

Example

Period	Capital Expenditure	Revenue	Operating Expenses	Tax Payments	CASH FLOW
Time 0	1 500	-	-	-	-1 500
1	5 000	-	-	0	-5 000
2	6 000	-	-	0	-6 000
3	-	8 000	3 000	0	5 000
4	-	8 000	3 000	0	5 000
5	-	8 000	3 000	1 000	4 000
6	-	8 000	3 000	1 000	4 000
7	500	8 000	3 000	1 500	3 000
8	-	8 000	3 000	2 000	3 000
9	-	8 000	3 000	2 500	2 500
10	-1 000*	8 000	3 000	2 500	3 500
Totals	12 000	64 000	24 000	10 500	17 500

* Benefits received from the disposal of equipment and the recovery of operating funds included in the original capital expenditures

Pre-production (construction) period: 2 years

Production period: 8 years

Project life: 10 years

