

Cover Page

ALTASTAR COMPANY LIMITED

PURE DRINKING WATER PROCESSING AND BOTTLING PLANT

BUSINESS PLAN



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Legal Page

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1.0 Executive Summary

Altastar Company Limited is a medium-scale enterprise that is located in the growing industrial centre of Mkuranga Plot 10 Block B. This is a relatively new business in its start-up phase having been initially incorporated in 30 December 2014.

We are on the brink of penetrating a lucrative market in a rapidly-growing economy. The current trend towards an increase in the number of entrepreneurs and competition amongst existing companies presents an opportunity for Altastar Company Limited to penetrate the market. Our products will be positioned very carefully. They will be of extremely high quality to ensure customer satisfaction, supported by impeccable service to our customers. Our primary goal will be to establish and strengthen our license to trade, which will be bestowed by the communities in which we function. As Altastar Company Limited prospers and grows, these communities will continue to benefit from both the value created by Altastar Company Limited and its behavior as a corporate citizen.

Our main line of production is on purified drinking water, sold either bottled in PET bottles, refilled in hard PET bottles offered by us or supplies by customers and last metered water where customers bring their different kinds of containers to be filled by water. To prosper there is need for Altastar Company Limited to be flexible and responsive, to delight customers by providing them with what they want, when they want it and before the competition.

Our marketing strategy will be based mainly on ensuring customers know what need the product is able to fulfill, and making the right product and information available to the right target customer. Hence we intend to implement a market penetration strategy that will ensure that we are well known and respected in our respective industry. We will ensure that our products prices take into consideration people's budgets, and that these people appreciate the product and know that it exists, including where to find it. However, these prices will also take into consideration the cost of production and distribution so as to ensure that we remain viable and operational. The marketing effort will convey the sense of quality and satisfaction in every picture, every promotion, and every publication. Our promotional strategy will involve integrating advertising, events, personal selling, public relations and direct marketing. In the long term Internet marketing shall also be undertaken, details of which are provided in the marketing section of the following plan. Our target markets will primarily constitute of Public, Hotels, Groceries, Bars and restaurants, Super markets, Whole sellers and Shops and Institutions. In our initial year, we will pride ourselves on our production ability, competitive prices, its high standards of quality and its adaptability to changes in the market and in the method of our practice.

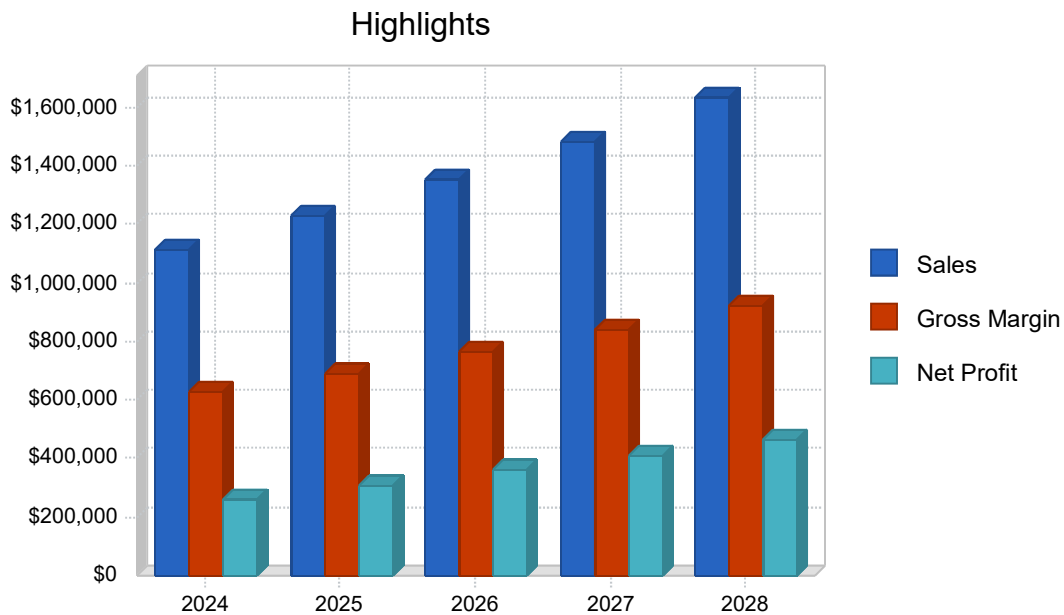
The project requires the initial **startup funding of \$707,450** of which **\$407,450 will be our own contribution** and the remaining \$300,000 will be a loan from a bank with 3 years' amortization schedule. Sales will be increasing from more than **\$1,114,757 the first** year to more than \$1,226,232 the second, and approximately **\$1,632,123 in the fifth year**. The balance sheet shows healthy growth of net worth, and strong financial position. our net worth in year 1 is \$607,692 and in year 5 will be \$2,150,521. Our **IRR** will be well above **23%**.

Since we have chosen quality as our differential point, our machines and equipment are all of a very high standards and fully automatic to avoid delays and process passing through too many hands. The project in its totality will employ only 36 workers to start with and increase as per arising needs. We intend to compensate our personnel well, so as to retain their invaluable expertise and to ensure job satisfaction and enrichment through delegation of authority. Our compensation will include health care, generous profit sharing, plus a minimum of four weeks' vacation. As an equal opportunity employer, we respect the diversity and human rights of our people, and strive to achieve optimal productivity, while realizing each employee's full potential.

Awards will be given out to outstanding individuals, groups and plants for hard work and production so as to instill a sense of fun and promote the maintenance of high standards. By encouraging all employees close to our customers to think tactically about what Altastar Good Water service offerings should be, and by having enthusiastic, capable and empowered people interacting with our customers, we build the competitive advantage of being able to meet our customers' needs better than anyone else.

As we grow we want to grow right. Initially pursuing organic development and expansion we intend to undertake vertical integration in the future so as to be in total control of our raw materials and goods dispatch. For example, we realizing that we have to be in constant touch with our stakeholders to ensure market knowledge at all times. This is the nature of the channels we deal with. Also, we intend to build our management team correctly. We need the right people, in the right place, at the right time if we are to ensure optimum growth. We intend to develop our team so that our people can grow as the company grows a mutually beneficial relationship. We shall strive to attain our primary goal, which is to develop and strengthen our license to trade, bestowed by the communities in which we function. As Altastar Company Limited prospers and grows, these communities will continue to benefit from both the value created by Altastar Company Limited and its behavior as a corporate citizen.

Chart: Highlights



1.1 Objectives

Our business strategy will revolve around the need to provide quality Water to our various target customers, in the process fully satisfying their needs. This shall be undertaken through the implementation of high quality control standards and technological innovations, as well as the recruitment of a professional production and sales team, and the production of good quality marketing material designed to cater for various kinds of customers. This marketing material shall be professionally done so as to be reflective of our intended image and reputation. We shall position ourselves as a quality manufacturer that strives to provide quench fulfillment, enjoyment, reliability and a good image. We intend to establish a good rapport with all the relevant stakeholders.

With time we intend to establish our presence on the World Wide Web, which will increase the knowledge of our products to the various market segments we shall be targeting. Web presence is a natural objective in reaching the appropriate potential customers. Well-done brochures, company profiles and business cards often has a triggering effect on clients contemplating on ordering our products. Hence this will undoubtedly generate increased sales of our products.

Our objectives will revolve around the following guiding principles:

- Provision of a great work environment, treating each other with respect and dignity.
- Apply high-quality standards of excellence to all business processes.
- Develop enthusiastically-satisfied customers all of the time.
- Contribute positively to our communities and our environment.
- To continuously formalize and measure cross-functional working communication so as to ensure that the various departments work harmoniously towards attainment of company objectives.
- To instill a culture of continuous improvement in beating standards of customer satisfaction and efficiency.
- Fully commit to supporting growth and development in the economy.

The objectives for the first three years of operation are outlined below:

- To create a service-based company whose primary goal is to exceed customers' expectations.
- The utilization of The Water Factory products by at least 10% of the local population.
- To increase the number of sellers by 20% each year.

Ultimately we intend to create a stable business platform that will create prosperity for all those involved in the business venture at all levels, and to uplift unemployed Tanzanians who are prepared to participate in this venture.

1.2 Mission

Altastar Good Water intends to create a pleasant, enjoyable and sociable environment through the provision of refreshing high-quality Waters. Hence we intend to assist in the creation of a welcoming and relaxed ambiance reflective of people enjoying themselves. We are sensitive to the taste, look and feel of good portable Water, as well as affordable prices depending on the market. We intend to provide the best possible value to our customers who care about quality products at affordable prices, and we want every dollar spent on our products to be well spent. Hence our value proposition is to sell the benefit of refreshes and enjoyment to our various consumers at reasonable prices.

Internally we intend to create and nurture a healthy, creative, respectful and enjoyable office and plant environment, in which our employees are fairly compensated and encouraged to respect the customer and the quality of the product we produce. In addition, follow-up will be mandatory so as to ensure customer satisfaction and make any improvements as recommended by the customers in future. We seek a fair and responsible profit, enough to keep the company financially healthy for the short and long term, and to fairly compensate owners and investors for the money and risk.

We also intend to obtain certification from the Tanzania Bureau of Standards (TBS) so that our products are internationally recognized and approved. This will assist in our penetrating the regional and international markets, intentions of which we have in future. However, this will occur after we have established ourselves on the local market.

The above is well summarized in our mission statement which goes as follows: **Our mission is to carefully attend to detail in the hygiene in all our Waters, and to uphold superb quality at all levels of production so as to satisfy all our customers and stakeholders.**

1.3 Keys to Success

The keys to Altastar Good Water success will undoubtedly be effective market segmentation through identification of several niche markets and implementation strategies. Along these lines the company intends to implement advertising, personal selling and direct marketing strategies aimed at the target markets. Our advertising marketing strategies will rotate around. Hence our key success factors will include the following:

Excellence in Fulfilling the Promise: We intend to produce and provide products of uncompromised quality to our customers. This is so as to meet the needs and standards of our customers.

Effective and Efficient Distribution Network: The importance of such cannot be overemphasized in our line of business. We intend to establish an excellent distribution network that will enable us to rapidly respond to customers' orders, and be available in remote areas our competitor has not yet exploited.

Assembly Technology: To ensure quality Water it is essential to utilize the latest and most efficient assembly technology. Keeping abreast with technological developments will ensure we gain, and maintain, a competitive advantage utilizing the latest production techniques.

Loyalty and Dedication: The loyalty and dedication of our employees shall be essential to the prosperity of the organization. We recognize that Corporate commitment to success should lead to the survival and prosperity of the products, and ultimately the organization as a whole.

Marketing Know-how: In an increasingly competitive market there is need to aggressively market our business so as to be continuously at the top of our prospective and current client's minds.

Adherence to Stringent Values and Altastar Good Water needs to acknowledge the fact that the financial and strategic management of the business will ultimately determine its prosperity and success. Hence we intend to adhere to stringent values and principles that will enable such to be achieved.

2.0 Company Summary

Altastar Company Limited is a relatively new private company with limited liabilities providing high quality pure drinking Water in the local market.

- i. Altastar Good Water intends to focus first on the making of processed purified bottled Water to produce portable bottled Water.
- ii. Its second assignment is to provide refilled purified water in portable hard bottles the customer will be free to purchase the hard bottle either from us or get them from other sources. the hard bottles are reusable. This kind of bottles are very useful for students and for peoples in gatherings or meetings.
- iii. Its third assignment is to provide purified metered water suitable for homes and families where clients come with their big vessels including buckets, drums, pots or even tanks to fill their containers and go back. currently we are providing the services at static locations the

customers come to us, but as we grow up we will also provide water using mobile bowsers meaning following customer's locations.

As it grows it will take on people and expand into related markets. It will also look for additional leverage by establishing relationships and representations with appropriate strategic allies.

2.1 Company Ownership

This is a family business and the company is owned by two couples namely Mr. Joseph Bilas Kimati the husband who is also the Managing Director of the company and Ms. Annamaria David Mashoto the wife who is also the current CEO of the company. They are all well-educated with college degrees in accounts and business.

The company started as a small shop selling clothes and doing general supply business. The small accumulated profits they were getting from their first business is the one they are using to fund this good water project by at least over 60% of the total required investment as we speak.

2.2 Company values

Altastar Good Water is committed towards an open governance system whereby its activities are managed and undertaken ethically, transparently, and in the interests of all concerned stakeholders.

This shall be undertaken through implementation of the following company values:

- We intend to conduct our business ethically and transparently, respecting all applicable laws.
- We intend to be a responsible corporate citizen fulfilling our obligations as an integral member of society. Hence our business decisions shall give appropriate weight and consideration to social and environmental impacts.
- We intend to provide products of uncompromising quality to meet the needs of our customers.
- We intend to seek mutually beneficial and enduring relationships in all the commitments that we make, ensuring that they are straightforward and honest. Hence our communication shall be open and accurate, internally and externally.
- We intend to optimize the creation of wealth to provide fair reward and recognition for the contributions of our stakeholders.
- Ultimately we intend to uphold all the above company values, promoting our employees and respective third parties engaged by us to do likewise.

Through promotion and implementation of the above stated company values we believe that we will be able to attain our corporate and stakeholders' goals and objectives for the benefit of all concerned, in particular the communities in which we will operate.

2.3 Start-up Summary

The following summary table shows the projected start-up costs during the seven months needed to get into production. It includes the supply of specific machinery and equipment needed for the production lines. The start-up costs are to be financed by the money raised through this Private Placement Memorandum Offer and some through bank borrowing.

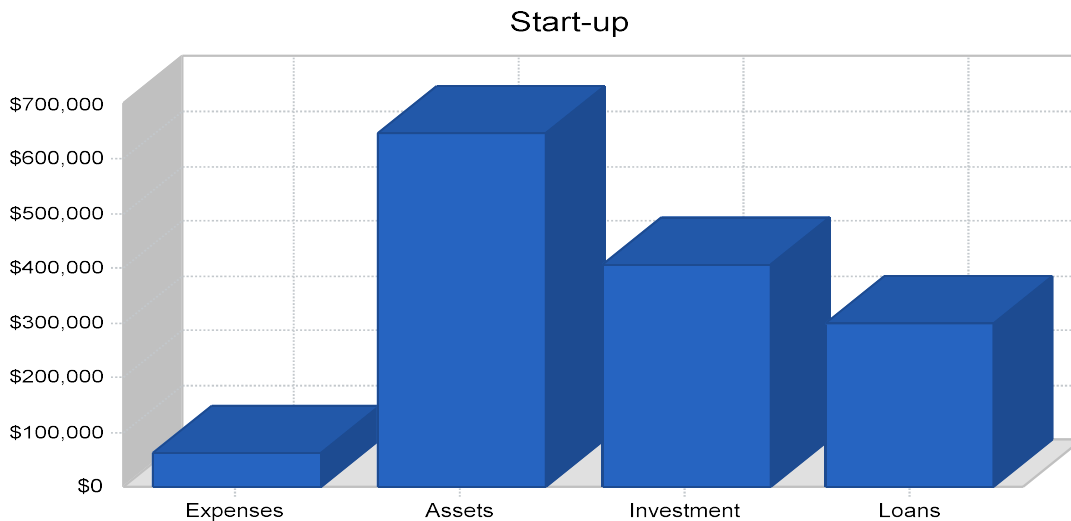
Altastar Good Water Business plan

• Land/Building	253,290
• Plant	189,680
• Vehicles	101,605
• Furniture & Fittings	3,986
• Pre-expenses	63,466
• Working Capital	95,405
TOTAL	707,450

Table: Start-up

<i>Start-up</i>	
Requirements	
Start-up Expenses	
Shipping cost to Dar.	\$13,000
Duties and taxes	\$1,024
Clearing and Transport to site	\$564
Plant Installation and training costs	\$3,680
Legal issues, , Fire, Osha, ,	\$1,198
Rentals	\$1,437
Electrifications (wiring) and installation	\$2,395
Nemci	\$2,400
Salaries and wages	\$15,080
Directors allowances	\$4,790
Electricity and water refill	\$1,238
Electricity main plant	\$2,000
Postage and stationery	\$240
Telephone and Internet	\$480
Consumables stores	\$460
Repairing and maintenances	\$500
Transport charges	\$600
Advertising and promotions	\$4,100
Insurance and Taxes	\$700
China trip	\$2,480
Miscellaneous Expenses	\$1,000
TIC registration	\$1,100
Total Start-up Expenses	\$60,466
Start-up Assets	
Cash Required	\$100,000
Start-up Inventory	\$83,083
Other Current Assets	\$127,426
Long-term Assets	\$336,475
Total Assets	\$646,984
Total Requirements	\$707,450

Chart: Start-up



Altastar Good Water Business plan

2.4 Use of Funds

Sr.	Description	Amount \$
1	Land and Building	114,433
2	Ablution block	8,000
3	Inventory Raw materials	83,083
4	Shipping cost to Dar.	13,000
5	Duties and taxes	1,024
6	Clearing and Transport to site	564
7	Plant Installation and training costs	3,680
8	Building phase 2	31,894
9	Laboratory equipment	1,500
10	Electrifications (wiring) and installation	2,395
11	Water Tanks and pipes	3,474
12	Legal issues, , Fire, Osha, ,	1,198
13	Borehole and pump	9,965
14	Delivery Vans	101,605
15	Water refill machines price	23,500
16	Water processing and bottling plant	166,180
17	Rentals	1,437
18	Nemci	2,400
19	Salaries and wages	15,080
20	Directors allowances	4,790
21	Electricity and water refill	1,238
22	Electricity main plant	2,000
23	Postage and stationery	240
24	Telephone and Internet	480
25	Consumables stores	460
26	Repairing and maintenances	500
27	Transport charges	600
28	Advertising and promotions	4,100
29	Insurance and Taxes	700
30	EFD machines	400
31	Fencing	15,968
32	China trip	2,480
33	Miscellaneous Expenses	1,000
34	Electricity poles, transformer and installation	82,996
35	TIC registration	1,100
36	Cost of furniture	3,986
	Total	707,450
	LONG TERMS ASSETS	336,475
	SHORT TERM ASSETS	307,509
	EXPENSES	63,466
	TOTAL	707,450

3.0 Products

Altastar Company Limited has one core product and that is water. The good water project as it is branded like that is all about water processing into portable pure drinking water. The project is divided into two main groups. Group 1 is for bottled water and group 2 is for water refilling which is also divided into 2 groups again. Group one is for those who buy water and containers from us. These bottles are made of hard PET materials which can be used for many times. This group is ideal for people including school children who want to save money by not paying for new containers every day. Instead they preserve their containers and only pay for refilled water. Group 2 are those who come with their containers to get treated metered water. They come with their empty containers, get water and pay according to the quantity of water they have filled.

Below is the list of the first 5 products we would like to start up with.

Products

1. 1600ml bottled water
2. 1000ml bottled water
3. 600ml bottled water
4. 1000ml water hard bottle
5. Metered pure water

All products are periodically taken for testing to the National Food Laboratory for quality checks so as to ensure that they conform to required quality standards.

3.1 Macro-environment

Over the last few months, abnormal weather has affected many parts of Southern Africa, including Tanzania, during the key hot weather season. It has been extraordinarily severe with heavy rainfall, flooding and there definitely promises to be low temperatures, particularly in the rainy season. This is likely to have an adverse effect on our initial financial performance, though marginal as consumption levels may decrease slightly.

At a large scale, market research demonstrates that the Watering industry market is growing and changing. Generally, there is a trend toward more appealing and attractive Waters as potential customers either are moving to the urban areas as a result of urbanization or are satisfied with an existing Water in their area. Research indicates that those in the rural areas are often satisfied with the existing Water due to lack of access to other higher-quality Waters, whilst the new generation of executives being more educated and aware of the global environment wants to be seen drinking something attractive and recognized by others status recognition. In addition, this same market is not only more image conscious but appreciative of a quality Water as it is more selective. Therefore, with the emergence of this generation of individuals, the appreciation of quality Waters and packaging, dictates that our product lines will be popular.

Private sector development has been recognized as a vital ingredient in creating employment and training opportunities, and realizing the national goal of sustainable economic diversification. In addition to the country increasingly becoming a tourist destination, we foresee the demand for our products especially in the resorts and lodges where it will be promoted. Through undertaking of our professional business activities we foresee that it should not be too difficult to gain market acceptance provided we deliver the final product on time, of good quality, and at competitive prices.

3.2 Fullfilment

1. The key fulfillment and delivery will be provided by the principals and values of the business. The real core value will be the provision of a thirst quenching refreshing Water, provided by a combination of quality ingredients, good production techniques, hard work, and education (in that order). Hence we intend to ensure that the products we produce are always of high quality and standards, and available to the relevant target market.
2. We will turn to reliable suppliers and distributors who will assist in ensuring that the products are delivered timely and are of the highest quality. We will also rely on these stakeholders for relevant information on the market situation (trends, consumer tastes, feelings and comments amongst other things).

3.3 Marketing Strategy

One core element of our marketing strategy will be that of differentiation from our competitors. In terms of promotion, we intend to sell our company as a differentiated strategic ally, not just our products. In price, we intend to offer extremely reasonable prices in comparison to the competition and we need to be able to sustain that. Market penetration through lower prices shall be undertaken where need be, while premium pricing will be the case of the upper-end of the market.

3.3.1 Service Provision

The service aspect of Altastar Good Water marketing mix shall constitute an important element in delivering total quality. This is due to the high degree of exposure our competitors already have. As such we intend our customer service to be key to the retention of customers. We shall follow-up with our clients on a regular basis so as to ensure they are satisfied with our products and delivery times. This is mainly because we intend our customers not to be one-time buyers but regular order seekers. The establishment of a rapport and understanding between our customers and ourselves is going to be an ongoing process.

We intend to implement database marketing whereby we shall be targeting customers based on their previous purchases, in terms of size, frequency and actual products, so as to forecast their demands and establish long beneficial relationships. Customer service shall be enhanced through infrastructure support in the form of merchandising and credit facilities, and alternative distribution facilities where possible and viable.

3.3.2 Product marketing

Our product marketing will emphasize the benefits of consuming our products, including refreshment and enjoyment of top-quality Waters. We intend to sell the opportunity to enjoy oneself amongst friends, family and/or colleagues. This will come out in our advertising, delivery and collateral such as sales literature and business cards.

Our product marketing's most important challenge will be the problem of being accepted and appreciated on the market as a provider of quality products. Hence we intend to not only meet customers' expectations but to exceed them, initially targeting a market share of 6%.

We intend to focus on the individual or group who want to enjoy themselves through the consumption and sharing of refreshing healthy drinks. However, not wanting to limit our horizons in the initial period, we intend to be continually looking out for opportunities that we may exploit. In all cases we intend to provide a thorough understanding and appreciation of the products to the customer and the benefits of consuming them.

3.3.3 Product packaging

Our product packaging shall be of utmost importance, as it will definitely influence our potential customers on whether to try out our products or not. As such we shall ensure that it is not only attractive to consumers but also hygienic. As time progresses we intend to have packaging that enables the container to be used for other purposes after water consumption, for example keeping juice and other liquid products and being able to be deposited to retailers, the former of which we have identified as already being done. Most of our product packaging are also be recyclable and hence more environmentally friendly.

A continuous improvement process. Continuous improvement on packaging will also be undertaken so as to maintain, if not improve product appeal. Currently the products are served in PET bottles hard and medium packs. However, depending on the dictates of the market, there might be need to introduce new product packs. Hence we intend to ensure that we are flexible if such changes are to occur.

3.3.4 Corporate Social Responsibility

Altastar Company Limited intends to be involved in a wide range of social responsibility engagement programs to invest back into the community in which we operate. Through our social responsibility program, we can assist in improving people's lives. If we contribute to development in a sustainable way, we need to support projects that communities bring to us, rather than strictly creating our own solutions for our communities. This is because if we impose our solution and drive a project it is an artificial response, and the risk is that the project will then always 'belong' to us.

Whenever the project comes up against a new challenge, we will be expected to fix it, and will be forced to stay in a situation where we have to look after the same few projects forever. Rather we intend to fund several projects that belong to, and will be driven by, the community and become sustainable. However, before we commit ourselves to projects we intend to ensure that skills will be transferred, communities are involved and the projects will be able to become self-sustaining. We know that we cannot address all the development needs of our society. Where we can, we assist and sometimes may form partnerships so as to increase capacity.

We intend to be involved in the following activities:

1. Community welfare.
2. Education.
3. Health.
4. Environment.
5. Arts and Culture.

3.4 Production summary

Our production system shall strive to attain service excellence in addition to manufacturing safe, quality products. This shall be undertaken through the engagement of modern production techniques using up-to-date assembly technology. This will also result in low production costs being attained by the company. We also intend to ensure that the suppliers we engage are committed and reliable so as not to let down the final consumer in terms of the quality of the product and time of delivery.

In order to improve productivity in our plants we intend to reduce waste and duplication in our Waters by streamlining administrative functions and promoting and instilling a business culture that focuses on the teamwork rather than individual productivity. By the undertaking the above we will optimize our productivity given our available resources.

3.4.1 Suppliers

Currently the company obtains the vast majority of its raw materials from China suppliers. However, as we are committed to fair terms of trade and promotion of local business we intend to engage local suppliers. Hence raw materials, including preforms may be sourced from local communal and commercial suppliers avoiding intermediaries so as to minimize costs, ultimately benefiting the final consumer. The major advantages of doing so being higher margins, faster payments and lower risks of payment default. Through the use of economies of scale, we aim to maintain low input and production costs. This may be undertaken through prior serious discussions..

Hence we intend to establish good rapport with all our suppliers and hence long mutually beneficial business relationships. This shall be undertaken through working closely with suppliers to ensure uninterrupted deliveries.

3.4.2 Receiving

Recognizing that the receiving of our raw materials is an essential element in our entire business, we intend to ensure that it is done by responsible persons who will be present during offloading to check the quantity and condition of the consignment. During the actual offloading the receiving bay personnel will mass check on at least 80% of the consignment. Non-confirming raw materials in terms of quality will only be approved with the consent of the managing director who would have undertaken further analysis of it.

3.4.3 Storage

It shall be the policy of the company to ensure that all raw materials are stored in a secure, clean and pest free manner. Stock takes and reconciliations shall be undertaken on a regular basis, initially done at least once a week. The stock principle of First In, First Out (FIFO) shall be implemented. Whenever stock is taken out it shall be recorded on a separate stock or bin card, with reconciliations of raw materials issued to the stores. Issues to production, losses, opening and closing stock taken. Should any deviations arise these must be explained.

3.4.4 By-products

Altastar Good Water intends to utilize every resource it has to the fullest possible extent. We realize that there shall be no by-products that will be produced from our production of the main product lines. However not wanting to pollute the environment, and our community at large, we plan to encourage and educate our customers over the use of recycling used PET bottles all the time. This will ensure that our resources are fully utilized and our environment remain clean all the time.

4.0 Market Analysis Summary

Today we are experiencing rapid growth in the economy of unsurpassed nature. This has been brought about by (amongst other things) the relaxation of foreign exchange policies and macroeconomic policies geared towards attracting foreign investors into the country. The fiscal and monetary policies of the government geared towards maintaining growth with social justice

have largely contributed towards this, evidenced by our economy averaging a growth rate of 6% since 2015-very high by international standards.

The current drive and emphasis by the government on diversification of the industrial base away from the agriculture sector presents an opportunity for Altastar good water project to make a valuable contribution towards achieving this goal. This will result in implementation of modern production techniques and transfer of knowledge. Having undertaken a thorough and comprehensive research of the market we realized that there was a need for a manufacturer that focuses on producing affordable thirst quenching brew tailored to satisfying client's needs. Though there are companies currently on the market, some of whom have been in existence for a relatively long period of time, we believe that there is a market need for one (ourselves in this instance) that particularly focuses on the low to medium earning individuals. We intend to provide products of extremely high quality--something that cannot be over-emphasized in the international arena with the current drive towards globalization. The marketing mix of the products has been carefully and strategically put together to position them in the market.

Aware of the fact that we will be operating in a predominantly monopolistic market structure we intend to ensure that our marketing strategies are considerate of the importance of the fit between our products capabilities and benefits, and the target market, so as to develop a strong sustainable competitive position in the market. As a result, we intend to implement a niche marketing strategy, focusing on certain target markets, particularly in view of Uhai, Kilimanjaro, Masafi, Hill and similar others dominance on the market. Our initial overall target market share shall be 6% of the local market. We appreciate that entering such a market is not a bed of roses, particularly as it is monopolistic. Hence we intend to implement an aggressive marketing strategy, well supported by the other business functions. The above prognosis influenced our decision to enter the water bottling industry.

4.1 Market Segmentation

Altastar Company Limited potential customers are divided into the following groups as shown in the market analysis table:

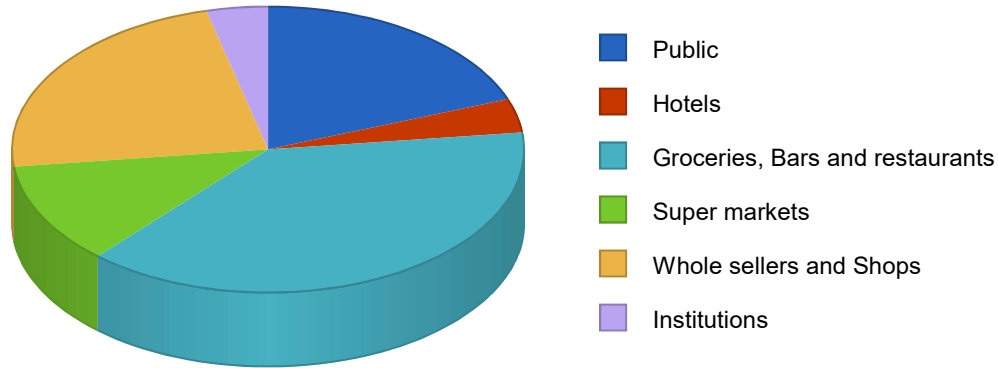
1. Public
2. Hotels
3. Groceries, Bars and restaurants
4. Super markets
5. Whole sellers and Shops
6. Institutions

Table: Market Analysis

<i>Market Analysis</i>							
		2024	2025	2026	2027	2028	
Potential Customers	Growth						CAGR
Public	9%	500	545	594	647	705	8.97%
Hotels	5%	100	105	110	116	122	5.10%
Groceries, Bars and restaurants	10%	1,000	1,100	1,210	1,331	1,464	10.00%
Super markets	7%	300	321	343	367	393	6.98%
Whole sellers and Shops	8%	600	648	700	756	816	7.99%
Institutions	6%	100	106	112	119	126	5.95%
Total	8.67%	2,600	2,825	3,069	3,336	3,626	8.67%

Chart: Market Analysis (Pie)

Market Analysis (Pie)



4.2 Target Market Segment Strategy

Our marketing strategy will be based mainly on making the right product available to the right target customer. We will ensure that our products' prices take into consideration peoples' budgets, and that these people appreciate the product and know that it exists, including where to find it. The marketing will convey the sense of quality in every picture, every promotion, and every publication. There is already a sense of segment strategy in the way we define our target market. We are choosing to compete in areas that lend themselves to local competition, service and channel areas that match our strengths, and avoid our weaknesses.

Our strategy calls for the development of relationships with suppliers, distributors and retailers to support our business. Regular visits will be undertaken to these areas so as to ensure that we are meeting their expectations.

4.3 Industry Analysis

Increasingly it has been recognized that traditional suppliers of drinking water such as public and private waterworks may not be able in many instances or under all circumstances to guarantee the microbiological safety of product to the extend previously thought possible. This has led to high consumption of bottled water and thus rapid growth of the industry.

Packaged drinking water

Water that has been suitably treated for human consumption; and filled and sealed in containers. It may contain minerals naturally occurring or intentionally added; it may contain carbon dioxide naturally occurring or intentionally added but does not contain sugars, sweeteners, flavorings or other food stuffs.

Water safety plans

Packaged Drinking water operators shall develop, implement and maintain a water safety plan taking into consideration the potential risks to the safety of the water from the supply catchment area to the consumer.

A water safety plan shall consist of three key components:

- a) System assessment to determine whether the drinking-water supply chain (up to the point of consumption) as a whole can deliver water of a quality that meets health-based targets;
- b) Identifying control measures in a drinking water system that will collectively control identified risks and ensure that the health-based targets are met; and
- c) Management plans describing actions to be taken during normal operation or incident conditions and documenting the system assessment (including upgrade and improvement), monitoring and communication plans and supporting programmes.

4.3.1 Competition and Buying Patterns

The purchase decision for our customers will be based on trust in the quality of our products and assurance of availability and constant supplies. We will have to establish relationships with our customers which extend beyond that of the buyer/seller.

Altastar Good water label to our customers will mean that the product has been chosen and prepared with the highest quality standards in mind. Our customers will be willing to pay any price for our products because they are familiar with us and trust in the quality of our water. This would be as the result of their successes in the marketplace with our products.

The other key element in purchase decisions made at the Altastar Good Water customer level is the availability of an affordable, thirst-quenching product of good quality. The most important factor in this market is the distribution network. This is particularly so considering the good distribution network that is in place enabling them to produce products that are constantly in demand throughout the country.

5.0 Web Plan Summary

Altastar Company Limited's website will be a dynamic marketing tool for the company that serves the needs of business development and sales. The company site will provide information about Altastar Company Limited 's products and services for target customers and potential business partners.

As the company grows, its recruiting needs can be addressed by posting career opportunities and FAQs about the company. altastargoodwater.com will also communicate company news to create and maintain positive public relations with the community and investors. The goal will be to implement a functional and professionally designed website that can be adapted to meet the company's growing needs.

5.1 Website Marketing Strategy

We will maintain a two-way link between our website and our product buyers. In addition to using the page as a sales tool, we will develop a monthly newsletter. Plan is to introduce **network marketing** and E-commerce for some or all our products

5.2 Development Requirements

Creation of future versions of the Altastar Company Limited website will continue to be outsourcing professional graphics designers with over 10 years of experience. The contractor will work with the marketing department and the IT section to conceptualize the company's logo and overall design. It will be maintained in-house and major site redesigning will be made through a contractor.

6.0 Strategy and Implementation Summary

We focus on a special kind of customer, the person who wants very high quality thirst quenching products customized to work beautifully with modern technology. Our customer might be in larger corporations, small or medium business, or in a home. What is important to the customer is elegance, fine workmanship, ease of use, ergonomics, and practicality.

Our marketing strategy assumes that sometimes we need to go into specialty channels to address our target customer's needs. We position as the highest quality, offering status and prestige levels of purchase.

The product strategy is also based on quality, in this case the intersection of technical understanding with very high quality machinery and professional staff and workmanship.

Our most important competitive edge is our fully automated computerized production strategy, which such high quality products is not only a pleasure for our customers, it is actually a feature that enhances the sense of quality.

6.1 SWOT Analysis

We are in a highly lucrative market in a rapidly growing economy. We foresee our strengths as the ability to respond quickly to what the market dictates and to provide quality Water in a growing market. In addition, through aggressive marketing and quality management we intend to become a well-respected and known entity in our respective industry. Our key personnel have a wide and thorough knowledge of the local manufacturing market and expertise, which will go towards penetrating the market. However, we acknowledge our weakness of a medium-sized company without a lot of experience, and the threat of new competition taking aim at our niche. Below are the summarized strengths, weaknesses, opportunities and threats.

6.1.1 Strengths

- Strategic market segmentation and implementation strategies.
- Diversified market segments: ensuring the lack of dependency on one particular market.
- Combination of skills in directorship. The directors intend to jointly develop business strategy and long-term plans, having wide experience in product and business know-how.
- Establishment and maintenance of strong capital base.
- An aggressive and focused marketing campaign with clear goals and strategies.

6.1.2 Weaknesses

- Lack of a reputation in comparison to our competitors.
- The introduction of new organizational practices and personnel who have not previously worked together presents a challenge to the company.
- A limited financial base compared to the major players in the industry.

- Lack of clear-cut channels of distribution.
- Establishment on the Internet will produce technological challenges.

6.1.3 Opportunities

- Specific niche: Appreciation for high-quality Water, enjoyment, and refreshment (and integration therein).
- The new generation of individuals and families has a far greater appreciation of attractive packaging (image conscious).
- Current drive by government and specialized institutions such as the Botswana Export Development and Investment Authority towards export of locally manufactured products.
- Internet marketing and sales--though still in its infancy.
- Increasing number of foreign firms, especially from South Africa looking at penetrating the market.

6.1.4 Threats

The present growth in the market may result in market saturation, through competition. This competition could emerge from a variety of given sources including:

- Established mass-market companies' development of new lines and vertically integrating so as to be totally in control of supplies and products being sold on the respective markets.
- New marketing strategies and tactics by established products and companies.
- Existing competition.
- Other start-up companies generated by healthy economic growth nationwide.
- Intolerable price increases by foreign suppliers may occur.

6.2 Competitive Edge

Our competitive edge will be our dominance of access to previously remote areas, customer orientation and traditional high-quality Water through stringent quality control. Although Uhai pure drinking water dominates the local market, it does not penetrate the remote areas as much as we intend to.

Altastar Company Limited will establish its competitive edge through the expertise of its founders and senior managers. Apart from being all University graduates, these couples have proven beyond reasonable doubts, that they have got adequate experience in business management and business ethics. You will not be surprised if you are told that these couples started the carrier by establishing a small business of selling clothes and general merchandisers and through the accumulated profits they made from that small project, they are now able to start this new water processing and bottling plant.

6.3 Marketing Strategy

Presenting compelling value through superior technology

We are positioned to be the market leader in portable drinking water and refilled drinking water. Altastar Company Limited offers a novel approach that clearly provides significant value to our customer and ultimately the end user. The Altastar Company Limited delivers value in two ways: by improving the performance of our products against competing products and by increasing customers' market share and revenue. Communicating this value as well as branding our products to defend market share, is the fundamental philosophy behind our marketing strategy.

Becoming a competitive standard

The core Altastar Company Limited technology is a unique approach to improving drinking water in a way that substantially increases performance and adds value to the health and refreshes to the mind of end user. In a competitive marketplace, we will present our water processing technology as an industry standard that they must adopt to be able to compete. The value proposition will differ depending on the needs of each customer.

Marketing to end users by marketing the end product

Altastar Company Limited will market to end users through partnership with the whole sales and resellers; to add value. Our technology must increase their bottom line profit. Therefore, Altastar Company Limited will develop a marketing plan with our partners to increase the awareness of our products and their advantages.

6.4 Sales Strategy

We intend to focus on improving our implementation, by working on key objectives and better coordination of marketing efforts. For the short term at least, the selling process will depend on personal selling and advertising to lure and inform potential clients about the products we offer and the benefits of consuming our products. Our marketing does not intend to affect the perception of need as much as knowledge and awareness of the product categories.

Our strategy focuses first on maintaining the identity with the high-end buyer who appreciates the best available quality of our bottled and refill water. The sales strategy for the business includes both retail sales and business sales strategies. Retail sales will be based on the marketing of the premises and its location, explained in the marketing plan section.

At an operational level, orders will be taken in person by salesmen working with us or from external vendors or customers over the phone or Internet. Orders for specific packaging or processed water will be transmitted from these salesmen to the marketing manager on duty who will prepare the order. They will be packaged, priced, and prepared for sale or delivered by the same salesmen.

6.4.1 Sales Forecast

Altastar Company Limited plans to keep steady production of water for the first year. A review may be done from the second year for changes. Our sales forecast assumes no change in costs or prices, which is a reasonable assumption for the next few years.

The sales forecast table represents the business scaling up sales quickly in the first year as the community recognizes the high quality of our products. Groceries, bars and restaurants sales, will be the greatest driver of sales growth and represents the best margins for the business, with a 100% markup over cost.

Special orders are more expensive to provide, but will provide a vital line of business that will encourage high-income customers to use the products. Their cost of sales will be 30% of sales.

Products sold to businesses will be sold at lower rates, but costs will also be reduced through bulk ordering and the ease of working with businesses in an ongoing way. The cost of sales to businesses will be 30% as well.

Altastar Good Water Business plan

This category, including both catering and restaurant sales, will represent a larger portion of sales than retail sales. The presence of the store and the brand name it establishes will allow caterers and restaurants to advertise the fact that they purchased their water from Altastar Company Limited without any fear, as customers will see it as a mark of quality.

Table: Sales Forecast

<i>Sales Forecast</i>	2024	2025	2026	2027	2028
Unit Sales					
1600ml bottled water	374,058	411,464	452,611	497,873	547,661
1000ml bottled water	171,000	188,100	206,910	227,601	250,362
600ml bottled water	71,250	78,375	86,213	94,835	104,320
1000ml water hard bottle	600,000	660,000	726,000	798,600	878,460
Metered water liters	1,200,000	1,320,000	1,452,000	1,597,200	1,756,920
Total Unit Sales	2,416,308	2,657,939	2,923,734	3,216,109	3,537,723
Unit Prices	2024	2025	2026	2027	2028
1600ml bottled water	\$1.32	\$1.32	\$1.32	\$1.32	\$1.32
1000ml bottled water	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20
600ml bottled water	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12
1000ml water hard bottle	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
Metered water liters	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08
Sales					
1600ml bottled water	\$493,757	\$543,132	\$597,447	\$657,192	\$722,913
1000ml bottled water	\$205,200	\$225,720	\$248,292	\$273,121	\$300,434
600ml bottled water	\$79,800	\$87,780	\$96,559	\$106,215	\$116,838
1000ml water hard bottle	\$240,000	\$264,000	\$290,400	\$319,440	\$351,384
Metered water liters	\$96,000	\$105,600	\$116,160	\$127,776	\$140,554
Total Sales	\$1,114,757	\$1,226,232	\$1,348,857	\$1,483,745	\$1,632,123
Direct Unit Costs	2024	2025	2026	2027	2028
1600ml bottled water	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
1000ml bottled water	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18
600ml bottled water	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17
1000ml water hard bottle	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
Metered water liters	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
Direct Cost of Sales					
1600ml bottled water	\$74,063	\$81,470	\$89,617	\$98,579	\$108,437
1000ml bottled water	\$30,780	\$33,858	\$37,244	\$40,968	\$45,065
600ml bottled water	\$11,970	\$13,167	\$14,484	\$15,932	\$17,526
1000ml water hard bottle	\$24,000	\$26,400	\$29,040	\$31,944	\$35,138
Metered water liters	\$9,600	\$10,560	\$11,616	\$12,778	\$14,055
Subtotal Direct Cost of Sales	\$150,413	\$165,455	\$182,001	\$200,201	\$220,222

Chart: Sales Monthly

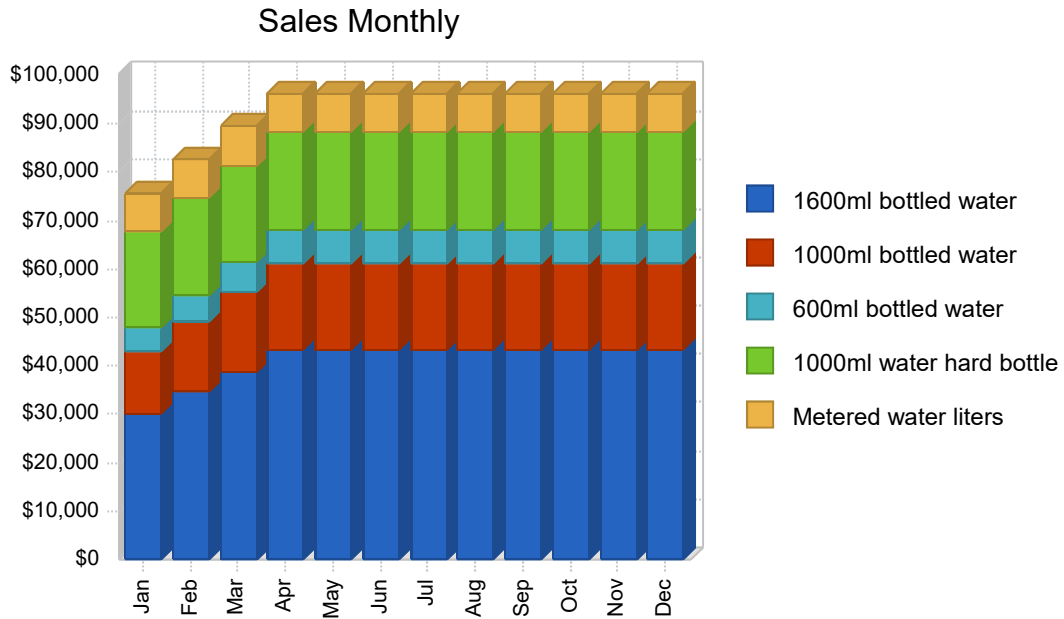
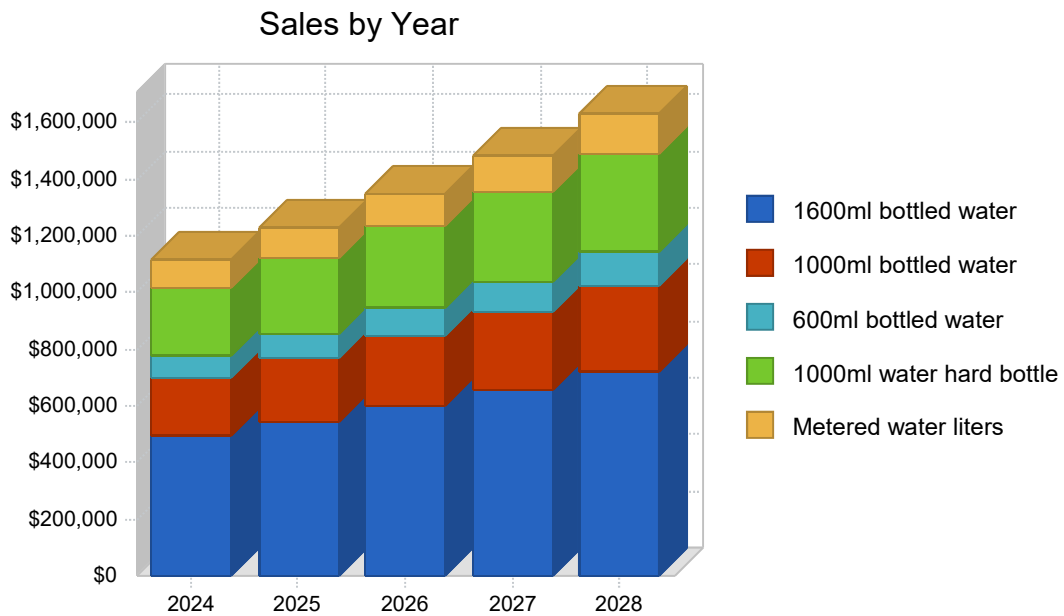


Chart: Sales by Year



7.0 Management Summary

Altastar Good Water shall evaluate the jobs it provides, paying competitive remuneration packages against market benchmarks to employees for their agreed and set out tasks. Consonant with its efforts to create added value by employees, Altastar Good Water seeks to negotiate the provision of incentive pay delivery mechanisms against achievement of agreed targets relating to accomplishment in the areas of productivity enhancement, savings and other specific successes, that is, the implementation of an effective performance management system.

Hence our human resources strategy will revolve around:

- Communicating openly and transparently; addressing strong and trusted:
 - Internal communication.
 - External communication.
 - Stakeholder inclusivity.
- Responding and promoting human rights issues, such as equity in the workplace and in community relations.
- Adoption of a good remuneration policy aimed at developing our people through employee benefits, training and group initiatives.

Maintaining preventative health and safety structures for employees and support for surrounding communities

7.1 Personnel Plan

We intend to compensate our personnel well, to retain their invaluable expertise and to ensure job satisfaction and enrichment through delegation of authority. Our compensation will include health care, generous profit sharing, plus a minimum of four weeks' vacation. As an equal opportunity employer, we respect the diversity and human rights of our people, and strive to achieve optimal productivity, while realizing the full potential of each employee. Awards will be given out to outstanding individuals, groups and plants for hard work and production so as to instill a sense of fun into the work and promote the maintenance of high standards. Altastar Company Limited recognizes that our employees contribute fundamentally to the company's long-term prosperity. We intend to enhance our capacity to attract and retain people of quality, through benefits such as housing and family education grants.

Employee health shall be of extreme importance. This is because the health of our people is an integral element of employee well-being at work and at home. Compliance with relevant legislation is a minimum target in our organization. We also intend to minimize if not totally eliminate the number of isolated incidents of intimidation in the workplace, so as to ensure that production and distribution are not materially affected and sound relationships are maintained between employee and employer and between employees as a whole.

Altastar Good Water Business plan

Table: Personnel

<i>Personnel Plan</i>	2024	2025	2026	2027	2028
Plant engineer/ General manager	\$10,800	\$10,800	\$11,016	\$11,016	\$11,347
Distribution, sales and marketing manager	\$9,600	\$9,600	\$9,792	\$9,792	\$10,086
Account and personnel officer	\$6,000	\$6,000	\$6,120	\$6,120	\$6,304
Production manager	\$3,600	\$3,600	\$3,672	\$3,672	\$3,782
Account assistant cashier	\$3,600	\$3,600	\$3,672	\$3,672	\$3,782
Purchasing and stores	\$3,600	\$3,600	\$3,672	\$3,672	\$3,782
Marketing and sales officer	\$3,600	\$3,600	\$3,672	\$3,672	\$3,782
Distribution, Marketing and sales team 6	\$14,400	\$14,400	\$14,688	\$14,688	\$15,129
Mechanics Electrical mechanical 2	\$6,240	\$6,240	\$6,365	\$6,365	\$6,515
Factory workers 6	\$8,640	\$8,640	\$8,813	\$8,813	\$9,077
Refill workers 7	\$8,400	\$8,400	\$8,568	\$8,568	\$8,825
Lab and quality controller	\$3,360	\$3,360	\$3,428	\$3,428	\$3,531
Receptionist cleaner	\$1,440	\$1,140	\$1,163	\$1,163	\$1,198
Security guards 3	\$3,600	\$3,600	\$3,672	\$3,672	\$3,782
Messenger grounds man	\$720	\$720	\$735	\$735	\$757
Drivers 2	\$2,880	\$2,880	\$2,938	\$2,938	\$3,026
Total People	36	36	36	36	36
Total Payroll	\$90,480	\$90,180	\$91,986	\$91,986	\$94,705

7.2 Training

In-house training shall be continuous with regular external training being undertaken particularly following any new developments in the market. This is so as to ensure that we are continuously able to anticipate our markets needs a proactive approach, which is so essential if we are to gain and maintain a competitive advantage. Courses on Water will be undertaken primarily locally, preferably with the established and reputable firms, such as water college.

This will ensure that our personnel are exposed to the latest production techniques and are able to set their standards, or benchmark, using these organizations standards. Internal training will not only include product and technical aspects, but also expand to give much greater knowledge of customers, market trends, products, new technology aids, time management amongst other such variables. We intend to conduct health education sessions for groups and individuals on health risks in the workplace, balanced with lifestyle education and employee assistance programs that incorporate rehabilitation and counseling in a range of illnesses and social or personal problems.

We acknowledge the fact that successful recruiting, motivation and discipline procedures are keys to the growth of the organization. Hence we intend to promote and maintain good labor relations, strong morale and high quality work per employee.

7.3 Feedback and control

- We intend to use employee satisfaction surveys to shape the business, making sure that the employee understands the goals of the firm, is customer focused, proud of their work and work as a team. This will encourage employees to become entrepreneurial and customer responsible, in addition to unifying staff in customer focus and values.
- Important notices and developments will be continuously communicated to employers so as to keep them abreast of developments and promoting a sense of belonging and oneness in the organization.
- We will encourage our employees to put forward any suggestions they might have regarding the improvement of any of the company's functions an open door philosophy. Such a culture will enhance innovativeness and creativity in turn leading to job satisfaction and enrichment.

8.0 Financial Plan

We want to finance growth mainly through cash flow and equity. We recognize that this means we will have to grow more slowly than we might like.

The most important factor in our case is collection days, particularly with the bulk order customers. We can't push our customers hard on collection days, because they are extremely sensitive and will normally judge us on our terms. Hence they tend to have a certain degree of financial authority. Therefore, we need to develop a permanent system of receivables financing systems, using a well-coordinated accounting department. In turn we intend to ensure that our investors are compatible with our growth plan, management style and vision.

Compatibility in this regard means:

- Fundamental respect for giving our customers value, and for maintaining a healthy and congenial workplace.
- Respect for realistic forecasts, and conservative cash flow and financial management.
- Cash flow as first priority, growth second, profits third.
- Willingness to follow the company and contribute valuable input to strategy and implementation decisions.

8.1 Start-up Funding

The start-up costs of Altastar Company Limited will consist primarily of machines, inventory, equipment and fixtures. The company plans to secure a loan for the amount of \$300,000 to be paid back on a 3 -year amortization, with 1-year grace period

Table: Start-up Funding

<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$60,466
Start-up Assets to Fund	\$646,984
Total Funding Required	\$707,450
Assets	
Non-cash Assets from Start-up	\$546,984
Cash Requirements from Start-up	\$100,000
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$100,000
Total Assets	\$646,984
Liabilities and Capital	
Liabilities	
Current Borrowing	\$300,000
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$300,000
Capital	
Planned Investment	
Owner	\$407,450
Investor	\$0
Additional Investment Requirement	\$0
Total Planned Investment	\$407,450
Loss at Start-up (Start-up Expenses)	(\$60,466)
Total Capital	\$346,984
Total Capital and Liabilities	\$646,984
Total Funding	\$707,450

8.2 Important Assumptions

The financial plan depends on important assumptions, most of which are shown in the following table as annual assumptions. The monthly assumptions are included in the appendix. From the beginning, we recognize that collection days are critical, but not a factor we can influence easily. Interest rates, tax rates, and personnel burden are based on conservative assumptions.

Some of the more important underlying assumptions are:

- We assume a strong economy, without major recession.
- We assume, of course, that there are no unforeseen changes in economic policy to make our products immediately obsolete.

8.3 Break-even Analysis

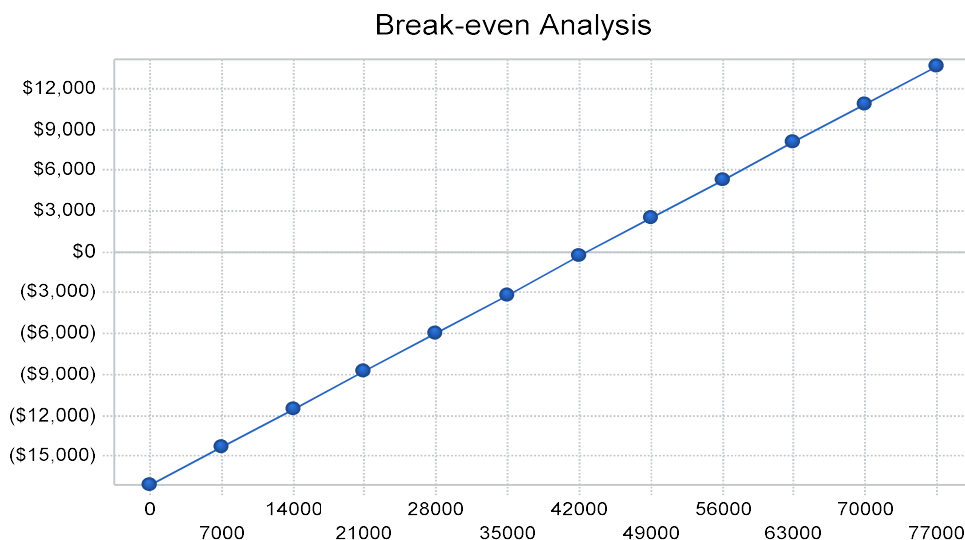
Our break-even analysis will be based on running costs, that is costs we shall incur in keeping the business running, including salaries and wages, rent, water and electricity, insurance amongst others. Hence many fixed costs shall be included in these costs. We will thus aim to ensure that our sales levels are running comfortably above break-even.

The following chart and table summarize our break-even analysis. With fixed costs of approximately \$17,106 per month at the outset (a bare minimum), we need to bill approximately \$19,774 to cover our costs. We don't really expect to reach break-even until several months into the business operation

Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Units Break-even	42,862
Monthly Revenue Break-even	\$19,774
Assumptions:	
Average Per-Unit Revenue	\$0.46
Average Per-Unit Variable Cost	\$0.06
Estimated Monthly Fixed Cost	\$17,106

Chart: Break-even Analysis



Altastar Good Water Business plan

8.4 Projected Profit and Loss

Our projected profit and loss is shown on the following table, with sales increasing from more than \$1,114,757 the first year to more than \$1,226,232 the second, an approximately \$1,632,123 in the fifth year.

Profits are calculated to be around \$390,440 before tax the first year during the start-up phase of this business.

This will be representative of a net profit margin of approximately 23%, which though may not seem that impressive is relatively good for a start-up firm in our line of business. As with the break-even, we are projecting very conservatively regarding cost of sales and gross margin. Our cost of sales should be much lower, and gross margin higher, than in this projection.

Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>	2024	2025	2026	2027	2028
Sales	\$1,114,757	\$1,226,232	\$1,348,857	\$1,483,745	\$1,632,123
Direct Cost of Sales	\$150,413	\$165,455	\$182,001	\$200,201	\$220,222
Other Costs of Sales	\$334,431	\$367,870	\$404,665	\$445,124	\$489,637
Total Cost of Sales	\$484,844	\$533,325	\$586,666	\$645,325	\$709,859
Gross Margin	\$629,912	\$692,908	\$762,192	\$838,420	\$922,264
Gross Margin %	56.51%	56.51%	56.51%	56.51%	56.51%
Expenses					
Payroll	\$90,480	\$90,180	\$91,986	\$91,986	\$94,705
Marketing/Promotion	\$28,800	\$30,000	\$30,000	\$32,000	\$32,000
Depreciation	\$3,840	\$3,850	\$3,850	\$3,850	\$3,850
Rentals	\$8,640	\$8,640	\$9,072	\$9,072	\$9,526
Utilities	\$19,380	\$19,880	\$20,874	\$20,874	\$21,918
Insurance	\$8,400	\$8,820	\$9,261	\$9,725	\$10,211
Payroll Taxes	\$13,572	\$13,527	\$13,798	\$13,798	\$14,206
Postage and stationaries	\$1,680	\$1,764	\$1,853	\$1,947	\$2,044
Repairing and maintenances	\$6,000	\$6,300	\$6,615	\$9,946	\$10,443
Transport charges	\$7,200	\$7,560	\$7,938	\$8,335	\$8,752
Miscellaneous Expenses	\$12,000	\$12,600	\$13,230	\$13,892	\$14,587
Telephone and internet	\$5,280	\$5,544	\$5,821	\$6,112	\$6,418
Total Operating Expenses	\$205,272	\$208,665	\$214,298	\$221,537	\$228,660
Profit Before Interest and Taxes	\$390,440	\$454,547	\$517,908	\$586,593	\$662,995
EBITDA	\$394,280	\$458,397	\$521,758	\$590,443	\$666,845
Interest Expense	\$18,000	\$13,500	\$4,500	\$0	\$0
Taxes Incurred	\$111,732	\$132,314	\$154,022	\$175,978	\$198,898
Other Income					
Other Income Account Name	\$0	\$0	\$0	\$0	\$0
Other Income Account Name	\$0	\$0	\$0	\$0	\$0
Total Other Income	\$0	\$0	\$0	\$0	\$0
Other Expense					
Directors allowances	\$28,680	\$23,900	\$23,900	\$23,900	\$23,900
Consumable stores	\$5,520	\$5,796	\$6,086	\$6,390	\$6,710
Total Other Expense	\$34,200	\$29,696	\$29,986	\$30,290	\$30,610
Net Other Income	(\$34,200)	(\$29,696)	(\$29,986)	(\$30,290)	(\$30,610)
Net Profit	\$260,708	\$308,733	\$359,385	\$410,615	\$464,096
Net Profit/Sales	23.39%	25.18%	26.64%	27.67%	28.44%

Chart: Profit Monthly

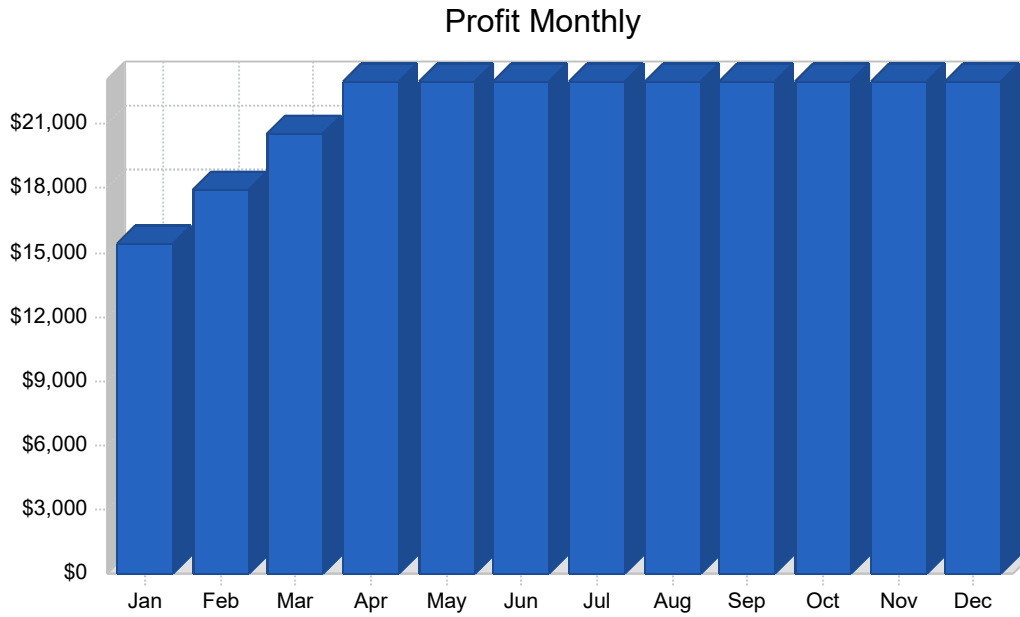


Chart: Profit Yearly

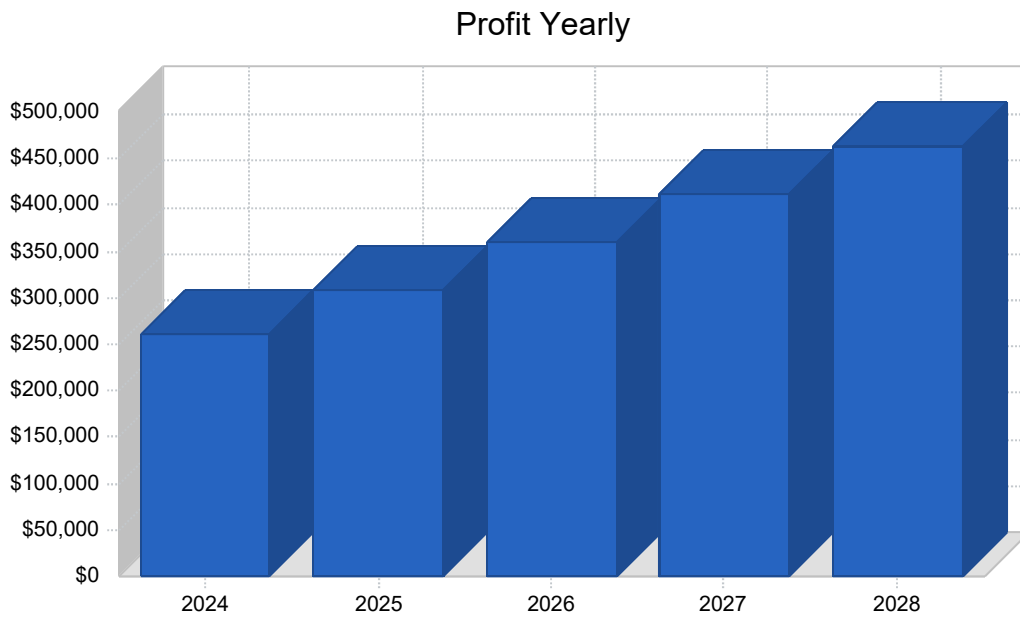


Chart: Gross Margin Monthly

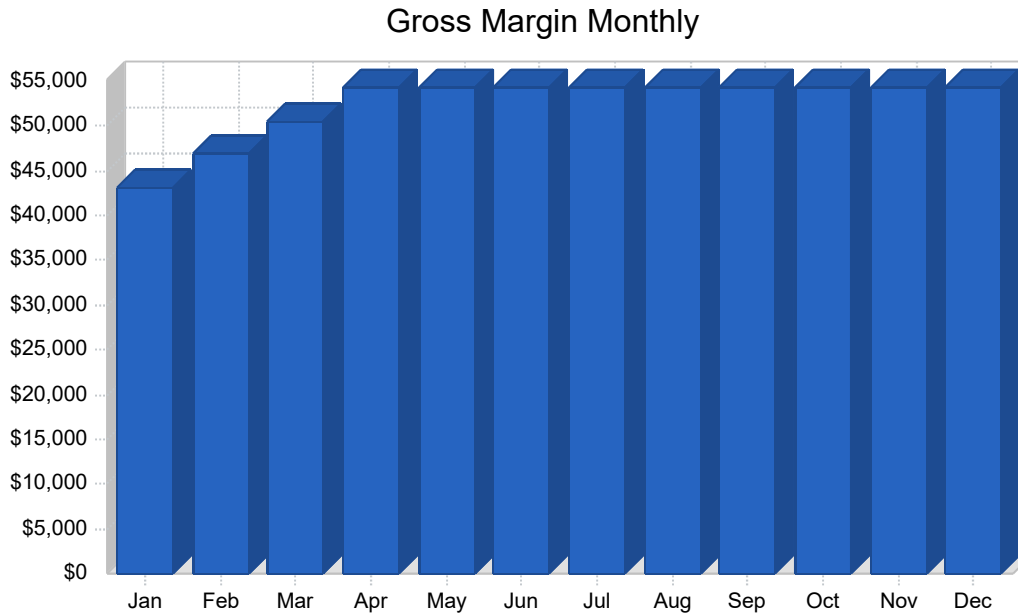
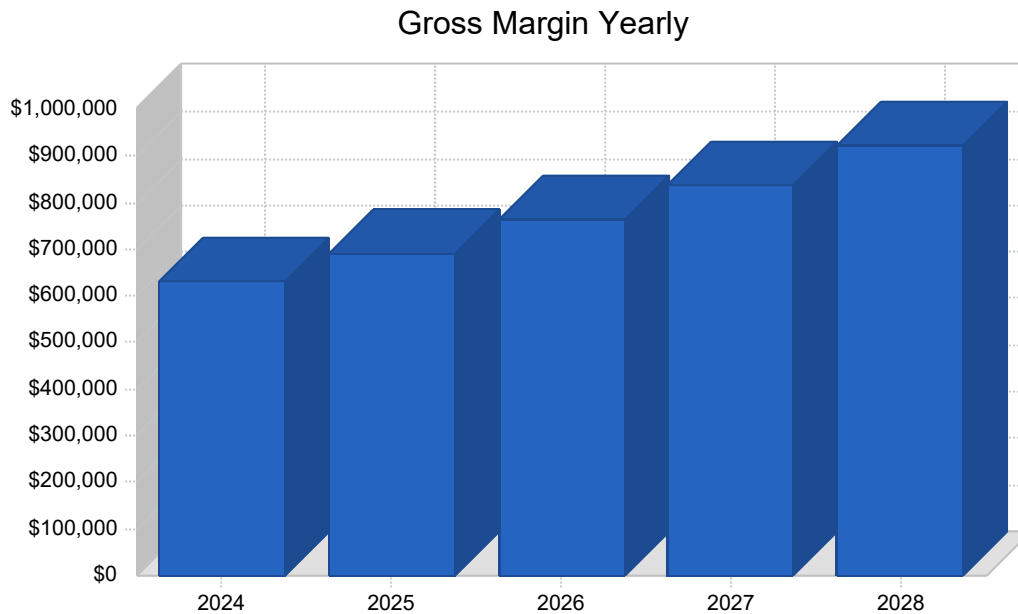


Chart: Gross Margin Yearly



8.5 Expense Forecast

Initial marketing expenses are relatively high as we seek to become known on the market. This will be brought about by the development of sales literature, advertising expenses, and function expenses (including lunches and dinners with interested stakeholders). As our market share increases and capital is generated, further marketing programs and the expansion of those in existence at the time will be undertaken, to ensure market development. Once these programs will start generating revenue for the business, which we shall in turn reinvest.

8.6 Projected Cash Flow

Cash flow projections are critical to our success. Detailed monthly numbers are included in the appendix. However, it should be noted that they do not take into account the required capital injection.

The table presents our projected cash flow balances. The critical first year reflects positive cash flow. Monthly cash flow is positive and more important the balances are positive, which indicates adequate financial reserves and correct planning of the required working capital. The estimated results permit a margin of error and still appear strong, even though the numbers remain conservative.

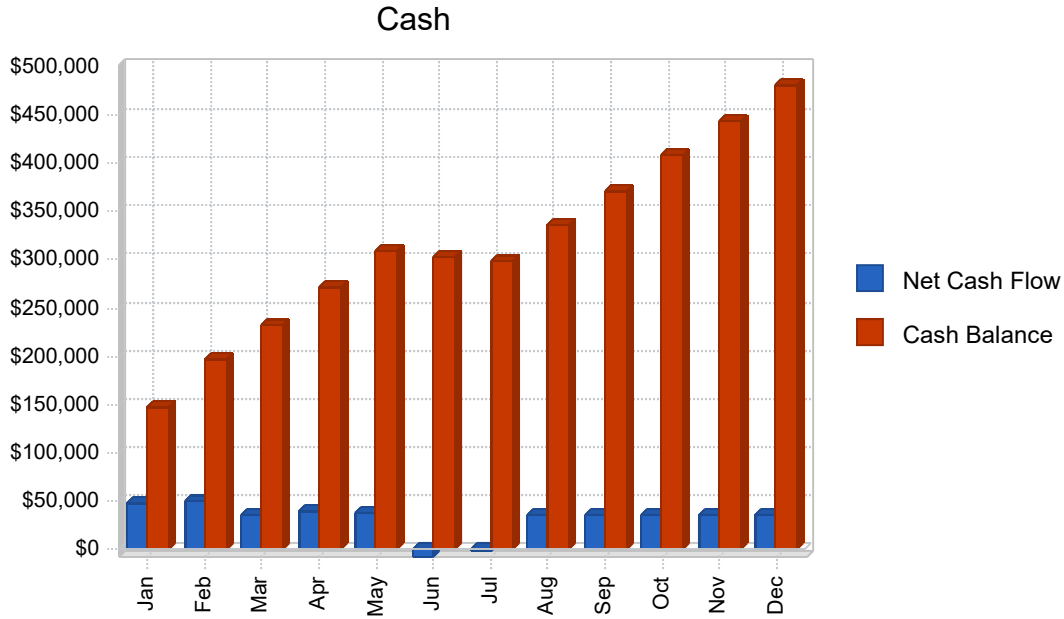
Altastar Company Limited, intends to distribute dividends to its shareholders in a way that will enable the continuation of the growth and expansion of the company. The Board of Directors will determine any other distributions to be made on an annual basis.

The following chart shows the cash availability for the next 12 months. The bar labeled "Cash Balance" shows our projected cash balance for the first 12 months of the project and it is adequate (above zero). The second set of bars, labeled "Net Cash Flow", indicates the change in the Cash Balance for each month.

Table: Cash Flow

<i>Pro Forma Cash Flow</i>	2024	2025	2026	2027	2028
Cash Received					
Cash from Operations					
Cash Sales	\$836,067	\$919,674	\$1,011,643	\$1,112,809	\$1,224,092
Cash from Receivables	\$255,414	\$304,231	\$334,654	\$368,120	\$404,933
Subtotal Cash from Operations	\$1,091,481	\$1,223,905	\$1,346,297	\$1,480,928	\$1,629,025
Additional Cash Received					
Non-Operating (Other) Income	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	\$200,656	\$220,722	\$242,794	\$267,074	\$293,782
New Current Borrowing	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$1,292,137	\$1,444,627	\$1,589,091	\$1,748,002	\$1,922,807
Expenditures	2024	2025	2026	2027	2028
Expenditures from Operations					
Cash Spending	\$90,480	\$90,180	\$91,986	\$91,986	\$94,705
Bill Payments	\$585,474	\$835,504	\$859,799	\$945,466	\$1,037,149
Subtotal Spent on Operations	\$675,954	\$925,684	\$951,785	\$1,037,452	\$1,131,854
Additional Cash Spent					
Non-Operating (Other) Expense	\$34,200	\$29,696	\$29,986	\$30,290	\$30,610
Sales Tax, VAT, HST/GST Paid Out	\$200,656	\$220,722	\$242,794	\$267,074	\$293,782
Principal Repayment of Current Borrowing	\$0	\$150,000	\$150,000	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$910,810	\$1,326,102	\$1,374,565	\$1,334,816	\$1,456,247
Net Cash Flow	\$381,327	\$118,525	\$214,526	\$413,187	\$466,560
Cash Balance	\$481,327	\$599,852	\$814,378	\$1,227,565	\$1,694,125

Chart: Cash



8.7 Projected Balance Sheet

The balance sheet shows healthy growth of net worth, and strong financial position. our net worth in year 1 is \$607,692 and in year 5 will be \$2,150,521.

The five-year estimates are included in the appendix.

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>					
	2024	2025	2026	2027	2028
Assets					
Current Assets					
Cash	\$481,327	\$599,852	\$814,378	\$1,227,565	\$1,694,125
Accounts Receivable	\$23,275	\$25,603	\$28,163	\$30,980	\$34,078
Inventory	\$98,836	\$80,341	\$88,375	\$97,213	\$106,935
Other Current Assets	\$127,426	\$127,426	\$127,426	\$127,426	\$127,426
Total Current Assets	\$730,864	\$833,222	\$1,058,343	\$1,483,184	\$1,962,564
Long-term Assets					
Long-term Assets	\$336,475	\$336,475	\$336,475	\$336,475	\$336,475
Accumulated Depreciation	\$3,840	\$7,690	\$11,540	\$15,390	\$19,240
Total Long-term Assets	\$332,635	\$328,785	\$324,935	\$321,085	\$317,235
Total Assets	\$1,063,499	\$1,162,007	\$1,383,278	\$1,804,269	\$2,279,799
Liabilities and Capital					
Current Liabilities					
Accounts Payable	\$155,807	\$95,582	\$107,468	\$117,843	\$129,277
Current Borrowing	\$300,000	\$150,000	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$455,807	\$245,582	\$107,468	\$117,843	\$129,277
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$455,807	\$245,582	\$107,468	\$117,843	\$129,277
Capital					
Paid-in Capital	\$407,450	\$407,450	\$407,450	\$407,450	\$407,450
Retained Earnings	(\$60,466)	\$200,242	\$508,975	\$868,360	\$1,278,975
Earnings	\$260,708	\$308,733	\$359,385	\$410,615	\$464,096
Total Capital	\$607,692	\$916,425	\$1,275,810	\$1,686,425	\$2,150,521
Total Liabilities and Capital	\$1,063,499	\$1,162,007	\$1,383,278	\$1,804,269	\$2,279,799
Net Worth	\$607,692	\$916,425	\$1,275,810	\$1,686,425	\$2,150,521

Altastar Good Water Business plan

8.8 Business Ratios

The table below shows our business ratios.

Table: Ratios

<i>Ratio Analysis</i>	2024	2025	2026	2027	2028	Industry Profile
Sales Growth	n.a.	10.00%	10.00%	10.00%	10.00%	18.68%
Percent of Total Assets						
Accounts Receivable	2.19%	2.20%	2.04%	1.72%	1.49%	16.43%
Inventory	9.29%	6.91%	6.39%	5.39%	4.69%	3.71%
Other Current Assets	11.98%	10.97%	9.21%	7.06%	5.59%	66.55%
Total Current Assets	68.72%	71.71%	76.51%	82.20%	86.08%	86.69%
Long-term Assets	31.28%	28.29%	23.49%	17.80%	13.92%	13.31%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Current Liabilities						
Current Liabilities	42.86%	21.13%	7.77%	6.53%	5.67%	17.75%
Long-term Liabilities	0.00%	0.00%	0.00%	0.00%	0.00%	46.61%
Total Liabilities	42.86%	21.13%	7.77%	6.53%	5.67%	64.36%
Net Worth	57.14%	78.87%	92.23%	93.47%	94.33%	35.64%
Percent of Sales						
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Gross Margin	56.51%	56.51%	56.51%	56.51%	56.51%	56.35%
Selling, General & Administrative Expenses	33.12%	31.33%	29.86%	28.83%	28.07%	13.01%
Advertising Expenses	2.58%	2.45%	2.22%	2.16%	1.96%	2.85%
Profit Before Interest and Taxes	35.02%	37.07%	38.40%	39.53%	40.62%	17.43%
Main Ratios						
Current	1.60	3.39	9.85	12.59	15.18	1.66
Quick	1.39	3.07	9.03	11.76	14.35	1.45
Total Debt to Total Assets	42.86%	21.13%	7.77%	6.53%	5.67%	64.36%
Pre-tax Return on Net Worth	61.29%	48.13%	40.24%	34.78%	30.83%	32.04%
Pre-tax Return on Assets	35.02%	37.96%	37.12%	32.51%	29.08%	11.42%
Additional Ratios						
	2024	2025	2026	2027	2028	
Net Profit Margin	23.39%	25.18%	26.64%	27.67%	28.44%	n.a
Return on Equity	42.90%	33.69%	28.17%	24.35%	21.58%	n.a
Activity Ratios						
Accounts Receivable Turnover	11.97	11.97	11.97	11.97	11.97	n.a
Collection Days	29	29	29	29	29	n.a
Inventory Turnover	2.27	1.85	2.16	2.16	2.16	n.a
Accounts Payable Turnover	4.76	8.11	8.11	8.11	8.11	n.a
Payment Days	39	59	43	43	43	n.a
Total Asset Turnover	1.05	1.06	0.98	0.82	0.72	n.a
Debt Ratios						
Debt to Net Worth	0.75	0.27	0.08	0.07	0.06	n.a
Current Liab. to Liab.	1.00	1.00	1.00	1.00	1.00	n.a
Liquidity Ratios						
Net Working Capital	\$275,057	\$587,640	\$950,875	\$1,365,340	\$1,833,286	n.a
Interest Coverage	21.69	33.67	115.09	0.00	0.00	n.a
Additional Ratios						
Assets to Sales	0.95	0.95	1.03	1.22	1.40	n.a
Current Debt/Total Assets	43%	21%	8%	7%	6%	n.a
Acid Test	1.34	2.96	8.76	11.50	14.09	n.a
Sales/Net Worth	1.83	1.34	1.06	0.88	0.76	n.a
Dividend Payout	0.00	0.00	0.00	0.00	0.00	n.a

8.9 Long-term Plan

In addition to the enclosed financial information contained in this Business Plan, Altastar Company Limited would like to make the following observations that were not emphasized in this Business Plan:

The Business Plan covers five years of activities. We consider the financial projections in the Business Plan as progressive. We recognize the need of our products in the country and also the size of our country, it is in our future interest to increase production in all areas by first working double shift or where necessary 3 shifts a day.

Our other future plans are to open zonal plants of the similar high quality machinery from China or Europe so that many people will be easily reached,

We are not limited to these 5 products but we view this project as an eye opener for us to venture into more other beneficial projects.

8.10 Controls

The local Water market has been growing steadily over the last few years due to increases in people's disposable income and opening of the economy. With this in mind we intend our marketing programs to expand accordingly. The introduction of quality catalogues and sales literature will enable Altastar Good Water products to market to potential customers. We project sales to increase accordingly, though slightly slower as we establish a reputation for ourselves. With time, a presence on the Internet and participation in regional trade shows will be key milestones to expanding sales and marketing potentials through the utilization of new channels and identification of potential customers.

Throughout the years we intend to undertake regular evaluations of our marketing programs so as to ensure that we are in-line with our intended objectives. In summary we intend to undertake the following:

1. Tracking and follow-up: We intend to have the discipline, as an organization, to track results of the business plan and make sure that we implement.
2. Market segment focus: We intend to have the discipline to maintain the market segment focus.
3. Saying no: Though difficult initially, we intend to be able to say no to special deals that take us away from the target focus and are unprofitable.

8.11 Contingency Planning

1. We intend to watch our results very carefully. We may need to drop production of certain products if we cannot get the margin up or material becomes difficult to obtain. We might be able to avoid the straight competition with the major companies by focusing more on the previously mentioned products.
2. Another possibility is the introduction of a new company(s) in our niche. Hence the need to undertake aggressive marketing and networking.
3. An established drinking water manufacturer may begin targeting to our target market niche. Hence the need for commitment in our work and striving of total quality in our organization.
4. Though Tanzania overall is rather secure on the labor front in terms of strikes we intend to have in place a mechanism that will ensure that were this to occur the negative effects would be minimized. However further research and analysis into the above is still being undertaken.

Appendix

Table: Sales Forecast

Sales Forecast	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Unit Sales												
1600ml bottled water	22,969	26,250	29,531	32,812	32,812	32,812	32,812	32,812	32,812	32,812	32,812	32,812
1000ml bottled water	10,500	12,000	13,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
600ml bottled water	4,375	5,000	5,625	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
1000ml water hard bottle	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Metered water liters	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Unit Sales	187,844	193,250	198,656	204,062	204,062	204,062	204,062	204,062	204,062	204,062	204,062	204,062
Unit Prices												
1600ml bottled water	\$1.32	\$1.32	\$1.32	\$1.32	\$1.32	\$1.32	\$1.32	\$1.32	\$1.32	\$1.32	\$1.32	\$1.32
1000ml bottled water	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20
600ml bottled water	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12	\$1.12
1000ml water hard bottle	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
Metered water liters	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08
Sales												
1600ml bottled water	\$30,319	\$34,650	\$38,981	\$43,312	\$43,312	\$43,312	\$43,312	\$43,312	\$43,312	\$43,312	\$43,312	\$43,312
1000ml bottled water	\$12,600	\$14,400	\$16,200	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
600ml bottled water	\$4,900	\$5,600	\$6,300	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
1000ml water hard bottle	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Metered water liters	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Total Sales	\$75,819	\$82,650	\$89,481	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312
Direct Unit Costs												
1600ml bottled water	15.00%	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
1000ml bottled water	15.00%	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18	\$0.18
600ml bottled water	15.00%	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17	\$0.17
1000ml water hard bottle	10.00%	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
Metered water liters	10.00%	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
Direct Cost of Sales												
1600ml bottled water	\$4,548	\$5,198	\$5,847	\$6,497	\$6,497	\$6,497	\$6,497	\$6,497	\$6,497	\$6,497	\$6,497	\$6,497
1000ml bottled water	\$1,890	\$2,160	\$2,430	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700
600ml bottled water	\$735	\$840	\$945	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050
1000ml water hard bottle	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Metered water liters	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800
Subtotal Direct Cost of Sales	\$9,973	\$10,998	\$12,022	\$13,047	\$13,047	\$13,047	\$13,047	\$13,047	\$13,047	\$13,047	\$13,047	\$13,047

Appendix

Table: Personnel

<i>Personnel Plan</i>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Plant engineer/ General manager	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900
Distribution, sales and marketing manager	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800
Account and personnel officer	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Production manager	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Account assistant cashier	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Purchasing and stores	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Marketing and sales officer	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Distribution, Marketing and sales team 6	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Mechanics Electrical mechanical 2	\$520	\$520	\$520	\$520	\$520	\$520	\$520	\$520	\$520	\$520	\$520	\$520
Factory workers 6	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720
Refill workers 7	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700
Lab and quality controller	\$280	\$280	\$280	\$280	\$280	\$280	\$280	\$280	\$280	\$280	\$280	\$280
Receptionist cleaner	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120
Security guards 3	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Messenger grounds man	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60
Drivers 2	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240
Total People	36	36	36	36	36	36	36	36	36	36	36	36
Total Payroll	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540

Appendix

Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	\$75,819	\$82,650	\$89,481	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312
Direct Cost of Sales	\$9,973	\$10,998	\$12,022	\$13,047	\$13,047	\$13,047	\$13,047	\$13,047	\$13,047	\$13,047	\$13,047	\$13,047
Other Costs of Sales	\$22,746	\$24,795	\$26,844	\$28,894	\$28,894	\$28,894	\$28,894	\$28,894	\$28,894	\$28,894	\$28,894	\$28,894
Total Cost of Sales	\$32,719	\$35,793	\$38,866	\$41,941	\$41,941	\$41,941	\$41,941	\$41,941	\$41,941	\$41,941	\$41,941	\$41,941
Gross Margin	\$43,100	\$46,858	\$50,615	\$54,371	\$54,371	\$54,371	\$54,371	\$54,371	\$54,371	\$54,371	\$54,371	\$54,371
Gross Margin %	56.85%	56.69%	56.56%	56.45%	56.45%	56.45%	56.45%	56.45%	56.45%	56.45%	56.45%	56.45%
Expenses												
Payroll	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540
Marketing/Promotion	\$2,000	\$2,100	\$2,200	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Depreciation	\$320	\$320	\$320	\$320	\$320	\$320	\$320	\$320	\$320	\$320	\$320	\$320
Rentals	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720	\$720
Utilities	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615	\$1,615
Insurance	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700
Payroll Taxes	15% \$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131	\$1,131
Postage and stationaries	0% \$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140
Repairing and maintenances	0% \$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Transport charges	0% \$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600
Miscellaneous Expenses	0% \$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Telephone and internet	\$440	\$440	\$440	\$440	\$440	\$440	\$440	\$440	\$440	\$440	\$440	\$440
Total Operating Expenses	\$16,706	\$16,806	\$16,906	\$17,206	\$17,206	\$17,206	\$17,206	\$17,206	\$17,206	\$17,206	\$17,206	\$17,206
Profit Before Interest and Taxes	\$23,544	\$27,202	\$30,859	\$34,315	\$34,315	\$34,315	\$34,315	\$34,315	\$34,315	\$34,315	\$34,315	\$34,315
EBITDA	\$23,864	\$27,522	\$31,179	\$34,635	\$34,635	\$34,635	\$34,635	\$34,635	\$34,635	\$34,635	\$34,635	\$34,635
Interest Expense	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Taxes Incurred	\$6,613	\$7,710	\$8,808	\$9,845	\$9,845	\$9,845	\$9,845	\$9,845	\$9,845	\$9,845	\$9,845	\$9,845
Other Income												
Other Income Account Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Income Account Name	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Expense												
Directors allowances	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390	\$2,390
Consumable stores	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460	\$460
Total Other Expense	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850
Net Other Income	(\$2,850)	(\$2,850)	(\$2,850)	(\$2,850)	(\$2,850)	(\$2,850)	(\$2,850)	(\$2,850)	(\$2,850)	(\$2,850)	(\$2,850)	(\$2,850)
Net Profit	\$15,431	\$17,991	\$20,551	\$22,971	\$22,971	\$22,971	\$22,971	\$22,971	\$22,971	\$22,971	\$22,971	\$22,971
Net Profit/Sales	20.35%	21.77%	22.97%	23.85%	23.85%	23.85%	23.85%	23.85%	23.85%	23.85%	23.85%	23.85%

Appendix

Table: Cash Flow

<i>Pro Forma Cash Flow</i>												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cash Received												
Cash from Operations												
Cash Sales	\$56,864	\$61,988	\$67,111	\$72,234	\$72,234	\$72,234	\$72,234	\$72,234	\$72,234	\$72,234	\$72,234	\$72,234
Cash from Receivables	\$632	\$19,012	\$20,719	\$22,427	\$24,078	\$24,078	\$24,078	\$24,078	\$24,078	\$24,078	\$24,078	\$24,078
Subtotal Cash from Operations	\$57,496	\$80,999	\$87,830	\$94,661	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312	\$96,312
Additional Cash Received												
Non Operating (Other) Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, VAT, HST/GST Received	18.00%	\$13,647	\$14,877	\$16,107	\$17,336	\$17,336	\$17,336	\$17,336	\$17,336	\$17,336	\$17,336	\$17,336
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$71,144	\$95,876	\$103,937	\$111,997	\$113,648	\$113,648	\$113,648	\$113,648	\$113,648	\$113,648	\$113,648	\$113,648
Expenditures												
Expenditures from Operations												
Cash Spending	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540	\$7,540
Bill Payments	\$0	\$21,176	\$41,437	\$44,683	\$48,004	\$93,895	\$88,357	\$49,585	\$49,585	\$49,585	\$49,585	\$49,585
Subtotal Spent on Operations	\$7,540	\$28,716	\$48,977	\$52,223	\$55,544	\$101,435	\$95,897	\$57,125	\$57,125	\$57,125	\$57,125	\$57,125
Additional Cash Spent												
Non Operating (Other) Expense	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850
Sales Tax, VAT, HST/GST Paid Out	\$13,647	\$14,877	\$16,107	\$17,336	\$17,336	\$17,336	\$17,336	\$17,336	\$17,336	\$17,336	\$17,336	\$17,336
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$24,037	\$46,443	\$67,933	\$72,409	\$75,730	\$121,622	\$116,083	\$77,311	\$77,311	\$77,311	\$77,311	\$77,311
Net Cash Flow	\$47,106	\$49,433	\$36,004	\$39,588	\$37,918	(\$7,974)	(\$2,435)	\$36,337	\$36,337	\$36,337	\$36,337	\$36,337
Cash Balance	\$147,106	\$196,539	\$232,543	\$272,131	\$310,049	\$302,075	\$299,641	\$335,978	\$372,315	\$408,652	\$444,990	\$481,327

Appendix

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Assets	Starting Balances												
Current Assets													
Cash	\$100,000	\$147,106	\$196,539	\$232,543	\$272,131	\$310,049	\$302,075	\$299,641	\$335,978	\$372,315	\$408,652	\$444,990	\$481,327
Accounts Receivable	\$0	\$18,323	\$19,974	\$21,625	\$23,275	\$23,275	\$23,275	\$23,275	\$23,275	\$23,275	\$23,275	\$23,275	\$23,275
Inventory	\$83,083	\$73,110	\$62,113	\$50,091	\$37,044	\$107,080	\$94,033	\$80,986	\$67,940	\$54,893	\$41,846	\$28,799	\$98,836
Other Current Assets	\$127,426	\$127,426	\$127,426	\$127,426	\$127,426	\$127,426	\$127,426	\$127,426	\$127,426	\$127,426	\$127,426	\$127,426	\$127,426
Total Current Assets	\$310,509	\$365,965	\$406,052	\$431,684	\$459,876	\$567,830	\$546,810	\$531,328	\$554,619	\$577,909	\$601,200	\$624,490	\$730,864
Long-term Assets													
Long-term Assets	\$336,475	\$336,475	\$336,475	\$336,475	\$336,475	\$336,475	\$336,475	\$336,475	\$336,475	\$336,475	\$336,475	\$336,475	\$336,475
Accumulated Depreciation	\$0	\$320	\$640	\$960	\$1,280	\$1,600	\$1,920	\$2,240	\$2,560	\$2,880	\$3,200	\$3,520	\$3,840
Total Long-term Assets	\$336,475	\$336,155	\$335,835	\$335,515	\$335,195	\$334,875	\$334,555	\$334,235	\$333,915	\$333,595	\$333,275	\$332,955	\$332,635
Total Assets	\$646,984	\$702,120	\$741,887	\$767,199	\$795,071	\$902,705	\$881,365	\$865,563	\$888,534	\$911,504	\$934,475	\$957,445	\$1,063,499
Liabilities and Capital	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Current Liabilities													
Accounts Payable	\$0	\$39,705	\$61,481	\$66,242	\$71,143	\$155,807	\$111,496	\$72,724	\$72,724	\$72,724	\$72,724	\$72,724	\$155,807
Current Borrowing	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$300,000	\$339,705	\$361,481	\$366,242	\$371,143	\$455,807	\$411,496	\$372,724	\$372,724	\$372,724	\$372,724	\$372,724	\$455,807
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$300,000	\$339,705	\$361,481	\$366,242	\$371,143	\$455,807	\$411,496	\$372,724	\$372,724	\$372,724	\$372,724	\$372,724	\$455,807
Paid-in Capital	\$407,450	\$407,450	\$407,450	\$407,450	\$407,450	\$407,450	\$407,450	\$407,450	\$407,450	\$407,450	\$407,450	\$407,450	\$407,450
Retained Earnings	(\$60,466)	(\$60,466)	(\$60,466)	(\$60,466)	(\$60,466)	(\$60,466)	(\$60,466)	(\$60,466)	(\$60,466)	(\$60,466)	(\$60,466)	(\$60,466)	(\$60,466)
Earnings	\$0	\$15,431	\$33,422	\$53,973	\$76,944	\$99,914	\$122,885	\$145,855	\$168,826	\$191,796	\$214,767	\$237,738	\$260,708
Total Capital	\$346,984	\$362,415	\$380,406	\$400,957	\$423,928	\$446,898	\$469,869	\$492,839	\$515,810	\$538,780	\$561,751	\$584,722	\$607,692
Total Liabilities and Capital	\$646,984	\$702,120	\$741,887	\$767,199	\$795,071	\$902,705	\$881,365	\$865,563	\$888,534	\$911,504	\$934,475	\$957,445	\$1,063,499
Net Worth	\$346,984	\$362,415	\$380,406	\$400,957	\$423,928	\$446,898	\$469,869	\$492,839	\$515,810	\$538,780	\$561,751	\$584,722	\$607,692