period is acceptable, which makes it difficult to interpret. Lastly, the payback period method does not consider the time value of money, therefore the actual payback period is likely to be different than what has been calculated. The time value of money is important because £1 today is not equal to £1 in the future when the cash inflows are likely to occur. If cash is to be invested in a project, there is an opportunity cost of putting the most into the bank and gaining interest on it.