



UHUSIANO INTERNATIONAL ICT LIMITED

BUSINESS PLAN FOR PROVIDING SERVICES OF HEAVY MACHINE/EQUIPMENTS & FUNDS

UHUSIANO INTERNATIONAL ICT LIMITED
P O BOX 34674
DAR ES SALAAM

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1.0 INTRODUCTION

1.1 BACKGROUND

This study covers the carrying out of the project for providing services of heavy machine/equipments & funds undertaking. This is intended for the usage/application in the construction and mining sectors.

Essentially the ultimate purpose of this write up is to ascertain the financial and techno- economic statuses of the undertaking

1.2 PROJECT SPONSORS

The project sponsors are UHUSIANO INTERNATIONAL ICT LIMITED whose shareholder directors are experienced in the initiation/operation of multi projects, the one in question inclusive.

1.3 BRIEF DESCRIPTION OF THE STUDY

This report presence a full-fledged financial and techno- economic analysis status relevant to the project of integrated hiring / leasing of the heavy machinery equipment in the construction/ mining sectors.

2.0 EXECITIVE SUMMARY

2.1 INTRODUCTION

The report accounts for the financial and techno- economic analysis on the providing services of heavy machine/equipment's & funds undertaking based in Dar es Salaam

The project undertakers are M/S UHUSIANO INTERNATIONAL ICT LIMITED whose shareholder. Directors are renowned for experience in initiating operating multitude of projects, the one in question inclusive

2.2 MARKET AND MARKET ASSESSMENT

The market analysis has revealed that there is adequate demand for providing services of heavy machine/equipments & funds in the sectors of construction and mining

The same market analysis reveals that there is substantial demand-supply gap because such machinery/ equipment happened to be expensive and not all players in the construction/ mining sectors have adequate financial resources to meet their own requirements.

In order to reflect the demand of such equipment/ machinery in the mining sector has been made to cover the market situation on leasable and rentable premises in the country, especially for Morogoro and Mwanza all upcountry need.

2.3 LOCATION/ SITE FOR HEADQUARTERS

The Headquarters are based at Dar es Salaam Region

The management of M/S UHUSIANO INTERNATIONAL ICT LIMITED is conscious so as to ensure their hiring/leasing rates are at competitive price levels. The observance of these aspects in turn enables M/S UHUSIANO INTERNATIONAL ICT LIMITED to secure its rightful market share of services in question.

2.4 FUNCTIONAL BASIC NEEDS

The project is involved the purchase of heavy machinery and equipment appropriate for road construction/ mining works .These include:

- Stone crushers with supplementary equipment
- Field equipment:
 - Graders
 - Bulldozers
 - Excavators
 - Compactors
 - Compressors
 - Low Loaders
 - Trucks
 - Tippers
 - Field Generators
 - Assortment of Spares
 - Work shop equipment tool and field hand tools

2.5 MANPOWER REQUIREMENTS

Manpower needs according to the proposed organization, it has been estimated at 50 persons. This again has been derived taking into account the types of activities that are intended to be undertaken..

However when the project is in full swing more people will be recruited and the envisaged level will be 80 people

2.6 IMPLEMENTATION SCHEDULE

The project will need a total of 36 months to carry out the implementation and taking off.

2.7 INVESTMENT STRUCTURE

Then investment in fixed assets and working capital is estimated at USD 500,000. The breakdown of which will be in Annextures

2.8 INVESTMENT STRUCTURE

The total additional investment costs on the project will be at the level of US\$ 200,000 as annexed.

2.9 OPERATION COSTS

The structure of operating costs in the context of the renovated rentable premises is as hereafter presented.

TABLE 2.3 OPERATIOANL COSTS BREAKDOWN

| ITEM | US\$ |
|------------------------------------|---------|
| Salaries and wages | 124,538 |
| Vehicles running expenses | 40,000 |
| Electricity | 2,000 |
| Water | 600 |
| Office Rent | 2,000 |
| Equipment Shed Rent | 8,000 |
| Maintenance Furniture and fittings | 800 |
| Maintenance Machinery /Equipment | 30,000 |
| Marketing/Advertisement | 30,000 |
| Administrative overheads | 50,000 |

2.10 FINANCIAL INDICATORS

The financial indicators show that the project is viable as hereafter confirmed here below:

2.10.1 Internal Rate of Return (IRR)After Tax

The project's internal rate of return after tax is 21% well above the lending rate of 10% for long term loan and 14% for the bank overdraft.

2.11 ECONOMIC BENEFITS

The successful carrying out of this expansion in its rightful position contributes economic benefits to the Dar es Salaam region people and the whole country. In summary the benefit being realized are as follows:

- i. The executive of this expansion will improve creation of additional direct employment opportunities for 50 employees that will man the various operation of the project.
- ii. Provides better availability of heavy machinery/equipment that are needed the various functional roles in the constructions/ mining sectors
- iii. The income earned by the employees will bring about the improvement of standard of living of these very workers along with their families.

- iv. The operation of this undertaking will have a positive impact on the performance of the construction/ mining sectors
- v. In a way the undertaking also contributes to the expanded tax base to the Treasury and local Government authorities.

2.12 CONCLUSION

This document has provided a full analysis on the financial, Techno- economic viability on the continued operation of the integrated Leasing /Hiring of Heavy Equipment/Machinery undertaking along with the financial requirements/parameters have been considered. It has been established that this project is technically sound, financially viable, and economical / social beneficial

3.0 MARKET ANALYSIS BRIEF UP

3.1 GENERAL

The marketing for the providing services of heavy machine/equipments & funds to be offered by **M/S UHUSIANO INTERNATIONAL ICT LIMITED** will be such that all efforts will be geared securing the needs of the construction / mining sector. It is a known fact that there are not less than 20 medium to large scale mining firms and thousands small scale miner operation the country.

The majority of these, with the exception of a few of them, do not own any of the standard heavy machinery/ equipment that are needed for the various operations. Thorough analysis to establish quantified requirements in the context of such machinery/equipment is beyond the needs of the study in question .However such needs run into several units of each category of machinery/equipment.

The company will operate its service covering the whole country, with depots situated in appropriate locations. A reflection of the market potential has been attempted in the context of a construction company with an assumed market share of six percent, as here after presented

A company can operate in any zone of Tanzania such as Central and North East Zones .In these zones all types of roads may require services at any particular period in a year.It has thus been projected that the total length of roads and the relative market for each type will be as follows:

| Type of Roads and Production Programme | | Year 1 | Year 2 | Year 3 | Year 4 |
|--|--------------|--------------|--------------|--------------|--------------|
| Available Market (km) | | Market Share | Market Share | Market Share | Market Share |
| Capacity Utilisation | @100% | (6%) | (8%) | (10%) | (10%) |
| Type of Road | | | | | |
| Trunk Road Paved | 330 | 20 | 26 | 33 | 33 |
| Trunk Road -Gravel | 1410 | 85 | 113 | 141 | 141 |
| Regional Roads- Earth | 460 | 28 | 34 | 43 | 43 |
| Region Roads - Gravel | 300 | 18 | 23 | 26 | 30 |
| Rural Roads - Earth | 1050 | 24 | 24 | 30 | 30 |
| District Road- Earth | 480 | 63 | 84 | 105 | 105 |
| Bridges and Culverts | 4030km | 29 | 38 | 48 | 48 |

3.2 SOURCE OF WORKS

It is anticipated that most of the road works will be sourced from the Ministry of Infrastructure which is responsible for all trunk and Regional road works through Regional engineers where the respective road section exist .Most of these roads are donor funded and fall under the IRP(Project)

In 1998 the country suffered heavy destruction on roads and bridges caused by the EL Nino rains disrupting road communication substantially and affecting social-economic development. The Government is making all efforts to restore the road conditions by hiring private road contractors in order to speed up the completions of such works. Donors have responded positively to the Government's request for funds to facilitate the reconstruction or rehabilitation of the destroyed roads.

A part from the Central Government, the company will also source road works form Municipal and District councils which are responsible for road works on rural feeder and urban roads. Such roads usually have funds allocated for periodic maintenance and rehabilitation works

Some of the areas in which the company will operate has plenty of agriculture and livestock activities as well as manufacturing and mining. The need for road communication in these areas is vital and so is the need to maintain the road in these areas.

4.0 PROJECT ENGINEERING

4.1 GENERAL

As stated elsewhere in this report the Headquarters of M/S UHUSIANO INTERNATIONAL ICT LIMITED are in Dar es Salaam

The company will execute hiring/leasing of its property selected/ acquired heavy equipment machinery throughout Tanzania especially the following zones:

- a) South Western Zone (Iringa ,Mbeya, Rukwa)
- b) South Zone (Lindi, Mtwara)
- c) Eastern Zone (Dar es Salaam, Morogor, Coast)
- d) Lake Zone (Mara, Mwanza, Shinyanga, Kagera)
- e) Mid- West Zone (Tabara, Kigoma)
- f) Central Zone (Dodoma, Singida)
- g) North- East Zone (Arusha, Kilimanjaro, Tanga)

It is assumed that the company when in full operation will be able to secure adequate requests for its heavy machinery / equipment by the various construction/ mining firms, and individuals.

4.2 MACHINERY / EQUIPMENT

The company will have adequate machinery and equipment with which to meet the hiring/ leasing needs. The machinery and equipment will include:

- Complete sets of mobile crusher on viberti- trailer with supplementary equipment
- Graders
- Grader caterpillars
- Rollers (compactor)
- Excavators
- Concrete mixers
- Chain loader caterpillars
- Low loaders
- Compressors
- Bulldozers
- Tipper with cranes
- Semi-trailers
- Field hand tools
- Trucks
- Administration

5.0 CIVIL WORKS AND BUILDINGS

5.1 GENERAL

As noted elsewhere in this report the project operation are based on Nyarugusu Geita region

5.2 ACCESSIBILITY OF THE SITE

The project site is accessible full provision of all the basic necessities Electricity and Water

5.3 AUXILIARY SERVICE REQUIREMENTS

5.3.1 Power Supply System

➤ Main Power System

It power supply is through the national grid prevailing in the Municipal .This power sometimes can prove highly unreliable because of the frequent cuts and fluctuating voltages

➤ Emergency Power Supply

A standby generator is provided to supply all the essential loads in and event of TANESCO power failure.

➤ Power Distribution

Power distribution in the compound is via underground cables installed with TANESCO requirements

➤ Fire Protection

Is provided in terms of fire detection and fire fighting systems. Fire detection system is consist of automatic and manual detection devises, alarm and communication system whereas fire fighting system is feature portable extinguishers , hose reels , wet and dry rises and automatic sprinkler system

5.3.2 Access Entrance

Wide inlet/ entrance is provided so as to facilitate smooth passage of the workers and vehicles.

5.3.3 A Parking Space for the plant

The compound has ample parking space adequate to accommodate several vehicles at any given time

5.3.4 Water Supply

➤ **Source of Water**

The source of potable water for the premises is through the Dar es Salaam water supply system

5.3.5 Storm Water Drainage and Sewerage System

➤ **Storm Water Drainage**

Storm water- run- off is collected from the building by means of spouts and full boras through down pipes and is discharged into the open channel and deposited into the road side drains.

➤ **Sewerage System**

Waste and foul water is collected from building by means of UPVCP pipes of different sizes e.g 75 mm and 150 mm to the municipal sewer lines.

6.0 IMPLEMENTATION SCHEDULE

6.1 GENERAL

Both local and external factors have been taken into account when drawing out the proposed schedule of implementation. Factors such as acquisition of machinery and equipment, recruitment of qualified personnel and other factors have been looked into.

6.2 PRELIMINARY FORMALITIES

On the finalization of the study duration of about 4 weeks will be needed for executive of the preliminary formalities of the project.

6.3 PROJECT STAGE

6.3.1 Ordering of Machinery/Equipment / Vehicles/ Furniture

On having secured rented premises for the initial housing of the operation then will follows timely ordering, that will have to be executed to match the rate of project implementation which basically means that executive of jobs acquisition efforts. Time needed will run into several weeks.

6.3.2 Setting up of Machinery/ Equipment/ Furniture

This will be done in rented premises in the context of both office and machinery / equipment storage sheds. However as already noted elsewhere in this report on completion of the own premises, all these will be shifted.

6.3.3 Carrying put of the hiring/ leasing requests- acquisition efforts

This will be a continuous undertaking right from the time when the company is fully registered and licensed

7.0 MANPOWER REQUIREMENTS

7.1 MANAGEMENT

The success of venture of this kind depends on the competence of the personnel recruited to manage. It is assumed that relevant personnel with requisite skills shall be available within the country. There will be need of recruiting expatriates in some key positions

The overall in charge, responsible for the day to day operations are under the Project Manager who will in turn is answerable to the Board of Directors.

7.2 ORGANIZATION SET UP

The operation are broadly be divide into the following:-

- Finance Department
- Administration Department
- Operation Department
- Marketing Department

7.3 MANPOWER REQUIREMENTS

7.3.1 Total Manpower Requirements

Based on the organization structure in place the project was initially to employ a total of 50 persons

The breakdown down of the initial work force in terms of its categories is an after presented in table 7.1

7.3.2 Salaries and Wages

Total wage bill for the proposed resort has been computer at US\$124,538

7.4 RECRUITMENT AND TRAINING

7.4.1 Recruitment

All new staff would be recruited at least one month before the completion of the expansion

7.4.2 Training

The Management of the plant would strive to employ competent and qualified personnel in the hiring/ leasing of heavy machinery/ equipment

business. To reduce cost few senior staff will be trained at the selected locally available institutions

All other supporting staff will be trained on the job .However , it is expected that most of them will have some basic knowledge and experience in hiring/ leasing of heavy machinery/equipment business

8.0 INVESTMENT AND FINANCING

8.1 ASSUMPTIONS

- The project construction time is assumed to be one year
- The economic life of the project is 10 years
- The currency exchange rate of Tsh 2,330/= to in US\$ has been adopted
- Re- investment in vehicle shall be done after every four years
- Interest on OD is 14% and on long term loan is 10%
-

8.2 INVESTMENT STRUCTURE

The total initial investment in fixed assets is estimated at US\$ 1,627,538 whose of which is as at appendixes.

8.2.1 Machinery and Equipment

The additional machinery/ equipment needs for the undertaking are estimated at cost of US\$ 1,800,000

8.2.2 Vehicles

These are estimated at US\$ 300,000

8.2.3 Land and rent

These are estimated at US\$ 80,000

8.2.4 The Working Capital

The initial working capital is computed as annexed

8.3 RE- INVESTMENT

There shall be need for re- investment in vehicles after every four years, ie in year 4 and year 8

8.4 FINANCIAL PATTERN

The initial total investment of US\$ 1,627,538 shall be financed as here after presented in Table 8:2 and further outlined in Appendixes

9.0 OPERATION COSTS

9.1 ASSUMPTION

The prices of inputs are assumed to remain constant over the ten years period because under rising inflation the prices and services will rise including those of output hence leaving the profit margin unchanged

9.2 OPERATION COST STRUCTURE

The main items which will constitute the operating costs are as hereafter outlined in Table 9.1 when unit will be in full operation

TABLE 9;1 OPERATIONAL COSTS BREAKDOWN

| ITEM | US\$ |
|-------------------------------------|---------|
| Salaries and Wages | 124,538 |
| Vehicles running expenses | 40,000 |
| Electricity | 2,000 |
| Water | 600 |
| Office Rent | 2,000 |
| Equipment Shed Rent | 8,000 |
| Maintenance: Furniture and fittings | 800 |
| Maintenance: Machinery / Equipment | 30,000 |
| Marketing/ Advertisement | 30,000 |
| Administrative Overheads | 50,000 |

9.3 BREAKDOWN ON THE OPERATING EXPENSES

The main cost items will include salaries and wages, vehicle running expenses, electricity, water, insurance, office rent, advertising/ marketing equipment shed rent, maintenance of machinery equipment, maintenance of civil works, maintenance of furniture / fittings and administrative overheads.

The details of all projected operating expenses are shown in Appendixes however a brief mention of each is as hereafter presented.

9.2.1 Salaries and Wages

These averages at US\$ 124,538 per annum for the existing manpower operating the factory

9.2.2 Vehicle Running Expenses

This is one of the cost items and it is averaging at US\$ 40,000 per annum

9.2.3 Electricity

The total cost per year is averaging US\$2,000 per annum

9.2.4 Water

The envisaged annual cost is estimated at US\$600

9.2.5 Office Rent

This is estimated at US\$ 2,000 PER annum

9.2.6 Equipment Storage Shed Rent

This has been computer at US\$8,000 annum

9.2.7 Maintenance: Machinery / Equipment

Annually this will cost US\$30,000

9.2.8 Maintenance; Furniture and Fittings

The annual amount will be US\$800

9.2.9 Marketing /Advertising

This is estimated at US\$30,000 per annum

9.2.10 Administration Overheads

The administrative expenses are estimated at US\$50,000 per annum. These will include items such as stationary, telephone, fax, uniforms and other adhoc services

9.2.11 Depreciation

Depreciation rates have been calculated as follows

| | |
|--------------------------------|-------------------------|
| Land, Building and civil works | 4% Straight Line |
| Vehicle | 25% Straight Line |
| Pre- operational Expense | 20% Straight Line |
| Equipment | 12.5% Diminishing value |

Total depreciation charges in year one after new construction will be at US\$ 83,750 decreasing steadily to US\$19,167 in year 10 as illustrated in Appendix .

9.2.12 Tax

Corporation tax is charges at 30% on profits before tax. Tax in year six is estimated at US\$14,453 in year 1 rising to US\$46,551 in year 10

Details of financial costs and corporation tax are shown in Appendix 8:C

9.4 FINANCIAL INDICATORS

Financial indicators showing the financial viability of the project are summarized below:

9.4.1 Internal Rate of Return (IRR) After Tax

The project's internal rate of return after tax is given in Appendix 9:D .This is estimated at 21% well above the lending rate of 7% for term loan

9.4.2 Payback Period

This has been computed and found to be 4 years months as indicated in appendix 9:E

9.4.3 Break – even Analysis 3rd Year

The break- even analysis in the 3rd year of operation shows break even sales at US\$ 462,275 and breakeven capacity of 32%- Details are given in Appendix 9:F

9.5 SENSITIVITY ANALYSIS

A sensitivity analysis has been carried out on the project's IRR responsiveness to changes in sales price, operating costs or initial investment. And the result of the sensitivity analysis has shown that the IRR is more sensitive to changes in sales prices than changes in either operating costs or initial investment.

9.6 ECONOMIC BENEFITS

The successful operation of this undertaking in its rightful position contributes economic benefits to the Dar es Salaam Region people and the whole country .In summaries the benefit being realized are as follows:

- i. The execution of this expansion will improve creation of additional direct employment opportunities for 50 employees that will man the various operation of the project
- ii. The executive of this project will facilitate creation of direct employment opportunities for 50 employees that will man the various operations of the project.

Financial Statements

| INVESTMENT BREAKDOWN | |
|-----------------------------|--------------------|
| COST STRUCTUR | AMOUNTS USD |
| PARTICULAR | |
| Land and Buildings | 700,000 |
| Plant & Machines | 300,000 |
| Motor Vehicles | 225,000 |
| Furniture & Fixtures | 10,000 |
| Pre Expenses | 105,000 |
| Others | |
| Working Capital | 287,538 |
| TOTAL | 1,627,538 |

OTHER OPERATING COST

| Other Operations Cost | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|
| Motor Vehicle running expens | 40,000 | 40,400 | 40,800 | 41,200 | 41,600 |
| Salaries and Wages | 124,538 | 136,992 | 150,691 | 165,760 | 182,336 |
| Administrative Overhead Costs | 30,000 | 33,000 | 36,300 | 39,930 | 43,923 |
| Utility Costs | 30,000 | 33,000 | 36,300 | 39,930 | 43,923 |
| Interest on Loan | 50,000 | 55,000 | 60,500 | 66,550 | 73,205 |
| Communication Exepnses | 13,000 | 14,300 | 15,730 | 17,303 | 19,033 |
| Total Costs | 287,538 | 312,692 | 340,321 | 370,673 | 404,020 |

FIXED ASSETS SCHEDULE

| NAME OF ASSETS | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|-----------------------------|------------------|------------------|----------------|----------------|----------------|
| Land and Buildings | 700,000 | 665,000 | 630,000 | 595,000 | 560,000 |
| Plant & Machines | 300,000 | 240,000 | 180,000 | 120,000 | 60,000 |
| Motor Vehicle | 225,000 | 185,000 | 145,000 | 105,000 | 65,000 |
| Furniture & Fixtures | 10,000 | 8,750 | 40,000 | 35,000 | 30,000 |
| Total | 1,235,000 | 1,098,750 | 995,000 | 855,000 | 715,000 |
| Depreciation | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
| Land and Buildings | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Plant & Machines | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Motor Vehicles | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Furniture & Fixtures | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| ANNUAL DEPRECIATION | 136,250 | 136,250 | 136,250 | 136,250 | 136,250 |
| CLOSING FIXED ASSETS | 1,098,750 | 962,500 | 858,750 | 718,750 | 578,750 |

PROJECTED CASHFLOW

| | | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|-------------------------------------|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Cashflow from Operations | | 1,400,00 0 | 1,378,12 5 | 1,447,03 1 | 1,519,38 3 | 1,595,35 2 |
| Cash Sales | | | | | | |
| VAT Receipt | | 350,000 | 367,500 | 385,875 | 405,169 | 425,427 |
| Subtotal Cash Received | | 1,750,00 0 | 1,745,62 5 | 1,832,90 6 | 1,924,55 2 | 2,020.78 |
| Expenditures from Operations | | | | | | |
| Purchases | | 630,000 | 661,500 | 694,575 | 729,304 | 765,769 |
| Interest and Loan | | 18,200 | 18,200 | 18,200 | 18,200 | 18,200 |
| Additional Cash Spent | | 610,700 | 640,325 | 671,431 | 701,295 | 733,652 |
| VAT Payments | | 105,000 | 147,000 | 154,350 | 162,068 | 170,171 |
| Subtotal Cash Payment | | 1,363,90 0 | 1,467,02 5 | 1,538,55 6 | 1,610,86 6 | 1,687,79 2 |
| Cash from Operations | | 386,,100 | 278,600 | 294,350 | 313,685 | 332,987 |
| Cash flow from Investments | | | | | | |
| Purchases of Assets | | 2,450,00 0 | | | | |
| Pre Expenses | | 30,000 | | | | |
| Working Capital Requirment | | 100,000 | | | | |
| Cash flow from financing | | | | | | |
| Loan | | 1,820,00 0 | | | | |
| Owners Contributio | | 780,000 | | | | |
| Cash Flow from Financing | | 2,600,00 0 | | | | |
| Net Casflow for period | | 406,100 | 278,600 | 294,350 | 313,685 | 332,987 |
| Cashflow at start of year | | | 406,100 | 684,700 | 979,050 | 1,292,73 5 |
| Cashflow at the end of year | | 406,100 | 684,700 | 979,050 | 1,292,73 5 | 1,625,72 2 |

PROJECT BALANCE SHEET

| | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| Fixed Assets | 1,235,000 | 1,098,750 | 995,000 | 855,000 | 715,000 |
| Long term Assets | | | | | |
| Depreciation | 136,250 | 136,250 | 136,250 | 136,250 | 136,250 |
| Total long term assets | 1,098,750 | 962,500 | 858,750 | 718,750 | 578,750 |
| Current Assets | | | | | |
| Cash | 406,100 | 684,700 | 979,050 | 1,292,735 | 1,625,723 |
| Account Receivable | 105,000 | 110,250 | 216,535 | 421,763 | 527,628 |
| Inventory | 214,710 | 376,383 | 438,469 | 402,292 | 467,493 |
| Total Current Assets | 725,810 | 1,171,333 | 1,634,053 | 2,116,790 | 2,620,844 |
| Total Assets | 1,824,560 | 2,133,833 | 2,492,803 | 2,835,540 | 3,199,594 |
| Current Liabilities | | | | | |
| Accounts Payable | 84,000 | 88,200 | 92,610 | 97,241 | 102,103 |
| Other Current Liablit | 70,000 | 73,500 | 77,175 | 81,034 | 85,085 |
| Subtotal Current Liabi | 154,000 | 1,616,700 | 169,785 | 178,274 | 187,188 |
| Long term Liabilities | | | | | |
| Long term Liabilitie | 1,820,000 | 1,820,000 | 1,820,000 | 1,820,000 | 1,820.00 |
| Total Liabiities | 1,974,000 | 1,981,700 | 1,989,785 | 1,998,274 | 2,007,188 |
| Net Assets | 820,810 | 877,633 | 951,268 | 1,044,516 | 1,157,656 |
| Captil and Reserves | | | | | |
| Owners Contribution | 780,000 | 780,000 | 780,000 | 780,000 | 780,000 |
| Retained Earning | 40,810 | 97,633 | 171,268 | 264,516 | 377,656 |
| Total Capital | 820,810 | 877,633 | 951,268 | 1,044,516 | 1,157,656 |

PROJECTED INCOME STATEMENT

| | | | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEARS5 |
|---------------------------|--|--|------------------|------------------|------------------|------------------|------------------|
| Sales Revenue | | | 1,750,000 | 1,837,500 | 1,929,375 | 2,025,844 | 2,127,136.00 |
| Cost of Sales | | | 700,000 | 735,000 | 771,750 | 810,338 | 850,854 |
| Gross Profit | | | 2,450,000 | 2,572,500 | 2,701,125 | 2,836,182 | 2,977,990 |
| Operating Expenses | | | | | | | |
| Administrative Overhead | | | | | | | |
| Costs | | | 105,000 | 110,250 | 115,763 | 121,551 | 127,628 |
| Motor Vehicle running | | | | | | | |
| Expenses | | | 8,000 | 8,400 | 8,820 | 9,261 | 9,724 |
| Salaries and Wages | | | 378,000 | 396,900 | 416,745 | 437,582 | 459,461 |
| Depreciation | | | 381,000 | 381,000 | 381,000 | 381,000 | 381,000 |
| Marketing Costs | | | 26,500 | 27,563 | 28,941 | 30,388 | 31,907 |
| Utility Costs | | | 24,500 | 25,725 | 27,011 | 28,362 | 29,780 |
| Insurance | | | 49,000 | 51,450 | 54,023 | 54,023 | 54,023 |
| Interest on Loan | | | 18,200 | 18,200 | 18,200 | 18,200 | 18,200 |
| Communication | | | 1,750 | 1,838 | 1,029 | 1,929 | 2,929 |
| Total Expenses | | | 991,700 | 1,021,325 | 1,052,431 | 1,082,295 | 1,114,652 |
| Profit before Tax | | | 58,300 | 81,175 | 105,194 | 133,211 | 161,629 |
| Tax (30%) | | | 17,490 | 24,353 | 31,558 | 39,963 | 48,489 |
| Profit After Tax | | | 40,810 | 56,823 | 73,636 | 93,248 | 113,140 |