

**BUSINESS PLAN TO TANZANIA INVESTMENT
CENTRE (TIC)**

IN FAVOUR OF

CARRY DEVELOPMENT COMPANY LIMITED

AS

**A PROPOSAL FOR REGISTRATION FOR
THE CERTIFICATE OF INCENTIVES**

10TH AGUST 2024

Contents

1. EXECUTIVE SUMMARY	1
2. MARKET TREND OF TRUCK TRAILERSINDUSTRY	3
2.1. Global Market Outlook.....	3
2.2. Tanzania Market	3
3. THE PROJECT	5
3.1. Mission.....	5
3.2. Keys to Success.....	5
3.3. Technical requirement of the project	5
3.4. Social and Economic Impact of project	6
3.5. Justification of the Project	6
4. FINANCIAL ANALYSIS	7
4.1. Investment and Financing Plan	7
4.2. Important Assumptions.....	8
4.3. Implementation.....	8
4.3.1. Implementation timetable.....	8
5. MANAGEMENT AND KEY PERSONNEL	9
5.1. Manpower	9
5.2. Organization and Management.....	10
5.3. Organization Structure of Carry Development Limited	10
6. RISK ANALYSIS.....	11
6.1. Market Risks	11
6.2. Political and Economic Conditions	11
6.3. Financial Risks	11
7. MARKET STRATEGY	12
8. Projections of financial position of the investment project.....	13
9. Environmental and Occupational Safety Considerations	14
9.1. Environmental Impact.....	14
10. Conclusion and Recommendation.....	14
10.1 Conclusion:	14
10.2 Recommendation:	14
11 Final Observation	14

BRIEF SUMMARY OF THE PROJECT

COMPANY: CARRY DEVELOPMENT COMPANY LIMITED

ADDRESS/LOCATION: PLOT NO. P53448 SITUATED VUMILA UKOONI
AREA, KISARAWA II WARD WITH KIGAMBONI
DISTRICT

OBJECTIVE: TO ESTABLISH PROJECT FOR TRUCK
TRAILERS ASSEMBLING PLANT

PROJECT VALUE: USD 7,619,971.43

BENEFITS: TRUCK TRAILERS FIND APPLICATIONS FROM
SEVERAL END-USER INDUSTRIES SUCH AS OIL &
GAS, AGRICULTURE, MINING, CONSTRUCTION,
RETAIL, LOGISTICS, AND OTHERS. TRUCK
TRAILERS ARE USED TO CARRY CONSTRUCTION
MATERIALS AND OTHER RAW MATERIALS AND
EQUIPMENT ESSENTIAL TO CARRY OUT
CONSTRUCTION AND MINING ACTIVITIES
WITHOUT ANY HASSLE.

IMPLEMENTATION

PERIOD: 3 YEARS

EMPLOYMENT: 50 EMPLOYEES

1. Executive Summary

1.1 Introduction

The Carry Development Company Limited is limited Company incorporated in Tanzania under the Company act of 2011. The Company was incorporated 2nd February, 2024, and bears Certificate of Incorporate # **172554547**. Company is being incorporated to execute various business activities among others include undertaking the project which focus in establishing assembling plant which belongs to Manufacturing Sector

Our goals and objectives are straightforward and seek to ensure we run a professional, profitable and ethical company, building relationships with customers, suppliers and other investors

The Carry Development Company Limited aims to;

- Operate trucktrailers assembling factory and maintain the facility at quality standard.
- Manage the project by human resource policies which encourage and reward individual and unified effort and achievement, provide training and personal development opportunities and create a working environment in which staff can feel a real sense of job involve
- Achieve levels of profit sufficient to provide for reinvestment and suitable returns to shareholders and investors
- Seek to comply with all statutory legislation and other external relevant authorities. Define and keep under review Company policy, allowing flexibility for local requirements.
- Adopt best commercial practice and ethical standards in dealing with clientele, suppliers of goods and services and other contacts

This document is prepared to the serve the purpose as a feasibility study The Carry Development Company Limited for establishing and operating trucktrailers assembling plant as well as to be submitted to TIC for an award of TIC Certificate of Incentives

1.2 Location

The Carry Development Company Limited project is located plot no. P53448 situated vumila ukooni Area, Kisarawe II ward in Kigamboni District Dar es Salaam whereas administrative Office is located ta Msikiti Street Mikocheti

1.3 The project Developers,

The project will be managed and operated Carry Development Company Limited. The Company is finalizing land Acquisition from agreement Property International Limited which is located at P53448 situated vumila ukooni Area, Kisarawe II ward in Kigamboni. The land is covering 70,476 square feet. The company is owned and promoted by Chinese entrepreneurs with the following shareholders:-

Name	Nationality	Shares%
Jichen Jiang	Chinese	51%
Haixian Zhang	Chinese	49%

1.4 Company Legality,

Legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, Tax Identification Number, and value added Tax certificates Justify that Carry Development Company Limited is operating within the ambit of the law of the Land.

1.5 Project Organization Structure,

The management of is Carry Development Company Limited 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, a company accountant, a General Manager who will be supervising general affairs of the project operation.

1.6 Investment Structure,

The project is estimated to cost 7,619,971.43\$ the money covers value of land and building structures but also allocated fund include investment in fleet vehicles, equipment, furniture and fittings, pre expenses and working Capital. The equity which shall be contributed by the shareholders is 1,000,000 \$ equivalent to 13% whereas 6,619,971.43\$ which is 87 % 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 Carry Development Company Limited is projected within five years. The company projected profit and Loss, account show a respectable turnover of more than 85,526\$ in the second year. The profits gained on fifth year are projected to be 563,292\$. The business will start realizing a positive cash during the second year of operation amounting to 331,936 \$ at the fifth year cash flow is anticipated to be 416,380.50\$. The financial documents show that the business has a promised cash flow.

2. MARKET TREND OF TRUCK TRAILERS MANUFACTURING INDUSTRY

2.1. Global Market Outlook

The Global Truck Trailer Market stood at USD350.92 billion in 2020 and is expected to grow at a CAGR of around 6.18% to reach USD504.98 billion in 2026. The rise in the investments made by leading authorities of developing economies for the development of the transportation sector and infrastructure development, ongoing construction activities, and launch of new models of the truck trailer are the primary factors driving the growth of the Global Truck Trailer Market in the forecast period. Increasing sales of trucks are accelerating the demand for truck trailers all around the globe. Emerging economies are actively promoting trade activities between the country and other countries. The demand for trucks is expected to rise in the forecast period to run the business efficiently and maintain a smooth supply chain.

With growing urbanization and industrialization, the market is expected to witness a continuous rise. Truck trailers find applications from several end-user industries such as oil & gas, agriculture, mining, construction, retail, logistics, and others. Truck trailers are used to carry construction materials and other raw materials and equipment essential to carry out construction and mining activities without any hassle. Due to the growing expenditure capacity of consumers, the production and sales of two-wheelers and four-wheelers are expected to witness a massive growth in the forecast period. Players are investing in replacing the existing fleets with advanced and newer versions of truck trailers which are expected to create lucrative opportunities for the market growth.

2.2. Tanzania Market

Tanzania's truck export market is projected to reach approximately \$134 million by 2028, up from around \$102 million in 2023, marking a compound annual growth rate (CAGR) of 4.3%. Since 2004, the nation's truck supply has seen a modest annual increase of 0.5%.

In 2023, Tanzania ranked 41st globally in truck exports, with Lithuania surpassing it at about \$102 million. The top three countries in this ranking were the United States, Germany, and France, holding the second, third, and fourth positions, respectively.

The dominant manufacturers of truck trailers in among others include:-

- Dell Trailer (T) Limited
- Simba Trailer Manufacturers Limited
- AM Trailer Manufacturer (T) Limited
- Iramo Auto works (T) Co. Ltd
- Superdoll Trailer Manufacturers Limited

2.3. Products and Services

The project will offer a wide range of services among others the services will include manufacturing of the following products:-

i) 40 ft 3 axle flatbed trailer (Flatbed Trailer & Tip Trailer);

A flatbed trailer is a typical open deck equipment that has no roof nor sides. It is mainly used for transporting heavy, oversized, wide and indelicate goods such as machinery, building supplies or equipment. The flatly shaped body makes it much easier to load and unload goods.

ii) Draw Bar Trailer;

A drawbar trailer is a self-supporting, unpowered trailer which has at least one axle at either end of the trailer. The front axle is connected to a drawbar and the axle pivots to provide steering, following the direction in which the drawbar is pulled. This is sometimes called a dolly.

iii) Drop Side Semi-Trailer

Drop side semi-trailer is a multi-purpose trailer composed of the container flatbed semi-trailer and a side panel. The side panel can be disassembled; it can be used to transport containers as well as bags of cement, rubber and other bulk cargo.

iv) Skeleton trailer;

A skeleton trailer is a type of trailer with a flatbed and no sides or roof. It consists of a frame, axles, wheels, and a kingpin that attaches to a tractor or a prime mover. These trailers are specifically designed to transport too large, bulky, or heavy cargo.

v) Full Repair Service

The project is anticipated to have state of the art trailer repair center which will provide accident damage and repair services for all types of trailers including recovery, insurance company liaison, photo services and delivery. But also the company will offer the full range of trailer repair services at a dedicated repair center from body and chassis re-alignment, body repairs, curtain repair, door repair, upgrading braking systems, suspension replacement, tipper boom replacement and any other damages that apply

3. THE PROJECT

The Company is being incorporated in Tanzania to execute various business activities among others include undertaking the project of establishing and operating truck trailer assembling plant at Kigamboni which belongs to Manufacturing Sector.

3.1. Mission

The mission of Carry Development Company Limited is to become the best choice in Dar es Salaam and Tanzania at large for investors investing into logistics services and creating an environment of conveniences that surpasses the quality standards of the truck trailers produced by other competitors.

3.2. Keys to Success

The primary keys to success for Carry Development Company Limited will be based on the following factors:

- i. Provide a remarkable assembling facility with well attention to detail at first sight.
- ii. Give each investor a sense that they are our top priority.
- iii. Utilization of high-tech fabrication technology

3.3. Technical requirement of the project

A Truck Trailer is a vehicle without an engine that is towed by a truck or tractor. It is designed to transport goods and materials efficiently and safely. In particular, Flatbed Trailers have a flat platform with no sides or roof, allowing for easy loading and unloading of various cargo. They are versatile and commonly used for transporting construction materials, machinery, and oversized loads.

Tip Trailers are specifically designed to transport bulk materials, such as grains, aggregates, or liquids. These trailers have a hydraulic system that allows the container to be tipped, allowing for efficient unloading of the cargo. Both types of trailers play a crucial role in the transportation industry and offer various benefits. They provide flexibility, convenience, and cost-effective solutions for transporting goods across different industries.

Truck Trailer manufacturing business, requires suitable location like what Carry Development Co. Limited obtained at Kigamboni, along with the necessary infrastructure and equipment this includes:

- Welding machines, cutting tools, bending machines, and assembly lines.
- A team of skilled workers, including welders, fabricators, and assemblers.
- Sourcing high-quality materials such as steel, aluminum, and other components. These materials will then cut, shaped, welded, and assembled to create the trailer body and chassis.
- Installing various components such as axles, suspension systems, brakes, and electrical wiring.
- Compliance of the industry standards and regulations, this includes conducting thorough inspections and tests throughout the manufacturing process, as well as ensuring compliance with safety and performance

standards.

3.4. Social and Economic Impact of project

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

- Increase the provision and supply of high quality truck trailers in Tanzania.
- Increased competitiveness among investors invested into the same industry.
- The project will provide employment for more than 50 employees
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury etc. by Carry Development Company Limited

3.5. Justification of the Project

Carry Development Company Limited has decided aggressively to invest into this project of establishing track trailers assembling plant in Tanzania because has been impressed by the Government of Tanzania's realization of the important role played by the private sector in the country's economic and social development. But also has confidence that as Tanzania is gate way of trade and logistics of the land rock countries which create great market to Carry Development Company Limited.

4. FINANCIAL ANALYSIS

4.1. Investment and Financing Plan

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 project. The sponsor plan to construct to Prefabricated warehouses units which shall serve as a place for Assembling plant installation, warehouses storage facilities and Mechanical Services at Kisarawe II Kigamboni. The Company will require a total of **7,619,971.43 USD** to implement the project as shown in the table below

FINANCING PLAN	PHASE 1	PHASE 2	PHASE 3	PHASE 4&5	%
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
EQUITY	500,000	500,000	500,000	1,000,000	33
LOAN	1,000,000	1,000,000	1,000,000	2,119,971.43	77
TOTAL FINANCING	1,500,000	1,500,000	1,500,000	3,119,971	100

PROJECT COST SUMMARY	PHASE 1	PHASE 2	PHASE 3	PHASE 4	TOTAL
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Land & Buildings	1,000,000.00	1,000,000.00	1,000,000.00	475,000	3,475,000.00
Plant Machinery & Equipment	1,000,000.00	1,000,000.00	1,134,891.43	166,868.57	3,301,760.00
Motor Vehicles		100,000.00	100,000.00	50,000.00	250,000.00
Furniture & Fittings		100,000.00	100,000.00	43,211.43	243,211.43
Pre operational Expenses	20,000.00	20,000.00	10,000	0	50,000.00
Total Capital Cost	2,020,000.00	2,220,000.00	2,334,891.43	260,080.00	7,319,971.43
Working Capital	50,000	50,000	100,000	100,000	300,000
TOTAL PROJECT COST	2,070,000.00	2,270,000.00	2,434,891.43	360,080.00	7,619,971.43

The initial at first phase funding anticipated to be of USD **2,070,000 and** will be invested by both loan and owners' equity. The goal is to fund the growth of the business from its earnings. The financial plan contains these essential factors;

- i. A growth rate in sales of 24% for the first year to 40% for fifth year
- ii. An average sales per month that increases each year, averaging \$380,000 in the first year, \$471,000 the second, and \$602,000 in the third year and continue to fund the growth of the business from the revenues it generates.
- iii. The Carry Development Company Limited expects business to grow

steadily until we are at an average of over 60% capacity for the year 4th year with a conservative capacity rate of 50% expected at times. The year 2030 we expect business to grow steadily until we are at an average of over 90% capacity. We will be growing slowly with profits growing at a rate of about 10%. Expenses will be well managed, allowing Carry Development Company Limited to make a profit even if the capacity rate drops as low as 50%.

4.2. Important Assumptions

The following captured critical assumptions will determine the potential for future success of the project proposed plan and objectives;

- i. A healthy economy that supports a moderate level of growth in the market.
- ii. The ability to support a gross margin percentage of more than 65%
- iii. Keeping operating costs low, particularly around product purchases and ongoing monthly expenses.
- iv. The corporate tax charged is 30% of the profits. Some of the capital assets are exempt from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.
- v. Revenues have been conservatively estimated based on experience of the stakeholders and trends in the Manufacturers truck trailers of industry.

4.3. Implementation

4.3.1. Implementation timetable

The table below shows the implementation timetable of the investments and other activities, especially procurement of key equipment, Human Resource recruitment and launch of operations among others.

No.	Timelines In Months	Items To Be Procured
1.	March - August, 2024	Land acquisition
2.	August , 2024	TIC application
3.	September - November, 2024	Land transfer to obtain derivative rights
4.	December 2023 – March, 2025	Site Factory drawing, apply for building permit and site resources mobilization
5.	March to May ,2025	Importation prefabricated buildings
6.	June - August, 2025	Importation of Machines, Plants and equipment
7.	September - October, 2025	Machines and equipment Installation
9.	October - December 2025	Importation raw material
10.	January - March, 2026	Employees recruitment and trial operation
11.	April, 2026	Launch for full scale operation

5. MANAGEMENT AND KEY PERSONNEL

The Carry Development Company Limited will have a well-established human resource policy to handle the planned investment. Key among the facts of the policy is an underlying dogma that majority jobs should go to indigenous persons and should be well-paying. In general, the staff shall be placed into three different categories: Administration/Management, Technical Services and Maintenance/Support staff. Administration positions shall range from managers to secretaries. Technical Service staff are Auto Mechanics and Welders/Fabricators. Finally, the support staffs such as electricians, guardians, gardeners and cleaners.

Managers will have wide range of duties than other members of staff. The Managing Director will deal with the finance and staff issues plant production, while General Managers will have more flexible list of duties, which could include working in any area of the assembling of the plant.

Managers will have a variety of assistants, whose job descriptions will depend on the expansion of the project overtime. It shall be the role of the Assistant Managers to employ and arrange the training of new staff, supervise staff and organize the running of their departments like ordering of supplies. Managers and Assistant Managers could have a personal assistant and/or secretary to do secretarial duties.

5.1. Manpower

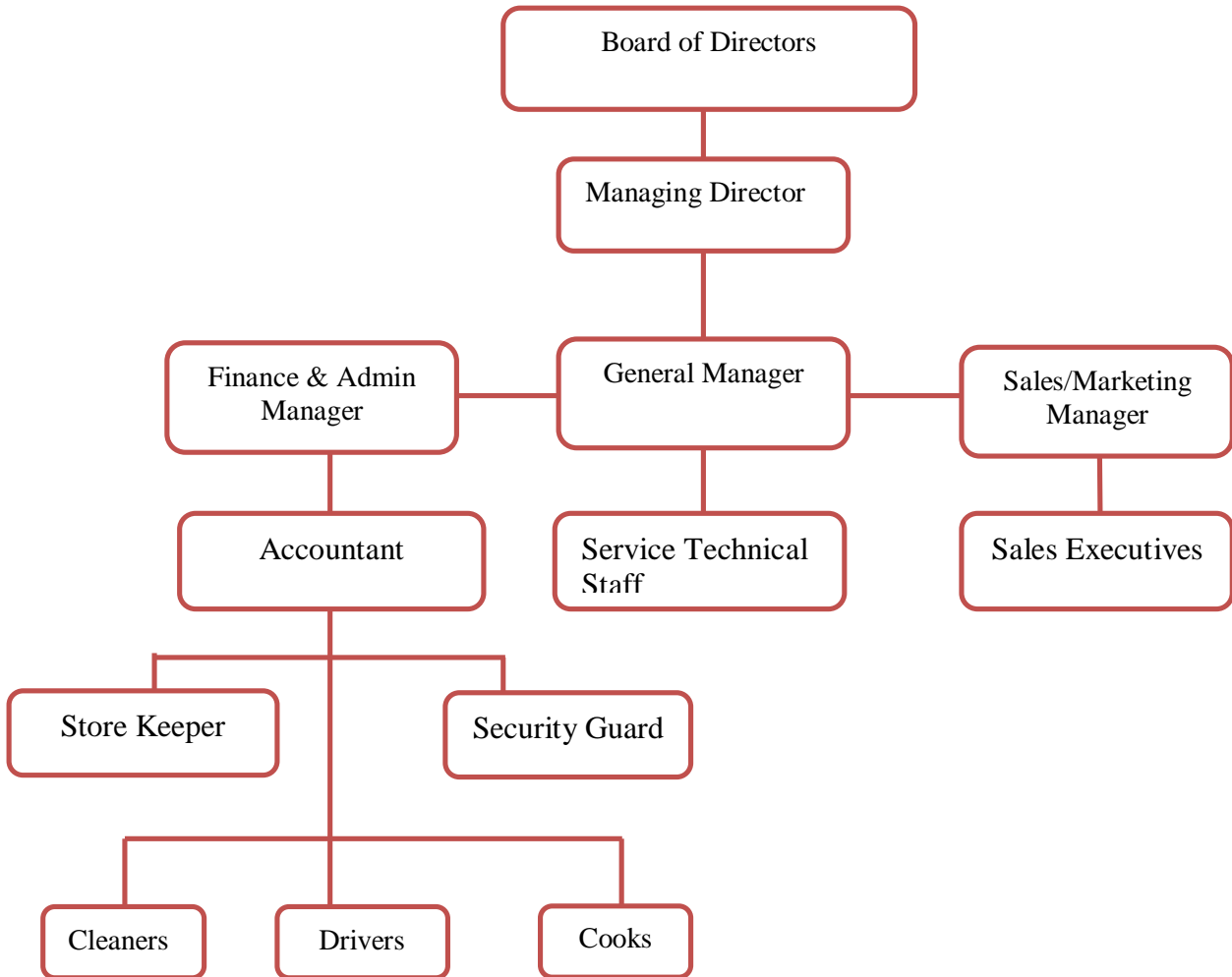
Employees Distribution Summary;

Employment	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women	2	7	5	14
Men	4	25	7	35
TOTAL	6	32	12	50

5.2. Organization and Management

The company will have its activities divided, organized and coordinated in various ways from the Board of Directors (BODs), management and all staff who will play different roles. Organizational structure of the project is shown below;

5.3. Organization Structure of Carry Development Limited



6. RISK ANALYSIS

No business is without risks. This Plan is based on the strong assumptions that the Truck trailers assembling plant will make profits; thereby more investment funds will be available for expansion into other product portfolio. It is also further assumed that there will be no major business interruption either due to the global financial meltdown or market dynamics or further lockdown due to COVID19 pandemic. Lastly, we hope that the Carry Development Company will grow from strength to strength to withstand any future risks.

6.1. Market Risks

The capacity to generate cash flows from the business is subject to general economic, market, competitive, regulatory and other risk factors, many of which are outside the Company's control. For example, our competitors might lower their services prices attracting more clients. Another competitor may introduce a new, better product or service at a lower price. The project shall have contingency plans to deal with the market risks.

6.2. Political and Economic Conditions

We must be cognizant of the risks like decline in economic growth that could decrease demand for the hospitality industry, potentially reducing profitability hence reducing cash flows. For example, an economic crisis decreases the purchasing power of customers and negatively affects the financial condition and credit worthiness of customers. Further economic risk can arise from new unforeseen regulatory requirements like rise in taxes that can negatively impact on sales and the industry's growth rate drops. Operational costs can exceed our forecasts; hence sales projections would not be achieved.

6.3. Financial Risks

The ability to meet the financial obligations and provide for planned growth depends on the Company of having access to adequate sources of working capital. Other financial risks are lack of working capital to enhance operations of the project, underestimating costs; overestimating the growth of sales; and or fast growth which may not be properly dealt with by the project in the short term.

The above risks notwithstanding, it is hoped that Carry Development Company Limited will continue to steer operations of the company either off or through any risk that will face in the future. This optimism arises out of the fact that the owners and management of Carry Development Company astute businesspersons who have so far managed their business successfully. To mitigate the risks of theft, fire accidents etc. The company has and will continue to take comprehensive insurances to all of her assets.

7. MARKET STRATEGY

The Carry Development Company Limited market strategy is based on becoming a choice for the logistics investor in Tanzania and other countries of East Africa. Our marketing strategy is based on superior performance in the following areas: Quality facilities, Quality truck trailers and Customer service targeting the market in three segments; new logistics investors and existing Haulage companies. The primary marketing opportunity is selling to these accessible target market segments by focusing on their needs.

7.1. Sales Strategy

The Company will market its services provided to various associations, haulage companies and cargo transportation companies. Also, mass media instruments like radios, newspapers, and social media and Television stations will be used to advertise the project to the prospectors.

7.2. Sales Forecast

The sales forecast table is broken down into two main revenue streams: manufacturing and selling of truck trailers and full repair services. The sales forecast for the upcoming year is based on a 10% growth rate for direct sales. In spite of the economic unpredictability we are experiencing, these projections appear attainable and take the increasing base into consideration. Growth rates for the 1ST year to 5th year are based on percentage increases as follows:

- i. Manufacturing and selling of truck trailers: 10% growth rate per year.
- ii. Full repair services: 10% growth rate per year.

7.3. Website Marketing Strategy

The Carry Development Company Limited website will focus on the products and services has to offer. Each product/services with its different options will be on the site as well as pictures of the assembling plant and the facilities that it has to offer.

Day to day operations of the marketing and sales department will involve research and sales visits to potential customers, maintain and develop a computerized customer and prospect database, maintain and develop existing and new customers through planned individual account support, and liaison with internal operations / dispatch staff, and coordinating the research function of the company.

8. Projections of financial position of the investment project

8.1. Projected Income Statements

The projected income statement and cash flow shows positive profit and net inflows respectively throughout the investment cycle. Over the projected period (Periods under evaluation) from the beginning of year one to five the turnover of Carry Development Company Limited shows a positive growth. The Carry Development Company Limited Interest cover shows the operation will generate sufficient profit to meet all its interest obligations as its profits before financial charges covers interest obligations by above one times for the whole period of the loan. The profits indicate the expected positive growth of business. The Projected Income Statement is annexed herein as *Annexure 01*.

8.2. Projected Profit and Loss

The Carry Development Company Limited projected income statement for the next three years as shown in the appendices. As mentioned above, earnings are subject to seasonal fluctuations. The owners will, however, strengthen the Carry Development Company Limited market position among the local investors who will patronize the establishment during the low season, and thus offset the negative impact of the season. The Projected Profit and Loss is Annexed herein as *Annexure 02*.

8.3. Projected Cash Flow Statement

The cash flow statement intends to forecast Carry Development Company Limited future cash inflows and outflows. The Cash inflows the project sales revenue, interest income, and capital gains. Cash outflows shows the project payments of salaries, rent, and marketing expenses monthly. The Projected Cash Flow Statement is annexed herein as *Annexure 03*.

15.4 Projected Balance Sheet

The balance sheet includes the projected assets and liabilities of Carry Development Company Limited in the future five financial accounting years. The Projected Balance Sheet for the project is annexed herein as *Annexure 04*.

9. Environmental and Occupational Safety Considerations

9.1. Environmental Impact

a. Staff Wear

The company will provide to all of its staffs with standard uniforms including rubber boots and gloves. Whenever an opportunity prevails, the company provides them safety training as the businesses get better.

b. Waste Disposal

Our effective metal and oil waste management plan includes Waste separation at the source with bins for different types of waste, such as recyclables (metal, oil, glass), and non-recyclables.

c. Fire Protection

The property has in place an adequate fire protection system. Portable fire extinguishers are installed. The firefighting equipment is regularly inspected to keep them active all thetime.

10. Conclusion and Recommendation

10.1 Conclusion:

Carry Development Company Limited set out a proposal to invest in the establishment of a truck trailer assembling plant at P53448 situated Vumila Ukooni Area, Kisarawe II Ward with Kigamboni District Area, Dar es Salaam Region, Tanzania.

The Executive Summary highlights indicate that the proposed project will be financial and economically viable, the project will generate significantly to the social and economic progress by way of increasing the provision of quality tourism in the country. It is recommended that the project be accorded the required institutional support to pave the way for its expeditious establishment and development.

10.2 Recommendation:

Based on the above factors the consultant recommends that the Proprietor be granted with the certificate of Incentives from Tanzania Investment Center (TIC) for the Continues improvement of this project at the earliest date possible.

11 Final Observation

This is a viable and worth capital-intensive business undertaking and the required investments is profitable. The risks associated with the business can be mitigated in the short term so as to build a strong foundation for future growth. Nonetheless, the higher the risks, the higher the returns on investment, hence the faster the business growth. Besides, the business will create direct and indirect employment to thousands of people. It will also generate the much-needed revenues to the Government hence boosting the country's economy.

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently. It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, No. 10 of 2022.

Annexure 1

CARRY DEVELOPMENT COMPANY LIMITED					
PROJECTED INCOME STATEMENT					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	\$	\$	\$	\$	\$
SALES	4,560,030	5,658,000	7,224,000	8,090,880	9,061,786
COST OF SALES	3,248,320	3,994,940	5,054,420	5,660,950	6,340,264
GROSS MARGIN	1,311,710	1,663,060	2,169,580	2,429,930	2,721,521
OPERATING COSTS					
Advertising	27,000	29,700	32,670	36,590	40,981
Automotive	18,000	19,800	21,780	24,394	27,321
Bank charges	2,300	2,370	2,410	2,699	3,023
Business taxes	12,000	13,200	14,520	16,262	18,214
Casual wages	13,000	14,300	15,730	17,618	19,732
Depreciation	857,744	857,744	857,744	960,674	1,075,954
Dues, licenses and fees	15,000	16,500	18,150	20,328	22,767
Insurance	18,000	19,800	21,780	24,394	27,321
Interest on long-term debt	195,461	155,399	113,704	127,348	142,630
Management allowances	1,070	1,070	1,070	1,198	1,342
Misellaneous expenses	16,000	17,600	19,360	21,683	24,285
Office costs	15,000	16,500	18,150	20,328	22,767
Postage	9,000	9,900	10,890	12,197	13,660
Professional fees	20,000	22,000	24,200	27,104	30,356
Property taxes	18,000	19,800	21,780	24,394	27,321
Repairs and maintenance	16,000	17,600	19,360	21,683	24,285
Rent	4,000	4,400	4,840	5,421	6,071
Salaries and benefits	288,948	294,727	300,621	336,696	377,100
Telephone	3,200	3,520	3,872	4,337	4,857
Utilities	4,500	4,950	5,445	6,098	6,830
Total operating Expenses	1,554,224	1,540,880	1,528,076	1,711,446	1,916,819
				-	-
INCOME BEFORE TAXES	(242,514)	122,180	641,504	718,484	804,702
				-	-
INCOME TAXES	72,754	(36,654)	(192,451)	(215,545)	(241,411)
				-	-
NET INCOME	(169,760)	85,526	449,053	502,939	563,292

Annexure 2

CARRY DEVELOPMENT COMPANY LIMITED						
PROJECTED BALANCE SHEET						
	Opening	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	\$	\$	\$	\$	\$	\$
ASSETS						
CURRENT						
Cash	300,000	(58,004)	(43,923)	331,936	371,768	416,381
Accounts receivable	-	190,001	235,750	301,000	337,120	377,574
Inventory	50,000	50,000	50,000	50,000	56,000	62,720
Other assets	-	-	-	-	-	-
Total	350,000	181,997	241,827	682,936	764,888	856,675
CAPITAL ASSETS						
Land	2,000,000	2,000,000	2,000,000	2,000,000	2,240,000	2,508,800
Building	1,475,000	1,475,000	1,475,000	1,475,000	1,652,000	1,850,240
Equipment	3,034,891	3,034,891	3,034,891	3,034,891	3,399,078	3,806,968
Furniture and fixtures	43,211	43,211	43,211	43,211	48,397	54,204
Leasehold improvements	-	-	-	-	-	-
Computer equipment	266,869	266,869	266,869	266,869	298,893	334,760
Automotive equipment	250,000	250,000	250,000	250,000	280,000	313,600
Other	200,000	200,000	200,000	200,000	224,000	250,880
	7,269,971	7,269,971	7,269,971	7,269,971	8,142,368	9,119,452
Accumulated depreciation	-	(857,744)	(1,715,489)	(2,573,233)	(2,882,021)	(3,227,863)
	7,269,971	6,412,227	5,554,483	4,696,739	5,260,347	5,891,589
						-
Total	7,619,971	6,594,224	5,796,310	5,379,675	6,025,236	6,748,264
LIABILITIES						
CURRENT						
Accounts payable	-	200,106	230,659	274,271	307,183	344,045
Income taxes payable	-	(72,754)	36,654	192,451	215,545	241,411
Current portion of long-term d	983,339	1,023,402	1,065,097	1,108,490	1,241,509	1,390,490
Total	983,339	1,150,754	1,332,410	1,575,212	1,764,238	1,975,946
LONG-TERM DEBT						
Long-term loan	5,333,980	4,350,641	3,327,239	2,262,142	2,533,600	2,837,632
Less current portion	(983,339)	(1,023,402)	(1,065,097)	(1,108,490)	(1,241,509)	(1,390,490)
	4,350,641	3,327,239	2,262,142	1,153,652	1,292,090	1,447,141
Total	5,333,980	4,477,993	3,594,552	2,728,864	3,056,328	3,423,087
OWNER'S EQUITY						
Cash	2,285,991	2,285,991	2,285,991	2,285,991	2,560,310	2,867,548
Contributed asset value	-	-	-	-	-	-
Accumulated earnings	-	(169,760)	(84,234)	364,819	408,597	457,629
	2,285,991	2,116,232	2,201,758	2,650,810	2,968,908	3,325,176
						-
Total	7,619,971	6,594,224	5,796,310	5,379,675	6,025,236	6,748,264

Annexure 3

CARRY DEVELOPMENT COMPANY LIMITED					
PROJECTED STATEMENT OF CASH FLOWS					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	\$	\$	\$	\$	\$
CASH PROVIDED BY THE FOLLOWING ACTIVITIES					
OPERATING					
Net earnings	(169,760)	85,526	449,053	502,938.85	563,291.51
Depreciation	857,744	857,744	857,744	960,673.60	1,075,954.43
	687,984	943,270	1,306,797	1,463,612.45	1,639,245.94
Changes in working capital accounts				-	-
Accounts receivable	(190,001)	(45,749)	(65,250)	(73,080.00)	(81,849.60)
Inventory	-	-	-	-	-
Other assets	-	-	-	-	-
Accounts payable	200,106	30,553	43,612	48,844.91	54,706.30
Income taxes payable	(72,754)	109,408	155,797	174,492.67	195,431.79
Total	625,335	1,037,483	1,440,955	1,613,870.03	1,807,534.43
FINANCING					
Repayment of long-term loan	(983,339)	(1,023,402)	(1,065,097)	(1,192,908.35)	(1,336,057.35)
				-	-
CHANGE IN CASH	(358,004)	14,081	375,859	420,961.68	471,477.08
				-	-
CASH, BEGINNING OF YEAR	300,000	(58,004)	(43,923)	(49,193.37)	(55,096.58)
				-	-
CASH, END OF YEAR	(58,004)	(43,923)	331,936	371,768.30	416,380.50

Annexure 4

CARRY DEVELOPMENT COMPANY LIMITED					
PROJECTED OPERATING INCOME					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	\$	\$	\$	\$	\$
Advertising	27,000	29,700	32,670	36,590	40,981
Automotive	18,000	19,800	21,780	24,394	27,321
Bank charges	1,800	1,980	2,178	2,439	2,732
Business taxes	12,000	13,200	14,520	16,262	18,214
Casual wages	13,000	14,300	15,730	17,618	19,732
Dues, licenses and fees	15,000	16,500	18,150	20,328	22,767
Insurance	18,000	19,800	21,780	24,394	27,321
Misellaneous expenses	16,000	17,600	19,360	21,683	24,285
Office costs	15,000	16,500	18,150	20,328	22,767
Postage	9,000	9,900	10,890	12,197	13,660
Professional fees	20,000	22,000	24,200	27,104	30,356
Property taxes	18,000	19,800	21,780	24,394	27,321
Repairs and maintenanc	16,000	17,600	19,360	21,683	24,285
Rent	4,000	4,400	4,840	5,421	6,071
Telephone	3,200	3,520	3,872	4,337	4,857
Utilities	4,500	4,950	5,445	6,098	6,830
Total	210,500	231,550	254,705	285,270	319,502

Annexure 5

CARRY DEVELOPMENT COMPANY LIMITED						
PROJECTED ANNUAL SALARIES AND WAGES						
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
General salaries and benefits:						
<u>Position:</u>	<u>Employees</u>					
Directors	2	36,000	36,720	37,454	38,203	38,968
Mangers	2	24,000	24,480	24,970	25,469	25,978
Technical Staff	38	173,280	176,746	180,281	183,886	187,564
Clerck	3	12,600	12,852	13,109	13,371	13,639
watchmen	4	16,800	17,136	17,479	17,828	18,185
Sub total		262,680	267,934	273,292	278,758	284,333
Estimated benefits (10%)		26,268	26,793	27,329	27,876	28,433
Total salaries and benefits		288,948	294,727	300,621	306,634	312,767
Management allowances						
Project Manager	1	1,000	1,000	1,000	1,020	1,040
		1,000	1,000	1,000	1,020	1,040
Estimated benefits (7%)		70	70	70	71	73
Total management salaries		1,070	1,070	1,070	1,091	1,113
Total employees	50				-	-
Total salaries		290,018	295,797	301,691	307,725	313,880

Annexure 6

COST INVESTMENT STRUCTURE			\$
Current assets			
Working capital			300,000.00
Opening inventory			50,000.00
Other			-
			350,000.00
Property and equipment			
Land			2,000,000.00
Building			1,475,000.00
Equipment			3,034,891.43
Furniture and fixtures			43,211.43
Leasehold improvements			-
Plant			266,868.57
Motor Vehicles			250,000.00
Other			200,000.00
			7,269,971.43
Total assets			7,619,971.43
Financing			\$
Long-term liabilities			
Long-term loan			5,333,980.00
Owner's equity			
Cash			2,285,991.43
Contributed asset value			-
Total			7,619,971.43

Annexure 7

Financial Projections - Loan Analysis

Amount financed	5,333,980.00
Annual interest (e.g., 8.25)	4.000
Duration of loan (in years)	5
Start date of loan	Month 1
Monthly payments	98,233.36
Total number of payments	60
Yearly principal + interest	1,178,800.32
Principal amount	5,333,980.00
Finance charges	560,021.62
Total cost	5,894,001.62

LOAN REPAYMENT SCHEDULE

PAYMENT MONTH	BEGINNING BALANCE	INTEREST	PRINCIPAL	BALANCE	ACCUMULATIVE INTEREST	ACCUMULATIVE PRINCIPAL
1	5,333,980.00	17,779.93	80,453.43	5,253,526.57	17,779.93	80,453.43
2	5,253,526.57	17,511.76	80,721.61	5,172,804.97	35,291.69	161,175.03
3	5,172,804.97	17,242.68	80,990.68	5,091,814.29	52,534.37	242,165.71
4	5,091,814.29	16,972.71	81,260.65	5,010,553.65	69,507.09	323,426.36
5	5,010,553.65	16,701.85	81,531.51	4,929,022.13	86,208.93	404,957.87
6	4,929,022.13	16,430.07	81,803.29	4,847,218.84	102,639.01	486,761.16
7	4,847,218.84	16,157.40	82,075.96	4,765,142.88	118,796.40	568,837.12
8	4,765,142.88	15,883.81	82,349.55	4,682,793.33	134,680.21	651,186.67
9	4,682,793.33	15,609.31	82,624.05	4,600,169.28	150,289.52	733,810.72
10	4,600,169.28	15,333.90	82,899.46	4,517,269.82	165,623.42	816,710.18
11	4,517,269.82	15,057.57	83,175.79	4,434,094.02	180,680.99	899,885.98
12	4,434,094.02	14,780.31	83,453.05	4,350,640.98	195,461.30	983,339.02
13	4,350,640.98	14,502.14	83,731.22	4,266,909.75	209,963.44	1,067,070.25
14	4,266,909.75	14,223.03	84,010.33	4,182,899.42	224,186.47	1,151,080.58
15	4,182,899.42	13,943.00	84,290.36	4,098,609.06	238,129.47	1,235,370.94
16	4,098,609.06	13,662.03	84,571.33	4,014,037.73	251,791.50	1,319,942.27
17	4,014,037.73	13,380.13	84,853.23	3,929,184.50	265,171.62	1,404,795.50
18	3,929,184.50	13,097.28	85,136.08	3,844,048.42	278,268.90	1,489,931.58
19	3,844,048.42	12,813.49	85,419.87	3,758,628.55	291,082.40	1,575,351.45
20	3,758,628.55	12,528.76	85,704.60	3,672,923.96	303,611.16	1,661,056.05
21	3,672,923.96	12,243.08	85,990.28	3,586,933.67	315,854.24	1,747,046.33
22	3,586,933.67	11,956.45	86,276.91	3,500,656.76	327,810.69	1,833,323.24
23	3,500,656.76	11,668.86	86,564.50	3,414,092.26	339,479.54	1,919,887.75
24	3,414,092.26	11,380.31	86,853.05	3,327,239.20	350,859.85	2,006,740.80
25	3,327,239.20	11,090.80	87,142.56	3,240,096.64	361,950.65	2,093,883.36
26	3,240,096.64	10,800.32	87,433.04	3,152,663.60	372,750.97	2,181,316.40
27	3,152,663.60	10,508.88	87,724.48	3,064,939.12	383,259.85	2,269,040.88
28	3,064,939.12	10,216.46	88,016.90	2,976,922.22	393,476.31	2,357,057.78
29	2,976,922.22	9,923.07	88,310.29	2,888,611.94	403,399.39	2,445,368.06
30	2,888,611.94	9,628.71	88,604.65	2,800,007.28	413,028.09	2,533,972.72
31	2,800,007.28	9,333.36	88,900.00	2,711,107.28	422,361.45	2,622,872.72
32	2,711,107.28	9,037.02	89,196.34	2,621,910.94	431,398.47	2,712,069.06
33	2,621,910.94	8,739.70	89,493.66	2,532,417.29	440,138.18	2,801,562.71
34	2,532,417.29	8,441.39	89,791.97	2,442,625.32	448,579.57	2,891,354.68
35	2,442,625.32	8,142.08	90,091.28	2,352,534.04	456,721.65	2,981,445.96
36	2,352,534.04	7,841.78	90,391.58	2,262,142.46	464,563.43	3,071,837.54
37	2,262,142.46	7,540.47	90,692.89	2,171,449.58	472,103.91	3,162,530.42
38	2,171,449.58	7,238.17	90,995.20	2,080,454.38	479,342.07	3,253,525.62
39	2,080,454.38	6,934.85	91,298.51	1,989,155.87	486,276.92	3,344,824.13
40	1,989,155.87	6,630.52	91,602.84	1,897,553.03	492,907.44	3,436,426.97
41	1,897,553.03	6,325.18	91,908.18	1,805,644.84	499,232.62	3,528,335.16
42	1,805,644.84	6,018.82	92,214.54	1,713,430.30	505,251.43	3,620,549.70
43	1,713,430.30	5,711.43	92,521.93	1,620,908.37	510,962.87	3,713,071.63
44	1,620,908.37	5,403.03	92,830.33	1,528,078.04	516,365.90	3,805,901.96
45	1,528,078.04	5,093.59	93,139.77	1,434,938.27	521,459.49	3,899,041.73
46	1,434,938.27	4,783.13	93,450.23	1,341,488.04	526,242.62	3,992,491.96
47	1,341,488.04	4,471.63	93,761.73	1,247,726.31	530,714.24	4,086,253.69
48	1,247,726.31	4,159.09	94,074.27	1,153,652.04	534,873.33	4,180,327.97
49	1,153,652.04	3,845.51	94,387.85	1,059,264.18	538,718.84	4,274,715.82
50	1,059,264.18	3,530.88	94,702.48	964,561.70	542,249.72	4,369,418.30
51	964,561.70	3,215.21	95,018.15	869,543.55	545,464.92	4,464,436.45
52	869,543.55	2,898.48	95,334.88	774,208.67	548,363.40	4,559,771.33
53	774,208.67	2,580.70	95,652.66	678,556.00	550,944.10	4,655,424.00
54	678,556.00	2,261.85	95,971.51	582,584.49	553,205.95	4,751,395.51
55	582,584.49	1,941.95	96,291.41	486,293.08	555,147.90	4,847,686.92
56	486,293.08	1,620.98	96,612.38	389,680.70	556,768.88	4,944,299.30
57	389,680.70	1,298.94	96,934.42	292,746.27	558,067.81	5,041,233.73
58	292,746.27	975.82	97,257.54	195,488.73	559,043.63	5,138,491.27
59	195,488.73	651.63	97,581.73	97,907.00	559,695.26	5,236,073.00
60	97,907.00	326.36	97,907.00	0.00	560,021.62	5,333,980.00
61	0.00	0.00	98,233.36	-98,233.36	560,021.62	5,432,213.36

