



# Feasibility Study, Business Valuation and Financial Projection Report.

**Interior Design, Furniture Making and Retail Shop –  
CASTADIVA LIMITED**

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## Description of Assignment

**JOSIAH FIDEL CONSULTING LIMITED** has been retained by Mr. Meshack Ubara to carry out an independent business valuation of **CASTADIVA LIMITED**, as of 31<sup>ST</sup> October, 2016, and a financial projection analysis for a proposed Equity Investment from prospective Investors, in respect of a planned business expansion plan.

The purpose of this valuation report and financial analysis is solely to provide an independent valuation opinion and financial analysis, to assist the client in his decision making and deliberations with prospective Investors. As such, this report is intended for use by the management of **CASTADIVA LIMITED**. They may be used for any other purpose or by any other party at the risk/discretion of the client.

The “estimate of business value” that results from this engagement is expressed as a conclusion of business value elsewhere in this report.

## Standard and Premise of Value

This valuation report relies upon the use of fair market value as a standard of value. All assets and costs reflected in this report represent the market estimates as of the time of purchase. The exchange rates used is the official exchange rate of the CBN as at the 31<sup>st</sup> of October 2016, from their official website.

## Scope of the Report

This valuation report is a restricted report that is intended for use by the client alone. This report is not a full appraisal of the business but an estimate value of the business in relation to the proposed equity investment. During the preparation of this report we have made certain assumptions which are:

We have not audited or otherwise reviewed the business financial statements of **CASTADIVA LIMITED**. It was assumed that these financial details and bank statements are true and accurate. We assume no responsibility for the accuracy of the information provided by the business management of **CASTADIVA LIMITED**. This valuation report is based upon the market realities as of the date of transaction. We have not considered subsequent events. Unless specifically requested by the client and agreed upon by us, we have no obligation to update this report for such events and conditions.

## Information Sources

The following sources of information were used in preparing this report:

1. We conducted interviews with **CASTADIVA LIMITED - MD**, Mr. Meshack Ubara.
2. Information from the Bank statements provided by the MD.
3. And other Information provided by the MD.

## Executive Summary

Furniture making is a goldmine business opportunity & one of the fastest growing industries in Nigeria. This business has incredible profit potential and has millions of its products used daily and doesn't seem to have so much expenditure attached to it unless during the value chain cycle where raw materials of different quality and design are sourced and brought together resulting in a finished product. Furniture is one of the most important accessories because it adds style and elegance beside their primary functional designs.

Wooden furniture is usually present in homes, offices and social infrastructure buildings such as schools, hotels, hospitals, etc. They contribute to the beautification and aesthetics of the place. Furniture are in various forms, such as doors, tables, chairs, decorations, cabinet and shelves, cupboards and beds. It has the highest value-added component among the major wood-based product. Wooden furniture industries make a substantial contribution to development in tropical countries, producing important economic benefits and playing a significant role in promoting economic growth. *Annual trade in furniture between 2007 and 2009 globally surpassed US \$100 billion.*

The industry has been identified as a veritable tool in poverty alleviation, because of their potency in revenue generation, job creation, investment attraction and creation of market for local product. Castadiva was formed as a specialized furniture and interior design outfit focused not only on high end residential, hotel, and commercial market but also middle class category. Its founders have extensive experience in the construction and furniture industry. Based on the metrics gathered from findings we realize that furniture manufacturing and retailing is definitely a win-win business type case situation in Nigeria.

***Building a strong market position in the high-end residential, hotel, and commercial development segment, estimation of company project revenues will grow even more substantially with the injection of the proposed equity funds.***

Castadiva will be a leader in the sales of stylish and new designed furniture throughout Nigeria. It will be sold from stores around the metropolitan of Abuja as well as possible locations around the country to maintain the superior taste and quality. The furniture outfit will be operating from three locations across the country; Abuja, Port-Harcourt & Lagos with plans underway to have its presence in every state in Nigeria and West-African countries. Castadiva will also have a strong online presence via an e-commerce platform to sell its furniture products.

## Introduction

Furniture is one of the most important home accessories because it adds style and elegance beside their primary functional designs. Wooden furniture is usually present in homes, offices and social infrastructure buildings such as schools, hotels, hospitals, etc. They contribute to the beautification and aesthetics of the place. Furniture are in various forms such as doors, tables, chairs, decorations, cabinet and shelves, kitchen, space partition, cupboard and beds. Furniture has the highest value-added component among the major wood-based products. Furniture industries make a substantial contribution to development in tropical countries, producing important economic benefits and playing a significant role in promoting economic growth. Annual trade in furniture between 2007 and 2009 globally surpassed US\$100 billion. Some of the merits of the business are briefly highlighted below.

Furniture have been identified as a veritable tool in poverty alleviation, because of their potency in revenue generation, job creation, investment attraction and creation of market for local products. It represents the major market for products in Nigeria. It is noted that Nigerian furniture industry though operating at abysmal performance has been increasing in number. As furniture business develops, it creates employment, generates a trained work-force, and contributes to the development of physical and institutional infrastructure. However, wood furniture firms in Nigeria operate mostly at small and medium scale levels of production. Small scale producers are mostly artisanal furniture makers operating their workshops at roadside and within residential areas in cities and sub-urban settlements.

A major characteristic of furniture industry in Nigeria is that most of the companies operate at cottage and small scale level with 3-5 men workforce and rely mostly on crude and old implements. Medium scale furniture makers operate in the cities with limited funds for expansion, in most cases average total workforce ranges from 5-7 personnel. The small and medium scale furniture makers are usually hindered by lack of modern and efficient equipment in addition to skilled personnel. Studies in Borno State, Nigeria showed that small and medium scale industries (SMI) are affected by inadequate infrastructure such as power supply; raw material shortage; limited access to finance and competent personnel with a few industrial furniture producing companies operating in Nigeria and located in large cities and cosmopolitan areas. Abuja on the other hand has witnessed an increase in operators within the last four years both from the foreign scene such as Turkish and Chinese with many of the local producers also springing up in small scale and medium scale production across the city. We have clusters of local producers located at the suburban areas surrounding the main city of Abuja such as Karu and Kubwa express. However most of the big-time retailers are situated in the heart of the city such as the wuse 2 (Alibert-Vina-BoConcept and Interior woodwork) which is located in the central business district of Abuja. Quite a number of them have their factories located at the Idu industrial area off airport road. Some of the raw material used in these areas are sometimes smuggled into the country but due to the advancement and availability of technology, quality standard raw materials can now be made available locally for the aesthetic and quality design of the furniture. On the other hand Lagos city is just like a second home to many international brands simply because of the strong real estate development occurring in the city. One of the notable projects is the expansion along the Lekki axis to Ajah with a number of private estates coming up and lastly the ambitious project -Eko Atlantic city which will definitely place more demands on furniture makers to supply quality design and aesthetic furniture.

Furniture makers reside in cities and cosmopolitan areas because of the availability of elite consumers with high income as well as nearness to various industrial and government administrative headquarters, who are potential buyers. A thorough analysis reports a significant positive relationship between income level and preference for well finished and quality wood furniture in Nigeria. Large scale furniture



industries have capacity to solve some social problems by providing skilled and unskilled employment in the neighborhood. In Africa, activity level in this industry across several countries depicts the scale of growth in the continent. With 16% of world's total population, Africa contributes for 3% to world GDP. Since the year 2000, local per capita GDP has grown faster than in other regions of the world, with the only exception of Asian Countries. **Apparent furniture consumption (excluding retail mark-up) amounts to US\$ 9.6 billion. Africa accounted for 2% of world furniture consumption in 2013 with a per capita furniture consumption of 8 US\$, compared to a per capita average of 12 US\$ recorded by Asian countries.** Total furniture imports into Africa amounted to US\$ 3.6 billion in 2013. The nine-main furniture importing countries (each of them importing over US\$ 100 million of furniture in 2013) are;

- a) Angola,
- b) Morocco,
- c) Libya,
- d) Nigeria,
- e) Algeria,
- f) Kenya,
- g) Egypt,
- h) Ghana and Sudan.

These amounts are not large when compared with international standards. According to CSIL estimate, African furniture imports correspond to about 3% of world imports in 2013, but prospects for growth of the African economies for the near future are interesting.

Africa is richly endowed with resources (**in the mining, energy and agricultural sectors**) and 35 African countries (out of 54) have an expected annual GDP growth of 5% on average in real terms for the years 2014 to 2016, compared to 3.7% for the world economy. Accordingly, prospects for the local furniture sector are favorable and with the importation ban on furniture over a decade ago, particularly Nigeria's, assorted-taste market has gradually turned to local manufacturers, which has led to a burgeoning of the industry. Backward integration, competition and creativity has spawned homegrown furnishing giants such as *ITEX, Universal Furniture Limited (UFL) and The Chair Centre in the current N50 billion market*. The local producers whom previously suffered lack of patronage due to low material quality and market preference for imported goods now design and produce wooden, metallic and marble furniture of international standards.

### **History of the Nigerian Manufacturing Sector and Furniture Industry**

Since the peak of 7.83% in 1982, the contribution of manufacturing to GDP as a share of total economic output in general declined. Many factors have contributed to the variation per sector share to GDP through time, many of which show both the vulnerability of manufacturing to global economic pressures, as well as the impacts that policy changes can have in reshaping the sector.

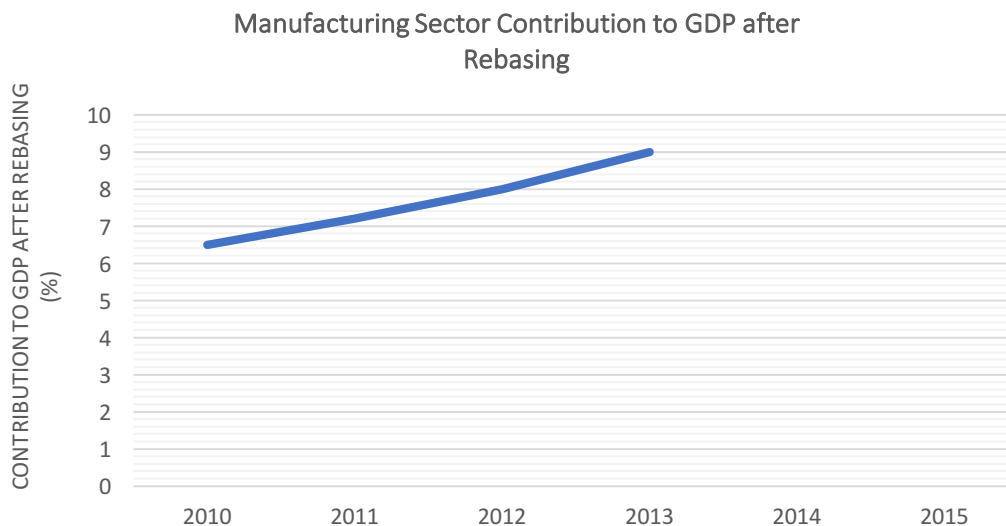
Prior to the oil boom of the 1970's, manufacturing contributed approximately 10% to Nigeria's economic output. Thereafter, increased revenues from oil caused the sector's relative Gross Domestic Product (GDP) share to decline; growth persisted albeit at a slower rate. The recession caused by the fall in oil prices in the early 1980's triggered policy attention to turn back to the manufacturing sector, with

steel production gaining prime focus. Prior to this, the Nigerian Enterprises Promotion Decrees of 1972 and 1977 had switched the majority firm ownership from foreign to Nigerian, restricting foreign capital inflows. The lack of affordability of imported goods, combined with the absence of foreign capital and technology, encouraged domestic production of basic commodities such as soap and salt. Alongside, price manipulation through export and import subsidies encouraged the importation of intermediary inputs and thus the expansion of assembly based industry. A brief spike in manufacturing output was observed in the early 1980's so that it contributed to 7.83% of total economic output. However, the price manipulation discouraged domestic manufacture of inputs, as well as the investment in the infrastructure and human capital required to do so in the future and this share soon began to decline.

In 1987 import bans on raw materials were imposed under the World Bank Structural Adjustment Program (SAPs), encouraging import substitution. Intermediary input manufacturers were able to produce competitively again, and there were fewer plant closures. This, combined with the Privatisation and Commercialisation Act of 1988, encouraged a higher degree of efficiency to be achieved in manufacturing. A slight increase in the share of manufacturing in economic output of 0.62% points was observed from 1986-1988.

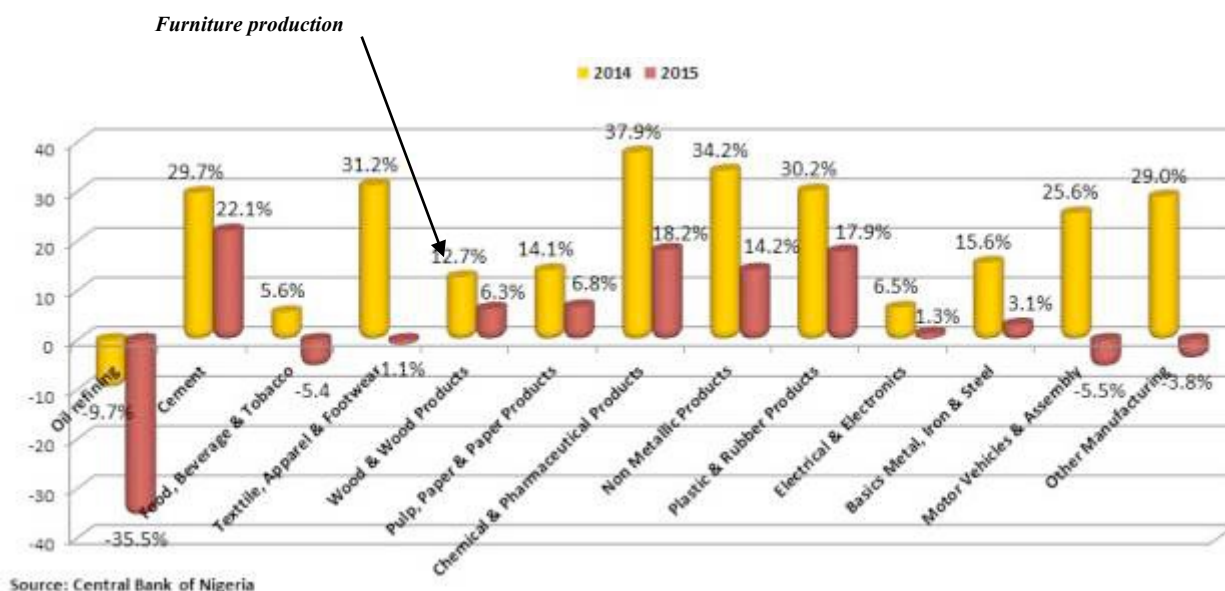
Throughout the 1990s and 2000's, Nigeria continued to rely heavily on the export of oil, allowing manufacture to remain in decline. Firms were not export orientated, and lacked efficiency, causing competitive companies to relocate factories abroad. A few key industries, such as beverages, textiles, cement and tobacco kept the sector afloat, but even these operated under half of their capacity. To this day, production is mainly located in Lagos and its periphery, and to a lesser extent some other commercial towns such as Kano or Kaduna. However, it was after the rebasing of Nigeria's GDP that more activities under manufacturing were captured. Under manufacturing activities like Pulp, paper products were discovered and this economic activity is an additional value to the economy. And with the new policy in place to encourage the localization and industry expansion in our country, the discovery of new activity under the rebasing exercise will definitely be a reason for increased GDP. In 2012 the manufacturing sector represented 9.3% of real GDP, a value that had not been recorded in decades. The manufacturing sector gained substantial momentum between 2010 and 2014 in a trend that suggested that the country was re-industrializing. The sector grew at an average of 16.7% per annum, contributed a quarter (24.7%) of GDP growth and raised its share of the economy from 6.6% to 10% during the period. However, the momentum was lost in 2015.

Manufacturing subsector-Furniture making-became a highlight in bolstering the economy because it was identified as an area of competitive advantage for Nigeria, occupying the tenth and third position in the world and Africa respectively among timber producing countries. With predominance of raw material, rural to urban migration, improved living standards and demand for better housing with bespoke finishing in the urban centres, the furniture sector is proving to be a gold mine of sort in the country and attracting a good number of semi-skilled and professional furniture makers. In 2014 the sector accounted for 2,395 formal jobs in Nigeria. As a sub-category of carpentry, the furniture industry is a major catalyst of economic growth. The Wood and Wood Product sector contributed about 0.22% (N179.6 billion) of the Manufacturing Sector Share of 6.83% (N5.4 trillion) to Nigeria's Re-based GDP in 2013, with a predictable annual growth rate of 5.2%.



Manufacturing Sector Contribution to GDP Post-Rebasing

Figure XX: Growth of manufacturing subsectors 2014, 2015



In 2015 the manufacturing sectors contribution to the Gross Domestic Product rose to N6.61bn in the third quarter as stated by the National Bureau of Statistics<sup>1</sup>. Analysis in the ninth month showed revenue in the sector added N2.14bn to the economy in the first quarter, N2.125bn in the second quarter, and N2.35bn in the third quarter. This performance from the sector surpassed the oil and gas industry by N1.93bn during the ninth month period.

<sup>1</sup> <http://www.nigerianstat.gov.ng/report/260>



## Business Justification

Over the years, furniture-making has been a neglected industry in Nigeria. But not so in many developing and developed nations, where the industry creates huge employment opportunities and foreign exchange earnings. Centre for industrial studies says world production of furniture is worth about \$350 billion. With Nigeria's \$510 billion economy (general economy), the furniture-making industry is often looked upon as one for illiterate people in spite of availability of wood, semi-skilled personnel and growing needs for its products by the built sector players. However, in the year 2004, the Nigerian Federal Government under the leadership of President Olusegun Obasanjo placed a permanent embargo on the importation of furniture products in a bid to ban it and encourage the domestic production of the commodity, to foster economic growth and development in the country, boost national Gross Domestic Product (GDP), attract foreign investors, nurture the infant industries, create vast employment opportunities in the industry for the unemployed citizens and also eradicate poverty. Even at that, the local production of furniture is yet to meet up with the national demand for the item to a great extent.

Historically, Research carried out by A.A. Ogunwusi of the Raw Materials Research and Development Council (RMRDC) showed that in the 1960s, the country's export of wood product and agricultural commodities provided more than 70 percent of the Gross Domestic Product (GDP). The research pointed out that over exploitation of wood, over emphasis on oil, among other factors, stifled this process. In spite of factors such as neglect of players, difficulties in getting wood and planks from the saw mills, constant felling of trees by businessmen in collaboration with unscrupulous government officials, high prices of these materials, among others, capacity utilization is still high.

As at 2010, round log equivalent had reached 326,172m<sup>3</sup>, according to the research. This was 217,700m in 1988 and 250,714m<sup>3</sup> in 1992. More than 400 furniture companies of various sizes exist in the country, but, most of them are cottage furniture makers. Deficiencies in technologies and finance, lack of qualified manpower and their rapid turnover are the major problems militating against optimal development of this sector. Thus, technical training is a priority to promote production to international standard and customers' requirements<sup>3</sup>.

The global furniture market is rising, with analysts forecasting the compounded annual growth rate (CAGR) estimate of 3.53 percent over the period of 2012 and 2016. Information from Reuters showed that one of the key factors contributing to this market growth is the boom in real estate industry. The global furniture market has also been witnessing the production of eco-friendly furniture. However, the shortage of timber supply often poses a challenge to the growth of this market<sup>4</sup>.

The key vendors dominating International space in the global market include Ashley Furniture Industries Ltd., IKEA International Group, Sears Holdings Corp., and Steelcase Inc. Other notable vendors are Haworth Inc., Herman Miller Inc., HNI Corp., Kimball International, Knoll Inc., KOKUYO Furniture Co. Ltd., and Masco Corp.

<sup>2</sup> *AFRICAN RESEARCH REVIEW* [http://afrrevjo.net/journals/multidiscipline/Vol\\_6\\_no\\_4\\_art\\_13\\_Ogunwusi.pdf](http://afrrevjo.net/journals/multidiscipline/Vol_6_no_4_art_13_Ogunwusi.pdf)

<sup>3</sup> *CHALLENGE OF INDUSTRIAL PRODUCTION AND PROCESSING OF RATTANS IN NIGERIA* A.A.Ogunwusi Raw Materials Research and Development Council,

<sup>4</sup> *Global Furniture Market Report* <http://www.prnewswire.com/news-releases/global-furniture-market-report-255225791.html>

## **Company Profile, Products and Services**

### **The Company**

We are pleased to introduce our organisation and corporate services to you. CastaDiva Ltd is a furniture and interior design company that specialises in the total execution and management of projects from conception to actualization.

Castadiva Ltd was registered with Nigeria Corporate Affairs Commission in 2011 and started operations in May, 2013. The company was established to offer furniture and interior design services for homes and offices based on our core values: excellence, innovation and attention to details.

We make available to Nigerians more alternatives in furniture and interior designs that were previously limited in the Nigerian market.

At Castadiva we offer a wide range of home/office furniture and design interiors that express the lifestyle of our customers at best price.

Castadiva Ltd is a fast growing company that is consistently and continually increasing its client base within the Nigerian interior furniture industry. It continues to enjoy high patronage from Nigeria retail businesses and middle class consumers who find its interior furniture products creative, elegant, innovative and comfortable creating a stylish ambience for homes and offices.

### **Our Vision**

” To give our clients world class innovative solutions with attention to detail and excellence that add value to their space at the best rate and competitive edge.”

### **Mission Statement**

CastaDiva strives to provide integrated and innovative furniture and interior design solutions to our clients by utilizing the latest technology, best practices and recognized industry standards. Through our knowledge and significant experience in the industry, we add value to our clients and build long term relationships that are mutually beneficial.





### **Values**

Fairness, Attention to detail, Innovation, Responsibility and Excellence.

## Our Products and Services

### Castadiva Retail and Showroom:

Castadiva showroom is a great one-stop shop where potential clients and our designers meet to transform creativity into life. You will find a great collection of tastefully finished assorted brands of furniture and interior finishes from kitchen & dining room furniture to living room pieces, office furniture, sofas, shelves, sideboards and conference & executive tables. There is just so much to see in our showroom which is open 6 days in a week.

PRODUCTS			
Bedroom Furniture	Dining room Furniture	Livingroom	Office Furniture
			
<ul style="list-style-type: none"> <li>• Beds</li> <li>• Dressing Mirrors</li> <li>• Chest of Drawers</li> <li>• Storage boxes</li> </ul>	<ul style="list-style-type: none"> <li>• Chairs</li> <li>• Sideboards</li> <li>• Tables</li> </ul>	<ul style="list-style-type: none"> <li>• Side Stools</li> <li>• Coffee Table</li> <li>• TV stands &amp; walls</li> <li>• Sofa sets</li> <li>• Wall shelves &amp; book shelves</li> </ul>	<ul style="list-style-type: none"> <li>• Conference Tables</li> <li>• Executive Chairs</li> <li>• Office Tables</li> </ul>

Other great collections of products in our showroom and retail shop include:

- Castadiva doors & window blinds
- Complete varieties of kitchen cabinet sets
- Complete office work stations

### Office Partition & Design Interior

We offer creative wooden office workspace and interior designs ideal for the modern office and home. We create innovative solutions for your office & home.

Our office partition designs include:

- Glazed office partitions
- Frameless glass partitions
- Timber partition
- Aluminium partitioning
- Plasterboard (drywall) partitioning

Our interior design styles include:

- Modern interiors
- Contemporary interiors
- Urban interiors
- Industrial interiors
- Traditional interiors (i.e. African styles)

The secret of our success is that our partitions and interiors are fully demountable and re-locatable.

## **Furniture**

Castadiva has plenty of furniture and sofa styles to choose from. Whether you are moving into your new home, or renovating / re-decorating, we provide the best styles to satisfy our teeming clients.

Our furniture and sofa styles include:

- Contemporary furniture & sofas
- Sectional sofas
- Mid-Century modern sofas
- Sleeper sofas
- Modern furniture
- Traditional furniture

## **Kitchen**

We take our time to design the heart of every woman's home – the kitchen! We ensure that the kitchen fits with the general style and ambience of the home. Whether it is the interior decoration of the kitchen or the kitchen cabinets to select from, we provide our clients and potential customers many styles.

Our kitchen & cabinet styles include:

- Modern Kitchen design
- Traditional kitchen design
- Contemporary kitchen design
- Classic kitchen design
- Luxury kitchen design

## **Building Interior and Exterior Renovation**

We boast of specialist experience in all building and exterior renovation services. Excellent management is provided by our CEO who has a background in Civil engineering and building designs / construction. A select number of our jobs in this category is provided in our company magazine as testimony to the popularity of our interior and exterior renovation solutions.

Our services in this category include but not limited to:

- Interior building renovation / remodelling
- Exterior building remodelling & repair
- Redesigning & fitting interior office & home spaces
- Management of furniture interior design sub-contractors

## **Furniture materials and accessories retail**

We do not only make furniture, we also provide our clients with an assortment of ready-made furniture materials and accessories to suit their taste.

Specific furniture materials & services in this category that we retail include:

- Commercial wood working
- HDF board retail
- Glossy MDF board retail
- Laminate particle board retail
- Edge tapes

Our list of accessories retail includes:

- Silicon sealant
- Glue
- Door & cabinet keys
- Cabinet hinges
- Cabinet & door handles
- Other custom accessories depending on market need and trending products

### **Castadiva Doors**

Leave it to Castadiva to develop an architecturally inspired innovative door system for you. Whether you want to match or enhance your home's current style while replacing doors, or remodelling or building with a custom look or architectural style in mind, Castadiva makes it easy. At Castadiva Ltd we are proud of our long-established reputation for innovative quality office interior design to meet the demands of the modern business environment. We offer a wide range of products, from traditional to contemporary, and combine this with proven levels of excellent service.

Our general door categories include:

- Framed glass doors
- Frameless glass doors
- Wood panel door styles
- Custom door options

Our top priority, for every client, is to provide the right solution, on time and within budget.



## **THE TEAM**

Our management team is a strong team of specialist professionals with a vast experience in furniture and interior decoration. The management team is led by its CEO, Meshack Ubara who has many years of experience in building design, construction, management and interior designs in wood, glass and modern materials. He is also an IT consultant which gives Castadiva Ltd an edge in developing and deploying its products on the right e-channel platforms. The CEO does not only understand the furniture interior products, but he knows the right segment of the market to play in and the right tools to employ to generate sales and revenue for the organization.

Meshack is an astute, passionate and focused leader who has driven Castadiva Ltd in the right direction since its inception. He leads a team of passionate professionals and employees including specialist sub-contractors and skilled artisans in delivering our service promise to our clients and achieving our core strategic goals.

## **Financing**

Castadiva Limited is economically profitable and, therefore, finances its working capital needs.

Castadiva Limited has an excellent relationship with its bank and has a substantial line of credit available with her supplier.

## **Clientele**

Some of our clientele are listed below:

- Celebrations Cards and Gifts,
- Chebar Group
- Elms Gate
- Apricot Investments Limited
- Trident Micro Finance Bank
- Broad Street Café
- Techvibe Ltd

## Valuation of The Subject Company

### Business Valuation Approaches and Methods

There are three fundamental ways to measure the value of a business or professional practice. These are:

- Asset approach
- Market approach
- Income approach

Under each approach, a number of methods are available which can be used to determine the value of a business enterprise. Each business valuation method uses a specific procedure to calculate the business value.

The valuation approach used in preparing this report is the **INCOME AND ASSET APPROACH**. The income approach to business valuation considers the income and profit of the business over a period of time. The approach relies upon the accounting concept of ‘**Going Concern**’ which implies that the business will continue to operate for the foreseeable future. While the asset approach to business valuation considers the underlying business assets in order to estimate the overall business enterprise.

### Income and Asset Based Valuation Results

#### CALCULATION OF BUSINESS VALUATION

DETAIL	APPENDIX	DESCRIPTION	VALUE (N)	VALUE (USD)
<b>ASSETS</b>	-			
<b>Current Assets</b>			<b>N</b>	<b>USD</b>
Cash/ Bank Account			864,793	2,835
Trade Debtors			-	-
Inventory			2,419,800	7,934
<b>Total Current Assets</b>			<b>3,284,593</b>	<b>10,769</b>
<b>Total Fixed Asset</b>			<b>1,664,775</b>	<b>5,458</b>
<b>Goodwill</b>	<b>1</b>		<b>29,234,190</b>	<b>95,850</b>
<b>Business Valuation (Total Asset)</b>			<b>34,183,558</b>	<b>112,077</b>

### Conclusion of Value

We have performed this analysis and report with objectivity and professionalism. Josiah Fidel Consulting Ltd, and contributing partners in this report, have no financial interest or contemplated financial interest in the business that is the subject of this report. This report was prepared solely to assist in conjunction to a proposed equity investment from prospective Investors. The resulting estimate of value should not be used for any other purpose or by any other party for any purpose.

Based on our analysis, as described in this valuation report, the estimate value of CASTADIVA LIMITED as of October, 31, 2016 is best expressed as **USD112,077 (ONE HUNDRED AND TWELVE THOUSAND, SEVENTY-SEVEN U.S. DOLLARS) ONLY.**

## Business Expansion Proposal and Financial Projections

Proposed Revenue Sources for business expansion projection.

### PROPOSED REVENUE SOURCES

1	Residential Furniture
2	Office Furniture
3	Interior Design
4	Glass Work
5	Aluminum Partition
6	Building Construction
7	Building Renovation
8	Home Automation
9	Commercial Wood Working
10	Manufacturer Representative
11	Product Franchise
12	Interior Design Academy

## Product Marketplace

The target market location under consideration here is primarily F.C.T – Abuja, Lagos and Port-Harcourt (with factory based in Abuja), and then beyond for this type of business basically covers everywhere from Corporate organizations to Government and Educational institutions, Churches and Hotels just to mention a few. All these places represent potential customer base for which Castadiva can become suppliers in the town of Abuja and beyond. The population in the metropolitan is 776,298 and that makes it one of the ten most populous cities in Nigeria. With a huge influx of people into the city, the growth has led to the emergence of satellite towns such as Karu Urban area, Suleja, Gwagwalada, Lugbe, Kuje and smaller settlements to which the planned city is sprawling according to recent reports. 2016 estimate put the city's population at 3,100,000.00. The city is also growing at a very fast rate, therefore, going by estimation, we can generally say that there are more businesses than resident per square meter in F.C.T. The federal capital represents the center of administration as far as Government is concerned and this can be seen in the many office buildings and government offices all around the town. By this calculation, we can say that most of the new office buildings are populated by office space in their numbers. With each building, we can safely say that each floor would have made provision for furniture products. This brings to light the need for supply of chairs, tables, sofas and cabinets and other furniture items etc. We cannot fully estimate the numbers of floors and rooms existing but we can definitely estimate the number of real estate development sprawling in the federal capital. In light of this, there is surely a huge market potential in the FCT, due to huge migration levels recorded and possibly other cities like Lagos where over 21 million people are resident and rapid real estate expansion is taking place followed by Port-Harcourt with equal potential. There has to be mapping of where to seek for the right customers – people

or organizations who are able and willing to purchase from Castadiva – at a price that will be cost benefiting for producer.

Competition is not really much of a noticeable threat because there is definitely more than enough market space for several operators to run. However, competition does exist because there are differences in quality, size and customer preferences which the foreign competition offer the Nigerian market. The use of aesthetics adopted by Chinese and Turkish retailers during production is what distinguishes international brands from local, and this becomes apparent in the finished product customers see, so this appears to be the element of competition faced by local producers. However, when the Obasanjo administration banned the importation of furniture products into Nigeria, this literally and drastically eliminated 45% of competition of external market penetrating the domestic market. In spite of the ban on furniture products, foreign operators (Chinese) are still smuggling their products into Nigerian market creating an unfair competition. Some of this competition can be seen in the shopping malls in Abuja and all over Nigeria. Competition is not too much of a threat only in the area where smuggled products (raw material or finished goods) which simply outclass home-made ones are brought in through by foreign operators. Success in this business is mostly placed on showcasing a style and design which appeals to the designate customer.

However, despite the prospects that abound in the Nigerian furniture industry, one of the challenges facing it is the lack of enough professional furniture makers to meet demand, as opposed to wayside carpenters, who equally try to make chairs, beds and tables. This definitely creates an immense opportunity for a myriad of Nigerian youths, who could embrace the vocation and learn the craft of qualitative modern furniture making. It also provides an opportunity for entrepreneurs who might want to invest in providing this training at a cost. Either way, the sector is definitely an untapped gold mine.

In this business you have a handful of people who make up your competition. Particularly in the city of Abuja we can count a few but there are popular brands like ITEX Furniture, Grand Furnishing Company Limited and Sokoa Chairs of France. The market place has and will be the center of attention for more and more operators simply because there is room for growth. The growth theory in the Nigerian market is evidenced in the huge demands of home and office furniture all across the country buoyed by city expansions, population growth and real estate developments at an exponential rate. These all contributes to the need for furniture products.

Not only are these bourgeois class of furniture makers springing up, patronage of their locally-made product is also on rapid rise, with individuals and corporate organizations pitching tent with them. The benefits of imported pieces of furniture as opposed to the locally made ones are because of certain differences in quality and durability. Amazingly, some of the materials used for furniture production (Melanin Face Chip Boards (MFC) can actually be manufactured in Nigeria. Dust derived from plain wood, usually found in saw can be used to manufacture this particular material but it is usually heaped and set on fire, which is why manufacturers import MFC from countries like China. They may require a difference in the quantity and sizes depending on the needs of each of the customer, leaving room for many innovations to be carried out should an operator be interested.

The market targets in Nigeria is perceived to be open to many options as there is no evidence of restriction to production nor regulation prohibiting the sale of the same. However, note that there has to be a way to succeed differently especially as a local operator, and this can be done by providing local producers the ability to manufacture the high quality raw material; Melamine Face Chipboard

(MFC)used in making these sophisticated finished products imported from foreign countries particularly from China. See below fig 3.

(Melamine Face Chipboard)



Fig 3

## Industry and Market

Over 60% of the total furniture market in Africa is satisfied by local manufacturers. Total Africa furniture production amounts to US\$ 7 billion. 14% of local manufactured furniture is exported, with main exporting countries: South Africa-Egypt-Morocco and **Nigeria**.

Apparent furniture consumption (at production or import prices, excluding retail mark-up) amounts to US\$ 9.6 billion. Main markets with over 500 million of furniture consumption are: South Africa, Algeria, Nigeria, Egypt and Morocco. North Africa and South Africa are the main consuming regions, showing the highest per capita furniture consumption with US\$ 16 and 15, respectively. In Africa, there are 53 metropolitan areas with population of more than 1 million inhabitants in 2015. If we consider only urban population, per capita furniture consumption grows up to US\$ 31 and 34, respectively.

Urbanisation process is expected to be very rapid, particularly in Sub Saharan Africa and large urban areas will be the engine of economic growth with important implications for the increase of furniture consumption. Despite political instability and relative poor infrastructure level, there is evidence of a number of urban centres in Nigeria, which offer potential for growth for the furniture market. These cities are increasingly diversifying their economy. ***In recent years, huge investments have been made in real estate, tourism and hospitality industry, culture and entertainment, which have boosted demand for the furniture sector.***

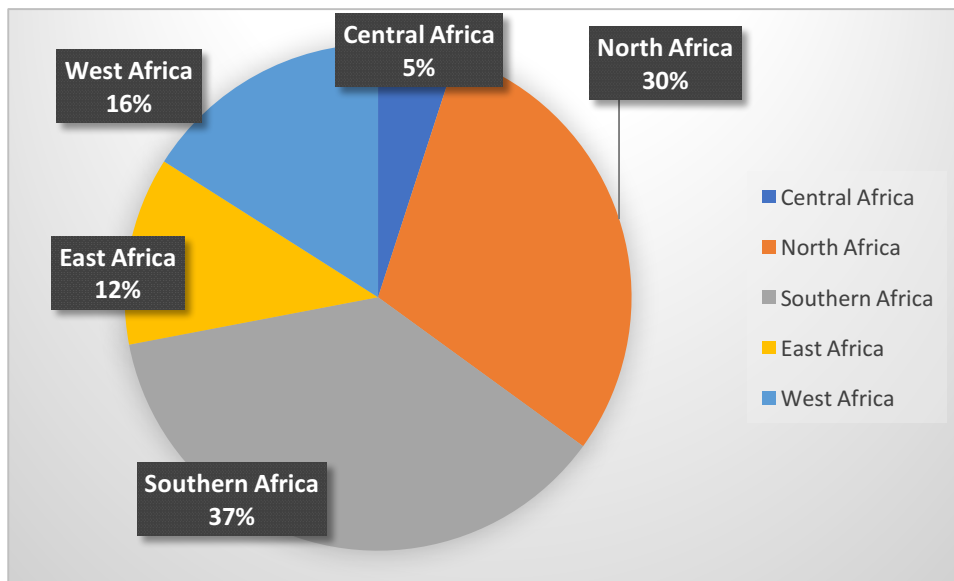
In North Africa the largest furniture consumer is Algeria, followed by Egypt and Morocco and over 68% of furniture consumption is satisfied by local manufacturers. Egypt, Algeria and Mauritania have very low degree of market openness.

***In West Africa the first furniture consumer is Nigeria (a large fast growing market), followed by Ghana and Ivory Coast. In West Africa more than 70% of furniture consumption is satisfied by local manufacturers.*** Evidence that local manufacturers are meeting international standards in furniture making. Central Africa records the lowest level of consumption among the four African regions and local manufacturers cover about 64% of the domestic market. The largest furniture consumer is the Congo Democratic Republic, followed by Cameroon and Gabon.

In East Africa the largest furniture consumer is Ethiopia, followed by Kenya, Tanzania and Uganda. The fastest growing markets in the region are Ethiopia and Uganda.



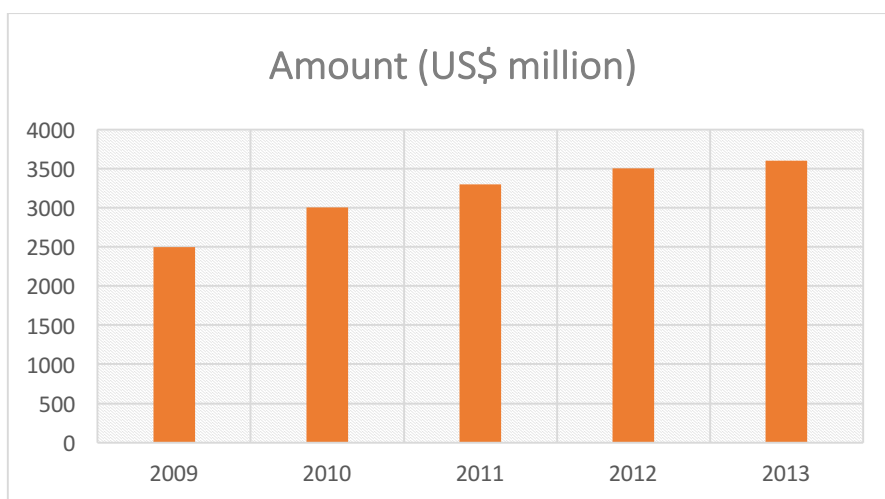
Southern Africa is the second largest furniture market. Local manufacturers satisfy 50% of the market. South Africa is ranking first as furniture consumer, followed by Angola, where prospects for growth are particularly favourable.



AFRICA. Breakdown of furniture consumption by region. % in value

### Africa Furniture Import Flows

North Africa and South Africa records the highest level of imports among the African regions. Southern Africa has the highest share of furniture consumption coming from foreign suppliers, while North Africa shows an incidence of import on consumption of 30%.



AFRICA. Growth of furniture imports, 2009-2013 US\$ million

The industry, has seen, has a lot of prospects to offer particularly in the nation of Nigeria. Since 2004, the federal government of Nigeria banned the importation of furniture in order to encourage local production of the product and create the much-needed employment. Though much as been achieved in terms of local production, the market is still experiencing a deficit in supply to meet demand. The Nigeria’s annual furniture production cannot be exactly estimated but total Africa furniture production amounts to US\$ 7 billion and this captures South Africa/ Algeria/ Nigeria/ Egypt/ Morocco.

The short fall in supply translate to a market gap estimated in the millions in revenue and an investment opportunity for savvy investors to exploit. The demand for furniture production would continue to expand as the standard of living of the over one hundred and Sixty-seven million (167,000,000) Nigerians growing at the rate of 5. 7% per annum continues to also grow.

And with the rapid expansion of urbanization in the sub-Saharan region, large urban areas will be the engine of economic growth with important implications for the increase of furniture consumption. The rapid movement of people from rural towns and villages to the city is quickly becoming a noticeable thing. People want to be closer to their place of work and location of livelihood and therefore finding ways to migrate to where they feel better prospects will be.<sup>5</sup> Abuja grew by 139 % between 2000 and 2010, making it the fastest growing city in the world at the time.<sup>6</sup> Today it is growing at the rate of 35 % and still retains its position as the fastest growing city in Africa and one of the fastest growing city in the world. The city records 1,800 people occupying per square meter, which is growing in density. As a result of this huge influx of people came the emergence of satellite towns such as Lugbe, Karu and Gwagalada and other planned towns to be opened. Indeed, the city is one of the few purpose-built capital as well as one of the wealthiest city in the world<sup>7</sup>.

## Marketing Strategy and Intended Market

Based on the marketability of the furniture production business, there is a chance of better publicity on the back of technology expertise available. Specifically, we have the advert platform of an eCommerce online marketing. A web based portal that showcases numerous models for online lookers and shoppers who require the delivery of the product at the convenience of their doorstep. This medium of delivery has proven to reach a wider category of customers and effective in reaching target markets not physically close. In this business, there are only one or two options which can be adopted to source for more customers as well as securing the existing markets.

The Nigerian environment is presently in a good period for furniture business. This of course is premised on the policy formulation and implementation of importation ban of furniture goods in 2004 till date. Also we can say that the market is inching forward as population growth and urbanization are quickly influencing the patronage of the same. Specifically coming down to Nigerian market we can say that opportunities abound. In 2016, the population was 3.1 million and growing at an increased rate.

With this said, furniture production, as a niche market, has got several manufacturers of this product operating in this space respectively. Some of these names have grown to become established household names in the axis in question. Just to mention a few are **Interior woodworks and Alibert**. They have both established their names in the industry for sure. From findings, both brands names only cover certain parts of the city with still a lot more ground to cover and most of the suburban areas and satellite towns expanding and developing everyday still remain uncovered.

Certainly, there are quite a few manufacturers around but many do tend to produce and market in the area in which they are hosted. Proceeding to the areas along the Kubwa and airport highway we observe very clearly the enormity of real estate development being carried out till we eventually reach the suburbs

<sup>5</sup> *World's Fastest Growing Cities are in Asia and Africa*". Euromonitor. 2 March 2010. Archived from [the original](#) on October 2015. Retrieved 26 October 2015.

<sup>6</sup> *Legal Notice on Publication of 2006 Census Final Results*" (PDF). Policy and Legal Advocacy Centre. Retrieved 10 June 2012.

<sup>7</sup> Murray, Senan. "Life of poverty in Abuja's wealth." *BBC*. Tuesday 13 February 2007. Retrieved on 12 September 2011.

and developing towns. Projects of this scale are being replicated at every single angle of the city as well as outskirts towns as far as FCT is concerned. The city of Lagos has embarked on the prestigious and ambitious real estate development Eko Atlantic City along the coast line of the state, reclaiming 5 million square metres of land from the ocean. In Lagos, over 150 new office buildings are under construction. About 90 of them are to be built on what will look like a new Manhattan on a stretch of coastline adjacent to Lagos. In Eko Atlantic aka The Great Wall of Lagos on Victoria Island, hundreds of thousands of people are going to work and live. The largest part of the 90 towers of this town will be office space. The brochure that was developed to attract enterprise to rent an office here, describes the future of the country's economy – projected growth in 2014 according to IMF: 7.5 % – as follows: “Lagos is to become the financial hub of Africa. With its wealth of facilities and infrastructure, Eko Atlantic will help make this possible, and its investors will stand to gain enormously.”

There is only one problem. There is not enough office furniture for the future white-collar employees of Eko Atlantic to work on. “For local and international companies that wish to set up office in new business areas like this, it is hard to find the right chairs and desks. Importing international furniture brands is out of the question, these goods are banned for import to promote local production. Local produce is scarce and either not suitable or very much overpriced. With the steep increase of demand, there is a clear business case for international office furniture brands to step into the local market

**Distribution of Pamphlets:** - Pamphlets for our furniture business will be provided for free in order to market our products in your business. The distribution of the flyers about our furniture business is to be made in the market location directly to customers who appear to be potential buyers. We need to invest money in advertising through the flyers which are available at an inexpensive rate in a local store or perhaps even a supermarket

**Exclusive Events/functions:** - Various events will be conducted by some of the companies in order to welcome some of the employees in their organization. New employees like this are potential customers for the furniture business particularly those who wish to set up their houses so that they can complete their home décor as per the requirements. It's vital our marketer is present at some of the promotional events like this and conduct a presentation of all the furniture available for their needs. There is a high chance we will encounter sales in this fashion since employees are of the feeling that the availability of the furniture is at their discretion. We have to operate the furniture business in a similar fashion. Perhaps, a type of advertising where promotional events is involved, it is seen to be the most effective form of advertising. We need to be willing to give away free gifts like accessories, calendars, and keychains etc. which contain advertising material of our furniture business products in some or the other way to make a constant reminder to them about the existence of the business.

**Online Advertisement:** - There are plenty furniture-based websites as well as the social networking sites where we can advertise a product or two about our furniture business. It's preferable we go for the premium services of these websites in order to make a complete advertising material according to our needs. We will therefore seek the services of advertising agents like “google ad” of the powerful advertising media like the World Wide Web in order to seek the potential buyers of our furniture products. This is definitely one of the good options that we can have in the field of advertising furniture products of ours because we can target an array of potential buyers. The greatest advantage that is offered by the online advertising is that it not only targets the potential buyers existing in an area, but also the ones who are considering moving into the area that we may operate our furniture business in. Blogs can also serve as good advertising tools, provided that we have the ability to market our blogs effectively.

## Competition

The element of competition in this line of business basically rests on the imported furniture that comes into the Nigerian markets. This is slowing down the growth of local furniture manufacturers because customers are showing preference for foreign products there. To help the local industry, excessive importation must be reduced. Maybe not totally eliminating foreign competition, however, they should come into Nigeria, setup factories and produce locally. This is because when they produce locally they can create more jobs for the people and help the economy of the country grow. Furniture making in Nigeria is a multi-billion-naira industry that employs hundreds of graduates and non-graduates. However, with the constant flow of imported furniture coming from the other countries, the local furniture business faces the threat of competition from those who import.

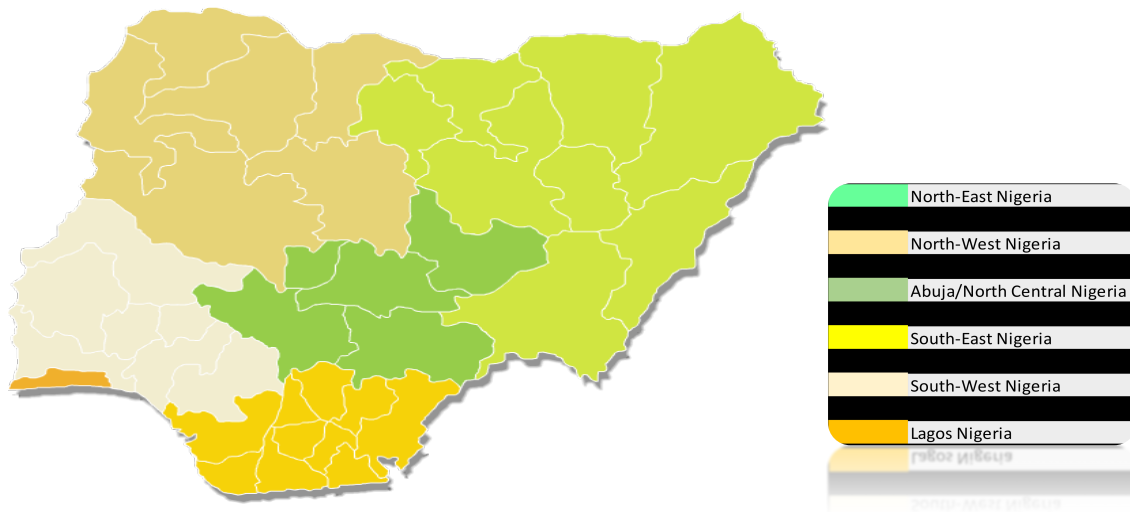
However, there are two major brands whom have proven to be real competition in the Nigerian market space and equally in Abuja. Namely;

*See table below.*

BRAND:	Sofa Set	Bedroom Furniture	Kitchen Furniture	Office Furniture
INTERIOR WOODWORK	✓	✓	✓	✓
ALIBERT	✓	✓		
ITEX	✓	✓		
GRAND FURNISHING COMPANY	✓	✓	✓	✓
BOCONCEPT	✓	✓		✓

Figure 1.

The Alibert and Interior woodworks both have a wide coverage in the Abuja and FCT area in general with distribution networks all around the country, metropolitan area and even satellite towns stretching from Kubwa to Nassarawa state bordering settlements within. Rose is incorporated by the Boulos group and has established a group of distributors present in each and every state of Nigeria. The Rose brand has multiple ranges of tissue roll on the shelves of Abuja stores, all having different quality, colors and textures. So basically, each range caters for a set of people's choices and this strategy actually covers every kind of consumer needs. Regardless of its present success, the brand still expands its distributorship database in areas where the demand for the product is still higher than the actual supply. See below state of coverage.



*Area of Coverage for Alibert*

Figure 2.

## **Critical Risk Factor (SWOT ANALYSIS)**

The business of furniture making has several difficulties involved in it. Just like any type of business, there will always be challenges faced in setting up and running a business.

### **Strengths:**

CASTADIVA LIMITED's strengths can be credited to ownership, management and associate partners. Ownership has solidified the stellar reputation it established. To that end, the company is highly regarded for its work ethic, team work, integrity and skilled workforce. Ownership also understands the importance of providing high – quality, yet cost – effective services, solutions and products to their clients, and this they try to provide always.

### **Weakness:**

The current administrative and operations management team for CASTADIVA LIMITED will require improvement in light of the proposed Investors. Best-in-class systems and structures will need to be designed to ensure the company can achieve positive sustained performances.

### **Opportunities:**

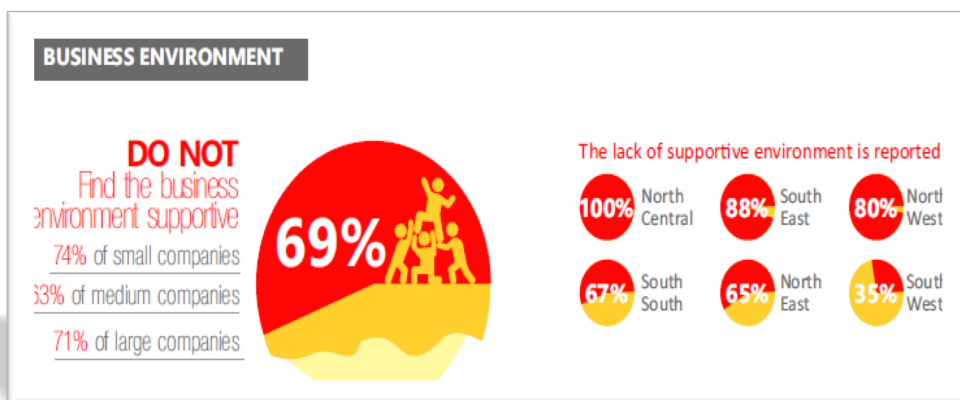
Furniture have been identified as a veritable tool in poverty alleviation, because of their potency in revenue generation, job creation, investment attraction and creation of market for local products. It represents the major market for products in Nigeria. It is noted that Nigerian furniture industry though operating at abysmal performance has been increasing in number. As furniture business develops, it creates employment, generates a trained work-force, and contributes to the development of physical and institutional infrastructure. Therefore the market is so big and the opportunities for indigenous companies like CASTADIVA who are very creative and resourceful is limitless.



**Threats:**

The threats in this business is really about the possible reversal of government policy to allow the resumption of importation of furniture back into Nigeria. This is however, very unlikely considering the disadvantages it brings to the table. But we identify this as a more realistic threat in the trade, as it will bring back unfair competition to the local producers.

And finally we have a business environment that could be unsupportive given the statistics from business owners. See infographics below.



Overall, 69% of sampled firms do not find the business environment supportive, including 74% of small companies, 63% of medium companies and 71% of large companies. The lack of supportive environment is reported by 100% of companies in North Central, 88% in South East, 80% in North West, 67% in South South, 65% in North East and 35% in South West.

## Financial Projections

### ASSUMPTIONS

a	Exchange Rate @ 31/10/2016	305	
b	We assume cash payments for all products and services.		
c	Interest rates, tax rates, and personnel burden are very conservative		
d	Values are in Naira (N) and USD (\$) as may be specified.		
e	Yearly staff salary increase	10%	10%
f	Other Cost of Sales	5% of Cost of sales	5%
g	Other Administrative Expenses	10% of Total Cost of sales	10%
h	Tax	30% of Net Profit	30%
i	Minimum Tax	0.5%	0.5%
j	Depreciation of new Machines , Equipment, furniture, etc	10.00%	10.0%

<b>CASTADIVA LIMITED</b>							
<b>FINANCIAL PROJECTION FOR 6 YEARS</b>							
<b>CURRENCY</b>							
<b>USD</b>							
<b>Revenues</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>TOTAL</b>
Residential Furniture	-	490,000.00	588,000.00	646,800.00	679,140.00	713,097.00	3,117,037
Office Furniture	-	490,000.00	588,000.00	646,800.00	679,140.00	713,097.00	3,117,037
Interior Design	-	490,000.00	588,000.00	646,800.00	679,140.00	713,097.00	3,117,037
Glass Work	-	520,000.00	624,000.00	686,400.00	720,720.00	756,756.00	3,307,876
Aluminum Partition	-	520,000.00	624,000.00	686,400.00	720,720.00	756,756.00	3,307,876
Building Construction	-	230,000.00	276,000.00	303,600.00	318,780.00	334,719.00	1,463,099
Building Renovation	-	460,000.00	552,000.00	607,200.00	637,560.00	669,438.00	2,926,198
Home Automation	-	230,000.00	276,000.00	303,600.00	318,780.00	334,719.00	1,463,099
Commercial Wood Working	-	480,000.00	576,000.00	633,600.00	665,280.00	698,544.00	3,053,424
Manufacturer Representative	-	260,000.00	312,000.00	343,200.00	360,360.00	378,378.00	1,653,938
Product Franchise	-	260,000.00	312,000.00	343,200.00	360,360.00	378,378.00	1,653,938
Interior Design Academy	-	240,000.00	288,000.00	316,800.00	332,640.00	349,272.00	1,526,712
<b>Total Revenues</b>	<b>-</b>	<b>4,670,000</b>	<b>5,604,000</b>	<b>6,164,400</b>	<b>6,472,620</b>	<b>6,796,251</b>	<b>29,707,271</b>
<b>Less Cost of Sales</b>							
Cost of Sales	-	3,800,000	4,560,000	5,016,000	5,266,800	5,530,140	24,172,940
Other Direct cost (freight, duties, carriage etc)	-	190,000	228,000	250,800	263,340	276,507	1,208,647
<b>Total Cost Of Sale</b>	<b>-</b>	<b>3,990,000</b>	<b>4,788,000</b>	<b>5,266,800</b>	<b>5,530,140</b>	<b>5,806,647</b>	<b>25,381,587</b>
<b>Gross Profit</b>	<b>-</b>	<b>680,000</b>	<b>816,000</b>	<b>897,600</b>	<b>942,480</b>	<b>989,604</b>	<b>4,325,684</b>
<b>Less Administrative Expenses</b>							
Salaries & Wages	-	128,420	141,261.64	155,387.80	170,926.58	188,019.24	784,015
Other Administrative Expenses	-	199,500	239,400	263,340	276,507	290,332	1,269,079
Depreciation	-	80,000	80,000	80,000	80,000	80,000	400,000
<b>Total Operating Expenses</b>	<b>-</b>	<b>407,920</b>	<b>460,662</b>	<b>498,728</b>	<b>527,434</b>	<b>558,352</b>	<b>2,453,094</b>
<b>Profit for the year before Interest &amp; Taxation (PBIT)</b>	<b>-</b>	<b>272,080</b>	<b>355,338</b>	<b>398,872</b>	<b>415,046</b>	<b>431,252</b>	<b>1,872,590</b>
<b>Interest on loan facility</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-						-
	-						-
<b>Profit for the year before Taxation (PBT)</b>	<b>-</b>	<b>272,080</b>	<b>355,338</b>	<b>398,872</b>	<b>415,046</b>	<b>431,252</b>	<b>1,872,590</b>
<b>Taxation (30% Of PBT)</b>	<b>-</b>	<b>81,624</b>	<b>106,602</b>	<b>119,662</b>	<b>124,514</b>	<b>129,376</b>	<b>561,777</b>
<b>Profit/(Loss) for the year after Taxation (PAT)</b>	<b>-</b>	<b>190,456</b>	<b>248,737</b>	<b>279,211</b>	<b>290,532</b>	<b>301,877</b>	<b>1,310,813</b>
<b>Appropriation</b>							
<b>Retained Earnings (100% of PAT)</b>	<b>-</b>	<b>190,456</b>	<b>248,737</b>	<b>279,211</b>	<b>290,532</b>	<b>301,877</b>	<b>1,310,813</b>

<b>CASTADIVA LIMITED</b>							
<b>CASHFLOW PROJECTION FOR 6 YEARS</b>							
<b>CURRENCY</b>	<b>USD</b>						
<b>(A) RECEIPT</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>TOTAL</b>
							-
Injected funds	2,000,000						-
							-
Total Revenues		4,670,000	5,604,000	6,164,400	6,472,620	6,796,251	29,707,271
<b>TOTAL RECEIPT</b>	<b>2,000,000</b>	<b>4,670,000</b>	<b>5,604,000</b>	<b>6,164,400</b>	<b>6,472,620</b>	<b>6,796,251</b>	<b>29,707,271</b>
<b>(B) PAYMENTS</b>							
							-
Capital Expenditure	2,000,000						-
							-
Total Cost Of Sale		3,990,000	4,788,000	5,266,800	5,530,140	5,806,647	25,381,587
Administrative Expense		327,920	380,662	418,728	447,434	478,352	2,053,094
Taxes			81,624	106,602	119,662	124,514	432,401
							-
Loan Facility Repayment		0.00	-	-	-	-	-
							-
<b>TOTAL PAYMENTS</b>	<b>2,000,000</b>	<b>4,317,920</b>	<b>5,250,286</b>	<b>5,792,129</b>	<b>6,097,235</b>	<b>6,409,513</b>	<b>27,867,082</b>
<b>SUMMARY</b>							
A - B: Surplus or (Deficit)	-	352,080	353,714	372,271	375,385	386,738	1,840,189
Opening bal. (Cash & Bank)	-	0	352,080	705,795	1,078,065	1,453,450	1,840,189
Closing bal. (Cash & Bank)	-	352,080	705,795	1,078,065	1,453,450	1,840,189	

**PROJECTED BALANCE SHEET****CASTADIVA LIMITED****As at the end of the 6th year**

<b><u>CURRENCY</u></b>	<b>USD</b>
<b>Assets</b>	
<b>Current Assets</b>	<b>N</b>
Cash/ Bank Account	1,840,188.52
Inventory	-
<b>Total Current Assets</b>	<b>1,840,188.52</b>
<b>Fixed Assets (Less Depreciation)</b>	<b>1,600,000.00</b>
<b>Total Assets</b>	<b>3,440,188.52</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Tax	129,375.72
<b>Total Current Liabilities</b>	<b>129,375.72</b>
<b>Non-Current Liabilities</b>	
<b>Total Non-Current Liabilities</b>	<b>-</b>
<b>Total Liabilities</b>	<b>129,375.72</b>
<b>Net Assets</b>	<b>3,310,812.80</b>
<b>Equity</b>	
<b>Equity Investment</b>	<b>2,000,000.00</b>
Retained Earnings	1,310,812.80
<b>Total Equity</b>	<b>3,310,812.80</b>



## Statement of Limiting Condition

1. The calculated value arrived at herein is valid only for the stated purpose as of October, 31, 2016.
2. Financial information and bank statements and other related information provided by CASTADIVA LIMITED in the course of this engagement have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions. Josiah Fidel Consulting Ltd has not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
3. Public information, industry and statistical information, if obtained, has been obtained from sources we believe to be reliable. However, Josiah Fidel Consulting Ltd makes no representation as to the accuracy and completeness of such information and has performed no procedures to corroborate the information.
4. This report and the conclusion of value arrived at herein are for the exclusive use of CASTADIVA LIMITED, for the sole and specific purposes as noted herein. They may be used for any other purpose or by any other party at the risk/discretion of the client. Furthermore, the report and calculated value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The estimate of value represents the considered opinion of Josiah Fidel Consulting Ltd based on information furnished to our company by CASTADIVA LIMITED.
5. No change of any item in this valuation report shall be made by anyone other than Josiah Fidel Consulting Ltd, and we shall have no responsibility for any such unauthorized change.
6. An actual transaction involving CASTADIVA LIMITED, the business ownership interest, the security, or intangible assets may occur at a higher or lower value, depending on the circumstances surrounding the business, the business ownership interest, the security or the intangible asset, and the motivations and knowledge of parties involved in the proposed equity investment. Josiah Fidel Consulting Ltd makes no guarantees about what values may be agreed upon in an actual transaction.
7. The conclusion of value reflects facts and circumstances existing as of October 31, 2016. Except as noted Josiah Fidel Consulting Ltd has not considered subsequent events and we have no obligation to update our valuation for such events.
8. No opinion is intended to be expressed for matters that require legal or other specialized expertise, investigation, or knowledge beyond that customarily employed by valuation specialists valuing a business, a business ownership interest, security, or intangible asset.
9. Possession of this report does not imply a permission to publish the same or any part thereof. No part of this report is to be communicated to the public by means of advertising, news releases, sales and promotions or any other media without a prior written consent and approval by us.
10. Josiah Fidel Consulting Ltd has not knowingly withheld or omitted anything from our valuation that would affect the conclusion of value.

THE INFORMATION IN THIS DOCUMENT IS THE INTELLECTUAL PROPERTY OF JOSIAH FIDEL CONSULTING LTD AND IS CONFIDENTIAL TO THE DIRECTORS AND BOARD OF CASTADIVA LIMITED. THEY MAY BE USED FOR ANY OTHER PURPOSE OR BY ANY OTHER PARTY AT THEIR OWN RISK/DISCRETION.

## Appendix

### 1 COMPUTATION OF GOODWILL: Using the average annual net profit method

	N	USD
Total profit for 3 years	8,770,257	28,755
No. of year (2014 - 2016)	3	3
<b>Average profit</b>	<b>2,923,419</b>	<b>9,585</b>
Goodwill computation =	Average annual profit x 10	10
<b>Goodwill computation =</b>	<b>29,234,190</b>	<b>95,850</b>

2	<b>Profit &amp; Loss</b>					
	<b>CASTADIVA LTD</b>					305
	Jan. - Oct. 2016	2015	2014	Total	Total	
				N	USD	
<b>Income</b>						
Furniture/Interior Design	₦3,465,750	₦2,017,268	₦0	₦5,483,018	17,977	
Other Incomes	₦3,473,400	₦2,733,000	₦1,256,939	₦7,463,339	24,470	
Projects (POP, Aluminium, Exterior/building)	₦19,334,513	₦48,217,846	₦314,490	₦67,866,849	222,514	
Web Design	₦66,160	₦123,980	₦82,400	₦272,540	894	
<b>Total Income</b>	<b>₦26,339,823</b>	<b>₦53,092,094</b>	<b>₦1,653,829</b>	<b>₦81,085,746</b>	<b>265,855</b>	
<b>Less Cost of Sales</b>						
Freight / carriage Cost)	₦10,450	₦0	₦0	₦10,450	34	
Purchases (Cost of Sale)	₦16,495,778	₦43,413,904	₦1,229,000	₦61,138,682	200,455	
<b>Total Cost of Sales</b>	<b>₦16,506,228</b>	<b>₦43,413,904</b>	<b>₦1,229,000</b>	<b>₦61,149,132</b>	<b>200,489</b>	
<b>Gross Profit</b>	<b>₦9,833,595</b>	<b>₦9,678,190</b>	<b>₦424,829</b>	<b>₦19,936,614</b>	<b>65,366</b>	
<b>Less Operating Expenses</b>						
Accountancy & Audit fees	₦50,000	₦40,000	₦0	₦90,000	295	
Bank Charges	₦58,490	₦38,390	₦29,398	₦126,278	414	
Business Promotion Cost	₦180,000	₦0	₦0	₦180,000	590	
Consulting fees	₦120,000	₦0	₦0	₦120,000	393	
Depreciation	₦169,875	₦203,850	₦0	₦373,725	1,225	
Fueling of Generator	₦16,000	₦30,000	₦0	₦46,000	151	
Fueling of Vehicle	₦144,000	₦144,000	₦80,000	₦368,000	1,207	
Internet Cost	₦203,370	₦0	₦0	₦203,370	667	
Local Transport	₦76,000	₦5,000	₦0	₦81,000	266	
Office Sanitary Cost	₦23,700	₦20,165	₦5,020	₦48,885	160	
Power (electricity)	₦274,480	₦137,000	₦0	₦411,480	1,349	
Printing & Stationery	₦746,000	₦0	₦0	₦746,000	2,446	
Rent-Office	₦1,518,483	₦759,241	₦0	₦2,277,724	7,468	
Rep and Maint of Motor Vehicle	₦45,000	₦65,000	₦0	₦110,000	361	
Repair & Maintenance Building	₦180,000	₦0	₦0	₦180,000	590	
Sales Commission	₦100,000	₦0	₦0	₦100,000	328	
Telephone (Recharge Card)	₦140,000	₦150,000	₦75,000	₦365,000	1,197	
Travelling and Accommodation	₦150,000	₦0	₦0	₦150,000	492	
Wages and Salaries	₦2,168,674	₦3,020,221	₦0	₦5,188,895	17,013	
<b>Total Operating Expenses</b>	<b>₦6,364,072</b>	<b>₦4,612,867</b>	<b>₦189,418</b>	<b>₦11,166,357</b>	<b>36,611</b>	
<b>Net Profit</b>	<b>₦3,469,523</b>	<b>₦5,065,323</b>	<b>₦235,411</b>	<b>₦8,770,257</b>	<b>28,755</b>	
<b>Appropriation</b>						
Director's Emolument		₦4,820,889		₦4,820,889	15,806	
<b>Retained Earnings</b>	<b>₦3,469,523</b>	<b>₦244,434</b>	<b>₦235,411</b>	<b>₦3,949,368</b>	<b>12,949</b>	

3	<b>Balance Sheet</b>		
	<b>CAS TADIVA LTD</b>		
	<b>As at 31 October 2016</b>		305
		<b>31 Oct 2016</b>	
	<b>Assets</b>	<b>N</b>	<b>USD</b>
	<b>Bank</b>		
	GTBANK	₦864,793.49	2,835
	<b>Total Bank</b>	<b>₦864,793.49</b>	<b>2,835</b>
	<b>Current Assets</b>		
	Closing Stock	₦2,419,800.00	7,934
	<b>Total Current Assets</b>	<b>₦2,419,800.00</b>	<b>7,934</b>
	<b>Fixed Assets</b>		
	Fixtures and Fittings	₦120,000.00	393
	Less Accumulated Depreciation	-₦22,000.00	- 72
	Office Equipment	₦450,000.00	1,475
	Less Accumulated Depreciation	-₦82,500.00	- 270
	Plant & Machinery	₦1,468,500.00	4,815
	Less Accumulated Depreciation	-₦269,225.02	- 883
	<b>Total Fixed Assets</b>	<b>₦1,664,774.98</b>	<b>5,458</b>
	<b>Total Assets</b>	<b>4,949,368.47</b>	<b>16,227</b>
	<b>Liabilities + Equity</b>		
	<b>Total Liabilities</b>	<b>₦0.00</b>	<b>-</b>
	<b>Equity</b>		
	Current Year Earnings	₦3,469,523.31	11,375
	Retained Earnings	₦479,845.16	1,573
	Share Capital	₦1,000,000.00	3,279
	<b>Total Equity</b>	<b>₦4,949,368.47</b>	<b>16,227</b>
	<b>Total Liabilities + Equity</b>	<b>₦4,949,368.47</b>	<b>16,227</b>

4 FIXED ASSET WITH DEPRECIATION SCHEDULE														
Depreciation Schedule														
CASTADIVA LTD														
1 January 2015 to 31 October 2016														
Name	Number	Type	Cost @ 1/1/15	Rate	Purchase Date	2015 Depreciation	Disposed	Asset Value @ 1-Jan-16	Purchases	2016 Depreciation	Disposals	Accum Dep	N Asset Value @ 31-Oct-16	USD
<b>Fixtures and Fittings</b>														
Office Desk	FA-0042	Fixtures & Fittings	120,000	10.0%	SL	1/01/2015	12,000	108,000	-	10,000	-	22,000	98,000	321
<b>Total Fixtures and Fittings</b>			<b>120,000</b>				<b>12,000</b>	<b>108,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>22,000</b>	<b>98,000</b>	<b>321</b>
<b>Office Equipment</b>														
Macbook Pro	FA-0041	Office Equipment	450,000	10.0%	SL	1/01/2015	45,000	405,000	-	37,500	-	82,500	367,500	1,205
<b>Total Office Equipment</b>			<b>450,000</b>				<b>45,000</b>	<b>405,000</b>	<b>-</b>	<b>37,500</b>	<b>-</b>	<b>82,500</b>	<b>367,500</b>	<b>1,205</b>
<b>Plant &amp; Machinery</b>														
Angle square	FA-0023	Plant & Machinery	750	10.0%	SL	1/01/2015	75	675	-	63	-	138	613	2
Angle square	FA-0024	Plant & Machinery	750	10.0%	SL	1/01/2015	75	675	-	63	-	138	613	2
ATORN angle grinder blade	FA-0017	Plant & Machinery	10,000	10.0%	SL	1/01/2015	1,000	9,000	-	833	-	1,833	8,167	27
ATORN angle grinder blade	FA-0018	Plant & Machinery	10,000	10.0%	SL	1/01/2015	1,000	9,000	-	833	-	1,833	8,167	27
ATORN angle grinder blade	FA-0016	Plant & Machinery	10,000	10.0%	SL	1/01/2015	1,000	9,000	-	833	-	1,833	8,167	27
ATORN angle grinder blade	FA-0015	Plant & Machinery	10,000	10.0%	SL	1/01/2015	1,000	9,000	-	833	-	1,833	8,167	27
Black & Decker hand filing machine	FA-0011	Plant & Machinery	18,000	10.0%	SL	1/01/2015	1,800	16,200	-	1,500	-	3,300	14,700	48
Bosch GBH 2-20D hammer drill	FA-0005	Plant & Machinery	45,000	10.0%	SL	1/01/2015	4,500	40,500	-	3,750	-	8,250	36,750	120
Bosch GOP 250 CE multi-cutter machir	FA-0019	Plant & Machinery	70,000	10.0%	SL	1/01/2015	7,000	63,000	-	5,833	-	12,833	57,167	187
Bosch GSB electric drilling maching	FA-0010	Plant & Machinery	26,000	10.0%	SL	1/01/2015	2,600	23,400	-	2,167	-	4,767	21,233	70
Bosch GSR 1080-2-L cordless drill	FA-0008	Plant & Machinery	70,000	10.0%	SL	1/01/2015	7,000	63,000	-	5,833	-	12,833	57,167	187
Bosch GSR 1080-2-L cordless drill	FA-0007	Plant & Machinery	70,000	10.0%	SL	1/01/2015	7,000	63,000	-	5,833	-	12,833	57,167	187
Bosch GSR 1080-2-L cordless drill	FA-0006	Plant & Machinery	70,000	10.0%	SL	1/01/2015	7,000	63,000	-	5,833	-	12,833	57,167	187
Bosch GSS 230 sandpaper machine	FA-0012	Plant & Machinery	24,000	10.0%	SL	1/01/2015	2,400	21,600	-	2,000	-	4,400	19,600	64
Bosch GST 65 BE Jigsaw machine	FA-0043	Plant & Machinery	35,000	10.0%	SL	1/01/2015	3,500	31,500	-	2,917	-	6,417	28,583	94
Bosch GTS 10J table saw	FA-0004	Plant & Machinery	140,000	10.0%	SL	1/01/2015	14,000	126,000	-	11,667	-	25,667	114,333	375
Bosch GTS 10J table saw	FA-0003	Plant & Machinery	140,000	10.0%	SL	1/01/2015	14,000	126,000	-	11,667	-	25,667	114,333	375
Bosch GWS 20-230H angle grinder	FA-0044	Plant & Machinery	18,000	10.0%	SL	1/01/2015	1,800	16,200	-	1,500	-	3,300	14,700	48
Bosch miter saw	FA-0001	Plant & Machinery	180,000	10.0%	SL	1/01/2015	18,000	162,000	-	15,000	-	33,000	147,000	482
Bosch POF1200 AE rafter machine	FA-0013	Plant & Machinery	150,000	10.0%	SL	1/01/2015	15,000	135,000	-	12,500	-	27,500	122,500	402
E65KWH generator	FA-0002	Plant & Machinery	90,000	10.0%	SL	1/01/2015	9,000	81,000	-	7,500	-	16,500	73,500	241
Hammer	FA-0039	Plant & Machinery	1,500	10.0%	SL	1/01/2015	150	1,350	-	125	-	275	1,225	4
Hammer	FA-0040	Plant & Machinery	1,500	10.0%	SL	1/01/2015	150	1,350	-	125	-	275	1,225	4
hand file	FA-0036	Plant & Machinery	500	10.0%	SL	1/01/2015	50	450	-	42	-	92	408	1
hand file	FA-0034	Plant & Machinery	500	10.0%	SL	1/01/2015	50	450	-	42	-	92	408	1
hand file	FA-0038	Plant & Machinery	500	10.0%	SL	1/01/2015	50	450	-	42	-	92	408	1
hand file	FA-0035	Plant & Machinery	500	10.0%	SL	1/01/2015	50	450	-	42	-	92	408	1
hand file	FA-0037	Plant & Machinery	500	10.0%	SL	1/01/2015	50	450	-	42	-	92	408	1
Hand saw	FA-0029	Plant & Machinery	3,500	10.0%	SL	1/01/2015	350	3,150	-	292	-	642	2,858	9
Hark saw	FA-0028	Plant & Machinery	2,000	10.0%	SL	1/01/2015	200	1,800	-	167	-	367	1,633	5
Ladder	FA-0027	Plant & Machinery	30,000	10.0%	SL	1/01/2015	3,000	27,000	-	2,500	-	5,500	24,500	80
Makita Li-on battery screw machine	FA-0009	Plant & Machinery	60,000	10.0%	SL	1/01/2015	6,000	54,000	-	5,000	-	11,000	49,000	161
Paint spray machine (electrical)	FA-0026	Plant & Machinery	25,000	10.0%	SL	1/01/2015	2,500	22,500	-	2,083	-	4,583	20,417	67
Paint spray machine (fuel)	FA-0025	Plant & Machinery	60,000	10.0%	SL	1/01/2015	6,000	54,000	-	5,000	-	11,000	49,000	161
Plumb	FA-0022	Plant & Machinery	3,000	10.0%	SL	1/01/2015	300	2,700	-	250	-	550	2,450	8
Pow er plus hand filing machine	FA-0014	Plant & Machinery	15,000	10.0%	SL	1/01/2015	1,500	13,500	-	1,250	-	2,750	12,250	40
Raider spanner box	FA-0021	Plant & Machinery	15,000	10.0%	SL	1/01/2015	1,500	13,500	-	1,250	-	2,750	12,250	40
Ryobi HBT255L table saw machine	FA-0020	Plant & Machinery	60,000	10.0%	SL	1/01/2015	6,000	54,000	-	5,000	-	11,000	49,000	161
Screw driver	FA-0032	Plant & Machinery	500	10.0%	SL	1/01/2015	50	450	-	42	-	92	408	1
Screw driver	FA-0033	Plant & Machinery	500	10.0%	SL	1/01/2015	50	450	-	42	-	92	408	1
Screw driver	FA-0030	Plant & Machinery	500	10.0%	SL	1/01/2015	50	450	-	42	-	92	408	1
Screw driver	FA-0031	Plant & Machinery	500	10.0%	SL	1/01/2015	50	450	-	42	-	92	408	1
<b>Total Plant &amp; Machinery</b>			<b>1,468,500</b>				<b>146,850</b>	<b>1,321,650</b>	<b>-</b>	<b>122,375</b>	<b>-</b>	<b>269,225</b>	<b>1,199,275</b>	<b>3,932</b>
<b>Total</b>			<b>2,038,500</b>				<b>203,850</b>	<b>1,834,650</b>	<b>-</b>	<b>169,875</b>	<b>-</b>	<b>373,725</b>	<b>1,664,775</b>	<b>5,458</b>

5	<b>INVENTORY SUMMARY</b>				
<b>COMPANY NAME: Castadiva</b>					
305					
<b>Inventory details AS AT 31ST October 2016</b>					
				<b>N</b>	<b>USD</b>
<b>S/N</b>	<b>QTY</b>	<b>ASSET DETAIL</b>	<b>UNIT COST</b>	<b>TOTAL</b>	<b>TOTAL</b>
1	5	Accurate POP screeding paint	2,200	₦11,000.00	36
2	7	Bonroy professional key handle	6,000	₦42,000.00	138
3	1	Fealty mortise lock	70,000	₦70,000.00	230
4	1	TAS electronic lock	120,000	₦120,000.00	393
5	9	Key engine	4,000	₦36,000.00	118
6	2	Dulux gloss paint (off white)	18,000	₦36,000.00	118
7	2	Dulux trade paint (light base)	18,000	₦36,000.00	118
8	1	Dulux trade paint (deep base)	18,000	₦18,000.00	59
9	3	Aluminium rod	2,667	₦8,000.00	26
10	2	Glass door handle/accessories	40,000	₦80,000.00	262
11	7	Key cylinder	4,000	₦28,000.00	92
12	4	Glass door key/lock	12,000	₦48,000.00	157
13	6	GD-95 LED Floodlight	8,000	₦48,000.00	157
14	1	Black wood tone	8,000	₦8,000.00	26
15	1	Ellmau beech wood tone	8,000	₦8,000.00	26
16	1	wood lacquer	8,000	₦8,000.00	26
17	1	Ellmau beech wood filler	8,000	₦8,000.00	26
18	2	white wood tone	4,000	₦8,000.00	26
19	1	Sienna calvados wood tone	8,000	₦8,000.00	26
20	1	Supershine automatic refinish(white)	8,000	₦8,000.00	26
21	1	Cherry wood tone	8,000	₦8,000.00	26
22	1	Wenge(oak) EDGE TAPE	22,000	₦22,000.00	72
23	1	Woodline Mocha EDGE TAPE	22,000	₦22,000.00	72
24	1	Piemont Cherry EDGE TAPE	8,000	₦8,000.00	26
25	1	Lilac EDGE TAPE	8,000	₦8,000.00	26
26	1	Red EDGE TAPE	8,000	₦8,000.00	26
27	1	Ash EDGE TAPE	8,000	₦8,000.00	26
28	1	Blue EDGE TAPE	8,000	₦8,000.00	26
29	1	Glossy black EDGE TAPE	22,000	₦22,000.00	72
30	1	Green EDGE TAPE	8,000	₦8,000.00	26
31	1	Orange EDGE TAPE	8,000	₦8,000.00	26
32	1	wenge EDGE TAPE	8,000	₦8,000.00	26
33	1	Cabinet legs	9,000	₦9,000.00	30
34	1	Angle bracket	800	₦800.00	3
35	2	Hydraulic cabinet hinge	400	₦800.00	3



36	4	Foam gum	450	₦1,800.00	6
37	16	Slat board lining(silver)	1,688	₦27,000.00	89
38	10	14" handle	700	₦7,000.00	23
39	13	10" handle	800	₦10,400.00	34
40	3	Electric socket	1,800	₦5,400.00	18
41	4	Computer cable hole cover(brown)	1,200	₦4,800.00	16
42	1	Door hinge	500	₦500.00	2
43	1	Adhesive glue	6,500	₦6,500.00	21
44	5	T5 LED light(16watt)	14,000	₦70,000.00	230
45	2	Door bolt	400	₦800.00	3
46	1	Door rubber	9,000	₦9,000.00	30
47	1	Fingerprint attendance machine	150,000	₦150,000.00	492
48	1	Adel Fingerprint door lock	170,000	₦170,000.00	557
49	1	Time attendance terminal	120,000	₦120,000.00	393
50	8	Delux M618 vertical mouse	15,000	₦120,000.00	393
51	3	Fossil leaf pattern wallpaper	6,000	₦18,000.00	59
52	3	Spanish tile pattern wallpaper	6,000	₦18,000.00	59
53	1	ProVI massager	50,000	₦50,000.00	164
54	1	Homido visual reality	40,000	₦40,000.00	131
55	3	Dodocool remote	10,000	₦30,000.00	98
56	1	Funlux CCTV	220,000	₦220,000.00	721
57	4	Collapsible fabric storage cube	9,000	₦36,000.00	118
58	2	Picture frame	10,000	₦20,000.00	66
59	1	master bed/semi-orthopedic mattress	180,000	₦180,000.00	590
60	1	TV stand	80,000	₦80,000.00	262
61	2	Storage box	60,000	₦120,000.00	393
62	1	Hex key	40,000	₦40,000.00	131
63	9	20mm conduit pipe	1,000	₦9,000.00	30
64	2	Wallshelves	35,000	₦70,000.00	230
		<b>TOTAL</b>		<b>2,419,800</b>	<b>7,934</b>

**6 PROPOSED REVENUE SOURCE**

1	Residential Furniture
2	Office Furniture
3	Interior Design
4	Glass Work
5	Aluminium Partition
6	Building Construction
7	Building Renovation
8	Home Automation
9	Commercial Wood Working
10	
11	Manufacturer Representative
12	Product Franchise
13	Interior Design Academy

**7 Profit Margin**

	PROPOSED REVENUE SOURCE	Profit Margin	Average Profit Margin
1	Residential Furniture	15% - 30%	23%
2	Office Furniture	15% - 30%	23%
3	Interior Design	15% - 30%	23%
4	Glass Work	20% - 40%	30%
5	Aluminium Partition	20% - 40%	30%
6	Building Construction	10% - 20%	15%
7	Building Renovation	10% - 20%	15%
8	Home Automation	10% - 20%	15%
9	Commercial Wood Working	20%	20%
10	Manufacturer Representative	20% - 40%	30%
11	Product Franchise	20% - 40%	30%
12	Interior Design Academy	20%	20%

8 COST OF SALES COMPUTATION IN USD							
	Sales + Growth Rate	100%	120%	110%	105%	105%	
Revenues	Expected Yearly Ave. Cost of Sales from 3 Outlets After Receipt & Investment of Funds	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL
Residential Furniture	400,000	400,000	480,000	528,000	554,400	582,120	2,544,520
Office Furniture	400,000	400,000	480,000	528,000	554,400	582,120	2,544,520
Interior Design	400,000	400,000	480,000	528,000	554,400	582,120	2,544,520
Glass Work	400,000	400,000	480,000	528,000	554,400	582,120	2,544,520
Aluminum Partition	400,000	400,000	480,000	528,000	554,400	582,120	2,544,520
Building Construction	200,000	200,000	240,000	264,000	277,200	291,060	1,272,260
Building Renovation	400,000	400,000	480,000	528,000	554,400	582,120	2,544,520
Home Automation	200,000	200,000	240,000	264,000	277,200	291,060	1,272,260
Commercial Wood Working	400,000	400,000	480,000	528,000	554,400	582,120	2,544,520
Manufacturer Representative	200,000	200,000	240,000	264,000	277,200	291,060	1,272,260
Product Franchise	200,000	200,000	240,000	264,000	277,200	291,060	1,272,260
Interior Design Academy	200,000	200,000	240,000	264,000	277,200	291,060	1,272,260
<b>Total Revenues</b>	<b>3,800,000</b>	<b>3,800,000</b>	<b>4,560,000</b>	<b>5,016,000</b>	<b>5,266,800</b>	<b>5,530,140</b>	<b>24,172,940</b>

9	SALES COMPUTATION IN USD												
	Revenues	Average Sales + Profit Margin	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL					
	Residential Furniture	123%	490,000	588,000	646,800	679,140	713,097	3,117,037					
	Office Furniture	123%	490,000	588,000	646,800	679,140	713,097	3,117,037					
	Interior Design	123%	490,000	588,000	646,800	679,140	713,097	3,117,037					
	Glass Work	130%	520,000	624,000	686,400	720,720	756,756	3,307,876					
	Aluminum Partition	130%	520,000	624,000	686,400	720,720	756,756	3,307,876					
	Building Construction	115%	230,000	276,000	303,600	318,780	334,719	1,463,099					
	Building Renovation	115%	460,000	552,000	607,200	637,560	669,438	2,926,198					
	Home Automation	115%	230,000	276,000	303,600	318,780	334,719	1,463,099					
	Commercial Wood Working	120%	480,000	576,000	633,600	665,280	698,544	3,053,424					
	Manufacturer Representative	130%	260,000	312,000	343,200	360,360	378,378	1,653,938					
	Product Franchise	130%	260,000	312,000	343,200	360,360	378,378	1,653,938					
	Interior Design Academy	120%	240,000	288,000	316,800	332,640	349,272	1,526,712					
	<b>Total Revenues</b>		<b>4,670,000</b>	<b>5,604,000</b>	<b>6,164,400</b>	<b>6,472,620</b>	<b>6,796,251</b>	<b>29,707,271</b>					

10 Staff Salaries + Allowances								N	USD
POSITION	QTY	Monthly Remuneration	Yearly Remuneration	Total Yearly Remuneration	Other benefits (Medical, leave, Bonus, training etc) 20% of remuneration	Total	Total		
Managing Director	1	500,000	6,000,000	6,000,000	1,200,000	7,200,000	23,607		
Business Development Officer	4	120,000	1,440,000	5,760,000	1,152,000	6,912,000	22,662		
Design and Research	3	140,000	1,680,000	5,040,000	1,008,000	6,048,000	19,830		
Machine Operators	6	60,000	720,000	4,320,000	864,000	5,184,000	16,997		
Sales Executives	3	40,000	480,000	1,440,000	288,000	1,728,000	5,666		
Drivers	3	40,000	480,000	1,440,000	288,000	1,728,000	5,666		
Skilled workers Pro	4	140,000	1,680,000	6,720,000	1,344,000	8,064,000	26,439		
Skilled workers serving	4	40,000	480,000	1,920,000	384,000	2,304,000	7,554		
						-	-		
						-	-		
						-	-		
<b>Total Annual Remuneration</b>			<b>12,960,000</b>	<b>32,640,000</b>	<b>6,528,000</b>	<b>39,168,000</b>	<b>128,420</b>		

11 FINANCIAL REQUIREMENT				
S/N	FINANCIAL REQUIREMENT ITEM	QTY	CURRENCY UNIT PRICE	USD TOTAL
1	Proposed Abuja Office and Factory	1	1,200,000	1,200,000
2	Proposed Machinery, Equipments, Furnitures & Fittings.	1	800,000	800,000
	<b>Total Facility Required</b>			<b>2,000,000</b>
	Owner's contribution			-
	<b>Equity Investment</b>			<b>2,000,000</b>

12	Depreciaton of New Fixed Asset Procured				
	FINANCIAL REQUIREMENT	<u>CURRENCY</u>	USD	Depreciation Rate	Depreciati on Amount
	ITEM	TYPE OF ASSET	VALUE		
	Proposed Abuja Office and Factory	Land & Building	1,200,000	No Depreciation	
	Proposed Machinery, Equipments, Furnitures & Fittings.	Plant, Machinery, Furnitures & Fittings	800,000	10%	80,000
	<b>Total Facility Required</b>		<b>2,000,000</b>		<b>80,000</b>



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Tunde Kuto

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6<sup>th</sup> January , 2016.