GATSBY TREE REPSOURCES LIMITED
(GATSBY CLUB TREE PROJECT)

BUSINESS PLAN
FOR
2010-2015

JULY 2010

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List of Acronyms

CEO	-	Chief Executive Officer
CFR	-	Central Forest Resource
EU	-	European Union
GCF	-	Gatsby Charitable Foundation
GDP	-	Gross Domestic Product
ISAA	-	International Service for the Acquisition of Agri-Biotech
NAADS	-	National Agricultural Advisory Services
NaFORRI	-	National Forest Resources Research Institute
NARO	-	National Agricultural Research Organisation
NFA	-	National Forestry Authority
PEAP	-	Poverty Eradication Action Plan
QPM	-	Quality Planting Materials
SPGS	-	Sawlog Production Grant Scheme
UGT	-	Uganda Gatsby Trust

EXECUTIVE SUMMARY

Kifu Nursery was operationalized and expanded in 2006 by the Gatsby Tree Biotechnology Project with the purpose of commercialising clonal eucalyptus. The technology was transferred from Mondi Forests in 2002, demonstrated to planters and the public to uptake through field trials and with a research component managed by National Forest Resources Research Institute (NaFORRI) to determine what clone was suitable for which ecological zone, the growth rate and susceptibility to diseases. The planting materials generated by Kifu Nursery enabled the set up of two other satellite nurseries in Mbale and Fort Portal in 2007. The clones have been accepted by National Forestry Authority (NFA) and Sawlog Production Grant Scheme (SPGS) as good planting material and farmers have demonstrated keen interest in planting. The combined nurseries have a total of 46,000 ramets. Each of the nurseries will now be expanded to 30,000 ramets per nursery and the setting up of a new nursery at Kabanyolo of 20,000 ramets. In implementing this expansion, the Gatsby Tree Biotechnology Project will strengthen its structure in form of a limited liability company wholly owned by Uganda Gatsby Trust to produce 1.5 million plantlets per annum by 2012. Equity investment will be sought for further capitalisation.

The company will be managed by a Board of Directors through a Chief Executive Officer (CEO) with core competences in management, forestry and tree biotechnology. Each nursery will be managed by a competent manager responsible for cost effective production and meeting of predetermined targets and ensuring profitable sales of planting materials that guarantees continuity and profitability of the nursery operations. Marketing section will ensure that extension advice is given to planters as part of customer care.

In the setting up of the Kifu Nursery, there was importation of hybrid and pure clones and matching them to site, which was successful. The clones produced set up the trials and the satellite nurseries. Feed back from planters is that the clones purchased from satellite nurseries and Kifu are doing very well and are fast growing which presents the opportunity of increasing production and coverage area. The adoption of low cost humid tunnelling technology has yielded economy in infrastructure requirements and simplified propagation which now enables rolling out and increasing production to supply the market in Uganda.

Tree planting as an industry is mostly for pine which is monopolised by NFA and roadside nurseries but their combined production do not satisfy the national demand for seedlings. Uganda needs the establishment of more than 10,000 ha per annum of fast growing trees to offset deficits caused by tree destruction for fuel wood, saw log timber and charcoal. With a growing trend in investment in forestry picking up through commercial planters, private plantation establishment through SPGS and farmer woodlots, there is a ready market for the clones. The clones are fairly well established in the market with acceptance from Ministry of Water and Environment, SPGS, NFA and Farm Income Enhancement and Forestry Conservation Project as suitable materials for planting. All production of planting materials have always been sold out although the price of Shs. 350 is higher compared to pine at shs.300 and sometimes below.

However, more awareness creation is necessary to demonstrate to the public that the product is capable of achieving its theoretical characteristics.

Plantation forestry as a long term strategic objective brings conservation, economic and employment benefits on top of more tax contribution to government than any other investment of similar profitability and contributing to Poverty Eradication Action Plan (PEAP). Commercial planters can also cash in the emerging international trends in carbon trading under Kyoto protocol or bio energy forestry to address the electric energy deficiency in the country which favour eucalyptus as it grows faster and coppices well.

Government and the European Union (EU) is implementing the SPGS whereby commercial planters are reimbursed 50% of predetermined plantation establishment costs and the scheme has generated a lot of interest from the private sector with whom they have established partnership. Central Forest Reserves (CFRs) are being leased to the private sector to do commercial planting as the government positions to be the regional leader in forestry plantations and addresses at the same time the acute shortage of round wood.

Government through the NFA is discouraging the planting of substandard seedlings although cheap and encouraging superior quality seedlings to be able to qualify for the SPGS so that saw log production is from superior stands. The eucalyptus clones produced by GCTP meet the SPGS requirement.

0.1 Capital Invested

Capital was initially invested to operationalise Kifu Nursery which provided planting materials to Mbale and Fort Portal which are all productive but producing under capacity and therefore loss making. The nurseries combined have a total fixed asset capital base of Ug Shs. 211,989,500. There has also been investment in staff training of managers who also have conducted in house training of lower cadre staff and financing of the research component.

Current sales for the year ended March 2010-03-10 without taking into account of inventory for each production unit are as indicated below:

Table 1: Sales for 2009/10

Unit	No of plantlets	Value (Shs)
Mbale Regional Nursery	251,334	87,966,900
Kifu	136,356	47,724,600
Fort Portal	97,721	34,202,350
Kabanyolo	0	0
Total	**485,411**	**169,893,850**

0.2 Capital Needed for Expansion

To scale up production to full capacity will require individual nurseries to generate their own sales during the five year period starting 2010 to 2015, where by sales will contribute Ug Shs. 229,822,820 in 2010/2011, but are expected to grow at 20-40% per annum. The projected operating costs of Shs. 190,548,000 and capital expenses of Shs 325,528,000 in the year 2010/2011 will result in a shortfall of Shs. 476,297,670. The short fall will continue over the next two years, but to a lesser extent, because of establishment of additional nurseries of Kabanyolo, Gulu in the northern region and another in the mid-western region which will not contribute to sales revenue until one year after. The funding gap of about Shs 1.2 billion is expected to be met by either Kilimo Trust funding together with Uganda Gatsby Trust (UGT), a loan and investment of Shs 250 million each..

0.3 Planned Activities

This five year work plan will involve the following major activities:

- To increase the production and distribution of Quality Planting Material (QPM) and its regular supply.
- To expand the Mbale and Kabarole regional nurseries and to make them self sustaining.
- Establish 1 regional demonstration and training centre for clonal propagation at Kabanyolo to accelerate adoption and diffusion downstream and ease of access by farmers to the technology
- Continue capacity building in tree biotechnologies to ensure sustainable flow of benefit streams;
- Up-scaling of technology benefits downstream and enhance entrepreneurship in forestry nursery management for sustainability.
- To build institutional capacity.

0.4 Outcome of Up-Scaling

The expected outcome of scaling up will be the following production capacities per annum from 2011 onwards:

Table 2: **Projected Production of plantlets per nursery**

Nursery	2010/11	2011/12	2012/13	2013/2014	2014/2015
Fort portal	260,000	312,000	372,000	520,800	520,800
Mbale	268,000	321,600	353,760	417,437	542,668
Kifu-Mukono	120,000	144,000	190,800	227,880	296,244
Kabanyolo	-	120,000	180,000	198,000	217,800
Gulu	-		200,000	500,000	600,000
Masaka/Lyantonde	-		200,000	500,000	600,000
Subtotal	**648,000**	**897,600**	**1,496,560**	**2,364,117**	**2,777,512**

Table 3: Projected revenues per nursery

Nursery	2010/11	2011/12	2012/13	2013/2014	2014/2015
Fort Portal	91,000,000	109,200,000	130,200,000	182,280,000	182,280,000
Mbale	93,800,000	112,560,000	123,816,000	146,102,880	189,933,744
Kifu-Mukono	42,000,000	50,400,000	66,780,000	79,758,000	103,685,400
Kabanyolo	-	42,000,000	63,000,000	69,300,000	76,230,000
Gulu	-	-	70,000,000	175,000,000	210,000,000
Masaka/Lyantonde	-	-	70,000,000	175,000,000	210,000,000
Subtotal	**226,800,000**	**314,160,000**	**523,796,000**	**827,440,880**	**972,129,144**

Cost Assumptions

Sustainability is the key function of the company. The expected cost structure without capital expenditure for the five year period as shown below:

Table 4: Projected Operating Costs

Item	2010/11	2011/12	2012/13	2013/2014	2014/2015
Nursery Planting inputs & Direct Salaries/Wages	230,222,600	280,498,600	451,765,600	451,983,100	450,765,600
Employment Costs:	211,410,000	211,410,000	211,410,000	211,410,000	211,410,000
Administration Costs:	152,133,840	163,519,610	122,481,711	116,825,318	116,911,275
Total Operating Expenses	**593,766,440**	**655,428,210**	**785,657,311**	**780,218,418**	**779,086,875**

Payback Period

It is estimated that the company will recover all the investments in 6 Years and 2 Months.

Economic Considerations

The company will make the following contributions to the economy:

- Employment generation and poverty alleviation
- Contribution to local economies
- Contribution to environmental protection
- Contribution to the tree growing value chain

1. The Company, its Products and Opportunities

1.1 Overview

Eucalyptus clones got into Uganda under a partnership arrangement between Gatsby Charitable Foundation (GCF), MONDI, ISAA and NARO in 2002 where by GCF provided funding, MONDI donated proprietary Clonal hybrids with International Service for the Acquisition of Agri-Biotech (ISAA) intermediating. In all, 12 clones were recommended, eleven hybrids and one pure species. NARO delegated the implementation to NaFORRI. The mother garden was set up Kifu and plantlets produced were used to set up 15 trial sites.

Clones tending to be site specific had to be site matched in the 12 Uganda agro ecological zones to determine response to the prevailing growth conditions which has enabled NaFORRI to recommend which clones are suitable for which zone. 15 trials were established in the following areas.
Eastern: Mayuge, Kumi, Soroti, and Katakwi
Western: Kabale, Ntungamo, Bushenyi, Kabarole, Masindi
Central: Sembabule and Mukono
Northern: Lira, Amolatar and Arua.

The results showed good growth and disease resistance for most of the clones.

The objectives guiding NaFORRI were to:

- Transfer the clonal technology to Uganda including demonstration
- Interest the private sector to uptake the clones by providing clonal plantlets
- Build institutional capacity in clonal forestry
- Introduce other tree species to clonal forestry.

That was phase 1.

Phase 2 got underway in 2006 when the funders transferred the project to Kilimo and the implementation was given to Uganda Gatsby Trust under the Gatsby Tree Biotechnology Project.

The mandated responsibilities to UGT were to:

- Reactivate and expand the Kifu nursery which was done
- Continue the research and trials which is on going
- Decentralize and establish regional clone nurseries. Already two satellite nurseries in Mbale and Fort Portal are operational.
- Interest clubs to start tree nurseries
- Tree plantation establishment by the private sector

1.2 Opportunity and Strategy

Under management of the Project Manager, Kifu Nursery was operationalised and expanded in 2006 by Gatsby Tree Biotechnology Project with the purpose of commercialising clonal eucalyptus technology. In the meantime, 3 candidates were recruited and received training in tree biotechnology in Kenya and South Africa as part of institutional capacity building to take over the management of the three nurseries. The planting materials generated by Kifu Nursery were able to set up two other satellite nurseries in Mbale and Fort Portal in 2007 whose combined production has contributed to the establishment of 619 ha of private plantations. The clones have been accepted by NFA and SPGS as good planting material and farmers have demonstrated keen interest in planting.

1.3 The Business Opportunity

Plantation forestry as a long term strategic objective brings conservation, economic and employment benefits on top of more tax contribution to government than any other investment of similar profitability and contributing to PEAP. Commercial planters can also cash in the emerging international trends in carbon trading under Kyoto protocol or bio energy forestry to address the electric energy deficiency in the country which favour eucalyptus as it grows faster and coppices well.

Government through NFA is implementing the SPGS whereby commercial planters are reimbursed 50% of predetermined plantation establishment costs and the scheme is generating a lot of interest from the private sector with whom they want to establish a partnership. CFRs are being leased to the private sector to do commercial planting as the government positions to be the regional leader in forestry plantations and addresses at the same time the acute shortage of round wood.

Government through the NFA is discouraging the planting of substandard seeds although cheap and encouraging superior quality seeds to be able to qualify for the SPGS so that saw log production is from superior stands. The eucalyptus clones meet the SPGS requirement. The company will seek to be the market leader in producing eucalyptus plantlets.

1.4 Products and Services

The combined nurseries have a total of 46,000 ramets which will now be expanded to 30,000 ramets per nursery and the setting up of a new nursery at Kabanyolo of 10,000 initial ramets. In implementing this expansion, Gatsby Tree Biotechnology Project will strengthen its structure in form of a limited liability company wholly owned by Uganda Gatsby Trust to produce 1.5 million plantlets per annum by 2012.

The major product will be production and supply of eucalyptus clone plantlets to planters but additionally there will be an extension program to advise farmers on planting. Drawing from lessons learnt from past experience, extension information is mandatory for success in

implementing the project as this will serve a means for disseminating information and receiving feedback. Clones require good silviculture if one is to benefit from their full potential. Management identified the information gap especially with establishment practices and has employed 1 extension worker but also plans to engage the existing extension and advisory structures like NAADS and other forestry field staff. On the other hand one of the key factors that will encourage farmers to invest in clonal nursery production is the attractive income levels that will be generated from the nursery business. To ensure that farmers have substantial income, they will receive training in intensive clonal nursery management, records keeping, cost control as well as good silviculture for maximum returns. Preparation of extension material for circulation to project areas and all user group stakeholders will be done regularly.

The existing clonal varieties that were brought in the country are as below:

GC514
GC540
GC 550
GC578
GC784
GU 7
GU 8
GU 21
GC 796
GU 609
GU 607
TAG5

1.5 Competitive advantage

The clones are research tested, fast growing and income earners.

There is no direct competitor producing clonal eucalyptus plantlets at the moment.

There is no serious competition envisaged in the short to medium term. There are a number of key players in the seedling industry ranging from small scale road side nurseries that rarely mind about seed source and seedlings quality, to progressive nursery operators and to big suppliers like the National Tree Seed Centre. A lot of awareness has been made in relation to the importance of using good planting stock and many planters have started appreciating the fact. Therefore given the fact that, clones are of demonstrated high quality, and can be produced in large numbers throughout the year offer an opportunity especially where good seeds' sources is a myth.

1.6 Swot Analysis

Strength	**Weaknesses**
Three nurseries already operational	Insufficient capitalisation
Planting materials already selling	Lack of own nursery land
Trained manpower	low marketing ability in some regions
Opportunities	**Threats**

Increasing number of tree growers	Pests and Diseases
Need for re-afforestation	Mother plants dying
Quick maturity into downstream products	Attitudes of public
Research - (knowledge and Technology)	
Stakeholders: Focused expertise from partners to drive plans and objectives • Increased interest from existing partners • New partners are interested	

1.7 Development Plans

Equity investment will be sought for capitalisation to supplement own contribution to carry out this expansion. It is intended that the company should be self sustaining and profit making after scaling up of operations. This business plan will set out strategies and actions that will be followed to achieve the objectives.

The following strategies and actions will be implemented:

- Provide a year around ordering opportunity for planters with exclusive reservation periods each planting season to assure that seedlings are available to them for timely reforestation.
- Offer a variety of target clones in a wide variety of agro ecological zones and or end use so that planters may select the most appropriate clones for their reforestation needs.
- Provide a consistent supply of genetically improved seedlings of diverse species for Uganda
- Provide regional production and distribution centers for Northern, Southern, and central Uganda seedling customers to assure vigorous afforestation.
- Promote collaboration among private nurseries raising clonal seedlings by sharing technologies and practices to the betterment of Ugandan seedling buyers.
- Promote partnerships with other state agencies, landowners, and non-profit groups to enhance Uganda's area plantings for healthy streams; and with various nurseries to improve seedling growing and handling methods;
- Continue support of the research programs to the benefit of all.
- Provide educational opportunities for local schools, colleges and other groups or individuals.

2. Market Research

2.1 Industry Analysis

Uganda's natural forests have been depleted through illegal and unsustainable harvesting practices. There is need to plant trees to meet future needs. The National Forestry Plan indicates the need for 10,000 ha annually of new plantation establishment to meet domestic demand.

Based on the latest yield projections in Uganda for pine caribea and Grandis. 67000 Ha is needed to produce 1million M^3 of saw logs to supply domestic demand. Export opportunities in the region also exist and should be regarded as equal in size as the domestic market.

NFA advise that the national strategic target for plantations should be 150,000 ha of commercial timber plantations by 2025 which translates to planting needs of 10,000 ha per annum. There fore commercial tree planting can be a successful prospect and if sustained, the future of commercial forestry looks promising.

Dialogue among planters needs to be encouraged to realize the economic benefits of planning long term by investing in plantation forestry most especially when SPGS is providing a lifeline and where financial institutions will not loan funds for tree planting.

2.2 Potential Role and Impact of Company on the Industry

The proposal to scale up operations is timely for the industry. It will play a major role providing research tested, fast growing, disease resistant seedlings of the latest clonal eucalyptus technology in Uganda. It will significantly contribute to other efforts to increase tree cover and meeting the planting target set out in the National Forestry Plan.
The impact of the tree nursery will be:-

- Providing building materials, poles and saw logs in three to eight years to alleviate the current short fall
- Wealth creation for planters.
- Employment creation in the short and long term
- Contribution to conservation efforts.
- Environment effects, such as climate amelioration, reducing effects of soil erosion, land slides, etc.

2.3 Market size and trends

A study carried out by NFA in 2005, concluded that Uganda needs a minimum of 70,000 hectares of high yielding, tree plantations just to meet its projected internal demand by 2025: this equates roughly to 3,500 ha of new planting per year. This figure was calculated from available estimates of the then timber consumption (270,000m^3/year and growing at 2.5% per yr.); GDP growth of 5%; predicted plantation yields of 350m^3/ha at 20 years (mean for pine).

Then, Uganda had probably no more than 14,000 ha – 70% of which was under 4 years old. It was indicated that within a short period (not more than 5 years), the mature crop would be finished and there is then a very worrying 'hole' of at least 10 years where there is no mature crop available. Since pines take some 20 years to mature, only faster growing eucalypts can produce timber in this time period and hence they should have an important role in Uganda's plantation strategy.

There are a number of key players in the seedling industry ranging from small scale road side nurseries that rarely mind about seed source and seedlings quality, to progressive nursery operators and to big suppliers like the National Tree Seed Centre. A lot of awareness has been made in relation to the importance of using good planting stock and many planters have started appreciating the fact. Therefore given the fact that, clones are of demonstrated high quality, and can be produced in large numbers throughout the year offer an opportunity especially where good seeds' sources is a myth.

The clones have already captured the interest of the growers and there is a growing trend in demand. However there is still a need to demonstrate to the public that the product is physically capable of achieving its theoretical characteristics through trial and demonstrations and farmer supported plots. This must be coupled with production of large numbers at the most realistic prices. Brochures, newspaper pullouts, banners, and news letters will be used to do more publicity. In addition referrals have been useful source information.

2.4 Targeted Customers

This is expected to be the whole of Uganda. However since the product is new on the market, awareness is necessary. Key market players are:

- Ministry of Water and environment which has taken Mbale clones on board
- The NFA for rural community livelihoods
- Commercial tree farmers.
- Private plantation establishment through SPGS.
- Farmer and community wood lots.
- Carbon sequestration projects.

The clones are unique on the market. They also exhibit desirable characteristics for people willing to invest in tree planting. They exhibit fast growth, uniformity, coppicing ability, better resistance to disease, pests and resistance to drought.

2.5 Ongoing Market Evaluation

3.0 Marketing Plan

The demand for clonal eucalyptus technology planting materials in the country has been reasonably well established as demonstrated from sales and it is on that basis the nurseries will upgrade production levels to meet that demand with the choice of a niche market segment

being based on land availability to planters whereby NFA is already playing a pro-active role in allocating land from central forest reserves.

Prospective planters should be able to meet the minimum planting hectarege in order to quality for SPGS support since the clonal eucalyptus is acceptable to them as the scheme reimburses 50% percent of costs of plantation establishment and is therefore an incentive to promote afforestation. This partnership will be key in ensuring that all materials produced are taken by planters.

To increase effectiveness and reach other segments of the market, an appropriate promotion programme will be developed to publicize the clonal eucalyptus technology to the wider public using physical presentation, media etc.

3.1 Marketing Strategy

The core customers being targeted are those interested in creating new investments and wealth. Since plantation establishment involves large capital outlays, planters are looking at high quality planting materials that should give quality stands and therefore good returns on harvest. This market has the capacity to plant more than 2 million plantlets per annum translating into 1,700 hectares which is the proposed company market share.

The company CEO, as the focal point and in order to ensure the long-term goal achievement of sustainability and profitability will take the responsibility of sourcing of these market opportunities for consolidation and carve out a strategic positioning of the business in the forestry industry that ensures continued demand for products and services.

3.2 Marketing Objectives

The key objective is to ensure all planting materials produced projected at 2 million are planted by farmers and contribute to afforestation efforts by 1,700 hectare of forest cover per annum. This will be achieved through meeting the sub objectives and proactive actions set out below;

- The quality of planting materials for sale to planters is maintained at the highest level as a standard set policy to gain customer satisfaction and repeat customers.
- Ensure a specific availability of inventory at all times.
- Set standards and economics of the forestry industry on the market.
- Compliment NFA policies and international initiatives on environmental issues.
- Restructure operations to enable continued efficient analysis of operations.
- Development of quality assurance procedures and systems to ensure that the mother garden rammets are of good quality and the production of planting materials meets the highest degree of quality control before distribution to planters.

To achieve the above, it is necessary to develop a fully knowledgeable and synchronized production team e.g. through training, recruitment, clear production targets, team work and

performance reviews with the aim to achieve low production costs and high turnover of high quality planting materials.

3.3 Product

Eleven clones have been research tested by NaFORRI since 2002 and are now available on the market for different agro zones in Uganda. So far 1,500 hectares have been planted commercially by private planters with technical assistance from Nursery Managers. The marketing section will now be charged with providing assistance plant out to customers as part of customer care.

3.4 Pricing

The clones are priced at Ug Shs. 350 each as compared to sowed eucalyptus seedlings at Ug Shs. 100 and pine seedlings at Ug Shs. 300. This pricing, although higher than the competition is justified by the costs of production, the intricate nature and technical knowledge involved in propagation of clones which customers are aware of. Also the clonal eucalyptus gives quicker returns owing to its quick maturity.

3.5 Advertising and Promotion

Partnerships established with SPGS, NFA and commercial planters have seen all production being sold out and many orders placed which is the reason for this intended expansion. However, to diversify the client base and coverage of the whole country, newsletters, brochures and other information dissemination means will be employed.

3.6 Distribution

The objectives of developing a distribution strategy are to develop a diversified client base, ensure proper scheduling of orders and to manage and monitor the payment terms of clients to avoid cash flow shocks. The nurseries have been conveniently located at Kifu to supply central region, Mbale to supply the north and east and Fort Portal for western region addresses the above where planters collect their planting materials. There are plans to establish more nurseries in Gulu (north), Arua (North West) Masaka (south) so as to widely distribute plantlets all over Uganda.

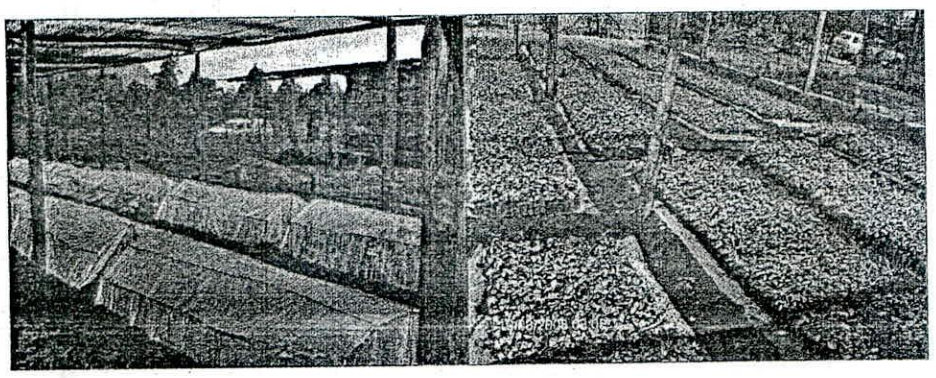
3.7 Sales Plan

Each nursery currently manages its inventory and is responsible for selling its products although with the expanded program Marketing Officers will be employed with specific responsibilities for sales and farmer extension services. Also, UGT has bid to supply plantlets to the Farm Income Enhancement and Forestry Conservation Project which needs over 10 million plantlets per year. UGT will collaborate with "Go Green Strategy" a Makerere and British Council initiative which plans to plant 30 million trees in the medium term.

4.0 Technical Study (Operations Plan)

4.1 The production/service delivery process

The technology being used is the propagation of cuttings from the mother garden in a humid tunnel using sub soil and sand as rooting media. After two weeks the rooted plants are transferred to the hardening center until the plantlets are three months old when they are ready for the market. Four cuttings are made per month from each ramet and rooting in the humid chamber is at 60%. At the proposed upgrade of production to 40,000 ramets, each nursery will be expected to produce 1,152,000 plantlets. Each established nursery has developed infrastructure of mother garden with enough space for expansion, production house, under utilised humid chamber facilities and a hardening section. Therefore each nursery will provide its own planting materials for the expansion to full capacity. Each mother garden has an average life time of five years after which production declines and has to be replaced with new planting.



In tunnels After rooting

Fig. 1: Tunnelling Technology

4.2 Location and facilities

Each nursery is well located in its catchment area and serviced with electricity. Mbale is located 1 km on Tororo Road on NFA forest reserve, Kifu is in Mukono on Bugerere Road, Fort Portal is at Kyembogo on local government land while the proposed Kabanyoro Nursery will be located on Makerere University farm land along Gayaza Road. These facilities are managed by a Project Manager based at Katwe in Kampala.

4.3 Production Facilities and equipment

Vegetative production is used to raise plantlets with tunnelling technology. In some areas drip irrigation is used to water the mother garden.

Basically the expansion needs at nursery level are planting materials which will be locally produced by each, maintenance costs of mother gardens, inputs such as fertilisers, fungicides

and hormones, staff costs and growth media/inserts/trays. At headquarters, recruitment of staffing structure for efficient running of the new company, office equipments and a new truck for distribution will be necessary.

4.4 Planned Activities

a) To increase the production and distribution of quality planting material (QPM) and its regular supply.

- Increased production and supply of clones
- Number of plantlets produced
- Number of plantlets sold
- Increased productivity of mother gardens
- increased in rooting percentages for all the Clones

b) Expand the Mbale and Kabarole regional nurseries and to make them self sustaining.

- Increased production and sales
- Number of productive ramets
- Well maintained infrastructure
- Number of rooted plantlets produced
- Profitability of individual nursery units

c) Establish 1 regional demonstration and training centre for clonal propagation to accelerate adoption and diffusion downstream and ease of access by farmers to the technology

- New functional regional propagation centres established
- Number of regional nurseries established
- Number of plantlets produced
- No. of plantlets and seedlings sold and coverage

d) Continue capacity building in tree biotechnologies to ensure sustainable flow of benefit streams;

- Growing demonstrable capacity in clonal technology among staff, other foresters and farmers.
- No. of Competent trained staff
- No. of foresters and farmers participating and appreciating clonal technology
- Progress and performance reports both for the nursery and field

e) Up-scaling of technology benefits downstream and to enhance entrepreneurship in forestry nursery management for sustainability.

- Enhanced diffusion and adoption of clonal technology by the private sector.
- Number of Private clonal nursery technology initiatives
- No of People trained in clonal technology
- Level of leverage to entrepreneurs to take up the technology eg. Loan, subsidy, etc,

f) To establish an exit strategy in form of a profitable tree Resources Company

4.5 Transportation

The company intends to purchase a lorry and fit it with specially designed compartments to facilitate transportation of clones from nurseries to the market.

4.6 The Supply chain

Each nursery currently has its own suppliers but the company will need to harmonise the following in order to meet its profitability motive:

- The usage rate of each input shall be monitored to determine what buffer stocks to maintain, what order quantities to place at what frequency in time so that expiry losses, obsolescence and unnecessary tying up of funds in stores is minimized.
- Requisition and issue systems shall be developed and monitored to ensure value for money use.
- Performance reviews with the aim to achieve low production costs.
- Develop a standard purchasing system applicable across all nurseries.

4.7 Anticipated production costs

Since all the nurseries will have the same production capacity, production costs should ideally be near uniform and comparable. It will be helpful if the Cost Accounting section determines the costs of materials for various levels of sales. Used as a management tool for control, the company will improve its profitability.

4.8 Relevant regulations

As further measures to improve production efficiency, the following will be undertaken:

- Research needs to continue on the clones and in monitoring the growth e.g. when is maturity into timber, why some ramets poor rooters, further planting trials and pests and diseases.
- Introduction of planning instruments and systems in production and management areas.
- Institutional capacity building and re-orientation of staff to focus on production for commercial purposes and developing broad mindedness through practical field training, nursery guidelines, study tours, client field meetings.

5.0 Organisation Study

5.1 Organisation

The company has been incorporated as a limited liability called Gatsby Tree Resources Limited (GTRL) and will operate as a profit making entity.

5.2 Organogram

The company will have the following organization structure for effective performance. The structure provides for three departmental areas. These include: the operations department which will run the main companies business and is headed by the operations manager, the research arm which will oversee research activities and is headed by a research coordinator, and the accounts department headed by the accountant.

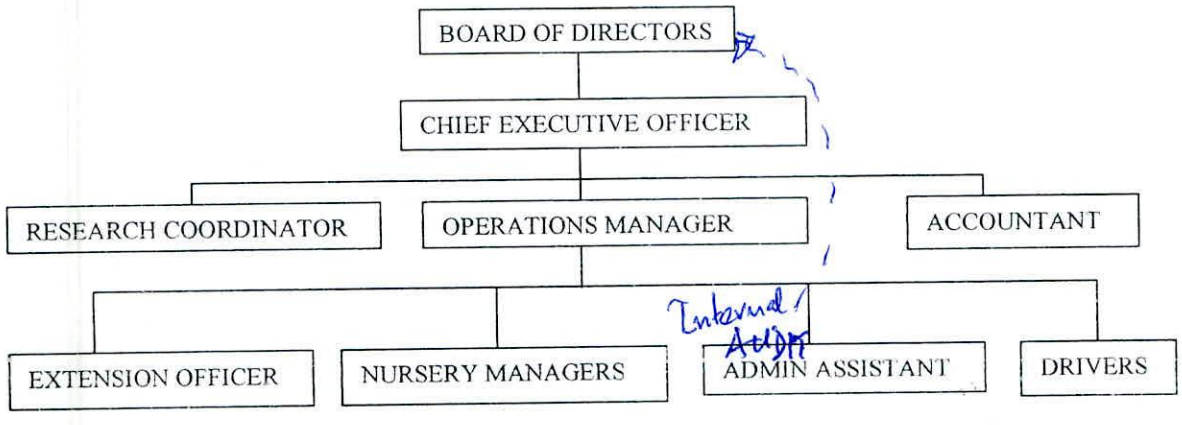


Fig. 2: Proposed Organisational Structure of Company

5.3 The Board

The Board is comprised of the following:

1. Prof Joseph Obua- Chairman
2. Mr. Mununuzi David- Manager National Tree Seed Centre/ NFA
3. Mr. Joseph Esegu- Director NaFORRI
4. Dr. Philip Nyeko- Private planter/ Uganda Timber Growers Association
5. Prof Joseph Byaruhanga- CEO UGT.

It is proposed to add two more members at a later date to make the total seven.

The Board is constituted from the main stakeholders of the project.

5.4 The Personnel/Staffing

The management structure provides for a CEO as overall operations manager, Accountant, operations Manager for supervision of nurseries and Office Assistant. The CEO will be responsible for guiding and managing the company, planning and control, ensuring staff under him perform to expectation and resource allocation and coordination of activities. When business picks up during the fourth /fifth year, Marketing Officers will be recruited to interact with clients at nursery level.

Management and performance of the human resource is key to success in any organization. As Management policy, the basic philosophy of the company in the management and organization of its operations will emphasize on an environment of achievement through teamwork due to the interdependence of processes to produce a product demanded by the market. Individual and team accountability shall be emphasized to build a culture of personal excellence in execution as well as shared learning and mutual support. All employees therefore will have to be rated through performance evaluation parameters applicable to all.

Each employee will agree to their respective tasks and assigned before the review period begins. This ensures efficiency. At management and supervisory levels, each staff in the various jobs will need to have qualifications and competence to manage the units under their charge.

5.5 Management incentives

The company will give gratuity to its staff, medical scheme, training opportunities and a promotion plan will be put in place as measures to improve staff efficiency

5.6 Administration and control

The following guidelines will need to be developed and communicated to Nursery Managers and staff:

- Monthly production targets and reports explaining variances
- Quality control measures to achieve uniformity across all nurseries
- Incentives and bonuses as motivators for achieving targets and sales.

5.7 Financial management

All documentation needed in financial management will be maintained which requires the setting up of an accounts department. The design of systems will take into account cost and management accounting practices that inform management of variances to enable corrective actions and for efficiency.

6.0 The Financial Plan

6.1 Revenue Assumptions

The biggest part of revenue for GTRL is will be revenue from sales of clonal plantlets. Other income is expected from Kilimo Trust Grant and from sales of other seedlings of pine and eucalyptus. At the beginning the company will need additional funding by way of a loan or investment from potential shareholders. The price of plantlets is currently Uganda Shillings 350/= and it is assumed that the price will be the same over the period. Therefore the table below shows the estimated revenues for the five year period. The revenues have been projected basing on the previous year's performance (see Table 1) and projecting a 10% to 40% increase for the various nurseries.

Table 5: Estimated Production of plantlets per nursery

Nursery	2010/11	2011/12	2012/13	2013/2014	2014/2015
Fort portal	260,000	312,000	372,000	520,800	520,800
Mbale	268,000	321,600	353,760	417,437	542,668
Kifu-Mukono	120,000	144,000	190,800	227,880	296,244
Kabanyolo	-	120,000	180,000	198,000	217,800
Gulu	-		200,000	500,000	600,000
Masaka/Lyantonde	-		200,000	500,000	600,000
Subtotal	648,000	897,600	1,496,560	2,364,117	2,777,512

Table 6: Projected revenues per nursery

Nursery	2010/11	2011/12	2012/13	2013/2014	2014/2015
Fort Portal	91,000,000	109,200,000	130,200,000	182,280,000	182,280,000
Mbale	93,800,000	112,560,000	123,816,000	146,102,880	189,933,744
Kifu-Mukono	42,000,000	50,400,000	66,780,000	79,758,000	103,685,400
Kabanyolo	-	42,000,000	63,000,000	69,300,000	76,230,000
Gulu	-	-	70,000,000	175,000,000	210,000,000
Masaka/Lyantonde	-	-	70,000,000	175,000,000	210,000,000
Subtotal	**226,800,000**	**314,160,000**	**523,796,000**	**827,440,880**	**972,129,144**

6.2 Cost Assumptions

Sustainability is the key function of the company. The expected cost structure without capital expenditure for the five year period as shown below:

Table 7: Projected Operating Costs

Item	2010/11	2011/12	2012/13	2013/2014	2014/2015
Nursery Planting Inputs & Direct Salaries/Wages	230,222,600	280,498,600	451,765,600	451,983,100	450,765,600
Employment Costs:	211,410,000	211,410,000	211,410,000	211,410,000	211,410,000
Administration Costs:	152,133,840	163,519,610	122,481,711	116,825,318	116,911,275
Total Operating Expenses	593,766,440	655,428,210	785,657,311	780,218,418	779,086,875

6.2.1 Pay roll costs

The salary structure has been developed with consideration for the company's ability to pay market based rates but also putting it to an adequate level to attract the most competent staff and to ensure a motivated staff. The overall pay roll cost in the first year is shillings 211,410,000 (35% of the expenditure). This includes basic salaries, gratuity, and NSSF employer's contributions. The posts of a research coordinator, administrator assistant, accountant and CEO which have formerly been shared services have been established.

6.2.2 Administrative and Operational Costs

The non-wage recurrent costs for the 1st year amount to Shs 152,133,840 (26% of expenditure) and include basic administrative costs printing and other supplies, advertising and promotion, utilities and fuel, repairs and maintenance, office rent, field travel allowances, insurance board expenses, training, consultancies, and technical assistance.

6.2.3 Direct Regional Nursery Cost (Nursery Planting Inputs & Direct Salaries/Wages

Each regional nursery unit has been costed independently and direct nursery expenses (38% of expenditure) include Nursery managers' salaries, gratuity, NSSF employer's contribution, transport and allowances, wages, contract labour, consumables, tools, utilities, office supplies, welfare and any related establishment and production cost.

6.2.4 Research Costs

Research will mainly be in the areas of tree and rooting improvement, recruitment of new clones, pests and disease management and, silvicultural practices in clones. This will as much as possible be through funding Masters students.

6.3 Financial Statements

The income statement in Tables and schedules given in the spread sheets summarise revenue and cost assumptions for the company for the first five years of operations from the financial

model that has been developed. This shows that the business plan can only be executed with the help of an additional funding for the first three to four years. This is because of the need for capital financing required to set up 3 additional nurseries, stepping up capacity of the existing nurseries, acquisition of vehicles, and to sustain administrative and overhead costs. However during and after the fourth year, the individual nurseries will be in position to pay for their own direct costs and also cater for administrative and over head costs.

6.4 Capital Investment

A capital expenditure of Shs 338 million is needed to operationalise the company's business plan over the first 4 years. This covers the minimum requirement to set the company up with 3 additional nurseries, vehicles especially for transporting plantlets to make impact on a wider community and to build capacity for sustainability.
Fixed Assets to be bought have been given depreciation schedules and provision for replacement after their useful life.

6.7. Financing Needs

Table 8: Financing Needs

Source of Funds	Year 1	Year 2	Year 3	Year 4	Year 5
UGT	-	50,000,000	-	-	
Kilimo Trust	339,990,200	286,000,000	74,046,000	-	-
Loan	250,000,000	-	-	-	
Investor	-	250,000,000	-	-	-
Total	**589,990,200**	**586,000,000**	**74,046,000**	-	-

In addition the revenue from sale of plantlets will contribute to a large portion of the costs.

6.8 Attraction of Investors

As the number of nurseries increase, the production of plantlets will increase significantly and enable improve sustainability of the company. This will make the company more attractive for funding agencies and investors. Already, Green Resources Associates have expressed interest in taking a shareholding in Gatsby Clonal Nurseries.

6.8 Projected Balance sheet

See Attached spread sheets

6.9 Break-even Analysis

See Attached spread sheets

6.10 Payback Period

It is estimated that the company will recover all the investments in 6 Years and 2 Months.

7.0 Economic Considerations

The company will make the following contributions to the economy:

- Employment generation and poverty alleviation

- Contribution to local economies
- Contribution to environmental protection
- Contribution to the tree growing value chain

UGANDA TREE BIO-TECHNOLOGY LIMITED

Income Statements

		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
		2010/2011 U Shs	2011/2012 U Shs	2012/2013 U Shs	2013/2014 U Shs	2014/2015 U Shs
A. INCOME						
PRINCIPAL INCOME:						
Sales of plantlets - Mbale	SCHED 1	93,800,000	112,560,000	123,816,000	146,102,880	204,544,032
Sales of plantlets - Kifu	SCHED 1	42,000,000	50,400,000	66,780,000	79,758,000	111,661,200
Sales of plantlets - Kabarole/Fort Portal	SCHED 1	91,000,000	109,200,000	130,200,000	182,280,000	182,280,000
Sales of plantlets - Kabanyolo	SCHED 1	-	42,000,000	63,000,000	69,300,000	76,230,000
Sales of plantlets - Masaka	SCHED 1	-	-	-	175,000,000	210,000,000
Sales of plantlets - Gulu	SCHED 1	-	-	84,000,000	210,000,000	252,000,000
Sub-Total		226,800,000	314,160,000	467,796,000	862,440,880	1,036,715,232
ADDITIONAL CASH INFLOWS:						
Shareholder Funds (from UGT)		-	50,000,000	-	-	-
Grant Income (from KILIMO Trust through UGT)		339,990,200	286,000,000	74,046,000	-	-
Loan	SCHED 13	250,000,000	-			
Investment Funds			250,000,000			
Sub-Total		589,990,200	586,000,000	74,046,000	-	-
B. DIRECT EXPENSES						
Nursery Planting Inputs & Direct Salaries/Wages						
Direct Recurrent expenses - Mbale	SCHED 2	71,244,500	68,989,500	74,454,500	80,209,500	81,734,500
Direct Recurrent expenses - Kifu	SCHED 3	59,826,000	53,143,500	59,181,000	61,931,000	64,868,500
Direct Recurrent expenses - Kabarole/Fort Portal	SCHED 4	77,512,600	66,754,100	77,112,600	74,746,100	79,204,600
Direct Recurrent expenses - Kabanyolo	SCHED 5	550,000	62,873,500	71,018,500	67,698,500	66,068,500
Direct Recurrent expenses - Masaka	SCHED 6	-	-	550,000	67,698,500	67,748,500
Direct Recurrent expenses - Gulu	SCHED 7	-	550,000	67,748,500	71,011,000	67,698,500
Sub-Total		209,133,100	252,310,600	350,065,100	423,294,600	427,323,100
GROSS SURPLUS		607,657,100	647,849,400	191,776,900	439,146,280	609,392,132
C. OVERHEAD EXPENSES						
EMPLOYMENT COSTS:						
Staff Salaries & Wages (gross)	SCHED 10	150,600,000	150,600,000	150,600,000	150,600,000	150,600,000
Staff Gratuity	SCHED 10	37,650,000	37,650,000	37,650,000	37,650,000	37,650,000
NSSF - Employer's Contribution	SCHED 10	15,060,000	15,060,000	15,060,000	15,060,000	15,060,000
Sub-Total		203,310,000	203,310,000	203,310,000	203,310,000	203,310,000
ADMINISTRATION COSTS:						
Advertisement & Business Promotion		4,475,118	4,475,118	2,500,000	2,500,000	2,500,000
Audit Fees	SCHED 11	3,540,000	3,540,000	3,540,000	3,540,000	3,540,000
Bank Charges		1,466,997	1,613,697	1,775,066	1,952,573	2,147,830
Board Meetings	SCHED 11	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000
Electricity & Water at Kampala Head Office	SCHED 11	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Farmer Training	SCHED 11	-	5,000,000	5,000,000	5,000,000	5,000,000
Field Travel and per diem expenses		13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
Head Office Computer repairs & maintenance		877,500	877,500	877,500	877,500	877,500
Head Office Rent	SCHED 11	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Head Office Stationery		2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
Insurance : workmens' compensation		1,506,000	1,506,000	1,506,000	1,506,000	1,506,000
: burglary, fire & other perils		54,600	41,625	28,650	12,150	9,075
: motor comprehensive		5,500,000	2,750,000	4,750,000	2,250,000	(250,000)
Internal & External Communication (telephone,airtime)	SCHED 11	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Internet costs and Website Hosting & Designing	SCHED 11	960,000	960,000	960,000	960,000	960,000
M/Vehicle Operations & Maintenance	SCHED 11	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Miscellaneous Expenses		409,500	409,500	409,500	409,500	409,500
Project Review		-	-	3,500,000	-	-
Research on clonal eucalyptus	SCHED 9	19,950,000	20,265,000	15,015,000	15,015,000	15,015,000
Subscriptions & Membership		300,000	300,000	300,000	300,000	300,000
Staff Training	SCHED 11	1,750,000	3,750,000	3,000,000	3,000,000	-
Stocktaking expenses		1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Trade Fair Expenses		3,423,105	3,423,105	3,423,105	3,423,105	3,423,105
Sub-Total		91,512,820	96,211,545	93,884,821	88,045,828	82,738,010
TOTAL OPERATING EXPENSES		294,822,820	299,521,545	297,194,821	291,355,828	286,048,010
NET SURPLUS/(DEFICIT) after OPERATING EXP		312,834,280	348,327,855	(105,417,921)	147,790,452	323,344,122
CAPITAL CASH OUTFLOWS:						
Direct Capital Expenditure - Mbale	SCHED 8	11,448,000	1,850,000	1,850,000	1,850,000	1,850,000
Direct Capital Expenditure - Kifu	SCHED 8	2,500,000	-	-	-	-
Direct Capital Expenditure - Kabarole / Fort Portal	SCHED 8	14,955,000	2,000,000	2,000,000	2,000,000	2,000,000
Direct Capital Expenditure - Kabanyolo	SCHED 8	47,285,000	-	-	-	-

Direct Capital Expenditure - Masaka	SCHED 8	-	-	75,885,000	-	
Direct Capital Expenditure - Gulu	SCHED 8	-	48,385,000	2,500,000	2,500,000	2,500,000
Direct Capital Expenditure - Head Office	SCHED 8	114,360,000	-	-	-	-
		190,548,000	52,235,000	82,235,000	6,350,000	6,350,000
LOAN INSTALMENT REPAYMENTS:						
Total Annual Instalments - Principle paid	SCHED 13	20,833,333	83,333,333	83,333,333	62,500,000	-
- Interest paid	SCHED 13	8,593,750	26,562,500	14,062,500	2,343,750	-
		29,427,083	109,895,833	97,395,833	64,843,750	-

250,000,000
51,562,500

SURPLUS / (DEFICIT) after CAPITAL & LOAN EXPENDITURE		92,859,196	186,197,022	(285,048,755)	76,596,702	316,994,122
SURPLUS / (DEFICIT) Brought Forward		(33,181,959)	59,677,237	245,874,259	(39,174,496)	37,422,206
SURPLUS / (DEFICIT) Carried Forward		59,677,237	245,874,259	(39,174,496)	37,422,206	354,416,328

UGANDA TREE BIO-TECHNOLOGY LIMITED

SCHEDULE 1

PROJECTED NURSERY SALES AS ESTIMATED BY ASSISTANT PROJECT MANAGER

	YEAR 1 2010/2011			YEAR 2 2011/2012			YEAR 3 2012/2013			YEAR 4 2013/2014			YEAR 5 2014/2015		
	SEASON 1	SEASON 2	TOTAL	SEASON 1	SEASON 2	TOTAL	SEASON 1	SEASON 2	TOTAL	SEASON 1	SEASON 2	TOTAL	SEASON 1	SEASON 2	TOTAL
No. of Seedlings / Plantlets Sold:															
MBALE	160,800	107,200	268,000	192,960	128,640	321,600	212,256	141,504	353,760	233,482	183,955	417,437	326,874	257,537	584,412
KIFU	70,000	50,000	120,000	84,000	60,000	144,000	100,800	90,000	190,800	110,880	117,000	227,880	155,232	163,800	319,032
KABAROLE	60,000	200,000	260,000	72,000	240,000	312,000	108,000	264,000	372,000	151,200	369,600	520,800	151,200	369,600	520,800
KABANYOLO	-	-	-	50,000	70,000	120,000	75,000	105,000	180,000	82,500	115,500	198,000	90,750	127,050	217,800
MASAKA	-	-	-	-	-	-	-	-	-	250,000	250,000	500,000	300,000	300,000	600,000
GULU	-	-	-	-	-	-	120,000	120,000	240,000	300,000	300,000	600,000	360,000	360,000	720,000
	290,800	357,200	648,000	398,960	498,640	897,600	616,056	720,504	1,336,560	1,128,062	1,336,055	2,464,117	1,384,056	1,577,987	2,962,044

	2010/2011			2011/2012			2012/2013			2013/2014			2014/2015		
	SEASON 1	SEASON 2	TOTAL	SEASON 1	SEASON 2	TOTAL	SEASON 1	SEASON 2	TOTAL	SEASON 1	SEASON 2	TOTAL	SEASON 1	SEASON 2	TOTAL
Value of Sales (SHS):															
MBALE	56,280,000	37,520,000	93,800,000	67,536,000	45,024,000	112,560,000	74,289,600	49,526,400	123,816,000	81,718,560	64,384,320	146,102,880	114,405,984	90,138,048	204,544,032
KIFU	24,500,000	17,500,000	42,000,000	29,400,000	21,000,000	50,400,000	35,280,000	31,500,000	66,780,000	38,808,000	40,950,000	79,758,000	54,331,200	57,330,000	111,661,200
KABAROLE	21,000,000	70,000,000	91,000,000	25,200,000	84,000,000	109,200,000	37,800,000	92,400,000	130,200,000	52,920,000	129,360,000	182,280,000	52,920,000	129,360,000	182,280,000
KABANYOLO	-	-	-	17,500,000	24,500,000	42,000,000	26,250,000	36,750,000	63,000,000	28,875,000	40,425,000	69,300,000	31,762,500	44,467,500	76,230,000
MASAKA	-	-	-	-	-	-	-	-	-	87,500,000	87,500,000	175,000,000	105,000,000	105,000,000	210,000,000
GULU	-	-	-	-	-	-	42,000,000	42,000,000	84,000,000	105,000,000	105,000,000	210,000,000	126,000,000	126,000,000	252,000,000
	101,780,000	125,020,000	226,800,000	139,636,000	174,524,000	314,160,000	215,619,600	252,176,400	467,796,000	394,821,560	467,619,320	862,440,880	484,419,684	552,295,548	1,036,715,232

SSEETA: shs 300 per Pine seedling
THE REST: shs 350 per Eucalyptus seedling

APRIL 2010 STOCK-TAKING DATA USED AS BASIS FOR ESTIMATION OF STOCK AVAILABLE FOR SALE IN YEAR 1:		
	KIFU:	
	8,500	rammets on 30/4/10
	204,000	annual coppices (2/rammet/month)
	102,000	rooting @ 50%

	MBALE:	
	15,383	rammets on 30/4/10
	369,192	annual coppices (2/rammet/month)
	184,596	rooting @ 50%

	KABAROLE:	
	20,500	rammets on 30/4/10
	492,000	annual coppices (2/rammet/month)
	246,000	rooting @ 50%

UGANDA TREE BIO-TECHNOLOGY LIMITED

MBALE NURSERY:

SCHEDULE 2

1.0 CLONAL NURSERIES ESTABLISHMENT AND PRODUCTION EXPENSES

		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
		2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
CAPITAL EXPENDITURE:						
Land Acquisition						
	Land rental fees 3.7 Ha @500,000 per hectare	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000
	Lease Rental documentation costs	500,000	-	-	-	-
	Total	2,350,000	1,850,000	1,850,000	1,850,000	1,850,000
Access road						
	Access road levelling & gravelling	2,000,000				
Tunneling shade rehabilitation						
	Galvanised iron pipes ¾" (60 pcs)	1,800,000				
	Bricks	200,000				
	Sand	140,000				
	Stone Aggregate	400,000				
	Cement	300,000				
	Nails	8,000				
	Transportation	150,000				
	Labour	600,000				
	Total	3,598,000	-	-	-	-
Water storage and irrigation system						
	Water stand repair (treated timber & labour)	1,000,000				1,000,000
	Total	1,000,000	-	-	-	1,000,000
TOTAL CAPITAL EXPENDITURE AT NURSERY		6,948,000	1,850,000	1,850,000	1,850,000	2,850,000
RECURRENT EXPENDITURE:						
Maintenance of mother hedges / mother garden						
	Weeding mother garden (twice a month)	480,000	600,000	600,000	600,000	600,000
	Cleaning runets (twice a month)	240,000	300,000	300,000	300,000	300,000
	Total	720,000	900,000	900,000	900,000	900,000
Maintenance of Grow Out / Hardening area						
	Slashing monthly	180,000	180,000	180,000	180,000	180,000
	Poles	200,000	200,000	200,000	200,000	200,000
	Nails and bolts	52,500	52,500	52,500	52,500	52,500
	Plantlet trays	1,000,000			1,000,000	-
	Total	1,432,500	432,500	432,500	1,432,500	432,500
Sign Post Fees						
	Annual fees to Local Government authority	50,000	50,000	50,000	50,000	50,000
	Total	50,000	50,000	50,000	50,000	50,000
Tools						
	Jerry cans	24,000	24,000	24,000	24,000	24,000
	Watering cans	30,000	30,000	30,000	30,000	30,000
	Overcoats (15)	525,000	-	-	525,000	-
	Gumboots (15)	180,000	180,000	180,000	180,000	180,000
	Rain coats (15)	262,500	-	-	262,500	-
	Ring wire	-	250,000	-	250,000	-
	Saccheteurs	-	90,000	-	90,000	-
	Scissors	60,000	60,000	60,000	60,000	60,000
	Plastic dubes	24,000	24,000	24,000	24,000	24,000
	Plastic pails	36,000	36,000	36,000	36,000	36,000
	Plastic basins	10,000	10,000	10,000	10,000	10,000
	Hand spray pumps	50,000	50,000	50,000	50,000	50,000
	Hose pipes 1"	60,000	60,000	60,000	60,000	60,000
	Spades	10,000	10,000	10,000	10,000	10,000
	Hoes	30,000	30,000	30,000	30,000	30,000
	Pangas	4,000	4,000	4,000	4,000	4,000
	Wheelbarrows	150,000	-	150,000	-	150,000
	TOTAL	1,455,500	858,000	668,000	1,645,500	668,000
Production of Cutting Materials						
	Rooting media					
	Forest top soil and its transportation	1,750,000	1,750,000	1,750,000	1,850,000	2,000,000
	Clay sub-soils	1,750,000	1,750,000	1,750,000	1,850,000	2,000,000
	Sand	350,000	350,000	350,000	500,000	500,000
	NPK (applied twice a year)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	Total	4,850,000	4,850,000	4,850,000	5,200,000	5,500,000
Other Consumables						
	JIK liquid bleach	48,000	48,000	48,000	48,000	48,000
	Masking tape	10,000	10,000	10,000	10,000	10,000
	Polythene tubing (2 ½")	2,000,000	2,500,000	3,000,000	3,500,000	4,200,000
	Foliar fertilizer	192,000	192,000	192,000	192,000	192,000
	Other Fertilizer	-	-	-	-	-
	Rooting hormone (6% IBA)	960,000	1,100,000	1,170,000	1,240,000	1,300,000
	Fungicides	600,000	600,000	600,000	600,000	600,000
	Polythene sheets of 500 Micron	2,100,000	2,100,000	2,500,000	3,000,000	4,200,000
	Markers	20,000	20,000	20,000	20,000	20,000
	TOTAL	5,990,000	6,630,000	7,600,000	8,670,000	10,830,000
Pest and disease control						
	Pesticides	300,000	300,000	300,000	300,000	300,000
	Herbicides	370,000	370,000	370,000	370,000	370,000
	Total	670,000	670,000	670,000	670,000	670,000
Utilities						
	Water bill	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
	Electricity bill	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
	Total	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Office Supplies						
	Pens	12,000	12,000	12,000	12,000	12,000
	Ledger books (various)	28,000	28,000	28,000	28,000	28,000
	Printing Paper	40,000	40,000	40,000	40,000	40,000
	Ruled Paper	8,500	8,500	8,500	8,500	8,500
	Cartridges (Black & white)	200,000	200,000	200,000	200,000	200,000
	Visitors book	7,500	-	-	7,500	-
	Ruler	500	500	500	500	500
	Files	30,000	30,000	30,000	30,000	30,000
	Staple pins	6,000	6,000	6,000	6,000	6,000
	Note books	6,000	6,000	6,000	6,000	6,000
	Computer servicing and repair	400,000	400,000	400,000	400,000	400,000
	Envelopes	15,000	15,000	15,000	15,000	15,000
	Courier	48,000	48,000	48,000	48,000	48,000
	First Aid Box	50,000	-	50,000	-	50,000
	Toiletries, soaps and detergents	120,000	120,000	120,000	120,000	120,000
		971,500	914,000	964,000	921,500	964,000

Nursery Manager's Remuneration											
	Gross Salary	1,325,000	15,900,000	1,325,000	15,900,000	1,500,000	18,000,000	1,500,000	18,000,000	1,500,000	18,000,000
	Transport - monthly refund	100,000	1,200,000	100,000	1,200,000	100,000	1,200,000	100,000	1,200,000	100,000	1,200,000
	NSSF Company contribution	132,500	1,590,000	132,500	1,590,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
	Gratuity	331,250	3,975,000	331,250	3,975,000	375,000	4,500,000	375,000	4,500,000	375,000	4,500,000
	Travel - monthly per diem	70,000	840,000	70,000	420,000	70,000	420,000	70,000	420,000	70,000	420,000
	Total		23,505,000		23,085,000		25,920,000		25,920,000		25,920,000
Nursery Staff Wages											
	Records Assistant (1)	-	-	-	-	-	-	200,000	2,400,000	200,000	2,400,000
	Foreman (1)	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
	Watchman (1)	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
	Nursery attendants (15)	120,000	21,600,000	120,000	21,600,000	130,000	23,400,000	130,000	23,400,000	130,000	23,400,000
	Total		25,200,000		25,200,000		27,000,000		29,400,000		29,400,000
Staff Meals											
	Staff tea, lunch etc	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
TOTAL RECURRENT EXPENDITURE AT NURSERY			71,244,500		69,989,500		74,454,500		80,202,500		81,734,500
GRAND TOTAL EXPENDITURE			80,192,500		70,839,500		76,304,500		82,059,500		84,584,500

UGANDA TREE BIO-TECHNOLOGY LIMITED

SCHEDULE 3

1.0 CLONAL NURSERIES ESTABLISHMENT AND PRODUCTION EXPENSES

		YEAR 1 2010/2011		YEAR 2 2011/2012		YEAR 3 2012/2013		YEAR 4 2013/2014		YEAR 5 2014/2015	
RECURRENT EXPENDITURE:											
Sign Post Fees											
	Annual fees to Local Government authority		50,000		50,000		50,000		50,000		50,000
	Total		**50,000**		**50,000**		**50,000**		**50,000**		**50,000**
Production Materials											
	Rooting media										
	Forest top soil and transportation		[illegible]		1,500,000		1,500,000		1,500,000		1,500,000
	Peat		1,680,000		-		1,680,000		-		1,680,000
	Total		3,180,000		1,500,000		3,180,000		1,500,000		3,180,000
Maintenance of Grow Out / Hardening area											
	Timber		2,000,000		-		-		2,000,000		-
	Wire mesh		3,000,000		-		-		-		3,000,000
	Chlorine		100,000		100,000		100,000		100,000		100,000
	Total		**5,100,000**		**100,000**		**100,000**		**2,100,000**		**3,100,000**
Other Consumables											
	JIK liquid bleach		21,000		21,000		21,000		21,000		21,000
	Masking tape		6,000		6,000		6,000		6,000		6,000
	Foliar fertilizer		240,000		240,000		240,000		240,000		240,000
	Rooting hormone (6% IBA)		640,000		680,000		720,000		800,000		1,000,000
	Fungicides		600,000		600,000		600,000		600,000		600,000
	Plant labels		50,000		50,000		50,000		50,000		50,000
	Polythene sheets of 150 Micron		[illegible]		800,000		800,000		800,000		800,000
	Sulphuric acid		120,000		120,000		120,000		120,000		120,000
	Markers		10,000		10,000		10,000		10,000		10,000
	Slashing		180,000		180,000		180,000		180,000		180,000
	TOTAL		2,667,000		2,707,000		2,747,000		2,827,000		3,027,000
Pest and disease control											
	Pesticides		300,000		300,000		300,000		300,000		300,000
	Herbicides		300,000		300,000		300,000		300,000		300,000
	Total		600,000		600,000		600,000		600,000		600,000
Utilities											
	Water bill		1,500,000		1,500,000		1,500,000		1,500,000		1,500,000
	Electricity bill		2,400,000		2,400,000		2,400,000		2,400,000		2,400,000
	Total		3,900,000		3,900,000		3,900,000		3,900,000		3,900,000
Office Supplies											
	Pens		12,000		12,000		12,000		12,000		12,000
	Ledger books (various)		28,000		28,000		28,000		28,000		28,000
	Printing Paper		40,000		40,000		40,000		40,000		40,000
	Ruled Paper		8,500		8,500		8,500		8,500		8,500
	Cartridges (Black & white)		200,000		200,000		200,000		200,000		200,000
	Visitors book				7,500						7,500
	Ruler		500		500		500		500		500
	Files		30,000		30,000		30,000		30,000		30,000
	Staple pins		6,000		6,000		6,000		6,000		6,000
	Note books		6,000		6,000		6,000		6,000		6,000
	Computer servicing and repair		400,000		400,000		400,000		400,000		400,000
	Envelopes		15,000		15,000		15,000		15,000		15,000
	Courier		48,000		48,000		48,000		48,000		48,000
	First Aid Box		50,000				50,000				50,000
	Toiletries, soaps and detergents		120,000		120,000		120,000		120,000		120,000
			964,000		921,500		964,000		914,000		971,500
Nursery Manager's Remuneration											
	Gross Salary	1,325,000	15,900,000	1,325,000	15,900,000	1,500,000	18,000,000	1,500,000	18,000,000	1,500,000	18,000,000
	Transport refund	100,000	1,200,000	100,000	1,200,000	100,000	1,200,000	100,000	1,200,000	100,000	1,200,000
	NSSF Company contribution	132,500	1,590,000	132,500	1,590,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
	Gratuity	331,250	3,975,000	331,250	3,975,000	375,000	4,500,000	375,000	4,500,000	375,000	4,500,000
	Travel - monthly per diem	70,000	420,000	70,000	420,000	70,000	420,000	70,000	420,000	70,000	420,000
	Total		23,085,000		23,085,000		25,920,000		25,920,000		25,920,000
Nursery Staff Wages											
	Records Assistant (1)	-	-	-	-	-	-	200,000	2,400,000	200,000	2,400,000
	Foreman (1)	180,000	2,160,000	180,000	2,160,000	200,000	2,400,000	200,000	2,400,000	200,000	2,400,000
	Watchman (1)	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
	Nursery attendants (10)	120,000	14,400,000	120,000	14,400,000	130,000	15,600,000	130,000	15,600,000	130,000	15,600,000
	Total		18,360,000		18,360,000		19,800,000		22,200,000		22,200,000
Staff Meals											
	Firewood	10,000	120,000	10,000	120,000	10,000	120,000	10,000	120,000	10,000	120,000
	Staff tea, lunch etc	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
			1,920,000		1,920,000		1,920,000		1,920,000		1,920,000
TOTAL RECURRENT EXPENDITURE AT NURSERY			[illegible]		[illegible]		[illegible]		[illegible]		[illegible]
GRAND TOTAL EXPENDITURE			[illegible]		[illegible]		[illegible]		[illegible]		[illegible]

UGANDA TREE BIO-TECHNOLOGY LIMITED

SCHEDULE 4

KABAROLE NURSERY:

1.0 CLONAL NURSERIES ESTABLISHMENT AND PRODUCTION EXPENSES

		YEAR 1 2010/2011		YEAR 2 2011/2012		YEAR 3 2012/2013		YEAR 4 2013/2014		YEAR 5 2014/2015	
CAPITAL EXPENDITURE:											
Land Acquisition											
	Land rental fees 5.0 Ha @400,000 per hectare		2,000,000		2,000,000		2,000,000		2,000,000		2,000,000
	Lease Rental documentation costs		500,000								
	Total		2,500,000		2,000,000		2,000,000		2,000,000		2,000,000
Construction of toilets / pit latrines			3,500,000		-		-		-		-
Tunneling shade construction											
	Poles		[illegible]								
	Shade net		3,500,000						[illegible]		
	Murram - gravel		730,000						[illegible]		
	Bricks		480,000						300,000		
	Sand		600,000		-				400,000		
	Cement		600,000		-				400,000		
	Nails		25,000						25,000		
	Labour		200,000						200,000		
	Total		6,455,000		-		-		1,375,000		
TOTAL CAPITAL EXPENDITURE AT NURSERY			12,455,000		2,000,000		2,000,000		6,375,000		2,000,000
RECURRENT EXPENDITURE:											
Maintenance of Grow Out / Hardening area											
	Wire mesh		250,000		250,000		250,000		250,000		250,000
	Posts		175,000		175,000		175,000		175,000		175,000
	Poles		[illegible]		[illegible]		[illegible]		[illegible]		[illegible]
	Sand		[illegible]								
	Plantlet trays		1,300,000		-		-		1,300,000		
	Total		1,856,500		556,500		556,500		1,856,500		556,500
Licences											
	Annual fees to Local Government authority		50,000		50,000		50,000		50,000		50,000
	Total		50,000		50,000		50,000		50,000		50,000
Tools											
	Gloves		456,000				456,000				456,000
	Overcoats		275,000		-				275,000		-
	Gumboots		195,000		195,000		195,000		195,000		195,000
	Sacheteurs				90,000				90,000		
	Scissors		42,000		42,000		42,000		42,000		42,000
	Spades		20,000		20,000		20,000		20,000		20,000
	Hoes		30,000		30,000		30,000		30,000		30,000
	Pangas		8,000		8,000		8,000		8,000		8,000
	Wheelbarrows		240,000		-		240,000				240,000
	TOTAL		1,266,000		385,000		991,000		660,000		991,000
Production Materials											
	Rooting media										
	Forest top soil and transportation		840,000		840,000		840,000		840,000		840,000
	Clay sub-soils		1,680,000		1,680,000		1,680,000		1,680,000		1,680,000
	Sand		840,000		840,000		840,000		840,000		840,000
	Total		3,360,000		3,360,000		3,360,000		3,360,000		3,360,000
Other Consumables											
	JIK liquid bleach		42,000		42,000		42,000		42,000		42,000
	Masking tape		24,000		24,000		24,000		24,000		24,000
	Polythene tubing (2 ½ inch)		4,080,000		-		4,080,000				4,080,000
	Foliar fertilizer		100,000		120,000		1,500,000		192,000		192,000
	Other Fertilizer		1,000,000		1,500,000		1,700,000		2,000,000		2,000,000
	Rooting hormone (6% IBA)		1,920,000		1,920,000		1,920,000		1,920,000		1,920,000
	Plastic labels		6,000		6,000		6,000		6,000		6,000
	Polythene sheets of 500 Micron		2,100,000		2,500,000		3,000,000		4,200,000		4,800,000
	Markers		120,000		120,000		120,000		120,000		120,000
	TOTAL		9,392,000		6,232,000		12,392,000		8,504,000		13,184,000
Pest and disease control											
	Pesticides		120,000		120,000		120,000		120,000		120,000
	Herbicides		120,000		120,000		120,000		120,000		120,000
	Fungicides / sterilisers		1,491,600		2,491,600		3,191,600		3,801,600		4,491,600
	Total		1,731,600		2,731,600		3,431,600		4,041,600		4,731,600
Utilities											
	Water tank and water pump and maintenace		3,000,000		400,000		400,000		400,000		400,000
	Installing power supply		4,000,000		-		-		-		
	Electricity bill		720,000		720,000		720,000		720,000		720,000
	Total		7,720,000		1,120,000		1,120,000		1,120,000		1,120,000
Office Supplies											
	Pens		12,000		12,000		12,000		12,000		12,000
	Ledger books (various)		28,000		28,000		28,000		28,000		28,000
	Printing Paper		40,000		40,000		40,000		40,000		40,000
	Ruled Paper		8,500		8,500		8,500		8,500		8,500
	Cartridges (Black & white)		200,000		200,000		200,000		200,000		200,000
	Visitors book		7,500				7,500				7,500
	Ruler		500		500		500		500		500
	Files		30,000		30,000		30,000		30,000		30,000
	Staple pins		6,000		6,000		6,000		6,000		6,000
	Note books		6,000		6,000		6,000		6,000		6,000
	Computer servicing and repair		400,000		400,000		400,000		400,000		400,000
	Envelopes		15,000		15,000		15,000		15,000		15,000
	Courier		48,000		48,000		48,000		48,000		48,000
	First Aid Box		50,000				50,000				50,000
	Toiletries, soaps and detergents		120,000		120,000		120,000		120,000		120,000
			971,500		914,000		971,500		914,000		971,500
Nursery Manager's Salaries											
	Gross Salary	1,325,000	15,900,000	1,325,000	15,900,000	1,500,000	18,000,000	1,500,000	18,000,000	1,500,000	18,000,000
	Transport refund	100,000	1,200,000	100,000	1,200,000	100,000	1,200,000	100,000	1,200,000	100,000	1,200,000
	NSSF Company contribution	132,500	1,590,000	132,500	1,590,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
	Gratuity	331,250	3,975,000	331,250	3,975,000	375,000	4,500,000	375,000	4,500,000	375,000	4,500,000
	Travel - monthly per diem	70,000	420,000	70,000	420,000	70,000	420,000	70,000	420,000	70,000	420,000
	Total		23,085,000		23,085,000		25,920,000		25,920,000		25,920,000
Nursery Staff Wages											
	Records Assistant (1)	280,000	3,360,000	300,000	3,600,000	300,000	3,600,000	300,000	3,600,000	300,000	3,600,000
	Foreman (1)	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
	Watchman (1)	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
	Nursery attendants (15)	100,000	18,000,000	100,000	18,000,000	100,000	18,000,000	100,000	18,000,000	100,000	18,000,000
	Total		24,960,000		25,200,000		25,200,000		25,200,000		25,200,000
Staff Meals											
	Staff tea, lunch etc		3,120,000		3,120,000		3,120,000		3,120,000		3,120,000
TOTAL RECURRENT EXPENDITURE AT NURSERY			67,512,600		66,254,100		77,112,600		74,745,100		79,204,600
GRAND TOTAL EXPENDITURE			79,967,600		68,254,100		79,112,600		81,120,100		81,204,600

UGANDA TREE BIO-TECHNOLOGY LIMITED

KABANYOLO NURSERY:

CLONAL NURSERIES ESTABLISHMENT EXPENSES

SCHEDULE 5

	YEAR 1 2010/2011	YEAR 2 2011/2012	YEAR 3 2012/2013	YEAR 4 2013/2014	YEAR 5 2014/2015
CAPITAL EXPENDITURE:					
Land Preparation					
Initial Site preparation 200,000/= for 2 Acres	400,000	-	-	-	-
Land Total	400,000	-	-	-	-
Fencing					
Treated fence posts	1,000,000				
U-nails	30,000				
Barbed wire	1,000,000				
Labour	700,000				
Metallic gate	1,000,000				
Fencing Total	3,730,000	-	-	-	-
Housing structures					
Production unit / Storage unit / Site office	15,000,000	-	-	-	-
Construction of potting and cutting preparation shade					
Cost of shade (cost of entire unit)	5,000,000				
Stools	300,000				
Cuttings preparation table	500,000				
Potting and Cuttings Preparation Shade Total	5,800,000	-	-	-	-
Tunneling shade construction					
Poles	300,000				
Shade net (m2)	3,500,000				
Murram / gravel	750,000				
Bricks	480,000				
Sand	600,000				
Cement	600,000				
Nails	25,000				
Labour	200,000				
Total	6,455,000	-	-	-	-
Construction of toilets / pit latrines	3,000,000	-	-	-	-
Water storage and irrigation system					
Water tank - 10,000 Litres	4,800,000				
Water stand	1,000,000				
Pipes and other Accessories	1,000,000				
Labour cost	300,000				
Total	7,100,000	-	-	-	-
Access road (500 - 1000 metres)					
Access road construction and gravelling / surfacing	3,000,000	-	-	-	-
Sign Post					
Cost of sign post	300,000				
Total	300,000	-	-	-	-
TOTAL CAPITAL EXPENDITURE AT NURSERY	41,785,000	-	-	-	-
RECURRENT EXPENDITURE:					
Sign Post Fees					
Annual subscription to Local Government authority	50,000	50,000	50,000	50,000	50,000
Total	50,000	50,000	50,000	50,000	50,000
Production Materials					
Rooting media		1,500,000	1,500,000	1,500,000	1,500,000
Forest top soil and transportation		1,680,000	-	1,680,000	-
Pots					
Total	-	3,180,000	1,500,000	3,180,000	1,500,000
Maintenance of Grow Out / Hardening area					
Timber	-	-	2,000,000		-
Wire mesh	-	-	3,000,000		-
Chlorine		100,000	100,000	100,000	100,000
Total	-	100,000	5,100,000	100,000	100,000
Other Consumables					
JIK liquid bleach		21,000	21,000	21,000	21,000
Masking tape		6,000	6,000	6,000	6,000
Foliar fertilizer		240,000	240,000	240,000	240,000
Rooting hormone (6% IBA)		640,000	640,000	640,000	640,000
Fungicides		960,000	960,000	960,000	960,000
Plastic labels		50,000	50,000	50,000	50,000
Polythene sheets of 500 Micron		800,000	800,000	800,000	800,000
Sulphuric acid		120,000	120,000	120,000	120,000
Markers		10,000	10,000	10,000	10,000
Slashing		180,000	180,000	180,000	180,000
TOTAL		3,027,000	3,027,000	3,027,000	3,027,000
Pest and disease control					
Pesticides		300,000	300,000	300,000	300,000
Herbicides		300,000	300,000	300,000	300,000
Total	-	600,000	600,000	600,000	600,000
Utilities					
Water bill	500,000	1,500,000	1,500,000	1,500,000	1,500,000
Electricity bill	-	2,400,000	2,400,000	2,400,000	2,400,000
Total	500,000	3,900,000	3,900,000	3,900,000	3,900,000
Office Supplies					
Pens		12,000	12,000	12,000	12,000
Ledger books (various)		28,000	28,000	28,000	28,000
Printing Paper		40,000	40,000	40,000	40,000
Ruled Paper		8,500	8,500	8,500	8,500
Cartridges (Black & white)		200,000	200,000	200,000	200,000
Visitors book		7,500	7,500	7,500	7,500
Ruler		500	500	500	500
Files		30,000	30,000	30,000	30,000
Staple pins		6,000	6,000	6,000	6,000
Note books		6,000	6,000	6,000	6,000
Computer servicing and repair		400,000	400,000	400,000	400,000
Envelopes		15,000	15,000	15,000	15,000
Courier		48,000	48,000	48,000	48,000
First Aid Box		50,000			50,000
Toiletries, soaps and detergents		120,000	120,000	120,000	120,000

					971,500		921,500		921,500		971,500
Nursery Manager's Remuneration											
	Gross Salary	-	-	1,325,000	15,900,000	1,500,000	18,000,000	1,500,000	18,000,000	1,500,000	18,000,000
	Transport refund	-	-	100,000	1,200,000	100,000	1,200,000	100,000	1,200,000	100,000	1,200,000
	NSSF Company contribution	-	-	132,500	1,590,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
	Gratuity	-	-	331,250	3,975,000	375,000	4,500,000	375,000	4,500,000	375,000	4,500,000
	Travel Per diem	-	-	70,000	420,000	70,000	420,000	70,000	420,000	70,000	420,000
	Total	-	-		23,085,000		25,920,000		25,920,000		25,920,000
Nursery Staff Wages											
	Foreman (1)	-	-	180,000	2,160,000	200,000	2,400,000	200,000	2,400,000	200,000	2,400,000
	Watchman (1)	-	-	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
	Nursery attendants (15)	-	-	120,000	21,600,000	130,000	23,400,000	130,000	23,400,000	130,000	23,400,000
	Total	-	-		25,560,000		27,600,000		27,600,000		27,600,000
Staff Meals											
	Staff tea, lunch etc	-	-	200,000	2,400,000	200,000	2,400,000	200,000	2,400,000	200,000	2,400,000
TOTAL RECURRENT EXPENDITURE AT NURSERY			550,000		62,873,500		71,018,500		67,698,500		66,068,500
GRAND TOTAL EXPENDITURE			575,000		62,873,500		71,018,500		67,698,500		66,068,500

UGANDA TREE BIO-TECHNOLOGY LIMITED

MASAKA NURSERY:

CLONAL NURSERIES ESTABLISHMENT EXPENSES

SCHEDULE 6

	YEAR 1 2010/2011	YEAR 2 2011/2012	YEAR 3 2012/2013	YEAR 4 2013/2014	YEAR 5 2014/2015
CAPITAL EXPENDITURE:					
Land Acquisition					
Land rental fees 10 Acres	-		30,000,000	-	-
Initial Site preparation 100,000/= per Acre	-		1,000,000	-	-
Purchase documentation & other related costs	-		500,000	-	-
Land Total	-	-	31,500,000	-	-
Fencing					
Treated fence posts			1,000,000		
U-nails			30,000	-	-
Barbed wire			1,000,000	-	-
Labour			700,000	-	-
Metallic gate			1,000,000	-	-
Fencing Total	-	-	3,730,000	-	-
Housing structures					
Production unit / Storage unit / Site office	-	-	15,000,000	-	-
Construction of potting and cuttings preparation shade					
Cost of shade (cost of entire unit)			5,000,000		
Stools			300,000		
Cuttings preparation table			500,000		
Potting and Cuttings Preparation Shade Total	-	-	5,800,000	-	-
Tunneling shade construction					
Poles			700,000		
Shade net (m2)			3,500,000		
Murram / gravel			750,000		
Bricks			480,000		
Sand			600,000		
Cement			600,000		
Nails			25,000		
Labour			200,000		
Total	-	-	6,455,000	-	-
Construction of toilets / pit latrines	-	-	3,000,000	-	-
Water storage and irrigation system					
Water tank - 10,000 Litres			4,800,000		
Water stand			1,000,000		
Pipes and other Accessories			1,000,000		
Labour cost			300,000		
Total	-	-	7,100,000	-	-
Access road (500 - 1000 metres)					
Access road construction and gravelling / surfacing	-	-	3,000,000	-	-
Sign Post					
Cost of sign post	-		300,000		
Total	-	-	300,000	-	-
TOTAL CAPITAL EXPENDITURE AT JULY 2010					
RECURRENT EXPENDITURE					
Sign Post Fees					
Annual subscription to Local Government authority	-		50,000	50,000	50,000
Total	-	-	50,000	50,000	50,000
Production Materials					
Rooting media					
Forest top soil and transportation				1,500,000	1,500,000
Pots				1,680,000	1,680,000
Total	-	-	-	3,180,000	3,180,000
Maintenance of Grow Out / Hardening area					
Timber	-	-	-	-	
Wire mesh	-	-	-	-	
Chlorine	-	-	-	100,000	100,000
Total	-	-	-	100,000	100,000
Other Consumables					
JIK liquid bleach				21,000	21,000
Masking tape				6,000	6,000
Foliar fertilizer				240,000	240,000
Rooting hormone (6% IBA)				640,000	640,000
Fungicides				960,000	960,000
Plastic labels				50,000	50,000
Polythene sheets of 500 Micron				800,000	800,000
Sulphuric acid				120,000	120,000
Markers				10,000	10,000
Slashing				180,000	180,000
TOTAL	-	-	-	3,027,000	3,027,000
Pest and disease control					
Pesticides				300,000	300,000
Herbicides				300,000	300,000
Total	-	-	-	600,000	600,000
Utilities					
Water bill	-		500,000	1,500,000	1,500,000
Electricity bill	-	-	-	2,400,000	2,400,000
Total	-	-	500,000	3,900,000	3,900,000
Office Supplies					
Pens				12,000	12,000
Ledger books (various)				28,000	28,000
Printing Paper				40,000	40,000
Ruled Paper				8,500	8,500
Cartridges (Black & white)				200,000	200,000
Visitors book				7,500	7,500
Ruler				500	500
Files				30,000	30,000
Staple pins				6,000	6,000
Note books				6,000	6,000

	Computer servicing and repair							400,000		[illegible]
	Envelopes							15,000		15,000
	Courier							48,000		48,000
	First Aid Box									50,000
	Toiletries, soaps and detergents							120,000		120,000
			-		-		-	921,500		971,500
Nursery Manager's Remuneration										
	Gross Salary	-	-	-	-	-	-	1,500,000	18,000,000	1,500,000	18,000,000
	Transport refund	-	-	-	-	-	-	100,000	1,200,000	100,000	1,200,000
	NSSF Company contribution	-	-	-	-	-	-	150,000	1,800,000	150,000	1,800,000
	Gratuity	-	-	-	-	-	-	375,000	4,500,000	375,000	4,500,000
	Travel Per diem	-	-	-	-	-	-	70,000	420,000	70,000	420,000
	Total		-		-		-		25,920,000		25,920,000
Nursery Staff Wages											
	Foreman (1)	-	-	-			-	200,000	2,400,000	200,000	2,400,000
	Watchman (1)	-	-	-			-	150,000	1,800,000	150,000	[illegible]
	Nursery attendants (15)	-	-	-			-	150,000	23,400,000	130,000	23,400,000
	Total		-		-		-		27,600,000		27,600,000
Staff Meals											
	Staff tea, lunches		-				-	200,000	2,400,000	200,000	2,400,000
TOTAL RECURRENT EXPENDITURE AT NURSERY							550,000		67,698,500		67,748,500
GRAND TOTAL EXPENDITURE			-		-		575,000		67,698,500		67,748,500

UGANDA TREE BIO-TECHNOLOGY LIMITED

SCHEDULE 7

GULU NURSERY:

CLONAL NURSERIES ESTABLISHMENT EXPENSES

	YEAR 1 2010/2011	YEAR 2 2011/2012	YEAR 3 2012/2013	YEAR 4 2013/2014	YEAR 5 2014/2015
CAPITAL EXPENDITURE:					
Land Acquisition					
Land rental fees 5.0 Ha (?)	-	2,500,000	2,500,000	2,500,000	2,500,000
Initial Site preparation 200,000/= per ha.	-	1,000,000	-	-	-
Lease Rental documentation costs	-	500,000	-	-	-
Land Total	-	4,000,000	2,500,000	2,500,000	2,500,000
Fencing					
Treated fence posts		1,000,000			
U-nails		30,000	-	-	
Barbed wire		1,000,000			
Labour		700,000			
Metallic gate		1,000,000	-	-	-
Fencing Total	-	3,730,000	-	-	-
Housing structures					
Production unit / Storage unit / Site office		15,000,000	-	-	-
Construction of potting and cuttings preparation shade					
Cost of shade (cost of entire unit)		5,000,000			
Stools		300,000			
Cuttings preparation table		500,000			
Potting and Cuttings Preparation Shade Total	-	5,800,000	-	-	-
Tunneling shade construction					
Poles		300,000			
Shade net (50%)		1,500,000			
Murram / gravel		750,000			
Bricks		480,000			
Sand		600,000			
Cement		600,000			
Nails		25,000			
Labour		200,000			
Total	-	6,455,000	-	-	-
Construction of toilets / pit latrines	-	3,000,000	-	-	-
Water storage and irrigation system					
Water tank - 10,000 Litres		4,800,000			
Water stand		1,000,000			
Pipes and other Accessories		1,000,000			
Labour cost		300,000			
Total	-	7,100,000	-	-	-
Access road (500 - 1000 metres)					
Access road construction and gravelling / surfacing	-	3,000,000	-	-	-
Sign Post					
Cost of sign post	-	300,000			
Total	-	300,000	-	-	-
TOTAL CAPITAL EXPENDITURE (USHS)					
RECURRENT EXPENDITURE					
Sign Post Fees					
Annual subscription to Local Government authority	-	50,000	50,000	50,000	50,000
Total	-	50,000	50,000	50,000	50,000
Production Materials					
Rooting media			######### ###	1,500,000	1,500,000
Forest top soil and transportation			######### ###	-	1,680,000
Pots					
Total	-	-	3,180,000	1,500,000	3,180,000
Maintenance of Grow Out / Hardening area					
Timber	-	-	-	2,000,000	
Wire mesh	-	-	-	3,000,000	
Chlorine	-	-	100,000	100,000	100,000
Total	-	-	100,000	5,100,000	100,000
Other Consumables					
JIK liquid bleach			21,000	21,000	21,000
Masking tape			6,000	6,000	6,000
Foliar fertilizer			240,000	240,000	240,000
Rooting hormone (6% IBA)			640,000	640,000	640,000
Fungicides			960,000	960,000	960,000
Plastic labels			50,000	50,000	50,000
Polythene sheets of 500 Micron			800,000	800,000	800,000
Sulphuric acid			120,000	120,000	120,000
Markers			10,000	10,000	10,000
Slashing			180,000	180,000	180,000
TOTAL	-	-	3,027,000	3,027,000	3,027,000
Pest and disease control					
Pesticides			300,000	300,000	300,000
Herbicides			300,000	300,000	300,000
Total	-	-	600,000	600,000	600,000
Utilities					
Water bill	-	500,000	1,500,000	1,500,000	1,500,000
Electricity bill	-	-	2,400,000	2,400,000	2,400,000
Total	-	500,000	3,900,000	3,900,000	3,900,000
Office Supplies					
Pens			12,000	12,000	12,000
Ledger books (various)			28,000	28,000	28,000
Printing Paper			40,000	40,000	40,000
Ruled Paper			8,500	8,500	8,500
Cartridges (Black & white)			200,000	200,000	200,000
Visitors book			7,500		7,500
Ruler			500	500	500
Files			30,000	30,000	30,000
Staple pins			6,000	6,000	6,000
Note books			6,000	6,000	6,000
Computer servicing and repair			400,000	400,000	400,000
Envelopes			15,000	15,000	15,000

	Gauze						48,000		48,000		48,000
	First Aid Box						50,000				
	Toiletries, soaps and detergents						120,000		120,000		120,000
			-		-		971,500		914,000		921,500
Nursery Manager's Remuneration											
	Gross Salary	-	-	-	-	1,500,000	18,000,000	1,500,000	18,000,000	1,500,000	18,000,000
	Transport refund					100,000	1,200,000	100,000	1,200,000	100,000	1,200,000
	NSSF Company contribution	-	-	-	-	150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
	Gratuity	-	-	-	-	375,000	4,500,000	375,000	4,500,000	375,000	4,500,000
	Travel Per diem	-	-	-	-	70,000	420,000	70,000	420,000	70,000	420,000
	Total		-		-		25,920,000		25,920,000		25,920,000
Nursery Staff Wages											
	Foreman (1)	-	-	-	-	200,000	2,400,000	200,000	2,400,000	200,000	2,400,000
	Watchman (1)					150,000	1,800,000	150,000	1,800,000	150,000	1,800,000
	Nursery attendants (15)	-	-	-	-	150,000	23,400,000	150,000	23,400,000	150,000	23,400,000
	Total						27,600,000		27,600,000		27,600,000
Staff Meals											
	Staff tea, lunch etc		-		-	200,000	2,400,000	200,000	2,400,000	200,000	2,400,000
TOTAL RECURRENT EXPENDITURE AT NURSERY					550,000		67,748,500		71,011,000		67,698,500
GRAND TOTAL EXPENDITURE					575,000		67,748,500		71,011,000		67,698,500

UGANDA TREE BIO-TECHNOLOGY LIMITED

SCHEDULE 8

NON-CURRENT ASSETS DEPRECIATION SCHEDULE

	33%	12.5%	12.5%	12.5%	0%	2.5%	25%	25%	25%	25%	
	NEW COMPUTERS	NEW OFFICE EQUIPMENT	FURNITURE, FIXTURES & FITTINGS	TECHNICAL EQUIP. & NON-PERMANENT STRUCTURES	LAND & ACCESS ROAD	PERMANENT BUILDINGS	OLD MOTOR VEHICLE: 4wd VAN	NEW MOTOR CYCLES	NEW MOTOR VEHICLE: 4wd PICK UP	NEW MOTOR VEHICLE: 7 ton TRUCK	TOTALS
YEAR 1: ending 31 March 2012											
COST:											
BALANCE from previous year	-	-	-	43,537,500	-	-	33,000,000	-			76,537,500
ADDITIONS:											
MBALE CAPITAL EXPENDITURE	-	-	-	4,598,000	4,350,000	-		2,500,000	-	-	11,448,000
KIFU CAPITAL EXPENDITURE	-	-	-	-	-	-	-	2,500,000	-	-	2,500,000
KABAROLE CAPITAL EXPENDITURE	-	-	-	6,455,000	2,500,000	3,500,000		2,500,000			14,955,000
KABANYOLO CAPITAL EXPENDITURE	-	-	1,106,000	22,285,000	1,490,000	18,000,000		2,500,000			47,285,000
HEAD OFFICE CAPITAL EXPENDITURE	3,000,000	300,000	1,040,000	-	-	-	-	-	10,000,000	60,000,000	114,340,000
TOTAL	3,000,000	300,000	2,140,000	74,875,500	10,250,000	21,500,000	33,000,000	10,000,000	10,000,000	60,000,000	267,085,500
DEPRECIATION:											
ACCUMULATED DEPREC from previous year				21,768,750			33,000,000				54,768,750
CHARGE FOR THE YEAR	990,000	37,500	270,000	9,609,438	-	537,500	-	2,500,000	12,500,000	15,000,000	41,444,438
ACCUMULATED DEPRECIATION C/F	990,000	37,500	270,000	31,378,188	-	537,500	33,000,000	2,500,000	12,500,000	15,000,000	96,213,188
NET BOOK VALUE at year-end 31 March 2012	2,010,000	262,500	1,870,000	43,497,313	10,250,000	20,962,500		7,500,000	(2,500,000)	45,000,000	170,872,313

NOTES:

1 The computers and motor vehicle currently in use have been depreciated to ZERO and should be revalued in order to write them back into the books
2 New computers may be acquired in YEAR 2 (to consider defunct Innovations dept assets?)
3 New office equipment, furniture & fittings shall be acquired for the CEO and Research Coordinator (to consider defunct Innovations dept assets?)
4 The new pickup and lorry are expected to be purchased in year-ending 31.3.2011 at a cost of $40,000 each.
5

Sub-Schedule 1.0: new N/O assets to be acquired in YEAR 1:

	COMPUTERS (DESK & LAP)	PRINTERS	1 DESK & 1 CHAIR each	VISITORS CHAIRS (4 each)	FILING CABINETS (1 each)	1 TOYOTA HILUX (double cabin pick-up)	1 ISUZU FUSO seven tonne
EXTENSION OFFICER	1,500,000		350,000	140,000	350,000		
ACCOUNTANT	1,500,000		350,000	140,000	350,000		
HEAD OFFICE STAFF TRAVEL							
PLANTLET/SEEDLING TRANSPORTATION							84,000,000
	3,000,000	300,000	700,000	280,000	700,000	-	84,000,000

YEAR 2: ending 31 March 2013											
COST:											
BALANCE c/fwd on 1.4.2011	3,000,000	300,000	2,140,000	74,875,500	10,250,000	21,500,000	33,000,000	10,000,000	50,000,000	60,000,000	267,085,500
ADDITIONS:											
MBALE CAPITAL EXPENDITURE	-	-	-	-	1,850,000	-	-	-	-	-	1,850,000
KIFU CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-
KABAROLE (PORTAL) CAPITAL EXPENDITURE	-	-	-	-	2,000,000	-	-	-	-	-	2,000,000
KABANYOLO CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-
MASAKA CAPITAL EXPENDITURE	-	-	-	18,385,000	34,500,000	23,000,000	-	-	-	-	75,885,000
GULU CAPITAL EXPENDITURE				18,085,000	7,000,000	23,300,000	-	2,500,000	-	-	-
HEAD OFFICE CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-
TOTAL	3,000,000	300,000	2,140,000	111,345,500	55,600,000	67,800,000	33,000,000	12,500,000	50,000,000	60,000,000	397,705,500
DEPRECIATION:											
ACCUMULATED DEPREC c/fwd on 1.4.2011	990,000	37,500	270,000	31,378,188	-	537,500	33,000,000	2,500,000	12,500,000	15,000,000	96,213,188
CHARGE FOR THE YEAR	990,000	37,500	270,000	14,168,188	-	1,695,000	-	3,125,000	12,500,000	15,000,000	47,785,688
ACCUMULATED DEPRECIATION C/F	1,980,000	75,000	540,000	45,546,375	-	2,232,500	33,000,000	5,625,000	25,000,000	30,000,000	143,998,875
NET BOOK VALUE at year-end 31 March 2013	1,020,000	225,000	1,620,000	67,799,125	55,600,000	65,567,500	-	6,875,000	25,000,000	30,000,000	253,706,625

YEAR 3: ending 31 March 2014											
COST:											
BALANCE c/fwd on 1.4.2012	3,000,000	300,000	2,140,000	111,345,500	55,600,000	67,800,000	33,000,000	12,500,000	50,000,000	60,000,000	397,705,500
ADDITIONS:											
MBALE CAPITAL EXPENDITURE	-	-	-	-	1,850,000	-	-	-	-	-	1,850,000
KIFU CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-
KABAROLE (PORTAL) CAPITAL EXPENDITURE	-	-	-	-	2,000,000	-	-	-	-	-	2,000,000
KABANYOLO CAPITAL EXPENDITURE	-	-	-	-	-	-	-	2,500,000	-	-	2,500,000
MASAKA CAPITAL EXPENDITURE	-	-	-	-	2,300,000	-	-	-	-	-	-
GULU CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	90,000,000	90,000,000
HEAD OFFICE CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-
TOTAL	3,000,000	300,000	2,140,000	111,345,500	61,750,000	67,800,000	33,000,000	15,000,000	50,000,000	150,000,000	496,555,500
DEPRECIATION:											
ACCUMULATED DEPREC c/fwd on 1.4.2012	1,980,000	75,000	540,000	45,546,375	-	2,232,500	33,000,000	5,625,000	25,000,000	30,000,000	143,998,875
CHARGE FOR THE YEAR	990,000	37,500	270,000	14,168,188	-	1,695,000	-	3,750,000	12,500,000	37,500,000	70,910,688
ACCUMULATED DEPRECIATION C/F	2,970,000	112,500	810,000	59,714,563	-	3,927,500	33,000,000	9,375,000	37,500,000	67,500,000	214,909,563
NET BOOK VALUE at year-end 31 March 2014	30,000	187,500	1,330,000	51,630,938	61,950,000	63,872,500	-	5,625,000	12,500,000	82,500,000	281,645,938

YEAR 4: ending 31 March 2015											
COST:											
BALANCE c/fwd on 1.4.2013	3,000,000	300,000	2,140,000	111,345,500	61,950,000	67,800,000	33,000,000	15,000,000	50,000,000	150,000,000	496,555,500
ADDITIONS:											
MBALE CAPITAL EXPENDITURE	-	-	-	-	1,850,000	-	-	-	-	-	1,850,000
KIFU CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-
KABAROLE (PORTAL) CAPITAL EXPENDITURE	-	-	-	-	2,050,000	-	-	-	-	-	2,050,000
KABANYOLO CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-
MASAKA CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-
GULU CAPITAL EXPENDITURE	-	-	-	-	2,500,000	-	-	-	-	-	-
HEAD OFFICE CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-
TOTAL	3,000,000	300,000	2,140,000	111,345,500	68,300,000	67,800,000	33,000,000	15,000,000	50,000,000	150,000,000	502,905,500
DEPRECIATION:											
ACCUMULATED DEPREC c/fwd on 1.4.2013	2,970,000	112,500	810,000	59,714,563	-	3,927,500	33,000,000	9,375,000	37,500,000	67,500,000	214,909,563
CHARGE FOR THE YEAR	45,000	37,500	270,000	14,168,188	-	1,695,000	-	3,750,000	12,500,000	37,500,000	69,965,688
ACCUMULATED DEPRECIATION C/F	3,015,000	150,000	1,080,000	73,882,750	-	5,622,500	33,000,000	13,125,000	50,000,000	105,000,000	284,875,250
NET BOOK VALUE at year-end 31 March 2015	(15,000)	150,000	1,060,000	39,462,750	68,300,000	62,177,500	-	1,875,000	-	45,000,000	218,030,250

YEAR 5: ending 31 March 2016											
COST:											
BALANCE c/fwd on 1.4.2014	3,000,000	300,000	2,140,000	111,345,500	68,300,000	67,800,000	33,000,000			150,000,000	437,905,500
ADDITIONS:											
MBALE CAPITAL EXPENDITURE	-	-	-	-	1,850,000	-	-	-	-	-	1,850,000
KIFU CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-
KABAROLE (PORTAL) CAPITAL EXPENDITURE	-	-	-	-	2,000,000	-	-	-	-	-	2,000,000
KABANYOLO CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-
MASAKA CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-
GULU CAPITAL EXPENDITURE	-	-	-	-	2,500,000	-	-	-	-	-	-
HEAD OFFICE CAPITAL EXPENDITURE	-	-	-	-	-	-	-	-	-	-	-
TOTAL	3,000,000	300,000	2,140,000	111,345,500	74,650,000	67,800,000	33,000,000	-	-	150,000,000	444,255,500
DEPRECIATION:											
ACCUMULATED DEPREC c/fwd on 1.4.2014	3,015,000	150,000	1,080,000	73,882,750	-	5,622,500	33,000,000	13,125,000	50,000,000	105,000,000	284,875,250
CHARGE FOR THE YEAR	-	37,500	270,000	14,168,188	-	1,695,000	-	-	-	-	16,170,688
ACCUMULATED DEPRECIATION C/F	3,015,000	187,500	1,350,000	88,050,938	-	7,317,500	33,000,000	13,125,000	50,000,000	105,000,000	301,045,938
NET BOOK VALUE at year-end 31 March 2016	(15,000)	112,500	810,000	25,294,563	74,650,000	60,482,500	-	(13,125,000)	(50,000,000)	45,000,000	143,209,563

UGANDA TREE BIO-TECHNOLOGY LIMITED

TREE IMPROVEMENT RESEARCH: FOCUSING ON EUCALYPTUS TREES

ACTIVITY
select outstanding plus indivdual trees
harvest coppices from selected trees
root cuttings from selected coppices
establish first progeny field trials
assess performance of selected trees
select superior individual families fom progeny test
root coppices from selectec families

Conversion exchange rate

USDollar cost converted to Ug Shs = .

MECHANO-PHYSICAL PROPERTIES FOR CLONAL EUCALYPTUS WOOD

ACTIVITY
collect samples / specimen from field for set 1 (6 years)
machining samples & set up experiments and carrying out tests properties for set 1 (6 years)
conduct consultative workshops for set 1 (6 years)
collect samples / specimens from field for set 2 (8 year old clones)
machining samples & set up experiments and carrying out tests properties for set 1 (8 year old clones)
conduct consultative workshops for set 2 (8 year old clones)

Conversion exchange rate

USDollar cost converted to Ug Shs = .

SCHEDULE 9

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
2010/11	2011/12	2012/13	2013/14	2014/15
US $	US $	US $	US $	US $
3,000	600	-	-	-
1,500	1,500	-	-	-
2,000	2,000	-	-	-
1,000	1,750	800	800	800
-	1,500	1,500	1,500	1,500
		1,350	1,350	1,350
		1,000	1,000	1,000
7,500	**7,350**	**4,650**	**4,650**	**4,650**
2,100	2,100	2,100	2,100	2,100
15,750,000	**15,435,000**	**9,765,000**	**9,765,000**	**9,765,000**

1,000		-	-	-
1,000		-	-	-
	1,000	-	-	-
	1,300	-	-	-
		1,500	1,500	1,500
		1,000	1,000	1,000
2,000	**2,300**	**2,500**	**2,500**	**2,500**
2,100	2,100	2,100	2,100	2,100
4,200,000	**4,830,000**	**5,250,000**	**5,250,000**	**5,250,000**

19,950,000	20,265,000	15,015,000	15,015,000	15,015,000

UGANDA TREE BIO-TECHNOLOGY LIMITED

SCHEDULE 10

Current Salary structure	Number of Staff	INDIVIDUAL MONTHLY SALARY	TOTAL MONTHLY SALARIES	ANNUAL gross salary	Company NSSF contribution @10% of Gross	ANNUAL company NSSF contribution	Monthly Gratuity @ 25%	ANNUAL gratuity	TOTAL ANNUAL Gross Salary, NSSF and Gratuity
PROJECT MANAGER	1	-	-	-	-	-	-	-	-
ASSISTANT PROJECT MANAGER	1	2,281,500	2,281,500	27,378,000	228,150	2,737,800	570,375	6,844,500	36,960,300
REGIONAL NURSERY MANAGERS	3	1,325,000	3,975,000	47,700,000	397,500	4,770,000	993,750	11,925,000	64,395,000
ACCOUNTANT	1	-	-	-	-	-	-	-	-
EXTENSION OFFICER	1	1,000,000	1,000,000	12,000,000	100,000	1,200,000	250,000	3,000,000	16,200,000
ADMINISTRATION ASSISTANT	1	700,000	700,000	8,400,000	70,000	840,000	175,000	2,100,000	11,340,000
DRIVER	1	400,000	400,000	4,800,000	40,000	480,000	100,000	1,200,000	6,480,000
TOTAL	9		8,356,500	100,278,000	835,650	10,027,800	2,089,125	25,069,500	135,375,300

New Salary structure	Number of Staff	INDIVIDUAL MONTHLY SALARY	TOTAL MONTHLY SALARIES	ANNUAL gross salary	Company NSSF contribution @10% of Gross	ANNUAL company NSSF contribution	Monthly Gratuity @ 25%	ANNUAL gratuity	TOTAL ANNUAL Gross Salary, NSSF and Gratuity
CHIEF EXECUTIVE OFFICER	1	4,300,000	4,300,000	51,600,000	430,000	5,160,000	1,075,000	12,900,000	69,660,000
OPERATIONS MANAGER	1	3,500,000	3,500,000	42,000,000	350,000	4,200,000	875,000	10,500,000	56,700,000
ACCOUNTANT	1	1,000,000	1,000,000	12,000,000	100,000	1,200,000	250,000	3,000,000	16,200,000
EXTENSION OFFICERS	2	1,000,000	2,000,000	24,000,000	200,000	2,400,000	500,000	6,000,000	32,400,000
EXTENSION / MARKETING ASSISTANTS	2	500,000	1,000,000	12,000,000	100,000	1,200,000	250,000	3,000,000	16,200,000
ADMINISTRATION ASSISTANT	1	300,000	300,000	3,600,000	30,000	360,000	75,000	900,000	4,860,000
DRIVER	1	450,000	450,000	5,400,000	45,000	540,000	112,500	1,350,000	7,290,000
TOTAL	9		12,550,000	150,600,000	1,255,000	15,060,000	3,137,500	37,650,000	203,310,000

UGANDA TREE BIO-TECHNOLOGY LIMITED

SCHEDULE 11

OVERHEAD EXPENSES:

NOTE 1: Staff Training

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Nursery Managers - Induction Training for new nursery managers	-	3,000,000	3,000,000	3,000,000	-
Operations Manager - short management courses	750,000	750,000			
Extension Officers	1,000,000				
Total	**1,750,000**	**3,750,000**	**3,000,000**	**3,000,000**	-

NOTE 2: Farmer Training

Mobilization	4,000,000		
Consultancy services	9,000,000		
Trainings on establishment and management of clonal plantations	15,000,000		
Technology transfer	19,000,000		
Total	**45,000,000**		

NOTE 3: Study Tours

Stakeholder workshops(Meals, Transport, Venue, Accommodation)	8,000,000			To omit Study Tours Expense for now
Kilimo- Staff workshops	9,000,000			
Club-members workshops	5,000,000			
Staff study tours	15,000,000			
Total	**37,000,000**			

NOTE 4: Board Meetings

Board meetings scheduled quarterly @ shs300,000 x 6 x 4	**7,200,000**		

NOTE 5: Other Head Office Overheads

Head Office rent	12,000,000		
Office expenses	-		
Motor vehicles maintenance	5,000,000		
Internet service	960,000		
Water	600,000		
Electricity	1,200,000		
Audit Fees	3,540,000		
Internal & External Communication (telephone,airtime)	3,600,000		
Recruitment of new staff (newspaper advert)	1,325,000		
Total	**28,225,000**		

UGANDA TREE BIO-TECHNOLOGY LIMITED

FIELD TRAVEL & PER DIEM

		No. of Staff	APR	MAY	JUN	JUL
1	Operations Manager - per diem	1				
	- fuel					
	Driver - per diem	1				
2	Research Coordinator - per diem					
3	Accountant - per diem	1				
4	Extension Officer - per diem	1				
	- fuel					
	Total		0	0	0	0

UGANDA TREE BIO-TECHNOLOGY LIMITED

FIELD TRAVEL & PER DIEM

SCHEDULE 12

		No. of Staff	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL
								OPS MGR: Two 5-day trips to East & West. Trip includes Research Coordinator on initial familiarisation			OPS MGR: Two 5-day trips to East & West. This trip includes Research Coordinator on routine fieldwork.			OPS MGR: Two 5-day trips to East & West. This trip includes the Accountant stock	
1	Operations Manager - per diem	1						1,000,000			1,000,000			1,000,000	3,000,000
	- fuel							600,000			600,000			600,000	1,800,000
	Driver - per diem	1						400,000			400,000			400,000	1,200,000
2	Research Coordinator - per diem							800,000			800,000			0	1,600,000
3	Accountant - per diem	1						0			0			1,000,000	1,000,000
								EXTN OFFICER: One 5-day trip at a time to visit farmers once a month.							
4	Extension Officer - per diem	1						400,000	400,000	400,000	400,000	400,000	400,000	400,000	2,800,000
	- fuel							300,000	300,000	300,000	300,000	300,000	300,000	300,000	2,100,000
	Total		0	0	0	0	0	3,500,000	700,000	700,000	3,500,000	700,000	700,000	3,700,000	13,500,000

UGANDA TREE BIO-TECHNOLOGY LIMITED

SCHEDULE 13

LOAN REPAYMENT SCHEDULE

TWO TRANCHES (disbursed in YEAR 1 and YEAR 2): total of shs. 500,000,000

LOAN PERIOD: 36 months INTEREST RATE: 15% per annum

			Instalments Due				
Month	Quarterly Instalments	Date of Repayment	Principal Payable	Interest Payable	Total Instalment Payable	Loan Balance Outstanding	
1			-	-	-	250,000,000	<---- Disbursement: 1 JAN 2011
2	LOAN 1:		-	-	-	250,000,000	
3	Q1, YEAR 1	31/3/11	20,833,333	8,593,750	29,427,083	229,166,667	
4			-	-	-	229,166,667	
5	LOAN 1:		-	-	-	229,166,667	
6	Q2, YEAR 1	30/6/11	20,833,333	7,812,500	28,645,833	208,333,333	
7			-	-	-	208,333,333	
8	LOAN 1:		-	-	-	208,333,333	
9	Q3, YEAR 1	30/9/11	20,833,333	7,031,250	27,864,583	187,500,000	
10			-	-	-	187,500,000	
11	LOAN 1:		-	-	-	187,500,000	
12	Q4, YEAR 1	31/12/11	20,833,333	6,250,000	27,083,333	166,666,667	
1			-	-	-	166,666,667	
2	LOAN 1:		-	-	-	166,666,667	
3	Q1, YEAR 2	31/3/12	20,833,333	5,468,750	26,302,083	145,833,333	

4	LOAN 1: Q2, YEAR 2		-	-	-	145,833,333
5			-	-	-	145,833,333
6		30/6/12	20,833,333	4,687,500	25,520,833	125,000,000
7	LOAN 1: Q3, YEAR 2		-	-	-	125,000,000
8			-	-	-	125,000,000
9		30/9/12	20,833,333	3,906,250	24,739,583	104,166,667
10	LOAN 1: Q4, YEAR 2		-	-	-	104,166,667
11			-	-	-	104,166,667
12		31/12/12	20,833,333	3,125,000	23,958,333	83,333,333
1	LOAN 1: Q1, YEAR 3		-	-	-	83,333,333
2			-	-	-	83,333,333
3		31/3/13	20,833,333	2,343,750	23,177,083	62,500,000
4	LOAN 1: Q2, YEAR 3		-	-	-	62,500,000
5			-	-	-	62,500,000
6		30/6/13	20,833,333	1,562,500	22,395,833	41,666,667
7	LOAN 1: Q3, YEAR 3		-	-	-	41,666,667
8			-	-	-	41,666,667
9		30/9/13	20,833,333	781,250	21,614,583	20,833,333
10	LOAN 1: Q4, YEAR 3		-	-	-	20,833,333
11			-	-	-	20,833,333
12		31/12/13	20,833,333	-	20,833,333	-
			250,000,000	51,562,500	301,562,500	
1	LOAN 2: Q1, YEAR 1		-	-	-	250,000,000
2			-	-	-	250,000,000
3		31/3/12	20,833,333	8,593,750	29,427,083	229,166,667

<---- Disbursement: 1 JAN 2012

4			-	-	-	229,166,667
5	LOAN 2:		-	-	-	229,166,667
6	Q2, YEAR 1	30/6/12	20,833,333	7,812,500	28,645,833	208,333,333
7			-	-	-	208,333,333
8	LOAN 2:		-	-	-	208,333,333
9	Q3, YEAR 1	30/9/12	20,833,333	7,031,250	27,864,583	187,500,000
10			-	-	-	187,500,000
11	LOAN 2:		-	-	-	187,500,000
12	Q4, YEAR 1	31/12/12	20,833,333	6,250,000	27,083,333	166,666,667
1			-	-	-	166,666,667
2	LOAN 2:		-	-	-	166,666,667
3	Q1, YEAR 2	31/3/13	20,833,333	5,468,750	26,302,083	145,833,333
4			-	-	-	145,833,333
5	LOAN 2:		-	-	-	145,833,333
6	Q2, YEAR 2	30/6/13	20,833,333	4,687,500	25,520,833	125,000,000
7			-	-	-	125,000,000
8	LOAN 2:		-	-	-	125,000,000
9	Q3, YEAR 2	30/9/13	20,833,333	3,906,250	24,739,583	104,166,667
10			-	-	-	104,166,667
11	LOAN 2:		-	-	-	104,166,667
12	Q4, YEAR 2	31/12/13	20,833,333	3,125,000	23,958,333	83,333,333
1			-	-	-	83,333,333
2	LOAN 2:		-	-	-	83,333,333
3	Q1, YEAR 3	31/3/14	20,833,333	2,343,750	23,177,083	62,500,000
4			-	-	-	62,500,000

5	LOAN 2:		-	-	-	62,500,000
6	Q2, YEAR 3	30/6/14	20,833,333	1,562,500	22,395,833	41,666,667
7			-	-	-	41,666,667
8	LOAN 2:		-	-	-	41,666,667
9	Q3, YEAR 3	30/9/14	20,833,333	781,250	21,614,583	20,833,333
10			-	-	-	20,833,333
11	LOAN 2:		-	-	-	20,833,333
12	Q4, YEAR 3	31/12/14	20,833,333	-	20,833,333	-
			250,000,000	51,562,500	301,562,500	
GRAND TOTAL			500,000,000	103,125,000	603,125,000	

ASSUMPTIONS:

The Instalments above are repayable on the last day of the month at the end of the respective quarter.

Loan disbursement shall be at the beginning of the respective year.

No grace period for the first instalment of Loan Principle

UGANDA TREE BIO-TECHNOLOGY LIMITED

PRODUCTION COST ESTIMATES

	YEAR 1 2010/2011			YEAR 2 2011/2012			YEAR 3 2012/2013			YEAR 4 2013/2014			YEAR 5 2014/2015		
	No. of plants	direct production cost per unit	Total cost of production	No. of plants	direct production cost per unit	Total cost of production	No. of plants	direct production cost per unit	Total cost of production	No. of plants	direct production cost per unit	Total cost of production	No. of plants	direct production cost per unit	Total cost of production
No. of Seedlings / Plantlets produced:															
MBALE	268,000	170	45,560,000	321,600	170	54,672,000	353,760	170	60,139,200	417,437	150	62,615,520	584,412	120	70,129,382
KIFU	120,000	170	20,400,000	144,000	170	24,480,000	190,800	170	32,436,000	227,880	150	34,182,000	319,032	120	38,283,840
KABAROLE	260,000	170	44,200,000	312,000	170	53,040,000	372,000	170	63,240,000	520,800	150	78,120,000	520,800	120	62,496,000
KABANYOLO	-	170	-	120,000	170	20,400,000	180,000	170	30,600,000	198,000	150	29,700,000	217,800	120	26,136,000
MASAKA	-	170	-	-	170	-	-	170	-	500,000	150	75,000,000	600,000	120	72,000,000
GULU	-	170	-	-	170	-	240,000	170	40,800,000	600,000	150	90,000,000	720,000	120	86,400,000
	648,000		110,160,000	897,600		152,592,000	1,336,560		1,336,560	2,464,117		2,464,117	2,962,044	720	2,962,764
MBALE			69,065,000			77,757,000			86,059,200			88,535,520			96,049,382
KIFU			43,485,000			47,565,000			58,356,000			60,102,000			64,203,840
KABAROLE			67,285,000			76,125,000			89,160,000			104,040,000			88,416,000
KABANYOLO			-			43,485,000			56,520,000			55,620,000			52,056,000
MASAKA			-			-			-			100,920,000			97,920,000
GULU			-			-			66,720,000			115,920,000			112,320,000
Estimated maximum combined direct costs			179,835,000			244,932,000			356,815,200			525,137,520			510,965,222

Key Assumptions:

Unit production cost is to be estimated at shs 170 per plant

All plants produced and actually made ready for sale shall be sold.

APRIL 2010 STOCK-TAKING DATA USED AS BASIS FOR ESTIMATION OF STOCK AVAILABLE FOR SALE IN YEAR 1:	
KIFU:	
8,500	rammets on 30/4/10
204,000	annual coppices (2/rammet/month)
102,000	rooting @ 50%

MBALE:	
15,383	rammets on 30/4/10
369,192	annual coppices (2/rammet/month)
184,596	rooting @ 50%

KABAROLE:	
20,500	rammets on 30/4/10
492,000	annual coppices (2/rammet/month)
246,000	rooting @ 50%