

Blackpool Council

Appendix 3a

Summary - Gym Equipment Bickerstaff House

Prudent Assumptions

Basis - Option 3 under the 2008 regulations as required by the council's policy on providing for MRP (principal)

Equipment Life 5 years

	Yr1 2014/15 £	Yr2 2015/16 £	Yr3 2016/17 £	Yr4 2017/18 £	Yr5 2018/19 £
<u>Gym Equipment £150k</u>					
Principal	30,000	30,000	30,000	30,000	30,000
Int	6,359	4,946	3,533	2,120	707
Total borrowing costs	36,359	34,946	33,533	32,120	30,707

Assumptions:

1. £150,000 is the cost of the equipment
2. Blackpool Council's cost of borrowing remains constant at 4.71% throughout the life of the project.
3. The expenditure takes place upfront at the start of the year and the repayments of principal occur mid-year.
4. MRP is charged in accordance with option 3 of the 2008 regulations which were adopted by Blackpool Council in February 2009.

IWB 30th April 2014