Agenda Item 5

Report to: **Elsea Park Community Trust Board Meeting**

Date: **Wednesday 4th December 2013**

Subject: **Cash flow Report**

From: **Sally Waltham – Trust Manager & Rebecca Jones – Finance and Administration Officer**

1.0 This report reviews the Trust's cash flow on the operational budget for the year ending 31 March 2014. The report on the cash flow position is attached. At year end it is predicted that, if monies are not transferred from our reserve accounts and/or expenditure cut, the Trust will be have a negative balance of £24,391.

2.0 The potential implications in terms of meeting expenditure in February – April 2014 are significant.

3.0 Bank balances at 31st October 2013 are detailed below:

The current balance in the operational account at HSBC is£ 44,437. This account does not have an overdraft facility.

The reserve accounts are as shown:

Lloyds	£ 24,552
Natwest	£ 51,078
Nationwide	£ 50,014

The reserve accounts include earmarked reserves including Green Transport and the sinking fund for The Centre.

The Board has endorsed the proposal of the Finance Director that the reserve accounts be consolidated. This would simplify the transfer of funds.

4.0 When setting the budget the Board recognised that some funds would need to be transferred by year end. For instance, blinds were to be funded from reserves. There have been other unanticipated costs, such as repositioning the fitness equipment. Other costs have been slightly higher for example grounds maintenance, professional and legal fees. The income at The Centre has been lower than anticipated. Additionally the business rates remain at the full level of £16,000.

5.0 There are a number of large items that are already committed to such as Ground Control, Buckles and LDA. The total cost of the larger already committed items is £55,500. The large non-committed items come to £16,800. The Board is asked whether they wish to postpone some projects such as bins and landscaping projects.

6.0 There has to be an immediate transfer a sum of money to the HSBC account from the reserve accounts. This will require at least two Directors who are mandated to enable the transfer of funds. A recommended amount would be £50,000 which provides a margin to minimise the need to transfer money. Interest rates are so low as to make it less relevant in which account monies are held. This has to be Director led.

7.0 The consolidation of bank accounts, including completion of the mandate at Natwest, be progressed as a matter of urgency

Recommended

Board decision and action required as outlined in the report