

ALISTAIR JAMES CO.LTD

BUSINESS PLAN

WAREHOUSE SOLUTION PROJECT IN MTWARA

Prepared for:

Alistair James Co. Ltd
P.O Box 14111,
Dar es Salaam.

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PART I

1. EXECUTIVE SUMMARY

1.2. Company & Project concept.

Alistair James Co. Ltd founded Alistair Group in June 2008. Since then, the Company has gone from strength to strength and now boasts a large fleet suitable for all types of transport as well as a dedicated team of logistics experts and trained drivers. Today, Alistair Group operates a large fleet of trucks and a wide range of material handling equipment in locations throughout Sub-Saharan Africa.

Alistair Group self-delivers a variety of logistics solutions with core competencies in air, sea and road freight, clearing and forwarding, rig moving, yard services, material handling and equipment hire. We are locally incorporated and have expanded to various locations throughout Africa. Our team has years of experience running efficient and fully compliant operations in Central, Sub-Saharan, East and South African regions. We are experts in providing safe and efficient transportation and logistics services whilst being the integrated logistics supplier of choice to various blue-chip companies.

Since our founding in 2008 Alistair Group has gained extensive experience and growth by self-delivering a variety of logistics solutions. Our core competencies are road, air and sea freight, clearing and forwarding, warehousing, material handling and equipment hire. Our headquarters are located in Mauritius and we are locally incorporated in Tanzania, Zambia, South Africa, Mozambique, Namibia, DRC and Uganda; with years of experience running efficient and fully compliant operations in these regions.

1.3. Purpose of feasibility report

This document is prepared to serve the purpose as a feasibility study for Alistair James Co. Ltd for an opportunity to stockpile and store coal for export purposes in Mtwara region, the coal is mined in Songea and transported to Mtwara awaiting to be exported in international markets through Mtwara port. Alistair James Company Limited saw the opportunity and is looking to store coal in a land purchased in Mtwara municipality, Mtepwezi Block A plot numbers 17,18 and 19 measuring 21,936sqm. Alistair will be storing coal from various clients who are the traders or owners of the said coal.

1.4. The project Developer

The project is being developed and implemented by Alistair James Co. Ltd which has one of the most qualified teams in the region and one of the most highly regarded workforces in Africa. Alistair James Co. Ltd has purchased a land in Mtwara municipality, Mtepwezi Block A plot numbers 17,18 and 19 measuring 21,936sqm

1.5. Company Legality

the legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, Tax Identification Number, and value added Tax certificates Justify that Alistair James Co. Ltd is operating within the ambit of the law of the Land

1.6. Project Organization Structure

the management of is Alistair James Co. Ltd constituted by the following organization set up:- Board of Directors, Managing Director who is responsible on the supervision on the entire operations of the Company, Group Business Development Lead, Head of Warehousing, Chief Financial Controller, Legal Compliance Lead, Material Handling Lead, Commercial Lead – Road Freight, Head of Information Technology, and Head of HSSEQ.

1.7. Investment Structure

The project is estimated to cost 9,288,000 \$ the money covers value of land and building structures but also allocated fund include investment in Heavy Machineries, equipment, furniture and fittings, pre-expenses and working Capital. The equity which shall be contributed by the shareholders is 3,169,000 \$ equivalent to 34 % whereas 5,119,000 \$ which is 76 % is a loan equity from bank. However, a financial policy of the Company state that the profits generated will be re-invested.

Forecasted financial Information, Financial information of ALISTAIR GROUP is projected within five years. The company projected profit and Loss; account show a respectable turnover of more than 58,643 \$in the third year. The profits gained on fifth year are projected to be 85,000 \$. The projected balance sheet, shows the net worth increase of more than 1,298,009\$ in the second year of operation and more than 1,361,803 \$ in the 4th year of the usefully lifetime of the implementation during which the business will be evaluated again.

PART II

2.0. COMPANY AND INDUSTRY INFORMATION

2.1. Basic information

Name of company:	Alistair James Co. Ltd
Address:	P.O. Box 70239. Dar es Salaam
Telephone:	+255754270722
Project Location	Mtepezezi Block A plot numbers 17,18
Certificate of Incorporation no.	56404
Sector	Commercial Building
Sub sector	Coal Storage facility
Total Cost of estimated Investment.	9,288,000\$
Shareholders	Alistair Adrew James
	Aiden James
	Angelo Caruso
	Clementine Juliet James

2.2. CONSTRUCTION INDUSTRY

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

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

The industry comprises of organizations and persons who include companies, firms and individuals working as consultants, main contractors and sub-contractors,

material and component producers, plant and equipment suppliers, builders and merchants. The industry has a close relationship with clients and financiers. The government is involved in the industry as purchaser (client), financier, regulator and operator.

Tanzania's construction sector generated USD 6.7 billion (14% of GDP) in 2018 compared to USD 4 billion in 2014, representing an increase of 68%. According to the Bank of Tanzania (BoT), the growth in the construction sector was attributed to growing public investments (construction of standard gauge railway, bridges, airports, and roads, expansion of ports), as well as on-going rehabilitation of metre-gauge railway. The construction industry in Tanzania includes real estate, transport infrastructure, and other civil works, including water supply.

Tanzania's real estate sector contributed 4% to the country's real GDP in 2018 with USD 1.4 billion, compared to USD 1.2 billion in 2014. This represents an increase of 17% mostly driven by the increasing demand for urban accommodation.

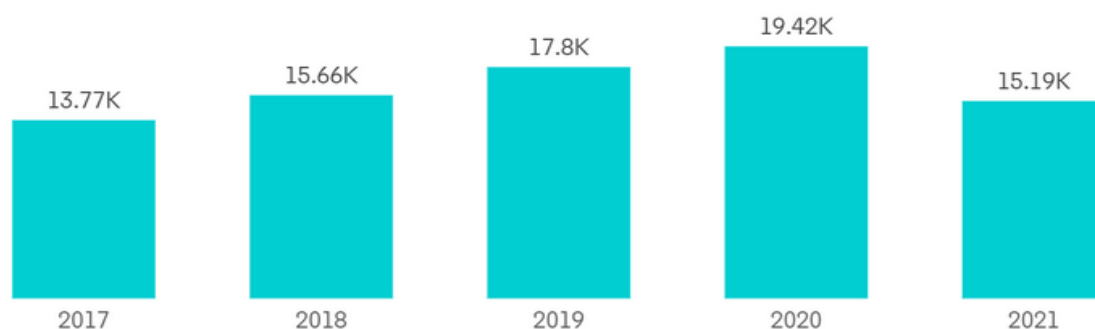
Tanzania's water supply, sewerage, and waste management activity contributed nearly 1% to the country's GDP in 2018 with USD 205 million, compared to USD 164 million in 2014, representing an increase of 25%.

According to the country's 2025 Development Vision, investments in Tanzania's infrastructure, particularly in the development of the road network, must be the Government's top priority. The World Bank (WB) and the African Development Bank (AfDB) support Tanzania in achieving its infrastructure development goals by providing grants and credits for projects.

In 2018, the WB enhanced the Tanzania Country Partnership Framework 2018-2022 (CPF) which outlines more intensive engagement in priority areas including transport. The WB's current portfolio in Tanzania includes 20 projects with a total commitment of USD 4.07 billion, most of which is dedicated to transport development. In April 2014, the WB approved the Intermodal & Rail Development Project of Tanzania to support the development of reliable railway infrastructure on the Dar es Salaam-Isaka section of the East African Central Corridor, mainly by building new terminals and reconstructing bridges. According to the WB, the Intermodal & Rail Development Project will consequently help to promote agricultural trade and job creation across the country. In March 2015, the WB approved the Dar es Salaam Metropolitan Development Project to improve urban services in Dar es Salaam by upgrading and building priority roads and drainage systems. In 2018, the WB approved a loan of USD 350 million to improve water supply and sanitation services in rural Tanzania.

The focus of the projects funded by the AfDB in Tanzania is mostly on infrastructure development and governance. In 2019, the AfDB approved a USD 272.12 million loan to Tanzania for the construction of a new international airport in the capital Dodoma. Work will be carried out over four years and will include a passenger terminal, a runway, air navigation equipment. In the same year, the AfDB approved a EUR 345 million financing package for road construction in Tanzania and Kenya. The road is a key component of the East African transport corridors network, connecting Tanzania and Kenya. Producers, manufacturers, and traders will be able to move goods more quickly and cheaply.

Construction Industry Contribution to GDP in Tanzania, TZS Billion, 2017-2021



Source: Industry Association



2.3. TANZANIA CONSTRUCTION POLICY

The National Construction Industry Policy takes into account of the fact that the realisation of the objectives and goals of the identified priority sectors such as education, health, water, agriculture, manufacturing, tourism, mining, energy, construction, land and good governance operates on the availability of reliable, strong and competitive local construction industry which is capable of delivering quality services to its stakeholders .

New investments in the construction and rehabilitation of infrastructure are given priority parallel with the maintenance of the existing constructed facilities so as to enable speedy development of the other sectors which depend upon the performance of the local construction industry.

The construction policy is anticipated to provide guidance towards the increased involvement of the local construction industry in construction activities. The Construction Industry Policy emphasises the development of an efficient and self sustaining roads network that is capable of meeting the diverse needs for construction, rehabilitation and maintenance of civil works for trunk, regional, districts and feeder roads network through the involvement of private sector.

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

2.3. SOCIAL AND ECONOMIC IMPACT OF THE PROJECT

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

- Facilitate easy exportation of coals from Mtwara port through improved coal storage facility.
- Increased performance of Mtwara Port
- The project will provide employment for more than 323 employees
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury etc. by Community Capital Group Limited

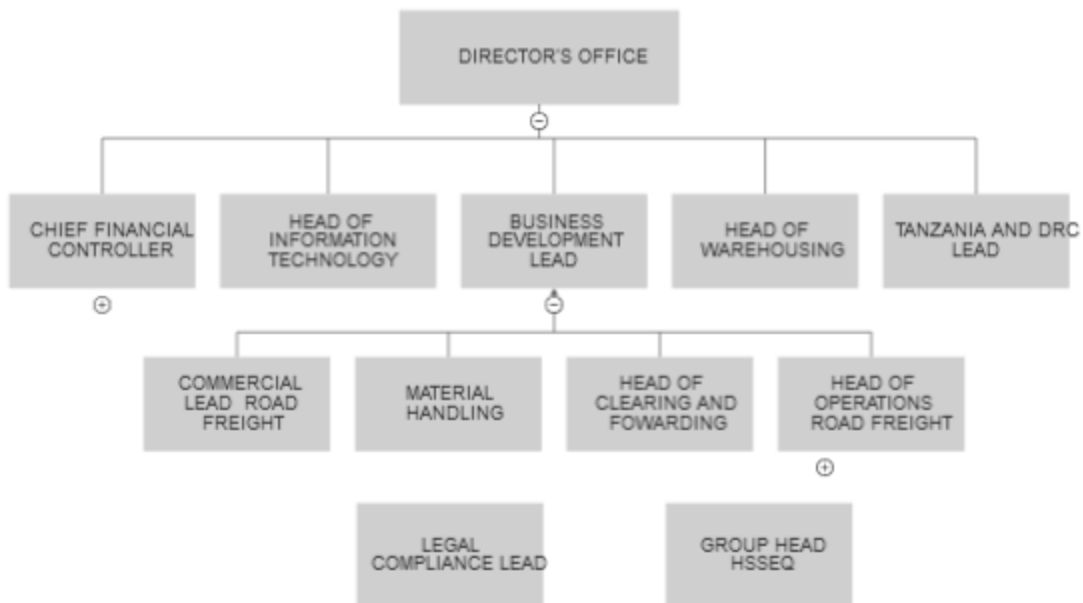
PART III

3.0. MANAGEMENT AND ORGANIZATION STRUCTURE PROPOSED PERSONNEL

3.1.

The organization of the envisaged manpower for the proposed project is divided into three line of managerial lines as show in the organization chart

3.2. ORGANIZATION CHART



3.3. STAFF TRAINING

The project is expected to employ a total of 200 people as Director Labour. During Construction the total labour force to be employed will be 323. For training and educational purpose all administration and operational procedures will be written down in manuals.

3.4. RECRUITMENT

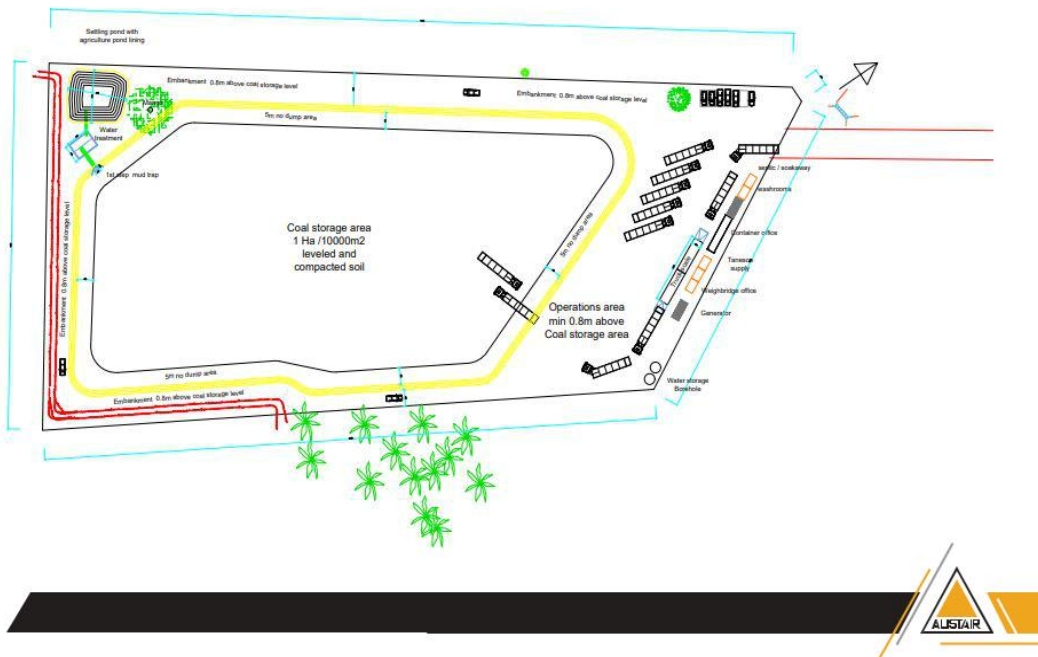
It has been agreed that the initial personnel to be employed by this project will be those with sufficient experiences and must have worked in logistics companies. Posts that require professional training, the personnel thus employed shall have been trained from recognized institutions.

PART IV

4.0. PROJECTS ENGINEERING & TECHNOLOGY

4.1. PROPOSED COAL STORAGE FACILITY

The envisaged project will be managed and owned by Alistair James Co. Ltd the company with its branch office in Kurasini Dar es Salaam. However, its operations shall be carried out throughout the United Republic of Tanzania. The project will be implemented at Mtwara municipality, Mtepwezi Block A plot numbers 17,18 and 19 measuring 21,936sqm.



4.2. LOCAL CONDITIONS

Mtwara port is one of the three major ports managed by Tanzania Ports Authority developed in Southern Tanzania coast near the border with Mozambique. It is geographically located 578 kilometres south of Dar es salaam City. The deep-water port at Mtwara was built between 1948 and 1954.

Mtwara port can handle 1,000,000 metric tons of imports and exports per annum. The port is mainly designed to handle conventional and containerised cargo.

4.3. TECHNICAL REQUIREMENTS OF THE PROJECT

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

- Environment Impact Assessment: Alistair James Company Limited has successfully done Environmental Impact Assessment with 90% completion rate. In the meantime, NEMC has given the company special permit to stockpile coal for a month time.
- The company now awaits finalization of application of Certificate of Incentives and derivative rights of the purchased land from TIC.
- Equipping the projects will all facilities such as loaders, folk lifts and other heavy machineries.

PART V

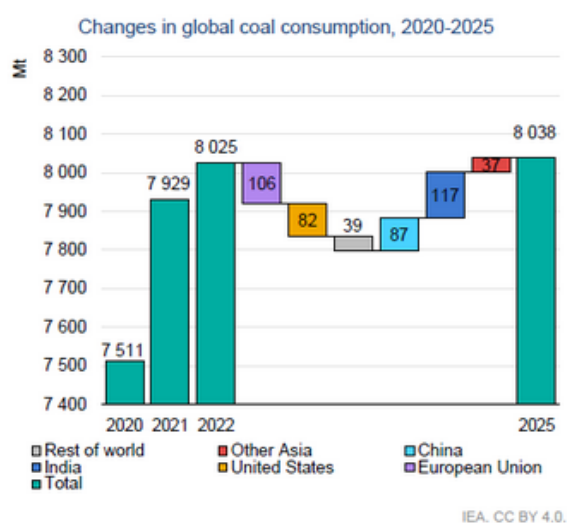
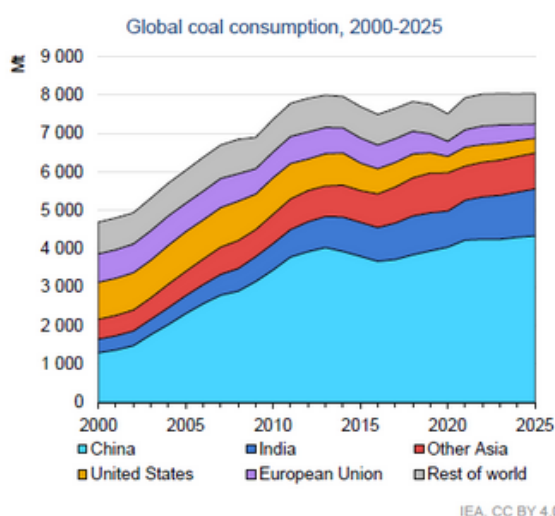
5.0. MARKET INFORMATION

5.1. GLOBAL COAL DEMAND

A robust economic recovery, especially in countries that rely heavily on coal, such as the China and India, while higher natural gas prices prompted a wave of fuel switching to coal, with power generation up 8% to 5 344 Mt. Increased industrial activity boosted coal use for non-power applications by 2.2% to 2 585 Mt.

The largest increase in coal demand this year is expected in India (+7%/+70 Mt), followed by the European Union (+6%/+29 Mt) and China (+0.4%/+18 Mt), mainly led higher by stronger power sector use. Still, while coal-fired power generation in China and India is rising to keep pace with stronger demand, some European countries have been temporarily switching to coal due to record high prices for natural gas, low hydropower generation, and maintenance-related closures at nuclear plants.

Global coal consumption set to plateau through 2025



5.2. JUSTIFICATION OF THE PROJECT

ALISTAIR GROUP has decided aggressively to invest into this project of establishing coal storage facility in Mtwara Ports for the purpose of facilitating of coal export. Alistair group has been impressed by the Government of Tanzania's realization of the important role played by the Government in promoting coal Industry in the country's economic and social development. But also has confidence Alistair Group had that the demand of coal in the global market will keep raising year after year.

5.3. MARKETING STRATEGY

Alistair James is targeting all companies will exporting coals from Tanzania to various destinations of the world.

5.4. SWOT ANALYSIS

5.5.1. The Strength

The strength of Alistair James Co. Ltd depends on the experiences of managing other projects managed by sister companies. They include: -

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

5.5.2. Weakness

The main hindrance likely to face the company is lack of sufficient funding. This has been a critical problem to most of small business in the united republic of Tanzania. The Company will revolve its revenue from the first day of operation a per company policy.

5.5.3. Opportunities

ALISTAIR GROUP capitalizes the optional advantage of the following: -

- Stable economic and political environment
- The increased attractiveness of the country as a quality tourist destination of choice and investment.
- Invest on friendly government policies including: - Market liberalization, Lucrative investment incentive packages, Provisional of land and on aid off site infrastructure, Duty exemption on capital goods

5.5.4. Threats

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

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

5.5.5. Pricing strategy

ALISTAIR GROUP will determine the pricing structure for number of cubic metres occupied per tons. After the 3 years of operations the company will analyze its pricing structure once again to reflect the cost of the various components of its products and will adjust accordingly.

PART VI

6. INVESTMENT AND FINANCING

6.1. Summary of capital costs

The planned project does not require any investment in terms of leverages for executing the activities. The essential requirement is in hard cash capital for implementing the intended buildings constructions. The Company will require a total of 9,288,000 USD to implement the project as shown in the table below.

COST INVESTMENT STRUCTURE						
ITEM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Land	70,000	50,000	50,000	45,000	25,000	240,000
Machineries	1,000,000	1,000,000	800,000	800,000	230,000	3,830,000
Vehicles	1,500,000	1,550,000	520,000	528,000	320,000	4,418,000
Equipment	50,000	50,000	50,000	30,000	20,000	200,000
Furniture and Fittings	40,000	30,000	10,000	10,000	10,000	100,000
Pre - operating expenses	130,000	130,000	120,000	110,000	10,000	500,000
TOTAL	2,790,000	2,810,000	1,550,000	1,523,000	615,000	9,288,000

6.2 FINANCIAL VIABILITY:-

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

6.3 FUNDAMENTAL ASSUMPTIONS

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

- (a) The operating period for which the viability of the project is evaluated is five years.
- (b) The capital costs of the project **9,288,000** USD as can be seen in the in annex table
- (c) All calculations throughout the evaluation period have been taken at constant prices. We have assumed the capital expenditure to be incurred between first year to fifth year of the project implementation
- (d) The project shall come into operation on 2024
- (e) Economic depreciation has been calculated based on the useful lifetime of the various capital items as can be seen below.

6.4 PROJECT PROFITABILITY:-

The projected profit and loss statements of the envisaged project it shows that the initial net profit in the first year will be 58,900 USD The annexure

schedule demonstrates that the same profits will rise to 85,000 USD at the end of the five year of operations. The rise in profit is quite encouraging.

6.5 LIQUIDITY PROJECTIONS:-

Detailed cash flow forecasts are shown that these projections take into account the assumed sources and applications of funds over the planned period and show the ability of the project to meet its financial obligations and capital expenditure requirements. In the first year of operations there is a cash inflow to negative cashflow due to higher gearing ratio

6.6 BALANCE SHEET PROJECT

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

6.7 FINANCIAL REVIEW: -

Our financial review of the project demonstrates that:-

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

6.8 THE NATIONAL ECONOMIC BENEFITS: -

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

- Employment during construction is anticipated to be 123 direct labor and more than 200 casual labor will be employed.
- Revenue to the Government through rent withholding tax and property tax
- Indirect taxes from import duty on imported materials
- Increment of accommodation

**ALISTAIR JAMES CO. LIMITED
PROJECTED INCOME STATEMENTS FOR THE
PERIOD OF FIVE YEARS**

APPENDIX 1

Projected Income statement					
planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	USD	USD	USD	USD	USD
Total net sales	503,160	509,400	526,800	554,400	582,000
Storage (MT)	240,000	240,000	240,000	240,000	240,000
Front EndLoader Rental	131,400	132,000	144,000	156,000	168,000
Front EndLoader Fuel	68,760	69,600	72,000	84,000	96,000
Operator (Acc &Meals)	9,000	10,200	10,800	12,000	13,200
Mobilization andDemobilization(once off)	54,000	57,600	60,000	62,400	64,800
Total other operating revenues	600,000	1,345,000	1,892,000	2,299,757	2,480,000
Rental Income	600,000	1,345,000	1,892,000	2,299,757	2,480,000
Total revenues	1,103,160	1,854,400	2,418,800	2,854,157	3,062,000
Cost of goods sold COGS	892,223	1,316,325	1,648,820	1,923,767	2,080,422
local shipping costs	551,580	927,200	1,209,400	1,427,079	1,531,000
Grading/sorting /packaging	6,000	6,500	7,000	7,500	8,000
Energy	22,063	37,088	48,376	57,083	61,240
Utilities	11,032	18,544	24,188	28,542	30,620
salaries	297,348	322,193	354,456	397,963	443,762
grading/sorting workspace	3,000	3,500	4,000	4,100	4,200
Other costs	1,200	1,300	1,400	1,500	1,600
Gross profit	210,937	538,075	769,980	930,390	981,578
General and administrative expenses G&A	72,747	58,236	59,831	61,571	63,257
Salaries	48,384	49,836	51,331	52,871	54,457
Workspace	1,100	1,200	1,200	1,300	1,300
Marketing & sales expenses	22,063	5,900	5,900	5,900	5,900
General office and utilities expenses	1,200	1,300	1,400	1,500	1,600
Operating profit / EBITDA	138,190	479,839	710,149	868,820	918,321
Depreciation	159,633	317,633	407,467	494,500	527,033
Interest expenses (loan from bank)	140,000	190,750	241,500	292,250	294,980
Interest income from investments (bank deposit)	-	480	960	1,440	1,920
Extraordinary charges (or incomes)	3,500	3,500	3,500	3,500	3,500
Fees and provisions	2,000	2,000	2,000	2,000	2,000
Other	1,500	1,500	1,500	1,500	1,500
Income tax	-	-	-	-	9,622
Net profit (or loss)	(164,943)	(31,564)	58,643	80,010	85,106

Projected Balance sheet (end of year)					
planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	USD	USD	USD	USD	USD
Long-term assets					
Fixed assets: property, plant and equipment	2,630,367	5,122,733	6,265,267	7,293,767	7,381,733
Long-term financial investments		-	-	-	-
Goodwill	-	-	-	-	-
Total long-term assets	2,630,367	5,122,733	6,265,267	7,293,767	7,381,733
Current assets					
Cash & cash equivalents (current account)	(273,710)	(1,615,037)	(1,523,275)	(1,293,171)	(1,025,734)
Deposit account	6,000	12,000	18,000	24,000	30,000
Accounts receivable	124,067	125,605	129,896	136,701	143,507
Inventories	293,334	432,764	542,078	632,471	683,974
Total current assets	149,690	(1,044,667)	(833,301)	(499,998)	(168,253)
Total assets	2,780,057	4,078,066	5,431,965	6,793,768	7,213,480
Long-term liabilities					
Long-term loans	1,725,000	2,450,000	3,175,000	3,905,000	3,939,000
Total long-term liabilities	1,725,000	2,450,000	3,175,000	3,905,000	3,939,000
Current liabilities					
Accounts payable	220,000	324,573	406,558	474,353	512,981
Other provisions	-	-	-	-	-
Total current liabilities	220,000	324,573	406,558	474,353	512,981
Shareholders equity					
Share capital	1,000,000	1,500,000	2,000,000	2,500,000	2,779,000
Reserves	-	-	4,105	12,106	20,617
Retained earnings (or - accumulated losses)	(164,943)	(196,507)	(153,698)	(97,691)	(38,117)
Total shareholders' equity	835,057	1,303,493	1,850,407	2,414,415	2,761,500
Total liabilities & equity	2,780,057	4,078,066	5,431,965	6,793,768	7,213,480

Projected Cash flow statement					
planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	USD	USD	USD	USD	USD
Cash flow from operating activities					
Operating profit (EBITDA)	138,190	479,839	710,149	868,820	918,321
Interest expenses	(140,000)	(190,750)	(241,500)	(292,250)	(294,980)
Interest income from investments (bank deposit)	-	480	960	1,440	1,920
Extraordinary charges (or incomes)	(3,500)	(3,500)	(3,500)	(3,500)	(3,500)
Income tax	-	-	-	-	(9,622)
Movements in working capital					
Decrease (or - increase) in accounts receivable	(124,067)	(1,539)	(4,290)	(6,805)	(6,805)
Decrease (or - increase) in inventories	(293,334)	(139,431)	(109,313)	(90,393)	(51,503)
Increase (or - decrease) in accounts payable	220,000	104,573	81,985	67,795	38,627
Increase (or - decrease) in other provisions	-	-	-	-	-
Total cash flow from operating activities	(202,710)	249,673	434,491	545,106	592,458
Cash flow from investing activities					
Sale (or - purchase) of fixed assets	(2,790,000)	(2,810,000)	(1,550,000)	(1,523,000)	(615,000)
Sale (- purchase) of long-term financial investments	-	-	-	-	-
Decrease (or - increase) of goodwill	-	-	-	-	-
cash placed in the deposit account	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Total cash flow from investing activities:	(2,796,000)	(2,816,000)	(1,556,000)	(1,529,000)	(621,000)
Free cash flow	(2,998,710)	(2,566,327)	(1,121,509)	(983,894)	(28,542)
Cash flow from financing activities					
Long term loans drawn	2,000,000	1,000,000	1,000,000	1,000,000	309,000
Repayments of loans made	(275,000)	(275,000)	(275,000)	(270,000)	(275,000)
Equity contribution (or - withdrawal)	1,000,000	500,000	500,000	500,000	279,000
Dividend paid	-	-	(11,729)	(16,002)	(17,021)
Total cash flow from financing activities	2,725,000	1,225,000	1,213,271	1,213,998	295,979
Total net increase (- decrease) in cash	(273,710)	(1,341,327)	91,762	230,104	267,437
Cash balance: beginning of the year	-	(273,710)	(1,615,037)	(1,523,275)	(1,293,171)
Cash balance: end of the year	(273,710)	(1,615,037)	(1,523,275)	(1,293,171)	(1,025,734)

COST INVESTMENT STRUCTURE						
ITEM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Land	70,000	50,000	50,000	45,000	25,000	240,000
Machineries	1,000,000	1,000,000	800,000	800,000	230,000	3,830,000
Vehicles	1,500,000	1,550,000	520,000	528,000	320,000	4,418,000
Equipment	50,000	50,000	50,000	30,000	20,000	200,000
Furniture and Fittings	40,000	30,000	10,000	10,000	10,000	100,000
Pre - operating expenses	130,000	130,000	120,000	110,000	10,000	500,000
TOTAL	2,790,000	2,810,000	1,550,000	1,523,000	615,000	9,288,000

Reconciliation of shareholders equity					
planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	USD	USD	USD	USD	USD
Beginning shareholders equity	-	835,057	1,303,493	1,850,407	2,414,415
+ Net profit (or - loss)	(164,943)	(31,564)	58,643	80,010	85,106
+ Equity contribution (or - withdrawal)	1,000,000	500,000	500,000	500,000	279,000
- Dividends paid	-	-	(11,729)	(16,002)	(17,021)
Ending shareholders equity	835,057	1,303,493	1,850,407	2,414,415	2,761,500
Additional reserves	-	-	4,105	8,001	8,511
Dividends paid	-	-	11,729	16,002	17,021
Retained earnings (or accumulated losses)	(164,943)	(31,564)	42,809	56,007	59,574

Calculation of income tax					
planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	USD	USD	USD	USD	USD
Net profit after extraordinary items	(164,943.33)	(32,043.92)	57,682.72	78,569.98	92,808.04
Income tax rate	0.30	0.30	0.30	0.30	0.30
Net loss carried forward	(164,943.33)	(196,987.25)	(139,304.53)	(60,734.55)	-
Taxable income	-	-	-	-	32,073.49
Income tax	-	-	-	-	9,622.05

Financing plan					
planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	USD	USD	USD	USD	USD
Shareholders equity					
Equity contribution (or withdrawal)	1,000,000	500,000	500,000	500,000	279,000
Share capital	1,000,000	1,500,000	2,000,000	2,500,000	2,779,000
Long-term loans from bank					
Loans drawn at the beginning of the year	2,000,000	1,000,000	1,000,000	1,000,000	309,000
Repayments made at the end of the year	275,000	275,000	275,000	270,000	275,000
Basis for interest calculation - end of year	2,000,000	2,725,000	3,450,000	4,175,000	4,214,000
Interest rate	0	0	0	0	0
Interest expenses	140,000	190,750	241,500	292,250	294,980
Loan balance: year end (goes to balance sheet)	1,725,000	2,450,000	3,175,000	3,905,000	3,939,000
Liquidity control					
Operating costs	964,970	1,374,561	1,708,651	1,985,337	2,143,679
Minimum cash in relation to operating costs	0	0	0	0	0
Minimum cash balance required (to be available at the end of the year)	192,994	274,912	341,730	397,067	428,736
Actual cash balance at the end of the year	(273,710)	(1,615,037)	(1,523,275)	(1,293,171)	(1,025,734)
Dept to equity relation control					
Dept to equity ratio - planned	2	2	2	2	2
Dept to equity ratio - acceptable by the bank	2	2	2	2	1
Deposit of excess liquidity to a bank account					
Amount deposited (at the end of the year)	6,000	6,000	6,000	6,000	6,000
Total amount deposited (per end of year) - basis for the interest calculation	-	6,000	12,000	18,000	24,000
Total amount deposited (per end of year) - basis for the balance sheet	6,000	12,000	18,000	24,000	30,000
Interest rate	0.08	0.08	0.08	0.08	0.08

Ratio summary sheet					
planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Liquidity ratios					
Current ratio	0.68	(3.22)	(2.05)	(1.05)	(0.33)
Quick test ratio	(0.65)	(4.55)	(3.38)	(2.39)	(1.66)
Efficiency ratios					
Inventory turnover -days	120.00	120.00	120.00	120.00	120.00
Accounts receivable turnover -days	90.00	90.00	90.00	90.00	90.00
Accounts payable turnover -days	90.00	90.00	90.00	90.00	90.00
Fixed asset turnover	0.19	0.10	0.08	0.08	0.08
Total asset turnover	0.18	0.12	0.10	0.08	0.08
Profitability ratios					
Gross profit margin	0.42	1.06	1.46	1.68	1.69
Net profit margin	(0.33)	(0.06)	0.11	0.14	0.15
Operating profit margin	0.27	0.94	1.35	1.57	1.58
Return on assets	(0.06)	(0.01)	0.01	0.01	0.01
Return on equity	(0.20)	(0.02)	0.03	0.03	0.03
Dividend payout	-	-	0.20	0.20	0.20
Solvency ratios					
Debt to equity ratio	2.33	2.13	1.94	1.81	1.61
Total assets to equity ratio	3.33	3.13	2.94	2.81	2.61
Total assets to total liabilities ratio	1.43	1.47	1.52	1.55	1.62
Capitalisation ratio	0.67	0.65	0.63	0.62	0.59
Interest coverage ratio	0.99	2.52	2.94	2.97	3.11

Assumptions					
planning years >>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Income tax rate	0.3	0.3	0.3	0.3	0.3
Average number of days for payment of receivables	90	90	90	90	90
Average number of days of inventory stock	120	120	120	120	120
Average number of days for payment of payables	90	90	90	90	90
Dividends in relation to net profit	0.2	0.2	0.2	0.2	0.2
Percentage of profit to be allocated to the reserves	0.05	0.05	0.07	0.1	0.1

Salaries - Cost of goods sold COGS

No.	Personnel Function / category	Number of employees					Expected annual salary increase	Annual salary (1)/ employe USD					Social insuranc as % of salary	Training expens as % of salary	Fringe benefits as % of salary	Total cost / employe USD					Total cost / category USD				
		1	2	3	4	5		1	2	3	4	5				1	2	3	4	5	1	2	3	4	5
1	Warehouse Manager	3	1	1	1	1	3%	3,600	3,708	3,819	3,934	4,052	20.00%	5.00%	2.00%	4,572	4,703	4,850	4,996	5,146	13,716	4,703	4,850	4,996	5,146
2	Secretary	6	8	10	12	14	3%	1,800	1,854	1,910	1,967	2,026	20.00%	2.00%	2.00%	2,232	2,299	2,368	2,439	2,512	13,332	18,332	23,679	29,268	35,170
3	Finance & Administration	8	2	2	2	2	3%	2,160	2,225	2,292	2,360	2,431	20.00%	5.00%	2.00%	2,743	2,825	2,910	2,998	3,087	21,946	5,651	5,821	5,995	6,175
4	Divers for Cargo trucks	50	55	60	65	70	3%	2,400	2,472	2,546	2,623	2,701	20.00%	1.00%	1.00%	2,328	3,016	3,106	3,200	3,295	146,400	165,871	186,379	207,968	230,684
5	Technical Operators	34	44	45	50	55	3%	1,800	1,854	1,910	1,967	2,026	20.00%	1.00%	1.00%	2,196	2,262	2,330	2,400	2,472	74,664	99,523	104,838	119,981	135,939
6	Engineers	7	7	7	7	7	3%	2,400	2,472	2,546	2,623	2,701	20.00%	1.00%	1.00%	2,328	3,016	3,106	3,200	3,295	20,436	21,111	21,744	22,397	23,068
7	Accountant	2	2	2	2	2	3%	2,760	2,843	2,928	3,016	3,106	20.00%	1.00%	1.00%	3,367	3,468	3,572	3,679	3,790	6,734	6,936	7,145	7,359	7,580
8		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
9		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
10		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
11		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
12		0	0	0	0	0	0%	0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
Subtotal		110	119	127	139	151															297,348	322,193	354,456	397,963	443,762

Salaries - Selling, general and administrative expenses SG&A

No.	Personnel Function / category	Number of employees					Expected annual salary increase	Annual salary (1)/ employe USD					Social insuranc as % of salary	Training expens as % of salary	Fringe benefits as % of salary	Total cost / employe USD					Total cost / category USD				
		1	2	3	4	5		1	2	3	4	5				1	2	3	4	5	1	2	3	4	5
1	Directors	3	3	3	3	3	3%	2,400	2,472	2,546	2,623	2,701	20.00%	5.00%	3.00%	3,072	3,164	3,259	3,357	3,458	9,216	9,492	9,777	10,071	10,373
2	Procurement manager	2	2	2	2	2	3%	3,600	3,708	3,819	3,934	4,052	20.00%	2.00%	2.00%	4,464	4,598	4,736	4,878	5,024	6,928	9,196	9,472	9,756	10,049
3	Marketing and sales specialists	8	8	8	8	8	3%	3,000	3,090	3,183	3,278	3,377	20.00%	4.00%	2.00%	3,780	3,893	4,010	4,131	4,254	30,240	31,147	32,082	33,044	34,035
4								0	0	0	0	0	20.00%	4.00%	1.00%	0	0	0	0	0	0	0	0	0	0
5								0	0	0	0	0	20.00%	2.00%	1.00%	0	0	0	0	0	0	0	0	0	0
6								0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
7								0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
8								0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
9								0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
10								0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
11								0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
12								0	0	0	0	0	0.00%	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0
Subtotal		13	13	13	13	13															48,384	49,836	51,331	52,871	54,457
Total		123	132	140	152	164															*****	*****	*****	*****	*****

