Marks

Implications of charging options

		£	£	£	£	
Suggested charge per day	Now	7.5	10	12.5	15	
Number of vehicles passing through the planned congestion zone	11,500	9,000	7,750	5,250	4,800	
Total revenue per day		67,500	77,500	65,625	72,000	
Days per year		365	365	365	365	
Annual revenue		24,637,500	28,287,500	23,953,125	26,280,000	2
Fixed operating costs		24,000,000	24,000,000	24,000,000	24,000,000	
Net financial impact		637,500	4,287,500	(46,875)	2,280,000	1
Less annual cost of loan finance		(2,040,712)	(2,040,712)	(2,040,712)	(2,040,712)	
Net annual cash position		(1,403,212)	2,246,788	(2,087,587)	239,288	2
DCF calculation						**OR**
Net financial impact		637,500	4,287,500	(46,875)	2,280,000	
30 yr AF @ 3%		19.601	19.601	19.601	19.601	
		12,495,638	84,039,288	(918,797)	44,690,280	
Less investment		(40,000,000)	(40,000,000)	(40,000,000)	(40,000,000)	
NPV		(27,504,363)	44,039,288	(40,918,797)	4,690,280	2
Change from now						
Reduction in car numbers compared with now - total		2,500	3,750	6,250	6,700	
Reduction in car numbers compared with now - %		22%	33%	54%	58%	
% increase in reduction from previous lower suggested charge			11%	21%	4%	

General data	
Initial investment	40,000,000
Annual operating costs	24,000,000
Borrowing costs	
Interest rate	3%
30 year 3% AF	19.601
Loan amount	40,000,000
Annual payments over 30 years	2,040,712