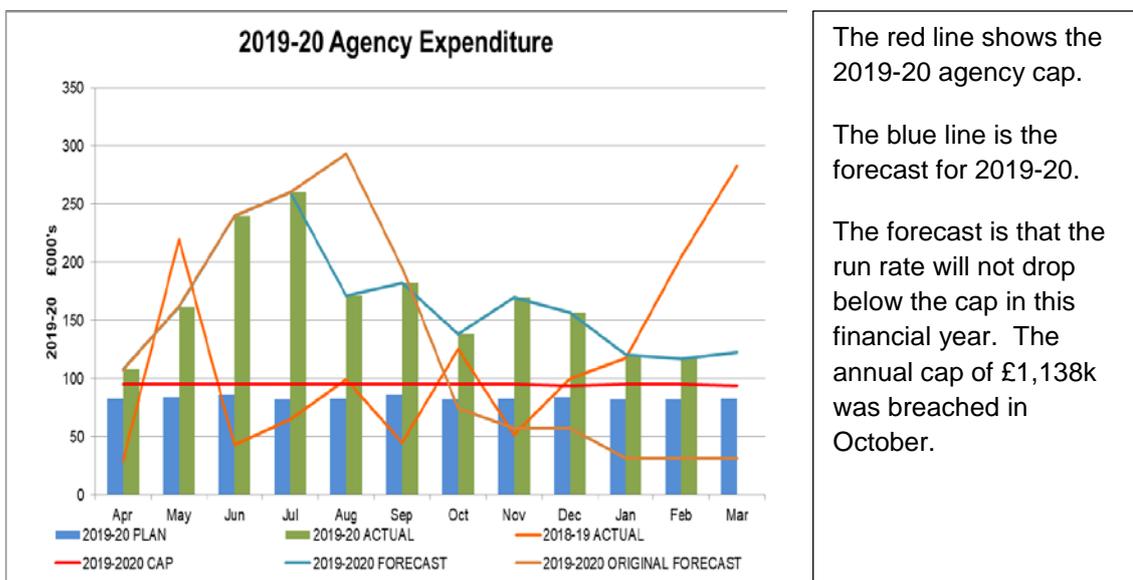


This chart shows monthly planned and actual pay spend for 2019-20. The line shows the monthly pay spend for 2018-19. It shows that actual spend in month is again below plan.

Agency expenditure continues to be a key focus for the Trust. In February, the total expenditure was £117k. The cumulative position of £1,825k expenditure for the first eleven months of the financial year is above the annual ceiling of £1,138k, ( £1,044k year to date ceiling).

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.

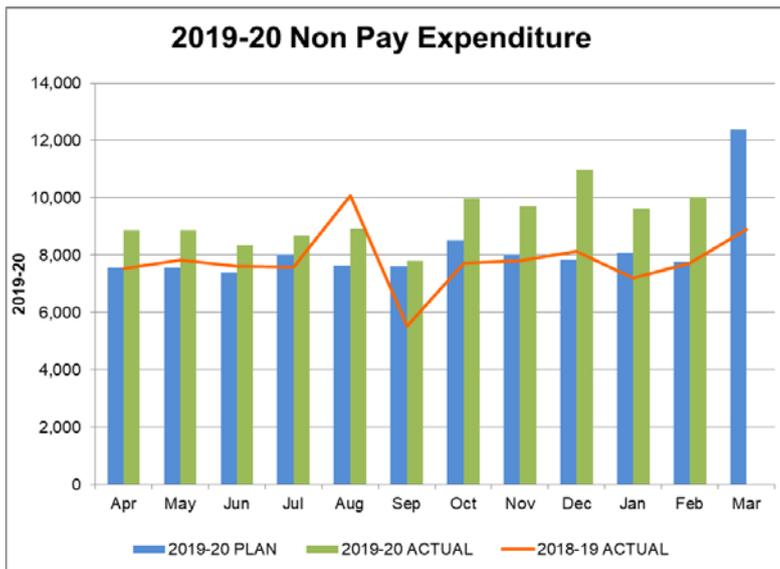
It is important to note that the forecast annual expenditure has slightly decreased from January to February, the forecast is £1.947m. The original agency forecast in June was £1.681m. The increase is due to additional HO, radiologists, medical and clinical oncologists required due to medical staffing vacancies.



#### 4.3.2 Non Pay

Non-pay is overspent by £15,745k, in month £2,252k. Of this £9,866k is drug related, in month £1,108k, which is matched by additional income.

The non-drug related costs are adverse against plan year to date by £5,880k. The most significant non-drug variance £2,981k relates to Hosted Services. Depreciation and amortisation are also contributing £103k 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.



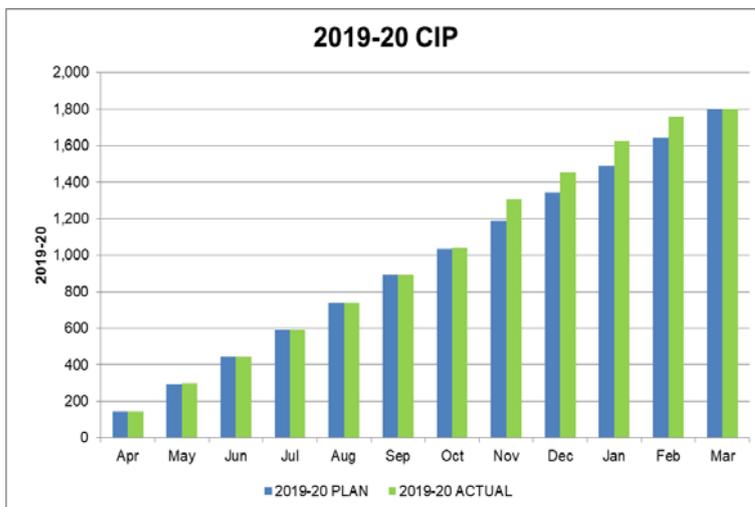
This chart shows monthly planned and actual non pay spend for 2019-20.

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

In M1-11 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 98% of its CIP requirement at the end of February and is forecasting to deliver the full £1.8m by March. At this stage, this is not considered a significant risk.



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

It shows that up to M11 the Trust is meeting its CIP Plan and forecasting to meet the 2019-20 target.

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.

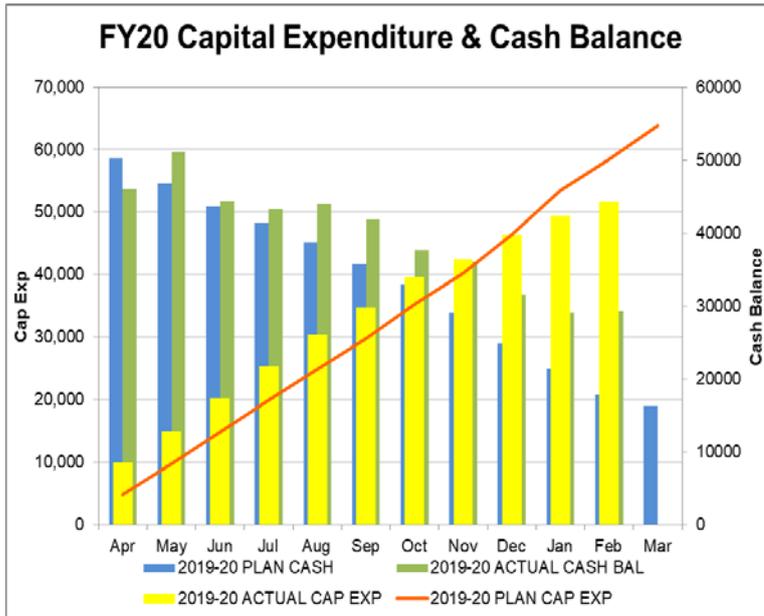
- Haemato-Oncology – work is ongoing to realise the reduced costs of blood products.
- Radiation Services – maintenance contracts have been reviewed, and efficiencies have been identified, non-recurrently. The directorate are confident that they will achieve their target.

## **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.

## **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 £44.3m has been incurred to the end of February against a year to date plan of £50.1m, of which £1.9m was incurred in February against the in-month plan of £4.2m.
- 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 £60.1m compared to the original plan of £54.663m.
- 6.4 The capital programme is supported by the organisation's cash position. The Trust has a current cash position of £34.2m, which is a positive variance of £13.4m to the cashflow plan of £20.8m.
- 6.5 In addition to the Trust cash holding of £34.2m, the subsidiaries were holding £5.0m and the Charity £8.8m at the end of February. Total Group Cash was therefore £48.1m.
- 6.6 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 February 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 Recurrent CIP	Current CIP forecast consists of Non-Recurrent slippage. This is only a short term solution.	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 has 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 Trust Board 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)

	February 2020			Cumulative YTD				Revised Annual Plan (£000)
	Plan	Actual	Variance	Plan	Actual	Variance		
	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	%	
<b>Clinical Income:</b>								
Elective	345	529	184	4,006	4,718	712	17.8%	4,386
Non-Elective	483	639	156	5,598	4,841	(757)	-13.5%	6,129
Out-patient Attends	1,947	2,370	423	22,588	23,869	1,281	5.7%	24,730
Radiotherapy Attends	1,587	2,070	482	18,414	20,223	1,809	9.8%	20,160
Chemotherapy Attends	1,835	2,327	492	21,289	22,621	1,331	6.3%	23,308
Impact of Contract Tolerances / Agreed Outturn	0	(1,831)	(1,831)	0	(3,840)	(3,840)	0%	0
Drugs	4,877	5,549	672	56,570	65,299	8,729	15.4%	61,935
Drugs - Private Patients	109	255	147	1,204	2,385	1,181	98.1%	1,314
Diagnostic Imaging	191	189	(1)	2,211	2,260	49	2.2%	2,421
Bone marrow transplants	448	424	(24)	5,196	4,493	(703)	-13.5%	5,688
Other Currencies	76	76	(0)	839	836	(3)	-0.4%	915
Private Patients (excluding drug sales)	50	43	(7)	580	522	(57)	-9.9%	635
<b>Sub-Total: Total Clinical Income</b>	<b>11,948</b>	<b>12,640</b>	<b>691</b>	<b>138,495</b>	<b>148,226</b>	<b>9,731</b>	<b>7.0%</b>	<b>151,621</b>
Other Income	573	910	337	6,365	9,230	2,865	45.0%	8,937
Hosted Services	580	1,771	1,192	6,375	8,402	2,027	31.8%	9,620
<b>Total Operating Income</b>	<b>13,101</b>	<b>15,321</b>	<b>2,220</b>	<b>151,235</b>	<b>165,858</b>	<b>14,623</b>	<b>9.7%</b>	<b>170,178</b>
Pay: Trust (excluding Hosted)	(4,880)	(4,953)	(72)	(52,924)	(52,674)	250	-0.5%	(57,810)
Pay: Hosted	(473)	(302)	171	(5,196)	(4,256)	940	-18.1%	(6,139)
Drugs expenditure	(4,630)	(5,738)	(1,108)	(53,108)	(62,974)	(9,866)	18.6%	(58,100)
Other non-pay: Trust (excluding Hosted)	(3,039)	(2,813)	225	(31,781)	(34,669)	(2,888)	9.1%	(36,864)
Non-pay: Hosted	(100)	(1,470)	(1,369)	(1,128)	(4,120)	(2,991)	265.1%	(3,425)
<b>Total Operating Expenditure</b>	<b>(13,123)</b>	<b>(15,276)</b>	<b>(2,153)</b>	<b>(144,137)</b>	<b>(158,692)</b>	<b>(14,555)</b>	<b>10.1%</b>	<b>(162,339)</b>
<b>Operating Surplus</b>	<b>(22)</b>	<b>45</b>	<b>67</b>	<b>7,099</b>	<b>7,166</b>	<b>68</b>	<b>1.0%</b>	<b>7,840</b>
Profit /(Loss) from Joint Venture	52	52	0	572	572	0	0.0%	624
Interest receivable (+)	8	404	396	90	3,959	3,869	4306.8%	98
Interest payable (-)	(57)	(499)	(442)	(628)	(4,847)	(4,218)	671.3%	(686)
PDC Dividends payable (-)	(400)	(400)	0	(4,400)	(4,400)	0	0.0%	(4,800)
<b>Retained surplus/(deficit)</b>	<b>(419)</b>	<b>(399)</b>	<b>20</b>	<b>2,732</b>	<b>2,451</b>	<b>(281)</b>	<b>-10.3%</b>	<b>3,076</b>
<b>NET I&amp;E Margin (%)</b>	<b>-3.2%</b>	<b>-2.6%</b>	<b>0.6%</b>	<b>1.8%</b>	<b>1.5%</b>	<b>-0.3%</b>	<b>-18.2%</b>	<b>1.8%</b>
<b>Operating Surplus Margin (%)</b>	<b>-0.2%</b>	<b>0.3%</b>	<b>0.5%</b>	<b>4.7%</b>	<b>4.3%</b>	<b>-0.4%</b>	<b>-7.9%</b>	<b>4.6%</b>

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

	Post Audit	NHSI Plan	Jan-20			Feb-20		
	2019	2020	YTD Plan	Actual YTD	Variance	YTD Plan	Actual YTD	Variance
	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)	(£000)
<b>Non-current assets</b>								
Intangible assets	1,673	485	505	2,190	1,685	495	2,166	1,671
Property, plant & equipment	158,340	220,606	212,702	195,790	(16,912)	216,486	197,522	(18,964)
Investments in associates	1,174	1,920	1,816	344	(1,472)	1,868	396	(1,472)
Other financial assets	78,815	140,261	132,515	122,044	(10,471)	136,515	123,346	(13,169)
Trade & other receivables	1,667	277	2,587	28	(2,559)	2,362	1	(2,361)
Other assets	-	-	-	-	-	-	-	-
<b>Total non-current assets</b>	<b>241,669</b>	<b>363,549</b>	<b>350,125</b>	<b>320,395</b>	<b>(29,730)</b>	<b>357,726</b>	<b>323,431</b>	<b>(34,295)</b>
<b>Current assets</b>								
Inventories	1,263	1,000	1,000	1,116	116	1,000	1,333	333
Trade & other receivables								
NHS receivables	10,215	4,860	5,000	17,662	12,662	5,000	17,973	12,973
Non-NHS receivables	24,216	5,000	5,000	14,884	9,884	5,000	15,162	10,162
Cash and cash equivalents	72,963	19,035	25,028	33,952	8,924	20,821	34,195	13,374
<b>Total current assets</b>	<b>108,658</b>	<b>29,895</b>	<b>36,028</b>	<b>67,613</b>	<b>31,585</b>	<b>31,821</b>	<b>68,663</b>	<b>36,842</b>
<b>Current liabilities</b>								
Trade & other payables								
Non-capital creditors	36,043	15,000	15,000	26,710	11,710	15,000	32,972	17,972
Capital creditors	97	1,952	2,207	364	(1,843)	2,020	364	(1,656)
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	236	(253)
Other liabilities:-								
Deferred income	2,402	4,000	4,000	7,786	3,786	4,000	3,719	(281)
Other	-	700	700	-	(700)	700	-	(700)
<b>Total current liabilities</b>	<b>40,592</b>	<b>24,023</b>	<b>24,278</b>	<b>36,912</b>	<b>12,634</b>	<b>24,091</b>	<b>39,077</b>	<b>14,986</b>
<b>Total assets less current liabilities</b>	<b>309,734</b>	<b>369,421</b>	<b>361,875</b>	<b>351,096</b>	<b>(10,779)</b>	<b>365,456</b>	<b>353,017</b>	<b>(12,439)</b>
<b>Non-current liabilities</b>								
Trade & other payables								
Capital creditors	-	301	301	-	(301)	301	-	(301)
Borrowings								
Loans	37,280	35,550	35,675	35,675	-	35,675	35,675	-
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	132,515	122,441	(10,074)	136,515	123,654	(12,861)
<b>Total non current liabilities</b>	<b>122,059</b>	<b>177,273</b>	<b>169,652</b>	<b>159,272</b>	<b>(10,380)</b>	<b>173,652</b>	<b>160,486</b>	<b>(13,166)</b>
<b>Total net assets employed</b>	<b>187,675</b>	<b>192,148</b>	<b>192,223</b>	<b>191,823</b>	<b>(400)</b>	<b>191,804</b>	<b>192,531</b>	<b>727</b>
<b>Financed by (taxpayers' equity)</b>								
Public Dividend Capital	55,364	57,158	57,158	56,653	(505)	57,158	57,769	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	127,226	126,677	(549)	126,807	126,269	(538)
<b>Total taxpayers equity</b>	<b>187,675</b>	<b>192,148</b>	<b>192,223</b>	<b>191,823</b>	<b>(400)</b>	<b>191,804</b>	<b>192,531</b>	<b>727</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	7,099	7,166	67
Depreciation	4,614	76	(4,538)
Amortisation	113	4,595	4,482
Impairments	0	0	0
Movement in Trade Receivables	14,086	2,962	(11,124)
Movement in Other Assets	(44,000)	(44,531)	(531)
Movement in Inventories	0	(70)	(70)
Movement in Trade Payables	(1,166)	(3,071)	(1,905)
Movement in Other Liabilities	44,000	41,405	(2,595)
Movement in Provisions	0	(31)	(31)
CT paid	0	0	0
<b>Net cash used in operating activities</b>	<b>24,746</b>	<b>8,502</b>	<b>(16,244)</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE	(50,125)	(38,991)	11,134
Purchase of Intangibles	0	(5,089)	(5,089)
Interest received	89	3,959	3,870
Investment in associates	0	1,350	1,350
<b>Net cash used in investing activities</b>	<b>(50,036)</b>	<b>(38,771)</b>	<b>11,265</b>
<b>Cash flows from financing activities</b>			
Public dividend capital received	2,405	2,405	0
Public dividend capital repaid	0	0	0
Loans received	0	0	0
Movement in loans	(1,605)	(1,605)	0
Capital element of finance lease	(51)	(53)	(2)
Interest paid	(337)	(4,842)	(4,505)
Interest element of finance lease	(7)	(5)	2
PDC dividend paid	(2,400)	(4,400)	(2,000)
Finance lease - capital element repaid	0	0	0
<b>Net cash used in financing activities</b>	<b>(1,995)</b>	<b>(8,500)</b>	<b>(6,505)</b>
<b>Net change in cash</b>	<b>(27,285)</b>	<b>(38,768)</b>	<b>(11,483)</b>
<b>Cash b/f</b>	<b>48,105</b>	<b>72,963</b>	<b>24,858</b>
<b>Cash c/f</b>	<b>20,821</b>	<b>34,195</b>	<b>13,374</b>



