

Venue calculation - Example

- Acquisition costs (A):
4 000 000 EUR
- Expected operating life of the building/venue (L):
40 years
- Weighted average cost of capital - WACC:
6%

Venue calculation - Example

- Total depreciation costs for the whole operating life of the asset:
4 000 000 EUR
- Total interest costs for the whole operating life of the asset (A) x (L) x (WACC/2) :
 $(4\,000\,000) \times (40) \times (6\%/2) =$
4 800 000 EUR for 40 years

Venue calculation - Example

- **Total costs for venue = (Total depreciation costs for the whole operating life of the asset + Total interest costs for the whole operating life of the asset) =
(EUR 4 000 000 + EUR 4 800 000) =
8 800 000 EUR**
- **Annual average cost: Total cost/40=
220 000 EUR**

Venue calculation - Example

- Quantity for SMS purposes = a x b
 - a. Pro rata calculation of the respective part of the building where the training takes place =
(square footage of the rooms used for training) /
(total square footage of the building) :
=(43)/(2 300)
 - b. Pro rata of the time in the year when the respective rooms are used for training = (number of days used per annum)/(number of days per annum) :
=(10 days)/(360 days)

Venue calculation - Example

- **Total costs for venue attributable to SMS:**
[total cost venue] x [pro rata a] x [pro rata b]
 $8\,800\,000 \times (43/2\,300) \times (10/360) =$
4 570 EUR
- **Annual average costs for venue attributable to SMS:**
[annual] x [pro rata a] x [pro rata b]
 $220\,000 \times (43/2\,300) \times (10/360) =$
114 EUR