

## ECONOMIC APPRAISAL PROFORMA

(For proposals with **total** public funding of between **£10,000** and **£50,000**)

The aim of this proforma is to provide an adequate record of the economic and financial factors that need to be considered when deciding whether or not an investment is worthwhile. The questions should be answered as comprehensively as possible.

Name of Business: \_\_\_\_\_

(For office use only)

Submitted with application Ref \_\_\_\_\_ to the Creative Industries Innovation fund

What are the objectives of the project (e.g. to create xxx full-time jobs)  
The objectives should be Specific, Measurable, Achievable, Relevant and Time-dependent.

How will the project contribute to achieving the objectives of the funding programme?

### OPTIONS

The single largest source of confusion in appraisal is the baseline from which costs and benefits are measured.

**Provide a summary of the economic costs and benefits of each identified option excluding grants and interest costs**

	<b>Baseline</b>	<b>Option 1</b>	<b>Option 2</b>
What are the total monetary costs for each option			
What are the monetary benefits of each option (receipts/income before grants and interest payments)			
Net Benefit (i.e. net cash flow before grants and interest payments)			

**For each option, provide details of non-monetary factors which should be taken into consideration, e.g. the impact of the project on the local community, the environment)**

Baseline

Option 1

Option 2

**Other considerations**

**Displacement** – would any of the “do something” options impact on any existing project or business in Northern Ireland? If yes, give details of expected impact

**Additionality** – In the absence of grant aid, would any of the “do something” options go ahead? If yes, please give details regarding scale and timing.

Option 1

Option 2

**Risks** – Please identify the main risks associated with each option and actions proposed to minimise these risks:

Option 1

Option 2

**PREFERRED OPTION**

Please state the preferred option, taking into consideration the information provided in the answers above.

Preferred option \_\_\_\_\_

Give rationale for choice of preferred option:



Has any of the funding from other sources been approved? If yes, give details

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What levels of profit or loss are estimated, for the preferred option, in the first 2 years of the project's life?

	Before grant requested	After grant requested
Year 1		
Year 2		
Year 3		

Please provide full details of the profit and loss accounts. What are the net cash flows, for the preferred option, in the first 2/3 years of the project life?

	Before grant requested	After grant requested
Year 1		
Year 2		
Year 3		

Why is grant assistance being considered for this project?

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When does the project become viable?

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For the **preferred option only** – what is the effect on profits (including grant) of

	Year 1	Year 2	Year 3
a) 10% increase in costs			
b) 30% increase in costs			
a) 10% reduction in receipts/income*			
b) 30% reduction in receipts/income*			

\* do not apply a reduction to existing or requested current/revenue grant income

For the **preferred option only** – what is the effect on net cash flow (including grant) of

	Year 1	Year 2	Year 3
a) 10% increase in costs			
b) 30% increase in costs			
a) 10% reduction in receipts/income*			
b) 30% reduction in receipts/income*			

\* do not apply a reduction to existing or requested current/revenue grant income

### MANAGEMENT/MANAGEMENT STRUCTURE

Describe the management structure and skills necessary to implement the preferred option. Does your business currently have these skills? If not, what budget has been allowed for training and when will it be completed?

### MARKETING

Describe the marketing steps required to implement the preferred option. Have the costs of these steps been included in the budget? If not, how are they to be funded?

## **MONITORING**

Please give details of your proposed arrangements for the monitoring of your project, if approved.

What information will be monitored?

Who will be responsible for providing the monitoring information?

When will monitoring take place?

## **POST PROJECT EVALUATION**

Please give details of the proposed arrangements for the Post project evaluation of the project, if approved.

What information will be evaluated?

Who will be responsible for providing the evaluation information?

When will the evaluation take place?

**OTHER INFORMATION**

Please give any additional information which you feel is relevant to this appraisal and which you feel strengthens the case for providing grant assistance.

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**SUMMARY INFORMATION**

Project start date	
Location	
Total project cost	
Total grant requested	
Number of direct jobs to be created	
Total grant cost per direct job created	
Estimated increase in annual turnover (£)	