

One CAM Financial Position Report

Overall Funding

One CAM (the Company) is a company limited by shares with no trading income, as such its cash reserves, derived from shareholder capital, are its only source of funding.

To-date there have been three funding awards across two share issuances (the latter to be finalised). The issuances were:

1. The 'Subscription shares', with a total value of £1,995k (£995k funded from LGF, £1m from CPCA capital) were issued in response to the signing of the Shareholder's agreement on the 26th Feb 2020.
2. In March 2021, the CPCA Board resolved: *"To approve the equity investment of £2m currently earmarked in the Medium Term Financial Plan to support the running costs of One CAM Ltd during the 2021/22 financial year."*

It is the opinion of both the Monitoring Officer and the S73 Officer of the Combined Authority that the decision in 2. (above) allows for the funds to be utilised to meet of the ongoing running costs of the company which would include any minor costs associated with winding up the company.

Based on the above points the Company has received £3.995m of invested capital which it can use to cover all costs it has incurred to-date, and any further costs associated with its running.

Financial position as at 31st March 2021

As at the end of March 2021 the Company had outstanding debts only to the Combined Authority, who has been paying costs on behalf of the company until the company's VAT registration was confirmed and online banking functioning.

As of that date the company owed the Combined Authority £1.3m net of VAT, with some high-level worst-case assumptions on VAT levels chargeable, this becomes c.£1.5m leaving a balance of a little under £500k to be carried into 2021-22.

Forecast financial position as at 30th June 2021

Including the intended £2.0m share issuance, the Company has available funds of c. £2.5m to meet its costs in 2021-22.

Using the same VAT assumptions as for 20-21 costs, the Company's costs for April and May total £915k and forecast costs for June are £590k – this totals £1.5m spent to the end of June

This results in the Company having a forecast cash balance of c. £1.0m at the end of June.

Post June, and Liquidity position

At the end of June, the work on lots 2 and 3 will cease as will the need for some external operational support. As such the forecast spend on (excluding OneCAM staff) falls to £92k for July, and further to £30k p.c.m. for August.

Two of the three proposed Director roles in the Company have been withdrawn and, in total, will result in a one-off cost to the company of £50k for payments in lieu of notice.

The Strategy Director has agreed to work for the Company for a 6-month fixed term contract to maximise the value of lessons learnt and work to date. They will be employed by the CPCA and recharged to the Company at cost - £19k p.c.m paid July – December.

The Company is therefore forecast to have a balance of c. £808k in cash at the start of August to meet ongoing running costs of £49k p.c.m.; even with some additional costs for the winding down process there seems little question that the Company is in a position to meet its liabilities and is therefore fundamentally liquid.

[signature redacted] 24th June 2021

Robert Emery, Chief Accountant and Deputy Section 73 Officer,
Cambridgeshire and Peterborough Combined Authority

Assumptions

VAT is chargeable at 20% on all costs excluding NED/Chair remuneration and cannot be reclaimed.

The only ongoing costs in July are CPCA staff support time (including the Strategy Director) NED/Chair costs, and Fintry Associates support.

From August only the CPCA staff support time (including the Strategy Director) remains – while the planned level of support from HR, Comms and Procurement it unlikely to be required there is likely to be some level of enhanced support from Legal (internal and external) so the budget has been maintained at the current level to allow for this.

All costs for lots 2 and 3 will be met by the Company to the end of June, no ongoing, non-CAM related, costs will be charged to the Company.

Balance Sheets

	As at 31/03/21 (‘000s)	Forecast 30/06/21 (‘000s)
Current Assets		
<i>Cash at bank</i>	£999	£999
<i>Debtors (CPCA unpaid shares)</i>	£996	£2,996
Total Assets	£1,995	£3,995
Short Term Liabilities		
<i>Creditors (CPCA)</i>	£1,540	£3,045
Shareholder's Equity		
<i>Ordinary Shares</i>	£1,995	£3,995
<i>Accumulated Loss</i>	-£1,540	-£3,045
Total Shareholder's Equity	£455	£950
Total Liabilities and Shareholder's Equity	£1,995	£3,995
Net Assets (liabilities)	£455	£950

Financial Summary

Income	(‘000s)
<i>Cash (Initial Capital)</i>	£1,995
<i>Cash (March Capital)</i>	£2,000
Total Income	£3,995
Expenditure (gross)	
	-
<i>Debtor to CPCA as at 31/03/21</i>	£1,540
<i>April 21 Actuals</i>	-£384
<i>May 21 Actuals</i>	-£531
<i>June 21 Forecast</i>	-£590
Total expenditure to end of June 21	-£3,045
Current Asset balance 30/06/21	£950

<i>July 21 Forecast liabilities</i>	<i>-£142</i>
<i>Post July 21 p.c.m. Forecast liabilities</i>	<i>-£49</i>