Global
INNOVATION TRADE

Business plan for the production of leather goods - suitcases, bags and others

June 2023.

CONTENTS

1. Project Summary Project

PURPOSE

This business plan was developed by "Global Innovation Trade" (hereinafter referred to as the "Company") to implement an investment project **for the production of leather goods - suitcases, bags and others**, financed partly with its own funds, as well as with the use of credit funds of financial institutions.

Under the project it is planned to build a factory and organize the production and sale of leather products - suitcases, bags and others with a production capacity of 60 thousand pieces of finished products per year. Raw materials will be local natural leather, produced in the region.

Your products are ready to go.

Leather is a strong, flexible, and durable material that is obtained by dressing hides in traditional farming conditions. or industrial enterprise. A separate category is the fur industry.

Leather is used in a variety of applications, from footwear and clothing to book binding and the production of furniture upholstery and leather wallpaper. Many varieties of leather with a variety of properties are produced. Leather accessories and their benefits - As you know, leather products have never gone out of style and have always been an undeniable sign of not only the modern haberdashery offers a selection of leather products for every purpose. Modern haberdashery offers a wide choice of leather products for any purpose.

The suitcase is a rectangular box used for storing and transporting items. The suitcase is equipped with a hinged lid and a carrying handle; it is mainly made of natural leather, synthetic leather or wood, the suitcase's predecessors were different in appearance and material.

The suitcase's predecessors were different in appearance and material. The predecessors of the suitcase were different in appearance and the nature of materials devices for carrying things: knots, baskets, which in the course of time transformed into more and more convenient and practical type of bags. Modern suitcases have a rich functionality. So they can be large for long journeys, or compact for short trips. The focus is on practicality: Suitcases are becoming lighter, more durable and easier to carry. And today there are craftsmen working on an expressive combination of the classic form of the suitcase and its new, ergonomic content. This direction in the creation of suitcases has a chance to become a new turn in their history. The main type of suitcase currently in use is the wheeled suitcase, which comes in two basic types - two-wheeled and four-wheeled. The construction of modern suitcases is of several basic types - rigid, semi-rigid and soft. In the manufacture of suitcases, especially in the medium and high price range, modern materials such as titanium, carbon fiber, etc. are used. The latest trend in the development of suitcases is their use as decorative accessories for travelers. The rich functionality of suitcases has become a standard for the main suitcase manufacturers, and nowadays the main focus is on improving the decorative qualities of suitcases and their ergonomics. One of the reasons for the changes in the design of suitcases is the change in the age composition of the travelling public. The cost of air travel is gradually decreasing, and, due to this, the number of young travelers, who are demanding to the appearance of their luggage, is increasing. As the number of young people travelling increases, the previously popular fashion of decorating suitcases revives, but instead of the suitcase stickers popular in the 20th century, decorative suitcase covers are becoming more common. More and more often the suitcase is the central accessory of the traveler and contributes to the whole image. Modern people strive for individuality and, often, factory products do not satisfy true connoisseurs of exclusive things. Vintage vintage suitcases, which are restored by designers and decorators, are popular among "fashionistas". Modern technology and materials turn a "long-lived" suitcase into a stylish item. By acquiring a bright appearance, suitcases do not lose their direct purpose - the transportation of luggage, and gladly accompany a person on trips.

A bag is a product, a soft container for carrying objects in your hands or on your shoulder. The bag may be fully padded, but it may also have a solid bottom. A rucksack is a specialized bag for carrying various loads on the back for a long period of time. It is equipped with two (less frequently one) slanting straps from the neck to the sides, as well as, in most cases, a handle on the upper side, stabilizing and unloading straps, and additional elements for the attachment of equipment and ammunition, d e p e n d i n g on its application. The bag's design can resemble an army knapsack or duffel bag, but differs from the knapsack in that the latter is fitted with straight straps and has no additional elements, and from the duffel bag in that the straps are separately and in the upper part are fixed (sewn), instead of being attached to the neck of the bag. There are many types of travel bags today - this both expands and complicates the choice. And of course these accessories are influenced by fashion. Each of the current models has its own merits, but there are many to choose from. In many ways, the style determines the purpose of the trip, which is why it is worth evaluating all options. There are many - this both expands and complicates the choice. And of course these accessories are influenced by fashion. Each of the current models has its own advantages, but there is a lot to choose from. In many ways, the style determines the purpose of travel, which is why it is worth evaluating all options. Backpack - a great solution for any journey, even if you take with them additional luggage, then make sure to get a backpack. It will successfully replace the usual handbag, "free" hands, allow you to keep under the arms of the first necessity, and therefore make your journey more comfortable. In addition, travel backpack bag - it's stylish. The models offered by today's manufacturers are far from the idea of travel or men's models˘ . The backpack has long reliably acquired elegant and feminine design. The transformer is the most convenient option for those who plan not just to rest, but also to use the time of vacation. The Travel Bag - Transformer is considered the most modern and quite democratic variant of the accessory by proven travelers.

The financial and˘ estimate of the total cost of the project is $2,076,759. THE TOTAL COST OF THE PROJECT IS $2,076,759.

Expected sources of funding:

- The business organizer's own funds of $1,156,759. US$1,156,759 (56%).
- Borrowed funds (loans of financial organizations) in the amount of 920
  The loan will have an average monthly payment of about $12,800 per month. The average monthly payment will be about $12,800, for 7 years (including a grace period of 1 year) at 6.5% per annum, with an average monthly payment of about $12,800.
  THE AVERAGE MONTHLY PAYMENTS WILL BE ABOUT $12,800.

PLANNING HORIZON AND PROJECT IMPLEMENTATION PERIOD

The planning horizon of the enterprise in this area in the calculations of this business plan is 7 years, taking into account lending and monitoring the financial condition after repayment of borrowed funds.

Financial and economic evaluation of the project is made within the planning horizon and the term of this project (from the beginning of its financing and to the actual completion with the repayment of credit and interest on it) is calculated for 7 years.

2. Project Strategy

BACKGROUND OF THE PROJECT

The project plans to produce leather goods - suitcases, bags and others.

The prerequisites for organizing the project are based on the following:

Availability of market potential:

The largest group of products are women's bags. Women's dressy bags (theatrical bags) are distinguished by their elegant design and decoration. They are small in size, a variety of decorations and decorative details - applique, weaving, embroidery, and original fittings. They can even be a subject of arts and crafts, i.e. have an artistic value and practical application at the same time.

Women's everyday bags are designed to meet a variety of requirements, depending on the nature of the items (business, general the main reasons for this are the fact that these products are used for a wide range of purposes, the condition of their use (spring-summer, autumn-winter), style (classical, sports, romantic, folklore), and others. This is associated with a large number of types and designs ˇ of these products.

Since the group of women's handbags is extensive, youth bags are often distinguished from it, whose peculiarity is avant-garde style. Due to the rapid change of fashion, the design and decoration of youth bags are most susceptible to change.

Cosmetics bags are characterized by their small size and simple design.

Travel bags are more varied in design and type than the host ones. They are characterized by voluminous external and internal pockets, tie straps, especially strong fastening details and fittings. Variety of travel bags are portmanteau and handbag. Popular designs of travel bags with transforming volume, on wheels.

Sports bags are close in design and size to the ˇ host and travel bags. They are usually distinguished by a characteristic design with the use of silk-screening, various emblems, fittings, etc., as well as a bright color scheme and the presence of specific nodes and details ˇ , emphasizing the sports identity of the product.

Host bags have a simplified design, they are most often made of synthetic materials with a washable lining.

Summer bags are distinguished by bright colors, a simple design, the use of non-traditional materials (fabrics, weaving from straw, etc.).

The student bags are an assortment group that has replaced school bags in recent years. They have designs that are convenient for placing textbooks, notebooks and school stationery.

Children's bags are divided into two types: for school and preschool children. They differ in size, design and construction, determining the purpose of the product. The design of bags for preschoolers often has a playful character.

Men's bags appeared relatively recently. Business cards are small bags for documents, a limited number of business papers, personal items. Men's bags have become quite a large assortment group of general purpose, which includes voluminous practical products of usual strict design.

Business folders are designed for business papers, books and magazines. The office folders are located on the desk and are used to store postal papers, envelopes, various correspondence. Address folders are used to insert a congratulatory ˇ anniversary address and are characterized by a corresponding design. Folders have a rectangular silhouette and dimensions determined by the size of the business papers. Bovar and address folders are flat products, while business folders may have some volume. The most popular among business people are organizers - folders of small size with a notebook, telephone book, there are compartments for business cards, pens and pencils, business papers, money, etc.

Travel items in the range of leather goods are mainly represented by suitcases. Suitcases are designed to carry and store personal ˇ and household items. A distinction is made between traveling suitcases and suitcases-diplomatic.

A significant place in the range of leather goods ˇ of leather goods ˇ occupy briefcases. Depending on the purpose briefcases are divided into business, travel and student, as well as male and female.

Business briefcases are designed for the everyday carrying of business papers, magazines, stationery. They are characterized by a small volume, the appropriate size, the presence of compartments for business papers, books, etc., the strict lines of detail and silhouette, restrained color scheme. Women's business briefcases are distinguished by smaller size and volume, a more diverse range of colors and more complex cut of additional external details. Travel briefcases are designed to carry a small number of books, business papers, documents and partially personal belongings. This product is characterized by a greater volume and size than a business briefcase, the presence of compartments for business papers, the use of voluminous external pockets, additional straps, necklaces, tighteners, restrained color range of materials. Pupil's briefcases are designed to carry textbooks, school and writing utensils. Pupil's briefcases are divided into groups 1, 2 and 3 for pupils in grades 1-3, 4-6 and 7-11 respectively. Pupil's briefcase is characterized by the volume and size, corresponding to the size of school supplies and textbooks carried in it, a simple design, the presence of 2-3 compartments or an outer pocket, a bright color range of materials (group 1), the design of the new model has been developed in accordance with the latest standards and regulations of the European Union.

School bags are used to carry textbooks and school supplies (1-3 grades). These products are characterized by a certain volume and size, a simple design, closure with a flap or zipper, and a bright color design. Recently, backpacks have been almost completely superseded by backpacks.

Small leather goods include the following types:

- A purse is for storing paper money and coins;
- wallets - for storing documents, small papers, and paper money;
- purses - for change and coins;
- Cases - for storing keys, glasses, etc;
- covers - to protect books and documents from damage, notepads, etc.

It should be noted that the assortment of products is not a stable, constant system. Changes in the life of society actively influences the formation of the assortment and the development of new types of products, the improvement of their design. Fashion has a huge influence on the assortment, determining the use of new ways of decoration, materials and design.

The democratization of fashion observed in recent years has prompted a number of designs of universal bags, folding bags, i.e. used in different environments.

Availability of raw material base: in the region and in the country as a whole, there are plants for the processing of natural leather.

Availability of labor resources: high population growth and a large proportion of the young population create an attractive labor potential for project development. The project infrastructure does not require highly qualified labor force, and the local population can obtain the required qualifications to work at the proposed facilities in a short time.

A DESCRIPTION OF THE CHOSEN LOCATION:

The production site is located in Kashkadarya region, Kamashi district, at Kiziltepa makhalla.

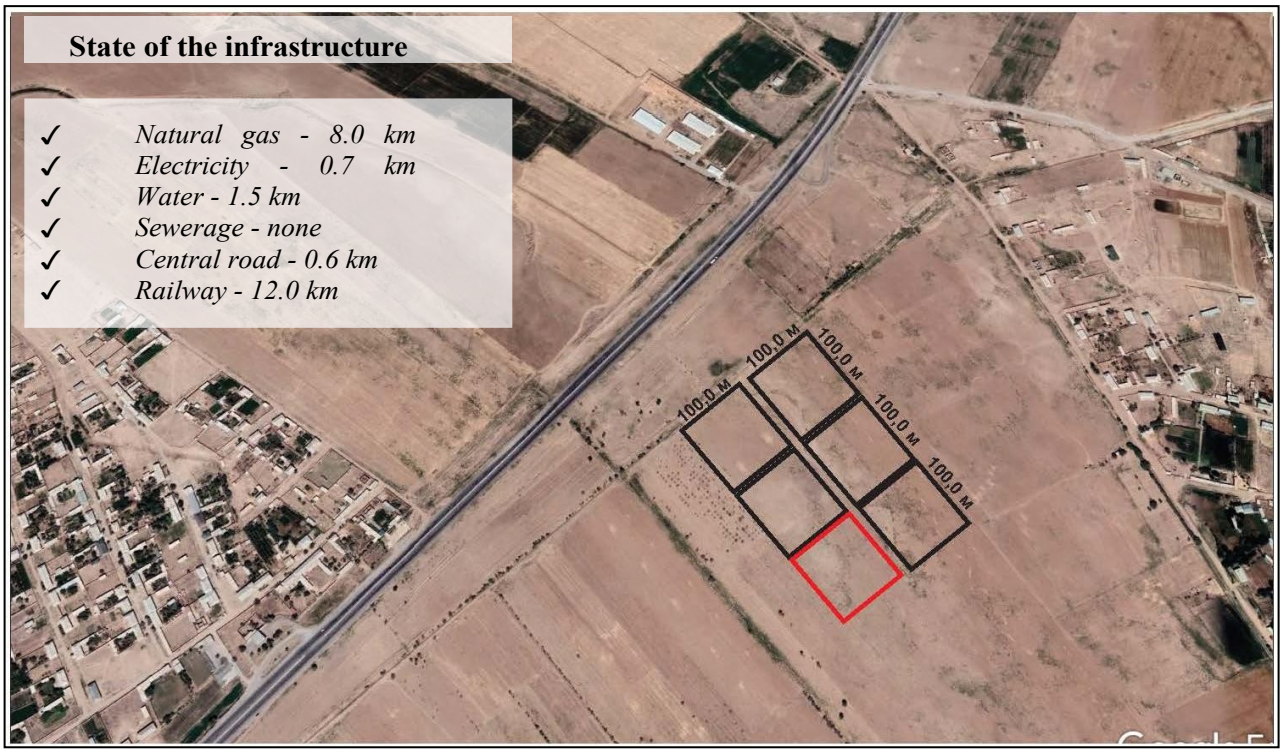
It occupies an area of more than 2.66 thousand square kilometers. It is located 60 kilometers from Karshi city and 485 kilometers from Tashkent.

It is connected to the city of Karshi by road.

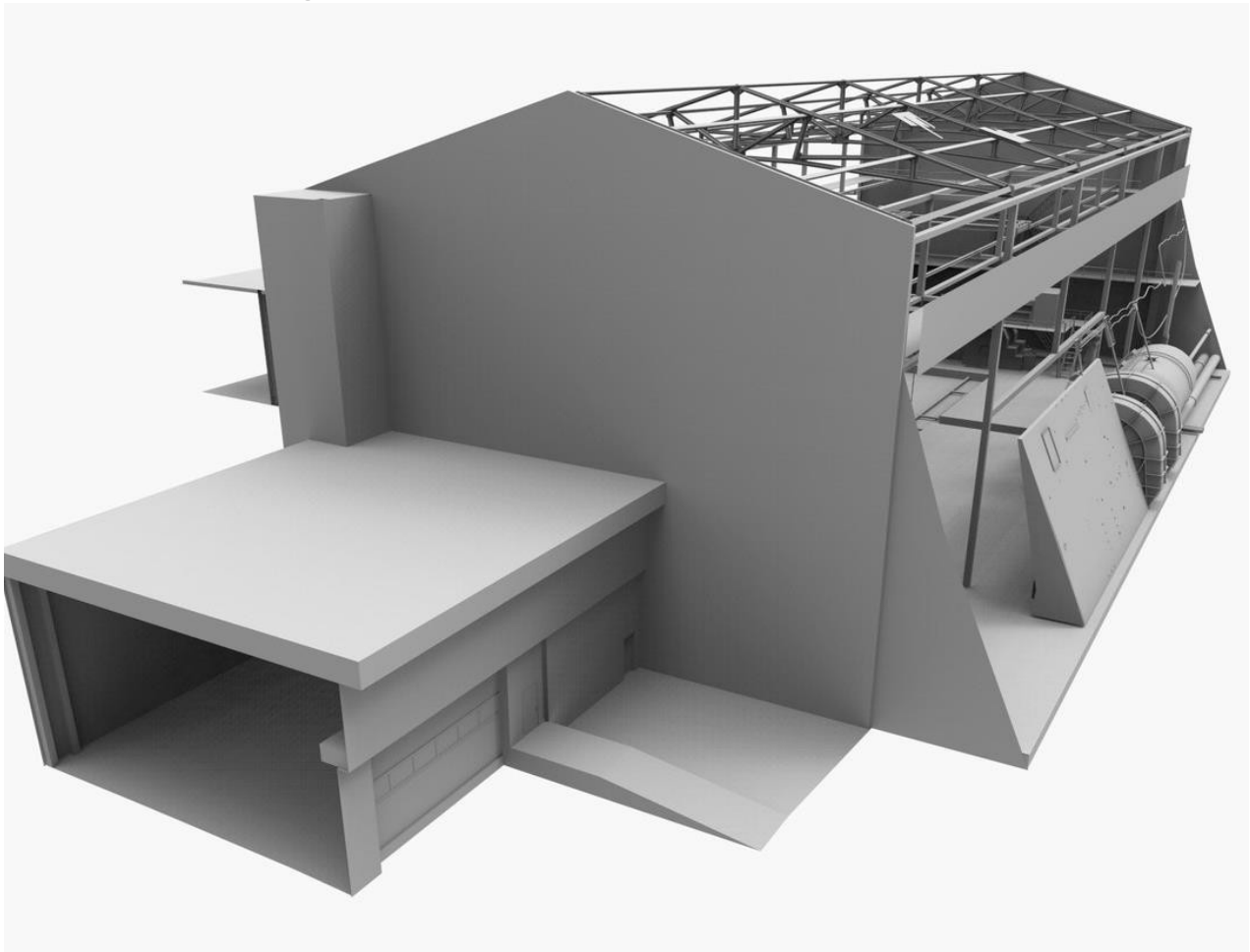
The population of the Kashkadarya region as of 2023 is 3.5 million people, with a population of 286,000 in the Kamashin region itself.

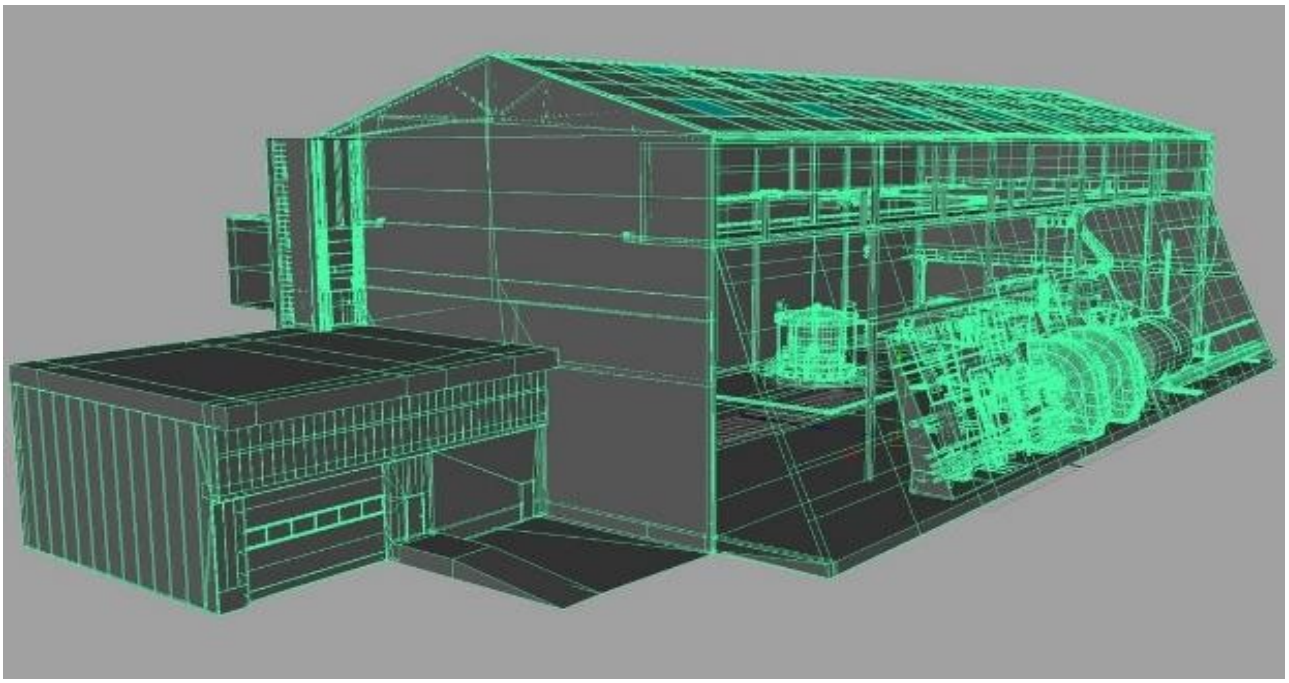
Project Location

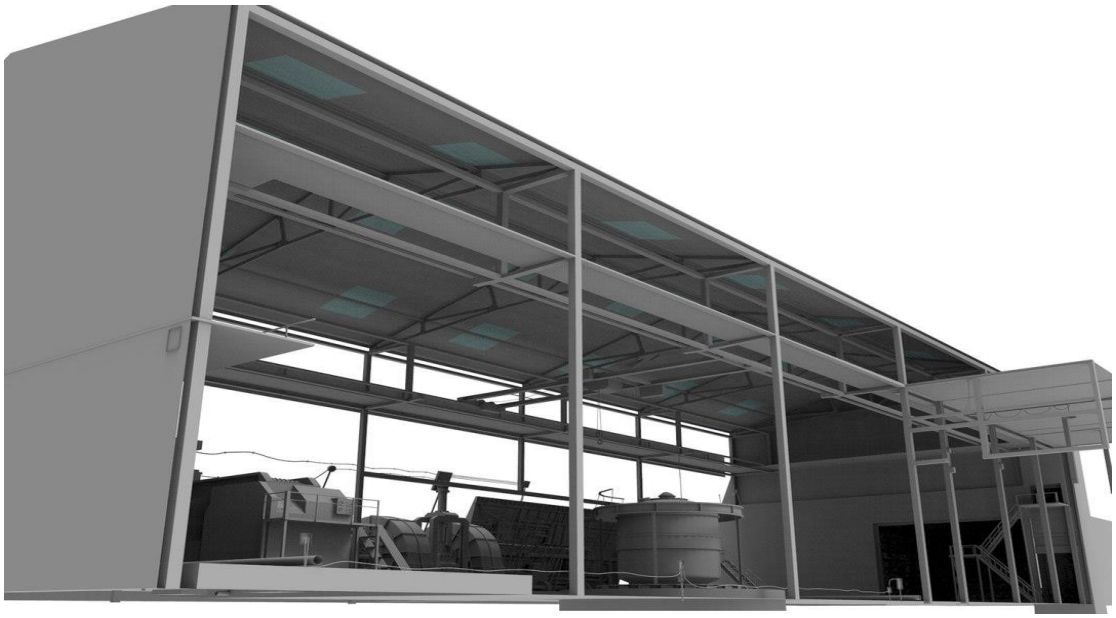
Production area

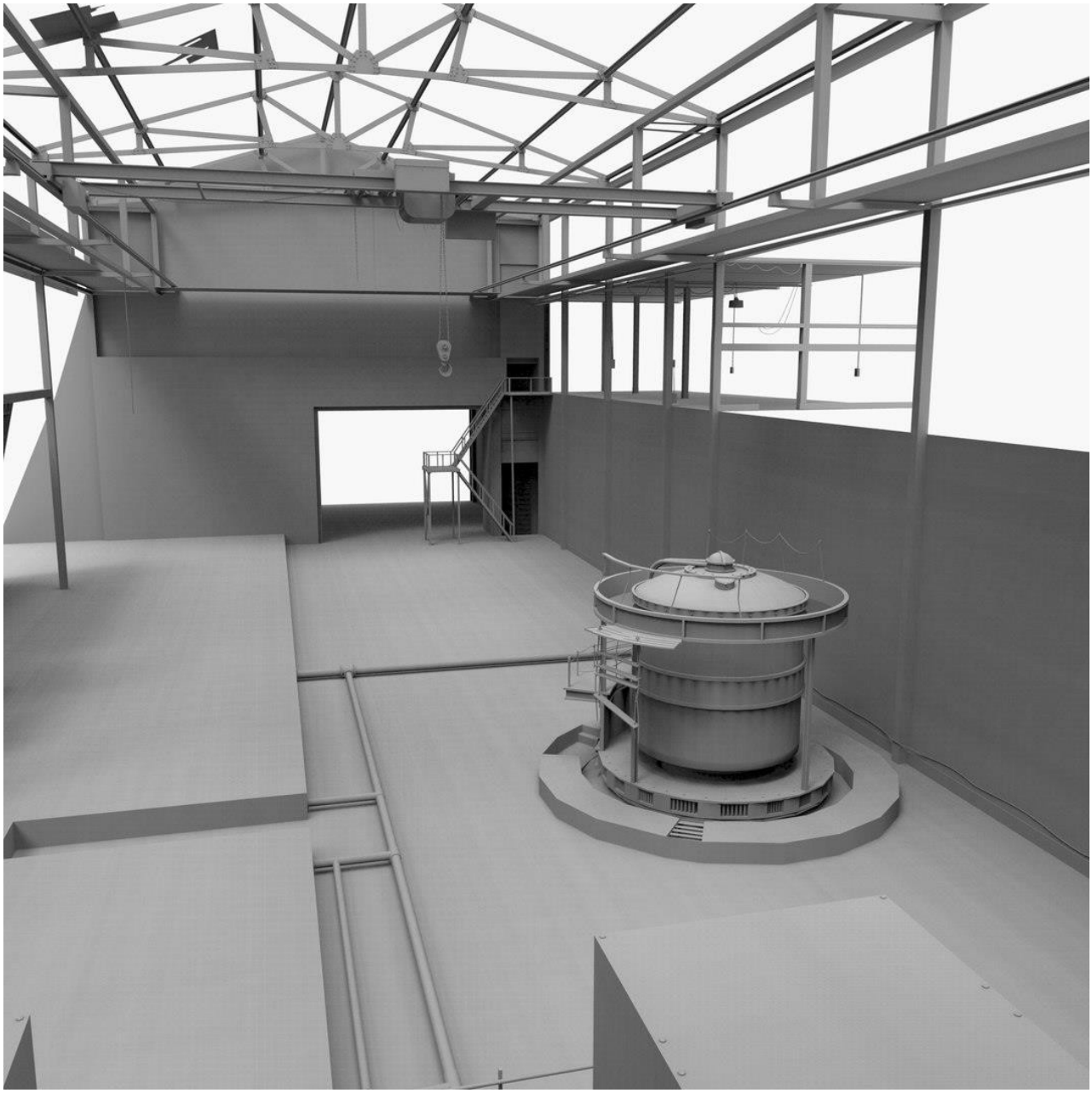


Production building





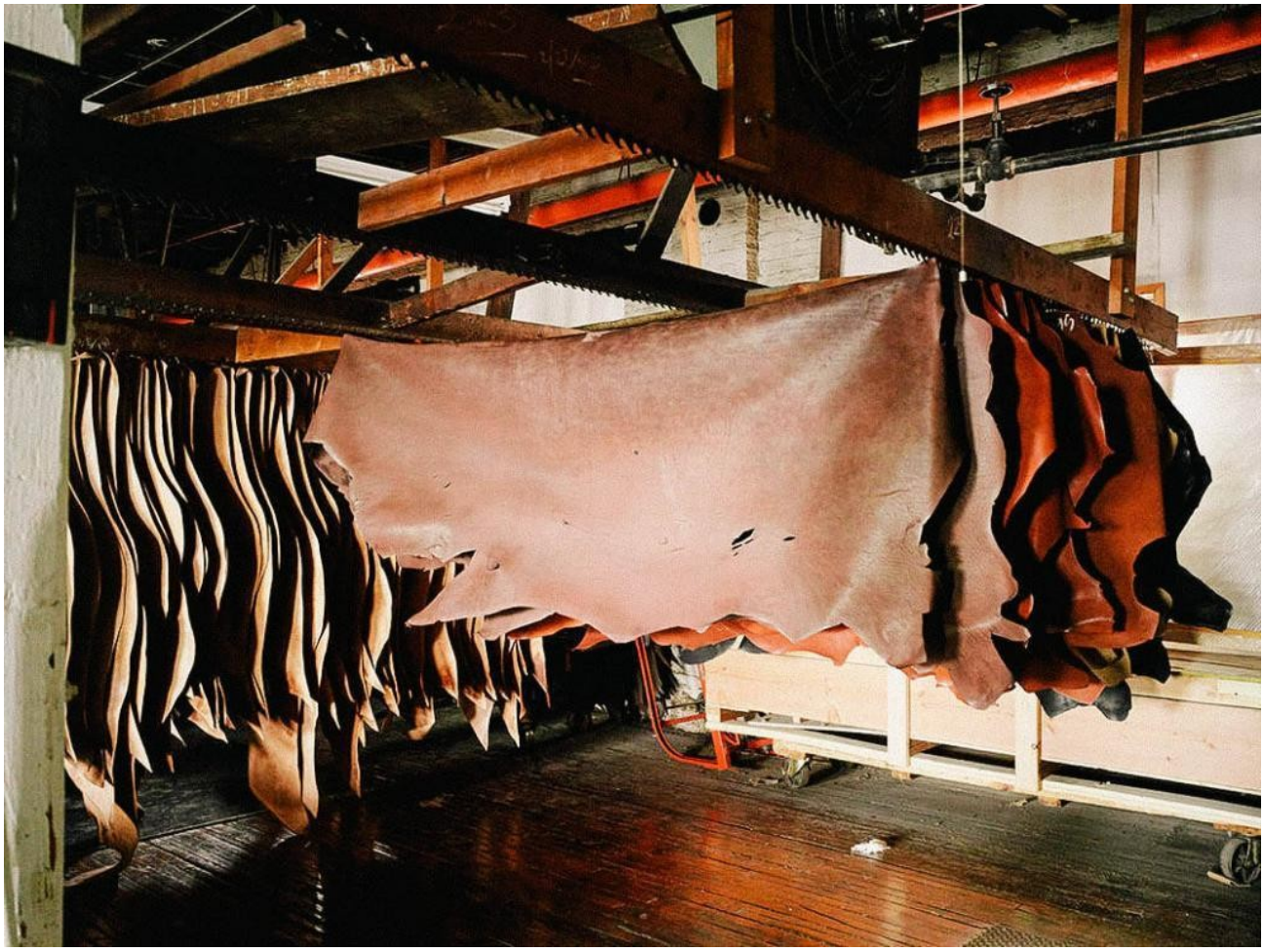




3.Marketing

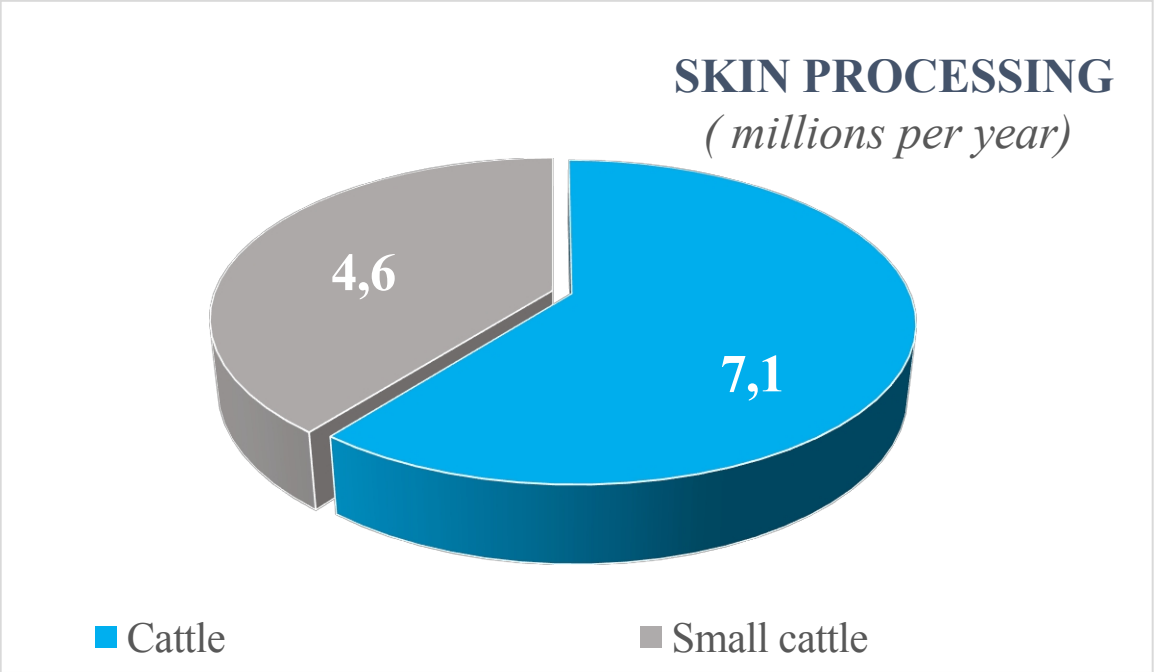
INDUSTRY

Leather industry of Uzbekistan The leather industry of Uzbekistan has a long history and traditions. Leather, leather footwear, leather goods, leather accessories, military goods, hunting and horse equipment, as well as fur were traded along the Silk Road for a century. Uzbek tanners were proficient in various methods of leather dressing, using mainly vegetable tanning and other natural ingredients. Bukhara and Samarkand masters made turquoise-green shagreen leather from horse and sheep skins, while goat and sheep skins were used to sew fine colored morocco and suede leathers of characteristic, dense color. Intricate and artistic embossing became another business card of Uzbek leatherworkers and craftsmen, decorating everything from wallets and belts to large trunks and suitcases.



Sheng Charm, Nafis Charm, Premium Leather, Kattakurgan Charm, Orient Technology and Hamkor Nur Savdo. Currently, Uzbek tanners process 11.7 million skins per year (7.1 million cattle, such as bulls and cows, and 4.6 million small cattle, such as goats and sheep), but

Uzcharmsanoat estimates that the country's leather industry already has the capacity to process 31 million pieces of raw materials; 15 million pieces of cattle and 16 million pieces of small cattle hides per year. In addition, 27 new investment projects have been approved for 2019, including clusters of new tanneries with common treatment facilities (CEPTs). Tanneries are currently under construction, including Angren Sharm Invest, Uz-Turk



From 2017 to 2021, the production of Uzbekistan's leather and footwear industry increased from $90 million to more than $450 million, according to a review on Business Russia.

In physical terms, the production of footwear and accessories under the brand "Made in Uzbekistan" increased from 10.8 million to more than 115 million pairs. The volume of leather raw material processing and leather production reached 1.6 billion dm². There is a good dynamics in the production of wool and Karakul products.

The industry has managed to become attractive for investment - since 2017, the volume of investment˘ has increased 11-fold from $18.4 million to more than $200 million last year.

The production of finished, value-added products has increased due to an increase in the volume of raw materials processing - this is 13.5 million skins per year, with the potential to reach 37 million.

Uzbekistan is gradually becoming the raw material hub of Central Asia for deep processing of hides into leather. The new production facilities will produce exclusively finished leather of the third processing stage, the last one before cutting.

In the next two years it is planned to implement 490 investment projects, mainly aimed at expanding the production of finished products.

The state has spent about $8.3 million on the creation of production clusters and industry-specific MPZs with a full production cycle - from slaughtering cattle and leather processing to the production of ready-made shoes and leather goods.

In the regions, fully automated shoe factories are being launched, such as Vodiysk Shoes in the Fergana region, with the participation of French capital. The $8.5 million project provides more than 1 million pairs of natural leather shoes for men, women and children.

The 38 investment projects launched last year allowed for the production of import-substituting products worth $33.7 million.

Uzbek brands are gradually conquering foreign markets. At present, they can be found in more than 30 countries, and in the next 3-5 years we intend to open another 15 new export directions, mainly in Europe and Southeast Asia.

This, among other things, will be facilitated by measures of state support, including compensation of part of the costs of producers and exporters for transportation, certification and registration, advertising campaigns, participation in international tenders and competitions and other costs.

Over the past five years, the leather, footwear and fur industries of the republic have transformed and demonstrate high rates of growth not only in production volumes, but most importantly, ensure the quality of products at the international level.

In recent years, the industry has become one of the leaders both in attracting foreign investment and in exporting industry products with high added value.

Thus, over the past 5 years, the volume of investments attracted in the industry grew 16 times, the volume of exports - 5.4 times, the volume of industrial production increased by 7.3 times.

Also, this year, during the third international industrial exhibition "Innoprom. Central Asia" (April 24-26), a number of investment agreements worth $16.5 million were signed, including agreements with such companies as TECHNOLUX (Russia, $3 million), and Mozes INC (Russia, $4.5 million), "Mech Oretex (Russia, $3 million), etc.

As part of the overall modernization and intensive development strategy, it aims to implement investment projects for the construction of new and modernization of existing processing plants, equipped with modern high-tech equipment for deeper leather processing. The recently announced state strategy provides longgterm support for the leatherworking sector, and the organizations involved in its marketing could improve the quality of products and gain access to domestic and international markets.

Targeted consumer segment

1. Intra-republican and international network and online stores.
2. Wholesalers purchase companies.

Thanks to strong state support of the sphere, systematic work carried out by the Association, programs to attract investment and modernization of production, growing activity of business entities in recent years there is a dynamic development of the leather and footwear and fur and fur industry, international cooperation is established.

Steps are being taken to systematically and consistently establish quality production by the Association's member enterprises, the company's main goal is to provide comfortable and in-demand leather products, as well as to fully meet the demand of the population.

Thanks to the benefits and preferences created by the state, as well as the favorable investment climate in the country, a number of current trends in the leather and shoe industry are achieved.

Practical measures are taken to ensure deep processing of raw tanning materials and implementation of value-added production programs, to increase exports of finished products and to attract foreign direct investments into the industry.

The successful implementation of 120 investment projects planned for the current year will make it possible to create 73 new enterprises and modernize 47 existing ones. Thanks to the implementation of investment projects worth about 150 million dollars, more than 1,000 new jobs will be created by the end of the year; priority in employment is given to graduates from higher educational institutions and vocational colleges. Work is underway to train qualified workers for the industry.

A policy of stimulating enterprises that produce competitive and consumer-oriented products is being pursued. While in 2017 the enterprises within the Association produced 10.9 million pairs of shoes, in 2018 this figure increased by 5.4 times, reaching the mark of 58.1 million pairs. Production of leather goods increased 2.7 times and consumer goods 2.4 times.

Thanks to the tax and customs benefits and preferences provided by the state, the cost of leather, footwear and leather products produced in our country is the lowest not only among the countries of Central Asia, but also at the global level. This allows:

- to provide the population of the republic with various and high quality footwear and leather goods;
- to attract foreign investment into the country;
- create a favorable atmosphere for the successful sale of industry products, obtaining orders from foreign partners and consumers.

The competitive environment of the project:

– wholesale bases, the main activity of which is the services of wholesale trade;

– wholesale bases, in addition to basic services, providing road transportation services (cargo and transport), that is, the activities of these companies ˇ allows along with the sale and ˇ products to deliver products to the consumer chain **(trading networks);**

Enterprises producing and/or selling leather goods.

QARSHI LEATHER, IP OOO

91 456 15 38

Country code: +998

Website: www.qarshi-leather.gl.uz

E-mail: mailto:qarshileather@mail.ru

Legal name: QARSHI LEATHER, IE LLC

Brand name: QARSHI LEATHER, IE LLC

Address: Uzbekistan, Karshi, Karshi-Koson highway 7 km

ORZU-ATTORLIK LTD.

90 977 56 66

Country code: +998

E-mail: nur0111@mail.ru

Legal name: ORZU-ATTORLIK LLC

Brand name: ORZU-ATTORLIK LLC

Address: Tashkent, Tashkent, Almazar district, 324 Karasarayskaya str.

INBRAND ADVERTISING AGENCY

99 795 10 20

Country code: +998

E-mail: info@inbrand.uz

Website: inbrand.uz

Legal name: SMOLA S.V. IndP

Brand name: INBRAND ADVERTISING AGENCY

Address: Uzbekistan, Tashkent, Yunusabad district, 2 A, m-in Yunusabad-10

RED DOOR LTD.

93 544 78 30

Country code: +998

E-mail: red_door@inbox.ru

Web site: brelok.uz

Legal name: RED DOOR LLC

Brand name REDDOOR LLC

Address: Uzbekistan, Tashkent, Mirabad district, 4 A Sarikul str.

THE BLACK QUAIL HP

95 146 09 00

Country code: +998

E-mail: theblackquail@gmail.com

Website: theblackquail.com

Legal name: THE BLACK QUAIL PE

Brand name: THE BLACK QUAIL PE

Address: Uzbekistan, Tashkent, Yakkasaray district, 34, Shota Rustaveli str.

ZAFAR YULDUZ PLYUS LLC

99 835 99 99

Country code: +998

Legal name: ZAFAR YULDUZ PLYUS LLC

Brand name: ZAFAR YULDUZ PLYUS LLC

Address: Uzbekistan, Tashkent, Shaykhantakhur district, 7, KHUMDONSOY str.

ANKA AI LLC

99 846 49 71

Country code: +998

E-mail: anka2010koja@mail.ru

Legal name:

ANKA LLC AI

Brand name: ANKA LLC AI

Address: Uzbekistan, 100011, Tashkent, Shaykhantakhur district, 16A, NAVOI avenue, office 307

KABLUKOFF

71 256 45 31

Country code: +998

Legal name: LAVROVA E.D. IndP

Brand name: KABLUKOFF

Address: Uzbekistan, 100015, Tashkent, Mirabad district, 8, Shakhrisabz str.

PRODUCTION PROGRAM.

The production program for the project is designed based on the mode of operation of the enterprise and plans for the development of production capacity and ˇ for the years.

The planned production program for the years of the project, in accordance with the plan of development of production capacity, is shown in the table below.

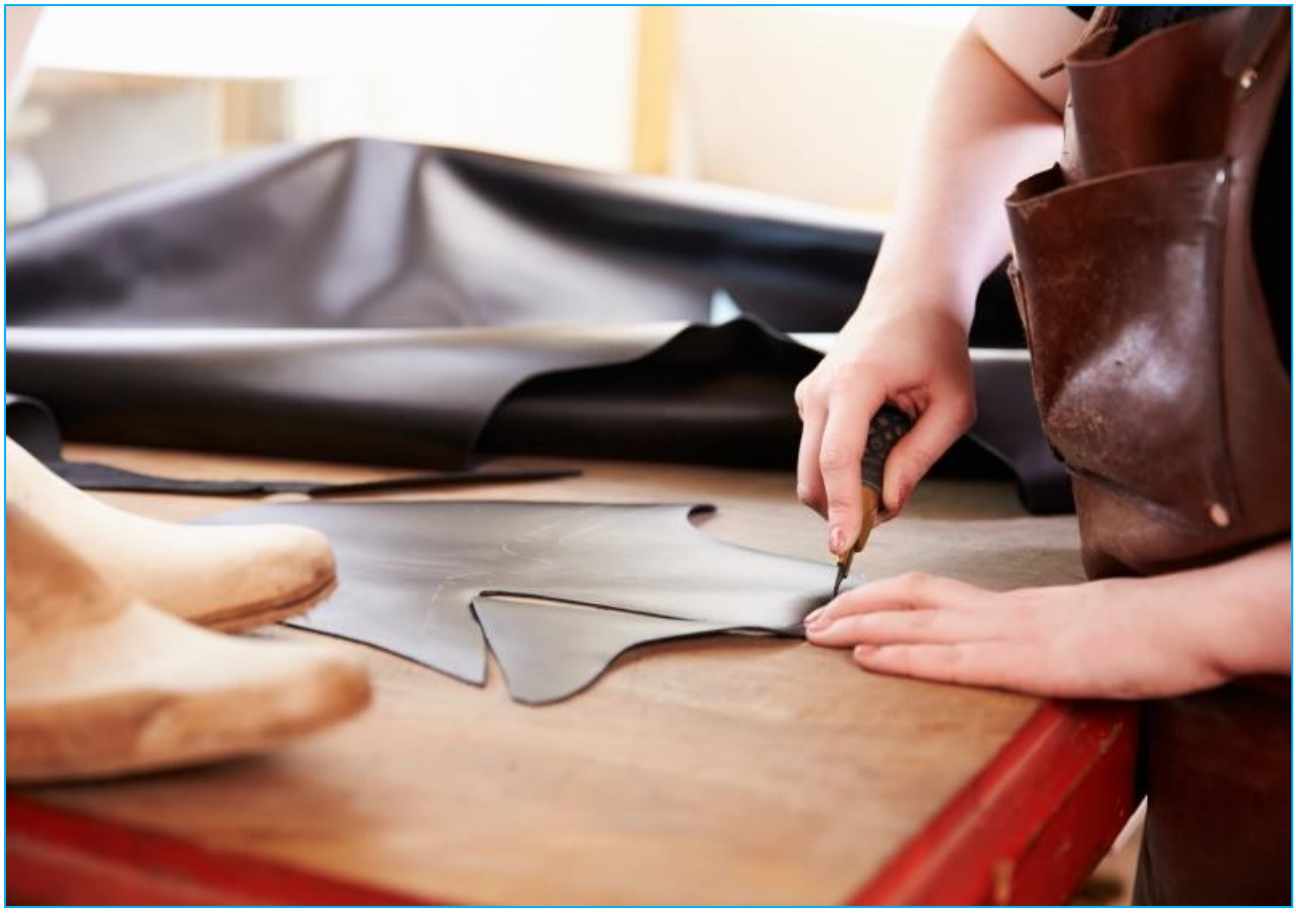
In the first year of production activities, the output of finished products is forecasted at 36,000 units ($1.7 million), in the second year - 43,500 units ($2.04 million), in the third year - 51,000 units ($2.4 million).

4 Description of the production cycle

TECHNOLOGY DESCRIPTION

The production process consists of the following operations ˇ: modeling, sorting and cutting material, its preparation and decorative and ˇ finishing, assembling and fastening parts ˇ , fixing fittings and finishing the finished product.

In the process of modeling solve a set of interrelated problems: aesthetic, operational, technological and economic. The model of a new product is developed taking into account fashion in clothing and footwear, as well as fashion for color schemes. The model is presented in the form of a sketch made by different methods: graphic, pictorial or applique.



In connection with the prospects of further development of the leather goods industry, the enterprises face great challenges in expanding the range, improving the quality and increasing the number of products. One of the necessary condition for solving these problems is the organization of the process of modeling new products based on the unification of units and parts.

Unification is the replacement of parts of the same purpose with an optimal, relatively small number of more rational types of them.

Unification is an effective way to improve production. The introduction of unification allows you to quickly build up production capacity of the enterprise with the least capital expenditures, helps save basic and auxiliary materials, increase labor productivity, improve product quality and as a result, allows you to significantly expand the range of products.

The essence of this modeling method is to create a series of 4-5 models designed on the same constructive basis. The entire series of products has the same size as the base product. Externally, the variety of models is achieved by the use of handles of different design and different methods of fixing pockets, plates, zuppers, the use of decorative elements in the form of edging, stitching, etc.

In addition to the unification of products, the unification of various details and decorative elements (pockets, overlays, straps, handle holders, etc.) is of great importance in expanding the range.

Materials are sorted according to thickness, color, pattern, defects, and cut ˇ according to patterns. Natural leathers are cut in one ˇ layer, while artificial leathers and fabrics are cut in several layers at the same time.

For decorative finishing details are used embossing, silk-screening, perforation with leather, machine and manual embroidery, toning, applique, stitching, shading (drawing deepened lines on the edges of the details with a special tool).

Assembly and binding of the main outer parts of the ˇ product depends on the following factors: method of manufacture, method of attachment, type of processing the outer edges of the product, the type of seam, additional details ˇ included in the seam.

There are two main methods of assembling leather goods: eversible and non-eversible.

With the reversal method, the main parts of the product body are placed facing each other and fastened on the wrong ˇ side, followed by turning out the fastened body.

With the non-turn method, the main parts of the body of the product are folded into each other on the wrong side and fastened on the front side.

The "flip out" method is simpler and more productive, since in most cases it does not require any additional machining of the edges of the parts.

Edges of joined parts are inside the bag and covered by the ˇ lining. The inner seams are trimmed when the product is made without a lining. The turn-around method allows you to use a material that does not leave any creases or dents when turning the product inside out.

The non-folding ˇ method is more time-consuming, as it requires a preliminary or subsequent processing of the visible edges of the product. For heavy and rigid materials, only the "non-folding" method is possible. It is also possible to use it with other materials, especially if the design of the product requires it.

In the non-turn method of manufacturing two main types of processing the outer edges of the product and individual parts: bending and trimming followed by finishing.

Edge bending is the most complex technological process, but it ensures high product quality. The edges of the parts to be joined can be bent on one or two sides.

For the product of rigid leathers and man-made materials of greatˇ thickness and with a high rate of elasticity is the most appropriate assembly of parts ˇ non-reversible method with the edges in the trimming. This production requires additional machining of the outer edges of the ˇ or parts, which can be carried out simultaneously with or after bonding in the following ways:

- The material is painted on the trim edge with a special or matching paint;
- laying between the two joints of the parts of the T-shaped profiled cedar;
- by braiding edges of the product or details narrow strips leather, specially profiled tape or PVC strands;
- The edge of the frame can be made of leather, braid, synthetic leather, film or profiled edge detail.

Trim edges of the product or parts ˇ trimmed in several ways:

- The edge of the joined parts is rounded by a band or a part and stitched with a single stitch on the machine;
- the edging strip is aligned with the front side of the joined parts and stitched with one stitch on the edge. Then fold back the strip, wrap it around the edge of the part, and sew with the second stitch on the opposite side;
- The edge band is folded over a special attachment to the machine, with the help of which both edges of the band are folded, the band is wrapped around the edges of the joined parts, and one stitch is sewn.

The first and ˇ way of trimming details ˇ and apply in the eversible way of making productsˇ without lining to process the inner seams.

When making a product with trimmed edges, parts are not additionally trimmed by HFI welding.

The method of fastening is an important step in the manufacture of a product. Parts of leather goods are fastened to each other ˇ threads, rivets, braiding ˇ , adhesives or HFI.

The most common type of fastener is thread. However, fastening parts with threads has disadvantages: when using the product threads are quickly frayed, which leads to a violation of the seam; stitch quality has a great influence on the quality and appearance of the product as a whole.

Currently, a number of synthetic adhesives have been developed, providing water-resistant ˇ films and sufficiently strong bonding of materials, which is 1.4 times stronger than the strength of a thread seam. These adhesives have made it possible to apply in the production of leather goods a completely new technology - the glue attachment of products, their units and details.

Synthetic adhesives used in the manufacture of leather goods do not require elevated temperature and pressure, which is important in the manufacture of leather goods of complex volume forms, which include bags. The selection of new synthetic adhesives, their recipes and bonding modes depends entirely on the material used for the manufacture of the product and the type of seam.

The use of new synthetic materials based on polyvinylchloride, polyethylene and polyamide in the production of leather goods led to the emergence of a fundamentally new method of fastening products - thermal welding. Only those types of synthetic materials that can soften when heated, i.e. thermoplastic materials, are subjected to thermal welding.

To connect the detailš top of the produčt the above methods use several types of stitches, the main ones are the following:

- This type of jointing, in which the parts to be joined are folded together on the same side and stitched or welded along the edge. This type of the seam is used in both everted and non-everted manufacturing methods;

- The first stitch is sewn as with the exact stitch, and the second stitch is sewn on the edge of the fabric on the right side after turning out the sewn parts. Such a stitch is rarely used, and only with the reversed method of manufacture, as it is more labor- and material-intensive than the buttonhole stitch, but it is stronger and more decorative. Bags with reversed stitching do not require additional inner edge processing;
- The overlap stitch, in which one piece is superimposed on the other in such a way that their front sides are directed to one side and the first piece goes over the other by a certain amount. This type of seam is used in non-reversible method of production, as well as for fixing valves, pockets, overlays and other nodes and details. The overlap and ˇ seam is used in the thread, glue and welded methods of fastening details;
- The movement of the stitches is a zigzag stitch with the stitches perpendicular to the plane of the parts to be joined together. The stitching is zigzagged and covers both parts. Such a stitch is characteristic of the no-turn stitching method, and the fastener is a braided band.

To strengthen the seam, additional details are used, which make the connection stiffer and at the same time improve the appearance of the product. Most often, in such cases, parts are sewn together with a ceder stitch.

Volumetric products, such as suitcases, briefcases, bags, are produced by new progressive methods - molding, the method of volumetric welding with high-frequency currents in special molds. Artificial leather and synthetic leather are molded on special presses with electric heating. Products made of polystyrene and polyethylene are produced by injection molding.

Fittings are attached to products in different ways: clamping, thread, glue, hollow rivets, etc.

Finishing the finished ˇ product is to remove contamination ˇ, patch the ends of threads, applying ˇ appetites, painting minor defects.

FACILITIES AND EQUIPMENT

An enterprise of this format should have in its structure the following shops:

- Warehouse for storing raw materials
- Billet shop.
- Cutroom.
- Sewing shop.
- Shop for packing and packaging
- Shop for storage of the final product.

The production facility also needs a small area to locate the belt feeder.

List of equipment

In order to implement the project, it is expected to purchase the following equipment:

Equipment is completed, the number and arrangement of the equipment is based on the required productivity.

1. Cutting is the initial stage of production. Usually the parts are cut with torches on punching presses with a rotary punch. Use the ATOM Atom S120C rotary punch press for this purpose

2. Alignment of parts by thickness (doubling) is performed after cutting. Parts are aligned by thickness on a doubling machine. Camoga bifurcation machines for leather goods.

Camoga COMPACT 300

Camoga C420 ME Camoga C420 R

3. The lowering of the edges of the parts (bruising) is a step necessary to prepare the parts for bending, applying glue. Use Fratelli Alberti leather goods machines at this stage.

Fratelli Alberti AV2 MA

4. The application of glue is the stage that follows logging. for this purpose, the following equipment:

Omac 992 VAR is used to apply the adhesive to the chamfered edge before bending.

Omac 950V - for applying on flat parts before gluing
OMAV TP80E PGS - universal application

5. Linear bending of workpiece edges We recommend using OMAC machines for this operation.

Omac 988/550RC

6. Joining of parts with a lining. Operation on OMAC equipment.

Omac 45C Omac 50PST

7. Branding logo. For this operation pneumatic hot presses made by OMAC, SATURN and GALLI.

Omac 993 PNT

Saturn 150

Galli Easy Pres

8. The trim firing is a finishing stage that is necessary to obtain quality leather goods. We recommend performing this technological operation using OMAC and GALLI machines.

Omac LB410

Omac LB 500R

9. Galli LC 50B9. Polishing is a finishing stage that is necessary to obtain quality leather goods. This technological operation using OMAC and GALLI machines.

Omac 860V

Galli SM1

Omac 860V

10. Paint the cuts, this operation, using OMAC and GALLI equipment.

Omac 980

Omac 310

Galli Polycolor

Galli RC50

11. Drying is the next step in the production of leather goods. This technological operation requires the use of a drying tunnel or cabinet,

which is matched to the size of the finished products. At this stage it is recommended to use OMAC or GALLI equipment.

Omac E30

Galli Minidryer 60

12. Assembly, stitching of clasps and decorative stitching are the final steps in making leather goods. These operations are carried out on sewing machines for leather goods production with threads in the color tone of the product or with contrasting threads. DURKOPP ADLER flat bed sewing machines are used for preparatory operations

Durkopp Adler 887

Durkopp Adler 667

VOLUME CONSUMED ENERGY RESOURCES AND REQUIREMENTS CONNECTIONS

№	Consumption	per annum
1	Power consumption	288,000 kwt.
2	Water	28,800 cc.
3	Fuel	120 tons
4	gas	288,000 cubic meters
5	Number of employees	75
6	Area for plant location	0.75 ha
7	Area of production buildings and structures	0.5 ha
8	The area adjacent to the buildings	0.25 ha

5 Summary of preliminary cost and sources of funding

1	Project cost	2 076 759
2	Cost of equipment	640 000
3	Supervisor installation service and staff training	15% of the cost
4	Plant performance	Up to 60,000 pieces per year
5	Suitcases	
6	Feedstock	leather
7	Raw materials:	
	genuine leather	
	cloth lining	
	locks and rivets	
8	Consumption	per annum
	Power consumption	288,000 kWh.
	Water	28,800 cc.
	Fuel	120 tons
	gas	288,000 cubic meters
9	Number of employees	27
10	Area for plant location	0.75 ha
11	Area of production buildings and structures	0.5 ha
12	The area adjacent to the buildings	0.25 ha

Thus, the total amount for this project is $2,076,759. U.S. DOLLARS. This amount will be financed from the enterprise's own funds and a loan from the enterprise's bank.

6 Annual costs for raw materials, components and supplies

Annual costs for energy resources

List of energy resources, units.	Al. Power,kW	Water, cu. m.	Natural gas, cu. m.	fuel, tons
The need for energy resources per year	288 000	28 800	288 000	120
Rates, $	0,03	0,7	0,1	531

7 Manpower

Personnel

The planned staffing level of the company will be about 27 units.

The company's employees may also be offered a full social package: free travel (transport of the company), free lunch (consisting of three meals), paid annual leave, paid sick leave, bonuses at the end of the year.

Overhead costs (general and administrative)

Full-capacity overhead consists of the following major cost items:

- salary wages employees, not employed directly in production;
- transportation costs;
- taxes and other deductions not directly included in the cost of production;
- costs of scheduled maintenance and repair of equipment;
- purchase of spare parts and consumables;

- HSE costs, etc.

The need for available labor resources

New professional staff is required to work in production, since the company currently has qualified personnel.

The following is the composition of the company's personnel:

Position	Quantity	Salary per month (USD)	Annual salary fund (USD)
Director	1	800	9 600
Deputy Director	1	640	7 680
Head of Production Department	2	480	11 520
Workers level 1	3	400	14 400
Workers level 2	18	240	51 840
Cleaners	2	240	5 760
Total	*27*		*100 800*
Single social payment			*12 096*
Total with ESP			**112 896**
Total payroll	**27**		**112 896**

8 Taxation

Attached in the appendices is information about the taxation of the project.

Taxes	Rate, %
Income tax, %	15%
Property tax, %	1,5%
VAT, %	12%
Excise tax, %	5%
Other taxes, %	1%

9 Organizational and other expenses

Other production costs (not provided for) are assumed to be 5% of the cost of raw materials and energy resources. Other administrative costs are 50% of other production costs.

10 Role of the investor

The project is at the stage of determining a potential investor, the choice of the investor will be based on the experience of investingˇ in similar projects, provided commitments and guaranteesˇ for the project.

11 Scheme of project implementation

The following activities are planned for the effective implementation of the project:

1. Conducting market research market to identify the needs of the market in the produced products;
2. The study of the possibilities of production;
3. Development of a strategy and business plan for the sale of products, an analysis of the sales market;
4. Conducting preparatory work and selecting the used technology, manufacturer and supplier of technological equipment;
5. Coordinate the scheme of supply of equipment, raw materials, consumables with the Supplier;
6. Generalization and analysis of the received information in order to determine the own internal capabilities, as well as the amount of attracted credit funds;
7. Organizational measures to attract credit funds;

8. Organizational measures to prepare the existing area for the installation and placement of the acquired technological equipment, in accordance with the Manufacturer's recommendations;

9. Signing a contract with an equipment supplier and purchasing new equipment;

10. Installation, commissioning of the equipment by specialists of the Supplier;

11. Enterprise Test Tests;

12. Putting the enterprise into operation;

13. Organization of production, storage and sale of products.

The time required to implement the project (from its financing to the actual completion) is 1 year.

It should be noted that much of the work on the project (market research market research products, the definition of the manufacturer and supplier of technological equipment) has already been carried out.

The organization of the activities to attract credit funds, the execution of the collateral agreement and the preparation of production facilities, will require more
2 months. Thus, the total duration of the project is 14 months.

The initial cost of this project is $2,076,759. The initial cost of this project is $2,076,759, of which them:

- $920,000. The company has a total of $920,000 to purchase the necessary technological equipment.

- The company has a total of $1,040,000 for the preparatory and construction work of the plant. The company is also working on the construction of the plant, $40,000 for vehicles, $76,758 for the purchase of raw materials, etc.

The total amount for this project is $2,076,759.

12 Financial evaluation

15.1. Full investment costs

The total cost of the project is $2,076,759.

15.2. Project financing: mechanism and sources of financing

15.3. Total costs of products sold

In the cost of production the main part are the costs of basic and auxiliary materials, as well as the cost of depreciation and operation of equipment. Costs of wages and salaries of industrial personnel are insignificant.

Costs consist of three groups of costs:

• Production intra-enterprise costs of sold products (including the cost of inventories - $55,345), which under the project amount to $1,178,744 in the first year of the project. THE PROJECT IS WORTH $1,178,744 IN THE FIRST YEAR;

• Operating costs, which for the project amount to $106,573 for the first year of the project

• Financial costs for the project are in the first year of production: $59,800. The project will be carried out with the company's own funds.

Thus, the full cost of the project for the first year is $1,345,778. U.S.

Production cost calculations are presented in Appendix No. 9.

Assessment of economic and economic efficiency, taking into account payback and timely repayment of borrowed funds, currency payback

The main indicators of economic a n d economic efficiency of the project

№	Indicators	Value of the indicator
1	Discount rate, %	7
2	Payback period, years	5
3	Discounted payback period, years	6
4	Net present income - NPV, USD	732 613
5	Profitability index, average	1,89
6	Internal rate of return - IRR, %	15

The break-even point of the project is 31% of production capacity utilization.

15.4.1. Calculation of profits and losses

In the calculation of profits and losses, taxes and other deductions are taken into account according to their application.

Estimated profit, cash flow from the project for a period of 7 years is calculated in accordance with the production and sales plan.

The profit and loss statement takes into account that the company is a payer of the general regime and will pay 15% of profits. VAT is not taken into account, since excessive VAT received from buyers will be directed to the appropriate accounts of the State Tax Inspectorate.

Losses are not observed during the entire planning horizon of the enterprise's production activity.

15.4.2. Forecast of net working capital

For the normal functioning of production requires working capital - working capital.

The amount of working capital will be $76,758.4 before the start of production. The amount of working capital will be $76,758.4, which is intended for pre-production and production supplies of raw materials related to the production and production activities of the enterprise as a whole during the first month of the first year.

Optimal planning of working capital helps to avoid unnecessary diversion of funds, as well as to avoid cash shortages, which can be the cause of the shutdown of the enterprise.

Optimal planning of working capital has a positive effect on the flow of cash during production: the more turns the working capital makes, the faster the company receives the planned income, even with a decrease in the selling price of products.

The calculations show the availability of net working capital throughout the planning horizon, which indicates that the company will not need to divert cash for its formation and use current borrowed funds in the form of raw materials. This fact has a positive effect on cash flow, and, as a result, helps avoid negative cumulative cash flow.

15.4.3. Cash flow

The cumulative cash flow for the project as a whole throughout the planning horizon will be mostly positive. In the first year of the project the cash flow is $22,112. Then, for example, in the third˘ year, the cash flow will be -$423,710. In the seventh year, the cumulative cash flow is $3,139,016.

13 Applications

Appendix 1

Initial project cost

Articles	Initiator's means	Investor funds	Total	Structure
	(USD)	*(USD)*	*(USD)*	*(%)*
The project's main funds				
Manufacture of leather goods	1 156 759	920 000	2 076 759	100%
Total	**1 156 759**	**920 000**	**2 076 759**	**100%**
Total project cost	**1 156 759**	**920 000**	**2 076 759**	**100%**
funding share	*56%*	*44%*		

Appendix 2

Financial plan

№	Name of work	view	unit.	quantity	rate	Amount
1	Production building	SMR	sq.m.	4 000	200	800 000
2	Production line	Equipment	pcs.	1	920 000	920 000
3	Administration building	SMR	sq.m.	500	160	80 000
4	Warehouse	SMR	sq.m.	500	160	80 000
5	Road and infrastructure	SMR	km	1	80 000	80 000
6	Auxiliary equipment	Equipment	pcs.	1	40 000	40 000
7	Working capital	Other				76 759
	Total					**2 076 759**

Appendix 3

Depreciation charge

Fixed assets	Depreciation rate	US amount	2024	2025	2026	2027	2028	2029	2030
Machines and equipment	10,0%	960 000	96 000	96 000	96 000	96 000	96 000	96 000	96 000
Construction and installation work	3%	1 040 000	31 200	31 200	31 200	31 200	31 200	31 200	31 200
Total		**2 000 000**	**127 200**	**127 200**	**127 200**	**127 200**	**127 200**	**127 200**	**127 200**

Appendix 4

Sales plan (volume)

Manufactured goods	Annual capacity	
Suitcases	18 000	unit.
Bags	36 000	unit.
Other leather goods	6 000	unit.

	2024	2025	2026	2027	2028	2029	2030
Design capacity	**60%**	**73%**	**85%**	**95%**	**95%**	**95%**	**95%**
Suitcases	10 800	13 050	15 300	17 100	17 100	17 100	17 100
Bags	21 600	26 100	30 600	34 200	34 200	34 200	34 200
Other leather goods	3 600	4 350	5 100	5 700	5 700	5 700	5 700

Appendix 5

Sales Plan

Products	price per unit.
	US dollars
Suitcases	80,0
Bags	20,0
Other leather goods	16,0

	2024	2025	2026	2027	2028	2029	2030
Sales in U.S. dollars							
Suitcases	1 080 000	1 305 000	1 530 000	1 710 000	1 710 000	1 710 000	1 710 000
Bags	540 000	652 500	765 000	855 000	855 000	855 000	855 000
Other leather goods	72 000	87 000	102 000	114 000	114 000	114 000	114 000
Total	**1 692 000**	**2 044 500**	**2 397 000**	**2 679 000**	**2 679 000**	**2 679 000**	**2 679 000**

Appendix 6

Cost of raw materials at full capacity

Name	Unit.	Total need	Price per unit	General USD value
Genuine leather	kg	57 000	25,00	1 425 000
Fabric lining	kg	12 000	1,00	12 000
Logo printing and other accessories	kg	60 000	0,50	30 000
Fuel	thousand liters	158	530,70	84 063
Electricity	thousand kWh	288	30,0	8 640
Gas	thousand m3	288	100,0	28 800
Water	thousand m3	29	700,0	20 160
Total				**1 608 663**

Other expenses

Name	Amount
Other production expenses	80 433
Other administrative expenses	40 217
	120 650

Appendix 7

Wages

Position	Quantity	Salary per month (USD)	Annual salary fund (USD)
Director	1	800	9 600
Deputy Director	1	640	7 680
Head of Production Department	2	480	11 520
Workers level 1	3	400	14 400
Workers level 2	18	240	51 840
Cleaners	2	240	5 760
Total	*27*		*100 800*
Single social payment			*12 096*
Total with ESP			**112 896**
Total payroll	**27**		**112 896**

Appendix 8

Production costs at full capacity

Article name	Total costs *US dollars*	Fixed *%*	The variable *%*	Fixed costs *US dollars*	Variable costs *US dollars*
Raw materials and supplies	1 608 663	3,04%	96,96%	48 960	1 559 703
Salary of the production department	72 000	69%	31%	49 655	22 345
ESP	8 640	69%	31%	5 959	2 681
Other production costs	80 433	10%	90%	8 043	72 390
Salaries of administrative staff	28 800	100%	0%	28 800	0
ESP	3 456	100%	0%	3 456	0
Other administrative expenses	40 217	100%	0%	40 217	0
Depreciation	127 200	100%	0%	127 200	0
Property and land taxes	17 050	100%	0%	17 050	0
Taxes	116 310	0%	100%	0	116 310
Total	**2 102 769**			**329 340**	**1 773 429**

Appendix 9

Annual costs of products sold

Power/Name of the item	2024	2025	2026	2027	2028	2029	2030
	60%	73%	85%	95%	95%	95%	95%
Raw materials and supplies	984 782	1 179 745	1 374 708	1 530 678	1 530 678	1 530 678	1 530 678
Salary of the production department	63 062	65 855	68 648	70 883	70 883	70 883	70 883
ESP	7 567	7 903	8 238	8 506	8 506	8 506	8 506
Other production costs	51 477	60 526	69 575	76 814	76 814	76 814	76 814
Depreciation	127 200	127 200	127 200	127 200	127 200	127 200	127 200
Production cost	**1 234 089**	**1 441 229**	**1 648 368**	**1 814 080**	**1 814 080**	**1 814 080**	**1 814 080**
Stocks at the end of the year	55 344	65 701	76 058	84 344	84 344	84 344	84 344
Plant costs of products sold	**1 178 744**	**1 430 872**	**1 638 011**	**1 805 795**	**1 814 080**	**1 814 080**	**1 814 080**
Administration salary	28 800	28 800	28 800	28 800	28 800	28 800	28 800
Social security and other deductions	20 506	20 506	20 506	20 506	20 506	20 506	20 506
Other administrative expenses	40 217	40 217	40 217	40 217	40 217	40 217	40 217
Property and land taxes	17 050	16 582	16 114	15 646	15 178	14 710	14 242
Operating expenses	**106 573**	**106 105**	**105 637**	**105 169**	**104 701**	**104 233**	**103 765**
Finance costs	**59 800**	**57 664**	**49 121**	**40 579**	**32 036**	**23 493**	**14 950**
Interest on the loan	59 800	57 664	49 121	40 579	32 036	23 493	14 950
	0	0	0	0	0	0	0
Total costs of products sold	**1 345 117**	**1 594 641**	**1 792 770**	**1 951 542**	**1 950 817**	**1 941 806**	**1 932 795**

Appendix 10

Principal repayment

Grace period	12 months
Interest rate	6,5%
Amount of credit	**920 000** US dollars

Periods disbursements	Payments of basic debt	Balance of credit debts	Interest payments	planned payments
1 year / I	0	920 000	29 900	29 900
1 year /II	0	920 000	29 900	29 900
Year 2 / I	65 714	854 286	29 900	95 614
Year 2 /II	65 714	788 571	27 764	93 479
Year 3 / I	65 714	722 857	25 629	91 343
Year 3 /II	65 714	657 143	23 493	89 207
Year 4 / I	65 714	591 429	21 357	87 071
Year 4 /II	65 714	525 714	19 221	84 936
Year 5 / I	65 714	460 000	17 086	82 800
Year 5 /II	65 714	394 286	14 950	80 664
Year 6 / I	65 714	328 571	12 814	78 529
Year 6 /II	65 714	262 857	10 679	76 393
Year 7 / I	65 714	197 143	8 543	74 257
Year 7 /II	65 714	131 429	6 407	72 121
Total	**788 571**	**0**	**277 643**	**1 066 214**

One-time fee		0,50%	4 600
Total			**4 600**

Appendix 11

Profit and loss forecast	60%	70%	75%	80%	90%	100%	100%
	2024	2025	2026	2027	2028	2029	2030
Revenue	**1 692 000**	**2 044 500**	**2 397 000**	**2 679 000**	**2 679 000**	**2 679 000**	**2 679 000**
Raw materials and supplies	984 782	1 179 745	1 374 708	1 530 678	1 530 678	1 530 678	1 530 678
Other production costs	51 477	60 526	69 575	76 814	76 814	76 814	76 814
Gross income I	**655 741**	**804 229**	**952 718**	**1 071 508**	**1 071 508**	**1 071 508**	**1 071 508**
Wages	63 062	65 855	68 648	70 883	70 883	70 883	70 883
ESP	7 567	7 903	8 238	8 506	8 506	8 506	8 506
Gross income II	**585 111**	**730 471**	**875 832**	**992 120**	**992 120**	**992 120**	**992 120**
Administrative expenses	49 306	49 306	49 306	49 306	49 306	49 306	49 306
Other administrative expenses	40 217	40 217	40 217	40 217	40 217	40 217	40 217
Property and land taxes	17 050	16 582	16 114	15 646	15 178	14 710	14 242
EBITDA (Earnings before interest, taxes, depreciation, and amortization)	**478 538**	**624 366**	**770 195**	**886 951**	**887 419**	**887 887**	**888 355**
Depreciation	127 200	127 200	127 200	127 200	127 200	127 200	127 200
EBIT (Earnings before interest, taxes)	**351 338**	**497 166**	**642 995**	**759 751**	**760 219**	**760 687**	**761 155**
Financial costs	59 800	57 664	49 121	40 579	32 036	23 493	14 950
Taxes	52 701	74 575	96 449	113 963	114 033	114 103	114 173
Net income	**238 838**	**364 927**	**497 424**	**605 209**	**614 150**	**623 091**	**632 031**
Cumulative profit	238 838	603 765	1 101 189	1 706 398	2 320 548	2 943 639	3 575 671
Gross profit/total sales	0,3	0,3	0,3	0,3	0,3	0,3	0,3
Net profit/total sales	0,1	0,1	0,2	0,2	0,2	0,2	0,2
ROI (Return on Investment)	12%	18%	24%	29%	30%	30%	30%
ROS (Return on Sales)	14%	18%	21%	23%	23%	23%	24%

Appendix 12-13

Working capital planning

Article name	Coverage days		Turnover rate *(360 / Coverage Days)*
Revenue period			
from sales	30	days	12
Stocks of raw materials in stock and on the production line	90	days	4
Stocks of finished			
products	18	days	20
Spare parts	360	days	1
Period of payment for supplies			
raw materials and supplies	15	days	24

Working capital planning

	0 year	2024	2025	2026	2027	2028	2029	2030
Accounts receivable		141 000	170 375	199 750	223 250	223 250	223 250	223 250
Stocks of raw materials/wages	76 759	246 195	294 936	343 677	382 670	382 670	382 670	382 670
Finished goods inventories		59 821	70 178	80 535	88 820	88 820	88 820	88 820
Spare parts		80 433	80 433	80 433	80 433	80 433	80 433	80 433
Total	76 759	527 449	615 922	704 395	775 173	775 173	775 173	775 173
Accounts payable		51 420	60 051	68 682	75 587	75 587	75 587	75 587
Net working capital	76 759	476 029	555 871	635 713	699 586	699 586	699 586	699 586
Changes in working capital	76 759	399 270	79 842	79 842	63 874			

Appendix 14

Cash flow

Article name	0 year	2024	2025	2026	2027	2028	2029	2030
Total net sales		1 692 000	2 044 500	2 397 000	2 679 000	2 679 000	2 679 000	2 679 000
Changes in working capital	76 759	399 270	79 842	79 842	63 874			
Flow from sales	-76 759	1 292 730	1 964 658	2 317 158	2 615 126	2 679 000	2 679 000	2 679 000
Plant costs of products sold	0	1 178 744	1 430 872	1 638 011	1 805 795	1 814 080	1 814 080	1 814 080
Gross cash flow	-76 759	113 986	533 787	679 147	809 332	864 920	864 920	864 920
Depreciation		127 200	127 200	127 200	127 200	127 200	127 200	127 200
Taxes		52 701	74 575	96 449	113 963	114 033	114 103	114 173
Administrative costs		106 573	106 105	105 637	105 169	104 701	104 233	103 765
Operating cash flow(A)	-76 759	81 912	480 307	604 260	717 400	773 386	773 784	774 181
Improvement expenses								
Expenses on fixed assets	-2 000 000							
Total investment	-2 000 000							
Property	2 076 759							
percent (C)		59 800	57 664	49 121	40 579	32 036	23 493	14 950
Other financial expenses								
Net cash flow		22 112	422 642	555 139	676 822	741 350	750 291	759 231
Payment of principal (C)		0	131 429	131 429	131 429	131 429	131 429	131 429
Cash flow		22 112	291 214	423 710	545 393	609 922	618 862	627 803
Cumulative cash flow		22 112	313 326	737 036	1 282 429	1 892 351	2 511 213	3 139 016

Appendix 15

Balance forecast

Article name	0 year	2024	2025	2026	2027	2028	2029	2030
Cash	-0	22 112	313 326	737 036	1 282 429	1 892 351	2 511 213	3 139 016
Accounts receivable	0	141 000	170 375	199 750	223 250	223 250	223 250	223 250
Stock of raw materials and supplies	76 759	246 195	294 936	343 677	382 670	382 670	382 670	382 670
Finished product stock	0	4 476	4 476	4 476	4 476	4 476	4 476	4 476
Spare parts stock	0	80 433	80 433	80 433	80 433	80 433	80 433	80 433
Current assets	0	494 217	863 546	1 365 372	1 973 258	2 583 179	3 202 042	3 829 845
Fixed assets	0	2 000 000	1 872 800	1 745 600	1 618 400	2 000 000	2 000 000	2 000 000
Depreciation	0	-127 200	-127 200	-127 200	-127 200	-127 200	-127 200	-127 200
Net fixed assets	2 000 000	1 872 800	1 745 600	1 618 400	1 491 200	1 364 000	1 236 800	1 109 600
Total assets	**2 000 000**	**2 367 017**	**2 609 146**	**2 983 772**	**3 464 458**	**3 947 179**	**4 438 842**	**4 939 445**
	0	0	0	0	0	0	0	0
Accounts payable	0	51 420	60 051	68 682	75 587	75 587	75 587	75 587
Current liabilities	0	51 420	60 051	68 682	75 587	75 587	75 587	75 587
Long-term loans	920 000	920 000	788 571	657 143	525 714	394 286	262 857	131 429
Share capital	0	0	0	0	0	0	0	0
Reserve Capital	0	76 759	76 759	76 759	76 759	76 759	76 759	76 759
Retained earnings	0	238 838	603 765	1 101 189	1 706 398	2 320 548	2 943 639	3 575 671
Equity	1 080 000	1 395 596	1 760 524	2 257 947	2 863 157	3 477 307	4 100 398	4 732 429
Total liabilities	**2 000 000**	**2 367 017**	**2 609 146**	**2 983 772**	**3 464 458**	**3 947 179**	**4 438 842**	**4 939 445**
	0	0	0	0	0	0	0	0
Equity/Liability	*0,00*	*0,47*	*0,54*	*0,61*	*0,66*	*0,70*	*0,74*	*0,77*

Appendix 16

Taxes

Types of tax	Rate	2024	2025	2026	2027	2028	2029	2030
Income tax	15,0%	63 560	78 616	100 420	117 552	116 310	116 310	116 310
Total taxes		**63 560**	**78 616**	**100 420**	**117 552**	**116 310**	**116 310**	**116 310**

Appendix 17

NPV and IRR

Period	Cash Flow	NPV, 7%	IRR
0 year	-2076758,7	0	
2024	22 112	-1921582,591	-99%
2025	422 642	-1576580,566	-54%
2026	555 139	-1153067,637	-25%
2027	676 822	-670503,2182	-7%
2028	741 350	-176510,3216	4%
2029	750 291	290 733	11%
2030	759 231	732 613	15%

Appendix 18

Break-even point analysis

№	Indicator name	value
1	Sales at full capacity	2 820 000
2	Fixed production costs	329 340
3	Variable production costs	1 773 429
	Break-even point	**31%**

14 Information about the performer of the project

Business plan "Opening of the production of clinker ˘ " was performed by a research agency "**Global Innovation Trade**". All our experts have impressive experience in developing business plans, backed by deep knowledge in various spheres of economics and business, a powerful information base, knowledge of the most advanced approaches to business organization, knowledge of new calculation methods and their competent adaptation to the specifics of the region or certain industry. The most important thing is to have a good knowledge of business organization approaches.

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