

OLD FIRE STATION ENTERPRISE CENTRE EXTENSION

MULTI-YEAR CASH FLOW FORECAST v1

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Total
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£

SALES

Rental income - PHASE II OFSEC EC	60,840	123,240	147,030	160,160	160,160	160,160	160,160	160,160	160,160	171,600	171,600	171,600	171,600	171,600	171,600	2,321,670
Total Sales	60,840	123,240	147,030	160,160	160,160	160,160	160,160	160,160	160,160	171,600	171,600	171,600	171,600	171,600	171,600	2,321,670

OTHER INCOME

GPIF Capital Grant (loan)	750,000															
Additional income from comensurate rent increase to tenants resident in the existing OFSEC EC phase I	8,320	8,320	12,480	16,640	16,640	16,640	16,640	16,640	16,640	20,800	20,800	20,800	20,800	20,800	20,800	253,760
Total Income	819,160	131,560	159,510	176,800	176,800	176,800	176,800	176,800	176,800	192,400	192,400	192,400	192,400	192,400	192,400	2,575,430

OVERHEADS

Staffing Costs	13,500	13,635	13,771	13,909	14,048	14,189	14,331	14,474	14,619	14,765	14,912	15,062	15,212	15,364	15,518	217,308
CENTRE RUNNING EXPENSES																0
Water	575	604	634	666	699	734	771	809	850	892	937	983	1,033	1,084	1,138	12,408
Electricity	2,880	3,024	3,175	3,334	3,501	3,676	3,859	4,052	4,255	4,468	4,691	4,926	5,172	5,431	5,702	62,146
Gas	1,225	1,286	1,351	1,418	1,489	1,563	1,642	1,724	1,810	1,900	1,995	2,095	2,200	2,310	2,425	26,434
Business rates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property maintenance	0	0	0	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	70,960
Planned servicing	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688	2,768	2,852	2,937	3,025	37,198
Cleaning & Waste	4,950	5,099	5,251	5,409	5,571	5,738	5,911	6,088	6,271	6,459	6,652	6,852	7,058	7,269	7,487	92,065
Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing	1,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000
Legal & Professional	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Evaluation (intermediate and final)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Equipment	2,500	0	0	500	0	0	500	0	0	500	0	0	500	0	0	4,500
Consumables	700	1,000	1,400	1,442	1,485	1,530	1,576	1,623	1,672	1,722	1,773	1,827	1,881	1,938	1,996	23,565
ICT on-going	2,175	2,175	1,785	1,874	1,968	2,066	2,170	2,278	2,392	2,512	2,637	2,769	2,908	3,053	3,206	35,968
Server & Switches	12,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,500
Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inflation (allowed for in yoy increments)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Overheads	44,005	28,883	29,489	35,737	36,162	37,119	38,610	39,135	40,197	41,797	42,436	43,616	45,339	46,106	47,419	596,051

Conversion costs

Build costs (Demolition & Alterations)	90,000															90,000
Roof	80,000															80,000
Repairs (incl. windows/doors)	50,000															50,000
Mechanical & Electrical	240,000															240,000
Refurbishment (Décor & finishing)	70,000															70,000
IT cabling/installation	10,400															10,400
Building remedial costs e.g. asbestos removal	20,000															20,000
Preliminaries/Design Risk/Contingency	42,000															42,000
Planning fees	45,000															45,000
Professional Fees 10%	70,000															70,000
Contingency	32,600															32,600
Total Conversion Costs	750,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	750,000

Income	819,160	131,560	159,510	176,800	176,800	176,800	176,800	176,800	176,800	192,400	192,400	192,400	192,400	192,400	192,400	
Outgoings	794,005	28,883	29,489	35,737	36,162	37,119	38,610	39,135	40,197	41,797	42,436	43,616	45,339	46,106	47,419	
Balance	25,155	102,678	130,021	141,063	140,638	139,681	138,190	137,665	136,603	150,603	149,964	148,784	147,061	146,294	144,981	

Loan repayment @ 75% operating margin p/a	18,866	77,008	97,516	105,797	105,478	104,761	103,643	103,248	102,452	112,952						
Cumulative loan repayment	18,866	95,874	193,390	299,187	404,665	509,426	613,068	716,317	818,769	931,721						
Residual 25% to TEN project	0	25,669	32,505	35,266	35,159	34,920	34,548	34,416	34,151	37,651						

Loan repayment @ 95% operating margin p/a	23,897	97,544	123,520	134,009	133,606	132,697	131,281	130,781	129,773							
Cumulative loan repayment	23,897	121,441	244,961	378,970	512,576	645,273	776,553	907,335	1,037,107							
Residual 5% to TEN project	0	5,134	6,501	7,053	7,032	6,984	6,910	6,883	6,830							

Loan repayment @ 100% operating margin p/a	25,155	102,678	130,021	141,063	140,638	139,681	138,190	137,665	136,603	150,603						
Cumulative loan repayment	25,155	127,833	257,853	398,916	539,554	679,234	817,424	955,089	1,091,692	1,242,295						

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Total
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NOTES

SALES

Rental income - Salisbury Centre

Based on 46 rentable desks (approx. 19 office units) @ £60 per desk per week assuming no discounts apply for larger units due to local demand. Assume 2 desks available at any time for 'churn' i.e. model based on 90%+ max occupancy. Occupancy target Y1 = 75% (36 desks let by year end, 6 in Q1/2 & 12 in Q3/4 cumulative) , Y2 87% (42 desks let), Y3 91% (44 desks let) rolling 90%+ occupancy thereon. Rent reviewed to £65 per desk in Y3 and £70 per desk in Y4 onwards - **see calculations on next tab**

OTHER INCOME

GPIF Capital Grant (loan)

TEN Income Share

REQUESTED LOAN £500k.

Additional income from commensurate rent increase to tenants resident in the existing OFSEC EC phase I - based on bringing 50% pf additional income across to Phase II budget - **see calculations on next tab**

OVERHEADS

Development Officer

Staffing Costs

Centre running expenses

Water

Electricity

Gas

Business rates

Property maintenance

Planned maintenance

Cleaning & Waste

Insurance

Marketing

Legal & Professional

Evaluation (intermediate and final)

Office Equipment

Consumables

ICT on going

Server & Switches

Contingency

Inflation

No costs allocated as DO already employed with costs covered elsewhere in TEN budget. Should we take a proportion of the F/T cost here?

Assume half of a F/T roll Grade H SPC 25 £22,212 allow for NI/Pension @£4.75Kpa = Gross £27K) allow 1% yoy increment.

1/4 of 2015/16 budget from TEN Business Plan + 5% yoy increase

Based on actual av monthly invoices 2015 @ £240 x 12 = 2880 pa + 5% yoy increase

Based on actual March-Dec figure 2014/15 @ £919 / 9 x 12 = £1225 pa + 5% yoy increase

Rateable value for entire site @ £59K actual payment £24,896/2 + 3% yoy - figures checked with Phil Ruddle **!!OFSEC already covering rates for both halves of site!! Not accounted for here therefore as the costs are currently covered elsewhere in the TEN Budget**

Allowance for necessary repairs & ad hoc works as needed, assuming refurbishment works subject to min 3yrs guarantee so active from Y4 & based on estimate taken from TEN Business Plan 14/15

Regular annual services e.g. boiler/lights/fire extinguishers and monitoring of fire alarm etc. based on 2015 projections + 3% yoy

Cleaning rota & waste to replicate scope and scale as current at OFS. Figures based on TEN budget 2014/15 + 3% yoy (Churchill/Initial/Hills)

No insurance bills for TEN to date

£10K pa already budgeted for TEN - allow extra for initial OFS Extension marketing - e.g. new brochure/launch event nominal £1K

No current allowance in TEN budget

No current allowance as this is a loan based budget not a grant based budget

Desks/Chairs/Meeting Room furniture taken from old WC stock - no charge. Allowance for post boxes/fire extinguishers/refreshment station with kettle & microwave/dressing etc. based on actual spend figures

Consumables e.g. tea/coffee, stationery, loo rolls etc. based on actual, current costs scaled to allow for build up in occupation and with a 3% yoy increase from Y3

Local network costs based on actual £525 p/a, VoIP costs @ £3.50pm based on scaled occupancy to max 30 (15 Y1 + 15 Y2 only) & include supply new handsets (£68 each - 15 Y1 + 15 Y2 only). 5% yoy increment after Y3. Assume use of existing Virgin Broadband leased line (annual actual cost £995),

Based on actual cost for OFS

Should a contingency figure be allowed yoy? Contingency for refurb work included below - this would simply be an operating cost contingency

Worked into figures already at 3% and 5%

Conversion costs

Approximate and estimated figures from Steele Davis, these figures aligned with projected figures/preliminary estimates for the original OFS refurbishment dating to 2012 + 10% allowed for inflation + 5% for scale up to slightly larger site. N.B. The new site is marginally larger than the existing OFS site.

Build costs (Demolition & Alterations)

Roof

The figure here allows for a comprehensive 'make good' of the existing roof of just this side of the building. Figure taken from the 2012 estimate + £30K contingency There *is* an opportunity to look at replacing the roof of the entire site, but this may not be necessary and could be cost prohibitive.

Repairs (incl. windows/doors)

Mechanical & Electrical

The figure used was based on a projected 41 desks and 2 meeting rooms in the original 2012 plan - this is broadly commensurate with estimates of the amount of lettable space to be created in the extension

Refurbishment (Décor & finishing)

IT cabling

Building Remedial Costs e.g. Asbestos removal

Installation based on *actual* Stickman costs for OFS £7750 + 10%

There is asbestos in the building but I can find no references to asbestos removal or separate costings for this from the original refurbishment of the current OFS site.

Assume that this cost line covers an element of fee for preliminary viability work incl. professional services e.g. commissioning a mechanical survey or feasibility report likely to be incurred?

Would planning fees be incurred or would these be treated as internal cross-charge elements? Allowance shown here

Preliminaries/Design Risk/Contingency

Planning fees

Professional Fees

Contingency

Estimate approx 10% of build costs

A small allowance for contingencies

Income

Sum of projected rental and meeting room income (+ loan amount in Y1)

Outgoings

Sum of overheads (and conversions costs in Y1)

Balance

Difference between income & outgoing costs

Loan repayment @ 75% operating margin p/a

Cumulative loan repayment

Annual amount repayable to GPIF fund taken as 75% of operating margin for extension side of OFS only with residual 25% returned to support TEN project

Cumulative amount of above - *n.b. total loan will be paid off after between years 8/9*

Loan repayment @ 95% operating margin p/a

Cumulative loan repayment

Annual amount repayable to GPIF fund taken as 95% of operating margin for extension side of OFS only with residual 5% returned to support TEN project

**** Loan repaid in between Y6 & Y7**

Loan repayment @ 100% operating margin p/a

Cumulative loan repayment

Annual amount repayable to GPIF fund taken as 100% of operating margin for extension side of OFS only

**** Loan repaid in between Y6 & Y7**

Rental income calculation

Based on 46 rentable desks (approx. 19 office units) @ £60 per desk per week

Assuming no discounts apply for larger units due to local demand.

Assume high uptake in Y1 as model and demand proven

Assume 2 desks available at any time for 'churn' i.e. model based on 90%+ max occupancy.

Higher rent per desk from outset @ £60 per desk per week - reflected across all insitu tenants (first rental increase in 3 years of operation) with subsequent rent increases in Y3, Y4 and Y1

Y1

Desks let	Rate per desk	No of weeks let	Rental income	Total
6	£60	52	£18,720	
6	£60	39	£14,040	
12	£60	26	£18,720	
12	£60	13	£9,360	£60,840

Y2

2	£60	39	£4,680	
4	£60	26	£6,240	
36	£60	52	£112,320	£123,240

Y3

2	£65	39	£5,070	
42	£65	52	£141,960	£147,030

Y4

44	£70	52	£160,160	£160,160
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Y5-Y9

44	£70	52	£160,160	£160,160
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Y10-Y15

44	£75	52	£171,600	£171,600
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Y1 - additional income from OFSEC 1 with increased rental

Desks let	Xtra per desk	No of weeks let	Rental income	Total
16	£10	52	£8,320	

				£8,320
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Y2

16	£10	52	£8,320	
				£8,320

Y3

16	£15	52	£12,480	
				£12,480

Y4

16	£20	52	£16,640	£16,640
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Y5-Y9

16	£20	52	£16,640	£16,640
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Y10-Y15

16	£25	52	£20,800	£20,800
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