

## Cremator Project Payback Calculation

### Assumptions

Income	3% increase each year due to price increases
Staffing	2.5% increase each year due to pay awards
Maintenance	£859K over 15 year UEL
Utilities	£20 gas and £9.50 electric per cremation for 2,500 cremations p.a.
Depreciation	straight line over 15 year UEL
Year 0 being 2018/19	
Year 1 being 2019/20	
Actual income and staff costs from 2017/18 actuals, so already inflated in year 1	

Year 1		£	£
Income			(1,443,492)
Expenditure	Staffing	446,462	
	Maintenance	57,267	
	Utilities	73,750	
	Depreciation	73,333	
		<u>650,812</u>	
Net Income year 1			<u>(792,680)</u>

Year 2			
Income			(1,486,797)
Expenditure	Staffing	457,624	
	Maintenance	57,267	
	Utilities	73,750	
	Depreciation	73,333	
		<u>661,974</u>	
Net Income year 2			<u>(824,823)</u>

		£	£	
Year 0	Cremators purchase	1,100,000	1,100,000	
Year 1	Net income	(792,680)	307,320	
Year 2	Net income	(824,823)	(517,503)	4.5 months

Therefore, payback is achieved in 1.4 years

