

# 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**