

# Net revenue analysis template

If the partner organization foresees to generate net revenue after the project implementation and it is objectively possible to estimate the revenue in advance the **partner fill in the net revenue analysis template available in the Application pack and upload it in the EEP.**

**Please consider that in case you do not send this document, the Programme may not be in a position to correctly evaluate the budget of the partner included in the proposed Application Form. This can have a negative impact on the qualitative evaluation of your Application Form.**

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## I. Partner identification

**Partner:** Please indicate the project partner number:

Partner number X
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## II. General information on the revenue

**Work Package:** To which Work Package is the output/activity that will generate the revenue assigned?

Work Package X
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**Description of the generated revenue:** Please describe (a) the output/activity for which the end users will have to pay and (b) how exactly this will generate cash inflow for your organization.

a)
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b)
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## III. Calculation methodology

### A. Preliminary steps

#### 1. Project sector

Define the sector in which your project is inscribed, according to Annex I of the COMMISSION DELEGATED REGULATION (EU) No 480/2014. This will indicate the reference period for which you have to calculate the discounted net revenue. The reference period includes the project duration, i.e. the first year covered by the referenced period is the year in which your project will start.

#### 2. Determination of the "Costs of the Activity"

Determine the nominal costs for the Work Package that will produce the revenue-generating activity/output. The total of these amounts is the gross costs (i.e. before deduction of the net revenue) referred to as "Cost of the Activity" in fact sheet 10 of the Programme Manual.

Costs of the Activity:	X €
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### B. Revenue generation during project implementation

Steps II.B.1 and II.B.2 shall be followed only if the applicant foresees to generate revenue not only after project completion, but also during the project implementation.

#### 1. Determination of revenues

Define the amounts of revenues (i.e. nominal cash inflow) for each year of the project implementation, taking into account the provisions laid down in Article 16 of the COMMISSION DELEGATED REGULATION (EU) No 480/2014. The sum of all these annual amounts is the gross revenue. During project implementation, the gross revenue equals the net revenue to be deducted from the applicant's budget, since running costs necessary for

the durability of outputs cannot be taken into account before the project closure (cf. fact sheet 10 of the Programme Manual).

Total gross (= net) revenue during project implementation:	X €
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## 2. Application of the financial discount rate

The applicant shall apply a financial discount rate of 4% to the revenues identified in step II.B.1. The amounts must be discounted for each year separately. The sum of the discounted, yearly cash inflows is the final amount that shall be deducted from the applicant's budget, added to the amount defined in step II.C.4 below.

Total discounted net revenue during project implementation:	X €
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## C. Revenue generation after project completion

This step C is fully applicable because revenue generation after project completion is exactly the reason why the applicant is required to carry out the net revenue analysis.

### 1. Determination of costs

After project completion, the costs to be taken into consideration are the "Running Costs" (cf. fact sheet 10 of the Programme Manual).

Define the running costs (i.e. nominal cash outflow) for each remaining year of the reference period, taking into account the provisions laid down in Articles 17, 19(2) and 15(4) of COMMISSION DELEGATED REGULATION (EU) No 480/2014. The sum of all these amounts is the total expected nominal cost that will be incurred by the applicant to ensure the durability of the project's output that generates the revenues.

Total nominal costs after project completion:	X €
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### 2. Determination of revenues

Define the revenues (i.e. nominal cash inflow) for each remaining year of the reference period, taking into account the provisions laid down in Article 16 of the COMMISSION DELEGATED REGULATION (EU) No 480/2014. The sum of all these amounts is the gross revenue.

Total nominal revenues after project completion:	X €
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### 3. Application of the financial discount rate

The applicant shall apply a financial discount rate of 4% to the costs and revenues identified in steps II.C.1 & II.C.2. The amounts must be discounted for each year separately. The sum of the discounted, yearly cash outflows and inflows are respectively the discounted costs and discounted gross revenues.

Total discounted costs after project completion:	X €
Total discounted gross revenues after project completion:	X €

### 4. Identification of the discounted net revenue

Deduct the in step II.C.3 calculated discounted costs from the discounted revenue, to identify the discounted net revenue.

If the result of the deduction is  $> 0$ , then net revenue is generated after project completion, which shall be deducted from the applicant's budget. The box below shall be completed only in that case, i.e. if the result of the deduction is positive.

Total discounted net revenues after project completion:	X €
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#### D. Total amount of discounted net revenue to be deducted from the applicant's budget

Make the sum of the positive amounts identified in steps II.B.2 and II.C.4. This eventually defines the total amount of estimated discounted net revenue generated over the reference period and thus to be deducted from the applicant's budget for the said Work Package.

Total discounted net revenue generated during the reference period:	X €
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#### E. Identification of the "Funding Gap"

The applicant is now capable of **indicating in the Application Form a budget net of the amount of net revenue** that was estimated, for the Work Package identified in section I of the template.

Deduct the total amount of net revenue identified in step II.D from the Costs of the Activity identified in step II.A.2. The result is the final total eligible budget for the Work Package indicated in section I, and should be the amount that is equally found in the Application Form as the applicant's total foreseen budget for the said Work Package. This figure is referred to as the "Funding Gap" in fact sheet 10 of the Programme Manual.

Total eligible budget, net of estimated net revenue ("Funding Gap"):	X €
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The process explained above is to be fully repeated for all other activities/outputs, in the same or another Work Package, for which the applicant estimates that revenue will be generated after project completion!

#### Signature

*Name of the person signing for the beneficiary (and official stamp of the project partner where applicable)*

#### Date

*Function of the person signing for the beneficiary*