



# ProVal Single Cashflow

Release Notes  
V25.01.15

Updated 15 January 2025



## Contents

Important.....	3
24.01.15.....	4
24.11.21.....	4
24.11.18.....	4
Fixes.....	4
24.11.07.....	4
Fixes.....	4
24.10.15.....	5
Fixes.....	5
24.10.08.....	5
Fixes.....	5
24.10.01.....	5
Fixes.....	5
24.09.05.....	5
Fixes.....	5
24.07.19.....	6
Fixes.....	6
24.04.23.....	6
Features.....	6
Fixes.....	6
24.02.12.....	7
Fix.....	7
24.02.06.....	7
Features.....	7
24.01.10.....	7
Features.....	7
Fixes.....	8
V23.05.03.....	8
Fixes.....	8
V23.04.20.....	8
Fixes.....	8



V23.04.01.....	8
Fixes.....	8
V23.03.15.....	8
Fixes.....	8
V23.01.26.....	9
Known bugs.....	9
Features.....	9
Fixes.....	9
V22.12.19.....	9
Known bugs.....	9
Fixes.....	9
V22.3.8.....	11
Known bugs.....	11
Fixes.....	11
Features.....	12
V22.2.8.....	12
Known bugs.....	12
Fixes.....	12
V21.8.12.....	14
Known bugs.....	15
V21.6.11.....	15
Known bugs.....	15
Summary of new features.....	15
Appendix.....	16
Appendix A.....	16
Appendix B.....	20



### Important

*If you also use Sequel this version of ProVal is only compatible with SDS Sequel v24.10.x and later*

Please read If you are upgrading from 21.10.25 or earlier.

To make sure that you do not have any issues or have the latest technical info please consider contacting the SDS Support Desk first.

Please ensure when upgrading from dual cashflow that all the templates need to be recreated, after the upgrade and before new appraisals are created. Current dual cashflow appraisals can be opened and edited as normal.

Please read regardless of what version you have updated from.

At the top of **Section D** if the below question does not show in your template then you will need to create a new template.

Development Costs Occur at the Start of Month



If this question is in your **Section D** then there is nothing to be done.

Please note that some customers have noticed that rent and sales happen the month after handover. This is due to setting in the Globals table which can be adjusted by contacting support for help.



#### 24.01.15

- We have updated these fields:
  - Rent Caps set to new 25/26 rates
  - Rent Inflation set to new 25/26 rate of 1.7% + 1%
- We have updated the minimum password strength requirements, as a result of feedback from a penetration test completed in late 2024. The new password requirements are:
  - Minimum length is 10 characters
  - Minimum one numerical digit
  - Minimum one lowercase letter
  - Minimum one uppercase letter
  - Minimum one special characterIf a user's current password does not meet these requirements, they will be forced to update their password (following the update to this version of ProVal).
- We have updated a wkhtmltopdf library (used when generating PDFs) to the latest version

#### 24.11.21

- We have updated the 'Post Dev CF excl loan' field to allow it to be included in bespoke reports

#### 24.11.18

##### Fixes

- Fixed an issue where older dual cashflow appraisals did not show the NPV of capital receipts
- The IRR in the product summary now complies with the Max IRR that has been set in the Global table

#### 24.11.07

##### Fixes

- The serialisation for any report that uses data from the Post Dev CF has now been directed to the correct place. This will only affect reports that use that data, for example, the LTC Report. The reports do not need changed.
- The serialisation used for the CSV export of the cashflow has been adjusted.
- North Northamptonshire Council unitary body entry has been added to the LocalAuthorities table.
- West Northamptonshire Council unitary body entry has been added to the LocalAuthorities table.
- ProVal has been updated to .NET framework 4.8 and needs .NET 4.8 to run. .NET 4.8 will need to be installed on the servers and/or computers where ProVal is installed.



## 24.10.15

### Fixes

- When sales per month is greater than All (0) the display in Sections E and F Month 1 Sales and Offset Sales has been corrected. This will also possibly influence the Section I Capitalised Year 1 Net Revenue result depending on the appraisal.

## 24.10.08

### Fixes

- When using Annuity, Interest Only or Maturity loan types, the formula for the "Post Dev CF" has been amended to deduct the capital element of the loan payment only instead of all the interest and capital. Overdraft and Capped Loan are unchanged.
- If sales per month is in the original appraisal this is handled correctly when passed to Sequel for Outturn calculations.

## 24.10.01

### Fixes

- When opening an older Dual cashflow (2CF) appraisal with the Single cashflow application the results were different when comparing them with the same appraisals converted to Single cashflow. This led to some organisations interpreting that the Single Cashflow appraisal was wrong. The issue was with the opening of older Dual Cashflow appraisals in the Single Cashflow application.

### General

- Fixed various places in Outturn where 52.18 was used instead of the actual WeeksPerYear defined giving slightly different results.
- TODO: Fixed results when Interest Only Loans are chosen...
- Fixed archive utility – some old appraisals (10+ years) were raising exceptions due to their XML structure

## 24.09.05

### Fixes

#### Section I – Scheme Results – Interest

- Min. Interest Cover Year: gives the correct year instead of the loan repaid year  
When Target Interest Cover has been set then the First Met in Year gives the correct year instead of the end of the cashflow as long as a resolution can be found.
- The wording for the questions in this section has been amended for easier reading.



24.07.19

#### Fixes

- Sensitivity has now been fixed and made available again.
- Section L GDV the double counting of Sales has been fixed.

24.04.23

#### Features

- Loan Repayment included in the Cashflow row
- Cross Subsidy included in the Closing Loan row
- Loan Repayment used to be calculated on net rent + sales - set aside then capital costs were deducted from the loan. This could mean that the closing loan would be higher than the opening loan, even though a loan repayment had occurred. Now It Is calculated on Capital + Revenue + Cross Subsidy which already include costs. The results are a loan payment will reduce the closing loan. The effect Is a smoother loan repayment.
- Renamed **Cashflow** and **Cumulative Cashflow** to **Post Dev CF** and **Cumulative Post Dev CF**
- Added 2 new rows called **Handovers** and **Post Dev CF Excluding Loan**
- Added **Financial Forensics** In the cashflow. For full explication please contact support.
- The cashflow can be copied to the clip board using Ctrl+C. For import into other applications such as Excel. (this is comma delimited)
- In **section D** Date Last Cashflow Event Is now first handover date.
- **Section S** (Sensitivity) section has been disabled. Workaround Is to duplicate appraisal and update changes you wish to model.

#### Fixes

- Loan Repaid Year was being set to 1 if no year could be found (now, it displays blank).
- Loan Repayment calculation for Maturity Loans stops when repayment is made.
- Consolidations the year repaid now matches the cashflow.
- Section D & J, The Loan repayment in the scheme view is recalculated and is not an addition of the underlying single tenures as some of the underlying tenures might not have a loan payment. In those cases, "Blank" does not mean Zero monies but might be a negative value which does not meet the loan repayment criteria that



the monies must be positive for a loan payment to occur and therefore cannot just be added together.

- **Section I** has been Improved for appraisals and consolidations.
- Reports for consolidations have been Improved. Updated reports for single cashflow will follow after this release.
- The Single Pass financial engine used for exporting from ProVal data into Sequel has been overhauled

#### 24.02.12

##### Fix

- Now if Sales income exceeds outstanding loan then surplus is either shown in Cashflow row or used for X-Subsidy depending on X-Subsidy settings.

#### 24.02.06

##### Features

- Added a new option under the View menu called "Never stop cashflow calculations". By default, it is off.  
Off means that LS behaves exactly the same as before.  
On means that Unit Cashflow calculations will never timeout after a certain period of time (especially created for V-Large Appraisals) *Release Version*

#### 24.01.10

Please read [Appendix A](#) for important information changes in this version

##### Features

- Changed how xSubsidy is allocated - algorithm has been rewritten (see link above)
- Minimum Client version updated to 24.1.10
- Homes England Rent inflation new 24/25 uplifted to 6.7% + 1%
- Rent Caps set to new 24/25 rates 6.7% + 1.5%
- Added ability to export Single Cashflow raw data to Excel



#### Fixes

- Show the financial year for timings in section I (fixed the display of the breakeven years)
- Save button in User Defined Questions
- Residual Land Value fix for OutrightSale units (Section L)
- Fixed Dates in spreading by percentage when Milestones change

#### V23.05.03

#### Fixes

- Rent and allowances are reduced at the **end** of the year when sales are deferred
- Fixed missing MSV caused cashflow to fail to load

#### V23.04.20

#### Fixes

- Loan repayments based on sales LTV now use the correct loan amount after cross subsidy

#### V23.04.01

#### Fixes

- Fixed missing trigger when changing inflation years
- Unit NPV Breakeven Year calculation has been reinstated
- Allowances are now charged on shared ownership units before the year of deferred initial sale

#### V23.03.15

#### Fixes

- Interest only/maturity loans repay at end of term
- Corrected release notes link to go to Single Cashflow doc not Dual Cashflow
- Voids now displays for commercial rent in the 2CF Long term cashflow
- Section I: Total Interest only includes long term interest



- Prevent infinite calculation loop when opening larger appraisals
- Optimise inflation calculations to improve performance

#### V23.01.26

##### Known bugs

- In certain circumstances VOIDs excludes Commercial Rent
- Interest Only Loan does not repay as specified

##### Features

- Added calendar years to section I results
- Added option to simplify development cost timings in section D
- Updated LHA to remove future inflation (previously set at 1% per annum)

##### Fixes

- Corrected cross subsidy calculation
- Removed spurious unbalanced 4500 notification in section J
- Overdraft loans with repayment years now repay as if they are a maturity loan
- Added missing Local Authority numbers

#### V22.12.19

##### Known bugs

- Ground Rent being excluded from Net Rent calculation

##### Fixes

- Peak loan calculation fixed
- Overdraft loans can grow
- Handovers occur on the handover date
- Cross subsidy can help pay off loan during development
- Unit defaults can now be deleted from the tree
- Outright Sales loan now repays if there are costs that occur after the sales date
- Sequel Integration
  - Manually spread costs can now be split by product type
  - Fix outturn on more than one unit per column
- Spread not always saving in 1CF appraisals with no units fixed



- Single Cashflow Dev Cashflow report hides month numbers as this was confusing some users
- Cashflow row in single cashflow should not include interest
- Removed extraneous "other" in the product type dropdown and product type inflation
- Added the option to define which cashflows are saved to the xml in globals; by default only the scheme and loan cashflows are saved
- Spreading top-level costs no longer automatically overwrite the child cost spreading. There is a new button to overwrite the child items
- **After feedback from customers, we have decided that Interest values should not be included in the "Cashflow" row of the single cashflow (as this is not cash). Development costs and handovers are directly added to the loan and as such do not appear in the "Cashflow" row.**

So it will now look like the image below with only a Sales value of £700,000 showing even though there are development cost happening, units have been handed over and interest is being charged

Development Cashflow Forecast						
Please select a cashflow: 1CF AR and SO Sample						
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Opening loan		-1,354,723	-1,902,192	-1,951,960	-1,786,020	-1,828,741
▶ Capital	-1,333,378	-440,326		216,026		
▼ Revenue	-21,345	-107,143	-49,768	-50,087	-42,720	-44,523
▶ Rent		13,146	78,599	78,975	79,381	81,440
▶ Allowances		-2,649	-15,939	-16,287	-16,646	-17,981
▼ Interest	-21,345	-117,640	-112,427	-112,774	-105,455	-107,981
Development	-21,345	-99,180		526		
Long term		-18,460	-112,427	-113,299	-105,455	-107,981
▼ Indicators						
▶ Net Rent		10,497	62,660	62,687	62,735	63,459
Rent, rcpts & interest	-21,345	-107,143	-49,768	-50,087	-42,720	-44,523
Interest cover		8.9%	55.7%	55.6%	59.5%	58.8%
X-Subsidy						
Cashflow		-700,000				
Cumulative cashflow		-700,000	-700,000	-700,000	-700,000	-700,000
Loan repayment		710,497	62,660	62,687	62,735	63,459
Closing loan	-1,354,723	-1,902,192	-1,951,960	-1,786,020	-1,828,741	-1,873,263

- The menu at the top of the window no longer disappears when cancelling closing the application



- The total fees is now visible if the fees are being analyzed by assumption
- Importing appraisals from another database with different product types now load the cashflows properly
- Spreading multiple % based costs on the same month now spreads correctly
- Made it easier to identify relevant rows in sensitivity. Moving the mouse over a line will highlight the whole line
- The following context menu shortcuts are now shown on the menu
  - Clear: Ctrl+O
  - Revert to default: Ctrl+D
  - Copy Left: Ctrl+Shift+Enter
  - Copy Across: Ctrl+Enter
  - Copy Left: Shift+Enter
- Improvements to the cross subsidy calculations in Consolidations

#### V22.3.8

##### Known bugs

- Changing Spread method from % to Manual or Manual to % does not always refresh straight away. (Close and reopen appraisal refreshes results)
- Changing the spread method at a parent level and not saving still may save
- Unable to set one cost's spread as 2 x 50% set to the same month (whether the same Milestone or different Milestones)
- Missing trigger for Initial Rent Free Months (Commercial Rent) - workaround is to close and reopen appraisal

##### Fixes

- If the *cost base year* is in the future, then we discount the inputted value to the *inflate to* milestone
- Extra scroll bar has been added to the *dwellings* tab of the *new appraisal wizard* if there is long list of unit defaults
- **For new appraisals**, sales now appear in the *named* month in the single cashflow
- Corrected the minimum amount of loan that is repaid for shared ownership units
- Loan repaid year is now shown for single cashflow consolidations



## Features

- *Loans* has been renamed to *Long Term Loans* in the *Start* section

## V22.2.8

## Known bugs

- In some instances the first tranche sale shows one month later than it should
- Changing Spread method from % to Manual or Manual to % does not always refresh straight away. (Close and reopen appraisal refreshes results)
- Changing the spread method at a parent level and not saving still may save
- Unable to set one cost's spread as 2 x 50% set to the same month (whether the same Milestone or different Milestones)
- In multi tenure appraisals SO loan not always repaying at correct month

## Fixes

- Interest on Positive Balances not editable in Single Cashflow appraisals. Please see [Appendix B](#).
- Now able to add / delete the same Subsidy Source into an appraisal multiple times
- Administration
  - Name and variation in sensitivity scenarios now have a lighter background to indicate that they are editable
  - Existing product types can no longer be renamed in Administration - Product TypesBecause: When a client changes the name of a product type to be the same as one that has been deleted before it breaks the appraisal. E.g. if you have an appraisal with the following

Units/Column	A	B
Product Name	SO	AR
Product ID	A1	A2

then delete SO in the database it will still be ok, but complain that SO doesn't exist.

If you then rename AR to SO in the database then the appraisal doesn't know if column A or Column B should be SO or AR



By forcing users to create a new product type we solve that problem because it can not have the same ID as one that already exists in another appraisal somewhere

- Populate the number of bedrooms or persons from the description, if those fields are currently empty
- LHA is now calculated to only two decimal places (pence)
- Fixed the interest cover in year 1 calculation to exclude initial sales that do not occur in year 1
- Fixed the annuity loan repayments where there is cross subsidy
- Deleting all items from trash is now much quicker
- Included "Other Income" in the Sequel/ProVal interface
- Asset value is included in affordable loan Section L - GDV
- Login prompts user to contact database administrator if cleanup is required
- Fixed allowance values interface
- Fixed DB upgrades property page
- Unspread amount now displays correct value
- Cost items marked as manual now allow manual entry in the cashflow
- Customer Logo should now appear in all standard ProVal Reports if customer logo is used
- Updated the latest version check
- When Service charges are included in rent, then the annual amounts now match in the long term cashflow when choosing a specific month to inflate rent.
- Fixed missing fees in the development cashflow report
- Fixed missing results from single cashflow consolidations
- Manual single cashflow spreading now works when a cost only applies to a single product type
- Removed an unwanted error for Current Market Value in new appraisals
- Sensitivity now works for new appraisals without having to close and re-open them
- Fixed a subsidy error in the Ad-Hoc Consolidation report
- Consolidations now show up on the preview window
- Fixed more spreading issues with unit-based inputs
- Cashflow now displays values for consolidations
- Section E preview uses interest results calculated from Section E



- Fixed an issue preventing the unit totals from updating if the defaults had not been expanded in the tree
- Updated the way two-cashflow development interest is allocated to unit columns
- Improved appraisal loading speed
- Improved project tree loading speed
- Improved preview opening speed
- Selected appraisals and folders are now highlighted when importing an appraisal file
- Ensured that development interest is included in the initial LTV when determining minimum loan repayment on sales tenure
- Update all child spreading when changing spreading at higher level
- Fixed an issue preventing users from adding multiple year splits to inflation
- Deferred rent from commercial rent-free periods is now calculated monthly instead of annually
- Unit cost input values update their format for percentage based inputs
- Unit based fees is now using the correct spread button
- Manually spread unit costs now behaving as expected
- Cumulative cashflow display is now updating properly in the single cashflow
- Removed an old database upgrade file that would always fail
- Allow SSPI login to database
- Fixed bug which prevented sensitivity scenarios from calculating properly
- Unit handover offset now has a maximum value of MaxDevelopmentMonths from globals
- Unit fees can now be spread by percentage
- Cashflow is no longer broken by setting unusual month numbers as spreading options
- Changing unit-based answers with multiple years completes quicker
- Improved stability of single-cashflow consolidations
- Database upgrade process now completes the first pass
- Maps now displaying pin for postcode
- Cost spreading by % is persisting

#### V21.8.12

This is an incremental release to 21.6.11 and includes fixes for ProVal and the Calculation Server now integrated with SDS Sequel

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Page 14 of 22

Classification: Public



#### Known bugs

- 2022/3 Target Rent and Rent Cap not included, these will be included in the next build or please contact support and we can update your database manually to include them

#### Fixes

- Loan repayment year now takes cross subsidy into account when upgrading to a single cashflow appraisal.
- Service charges are no longer being ignored if they were already included in the rent.
- Outturn calculations are now behaving as expected (in Sequel).
- Unit Type ID's are no longer changing when splitting by tenure.
- Subsidy and Development Interest are now behaving correctly when splitting by tenure.
- Sales information is now added to the appraisal cashflow forecast when importing into Sequel.
- Cashflow copy to clipboard uses four digits for year numbers.
- NPV Breakeven calculations are better behaved.

#### V21.6.11

### **This is a major release, the first of the new Single Cashflow model**

#### Known bugs

- Loan Repaid Year (using Overdraft) sometimes displays incorrectly in summary

#### Summary of new features

- Brand new appraisals will be created in single cashflow mode
- Existing dual cashflow-appraisals can be converted to single cashflow, this will create a copy so you will still have the original dual-cashflow appraisal available.
- Recent Local Authority changes have been included
- Cost spreading has been moved to Section B: Costs (Manual spread in Section D or Section J)
- Subsidy spreading has been moved to Section C: Subsidy
- Section D and Section J both now show the same cashflow but with the previous headers unique to the section (Dev Interest in D, Charts in J)



- The combined cashflow can be viewed at the Scheme, Product and Unit level
- Each cashflow year can be expanded to display quarters. Each quarter can be expanded to show months
- All schemes use smoothed rents (same amount each month whether or not there are 4 or 5 rent weeks)
- The cashflow begins at the financial year boundary that contains the Cashflow Start (CS) milestone
- You can specify the financial year start month in the start section
- Loans now specify which milestone the term starts, this also determines the cashflow year number for loan repayment etc.
- NPV
  - NPV and IRR calculations now start at the first transaction and include development costs and subsidy instead of an "Opening Loan". This allows calculation of an IRR for outright sales schemes.
  - Discounted Opening Loan (Section I) now refers to NPV of Development
  - Units can now specify when the NPV discount period "Starts"
  - You can now specify a scheme NPV milestone.
- 'Is Leasehold?' field has been added to Section A preview
- Added label into Section C indicating that spreading is done in the Subsidy Analysis section
- Users can now type calendar years into the staircasing inputs
- If not specified (such as when converting a traditional appraisal to single cashflow) Loan repayment year works from the loan start milestone for units and products, and from First Handover for the scheme
- Home page shortcuts updated to include Consultancy and Training

## Appendix

### Appendix A

Homes England Rent inflation from April 2024



The internal Inflation table within ProVal has been amended in accordance the Homes England guidelines announced by Homes England on the 4<sup>th</sup> January 2024.

The Social Rent inflation for rents handing over from April 2024 to March 2025 will have 6.7% (Sept 2023 CPI) + 1% = 7.7% then revert back in future years to 2% + 1% = 3%

Homes England Rent Caps from April 2024

The Rent Cap table has been amended as follows:

Number of Bedrooms	Rent Cap
1 & Bedsits	£173.79
2	£184.00
3	£194.22
4	£204.43
5	£214.66
6 or more	£224.87

### X-Subsidy

We have always had Cross Subsidy in ProVal, where one tenure will help repay another tenure to make the overall scheme perform better.

We discovered that the method we were using was at Unit level when in fact it should only affect the ability for one tenure to help another. The idea behind this any monies in excess of the Minimum Payment should be made avail to help a flagging tenure. Further explanation follows.

Cross Subsidy or X-Subsidy if you prefer can switch on or off under Start – Long Term Loans.

In the single cashflow version you are now able to see this value in the cashflow under 'X-Subsidy'

When you look at the cashflow at scheme level it will be a blank row, if you have a multi tenure scheme and look at it at Tenure level then it will show how much Cross Subsidy is coming into the tenure cashflow (positive is coming in) or if this Tenure is supporting another cashflow (which will show as a negative).



**NOTE:**

- If the Sales % is set to 100% then that tenure will NOT receive X-Subsidy but could possibly give X-Subsidy to other tenures if Cross Subsidy is switched on.
- X-Subsidy is only calculated at tenure level and NOT at unit level. Where there are small numbers of units for sale per month, they may not create enough surplus per tenure to provide cross-subsidy to other tenures in the project.

**Long Term Loans**

Name	Repayment Method	Term	Loan Rate	Max. Facility	Max. Loan: Val	Max. Loan: Cost	Cross Subsidy	Min Repayment	Surplus/De rate
Outright Sale	Overdraft		10.00%				<input checked="" type="checkbox"/>	Maintain LTV	

**Sales & Staircasing**

Sell Ground Rents at End of Year				
Sales %	0 %	0 %	99 %	100 %
Actual Sales	£0	£0	£198,000	£200,000
Handover Date	Apr-2024	Apr-2024	Apr-2024	Apr-2024

**X-Subsidy Monies = Opening Loan + Capital + Revenue - Minimum Repayment**

Minimum Repayment = at least the interest payment (only done at tenure level) and the most expensive tenure receives the monies first. Basically we use all the monies in the tenures to pay the appraisal off as quickly as possible.

In my sample scheme below I have SO and AR units, looking at the scheme level cashflow X-Subsidy is blank



**Development Cashflow Forecast**

Please select a cashflow: 1CF AR and SO Sample

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Opening loan		-1,086,751	-911,535	-1,547,279	-1,609,834	-1,640,976	-1,673,567	-1,709,381	-1,746,612	-1,786,383	-1,826,532	-1,867,020
▶ Capital	<b>-1,068,717</b>	<b>237,931</b>	<b>-608,909</b>	<b>-12,783</b>								
▶ Revenue	<b>-18,034</b>	<b>-62,716</b>	<b>-26,835</b>	<b>-49,772</b>	<b>-31,141</b>	<b>-32,591</b>	<b>-35,815</b>	<b>-37,231</b>	<b>-39,771</b>	<b>-40,149</b>	<b>-40,488</b>	<b>-40,785</b>
▼ Indicators												
▶ Net Rent		<b>7,580</b>	<b>45,390</b>	<b>48,742</b>	<b>63,716</b>	<b>64,115</b>	<b>62,891</b>	<b>63,597</b>	<b>63,310</b>	<b>65,265</b>	<b>67,280</b>	<b>69,356</b>
Rent, rcpts & interest	-18,034	-62,716	-26,835	-49,772	-31,141	-32,591	-35,815	-37,231	-39,771	-40,149	-40,488	-40,785
Interest cover		10.8%	62.8%	49.5%	67.2%	66.3%	63.7%	63.1%	61.4%	61.9%	62.4%	63.0%
X-Subsidy												
Cashflow	-1,086,751	586,183	-227,171	620,862	-94,857	-96,706	-98,706	-100,828	-103,081	-105,414	-107,768	-110,141
Cumulative cashflow	-1,086,751	-500,568	-727,738	-106,876	-201,733	-298,439	-397,144	-497,972	-601,053	-706,467	-814,235	-924,377
Loan repayment		-410,967	-408,573	-683,418	63,716	64,115	62,891	63,597	63,310	65,265	67,280	69,356
Closing loan	-1,086,751	-911,535	-1,547,279	-1,609,834	-1,640,976	-1,673,567	-1,709,381	-1,746,612	-1,786,383	-1,826,532	-1,867,020	

If I change the view to just show the SO or AR cashflows ProVal shows which cashflow is supporting and which is receiving, this is calculated each month so as in my example it can flow both ways.

**Development Cashflow Forecast**

Please select a cashflow: Shared Ownership

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Opening loan		-462,584	-20,292	-267,038	-358,898	-314,983	-268,014	-219,496	-167,333	-112,347	-52,054	
▶ Capital 255,090	<b>-454,915</b>	<b>487,099</b>	<b>-283,423</b>	<b>-121,191</b>								
▶ Revenue	<b>-7,669</b>	<b>-21,964</b>	<b>19,407</b>	<b>9,554</b>	<b>10,032</b>	<b>13,582</b>	<b>17,277</b>	<b>21,164</b>	<b>25,254</b>	<b>29,613</b>	<b>34,271</b>	<b>36,691</b>
▼ Indicators												
▶ Net Rent		<b>4,663</b>	<b>28,121</b>	<b>28,964</b>	<b>29,833</b>	<b>30,728</b>	<b>31,650</b>	<b>32,599</b>	<b>33,578</b>	<b>34,585</b>	<b>35,622</b>	<b>36,691</b>
Rent, rcpts & interest	-7,669	-21,964	19,407	9,554	10,032	13,582	17,277	21,164	25,254	29,613	34,271	36,691
Interest cover		17.5%	322.7%	149.2%	150.7%	179.2%	220.2%	285.1%	403.4%	695.6%	2,635.8%	
X-Subsidy		-22,843	17,270	19,778	33,882	33,386	31,241	30,998	29,732	30,680	17,784	-36,691
Cashflow	-462,584	438,559	-3,831	716	-19,801	-17,146	-14,372	-11,435	-8,324	-4,972	-1,351	
Cumulative cashflow	-462,584	276	-4,114	-5,022	-28,189	-50,932	-73,170	-94,819	-115,784	-135,965	-155,253	-173,533
Loan repayment		3,733	-242,916	-92,576	63,716	64,115	62,891	63,597	63,310	65,265	53,406	
Closing loan	-462,584	-20,292	-267,038	-358,898	-314,983	-268,014	-219,496	-167,333	-112,347	-52,054		

**NOTE:**

- A negative Cross-Subsidy figure in the Cashflow indicates monies transferring out of the tenure to other tenure loans in the project.



**Development Cashflow Forecast**

Please select a cashflow: **Affordable Rent**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Opening loan		-624,167	-891,243	-1,280,241	-1,250,937	-1,325,993	-1,405,552	-1,489,886	-1,579,279	-1,674,036	-1,774,478	-1,867,020
▶ Capital	429,580	<b>-613,802</b>	<b>-249,167</b>	<b>-325,486</b>	<b>108,408</b>							
▶ Revenue		<b>-10,365</b>	<b>-40,752</b>	<b>-46,242</b>	<b>-59,326</b>	<b>-41,174</b>	<b>-46,173</b>	<b>-53,092</b>	<b>-58,395</b>	<b>-65,024</b>	<b>-69,762</b>	<b>-74,759</b>
▼ Indicators												
▶ Net Rent		<b>2,917</b>	<b>17,270</b>	<b>19,778</b>	<b>33,882</b>	<b>33,386</b>	<b>31,241</b>	<b>30,998</b>	<b>29,732</b>	<b>30,680</b>	<b>31,658</b>	<b>32,665</b>
Rent, rcpts & interest	-10,365	-40,752	-46,242	-59,326	-41,174	-46,173	-53,092	-58,395	-65,024	-69,762	-74,759	-77,476
Interest cover		6.7%	27.2%	25.0%	45.1%	42.0%	37.0%	34.7%	31.4%	30.5%	29.7%	29.7%
<b>X-Subsidy</b>		<b>22,843</b>	<b>-17,270</b>	<b>-19,778</b>	<b>-33,882</b>	<b>-33,386</b>	<b>-31,241</b>	<b>-30,998</b>	<b>-29,732</b>	<b>-30,680</b>	<b>-17,784</b>	<b>36,691</b>
Cashflow	-624,167	147,624	-223,340	620,146	-75,056	-79,560	-84,333	-89,393	-94,757	-100,442	-106,417	-110,141
Cumulative cashflow	-624,167	-476,661	-700,907	-80,690	-154,026	-229,734	-308,050	-389,191	-473,385	-560,821	-651,636	-745,973
Loan repayment		-414,701	-165,657	-590,842							13,874	69,356
Closing loan		-624,167	-891,243	-1,280,241	-1,250,937	-1,325,993	-1,405,552	-1,489,886	-1,579,279	-1,674,036	-1,774,478	-1,867,020

#### NOTE:

- Cross-Subsidy only displays at tenure level, not unit level.

## Appendix B

Why ProVal uses a single interest rate for development cashflow.

ProVal no longer supports separate interest rates for positive and negative balances in the development cashflow. Instead a single rate is used. It's not possible to know at the point of calculating interest whether any of the other units or products would make the scheme have a positive or negative balance. The following is a brief explanation of the process.

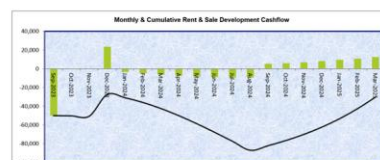
The capitalised interest in ProVal is calculated at a unit type, product and appraisal level. The first step is to calculate the unit type cashflow. In the following example, there are four unit types in the appraisal:



Unit 1 (AR)  
Interest:  
£ -20,000



Unit 3 (SO)  
Interest:  
£ -10,000



Unit 2 (AR)  
Interest:  
£ -5,000

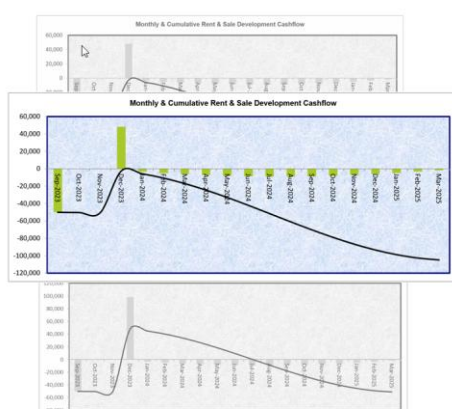


Unit 4 (SO)  
Interest:  
£ +8,000

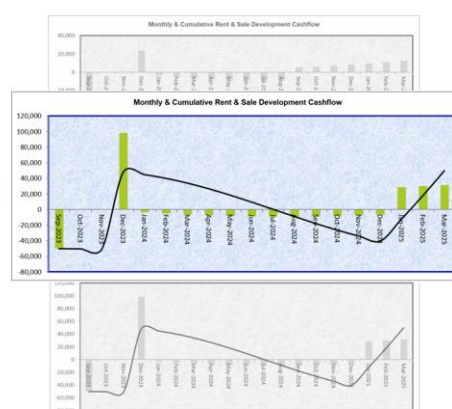


Next, the unit type cashflows are combined into product cashflows and the interest re-calculated. Note that if we used different interest rates for positive and negative balances the new interest cost would not be the same as simply adding the unit type interest amounts.

AR total  
Interest:  
£ -27,000



SO total  
Interest:  
£ +4,000



Finally, the product cashflows are combined into a single scheme cashflow and the interest re-calculated. This process of aggregation allows ProVal to display results at each stage. In using a single interest rate, it is also possible to add the interest together consistently at each stage of aggregation.

