

# **BUSINESS PLAN**

**FOR**

## **KRIZMO INTERNATIONAL DEVELOPMENT Ltd**

Moussa Doumbouya

Unit 212, 12813 66 Street NW

Edmonton, AB T5H 0A5

[moussba90@gmail.com](mailto:moussba90@gmail.com)

## Table of Contents

EXECUTIVE SUMMARY.....	3
<b>THE TEAM.....</b>	<b>4</b>
MANAGEMENT TEAM PROFILES & OWNERSHIP STRUCTURES.....	4
ADVISORS.....	4
PROFESSIONAL SERVICES.....	5
HUMAN RESOURCES REQUIREMENTS.....	5
<b>THE BUSINESS ENVIRONMENT.....</b>	<b>7</b>
BUSINESS SUMMURAY AND HISTORY.....	7
INDUSTRY OVERVIEW.....	7
POSITION IN THE INDUSTRY.....	7
<i>Legal Issues</i> .....	8
<i>Competition</i> .....	8
<i>Use of Technology</i> .....	8
<b>THE MARKETING PLAN.....</b>	<b>9</b>
TARGET MARKETS.....	9
PRODUCTS.....	10
PRICING STRATEGY.....	10
SALES AND DISTRIBUTION PLAN.....	10
ADVERTISING AND PROMOTION PLAN.....	11
<b>OPERATIONS.....</b>	<b>13</b>
STAGE OF DEVELOPMENT.....	13
PRODUCTION PROCESS.....	14
<i>Time Frame for Production</i> .....	14
<i>Contingency Plan</i> .....	14
<b>FINANCE.....</b>	<b>15</b>
INCOME STATEMENT.....	15
CASH FLOW STATEMENT.....	15
BALANCE SHEET.....	16
<b>RISKS AND CONCLUSION.....</b>	<b>17</b>
RISKS.....	17
<i>Country Risk</i> .....	17
<i>Logistics or Transportations' Risk</i> .....	17
<i>Price Fluctuations Risk (Inflation)</i> .....	17
<i>Payment Risk</i> .....	18
CONCLUSION.....	18

## **EXECUTIVE BUSINESS SUMMARY**

The following business plan is about exporting cereals such as Asian rice, Canadian wheat to Sub-Saharan and North Africa. You will notice throughout this document that Canadian wheat has been briefly introduced in order to highlight the potential. We have focused mainly on rice and a particular country (Senegal) for strategic reasons.

Senegal, for its geographical position between Sub-Saharan and North Africa, for its infrastructures (road, port, airport), opens access to a huge market estimated at about 300 million people.

I have been very careful as well to ensuring that, this document is very well documented with the right sources of information.

After over a decade exporting in this region, I have been noticing that Senegalese food importers in general, rice in particular purchase their goods from brokers located in Switzerland, Paris, London, etc., instead of direct exporting countries; I, myself, was one of them.

Today, with a limited fund, through a start-up business under the name of Krizmo International Development Ltd (KID Ltd), the best way to introduce myself in this multi-millions dollars business is to position KID Ltd not as a broker but as an importer. With the knowledge and experience of a broker, I can make KID Ltd very successful in just few years to come. I speak the local language, fluent in French, and English, plus I can read Arabic. I have an MBA (Master business Administration) from the University of Moncton in New Brunswick, and recently completed the APICS Certified Supply Chain Professional Learning System. And that is all I need to compete and be successful in this business.

The financial statements of this business plan, show very positive results attainable in a short period of time. In order to prove the viability of this business, I have purposely demonstrate that with only one customer which I already have, these results were possible. I am seeking a 350,000 Canadians dollars operating line of credit. As you will notice throughout this document, I intend to purchase EDC (Export Development Canada) Account Receivable Insurance which will cover up to 90% of losses resulting from non-payment due to a wide range of risks. If requested, I could bring 10% down as a symbolic contribution. The first year Net Earning is estimated at about 240,000 Canadian dollars. Liquidity Ratio (Current Assets/Current Liabilities) for the projected three years is pretty high with a respectively order of 15.4, 9.74 and 8.29. Debt ratio (Total Liabilities/Total Assets) is estimated respectively at about 54%, 38%, and 25% for the same period.

I intend to draw a minimum salary estimated at about 44,000 Canadian dollars. I have already registered my trade name and am willing to start at the earliest during the month of October 2014 and the latest January 2015. I will conduct this business myself in the first year with the help of a student in Accounting.

## **THE TEAM**

### Management Team Profiles & Ownership Structures

*Moussa Doumbouya, Owner / Operations Manager*

#### **Job Description**

- Responsible for ensuring that the business generates enough cash flow, makes profit and is viable.
- Oversees all aspects of the business such as planning, financing implementation, purchasing, logistics, and distribution.

#### **Qualification**

- Over ten years of experience in global sourcing, export-import, logistics, customers and suppliers' relationship management with a successful track record of contracts negotiation, handling customs documents in compliance with international laws and regulations.
- 2005, MBA Graduated from the University of in New Brunswick  
2013, APICS Certified Supply Chain Professional Learning System  
2014, Alberta BASIC Food Safety Certificate.
- Member of Association for Operations Management.

#### **Compensation**

- Approx. 44,000 Canadian dollars a year

#### Advisors

##### **Saul, Telecom engineer,**

Saul is the owner of a web site design company and provides many telecom services to local businesses. His is a friend of mine, and the one advising me with regards to the construction of KID Ltd web site, plus other technological means and features I could use to improve our image and better promote our products as well.

##### **Alain Belanger, owner of Regenord Ltd**

President of Regenord, he is my former employer and we still maintain outstanding relationship. He is very experienced in terms of international development especially in Africa. He is based in Canada and been doing business there over a decade.

## Professional Services

I will use the service of a young student in accounting (part-time job) to help me with my bookkeeping's duties.

## Human Resources Requirements

*Unfilled / Purchaser*

### **Job Description**

- Suppliers' relationship management, Sourcing, purchasing,
- Negotiates prices and payment terms, ensures on time delivery of goods.

### **Qualification**

- Supply Chain or Purchasing Certificate
- Over 3 years of experience in global sourcing or export-import

### **Compensation**

- Approx. 38,000 Canadian dollars a year

*Unfilled / Sale Representative*

### **Job Description**

- Customers' relationship management, demand forecasting, inventory management, promotes KID Ltd products and services,
- Reviews contracts with customers, ensures customers' satisfaction.

### **Qualification**

- Diploma in Commerce
- Over 2 years of sales experience

### **Compensation**

- Based on Commissions

*Unfilled / Logistics Agent*

### **Job Description**

- Relationship management with shipping lines and truck companies, third party logistics companies, Insurances companies, banks with regards to payment methods, customs brokers and port authorities,
- Tracks cargo, freight, and courier,
- Coordinates purchasing and sales activities to ensure all documentations such as shipping instruction, loading confirmation, bill of lading, certificate of origin, certificate of inspection, Packing list, letter of credit, are well received, reviewed and given to the right owner without any mistakes.

### **Qualification**

- Supply Chain or Logistics Certificate
- Over 3 years of experience in exporting/importing

### **Compensation**

- Approx. 38,000 Canadian dollars a year.

*Unfilled / Accountant*

### **Job Description**

- Relationship management with Canada Revenue Agency, banks and any other financial institutions,
- Responsible for having in place all financial statements such as balance sheet, income and cash flow statements,
- Takes care of annual tax filing

### **Qualification**

- Accounting Certificate
- At least 2 years of experience

### **Compensation**

- Approx. 32,000 Canadian dollars a year.

## BUSINESS ENVIRONMENT

### Business Summary & History

KID Ltd is a start-up business that will eventually export cereals such as wheat from Canada, Rice from Asia, internationally.

To date, I have completed market research, registered my trade name, signed contract with a customer, and received the commitment of EDC to help provide RBC with Credit Insurance needed to cover for collateral.

I am also working on my Wheat Dealer License and have been in touch with Fred Hodgkinson, the Manager of Licensing at Canada Grain Commission.

### Industry Overview

The International Grain Council (IGC) has estimated 2014 world rice trade at a record 40 million tons, up about 5% from last year due to increased imports expectation from Far East Asian countries such as China, Indonesia, Philippines, as well as the **African nations**. Global rice production is expected to reach at about 476 million tons in 2013-14, up about 1% from last year, due to expectation of improved harvest in Pakistan, Brazil, Philippines, Bangladesh and Indonesia, according to IGC. Global ending stocks in 2013-14 is also expected to decline to about 109 million tons from about 110 million tons in the previous year. (Source: Oryza, July 2014 - Market Review)

For wheat, due mainly to an expected drop in North American output, world production is forecast down 1%. Growth in demand will be mainly driven by expanding food use, with **slightly higher forecast for South Asia and Africa than last time**. Led by grains in EU, world feed use is also seen higher than before. (Source: International Grain Council web site- Supply and Demand)

### Position in the Industry

KID. Ltd will be selling White Rice 100 percent Broken to Senegal, located in Sub-Saharan Africa. Because of its geographical position and infrastructures, it will help open access to new market especially in the Sub-Saharan and North Africa Region.

As the owner of the company, I have built over ten years' experience selling in this market, sometime being consulted by some of its biggest food importers.

One of the most appreciated rice by local consumers is the 100 percent broken one which I am in a position to supply.

According to US Department of Agriculture (USDA) 2014 Report, top rice suppliers 2012-13 in Senegal were India (63%), Brazil (10%), and Thailand (3%). This was mainly due to what happened back in 2011 with government intervention in Thailand resulting on export ban. Thai Rice is now opened again for export. Back to 2010-11, top suppliers were Thailand (40%), Vietnam (28%), and Brazil (12%).

Canada renowned for the quality of its wheat and its competitiveness is mostly sold in 5 countries such Japan, Mexico, Iraq, United States and Colombia (Source: Alberta Wheat

Commission/ [www.albertawheat.com](http://www.albertawheat.com)). According to FAO (Food and Agriculture Organization of the UN), Mauritania which is the biggest wheat importer in the region, neighboring Senegal as well, had back in 2011-2012, a cereal shortage of 464,800 metric tons, equating 72% of the average consumption needs in the country (Source: World Food Program/ [www.wfp.org](http://www.wfp.org)). This is to say there will be a huge potential for Canadian wheat.

#### *Legal Issues*

Our products cannot be patented or trade-marked. We are already legally incorporated as a sole proprietorship company.

#### *Competition*

According to US Department of Agriculture (USDA) 2013 Annual Feed Report, thirteen private companies share Senegal's import market with the largest controlling 24 percent. Importers buy shipload of rice through a cluster of twelve brokers located in Switzerland **rather directly from exporting countries**, which they then store in their own warehouse at Dakar (Main City) compared to smaller importers that deal with container-sized transactions.

This could be explained by the fact that most of the foods importers are uneducated, don't master financing and logistics, cannot communicate correctly in French or English and work informally.

KID Ltd is in direct contact not just with exporting countries but will buy from - the source - rice milling companies. This is going to give us a competitive advantage. On top of it, our first client is located not in Dakar but in the south side of the country:

Ziguinchor.

For wheat, the market has been monopolized for many decades by a French company (Les Grands Moulins de Dakar) who used to import its wheat from Europe particularly from France. Recently, the market has been opened and already, there are four more wheat flour milling in competition. There will be many more wheat flour milling to come. That is to say, the market will be opened for any wheat supplier in the short-middle term and that is one of those opportunities one has to grab.

#### *Technology*

Technology will play an important role in this business, especially SAP software which is used by 80 percent of businesses today. We have planned using SAP in few years to come. This software will allow us to track customer's inventories and respond as quickly as possible to their demand through good planning and supply chain management.

## **MARKETING PLAN**

### Target Market (See Appendix F – Local Distribution Network Mapping)

Let's try first to understand the distribution network:

Local rice importers buy from brokers located in Switzerland and sell their goods to wholesalers who basically represent the core of the whole distribution network.

KID Ltd will purchase directly from rice milling in exporting countries such as India, Thailand, Pakistan, Vietnam, Brazil, and then sell the rice to wholesalers. (See appendix F for more details related to KID Ltd distribution network)

The first, and most dominant channel, involves a network of wholesalers and retailers who primarily distribute imported rice. Semi-wholesaler trade in a variety of food stuffs and other products, they buy imported rice from wholesaler. In three major markets, there are 89 major traders. (Source: 2009, USAID - Senegal Rice Study)

There are no official data when it comes to the exact number of wholesalers, but according to our information, we can estimate them at about 1050 (an average of 30 wholesalers per major market times 35 one).

KID Ltd targets wholesalers. Their monthly sales is between 500 up to 3,000 metric tons of 100 percent broken rice.

Senegal imports over 1 million tons of rice annually. For 2013-14, Post estimates rice imports to increase by 100,000 tons due to a reduction in local rice production the same year. (Source: US Department of Agriculture, 2014 Global Agriculture Information Network).

Senegal imports about 70% of its rice for domestic consumption. Senegalese prefer 100 percent broken rice which is mainly imported from Asia. In trade year 2011, rice was the top agriculture product imported followed by wheat. (Source US Department of Agriculture, 2012 Grain and Feed Annual).

KID Ltd target market for wheat is going to be new flour milling companies. In a period of 2 years, it has been noted that 4 new major flour milling companies have been created after the French monopole has been broken down. KID Ltd will try to make very competitive offer on price, product quality and payment terms using EDC Account Receivable Insurance.

### *The Competition*

The best strategy is not to compete the brokers located in Switzerland but the importers buying from the brokers.

By targeting wholesalers as our customers, acting as a broker, and positioning KID Ltd as an importer buying directly from not just exporting countries but moreover at the source (rice milling companies in exporting countries), we give ourselves a better

competitive advantage in terms of price, market understanding, responsiveness, supply chain management.

### Products/Services

Asian 100 percent broken rice such as India or Vietnam, Thailand and Pakistan are well known not just by local traders but also consumers are accustomed with it. It is the most appreciated rice by locals.

### Pricing Strategy

Thailand broken rice, A1 Super, was last quoted at around USD 310- 320 per ton, about 35\$ per ton discount to Vietnam broken rice quoted at around USD 345 -355 FOB basis. India broken sortexted rice is quoted at USD 340-350 per ton about 15\$ per ton premium on Pakistan broken sortexted rice quoted at around USD 325 -335 per ton FOB basis (Source: Oryza, July 2014 – Market review)

#### **KID Ltd pricing includes the following:**

(FOB basis + transportation + Insurance) + (Financing + Duties + CMS) + Profit

#### **Importers pricing includes the following:**

(FOB basis + transportation + Insurance) + (Financing + Duties + CMS) + **Brokers' commissions** + Importers Profit.

KID Ltd is looking at about 11.5% gross profit margin which covers all financing and other costs plus profit. It is expected with just this contract to recouping my investment in a couple year.

### Sales/Distribution Plan

KID Ltd will work closely with Collateral Service Management (CMS) companies such as SGS, Cotecna or any competitive one in order to deliver the goods to the customers. CMS simply means, through the custody of a certified agency that is specialized in inspection, verification, testing and certification, the goods or the rice will remain ours until completely sold and paid in conformity with the contract terms.

### **Selling Strategy**

The best way to open access to further sales opportunities is to use our wholesaler as agent not as a customer.

Example:

- Wholesaler has a customer who wants 100 metric tons of rice,

- Customer go to local bank and deposit the money to KID Ltd account,
- Wholesaler send us payment confirmation,
- KID Ltd through CMS delivers the goods to customer (this is a cash business)

#### *Payment Terms & Guarantee*

Our customers will pay either by Irrevocable Letter of Credit confirm by our bank or by cash in advance as mentioned above (through CMS). Either way are secure.

We will also work with EDC through its Credit Insurance program that which is designed to help Canadian exporters to offer competitive term financing to their customers. EDC Account Receivable Insurance (ARI) is designed to help provide favorable payment term to customers.

Indeed EDC will take on the following risk:

- A customer's bankruptcy or default on non-payment,
- A customer's refusal to accept the goods as contracted,
- Contract Cancellation,
- Payment delays caused by blocked funds or transfer difficulties,
- Hostilities in a customer's country,
- Cancellation or non-renewal of export or import permit.

(Source: EDC web site – Account Receivable Insurance)

#### Advertising and Promotion Plan

Here are some of the ways we will promote our products:

- First of all, we will use my own network of foods importers in Senegal and make offers via emails,
- Business trip 3 months after our first shipment (cost: USD 3,000.00),
- Direct sales.

#### *Public Relation*

The Canadian Trade Commissioner Service is also available for companies looking to enter (via exporting or investing) new market. Its mobile site provide country information, market potential assessments, in-country service providers and events, as well as the coordinates of Canadian Trade Commissioners located around the world. Trade Commissioner can help Canadian company prepare for International Trade, find qualified contacts and resolve trade-related challenges.

(Source: The Canadian Trade Commissioners web site)

### *Marketing Materiel*

- Business cards,
- Brochures, Web site which is under construction at this point,

The total cost for advertising and promotion for the first year can be estimated at around USD 4,500.00. (See appendix B1- Income Statement)

## **OPERATIONS**

### Stage of Development

To date, market research has been completed, trade name registered, many offers from suppliers in Asia have been received, an Irrevocable Purchase Order Contract has been gotten from a customer, and an application for EDC ARI is underway, and will be bought as soon as I receive RBC approval.

The next steps are as follow:

- Request sample from our supplier and send it out to our customer in order to confirm product quality and conformity,
- Approve and sign pro forma invoice,
- Schedule shipments.

### *Industry Association Membership*

K.I.D Ltd intends to join and be part of Startup Canada whose mission is to make Canada the best place in the world to start and grow a business.

As a voice of entrepreneurs, Startup Canada leads a national grassroots effort to build a vibrant entrepreneurial ecosystem, has launched 20 Startup communities, built a network of 80,000 Canadians, and worked with 400 organizations. (Source: EDC/ Startup Connect Site)

### *Suppliers*

The first supplier we intend to work with is Pak foods Supplies Ltd from Pakistan because they are offering both IRRI 6 Regular Polish from India and IRRI 6 Silky Sortexed from Pakistan. Their price are competitive as well.

The alternative supplier is Mengtairice in Thailand and Gentraco Corp. in Vietnam. What really needs to be noted is price is the main driver. We will just go wherever it's cheaper. They are all offering letter of credit at sight as term of payment which is acceptable as well.

### *Quality Control Measures*

First of all, we will request samples from our supplier or technical specifications. Then we will match them out to whatever has been delivered to us. SGS is going to be used to confirm quality and conformity after whole shipment inspection.

## Production Process

### *Office Space and Equipment Requirements*

For our first year of operation, I am going to use a portion of my living room as my office. I will get a new Toshiba laptop and a Fax/Photocopiers machine. I do have a high speed internet, land and fax line also. This is all I need to get this business going for now. My plan for the second year of operation is to rent a couple hundred squares of office space with telephone system, a couple new computers, a laser printer, and fax machine. (See estimation in appendix B2 and C3).

### *Time Frame for Production*

Time frame for shipment is estimated 30 days, which can be defined as of the time we receive loading confirmation to the time the rice is available to the customer (wholesaler) for sale in the local market.

KID Ltd.'s operation has been well planned and a shipment schedule already put in place. This will help save time.

Normal export process usually includes:

- Reviewing contract terms, conditions and letter of credit or any other acceptable method of payment,
- requesting for quotation from the supplier,
- Issuing a Purchase Order, receiving confirmation from supplier, giving instruction to our bank for payment (opening a Letter of Credit)
- Receive Loading Confirmation from the supplier,
- Inspecting shipping Notification, reviewing Bill of Lading, Certificate of Origin, packing list and invoices,
- Tracking purchase goods order to ensure on time delivery

At this point, since we are working on a very little quantity per month, there is no risk of shortage. The supplier we will be working with has a minimum capacity of 1,500 up to 3,000 metric tons of rice a day. We can fit in other customers.

Our product cost will be at about USD 490 per metric ton in warehouse under CMS.

### *Contingency Plan*

We have also negotiated with other suppliers in Thailand and in Vietnam as substitutes.

## **FINANCE**

### Income Statement

KID Ltd.' operations do not require any major investment for start-up. I will personally invest an estimated amount of 10% of the required operating line of credit.

In the income statement, inventories represent over 90% of the total cost and the rest covers regular monthly expenses including financing and credit insurance fees. And that is the main reason why the financial statements have been presented in United States dollar figures since it is the currency used for international trade.

Shipment schedule in Appendix A is the main driver of the income statements, showing the monthly quantities expected to be sold in a period of three years projection. Projected monthly sales have been increased incrementally.

Five months after the first shipment, Net Earning starts going down due to increase in expenses which can be explained by the cost of travel, the hiring of a part-time Accountant, and Sales Representative. (See Appendix B1)

In the ninetieth month, as it is shown in Appendix B2, it is noted a 25% increase of expenses due mainly to the hire of a Logistics 'Agent. Net Earning moving slightly higher at about 5% than the preceded month even though sales have been up 20%.

Same scenario as well is happening in Appendix B3 on the twenty ninth month, corresponding with the hire of a purchaser.

Projected Profit Margin (Net Sales – Cost of Goods sold) will be at about 11.5%. What needs to be noted is that with rice, profit margin per unit sold is kind of narrow but what makes it attractive is the speed and volume of sales (the overall profit).

Basically, after paying income taxes, Net Earning remains positive throughout the entire projected thirty sixth months.

### Cash Flow Statement

Exercising Cash Flow Statement, has helped me seen that, in the tenth month we would have been shorted in cash if I kept the same pace of sales increase which usually go with increase in inventories. That is the reason why instead of 33 % increase in inventories, I have decided to keep it a little lower at about 20% (900 metric tons instead of 1,000 MT). (See Appendix A and C1)

Throughout the entire thirty sixth month, Projected Cash Flow will be managed well and will remain positive.

## Balance Sheet

The Ratio Current Asset on Total Asset is at about over 99%. This is mainly due to the nature of the business which does not require any major investment. On the contrary it is a cash and inventory business. Projected inventories will be at zero level due mainly to the nature of our contract. (See time frame to market the rice in Appendix E)

The reason why account receivable remains high is due to the combination transit time (30 days) plus the time to market the rice (25 days). That is, we have to pay the supplier first and then wait for another 25 days maximum before being fully paid.

Retained Earnings will be reinvested throughout the two following years after starting.

The Debt Ratio (Total Liabilities / Total Assets) went from 55% the first year down to 25% in the third one.

The Liquidity Ratio (Current Asset / Current Liabilities) remains high as well with a minimum of 8.29 ratio in the third year.

Finally, we conclude saying that, the 3000 metric tons projected monthly sales during the course of the third year of operation, is achievable with only one customer (wholesaler).

It has been proven throughout these financial statements that the above mentioned goal can be reached with only the initial operating line of credit without any increase at all.

Now, it is time to grab the attention of the reader of this business plan that, it is possible to increase market share in the mid of the second year of operation at the same level as it would have been at the end of the third one, simply with an increase of operating line of credit during that period.

## RISKS AND CONCLUSION

### Risks

#### *Country Risk*

*“Senegal economy has been growing and market conditions improving and are considered fairly open. Some investments have been made in Senegal infrastructures (roads, ports, airports). It is considered a hub for the francophone West Africa, and many international banks are present. We see very good export and investment opportunities across a wide range of sectors that matches Canadian capabilities”*

*(Source: EDC – Country info/ <http://www.edc.ca/EN/Country-Info/Pages/Senegal.aspx>)*

#### *Logistics or Transportations' Risk*

When importing or exporting, one has to consider the risk inherent to loading, unloading and moving the goods and that is why International Commercial terms (Incoterm) have been defined in order to point out who between the supplier and the buyer is going to be responsible of what?

Because of my experience, my knowledge of international trade, I have a good understanding of this risk. That is why, in my planning, I have decided to transfer it to the seller or supplier of rice.

By requesting a CIF Price from my supplier, I am transferring that risk to him. CIF (Cost, Insurance & Freight) means the price will include the cost of the rice, insurance and transportation up to the port of destination. Here comes the payment term Letter of Credit at sight: that is to say, as a buyer, I am only going to pay to the supplier once the goods reach the port of destination, unloaded from the ship and inspected by Certified Agency for its quality and conformity. Then, upon receiving the certificate of quality and conformity (CQC), I will ask my bank to make payment to the supplier.

#### *Price Fluctuation Risk (Inflation)*

Another risk that is out of control is price fluctuation. With the Federal Reserve of US Quantitative Easing policy which simply means the increasing of money supply, in other words printing more money, and therefore devaluating the US dollar, international prices are more likely to rise.

The best way to reduce this risk is to have enough cash that will allow us to buy huge quantities of rice when price are low, stock them up in order to anticipate on rising food prices.

For now, since we are limited in funds, we will diversify our sources of supply, watch very closely the market and buy wherever it is cheaper by keeping in mind quality and conformity.

### *Payments Risk*

There are many ways to eliminate or reduce the risks inherent to payment. Among them, we can cite:

- Irrevocable Letter of Credit Confirmed by our own Bank
- 100% Cash in advance (CMS)
- 50% cash in advance, 50% against copy Documents (mainly Bill of lading: in the law of international trade, the holder of the original Bill of Lading is considered as the legal owner of the goods whether or not its name figures on the shipping document, and that is why the seller will send only the copy of the BL to the buyer in order to confirm him that the goods have been loaded and I am waiting for payment )
- Purchasing EDC Account Receivable Insurance to protect international sales against payment risks.

With a good understanding of this, we will work in a safe manner and prove to our bank that we are able to conduct very secure operations internationally.

### Conclusion

In brief, the above mentioned risks, are the ones related to our activities, and by having a very good understanding of them, we have eliminated those we have control of, such as transportation and payment risks, and minimize to the lowest level, those we do not have control of such as country risk by choosing to start our business with the right product for the right country in order to have EDC support as well.

By also intending to purchase EDC Account Receivable Insurance which covers up to 90% of our losses due to non-payment for a wide range of risks, RBC financing risks have been reduced to the minimum level.

KID Ltd is also ready to bring to the table the remaining 10%.

EDC would not support seafood export in Asia because of our lack of experience in that market, and that is the reason behind choosing this new course of activities.

Now with EDC Credit Insurance and our commitment of bringing a symbolic contribution to the table, it is up to RBC to validate this business plan in order to get this business going.

K.I.D Ltd is seeking an operating line of credit of USD 320,000.00 or approximately 350,000 Canadian dollars provided that exchange rate is at an average 1.09 CAD for 1 USD according to Bank of Canada. (Source: Bank of Canada web site). The extra amount will be used as a buffer for price fluctuation.

**Appendix A**  
**KID Ltd**

**SHIPMENTS SCHEDULE**

**YEAR - 2015**

Month	Jan 1	Fev 2	Mar 3	Apr 4	May 5	Jun 6	Jul 7	Aug 8	Sep 9	Oct 10	Nov 11	Dec 12	Total	Market share
Monthly projected sales (in metric tons)	500	500	500	500	500	500	750	750	750	900	1,000	1,000	8,150	0.68%

**YEAR - 2016**

Month	Jan 13	Fev 14	Mar 15	Apr 16	May 17	Jun 18	Jul 19	Aug 20	Sep 21	Oct 22	Nov 23	Dec 24		
Monthly projected sales (in metric tons)	1,000	1,000	1,000	1,250	1,250	1,250	1,500	1,500	1,500	1,500	2,000	2,000	16,750	1.40%

**YEAR - 2017**

Month	Jan 25	Fev 26	Mar 27	Apr 28	May 29	Jun 30	Jul 31	Aug 32	Sep 33	Oct 34	Nov 35	Dec 36		
Monthly projected sales (in metric tons)	2,000	2,000	2,000	2,000	2,500	2,500	2,500	2,500	3,000	3,000	3,000	3,000	30,000	2.50%

IN US DOLLAR FIGURES

**Appendix B1**  
**KID Ltd**

**INCOME STATEMENT - For the year ending 2015**

Month	Jan 1	Feb 2	Mar 3	Apr 4	May 5	Jun 6	Jul 7	Aug 8	Sep 9	Oct 10	Nov 11	Dec 12	Total
<b>Sales</b>	\$ 274,025	\$ 274,025	\$ 274,025	\$ 274,025	\$ 274,025	\$ 274,025	\$ 411,038	\$ 411,038	\$ 411,038	\$ 493,245	\$ 548,050	\$ 548,050	\$ 4,466,608
Discount	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Sales</b>	<b>274,025</b>	<b>274,025</b>	<b>274,025</b>	<b>274,025</b>	<b>274,025</b>	<b>274,025</b>	<b>411,038</b>	<b>411,038</b>	<b>411,038</b>	<b>493,245</b>	<b>548,050</b>	<b>548,050</b>	<b>4,466,608</b>
<b>Cost of Goods Sales</b>													
Opening inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of rice	242,950	242,950	242,950	242,950	242,950	242,950	364,425	364,425	364,425	437,310	485,900	485,900	3,960,085
<b>Total</b>	<b>242,950</b>	<b>242,950</b>	<b>242,950</b>	<b>242,950</b>	<b>242,950</b>	<b>242,950</b>	<b>364,425</b>	<b>364,425</b>	<b>364,425</b>	<b>437,310</b>	<b>485,900</b>	<b>485,900</b>	<b>3,960,085</b>
closing Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>242,950</b>	<b>242,950</b>	<b>242,950</b>	<b>242,950</b>	<b>242,950</b>	<b>242,950</b>	<b>364,425</b>	<b>364,425</b>	<b>364,425</b>	<b>437,310</b>	<b>485,900</b>	<b>485,900</b>	<b>3,960,085</b>
<b>Gross Profit (or income)</b>	<b>31,075</b>	<b>31,075</b>	<b>31,075</b>	<b>31,075</b>	<b>31,075</b>	<b>31,075</b>	<b>46,613</b>	<b>46,613</b>	<b>46,613</b>	<b>55,935</b>	<b>62,150</b>	<b>62,150</b>	<b>506,523</b>
As a %	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	
<b>Expenses</b>													
Salary (owner)	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
Wages	-	-	-	-	-	<b>1,667</b>	2,167	2,167	2,167	2,167	2,167	2,167	14,667
Rent	200	200	200	200	200	200	<b>500</b>	500	500	500	500	500	4,200
Advertising and promotion	1,000	-	-	-	-	500	500	500	500	500	500	500	4,500
Travel	-	-	-	-	-	<b>3,000</b>	-	-	-	-	-	<b>3,000</b>	6,000
Office expenses	200	200	200	200	200	200	300	300	300	300	300	300	3,000
utilities/Telephone/Fax	400	400	400	400	400	400	500	500	500	500	500	500	5,400
Insurance	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Depreciation	100	100	100	100	100	100	100	100	100	100	100	100	1,200
RBC Financing plus exchange rate fees	3,644	3,644	3,644	3,644	3,644	3,644	5,466	5,466	5,466	6,560	6,560	6,560	57,944
EDC Account Receivable Insurance	3,371	3,371	3,371	3,371	3,371	3,371	5,056	5,056	5,056	6,067	6,067	6,067	53,591
Collateral Management Services ( <b>CMS</b> )	2,430	2,430	2,430	2,430	2,430	2,430	3,644	3,644	3,644	4,373	4,859	4,859	39,601
<b>Total expenses</b>	<b>14,828</b>	<b>13,828</b>	<b>13,828</b>	<b>13,828</b>	<b>13,828</b>	<b>18,994</b>	<b>21,716</b>	<b>21,716</b>	<b>21,716</b>	<b>24,550</b>	<b>25,036</b>	<b>28,036</b>	<b>231,902</b>
<b>Earning (or loss) before taxes</b>	<b>16,247</b>	<b>17,247</b>	<b>17,247</b>	<b>17,247</b>	<b>17,247</b>	<b>12,081</b>	<b>24,896</b>	<b>24,896</b>	<b>24,896</b>	<b>31,385</b>	<b>37,114</b>	<b>34,114</b>	<b>274,620</b>
Income taxes	2,275	2,415	2,415	2,415	2,415	1,691	3,485	3,485	3,485	4,394	5,196	4,776	38,447
<b>Net Earnings (or loss)</b>	<b>13,973</b>	<b>14,833</b>	<b>14,833</b>	<b>14,833</b>	<b>14,833</b>	<b>10,389</b>	<b>21,411</b>	<b>21,411</b>	<b>21,411</b>	<b>26,991</b>	<b>31,918</b>	<b>29,338</b>	<b>236,173</b>

**Appendix C1**  
**KID Ltd**

**CASH FLOW STATEMENT - For the year ending 2015**

Month	Jan 1	Feb 2	Mar 3	Apr 4	May 5	Jun 6	Jul 7	Aug 8	Sep 9	Oct 10	Nov 11	Dec 12	Total
<b>Inflows</b>													
Collection of accounts receivable	\$ 274,025	\$ 274,025	\$ 274,025	\$ 274,025	\$ 274,025	\$ 274,025	\$ 274,025	\$ 411,038	\$ 411,038	\$ 411,038	\$ 493,245	\$ 548,050	\$ 3,918,558
Bank credit	<b>288,000</b>												<b>288,000</b>
Owner's initial investment	32,000												<b>32,000</b>
	<b>320,000</b>	<b>274,025</b>	<b>274,025</b>	<b>274,025</b>	<b>274,025</b>	<b>274,025</b>	<b>274,025</b>	<b>411,038</b>	<b>411,038</b>	<b>411,038</b>	<b>493,245</b>	<b>548,050</b>	<b>4,238,558</b>
<b>Outflows</b>													
Incorporation Cost	400	-	-	-	-	-	-	-	-	-	-	-	400
Acquisition of office equipment	1,200	-	-	#	-	-	1,200	-	-	-	-	-	2,400
Repayment of shareholder loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment of account payable	242,950	242,950	242,950	242,950	242,950	242,950	364,425	364,425	364,425	437,310	485,900	485,900	3,960,085
Monthly expenses (excl. dep'n)	14,728	13,728	13,728	13,728	13,728	18,894	21,616	21,616	21,616	24,450	24,936	27,936	230,702
	<b>259,278</b>	<b>256,678</b>	<b>256,678</b>	<b>256,678</b>	<b>256,678</b>	<b>263,044</b>	<b>386,041</b>	<b>386,041</b>	<b>386,041</b>	<b>461,760</b>	<b>510,836</b>	<b>513,836</b>	<b>4,193,587</b>
<b>Increase (Decrease) in cash</b>	<b>60,722</b>	<b>17,347</b>	<b>17,347</b>	<b>17,347</b>	<b>17,347</b>	<b>10,981</b>	<b>(112,016)</b>	<b>24,996</b>	<b>24,996</b>	<b>(50,722)</b>	<b>(17,591)</b>	<b>34,214</b>	<b>-</b>
<b>Cash, Beginning</b>	-	60,722	78,070	95,417	112,765	130,112	141,093	29,076	54,073	79,069	28,346	10,756	<b>44,970</b>
<b>Cash, Ending</b>	<b>60,722</b>	<b>78,070</b>	<b>95,417</b>	<b>112,765</b>	<b>130,112</b>	<b>141,093</b>	<b>29,076</b>	<b>54,073</b>	<b>79,069</b>	<b>28,346</b>	<b>10,756</b>	<b>44,970</b>	<b>44,970</b>

KID Ltd

Schedule detailing cash flow statement C1 calculation - 2015

Month	Jan 1	Feb 2	Mar 3	Apr 4	May 5	Jun 6	Jul 7	Aug 8	Sep 9	Oct 10	Nov 11	Dec 12
<b>Account Receivable</b>												
Balance, Beginning	-	274,025	274,025	274,025	274,025	274,025	274,025	411,038	411,038	411,038	493,245	548,050
Sales, net	274,025	274,025	274,025	274,025	274,025	274,025	411,038	411,038	411,038	493,245	548,050	548,050
Collections	-	(274,025)	(274,025)	(274,025)	(274,025)	(274,025)	(274,025)	(411,038)	(411,038)	(411,038)	(493,245)	(548,050)
Balance, Ending	<u>274,025</u>	<u>274,025</u>	<u>274,025</u>	<u>274,025</u>	<u>274,025</u>	<u>274,025</u>	<u>411,038</u>	<u>411,038</u>	<u>411,038</u>	<u>493,245</u>	<u>548,050</u>	<u>548,050</u>

#### **Collection of account receivable**

Assuming collection of net sale within 25 days  
after the first shipment arrived at destination (30 days)

## **Bank Credit**

## **Account Payable**

**Appendix B2**  
**KID Ltd**

**INCOME STATEMENT - For the year ending 2016**

Month	Jan 13	Feb 14	Mar 15	Apr 16	May 17	Jun 18	Jul 19	Aug 20	Sep 21	Oct 22	Nov 23	Dec 24	Total
<b>Sales</b>	\$ 548,050	\$ 548,050	\$ 548,050	\$ 685,063	\$ 685,063	\$ 685,063	\$ 822,075	\$ 822,075	\$ 822,075	\$ 822,075	\$ 1,096,100	\$ 1,096,100	\$ 9,179,838
Discount	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Sales</b>	<b>548,050</b>	<b>548,050</b>	<b>548,050</b>	<b>685,063</b>	<b>685,063</b>	<b>685,063</b>	<b>822,075</b>	<b>822,075</b>	<b>822,075</b>	<b>822,075</b>	<b>1,096,100</b>	<b>1,096,100</b>	<b>9,179,838</b>
<b>Cost of Goods Sales</b>													
Opening inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of rice	485,900	485,900	485,900	607,375	607,375	607,375	728,850	728,850	728,850	728,850	971,800	971,800	8,138,825
<b>Total</b>	<b>485,900</b>	<b>485,900</b>	<b>485,900</b>	<b>607,375</b>	<b>607,375</b>	<b>607,375</b>	<b>728,850</b>	<b>728,850</b>	<b>728,850</b>	<b>728,850</b>	<b>971,800</b>	<b>971,800</b>	<b>8,138,825</b>
closing Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>485,900</b>	<b>485,900</b>	<b>485,900</b>	<b>607,375</b>	<b>607,375</b>	<b>607,375</b>	<b>728,850</b>	<b>728,850</b>	<b>728,850</b>	<b>728,850</b>	<b>971,800</b>	<b>971,800</b>	<b>8,138,825</b>
<b>Gross Profit (or income)</b>	<b>62,150</b>	<b>62,150</b>	<b>62,150</b>	<b>77,687</b>	<b>77,687</b>	<b>77,687</b>	<b>93,225</b>	<b>93,225</b>	<b>93,225</b>	<b>93,225</b>	<b>124,300</b>	<b>124,300</b>	<b>1,041,013</b>
As a %	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	
<b>Expenses</b>													
Salary (owner)	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
Wages	2,167	2,167	2,167	2,167	2,167	2,167	<b>5,083</b>	5,083	5,083	5,083	5,083	5,083	43,500
Rent	500	500	500	500	500	500	1,800	1,800	1,800	1,800	1,800	1,800	13,800
Advertising and promotion	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Travel	-	-	-	-	-	-	3,000	-	-	-	-	-	3,000
Office expenses	300	300	300	300	300	300	600	600	600	600	600	600	5,400
utilities/Telephone/Fax	500	500	500	500	500	500	1,000	1,000	1,000	1,000	1,000	1,000	9,000
Insurance	150	150	150	150	150	150	300	300	300	300	300	300	2,700
Depreciation	100	100	100	100	100	100	200	200	200	200	200	200	1,800
RBC Financing plus exchange rate fees	7,289	7,289	7,289	9,111	9,111	9,111	10,933	10,933	10,933	10,933	14,577	14,577	122,082
EDC Account Receivable Insurance	6,741	6,741	6,741	8,426	8,426	8,426	10,112	10,112	10,112	10,112	13,482	13,482	112,912
<b>Collateral Management Services (CMS)</b>	<b>4,859</b>	<b>4,859</b>	<b>4,859</b>	<b>6,074</b>	<b>6,074</b>	<b>6,074</b>	<b>7,289</b>	<b>7,289</b>	<b>7,289</b>	<b>7,289</b>	<b>9,718</b>	<b>9,718</b>	<b>81,388</b>
<b>Total expenses</b>	<b>26,439</b>	<b>26,439</b>	<b>26,439</b>	<b>31,161</b>	<b>31,161</b>	<b>31,161</b>	<b>44,149</b>	<b>41,149</b>	<b>41,149</b>	<b>41,149</b>	<b>50,594</b>	<b>50,594</b>	<b>441,583</b>
<b>Earning (or loss) before taxes</b>	<b>35,711</b>	<b>35,711</b>	<b>35,711</b>	<b>46,527</b>	<b>46,527</b>	<b>46,527</b>	<b>49,076</b>	<b>52,076</b>	<b>52,076</b>	<b>52,076</b>	<b>73,706</b>	<b>73,706</b>	<b>599,430</b>
Income taxes	5,000	5,000	5,000	6,514	6,514	6,514	6,871	7,291	7,291	7,291	10,319	10,319	83,920
<b>Net Earnings (or loss)</b>	<b>30,712</b>	<b>30,712</b>	<b>30,712</b>	<b>40,013</b>	<b>40,013</b>	<b>40,013</b>	<b>42,205</b>	<b>44,785</b>	<b>44,785</b>	<b>44,785</b>	<b>63,387</b>	<b>63,387</b>	<b>515,510</b>

**Appendix C2**  
**KID Ltd**

**CASH FLOW STATEMENT - For the year ending 2016**

Month	Jan 13	Feb 14	Mar 15	Apr 16	May 17	Jun 18	Jul 19	Aug 20	Sep 21	Oct 22	Nov 23	Dec 24	Total
<b>Inflows</b>													
Collection of accounts receivable	548,050	548,050	548,050	548,050	685,063	685,063	685,063	822,075	822,075	822,075	822,075	1,096,100	<b>8,631,788</b>
	<u>548,050</u>	<u>548,050</u>	<u>548,050</u>	<u>548,050</u>	<u>685,063</u>	<u>685,063</u>	<u>685,063</u>	<u>822,075</u>	<u>822,075</u>	<u>822,075</u>	<u>822,075</u>	<u>1,096,100</u>	<u>8,631,788</u>
<b>Outflows</b>													
Acquisition of office equipment	2,400	-	-	-	-	-	-	-	-	-	-	-	<b>2,400</b>
Payment of account payable	485,900	485,900	485,900	607,375	607,375	607,375	728,850	728,850	728,850	728,850	971,800	971,800	<b>8,138,825</b>
Monthly expenses (excl. dep'n)	26,339	26,339	26,339	31,061	31,061	31,061	43,949	40,949	40,949	40,949	50,394	50,394	<b>439,783</b>
	<u>514,639</u>	<u>512,239</u>	<u>512,239</u>	<u>638,436</u>	<u>638,436</u>	<u>638,436</u>	<u>772,799</u>	<u>769,799</u>	<u>769,799</u>	<u>769,799</u>	<u>1,022,194</u>	<u>1,022,194</u>	<u>8,581,008</u>
<b>Increase (Decrease) in cash</b>	<b>33,411</b>	<b>35,811</b>	<b>35,811</b>	<b>(90,386)</b>	<b>46,627</b>	<b>46,627</b>	<b>(87,737)</b>	<b>52,276</b>	<b>52,276</b>	<b>52,276</b>	<b>(200,119)</b>	<b>73,906</b>	<b>-</b>
<b>Cash, Beginning</b>	<b>44,970</b>	<b>78,382</b>	<b>114,193</b>	<b>150,005</b>	<b>59,619</b>	<b>106,246</b>	<b>152,873</b>	<b>65,136</b>	<b>117,411</b>	<b>169,687</b>	<b>221,963</b>	<b>21,844</b>	<b>95,750</b>
<b>Cash, Ending</b>	<b>78,382</b>	<b>114,193</b>	<b>150,005</b>	<b>59,619</b>	<b>106,246</b>	<b>152,873</b>	<b>65,136</b>	<b>117,411</b>	<b>169,687</b>	<b>221,963</b>	<b>21,844</b>	<b>95,750</b>	<b>95,750</b>

KID Ltd

Schedule detailing cash flow statement C2 calculation - 2016

Month	Jan 13	Feb 14	Mar 15	Apr 16	May 17	Jun 18	Jul 19	Aug 20	Sep 21	Oct 22	Nov 23	Dec 24
<b>Account Receivable</b>												
Balance, Beginning	548,050	548,050	548,050	548,050	685,063	685,063	685,063	822,075	822,075	822,075	822,075	1,096,100
Sales, net	548,050	548,050	548,050	685,063	685,063	685,063	822,075	822,075	822,075	822,075	1,096,100	1,096,100
Collections	(548,050)	(548,050)	(548,050)	(548,050)	(685,063)	(685,063)	(685,063)	(822,075)	(822,075)	(822,075)	(822,075)	(1,096,100)
Balance, Ending	548,050	548,050	548,050	685,063	685,063	685,063	822,075	822,075	822,075	822,075	1,096,100	1,096,100

### **Collection of account receivable**

Assuming collection of net sale within 25 days  
after the first shipment arrived at destination (30 days)

Collection 100% in the following month (within 25 days) **548,050** **548,050** **548,050** **548,050** **685,063** **685,063** **685,063** **822,075** **822,075** **822,075** **822,075** **1,096,100**

## **Account Payable**

**Appendix B3**  
**KID Ltd**

**INCOME STATEMENT - For the year ending 2017**

Month	Jan 25	Feb 26	Mar 27	Apr 28	May 29	Jun 30	Jul 31	Aug 32	Sep 33	Oct 34	Nov 35	Dec 36	Total
<b>Sales</b>	\$ 1,096,100	\$ 1,096,100	\$ 1,096,100	\$ 1,096,100	\$ 1,370,125	\$ 1,370,125	\$ 1,370,125	\$ 1,370,125	\$ 1,644,150	\$ 1,644,150	\$ 1,644,150	\$ 1,644,150	\$ 16,441,500
Discount	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Sales</b>	1,096,100	1,096,100	1,096,100	1,096,100	1,370,125	1,370,125	1,370,125	1,370,125	1,644,150	1,644,150	1,644,150	1,644,150	16,441,500
<b>Cost of Goods Sales</b>													
Opening inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of rice	971,800	971,800	971,800	971,800	1,214,750	1,214,750	1,214,750	1,214,750	1,457,700	1,457,700	1,457,700	1,457,700	14,577,000
<b>Total</b>	971,800	971,800	971,800	971,800	1,214,750	1,214,750	1,214,750	1,214,750	1,457,700	1,457,700	1,457,700	1,457,700	14,577,000
closing Inventory	-	-	-	-	-	-	-	-	-	-	-	-	-
	971,800	971,800	971,800	971,800	1,214,750	1,214,750	1,214,750	1,214,750	1,457,700	1,457,700	1,457,700	1,457,700	14,577,000
<b>Gross Profit (or income)</b>	124,300	124,300	124,300	124,300	155,375	155,375	155,375	155,375	186,450	186,450	186,450	186,450	1,864,500
As a %	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	1,864,500
<b>Expenses</b>													
Salary (owner)	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
Wages	5,083	5,083	5,083	5,083	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	84,333
Rent	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
Advertising and promotion	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Travel	3,000	-	-	-	-	-	-	3,000	-	-	-	-	6,000
Office expenses	600	600	600	600	700	700	700	700	700	700	700	700	8,000
Utilities/Telephone/Fax	1,000	1,000	1,000	1,000	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	13,600
Insurance	300	300	300	300	400	400	400	400	400	400	400	400	4,400
Depreciation	100	100	100	100	200	200	200	200	200	200	200	200	2,000
RBC Financing plus exchange rate fees	14,577	14,577	14,577	14,577	18,221	18,221	18,221	18,221	21,866	21,866	21,866	21,866	218,655
EDC Account Receivable Insurance	13,482	13,482	13,482	13,482	16,853	16,853	16,853	16,853	20,223	20,223	20,223	20,223	202,230
<b>Collateral Management Services (CMS)</b>	9,718	9,718	9,718	9,718	12,148	12,148	12,148	12,148	14,577	14,577	14,577	14,577	145,770
<b>Total expenses</b>	53,494	50,494	50,494	50,494	63,355	63,355	63,355	66,355	72,799	72,799	72,799	72,799	752,589
<b>Earning (or loss) before taxes</b>	70,806	73,806	73,806	73,806	92,020	92,020	92,020	89,020	113,651	113,651	113,651	113,651	1,111,911
Income taxes	9,913	10,333	10,333	10,333	12,883	12,883	12,883	12,463	15,911	15,911	15,911	15,911	155,668
<b>Net Earnings (or loss)</b>	60,893	63,473	63,473	63,473	79,138	79,138	79,138	76,558	97,740	97,740	97,740	97,740	956,244

**Appendix C3**  
**KID Ltd**

**CASH FLOW STATEMENT - For the year ending 2017**

Month	Jan 25	Feb 26	Mar 27	Apr 28	May 29	Jun 30	Jul 31	Aug 32	Sep 33	Oct 34	Nov 35	Dec 36	Total
<b>Inflows</b>													
Collection of accounts receivable	1,096,100	1,096,100	1,096,100	1,096,100	1,096,100	1,370,125	1,370,125	1,370,125	1,370,125	1,644,150	1,644,150	1,644,150	15,893,450
	<u>1,096,100</u>	<u>1,096,100</u>	<u>1,096,100</u>	<u>1,096,100</u>	<u>1,096,100</u>	<u>1,370,125</u>	<u>1,370,125</u>	<u>1,370,125</u>	<u>1,370,125</u>	<u>1,644,150</u>	<u>1,644,150</u>	<u>1,644,150</u>	<u>15,893,450</u>
<b>Outflows</b>													
Acquisition of office equipment	1,200	-	-	-	-	-	-	-	-	-	-	-	1,200
Payment of account payable	971,800	971,800	971,800	971,800	1,214,750	1,214,750	1,214,750	1,214,750	1,457,700	1,457,700	1,457,700	1,457,700	14,577,000
Monthly expenses (excl. dep'n)	53,394	50,394	50,394	50,394	63,155	63,155	63,155	66,155	72,599	72,599	72,599	72,599	750,589
	<u>1,026,394</u>	<u>1,022,194</u>	<u>1,022,194</u>	<u>1,022,194</u>	<u>1,277,905</u>	<u>1,277,905</u>	<u>1,277,905</u>	<u>1,280,905</u>	<u>1,530,299</u>	<u>1,530,299</u>	<u>1,530,299</u>	<u>1,530,299</u>	<u>15,328,789</u>
<b>Increase (Decrease) in cash</b>	<b>69,706</b>	<b>73,906</b>	<b>73,906</b>	<b>73,906</b>	<b>(181,805)</b>	<b>92,220</b>	<b>92,220</b>	<b>89,220</b>	<b>(160,174)</b>	<b>113,851</b>	<b>113,851</b>	<b>113,851</b>	<b>-</b>
<b>Cash, Beginning</b>	<b>95,750</b>	<b>165,457</b>	<b>239,363</b>	<b>313,269</b>	<b>387,175</b>	<b>205,371</b>	<b>297,591</b>	<b>389,812</b>	<b>479,032</b>	<b>318,858</b>	<b>432,709</b>	<b>546,560</b>	<b>660,411</b>
<b>Cash, Ending</b>	<b><u>165,457</u></b>	<b><u>239,363</u></b>	<b><u>313,269</u></b>	<b><u>387,175</u></b>	<b><u>205,371</u></b>	<b><u>297,591</u></b>	<b><u>389,812</u></b>	<b><u>479,032</u></b>	<b><u>318,858</u></b>	<b><u>432,709</u></b>	<b><u>546,560</u></b>	<b><u>660,411</u></b>	<b><u>660,411</u></b>

KID Ltd

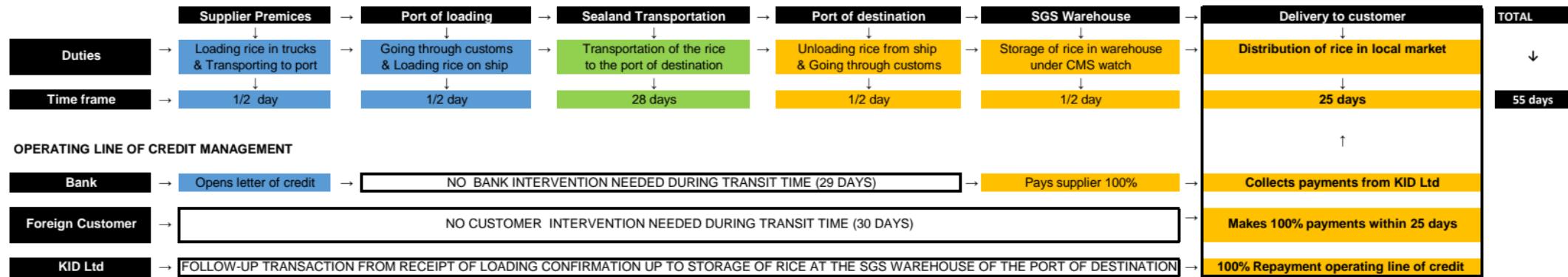
Schedule detailing cash flow statement C3 calculation - 2017

**Appendix D**  
**KID Ltd**

<b>BALANCE SHEET - As at Year ending</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	44,970	95,750	660,411
Account Receivable	548,050	1,096,100	1,644,150
Inventory	-	-	-
Total current assets	<b>593,020</b>	<b>1,191,850</b>	<b>2,304,561</b>
<b>Fixed Assets</b>			
Office Equipments	2,000	4,000	4,500
Leasehold Improvements	400	800	1,500
	<b>2,400</b>	<b>4,800</b>	<b>6,000</b>
Less depreciation	(1,200)	(3,000)	(5,000)
	<b>1,200</b>	<b>1,800</b>	<b>1,000</b>
Incorporation Cost	400	400	400
<b>TOTAL ASSETS</b>	<b>594,620</b>	<b>1,194,050</b>	<b>2,305,961</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Note Payable	-	-	-
Income taxes payable	38,447	122,367	278,035
	<b>38,447</b>	<b>122,367</b>	<b>278,035</b>
<b>Long Term Liabilities</b>			
Bank Credit	288,000	288,000	288,000
<b>TOTAL LIABILITIES</b>	<b>326,447</b>	<b>410,367</b>	<b>566,035</b>
<b>Owner's Equities</b>			
Investment	32,000	268,173	783,683
Retained Earnings	236,173	515,510	956,244
Total owner's equity	<b>268,173</b>	<b>783,683</b>	<b>1,739,927</b>
<b>TOTAL LIABILITIES &amp; OWNER'S EQUITY</b>	<b>594,620</b>	<b>1,194,050</b>	<b>2,305,961</b>

## Appendix E

### KID Ltd RICE EXPORT PROCESS MAPPING



## Appendix F

### LOCAL DISTRIBUTION NETWORK MAPPING



### KID Ltd DISTRIBUTION NETWORK MAPPING



LEGEND - MT: Metric Ton

Source: 2009, USAID (United States Agency for International Development)- Senegal Rice Study