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REPUBLIC OF MALAWI

Technical report: Assistance to ADMARC Cannery\*

Prepared for the Government of the Republic of Malawi  
by the United Nations Industrial Development Organization,  
acting as executing agency for the United Nations Development Programme

Based on the work of G. Taylor, consultant in the processing,  
preservation and canning of fruits, vegetables and juices

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\* This document has not been edited.

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**I: INTRODUCTION.**

The second part of the split mission initiated in March / April 1991 was undertaken to follow up on the recommendations made in the initial report. At the time of the initial report, ADMARC were in the final stages of negotiation with a group of local business men for the sale of the cannery. In the event this sale fell through for unexplained reasons and ADMARC then made it known publically that the cannery was again up for sale. Three local companies expressed interest in buying the operation and ADMARC indicated that bids should be placed by November 20th 1991. One of the bidders asked for a delay of approximately two weeks in order to fully consult with their European shareholders and this was granted.

Since the second part of the mission was primarily concerned with the progress on the IMMEDIATE & SHORT TO MID-TERM RECOMMENDATIONS given in the initial report, it was decided that the second part be undertaken. In the event, due to the delays in other operators taking over the cannery operations and ADMARC following their declared policy of not putting further finance into, nor guaranteeing further overdraft facilities for the cannery, the cannery had not worked since mid-October and is unlikely to start before the second week in December. During the period November 11th to 15th the factory was visited and progress on the recommendations checked and recorded.

Discussions were held in Blantyre with the CTA Mr. Jacob during the period November 18th to 20th and the decision was made to prepare a business plan with associated financial analyses which

would form the bulk of the second part of the mission and also provide the prospective buyers with a more detailed assessment of the future production capacity of the factory based on the recommendations for new plant given in first report as well as giving them an analysis of the potential profitability of the company operations over a projected ten year period.

These assessments form the basis of the report on the second part of the mission and follow.

## II: PROGRESS on RECOMMENDATIONS.

### 1: Double Seam Evaluation.

This aspect of the recommendations has been fully implemented along with off-site training at General Tinsmiths in Blantyre. All Production, Engineering and Quality Control staff are fully familiar with the standard systems and procedures as recommended by all can manufacturers. Full records are kept at the factory of all double seam parameters and these are fully integrated with production records as recommended. The necessary basic spare parts have been obtained to ensure that the existing seamers are able to form seams to the required standards and these are now being fitted.

### 2: Product Specification

Work on these had been started, but they were not to the standard recommended. The basic problem lay in the fact that the Quality Control staff had tried to compile these themselves, as a result of which certain critical areas were omitted. As pointed out in the original report, these Specifications should be

a combined effort with all departments to be fully effective. A meeting was held with all staff and a further explanation given and sample Specification produced. It is now fully appreciated what the requirements are and steps will be undertaken by the management to ensure full compliance with the recommendations.

### 3: Technical Management.

Since the factory has not been sold and ADMARC are only looking upon their holding as temporary, no Technical Manager has been employed. One of the Quality Control staff is at present in India on a course, but this is purely associated with Quality Assurance techniques.

### 4: Working Capital

No increase in working capital has been provided. As a result of this there is a shortage of moneys to purchase raw materials and cans for the coming pineapple season. Shortage of cash also delayed the ordering of essential preservative chemicals as a result of which stocks ran out and the factory has had to cease operation until delivery is effected.

### 5: Sales Programme.

Within the constraints imposed by the greatly reduced production programme due to cash shortage, the sales department have since June embarked upon a positive sales programme. One week in four members of the sales force visit customers in specific areas of the country to press the sale of company products. In some measure this has 'back fired' in that in a number of cases they cannot fill the potential orders given. However, the discipline of sales

making is being established and should continue under any new ownership.

6: Short to medium term recommendations.

The only recommendations which have been undertaken in this section is the purchase of a Baird & Tatlock incubator and the overseas training of one of the Quality Control staff. Since there has been a gross cash shortage and the original sale fell through it is to the credit of the management that these items have been accomplished.

III: CONCLUSIONS.

All that can be said has been said on the above matters. There has been no substantial change in circumstances of the cannery since the first report. ADMARC continue to starve it of working capital and the original sale fell through.

It is to the credit of the existing management and staff that any progress on the various recommendations has in fact been made and given the constraints under which they have been operating they have exhibited a good spirit.

In the matter of any new ownership; it is to be hoped that they will follow the principles laid out in both the initial and this report to assist the cannery to a profitable future as well as improving the infrastructure of the Mulanje District.

It is once again emphasised that the recommendations given in the two reports are not rigid and un-alterable. They are recommendations based on experience and indicate a route which it is felt would lead to the ultimate prosperity and revitalisation of ADMARC cannery.

#### IV: TEN YEAR BUSINESS PLAN

##### MULANJE CANNERY, RUO, MALAWI.

###### A: BACKGROUND

This business plan should be read in conjunction with the initial report "ASSISTANCE to ADMARC CANNERY, MULANJE" under UNIDO reference DP/MLW/88/018/11-55 of May 1991.

The cannery was initially to be sold by it's owners ADMARC to a group of local entrepreneurs headed by Mr Ismail Sabadia, but due to unforeseen circumstances, this group withdrew from negotiations and the cannery was put back for offers on to the open market. Three Malawian Companies showed interest in the purchase and ADMARC indicate that offers should be made to them for the purchase of the operation by November 20th. 1991. This date was subsequently deferred for two weeks as one of the parties required further time to consult with European shareholders.

In the event, the cannery has been unable to operate effectively since mid-October due to lack of moneys, partly due to a high level of outstanding accounts taking the cannery overdraft to it's limit; and the shortage of chemicals which, though ordered, have failed to be delivered.

It was decided in consultation with Mr Jacob, UNIDO CTA, Blantyre, that a business plan with financial analyses should be prepared which could be passed to both ADMARC and the prospective purchasers in order that they may have further relevant information to aid their decision making.



## B: FACTORY OPERATIONAL PLAN

### 1: Rationale.

The two major crops grown in the vicinity of the factory are; Pineapple and Tomato. The pineapple is an established crop, though badly in need of re-vitalising by phased re-planting and fruit setting control. Tomato are a seasonal cash crop grown immediately after the maize harvest. The cannery supply seed for the latter; the present variety being Roma. Consideration should be given to mixing the variety in order that the cropping period be extended. The decision was made therefore that the Plan should concentrate on the manufacture of products based on these two commodities and in so doing, work on the basis that all fixed and variable costs for the factory would be recovered against production associated with them. Thus, any other products manufactured such as jam and juices would, broadly, be produced on a marginal basis and their profitability would be of a high order.

One of the major constraints identified in the existing operations is the multiplicity of can sizes used in production. This coupled with the various laquers needed for different products leads to confusion, overstocking and waste. Thus it is felt essential that the range of can sizes be reduced and to this end only a 410 / 440 gramme can has been chosen. This can equates to roughly an 'old' 16 ounce capacity container, the actual content weight is dependant upon the product density; thus label weights can vary from 410 to 440 grammes. A proposed innovation introduced in the second year of operation is the packing of

tomato sauce, puree and possibly jam in 25 gramme sachet style packs. This pack is planned to retail at between 44 and 48 Tambala each and is thus aimed solidly at the urban Malawian market. Sales of product in this pack have been estimated on a very conservative basis and discussions with major stores group suggest that sales could be substantially higher than listed. It should be noted that the equipment used to produce this pack is capable of operating in a range of weights from about 3 grammes to 200 grammes. Thus, there is a potential market for catering, restaurant, hotel and 'in-flight' jam and sauce sales. Non of this potential sales has been included in the projections associated with this plan.

## 2: Production Plan and Costs.

A PRODUCTION & REVENUE SCEDULE was developed for a ten year period based on the above rationale.. Year 1 was based on a production of Pineapples to suit the planned purchase of cans for pineapple in season 1991 / 1992, viz: approx 150,000 units. The production of Tomato products was based on performance of the factory in 1989, the last recorded year of reasonably stable production. From this base in year 1, the level of production was increased on the basis of the capital investment programme suggested in the original report with installation of equipment scheduled in years 2,3 & 4. Thus subsequent levels of production are based upon the installation of new and improved processing and handling equipment as well as a more efficient utilisation of the labour force.

The Production & Revenue Schedule is attached as ANNEXE 2 with the Summary as ANNEXE 3. Revenues are based on existing selling prices which are attached as ANNEXE 8.

From the production schedule a schedule of RAW MATERIAL & PACKAGING COSTS was developed based upon the recipes and material costs as existing at the cannery. This schedule is attached as ANNEXE 4 and gives the relevant costs up to year 10. The calculations from which these costs are derived are attached as ANNEXE 5, along with a summary of RAW MATERIAL QUANTITIES based on the maximum production outputs as at year 7 as ANNEXE 6. With regard to these latter figures; these have been discussed in detail with the cannery Field Extension Officer who is confident that the quantities projected are well within the capacity of the growers in the area area. It is worth noting that the quantity of Pineapple involved is only some 400 Tonnes more than the amounts processed during the latter days of Mr Rumneys' management in 1984 at approx 2,000 Tonnes. The quantity of Tomato required is some 3,200 Tonnes but due to this crop following Maize it is confidently anticipated that ample land area will be available for growing this crop. Note should be taken of the comments made in the original report regarding changing varieties to ensure a more even cropping pattern and thus a more regulated inflow of material to the factory. Similarly, the Pineapple growers must be disciplined into removing old plants in order to both improve quality and quantity of fruit to the factory.

### 3: Further Inputs.

Other cost inputs are based on actual figures obtained from the

accounts department at the cannery and are derived from either the last audited balance sheet or actual ledger entries. Due allowance has been made for the employment of an Expatriate Technical Manager / General Manager as well as replacement vehicles and additional office equipment (computer etc.) in the first two years. Due allowance has been made for marginal increase in labour from year 4 onwards.

It should be noted that ITEM 34 on the summary of inputs attached as ANNEXE 9 & 10 whilst listed as equity, are, for the purpose of the analysis calculations, a form of working capital.

C: Financial Analyses.

1: Explanation.

Two analyses have been carried out.

The first, listed as ANNEXE 11, gives a 10 year financial summary based upon an 'equity / working capital' injection of MK1,000,000 and shows an IRR of approx 23%. In this exercise no allowance has been made for any capital investment in additional production plant and only pineapple and tomato products are manufactured as per ANNEXE 3 & 4. As already stated, allowance has been made for replacement of transport / employment of expatriate etc.

In the second analysis, listed as ANNEXE 12; marginal revenues and capital investment in equipment have also been allowed. The prices of the equipment are given as ANNEXE 13 attached. With regard to marginal revenues, these are based on the production of fruit juices and flavoured jams produced either concurrently or seperately to pineapple and tomato products. The profits are

based on the calculations of marginal costs attached as ANNEXE 7. In order to give an indication of the magnitude of marginal production required, all average selling prices on the summary of inputs ANNEXE 9 were increased by 10% and the difference between these and the original figures used to calculate the extra number of cases to be produced, in this instance approx 26,000. This figure was discussed with existing management who felt it to be realisable with the proposed capital investment programme. The computer programme inputs are listed as ANNEXE 9 & 10 and calculation of the IRR gives a value of approx 22% as ANNEXE 11 & 12.

## 2: Conclusion.

It can be deduced from the first analysis that all production costs and overheads involved can be recovered against the production of only pineapple and tomato based products as well as investment in new transport, office equipment and the employment of an expatriate manager undertaken.

The second analysis shows that by use of marginal production, capital investment in new equipment can be made and a good return effected on the project.

Thus it is recommended that the Business Plan outlined be adopted or, a similar method of re-habilitating the cannery be followed. It should be borne in mind that by continuing the operation of the cannery a sum of money closely approaching MK2,000,000 will be injected into the Mulanje District economy and the development of a basic Agro Industry firmly established.

Discussions have taken place with General Tinsmiths of Blantyre

concerning the re-forming and future manufacture of cans and indications are that this can still proceed along the lines outlined in the original report. A meeting was also held with the Group General Management of Peoples Trading Company (a subsidiary of Press Group) concerning export of products through their Group to South Africa and Europe. The opinion is that providing the quality of product and packing is of acceptable International standards; there should be no problem in handling the quantities listed in the schedule.

### 3: General Notes & Observations.

The following assumptions have been made in compilation of the tables and in the calculations of the financial analyses :-

- a) It is assumed that all goods made are sold within the year of manufacture.
- b) It is assumed that repayment of loans commences in year following draw-down.
- c) Interest rates for the loans are taken at normal commercial rates, viz: 18% for capital loans and 20% for overdraft facilities. Provision of moneys for the capital equipment from overseas sources at lower rates of interest, e.g. by use of country oriented 'soft loans' etc, the rate of return on the investment would be improved.
- d) It is taken that no carry forward of tax losses is allowable.
- e) It is assumed that all equipment purchased overseas is allowed in duty and tariff free.
- f) Costs for capital equipment are based on prices as per

attached ANNEXE12 and ~~NOT~~ as original report. As stated in cover letter to original report (not published), it was felt that the original quoted prices were too high due to hurried preparation by potential suppliers.

g) It is assumed that adequate working capital as stated will be available.

h) No allowance is made for inflation or cost escalations, but examination of the projected NPV's indicate substantial buffers for these elements.

VI: DE - BRIEFING at MINISTRY of TRADE, INDUSTRY & TOURISM.

The Ministry of Trade, Industry & Tourism, Lilongwe requested that a de-briefing on the project be held at their offices in Lilongwe before the writer left Malawi.

This meeting took place at 11 am on Dec 5th 1991 and present were:

Mr Banda, Principal Industrial Development Officer.

Mr Chipita, Assistant.

Mr F Runchel, UNIDO Representative, Lilongwe.

The salient points of the project were outlined, including the reason for and an explanation of the Financial Analyses. The reasons for the conclusion that the cannery at Mulanje was still an extremely viable concern were explained and discussed and suggestions put forward concerning ways in which the Department could assist the business when the ownership changed. These ranged from assistance with ensuring duty free import of machinery, through assistance with soft loan application to a measure of assistance with regard to tarriff review for import

substitution.

The representatives of the Ministry were concerned that the cannery should continue in existence and be developed along the lines of the two reports covering first and second phases of the project; particularly in view of the potential financial benefits to the growers and farmers in the Mulanje District as well as the potential export capability and import substitution. They promised that any application made by the new owners or management would be dealt with sympathetically. They thanked UNDP, UNIDO and the Consultant for their comprehensive assistance with the project and the detailed contents and advice in the two reports. Copies of the un-edited draft report were left in Malawi with the CTA, Blantyre, ADMARC, UNIDP Lilongwe and the Ministry.



**ANNEXE 1**

**Terms of Reference**

In the second part of the mission (one month) the consultant will undertake the following:

- 1) Review progress of work regarding acceptance of the diagnostic studies and implementation of the recommendations provided.
  
- 2) Assist in the further implementation of the recommendations where necessary to bring about a full rehabilitation of the operations and performance of the Company.

The consultant will be expected to prepare a final report setting out the findings and recommendations of the mission on future actions which might be taken by the Government.

## PRODUCTION &amp; REVENUE SCHEDULE

## ADMARC CANNERY

## ANNEXE 2

ANNUAL REVENUE		826,700	2,202,700	5,018,900	6,861,900	8,948,600	9,540,200	10,660,200	—>			
Product	Pack size k per case	1	2	3	4	5	6	7	8	9	10	Elapsed <- years
Pineapple Rings (Syrup)	24 x 410g 58.90	1000 58,900	2500 147,250	4500 265,050	5000 294,500	5500 323,950	—> —>					
Pineapple Rings (Juice)	24 x 410g 64.00	1000 64,000	6000 384,000	13000 832,000	15500 992,000	17000 1,088,000	—> —>					
Pineapple Pieces (Syrup)	24 x 410g 50.00	1500 75,000	4000 200,000	9500 475,000	10500 525,000	12000 600,000	—> —>					
Pineapple Pieces (Juice)	24 x 410g 48.00	2750 132,000	9000 432,000	25000 1,200,000	28000 1,344,000	31000 1,488,000	—> —>					
Tomato Sauce (Plastic)	24 x 800ml 94.30	2000 188,600	4000 377,200	8000 754,400	12000 1,131,600	18000 1,697,400	—> —>					
Tomato Sauce (Plastic)	24 x 400ml 55.20	3000 156,600	6000 331,200	12000 766,200	18000 993,600	25000 1,380,000	—> —>					
Tomato Sauce (Sachet)	100 x 25ml 26.00		500 13,000	4000 104,000	12000 312,000	25000 650,000	40000 1,040,000	60000 1,560,000	—> —>			
Tomato Puree	24 x 440g 58.90	1000 58,900	2000 117,800	4000 235,600	6000 251,400	—> —>	—> —>					
Whole Tomato	24 x 440g 62.11	500 31,055	1000 62,100	2000 124,200	3000 186,300	4000 248,400	—> —>					
Tomato Juice	24 x 410g 61.58	1000 61,600	2000 123,200	4000 246,300	6000 369,500	—> —>	—> —>					
Tomato Puree (Sachet)	100 x 25g 30.00		500 15,000	4000 120,000	12000 360,000	25000 750,000	40000 1,200,000	60000 1,800,000	—> —>			

## SUMMARY OF ANNUAL REVENUES, CASES OF AVERAGE PRICE

ANNEXE 3

Year →	1	2	3	4	5	6	7	8	9	10
ANNUAL REVENUE	826,700	2,202,700	5,018,900	6,061,900	8,948,600	9,540,200	10,660,200	→		
Total number of cases	13,750	37,500	90,000	128,000	178,500	208,500	248,500	→		
Average price per case	60.12	58.74	55.76	53.61	50.13	45.75	42.90	→		

**RAW MATERIALS & PACKING MATERIALS USED (COST)**  
 (Read in conjunction with Production/Revenue Schedule)

ANNEXE 4

Product		1	2	3	4	5	6	7	:	9	10	Cost per case
Pineapple Rings (Syrup)	Raw Material	11,860	29,650	53,370	59,300	65,230	65,230	65,230	---			11.86
	Packing	14,750	36,975	66,375	73,750	81,125	81,125	81,125	---			14.75
Pineapple Rings (Juice)	Raw Material	11,520	28,800	149,760	178,560	195,840	195,840	195,840	---			11.52
	Packing	14,750	88,500	191,750	228,625	250,750	250,750	250,750	---			14.75
Pineapple Pieces (Syrup)	Raw Material	17,790	47,440	112,670	124,530	142,320	142,320	142,320	---			11.86
	Packing	22,125	59,000	140,125	154,875	177,000	177,000	177,000	---			14.75
Pineapple Pieces (Juice)	Raw Material	31,680	103,680	288,000	322,560	357,120	357,120	357,120	---			11.52
	Packing	40,560	132,750	368,750	413,000	457,250	457,250	457,250	---			14.75
Tomato Sauce 24 x 800 ml	Raw Material	117,340	234,680	493,600	704,840	1,056,000	1,056,000	1,056,000	---			58.67
	Packing	37,560	75,120	150,240	225,360	338,000	338,000	338,000	---			18.78
Tomato Sauce 24 x 400 ml	Raw Material	80,000	160,000	320,000	480,000	666,700	666,700	666,700	---			26.67
	Packing	37,920	75,840	151,680	227,520	316,000	316,000	316,000	---			12.64
Tomato Sauce (Sachet)	Raw Material		3,750	30,000	90,000	187,500	300,000	450,000	---			7.50
	Packing		7,900	63,200	189,600	395,000	632,000	948,000	---			15.60
Tomato Puree	Raw Material	18,760	37,520	75,000	112,560	112,560	112,560	112,560	---			18.76
	Packing	14,750	29,500	59,000	88,500	88,500	88,500	88,500	---			14.75
Whole Tomato	Raw Material	2,960	5,920	11,840	17,760	23,680	23,680	23,680	---			5.92
	Packing	7,375	14,750	29,500	44,250	59,000	59,000	59,000	---			14.75
Tomato Juice	Raw Material	4,390	9,780	19,560	29,340	29,340	29,340	29,340	---			4.89
	Packing	14,750	29,500	59,000	88,500	88,500	88,500	88,500	---			14.75
Tomato Puree (Sachet)	Raw Material		2,185	17,480	52,440	109,250	174,800	262,200	---			4.37
	Packing		7,900	62,200	189,600	395,000	632,000	948,000	---			15.80
Total Raw Material Cost		296,800	663,400	1,571,280	2,171,090	2,945,540	3,123,590	3,360,990	---			
Total Packing Cost		204,540	557,640	1,342,280	1,923,580	2,646,130	3,120,130	3,752,130	---			

### RAW MATERIAL & PACKAGING COSTS

#### a) Pineapple Rings & Chunks

This fill is based on 420 gm total weight with a fill weight of solids of 80% and liquid 20%. After processing, solids weight is 60% and liquid 40% due to transfer of juice to syrup. This applies to both natural juice and light (18° Brix) syrup fill.

##### i) For light syrup fill

Pineapple at 26% yield

	Fill%	gm	Yield	Price	conv to gm
Fruit =	0.8	x 420	÷ 0.26	x 35T/K	÷ 1000

Juice - since extracted from 74% waste, notional cost 2T.

Syrup based on recipe as follows:

70 kg water  
30 kg sugar @ 0.913/kg = 27.39 Kwacha

Boiled to 18/20° Brix = say 70 litres

based on 20% fill =  $420 \times .2 \div 1000$  litres  
= 0.084 l

Cost =  $\frac{27.39}{70}$  = 0.39 k/l

Therefore cost of syrup fill = 3.4 Tambala

Therefore Raw Material Cost in syrup =  $(0.46 + 0.034) \times 24$   
= 11.86 Kwacha/case

and Raw Material Cost in juice =  $(0.46 + 0.02) \times 24$   
= 11.52 Kwacha/case

Cost of 420g can & end	= 0.37	24 = 8.88
Cost of label	= 0.12	25 = 3.00
Cost of case	=	1.22

13.11

Allow overall 12% wastage on cans, cartons and labels, and

Packaging cost for 24 x 410g cans = 14.75 Kwacha

**NB:** This same packing material cost will apply to all tomato canned products also. (Some variations due to lacquer, but 12% wastage cost will cover this).

## RAW MATERIAL & PACKAGING COSTS

### a) Tomato Sauce

#### Raw Material based on recipe

Ingredient	Kwacha Unit Cost	Kwacha Recipe Cost
50 kg tomato @ 70% yield	0.35/kg	25
5.6 kg sugar	0.913/kg	5.113
3.75 kg 8% vinegar	5.24/kg	19.65
0.6 kg cornflour	2.47/kg	1.48
11 grm Cayenne	11.483/kg	0.12
10 grm Mace	2.48/kg	0.025
11 ml Onion Essence	22.85/l	0.252
960 grm Salt	0.96/kg	0.922
37 grm Sodium Benzoate	6.22/kg	0.23
		52.8 Kwacha
<b>Total ingredients</b>		

Yield from above 1.98 cases of 24 x 400 ml OR 0.9 CASES 24 X 800 ml.  
Sachet pack 100 x 25ml = 2500 ml

Therefore RM cost/case	400 ml	= 26.67 Kwacha
	800 ml	= 58.67 Kwacha
	Sachet x 100	= 7.5 Kwacha

#### Packaging Costs (inc caps)

400 ml bottle = 47T x 24	= 11.28 Kwacha
Outer carton and dividers	= 1.36
<b>Total</b>	<b>= <u>12.64 Kwacha</u></b>

800 ml bottle = 66T x 24	= 15.84 Kwacha
Outer carton and dividers	= 2.94
<b>Total</b>	<b>= <u>18.78 Kwacha</u></b>

Sachet = 12T x 100	= 12 Kwacha/carton
Outer carton	= 3.8
<b>Total</b>	<b>= <u>15.8 Kwacha</u></b>

This cost also the same for tomato purée sachet.

b) Tomato Purée

## Raw Material

Where  $H_2$  = water in concentrate  
 $S_2$  = solids in concentrate  
 $H_1$  = water in juice  
 $S_1$  = solids in juice

Theoretical yield  $H_2S_2 = H_1S_1$

Therefore  $H_2 = \frac{H_1S_1}{S_2}$

Natural juice = app 4% solids  
 Purée = app 16% solids

Therefore total weight of juice = 100 (96 + 4)  
 total weight of purée = 40 (24 + 16)

Therefore yield = 40/100 = 40%

From practical records, yield = 18%

For analysis, let yield be 30%

From 100kg tomato, yield is 70kg of clean juice

Therefore from 100 kg tomato puree = 70 x 0.3 = 21 kg

Therefore cost per 21 kg purée as per recipe:

	Unit cost	Recipe Cost
100 kg tomato	0.35/kg	35
Citric Acid 150g	11.31/kg	1.7
Salt 28g	0.96/kg	0.03
		<hr/>
		36.73

Packed in 440g can

Yield =  $\frac{21000}{440}$  = 47 cans

Therefore raw material cost/case =  $\frac{36.73}{47} \times 24$   
 = ₹ 18.76

b) Tomato Puree (Contd)

For 25 grm sachet x 100 pack

$$\text{Raw material cost} = \frac{36.73}{21000} \times 25 = 0.0437/\text{sachet}$$

Therefore raw material cost per case of 100 = K 4/37c) Tomato Juice

From 100 kg tomato juice yield = 70%

Therefore juice = 70 kg.

Cost from recipe

	Weight	Unit Cost K/kg	Recipe Cost
Tomato	100 kg	0.35	35
Salt	1.5 kg	0.96	1.44
Citric Acid	116 grm	11.31	1.31
Sugar	2.0 kg	0.913	1.826
			<hr/>
			<u>39.576</u>

$$\text{For 410g cans} \quad \text{No of cans/batch} = \frac{70,000}{410} = 170$$

allow 12½% wastage on fill

$$\text{Cost per case} = \frac{39.576}{170} \times 24 \times 0.875 = \underline{\underline{K4.98}}$$

NB: Recipe cost will be same for fill liquor for whole peeled tomato.



d) Whole Peeled Tomatoes

Yield after waste &amp; peeling = 70%

Therefore 100kg input = 70kg to can.

Target solid fill weight = 0.7 x 440 gm  
 = 308 grms

Therefore no of cans from 100kg input  

$$\frac{70.000}{308} = 227$$

Allow 12% fill damage/wastage

No of cans = 198 cans per 100 kg input

Cost of 100 kg tomato @ 0.35/kg = K35.0

Therefore cost of whole tomato per case =  $\frac{35.0}{198} \times 24$   
 = K4.12

Fill liquor as tomato juice, viz:

70 kg at K39.576

at 30% liquor fill weight, liquor/can = 440 x .3 = 132 gm.

Therefore number of cans/batch =  $\frac{70,000}{132} = 530$

Therefore cost of liquor/case =  $\frac{39.576}{530} \times 24 = \underline{K1.8}$

Therefore total cost of RM/case = 4.12 + 1.8  
 = K5.92

**RAW MATERIAL INPUT - MAXIMUM**a) Pineapple

Total output 65,500 cases of 410 grm @ 80% fill, 26% yield

$$= \frac{\text{Cases} \times 24 \times 410 \times 0.8}{0.26 \times 1000 \times 1000} \text{ tonnes}$$

$$= \frac{65,500 \times 24 \times 410 \times 0.8}{0.26 \times 1,000,000}$$

Pineapple = 1983 tonnes fruit

(During Mr Rumney's period tonnage 1500)

b) Tomato

	Cases	Size	Yield/Tomato Input	Raw Material Tonnes
800g Sauce	18,000	24 x 800g	0.9/50kg	1000
400g Sauce	25,000	24 x 400g	1.98/50kg	631
Sachet Sauce	60,000	100 x 25g	7.6 /50kg	394
Puree	6,000	24 x 440g	1.96/100kg	306
Whole Peeled Tom	4,000	24 x 410g	8.25/100kg	49
Juice	6,000	24 x 410g	7.08/100kg	85
Sachet Puree	60,000	100 x 25g	8.27/100kg	725
				<hr/>
				3190

Therefore Tomato input required = 3,190 tonnes

## MARGINAL COSTINGS

a) Pineapple Juice

Juice is "free", only cost is packing at K14.75/case.

b) Flavoured jam

	Material	kg	Unit Cost/kg	Recipe Cost
Recipe:	Paw paw pulp (80% yield)	45.0	0.1	5.625
Pulp "free" 4 x A10 cans				
	Pineapple pulp	45.0	0.25	11.25
	Sugar	45.0	0.913	41.08
	Pectin/Gum	150g	88.00	13.2
	Flavour	50ml	40.00	1.6

---

K 72.755

Yield 7 cases 24 x 450 grms

RM cost/case = K 10.4

Marginal revenues required from schedule (47.19 - 42.9) x 248,500

= K 1,066,065

Marginal profit on juice = 44.2 | call average

Marginal profit on jam = 39.4 | 40K

Therefore no of cases of production =

1066 obs

---

40

Marginal production = 26,650

## SELLING PRICES AS FROM 25-3-91

K

Pineapple chunks in syrup	24 x 410g	50.00
Pineapple chunks in syrup	24 x 820g	55.00
Pineapple chunks natural	24 x 410g	48.00
Pineapple chunks natural	24 x 820g	52.80
Pineapple rings in syrup	24 x 410g	58.90
Pineapple rings in syrup	24 x 820g	65.60
Pineapple rings natural	24 x 410g	64.00
Pineapple rings natural	24 x 820g	68.00
Tomato Sauce plastic	24 x 800ml	94.30
Tomato Sauce plastic	24 x 400ml	55.20
Tomato Juice can	24 x 410g	61.58
Tomato Juice can	24 x 820g	74.75
Whole Peeled Tomatoes	24 x 440g	62.11
Whole Peeled Tomatoes	24 x 820g	78.00
Tomato Puree	24 x 440g	58.90
Tomato Puree	24 x 820g	100.00

			RM	Marg
			Pkg Cost	Profit
Pineapple Juice	24 x 410g	59.17	14.75	44.42
Flavoured Jam	24 x 450g	64.55	14.75+10.4	39.4

Theoretical Prices for Sachets

Product	Mftg Cost T	+20% profit	+30% Surtax	+20% retail Profit
Tomato sauce	23.6	28.32	36.82	44.18
Tomato puree	20.7	24.84	32.29	38.75
Flavoured Jam	25.80	30.96	40.25	48.30

ROW No.	ITEM	UNIT											
			1	2	3	4	<----- YEARS ----->		7	8	9	10	
1	No of units started	Cases	13,750	37,500	90,000	128,000	178,500	208,500	4 x 248,500				
2	Value per unit	N.Kvacha	60.12	58.74	55.76	53.61	50.13	45.75	4 x 42.9				
3	Direct Labour	"	60,500	60,500	60,500	85,000	6 x 100,000						
4	Raw Materials	"	296,800	663,400	1,571,280	2,171,090	2,945,540	3,123,590	4 x 3,360,990				
5	Packing Materials	"	204,540	557,640	1,342,820	1,923,580	2,646,130	3,120,130	4 x 3,752,130				
6	Utilities	"	26,000	30,000	40,000	50,000	60,000	80,000	4 x 95,000				
7	Maintenance	"	12,000	150,000	45,000	60,000	80,000	5 x 100,000					
8	Consumables	"	20,000	30,000	40,000	50,000	6 x 70,000						
9	Marketing	"	37,000	70,000	100,000	125,000	6 x 150,000						
10	Transport (Shipping)	"	100,000	150,000	200,000	250,000	6 x 300,000						
11	Fees	"	10 x 0										
12	Indirect Labour	"	235,000	250,000	8 x 250,000								
13	O/Heads & Insurance	"	10 x 40,000										
14	Rent	"	10 x 0										
15	Legal & Audit	"	10 x 22,000										
16	Tax Rate	%	10 x 45										
17	Tax Loss Carry F'wd	Years	10 x 0										
18	Land	N.Kvacha	10 x 0										
19	Buildings	"	10 x 0										
20	Plant	"	10 x 0										

SUMMARY OF INPUT DATA FOR MICROMODELLER  
(File Reference: Cannery)

ROW No.	ITEM	UNIT	<----- YEARS ----->									
			1	2	3	4	5	6	7	8	9	10
21	Office Furn/Pittings	N.Kwacha	20,000	30,000	4 x 0				40,000	3 x 0		
22	Vehicles	"	270,000	150,000	3 x 0			270,000	150,000	3 x 0		
23	Pre-op Expenses	"	50,000									
24	Buildings Dep Data	↓ Rate	25,100									
25	Bldgs Cap All Data	"	0									
26	Plant Dep Data	"	10,100									
27	Plant Cap All Data	"	0									
28	F & F Dep Data	"	10,100									
29	F & F Cap All Data	"	0									
30	Vehicle Dep Data	"	5,100									
31	Vehicle Cap All Data	"	0									
32	Pre-op Exp Dep Data	"	5,100									
33	P/O Exp Cap All Data	"	0									
34	Equity/Cash Input	N.Kwacha	1,000,000									
35	Grant	"	10 x 0									
36	Grant Dep Data	"										
37	Loan 'A' Draw Down	"	0									
38	Loan 'A' Repayments	"	0									
39	Loan 'B' Draw Down	"	0									
40	Loan 'B' Repayments	"	0									

ROW No.	ITEM	UNIT	<----- YEARS ----->											
			1	2	3	4	5	6	7	8	9	10		
41	Loan 'C' Draw Down	M.Rwacha	0											
42	Loan 'C' Repayments	"	0											
43	Interest rates	%	18,18,18,20											
44	Finished Goods Stocks	Months	10 x 6.0											
45	Raw Material Stocks	"	10 x 0.1											
46	Pkg Material Stocks	"	10 x 4.0											
47	Consumables Stocks	"	10 x 2.0											
48	Work in Progress	"	10 x 0											
49	Debtors	"	10 x 2											
50	Creditors	"	10 x 0.5											
51	Discount Rate	%	5,10,15,20											

**NOTES:**

In depreciation: 1st Column : Life in Years  
 2nd Column : 100 - Straight Line  
                   150 - 150% Declining  
                   200 - Double Declining  
 3rd Column : Gives residual value as %age

Creditors and Debtors entered as months.

ROW No.	ITEM	UNIT	<----- YEARS ----->																		
			1	2	3	4	5	6	7	8	9	10									
1	No of units started	Cases	13,750	37,500	90,000	128,000	178,500	208,500	4 x 248,500												
2	Value per unit	M.Kwacha	66.132	64.614	61.336	53.61	55.143	50.235	4 x 47.19												
3	Direct Labour	"	60,500	60,500	60,500	85,000	6 x 100,000														
4	Raw Materials	"	296,800	663,400	1,572,280	2,171,090	2,945,540	3,123,590	4 x 3,360,990												
5	Packing Materials	"	204,540	557,640	1,342,820	1,923,580	2,646,130	3,120,130	4 x 3,752,130												
6	Utilities	"	26,000	30,000	40,000	50,000	60,000	80,000	4 x 95,000												
7	Maintenance	"	12,000	150,000	45,000	60,000	80,000	5 x 100,000													
8	Consumables	"	20,000	30,000	40,000	50,000	6 x 70,000														
9	Marketing	"	37,000	70,000	100,000	125,000	6 x 150,000														
10	Transport (Shipping)	"	100,000	150,000	200,000	250,000	6 x 300,000														
11	Fees	"	10 x 0																		
12	Indirect Labour	"	235,000	250,000	8 x 250,000																
13	O/Heads & Insurance	"	10 x 40,000																		
14	Rent	"	10 x 0																		
15	Legal & Audit	"	10 x 22,000																		
16	Tax Rate	%	10 x 45																		
17	Tax Loss Carry F'wd	Years	10 x 0																		
18	Land	M.Kwacha	10 x 0																		
19	Buildings	"	10 x 0																		
20	Plant	"	0	1,218,150	1,372,150	858,000	6 x 0														

SUMMARY OF INPUT DATA FOR MICROMODELLER  
(File Reference: Mulanje)



ROW No.	ITEM	UNIT	<----- YEARS ----->									
			1	2	3	4	5	6	7	8	9	10
21	Office Furn/Pittings	M.Kwacha	20,000	30,000	4 x 0				40,000	3 x 0		
22	Vehicles	"	270,000	150,000	3 x 0			270,000	150,000	3 x 0		
23	Pre-op Expenses	"	50,000									
24	Buildings Dep Data	‡ Rate	25,100									
25	Bldgs Cap All Data	"	0									
26	Plant Dep Data	"	10,100									
27	Plant Cap All Data	"	0									
28	P & P Dep Data	"	10,100									
29	P & P Cap All Data	"	0									
30	Vehicle Dep Data	"	5,100									
31	Vehicle Cap All Data	"	0									
32	Pre-op Exp Dep Data	"	5,100									
33	P/O Exp Cap All Data	"	0									
34	Equity/Cash Input	M.Kwacha	1,000,000									
35	Grant	"	10 x 0									
36	Grant Dep Data	"	0									
37	Loan 'A' Draw Down	"	0	1,218,150	8 x 0							
38	Loan 'A' Repayments	"	0	0	10 x 121,815							
39	Loan 'B' Draw Down	"	0	0	1,372,250							
40	Loan 'B' Repayments	"	0	0	0							

SUMMARY OF INPUT DATA FOR MICROMODELLER  
(File Reference: Mulanje)

SUMMARY OF INPUT DATA FOR MICROMODELLER  
(File Reference: Mulanje)

ROW No.	ITEM	UNIT	<----- YEARS ----->										
			1	2	3	4	5	6	7	8	9	10	
41	Loan 'C' Draw Down	N.Kwacha	0	0	0	858	6 x 0						
42	Loan 'C' Repayments	"	0	0	0	0	10 x 85,800						
43	Interest rates	‡	18,18,18,20										
44	Finished Goods Stocks	Months	10 x 6.0										
45	Raw Material Stocks	"	10 x 0.1										
46	Pkg Material Stocks	"	10 x 4.0										
47	Consumables Stocks	"	10 x 2.0										
48	Work in Progress	"	10 x 0										
49	Debtors	"	10 x 2										
50	Creditors	"	10 x 0.5										
51	Discount Rate	‡	5,10,15,20										

NOTES:

In depreciation: 1st Column : Life in Years  
 2nd Column : 100 - Straight Line  
                   150 - 150% Declining  
                   200 - Double Declining  
 3rd Column : Gives residual value as %age

Creditors and Debtors entered as months.

DATE: DECEMBER 2nd. 1991.

VERSION REP:OVERHEAD RECOVERY.

CASE: NULANJK CANNERY.

UNITS OF PRODUCTION - 24 X 410 GRM CANS / CASE.

CURRENCY - MALAWI KWACHA X 1,000

## DATA SUMMARY

PAGE 1 OF 2

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
<b>PROFIT AND LOSS ACCOUNT DATA</b>										
NO. OF UNITS PRODUCED	14	38	90	128	179	209	249	249	249	249
SELLING PRICE PER UNIT	60.120	58.740	55.760	53.610	50.130	45.750	42.900	42.900	42.900	42.900
DIRECT LABOUR COST	61	61	61	85	100	100	100	100	100	100
RAW MATERIAL USED	297	663	1,571	2,171	2,946	3,124	3,361	3,361	3,361	3,361
PACKING MATL USED	205	558	1,343	1,924	2,646	3,120	3,752	3,752	3,752	3,752
UTILITIES USED	26	30	40	50	60	80	95	95	95	95
COST OF MAINTENANCE	12	150	45	60	80	100	100	100	100	100
CONSUMABLES USED	20	30	40	50	70	70	70	70	70	70
MARKETING COSTS	37	70	100	125	150	150	150	150	150	150
TRANSPORT COST	100	150	200	250	300	300	300	300	300	300
INDIRECT LAB. COST	235	250	250	250	250	250	250	250	250	250
O/H & INS COST	40	40	40	40	40	40	40	40	40	40
LEGAL & AUDIT COSTS	22	22	22	22	22	22	22	22	22	22
TAX ON NET PROFIT %	45	45	45	45	45	45	45	45	45	45
<b>CAPITAL EXPENDITURE DATA</b>										
COST OF FURN & FIT	20	30	-	-	-	-	40	-	-	-
COST OF VEHICLES	270	150	-	-	-	270	150	-	-	-
PREOPERATING EXP	50	-	-	-	-	-	-	-	-	-
<b>DEPRECIATION RATES</b>										
BUILDINGS (ACCOUNTING)	25	100								
BUILDINGS (CAP ALL)	25	100								
PLANT (ACCOUNTING)	10	100								
PLANT (CAP ALL)	10	100								
F & F (ACCOUNTING)	10	100								
F & F (CAP ALL)	10	100								
VEHICLES (ACCOUNTING)	5	100								
VEHICLES (CAP ALL)	5	100								
PREOP. EXP (ACCOUNTING)	5	100								
PREOP. EXP (CAP ALL)	5	100								

NOTE: FIRST COLUMN GIVES LIFE IN YEARS

==== SECOND INDICATES METHOD - 100 = STRAIGHT LINE

150 = 150% DECLINING BALANCE

200 = DOUBLE DECLINING BALANCE

THIRD COLUMN GIVES RESIDUAL VALUE AS PER CENTAGE

TENTH COLUMN GIVES ADDITIONAL INITIAL CAPITAL ALLOWANCE OR ACCELERATED DEPRECIATION IN FIRST YEAR OF ASSET LIFE

## DATA SUMMARY CONTINUED

PAGE 2 OF 2

## FINANCE SOURCES

EQUITY INJECTIONS	1.000	-	-	-	-	-	-	-	-	-
LOAN A INT. %	10.00									
LOAN B INT. %	10.00									
LOAN C INT. %	10.00									
OVERDRAFT INT. %	20.00									

## STOCKS (ALL IN MONTHS)

FINISHED GOODS STOCK	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
RAW MATERIALS STOCK	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
PACKING MATLS STOCK	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
CONSUMABLES STOCK	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
WORK IN PROGRESS	-	-	-	-	-	-	-	-	-	-

## CREDITORS AND DEBTORS (ALL IN MONTHS)

DEBTORS	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
CREDITORS	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

## DISCOUNTED CASH FLOW DATA

DISCOUNT RATES %	5.00	10.00	15.00	20.00	-	-	-	-	-	-
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DATE: DECEMBER 2nd. 1991.

VERSION REP:OVERHEAD RECOVERY.

CASE: MULANJE CANNERY.

UNITS OF PRODUCTION - 24 X 410 GRM CANS / CASE.

CURRENCY - MALAWI KWACHA X 1,000

## DEPRECIATION SCHEDULE

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
<b>LAND &amp; BUILDINGS</b>										
-----										
LAND AT COST										
BUILDINGS AT COST										
DEPRECIATION										
CAPITAL ALLOWANCE										
<b>PLANT AND MACHINERY</b>										
-----										
PLANT & MACHINERY AT COST										
DEPRECIATION										
CAPITAL ALLOWANCE										
<b>FURNISHINGS AND FITTINGS</b>										
-----										
P&F AT COST	20	30					40			
DEPRECIATION	2	5	5	5	5	5	9	9	9	9
CAPITAL ALLOWANCE	2	5	5	5	5	5	9	9	9	9
<b>MOTOR VEHICLES</b>										
-----										
VEHICLE PURCHASE AT COST	270	150				270	150			
DEPRECIATION	54	84	84	84	84	84	84	84	84	84
CAPITAL ALLOWANCE	54	84	84	84	84	84	84	84	84	84
FIXED ASSETS PURCHASED	290	180				270	190			
TOTAL DEPRECIATION	56	89	89	89	89	89	93	93	93	93
TOTAL CAPITAL ALLOWANCE	56	89	89	89	89	89	93	93	93	93
ACCUMULATED FIXED ASSETS	290	470	470	470	470	740	930	930	930	930
ACCUMULATED DEPRECIATION	56	145	234	323	412	501	594	687	780	873
BOOK VALUE OF ASSETS	234	325	236	147	58	239	336	243	150	57
<b>PREOPERATING EXPENSES</b>										
-----										
PREOPERATING EXPENSES	50									
INTEREST DURING CONSTRUCTION										
TOTAL PREOP. EXP	50									
AMORTISATION (ACCTNG)	10	10	10	10	10					
CAPITAL ALLOWANCE	10	10	10	10	10					
BOOK VALUE	40	30	20	10						

DATE: DECEMBER 2nd. 1991.

VERSION REP:OVERHEAD RECOVERY.

CASE: NULANJE CANNERY.

UNITS OF PRODUCTION - 24 X 410 GRM CANS / CASE.

CURRENCY - MALAWI KWACHA X 1.000

## STOCK REPORT

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
<b>PRODUCTION UNITS</b>										
UNITS PRODUCED (INCLUDES INCOMPLETE)	14	38	90	128	179	209	249	249	249	249
FINISHED GOODS : OPEN	-	7	19	45	64	89	104	124	124	124
CLOSE	7	19	45	64	89	104	124	124	124	124
CHANGE	7	12	26	19	25	15	20	-	-	-
WORK IN PROGRESS: OPEN	-	-	-	-	-	-	-	-	-	-
CLOSE	-	-	-	-	-	-	-	-	-	-
CHANGE	-	-	-	-	-	-	-	-	-	-
UNITS SOLD	7	26	64	109	153	194	229	249	249	249
<b>STOCK VALUES</b>										
<b>FINISHED GOODS</b>										
OPENING STOCK	-	310	746	1.550	2.170	2.951	3.297	3.739	3.739	3.739
CLOSING STOCK	310	746	1.550	2.170	2.951	3.297	3.739	3.739	3.739	3.739
STOCK CHANGE	310	436	804	620	781	346	442	-	-	-
<b>WORK IN PROGRESS</b>										
OPENING STOCK	-	-	-	-	-	-	-	-	-	-
CLOSING STOCK	-	-	-	-	-	-	-	-	-	-
CHANGE IN W.I.P.	-	-	-	-	-	-	-	-	-	-
<b>RAW MATERIALS</b>										
OPENING STOCK	-	6	13	18	25	26	28	28	28	28
RAW MATERIALS PURCHASED	302	671	1.576	2.170	2.947	3.126	3.361	3.361	3.361	3.361
RAW MATERIALS USED	297	663	1.571	2.171	2.946	3.124	3.361	3.361	3.361	3.361
CLOSING STOCK	6	13	18	25	26	28	28	28	28	28
STOCK CHANGE	6	8	5	6	1	2	-	-	-	-
<b>PACKING MATERIAL</b>										
OPENING STOCK	-	186	440	641	882	1.040	1.251	1.251	1.251	1.251
PACKING MATERIALS PURCHASED	390	819	1.536	2.164	2.804	3.331	3.752	3.752	3.752	3.752
PACKAGING MATERIALS USED	205	558	1.343	1.924	2.646	3.120	3.752	3.752	3.752	3.752
CLOSING STOCK	186	440	641	882	1.040	1.251	1.251	1.251	1.251	1.251
STOCK CHANGE	186	262	194	241	158	211	-	-	-	-
<b>CONSUMABLES</b>										
OPENING STOCK	-	5	7	8	12	12	12	12	12	12
CONSUMABLES PURCHASED	25	32	42	52	70	70	70	70	70	70
CONSUMABLES USED	20	28	40	50	70	70	70	70	70	70
CLOSING STOCK	5	7	8	12	12	12	12	12	12	12
STOCK CHANGE	5	2	2	2	-	-	-	-	-	-







DATE: DECEMBER 2nd. 1991.

VERSION REF: OVERHEAD RECOVERY.

CASE: NULANJE CANNERY.

UNITS OF PRODUCTION - 24 X 410 GRM CANS / CASE.

CURRENCY - MALAWI KWACHA X 1.000

## TAX CALCULATION

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
PROFIT BEFORE TAX	(448)	(523)	(37)	667	1.017	1.035	1.207	1.081	2.162	2.328
PLUS ITEMS DISALLOWED										
DEPRECIATION	56	89	89	89	89	89	93	93	93	93
PREOP EXP AMORTISATION	10	10	10	10	10	-	-	-	-	-
<b>GRAND TOTAL:</b>	<b>(382)</b>	<b>(434)</b>	<b>62</b>	<b>766</b>	<b>1.116</b>	<b>1.124</b>	<b>1.300</b>	<b>1.074</b>	<b>2.255</b>	<b>2.421</b>
LESS CREDIT ALLOWANCES										
ON PHYSICAL ASSETS	56	89	89	89	89	89	93	93	93	93
ON DEPREY EXP	10	10	10	10	10	-	-	-	-	-
<b>PROFIT</b>	<b>(448)</b>	<b>(523)</b>	<b>(37)</b>	<b>667</b>	<b>1.017</b>	<b>1.035</b>	<b>1.207</b>	<b>1.081</b>	<b>2.162</b>	<b>2.328</b>
LOSS CARRIED FORWARD	-	-	-	(667)	(340)	-	-	-	-	-
<b>TAXABLE PROFIT</b>	<b>(448)</b>	<b>(523)</b>	<b>(37)</b>	<b>-</b>	<b>676</b>	<b>1.035</b>	<b>1.207</b>	<b>1.081</b>	<b>2.162</b>	<b>2.328</b>
<b>TAX</b>										
TAX RATE %	45	45	45	45	45	45	45	45	45	45
TAX	-	-	-	-	304	466	543	486	973	1.047
<b>PROFIT AFTER TAX</b>	<b>(448)</b>	<b>(523)</b>	<b>(37)</b>	<b>667</b>	<b>712</b>	<b>569</b>	<b>664</b>	<b>1.034</b>	<b>1.189</b>	<b>1.281</b>
<b>FINAL PROFIT</b>	<b>(448)</b>	<b>(523)</b>	<b>(37)</b>	<b>667</b>	<b>712</b>	<b>569</b>	<b>664</b>	<b>1.034</b>	<b>1.189</b>	<b>1.281</b>

DATE: DECEMBER 2nd. 1991.

VERSION REF: OVERHEAD RECOVERY.

CASE: NULANJE CANNERY.

UNITS OF PRODUCTION - 24 X 410 GRM CANS / CASE.

CURRENCY - MALAWI KWACHA X 1,000

## SOURCE AND APPLICATION OF FUNDS

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
<b>SOURCES OF FUNDS</b>										
ISSUE OF SHARES	1.000	-	-	-	-	-	-	-	-	-
GENERATED BY OPERATIONS :										
PROFIT BEFORE TAX	(448)	(523)	(37)	667	1.017	1.035	1.207	1.881	2.162	2.328
ADD BACK: NON-CASH ITEMS										
AMORTISATION OF PREOP EXPS	10	10	10	10	10	-	-	-	-	-
DEPRECIATION	56	89	89	89	89	89	93	93	93	93
<b>TOTAL SOURCE OF FUNDS</b>	<b>618</b>	<b>(424)</b>	<b>62</b>	<b>766</b>	<b>1.116</b>	<b>1.124</b>	<b>1.300</b>	<b>1.974</b>	<b>2.255</b>	<b>2.421</b>
<b>APPLICATION OF FUNDS</b>										
PURCHASE OF F.A	298	180	-	-	-	278	198	-	-	-
REPRODUCTION EXPENSES	58	-	-	-	-	-	-	-	-	-
TAXATION	-	-	-	-	-	384	466	543	846	973
<b>TOTAL APPLICATIONS</b>	<b>348</b>	<b>180</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>574</b>	<b>656</b>	<b>543</b>	<b>846</b>	<b>973</b>
<b>CHANGES IN WORKING CAPITAL</b>										
STOCKS-RAW MATS	8	8	5	6	1	2	-	-	-	-
PACKING MATS	186	262	194	241	158	211	-	-	-	-
CONSUMABLES	5	2	2	3	-	-	-	-	-	-
WORE IN PROGRESS	-	-	-	-	-	-	-	-	-	-
FINISHED GOODS	310	436	864	620	781	346	442	-	-	-
DEBTORS	69	182	342	381	386	195	158	143	-	-
S/TOTAL	575	889	1,346	1,252	1,247	754	601	143	-	-
CREDITORS	48	43	67	56	64	31	28	-	-	-
<b>CHANGE IN W/CAP</b>	<b>535</b>	<b>846</b>	<b>1,278</b>	<b>1,196</b>	<b>1,183</b>	<b>723</b>	<b>573</b>	<b>143</b>	<b>-</b>	<b>-</b>
<b>FINAL TOTAL APPLICATIONS</b>	<b>875</b>	<b>1,026</b>	<b>1,278</b>	<b>1,196</b>	<b>1,183</b>	<b>1,297</b>	<b>1,228</b>	<b>686</b>	<b>846</b>	<b>973</b>
CLOSE BANE	(258)	(1,707)	(2,923)	(3,354)	(3,421)	(3,594)	(3,522)	(2,235)	(826)	622
OPEN BANE	-	(258)	(1,707)	(2,923)	(3,354)	(3,421)	(3,594)	(3,522)	(2,235)	(826)
<b>CHANGE IN BANE</b>	<b>(258)</b>	<b>(1,450)</b>	<b>(1,216)</b>	<b>(430)</b>	<b>(68)</b>	<b>(173)</b>	<b>72</b>	<b>1,287</b>	<b>1,409</b>	<b>1,447</b>
<b>APPLICATION + CHNG BANE</b>	<b>618</b>	<b>(424)</b>	<b>62</b>	<b>766</b>	<b>1,116</b>	<b>1,124</b>	<b>1,300</b>	<b>1,974</b>	<b>2,255</b>	<b>2,421</b>

DATE: DECEMBER 2nd. 1991.

VERSION REP:OVERHEAD RECOVERY.

CASE: MULANJE CANNERY.

UNITS OF PRODUCTION - 24 X 410 GRM CANS / CASE.

CURRENCY - MALAWI KWACHA X 1.000

BALANCE SHEET

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
<b>ASSETS</b>										
-----										
FIXED ASSETS AT BOOK VALUE	234	325	236	147	58	239	336	243	150	57
PREPRDN INVSTMNT (BK VALUE)	40	30	20	10	-	-	-	-	-	-
<b>TOTAL TERM ASSETS</b>	<b>274</b>	<b>355</b>	<b>256</b>	<b>157</b>	<b>58</b>	<b>239</b>	<b>336</b>	<b>243</b>	<b>150</b>	<b>57</b>
-----										
<b>CURRENT ASSETS</b>										
STOCK OF: RAW MATERIALS	6	13	18	25	28	28	28	28	28	28
PACKAGING MATS	188	448	641	882	1.048	1.251	1.251	1.251	1.251	1.251
CONSUMABLES	5	7	8	12	11	12	12	12	12	12
WIP	-	-	-	-	-	-	-	-	-	-
FINISHED GOODS	310	746	1.550	2.170	2.851	3.297	3.738	3.738	3.738	3.738
DEBTORS	69	251	597	974	1.288	1.475	1.634	1.777	1.777	1.777
CASH AT BANK	-	-	-	-	-	-	-	-	-	622
<b>TOTAL CURRENT ASSETS</b>	<b>578</b>	<b>1.464</b>	<b>2.810</b>	<b>4.062</b>	<b>5.309</b>	<b>6.063</b>	<b>6.663</b>	<b>6.806</b>	<b>6.806</b>	<b>7.428</b>
-----										
<b>CURRENT LIABILITIES</b>										
OVERDRAFT	258	1.787	2.823	3.354	3.421	3.594	3.522	2.235	826	-
CREDITORS	40	83	150	286	276	381	329	329	329	329
TAX	-	-	-	-	384	466	543	846	973	1.047
<b>TOTAL CURRENT LIABILITIES</b>	<b>307</b>	<b>1.790</b>	<b>3.073</b>	<b>3.559</b>	<b>3.995</b>	<b>4.361</b>	<b>4.394</b>	<b>3.410</b>	<b>2.127</b>	<b>1.376</b>
-----										
<b>NET CURRENT ASSETS</b>	<b>271</b>	<b>674</b>	<b>737</b>	<b>503</b>	<b>1.314</b>	<b>1.702</b>	<b>2.269</b>	<b>3.397</b>	<b>4.679</b>	<b>6.052</b>
-----										
<b>TOTAL ASSETS</b>	<b>545</b>	<b>1029</b>	<b>1093</b>	<b>660</b>	<b>1.372</b>	<b>1.941</b>	<b>2.605</b>	<b>3.440</b>	<b>4.829</b>	<b>6.189</b>
-----										
<b>LIABILITIES</b>										
-----										
<b>TERM LOANS</b>										
-----										
SHARE CAPITAL	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
RESERVES	448	871	1.000	1.400	270	841	1.605	2.640	3.829	5.189
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>448</b>	<b>871</b>	<b>1.000</b>	<b>1.400</b>	<b>1.270</b>	<b>1.841</b>	<b>2.605</b>	<b>3.640</b>	<b>4.829</b>	<b>6.189</b>
-----										
<b>TOTAL LIABILITIES</b>	<b>448</b>	<b>871</b>	<b>1.000</b>	<b>1.400</b>	<b>1.270</b>	<b>1.841</b>	<b>2.605</b>	<b>3.640</b>	<b>4.829</b>	<b>6.189</b>
-----										



DATE: DECEMBER 2nd. 1991.

VERSION REF: CAPITAL INVESTMENT, MARGINAL REVENUES.

CASE: MULANJE CANNERY.

UNITS OF PRODUCTION - 24 X 410 GRM CANS / CASE

CURRENCY - MALAWI KWACHA X 1,000

## DATA SUMMARY

PAGE 1 OF 2

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
<b>PROFIT AND LOSS ACCOUNT DATA</b>										
NO. OF UNITS PRODUCED	14	30	90	120	179	209	249	249	249	249
SELLING PRICE PER UNIT	66.132	64.614	61.336	58.970	55.143	50.325	47.190	47.190	47.190	47.190
DIRECT LABOUR COST	61	61	61	85	100	100	100	100	100	100
RAW MATERIAL USED	297	663	1,571	2,171	2,946	3,124	3,361	3,361	3,361	3,361
PACKING MATL USED	205	550	1,343	1,924	2,646	3,120	3,752	3,752	3,752	3,752
UTILITIES USED	26	30	40	50	60	80	95	95	95	95
COST OF MAINTENANCE	12	15	45	60	80	100	100	100	100	100
CONSUMABLES USED	20	30	40	50	70	70	70	70	70	70
MARKETING COSTS	37	70	100	125	150	150	150	150	150	150
TRANSPORT COST	100	150	200	250	300	300	300	300	300	300
INDIRECT LAB. COST	235	250	250	250	250	250	250	250	250	250
O/H & INS COST	40	40	40	40	40	40	40	40	40	40
LEGAL & AUDIT COSTS	22	22	22	22	22	22	22	22	22	22
TAX ON NET PROFIT &	45	45	45	45	45	45	45	45	45	45
<b>CAPITAL EXPENDITURE DATA</b>										
COST OF PLANT	-	1,210	1,372	850	-	-	-	-	-	-
COST OF FURN & FIT	20	30	-	-	-	-	40	-	-	-
COST OF VEHICLES	270	150	-	-	-	270	150	-	-	-
PREOPERATING EXP	50	-	-	-	-	-	-	-	-	-
<b>DEPRECIATION RATES</b>										
BUILDINGS (ACCOUNTING)	25	100								
BUILDINGS (CAP ALL)	25	100								
PLANT (ACCOUNTING)	10	100								
PLANT (CAP ALL)	10	100								
F & F (ACCOUNTING)	10	100								
F & F (CAP ALL)	10	100								
VEHICLES (ACCOUNTING)	5	100								
VEHICLES (CAP ALL)	5	100								
PREOP. EXP (ACCOUNTING)	5	100								
PREOP. EXP (CAP ALL)	5	100								

NOTE: FIRST COLUMN GIVES LIFE IN YEARS

==== SECOND INDICATES METHOD - 100 = STRAIGHT LINE

150 = 150% DECLINING BALANCE

200 = DOUBLE DECLINING BALANCE

THIRD COLUMN GIVES RESIDUAL VALUE AS PER CENTAGE

TENTH COLUMN GIVES ADDITIONAL INITIAL CAPITAL ALLOWANCE OR ACCELERATED DEPRECIATION IN FIRST YEAR OF ASSET LIFE

## DATA SUMMARY CONTINUED

PAGE 2 OF 2

## FINANCE SOURCES

EQUITY INJECTIONS	1,000	-	-	-	-	-	-	-	-	-
LOAN A DRAWDOWN	-	1,219	-	-	-	-	-	-	-	-
LOAN B DRAWDOWN	-	-	1,372	-	-	-	-	-	-	-
LOAN C DRAWDOWN	-	-	-	850	-	-	-	-	-	-
LOAN A REPAYMENT	-	-	121.0	121.0	121.0	121.0	121.0	121.0	121.0	121.0
LOAN B REPAYMENT	-	-	-	137.2	137.2	137.2	137.2	137.2	137.2	137.2
LOAN C REPAYMENT	-	-	-	-	85.0	85.0	85.0	85.0	85.0	85.0
LOAN A INT. %	18.00									
LOAN B INT. %	18.00									
LOAN C INT. %	18.00									
OVERDRAFT INT. %	20.00									

## STOCKS (ALL IN MONTHS)

FINISHED GOODS STOCK	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
RAW MATERIALS STOCK	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
PACKING MATLS STOCK	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
CONSUMABLES STOCK	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
WORK IN PROGRESS	-	-	-	-	-	-	-	-	-	-

## CREDITORS AND DEBTORS (ALL IN MONTHS)

DEBTORS	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
CREDITORS	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50

## DISCOUNTED CASH FLOW DATA

DISCOUNT RATES %	5.00	10.00	15.00	20.00	-	-	-	-	-	-
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DATE: DECEMBER 2nd. 1991.

VERSION REF: CAPITAL INVESTMENT, MARGINAL REVENUES.

CASE: MULANJE CANNERY.

UNITS OF PRODUCTION - 24 X 410 GRM CANS / CASE

CURRENCY - MALAWI KWACHA X 1,000

## DEPRECIATION SCHEDULE

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
<b>LAND &amp; BUILDINGS</b>										
-----										
LAND AT COST										
BUILDINGS AT COST										
DEPRECIATION										
CAPITAL ALLOWANCE										
<b>PLANT AND MACHINERY</b>										
-----										
PLANT & MACHINERY AT COST		1,218	1,372	858						
DEPRECIATION		122	259	345	345	345	345	345	345	345
CAPITAL ALLOWANCE		122	259	345	345	345	345	345	345	345
<b>FURNISHINGS AND FITTINGS</b>										
-----										
P&F AT COST	20	30					40			
DEPRECIATION	2	5	5	5	5	5	9	9	9	9
CAPITAL ALLOWANCE	2	5	5	5	5	5	9	9	9	9
<b>MOTOR VEHICLES</b>										
-----										
VEHICLE PURCHASE AT COST	270	150				270	150			
DEPRECIATION	54	84	84	84	84	84	84	84	84	84
CAPITAL ALLOWANCE	54	84	84	84	84	84	84	84	84	84
FIXED ASSETS PURCHASED	290	1,398	1,372	858		270	190			
TOTAL DEPRECIATION	56	211	348	434	434	434	438	438	438	438
TOTAL CAPITAL ALLOWANCE	56	211	348	434	434	434	438	438	438	438
ACCUMULATED FIXED ASSETS	290	1,608	3,060	3,918	3,918	4,188	4,378	4,378	4,378	4,378
ACCUMULATED DEPRECIATION	56	267	615	1,049	1,483	1,916	2,354	2,792	3,230	3,668
BOOK VALUE OF ASSETS	234	1,421	2,445	2,870	2,436	2,272	2,024	1,586	1,148	711
<b>PREOPERATING EXPENSES</b>										
-----										
PREOPERATING EXPENSES	50									
INTEREST DURING CONSTRUCTION										
TOTAL PREOP. EXP	50									
AMORTISATION (ACCTNG)	10	10	10	10	10					
CAPITAL ALLOWANCE	10	10	10	10	10					
BOOK VALUE	40	30	20	10						

DATE: DECEMBER 2nd. 1991.

VERSION REF: CAPITAL INVESTMENT, MARGINAL REVENUES.

CASE: MWLANJE CANNERY.

UNITS OF PRODUCTION - 24 X 410 GRM CANS / CASE

CURRENCY - MALAWI KWACHA X 1,000

## STOCK REPORT

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
<b>PRODUCTION UNITS</b>										
UNITS PRODUCED (INCLUDES INCOMPLETE)	14	38	90	120	179	209	249	249	249	249
FINISHED GOODS : OPEN	-	7	19	45	60	89	104	124	124	124
CLOSE	7	19	45	60	89	104	124	124	124	124
CHANGE	7	12	26	15	29	15	20	-	-	-
WORK IN PROGRESS: OPEN	-	-	-	-	-	-	-	-	-	-
CLOSE	-	-	-	-	-	-	-	-	-	-
CHANGE	-	-	-	-	-	-	-	-	-	-
UNITS SOLD	7	26	64	105	149	194	229	249	249	249
<b>STOCK VALUES</b>										
<b>FINISHED GOODS</b>										
OPENING STOCK	-	310	670	1,550	2,170	2,951	3,297	3,739	3,739	3,739
CLOSING STOCK	310	670	1,550	2,170	2,951	3,297	3,739	3,739	3,739	3,739
STOCK CHANGE	310	360	872	620	781	346	442	-	-	-
<b>WORK IN PROGRESS</b>										
OPENING STOCK	-	-	-	-	-	-	-	-	-	-
CLOSING STOCK	-	-	-	-	-	-	-	-	-	-
CHANGE IN W.I.P.	-	-	-	-	-	-	-	-	-	-
<b>RAW MATERIALS</b>										
OPENING STOCK	-	6	13	10	25	26	20	20	20	20
RAW MATERIALS PURCHASED	302	671	1,576	2,170	2,947	3,126	3,361	3,361	3,361	3,361
RAW MATERIALS USED	297	663	1,571	2,171	2,946	3,124	3,361	3,361	3,361	3,361
CLOSING STOCK	6	13	10	25	26	20	20	20	20	20
STOCK CHANGE	6	8	5	6	1	2	-	-	-	-
<b>PACKING MATERIAL</b>										
OPENING STOCK	-	106	448	641	882	1,040	1,251	1,251	1,251	1,251
PACKING MATERIALS PURCHASED	390	819	1,536	2,164	2,804	3,331	3,752	3,752	3,752	3,752
PACKAGING MATERIALS USED	205	550	1,343	1,924	2,646	3,120	3,752	3,752	3,752	3,752
CLOSING STOCK	106	440	641	882	1,040	1,251	1,251	1,251	1,251	1,251
STOCK CHANGE	106	262	194	241	158	211	-	-	-	-
<b>CONSUMABLES</b>										
OPENING STOCK	-	5	7	8	12	12	12	12	12	12
CONSUMABLES PURCHASED	25	32	42	53	70	70	70	70	70	70
CONSUMABLES USED	20	30	40	50	70	70	70	70	70	70
CLOSING STOCK	5	7	8	12	12	12	12	12	12	12
STOCK CHANGE	5	2	2	3	-	-	-	-	-	-



DATE: DECEMBER 2nd. 1991.

VERSION REF: CAPITAL INVESTMENT, MARGINAL REVENUES.

CASE: MULANJE CANNERY.

UNITS OF PRODUCTION - 24 X 410 GRM CANS / CASE

CURRENCY - MALAWI KWACHA X 1,000

## LOAN SCHEDULE

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
<b>LOAN A</b>										
DRABDOWN	-	1,219	-	-	-	-	-	-	-	-
REPAYMENTS	-	-	122	122	122	122	122	122	122	122
BALANCE OUTSTANDING	-	1,219	1,097	975	853	731	609	488	366	244
INTEREST PAID	-	110	214	192	170	148	126	104	82	60
<b>LOAN B</b>										
DRABDOWN	-	-	1,372	-	-	-	-	-	-	-
REPAYMENTS	-	-	-	137	137	137	137	137	137	137
BALANCE OUTSTANDING	-	-	1,372	1,235	1,098	961	823	686	549	412
INTEREST PAID	-	-	124	241	216	191	167	142	117	93
<b>LOAN C</b>										
DRABDOWN	-	-	-	858	-	-	-	-	-	-
REPAYMENTS	-	-	-	-	86	86	86	86	86	86
BALANCE OUTSTANDING	-	-	-	858	772	686	601	515	429	343
INTEREST PAID	-	-	-	77	151	135	120	104	89	73



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CASE: MULANJE CANNERY.

UNITS OF PRODUCTION - 24 X 410 GRM CANS / CASE

CURRENCY - MALAWI KWACHA X 1,000

## TAX CALCULATION

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
PROFIT BEFORE TAX	(398)	(488)	(182)	91	504	956	1,362	2,238	2,647	2,822
PLUS ITEMS DISALLOWED										
DEPRECIATION	56	211	348	434	434	434	438	438	438	438
PREOP EXP AMORTISATION	10	10	10	10	10	-	-	-	-	-
SUB-TOTAL	(332)	(267)	176	535	947	1,389	1,800	2,676	3,085	3,260
LESS CAPITAL ALLOWANCES										
ON PHYSICAL ASSETS	56	211	348	434	434	434	438	438	438	438
ON PREOP EXP	10	10	10	10	10	-	-	-	-	-
PROFIT	(398)	(488)	(182)	91	504	956	1,362	2,238	2,647	2,822
LOSS CARRIED FORWARD	-	-	-	(91)	(504)	(473)	-	-	-	-
TAXABLE PROFIT	(398)	(488)	(182)	-	-	482	1,362	2,238	2,647	2,822
TAX										
TAX RATE %	45	45	45	45	45	45	45	45	45	45
TAX	-	-	-	-	-	217	613	1,007	1,191	1,270
PROFIT AFTER TAX	(398)	(488)	(182)	91	504	738	749	1,231	1,456	1,552
FINAL PROFIT	(398)	(488)	(182)	91	504	738	749	1,231	1,456	1,552

DATE: DECEMBER 2nd. 1991.

VERSION REP: CAPITAL INVESTMENT, MARGINAL REVENUES.

CASE: NULANJE CANNERY.

UNITS OF PRODUCTION - 24 X 410 GRM CANS / CASE

CURRENCY - MALAWI KWACHA X 1,000

## SOURCE AND APPLICATION OF FUNDS

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
<b>SOURCES OF FUNDS</b>										
ISSUE OF SHARES	1,000	-	-	-	-	-	-	-	-	-
LOAN A	-	1,219	-	-	-	-	-	-	-	-
LOAN B	-	-	1,372	-	-	-	-	-	-	-
LOAN C	-	-	-	850	-	-	-	-	-	-
<b>GENERATED BY OPERATIONS :</b>										
PROFIT BEFORE TAX	(398)	(488)	(182)	91	504	956	1,362	2,238	2,647	2,822
ADD BACK: NON-CASH ITEMS	10	10	10	10	10	-	-	-	-	-
AMORTISATION OF PREOP EXPS	56	211	348	434	434	434	438	438	438	438
DEPRECIATION										
<b>TOTAL SOURCE OF FUNDS</b>	<b>668</b>	<b>952</b>	<b>1,548</b>	<b>1,393</b>	<b>947</b>	<b>1,389</b>	<b>1,800</b>	<b>2,676</b>	<b>3,085</b>	<b>3,260</b>
<b>APPLICATION OF FUNDS</b>										
PURCHASE OF P.A	290	1,398	1,372	850	-	270	190	-	-	-
PREPRODUCTION EXPENSES	50	-	-	-	-	-	-	-	-	-
LOAN A REPAYMENT	-	-	122	122	122	122	122	122	122	122
LOAN B REPAYMENT	-	-	-	137	137	137	137	137	137	137
LOAN C REPAYMENT	-	-	-	-	86	86	86	86	86	86
TAXATION	-	-	-	-	-	-	217	613	1,007	1,191
<b>TOTAL APPLICATIONS</b>	<b>340</b>	<b>1,398</b>	<b>1,494</b>	<b>1,117</b>	<b>345</b>	<b>615</b>	<b>752</b>	<b>958</b>	<b>1,352</b>	<b>1,536</b>
<b>CHANGES IN WORKING CAPITAL</b>										
STOCKS: RAW MATS	6	8	5	6	1	2	-	-	-	-
PACKING MATS	186	262	194	241	158	211	-	-	-	-
CONSUMABLES	5	2	2	3	-	-	-	-	-	-
WORK IN PROGRESS	-	-	-	-	-	-	-	-	-	-
FINISHED GOODS	310	368	872	620	781	346	442	-	-	-
DEBTORS	76	200	376	380	340	251	174	157	-	-
S/TOTAL	582	840	1,448	1,251	1,280	810	616	157	-	-
CREDITORS	40	37	73	56	64	31	28	-	-	-
<b>CHANGE IN W/CAP</b>	<b>542</b>	<b>802</b>	<b>1,375</b>	<b>1,195</b>	<b>1,216</b>	<b>779</b>	<b>588</b>	<b>157</b>	<b>-</b>	<b>-</b>
<b>FINAL TOTAL APPLICATIONS</b>	<b>882</b>	<b>2,200</b>	<b>2,868</b>	<b>2,312</b>	<b>1,561</b>	<b>1,394</b>	<b>1,340</b>	<b>1,115</b>	<b>1,352</b>	<b>1,536</b>
CLOSE BANK	(214)	(1,463)	(2,783)	(3,703)	(4,316)	(4,321)	(3,861)	(2,300)	(567)	1,157
OPEN BANK	-	(214)	(1,463)	(2,783)	(3,703)	(4,316)	(4,321)	(3,861)	(2,300)	(567)
<b>CHANGE IN BANK</b>	<b>(214)</b>	<b>(1,249)</b>	<b>(1,320)</b>	<b>(919)</b>	<b>(614)</b>	<b>(4)</b>	<b>460</b>	<b>1,561</b>	<b>1,733</b>	<b>1,724</b>
<b>APPLICATION + CHNG BANK</b>	<b>668</b>	<b>952</b>	<b>1,548</b>	<b>1,393</b>	<b>947</b>	<b>1,389</b>	<b>1,800</b>	<b>2,676</b>	<b>3,085</b>	<b>3,260</b>

DATE: DECEMBER 2nd. 1991.

VERSION REF: CAPITAL INVESTMENT, MARGINAL REVENUES.

CASE: MULANJE CANNERY.

UNITS OF PRODUCTION - 24 X 410 GRM CANS / CASE

CURRENCY - MALAWI KWACHA X 1,000

## BALANCE SHEET

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
<b>ASSETS</b>										
FIXED ASSETS AT BOOK VALUE	234	1,421	2,445	2,870	2,436	2,272	2,024	1,586	1,148	711
PREPRDM INVSTMT (BK VALUE)	40	30	20	10	-	-	-	-	-	-
<b>TOTAL TERM ASSETS</b>	<b>274</b>	<b>1,451</b>	<b>2,465</b>	<b>2,880</b>	<b>2,436</b>	<b>2,272</b>	<b>2,024</b>	<b>1,586</b>	<b>1,148</b>	<b>711</b>
<b>CURRENT ASSETS</b>										
STOCK OF: RAW MATERIALS	6	13	18	25	26	28	28	28	28	28
PACKAGING MATS	186	448	641	882	1,040	1,251	1,251	1,251	1,251	1,251
CONSUMABLES	5	7	8	12	11	12	12	12	12	12
WIP	-	-	-	-	-	-	-	-	-	-
FINISHED GOODS	310	678	1,550	2,170	2,951	3,297	3,739	3,739	3,739	3,739
DEBTORS	76	276	652	1,032	1,372	1,623	1,797	1,954	1,954	1,954
CASH AT BANK	-	-	-	-	-	-	-	-	-	1,157
<b>TOTAL CURRENT ASSETS</b>	<b>582</b>	<b>1,422</b>	<b>2,869</b>	<b>4,120</b>	<b>5,408</b>	<b>6,210</b>	<b>6,827</b>	<b>6,984</b>	<b>6,984</b>	<b>8,141</b>
<b>CURRENT LIABILITIES</b>										
OVERDRAFT	214	1,463	2,783	3,783	4,316	4,321	3,861	2,300	567	-
CREDITORS	40	77	150	206	278	301	329	329	329	329
TAX	-	-	-	-	-	217	613	1,007	1,191	1,270
<b>TOTAL CURRENT LIABILITIES</b>	<b>254</b>	<b>1,540</b>	<b>2,933</b>	<b>3,989</b>	<b>4,586</b>	<b>4,839</b>	<b>4,803</b>	<b>3,636</b>	<b>2,087</b>	<b>1,599</b>
<b>NET CURRENT ASSETS</b>	<b>328</b>	<b>(118)</b>	<b>(64)</b>	<b>212</b>	<b>814</b>	<b>1,372</b>	<b>2,024</b>	<b>3,348</b>	<b>4,897</b>	<b>6,542</b>
<b>TOTAL ASSETS</b>	<b>602</b>	<b>1,333</b>	<b>2,401</b>	<b>3,091</b>	<b>3,250</b>	<b>3,644</b>	<b>4,048</b>	<b>4,934</b>	<b>6,045</b>	<b>7,253</b>
<b>LIABILITIES</b>										
<b>TERM LOANS</b>										
A OUTSTANDING	-	1,219	1,097	975	853	731	609	488	366	244
B OUTSTANDING	-	-	1,372	1,235	1,098	961	823	686	549	412
C OUTSTANDING	-	-	-	858	772	686	601	515	429	343
<b>TOTAL LOANS</b>	<b>-</b>	<b>1,219</b>	<b>2,469</b>	<b>3,068</b>	<b>2,723</b>	<b>2,378</b>	<b>2,033</b>	<b>1,689</b>	<b>1,344</b>	<b>999</b>
<b>TERM LIABILITIES</b>	<b>-</b>	<b>1,219</b>	<b>2,469</b>	<b>3,068</b>	<b>2,723</b>	<b>2,378</b>	<b>2,033</b>	<b>1,689</b>	<b>1,344</b>	<b>999</b>
SHARE CAPITAL	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
RESERVES	(398)	(886)	(1,068)	(977)	(473)	265	1,015	2,246	3,702	5,254
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>602</b>	<b>114</b>	<b>(68)</b>	<b>23</b>	<b>527</b>	<b>1,265</b>	<b>2,015</b>	<b>3,246</b>	<b>4,702</b>	<b>6,254</b>
<b>TOTAL LIABILITIES</b>	<b>602</b>	<b>1,333</b>	<b>2,401</b>	<b>3,091</b>	<b>3,250</b>	<b>3,644</b>	<b>4,048</b>	<b>4,934</b>	<b>6,045</b>	<b>7,253</b>



SCHEDULE of CAPITAL PLANT PRICES.

This schedule of prices is based on the similar list in the original report and ITEM Nos refer to the same items of plant.

ITEM No.	PRICE £ STERLING	YEAR INSTALLED
1	25 ,000	2
2	7,500	2
3	20,000	2
4,5 & 6	40,000	2
7	5,500	3
8	3,000	2
9	3,000	2
10	3,500	2
11	15,000	3
12	9,000	2
13	15,000	2
14	20,000	3
15	12,000	3
16	20,000 EACH	2 & 3
17	40,000 EACH	3
20 & 21	50,000 EACH	2 & 3
23	65,000	4
24	35,000	4
25 & 26	6,000	4
30	40,000	3
31	37,000	3

**CAPITAL EXPENDITURE**

YEAR	1	2	3
AMOUNT £	221,500	249,000	156,000
KWACHA (inc 10% shipping & installation)	1,218,250	1,372,250	858,000

ABOVE FIGURES USED IN ANNEXE 11.