

**BUSINESS PLAN REPORT**

ON A

**CONSTRUCTION SERVICE WITH FABRICATION  
OF BUILDING MATERIALS PROJECT**

BY  
**WAY CLOUDA TANZANIA LIMITED**

2022

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## **1. INTRODUCTION**

Way Clouda Tanzania Limited is a newly locally established company as was registration on 12<sup>th</sup> July, 2022 as Company Number 156778400. The shareholders of the company are

- i.** Erick Herman Junior holding                      51% of shares,
- ii.** Shaoyun Wang holding                              39% of shares and
- iii.** Zhidong Li holding                                 10% of shares.

The objective is to construct a factory for fabrication of building materials. The factory will comprise administration offices, work yard, warehouses, machinery, equipment and vehicles necessary for its operations. The factory is a means through which the company is establishing itself for operating in Service Sector, providing services of construction using mainly its own fabricated Building Materials to accomplish projects of various clients in public and private sectors as will acquire working opportunities through tendering processes and single sources arrangements.

Through this project line of business the company intends to invest in its reputable offices and equipment necessary for a long term operations on projects of houses and infrastructure construction, which are of high quality, durable, secure, low cost and environmental conscious for low income earners in Tanzania. The vision is to construct a factory for fabricating building materials of such civil works and mason works in Tanzania and use them to construct infrastructure and buildings respectively or sell them to in country and outside country markets as own pre-fabricated materials. The project is to be implemented by the first period planned to start by constructing its own offices, and at the same time building the factory for materials fabrication and also used

to study the market on taste, and strength so as to shape the following phases of construction work. This is the first duty, the project is already for its establishment of its Head Quarters which will be in Dar es Salaam, and the project will cost around USD 4.03.million for the construction of its factory cum office houses, equipment and vehicles for which it will employ about 100 workers.

Construction works in Tanzania are among the key activities of the national building that makes things happen in an order of sequence, complete, right and useful economic functions and growth in construction for everyone else. It is this type of activities that also appear to be among the highly risky and costly in the nation because of the opportunity cost they undergone by the capitalists. The government understands that and a need for the facilitation role to go beyond the incentives and therefore it makes efforts to involve private sector including introducing guidelines and policies such as its National Investment Promotion Policy of October 1996, by which the government invites other players especially from the private sector to invest in activities which will add value to its efforts of checking the inadequacy of the construction works and participate in process that support to produce such works. This is among others the reason we promote our project in alliance with the government through its institution "Tanzania Investment Centre" as joining hands to bring about expected results on social wellbeing in the era of middle income economy the country attained attained resently.

## **2. Work Done**

The company has done the project's feasibility study cum business plan which as informed the stakeholders/investors and board of directors of the project to be highly feasible. The objective of making a feasibility study reported in here is solely on investing in a complete circle of a project for construction and real estate development activities. This will involve construction of commercial and non-commercial structures of

favorable and affordable to the public and private Tanzanians. They will be residential with allowances of separate specified commercial centers like hotel, shops, pharmacy, playgrounds, e.t.c., depending on plans as per needs.

After this feasibility study was concluded for the past four years, the company shareholders who automatically turn to be the owners of the project made their decision to invest in this project in Tanzania. The company has already identified land for that purpose in the above said project

This report is treated as the preliminary procedure to get their intention known to stakeholders such as The Board of Directors, Investment Centre, Municipal, and the Government in general.

### **3. ON THE PROJECT**

The project will have an investment capital of USD 4.03 million which will budgeted to cover building of its own offices, purchases of equipment for civil constructions, materials, tools and vehicles; will pay fees and cover all preoperational expenses. This capital is right above the required amount of the project value as per the TIC requirement of USD 300,000.00 and has a limited size component of the working capital because the constructed buildings will be for sale to right away.

The project activity summary is of construction of its office building and materials fabrication factory workyard structures to their finishing status, build the compound and garden to the finishing levels, build the water supply and drainage systems for the all compound including the sewage systems, security system also will include the fence.

The professional fees for this will be around USD 332,670.30 which is the amount provided to cover the decision making meetings, the work of consultants other than architectures, and civil works; and permits acquisition.

The project is expected to require equipments and tools including water pumps, water reservoir tanks and others as will be advised by the building agency. The budget for building materials, machinery and tools is expected to sum up to USD 1,860,000.00 which is the tentative budget

The land acquisition and civil works engineering costs have been estimated to cost USD 1,240,000.00, here above land costs included are works like the architectural works, civil work fees, land clearance works, etc.

Table I: Investment

<b>Item</b>	<b>Cost in USD</b>
Land & Civil works	1,240,000.00
Machinery, Materials and tools	1,860,000.00
Vehicles	465,000.00
Others	332,670.30
Pre-operational	132,329.70
<b>TOTAL</b>	<b>4,030,000.00</b>

Project funds will drawn from shareholders' contribution as equity and a loan provided by the same shareholders or other funders to the project on a long term soft (no collateral

requirement) agreements payable in a time agreed at a rate agreed later in the project development plan. The loan part of the project funding will be will be 74% (USD 2,982,200.00) of total capital while the shareholders' equity as a contribution to investment capital will be 26% ( USD 1,047,800.00) of the total investment required.

Table II: Funding Plan

<b>Source</b>	<b>Amount</b>	<b>Share</b>
Company Fund (Equity)	4,030,000.00	100%
Loan	0.00	0%
<b>Total</b>	<b>4,030,000.00</b>	<b>100%</b>

#### **4. DEPRECIATION**

All items categorized and funded during the project implementation process will be depreciated. The idea is to analyze the project value in totality and calculate the project returns on itself at a reasonable prudence possible. Although in real estate sector land does not depreciate, the building structures do at a slower rate and in this analysis therefore it has been projected that structures will depreciate at 2.0% meaning that they will take longer (not less than 50 years) before they are written off. Of course in this project building structures are the main investment items and the income earners. Living longer means making sure that the time is enough to cover the project returns be realized as desired and determined by investors.

The equipments and vehicles are part of the project's civil work facilities which will compliment its functions; however these are in form of machineries which will have a more frequency of use. Their life-span is expected to be far shorter than that of buildings. The projections have put it at 25% of depreciation that is 5 years after which they will be written off, sold at scrap value and replaces. The projection of 5 years is purposely done for that in order the project to remain up-right in the market and

sustain an increasing market share, the customer care through its facilities like water and power supply need to be working properly all the time.

Vehicles are an integral part of the project. Experience show that it is between 5 to 8 years where vehicles start earning the diminishing returns depending on the extent of use. In this project vehicles will be of specialized and controlled use as well as being maintained on technical recommendation basis making it easy to live with them longer enough before making a re-investment (replacement). The rate is projected at 12.50% of depreciation meaning a period of 8 years for them to get written off as scraps.

The pre-operation expenses will also be depreciated. Although these appear to stand as sunk costs, but it pays to provide them amortization values so that the real returns of the project are sought through. By nature the pre-operation expenses are mostly incurred once and once written off they are gone for that project lifespan. The projections have put it at 20% that is 5 years of the project working life and that will mean writing them off and no reinvestment on them.

## **5. JOBS AND EMPLOYMENTS**

The project is expected to employ 100 staffs at is implementation level the total workers will be Tanzanians. Apart from creating jobs, the project intends to create higher skills of Tanzanians in the field of modern building materials fabrication, cutting edge civil engineering, real estate development. This is one of the most sustainable incomes earning business since thecivil works in new cities and real estate industry is ever growing and its experts are at the centre of the business.

Apart from such direct permanent jobs, the project will have a long reach to indirect jobs creation. These will include sort and part time jobs especially those created during the construction phase of the projects. The architectures of the all work will be Tanzanians with greater expertise in the field of designing and scaling. The designs implementers will also be Tanzanians that is local construction companies with reputable experience in turning the maps into tangible structures.

It is this group of civil constructors that will inevitably employ multi workers mainly casual and wages' earners for the daily project implementation. Those workers in turn will need supplies like breakfast and food at the site leading to the job creation for the food suppliers like temporary hotels.

In short this explanation is about the raise in business momentum, money circulation and income earnings at a multiplier effect of the economy.

## **6. UTILITIES AND TREATMENTS**

### **i. Power**

The main plan is to tape directly by connection of the project power supply to the national power supply grid. However, it is here conceived that the country is still not giving any guarantee on a stable and un-interrupted power supply. The project plans its assurance by purchase of a unit of stand-by generator with a capacity of 25Kw/hr to supply power when there are shortages.

### **ii. Water**

The project water system will easily draw from the city main supply will make distributions to all parts of the project as uses require. As for the power scenario, there

is always a provision for any inconveniences. The project will create its own water reservoir system as a back up for water supply in case of any shortages. Attempts will be made to tape rain water to be used for gardening and some washing purposes, this need will require construction of underground concrete tanks and pumping facilities.

### **iii. Drainage**

The company is fully aware that this project is being implemented in the tropical areas of the globe where rain high. This makes it necessary to plan for the well done drainage system which will make it free of water lodging. Although the project has already planned for the rain water collection/use as part of the drainage system, there will be other amounts which cannot be taped in that structure and therefore demanding for a well made plan of collecting and outletting leaving the compound dry as soon as rain is gone. The water drained will be collected and made to use for gardening and cleaning purposes.

### **iv. Sewage**

The sewage system will be part of the drainage system which will only collect used water from houses and other parts like kitchen and laundry to the main skeptics where it will be drained by emptiers to the city allocated areas of disposal. The handling of used water will include being treated in a special way as will be required by the city regulations and advised technical team.

### **v. Garbage and Dumps**

During construction there will be allocations for place to install modern processors of garbage collected in the compound. All garbage and wastes will be treated in the recommended way as per the National Environmental Management Council (NEMC) . No residuals and wastes or dirty will be disposed outside the estate compound and nothing will go untreated.

## 7. IMPLEMENTATION TIMELINE

The project implementation process is estimated to last for three years and eight months. The all process will go in stages covering various activities and the time frame will depend on clearance of issues like TIC certificate of Incentives, Building Permits, and others such as materials presence on time. The tentative schedule is as indicated below:

Stage	Activity	Timeline
1	Permits acquisition and Compliance	June 2022 – December 2023
2	Site preparation and fencing	January – July 2023
3	Manufacturing building materials and Buildings construction	October 2023 – December 2025
4	Buildings finishing	December 2026 – July 2027
5	Gardening	June – August 2027

Once the above stated process is complete, the project will have been done and ready for the market exposure.

## 8. MARKETING ASPECTS

Thus the market for the real estate development as a proposed project has been found to be quite available in the all country at individuals, company and public entities at all times.

Our survey has revealed that the country is still at its youngest stage of its development and therefore civil and real estate works services demand are still at almost low starting point compared to other economies this time because of the economic stability of the country, resource potentials and development circles around the country. Moreover there still is room for the establishment of several real estate projects of various size and quality in need of our products' standards of this proposed project under study in all regions of the country as they are all growing to be spacious big cities.

On the basis of the market survey carried out in the course of compiling data and information for the feasibility study in respect of this project, there is good evidence that the market for civil and building services is ever rising and entry is not restricted; for the housing it is quite accommodating for those who manage to put in place well structures designed and constructed as conceived and immaculate projects in the country.

#### **i. Targeted Market:**

The target market of the project are government, ministries, departments and private structures owners who wish to venture into quality, durable and cost effective structure projects of infrastructures and buildings. Roads, bridges, towers, ports, harbours, dams, etc. are all in the portfolio ally of products we shall work in Tanzania of all areas and categories. The structures will be ideal for all workers also from both public and private sectors. The project targets all these with a strategic marketing plan starting from the building quality to deliberate incentive program to be offered.

## **ii. Strategic marketing:**

The company believes that quality marketing should be done through quality ways, and therefore has planned a Strategic marketing which will be the priority means of selling itself to potential clients. The project's team of marketing professionals will target and approach reputable companies/institutions in identified areas for business deals making and signing contracts for its works. The company will employ a team of professionals in market survey and marketing for this purpose. It is assumed that this approach will take more than 52% of all the project marketing and sales resources.

## **iii. General marketing:**

The company will enter into open tenders to express its interests and provide technical services as an offer to show up its capabilities and stance of its muscles in operation. The company will participate in exhibitions both international and national levels to make its presence and show its capabilities. Since it is new in the market, the marketing efforts will also involve creation of awareness on it and its presence to all customers by presenting itself through promotion advertising campaigns billboards, broadcasting through mass media, offers of discounts on consignments, fliers and brochures in order to move our project into the center of demand and supply in the country.

## **iv. Competition**

For the civil works, the competition is expected to be a challenge in tendering process targed on best offers and services. The project is investing enough in quality assurance, timely delivery, resdly availability and so on.

## **9. RATIONALITY TO NATIONAL POLICIES**

The project rationality is highly attached to the National policies for transforming the country and in particular Dar es Salaam and Dodoma as a modern commercial centres for the projects promoters' motives and the nation's social economic benefits. There are various policies promoting this project but the most obvious are The National

Investment Promotion Policy, the National Infrastructure Development policy, and the National Housing Policy.

The National Investment Promotion Policy (October 1996), in its specific objectives (pg 17) it begins (item 3.3(a)) by "optimum utilization of nation's natural and other resources". Further in page 21(item (ii)) the policy states "encourage local and foreign investment in .... services and infrastructure". On page 25, item 4.0 the policy spells out its second strategy of using adequate and effective fiscal and non-fiscal incentives in mobilizing local and foreign investments.

## **10. OPERATIONS RATIONALITY**

Being Constructors, the investors in this project do not intend to own or operate this projects, instead much of attention will be given to provision of best construction services for the structures to clients. This means income will be earned by means of fees charging. There have been well made projections of cash flows, income generations, profit and loss earnings. All these have been stated in the financial statements appended on this report.

In short the projections indicate the earning of income from the very first year of the its working plan but there will be a loss when compared to expenditures. This is simply because the project will earn income on the installment basis while much of the fixed costs are lumpsum.

It is in the second year of operation that the project will earn income with profit and therefore able to pay for taxes and take care other financial obligations. The income will continually remain positive with both profit and taxes all along the project rest life, all other factors remaining constant.

The project stands stronger with an Internal Rate of Return of 28% far above the lending rates in the economy.

In order to come up with the right projected profit and loss statement, cash-flow statement and balance sheet which are based on the conservative assumptions and considerations employed in establishing the viability or profitability of the proposed sellable space for commercial/ business requirement and accommodation, we had to carry out a SWOT analysis (i.e. to look into the Strengths, Weaknesses, Opportunities and Threats) concerning the proposed commercial building project.

**(a). Strengths**

- The proposed project is being steered/sponsored by a company which is managed by officials with necessary academic background and exposure; as well as relevant work experience and business practice.
- The project steering group (the promoters) is well versed with the nature of all types of projects or development endeavors with an added advantage of being personally willing particularly with regard to civil and mason engineering business.
- The proposed civil works will add up to location advantage of immerging Tanzania as a business hub area which is endowed with ever-increasing business in need of commercial space and fast travels.
- There will be a high quality of the proposed infrastructures with their unique features commanding the country as the best market place of its own

**(b). Opportunities.**

- This project finds its opportunities in the country policies of Investment Promotion, Political will in support of private sector, and the country move to better living standards of middle income as it stands to maintain the growth of the middle income economy.

## **11. PROJECT SOCIAL ECONOMIC BENEFITS**

The project will have varying social economic benefits to the shareholders, nation, citizens and business communities as the main stakeholders.

- The shareholders will utilize their capitals for income generation and expansion
- The nation will get income through taxing the project and its employees.
- Jobs during construction and after construction phases. These will mainly be both professional and non professional jobs to local communities surrounding the project.
- It avail modern, affordable, accessible, quality and durable products to the communities of Tanzania.
- There will be availability, accessibility and affordability of construction materials as an addition to the national stock and choices to the builders.

This is a justification that the project planned is to be implemented and operated within the national goals of poverty alleviation, national housing, a local private sector

promotion and development. The project will therefore be implementing the government policies of development and working on improving the welfare of the Tanzanian people and raising their living standards.

## **12. RECOMMENDATION**

The project is technically feasible, financially viable, economically sound and environmentally friendly thus right to be promoted.

# Financial Attachments

Appendix I

INVESTMENT PLAN	USD
Land & Civil Works	1,240,000.00
	-
Tools, Machinery, Materials	1,860,000.00
	-
Vehicles	465,000.00
	-
Others	332,670.30
	-
Initial W/Capital (monthly)	132,329.70
	-
<b>GRAND TOTAL</b>	<b>4,030,000.00</b>

Appendix II  
FIGURES IN  
US\$

**WORKING CAPITAL**

YEAR	1	2	3	4	5
ADMINISTRATION EXPENSES	1,384,274.00	1,439,289.70	1,516,727.70	1,560,927.50	1,279,407.20
DEBTORS (5% OF REVENUE)	203,670.00	213,853.50	224,545.40	235,773.60	247,553.60
DAMAGES,SPOILAGES ETC	-	-	-	-	-
OTHERS	-	-	-	-	-
TOTAL	1,587,944.00	1,653,143.20	1,741,273.10	1,787,401.10	1,526,970.10

Appendix III

FIGURES IN  
US\$

**CASH FLOW**

YEAR	1	2	3	4	5
<b>INFLOW;</b>					
EQUITY	4,030,000.00	-	-	-	-
DEPRECIATION	488,250.00	488,250.00	488,250.00	488,250.00	139,500.00
PRETAX PROFIT	2,689,126.00	2,837,780.30	2,974,195.80	3,154,541.40	3,671,835.30
<b>TOTAL INFLOW</b>	<b>7,207,376.00</b>	<b>3,326,030.30</b>	<b>3,462,445.80</b>	<b>3,642,791.40</b>	<b>3,811,335.30</b>
<b>OUT FLOW;</b>					
INVESTMENT	4,030,000.00	-	-	-	-
CORP. TAX 30%	806,737.80	851,334.40	892,257.50	946,361.80	1,101,550.90
<b>TOTAL OUTFLOW</b>	<b>4,836,737.80</b>	<b>851,334.40</b>	<b>892,257.50</b>	<b>946,361.80</b>	<b>1,101,550.90</b>
NET	2,370,638.20	2,474,695.90	2,570,185.20	2,696,429.60	2,709,784.40
CUMMULATIVE	2370638.2	4845334.1	7415522.4	10111948.9	12821733.3

**OPERATING COST SCHEDULE**Appendix IV  
FIGURES IN  
US\$

YEAR	1	2	3	4	5
<b>UTILITIES;</b>					
ELECTRICITY & WATER	18,600.00	20,460.00	22,506.00	24,756.60	27,233.50
<b>FIXED/SEMI FIXED COST;</b>					
DEPRECIATION	488,250.00	488,250.00	488,250.00	488,250.00	139,500.00
<b>ADMINISTRATION COST;</b>					
SALARIES & WAGES	258,540.00	271,467.00	285,041.90	299,292.60	314,256.30
ALL OTHERS	618,884.00	659,112.70	534,424.50	748,628.30	798,417.40
<b>TOTAL</b>	<b>1,384,274.00</b>	<b>1,439,289.70</b>	<b>1,516,727.70</b>	<b>1,560,927.50</b>	<b>1,279,407.20</b>

**PROFIT & LOSS ACCOUNT**Appendix V  
FIGURES IN  
US\$

YEAR	1	2	3	4	5
<b>REVENUE</b>	4,073,400.00	4,277,070.00	4,490,923.50	4,715,468.90	4,951,242.50
<b>LESS EXPENSES</b>					
FUELS, LUBRICANTS	407,340.00	427,707.00	449,093.90	471,547.20	495,125.80
SALARIES & WAGES	258,540.00	271,467.00	285,041.90	299,292.60	314,256.30
ELECTRICITY & WATER	18,600.00	20,460.00	22,506.00	24,756.60	27,233.50
INSURANCE	15,500.00	17,050.00	18,755.00	20,630.50	22,695.10
BUSINESS TRAVELING	15,500.00	17,050.00	18,755.00	20,630.50	22,695.10
MINOR REPAIRS & MAINT	1,550.00	1,705.00	1,875.50	2,064.60	2,269.20
PRINT & STATIONERY	6,200.00	6,820.00	7,502.00	8,252.20	9,076.80
TELEPHONE	9,300.00	10,230.00	11,253.00	12,378.30	13,615.20
SOCIAL SECURITY (NSSF/PPF)	25,854.00	27,146.70	47,154.10	29,930.50	31,424.70
BANK CHARGES	620.00	682.00	750.20	824.60	908.30
BUSINESS LICENSE	620.00	682.00	750.20	824.60	908.30
SUNDRY EXPENSES	9,300.00	10,230.00	11,253.00	12,378.30	13,615.20
ADVERTISEMENT	15,500.00	17,050.00	18,755.00	20,630.50	22,695.10
DIRECTORS REMUNERATION	111,600.00	122,760.00	135,036.00	148,539.60	163,394.80
DEPRECIATION	488,250.00	488,250.00	488,250.00	488,250.00	139,500.00
<b>TOTAL ADMINIST. COST</b>	1,384,274.00	1,439,289.70	1,516,727.70	1,560,927.50	1,279,407.20

PRETAX PROFIT	2,689,126.00	2,837,780.30	2,974,195.80	3,154,541.40	3,671,835.30
CORP. TAX 30 %	806,737.80	851,334.40	892,257.50	946,361.80	1,101,550.90
<b>NET PROFIT</b>	<b>1,882,388.20</b>	<b>1,986,445.90</b>	<b>2,081,935.20</b>	<b>2,208,179.60</b>	<b>2,570,284.40</b>

**BALANCE SHEET**

**Appendix VI  
FIGURE IN  
US\$**

YEAR	1	2	3	4	5
FIXED ASSETS	3,565,000.00	3,076,750.00	2,588,500.00	2,100,250.00	1,612,000.00
LESS DEPRECIATION	488,250.00	488,250.00	488,250.00	488,250.00	139,500.00
NET CURRENT ASSETS	2,835,638.20	3,427,945.90	4,011,685.20	4,626,179.60	5,127,784.40
<b>TOTAL</b>	<b>5,912,388.20</b>	<b>6,016,445.90</b>	<b>6,111,935.20</b>	<b>6,238,179.60</b>	<b>6,600,284.40</b>
<b>REPRESENTED BY;</b>					
EQUITY	4,030,000.00	4,030,000.00	4,030,000.00	4,030,000.00	4,030,000.00
PRETAX PROFIT	2,689,126.00	2,837,780.30	2,974,195.80	3,154,541.40	3,671,835.30
LESS TAXATION	806,737.80	851,334.40	892,257.50	946,361.80	1,101,550.90
NET PROFIT	1,882,388.20	1,986,445.90	2,081,935.20	2,208,179.60	2,570,284.40
RESERVES	-	1,882,388.20	3,868,834.10	5,950,772.40	8,158,948.90
<b>TOTAL</b>	<b>5,912,388.20</b>	<b>6,016,445.90</b>	<b>6,111,935.20</b>	<b>6,238,179.60</b>	<b>6,600,284.40</b>

ECONOMIC RATE OF RETURN ON EQUITY

Appendix VII  
FIGURE IN  
US\$

YEAR	1	2	3	4	5
PROFIT AFTER TAX	1,882,388.20	1,986,445.90	2,081,935.20	2,208,179.60	2,570,284.40
EQUITY	4,030,000.00	4,030,000.00	4,030,000.00	4,030,000.00	4,030,000.00
% RATE OF RETURN	47	49	52	55	64

**VALUE ADDED CONTRIBUTION**Appendix VIII  
FIGURES IN  
US\$

YEAR	1	2	3	4	5
FIXED ASSETS	3,565,000.00	3,076,750.00	2,588,500.00	2,100,250.00	1,612,000.00
NET CURRENT ASSETS	2,835,638.20	3,427,945.90	4,011,685.20	4,626,179.60	5,127,784.40
TOTAL ASSETS	6,400,638.20	6,504,695.90	6,600,185.20	6,726,429.60	6,739,784.40
NET WORTH	6,400,793.20	6,504,695.90	6,600,185.20	6,726,429.60	6,739,784.40
ADD CONTRIBUTION (NET $\uparrow\uparrow$ )	1,882,388.20	1,986,445.90	2,081,935.20	2,208,179.60	2,570,284.40
% OF ADDED CONT. OVER NET WORTH	29	31	32	33	38

**PAYBACK PERIOD**

**Appendix IX  
FIGURES IN US\$**

The Cost of the Project including reinvestment divided by Net Profit plus Depreciation

$$\frac{4,030,000}{2,370,638} = 1.70 \text{ YEARS}$$

ECONOMIC RATE OF RETURN ON INVESTMENT

Appendix X  
FIGURES IN  
US\$

YEAR	1	2	3	4	5
PRETAX PROFIT	2,689,126.00	2,837,780.30	2,974,195.80	3,154,541.40	3,671,835.30
TOTAL INVESTMENT	4,030,000.00	2,635,000.00	2,635,000.00	2,635,000.00	2,635,000.00
% RATE OF RETURN	67	108	113	120	139

			Appendix XI
			FIGURES IN US\$
<b>INTERNAL RATE OF RETURN</b>			
YEAR	CASHFLOW	DISCOUNT	NPV
		4% (2)	
1	2,370,638.20	0.9615	2,279,461.00
2	2,474,695.90	0.9246	2,287,995.30
3	2,570,185.20	0.889	2,284,886.00
4	2,696,429.60	0.8548	2,304,918.20
5	2,709,784.40	0.8219	2,227,244.60
6	2,832,711.80	0.7903	2,238,733.20
7	2,903,621.20	0.7599	2,206,514.90
8	3,094,017.00	0.7307	2,260,768.00
9	3,209,442.40	0.7026	2,254,912.10
10	3,353,657.50	0.6756	2,265,610.20
		TOTAL	22,611,046.60

Appendix XII  
FIGURES IN US\$

Rate of Return based on Gross Asset Value or Investment of  
Average Cash Flow for a period of 10 years

$$\begin{array}{r} 4,030,000.00 \\ 2,261,105.90 \\ \hline 2,261,105.90 \\ 4,030,000.00 \end{array} \quad \times \quad \frac{100}{2} \quad = \quad 28\%$$

Net Cash Flow  
Investment