



EAST CAMBRIDGESHIRE  
DISTRICT COUNCIL

**East Cambs**  
**Trading CO. Ltd**

## HALF YEARLY UPDATE

1 April 2021 to 30 September 2021

## **1. INTRODUCTION**

The purpose of this report is to provide the Finance & Assets Committee, acting as the Shareholder Committee, with an update in the following areas:

- Strategic Risk Management
- Progress against the Business Plan 2021/22
- Current Financial Position

## **2. STRATEGIC RISK MANAGEMENT**

The approved ECTC Business Plan 2021/22 includes Risk Management. At this point in the year the identified risks remain appropriate and there are no new identified strategic risks for the remainder of this business plan year. The Board of Directors will consider what, if any, changes need to be made when formulating the 2022/23 business plan.

For ease of reference the table provided in the ECTC Business Plan 2021/22 is set out below.

RISK MANAGEMENT

SECTION A - RISK MANAGEMENT (GENERAL)				
1. LEGISLATIVE/POLICY				
Identified Risk	Management of Risk	Risk Score		Risk Owner
<p><b>Changes in legislation could place restrictions on the Council's powers to trade in a commercial manner.</b></p> <p><b>Changes in legislation could impact on ECTC's ability to borrow (or conversely ECTC's power to lend) to fund future projects</b></p>	<p>Continuous monitoring of changes to legislation and government guidance through liaison with MP's, ebulletins, consultations, LGA KnowledgeHub and other publications.</p> <p>Any significant changes in legislation that may realise this risk should be addressed immediately by the Managing Director and reported to the Board of Directors. An amended Business Plan or Exit Strategy may need to be approved by the Board of Directors and submitted to the Council.</p> <p>The Council's S151 Officer to attend all Board Meetings and advises on all relevant financial and governance matters.</p>	Likelihood	1	Managing Director
	<hr/> <p><b>Monitoring</b></p> <p>This is a medium to long term risk and no significant changes in legislation are anticipated that will affect the company during 2021/22. This risk is continually reviewed through publications and regular liaison with Grant Thornton.</p>			
<p><b>The United Kingdom's exit from the European Union could have a financial and/or operational impact on ECTC.</b></p>	<p>Continuous monitoring of the impact of Brexit on market conditions. The Board of Directors will inform the Council of any significant changes/decisions that need to be made. Advice will be sought from the relevant professional body when appropriate.</p>	Likelihood	3	Board of Directors
	<hr/> <p><b>Monitoring</b></p>			
		Risk	9	

	<p>The United Kingdom has now left the European Union but there are still potential implications that could arise from the post-BREXIT trade deal. Short and medium term risks could include inflationary pressures on construction material prices, skills shortages within the construction industry, and constraints on market for new homes due to economic uncertainty.</p> <p>ECTC will manage cost risks through its tendering process and will ensure that as much flexibility as possible is retained when entering into land or development agreements. The Head of Development will address the key risks relevant to each project in the business case when seeking project approvals from the Board of Directors.</p>			
<p><b>Future Local Government Reform could impact on the Company's activities.</b></p>	<p>The Cambridgeshire and Peterborough Combined Authority Mayor has announced a review for local government reform. Details and scope of the review are not yet defined, but such a review is capable of having both a positive and / or a negative impact on ECTC.</p> <p>This is a medium term risk. Negative impacts for ECTC are not expected in 2021/22 as the review is unlikely to conclude during the financial year.</p> <hr/> <p><b>Monitoring</b> The Director Commercial shall monitor the proposals as they progress and shall advise the Board as soon as is practical of any opportunities / threats that may arise.</p>	<p>Likelihood Impact Risk</p>	<p>2 2 4</p>	<p>Director Commercial (ECDC)</p>
<p><b>Changes in Planning and Housing Policies could have an impact of the Property Division,</b></p>	<p>The Government published revised National Planning Policy Framework (July 2018). The revised definition of affordable rented housing restricts delivery to registered providers. CLTs will be unable</p>	<p>Likelihood Impact Risk</p>	<p>3 2 6</p>	<p>Director Commercial (ECDC)</p>

<p><b>for example, changes to Affordable Housing, Starter Homes, and Self-build could impact the profitability of a particular development.</b></p>	<p>to deliver new affordable rented housing unless they become, or work with, a registered provider.</p> <hr/> <p><b>Monitoring</b> The Council is addressing this issue by setting up a company to become a not for profit Registered Provider (RP). The Council owned RP could act as a partner for local, unregistered CLTs. Stage 1 Regulator approval has already been obtained and an application for Stage 2 (final) consent is due to be submitted in 2021.</p> <p>This is a medium term risk. There will be no impact on the Company's current construction projects, but projects where planning permission has been, or will be, approved since the change will be affected. The Head of Development and Director Commercial (ECDC) shall continue to monitor progress with the establishment of the RP.</p>			<p>Head of Development</p>
<p><b>If the Council cannot demonstrate a five year land supply the company's ability to partner with local CLTs to deliver community-led developments in East Cambridgeshire could be undermined.</b></p>	<p>In 2019 the Council could not demonstrate a five year housing land supply, but in a document published in December 2020, the Council was able to evidence a land supply in excess of six years. This position will continue to adjust over time.</p> <hr/> <p><b>Monitoring</b> This is a medium-term risk. Currently, as a five year housing land supply exists, CLTs are still able to bring forward new development opportunities outside a development envelope using the Community-led development policy in the local plan.</p> <p>That said, ECTC's business activities are no longer wholly reliant on CLT schemes and the company has not yet experienced a negative</p>	<p>Likelihood Impact Risk</p>	<p>2 2 4</p>	<p>Director, Commercial Services (ECDC)</p> <p>Head of Development</p>

	impact from the changing land supply issue. The Head of Development will continue to monitor the situation in 2021/22.			
2. GOVERNANCE				
Identified Risk	Management of Risk	Risk Score		Risk Owner
<p><b>Inadequate governance arrangements and lack of clarity on roles of the Council and ECTC could lead to poor decision making that undermines the operation of ECTC.</b></p>	<p>In 2019/20 Council approved governance changes to the Articles of Association and the Shareholder Agreement. Changes included the removal of elected Members from the ECTC Board of Directors. Elected Members now serve as Observers to the Board of Directors. The rights and rules of Observers are set out in the Shareholder Agreement.</p>	Likelihood	3	Managing Director
	<p><b>Monitoring</b></p> <p>The Council and ECTC will continue to monitor the practicalities of the Shareholder Agreement to ensure that it is fit-for-purpose. Any necessary changes will need to be approved by the Council. The Managing Director will provide a report to the Council detailing any proposed changes and why these changes would be necessary.</p>	Impact	4	
		Risk	12	
<p><b>ECTC is wholly owned by ECDC so is subject to the controls and decision-making process for matters that are outside of the Business Plan.</b></p> <p><b>The speed of the decision-making process may have an impact on ECTC's ability to operate effectively.</b></p>	<p>The Shareholder Agreement sets out the decision-making abilities of ECTC and ECDC. Any changes to the Shareholder Agreement would need to be approved by the Council which may take some time to achieve.</p>	Likelihood	3	Managing Director
	<p><b>Monitoring</b></p> <p>The Shareholder Agreement provides for the ability of extraordinary meetings of the Shareholder Committee to be called to consider urgent business and where necessary make recommendations to Full Council.</p>	Impact	4	
		Risk	12	

	In accordance with the Council's Constitution a Full Council meeting can be convened to deal with any urgent business.			
<b>3. ECONOMIC</b>				
<b>Identified Risk</b>	<b>Management of Risk</b>	<b>Risk Score</b>		<b>Risk Owner</b>
<p><b>ECDC provided a loan to ECTC of £5,000,000, to be drawn down and repaid in accordance with the loan agreement. In the event of an economic slowdown, there may be a risk that the company cannot meet the repayment schedule.</b></p> <p><b>ECDC provided a loan to ECTC of up to £1,500,000, to be drawn down and repaid in accordance with the loan agreement. In the event of an economic slowdown, there may be a risk that the company cannot meet the repayment schedule.</b></p>	<p>Under the terms of the original loan facility agreement, ECTC is required to repay in full at March 2021 any balance outstanding on the original £5m loan. It was recognised early in 2020/21 financial year that this may not be possible due to the impact of Covid19 and so a new loan facility of £3.6m was agreed with ECDC. This new facility will be available in March 2021 and will be used to repay any outstanding balance on the original facility and will continue to fund the Company for the next two years. The new loan is due for repayment in July 2023.</p> <p>ECDC granted a £1.5m facility in December 2018 for the specific purpose of refurbishing the 88 empty properties in Ely, adjacent to the Princess of Wales Hospital. The loan is due for repayment in March 2021. It was recognised early in 2020/21 financial year that repayment of this loan would not be possible due to the impact of Covid19 and so a new loan facility of £1.3m was agreed with ECDC. This new facility will be available in March 2021 and will be used to repay any outstanding balance on the original loan and will continue to fund the refurbishments at MOD. The new loan is due for repayment in March 2023.</p> <hr/> <p><b>Monitoring</b></p> <p>The ability of ECTC to repay any outstanding loan to ECDC is dependent on commercial activities of ECTC particularly with reference to property development.</p>	<p>Likelihood 2</p> <p>Impact 5</p> <p>Risk 10</p>	Finance Manager	

	The repayment schedule is on track and regular financial updates are provided to the Board and S151 Officer at ECDC			
<p><b>With the exception of new loans from the Combined Authority, ECTC cannot increase its indebtedness without the consent of the Shareholder Committee; loans could be provided by the Council (subject to Full Council approval of the Business Case for the loan).</b></p> <p><b>If the Council's MTFS is not successfully implemented the availability of loan finance to ECTC could be reduced. This may lead to ECTC being forced to borrow from the 'market'. In such circumstances, ECTC's profitability and cash flow could be affected as ECTC would be unlikely to benefit from the same loan terms and conditions if it went to the market for such a loan.</b></p>	<p>The Section 151 Officer will ensure that the Council can provide the required funding to ECTC in accordance with the loan agreement. In the event that loan advances cannot be made the Section 151 Officer shall notify the Managing Director as soon as is practicably possible.</p> <p>This matter concerns the medium to long term future of ECTC, however, effective business planning requires continuous consideration of financing arrangements. When considering an application for a loan from the Council ECTC shall engage with the Section 151 Officer as early as practicably possible to ensure that the Council has time to assess its financial position and make a decision as to whether such a loan could be provided. The Council shall make a decision on whether to provide ECTC with a loan as early as practicably possible; if it is not possible this will enable ECTC to consider alternative options for financing.</p> <p>All parties shall have regard to the Council's decision making processes. ECTC shall, wherever possible, adhere to the deadline requirements of the Council's Committee and Council meetings.</p> <hr/> <p><b>Monitoring</b> ECTC and the Council's S151 Officer continually keep this matter under review, and to date, ECTC has not experienced any difficulty accessing the finance that has been agreed from the Council to progress its current projects.</p>	<p>Likelihood Impact Risk</p>	<p>2 5 10</p>	<p>Section 151 Officer  Managing Director  Head of Development  Director, Commercial (ECTC)</p>



	<p>This is a medium term risk as the current loan facilities from ECDC are inadequate to fund all of the development activities that ECTC plans to undertake in this business plan. Individual project business cases will be required to secure additional loan financing for future projects that are not currently funded or under construction. ECTC will continue to ensure that the Council's S151 Officer is aware of the Company's development pipeline and future finance requirements.</p>			
<p><b>Changes in taxation, interest rates and build cost inflation could have an impact on the viability and profitability ECTC.</b></p>	<p>At present changes in taxation are not a known risk, however, ECTC should continue to monitor the potential impact of any changes that may be announced during 2021/22.</p> <p>Build cost inflation is a key short to medium term risk to the company; to minimise the impact, wherever possible, build contracts will be let on a fixed price basis with costs defined.</p> <hr/> <p><b>Monitoring</b> The Finance Team, and where relevant the Head of Development will monitor changes and factor any changes into the business planning process.</p>	<p>Likelihood Impact Risk</p>	<p>3 3 9</p>	<p>Section 151 Officer/Finance Manager</p> <p>Head of Development</p> <p>Director, Commercial (ECTC)</p>
<p><b>Economic downturn could result in lower profits (or even possible losses) than are anticipated in the Business Plan</b></p>	<p>A full assessment of the market conditions is always carried out prior to any development commencing, however, once projects have commenced, the Company is at risk from market fluctuations. In the event that an economic downturn occurs once a development has commenced the Head of Development will appraise the Managing Director of the situation and propose a solution to mitigate any potential losses.</p> <hr/> <p><b>Monitoring</b></p>	<p>Likelihood Impact Risk</p>	<p>3 5 15</p>	<p>Head of Development</p> <p>Managing Director</p>

	<p>The Head of Development continually monitors the general economic conditions and housing market outlook and the financial forecasts contained in this business plan are based on cautious projections of the performance of the housing market during the coming year. The Managing Director shall inform the Council as soon as is practicably possible of any significant changes that may impact on the repayment of any of the company's loans.</p> <p>Where relevant the Managing Director shall present to the Council an amendment to the Business Plan or, if necessary, present an Exit Strategy, for approval.</p>			
<p><b>In order to prosper in a commercial environment, careful management of cash flow for ECTC is essential. Insufficient cash flow will result in ECTC being constrained in realising the objectives of the Business Plan.</b></p>	<p>The cash flow of ECTC is dependent on the loan facilities from ECDC/Combined Authority, commercial returns from non-property based activities, receipts from property sales and individual project cash flow.</p> <hr/> <p><b>Monitoring</b> ECTC continuously monitors its cash flow to ensure it can meet its business plan objectives and creditor obligations to staff, contractors and suppliers.</p> <p>Should new business opportunities arise that are outside of the scope of the Business Plan ECTC shall liaise with the Council and prepare a revised Business Plan, at the earliest opportunity, which will include identifying loan funding (to be approved by Council) that would enable commercial opportunities to be realised.</p>	<p>Likelihood Impact Risk</p>	<p>3 5 15</p>	<p>Managing Director  Head of Development  Director Commercial  Finance Manager</p>

#### 4. OPERATIONAL

Identified Risk	Management of Risk	Risk Score		Risk Owner
<p><b>Inadequate management of commercial build contracts can lead to delays, overspends and reduced profitability/cash flow for the company.</b></p> <p><b>This has the potential to undermine the ability to repay loans to the Council and the Combined Authority.</b></p>	<p>The Head of Development, in the business planning cycle, shall have regard to risks of changing market conditions and/or build cost inflation and put in place a robust project management and cost control plan.</p>	Likelihood	2	Managing Director
	<p><b>Monitoring</b></p> <p>The Head of Development and Finance manager continuously monitor project revenues, costs and programmes and report any significant variations to the Board of Directors.</p>	Impact	4	Head of Development  Finance Manager
<p><b>Adequacy of organisational resources to deliver the required business outcomes.</b></p>	<p>The realisation of ECTC's Business Plan requires planned and continued investment in facilities, staff and training to ensure that the company has the resources that it needs to deliver the necessary outcomes.</p>	Likelihood	1	
	<p><b>Monitoring</b></p> <p>The Head of Development and Managing Director keep organisational matters under regular review and make appropriate changes when they are considered necessary.</p>	Impact	3	Head of Development
		Risk	3	

**SECTION B - RISK MANAGEMENT (CORONAVIRUS)**

<b>LEGISLATIVE/POLICY</b>				
<b>Identified Risk</b>	<b>Management of Risk</b>	<b>Risk Score</b>		<b>Risk Owner</b>
<b>New legislation arising from the Covid 19 pandemic could have operational impacts across the business</b>	The health and safety of the Company's employees and visitors to its sites and offices is of great importance and the government's legislative response to the pandemic has already resulted in adjustments to the Company's procedures. The Company has introduced new safe working restrictions that are intended to reduce the risk of viral transmission while continuing to conduct business in as 'close to usual' as is possible. Further emergency changes to legislation relating to Health and Safety, HR, housing Management may be introduced during 2021/22 with little warning and at short notice.	Likelihood	3	Director Commercial (ECTC)  Head of Development
		Impact	3	
		Risk	9	
	<b>Monitoring</b> This is a short to medium term risk that is expected to affect the company throughout 2021/22. The Director Commercial (ECTC) and Head of Development will continually monitor new legislation as it evolves and take appropriate, effective action to ensure compliance.			
<b>ECONOMIC</b>				
<b>Identified Risk</b>	<b>Management of Risk</b>	<b>Risk Score</b>		<b>Risk Owner</b>
<b>Unemployment and economic uncertainty could increase as a consequence of the Covid 19 pandemic, leading to a fall in demand for the Company's properties and a reduction in Revenues.</b>	The government's furlough scheme that is supporting many local businesses and keeping employees in work is currently scheduled to end in April 2021. There is a significant risk that this will lead to higher levels of unemployment in the second quarter of 2021 and a lull in the housing market (and possible price falls) before the economy improves again in the Autumn once the national vaccination programme has bene completed.	Likelihood	3	Director Commercial (ECTC)  Head of Development
		Impact	5	
		Risk	15	

	<p>In view of the potential risk, the Company has taken a deliberately cautious approach to the revenue forecasts for 2021/22 that are contained in this business plan.</p> <hr/> <p><b>Monitoring</b> This is a short to medium term risk that may affect the company throughout 2021/22. The Director Commercial (ECTC) and Head of Development will continually monitor the changing situation and will report to the Board as soon as is practicably possible of any significant impacts.</p>			
<p><b>Covid-19 safe working restrictions, shut-downs and sickness could create shortages of materials in the Company's supply chain and reduce the supply of labour, leading to additional costs.</b></p>	<p>During 2020, shortages were noted in the supply of certain building materials when factories were forced to close due to the pandemic. Fortunately these were limited in their impact and the company was able to source new supplies. There is a continuing risk that this could occur again during the year.</p> <hr/> <p><b>Monitoring</b> ECTC has reviewed opportunities for forward purchasing of building materials to protect itself against future shortages and where possible, orders have been placed. The Director Commercial (ECTC) and Head of Development will continually monitor the changing situation and will report to the Board as soon as is practicably possible of any significant impacts.</p>	<p>Likelihood Impact Risk</p>	<p>3 4 12</p>	<p>Director Commercial (ECTC)  Head of Development</p>

OPERATIONAL				
Identified Risk	Management of Risk	Risk Score		Risk Owner
<p><b>The Covid-19 pandemic creates a risk of ECTC having to temporarily close construction sites, with consequential delays to build programmes.</b></p> <p><b>There is a potential risk to staff mental health and well-being from prolonged periods of remote working.</b></p>	<p>At present, there remains a genuine risk that the company may need to shut down its construction sites if positive Covid cases are identified among the workforce. Requirements to comply with safe working practices on-site is also reducing build production form normal levels.</p>	Likelihood	3	Director
	<p>Office based staff have been forced to adapt to remote working and while this may suits some, it is not a satisfactory arrangement for all employees, particularly those that live alone or with young children.</p> <hr/> <p><b>Monitoring</b></p> <p>The company is also investigating the possibility of introducing a rapid testing regime on its construction sites to ensure that positive coronavirus cases do not result in future shutdowns.</p> <p>The Director Commercial (ECTC) and Head of Development will continually monitor the wellbeing of ECTC remote workers and ensure that appropriate practical or emotional support is provided as required.</p>	Impact	4	Commercial (ECDC)
		Risk	12	Head of Development

### 3. PROGRESS AGAINST THE BUSINESS PLAN 2021/22

#### 3.1 Commercial Services

The Commercial Services of ECTC currently deliver Ely Markets on behalf of ECDC and Grounds Maintenance Services; both on behalf of ECDC and for other customers.

The approved business plan stated that the primary focus for Commercial Services for 2021/22 is to continue to develop Ely Markets, focusing on the community as its customer, and Grounds Maintenance Service focusing on new areas of income generation; ensuring that both continue to deliver high quality services that respond to the needs of their customers and seek to maximise opportunities that arise throughout the year.

##### 3.1.1 Ely Markets

The following table provides a summary of the approved budget and the current **forecast** position (as at 30 September 2021) for 2021/22.

<b>Markets</b>	<b>Approved Budget (£)</b>	<b>Current Forecast (£)</b>
Salaries	129,211	130,206
Premises	30,696	19,242
Transport	1,408	1,459
Supplies & Services	26,932	40,256
Turnover	202,241	208,618
Gross Profit	13,994	17,455

Markets revenues have now recovered from the effects of the restrictions imposed by Government during the Covid19 pandemic and are on track to meet budget levels. Premises costs will be lower than forecast in the original business plan as this assumed a full charge for business rates on Market Square. The actual charge was zero for the first quarter and a one-third reduction for the remainder of the year. The saving from this was then reinvested in an external consultant to review market operations / sales activity in order to ensure continued growth and profitability in future years.

##### 3.1.2 Grounds Maintenance

The following table provides a summary of the approved budget and the current position (as at 30 September 2021) for 2021/22.

<b>Grounds Maintenance</b>	<b>Approved Budget (£)</b>	<b>Current Forecast (£)</b>
Salaries	637,951	623,264
Premises	73,573	69,879
Transport	69,317	79,387
Supplies & Services	63,273	76,541
Turnover	876,791	880,798
Gross Profit	32,677	31,727

The underspend on salary costs is due to budgeting for agency staff, based on last year's performance that, so far, has not been necessary to utilise. This has been offset by

overspends on transport (price increase on fuel plus an exceptional repair cost). Services costs are higher but this relates to costs incurred that are then recharged.

### 3.2 Property

Business during the first half of the financial year has progressed largely as projected in the 2021-22 Business Plan. The table below sets out progress against the five full year targets that were included in the Plan:

Full year target	Progress by half year / Full year projection
<ul style="list-style-type: none"> <li>Build a further 16 new homes at West End Gardens, Haddenham, bringing the total number of homes completed in the project to 37.</li> </ul>	<ul style="list-style-type: none"> <li>During the first half of the financial year, 5 homes were completed, taking the total number completed on site to 26.</li> <li>In the second half of the financial year, 9 more homes are expected to be completed, taking the total number completed on site to 35 (a lower figure than projected in the business plan due to build production difficulties (see 'Overview' below)</li> </ul>
<ul style="list-style-type: none"> <li>Refurbish a further 26 empty homes at MOD Ely, bringing the total number of homes completed and brought back into use to 76.</li> </ul>	<ul style="list-style-type: none"> <li>During the first half of the financial year 9 homes were refurbished taking the total number completed on site to 59.</li> <li>In the second half of the financial year, 17 more homes are expected to be refurbished, taking the total number completed on site to 76.</li> </ul>
<ul style="list-style-type: none"> <li>Work with ECDC to establish the most appropriate way to deliver 13 new homes on the Paradise Pool Site, Ely and commence development on site during the year if approvals / funding are obtained.</li> </ul>	<ul style="list-style-type: none"> <li>Planning permission has been issued for the site and the terms of a sale of the site have been agreed by ECDC.</li> <li>Development is expected to commence in Q4 2021/22.</li> </ul>
<ul style="list-style-type: none"> <li>Commence development of 53 new build homes at MOD, Ely if approvals and funding are obtained.</li> </ul>	<ul style="list-style-type: none"> <li>In response to feedback received, the proposal has been revised to 42 houses and remains under consideration.</li> <li>If planning approval is obtained during Q4 of 2021/22 development can commence in 2022/3</li> </ul>
<ul style="list-style-type: none"> <li>Commence development of key infrastructure for the 500 home Kennett Garden Village project if approvals and funding are obtained.</li> </ul>	<ul style="list-style-type: none"> <li>Work on determining the preferred delivery strategy for the project is advanced.</li> <li>Reserved Matters planning approvals / commencement of development are expected in 2022/23.</li> </ul>



## Overview

During the first half of 2021/22, Covid-19 restrictions and the continuing impact of Brexit had negative effects on material / labour supplies and build progress. Consequentially, at 30/09/21, build production was slightly behind schedule at both of the company's sites. The company expects to recover lost ground in the second half of the year, providing there is no worsening of current conditions.

In the first six months of 2021/22 housing reservations and sales have progressed better than expected in the Business Plan, in line with generally positive movements in the wider market. The stamp duty holiday introduced in summer 2020 was extended by the government until the end of September 2021 and this, together with pent up demand from purchasers that had put house moves on hold during the height of the pandemic, helped to stimulate demand for the company's homes. At Haddenham, where new build purchasers are happy to buy 'off-plan' the company now has a forward sales order book that extends well into Spring 2022. It is harder to generate forward sales for the refurbished homes at Ely, however, levels of interest continue to be good once properties are ready to view.

### Cumulative build and sales at 30 September 2021

West End Gardens, Haddenham	Units				
	Build Complete	Market Sold / Under Offer	Affordable	Market Rent	Available
Business Plan forecast (31/03/2022)	37	12	14	0	11
Mid -year actuals	26	12	14	0	0
Full-year projection at 30/09/21	35	15	14	0	6

MOD Ely (Refurb)	Units				
	Build Complete	Market Sold / Under Offer	Affordable	Market Rent	Available
Business Plan forecast (31/03/2022)	76	30	15	12	19
Mid -year actuals	59	23	15	12	9
Full-year projection at 30/09/21	76	54	15	2	5

#### 4. FINANCIAL

The table below details the actual results for 2020/21 and latest forecasts for 2021/22 through to the end of July 2023 when all of the loans will be repaid.

	2020/21	2021/22	2022/23	Apr-Jul 2023
<b>Turnover</b>				
<b>Commercial</b>	984,100	1,089,415	1,099,428	373,406
<b>Property</b>	3,272,955	19,272,417	31,856,063	3,726,782
<b>Total</b>	<b>4,257,055</b>	<b>20,361,832</b>	<b>32,955,491</b>	<b>4,100,188</b>
<b>Cost</b>				
<b>Corporate</b>	244,673	247,148	246,987	83,923
<b>Commercial</b>	925,882	1,040,242	1,050,356	356,228
<b>Property</b>	3,435,426	16,262,890	30,345,666	3,223,485
<b>Total</b>	<b>4,605,981</b>	<b>17,303,132</b>	<b>31,643,010</b>	<b>3,663,637</b>
<b>EBITDA</b>	<b>(348,926)</b>	<b>2,811,552</b>	<b>1,312,482</b>	<b>436,551</b>
<b>Interest cost</b>	166,328	747,190	815,163	71,058
<b>Profit before tax</b>	<b>(515,254)</b>	<b>2,064,362</b>	<b>497,319</b>	<b>365,493</b>

Revenues for the Kennett development have now been included in the 2021/22 forecast along with a release into costs of the amounts previously held as work-in-progress on the balance sheet. There is also a slight increase caused by some properties that were originally expected to complete in 2020/21 now due for completion in 2021/22. Revenue and costs for the Commercial division have remained relatively static.