

CASH FLOW PROJECTION

PROFIT AND LOSS ASSUMPTION					
	Year 1	Year 2	Year 3	Year 4	Year 5
Annual cumulative price (revenue) increase	0,00%	5,00%	10,00%	15,00%	20,00%
Annual cumulative inflation (expense) increase	4,50%	4,50%	4,50%	4,50%	4,50%

Finacial cash flow Projection													
Time(years)	Production Cost/year	Total Income	Viriable costs	Fixed cost	BTCF	Depreciation	Book value	Interest	Taxable income	Income tax	Loan	AFTCF	
1	-	-	2 124 898,00	851 926,17	420 000,00	852 971,83	-	-	19 406,42	833 565,41	233 398,32	60 755,78	558 817,74
2	-	-	2 231 142,90	890 262,85	420 000,00	920 880,05	-	-	16 098,47	904 781,59	253 338,84	60 755,78	606 785,43
3	-	-	2 337 387,80	930 324,68	420 000,00	987 063,12	-	-	12 525,88	974 537,24	272 870,43	60 755,78	653 436,92
4	-	-	2 443 632,70	972 189,29	420 000,00	1 051 443,41	-	-	8 667,49	1 042 775,92	291 977,26	60 755,78	698 710,38
5	-	-	2 549 877,60	1 015 937,80	420 000,00	1 113 939,80	-	-	4 500,43	1 109 439,37	310 643,02	60 755,78	742 541,00

Effective tax rate	28,00%	input	Investment	-R 242 580,20
Before Tax Marr value	20,00%	input	PV	R2 175 454,77
After Tax Marr value	14,40%	input	NPV	R1 932 874,57

FEASIBILITY ANALYSIS

NET PRESENT VALUE CALCULATION				
Year	Investment	Interest rate	8,0%	
0	R 242 580,20			
		Net cash flow	Present value	
1	R (242 580,20)			
2	R 517 423,83	R 558 817,74	R	517 423,83
3	R 520 220,71	R 606 785,43	R	520 220,71
4	R 518 719,29	R 653 436,92	R	518 719,29
5	R 513 572,99	R 698 710,38	R	513 572,99
6	R 505 360,93	R 742 541,00	R	505 360,93
NPV			R	2 575 297,74
		NPV	R	2 332 717,54

INTERNAL RATE OF RETURN CALCULATION				
Year	Capital	IRR:	MARR value 1,00	
0	R (242 580,20)			
1	R 73 272,79	R (242 964,75)	R	558 817,74
2	R 753 447,16	R 73 388,94	R	606 785,43
3	R 2 161 525,64	R 754 641,56	R	653 436,92
4	R 5 025 188,23	R 2 164 952,20	R	698 710,38
5	R 10 800 883,63	R 5 033 154,41	R	742 541,00

Investment	R 242 580,20
Pay back period (years)	-7,44
PVR	10,62