THE UNITED REPUBLIC OF TANZANIA

PRIME MINISTER'S OFFICE
TANZANIA INVESTMENT CENTRE

FILE BEGINS | ENDS | PART

FILE TITLE

FILE NUMBER
TICC
PP.10
042460

CONFIDENTIAL

FILE NUMBER TICC PP.10/042 PART

INDEX HEADINGS

Officer or Section	For Action F/M	Initials	Date	Action taken vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken vide F/M
DIF	F.1	[illegible]	30/05/13											
Kahwa	F.1	[illegible]	30/05/13	[illegible]										
EXD	M1	[illegible]	10/06/13	[illegible]										
DIF	F.4	DR	13/6/13	[illegible]										
Dmts	[illegible]	[illegible]	14/6/13	[illegible]										
EXD	M2	[illegible]	19/6/13	[illegible]										
DIF	F6	[illegible]	27/6/13	[illegible]										
ADAN	F6	[illegible]	27/6/13	[illegible]										
DIF	F.8	DR	20/2/14	[illegible]										
[illegible]	[illegible]		22/2/14	[illegible]										

ANJARI SODA FACTORY
LTD

TICC/PP.10/042460/11 **11/11/2015**

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO. 042460

M/S Anjari Soda Factory Limited is a TIC registered company with certificate of incentives **No. 042460** which is valid up to **May 2016**

The company has been registered with objectives of expanding manufacturing facilities to include Pet (Plastic) packaging bottling line.

Attached herewith please find a list of **Utility Vehicles** for Duty and VAT remissions approval.

Yours sincerely
TANZANIA INVESTMENT CENTRE

N.A Senzia
FOR: EXECUTIVE DIRECTOR

(10)

Anjari Soda Factory Ltd

Manufacturers of Sofdrinks

Our Ref: ASFL/TIC/AddEXMT-1015

29 October, 2015

Commissioner of Customs & Excise
Tanzania Revenue Centre,
P. O. Box 25
DSM

TANZANIA INVESTMENT CENTRE
10 NOV 2015
TANZANIA

UFS
Executive Director
Tanzania Investment Centre
P. O. Box 938
DSM

Dear Sir,

RE: DUTY & VAT EXEMPTION ON CAPITAL GOODS FOR CERTIFICATE OF INCENTIVES NO: 042460

We are TIC approved project with certificate of incentives no 042460, which is valid upto May 2016.

The company has been registered with objectives of expansion of its beverage manufacturing facilities to include PET(Plastic) packaging bottling line.

We are currently in the process of increasing our fleet of distribution trucks to serve a wider market in and outside Tanga region.

Attach herewith please find a list of additional Capital Goods for Duty/VAT exemption approval.

We look forward to your swift response.

Thanking You.

Yours Sincerely

Fakhruddin Anjari

Encl: 2 copies, Application Letter, TIC certificate, TIN
10 copies, amended/additional list of exemption

Directors: Jivanjee. A. Anjari, Esmail. A. Anjari, Hatim. J. Anjari(Managing), Fakhruddin. E. Anjari
India Street/ Customs Road, P.O. Box 25, Tanga, Tanzania | Tel: +255 27 2642992, +255 27 2643296 | Fax: +255 27 2646798
Email: anjaris@kaributanga.com, healtho@kaributanga.com

CTIN 0031381

TRA

TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 3A(4) OF THE INCOME TAX ACT NO. 33 OF 1973)
AS AMMENDED BY THE FINANCIAL LAWS (MISCELLANEOUS AMENDMENTS) 2000

THIS IS TO CERTIFY THAT

ANJARI SODA FACTORY LTD
....

has been registered with the Tanzania Revenue Authority and assigned the Taxpayer Identification Number

100-158-884
....

with effect from 01/07/1998

H. M. Kitillya
COMMISSIONER FOR INCOME TAX

OFFICIAL SEAL

NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVERLEAF

00219997

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act 1997)

No: 042460

This is to certify that

ANJARI SODA FACTORY LTD

of address P.O. BOX 25

TANGA

has been granted a Certificate of Incentives to invest in a new ~~xxxxxxxxxxxxxxxxxxxx~~ ~~xxxxxxxxxxxx~~ enterprise known as

ANJARI SODA FACTORY LTD

Which is located at PLOT NO. 99/100/101 GOFU CHINI INDUSTRIAL AREA

TANGA

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf

Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 18TH JUNE 2013

ADDITIONAL LIST OF CAPITAL GOODS FOR EXEMPTION OF DUTY/VAT FOR CERTIFICATE OF INCENTIVES NO 042460

NO.	ITEM DESCRIPTION	UNIT MEASURE	QTY	ITEM GROUP	ITEM PRICE (USD)	TIN	EXEMPTION NO	EXEMPTION DATE
1	MITSUBISHI FUSO - MODEL FAV1PK1R - 5.5 ton	PCS	3	MOTOR VEHICLE	34,500	100-158-884	42460	18/06/2013
2	MITSUBISHI FUSO - MODEL FIV1PHX1R - 7 ton	PCS	2	MOTOR VEHICLE	40,745	100-158-884	42460	18/06/2013
3	MITSUBISHI FUSO - MODEL FE84PE6R - 4 ton	PCS	2	MOTOR VEHICLE	31,500	100-158-884	42460	18/06/2013
4	SUPER ACE - TATA 475 IDITCIC EUROII - 1 ton	PCS	3	MOTOR VEHICLE	10,800	100-158-884	42460	18/06/2013

Anjari Soda Factory Ltd
P o Box 25
Tanga Tanzania
Tel. +255 27 2642992

TICC/PP.10/042460/9 **24/02/2014**

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO. 042460

M/S Anjari Soda Factory Limited is a TIC registered company with certificate of incentives **No. 042460** which is valid up to **May 2016**

The company has been registered with objectives of expanding manufacturing facilities to include Pet (Plastic) packaging bottling line.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty and VAT remissions approval.

Yours sincerely
TANZANIA INVESTMENT CENTRE

Anna Lyimo
FOR: EXECUTIVE DIRECTOR

TIC

Anjari Soda Factory Ltd.

Directors;
J.A. Anjari
E.A. Anjari
H.J. Anjari

Customs Road, P.O. Box 25, Tanga.
Tel: 0272642992, Fax:027264678
Email; anjaris@kaributanga.com

Feb. 13, 2014

REF: TIC/2/2014

TANZANIA ... 20 FEB 2014

(1) Received on 20/2/2014

The Executive Director
Tanzania Investment Centre
9A & B Shabaan Robert Street
P. O. Box 938
Daressalaam

Dear Sir

RE: APPLICATION FOR ADDITIONAL CAPITAL GOODS OF EXPANSION PROJECT OF CERTIFICATE OF INCENTIVES NUMBER 00219997 DATED 18th JUNE 2013

We hereby submit our application for additional of capital goods for our above mentioned expansion of PET bottling line in Tanga.

The previous machine has arrived and this additional machine has been bought to increase the capacity of the bottle blowing . The machineries are expected at Tanga port mid of March 2014.

Enclosed herewith are:

1. Two copies of TIC certificate.
2. Application copy 2 copies.
3. TIN certificate 2 copies.
4. 10 copies of the amended list.

Please assist in obtaining the relevant exemptions.
Thanking you.

Sincerely Yours

Fakhruddin Anjari
Director

00219997

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042460

This is to certify that

ANJARI SODA FACTORY LTD

of address P.O. BOX 25

TANGA

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation expansion~~ ~~[illegible] of the~~ *enterprise known as*

ANJARI SODA FACTORY LTD

Which is located at PLOT NO. 99/100/101 GOFU CHINI INDUSTRIAL AREA

TANGA

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 18TH JUNE 2013

GP.DSM

Anjari Soda Factory Ltd
P o Box 25
Tanga Tanzania
Tel. +255 27 2642992

CTIN.: 0031381

TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 3A(4) OF THE INCOME TAX ACT NO. 33 OF 1973)
AS AMMENDED BY THE FINANCIAL LAWS (MISCELLANEOUS AMENDMENTS) 2000

THIS IS TO CERTIFY THAT

ANJARI SODA FACTORY LTD

has been registered with the Tanzania Revenue Authority and assigned the Taxpayer Identification Number

100-158-884

with effect from 01/07/1998

OFFICIAL SEAL

H. M. Kitillya
COMMISSIONER FOR INCOME TAX

NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVERLEAF

Anjari Soda Factory Ltd
P o Box 25
Tanga Tanzania
Tel: +255 27 2642992

ADDITIONAL LIST OF CAPITAL GOODS FOR EXEMPTION OF DUTY/VAT FOR CERTIFICATE OF INCENTIVES NO 042460

NO.	*ITEM DESCRIPTION*	*UNIT*	*QTY*	*ITEM*	*ITEM*	*TIN*	*EXEMPTION*	*EXEMPTION*
		MEASURE		*GROUP*	*PRICE (USD)*		*NO*	*DATE*
	AUTO BLOWING BOTTLE BLOWING SYSTEM							
1	FULLY AUTOMATIC STRECH BLOW EQUIPMENT	UNIT	1	PLANT & MACHINERY	96,700	100-158-884	42460	18/06/2013
2	MOLD	SET	1	PLANT & MACHINERY	7,000	100-158-884	42460	18/06/2013
3	HIGH PRESSURE AIR COMPRESSOR	SET	1	PLANT & MACHINERY	30,380	100-158-884	42460	18/06/2013
4	LOW PRESSURE AIR COMPRESSOR	SET	1	PLANT & MACHINERY	7,500	100-158-884	42460	18/06/2013
5	PIPELINES AND VALVES	SET	1	PLANT & MACHINERY	6,000	100-158-884	42460	18/06/2013
6	AUXILLARY ITEMS	SET	1	PLANT & MACHINERY	0	100-158-884	42460	18/06/2013
	COOLING SYSYTEM							
6	INDUSTRIAL EXHAUST FANS	SET	10	PLANT & MACHINERY	1,750	100-158-884	42460	18/06/2013
	ENVIRONMENT CLEANING SYSTEM							
7	LAWN MOWER TRACTOR	SET	1	PLANT & MACHINERY	1,700	100-158-884	42460	18/06/2013

Anjari Soda Factory Ltd
P o Box 25
Tanga Tanzania
Tel: +255 27 2642992

7

TICC/PP.10/042460/7 **28/06/2013**

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

RE: DUTY/VAT EXEMPTION ON THE CAPITAL/DEEMED CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO. 042460

M/S Anjari Soda Factory Limited is a TIC registered company with certificate of incentives **No. 042460** which is valid up to **May 2016**

The company has been registered with objectives of expanding manufacturing facilities to include Pet (Plastic) packaging bottling line.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty and VAT exemption approval.

Yours sincerely
TANZANIA INVESTMENT CENTRE

Revocatus Arbogast
FOR: EXECUTIVE DIRECTOR

Tic

Anjari Soda Factory Ltd.

(6)

Directors;
J.A. Anjari
E.A. Anjari
H.J. Anjari

Customs Road, P.O. Box 25, Tanga
Tel: 0272642992, Fax:027264678
Email; anjaris@kaributanga.com

June 24, 2013

Commissioner of Customs & Excise
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

received on
26/6/13
NA
TRA/TIC

UFS
Executive Director,
Tanzania Investment Centre,
P.o. Box 938,
DAR ES SALAAM

TANZANIA INVESTMENT CENTRE
27 JUN 2013
TANZANIA

Dear Sir,

RE: DUTY & VAT EXEMPTION ON CAPITAL/ DEEMED CAPITAL GOODS FOR CERTIFICATE OF INCENTIVES NO: 042460

We are Tic approved project with certificate of incentives No; 042460Which is valid up to May 2016.

The Company has been registered with objectives of expansion into PET(Plastic) packaging along with existing established glass bottling softdrinks line.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty/ VAT exemption for your approval.

We look forward for your swift response.

Thanking you.

Yours Sincerely,

Hatim. J. Anjari
Managing Director

ENC: TWO COPIES OF TIN NUMBER
TEN COPIES OF LIST OF CAPITAL GOODS
ONE CD OF LIST OF CAPITAL GOODS
TWO COPIES OF CERTIFIED CERTIFICATE
OF INCENTIVES NO 042426

of The Original
26/6/2013
Tanzania Investment Centre

THE UNITED REPUBLIC OF TANZANIA

00219997

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042460

This is to certify that

ANJARI SODA FACTORY LTD

of address P.O. BOX 25
TANGA

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation/expansion~~ ~~or part of the~~ enterprise known as

ANJARI SODA FACTORY LTD

Which is located at PLOT NO. 99/100/101 GOFU CHINI INDUSTRIAL AREA
TANGA

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 18TH JUNE 2013

GP.DSM

This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders / Nationality / Shareholding (%)

Shareholders	Nationality	Shareholding (%)
Fakhruddin E. Anjari	Tanzanian	10
Hatim J. Anjari	Tanzanian	10
Esmail A. Anjari	Tanzanian	40
Jivanjee A. Anjari	Tanzanian	40

2. Proposed Activities: To expand its manufacturing facilities to include Pet (Plastic) packaging bottling line.

3. Sector: Manufacturing Subsector Beverages

4. Investment cost: Foreign – Local USD 0.44m. Total USD 0.44m.

5. Project Financing:
Equity USD 0.25m. Loans USD 0.19m. Total USD 0.44m.

6. Source, terms and conditions of loan

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	–	USD 0.44m.	USD 0.44m.

8. Technology Agreement None

9. Date of TIC Registration: 10th June 2013

10. Implementation period June 2013 - May 2016

11. Operative date June 2016

12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
   (i) Applicable Import Duty And VAT as per Customs Tariff Act,1976 & VAT act, 1997
   (ii) Applicable with-holding Tax As per Income Tax Act,2004 (as amended)
   (iii) Eligibility of Capital Allowances As per Income Tax Act,2004 (as amended)

13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.

14. Conditions attached to this Certificate of Incentives
   (i) Date of Commencement of investment has to be notified to the Centre.
   (ii) Certificate not to be transferred, assigned or amended
   (iii) Failure to commence implementation within two years invalidates Certificate
   (iv) Failure to operate investment must be notified to the Centre
   (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre

15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate

Signed ....
Executive Director

CTIN.: 0031381

TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 3A(4) OF THE INCOME TAX ACT NO. 33 OF 1973)
AS AMMENDED BY THE FINANCIAL LAWS (MISCELLANEOUS AMENDMENTS) 2000

THIS IS TO CERTIFY THAT

ANJARI SODA FACTORY LTD

has been registered with the Tanzania Revenue Authority and assigned the Taxpayer Identification Number

100-158-884

with effect from 01/07/1998

OFFICIAL SEAL

H. M. Kitillya
COMMISSIONER FOR INCOME TAX

NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVERLEAF

LIST OF CAPITAL GOODS FOR EXEMPTION OF DUTY/VAT FOR CERTIFICATE OF INCENTIVES NO 042460

NO.	ITEM DESCRIPTION	UNIT MEASURE	QTY	ITEM GROUP	ITEM PRICE (USD)	TIN	EXEMPTION NO	EXEMPTION DATE
	BOTTLE BLOWING SYSTEM							
1	STRECH BLOW EQUIPMENT	SET	4	PLANT & MACHINERY	16,500	100-158-884	42460	18/06/2013
2	ROTARY INFRARED PRE-HEATER	SET	2	PLANT & MACHINERY	5,000	100-158-884	42460	18/06/2013
3	BOTTLE MOLD	SET	4	PLANT & MACHINERY	3,940	100-158-884	42460	18/06/2013
4	HIGH PRESSURE AIR COMPRESSOR	SET	1	PLANT & MACHINERY	9,590	100-158-884	42460	18/06/2013
5	LOW PRESSURE AIR COMPRESSOR	SET	1	PLANT & MACHINERY	6,970	100-158-884	42460	18/06/2013
	REFRIGERATION SYSTEM							
6	ROTAR SCREW REFRIGERATION COMPRESSOR	SET	1	PLANT & MACHINERY		100-158-884	42460	18/06/2013
7	COOLING TOWER	SET	1	PLANT & MACHINERY		100-158-884	42460	18/06/2013
8	REFRIGERATION TANK & CIRCULATING PUMPS	SET	1	PLANT & MACHINERY		100-158-884	42460	18/06/2013
9	COOLING TOWER CIRCULATING PUMP	SET	2	PLANT & MACHINERY	39,100	100-158-884	42460	18/06/2013
10	ELECTRIC CABINET	SET	1	PLANT & MACHINERY		100-158-884	42460	18/06/2013
11	REFRIGERANT COOLANT	SET	1	PLANT & MACHINERY		100-158-884	42460	18/06/2013
12	PIPES & VALVES	SET	1	PLANT & MACHINERY		100-158-884	42460	18/06/2013
13	PLATE HEAT EXCHANGER FOR PREMIX MACHINE	SET	1	PLANT & MACHINERY		100-158-884	42460	18/06/2013
	CIP CLEANING SYSTEM							
14	SEMI AUTOMATIC CIP SYSTEM	SET	1	PLANT & MACHINERY	5,650	100-158-884	42460	18/06/2013
	BOTTLE LOADING AND FILLING SYSTEM							
15	AIR CONVEYOR	M	6.5	PLANT & MACHINERY	5,650	100-158-884	42460	18/06/2013
16	SEMI AUTOMATIC BOTTLE UNSCRAMBLER	UNIT	1	PLANT & MACHINERY	3,480	100-158-884	42460	18/06/2013
17	RINSER-CAPPER-FILLER MACHINE	UNIT	1	PLANT & MACHINERY	96,770	100-158-884	42460	18/06/2013
18	PRE-MIX CARBON MIXER	UNIT	1	PLANT & MACHINERY	50,090	100-158-884	42460	18/06/2013
19	AUTOMATIC CAP LOADER	UNIT	1	PLANT & MACHINERY	3,225	100-158-884	42460	18/06/2013
20	BOTTLE CONVEYOR	M	87.5	PLANT & MACHINERY	21,875	100-158-884	42460	18/06/2013
21	LAMP INSPECTION	UNIT	1	PLANT & MACHINERY	180	100-158-884	42460	18/06/2013
22	BOTTLE DRYER	UNIT	1	PLANT & MACHINERY	2,900	100-158-884	42460	18/06/2013
23	FULLY AUTOMATIC SLEEVE LABELER	SET	1	PLANT & MACHINERY	19,000	100-158-884	42460	18/06/2013
24	FULLY AUTOMATIC SHRINK WRAPPER	SET	1	PLANT & MACHINERY	10,400	100-158-884	42460	18/06/2013
25	CASE CONVEYOR	M	4	PLANT & MACHINERY	1,320	100-158-884	42460	18/06/2013
26	PIPELINES VALVES & AUXILARY FITTINGS	SET	1	PLANT & MACHINERY	54,300	100-158-884	42460	18/06/2013
27	LABORATORY CABINET, TOP & ACCESSORIES	SET	1	PLANT & MACHINERY	1,029	100-158-884	42460	18/06/2013
28	TESTING CUPS	SET	1640	PLANT & MACHINERY	2,000	100-158-884	42460	18/06/2013
29	HAND PALLET TRUCK	PCS	2	EQUIPMENT	800	100-158-884	42460	18/06/2013

00219997

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042460

This is to certify that

ANJARI SODA FACTORY LTD

of address P.O. BOX 25

TANGA

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation/expansion activity of the~~ *enterprise known as*

ANJARI SODA FACTORY LTD

Which is located at PLOT NO. 99/100/101 GOFU CHINI INDUSTRIAL AREA

TANGA

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

Tanzania Investment Centre
P.O. Box 938, Dar es Salaam

Dated 18TH JUNE 2013

GP.DSM

This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders	Nationality	Shareholding (%)
Fakhruddin E. Anjari	Tanzanian	10
Hatim J. Anjari	Tanzanian	10
Esmail A. Anjari	Tanzanian	40
Jivanjee A. Anjari	Tanzanian	40

2. Proposed Activities : To expand its manufacturing facilities to include Pet (Plastic) packaging bottling line.

3. Sector: Manufacturing Subsector Beverages

4. Investment cost: Foreign - Local USD 0.44m. Total USD 0.44m.

5. Project Financing:
Equity USD 0.25m. Loans USD 0.19m. Total USD 0.44m.

6. Source, terms and conditions of loan

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	-	USD 0.44m.	USD 0.44m.

8. Technology Agreement None

9. Date of TIC Registration: 10th June 2013

10. Implementation period June 2013 - May 2016

11. Operative date June 2016

12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
   (i) Applicable Import Duty And VAT as per Customs Tariff Act,1976 & VAT act, 1997
   (ii) Applicable with-holding Tax As per Income Tax Act,2004 (as amended)
   (iii) Eligibility of Capital Allowances As per Income Tax Act,2004 (as amended)

13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.

14. Conditions attached to this Certificate of Incentives
   (i) Date of Commencement of investment has to be notified to the Centre.
   (ii) Certificate not to be transferred, assigned or amended
   (iii) Failure to commence implementation within two years invalidates Certificate
   (iv) Failure to operate investment must be notified to the Centre
   (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre

15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate

Signed ....
Executive Director

claimed refund beyond three years will be forfeited

(4)

TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC011522

No.

Received from : ANJARI SODA FACTORY

Address P.O. Box 25 Tanga

Received the sum of (In words): ONE MILLION SIX HUNDRED TWENTY THOUSAND AND ZERO CENTS ONLY

1 0 JUN 2013

For Executive Director
Tanzania Investment Centre

ing payment in respect of : CERTIFICATE OF INCENTIVES FEES

TANZANIA INVESTMENT CENTRE

Amount : TZS 1,620,000.00

Cash / Cheque No: Deposit 10/6

Date : 10-Jun-2013

1 2 JUN 2013

BUisso

Receiving Officer

(1)

Anjari Soda Factory Ltd.

Directors;
J.A. Anjari
E.A. Anjari
H.J. Anjari

Customs Road, P.O. Box 25, Tanga.
Tel: 0272642992, Fax:027264678
Email; anjaris@kaributanga.com

May 23, 2013

TANZANIA INVESTMENT CENTRE
30 MAY 2013

MAY 2013

REF: TIC/1/2013

The Executive Director
Tanzania Investment Centre
9A & B Shabaan Robert Street
P. O. Box 938
Daressalaam

Dear Sir

RE: APPLICATION FOR REGISTRATION OF EXPANSION PROJECT AND CERTIFICATE OF INCENTIVES

We hereby submit our application for Certificate of Incentives for our expansion of PET bottling line in Tanga.
We are established manufactures of Softdrinks and Syrups company in Tanga incorporated since 1960 having our own trade brands. We intend to expand our existing glass bottling line into PET(plastic disposable) bottling line to meet the growing demand outside Tanga region. The machinery are to be imported from China. The total estimated cost of project is USD 0.44m including new warehouse building . The machineries are on the high seas expected at Tanga port mid June 2013.

Enclosed herewith are:

1. Dully filled TIC application forms 3 copies.
2. Audited accounts for years 2010, 2011 2012.
3. Copy of Memorandum of Article of Association.
4. A certified copy of Certificate of Incorporation.
5. Feasibility study for the Project 2copies.
6. Company Board Resolution to register project with TIC

We look forward for a favorable consideration from TIC and further approval of Certificate if Incentives.

Thanking you.

Sincerely Yours

Fakhruddin Anjari
Director
ANJARI SODA FACTORY LTD

Anjari Soda Factory Ltd.

Directors;
J.A. Anjari
E.A. Anjari
H.J. Anjari

Customs Road, P.O. Box 25, Tanga.
Tel: 0272642992, Fax:027264678
Email; anjaris@kaributanga.com

BOARD RESOLUTION OF ANJARI SODA FACTORY LTD APPROVING REGISTRATION OF PET BOTTLING LINE EXPANSION PROJECT WITH TANZANIA INVESTMENT CENTRE FOR APPLICATION OF CERTIFICATE OF INCENTIVES.

APPROVAL OF PROJECT REGISRATION

Be it resolved that, the expansion project into PET bottling line of the company, in date of 6th MAY 2013, as presented by the company managing director is approved.

RESOLVED FURTHER, that the officers of Anjari Soda Factory Ltd are, and each acting alone is, hereby authorized to do and perform any and all such acts, including execution of any and all documents and certificates, as such officers shall deem necessary or advisable, to carry out the purpose and intent of the foregoing resolutions.

RESOLVED FURTHER, that any actions taken by such officers prior to the date of foregoing resolution adopted hereby that are within the authority conferred thereby are hereby ratified, confirmed and approved as the acts and deeds of Anjari Soda Factory Ltd.

It is hereby certified by the undersigned that the foregoing resolution was duly passed by the Board of Directors of the above-named company on the **sixth** day of **MAY, 2013** in accordance with the Memorandum of association and Articles of Incorporation of the company and the laws and by-laws governing the company and that the said resolution has been duly recorded in the Minute Book and is in full force and effect.

DATE: 6th MAY 2013.

Director- Jivanjee A Anjari

Director- Esmail A Anjari

Director- Hatim J Anjari

Director- Fakhruddin E anjari

ANJARI SODA FACTORY LTD

Name of the Company
Anjari Soda Factory Ltd.

Post Box	Gofu Chini, Plot No. 99/100/101	COI Number	2491	Contact	Fakhruddin Anjari
Post Office	25	COI Date	13/02/60	Designation	Director
Region	Tanga	Application F. No	08885	Phone	0272642992
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0
		Sub Sector	Beverages	Fax	0
		File No	042460	E-Mail Address	0

Project Location	
lot/Block	Plot No. 99/100/101
Street	Gofu Chini
District	Tanga
Region	Tanga

Investment Finance Plan in Millions USD

Foreign Equity	Local Equity	Foreign Loan	Local Loan
0	0.25	0	0.19

Shareholders Detail

Name	Nationality	(%)
Fakhruddin E. Anjari	Tanzanian	10
Hatima J. Anjari	Tanzanian	10
Esmail A. Anjari	Tanzanian	40
Jivanjee. A Anjari	Tanzanian	40

Investment Breakdown (USD Million)

Land/Building	0.05
Plant	0.39
Vehicles	0
Furniture & Fittings	0
Pre-expenses	0
Others	0
Working Capital	0
Total	0.44

mployment	50	Evaluated By	,wf officer4
Capacity	9000 bottles per hour	Drawn By	wf registy2
Project Turn Over		Project Type	Local

Description
To expand plant for beverages bottling

Recomendations
Be approved subject to providing evidence as required by section 17 of Tanzania Investmnet Act,1997

Decision Approved
Mwanz
Ag ED
6/6

EBTL/TNG/INTR/2013/07

19th June, 2013

Executive Director,
Tanzania Investment Centre,
P.O. Box 938,
DAR ES SALAAM.

RE: **INTRODUCTION OF ANJARI SODA FACTORY LTD TZS A/C. NO. 0750144010:**

Please refer to the above subject.

We confirm that the above mentioned customer **ANJARI SODA FACTORY LTD** maintains the **Account No. 0750144010** in our Branch. Therefore you may accord him with provision of necessary assistance needed.

However, this information is issued with confidence for your own use, the Bank or its official will not be liable if the same will be misused.

Yours faithfully,
FOR EXIM BANK (T) LTD

DEOGRATIAS MAKWAIA
BRANCH MANAGER

Exim Bank (Tanzania) Ltd.

P. O. Box 729, Tanga,
Tel: (027) 2647288 Fax: (027) 2644088
website: www.eximbank-tz.com
E-mail: enquiry@eximbank-tz.com

(3)

TICC/PP.10/042460/3 10th June, 2013

Managing Director,
Anjari Soda Factory Ltd.,
P.O. Box 25,
TANGA.

RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE EXPANSION OF PLANT FOR BEVERAGES BOTTLING

We wish to acknowledge receipt of your project proposal to expand plant for beverages bottling as presented in the TIC P.A. 1 Form No. 08885 and Feasibility Study with a projected investment of USD 0.44m.

We have studied your project proposal and we are pleased to inform you that your investment proposal is now officially registered and therefore your project will be granted a CERTIFICATE OF INCENTIVES, given under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997. In order to enable TIC prepare your Certificate of Incentives, You will be required to submit the following:-

- Company Board Resolution accompanied by Bank Reference for equity funding or a letter from Bank/Financial Institution that a loan is granted or is under consideration as required by Section 17(3) (f) of Tanzania Investment Act, 1997.

You will also be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexture 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US$ 1000.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please make deposit direct to the bank as per bank details below:-

.../2

TICC/PP.10/042460/3 10th June, 2013

Tanzania Investment Centre
Standard Chartered Bank (T) Ltd
US Dollar A/C 8702006002000
T.Shs A/C 0102006002000

We wish you every success in the implementation of the project.

Yours sincerely,
TANZANIA INVESTMENT CENTRE

Juliet R. Kairuki
EXECUTIVE DIRECTOR

Copy to: Permanent Secretary,
Ministry of Finance,
P. O. Box 9111,
DAR ES SALAAM

Permanent Secretary,
Ministry of Industry, Trade and Marketing,
P.O. Box 9503,
DAR ES SALAAM

Commissioner General,
Tanzania Revenue Authority,
P. O. Box 11491,
DAR ES SALAAM

Form PA 1 Serial No. 6775 TIC N 08885

TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

(Tanzania Investment Act 1997, Section 17 and 18, and the Investment Regulations: Regulation 42, Government Notice No. 318A of 2002)

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938
DAR ES SALAAM
Tel. 022 2116328
Fax. 022 2118253
e-mail: information@tic.co.tz
Website: www.tic.co.tz

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

To: The Executive Director
Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM
Tanzania

1. I/We FAKHRUDDIN ANJARI

(diretor/di~~rectors/agent~~ of ANJARI SODA FACTORY LTD

(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVES.

under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at ..

48/5, CUSTOMS ROAD / INDIA STEET TANGA.

Copies of the following documents are attached to this application:

(i) The Memorandum and Articles of Association/or partnership agreement

(ii) Certificate of Incorporation/Registration

(iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date

(iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at CUSTOMS RD/ INDIA ST, TANGA.

4. The Principal Officers of the Company are JIVANJEE. A. ANJARI

ESMAIL. A. ANJARI, HATIM. J. ANJARI

FAKHRUDDIN. E. ANJARI

5. Auditors of the Company are ASSAD ASSOCIATES

P.O. BOX 7286, DSM TEL: 2115688 / 2114081.

6. The authorized share capital of the Company is Tshs./US$

Tshs: 19,600,000/-

7. The intended capital investment of the Company in terms of Section 2(2) of the Act

is ~~Tshs.~~/~~US$~~ US$ .... 0.44m ....

8. The month and day of the financial year end is .... DECEMBER 31st ....

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US$

.... Being the Registration Fees. ***In the event this application is unsuccessful we understand that this fee will not be refunded.***

I, ...FAKHRUDDIN ANJARI.... of Post Office Number .....25. TANGA.........

.... do solemnly and sincerely declare that I am a director/duly

authorized agent of .... ANJARI SODA FACTORY LTD. ....

AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, **AND** I make this solemn declaration conscientiously believing the same to be true.

Declared at ~~Dar es Salaam~~ TANGA. }
....

The 24th day of ....MAY.... 20.13. }

Applicant
ANJARI SODA FACTORY LTD

Before me:

G.D. BALISIDYA
HAKIMU
BOX 97 TANGA

....
Commissioner for Oaths
HAKIMU M/MWANZO MKUU
MJINI - TANGA

Attach only where applicable, otherwise indicate "N/A"

APPLICATION SUMMARY

Company Name: ANJARI SODA FACTORY LTD.

Certificate of Incorporation Number: 2491 Status:

Certificate of Incorporation Date: 13 FEBRUARY 1960.

Post Box: 25

Town: TANGA.

Sector: MANUFACTURING **Sub-Sector:** BEVERAGES

Investment Financing Plan in Million US$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
	USD$ 0.25m.		USD. 0.14m.

Project Objectives:

EXPANSION INTO PET (PLASTIC) BOTTLING PLANT TO MEET LOCAL DEMAND.

Capacity: 9,000 bottles per hour.

Employment: Foreign: Local: 50 Total: 50.

Implementation Period: 2013.

Project Location

Site/Plot/Block No.: 99/100/101

Street: GOFU CHINI. District: TANGA Region: TANGA.

(Attach sketch map showing project location)

Shareholders	Nationality	%
JIVANJEE. A. ANJARI	TZ	40
ESMAIL. A. ANJARI	TZ	40
HATIM. J. ANJARI	TZ	10
FAKHRUDDIN. E. ANJARI	TZ.	10.

Investment Breakdown **US$/Tshs.M**

Land/Building	50,000 -
Plant	390,000 .
Vehicles	
Furniture & Fittings	
Pre-expenses	
Others	
Working Capital	
TOTAL	USD $ 440,000 .

Contact Details:

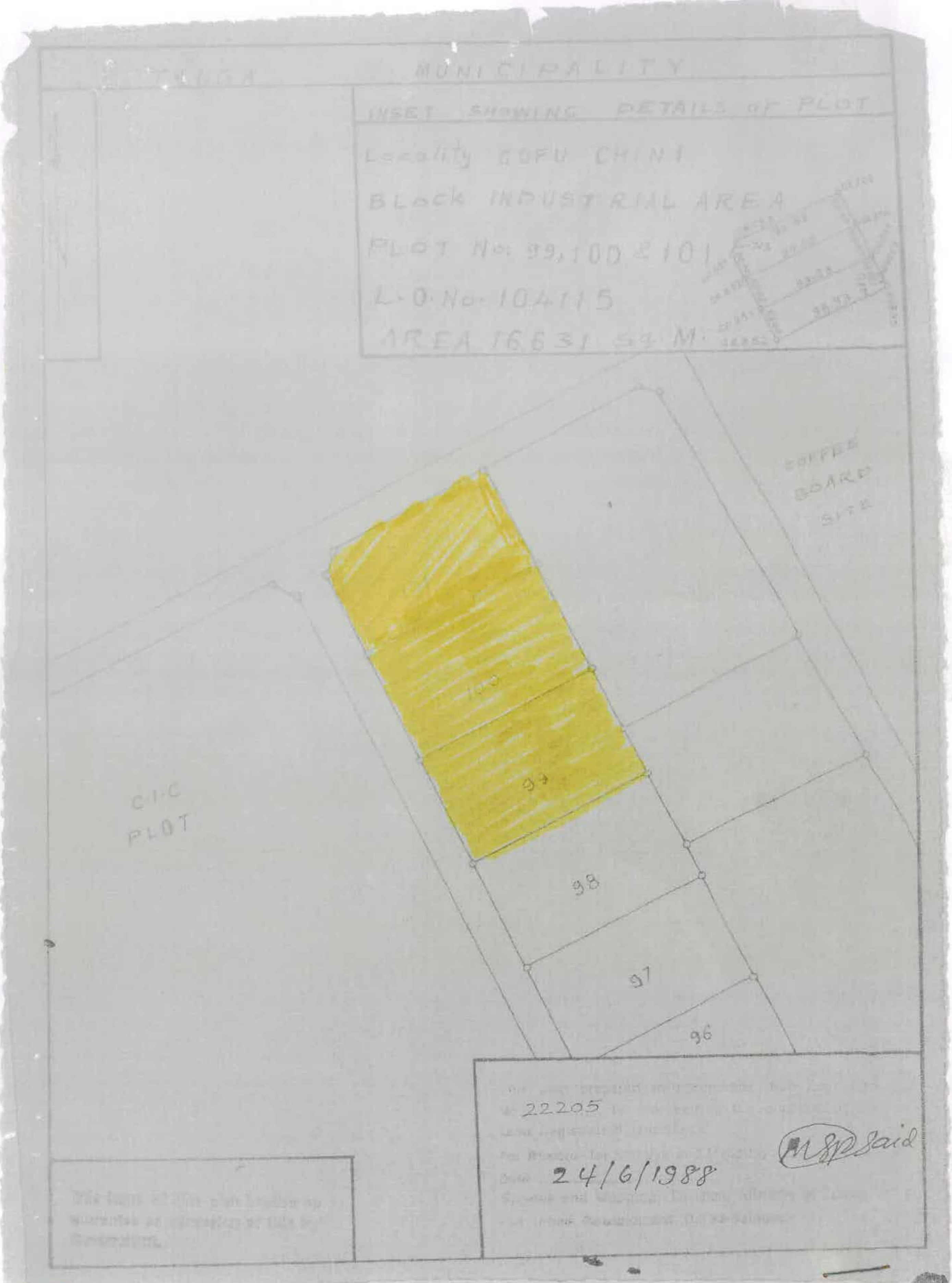
Name: FAKHRUDDIN ANSARI Title: DIRECTOR '

Telephone: 02726 42992 Fax: 027 26 46798 .

Email: health@kapitatanga.com .

Payments to be made payable to:

TANZANIA INVESTMENT CENTRE
STANDARD CHARTERED BANK TANZANIA LTD.
SWIFT ADDRESS: **SCBLTZTX**
ACCOUNT NO.: **8702006002000**


MUNICIPALITY
INSET SHOWING DETAILS OF PLOT
Locality GOFU CHINI
BLOCK INDUSTRIAL AREA
PLOT No: 99, 100 & 101
L.O. No. 104115
AREA 16631 Sq. M.
COFFEE BOARD SITE
C.I.C PLOT
100
99
98
97
96
22205
24/6/1988
M.S.P. Said

TUNISIA
MOROCCO
ALGERIA
LIBYA
EGYPT
MAURITANIA
MALI
NIGER
CHAD
SUDAN
ERITREA
DJIBOUTI
ETHIOPIA
SOMALIA
KENYA
ZAIRE
TANZANIA
ANGOLA
ZAMBIA
MALAWI
MOZAMBIQUE
ZIMBABWE
NAMIBIA
BOTSWANA
SWAZILAND
LESOTHO
SOUTHAFRICA
MADAGASCAR
South Atlantic Ocean
Indian Ocean
Indian Ocean

UGANDA
D.R. CONGO
KENYA
NAIROBI
RWANDA
KIGALI
BURUNDI
BUJUMBURA
Lake Victoria
KAGERA
MWANZA
MARA
SHINYANGA
ARUSHA
KILIMANJARO
MANYARA
KIGOMA
TABORA
SINGIDA
DODOMA
TANGA
PEMBA
NORTH; SOUTH
UNGUJA
NORTH; SOUTH & CENTRAL; TOWN & WEST
DAR ES SALAAM
RUKWA
MOROGORO
PWANI
MBEYA
IRINGA
LINDI
MTWARA
RUVUMA
D.R. CONGO
ZAMBIA
MALAWI
MOZAMBIQUE
INDIAN OCEAN
Scale 1:2,000,000
0 100 200 km
Digital Cartography by M C Shand
University of Glasgow 2007.

FORM P.A. 1 SERIAL NO.: .... TICN: ....

TANZANIA INVESTMENT CENTRE

REGISTRATION FORM
FOR
CERTIFICATE OF INCENTIVES

(Tanzania Investment Act 1997, Section 17 and 18, and the Investment Regulations: Regulation 42, Government Notice No. 318A of 2002)

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938
DAR ES SALAAM
Tel. 2116328
Fax. 2118253
e-mail: information@tic.co.tz
Website: www.tic.co.tz

(Please fill the form in duplicate)

THE UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

To: The Executive Director
Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM
Tanzania

1. I/We .... FAKHRUDDIN ANJARI ....

(diretor/di~~rectors~~/agent of ...... ANJARI SODA FACTORY LTD ......

(name of business enterprise) apply for registration of ... CERTIFICATE OF INCENTIVES

under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at ....

.... 48/5, CUSTOM ROAD / INDIA STREET, TANGA

Copies of the following documents are attached to this application:

(i) The Memorandum and Articles of Association/or partnership agreement

(ii) Certificate of Incorporation/Registration

(iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date

(iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at ... CUSTOMS RD / INDIA ST., TANGA

4. The Principal Officers of the Company are ..... JIVANJEE. A. ANJARI

ESMAIL. A. ANJARI, HATIM. J. ANJARI ....

FAKHRUDDIN. E. ANJARI. ....

5. Auditors of the Company are ...... ASSAD ASSOCIATES. ....

P.O. BOX 7286, DSM TEL: 2115688 / 2114081.

6. The authorized share capital of the Company is Tshs./US$ ....

.... T Shs: 19,600,000 /- . ...

....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tshs~~./US$ ......0.44m......

8. The month and day of the financial year end is ......DECEMBER 31st......

Note: ***failure to provide all the required information will result in the return of the application by the Centre.***

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US$ .... Being the Registration Fees. ***In the event this application is unsuccessful we understand that this fee will not be refunded.***

I, ...FAKHRUDDIN ANJARI...... of Post Office Number ......25, TANGA......

.... do solemnly and sincerely declare that I am a director/duly

authorized agent of ......ANJARI SODA FACTORY LTD......

AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, **AND** I make this solemn declaration conscientiously believing the same to be true.

Declared at ~~Dar es Salaam~~ TANGA }
The 24th day of ...MAY... 2003 }

....
Applicant
ANJARI SODA FACTORY LTD

Before me: G.D. BALISIDYA
HAKIMU
BOX 97 TANGA

....
Commissioner for Oaths
HAKIMU M/MWANZO MKUU
MJINI - TANGA

Attach only where applicable, otherwise indicate "N/A"

APPLICATION SUMMARY

Company Name: ANJARI SODA FACTORY LTD.

COI Number: 2491 Status:

COI Date: 13 FEBRUARY 1960.

Post Box: 25

Town: TANGA

Sector: MANUFACTURING. **Sub-Sector:** BEVERAGES

Investment Financing Plan in Million US$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
	US$. 0.25 m.		US$ 0.14 m

Project Objectives:

EXPASION INTO PET (PLASTIC) BOTTLING PLANT TO MEET LOCAL DEMAND.

Capacity: 9,000 bottles per hour.

Employment: Foreign: ……… Local: 50 Total: 50.

Implementation Period: 2013

Project Location

~~Site~~/Plot/Block ~~No.~~: 99/100/101

Street: GOFU CHINI. District: TANGA Region: TANGA.

(Attach sketch map showing project location)

Shareholders	Nationality	%
JIVANJEE. A. ANJARI	TZ.	40
ESMAIL. A. ANJARI	TZ	40
HATIM. J. ANJARI	TZ	10
FAKHRUDDIN. E. ANJARI	TZ.	10.

Investment Breakdown	**US$/~~Tshs.M~~**
Land/Building	50,000.
Plant	390,000.
Vehicles	....
Furniture & Fittings	....
Pre-expenses	....
Others	....
Working Capital	....
TOTAL	USD$440,000.

Contact Details:

Name: FAKHRUDDIN ANSARI Title: DIRECTOR.

Telephone: 027 26 42992. Fax: 027 26 46798.

Email: healtho@kaributanga.com.

FORM P.A. 1 SERIAL NO.: .... TICN: ....

TANZANIA INVESTMENT CENTRE

REGISTRATION FORM
FOR
CERTIFICATE OF INCENTIVES

(Tanzania Investment Act 1997, Section 17 and 18, and the Investment Regulations: Regulation 42, Government Notice No. 318A of 2002)

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(Please fill the form in duplicate)

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THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

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(Made under Regulation 42)

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Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM
Tanzania

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   (diretor/directors/agent of ......ANJARI SODA FACTORY LTD......

   (name of business enterprise) apply for registration of ......CERTIFICATE OF INCENTIVE

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   ESMAIL-A-ANJARI, HATIM-J-ANJARI......

   ......FAKHRUDDIN-E-ANJARI......

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   ......P.O.BOX 7286, DSM TEL: 2115688/2114081

6. The authorized share capital of the Company is Tshs./US$ ......

   ......TShs: 19,600,000/-......

   ......

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tshs.~~/US$ ....0.44m...

8. The month and day of the financial year end is ...DECEMBER 31ST..................

Note: ***failure to provide all the required information will result in the return of the application by the Centre.***

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US$ .... Being the Registration Fees. ***In the event this application is unsuccessful we understand that this fee will not be refunded.***

I, ...FAKHRUDDIN ANJARI.......................... of Post Office Number ..25, TANGA.

.... do solemnly and sincerely declare that I am a director/duly

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AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, **AND** I make this solemn declaration conscientiously believing the same to be true.

Declared at ~~Dar es Salaam~~ TANGA }
}
The ..24th..day of ....MAY........ 2003}

....
Applicant

ANJARI SODA FACTORY LTD

Before me: G. D. BALISIDYA
HAKIMU
BOX 97 TANGA

....
Commissioner for Oaths

HAKIMU M/ MKAZI MKUU
MJINI - TANGA

Attach only where applicable, otherwise indicate "N/A"

APPLICATION SUMMARY

Company Name: ANJARI SODA FACTORY LTD

COI Number: 2491 Status:

COI Date: 13 FEBRUARY 1960.

Post Box: 25

Town: TANGA

Sector: MANUFACTURING **Sub-Sector**: BEVERAGES.

Investment Financing Plan in Million US$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
	US$ 0.25m		US$ 0.14m.

Project Objectives:

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Capacity: 9,000 Bottles per hour.

Employment: Foreign: .... Local: 50 Total: 50

Implementation Period: 2013.

Project Location

Site/Plot/Block No.: 99/100/101

Street: GOFU CHINI District: TANGA Region: TANGA.

(Attach sketch map showing project location)

Shareholders	Nationality	%
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HATIM-J-ANJARI	TZ	10
FAKHRUDDIN-E-ANJARI	TZ	10.

Investment Breakdown	**US$/~~Tshs.~~M**
Land/Building	50,000
Plant	390,000.
Vehicles	....
Furniture & Fittings	....
Pre-expenses	....
Others	....
Working Capital	....
TOTAL	USD 440,000.

Contact Details:

Name: FAKHRUDDIN ANSARI Title: DIRECTOR

Telephone: 027 2642992 Fax: 0272646798.

Email: healtho@kaributanga.com

JAMHURI YA MUUNGANO WA TANZANIA 6775 08885
THE UNITED REPUBLIC OF TANZANIA
TFN. 611 (Rev. 8.93)

TAKABADHI YA SERIKALI 37890941

EXCHEQUER RECEIPT

IMEPOKEA KWA
Received from ANJARI SODA FACTORY LTD

Shs.	Cts.
= 149000 =	=

KIASI
Amount

KIASI YA SHILINGI (Kwa maneno)
The sum of Shillings (Words) ONE HUNDRED FORTY NINE thousand only

KWA MALIPO YA
In respect of Registration fee

KWA FEDHA TASLIMU/HUNDI
NAMBA — *By Cash/Cheque No.* CASH

SAHIHI YA MPOKEAJI — *Receiving Officer's Signature*

CHEO — *Title*

TAREHE — *Date* 10/11/11

KITUO — *Station*

For Executive Director
Tanzania Investment Centre

ANJARI SODA FACTORY LTD

REGISTERED ON 11-7-1988 8.00 a.

Land Form 32

and Revenue Receipt No. 965517 of 28-6-1988 issued.

L.O. No. 104115:

TRT.NO.8132:

L.D. No.........

THE UNITED REPUBLIC OF TANZANIA

CERTIFICATE OF OCCUPANCY

(Section 9 of the Land Ordinance)

The 8th day of July One thousand nine hundred and eighty eight.

TITLE No. 5474 LAND REGISTRY MOSHI

THIS IS TO CERTIFY that SYKES SALES PROMOTION CONSULTANTS LIMITED a limited liability Company incorporated in Tanzania under the Companies ordinance (Cap 212) and having its registered office at P.O. BOX 1947, DAR ES SALAAM. ----------

(hereinafter called "the Occupier") is entitled to a Right of Occupancy (hereinafter called "the Right") in and over the Land described in the Schedule hereto (hereinafter called "the Land") ~~as joint tenants/as tenants in common in equal shares~~ for a -----term of ninety nine -----years from the first ---------- day of July ---------- One thousand nine hundred and eighty eight ---- according to the true intent and meaning of the Land Ordinance and subject to the provisions thereof and to any regulations made thereunder and to any enactment in substitution therefor or amendment thereof and to the following special conditions:—

1. The Occupier having paid rent up to the thirtieth day of June, 1989, shall thereafter pay rent of five thousand, one hundred (5,100/-) Shillings ---------- a year in advance on the first day of July in every year of the term without any deduction PROVIDED that the rent may be revised by the Minister for the time being responsible for Lands (hereinafter called "the Minister") on the first day of July in each of the years 1998, 2008, 2018, 2028, 2038, 2048, 2058, 2068 and 2078 ---------- or within three years thereafter in each case.

2. The Occupier shall:—
   (i) Erect on the land buildings (hereinafter called "the buildings") in permanent materials designed for use in accordance with the conditions of the Right and which conform to the building line (if any) decided by the Tanga Municipal Council ---- (hereinafter called "the Authority");
   (ii) By the thirty first day of December ---------- 19 88, submit to the Authority such plans for the buildings (including block plans showing the position of the buildings) and such drawings, elevations and specifications of them as will satisfy the Authority and as are in accordance with the building condition in sub-paragraph (i) above which said plans and specifications shall be submitted in triplicate;
   (iii) Within six months from the date of notification by the Authority of approval of the plans and specificatios referred to in sub-paragraph (ii) above begin building on the land in accordance with such plans and specifications;
   (iv) Complete the buildings according to the plans and specifications so that they are ready for use and occupation by the thirtieth ---------- day of ----- June ---------- 19 91;
   (v) At all times during the term after the thirtieth ---------- day of ----- June ---------- 19 91, have on the land buildings as approved by the Authority and maintain them in good order and repair to the satisfaction of the Commissioner for Lands (hereinafter called "the Commissioner");

ANJARI SODA FACTORY LTD

(vi) Not erect or commence to erect on the land any building except in accordancew with building plans and specifications which shall have been first approved by the Authority as hereinbefore provided;

(vii) Be responsible for the protection of all beacons on the land throughout the term of the Right. Missing beacons will have to be re-established at any time at the Occupier's expenses as assessed by the Commissioner for Surveys and Mapping.

Approval of plans of any building by the Authority shall not imply that the construction of such a building will satisfy the Occupier's obligation under the conditions of the Right and shall not imply waiver of modification of any condition in the Right.

3.—(i) The Occupier's shall not subdivide the land or assign, sublet or otherwise dispose of or deal with the whole or any part of it or of any building on it without the previous written consent of the Commissioner PROVIDED that after condition 2(iv) has been complied with by the Occupier the consent of the Commissioner shall not be necessary:—

~~to a single sub-letting of the whole of the land where the sub-lease contains conditions sufficient to ensure compliance with the conditions of the Right;~~

~~to a sub-letting of the whole of the land or of the whole or any part of any building on it where the sub-lease contains conditions sufficient to ensure compliance with the conditions of the Right.~~

(ii) Occupation or use of the whole or any part of the land of buildings on it by any person othe than the Occupier or its employees agents contractors or members of the household shall be deemed a dealing with the land or buildings.

4. Except as hereinbefore provided the Commissioner shall have an absolute discretion to give or withhold consent under condition 3(i). Any dealing or agreement (other than a mortgage or charge) entered into before compliance with condition 2(iv) will not receive consent except in special crcumstances of which the Commissioner shall be the sole judge.

5. The Occupier shall pay to the Minister on demand made by the Commissioner on his behalf:—

(i) any further fees or stamp duties which may be descovered to be payable by the Occupier in connection with the Right;

(ii) an amount equal to any contribution in lieu of rates which may be payable by Government for the land during the term of the Right;

(iii) such sum as the Commissioner shall assess as a proper share payable for the land of the cost of making up the road or improvement of same upon which the land fronts, abuts or adjoins, whether such demand is made before during or after such making or improvement thereof. This condition does not oblige the Government to make or improve roads.

6. The Occupier shall further:-

6. (i) make and maintain on the land throughout the term adequate arrangements for water supply, drainage and sisposal of trade refuse and effluent to the satisfaction of the Authority;

(ii) make and keep all the buildings on the land rat-proof and carry out such measures as the Medical Officer of Health for the Authority may require for this purpose;

(iii) provide and maintain on the land such ablution facilities and take and maintain such hygienic measures as may be required by the said Medical Officer of Health.

7. USER: The land and the buildings to be erected thereon shall be used for General Industrial purposes only Use Group 'O' use class (a) as defined in the Town and Country Planning (Use Classes) Regulations, 1960.

8. The President may revoke the Right for good cause and in public interest.

AFTER COMPARISON WITH THE ORIGINAL DOCUMENT I CERTIFY THAT THIS IS THE TRUE COPY OF THE ORIGINAL

TAHIR ALI
NOTARY PUBLIC TANGA

SCHEDULE

ALL that land known as Plot Nos. 99, 100 and 101 Gofu Chini Industrial Area Tanga Municipality containing sixteen thousand six hundred and thirty one (16,631) ~~square feet~~ metres shown for identification only edged on the plan attached to this Certificate and defined on the registered survey plan numbered 22205 deposited at the Office of the Commissioner for Surveys and Mapping at Dar es Salaam.

GIVEN under my hand and seal and by Order of the Minister the day and year first above written.

"Director of Land Development Services"
COMMISSIONER FOR LANDS

G P Dsm 16353/8-84/5m/1u1

The within-named SYKES SALES PROMOTION CONSULTANTS LIMITED hereby accept the terms and conditions contained in the foregoing Certificate of Occupancy.

SEALED with the COMMON SEAL of the said SYKES SALES PROMOTION CONSULTANTS LIMITED and DELIVERED in the presence of us this

4th day of July 1988

Signature:.....................

Postal Address:.....P.O. Box 1947.....

.....Dar es Salaam.....

Qualification:.....Managing Director

Signature:.....................

Postal Address:.....P. O. Box 1947

.....Dar es Salaam.....

Qualification:.....Director.....

ANJARI SODA FACTORY LTD

TAHIR ALI ADVOCATE NOTARY PUBLIC & COMMISSIONER FOR OATHS P. O. BOX 34 - TANGA

In this document every reference to "Commissioner for Land and "Commissioner for ... Mapping" should ... read "Director of Land Development Services" and "Director of ..."

LAND REGISTRY, MOSHI

MORTGAGE

Filed Document No. 6241

Date of registration 13-4-91 8.00 A.

To THE NATIONAL BANK OF COMMERCE to secure an unspecified amount.

DISCHARGED FD. 9045 ON 31.7.1995 AT 8.00 A.M.

PRINC. ASST. REG. OF TITLES

Asst. Registrar of Titles

LAND REGISTRY, MOSHI

TRANSFER

Filed Document No. 16847

Date of registration 13-5-2004 10.45a

ANJARI SODA FACTORY of P.O. BOX 25, TANGA.
(Cons TSHS 65,000,000/=)

Asst. Registrar of Titles

LAND REGISTRY, MOSHI

MORTGAGE

Filed Document No. 17741

Date of registration 28-01-2005 11.00 A.

EXIM BANK TANZANIA LIMITED (To Secure an Unspecified Amount)

Asst. Registrar of Titles

TAHAR ALI
ADVOCATE
NOTARY PUBLIC & COMMISSIONER FOR OATHS
BOX 34, MOSHI

Market

TANZANIA

Land Form 51

CERTIFICATE OF OCCUPANCY

(Issued under Section 9 of the Land Ordinance)

Date of Issue:

Title Number: 5474 LAND REGISTRY - MOSHI

Land Office Number: 104115:

Land PLOT NOS. 99, 100 AND 101 GOFU CHINI INDUSTRIAL AREA, TANGA MUNICIPALITY:

Term: NINETY NINE YEARS:

ANJARI SODA FACTORY LTD

TANGANYIKA

Certificate of Incorporation

No. 2491

I HEREBY CERTIFY THAT

ANJARI SODA FACTORY - - - - - -

- - - - - - - - Limited

is this day incorporated under the Companies Ordinance (Cap. 212) and that the Company is Limited.

Given under my hand at Dar es Salaam

this Thirteenth day of February

One thousand nine hundred and Sixty

Asst. *Registrar of Companies*

G P Dsm 67720/5-52/3m

CERTIFIED TRUE COPY OF THE ORIGINAL

I / S / PC MAGISTRATE TANGA 23/5/13

ANJARI SODA FACTORY LTD

ANNUAL ACCOUNTS

M/S ANJARI SODA FACTORY LIMITED

P.O. BOX 25

TANGA- TANZANIA

REGIONAL ... TANGA ... TANZANIA REVENUE AUTHORITY

FINANCIAL STATEMENTS

FOR

THE YEAR ENDED

31st DECEMBER 2010

ASSAD ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 3204, DAR ES SALAAM, TANZANIA
TEL: 2115688, 2114081
FAX: 2131036, E-mail: assad@africaonline.co.tz

CERTIFIED TRUE COPY OF THE ORIGINAL

I/S/RC MAGISTRATE
TANGA
23/5/13

REGIONAL MANAGER
RECEIVED
2 JUN 2011
TANGA
TANZANIA REVENUE AUTHORITY

ANJARI SODA FACTORY LIMITED

P.O.Box 25

TANGA

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

ANJARI SODA FACTORY LIMITED

REGIONAL MANAGER
RECEIVED
2 JUN 2011
TANGA
TANZANIA REVENUE AUTHORITY

CONTENTS

ANJARI SODA FACTORY LIMITED

REPORT OF THE DIRECTORS

1 The directors present their report with the accounts of the company for the year ended 31st December 2010

2 **Principal activity**

The principal activity of the company for the year under review was that of manufacturing soft drinks and syrup.

3 **Results for the year**

The results for the year and the financial position of the company are as shown in the annexed accounts.

4 **Employee welfare**

The relationship between employee and the management continued to be cordial. The company pays for medical expenses of each employee.

5 **DIRECTORS**

The directors during the year and their beneficial interest in the share capital of the company were:

Jivanjee Akberali Anjari	- 401000 Ordinary shares of shs.20/= each
Esmail Akberali Anjari	- 401000 Ordinary shares of shs.20/= each
Hatim Jivanjee Anjari	- 98000 Ordinary shares of shs.20/= each
Fakhruddin Esmail Anjari	- 98000 Ordinary shares of shs 20/= each

6 **Auditors**

The auditors, Assad Associates appointed during the year, have expressed their willingness to continue in office and will be recommended for re-appointment at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

DIRECTOR...................................DATED 2 March 2011

Statement of Directors' responsibilities

The Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results for that year. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the accepted Financial Reporting Standards and the requirements of the companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The director further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal control.

Nothing has come to the attention of the directors to indicate the company will not remain a going concern for at least twelve months from the date of this statement.

Director

Director

Dated: 2 March, 2011

REGIONAL MANAGER
RECEIVED
2 JUN 2011
TANGA
TANZANIA REVENUE AUTHORITY

ANJARI SODA FACTORY LIMITED

AUDITORS REPORT TO THE MEMBERS

We have audited the financial statements of M/S ANJARI SODA FACTORY LIMITED as set out on Pages 4 to 13 for the year ended 31 December 2010..

Respective responsibilities of directors and auditors

As described on page 2, the company directors are responsible for the preparation of these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

Opinion

In our opinion, the financial statements give true and fair view of the state of affairs of the company as at 31 December 2010 and of the results of its operations and cash flows for the year then ended in accordance with the current Financial Reporting Standards and comply with the Tanzania Companies Act 2002.

For: ASSAD ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Sajjad Jusab
(FCPA 216)

Place: Dar es salaam

Date: 4 March, 2011

REGIONAL MANAGER
RECEIVED
2 JUN 2011
TANGA
TANZANIA REVENUE AUTHORITY

ANJARI SODA FACTORY LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2010

Notes		2010 Shs	2009 Shs
2	**SALES**	2,220,673,860	1,339,953,460
3	Cost of sales	1,737,445,216	1,066,806,054
		483,228,644	273,147,406
4	Administrative expenses	143,313,271	108,840,474
5	Selling expenses	21,078,927	11,665,482
6	Financial expenses	3,248,078	1,757,640
		167,640,276	122,263,596
	Profit (Loss) before taxation	315,588,368	150,883,810
		315,588,368	150,883,810
8	Income tax expense	49,891,148	-
	Profit/(Loss)after taxation	**265,697,221**	**150,883,810**

ANJARI SODA FACTORY LIMITED

BALANCE SHEET
As at 31 December 2010

Notes		2010 Shs	2009 Shs
	ASSETS		
9	Property, plant and machinery	524,302,658	577,936,221
	Intangible assets - Trade Mark	158,420	158,420
	Total non current assets	524,461,078	578,094,641
10	Inventories	170,270,952	147,769,215
11	Accounts receivables	366,555,479	147,740,093
12	Cash and cash equivalents	49,773,331	15,757,574
	Total current assets	586,599,762	311,266,882
	Total assets	1,111,060,840	889,361,523
	Liabilities		
13	Accounts payables	638,221,987	702,079,891
	Total current liabilities	638,221,987	702,079,891
	Long term liability		
14	Loans	40,000,000	40,000,000
	Total liabilities	678,221,987	742,079,891
	NET ASSETS	**432,838,853**	**147,281,632**
	EQUITY		
	Issued share capital	19,960,000	100,000
	Retained earnings	412,878,853	147,181,632
		432,838,853	**147,281,632**

DIRECTOR...

DIRECTOR...

Dated : 2 March 2010

ANJARI SODA FACTORY LIMITED

STATEMENT OF EQUITY CHANGES
for the year ended 31 December 2010

	Share capital Shs	Profit & loss Shs	Total Shs
Balance at 1 January 2009	100,000	(3,702,178)	(3,602,178)
Net profit	-	150,883,810	150,883,810
Balance at 31 December 2009	**100,000**	**147,181,632**	**147,281,632**
Balance at 1 January 2010	100,000	147,181,632	147,281,632
Issued capital paid in	19,860,000		19,860,000
Net Profit	-	265,697,221	265,697,221
Balance at 31 December 2010	**19,960,000**	**412,878,853**	**432,838,853**

ANJARI SODA FACTORY LIMITED

STATEMENT OF CASH FLOW
for the year ended 31 December 2010

	2010	2010	2009	2009
	Shs	Shs	Shs	Shs
Profit before taxation		315,588,368		150,883,810
Depreciation		72,211,527		80,403,337
		387,799,895		231,287,147
Working capital changes				
(Increase)/decrease in stock	(22,501,737)		63,228,074	
Decerease/(increase) in accounts receivables	(218,815,386)		(83,573,945)	
Decrease in accounts payable	(63,857,904)	(305,175,027)	(9,443,575)	(29,789,446)
		82,624,868		201,497,701
Income tax expense	-	(49,891,148)		-
		32,733,720		201,497,701
Financing				
Repayment of loan		-		(189,960,000)
Capital brought in		19,860,000		
		52,593,720		11,537,701
Investment activities				
Aquiring fixed assets	(18,577,963)		(8,223,947)	
		(18,577,963)		(8,223,947)
Increase/(Decrease) in cash and cash equivalents		34,015,757		3,313,754
Cash and cash equivalents brought forward		15,757,574		12,443,820
Cash and cash equivalents carried forward		**49,773,331**		**15,757,574**

ANJARI SODA FACTORY LIMITED

1 GENERAL INFORMATION

Anjari Soda Factory Limited is registered in Tanzania under the Companies Ordinance.

2 ACCOUNTING POLICIES FOR THE YEAR ENDED 31 December 2010

(a) Basis of accounting

The financial statements are prepared in accordance with and comply with the generally accepted Financial Reporting Standards. The financial statements are presented in Tanzania Shillings and are prepared under the historical cost convention.

(b) Revenue recognition

Sales of goods are recognized in the period in which the company has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

(c) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is charged to the income statement on a reducing balance basis over the estimated useful lives of each part of an item of property, plant and equipment. The annùal rates of depreciation to write off each asset over the estimated useful lives are as follows:

	%
Building	5
Plant and machinery	12.5
Vehicles /motorbike	25
Furniture and fittings	12.5
Tools and equipments	12.5
Electrical installations	12.5

Equipment is expected for a periodical review for impairment. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

(continued)

(d) **Inventories**

Inventories consists of finished goods and raw and packing materials and are stated at the lower of cost and realizable value with cost determined on average principle. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of finished goods, cost includes an appropriate share of overheads based on normal operating capacity.

(e) **Accounts receivables**

Advanced amounts to suppliers for goods to be received and deposits. A provision for impairment is established where there is an objective evidence that the company will not be able to collect all the amounts due according the terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

(f) **Foreign currency transactions**

Transactions in foreign currencies are translated at the foreign exchange rates at the date of the transaction.

(g) **Taxation**

Current taxation is provided for on the basis of the results for the year as shown in the financial statement adjusted according to the Tanzanian Income Tax Act.

ANJARI SODA FACTORY LIMITED

NOTES RELATING TO THE ACCOUNTS
for the year ended 31 December 2010

		2010	2009
		Shs	**Shs**
3	**Cost of sales**		
	Material consumed	1,435,387,019	830,439,594
	Maintenance of machinery & equipment	28,940,698	11,498,793
	Employees costs	91,661,200	65,725,188
	Direct overheads	116,172,162	77,229,998
	Depreciation	70,812,751	78,750,253
	Stock diffrential	(5,528,614)	3,162,228
		1,737,445,216	**1,066,806,054**
4	**Administrative expenses**		
	Employees costs	28,380,000	22,020,000
	Directors remunerations	54,000,000	46,800,000
	Auditors remunerations	1,250,000	1,000,000
	Depreciation	1,398,776	1,653,084
	Other administrative expenses	58,284,495	37,367,390
		143,313,271	**108,840,474**
5	**Selling expenses**		
	Vehicle running exp.	**21,078,927**	**11,665,482**
6	**Financial expenses**		
	Bank charges/ (exchange gains)	3,248,078	1,757,640
		3,248,078	**1,757,640**

7 **Employees costs**

The expense is recognised in the following line in the income statement:

Salaries,wages and allowanees	2010	2009
Cost of sales	76,667,700	54,428,568
Administrative exp.	82,380,000	68,820,000
Social security benefit costs	14,993,500	11,556,600
	174,041,200	**134,805,168**

The number of persons on permanent employment as at the end of the year was 48 (2009: 20) with 3 working directors (2009:3)

ANJARI SODA FACTORY LIMITED

NOTES RELATING TO ACCOUNTS
for the year ended 31 December 2010

8 **Income tax expense**

A reconciliation of taxable profit is shown below

	2010 Shs	2009 Shs
Tax loss brought forward	(200,798,325)	(372,744,995)
Profit (Loss) for the year	315,588,368	150,883,810
Expenses not deductible	77,435,327	84,616,832
Capital allowances	(55,903,742)	(63,553,972)
Previous year adjustments	-	-
Adjusted profit	136,321,629	(200,798,325)

Deferred tax assets are recognised only to the extent that it is probable that future profits will be available against which temporary differences can be utilised.

9 **Property, plant and equipment**

	NBV at 1.1.2010	Addition	Total	Depreciation	bal 31.12.10
Building	61,174,645	0	61,174,645	3,058,732	58,115,913
Plant and machinery	481,102,346	18,092,200	499,194,546	62,399,318	436,795,228
Vehicles- lorries	12,807,851	-	12,807,851	3,201,963	9,605,888
Vehicles- pick up	862,865	0	862,865	215,716	647,149
Motor bike	198,281	-	198,281	49,570	148,711
Furniture and fittings	2,766,010	0	2,766,010	345,751	2,420,259
Tools and equipments	2,441,103	245,763	2,686,866	335,858	2,351,008
Electrical installation	10510939	0	10,510,939	1,313,867	9,197,072
Saloon car T942AXH	3773819	0	3,773,819	943,455	2,830,364
Office equipments	0	240,000	240,000	60,000	180,000
Solar Water Heater	2298363	0	2,298,363	287,295	2,011,068
Total	**577,936,222**	**18,577,963**	**596,514,185**	**72,211,527**	**524,302,658**

					introduced on
Addition:	P & M	Chiller	1,500,000		16.02.10
		Pump	435,200		16.02.10
		Inkjet Coding Machine	16,157,000	18,092,200	
	Tools/Eq	Drill machine set		245,763	10.02.10
	Office Eq	Printer,photocopier&scanner		240,000	01.10.10
				18,577,963	

NOTES RELATING TO THE ACCOUNTS
for the year ended 31 December 2010

10 Inventories

	2010	2009
	Shs	Shs
Raw and packing materials & fuel	155,256,572	138,283,449
Finished goods	15,014,380	9,485,766
	170,270,952	**147,769,215**

Stock has been valued by the directors at the lower of costs and net realisable value.

11 Accounts receivable

	2010	2009
	Shs	Shs
Deposit	1,400,000	1,400,000
Advances	365,155,479	146,340,093
	366,555,479	**147,740,093**

12 Cash and cash equivalents

	2010	2009
	Shs	Shs
Cash at bank - NBC	11,840,057	5,336,933
Cash at Bank - Stanbic	1,876,843	1,876,843
Cash at Bank- Exim	989,211	1,464,545
Cash at Bank DTB Local	1,335,662	0
Cash at Bank DTB usd	26,906,100	0
Cash at NMB	661,412	3,905,350
Cash in hand	6,164,046	3,173,903
	49,773,331	**15,757,574**

13 Accounts payable

	2010	2009
	Shs	Shs
Trade and other creditors	584,579,670	664,051,709
Directors current account	0	18,221,293
Accrued expenses	28,751,169	19,806,889
	613,330,839	702,079,891
Corporate tax payable	24,891,148	-
	638,221,987	**702,079,891**

NOTES RELATING TO THE ACCOUNTS
for the year ended 31 December 2010

14 Loans

	2010 Shs	2009 Shs
Khozema Doctor (USA)	40,000,000	40,000,000
	40,000,000	**40,000,000**

This is unsecured loan and the lenders have confirmed continued support on company's working capital.

15 Reporting currency
These accounts are presented in Tanzanian Shillings.

16 Incorporation
The Company is incorporated under the Companies Ordinance Cap 212

ANJARI SODA FACTORY LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010

FOR MANAGEMENT PURPOSES

CONTENTS

ANJARI SODA FACTORY LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2010

	2010 Shs	2009 Shs
SALES	2,427,037,415	1,455,258,364
Less: excise duty	206,363,555	115,304,904
Net sales	2,220,673,860	1,339,953,460
COST OF SALES		
Material consumed	1,435,387,019	830,439,594
Maintenance of machinery, equipments& factory bld.	28,940,698	11,498,793
NPF contribution	14,993,500	11,556,600
Skills and dev. levy	9,002,700	7,080,588
Wages/salaries& allowances	67,665,000	47,088,000
Electricity	27,659,898	23,479,493
Fuel consumed	64,975,350	41,543,298
Water	1,264,032	1,311,427
Depreciation	70,812,751	78,750,253
Printing ink	4,421,848	-
Insurance-workmen comp.	303,660	259,980
Transport Inwards	17,139,572	10,407,613
Cleaning materials	407,802	228,187
Stock differential	(5,528,614)	3,162,228
	1,737,445,216	1,066,806,054
Gross profit/(Loss)	483,228,644	273,147,406
ADMINISTRATION EXPENSES		
Service levy	6,661,687	4,322,786
Car running exp	4,583,800	3,888,495
Postages and telephones	4,928,531	3,115,670
Salaries	28,380,000	22,020,000
Licences,TLB, permits, fees& Insurance	9,665,356	4,349,845
Security expenses	6,063,746	6,061,526
Medical	241,450	431,200
Paper and periodicals	170,400	375,800
Directors remuneration	54,000,000	46,800,000
Rent	1,200,000	1,200,000
Land rent and property tax	562,500	862,500
Donations & penalties	640,000	325,000
Subscription	300,000	130,000
Printing and stationery	1,321,800	643,275
Depreciation	1,398,776	1,653,084
Audit fees	1,250,000	1,000,000
Staff uniforms & canteen	4,779,758	667,500
Sub total c/fwd	126,147,804	97,846,681

ANJARI SODA FACTORY LIMITED

DETAILED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2010

	2010	2009
	Shs	Shs
ADMINISTRATION EXPENSES (continued)		
Sub total b/fwd	126,147,804	97,846,681
Advertisment	12,546,949	4,561,314
General expenses	575,118	1,963,379
Travelling	4,043,400	4,469,100
	143,313,271	108,840,474
SELLING EXPENSES		
Vehicle running exp(delivery vans)	21,078,927	11,665,482
FINANCIAL EXPENSES		
Bank Charges	4,144,948	1,757,640
Exchange loss/(gains)	(896,870)	-
	3,248,078	1,757,640
TOTAL EXPENSES	167,640,276	122,263,596
OPERATING PROFIT	**315,588,368**	**150,883,810**

ANJARI SODA FACTORY LIMITED

SCHEDULE TO ACCOUNTS
for the year ended 31 December 2010

1 Computation of chargeable income for the year ended 31 December 2010

Adjusted Loss brought forward	200,798,325	
Adjustment per assessments 2007-2009	0	29,982,198
Profit per account		315,588,368
Depreciation		72,211,527
Wear and Tear	55,903,742	
Donations&penalties 100%		640,000
Car running exp		4,583,800
Adjusted chargeable profit	166,303,826	
	423,005,893	423,005,893
Tax thereof 30%	49,891,148	

2 CALCULATION OF WEAR AND TEAR

	50%	37.50%	25%	12.50%	5%	Total
Bal 1.1.09	0	4	575,243	2,244,633	25,269	2,845,149
Total	0	4	575,243	2,244,633	25,269	2,845,149
Wear & tear	0	2	143,811	280,579	1,263	425,655
Bal 31.12.10	0	3	431,432	1,964,054	24,006	2,419,494

Additions	Initial Allowance		Class 2	Class 3	Class 6	Total
	50%		25%	12.50%	5%	
			Reducing bal	Reducing bal	Straight line	
Bal. B/f			164,532,236	2,790,102	62,562,555	229,884,893
Bal b/f initial allow			3,855,724			3,855,724
Total			168,387,960	2,790,102	62,562,555	233,740,617
Addition -chiller	1,500,000		0	485,763		1,985,763
- pump	435,200					435,200
- coding machine	16,157,000					16,157,000
Total	18,092,200		168,387,960	3,275,865	62,562,555	252,318,580
Wear & Tear	9,046,100		42,096,990	409,483	3,951,319	55,503,892
Bal 31.12.10	9,046,100		126,290,970	2,866,382	58,611,236	196,814,688
Total wear & tear						55,929,547
		allowable	for the year			
Class 3 introduced						
Drill machine -	10.02.10					
shs 245,763		27,353	30,720			
Photocpier, printer	01.10.10					
shs 240,000		7,562	30,000			
	Allowable W/T	34,915	60,720			55,903,742

ANJARI SODA FACTORY LIMITED

SCHEDULE TO ACCOUNTS
for the year ended 31 December 2010

		Shs		
3	**Sundry creditors**			
	Accruals	28,751,169		
	Filling System (long term)	546,098,339		
	Forward air (usd a/c)	743,475		
	PAYE	1,123,425		
	SDL	2,303,495		
	Hajees Handeni	425,000		
	VAT Payable	33,885,936		
		613,330,839		
4	**Advances and Trade debtors**			
	Asthana Brothers	70,128		
	Forward air	5,307,967		
	Newamstar	327,570,000		
	Oryx	9,442,019		
	TOL	468,425		
	Wenzhou Hieasy Import & Exports	10,044,540		
	Sundry debtors	12,252,400		
		365,155,479		
5	**Accrued expenses**			
	Service Levy	911,640		
	Water	57,444		
	Excise duty	26,532,085		
	Audit fees	1,250,000		
		28,751,169		
6	**FINISHED GOODS as at 31 December 2010**			
		Qty	@	
	Syrup in 5Ltrs jerry cans	1595	4,559.45	7,272,323
	Syrup in 1ltr bottlex12	252	11,666.21	2,939,885
	Soda in 300ml bottlex24	2257	2,127.68	4,802,172
				15,014,380

ANJARI SODA FACTORY LIMITED

SCHEDULE TO ACCOUNTS
for the year ended 31 December 2010

7 GENERAL EXPENSE

Accomodation for technicians	85,627
General glue	44,491
washing cleaning	105,000
Veterinary service	48,000
Bike repairs	92,000
Facilitating fees	200,000
	575,118

ANJARI SODA FACTORY LIMITED

SCHEDULE TO ACCOUNTS
for the year ended 31 December 2010

Material consumed and stocks (raw & packing mat.)

	o stock		purchase		total		Average	issued to	value of	balance	balance
	1.1.2010		2010				price	production	issues	31.12.10	shs
	quantity	value shs	quantity	value shs	quantity	value shs	shs	quantity	shs	quantity	value
food color	326	4,080,305	2,000	30,875,974	2,326	34,956,279	15,028	1,291	19,401,787	1035	15,554,492
plastic crates-no	5000	17,634,749	7,618	39,593,400	12,618	57,228,149	4,535	11,618	52,692,712	1000	4,535,437
glass bottles-no	100000	16,146,617	400,176	129,347,443	500,176	145,494,060	291	475,000	138,170,721	25176	7,323,339
essense-kgs	1245	33,424,446	8,865	250,384,454	10,110	283,808,900	28,072	9,186	257,870,282	924	25,938,618
chemical-kgs	2200	5,996,399	12,950	37,294,372	15,150	43,290,771	2,857	14,260	40,747,617	890	2,543,154
plastic bott. 1 ltr-nos	10218	1,543,152	259,350	43,598,191	269,568	45,141,343	167	260,778	43,669,386	8790	1,471,957
plastic j cans 5 ltr-nos	3148	2,235,925	65,580	51,288,600	68,728	53,524,525	779	64,191	49,991,165	4537	3,533,360
plastic cans 3 ltrs	121	41,708	-	-	121	41,708	345	-	-	121	41,708
sugar-kgs	100	100,393	559,000	633,662,790	559,100	633,763,183	1,134	542,800	615,286,453	16300	18,476,730
crown corks-ctnx10000	312	34,210,665	1,341	137,149,223	1,653	171,359,888	103,666	1,141	118,282,899	512	53,076,989
co2 gas	0	1,372,700	-	31,118,575	-	32,491,275			31,241,275	0	1,250,000
boxes-nos	2137	862,261	28,715	17,641,920	30,852	18,504,181	600	23,314	13,983,096	7538	4,521,085
glue	20	89280	80	360,000	100	449,280	4492.8	82	368,410	18	80,870
labels	413100	4,464,558	599,400	7,583,013	1,012,500	12,047,571	11.898836	430,000	5,116,499	582500	6,931,072
fuel oryx		4,204,418	-	62,491,956	2,326	66,696,374			64,975,350		1,721,024
Caffine-kg	125	4,182,428	600	17,539,813	725	21,722,241	29,962	590	17,677,410	135	4,044,831
Sweetner-kg	250	7,693,444	1,000	27,405,769	1,250	35,099,213	28,079	1,100	30,887,307	150	4,211,906
Totals		138,283,448		1,517,335,493		1,655,618,941			1,500,362,369		155,256,572

ANNUAL ACCOUNTS

M/S ANJARI SODA FACTORY LIMITED

P.O. BOX 25

TANGA

FINANCIAL STATEMENTS

FOR

THE YEAR ENDED

31ST DECEMBER 2012.

ASSAD ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

P. o. Box 7286, Dar es Salaam, Tanzania
Tel: 2115688/2114081
Fax: 2131036, E-mail: assad@africaonline.co.tz

CERTIFIED TRUE
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I / S / PC MAGISTRATE
TANGA
23/5/13

ANJARI SODA FACTORY LIMITED

P.O.Box 25

TANGA

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

ANJARI SODA FACTORY LIMITED

CONTENTS

ANJARI SODA FACTORY LIMITED

REPORT OF THE DIRECTORS

1 The directors present their report with the accounts of the company for the year ended 31st December 2012

2 **Principal activity**

The principal activity of the company for the year under review was that of manufacturing soft drinks and syrup.

3 **Results for the year**

The results for the year and the financial position of the company are as shown in the annexed accounts.

4 **Employee welfare**

The relationship between employee and the management continued to be cordial. The company pays for medical expenses of each employee.

5 **DIRECTORS**

The directors during the year and their beneficial interest in the share capital of the company were:

Jivanjee Akberali Anjari	- 401000 Ordinary shares of shs.20/= each
Esmail Akberali Anjari	- 401000 Ordinary shares of shs.20/= each
Hatim Jivanjee Anjari	- 98000 Ordinary shares of shs.20/= each
Fakhruddin Esmail Anjari	- 98000 Ordinary shares of shs 20/= each

6 **Auditors**

The auditors, Assad Associates appointed during the year, have expressed their willingness to continue in office and will be recommended for re-appointment at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

DIRECTOR..................................DATED 4 March 2013

ANJARI SODA FACTORY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Statement of Directors' responsibilities

The Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results for that year. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the accepted Financial Reporting Standards and the requirements of the companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The director further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal control.

Nothing has come to the attention of the directors to indicate the company will not remain a going concern for at least twelve months from the date of this statement.

Director　　　　　　　　Director

Dated: 4 March, 2013

ANJARI SODA FACTORY LIMITED

AUDITORS REPORT TO THE MEMBERS

We have audited the financial statements of M/S ANJARI SODA FACTORY LIMITED as set out on Pages 4 to 13 for the year ended 31 December 2012.

Respective responsibilities of directors and auditors

As described on page 2, the company directors are responsible for the preparation of these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

Opinion

In our opinion, the financial statements give true and fair view of the state of affairs of the company as at 31 December 2012 and of the results of its operations and cash flows for the year then ended in accordance with the current Financial Reporting Standards and comply with the Tanzania Companies Act 2002.

For: ASSAD ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Sajjad Jusab
(FCPA 216)

Place: Dar es salaam

Date: 5 March, 2013

ANJARI SODA FACTORY LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2012

Notes		2012 Shs	2011 Shs
2	**SALES**	2,686,935,756	2,355,918,417
3	Cost of sales	2,238,529,443	1,817,050,144
		448,406,313	538,868,273
4	Administrative expenses	234,217,189	177,092,038
5	Selling expenses	16,490,652	14,478,719
6	Financial expenses	1,472,548	2,638,444
		252,180,389	194,209,201
	Profit from operations before tax	196,225,924	344,659,072
9	Incomė tax on operating profit (sch 1 page 3)	(56,833,820)	(79,198,807)
	Operational profit after tax	139,392,104	265,460,265
8	Other income/(expense)	(9,206,963)	(74,771,908)
		130,185,141	190,688,357
9	Income tax impact relating to other expense (sch 1 page 3)	2,762,089	22,431,572
	Total comprehensive Income for the year after tax	**132,947,230**	**213,119,929**

ANJARI SODA FACTORY LIMITED

STATEMENT OF FINANCIAL POSITION
As at 31 December 2012

Notes		2012 Shs	2011 Shs
	ASSETS		
10	Property, plant and machinery	718,491,357	744,765,243
	Intangible assets - Trade Mark	158,420	158,420
	Total non current assets	718,649,777	744,923,663
11	Inventories	222,498,756	227,461,178
12	Accounts receivables	100,509,255	191,045,648
13	Cash and cash equivalents	172,847,458	33,935,451
	Total current assets	495,855,469	452,442,277
	Total assets	1,214,505,246	1,197,365,940
	Liabilities		
14	Accounts payables	74,488,857	40,296,780
	Total current liabilities	74,488,857	40,296,780
	Long term liability		
15	Loans	361,110,376	511,110,376
	Total liabilities	435,599,233	551,407,156
	NET ASSETS	**778,906,014**	**645,958,784**
	EQUITY		
	Issued share capital	19,960,000	19,960,000
	Retained earnings	758,946,014	625,998,784
		778,906,014	**645,958,784**

DIRECTOR...

DIRECTOR...

Dated : 4 March 2013

ANJARI SODA FACTORY LIMITED

STATEMENT OF EQUITY CHANGES
for the year ended 31 December 2012

	Share capital Shs	Profit & loss Shs	Total Shs
Balance at 1 January 2011	100,000	412,878,853	432,838,853
Issued capital paid in	-		-
Net profit	-	213,119,931	213,119,931
Balance at 31 December 2011	**100,000**	**625,998,784**	**645,958,784**
Balance at 1 January 2012	19,960,000	625,998,784	645,958,784
Issued capital paid in	-		-
Net Profit	-	132,947,230	132,947,230
Balance at 31 December 2012	**19,960,000**	**758,946,014**	**778,906,014**

ANJARI SODA FACTORY LIMITED

STATEMENT OF CASH FLOW
for the year ended 31 December 2012

	2012 Shs	2012 Shs	2011 Shs	2011 Shs
Profit before taxation		187,018,961		269,887,164
Depreciation		99,346,339		103,329,687
		286,365,299		373,216,851
Working capital changes				
(Increase)/decrease in stock	4,962,422		(57,190,226)	
Decerease/(increase) in accounts receivables	90,536,393		175,509,831	
Increase in accounts payable	34,192,077	129,690,892	(597,925,207)	(479,605,602)
		416,056,191		(106,388,751)
Income tax expense	-	(54,071,731)		(56,767,233)
		361,984,460		(163,155,984)
Financing				
Repayment of loan		(150,000,000)		(40,000,000)
Loan received		-		511,110,376
Capital brought in		-		-
		211,984,460		307,954,392
Investment activities				
Aquiring fixed assets	(73,072,452)		(323,792,270)	
		(73,072,452)		(323,792,270)
Increase/(Decrease) in cash and cash equivalents		138,912,008		(15,837,878)
Cash and cash equivalents brought forward		33,935,453		49,773,331
Cash and cash equivalents carried forward		**172,847,461**		**33,935,453**

1 GENERAL INFORMATION

Anjari Soda Factory Limited is registered in Tanzania under the Companies Ordinance.

2 ACCOUNTING POLICIES FOR THE YEAR ENDED 31 December 2012

(a) Basis of accounting

The financial statements are prepared in accordance with and comply with the generally accepted Financial Reporting Standards. The financial statements are presented in Tanzania Shillings and are prepared under the historical cost convention.

(b) Revenue recognition

Sales of goods are recognized in the period in which the company has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

(c) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation.
Depreciation is charged to the income statement on a reducing balance basis over the estimated useful lives of each part of an item of property, plant and equipment. The annual rates of depreciation to write off each asset over the estimated useful lives are as follows:

	%
Building	5
Plant and machinery	12.5
Vehicles /motorbike	25
Furniture and fittings	12.5
Tools and equipments	12.5
Electrical installations	12.5

Equipment is expected for a periodical review for impairment. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

(continued)

(d) **Inventories**

Inventories consists of finished goods and raw and packing materials and are stated at the lower of cost and realizable value with cost determined on average principle. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of finished goods, cost includes an appropriate share of overheads based on normal operating capacity.

(e) **Accounts receivables**

Advanced amounts to suppliers for goods to be received and deposits. A provision for impairment is established where there is an objective evidence that the company will not be able to collect all the amounts due according the terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

(f) **Foreign currency transactions**

Transactions in foreign currencies are translated at the foreign exchange rates at the date of the transaction.

(g) **Taxation**

Current taxation is provided for on the basis of the results for the year as shown in the financial statement adjusted according to the Tanzanian Income Tax Act.

NOTES RELATING TO THE ACCOUNTS
for the year ended 31 December 2012

		2012 Shs	2011 Shs
3	**Cost of sales**		
	Material consumed	1,882,897,707	1,469,194,853
	Maintenance of machinery & equipment	33,791,534	69,070,446
	Employees costs	98,348,200	89,324,500
	Direct overheads	126,033,323	93,200,864
	Depreciation	98,489,347	102,237,386
	Stock diffrential	(1,030,668)	(5,977,905)
		2,238,529,443	**1,817,050,144**
4	**Administrative expenses**		
	Employees costs	20,800,000	25,800,000
	Directors remunerations	102,000,000	54,000,000
	Auditors remunerations	1,250,000	1,250,000
	Depreciation	856,992	1,092,301
	Other administrative expenses	109,310,197	94,949,737
		234,217,189	**177,092,038**
5	**Selling expenses**		
	Vehicle running exp.	**16,490,652**	**14,478,719**
6	**Financial expenses**		
	Bank charges/ (exchange gains)	1,472,548	2,638,444
		1,472,548	**2,638,444**

7 Employees costs

The expense is recognised in the following line in the income statement:

Salaries,wages and allowances		
Cost of sales	79,283,700	81,611,500
Administrative exp.	122,800,000	79,800,000
Social security benefit costs	19,064,500	7,713,000
	221,148,200	**169,124,500**

The number of persons on permanent employment as at the end of the year was 41 (2011: 41) with 4 working directors (2011:3)

8	**OTHER INCOME(EXPENSE)**		
	Net Exchange (loss) gains	0	(248,898)
	Loss on impaired machinery	(9,206,963)	(74,523,010)
		(9,206,963)	**(74,771,908)**

ANJARI SODA FACTORY LIMITED

NOTES RELATING TO ACCOUNTS
for the year ended 31 December 2012

9 Income tax expense

A reconciliation of taxable profit is shown below

	2012	2011
	Shs	Shs
Tax loss brought forward	-	-
Profit (Loss) for the year	187,018,961	269,887,164
Expenses not deductible	109,831,845	152,067,449
Capital allowances	(116,611,702)	(232,730,499)
Previous year adjustments	-	-
Adjusted profit	180,239,104	189,224,114

Deferred tax assets are recognised only to the extent that it is probable that future profits will be available against which temporary differences can be utilised.

10 Property, plant and equipment

	NBV at 1.1.2012	Addition	Disposal	Total	Depreciation	bal 31.12.12
Building	55,210,117	0		55,210,117	2,760,506	52,449,611
Plant and machinery	665,514,061	82,279,415	9,206,963	738,586,513	92,323,314	646,263,199
Vehicles- lorries	7,204,416	-		7,204,416	1,801,104	5,403,312
Vehicles- pick up	485,362	0		485,362	121,341	364,022
Motor bike	111,533	-		111,533	27,883	83,650
Furniture and fittings	2,117,727	0		2,117,727	264,716	1,853,011
Tools and equipments	2,057,132	0		2,057,132	257,142	1,799,991
Electrical installation	8047438	0		8,047,438	1,005,930	7,041,508
Saloon car T942AXH	2122773	0		2,122,773	530,693	1,592,080
Office equipments	135000	0		135,000	33,750	101,250
Solar Water Heater	1759685	0		1,759,685	219,961	1,539,724
Total	**744,765,244**	**82,279,415**	**9,206,963**	**817,837,696**	**99,346,339**	**718,491,357**

				introduced on
Addition:	P & M	3 Water pumps	3,733,320	Jan-12
		1 Filling,sealing,closing,labelling machine	60,366,845	Aug-12
		1 Coding machine	17,360,000	Sep-12
		Heaters	819,250	Sep-12
			82,279,415	

Impaired machinery: 1 unit water treatment plant introduced in 2005 cost usd 11,751 t shs 12,926,100 wdv as at 31.12.2012 t shs 5,076,027
1 unit softening plant introduced in 2006 cost usd 7,223 t shs 9,204,500 wdv as at 31.12.2012 t shs 4,130,937

The machines had to be replaced as these were malfunctioning. These have no saleable value and are totally redundant.

ANJARI SODA FACTORY LIMITED

NOTES RELATING TO THE ACCOUNTS
for the year ended 31 December 2012

11 Inventories

	2012	2011
	Shs	Shs
Raw and packing materials & fuel	200,475,803	206,468,894
Finished goods & WIP	22,022,953	20,992,285
	222,498,756	**227,461,179**

Stock has been valued by the directors at the lower of costs and net realisable value.

12 Accounts receivable

	2012	2011
	Shs	Shs
Deposit	1,400,000	1,400,000
Advances and trade debtors	99,109,255	186,412,882
Income tax refundable	0	3,232,766
	100,509,255	**187,812,882**

13 Cash and cash equivalents

	2012	2011
	Shs	Shs
Cash at bank - NBC	4,496,472	3,291,011
Cash at Bank- Exim	38,869,723	5,860,797
Cash at Bank DTB Local	513,024	6,604,784
Cash at Bank DTB usd	831,430	2,351,030
Cash at NMB	12,080,043	14,790,286
Cash in hand	116,056,766	1,037,543
	172,847,458	**33,935,451**

14 Accounts payable

	2012	2011
	Shs	Shs
Trade and other creditors	29,263,079	16,690,638
Accrued expenses	39,386,813	23,606,142
	68,649,892	40,296,780
Corporate tax payable	5,838,965	-
	74,488,857	**40,296,780**

NOTES RELATING TO THE ACCOUNTS
for the year ended 31 December 2012

15 Loans

	2012 Shs	2011 Shs
Khozema Doctor (USA)	361,110,376	511,110,376
	361,110,376	**511,110,376**

This is unsecured loan and the lender has confirmed continued support to the company.

16 Where necessary the comparatives, 2011 have been adjusted to conform with chages in presentation for the current year.

17 Reporting currency
These accounts are presented in Tanzanian Shillings.

18 Incorporation
The Company is incorporated under the Companies Ordinance Cap 212

ANJARI SODA FACTORY LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

FOR MANAGEMENT PURPOSES

CONTENTS

ANJARI SODA FACTORY LIMITED

STATEMENT OF COMPREHENSIVE INCOME (DETAILED)
for the year ended 31 December,2012

	2012	2011
	Shs	Shs
SALES	2,893,347,285	2,518,519,351
Less: excise duty	206,411,529	162,600,934
Net sales	2,686,935,756	2,355,918,417
COST OF SALES		
Material consumed	1,882,897,707	1,469,194,853
Maintenance of machinery, equipments& factory bld.	33,791,534	69,070,446
NPF contribution	19,064,500	7,713,000
Skills and dev. levy	11,438,700	9,136,500
Wages/salaries& allowances	67,845,000	72,475,000
Electricity + EWURA	60,117,777	36,348,174
Fuel consumed	58,775,322	51,101,913
Water	1,042,803	1,287,215
Depreciation	98,489,347	102,237,386
Printing ink	5,385,600	3,420,000
Insurance-workmen comp.	372,500	303,660
Transport Inwards	-	260,000
Cleaning materials	339,321	479,902
Stock differential	(1,030,668)	(5,977,905)
	2,238,529,443	1,817,050,144
Gross profit	448,406,313	538,868,273
ADMINISTRATION EXPENSES		
Service levy	8,060,800	7,068,726
Car running exp	9,943,506	7,624,010
Postages and telephones	3,960,381	3,900,544
Salaries	20,800,000	25,800,000
Licences,TLB, permits, fees& Insurance	17,371,500	5,595,500
Security expenses	9,441,000	6,685,833
Medical	71,950	412,100
Paper and periodicals	341,800	182,500
Directors remuneration	102,000,000	54,000,000
Rent	12,000,000	1,200,000
Land rent and property tax	597,500	572,000
Donations & penalties	542,000	41,113,752
Subscription	312,500	312,500
Printing and stationery	1,124,073	1,712,527
Depreciation	856,992	1,092,301
Audit fees	1,250,000	1,250,000
Staff uniforms & canteen	8,890,950	7,651,100
Sub total c/fwd	197,564,952	166,173,393

ANJARI SODA FACTORY LIMITED

STATEMENT OF COMPREHENSIVE INCOME (DETAILED) (cont'd)
for the year ended 31 December 2012

	2012 Shs	2011 Shs
ADMINISTRATION EXPENSES (continued)		
Sub total b/fwd	197,564,952	166,173,393
Advertisment	27,540,000	4,989,458
General expenses	986,264	250,000
Business Travelling	6,785,500	4,998,000
Consumable tools	1,340,473	681,187
	234,217,189	177,092,038
SELLING EXPENSES		
Vehicle running exp(delivery vans)	16,490,652	14,478,719
FINANCIAL EXPENSES		
Bank Charges	1,472,548	2,638,444
	1,472,548	2,638,444
TOTAL EXPENSES	252,180,389	194,209,201
Profit for the year from operations	**196,225,924**	**344,659,072**
OTHER INCOME(EXPENSE)		
Net Exchange (loss) gains	-	(248,898)
Loss on impaired machinery	(9,206,963)	(74,523,010)
	(9,206,963)	(74,771,908)
TOTAL COMPREHENSIVE INCOME BEFORE TAX	**187,018,961**	**269,887,164**

ANJARI SODA FACTORY LIMITED

SCHEDULE TO ACCOUNTS
for the year ended 31 December 2012

1 Computation of chargeable income for the year ended 31 December 2012

Adjusted Loss brought forward		-	
Adjustment per assessments		0	0
Profit on operations			196,225,924
Depreciation			99,346,339
Wear and Tear		116,611,702	
Donations&penalties 100%			542,000
Car running exp			9,943,506
Adjusted profit		189,446,067	
		306,057,769	306,057,769
Tax thereof 30%		**56,833,820**	
Other expense	(9,206,963)		
Income tax impact on other expense		**(2,762,089)**	
Total Income tax exp.		**54,071,731**	

Summary

Total chargeable income	**180,239,104**
income tax 30% thereof	54,071,731
Paid on estimated return	45,000,000
Balance as at 31.12.2012 payable	(9,071,731)

Bal 1.1.11	0	2	323,574	1,718,547	22,806	2,064,929
Total	0	2	323,574	1,718,547	22,806	2,064,929
Wear & tear	0	1	80,894	214,818	1,140	296,853
Bal 31.12.12	0	1	242,681	1,503,729	21,666	1,768,076

Additions	Initial Allowance 50%	Class 2 25% Reducing bal	Class 3 12.50% Reducing bal	Class 6 5% Straight line	Total
Bal. B/f		86,726,027	2,508,084	54,659,917	143,894,028
Bal b/f initial allow		199,157,640			199,157,640
Impaired		(2,242,420)			(2,242,420)
Total		283,641,247	2,508,084	54,659,917	340,809,248
Addition - machine		0			-
sealing, claping,closing					-
& labelling & others	82,279,415				82,279,415
Total	82,279,415	283,641,247	2,508,084	54,659,917	423,088,663
Wear & Tear	41,139,708	70,910,312	313,511	3,951,319	116,314,849
Bal 31.12.12	41,139,708	212,730,935	2,194,574	50,708,598	306,773,814
Total wear & tear					**116,611,702**

ANJARI SODA FACTORY LIMITED
SCHEDULE TO ACCOUNTS
for the year ended 31 December 2012

		Shs
3	**Sundry creditors**	
	Accruals	39,386,812
	Forward air (usd a/c)	743,475
	Forward air (t sh a/c)	1,671,752
	Nampak Tanzania Ltd	4,663,407
	PAYE	2,352,650
	Polyfoam ltd	2,017,800
	Omari Muheza (adv recd.)	2,260,000
	Sef Suleman Hale (adv recd)	847,500
	VAT Payable	14,706,496
		68,649,892
4	**Advances and Trade debtors**	
	Asthana Brothers	3,015,000
	Manipal International Printing Press Ltd	17,282,980
	TOL	114,325
	Sundry debtors	78,696,950
		99,109,255
5	**Accrued expenses**	
	Excise duty	26,446,190
	Electricity	5,993,407
	Water	146,588
	Skills and Dev levy	1,058,700
	Postages and Telephones	179,624
	Audit fees	1,250,000
	Service levy	783,304
	Nssf	3,529,000
		39,386,813

		Qty	@	
6	**FINISHED GOODS as at 31 December 2011**			
	Syrup in 5Ltrs jerry cans	1197	5,653.72	6,767,507
	Syrup in 1ltr bottlex12	345	14,463.38	4,989,867
	Soda in 300ml bottlex24	2586	3,216.77	8,318,574
	Syrup 3ltrs jerry cans	26	3,626.12	94,279
	WIP Syrup form in process Ltrs	2000	926.36	1,852,726
				22,022,953
7	**GENERAL EXPENSE**			
	Warranty to Advatech and seminar fee			801,264
	Fire protection and Labour consultation			185,000
				986,264
8	**CORPORATE TAX ACCOUNT**			
	Balance as at 1.1.2012			(3,232,766)
	Due for current year			9,071,731
	Net payable as at 31.12.2012			**5,838,965**

ANJARI SODA FACTORY LIMITED

SCHEDULE TO ACCOUNTS
for the year ended 31 December 2012

Material consumed and stocks (raw & packing mat.)

	o stock 1.1.2012 quantity	value shs	purchase 2012 quantity	value shs	total quantity	value shs	Average price shs	issued to production quantity	value of issues shs	balance 31.12.12 quantity	balance shs value
food color	685	10,294,519	600	17,460,204	1,285	27,754,723	21,599	750	16,199,254	535	11,555,468
plastic crates-no	3300	19,455,062	6,526	39,998,800	9,826	59,453,862	6,051	9,826	59,453,862	0	-
glass bottles-no	5000	1,454,429	400,000	182,266,323	405,000	183,720,752	454	375,000	170,111,807	30000	13,608,945
essense-kgs	1762	49,231,781	11,586	290,911,727	13,348	340,143,508	25,483	10,800	275,213,507	2548	64,930,001
chemical-kgs	2200	10,026,384	9,434	30,652,083	11,634	40,678,467	3,497	10,184	35,608,519	1450	5,069,948
plastic bott. 1 ltr-nos	1968	413,639	394,350	90,713,500	396,318	91,127,139	230	379,768	87,321,725	16550	3,805,414
plastic j cans 5 ltr-nos	360	326,801	105,468	106,850,050	105,828	107,176,851	1,013	102,028	103,328,417	3800	3,848,434
plastic cans 3 ltrs	0	-	4,750	1,710,000	4,750	1,710,000	360	343	123,480	4407	1,586,520
sugar-kgs	48800	67,648,340	679,340	886,479,136	728,140	954,127,476	1,310	700,000	917,253,870	28140	36,873,606
crown corks-ctnx10000	219	22,952,037	832	83,820,727	1,051	106,772,764	101,592	909	92,346,758	219	14,426,006
co2 gas	0	5,143,500	-	52,844,500	-	57,988,000			42,300,000	0	15,688,000
boxes-nos	5860	4,877,190	50,996	22,292,440	56,856	27,169,630	478	44,732	21,375,965	12124	5,793,665
glue	18	136,821	190	950,000	208	1,086,821	5225.100962	177	921,035	31	165,786
labels	278983	3,526,541	250,000	1,320,000	528,983	4,846,541	9.161997645	481,796	4,414,214	47187	432,327
fuel oryx		5,405,400	-	56,975,622	2,326	62,381,022			58,775,322		3,605,700
Caffine-kg	124	3,982,704	240	8,304,882	364	12,287,586	33,757.10	265	8,945,633	99	3,341,953
Sweetner-kg	50	1,593,747	1,600	54,248,346	1,650	55,842,093	33,843.69	1,225	41,458,524	425	14,383,569
Shrink film-kg			1,738	7,881,600	1,738	7,881,600	4,534.87	1,438	6,521,140	300	1,360,460
Totals		206,468,895		1,935,679,940		2,142,148,835			1,941,673,032		200,475,803

ANNUAL ACCOUNTS

M/S ANJARI SODA FACTORY LIMITED

P.O. BOX 25

TANGA

FINANCIAL STATEMENTS

FOR

THE YEAR ENDED

31ST DECEMBER 2011

ASSAD ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

P. o. Box 3204, Dar es Salaam, Tanzania
Tel: 2115688/2114081
Fax: 2131036, E-mail: assad@africaonline.co.tz

ANJARI SODA FACTORY LIMITED

P.O.Box 25

TANGA

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

ANJARI SODA FACTORY LIMITED

CONTENTS

ANJARI SODA FACTORY LIMITED

REPORT OF THE DIRECTORS

1 The directors present their report with the accounts of the company for the year ended 31st December 2011

2 **Principal activity**

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8 MAY 2012
REVENUE AUTHORITY

The principal activity of the company for the year was that of manufacturing and selling soft drinks and syrup,

3 **Results for the year**

The results for the year and the financial position of the company are as shown in the annexed accounts.

4 **Employee welfare**

The relationship between employee and the management continued to be cordial. The company pays for medical expenses of each employee.

5 **Directors and their beneficial interest**

The directors in office during the year and their beneficial interest in the issued share capital were as follows:

Jivanjee Akberali Anjari	- 401000 Ordinary shares of shs 20/= each
Esmail Akberali Anjari	- 401000 Ordinary shares of shs 20/= each
Hatim Jivanjee Anjari	- 98000 Ordinary shares of shs 20/= each
Fakhruddin Esmail Anjari	- 98000 ordinary shares of shs 20/= each

6 **Auditors**

The auditors, M/S Assad Associates have expressed their willingness to continue in office and will be recommended for re-appointment at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

DIRECTOR
DATED: 30 March.2011

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011

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TANGA

Statement of Directors' responsibilities

The Companies Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results for that year. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with generally accepted Financial Reporting Standards and the requirements of the companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The director further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal control.

The directors have confirmed a continued financial support should additional funds are required to run the business efficiently.

Director ____________ Director ____________

Dated: 30 March, 2012

REPORT OF THE AUDITORS TO THE MEMBERS OF

ANJARI SODA FACTORY LIMITED

We have audited the financial statements of M/S ANJARI SODA FACTORY LIMITED for the year ended 31 December, 2011 as set out on pages 4 to 13.

Respective responsibilities of directors and auditors.

As set out on page 2 the directors are responsible for the preparation of financial statements. Our responsibility is to express an independent opinion on the financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with the current Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurances that the accounts are free from material misstatement. An audit includes examination, on test basis, of evidence supporting the amounts and disclosure in the financial statements. We have obtained all the information and explanations that to the best of our knowledge and belief were necessary for the purposes of our audit and we believe that our audit provides reasonable basis for our opinion.

Opinion

In our opinion, proper books of accounts have been kept and the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2011 and the results of its operations and cash flows for the year then ended in accordance with the current Financial Reporting Standards and comply with Tanzania Companies Act 2002.

For: ASSAD ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Sajjad Jusab
(FCPA 216)

Place: Dar es salaam **Date: 30 March, 2012**

ANJARI SODA FACTORY LIMITED

RECEIVED 8 MAY 2012 TANZANIA REVENUE AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2011

Notes		2011 Shs	2010 Shs
2	SALES	2,355,918,417	2,220,673,860
3	Cost of sales	1,817,050,144	1,737,445,216
		538,868,273	483,228,644
4	Administrative expenses	177,092,038	143,313,271
5	Selling expenses	14,478,719	21,078,927
6	Financial expenses	2,638,444	4,144,948
		194,209,201	168,537,146
	Profit from operations before tax	344,659,072	314,691,498
9	Income tax on operating profit (sch 1 page 3)	(79,198,807)	(49,622,087)
	Operational profit after tax	265,460,265	265,069,411
8	Other income/(expense)	(74,771,908)	896,870
		190,688,357	265,966,281
9	Income tax impact relating to other expense (sch 1 page 3)	22,431,574	(269,061)
	Total comprehensive Income for the year after tax	**213,119,931**	**265,697,220**

ANJARI SODA FACTORY LIMITED

STATEMENT OF FINANCIAL POSITION
As at 31 December 2011

REGIONAL MANAGER
RECEIVED
8 MAY 2012
TANZANIA REVENUE AUTHORITY

Notes		2011 Shs	2010 Shs
	ASSETS		
10	Property, plant and machinery	744,765,243	524,302,658
	Intangible assets - Trade Mark	158,420	158,420
	Total non current assets	744,923,663	524,461,078
11	Inventories	227,461,178	170,270,952
12	Accounts receivables	191,045,648	366,555,479
13	Cash and cash equivalents	33,935,451	49,773,331
	Total current assets	452,442,277	586,599,762
	Total assets	1,197,365,940	1,111,060,840
	Liabilities		
14	Accounts payables	40,296,780	638,221,987
	Total current liabilities	40,296,780	638,221,987
	Long term liability		
15	Loans	511,110,376	40,000,000
	Total liabilities	551,407,156	678,221,987
	NET ASSETS	**645,958,784**	**432,838,853**
	EQUITY		
	Issued share capital	19,960,000	19,960,000
	Retained earnings	625,998,784	412,878,853
		645,958,784	**432,838,853**

DIRECTOR..

DIRECTOR..

Dated : 30 March 2011

ANJARI SODA FACTORY LIMITED

STATEMENT OF EQUITY CHANGES
for the year ended 31 December 2011

	Share capital Shs	Profit & loss Shs	Total Shs
Balance at 1 January 2010	100,000	147,181,632	147,281,632
Issued capital paid in	19,860,000		19,860,000
Net profit	-	265,697,221	265,697,221
Balance at 31 December 2010	**19,960,000**	**412,878,853**	**432,838,853**
Balance at 1 January 2011	19,960,000	412,878,853	432,838,853
Issued capital paid in	-		-
Net Profit	-	213,119,931	213,119,931
Balance at 31 December 2011	**19,960,000**	**625,998,784**	**645,958,784**

ANJARI SODA FACTORY LIMITED

STATEMENT OF CASH FLOW
for the year ended 31 December 2011

	2011 Shs	2011 Shs	2010 Shs	2010 Shs
Profit before taxation		269,887,164		315,588,368
Depreciation		103,329,687		72,211,527
		373,216,851		387,799,895
Working capital changes				
(Increase)/decrease in stock	(57,190,226)		(22,501,737)	
Decerease/(increase) in accounts receivables	175,509,831		(218,815,386)	
Decrease in accounts payable	(597,925,207)	(479,605,602)	(63,857,904)	(305,175,027)
		(106,388,751)		82,624,868
Income tax expense	-	(56,767,233)		(49,891,148)
		(163,155,984)		32,733,720
Financing				
Repayment of loan		(40,000,000)		
Loan received		511,110,376		-
Capital brought in		-		19,860,000
		307,954,392		52,593,720
Investment activities				
Aquiring fixed assets	(323,792,270)		(18,577,963)	
		(323,792,270)		(18,577,963)
Increase/(Decrease) in cash and cash equivalents		(15,837,878)		34,015,757
Cash and cash equivalents brought forward		49,773,331		15,757,574
Cash and cash equivalents carried forward		**33,935,453**		**49,773,331**

1 GENERAL INFORMATION

Anjari Soda factory Limited is registered in Tanzania under the Companies Ordinance.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 December 2011

(a) **Basis of accounting**

The financial statements are prepared in accordance with and comply with the current Financial Reporting Standards. The financial statements are presented in Tanzania Shillings and are prepared under the historical cost convention.

(b) **Revenue recognition**

Sales of goods are recognized in the period in which the company has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

(c) **Property, plant and equipment**

Items of property, plant and equipment are stated at cost as deemed costs less accumulated depreciation.

Depreciation is charged to the income statement on a reducing balance basis over the estimated useful lives of each part of an item of property, plant and equipment. The annual rates of depreciation to write off each asset over the estimated useful lives are as follows:

	%
Building	5.00
Plant and machinery	12.5
Vehicles / motorbike	25.00
Furniture and fittings	12.5
Tools and equipments	12.5
Electrical installations	12.5

No valuation has been carried out on land and building and plant and machinery and equipments. Plant and machinery is expected for periodical review for impairment. When the carrying amount of an asset is greater than its recoverable amount, it is written down to its recoverable amount.

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2011

(continued)

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8 MAY 2012

(d) **Inventories**
Inventories consists of finished goods and raw and packing materials and are stated at the lower of cost and realizable value with cost determined on average principle. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of finished goods, cost includes an appropriate share of overheads based on normal operating capacity.

(e) **Accounts receivables**
Advanced amounts to suppliers for goods to be received and deposits. A provision for impairment is established where there is an objective evidence that the company will not be able to collect all the amounts due according the terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

(f) **Transaction in foreign currencies**
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the financial statement date are translated to Tanzanian shillings at the foreign exchange rate ruling at that date. Foreign exchange differences arising on transactions are recognized in the income statement.

(g) **Taxation**
Current taxation is provided for on the basis of the results for the year as shown in the financial statement adjusted according to the Tanzanian Income Tax Act.

(h) **Cash and cash equivalents**
For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and at banks.

ANJARI SODA FACTORY LIMITED

NOTES RELATING TO THE ACCOUNTS
for the year ended 31 December 2011

		2011 Shs	2010 Shs
3	**Cost of sales**		
	Material consumed	1,469,194,853	1,435,387,019
	Maintenance of machinery & equipment	69,070,446	28,940,698
	Employees costs	89,324,500	91,661,200
	Direct overheads	93,200,864	116,172,162
	Depreciation	102,237,386	70,812,751
	Stock diffrential	(5,977,905)	(5,528,614)
		1,817,050,144	**1,737,445,216**
4	**Administrative expenses**		
	Employees costs	25,800,000	28,380,000
	Directors remunerations	54,000,000	54,000,000
	Auditors remunerations	1,250,000	1,250,000
	Depreciation	1,092,301	1,398,776
	Other administrative expenses	94,949,737	58,284,495
		177,092,038	**143,313,271**
5	**Selling expenses**		
	Vehicle running exp.	**14,478,719**	**21,078,927**
6	**Financial expenses**		
	Bank charges/ (exchange gains)	2,638,444	3,248,078
		2,638,444	**3,248,078**

7 Employees costs

The expense is recognised in the following line in the income statement:

Salaries,wages and allowances	2011 Shs	2010 Shs
Cost of sales	81,611,500	76,667,700
Administrative exp.	79,800,000	82,380,000
Social security benefit costs	7,713,000	14,993,500
	169,124,500	**174,041,200**

The number of persons on permanent employment as at the end of the year was 41 (2010: 48) with 3 working directors (2010:3)

		2011 Shs	2010 Shs
8	**OTHER INCOME(EXPENSE)**		
	Net Exchange (loss) gains	-248,898	896,870
	Loss on impaired machinery	-74,523,010	-
		-74,771,908	896,870

ANJARI SODA FACTORY LIMITED

NOTES RELATING TO ACCOUNTS
for the year ended 31 December 2011

9 Income tax expense

A reconciliation of taxable profit is shown below

	2011 Shs	2010 Shs
Tax loss brought forward	-	(200,798,325)
Profit (Loss) for the year	269,887,164	315,588,368
Expenses not deductible	152,067,449	77,435,327
Capital allowances	(232,730,499)	(55,903,742)
Previous year adjustments	-	-
Adjusted profit	189,224,114	136,321,628

Deferred tax assets are recognised only to the extent that it is probable that future profits will be available against which temporary differences can be utilised.

10 Property, plant and equipment

	NBV at 1.1.2011	Addition	Disposal	Total	Depreciation	bal 31.12.11
Building	58,115,913	0		58,115,913	2,905,796	55,210,117
Plant and machinery	436,795,228	398,315,280	74,523,010	760,587,498	95,073,437	665,514,061
Vehicles- lorries	9,605,888	-		9,605,888	2,401,472	7,204,416
Vehicles- pick up	647,149	0		647,149	161,787	485,362
Motor bike	148,711	-		148,711	37,178	111,533
Furniture and fittings	2,420,259	0		2,420,259	302,532	2,117,727
Tools and equipments	2,351,008	0		2,351,008	293,876	2,057,132
Electrical installation	9197072	0		9,197,072	1,149,634	8,047,438
Saloon car T942AXH	2830364	0		2,830,364	707,591	2,122,773
Office equipments	180000	0		180,000	45,000	135,000
Solar Water Heater	2011068	0		2,011,068	251,384	1,759,685
Total	**524,302,660**	**398,315,280**	**74,523,010**	**848,094,930**	**103,329,687**	**744,765,243**

				introduced on
Addition:	P & M	Industrial water chiller	11,420,284	28.01.2011
		Filling machine, water treatment plant, crate washer	381,852,399	25.03.2011
		Pool machine	677,966	16.04.2011
		Water pump	1,350,847	09.06.2011
		Operating touch panel for premix machine	1,687,500	21.06.2011
		Simatic touch panel	1,326,284	19.07.2011
			398,315,280	

Impaired machinery: FC Unit Mod.ISO-G24-6

Introduced 2005 - original value euro 122,500 shs 166,051,224.50, 74,523,010 is written down value as at 31.12.2010

The machine had to be replaced as this was malfunctioning. It has no saleable value and is totally redundant.

NOTES RELATING TO THE ACCOUNTS
for the year ended 31 December 2011

11 Inventories

	2011	2010
	Shs	Shs
Raw and packing materials & fuel	206,468,894	155,256,572
Finished goods	20,992,285	15,014,380
	227,461,178	170,270,952

Stock has been valued by the directors at the lower of costs and net realisable value.

12 Accounts receivable

	2011	2010
	Shs	Shs
Deposit	1,400,000	1,400,000
Advances and trade debtors	186,412,882	365,155,479
Income tax refundable	3,232,766	
	191,045,648	366,555,479

13 Cash and cash equivalents

	2011	2010
	Shs	Shs
Cash at bank - NBC	3,291,011	11,840,057
Cash at Bank - Stanbic	0	1,876,843
Cash at Bank- Exim	5,860,797	989,211
Cash at Bank DTB Local	6,604,784	1,335,662
Cash at Bank DTB usd	2,351,030	26,906,100
Cash at NMB	14,790,286	661,412
Cash in hand	1,037,543	6,164,046
	33,935,451	49,773,331

14 Accounts payable

	2011	2010
	Shs	Shs
Trade and other creditors	16,690,638	584,579,670
Directors current account	0	0
Accrued expenses	23,606,142	28,751,169
	40,296,780	613,330,839
Corporate tax payable	-	24,891,148
	40,296,780	638,221,987

ANJARI SODA FACTORY LIMITED

REGIONAL MANAGER RECEIVED 8 MAY 2012 TANZANIA REVENUE AUTHORITY

NOTES RELATING TO THE ACCOUNTS
for the year ended 31 December 2011

15 Loans

	2011 Shs	2010 Shs
Khozema Doctor (USA)	511,110,376	40,000,000
	511,110,376	**40,000,000**

This is unsecured loan and the lender has confirmed continued support to the company.

16 Where necessary the comparatives, 2010 have been adjusted to conform with chages in presentation for the current year.

17 Reporting currency
These accounts are presented in Tanzanian Shillings.

18 Incorporation
The Company is incorporated under the Companies Ordinance Cap 212

ANJARI SODA FACTORY LIMITED

REGIONAL MANAGER
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ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

FOR MANAGEMENT PURPOSES

CONTENTS

ANJARI SODA FACTORY LIMITED

STATEMENT OF COMPREHENSIVE INCOME (DETAILED)
for the year ended 31 December,2011

	2011 Shs	2010 Shs
SALES	2,518,519,351	2,427,037,415
Less: excise duty	162,600,934	206,363,555
Net sales	2,355,918,417	2,220,673,860
COST OF SALES		
Material consumed	1,469,194,853	1,435,387,019
Maintenance of machinery, equipments& factory bld.	69,070,446	28,940,698
NPF contribution	7,713,000	14,993,500
Skills and dev. levy	9,136,500	9,002,700
Wages/salaries& allowances	72,475,000	67,665,000
Electricity	36,348,174	27,659,898
Fuel consumed	51,101,913	64,975,350
Water	1,287,215	1,264,032
Depreciation	102,237,386	70,812,751
Printing ink	3,420,000	4,421,848
Insurance-workmen comp.	303,660	303,660
Transport Inwards	260,000	17,139,572
Cleaning materials	479,902	407,802
Stock differential	(5,977,905)	(5,528,614)
	1,817,050,144	1,737,445,216
Gross profit	538,868,273	483,228,644
ADMINISTRATION EXPENSES		
Service levy	7,068,726	6,661,687
Car running exp	7,624,010	4,583,800
Postages and telephones	3,900,544	4,928,531
Salaries	25,800,000	28,380,000
Licences,TLB, permits, fees& Insurance	5,595,500	9,665,356
Security expenses	6,685,833	6,063,746
Medical	412,100	241,450
Paper and periodicals	182,500	170,400
Directors remuneration	54,000,000	54,000,000
Rent	1,200,000	1,200,000
Land rent and property tax	572,000	562,500
Donations & penalties	41,113,752	640,000
Subscription	312,500	300,000
Printing and stationery	1,712,527	1,321,800
Depreciation	1,092,301	1,398,776
Audit fees	1,250,000	1,250,000
Staff uniforms & canteen	7,651,100	4,779,758
Sub total c/fwd	166,173,393	126,147,804

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ANJARI SODA FACTORY LIMITED

STATEMENT OF COMPREHENSIVE INCOME (DETAILED) (cont'd)
for the year ended 31 December 2011

	2011 Shs	2010 Shs
ADMINISTRATION EXPENSES (continued)		
Sub total b/fwd	166,173,393	126,147,804
Advertisment	4,989,458	12,546,949
General expenses	250,000	575,118
Business Travelling	4,998,000	4,043,400
Consumable tools	681,187	-
	177,092,038	143,313,271
SELLING EXPENSES		
Vehicle running exp(delivery vans)	14,478,719	21,078,927
FINANCIAL EXPENSES		
Bank Charges	2,638,444	4,144,948
	2,638,444	4,144,948
TOTAL EXPENSES	194,209,201	168,537,146
Profit for the year from operations	**344,659,072**	**314,691,498**
OTHER INCOME(EXPENSE)		
Net Exchange (loss) gains	(248,898)	896,870
Loss on impaired machinery	(74,523,010)	-
	(74,771,908)	896,870
TOTAL COMPREHENSIVE INCOME BEFORE TAX	**269,887,164**	**315,588,368**

REGIONAL MANAGER
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ANJARI SODA FACTORY LIMITED

SCHEDULE TO ACCOUNTS
for the year ended 31 December 2011

1 Computation of chargeable income for the year ended 31 December 2011

Adjusted Loss brought forward		-	
Adjustment per assessments		0	0
Profit on operations			344,659,072
Depreciation			103,329,687
Wear and Tear		232,730,499	
Donations&penalties 100%			41,113,752
Car running exp			7,624,010
Adjusted profit		263,996,022	
		496,726,521	496,726,521
Tax thereof 30%		**79,198,807**	
Other expense	(74,771,908)		
Income tax impact on other expense		**(22,431,572)**	
Total Income tax exp.		**56,767,234**	
Summary			
Total chargeable income		**189,224,114**	
income tax 30% thereof		56,767,234	
Paid on estimated return		60,000,000	
Balance as at 31.12.2011 refundable		3,232,766 ✓	

REGIONAL MANAGER
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2 CALCULATION OF WEAR AND TEAR

	50%	37.50%	25%	12.50%	5%	Total
Bal 1.1.09	0	3	431,432	1,964,054	24,006	2,419,495
Total	0	3	431,432	1,964,054	24,006	2,419,495
Wear & tear	0	1	107,858	245,507	1,200	354,566
Bal 31.12.10	0	2	323,574	1,718,547	22,806	2,064,929

Additions	Initial Allowance 50%	Class 2 25% Reducing bal	Class 3 12.50% Reducing bal	Class 6 5% Straight line	Total
Bal. B/f		126,290,970	2,866,382	58,611,236	187,768,588
Bal b/f initial allow		9,046,100			9,046,100
Impaired		(19,702,367)			
Total		115,634,703	2,866,382	58,611,236	196,814,688
Addition - filling machine		0			-
water treatment plant					-
with accessories	398,315,280				398,315,280
Total	398,315,280	115,634,703	2,866,382	58,611,236	595,129,968
Wear & Tear	199,157,640	28,908,676	358,298	3,951,319	232,375,933
Bal 31.12.11	199,157,640	86,726,027	2,508,084	54,659,917	362,754,036

Total wear & tear **232,730,499**

ANJARI SODA FACTORY LIMITED

SCHEDULE TO ACCOUNTS
for the year ended 31 December 2011

		Shs
3	**Sundry creditors**	
	Accruals	23,606,142
	Forward air (usd a/c)	743,475
	Ally Hussein Hassanali (advance recd)	446,750
	VAT Payable	15,500,413
		40,296,780
4	**Advances and Trade debtors**	
	Aurimex	32,251,560
	Cargill Flavours	2,200,775
	Ecolab	205,172
	Henkel Chemicals ltd	3,524,000
	Newamster	8,037,451
	Oryx	2,330
	Shanghai Grepeck Packing Mach.Ltd	49,782,900
	TOL	468,325
	Zhejiang Donjoyvalve Pipe Co Ltd	3,733,320
	Sundry debtors	86,207,050
		186,412,882
5	**Accrued expenses**	
	Service Levy	678,159
	Water	78,200
	Excise duty	17,973,230
	Audit fees	1,250,000
	Postages and Telephones	150,979
	Electricity	3,475,574
		23,606,142

		Qty	@	
6	**FINISHED GOODS as at 31 December 2011**			
	Syrup in 5Ltrs jerry cans	707	5,629.40	3,979,986
	Syrup in 1ltr bottlex12	456.5	14,807.70	6,759,715
	Soda in 300ml bottlex24	3493	2,935.18	10,252,584
				20,992,285
7	**GENERAL EXPENSE**			
	Washing cleaning, pad locks etc			**250,000**

ANJARI SODA FACTORY LIMITED

SCHEDULE TO ACCOUNTS
for the year ended 31 December 2011

Material consumed and stocks (raw & packing mat.)

	o stock		purchase		total		Average	issued to	value of	balance	balance
	1.1.2011		2011				price	production	issues	31.12.10	shs
	quantity	value shs	quantity	value shs	quantity	value shs	shs	quantity	shs	quantity	value
food color	1035	15,554,492	-	-	1,035	15,554,492	15,028	350	5,259,973	685	10,294,519
plastic crates-no	1000	4,535,437	11,451	68,869,100	12,451	73,404,537	5,895	9,151	53,949,475	3300	19,455,062
glass bottles-no	25176	7,323,339	-	-	25,176	7,323,339	291	20,176	5,868,910	5000	1,454,429
essense-kgs	924	25,938,618	10,380	289,893,598	11,304	315,832,216	27,941	9,541.6	266,600,435	1762	49,231,781
chemical-kgs	890	2,543,154	8,047	38,186,752	8,937	40,729,906	4,557	6,737	30,703,522	2200	10,026,384
plastic bott. 1 ltr-nos	8790	1,471,957	320,850	67,812,500	329,640	69,284,457	210	327,672	68,870,818	1968	413,639
plastic j cans 5 ltr-nos	4537	3,533,360	81,200	74,296,955	85,737	77,830,315	908	85,377	77,503,514	360	326,801
plastic cans 3 ltrs	121	41,708	-	-	121	41,708	345	121	41,708	0	-
sugar-kgs	16300	18,476,730	587,000	817,839,741	603,300	836,316,471	1,386	554,500	768,668,131	48800	67,648,340
crown corks-ctnx10000	512	53,076,989	539	57,206,790	1,051	110,283,779	104,932	832	87,331,742	219	22,952,037
co2 gas	0	1,250,000	-	31,422,750	-	32,672,750			27,529,250	0	5,143,500
boxes-ncs	7538	4,521,085	35,358	31,179,853	42,896	35,700,938	832	37,036	30,823,748	5860	4,877,190
glue	18	80870	-	360,000	18	440,870	24492.778	-	304,049	18	136,821
labels	582500	6,931,072	102,800	1,731,600	685,300	8,662,672	12.6407	406,317	5,136,131	278983	3,526,541
fuel oryx		1,721,024	-	54,786,289	2,326	56,507,313			51,101,913		5,405,400
Caffine-kg	135	4,044,831	360	11,853,865	495	15,898,696	32,119	371	11,915,992	124	3,982,704
Sweetner-kg	150	4,211,906	800	26,069,295	950	30,281,201	31,875	900	28,687,454	50	1,593,747
Totals		155,256,572		1,571,509,088		1,726,765,660			1,520,296,766		206,468,894

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ANJARI SODA FACTORY LIMITED
EXPANSION PROJECT
TANGA, TANZANIA

FEASIBILITY STUDY FOR
FACTORY EXPANSION PROJECT
JANUARY 2013

Prepared by
Assad Associates
P. O. Box 7286
Daressalaam, TZ

Table of Contents

Acronyms

ASFL- Anjari Soda Factory Ltd

NEMC- National Enviroment Management Council

CPT- Cleaner Production Tanzania

BPH- Bottles per hour

L- Litres

PET- Polyethylene terephthalate

Executive Summary

Anjari Soda Factory Ltd, registered in Tanga and incorporated in 1960, is a major manufacturer of carbonated softdrinks and syrups in Tanga. Its most popular brand is *'Healtho'*. It currently bottles in, 300ml glass returnable bottle for carbonated softdrinks and syrups in 1L PET(plastic) and 5L jerry cans.

In the past three years Tanzania softdrinks market has seen a tremendous shift in packaging from glass bottles to PET(plastic) bottle due to popular choice with consumers and the ability to transport PET bottles to anywhere in the country and beyond borders without having to return them for re-filling as it is the case with glass bottles.

Accordingly, ASFL intend to undertake an expansion project into PET bottling line of capacity 9,000bph for 350ml size. This will give its customers a wider choice of packaging and will allow ASFL to penetrate into new markets outside Tanga region which was difficult with the logistics of glass bottling. The total cost of expansion project is usd 0.44m(726m tshs) of which usd 0.05m(82.5m tshs)m is for new building and usd 0.39m(643m tshs) for procurement of machinery.

The machinery is to be procured from the republic of China.

This feasibility study shows that the project is viable, having an internal rate of return of 83% and be able to payback all external financing within one year of operations. The payback period for the expansion is two years.

The expansion project will create additional direct employment for 24 skilled personnel and 26 non-skilled personnel in addition to 47 employed in its existing operations. Indirect employment opportunities will arise from shop owners, transporters, and food vendors.

The expansion project will result in increase of statutory contributions from 1.2bn tshs in 2013 to 5.0bn tshs in 2017. The highest contribution will be of excise duty on carbonated softdrink per liter from 495m to 2.7bn in 2017.

Introduction

Anjari Soda Factory Limited (ASFL), incorporated in 1960, is a well-established and reputed aerated soft-drinks manufacturer in Tanga. ASFL is a family owned and run business that was started in the 1930s as a small sole proprietorship under its founder, the Late Mulla Akberali Anjari. Among its widely popular brands are *Healtho* and *Ice-Cream* Soda and *Rose* Concentrated Syrup.

ASFL is situated in the Gofu industrial area of Tanga City. It occupies the area which previously housed the Coca-Cola bottling franchise in Tanga. ASFL bought the purpose-built facilities from the Coca-Cola franchisee in 2005 and installed new bottling machinery at this facility in the same year. The expansion project had an investment value of USD 1 million.

Prior to 2005, ASFL operated from within the central business district area of Tanga town, on the junction of Customs/India Streets. The company had been operating from this location since its establishment.

However since 2011, ASFL is now experiencing capacity constraints due to the high demand for its products. As a result, the company is now set to further expand capacity new second bottling line and moving into PET(plastic) packaging. This new expansion project is set to start in January 2013 and be fully implemented within 7 months by July 2013 at a cost of USD 0.44 million.

Profile

Anjari Soda Factory Limited (ASFL), incorporated in 1960, is a well-established and reputed aerated soft-drinks manufacturer in Tanga. ASFL is a family owned and run business that was started in the 1930s as a small sole proprietorship under its founder, the Late Mulla Akberali Anjari. Among its widely popular brands are *Healtho* and *Ice-Cream* Soda and *Rose* Concentrated Syrup.

ASFL is situated in the Gofu industrial area of Tanga City. It occupies the area which previously housed the Coca-Cola bottling franchise in Tanga. ASFL bought the purpose-built facilities from the Coca-Cola franchisee in 2005 and installed new glass bottling machinery at this facility in the same year. The expansion project had an investment value of USD 1 million.

Prior to 2005, ASFL operated from within the central business district area of Tanga town, on the junction of Customs/India Streets. The company had been operating from this location since its establishment.

Over the years and especially after 2005, when the company moved to its present location, the company has experienced a rapid growth in demand of its products within the Tanga region, in Dar es Salaam, in neighbouring towns of Moshi, Arusha and Morogoro and across the border in Mombasa. The rapid growth is largely attributed to increased production capacity as a result of installation of new machinery, improved distribution, in Tanga region.

However since 2011, faced with increased competition in beverage market in Tanzania ASFL is now experiencing growing demand of its products in PET packaging. As a result, the company is now set to invest in 9000bph PET bottling line to cater for growing demand from its existing and new customer enquiries. This new expansion project is set to start in 2013 and be fully implemented within 7 months at a cost of USD 0.44m

Expansion Project Objective

ASFL Expansion Project intends to venture into PET bottling and increase its market share through improved distributions and availability of its products country wide. Due to popular choice of packaging, PET offers a wider benefits over glass bottles to both manufactures and consumers such as light weight, flexibility, re-sealable and brand recognition through own bottle design.

Directors and Senior Staff Profile

The directors of ASFL are Mr. Jivanjee A. Anjari (69), Mr. Esmail. A. Anjari (63) Mr. Hatim J. Anjari (40), and Mr Fakhruddin. E. Anjari. All are citizens of Tanzania by birth.

Mr. Jivanjee Anjari and Mr. Esmail Anjari have been with ASFL all their working lives from the 1960s to the present day. They are highly experienced in the business of bottled and aerated soft-drink manufacturing and concentrated syrup processing. They have acquired technical and managerial skills through apprenticeship and by taking on increasingly senior managerial roles within the company over the years.

Both the directors are serious businessmen with sophisticated business maturity and acumen. They have impeccable reputation and credibility among the business fraternity in Tanga, and are considered among the few solid and stable business leaders in town who were able to survive and grow during the turbulent economic times in Tanga and the country in the 1970s and 1980s. Their informal credit rating is at the highest level (AAA). [Informal credit rating is judged through business reputation among the business community in Tanga, Tanzania and internationally. ASFL has to date never failed to obtain unsecured credit supplies of all goods and services that the company needs, even for an extended period of 6 – 12 months].

Mr Hatim Anjari, is the managing director. He is a graduate Food Scientist from the University of Guelph, Canada, and joined the family business in 1991 as a trainee production manager. Under the able guidance of his peers, he has consistently proven himself as an able manager and businessman and has lead ASFL on a steady growth trajectory. Over the last five years, under his leadership, ASFL successfully implemented the USD 1 million expansion project and the move to the new facility in the Gofu industrial area.

Mr Fakhruddin Anjari, a graduate in materials, mechanical and manufacturing engineering, has been with ASFL since 2007. He is the finance and operations manager. Under supervision of his senior family members he continues to show high degree of performance and ability to take the company further, realizing its growth and meeting customer satisfaction.

4. Financing

Anjari Soda Factory will finance the proposed investment to the amount of usd243,716 from their own funds and usd195,000 as personal gurantee's from the company directors and family friends payable in one year.

	Total	Loan Finance	Own Finance
	US$	US$	US$
Buildings	-	-	-
Furniture & Fittings	-	-	-
Machinery	438,716	195,000	243,716
Vehicles/ lifting equipment		-	-
TOTAL	**438,716**	**195,000**	**243,716**
Equivalent in Tshs	**723,881,400**	**321,750,000**	**402,131,400**
Percentage of Financing		**44%**	**56%**

Exchange rate taken as 1,650/=.

5. Sources of Technology

The machinery for this expansion project are sourced from the Republic of China.

The PET bottling line is purchased from a known supplier whom we have worked with in the past. The company is called Zhangjiang Sunswell Machinery Ltd, located in Zhangjiang city, Jiangsu Province. This company specializes in medium sized beverage plants(5,000 - 28,000 bottles per hour) around the world providing with complete turnkey solutions. The scope of supply is one complete 9,000BPH PET bottling line including installation, commissioning and training.

5.1 New Machinery and Capital Goods List

The list of machinery and capital goods that are required for the expansion project are as follows, grouped in two categories, imported and locally sourced.

The imported machineries that are to be purchased from China at present are:

1. Bottle blowing system
2. Air compressor – 1 unit high pressure and 1 unit low pressure
3. Refrigeration system
4. CIP cleaning system
5. Bottle loading
6. Filling system
7. Down stream packaging systems
8. Conveyors
9. Ink- Jet printer
10. Complete pipelines for the project.

Other imported items that will be procured during the period of this project (2013 – 2018) are:

1. Heavy Duty Trucks – 4 units
2. Bottle Coolers – 100 units
3. 4x4 Passenger vehicle – 2 unit
4. 400Kva diesel generator
5. 3 units Utility vehicle for marketing and distribution
6. Building materials
7. Furniture and fittings

6. Production Process

6.1 Introduction

ASFL at present has two production lines in use. One is for glass bottle filling and other for syrup filling. The sugar dissolving system is equipped to serve both lines and will also be able to accommodate the expansion.

After this expansion project, ASFL will have three bottling lines.

6.1.1 Soda

Soda is a carbonated soft-drink filled either in glass bottles or PET bottles and sealed with crown corks or plastic cap. Soda is ready for direct consumption by the consumer. The drink is sweetened by use of refined white sugar and comes in various flavour's and colours, depending on the brand type. The bottle size varies. At present, ASFL uses only the 300ml size glass bottle. After this expansion project, ASFL will add one more size 350ml. The glass bottles are stored in plastic crates each holding 24 bottles. The PET bottles will be shrink wrapped in cartons of 24 bottles of 350ml or 12 bottles of 350ml.

6.1.2 Syrup

The syrup is sweet and comes in various flavours and colours depending on the brand type. Syrup filled in plastic bottles and sealed with plastic caps. Before consumption, the syrup has to be diluted with water to taste by the consumer. The packing is either in 5ltr or 1ltr bottles, which in turn are packed in corrugated boxes or shrink wrapped holding 4 bottles of 5ltr and 12 bottles of 1ltr.

As indicated above, the production of soda and syrup involve two main stages. One, the processing stage where the ingredients are mixed and processed to form the concentrated syrup, and two, the production stage where the syrup from the earlier stage is either transformed into carbonated bottled soft-drink or filled in the same syrup form in plastic bottles.

6.2 The Processing Stage

The processing stage has 4 steps. These are the water treatment step, pasteurization step, cooling step and mixing step. The solution obtained after the mixing step is the concentrated syrup that is used either for filling syrup or processing further into aerated bottled drink (soda).

Water, sourced from the municipal supply and onsite borehole, is filtered through the advance use of technology, namely reverse osmosis and ozonation and finally disinfected by use of ultra violet light. The treated water is pumped to the pasteurisation unit where it is mixed with sugar and heated to 60 degrees Celsius. The sugar solution is then cooled in the cooling tanks. After which the solution is filtered and pumped into the holding tanks and mixed with concentrates (flavour/essence) and colour. The final solution is the concentrated syrup that is then pumped to the next – production - stage.

6.3 The Production Stage

The concentrated syrup from the earlier stage is pumped into the production area for conversion to bottled soft-drink or to be filled and packed as concentrated syrup.

6.3.1 Production of Soda in Glass Bottles

Production of bottled soda has a total of six steps. The first step is washing of the bottles. Three other steps (chilling, decompressing and heating of carbon dioxide gas, and receiving of the syrup from the processing stage) converge independently to the forth step (pre-mix). The fifth step is filling of the bottles and the sixth and final step is accumulation where the bottles are staked and put in plastic crates.

1. **Washing**

The glass bottle washing process is an independent process that has a boiler which uses LPG, as fuel source to heat the water by conduction. High alkali solution is added for bottle sterilization and remove residue. Bottles are fed manually into the washing machine where they are washed in different stages and finally rinsed with treated water in the last stage. Washed bottles move on to the filling machine through a conveyer system.

2. **Chilling**

The chiller lowers the ambient temperature of water (approx. 32° C) to 4° C. The chilled water is then pumped to the pre-mix unit where it passes through a heat exchanger inturn lowering the soda solution temperature before carbonation process. This helps to achieve the optimum condition for carbonation during production of soda.

3. **Pre-Mix**

The pre-mixing step is where all the ingredients to make soda are mixed together. The ingredients are concentrated syrup, treated water and decompressed CO_2 gas. At the correct proportion the machine mixes the variables to make final product. The soda is then pumped from the pre-mix to the filling step.

4. **Filling**

Filling is the fifth step in the production of bottled soda. It is a continuous process where the bottles are filled with ready to drink solution from the pre-mix. The filled bottles are then sealed with crown corks and marked with production and expiry dates. The process is continuous aided by a conveyer system.

5. **Accumulator**

This is the final step in production of bottled soda. The filled and sealed bottles from the filling machine move to the accumulator on a conveyer system. where they are stacked and put in plastic crates ready for delivery.

6.3.2 Production of Soda in PET Bottles

The production of soda in PET bottles is similar to production of soda in glass bottles, except that there is an additional prior step where the PET bottles are manufactured.

PET Bottle Manufacture

Preform is bought in from suppliers which are formed neck and body are then fed to the Blow Moulding machine that blows the Preforms into bottles. The shape and size of the bottle is as per requirement of the user.

The PET bottles from the above step are then supplied to the filling machine where the pre-mix solution is filled into the bottles. After filling, the bottles are sealed with plastic cap, embossed with the production batch information, labeled and collected for packing.

6.3.3 Production of Syrup

Concentrated syrup from the processing stage is pumped directly to the filling machine. Syrup is filled in plastic 5 ltr jerry cans or 1 ltr pet bottles as per requirement and sealed with plastic cap. The syrup filling machine is separate from the soda filling machine. The filled plastic cans/bottles are then labeled and packed either in corrugated boxes or shrink-wrapping.

7. Project Capacity

Soda production at present is on average 2,000 crates per day. After expansion of the building and the installation of the new plants, the total installed capacity will be 10,000 crates per day. However, for purposes of this feasibility study, the total production is anticipated to reach an average of 5,500 crates after all new machines are commissioned by 2013 and to reach 10,000 crates per day by the second year of the project.

Additional capacity will be sourced in case of an upsurge in demand. There is anticipation that soda in PET bottles will have a high and increasing demand as the product spreads in the market area, especially in the large metropolitan city of Dar es Salaam.

8. Market Study

8.1 Introduction

ASFL enjoys a unique position in the beverages market, especially in Tanga region. Its products are truly home-grown that have been around since the Thirties. The brands are famous and very popular. ASFL has managed an admirable consistency of its product types and has maintained strong brand loyalty within the Tanga market and beyond.

ASFL manufactures two groups of products. One, aerated and bottled soft drink, and two, concentrated syrups. Its most famous brand is *Healtho*, available as both, a bottled soft drink and as concentrated syrup.

The aerated soft drink is bottled in 300ml recyclable glass bottle and sealed with crown cork. It is distributed in plastic crates, each holding 24 bottles. The brands of soft drinks are Healtho, Ice Cream, Orange, Pineapple, Passion, Lemonade, Soda Water and Healtho Diet.

The concentrated syrup is packed either in 5 ltr plastic jerry can or 1 ltr plastic pet bottles and sealed with plastic caps. The syrup is distributed in corrugated boxes or shrink-wrapping. The 5 ltr jerry cans are packed four in a box while the 1 ltr bottles are packed a dozen in a box. The brands for syrup are Healtho, Ice Cream, Rose Cola, Lemon, Raspberry, Passion, Pineapple and Orange.

8.2 Market Area

50% of the total production at present is consumed within Tanga city by the ordinary residents and households in all income groups. The remaining half is distributed to the rest of Tanga Region and the neighbouring regions. A small quantity is supplied to Kenya and the Middle East. The breakdown of current distribution by area and product is as follows:

Table 3: Soda and Syrup distribution by area, 2013

<table>
<tr><th rowspan="2"></th><th rowspan="2">Area</th><th colspan="2">Product</th></tr>
<tr><th>Soda</th><th>Syrup</th></tr>
<tr><td>1</td><td>Tanga town</td><td>60%</td><td rowspan="2">50%</td></tr>
<tr><td>2</td><td>Tanga region: Handeni, Muheza, Korogwe, Mombo, Lushoto, Pangani, Horohoro, Maramba.</td><td>35%</td></tr>
<tr><td>3</td><td>Neighbouring Regions: Pemba, Zanzibar, Morogoro, Kilimanjaro, Arusha, Dar es Salaam</td><td>5%</td><td>40%</td></tr>
<tr><td>4</td><td>Kenya and Middle East</td><td>--</td><td>10%</td></tr>
</table>

After installation of the PET Bottling plant in 2013, the distribution ratio is expected to change. As the target market for soda in PET bottles is outside Tanga region, and the total production is anticipated to increase by 1.5 times from 550,000 crates p.a. in 2012 to 1,500,000 crates p.a. in 2013, the expected distribution is anticipated to be as follows in 2013:

Table : **Soda and Syrup distribution by area, 2013**

	Area	Product	
		Soda	Syrup
1	Tanga city	35%	30%
2	Tanga region: Handeni, Muheza, Korogwe, Mombo, Lushoto, Pangani, Horohoro, Maramba.	15%	
3	Neighbouring Regions: Pemba, Zanzibar, Morogoro, Kilimanjaro, Arusha, Dar es Salaam	50%	50%
4	Kenya and Middle East	--	20%

In 2013, estimates indicate that Tanga city will consume 35% of the total production of soda, rest of Tanga region will consume 15% and the remaining 50% will be consumed in the neighboring regions. Distribution of syrup is expected to increase in export market 10% and upcountry by 10% as new syrup filling line was installed in March 2012 to meet growing demand.

8.3 Market Growth

ASFL has enjoyed a steady increase in demand of its products over the last ten years. The total revenue in the same period has increased by more than 11 times from shs 306m/= in 2002 to shs 3.414bn/= in 2012. In 2013, the total revenue is estimated to reach 5.531 bn/=.

After 2005, the revenue growth increased dramatically as a result of the shift to the new factory premises and installation of a new bottling plant. The growth rate was over 3 times by 2008 and under 5 times by 2009. The growth is estimated to be 3 times in 2013. This is a phenomenal growth rate, especially considering that the overall economic performance of Tanga city is sluggish.

Table 4: Total Revenues and Growth 2002 - 2013

Year	2002	2005	2008	2009	2012	2013
Total Revenue, Tshs(million)	306 /=	617 /=	1,008/=	1,455/=	3,414/=	5,531/=
Growth (base 2002)	--	201%	329%	475%	1,157%	1,807%
						* estimated

From 2013, after installation of the new machinery in this current expansion project, the estimated growth in revenue will be shs 5.53bn/= in 2013, shs 12.9bn/= in 2015 and shs 38.3.5bn/= in 2017. This trend represents over seven times growth during the period of this project. Although this will require additional machinery to support such growth which has been considered by the management.

The growth of ASFL revenues in the past has mainly been based on growth of quantities supplied to the market. Since 2008, there has not been any change in the selling price. There has always been a strong increase in demand for ASFL products from within the Tanga city and the region, and increasingly from the neighbouring regions. A Number of factors contribute to this increase. These are:

8.3.1 Strong Brand Loyalty

ASFL enjoys a very strong brand loyalty in Tanga and beyond. *Healtho*, its most popular brand, is probably the most recognized brand within Tanga region. There exists no rival from within Tanga to this brand. Coca-cola and Pepsi are known to have querried as to what makes Healtho so popular. Both these multinationals spend a disproportionately large amount in advertisements and promotions in Tanga but as yet have completely failed to dislodge Healtho from its pedestal and popularity it enjoys. Healtho syrup is known to be sent as gifts to the Tanga diaspora worldwide, from Australia to USA and Europe.

Despite the fact to date that no effort is made by ASFL to market its products outside the country, buyers from Kenya, Uganda and the Middle East regularly purchase in the local market for exporting to those countries. 5% of the syrup production is estimated to make its way to the UAE and Saudi Arabia, and another 5% to the other East African countries at present.

8.3.2 Attractive Agent's Commission

ASFL has 12 wholesale agents in town to whom direct deliveries are made on daily basis. The agents receive 6% commission on the selling price per crate and are supported by the company in product promotion activities. Most of the sale of soda is through the agents. The agents have established a strong loyalty to the company due to the regular assured deliveries, the growing demand for the products from the consumers and the constantly increasing quantities produced by the company.

8.3.3 Healthy Retailers' Commission

The soda retailer, many of whom are small street-side kiosk, enjoys a hefty 60% commission on the selling price per each bottle of soda. The retailers obtain their supplies from the wholesalers and in some instances, direct from the factory. These attractive margins have ensured a strong loyalty to ASFL from the retailers, and are winning over a bigger number than what the company can satisfy at present. In outlying areas of the town, or in the neighbouring districts, where no agent is present, retailers cycle upto 45kms to collect even just two crates for retailing in their kiosks. Other types of retailers include hotel and restaurant owners, clubs, groceries, entertainment halls, and public-events organizers.

8.3.4 Retailers' Product Promotion Support

The company supports the retailers in product promotion in two major ways. One, the company provides permanent advertisement materials to be placed at the kiosk, such as sign-boards, and two, the company arranges availability of bottle coolers (refrigerators) on hire purchase for the retailers. This assists the retailers in maintaining visibility and enables them to provide a tempting cold drink to the consumer on demand.

8.3.5 Advertisements

ASFL advertises its products within Tanga city and neighbouring districts and regions through strategic placements of large wall signs on selected buildings (including those accomodating its agents) and attractive sign-boards and hoardings for placement at the soda retailers premises. In addition, many of the delivery trucks, whether owned by the company or by its distributors/agents, are painted in company colours and show large brand images. The company and brand signs, colours and images are now easily and widely recognized throughout the areas receiving the company products.

8.3.6 Improved Distribution Network

ASFL has own delivery trucks dedicated to soda distribution within the city, in addition to hired trucks. These vehicles deliver soda to wholesale agents in town. Those agents who are based outside the city area use public transport vehicles to collect their supplies direct from the factory. Deliveries are made daily and as and when required.

8.4 Product Quality

ASFL is strict about its quality control and ensures a healthy product at all times. Over the years, the company has improved its quality and production efficiencies thereby guaranteeing better standards. Some of the recent improvements have included better syrup handling facilities, boiler re-design to reduce emission of gaseous waste, change usage of fuel from industrial oil to LPG, use of chiller during soda filling process to improve quality of soda and carbonation, installation of reverse osmosis and ozone technology for water treatment purposes, replacing wooden soda crates with plastic crates and installation of automatic digital continuous inkjet printing/coding machine for printing of production and expiry dates on the products.

Overall, these improvements have ensured a better standard product that is manufactured under high hygienic standards and delivered in a better packaged manner. Also, overall, the products and the company have become increasingly environment friendly. Also it is registered with Tanzania Foods & Drugs Authority and is registered all its products with Tanzania Bureau of Standard thus ensuring attainable standards in its products as well as manufacturing practices.

ASFL is one of the manufacturing companies in Tanga that is enlisted under the Tanga Cleaner Production Project of the Tanga City Council's Sustainable Tanga Programme. The programme started in 2001. Details are provided below in the section on Environmental Consideration (Section 12).

8.5 Competition and Prices

ASFL's brands are unique to Tanga and as such face very little competition. Other established soda companies in the market are the two large multinationals, Coca-Cola and Pepsi Cola, and Bakhresa Food products Ltd under the brand 'AZAM". Coke and Pepsi had their own bottling plants in town but have now closed down the bottling operations. They supply their products from Dar es Salaam to the Tanga market. ASFL had purchased the closed down Coke facility in 2004 and installed it own new bottling plant from where it operates at present, and intends to undertake this expansion project.

ASFL has maintained its soda price at the same level for the last three years. Healtho, the most popular soda, retails at shs.400/= for 300ml. In comparison, Coke and Pepsi retail at shs. 600/= to shs. 700/= for 350ml.

Soda in new PET bottles is expected to retail at shs 500/= for the 350ml. The competition, mainly Coke, Azam is retailing at shs 700-800/= for the 500ml PET bottle. ASFL has maintained to keep its bottle size at 350ml mainly due to serving size and price. This was taken into account after a month long market survey carried out locally from asking street vendors to final consumers and involving existing agents to gather information from the market.

8.6 Market Outlook after Expansion Project

Product in PET as a choice of packaging will have immediate result on the expansion project. ASFL has plans underway of catering the export market to which it receives constant queries for both soda and syrups.

8.6.1 Quality

Soda quality will be maintained as only packaging will be changed from glass bottles to PET. There will also be an increase in automation of the production process whereby human errors and inefficiencies will be significantly reduced.

8.6.2 Capacity

Larger production capacity will ensure that the demand for all the brands will be satisfied. Soda production at present is 2,000 crates per day. After expansion of the building and the installation of the new plants, the total installed capacity will be 10,000 crates per day. However, in the first year of this project, the total operational capacity will be 5,500 crates per day, and will gradually rise to 10,000 crates per day by the second year of the project once operations run 24hrs/day.

8.6.3 Packaging

From 2013, after the new machinery is installed, aerated soda will be available in plastic disposable (PET) bottles, in addition to the returnable glass bottles. The PET bottles will be in one 350ml size. The PET bottles will allow a larger quantity to be transported per unit measure compared to the glass bottle as they are of lighter weight than glass. Furthermore, as these PET bottles are disposable, distribution to greater distances from Tanga will become feasible as there will no longer be a need to return the empties to the factory for re-fillng. ASFL intends to distribute soda in PET bottles to the areas outside Tanga region.

8.6.4 Distribution Method

With the increase in production capacity, an improved distribution system will be put in place. To start with, contract distribution using external public transporters and agents will be further expanded. This method of distribution frees ASFL from the burden of managing a distribution fleet and maintaining sales depots. This method has proved very successful to date. The strong market expansion and strengthening market position in Tanga and the penetration into the Dar es Salaam market is a direct result of this method of distribution.

ASFL products offer security of availability and reliability of business. The transporters and agents are happy with this. As a matter of fact, as ASFL's products are always in high demand, the company receives a large number of queries for distribution and agencies all the time.

8.6.5 Promotion

ASFL is determined to expand its market area and size for soda and syrup. A concerted advertisement and promotion drive throughout the project period is anticipated.

Soda promotion in neighboring regions of Daressalaam, Arusha, Kilimanjaro and Morogoro will be intensified. All these regions are connected with excellent tarmac roads with a maximum driving time of 6 hours to any of the regional capitals. Promotion in Zanzibar and Pemba will also increase.

Likewise, syrup promotion will be intensified. In case of syrup, the focus will be more national and international. The whole country and the Eastern African region will be the focus area. In addition, specific attention will be paid to the Middle Eastern market where ASFL already has a presence and brand recognition.

9. Financial Analyses

9.1 Introduction

The expansion project is a feasible and a profitable undertaking with the internal rate of return (IRR) of 83% and the payback period not exceeding 3 years.

The total investment in this project is Tshs 723.9m/=, as follows:

Table 5: Total Investment Schedule

CAPITAL FUNDING REQUIREMENTS

Jan, 2013

Exch Rate	1650	
	Stage 1	
	US$	US$
Machinery		
1 Complete PET bottling plant 9,000bph	356,716	
Freight	15,000	
Clearing & Forwarding	2,000	
Installation Costs	10,000	
Duties & taxes	5,000	
New Building	50,000	438,716
TOTAL		**438,716**
Tshs Equivalent of Total Funding - Stage 1		**723,881,400**

The financial analysis shows that ASFL will be able to meet the financial obligations for this expansion project from within its operations.

9.2 Assumptions

The key assumptions for this project are the following:

- A 30% glass bottles, 50% PET bottles and 50% syrup growth rate in demand of soda and syrup is assumed for 2013, which will be translated in a similar growth in production quantities. Thereafter a further growth of 85% PET bottles and 70% syrup, is assumed for 2014 and 85% PET and 70% syrup for 2015.

- The price increase of soda and syrup is only assumed after the third year of not more than 5% p.a. is assumed. This is important in order to maintain a steady growth in demand and to fend of competitors. Exchange rates and inflation will determine price increase in the first three year if necessary.
- Cost of production and other expenses will not increase by more than 5% p.a.
- The exchange rate used for preparing this feasibility study is Tshs 1,650/= for USD 1. Average taken since January 2013 with 15% inflation taken into account.

9.3 Financial Statement Details

9.3.1 ASFL Financial History

ASFL is an on-going operation. The company prepares audited financial statements every year. In this feasibility study, the actual audited financial statements for 2012 have been used as the basis for projecting future trend. The financial statement for 2013 is estimated, based on actual production and revenue up until April 2013.

9.3.2 Operating Costs

These are based on historical costs ASFL has been working with in the past few years and which have appeared in its past financial statements. From 2013, the increase in cost is estimated at 5% p.a. However, for marketing expense, due to its critical importance in sustaining a steady growth in demand for soda and syrup, a 10% p.a. increase is considered.

9.3.3 Profitability

During the first year of the project, i.e. 2013, the company will make a net profit after tax of shs 671m/=. The net profit in 2014 will increase to 691m/=. In 2015, the net profit will be shs 732m/=. Marketing and promotion as well as hiring of staff will lead to a steady increase in profit, thereafter the profits will increase to i.e 1.43bn in 2016. The Profit & Loss Schedule in the annex provides the full details. Capital allowances has not been considered during preparation of financial statements.

9.3.4 Cash Flow Projections

Cash flow for the entire period of the project is healthy. The project is estimated to have a surplus of shs. 644.8m/= in 2013 and the cumulative balance over the entire project period will remain a healthy positive, reaching a balance of shs 1.3bn/= in 2015. Details are provided in the Cash Flow schedule in the annex.

9.3.5 Projected Balance Sheet

The projected balance sheet portrays a good situation for the company. The total net current assets is estimated to be shs 500m/= in 2013, increasing to shs 1.1bn/- in 2014 and 3.5bn/= in 2015. Full details in the annex.

9.4 Financial Sensitivity Analysis

The IRR is 83%, indicating a highly favourable condition for the investment. The discount rate used is 18%. The Net Present Value (NPV) will be Tshs 4.5bn/=.

The liquidity ratio is above 1 during the first year of the expansion project, whereas the acid ratio is above 1 in the corresponding years. This indicates the medium outflow of cash resources from the company for procurement of the new machinery and construction of the new warehouse. However, this is not a threat to the project as there will still remain healthy positive cash balances during all the years of the project.

Return on Capital Employed (ROCE) is 54% in 2013 and thereafter reducing to an average of 45% from 2014 to 2017. Net profit to sales ratio hovers around 10% for the entire project period. As indicated growth rates are achieved purchasing power and economy of scale will lead lowering the cost of sales which will translate to higher net proft. The debt ratio is 18% in the first year of the project, then decreasing to 0% in 2014 further staying at 0% in the course of project. If necessary further expansion will be undertaken by internal resources unless otherwise need be of external financing.

Various sensitivity analyses were conducted to determine IRR responsiveness to changes in production costs and sales prices. The most sensitive variables that were observed were the cost of production. A larger than anticipated increase in cost of any of the key inputs would require a cost adjustment in other inputs or expenses, or a compensating increase in the selling price.

Overall, the financial analyses indicates a favorable situation for the project. Accordingly, ASFL is recommended to undertake this project as specified in this study.

10. Environment Considerations

ASFL is a member of the group of selected industries in Tanga under the Sustainable Tanga Programme's (STP) Cleaner Production (CP) project. STP is implemented by the Tanga City Council.

ASFL's Environment Policy Statement is:
"Environment is as important as Quality, Costs, Production, Safety and Productivity, and other aspects connected with running a company. Because of this, we operate so as to prevent environmental damage, continually seek to improve our processes and avoid altering the quality of life for future generation".

During 2012, ASFL carried out Initial Environment Audit as stipulated by National Environment Management council(NEMC) to assess the waste and pollution produced by the factory. The report is in the final stages of approval with recommendations for improvements whereby production efficiencies can be increased and environmental impact be minimized. Some of the key issues that ASFL has already dealt with arising from the NEMC report are change in discharge water and effluents and continue finding ways to minimize waste water before discharging into the drainage. Also strict adherence to Hazard Analysis Critical Control Point (HACCP) is maintained at all stages of production. .

The ASFL expansion project of 2004, that saw the company moving its production facility to new premises and installation of a new bottling plant, was partly a result of the CP report. The report had recommended an improved design for the boiler, better machinery for filling carbon dioxide gas, better waste water management, use of LPG instead of fuel oil for generating steam and electricity and use of more sophisticated measuring instruments. All these recommendations were adopted in the expansion project.

Furthermore, the expansion project improved the working environment for the factory workers. The new machinery lowered noise level within the premises; the new premises had more open floor space and hence no congestion; a better designed and easily accessible storage area; a better designed loading bay and improved workers utility services.

Waste management has also improved substantially over the last few years. Overall, less waste is generated due to improved technologies and more re-cycling efforts. All broken and chipped glass bottles are collected and returned to glass factory for recycling. Gaseous emissions from the boiler have been minimized as LPG is used as fuel instead of furnace oil. Other waste generated is negligible.

This project will further enhance good environment management at ASFL. To start with, the use of PET bottles is a direct effort to improve efficiency in resource utilisation and to minimize waste, in terms of less storage and transportation needs, and to allow maximum, potentially 100%, re-cycling of all packaging materials. Additional warehouse space will allow better management of storage space and working environment. Use of natural gas will be further enhanced and efficiencies in water usage will be further improved. Overall, it is anticipated that this expansion phase will result in better environment management at the premises and more embedded environment considerations in all company operations.

11. Employment Generation

ASFL at present employs 10 skilled managers, technicians and operators, and 37 non-skilled labourers. All staffs are local who are recruited from within Tanga city.

With the expansion project, 24 additional skilled staffs will be required together with 26 additional unskilled labourers. As a result, the total number of employers will be 97. Most of the additional skilled staff will be required in the production section due to the installation new sets of machineries. Other sections where additional staff will be required are the administration section, the laboratory, maintenance section and loading section. The increase in staff numbers will be undertaken over a two year period from 2013 to 2014

.

At present, the need for expatriate (foreign national) staff is not foreseen. However, this option is left open should a need arise for a particular expert either in administration or production.

The skilled positions after the expansion project are to be as follows:

Table : Skilled Staff Employment Positions

Level	No	Activity Description
Managing Director		Overall in Charge
Directors		Administration (1), Production (1), Finance (1)
Managers		Administration (1), Production (1)
Administration		Marketing & sales (1), Accountant (1), Book-keeper (2), Secretary (2)
Supervisors - Processing		Syrup room (2)
Supervisors – Production	4	Operations (2), Line supervisors (2)
Laboratory	3	Inspectors (2)
Technicians	1	Electrical/Mechanical/Plumbing and Maintenance Section
Operators	16	Filling Machine (2), Injection & Blow Moulding (8), Filling line Lamp Inspectors (2) Labelling (2), Shrink wrapping (2)
Drivers		Forklifts, Trucks, Pick-ups (3)
(skilled) sub-total	**24**	
Labourers	26	Semi & unskilled
TOTAL	**50**	

12. Statutory Contributions

The expansion project is estimated to generate substantial amount of statutory contributions to the treasury and other local and national government agencies. Over the period of five years from the start of expansion project in 2013, the contributions will double from shs 1.19bn/= to approximately shs 5.0 bn/=.

The contributions will be in many forms such as various fees and licenses to the local authorities, including Trading Permit and Refuse Collection Fees; Pay As You Earn Tax (average charge taken at 25% of gross salaries and wages); National Social Security Fund (charged at 10% of gross salaries and wages to the employer); Skills and Development Levy (charged at 6% of the gross salaries and wages to the employer); Excise Duty (charged at shs. 83/= p.ltr of aerated and bottled soft-drink); Service Levy (charged at 0.3% of total revenue by the local authority); Corporation Tax at 30% of gross income; and additional Value Added Tax generated by the project activity (charged at 18%).

In year 2013, the first year of the project, the total contribution is estimated to be shs. 1.19bn, of which the largest single contribution will be that of Excise Duty at shs. 495m/=. By year 2017, the fifth year of the project, the total contribution is estimated to be shs. 5.0bn/=, and Excise Duty paid will be shs. 2.65bn/=.

The following table provides the detailed estimates of the various contributions that will be made during the first five years of the project.

Table 7: Statutory Contributions, in Tshs.

Statutory Contributions	2013	2014	2015	2016	2017
Fees & Licences	25,000,000	31,250,000	32,812,500	34,453,125	36,175,781
PAYE, avrg 25%	63,510,000	79,104,000	114,640,350	140,510,434	174,454,479
NSSF 10%	25,404,000	31,641,600	45,856,140	56,204,174	69,781,792
Skills & Dev Levy 6%	15,242,400	18,984,960	27,513,684	33,722,504	41,869,075
Excise Duty	495,012,000	692,319,600	1,068,703,020	1,691,271,246	2,657,136,668
Service Levy, 0.3%	16,606,170	23,854,068	38,756,935	67,348,053	114,799,062
Corporate Tax, 30%	287,630,773	296,518,896	313,741,796	613,082,213	1,067,333,844
Additional VAT generated	267,151,009	285,753,676	324,507,147	528,509,201	835,186,779
TOTAL	**1,195,556,352**	**1,459,426,801**	**1,966,531,573**	**3,165,100,949**	**4,996,737,482**

13. Implementation Schedule

The project implementation schedule is estimated to take 7 months from January 2013. In January the expansion project feasibility study and the architectural drawings for the proposed new factory building site will be completed.

In the six month period from February to July 2013, the new machineries (new PET bottle filling plant) will be imported and installed in existing warehouse. The new plants will be commissioned by July 2013.

Table 8: Implementation Schedule timeframe for PET bottling project

	Year 2013											
Activity	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Architectural Drawings – Warehouse												
Civil and building works												
Procurement of PET Bottling Plant												
Importation of PET plant & Delivery												
Installation and Commissioning of PET plant												

14. Conclusions and Recommendations

After due consideration of all factors, and in particular of the projected demand for ASFL's soda and syrup and the financial analysis, it is recommended that ASFL undertake this project as specified in this study.

Apart from the expected favorable financial situation, ASFL has a solid proven history and experience in the manufacture of soda and syrup and has sufficient reliable manpower to handle this project. Its recent history, whereby the company successfully invested in new machinery and relocated to new premises in 2004, shows that the company has the resources and experience of managing large expansion projects.

This project is also of benefit to the community and the national economy. It will create additional employment; provide increased income-generating opportunity to various suppliers of inputs, distributors of soda and syrup and other service-providers; make higher statutory contributions to the local and national governments; and will result in a more environment friendly manufacturing company through adoption of modern machinery and efficient production processes.

Annex 1 Financial Statements

A1. Capital Funding Requirement Schedule
A2. Asset Schedule
A3. Revenue Schedule
A4. Cost Projection Schedule
A5. Profit & Loss Schedule
A6. Cash Budget Schedule
A7. Cashflow Schedule
A8. Balance sheet
A9. Financial Analysis
A10. Statutory Contributions Schedule

A1. CAPITAL FUNDING REQUIREMENTS **Jan, 2013**

Exch Rate 1650

	Stage 1	
	US$	US$
Machinery		
1 Complete PET bottling plant 9,000bph	356,716	
Freight	15,000	
Clearing & Forwarding	2,000	
Installation Costs	10,000	
Duties & taxes	5,000	
New Building	50,000	438,716
TOTAL		438,716

Tshs Equivalent of Total Funding - Stage 1 723,881,400

Combined Investment

CAPITAL FUNDING REQUIREMENTS

Exch Rate

	Total	Loan Finance	Own Finance
	US$	US$	US$
Buildings	-	-	-
Furniture & Fittings	-	-	-
Machinery	438,716	195,000	243,716
Vehicles/ lifting equipment		-	-
TOTAL	438,716	195,000	243,716
Equivalent in Tshs	723,881,400	321,750,000	402,131,400
Percentage of Financing		44%	56%

A2.1 CAPITAL INVESTMENTS

New Assets	2013	2014	2015
Land & Buildings	82,500,000	-	-
Machinery & Equipment (New Plant)	641,381,400		-
Motor Vehicles & Lifting Equipments	-		-
Office Furniture & Fixture	-	-	-
TOTAL	723,881,400	-	-

GROSS FIXED ASSETS (COST)		2013	2014	2015	2016	2017	2018	2019
Land & Building		82,500,000	82,500,000	82,500,000	82,500,000	82,500,000	82,500,000	82,500,000
Machinery & Equipment		641,381,400	641,381,400	641,381,400	641,381,400	641,381,400	641,381,400	641,381,400
Motor Vehicles & Lifting Equipments		-	-	-	-	-	-	-
Furniture & Fittings		-	-	-	-	-	-	-
TOTAL GROSS FIXED ASSETS		723,881,400	723,881,400	723,881,400	641,381,400	723,881,400	723,881,400	723,881,400
ANNUAL DEPRECIATION SCHEDULE								
Land & Building	5%	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000
Machinery & Equipment	12.50%	80,172,675	80,172,675	80,172,675	80,172,675	80,172,675	80,172,675	80,172,675
Motor Vehicles & Lifting Equipments	25.00%	-	-	-	-	-	-	-
Furniture & Fittings	12.50%	-	-	-	-	-	-	-
TOTAL ANNUAL DEPRECIATION		84,297,675	84,297,675	84,297,675	84,297,675	84,297,675	84,297,675	84,297,675
ACCUMULATED DEPRECIATION SCHEDULE								
Land & Building		4,125,000	8,250,000	12,375,000	16,500,000	20,625,000	24,750,000	28,875,000
Machinery & Equipment		80,172,675	160,345,350	240,518,025	320,690,700	400,863,375	481,036,050	561,208,725
Motor Vehicles & Lifting Equipments		-	-	-	-	-	-	-
Furniture & Fittings		-	-	-	-	-	-	-
TOTAL ACCUMULATED DEPRECIATION		84,297,675	168,595,350	252,893,025	337,190,700	421,488,375	505,786,050	590,083,725
SCHEDULE OF NET FIXED ASSETS (NEW)								
Land & Building		78,375,000	74,250,000	70,125,000	66,000,000	61,875,000	57,750,000	53,625,000
Machinery & Equipment		561,208,725	481,036,050	400,863,375	320,690,700	240,518,025	160,345,350	80,172,675
Motor Vehicles & Lifting Equipments		-	-	-	-	-	-	-
Furniture & Fittings		-	-	-	-	-	-	-
		639,583,725	555,286,050	470,988,375	386,690,700	302,393,025	218,095,350	133,797,675

A2.2 CAPITAL INVESTMENTS (continued)

SCHEDULE OF EXISTING ASSETS & DEPRECIATION

	2012	2013	2014	2015	2016	2017	2018	2019
Land & Building	52,449,611	49,827,130	47,335,774	44,968,985	42,720,536	40,584,509	38,555,284	36,627,520
Plant & Machinery & Equipment	646,263,199	565,480,299	494,795,262	432,945,854	378,827,622	331,474,169	290,039,898	253,784,911
Motor Vehicles	7,544,313	5,658,235	4,243,676	3,182,757	2,387,068	1,790,301	1,342,726	1,007,044
Furniture & Fittings	12,234,234	10,704,955	9,366,835	8,195,981	7,171,483	6,275,048	5,490,667	4,804,334
Total	718,491,357	631,670,619	555,741,547	489,293,577	431,106,709	380,124,027	335,428,575	296,223,808

Depreciation	Rate	2013	2014	2015	2016	2017	2018	2019
Land & Building	5%	2,622,481	2,491,357	2,366,789	2,248,449	2,136,027	2,029,225	1,927,764
Machinery & Equipment	12.50%	80,782,900	70,685,037	61,849,408	54,118,232	47,353,453	41,434,271	36,254,987
Motor Vehicles & Lifting Equipments	25.00%	1,886,078	1,414,559	1,060,919	795,689	596,767	447,575	335,681
Furniture & Fittings	12.50%	1,529,279	1,338,119	1,170,854	1,024,498	896,435	784,381	686,333
		86,820,738	75,929,072	66,447,970	58,186,868	50,982,682	44,695,453	39,204,766

	2013	2014	2015	2016	2017	2018	2019
Depreciation Expense (New+Old)	**171,118,413**	**160,226,747**	**150,745,645**	**142,484,543**	**135,280,357**	**128,993,128**	**123,502,441**

Schedule of Net Book Values (New+Old)	2013	2014	2015	2016	2017	2018	2019
Land & Building	128,202,130	121,585,774	115,093,985	108,720,536	102,459,509	96,305,284	90,252,520
Machinery & Equipment	1,126,689,024	975,831,312	833,809,229	699,518,322	571,992,194	450,385,248	333,957,586
Motor Vehicles & Lifting Equipments	5,658,235	4,243,676	3,182,757	2,387,068	1,790,301	1,342,726	1,007,044
Furniture & Fittings	10,704,955	9,366,835	8,195,981	7,171,483	6,275,048	5,490,667	4,804,334
Net Book Values (New & Old)	**1,271,254,344**	**1,111,027,597**	**960,281,952**	**817,797,409**	**682,517,052**	**553,523,925**	**430,021,483**

A3. REVENUE PROJECTIONS

Assumptions:

Excise	597.6
VAT Excl	4788.135593
	4190.535593

Syrup annual production to increase by 15%, using existing plant.
Excise Duty is Tshs 83 per litre, for bottled soda only.
Base Price taken is 2012 Agent's Price as follows:

Soda (300ml Glass Bottle), per crate of 24	4,190.50	excl VAT (18%) & Excise Duty (Tshs. 597.60)	(Tsh. 5650 All inclusive)
Soda (350ml PET Bottle), per crate of 24	6,931.00	excl VAT (18%) & Excise Duty (Tshs. 696)	(Tsh. 9,000 All inclusive)
Syrup, 5 ltr, per bottle	5,826.00	excl VAT (18%)	(Tsh. 6,875 All inclusive)
Syrup, 1 ltr, per dozen	15,254.00	excl VAT (18%)	(Tsh. 18,000 All inclusive)

PRICE PROJECTIONS

	2013	2014	2015	2016	2017	2018	2019
				5%	5%	5%	5%
Soda (300ml Glass), per crate	4,190.50	4,191.00	4,191.00	4,401.00	4,621.00	4,852.00	5,095.00
Soda (350ml PET), per pack	6,931.00	6,931.00	6,931.00	7,278.00	7,642.00	8,024.00	8,425.00
Syrup, 5 lt, per Bottle	5,826.00	5,826.00	5,826.00	6,117.00	6,423.00	6,744.00	7,081.00
Syrup, 1 lt, per dozen	15,254.00	15,254.00	15,254.00	16,017.00	16,818.00	17,659.00	18,542.00

QUANTITY PROJECTIONS

		2014	2015	2016	2017	2018	2019
PET Projections		50%	85%	85%	75%	65%	
Syrup Projections		50%	70%	70%	65%	60%	
Soda Projection		30%	20%	12%	6%	2%	
Equivalent crates per month	69,028	96,542	149,027	235,842	370,529	570,535	571,858
Soda Litres Produced	5,964,000	8,341,200	12,875,940	20,376,762	32,013,695	49,294,255	49,408,505
% increase in Soda Prod		40%	54%	58%	57%	54%	0%

	2013	2014	2015	2016	2017	2018	2019
Soda (300ml Glass), crates (7.2ltr)	420,000.00	546,000.00	655,200.00	733,824.00	777,853.00	793,410.00	809,278.00
Soda (350ml PET), packs (8.4ltr)	350,000.00	525,000.00	971,250.00	1,796,813.00	3,144,423.00	5,188,298.00	5,188,298.00
Syrup, 5 lt, per Bottle	140,000.00	210,000.00	357,000.00	606,900.00	1,001,385.00	1,602,216.00	1,602,216.00
Syrup, 1 lt, per dozen	35,000.00	52,500.00	89,250.00	151,725.00	250,346.00	400,554.00	400,554.00

REVENUE PROJECTIONS

	2013	2014	2015	2016	2017	2018	2019
Soda (300ml Glass), per crate	1,760,010,000	2,288,286,000	2,745,943,200	3,229,559,424	3,594,458,713	3,849,625,320	4,123,271,410
Soda (350ml PET), per crate	2,425,850,000	3,638,775,000	6,731,733,750	13,077,205,014	24,029,680,566	41,630,903,152	43,711,410,650
Syrup, 5 lt, per Bottle	815,640,000	1,223,460,000	2,079,882,000	3,712,407,300	6,431,895,855	10,805,344,704	11,345,291,496
Syrup, 1 lt, per dozen	533,890,000	800,835,000	1,361,419,500	2,430,179,325	4,210,319,028	7,073,383,086	7,427,072,268
TOTAL REVENUE	5,535,390,000	7,951,356,000	12,918,978,450	22,449,351,063	38,266,354,162	63,359,256,262	66,607,045,824

PET projected 60,000 crates per month
8,500bph/24bottles *7hrs*26days
approximate taken 60,000crates

A4. COST PROJECTIONS

	2013	2014	2015	2016	2017	2018	2019
PRODUCTION COST							
Materials Consumed							
Crates							
Glass Bottles							
Sugar	1,502,725,000	2,280,796,875	3,876,524,367	6,682,519,605	11,312,792,513	18,672,338,961	19,626,688,931
Essence	522,543,268	915,751,200	1,587,106,962	2,784,701,839	4,775,169,552	7,948,910,063	8,352,820,016
Crown Corks	105,840,000	126,584,640	159,496,646	187,568,056	208,763,128	223,585,294	239,459,790
Syrup Bottles	215,320,000	354,900,000	633,496,500	1,130,791,253	1,959,095,011	3,291,281,020	3,455,845,071
PET Bottle, Caps, Label	1,033,200,000	1,627,290,000	3,161,010,825	6,140,265,236	11,282,738,269	19,547,344,239	20,524,711,451
Packing Materials	58,026,375	82,356,750	156,774,260	298,815,412	542,268,111	933,584,585	980,263,814
Co2 gas	54,432,000	84,913,920	292,026,319	485,252,210	800,492,834	1,294,217,466	1,362,077,936
Chemicals	127,280,000	204,714,642	363,410,237	661,380,256	1,194,949,890	2,115,962,871	2,438,997,109
LPG Gas	64,902,600	88,592,049	111,625,982	131,272,155	146,105,825	156,479,327	167,589,318
Food Color	38,045,887	105,618,450	177,460,385	303,289,037	510,401,722	838,535,136	881,640,561
Salaries, Wages & Costs	87,420,000	118,017,000	159,322,950	215,085,983	290,366,076	391,994,203	529,192,174
Utilities (elec/fuel/water)	137,402,600	222,717,049	253,000,982	272,647,155	352,730,825	435,604,327	446,714,318
Maintenance	70,000,000	91,000,000	113,750,000	142,187,500	177,734,375	222,167,969	277,709,961
	4,017,137,730	6,303,252,575	11,045,006,414	19,435,775,695	33,553,608,133	56,072,005,459	59,283,710,449
ADMINISTRATIVE COST							
Service Levy	16,606,170	23,854,068	38,756,935	67,348,053	114,799,062	190,077,769	199,821,137
Fees & Licences	25,000,000	31,250,000	32,812,500	34,453,125	36,175,781	37,984,570	39,883,799
Bank Charges	2,638,444	2,902,288	3,192,517	3,352,143	3,519,750	3,695,738	3,880,525
Postage & Telephone	4,000,000	4,600,000	5,290,000	6,083,500	6,996,025	8,045,429	9,252,243
Transport & Travelling	15,000,000	20,250,000	25,312,500	26,578,125	27,907,031	29,302,383	30,767,502
Salaries & Allowances	22,620,000	32,799,000	50,838,450	73,715,753	106,887,841	154,987,370	193,734,212
Rent & Security	28,750,000	34,500,000	41,400,000	49,680,000	59,616,000	71,539,200	85,847,040
Other admin expenses	26,000,000	28,600,000	30,030,000	31,531,500	33,108,075	34,763,479	36,501,653
	140,614,614	178,755,356	227,632,903	292,742,199	389,009,566	530,395,937	599,688,111
FINANCIAL EXPENSES							
Audit, Legal, Prof. Fees	1,250,000	1,375,000	1,512,500	1,663,750	1,830,125	2,013,138	2,214,451
Directors Fee	144,000,000	165,600,000	248,400,000	273,240,000	300,564,000	330,620,400	363,682,440
	145,250,000	166,975,000	249,912,500	274,903,750	302,394,125	332,633,538	365,896,891
MARKETING EXPENSES							
Advertisement	65,000,000	97,500,000	126,750,000	164,775,000	214,207,500	278,469,750	362,010,675
Sales & Other Overheads	37,500,000	56,250,000	73,125,000	95,062,500	114,075,000	136,890,000	164,268,000
	102,500,000	153,750,000	199,875,000	259,837,500	328,282,500	415,359,750	526,278,675
Total Costs	4,405,502,344	6,802,732,932	11,722,426,817	20,263,259,144	34,573,294,324	57,350,394,684	60,775,574,126
SCHEDULE OF PURCHASES							
Materials Consumed	3,722,315,130	5,871,518,526	10,518,932,483	18,805,855,058	32,732,776,856	55,022,238,960	58,030,093,996
Add: Closing Stock	335,008,362	528,436,667	1,051,893,248	1,504,468,405	1,636,638,843	1,650,667,169	1,740,902,820
less: Opening Stock	(222,498,756)	(335,008,362)	(528,436,667)	(1,051,893,248)	(1,504,468,405)	(1,636,638,843)	(1,650,667,169)
Purchases	3,834,824,736	6,064,946,832	11,042,389,064	19,258,430,214	32,864,947,294	55,036,267,286	58,120,329,647
Changes in Stock	112,509,606	193,428,306	523,456,581	452,575,156	132,170,438	14,028,326	90,235,651
Creditors	191,741,237	60,649,468	110,423,891	192,584,302	328,649,473	550,362,673	581,203,296

A5. PROJECTED PROFIT AND LOSS STATEMENT

	2013	2014	2015	2016	2017	2018	2019
TOTAL SALES REVENUE	5,535,390,000	7,951,356,000	12,918,978,450	22,449,351,063	38,266,354,162	63,359,256,262	66,607,045,824
COST OF SALES	4,017,137,730	6,303,252,575	11,045,006,414	19,435,775,695	33,553,608,133	56,072,005,459	59,283,710,449
GROSS PROFIT	1,518,252,270	1,648,103,425	1,873,972,036	3,013,575,368	4,712,746,029	7,287,250,803	7,323,335,375
OPERATING EXPENSE							
Aministrative Costs	140,614,614	178,755,356	227,632,903	292,742,199	389,009,566	530,395,937	599,688,111
General Expenses	145,250,000	166,975,000	249,912,500	274,903,750	302,394,125	332,633,538	365,896,891
Marketing Expenses	102,500,000	153,750,000	199,875,000	259,837,500	328,282,500	415,359,750	526,278,675
	388,364,614	499,480,356	677,420,403	827,483,449	1,019,686,191	1,278,389,224	1,491,863,677
OPERATING PROFIT	1,129,887,656	1,148,623,068	1,196,551,633	2,186,091,919	3,693,059,838	6,008,861,578	5,831,471,698
CAPITAL & FINANCE CHARGES							
Depreciation	171,118,413	160,226,747	150,745,645	142,484,543	135,280,357	128,993,128	123,502,441
Machine Disposal							
	171,118,413	160,226,747	150,745,645	142,484,543	135,280,357	128,993,128	123,502,441
PROFIT BEFORE TAX	958,769,243	988,396,321	1,045,805,988	2,043,607,376	3,557,779,481	5,879,868,451	5,707,969,257
Taxable Income	958,769,243	988,396,321	1,045,805,988	2,043,607,376	3,557,779,481	5,879,868,451	5,707,969,257
Tax at 30% (or/assesed)	287,630,773	296,518,896	313,741,796	613,082,213	1,067,333,844	1,763,960,535	1,712,390,777
PROFIT AFTER TAX	671,138,470	691,877,425	732,064,192	1,430,525,163	2,490,445,637	4,115,907,915	3,995,578,480
REVENUE RESERVES	1,430,084,484	2,121,961,909	2,854,026,101	4,284,551,264	6,774,996,901	10,890,904,816	14,886,483,296

A6. CASH BUDGET

	2013	2014	2015	2016	2017	2018	2019
Opening Balance	172,847,458	644,745,367	859,467,588	1,285,818,166	2,787,753,544	5,871,625,902	11,020,838,510
Directors Loan	321,750,000						
Bank Loan	-						
Revenue	5,535,390,000	7,951,356,000	12,918,978,450	22,449,351,063	38,266,354,162	63,359,256,262	66,607,045,824
Collection from Debtors	100,509,255						
	5,957,649,255	7,951,356,000	12,918,978,450	22,449,351,063	38,266,354,162	63,359,256,262	66,607,045,824
Costs							
Purchases-Materials	3,643,083,499	6,004,297,364	10,931,965,173	19,065,845,912	32,536,297,821	54,485,904,613	57,539,126,350
Production Overheads	294,822,600	431,734,049	526,073,932	629,920,637	820,831,277	1,049,766,499	1,253,616,453
Overheads	388,364,614	499,480,356	677,420,403	827,483,449	1,019,686,191	1,278,389,224	1,491,863,677
Loan Repayment	361,110,376	321,750,000	-	-	-	-	-
Taxation		287,630,773	296,518,896	313,741,796	613,082,213	1,067,333,844	1,763,960,535
Creditors	74,488,857	191,741,237	60,649,468	110,423,891	192,584,302	328,649,473	550,362,673
Purchase of Fixed Assets	723,881,400			-	-	-	-
Total Cost	5,485,751,346	7,736,633,779	12,492,627,872	20,947,415,685	35,182,481,804	58,210,043,654	62,598,929,688
Cash Surplus/Deficit	**471,897,909**	**214,722,221**	**426,350,578**	**1,501,935,378**	**3,083,872,358**	**5,149,212,608**	**4,008,116,136**
Cash Balance	**644,745,367**	**859,467,588**	**1,285,818,166**	**2,787,753,544**	**5,871,625,902**	**11,020,838,510**	**15,028,954,646**

A7. PROJECTED CASHFLOW STATEMENT

	2013	2014	2015	2016	2017	2018	2019
CASHFLOW FROM OPERATING ACTIVITIES							
Operating Profit (Loss) before Tax	958,769,243	988,396,321	1,045,805,988	2,043,607,376	3,557,779,481	5,879,868,451	5,707,969,257
Adjustment for:							
Depreciation	171,118,413	160,226,747	150,745,645	142,484,543	135,280,357	128,993,128	123,502,441
Profit before Working Capital changes	1,129,887,656	1,148,623,068	1,196,551,633	2,186,091,919	3,693,059,838	6,008,861,578	5,831,471,698
Working Capital Changes							
(Increase)/Decrease in Debtors	(124,509,957)	-	-	-	-	-	-
(Increase)/Decrease in Stocks	112,509,606	(193,428,306)	(523,456,581)	(452,575,156)	(132,170,438)	(14,028,326)	(90,235,651)
Increase/(Decrease) in Creditors	404,883,153	(122,203,645)	66,997,322	381,500,828	590,316,802	918,339,891	(20,729,134)
Cashflow from Operations	1,522,770,457	832,991,118	740,092,374	2,115,017,591	4,151,206,202	6,913,173,143	5,720,506,913
Taxation	(287,630,773)	(296,518,896)	(313,741,796)	(613,082,213)	(1,067,333,844)	(1,763,960,535)	(1,712,390,777)
Net Cashflows from Operating Activities	**1,235,139,684**	**536,472,221**	**426,350,578**	**1,501,935,378**	**3,083,872,358**	**5,149,212,608**	**4,008,116,136**
CASHFLOW FROM FINANCING ACTIVITIES							
Long Term Loans	321,750,000		-	-	-	-	-
Repayment of Term Loans	(361,110,376)	(321,750,000)					-
Purchase of Fixed Assets	(723,881,400)	-	-	-	-	-	-
Net Cashflow from Financing Activity	**(763,241,776)**	**(321,750,000)**	-	-	-	-	-
Net Total Cashflows	**471,897,908**	**214,722,221**	426,350,578	**1,501,935,378**	**3,083,872,358**	**5,149,212,608**	**4,008,116,136**
Opening Cash & Cash Equivalents	172,847,458	**644,745,366**	**859,467,588**	**1,285,818,166**	**2,787,753,544**	**5,871,625,901**	**11,020,838,509**
Closing Cash & Cash Equivalents	**644,745,366**	**859,467,588**	**1,285,818,166**	**2,787,753,544**	**5,871,625,901**	**11,020,838,509**	**15,028,954,645**

A8. PROJECTED BALANCE SHEET

	2013	2014	2015	2016	2017	2018	2019
FIXED ASSETS							
TANGIBLE FIXED ASSETS							
Land & Building	128,202,130	121,585,774	115,093,985	108,720,536	102,459,509	96,305,284	90,252,520
Plant, Machinery & Equip	1,126,689,024	975,831,312	833,809,229	699,518,322	571,992,194	450,385,248	333,957,586
Motor Vehicles	5,658,235	4,243,676	3,182,757	2,387,068	1,790,301	1,342,726	1,007,044
Furniture & Equipment	10,704,955	9,366,835	8,195,981	7,171,483	6,275,048	5,490,667	4,804,334
Total Tangible Assets	**1,271,254,344**	**1,111,027,597**	**960,281,952**	**817,797,409**	**682,517,052**	**553,523,925**	**430,021,483**
INTANGIBLE ASSETS							
Trade Mark	158,420	158,420	158,420	158,420	158,420	158,420	158,420
Pre-Operational Expenses							
Total Intangible Assets	**158,420**	**158,420**	**158,420**	**158,420**	**158,420**	**158,420**	**158,420**
Total Fixed Assets	**1,271,412,764**	**1,111,186,017**	**960,440,372**	**817,955,829**	**682,675,472**	**553,682,345**	**430,179,903**
CURRENT ASSETS							
Stock & Debtors	335,008,362	528,436,667	1,051,893,248	1,504,468,405	1,636,638,843	1,650,667,169	1,740,902,820
Bank & Cash	644,745,367	859,467,588	1,285,818,166	2,787,753,544	5,871,625,902	11,020,838,510	15,028,954,646
Total Current Assets	**979,753,729**	**1,387,904,256**	**2,337,711,415**	**4,292,221,949**	**7,508,264,745**	**12,671,505,679**	**16,769,857,466**
CURRENT LIABILITIES							
Creditors and Accruals	479,372,010	357,168,365	424,165,687	805,666,515	1,395,983,317	2,314,323,208	2,293,594,074
Net Current Assets	500,381,719	1,030,735,891	1,913,545,728	3,486,555,434	6,112,281,428	10,357,182,471	14,476,263,392
Total Net Assets	**1,771,794,483**	**2,141,921,908**	**2,873,986,100**	**4,304,511,263**	**6,794,956,900**	**10,910,864,815**	**14,906,443,295**
FINANCED BY:							
Share Capital	19,960,000	19,960,000	19,960,000	19,960,000	19,960,000	19,960,000	19,960,000
Long Term Loans (Bank)				-		-	-
Long Term Loans (Directors)	321,750,000						
Loan from Directors							
Accumulated Reserves	1,430,084,484	2,121,961,909	2,854,026,101	4,284,551,264	6,774,996,901	10,890,904,816	14,886,483,296
Total	**1,771,794,484**	**2,141,921,909**	**2,873,986,101**	**4,304,511,264**	**6,794,956,901**	**10,910,864,816**	**14,906,443,296**

A9. FINANCIAL ANALYSES

	2013	2014	2015	2016	2017	2018	2019
Net Cash Flows	(723,881,400)	(509,159,179)	426,350,578	1,501,935,378	3,083,872,358	5,149,212,608	4,008,116,136

Discount Rate used	18%
NPV	4,568,710,448
IRR	83%
Payback Period	3 Years

ACCOUNTING RATIOS

	2013	2014	2015	2016	2017	2018	2019
1. Liquidity Ratios:							
Net Current Assets	500,381,719	1,030,735,891	1,913,545,728	3,486,555,434	6,112,281,428	10,357,182,471	14,476,263,392
Current Ratio	2.04	3.89	5.51	5.33	5.38	5.48	7.31
Acid Test Ratios	1.34	2.41	3.03	3.46	4.21	4.76	6.55
2. Profitability Ratios							
ROCE	54%	46%	36%	47%	52%	54%	38%
Net Profit/Sales	17%	12%	8%	9%	9%	9%	9%
3. Leverage Ratios							
LT Debt/Total Asset	18%	0%	0%	0%	0%	0%	0%

A 10. Statutory Contributions

	2013	2014	2015	2016	2017	2018	2019
Fees & Licences	25,000,000	31,250,000	32,812,500	34,453,125	36,175,781	37,984,570	39,883,799
PAYE, avrg 25%	63,510,000	79,104,000	114,640,350	140,510,434	174,454,479	219,400,493	271,652,207
NSSF 10%	25,404,000	31,641,600	45,856,140	56,204,174	69,781,792	87,760,197	108,660,883
Skills & Dev Levy 6%	15,242,400	18,984,960	27,513,684	33,722,504	41,869,075	52,656,118	65,196,530
Excise Duty	495,012,000	692,319,600	1,068,703,020	1,691,271,246	2,657,136,668	4,091,423,182	4,100,905,898
Service Levy, 0.3%	16,606,170	23,854,068	38,756,935	67,348,053	114,799,062	190,077,769	199,821,137
Corporate Tax, 30%	287,630,773	296,518,896	313,741,796	613,082,213	1,067,333,844	1,763,960,535	1,712,390,777
Additional VAT generated	267,151,009	285,753,676	324,507,147	528,509,201	835,186,779	1,300,776,740	1,311,521,243
TOTAL	**1,195,556,352**	**1,459,426,801**	**1,966,531,573**	**3,165,100,949**	**4,996,737,482**	**7,744,039,605**	**7,810,032,474**

VAT Schedule

Revenues, net of VAT	5,535,390,000	7,951,356,000	12,918,978,450	22,449,351,063	38,266,354,162	63,359,256,262	66,607,045,824
Costs, net of VAT	4,051,217,730	6,363,835,575	11,116,160,964	19,513,188,837	33,626,427,613	56,132,718,818	59,320,816,695
Additional Value Generation	1,484,172,270	1,587,520,425	1,802,817,486	2,936,162,226	4,639,926,549	7,226,537,444	7,286,229,129
Additional VAT at 18%	267,151,009	285,753,676	324,507,147	528,509,201	835,186,779	1,300,776,740	1,311,521,243

ANJARI SODA FACTORY LIMITED
EXPANSION PROJECT
TANGA, TANZANIA

FEASIBILITY STUDY FOR
FACTORY EXPANSION PROJECT
JANUARY 2013

Prepared by
Assad Associates
P. O. Box 7286
Daressalaam, TZ

Table of Contents

Acronyms

ASFL- Anjari Soda Factory Ltd

NEMC- National Enviroment Management Council

CPT- Cleaner Production Tanzania

BPH- Bottles per hour

L- Litres

PET- Polyethylene terephthalate

Executive Summary

Anjari Soda Factory Ltd, registered in Tanga and incorporated in 1960, is a major manufacturer of carbonated softdrinks and syrups in Tanga. Its most popular brand is *'Healtho'.* It currently bottles in, 300ml glass returnable bottle for carbonated softdrinks and syrups in 1L PET(plastic) and 5L jerry cans.

In the past three years Tanzania softdrinks market has seen a tremendous shift in packaging from glass bottles to PET(plastic) bottle due to popular choice with consumers and the ability to transport PET bottles to anywhere in the country and beyond borders without having to return them for re-filling as it is the case with glass bottles.

Accordingly, ASFL intend to undertake an expansion project into PET bottling line of capacity 9,000bph for 350ml size. This will give its customers a wider choice of packaging and will allow ASFL to penetrate into new markets outside Tanga region which was difficult with the logistics of glass bottling. The total cost of expansion project is usd 0.44m(726m tshs) of which usd 0.05m(82.5m tshs)m is for new building and usd 0.39m(643m tshs) for procurement of machinery.

The machinery is to be procured from the republic of China.

This feasibility study shows that the project is viable, having an internal rate of return of 83% and be able to payback all external financing within one year of operations. The payback period for the expansion is two years.

The expansion project will create additional direct employment for 24 skilled personnel and 26 non-skilled personnel in addition to 47 employed in its existing operations. Indirect employment opportunities will arise from shop owners, transporters, and food vendors.

The expansion project will result in increase of statutory contributions from 1.2bn tshs in 2013 to 5.0bn tshs in 2017. The highest contribution will be of excise duty on carbonated softdrink per liter from 495m to 2.7bn in 2017.

Introduction

Anjari Soda Factory Limited (ASFL), incorporated in 1960, is a well-established and reputed aerated soft-drinks manufacturer in Tanga. ASFL is a family owned and run business that was started in the 1930s as a small sole proprietorship under its founder, the Late Mulla Akberali Anjari. Among its widely popular brands are *Healtho* and *Ice-Cream* Soda and *Rose* Concentrated Syrup.

ASFL is situated in the Gofu industrial area of Tanga City. It occupies the area which previously housed the Coca-Cola bottling franchise in Tanga. ASFL bought the purpose-built facilities from the Coca-Cola franchisee in 2005 and installed new bottling machinery at this facility in the same year. The expansion project had an investment value of USD 1 million.

Prior to 2005, ASFL operated from within the central business district area of Tanga town, on the junction of Customs/India Streets. The company had been operating from this location since its establishment.

However since 2011, ASFL is now experiencing capacity constraints due to the high demand for its products. As a result, the company is now set to further expand capacity new second bottling line and moving into PET(plastic) packaging. This new expansion project is set to start in January 2013 and be fully implemented within 7 months by July 2013 at a cost of USD 0.44 million.

Profile

Anjari Soda Factory Limited (ASFL), incorporated in 1960, is a well-established and reputed aerated soft-drinks manufacturer in Tanga. ASFL is a family owned and run business that was started in the 1930s as a small sole proprietorship under its founder, the Late Mulla Akberali Anjari. Among its widely popular brands are *Healtho* and *Ice-Cream* Soda and *Rose* Concentrated Syrup.

ASFL is situated in the Gofu industrial area of Tanga City. It occupies the area which previously housed the Coca-Cola bottling franchise in Tanga. ASFL bought the purpose-built facilities from the Coca-Cola franchisee in 2005 and installed new glass bottling machinery at this facility in the same year. The expansion project had an investment value of USD 1 million.

Prior to 2005, ASFL operated from within the central business district area of Tanga town, on the junction of Customs/India Streets. The company had been operating from this location since its establishment.

Over the years and especially after 2005, when the company moved to its present location, the company has experienced a rapid growth in demand of its products within the Tanga region, in Dar es Salaam, in neighbouring towns of Moshi, Arusha and Morogoro and across the border in Mombasa. The rapid growth is largely attributed to increased production capacity as a result of installation of new machinery, improved distribution, in Tanga region.

However since 2011, faced with increased competition in beverage market in Tanzania ASFL is now experiencing growing demand of its products in PET packaging. As a result, the company is now set to invest in 9000bph PET bottling line to cater for growing demand from its existing and new customer enquiries. This new expansion project is set to start in 2013 and be fully implemented within 7 months at a cost of USD 0.44m

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Expansion Project Objective

ASFL Expansion Project intends to venture into PET bottling and increase its market share through improved distributions and availability of its products country wide. Due to popular choice of packaging, PET offers a wider benefits over glass bottles to both manufactures and consumers such as light weight, flexibility, re-sealable and brand recognition through own bottle design.

Directors and Senior Staff Profile

The directors of ASFL are Mr. Jivanjee A. Anjari (69), Mr. Esmail. A. Anjari (63) Mr. Hatim J. Anjari (40), and Mr Fakhruddin. E. Anjari. All are citizens of Tanzania by birth.

Mr. Jivanjee Anjari and Mr. Esmail Anjari have been with ASFL all their working lives from the 1960s to the present day. They are highly experienced in the business of bottled and aerated soft-drink manufacturing and concentrated syrup processing. They have acquired technical and managerial skills through apprenticeship and by taking on increasingly senior managerial roles within the company over the years.

Both the directors are serious businessmen with sophisticated business maturity and acumen. They have impeccable reputation and credibility among the business fraternity in Tanga, and are considered among the few solid and stable business leaders in town who were able to survive and grow during the turbulent economic times in Tanga and the country in the 1970s and 1980s. Their informal credit rating is at the highest level (AAA). [Informal credit rating is judged through business reputation among the business community in Tanga, Tanzania and internationally. ASFL has to date never failed to obtain unsecured credit supplies of all goods and services that the company needs, even for an extended period of 6 – 12 months].

Mr Hatim Anjari, is the managing director. He is a graduate Food Scientist from the University of Guelph, Canada, and joined the family business in 1991 as a trainee production manager. Under the able guidance of his peers, he has consistently proven himself as an able manager and businessman and has lead ASFL on a steady growth trajectory. Over the last five years, under his leadership, ASFL successfully implemented the USD 1 million expansion project and the move to the new facility in the Gofu industrial area.

Mr Fakhruddin Anjari, a graduate in materials, mechanical and manufacturing engineering, has been with ASFL since 2007. He is the finance and operations manager. Under supervision of his senior family members he continues to show high degree of performance and ability to take the company further, realizing its growth and meeting customer satisfaction.

4. Financing

Anjari Soda Factory will finance the proposed investment to the amount of usd243,716 from their own funds and usd195,000 as personal gurantee's from the company directors and family friends payable in one year.

	Total	Loan Finance	Own Finance
	US$	US$	US$
Buildings	-	-	-
Furniture & Fittings	-	-	-
Machinery	438,716	195,000	243,716
Vehicles/ lifting equipment		-	-
TOTAL	**438,716**	**195,000**	**243,716**
Equivalent in Tshs	**723,881,400**	**321,750,000**	**402,131,400**
Percentage of Financing		**44%**	**56%**

Exchange rate taken as 1,650/=.

5. Sources of Technology

The machinery for this expansion project are sourced from the Republic of China.

The PET bottling line is purchased from a known supplier whom we have worked with in the past. The company is called Zhangjiang Sunswell Machinery Ltd, located in Zhangjiang city, Jiangsu Province. This company specializes in medium sized beverage plants(5,000 - 28,000 bottles per hour) around the world providing with complete turnkey solutions. The scope of supply is one complete 9,000BPH PET bottling line including installation, commissioning and training.

5.1 New Machinery and Capital Goods List

The list of machinery and capital goods that are required for the expansion project are as follows, grouped in two categories, imported and locally sourced.

The imported machineries that are to be purchased from China at present are:

1. Bottle blowing system
2. Air compressor – 1 unit high pressure and 1 unit low pressure
3. Refrigeration system
4. CIP cleaning system
5. Bottle loading
6. Filling system
7. Down stream packaging systems
8. Conveyors
9. Ink- Jet printer
10. Complete pipelines for the project.

Other imported items that will be procured during the period of this project (2013 – 2018) are:

1. Heavy Duty Trucks – 4 units
2. Bottle Coolers – 100 units
3. 4x4 Passenger vehicle – 2 unit
4. 400Kva diesel generator
5. 3 units Utility vehicle for marketing and distribution
6. Building materials
7. Furniture and fittings

6. Production Process

6.1 Introduction

ASFL at present has two production lines in use. One is for glass bottle filling and other for syrup filling. The sugar dissolving system is equipped to serve both lines and will also be able to accommodate the expansion.

After this expansion project, ASFL will have three bottling lines.

6.1.1 Soda

Soda is a carbonated soft-drink filled either in glass bottles or PET bottles and sealed with crown corks or plastic cap. Soda is ready for direct consumption by the consumer. The drink is sweetened by use of refined white sugar and comes in various flavour's and colours, depending on the brand type. The bottle size varies. At present, ASFL uses only the 300ml size glass bottle. After this expansion project, ASFL will add one more size 350ml. The glass bottles are stored in plastic crates each holding 24 bottles. The PET bottles will be shrink wrapped in cartons of 24 bottles of 350ml or 12 bottles of 350ml.

6.1.2 Syrup

The syrup is sweet and comes in various flavours and colours depending on the brand type. Syrup filled in plastic bottles and sealed with plastic caps. Before consumption, the syrup has to be diluted with water to taste by the consumer. The packing is either in 5ltr or 1ltr bottles, which in turn are packed in corrugated boxes or shrink wrapped holding 4 bottles of 5ltr and 12 bottles of 1ltr.

As indicated above, the production of soda and syrup involve two main stages. One, the processing stage where the ingredients are mixed and processed to form the concentrated syrup, and two, the production stage where the syrup from the earlier stage is either transformed into carbonated bottled soft-drink or filled in the same syrup form in plastic bottles.

6.2 The Processing Stage

The processing stage has 4 steps. These are the water treatment step, pasteurization step, cooling step and mixing step. The solution obtained after the mixing step is the concentrated syrup that is used either for filling syrup or processing further into aerated bottled drink (soda).

Water, sourced from the municipal supply and onsite borehole, is filtered through the advance use of technology, namely reverse osmosis and ozonation and finally disinfected by use of ultra violet light. The treated water is pumped to the pasteurisation unit where it is mixed with sugar and heated to 60 degrees Celsius. The sugar solution is then cooled in the cooling tanks. After which the solution is filtered and pumped into the holding tanks and mixed with concentrates (flavour/essence) and colour. The final solution is the concentrated syrup that is then pumped to the next – production - stage.

6.3 The Production Stage

The concentrated syrup from the earlier stage is pumped into the production area for conversion to bottled soft-drink or to be filled and packed as concentrated syrup.

6.3.1 Production of Soda in Glass Bottles

Production of bottled soda has a total of six steps. The first step is washing of the bottles. Three other steps (chilling, decompressing and heating of carbon dioxide gas, and receiving of the syrup from the processing stage) converge independently to the forth step (pre-mix). The fifth step is filling of the bottles and the sixth and final step is accumulation where the bottles are staked and put in plastic crates.

1. **Washing**

The glass bottle washing process is an independent process that has a boiler which uses LPG, as fuel source to heat the water by conduction. High alkali solution is added for bottle sterilization and remove residue. Bottles are fed manually into the washing machine where they are washed in different stages and finally rinsed with treated water in the last stage. Washed bottles move on to the filling machine through a conveyer system.

2. **Chilling**

The chiller lowers the ambient temperature of water (approx. 32° C) to 4° C. The chilled water is then pumped to the pre-mix unit where it passes through a heat exchanger inturn lowering the soda solution temperature before carbonation process. This helps to achieve the optimum condition for carbonation during production of soda.

3. **Pre-Mix**

The pre-mixing step is where all the ingredients to make soda are mixed together. The ingredients are concentrated syrup, treated water and decompressed CO_2 gas. At the correct proportion the machine mixes the variables to make final product. The soda is then pumped from the pre-mix to the filling step.

4. **Filling**

Filling is the fifth step in the production of bottled soda. It is a continuous process where the bottles are filled with ready to drink solution from the pre-mix. The filled bottles are then sealed with crown corks and marked with production and expiry dates. The process is continuous aided by a conveyer system.

5. Accumulator

This is the final step in production of bottled soda. The filled and sealed bottles from the filling machine move to the accumulator on a conveyer system. where they are stacked and put in plastic crates ready for delivery.

6.3.2 Production of Soda in PET Bottles

The production of soda in PET bottles is similar to production of soda in glass bottles, except that there is an additional prior step where the PET bottles are manufactured.

PET Bottle Manufacture

Preform is bought in from suppliers which are formed neck and body are then fed to the Blow Moulding machine that blows the Preforms into bottles. The shape and size of the bottle is as per requirement of the user.

The PET bottles from the above step are then supplied to the filling machine where the pre-mix solution is filled into the bottles. After filling, the bottles are sealed with plastic cap, embossed with the production batch information, labeled and collected for packing.

6.3.3 Production of Syrup

Concentrated syrup from the processing stage is pumped directly to the filling machine. Syrup is filled in plastic 5 ltr jerry cans or 1 ltr pet bottles as per requirement and sealed with plastic cap. The syrup filling machine is separate from the soda filling machine. The filled plastic cans/bottles are then labeled and packed either in corrugated boxes or shrink-wrapping.

7. Project Capacity

Soda production at present is on average 2,000 crates per day. After expansion of the building and the installation of the new plants, the total installed capacity will be 10,000 crates per day. However, for purposes of this feasibility study, the total production is anticipated to reach an average of 5,500 crates after all new machines are commissioned by 2013 and to reach 10,000 crates per day by the second year of the project.

Additional capacity will be sourced in case of an upsurge in demand. There is anticipation that soda in PET bottles will have a high and increasing demand as the product spreads in the market area, especially in the large metropolitan city of Dar es Salaam.

8. Market Study

8.1 Introduction

ASFL enjoys a unique position in the beverages market, especially in Tanga region. Its products are truly home-grown that have been around since the Thirties. The brands are famous and very popular. ASFL has managed an admirable consistency of its product types and has maintained strong brand loyalty within the Tanga market and beyond.

ASFL manufactures two groups of products. One, aerated and bottled soft drink, and two, concentrated syrups. Its most famous brand is *Healtho*, available as both, a bottled soft drink and as concentrated syrup.

The aerated soft drink is bottled in 300ml recyclable glass bottle and sealed with crown cork. It is distributed in plastic crates, each holding 24 bottles. The brands of soft drinks are Healtho, Ice Cream, Orange, Pineapple, Passion, Lemonade, Soda Water and Healtho Diet.

The concentrated syrup is packed either in 5 ltr plastic jerry can or 1 ltr plastic pet bottles and sealed with plastic caps. The syrup is distributed in corrugated boxes or shrink-wrapping. The 5 ltr jerry cans are packed four in a box while the 1 ltr bottles are packed a dozen in a box. The brands for syrup are Healtho, Ice Cream, Rose Cola, Lemon, Raspberry, Passion, Pineapple and Orange.

8.2 Market Area

50% of the total production at present is consumed within Tanga city by the ordinary residents and households in all income groups. The remaining half is distributed to the rest of Tanga Region and the neighbouring regions. A small quantity is supplied to Kenya and the Middle East. The breakdown of current distribution by area and product is as follows:

Table 3: Soda and Syrup distribution by area, 2013

<table>
<tr><th></th><th>Area</th><th colspan="2">Product</th></tr>
<tr><th></th><th></th><th>Soda</th><th>Syrup</th></tr>
<tr><td>1</td><td>Tanga town</td><td>60%</td><td rowspan="2">50%</td></tr>
<tr><td>2</td><td>Tanga region: Handeni, Muheza, Korogwe, Mombo, Lushoto, Pangani, Horohoro, Maramba.</td><td>35%</td></tr>
<tr><td>3</td><td>Neighbouring Regions: Pemba, Zanzibar, Morogoro, Kilimanjaro, Arusha, Dar es Salaam</td><td>5%</td><td>40%</td></tr>
<tr><td>4</td><td>Kenya and Middle East</td><td>--</td><td>10%</td></tr>
</table>

After installation of the PET Bottling plant in 2013, the distribution ratio is expected to change. As the target market for soda in PET bottles is outside Tanga region, and the total production is anticipated to increase by 1.5 times from 550,000 crates p.a. in 2012 to 1,500,000 crates p.a. in 2013, the expected distribution is anticipated to be as follows in 2013:

Table : **Soda and Syrup distribution by area, 2013**

	Area	Product	
		Soda	**Syrup**
1	Tanga city	35%	30%
2	Tanga region: Handeni, Muheza, Korogwe, Mombo, Lushoto, Pangani, Horohoro, Maramba.	15%	
3	Neighbouring Regions: Pemba, Zanzibar, Morogoro, Kilimanjaro, Arusha, Dar es Salaam	50%	50%
4	Kenya and Middle East	--	20%

In 2013, estimates indicate that Tanga city will consume 35% of the total production of soda, rest of Tanga region will consume 15% and the remaining 50% will be consumed in the neighboring regions. Distribution of syrup is expected to increase in export market 10% and upcountry by 10% as new syrup filling line was installed in March 2012 to meet growing demand.

8.3 Market Growth

ASFL has enjoyed a steady increase in demand of its products over the last ten years. The total revenue in the same period has increased by more than 11 times from shs 306m/= in 2002 to shs 3.414bn/= in 2012. In 2013, the total revenue is estimated to reach 5.531 bn/=.

After 2005, the revenue growth increased dramatically as a result of the shift to the new factory premises and installation of a new bottling plant. The growth rate was over 3 times by 2008 and under 5 times by 2009. The growth is estimated to be 3 times in 2013. This is a phenomenal growth rate, especially considering that the overall economic performance of Tanga city is sluggish.

Table 4: Total Revenues and Growth 2002 - 2013

Year	2002	2005	2008	2009	2012	2013
Total Revenue, Tshs(million)	306 /=	617 /=	1,008/=	1,455/=	3,414/=	5,531/=
Growth (base 2002)	--	201%	329%	475%	1,157%	1,807%
						* estimated

From 2013, after installation of the new machinery in this current expansion project, the estimated growth in revenue will be shs 5.53bn/= in 2013, shs 12.9bn/= in 2015 and shs 38.3.5bn/= in 2017. This trend represents over seven times growth during the period of this project. Although this will require additional machinery to support such growth which has been considered by the management.

The growth of ASFL revenues in the past has mainly been based on growth of quantities supplied to the market. Since 2008, there has not been any change in the selling price. There has always been a strong increase in demand for ASFL products from within the Tanga city and the region, and increasingly from the neighbouring regions. A Number of factors contribute to this increase. These are:

8.3.1 Strong Brand Loyalty

ASFL enjoys a very strong brand loyalty in Tanga and beyond. *Healtho*, its most popular brand, is probably the most recognized brand within Tanga region. There exists no rival from within Tanga to this brand. Coca-cola and Pepsi are known to have querried as to what makes Healtho so popular. Both these multinationals spend a disproportionately large amount in advertisements and promotions in Tanga but as yet have completely failed to dislodge Healtho from its pedestal and popularity it enjoys. Healtho syrup is known to be sent as gifts to the Tanga diaspora worldwide, from Australia to USA and Europe.

Despite the fact to date that no effort is made by ASFL to market its products outside the country, buyers from Kenya, Uganda and the Middle East regularly purchase in the local market for exporting to those countries. 5% of the syrup production is estimated to make its way to the UAE and Saudi Arabia, and another 5% to the other East African countries at present.

8.3.2 Attractive Agent's Commission

ASFL has 12 wholesale agents in town to whom direct deliveries are made on daily basis. The agents receive 6% commission on the selling price per crate and are supported by the company in product promotion activities. Most of the sale of soda is through the agents. The agents have established a strong loyalty to the company due to the regular assured deliveries, the growing demand for the products from the consumers and the constantly increasing quantities produced by the company.

8.3.3 Healthy Retailers' Commission

The soda retailer, many of whom are small street-side kiosk, enjoys a hefty 60% commission on the selling price per each bottle of soda. The retailers obtain their supplies from the wholesalers and in some instances, direct from the factory. These attractive margins have ensured a strong loyalty to ASFL from the retailers, and are winning over a bigger number than what the company can satisfy at present. In outlying areas of the town, or in the neighbouring districts, where no agent is present, retailers cycle upto 45kms to collect even just two crates for retailing in their kiosks. Other types of retailers include hotel and restaurant owners, clubs, groceries, entertainment halls, and public-events organizers.

8.3.4 Retailers' Product Promotion Support

The company supports the retailers in product promotion in two major ways. One, the company provides permanent advertisement materials to be placed at the kiosk, such as sign-boards, and two, the company arranges availability of bottle coolers (refrigerators) on hire purchase for the retailers. This assists the retailers in maintaining visibility and enables them to provide a tempting cold drink to the consumer on demand.

8.3.5 Advertisements

ASFL advertises its products within Tanga city and neighbouring districts and regions through strategic placements of large wall signs on selected buildings (including those accomodating its agents) and attractive sign-boards and hoardings for placement at the soda retailers premises. In addition, many of the delivery trucks, whether owned by the company or by its distributors/agents, are painted in company colours and show large brand images. The company and brand signs, colours and images are now easily and widely recognized throughout the areas receiving the company products.

8.3.6 Improved Distribution Network

ASFL has own delivery trucks dedicated to soda distribution within the city, in addition to hired trucks. These vehicles deliver soda to wholesale agents in town. Those agents who are based outside the city area use public transport vehicles to collect their supplies direct from the factory. Deliveries are made daily and as and when required.

8.4 Product Quality

ASFL is strict about its quality control and ensures a healthy product at all times. Over the years, the company has improved its quality and production efficiencies thereby guaranteeing better standards. Some of the recent improvements have included better syrup handling facilities, boiler re-design to reduce emission of gaseous waste, change usage of fuel from industrial oil to LPG, use of chiller during soda filling process to improve quality of soda and carbonation, installation of reverse osmosis and ozone technology for water treatment purposes, replacing wooden soda crates with plastic crates and installation of automatic digital continuous inkjet printing/coding machine for printing of production and expiry dates on the products.

Overall, these improvements have ensured a better standard product that is manufactured under high hygienic standards and delivered in a better packaged manner. Also, overall, the products and the company have become increasingly environment friendly. Also it is registered with Tanzania Foods & Drugs Authority and is registered all its products with Tanzania Bureau of Standard thus ensuring attainable standards in its products as well as manufacturing practices.

ASFL is one of the manufacturing companies in Tanga that is enlisted under the Tanga Cleaner Production Project of the Tanga City Council's Sustainable Tanga Programme. The programme started in 2001. Details are provided below in the section on Environmental Consideration (Section 12).

8.5 Competition and Prices

ASFL's brands are unique to Tanga and as such face very little competition. Other established soda companies in the market are the two large multinationals, Coca-Cola and Pepsi Cola, and Bakhresa Food products Ltd under the brand 'AZAM". Coke and Pepsi had their own bottling plants in town but have now closed down the bottling operations. They supply their products from Dar es Salaam to the Tanga market. ASFL had purchased the closed down Coke facility in 2004 and installed it own new bottling plant from where it operates at present, and intends to undertake this expansion project.

ASFL has maintained its soda price at the same level for the last three years. Healtho, the most popular soda, retails at shs.400/= for 300ml. In comparison, Coke and Pepsi retail at shs. 600/= to shs. 700/= for 350ml.

Soda in new PET bottles is expected to retail at shs 500/= for the 350ml. The competition, mainly Coke, Azam is retailing at shs 700-800/= for the 500ml PET bottle. ASFL has maintained to keep its bottle size at 350ml mainly due to serving size and price. This was taken into account after a month long market survey carried out locally from asking street vendors to final consumers and involving existing agents to gather information from the market.

8.6 Market Outlook after Expansion Project

Product in PET as a choice of packaging will have immediate result on the expansion project. ASFL has plans underway of catering the export market to which it receives constant queries for both soda and syrups.

8.6.1 Quality

Soda quality will be maintained as only packaging will be changed from glass bottles to PET. There will also be an increase in automation of the production process whereby human errors and inefficiencies will be significantly reduced.

8.6.2 Capacity

Larger production capacity will ensure that the demand for all the brands will be satisfied. Soda production at present is 2,000 crates per day. After expansion of the building and the installation of the new plants, the total installed capacity will be 10,000 crates per day. However, in the first year of this project, the total operational capacity will be 5,500 crates per day, and will gradually rise to 10,000 crates per day by the second year of the project once operations run 24hrs/day.

8.6.3 Packaging

From 2013, after the new machinery is installed, aerated soda will be available in plastic disposable (PET) bottles, in addition to the returnable glass bottles. The PET bottles will be in one 350ml size. The PET bottles will allow a larger quantity to be transported per unit measure compared to the glass bottle as they are of lighter weight than glass. Furthermore, as these PET bottles are disposable, distribution to greater distances from Tanga will become feasible as there will no longer be a need to return the empties to the factory for re-fillng. ASFL intends to distribute soda in PET bottles to the areas outside Tanga region.

8.6.4 Distribution Method

With the increase in production capacity, an improved distribution system will be put in place. To start with, contract distribution using external public transporters and agents will be further expanded. This method of distribution frees ASFL from the burden of managing a distribution fleet and maintaining sales depots. This method has proved very successful to date. The strong market expansion and strengthening market position in Tanga and the penetration into the Dar es Salaam market is a direct result of this method of distribution.

ASFL products offer security of availability and reliability of business. The transporters and agents are happy with this. As a matter of fact, as ASFL's products are always in high demand, the company receives a large number of queries for distribution and agencies all the time.

8.6.5 Promotion

ASFL is determined to expand its market area and size for soda and syrup. A concerted advertisement and promotion drive throughout the project period is anticipated.

Soda promotion in neighboring regions of Daressalaam, Arusha, Kilimanjaro and Morogoro will be intensified. All these regions are connected with excellent tarmac roads with a maximum driving time of 6 hours to any of the regional capitals. Promotion in Zanzibar and Pemba will also increase.

Likewise, syrup promotion will be intensified. In case of syrup, the focus will be more national and international. The whole country and the Eastern African region will be the focus area. In addition, specific attention will be paid to the Middle Eastern market where ASFL already has a presence and brand recognition.

9. Financial Analyses

9.1 Introduction

The expansion project is a feasible and a profitable undertaking with the internal rate of return (IRR) of 83% and the payback period not exceeding 3 years.

The total investment in this project is Tshs 723.9m/=, as follows:

Table 5: Total Investment Schedule

CAPITAL FUNDING REQUIREMENTS

Jan, 2013

Exch Rate	1650	
	Stage 1	
	US$	US$
Machinery		
1 Complete PET bottling plant 9,000bph	356,716	
Freight	15,000	
Clearing & Forwarding	2,000	
Installation Costs	10,000	
Duties & taxes	5,000	
New Building	50,000	438,716
TOTAL		**438,716**
Tshs Equivalent of Total Funding - Stage 1	**723,881,400**	

The financial analysis shows that ASFL will be able to meet the financial obligations for this expansion project from within its operations.

9.2 Assumptions

The key assumptions for this project are the following:

- A 30% glass bottles, 50% PET bottles and 50% syrup growth rate in demand of soda and syrup is assumed for 2013, which will be translated in a similar growth in production quantities. Thereafter a further growth of 85% PET bottles and 70% syrup, is assumed for 2014 and 85% PET and 70% syrup for 2015.

- The price increase of soda and syrup is only assumed after the third year of not more than 5% p.a. is assumed. This is important in order to maintain a steady growth in demand and to fend of competitors. Exchange rates and inflation will determine price increase in the first three year if necessary.

- Cost of production and other expenses will not increase by more than 5% p.a.

- The exchange rate used for preparing this feasibility study is Tshs 1,650/= for USD 1. Average taken since January 2013 with 15% inflation taken into account.

9.3 Financial Statement Details

9.3.1 ASFL Financial History

ASFL is an on-going operation. The company prepares audited financial statements every year. In this feasibility study, the actual audited financial statements for 2012 have been used as the basis for projecting future trend. The financial statement for 2013 is estimated, based on actual production and revenue up until April 2013.

9.3.2 Operating Costs

These are based on historical costs ASFL has been working with in the past few years and which have appeared in its past financial statements. From 2013, the increase in cost is estimated at 5% p.a. However, for marketing expense, due to its critical importance in sustaining a steady growth in demand for soda and syrup, a 10% p.a. increase is considered.

9.3.3 Profitability

During the first year of the project, i.e. 2013, the company will make a net profit after tax of shs 671m/=. The net profit in 2014 will increase to 691m/=. In 2015, the net profit will be shs 732m/=. Marketing and promotion as well as hiring of staff will lead to a steady increase in profit, thereafter the profits will increase to i.e 1.43bn in 2016. The Profit & Loss Schedule in the annex provides the full details. Capital allowances has not been considered during preparation of financial statements.

9.3.4 Cash Flow Projections

Cash flow for the entire period of the project is healthy. The project is estimated to have a surplus of shs. 644.8m/= in 2013 and the cumulative balance over the entire project period will remain a healthy positive, reaching a balance of shs 1.3bn/= in 2015. Details are provided in the Cash Flow schedule in the annex.

9.3.5 Projected Balance Sheet

The projected balance sheet portrays a good situation for the company. The total net current assets is estimated to be shs 500m/= in 2013, increasing to shs 1.1bn/- in 2014 and 3.5bn/= in 2015. Full details in the annex.

9.4 Financial Sensitivity Analysis

The IRR is 83%, indicating a highly favourable condition for the investment. The discount rate used is 18%. The Net Present Value (NPV) will be Tshs 4.5bn/=.

The liquidity ratio is above 1 during the first year of the expansion project, whereas the acid ratio is above 1 in the corresponding years. This indicates the medium outflow of cash resources from the company for procurement of the new machinery and construction of the new warehouse. However, this is not a threat to the project as there will still remain healthy positive cash balances during all the years of the project.

Return on Capital Employed (ROCE) is 54% in 2013 and thereafter reducing to an average of 45% from 2014 to 2017. Net profit to sales ratio hovers around 10% for the entire project period. As indicated growth rates are achieved purchasing power and economy of scale will lead lowering the cost of sales which will translate to higher net proft. The debt ratio is 18% in the first year of the project, then decreasing to 0% in 2014 further staying at 0% in the course of project. If necessary further expansion will be undertaken by internal resources unless otherwise need be of external financing.

Various sensitivity analyses were conducted to determine IRR responsiveness to changes in production costs and sales prices. The most sensitive variables that were observed were the cost of production. A larger than anticipated increase in cost of any of the key inputs would require a cost adjustment in other inputs or expenses, or a compensating increase in the selling price.

Overall, the financial analyses indicates a favorable situation for the project. Accordingly, ASFL is recommended to undertake this project as specified in this study.

10. Environment Considerations

ASFL is a member of the group of selected industries in Tanga under the Sustainable Tanga Programme's (STP) Cleaner Production (CP) project. STP is implemented by the Tanga City Council.

ASFL's Environment Policy Statement is:
"Environment is as important as Quality, Costs, Production, Safety and Productivity, and other aspects connected with running a company. Because of this, we operate so as to prevent environmental damage, continually seek to improve our processes and avoid altering the quality of life for future generation".

During 2012, ASFL carried out Initial Environment Audit as stipulated by National Environment Management council(NEMC) to assess the waste and pollution produced by the factory. The report is in the final stages of approval with recommendations for improvements whereby production efficiencies can be increased and environmental impact be minimized. Some of the key issues that ASFL has already dealt with arising from the NEMC report are change in discharge water and effluents and continue finding ways to minimize waste water before discharging into the drainage. Also strict adherence to Hazard Analysis Critical Control Point (HACCP) is maintained at all stages of production. .

The ASFL expansion project of 2004, that saw the company moving its production facility to new premises and installation of a new bottling plant, was partly a result of the CP report. The report had recommended an improved design for the boiler, better machinery for filling carbon dioxide gas, better waste water management, use of LPG instead of fuel oil for generating steam and electricity and use of more sophisticated measuring instruments. All these recommendations were adopted in the expansion project.

Furthermore, the expansion project improved the working environment for the factory workers. The new machinery lowered noise level within the premises; the new premises had more open floor space and hence no congestion; a better designed and easily accessible storage area; a better designed loading bay and improved workers utility services.

Waste management has also improved substantially over the last few years. Overall, less waste is generated due to improved technologies and more re-cycling efforts. All broken and chipped glass bottles are collected and returned to glass factory for recycling. Gaseous emissions from the boiler have been minimized as LPG is used as fuel instead of furnace oil. Other waste generated is negligible.

This project will further enhance good environment management at ASFL. To start with, the use of PET bottles is a direct effort to improve efficiency in resource utilisation and to minimize waste, in terms of less storage and transportation needs, and to allow maximum, potentially 100%, re-cycling of all packaging materials. Additional warehouse space will allow better management of storage space and working environment. Use of natural gas will be further enhanced and efficiencies in water usage will be further improved. Overall, it is anticipated that this expansion phase will result in better environment management at the premises and more embedded environment considerations in all company operations.

11. Employment Generation

ASFL at present employs 10 skilled managers, technicians and operators, and 37 non-skilled labourers. All staffs are local who are recruited from within Tanga city.

With the expansion project, 24 additional skilled staffs will be required together with 26 additional unskilled labourers. As a result, the total number of employers will be 97. Most of the additional skilled staff will be required in the production section due to the installation new sets of machineries. Other sections where additional staff will be required are the administration section, the laboratory, maintenance section and loading section. The increase in staff numbers will be undertaken over a two year period from 2013 to 2014

.

At present, the need for expatriate (foreign national) staff is not foreseen. However, this option is left open should a need arise for a particular expert either in administration or production.

The skilled positions after the expansion project are to be as follows:

Table : Skilled Staff Employment Positions

Level	No	Activity Description
Managing Director		Overall in Charge
Directors		Administration (1), Production (1), Finance (1)
Managers		Administration (1), Production (1)
Administration		Marketing & sales (1), Accountant (1), Book-keeper (2), Secretary (2)
Supervisors - Processing		Syrup room (2)
Supervisors – Production	4	Operations (2), Line supervisors (2)
Laboratory	3	Inspectors (2)
Technicians	1	Electrical/Mechanical/Plumbing and Maintenance Section
Operators	16	Filling Machine (2), Injection & Blow Moulding (8), Filling line Lamp Inspectors (2) Labelling (2), Shrink wrapping (2)
Drivers		Forklifts, Trucks, Pick-ups (3)
(skilled) sub-total	**24**	
Labourers	26	Semi & unskilled
TOTAL	**50**	

12. Statutory Contributions

The expansion project is estimated to generate substantial amount of statutory contributions to the treasury and other local and national government agencies. Over the period of five years from the start of expansion project in 2013, the contributions will double from shs 1.19bn/= to approximately shs 5.0 bn/=.

The contributions will be in many forms such as various fees and licenses to the local authorities, including Trading Permit and Refuse Collection Fees; Pay As You Earn Tax (average charge taken at 25% of gross salaries and wages); National Social Security Fund (charged at 10% of gross salaries and wages to the employer); Skills and Development Levy (charged at 6% of the gross salaries and wages to the employer); Excise Duty (charged at shs. 83/= p.ltr of aerated and bottled soft-drink); Service Levy (charged at 0.3% of total revenue by the local authority); Corporation Tax at 30% of gross income; and additional Value Added Tax generated by the project activity (charged at 18%).

In year 2013, the first year of the project, the total contribution is estimated to be shs. 1.19bn, of which the largest single contribution will be that of Excise Duty at shs. 495m/=. By year 2017, the fifth year of the project, the total contribution is estimated to be shs. 5.0bn/=, and Excise Duty paid will be shs. 2.65bn/=.

The following table provides the detailed estimates of the various contributions that will be made during the first five years of the project.

Table 7: Statutory Contributions, in Tshs.

Statutory Contributions	2013	2014	2015	2016	2017
Fees & Licences	25,000,000	31,250,000	32,812,500	34,453,125	36,175,781
PAYE, avrg 25%	63,510,000	79,104,000	114,640,350	140,510,434	174,454,479
NSSF 10%	25,404,000	31,641,600	45,856,140	56,204,174	69,781,792
Skills & Dev Levy 6%	15,242,400	18,984,960	27,513,684	33,722,504	41,869,075
Excise Duty	495,012,000	692,319,600	1,068,703,020	1,691,271,246	2,657,136,668
Service Levy, 0.3%	16,606,170	23,854,068	38,756,935	67,348,053	114,799,062
Corporate Tax, 30%	287,630,773	296,518,896	313,741,796	613,082,213	1,067,333,844
Additional VAT generated	267,151,009	285,753,676	324,507,147	528,509,201	835,186,779
TOTAL	**1,195,556,352**	**1,459,426,801**	**1,966,531,573**	**3,165,100,949**	**4,996,737,482**

13. Implementation Schedule

The project implementation schedule is estimated to take 7 months from January 2013. In January the expansion project feasibility study and the architectural drawings for the proposed new factory building site will be completed.

In the six month period from February to July 2013, the new machineries (new PET bottle filling plant) will be imported and installed in existing warehouse. The new plants will be commissioned by July 2013.

Table 8: Implementation Schedule timeframe for PET bottling project

	Year 2013											
Activity	**Jan**	**Feb**	**Mar**	**April**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**
Architectural Drawings – Warehouse												
Civil and building works												
Procurement of PET Bottling Plant												
Importation of PET plant & Delivery												
Installation and Commissioning of PET plant												

14. Conclusions and Recommendations

After due consideration of all factors, and in particular of the projected demand for ASFL's soda and syrup and the financial analysis, it is recommended that ASFL undertake this project as specified in this study.

Apart from the expected favorable financial situation, ASFL has a solid proven history and experience in the manufacture of soda and syrup and has sufficient reliable manpower to handle this project. Its recent history, whereby the company successfully invested in new machinery and relocated to new premises in 2004, shows that the company has the resources and experience of managing large expansion projects.

This project is also of benefit to the community and the national economy. It will create additional employment; provide increased income-generating opportunity to various suppliers of inputs, distributors of soda and syrup and other service-providers; make higher statutory contributions to the local and national governments; and will result in a more environment friendly manufacturing company through adoption of modern machinery and efficient production processes.

Annex 1 Financial Statements

A1. Capital Funding Requirement Schedule
A2. Asset Schedule
A3. Revenue Schedule
A4. Cost Projection Schedule
A5. Profit & Loss Schedule
A6. Cash Budget Schedule
A7. Cashflow Schedule
A8. Balance sheet
A9. Financial Analysis
A10. Statutory Contributions Schedule

A1. CAPITAL FUNDING REQUIREMENTS Jan, 2013

Exch Rate 1650

	Stage 1	
	US$	US$
Machinery		
1 Complete PET bottling plant 9,000bph	356,716	
Freight	15,000	
Clearing & Forwarding	2,000	
Installation Costs	10,000	
Duties & taxes	5,000	
New Building	50,000	438,716
TOTAL		**438,716**

Tshs Equivalent of Total Funding - Stage 1 **723,881,400**

Combined Investment

CAPITAL FUNDING REQUIREMENTS

Exch Rate

	Total	Loan Finance	Own Finance
	US$	US$	US$
Buildings	-	-	-
Furniture & Fittings	-	-	-
Machinery	438,716	195,000	243,716
Vehicles/ lifting equipment		-	-
TOTAL	**438,716**	**195,000**	**243,716**

Equivalent in Tshs	**723,881,400**	**321,750,000**	**402,131,400**
Percentage of Financing		**44%**	**56%**

A2.1 CAPITAL INVESTMENTS

New Assets	2013	2014	2015
Land & Buildings	82,500,000	-	-
Machinery & Equipment (New Plant)	641,381,400		-
Motor Vehicles & Lifting Equipments	-		-
Office Furniture & Fixture	-	-	-
TOTAL	**723,881,400**	**-**	**-**

GROSS FIXED ASSETS (COST)		2013	2014	2015	2016	2017	2018	2019
Land & Building		82,500,000	82,500,000	82,500,000	82,500,000	82,500,000	82,500,000	82,500,000
Machinery & Equipment		641,381,400	641,381,400	641,381,400	641,381,400	641,381,400	641,381,400	641,381,400
Motor Vehicles & Lifting Equipments		-	-	-	-	-	-	-
Furniture & Fittings		-	-	-	-	-	-	-
TOTAL GROSS FIXED ASSETS		723,881,400	723,881,400	723,881,400	641,381,400	723,881,400	723,881,400	723,881,400
ANNUAL DEPRECIATION SCHEDULE								
Land & Building	5%	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000	4,125,000
Machinery & Equipment	12.50%	80,172,675	80,172,675	80,172,675	80,172,675	80,172,675	80,172,675	80,172,675
Motor Vehicles & Lifting Equipments	25.00%	-	-	-	-	-	-	-
Furniture & Fittings	12.50%	-	-	-	-	-	-	-
TOTAL ANNUAL DEPRECIATION		84,297,675	84,297,675	84,297,675	84,297,675	84,297,675	84,297,675	84,297,675
ACCUMULATED DEPRECIATION SCHEDULE								
Land & Building		4,125,000	8,250,000	12,375,000	16,500,000	20,625,000	24,750,000	28,875,000
Machinery & Equipment		80,172,675	160,345,350	240,518,025	320,690,700	400,863,375	481,036,050	561,208,725
Motor Vehicles & Lifting Equipments		-	-	-	-	-	-	-
Furniture & Fittings		-	-	-	-	-	-	-
TOTAL ACCUMULATED DEPRECIATION		84,297,675	168,595,350	252,893,025	337,190,700	421,488,375	505,786,050	590,083,725
SCHEDULE OF NET FIXED ASSETS (NEW)								
Land & Building		78,375,000	74,250,000	70,125,000	66,000,000	61,875,000	57,750,000	53,625,000
Machinery & Equipment		561,208,725	481,036,050	400,863,375	320,690,700	240,518,025	160,345,350	80,172,675
Motor Vehicles & Lifting Equipments		-	-	-	-	-	-	-
Furniture & Fittings		-	-	-	-	-	-	-
		639,583,725	555,286,050	470,988,375	386,690,700	302,393,025	218,095,350	133,797,675

A2.2 CAPITAL INVESTMENTS (continued)

SCHEDULE OF EXISTING ASSETS & DEPRECIATION

	2012	2013	2014	2015	2016	2017	2018	2019
Land & Building	52,449,611	49,827,130	47,335,774	44,968,985	42,720,536	40,584,509	38,555,284	36,627,520
Plant & Machinery & Equipment	646,263,199	565,480,299	494,795,262	432,945,854	378,827,622	331,474,169	290,039,898	253,784,911
Motor Vehicles	7,544,313	5,658,235	4,243,676	3,182,757	2,387,068	1,790,301	1,342,726	1,007,044
Furniture & Fittings	12,234,234	10,704,955	9,366,835	8,195,981	7,171,483	6,275,048	5,490,667	4,804,334
Total	718,491,357	631,670,619	555,741,547	489,293,577	431,106,709	380,124,027	335,428,575	296,223,808

Depreciation	**Rate**							
Land & Building	5%	2,622,481	2,491,357	2,366,789	2,248,449	2,136,027	2,029,225	1,927,764
Machinery & Equipment	12.50%	80,782,900	70,685,037	61,849,408	54,118,232	47,353,453	41,434,271	36,254,987
Motor Vehicles & Lifting Equipments	25.00%	1,886,078	1,414,559	1,060,919	795,689	596,767	447,575	335,681
Furniture & Fittings	12.50%	1,529,279	1,338,119	1,170,854	1,024,498	896,435	784,381	686,333
		86,820,738	75,929,072	66,447,970	58,186,868	50,982,682	44,695,453	39,204,766
Depreciation Expense (New+Old)		**171,118,413**	**160,226,747**	**150,745,645**	**142,484,543**	**135,280,357**	**128,993,128**	**123,502,441**

Schedule of Net Book Values (New+Old)							
Land & Building	128,202,130	121,585,774	115,093,985	108,720,536	102,459,509	96,305,284	90,252,520
Machinery & Equipment	1,126,689,024	975,831,312	833,809,229	699,518,322	571,992,194	450,385,248	333,957,586
Motor Vehicles & Lifting Equipments	5,658,235	4,243,676	3,182,757	2,387,068	1,790,301	1,342,726	1,007,044
Furniture & Fittings	10,704,955	9,366,835	8,195,981	7,171,483	6,275,048	5,490,667	4,804,334
Net Book Values (New & Old)	**1,271,254,344**	**1,111,027,597**	**960,281,952**	**817,797,409**	**682,517,052**	**553,523,925**	**430,021,483**

A3. REVENUE PROJECTIONS

Assumptions:

Excise		597.6
VAT Excl		4788.135593
		4190.535593

Syrup annual production to increase by 15%, using existing plant.
Excise Duty is Tshs 83 per litre, for bottled soda only.
Base Price taken is 2012 Agent's Price as follows:

Soda (300ml Glass Bottle), per crate of 24	4,190.50 excl VAT (18%) & Excise Duty (Tshs. 597.60)	(Tsh. 5650 All inclusive)
Soda (350ml PET Bottle), per crate of 24	6,931.00 excl VAT (18%) & Excise Duty (Tshs. 696)	(Tsh. 9,000 All inclusive)
Syrup, 5 ltr, per bottle	5,826.00 excl VAT (18%)	(Tsh. 6,875 All inclusive)
Syrup, 1 ltr, per dozen	15,254.00 excl VAT (18%)	(Tsh. 18,000 All inclusive)

PRICE PROJECTIONS

				5%	5%	5%	5%
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Soda (300ml Glass), per crate	4,190.50	4,191.00	4,191.00	4,401.00	4,621.00	4,852.00	5,095.00
Soda (350ml PET), per pack	6,931.00	6,931.00	6,931.00	7,278.00	7,642.00	8,024.00	8,425.00
Syrup, 5 lt, per Bottle	5,826.00	5,826.00	5,826.00	6,117.00	6,423.00	6,744.00	7,081.00
Syrup, 1 lt, per dozen	15,254.00	15,254.00	15,254.00	16,017.00	16,818.00	17,659.00	18,542.00

QUANTITY PROJECTIONS

PET Projections		50%	85%	85%	75%	65%	
Syrup Projections		50%	70%	70%	65%	60%	
Soda Projection		30%	20%	12%	6%	2%	
Equivalent crates per month	69,028	96,542	149,027	235,842	370,529	570,535	571,858
Soda Litres Produced	5,964,000	8,341,200	12,875,940	20,376,762	32,013,695	49,294,255	49,408,505
% increase in Soda Prod		40%	54%	58%	57%	54%	0%
	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Soda (300ml Glass), crates (7.2ltr)	420,000.00	546,000.00	655,200.00	733,824.00	777,853.00	793,410.00	809,278.00
Soda (350ml PET), packs (8.4ltr)	350,000.00	525,000.00	971,250.00	1,796,813.00	3,144,423.00	5,188,298.00	5,188,298.00
Syrup, 5 lt, per Bottle	140,000.00	210,000.00	357,000.00	606,900.00	1,001,385.00	1,602,216.00	1,602,216.00
Syrup, 1 lt, per dozen	35,000.00	52,500.00	89,250.00	151,725.00	250,346.00	400,554.00	400,554.00

REVENUE PROJECTIONS

	2013	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Soda (300ml Glass), per crate	1,760,010,000	2,288,286,000	2,745,943,200	3,229,559,424	3,594,458,713	3,849,625,320	4,123,271,410
Soda (350ml PET), per crate	2,425,850,000	3,638,775,000	6,731,733,750	13,077,205,014	24,029,680,566	41,630,903,152	43,711,410,650
Syrup, 5 lt, per Bottle	815,640,000	1,223,460,000	2,079,882,000	3,712,407,300	6,431,895,855	10,805,344,704	11,345,291,496
Syrup, 1 lt, per dozen	533,890,000	800,835,000	1,361,419,500	2,430,179,325	4,210,319,028	7,073,383,086	7,427,072,268
TOTAL REVENUE	5,535,390,000	7,951,356,000	12,918,978,450	22,449,351,063	38,266,354,162	63,359,256,262	66,607,045,824

PET projected 60,000 crates per month
8,500bph/24bottles *7hrs*26days
approximate taken 60,000crates

A4. COST PROJECTIONS

	2013	2014	2015	2016	2017	2018	2019
PRODUCTION COST							
Materials Consumed							
Crates							
Glass Bottles							
Sugar	1,502,725,000	2,280,796,875	3,876,524,367	6,682,519,605	11,312,792,513	18,672,338,961	19,626,688,931
Essence	522,543,268	915,751,200	1,587,106,962	2,784,701,839	4,775,169,552	7,948,910,063	8,352,820,016
Crown Corks	105,840,000	126,584,640	159,496,646	187,568,056	208,763,128	223,585,294	239,459,790
Syrup Bottles	215,320,000	354,900,000	633,496,500	1,130,791,253	1,959,095,011	3,291,281,020	3,455,845,071
PET Bottle, Caps, Label	1,033,200,000	1,627,290,000	3,161,010,825	6,140,265,236	11,282,738,269	19,547,344,239	20,524,711,451
Packing Materials	58,026,375	82,356,750	156,774,260	298,815,412	542,268,111	933,584,585	980,263,814
Co2 gas	54,432,000	84,913,920	292,026,319	485,252,210	800,492,834	1,294,217,466	1,362,077,936
Chemicals	127,280,000	204,714,642	363,410,237	661,380,256	1,194,949,890	2,115,962,871	2,438,997,109
LPG Gas	64,902,600	88,592,049	111,625,982	131,272,155	146,105,825	156,479,327	167,589,318
Food Color	38,045,887	105,618,450	177,460,385	303,289,037	510,401,722	838,535,136	881,640,561
Salaries, Wages & Costs	87,420,000	118,017,000	159,322,950	215,085,983	290,366,076	391,994,203	529,192,174
Utilities (elec/fuel/water)	137,402,600	222,717,049	253,000,982	272,647,155	352,730,825	435,604,327	446,714,318
Maintenance	70,000,000	91,000,000	113,750,000	142,187,500	177,734,375	222,167,969	277,709,961
	4,017,137,730	6,303,252,575	11,045,006,414	19,435,775,695	33,553,608,133	56,072,005,459	59,283,710,449
ADMINISTRATIVE COST							
Service Levy	16,606,170	23,854,068	38,756,935	67,348,053	114,799,062	190,077,769	199,821,137
Fees & Licences	25,000,000	31,250,000	32,812,500	34,453,125	36,175,781	37,984,570	39,883,799
Bank Charges	2,638,444	2,902,288	3,192,517	3,352,143	3,519,750	3,695,738	3,880,525
Postage & Telephone	4,000,000	4,600,000	5,290,000	6,083,500	6,996,025	8,045,429	9,252,243
Transport & Travelling	15,000,000	20,250,000	25,312,500	26,578,125	27,907,031	29,302,383	30,767,502
Salaries & Allowances	22,620,000	32,799,000	50,838,450	73,715,753	106,887,841	154,987,370	193,734,212
Rent & Security	28,750,000	34,500,000	41,400,000	49,680,000	59,616,000	71,539,200	85,847,040
Other admin expenses	26,000,000	28,600,000	30,030,000	31,531,500	33,108,075	34,763,479	36,501,653
	140,614,614	178,755,356	227,632,903	292,742,199	389,009,566	530,395,937	599,688,111
FINANCIAL EXPENSES							
Audit, Legal, Prof. Fees	1,250,000	1,375,000	1,512,500	1,663,750	1,830,125	2,013,138	2,214,451
Directors Fee	144,000,000	165,600,000	248,400,000	273,240,000	300,564,000	330,620,400	363,682,440
	145,250,000	166,975,000	249,912,500	274,903,750	302,394,125	332,633,538	365,896,891
MARKETING EXPENSES							
Advertisement	65,000,000	97,500,000	126,750,000	164,775,000	214,207,500	278,469,750	362,010,675
Sales & Other Overheads	37,500,000	56,250,000	73,125,000	95,062,500	114,075,000	136,890,000	164,268,000
	102,500,000	153,750,000	199,875,000	259,837,500	328,282,500	415,359,750	526,278,675
Total Costs	4,405,502,344	6,802,732,932	11,722,426,817	20,263,259,144	34,573,294,324	57,350,394,684	60,775,574,126
SCHEDULE OF PURCHASES							
Materials Consumed	3,722,315,130	5,871,518,526	10,518,932,483	18,805,855,058	32,732,776,856	55,022,238,960	58,030,093,996
Add: Closing Stock	335,008,362	528,436,667	1,051,893,248	1,504,468,405	1,636,638,843	1,650,667,169	1,740,902,820
less: Opening Stock	(222,498,756)	(335,008,362)	(528,436,667)	(1,051,893,248)	(1,504,468,405)	(1,636,638,843)	(1,650,667,169)
Purchases	3,834,824,736	6,064,946,832	11,042,389,064	19,258,430,214	32,864,947,294	55,036,267,286	58,120,329,647
Changes in Stock	112,509,606	193,428,306	523,456,581	452,575,156	132,170,438	14,028,326	90,235,651
Creditors	191,741,237	60,649,468	110,423,891	192,584,302	328,649,473	550,362,673	581,203,296

A5. PROJECTED PROFIT AND LOSS STATEMENT

	2013	2014	2015	2016	2017	2018	2019
TOTAL SALES REVENUE	5,535,390,000	7,951,356,000	12,918,978,450	22,449,351,063	38,266,354,162	63,359,256,262	66,607,045,824
COST OF SALES	4,017,137,730	6,303,252,575	11,045,006,414	19,435,775,695	33,553,608,133	56,072,005,459	59,283,710,449
GROSS PROFIT	1,518,252,270	1,648,103,425	1,873,972,036	3,013,575,368	4,712,746,029	7,287,250,803	7,323,335,375
OPERATING EXPENSE							
Aministrative Costs	140,614,614	178,755,356	227,632,903	292,742,199	389,009,566	530,395,937	599,688,111
General Expenses	145,250,000	166,975,000	249,912,500	274,903,750	302,394,125	332,633,538	365,896,891
Marketing Expenses	102,500,000	153,750,000	199,875,000	259,837,500	328,282,500	415,359,750	526,278,675
	388,364,614	499,480,356	677,420,403	827,483,449	1,019,686,191	1,278,389,224	1,491,863,677
OPERATING PROFIT	1,129,887,656	1,148,623,068	1,196,551,633	2,186,091,919	3,693,059,838	6,008,861,578	5,831,471,698
CAPITAL & FINANCE CHARGES							
Depreciation	171,118,413	160,226,747	150,745,645	142,484,543	135,280,357	128,993,128	123,502,441
Machine Disposal							
	171,118,413	160,226,747	150,745,645	142,484,543	135,280,357	128,993,128	123,502,441
PROFIT BEFORE TAX	958,769,243	988,396,321	1,045,805,988	2,043,607,376	3,557,779,481	5,879,868,451	5,707,969,257
Taxable Income	958,769,243	988,396,321	1,045,805,988	2,043,607,376	3,557,779,481	5,879,868,451	5,707,969,257
Tax at 30% (or/assesed)	287,630,773	296,518,896	313,741,796	613,082,213	1,067,333,844	1,763,960,535	1,712,390,777
PROFIT AFTER TAX	671,138,470	691,877,425	732,064,192	1,430,525,163	2,490,445,637	4,115,907,915	3,995,578,480
REVENUE RESERVES	1,430,084,484	2,121,961,909	2,854,026,101	4,284,551,264	6,774,996,901	10,890,904,816	14,886,483,296

A6. CASH BUDGET

	2013	2014	2015	2016	2017	2018	2019
Opening Balance	172,847,458	644,745,367	859,467,588	1,285,818,166	2,787,753,544	5,871,625,902	11,020,838,510
Directors Loan	321,750,000						
Bank Loan	-						
Revenue	5,535,390,000	7,951,356,000	12,918,978,450	22,449,351,063	38,266,354,162	63,359,256,262	66,607,045,824
Collection from Debtors	100,509,255						
	5,957,649,255	7,951,356,000	12,918,978,450	22,449,351,063	38,266,354,162	63,359,256,262	66,607,045,824
Costs							
Purchases-Materials	3,643,083,499	6,004,297,364	10,931,965,173	19,065,845,912	32,536,297,821	54,485,904,613	57,539,126,350
Production Overheads	294,822,600	431,734,049	526,073,932	629,920,637	820,831,277	1,049,766,499	1,253,616,453
Overheads	388,364,614	499,480,356	677,420,403	827,483,449	1,019,686,191	1,278,389,224	1,491,863,677
Loan Repayment	361,110,376	321,750,000	-	-	-	-	-
Taxation		287,630,773	296,518,896	313,741,796	613,082,213	1,067,333,844	1,763,960,535
Creditors	74,488,857	191,741,237	60,649,468	110,423,891	192,584,302	328,649,473	550,362,673
Purchase of Fixed Assets	723,881,400			-	-	-	-
Total Cost	5,485,751,346	7,736,633,779	12,492,627,872	20,947,415,685	35,182,481,804	58,210,043,654	62,598,929,688
Cash Surplus/Deficit	**471,897,909**	**214,722,221**	**426,350,578**	**1,501,935,378**	**3,083,872,358**	**5,149,212,608**	**4,008,116,136**
Cash Balance	**644,745,367**	**859,467,588**	**1,285,818,166**	**2,787,753,544**	**5,871,625,902**	**11,020,838,510**	**15,028,954,646**

A7. PROJECTED CASHFLOW STATEMENT

	2013	2014	2015	2016	2017	2018	2019
CASHFLOW FROM OPERATING ACTIVITIES							
Operating Profit (Loss) before Tax	958,769,243	988,396,321	1,045,805,988	2,043,607,376	3,557,779,481	5,879,868,451	5,707,969,257
Adjustment for:							
Depreciation	171,118,413	160,226,747	150,745,645	142,484,543	135,280,357	128,993,128	123,502,441
Profit before Working Capital changes	1,129,887,656	1,148,623,068	1,196,551,633	2,186,091,919	3,693,059,838	6,008,861,578	5,831,471,698
Working Capital Changes							
(Increase)/Decrease in Debtors	(124,509,957)	-	-	-	-	-	-
(Increase)/Decrease in Stocks	112,509,606	(193,428,306)	(523,456,581)	(452,575,156)	(132,170,438)	(14,028,326)	(90,235,651)
Increase/(Decrease) in Creditors	404,883,153	(122,203,645)	66,997,322	381,500,828	590,316,802	918,339,891	(20,729,134)
Cashflow from Operations	1,522,770,457	832,991,118	740,092,374	2,115,017,591	4,151,206,202	6,913,173,143	5,720,506,913
Taxation	(287,630,773)	(296,518,896)	(313,741,796)	(613,082,213)	(1,067,333,844)	(1,763,960,535)	(1,712,390,777)
Net Cashflows from Operating Activities	**1,235,139,684**	**536,472,221**	**426,350,578**	**1,501,935,378**	**3,083,872,358**	**5,149,212,608**	**4,008,116,136**
CASHFLOW FROM FINANCING ACTIVITIES							
Long Term Loans	321,750,000		-	-	-	-	-
Repayment of Term Loans	(361,110,376)	(321,750,000)					-
Purchase of Fixed Assets	(723,881,400)	-	-	-	-	-	-
Net Cashflow from Financing Activity	**(763,241,776)**	**(321,750,000)**	-	-	-	-	-
Net Total Cashflows	**471,897,908**	**214,722,221**	**426,350,578**	**1,501,935,378**	**3,083,872,358**	**5,149,212,608**	**4,008,116,136**
Opening Cash & Cash Equivalents	172,847,458	**644,745,366**	**859,467,588**	**1,285,818,166**	**2,787,753,544**	**5,871,625,901**	**11,020,838,509**
Closing Cash & Cash Equivalents	**644,745,366**	**859,467,588**	**1,285,818,166**	**2,787,753,544**	**5,871,625,901**	**11,020,838,509**	**15,028,954,645**

A8. PROJECTED BALANCE SHEET

	2013	2014	2015	2016	2017	2018	2019
FIXED ASSETS							
TANGIBLE FIXED ASSETS							
Land & Building	128,202,130	121,585,774	115,093,985	108,720,536	102,459,509	96,305,284	90,252,520
Plant, Machinery & Equip	1,126,689,024	975,831,312	833,809,229	699,518,322	571,992,194	450,385,248	333,957,586
Motor Vehicles	5,658,235	4,243,676	3,182,757	2,387,068	1,790,301	1,342,726	1,007,044
Furniture & Equipment	10,704,955	9,366,835	8,195,981	7,171,483	6,275,048	5,490,667	4,804,334
Total Tangible Assets	**1,271,254,344**	**1,111,027,597**	**960,281,952**	**817,797,409**	**682,517,052**	**553,523,925**	**430,021,483**
INTANGIBLE ASSETS							
Trade Mark	158,420	158,420	158,420	158,420	158,420	158,420	158,420
Pre-Operational Expenses							
Total Intangible Assets	**158,420**	**158,420**	**158,420**	**158,420**	**158,420**	**158,420**	**158,420**
Total Fixed Assets	**1,271,412,764**	**1,111,186,017**	**960,440,372**	**817,955,829**	**682,675,472**	**553,682,345**	**430,179,903**
CURRENT ASSETS							
Stock & Debtors	335,008,362	528,436,667	1,051,893,248	1,504,468,405	1,636,638,843	1,650,667,169	1,740,902,820
Bank & Cash	644,745,367	859,467,588	1,285,818,166	2,787,753,544	5,871,625,902	11,020,838,510	15,028,954,646
Total Current Assets	**979,753,729**	**1,387,904,256**	**2,337,711,415**	**4,292,221,949**	**7,508,264,745**	**12,671,505,679**	**16,769,857,466**
CURRENT LIABILITIES							
Creditors and Accruals	479,372,010	357,168,365	424,165,687	805,666,515	1,395,983,317	2,314,323,208	2,293,594,074
Net Current Assets	500,381,719	1,030,735,891	1,913,545,728	3,486,555,434	6,112,281,428	10,357,182,471	14,476,263,392
Total Net Assets	**1,771,794,483**	**2,141,921,908**	**2,873,986,100**	**4,304,511,263**	**6,794,956,900**	**10,910,864,815**	**14,906,443,295**
FINANCED BY:							
Share Capital	19,960,000	19,960,000	19,960,000	19,960,000	19,960,000	19,960,000	19,960,000
Long Term Loans (Bank)				-		-	-
Long Term Loans (Directors)	321,750,000						
Loan from Directors							
Accumulated Reserves	1,430,084,484	2,121,961,909	2,854,026,101	4,284,551,264	6,774,996,901	10,890,904,816	14,886,483,296
Total	**1,771,794,484**	**2,141,921,909**	**2,873,986,101**	**4,304,511,264**	**6,794,956,901**	**10,910,864,816**	**14,906,443,296**

A9. FINANCIAL ANALYSES

	2013	2014	2015	2016	2017	2018	2019
Net Cash Flows	(723,881,400)	(509,159,179)	426,350,578	1,501,935,378	3,083,872,358	5,149,212,608	4,008,116,136

Discount Rate used	18%
NPV	4,568,710,448
IRR	83%
Payback Period	3 Years

ACCOUNTING RATIOS

	2013	2014	2015	2016	2017	2018	2019
1. Liquidity Ratios:							
Net Current Assets	500,381,719	1,030,735,891	1,913,545,728	3,486,555,434	6,112,281,428	10,357,182,471	14,476,263,392
Current Ratio	2.04	3.89	5.51	5.33	5.38	5.48	7.31
Acid Test Ratios	1.34	2.41	3.03	3.46	4.21	4.76	6.55
2. Profitability Ratios							
ROCE	54%	46%	36%	47%	52%	54%	38%
Net Profit/Sales	17%	12%	8%	9%	9%	9%	9%
3. Leverage Ratios							
LT Debt/Total Asset	18%	0%	0%	0%	0%	0%	0%

A 10. Statutory Contributions

	2013	2014	2015	2016	2017	2018	2019
Fees & Licences	25,000,000	31,250,000	32,812,500	34,453,125	36,175,781	37,984,570	39,883,799
PAYE, avrg 25%	63,510,000	79,104,000	114,640,350	140,510,434	174,454,479	219,400,493	271,652,207
NSSF 10%	25,404,000	31,641,600	45,856,140	56,204,174	69,781,792	87,760,197	108,660,883
Skills & Dev Levy 6%	15,242,400	18,984,960	27,513,684	33,722,504	41,869,075	52,656,118	65,196,530
Excise Duty	495,012,000	692,319,600	1,068,703,020	1,691,271,246	2,657,136,668	4,091,423,182	4,100,905,898
Service Levy, 0.3%	16,606,170	23,854,068	38,756,935	67,348,053	114,799,062	190,077,769	199,821,137
Corporate Tax, 30%	287,630,773	296,518,896	313,741,796	613,082,213	1,067,333,844	1,763,960,535	1,712,390,777
Additional VAT generated	267,151,009	285,753,676	324,507,147	528,509,201	835,186,779	1,300,776,740	1,311,521,243
TOTAL	**1,195,556,352**	**1,459,426,801**	**1,966,531,573**	**3,165,100,949**	**4,996,737,482**	**7,744,039,605**	**7,810,032,474**

VAT Schedule

Revenues, net of VAT	5,535,390,000	7,951,356,000	12,918,978,450	22,449,351,063	38,266,354,162	63,359,256,262	66,607,045,824
Costs, net of VAT	4,051,217,730	6,363,835,575	11,116,160,964	19,513,188,837	33,626,427,613	56,132,718,818	59,320,816,695
Additional Value Generation	1,484,172,270	1,587,520,425	1,802,817,486	2,936,162,226	4,639,926,549	7,226,537,444	7,286,229,129
Additional VAT at 18%	267,151,009	285,753,676	324,507,147	528,509,201	835,186,779	1,300,776,740	1,311,521,243