

Qualis Group Running Cost Impact and Cost Cascade

Version 5 For Qualis Board For Qualis Board February 2020

4th February 2020

Notes Version with minor amendments from October 2019 version to include latest development phasing assumptions
 Version is based on EFDC financial years, 1st April - 31st March.
 Version based on Qualis financial years, 1st November - 31st October with monthly figures used for reporting.
 Due for revision September - October 2020 in support of second Qualis Business Plan and EFDC financial strategy and shareholder reporting requirements.

Ref	Position	Effective From	FTE	£	Full Year EFDC £ Recharge	Share	2019/20 PY £ Months	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £	2029/30 £
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Qualis Group

Income																	
	Intercompany charge Qualis Developments (50%)				797,008	50%	170,387	797,008	797,008	797,008	797,008	797,008	684,508	684,508	684,508	684,508	684,508
	Intercompany charge Qualis Management (25%)				398,504	25%	85,194	398,504	398,504	398,504	398,504	398,504	342,254	342,254	342,254	342,254	342,254
	Intercompany charge Qualis Living (25%)				398,504	25%	85,194	398,504	398,504	398,504	398,504	398,504	342,254	342,254	342,254	342,254	342,254
	Sub-total				1,594,015		340,775	1,594,015	1,594,015	1,594,015	1,594,015	1,594,015	1,369,015	1,369,015	1,369,015	1,369,015	1,369,015
	Board Member and Direct Board Costs		5.60	812,500	1,056,250		195,000	1,056,250	1,056,250	1,056,250	1,056,250	1,056,250	1,056,250	1,056,250	1,056,250	1,056,250	1,056,250
	Business Support	Based on H	1.00	41,301	53,691	Yes	8,949	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691
	Business Support	Based on H	1.00	41,301	53,691	Yes	8,949	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691
	Finance and Commercial Support	Based on H	1.00	41,301	53,691	Yes	17,897	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691
	Finance and Commercial Support	Based on H	1.00	41,301	53,691	Yes	17,897	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691
	Rent and IT Service Recharge (based on 323 both floors)				85,000	Yes	28,333	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000
	Insurance (group)				2,000		500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	Professional Fees				2,000		667	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	Bank Fees				1,000		333	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Sage Subscription				3,000		1,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
	Other Office Costs				5,000		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
	Sub-total		4.00		312,765		89,525	312,765	312,765	312,765	312,765	312,765	312,765	312,765	312,765	312,765	312,765
	Total before interest and tax				225,000		56,250	225,000	225,000	225,000	225,000	225,000	-	-	-	-	-
	Interest Working Capital Loan to Group				225,000		56,250	Calc	225,000	225,000	225,000	225,000	-	-	-	-	-
	Grand total before tax		9.60		-		-	-	-	-	-	-	0	0	0	0	0

Qualis Living

Income																	
	Rental Income (Loughton Residential)	Assume £20m @ 6% gross			97,620		32,540	4	97,620	97,620	97,620	97,620	97,620	97,620	97,620	97,620	97,620
	Rental Income (Other Residential)				-		-	-	-	-	-	-	-	-	-	-	-
	Rental Income Pass Through	At 3%			-		-	-	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929	2,929
	Sub-total				97,620		32,540		94,691	94,691	94,691	94,691	94,691	94,691	94,691	94,691	94,691
Board																	
	Recharge from Holdco (25%)				398,504		85,194		398,504	398,504	398,504	398,504	398,504	342,254	342,254	342,254	342,254
	Sub-total				398,504		85,194		398,504	398,504	398,504	398,504	398,504	342,254	342,254	342,254	342,254
	Service Manager	Based on H	1.00	41,301	53,691		8,949	2	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691
	Service Support	Based on H	1.00	41,301	53,691		-	-	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691
	Rental System				1,000		-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	Other landlord costs				10,000		1,667	2	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
	Other Asstt Purchases								30,000,000	-	-	-	-	-	-	-	-
	Sub-total		2.00		118,383		10,615		30,118,383	118,383	118,383	118,383	118,383	118,383	118,383	118,383	118,383
	Total before interest and tax				419,266		63,269		30,422,195	422,195	422,195	422,195	422,195	365,945	365,945	365,945	365,945
	Interest on Asset Purchase Loan				-		-	-	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
	Grand Total before tax		2.00		419,266		63,269		31,322,195	1,322,195	1,322,195	1,322,195	1,322,195	1,265,945	1,265,945	1,265,945	1,265,945

Qualis Management

Income																	
	Maintenance Income HRA				6,000,000		-		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
	Maintenance Income GA				224,000		-		224,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000	224,000
	Income other																
	Sub-total				6,224,000		-		6,224,000	6,224,000	6,224,000	6,224,000	6,224,000	6,224,000	6,224,000	6,224,000	6,224,000
Board																	
	Recharge from Holdco (25%)				398,504		85,194		398,504	398,504	398,504	398,504	398,504	342,254	342,254	342,254	342,254

Sub-total			398,504	85,194	398,504	398,504	398,504	398,504	398,504	342,254	342,254	342,254	342,254	342,254
Project Manager	Based on £800 day 60 + 110 days	0.50	88,000	114,400	48,000	114,400	-	-	-	-	-	-	-	-
Set-up Costs System	Incurring by EFDC and recharged over 5 years?				?									
Set-up Costs Vans	Incurring by EFDC and recharged over 5 years?				?									
Set-up Costs Procurement (Devonshires)	Incurring by EFDC and recharged over 5 years?				?									
Service Manager	Based on J	1.00	53,001	68,901		68,901	68,901	68,901	68,901	68,901	68,901	68,901	68,901	68,901
Business Support	Based on H	1.00	41,301	53,691		53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691
Responsive Maintenance				4,157,000		4,157,000	4,157,000	4,157,000	4,157,000	4,157,000	4,157,000	4,157,000	4,157,000	4,157,000
Cyclical Maintenance				2,185,000		2,185,000	2,185,000	2,185,000	2,185,000	2,185,000	2,185,000	2,185,000	2,185,000	2,185,000
Other				212,000		212,000	212,000	212,000	212,000	212,000	212,000	212,000	212,000	212,000
Efficiency	20%			1,226,000		613,000	1,226,000	1,226,000	1,226,000	1,226,000	1,226,000	1,226,000	1,226,000	1,226,000
Sub-total		2.50		5,140,993	48,000	5,753,993	5,026,593	5,026,593	5,026,593	5,026,593	5,026,593	5,026,593	5,026,593	5,026,593
Total before interest and tax		2.50		684,504	-	133,194	71,504	798,904	798,904	798,904	798,904	855,154	855,154	855,154
NA														
Grand Total before tax		2.50		684,504	-	133,194	71,504	798,904	798,904	798,904	798,904	855,154	855,154	855,154

Qualis Developments

Income														
Income Other														
Income other														
Income other														
Sub-total														
Board														
Recharge from Holdco (50%)			797,008	170,387	797,008	797,008	797,008	797,008	797,008	797,008	684,508	684,508	684,508	684,508
Sub-total		0.00	-	797,008	170,387	797,008	797,008	797,008	797,008	797,008	797,008	684,508	684,508	684,508
Project Director	Based on £1,000 day 2200 days	1.00	220,000	286,000	71,500	3	286,000	286,000	286,000	286,000	286,000	286,000	286,000	286,000
Project Manager	Based on J	1.00	53,001	68,901	17,225	3	68,901	68,901	68,901	68,901	68,901	68,901	68,901	68,901
Business Support	Based on H	1.00	41,301	53,691	13,423	3	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691
Business Support	Based on H	1.00	41,301	53,691	-	-	53,691	53,691	53,691	53,691	53,691	53,691	53,691	53,691
Professional Fees and Consultancy				300,000	25,000	1	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Other Office Costs				5,000	5,000	12	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Sub-total		4.00		767,284	132,148		767,284	767,284	767,284	767,284	767,284	767,284	767,284	767,284
Total before interest and tax				1,564,292	302,535		1,564,292	1,564,292	1,564,292	1,564,292	1,564,292	1,451,792	1,451,792	1,451,792
NA														
Grand Total before tax		4.00		1,564,292	302,535		1,564,292	1,564,292	1,564,292	1,564,292	1,564,292	1,451,792	1,451,792	1,451,792

Qualis St Johns and Epping

Income														
Income other														
Income other														
Income other														
Sub-total														
Board														
Recharge from Holdco (50%)														
Sub-total		0.00	-	-										
St Johns	Land						7,060,000							
	Fees						2,141,000	1,335,200	338,000					
	Build Costs							20,040,000	10,020,000					
	Sale Proceeds								57,000,000					
Bakers Lane	Land						2,506,000							
	Fees						288,750	157,500						
	Build Costs						1,093,750	3,281,250						
	Sale Proceeds								8,000,000					
Cottis Lane	Land						4,060,000							
	Fees						1,415,200		353,800	1,415,200	353,800			
	Build Costs								4,200,000	16,800,000	4,200,000			
	Sale Proceeds										39,000,000			
Hemmell Street	Land									1,100,000				
	Fees									240,000	262,000			
	Build Costs										15,200,000	45,600,000		
	Sale Proceeds											96,000,000		
Civic Centre	Land							3,310,000	7,060,000					
	Fees							577,713	2,506					
	Loan Costs Land and Developments								4,060,000					
	Sale Proceeds										1,100,000			
Roundhills	Land						3,060,000		3,310,000					
	Fees						363,875	375,750	3,060,000					
	Build Costs							1,600,000	4,800,000					
	Sale Proceeds										12,400,000			
Sub-total		0.00					21,988,575	22,677,413	31,095,694	19,555,200	18,984,200	50,400,000		
Total before interest and tax							21,988,575	22,677,413	31,095,694	19,555,200	18,984,200	50,400,000		
Interest for Loans for Land, Fees and Developments							2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000	2,550,000
Grand Total before tax							24,538,575	25,227,413	28,545,694	22,105,200	16,434,200	47,850,000	2,550,000	2,550,000

