

ATLAS BRICKS COMPANY LIMITED

Feasibility study for building materials manufacturing project

Roofing sheets, burnt bricks & burnt tiles

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PART I

EXECUTIVE SUMMARY

Company & Project concept

ATLAS BRICKS COMPANY LIMITED is limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 5th January, 2020, and bears Certificate of Incorporate # 140718343. Company is being incorporated to execute various business activities among others include undertaking the building materials manufacturing project for real estate Industry.

ATLAS BRICKS COMPANY LIMITED goals and objectives are straightforward and seek to ensure we run a professional, profitable and ethical company, building relationships with customers, suppliers and other investors

Company Goals and Objectives:

ATLAS BRICKS COMPANY LIMITED aims to;

- To establish manufacturing facilities for building materials such as corrugated roofing sheets, nails, tiles and burnt bricks.
- Manage the project by human resource policies which encourage and reward individual and unified effort and achievement, provide training and personal development opportunities and create a working environment in which staff can feel a real sense of job involve
- Achieve levels of profit sufficient to provide for reinvestment and suitable returns to shareholders and investors
- Seek to comply with all statutory legislation and other external relevant authorities. Define and keep under review Company policy, allowing flexibility for local requirements.
- Adopt best commercial practice and ethical standards in dealing with clientele, suppliers of goods and services and other contacts

Purpose of feasibility report

This document is prepared to the serve the purpose as a feasibility study for ATLAS BRICKS COMPANY LIMITED for building materials manufacturing project as well as to be submitted to TIC for an award of TIC Certificate of Incentives. The implementation of this project will compromise the following activities:-

- Construction of prefabricated building to accommodate mini plant for manufacturing corrugated roofing sheets and nails
- Construction of burnt bricks plant (furnace) with modern facility and non-hazardous to the environment.
- Construction of mini plant for tiles manufacturing

The project Developers, the project will be managed and operated ATLAS BRICKS COMPANY LIMITED at Kibaha Industrial area

ATLAS BRICKS COMPANY LIMITED is owned by a Chinese Investors with diverse business in China and Tanzania with the following share distribution.

Name	Nationality	Shares%
Qizhi Han	Chinese	75
Hongyin Han	Chinese	25

Company Legality, the legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, Tax Identification Number, and value added Tax certificates Justify that ATLAS BRICKS COMPANY LIMITED is operating within the ambit of the law of the Land

Project Organization Structure, the management of is ATLAS BRICKS COMPANY LIMITED constituted by the following organization set up:- Board of Directors, Managing Director who is responsible on the supervision on the entire operations of the Company, a company accountant, a General Manager who will be supervising general affairs of the project operation.

Investment Structure, the project is estimated to cost 1,850,000\$ the money covers value of land and building structures but also allocated fund include investment in fleet vehicles, equipments, furniture and fittings, pre expenses and working Capital. The equity which shall be contributed by the shareholders is 750,000 \$ equivalent to 40.5 % whereas 1,100,000 \$ which is 59.5 % is a loan equity from bank. However a financial policy of the Company state that the profits generated will be re-invested

Forecasted financial Information, Financial information of ATLAS BRICKS COMPANY LIMITED is projected within five years. The company projected profit and Loss, account show a respectable turnover of more than 66,757 \$ in the first year. The profits gained on fifth year are projected to be 283,975\$. The projected balance sheet, shows the net worth increase of more than 675,979 \$ in the second year of operation and more than 403,023 \$ in the 3rd year of the usefully lifetime of the implementation during which the business will be evaluated again.

PART II

2.0 COMPANY AND INDUSTRY INFORMATION

2.1 Company Profile

Name of company:	ATLAS BRICKS COMPANY LIMITED
Address:	P.O. Box.58359 NHC Building 9 th Floor Samora Avenue Dar es Salaam
Telephone:	+255758599999 +255719198198
Project Location	Plot no. 30 Kibaha industrial Area
Certificate of Incorporation no.	140718343
Sector	Manufacturing
Sub sector	Building materials
Total Cost of estimated Investment.	1,850,000\$
Shareholders	Qizhi Han
	Hongyin Han

2.3 CONSTRUCTION INDUSTRY

The construction industry is a sector of the economy that transforms various resources into constructed physical economic and social infrastructure necessary for socio-economic development. It embraces the process by which the said physical infrastructure are planned, designed, procured, constructed or produced, altered, repaired, maintained, and demolished. The constructed infrastructures include:

- Buildings
- Transportation systems and facilities which are airports, harbours, highways, subways, bridges, railroads, transit systems, pipelines and transmission and power lines.
- Structures for fluid containment, control and distribution such as water treatment and distribution, sewage collection and treatment distribution systems, sedimentation lagoons, dams, and irrigation and canal systems.
- Underground structures, such as tunnels and mines.

The industry comprises of organizations and persons who include companies, firms and individuals working as consultants, main contractors and sub-contractors, material and component producers, plant and equipment suppliers, builders and merchants. The industry has a close relationship with clients and financiers. The government is involved in the industry as purchaser (client), financier, regulator and operator.

As a direct beneficiary of the government's current economic strategy, which focuses on major infrastructure, housing and energy investment, and a key player in the ongoing shift of government functions from Dar es Salaam to Dodoma, the construction industry is undergoing significant expansion in both absolute and relative terms. The pace of growth has been fast, with the overall sector valuation jumping from \$1.6bn in 2010 to \$6bn by 2015, and its contribution GDP growing from 7.4% in 2006 to 13.6% in 2015 on mainland Tanzania, and from 7.7% to 9.5% on the Zanzibar archipelago.

Tanzania has relatively young real estate sector, with large-scale commercial development only taking off in the 1990s. While public sector actors historically handled the largest projects in the country, private sector players are now playing an increasingly important role in developing residential, office and commercial space. However, the industry in mainland Tanzania is growing with its contribution to GDP declining steadily in the past 10 years, from 6.1% in 2006 to 3.2% in 2015. Cost sensitivity remains a significant concern, not only directly in terms of house sales, but also indirectly in terms of demand for formal retail and commercial space, since approximately three-quarters of the population live on \$2 or less per day. As a result, the country will most likely have to depend on government intervention and innovative financing to help address demand at the lower end of the real estate market, while higher-end residential and commercial spaces are left in the hands of private sector developers

In view of the above it becomes apparent that the demand of construction of affordable accommodation houses backed up with affordable building materials is increasing. The stakeholders of construction industry opinion that there is a big gap between the demand and suppliers of building materials and hence requires new entrants (manufactures suppliers) of building materials

2.3 TANZANIA CONSTRUCTION POLICY

The National Construction Industry Policy takes into account of the fact that the realisation of the objectives and goals of the identified priority sectors such as education, health, water, agriculture, manufacturing, tourism, mining, energy, construction, land and good governance operates on the availability of reliable, strong and competitive local construction industry which is capable of delivering quality services to its stakeholders. New investments in the construction and rehabilitation of infrastructure will be given priority parallel with the maintenance of the existing constructed facilities so as to enable speedy development of the other sectors which depend upon the performance of the local construction industry. The interim policy is anticipated to provide guidance towards the increased involvement of the local construction industry in construction activities. The Construction Industry Policy emphasises the development of an efficient and self sustaining roads network that is capable of meeting the diverse needs for construction, rehabilitation and maintenance of civil works for trunk, regional, districts and feeder roads network through the involvement of private sector. Public sector involvement in the enhancement of housing, infrastructure and other constructed facilities to assist in the mobilization of financial

resources as well as capital investment will be emphasized. The pursuance of all the above general goals will be carried out in tandem with all the other key national sectoral policies, e.g. agricultural policy, land policy, investment policy, industry and trade policy, energy policy, housing policy, health, education and all other sectoral policies which have direct or indirect impact on the construction sector.

2.4 SOCIAL AND ECONOMIC IMPACT OF THE PROJECT

The proposed project will result into the following social and economic impacts:

- Increase the provision of high quality building materials to let and residential Apartment services in real estate Industry.
- Increased competitiveness among real estate developers
- The project will provide employment for more than 100 people
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury etc. by Community Capital Group Limited

PART III

3.0 MANAGEMENT AND ORGANIZATION STRUCTURE

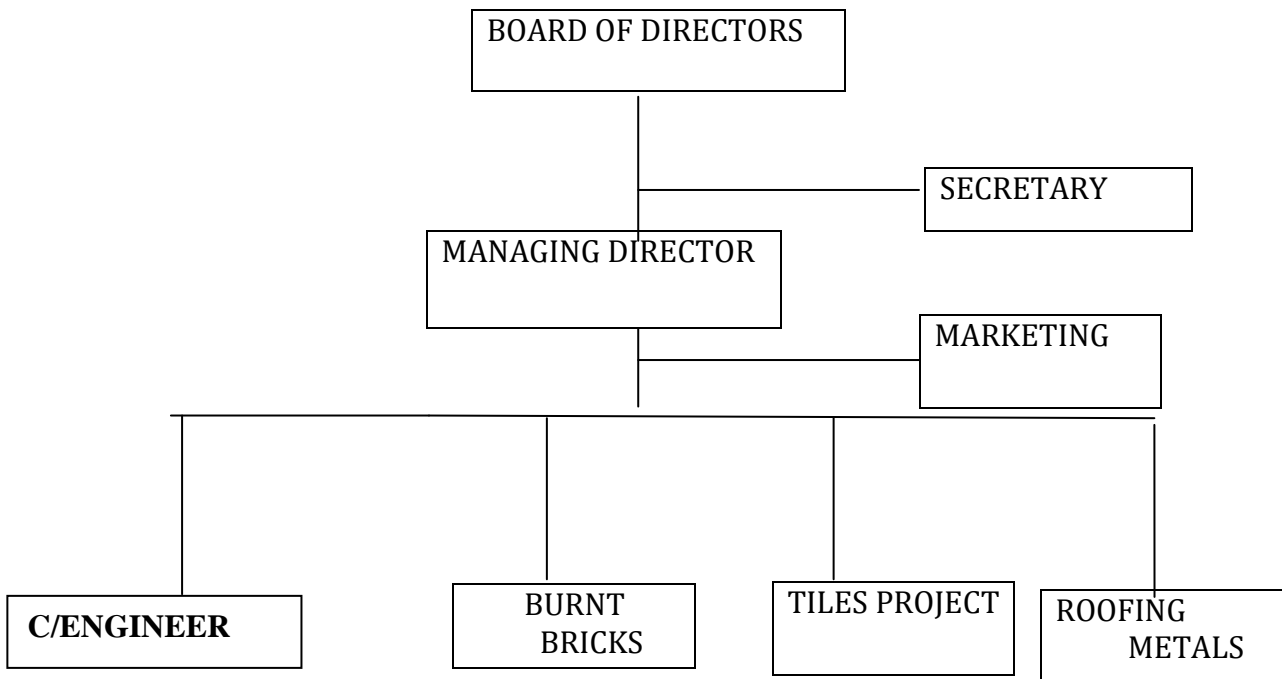
3.1 PROPOSED PERSONNEL

The organization of the envisaged manpower for the proposed project is divided into three departments namely:

- Burnt Bricks Manufacturing project.
- Roofing sheets and nails manufacturing.
- Tiles manufacturing plant
- Estate Marketing
- Structural & Civil engineering

The personnel falling under the Burnt Bricks Manufacturing project, Roofing sheets and nails manufacturing and Tiles manufacturing plant shall include the Project Managers, Account Clerk, Operational staffs, Clerical Staff, and Watchmen. Those falling under the Estate Marketing shall be the Marketing Officer and the Sales staff. Those falling under Structural & Civil Engineering shall be Chief Engineer and Technical Officer.

3.2 ORGANIZATION CHART.



3.3 STAFF TRAINING.

The project is expected to employ a total of 100 people as Director Labour. During Construction the total labour force to be employed will be 80. For training and educational purpose all administration and operational procedures will be written down in manuals.

3.4 RECRUITMENT

It has been agreed that the initial personnel to be employed by this project will be those with sufficient experiences and must have worked in reputed civil engineering companies. Posts that require professional training, the personnel thus employed shall have been trained from recognized institutions.

PART IV

4.0 PROJECTS ENGINEERING & TECHNOLOGY

4.1 OPERATIONALIZATION OF THE PROJECT

The envisaged project will be managed and owned by a limited liability company with its head office in Dar es Salaam. However its operations shall be at Kibaha Industrial Area. According to the company's objectives the company may open branches anywhere in the United Republic of Tanzania and outside the country.

The project is expected to be a multipurpose since it will provide manufacturing building materials to the real estate sector in Tanzania especially to residential houses/apartments and outlets shopping mall and Offices for the corporate institutions.

4.2 LOCAL CONDITIONS:-

Dar es Salaam City is a fast expanding and growing Metropolitan City with several international organizations based in Dar es Salaam including the headquarters for various International Organization. The entire necessary infrastructures are fully developed to suit the status of the city.

Dar es Salaam City is the gate way to inland regions in Tanzania, and tends to attract and consolidate number of business and investment activities made by for companies in Tanzania.

4.3 TECHNOLOGY APPLIED TO THE PROJECTS

The production process of both burnt bricks and burnt tiles will involve the following process.

- ✓ Securing the clay which include digging, mining, and application of various methods of grinding which enable the manufacturer to utilize many raw materials.
- ✓ Beneficiation; under this process the raw clays are often blended to obtain a more uniform consistency. In many cases the material is ground to reduce large rocks or clumps of clay to usable size and is placed in storage sheds.
- ✓ Mixing and forming; at this stage all clays must be mixed with water to form the finished product. The amount of water added will depend on the nature of the clays and their plasticity. This water is removed during drying and firing, which causes shrinkage of the units; to compensate for this shrinkage the molds are made larger than the desired finished products.
- ✓ Drying; after the bricks are formed, they must be dried to remove as much free water as possible. Drying will be done in drier kilns with controlled temperature, draft, and humidity.

- ✓ Firing and cooling; bricks are fired and cooled in a kiln, an oven-type chamber capable of producing temperatures of 870° to 1,100° C (1,600° to more than 2,000° F), depending on the type of raw material.
- ✓ Automation; handling of the finished product has been automated to the point that bricks emerging from the kiln are now automatically stacked in packages of approximately 500, strapped with metal bands, and stored, shipped, and delivered by mechanical equipment.
- ✓ Applied colours; colours are applied to many structural clay products, particularly structural glazed tile, wall and floor tile, and brick. Ceramic glazes are applied to units before or after the firing and cooling stage.

4.4 TECHNICAL REQUIREMENTS OF THE PROJECT.

During the project implementation the project shall technically require development and setting up of the following facilities:

- Construction of prefabricated building to accommodate mini plant for manufacturing corrugated roofing sheets and nails
- Construction of burnt bricks plant (furnace) with modern facility and non-hazardous to the environment.
- Construction of mini plant for tiles manufacturing

4.5 INPUTS

The necessary inputs, which include coal charcoal for burning tiles and bricks, are abundantly available in the Songea. ATLAS COMPANY LIMITED shall deploy fleets of dump trucks to manage supply logistics of coal charcoal to the project. However the inputs for roofing sheets and nails shall be imported from China, currently in East Africa there is absence of heavy industries which process iron raw iron into iron sheets.

PART V

5.0 MARKET INFORMATION

5.1 MARKETING DEMAND

Today the policy has been liberalized any one may construct and own a house, but unfortunately the construction costs associated with high cost of building materials have increased so much that very few can afford to build new houses. While there are a few businesspeople capable of constructing residential houses/apartments and some of the successfully businessmen need someone who can provide houses for outright purchase.

The current increasing demand trend for accommodation is caused by many factors. The factors governing the demand for commercial premises are as follows:-

- Trade liberalization.
- Economic Growth.

On the other hand, the demand for residential accommodation has been growing due to:-

- The increase in urban population.
- Increasing standards of living.
- Lack of service infrastructure and surveyed plots.
- High construction costs making ownership of residential houses limited only to wealth people.

Other reasons for the increasing demand are due to:-

- The specific locations of the premises, such as in the Business District of Towns.
- The type of the building and their prestige.

5.2 ASSUMPTIONS IN ASSESSING FUTURE DEMAND REAL ESTATE

- In assessing the future demand for rental premises, office buildings and residential houses in urban centers of Tanzania and the potential market share, the following assumptions have been made:
- The demand for rental premises, office buildings and residential houses shall continue to increase for the next 15 years.
- The demand for construction of affordable houses will keep rising as the years goes by.
- Consumers will always keep alternating to quality affordable building materials.
- ATLAS COMPANY LIMITED production costs will be kept low due to the effective and efficiency production strategy of using coal charcoal and coal energy.

5.3 JUSTIFICATION OF THE PROJECT

ATLAS COMPANY LIMITED has decided aggressively to invest into this project of establishing manufacturing building materials; partly to bridge the supply gap in real estate sector in Tanzania. Also ATLAS COMPANY LIMITED has been impressed by the Government of Tanzania's realization of the important role played by the construction

Industry in the country's economic and social development. But also has confidence that as Dar es Salaam City and Dodoma City are growing while also the demand of affordable accommodations as the day goes by is increasing in increasing rate. Also these Cities are becoming metropolitan cities which keep on receiving visitors both foreigners and locals with different business interests who might need commercial premises to let as well as residential apartments/unit houses services.

5.4 MARKETING STRATEGY

The plan is to attract middle - income earners whose interests are to become real estate developers of affordable residential houses, affordable commercial buildings and accommodations. The project sponsors will ensure the following:-

➤ High Quality Finishing of products:-

The technology which is going to be applied by ATLAS COMPANY LIMITED will ensure quality production of both burnt bricks and burnt tiles. Also the roofing sheets raw materials will observe compliance of the international standards as well as TBS's requirements.

➤ Value for Money

ATLAS COMPANY LIMITED will committed to delivering value for money to its customers, by offering not just products, but roofing and building solutions that carry a quality assurance from ATLAS COMPANY LIMITED for complete peace of mind.

5.5 SWOT ANALYSIS

5.5.1 The Strength

The strength of ATLAS COMPANY LIMITED depends on the experiences of managing other projects managed by sister company in China. They include:-

- Strong leadership from directors
- Small team, fleet footed and able to move quickly.
- Experienced and focused Management team
- Quality products and services
- Skills in best commercial practice and ethical standards in dealing with clients

5.5.2 Weakness

The main hindrance likely to face the company is the capacity supply its products in all over Tanzania to meet the growing demand of the affordable building materials due to limited resources.

5.5.3 Opportunities

ATLAS COMPANY LIMITED capitalizes the optional advantage of the following:-

- Stable economic and political environment
- The increased attractiveness of the country as a quality tourist destination of choice and investment.

- Invest on friendly government policies including: - Market liberalization, Lucrative investment incentive packages, Provisional of land and on aid off site infrastructure, Duty exemption on capital goods.

5.5.3 Threats

Most threatening and detrimental tactics to the company operation include the following:-

- ❖ The taxation system; there still duplicity of taxes.
- ❖ Unpredictability of investments incentives facilitation system.
- ❖ Unfair competitive practices among stakeholders such as negative publicity, manpower draining and agent/client poaching.

5.5.5 Pricing strategy

ATLAS COMPANY LIMITED will determine the pricing structure for number of square metres will be procured by the clients.

ATLAS COMPANY LIMITED intends to offer best quality services that comply to the price charged as indicated earlier, there is a market segment that has spending power and can afford this pricing. Therefore, this pricing will reflect the targeted market segment in focus. After the 3 years of operations the company will analyze its pricing structure once again to reflect the cost of the various components of its products and will adjust accordingly.

5.5.6 Sales and Marketing Communication

Under the implementation plan the following sales and marketing communication approaches will be carried out:- Real estate agency and Marketing through the Internet.

PART VI

6.0 INVESTMENT AND FINANCING

6.1 SUMMARY OF CAPITAL COSTS

The planned project does not require any investment in terms of leverages for executing the activities. The essential requirement is in hard cash capital for implementing the intended projects. To accomplish the implementation of this project the company will require a total of 1,850,000 USD to implement the project as shown in the table below.

INVESTMENT PLAN						
Planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Investment	USD	USD	USD	USD	USD	USD
Land & Building	100,000	0	0	0	0	100,000
Plant & Machinery	300,000	200,000	100,000	100,000	100,000	800,000
Vehicles	50,000	50,000	50,000	50,000	0	200,000
Furniture	50,000	50,000		0	0	100,000
Pre- operating expenses	50,000	50,000	0	50,000	0	100,000
Working capital	150,000	200,000	100,000	50,000	0	500,000
Total investment	700,000	550,000	250,000	250,000	100,000	1,850,000

FINANCING PLAN					
Planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	USD	USD	USD	USD	USD
Shareholders equity					
Equity contribution (or withdrawal)	200,000	200,000	200,000	150,000	0
Share capital	200,000	400,000	600,000	750,000	750,000
Long-term loans from bank					
Loans drawn at the beginning of the year	500,000	400,000	200,000	0	0
Repayments made at the end of the year	8,922	31,498	145,207	272,877	581,798
Basis for interest calculation - end of year	500,000	891,078	1,059,580	914,373	641,496
Interest rate	5%	5%	5%	5%	5%
Interest expenses	25,000	44,554	52,979	45,719	32,075
Loan balance: year end	491,078	859,580	914,373	641,496	59,698

6.2 FINANCIAL VIABILITY:-

Analysis of the financial viability of the project indicates that the operations of the proposed project are profitable and that they can generate sufficient cash to meet both short and long-term financial obligations. We have assumed that the sponsors will put more effort to ensure the project operates at rated capacity immediately after completion of construction this minimize the stagnation period.

6.3 FUNDAMENTAL ASSUMPTIONS

In preparing the financial projections we made the following assumptions:-

- (a) The operating period for which the viability of the project is evaluated is five years.
- (b) The capital costs of the project 1,850,000 USD as can be seen in the in annex table
- (c) All calculations throughout the evaluation period have been taken at constant prices. We have assumed the capital expenditure to be incurred between first year to fifth year of the project implementation
- (d) The project shall come into operation on 2021
- (e) Economic depreciation has been calculated based on the useful lifetime of the various capital items as can be seen below.

6.4 PROJECT PROFITABILITY

The projected profit and loss statements of the envisaged project it shows that the initial net profit in the first year will be 66,757 USD .The projected income statement demonstrates that the same profits will rise to 283,975 USD at the end of the five year of operations. The rise in profit is quite encouraging.

6.5 LIQUIDITY PROJECTIONS

Detailed cash flow forecasts are shown in the financial projection section. These projections take into account the assumed sources and applications of funds over the planned period and show the ability of the project to meet its financial obligations and capital expenditure requirements.

The forecast shows a healthy cash position for the project during the review period and therefore we believe that the project will be able to honour its short and long term obligations without any undue hardships.

6.6 BALANCE SHEET PROJECT

The balance sheet calculations shown in annex where the strength of the balance sheet demonstratives an attractive debt; equity ratio

6.7 FINANCIAL REVIEW

The financial review of the project demonstrates that:-

- (a) The project is profitable
- (b) The liquidity position of the project is sound and that it should be able to meet its financial obligations without any undue difficulties
- (c) The operations are financially viable.

6.8 THE NATIONAL ECONOMIC BENEFITS

The project has a number of economic befits such as:-

- Employment during operation is anticipated to be 83 as direct who will be employed.
- Revenue to the Government through rent withholding tax and property tax
- Indirect taxes from import duty on imported materials
- Increment of accommodation

7.0 CONCLUSIONS

The demand for Commercial, residential and Office premises in the Tanzania City of Dar es Salaam is growing steadily and will remain so for a many years to come. The Dodoma city is expanding at fast pace because it is the Administrative Capital of the Tanzania Government. Dar es Salaam City is the main gateway of Tanzania Inlands Regions, its temperate climate plus accessibility to the rest of world are another attractions which attract many international organizations to establish their offices here than anywhere else. Furthermore as the investment keep flowing in Dar es Salaam, demand for rental premises shall increase two folds. The demand for quality building materials is highly needed so; proposed project is therefore quite viable and should be supported.

ATLAS BRICKS COMPANY LIMITED

8.0 PROJECTED FINANCIAL STATEMENTS FOR FIVE YEARS

ATLAS BRICKS COMPANY LIMITED					
PROJECTED INCOME STATEMENT					
Planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	USD	USD	USD	USD	USD
Total net sales	1,254,000	1,514,000	1,774,000	2,034,000	2,294,000
Burnt bricks	80,000	100,000	120,000	140,000	160,000
burnt Tiles	104,000	130,000	156,000	182,000	208,000
Roofing sheets	1,070,000	1,284,000	1,498,000	1,712,000	1,926,000
Total revenues	1,254,000	1,514,000	1,774,000	2,034,000	2,294,000
Cost of goods sold COGS	873,450	1,029,127	1,178,268	1,325,278	1,468,443
Raw material	627,000	757,000	887,000	1,017,000	1,147,000
Semi finished products / components	0	0	0	0	0
Energy	25,080	30,280	35,480	40,680	45,880
Utilities	12,540	15,140	17,740	20,340	22,940
Production salaries	193,830	211,707	223,048	232,258	237,623
Production workspace	10,000	10,000	10,000	10,000	10,000
Other production costs	5,000	5,000	5,000	5,000	5,000
Gross profit	380,550	484,873	595,732	708,722	825,557
Selling, general and administrative expenses SG&A	172,516	169,109	171,892	175,789	179,803
Salaries	122,436	126,109	129,892	133,789	137,803
Workspace	15,000	15,000	15,000	15,000	15,000
Marketing & sales expenses	25,080	18,000	17,000	17,000	17,000
General office and utilities ex	10,000	10,000	10,000	10,000	10,000
Other	0	0	0	0	0
Operating profit / EBITDA	208,034	315,764	423,840	532,933	645,754
Depreciation	67,667	137,333	163,833	197,000	201,000
Interest expenses (loan from bank)	25,000	44,554	52,979	45,719	32,075
Interest income from investments (bank deposit)	0	350	700	1,050	1,400
Extraordinary charges (or incomes)	20,000	11,000	9,000	9,000	9,000
Currency exchange adjustments					
Fees and provisions	10,000	5,000	5,000	5,000	5,000
Other	10,000	6,000	4,000	4,000	4,000
Income tax	28,610	36,863	59,408	84,364	121,104
Net profit (or loss)	66,757	86,363	139,319	197,900	283,975

ATLAS BRICKS COMPANY LIMITED

PROJECTED BALNCE SHEET

Planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	USD	USD	USD	USD	USD
Long-term assets					
Fixed assets: property, plant and equipment	632,333	1,045,000	1,131,167	1,184,167	1,083,167
Long-term financial investments		0	0	0	0
Goodwill	0	0	0	0	0
Total long-term assets	632,333	1,045,000	1,131,167	1,184,167	1,083,167
Current assets					
Cash & cash equivalents (current account)	-275,846	-134,824	61,889	-38,860	-375,354
Deposit account	7,000	14,000	21,000	28,000	35,000
Accounts receivable	309,205	373,315	437,425	501,534	565,644
Inventories	287,162	338,343	387,376	435,708	482,776
Total current assets	327,522	590,834	907,690	926,382	708,065
Total assets	959,855	1,635,834	2,038,857	2,110,549	1,791,232
Long-term liabilities					
Long-term loans	491,078	859,580	914,373	641,496	59,698
Total long-term liabilities	491,078	859,580	914,373	641,496	59,698
Current liabilities					
Accounts payable	215,371	253,757	290,532	326,781	362,082
Total current liabilities	215,371	253,757	290,532	326,781	362,082
Shareholders equity					
Share capital	200,000	400,000	600,000	750,000	750,000
Reserves	3,338	7,656	17,408	37,198	65,596
Retained earnings (or - accumulated losses)	50,068	114,840	216,543	355,073	553,856
Total shareholders' equity	253,406	522,496	833,952	1,142,272	1,369,452
Total liabilities & equity	959,855	1,635,834	2,038,857	2,110,549	1,791,232

ATLAS BRICKS COMPANY LIMITED
PROJECTED CASHFLOW STATEMENTS

Planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	USD	USD	USD	USD	USD
Cash flow from operating activities					
Operating profit (EBITDA)	208,034	315,764	423,840	532,933	645,754
Interest expenses	-25,000	-44,554	-52,979	-45,719	-32,075
Interest income from investments (bank deposit)	0	350	700	1,050	1,400
Extraordinary charges (or incomes)	-20,000	-11,000	-9,000	-9,000	-9,000
Income tax	-28,610	-36,863	-59,408	-84,364	-121,104
Movements in working capital					
Decrease (or - increase) in accounts receivable	-309,205	-64,110	-64,110	-64,110	-64,110
Decrease (or - increase) in inventories	-287,162	-51,182	-49,033	-48,332	-47,068
Increase (or - decrease) in accounts payable	215,371	38,386	36,774	36,249	35,301
Increase (or - decrease) in other provisions	0	0	0	0	0
Total cash flow from operating activities	-246,572	146,792	226,785	318,708	409,099
Cash flow from investing activities					
Sale (or - purchase) of fixed assets	-700,000	-550,000	-250,000	-250,000	-100,000
Sale (- purchase) of long-term financial investments	0	0	0	0	0
Decrease (or - increase) of goodwill	0	0	0	0	0
cash placed in the deposit account	-7,000	-7,000	-7,000	-7,000	-7,000
Total cash flow from investing activities:	-707,000	-557,000	-257,000	-257,000	-107,000
Free cash flow	-953,572	-410,208	-30,215	61,708	302,099
Cash flow from financing activities					
Long term loans drawn	500,000	400,000	200,000	0	0
Repayments of loans made	-8,922	-31,498	-145,207	-272,877	-581,798
Equity contribution (or - withdrawal)	200,000	200,000	200,000	150,000	0
Dividend paid	-13,351	-17,273	-27,864	-39,580	-56,795
Total cash flow from financing activities	677,727	551,229	226,929	-162,457	-638,593
Total net increase (- decrease) in cash	-275,846	141,021	196,714	-100,749	-336,494
Cash balance: beginning of the year	0	-275,846	-134,824	61,889	-38,860
Cash balance: end of the year	-275,846	-134,824	61,889	-38,860	-375,354

ATLAS BRICKS COMPANY LIMITED
INVESTMENT AND DEPRECIATION PLAN

Planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	USD	USD	USD	USD	USD
Investment					
Buldings	100,000	0	0	0	0
Plant and Machinery	300,000	200,000	100,000	100,000	100,000
Vehicles	50,000	50,000	50,000	50,000	0
Furniture& Fixtures	50,000	50,000		0	0
Pre operating expenses	50,000	50,000	0	50,000	0
Working capital	150,000	200,000	100,000	50,000	0
Total investment	700,000	550,000	250,000	250,000	100,000
Fixed assets accumulated: at cost	700,000	1,250,000	1,500,000	1,750,000	1,850,000
Depreciation					
Buldings	4,000	4,000	4,000	4,000	4,000
Plant and Machinery	12,000	20,000	24,000	28,000	32,000
Vehicles	2,500	5,000	7,500	10,000	10,000
Furniture& Fixtures	2,500	5,000	5,000	5,000	5,000
Pre operating expenses	16,667	33,333	33,333	50,000	50,000
Working capital	30,000	70,000	90,000	100,000	100,000
Total depreciation	67,667	137,333	163,833	197,000	201,000
Total depreciation accumulatec	67,667	205,000	368,833	565,833	766,833
Net asset book value	632,333	1,045,000	1,131,167	1,184,167	1,083,167
Depreciation period: linear, in years					
Buldings	25				
Plant and Machinery	25				
Vehicles	20				
Furniture& Fixtures	20				
Pre operating expenses	3				
Working capital	5				

ATLAS BRICKS COMPANY LIMITED
Reconciliation of shareholders equity

Planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	USD	USD	USD	USD	USD
Beginning shareholders equity	0	280,109	583,745	895,200	1,203,520
+ Net profit (or - loss)	66,757	86,363	139,319	197,900	283,975
+ Equity contribution (or - withdrawal)	200,000	200,000	200,000	150,000	0
- Dividends paid	-13,351	-17,273	-27,864	-39,580	-56,795
Ending shareholders equity	280,109	583,745	895,200	1,203,520	1,430,700
Additional reserves	3,338	4,318	9,752	19,790	28,398
Dividends paid	13,351	17,273	27,864	39,580	56,795
Retained earnings (or accumulated losses)	50,068	64,773	101,703	138,530	198,783

ATLAS BRICKS COMPANY LIMITED
Financing plan

Planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	USD	USD	USD	USD	USD
Shareholders equity	200,000	200,000	200,000	150,000	0
Equity contribution (or withdrawal)	200,000	200,000	200,000	150,000	0
Share capital	200,000	400,000	600,000	750,000	750,000
Long-term loans from bank					
Loans drawn at the beginning of the year	500,000	400,000	200,000	0	0
Repayments made at the end of the year	8,922	31,498	145,207	272,877	581,798
Basis for interest calculation - end of year	500,000	891,078	1,059,580	914,373	641,496
Interest rate	5%	5%	5%	5%	5%
Interest expenses	25,000	44,554	52,979	45,719	32,075
Loan balance: year end (goes to balance sheet)	491,078	859,580	914,373	641,496	59,698
Liquidity control					
Operating costs	1,045,966	1,198,236	1,350,160	1,501,067	1,648,246
Minimum cash in relation to operating costs	30%	30%	30%	30%	30%
Minimum cash balance required (to be available at the end of the year)	313,790	359,471	405,048	450,320	494,474
Actual cash balance at the end of the year	-275,846	-134,824	61,889	-38,860	-375,354
Dept to equity relation control					
Dept to equity ratio - planned	2.8	2.1	1.4	0.8	0.3
Dept to equity ratio - acceptable by the bank	2	2	2	2	1.2
Deposit of excess liquidity to a bank account					
Amount deposited (at the end of the year)	7,000	7,000	7,000	7,000	7,000
Total amount deposited (per end of year) - basis for the interest calculation	0	7,000	14,000	21,000	28,000
Total amount deposited (per end of year) - basis for the balance sheet	7,000	14,000	21,000	28,000	35,000
Interest rate	5%	5%	5%	5%	5%

ATLAS BRICKS COMPANY LIMITED
Ratio summary sheet

Planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Liquidity ratios					
Current ratio	1.5	2.3	3.1	2.8	2
Quick test ratio	0.2	1	1.8	1.5	0.6
Efficiency ratios					
Inventory turnover -days	120	120	120	120	120
Accounts receivable turnover -days	90	90	90	90	90
Accounts payable turnover -days	90	90	90	90	90
Fixed asset turnover	2	1.4	1.6	1.7	2.1
Total asset turnover	1.3	0.9	0.9	1	1.3
Profitability ratios					
Gross profit margin	30%	32%	34%	35%	36%
Net profit margin	5%	6%	8%	10%	12%
Operating profit margin	17%	21%	24%	26%	28%
Return on assets	7%	5%	7%	9%	16%
Return on equity	26%	17%	17%	17%	21%
Dividend payout	20%	20%	20%	20%	20%
Solvency ratios					
Debt to equity ratio	2.8	2.1	1.4	0.8	0.3
Total assets to equity ratio	3.8	3.1	2.4	1.8	1.3
Total assets to total liabilities ratio	1.4	1.5	1.7	2.2	4.2
Capitalisation ratio	0.7	0.6	0.5	0.4	0
Interest coverage ratio	8.3	7.1	8	11.7	20.1

ATLAS BRICKS COMPANY LIMITED

Assumptions	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Planning years >>					
Income tax rate	30%	30%	30%	30%	30%
Average number of days for payment of receivables	90	90	90	90	90
Average number of days of inventory stock	120	120	120	120	120
Average number of days for payment of payables	90	90	90	90	90
Dividends in relation to net profit	20%	20%	20%	20%	20%
Percentage of profit to be allocated to the reserves	5%	5%	7%	10%	10%

Salaries - Cost of goods sold COGS

No.	Personnel Funtion / category	Number of employees					Expected annual salary increase %	Annual salary (1)/ employee USD					Social insurance as % of salary	Training expenses as % of salary	Fringe benefits as % of salary	Total cost / employee USD					Total cost / category USD				
		1	2	3	4	5		1	2	3	4	5				1	2	3	4	5	1	2	3	4	5
1	Production manager	1	1	1	1	1	3%	5,000	5,150	5,305	5,464	5,628	20.00%	5.00%	2.00%	6,350	6,541	6,737	6,939	7,147	6,350	6,541	6,737	6,939	7,147
2	Storage control	2	2	2	2	2	3%	4,000	4,120	4,244	4,371	4,502	20.00%	2.00%	2.00%	4,960	5,109	5,262	5,420	5,583	9,920	10,218	10,524	10,840	11,165
3	Equipment maintenance	2	2	2	2	2	3%	4,000	4,120	4,244	4,371	4,502	20.00%	5.00%	2.00%	5,080	5,232	5,389	5,551	5,718	10,160	10,465	10,779	11,102	11,435
4	Production line workers	40	43	45	45	45	3%	2,500	2,575	2,652	2,732	2,814	20.00%	1.00%	1.00%	3,050	3,142	3,236	3,333	3,433	122,000	135,085	145,609	149,977	154,476
5	Furnance Operators	10	10	10	10	10	0%	3,340	3,340	3,340	3,340	3,340	0.00%	0.00%	0.00%	3,340	3,340	3,340	3,340	3,340	33,400	33,400	33,400	33,400	33,400
6	Engineers	3	4	4	5	5	0%	4,000	4,000	4,000	4,000	4,000	0.00%	0.00%	0.00%	4,000	4,000	4,000	4,000	4,000	12,000	16,000	16,000	20,000	20,000
7		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
8		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
9		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
10		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
11		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
12		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
Subtotal		58	62	64	65	65															193,830	211,707	223,048	232,258	237,623

Salaries - Selling, general and administrative expenses SG&A

No.	Personnel Funtion / category	Number of employees					Expected annual salary increase %	Annual salary (1)/ employee USD					Social insurance as % of salary	Training expenses as % of salary	Fringe benefits as % of salary	Total cost / employee USD					Total cost / category USD				
		1	2	3	4	5		1	2	3	4	5				1	2	3	4	5	1	2	3	4	5
1	General Manager	1	1	1	1	1	3%	9,000	9,270	9,548	9,835	10,130	20.00%	5.00%	3.00%	11,520	11,866	12,222	12,588	12,966	11,520	11,866	12,222	12,588	12,966
2	Production line Manager	3	3	3	3	3	3%	5,700	5,871	6,047	6,229	6,415	20.00%	2.00%	2.00%	7,068	7,280	7,498	7,723	7,955	21,204	21,840	22,495	23,170	23,865
3	Marketing and sales specialists	2	2	2	2	2	3%	5,500	5,665	5,835	6,010	6,190	20.00%	4.00%	2.00%	6,930	7,138	7,352	7,573	7,800	13,860	14,276	14,704	15,145	15,600
4	Procurements	3	3	3	3	3	3%	5,500	5,665	5,835	6,010	6,190	20.00%	4.00%	1.00%	6,875	7,081	7,294	7,512	7,738	20,625	21,244	21,881	22,537	23,214
5	Accountants	2	2	2	2	2	3%	6,000	6,180	6,365	6,556	6,753	20.00%	2.00%	1.00%	7,380	7,601	7,829	8,064	8,306	14,760	15,203	15,659	16,129	16,613
6	Secretary	3	3	3	3	3	3%	4,700	4,841	4,986	5,136	5,290	20.00%	2.00%	1.00%	5,781	5,954	6,133	6,317	6,507	17,343	17,863	18,399	18,951	19,520
7	Security Staff	4	4	4	4	4	3%	4,700	4,841	4,986	5,136	5,290	20.00%	2.00%	1.00%	5,781	5,954	6,133	6,317	6,507	23,124	23,818	24,532	25,268	26,026
8		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
9		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
10		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
11		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
12		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
Subtotal		18	18	18	18	18															122,436	126,109	129,892	133,789	137,803
Total		76	80	82	83	83															316,266	337,816	352,940	366,047	375,426

