

SHUTA HOLDINGS COMPANY
LIMITED

BUSINESS PLAN

FOR MANUFACTURING LATHER
MATERIALS
(SHOES & BAG)

1.1 EXECUTIVE SUMMARY

SHUTA HOLDING CO. LIMITED is a new company incorporated in Tanzania with Certificate of incorporation **No. 164209911** dated **10.03.2023** that is planning to manufacture Lather Materials (Bags and Shoes) utilizing current domestic market available in Tanzania.

The company is seeking recurring investment to fund the establishment of the project. The plan that follows explains our market, our value proposition and our market segmentation strategy. The detailed financial plans provide a clear view of our sales and profit forecasts.

These plans show how **SHUTA HOLDING CO. LIMITED** will reach profitability during operation and generate shareholder return on equity within five years.

1.2 MISSION

To establish **SHUTA HOLDING CO. LIMITED** products as an important brand that represents quality in Lather Materials (bags and shoes), the company will accomplish this using high quality manufacturing and research, a creative marketing program, and a comprehensive distribution network using current existing distribution networks, internet presence, and a consumer catalogue.

By utilizing this multi-channel approach we will be able to reach the nice market for quality personal care products rapidly and efficiently. It will allow us to develop **SHUTA HOLDING CO. LIMITED** as the brand for quality packaging materials products within our target market

1.3 THE COMPANY OWNERSHIP

The Company is owned by foreign investors mentioned below:

Name of shareholders	% of shares subscribed	Nationality
CUI XU	70	CHINA
RUAN HUASHUN	15	CHINA
ZHOU WU	15	CHINA
TOTAL	100	

Together shareholders with of combined experience in the retail business will help the business thriving.

The company's main office is located in at **Plot No. 44 Mwanambaya -Mkuranga – Coast Region** The leased warehouse is within industrial area with space sufficient for planned staff size growth within the ten years.

From Year 1 through Year 5 we will grow in head count from ten to sixty-five. The majority of this growth will come in store personnel, the rest will be supporting staff. We believe the plan shows a controlled and conservative ramp up of personnel.

1.4 PRODUCTS

Shoes & bags of Lather products will be developed and produced at our factory **Coast Region-Mkuranga**

SHUTA HOLDING CO. LIMITED will commence with one product lines, wearing Shoes & Bags later on will proceed with other Lather Materials

Our pricing strategy is to position our products with a shelf price that is in the mid to lower quadrant of high-quality products and brands. We have accomplished this by making careful market comparisons and adjusting our production cost.

1.5 PROPOSED PRODUCTION CAPACITY

- Shoes & bags 2,000,000 units per month

We believe our ability to create future product opportunities and growth will only be limited by our imagination and our ability to attract talented people who understand the concept of branding.

1.6 THE MARKET

SHUTA HOLDING CO. LIMITED will occupy a unique market position. However, within each category significant brands do exist. Quality and price vary widely within each group. **SHUTA HOLDING CO. LIMITED** will be positioned as a quality brand. The Tanzania market has seen large annual growth rates over the past decade. The Tanzania Government is emphasizing the use of locally manufactured goods. Clear divisions between imported and locally manufactured goods are becoming clearer, that is why **SHUTA HOLDING CO. LIMITED** board of directors decided to set up production plant in Tanzania and creating new openings for profit.

In the Lather shoes & Bags, this is environmentally friendly bags which is being encouraged by the Government, the government under the Vice President's office, Union and Environment Affairs has taken note on the necessity of banning plastic bags which aligns with the national environmental laws, that creates business for bags to be produced by **SHUTA HOLDING CO. LIMITED**

There were more than 15 factories making alternative bags & shoes in the country. The average demand for plastic bags stands at three to five per week per person; hence the country was consuming about 7.8 billion bags & shoes annually.

1.7 THE CUSTOMER

SHUTA HOLDING CO. LIMITED is a manufacturers and wholesale (to the end user through a reseller) strategy our target customer must is focusing to the reseller.

Our target customers (vs. end user) for wholesale distribution will be resellers who recognize the needs of this consumer and who she identifies with. We have used the term resellers because they will not be limited to retailers. We will reach the consumer through various means wholesalers, School etc.

There are a number of new demand trends that have impacted the market and created greater opportunities. These trends include NEMC environmental requirement for lather materials total burn of plastic materials, industrialization of Tanzania economy which creates other associated demand etc.

1.8 FINANCIAL

In order to launch its unique product line **SHUTA HOLDING CO. LIMITED**. requires an initial outlay. Sales at **SHUTA HOLDING CO. LIMITED** retail stores are planned to grow rapidly from Year 1 through Year 5. During this time frame our wholesale revenues are planned to grow enormously. Initial growth will be financed by a combination of equity investment and debt financing. Our ratios are well within prudent limits and our growth plans are challenging, but realistic.

1.9 OBJECTIVES

1. Launch **SHUTA HOLDING CO. LIMITED** wholesale within 4months.
2. Achieve an above median maintained margin rate by the end of 5.
3. Generate a return on equity by end of year end 5 year.

1.10 MISSION

To establish **SHUTA HOLDING CO. LIMITED** as an important brand that represents quality in shoes, caps, clothing, wallets and handbags. We will accomplish this in the following ways:

1. High quality manufacturing and products development by the mid of 2023.
2. A creative marketing and PR program by the mid of 2023
3. Development of a sustainable and reliable wholesale distribution networks by the end of 2023
4. The successful launch of a **SHUTA HOLDING CO. LIMITED** Web presence by the end of 2021.
5. The successful launch of a consumer catalogue by the end of 2023.

1.11 KEYS TO SUCCESS

1. Quality product.
2. Manpower.
3. Product logistics and quality control.
4. Product placement in key retail accounts.
5. A vertical retail presence in wholesale and retail store, catalogue and e-commerce.
6. The creation of a "buzz" about this "hot...new" brand among opinion leaders through a combination of PR and product placement.

Wholesale:

We plan to launch **SHUTA HOLDING CO. LIMITED** wholesale at the same location where the factory is located. The company is planning to secure a partnership with a well-respected distributors and wholesalers. Through this partnership we will be able to gain key show positions in the Major cities of Dar es Salaam, Arusha, Dodoma, Mbeya, Tanga, etc... The wholesale strategy will target selected clients in target regions. This product positioning will further establish the brand image of **SHUTA HOLDING CO. LIMITED**.

E-commerce:

Unlike current e-commerce models, we do not intend to use the Internet to establish the brand or bring it to market. The e-commerce consumer is brand and convenience conscience. The early ventures have shown that it costs dearly to try and establish a brand via this medium. We will develop our initial Internet capabilities as a combination business-to-business tool and e-catalogue. Our site will be simple and direct with minimal cost. Many of our products are consumable. We will be able to establish a use profile and contact the customer via email when she should be running low, to remind her, at the same time offering her an option to click and replenish. We will establish an EDI capability--directly with the end user. This contact will enable us to suggest add-on items based upon preferences of other users of the same item(s). In addition, the e-commerce platform will provide us with a valuable wholesale tool. We will provide client companies with an access code that will allow them to place orders and utilize our product knowledge database as a training tool for their employees. Our e-commerce capability will come online in early 2020.

Catalogue:

The **SHUTA HOLDING CO. LIMITED** catalogue will launch at the end of 2023. The initial mailing will target opinion leaders in key markets. Our catalogue will have a long in-home life due to the nature of the product and the editorial format. It will be our goal to inform and educate the consumer about the benefits of **SHUTA HOLDING CO. LIMITED** products. We will focus on the ingredients and the benefits. By utilizing still-life photography we will be able to contain production costs while reinforcing our focus on the product.

2.0 START-UP SUMMARY

Start-up costs are shown in three areas. The first is in the start-up table, the second is within the cash flow assumptions and the third is in the P&L.

1. Start-up expenses: legal (incorporation and trademark registration), stationery (business cards and office supplies), etc., brochures, consultants (graphic design for logo and packaging),

research and development (architecture fees for store and trade fixture design).

2. Start-up costs expressed in year one **SHUTA HOLDING CO. LIMITED** Start-up costs included within year one P&L: brand marketing, management staff, travel costs to coordinate product development

SHUTA HOLDING CO. LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	70,000.00
Machinery & Equipment	150,000.00
Motor Vehicles	120,000.00
Furniture & Fixtures	5,000.00
Pre exp	40,000.00
Working Capital	135,000.00
TOTAL	520,000.00

2.2 Company Locations and Facilities

The company's main office is located at **Plot No. 44 Mwanambaya -Mkuranga – Coast Region** The area is designated for industrial area development and accessible by road with enough space for cargo loading and unloading. The company has a long-term lease agreement with warehouse owner with option for renewal.

Distribution in the first year will be managed from factory premises. In years two through five we plan to manage distribution outside the factory.

3.0

3.1 PRODUCT DESCRIPTION

Patent leather is a high-gloss, grain-free leather, which has been gloss-finished on the surface or covered with a glossy, mirror-smooth film. Patent leather is used for shoes, caps, clothing, wallets and handbags.

Characteristic of Leather

- Real leather is a natural product. It breathes, it's warm and has individual characteristics which are the natural charm and beauty of hide. As a natural product however, it will often display traces of the animal's past life, such as brand marks, wrinkles, veins, healed scars and differing fibre density

Nonwoven fabrics are engineered to provide particular properties

End Uses of Lather Fabric

The use of Lather products continues to expand. The many uses of Shoes, Hangbags, Wallet may be classified as disposables, durable consumer goods, and industrial materials. All these areas are making increasing use of this kind of merchandise because of its low cost and its suitability for many needs.

Disposable Lather are essentially made for one time use; but some, such as dust cloths, may be laundered and reused a few times.

Why Lather Products.

- The latest policies on environment protection
- Promote environmentally safe alternatives to Lather bags.
- Non-Woven and its products are a step in this direction.
- So use of Lather product will not only save trees,
- It will also appeal to your environment conscious customers

Benefits

- Durable & Stylish
- More Spacious
- Recyclable

- Reusable
 - Easier to use and carry
- i. **Recycle and reuse**—The true value of an eco-friendly product can be found out when you consider the reusability of that item. Lather bags are known for this feature and you can safely use these bags over and over again. Also, the fact that they can be recycled makes them more advantageous for all the users. Even if you throw them away, you can be rest assured that they would come to use if collected properly. Almost all the Lather bags have praised the usage of these bags simply because they have the ability to keep the environment clean.
 - ii. **Very cost effective**—Being eco-friendly does not only mean that the product has to be reused or recycled. Similarly, with Lather products bags, their cost effectiveness means that you will not have to use other natural resources to make the bags. The simpler the bags, the better it is for the environment. Additionally, you should also consider the fact that these bags & Shoes can be recycled and reused. So, even if you invest in the bag, it will be a one-time investment as you can recover the cost by reusing it.
 - iii. **Greater durability**—the easiest way to understand the concept of reuse is by observing the number of times you can use the product without having to spend on something similar.

3.2 COMPETITIVE COMPARISON

SHUTA HOLDING CO LIMITED will occupy a unique market position. However it is expecting to face stiff completion from imported products and substitute products with the same usage. Quality and price vary widely within each group. **SHUTA HOLDING CO LIMITED**. will be positioned as a quality brand.

In this line of business, the competition can be divided into two: Imported products and locally manufactured products.

The imported products are primarily imported from China, India and other Asian countries and sold in the domestic market. They vary widely in quality and price. Their major advantage is their financial strength and their department store relationships. Mostly of them are of low quality sold at higher price.

Locally manufactured products, currently there are limited numbers of non-woven products manufactured locally, however due to new regulations introduced to protect environment by banning or restricting plastic bags, there will be new entrants in the market with the same products produced by **SHUTA HOLDING CO LIMITED**.

3.3 SOURCE OF RAW MATERIALS

Raw materials will be imported from India and China since currently not available locally once available the company will source from local market provided the quality and cost is affordable.

PRICING STRUCTURE

The pricing for products will be based on the cost of raw materials, production costs, government taxes etc.

Proposed selling price per Unit

Lather bags & shoes US\$0.056

Annual production capacity

SHUTA HOLDING CO LIMITED is planning to set up machines with the following production capacity:

Production capacity per year

Items	Monthly production	Number of month	Total units
Carry bags	2,000,000	12	22,000,000

Cost of Raw materials of non-woven per year

Items	Cost per Kg (US\$)	Number of Kg	Cost of raw materials
Leather raw materials	1.4	750,000	1,050,000

Revenue for Lather Materials per year

Items	Cost per unit (US\$)	Number of units(Pcs) per year
Leather bag & shoes	0.056	22,000,000

3.4 FUTURE PRODUCTS

A corner stone of our strategy is the creation of sustainable growth through a combination of new product launches and replenish-able basics. After five year of being in the market the company plan to launch other line of production based on the current market forces, demand and the level of completions.

SHUTA HOLDING CO LIMITED is launching a brand. The successful execution of this strategy will provide us with the ability to transcend into other categories in the future, as long as we define our image and stay true to the base precepts. For example, properly executed these five precepts can be applied to home products. We believe our ability to create new product opportunities and growth will only be limited by our imagination and our ability to attract talented people who understand the concept of branding.

3.5 MARKET ANALYSIS SUMMARY

Tanzania is the most populous and vast country in East Africa with a population of 55 million people according to the 2019 Projections

by the National Bureau of Statistics National Census of 2012.[1].There are 26 administrative regions in the country .

Tanzania is estimated to use 18,000-30,000 tons of Leather bags annually, this is expected to be replaced by Leather Materials

3.6 TARGET MARKET SEGMENT STRATEGY

Because **SHUTA HOLDING CO LIMITED** is a manufacturer company, the market strategy will be focused to wholesalers and end users

Our targeted end user is for carry bag Leather Materials are population of 18 years to 70. This is not less than 30milions people.

Strategy and Implementation Summary

Our strategy is to develop **SHUTA HOLDING CO LIMITED** as a brand that represents quality and value. The tactics underneath this strategy and the programs we will put in place cover a broad range of disciplines. They are presented here in order of importance.

3.7 STRATEGY PYRAMID

1. Products that perform:

Continually develop and bring to market products that function as intended and represent an acceptable price--value proposition to the consumer.

2. People:

- Locate, nurture and develop a team that is talented, committed and understands the concept of brand.
- Training and incentive programs will assist in inspiring our people to "walk the walk," and reward performance.

- Employee stock option and profit sharing programs will be available at all levels.

3. Targeted marketing programs:

- Focus on PR campaigns and affiliations with opinion leaders that reinforce our image.
- Print advertising will be focused on the benefits of our products, both physical and emotional. They will speak to our target consumer aspires to have. It will be carefully placed to insure the proper affiliation.
- Point of sale graphics will reinforce our message of function and quality.
- Develop a team of "technical representatives" to support key accounts with product and sales training.

4. Development of **SHUTA HOLDING CO LIMITED** distribution center:

- Distribution center will be carefully sited to generate acceptable revenue and enhance our brand image.
- Existence of our own distribution center will help to establish and reinforce our authority.
- Retail stores will be located in major shopping areas and malls. **SHUTA HOLDING CO LIMITED** retail stores will bring the product and brand image to consumers in major markets.

5. Controlled distribution at wholesale:

Affiliating with retailers who have a consumer image and awareness that supports **SHUTA HOLDING CO LIMITED** will reinforce our image.

6. Creation of the **SHUTA HOLDING CO LIMITED** catalogue:

- Allow us to reach a broader (geographically) audience at reasonable cost and in a controlled method.

- Explain our products and our philosophy in an informative and interesting format.
- Create brand awareness in new markets and measure consumer acceptance prior to committing brick and mortar resources.

7. Implementation of the **SHUTA HOLDING CO LIMITED** website:

- Provide the consumer with a reference for the use of our products.
- Provide a training tool for **SHUTA HOLDING CO LIMITED** accredited facilities on the Web.
- Wholesale customers will be able to utilize the site to train their staff and to place reorders or learn about new products.
- Retail and wholesale customers will be able to set up automatic replenishment on the Web and we will be able to reach out and remind them when they need product, based upon average usage data and time since last purchase.

3.8 VALUE PROPOSITION

Our value proposition must be viewed at two levels. First, the end consumer, what do we offer her that she will recognize as a benefit and a value? Second, the retailer, their motivation to purchase and market our products will not always be in sync with the consumer's motivation to buy.

The end user is being bombarded with claims and propositions. Our multi-channel distribution strategy will insure easy access to product when and where needed. By combining a simple approach to product knowledge, a distribution strategy that insures availability, a pricing proposition that puts us at the lower quadrant of the high quality brands and a quality brand image for **SHUTA HOLDING CO LIMITED** we believe we will create a compelling value proposition for our target consumer.

Our target is motivated by a different set of values. Today they need products that draw consumers to their establishments and offer them an acceptable return. They need their vendors to provide training and marketing support and they need to be able to offer their customers a reason to come to them. **SHUTA HOLDING CO LIMITED** will address each of these needs for our retail clients. Because we will create **SHUTA HOLDING CO LIMITED** as a brand we will be pulling consumers into their doors. Our technical representatives will offer them a resource for training and developing their own staffs while our shop in shop programs will offer them in-store factoring and point of sale support, and our concession program will provide them the opportunity to have a complete **SHUTA HOLDING CO. LIMITED** operated facility in their location. We will offer a product return and exchange privilege for qualified accounts that assures them a maintained margin of 50%. We will limit wholesale distribution so retail clients will gain a market advantage over their competitors. Because **SHUTA HOLDING CO. LIMITED** has been conceived as a retail strategy, we will be able to better understand and serve the needs of the retailer.

3.9 MARKETING STRATEGY

SHUTA HOLDING CO LIMITED will utilize a brand building (pull) strategy as the basis for our marketing plan. We will position our print media spend in magazines that influence our target consumer and validate the brand. In addition to paid ads in regional issues of the publications, we will retain a PR firm to develop a grass roots program for obtaining product placement and celebrity/trainer endorsements. Our media and PR strategy will bring the brand to the forefront for the consumer and set the stage for our image development. In addition, we will develop a unique in-store and hospital graphic and communication package that explains our products benefits and advantages at point of sale.

3.9.1 MARKETING PROGRAMS

- **Development of product:** Develop a Lather and labeling system that communicates the **SHUTA HOLDING CO LIMITED** message.
- **Development of product brochures:** Create a series of brochures that will function at point of sale and at trade shows.
- **Creation of a SHUTA HOLDING CO video:** Develop a video that explains the importance of the use of our products.
- **Selection of a PR firm:** Begin the selection process for a retained public relations firm by the end of 2023.
- **Selection of an advertising firm:** Begin the selection process for an advertising agency by the end of 2020.
- **Development of our print campaign:** Development of this campaign will begin immediately after selecting an agency.
- **Creation of consumer seminars:** Develop and implement these programs by July 2019.

3.9.2 PRICING STRATEGY

Our pricing strategy at retail will be to create a price-to-benefits ratio that positions **SHUTA HOLDING CO LIMITED** as a superior value. At wholesale we will price our products to provide the retailer with a 50% maintained margin and offer a product exchange program for current accounts. Our wholesale prices will be derived after the appropriate retail is determined to insure that the shelf price represents a value to the consumer and the retailer has a 50% margin.

3.9.3 PROMOTION STRATEGY

Our promotional strategy will cover a broad range of programs.

Pricing:

We will not have price promotions in our own facilities and we will discourage our wholesale customers from reducing prices. Instead we will have a quarterly bonus week. During the bonus week

consumers will receive a free gift with any **SHUTA HOLDING CO LIMITED** purchase over a preset amount. The gift sets will consist of sample size **SHUTA HOLDING CO LIMITED** products from our most current launch in a specially designed tote or gym bag.

Consumer Mailers:

We will have a monthly mailer for **SHUTA HOLDING CO LIMITED** customers. It will be designed to educate the consumer about the benefits of a particular product or ingredient. The mailer will be redeemable for a sample of the product.

Seminars:

Our point of sale system will track consumer sales and usage by customer. We will invite our best customers to quarterly seminars on skin care and wellness.

Public Relations:

We will contract a top public relations firm to develop and execute a gorilla campaign. The objective will be to secure product placement in key publications and endorsements by opinion leaders.

3.9.4 SALES STRATEGY

Our retail sales strategy consists of just two parts. First we will hire and train people who fit the **SHUTA HOLDING CO LIMITED** image. Our training programs will insure that they have the product knowledge necessary to serve the customers' needs and close the sale. Second, our commission and retention programs will insure we recognize and reward performance. Our sales people will be on a commission program that compensates for follow up sales at progressively higher rates. This will provide an incentive for consumer follow up and the creation of repeat business. Our commission program will also insure that individual performance is monitored and recognized. Top performers will be singled out for recognition and poor performers will be given additional training or encouraged to seek a profession more suitable to their skills.

Our wholesale sales program will evolve through two phases as we grow. In the first phase leading showrooms will represent us. They will be paid commission on all sales and will manage the contracts with other showrooms. These higher rates will motivate the reps to promote **SHUTA HOLDING CO LIMITED** products and aggressively pursue reorders. They will also handle order follow up and customer service. Our internal sales team will be paid 6% of sales. The customer satisfaction team will handle all post sale activities. Insuring delivery, claim processing and collection. (This team will cost approximately 8% of sales in salary and support costs.)

3.9.4 SALES FORECAST

Sales at **SHUTA HOLDING CO. LIMITED** retail stores are planned to grow astoundingly from 2023 to 2025. This represents a phenomenal growth rate per year for the first five years.

Wholesale sales are budgeted to grow enormously by the end of 2023. While we believe this growth is achievable for the following reasons:

1. A great deal of our growth will come from adding doors. We will begin 2023 with one account. As we add accounts we will experience both per door growth and geometric growth in the size of our wholesale client base.
2. Our product launch schedule will result in our sales to grow 0.05 per annum.
3. Our advertising plan (media and PR) is to grow our annual media spend extensively by 2023 and 2026. This will increase brand awareness by both the consumer and the retailer.

PROJECTED REVENUE (US\$)

	1	2	3	4	5
Revenue	1,344,000	1,464,960	1,596,806	1,740,519	1,897,166

3.9.5 SALES PROGRAMS

1. Development of the **SHUTA HOLDING CO. LIMITED** sales training program: To be completed in the by the October of 2021.
2. Creation of the **SHUTA HOLDING CO. LIMITED** commission program: To be completed in the first second quarter of 2021.
3. Identification of and contracts with key wholesalers by mid of 2021.
4. Selection of a customs broker to insure efficient flow of inventory and accurate classification of product: To be completed in March 2021.

3.9.5 STRATEGIC ALLIANCES

We will secure strategic alliances on the supply side. The arrangements with is on advanced stage of negotiations and it will give us access to gradable production flow, plus state of the art research and development resources.

3.9.6 MILESTONES

The following table shows the milestones set for **SHUTA HOLDING CO. LIMITED**

Management Summary

The initial management team is very compact. Our CEO and founder is the only current (full-time) employee. However, we have utilized significant external resources and have secured a committed and talented team to join **SHUTA HOLDING CO. LIMITED** as our funding gets in place.

Management Team

The CEO has over 10 years of retail experience. During his career he has successfully held senior management positions with several major companies before establishment of his own enterprise the

Ceo will be assisted with other board of directors in policy formulation and general guidance of the company vision.

The company will recruit competent and experience people to manage daily company operations.

Employment	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women		5	10	15
Men	3	15	15	33
TOTAL	3	20	25	48

outside Management Advisors

Our outside management advisors provide a significant asset to **SHUTA HOLDING CO. LIMITED**. They provide management with a valuable sounding board for strategic and creative decisions. They provide a deep experience base in all critical areas. The company will experience consultancy hires business for guidance.

4.1 IMPORTANT ASSUMPTIONS

Our assumptions are detailed in the proceeding tables. We have planned for relatively slow but stable general economic growth and an interest rate on borrowing of 8%. That is caused by our assumption that approximately 100% of our sales will be done on cash and grow 5% annually

4.2 KEY FINANCIAL INDICATORS

This topic compares five key indicators in regards to how much they change over time. The indicators include sales, gross margin, operating expenses. We chose these three indicators because they all have real impact on the health of a business. We focus not on gross amounts as much as changes. The chart actually shows changes on a year-to-year basis, rather than gross amounts.

The indicator value is a good way to compare different concepts on the same chart. Sales and operating expenses are measured in

gross amounts, gross margin is in percentage terms, collection days are in days (how many days do you wait to get the money), and inventory turnover is in turns per year (cost of goods sold divided by average inventory).

4.4 PROJECTED STATEMENT OF COMPREHENSIVE INCOME.

A projected Statement of Comprehensive income for the period covering from year 1 to year has been prepared on schedule no 2, which also form part of projected financial statement of the period .This details the projected performance of the business through income generated, operating expenses to be incurred and the profit to be earned. In five years period

SHUTA HOLDING CO. LIMITED. PROJECTED INCOME AND EXPENDITURE US\$

	1	2	3	4	5	6
Revenue	1,344,000	1,464,960	1,596,806	1,740,519	1,897,166	2,067,911
Cost of Sales	1,050,000	1,155,000	1,270,500	1,397,550	1,537,305	1,691,036
Profit before Interest and Depreciation	294,000	309,960	326,306	342,969	359,861	376,875
Interest	-	-	-	-	-	-
Depreciation	17,500	17,500	17,500	17,500	17,500	17,500
Profit After Interest and Depreciation	276,500	292,460	308,806	325,469	342,361	359,375
Operating Cost	96,775	102,361	108,082	113,914	119,826	125,781
Profit before Tax	179,725	190,099	200,724	211,555	222,534	233,594
Tax	53,918	57,030	60,217	63,466	66,760	70,078
NET PROFIT	125,808	133,069	140,507	148,088	155,774	163,516

Accumulate Profit	125,808	258,877	399,384	547,473	703,247	866,762
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4.5 PROJECTED STATEMENT OF CASH FLOW

Our cash flow projections are shown on the following schedules no.4 of Cash flow after capital expenditures and investment varies between positive and negative, depending upon our rate of expansion and increasing accounts receivable, which form part of projected financial statement.

SHUTA HOLDING CO. LIMITED PROJECTED STATEMENT OF CASH FLOW

	0	1	2	3	4	5
SOURCES:						
Profit before interest and depreciation	-	294,000	309,960	326,306	342,969	359,861
Loan	0.00					
Equity	520,000.00					
Total Sources	520,000	294,000	309,960	326,306	342,969	359,861
Applications:						
Capital expenditure	345,000					
working Capital & Others	175,000.00	-	-	-	-	-
Cash	-	240,082.00	252,930.00	266,089.00	279,503.00	290,101.00
Tax	-	53,918	57,030	60,217	63,466	66,760
Total	520,000.0	294,000.0	309,960.0	326,306.0	342,969.00	356,861.00

Accumulated Cash		240,082.0	493,012.0	759,101.0	1,038,604.0	1,328,705.0
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4.6 PROJECTED BALANCE SHEET STATEMENT

Projected statement of Financial position of the firm has been prepared on schedule no. 1 appended to these statements, are projected change in equity schedule, movement schedule of assets, loan repayment schedule, payback period computation schedule, internal rate of return computation schedule as schedule no.3, 5 6,7 and 8 respectively.

SHUTA HOLDING CO. LIMITED PROJECTED BALANCE SHEET STATEMENT

	0	1	2	3	4	5
<u>Fixed Assets</u>						
Opening balance	-	345,000	327,500	310,000	292,500	275,000
Total Long-term Assets	-					
Less depreciation	-	13,500	13,500	13,500	13,500	13,500
Closing balance	-	331,500	314,000	296,500	279,000	261,500
Working capital	175,000	175,000	175,000	175,000	175,000	175,000
Accumulated cash	-	112,322.00	234,404.00	367,124.00	511,439.00	668,394.00
Total assets	175,000	287,322	409,404	542,124	686,439	843,394
Financed by						
Loan	0	0	0	0	0	0
Equity	520,000	520,000	520,000	520,000	520,000	520,000
Accumulated profit		96,314	202,112	318,246	445,648	585,330
Total equity and debts	-	616,314	722,112	838,246	965,648	1,105,330

4.7 PAYBACK PERIOD

The total investment cost is US\$ 520,000 and the total accumulated in 4th year is us\$ 571,678 which is more than initial investment cost by US\$ 71,678, the payback period is within 4 year

SHUTA HOLDING CO. LIMITED PROJECTED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	125,808.00	13,500.00	139,308.00	109,514.00
2	133,069.00	13,500.00	146,569.00	256,083.00
3	140,507.00	13,500.00	154,007.00	410,090.00
4	148,088.00	13,500.00	161,588.00	571,678.00
5	155,774.00	13,500.00	169,274.00	740,952.00