

CHRISTIAN SERVICE UNIVERSITY COLLEGE – KUMASI

DEPARTMENT OF BUSINESS STUDIES

BACHELOR OF BUSINESS ADMINISTRATION

AIGE TANKS 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 REQUIREMENTS FOR THE COURSE

CSAD 443 TEAM BUSINESS PROPOSAL

BY

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DECEMBER, 2011.

CHRISTIAN SERVICE UNIVERSITY COLLEGE

KUMASI

COURSE CODE: CSAD 466, TEAM PROJECT

FIRST SEMESTER, LEVEL 400

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## EXECUTIVE SUMMARY

The name of the company shall be *AIGE Tanks Ltd.* It will seek to mainly manufacture and trade in plastic water storage tanks –i.e. *Polytanks*. Apart from *Polytanks*, AIGE will also supply refuse bins, pumping machines and render installation and repair services on the above to its prospective clients.

AIGE Tanks Ltd. is seeking to provide hygienic, cost effective and quality water storage products for our cherished customers.

Our mission is to establish good relationships with institutions of higher standing and to use new technological trends in producing hygienic, cost effective and quality water storage products for our cherished customers.

The main objective of AIGE Tanks Ltd. is to provide the average Ghanaian and other countries in the West African sub-region with a hygienic means of harvesting and storing water.

The company hopes to commence business on the 1<sup>st</sup> of June 2012 by which time all the necessary registration as a limited liability company shall be made. AIGE Ltd after registration shall have four (4) shareholders.

Roles of General Manager, Human Resource Manager, Financial Manager, Production and Operations Manager and the Marketing Manager are integral and shall be performed adequately.

The four shareholders shall serve in these capacities but for the Production and Operations Manager who shall be hired. AIGE Tanks Ltd seeks to strategically scan the environment to come out with competitive end-user products that will meet the changing demands of its valued prospective.

The total cost of the project will stand at GH¢ 100,000.00 and any financial support given to its eventual take off and completion will therefore be a worthwhile venture. AIGE Tanks Ltd is feasible and viable looking in terms of location and projected market, impressive projected cash flow and general profitability. Any financial support given to its eventual take off and completion will therefore be a worthwhile venture.

## **MISSION STATEMENT**

Our mission is to establish good relationships with institutions of higher standing and to use new technological trends in producing hygienic, cost effective and quality water storage products for our cherished customers.

## **VISION STATEMENT**

AIGE Tanks Ltd. is Seeking to provide hygienic, cost effective and quality water storage products for our cherished customers.

## **OBJECTIVES**

- The main objective of AIGE Tanks Ltd. is to provide the average Ghanaian and other countries in the West African sub-region with a hygienic means of harvesting and storing water.
- Also, we will seek to render continues after-sales support in terms of installation and repairs of our products.

## **NATURE OF BUSINESS**

The major business line of the company shall be the production of water storage tanks –i.e. polytanks. AIGE Tanks Ltd shall also supply refuse bins. It also shall undertake the sale and installation of tanks, pumping machines and repairs of water storage tanks.

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## 1.0 ORGANISATION

The company is to be named AIGE Company Limited. This name was formulated from the combination of the initial characters of the names of the shareholders namely- APPIAH, IVY, GLORIA and EMELIA. AIGE Tanks ltd. would be a service provider that would be ahead of all other competitors in the same industry. It seeks to provide convenient and ultra-modern water storage products for the people of Ghana. The head office is to be located at Kumasi, adjacent Aseda House. This area is clustered with all kinds of clients and a perfect catchment zone because it is easily accessible.

## 1.2 BACKGROUND

**AIGE Tanks Ltd** is a rebranded company which is to be formed from an existing company known as *Ghapoly ltd*. Ghapoly ltd used to produce polytanks for the Ghanaian market. This company, initially owned by Mr. Dickson Appiah, had serious financial and managerial issues that prompted Mr. Dickson Appiah to seek both financial and technical assistance. The rebranding, financial and technical assistance that Mr. Dickson Appiah is seeking with a new direction fell in line with the vision of Ms. Emelia Asiedu, Miss Gloria Amponsah and Miss Ivy Tuffour.

Clearly we share in the vision of Mr. Dickson Appiah and decided to embark on a project to rebrand and revamp the former company. The new company is expected to be registered and hence commence its business on 1<sup>st</sup> June, 2012. Ghapoly Ltd has two vans for errands, one truck for raw material and finished product conveyance. It also has three offices which are not in good shape. There is a well automated factory plant with a stand-by generator to

render electrical power during power outages. The factory is also furnished with a vast land to allow future expansion.

AIGE Tanks Ltd. would be a limited liability company which would be owned by four people. There shall also be five top management members of which the shareholders are part. These five top management members shall serve in capacities as General Manager, Human Resource Manager, Financial Manager, Production and Operations Manager and the Marketing Manager. The Production and Operations Manager shall be hired.

With tact or dexterity, AIGE Tanks Ltd. shall strategically scan the environment to elicit new ways of meeting the unending and complex demands of its prospective valued customers.

This we hope to achieve based on the rich expertise of the top management members. AIGE Tanks Ltd. hopes to provide very modern, hygienic and improved products for water storage, thereby guaranteeing water security. The company will target customers in the arena of average income earning group and above. Gradually it will seek to attract customers from all over the country and beyond.

In the first 3 years, the company intends to break even and hopefully make profit afterwards. Development of soft skill is a core area of consideration by the Human Resource (HR) unit. Collaboration and team –work would be encouraged.

To gain a competitive advantage over our to-be competitors, knowledge management, information management and flow shall be rendered optimum attention. We hope to recruit qualified staff that shall be given on the job training to upgrade their interpersonal skills. This will ensure that, their service knowledge meant to provide customers with the required

service is always existent. To be the best service provider, we will not compromise on areas such as quality, on-time delivery, safety, reliability and convenience. We will also take a close look at the affordability of our products.

AIGE Tanks Ltd. hopes to be the most effective and efficient water storage products service provider in the country and in the West-African sub-region.

### **SAMPLE OF PRODUCTS**





## **2.1 LOCATION AND CONTACT ADDRESS OF AIGE TANKS LIMITED**

### **2.1.1 LOCATION**

The company is located in the Atwima Nwabiagya District at Brofoyedu on the northern side of Agya Owusu. Retail outlet along the Obuasi – Santasi high way just about 5km from the city centre of Adum.

The administrative office is located at Adum in the Agyekum building.

### **2.1.2 ADDRESS**

AIGE Tanks Limited

P.O. Box K5 14314 Kumasi

Tel. +233-0302-45046/19938

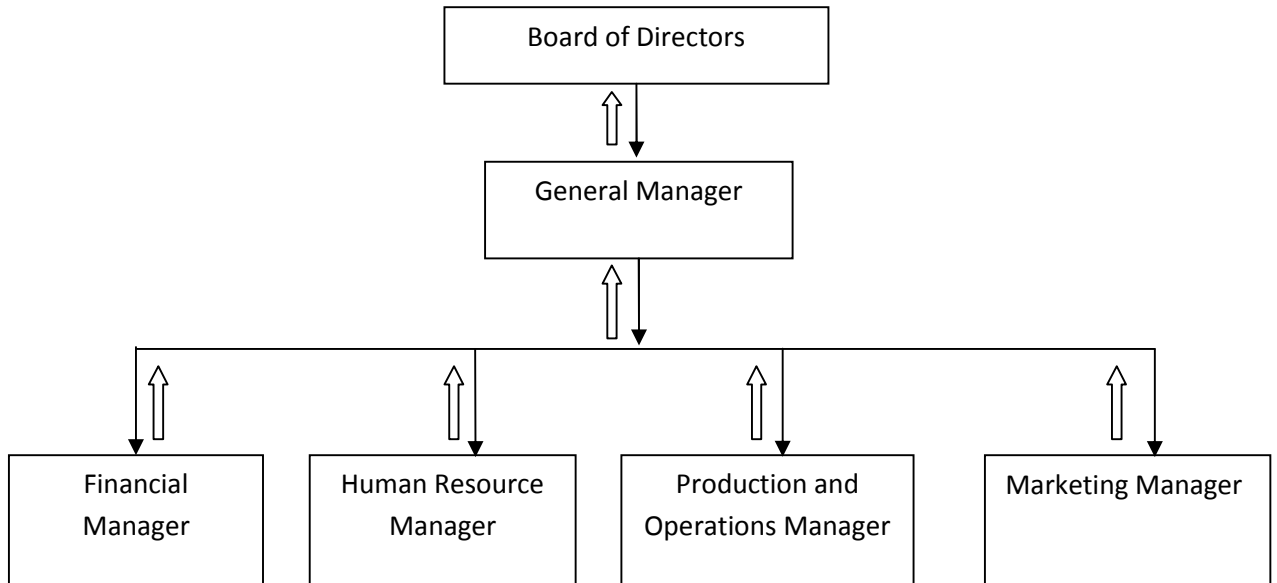
Mobile +

E-mail: [aige@gmail.com](mailto:aige@gmail.com)

Website: [www.aigetanks.com.gh](http://www.aigetanks.com.gh)

### 3.0 MANAGEMENT TEAM

#### 3.1 ORGANOGRAM



### **3.2 PROFILE OF DIRECTORS**

AIGE Tanks Ltd. shall be handled by the five (5) core management members. These management roles shall be the General Manager, Human Resource Manager, Financial Manager, Production and Operations Manager and the Marketing Manager.

#### **➤ GENERAL MANAGER**

Mr. Appiah Dickson Mawuli will be the General Manager of AIGE Tanks Company Limited. He shall be the management head of all the other four (4) departments of AIGE Tanks Company Ltd. Mr. Appiah Dickson is a holder of ICA Ghana certificate.

Mr. Appiah shall be responsible for:

- Coordinating the works of the four(4) departments of AIGE Tanks Company Ltd
- Monitoring the daily activities of the four (4) departments
- Advising the departmental heads as to how to strategize action and programmes for the realization of the company's objectives.
- He shall also serve as the secretary to the company's board

#### **➤ HUMAN RESOURCE MANAGER**

Ms. Emelia Asiedu will be the head of the Human Resource Department of AIGE Tanks Ltd. She shall report directly to the General Manager.

Ms. Asiedu pursued her tertiary education at Academy of Business Administration (ABA) at Asokwa in Kumasi of which she was awarded Diploma in Human Resource.

Ms. Asiedu shall be responsible for the following:

- Recruitment and selection of staff
- Training of management and staff
- Formulation and implementation of the Company's policies and strategies
- Designing the pay structure of AIGE tanks ltd
- she shall be the liaison between management and staff
- Designing job description for AIGE tanks ltd

➤ **MARKETING MANAGER**

Ms. Gloria Amponsah shall be the head of the marketing department and shall report directly to the General Manager. Ms. Amponsah holds a professional certificate in Marketing Management (LCM PART 3 UK) from the London Centre of Marketing (LCM-UK).

Ms. Amponsah shall be responsible for:

- Conducting marketing research for the Company
- Bringing new ideas to improve upon our services
- Advertising the service
- Developing marketing plan for the Company.

➤ **FINANCIAL MANAGER**

Ms. Ivy Tuffuor shall be in charge of Finances for AIGE Tanks Ltd. She shall be reporting directly to the General Manager. She holds a diploma in Business Studies (Accounting option).

Ms. Tuffuor shall undertake the following activities:

- Supervise all the accounting transaction processes
- Prepare the financial budget
- Prepare financial accounts for auditing purposes
- Prepare a periodical budgetary auditing of all sessions of AIGE Tanks Ltd
- Issue all monies and cheques for payments.
- Provide an Administrative support to the day to day activities and management of AIGE Tanks Ltd.

➤ **PRODUCTION AND OPERATIONS MANAGER**

Mr. Osei Owusu who shall be the production manager of AIGE Tanks Ltd has just retired from a reputable manufacturing firm called LL Ghana Ltd. This company is into the production of household cooking utensils .He has agreed to put his expertise at the disposal of the company. He is a mechanical engineer by profession and has twelve years experience in the industry.

Mr. Osei Owusu shall be reporting directly to the General Manager and shall undertake the following activities:

- Order and inspect raw materials for production purposes
- Liaise with technicians to ensure constant running of factory machines
- Inspect production lines to ensure optimum output
- Ensure regular checks of other company equipment.

## **4.0 MARKETING ANALYSIS**

### **4.1 BUSINESS SYSTEMS AND OPERATIONS**

AIGE TANKS LIMITED is concerned with the day- to-day running of our business. We will employ qualified, experienced and well trained personnel to handle the repairs and installations systems of our products to our clients.

Distribution of our products to customers will be well organized through our various sales points in Kumasi and also our delivery van. Product will be delivered immediately to our customers in time prior to their demand.

We will make a prompt delivery of products at the door steps of our customers.

### **4.2 ENVIRONMENTAL ANALYSIS**

**Political:** Since the introduction of the Economic Recovery Programme in the 1980's, Ghana's economy has seen a remarkable improvement. The economy achieved an average real growth of about 5% between 1990 –1997 and this has generally improved steadily to about 6% in 2004. Several other developments such as improvement in the country's road infrastructure, communication network and other key infrastructure have enhanced the economic climate in the country resulting in increased commitment from foreign investment to take advantage of the good investment climate.

**Economics:** The economic factor that influence the marketing include, inflation exchange rate, base rate. Our prices on both tanks will be based on the above economic factors because they influence the purchasing power of consumers therefore they will be constantly reviewed.

**Social:** The society is now becoming more concern about their health due to the high rate of water contamination, we would make sure that all water which is highly chemicalised will pass through a filtering process so that only water goes out and chemical are retained in the filter to be properly disposed off.

**Technological:** we would use the new computerized ovens which would use moulds which will be changed as the various sizes demands.

This will be sourced from India from the Mahindrin group of company's who have furnished our other competitors in the industry with different kinds.

## **SWOT Analysis**

### **Strengths**

The AIGE Tanks Ltd. has a strategic market entry advantage due to its location. The development concept and the setting of the factory constitute a unique mix which combines to provide easy accessibility and a serene environment. The company should be able to deal with the competition since its development concept sets it's apart from or compares with both the best existing planned factory line in Kumasi. The company will also benefit from a strong management team with significant management experience. The financial viability of the project constitutes a strength reflected in good profit margins and overall financial



health which can compare with the leading factories in Kumasi and the Ashanti region. In addition, AIGE Tanks Ltd. will benefit from its promoters with significant experience in both the industry and business to provide direction to ensure successful implementation of the project.

### **Weakness**

The only major weakness is that the factory's refurbishment will require financial assistance from other sources including the banks. This will however, be made possible in view of the credit worthiness and low risk nature of the products of the industry.

### **Opportunities**

The existing business and investment climate in the country with positive development in the industrial sector have resulted in increased international foreign investment flow into the country's economy. The prospect for industries in Kumasi is due to the emergence of the new international business awareness of Ghana as the beckon of an emerging economy with inadequate facilities resulting in huge demand gaps.

The company will seek to take advantage of the proximity of the markets in the northern sector of the country and the sahelian regions which experience the extremes of drought climatic conditions that results in water shortages.

### **Threats**

The main potential threat will be increased competition from other established companies i.e. polytanks, syntax and polystar.

### **4.3 TARGET MARKET**

Our clients shall be the Hospitality Industry, Security services, Non-Governmental organizations (NGOs), Ministries, Departments and Services (MDAs), Schools and Households.

We will also have the construction industry, the building industry the mining industry.

### **4.4 INDUSTRIAL TREND**

Industrialization Policy of Ghana

The long term objectives of the industrialization policy of Ghana seek to address the following:

- Establish Ghana as a major venue for international investment and increase foreign exchange earnings from exports
- Establish Ghana as a major centre for investment and industrial activities and boost foreign exchange earnings from industrial activities.

### **MARKETING STRATEGIES**

AIGE Tanks Ltd. will adopt aggressive marketing strategies which would ensure that it is competitively placed in the market. Specific strategies will include the following:

- Development of good relations with all the NGOs, MDAs, Security services, hospitality industry, schools and other institutions, municipal, metropolitan and districts assemblies.

- AIGE Company shall also be strategically marketed internally to generate its own unique clientele and create a niche in the manufacturing industry in Ghana and West Africa. The specific strategies will include the following:
  - AIGE Company will use international networks through foreign networking with overseas manufacturing firms to access the international market.
  - Utilize the strong network of the project sponsors to promote AIGE products
  - Provision of special discounts for corporate users, plantation growers, regular and loyal users of the facility.
  - Build close working relations with other clientele both in Ghana and across the west Africa region
- Distribution and placement of brochures to leading and other players in the industry
- Undertake general advertisement in the media

## **5.0 FINANCIAL ANALYSIS**

### **5.1 ASSUMPTIONS AND RISK ANALYSIS**

Risk is used to describe any uncertainty of an outcome that will occur of which an example could be the existence of life on the planet of Mars. However opportunities will always be laced with risk since they all demand a choice to be made.

In business it is concerned with the reduction in business value which is reflected in a firm's expected size, timing, common stock and risk associated with future net cash flows ( when outflows are deducted from inflows).

The company envisages the under-mentioned as the major business risks:

#### **PRODUCTION RISK**

Delay in the supply of raw materials, exchange or mix-ups, inferior grade raw materials and poaching of employees are major operational risk in the production of polytanks.

Since there is that risk of industrial espionage by competitors there exists that possibility of our sources of supply to be bridged either through delay, tampering of right grades of input. Also a major break down in the production line cannot be ruled out due to tear and wear, sabotage and even through employee carelessness due to non-compliance with laid down procedures in handling the machines. Poaching of priced and experienced experts from the firm could also occur by our competitors through mouth watering offers.

#### **MANAGEMENT**

The company will manage the risk of delays and supply of inferior grades inputs by observing stringent control measures where there will be the testing and monitoring of all raw materials ordered and purchased by the company upon their delivery.

Again the company will maintain a strict regime of maintenance and servicing of its machinery. All personnel handling these machines will be made to observe the laid down procedures including safety measures for operating the machines and will be given constant in-service training to up-date their know-how in the modern trends in the industry. Employees will also be rewarded for their requisite expertise and experience not only with cash but with other incentives like holidays abroad, provision of accommodation, transport and free healthcare among others.

### **PRICE RISK**

This refers to the uncertainty of the magnitude of cash flows due to a possible change in the prices of our outputs and inputs. An increase in the price of petroleum will adversely affect the price of all our products since our raw material base is derived from the above.

Again an increase in freight changes and insurance rate would reflect in the prices of our products put out to the consumer. This situation could also be referred to as commodity price risk.

### **MANAGEMENT**

Price risk is an inevitable situation as the individual has no control over it but rather it is inflation induced. AIGE tanks will engage in warehousing and bond netting of its land in other to store large stocks, to be able to moderate prices and maintain normal profit during unfavourable periods when they do occur. This is possible because our products could last as long as 50years and their resistance to the effect of the elements of the weather is appreciably high.

## **PURE RISK**

The major types of pure risk that is likely to affect our business include:

The risk of reduction in value of business assets due to theft and physical damage which will either be caused by natural or artificial means and the consequences as a result of this risk may lead to indirect loss such as:

- 1 Loss of customers to competitors which will in turn reduce normal profit.
- 2 Factory accidents
- 3 Financial distress which could lead to bankruptcy

The risk of legal liability for damages and harm to both consumers and employees.

The risk associated with paying benefits to injured works under worker's compensation laws and risk of legal liability for injuries or other harms to employees not governed by worker's compensation laws.

## **MANAGEMENT**

The company will manage the property loss risk by using the loss financing methods to obtain funds to offset losses that may occur and this will be done by obtaining insurance policy on all company assets against all natural and artificial disasters to safeguard the interest of the company. The company would also use reducing or loss reduction method which involves steps to reduce the severity of the loss. For example by installing fire sprinklers and extinguishers in our premises and invite fire service personnel to educate the staff on precautionary measures to avoid fire outbreak.

The products we will be producing will be taken to the standards board for thorough check before releasing it to the market to avoid legal liabilities for damages caused to consumers and employees.

Diversification

Employment of security guards.

## **5.2 PRODUCTION PLAN**

It is estimated that in the first 3-years of operation will appear as below:

<b><u>TYPE OF TANKS</u></b>	<b><u>NO. OF PRODUCED</u></b>	<b><u>VOLUME</u></b>
RAMBO 1000	100 PCS	10,000 LITRES
850	150 PCS	8,500 LITRES
700	150 PCS	7,000 LITRES
600	250 PCS	6,000 LITRES
500	200 PCS	5,000 LITRES
450	200 PCS	4,500 LITRES
350	250 PCS	3,500 LITRES
300	300 PCS	3,000 LITRES
250	350 PCS	2,500 LITRES

	180	2,000 PCS	1,800 LITRES
	140	1,000 PCS	1,400 LITRES
	100	2,500 PCS	1,000 LITRES
	70	2,000 PCS	700 LITRES
DUSTBIN	12	1,600 PCS	120 LITRES
	24	<u>1,000 PCS</u>	240 LITRES
<b>TOTAL QUANTITY</b>		<b><u>12,150 PCS</u></b>	

It is envisaged that the fast moving products that range from Rambo 70 to Rambo 300 will be produced in larger quantities to reach a larger proportion of the market. Again the company will introduce cesspool polytanks to the problem of sillage when buildings are sited in water logged areas. This would be a new innovation in the market.

The subsequent years would see a projected increase in production by about 40% as the company moves into the export market of the Sahelian region to encourage rain water harvesting and irrigation as more people enter into all year round farming.

The assumptions for the financial estimates and projections include the following;

The costing and financial projections have been prepared in GH¢

Tank revenue is based on actual prices charged for tanks.

Other revenues are expressed as a percentage of tank revenue and other indicators based on



International and local industry specific relationships and standards. They are installation services 20% of tanks revenue, repairs and maintenance 10%, pumping machine sales 15% and miscellaneous 20%. Creditors should be equivalent to 30% tanks revenue.

Direct cost associated with production, cleaning and other consumable items is estimated at 10% of tanks revenue. Management and staff composition and cost is based on what is charged on the open market. Other labour costs cover social security fund, training and medical and this is estimated at 20% of management and staff cost. Motor running cost is estimated at 5%, Communication is estimated at 6%. Maintenance expense is estimated at GH¢1000.00 in the first year.

Depreciation is calculated on straight line basis-Building 2%, Vehicle 15% and Equipment 10%.

Tax under GHANA INVESTMENT PROMOTION COUNCIL (GIPC) Act 478 of 1994 qualifies AIGE for investment incentives and will be obliged to pay cooperate 25% tax.

All operating cost will increase at 5% per annum.

Cash at hand is equivalent to operating expenses, interest payment and depreciation allowance.

The remaining cash will be held in the bank or in short term investments.

Debts are not outstanding for more than sixty days i.e. two months of tanks revenue.

Stock is equivalent to 20% of tanks revenue in one year.

<b>Working capital</b>	<b>GH¢</b>
Factory Supplies (raw materials)	31,000
Salaries	3,000
Utilities	10,500
Administrative Expenses	1,500
Miscellaneous	2,000
	<b>48,000</b>

#### **Investment Schedule**

Land and building	16,000
Machinery and installation	<u>36,000</u>
<b>Total investment cost</b>	<b><u>52,000</u></b>

### **5.3 PROJECTED CASH FLOW**

#### **INFLOW**

<b>YEAR</b>	1	2	3
<b>Net Profit after Tax</b>	56,107	77,288	138,661
<b>Depreciation</b>	78,427	78,427	78,427
<b>Interest</b>	62,500	62,500	62,500
<b>TOTAL INFLOW</b>	197,034	218,215	279,398

#### **OUTFLOW**

<b>Debit Servicing</b>	0	0	37,500
<b>Interest on Loan</b>	62,500	62,500	62,500
<b>TOTAL OUT FLOWS</b>	62,500	62,500	100,000
<b>Net Cash Flows</b>	134,534	155,715	179,398
<b>Cumulative Cash Flows</b>	134,534	290,249	496,647

#### **5.4 REVENUE PROJECTION**

**GH¢**

**GH¢**

**GH¢**

<b>YEAR</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>TANKS</b>	<b>81,912</b>	<b>89,366</b>	<b>97,498</b>
<b>BINSAND OTHER ACCESSORIES</b>	<b>32,765</b>	<b>35,746</b>	<b>38,999</b>
<b>T&amp; T, INSTALATION AND REPAIR SERVICES</b>	<b>8,192</b>	<b>5,010</b>	<b>1,1829</b>
<b>PUMPING MACHINE</b>	<b>20,287</b>	<b>21,515</b>	<b>22,744</b>
<b>TOTAL</b>	<b>143,156</b>	<b>151,637</b>	<b>171,070</b>

### **5.5 OPERATING COST ANALYSIS**

<b>DIRECT COST</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>
<b>TANKS(15%ACCUMULATED REVENUE)</b>	<b>21,473</b>	<b>21,515</b>	<b>22,744</b>
<b>BINS AND OTHER ACCESSORIES</b>	<b>9,820</b>	<b>10,729</b>	<b>11,700</b>
<b>OFFICES.COST OF FACILITIES(10% OF REVENUE)</b>	<b>6,819</b>	<b>7,501</b>	<b>8,183</b>
<b>BUSINESS SECRETARIAL( 15% OF REVENUE)</b>	<b>15,343</b>	<b>16,877</b>	<b>18,412</b>
<b>TOTAL DIRECT COST</b>	<b>53,465</b>	<b>56,622</b>	<b>61,039</b>

### **INDIRECT OPERATING COST**

<b>SALARIES, WAGES,SSF &amp; BENEFITS</b>	<b>10,693</b>	<b>11,324</b>	<b>12,208</b>
<b>UTILITIES (TEL, ELECTRICITY, WATER) (20% OF TDC)</b>			
<b>MAINTENANCE AND REPAIRS</b>	<b>2,673</b>	<b>2,831</b>	<b>3,052</b>
<b>ADMINISTRATION.EXPENSES( 5% OF TDC)</b>			
<b>MARKETING &amp; PROMOTION (15% OF TDC)</b>	<b>8,020</b>	<b>8,493</b>	<b>9,156</b>
<b>CONTINGENCY EXPENSES (15% OF TDC)</b>	<b>5,347</b>	<b>5,662</b>	<b>6,104</b>
<b>CONTINGENCY EXPENSES(10% OF TDC)</b>	<b>26,733</b>	<b>28,310</b>	<b>30,520</b>
<b>TOTAL INDIRECT COST</b>	<b>80,198</b>	<b>84,932</b>	<b>91,559</b>

## **5.6 PROJECTED STATEMENT OF COMPREHENSIVE INCOME**

<b>YEAR</b>	<b>1</b>	<b>2</b>	<b>3</b>
Direct Cost	58,465	56,622	61,039
Indirect cost	26,733	28,310	30,520
Total operating cost	80,198	84,932	91,559
Interest	62,500	62,500	62,500
Depreciation	78,487	78,427	78,427
Net profit (before tax)	74,810	116,384	198,152
Tax 255	18,703	39,096	59,491
Net profit (after tax)	56,107	77,288	138,661
Surplus	56,107	77,288	138,661

## **5.7 PROJECTED STATEMENT OF FINANCIAL POSITION**

NON-CURRENT ASSETS	COST	DEPRECIATION	NBV
	GH¢	GH¢	GH¢
Building	350,000		
Machinery	277,600		
Vehicle	104,000	<b>705,843</b>	<b><u>705,843</u></b>
Fixtures& fittings	78,427		
<b>CURRENT ASSETS</b>			
Inventory (40% revenue)		57,263.40	
Cash on hand (5% of revenue)		7,157.80	
Cash at Bank (20% of revenue)		<u>28,631.20</u>	<u>93,052.40</u>
<b>Total net Assets</b>			<b><u>798,895.40</u></b>
Balance b/d			300,394.00
Equity			100,000.00
Income Surplus			56,107.00
Long term Debt			<u>342,394.00</u>
			<b><u>798,895.40</u></b>

## **RECOMMENDATION/CONCLUSION**

AIGE Tanks Ltd is feasible and viable looking at its attributes in terms of location and projected market, impressive projected cash flow and general profitability. Any financial support given to its eventual take off and completion will therefore be a worthwhile venture.



## **APPENDIX**

### **➤ SOURCES OF FUNDING**

Total cost of Project (Investment)

The total cost of project will stand at **GH¢ 100,000.00**

The total cost of the project standing at **GH¢ 100,000.00** will be financed by the Management Team equity.

### **➤ SOURCES OF RAW MATERIALS**

Initially, the company will Import polyethene powder from Korea. We hope to source this raw material from Ghana as soon as possible due to the oil find and exploding petroleum industry.

### **➤ LEGAL SERVICES**

The company shall engage the services of a legal firm by name KWADWO AMISSAH CHAMBERS at Asafo Roundabout –Kumasi to act for and on behalf of it in all legal matters that may arise.

### **➤ AUDIT SERVICES**

The firm of KPAKPOE COFFIE AND ASSOCIATES.CO.ADUM-KUMASI also shall be in charge of the audit and accountancy services of the company.

### **➤ BANKING RELATIONSHIP**

We hope to link-up with Standard chartered bank, Harper road Kumasi as our bankers.

➤ **SHAREHOLDING STRUCTURE**

Dickson Appiah - 40%

Gloria Amponsah - 20%

Emelia Asiedu - 20%

Ivy Tuffour - 20%