



THE UNITED REPUBLIC OF TANZANIA

PRIME MINISTER'S OFFICE

TANZANIA INVESTMENT CENTRE

PART

ENDS

FILE BEGINS

FILE TITLE

FILE NUMBER
TICC

PART

FILE NUMBER
TICC

CONFIDENTIAL

042160

INDEX HEADINGS

Office or Section	For Action F/M	Initials	Date	Action taken vide F/M	Office or Section	For Action F/M	Initials	Date	Action taken vide F/M
DIP FI		Ⓟ	10/11/12	Ⓟ					
Revolut FI		Ⓟ	10/11/12	Ⓟ					
DAF MI		Ⓟ	20/11/12	Ⓟ					
Ag. XO M2		Ⓟ	20/11/12	Ⓟ					
Ag. XO M2		Ⓟ	20/11/12	Ⓟ					

IMARA DAIMA dTD



MINUTE S

Bokezo
No.

10

Ag. EXD

The approved project has fulfilled the investment requirements, which are: -

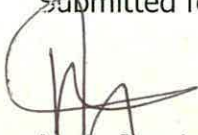
(a) Minimum finance investment threshold has been exceeded, the project expects to invest ...US\$ 0.54 m.....

(b) Legal entity has been incorporated under certificate

No. 44520..... of 30/09/2012

Based on the above, the letter of approval is hereby submitted for signature in order for the project to comply with the requirements of Section 17 of Tanzania Investment Act, 1997.

Submitted for signature.



N. A. Senzia

DIF

20th January, 2012

EXD

In response to the TIC letter of registration dated. 20th Jan 2012

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from..... CRDB Bank Ltd

(c) Sales agreement with LAKT as guidance and lead

With the above submission EXD is requested to sign Certificate of Incentives No. 042160..... herein attached.

27/01/2012


DIF

TE SHEET

Dokezo
No.

THE COMPANIES ORDINANCE
(Cap.212 of the Laws of Tanzania)

COMPANY LIMITED BY SHARES

Memorandum

AND

Articles Of Association

of

IMARA DAIMA Ltd

Incorporated this 30th day of September 2002

DRAWN BY:

Ambassador Anthony B. Nyakyi
P.O. Box 8469
DAR ES SALAAM

COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

IMARA DAIMA LTD.

TANZANIA

Stamp Duty Shs. ... 5000/-

PAID ON ORIGINAL

Receipt No. 74876358 30/09/07

BR.

Stamp Duty Officer

THE COMPANIES ORDINANCE, (Cap.212)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

IMARA DAIMA LTD

TANZANIA

Stamp Duty Shs. 2500/-

Receipt No. 74876358 30/09/07

BR.

Asst. Registrar of Companies

1. The name of the Company is **IMARA DAIMA LIMITED**.
2. The registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:-
 - a) To carry on the business of timber trade, woodworks, furniture making, joinery, sawmilling, selling and buying of wood products of various types and description.
 - b) To carry on the business and trade of metal fabrications, tools making, metal joinery, welding, casting, metal furniture and window casement manufacturing, iron mongering, and the general manufacture of metal, aluminium, brass, iron and steel products.
 - c) To promote, establish and engage in and carry on the business or profession of providing consultancy services on monetary and fiscal policies, national manpower and institutional development, external and internal domestic policies, investment issues and management.
 - d) To undertake feasibility studies and project appraisal on all matters pertaining to mining energy, fisheries, forestry, transport and communication.
 - e) To carry on business as carries of passengers and goods, ship charterers, clearing and forwarding and transport agents, cargo superintendents, packers, hauliers, machine haulage specialists, warehousemen, engineers, electricians, woodworkers, motor car, cab, omnibus and costs proprietors and operators, aerial transport contractors and carriers.
 - f) To transact agency business of all kinds and also to act as agents, representatives and distributors for any person, firm company or corporation.

- g) To carry on all or any of the trades and businesses of farmers, planters, graziers, fishermen, breeders of and dealers in livestock marketing, gardeners, arboriculturists, horticulturists, poultry and bee-keepers, dairymen and other trades or businesses in connection with arboriculture, agriculture and horticulture including processing of their products.
- h) To cultivate, grow, buy prepare for local and export market coffee, sisal, cotton, tobacco, oil palm oil seeds, fruits and food crops of all kinds as well as vegetable, dairy, or farm produce and to dispose of, sell or deal in any such produce either in its raw or manufactured or processed state.
- i) To engage in or carry on the business of motel and hotel keepers, bar and lodging owners, cafe, holiday camp, tavern, beer house and restaurant and guest house keepers and similar trades.
- j) To receive money on deposit, to exchange money and to lend or advance money to such persons or Companies on such terms as the company may think expedient and to guarantee performance by the Company of any obligation or liability it may undertake.
- k) To affect and maintain insurance on the life or lives of any director or directors and other officers or servants of the company and any other persons in whose lives the Company has an insurable interest.
- l) To make or hold shares in any other company carrying on any business capable of being conducted so as to directly or indirectly benefit the Company.
- m) To purchase or otherwise acquire, erect, maintain, reconstruct and adapt any offices, workshops, mills, plant, machinery and other things found necessary or convenient for the purpose of the Company.
- n) To let on lease or on hire the whole or any part of the real and personal property of the Company on such terms as the Company shall determine.
- o) To draw, accept and make, and to endorse, discount and negotiate, bills of exchange and promissory notes and other negotiable instruments and operate bank accounts.
- p) borrow or raise money by the issue of debentures, debenture stock (perpetual or terminable) bonds, mortgages, or any other securities, founded or based upon all or including its uncalled capital, or without any such security and upon terms as to priority or otherwise, as the company shall think fit.

- q) To invest moneys of the Company not immediately required in such manner, other than in the shares of the Company, as from time to time may be determined.
- r) To acquire by subscriptions, purchase or otherwise, and to accept and take, hold and sell, shares, or stock in any company, society or undertaking, the objects of which shall, either in whole or in part, be similar to those of this Company, or such as may be likely to promote or advance the interests of the Company.
- s) To provide for the welfare of persons in the employment of the Company, or formerly in the employment of the Company or its predecessor business, and the wives, widows and families of such persons, by grants of money, pensions or other payments, and by providing or subscribing towards places of instruction and other assistance, as the Company shall think fit, and to form, subscribe to or otherwise aid benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claims to support or aid by the Company by reason of the nature or the locality of its operations or otherwise.
- t) To enter into and carry into effect any arrangement for joint working in business or for sharing of profits, or for amalgamation, with any other Company, or any partnership or persons, carrying on business within the objects of this Company.
- u) To sell, dispose of, or transfer the business property and undertaking of the Company, or any part thereof, for any consideration which the Company may see fit to accept.
- v) To do all or any of the matters hereby authorised in any part of the world either alone or in conjunction with, or as factors, trustees or agents for, any other companies or persons, by through any factors, trustees or agents.
- w) To carry on the business of fishing, processing of fish, which shall include fish-smoking, and any other fish processing by way of manual or machine methods, buying and selling fresh water or ocean based fish of various types and description.
- x) To carry on the business of garage and workshop trade, which shall include tractor and motor vehicle repairs, panel beating, servicing, sales, motor vehicle sales agency, and dealing in spares.
- y) To carry on the business of locksmithing including manufacturing of locks, keys and key-cutting.
- z) To act as manufacturers representatives and commission agents.



aa) Generally to do all such other things as may appear to be incidental or conducive to the attainment of the above objects or any of them.

And it is hereby declared that, in the interpretation of this clause the powers conferred on the company by any paragraph, shall not be restricted by reference to any other paragraph, or to the name of the company, or by juxta position of two or more objects and in the event of any ambiguity, this clause and every paragraph hereof shall be construed in such a way as to widen, and not to restrict the powers of the company.

4. The liability of members is limited.

5. The nominal Capital of the company is shillings ninety million (Shs.90,000,000)/= divided into ninety thousand (90,000) ordinary shares of shillings one thousand (1,000) each with the power for the Company to increase or reduce the said nominal capital and to alter the nominal value of shares or to convert the share into stocks and to issue any part or parts as such original or increased capital either at par or at premium and with such preferential deferred, qualified or special rights, privileges, or conditions as the company may determine.

We, the several persons whose names, addresses and descriptions are subscribed, are desirous or being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers	Number of shares taken by each Subscriber	Signature
Mrs. Margaret Nyakyi Businesswoman, P.O Box 8469, DAR ES SALAAM.	Seventeen thousand seven hundred and fifty (17,750)	
Mr. Anthony B. Nyakyi Businessman, P.O. Box 8469, DAR ES SALAAM.	Seventeen thousand seven hundred and fifty (17,750)	

Dated this 27th day of SEPTEMBER 2002

Witness to the above signatures:



TANZANIA

Stamp Duty Shs. 52000/-

PAID ON ORIGINAL

Receipt No. 7487635 30/09/07

RR

Stamp Duty Officer

THE COMPANIES ORDINANCE, (Cap.212)

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

IMARA DAIMA LTD.

TANZANIA

Stamp Duty Shs. 25000/- Paid

Receipt No. 7487635 30/09/07

RR

Asst. Registrar of Companies

PRELIMINARY

1. The regulations contained in the Table "A" in the First Schedule to the Companies Ordinance (Cap.212) (such Table being hereinafter called "Table A"), shall apply to the Company save in so far as they are excluded or varied hereby, that is to say the Clause of Tables "A" numbered, 11, 28, 64, 66, 69, 70, 72, 78, 92, and 102 shall not apply to this Company but, in lieu thereof, and in addition to the remaining Clauses of Table "A", the following shall be the regulations of the Company.

PRIVATE COMPANY

2. The company shall be a private company and accordingly the following provisions shall have effect:

A. The Company shall not offer any of its shares or debentures to the public for subscription.

B. The number of the members of the Company (exclusive of persons who are in the employment of the Company and of persons who, having been formerly in the employment of the Company, were, while in such employment and have continued after the determination of such employment to be members of the Company) shall not at time exceed fifty.

C. The transfer of shares in the Company shall be restricted in the manner hereinafter provide.

3. The Company shall be entitled to treat the person whose name appears upon the Register in respect of any shares as the absolute owner thereof and shall not be under any obligation to recognise any trust or equitable claim to or partial interest in such share whether or not it shall have express or other notice thereof.

4. The Company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or for procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company at any rate not exceeding one percent of the nominal amount of shares subscribed or agreed to be subscribed, or the subscription whereof is procured or agreed to be procured.

SHARES

5. The shares shall be under the control of the Directors, who may allot and dispose of or grant portions over the same to such persons on such terms and in such manner as they think fit. Shares may be issued at par or at a premium and the Directors may at any time in their absolute discretion refuse to register any transfer of shares. Clause 19 of Table "A" shall be modified.

6. Any member or other person (hereafter called the Holder) desiring to dispose of any shares shall intimate to the Secretary the number of such shares and the price at which he is willing to sell the same, and the Secretary shall then inform all other members of the proposed sale and offer the said shares to the other members at the price named. Any member desiring to purchase shall notify the Secretary in writing, within one month from the date of such offer, of the number of shares which he is willing to purchase and, at the expiration of the said period the Secretary shall give notice to the Holder of the number of shares which Members of the Company are willing to purchase and shall allocate those shares to or amongst the member or Members who shall have expressed his or their willingness to purchase as aforesaid and if more than one, as far as may pro rata according to the number of shares held by them respectively provided that no member shall be obliged to take more than the number of shares notified by him as aforesaid. Upon such allocation being made the holder shall be bound, on payment of the price to transfer the shares to the purchaser or purchasers, and if he shall make default in so doing, the Secretary may receive and give a good discharge for the purchasing money on behalf of the Holder and may enter the name of the Purchaser in the Register of Members as holder by the transfer of the shares purchased by him. Any shares not sold and transferred within one month from the date of the notice of allocation may be sold by the Holder to any person not a member of the Company but the Directors shall not be bound to register any person as a member.

7. The Directors may make a call or calls upon the members in respect of any money unpaid on their shares and each member shall, subject to receiving at least fourteen days notice specifying the time or times of payment, pay to the Company at the time or times so specified the amount called on his shares.

A call may be made by instalments.

FORFEITURE OF SHARES

8. When any shares have been forfeited an entry shall forthwith be made in the Register of the member of the Company recording the forfeiture and the date thereof and as soon as the shares so forfeited have been sold or otherwise disposed of an entry shall also be made of the manner and the date of the sale or disposal thereof.

9. This lien conferred by Clause of Table "A" shall attach to fully paid-up shares and to all shares registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or one of several joint holders.

10. Any entry in the Minute Book of the Company of the forfeiture of any shares or that any shares have been sold to satisfy a lien of the Company shall be sufficient evidence as against all persons claiming to be entitled to such shares that the said shares were properly forfeited or sold; and such entry and the receipt of the Company for the price of such shares shall constitute a good title to such shares and the name of the purchaser shall be entered in the Register as a member of the Company and he shall not be bound to see to the application of the purchase money, nor shall his title to the said shares be affected by irregularity or invalidity in the proceedings in reference to the forfeiture or sale. The remedy, if any, of the former holder or such shares and of any person claiming under or through him shall be against the Company and in damages only.

BORROWING POWERS

11. The Directors may raise or borrow for the purpose of the Company's business such sums of money as they think fit and may secure the payment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company, present and future, including its uncalled or unissued capital, or by the issue at such price as they think fit of bonds or debentures, either charged upon the whole or part of the property and assets of the Company, present and future, including its uncalled or unissued.

12. A Register of the holders of the debentures of the Company shall be kept at the Registered Office of the Company and shall be open to the inspection of the registered holders of such debentures and of any member of the Company, subject to such restrictions as the Company in general Meeting may from time to time impose. The Directors may close such Register for such period or periods as they may think fit, not exceeding in the aggregate thirty days in each year.

MEETINGS

13. The quorum for the transaction of business at any General Meetings shall be two thirds of the members personally present or represented by proxy, and Clause 45 of Table "A" shall be modified accordingly.

VOTES OF MEMBERS

14. On a show of hands every member entitled to vote, present in person, shall have one vote. On a poll every member entitled to vote shall have one vote for each share of which he is the holder.
15. (a) The number of Directors shall be not less than two and not more than ten.
- (b) The first Directors shall be:
- (i) Mrs. Margaret Nyakyi
 - (ii) Mr. Anthony B. Nyakyi
 - (iii) Mr. Felix G. Mosh
16. A Director shall not require any share qualification.
17. The quorum of directors for transacting business shall, unless otherwise fixed by the Directors, be two.
18. A memorandum in writing signed by all the Directors for the time being and posted in or attached to the Minute Book shall be as effective for all purpose as a resolution of the Directors passed at a meeting duly convened, held and constituted.
19. A Director may, in addition to his directorship, be employed by and may hold any office or place of profit or otherwise under the Company (except that of Auditor) upon such terms as to remuneration and otherwise as the Director of any company may arrange. A director of the Company may also accept office as a Director of any promoted by the Company or in which the Company is interested, and may subscribe for or otherwise acquire shares in such company and shall not be accountable for any benefits received by him as a Director or member of such Company. A director may act by himself or his firm and he shall be entitled to remuneration for his services as if he were not a Director.
20. A Director or intending Director shall not be disqualified by his office from entering into a contract or agreement with the Company, either as vendor, purchaser, manager, agent, broke or otherwise and no such contract or agreement or any contract or arrangement entered into by or on behalf of the Company with any person, firm or Company in which any Director shall be in any way interested, shall be avoided, nor shall any Director holding such office or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding the office of Director or of he fiduciary relation thereby established. Any Director so contracting or being so interested as aforesaid shall disclose at the Board Meeting at which the contract or arrangement is determined upon the nature of his interest if his interest then exists, or in any other case at the first Board Meeting after the acquisition of his interest and a Director shall not as a Director vote in respect of any contract or arrangement in which he is so interested as aforesaid and if he does so his vote shall not be counted, but this prohibition shall not apply to any contract by or on behalf of the Company to give to the Directors or any of them any security by law of indemnity or security for advances or to a settlement or set-off of cross-claims, and it

may at any time or times be suspended or relaxed by a General Meeting and shall be so suspended and relaxed as long as and during any period in which the number of Directors does not exceed two. A general notice that a Director is a member of any specified firm or Company and is to be regarded as interested in any transaction with such firm or Company, shall be sufficient disclosure under this clause, and after such general notice it shall not be necessary to give any special notice relating to any particular contract or arrangement.

ALTERNATE DIRECTORS

21. Each Director may nominate a person who shall be unanimously approved of by the other Directors, to act as Alternate Director in his place during his absence or inability to act as such Director. Alternate Director shall not require any share qualification but shall be subjected in all other respects to the terms and conditions existing with reference to the Directors of the Company, and such Alternate Director, when acting shall exercise and discharge all the duties and functions of the Director whom he shall represent and in the case of an Alternate Director being unable to act during the absence or inability to act of the Director whom he represents he may, with the like approval, appoint another person to act in his place.

DISQUALIFICATIONS OF DIRECTORS

22. The office of Director shall be vacated:-

- A. If he becomes bankrupt or insolvent or compounds with his creditors.
- B. If he becomes prohibited from being a Director by order made under sections 213 or 269 of the Ordinance.
- C. If he becomes of unsound mind or be found lunatic.
- D. If he gives the Secretary notice in writing that he resigns his office.
- E. If the Company by Extraordinary Resolution resolves to determine his appointment as Director.

But any act done in good faith by a Director whose office is vacated as aforesaid shall be valid unless, prior to the doing of such act, written notice shall have been served upon the Directors or an entry shall have been made in the Directors minute book stating that such Director has ceased to be a Director of the Company.

MANAGING DIRECTOR

23. The Directors may from time to time entrust to and confer upon the Managing Director or Manager all or any of the powers of the Directors (excepting the power to

make calls, forfeit shares or issue debentures) that they may think fit but the exercise of all powers by the Managing Director or Manager shall be subject to such regulations and restrictions as the Directors may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied.

CAPITALISATION OF RESERVES



24. Any General meeting may resolve that any money, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or any available for distribution be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture stock, and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum.

WINDING UP

25. With the sanction of an Extraordinary Resolution of the members any part of the assets of the Company, including any shares in or securities of other companies, may be divided among the members of the Company in species, or may be vested in trustees for benefit of such members and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any shares whereon there is any liability.

INDEMNITY

26. Subject to the requirement of Section 153 of the Companies Ordinance, Cap.212 of the Laws of Tanganyika, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of his duty, and no Director or other officer shall be liable for any loss which may be in the execution of his office or in relation thereto.

Names, Addresses and Description of Subscribers	Number of shares take by each Subscriber	Signature
Mrs. Margaret Nyakyi Businesswoman, P.O Box 8469, DAR ES SALAAM.	Seventeen thousand seven hundred and fifty (17,750)	
Mr. Anthony B. Nyakyi Businessman, P.O. Box 8469, DAR ES SALAAM.	Seventeen thousand seven hundred and fifty (17,750)	

Dated this.....27th.....day of SEPTEMBER 2002

Witness to the above signatures



**FEASIBILITY STUDY
AND
BUSINESS PLAN
FOR
IMARA DAIMA LTD**

Submitted by: -

Corporate Services International Ltd

Management and Business Consultants

P O Box 6191,

Kilimanjaro

TANZANIA

DECEMBER 2011

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1.0 EXECUTIVE SUMMARY

1.1 The Project

This investment proposal sets out to examine the financial viability and economic desirability of financing the rehabilitation of buildings plant and machinery for the manufacture of softwood furniture in Tanzania and acquiring of necessary working capital to run the company competitively and profitably in the East Africa Region and beyond.

1.2 The Market

The market exists for the product to be made by the company as the present supply does not meet demand by the unquenched domestic, regional and international market. The project is economically viable because demand for softwood furniture and especially completely knocked down (CKD) sets is on the increase in the market areas because of shortage of softwood in neighbouring countries. The recent government decision to restrict furniture purchases to local wood products instead of foreign products augurs well for the local furniture producers. In order to minimize financial risks to the company and the lenders the business must concentrate on efficiency in delivering orders on a timely basis and selection of committed buyers in the market.

1.3 Management and Organization

The designed Organization Chart of the Company sets up an organizational structure that is self supporting and capable of attracting high calibre staff in view of the attractive remuneration packages and the recruitment procedures. A training program is to be instituted so that all the technical jobs are manned by capable Tanzanians. Incentive and education material will be given to employees to motivate them, including study tours to the equipment and machinery suppliers to familiarise the employees with the machinery operation and maintenance. Other specialized services like legal counsel, management consultant and other skills will be hired as necessary while operational, stores and accounting manuals will be prepared by consultants for permanent use by the Company to ensure consistency and efficiency.

1.4 Capital Cost and Capitalization

The total cost of the project will be four hundred forty five million (TShs445m). This is financed by equity contribution of Tanzanian Shillings 95.5 million in equity and retained earnings by the company as Sponsors and the rest is in form of Development Loan for the rehabilitation of the buildings, wood

working machinery, motor vehicles and working capital of TShs 349.5 m from an investment bank preferred such as TIB Ltd.

1.5 Financial Appraisal

On the basis of various assumptions contained in the various schedules to this report, the net profit before taxes from the wood working operations is expected to rise from TShs62.748m in year 3 to TShs 196.2m in year 6. By the end of year 6 the Company will have accumulated reserves of TShs 81.3 million

The Company's cash generation is quite strong throughout the period under consideration. Cash balances accumulate rapidly from TShs13.8m in year 3 to TShs218.0 million in year 6. The cash flow moves from a deficit of TShs 109.5 m in year 3 to a surplus of TShs 393.3 after the term loan of TShs 350m has been paid with interest thereof.

The Company's internal rate of return (IRR) after interest and taxes is 42 %. The payback period is three years and seven months. The business can sustain a decrease in prices of its products by 10 % before making losses. All those tests affirm the financial viability of this project.

1.6 Economic Appraisal

Apart from pure commercial attributes, the project is economically desirable on a number of important grounds.

[a] With 40 % of the wood products being exported the company will effect a foreign exchange inflow of TShs 1.283 billion by 6 years thereby liquidating the loan, interest and credit obligations. The foreign exchange impact on the economy is thus quite substantial.

[b] The Imara Daima Ltd will generate employment for 40 jobs on permanent terms. This will have a big effect on the economy by way of families supported etc.

[c] The project will contribute very heavily to Government revenue by way of duties, taxes, royalties and levies.

[d] The project will enhance forward linkages in the wood products and supermarkets and backward linkages to the construction and housing sectors in the economy.

[e] The economic rate of return (ERR) works out at 42 % thereby emphasizing the economic desirability of the project.

1.7 Conclusion

This feasibility report shows that the proposed project is financially viable economically desirable and commercially profitable. The project is based on a well-founded base as the Imara Daima Ltd management has considerable experience and financial ability to undertake the wood working activities to meet international quality standards for the products produced the Company is also very well placed with the marketing of wood products

Given the commitment of the Management of Imara Daima Ltd and with the assistance of TIB Ltd the company will be capable of generating the turnover in foreign exchange with a big impact on the economy of Tanzania.

It is therefore recommended that Imara Daima Ltd with objectives and the span of interest and magnitude demonstrated above be supported by a loan from an investment bank to undertake the envisioned project.

2.0 INTRODUCTION

2.1 Name and Ownership of the Company

The applicant is Imara Daima Ltd, a registered private limited liability company with Certificate of Incorporation Number 44520 dated 30th September 2002

Name of Shareholder	Shares held %	Other Position/Role
Ambassador Anthony B. Nyakyi	50	Managing Director
Mrs Margareth A. Nyakyi	50	Director
Total	100	

2.1.1 Offices

The headquarters of the company are located at Farm Number 143 Certificate of Title Number 9637 Karanga Ward Moshi District, Kilimanjaro Region in Tanzania.

2.2 Legality of the Borrower and the business

Imara Daima Ltd is a registered business entity with a business licence in wood working and export thereof.

2.3 Purpose of the Project

The purpose of the project is to rehabilitate existing machinery and acquire new wood working machinery to expand and develop wood harvesting business and acquiring of necessary working capital to run the company profitably.

3.0 ECONOMIC ASPECTS

3.1 Employment Generation

The improved business is expected to create about 40 permanent employment opportunities and about an equal number of temporary employees, the remuneration and other emoluments of which are expected to have a multiplier effect in the economy of the country.

3.2 Revenue and Foreign Exchange Generation, Impact and Diversification plans

The project, when in full swing, is expected to generate the following incomes:-

Out of Total Sales of TShs 352m in year 2 local sales account for 55 % of all sales and export sales 45 % thus generating over 1.28billion by the end of year 6.

3.3 Government Revenue

The project will generate revenue to the Government as follows: -

- import duties,
- excise duties,
- vehicle registration fees and taxes,
- wood products levies;
- corporate taxes (income),
- payroll levy,
- skills development levy,
- personal income tax (PAYE),
- withholding taxes on interest/dividends on the distribution of profits,
- business licences,
- export taxes,
- land and property taxes.

3.4 Forward and Backward Linkages

On the macro-economic level there will be forward and backward linkages. The backward linkage will be to lumber jacks dealing in raw wood cutting, electricity, communication services, fuel and oil supply, machinery and equipment maintenance services and port handling services for exports.

The forward linkages will be to export market, transporters to the port etc. Both will be triggered by the activities of Imara Daima Ltd Company. The effect will be to spur economic activities in the input sectors.

3.5 Regional Impact

The production of wood products will boost the foreign exchange reserves of the country through the export of 45 % of its production to the regional and international market hence the regional impact on the East African Community countries and the SADC Region.

3.6 Economic Rate of Return

The economic rate of return has been calculated on the total investment without any shadow coefficients because most of the transactions are based in Tanzania Shillings, which are very easily convertible to foreign exchange. With the above approach the economic rate of return of 42% as computed in schedules to this study is quite high for the wood harvesting industry.

4.4 Timing and Phasing of the Project

The project is expected to start in January 2012 and to end in 2014 in which period the Imara Daima Ltd management will undertake the following development and sustainability efforts: -

1. Rehabilitate existing machinery;
2. Procure new wood working machinery and implements immediately the funds are available.
3. Increase the quantity of wood harvested by at least 50% thus increasing production of finished wood products
4. Increase export products to 45 % of total production thus increasing foreign exchange earnings.

4.5 Human resources required to manage the wood products,

The overall management of the company will be through a Board of Directors to be appointed by the shareholders. The overall management of will be headed by a Managing Director, Ambassador Anthony Nyakyi who will also be responsible for Corporate Planning and Marketing.

Under Workshops, which will be headed by a fully qualified Workshop Manager, himself an experienced wood working technician, will be qualified machine operators, technical assistants and drivers. These will respond to harvesting plans and transport to factory depending on the type of wood being harvested and processed. In collaboration with the Logistics Officer and Director of Operation the Storekeeper will procure and distribute all the Company inputs including, packing materials machinery and implements spares and fuel. This team will be able to instil new spirit and workmanship to the Company and turn it round production wise within a very short time. The expected payroll will appear as per Schedule 5 of the Imara Daima Ltd spreadsheets.

4.6 Advisory services needed for optimising the output from the Company including required and appropriate inputs

On the availability of timber, the company has sought advice from the Forest Department of the Ministry of Natural Resources on strategies to be adopted to optimize production. The Forest Department has advised that for now and the foreseeable future there is no alternative to dependence on the existing stocks of allocations from the government plantations for timber but the best option is to re plant new trees where the current ones are being harvested in order to maintain a sustainable supply of timber.

5.0 FINANCIAL PLAN AND FINANCIAL PROJECTIONS

5.1 Project Start up Costs

The preceding investment by Imara Daima Ltd before application for loan financing to rehabilitate and expand the assets of the company amounts to TShs100 million as the original equity by the shareholders. The company needs an injection of TShs 350 million which is repayable within three years.

5.2 Full Project Costs

The full project costs are made up of the cost of rehabilitating and of acquiring new machinery and parts amounting to TShs 420.million. These are expected to be financed by an investment bank (TIB Ltd) at an interest rate of 20 % per annum, while the rest is to be financed using retained earnings and short-term overdraft/equity injection by the shareholders. The total financing amounts to TShs450 million including creditors and accruals amounting to TShs 30 million.

5.3 Projected Profit and Loss Statements

The profit before taxation of the combined operations amounts to TShs 62.7 million in year 3, TShs 125 million in year 4 and TShs 160million in year 5. In terms of margins of net profit after tax to turnover the performance is 9 % in year 3, rising to 21 % in year 6. This is quite adequate for enterprise undertaking wood working activities. The company starts paying taxes in year 3 amounting to TShs 18 million and rises to TShs 58.8 million in year 6. This is after liquidating the loan and interest outstanding from year 1. The company retained earnings stand at TShs 81.3 million at the end of year 6. The wood working operation is therefore attractive and profitable.

5.5 Projected Balance Sheets

The Company balance sheets as shown in the Schedule of the Financial Projections are quite healthy. The net worth of the Imara Daima Ltd rises from TShs 646 m in year 1 to TShs 818 million in year 6. The company will own all its fixed assets from year 3 after paying off the loan and interest outstanding through operational profitability, equity contributions and retained earnings.

5.6 Projected Cash Flow Statements

The sources of funds will be equity, development loan from an investment bank, profit before interest and taxes and depreciation. After initial financing no additional equity or loan is required. Starting with modest TShs 100 million in year 1 financed from equity, the company ends up with TShs 393 million cumulative cash flow at the end of year 6.

5.7 Financial Internal Rate of Return

The discounted cash flow analysis calculated on the given assumptions yields a financial internal rate of return of 42 % before interest and taxes. This is an attractive indicator of performance for the activities of the company.

5.8 Payback Period

The payback period is calculated on the company operations. The calculations show that the investment will be recouped in 3 years and seven months. This means the Company will commence building up reserves after 43 months of operation making this an attractive investment in the wood working sector.

5.9 Sensitivity Analysis

This analysis brings to light the effect of the most critical factors affecting profitability of the operations of the firm.

- **Sensitivity to decrease in revenues** - the project is very sensitive to decrease in revenues. A 10% decrease in revenue reduces the level of profitability and makes a loss in year 1. It remains profitable thereafter.
- **Sensitivity to increase in production costs** - the project is also not very sensitive to increase in operating costs. A 10% increase in production costs produces a loss in the first year but a lower figure.
- **Sensitivity to increase in operating costs** - the project is also not very sensitive to increase in operating costs. A 10% increase in operating costs produces a loss in year 1 but by year 6 the net profit is higher.

6.0 MANAGEMENT AND ORGANIZATION

6.1 Personnel and Management

The overall management of the Company will be through a Board of Directors, to be appointed by the shareholders and term financiers. The overall management of Imara Daima Ltd will be headed by a Managing Director and Chief Executive Officer. He will set up a network that will be able to instil new spirit and workmanship to the new Company and turn it round within a very short time. The Managing Director will handle Corporate Planning and Marketing. Under the Directorate of Finance, the Financial Director will be assisted by the Accountant, Logistics Officer and Storekeeper.

The Accountants will be responsible for the keeping of the books of accounts and the Logistics Officer will be responsible for the day to day administrative, disciplinary, communications, transport matters of the Company while the Storekeeper will handle all the procurement and issue of all types of stores including fuel and lubricants, spare parts and packing materials

(See Proposed Organization Chart under Annex I to this Report).

6.2 Availability of Labour

Tanzania has a large pool of trained manpower in almost all sectors serving woodworking. The Company considers that the critical issues are retention of qualified skilled staff at its remote sites in Karanga area in Moshi Kilimanjaro Region. Imara Daima management plans to use incentives such as: -

- Attractive progressive salary programme.
- Medical insurance for employee and dependants
- Social security benefits and other terminal benefits including education for children.
- Motorcycle and bicycle loans to staff depending on rank.

6.3 Recruitment

Recruitment of the additional persons will be carried out on a continuing basis as more vacancies arise giving first preference to ex employees of wood industries on a merit basis and their willingness to continue working for Imara Daima Ltd. Careful methodology is being worked out by a competent management consultant who will set the job descriptions etc. to ensure that the right calibre is recruited.

6.4 Training and the use of Consultants.

The company plans to carry out on - the - job training for most of the technical staff. The maintenance staff will be sponsored to go on field trips outside the country to familiarise themselves with the operations of the plant and machinery. In general the company will ensure that employees get new skills and procedures to increase their productivity throughout. Educational materials will be subsidised or paid to motivate the workers to develop themselves.

Whereas the company will endeavour to obtain the best talents to fill the permanent posts in the organisation, it is intended where necessary to continue with the policy of hiring out some specialised skills by way of consultants.

Alternatively those skills not required throughout the year will be left to consultants. These include legal counsels, systems and management consultants. To ensure efficient and scientific management operations manuals will be prepared for core functions of the company.

6.5 Technical Assistance not required.

The Imara Daima Ltd Company management believe that the support received from Tanzania Private Sector Fund and Confederation of Tanzania Industries respectively are adequate to ward off the need for technical assistance from outside the country to run the company profitably.

7.0 HUMAN RESOURCES DEVELOPMENT AND WELFARE

7.1 Human Resources Development Plan

The company plans to limit itself to employing Tanzanians only. It does not expect to employ expatriates at the company except as part of a joint venture participation. On recruitment policies the company management will advertise for qualified and experienced Tanzanians on the market, interview and recruit. The company will also conduct in house, in country training for its operative staff. Management staff will get training to obtain state of the art management skills like use of computers, information technology, materials management and communication skills.

7.2 HIV/AIDS Action Plan

Imara Daima Ltd Company has the following HIV/AIDS Action Plan in place.

7.2.1 Awareness

- Education seminars, workshops, presentations, fly leaves, television and visual aids have been presented by several groups including, District Health Officers, NGOs and religious/faith based groups.
- People already infected with the AIDS virus are being counselled to exercise restraint by not infecting others.

7.2.2 Prevention

- The Company Management takes the positive action that the distribution of condoms for sexually active partners is the right of every employee. This is facilitated through cooperation with District Health Officers where the company operates in Moshi Municipality and NGOs providing condoms at near free of charge prices.
- The multiple partners' case be made aware of the risks involved.

7.2.3 Care

- The company management allows for community-based care for HIV/AIDS patients at home or care centres.

7.2.4 Community Based Terminal Care

- The company management usually takes financial care of terminal care, funeral and burial services for those who die whilst working with the company.

7.3 Gender considerations

Imara Daima Ltd is an equal opportunity employer without discrimination on gender, creed or ethnicity of the employees. By mere coincidence the majority of the company employees are men. They are being paid equally with women employees.

The Imara Daima Ltd management plans to build common facilities for men and women alike, including canteen, social services hall/shop to be made available to all the employees.

8.0 MARKETING

8.1 Market for the produce.

Imara Daima Ltd produces softwood furniture and other wood products for sale in the domestic market region for now and beyond for the future.

8.1.1 Wood products

The market for wood products exists in Tanzania and the world market. In fact the world demand for wood products is not met but what is required is to increase quantity produced and the quality of what is to be produced. The higher the quality of the wood products the higher the price it will fetch on the export market. Wood products make about 100% of the Company turnover.

8.1.2 Sectoral Competition

There appears to be no stifling competition in this sector since whatever is produced can be sold without meeting demand. This means supply falls short of what is demanded by both the local and international markets.

9.0 ENVIRONMENTAL ASPECTS

9.1 Existing environmental baseline conditions

Imara Daima Ltd Company is located at Karanga Ward in Moshi District in Kilimanjaro Region where the woodworking machinery are located and export is carried out from the factory to the Tanga port. The forests being harvested are located in West Kilimanjaro in Hai District and Rongai in Rombo District in Kilimanjaro Region.

Baseline conditions

1. Existence of mature softwood trees that can be easily harvested for their softwood subject to the licence from the Forestry Department of the Ministry of Natural Resources.
2. Existence of a forest policy to renew the depleted forests by replanting the same species being harvested. At the same time all tree logging is carried out in cooperation and under supervision of the Forestry Department of the Ministry of Natural Resources.
3. Existence of all weather roads for transporting the logs to from the harvesting areas to Moshi done in situ.
4. Existence of basic infrastructure access to the factory in Moshi including electricity, water and telephone communications.

9.2 Potential impact on environment

1. Existence of mature softwood trees that can be easily harvested for their softwood subject to the licence from the Forestry Department of the Ministry of Natural Resources gives the Tanzanian wood working companies advantage over other countries in the world which is a positive sign.
2. Existence of a forest policy to renew the depleted forests by replanting the same species being harvested is a very positive sign given that the replanted trees will be able to give a sustainable future for the wood working companies in Tanzania
3. Existence of all weather roads for transporting the logs to Moshi is another positive impact since the roads are not damaged to cause erosion and other health hazards like road accidents etc.
4. Existence of basic infrastructure access to the factory in Moshi including electricity, water and telephone communication is another positive sign as the work process is carried out without much trouble.

9.3 Action plan for prevention, mitigate of negative environment impact

As part of mitigating measures Imara Daima Ltd management plan to do the following: -

1. Plan to train and use company operators to manage the environment around them
2. Plan to participate fully in the forestry policy to replant the same species being harvested for future sustainability of the wood working industries.

These mitigation measures were identified through the investigation of best practices, research, and review of past project experiences in the area. Mitigation options were framed in terms of prevention and amelioration.

Prevention measures allow impacts to be avoided entirely through the selection of alternative pathways/options for the complete life cycle of the project. Amelioration measures are in-process actions taken during some phase of the project for purposes of modifying the design, operation, and/or maintenance plans.

Impacts that are collectively direct, primary, and long-term receive the highest attention in terms of the development of effective mitigation measures. Impacts that are collectively indirect, secondary, and short-term receive less consideration due to their lower significance.

9.4 Training for Management of related environmental issues

Identified environmental impacts and subsequent mitigation measures proposed hitherto represent the core findings of the environmental impact assessment (EIA). Mitigating potentially adverse social and environmental impacts should ensure that the project is environmentally friendly and is socio-economically beneficial to the local residents.

With relevance to the EIA of the Imara Daima Ltd, the Environmental and Social Management Plan (ESMP) is proposed to incorporate the identification and summary of major anticipated environmental and social impacts as well as mitigation measures especially after they have acquired their own forest and tree plantations.

9.4.1 Objectives of ESMP

The general objective of the Environmental and Social Management Plan (ESMP) for the Imara Daima Ltd is to minimize environmental degradation and to optimize social benefits to the areas where the softwood logs are harvested.

The specific objectives of the Environmental and Social Management Plan for Imara Daima Ltd are:

- To develop actions and recommendations that the company management should adopt during the harvesting process to minimize environmental impacts.
- To develop actions and recommendations that the project managers should adopt during the operational phases to minimize social impacts.
- To develop effective monitoring elements that will assist the timely mitigation of adverse environmental impacts and the achievement of positive impacts.

Objectives of a monitoring program essentially examines whether or not identified project objectives are achieved as expected in terms of output and time.

In the case of the Imara Daima Ltd project, the monitoring program will also seek to ensure that proposed mitigations measures are followed and are effective.

9.5 Cultural acceptability of project and its compatibility with the behaviour and need of the beneficiaries

The project is culturally acceptable to the residents as this is a continuation and improvement of an existing cultural feature. The people of West Kilimanjaro in Hai District and Rongai in Rombo District in Kilimanjaro Region in particular have been used to growing a selected number of tree species for over a hundred years now. Generations to generations have relied on (sell of timber) wood products as a cash crop. Now that the government policy is to revamp forests by positive replanting of the species harvested by the project this is welcome news to the residents. Imara Daima stands to benefit from this policy but will also create employment for the residents and act as a catalyst for the improvement of the welfare and economic improvement of the people.

10. RECOMMENDATIONS

10.1 Mission of Imara Daima Ltd

Imara Daima Ltd plans to preserve the areas granted to them by Forestry Department of the Ministry of Natural Resources. In future they plan to developing selected species of tree plantations in West Kilimanjaro in Hai District and Rongai in Rombo District in Kilimanjaro Region where they are currently harvesting softwood logs for furniture production to ensure sustainable supply of logs for their saw mill and hence the raw material for timber production.

10.2 Strengths

Over the last ten years of existence Imara Daima Ltd has built up fame as a good producer of quality softwood products in Tanzania. The company management wants to exploit this potential for rising up and become a successful prosperous company in the future to supply the East Africa Region and beyond.

The following are considered to be, the strengths that the company has at its disposal that can be relied upon to make the company grow and prosper.

10.2.1 The company has a large market area in Tanzania and the decision by the Government of Tanzania to restrict procurement of imported furniture is a challenge to Imara Daima management and other producers to increase productivity to meet the increasing demand for the local products. This leaves a lot of room for expansion without asking for additional effort in expanding supply by the new management.

10.2.2 Over the years of existence, the company built a name and goodwill to the public at large and the people of Tanzania especially in the supply of best quality softwood furniture in Tanzanian market. This necessarily enables the company to market its products with relative ease in the near future given proper and committed management of the company.

10.2.3 The company management is now seriously engaged in trying to arrest and eventually control the deteriorating financial and logistic situation now that it is under financing arrangement with an investment banker like TIB.

10.2.4 The company's landed assets can be used as collateral for development loans since all stand on one title deed and are highly valued.

10.3 Opportunities

In planning what can be done by the company during the next decade, the consultants have taken into

account the opportunities that exist for the company to increase its net worth. The new management of the Imara Daima Ltd will have to use its experience and wisdom to overcome the threats completely or reduce their impact drastically and at the same time consider utilizing the available opportunities that exist as follows: -

- 10.3.1 The prevailing improvement in investor confidence in Tanzania, in view of the new Tanzania Investment Centre Act and other fiscal policies, makes the company a suitable investment destination in view of the increased demand for wood products produced by the company.
- 10.3.2 The company has an opportunity to start the production of other high demand products completely knocked down (CKD) sets for export to the region, Europe and America.

10.4 Threats

The company is facing various threats in the existing operational environment. These include the following: -

10.4.1 Communications

The poor road conditions for the earth roads in West Kilimanjaro in Hai District and Rongai in Rombo District in Kilimanjaro Region. to the sites where the company is harvesting softwood logs, especially during the rainy season, contribute to high operational costs in the production and transportation of products leading to lower profits in view of the high costs.

10.4.2 Heavy Initial Investment for Rehabilitation

The company is not in good operating state in view of the economic fall out in the past two years in the world economy especially in Europe and America has export potential of its products. The company requires considerable rehabilitation investment to rehabilitate the existing buildings, plant and machinery and acquire motor vehicles and working capital to increase production as the world economies pick up.

10.5.0 Conclusions

1. This study has demonstrated that Imara Daima Ltd has adequate factory space to sustain operations of a large softwood products production line given the sufficient funding to finance the rehabilitation and expansion of the company under investment bankers like TIB.
2. By increasing the softwood furniture making facility hence the productivity of the company, the project will be adding value to the raw softwood products and turn them into a valuable products which can be exported at a higher values and bring in foreign exchange.
3. The company has been running as a private limited liability enterprise and is operated efficiently under private sector management ethics which will keep overheads to a minimum.
4. The Government will benefit from taxes generated by the company operations especially VAT (to exceed TShs 100m per annum) to be paid by the company.
5. As a result of the large investment in rehabilitation and expansion of the company the investors will enjoy an initial industrial buildings allowances as a result of Tanzania's Investment Centre Policy, (The investment will be over US\$ 100,000 therefore qualify as an Approved Enterprise under the 1997 Act) but in fourth year the company will be paying taxes at the rate of over TShs 50 million per annum.
6. The company will generate direct employment to 40 people, while indirect employment will be in the region of 400 people in terms of the backward integration as well as in the forward integration.

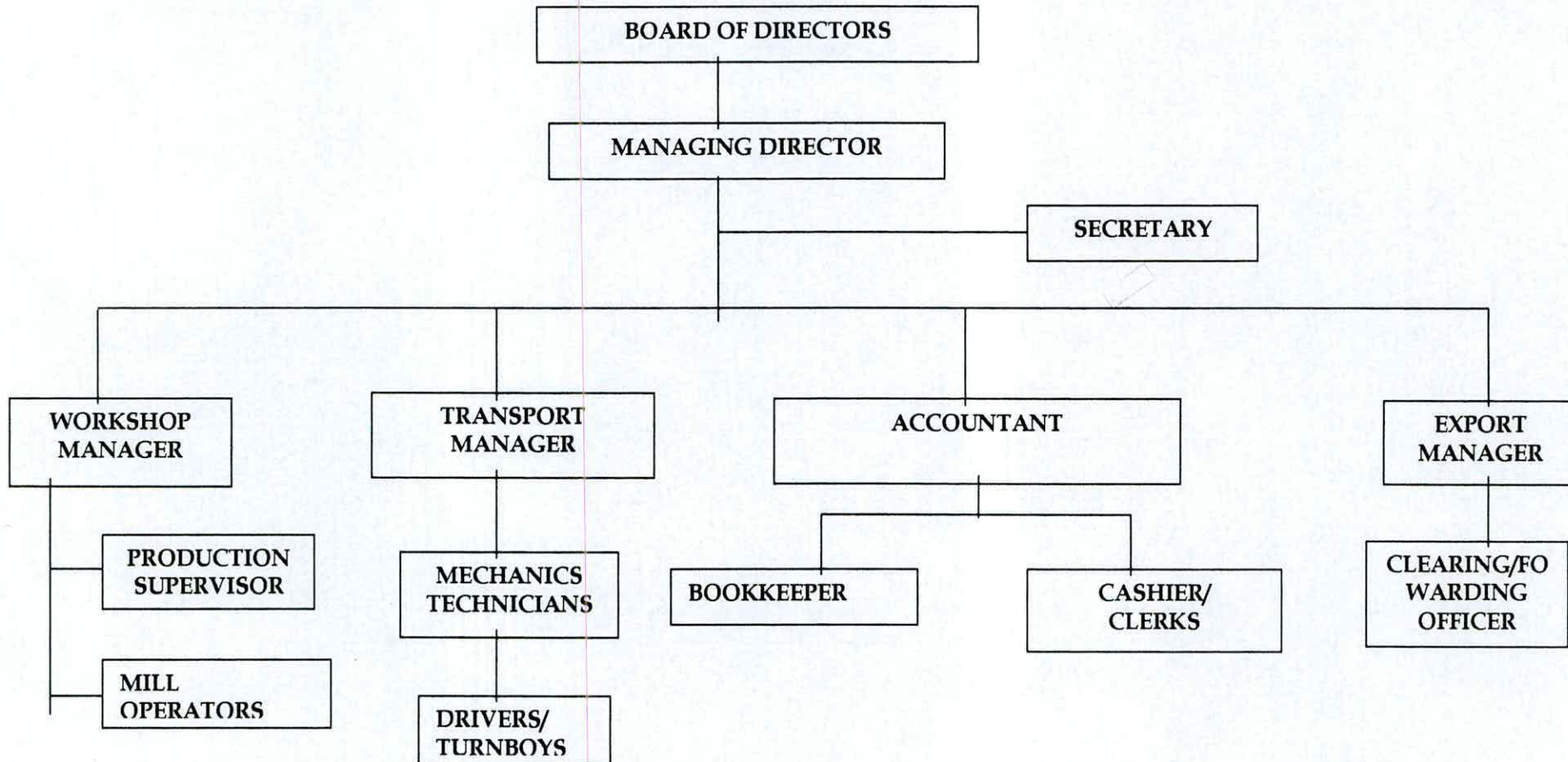
10.6 Recommendations

This study has shown that the plan to continue to harvest wood production as per allocation from the Forestry Department of the Ministry of Natural Resources and its plans to develop selected species of tree plantations in West Kilimanjaro in Hai District and Rongai in Rombo District in Kilimanjaro and acquiring of necessary finance to rehabilitate the plant and machinery as well as the necessary working capital to run the company is technically feasible, financially viable and economically desirable. A fast implementation of the venture is therefore recommended so that the demonstrated benefits can be realized.

Given the commitment of the Imara Daima Ltd management, the company will be capable of generating the turnover in both local currency and foreign exchange with a tremendous impact on the economy of Tanzania.

It is therefore recommended that the investors with the objectives and the span of interest and magnitude like Imara Daima Ltd should be supported finance the rehabilitation and new investment at Karanga factory in Moshi in Kilimanjaro Region.

IMARA DAIMA ORGANISATION CHART



IMARA DAIMA LIMITED -SALES FORECAST							
Particulars	Unit	Year - 1	Year - 2	Year - 3	Year - 4	(Figures in TShs.)	
						Year - 5	Year - 6
Bedroom Furniture	Sets	7,044,502	35,222,508	49,311,511	59,878,264	63,400,514	66,922,765
Dining Furniture	Sets	6,340,051	31,700,257	44,380,360	53,890,437	57,060,463	60,230,489
Kitchen Furniture	Sets	4,226,701	21,133,505	29,586,907	35,926,958	38,040,309	40,153,659
Living Room Furniture	Sets	28,178,006	140,890,032	197,246,045	239,513,054	253,602,058	267,691,061
Office Furniture	Sets	21,133,505	105,667,524	147,934,534	179,634,791	190,201,543	200,768,296
Panel Boards	Sets	3,522,251	17,611,254	24,655,756	29,939,132	31,700,257	33,461,383
TOTAL SALES		70,445,016	352,225,080	493,115,112	598,782,636	634,005,144	669,227,652
		704,450,160					
		70,445,016					
BREAKDOWN:							
Local Sales		42,267,010	193,723,794	246,557,556	269,452,186	380,403,086	401,536,591
Export Sales		28,178,006	158,501,286	246,557,556	329,330,450	253,602,058	267,691,061
TOTAL SALES		70,445,016	352,225,080	493,115,112	598,782,636	634,005,144	669,227,652

IMARA DAIMA LIMITED -COST OF PRODUCTION							
Particulars	Unit	(Figures in TShs.)					
		Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6
DIRECT MATERIALS							
Timber	M ³	6,542,933	32,714,665	45,800,532	55,614,931	58,886,398	62,157,864
Glue	Kgs	608,645	3,043,225	4,260,515	5,173,482	5,477,804	5,782,127
Polish	Lts	2,282,419	11,412,093	15,976,930	19,400,557	20,541,767	21,682,976
Thinner	Lts	1,065,129	5,325,643	7,455,900	9,053,593	9,586,158	10,118,722
Cushion and Upholstery		1,673,774	8,368,868	11,716,415	14,227,075	15,063,962	15,900,849
Other Material		3,043,225	15,216,123	21,302,573	25,867,410	27,389,022	28,910,635
Total		15,216,123	76,080,617	106,512,864	129,337,049	136,945,111	144,553,173
OTHER PRODUCTION COSTS							
Fuel and Lubricants		172,449	862,247	1,207,146	1,465,820	1,552,045	1,638,269
Factory Repairs & Main		213,026	1,065,129	1,491,180	1,810,719	1,917,232	2,023,744
Generator running expenses		8,318,147	41,590,737	58,227,032	70,704,254	74,863,327	79,022,401
Tools & Equip. consumed		1,014,408	5,072,041	7,100,858	8,622,470	9,129,674	9,636,878
Water		426,051	2,130,257	2,982,360	3,621,437	3,834,463	4,047,489
Total		10,144,082	50,720,412	71,008,576	86,224,700	91,296,741	96,368,782

IMARA DAIMA LIMITED -MANPOWER COSTS						
Particulars	Year - 1	Year - 2	Year - 3	Year - 4	(Figures in TShs.)	
					Year - 5	Year - 6
FACTORY STAFF:						
Salary and Allowances	9,263,278	46,316,392	64,842,949	78,737,867	83,369,506	88,001,145
Casual Wages	3,734,259	18,671,296	26,139,814	31,741,203	33,608,332	35,475,462
NSSF	926,328	4,631,639	6,484,295	7,873,787	8,336,951	8,800,115
Payroll Levy	370,531	1,852,656	2,593,718	3,149,515	3,334,780	3,520,046
Production Incentives	868,432	4,342,162	6,079,026	7,381,675	7,815,891	8,250,107
Travelling	1,013,171	5,065,855	7,092,198	8,611,954	9,118,540	9,625,125
Total	16,176,000	80,880,000	113,232,000	137,496,000	145,584,000	153,672,000
ADMINISTRATION STAFF:						
Salary and Allowances	9,618,325	9,810,691	10,006,905	10,207,043	10,411,184	10,619,408
Casual Wages	3,877,387	3,954,935	4,034,034	4,114,714	4,197,009	4,280,949
NSSF	961,832	981,069	1,000,691	1,020,704	1,041,118	1,061,941
Payroll Levy	384,733	392,428	400,276	408,282	416,447	424,776
Production Incentives	901,718	919,752	938,147	956,910	976,049	995,569
Travelling	1,052,004	1,073,044	1,094,505	1,116,395	1,138,723	1,161,498
Total	16,796,000	17,131,920	17,474,558	17,824,050	18,180,531	18,544,141

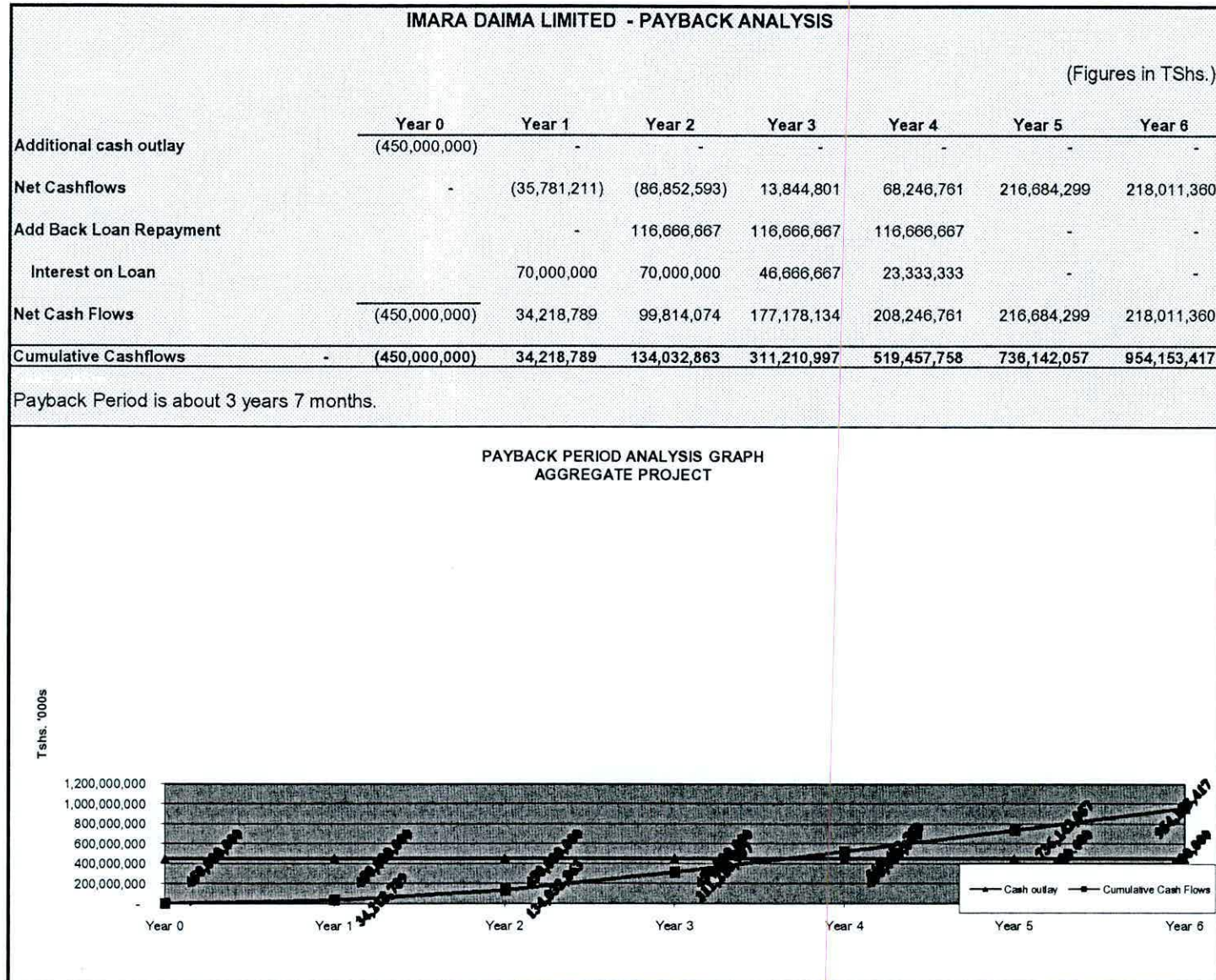
IMARA DAIMA LTD. 2001 -MARKETING COSTS							
Particulars	Basis	(Figures in TShs.)					
		Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6
Travelling		210,000	1,050,000	1,470,000	1,785,000	1,890,000	1,995,000
Advertisement & Sales promotion		630,000	3,150,000	4,410,000	5,355,000	5,670,000	5,985,000
Port & Handling chgs		350,000	1,750,000	2,450,000	2,975,000	3,150,000	3,325,000
Carriage outwards		210,000	1,050,000	1,470,000	1,785,000	1,890,000	1,995,000
TOTAL		1,400,000	7,000,000	9,800,000	11,900,000	12,600,000	13,300,000

IMARA DAIMA LIMITED -GENERAL ADMINISTRATION COSTS						
Particulars	Year - 1	Year - 2	Year - 3	Year - 4	(Figures in TShs.)	
					Year - 5	Year - 6
Repairs & Maintenance-Genera	493,656	503,530	513,600	523,872	534,350	545,037
Stationery, Printing, Periodica	779,458	795,047	810,948	827,167	843,710	860,584
Telephone/Fax/Postage	1,065,259	1,086,564	1,108,295	1,130,461	1,153,070	1,176,132
Consumable Stores	77,946	79,505	81,095	82,717	84,371	86,058
Water and Electricity	155,892	159,009	162,190	165,433	168,742	172,117
Licence & Taxes	25,982	26,502	27,032	27,572	28,124	28,686
TOTAL	2,598,192	2,650,156	2,703,159	2,757,222	2,812,367	2,868,614

IMARA DAIMA LIMITED -WORKING CAPITAL REQUIREMENTS							
Particulars	Basis	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	(Figures in TShs.)
							Year - 6
INVENTORY:							
Timber	3 months	1,635,733	8,178,666	11,450,133	13,903,733	14,721,599	15,539,466
Glue	1 month	50,720	253,602	355,043	431,123	456,484	481,844
Polish	1 month	190,202	951,008	1,331,411	1,616,713	1,711,814	1,806,915
Thinner	1 month	88,761	443,804	621,325	754,466	798,846	843,227
Cushion and Upholstery	1 month	139,481	697,406	976,368	1,185,590	1,255,330	1,325,071
Other Material	1 month	253,602	1,268,010	1,775,214	2,155,617	2,282,419	2,409,220
Total		2,358,499	11,792,496	16,509,494	20,047,243	21,226,492	22,405,742
WIP	2 month producti	1,730,675	8,653,376	12,114,727	14,710,740	15,576,077	16,441,415
Finished Goods	2 month producti	2,596,013	12,980,064	18,172,090	22,066,109	23,364,116	24,662,122
DEBTORS:							
Local sales	1 month	2,113,350	9,686,190	12,327,878	13,472,609	19,020,154	20,076,830
Export sales	1 month	2,348,167	13,208,441	20,546,463	27,444,204	21,133,505	22,307,588
		4,461,518	22,894,630	32,874,341	40,916,813	40,153,659	42,384,418
TOTAL CURRENT ASSETS		11,146,705	56,320,566	79,670,651	97,740,905	100,320,344	105,893,697
Operating expenses	1 month	2,964,183	8,388,506	11,117,476	13,173,106	13,881,408	14,590,396
Trade Creditors	1 month	54,408,099	65,825,684	86,048,953	111,537,213	139,926,442	169,869,314
TOTAL CURRENT LIABILITIES		57,372,282	74,214,190	97,166,429	124,710,319	153,807,850	184,459,710
NET WORKING CAPITAL		(46,225,577)	(17,893,624)	(17,495,778)	(26,969,414)	(53,487,506)	(78,566,013)

IMARA DAIMA LIMITED -DISCOUNTED CASH FLOW STATEMENT						
(Figures in TShs.)						
Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6
INFLOWS						
Profit Before Tax	(131,960,280)	(10,014,922)	62,748,364	125,727,317	160,953,652	196,288,199
Add Back:						
Interest on loan	70,000,000	70,000,000	46,666,667	23,333,333	-	-
Depreciation	68,232,882	68,160,949	68,160,949	68,076,984	66,930,749	44,930,749
	6,272,602	128,146,027	177,575,980	217,137,635	227,884,401	241,218,949
Changes in Working Capital						
(Increase)/Decrease in Stocks	(2,247,158)	(26,740,749)	(13,370,374)	(10,027,781)	(3,342,594)	(3,342,594)
(Increase)/Decrease in Debtors	(4,461,518)	(18,433,113)	(9,979,711)	(8,042,473)	763,154	(2,230,759)
Increase/(Decrease) in Creditors	4,654,863	16,841,908	22,952,239	27,543,889	29,097,532	30,651,860
Inflow from operating activities	4,218,789	99,814,074	177,178,134	226,611,270	254,402,494	266,297,456
OUTFLOWS						
Fixed Assets Acquisition	(420,000,000)	-	-	-	-	-
Tax paid	-	-	-	(18,364,509)	(37,718,195)	(48,286,096)
Net Inflows/(Outflows)	(415,781,211)	99,814,074	177,178,134	208,246,761	216,684,299	218,011,360
Terminal Value	-	-	-	-	-	1,090,056,802
NPV of Cashflows	85,884,396					
NPV of Terminal Value	365,057,817					
Project Net Present Value	450,942,213					
IRR of the Project:	(450,000,000)	34,218,789	134,032,863	311,210,997	519,457,758	736,142,057
Internal Rate of Return	42%					

IMARA DAIMA LIMITED - LOAN AND INTEREST							
(Figures in TShs.)							
Particulars	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Balance at Start:							
Bank Loan	350,000,000	350,000,000	350,000,000	233,333,333	116,666,667	-	-
Total	350,000,000	350,000,000	350,000,000	233,333,333	116,666,667	0	0
Repayments:							
Principal Repayment (5 equal instl)	-	-	116,666,667	116,666,667	116,666,667	-	-
LC Repayment	-	-	-	-	-	-	-
Total Repayments	0	0	116,666,667	116,666,667	116,666,667	0	0
Interest:							
Interest at 20%	0	70,000,000	70,000,000	46,666,667	23,333,333	-	-
Interest at 1% -LC Facility	0	0	0	0	0	0	0
Total Interest	0	70,000,000	70,000,000	46,666,667	23,333,333	0	0
Balance at Close:							
Balance outstanding at Close -Old Loan	-	-	-	-	-	-	-
Balance outstanding at Close -New Loan	-	350,000,000	233,333,333	116,666,667	-	-	-
LC Facility	0	0	0	0	0	0	0
Total	0	350,000,000	233,333,333	116,666,667	0	0	0



IMARA DAIMA LIMITED -CASH FLOW STATEMENT						
Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	(Figures in TShs.)
						Year - 6
INFLOWS						
Profit as per P & L A/c	(131,960,280)	(10,014,922)	62,748,364	125,727,317	160,953,652	196,288,199
Add Back Depreciation	68,232,882	68,160,949	68,160,949	68,076,984	66,930,749	44,930,749
	(63,727,398)	58,146,027	130,909,313	193,804,301	227,884,401	241,218,949
<u>Changes in Working Capital</u>						
(Increase)/Decrease in Stocks	(2,247,158)	(26,740,749)	(13,370,374)	(10,027,781)	(3,342,594)	(3,342,594)
(Increase)/Decrease in Debtors	(4,461,518)	(18,433,113)	(9,979,711)	(8,042,473)	763,154	(2,230,759)
Increase/(Decrease) in Creditors	4,654,863	16,841,908	22,952,239	27,543,889	29,097,532	30,651,860
Inflow from operating activities	(65,781,211)	29,814,074	130,511,467	203,277,937	254,402,494	266,297,456
Equity	100,000,000					
Term Loan	350,000,000					
TOTAL INFLOWS	384,218,789	29,814,074	130,511,467	203,277,937	254,402,494	266,297,456
OUTFLOWS						
Fixed Assets Acquisition	(420,000,000)					
Loan Repayment	-	(116,666,667)	(116,666,667)	(116,666,667)	-	-
Tax paid	-	-	-	(18,364,509)	(37,718,195)	(48,286,096)
Net Increase/Decrease in Cash Equivalent	(35,781,211)	(86,852,593)	13,844,801	68,246,761	216,684,299	218,011,360
Cash Equivalent Beginning of the Period	(800,841)	(36,582,052)	(123,434,645)	(109,589,844)	(41,343,083)	175,341,216
Cash Equivalent at the End of the Period	(36,582,052)	(123,434,645)	(109,589,844)	(41,343,083)	175,341,216	393,352,576

IMARA DAIMA LIMITED -CASH FLOW STATEMENT						
Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	(Figures in TShs.)
						Year - 6
INFLOWS						
Profit as per P & L A/c	(131,960,280)	(10,014,922)	62,748,364	125,727,317	160,953,652	196,288,199
Add Back Depreciation	68,232,882	68,160,949	68,160,949	68,076,984	66,930,749	44,930,749
	(63,727,398)	58,146,027	130,909,313	193,804,301	227,884,401	241,218,949
Changes in Working Capital						
(Increase)/Decrease in Stocks	(2,247,158)	(26,740,749)	(13,370,374)	(10,027,781)	(3,342,594)	(3,342,594)
(Increase)/Decrease in Debtors	(4,461,518)	(18,433,113)	(9,979,711)	(8,042,473)	763,154	(2,230,759)
Increase/(Decrease) in Creditors	4,654,863	16,841,908	22,952,239	27,543,889	29,097,532	30,651,860
Inflow from operating activities	(65,781,211)	29,814,074	130,511,467	203,277,937	254,402,494	266,297,456
Equity	100,000,000					
Term Loan	350,000,000					
TOTAL INFLOWS	384,218,789	29,814,074	130,511,467	203,277,937	254,402,494	266,297,456
OUTFLOWS						
Fixed Assets Acquisition	(420,000,000)					
Loan Repayment	-	(116,666,667)	(116,666,667)	(116,666,667)	-	-
Tax paid	-	-	-	(18,364,509)	(37,718,195)	(48,286,096)
Net Increase/Decrease in Cash Equivalent	(35,781,211)	(86,852,593)	13,844,801	68,246,761	216,684,299	218,011,360
Cash Equivalent Beginning of the Period	(800,841)	(36,582,052)	(123,434,645)	(109,589,844)	(41,343,083)	175,341,216
Cash Equivalent at the End of the Period	(36,582,052)	(123,434,645)	(109,589,844)	(41,343,083)	175,341,216	393,352,576

IMARA DAIMA LIMITED -CASH FLOW STATEMENT							
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Sales Income		70,445,016	352,225,080	493,115,112	598,782,636	634,005,144	669,227,652
Less: Debtors		4,461,518	22,894,630	32,874,341	40,916,813	40,153,659	42,384,418
Add: Collection from debtors		-	4,461,518	22,894,630	32,874,341	40,916,813	40,153,659
Other Income		-	-	-	-	-	-
Operating Cash Inflow		65,983,498	#####	483,135,401	590,740,163	634,768,298	666,996,893
Shareholders' Funds		100,000,000	-	-	-	-	-
Term Loan		350,000,000	-	-	-	-	-
LC -Import Facility		-	-	-	-	-	-
Total Cash Inflows	-	515,983,498	#####	483,135,401	590,740,163	634,768,298	666,996,893
PAYMENTS:							
Operational Costs							
Cost of Operations		45,625,380	#####	298,931,789	359,191,511	375,870,439	398,638,542
Administration & Staff Costs		19,394,192	19,782,076	20,177,717	20,581,272	20,992,897	21,412,755
Marketing & Distribution		1,400,000	7,000,000	9,800,000	11,900,000	12,600,000	13,300,000
Trade Creditors		(4,654,863)	(16,841,908)	(22,952,239)	(27,543,889)	(29,097,532)	(30,651,860)
Loan Interest		70,000,000	70,000,000	46,666,667	23,333,333	-	-
Tax Paid		-	-	-	18,364,509	37,718,195	48,286,096
Loan Repayment		-	#####	116,666,667	116,666,667	-	-
LC Repayment		-	-	-	-	-	-
Capital Expenditure		420,000,000	-	-	-	-	-
Total Outflow	-	551,764,709	#####	469,290,601	522,493,402	418,084,000	448,985,533
Net Cash Flow	-	(35,781,211)	(86,852,593)	13,844,801	68,246,761	216,684,299	218,011,360
Balance B/Fwd.	0	(800,841)	(36,582,052)	(123,434,645)	(109,589,844)	(41,343,083)	175,341,216
Cumulative Cash Balance	0	(36,582,052)	#####	(109,589,844)	(41,343,083)	175,341,216	393,352,576

IMARA DAIMA LIMITED -SENSITIVITY ANALYSIS						
Particulars	SENSITIVITY ANALYSIS -10 % DECREASE IN REVENUE				(Figures in TShs.)	
	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6
Projected Sales Revenue	70,445,016	352,225,080	493,115,112	598,782,636	634,005,144	669,227,652
Less 10%	7,044,502	35,222,508	49,311,511	59,878,264	63,400,514	66,922,765
Adjusted Sales Revenue	63,400,514	317,002,572	443,803,601	538,904,372	570,604,630	602,304,887
Less Cost of Goods Sold	43,378,222	197,296,977	285,561,415	349,163,730	372,527,845	393,295,948
GROSS PROFIT	20,022,293	119,705,595	158,242,186	189,740,643	198,076,784	209,008,939
%	28.42	33.99	32.09	31.69	31.24	31.23
Less Operating Costs	90,794,192	96,782,076	76,644,384	55,814,605	33,592,897	34,712,755
Net Profit	(70,771,900)	22,923,519	81,597,802	133,926,038	164,483,887	174,296,183
SENSITIVITY ANALYSIS:10% INCREASE IN PRODUCTION COSTS						
Projected Sales Revenue	70,445,016	352,225,080	493,115,112	598,782,636	634,005,144	669,227,652
Projected Production Costs	41,536,206	207,681,029	290,753,440	353,057,749	373,825,852	394,593,955
Add 10% of Prod Cost	4,153,621	20,768,103	29,075,344	35,305,775	37,382,585	39,459,395
Adjusted ProductionCost	45,689,826	228,449,132	319,828,784	388,363,524	411,208,437	434,053,350
GROSS PROFIT	24,755,190	123,775,948	173,286,328	210,419,112	222,796,707	235,174,302
Less Operating Costs	90,794,192	96,782,076	76,644,384	55,814,605	33,592,897	34,712,755
Net Profit	(66,039,002)	26,993,872	96,641,944	133,774,728	189,203,810	200,461,547
SENSITIVITY ANALYSIS 10% INCREASE IN OPERATING COSTS						
Projected Sales Revenue	70,445,016	352,225,080	493,115,112	598,782,636	634,005,144	669,227,652
Projected Production Cost	41,536,206	207,681,029	290,753,440	353,057,749	373,825,852	394,593,955
GROSS PROFIT	28,908,810	144,544,051	202,361,672	245,724,887	260,179,292	274,633,697
Operating Costs	90,794,192	1,299,438	1,524,341	1,737,949	1,865,957	1,865,958
Add 10 of Operating Costs	9,079,419	129,944	152,434	173,795	186,596	186,596
Adjusted Operating Costs	99,873,611	1,429,382	1,676,775	1,911,744	2,052,553	2,052,554
NET PROFIT	(70,964,801)	143,114,669	200,684,897	243,813,143	258,126,739	272,581,143

IMARA DAIMA LIMITED -PROJECT COSTS			(Figures in TShs.)
<u>Investment Required</u>			
Plant, Machinery and Equipment	<u>Existing</u>	<u>Proposed</u>	<u>Total</u>
Land	140,000,000	0	
Buildings	96,936,342	100,000,000	
Plant and Machinery	46,177,817	200,000,000	
Motor Vehicles	0	110,000,000	
Office Furniture & Equipment	836,835	10,000,000	
Computers	71,933	0	
Fixed Assets	<u>284,022,927</u>	<u>420,000,000</u>	704,022,927
Working Capital	0	30,000,000	30,000,000
Inventories	4,438,029	0	4,438,029
Trade and Other Receivables	0	0	0
Cash and Bank	401,020	0	401,020
	<u>288,861,976</u>	<u>450,000,000</u>	<u>738,861,976</u>
<u>Financing</u>			
Share Capital	70,337,870	0	70,337,870
Additional Equity	-	100,000,000	100,000,000
Revaluation Reserve	323,768,000	-	323,768,000
Retained Earnings	(158,703,174)	-	(158,703,174)
Total Equity	<u>235,402,696</u>	<u>100,000,000</u>	<u>335,402,696</u>
Term Loan	0	350,000,000	350,000,000
Trade and Other Payables	52,717,419	0	52,717,419
Tax Payable	(460,000)	0	(460,000)
Bank Overdraft	1,201,861	0	1,201,861
	<u>288,861,976</u>	<u>450,000,000</u>	<u>738,861,976</u>

IMARA DAIMA LIMITED -BALANCE SHEETS							
Particulars	Year 0	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	(Figures in TShs.)
							Year - 6
Fixed Assets	284,022,927	635,790,045	567,629,096	499,468,146	431,391,162	364,460,413	319,529,664
<u>Current Assets:</u>							
Inventories	4,438,029	6,685,187	33,425,936	46,796,311	56,824,092	60,166,685	63,509,279
Trade and Other Receivables	0	4,461,518	22,894,630	32,874,341	40,916,813	40,153,659	42,384,418
Cash and bank	401,020	-	-	-	-	175,341,216	393,352,576
	4,839,049	11,146,705	56,320,566	79,670,651	97,740,905	275,661,560	499,246,273
TOTAL	288,861,976	646,936,750	623,949,662	579,138,798	529,132,067	640,121,973	818,775,937
Share Capital	70,337,870	70,337,870	70,337,870	70,337,870	70,337,870	70,337,870	70,337,870
Additional Equity	-	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Revaluation Reserve	323,768,000	323,768,000	323,768,000	323,768,000	323,768,000	323,768,000	323,768,000
Retained Earnings/(Loss)	(158,703,174)	(290,663,454)	(300,678,377)	(256,754,522)	(168,745,400)	(56,077,843)	81,323,897
	235,402,696	203,442,416	193,427,494	237,351,348	325,360,470	438,028,027	575,429,767
<u>Current Liabilities:</u>							
Trade and Other Payables	52,717,419	57,372,282	74,214,190	97,166,429	124,710,319	153,807,850	184,459,710
Tax Payable	(460,000)	(460,000)	(460,000)	18,364,509	37,718,195	48,286,096	58,886,460
Bank Overdraft	1,201,861	36,582,052	123,434,645	109,589,844	41,343,083	-	-
	53,459,280	93,494,334	197,188,835	225,120,783	203,771,597	202,093,946	243,346,170
Term Loan	-	350,000,000	233,333,333	116,666,667	-	-	-
TOTAL	288,861,976	646,936,750	623,949,662	579,138,798	529,132,067	640,121,973	818,775,937

Break-Even Analysis

<u>Fixed Cost</u>	159,027,074
CM/Sales	

CM=	28,908,810
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CM/Sales	0.410374103
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Beak-Even Point	387,517,324.08
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IMARA DAIMA LIMITED -PROFIT & LOSS ACCOUNTS						
Particulars	Year - 1	Year - 2	Year - 3	Year - 4	(Figures in TShs.)	
					Year - 5	Year - 6
Revenue:						
Sales	70,445,018	352,225,080	493,115,112	598,782,636	634,005,144	669,227,652
Cost of Production	41,536,206	207,681,029	290,753,440	353,057,749	373,825,852	394,593,955
Add: Opening stocks	4,438,029	2,596,013	12,980,064	18,172,090	22,066,109	23,364,116
Less: Closing Stocks	2,596,013	12,980,064	18,172,090	22,066,109	23,364,116	24,662,122
Cost of Sales	43,378,222	197,296,977	285,561,415	349,163,730	372,527,845	393,295,948
GROSS PROFIT	27,066,794	154,928,103	207,553,697	249,618,906	261,477,299	275,931,704
	38%	44%	42%	42%	41%	41%
Expenditure:						
Manpower Cost	16,796,000	17,131,920	17,474,558	17,824,050	18,180,531	18,544,141
Marketing Cost	1,400,000	7,000,000	9,800,000	11,900,000	12,600,000	13,300,000
General Administration	2,598,192	2,650,156	2,703,159	2,757,222	2,812,367	2,868,614
Loan Interest	70,000,000	70,000,000	46,666,667	23,333,333	-	-
Total expenditure	90,794,192	96,782,076	76,644,384	55,814,605	33,592,897	34,712,755
NPBD	(63,727,398)	58,146,027	130,909,313	193,804,301	227,884,401	241,218,949
Depreciation	68,232,882	68,160,949	68,160,949	68,076,984	66,930,749	44,930,749
NPBT	(131,960,280)	(10,014,922)	62,748,364	125,727,317	160,953,652	196,288,199
Taxation	-	-	18,824,509	37,718,195	48,286,096	58,886,460
NP After Tax	(131,960,280)	(10,014,922)	43,923,855	88,009,122	112,667,557	137,401,740
Retained Earnings B/F	(158,703,174)	(290,663,454)	(300,678,377)	(256,754,522)	(168,745,400)	(56,077,843)
Retained Earnings C/fv	(290,663,454)	(300,678,377)	(256,754,522)	(168,745,400)	(56,077,843)	81,323,897

IMARA DAIMA LIMITED -AMORTIZATION AND DEPRECIATION SCHEDULE								
(Figures in TShs.)								
	Land	Buildings	Plant & Mach	Furniture & Equipment	Motor Vehicle	Computers	Total Charge	Tot. Assets
Cost	140,000,000	146,116,000	126,249,492	2,302,000	-	350,000		415,017,492
Acc. Depreciation	-	(49,179,658)	(80,071,675)	(1,465,165)	-	(278,067)		(130,994,565)
Total Assets	140,000,000	96,936,342	46,177,817	836,835	-	71,933		284,022,927
Depr/amortization rate	0%	5%	10%	10%	20%	30%		
Re investment								
Year 1 Opening balance	140,000,000	146,116,000	126,249,492	2,302,000	0	350,000		415,017,492
Additions	0	100,000,000	200,000,000	10,000,000	110,000,000	0		420,000,000
Available for the year	140,000,000	246,116,000	326,249,492	12,302,000	110,000,000	350,000		835,017,492
Charge for the year	-	12,305,800	32,624,949	1,230,200	22,000,000	71,933	68,232,882	
Accumulated for the year	-	61,485,458	112,696,624	2,695,365	22,000,000	350,000	199,227,447	
Balance for the year	140,000,000	184,630,542	213,552,868	9,606,635	88,000,000	-		635,790,045
Year 2 Opening balance	140,000,000	246,116,000	326,249,492	12,302,000	110,000,000	350,000	-	835,017,492
Additions	-	-	-	-	-	-	-	-
Available for the year	140,000,000	246,116,000	326,249,492	12,302,000	110,000,000	350,000		835,017,492
Charge for the year	-	12,305,800	32,624,949	1,230,200	22,000,000	-	68,160,949	
Accumulated for the year	-	73,791,258	145,321,573	3,925,565	44,000,000	350,000	267,388,396	
Balance for the year	140,000,000	172,324,742	180,927,919	8,376,435	66,000,000	-		567,629,096
Year 3 Opening balance	140,000,000	246,116,000	326,249,492	12,302,000	110,000,000	350,000	-	835,017,492
Additions	-	-	-	-	-	-	-	-
Available for the year	140,000,000	246,116,000	326,249,492	12,302,000	110,000,000	350,000		835,017,492
Charge for the year	-	12,305,800	32,624,949	1,230,200	22,000,000	-	68,160,949	
Accumulated for the year	-	86,097,058	177,946,523	5,155,765	66,000,000	350,000	335,549,346	
Balance for the year	140,000,000	160,018,942	148,302,969	7,146,235	44,000,000	-		499,468,146
Year 4 Opening balance	140,000,000	246,116,000	326,249,492	12,302,000	110,000,000	350,000	-	835,017,492
Additions	0	-	-	-	-	-	-	-
Available for the year	140,000,000	246,116,000	326,249,492	12,302,000	110,000,000	350,000		835,017,492
Charge for the year	-	12,305,800	32,624,949	1,146,235	22,000,000	-	68,076,984	
Accumulated for the year	-	98,402,858	210,571,472	6,302,000	88,000,000	350,000	403,626,330	
Balance for the year	140,000,000	147,713,142	115,678,020	6,000,000	22,000,000	-		431,391,162
Year 5 Opening balance	140,000,000	246,116,000	326,249,492	12,302,000	110,000,000	350,000	-	835,017,492
Additions	-	-	-	-	-	-	-	-
Available for the year	140,000,000	246,116,000	326,249,492	12,302,000	110,000,000	350,000		835,017,492
Charge for the year	-	12,305,800	32,624,949	-	22,000,000	-	66,930,749	
Accumulated for the year	-	110,708,658	243,196,421	6,302,000	110,000,000	350,000	470,557,079	
Balance for the year	140,000,000	135,407,342	83,053,071	6,000,000	-	-		364,460,413
Year 6 Opening balance	140,000,000	246,116,000	326,249,492	12,302,000	110,000,000	350,000	-	835,017,492
Additions	-	-	-	-	-	-	-	-
Available for the year	140,000,000	246,116,000	326,249,492	12,302,000	110,000,000	350,000		835,017,492
Charge for the year	-	12,305,800	32,624,949	-	-	-	44,930,749	
Accumulated for the year	-	123,014,458	275,821,370	6,302,000	110,000,000	350,000	515,487,828	
Balance for the year	140,000,000	123,101,542	50,428,122	6,000,000	-	-		319,529,664

IMARA DAIMA LTD**AUDITORS REPORT**

We have audited the accompanying balance sheet of Imara Daima Ltd as of 31st December 2007 and the related statements of income and cash flow for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Generally Accepted Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe the audit provides a reasonable basis for our opinion.

In our opinion, the financial statements presents fairly, in all material respects, the financial position of Imara Daima Ltd as of 31st December 2007 and of the results of its operations for the year then ended.

Amas Associates

ANTHONY L. MASSAWE (C.P.A.)

AMAS ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 1166 Moshi

Tel: 027 - 2753923

0754 - 306647

Moshi

Date:

27-06-20

ASSOCIATES
PUBLIC ACCOUNTANTS
PO BOX 1166 MOSHI
027-2753923
0754-306647

IMARA DAIMA CO. LTD

DIRECTORS REPORT

1. DIRECTORS

- i. Mr. Anthony B. Nyaki
- ii. Mrs. Margaret Nyaki
- iii. Mr. Felix G. Masha

The directors present their report together with the audited financial statements for the 16 months ended 31st December 2007.

2. STATEMENT OF THE DIRECTORS RESPONSIBILITIES:

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, of the financial position of the company and enable them to ensure the financial statements, comply with the company's ordinance. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

3. PRINCIPAL ACTIVITIES

The principal activities of the company is the making and selling of high quality furniture.

4. RESULTS FOR THE YEAR

The results of operations for the year are as disclosed by the financial statements.

5. DIVIDENDS

The directors do not recommend payment of a dividend

6. AUDITORS:

M/s AMAS ASSOCIATES were appointed auditors for the year under review and have indicated their willingness to continue in office and do so under the terms of Sec. 132 (1) of the company's ordinance.

By order of the Board

.....
SECRETARY

IMARA DAIMA LTD

BALANCE SHEET AS AT 31ST DECEMBER 2007

ASSETS	NOTES	31.12.2007	31.12.2006
Non- Current Assets		T.SHS	T.SHS
Property, plant & equipment	2	319,343,169	334,597,609
CURRENT ASSETS			
Inventories		6,821,133	4,503,860
Accounts Receivable		645,232	85,232
Cash & Cash Equivalents	7	4,110,696	5,540,817
Total Current Assets		11,577,061	10,129,909
Total Assets		<u>330,920,230</u>	<u>344,727,518</u>
EQUITY & LIABILITIES			
Share Capital	4	35,500,000	35,500,000
Share holders Funds		34,837,870	34,837,870
Revaluation Reserve		323,768,000	323,768,000
Accumulated Losses	5	<u>[95,049,234]</u>	<u>[82,113,758]</u>
Total Equity		299,056,636	311,992,112
Non- Current Liabilities			
Current Liabilities			
Trade & other Payables	3	31,923,594	32,795,406
Current tax payable		<u>[60,000]</u>	<u>[60,000]</u>
Total current liabilities		<u>31,863,594</u>	<u>32,735,406</u>
Total equity & liabilities		<u>330,920,230</u>	<u>344,727,518</u>

The notes on page 6 - 8 form part of the financial statements

Auditors Report on page 1

Tax Computation on back page 6 7


.....
DIRECTOR


.....
DIRECTOR

DATE

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IMARA DAIMA LTD

**INCOME STATEMENT FOR THE YEAR ENDED
31ST DECEMBER 2007**

INCOME	NOTES	2007 T.SHS	2006 T.SHS
Sales		63,540,581	38,550,325
Cost of sales	6	34,470,126	12,174,563
Gross profit		<u>29,070,455</u>	<u>26,375,762</u>
OPERATING EXPENSES			
Salaries & Wages		10,274,160	11,701,586
Electricity & Water		2,949,668	2,860,153
Telephone & postage		280,300	223,560
Machinery Repair		382,000	595,500
Printing & Stationery		321,800	63,140
Wages		3,345,409	620,452
Canteen		1,157,550	1,036,950
Travelling		1,402,690	1,217,770
Transport		2,298,150	706,750
Office expenses		175,000	225,000
Bank charges		109,035	73,209
NSSF		1,027,416	550,559
Overtime		453,252	431,000
Donation		-	10,000
Fuel & Lubricants - Machinery		189,400	148,500
Skills dev. Levy		672,511	732,332
Accountancy fees		150,000	120,000
Audit fees		500,000	500,000
Tools		60,000	-
Taxation fee		100,000	100,000
Labour Inspectorate fees		-	72,000
Security		28,000	-
Land Rent		-	23,938
Insurance		25,000	-
Medical		65,500	-
Service levy		115,650	-
Occupational Health fee		80,000	-
Sawmill Registration		405,000	-
Industrial levy		4,000	-
Depreciation		15,434,440	17,080,513
		<u>26,571,491</u>	<u>39,092,912</u>
Net Loss		<u>[12,935,476]</u>	<u>[12,717,150]</u>

IMARA DAIMA LIMITED

CASH FLOW STATEMENT FOR THE YEAR
ENDED 31ST DECEMBER 2007

OPERATING ACTIVITIES:	T.SHS
Profit (loss) before tax	[12,935 ,476]
Prior year adjustments	
Adjustmen for items not involving the use of cash and working capital items	
Depreciation	15,434,440
Decrease (Increase)in Inventories	[2,317,273]
Decrease (Increase)in Receivables	[560,000]
Increase (Decrease)in Payables	[871,812]
Cash flow from (absorbed by) operations	[1,250,121]
Tax paid	-
Net cash flow from (absorbed in) operations	[1,250,121]
Investing Activities	
purchase of equipment	[180,000]
Financing Activities	
Increase (Decrease)in cash and cash equivalent	[1,430,121]
Opening cash & cash equivalents	<u>5,540,817</u>
Closing cash & cash equivalents	<u>4,110,696</u>

IMARA DAIMA LTD

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 2006

1. ACCOUNTING POLICIES

- (a) The accounts have been prepared under the historic cost convention
 (b) Depreciation is charged using the Reducing Balance Method
 at the following rates:

Land	NIL
Buildings	5%
Machinery & Equipment	12.5%
Office furniture & Equipments	12.5%
Computers	20%

	2007 SHS	2006 SHS
3. TRADE & OTHER PAYABLES		
Customer Advances	6,162,000	7,228,988
Trade creditors	157,987	623,987
VAT	940,307	379,131
Audit fees	600,000	500,000
Short Term loan - LART	24,063,300	24,063,300
Total	<u>31,923,594</u>	<u>32,795,406</u>

4. Share Capital

Authorized		
90,000 ordinary shares of T.shs 1000 each	90,000,000	90,000,000
Issued & fully paid		
35,500 ordinary shares of T.shs 1000 each	35,500,000	35,500,000

5. ACCUMULATED LOSSES

Balance b/f	[82,113,758]	[69,387,428]
Loss for the year	[12,935,476]	[12,717,150]
Prior years Adjustments	-	[9180]
Total	<u>[95,049,234]</u>	<u>[82,113,758]</u>

6. COST OF SALES

Opening stock	4,503,860	816,372
Purchases	36,787,399	15,862,051
	<u>41,291,259</u>	<u>16,678,423</u>
Less closing stock	6,821,133	[4,503,860]
	<u>34,470,126</u>	<u>12,174,563</u>

7. CASH & CASH EQUIVALENTS

Cah balance	22,025	904,783
Bank balance (4,45)	4,088,671	4,636,034
Total	<u>4,110,696</u>	<u>5,540,817</u>

IMARA DAIMA LTD
TAX COMPUTATION
Y/2007

	T.SHS
Profit (Loss) Per Accounts	[12,935,476]
Add depreciation	15,434,440
	<u>2,498,964</u>
Less Wear & Tear Allowance	[2,794,865]
	<u>[295,901]</u>
Add loss brought forward	[19,597,954]
Loss carried forward	<u>[19,893,855]</u>

Wear & Tear Schedule

		W.D.V. at 1.1.2007	Additions	Wear & Tear Allowance	W.D.V. at 31.12.2007
Class 1	37 1/2%	11,597	-	4,348	7,249
Class 2	25%	5,735,181	180,000	1,478,795	4,436,386
Class 3	12.5%	167,482		20,935	146,547
Class 4	20%	-		-	-
Class 5	20%	-		-	-
Class 6	5%	25,815,742		1,290,787	24,524,955
Total				<u>2,794,865</u>	

IMARA DAIMA LTD

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 2007

2. PROPERTY, PLANT & EQUIPMENT

	Land T.SHS	Buildings T.SHS	Machinery & Equipments	Office furniture & Equipments	Computer T.SHS	TOTAL T.SHS
Cost/valuation at 1.1.2007	140,000,000	146,116,000	125,900,000	2,302,000	350,000	414,668,000
Additions	-	-	180,000	-	-	180,000
Cost/valuation at 31.12.2007	140,000,000	146,116,000	126,080,000	2,302,000	350,000	414,848,000
Depreciation						
Balance as at 1.1.2007	-	27,103,604	51,839,794	952,609	174,384	80,070,391
Charge for the year	-	5,950,619	9,280,025	168,673	35,123	15,434,440
Total	-	33,054,223	61,119,819	1,121,282	209,507	95,500,839
N.B.V. at 31.12.2007	140,000,000	113,061,777	64,960,181	1,180,718	140,493	319,343,199

IMARA DAIMA LTD

AUDITORS REPORT

We have audited the accompanying balance sheet of Imara Daima Ltd as of 31st December 2009 and the related statements of income for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit includes assessing the accounting principles and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe the audit provides a reasonable basis for our opinion.

In our opinion, the financial statements presents fairly, in all material respects, the financial position of Imara Daima Ltd as at 31st December 2009 and of the results of its operations for the year then ended.

Amas Associates

AMAS ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P.O.BOX 1166 MOSHI
TEL: 027 - 2753923
0754 - 306647
0713 - 426630

AMAS ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 1166 MOSHI

Moshi

1st Dec 2009

IMARA DAIMA LTD

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2009

	NOTES	31.12.2009 T.SHS.	31.12.2008 T.SHS.
ASSETS			
Non - Current Assets			
Property, Plant & Equipment	2	294,366,674	305,394,372
Current Assets			
Inventories		2,517,415	5,568,382
Trade & Other Receivables	6	490,000	738,886
Cash & Cash Equivalents	3	9,673,271	376,589
Total Current Assets		<u>12,680,686</u>	<u>6,683,857</u>
Total Assets		<u>307,047,360</u>	<u>312,078,229</u>
EQUITY & LIABILITIES			
Share Capital	4	35,500,000	35,500,000
Share holders Funds		34,837,870	34,837,870
Revaluation Reserve		323,768,000	323,768,000
Accumulated Losses	5	<u>[137,780,247]</u>	<u>[123,300,661]</u>
Total Equity		256,325,623	270,805,209
Non - Current Liabilities			
Current Liabilities			
Trade & Other Payables		50,981,737	41,211,541
Current Tax Payable		[260,000]	[60,000]
Bank Overdraft		-	121,479
Total Current Liabilities		<u>50,721,737</u>	<u>41,273,020</u>
Total Equity & Liabilities		<u>307,047,360</u>	<u>312,078,229</u>

The notes on page 5 - 6 form part of the financial statements

Auditors Report is on page 1

Tax Computation is on page 7


DIRECTOR


DIRECTOR

DATE:.....

IMARA DAIMA LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31ST DECEMBER 2009

	NOTES	2009 T.SHS.	2008 T.SHS.
Revenue			
Furniture Sales		56,177,276	82,923,809
Cost of Sales	7	38,598,470	54,879,706
Gross Profit		17,578,806	28,044,103
Operating Expenses			
Salaries		5,952,546	8263770
Electricity & Water		3,788,184	3953120
Telephone & Postage		205,687	219,588
Machinery Repair		570,283	1,141,550
Printing & Stationery		106,643	164,699
Wages		7,789,875	9,137,792
Canteen		2,028,400	3,014,532
Travelling		2,575,900	1,653,630
Transport		2,767,700	3,032,900
Road Levy		31,883	-
Office Expenses		-	221,900
Bank Charges		182,800	164,500
NSSF		702,000	826,377
Overtime		23,742	475,183
Bank Interest		286,631	213,740
Lisenses		220,000	-
Loan Application Fee		-	75,000
Loan Facility		-	37,500
Fuel & Lubricants Machinery		408,287	232,833
Skills dev. Levy		722,572	895,189
Accountancy Fee		250,000	250,000
Audit Fee		600,000	600,000
Cleaning & Sanitation		450,850	265,700
Commission on Sales		755,800	1,581,100
Security		2,575,000	3,720,000
Terminal Benefits		846,919	2,131,130
Insurance		-	25,000
Medical		-	50,000
Depreciation		11,197,190	13,948,797
Total		45,038,892	56,295,530
Loss for the year		[27,460,086]	[28,251,427]
Add Grant		12,980,500	-
Net Loss for the year		[14,479,586]	[28,251,427]

IMARA DAIMA LTD

STATEMENT OF CASH FLOW FOR THE YEAR ENDED
31ST DECEMBER 2009

	2009 T.SHS.	2008 T.SHS.
Operating Expenses		
Profit (Loss) before Tax	[27,460,086]	[28,251,427]
Adjustments for the items not involving the use of cash & working capital item:		
Depreciation	11,197,190	13,948,797
Decrease (Increase) in Inventories	3,050,967	1,252,751
Decrease (Increase) in Receivables	248,886	[93,654]
Increase (Decrease) in Payables	9,770,196	9,287,947
Cashflow from (Absorbed in) Operations	<u>[3,192,847]</u>	<u>[3,855,586]</u>
Tax Paid	[200,000]	-
Net Cashflow from (Absorbed in) Operations	<u>3,392,847</u>	<u>[3,855,586]</u>
Investing Activities		
Purchases of Equipment	[169,492]	-
Financing Activities		
Grant Received	12,980,500	-
Bank O/D	[121,479]	121,479
Increase (Decrease) in Cash & Cash Equivalents	<u>9,296,682</u>	<u>[3,734,107]</u>
Opening Cash & Cash Equivalents	376,589	4,110,696
Closing Cash & Cash Equivalents	<u>9,673,271</u>	<u>376,589</u>

IMARA DAIMA LTD

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 2009

1. ACCOUNTING POLICIES

- (a) The accounts have been prepared under the historic cost convention
 (b) Depreciation is charged using the Reducing Balance Method at the following rates:

Land	NIL
Buildings	5%
Machinery & Equipment	10%
Office Furniture & Equipment	10%
Computers	20%

2. PROPERTY, PLANT & EQUIPMENTS

	Land	Buildings	Machinery & Equipments	Office Furniture & Equipments	Computers	Totals
	T.Shs.	T.Shs.	T.Shs.	T.Shs.	T.Shs.	T.Shs.
Cost / Valuation at 01.01.2009	140,000,000	146,116,000	126,080,000	2,302,000	350,000	414,848,000
Additions	-	-	169,492	-	-	169,492
Balance At 31.12.2009	140,000,000	146,116,000	126,249,492	2,302,000	350,000	415,017,492
Depreciation						
Balance At 01.01.2009	-	38,707,311	69,239,841	1,268,871	-	109,226,033
Charge for the year	-	5,370,434	5,700,965	103,312	-	11,474,721
Balance At 31.12.2009	-	44,077,745	74,940,806	1,372,183	260,084	129,550,818
Net Book Value At 31.12.2009	140,000,000	102,038,255	51,308,686	929,817	89,916	294,366,674

IMARA DAIMA LTD

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 2009 (CONT'D)

	2009 T.SHS.	2008 T.SHS.
3. CASH & CASH EQUIVALENTS		
Cash Balance	625,493	376,589
Bank Balance	9,047,778	[121,479]
Total	<u>9,673,271</u>	<u>255,110</u>
4. SHARE CAPITAL		
Authorized		
90,000 ordinary shares of T.Shs. 1,000 each	<u>90,000,000</u>	<u>90,000,000</u>
Issued		
35,500 shares of T.Shs. 1,000 each	<u>35,500,000</u>	<u>35,500,000</u>
5. ACCUMULATED LOSSES		
Balance b/f	[123,300,661]	[95,049,234]
Loss for the year	[14,479,586]	[28,251,427]
Total	<u>[137,780,247]</u>	<u>[123,300,661]</u>
6. TRADE & OTHER PAYABLES		
Customer Advances	24,936,786	14,455,315
VAT	336,332	1,454,605
Audit Fees	900,000	600,000
Short Term Loan (LART)	24,063,300	24,063,300
Electricity & Water	225,659	316,371
PAYE	62,877	36,000
Telephone	20,600	31,750
NSSF	108,000	108,000
SDL	78,183	46,200
Accountancy	250,000	100,000
Total	<u>50,981,737</u>	<u>41,211,541</u>
7. COST OF SALES		
Opening Stock	5,568,382	6,821,133
Purchases	35,547,503	53,626,955
	<u>41,115,885</u>	<u>60,448,088</u>
Less Closing Stock	2,517,415	5,568,382
Total	<u>38,598,470</u>	<u>54,879,706</u>

IMARA DAIMA LTD
TAX COMPUTATION

Y/1 - 2009

	T.SHS.
Profit (Loss) per Accounts	[14,479,586]
Add Depreciation	11,197,190
Less Wear & Tear Allowance	<u>[2,056,857]</u>
Adjusted Loss	<u>[5,339,253]</u>

WEAR & TEAR SCHEDULE

			W.D.V. At 01.01.2009 T.Shs.	Addition T.Shs.	W & T. Allowance T.Shs.	W.D.V. At 31.12.2009 T.Shs.
Class	1	37.5%	4,531	-	1,699	2,832
"	2	25%	3,327,290	169,492	874,195	2,622,587
"	3	12.5%	128,229	-	16,028	112,201
"	4	20%	-	-	-	-
"	5	20%	-	-	-	-
"	6	5%	23,298,708	-	1,164,935	22,133,773
					<u>2,056,857</u>	

IMARA DAIMA LTD**AUDITORS REPORT**

We have audited the accompanying Statement of Financial Position of Imara Daima Ltd as of 31st December 2010 and the related statements of income for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit

We conducted our audit in accordance with International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It includes assessing the accounting principles and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe the audit provides a reasonable basis for our opinion.

In our opinion, the financial statements presents fairly, in all material respects, the financial position of Imara Daima Ltd as of 31st December 2010 and of the results of its operations for the year then ended.



ANTHONY L. MASSAWE (C.P.A.)

AMAS ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

P.O. BOX 1166 MOSHI

TEL: 027 - 2753923

0754 - 306647


Moshi

Date: 25-7-2011.....

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2010

ASSETS	NOTES	31.12.2010 T.SHS.	31.12.2009 T.SHS.
Non - Current Assets			
Property, Plant & Equipment	2	284,022,927	294,366,674
Current Assets			
Inventories		4,438,029	2,517,415
Trade & Other Receivables		-	490,000
Cash & Cash Equivalents	3	401,020	9,673,271
Total Current Assets		4,839,049	12,680,686
Total Assets		288,861,976	307,047,360
EQUITY & LIABILITIES			
Share Capital	4	35,500,000	35,500,000
Share holders Funds		34,837,870	34,837,870
Revaluation Reserve		323,768,000	323,768,000
Accumulated Losses	5	[158,703,174]	[137,780,247]
Total Equity		235,402,696	256,325,623
Non - Current Liabilities			-
Current Liabilities			
Trade & Other Payables		52,717,419	50,981,737
Current Tax Payable		[460,000]	[260,000]
Bank Overdraft		1,201,861	-
Total Current Liabilities		53,459,280	50,721,737
Total Equity & Liabilities		288,861,976	307,047,360

These financial statements were approved by the board of directors onand signed on their behalf by:-


 } DIRECTORS

The notes on page 5 - 6 form part of the financial statements

Auditors Report on page 1

Tax Computation on page 7

IMARA DAIMA LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2010

		2010	2009
	NOTES	T.SHS.	T.SHS.
Revenue			
Furniture Sales		64,302,750	56,177,276
Cost of Sales	7	39,726,148	38,598,470
Gross Profit		24,576,602	17,578,806
Operating Expenses			
Salaries		6,481,185	5,952,546
Electricity & Water		4,074,877	3,788,184
Telephone & Postage		138,741	205,687
Machinery Repair		449,169	570,283
Printing & Stationery		75,343	106,643
Wages		9,757,167	7,789,875
Canteen		1,404,945	2,028,400
Travelling		2,294,700	2,575,900
Transport		2,937,400	2,767,700
Road Levy		-	31,883
Bank Charges		187,800	182,800
NSSF		702,000	702,000
Overtime		-	23,742
Bank Interest		-	286,631
Licences		150,000	220,000
Fuel & Lubricants Machinery		428,500	408,287
Skills dev. Levy		996,855	722,572
Accountancy Fee		300,000	250,000
Audit Fee		600,000	600,000
Cleaning & Sanitation		58,000	450,850
Loading & Offloading		14,000	755,800
Security		3,350,000	2,575,000
Terminal Benefits		-	846,919
Donations		20,000	-
Salary in Lieu of Notice		735,100	-
Depreciation		10,343,747	11,197,190
Total Expenses		45,499,529	45,038,892
Loss for the year		[20,922,927]	[27,460,086]
Add Grant		-	12,980,500
Net Loss for the year		[20,922,927]	[14,479,586]

IMARA DAIMA LTD

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2010

	2010	2009
	T.SHS.	T.SHS.
Operating Expenses		
Profit (Loss) before Tax	[20,922,927]	[27,460,086]
Adjustments for the items not involving the use of cash & working capital item:		
Depreciation	10,343,747	11,197,190
Decrease / (Increase) in Inventories	[1,920,614]	3,050,967
Decrease / (Increase) in Receivables	490,000	248,886
Increase / (Decrease) in Payables	1,735,682	9,770,196
Cash Flow from (Absorbed in) Operations	[10,274,112]	[3,192,847]
Tax Paid	[200,000]	[200,000]
Net Cashflow from (Absorbed in) Operations	[10,474,112]	3,392,847
Investing Activities		
Purchases of Equipment	-	[169,492]
Financing Activities		
Grant Received	-	12,980,500
Bank O/D	1,201,861	[121,479]
Increase / (Decrease) in Cash & Cash Equivalents	[9,272,251]	9,296,682
Opening Cash & Cash Equivalents	9,673,271	376,589
Closing Cash & Cash Equivalents	401,020	9,673,271

IMARA DAIMA LTD

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 2010

1. ACCOUNTING POLICIES

- (a) The accounts have been prepared under the historic cost convention
 (b) Depreciation is charged using the Reducing Balance Method at the following rates:

Land	NIL
Buildings	5%
Machinery & Equipment	10%
Office Furniture & Equipment	10%
Computers	20%

2. PROPERTY, PLANT & EQUIPMENTS

	Land	Buildings	Machinery & Equipments	Office Furniture & Equipments	Computers	Totals
	T.Shs.	T.Shs.	T.Shs.	T.Shs.	T.Shs.	T.Shs.
Cost / Valuation at 01.01.2010	140,000,000	146,116,000	126,249,492	2,302,000	350,000	415,017,492
Additions	-	-	-	-	-	-
Balance At 31.12.2010	140,000,000	146,116,000	126,249,492	2,302,000	350,000	415,017,492
Depreciation						
Balance At 01.01.2010	-	44,077,745	74,940,806	1,372,183	260,084	120,650,818
Charge for the year	-	5,101,913	5,130,869	92,982	17,983	10,343,747
Balance At 31.12.2010	-	49,179,658	80,071,675	1,465,165	278,067	130,944,565
Net Book Value At 31.12.2010	140,000,000	96,936,342	46,177,817	836,835	71,933	284,022,927
Balance at 31.12.2009	140,000,000	102,038,255	51,306,686	929,817	89,916	294,366,674

IMARA DAIMA LTD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 2010

	2010	2009
	T.SHS.	T.SHS.
3. CASH & CASH EQUIVALENTS		
Cash Balance	401,020	625,493
Bank Balance	-	9,047,778
Total	401,020	9,673,271
4. SHARE CAPITAL		
Authorized		
90,000 ordinary shares of T.Shs. 1,000 each	90,000,000	90,000,000
Issued		
35,500 shares of T.Shs. 1,000 each	35,500,000	35,500,000
5. ACCUMULATED LOSSES		
Balance b/f	[137,780,247]	[123,300,661]
Loss for the year	[20,922,927]	[14,479,586]
Total	[158,703,174]	[137,780,247]
6. TRADE & OTHER PAYABLES		
Customer Advances	26,517,834	24,936,786
VAT	282,456	336,332
Audit Fees	900,000	900,000
Short Term Loan (LART)	24,063,300	24,063,300
Electricity & Water	435,953	225,659
PAYE	22,190	62,877
Telephone	12,800	20,600
NSSF	108,000	108,000
SDL	74,886	78,183
Accountancy	300,000	250,000
Total	52,717,419	50,981,737
7. COST OF SALES		
Opening Stock	2,517,415	5,568,382
Purchases	41,646,762	35,579,386
	44,164,177	41,147,768
Less Closing Stock	4,438,029	2,517,415
Total	39,726,148	38,630,353

IMARA DAIMA LTD

TAX COMPUTATION

Y/1 - 2010

	T.Shs.
Profit (Loss) per Accounts	[20,922,927]
Add Depreciation	10,343,747
Add Donation	20,000
Less Wear & Tear Allowance	<u>[1,777,421]</u>
Adjusted Loss	<u>[12,336,601]</u>
Loss b/f	<u>[21,998,262]</u>
Loss c/f	<u>[34,334,863]</u>

WEAR & TEAR SCHEDULE

		W.D.V. at 01.01.2010	Addition	W & T Allowance	W.D.V. at 31.12.2010
		T.Shs.	T.Shs.	T.Shs.	T.Shs.
Class 1	37.5%	2,832	-	1,062	1,770
Class 2	25%	2,622,587	-	655,646	1,966,941
Class 3	12.5%	112,201	-	14,025	98,176
Class 4	20%	-	-	-	-
Class 5	20%	-	-	-	-
Class 6	5%	22,133,773	-	1,106,688	21,027,085
				<u>1,777,421</u>	

IMARA DAIMA LTD

7

TAX COMPUTATION

Y/1 - 2009

	T.Shs.
Profit (Loss) per Accounts	[14,479,586]
Add Depreciation	11,197,190
Less Wear & Tear Allowance	<u>[2,056,857]</u>
Adjusted Loss	[5,339,253]
Loss b/f	<u>[16,659,009]</u>
	<u>[21,998,262]</u>

WEAR & TEAR SCHEDULE

		W.D.V. at 01.01.2010	Addition	W & T Allowance	W.D.V. at 31.12.2010
		T.Shs.	T.Shs.	T.Shs.	T.Shs.
Class 1	37.5%	4,531	-	1,699	2,832
Class 2	25%	3,327,290	169,429	874,195	2,622,587
Class 3	12.5%	128,229	-	16,028	112,201
Class 4	20%	-	-	-	-
Class 5	20%	-	-	-	-
Class 6	5%	23,298,708	-	<u>1,164,935</u>	22,133,773
				<u>2,056,857</u>	

TANZANIA



Certificate of Incorporation

No. 44520

I HEREBY CERTIFY THAT

IMARA DATI - - - - -

..... 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 30th day of September,

Two thousand and Two.

Rehema Kitambi
Sec. Asst. Registrar of Companies

SALE AGREEMENT

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BETWEEN

MR. BENJAMIN R. KAZAULA

LIQUIDATOR OF IMARA WOOD PRODUCTS

COMPANY LIMITED – IN LIQUIDATION

AND

AMB. ANTHONY B. NYAKYI

In respect of sale of Buildings, Plant, Machinery and accessories, Office Furniture and Office Equipment, stocks of unfinished goods, Spares, Stationeries and Container belonging to Imara Wood Products Ltd (In Liquidation)

THIS AGREEMENT is made this 31st day of August 2002

BETWEEN

BENJAMIN K. KAZAULA as LIQUIDATOR OF **IMARA WOOD PRODUCTS LIMITED (IN LIQUIDATION)** of post Office Box 78318 Dar es Salaam, acting under powers of attorney pursuant to a Deed of Appointment between the Loans and Advances Realization Trust (LART) and Network International Ltd (hereinafter referred to as the "Vendor") on the one part;

AND

AMB. ANTHONY B. NYAKYI of Postal Office Box 8469, Dar es Salaam (hereinafter called the "Purchaser") of the other part.

WHEREAS,

The Vendor had advertised for sale the buildings under Title Deed Number 9637 Karanga, Moshi; plant, machinery and accessories; office furniture and equipments; stocks, spares and stationeries; and a container, all situated in the said buildings and belonging to **IMARA WOOD PRODUCTS LTD** (in liquidation) (hereinafter referred to as "the assets")

The purchaser had successfully tendered for the purchase of the said properties and has offered to purchase the same for T.Shs 90,000,000/= (T.Shs Ninety Million only) inclusive of Value Added Tax (VAT) if applicable.

The Vendor desirous to sell and the purchaser is willing to purchase the assets at a consideration as above.

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:-

1. CONSIDERATION

1.1 The purchase price for the COMPANY shall be Tanzanian Shillings Ninety Million only (including Value Added Tax) (VAT) if applicable to be paid as follows:-

- (i) A non-refundable deposit of 5% of the bid price (T.Shs. 4,500,000/=) to be paid with the bid.
- (ii) 33.3% of the bid price (T.Shs 30,000,000/=) to be paid up front upon execution of this Agreement.
- (iii) 27.8% of the bid price (T.Shs 25,000,000/=) shall be paid on or before 31 January 2003.

Amendment No. 1 of 2003

ON

~~_____~~ Tanzanian Shillings Ninety
) if applicable to be paid as

(iii) - (v) is hereby amended ice (T.Shs. 4,500,000/=) to

to be paid up front upon

or before 31st August 2003

or before 30th November 2003 shall be paid on or before 31

or before 29th February 2004.

Amendment No. 1 of 2003

[Signature]
IB. ANTHONY B. NYAKYI
PURCHASER

DATE: *10 April 2003*

- (iv) 16.7% of the bid price (T.Shs.15,000,000/=) shall be paid on or before 30 April 2003.
- (v) 17.2% of the bid price (T.Shs.15,500,000/=) shall be paid on or before 31 July 2003.

Amendment No 1 of 2003

- 1.2. If there will be delay in the payment of any installment due for one month (30 days), interest at the rate of 1.75% per month shall be charged on the outstanding amount. In the event the delay continues beyond this period, the Sale Agreement shall be terminated and the Vendor shall repossess the assets and the Purchaser shall be liable to pay liquidated damages as redress for the breach.

AB
12/5

2.0. PHYSICAL POSSESSION OF THE ASSETS.

The Vendor shall hand over physical possession of the assets to the Purchaser not later than 31 August, 2002, thereafter the responsibility to maintain and safeguard the assets shall rest with the Purchaser.

3.0. REHABILITATION/MODERNISATION

The Purchase shall rehabilitate and modernize the assets as per the Business plan that forms part of this Sale Agreement.

- (i) During the rehabilitation/modernization period, the Purchaser shall be Responsible for security, safety of assets, requisite insurance due and other outgoings;
- (ii) The rehabilitation and modernization programmes, which form part of this Sale Agreement, shall be monitored by LAKI and the reasonable cost thereof to be borne by the Purchase.
- (iii) Nothing in the Clause shall prevent the Purchaser from commencing operations and production at the Company.

4.0. EFFECTS OF TERMINATION OF THIS AGREEMENT

Where the Agreement is so terminated in terms of Clause 1.2. herein, the Purchaser shall not have any claim to, or be entitled to compensation for any improvements that may have been carried out during rehabilitation/modernization.

AB
12/5

5.0. DISPUTES:

In the event of a dispute regarding any part of this agreement, such dispute will first be resolved amicably and failing this each party will appoint one arbitrator. The two arbitrators will then appoint an umpire and the umpire's decision on the dispute will be final and conclusive.

6.0 TRANSFER OF OWNERSHIP

Transfer of ownership shall be effected after FULL payment of the purchase price. The Vendor shall hand over to the Purchaser the Original Title Deed, No. 9637 Karanga Area, Moshi and the executed transfer deed of the Right of occupancy against payment of the final instalment by the Purchaser.

7.0 FORCE MAJEURE

Should the performance of this Agreement be prevented or delayed or interfered with by war, civil commotion, riots, enemy action, embargoes, blockades, strikes or such other causes or acts of God beyond the reasonable control of either party, the parties hereto shall consult each other with a view to reaching mutual agreement on any matter which may be affecting the performance of the Agreement.

8.0 NOTICE

Any notice to be given under this Agreement shall be deemed to have been duly delivered to either party upon delivery by hand or mail, cable, telefax or telex and if mailed shall be deemed to have been delivered 21 days after its date of posting. A notice sent by cable, telex or telefax shall be deemed to have been delivered as soon as possible.

9.0 GENERAL PROVISIONS

9.1 This Agreement (together with the documents referred to herein) constitute the entire Agreement between the parties in relation to the transactions referred to herein;

NO variation of any of the terms of this Agreement or of any other documents referred to herein shall be effective unless it is in writing and signed by or on behalf of each of the parties hereto or thereto.

9.2 No variation of any of the terms of this Agreement or of any other documents referred to herein shall be effective unless it is in writing and signed by or on behalf of each of the parties hereto or thereto.

10.0 GOVERNING LAW

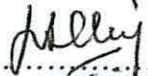
This Agreement and all documents referred to in it shall be governed by and construed in accordance with the Laws of Tanzania.

IN WITNESS WHEREOF THE PARTIES TO THIS AGREEMENT
executed it in the manner, and on the day and year hereinafter appearing.

SIGNED and DELIVERED by)
BENJAMIN R. KAZAULA as Liquidator of)
IMARA WOOD PRODUCTS LTD)


VENDOR

This 31st day of August 2002)

Witness:)
Signature: )
Name: RAMADHANI A. GUMBO)
Address: P.O. Box 1841 - MOSHI)
Designation: GENERAL MANAGER.)

SIGNED and DELIVERY by)
AMB. ANTHONY B. NYAKYI)
in my presence this 31st day of)
AUGUST 2002)


PURCHASER

Witness:

Signature: 

Name: Margaret Nyakyi

Address: P.O. Box 8469 Dsm

Designation: Witness

Ref/CRDB/MS/CG/Vol.II/131

30th NOVEMBER 2011

THE DIRECTOR GENERAL
TANZANIA INVESTMENT CENTRE
P.O. BOX
DAR ES SALAAM

Dear Sir/Madam,

Ref: IMARA DAIMA LTD

Please refer to the above captioned subject.

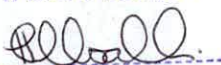
The Director of the above mentioned Company Mr Anthony B. Nyakyi has requested us to introduce his Company to you regarding Banking Operation with our Bank .

We would like to inform you that the Company has been our customer operating account No 01J1039450000 for more than five years and on some occasions, the Company enjoyed some Credit Facility and operated satisfactorily.

Sir/Madam , in case you may need any other information , please do not hesitate to contact us.

Yours faithfully,
CRDB BANK PLC

CRDB BANK PLC.
MOSHI BRANCH, 04



Departmental Manager
(Business Banking)

/ Haika Mawalla
For: Branch Director Moshi

IMARA DAIMA LTD

EXTRACT OF MINUTES OF THE BOARD OF DIRECTORS MEETING HELD ON NOVEMBER 15, 2011 AT 14:00 HOURS IN MOSHI

IT WAS REPORTED THAT the company needed to be registered with the Tanzania Investment Centre as an Approved Enterprise to be able to enjoy the investment benefits accorded under the Tanzania Investment Act 1997.

IT WAS UNANIMOUSLY RESOLVED THAT Imara Daima Ltd seeks approval of registration as an Approved Enterprise for the purpose of Tanzania Investment Act 1997 with regard to the investment in the rehabilitation of factory plant and machinery and procurement of transport vehicles to increase the production capacity of the factory at Karanga Moshi Municipality in Kilimanjaro Region.

Certified as true copy of the extract of the minutes of the Board of Directors Meeting held in Moshi on November 15, 2011


.....
ANTHONY NYAKYI
CHAIRMAN


.....
MARGARET NYAKYI
DIRECTOR

Date: 28 November 2011



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 ANTHONY BALTHAZAR NYAKYI
(director/directors/agent of IMARA DAIMA LIMITED
(name of business enterprise) apply for registration of IMARA DAIMA LIMITED
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 FARM NO 143 CT No 9637
KARANGA WARD MOSHI MUNICIPALITY

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 FARM NO 143 CT 9637 KARANGA
WARD MOSHI MUNICIPALITY
4. The Principal Officers of the Company are AMBASSADOR ANTHONY B. NYAKYI
MANAGING DIRECTOR, MR ELIENWAHA KUONO ACTING
MANAGER, MR S.R. MACHA FOREMAN
5. Auditors of the Company are AMMASS ASSOCIATES
PO BOX 1166 MOSHI
6. The authorized share capital of the Company is Tshs. ~~US\$~~ 90.0 MILLION

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 445.0 MILLION
8. The month and day of the financial year end is 30TH SEPTEMBER

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~~ ^{BANK PAYMENT SLIP} made payable to the **Tanzania Investment Centre** for Tshs./US\$

100:0 Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, ANTHONY BALTHAZAR NYAKYI, of Post Office Number 1841 MWOYHI

do solemnly and sincerely declare that I am a director/~~director~~

authorized agent of IMARA DAIMA LIMITED

- 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 }
 by Anthony B. Nyakyi }
 The 7th day of December 2011 }

Anthony B. Nyakyi
 Applicant

Before me:

[Signature]

Commissioner for Oaths



APPLICATION SUMMARY

Company Name: IMARA DAIMA LIMITED

Certificate of Incorporation Number: No. 44520 Status:

Certificate of Incorporation Date: 30TH SEPTEMBER 2002

Post Box: 1841

Town: MOSHI

Sector: MANUFACTURING

Sub-Sector: WOODWORK/FURNITURE

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>NIL</u>	<u>TSHS 9010 MILLION</u>	<u>NIL</u>	<u>TSHS 445.0 MILLION</u>

Project Objectives: To rehabilitate and expand former Imara Wood Product Company Ltd buildings plant and machinery to invest in modern machinery and new technology in order to enable the factory to re-claim its leading role in the market for softwood furniture in Tanzania and to compete in the East African region and beyond.

Capacity: Said to be 7000m³ of sawn timber and 720,000 running meters of panel boards of all types

Employment: Foreign: NIL Local: 40 Total: 40

Implementation Period: 3 years

Project Location

Site/Plot/Block No.: FARM No 143 CT 9637

Street: KARANGA WARD District: MOSHI Region: KILIMANJARO
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>ANTHONY B. NYAKYI</u>	<u>TANZANIAN</u>	<u>50</u>
<u>MARGARET NYAKYI (MRS)</u>	<u>TANZANIAN</u>	<u>50</u>
.....
.....
.....

Investment Breakdown US\$/Tshs.M

Land/Building	TSHS 100.0 MILLION
Plant	TSHS 200.0 MILLION
Vehicles	TSHS 110.0 MILLION
Furniture & Fittings	TSHS 5.0 MILLION
Pre-expenses	TSHS 95.5 MILLION
Others
Working Capital	TSHS 30.0 MILLION
TOTAL	TSHS 445.0 MILLION

Contact Details:

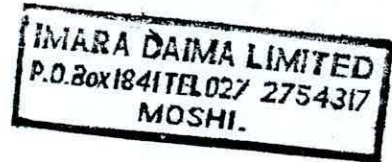
Name: ANTHONY B. NYAKYI

Title: MANAGING DIRECTOR

Telephone: 022-2600281
0754-290277

Fax: 022-2600282

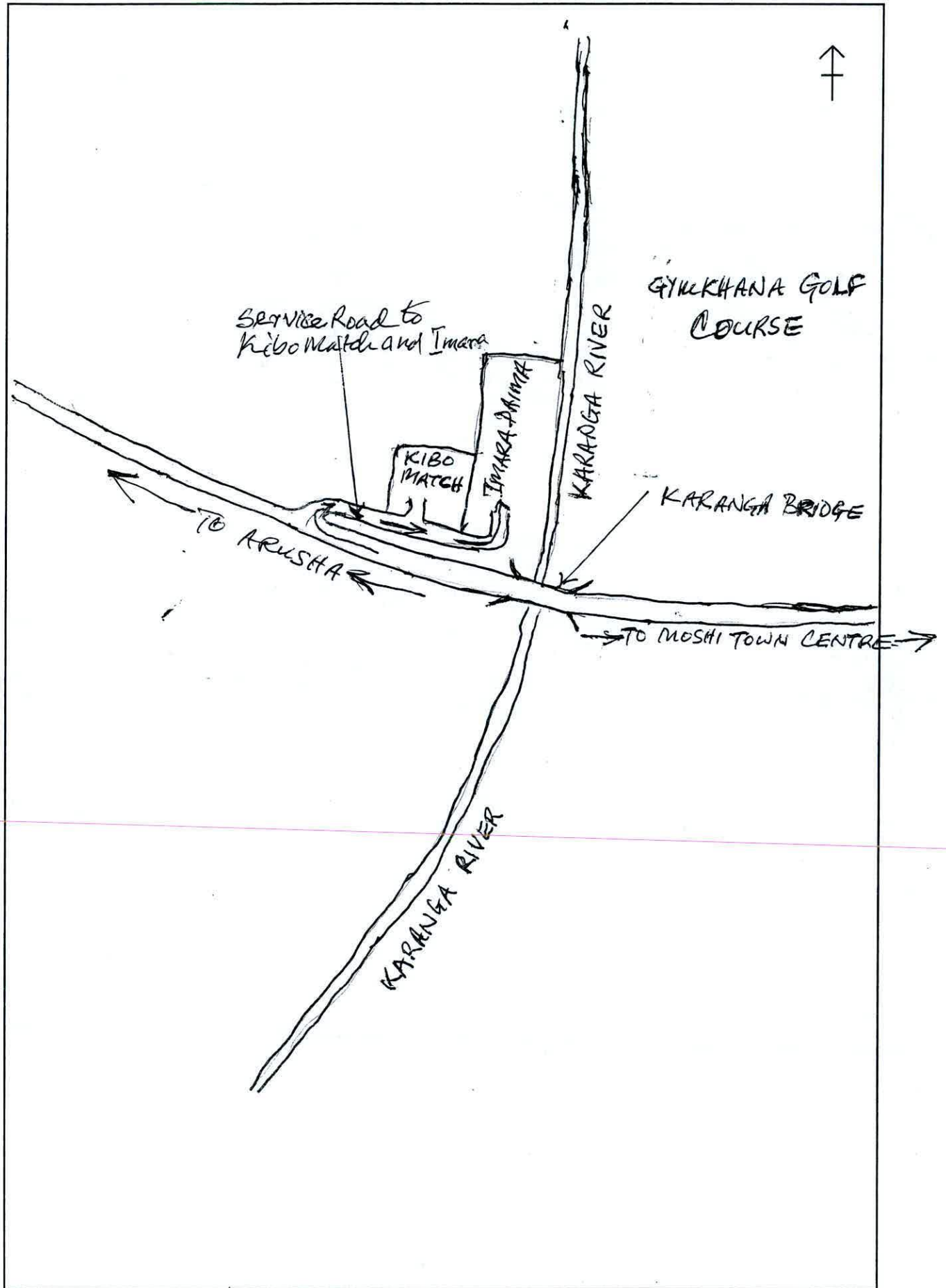
Email: anyakyi@yahoo.com

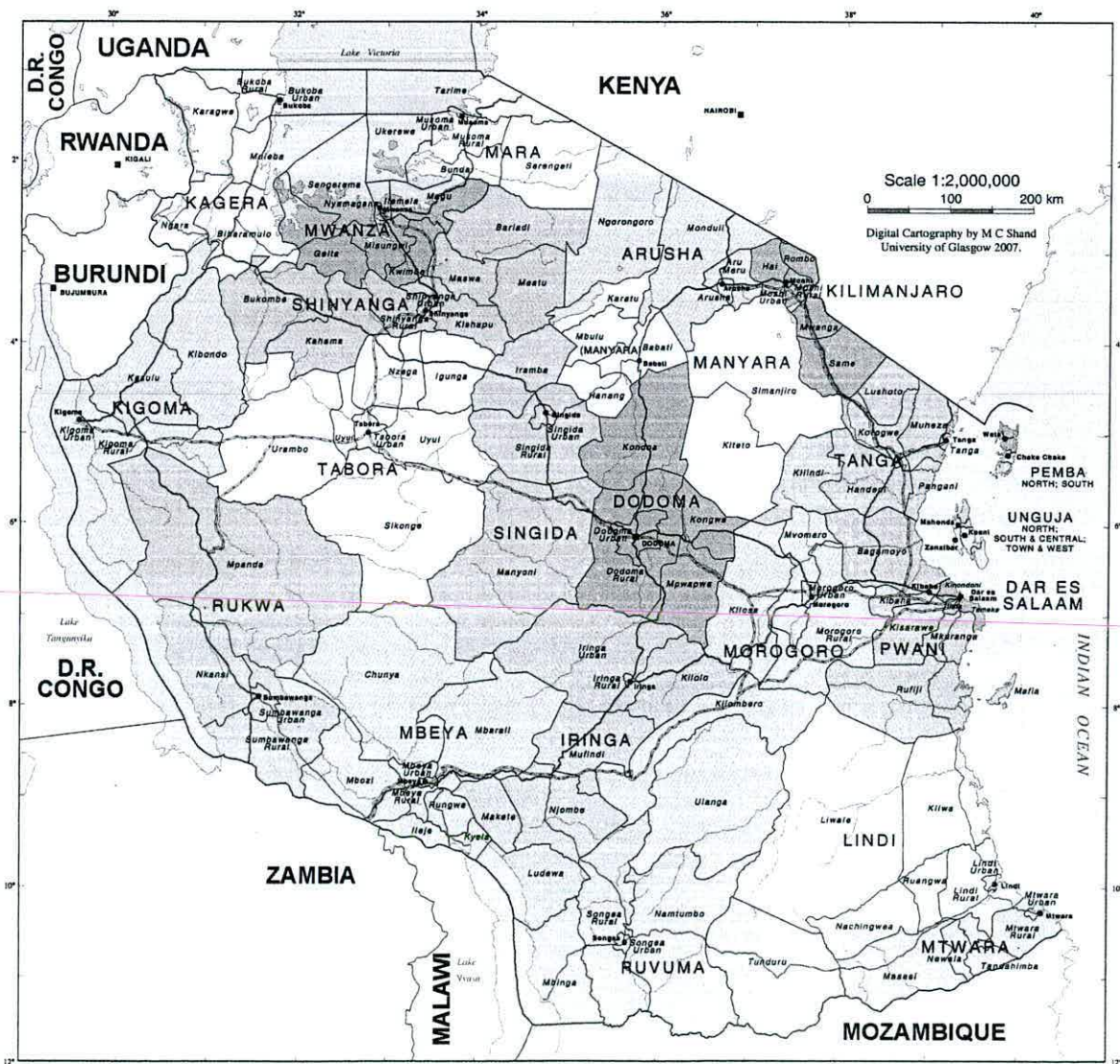


Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION







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

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(No. 26 of 1997)

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(Made under Regulation 42)

To: The Executive Director
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1. I/We ANTHONY BALTHAZAR NYAKYI
(director/directors/agent of IMARA DATMA LIMITED
(name of business enterprise) apply for registration of IMARA DATMA LIMITED
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 FARM NO 143 CT No 9637
KARANGA WARD MOSHI MUNICIPALITY

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 FARM NO 143 CT 9637 KARANGA WARD MOSHI MUNICIPALITY
4. The Principal Officers of the Company are AMBASSADOR ANTHONY B. NYAKYI
MANAGING DIRECTOR, MR ELIEWAHA MUONO ACTING
MANAGER, MR S.R. MACHA FOREMAN
5. Auditors of the Company are AMRASS ASSOCIATES
PO Box 1166 MOSHI
6. The authorized share capital of the Company is Tshs./US\$ 90.0 MILLION

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 445.0 MILLION
8. The month and day of the financial year end is 30TH SEPTEMBER

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~~ ^{BANK PAYMENT SLIP} made payable to the **Tanzania Investment Centre** for Tshs./US\$ 100.00. Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, ANTHONY BALHAZAR NYAKYI, of Post Office Number 1841 MCO5H1

do solemnly and sincerely declare that I am a director/~~my~~ authorized agent of IMARA DAIMA LIMITED

- 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 }
 by Anthony B. Nyakyi }
 The 7th day of December 2011 }

Anthony B. Nyakyi
 Applicant

Before me:

[Signature]

Commissioner for Oaths



APPLICATION SUMMARY

Company Name: IMARA DAIMA LIMITED

Certificate of Incorporation Number: No. 44520 Status:

Certificate of Incorporation Date: 30TH SEPTEMBER 2002

Post Box: 1841

Town: MOSHI

Sector: MANUFACTURING Sub-Sector: WOODWORK/FURNITURE

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>NIL</u>	<u>TSHS 9010 MILLION</u>	<u>NIL</u>	<u>TSHS 445.0 MILLION</u>

Project Objectives: *To rehabilitate and expand former Imara Wood Products Company Ltd buildings plant and machinery to invest in modern machinery and new technology in order to enable the factory to re-establish its leading role in the market for softwood furniture in Tanzania and to compete in the East African region and beyond.*

Capacity: *Said to be 7000³ of sawn timber and 720,000 running meters of panel boards of all types*

Employment: Foreign: NIL Local: 40 Total: 40

Implementation Period: 3 years

Project Location

Site/Plot/Block No.: FARM No 143 CT 9637

Street: KARANGAWARD District: MOSHI Region: KILIMANJARO
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>ANTHONY B. NYAKYI</u>	<u>TANZANIAN</u>	<u>50</u>
<u>MARGARET NYAKYI (MRS)</u>	<u>TANZANIAN</u>	<u>50</u>
.....
.....
.....

Investment Breakdown US\$/Tshs.M

Land/Building TSHS 100.0 MILLION
Plant TSHS 200.0 MILLION
Vehicles TSHS 110.0 MILLION
Furniture & Fittings TSHS 5.0 MILLION
Pre-expenses TSHS 95.5 MILLION
Others
Working Capital TSHS 30.0 MILLION
TOTAL ~~TSHS 540.0~~ MILLION

Contact Details:

Name: ANTHONY B. NYAKYI.....

Title: MANAGING DIRECTOR.....

Telephone: 022-2600281.....
0754-290277.....

Fax: 022-2600282.....

Email: ..anyakyi@yahoo.com.....



Payments to be made payable to:

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

IMARA DAIMA LTD

December 29th, 2011

Ref: IDL/01/12

The Director General,
Tanzania Investment Centre,
Shaaban Robert Street,
P.O. Box 938,
Dar es Salaam.



Dear Sir,

APPLICATION FOR CERTIFICATE OF INCENTIVES UNDER SECTION 17 AND 18 OF THE TANZANIA INVESTMENT CENTRE ACT 1997

We enclose herewith an application for Certificate of Incentives in triplicate under sections 17 and 18 of the Tanzania Investment Centre Act 1997, in respect of the above company. We also attach the following documents:

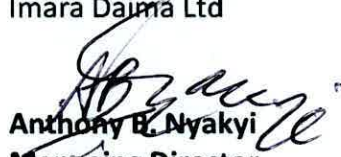
1. Memorandum and Articles of Association of Imara Daima Ltd.
2. Certificate of incorporation Number 44520 dated 30 September 2002.
3. Feasibility and Business Plan of the Project.
4. Extract of Minutes of the Meeting of the Board of Directors approving the registration of the project with Tanzania Investment Centre.
5. A copy of the Sale Agreement between me, as the new owner of the assets of the former Imara Wood Products Company Ltd (now renamed Imara Daima Ltd), and Mr. Benjamin Kazaula, Liquidator, acting on behalf of the PSRC.
6. A copy of audited accounts for the years 2008, 2009 and 2010
7. Bank reference issued by our banker CRDB.

We shall be grateful if the Certificate of Incentives is issued to the company at an early date to enable the investors to proceed with the rehabilitation of the plant and machinery in order to increase its production capacity.

We have already paid the registration fee for which we were issued with exchequer receipt No 37896550 dated 16 November 2011.

Time being of the essence we look forward to hearing from you at an early date and remain Sir,

Yours Sincerely,
Imara Daima Ltd


Anthony B. Nyakya
Managing Director



SALE AGREEMENT

144

BETWEEN

MR. BENJAMIN R. KAZAULA

LIQUIDATOR OF IMARA WOOD PRODUCTS

COMPANY LIMITED – IN LIQUIDATION

AND

AMB. ANTHONY B. NYAKYI

In respect of sale of Buildings, Plant, Machinery and accessories, Office Furniture and Office Equipment, stocks of unfinished goods, Spares, Stationeries and Container belonging to Imara Wood Products Ltd (In Liquidation)

THIS AGREEMENT is made this ^{31st} day of August 2002

BETWEEN

BENJAMIN K. KAZAULA as LIQUIDATOR OF IMARA WOOD PRODUCTS LIMITED (IN LIQUIDATION) of post Office Box 78318 Dar es Salaam, acting under powers of Attorney pursuant to a Deed of Appointment between the Loans and Advances Realization Trust (LART) and Network International Ltd (hereinafter referred to as the "Vendor") on the one part;

AND

AMB. ANTHONY B. NYAKYI of Postal Office Box 8469, Dar es Salaam (hereinafter called the "Purchaser") of the other part.

WHEREAS,

The Vendor had advertised for sale the buildings under Title Deed Number 9637 Karanga, Moshi; plant, machinery and accessories; office furniture and equipments; stocks, spares and stationeries; and a container, all situated in the said buildings and belonging to IMARA WOOD PRODUCTS LTD (in liquidation) (hereinafter referred to as "the assets")

The purchaser had successfully tendered for the purchase of the said properties and has offered to purchase the same for T.Shs 90,000,000/= (T.Shs Ninety Million only) inclusive of Value Added Tax (VAT) if applicable.

The Vendor desirous to sell and the purchaser is willing to purchase the assets at a consideration as above.

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:-

1. CONSIDERATION

1.1 The purchase price for the COMPANY shall be Tanzanian Shillings Ninety Million only (including Value Added Tax) (VAT) if applicable to be paid as follows:-

- (i) A non-refundable deposit of 5% of the bid price (T.Shs. 4,500,000/=) to be paid with the bid.
- (ii) 33.3% of the bid price (T.Shs 30,000,000/=) to be paid up front upon execution of this Agreement.
- (iii) 27.8% of the bid price (T.Shs 25,000,000/=) shall be paid on or before 31 January 2003.

Amendment No. 1 of 2003

6.0 TRANSFER OF OWNERSHIP

Transfer of ownership shall be effected after FULL payment of the purchase price. The Vendor shall hand over to the Purchaser the Original Title Deed, No. 9637 Karanga Area, Moshi and the executed transfer deed of the Right of occupancy against payment of the final instalment by the Purchaser.

7.0 FORCE MAJEURE

Should the performance of this Agreement be prevented or delayed or interfered with by war, civil commotion, riots, enemy action, embargoes, blockades, strikes or such other causes or acts of God beyond the reasonable control of either party, the parties hereto shall consult each other with a view to reaching mutual agreement on any matter which may be affecting the performance of the Agreement.

8.0 NOTICE

Any notice to be given under this Agreement shall be deemed to have been duly delivered to either party upon delivery by hand or mail, cable, telefax or telex and if mailed shall be deemed to have been delivered 21 days after its date of posting. A notice sent by cable, telex or telefax shall be confirmed by letter as soon as possible.

9.0 GENERAL PROVISIONS

9.1 This Agreement (together with the documents referred to herein) constitute the entire Agreement between the parties in relation to the transactions referred to herein;

NO VARIATION OF ANY OF THE TERMS OF THIS AGREEMENT OR OF ANY OTHER documents referred to herein shall be effective unless it is in writing and signed by or on behalf of each of the parties hereto or thereto.

9.2 No variation of any of the terms of this Agreement or of any other documents referred to herein shall be effective unless it is in writing and signed by or on behalf of each of the parties hereto or thereto.

10.0 GOVERNING LAW

This Agreement and all documents referred to in it shall be governed by and construed in accordance with the Laws of Tanzania.

- (iv) 16.7% of the bid price (T.Shs.15,000,000/=) shall be paid on or before 30 April 2003.
- (v) 17.2% of the bid price (T.Shs.15,500,000/=) shall be paid on or before 31 July 2003.

Amendment No 1 of 2003

1.2. If there will be delay in the payment of any installment due for one month (30 days), interest at the rate of 1.75% per month shall be charged on the outstanding amount. In the event the delay continues beyond this period, the Sale Agreement shall be terminated and the Vendor shall repossess the assets and the Purchaser shall be liable to pay liquidated damages as redress for the breach.

*HS
TSS*

2.0. PHYSICAL POSSESSION OF THE ASSETS.

The Vendor shall hand over physical possession of the assets to the Purchaser not later than 31 August, 2002, thereafter the responsibility to maintain and safeguard the assets shall rest with the Purchaser.

3.0. REHABILITATION/MODERNISATION

The Purchase shall rehabilitate and modernize the assets as per the Business plan that forms part of this Sale Agreement.

- (i) During the rehabilitation/modernization period, the Purchaser shall be Responsible for security, safety of assets, requisite insurance due and other outgoings;
- (ii) The rehabilitation and modernization programmes, which form part of this Sale Agreement, shall be monitored by LAKI and the reasonable cost thereof to be borne by the Purchase.
- (iii) Nothing in the Clause shall prevent the Purchaser from commencing operations and production at the Company.

4.0. EFFECTS OF TERMINATION OF

1. CONSIDERATION

~~Tanzanian Shillings Ninety~~
) if applicable to be paid as
 AMENDMENT NO. 1 OF 2003
 The Payment Schedule at Clause 1.1 (iii) – (v) is hereby amended to be paid up front upon
 as follows: ice (T.Shs. 4,500,000/=) to

- (iii) TShs.25,000,000/= to be paid on or before 31st August 2003
- (iv) TShs.15,000,000/= to be paid on or before 30th November 2003 shall be paid on or before 31
- (v) TShs.15,000,000/= to be paid on or before 29th February 2004.

Amendment No. 1 of 2003

[Signature]
 BENJAMIN KAZAULA
 LIQUIDATOR

[Signature]
 AMB. ANTHONY B. NYAKYI
 PURCHASER

DATE: *25th March 2003*

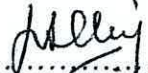
DATE: *10 April 2003.*

IN WITNESS WHEREOF THE PARTIES TO THIS AGREEMENT
executed it in the manner, and on the day and year hereinafter appearing.

SIGNED and DELIVERED by)
BENJAMIN R. KAZAULA as Liquidator of)
IMARA WOOD PRODUCTS LTD)



VENDOR

This 31st day of August 2002)


Witness:
Signature: 
Name: LAMADHANI A. GUMBO
Address: P.O. Box 1841 - MOSHI
Designation: GENERAL MANAGER.

SIGNED and DELIVERY by)
AMB. ANTHONY B. NYAKYI)
in my presence this 31st day of)
AUGUST 2002)


PURCHASER

Witness:
Signature: 
Name: Margaret Nyakyi
Address: P.O. Box 8469 DDM
Designation: Witness

Deemed as a True Copy of the Original


JOSEPH S. NG'UDI
Advocate, Notary Public & Commissioner for Oaths

9th Jan 2012



TIC Evaluation Report

Name of the Company
Imara Daima Ltd

Post Box	Karanga Ward	COI Number	44520	Contact	Anthony B. Nyakyi
Post Office	1841	COI Date	30/09/2002	Designation	Managing Director
Region	Moshi	Application F. No	09665	Phone	2600281
Country	Tanzania	Status	New	Direct Phone	
		Sector	Manufacturing	Cell Phone	0754290277
		Sub Sector	Wood Work/Furniture	Fax	2600282
		File No	042160	E-Mail Address	Anyakyi@Yahoo.Com

Project Location		Investment Finance Plan in Millions USD			
Plot/Block	Farm No. 143CT 9637	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Karanga Ward				
District	Moshi Rural				
Region	Kilimanjaro				
		0	0.09	0	0.445

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.1
Margaret Nyakyi	Tanzanian	50	Plant	0.2
Anthony B. Nyakyi	Tanzanian	50	Vehicles	0.11
			Furniture & Fittings	0.005
			Pre-expenses	0.0955
			Others	0
			Working Capital	0.03
			Total	0.5405

Employment	40	Evaluated By	wf officer2
Capacity	7000m	Drawn By	wf registry2
Project Turn Over		Project Type	Local

Description

To rehabilitate and expand former imara wood work factory to manufacture furniture

Recommendations

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

Decision

Approved

Ag ExD
18/01/12



TANZANIA INVESTMENT CENTRE

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

RECEIPT REC005934

No.000682

Received from : IMARA DAIMA LTD

Address P.O. Box 8141 MOSHI

Received the sum of (In words): SEVEN HUNDRED FIFTY AND ZERO CENTS ONLY

Being payment in respect of CERTIFICATE OF INCENTIVES

Amount : USD 750.00

Cash / Cheque No: D Deposit 24/01

Date : 24-Jan-2012

BWiso

Receiving Officer



Aug '11

0000

53980

TICC/PP.10/042160/3

20th January 2012

Managing Director,
Imara Daima Ltd,
P.O. Box 1841,
Moshi.

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
REHABILITATION AND EXPAND FORMER IMARA WOOD WORK
FACTORY**

We wish to acknowledge receipt of your project proposal to rehabilitate and expand former Imara wood work factory to manufacture furniture as presented in the TIC P.A. 1 Form No. 09665 and Feasibility Study with a projected investment of USD 0.5405m.

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.

You will 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 annexure 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\$ 750.00 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:-

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

.../2

TICC/PP.10/042160/3

20th January 2012

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

Yours sincerely,
Tanzania Investment Centre



B.D. Chonjo

For: 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



00218420

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042160

This is to certify that

IMARA DAIMA LIMITED

of address P.O. BOX 1841

MOSHI

has been granted a Certificate of Incentives to invest in ~~XXXX~~, rehabilitation /expansion
~~XXXXXX~~ of the enterprise known as

IMARA DAIMA LIMITED

Which is located at FARM NO. 143CT 9637, KARANGA WARD.

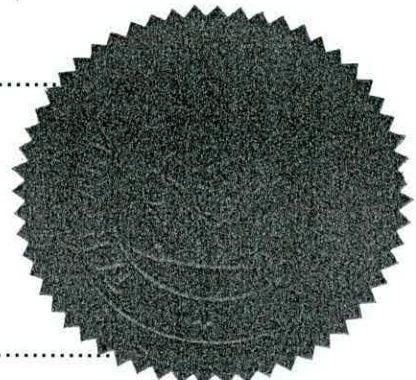
MOSHI MUNICIPALITY - KILIMANJARO

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

.....
Ag. Executive Director

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

Dated 27TH JANUARY 2012



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

Shareholders	Nationality	Shareholding (%)
Margaret Nyakyi	Tanzanian	50
Amb. Anthony B. Nyakyi	Tanzanian	50

2. Proposed Activities : To rehabilitate and expand former Imara wood work factory to manufacture furniture

3. Sector: Manufacturing Subsector Wood Work/Furniture

4. Investment cost: Foreign - Local USD 0.5405m. Total USD 0.5405m.

5. Project Financing:

Equity	<u>USD 0.09m.</u>	Loans	<u>USD 0.445m.</u>	Total	<u>USD 0.535m.</u>
--------	-------------------	-------	--------------------	-------	--------------------

6. Source, terms and conditions of loan.....

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	<u>-</u>	<u>USD 0.5405m.</u>	<u>USD 0.5405m.</u>

8. Technology Agreement None

9. Date of TIC Registration: 20th January 2012

10. Implementation period January 2012 - December 2014

11. Operative date..... January 2015

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 
Ag. Executive Director



00218420

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No:042160.....

This is to certify that

IMARA DAIMA LIMITED

of address P.O. BOX 1841

MOSHI

has been granted a Certificate of Incentives to invest in ~~XXXX~~, rehabilitation /expansion
~~XXXXXX~~ of the enterprise known as

IMARA DAIMA LIMITED

Which is located at FARM NO. 143CT 9637, KARANGA WARD, MOSHI RURAL

KILIMANJARO

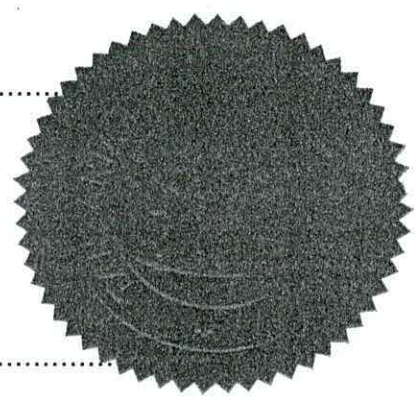
Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.



Ag. Executive Director

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

Dated 27TH JANUARY 2012



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 (%) |
|------------------------|-------------|------------------|
| Margaret Nyakyi | Tanzanian | 50 |
| Amb. Anthony B. Nyakyi | Tanzanian | 50 |
2. Proposed Activities : To rehabilitate and expand former Imara wood work factory to manufacture furniture
3. Sector: Manufacturing Subsector Wood Work/Furniture
4. Investment cost: Foreign - Local USD 0.5405m. Total USD 0.5405m.
5. Project Financing:
Equity USD 0.09m. Loans USD 0.445m. Total USD 0.535m.
6. Source, terms and conditions of loan.....
7. Assets to be invested:
- | Capital items: | Foreign | Local | Total |
|----------------|----------|---------------------|---------------------|
| | <u>-</u> | <u>USD 0.5405m.</u> | <u>USD 0.5405m.</u> |
8. Technology Agreement None
9. Date of TIC Registration: 20th January 2012
10. Implementation period January 2012 - December 2014⁵
11. Operative date January 2015
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
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 - (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 
Ag. Executive Director

IMARA DAIMA LIMITED

P.O. BOX 1841, Moshi, Tanzania · P.O. Box 8469, Dar es Salaam, Tanzania
Tel/Fax: 027-2754317 · Mobile: 0754 290 277 · Email: anyakyi@yahoo.com

18 November 2013

Executive Director
Tanzania Investment Centre
Shaaban Robert Street
Dar es Salaam

TIC Incentives for Imara Daima furniture factory in Moshi

I am pleased to inform you that after a very long search for a serious investor in this factory, we have now succeeded in reaching agreement with a very reputable Tanzanian company which is able and willing to make available the necessary resources to finance not only the project listed in the Business Plan approved by TIC but also to add new requirements not foreseen in the Business Plan.

In the very near future we will submit the list to you and to all others concerned. We are unable to do it now because of the need to consult with the new management team that is being put together to run the factory.

We are also writing to seek an extension of the implementation period which runs from 2012 to 2014. The certificate's operative date in January 2015 which gives us just about one year to accomplish all planned activities. This is clearly not enough considering that planned activities include major renovations and construction of a completely new structure. The delay was occasioned by the need to proceed cautiously with the search for a suitable partner. We made several contacts but held serious discussions with three, all of whom we judged to be unsuitable to partner with. The delay in the implementation of the plan is thus understandable. Nonetheless we regret it and apologise for our failure to report these efforts to you. We trust that you will feel able to grant this request for an extension of the implementation period.

Regards,


Anthony B. Nyakyi
Managing Director

IMARA DAIMA

P.O. BOX 1841, Moshi, Tanzania - P.O.
Tel/Fax: 027-2754317 · Mobile: 0754 2

Executive Director
Tanzania Investment Centre
Shaaban Robert Street
Dar es Salaam



IMARA DAIMA LTD.
Amb. Anthony B. Nyakyi
MANAGING DIRECTOR

P.O. Box 1841 Moshi
P.O. Box 8469 DSM
Tanzania

Moshi Tel/Fax: 027 2754317
022 2600281
DSM Tel: 022 2600282
DSM Fax: 0754 290277
Mobile:

E-mail: anyakyi@yahoo.com
Manufacturers of quality furniture

TIC Incentives for Imara Daima furniture factory in Moshi

I am pleased to inform you that after a very long search for a serious investor in this factory, we have now succeeded in reaching agreement with a very reputable Tanzanian company which is able and willing to make available the necessary resources to finance not only the project listed in the Business Plan approved by TIC but also to add new requirements not foreseen in the Business Plan.

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Regards,


Anthony B. Nyakyi
Managing Director

5. Problems and Solution

➤ NIL.

6. Future Plans

➤ Is to order the required machine & tools as per the attached list. The factory will be in full production by June, 2014.

7. Recommendations and any other comments

➤ NIL

8. ETC.

➤ NIL

**TANZANIA INVESTMENT CENTRE
DAR ES SALAAM**

PROGRESS REPORT

1. Planned Activities for the period: –

- Factory Renovation.
- Machine Repairs & Services.
- Power Re-Installation & Electrical Maintenance.

2. Achievements made on the project implementation todate:

- Factory Renovation Completed by - 80%
- Machine Repair & Services Completed by - 90%
- Power Re-Installation & Electrical Maintenance - 100%

3. **Project Financial Expenditure todate:**

	Foreign	Local	Total
Land and Buildings	NIL	200,000,000	- 200Million
Plant and machinery	NIL	50,000,000	- 50Million
Vehicles/Aircrafts	NIL	NIL	- NIL
Furniture	NIL	5,000,000	- 5Million
Office equipment	NIL	12,000,000	- 12Million
Insurance Cover	NIL	3,000,000	- 3Million
Pre-operational expenses	NIL	20,000,000	- 20Million
Working sub-total capita	NIL	200,000,000	- 200Million
GRAND TOTAL		490,000,000	- 490Million

4. **Project Financing**

- The Project as of now is financed by Equity.

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IMARA DAIMA LIMITED

P.O. BOX 1841, Moshi, Tanzania. P.O. BOX 8469, Dar es Salaam, Tanzania
Tel/Fax: 027-2754317. Mobile: 0754 290 277. Email: anyakyi@yahoo.com

Executive Director
Tanzania Investment Centre
P.O. Box 938
Dar es Salaam

8 April 2014

Certificate of Incentives No. 042160

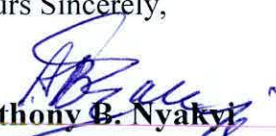
This is a follow-up to my letter dated 1st October 2013 informing you that after a long search we have succeeded in finding a reliable partner willing and able to invest in the rehabilitation and expansion of the Imara Daima furniture manufacturing business.

From the Progress Report form enclosed you will see that an amount of TZS 490,000,000 (490 Million) has been invested so far in the rehabilitation of machinery, buildings and working capital.

We now want to import new machinery and other capital goods as listed in the attached document and I am writing to seek your approval and support.

I look forward to an early response.

Yours Sincerely,


Anthony G. Nyakyi
Managing 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



certified true copy
of the Original
Signature
Date: 27/1/2012



00218420

Part Executive Director THE UNITED REPUBLIC OF TANZANIA
Tanzania Investment Centre

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042160

This is to certify that

IMARA DAIMA LIMITED

of address P.O. BOX 1841

MOSHI


has been granted a Certificate of Incentives to invest in ~~XXXX~~, rehabilitation /expansion
of ~~XXXXXX~~ of the enterprise known as

IMARA DAIMA LIMITED

Which is located at FARM NO. 143CT 9637, KARANGA WARD,

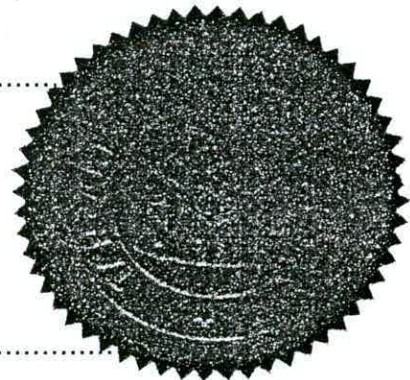
MOSHI MUNICIPALITY - KILIMANJARO

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


.....
Ag. Executive Director

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

Dated 27TH JANUARY 2012



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
- | Shareholders | Nationality | Shareholding (%) |
|------------------------|-------------|------------------|
| Margaret Nyakyi | Tanzanian | 50 |
| Amb. Anthony B. Nyakyi | Tanzanian | 50 |
2. Proposed Activities: To rehabilitate and expand former Imara wood work factory to manufacture furniture
3. Sector: Manufacturing Subsector Wood Work/Furniture
4. Investment cost: Foreign - Local USD 0.5405m. Total USD 0.5405m.
5. Project Financing:
Equity USD 0.09m. Loans USD 0.445m. Total USD 0.535m.
6. Source, terms and conditions of loan.....
7. Assets to be invested:
- | Capital items: | Foreign | Local | Total |
|----------------|----------|---------------------|---------------------|
| | <u>-</u> | <u>USD 0.5405m.</u> | <u>USD 0.5405m.</u> |
8. Technology Agreement None
9. Date of TIC Registration: 20th January 2012
10. Implementation period January 2012 - December 2014
11. Operative date January 2015
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 
Ag. Executive Director

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Certificate of Incentives No. 042160

Dotto Stanley to: anyakyi

Cc: adam ling'wentu

02/05/2014 15:18

Dear Anthony

We wish to acknowledge to receive your Letter of April 8th 2014 with the subject mentioned above. First of all we wish to congratulate you for succeeding to obtain a partner who is willingly to Invest in the your rehabilitation and expansion furniture making project. Please be guided that, to facilitation you application for the tax exemption of the importation of the machines and equipment find here with attached templates as a proper guide to make your application successfully. Please do not hastate to ask any clarification if needed.

Dotto Stanley



TRA Soft copy and hard copy 2.doc



TRA Letter.doc TRA EXCEL FORMAT.doc

NO:	ITEM NAME	UNIT MEASUREMENT	QTY	ITEM GROUP	ITEM PRICE	TIN	EXEMPTION REFERENCE NO.	EXEMPTION DATE
1	Grinder 4 1/2	No:9557HN	2	Machine				
2	Power Planner	No:1911B	2	Machine				
3	Power Drill	No:HD 6413	3	Machine				
4	Power Drill	No:HD 1640	1	Machine				
5	Hand Drill	No: 6281DWE (14W)	3	Machine				
6	Air Nail Gun		4	Machine				
7	Circular saw 9"	No. 5900B	2	Equipment				
8	Hilti (Power Hammer)	No. BHR 202	4	Equipment				
9	Slide Compound Sow 305mm	No. LS1216	1	Machine				
10	Hand Gluer	Makita	3	Machine				
11	Lock Mortiser	Makita	2	Machine				
12	Spindle Machine - Hydraulic Pressing	Makita	1	Machine				
13	Lamination Machine	Makita	1	Machine				
14	400x5 Works Combines Machine	Makita	1	Machine				
15	Bend Sow	Makita	1	Machine				
16	Edge Bender	Makita	3	Machine				
17	Router bit Set	Makita	4	Equipment				
18	Drill Bit Set	Makita	4	Equipment				
19	Hummer Bit Set	Makita	2	Equipment				
20	Power Bit	Makita	2	Equipment				
21	Sanding Disk	Makita	10	Equipment				
22	Gypsum Screw Machine	Makita	5	Equipment				
23	Gnu Pin	Makita	3	Equipment				
24	Arc Welding Transformer/Machine 350-550AC	Makita	2	Machine				
25	Gas Welding Set-Standard	Makita	1	Machine				
26	Anvil	Makita	1	Equipment				

27	Pipe Bending Machine (1/2, 2" 3")	Makita	2	Machine				
28	Bench Drilling Machine (Pillar Mode)16mm-32mm	Makita	2	Machine				
29	Angle Ginder size 9"	Makita	3	Machine				
30	Plate shear (Hand Operated) size 8"	Makita	2	Equipment				
31	Bending Roller (Hand Operated)	Makita	2	Equipment				
32	Chainsaw	Makita	2	Equipment				
33	Electrical Grinder	Makita	2	Equipment				
34	Furniture Polisher Machine	Vesxeles	1	Equipment				
35	Tools Kit Set		3	Equipment				
36	Pick Up Vehicle-Single&Double cabin	Toyota Nissan	3	Vehicle				
37	Track Vehicle 4tons for deliveries			Vehicle				
38	Diesel Generator		1	Machine				
39	Air Compressor Unit		1	Equipment				

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38	Diesel Generator		1	Machine				
39	Air Compressor Unit		1	Equipment				

CTIN.:

1438486

ISO 9001:2008 Certified



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

THIS IS TO CERTIFY THAT

.....IMARA DAIMA COMPANY LIMITED.....

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

.....101-769-925.....

with effect from10-Mar-03.....

A handwritten signature in black ink, appearing to read 'P. N. Kassera', is written over a rectangular stamp.

P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

TICC/PP.10/042160/8

30/05/2014

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

Dear Sir,

**RE: DUTY/ VAT REMISSIONS ON CAPITAL/ DEEMED CAPITAL
GOODS – CERTIFICATE OF INCENTIVES No: 042160**


M/S Imara Daima Limited is a TIC registered company with certificate of incentives **No. 042160** which is valid up to **December 2014**

The company has been registered with objectives of rehabilitating and expanding former Imara Woodwork factory to manufacture furniture.

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

Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR

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IMARA DAIMA LIMITED

P.O. BOX 1841, Moshi, Tanzania. P.O. BOX 8469, Dar es Salaam, Tanzania
Tel/Fax: 027-2754317. Mobile: 0754 290 277. Email: anyakyi@yahoo.com

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

13th May, 2014

Ufs

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



Dear Sir,

**RE: DUTY & VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS FOR
CERTIFICATE OF INCENTIVES NO: 042160.**

We are TIC approved project with Certificate of Incentives No: 042160 which is valid up to December, 2014.

The Company has been registered with objectives of investing in rehabilitation/expansion of the Enterprise known as IMARA DAIMA LIMITED.

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

Yours sincerely,


Anthony B. Nyakya
MANAGING DIRECTOR



NO:	ITEM NAME	UNIT MEASUREMENT	QTY	ITEM GROUP	ITEM PRICE	TIN	EXEMPTION REFERENCE NO.	EXEMPTION DATE
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2	Power Planner	No:1911B	2	Machine				
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4	Power Drill	No:HD 1640	1	Machine				
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