

GAIN SHARE

This schedule sets out the basis on which the Gain will be calculated for the purpose of sharing between the Council and the Trust in accordance with Clause 34.

Where the Trust annual operating surplus in respect of the activities for which this agreement provides in any one year is more than £250,000 (as approved in the Trust 5 Year Business Plan) and the agreed revenue reserve threshold of £500,000 is met, the amount by which the operating surplus exceeds £250,000 will be shared equally between the Trust and the Council.

A Worked Example is shown below:

£'000s	Year 1	Year 2	Year 3	Year 4	Year 5
Approved Annual Operating Surplus Target	90	250	250	250	250
Agreed Reserve	500	500	500	500	500
Actual Surplus	90	200	210	300	270
Gain	0	0	0	50	20
50% paid to Council	0	0	0	25	10
Trust Reserves	90	290	500	775	1,035

Note: The actual Year One is only a 5 month period and the approved operating surplus for this period is £90,000.