

***Reference Material 01***

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| --- | --- | --- | --- | --- | --- | --- |
| **NPV Calculation** | Initial  Investment  (C$) million | Year 1  (C$) million | Year 2 (C$) million | Year 3 (C$) million | Year 4 (C$) million | Year 5 Onwards (C$) million |
| Land, Machinery and  Staff recruitments | -6.65 |  |  |  |  |  |
| Agreement negotiation costs | -0.5 |  |  |  |  |  |
| Sales - Fuel |  | 45 | 47.5 | 48 | 51.6 | 54 |
| Confectionery |  | 2.25 | 2.375 | 2.4 | 2.58 | 2.7 |
| Newspapers |  | 0.3 | 0.32 | 0.35 | 0.375 | 0.38 |
| Total sales |  | 47.55 | 50.195 | 50.75 | 54.555 | 57.08 |
| Costs - Fuel |  | 38.25 | 40.375 | 40.8 | 43.86 | 45.9 |
| Confectionery |  | 1.6875 | 1.78125 | 1.8 | 1.935 | 2.025 |
| Newspapers |  | 0.27 | 0.288 | 0.315 | 0.3375 | 0.342 |
| Depreciation |  | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Maintenance |  | 1 | 1.5 | 1.75 | 2.5 | 2.85 |
| Salaries |  | 3.12 | 3.12 | 3.12 | 3.12 | 3.12 |
| Security cost |  | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Other operating costs |  | 1.2 | 1.29 | 1.35 | 1.42 | 1.5 |
| Total costs |  | 46.0275 | 48.85425 | 49.635 | 53.6725 | 56.237 |
| Net cash flow | -7.15 | 1.5225 | 1.34075 | 1.115 | 0.8825 | 0.843 |
| Discount factor @ 10% | 1 | 0.909 | 0.826 | 0.751 | 0.683 | 6.831 |
| Discounted cash flow | -7.15 | 1.3839525 | 1.1074595 | 0.837365 | 0.6027475 | 5.758533 |
| NPV | 2.5400575 |  |  |  |  |  |

|  |  |
| --- | --- |
| **IRR Calculation** |  |
| NPV @ 10% (C$) million | 2.5400575 |
| NPV @ 15% (C$) million | -0.358718 |
| IRR | 14.3813% |

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***Reference Material 02***

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| --- | --- | --- | --- |
| Project | Initial  Investment  (C$) million | NPV @ 10% (C$) million | IRR |
| 50 Petrol Stations | -7.15 | 2.5400575 | 14.3813% |
| Latest oil refining machinery | -12.05 | 3.4604897 | 15.4658% |

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