

**ALMA HOLDINGS LIMITED**

# **A Business Plan for Coffee**

**Processing Facilities at  
Kyerwa,**

**KAGERA**

**Prepared for:**

**Alma Holdings Limited  
P.O. Box 22760  
Dar es Salaam  
TANZANIA**

**July 2023**

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## 1.0 INTRODUCTION

Alma Holdings Limited is a locally registered company formed for the principal objective of processing coffee for the domestic and export market. The company's head office is based on the 2<sup>nd</sup> Floor, Co-Architect House at Plot No. 352/64 India/Bridge Street in Dar es Salaam. The project will be located in Karagwe District, Kagera region. The company will have several coffee buying posts in different villages, where the coffee cherries are collected from farmers and transported to Alma Holdings Limited factory premise where there will be a storage warehouse and all processing activities will be taking place. The company is now looking into establishing facilities for Coffee Processing which produces much valued coffee compared to other competitors' processing factories in the region.

This report represents an objective analysis of the overall viability of setting up the proposed coffee processing facilities. The project is being promoted by Alma Holdings Limited, a company incorporated under Certificate No: 167146244 on 21st day of July 2023.

The total project cost is estimated at US\$ 1,245,032 (excluding initial working capital of about US\$ 225,806) of which the project promoter will provide US\$ 622,532 as equity while US\$ 622,500 will be sought as term loan from local financial institutions/commercial banks.

## **2.0 PROJECT CONCEPT**

The project entails introduction of new coffee processing facilities including coffee driers and processing plant, machinery and equipment for processing ripe coffee cherries to produce green coffee for the local and export market. It will also involve dry coffee processing facilities, although the long run plan is to concentrate on wet coffee processing only.

The proposed project will involve construction of a factory buildings, importation and installation of coffee driers, processing machinery and equipment (i.e. de-stoner, gravity separator, grinding machine, bucket elevator, de-huller with motor and frame, air screen cleaner with bag filter, elevator, packing and sewing machine) as well as purchase of industrial power generator. The company also plans to sink a bore hole at the project site and install water treatment plant and other environmental protection equipment. Other major capital expenditure will involve procurement of utility motor vehicles mainly 4-WD and 2-WD trucks for transportation of fresh coffee cherries from the buying centres in the villages to the processing factory in Karagwe Township. Other expenditures will involve buying furniture, fittings and office equipment.

### **2.1 Purpose of the Study**

This document has been prepared for three main reasons. Firstly to determine the viability of the proposed project and serve as a business plan for the company's development programme. Secondly, it is meant to facilitate the application for Tanzania Investment Centre (TIC) Certificate of Incentives so as to access exemptions on duties, VAT deferrals and other benefits and protections as statutorily provided for under Tanzania Investment Act (1997) for the Project. Thirdly, it will be presented to Banks/Financial Institutions for application of Term Loan of US 622,500 to support smooth implementation of the proposed project.

### **2.2 Location and Infrastructure**

The project is located at Lubwera planning area in Kyerwa District Council, Kagera Region. The area (project site) measures 18361 square metres.

Characterized by mountain ranges, which are separated by swampy valley bottoms and wet lands, the District produces both Arabica (10%) and Robusta (90%) coffee. The altitude ranges between 1,500-1,800 meters above sea level while valley bottoms and wet lands are 1,150 meters to 1,450 meters above sea level. Most of the District has a tropical highland climate. This type of climate makes the District one of the best in Tanzania for coffee production. Beautiful but rugged terrain and rough roads can make the collection of coffee during the rainy season a challenging operation.

## 2.3 Project Sponsors

The proposed coffee processing project is being promoted by M/s Alma Holdings Limited, a private company incorporated in the United Republic of Tanzania for the principal objective of undertaking coffee processing and trading activities in the country. The directors and shareholders of the company are experienced business people, who have been in legal service industry for many years.

The current shareholders of Alma Holdings Limited are as shown hereto below:

<b>Name</b>	<b>Nationality</b>	<b>Number of Shares</b>	<b>Percent Shareholding</b>
Mr. Godwin Muganyizi Mukwenda P.O. Box 22760 <b>Dar es Salaam</b>	Tanzanian	98	96%
Ms. Rosemary Mukabaikaliza Mukwenda P.O. Box 22760 <b>Dar es Salaam</b>	Tanzanian	2	2%
<b>Aurea Kokugonza</b> <b>Bigirwamungu</b> P.O. Box 22760 <b>Dar es Salaam</b>		2	2%
<b>Total</b>		<b>100</b>	<b>100</b>

## 3.0 TECHNICAL ASPECTS

### 3.1 Production Process and Technology

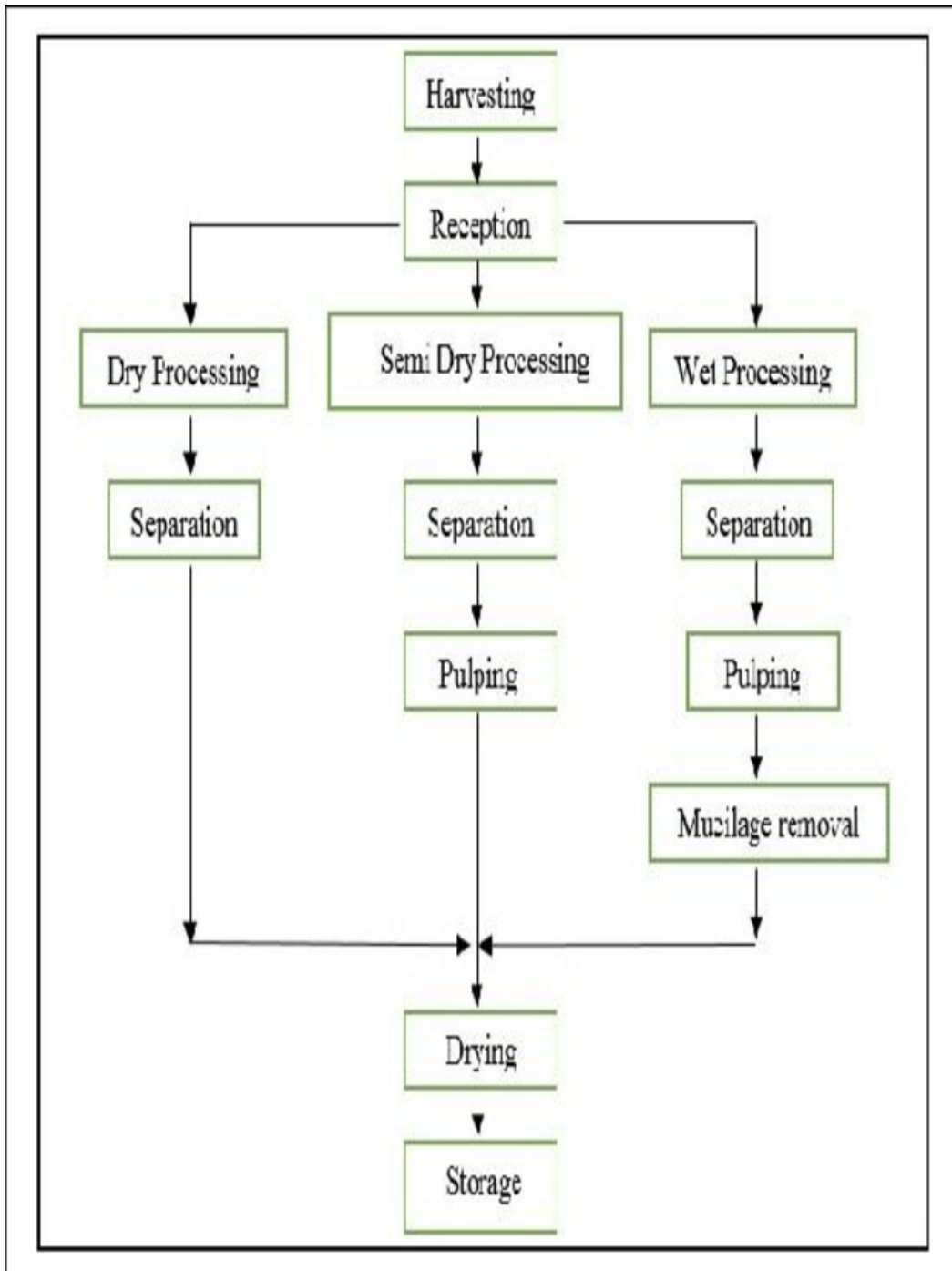
**Processing of Coffee** refers to the different methods used to convert the raw fruit, the cherry, of the coffee plant into a “green bean” ready for roasting. Inside each red cherry from the coffee plant there are typically two coffee beans nestled, flat sides together, protected by the skin and pulp of the fruit. It is the process of gently extracting the beans from the remainder of the fruit that is described as being “wet” or “dry.” How a coffee is processed is one of the important aspects that can affect the flavor of the coffee.

Coffee processing involves a variety of steps that depend on the type of processing. There are basically 2 methods of processing: The Dry and Wet Methods. All require careful attention to detail. Throughout the processing culling occurs to retain only the best coffee beans.

**Dry Processing Method:** Dry process, also known as unwashed or natural coffee, is the oldest method of processing coffee. The entire cherry after harvest is first cleaned and then placed in the sun to dry on tables or in thin layers on patio. In most of Tanzania coffee growing areas, the usual practice is to let the cherries dry in the tree before harvesting. After harvesting, the coffee cherries are cleaned, dried to the required level. The next step will be hulling and then grading before packing for export.

**The Wet Processing Method:** In wet processing method, the pulp is removed from the ripe red coffee cherry after harvesting and the bean is dried with only the parchment skin left on. There are several actual steps involved. First, the freshly harvested cherries are passed through a pulping machine where the skin and pulp is separated from the bean. The next steps are drying the green coffee bean in the sun, hulling, grading and pack for shipment.

The project promoters are considering importing the coffee driers and Wet Coffee processing plant from China.



### **3.2 Plant Capacity and Utilization**

The proposed Wet Coffee processing plant will have a capacity to produce 10 tons of coffee per day. Since coffee harvesting is seasonal, it is expected that the plant will run for 200 days only, thereby processing 2,000 tons of coffee. Capacity utilization is assumed to be 100% during the 200 days in which the plant will be operating in a year.

At the beginning it is expected that the company will use both Dry and Wet methods to process coffee, but eventually they will move away from dry and concentrate fully in Wet Processing alone. For simplicity of computations, we have assumed that the company will do only Wet Processing from the start onwards.

### **3.3 Raw Materials Requirement and Availability**

The company will be operating in Karagwe District, obtaining its entire raw material requirement within the district, having established several coffee buying posts in different villages, where the coffee cherries will be collected from farmers and transported to Alma Holdings Limited factory premise where there will be a storage warehouse and all processing activities will be taking place from there.

Karagwe is renowned for its natural (ha) Robusta and Arabica Coffee. The District produces both Arabica (10%) and Robusta (90%) coffee. Annual coffee production is about 40,000 MT of dried coffee cherry.

## **4.0 THE MARKET**

The company annually processes and exports approximately 2000 tones of conventional Hard Arabica coffee, mostly to local and export markets.

So far, current Tanzania production of export coffee is less than 1% of the world production. Brazil and Vietnam have been the world largest producers for many years. The project is therefore guaranteed of the export market.

### **4.1 The Products**

The following are the products of the proposed project

- i. Dry Processed Coffee (unwashed, naturally processed coffee)
- ii. Wet Processed Coffee (washed coffee)

These will be processed as clean coffee beans and packed in 50-kg bags, ready for shipment.

### **4.2 Demand and Supply of Coffee Beans**

There is big market for coffee beans in the USA and European Union. However, the traditional market for M/s Mara Coffee Limited and other Tanzanian exporters has always been the European Countries.

### **4.3 Competition**

Statistics indicate that there is a very stiff competition in the world market of green coffee beans. The largest producer and supplier of coffee beans has been Brazil for many decades. Of recent, Vietnam has emerged and maintains her position as the second largest supplier.

The coffee industry of Tanzania is the 18<sup>th</sup> largest producer of coffee in world. In 2021, coffee production for United Republic of Tanzania was 73,027 tonnes. Though United Republic of Tanzania coffee production fluctuated substantially in recent years, it tended to increase through 1972-2021 period ending at 73,023 tonnes in 2021.

Despite the stiff competition in the world market, M/s Alma Holdings Limited will secure a reliable market for her products in local market and Europe mainly due to the good quality of the Karagwe Coffee which is said to be unique in the country. The only hindrance to the wellbeing of the project is that the world prices are unstable; they keep fluctuating downwards almost yearly.

So far, current production in the country is a negligible fraction of total demand, despite of the abundant basic raw material. The project is

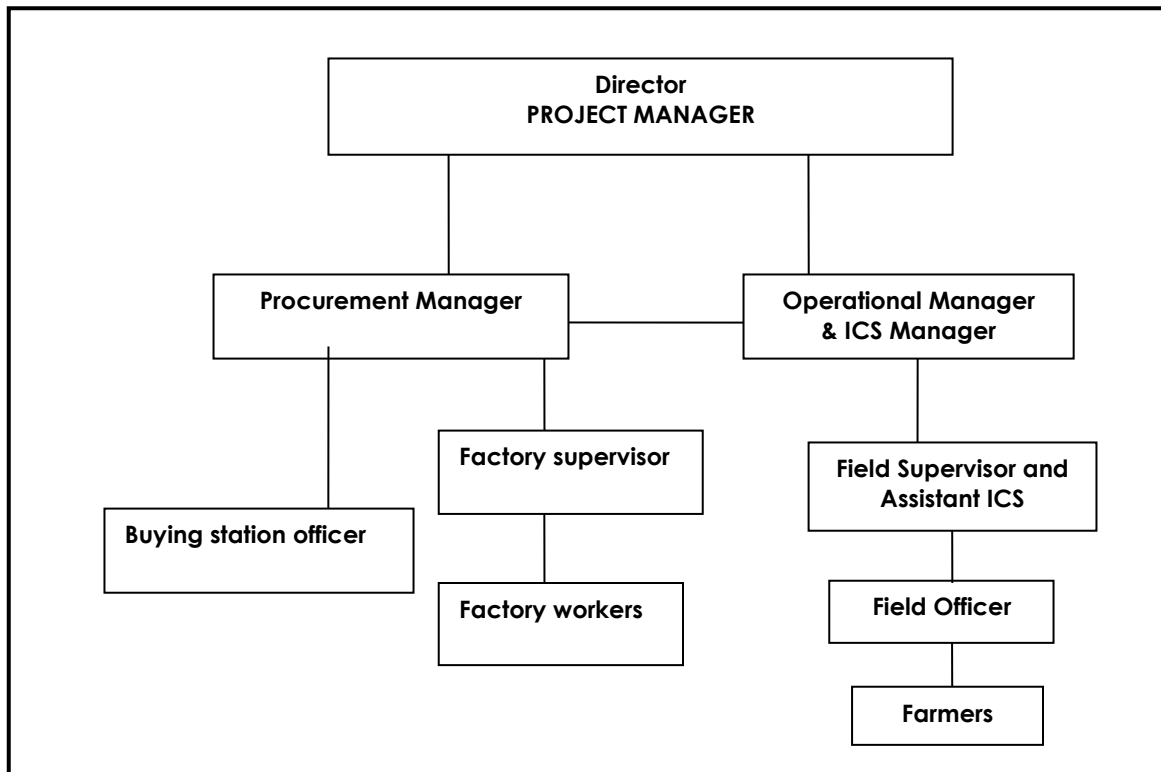
therefore guaranteed of the local market as it will be competing with only imports which are charged taxes on 50% on cif value. The export market within the East African region has also been considered. The plan is to export 30% of the production to the various neighbouring countries of Kenya, Uganda, Rwanda, Burundi and the eastern Democratic Republic of the Congo.

#### **4.4 Product Distribution**

The project promoter will essentially involve the use of special agents in the main commercial centres as their major distribution channel. The promoters are planning to start with all the major building material stores in Bukoba, Mwanza, Arusha, Moshi, Dar es Salaam, Mbeya before going to the other major commercial centres. As for the export component, the promoters will use their business contacts in the neighbouring countries as their major outlet.

## 5.0 ORGANISATION AND MANAGEMENT

The project will be managed through the Board of Directors. The Board will formulate policy and offer strategic business guidance to management and regularly monitor and evaluate performance of the company. The day to day management of the company will be vested in the management team to be headed by a Project Manager who is also a director of the company. The Project Manager will be directly assisted by two managers: Procurement Manager who in turn will be assisted by Buying Station Officers and Factory Supervisor who will be in-charge of Factory Workers. The Project Manager will further be assisted by Operations Manager & ICS Manager who will be assisted by Field Supervisors. Under the Field Supervisors there will be Field Officers who will have a direct link to Coffee Farmers. These will be qualified and experienced personnel.



## 6.0 PRODUCTION AND REVENUE ESTIMATES

Underlying Assumptions:

### 6.1 Production

- Crop available for the project: 2,000 tons of coffee cherries per annum
- Coffee cherries will be purchased at the designated buying centre in the villages within Karagwe District
- Purchase price is estimated at US\$ 0.5 per kilo of unprocessed coffee cherries
- Purchased wet coffee cherries must reach the factory and be processed within 24 hours after harvest to avoid fermentation of the cherries, hence the need for reliable own transportation facilities
- The project will initially undertake both dry and wet processing, but will eventually (say in 3 years time) phase out dry processing and concentrate on the much valued wet processing. For simplicity, we have based all our computations in wet processing.
- Plant processing capacity is estimated at 10 tons per day and runs for 200 days per year (about six months)
- Economic life of the project is assumed to be ten (10 )years

### 6.2 Major Cost Items and Estimated Costs:

<b>COST ITEM</b>	<b>ESTIMATED COST (IN US\$)</b>
Raw Materials (Coffee Cherries)	1,000,000
Packaging	87,040
Labour	135,600
Labour Overhead Cost	27,120
Other Factory Supplies	190,400
Water	9,040
Electricity (including cost of running power generator(s))	22,600
Spare Parts: Plant and Motor Vehicles	45,200
Repair & Maintenance: Sheds and Structures	54,240
Motor Vehicle Running Expenses	52,500
General Factory Overheads	72,320
Marketing Costs	31,640
Administration Materials & Services	158,760
Insurance	23,504
Rent	18,080
Local Taxes/Fees and Social Services	100,000

Miscellaneous Costs and Contingencies	45,200
<b>TOTAL</b>	<b>2,073,244</b>

### **6.3 Revenue from Sale of Green Wet Processed Coffee Beans**

- Coffee Beans recovered from processing: 40% of coffee cherry weight.
- Annual Production:  $2,000 \times 40\% = 800$  metric tons of clean coffee beans for export
- F.O.B Price: US\$ 3.4 per kilogramme (mixed grade)

### **6.4 Fiscal Incentives**

It is assumed that the project will be granted TIC Certificate of Incentives and therefore enjoy the following fiscal benefits:

- Zero import duty on all capital goods
- VAT deferment on all capital goods
- VAT deferment on all locally procured building materials
- 50% capital investment allowance on all capital goods
- Indefinite loss carry forward period against future profit

## 7.0 FINANCIAL PROJECTIONS AND ANALYSIS

Based on the assumptions discussed in chapter 6 above, Profit and Loss projections, Cash flow projections and Balance Sheet projections have been prepared and are presented as depicted in Financial Statements Annex.

### 7.1 Projected Profit and Loss Statements

Presented in detail in Financial Statements and summarized here below for the first 10 years of operation are the projected profit and loss statements:

(IN US\$)

Particulars	Year 2	Year 5	Year 8	Year 10
Sales Turnover	2,720,000	2,720,000	2,720,000	2,720,000
Gross Profit from Operations	260,578	295,038	381,474	421,506
Gross Profit as a percentage of t/over	9.58%	710.85%	14.02%	15.50%
Net Profit/(Loss)	97,320	121,442	235,336	291,379
Net Profit/(Loss) as a percentage of t/over	3.58%	4.46%	8.65%	10.71%
Break-even Ratio (including cost of finance)	38.94	30.86	10.61	1.23
Cumulative Cash Balance	310,632	1,197,486	1,928,078	2,327,870
Net Worth	1,049,666	1,401,466	1,860,370	2,239,164
Equity to Total Liabilities (%)	41.53	38.28	29.86	25.277
Debt Coverage Ratio	2.30	-	-	-

### 7.2 Projected Cash flows

As presented in the Financial Statements, the project annual cash generation will enable timely servicing of the term loans and other financial obligations and leave enough cash to cushion against future risks.

### 7.3 Balance Sheet Projections

The Financial Statements analyses the projected balance sheet over the ten year period of the project operations. From the projections, it is observed that, current liabilities are adequately covered by current assets throughout the period. Again, from the perspective of the investors, net worth of the company grows from US\$ 622,532 at the end of project construction period to US\$ 2,239,164 by year ten.

#### 7.4 Discounted Cash flow and Internal Rate of Return

Discounted cash flows presented in the Financial Statements gives an after tax Internal Rate of Return (IRR) of 12.01% for the project total investment at the assumed discount rate of 6% while the same is 15.39 for equity invested.

#### 7.5 Financial and Liquidity Ratios

Debt service coverage ratio, Debt-Equity ratio, return on investment and return on equity have been calculated in the Financial Projections and are presented in the table below giving these ratios for the 10 years of operations.

<b>RATIO</b>	<b>Year 2</b>	<b>Year 5</b>	<b>Year 8</b>	<b>Year 10</b>
Net Profit to Equity	15.63	19.51%)	37.80%	46.81%
Net worth to Total Liabilities	70.12%	86.18%	89.22%	90.88%
Current Ratio	3.37	7.33	10.58	12.36
Net Profit + Interest to Investment Ratio	8.97%	8.26%	16.01%	19.82%
Break-even Ratio	38.94%	30.86%	10.61%	1.23%

#### 7.6 Payback period

Payback period computation presented the in Financial Projections depicts that total investment is expected to be recouped in 3.84 years at zero discount rate and 4.46 years when discounted at the current international long term discount rate of 8%. This is also quite a good performance of the project. Furthermore, the NPV Ratio is positive and is computed at 1.06.

#### 7.7 Internal Rate of Return

Internal Rate of Return on Total Capital invested is computed at 30.14% with a payback period of 3.84 years at zero discount rate and 4.46 years at the assumed equity discount rate of 8%.

On the other hand, Internal Rate of Return on Equity is computed at 36.61% with a payback period of 4.22 years at zero discount rate and 4.32 years at the assumed equity discount rate of 8%.

## **8.0 ENVIRONMENTAL CONSIDERATIONS**

Potential pollution sources in coffee processing have been considered. The water requirements and the pollution potential of wet-processing are considerations in the design and siting of processing factories. The pollution potential of waste water is significant. Treatment which the promoters are considering to undertake includes solids removal, settlement and subsequent pondage, or land-based disposal. The design and management of treatment works requires professional expertise and needs to comply with the National Environmental Management Council (NEMC) regulations. Pulp, discarded cherry and solids separated from waste water will be returned to coffee farms by spreading under trees or between rows (mulching)

All the above factors have been taken into account in this study. The project is therefore environmentally sustainable and manageable.

## **9.0 PROJECT DEVELOPMENT VALUES/BENEFITS**

Implementation of this project will lead to realization of the following development values/economic benefits.

- Creation of employment opportunities for about 100 permanent employees at the processing factory in Karagwe Township
- It will be another market outlet for 7,750 small holders in 46 villages for natural Arabica and about 400 farmers in 15 villages for Robusta with an average production of around 2,300 tons per year in the district
- Contribution of revenue to the Government in form of various taxes
- The project involves transfer of technology to Tanzania from China for machine coffee processing. Tanzanians will be trained on the job on how to operate the plant machinery in processing coffee.
- The entire clean coffee so processed will be for the local and export market, hence generating foreign exchange.
- The existence of the project will enhance further production of increased quantity and quality of coffee as the company is encouraging and supporting the coffee farmers in training and in ensuring the availability of farming inputs in the district.

## **10.0 PROJECT IMPLEMENTATION**

The project is planned to be implemented over a period not exceeding 5 years including funds mobilization, construction of factory buildings, procurement and installation of plant machinery.

## 11.0 CONCLUSIONS AND RECOMMENDATIONS

### **This study has demonstrated that:**

- Implementation of the project will ensure a ready market outlet for 7,750 small holders in over 60 villages in Karagwe District villages for both Arabica and Robusta coffees, guaranteeing them a source of cash income, thereby assisting in the country's policy of Poverty Alleviation.
- Promoters of the project are experienced and successful executives with a record of accomplishment. They are resourceful and have experience in buying agricultural crops, manufacturing and transportation, with connections in both the export and domestic markets. Their experience guarantees successful expansion in the coffee industry in Tanzania.
- The project will generate stable direct employment to about 100 people with additional casual labourers during coffee buying and processing period.
- The company will be in a position to service the envisaged level of borrowing without any difficulty.
- The coffee processing facilities will be run at the highest level of professional competency, safe to the workers and the environment.
- The project will have multiplier effect advantages to many other sectors of the economy.

The study has shown that the project is technically feasible, financially viable and economically desirable. A fast Wet Coffee processing is advised and it is recommended that financial institutions extend support to Alma Holdings Limited by financing the project to the tune of US\$ 622,500 and that Tanzania Investment Centre consider granting TIC Certificate of Incentives so as to enable this local resource based and export oriented project access fiscal incentives and other benefits as provided for under Tanzania Investment Act, No. 10 of 2022.

INVESTMENT COSTS		ANNEX I	
	Total construction	Total production	Total investment
<b>Total fixed investment costs</b>	<b>1,147,500.00</b>	<b>0</b>	<b>1,147,500.00</b>
<b>Total pre-production expenditures</b>	<b>97,532.00</b>	<b>0</b>	<b>97,532.00</b>
<i>Pre-production expenditures (net of interest)</i>	<i>60,182.00</i>	<i>0</i>	<i>60,182.00</i>
<i>Interest Accrued during Construction Period</i>	<i>37,350.00</i>	<i>0</i>	<i>37,350.00</i>
<b>Increase in net working capital</b>	<b>0</b>	<b>225,287.41</b>	<b>225,287.41</b>
<b>TOTAL INVESTMENT COSTS</b>	<b>1,245,032.00</b>	<b>225,287.41</b>	<b>1,470,319.41</b>
<b>SOURCES OF FINANCE</b>			
	Total construction	Total production	Total inflow
<b>Total equity capital</b>	<b>622,532.00</b>	<b>0</b>	<b>622,532.00</b>
<b>Total long-term loans</b>	<b>622,500.00</b>	<b>0</b>	<b>622,500.00</b>
<b>Accounts payable</b>	<b>0</b>	<b>225,805.89</b>	<b>225,805.89</b>
<b>TOTAL SOURCES OF FINANCE</b>	<b>1,245,032.00</b>	<b>225,805.89</b>	<b>1,470,837.89</b>
<b>INCOME AND COSTS, OPERATIONS</b>			
	First year 13	Reference year 13	Last year 22
<b>SALES REVENUE</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>
<b>Factory Costs</b>	<b>1,838,288.00</b>	<b>1,838,288.00</b>	<b>2,039,564.00</b>
<b>Administrative Overhead Costs</b>	<b>174,412.00</b>	<b>174,412.00</b>	<b>222,040.00</b>
<b>OPERATING COSTS</b>	<b>2,012,700.00</b>	<b>2,012,700.00</b>	<b>2,261,604.00</b>
<b>Depreciation</b>	<b>131,717.65</b>	<b>131,717.65</b>	<b>5,250.00</b>
<b>Financial costs</b>	<b>49,800.00</b>	<b>49,800.00</b>	<b>0</b>
<b>TOTAL PRODUCTION COSTS</b>	<b>2,194,217.65</b>	<b>2,194,217.65</b>	<b>2,266,854.00</b>
<b>Marketing costs</b>	<b>31,640.00</b>	<b>31,640.00</b>	<b>31,640.00</b>
<b>COSTS OF PRODUCTS</b>	<b>2,225,857.65</b>	<b>2,225,857.65</b>	<b>2,298,494.00</b>
<b>GROSS PROFIT FROM OPERATIONS</b>	<b>494,142.35</b>	<b>494,142.35</b>	<b>421,506.00</b>
<b>Depreciation allowances</b>	<b>121,550.20</b>	<b>121,550.20</b>	<b>5,250.00</b>
<b>GROSS PROFIT</b>	<b>372,592.15</b>	<b>372,592.15</b>	<b>416,256.00</b>
<b>Investment allowances</b>	<b>230,000.00</b>	<b>230,000.00</b>	<b>0</b>
<b>TAXABLE PROFIT</b>	<b>142,592.15</b>	<b>142,592.15</b>	<b>416,256.00</b>
<b>Income (corporate) tax</b>	<b>42,777.64</b>	<b>42,777.64</b>	<b>124,876.80</b>
<b>NET PROFIT</b>	<b>329,814.51</b>	<b>329,814.51</b>	<b>291,379.20</b>

<b>RATIOS</b>			
<b>Net Present Value of Total Capital Invested</b>	<b>at 8.00%</b>	<b>1,626,167.92</b>	
<b>Internal rate of return on investment (IRR)</b>	<b>30.14%</b>		
<b>Modified IRR on investment</b>	<b>30.14%</b>		
<b>Net Present Value of Total Equity Capital Invested</b>	<b>at 2.50%</b>	<b>2,353,829.25</b>	
<b>Internal rate of return on equity (IRRE)</b>	<b>36.61%</b>		
<b>Modified IRRE on equity</b>	<b>36.61%</b>		

	CAPITAL INVESTMENT			
	Total construction	Total production	Construction-Year 1	Production
<b>LAND &amp; BUILDINGS</b>				
Civil works, Structures and Buildings	170,000.00	0	170,000.00	0
Sheds and Structures	30,000.00	0	30,000.00	0
Bore Hole and Accessories	10,000.00	0	10,000.00	0
<b>Sub-Total</b>	<b>210,000.00</b>		<b>210,000.00</b>	
<b>PLANT, MACHINERY &amp; EQUIPMENT</b>				
Coffee Driers	60,000.00	0	60,000.00	0
Processing Machinery & Equipment	397,532.00	0	397,532.00	0
Standby Power Generator	75,000.00	0	75,000.00	0
Water Treatment Plant & Other Environmental Protection	25,000.00	0	25,000.00	0
<b>Sub-Total</b>	<b>557,532.00</b>		<b>557,532.00</b>	
<b>MOTOR VEHICLES</b>				
4-WD & 2-WD Trucks	350,000.00	0	350,000.00	0
4-WD Pick ups	40,000.00	0	40,000.00	0
Motor Cycles	12,500.00	0	12,500.00	0
<b>Sub-Total</b>	<b>402,500.00</b>		<b>402,500.00</b>	
<b>FURNITURE, FITTINGS &amp; OFFICE EQUIPMENT</b>				
<b>Sub-Total</b>	<b>25,000.00</b>		<b>25,000.00</b>	<b>0</b>
<b>MISCELLANEOUS PROJECT OVERHEAD COSTS</b>				
<b>Sub-Total</b>	<b>20,000.00</b>		<b>20,000.00</b>	<b>0</b>
<b>CONTINGENCIES</b>				
<b>Sub-Total</b>	<b>30,000.00</b>		<b>30,000.00</b>	
<b>TOTAL FIXED INVESTMENT COSTS</b>	<b>1,245,032.00</b>	<b>0</b>	<b>1,245,032.00</b>	<b>0</b>

	<b>PRE-PRODUCTION EXPENDITURES</b>			
	<b>Total Construction</b>	<b>Total production</b>	<b>Construction-Year 1</b>	<b>Production</b>
<b>Pre-investment Studies</b>	<b>15,000.00</b>	<b>0</b>	<b>15,000.00</b>	<b>0</b>
<b>TIC Certificate and other Permits &amp; Authorizations, Fees etc</b>	<b>6,000.00</b>	<b>0</b>	<b>6,000.00</b>	<b>0</b>
<b>Technology acquisition</b>	<b>7,000.00</b>	<b>0</b>	<b>7,000.00</b>	<b>0</b>
<b>Other capital (issue) expenditures</b>	<b>32,182.00</b>	<b>0</b>	<b>32,182.00</b>	<b>0</b>
<b>Pre-production expenditures (net of interest)</b>	<b>60,182.00</b>	<b>0</b>	<b>60,182.00</b>	<b>0</b>
<b>Interest</b>	<b>37,350.00</b>	<b>0</b>	<b>37,350.00</b>	<b>0</b>
<b>TOTAL PRE-PRODUCTION EXPENDITURES</b>	<b>97,532.00</b>	<b>0</b>	<b>97,532.00</b>	<b>0</b>

<b>WORKING CAPITAL REQUIREMENTS</b>							<b>ANNEX IV</b>
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
	<b>Production</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>
<b>Total inventory</b>	<b>311,566.16</b>	<b>349,315.19</b>	<b>349,315.19</b>	<b>349,315.19</b>	<b>349,315.19</b>	<b>349,315.19</b>	<b>349,315.19</b>
Raw materials	83,333.33	83,333.33	83,333.33	83,333.33	83,333.33	83,333.33	83,333.33
Factory supplies	18,360.00	31,453.33	31,453.33	31,453.33	31,453.33	31,453.33	31,453.33
Utilities	753.333333	753.333333	753.333333	753.333333	753.333333	753.333333	753.333333
Energy	1,883.33	1,883.33	1,883.33	1,883.33	1,883.33	1,883.33	1,883.33
Spare parts consumed	3,766.67	3,766.67	3,766.67	3,766.67	3,766.67	3,766.67	3,766.67
Work in progress	35,744.49	39,658.19	39,658.19	39,658.19	39,658.19	39,658.19	39,658.19
Finished product	167,725.00	188,467.00	188,467.00	188,467.00	188,467.00	188,467.00	188,467.00
Accounts receivable	83,761.15	93,959.30	93,959.30	93,959.30	93,959.30	93,959.30	93,959.30
Cash-in-hand	5,962.83	6,727.70	6,727.70	6,727.70	6,727.70	6,727.70	6,727.70
<b>CURRENT ASSETS</b>	<b>401,290.14</b>	<b>450,002.19</b>	<b>450,002.19</b>	<b>450,002.19</b>	<b>450,002.19</b>	<b>450,002.19</b>	<b>450,002.19</b>
Accounts payable	219,675.28	225,805.89	224,714.78	224,714.78	224,714.78	224,714.78	224,714.78
Raw materials	135,416.67	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00
Factory supplies	19,890.00	32,544.44	31,453.33	31,453.33	31,453.33	31,453.33	31,453.33
Utilities	816.111111	753.333333	753.333333	753.333333	753.333333	753.333333	753.333333
Energy	2,040.28	1,883.33	1,883.33	1,883.33	1,883.33	1,883.33	1,883.33
Spare parts consumed	4,080.56	3,766.67	3,766.67	3,766.67	3,766.67	3,766.67	3,766.67
Repair, maintenance, material	4,520.00	4,520.00	4,520.00	4,520.00	4,520.00	4,520.00	4,520.00
Royalties	166.666667	277.777778	277.777778	277.777778	277.777778	277.777778	277.777778
Labour	12,761.67	19,633.33	19,633.33	19,633.33	19,633.33	19,633.33	19,633.33
Labour overhead costs (taxes etc.)	3,926.67	3,926.67	3,926.67	3,926.67	3,926.67	3,926.67	3,926.67
Factory overhead costs	18,885.67	12,360.33	12,360.33	12,360.33	12,360.33	12,360.33	12,360.33
Administrative costs	14,534.33	18,503.33	18,503.33	18,503.33	18,503.33	18,503.33	18,503.33
Direct marketing costs	2,636.67	2,636.67	2,636.67	2,636.67	2,636.67	2,636.67	2,636.67
<b>CURRENT LIABILITIES</b>	<b>219,675.28</b>	<b>225,805.89</b>	<b>224,714.78</b>	<b>224,714.78</b>	<b>224,714.78</b>	<b>224,714.78</b>	<b>224,714.78</b>
<b>TOTAL NET WORKING CAPITAL REQUIREMENTS</b>	<b>181,614.86</b>	<b>224,196.30</b>	<b>225,287.41</b>	<b>225,287.41</b>	<b>225,287.41</b>	<b>225,287.41</b>	<b>225,287.41</b>
<b>INCREASE IN NET WORKING CAPITAL</b>	<b>181,614.86</b>	<b>42,581.44</b>	<b>1,091.11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CASH FLOW FOR FINANCIAL PLANNING							ANNEX V
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	Construction	Production	Production	Production	Production	Production	Production
<b>TOTAL CASH INFLOW</b>	<b>1,245,032.00</b>	<b>2,939,675.28</b>	<b>2,726,130.61</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>
<b>Inflow funds</b>	<b>1,245,032.00</b>	<b>219,675.28</b>	<b>6,130.61</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total equity capital</b>	<b>622,532.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total long-term loans</b>	<b>622,500.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total short-term finance</b>	<b>0</b>	<b>219,675.28</b>	<b>6,130.61</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Inflow operation</b>	<b>0</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>
<b>TOTAL CASH OUTFLOW</b>	<b>1,245,032.00</b>	<b>2,729,958.65</b>	<b>2,625,215.38</b>	<b>2,582,564.62</b>	<b>2,345,290.45</b>	<b>2,345,290.45</b>	<b>2,476,469.59</b>
<b>Increase in fixed assets</b>	<b>1,207,682.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fixed investments</b>	<b>1,147,500.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pre-production expenditures (net of interest)</b>	<b>60,182.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Increase in current assets</b>	<b>0</b>	<b>401,290.14</b>	<b>48,712.05</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating costs</b>	<b>0</b>	<b>2,012,700.00</b>	<b>2,261,604.00</b>	<b>2,261,604.00</b>	<b>2,261,604.00</b>	<b>2,261,604.00</b>	<b>2,261,604.00</b>
<b>Marketing costs</b>	<b>0</b>	<b>31,640.00</b>	<b>31,640.00</b>	<b>31,640.00</b>	<b>31,640.00</b>	<b>31,640.00</b>	<b>31,640.00</b>
<b>Income (corporate) tax</b>	<b>0</b>	<b>42,777.65</b>	<b>41,708.47</b>	<b>46,678.65</b>	<b>52,046.45</b>	<b>52,046.45</b>	<b>100,858.13</b>
<b>Financial costs</b>	<b>37,350.00</b>	<b>49,800.00</b>	<b>34,459.93</b>	<b>17,892.66</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loan repayment</b>	<b>0</b>	<b>191,750.86</b>	<b>207,090.93</b>	<b>224,749.32</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Dividends</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>82,367.47</b>
<b>SURPLUS (DEFICIT)</b>	<b>0</b>	<b>209,716.63</b>	<b>100,915.23</b>	<b>137,435.38</b>	<b>374,709.56</b>	<b>374,709.56</b>	<b>243,530.41</b>
<b>CUMULATIVE CASH BALANCE</b>	<b>0</b>	<b>209,716.63</b>	<b>310,631.86</b>	<b>448,067.24</b>	<b>822,776.79</b>	<b>1,197,486.35</b>	<b>1,441,016.76</b>
<b>Net flow of funds</b>	<b>1,207,682.00</b>	<b>-21,875.58</b>	<b>-235,420.25</b>	<b>-242,641.97</b>	<b>0</b>	<b>0</b>	<b>-82,367.47</b>

<b>DISCOUNTED CASH FLOW - TOTAL CAPITAL INVESTED</b>							<b>ANNEX VI</b>
		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>
	<b>Construction</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>
<b>TOTAL CASH INFLOW</b>	<b>0</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>
<b>Inflow operation (Sales Revenue)</b>	<b>0</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>
<b>Other income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CASH OUTFLOW</b>	<b>1,207,682.00</b>	<b>2,268,732.51</b>	<b>2,377,533.90</b>	<b>2,341,013.76</b>	<b>2,345,290.45</b>	<b>2,345,290.45</b>	<b>2,394,102.13</b>
<b>Increase in fixed assets</b>	<b>1,207,682.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fixed investments</b>	<b>1,147,500.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pre-production expenditures (net of interest)</b>	<b>60,182.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Increase in net working capital</b>	<b>0</b>	<b>181,614.86</b>	<b>42,581.44</b>	<b>1,091.11</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating costs</b>	<b>0</b>	<b>2,012,700.00</b>	<b>2,261,604.00</b>	<b>2,261,604.00</b>	<b>2,261,604.00</b>	<b>2,261,604.00</b>	<b>2,261,604.00</b>
<b>Marketing costs</b>	<b>0</b>	<b>31,640.00</b>	<b>31,640.00</b>	<b>31,640.00</b>	<b>31,640.00</b>	<b>31,640.00</b>	<b>31,640.00</b>
<b>Income (corporate) tax</b>	<b>0</b>	<b>42,777.65</b>	<b>41,708.47</b>	<b>46,678.65</b>	<b>52,046.45</b>	<b>52,046.45</b>	<b>100,858.13</b>
<b>NET CASH FLOW</b>	<b>-1,207,682.00</b>	<b>451,267.49</b>	<b>342,466.10</b>	<b>378,986.24</b>	<b>374,709.56</b>	<b>374,709.56</b>	<b>325,897.88</b>
<b>CUMULATIVE NET CASH FLOW</b>	<b>-1,207,682.00</b>	<b>-756,414.51</b>	<b>-413,948.41</b>	<b>-34,962.17</b>	<b>339,747.38</b>	<b>714,456.94</b>	<b>1,040,354.81</b>
<b>NET PRESENT VALUE</b>	<b>-1,304,296.56</b>	<b>451,267.49</b>	<b>317,098.24</b>	<b>324,919.62</b>	<b>297,456.53</b>	<b>275,422.71</b>	<b>221,800.62</b>
<b>CUMULATIVE NET PRESENT VALUE</b>	<b>-1,304,296.56</b>	<b>-853,029.07</b>	<b>-535,930.83</b>	<b>-211,011.22</b>	<b>86,445.31</b>	<b>361,868.02</b>	<b>583,668.64</b>
<b>NET PRESENT VALUE</b>	<b>at 8.00%</b>	<b>1,626,167.92</b>					
<b>INTERNAL RATE OF RETURN</b>	<b>30.14%</b>						
<b>MODIFIED INTERNAL RATE OF RETURN</b>	<b>30.14%</b>						
<b>NORMAL PAYBACK</b>	<b>at 0.00%</b>	<b>3.84 years</b>	<b>16</b>				
<b>DYNAMIC PAYBACK</b>	<b>at 8.00%</b>	<b>4.46 years</b>	<b>16</b>				
<b>NPV RATIO</b>	<b>1.065449</b>						
<b>NET PRESENT VALUES DISCOUNTED TO</b>							

DISCOUNTED CASH FLOW - EQUITY CAPITAL INVESTED							ANNEX VII
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	Construction	Production	Production	Production	Production	Production	Production
TOTAL CASH INFLOW	0	209,716.63	100,915.23	137,435.38	374,709.56	374,709.56	325,897.88
Surplus (deficit)	0	209,716.63	100,915.23	137,435.38	374,709.56	374,709.56	243,530.41
Dividends	0	0	0	0	0	0	82,367.47
Equity capital refund	0	0	0	0	0	0	0
TOTAL CASH OUTFLOW	622,532.00	0	0	0	0	0	0
Equity capital paid	622,532.00	0	0	0	0	0	0
NET CASH RETURN	-622,532.00	209,716.63	100,915.23	137,435.38	374,709.56	374,709.56	325,897.88
CUMULATIVE NET CASH RETURN	-622,532.00	-412,815.37	-311,900.14	-174,464.76	200,244.79	574,954.35	900,852.22
NET PRESENT VALUE	-638,095.30	209,716.63	98,453.89	130,812.97	347,955.07	339,468.36	288,046.23
CUMULATIVE NET PRESENT VALUE	-638,095.30	-428,378.67	-329,924.79	-199,111.81	148,843.26	488,311.62	776,357.86
NET PRESENT VALUE	at 2.50%	2,353,829.25					
INTERNAL RATE OF RETURN	36.61%						
MODIFIED INTERNAL RATE OF RETURN	36.61%						
SHORT NET PRESENT VALUE	at 2.50%	1,821,034.68	for 11 years				
NORMAL PAYBACK	at 0.00%	4.22 years	16				
DYNAMIC PAYBACK	at 2.50%	4.32 years	16				
NPV RATIO	3.688837						
NET PRESENT VALUES DISCOUNTED TO							

INCOME STATEMENT							ANNEX VIII
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	Production	Production	Production	Production	Production	Production	Production
Sales revenue	2,720,000.00	2,720,000.00	2,720,000.00	2,720,000.00	2,720,000.00	2,720,000.00	2,720,000.00
Less variable costs	2,044,340.00	2,293,244.00	2,293,244.00	2,293,244.00	2,293,244.00	2,293,244.00	2,293,244.00
Material	1,458,916.00	1,685,360.00	1,685,360.00	1,685,360.00	1,685,360.00	1,685,360.00	1,685,360.00
Personnel	200,260.00	282,720.00	282,720.00	282,720.00	282,720.00	282,720.00	282,720.00
Marketing (except personnel)	31,640.00	31,640.00	31,640.00	31,640.00	31,640.00	31,640.00	31,640.00
Other variable costs	353,524.00	293,524.00	293,524.00	293,524.00	293,524.00	293,524.00	293,524.00
<b>VARIABLE MARGIN</b>	<b>675,660.00</b>	<b>426,756.00</b>	<b>426,756.00</b>	<b>426,756.00</b>	<b>426,756.00</b>	<b>426,756.00</b>	<b>426,756.00</b>
in % of sales revenue	24.840441	15.689559	15.689559	15.689559	15.689559	15.689559	15.689559
Less fixed costs	131,717.65	131,717.65	131,717.65	131,717.65	131,717.65	45,281.25	45,281.25
Depreciation	131,717.65	131,717.65	131,717.65	131,717.65	131,717.65	45,281.25	45,281.25
<b>OPERATIONAL MARGIN</b>	<b>543,942.35</b>	<b>295,038.35</b>	<b>295,038.35</b>	<b>295,038.35</b>	<b>295,038.35</b>	<b>381,474.75</b>	<b>381,474.75</b>
in % of sales revenue	19.997881	10.846998	10.846998	10.846998	10.846998	14.024807	14.024807
Financial costs	49,800.00	34,459.93	17,892.66	0	0	0	0
<b>GROSS PROFIT FROM OPERATIONS</b>	<b>494,142.35</b>	<b>260,578.42</b>	<b>277,145.69</b>	<b>295,038.35</b>	<b>295,038.35</b>	<b>381,474.75</b>	<b>381,474.75</b>
in % of sales revenue	18.166998	9.580089	10.18918	10.846998	10.846998	14.024807	14.024807
Depreciation allowances	121,550.20	121,550.20	121,550.20	121,550.20	121,550.20	45,281.00	45,281.00
<b>GROSS PROFIT</b>	<b>372,592.15</b>	<b>139,028.22</b>	<b>155,595.49</b>	<b>173,488.15</b>	<b>173,488.15</b>	<b>336,193.75</b>	<b>336,193.75</b>
Investment allowances	230,000.00	0	0	0	0	0	0
<b>TAXABLE PROFIT</b>	<b>142,592.15</b>	<b>139,028.22</b>	<b>155,595.49</b>	<b>173,488.15</b>	<b>173,488.15</b>	<b>336,193.75</b>	<b>336,193.75</b>
Income (corporate) tax	42,777.65	41,708.47	46,678.65	52,046.45	52,046.45	100,858.13	100,858.13
<b>NET PROFIT</b>	<b>329,814.51</b>	<b>97,319.75</b>	<b>108,916.85</b>	<b>121,441.71</b>	<b>121,441.71</b>	<b>235,335.63</b>	<b>235,335.63</b>
in % of sales revenue	12.125533	3.577932	4.004296	4.464769	4.464769	8.652045	8.652045
Dividends	0	0	0	0	0	82,367.47	82,367.47
<b>RETAINED PROFIT</b>	<b>329,814.51</b>	<b>97,319.75</b>	<b>108,916.85</b>	<b>121,441.71</b>	<b>121,441.71</b>	<b>152,968.16</b>	<b>152,968.16</b>
<b>RATIOS</b>							
Net profit to equity (%)	52.979526	15.632892	17.495783	19.507705	19.507705	37.802976	37.802976
Net profit to net worth (%)	34.631776	9.271495	9.400866	9.487449	8.66533	15.139628	13.783251
Net profit+interest to investment (%)	26.608863	8.969313	8.624623	8.259546	8.259546	16.005748	16.005748

PROJECTED BALANCE SHEET							ANNEX IX
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>TOTAL ASSETS</b>	<b>1,245,032.00</b>	<b>1,602,770.92</b>	<b>1,499,130.35</b>	<b>1,383,297.88</b>	<b>1,504,739.59</b>	<b>1,626,181.29</b>	<b>1,779,149.45</b>
<b>Total current assets</b>	<b>0</b>	<b>611,006.77</b>	<b>760,634.05</b>	<b>898,069.43</b>	<b>1,272,778.99</b>	<b>1,647,488.54</b>	<b>1,891,018.95</b>
Inventory on materials & supplies	0	108,096.67	121,190.00	121,190.00	121,190.00	121,190.00	121,190.00
Work in progress	0	35,744.49	39,658.19	39,658.19	39,658.19	39,658.19	39,658.19
Finished product	0	167,725.00	188,467.00	188,467.00	188,467.00	188,467.00	188,467.00
Accounts receivable	0	83,761.15	93,959.30	93,959.30	93,959.30	93,959.30	93,959.30
Cash-in-hand	0	5,962.83	6,727.70	6,727.70	6,727.70	6,727.70	6,727.70
Cash surplus, finance available	0	209,716.63	310,631.86	448,067.24	822,776.79	1,197,486.35	1,441,016.76
<b>Total fixed assets, net of depreciation</b>	<b>1,245,032.00</b>	<b>991,764.15</b>	<b>738,496.30</b>	<b>485,228.45</b>	<b>231,960.60</b>	<b>-21,307.25</b>	<b>-111,869.50</b>
Fixed investments	0	1,147,500.00	1,147,500.00	1,147,500.00	1,147,500.00	1,147,500.00	1,147,500.00
Construction in progress	1,147,500.00	0	0	0	0	0	0
<b>Total pre-production expenditures</b>	<b>97,532.00</b>	<b>97,532.00</b>	<b>97,532.00</b>	<b>97,532.00</b>	<b>97,532.00</b>	<b>97,532.00</b>	<b>97,532.00</b>
Less accumulated depreciation	0	131,717.65	263,435.30	395,152.95	526,870.60	658,588.25	703,869.50
Less depreciation allowance	0	121,550.20	243,100.40	364,650.60	486,200.80	607,751.00	653,032.00
<b>TOTAL LIABILITIES</b>	<b>1,245,032.00</b>	<b>1,602,770.92</b>	<b>1,499,130.35</b>	<b>1,383,297.88</b>	<b>1,504,739.59</b>	<b>1,626,181.29</b>	<b>1,779,149.45</b>
<b>Total current liabilities (Accounts Payable)</b>	<b>0</b>	<b>219,675.28</b>	<b>225,805.89</b>	<b>224,714.78</b>	<b>224,714.78</b>	<b>224,714.78</b>	<b>224,714.78</b>
<b>Total long-term debt</b>	<b>622,500.00</b>	<b>430,749.14</b>	<b>223,658.21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total equity capital</b>	<b>622,532.00</b>	<b>622,532.00</b>	<b>622,532.00</b>	<b>622,532.00</b>	<b>622,532.00</b>	<b>622,532.00</b>	<b>622,532.00</b>
Reserves, retained profit brought forward	0	0	329,814.51	427,134.26	536,051.10	657,492.81	778,934.51
Retained profit	0	329,814.51	97,319.75	108,916.85	121,441.71	121,441.71	152,968.16
<b>Net worth</b>	<b>622,532.00</b>	<b>952,346.51</b>	<b>1,049,666.26</b>	<b>1,158,583.10</b>	<b>1,280,024.81</b>	<b>1,401,466.51</b>	<b>1,554,434.67</b>
<b>RATIOS</b>							
Equity to total liabilities (%)	50.001285	38.840984	41.526209	45.003467	41.371411	38.281833	34.990428
Net worth to total liabilities (%)	50.001285	59.418754	70.018345	83.755142	85.066202	86.181444	87.369539
Long-term debt to net worth	0.999949	0.452303	0.213076	0	0	0	0
Current assets to current liabilities	0	2.781409	3.368531	3.996486	5.663975	7.331465	8.415196

<b>BREAK-EVEN ANALYSIS</b>							<b>ANNEX X</b>
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
	<b>Production</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>
<b>Sales revenue</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>	<b>2,720,000.00</b>
<b>Variable costs</b>	<b>2,044,340.00</b>	<b>2,293,244.00</b>	<b>2,293,244.00</b>	<b>2,293,244.00</b>	<b>2,293,244.00</b>	<b>2,293,244.00</b>	<b>2,293,244.00</b>
<b>Variable margin</b>	<b>675,660.00</b>	<b>426,756.00</b>	<b>426,756.00</b>	<b>426,756.00</b>	<b>426,756.00</b>	<b>426,756.00</b>	<b>426,756.00</b>
<b>Variable margin ratio (%)</b>	<b>24.840441</b>	<b>15.689559</b>	<b>15.689559</b>	<b>15.689559</b>	<b>15.689559</b>	<b>15.689559</b>	<b>15.689559</b>
<b>Including cost of finance</b>							
<b>Fixed costs</b>	<b>131,717.65</b>	<b>131,717.65</b>	<b>131,717.65</b>	<b>131,717.65</b>	<b>131,717.65</b>	<b>45,281.25</b>	<b>45,281.25</b>
<b>Financial costs</b>	<b>49,800.00</b>	<b>34,459.93</b>	<b>17,892.66</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Break-even sales value</b>	<b>730,734.40</b>	<b>1,059,160.32</b>	<b>953,566.05</b>	<b>839,524.24</b>	<b>839,524.24</b>	<b>288,607.54</b>	<b>288,607.54</b>
<b>Break-even ratio (%)</b>	<b>26.865235</b>	<b>38.939718</b>	<b>35.057575</b>	<b>30.864862</b>	<b>30.864862</b>	<b>10.610571</b>	<b>10.610571</b>
<b>Fixed costs coverage ratio</b>	<b>3.722283</b>	<b>2.568072</b>	<b>2.852451</b>	<b>3.23993</b>	<b>3.23993</b>	<b>9.424563</b>	<b>9.424563</b>
<b>Excluding cost of finance</b>							
<b>Fixed costs</b>	<b>131,717.65</b>	<b>131,717.65</b>	<b>131,717.65</b>	<b>131,717.65</b>	<b>131,717.65</b>	<b>45,281.25</b>	<b>45,281.25</b>
<b>Break-even sales value</b>	<b>530,254.87</b>	<b>839,524.24</b>	<b>839,524.24</b>	<b>839,524.24</b>	<b>839,524.24</b>	<b>288,607.54</b>	<b>288,607.54</b>
<b>Break-even ratio (%)</b>	<b>19.494664</b>	<b>30.864862</b>	<b>30.864862</b>	<b>30.864862</b>	<b>30.864862</b>	<b>10.610571</b>	<b>10.610571</b>
<b>Fixed costs coverage ratio</b>	<b>5.129609</b>	<b>3.23993</b>	<b>3.23993</b>	<b>3.23993</b>	<b>3.23993</b>	<b>9.424563</b>	<b>9.424563</b>

**SOURCES OF FINANCE - DEBT SERVICE SCHEDULE**

			<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
	<b>Total inflow</b>	<b>Construction</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>	<b>Production</b>
<b>Total Long-Term Loans</b>						
<b>Disbursement</b>	<b>622,500.00</b>	<b>622,500.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Repayment</b>	<b>622,500.00</b>	<b>0</b>	<b>191,750.86</b>	<b>207,090.93</b>	<b>223,658.21</b>	<b>0</b>
<b>Debt Balance</b>	<b>0</b>	<b>622,500.00</b>	<b>430,749.14</b>	<b>223,658.21</b>	<b>0</b>	<b>0</b>