

CHRISTIAN SERVICE UNIVERSITY COLLEGE – KUMASI

**DEPARTMENT OF BUSINESS STUDIES
BACHELOR OF BUSINESS ADMINISTRATION**

**GAFEB COMPANY LIMITED
BUSINESS PLAN**

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Executive Summary

GAFEB Company Ltd will be buying and preparing paper carrier bags in parchment. The finished product, paper carrier bags are packaged in half a bundle and sold on the Ghanaian market. Paper carrier bags will be produced from the by-products of logs coupled with wax by GAFEB Company Ltd. to come out with wax paper that is resistance to water and can be customized into customer taste. Our customers are primarily Ghanaian shops and wholesalers who patronize paper carrier bags in the market. We will expand production from 78,000/half a bundle bags per year to approximately 100,000/half a bundle bags per year in the first year of operation and reach maximum capacity of 120,000/half a bundle bags per year by year three. We are into this production to help curb 60% to 70% filth created by polythene bags usage in the Metropolitan Assemblies and 30% to 40% filth in the nation as a whole and to be the world leader in paper carrier bag products, service delivery and offer a unique solution to the filth problems that will transform the world. GAFEB Company Ltd. deals exclusively in paper carrier bags, produced in the northern sector of Ghana precisely Kumasi the regional capital of Ashanti Region.

GAFEB Ltd. is planning to segment Kumasi which will be its headquarters, Accra, Sekondi-Takoradi, Cape Coast, Tamale and Tema differently and is expecting to reach 150, 250, 150, 100, 50, and 200 shops respectively in the various segments. A total of 900 shops will be covered in the first year of operation, 1,068 shops in the second year of operation and 1,270 in the third year representing an average growth of 19.02%.

The purchase decision for our customer will be based on trust in our efficient and effective delivery system we intend to establish. GAFEB Ltd.'s delivery system will be in such a way that we will deliver the products directly to our target market from the factory based on the order of the products by the customers. However, if customers will like to

come to lift the products from GAFEB Ltd.'s plant, provisions will be made for fuel to be given to the customer.

GAFEB Ltd. is expecting a 5% growth rate in units which will translate into total sales of GH¢293,532.00 for all the sizes of paper bags the company will be producing. This forecast is as a result of the idea of reaching six metropolises in both the northern and southern sectors of the country.

The start-up expenses of GAFEB Ltd. will consist primarily of legal fees, stationery, rent, computer equipment, call credits, and other expenses. GAFEB will invest approximately GH¢125,000.00 of the loan this plan is seeking to achieve at GH¢150,000.00 into inventory, machines for production which constitute the long-term assets, other non-depreciable assets and leaving with cash on hand for daily transactions.

We plan to go for our long-term borrowing which we intend to use in financing GAFEB Ltd. and so we are assuming a base rate of 22% interest on the loan that will be taken.

We expect to close the first year of production with GH¢293,532.00 in sales and increase our sales to GH¢308,208.00 in the second year and GH¢323,616.00 in year three. The break-even analysis shows that GAFEB Ltd. has sufficient sales strength to remain viable. Our break-even point is close to 5,000 units per month and our sales forecast for the next year calls for almost 7,000 units per month on average. Our net worth will grow from approximately GH¢12,353.00 to more than GH¢62,000.00 by the end of 2013 and to GH¢125,634.00 by the end of the plan period. We want to finance growth through a combination of long-term debt and cash flow. Purchase of our facilities and equipment will require approximately eighty percent debt financing. Additional technology will be primarily financed with cash-flow.

Mission

We are into this production to help curb 60% to 70% filth created by polythene bags usage in the Metropolitan Assemblies and 30% to 40% filth in the nation as a whole.

Vision

To be the world leader in paper carrier bag products, service delivery and offer a unique solution to the filth problems that will transform the world.

Objectives

The objectives of GAFEB Company Ltd include:

- Increasing production and sale from 78,000/half a bundle bags per year to approximately 100,000/half a bundle bags per year in the first year of operation and reach maximum capacity of 120,000/half a bundle bags per year by year three.
- Increase sales from GH¢50,000.00 to GH¢70,000.00 in each category of products we produce in the first full year of operation.
- Establish strategic relationships with shops in Ghana particularly Ashanti Region which serves as the company's home base and the Greater Accra Region.
- Increase net profit from thirteen percent (13%) to nineteen percent (19%) in the next three years.

Keys to Success

The keys to success for GAFEB Company Ltd:

- Establishing and maintaining working relationships and contractual agreements with our raw materials suppliers both local and foreign.
- Bringing our facilities to maximum production within three years of operation.
- Increasing our profit margin with the use of improved technology.

- Effectively communicating, to current and potential customers, our position as a differentiated provider of the highest quality paper carrier bags in Ghana

1.0 Organization

GAFEB Company Ltd will be buying and preparing paper carrier bags in parchment. The finished product, paper carrier bags are packaged in half a bundle and sold on the Ghanaian market. Our customers are primarily Ghanaian shops and wholesalers who patronize paper carrier bags in the market. GAFEB Ltd will be located in the northern sector of Ghana. The northern sector consists of the Upper East Region, Upper West Region, Northern Region, Brong Ahafo Region, Ashanti Region and some part of Volta Region but GAFEB Ltd will dwell in the Ashanti Region precisely Kumasi which is the regional capital. GAFEB Ltd will be using St. Peters Cathedral Basilica, P. O. Box KS12663, Adum-Kumasi as its address for the mean time whilst waiting to have its own postal address. However, GAFEB will also create a facebook page which will serve as an easy platform for customers to get in touch with us. GAFEB Ltd will be a small scale business and will require GH¢150,000.00 to fund it. Operations will begin at the latter part of December 2011.

1.1 Ownership

GAFEB Company Ltd. is a private, friendly owned preparer and seller of paper carrier bags. It is owned and operated by GandiibuNaa Ernest, Azevera, Julius Alagenona, Bruce Gyane, Fred Dove and Abraham Ernest Cudjoe.

1.2 Start-up Summary

The total expenditure needed to start our business venture is GH¢25,950.00. This will take care of legal fees, stationery for developing our company logo, printing, call credits and other costs that will be incurred as and when GAFEB ltd. search for personnel to do other petty jobs.

A total of GH¢124,050.00 shall also be required for the purchase of some assets which include four machines to produce four different types of the paper bags, raw materials for the production,

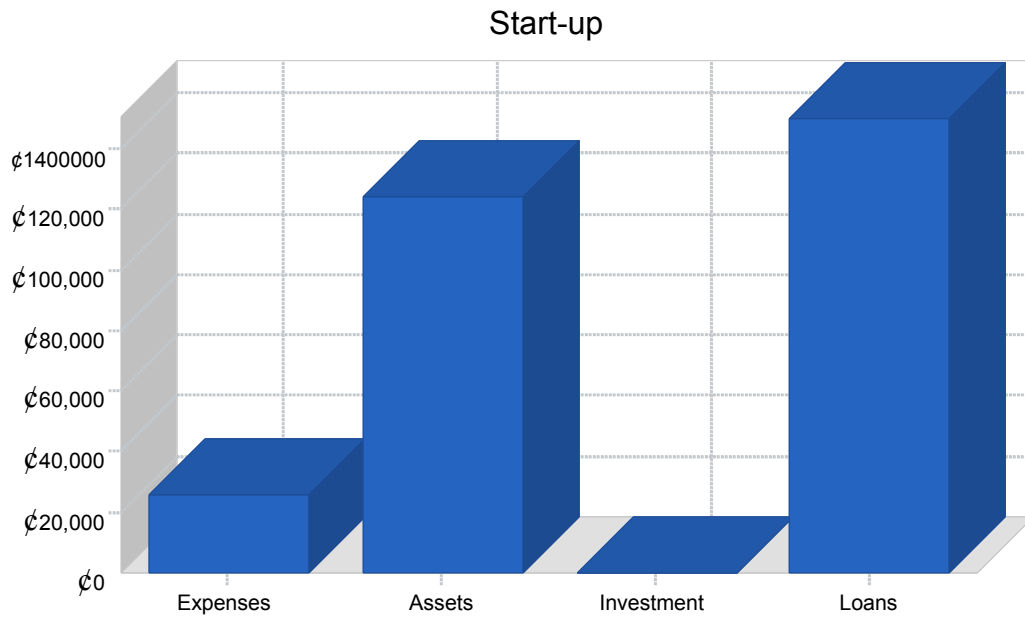
distribution vans and a vehicle for official purposes, furniture and fittings, equipment and any other asset that will see to the success of GAFEB Ltd.

The above described amount in total is GH¢150,000.00 and this amount is to be borrowed from a bank in order to finance the assets and expenses to be incurred.

Table: Start-up

<i>Start-up</i>	
Requirements	GH¢
Start-up Expenses	
Legal	500
Stationery etc.	200
Rent	24,000
Printing	1,000
Call Credits	50
Others	200
Total Start-up Expenses	25,950
Start-up Assets	
Cash Required	2,000
Start-up Inventory	40,000
Other Current Assets	7,000
Long-term Assets	75,050
Total Assets	124,050
Total Requirements	150,000

Chart: Start-up



2.0 Product

GAFEB Company Ltd. deals exclusively in paper carrier bags, produced in the northern sector of Ghana, Upper East Region, Upper West Region, Northern Region, Brong Ahafo Region, Ashanti Region and some parts of the Volta Region, but precisely Kumasi the regional capital of Ashanti Region. Paper carrier bags are produced from the by-products of logs coupled with wax by GAFEB Company Ltd. to come out with wax paper that is resistance to water and can be customized into customer taste. Provisions will be made to offer dustbins for the collection of paper carrier bags produced by GAFEB Company Ltd. in order to turn the waste paper carrier bags into fertilizer for purposes of farming.

2.1 Product Idea

The idea of producing paper carrier bag emanated from the fact that the rubbish in the country is caused by basically plastic waste especially polythene bags which every now and then is used to package items for people. Governments upon governments have decided in most cases to find a lasting solution to that unfortunate problem yet the problem still stare in the face of government and the citizenry in the country even in this 21st century. GAFEB therefore in deciding on the product to produce concluded to take the opportunity of producing paper carrier bag which will aid in reducing the filth created by polythene bags and at the same time make some reasonable income out of it.

2.2 Realization schedule

The accompanying table shows specific milestones, with responsibilities assigned, dates, and budgets. The milestones represented in this plan are those which we have determined to be the most important.

Table: Realization schedule

<i>Realization schedule</i>					
Schedule	Start Date	End Date	Budget GH¢	Responsible	Department
Funding	1/12/2011	31/12/2011	150	All Owners	
Office Location	1/12/2011	21/12/2011	24,000	Productions Manager	Production
Registration of company	1/12/2011	28/2/2012	1,000	Legal Advisor	
Recruitment of staff	1/12/2011	20/12/2011	500	Recruitment consultant	
Launching of product	14/2/2012	14/2/2012	5,000	Marketing Manager	Marketing
Totals			30,650		

3.0 Management Team

GAFEB Company Ltd. management consists of five full-time employees with two board members. Additional assistance is acquired on a part-time basis and/or through the use of consultants, specifically in legal matters.

3.1 Personnel Plan

The personnel plan requires an increase in plant employees from 11 to 17-20 within the next three years. Additional employees will also be added to increase administrative and accounting support. One additional employee will be added to the sales and marketing division. We will retain all current employees as they will not have to relocate. Detailed descriptions of our management team and board of directors are as follows. Salaries will be increased at a rate of 5% in each year that the plan will cover.

BOARD OF DIRECTORS.

1. **Mr. Stephen Alewabah:** He holds BEd(Acc. & Maths), Dip.(Acc.), Msc. EMBA, MPhil, LLB, ACCA/ICA(Gh.). As a lecturer in Christian Service University College (Kumasi) in the department of Business Administration. Internal Audit Team at KNUST.
2. **Sarpong Appiah:** He holds a Professional Diploma in Entrepreneur and Marketing Management UK, Diploma in Marketing Management UK, Bachelor's degree in Publishing Administration and Master's degrees in Marketing and Corporate Strategy from Kwame Nkrumah University of Science and Technology. He is currently a lecturer of Christian Service University College in Kumasi and a consultant to the President's Special Initiative on Oil Palm under the Ministry of Trade and Industry. He has coauthored four research papers which are all under consideration. Mr. Appiah is a member of the Chartered Institute of Marketing, UK and a member of Marketing Educators Association USA. Mr. Sarpong is the author of 'Understanding the behavioural aspect of the total Universe'-marketing approach. Sarpong Appiah has published in renowned international peer-reviewed journals such as

Journal of African Business; Economics and Finance Review; and Global Journal of Business Research.

MANAGEMENT PERSONNEL

• General Manager

The General Manager is the administrative head of GAFEB Company Ltd. reporting directly to the board of directors. His key responsibilities include;

- To monitor the various departments of the company.
- To coordinate the work of the departments through the preparation of work programs and budgets.
- To review the operational performance of GAFEB Company Ltd. periodically in order to take any corrective measures to put GAFEB Ltd. on course.
- To advice the board on the formulation of 1. Corporate objectives, 2.corporate policies within which to achieve corporate objectives, 3. Strategies and action programs for the realization of the objectives of GAFEB Ltd. and 4. Control systems to monitor the direction of GAFEB Ltd.

Qualifications

Must possess; a Bachelor's degree in Administration with a professional certificate in Management. At least, two years working experience in a related firm.

• Accountant

The accountant is the financial head of GAFEB Ltd. reporting directly to the general manager. His key responsibilities include;

- To advice management on financial issues as to whether investments by GAFEB will be viable or not.
- To prepare the financial statements of GAFEB.
- To come up with prudent internal financial control mechanisms.

- To come up with a good policy that will lead to an effective internal generated fund.
- Prepare the tax returns of GAFEB including tax returns and SSNIT of employees

Qualification

Must possess; a Bachelor's degree in Administration with accounting option. A working experience will be an added advantage.

- **Human Resource Manager**

The human resource manager is the staff head of GAFEB Ltd. reporting directly to the general manager. His key responsibilities include;

- The determination of employment packages in consultation with the accountant for employees.
- The determination of allowances in consultation with the accountant for the board of directors.
- Processing of the concerns of employees and reporting to management.
- Advice management on the type of the human resource capital needed at a particular point in time.

Qualification

Must possess; a Bachelor's degree in Administration with human resource option. A working experience will be an added advantage.

- **Marketing Manager**

The marketing manager is the head of the marketing department of GAFEB Ltd. reporting directly to the general manager. His key responsibilities include;

- Formulation of good promotional policies to enhance the sales of the paper carrier bags.
- Marketing the products of GAFEB Ltd.
- Conducting marketing research to identify new opportunities for GAFEB Ltd.

- Building and maintenance of mutually beneficial relationships with clients of GAFEB Ltd.

Qualification

Must possess; a Bachelor's degree in Administration with marketing option. A working experience will be an added advantage.

- **Production Manager**

The production manager is the head of the production department of GAFEB Ltd. reporting directly to the general manager. His key responsibilities include;

- Planning the production schedule within budgetary limitations and time constraints.
- Monitor product standards.

Qualification

Must possess; a Bachelor's degree in Administration with production option. A working experience will be an added advantage.

Organizational Chart;

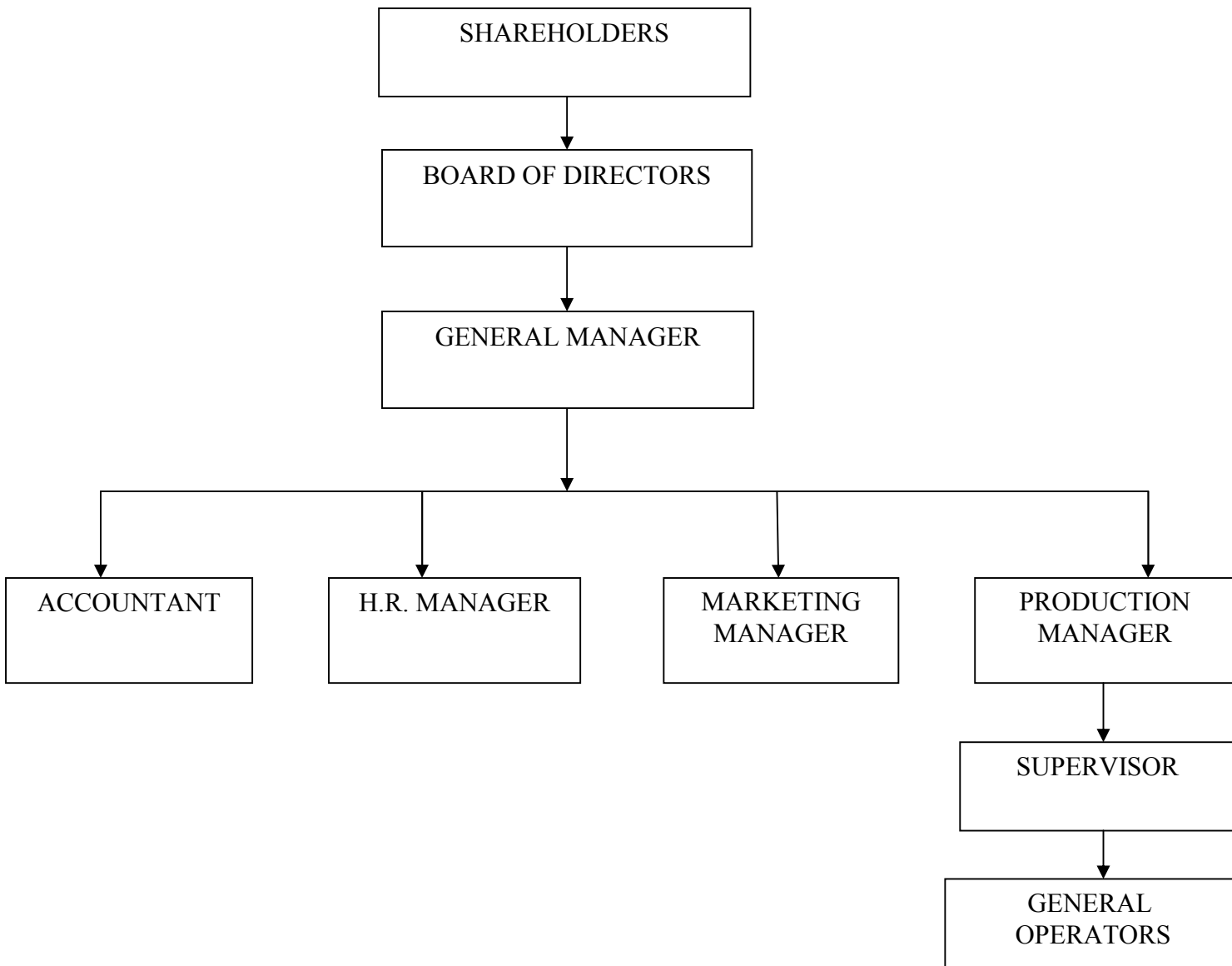


Table: Personnel

<i>Personnel Plan</i>	2012	2013	2014
	GH¢	GH¢	GH¢
General Manager	7,200	7,560	7,938
Accountant	5,400	5,670	5,954
Marketing Manager	5,400	5,670	5,954
Human Resource Manager	5,400	5,670	5,954
Production Manager	5,400	5,670	5,954
Total Payroll	28,800	30,240	31,754

4.0 Market Analysis Summary

Paper bag is a product that is rare in the Ghanaian market. There is only a few in the market and even where it is seen, it is only in some boutiques. Mostly, what is been witnessed is polythene bags which are used to package items for customers. Enquiries into this business revealed to us that this kind of product is rather widely used in Europe, Asia, and America but scarcely used in Africa. Our research also revealed that China does use it a lot and has made it possible for them to even manufacture machines that can produce paper bags which are of high quality and can boost production.

The zeal with which almost all the political parties in Ghana are talking about ways in which they can clean the nation is what can make our product a success. Any government that will be in place irrespective of their political color will appreciate the role that the product will play thereby educating the citizenry to patronage the paper bag to help curb the sanitation challenge facing the nation.

4.0.1 Marketing Strategy

GAFEB's marketing strategy will include the use of targeted print media advertising and direct selling to customers in the Ghanaian market who sell items that will need the paper carrier bag as a package for those items. We will capitalize on relationships we intend to establish with sellers of various items in the Ghanaian market who will be willing to recommend GAFEB's paper carrier bag to other sellers. The primary goal of all marketing efforts will be to communicate this to existing and potential customers.

4.0.2 Sales Strategy

GAFEB strategy focuses first on meeting as much shops as possible in the Ghanaian market in order to establish relationships for larger orders. These shops are critical to our ability to acquire additional market on both the Northern and Southern sectors of Ghana without having to spend a

great deal on sales efforts. Secondly we will focus on increasing the volume, while maintaining the percentage of sales, of paper bags sold to the Ghanaian market. When we have reached maximum sales to existing channels we can then shift the majority of our focus to securing additional markets.

4.0.2.1 Sales Forecast

GAFEB Ltd. is expecting a 5% growth rate in units which will translate into total sales of GH¢293,532.00 for all the sizes of paper bags the company will be producing. This forecast is as a result of the idea of reaching six metropolises in both the northern and southern sectors of the country.

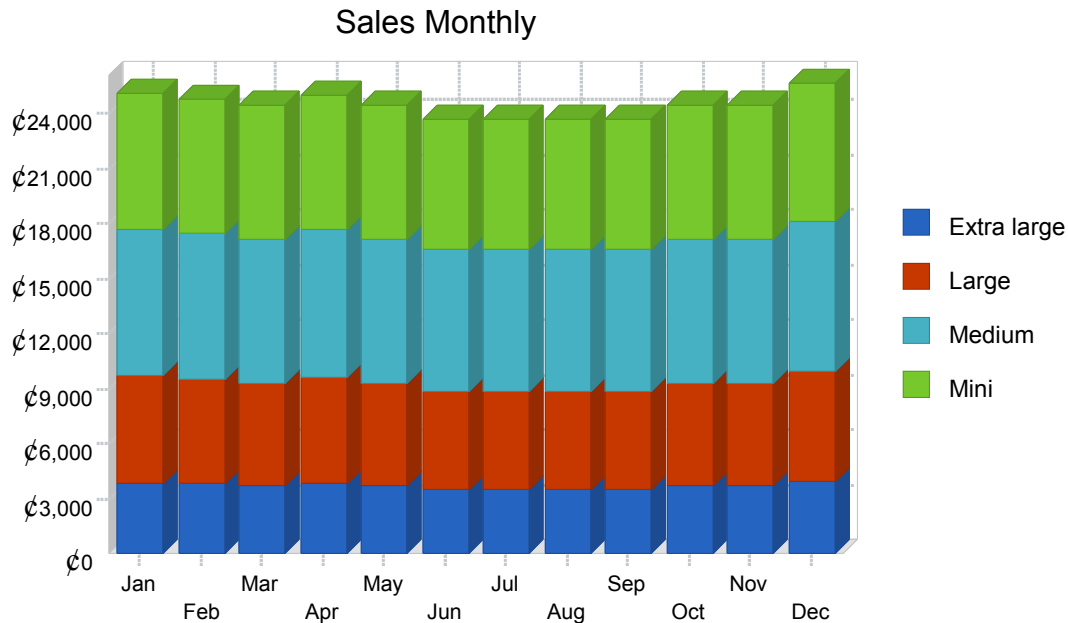
The sales will be driven by the fact that mayors in the various metropolitan assemblies are serious finding ways of dealing with sanitation problems and so will back GAFEB Ltd. in creating awareness about the use of paper carrier bags. Economic activities especially in Tema which is an industrial area and the Greater Accra where most of the citizens of Ghana converge will be typical in achieving the sales we are predicting. Our strategy is to meet as much shops as possible and so this will be a tool that will help achieve our sales target.

Table: Sales Forecast

<i>Sales Forecast</i>	2012	2013	2014
Unit Sales			
Extra large	8,004	8,404	8,824
Large	15,000	15,750	16,538
Medium	27,000	28,350	29,768
Mini	35,004	36,754	38,592

Total Unit Sales	85,008	89,258	93,721
Unit Prices	2012	2013	2014
	GH¢	GH¢	GH¢
Extra large	5.50	5.50	5.50
Large	4.50	4.50	4.50
Medium	3.50	3.50	3.50
Mini	2.50	2.50	2.50
Sales			
Extra large	44,022	46,223	48,532
Large	67,500	70,875	74,419
Medium	94,500	99,225	104,186
Mini	87,510	91,885	96,479
Total Sales	293,532	308,208	323,616
Direct Unit Costs			
Extra large	0.41	0.41	0.41
Large	0.29	0.29	0.29
Medium	0.18	0.18	0.18
Mini	0.08	0.08	0.08
Direct Cost of Sales			
Extra large	3,302	3,467	3,640
Large	4,388	4,607	4,837
Medium	4,725	4,961	5,209
Mini	2,625	2,757	2,894
Subtotal Direct Cost of Sales	15,039	15,791	16,581

Chart: Sales Monthly



4.1 Business System and Operation

GAFEB Ltd will use modern technology in coming out with the product carrier paper bag. A machine which is made of rigid and robust construction to avoid vibration will be purchased. All paper are arranged in most accessible way thus making operation and adjustment very simple and quick so that even an unskilled labour can easily operate the machine successfully. The change of size will be very easy and can be done in some few minutes. The machine is going to be supplied with one size plate and one size gears to manufacture one size of paper bag. However, due to the different sizes that GAFEB aims at producing, will push us to get different size plates and size gears for smooth and easy production. The required size of bag will be obtained by fixing the exact size plate to the size plate holder and the length of the tube will also be obtained by changing the size gear wheel, each tooth of which represents one centimeter in the length. The tubing after being cut by the beater into exact size as per the size gear will be carried forward by means of conveyor rollers to a delivery cylinder. A delivery cylinder will be the bottom folding sand pasting cylinder as the bottom fold of the paper bag is made. The bag will be pasted and then carried by the folding cylinder to a delivery table where it will be released and delivered in a

vertical stack. We will purchase a two colour flexo printer which will be used to print GAFEB Ltd's logo on the bag and also provide a taste to customers who will want the bag being customized for them.

4.2 Environmental Analysis/SWOT

GAFEB's strategy is to expand production capabilities in order to fulfill the requests of customers with whom we will be dealing with for larger orders which we might be unable to fulfill. In addition GAFEB seeks to establish additional contracts with customers outside our market segment and increase the volume of paper carrier bags sold on the Ghanaian market. We intend to first maximize quantity of paper carrier bags sold within existing channels and second, establish additional accounts through targeted marketing efforts.

4.2.1 PEST Analysis

GAFEB has considered the *political, economical, social* and *technological* factors that may or may not hinder the success of the business.

- **Political:** GAFEB Ltd has scanned the political atmosphere in Ghana and has realized that no matter which political party will be in power, the idea of producing and selling paper carrier bag will not be something that will the outside policies intended to curb sanitation problems. However, it is also a fact that Ghana has been able to stand the test of time in terms of democratic governance and has been able to remain stable politically which have attracted even a lot of foreign investors which therefore means that as citizens in the country, we will even be highly lauded by government to come out with such a bright idea that can in the long-run employ some idle hands seeking for jobs.
- **Economy:** Recently, it was announced that Ghana is now a middle lower income country which means that the poverty level of Ghana has reduced and so GAFEB predicts that people

will be purchasing more items and therefore will need a bag to put their items in. GAFEB thinks that paper bag is the answer to that. Interest rates are going down, fluctuations in the currency is quite stable and a normal wage rate is also available which therefore means that GAFEB Ltd will not be spending so much on cost of operations especially in terms of salary payment.

- **Social:** The culture of the ordinary Ghanaian sometimes is unpredictable but in the case of paper carrier bag usage, GAFEB thinks that the target group that we have identified which is the various shops and boutiques including supermarkets will help us change the attitude of the average Ghanaian to use paper carrier bag. When the shops start packaging their items with paper bags, their customers will develop a taste for the product.
- **Technology:** GAFEB Ltd knows very well that in this 21st century almost everything is now been done by technology and our target market is not an exception. This is why in the business operations we made mention of purchasing a machine that will aid us in producing the product carrier paper bag.

4.2.2 SWOT Analysis

GAFEB has a valuable inventory of **strengths** that will help it succeed. These strengths include: efficient and effective staff, government policy, marketing strategy, and location. Strengths are valuable, but it is also important to realize the **weaknesses** GAFEB must address. These weaknesses include: dependence on credit from our lender, and cost factor associated with keeping technology.

GAFEB's strengths will help it capitalize on emerging opportunities. These **opportunities** include but are not limited to; Laggard customers, Government grants and support, and Internet to boost operations. **Threat** that GAFEB should be aware of include emerging local and international competitors

4.2.2.1 Strengths

- *Government Policy.* We realized that all political parties in the country have dispassionately discussed ways by which filth can be dealt with and for that matter we predict that no matter which party assume power; its policies will not kill the existence of our product but rather enhance its (carrier paper bag) production.
- *Marketing Strategy.* We believe that the use of the vibrant media that Ghana is experiencing in recent times will be one of the tools that will see GAFEB through since most of our adverts in the media will be to educate the ordinary Ghanaian about the side effect of filth created by polythene bags and why carrier paper bag should be used. We also intend reaching our customers directly.
- *Location.* Being in the Kumasi Metropolis is something we think and believe will be our secret since Kumasi is also one of the cities suffering from the filth canker.
- *Efficient and effective staff.* We do not intend to rely on cheap labour and also incompetent personnel therefore making use of the young energetic and ambitious graduates who can make change happen in just a second.

4.2.2.2 Weaknesses

- *Dependence on credit from our lender.* Since we are going to be seeking for all the capital we want in order to kick start our business from a third party, we think that the third party might want to pursue some interest of theirs.
- *Cost factor associated with keeping technology.* GAFEB also thinks that in order to achieve its target sales, a lot of running around will have to be done and a lot of pressure kept on its facilities which we believe comes at a cost.

4.2.2.3 Opportunities

- *Government grants and support.* GAFEB believes that within the first half of the first year of operation, if success stories are being shared, it will attract some support from the Government especially in terms of government allowing GAFEB to be the sole producer of carrier paper bags in Ghana like in the case of Zoomlion.
- *Laggard customers.* The likelihood of gaining customers who will remain obsessed with GAFEB's products even if there is another competitor in the market who produces carrier paper bag.
- *Internet to boost operations.* GAFEB intends to also take the opportunity of selling on the internet and even negotiating for affordable internet service provision from the various communicating networks in Ghana.

4.2.2.4 Threat

- *Emerging local and international competitors.* The emergence of various sachet water producers have been a typical example in Ghana for GAFEB to have some fears about and to take a cue from it.

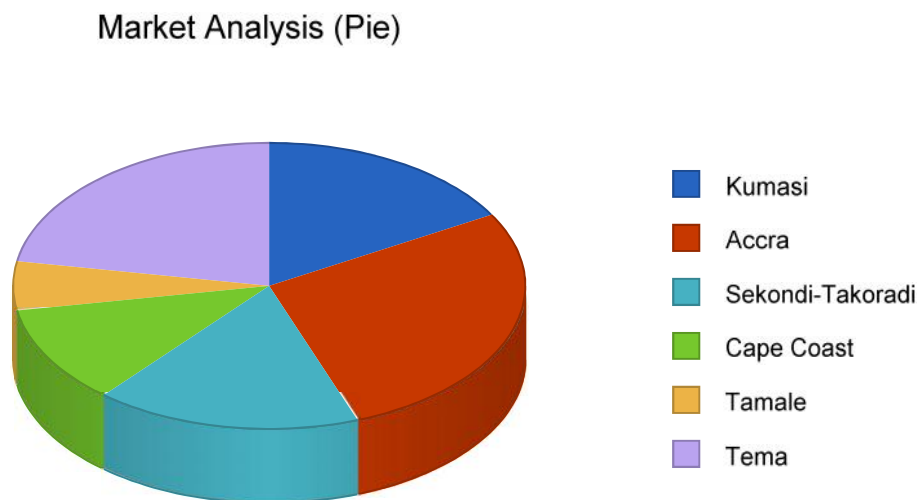
4.3 Market Segmentation

GAFEB Ltd. is planning to segment Kumasi which will be its headquarters, Accra, Sekondi-Takoradi, Cape Coast, Tamale and Tema differently and is expecting to reach 150, 250, 150, 100, 50, and 200 shops respectively in the various segments. A total of 900 shops will be covered in the first year of operation, 1,068 shops in the second year of operation and 1,270 in the third year representing an average growth of 19.02%. These shops will include provisions shops, retail shops such as Melcom etc., the various boutiques where most customers of these shops always prefer nice packaging of products, other sellers of various items will also be covered especially with those sellers who use polythene bags in packaging the products that they sell.

Table: Market Analysis

<i>Market Analysis</i>		2012	2013	2014	2015	2016	
Potential Customers	Growth						CAGR
Kumasi	25%	150	188	235	294	368	25.15%
Accra	20%	250	300	360	432	518	19.98%
Sekondi-Takoradi	15%	150	173	199	229	263	15.07%
Cape Coast	8%	100	108	117	126	136	7.99%
Tamale	5%	50	53	56	59	62	5.53%
Tema	23%	200	246	303	373	459	23.08%
Total	19.02%	900	1,068	1,270	1,513	1,806	19.02%

Chart: Market Analysis (Pie)



4.4 Target Market Segment Strategy

GAFEB Ltd. primarily focuses on its target market, the various shopping malls and boutiques including the supermarkets and retail shops, through direct selling via its various relationships that will be established. In addition, a significant amount of investment will be made in advertising to promote product awareness. Direct selling is far more effective in closing sales as well as in terms of sales and marketing costs.

GAFEB Ltd. intends using the tool of product demonstration at its site to close sales. Potential clients' travel costs to GAFEB Ltd.'s site for product demonstrations will be covered by GAFEB Ltd. Product demonstrations are a critical step in the sales process. This is an opportunity to educate the potential client and establish a relationship.

4.5 Marketing Mix

GAFEB Ltd will blend its marketing mix strategically to enable it stay in business for a very long time.

4.5.1 Product

Paper carrier bags are produced from the by-products of logs coupled with wax by GAFEB Company Ltd. to come out with wax paper that is resistance to water and can be customized into customer taste. Some of them will look like that of the ladies handbags but some will however look bigger than that of the handbags.

4.5.2 Price

The price of the paper carrier bags will be priced a relatively higher than that of polythene bags so as to attract customers in purchasing it. This is a strategy undertaken to ensure that our mission of

curbing 60% to 70% filth created in the Metropolitan Assemblies and 30% to 40% filth in the nation as a whole becomes a reality.

4.5.3 Promotion

GAFEB Ltd will use advertising through the various radio and television stations to market the product. We will also educate people about the importance of using the product by going on morning shows to talk about it. Reaching the customer at his doorstep will also be another promotional tool that GAFEB Ltd will adopt in selling and promoting the product.

4.5.4 Place

GAFEB Ltd will be situated in Kumasi the Ashanti Regional capital in Ghana. However, we will reach out to the rest of the Metropolitan Assemblies through agents and later establishing permanent branches over those areas.

4.6 Industry Analysis

Sanitation has been a challenge to the government of Ghana for a very long time making ministers of state debate dispassionately on how to curb it. Paper bag is aiming at adding a new industry to the already existing industries in Ghana. It has been a growing industry in the global market for some time now and recently a man who touts himself as the "Rwandan Paper Bag Man" came up with this same idea of using paper bag to reduce the sanitation problems Rwanda was facing which was a success. The Ghanaian market is such that the moment a person takes the risk to establish a particular business and it becomes a success, everybody will decide to try being part of that industry. GAFEB Ltd. therefore is aware of this and is putting plans in place to ensure its success.

4.6.1 Competition and Buying Patterns

The purchase decision for our customer will be based on trust in our efficient and effective delivery system we intend to establish. GAFEB Ltd.'s delivery system will be in such a way that we will deliver the products directly to our target market from the factory based on the order of the products by the customers. However, if customers will like to come to lift the products from GAFEB Ltd's plant, provisions will be made for fuel to be given to the customer. We are planning to establish relationships with our customers which will extend beyond that of the buyer/seller. GAFEB label means that the product has been chosen and prepared with the highest quality standards in mind. Our paper bags are going to be priced relatively higher than that of the polythene bags. We are expecting our customers to pay more for our product because the product is going to be made in such a way that when holding it, its beauty could be like that of a suitcase.

5.0 Financial Analysis

We want to finance growth through a combination of long-term debt and cash flow. Purchase of our facilities and equipment will require approximately eighty percent debt financing. Additional technology will be primarily financed with cash-flow. Inventory turnover must remain at or above four or we run the risk of backing up orders and jeopardizing our freshness guarantees.

5.0.1 Start-up Funding

The start-up expenses of GAFEB Ltd. will consist primarily of legal fees, stationery, rent, computer equipment, call credits, and other expenses. GAFEB will invest approximately GH¢125,000.00 of the loan this plan is seeking to achieve at GH¢150,000.00 into inventory, machines for production which constitute the long-term assets, other non-depreciable assets and leaving with cash on hand for daily transactions.

Table: Start-up Funding

<i>Start-up Funding</i>	
	GH¢
Start-up Expenses to Fund	25,950
Start-up Assets to Fund	124,050
Total Funding Required	150,000
Assets	
Non-cash Assets from Start-up	122,050
Cash Requirements from Start-up	2,000
Cash Balance on Starting Date	2,000
Total Assets	124,050

Liabilities and Capital	
Liabilities	
Long-term Liabilities	150,000
Total Liabilities	150,000
Loss at Start-up (Start-up Expenses)	(25,950)
Total Capital	(25,950)
Total Capital and Liabilities	124,050
Total Funding	150,000

5.1 Projected Income Statement

We expect to close the first year of production with GH¢293,532.00 in sales and increase our sales to GH¢308,208.00 in the second year and GH¢323,616.00 in year three.

Table: Income Statement

<i>Pro Forma Income Statement</i>	2012	2013	2014
	GH¢	GH¢	GH¢
Sales	293,532	308,208	323,616
Direct Cost of Sales	15,039	15,791	16,581
Other Costs of Sales	14,750	14,013	13,312
Total Cost of Sales	29,789	29,804	29,893
Gross Margin	263,743	278,404	293,723
Gross Margin %	89.85%	90.33%	90.76%
Expenses			
Payroll	28,800	30,240	31,754

Marketing/Promotion	20,400	21,420	22,491
Depreciation	9,000	13,800	13,800
Rent	48,000	48,000	48,000
Utilities	11,400	12,000	12,500
Insurance	14,400	14,400	14,400
Stationery and printing	494	550	600
Cleaning and Sanitation	93	100	115
Provision for bank charges	113	113	113
Provision for bad debts	670	500	400
Commission	6,200	6,800	7,200
Research	3,000	0	0
Directors fees	7,200	7,200	7,200
Auditor's fees	500	500	500
Maintenance	9,600	10,000	11,500
Fuel and Lubricants	19,000	21,000	23,000
Travel and transport	14,800	16,000	17,200
Subscriptions	920	950	1,000
Telephone and postage	1,425	1,800	2,100
Total Operating Expenses	196,015	205,373	213,873
Profit Before Interest and Taxes	67,728	73,031	79,850
EBITDA	76,728	86,831	93,650
Interest Expense	29,425	23,100	16,500
Taxes Incurred	0	0	0
Net Profit	38,303	49,931	63,350
Net Profit/Sales	13.05%	16.20%	19.58%

Chart: Income Monthly

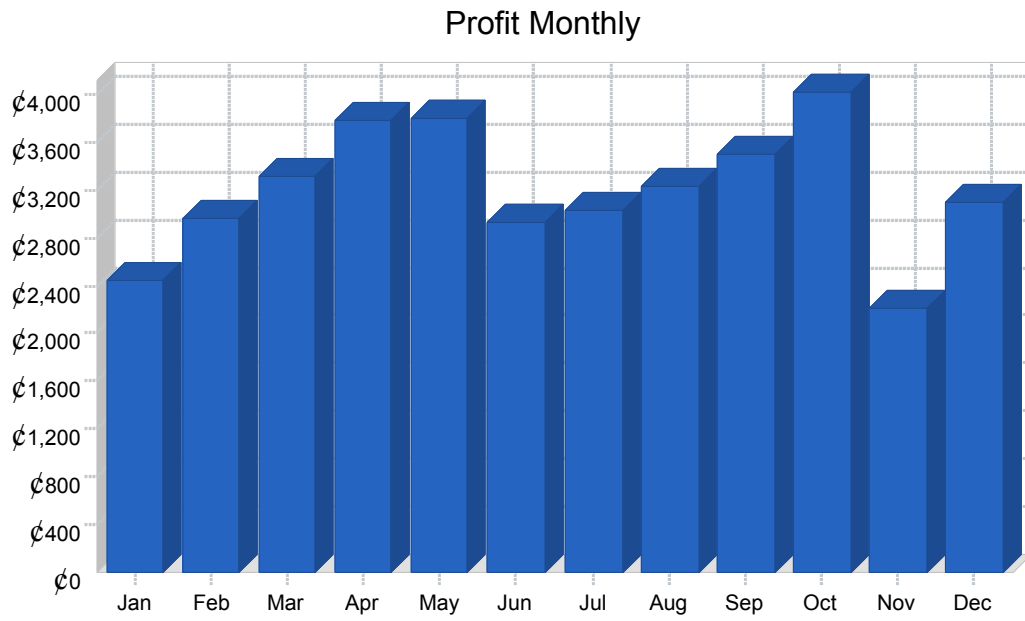
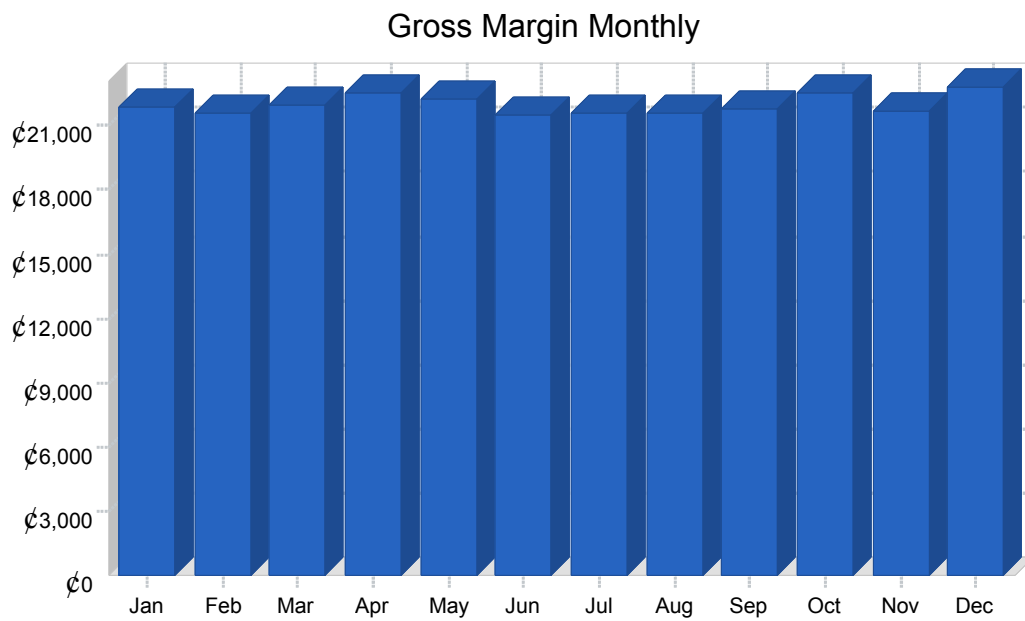


Chart: Gross Margin Monthly



5.2 Break-even Analysis

The break-even analysis shows that GAFEB Ltd. has sufficient sales strength to remain viable. Our break-even point is close to 5,000 units per month and our sales forecast for the next year calls for almost 7,000 units per month on average. Projections are detailed in the following table.

Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Units Break-even	4,986
Monthly Revenue Break-even	GH¢17,217
Assumptions:	
Average Per-Unit Revenue	GH¢3.45
Average Per-Unit Variable Cost	GH¢0.18
Estimated Monthly Fixed Cost	GH¢16,335

5.3 Projected Cash Flow

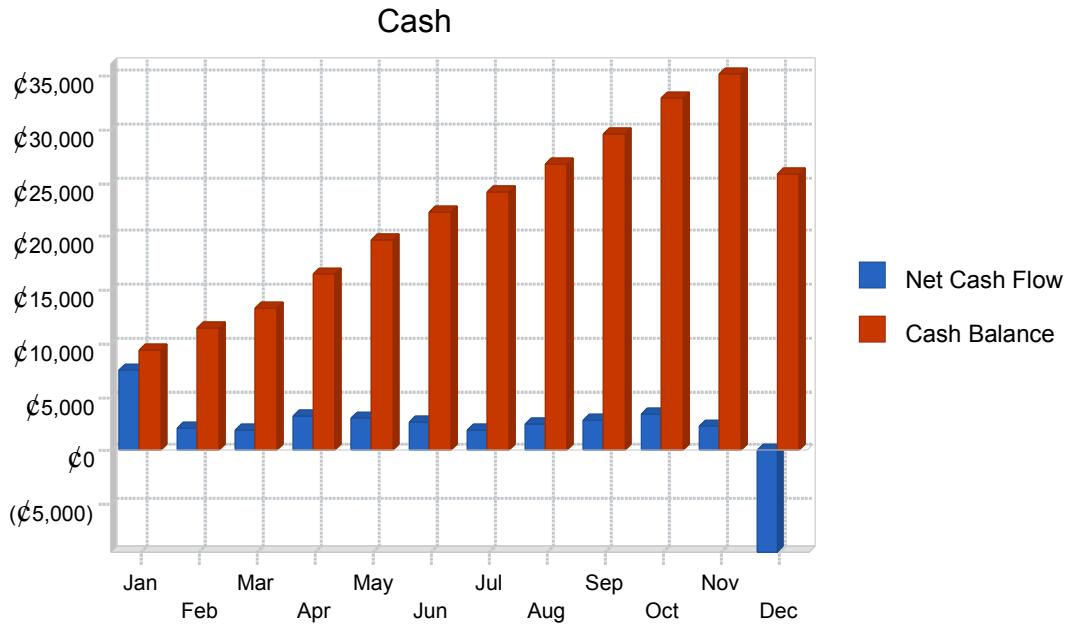
GAFEB expects a negative net cash flow of GH¢1,861.00 in the second year of operations and this is as a result of the intention of purchasing additional vans to augment the existing ones.

Table: Cash Flow

<i>Pro Forma Cash Flow</i>	2012	2013	2014
	GH¢	GH¢	GH¢
Cash Received			
Cash from Operations;			
Cash Sales	220,149	231,156	242,712
Cash from Receivables	67,191	76,742	80,579
Subtotal Cash from Operations	287,340	307,898	323,291
Additional Cash Received;			
VAT Received	44,030	46,231	48,542
Subtotal Cash Received	331,370	354,130	371,834
Expenditures			
Expenditures from Operations;			
Cash Spending	28,800	30,240	31,754
Bill Payments	190,952	223,520	216,900
Subtotal Spent on Operations	219,752	253,760	248,654
Additional Cash Spent;			
VAT Paid Out	44,030	46,231	48,542
Long-term Liabilities Principal Repayment	30,000	30,000	30,000
Purchase Other Current Assets	1,761	2,000	2,500
Purchase Long-term Assets	12,000	24,000	0
Subtotal Cash Spent	307,543	355,991	329,696
Net Cash Flow	23,827	(1,861)	42,138

Cash Balance	25,827	23,965	66,103
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Chart: Cash



5.4 Projected Statement of Financial Position

As shown in the balance sheet in the following table, our net will grow from approximately GH¢12,353.00 to more than GH¢62,000.00 by the end of 2013 and to GH¢125,634.00 by the end of the plan period. The monthly projections are in the appendix.

Table: Statement of Financial Position

<i>Pro Forma Statement of Financial Position</i>			
	2012	2013	2014
	GH¢	GH¢	GH¢
Assets			
Current Assets;			
Cash	25,827	23,965	66,103
Accounts Receivable	6,192	6,502	6,827
Inventory	24,961	35,100	36,854
Other Current Assets	8,761	10,761	13,261
Total Current Assets	65,741	76,328	123,045
Long-term Assets;			
Long-term Assets	87,050	111,050	111,050
Accumulated Depreciation	9,000	22,800	36,600
Total Long-term Assets	78,050	88,250	74,450
Total Assets	143,791	164,578	197,495
Liabilities and Capital			
Current Liabilities;			
Accounts Payable	11,438	12,295	11,861
Subtotal Current Liabilities	11,438	12,295	11,861
Long-term Liabilities	120,000	90,000	60,000
Total Liabilities	131,438	102,295	71,861
Retained Earnings	(25,950)	12,353	62,283

Earnings	38,303	49,931	63,350
Total Capital	12,353	62,283	125,634
Total Liabilities and Capital	143,791	164,578	197,495
Net Worth	12,353	62,283	125,634

5.5 Important Assumptions

We plan to go for our long-term borrowing which we intend to use in financing GAFEB Ltd. from the Agricultural Development Bank and therefore we are assuming a base rate of 22% interest on the loan that will be taken.

In Ghana, we assume to enjoy tax holidays of up to five years including the year of start-up and therefore predict that there will be no tax liability on GAFEB Ltd. for the first three years this plan is covering. This is what is informing us not to make provisions in terms of tax liabilities in the Income Statement.

We also project that with the help we will be seeking from the government of Ghana, the figures predicted in this plan is certainly achievable since the government of Ghana will support us in capturing the market for some possible time period.

5.6 Risk Analysis

Considering the kind of operations that will be undertaken by GAFEB Ltd, some risks that we foresee have been considered.

5.6.1 Pure Risks

The pure risks GAFEB Ltd has identified include;

- Losing the production site to fire because of the highly inflammable nature of some of our raw materials.

- Theft of raw materials and equipment.
- Losing of raw materials from poorly checked shutters during heavy rainfall.
- On-the-job employee injuries.

5.6.2 Operational Risk

The identifiable risks related to operations include;

- Delay or non-delivery of raw materials required for work.
- Technical hitches in machines and equipment.
- Production of defective products that will either call for outright wastage, scraping or costly rework.
- Power outages.

5.6.3 Credit Risk

GAFEB run the risk of defaulters in terms of our customers who will purchase our products on credit.

5.6.4 Market Risk

GAFEB might run the risk of reduction in future revenues as a result of adverse movement of interest rates which will increase the liability of the company.

5.6.5 Risk Management

The following risk management techniques shall be ensured in order for GAFEB Ltd to reduce its various risks to the bearable minimum.

- Fire extinguishers will be purchased to quench any fire outbreaks.
- Enough training will be rendered to employees to prevent wastages and also to reduce the risk of job issues.
- GAFEB Company Ltd will insist on very secure shutters and doors that will prevent any rain water from entering the production site. All raw materials will be shelved to prevent it from being damaged.

- Rules on safe shelving of raw materials and cautious handling of equipment will be communicated and enforced.
- A plant will be purchased to cater for any power outages.
- Efficient debtor monitoring and control will be adopted to check defaults on credit sales.

5.7. Business Ratios

Standard business ratios are included in the following table. The ratios show an aggressive plan for growth in order to reach maximum production within three years. Net profit margin increases each year as we bring our facilities to maximum capacity and production. Return on sales and assets remain strong.

Table: Ratios

<i>Ratio Analysis</i>	2012	2013	2014
Sales Growth	n.a.	5.00%	5.00%
Net Worth	8.59%	37.84%	63.61%
Percent of Sales			
Sales	100.00%	100.00%	100.00%
Gross Margin	89.85%	90.33%	90.76%
Profit Before Interest and Taxes	23.07%	23.70%	24.67%
Main Ratios			
Current	5.75	6.21	10.37
Quick	3.57	3.35	7.27
Additional Ratios	2012	2013	2014
Net Profit Margin	13.05%	16.20%	19.58%

Return on Equity	310.08%	80.17%	50.42%
Activity Ratios			
Accounts Receivable Turnover	11.85	11.85	11.85
Collection Days	29	30	30
Inventory Turnover	0.47	0.53	0.46
Accounts Payable Turnover	17.69	18.25	18.25
Payment Days	18	19	20
Total Asset Turnover	2.04	1.87	1.64
Debt Ratio			
Debt to Net Worth	10.64	1.64	0.57
Liquidity Ratios			
Net Working Capital	GH¢54,303	GH¢64,033	GH¢111,184
Interest Coverage	2.30	3.16	4.84
Additional Ratios			
Acid Test	3.02	2.82	6.69
Sales/Net Worth	23.76	4.95	2.58

CHRISTIAN SERVICE UNIVERSITY COLLEGE – KUMASI

DEPARTMENT OF BUSINESS STUDIES

BACHELOR OF BUSINESS ADMINISTRATION

GAFEB COMPANY LIMITED

BUSINESS PLAN

**A BUSINESS PLAN SUBMITTED TO THE DEPARTMENT OF BUSINESS STUDIES
OF CHRISTIAN SERVICE UNIVERSITY COLLEGE, KUMASI IN PARTIAL
FULFILLMENT OF THE REQUIREMENT FOR THE COURSE**

CSAD 466/TEAM BUSINESS PROPOSAL

BY

AZEVERA, JULIUS ALAGENONA

CUDJOE ERNEST ABRAHAM

GYANE BRUCE

FRED DOVE

GANDIIBU NAA-NOAH ERNEST

DECEMBER, 2011

STATEMENT OF AUTHENTICITY

I have read the Christian Service University College's regulations relating to plagiarism and certify that this business plan is all my work and do not contain any unacknowledged work from any other source. I also declare that I have been under supervision for this business plan herein submitted.

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(SUPERVISOR)

SIGNATURE

DATE

CERTIFIED BY

.....

(HEAD OF BUSINESS STUDIES DEPARTMENT)

SIGNATURE

DATE

Appendix

Table: Sales Forecast

<i>Sales Forecast</i>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Unit Sales												
Extra large	700	687	667	697	667	634	634	634	634	667	667	716
Large	1,300	1,275	1,250	1,290	1,250	1,200	1,200	1,200	1,200	1,250	1,250	1,335
Medium	2,300	2,275	2,250	2,290	2,250	2,200	2,200	2,200	2,200	2,250	2,250	2,335
Mini	2,967	2,942	2,917	2,957	2,917	2,867	2,867	2,867	2,867	2,917	2,917	3,002
Total Unit Sales	7,267	7,179	7,084	7,234	7,084	6,901	6,901	6,901	6,901	7,084	7,084	7,388
Unit Prices	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Extra large	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Large	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Medium	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Mini	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Appendix

Sales													
Extra large		3,850	3,779	3,669	3,834	3,669	3,487	3,487	3,487	3,487	3,669	3,669	3,938
Large		5,850	5,738	5,625	5,805	5,625	5,400	5,400	5,400	5,400	5,625	5,625	6,008
Medium		8,050	7,963	7,875	8,015	7,875	7,700	7,700	7,700	7,700	7,875	7,875	8,173
Mini		7,418	7,355	7,293	7,393	7,293	7,168	7,168	7,168	7,168	7,293	7,293	7,505
Total Sales		25,168	24,834	24,461	25,046	24,461	23,755	23,755	23,755	23,755	24,461	24,461	25,623
Direct Unit Costs		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
		GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Extra large	7.50%	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41
Large	6.50%	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29
Medium	5.00%	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Mini	3.00%	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
Direct Cost of Sales													
Extra large		289	283	275	288	275	262	262	262	262	275	275	295
Large		380	373	366	377	366	351	351	351	351	366	366	390

Appendix

Medium	403	398	394	401	394	385	385	385	385	394	394	409
Mini	223	221	219	222	219	215	215	215	215	219	219	225
Subtotal Direct Cost of Sales	1,294	1,275	1,253	1,287	1,253	1,213	1,213	1,213	1,213	1,253	1,253	1,320

Table: Personnel

<i>Personnel Plan</i>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
General Manager	600	600	600	600	600	600	600	600	600	600	600	600
Accountant	450	450	450	450	450	450	450	450	450	450	450	450
Marketing Manager	450	450	450	450	450	450	450	450	450	450	450	450
Human Resource Manager	450	450	450	450	450	450	450	450	450	450	450	450
Production Manager	450	450	450	450	450	450	450	450	450	450	450	450
Total Payroll	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400

Appendix

Table: Income Statement

<i>Pro Forma Income Statement</i>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Sales	25,168	24,834	24,461	25,046	24,461	23,755	23,755	23,755	23,755	24,461	24,461	25,623
Direct Cost of Sales	1,294	1,275	1,253	1,287	1,253	1,213	1,213	1,213	1,213	1,253	1,253	1,320
Other Costs of Sales	1,950	1,950	1,250	1,250	1,000	1,000	950	900	800	700	1,500	1,500
Total Cost of Sales	3,244	3,225	2,503	2,537	2,253	2,213	2,163	2,113	2,013	1,953	2,753	2,820
Gross Margin	21,923	21,608	21,958	22,509	22,208	21,542	21,592	21,642	21,742	22,508	21,708	22,803
Gross Margin %	87.11%	87.01%	89.77%	89.87%	90.79%	90.69%	90.90%	91.11%	91.53%	92.01%	88.74%	89.00%
Expenses												
Payroll	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Marketing/Promotion	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Depreciation	750	750	750	750	750	750	750	750	750	750	750	750
Rent	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

Appendix

Utilities	15%	900	900	900	900	900	900	900	900	900	900	1,200	1,200
Insurance	15%	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Stationery and printing	15%	100	10	9	12	15	100	4	8	11	10	15	200
Cleaning and Sanitation	15%	10	8	10	5	5	8	6	9	7	5	10	10
Provision for bank charges	15%	8	7	9	10	12	15	9	8	10	7	8	10
Provision for bad debts	15%	100	90	50	40	40	40	40	40	40	40	50	100
Commission	15%	600	400	500	600	300	500	600	500	400	600	600	600
Research	15%	250	250	250	250	250	250	250	250	250	250	250	250
Directors fees	15%	600	600	600	600	600	600	600	600	600	600	600	600
Auditor's fees	15%	500	0	0	0	0	0	0	0	0	0	0	0
Maintenance	15%	800	800	800	800	800	800	800	800	800	800	800	800
Fuel and Lubricants	15%	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	2,000	2,000
Travel and transport	15%	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,400	1,400

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Subscriptions	15%	60	60	65	70	80	98	82	65	70	90	90	90
Telephone and postage	15%	100	120	90	115	130	80	90	95	75	150	180	200
Total Operating Expenses		16,778	15,995	16,033	16,152	15,882	16,141	16,131	16,025	15,913	16,202	17,253	17,510
Profit Before Interest and Taxes		5,145	5,613	5,925	6,357	6,326	5,401	5,461	5,617	5,829	6,306	4,455	5,293
EBITDA		5,895	6,363	6,675	7,107	7,076	6,151	6,211	6,367	6,579	7,056	5,205	6,043
Interest Expense		2,704	2,658	2,613	2,567	2,521	2,475	2,429	2,383	2,338	2,292	2,246	2,200
Taxes Incurred		0	0	0	0	0	0	0	0	0	0	0	0
Net Profit		2,441	2,955	3,312	3,790	3,805	2,926	3,032	3,234	3,491	4,014	2,209	3,093
Net Profit/Sales		9.70%	11.90%	13.54%	15.13%	15.55%	12.32%	12.76%	13.61%	14.70%	16.41%	9.03%	12.07%

Appendix

Table: Cash Flow

<i>Pro Forma Cash Flow</i>		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
		GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cash Received													
Cash from Operations;													
Cash Sales		18,876	18,625	18,346	18,785	18,346	17,816	17,816	17,816	17,816	18,346	18,346	19,217
Cash from Receivables		210	6,289	6,205	6,120	6,257	6,109	5,939	5,939	5,939	5,945	6,115	6,125
Subtotal Cash from Operations		19,085	24,914	24,551	24,905	24,602	23,925	23,755	23,755	23,755	24,290	24,461	25,342
Additional Cash Received;													
VAT Received	15.00%	3,775	3,725	3,669	3,757	3,669	3,563	3,563	3,563	3,563	3,669	3,669	3,843
Subtotal Cash Received		22,860	28,639	28,220	28,662	28,272	27,488	27,318	27,318	27,318	27,959	28,130	29,186
Expenditures from Operations;													

Appendix

Cash Spending	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Bill Payments	6,703	17,978	17,194	16,772	16,611	16,331	16,427	16,286	16,064	15,953	16,706	17,926	
Subtotal Spent on Operations	9,103	20,378	19,594	19,172	19,011	18,731	18,827	18,686	18,464	18,353	19,106	20,326	
Additional Cash Spent													
VAT Paid Out	3,775	3,725	3,669	3,757	3,669	3,563	3,563	3,563	3,563	3,669	3,669	3,843	
Long-term Liabilities	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Principal Repayment													
Purchase Other Current Assets	0	0	587	0	0	0	587	0	0	0	587	0	
Purchase Long-term Assets	0	0	0	0	0	0	0	0	0	0	0	12,000	
Subtotal Cash Spent	15,379	26,603	26,350	25,429	25,180	24,794	25,477	24,749	24,527	24,522	25,862	38,670	
Net Cash Flow	7,482	2,036	1,870	3,232	3,091	2,694	1,840	2,568	2,791	3,437	2,268	(9,484)	
Cash Balance	9,482	11,518	13,388	16,620	19,712	22,406	24,246	26,814	29,605	33,042	35,311	25,827	

Appendix

Table: Statement of Financial Position

<i>Pro Forma</i> <i>Statement</i> <i>of</i> <i>Financial</i> <i>Position</i>		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
		GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Assets	Starting												
	Balances												
	GH¢												
Current													
Assets													
Cash	2,000	9,482	11,518	13,388	16,620	19,712	22,406	24,246	26,814	29,605	33,042	35,311	25,827
Accounts	0	6,082	6,001	5,911	6,053	5,911	5,741	5,741	5,741	5,741	5,911	5,911	6,192
Receivable													

Appendix

Inventory	40,000	38,706	37,431	36,178	34,890	33,637	32,424	31,212	29,999	28,787	27,533	26,280	24,961
Other	7,000	7,000	7,000	7,587	7,587	7,587	7,587	8,174	8,174	8,174	8,174	8,761	8,761
Current Assets													
Total	49,000	61,270	61,950	63,064	65,150	66,847	68,158	69,373	70,728	72,307	74,661	76,263	65,741
Current Assets													
Long-term Assets;													
Long-term Assets	75,050	75,050	75,050	75,050	75,050	75,050	75,050	75,050	75,050	75,050	75,050	75,050	87,050
Accumulate d Depreciatio n	0	750	1,500	2,250	3,000	3,750	4,500	5,250	6,000	6,750	7,500	8,250	9,000
Total	75,050	74,300	73,550	72,800	72,050	71,300	70,550	69,800	69,050	68,300	67,550	66,800	78,050
Long-term													

Appendix

Assets													
Total	124,050	135,570	135,500	135,864	137,200	138,147	138,708	139,173	139,778	140,607	142,211	143,063	143,791
Assets													
Liabilities													
and													
Capital													
Current													
Liabilities;													
Accounts	0	11,579	11,054	10,605	10,652	10,293	10,428	10,361	10,234	10,070	10,161	11,304	11,438
Payable													
Subtotal	0	11,579	11,054	10,605	10,652	10,293	10,428	10,361	10,234	10,070	10,161	11,304	11,438
Current													
Liabilities													
Long-term	150,000	147,500	145,000	142,500	140,000	137,500	135,000	132,500	130,000	127,500	125,000	122,500	120,000
Liabilities													
Total	150,000	159,079	156,054	153,105	150,652	147,793	145,428	142,861	140,234	137,570	135,161	133,804	131,438
Liabilities													

Appendix

Retained Earnings	(25,950)	(25,950)	(25,950)	(25,950)	(25,950)	(25,950)	(25,950)	(25,950)	(25,950)	(25,950)	(25,950)	(25,950)	(25,950)
Earnings	0	2,441	5,396	8,709	12,499	16,303	19,229	22,261	25,495	28,986	33,000	35,209	38,303
Total Capital	(25,950)	(23,509)	(20,554)	(17,241)	(13,451)	(9,647)	(6,721)	(3,689)	(455)	3,036	7,050	9,259	12,353
Total Liabilities and Capital	124,050	135,570	135,500	135,864	137,200	138,147	138,708	139,173	139,778	140,607	142,211	143,063	143,791
Net Worth	(25,950)	(23,509)	(20,554)	(17,241)	(13,451)	(9,647)	(6,721)	(3,689)	(455)	3,036	7,050	9,259	12,353