

CHRISTIAN SERVICE UNIVERSITY COLLEGE – KUMASI

DEPARTMENT OF BUSINESS STUDIES
BACHELOR OF BUSINESS ADMINISTRATION

JONAS COCOA GHANA LTD
BUSINESS PLAN

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DECEMBER, 2011

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INTRODUCTION

JONAS Cocoa Ghana Ltd will be established on the ideas of proposed five executives of the operating entity. The plan shall be conceived and developed by the members, with the intent to apply our extensive experience and contacts in the industry to building a successful business and also contribute to the economic growth of our nation Ghana.

JONAS Cocoa Ghana Limited is a Hybrid Cocoa seedlings production company which will come to make available, quality and affordable cocoa seedlings to cocoa farmers. Cocoa was first introduced in Ghana by Dutch missionaries who planted cocoa in the coastal areas in 1815. However, these did not result in the spread of cocoa cultivation until Tetteh Quarshie, a native of Osu, Accra, who had travelled to Fernando Po, returned in 1879 with Amolonado cocoa pods and established a farm at Akuapim Mampong in the Eastern Region of Ghana. Since that time, the cocoa sector has gone through several transformational developments. In recognition of the contribution of cocoa to the development of Ghana, the Government in 1947 established the Ghana Cocoa Board (COCOBOD) responsible for the development of the industry. It was for this reason that the West Africa Cocoa Institute now Cocoa Research Institute of Ghana was established in 1960.

Cocoa is Ghana's number one foreign exchange earner of the country and contributes to Ghana's Gross Domestic Product, and not forgetting the numerous health and nutritional benefits of taking cocoa products. Governments past and present have instituted measures that will ensure the growth of the cocoa sector.

In this regard, the Cocoa Research Institute head-quartered in Akyem Tafo in the Eastern Region has come out with high yielding, early maturing and disease resistant seeds to improve the life of

cocoa farmers. The scientifically researched seeds and the guaranteed price of cocoa by government have now attracted able bodied young men and women who are contributing to the

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LOCATION

Incorporated under the companies code 1963 (Act 179)

The nursery site will be located at Sefwi Asawinso, but all business transactions will be directed to the corporate head office of JONAS Cocoa Ghana Ltd at Sefwi Wiawso.

BANKERS

Standard Chartered Bank

Prempeh II Street, Harper Road – Adum, Kumasi

Asawinso Rural Bank Ltd,

P.O. Box 30, Sefwi Wiawso.

INSURERS

State Insurance Company Ltd

P.O. Box 1251,

Takoradi.

AUDITORS

ALEX THOMPSON & CO

Chartered Accountants

654A NTOMIN ROAD

P.O. Box KS 4205

Kumasi-Ghana

Tel.: +233-3220 81635

SOLICITORS

AYISI & ASSOCIATE

P.O. Box 2069,

Takoradi.

Tel.: +233 27 3862836

E-mail: Gh-ayisi@yahoo.com

KEYS TO SUCCESS

The keys to the success of JONAS Cocoa Ghana Ltd will be mainly on the under-listed but not limited to the following;

- Ability of the company to make available seedlings to meet the demands of our loyal and industrious cocoa farmers.
- High demand for our products/produce by the targeted market.
- Universal patronage of cocoa products will be a key factor to the success of our company.
- Result oriented management could lead to growth of the company.

OBJECTIVES OF JONAS COCOA GHANA LTD

- To produce early maturing, and high yielding cocoa seedlings to the farmers at a moderate cost and even to their farm gates.
- To produce at least 1,400,000 seedlings per annum in the first year of operation
- To increase sales by 42% in the second year and 45% in the third year
- To increase revenue steadily from year 1 through year 3

PLAN OF FINANCING THE BUSINESS

Initial Investment \$35, 000.00 @ 1.60 = GHC56, 000.00

The initial start-up capital will be provided by the 5 equity holders @ GHC11, 200.00 each.

The breakdown is as follows;

NAME OF EQUITY HOLDERS	No of Shares	AMOUNT (GH¢)
Owusu Ansah John	11,200	11,200.00
Gabriel Osei Asibey	11,200	11,200.00
Serwaah Aborah Veronica	11,200	11,200.00
Nat Brenya	11,200	11,200.00
Agyman Kwasi Emmanuel	<u>11,200</u>	<u>11,200.00</u>
	<u>56,000</u>	<u>56,000.00</u>

56,000 Ordinary Shares of GH¢ 1.00 per share.

NATURE OF SERVICE/ PRODUCT

This section describes the products and services offered by JONAS Cocoa Ghana Ltd with an analysis of its potential or targeted customers within the market. It further describes the operations undertaken, the company's distribution channels and all other activities until the products reach the farmer's farm gates.

DESCRIPTION OF SERVICE

JONAS Cocoa Ghana Ltd will be into the production of C42 Hybrid cocoa seedlings. This C42 Hybrid Cocoa seed is scientifically researched and certified by the Cocoa Research Institute of Ghana. It has proven to be the number one high yielding, early maturing, disease and pest

resistant seed among all other seeds already in the system. This seed since its introduction into the market some few years ago has become the farmers' number one choice and demand has exceeded imagination.

TARGET MARKET

The business will target a wider market to provide the seedlings to. The target market will be existing cocoa farmers who would like to enlarge their farms by cultivating more acres of a land, those whose trees are over aged and are in the stages of re-planting their farms, those whose farms would be attacked by diseases and pests, and those who have planned to start cocoa farms based on government's motivational approach to the cocoa sector as well as employment situations in the country.

POPULATION OF TARGET MARKET

Jonas Cocoa Ghana Limited relied on the year 2000 population and housing census report with a target market of 210,000 people. Our own research also indicates that about 74% of the entire population are cocoa farmers.

OPERATIONS

JONAS Cocoa Ghana Limited will be notable as a farming business. Among the varieties will be, C14, 42, C75, C77, C85, hybrid seeds. Cocoa research officers as well as the cocoa farmers prefer the production of C42 seedlings. The cocoa nursery will be situated on an 8 hectares parcel

of land for site the locations. We will depend on black soil within the area. A farm house will also be erected on the various sites to house the farm labourers as well as farm tools and other equipments.

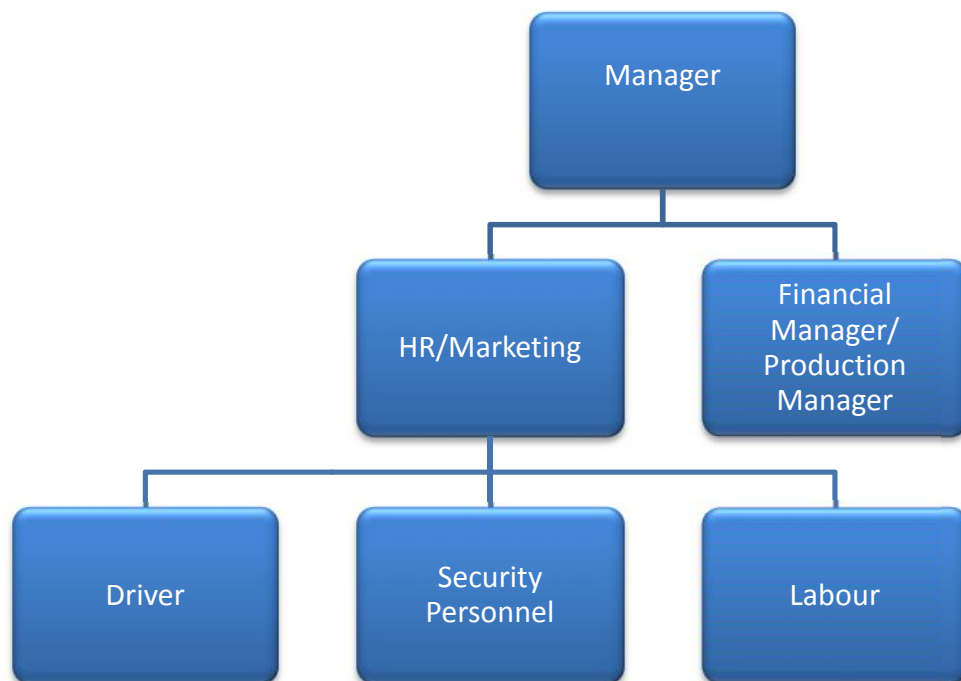
OPERATIONAL FUNCTIONS

This will consists of all activities undertaken in the production of the seedlings.

INPUTS: Mattock, Watering cans, Shovels, Cutlasses, Hand fork, Polythene bags, Workers, Trowels, Sidalco liquid fertilizer (10 10 10), Knapsack, spraying machines, Wheelbarrows, Pesticides (Confidor), Watering holes, Well, Measuring ropes, Farmers, Information, etc.

TRANSFORMATION: Nursery, Watering, Spraying, Netting etc. OUTPUT: Seedlings

ORGANOGRAM



DISTRIBUTION CHANNELS

This activity will concern the selling of the matured C42 Cocoa seedlings to the farmers. With JONAS, our aim will be to ensure that quality service or seedlings is provided to the farmer.

JONAS Cocoa Ghana Ltd takes the extra step to render services on delivery of the seedlings to the farmers at their doorsteps especially the individual farmers. Plans are also in place to serve them through district officers and purchasing clerks of Private Licensed Cocoa Buying Companies in the country.

INDUSTRY ANALYSIS

The government through the Ghana COCOBOD and some private companies are already in the seedling production business. Two of our major competitors in our catchment's areas beside

COCOBOD are; The Cocoa Farmer's Friend Company, and Abapa Na Ye Seedlings. We will wish to achieve our target upon considerable feasibility studies under-taken coupled with our affordable high breeding cocoa seedlings and exceptional customer care.

MANAGEMENT TEAM

The Board will be expected to provide general policy guidelines and necessary control for the management team. Persons appointed are people qualified to hold such positions. Such people will be drawn from disciplines such as finance, operations, and general business. Members will be capable of initiating, monitoring, and implementing the company's general policies, strategies and guidelines as spelt out by management. They shall be active, capable of providing

independent judgement on matters pertaining to the organization so as to enhance the reputation of the company while protecting the interests of equity owners and employees.

The Managing Director, Miss Serwaah Aborah Veronica has the requisite educational and professional qualification together with industry experience to meet the organization's objectives and goals. She holds a Bachelor of Business Administration (Finance option) from the Christian Service University College.

The duties and responsibilities of the Managing Director include the following:

- She ensures that all company procedures with regard to management are fully implemented.
- She also ensures that stocks are maintained and purchases due for supply are made in a timely manner.
- She supervises all the day to day administration and management of the company.
- She is a signatory to the company's accounts.

The Managing Director is assisted by Mr. Agyeman Prempeh (In charge of Finance and Administration).

He holds a Bachelor of Business Administration (Accounting option) from the Christian Service University College.

He also has ACCA part II certificate. From January 2006 to September 2010, Prempeh was the chief accountant at Dabnab consult, a consultancy company in Adum; Kumasi.

His duties and responsibilities include the following:

- He prepares the financial statements and reports of JONAS COCOA GHANA LTD.

- Analyses cost data of all projects embarked upon by JONAS Cocoa Ghana Ltd.
- Serves as the primary point of contact for all financial enquiries.
- Supervises all daily financial accounting procedures.
- Prepares the annual budgets and forecasts aligned to corporate strategic plans.
- He is a signatory to the company's accounts.

Mr. Nat Brenya is the Head of Human Resources and Operations of JONAS Cocoa Ghana Ltd.

He holds a Bachelor of Business Administration (H.R. option) from the Christian Service University College, an affiliate of University of Ghana- Legon.

His duties and responsibilities include the following:

- In charge of recruitment into the company.
- Initiates training and development programs for employees.
- Attends to compensation and benefits claims of employees.
- Prepares the operational systems, processes, and policies in support of the organization's mission.
- Manages and increases the effectiveness and efficiency of support services i.e.; I.T, Finance, Marketing, etc.

Mr. Gabriel Osei Asibey, holds Bachelor of Business Administration (Marketing Option) from the Christian Service University College is the Head of Marketing and Corporate strategy of JONAS Cocoa Ghana Ltd.

Mr. Osei also holds an ICM-UK certificate in Marketing.

His duties and responsibilities include the following:

- Formulates the marketing strategies of the company aligned with corporate strategies and objectives.
- Implements the marketing strategies of the company in conjunction with management.
- Initiates marketing campaigns or promotions and advertisement of the company.

John Owusu Ansah is the Head of Operations and Communications of the company.

He is a holder of a Bachelor of Arts Degree in Communication from the Christian Service University College. He is the Communications Director of Multimedia Gh. Ltd, a Radio and Television company in Ghana.

His duties and responsibilities include the following:

- He formulates and implements the company's communication strategies.
- He communicates the company's vision to the general public.
- He handles all enquiries and complaints from the farmers.
- He is the inter-face between JONAS Cocoa Ghana Ltd and the general public.

MARKETING ANALYSIS

INTRODUCTION

This chapter brainstorms on the marketing structures of the seedlings company, the suppliers of inputs and the pricing policy. In addition, we seek to embark on a comprehensive

Advertising program, effective promotion, training our staff to deliver excellent customer services, and positioning strategies that will enable Jonas Cocoa Ghana Ltd achieve the stated goals.

SUPPLIERS OF INPUTS

- Seed Production Unit (SPU) of COCOBOD – Providers of the C42 hybrid cocoa seeds.
- Japan Motors Ghana Ltd to provide maintenance services.
- K.BADU Agro Chemicals Company – Providers of all the farm inputs for the production of the seedlings.

MARKETING STRATEGY

The marketing strategy of the company is based on the quality of our Product, Pricing, Place, Promotions, and Personal Selling.

PRODUCT

JONAS Cocoa Ghana Limited produces hybrid cocoa (C42) seedlings.

PENETRATING PRICING

JONAS Cocoa Ghana Ltd will use the penetrating price policy as a pricing strategy in selling the products to the farmers. Penetrating price implies the setting of affordable/ lower prices at the introduction stage of a product. This strategy has been adopted because the target market is very sensitive in the sense that they already have the service, but we intend reaching them with our quality, low price, and ability to meet their requirements.

The company has decided to sell at GH 0.085 per seedling for this current year and an increase by 0.005. The prevailing market price of a hybrid seedling ranges between GH 0.11 and GH 0.14. Our price will be the most affordable on the market currently.

PLACE

The business will be located at Sefwi Asawinso in the Western Region. It will strategically located as it will be closer to the farmers which will relieve them of travelling long distances.

PROMOTIONS

The company will employ advertising strategies such as the use of banners, community based information centres, gong-gong beaters, Private Fm Radio Stations, etc to publicise its products.

PERSONAL SELLING

The company's main marketing strategy will be through personal selling which involves the selling of our products directly to the farmers by our sales representatives who are on a salary

and purchasing clerks of Private Licensed Cocoa Buying Companies through their district managers at a commission.

Production Unit (SPU) of COCOBOD. The seeds shall be nursed and taken care of by our field workers until the seedlings are ready to be sold.

CUSTOMER SERVICES

This activity involves what is done before and after the delivery of the product. There will be a follow up service to require feedback as regard problems with our products and services.

We shall also organize training on customer service for both our full time and part time employees and or representatives to enable the business improve service quality to the farmers.

MARKET SEGMENTATION

The company practices geographic segmentation. This is because the company provides its C42 hybrid cocoa seedlings to farmers within its catchment's areas. We shall target strategic farmers and support their farms. By strategic farmers, we mean large scale farmers whose continuous existence is a key to our company's growth and survival.

Jonas does not expect to monopolize the industry and for that matter take into consideration to segment four categories that is demographic, psychographic, geographic and behavioural segmentations.

GEOGRAPHICAL SEGMENTATION

Jonas cocoa company has identified market segment covering the entire cocoa growing areas in Sefwi Wiawso District.

STRATEGIES

- ❖ Product quality.
- ❖ Targeting opinion leaders/ influential persons or institutions in the communities such as; local chiefs, chief cocoa farmers, assembly members, organized farmer groups, etc.
- ❖ Using district officers and purchasing clerks of private licensed cocoa purchasing companies such as Armajaro Gh. Ltd, Diaby Ltd, Olam Gh. Ltd, Produce Buying Company, Adwuma Gh. Ltd etc, their purchasing clerks, and depot keepers. It is anticipated that our association with these key stakeholder institutions and their agents will strategically position us in the market.
- ❖ Timely delivery of our products. This will help the company build a good image in the eyes of its customers and the general public and hence customer loyalty is assured.

MARKET POSITION

The market position of JONAS Cocoa Ghana Limited is: *abapa na eso*

SWOT ANALYSIS

Swot analysis is a tool for assessing a business and its environment. It is the first stage of planning and it helps marketers to focus on key issues. SWOT stands for Strength, Weakness, Opportunities, and Threats.

STRENGTH

Strength is attributes of the business that are helpful to the achievement of our objectives. The strength of JONAS Cocoa Ghana Ltd includes but not limited to the following;

- JONAS Cocoa Ghana Ltd has well qualified experienced and dedicated human resource base.
- It is located at an advantageous position.
- Superior technological and technical procedures and processes in the production of the cocoa seedlings.
- Early maturing, disease and pest resistant hybrid seedlings.
- Strong capital base.
- Quality, efficient and timely customer care.

WEAKNESS

Weakness is attributes of the business that are harmful to the achievement of our objectives. The weaknesses of JONAS Cocoa Ghana Ltd include the following;

- Governmental interference in our operations by way of providing free seedlings to the cocoa farmers, and other policies detrimental to the growth and survival of the company in terms of taxation.
- Unidentified strength of our competitors. That is, our competitors with similar or adulterated seedlings could sell at cheaper prices to the gullible and unsuspecting farmers.
- Because of the distance between us and most of our targeted customers, we will always under pressure to serve them with their demands.

OPPORTUNITIES

Opportunities are external conditions that are favourable in aiding us achieve our objectives.

The opportunities of JONAS Cocoa Ghana Ltd include the following;

- Opportunity to move into new market segments i.e. untapped areas of the cocoa industry.
- Taking advantage of the early maturing seedlings to persuade farmers.
- High demand of cocoa and its by products is an opportunity to the success of our company
- The opportunity of enjoying a 15 year tax exemption.

THREATS

Threats are external factors that are harmful to the business. The threats to JONAS Cocoa Ghana include natural, governmental, and competitors' decisions and policies. They include the following;

- Outbreak of diseases and pests will be a threat to the survival of our company.

- Entry of rival companies into our catchments areas also poses a threat to the company. Bad and unreliable weather conditions.
- Higher wages and salaries by our competitors over and above what we offer will be a threat to our company as there will be a probability of them poaching our quality human resource base and the possibility of leakage of our technical know-how by the poached staff to the rival companies.
- Withdrawal of the licenses of our intermediary cocoa buying companies.

COMPETITIVE ANALYSIS

The uniqueness of our products, customer care, after sales services, provision of incentives, low pricing policy, and the ability to meet the requirements of our farmers will put us miles ahead of our competitors. Some of our competitive advantages will include;

- ❖ Our early maturing, disease and pest resistant C42 hybrid seedlings
- ❖ Free transportation of the seedlings to the farm gates of the farmers
- ❖ Exceptional customer care

RISK ANALYSIS

Risk is any situation where there is uncertainty about the outcome of events. Risk is often used in a more specific sense to indicate possible variability around expected value. In other words, risk may refer to the expected losses associated with a situation. For instance, in insurance markets, it is common to refer to high risk policy holders

JONAS Cocoa Ghana Limited therefore will make sure to minimize and or / avoid all possible risks in order to increase production value.

- **Pure Risk:** These types of risk is associated with paying benefits to injured workers under workers compensation laws and the risk of legal liability for injuries or harm to employees that are not governed by workers compensation laws. The major types of pure risk that affect our business include:
 - ✓ Risk of legal liability from damages or harm to customers, suppliers, shareholders, and other stakeholders.
 - ✓ Risk of death, illness, and disability to employees and sometimes for family members for which the company will agree to make payments under employee benefit plans including obligations to employees under pension and retirement savings plans.
- **Natural Forces/ Environmental Risks:** These include severe droughts, massive rainfalls, Wildfires, out-break of diseases, etc are risks that could destabilise the growth of the company if not well managed.



MANAGEMENT OF RISK

- The company will institute and implement best safety practices in order to avoid or minimise personal injuries and harms to employees and other stakeholders.
- The company will improve on security both at the office and the nursery in order to curb thefts and pilfering.
- For external shocks, our insurance policy will secure us from damages.
- Loss financing: As a loss financing method, the company will retain 10% of the annual income to invest in high yielding financial instruments so as to diversify our sources of income.

JONAS COCOA GHANA LIMITED

PROJECTED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDING 31ST DECEMBER 2014

	Note	2012	2013	2014
		GH¢	GH¢	GH¢
Sales Revenue	4	127,000.00	180,000.00	261,250.00
Less Direct Expense	1	<u>68,146.00</u>	<u>88,590.00</u>	<u>124,026.00</u>
Gross Profit		58,854.00	91,410.00	137,224.00
Gen. & Adm. Expense	2	<u>46,365.00</u>	<u>60,275.00</u>	<u>78,376.00</u>
Net Profit Transferred to Income Surplus Account		<u>12,489.00</u>	<u>31,135.00</u>	<u>58,848.00</u>

PROJECTED INCOME SURPLUS FOR THE THREE YEARS PERIOD

31ST DEC 2014

	2012	2013	2014
	GH¢	GH¢	GH¢
Balance at 1 st January	-	12,489.00	43,624.00
Net Profit for the Year	<u>12,489.00</u>	<u>31,135.00</u>	<u>58,848.00</u>
Balance at 31 st December	<u>12,489.00</u>	<u>43,624.00</u>	<u>102,472</u>

PROJECTED STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 20012, 2013, 2014

	NOTE	2012	2013	2014
		GH¢	GH¢	GH¢
Non Current Assets				
Property Plant & Equipment	3	<u>40,437.00</u>	<u>32,987.00</u>	<u>25,537.00</u>
Current Assets				
Inventory		4,791.00	6,934.00	9,014.00

Accounts Receivable		6,350.00	9,000.00	13,000.00
Cash & Bank Balance		16,711.00	52,603.00	114,921.00
Rent Prepayment	6	<u>3,200.00</u>	<u>1,600.00</u>	=
		<u>31,052.00</u>	<u>70,137.00</u>	<u>93,311.00</u>
Total Assets		<u>71,489.00</u>	<u>103,124.00</u>	<u>162,472.00</u>
Liabilities & Shareholders Fund				
Current Liabilities				
Accounts Payable		3,000.00	3,500.00	4,000.00
Stated Capital	5	56,000.00	56,000.00	56,000.00
Income Surplus A/C		<u>12,489.00</u>	<u>43,624.00</u>	<u>102,472.00</u>
		<u>71,489.00</u>	<u>103,124.00</u>	<u>162,472.00</u>

PROJECTED CASHFLOW STATEMENT
FOR THE YEAR ENDING 31ST DECEMBER 2014

	2012	2013	2014
	GH¢	GH¢	GH¢
Cash Inflows			
Issue Of Ordinary Shares	56,000	-	-
Cash sales	120,650	171,000	248,250
Trade Receivable	=	<u>6,350</u>	<u>9,000</u>
	<u>176,650</u>	<u>177,350</u>	<u>257,250</u>
Auditors Remuneration	0	3,000	3,500
Property, Plant & Equipment	47,887	-	-
Rent & Rates	4,800	-	-
Cocoa Pods	2,580	3,578	5,814
Hiring of KIA Track	6,966	7,956	9,294
Fuel & Lubricants	14,400	16,728	22,168
Polythene Bass	20,750	28,178	41,864
Fertilizer (Sidalco Liquid)	1,260	1,789	3,042
Internet & Communication	700	1,400	2,100
Pesticide	840	1,344	2,028
Farm Labourers Wages (Casual)	9000	11,022	13,044
Farm Offices Salary	7,104	8,156	9,208
Repairs & Maintenance	3,840	4,208	8,292
Salary & Wages	23,500	28,200	33,840
SSNIT(Direct & Indirect)	3,979	4,726	5,596
Insurance	1,000	1,100	1,200
Bank Charges	240	264	290
Registrar General Dept. Fee	3,000	3,250	3,500
Electricity & Water	1,000	1,425	2,550
Printing & Stationary	500	1,500	3,500
Security Expenses	4,173	5,614	9,055
Travelling Expenses	1,020	4,520	8,447
Advertising	1,000	3,000	6,000
Legal & Professional	<u>400</u>	<u>500</u>	<u>600</u>
	<u>159,939</u>	<u>141,458</u>	<u>194,932</u>
NET CASHFLOW	16,711	35,892	62,318
Balance as at 1 January	<u>0</u>	<u>16,711</u>	<u>52,603</u>
Balance as at 31 December	<u>16,711</u>	<u>52,603</u>	<u>114,921</u>

PROJECTED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDING 31ST DECEMBER 2014

	2012	2013	2014
	GH¢	GH¢	GH¢
Bal at Jan 1	0.00	68,489.00	99,624.00
Profit for the Year	12,489.00	31,135.00	58,848.00
Issuer of shares	56,000.00	0.00	0.00
Bal as at Dec 31	68,489.00	99,624.00	158,472.00

JONAS COCOA GHANA LIMITED

ASSUMPTIONS UNDERLYING THE FINANCIAL STATEMENTS PROJECTIONS

The following assumptions have been made in the financial statement projections and analysis.

1. That an equity capital of Thirty-Five Thousand Dollars (\$35,000) at a rate of GHS1.60 is introduced. ($\$35,000 \times \text{GHS}1.60 = \text{GH}¢56,000$).
2. That the company has budgeted to 1,494,118 at 0.085GP each cocoa seedling in the first year of operation and sales increase by 42% per annum.
3. Direct costs increase by 30% per annum.
4. General and Administrative Expenses increase by 30% per annum.
5. Property, plant and equipment is depreciated at 20% except Building which is depreciated at 2.1% all per annum on cost.
6. The company pays a three year rent advance of four thousand, eight hundred Ghana cedis (GHS4,800.00)
7. Trade Receivables are equivalent to 5% of total sale for the year.
8. Auditors remuneration is always paid one year in arrears.
9. That the Company's cost of capital is 18%
10. All other payment have been estimated at current price levels as adjusted for expected inflation for the period.

NOTES (1) TO THE PROJECTED FINANCIAL STATEMENTS

	2012	2013	2014
	GH¢	GH¢	GH¢
Sales Revenue	127,000.00	180,000.00	261,250.00
LESS Direct Expenses			
Inventory at 1 st January	0.00	4,791.00	6,934.00
Cocoa Pods	2,580.00	3,578.00	5,814.00
Fertilizer	1,260.00	1,789.00	3,042.00
Pesticide	840.00	1,344.00	2,028.00
Polythene Bags	<u>20,750.00</u>	<u>28,178.00</u>	<u>41,864.00</u>
	25,430.00	39,680.00	59,682.00
Inventory at 31 st December	<u>(4,791.00)</u>	<u>(6,934.00)</u>	<u>(9,014.00)</u>
	20,639.00	32,746.00	50,668.00
Farm Officers Salary	7,104.00	8,156.00	9,208.00
Farm Labourers Wages	9,000.00	11,022.00	13,044.00
Social Security Contribution (SSNIT)	924.00	1,060.00	1,197.00
Repairs & Maintenance	3,840.00	4,208.00	8,292.00
Fuel & Lubricant	14,400.00	16,728.00	22,168.00
Hiring of KIC Trucks	6,966.00	7,956.00	9,294.00
Security Expenses	4,173.00	5,614.00	9,055.00
Deprecation Farm Tools Equipment	<u>1,100.00</u>	<u>1,100.00</u>	<u>1,100.00</u>
	<u>68,146.00</u>	<u>88,590.00</u>	<u>124,026.00</u>
GROSS PROFIT	<u>58,854.00</u>	<u>91,410.00</u>	<u>137,224.00</u>

NOTES (2) TO THE PROJECTED FINANCIAL STATEMENTS

	2012	2013	2014
	GH¢	GH¢	GH¢
Gross Profit B/F	<u>58,854</u>	<u>91,410</u>	<u>137,224</u>
General & Adm. Expenses			
Salary And Wages	23,500	28,200	33,840
SSF Contribution	3,055	3,666	4,399
Electricity & Water	1,000	1,425	2,550
Registrar Gen. Dept. Fee	3,000	3,250	3,500
Printing & Stationery	500	1,500	3,500
Travelling & Transport	1,020	4,520	8,447
Insurance	1,000	1,100	1,200
Internet & Communication	700	1,400	2,100
Advertisement/ Publicity	1,000	3,000	6,000
Bank Charges	240	264	290
Rent And Rates	1,600	1,600	1,600
Auditors Remuneration	3,000	3,500	4000
Legal & Profession Fee	400	500	600
Deprecation			
Computer & Accessories	50	50	50
Office Furniture	1,000	1,000	1,000
Office Equipment	50	50	50
Motor Van: Nissan Pickup	5,000	5,000	5,000
Farm Building	250	250	250
	<u>46,365</u>	<u>60,275</u>	<u>78,376</u>
Net Operating Profit	<u>12,489</u>	<u>31,135</u>	<u>58,848</u>

NOTE (3) PROPERTY PLANT & EQUIPMENT

	2012			2013			2014		
	Cost	DEPN	NBV	Bal. B/F	DEPN	NBV	Bal. B/F	DEPN	NBV
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Land and Building	11,887	250	11,637	11,637	250	11,387	11,387	250	11,137
Motor Vehicle-pickup	25,000	5,000	20,000	20,000	5,000	15,000	15,000	5,000	10,000
Office Furniture	5,000	1,000	4,000	4,000	1,000	3,000	3,000	1,000	2,000
Office Equipment	250	50	200	200	50	150	150	50	100
Computers & Assessors	250	50	200	200	50	150	150	50	100
Farm Tools	<u>5,500</u>	<u>1,100</u>	<u>4,400</u>	4,400	<u>1,100</u>	<u>3,300</u>	3,300	<u>1,100</u>	<u>2,200</u>
TOTAL	<u>47,887</u>	<u>7,450</u>	<u>40,437</u>	<u>40,437</u>	<u>7,450</u>	<u>32,987</u>	<u>32,987</u>	<u>7,450</u>	<u>25,537</u>

NOTE (4) SALES BUDGET

Year	Budget(units)	Unit Price	Amount GH¢
2012	1,494,118	0.085	127,000.00
2013	2,000,000	0.090	180,000.00
2014	2,750,000	0.095	261,250.00

NOTE (5) STATED CAPITAL

	2012	2013	2014
	Number	Number	Number
Authorized Ordinary Shares of No Par Value	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Issued Ordinary Shares of no par value	<u>56,000</u>	<u>56,000</u>	<u>56,000</u>
	GH¢	GH¢	GH¢
Proceeds of Issued for Cash	<u>56,000.00</u>	<u>56,000.00</u>	<u>56,000.00</u>

Price per share = $\frac{\text{¢}56,000}{56,000} = \text{GH¢}1.00$ per share

NOTE (6) PREPAYMENT RENT

Year	Payment	P&L	Balance GH¢
	GH¢	GH¢	GH¢
2012	4,800.00	1,600.00	3,200.00
2013	-	1,600.00	1,600.00
2014	-	<u>1,600.00</u>	-
	<u>4,800.00</u>	<u>4,800.00</u>	<u>4,800.00</u>

APPRAISAL OF PROPOSAL / INVESTMENT

NET PRESENT VALUE

	Year	Cash Flow	DIS. Factor (18%)	PV
		GH¢	GH¢	GH¢
0		(56,000.00)	1.000	(56,000.00)
1	2012	12,489.00	0.847	10,578.00
2	2013	31,135.00	0.718	22,355.00
3	2014	58,848.00	0.609	35,838.00
NPV				12,771.00

DISCOUNTED PAYBACK PERIOD

	Year	Cash Flow	DIS. Factor	PV
		GH¢	GH¢	GH¢
0		(56,000.00)	1.000	(56,000.00)
1	2012	12,489.00	0.847	10,578.00
				(45,422.00)
2	2013	31,135.00	0.718	22,355.00
				(23,067.00)
3	2014	58,848.00	0.609	35,838.00

23,067 *12/35,838

Number of Months 7.7238

Discounted Payback Period Is **2Years, 8Months**

APPRAISAL

1. The Net present value, Discount Payback period and the Break-even point has been used to appraise the projects or investment.

2. The exchange rate of the dollar is 1.6

$$5 \text{ member} \times \$7,000 = \$35,000 @ 1.6 = \text{GH¢}56,000.00$$

3. The cost of capital of 18% has been used

4. Total Cost	GH¢
Direct Expenses	68,146.00
Administrative Expenses	46,365.00
Property plant & equipment	47,887.00
Rent	<u>4,800.00</u>
	<u>167,198.00</u>

BREAK EVEN ANALYSIS

$$\text{BEP} = \frac{\text{Fixed cost}}{\text{C/S Ratio}}$$

$$\begin{aligned} \text{when FC} &= \text{¢}108130.00 \\ \text{C/S ratio} &= \frac{67,364.00}{127,000.00} \\ &= \mathbf{0.5304} \end{aligned}$$

$$\begin{aligned} \therefore \text{BEP} &= \frac{108,130}{0.5304} \\ &= \text{GH¢ } \mathbf{\underline{203,865.01}} \end{aligned}$$

5. FIXED COST	GH¢
Property, Plant & Equipment	47,887.00
Rent	4,800.00
Farm Officers Salaries	7,104.00

Farm Labour Wages	9,000.00
Social Security Contribution	3,979.00
Salaries & Wages	23,500.00
Printing & Stationary	500.00
Travelling & Transport	1,020.00
Registrar General Dept. Fee	3,000.00
Insurance	1,000.00
Bank Charges	240.00
Electricity & Water	1,000.00
Advertising Expenses	1,000.00
Internet & Communication	700.00
Auditor Remuneration	3,000.00
Legal & Profession fees	<u>400.00</u>
	<u>108130.00</u>

6. VARIABLE COST	GH¢
Cocoa Pods	2,580.00
Fertilizer	1,260.00
Polythene Bags	20,750.00
Pesticide	840.00
Fuel and Lubricant	14,400.00
Farm Labour Wages	9,000.00
Repairs & Maintenance	3,840.00

Hiring of Kia Track	<u>6,966.00</u>
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59,636.00

7. CONTRIBUTION

Total Revenue	127,000.00
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Variable / Marginal Cost	<u>(59,636).00</u>
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67,364.00

Land & Building: 20 Acre Farm Land

Motor Vehicle: Nissan Pick up

Office Furniture: Desk & Shares, Drawers

Office Equipment: Refrigerator, Television Set, Ceiling Fans

Computers & Accessories: Computer Set

Farming Tools: Mattock, Wheel Barrows, Machetes, Watering Can

EXECUTIVE SUMMARY

JONAS Cocoa Ghana Ltd will be established on the ideas of proposed five executives of the operating entity. The plan shall be conceived and developed by the members, with the intent to apply our extensive experience and contacts in the industry to building a successful business and also contribute to the economic growth of our nation Ghana.

JONAS Cocoa Ghana Ltd is an agricultural service exclusively created to provide cocoa seedlings to cocoa farmers'. The corporate office is located at Sefwi Asawinso in the Sefwi Wiawso District of the Western Region

The vision of JONAS Cocoa Ghana Ltd is to become the best supplier of excellent/ quality, high-yielding, early maturing cocoa seedlings to the cocoa farmer at a reasonable price.

The mission is to become a trusted producer of high yielding, early maturing, disease and pest resistant cocoa seedlings to existing and potential cocoa farmers in Ghana.

The main objective is to produce early maturing, and high yielding cocoa seedlings to the farmers at a moderate cost and even to their farm gates produce at least 1,400,000 seedlings per annum in the first year of operation to increase production by 34% in the second year and 35% in the third year to increase revenue steadily from year 1 through to year 3

The business will target a wider market to provide the seedlings to farmers. The target market will be existing cocoa farmers who would like to enlarge their farms by cultivating more acres and those whose trees are over aged and are in the stages of re-planting their farms, also those whose farms have been attacked by diseases and pests, and those who have planned to start cocoa farms based on government's motivational approach to the cocoa sector as well as employment situations in the country.

The uniqueness of our product and the low pricing policy will be to help to meet our farmers' needs. Some of our competitive advantages will include; our early maturing, disease and pest resistant C42 hybrid seedlings and free transportation of the seedlings to the farm gates of the farmer.

MISSION

To become a trusted producer of high yielding, early maturing, disease and pest resistant cocoa seedlings to existing and potential cocoa farmers in Ghana.

VISION

The vision of JONAS Cocoa Ghana Ltd is to become the best supplier of excellent/ quality, high-yielding, early maturing cocoa seedlings to the cocoa farmer at a reasonable price.

CORE VALUES

The under-listed core values are inline with the company's objectives. These are;

- ✓ Individual opinions are refined to improve productivity
- ✓ To strive continuously to learn and improve service quality
- ✓ To deal honestly and fairly with employees and the farmer
- ✓ We nurture talented people who demonstrates a ‘can-do’ attitude