

**TANTU CONSTRUCTION COMPANY  
LIMITED**

**CONSTRUCTION SERVICES BUSINESS PLAN**

## 1. Industry Overview

The construction sector in Tanzania is a significant contributor to the country's economy, accounting for around 8-10% of the country's GDP. The sector is driven by both public and private investment, and has been growing steadily over the years.

Here are some key statistics and trends in the construction sector in Tanzania:-

1. The construction sector accounts for around 8-10% of Tanzania's GDP
2. The sector employs around 1.5 million people, which is about 12% of the country's workforce.
3. The sector's contribution to the country's economic growth is expected to increase to 15% by 2025.
4. The sector's total value added is expected to reach TZS 12.6 trillion (approximately USD 5.3 billion) by 2025.
5. The sector is expected to grow at a CAGR of 10% from 2020 to 2025.

Trends:

1. Infrastructure development: The government has launched several infrastructure projects, including the construction of new roads, bridges, and railways, which are driving growth in the construction sector.
2. Urbanization: Rapid urbanization has led to an increase in demand for housing and commercial properties, driving growth in the construction sector.
3. Energy generation: The government has set targets to increase power generation capacity, which is driving investment in renewable energy projects such as wind and solar power.
4. Tourism: The tourism industry is growing rapidly, leading to an increase in demand for hotel developments and other tourist infrastructure.

Challenges:

1. Limited access to finance: Many small and medium-sized construction companies face challenges in accessing finance, which can limit their ability to invest in new projects.
2. Corruption: Corruption is a significant challenge in the construction sector, with many contractors reporting bribes and other forms of corruption as a major obstacle to doing business.
3. Skills shortage: There is a shortage of skilled workers in the construction sector, particularly in areas such as engineering and architecture.
4. Land acquisition: The process of acquiring land for construction projects can be slow and bureaucratic, which can delay project timelines and increase costs.

### Government Initiatives:

The Tanzanian government has launched several initiatives to boost the construction sector, including:

1. The National Construction Policy (2016), which aims to promote the development of the construction sector and improve its competitiveness.
2. The Tanzania Infrastructure Development Bank (TIDB), which provides financing for infrastructure projects.
3. The Public Private Partnership (PPP) framework, which aims to encourage private sector investment in infrastructure projects.

### Opportunities:

There are many opportunities for investors in the construction sector in Tanzania, particularly in areas such as:

1. Infrastructure development (roads, bridges, railways, etc.)
2. Renewable energy generation (wind, solar, hydro)
3. Housing development
4. Tourism infrastructure (hotels, resorts, etc.)
5. Industrial development (warehouses, factories, etc.)

Overall, the construction sector in Tanzania offers many opportunities for growth and development, but also presents challenges that need to be addressed. With careful planning and execution, the sector has the

potential to make a significant contribution to the country's economic development.

## **2. Executive Summary**

Tantu Construction Company Limited is owned by Mr. Feng Jie, Mr. Huai Yiming and Ms. Zulfa Rasul Msofe both are shareholders and also company directors. The company is a liability company register under the law of United Republic of Tanzania. Main activity is construction services business based in Tanzania, intends to rent its equipment to individuals and businesses.

Our vision as a company is to be the preferred construction services company here in Tanzania and also be amongst the top 10 construction services businesses in the United Republic of Tanzania by 2025. To ensure that we achieve the following vision and objectives, we intend to ensure that we build the best business structure.

Our construction services business is strategically located at Dar es salaam and provides the required convenience for our various customers in easily locating us to make enquiries, buy or rent from us. Also, our online presence makes it quite easy for those who love shopping online to locate us, not only are we located on top of various search engines, we also respond promptly to any online enquiries.

Our equipment are of high quality and are designed to last for as long as possible, this is because we procure these equipment with our customers in mind, and we would want that the equipment they get from us carry out its tasks efficiently.

Our management team is the best that can be found as we carefully sourced for those who not only had an understanding of the industry, but who also believe in our core values and were willing to work to ensure we reached our attained height.

Our customer care teams are very knowledgeable about the trends in the industry and have been trained to understand the wants of our clients and ensure that it is fulfilled. All complaints are speedily attended to and resolved by our able customer care executives.

We know how important is it to garner promotion for a business and so we have drafted effective publicity strategies that will ensure that the business gets the awareness it deserves here in Tanzania.

Finally, our Chief Executive Officer, Mr. Feng Jie is one who has the necessary expertise to ensure that the business attains its goals and objectives as he has more than 10 years experience in the rentals industry and will therefore bring in some strategies that will ensure we come up tops above our various competitors. Tantu Construction Company Limited intends to deal in all sorts of services to its various customers in the target market. Our niche makes it very easy for us to be the exclusive construction services business here in Tanzania.

However, instead of just providing core services to our customers, we intend to add other services to in order to gain more customers while also creating multiple sources of income. Our aim is to make profit as we legally can and as is permissible under the laws of the United Republic of Tanzania. Therefore, some of the services and products we intend to offer are;

- Construction services
- Consultancy and advisory services
- Training
- Rentals of heavy equipment such as bulldozers, excavators, cranes, concrete mixer and backhoes.
- Distributor for several equipment manufacturing companies
- Equipment repair

#### **4. Our Mission and Vision Statement**

- Our vision is to be the exclusive construction services business here in Tanzania; and amongst the top 10 construction services businesses in Tanzania by 2025.
- In order to achieve our goals and objectives, we intend to create a niche for ourselves in the area where we operate, so as to have little or no competition. We also intend to grow and expand as a company till we are known all over the United Republic of Tanzania.

#### **Our Business Structure**

Having the right business structure is very important to us as a business, because we know that getting the business structure right will set us on the right path towards attaining success as an organization. It is for this reason that we would source for and hire only the best employees that will help take our vision from where we are to where we intend to be.

We know how important it is to have the right management team that not only understands the core values of the company but also have the right knowledge and expertise to enable the company achieve its goals and objectives.

We are willing to pay all our employees well and also ensure that they are adequately trained so that they are able to handle the various responsibilities that would be assigned to them through our different sales and products offering. The training would also give them enhanced skills as well as increase their productivity for the overall benefit of the company. Therefore, below is the business structure we intend to build at Tantu Construction Company Limited;

- Chief Executive Officer
- Rentals and Leasing Manager
- Human Resources and Admin Manager
- Maintenance Manager
- Purchasing Manager
- Marketing Executives
- Accountants
- Customer Executive Officers
- Truck Drivers
- Security Guard
- Cleaner

## **5. Job Roles and Responsibilities**

### **Chief Executive Officer**

- Makes strategic decisions for the company

- Reviews company's policies and growth and tweak ineffective strategies
- Meet with high-powered clients on behalf of the company

### **Construction Manager**

- Supervises execution of all construction contracts
- In charge of all equipment that are rented by customers and ensure its proper documentation
- Checks the condition of outgoing and incoming equipment
- Liaises with the purchasing and maintenance managers to ensure that equipment procured is in line with industry trends

### **Human Resources and Admin Manager**

- Sources for and recruits the best employees for the available positions in the company
- In charge of employee training and welfare
- Conducts periodical performance appraisals on the employees on behalf of the company

### **Maintenance Manager**

- Checks the quality of new equipment and machineries
- Carries out light repairs on faulty equipment on behalf of the organization
- Works with team to effect repairs on customer's equipment

### **Purchasing Manager**

- Sources for reliable vendors and suppliers on behalf of the organization
- Gets quotes for equipment and makes findings to ensure the company gets the best quote
- Liaises with the accountant to ensure that the right funds are transferred for the right equipment

## **Marketing Executives**

- Conducts an in-depth analysis of the market to determine ways to penetrate the market
- Carries out one-on-one marketing on behalf of the company
- Reviews and discards ineffective marketing policies

## **Accountants**

- Prepares all accounting and financial information on behalf of our company.
- In charge of channelling funds for the procurement of equipment
- Prepares tax report for onward submission to tax authorities

## **Customer Executive Officers**

- Possess updated information about the general construction services industry as well as our company.
- Attends to customers enquiries and complaints and ensure that they are promptly resolved
- Keeps and update an accurate customer database on behalf of the organization

## **Truck Drivers**

- Ensures that the equipment arrives at its destination on time
- Inspects the offloading and on-loading of the equipment
- Carries out light maintenance on truck

## **Security Guard**

- Ensure that the premises is secured at all times.
- Checks incoming and outgoing equipment and ensures that all documentation are in order.
- Monitors the surveillance cameras to check if anything is amiss.

## **Cleaner**

- Ensure that the premises are kept clean before and after work hours.
- Clean out the equipment store so as there won't be buildup of dirt and grease.
- Carry out any other tasks as might be assigned by the Admin Manager.

## **6. SWOT Analysis**

The SWOT (*Strength, Weakness, Opportunities and Threats*) analysis is usually a method that is used to evaluate the chances of a business' survival. It is a necessary tool used to help the business understand and also carry out the best decisions on behalf of the organization.

In conducting a thorough analysis on our chances in the construction services business, we hired a reputable business consultant here in Atlanta who understands the business thoroughly and would evaluate our strengths and opportunities and use it to determine if they were worth more than our threats and weaknesses.

Below is the result from the SWOT analysis that was conducted on behalf of Tantu Construction Company Limited;

- **Strengths**

We have several strengths in our advantage and one of such is that we have competent employees that know how to handle our customers and also how to anticipate their needs, which is what our customers love most about us. Also, the fact that we can be found online and are actually responsive to enquiries and requests is one of our strengths.

- **Weaknesses**

The fact that many businesses are into construction services is a huge weakness for us as this would mean we would need to intensify efforts to get a good share of the target market that is already saturated. We however have strategies in place that would enable us make a huge impression on the public.

- **Opportunities**

The opportunities that abound to us in this industry stem from companies that will be looking to rent our equipment on a long-term basis, thereby causing an increase in our revenue. There are also loads of people looking for advices on what equipment is best for use and whether they should rent or buy; these are opportunities we intend to use to our full advantage.

- **Threats**

The threats we are likely to experience in this industry are from the arrival of new competitors who might be looking to grab a share of our target market by offering cheaper prices than what we were offering. Also, another threat we are likely to face is in having an economic downturn which will affect the rate customers lend equipment from us.

However, every business knows that it is likely to encounter threats during the start and running of the business and as a serious business we are fully prepared to handle every threat.

## **7. MARKET ANALYSIS**

- **Market Trends**

The construction services business is one that has always been in demand and this is due to the fact that even though several individuals and companies require the use of heavy machinery to carry out certain tasks, they do not want to buy or have the means to buy such equipment.

Also, some of the heavy equipment are used few times by the end users and so there is no need to waste money purchasing these equipment only to use them once or a few times, hence the need to rent the equipment from rental companies.

However, any entrepreneur looking to go into this business must ensure that they think up innovative ways at earning money and staying on top of competition.

Construction services companies these days do not only carry out construction services but also rent out equipment, they are also involved in the sales of heavy and light equipment. Others also become distributors of some of this heavy equipment for equipment manufacturing companies.

This is so that they can gain a huge share of the target market, and keep generating revenue that would give them a healthy bottom line.

The use of the internet has made things quite easy for construction services companies, as most have built websites that has Search Engine Optimization (SEO) so that they could be amongst the top searches for customers who searched for construction services companies online.

There is also the trend of using online directories or paying Google so as to be able to appear in different forums, websites and blogs that register for Google's AdSense. Besides this, owners of this kind of business always network with manufacturing companies as well as other stakeholders in the industry to help increase awareness about them.

## **8. Our Target Market**

There are all sorts of people who make rent equipment for several purposes; this means that we cannot restrict our customers to a certain group as we have a huge target market to cater to here in Tanzania.

Asides from having a large number of potential customers, we are also strategically located here in Tanzania, and have also chosen several other strategic locations in which to create awareness about Our company. However to help us get a better perspective of our target market, we have carried out a market research that will not only help us understand their demands, but will also help us see what they would be expecting from us.

We therefore are in the construction services business to cater to the following group of individuals and industries according to our market research:

- construction industry
- Individuals and Businesses dealing in forestry
- Households
- And other customers who generally lease heavy and light equipments for various activities

## **Our competitive advantage**

Every business that intends to make profit knows that it is likely to have competitors and so it would be wise for such a business to set out competitive strategies that would ensure that it has an edge over its competitors either in the same location or in the whole industry.

With this, Tantu Construction Company Limited has several competitive strategies which it intends to deploy against its competitors in the industry.

Our intention of being amongst the top ten construction services in Tanzania and the only exclusive go-to construction services company here Tanzania means that we fully intend to deploy several strategies to ensure that we achieve this objectives, whilst maintaining a healthy bottom line.

Our different equipment are of high quality and so would not give our customers any hitches once they are being rented out. Not only do we stock the best equipment, we also ensure that our equipment are given a thorough inspection before and after use by our highly competent maintenance team.

Our customers would have the option of using our support personnel whenever they lease our equipment, this is so that any hitches that crop up during the use of our equipment would not only be speedily resolved but also recorded accurately for use by the company for future purposes.

Lastly, we offer the best customer care, the type that cannot be found anywhere in other similar start-ups in the industry. Our customer care executives are deeply knowledgeable about trends in the industry and are highly trained to handle our different types of customers no matter their temperaments.

## **9. SALES AND MARKETING STRATEGY**

- **Sources of Income**

Tantu Construction Company Limited is an established company in Tanzania whose aim is to offer several services to its customers based within its target location.

We intend to give our customers several niche services that will ensure that they do not have to patronize our competitors, and that will also earn us income from various sources. Therefore, Tantu Construction Company Limited will therefore generate income by offering the following services;

- Rentals of heavy equipment such as cranes concrete mixer, paving machines, excavators and forklift.
- Equipment repair
- Training
- Consultancy and advisory services

## **10. Sales Forecast**

The construction services business is such that will always grow especially as most businesses in America cannot go without leasing one or several equipment every day. Our strategic location in Tanzania has made us quite optimistic of generating revenue and making profit from the second year of operation and from which we can then grow and expand our business from there.

We conducted a critical analysis of our chances in the equipment leasing industry based on data and information that was gathered from several similar start-ups in the industry and based on our location as well. It is from this critical analysis that we were able to come up with the sales projections. These are shown at the end of the plan

### **Marketing Strategy and Sales Strategy**

Even though the construction services business is a lucrative one, there are still several businesses within this industry collapsing and all because they did not carry out adequate marketing. Marketing is the process by which businesses research on and identify their target market so as to be able to draft the necessary strategies that would be effective on the identified target market.

Marketing is the major source by which a business makes its revenue to sustain and eventually expand it. Therefore, we have conducted a thorough marketing research on our target market and have identified several ways we would attract customers to our construction services business.

To aid us in carrying out this market research, we sourced for the services of a reputable marketing consultant who is knowledgeable in this field to help us look over our market research and not only review it but also draft the right strategies that would see us standing out in our marketing campaigns.

Empowered to work with the hired marketing consultant is our marketing team, who understanding our corporate core values and foundation have to ensure that each marketing strategy promotes the company positively to existing and potential customers while also generating the intended revenue for the company.

We do not also intend to dismiss the importance of technology as we intend to incorporate it into our marketing strategies.

We are fully aware of the power of the internet and will deploy all means to ensure that we maintain a strong online presence that will be helpful when marketing our construction services business. Therefore, the marketing and sales strategies we intend to adopt for Tantu Construction Company Limited are;

- Ensuring that we introduce our construction services business to all our target markets in our location by sending out formal letters that include our rates and a powerful brochure to the management of each companies
- Ensure that we thoroughly advertise our construction services business in local newspapers, magazines as well as on radio and television stations
- Make use of direct marketing for our construction services business
- Use our official website to market our construction services business
- Use our social media platforms – Facebook, Twitter and LinkedIn – to massively market Construction services
- Ensure that we are listed on online as well as offline directories

## **11. Publicity and Advertising Strategy**

Publicity and advertising is a very important aspect for any business that intends to play an active role in generating revenue whilst also creating the necessary awareness it needs for its brand. Due to this it is very essential that we carefully draft our publicity strategies that would project our image positively to our customers – existing and potential.

We have also hired a brand strategist who is quite knowledgeable about the industry and knows which strategies would likely be beneficial to us in the short and long run, to help look over our strategies and help to modify or draft new ones that we would implement in ensuring that our company is not only known here in Dar es salaam but in other surrounding cities as well.

Therefore the platforms we intend to use in promoting and advertising Tantu Construction Company Limited to our various customers are;

- Ensuring that we pay for Google Ads to help advertise our business on all web pages, forums and blogs that is guaranteed to give us the maximum exposure
- To sponsor relevant school programs that is related to equipment in our local community
- To place adverts in local newspapers, magazines as well as on radio and television stations
- To use the social media platforms, such as Facebook, Twitter and LinkedIn to massively educate people about the advantages of patronizing our company as well promoting us as well
- To ensure that our billboards are strategically and conspicuously located all around Tanzania.
- To ensure that we distribute our handbills and paste our fliers in strategic locations

## **12. Our Pricing Strategy**

We know how important pricing is to a company and so we intend to take our pricing strategy very seriously when it comes to setting the rates and prices for our customers.

We would give our customers an affordable price or rates for our equipment, and will ensure that the price given fetches us a good margin that will cover not only our overhead but our running costs as well. However, in order to attract customers to our business and make them loyal to us, we intend to reduce our rates during the first few months (3 months) of business.

The rates would not however be lowered to the point that they affect our business negatively, we would only be running on low margins. We would however raise our prices later so as to conform to what is obtainable in the rental industry.

- **Payment Options**

The days where there were only one or two ways by which customers could pay for services or a product is long gone as there are several available platforms available to suit the different needs of the customers. At Tantu Construction Company Limited, we are a business that understands that our customers might have different preferences and so we have different payment options available.

Therefore, the payment options we intend to offer all our various customers are;

- Payment via cash
- Payment via check
- Payment via bank draft
- Payment via Credit Card
- Payment via Point of Sale (POS) Machine
- Payment via online payment portal

The above payment options were carefully chosen by our bank and we have been assured that they will offer our customers no problems during transactions.

### **13. Startup Expenditure (Budget)**

The construction services business is a capital intensive business especially if one intends to set up a business that is of a certain standard.

In generating start-up capital for our construction services business, it should be noted that the bulk of the capital would go into purchasing these heavy equipment, while the other heavy spending will be on paying employee salaries and bills. Therefore, the key areas where we intend to spend our start-up capital on are;

- Cost of purchasing several equipment for business start-up – **\$600,000**
- Insurance cover (general liability, asset insurance, workers' compensation) – **\$13,000**
- Operational cost for the first 6 months (employee salaries and utility payments) – **\$89,000**
- Cost of leasing and renovating a facility for use for at least 1 year – **\$20,000**
- Marketing expenses (grand opening party promotion and general marketing) – **\$5,000**
- Other start-up expenses (furniture, stationeries, computers, printers, and phones) – **\$4,000**
- Cost of store equipment (security, and ventilation) – **\$3,000**
- Cost of purchasing one heavy duty transport trucks – **\$55,000**
- Cost of launching a website – **\$1,000**
- Miscellaneous – **\$10,000**

From the above analysis, we would need the sum of **\$800,000** in order to not only start but successfully run our construction services business here in Tanzania. It should be noted that the bulk of the capital will go into buying the heavy equipment that would be rented out to various customers as well as payment employee salaries and lease and furnish the facility we intend to use for our business.

## **Generating Funding / Startup Capital**

Tatu Construction Company Limited is owned by Mr. Feng Jie, who has over 10 years experience in the industry, and other two shareholders Mr. Huai Yiming and Ms Zulfa Rasuli Msofe. In getting for funds to start this business, Shareholders attain funds from different sources including the external investors and issue of shares so that his business can start off successfully.

## **14. Sustainability and Expansion Strategy**

A business that has no sustainability and expansion strategies has no future, and so because we have established our business not only to make profit but have a future as well, we intend to ensure that we implement our

sustainability – employee competence, customers’ loyalty – and expansion – reinvestment – strategies to our advantage.

One first aim of sustaining our business is to ensure that we employ those who are very competent and have a good understanding of how to run the business. In a bid to ensure that the business runs smoothly, we intend to pay our employees well exactly what is obtainable in the industry for start-ups such as ours, and ensure we provide them with a great welfare package.

We intend to share our profits with our management team especially those who have shown a great commitment and zeal for at least a 3-year period; and we also intend to provide incentives by promoting lower end staff after conducting periodical performance appraisals.

Retaining our customers is such a big deal for us and we intend to ensure we deploy all the strategies that will make our customers stick to us.

We intend to offer them excellent customer care, by always listening and attending promptly to their complaints and also responding to whatever enquiries they might have. We will also reward loyal customers by providing discounts every now.

Having a healthy bottom line is important and so we would ensure that we re-invest part of our profit back into the company so that we do not need to source for external sources to fund our company all the time. We believe that once we apply these strategies, we would be able to not only sustain but also expand our construction services business as well.

### **Check List / Milestone**

- Business Registration: **Completed**
- Opening of Corporate Bank Accounts: **Completed**
- Securing Point of Sales (POS) Machines: **Completed**
- Opening Mobile Money Accounts: **Completed**
- Opening Online Payment Platforms: **Completed**
- Application and Obtaining Tax Payer’s ID: **Completed**
- Application for business license and permit: **Completed**

- Purchase of Insurance for the Business: **Completed**
- Conducting feasibility studies: **Completed**
- Generating capital from external funding: **Completed**
- Writing of Business Plan: **Completed**
- Drafting of Employee’s Handbook: **Completed**
- Drafting of Contract Documents and other relevant Legal Documents: **In Progress**
- Design of The Company’s Logo: **Completed**
- Graphic Designs and Printing of Packaging Marketing / Promotional Materials: **In Progress**
- Recruitment of employees: **In Progress**
- Creating Official Website for the Company: **In Progress**
- Creating Awareness for the business both online and around the community: **In Progress**
- Health and Safety and Fire Safety Arrangement (License): **Secured**
- Establishing business relationship with vendors – wholesale suppliers / merchants: **In Progress**
- Purchase of equipment: **In progress**

## Financial Projections

### Production Projections

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Contracts p.a.	10	15	20	25	30
<b>TOTAL PRODUCTION P.A.</b>	<b>10</b>	<b>15</b>	<b>20</b>	<b>25</b>	<b>30</b>

### Sales projections

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Production (No. of Contracts) P.A.	10	15	20	25	30
Production (No. of Contracts) P.A.	10	15	20	25	30
Unit Contract Value (4% Inflation)	150,000.00	156,000.00	162,240.00	168,729.60	175,478.78
<b>TOTAL SALES</b>	<b>1,500,000</b>	<b>2,340,000</b>	<b>3,244,800</b>	<b>4,218,240</b>	<b>5,264,364</b>

### Gross profit projections

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Projected Sales	1,500,000.00	2,340,000.00	3,244,800.00	4,218,240.00	5,264,363.52

Cost of Sales					
Power Utilities	12,000.00	12,480.00	12,979.20	13,498.37	14,038.30
Water Utilities	3,600.00	3,744.00	3,893.76	4,049.51	4,211.49
Wages	438,000.00	455,520.00	473,740.80	492,690.43	512,398.05
Supplies	60,000.00	62,400.00	64,896.00	67,491.84	70,191.51
<i>TOTAL COST OF SALES</i>	513,600.00	534,144.00	555,509.76	577,730.15	600,839.36
<b>GROSS PROFIT</b>	986,400.00	1,805,856.00	2,689,290.24	3,640,509.85	4,663,524.16

### Projected operating expenses

ITEMS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Marketing Expenses	10,500.00	7,980.00	8,778.00	9,655.80	10,621.38
Bank Charges	3,600.00	3,744.00	4,118.40	4,530.24	4,983.26
Insurance	31,100.00	32,344.00	35,578.40	39,136.24	43,049.86
Office Expenses	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00
Permits and Licences	232,600.00	500.00	500.00	1,500.00	231,500.00
Vehicle Expenses	68,000.00	70,720.00	73,548.80	76,490.75	79,550.38
Professionals Fees	2,000.00	1,000.00	2,000.00	1,000.00	2,000.00
Provision for Bad Debts	7,500.00	11,700.00	16,224.00	21,091.20	26,321.82
Miscellaneous Expenses	12,000.00	13,200.00	14,520.00	15,972.00	17,569.20
<b>TOTAL OPERATING EXPENSES</b>	<b>383,300.00</b>	<b>157,188.00</b>	<b>171,267.60</b>	<b>185,376.23</b>	<b>431,595.91</b>

### Projected income statement

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Total Sales Revenue	1,500,000.00	2,340,000.00	3,244,800.00	4,218,240.00	5,264,363.52
Less: Cost of Sales	513,600.00	534,144.00	555,509.76	577,730.15	600,839.36
<i>Gross Profit</i>	<i>986,400.00</i>	<i>1,805,856.00</i>	<i>2,689,290.24</i>	<i>3,640,509.85</i>	<i>4,663,524.16</i>
Less: Operating Expenses	383,300.00	157,188.00	171,267.60	185,376.23	431,595.91
<i>EBIT</i>	<i>603,100.00</i>	<i>1,648,668.00</i>	<i>2,518,022.64</i>	<i>3,455,133.62</i>	<i>4,231,928.26</i>
Less: Loan Interest	-	-	-	-	-
EBT					

	603,100.00	1,648,668.00	2,518,022.64	3,455,133.62	4,231,928.26
Less :Taxes (30%)	180,930.00	494,600.40	755,406.79	1,036,540.09	1,269,578.48
<b>Net Profit/(Loss)</b>	<b>422,170.00</b>	<b>1,154,067.60</b>	<b>1,762,615.85</b>	<b>2,418,593.53</b>	<b>2,962,349.78</b>
Dividend (10%)	42,217.00	115,406.76	176,261.58	241,859.35	296,234.98
<b>Retained Earnings</b>	<b>379,953.00</b>	<b>1,038,660.84</b>	<b>1,586,354.26</b>	<b>2,176,734.18</b>	<b>2,666,114.80</b>

### Projected cash flow statement

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Net Income	422,170.00	1,154,067.60	1,762,615.85	2,418,593.53	2,962,349.78
<b>Cash Flow from Operating Activities</b>	<b>422,170.00</b>	<b>1,154,067.60</b>	<b>1,762,615.85</b>	<b>2,418,593.53</b>	<b>2,962,349.78</b>
(Capital Expenditure)	-	-	-	-	-
	859,000.00	41,000.00	-	-	-
<b>Cash Flow from Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>859,000.00</b>	<b>41,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Increase (decrease) in long-term debt					
(Dividend)	-	-	-	-	-
	42,217.00	115,406.76	176,261.58	241,859.35	296,234.98
Issuance of Equity					
<b>Cash Flow from Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	42,217.00	115,406.76	176,261.58	241,859.35	296,234.98
Beginning Cash	60,000.00	539,047.00	458,613.84	2,044,968.10	4,221,702.28
Net Cash Flow	-	-	-	-	-
	479,047.00	997,660.84	1,586,354.26	2,176,734.18	2,666,114.80
Ending Cash	539,047.00	-	-	-	-
	458,613.84	2,044,968.10	4,221,702.28	6,887,817.08	