



Long Term Financial Plan 2022-2032

Council Adoption 25 May 2023

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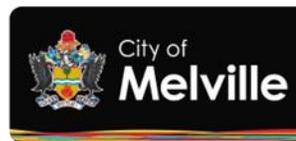
Our Vision:

A circular economy with less waste and lower carbon emissions.

Our Mission:

We are leaders in maximising material recovery and minimising climate impacts by providing our communities with best practice resource recovery solutions with high recovery rates and ethical supply chains.

On behalf of our Participant Local Governments



1. About this Plan

Long term financial planning is a key element of the Integrated Planning and Reporting Framework. It enables local governments to set priorities, based on their resourcing capabilities, for the delivery of short, medium and long-term priorities.

The Long Term Financial Plan (LTFP) is a ten-year rolling plan that informs the Corporate Business Plan to activate Strategic Community Plan priorities. From these planning processes, Annual Budgets that are aligned with strategic objectives can be developed.

The LTFP details what we proposes to do over the next ten years as a means of ensuring financial sustainability. This plan will be the basis for preparation of our Annual Budgets.

The LTFP covers the period 2021/22 to 2031/32. There is a high level of accuracy and detail in the first three years of the LTFP but this is underpinned by a number of assumptions. The remaining seven years of the LTFP are indicative figures and can be considered only as reasonable estimates.

The LTFP is reviewed annually following reviews of the Corporate Business Plan. As future Annual Budgets are to be developed from the LTFP, there may be some annual variations between these two documents, which will be explained in the Annual Budget.

The LTFP shows the linkages between specific plans. The following figure illustrates how the LTFP informs the Integrated Planning and Reporting Framework:

All local governments Western Australia, including Regional Councils, are required to plan for the future in accordance with Section 5.56(1) of the *Local Government Act 1995* and adopt an Integrated Planning and Reporting Framework. The diagram below depicts this framework:

ABOUT THIS PLAN



Source: Department of Local Government, Integrated Planning and Reporting Guidelines, 2013.

2. Who We Are

Resource Recovery Group (formerly Southern Metropolitan Regional Council) is a statutory local government authority, constituted under the Local Government Act, established by its current participant local governments with a proven track record of providing efficient and sustainable resource recovery and recycling services to the local government sector since 2001.

The participant local governments have jointly agreed to establish Resource Recovery Group under an Establishment Agreement and participate in regional projects that are governed by a Participants' Project Agreement.

The Resource Recovery Group (RRG) operates the Canning Vale Centre as a waste recovery precinct located at 350 Bannister Road, Canning Vale, WA 6155.

The centre has a material recovery facility for recycling the contents from yellow lid bins, a FOGO processing facility (lime lid bins) and green waste shredding from bulk collections and public entry.

We provide waste audit services and educational toolkits and programs to change residents recycling behaviour in material separation for the benefits of a circular economy and climate change impact.

The centre is ideally located adjacent to major road infrastructure including the Roe and Tonkin Highways and Kwinana Freeway and provides excellent access to all parts of the Perth metropolitan area and to the Port of Fremantle.

Our Market Segments



3. Strategic Plan

Our Vision...

We deliver innovative and sustainable waste management solutions for the benefit of our communities and the environment

Objectives

At the Resource Recovery Group, we:



Recycle materials to their highest practical value.



Innovate and implement new approaches to recycling and resource recovery.



Educate by providing tools to recycle right, reduce waste and live more sustainably.

KEY FOCUS AREAS	1. Deliver practical solutions that maximise material recovery	3. Lead the change to new material recovery solutions to benefit our communities	5. Be a leader in facilitating social change to increase material recovery and reduce climate impacts through education
	2. Form viable partnerships to optimise business sustainability	4. Deliver solutions that are environmentally sustainable & add value to recovered products	6. Influence best practice environmental outcomes through stakeholder advocacy

4. Financial Planning Assumptions

Underutilised facilities impacting on cost recovery

Recycling Export Bans–

- Plastic from 1 July 2022 – domestic re-processing reduces basket of goods revenue
- Paper from 1 July 2024 – A proposed facility may be in Perth funded from the *Recycling Modernisation Fund*, pricing is unknown however expected to significantly reduce basket of goods revenue.

Increase in recycling gate fees due to reduced commodity revenue

Container for Change – revenue stream for MRF operators offset reduction in tonnes.

Ground Lease re-valuation in May 2025 (next 2030 and every five years to 2050 if exercised).

\$4M Capex refurbishment investment for WCF for future re-purpose.

Energy from Waste - est. commencing from March 2024

Insurance premiums likely annual increase >10%

5. Financial Strategies

Annual strategic planning workshops reflect on the importance of cost effective and efficient service delivery models in meeting our regional purpose and our stakeholder's capacity to pay. A reduction in membership and customers increases the cost burden on our participant local governments.

5.1 Revenue Parameters

New customers are the most important element of achieving operating gross margins. Internal strategy documents such as; Business Marketing Plan, pricing policy and delegated authorities focus the organisation, to respond to new opportunities.

- The Business Marketing Plan is an approved strategic document to enable new opportunities.
- The pricing policy provides the framework for the basis of charging service fees to our commercial customers.
- Delegated Authorities transfers limited powers from the council to the CEO to enable commercial decisions within an agreed framework.

5.2 Contributions and Gate Fee Income

Project business plans, policies and Project Participants' Agreements provides for the calculation methodologies for applying Participant's contributions towards operating and capital expenditure.

The pricing policy provides the framework for the basis of charging gate fees to our commercial customers.

5.3 Contributions towards facilities

Repurpose facilities for chargeable tenancies towards paying existing overheads such as ground rent, electricity, building insurance and recouping building improvements.

5.4 Financially Sustainable Operations

Cost effective and efficient service delivery models in meeting the regional purpose and stakeholder's capacity to pay.

- Achieve 'balanced' operating budgets with full cost recovery for projects.
- Explore opportunities to increase the level of commercial return from projects.
- Increase capacity and broaden the range of products and services.
- Continue to implement operational efficiencies across the organisation.

5.5 Operating Surpluses

The financial strategies for revenues and expenditure outlined in this plan will contribute to generating operating surpluses.

- Reduce Participant's contribution towards administrative and fixed cost overheads.
- Reduce operation service fees.
- Increase cash reserves.

5.6 Borrowings

All existing RRRC project borrowings are to be fully repaid on 30 June 2023.

Any future new loans proposed for the RRRC project will be repaid either over the life of the asset or by Participants' agreement.

Existing Office Project borrowings determined by Participants' agreement.

Any new projects require Business Plans that are approved by Participants.

5.7 Reserves

Cash-backed reserve accounts are as follows:

1. Travel and Conference Reserve

To fund Councillors and employees attending conferences and study tours. A maximum reserve balance of \$50,000 has been set by council policy.

2. RRRC Project Contingency Reserve

To fund shortfalls in operating expenditure, asset renewals and disposals, employment termination provisions and Insurance claims below the excess.

3. RRRC Project Restoration Reserve

to meet lease obligations resulting from an early termination of the Ground Lease or at the expiry of the Ground Lease.

4. Office Project Reserve

to fund capital renewal expenditure and non-recurrent maintenance expenditure for the property located at 9 Aldous Place Booragoon.

5.8 Capital Expenditure & Asset Renewals

The Asset Management Plan has identified \$10 million expenditure for asset renewed over the plan period. The renewal of assets are mainly financed by cash reserves.

6. Financial Forecasts

The following tables show an estimated five year forecast for revenue and expenditure on the core activities:

6.1 Summary Statement of Financial Activity (Revenue and Expenditure)

The table below summarizes the financial activities of Existing Undertakings and the RRRC Project activities estimated revenue and expenses (before Depreciation) over 5 years.

Table 1

FINANCIAL FORECASTS

Statement of Financial Activity					
	1	2	3	4	5
Base Scenario	2023	2024	2025	2026	2027
	Budget	Forecast	Forecast	Forecast	Forecast
Existing Undertakings					
Revenue					
Administration	114,229	158,400	169,566	174,619	182,000
Education	165,829	165,829	170,804	175,074	178,575
Research & Development	40,000	41,200	42,440	43,715	45,000
	320,058	365,429	382,810	393,408	405,575
Expenses					
Administration	(264,229)	(358,400)	(369,566)	(374,619)	(382,000)
Education	(156,829)	(165,829)	(170,804)	(175,074)	(178,575)
Research & Development	(113,480)	(41,200)	(42,440)	(43,715)	(45,000)
	(534,538)	(565,429)	(582,810)	(593,408)	(605,575)
E U Net Surplus (Deficit)	(214,480)	(200,000)	(200,000)	(200,000)	(200,000)
RRRC Revenue					
Education	290,347	395,947	404,527	411,891	417,930
Administrative Overheads	2,307,127	2,702,000	2,870,639	4,160,000	4,560,000
MRF	6,175,056	6,486,132	6,779,527	7,010,202	6,942,441
GWF	743,110	726,396	726,396	726,396	726,396
FOGO	4,210,875	4,211,115	4,211,115	4,336,728	4,336,728
Red Bin	2,000,000	2,040,000	2,108,000	2,176,000	2,440,000
Other	769,481	989,600	863,708	871,526	737,267
	16,495,996	17,551,190	17,963,913	19,692,743	20,160,763
RRRC Expenses					
Education	(294,037)	(395,947)	(404,527)	(411,891)	(417,930)
Administrative Overheads	(4,487,291)	(4,569,181)	(4,661,478)	(4,868,718)	(4,934,548)
MRF	(4,651,321)	(4,795,850)	(4,936,365)	(5,032,853)	(5,131,270)
GWF	(355,277)	(362,667)	(370,487)	(378,553)	(386,875)
FOGO	(3,432,002)	(3,483,922)	(3,695,908)	(3,822,845)	(3,930,330)
Red Bin	(3,277,000)	(3,371,450)	(3,496,493)	(3,624,247)	(3,948,446)
Other	(576,481)	(389,000)	(346,000)	(346,000)	(358,728)
	(17,073,408)	(17,368,017)	(17,911,258)	(18,485,106)	(19,108,127)
Add back Make Good Provis	79,086	80,000	80,000	80,000	80,000
Lease Payments	(563,566)	(563,566)	(577,655)	(732,636)	(732,636)
	(17,557,888)	(17,851,583)	(18,408,913)	(19,137,742)	(19,760,763)
RRRC Net Surplus (Deficit)	(1,061,892)	(300,393)	(445,000)	555,000	400,000
Total Revenue	16,816,054	17,916,619	18,346,723	20,086,151	20,566,338
Total Expenses	(18,092,426)	(18,417,012)	(18,991,723)	(19,731,150)	(20,366,338)
Capital Expenditure	(5,040,000)	(1,574,975)	(325,999)	(702,686)	(749,673)
Non operating Revenue	250,000	-	-	-	-
Reserve Transfers	4,500,000	1,084,975	970,999	347,686	549,673
Group Net Surplus (Deficit)	(1,566,372)	(990,393)	0	0	(0)
Opening Balance	2,556,765	990,393	-	-	-
Closing Balance	990,393	0	0	0	(0)

FINANCIAL FORECASTS

6.2 Reserves

Cash backed reserves enable future funding sources included in the strategic plan.

1. Travel and Conference Reserve

To fund Councillors and employees attending conferences and study tours. A maximum reserve balance of \$50,000 has been set by council policy.

	2021/22	2022/23	2023/24	2024/25	2025/26
CONFERENCE & TRAINING RESERVE					
Opening Balance	25,000	25,000	25,000	25,000	25,000
Transfer to Reserve	-	-	-	-	-
Transfer From Reserve	-	-	-	-	-
Balance 30 June	25,000	25,000	25,000	25,000	25,000

2. RRRC Project Contingency Reserve

To fund shortfalls in operating expenditure, asset renewals and disposals, employment termination provisions and Insurance claims below the excess.

	2021/22	2022/23	2023/24	2024/25	2025/26
CONTINGENCY & DEVELOPMENT RESERVE					
Opening Balance	9,054,535	8,949,982	4,169,982	3,849,982	3,229,982
Transfer to Reserve	1,226,965	-	200,000	200,000	200,000
Transfer From Reserve	(1,331,518)	(4,780,000)	(520,000)	(820,000)	(1,070,000)
Balance 30 June	8,949,982	4,169,982	3,849,982	3,229,982	2,359,982

3. RRRC Project Restoration Reserve

to meet lease obligations resulting from an early termination of the Ground Lease or at the expiry of the Ground Lease.

	2021/22	2022/23	2023/24	2024/25	2025/26
RESTORATION RESERVE					
Opening Balance	1,370,247	1,708,589	2,045,311	2,380,446	2,714,024
Transfer to Reserve	338,342	336,722	335,134	333,578	332,054
Transfer From Reserve	-	-	-	-	-
Balance 30 June	1,708,589	2,045,311	2,380,446	2,714,024	3,046,078

FINANCIAL FORECASTS

4. Office Project Reserve

to fund capital renewal expenditure and non-recurrent maintenance expenditure for the property located at 9 Aldous Place Booragoon.

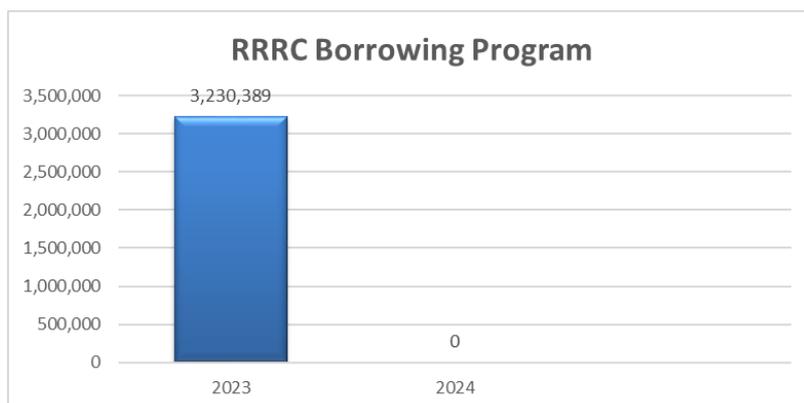
	2021/22	2022/23	2023/24	2024/25	2025/26
OFFICE PROJECT RESERVE					
Opening Balance	271,252	276,774	266,774	266,774	266,774
Transfer to Reserve	18,960	-	-	-	-
Transfer From Reserve	(13,438)	(10,000)	-	-	-
Balance 30 June	276,774	266,774	266,774	266,774	266,774

6.3 RRRC Project Borrowing Program

The final year of the RRRC Project loan repayments ends 30 June 2023.

5. Principal repayment is \$3,230,389
6. Interest repayments is \$ 113,768

Table 6



FINANCIAL FORECASTS

6.4 Office Project Borrowing Program

Loan borrowing for the Office Project (9 Aldous PI Booragoon).

Borrowing liability \$1.8 M

The Council resolved in November 2022, to repay an annual principal amount of \$100,000 for five years

1. **Participants' contribute to annual principal & interest repayments for a maturity date 30 June 2028.**

Capital repayment of \$100,000 per year commencing from 30 September 2023 (5 years)

Estimated annual repayment (interest + Principal) from 2023/24 of \$165,000

Total estimated interest paid over five years is \$430,000 (\$86,000 pa)

Table 7: Participants' Annual Contribution for 5.5 years

Office Project Loan Repayments					
Participants	Population	0	30-Jun-24	30-Jun-24	30-Jun-24
		%	Interest	Principal	Total
East Fremantle	7,893	5.51%	\$ 4,738	\$ 4,353	9,091
Fremantle	31,901	22.27%	\$ 19,151	\$ 17,593	36,744
Melville	103,459	72.22%	\$ 62,110	\$ 57,055	119,165
Total	143,253	100.00%	\$ 86,000	\$ 79,000	165,000

6.5 Outstanding Borrowing Program

Table 8

(b). Administration Building (9 Aldous Place, Booragoon) Loan Limit \$2 Million							
The SMRC Participants have guaranteed by way of security, to the Western Australian Treasury Corporation, a charge over its general funds for the share of any outstanding debenture borrowings provided for the SMRC Administration building at 9 Aldous Place, Booragoon. WA 6154.							
Participants' limit of its share of the loan liability is as follows:							
		30-Jun-22		30-Jun-23		30-Jun-24	
Town of East Fremantle	5.53%	99,540	5.51%	99,180	5.51%	94,112	
City of Fremantle	22.04%	396,720	22.27%	400,860	22.27%	380,377	
City of Melville	72.43%	1,303,740	72.22%	1,299,960	72.22%	1,233,535	
		1,800,000		1,800,000		1,708,024	

7. Scenario Modelling

7.1 Critical Assumptions

Based on sensitivity analysis, it is recognised that variations in volumes and commodity prices can have a major impact on the profitability and net cash flows from operations.

While the business as usual case assumes the current tonnes and commodity prices, we have two variants of the assumption, which consider additional customers and leasing space to third party recovery processors.

7.2 New Customers

7.2.1 Recycling processing – ‘Business as usual 30,000 tonnes pa

The facility’s maximum capacity is 120,000 tonnes pa.

7.2.2 FOGO processing – ‘Business as usual’ 30,000 tonnes pa

The Tipping Floor processing capacity is 60,000 tonnes pa

Further expansion and environmental license is up to 120,000 tonnes pa

7.2.3 Greenwaste - ;Business as usual 10,000 tonnes pa.

Environmental license is up to 52,000 tonnes pa.

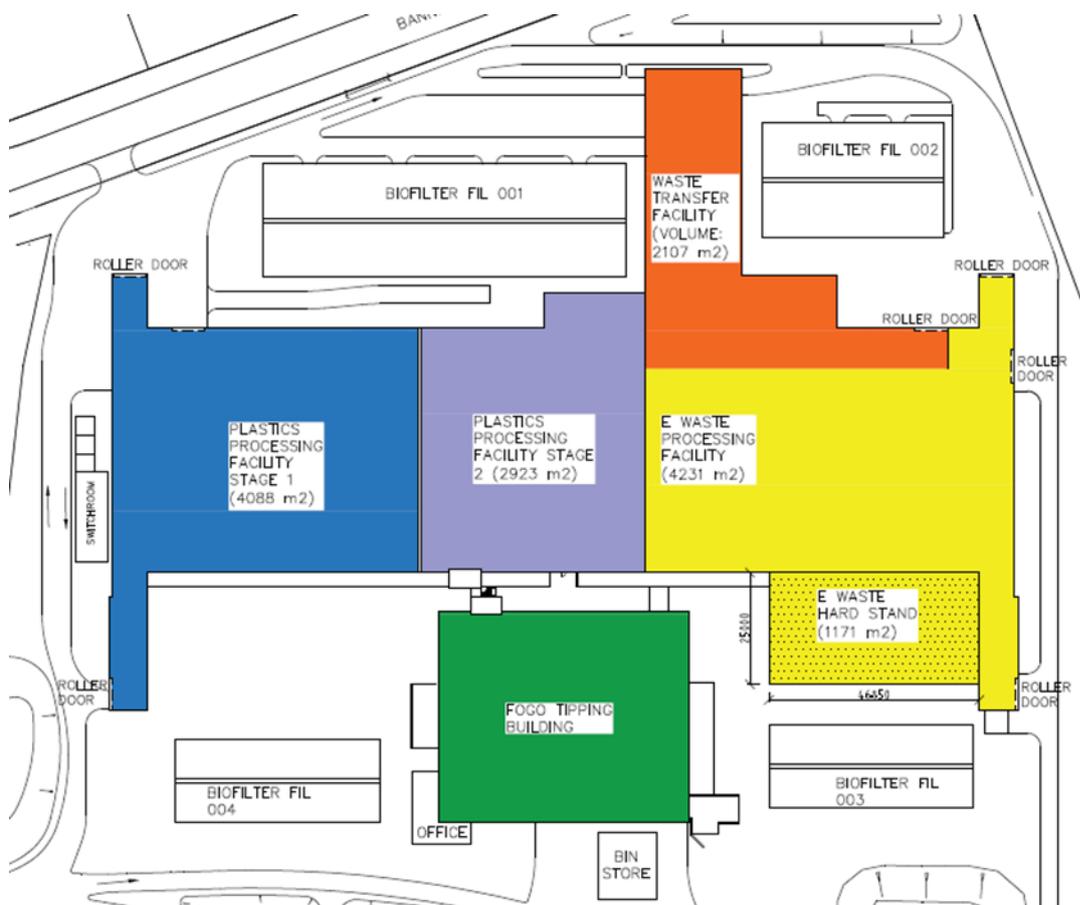
SCENARIO MODELLING

7.3 Re-Purpose Plan for the Waste Composting Facility (WCF)

1. Food Organic Green Organic (FOGO) presort/transfer facility (FPF)
2. Plastic re-processing facility
3. Residual Waste Transfer Station
4. Other waste recovery purposes

Potential revenue

1. Tenancy opportunities for unused space
 - 1.2 Plastics Re- processing Stage 1 \$400K pa
 - 1.3 Plastics Re-processing Stage 2 \$
 - 1.4 E-Waste Processing \$
 - 1.5 Waste Transfer Station \$250K pa
 - 1.6 Community drop off
2. Partner with waste collectors to receive FOGO
3. Tender for local government processing contracts
4. Partner with compost producers
5. Partner with State Strategic Alliancing (FOGO)



7.4 Overhead Contributions

The internal report for strategies for funding overheads includes an approach to reducing member's overhead contributions from new revenue opportunities.

For every \$100,000 additional new revenue, the overhead contribution fee reduces by \$2.50 per tonne.

6 Measuring Sustainability

Several statutory key performance indicators (KPIs) have been prescribed in the Local Government (Financial Management) Regulations 1995 to measure the financial sustainability of local governments.

The Annual Financial Statements report the above KPIs where appropriate for regional local governments.

7 Risk Assessment

The Risk Management Plan follows the ISO 31000: 2009 principles and guidelines.

Risks are reviewed regularly by Senior Management Group and the Audit & Risk Committee.

The risks associated with the LTFP relate to the following:

- Plant and equipment failure and renewal
- Business Continuity for recycling waste
- Adverse movements in commodity prices
- Withdrawal of any project participant
- Cancellation or adverse changes to the Operating License.

Significant movements in recycling commodity pricing can be expected over the plan period. This includes the Government's export bans and other unexpected market conditions.

INTEGRATING OTHER INFORMING PLANS

8 Integrating Other Informing Plans

9.1 Asset Management Plan (AMP)

The Asset Management Plan identifies assets that are critical to operations and outlines three management strategies.

1. Annual Maintenance Program – planned and preventative programs
2. Asset renewals program
3. New assets program

The following tables provide an outline of the assets management for the next four years:

Maintenance Program	Asset Management Plan			
	2022/23	2023/24	2024/25	2025/26
Booragoon Building	9,000	9,000	9,000	9,000
RRRC Buildings	254,959	283,400	266,500	296,700
RRRC Fixed Plant	996,000	1,044,710	1,127,538	1,149,889
RRRC Mobile Plant & Equip	827,253	639,892	644,868	665,342
Total Maintenance Program	2,087,212	1,977,002	2,047,906	2,120,931

Renewals Program	Asset Management Plan			
	2022/23	2023/24	2024/25	2025/26
Booragoon Building (painting)	0	0	0	42,455
RRRC Buildings	1,540,000	580,000	0	0
- Demo works stage 2	450,000			
- Upgrade for Plastics tenancy	920,000	80,000		
- T/station mods	150,000	350,000		
- FOGO Link conveyor		150,000		
RRRC Fixed Plant	565,000	644,698	325,999	660,232
RRRC Mobile Plant & Equip	400,000	350,277	0	0
- FEL Loader	400,000	350,277		
Total Renewal Program	2,505,000	1,574,975	325,999	702,686

INTEGRATING OTHER INFORMING PLANS

New Asset Program	Asset Management Plan			
	2022/23	2023/24	2024/25	2025/26
Booragoon Building	10,000	0	0	0
- Solar Panels				
RRRC Buildings	1,600,000	400,000	0	0
- Sprinklers	1,600,000			
- Solar Panels		400,000		
RRRC Fixed Plant				
RRRC Mobile Plant & Equip	875,000	0	0	0
- Forklift, sissorlift	75,000			
- FOGO Trommel (\$250K grant)	800,000			
Total New Asset Program	2,485,000	400,000	0	0

11.2 Workforce Plan (WP)

Workforce Planning is a “continuous process of shaping the workforce to ensure that it is capable of delivering organisational objectives now and in the future” (Australian National Audit Office 2004) The Workforce Plan identifies strategies to meet future workforce needs and the implications on current and future operating environments.

The Long term financial plan has considered the following:

- Additional staff will be required to meet operational needs for the MRF and FOGO based on increases in the volumes. These increases will be required when the volumes reach a level where staff shifts will change, for instance double shift instead of single shift.
- Compliance, environmental and research functions may also require new staffing positions to meet the direction of the Strategic Community Plan.
- Community engagement and education programs on a regional approach may also require new staffing positions.

9 Conclusion – Implementation and Review

The Council will consider the content of the LTFP when preparing Annual Budgets closely aligned with the proposals in the LTFP and the assumptions.

A review of the LTFP will occur each year as budgets are prepared to account for performance information and changing circumstances.

10 Financial Statements

The following tables report the 10 year forecast achieving a balanced budget.

The FY2023 estimated are as per the adopted annual budget July 2022.

FINANCIAL STATEMENTS

RESOURCE RECOVERY GROUP										
STATEMENT OF FINANCIAL ACTIVITY										
FOR THE YEARS ENDED 30 JUNE 2023 TO 30 JUNE 2032										
BY NATURE OR TYPE	1	2	3	4	5	6	7	8	9	10
30-Jun	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Budget	Forecast								
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE										
Operating grants, subsidies and contributions	3,159,364	3,775,203	3,979,520	5,297,465	5,721,040	5,895,420	5,673,436	5,846,384	6,024,521	6,208,001
Fees and Charges	12,138,541	12,266,179	12,491,965	12,913,448	12,970,060	13,359,162	13,759,937	14,172,735	14,597,917	15,035,854
Interest Earnings	17,649	41,000	41,000	41,000	41,000	42,200	43,436	44,709	46,020	47,371
Other Revenues	1,500,500	1,748,238	1,748,238	1,748,238	1,748,238	1,800,685	1,979,701	2,016,438	2,054,278	2,093,251
	16,816,054	17,830,619	18,260,723	20,000,151	20,480,338	21,097,467	21,456,510	22,080,266	22,722,735	23,384,477
EXPENSES										
Employee Costs	5,484,398	5,334,032	5,452,144	5,575,398	5,684,457	5,894,109	6,030,641	6,211,560	6,397,907	6,589,844
Materials and Contracts	8,765,475	9,245,909	9,561,903	9,851,795	10,258,663	10,568,235	10,889,903	11,221,219	11,562,477	11,913,970
Utility Charges	770,664	775,333	799,665	822,198	841,711	866,962	892,971	919,761	947,353	975,774
Depreciation on Non-current Assets	4,609,461	4,866,449	4,866,449	4,866,449	4,866,449	4,866,449	4,866,449	4,866,449	4,866,449	4,866,449
Interest Expenses	523,137	343,507	307,129	421,039	421,039	421,039	421,039	428,690	436,571	444,688
Insurance Expenses	2,064,272	2,129,989	2,227,267	2,322,084	2,421,831	2,494,486	2,569,320	2,646,400	2,725,792	2,807,565
	22,217,407	22,695,218	23,214,557	23,858,964	24,494,150	25,111,280	25,670,323	26,294,079	26,936,549	27,598,291
NET OPERATING SURPLUS / (DEFICIT)	(5,401,353)	(4,864,599)	(4,953,834)	(3,858,813)	(4,013,813)	(4,013,813)	(4,213,814)	(4,213,812)	(4,213,813)	(4,213,813)
Add:										
Depreciation on Non-current Assets	4,609,461	4,866,449	4,866,449	4,866,449	4,866,449	4,866,449	4,866,449	4,866,449	4,866,449	4,866,449
Loss on disposal	-	-	-	-	-	-	-	-	-	-
Add: ROU Interest	-	-	-	-	-	-	-	-	-	-
Interest for Make Good Provision	79,086	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
NET OPERATING POSITION	(712,806)	81,850	(7,385)	1,087,636	932,636	932,636	732,635	732,637	732,636	732,636
Capital Expenditure										
Less : Capital Expenditure	(5,040,000)	(1,574,975)	(325,999)	(702,686)	(749,673)	(571,319)	(264,280)	(438,797)	(197,751)	(187,021)
Funding/Other Capital Items										
Add: Non-operating Grants	250,000	-	-	-	-	-	-	-	-	-
Add: Proceeds on asset disposal	-	-	-	-	-	-	-	-	-	-
Less: Loan Repayments	(3,230,389)	(91,977)	(95,825)	(99,833)	(104,010)	(108,360)	(108,360)	(108,360)	(108,360)	-
Add :Loan Contributions from Members	3,230,389	91,977	95,825	99,833	104,010	108,360	108,360	108,360	108,360	-
Add: Past Participants Contribution	-	-	-	-	-	-	-	-	-	-
Less: Lease Repayments	(563,566)	(582,243)	(637,613)	(732,635)	(732,635)	(732,635)	(732,635)	(732,635)	(732,635)	(732,635)
Add : Transfer from Reserves	4,790,000	1,574,975	1,325,999	702,686	749,673	571,319	264,280	438,797	197,751	187,021
Less: Transfer to Reserves	(290,000)	(490,000)	(355,000)	(355,000)	(200,000)	(200,000)	-	-	-	-
NET CAPITAL POSITION	(853,566)	(1,072,243)	7,387	(1,087,635)	(932,635)	(932,635)	(732,635)	(732,635)	(732,635)	(732,635)
NET OPERATING & CAPITAL POSITION	(1,566,400)	(990,400)	-							
Add: OPENING FUNDS	2,556,765	990,400	-	-	-	-	-	-	-	-
CLOSING FUNDS	990,400	-								

FINANCIAL STATEMENTS

		Statement of Financial Activity									
		1	2	3	4	5	6	7	8	9	10
Base Scenario		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
		Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Budget	Budget	Budget	Budget
Existing Undertakings											
Revenue											
Administration		114,229	158,400	169,566	174,619	182,000	190,175	198,595	207,268	216,201	225,402
Education		165,829	165,829	170,804	175,074	178,575	183,932	189,450	195,134	200,988	207,017
Research & Development		40,000	41,200	42,440	43,715	45,000	46,350	47,741	49,173	50,648	52,167
		320,058	365,429	382,810	393,408	405,575	420,457	435,786	451,575	467,837	484,587
Expenses											
Administration		(264,229)	(358,400)	(369,566)	(374,619)	(382,000)	(390,175)	(398,595)	(407,268)	(416,201)	(425,402)
Education		(156,829)	(165,829)	(170,804)	(175,074)	(178,575)	(183,932)	(189,450)	(195,134)	(200,988)	(207,017)
Research & Development		(113,480)	(41,200)	(42,440)	(43,715)	(45,000)	(46,350)	(47,741)	(49,173)	(50,648)	(52,167)
		(534,538)	(565,429)	(582,810)	(593,408)	(605,575)	(620,457)	(635,786)	(651,575)	(667,837)	(684,587)
E U Net Surplus (Deficit)		(214,480)	(200,000)								

Deficit funding from RRRC Project

FINANCIAL STATEMENTS

Statement of Financial Activity

Base Scenario	1	2	3	4	5	6	7	8	9	10
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Budget	Budget	Budget	Budget
RRRC Revenue										
Education	290,347	395,947	404,527	411,891	417,930	430,468	443,382	456,683	470,384	484,495
Administrative Overheads	2,307,127	2,702,000	2,870,639	4,160,000	4,560,000	4,696,800	4,962,700	5,088,927	5,218,941	5,352,854
MRF	6,175,056	6,486,132	6,779,527	7,010,202	6,942,441	7,150,719	7,365,240	7,586,198	7,813,784	8,048,197
GWF	743,110	726,396	726,396	726,396	726,396	748,188	770,634	793,753	817,565	842,092
FOGO	4,210,875	4,211,115	4,211,115	4,336,728	4,336,728	4,466,830	4,600,835	4,738,860	4,881,026	5,027,456
Red Bin	2,000,000	2,040,000	2,108,000	2,176,000	2,440,000	2,513,200	2,588,596	2,666,254	2,746,241	2,828,629
Other	769,481	989,600	863,708	871,526	737,267	756,805	375,337	384,017	392,958	402,166
	16,495,996	17,551,190	17,963,913	19,692,743	20,160,763	20,763,010	21,106,724	21,714,691	22,340,898	22,985,891
RRRC Expenses										
Education	(294,037)	(395,947)	(404,527)	(411,891)	(417,930)	(430,468)	(443,382)	(456,683)	(470,384)	(484,495)
Administrative Overheads	(4,487,291)	(4,550,504)	(4,601,518)	(4,868,718)	(4,934,548)	(5,114,168)	(5,222,576)	(5,382,178)	(5,546,569)	(5,715,890)
MRF	(4,651,321)	(4,795,850)	(4,936,365)	(5,032,853)	(5,131,270)	(5,285,208)	(5,443,764)	(5,607,077)	(5,775,290)	(5,948,548)
GWF	(355,277)	(362,667)	(370,487)	(378,553)	(386,875)	(398,481)	(410,436)	(422,749)	(435,431)	(448,494)
FOGO	(3,432,002)	(3,483,922)	(3,695,908)	(3,822,845)	(3,930,330)	(4,048,239)	(4,169,687)	(4,294,777)	(4,423,621)	(4,556,329)
Red Bin	(3,277,000)	(3,371,450)	(3,496,493)	(3,624,247)	(3,948,446)	(4,066,899)	(4,188,906)	(4,314,574)	(4,444,011)	(4,577,331)
Other	(576,481)	(389,000)	(346,000)	(346,000)	(358,728)	(366,910)	(375,337)	(384,017)	(392,958)	(402,166)
	(17,073,408)	(17,349,340)	(17,851,298)	(18,485,106)	(19,108,127)	(19,710,374)	(20,254,088)	(20,862,055)	(21,488,263)	(22,133,254)
Add back Make Good Provis	79,086	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Lease Payments	(563,566)	(582,243)	(637,613)	(732,635)	(732,635)	(732,635)	(732,635)	(732,635)	(732,635)	(732,635)
	(17,557,888)	(17,851,583)	(18,408,911)	(19,137,741)	(19,760,762)	(20,363,009)	(20,906,723)	(21,514,690)	(22,140,898)	(22,785,889)
RRRC Net Surplus (Deficit)	(1,061,892)	(300,393)	(444,998)	555,001	400,001	400,001	200,001	200,001	200,001	200,001
Total Revenue	16,816,054	17,916,619	18,346,723	20,086,151	20,566,338	21,183,467	21,542,510	22,166,266	22,808,735	23,470,477
Toal Expenses	(18,092,426)	(18,417,012)	(18,991,721)	(19,731,149)	(20,366,337)	(20,983,466)	(21,542,509)	(22,166,265)	(22,808,734)	(23,470,476)
Capital Expenditure	(5,040,000)	(1,574,975)	(325,999)	(702,686)	(749,673)	(571,319)	(264,280)	(438,797)	(197,751)	(187,021)
Non operating Revenue	250,000	-	-	-	-	-	-	-	-	-
Reserve Transfers	4,500,000	1,084,975	970,999	347,686	549,673	371,319	264,280	438,797	197,751	187,021
Group Net Surplus (Deficit)	(1,566,372)	(990,393)	0	0	(0)	(0)	(0)	(0)	(0)	0
Opening Balance	2,556,765	990,393	-	1						
Closing Balance	990,393	0	0	0	(0)	(0)	(0)	(0)	(0)	1

