

Chief Executive's Office
David Powell

The Directors
Hereford Futures Limited
4 Blackfriars Street
Hereford
HR4 9HS

Your Ref:

Our Ref: David Powell

Please ask for: 01432 383519

Direct Line / Extension:

Fax:

E-mail:

FAO: Christine Jones

30 May 2013

Dear Sirs,

FUNDING FOR THE FINANCIAL YEAR COMMENCING 1 APRIL 2013

Further to the Chief Executive's original letter of 3 May 2013, this letter provides clarification of the original figures. It should be noted that the overall funding total available for Hereford Future Limited remains unchanged but that the revenue has been slightly re-profiled with a small increase in 2013/14 and a compensating decrease in 2014/15. The revenue/capital split has been reviewed and updated.

In consideration of your agreeing, at our request, to continue to trade (in accordance with the agreed business plan priorities), and then wind down the business and affairs of Hereford Futures Limited, we undertake we will provide funding of a maximum value of £695,000 in a combination of Revenue and Capital (by way of non-repayable grant) during the financial years 2013/14 and 2014/15. It is understood that the company is intending to operate within a financial envelope of £485,950, £695,000 is the maximum sum being made available by Herefordshire Council to enable you to discharge in full the liabilities of the Company as they fall due, and to repay all remaining liabilities together with the costs and expenses associated with the planned orderly wind down of the business and affairs of the Company.

The funding requirement from Hereford Futures is reliant on an element of capital funds. In order for this to be utilised it is agreed that during the period April 2013 to March 2014, £139,321 of capital costs will be incurred.

A total sum of £355,322 will be made available by instalments in advance for 2013/14; such sums to be used to pay capital costs, planned staff and redundancy costs and other overheads and a revenue sum of £130,628 will be made available in advance for 2014/15. The balance of the funding will require direct application for expenditure approval to Herefordshire Council's Chief Executive and Chief Finance Officer prior to your undertaking



**Herefordshire
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the relevant expenditure/commitment. Once such approval is given in writing it will form part of the funding commitment by this letter.

This is intended to ensure that whilst essential expenditure is approved, at a time of immense financial pressure all potential savings are also taken and avoidable expenditure is not incurred.

This is a formal financial commitment as set out, recognising that you will rely upon this undertaking to trade, and to manage the orderly wind down of the business and affairs of the Company.

Yours faithfully,


**DAVID POWELL
CHIEF FINANCE OFFICER**

SIGNED AND DULY AUTHORISED ON BEHALF OF HEREFORDSHIRE COUNCIL

Cc: Jonathan Bretherton