

MAXIMUM TRUST COMPANY LIMITED



PROJECT BUSINESS PLAN

(Mineral Support, Logistics & Social Development)


January 31, 2026

Non-Disclosure and Confidentiality Agreement

The undersigned Recipient, hereby agrees that all **financial and other information** that has and will be received concerning **Maximum Trust Company Limited** or any third party in this business plan is **strictly confidential** and will not be disclosed to any other individual or entity without prior written consent from the management of Maximum Trust Company Limited.

The Information shall remain the property of Maximum Trust Company Limited and shall be returned to the company promptly at its request together with all copies made thereof. Recipient acknowledges that no remedy of law may be adequate to compensate Maximum Trust Company Limited for a violation of this Agreement.

The Recipient hereby agrees that in addition to any other legal or other rights that may be available in the event of a breach hereunder, Maximum Trust Company Limited may seek equitable relief to enforce this agreement in any court of competent jurisdiction.

 _____	_____ Signature of Recipient	_____ Date
REDFERN TEI KWAKU LAWER (Director)		

CORPORATE INFORMATION

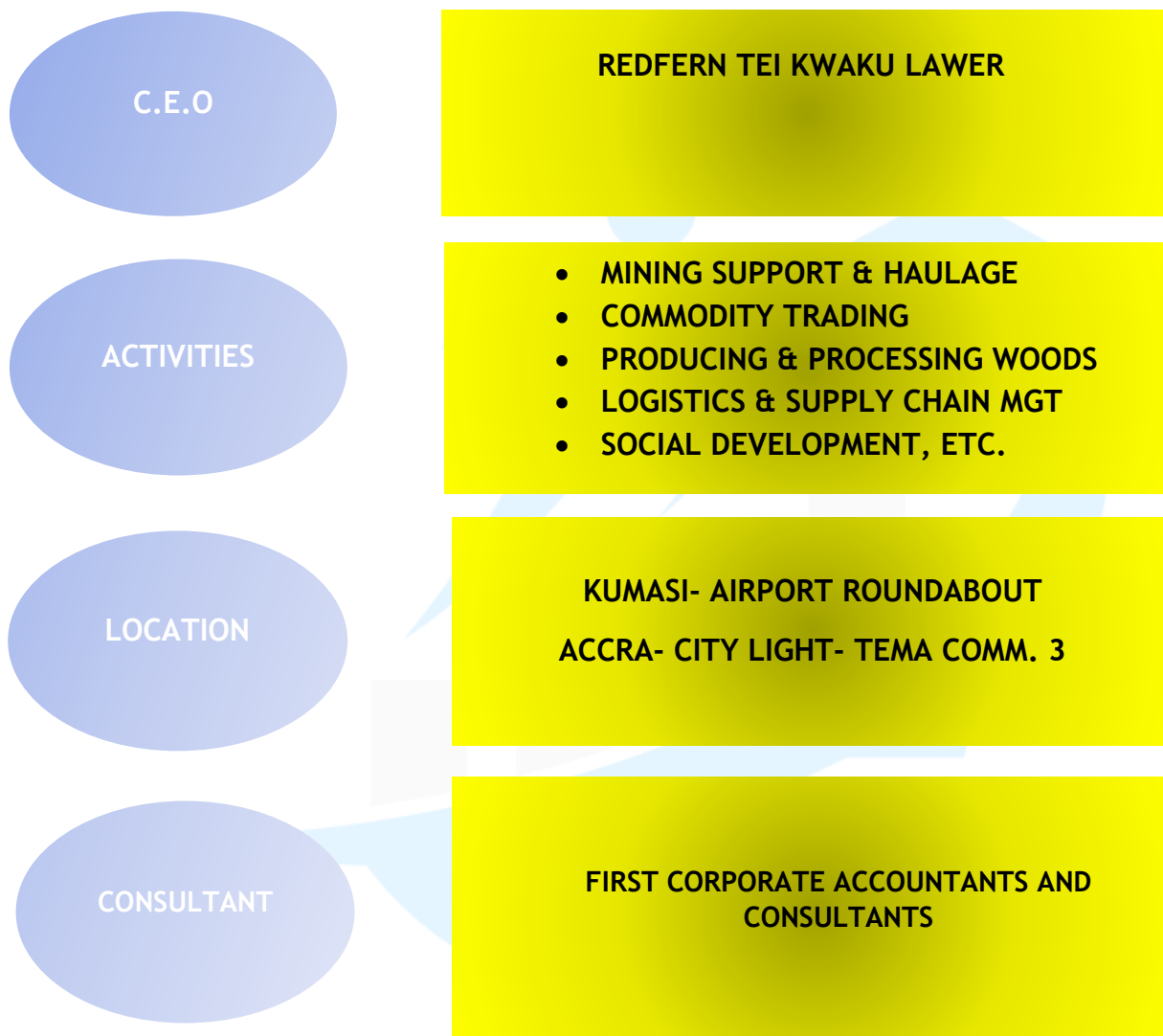


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Summary of Project Details

Project Name:	Mineral Support, Logistics & Social Development
Business Location:	Kumasi & Accra- Ghana-West Africa
Contact Numbers:	+233-557100550 +233-598591642 +233-208305959
E-Mail:	Maxitrustcoltd@gmail.Com
Business Activity:	Mining & Precious Mineral Trading
Purpose Of Plan:	Plan To Serve as A Blueprint for The Operational Implementation and Seek Additional Financial Support to Expand & Facilitate Organizational Development.
Capital Needed:	US\$ 500,000 (\$0.5m)
Net Present Value:	US\$ 23,181,818
IRR & ROI:	76% & 226% Respectively
Payback Period:	5 Years
Profitability Index :	8.73



Maximum Trust Company Ltd

Your success is our priority

1. Executive Summary

Maximum Trust Company Limited is currently seeking a capital injection of **\$500,000** to expand its operations in mining support logistics and social development, particularly in Ghana's rapidly growing mining and construction sectors. The company aims to utilize the funds to acquire essential high-end heavy machinery, such as tipper trucks, flatbed trailers, and excavators, which will increase its operational capacity to meet rising demand.

Key Details:

- **Amount Requested:** \$500,000 million
- **Purpose:** To purchase additional machinery to support logistics and haulage operations, primarily in the mining and construction sectors.
- **Collateral:** The company offers its expanded fleet of heavy-duty vehicles and machinery, along with its existing assets as collateral for the loan. The company has a Standby Letter of Credit (SBLC) & Bank Guarantee as requested or required.
- **Repayment Ability:** With a projected net present value of **\$23,181,818**, an internal rate of return (IRR) of **76%**, and a payback period of **5 years**, the company is well-positioned to meet its financial obligations. Revenue is expected to grow by 10% annually, starting from **\$7.3 million** in the first-year post-investment.

- **Profitability Index:** The profitability index of **8.73** underscores the project's potential to generate substantial returns, indicating that for every \$1 invested, \$8.73 will be earned.

Transaction Summary:

The company plans to repay the loan over a period of **5 years** with plough-back payments and through reserved retained earnings. Cash flow projections indicate strong financial performance, and the company has secured ongoing contracts in the mining and construction sectors, ensuring steady revenue streams.

The Plan:

The acquisition of new machinery will allow Maximum Trust to enhance its services, secure new contracts, and increase market share. By reducing reliance on outsourced equipment, operational costs will decline, further improving profitability and operational efficiency. The investment will also support the company's long-term vision of becoming a leader in Ghana's haulage and logistics industry.

2. Project Overview

Ghana, located in West Africa, is one of the continent's leading producers of precious minerals, wood and other agricultural products. The country has a rich history of mining and commodity trading those dates back centuries. The country's mining, manufacturing and construction industry is a significant contributor to its economy, providing substantial revenue through the extraction and trading of resources such as gold, diamonds, bauxite, manganese, timber and more recently, crude oil.

2.1 Industry Overview

Ghana's mineral support, logistics, and commodity trading industry is a key pillar of the country's economy, driven largely by its rich mineral resources, particularly gold, manganese, bauxite, and diamonds. The industry encompasses a range of services, including the provision of equipment, transportation, and logistical support to mining, manufacturing, and construction companies. The logistics sector is critical for the smooth operation of the mining industry, ensuring the efficient movement of raw materials, equipment, and personnel across vast mining and production areas.

This industry also facilitates the global trade of commodities like precious minerals and timber, with Ghana being one of Africa's top exporters. As mining continues to expand, the demand for robust logistics and commodity trading services grows, presenting opportunities for investment, development, and enhanced supply chain management. Ghana's manufacturing support, logistics, and commodity trading industry extends beyond traditional manufacturing activities and supply of treated wooden poles for telecommunication network extensions. With the growing demand for telecommunication infrastructure due to rapid urbanization, expanding rural connectivity, and the increasing digitalization of the economy, the wooden poles sector has become a crucial part of the country's industrial landscape.

The Haulage, Transport, and Logistics industry in Ghana is a rapidly growing sector, driven by the country's strong mining and construction activities. As Ghana continues to develop its infrastructure and extract its rich mineral resources, the demand for transport and logistics services has seen significant growth. The mining sector, a key

pillar of Ghana's economy, requires substantial haulage and logistics support to move heavy machinery, raw materials, and finished products. In addition, the country's expanding construction sector, including road, housing, and industrial projects, also depends on efficient transport and haulage services to meet growing demand.

The logistics sector in Ghana has been boosted by increasing foreign direct investment, government initiatives aimed at infrastructure development, and growing international trade. However, to meet the increasing demand for services in the mining and construction sectors, companies need to invest in advanced machinery, including tipper trucks, flatbed trailers, and excavators. These investments will enhance the operational capacity of logistics companies, enabling them to handle large-scale projects and meet deadlines, which is critical in the competitive marketplace. As the economy grows and major infrastructure projects continue to emerge, the demand for haulage services is expected to rise, presenting significant opportunities for growth and expansion in the industry.

2.2 Business Overview

Maximum Trust Company Limited is a limited liability company incorporated under the laws of the Republic of Ghana, specializing in the provision of consultancy services and operational support in the Haulage, Transport, Logistics, and Social Development sectors. With a deep understanding of the logistics needs in Ghana's mining and construction industries, the company has positioned itself as a trusted partner for delivering high-quality services tailored to large-scale projects.

The company has built a solid reputation by offering comprehensive consultancy and logistical solutions, ensuring that clients meet their operational goals efficiently. The company provides specialized services such as heavy-duty equipment haulage, project transportation, and operational consultancy to support clients in executing mining, manufacturing and construction projects. With a track record of successful project executions and increasing demand for its services, Maximum Trust Company is poised for further expansion.

In response to the current increase in demand, the company seeks a US\$ 10 million investment to finance the procurement of tipper trucks, flatbed trailers, and excavators to enhance its fleet. The acquisition of these fixed assets is crucial for expanding the company's capacity to meet ongoing and future contracts, particularly in the mining and construction sectors. This strategic investment will position Maximum Trust Company Limited as a leader in the haulage and logistics industry in Ghana, allowing it to fully capitalize on the growing demand for these critical services.

3. Strategies Implemented by Maximum Trust Company Limited

Corporate Strategy:

Maximum Trust Company Limited's Corporate strategy encompasses the entity's corporate actions to achieve its objectives while achieving a competitive advantage over other companies. The long-term vision of the business is to increase profitability and motivate the workforce to increase stakeholders' value and satisfaction. At the hem of our corporate strategy are growth and expansion strategy, cost leadership and product differentiation. With a Cost leadership strategy, we provide high-quality

products and services at the market price, thereby being competitive and realizing a volume of sales and revenue that allows us to be one of the leaders in the industry.

With our Product Differentiation Strategy, we offer a unique value proposition to our clients and investors by managing products and services to differentiate us from the competition to gain a competitive edge, thereby realizing higher profits. All these strategies help us to realize the Growth Strategy of the business including entering new markets and increasing or diversifying existing ones to enjoy economies of scale.

Business Strategy:

The business strategy adopted by our management team takes into account the market, competitors and the business environment, as well as the company's structure, strengths and weaknesses. This business strategy is flexible, adaptable and anchored in up-to-date research to handle change. The leadership vision, business culture, marketing strategy, management, resources and systems have all been incorporated as 4 key elements in this business plan to achieve and realize the business strategy.

- 1. *Financial Sustainability:*** We are proud to produce and trade high-quality materials for our cherished clients. Nevertheless, we structure our services in such a way that enough revenue is generated for investment in our company to meet present and future financial obligations.
- 2. *Social Sustainability:*** The prices of our products and services are set at market prices to attract more clients and mineral dealers across the globe. The company also offer quality goods and services allows fair wages for our employees and creates value for investors.

3. **Ecological Sustainability:** The environmentally-friendly nature of our operations is very important to us and we try to show and communicate this to our stakeholders. For any investment, environmental factors such as energy and water consumption are an integral part of planning. Aspects such as environmental protection, the reduction of waste, waste separation and energy-saving operations are analyzed in daily business and optimized.
4. **Functional Strategy:** Functional business strategies seek to improve the implementation of business and corporate strategies and these include marketing strategies and human resources strategies. The marketing strategies of the project involve decisions relating to pricing, advertising and allocation of resources. The aim is to increase market share, venture into newer markets, penetrate existing markets and launch new products and services. These marketing strategies align with the vision and objectives of the business.

3.1 Rationale for the Capital Injection

Maximum Trust Company Limited is currently experiencing increased demand for its haulage, transport, and logistics services, particularly in the mining, manufacturing and construction sectors. To fully capitalize on the expanding opportunities in these sectors, the company requires a capital injection of US\$10 million. This funding will be used to procure key fixed assets, including tipper trucks, flatbed trailers, processing machines and excavators to enhance organizational service capacity and meet the growing demand from current and prospective clients or contracts.

The rationale behind seeking this capital injection is rooted in the company's strategic growth objectives and the broader industry trends that signal the need for operational expansion. Below are some key justifications for this investment.

1. Increasing Demand in the Mining and Construction Sectors

Ghana's mining and construction industries have been experiencing robust growth due to increased infrastructure development, urbanization, and the country's rich natural resources. The mining sector, which contributes significantly to the country's GDP, demands efficient haulage and transportation services to move heavy machinery, raw materials, and minerals. Similarly, the construction sector, driven by both private and government investments in infrastructure projects, is in constant need of reliable transport and logistics solutions for materials and equipment.

Maximum Trust Company has already secured contracts in both sectors and is witnessing rising demand for its services. To meet this demand and maintain its position as a trusted partner for large-scale projects, the company needs to expand its fleet of vehicles and heavy-duty machinery. The capital injection will enable the acquisition of more tipper trucks, flatbed trailers, and excavators, which are essential for fulfilling existing contracts and taking on new ones. This investment will increase the company's capacity to deliver on time and enhance its competitive edge in the market.

2. Expansion of Operational Capacity

The company's current fleet, while reliable, is not sufficient to meet the projected increase in workload. The additional excavators, processing machines, tipper trucks

and flatbed trailers will allow Maximum Trust Company to transport larger volumes of materials and equipment, ensuring timely project execution and better operational efficiency. The acquisition of excavators is also critical, as these machines will allow the company to offer more comprehensive solutions to its clients, particularly in the mining sector where excavation is a key component.

The procurement of these fixed assets will enable Maximum Trust Company to diversify its service offerings, making it more versatile and adaptable to the specific needs of each project. By expanding its operational capacity, the company will be better positioned to manage multiple large-scale contracts simultaneously, thereby increasing its revenue streams and profitability.

3. Meeting Existing Contractual Obligations and Leveraging Future Opportunities

Maximum Trust Company currently has several ongoing contracts that require the use of heavy-duty machinery. Without the necessary equipment, there is a risk of project delays or an inability to meet contractual obligations, which could damage the company's reputation and result in financial penalties. The capital injection will ensure that the company can not only meet its existing obligations but also take advantage of future opportunities in the mining and construction sectors.

Additionally, the company anticipates further growth as Ghana continues to invest in infrastructure and mining activities. By securing the necessary capital to invest in new machinery, Maximum Trust Company will be well-positioned to bid for and secure more lucrative contracts in the near future, thereby strengthening its market position.

4. Boosting Operational Efficiency and Reducing Costs

One of the key benefits of procuring additional tipper trucks, flatbed trailers, and excavators is the potential for improved operational efficiency. Currently, the company may need to outsource certain services or lease equipment to meet client demands. This not only increases operational costs but also reduces profit margins. Owning additional assets will reduce the need for outsourcing and eliminate leasing expenses, allowing the company to retain more of its earnings and improve its bottom line.

In addition, having the necessary machinery on hand will allow the company to plan and execute projects more efficiently, reducing delays and improving turnaround times. This improved efficiency will enhance customer satisfaction and position Maximum Trust Company as a reliable service provider in the industry, encouraging repeat business and long-term partnerships.

5. Sustaining Competitive Advantage in a Growing Market

The logistics and haulage industry in Ghana is competitive, with many companies vying for a share of the lucrative contracts in the mining and construction sectors. To maintain and enhance its competitive advantage, Maximum Trust Company seeks to continuously invest in its operational capabilities. The acquisition of new tipper trucks, flatbed trailers, and excavators will provide the company with the tools needed to outpace its competitors and deliver superior services.

By positioning itself as a company with the capacity to handle large-scale projects with efficiency and professionalism, Maximum Trust Company will attract more high-value contracts, thereby ensuring sustained growth and profitability. This capital injection will play a crucial role in securing the company's long-term success in the industry.

6. Mitigating Risks through Diversification

In the haulage and logistics industry, reliance on a limited number of contracts or sectors can be risky, especially during economic downturns or shifts in market demand. By expanding its fleet and service capabilities, Maximum Trust Company will be able to diversify its portfolio of clients and contracts. This diversification will help mitigate the risk of over-reliance on any single contract or client and provide more stability in its revenue streams.

Moreover, having a broader asset base will allow the company to explore new opportunities beyond its current scope, such as venturing into other logistics sectors or offering additional services like equipment rental or contract excavation. This will enhance the company's resilience against market fluctuations and economic changes.

The capital injection of US\$10 million is essential for Maximum Trust Company's continued growth and success. By investing in tipper trucks, flatbed trailers, and excavators, the company will enhance its operational capacity, improve efficiency, and meet the rising demand for haulage and logistics services in Ghana's thriving mining and construction sectors. This strategic investment will not only ensure the company's

ability to meet existing and future contracts but also position it as a leader in the industry, driving long-term profitability and sustainable growth.

4. Our Vision Statement

To be the leading provider of innovative and reliable haulage, transport, and logistics solutions in Ghana, driving sustainable development in the mining and construction sectors while delivering excellence, efficiency, and growth through cutting-edge technology and world-class service.

4.1 Our Mission Statement

Our mission is to deliver exceptional haulage, transport, and logistics services by leveraging advanced equipment, skilled personnel, and innovative solutions to meet the evolving needs of the mining and construction industries. We are committed to operational excellence, sustainability, and creating value for our clients, partners, and communities across Ghana.

4.2 Our Core Values

At its core, the project holds the following values

1. Eco-friendly Operations
2. Exceptional Products
3. Integrity and Respect
4. Teamwork and Passion
5. Continuous Perfection and High Clients Satisfaction.

4.3 Our Specific Objectives

1. Increase the company's fleet by acquiring additional tipper trucks, flatbed trailers, and excavators to meet growing demand in the mining and construction sectors.
2. Improve efficiency in haulage and logistics services through the adoption of modern technologies and advanced equipment to reduce operational delays and enhance client satisfaction.
3. Secure a larger share of Ghana's mining and construction haulage market by diversifying service offerings and expanding into new geographic regions.
4. Implement environmentally sustainable practices in all operations, ensuring compliance with environmental regulations and contributing to Ghana's sustainability goals.
5. Build long-term partnerships with key clients through exceptional service delivery, timely execution of contracts, and consistent communication.
6. Optimize operational costs and improve profit margins by reducing the need for equipment outsourcing and leasing, while increasing operational efficiency through fleet expansion.
7. Invest in the training and development of staff to enhance their technical skills and ensure safe, efficient operations of equipment and machinery.
8. Explore new business opportunities, such as equipment leasing, contract excavation, and logistics consulting, to reduce reliance on core sectors and increase revenue streams.

9. Strengthen financial management practices to ensure timely loan repayment, maintain cash flow stability, and reinvest profits for future growth.
10. Position the company as a leader in Ghana's haulage and logistics industry by continuously improving service standards, expanding capacity, and maintaining operational excellence.

4.4 Our Services and Product Offering

1. Mining Support & Haulage:

Specialized transportation of heavy-duty equipment and raw materials for the mining industry. Providing mining support services such as on-site haulage of minerals, aggregates, and waste materials. Comprehensive logistics solutions for mining operations, including material transport and equipment delivery to remote mining sites.

2. Commodity Trading:

Trading and distribution of essential commodities, including raw materials, construction goods, and industrial supplies for the mining and construction sectors. Sourcing and supplying key materials to meet the growing demand in local and international markets.

3. Producing & Processing Woods:

Production and processing of wood products for construction, manufacturing, and telecommunication sectors (e.g., wooden poles for telecommunications and building

materials). Supplying treated and processed timber to meet client specifications and project needs.

4. Haulage and Transport Services:

Transportation of bulk materials such as sand, gravel, minerals, and aggregates for the construction and mining sectors. Delivery of heavy-duty equipment to various project sites across Ghana, ensuring timely and efficient service.

5. Logistics & Supply Chain Management:

Offering full-scale logistics management, including transport planning, coordination, and optimization of supply chains. Supply chain management for various industries, ensuring the efficient movement of goods and materials from suppliers to project sites.

6. Equipment Leasing:

Leasing of heavy-duty machinery such as tipper trucks, flatbed trailers, excavators, and other essential equipment for construction and mining projects. Providing short- and long-term equipment rental solutions to meet project-specific demands.

7. Consultancy Services:

Expert advisory services in haulage, logistics, and transport management, helping clients optimize operations for greater efficiency. Offering project support and consultation on mining, construction, and social development projects.

8. Excavation and Earthmoving Services:

Earthmoving and excavation services for mining and construction projects, including site preparation, road construction, and large-scale excavation tasks. Providing specialized services for mining pit excavation and heavy-duty earthmoving operations.

9. Social Development Projects:

Supporting and engaging in social development initiatives, including infrastructure projects, community development, and corporate social responsibility (CSR) activities. Partnering with government and NGOs to implement programs that benefit local communities and contribute to sustainable development.

10. Material Supply and Delivery:

Supplying essential building and construction materials, including cement, steel, and timber, to various project sites. Ensuring the timely and efficient delivery of materials for large-scale infrastructure and development projects.



Sample Scania Tipper Truck Required for Operations

5. SWOT Analysis

A SWOT analysis is a framework that is used to analyze the project's competitive positioning in its business environment and this involves the identification of its internal Strengths (S) and Weaknesses (W) followed by the identification of the Opportunities (O) and Threats (T) it faces from its external business environment. Because of that, we were able to take stock of our strengths, our weaknesses, our opportunities and also the threats that we are likely to be exposed to in our business activities.

Strengths:

1. Diverse Service Offerings:

The company provides a wide range of services, including mining support, haulage, commodity trading, logistics, and social development projects, allowing it to cater to various client needs and market demands.

2. Established Reputation:

Maximum Trust Company has built a solid reputation for reliability and quality in the haulage and logistics industry, fostering trust among clients in the mining and construction sectors.

3. Strategic Location:

Located in Ghana, the company is strategically positioned to access key mining and construction projects, benefiting from proximity to major resource-rich areas and infrastructure development initiatives.

4. Experienced Workforce:

The company employs skilled professionals with extensive experience in logistics, transport, and project management, enhancing operational efficiency and service delivery.

5. Strong Financial Position:

With ongoing contracts generating revenue and a clear plan for investment through the proposed capital injection, the company is well-positioned for growth and expansion.

Weaknesses:

1. Dependency on Key Clients:

A significant portion of revenue may come from a limited number of major clients, creating vulnerability if any of these clients reduce orders or terminate contracts.

2. Limited Financial Reserves:

While the company has a healthy revenue stream, it may face cash flow constraints during periods of increased operational expenses or unforeseen delays in contract payments.

3. Operational Challenges:

The logistics and haulage industry can be impacted by unexpected equipment breakdowns and delays in transportation, which can affect service delivery and client satisfaction.

Opportunities:

1. Growing Demand in Mining and Construction:

The increasing demand for haulage and logistics services in Ghana's expanding mining and construction sectors presents significant growth opportunities for the company.

2. Technological Advancements:

Adopting new technologies, such as digital logistics platforms and fleet management software, can enhance operational efficiency and improve service delivery.

3. Expansion into New Markets:

The company can explore opportunities in neighboring countries or diversify into related sectors, such as renewable energy projects or infrastructure development.

4. Government Initiatives:

Government policies promoting infrastructure development and foreign investment in the mining sector can lead to increased project opportunities for Maximum Trust Company.

5. Corporate Social Responsibility (CSR):

Engaging in CSR activities can enhance the company's reputation and strengthen community relations, leading to increased goodwill and potential business partnerships.

Threats:

1. Intense Competition:

The haulage and logistics industry in Ghana is competitive, with numerous players vying for market share, which may lead to price wars and reduced profit margins.

2. Economic Fluctuations:

Economic downturns or fluctuations in commodity prices can affect the mining and construction sectors, leading to reduced demand for haulage and logistics services.

3. Regulatory Changes:

Changes in government regulations, environmental laws, and tax policies could impact operational costs and the overall business environment.

4. Supply Chain Disruptions:

Disruptions in the supply chain due to factors such as fuel price volatility, transportation delays, or material shortages can hinder the company's ability to meet client demands.

5. Technological Disruptions:

Rapid technological advancements may require ongoing investment in new systems and equipment, posing a challenge for companies that fail to adapt quickly.

The SWOT analysis highlights that Maximum Trust Company Limited possesses significant strengths and opportunities that can be leveraged for growth in the haulage,

transport, and logistics industries. However, it must also address its weaknesses and mitigate threats through strategic planning, investment in technology, and diversification of its client base and service offerings. By effectively navigating these dynamics, the company can enhance its competitive position and achieve long-term success in the market.

5.1 Competitive Advantage

Maximum Trust Company Limited's primary competitive advantage lies in its integrated service offering, which encompasses a diverse range of services, including mining support, haulage, commodity trading, logistics, and social development projects. This comprehensive approach allows the company to serve as a one-stop solution for clients in the mining and construction sectors.

By providing multiple services under one umbrella, Maximum Trust Company Limited can streamline operations, reduce coordination costs for clients, and enhance overall project efficiency.

Key Aspects of the Competitive Advantage:

1. Diverse Portfolio:

The ability to offer a wide array of services enables Maximum Trust Company Limited to attract a broader clientele and respond flexibly to the varied needs of the market. This diversification mitigates risk, ensuring that the company can maintain steady revenue streams even if demand fluctuates in specific sectors.

2. Strong Industry Expertise:

With a team of experienced professionals possessing deep knowledge of the logistics, mining, and construction industries, Maximum Trust Company Limited is well-equipped to provide high-quality consultancy and operational support. This expertise not only enhances service quality but also builds trust and credibility with clients.

3. Operational Efficiency:

The company's strategic investments in modern equipment, such as tipper trucks and excavators, enable it to operate with greater efficiency and reliability. This commitment to operational excellence ensures timely project execution, which is crucial in the competitive haulage and logistics market.

4. Established Relationships:

Maximum Trust Company Limited has cultivated strong relationships with key stakeholders, including mining companies, construction firms, and local communities. These relationships facilitate smoother operations, better communication, and enhanced collaboration on projects.

5. Commitment to Sustainability:

By prioritizing sustainable practices in its operations, such as responsible sourcing and environmental compliance, Maximum Trust Company Limited differentiates itself in a market increasingly focused on corporate social responsibility. This commitment not

only attracts environmentally conscious clients but also positions the company favorably within regulatory frameworks.

6. Adaptability to Market Changes:

The company's agility in adapting to market demands and economic conditions allows it to quickly capitalize on new opportunities. Whether it's expanding service offerings or entering new markets, Maximum Trust Company Limited is poised to respond effectively to the evolving needs of its clients.

In summary, Maximum Trust Company Limited's competitive advantage is anchored in its integrated service offering, strong industry expertise, operational efficiency, established relationships, commitment to sustainability, and adaptability. These factors combine to position the company as a leading provider of haulage, transport, and logistics solutions in Ghana's dynamic mining and construction sectors, enabling it to achieve sustained growth and profitability.

6. Sales and Marketing Strategy

Having the right strategies in place that will boost the awareness of our facility, and also create a positive corporate identity for our brand is very vital. Doing business without advertising is like winking at a girl in the dark; you know what you are doing but no one does. This is because the more we publicize our facilities, the more people become aware and the more we generate revenue for our business.

Publicity is a very powerful marketing tool in doing business which is why the management is taking it seriously through engaging in substantial community growth

programs. To create a corporate identity, we have studied the market to know what rightly suits our business and also how much we need to set aside for our publicity strategies. We plan to continue using corporate social responsibility as a developmental tool in creating the perfect brand for our products.

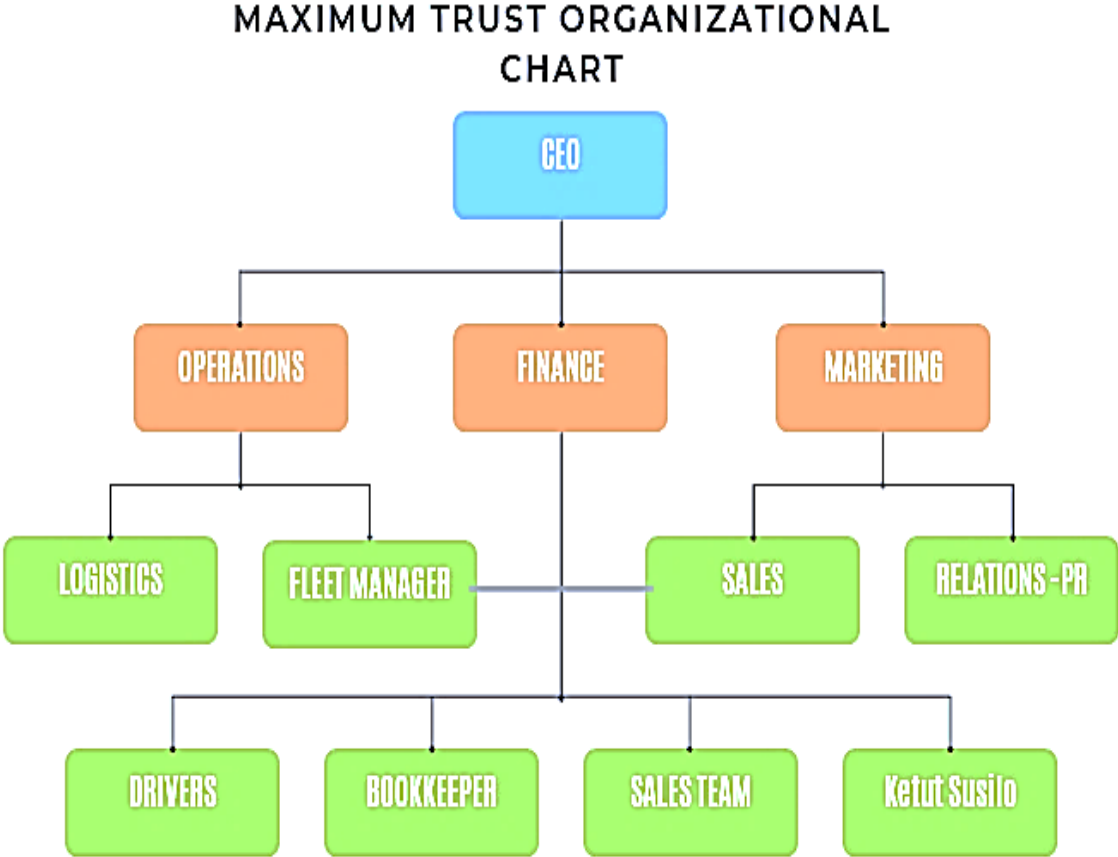
6.1 Marketing Intelligence

The Management understands that marketing is the management discipline and organizational function responsible for understanding and conditioning the target market so clients desire and prefer our business' offerings over that of the competition. Our marketing goal is to create the conditions necessary so that our target market is more receptive to patronizing our products and becoming loyal. We shall observe the need-to-know clients intimately and the factors that influence their decision-making. This critical step is aimed at creating a successful marketing strategy. The marketing arm of the project shall be made to make effective use of market intelligence data to inform management on policies and strategies for value creation.

7.0 Our Business Structure

The organizational structure for Maximum Trust Company Limited is designed to support its diverse service offerings and ensure efficient operations across its various divisions. The structure is hierarchical and functional, allowing for clear lines of authority and responsibility while promoting collaboration among departments. As a matter of priority, we have decided to create a structure that will allow for easy growth for all

our employees and also, and we have created platforms that will enable us to attract some of the best hands in the industry.



7.1 Roles and Responsibilities

Managing Directors:

Are responsible for the overall strategic direction, company policies, and decision-making. They represent the company to stakeholders, clients, and regulatory bodies.

Operations Manager:

Oversees the day-to-day operations of the company, ensuring that all services are delivered efficiently. They manage logistics, transport, and equipment utilization.

Logistics Manager:

Coordinates logistics and supply chain operations, ensuring timely delivery of services and materials. They also manage relationships with suppliers and clients for seamless operations.

Fleet Manager:

Responsible for maintaining the company's fleet, including tipper trucks and excavators. Ensures vehicles are operational, serviced, and compliant with safety regulations.

HR Manager: Manages human resources functions, including recruitment, training, and employee relations. Develops policies and programs to promote employee engagement and retention.

Accountant:

Manages daily accounting tasks, including accounts payable/receivable, payroll, and financial record-keeping. Prepares financial statements and assists with audits.

Marketing Manager:

Develops and implements marketing strategies to promote the company's services and brand. Conducts market research and analyzes trends to identify opportunities.

Sales Manager:

Leads the sales team in acquiring new clients and managing existing client relationships. Develops sales strategies and sets performance targets.

Public Relations & Communications Manager:

Responsible for public relations and communications strategy. Manages media relations, company branding, and community engagement initiatives.

Mechanics & Drivers:

Operate and maintain company vehicles, ensuring safety and compliance with regulations. Drivers transport goods and equipment to project sites.

8. Interpretation of The Business Plan Financial Worksheet

The financial plan of a project is central to the decision-making process of investors and financiers, serving as a basis for their strategic investment decisions. Effective financial planning is essential for any project, ensuring that a business entity can raise the necessary funds to establish, complete, and successfully operate the project. Additionally, it helps in understanding the project's cash flows once it becomes operational, contributing to its overall success.

ASSUMPTIONS

1. Financing Plan

From the financing plan, the Total additional capital that will be required from financiers to be injected into the operation of the company is **US\$10,000,000**. The company primarily generates revenue from providing mining, construction and manufacturing support services to organizations. Due to the diverse nature of the business operations, other incomes are expected to be generated from other secondary activities like providing consulting services and renting out machines.

2. Cash Flow Projections: Inflows:

The revenues from operations are projected based on the company's audited historical data from 2021 to the third quarter of 2024. With the introduction of US\$10m, the revenue is expected to increase due to the acquisition of tanker truck, high-end excavators, tipper and hauling trucks, wood processing and impregnation machine, etc. The company is expected to generate US\$7.3m revenue in year 1 after the additional capital injection. The total annual revenue is expected to increase by 10% yearly while reaching up to US\$10.6m in the 5th year.

3. Projected Income Statement:

This is the Statement which represents the Profit or Loss position of the project and other Comprehensive Income for the 5-year periods. Details of the Cost of Earnings, Administrative & General Expenses, and legal and other operational costs can be found in Appendix 4 and 5. Other supporting information such as Projected Statement of Financial Position, Total Cost estimation, Investment Cost, Financing Cost, Financing

Plan, Ratios Interpretation and Break-even Analysis can be referred from Appendix 6, Appendix 3, Appendix 2, Appendix 7 and Appendix 8 in the Projected Worksheet under the Business Financial Plan.

4. All other factors such as internal and external issues, environmental issues, government policies, climate and weather conditions, economic decisions, global pandemics like COVID-19 in correlation with economic growth, and stability were considered in these projections. The current exchange rate of the dollar is GH¢16 as at 10th October 2024.

5. Cash Management:

With the prudent and judicious measurement of cash utilization following this plan, we believe the required investment fund of \$10 million will be 100% utilized. This is shown in **Appendix 3** as the financing plan. The financial statement shows that 80% of the loan will go into acquiring fixed assets and the remaining 20% will go into financing operational expenses.

6. Payback Period:

Based on the Cash flow projections, if extreme contingency issues come up, it should take the project up to 3 years to pay back the loan with interest or returns. But to hold enough profit for organizational development, the company plans to pay the loan in full by 5th year to ensure there is enough retained earnings to expand and sustain business operations.

7. Net Present Value (NPV), and Internal Rate of Return (IRR)

The Net Present Value (NPV) over the 5 years if discounted at 10% is **US\$23,181,818**. This amount of NPV suggests that the project is by far more worthwhile than bank savings or the purchase of Treasury Bills at current rates. The Internal Rate of Return (IRR) of 76% indicates that the business is expected to generate an annual return of 76% over the investment's lifetime.

The overall picture depicted by the ratio analysis is that the project— the underlying assumptions in this report holding— is a low-risk investment, as the business would have enough net tangible assets and could generate more than enough cash flows to secure the financiers' investment interest in the project. The Return on Investment (ROI) was **226%** indicating a low possibility of Risks on the Investment. The Profitability Index (PI) is 8.73 which implies the project is very profitable and viable.



8. Sensitivity Analysis

The sensitivity analysis was carried out based on three scenarios to investigate:

- a. The effect of a 20% increase in operational cost
- b. The effect of a 20% reduction in revenue generation
- c. The combined effect of a 20% increase in operational cost and a 20% reduction in revenue.

The analysis shows that business operations are more sensitive to a 20% drop in sales than a 20% increase in cost. In the event of the two conditions happening at the same time, the business would still be quite profitable with a positive NPV of US\$ 20,330,000.

9. Risk Assessment and Evaluation

In executing projects of this nature, risk assessment, Monitoring & Evaluation and Prudent Project Management tools are keys for implementation. We believe the strategic plan constituted in this very report will be financially viable to cover its expenses without Liquidation or worn-out (insolvency). We, henceforth, recommend the Business Plan to grantors, lenders and investors without any hesitation.

1. Depreciation and Asset Lifespan

Heavy equipment like excavators and tipper trucks depreciate over time. Inaccurate forecasting of the equipment's useful life or resale value could affect financial projections and the company's ability to generate sufficient returns to cover loan repayments.

Mitigation: The company plans to keep proper maintenance schedules and equipment management protocols to ensure prolonged asset life and operational efficiency. The company will purchase insurance packages for the equipment to protect them against unforeseen damages or losses.

2. Equipment Downtime or Breakdowns

Any unplanned downtime due to breakdowns or accidents can lead to operational delays, potentially impacting contract fulfillment and cash flow.

Mitigation: The company plans to implement a preventive maintenance plan and secure maintenance contracts with service providers to minimize downtime. The organization have employed experienced maintenance officers to service trucks to reduce and control breakdowns.

3. Reliance on Current Contracts

With increasing revenues from ongoing contracts, Maximum Trust Company Limited relies on the continuous execution of these agreements to ensure cash flow for loan repayments. Delays or cancellations of contracts can affect revenue.

Mitigation: The organization has diversified client base and secure additional contracts to minimize dependency on a few major clients. Maximum Trust Company Limited plan has proper contract management and legal measures in place to protect against contract breaches or cancellations.

4. Payment Delays from Contracts

Payment delays from clients could strain cash flow, affecting the company's ability to service the loan on time.

Mitigation: Maximum Trust Company Limited has strengthened payment terms within contracts to maintain a reliable cash reserve to handle short-term payment delays to reduce this risk.

5. Fluctuations in Demand for Haulage and Mining Services

Market demand for haulage and mining services can fluctuate due to economic downturns, which could reduce the number of new contracts and impact the company's revenue.

Mitigation: Maximum Trust Company Limited monitors industry trends and adjust its service offerings as necessary. The company explores long-term contracts and diversify into other related sectors to buffer against market fluctuations.

6. Inflation and Rising Costs

Inflation and increases in fuel, maintenance, and labor costs could erode profitability and make it harder for the company to meet loan repayments.

The company Regularly adjust pricing models and negotiate favorable terms with suppliers for fuel and spare parts to help manage rising costs. Accountants always including inflation contingencies in financial projections to reduce risk.

Maximum Trust Company Limited plans to establish a loan repayment reserve from ongoing contracts and allocate a portion of the company's revenue for loan servicing.

Additionally, the company has enhanced working capital management to ensure there's always enough liquidity for operations and loan repayment.

7. Compliance with Environmental and Safety Regulations

Operating heavy machinery comes with environmental and safety responsibilities. Failing to comply with relevant regulations could result in fines or operational shutdowns.

Mitigation: Maximum Trust Company Limited ensures that all equipment complies with regulatory standards, and that employees are well-trained in safety practices and procedures will reduce this risk. There are Regular audits and inspections to stay in line with legal requirements.

The risks associated with the loan and asset purchase are manageable with proper mitigation strategies. NKB & Lionxu ' strong contract base and the company's potential for increased profitability provide a solid foundation for taking on this loan. By implementing maintenance programs, diversifying contracts, maintaining a cash reserve, and adhering to regulatory standards, the company is poised to confidently manage these risks involved and ensure timely repayment of the loan and all financial obligations.

10. Financial Obligation

The expected capital injection of **US\$10,000,000** will take less than a 5-year payback period with plough-back payments of **10% interest rate** per year (negotiable). The project is expected to pay financiers annually to cover the

interest and the principal in the 5th year. The company plans to settle all financial responsibilities on time to gain the trust of stakeholders.

11. Monitoring & Evaluation

Based on the spreadsheet analysis and sensitivity analysis, the Monitoring & Evaluation (M&E) predictions indicate that investing in the project is profitable. The input variables are expected to be significant, yielding substantial impact and outcomes for the business and ensuring financial sustainability for investors and banks. Monitoring and Evaluation (M&E) is an essential part of the project to ensure compliance with regulatory and safety standards, reducing risks of accidents and legal issues. It enhances operational efficiency by identifying inefficiencies, allowing for productivity improvements and cost reductions. M&E will help to foster accountability and transparency within the organization by establishing performance indicators and reporting mechanisms, and maintaining stakeholder trust. Overall, adequate M&E will contribute to sustainable and profitable mining operations through compliance, efficiency, financial performance, environmental management, risk mitigation, accountability, strategic planning, and community relations.

12. Conclusion

In executing projects of this nature, risk assessment, Monitoring & Evaluation are key managerial tools for project management implementation. We believe the strategic plan constituted in this very report is financially viable to cover its expenses without Liquidation or worn-out (insolvency) if management considers the analysis in their decision-making.

APPENDIX 1

MAXIMUM TRUST COMPANY LIMITEDBUSINESS PLAN - FINANCING PLAN WORKSHEET

STATEMENTS OF BUDGETED CAPITAL RETURNS AND PAYMENTS

PROJECTED CASH FLOWS FOR THE PERIOD OF FIVE YEARS

	US\$	US\$	US\$	US\$	US\$	US\$
(A) <u>RECEIPTS (IN -FLOWS)</u>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Revenue from Operations	5,500,000	6,050,000	6,655,000	7,320,500	8,052,550	33,578,050
Other Incomes	1,800,000	1,980,000	2,178,000	2,395,800	2,635,380	10,989,180
Loan if Granted	10,000,000	-	-	-	-	10,000,000
TOTAL	17,300,000	8,030,000	8,833,000	9,716,300	10,687,930	54,567,230
(B) <u>PAYMENTS (OUT- FLOWS)</u>						
Oil Tanker Truck	200,000				-	200,000
10 Tipper Trucks	1,900,000				-	1,900,000
10 Flatbed Trailers	2,000,000				-	2,000,000
Wood Processing Machines	600,000				-	600,000
2 Excavators	1,200,000				-	1,200,000
2-Pickup Trucks	100,000				-	100,000
Shipment & Clearing charges (25%)	1,900,000				-	1,900,000
Loan Processing Fee @1%	100,000				-	100,000
Wages & Salaries	900,000	945,000	992,250	1,041,863	1,093,956	4,973,068
Administrative Expenses	115,000	120,750	126,788	133,127	139,783	635,448
Maintenance & Repairs	255,000	267,750	281,138	295,194	309,954	1,409,036
Consumables	2,500,000	2,625,000	2,756,250	2,894,063	3,038,766	13,814,078
Loan Principal Payments	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Loan Interest Payments	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
TOTAL	14,770,000	6,958,500	7,156,425	7,364,246	7,582,459	43,831,630
TOTAL RECEIPTS	17,300,000	8,030,000	8,833,000	9,716,300	10,687,930	54,567,230
TOTAL PAYMENTS	(14,770,000)	(6,958,500)	(7,156,425)	(7,364,246)	(7,582,459)	(43,831,630)
YEARLY SURPLUS	2,530,000	1,071,500	1,676,575	2,352,054	3,105,471	10,735,600
OPENING BALANCE	-	2,530,000	3,601,500	5,278,075	7,630,129	19,039,704
YEARLY BALANCE	2,530,000	1,071,500	1,676,575	2,352,054	3,105,471	10,735,600
CLOSING BALANCE	2,530,000	3,601,500	5,278,075	7,630,129	10,735,600	29,775,304

APPENDIX 2

MAXIMUM TRUST COMPANY LIMITED
BUSINESS PLAN - FINANCING PLAN WORKSHEET
COST ESTIMATION FOR FIVE FISCAL YEARS

<u>COST DETAILS</u>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Oil Tanker Truck	200,000	-	-	-	-	200,000
10 Tipper Trucks	1,900,000	-	-	-	-	1,900,000
10 Flatbed Trailers	2,000,000	-	-	-	-	2,000,000
Wood Processing Machines	600,000	-	-	-	-	600,000
2 Excavators	1,200,000	-	-	-	-	1,200,000
2-Pickup Trucks	100,000	-	-	-	-	100,000
Shipment & Clearing charges (25%)	1,900,000	-	-	-	-	1,900,000
Loan Processing Fee @1%	100,000	-	-	-	-	100,000
Wages & Salaries	900,000	945,000	992,250	1,041,863	1,093,956	4,973,068
Administrative Expenses	115,000	120,750	126,788	133,127	139,783	635,448
Maintenance & Repairs	255,000	267,750	281,138	295,194	309,954	1,409,036
Consumables	2,500,000	2,625,000	2,756,250	2,894,063	3,038,766	13,814,078
Loan Principal Payments	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Loan Interest Payments	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
TOTAL ANNUAL EXPENSES	14,770,000	6,958,500	7,156,425	7,364,246	7,582,459	43,831,630

INVESTMENT COST

<u>DETAILS</u>	US\$	US\$	US\$	US\$	US\$	US\$
	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
Loan Required	10,000,000	-	-	-	-	10,000,000
	10,000,000	-	-	-	-	10,000,000

FINANCING PLAN - SCHEDULES

(A) <u>RECEIPTS</u>						
Expected Capital Injections	10,000,000					10,000,000
Revenue from Operations						-
Other Incomes						-
	10,000,000					10,000,000
(B) <u>PAYMENTS</u>						
Oil Tanker Truck	200,000					200,000
10 Tipper Trucks	1,900,000					1,900,000
10 Flatbed Trailers	2,000,000					2,000,000
Wood Processing Machines	600,000					600,000
2 Excavators	1,200,000					1,200,000
2-Pickup Trucks	100,000					100,000
Shipment & Clearing charges (25%)	1,900,000					1,900,000
Loan Processing Fee @1%	100,000					100,000
Operational Expenses	2,000,000					2,000,000
TOTAL PAYMENTS	10,000,000	-	-	-	-	10,000,000
CLOSING BALANCE	-	-	-	-	-	-

APPENDIX 4

MAXIMUM TRUST COMPANY LIMITEDBUSINESS PLAN - FINANCING PLAN WORKSHEET

NOTES TO THE PROJECTED INCOME STATEMENT FOR FIVE FISCAL YEARS

PROJECTED INCOME FOR TEN FISCAL YEARS

<u>DETAILS</u>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
Revenue from Operations	5,500,000	6,050,000	6,655,000	7,320,500	8,052,550	33,578,050
Other Incomes	1,800,000	1,980,000	2,178,000	2,395,800	2,635,380	10,989,180
	7,300,000	8,030,000	8,833,000	9,716,300	10,687,930	44,567,230

DIRECT COST OF EARNINGSDETAILS

Consumables	2,500,000	2,625,000	2,756,250	2,894,063	3,038,766	13,814,078
Wages & Salaries	900,000	945,000	992,250	1,041,863	1,093,956	4,973,068
Maintenance & Repairs	255,000	267,750	281,138	295,194	309,954	1,409,036

TOTAL COST OF EARNINGS TRANSFER TO COMPREHENSIVE INCOME STATEMENT	3,655,000	3,837,750	4,029,638	4,231,119	4,442,675	20,196,182
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PROJECTED ADMINISTRATIVE EXPENSESDETAILS

Administrative Expenses	115,000	120,750	126,788	133,127	139,783	635,448
	115,000	120,750	126,788	133,127	139,783	635,448

APPENDIX 5

MAXIMUM TRUST COMPANY LIMITEDBUSINESS PLAN - FINANCING PLAN WORKSHEETPROJECTED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR FIVE FISCAL YEARS

	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4</u>	<u>YEAR 5</u>	<u>TOTAL</u>
Revenue	7,300,000	8,030,000	8,833,000	9,716,300	10,687,930	44,567,230
Cost of Earnings	(3,655,000)	(3,837,750)	(4,029,638)	(4,231,119)	(4,442,675)	(20,196,182)
Gross Profit	3,645,000	4,192,250	4,803,363	5,485,181	6,245,255	24,371,048
Administrative & Gen exps.	(115,000)	(120,750)	(126,788)	(133,127)	(139,783)	(635,448)
Profit from operations	3,530,000	4,071,500	4,676,575	5,352,054	6,105,471	23,735,600
Finance Cost	(2,500)	(3,000)	(3,200)	(4,000)	(4,500)	(1,073,560)
Profit before Tax	3,527,500	4,068,500	4,673,375	5,348,054	6,100,971	23,718,400
Taxation	(250,000)	(245,000)	(255,000)	(262,000)	(215,000)	(1,227,000)
Profit for the year	3,277,500	3,823,500	4,418,375	5,086,054	5,885,971	22,491,400
Comprehensive Income	3,277,500	3,823,500	4,418,375	5,086,054	5,885,971	22,491,400
Retained Earnings	3,277,500	7,101,000	11,519,375	16,605,429	22,491,400	

APPENDIX 6

MAXIMUM TRUST COMPANY LIMITED
BUSINESS PLAN - FINANCING PLAN WORKSHEET
PROJECTED STATEMENTS OF FINANCIAL POSITION
FOR FIVE FISCAL YEARS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<u>NON CURRENT ASSETS</u>					
Plant, Property & Equipment	5,200,000	5,300,000	5,400,000	5,500,000	5,600,000
<u>CURRENT ASSETS</u>					
Cash & Cash Equivalent	2,530,000	3,601,500	5,278,075	7,630,129	10,735,600
TOTAL ASSETS	7,730,000	8,901,500	10,678,075	13,130,129	16,335,600
<u>CURRENT LIABILITIES</u>					
Accounts Payable	100,000	95,000	90,000	85,000	80,000
Financed By:					
<u>EQUITY ACCOUNTS</u>					
Stated Capital	50,000	50,000	50,000	50,000	50,000
Retained Earnings	3,277,500	3,823,500	4,418,375	5,086,054	5,885,971
Directors Account	4,302,500	4,933,000	6,119,700	7,909,075	10,319,629
TOTAL CAPITAL & LIABILITIES	7,730,000	8,901,500	10,678,075	13,130,129	16,335,600

APPENDIX 7

MAXIMUM TRUST COMPANY LIMITED
BUSINESS PLAN - FINANCING PLAN WORKSHEET

BREAK-EVEN ANALYSIS

Break-Even refers to levels of operations at which a business entity neither makes profits nor sustains losses. It is a point at which revenue is just enough to cover expenses.

For stakeholders to understand and appreciate the inherent relationships among quantity or volume, costs and revenue, Break-Even Analysis is used to give a wholistic view of Maximum Trust Company Limited's operations. Broadly, the volume and cost estimates from the financial projections in the Appendices 1-6 assume the conditions below:

VARIABLE COST

	YEAR 1 US\$	YEAR 2 US\$	YEAR 3 US\$	YEAR 4 US\$	YEAR 5 US\$	TOTAL US\$
Consumables	2,500,000	2,625,000	2,756,250	2,894,063	3,038,766	13,814,078
Maintenance & Repairs	255,000	267,750	281,138	295,194	309,954	1,409,036
	2,755,000	2,892,750	3,037,388	3,189,257	3,348,720	15,223,114

FIXED COST

Maintenance & Repairs	255,000	267,750	281,138	295,194	309,954	1,409,036
	255,000	267,750	281,138	295,194	309,954	1,409,036

TOTAL COST

	YEAR 1 US\$	YEAR 2 US\$	YEAR 3 US\$	YEAR 4 US\$	YEAR 5 US\$	TOTAL US\$
Total Variable Cost	2,755,000	2,892,750	3,037,388	3,189,257	3,348,720	15,223,114
Total Fixed Cost	255,000	267,750	281,138	295,194	309,954	1,409,036
TOTAL COST	3,010,000	3,160,500	3,318,525	3,484,451	3,658,674	16,632,150

Fixed Cost	255,000	267,750	281,138	295,194	309,954	1,409,036
Cost of Earnings	3,770,000	3,958,500	4,156,425	4,364,246	4,582,459	20,831,630
Revenue	7,300,000	8,030,000	8,833,000	9,716,300	10,687,930	44,567,230
Break-Even Point in Revenue-	1,015,000	1,065,750	1,119,037	1,174,989	1,233,739	5,608,516
Break -Even - in -Profit Margin	4,290,000	4,869,500	5,514,475	6,231,849	7,029,256	27,935,080
Contribution Margin	3,530,000	4,071,500	4,676,575	5,352,054	6,105,471	23,735,600

FORMULAE

$$\text{BREAK-EVEN point in Revenue} = \frac{\text{FIXED COST}}{\text{REVENUE - VARIABLE COSTS}}$$

$$\text{Break-Even Revenue (GHC)} = \frac{\text{FIXED COSTS}}{\text{GROSS MARGIN}}$$

$$\text{Contribution Margin} = \text{TOTAL SALES REVENUE} - \text{COST OF EARNINGS}$$

INTERPRETATIONS OF BEP COMPUTATIONS

From the above BEP Analysis, the following financial interpretations are deduceable;

- 1) The Contribution Margin of the project is impressive from Year 1 through to Year 5 ranging from US\$3.53 million and US\$6.1 million. This represents a 5-year average Contribution Margin which contributes to offsetting the Fixed Costs.
- 2) In Year 1, at least about US\$4.29m revenue generated move up to break-even (Revenue=Expenditure). This Amount will appropriately cater for all the expenses within the period.
- 3) From Year 2 to 5, the BEP point and Value will eventually increase steadily from US\$1m to US\$1.2m. However, owing to the Law of Diminishing Returns inherent in services rendering industries, the project anticipates increment at diminishing rate from Year 5. The declining effects will however be mitigated by cost control management in the future. Meanwhile break even in revenue is estimated to increase marginally from the first year. The indication implies that , the business is in position to cover it expected expenses without seeking for any borrowings. It is profitable enough to meet its financial obligations.

MAXIMUM TRUST COMPANY LIMITED

APPENDIX 8

RATIO ANALYSIS TO THE FINANCIAL STATEMENT PROJECTIONS

PURPOSE

The purpose and importance of ratio analysis are to evaluate or analyze the financial performance of the firm in terms of Risk, Profitability, Solvency, and Efficiency. It helps us to compare the trends of two or more companies over a period of time or the patterns of growth of the same entity over several years

Ratio analysis based on the financial projections of the project will thus enable all stakeholders assess its future prospects in respect of:

- 1) Risk (Exposure and Management)
- 2) Profitability (Earnings and Sustainability)
- 3) Solvency (Ability to Borrow and Repay in time)
- 4) Efficiency (Judicious Use of Available Resources)

APPENDIX 8		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1) RISK RATIOS						
a) Leverage Ratio	=	2.00	1.90	1.80	1.70	1.60
b) Interest Coverage Ratio	=	13.94	37.97	27.87	22.74	19.65
c) Debt Service Coverage Ratio	=	35.28	42.83	51.93	62.92	76.26
2) PROFITABILITY RATIOS						
a) Gross Margin Ratio	=	21%	52%	54%	56%	58%
b) Net Profit Margin Ratio	=	20%	51%	53%	55%	57%
c) Working Capital Ratio	=	3,277,500	3,823,500	4,418,375	5,086,054	5,885,971
3) SOLVENCY RATIOS						
		Year 1	Year 2	Year 3	Year 4	Year 5
a) Current Ratio		33	40	49	60	74
b) Quick Ratio		33	40	49	60	74
c) Cash Ratio		25	38	59	90	134
4) EFFICIENCY (JUDICIOUS USE OF AVAILABLE RESOURCES)						
a) Return on Investment Ratio	=	70.55	81.37	93.47	106.96	122.02

INTERPRETATIONS OF RATIOS

1) RISK (EXPOSURE AND MANAGEMENT)

These ratios measure the extent to which the business is exposed to risks. The financial commitments of a business to its capacity to meet those obligations when necessary are basically what risk ratios assess. From the above, Maximum Trust Company Limited is adequately positioned to meet these commitments.

a) Debt Service Coverage Ratio

This seeks to measure the ability of the entity to repay both the loan principal and interest. The results above indicate a business that is well grounded to pay both interest and principal on the bank loan timely and without struggle since the ratio increases from 35.28 to 76.26 over 5 years.

2) PROFITABILITY (EARNINGS AND SUSTAINABILITY)

These are the accounting ratios that measure the firm's ability to generate enough revenue to attain profits and thus sustain the business into the future. Without enough profits, the entity cannot survive. These ratios compare the performance using profits over the years.

a) Gross Margin Ratio

The Gross Margin ratio measured the percentage of total sales that is available after deducting operating expenses but before misusing general administrative expenses. The impressive increments represent good news for all stakeholders of the project including banks or financiers. The margin increases from 21% to 58% over the 5 years period.

b) Net Profit Margin Ratio

This also measured Net profit to Total Sales just like Gross Profit Margin. There exists a potential for an increasing trend from 20% to 57% over the 5 years which represents a positive result for the project.

c) Working Capital Ratio

Working is the difference between the firm's total current assets and total current liabilities. It shows the entity's ability to survive for one more financial year. It implies that if the business was to be liquidated, the current assets will be enough to pay off current liabilities without any hurdle. The working capital increases from US\$3.28m to US\$5.89m over the period of 5 years.

3) SOLVENCY (ABILITY TO BORROW AND REPAY IN TIME)

These ratios measure how liquid the business is by comparing the current assets to current liabilities.

a) Current Ratio

This assesses the ability of the business's current assets to settle mature current liabilities. The higher the ratio, the better for the company and its stakeholders. The results above show the business is very liquid and will use its current assets to pay more than 33 to 74 times its current liabilities.

b) Quick Ratio

This assesses the ability of the business's current assets to settle mature current liabilities after excluding the inventory for current assets. The higher the ratio, the better for the company and its stakeholders. Sometimes it may be difficult to readily convert inventory to cash in desperate times, this ratio removes that uncertainty by excluding inventory from current assets before computing the ratio. The results are better for services.

c) Cash Ratio

Cash and Cash Equivalents are the most liquid of the business assets which are readily available for use at any point in time. This ratio uses only that to measure the firm's ability to pay its current liabilities using only the cash at the firm's disposal. The computations above are indicating the firm is well prepared and handles all current liabilities using only cash and cash equivalents with a cash ratio of 25 to 134 times over the 5-year period.

4) EFFICIENCY (JUDICIOUS USE OF AVAILABLE RESOURCES)

These ratios measure how well the firm is using the resources available to attain maximum returns

a) Return on Investment Ratio

The results show positive returns on Investment. It means any investor who anticipates good use of his investment should choose the project. The rate ranges from 70.55% in the first year and increases to 122.02% in the 5th year of operations.

FORMULARS

1) RISK (EXPOSURE AND MANAGEMENT)

$$\text{a) Leverage Ratio} = \frac{\text{Total Liabilities}}{\text{Net Worth}}$$

$$\text{b) Interest Coverage Ratio} = \frac{\text{PBIT}}{\text{Principal} + \text{Interest Payments}}$$

$$\text{c) Debt Service Coverage Ratio} = \frac{\text{EBIT}}{\text{Finance Cost}}$$

2) PROFITABILITY (EARNINGS AND SUSTAINABILITY)

$$\text{a) Gross Margin Ratio} = \frac{\text{Gross Profit Margin}}{\text{Net Sales}} \times 100\%$$

$$\text{b) Net Profit Margin Ratio} = \frac{\text{Net Profit Before Tax}}{\text{Net Sales}} \times 100\%$$

$$\text{c) Working Capital Ratio} = \text{Total Current Assets} - \text{Total Current Liabilities}$$

3) SOLVENCY (ABILITY TO BORROW AND REPAY IN TIME)

$$\text{a) Current Ratio} = \frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$$

$$\text{b) Quick Ratio} = \frac{\text{Total Current Assets} - \text{Inventory}}{\text{Total Current Liabilities}}$$

$$\text{c) Cash Ratio} = \frac{\text{Cash \& Cash Equivalents}}{\text{Total Current Liabilities}}$$

4) EFFICIENCY (JUDICIOUS USE OF AVAILABLE RESOURCES)

$$\text{a) Assets Turnover Ratio} = \frac{\text{Total Sales}}{\text{Average Total Assets}}$$

$$\text{b) Return on Investment Ratio} = \frac{\text{Net Profit Before Tax}}{\text{Net Worth}}$$

$$\text{c) Inventory Turnover Ratio} = \frac{\text{Net Sales}}{\text{Average Inventory at cost}}$$

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	US\$	US\$	US\$	US\$	US\$
Total Sales (Net Sales)	17,300,000	8,030,000	8,833,000	9,716,300	10,687,930
Total Assets	7,730,000	8,901,500	10,678,075	13,130,129	16,335,600
Current Assets	2,530,000	3,601,500	5,278,075	7,630,129	10,735,600
Gross Profit	3,645,000	4,192,250	4,803,363	5,485,181	6,245,255
Profit Before Interest & Tax	3,527,500	4,068,500	4,673,375	5,348,054	6,100,971
Liabilities	100,000	95,000	90,000	85,000	80,000
Finance Cost	253,000	107,150	167,658	235,205	310,547
Net Profit Before Tax	3,527,500	4,068,500	4,673,375	5,348,054	6,100,971
Net Profit After Tax	3,277,500	3,823,500	4,418,375	5,086,054	5,885,971
Net Worth	50,000	50,000	50,000	50,000	50,000
Cash & Cash Equivalents	2,530,000	3,601,500	5,278,075	7,630,129	10,735,600

Year	Cashflow values
	(10,000,000)
1	7,300,000
2	8,030,000
3	8,833,000
4	9,716,300
5	10,687,930
Rate	10%
NPV	23,181,818
IRR	76%
ROI	225%

Payback Period in 5years

Year	Profits	Cummulative Inflows
	(10,000,000)	(10,000,000)
1	3,277,500	(6,722,500)
2	3,823,500	(2,899,000)
3	4,418,375	1,519,375
4	5,086,054	6,605,429
5	5,885,971	12,491,400

PROFITABILITY INDEX

$$\frac{\text{PV+Innitial Investmer}}{\text{Innitial Investment}} = 8.73$$

This implies the project is very profitable and very viable

A Proforma Invoice from Scania for Flatbed Trailers



SCANIA

Date
2024-10-09

Our reference
2024-10-09-SWA-MT

Handled by
Sales, Asante FRIMPONG

Your date

Your reference

ORDER FORM			
Name: MAXIMUM TRUST COMPANY LIMITED TARKWA			
Contact: MR LAWER			
Description	Unit price	Units	Total price
Item 1 VW 31.320 6X4 2024 MODEL	138,478 EUR	10	1,384,780 EUR
Randon Flatbed Semi Trailer (4 AXLES)	46,730 EUR	10	467,300 EUR
TOTAL (EUR)			1,852,080EUR
Terms of delivery: DDP Tema Workshop			
Payment terms: SCANIA CREDIT			
Bank details : Beneficiary : SCANIA WEST AFICA Ltd Account number: 9040005862293, SWIFT : SBICGHAC, SORT CODE: 041029 BANK :STANBIC BANK GHANA, Branch: STANBIC HEIGHTS			

The Seller: Asante FRIMPONG 	The Buyer: (signature and stamp) ULTIMATE ENERGY LTD
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Subject to approval by Scania West Africa Senior Management (Managing Director or Sales Director)

Scania West Africa Ltd
5, Osu Backu Street, Dzorwulu
KA DTD 20023, Airport
Accra, Ghana

Telephone
0540 113 599/600

TIN No
00003788237
Registered in Ghana under No.
CS450862014