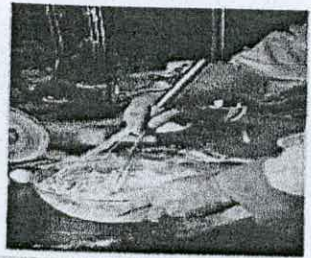
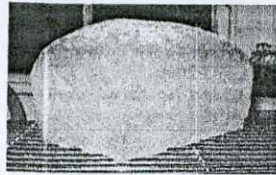


BARAN MKATE HOUSE LTD

Baran Mkate House Limited



Business Plan

2011-2013



Bread making machine

Prepared By:

Pamphill A Kiluwa
Consultant & Trainer
IPSCM Consult

CERTIFIED TRUE
COPY OF THE ORIGINAL



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Executive Summary

Tanzania is one of the third world countries with a high potential for investment by not only Tanzanians but also foreigners. Current statistics indicate a high influx of foreign investment in various areas of the country with agriculture being the main drive at the moment, pushed by the 'Kilimo Kwanza' philosophy of the government of Tanzania.

The success of 'Kilimo Kwanza' will include an increase in the production of agricultural products for both domestic consumption and export. This is in line with the government's efforts to eradicate poverty in the country by increasing the per capital income of its people and making sure that no one goes hungry.

The bakery and confectionery products production is among the secondary industries which help the government achieve its objectives of ensuring the people have adequate food to eat. Given the eating habits of indigenous Tanzanians and other nationalities living in the country, it has been observed that the bakery and confectionery industry is growing at a fast pace in the urban areas of the country. It will grow even faster with the development of the Blue Diamond City of Kigamboni.

Baran Mkate House is to grab this demand opportunity by bringing in Turkish bakery and confectionery technology to fill the 'mkate' demand gap primarily in the Dar es Salaam City and later on in the up country cities. To do this, the company, with its mission of producing and selling quality bread at low prices and seeing itself as being one of leading producers and distributors of quality bread in the country, intends to have a factory at Kigamboni, have distribution shops in each of the three municipalities of the city and establish relationships with big shops and supermarkets from which its products will be sold. This is in addition to having a shop around the factory.

The business will be introduced in phases but within a short period of time to cope with investment developments in the city. **First**, there will be building of a factory coupled with the importation of quality machinery from Turkey and subsequent installation of the same as well as the renting of shops in the three municipalities. **Then**, there will follow phase two which will be the production of different types of bread in the first place followed by the production of salty and sweet products like pastry, biscuits and cakes.

To implement the entire plan, four local and foreign investors have come together to contribute towards the required capital. It is expected that the whole project will cost about US Dollars 400,000 in buildings and machinery as well as initial working capital.

With the favorable investment climate in the country, and given that demand for bread is unquestionable with manageable competition, the investors are very optimistic about achieving their objectives of providing quality food to Tanzanians, paying taxes to the government and paying back the investment money to the shareholders.

Together we shall build the nation.

Shamim Msangi Nyanduga

EXECUTIVE DIRECTOR

General Company Description

Introduction

Baran Mkate House Limited is a company registered in Tanzania by the Registrar of Companies under the Companies Ordinance Cap. 212 (revised 2006).

The company was registered on the 28th day of September in the year 2010, under certificate number 78873. It also has a valid business license number as well as a Tax Payer Identification Number (TIN) 111-008-981 dated 20/10/2010.

Its **Headquarter** is at Kigamboni in the City of Dar es Salaam – Tanzania.

In its Memorandum and Articles of Association, the company is in the business of producing and selling all kinds of bakery products, including but not limited to all types and sizes of bread, sconces, banana rolls, cakes, biscuits, doughnuts, burgers and the like for sale in the local market to begin with and later on in the export market as circumstances allow.

Mission:

BMHL has a mission of producing quality bakery products for consumption by the local and foreign consumers in line with local and international health standards with a view to minimizing costs of production and maximizing quality so that products are availed to the consumers at the lowest prices possible.

Vision:

BMHL would like to see itself as one of the leading producers of bakery products, with a major in the common food product 'mkate' or bread which is commonly consumed by the common man, as well a leading provider of not only employment to the local community, but also poverty alleviator in the provision of quality yet affordable bread.

Objectives and Goals:

The main objectives of the company include:

1. Meeting the quality and quantity 'mkate' needs of all the three Municipal Councils of the City (*Ilala, Kinondoni and Temeke*), during 2011 and later on, in the neighboring municipalities and towns in the years to come.

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Objectives and Goals:

The main objectives of the company include:

1. Meeting the quality and quantity 'mkate' needs of all the three Municipal Councils of the City (*Ilala, Kinondoni and Temeke*), during 2011 and later on, in the neighboring municipalities and towns in the years to come.

2. To assist the government in eradicating poverty by availing 'mkate' products at as low prices as possible while maintaining quality.
3. To ensure it enters the competitive market and obtains at least a 30% share of the whole market by the end of 2011.

In order to meet the above objectives, the company has the following goals:

1. Build or acquire three shops in each of the municipalities from where product distribution will take place,
2. Establishing selling outlets in the densely populated areas for the consumers' ease of access to the products – at least sixty (60) of these.
3. Engage in door to door selling to the major hotels and restaurants in the city for the main and other products they might require to gain a competitive advantage over other suppliers – at least twenty (20) motor cycles.
4. Establishment of alliances with local producers and/or later apply vertical integration to ensure minimum production costs for lower prices.

Business Philosophy:

In line with the Tanzania Government's policies on eradication of poverty in the country by means of creating employment opportunities for Tanzanians, BMHL intends to create employment opportunities for workers in the factory as well as in the sales operations. This will continue when we consider expanding our sales operations upcountry.

The company believes in the spirit of 'entrepreneurship', that of taking advantage of business opportunities and applying the 'win win' philosophy whose results will benefit not only the company but the consumers, suppliers, the general population and the government, in terms of providing quality products on a timely basis and paying taxes for the development of the nation.

Baran Mkate House Limited boasts of bringing in a wealth of knowledge and experience from its owners- many years of experience in the bakery industry where quality and variety production cannot be over-emphasized, as well as business management where customer care is taken and practiced very seriously.

We intend to set up supply centers in the densely populated areas of the city as mentioned under 'objectives', such as Temeke, Buguruni, Mbagala, Ubungo, Kariakoo, etc. so as to be within the proximity of our customers.

Given the quality of our products and the supply strategy, we expect to grow into a large producer and distributor of bakery products without much competition. We have the production and human resources to do so.

This company is legally registered as a Limited liability company pooling a tremendous wealth of skills from within the country and outside the country as well.

Ownership and Shareholding

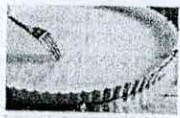
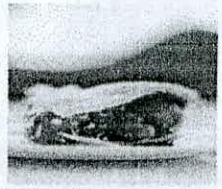
The company is owned by a team of indigenous Tanzanians and a foreigner from Turkey. The company's shareholding is distributed among the shareholders as follows:-

1. Shamin Msangi Nyanduga – Tanzanian – (22%)
2. Helen Lwegasira - Tanzanian – (22%)
3. Victoria Richard Mwakasege – Tanzanian – (22%) and
4. Nihat Kilit – Turkish – (36%)

These will form the founding Board of Directors who will develop policies to be applied by the Management of the company as described under Personnel Issues.

Products and services

Products:



In accordance with our studies, the majority of the urban and sub-urban dwellers consume

1. Bread for not only breakfast but also as a meal. For this group of customers, we expect to produce small, medium and large sizes of white bread, mostly sliced and a fair portion of unsliced bread (in the large size category). We shall also produce brown bread which is mostly sold in supermarkets, shopping centers and large shops.
2. Cakes and scones - especially the youngsters; at school, parties conferences and even at home.
3. Banana rolls and burgers - in restaurants, hotels, tea shops and kiosks. A variety of these will be produced in accordance with confirmed orders and foreseen demand.
4. Creams - variety of these in accordance with the weather in the country.
5. Other products we intend to produce to cater for a small portion of the market will include biscuits, pasta and baklava types and tulumba.

The needs of our customers are dependent on their cultural orientation. We have a number of communities with differing food tastes - Indian, Arabic, Chinese, European, African and mixtures of the above. In order to satisfy such consumption needs, we will

have to use a number of ingredients to produce different tastes, especially for the cakes, burgers, scones and rolls. These will include but not limited to the following:-

- a) Different types of flour - white bread flour, brown flour (whole wheat or wheat meal), whole grain and rye flour, Pastry flour, Cake flour, Durham flour, Hovis flour, Rice flour, self raising flour and numerous other flours, each designed for some particular manufacturing method or product.
- b) Liquids used in the bakery, which might be eggs or water, milk or oil.
- c) Shortenings which can be separated into several categories,
- d) Oil which can be frying oil or salad oils,
- e) Margarines or butters.
- f) Pastry shortenings or high ratio shortenings and lards.
- g) Different types of dry sugars, which can also be in liquid forms too. Glucose, Honey and syrup are but three.
- h) Salts used in a bakery, of which many chemicals can be attributed to a salt also, such as Ammonium bi-carbonate as well as Salt or sodium chloride and Vol, as well as cream of tartar and baking powder.
- i) Herbs like parsley and sage, flavors and spices as well as colorings.
- j) Thickening agents like corn starch and custard powders, gravy browning and soup flavors.

All of these come under the term ingredients.

Services:

In order to compete in the 'mkate' market, our selling strategy will incorporate the provision of the following services:-

- i) A sales outlet around the factory in Kigamboni,
- ii) Shops in the major market places,
- iii) Selling points in the major densely populated areas in the town and
- iv) Distribution vans and motor cycles and tricycles to supermarkets and large shops.

Investment Plan

We intend to have two investment phases.

Phase One will be the acquisition of land and putting up a factory building and a sales and administration building as well as hiring three shops in each of the three municipalities. This will go hand in hand with the purchase of production equipment shown under fixed assets in the schedules to this business plan.

Phase Two will be starting production and sales operations which will have two projects.

- a) Project 1 will be production of bread – the main product – in different sizes and shapes to cater for the different types of consumers.
- b) Project 2 will be the production of baked products comprising:-
 - i) Salty types of baked products like pastry with meat/cheese filling, Turkish bagel, pasta with cheese parsley fillings, rolled pastry, different types of biscuits
 - ii) Sweet type of baked products like birthday cakes, baklava deserts and the like.

Marketing Plan

Market Economics

Our market survey reveals that there are existing suppliers in the market most of whom have been in the business for many years. Many of these are located in specifically populated areas of the city and do have outlets to other areas of it as given below:

- 1) AZAM BAKERY – ‘azam’, a big brand in the market is sold almost throughout the country; the factory is located outside the city centre towards the JK International airport.
- 2) TEMEKE BAKERY – covers a large part of the Temeke Municipality and some gaps are filled by Azam.
- 3) SUPER LOAF – a big competitor of Azam, has a factory in Dar es Salaam and a distribution network throughout the country,

- 4) SAHARA – another long established producer of bread has captured the Magomeni Mwembechai market and enjoys a fair share of the market.
- 5) MARCOM – located at Kijitonyama area, has several years in the market and also enjoys a fair share of it,
- 6) MANZI LOAF – located at Magomeni Makanya, distributes bread around that area and extends to Tandale and Magomeni. It also enjoys a fair share of the market.
- 7) HOT LOAF – has specialized in supplying bread to Super Markets together with other small bakeries like Epic d’or, and
- 8) SUPER BAKERY – distributes its bread in the Tegeta and Kunduchi areas.

AZAM and TEMEKE bakeries are the main competitors in the market. We are optimistic that we can comfortably enter the market and enjoy the competition.

The above survey clearly shows that the City of Dar es Salaam is yet to be covered by bakeries. The area we have chosen – Kigamboni, is not well covered at all. The demand in the areas of Ubungo, Kimara, Mbezi, just to mention a few, is yet to be satisfied.

With the growing population of the City of Dar es Salaam, and given that bread consumption is unavoidable (especially by the low income earners), the demand for bread is ought to increase as well into the far future.

Marketing Strategy

As observed earlier, almost every household in the city of Dar es Salaam eats bread- (bread eating was introduced to the coastal and later upcountry areas by businessmen from Asia, the Far East and Central Europe, especially the Greeks).

Our target customers are the low income earners in those densely populated areas- demographically located in the areas of Kigamboni, Manzese, Tandika and Tandale. These form the larger part of the Dar es Salaam population.

The other customer groups are the middle level income earners of Tabata, Kimara, Mbezi and parts of Msasani, and the high income earners located in areas like Masaki, Upanga, Mikocheni, Oyster bay and most parts of the city centre.

The low and middle level income earners are our target groups – the **niche** market.

In order to enter the market with high impact, we will apply the following marketing strategies:-

- a) Employing workers from other bakeries or who have had working/selling experience in the bakery industry for a faster production and sales take off.
- b) Develop and launch marketing campaigns such as sending letters of introduction to shops as well as samples of the products to major shopping centers.
- c) Getting media exposure through Television, Radio and Newspaper advertisements using the most popular media – the ones seen, heard and read by the niche market population.
- d) Undertaking shop to shop deliveries using vans and motor cycles for quick delivery and ease of availability of the products. This also reduces the selling prices because the company will be eliminating seller purchasing costs.
- e) Establish a consumer feedback mechanism which will help us eliminate problems encountered by the selling outlets as well as the direct consumers.
- f) Come up with a logo for the main product so that customers know our products through the logo,
- g) Obtain certification from the Tanzania Bureau of Standards for our products for customer confidence in what they consume.
- h) Have a website where our products and services will be read and seen.

Pricing

Cost of Production.

We intend to keep down costs of production by buying in large quantities for quantity discounts, as well as systematically controlling our other variable costs of production.

Fixed Costs-(Operating Costs).

Where possible we shall keep our operating costs to the minimum to ensure low selling prices.

Selling Prices and quality

While we endeavor to minimize costs, our niche market is seen not to worry much about prices, it is quality that matters. This will be our concentration in the production of bread to make sure we get the desired share of the 'mkate' market.

Distribution Channels

In order to be able to reach the customers in the niche market and the high income earners, we intend to have:-

- a) A retail shop in the factory compound at Kigamboni,
- b) Three shops- one in each of the three municipalities from where our vans and motor cycles will take their supplies for distribution to large shops and supermarkets.

Sales Forecast

Sales forecast for the first year are based on the main products – bread (65%), sconces (20%) banana rolls (10%), and burgers (5%).

Normally, with effective cost control, the profit margin on bakery products is high. We intend to keep prices low while maintaining quality for higher sales.

The sales data can be seen in our sales forecast. Monthly sales of US Dollars 225,000 are expected.

Operations Plan

Production

The company will import modern high technology production machines from Turkey which will not only ensure quality production but also production of the required quantities in time for supply to the consumers to ensure continuity of supply.

It is expected that in the first year, the factory will work for twenty five (25) days a month and ensure there are stocks for the week-ends, with a labor force of about fifty (50) people.

Legal environment

As long as one is aware of the legal system of Tanzania and is 'tax compliant' doing business in this country is easy and healthy. The company intends to hire staff who are competent and aware of the legal systems as well as obtaining the legal and accounting consultants to make sure there is no problem with the authorities in the area of licenses

(investment, trading etc), health certificates, permits (building, residence, etc.) insurance, trade names and trademarks.

Personnel

The company intends to hire key staff on a permanent basis and the rest on a casual labour or sales commission basis. The key workers will include the following:

Administration Staff.

1. Managing Director
2. Marketing Manager
3. Operations Manager
4. Accountant
5. Accounts Assistant
6. Cashier
7. Purchasing Office
8. Office Administrator
9. Driver

Production Staff

1. Chief Baker
2. Senior Baker
3. Baking Assistants

Inventory

Most, if not all of the raw materials will be bought from the local market. We expect to stock at most one month's supply of these. For the imported supplies, quantities enough to support production during the lead time will be kept.

The stocks referred to here are the ingredients for the production of bread and other products mentioned under 'Products and Services'.

Suppliers

Our key suppliers will be those of flour who will be either wholesalers or producers. We shall carry out a cost benefit analysis from time to time to determine the best option.

While we expect to pay in advance for deliveries, we plan to negotiate for supply credit for smoother cash flows.

Credit Policy

In order to gain a fare and fast share of the market, we intend to allow a thirty day credit for 25% of our sales (select customers like supermarkets and big shops).

This is in line with the expected purchase strategy for smooth cash flow management.

Financial Plan

In the Financial Plan the company has worked out the Cash Flow Projections, Profit/ (Loss) Statement and the Balance Sheet for the first year (monthly) and the second year (consolidated).

Cash Flow Projections.

It is expected that the shareholders will avail investment advances amount to about us\$400,000 for the purchase of machines and materials as well as construction of a factory and cost of land and compensation for property and products on the factory land. This money will be paid back in the course of the year.

An amount of us\$20,000 will also be injected by the shareholders as capital. This will be used for the operations of the company as well.

The cash flow statement shows a healthy position.

Profit/ (Loss) Statement

Given the sales and cost assumptions, the statement shows a profit before tax. This should be useful in achieving the objectives of providing the government with tax income as well as paying the dividends to the shareholders.

Balance Sheet

The Balance Sheet as at the end of the year shows a positive Net Wealth, and a healthy Net Assets position.

Appendices

- **Balance Sheet**
- **Profit/(Loss) statement**
- **Cash Flow Statement**
- **Cost sheets**
- **Fixed Assets Schedule**
- *Brochures and advertising materials*
- *Industry studies*
- *Blueprints and plans*
- *Maps and photos of location*
- *Magazine or other articles*
- *Copies of leases and contracts*
- *Any other materials needed to support the assumptions in this plan*

BARAN MKATE HOUSE LIMITED

Profit and Loss Projection (9 Months)

Fiscal Year Begins

Jul-11

	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	YEARLY	%
Revenue (Sales)														
Sliced Bread	0	0	0	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	756,000	-
Brown Bread	0	0	0	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	648,000	-
Sconces	0	0	0	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	246,857	-
Banana Rolls	0	0	0	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	123,429	-
Burgers	0	0	0	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	246,857	-
Category 6	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Category 7	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Total Revenue (Sales)	0	0	0	224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	2,021,143	0.0
Cost of Sales														
Opening Inventory					33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	0	
ADD: Direct Purchases														
Direct Materials	0	0	0	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	301,500	14.9
Direct Labour				3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	31,500	1.6
Direct Overheads				510	510	510	510	510	510	510	510	510	4,593	0.2
Available for production	0	0	0	37,510	71,010	71,010	71,010	71,010	71,010	71,010	71,010	71,010	337,593	
LESS: Closing Stock				33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	
Total Cost of Sales	0	0	0	4,010	37,510	37,510	37,510	37,510	37,510	37,510	37,510	37,510	304,093	15.0
Gross Profit	0	0	0	220,561	187,061	187,061	187,061	187,061	187,061	187,061	187,061	187,061	1,717,050	85.0
Expenses														
Finance Charges	0	0	0	469	469	469	469	469	469	469	469	469	4,221	0.2
Indirect Expenses	0	0	0	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	277,805	13.7
Total Expenses	0	0	0	31,336	31,336	31,336	31,336	31,336	31,336	31,336	31,336	31,336	282,025	14.0
Net Profit	0	0	0	189,225	155,725	155,725	155,725	155,725	155,725	155,725	155,725	155,725	1,435,025	71.0

BARAN MKATE HOUSE LIMITED

Balance Sheet (Projected)

As at June 30, 2012

Projected

2011

Assets

Current Assets

Cash in bank	703,653
Accounts receivable	56,143
Inventory (Closing)	33,500
Pre operating Expenses	66,594
Total Current Assets	\$ 859,890

Fixed Assets

Machinery & equipment	\$ 169,713
Furniture & fixtures	\$ 3,850
Leasehold improvements	\$ 46,747
Land & buildings	\$ 440,690
Office Machines	\$ 7,600
(LESS accumulated depreciation on all fixed assets)	\$ (59,610)
Total Fixed Assets (net of depreciation)	\$ 608,988

Other Assets

Intangibles	\$ -
Deposits	-
Goodwill	-
Other	-
Total Other Assets	\$ -

TOTAL Assets	\$ 1,468,879
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Liabilities and Equity

Current Liabilities

Accounts payable	9,034
Interest payable	-
Taxes payable	4,820
Notes, short-term (due within 12 months)	-
Current part, long-term debt	-
Other current liabilities	-
Total Current Liabilities	\$ 13,854

Long-term Debt

Bank loans payable	\$ -
Notes payable to stockholders	-
LESS: Short-term portion	-
Other long term debt	-
Total Long-term Debt	\$ -

Total Liabilities	\$ 13,854
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Owners' Equity

Invested capital	\$ 20,000
Shareholders Advances towards capital	\$ -
Retained earnings - current	\$ 1,435,025
Total Owners' Equity	\$ 1,455,025

Total Liabilities & Equity	\$ 1,468,879
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BARAN MKATE HOUSE LIMITED

Sales Forecast (12 Months)

Fiscal Year Begins

July 1, 2011

12-month Sales Forecast

		Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Annual Totals
Sliced Bread	35%				168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	1,512,000
Sale price @ unit					0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	
TOTAL					84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	756,000
Brown Bread	30%				144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	1,296,000
Sale price @ unit					0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	
TOTAL					72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	648,000
Scounces	20%				96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	864,000
Sale price @ unit					0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	
TOTAL					27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	246,857
Banana Rolls	10%				48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	432,000
Sale price @ unit					0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	
TOTAL					13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	123,429
Burgers	5%				24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	216,000
Sale price @ unit					1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	
TOTAL					27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	246,857
Monthly totals: All Categories					224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	2,021,143

Production Capacity		480,000
	%	Quantity
Sliced Bread	35	168,000
Brown Bread	30	144,000
Scounces	20	96,000
Banana Rolls	10	48,000
Burgers	5	24,000
	100	480,000
BREAK-EVEN PRODUCTION		17,960
EXCESS PRODUCTION		462,040

BARAN MKATE HOUSE LIMITED

Cash Flow (12 months)

Fiscal Year Begins: Jul-11

	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Total Item EST
Cash on Hand (beginning of month)		20,000	414,340	268,277	133,432	33,521	133,609	233,697	333,786	433,874	533,962	633,331	0
CASH RECEIPTS													
Cash Sales	0	0	0	168,429	168,429	168,429	168,429	168,429	168,429	168,429	168,429	168,429	1,515,857
Collections from Debtors		0	0	0	56,143	56,143	56,143	56,143	56,143	56,143	56,143	56,143	449,143
	20,000												20,000
Directors' Advances		397,340											397,340
TOTAL CASH RECEIPTS	20,000	397,340	0	168,429	224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	2,382,340
Total Cash Available (before cash out)	20,000	417,340	414,340	436,706	358,004	258,092	358,181	458,269	558,357	658,446	758,534	857,902	2,382,340
CASH PAID OUT													
Purchases (merchandise)	0	0	0	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	301,500
Gross wages (exact withdrawal)				7,940	7,940	7,940	7,940	7,940	7,940	7,940	7,940	7,940	71,464
Payroll expenses (taxes, etc.)				4,820	4,820	4,820	4,820	4,820	4,820	4,820	4,820	0	38,356
Cooking Gas	0	0	0	441	441	441	441	441	441	441	441	441	3,972
	0	0	0	0	0	0	0	0	0	0	0	0	0
Water	0	0	0	69	69	69	69	69	69	69	69	69	621
Bank Charges	0	0	0	469	469	469	469	469	469	469	469	469	4,221
Interest													0
Accounting Services	0	0	0	500	500	500	500	500	500	500	500	500	4,500
Computer Supplies	0	0	0	70	70	70	70	70	70	70	70	70	630
Provisional Corporation Tax	0	0	0	379	379	379	379	379	379	379	379	379	3,414
Electricity Expense	0	0	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	0	20,000
Generator Fuel	0	0	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	0	20,000

Insurance	0	0	0	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	13,500	
Medical Expenses	0	0	0	800	800	800	800	800	800	800	800	800	7,200	
M V Fuel	0	0	0	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	0	11,200	
Mobile Phone Expenses	0	0	0	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	11,700	
N S S F Expenses	0	0	0	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	9,900	
Newspapers & Periodicals	0	0	0	34	34	34	34	34	34	34	34	34	276	
Printing & Stationery	0	0	0	100	100	100	100	100	100	100	100	100	900	
Professional Charges	0	0	0	250	250	250	250	250	250	250	250	250	2,000	
R & M Computers	0	0	0	150	150	150	150	150	150	150	150	150	1,350	
Rent - Staff Quarters	0	0	0	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	17,600	
Repairs and Maintenance	0	0	0	500	500	500	500	500	500	500	500	500	4,500	
Salaries and Wages	0	0	0	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	60,750	
Staff Development Levy	0	0	0	660	660	660	660	660	660	660	660	660	5,940	
Staff Welfare Expenses	0	0	0	100	100	100	100	100	100	100	100	100	900	
Telephone & Fax expenses	0	0	0	150	150	150	150	150	150	150	150	150	1,200	
Travelling Expenses	0	0	0	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	11,700	
Miscellaneous													0	
SUBTOTAL	0	0	0	71,483	71,483	71,483	71,483	71,483	71,483	71,483	71,483	71,483	57,629	629,494
Loan principal payment														0
Capital purchase (specify)														
Production Machines			143,063	26,650										169,713
Office Equipment				7,600										7,600
Furniture & Fittings				3,850										3,850
Building Materials				50,000	250,000									300,000
Factory and Office Hire costs		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000		30,000
Other startup costs				140,690										140,690
Reserve and/or Escrow														0
Director's Advances refund						50,000	50,000	50,000	50,000	50,000	50,720	96,620		397,340
TOTAL CASH PAID OUT	0	3,000	146,063	303,273	324,483	124,483	124,483	124,483	124,483	124,483	125,203	154,249	1,678,687	
Cash Position (end of month)	20,000	414,340	268,277	133,432	33,521	133,609	233,697	333,786	433,874	533,962	633,331	703,653	703,653	

COST OF SALES

	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Annual Totals
DIRECT MATERIALS										
Wheat floor	53									
<i>Quantity (kg)</i>	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	120,000
<i>Unit Price</i>	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	
Wheat floor	13,250	13,250	13,250	13,250	13,250	13,250	13,250	13,250	13,250	119,250
Baking Oil										
<i>Quantity (kg)</i>	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,800,000
<i>Unit Price (\$)</i>	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	
Baking Oil	8,325	8,325	8,325	8,325	8,325	8,325	8,325	8,325	8,325	74,925
Sugar										
<i>Quantity (kg)</i>	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	288,000
<i>Unit Price (\$)</i>	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	
Sugar	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	54,000
Salt										
<i>Quantity (kg)</i>	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	60,000
<i>Unit Price (\$)</i>	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	
Salt	375	375	375	375	375	375	375	375	375	3,375
Yeast										
<i>Quantity (pks)</i>	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	2,400,000
<i>Unit Price (\$)</i>	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	
Yeast	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	22,950
Improver										
<i>Quantity (kg)</i>	10,667	10,667	10,667	10,667	10,667	10,667	10,667	10,667	10,667	96,000
<i>Unit Price (\$)</i>	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	
Improver	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	27,000
COST OF MATERIALS	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	301,500
					INVENTORY (One months cost of production)					33,500

DIRECT LABOUR	BASIC SALARY	NSSF EXPENSE	TAXABLE PAY	PAYE	TOTAL DEDUCTIONS	NET SALARY
Chief Baker	1,200	120	1,080	250	370	830
Senior Baker	800	80	720	142	222	578
Baking Assistant	500	50	450	64	114	386
Baking Assistant	500	50	450	64	114	386
Baking Assistant	500	50	450	64	114	386
TOTAL DIRECT LABOUR	3,500	350	3,150	585	935	2,565
INDIRECT LABOUR						
Managing Director	2,000	200	1,800	466	666	1,334
Marketing Manager	1,200	120	1,080	250	370	830
Operations Manager	1,200	120	1,080	250	370	830
Accountant	1,000	100	900	196	296	704
Accounts Assistant	500	50	450	64	114	386
Cashier	300	30	270	25	55	245
Stores Officer	400	40	360	43	83	317
Purchasing Officer	400	40	360	43	83	317
Office Administrator	300	30	270	25	55	245
Driver	200	20	180	12	32	168
TOTAL INDIRECT LABOUR	7,500	750	6,750	1,375	2,125	5,375

TOTAL LABOUR	11,000	1,100	9,900	1,960	3,060	7,940
S D L	660.00					

NSSF PAYABLE	GROSS SALARY	PAYE PAYABLE
240	10,800	3,001
160	7,200	1,705
100	4,500	771
100	4,500	771
100	4,500	771
700	31,500	7,020
	-	-
400	24,000	5,593
240	14,400	3,001
240	14,400	3,001
200	12,000	2,353
100	6,000	771
60	3,600	301
80	4,800	517
80	4,800	517
60	3,600	301
40	2,400	140
1,500	90,000	16,495
2,200	121,500	23,515

DIRECT OVERHEADS

Cooking Gas	441	441	441	441	441	441	441	441	441	441	3,972
	-	-	-	-	-	-	-	-	-	-	-
Water	69	69	69	69	69	69	69	69	69	69	621
	510	510	510	510	510	510	510	510	510	510	4,593

Finance Charges

Bank Charges	469	469	469	469	469	469	469	469	469	469	4,221
Interest on Loan											-
	469	469	469	469	469	469	469	469	469	469	4,221

Indirect Expenses

Accounting Services	500	500	500	500	500	500	500	500	500	500	4,500
Computer Supplies	70	70	70	70	70	70	70	70	70	70	630
Provisional Corporation Tax	379	379	379	379	379	379	379	379	379	379	3,414
Depreciation	6,623	6,623	6,623	6,623	6,623	6,623	6,623	6,623	6,623	6,623	59,610
Electricity Expense	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	22,500
Generator Fuel	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	22,500
Insurance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	13,500
Medical Expenses	800	800	800	800	800	800	800	800	800	800	7,200
M V Fuel	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	12,600
Mobile Phone Expenses	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	11,700
N S S F Expenses	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	9,900
Newspapers & Periodicals	34	34	34	34	34	34	34	34	34	34	310
Printing & Stationery	100	100	100	100	100	100	100	100	100	100	900
Professional Charges	250	250	250	250	250	250	250	250	250	250	2,250
R & M Computers	150	150	150	150	150	150	150	150	150	150	1,350
Rent - Staff Quarters	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	19,800
Repairs and Maintenance	500	500	500	500	500	500	500	500	500	500	4,500
Salaries and Wages	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	60,750
Staff Development Levy	660	660	660	660	660	660	660	660	660	660	5,940
Staff Welfare Expenses	100	100	100	100	100	100	100	100	100	100	900
Telephone & Fax expenses	150	150	150	150	150	150	150	150	150	150	1,350
Travelling Expenses	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	11,700
											-
	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	277,805

ACCOUNTS PAYABLE	Jun-12
Telephone & Fax expenses	150
Rent - Staff Quarters	2,200
Newspapers & Periodicals	34
M V Fuel	1,400
Electricity Expense	2,500
Generator Fuel	2,500
Professional Charges	250
TOTAL	9,034

TAXES PAYABLE	Jun-12
P A Y E	1,960
NSSF EXPENSE	2,200
S D L	660
	4,820

PRODUCTION (QUANTITY AND COSTS)

		Unit Cost	PRODUCTION (QTY)		PRODUCTION (COSTS)
			Daily	Monthly	Monthly
Birthday Cakes	Nos	0.25	50	1,500	375
Biscuits	Kg	0.10	50	1,500	150
Pasta with cheese parley	Kg	0.10	50	1,500	150
Pastry with meat/cheese Filling	Kg	0.10	50	1,500	150
Turkish Bage	Kg	0.10	50	1,500	150
Baklava Types & Tulumba	Kg	0.25	50	1,500	375

	Unit Cost	PRODUCTION (QTY)			PRODUCTION (COSTS)
		Hourly (Pcs)	Daily (24hrs)	Monthly (25Dys)	Monthly
Bread	0.25	800	19,200	480,000	120,000

BARAN MKATE HOUSE LIMITED

LIST OF FIXED ASSETS

Own Supplied (TURKEY)

PRODUCTION MACHINES		Conversion rate		0.748719	DEPRECIATION 2011		
MAKE	DESCRIPTION	QTY(pcs)	UNIT PRICE (EUR)	NET AMOUNT (EUR)	FULL AMOUNT US\$	\$	AMOUNT
LIDER 250	Rotary Trolley Oven with Gas	2	15,200	30,400	40,603		
DM 2100	Past Cutting and Weighing Machine	1	5,650	5,650	7,546		
PM 280 P	Interval Resting Machine (280 bowl stainless machine)	1	5,450	5,450	7,279		
LM 300 P	Long Forming machine (stainless steel)	1	5,900	5,900	7,880		
ELM 50 PI	Portable Flour eliminating Machine (silk stainless Steel)	1	1,485	1,485	1,983		
CM 3100	Paste Rolling Machine (stainless steel)	1	3,950	3,950	5,276		
EDM 32 T	Bread Slicing (can cut large breads)	1	1,300	1,300	1,736		
SP 200 K	Spiral Mixer (200kg lift and turning)	1	18,900	18,900	25,243		
SP 80	Spiral Mixed (80 Kg paste)	1	4,850	4,850	6,478		
KLM 12	Steam Conditioner	1	1,200	1,200	1,603		
PL 60	Planet Mixer (120 eggs)	1	1,800	1,800	2,404		
TA 80 x 100	Pan Trolley (for LIDER 250)	10	250	2,500	3,339		
BG 80 x 100	Baquette Pan (teflon)	25	60	1,500	2,003		
SD 80 x 100	Sandwich Pan (teflon)	16	141	2,250	3,005		
TS 9 x 9 x 28	Toast Pan for 6 Toasts (teflon flap)	30	75	2,250	3,005		
DZ 80 x 100	Perforated and Unperforated Pan (teflon)	120	40	4,800	6,411		
	Cold room and Deep freezer - ice machine	1	10,300	10,300	13,757		
MATAS	Bread Slicing Machine (2,000 slices in an hour)	1	3,500	3,500	4,675		
COMIZ	Package Closing Machine (2,000 packages in an hour)	1	3,600	3,600	4,808		
	Equipment Shipping Costs			5,000	6,678		
Local - TZ	Air Compressor (100Lt)	1			2,000		
Local - TZ	AC Generator (50 KV)	1			12,000		
POSSIBLE DICOUNT (EUR 22,895)				116,585	169,713	25%	42,428
DISCOUNTED VALUE				22,895	22,895		
				93,690	146,818		

BUILDINGS

Leasehold Improvements						
Sales Shops (50 - 60 m2 x 400 - 800)	1	20,690		20,690		
Factory cum Office Building	3	40,000		120,000		
Sales and Storehouse	1	200,000		200,000		
	1	100,000		100,000		
				440,690	5%	22,034

MOTOR VEHICLES

Distribution Vans (pick-ups)	3	11,667	35,000	46,747	25%	11,687
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OFFICE MACHINES

Computers						
Printers & Copiers	5	1,000	5,000	5,000		
Copiers	2	800	1,600	1,600		
	2	500	1,000	1,000		
				7,600	37.50%	2,850

OFFICE FURNITURE & FITTINGS

Tables	10	150	1,500	1,500		
Chairs	10	110	1,100	1,100		
Air conditioners	5	250	1,250	1,250		
				3,850	12.50%	481

TOTAL INVESTMENT IN FIXED ASSETS

668,599

79,481

CERTIFIED TRUE
COPY OF THE ORIGINAL



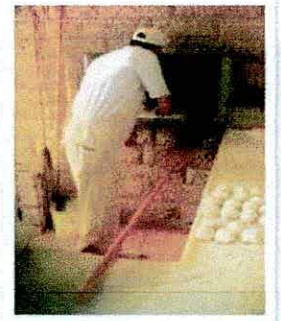
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Baran Mkate House Limited



Business Plan

2011-2013



Bread making machine

Prepared By:

Pamphill A Kiluwa
Consultant & Trainer
IPSCM Consult

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Executive Summary

Tanzania is one of the third world countries with a high potential for investment by not only Tanzanians but also foreigners. Current statistics indicate a high influx of foreign investment in various areas of the country with agriculture being the main drive at the moment, pushed by the 'Kilimo Kwanza' philosophy of the government of Tanzania.

The success of 'Kilimo Kwanza' will include an increase in the production of agricultural products for both domestic consumption and export. This is in line with the government's efforts to eradicate poverty in the country by increasing the per capital income of its people and making sure that no one goes hungry.

The bakery and confectionery products production is among the secondary industries which help the government achieve its objectives of ensuring the people have adequate food to eat. Given the eating habits of indigenous Tanzanians and other nationalities living in the country, it has been observed that the bakery and confectionery industry is growing at a fast pace in the urban areas of the country. It will grow even faster with the development of the Blue Diamond City of Kigamboni.

Baran Mkate House is to grab this demand opportunity by bringing in Turkish bakery and confectionery technology to fill the 'mkate' demand gap primarily in the Dar es Salaam City and later on in the up country cities. To do this, the company, with its mission of producing and selling quality bread at low prices and seeing itself as being one of leading producers and distributors of quality bread in the country, intends to have a factory at Kigamboni, have distribution shops in each of the three municipalities of the city and establish relationships with big shops and supermarkets from which its products will be sold. This is in addition to having a shop around the factory.

The business will be introduced in phases but within a short period of time to cope with investment developments in the city. **First**, there will be building of a factory coupled with the importation of quality machinery from Turkey and subsequent installation of the same as well as the renting of shops in the three municipalities. **Then**, there will follow phase two which will be the production of different types of bread in the first place followed by the production of salty and sweet products like pastry, biscuits and cakes.

To implement the entire plan, four local and foreign investors have come together to contribute towards the required capital. It is expected that the whole project will cost about US Dollars 400,000 in buildings and machinery as well as initial working capital.

With the favorable investment climate in the country, and given that demand for bread is unquestionable with manageable competition, the investors are very optimistic about achieving their objectives of providing quality food to Tanzanians, paying taxes to the government and paying back the investment money to the shareholders.

Together we shall build the nation.

Shamim Msangi Nyanduga

EXECUTIVE DIRECTOR

General Company Description

Introduction

Baran Mkate House Limited is a company registered in Tanzania by the Registrar of Companies under the Companies Ordinance Cap. 212 (revised 2006).

The company was registered on the 28th day of September in the year 2010, under certificate number 78873. It also has a valid business license number as well as a Tax Payer Identification Number (TIN) 111-008-981 dated 20/10/2010.

Its **Headquarter** is at Kigamboni in the City of Dar es Salaam – Tanzania.

In its Memorandum and Articles of Association, the company is in the business of producing and selling all kinds of bakery products, including but not limited to all types and sizes of bread, sconces, banana rolls, cakes, biscuits, doughnuts, burgers and the like for sale in the local market to begin with and later on in the export market as circumstances allow.

Mission:

BMHL has a mission of producing quality bakery products for consumption by the local and foreign consumers in line with local and international health standards with a view to minimizing costs of production and maximizing quality so that products are availed to the consumers at the lowest prices possible.

Vision:

BMHL would like to see itself as one of the leading producers of bakery products, with a major in the common food product 'mkate' or bread which is commonly consumed by the common man, as well a leading provider of not only employment to the local community, but also poverty alleviator in the provision of quality yet affordable bread.

Objectives and Goals:

The main objectives of the company include:

1. Meeting the quality and quantity 'mkate' needs of all the three Municipal Councils of the City (*Ilala, Kinondoni and Temeke*), during 2011 and later on, in the neighboring municipalities and towns in the years to come.

2. To assist the government in eradicating poverty by availing 'mkate' products at as low prices as possible while maintaining quality.
3. To ensure it enters the competitive market and obtains at least a 30% share of the whole market by the end of 2011.

In order to meet the above objectives, the company has the following goals:

1. Build or acquire three shops in each of the municipalities from where product distribution will take place,
2. Establishing selling outlets in the densely populated areas for the consumers' ease of access to the products – at least sixty (60) of these.
3. Engage in door to door selling to the major hotels and restaurants in the city for the main and other products they might require to gain a competitive advantage over other suppliers – at least twenty (20) motor cycles.
4. Establishment of alliances with local producers and/or later apply vertical integration to ensure minimum production costs for lower prices.

Business Philosophy:

In line with the Tanzania Government's policies on eradication of poverty in the country by means of creating employment opportunities for Tanzanians, BMHL intends to create employment opportunities for workers in the factory as well as in the sales operations. This will continue when we consider expanding our sales operations upcountry.

The company believes in the spirit of 'entrepreneurship', that of taking advantage of business opportunities and applying the 'win win' philosophy whose results will benefit not only the company but the consumers, suppliers, the general population and the government, in terms of providing quality products on a timely basis and paying taxes for the development of the nation.

Baran Mkate House Limited boasts of bringing in a wealth of knowledge and experience from its owners- many years of experience in the bakery industry where quality and variety production cannot be over-emphasized, as well as business management where customer care is taken and practiced very seriously.

We intend to set up supply centers in the densely populated areas of the city as mentioned under 'objectives', such as Temeke, Buguruni, Mbagala, Ubungo, Kariakoo, etc. so as to be within the proximity of our customers.

Given the quality of our products and the supply strategy, we expect to grow into a large producer and distributor of bakery products without much competition. We have the production and human resources to do so.

This company is legally registered as a Limited liability company pooling a tremendous wealth of skills from within the country and outside the country as well.

Ownership and Shareholding

The company is owned by a team of indigenous Tanzanians and a foreigner from Turkey. The company's shareholding is distributed among the shareholders as follows:-

1. Shamin Msangi Nyanduga – Tanzanian – (22%)
2. Helen Lwegasira - Tanzanian – (22%)
3. Victoria Richard Mwakasege – Tanzanian – (22%) and
4. Nihat Kilit – Turkish – (36%)

These will form the founding Board of Directors who will develop policies to be applied by the Management of the company as described under Personnel Issues.

Products and services

Products:



In accordance with our studies, the majority of the urban and sub-urban dwellers consume

1. Bread for not only breakfast but also as a meal. For this group of customers, we expect to produce small, medium and large sizes of white bread, mostly sliced and a fair portion of unsliced bread (in the large size category). We shall also produce brown bread which is mostly sold in supermarkets, shopping centers and large shops.
2. Cakes and scones - especially the youngsters; at school, parties conferences and even at home.
3. Banana rolls and burgers – in restaurants, hotels, tea shops and kiosks. A variety of these will be produced in accordance with confirmed orders and foreseen demand.
4. Creams – variety of these in accordance with the weather in the country.
5. Other products we intend to produce to cater for a small portion of the market will include biscuits, pasta and baklava types and tulumba.

The needs of our customers are dependent on their cultural orientation. We have a number of communities with differing food tastes – Indian, Arabic, Chinese, European, African and mixtures of the above. In order to satisfy such consumption needs, we will

have to use a number of ingredients to produce different tastes, especially for the cakes, burgers, scones and rolls. These will include but not limited to the following:-

- a) Different types of flour - white bread flour, brown flour (whole wheat or wheat meal), whole grain and rye flour, Pastry flour, Cake flour, Durham flour, Hovis flour, Rice flour, self raising flour and numerous other flours, each designed for some particular manufacturing method or product.
- b) Liquids used in the bakery, which might be eggs or water, milk or oil.
- c) Shortenings which can be separated into several categories,
- d) Oil which can be frying oil or salad oils,
- e) Margarines or butters.
- f) Pastry shortenings or high ratio shortenings and lards.
- g) Different types of dry sugars, which can also be in liquid forms too. Glucose, Honey and syrup are but three.
- h) Salts used in a bakery, of which many chemicals can be attributed to a salt also, such as Ammonium bi-carbonate as well as Salt or sodium chloride and Vol, as well as cream of tartar and baking powder.
- i) Herbs like parsley and sage, flavors and spices as well as colorings.
- j) Thickening agents like corn starch and custard powders, gravy browning and soup flavors.

All of these come under the term ingredients.

Services:

In order to compete in the 'mkate' market, our selling strategy will incorporate the provision of the following services:-

- i) A sales outlet around the factory in Kigamboni,
- ii) Shops in the major market places,
- iii) Selling points in the major densely populated areas in the town and
- iv) Distribution vans and motor cycles and tricycles to supermarkets and large shops.

Investment Plan

We intend to have two investment phases.

Phase One will be the acquisition of land and putting up a factory building and a sales and administration building as well as hiring three shops in each of the three municipalities. This will go hand in hand with the purchase of production equipment shown under fixed assets in the schedules to this business plan.

Phase Two will be starting production and sales operations which will have two projects.

- a) Project 1 will be production of bread – the main product – in different sizes and shapes to cater for the different types of consumers.
- b) Project 2 will be the production of baked products comprising:-
 - i) Salty types of baked products like pastry with meat/cheese filling, Turkish bagel, pasta with cheese parsley fillings, rolled pastry, different types of biscuits
 - ii) Sweet type of baked products like birthday cakes, baklava deserts and the like.

Marketing Plan

Market Economics

Our market survey reveals that there are existing suppliers in the market most of whom have been in the business for many years. Many of these are located in specifically populated areas of the city and do have outlets to other areas of it as given below:

- 1) AZAM BAKERY – ‘azam’, a big brand in the market is sold almost throughout the country; the factory is located outside the city centre towards the JK International airport.
- 2) TEMEKE BAKERY – covers a large part of the Temeke Municipality and some gaps are filled by Azam.
- 3) SUPER LOAF – a big competitor of Azam, has a factory in Dar es Salaam and a distribution network throughout the country,

- 4) SAHARA – another long established producer of bread has captured the Magomeni Mwembechai market and enjoys a fair share of the market.
- 5) MARCOM – located at Kijitonyama area, has several years in the market and also enjoys a fair share of it,
- 6) MANZI LOAF – located at Magomeni Makanya, distributes bread around that area and extends to Tandale and Magomeni. It also enjoys a fair share of the market.
- 7) HOT LOAF – has specialized in supplying bread to Super Markets together with other small bakeries like Epic d’or, and
- 8) SUPER BAKERY – distributes its bread in the Tegeta and Kunduchi areas.

AZAM and TEMEKE bakeries are the main competitors in the market. We are optimistic that we can comfortably enter the market and enjoy the competition.

The above survey clearly shows that the City of Dar es Salaam is yet to be covered by bakeries. The area we have chosen – Kigamboni, is not well covered at all. The demand in the areas of Ubungo, Kimara, Mbezi, just to mention a few, is yet to be satisfied.

With the growing population of the City of Dar es Salaam, and given that bread consumption is unavoidable (especially by the low income earners), the demand for bread is ought to increase as well into the far future.

Marketing Strategy

As observed earlier, almost every household in the city of Dar es Salaam eats bread- (bread eating was introduced to the coastal and later upcountry areas by businessmen from Asia, the Far East and Central Europe, especially the Greeks).

Our target customers are the low income earners in those densely populated areas- demographically located in the areas of Kigamboni, Manzese, Tandika and Tandale. These form the larger part of the Dar es Salaam population.

The other customer groups are the middle level income earners of Tabata, Kimara, Mbezi and parts of Msasani, and the high income earners located in areas like Masaki, Upanga, Mikocheni, Oyster bay and most parts of the city centre.

The low and middle level income earners are our target groups – the **niche** market.

In order to enter the market with high impact, we will apply the following marketing strategies:-

- a) Employing workers from other bakeries or who have had working/selling experience in the bakery industry for a faster production and sales take off.
- b) Develop and launch marketing campaigns such as sending letters of introduction to shops as well as samples of the products to major shopping centers.
- c) Getting media exposure through Television, Radio and Newspaper advertisements using the most popular media – the ones seen, heard and read by the niche market population.
- d) Undertaking shop to shop deliveries using vans and motor cycles for quick delivery and ease of availability of the products. This also reduces the selling prices because the company will be eliminating seller purchasing costs.
- e) Establish a consumer feedback mechanism which will help us eliminate problems encountered by the selling outlets as well as the direct consumers.
- f) Come up with a logo for the main product so that customers know our products through the logo,
- g) Obtain certification from the Tanzania Bureau of Standards for our products for customer confidence in what they consume.
- h) Have a website where our products and services will be read and seen.

Pricing

Cost of Production.

We intend to keep down costs of production by buying in large quantities for quantity discounts, as well as systematically controlling our other variable costs of production.

Fixed Costs-(Operating Costs).

Where possible we shall keep our operating costs to the minimum to ensure low selling prices.

Selling Prices and quality

While we endeavor to minimize costs, our niche market is seen not to worry much about prices, it is quality that matters. This will be our concentration in the production of bread to make sure we get the desired share of the 'mkate' market.

Distribution Channels

In order to be able to reach the customers in the niche market and the high income earners, we intend to have:-

- a) A retail shop in the factory compound at Kigamboni,
- b) Three shops- one in each of the three municipalities from where our vans and motor cycles will take their supplies for distribution to large shops and supermarkets.

Sales Forecast

Sales forecast for the first year are based on the main products – bread (65%), sconces (20%) banana rolls (10%), and burgers (5%).

Normally, with effective cost control, the profit margin on bakery products is high. We intend to keep prices low while maintaining quality for higher sales.

The sales data can be seen in our sales forecast. Monthly sales of US Dollars 225,000 are expected.

Operations Plan

Production

The company will import modern high technology production machines from Turkey which will not only ensure quality production but also production of the required quantities in time for supply to the consumers to ensure continuity of supply.

It is expected that in the first year, the factory will work for twenty five (25) days a month and ensure there are stocks for the week-ends, with a labor force of about fifty (50) people.

Legal environment

As long as one is aware of the legal system of Tanzania and is 'tax compliant' doing business in this country is easy and healthy. The company intends to hire staff who are competent and aware of the legal systems as well as obtaining the legal and accounting consultants to make sure there is no problem with the authorities in the area of licenses

(investment, trading etc), health certificates, permits (building, residence, etc.) insurance, trade names and trademarks.

Personnel

The company intends to hire key staff on a permanent basis and the rest on a casual labour or sales commission basis. The key workers will include the following:

Administration Staff.

1. Managing Director
2. Marketing Manager
3. Operations Manager
4. Accountant
5. Accounts Assistant
6. Cashier
7. Purchasing Office
8. Office Administrator
9. Driver

Production Staff

1. Chief Baker
2. Senior Baker
3. Baking Assistants

Inventory

Most, if not all of the raw materials will be bought from the local market. We expect to stock at most one month's supply of these. For the imported supplies, quantities enough to support production during the lead time will be kept.

The stocks referred to here are the ingredients for the production of bread and other products mentioned under 'Products and Services'.

Suppliers

Our key suppliers will be those of flour who will be either wholesalers or producers. We shall carry out a cost benefit analysis from time to time to determine the best option.

While we expect to pay in advance for deliveries, we plan to negotiate for supply credit for smoother cash flows.

Credit Policy

In order to gain a fare and fast share of the market, we intend to allow a thirty day credit for 25% of our sales (select customers like supermarkets and big shops).

This is in line with the expected purchase strategy for smooth cash flow management.

Financial Plan

In the Financial Plan the company has worked out the Cash Flow Projections, Profit/ (Loss) Statement and the Balance Sheet for the first year (monthly) and the second year (consolidated).

Cash Flow Projections.

It is expected that the shareholders will avail investment advances amount to about us\$400,000 for the purchase of machines and materials as well as construction of a factory and cost of land and compensation for property and products on the factory land. This money will be paid back in the course of the year.

An amount of us\$20,000 will also be injected by the shareholders as capital. This will be used for the operations of the company as well.

The cash flow statement shows a healthy position.

Profit/ (Loss) Statement

Given the sales and cost assumptions, the statement shows a profit before tax. This should be useful in achieving the objectives of providing the government with tax income as well as paying the dividends to the shareholders.

Balance Sheet

The Balance Sheet as at the end of the year shows a positive Net Wealth, and a healthy Net Assets position.

Appendices

- **Balance Sheet**
- **Profit/(Loss) statement**
- **Cash Flow Statement**
- **Cost sheets**
- **Fixed Assets Schedule**
- *Brochures and advertising materials*
- *Industry studies*
- *Blueprints and plans*
- *Maps and photos of location*
- *Magazine or other articles*
- *Copies of leases and contracts*
- *Any other materials needed to support the assumptions in this plan*

BARAN MKATE HOUSE LIMITED

Profit and Loss Projection (9 Months)

Fiscal Year Begins

Jul-11

	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	YEARLY	%
Revenue (Sales)														
Sliced Bread	0	0	0	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	756,000	-
Brown Bread	0	0	0	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	648,000	-
Scounces	0	0	0	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	246,857	-
Banana Rolls	0	0	0	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	123,429	-
Burgers	0	0	0	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	246,857	-
Category 6	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Category 7	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Total Revenue (Sales)	0	0	0	224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	2,021,143	0.0
Cost of Sales														
Opening Inventory					33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	0	
ADD: Direct Purchases														
Direct Materials	0	0	0	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	301,500	14.9
Direct Labour				3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	31,500	1.6
Direct Overheads				510	510	510	510	510	510	510	510	510	4,593	0.2
Available for production	0	0	0	37,510	71,010	71,010	71,010	71,010	71,010	71,010	71,010	71,010	337,593	
LESS: Closing Stock				33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	
Total Cost of Sales	0	0	0	4,010	37,510	37,510	37,510	37,510	37,510	37,510	37,510	37,510	304,093	15.0
Gross Profit	0	0	0	220,561	187,061	187,061	187,061	187,061	187,061	187,061	187,061	187,061	1,717,050	85.0
Expenses														
Finance Charges	0	0	0	469	469	469	469	469	469	469	469	469	4,221	0.2
Indirect Expenses	0	0	0	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	277,805	13.7
Total Expenses	0	0	0	31,336	31,336	31,336	31,336	31,336	31,336	31,336	31,336	31,336	282,025	14.0
Net Profit	0	0	0	189,225	155,725	155,725	155,725	155,725	155,725	155,725	155,725	155,725	1,435,025	71.0

BARAN MKATE HOUSE LIMITED

Balance Sheet (Projected)

As at June 30, 2012

Projected
2011

Assets

Current Assets

Cash in bank	703,653
Accounts receivable	56,143
Inventory (Closing)	33,500
Pre operating Expenses	66,594
Total Current Assets	\$ 859,890

Fixed Assets

Machinery & equipment	\$ 169,713
Furniture & fixtures	\$ 3,850
Leasehold improvements	\$ 46,747
Land & buildings	\$ 440,690
Office Machines	\$ 7,600
(LESS accumulated depreciation on all fixed assets)	\$ (59,610)
Total Fixed Assets (net of depreciation)	\$ 608,988

Other Assets

Intangibles	\$ -
Deposits	-
Goodwill	-
Other	-
Total Other Assets	\$ -

TOTAL Assets	\$ 1,468,879
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Liabilities and Equity

Current Liabilities

Accounts payable	9,034
Interest payable	-
Taxes payable	4,820
Notes, short-term (due within 12 months)	-
Current part, long-term debt	-
Other current liabilities	-
Total Current Liabilities	\$ 13,854

Long-term Debt

Bank loans payable	\$ -
Notes payable to stockholders	-
LESS: Short-term portion	-
Other long term debt	-
Total Long-term Debt	\$ -

Total Liabilities	\$ 13,854
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Owners' Equity

Invested capital	\$ 20,000
Shareholders Advances towards capital	\$ -
Retained earnings - current	\$ 1,435,025
Total Owners' Equity	\$ 1,455,025

Total Liabilities & Equity	\$ 1,468,879
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BARAN MKATE HOUSE LIMITED

Sales Forecast (12 Months)

Fiscal Year Begins

July 1, 2011

12-month Sales Forecast

		Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Annual Totals
Sliced Bread	35%				168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	1,512,000
Sale price @ unit					0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	
TOTAL					84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	756,000
Brown Bread	30%				144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	1,296,000
Sale price @ unit					0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	
TOTAL					72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	648,000
Scounces	20%				96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	864,000
Sale price @ unit					0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	
TOTAL					27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	246,857
Banana Rolls	10%				48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	432,000
Sale price @ unit					0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	
TOTAL					13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	123,429
Burgers	5%				24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	216,000
Sale price @ unit					1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	
TOTAL					27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	246,857
Monthly totals: All Categories					224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	2,021,143

Production Capacity

	%	Quantity
Sliced Bread	35	168,000
Brown Bread	30	144,000
Scounces	20	96,000
Banana Rolls	10	48,000
Burgers	5	24,000
	100	480,000
BREAK-EVEN PRODUCTION		17,960
EXCESS PRODUCTION		462,040

480,000

BARAN MKATE HOUSE LIMITED

Fiscal Year Begins: Jul-11

Cash Flow (12 months)

	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Total Item EST
Cash on Hand (beginning of month)		20,000	414,340	268,277	133,432	33,521	133,609	233,697	333,786	433,874	533,962	633,331	0
CASH RECEIPTS													
Cash Sales	0	0	0	168,429	168,429	168,429	168,429	168,429	168,429	168,429	168,429	168,429	1,515,857
Collections from Debtors		0	0	0	56,143	56,143	56,143	56,143	56,143	56,143	56,143	56,143	449,143
	20,000												20,000
Directors' Advances		397,340											397,340
TOTAL CASH RECEIPTS	20,000	397,340	0	168,429	224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	2,382,340
Total Cash Available (before cash out)	20,000	417,340	414,340	436,706	358,004	258,092	358,181	458,269	558,357	658,446	758,534	857,902	2,382,340
CASH PAID OUT													
Purchases (merchandise)	0	0	0	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	301,500
Gross wages (exact withdrawal)				7,940	7,940	7,940	7,940	7,940	7,940	7,940	7,940	7,940	71,464
Payroll expenses (taxes, etc.)				4,820	4,820	4,820	4,820	4,820	4,820	4,820	4,820	0	38,556
Cooking Gas	0	0	0	441	441	441	441	441	441	441	441	441	3,972
Water	0	0	0	69	69	69	69	69	69	69	69	69	621
Bank Charges	0	0	0	469	469	469	469	469	469	469	469	469	4,221
Interest													0
Accounting Services	0	0	0	500	500	500	500	500	500	500	500	500	4,500
Computer Supplies	0	0	0	70	70	70	70	70	70	70	70	70	630
Provisional Corporation Tax	0	0	0	379	379	379	379	379	379	379	379	379	3,414
Electricity Expense	0	0	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	0	20,000
Generator Fuel	0	0	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	0	20,000

				1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	13,500
Insurance	0	0	0	800	800	800	800	800	800	800	800	800	800	7,200
Medical Expenses	0	0	0	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	11,200
M V Fuel	0	0	0	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	11,700
Mobile Phone Expenses	0	0	0	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	9,900
N S S F Expenses	0	0	0	34	34	34	34	34	34	34	34	34	34	276
Newspapers & Periodicals	0	0	0	100	100	100	100	100	100	100	100	100	100	900
Printing & Stationery	0	0	0	250	250	250	250	250	250	250	250	250	250	2,000
Professional Charges	0	0	0	150	150	150	150	150	150	150	150	150	150	1,350
R & M Computers	0	0	0	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	17,600
Rent - Staff Quarters	0	0	0	500	500	500	500	500	500	500	500	500	500	4,500
Repairs and Maintenance	0	0	0	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	60,750
Salaries and Wages	0	0	0	660	660	660	660	660	660	660	660	660	660	5,940
Staff Development Levy	0	0	0	100	100	100	100	100	100	100	100	100	100	900
Staff Welfare Expenses	0	0	0	150	150	150	150	150	150	150	150	150	150	1,200
Telephone & Fax expenses	0	0	0	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	11,700
Travelling Expenses	0	0	0											
Miscellaneous														0
SUBTOTAL	0	0	0	71,483	71,483	71,483	71,483	71,483	71,483	71,483	71,483	71,483	57,629	629,494
Loan principal payment														0
Capital purchase (specify)														
Production Machines			143,063	26,650										169,713
Office Equipment				7,600										7,600
Furniture & Fittings				3,850										3,850
Building Materials				50,000	250,000									300,000
Factory and Office Hire costs		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000		30,000
Other startup costs				140,690										140,690
Reserve and/or Escrow														0
Director's Advances refund						50,000	50,000	50,000	50,000	50,000	50,000	50,720	96,620	397,340
TOTAL CASH PAID OUT	0	3,000	146,063	303,273	324,483	124,483	124,483	124,483	124,483	124,483	125,203	154,249		1,678,667
Cash Position (end of month)	20,000	414,340	268,277	133,432	33,521	133,609	233,697	333,786	433,874	533,962	633,331	703,653		703,653

COST OF SALES

	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Annual Totals
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DIRECT MATERIALS

Wheat floor	53									
<i>Quantity (kg)</i>	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	13,333	120,000
<i>Unit Price</i>	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.99	
Wheat floor	13,250	13,250	13,250	13,250	13,250	13,250	13,250	13,250	13,250	119,250
Baking Oil										
<i>Quantity (kg)</i>	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,800,000
<i>Unit Price (\$)</i>	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	
Baking Oil	8,325	8,325	8,325	8,325	8,325	8,325	8,325	8,325	8,325	74,925
Sugar										
<i>Quantity (kg)</i>	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	288,000
<i>Unit Price (\$)</i>	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	
Sugar	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	54,000
Salt										
<i>Quantity (kg)</i>	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	60,000
<i>Unit Price (\$)</i>	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	
Salt	375	375	375	375	375	375	375	375	375	3,375
Yeast										
<i>Quantity (pks)</i>	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	266,667	2,400,000
<i>Unit Price (\$)</i>	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	
Yeast	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	22,950
Improver										
<i>Quantity (kg)</i>	10,667	10,667	10,667	10,667	10,667	10,667	10,667	10,667	10,667	96,000
<i>Unit Price (\$)</i>	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	
Improver	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	27,000
COST OF MATERIALS	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	301,500
INVENTORY (One months cost of production)									33,500	

	BASIC SALARY	NSSF EXPENSE	TAXABLE PAY	PAYE	TOTAL DEDUCTIONS	NET SALARY
DIRECT LABOUR						
Chief Baker	1,200	120	1,080	250	370	830
Senior Baker	800	80	720	142	222	578
Baking Assistant	500	50	450	64	114	386
Baking Assistant	500	50	450	64	114	386
Baking Assistant	500	50	450	64	114	386
TOTAL DIRECT LABOUR	3,500	350	3,150	585	935	2,565
INDIRECT LABOUR						
Managing Director	2,000	200	1,800	466	666	1,334
Marketing Manager	1,200	120	1,080	250	370	830
Operations Manager	1,200	120	1,080	250	370	830
Accountant	1,000	100	900	196	296	704
Accounts Assistant	500	50	450	64	114	386
Cashier	300	30	270	25	55	245
Stores Officer	400	40	360	43	83	317
Purchasing Officer	400	40	360	43	83	317
Office Administrator	300	30	270	25	55	245
Driver	200	20	180	12	32	168
TOTAL INDIRECT LABOUR	7,500	750	6,750	1,375	2,125	5,375
TOTAL LABOUR	11,000	1,100	9,900	1,960	3,060	7,940
S D L	660.00					

NSSF PAYABLE	GROSS SALARY	PAYE PAYABLE
240	10,800	3,001
160	7,200	1,705
100	4,500	771
100	4,500	771
100	4,500	771
700	31,500	7,020
	-	-
400	24,000	5,593
240	14,400	3,001
240	14,400	3,001
200	12,000	2,353
100	6,000	771
60	3,600	301
80	4,800	517
80	4,800	517
60	3,600	301
40	2,400	140
1,500	90,000	16,495
2,200	121,500	23,515

DIRECT OVERHEADS

Cooking Gas	441	441	441	441	441	441	441	441	441	441	3,972
	-	-	-	-	-	-	-	-	-	-	-
Water	69	69	69	69	69	69	69	69	69	69	621
	510	510	510	510	510	510	510	510	510	510	4,593

Finance Charges

Bank Charges	469	469	469	469	469	469	469	469	469	469	4,221
Interest on Loan											-
	469	469	469	469	469	469	469	469	469	469	4,221

Indirect Expenses

Accounting Services	500	500	500	500	500	500	500	500	500	500	4,500
Computer Supplies	70	70	70	70	70	70	70	70	70	70	630
Provisional Corporation Tax	379	379	379	379	379	379	379	379	379	379	3,414
Depreciation	6,623	6,623	6,623	6,623	6,623	6,623	6,623	6,623	6,623	6,623	59,610
Electricity Expense	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	22,500
Generator Fuel	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	22,500
Insurance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	13,500
Medical Expenses	800	800	800	800	800	800	800	800	800	800	7,200
M V Fuel	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	12,600
Mobile Phone Expenses	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	11,700
N S S F Expenses	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	9,900
Newspapers & Periodicals	34	34	34	34	34	34	34	34	34	34	310
Printing & Stationery	100	100	100	100	100	100	100	100	100	100	900
Professional Charges	250	250	250	250	250	250	250	250	250	250	2,250
R & M Computers	150	150	150	150	150	150	150	150	150	150	1,350
Rent - Staff Quarters	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	19,800
Repairs and Maintenance	500	500	500	500	500	500	500	500	500	500	4,500
Salaries and Wages	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	60,750
Staff Development Levy	660	660	660	660	660	660	660	660	660	660	5,940
Staff Welfare Expenses	100	100	100	100	100	100	100	100	100	100	900
Telephone & Fax expenses	150	150	150	150	150	150	150	150	150	150	1,350
Travelling Expenses	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	11,700
											-
	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	277,805

ACCOUNTS PAYABLE	Jun-12
Telephone & Fax expenses	150
Rent - Staff Quarters	2,200
Newspapers & Periodicals	34
M V Fuel	1,400
Electricity Expense	2,500
Generator Fuel	2,500
Professional Charges	250
TOTAL	9,034

TAXES PAYABLE	Jun-12
P A Y E	1,960
NSSF EXPENSE	2,200
S D L	660
	4,820

PRODUCTION (QUANTITY AND COSTS)

		Unit Cost	PRODUCTION (QTY)		PRODUCTION (COSTS)
			Daily	Monthly	Monthly
Birthday Cakes	Nos	0.25	50	1,500	375
Biscuits	Kg	0.10	50	1,500	150
Pasta with cheese parlsey	Kg	0.10	50	1,500	150
Pastry with meat/cheese Filling	Kg	0.10	50	1,500	150
Turkish Bage	Kg	0.10	50	1,500	150
Baklava Types & Tulumba	Kg	0.25	50	1,500	375

	Unit Cost	Hourly (Pcs)	PRODUCTION (QTY)		PRODUCTION (COSTS)
			Daily (24hrs)	Monthly (25Dys)	Monthly
Bread	0.25	800	19,200	480,000	120,000

BARAN MKATE HOUSE LIMITED

LIST OF FIXED ASSETS

Own Supplied (TURKEY)

PRODUCTION MACHINES			Conversion rate		0.748719	DEPRECIATION 2011	
MAKE	DESCRIPTION	QTY(pcs)	UNIT PRICE (EUR)	NET AMOUNT (EUR)	FULL AMOUNT US\$	\$	AMOUNT
LIDER 250	Rotary Trolley Oven with Gas	2	15,200	30,400	40,603		
DM 2100	Past Cutting and Weighing Machine	1	5,650	5,650	7,546		
PM 280 P	Interval Resting Machine (280 bowl stainless machine)	1	5,450	5,450	7,279		
LM 300 P	Long Forming machine (stainless steel)	1	5,900	5,900	7,880		
ELM 50 PI	Portable Flour eliminating Machine (silk stainless Steel)	1	1,485	1,485	1,983		
CM 3100	Paste Rolling Machine (stainless steel)	1	3,950	3,950	5,276		
EDM 32 T	Bread Slicing (can cut large breads)	1	1,300	1,300	1,736		
SP 200 K	Spiral Mixer (200Kg lift and turning)	1	18,900	18,900	25,243		
SP 80	Spiral Mixed (80 Kg paste)	1	4,850	4,850	6,478		
KLM 12	Steam Conditioner	1	1,200	1,200	1,603		
PL 60	Planet Mixer (120 eggs)	1	1,800	1,800	2,404		
TA 80 x 100	Pan Trolley (for LIDER 250)	10	250	2,500	3,339		
BG 80 x 100	Baquette Pan (teflon)	25	60	1,500	2,003		
SD 80 x 100	Sandwich Pan (teflon)	16	141	2,250	3,005		
TS 9 x 9 x28	Toast Pan for 6 Toasts (teflon flap)	30	75	2,250	3,005		
DZ 80 x 100	Perforated and Unperforated Pan (teflon)	120	40	4,800	6,411		
	Cold room and Deep freezer - ice machine	1	10,300	10,300	13,757		
MATAS	Bread Slicing Machine (2,000 slices in an hour)	1	3,500	3,500	4,675		
COMIZ	Package Closing Machine (2,000 packages in an hour)	1	3,600	3,600	4,808		
	Equipment Shipping Costs			5,000	6,678		
Local - TZ	Air Compressor (100Lt)	1			2,000		
Local - TZ	AC Generator (50 KV)	1			12,000		
				116,585	169,713	25%	42,428
POSSIBLE DICOUNT (EUR 22,895)				22,895	22,895		
DISCOUNTED VALUE				93,690	146,818		

BUILDINGS

Leasehold Improvements	1	20,690		20,690		
Sales Shops (50 - 60 m2 x 400 -800)	3	40,000		120,000		
Factory cum Office Building	1	200,000		200,000		
Sales and Storehouse	1	100,000		100,000		
				440,690	5%	22,034

MOTOR VEHICLES

Distribution Vans (pick-ups)	3	11,667	35,000	46,747	25%	11,687
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OFFICE MACHINES

Computers	5	1,000	5,000	5,000		
Printers & Copiers	2	800	1,600	1,600		
Copiers	2	500	1,000	1,000		
				7,600	37.50%	2,850

OFFICE FURNITURE & FITTINGS

Tables	10	150	1,500	1,500		
Chairs	10	110	1,100	1,100		
Air conditioners	5	250	1,250	1,250		
				3,850	12.50%	481

TOTAL INVESTMENT IN FIXED ASSETS				668,599		79,481
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**THE COMPANIES ACT
ACT NO 12 OF 2002**

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

BARAN MKATE HOUSE LIMITED

DRAWN BY

**NYANDUGA LAW CHAMBERS,
ADVOCATE,
5TH FL. NIC LIFE HOUSE, WING C,
P.O. BOX 7239,
DAR ES SALAAM**

**THE COMPANIES ACT
ACT NO 12 OF 2002**

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

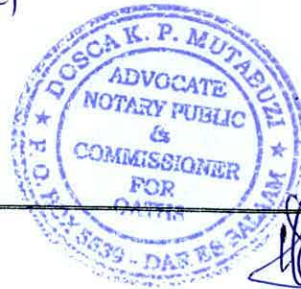
ARTICLES OF ASSOCIATION

OF

BARAN MKATE HOUSE LIMITED

*Certified true copy of
the original*

DRAWN BY
NYANDUGA LAW CHAMBERS,
ADVOCATE,
5TH FL. NIC LIFE HOUSE, WING C,
P. O. BOX 7239,
DAR ES SALAAM



[Handwritten signature]



Secret
10/25/2003
24/19/2003

**THE COMPANIES ACT
ACT NO 12 OF 2002.**



COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

BARAN MKATE HOUSE LIMITED



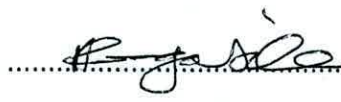
Secret
10/25/2003
24/19/2003

1. The name of the Company is **BARAN MKATE HOUSE LIMITED.**
2. The registered office of the Company shall be situated in United Republic of Tanzania.
3. The objects for which the Company is established are:-
 - (a) To carry on business of baking and selling all types of confectionaries which shall include bread, cake, biscuits, sweets, lollipop, and such other confectionaries for human consumption.
 - (b) To conduct wholesale and retail business in respect of the said confectionaries by supplying to public and private institutions, supermarkets, and shops.
 - (c) To manufacture, import and sell ingredients for the confectionary and baking business including yeast, sweeteners, sugars, food preservatives and other materials so related to the confectionary business.
 - (d) To enter into partnership, or any other arrangement or joint venture or co-operation with any company or person carrying on, engaged in or about to carry on or engage in any activity or business of a similar nature, or otherwise that is capable of being conducted so as directly or indirectly to benefit the Company.

- (e) To invest and deal with moneys of the Company not immediately required in or upon such investments and in such manner as may from time to time seem expedient of or in connection with the objects of the company.
 - (f) To borrow and raise money and to secure or discharge any debt or obligation or binding on the Company in such manner as the Directors of the Company may think fit and in particular by mortgages and charges upon the undertaking and all or any of the property and assets (present and future) and the uncalled capital of the Company, or by the creation and issue on such terms as may be thought expedient for securities of any description.
 - (g) To open and operate bank accounts and to draw, make accept, endorse, execute and issue promissory notes, bills of exchange, cheques, and other negotiable or transferable instruments for the purpose of achieving the aims and objects of the company.
 - (h) To undertake, contract, acquire and carry out works of any kind relating to the business of the company, or aimed at achieving the objects stipulated under this memorandum.
 - (i) To receive, use, hold, accept and apply any fees, contribution bequest, donations or endowments or the proceeds thereof for carrying out the objects of company.
 - (j) To pay out of the funds of the Company the costs, charges and expenses of and incidental to the formation and registration of or the issue of its capital.
 - (k) To insure against losses, damages, risks and liabilities of all kinds, which may affect the Company.
 - (l) To contribute by donation, subscription, guarantee or otherwise to any public, general, charitable or useful object whatever.
 - (m) To acquire property (movable and immovable) for office purposes and in connection with the activities of the company.
 - (n) To do all such other things as are incidental or conducive to the attainment of the above objects
4. The liability of members is limited.
5. The authorized share capital of the company is Tanzania shillings Twenty million, (Tshs 20, 000,000/=) divided into one hundred ordinary shares of Tanzania shillings two hundred thousand (Tshs.200,000/=)each.

6. The shares in the original, or any increase or reduced capital may be divided into several classes, and attached thereto, respectively such preferential, deferred, qualified or special rights, privileges, or conditions as may be determined by or in accordance with the company regulations.

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

NAME, ADDRESS AND DESCRIPTION	SHARES	SIGNATURE
NIHAT KILIT Omercikler Mah, Degirmenler Cd Kilit Sokok, 8025 Sokok No 3 Akyazi/Sakarya, TURKEY (SUBSCRIBER)	34	
MRS SHAMIM B. NYANDUGA P.O.BOX 7239 DAR ES SALAAM (SUBSCRIBER)	33	
MRS HELEN L WEGASIRA BRAHIM P.O.BOX 582, DAR ES SALAAM (SUBSCRIBER)	33	

TOTAL NUMBER OF SHARES 100

Dated at DAR ES SALAAM on this 24th day of Sept 2010
 WITNESS to the above signatures; IB Mulla



THE COMPANIES ACT
ACT NO 12 OF 2002

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

BARANMKATE HOUSE LIMITED

Preliminary

1. In these Articles, unless the context otherwise requires, words and expressions defined in the Act shall, where used in these Articles bear the same meaning as in the Act.

“The Act” means the Companies Act , No 12 of 2002, or any law for the time being that shall be passed to regulate company matters.

Subject as hereinafter provided, the regulations contained in Table “A” in the First Schedule to the Companies Act, No 12 of 2002, hereinafter referred to as Table “A” shall apply to the company, subject to such modifications hereinafter expressed. When any provision of the Act is referred to the reference is to such provision as modified by any law for the time being in force.

Unless the context otherwise requires, expression defined in the Act or any statutory modification thereof in force at the date at which these regulation was become binding on the company, shall have the meanings so defined.

Private Company

2. The Company is a private Company and accordingly;
 - (a).The number of members of the Company (exclusive of persons who, having formerly been in employment of the company, were, while in such employment of the company) is limited to Fifty. PROVIDED that where two or more persons jointly hold one or more shares in the Company, they shall for the purposes of the Articles, be treated as a single member.
 - (b).Any invitation to the public to subscribe for shares or debentures of the company is prohibited.
 - (c).The right to transfer shares is restricted in the manner hereinafter provided.

Share Capital and Variation of Rights

3.
 - (a). The authorized share capital of the company is Tanzanian Shillings twenty million (Tshs 20,000,000/=) divided into one hundred (100) ordinary shares of Tanzanian shillings two hundred thousand (Tshs.200,000/=) each.
 - (b). Subject to the provisions of section 61 of the Act, the Directors may issue any Preference shares on such terms, or at the option of the Company, liable to be redeemed on such terms and in such manner, as the Directors may determine.

Lien

4. The Company shall have a first and paramount lien on every share (not being fully paid share) and on all dividend or interest declared payable in respect thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of that share and the company shall have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single person for all moneys presently payable by him or his estate to the company but the Directors may at anytime declare any share to be wholly or in part exempt from the provisions of this Article. The

Company's lien, if any, on a share shall extend to all dividend payable thereon provided that nothing in these articles shall be construed as giving any right of lien over any fully paid share.

Call on Shares

5. The Directors may from time to time make calls upon members in respect of any moneys unpaid on their shares provided that no call shall exceed one fourth of the nominal mount of the share, or be payable at less than one month from the last call, and each member shall (subject to receiving at least fourteen days notice specifying the times of payment) pay to the company at he time or times specified the amount called on his shares.

Transfer and Transmission of Shares

6. The instrument of transfer of any shares shall be executed by or on behalf of the transferor or transferee and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in such respect thereof.
7. The legal representative of the deceased sole holder of a share shall be the only person recognised by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or the survivor, or the legal representatives of the deceased survivor, shall be the only person recognised by the company as having any title to the share.

Forfeiture of Shares

8. If a member fails to pay any call or instalment of a call on the day appointed for the payment thereof, the Directors may, at anytime thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and any expense incurred by reason of such non-payment. Such notice shall state the place at which the payment required by such notice is to be made.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the company all monies which at the date of forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company receive payment in full of the nominal amount of the shares.

Alteration of Capital

10. The Company may from time to time by Ordinary Resolution increase the Share Capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
11. The Company may by Ordinary Resolution:-
 - (a). consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares,
 - (b). subject to Section 65(1) (d) of the Act, subdivide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association.
 - (c). cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person.
12. The Company may by Special Resolution reduce its share capital, and Capital Redemption Reserve Fund or any share premium account in any manner, and with, and subject to any incident authorised, and consent required by law.

General Meetings

13. A general meeting shall be held once in every calendar year at such time not being more than fifteen months after the holding of the last preceding general meeting and place as may be prescribed by the company in general meeting or, in default at such time in the third month following that in which the anniversary of the company's

incorporation occur, and at such place as the Directors shall appoint. In default of a general meeting being so held a general meeting shall be held in the month next following, and may be convened by any two members in the same manner as nearly as possible as that in which meetings are to be convened by the directors.

14. The above-mentioned general meetings shall be called ordinary general meetings all other general meetings shall be called extraordinary general meetings.
15. The Directors may, whenever they think fit, convene an extraordinary general meeting and extraordinary meetings shall also be convened on such requisition or, in default, may be convened by such requisitions, as provided by section 134 of the Act. If at any time there are not within the Territory sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

Notice of General Meetings

16. Subject to the provisions the Ordinance relating to special resolutions, seven days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given specifying the place, the day and the hour of meeting and in case of special business, the nature of that business shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the regulation of the company entitled to receive such notices from the company, but with the consent of all the members entitled to receive notice of some particular meeting, that meeting may be convened by such shorter notice and in such manner as those members may think fit.
17. The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any member shall not invalidate the proceedings at any meeting.

Proceeding at General Meetings

18. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting, with the exception of the consideration of the accounts, balance sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of the remuneration of the auditors.
19. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, two members personally present shall be a quorum.
20. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.
21. The Chairman if any, of the Board of Directors shall preside as chairman at every general meeting of the company.
22. If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose some one of their number to be Chairman.
23. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

24. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least two members present in person or by proxy entitled to vote and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against, that resolution.
25. If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
26. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
27. A poll demanded on the election of a Chairman, or on a question or adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.

Votes of Members

28. Every member shall have one vote.
29. A member of unsound mind, or in respect of whom an order has been made, by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, or other legal guardian appointed by that court, and any such committee, or other legal guardian or other person may, on a poll, or by proxy.
30. No member shall be entitled to vote at any general meeting unless all moneys presently payable by him to the company have been paid.

31. On a poll votes may be given either personally or by proxy. Provided that so company shall vote by proxy as long as a resolution of its directors in accordance with the provisions the sections of the Ordinance is in force
32. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation either under the seal, or under the hand of an officer or attorney so authorised. A proxy need not be a member of the company.
33. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited at the registered office of the company, not less than seventy two hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument propose to vote, and in default the instrument of proxy shall not be treated as valid.
34. An instrument appointing a proxy may be in the following form, or any other form which the directors shall approve

I.....
of P.O.Box being
a member of
the.....Company Limited
hereby appoint.....of.....as
my proxy to vote for me and on my behalf at the (ordinary or
extraordinary), as the case may be) general meeting of the
company to be held on the.....day
of.....20... at.....or
any adjournment thereof.

Signed by.....this.....day
of.....20...

35. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

Corporation acting by Representatives at Meetings

36. Any corporation which is a member of the company may by resolution of its Directors or other governing body authorise such person as it think fit to act as its representative at any meting of the company and the person authorised shall be entitled to exercise the same powers on behalf of the corporation he represents as that corporation could exercise if it were individual member of the company.

Directors

37. The number of Directors and the names of the first directors shall be;
- (i). Mr. NIHAT KILIT
 - (ii). Mrs SHAMIM B. NYANDUGA.
 - (iii) Mrs HELEN L WEGASILA BRAHIM
31. The remuneration of the Directors shall from time to time be determined by the company in general meeting.

Powers and Duties of Directors

32. The business of the company shall be managed by the Directors, who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company as are not by, the Act or by the articles, required to be exercised by the company in general meeting, subject nevertheless to any regulation of these articles, to the provisions of the Act and to such regulations, being not inconsistent with the aforesaid regulation or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

34 The Directors shall cause minutes to be made in books provided for the purpose:-

- (a) of all appointments of officers made by the Directors;
- (b) of the names of the Directors present at each meeting of the Board and of any committee of the Directors;
- (c) of all resolutions and proceedings at all meetings of the company, and of Directors, and of committees of Directors, and every Director present at any meeting of Directors or committee of Directors shall sign his name in a book to be kept for that purpose.

The Seal

35. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors, and in the presence of a Director and of the Secretary or such other person as the Directors may appoint for the purpose and that Director and the Secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Disqualifications of Directors

36. The office of Director shall be vacated, if the Director
- (a) without the consent of the company in general meeting holds any other office of profit under the company; or
 - (b) becomes bankrupt; or
 - (c) becomes prohibited from being a Director by reason of any order made under section 325 of the Act.
 - (d) is found lunatic or becomes of unsound mind; or
 - (e) resigns his office by notice in writing to the company.

(f) is directly or indirectly interested in any contract with the company and fails to declare the nature of his interest in manner required by section 209 of the Act.

(g) is punished with imprisonment for a term exceeding six months without the option of a fine.

A Director shall not vote in respect of any contract in which he is interested or any matter arising there out, and if he does so vote his vote shall not be counted.

Rotation of Directors

37. The company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.
38. Any casual vacancy occurring in the Board of Directors may be filled up by the Directors but the person so chosen shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a director.
38. The Directors shall have power at any time, and from time to time, to appoint a person as an additional Director who shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the company at that meeting as an additional Director.
39. The company may by extraordinary resolution remove any Director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

Proceedings of Directors

40. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case

of an equality of votes the Chairman shall have a second or casting vote. A Director may, and the Secretary, on the requisition of a Director shall at any time summon a meeting of the Directors.

41. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall, when the number of Directors exceed three, be three and shall, when the number of directors does not exceed three be two.
42. The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of Directors the continuing Directors may act for the purpose of increasing the number of Directors to that number, or summoning a general meeting of the company, but for no other purpose.
43. The Directors may elect a Chairman of the company and determine the period for which he is to hold office, but if no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
44. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the directors.
45. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
46. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of an equality of votes the chairman shall have a second or casting vote.

47. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified, in as valid as if every such person had been duly appointed and was qualified to be a Director.

Accounts

48. The Directors shall cause proper books of account to be kept with respect to all sum of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; in respect of all sales and purchases of goods by the company and the assets and liabilities of the company.
49. The books of account shall be kept at the registered office of the company or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
50. The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the account and books of the company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by statute or authorised by the Directors or by the company in general meeting.
51. The Directors shall from time to time in accordance with section 153 of the Act, cause to be prepared and to be laid before the company in general meeting such profit and loss account, balance sheets and reports as are referred to in the section.
52. The profit and loss account shall show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account so

that a just balance of profit and loss may be laid before the meeting, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

53. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the company in general meeting together with a copy of the auditor's report shall not less than seven days before the date of the meeting be sent to all persons entitled to receive notice of general meetings of the company.

Audit

54. Auditors shall be appointed and their duties regulated in accordance with sections 170, and 175, of the Act.

Notices

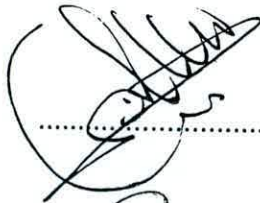


55. A notice may be given by the company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address within the Territory) to the address, if any, within the Territory supplied by him to the company for the giving of notices to him.

When a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

56. If a member has no registered address within the Territory and has not supplied to the company an address within the Territory for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the company, shall be deemed to be duly given to him on the day on which the advertisement appears.

57. Notice of every general meeting shall be given in some manner here-in before authorised to every member except those members who (having no registered address within the Territory) have not supplied to the company an address within the Territory for the giving of notices to them. No other persons shall be entitled to receive notices of general meetings.

We, the several persons whose names, address and descriptions are subscribed, are desirous of being formed into a Company in pursuance of the Memorandum and Articles of Association.

NAME, ADDRESS AND DESCRIPTION	SHARES	SIGNATURE
NIHAT KILIT Omercikler Mah, Degirmenler Cd Kilit Sokok, 8025 Sokok No 3 Akyazi/Sakarya, TURKEY (SUBSCRIBER)	34	
MRS SHAMIM B. NYANDUGA P. O. Box 7239 DAR ES SALAAM (SUBSCRIBER)	33	
MRS HELEN LWEGASIRA BRAHIM P. O. Box 582, DAR ES SALAAM (SUBSCRIBER)	33	
TOTAL NUMBER OF SHARES	100	

Dated at DAR ES SALAAM on this 20th day of Sept

WITNESS to the above signatures; H. Mulla



Certified true copy of the original



19 H. Mulla

TANZANIA



Certificate of Incorporation

Section 15

No 78873

I HEREBY CERTIFY THAT

BARAN MKATE HOUSE LIMITED =====

is this day incorporated under the Companies Act, 2002 and that the Company is Limited

Given under my hand at Dar es salaam

this 28TH day of SEPTEMBER

TWO THOUSAND AND TEN

CERTIFIED TRUE COPY OF THE ORIGINAL



[Signature]

[Signature]

Asst. Registrar of Companies

TANZANIA



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Given under my hand at Dar es salaam

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TWO THOUSAND AND TEN

CERTIFIED TRUE
COPY OF THE ORIGINAL



Asst. Registrar of Companies



**EXIM
BANK**

DATE:11-OCT-2011

REF:EXIM/NMG/TIC/01/11

TO

Tanzania Investment Centre,

P.o Box 938

Dar es salaam

RE:INTRODUCTION OF SHAMIM BABY NYANDUGA.

Please refer to the above heading.

This is to confirm that **Shamim Baby Nyanduga is our customer** maintaining Tzs account number **533773301** and USD **5337713334** at Eximbank (T) Ltd Namanga branch .

The accounts is operating at our satisfactory level.

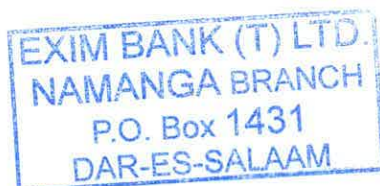
Please find the attached statement for your reference.

This certificate is being issued at the request of our customer without any guarantee or responsibility on the part of this Bank or its officials .

Any assistance to him will be appreciated.

Yours faithfully,

**Flora Makongoro
Branch Manager**



Exim Bank (Tanzania) Ltd.

Namanga Branch, Plot 83, Ada Estate
P. O. Box 22372 Dar es Salaam
Tel: (+255) 22 266419 / 92 / 93 Fax: (+255) 22 2664194
E-mail: eximnamanga@eximbank-tz.com
Website: www.eximbank-tz.com



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)

CERTIFIED TRUE
COPY OF THE ORIGINAL



[Handwritten signature]

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 MRS SHAMUM B. NYANDUGA
(director/directors/agent of BARAN MKATE HOUSE
(name of business enterprise) apply for registration of BARAN MKATE HOUSE
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 CHEKA, UGAMBONI,
DAR-ES-SALAAM

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 CHEKA, UGAMBONI
4. The Principal Officers of the Company are SHAMUM NYANDUGA,
HELLEN LWEKASIRA & NIHAT
KILIT
5. Auditors of the Company are —
6. The authorized share capital of the Company is Tshs./US\$ 20,000,000=

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

is Tshs./US\$ Tsh 817,000,000 =

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

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

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

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

I, STANLEY B. NYANDUGA of Post Office Number 7239

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

authorized agent of BARAN MUKATE HOUSE

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 }
..... }

The 10 day of OCTOBER }
..... 2003 } 2011

[Signature]
Applicant

Before me:

[Signature]

Commissioner for Oaths



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

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

Land/Building	175,000,000 =
Plant	441,090,000 =
Vehicles	80,000,000 =
Furniture & Fittings	20,000,000 =
Pre-expenses	30,000,000 =
Others	—
Working Capital	70,000,000 =
TOTAL	817,000,000 =

Contact Details:

Name: MRS SHALIM NYANUGA Title: DIRECTOR
Telephone: Fax:
Email:

Payments to be made payable to:

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

APPLICATION SUMMARY

Company Name: BARAN MUKATE HORSE

Certificate of Incorporation Number: 78873 Status: NEW

Certificate of Incorporation Date: 28 SEPT 2010

Post Box: 7239

Town: DSM

Sector: MANUFACTURING Sub-Sector: BAKERY

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
.....	<u>401,400,000/-</u>	<u>—</u>	<u>405,600,000/-</u>

Project Objectives: TO ESTABLISH AND OPERATE A MODERN BAKERY PROJECT

Capacity: 50,000 LOAFS OF BREAD PER DAY

Employment: Foreign: 5 Local: 50 Total: 55

Implementation Period: 3 YEARS

Project Location

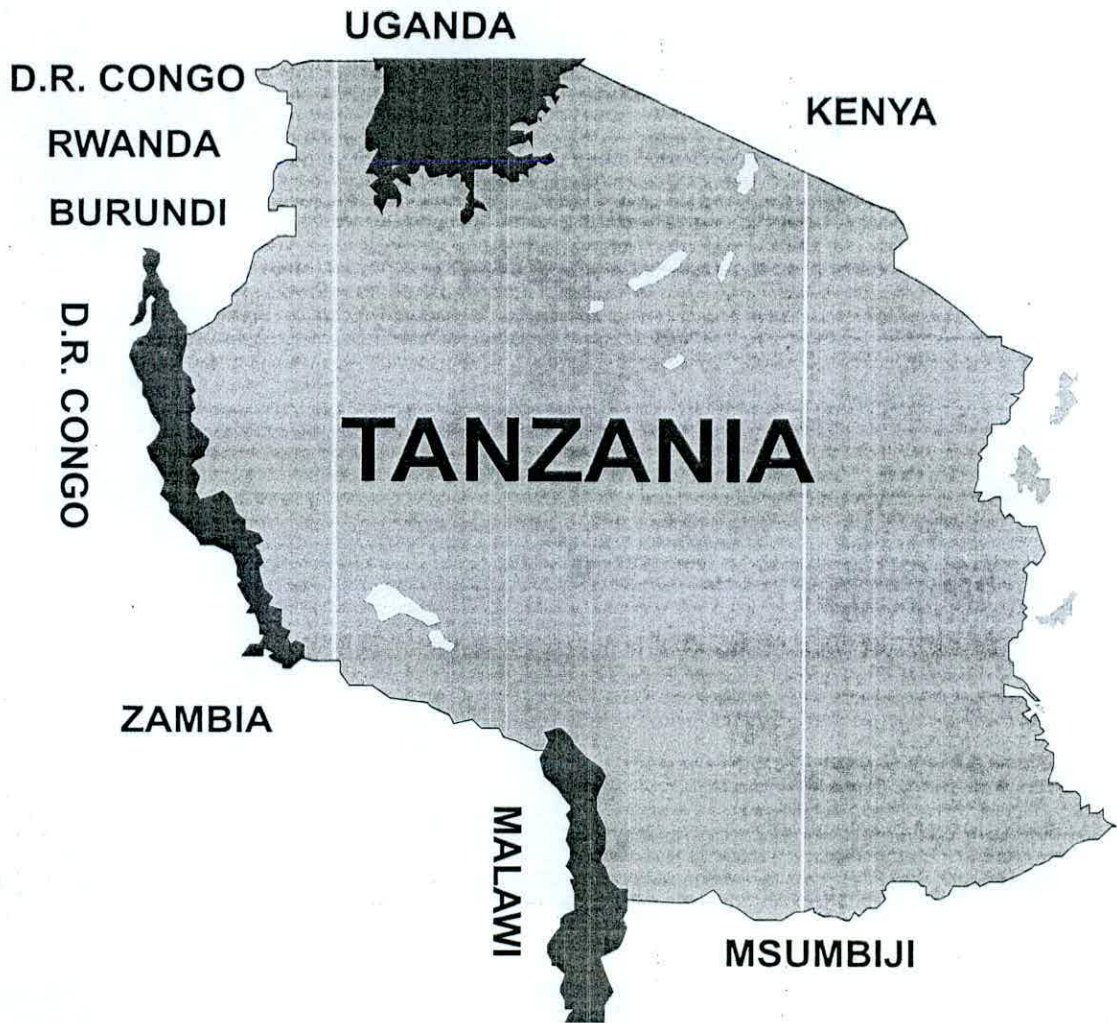
Site/Plot/Block No.: CHEKA

Street: KIGAMBONI District: TEMEKE Region: DSM

(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>NIHAT KILIT</u>	<u>TURKISH</u>	<u>34%</u>
<u>SHAMEM B NYANDUGA</u>	<u>TZ</u>	<u>33%</u>
<u>HELEN LWEGASILA</u>	<u>TZ</u>	<u>33%</u>
.....
.....







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)

CERTIFIED TRUE
COPY OF THE ORIGINAL



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

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HELLEN LWEKASIRA & NIHAT
KILIT
5. Auditors of the Company are —
6. The authorized share capital of the Company is Tshs./US\$ 20,000,000=

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

is Tshs./US\$ Tsh 817,000,000 =

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

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

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

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

I, SHAMU-B NYANDUGA of Post Office Number 7239

do solemnly and sincerely declare that I am a director/duly authorized agent of BARAN MUKATE HOUSE

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 }

The 10 day of OCTOBER 2003 } 2011

[Signature]
Applicant

Before me:

[Signature]

Commissioner for Oaths



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

APPLICATION SUMMARY

Company Name: BARAN MILKATE HOUSE

Certificate of Incorporation Number: 78873 Status: NEW

Certificate of Incorporation Date: 28 SEPT 2010

Post Box: 7239

Town: DSM

Sector: MANUFACTURING Sub-Sector: BAKERY

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
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Employment: Foreign: 5 Local: 50 Total: 55

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: CHEKA

Street: KIGAMBONI District: TENENE Region: DSM

(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>NIHAT WLIT</u>	<u>TURKISH</u>	<u>34%</u>
<u>STANEM B. NYANDUGA</u>	<u>TZ</u>	<u>33%</u>
<u>HELEN LWEGASILA</u>	<u>TZ</u>	<u>33%</u>
.....
.....

Investment Breakdown ~~US\$~~/Tshs.M

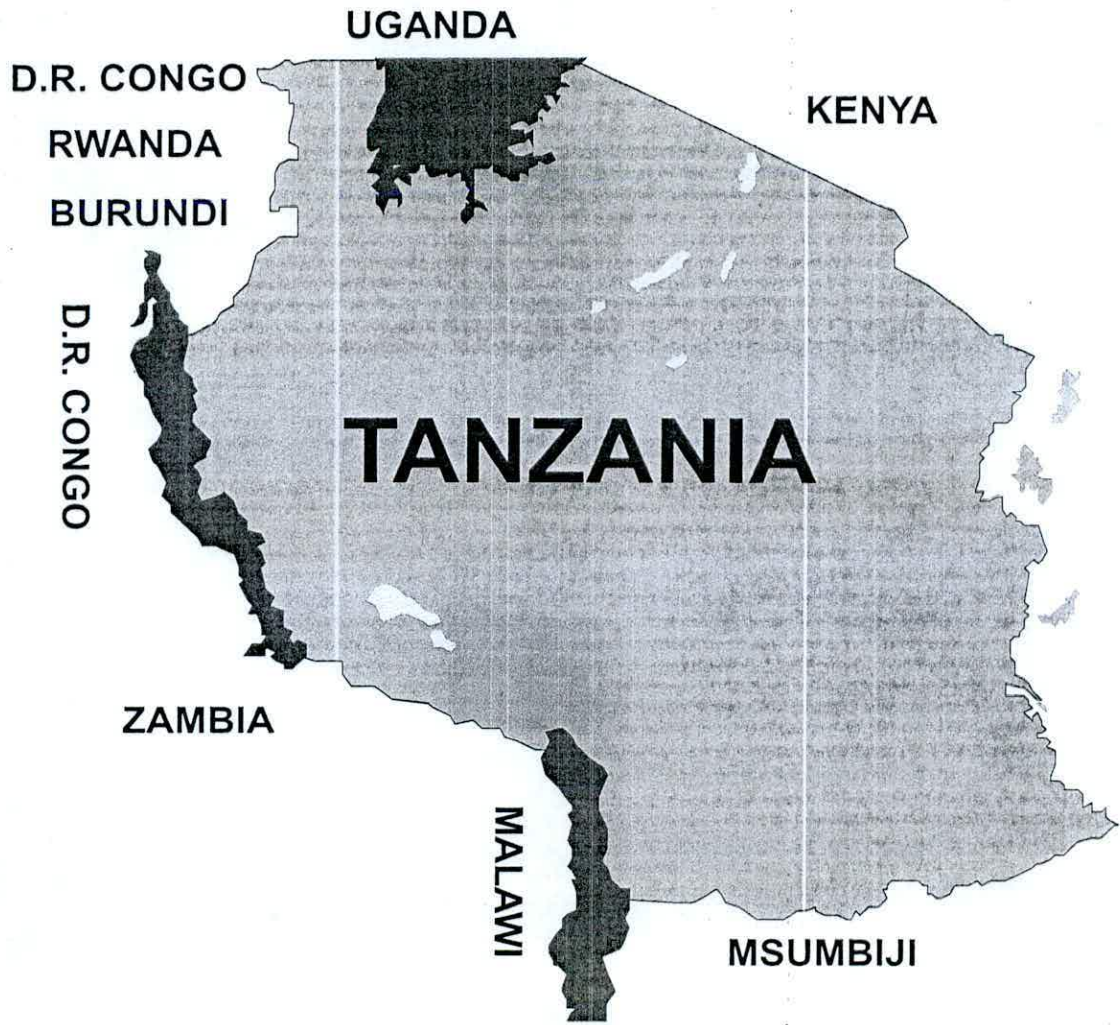
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Others	—
Working Capital	70,000,000 =
TOTAL	817,000,000 =

Contact Details:

Name: Mrs SHAMIM NYANDUGA Title: DIRECTOR
Telephone: +255 767 93448 Fax: 2127750
Email: mwaf@yahoo.co.uk

Payments to be made payable to:

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





TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

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UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

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

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I, SPHANNEN B. NYANDUGA of Post Office Number 7239

do solemnly and sincerely declare that I am a director/duly authorized agent of BARAN MUKATE HOUSE

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 }
 The 10 day of OCTOBER 2003, 2011 }

[Signature]
Applicant

Before me:

[Signature]
 Commissioner for Oaths



APPLICATION SUMMARY

Company Name: BARAN MUATE HOUSE LTD

Certificate of Incorporation Number: 78873 Status: NEW

Certificate of Incorporation Date: 28 SEPT 2010

Post Box: 7239

Town: DSM

Sector: MANUFACTURING Sub-Sector: BAKERY

Investment Financing Plan in Million US\$/Tshs.

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Site/Plot/Block No.: CHEKA

Street: KIGAMBONI District: TEMBE Region: DSM

(Attach sketch map showing project location)

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<u>SHAMEN B. NYANDUGA</u>	<u>TZ</u>	<u>33%</u>
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Investment Breakdown ~~US\$~~/Tshs.M

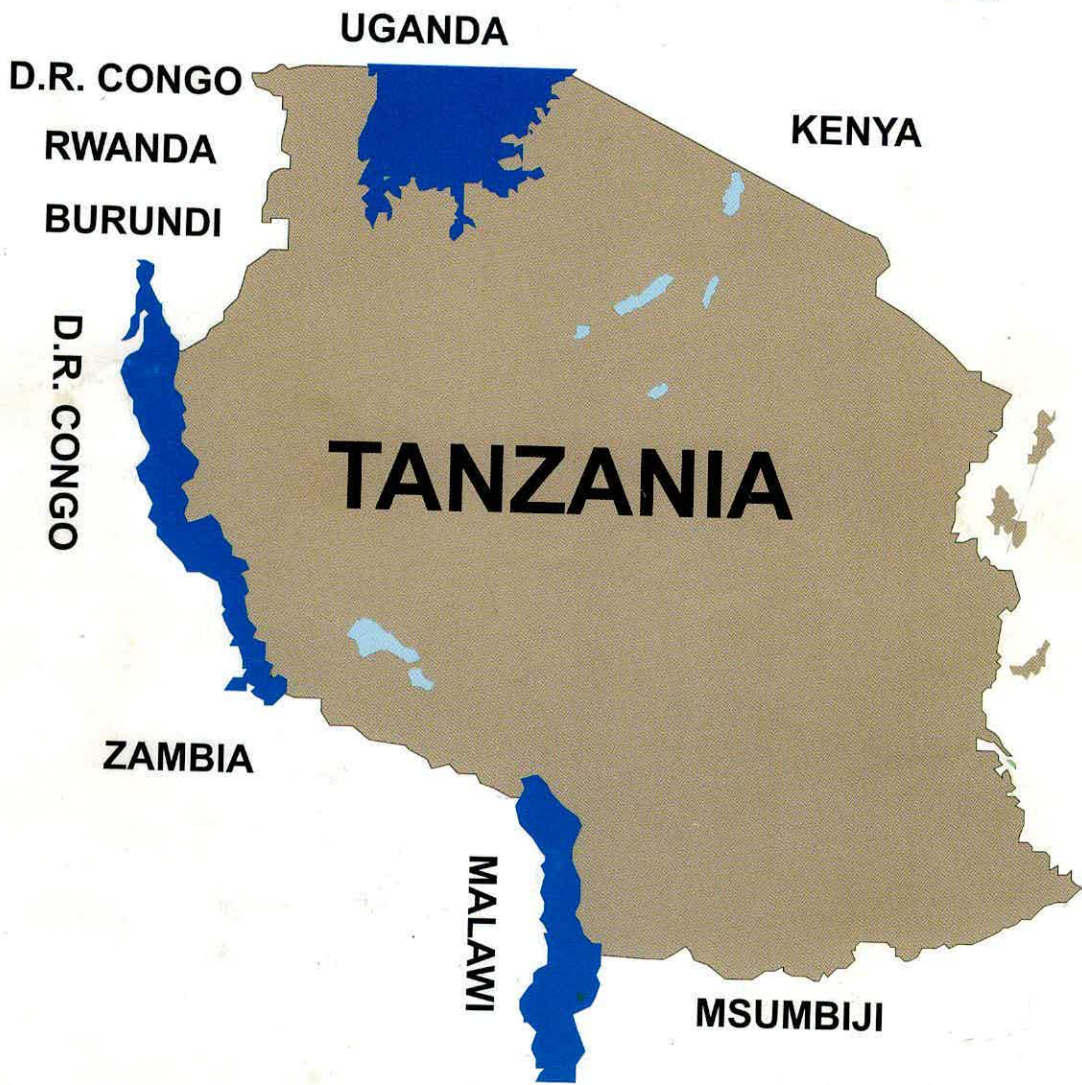
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Plant	441,090,000 =
Vehicles	80,000,000 =
Furniture & Fittings	20,000,000 =
Pre-expenses	30,000,000 =
Others	—
Working Capital	70,000,000 =
TOTAL	817,000,000 =

Contact Details:

Name: Mrs SHAMU NYANDUGA Title: DIRECTOR
Telephone: +255-767 934484 Fax: 2127750
Email: mwaro@yahoo.com.uk

Payments to be made payable to:

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



BARAN MKATE HOUSE LIMITED,
Kigamboni, Cheka Village, Kimbiji Road,
P.O.Box 7239
DAR ES SALAAM.
TEL/FAX.+255 22 2127750
Mobile: +255 767 934484

①

Our Ref; BMHL/11/1

11 October 2011.

The Director General
Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM.

~~Att. Mr. John Matthew Mnali,~~



Dear Sir,

RE: APPLICATION FOR CERTIFICATE OF INCENTIVES: BARAN MKATE HOUSE LIMITED: CERTIFICATE OF INCORPORATION NO. 78873

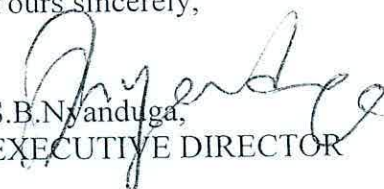
May I refer to our discussion on 10 October 2011, concerning the above matter.

I am attaching for your necessary attention and action the following documents in support of our application; they are as follows;

- (i) The Certificate of Incentives application forms
- (ii) Two Certified copies of the Certificate of Incorporation,
- (iii) An introduction letter from **Exim Bank (Tanzania) Limited** in respect of one of the Directors, Mrs Shamim Nyanduga.
- (iv) Two copies of the Business Plan for the years 2011 – 2013
- (v) Two certified copies of the Memorandum and Articles of Association of the company.

I will appreciate your further action and advice if any. I thank you for your continued cooperation.

Yours sincerely,


S.B. Nyanduga,
EXECUTIVE DIRECTOR



BARAN MKATE HOUSE LIMITED,
Kigamboni, Cheka Village, Kimbiji Road,
P.O.Box 7239
DAR ES SALAAM.
TEL/FAX.+255 22 2127750
Mobile: +255 767 934484

Our Ref; BMHL/11/1

11 October 2011.

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Tanzania Investment Centre
P. O. Box 938
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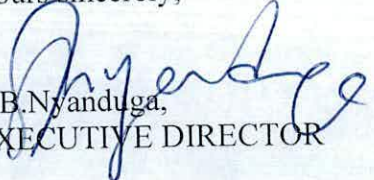
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Yours sincerely,


S.B. Nyanduga,
EXECUTIVE DIRECTOR



TIC Evaluation Report

Name of the Company
Baran Mkate House Ltd.

Post Box	Kigamboni, Cheka	COI Number	78873	Contact	Mrs. Shamim Nyanduga
Post Office	7239	COI Date	28/09/2010	Designation	Director
Region	Dar Es Salaam	Application F. No	08644	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0767 934 484
		Sub Sector	Bakery	Fax	022 2127750
		File No	042120	E-Mail Address	Mwaro@Yahoo.Com

Project Location		Investment Finance Plan in Millions USD											
Project Block	Cheka	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0.4</td> <td>0</td> <td>0.415</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.4	0	0.415			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0	0.4		0	0.415									
Project Street	Kigamboni												
District	Temeke												
Region	Dar es Salaam												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.175
Helen Lwegasha	Tanzanian	33	Plant	0.44
Shamim B. Nyanduga	Tanzanian	33	Vehicles	0.08
Nihat Kilit	Turkish	34	Furniture & Fittings	0.02
			Pre-expenses	0.03
			Others	0
			Working Capital	0.07
			Total	0.815

Employment	55	Evaluated By	mf officer4
Capacity	50,000 loafs of bread per day	Drawn By	mf regist3
Project Turn Over		Project Type	Local

Description

To establish and operate a modern bakery project

Recommendations

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

Decision

Approved

[Signature]
 Ag EXT

26/10/11

3

TICC/PP.10/042120/3

28th October, 2011

Managing Director,
Baran Mkate House Ltd.,
P.O. Box 7239,
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT AND OPERATING A MODERN BAKERY PROJECT**

We wish to acknowledge receipt of your project proposal to establish and operate a modern bakery project as presented in the TIC P.A. 1 Form No. 08644 and Feasibility Study with a projected investment of USD 0.815m.

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

- Company Board Resolution
- Certified document showing evidence of Land ownership for the location of the project.

You will also be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in 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:-

.../2

TICC/PP.10/042120/3

28th October, 2011

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

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

Yours sincerely,

TANZANIA INVESTMENT CENTRE



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

BARAN MKATE HOUSE LIMITED

COMPANY REG. NO 78873

MINUTES OF BOARD MEETING HELD ON 12 AUGUST 2011.
PLACE: DAR ES SALAAM.

1 Agenda.

- (i) Opening of meeting;
- (ii) Confirmation and adoption of minutes of the previous Board Meeting,
- (iii) Increase of members and shareholders of the company.
- (iv) A.O. B.
- (v) Closing of meeting.

2. Attendance:

The meeting convened at the registered office of the company. In attendance were:

Mr. Nihal Kilit. Director, Chairman,
Mrs. Hellen Lwegasira Brahim, Director, Member,
Mrs. Shamim Baby Nyanduga, Director, Member/ Secretary,

3. AGENDA ITEM (i) Opening meeting.

The Chairman opened the meeting at 10.00, and requested the Secretary to read the notice of the meeting.

4. The Secretary to the Board read he Notice and the agenda of the meeting.

5. AGENDA ITEM (ii) Confirmation and adoption of minutes of the previous Board Meeting;

The Meeting considered the minutes of the previous Board meeting. In particular it discussed **Minute 5 (ii) and the Resolution thereto**, which dealt with the Item, Process of acquisition of a plot of land in Kigamboni area. The Secretary reported that surveying of the Plot to facilitate the issuance of a letter of offer and site plan were at an advanced stage. This will enable the issuance of a Certificate of title in the name of the Company.

RESOLVED: Implementation of the decisions of the company concerning the acquisition of the plot to continue, in order to ensure that business operations start at the earliest.

6. AGENDA ITEM (iii) Increase of shareholders of the company.

The Secretary reported that there was an application by one Ms Victoria Richard Mwakasege who intends to join the company. This request would not affect the current capital structure of the company. Two Shareholders, namely Mrs Hellen Lwegasira

Brahim and Mrs Shamim Baby Nyanduga , will each one transfer a portion of their shares, ie 11 shares each, to Ms Mwakasege.

RESOLVED: That Two shareholders, Mrs Hellen Lwegasira Brahim, and Mrs Shamim Baby Nyanduga are free to transfer a portion of their shares to Ms. Victoria Richard Mwakasege. The same transfer shall be registered at BRELA as appropriate.

7. AGENDA ITEM (iv) A.O.B.

There was no other business to transact.

8. AGENDA ITEM (v) Closing of meeting.

The Chairman thanks the members and closed the meeting at 11.00 a.m.


CHAIRMAN


SECRETARY

Date..... 12/8/2011.....

HALMASHAURI YA MANISPAA YA TEMEKE



S.L.P 46343
TEMEKE
5/12/2011

Kumb. Na. TP/LD/TM/M.2/VOL XIV/150

MKURUGENZI MKUU
BARAN MKATE HOUSE
S.L.P 7239
DAR ES SALAAM

YAH: MAOMBI YA KUPIMIWA ENEO LAKO LILILOPO CHEKA KWA AJILI YA KUJENGA BAKERI YA MIKATE.

Husika na mada tajwa hapo juu.

Ofisi inakiri kupokea barua yako inayohusiana na mada tajwa hapo juu, pia inapenda kukufahamisha kuwa ombi lako la kutaka kupimiwa linaendelea kushughulikiwa katika hatua mbalimbli.

Ili eneo hilo liweze kupimwa taratibu mbalimbali ni lazima zifuatwe ikiwemo kukagua eneo husika ili kubaini kama kuna mchoro wa mipangomiji ambapo kazi hiyo imefanyika na ilitulazimu kufanya marekebisho ya mchoro wa mipango miji namba TEM/15/2009 AMANI GOMVU RESIDENTIAL LAYOUR na hatimaye tuliingiza kwenye kikao cha kamati ya mipangomiji na mazingira kikao cha tarehe 18/10/2011 ambapo marekebisho hayo yaliridhiwa.

Kwa sasa kiziduo (extract) ya mchoro huo pamoja na muhtasari wa maamuzi ya kikao hicho yatapelekwa Wizara ya Ardhi, Nyumba na Maendeleo ya Makazi ili ramani hiyo ithibitishwe na Mkurugenzi wa Mipangomiji na Vijiji na hatimae upimaji wa kiwanja chako uweze kufanyika na maandalizi ya hati miliki yatafuata.

Kwa barua hii naomba tushirikiane kufuatilia mchoro huo Wizara ya Ardhi, Nyumba na Maendeleo ya Makazi ili kuweza kufanikisha kazi hizo.

Ahsante

.....
SAID SWALEHE
Kny: MKURUGENZI MANISPAA
TEMEKE

4

Baran Mkate House Ltd,
P.O.Box 7239,
DAR ES SALAAM.
5th December 2011

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

Re: CERTIFICATE OF INCENTIVES

We acknowledge receipt of your letter reference TICC/PP.10/042120/3 dated 28th October 2011 regarding the above caption.

Enclosed herewith please find ;

- copy of Company Resolution Board,
- Certified document showing evidence of Land Ownership for the location of the project.
- Deposit slip for USD 750.00

We are looking forward to receiving the Certificate of Incentives.

Thanking you in Advance,


Shamin Nyanduga
DIRECTOR



TANZANIA INVESTMENT CENTRE

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

RECEIPT REC005472

4

Received from : BARANIMKATEHOUSELTD

Address P.O. Box 7219 Dar es Salaam

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

Being payment in respect of CERTIFICATE OF INCENTIVES FEES

Amount : USD 750.00

Cash / Cheque No: D/Deposit 12/11

Date : 06-Dec-2011

RECEIVED
06 DEC 2011
BARANIMKATEHOUSELTD

No. 000239

For Executive Director
Tanzania Investment Centre

J Simba

Receiving Officer

BARAN MKATE HOUSE COMPANY LIMITED**MINUTES OF THE MEETING OF THE BOARD MEMBERS
OF BARAN MKATE HOUSE COMPANY LIMITED
14TH SEPTEMBER, 2011****1.0 INTRODUCTION**

- 1.1 The first meeting of the Board Members of Baran Mkate House Company Limited was held on 14th September, 2011 at the City Garden Restaurant, Dar es Salaam, Tanzania.

2.0 ATTENDANCE

- 2.1 In attendance were:

1. Mr. Nihat Kilit
2. Mrs. Shamim Msangi Nyanduga
3. Ms. Victoria Richard Mwakasege
4. Mrs. Helen Lwegasila Brahim

**3.0 AGENDA**

1. Opening of the meeting
2. Progress Report on the construction of Baran Bakery
3. Any Other Business
4. Closure of the meeting

4.0 OPENING OF THE MEETING

- 4.1 The meeting was opened at 5 p.m. by the Chairman of the Baran Mkate House Company Limited, Mr. Nihat Kilit.



4.2 In his opening remarks, the Chairman welcomed the Board Members to the meeting and wished them fruitful deliberations. Furthermore, he pointed out that he had been away in Turkey for quite some time but was gratified that all the Board Members were devoted and determined to ensure that Baran Mkate House project became a success.

5.0 **PROGRESS REPORT ON THE CONSTRUCTION OF BARAN BAKERY**

5.1 It was recalled that the founders of Baran Mkate House Company Limited who are the Board Members had initiated the establishment of the Company with a view to constructing an international bakery plant so as to supply bread and any related products to the City of Dar es Salaam and thereafter expand the business to the countryside to enable other Tanzanians benefit from the services of Baran Mkate House Company Limited.

5.2 In that connection, Mrs. Shamim Msangi Nyanduga, the Managing Director of Baran Mkate House Company Limited gave a progress report on the construction of the bakery plant. In summary, she informed the Members that the construction work was in good progress and the contractors were approaching the final touches on the building.

5.3 She further informed that the bakery was expected to be operational sometime in March 2012 after the installation of the bakery machines. Hence, the ordering of the machines from Turkey was in the process. The Board Members expressed their gratitude for the report given and also expressed their satisfaction on the progress made. They looked forward to starting the operation of the bakery in the near future.

6.0 ANY OTHER BUSINESS

6.1 The Chairman of Baran Mkate House was accompanied by Mr. Saddique whom he introduced to the Board Members as one of the Turkish professionals in the bakery business. In that connection, the Members were informed that Mr. Saddique had expressed his desire to join Baran Mkate House Company Limited and assist in the operation of the bakery.

6.2 The founder members of Baran Mkate House had no objection to Mr. Saddique joining the Company. In addition, they were of the opinion that they would greatly benefit from Mr. Saddique's expertise in the bakery business.

6.3 The Board of Directors decided to acquire the TIC Certificate and it was emphasized that an application should be lodged at the Tanzania Investment Centre so as to obtain the same as soon as possible.

7.0 CLOSURE OF THE MEETING

7.1 The meeting was closed at 7 p.m. The next meeting would be held on 15th October, 2011.

CHAIRMAN


SECRETARY



00218320

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042120

This is to certify that

BARAN MKATE HOUSE LTD

of address P.O. BOX 7239

DAR ES SALAAM

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

BARAN MKATE HOUSE LTD

Which is located at CHEKA, KIGAMBONI, TEMEKE

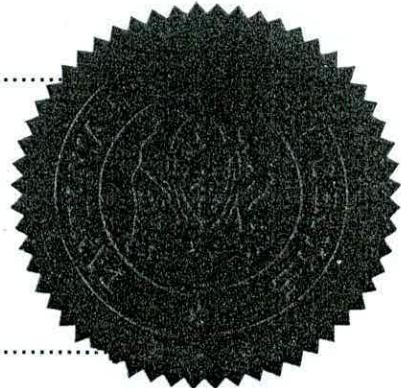
DAR ES SALAAM

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 2ND 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
Helen Lwegasha Nationality Tanzanian Shareholding (%) 33
.....
Shamim B. Nyanduga Nationality Tanzanian Shareholding (%) 33
.....
Nihat Kilit Nationality Turkish Shareholding (%) 34
.....
.....
2. Proposed Activities : To establish and operate a modern bakery project.....
.....
3. Sector: Manufacturing Subsector Bakery
.....
4. Investment cost: Foreign - Local USD 0.815m. Total USD 0.815m
5. Project Financing:
Equity..... USD 0.4m..... Loans USD 0.415m. Total USD 0.815m.
6. Source, terms and conditions of loan.....
.....
7. Assets to be invested:

Capital items: Foreign Local Total
..... - USD 0.815m. USD 0.815m.
.....
8. Technology Agreement None
9. Date of TIC Registration: 28th October 2011
10. Implementation period October 2011 - September 2014
11. Operative date..... October 2014
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
None
.....
.....

Signed 
Ag. Executive Director

TIC

Baran Mkate House Limited,
Plot No 5, Cheka, Kigamboni, Temeke,
c/o P.O.Box 7239,
DAR ES SALAAM
Tel/Fax +255 22 212 7750

6

Ref: BMH/ TRA 13

4 February 2013.

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



UFS
The 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 042120**

We are a TIC approved project with **Certificate of Incentive No 042120** which is valid up to September 2014.

The company has been registered with the object of operating a modern a bakery project at Cheka, Kigamboni, Temeke District.

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

Yours sincerely


Shamim Nyanduga
MANAGING DIRECTOR


TIN NO:111-008-981

verified this copy
of the original
Signature: *[Signature]*
Date: 18/1/2012



00218320

Part Executive Director
Tanzania Investment Centre
UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042120

This is to certify that

BARAN MKATE HOUSE LTD

of address P.O. BOX 7239

DAR ES SALAAM

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

BARAN MKATE HOUSE LTD

Which is located at CHEKA, KIGAMBONI, TEMEKE

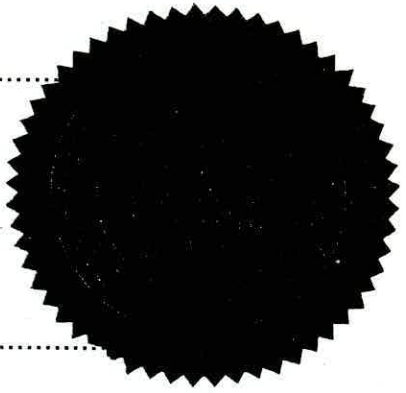
DAR ES SALAAM

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

[Signature]
.....
Ag. Executive Director

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

Dated 2ND 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:—

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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
None
.....
.....

Signed
Ag. Executive Director

CTIN.:

0960267

ISO 9001:2000 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

BARAN MKATE HOUSE LIMITED

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

Identification Number

111-008-981

with effect from 20-10-2010

P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

BARAN MKATE HOUSE LIMITED

LIST OF CAPITAL/DEEMED CAPITAL GOODS FOR CERTIFICATE OF INCENTIVES NO 042120

N O	ITEM NAME	UNIT MEASUREMENT	QTY	ITEM GROUP	ITEM PRICE	TIN	EXEMPTION REF NO.	EXEMPTION DATE
	MACHINERY AND							
	ACCESSORIES							
1	LIDER 250 ROTATING OVEN (NATURAL GAS)		3					
2	DM 2100 DOUGH DIVIDING MACHINE (KG LUK)		1					
3	PM 280 P INTERCURING MACHINE (280 BOX, INOXCOATING)		1					
4	LM 3100 P LONG MOULDER (INOX COATING)		1					
5	ELM 50 PI FLOUR MOULDER (INOX COATING)		1					
6	CM 3100 CONICAL TURNING MACHINE (INOX COATING)		1					
7	SD 04 W WATER DOSING UNIT		1					
8	SP 200 K SPIRAL MIXER (200 KG, LIFTING SYSTEM)		1					
9	SP 80 SPIRAL MIXER (80 KG DOUGH)		1					
10	KLM 12 CILIMATOR		1					
11	TA 80*100 PAN CARRIAGE (FOR COOLING, INOX)		18					
12	PAN, WITH TEFLON		719					
13	PAN CARRIAGE (FOR COOLING, INOX)		12					
14	FE 10 FERMENTATION		1					

	CHAMBER (18 TRAY CAPACITY, ALUMINIUM							
15	ODM 32 BREAD SLICING MACHINE (WITH PACKING SYSTEM)		1					
16	MMD 600 COLD WATER MACHINES		3					
17	COLD ROOM (10 M2)		1					
18	COLD ROOM (18 M2)		1					
19	BAKERY PRODUCTS DIMENSIONS 600x400x220		2000					
20	100 KVA VOLTAGE STABILIZETOR		1					
21	215x270 STANDARD POLYSTER CABIN- UNASSEMBLED		6					
22	WATER TREATMENT SYSTEM		1					
23	COMPRESOR		1					
24	DIESEL GENERATOR		1					
25	INSTANT DRY YEST		4500 KG					
26	BREAD IMROVER		2250 KG					
27	LIBRA		2					
28	AIR CONDITION SPLIT UNITS		10					
29	WATER TANKS		6					
30	WATER PUMBS		4					
31	INDUSTRIAL GAS SYSTEM							
32	FIRE HYDRANT AND FIRE EXTINGUISHER		10					
33	FRIDGES AND FREEZERS		4					
34	BREAD TRAYS							
35	AIR EXTRACTORS		10					
36	OVERHEAD FANS		16					

37	PACKAGING MACHINE		1				
38	PACKING MATERIALS		2,700,000				
	(PLASTIC)		1				
39	DOUGH VESSEL		1				
40	THERMO HYGROMETER		1				
41	CALIPER GAGE		1				
	(DIGITAL)		1				
42	WOOD THERMOMETER		1				
43	THERMOMETER-		1				
	HYGROMETER		1				
44	THERMO HYGROMETER		1				
45	WEIGHING MACHINE		1				
46	HEAT METER (DIGITAL)		1				
47	PLATFORM TROLLEY		1				
48	HAMMER		6				
49	LEVEL		1				
50	MALLET (FIBER)		1				
51	STANLEY MUHAFAZA		2				
52	BENCH CLAMP		1				
53	TAPE MEASURE		3				
54	CABLE STRIPPING TOOL		1				
55	NIPPERS SET		1				
56	SAFE BOX		1				
57	TOOL CARRIAGE		1				
58	SCREWDRIVER SET		1				
59	WRENCH SET		2				
60	RULER		2				
61	CRESCENT WRENCH		2				
	(PROF)		1				
62	CRESCENT WRENCH		1				
63	CARPENTER'S VISE		1				
64	BORE BIT		12				
65	TORQ 12 SAW BLADE		1				
66	PIPE WRENCH		1				
67	PINCERS		1				
68	SCREW DRIVER		10				
69	DRILL BIT		6				

70	GLASS SCRAPER		1					
71	WRENCH SET (ALLEN)		1					
72	WRENCH (ALLEN, 14mM)		1					
73	WRENCH (ALLEN, 12mm)		1					
74	BITS SET		1					
75	RIFFLER SET		2					
76	DUBLE-END WRENCH (LONG)		2					
77	DUBLE-END WRENCH		1					
78	SORTMASTER ORGANIZER		1					
79	TOOL BAG		1					
80	SHEARS SET		1					
81	25 mt Kbl MAK. 3x1 5MONO PLASTIC		1					
82	UTILITY KNIFE		1					
83	SAW BLADE		1					
84	PACKAGE TROLLEY		1					
85	SOCKET TOOL		2					
86	DOWEL		3					
87	SCREW		5					
88	DIE GRINDER		2					
89	METAL CUTTING TOOL		4					
90	METAL AND WOOD CUTTING TOOL SET		1					
91	ALUMINIUM CUTTING		1					
92	SABER SAW		1					
93	GRIP COMBO SET		1					
94	ROTARY HAMMER DRILL		1					
95	WIRE GRID		132					
96	TWO-ARMED STRETCHING		1					
97	PLIERS		1 PACK					
98	WOLTAGE TESTER		2					
	VEHICLES							
99	TRUCK 7 TONS		2					
100	LIGHT TRUCK 3		2					

	TONS							
101	PICK UP SINGLE		2					
	CAB							
102	MINIBUS 25 FIVE		1					
	SEATER							
103	WATER BOOZER		1					

Note; Item Group is the classification of the item whether the item is plant & machinery, equipment, building materials, vehicle, furniture, hotel equipment, communication equipment etc.

7

TICC/PP.10/042120/7

07/02/2013

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

Dear Sir,

**RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED
CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO.
042120**

M/S Baran Mkate House Limited is a TIC registered company with certificate of incentives **No. 042120** which is valid up to **September 2014**

The company has been registered with objectives of establishing and operating a modern bakery project.

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

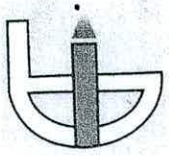
Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR



Tanzania Investment Bank Limited

P. O. Box 9793, Dar es Salaam - Tanzania, Mlimani City Office Park, Block No. 3, Sam Nujoma Road
Tel: +255 22 2411101-9, Fax: +255 22 2411095, E-mail: md@tib.co.tz, Website: www.tib.co.tz

TIB/ORG/18

November 21, 2013

The Managing Director,
Baran Mkate House Limited,
P.O. Box 7239,
Dar es Salaam.

Dear Sir,

**RE: CREDIT FACILITY AMOUNTING TO TANZANIA SHILLINGS FIFTY MILLION
(50,000,000/=)**

Please refer to our letter dated 1st November 2013 on the captioned matter.

This is to inform you that we have prepared legal documents for you to obtain the credit facility. Please acknowledge receipt of the following documents:

1. Deeds of variation to Credit Facility Agreement – 3 copies
2. Deeds of variation to the Debenture - 3 copies
3. Deeds of variation to the Mortgage Deeds CT No. 93488 – 3 copies
4. Spousal Consent Forms- 3 copies
5. Shareholder's guarantee- 3 copies

Please have them signed, initialed and sealed where needed before you return them to us for further execution.

Yours faithfully,

TIB Development Bank Limited



Innocent Tairo
Acting Legal Counsel & Secretary

Baran Mkate House Limited,
Plot No 5, Cheka, Kigamboni, Temeke,
c/o P.O.Box 7239,
DAR ES SALAAM
Tel/Fax +255 22 212 7750

Ref: BARAN/ LOAN 13

16 January 2014.

The Managing Director
TIB Development Bank Ltd
P.O. Box 9373
DAR ES SALAAM

Dear Sir,

RE:REQUEST FOR UTILIZATION OF THE CREDIT FACILITY OF TSHS
50,00,000/= (FIFTY MILLION)

I wish to refer to our letter ref BARAN/GEN 13 of 23 December 2013 which forwarded to you the duly executed legal documents.

I wish to request the Bank to authorize the expenditure of the said credit facility in order to start the production at the bakery. We have just finalised the certification process whereby TBS and TFDA have just visited the bakery for technical evaluation of the facilities and the production process. They should be issuing the company the certificates by this coming week.

We shall appreciate to receive your visit to our bakery to witness the production process any time.


S. B. Nyanduga
DIRECTOR

cc. Nihat Kilit, Dar Es Salaam

TIN NO:111-008-981



TANZANIA PORTS AUTHORITY

P.O. BOX 1130, Dar es Salaam

S/No: 0125880

Date: 04/06/2013

RECEIPT

TEL: 100 - 182 - 688

FAX: 10 - 005233 - W

RECEIVED from

M/S MULTIMODAL TRANSPORT LTD

The sum of (in words)

Tsh. Ten million, four hundred ninety two thousand, eight hundred and ninety nine only

In respect of

Wharfage

Cash / Bankers Cheque / TISS

TOTAL

T Shs. / Us \$.	Cts
10,492,899	00
/	
10,492,899	00

Full Name:

C. Mnyika

ID No

2288

Signature / Stamp

Revenue Stamp
TANZANIA PORTS AUTHORITY
DAR ES SALAAM

S No. TP 0634990

Tanzania Ports Authority
DECLARATION AND DISPOSAL ORDER

DICD

Importers Agents	Ref. No. R# 40459 OF 24/04/2012	D/O No.	D&DO NO. \$2802
Place of Destination	DAR ES SALAAM	SHIP'S NUMBER	ACCOUNT NUMBER: 0
Shipper	BARAN XXKATE HOUSE LTD	DISCHARGE DATE	DESTINATION CODE
Delivery to the order of:	XXMULTIMODAL TRANSPORT	SHIP'S NUMBER	PORT CODE
SHIP: MESSINI		PORT OF LOADING / STANBUL (TUR.)	PORT OF DISCHARGE / S XI
B/L No. 57430000 235	MANIFEST PAGE	POSTED DATE OF ARRIVAL 19/02/2013	BREAK BULK DATE
			P.H.
			ACCEPTANCE DATE

COMM. CODE	MARKS	NUMBER	TYPE OF PACKAGES	DESCRIPTION	WEIGHT	MEASUREMENT
	HXIC11: 913489-1	4 X 40' CB		BAKERY - MACHINERY.	37460	2.77
	HXIC11: 910669-4				1295	CBX1
	RYU: 943428-0					
	BXIC11: 47781-2					

DAR ES SALAAM
 19 FEB 2013
 10:00 AM
 V. T. 123456789
 DAR ES SALAAM

C.I.F. VALUE	US \$ 34000.00	CHARGES
In words		Wharfage 5541.23
Customs Entry No. Date		Handling 117.42
Customs Entry No. Date		Heavy Lifts
		Removal Charges 65.20

CODE	Disposal Instructions:	Weight / on test	HEAVY LIFTS	Storage (..... Days)
	<input type="checkbox"/> RAIL Local/Up-country <input type="checkbox"/> ROAD/AIR/LOCAL DELIVERY <input type="checkbox"/> TRANSHIPMENT	Measurement on Test Certificate No.		1 2 3 4
Port Release Stamp		Checker	Port Acceptance Stamp	

Port Release Stamp
 [Signature] 02/06/13

Customs Stamp

Port Acceptance Stamp
 [Signature]

Baran Mkate House Limited,
Plot No 5, Cheka, Kigamboni, Temeke,
c/o P.O.Box 7239,
DAR ES SALAAM
Tel/Fax +255 22 212 7750

Ref: BARAN/ TIC 15

20 July 2015

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



Att. Mr. Mnali

REQUEST FOR EXTENSION OF DURATION OF CERTIFICATE OF INCENTIVES NO 042120 OF 2ND JANUARY 2012. REG.NO. 00218320

I wish to submit our application as stated in the above heading. Our company, Baran Mkate House Ltd was granted a certificate of incentive No 042120 on 2nd January 2012, while it was undertaking construction of a bakery business in Cheka, Kigamboni, Temeke District. It imported machinery from Turkey which arrived in the country and were cleared through Customs sometime in June 2013. See attached documents.

The machinery was installed, training of staff was conducted, business and operations licences were secured, and financing for overdraft facilities towards at the beginning of 2014.

WE are worried that the Certificate expired in September 2014 when actually production started at the beginning of 2014. We therefore request that the Certificate be extended in view of the delays experienced due to technical reasons stated above, which were mostly beyond our control. I am attaching some of the documents which explain the circumstances.

Yours sincerely

S.B. Nyanduga
DIRECTOR.

cc Nihat Kilit
DIRECTOR.



TIN NO:111-008-981

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 (%)
Helen Lwegasha	Tanzanian	33
Shamim B. Nyanduga	Tanzanian	33
Nihat Kilit	Turkish	34
.....

2. Proposed Activities : To establish and operate a modern bakery project.

3. Sector: Manufacturing Subsector Bakery

4. Investment cost: Foreign — Local USD 0.815m. Total USD 0.815m
5. Project Financing: Equity USD 0.4m. Loans USD 0.415m. Total USD 0.815m.
6. Source, terms and conditions of loan.....

7. Assets to be invested:

	Foreign	Local	Total
Capital items:	—	USD 0.815m.	USD 0.815m.

8. Technology Agreement None
9. Date of TIC Registration: 28th October 2011
10. Implementation period October 2011 - September 2014
11. Operative date..... October 2014

2. 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, 1
 - (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
None



TANZANIA INVESTMENT CENTRE

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

RECEIPT REC005472

No. 000239

Received from : BARANIMKATEHOUSELTD

Address P.O. Box 7239 Dar es Salaam

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

*For Executive Director
Tanzania Investment Centre*

Being payment in respect of CERTIFICATE OF INCENTIVES FEES

Amount : USD 750.00

Cash / Cheque No: D/Deposit 12/11

Date : 06-Dec-2011

JSimba 

Receiving Officer

PROJECT FOR EXTENSION OF IMPLEMENTATION PERIOD

Name of the Project:
BARAN MKATE HOUSE LIMITED.

Project Description: Certificate No.: **042120**

To establish and operate a modern bakery project.

Approval Date:
28th October 2011

Implementation Period Expiry:

October 2011 – September 2014

Number of Previous Extensions:
NIL

Reasons for this Extension:

To complete the project as it was planned in the business plan

Recommendations:

It is recommended that one year extension period be granted to the company
to enable full implementation of the project

Decision:

Approved
AS EXD
30/07/2015



TANZANIA REVENUE AUTHORITY

TRA/CE/C/P.20/8

30th December, 2011

The Managing Director,
M/s Jambo Food Products Ltd,
P. O. Box 71,
Shinyanga

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS-
CERTIFICATE OF INCENTIVES NO. 042089 OF 18.11.2011**

We are writing in response to your letter dated 22.11.2011 and letter TICC/PP.10/042089/6 of 28.11.2011 from Tanzania Investment Centre regarding the captioned subject.

We hereby approve and submit **one-page list** of capital/deemed capital goods for facilitation of the project with the certificate of incentives mentioned above. However, the approved vehicles should be of less than ten years old at the time of importation.

The approved goods will be subject to 0% import duty and VAT relief under the 3rd Schedule to the VAT Act, 1997; subject to completion of form VAT 224 duly approved by the Commissioner for Customs and Excise.

Sincerely yours,

Said Athumani

For: COMMISSIONER FOR CUSTOMS AND EXCISE

RM/-

- c.c. Manager - Tax exemptions
- c.c. Regional Manager – Shinyanga
- c.c. Manager - Customs Service Centre

- ✓c.c. Executive Director,
Tanzania Investment Centre,
P. O. Box 938,
Dar es Salaam

ISO 9001:2008 Certified

CUSTOMS & EXCISE DEPARTMENT

Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania

Tel: 255-22-2117765 or 255-22-2127783/4/6/8 Fax: 255-22-2138878/2135193



TANZANIA REVENUE AUTHORITY

TRA/CE/C/P.20/08/

08th March, 2013

Managing Director,
Baran Mkate House Ltd,
P.O.BOX 7239,
DAR ES SALAAM.

**RE: DUTY/VAT EXMPTION ON CAPITAL/DEEMED CAPITAL GOODS
CERTIFICATE OF INCENTIVES NO. 042120 OF 02.01.2012 TIN: 111-
008-981**

We are writing in response to your letter dated 04th February, 2013 supported by the letter Ref. TICC/PP.10/042120/7 of 07th February, 2013 from Tanzania Investment Centre, regarding the captioned subject.

We hereby confirm and approve items as per a five page list herewith attached as capital/deemed capital goods for establishment and facilitation of your project with certificate of incentives mentioned above. Please note that deleted items are not eligible for exemption under the project and the age of the approved motor vehicles at the time of importation should be within the limit imposed by the law.

The approved goods will be assessable at 0% Import Duty and VAT relief under the 3rd Schedule to the VAT Act, Cap.148; upon completion of form VAT 224 duly approved by the Commissioner for Domestic Revenue for local purchases and Commissioner for Customs and Excise for importations.

Sincerely yours,

Said Athumani

FOR: COMMISSIONER FOR CUSTOMS AND EXCISE

RM/

C.C: Manager Tax Exemption,

C.C: Manager- TRA Temeke,

C.C: Executive Director, TIC

Dar es salaam

ISO 9001 : 2008 Certified

CUSTOMS & EXCISE DEPARTMENT

Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania

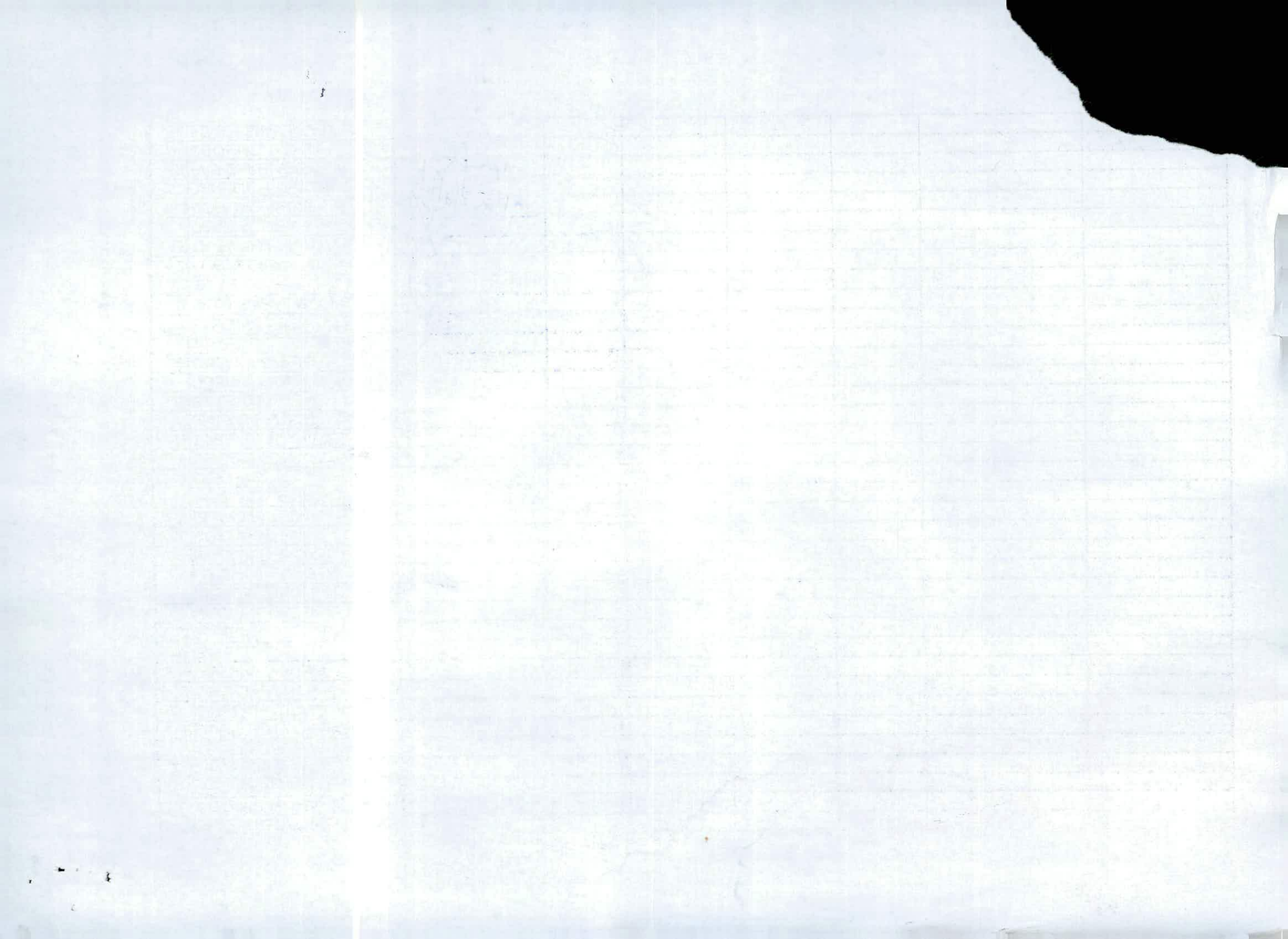
Tel: +255-22-2117765, or 255-22-2127783/4/6/8 Fax: +255 22 2138878/2135193

BARAN MKATE HOUSE LIMITED

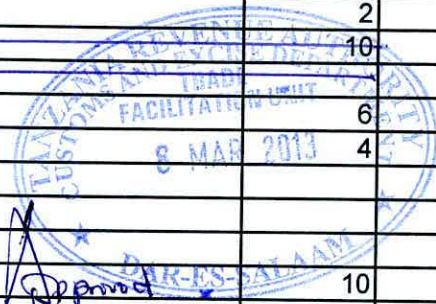
LIST OF CAPITAL/DEEMED CAPITAL GOODS FOR CERTIFICATE OF INCENTIVES NO 042120

N O	ITEM NAME	UNIT MEASUREMENT	QTY	ITEM GROUP	ITEM PRICE	TIN	EXEMPTION REF NO.	EXEMPTION DATE
	<u>MACHINERY AND ACCESSORIES</u>							
1	LIDER 250 ROTATING OVEN (NATURAL GAS)		3					
2	DM 2100 DOUGH DIVIDING MACHINE (KG LUK)		1					
3	PM 280 P INTERCURING MACHINE (280 BOX, INOXCOATING)		1					
4	LM 3100 P LONG MOULDER (INOX COATING)		1					
5	ELM 50 PI FLOUR MOULDER (INOX COATING)		1					
6	CM 3100 CONICAL TURNING MACHINE (INOX COATING)		1					
7	SD 04 W WATER DOSING UNIT		1					
8	SP 200 K SPIRAL MIXER (200 KG, LIFTING SYSTEM)		1					
9	SP 80 SPIRAL MIXER (80 KG DOUGH)		1					
10	KLM 12 CILIMATOR		1					
11	TA 80*100 PAN CARRIAGE (FOR COOLING, INOX)		18					
12	PAN, WITH TEFLON		719					
13	PAN CARRIAGE (FOR COOLING, INOX)		12					
14	FE 10 FERMENTATION		1					

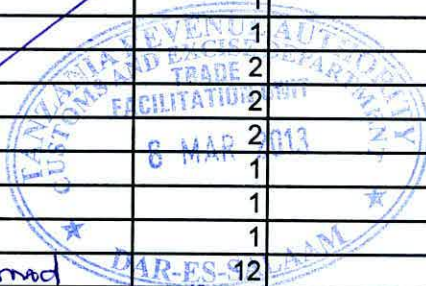




	CHAMBER (18 TRAY CAPACITY, ALUMINIUM							
15	ODM 32 BREAD SLICING MACHINE (WITH PACKING SYSTEM)		1					
16	MMD 600 COLD WATER MACHINES		3					
17	COLD ROOM (10 M2)		1					
18	COLD ROOM (18 M2)		1					
19	BAKERY PRODUCTS DIMENSIONS 600x400x220		2000					
20	100 KVA VOLTAGE STABILIZETOR		1					
21	215x270 STANDARD POLYSTER CABIN- UNASSEMBLED		6					
22	WATER TREATMENT SYSTEM		1					
23	COMPRESOR		1					
24	DIESEL GENERATOR		1					
25	INSTANT DRY YEST		4500 KG					
26	BREAD IMROVER		2250 KG					
27	LIBRA		2					
28	AIR CONDITION SPLIT UNITS		10					
29	WATER TANKS		6					
30	WATER PUMBS		4					
31	INDUSTRIAL GAS SYSTEM							
32	FIRE HYDRANT AND FIRE EXTINGUISHER		10					
33	FRIDGES AND FREEZERS		4					
34	BREAD TRAYS							
35	AIR EXTRACTORS		10					
36	OVERHEAD FANS		16					

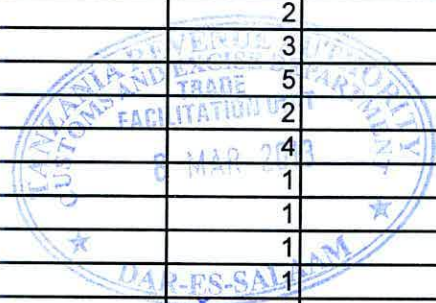


37	PACKAGING MACHINE		1					
38	PACKING MATERIALS		2,700,000					
	(PLASTIC)		1					
39	DOUGH VESSEL		1					
40	THERMO HYGROMETER		1					
41	CALIPER GAGE		1					
	(DIGITAL)		1					
42	WOOD THERMOMETER		1					
43	THERMOMETER-		1					
	HYGROMETER		1					
44	THERMO HYGROMETER		1					
45	WEIGHING MACHINE		1					
46	HEAT METER (DIGITAL)		1					
47	PLATFORM TROLLEY		1					
48	HAMMER		6					
49	LEVEL		1					
50	MALLET (FIBER)		1					
51	STANLEY MUHAFAZA		2					
52	BENCH CLAMP		1					
53	TAPE MEASURE		3					
54	CABLE STRIPPING TOOL		1					
55	NIPPERS SET		1					
56	SAFE BOX		1					
57	TOOL CARRIAGE		1					
58	SCREWDRIVER SET		1					
59	WRENCH SET		2					
60	RULER		2					
61	CRESCENT WRENCH		2					
	(PROF)		1					
62	CRESCENT WRENCH		1					
63	CARPENTER'S VISE		1					
64	BORE BIT		1					
65	TORQ 12 SAW BLADE		1					
66	PIPE WRENCH		1					
67	PINCERS		1					
68	SCREW DRIVER		10					
69	DRILL BIT		6					

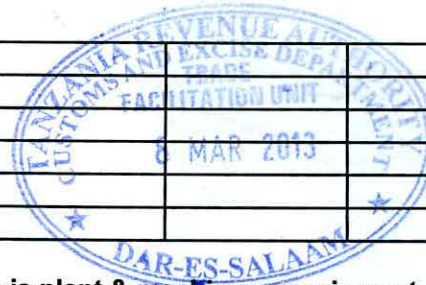


Approved
[Signature]

70	GLASS SCRAPER		1				
71	WRENCH SET (ALLEN)		1				
72	WRENCH (ALLEN, 14mM)		1				
73	WRENCH (ALLEN, 12mm)		1				
74	BITS SET		1				
75	RIFFLER SET		2				
76	DUBLE-END WRENCH (LONG)		2				
77	DUBLE-END WRENCH		1				
78	SORTMASTER ORGANIZER		1				
79	TOOL BAG		1				
80	SHEARS SET		1				
81	25 mt Kbl MAK. 3x1 5MONO PLASTIC		1				
82	UTILITY KNIFE		1				
83	SAW BLADE		1				
84	PACKAGE TROLLEY		1				
85	SOCKET TOOL		2				
86	DOWEL		3				
87	SCREW		5				
88	DIE GRINDER		2				
89	METAL CUTTING TOOL		4				
90	METAL AND WOOD CUTTING TOOL SET		1				
91	ALUMINIUM CUTTING		1				
92	SABER SAW		1				
93	GRIP COMBO SET		1				
94	ROTARY HAMMER DRILL	<i>Diamond</i>	1				
95	WIRE GRID		132				
96	TWO-ARMED STRETCHING	<i>Aluminum</i>	1				
97	PLIERS		1 PACK				
98	WOLTAGE TESTER		2				
	VEHICLES						
99	TRUCK 7 TONS		1 2				
100	LIGHT TRUCK 3		1 2				



	TONS						
101	PICK UP SINGLE CAB	<i>Approved</i>	12				
102	MINIBUS 25 FIVE SEATER	<i>Approved</i>	1				
103	WATER BOOZER		1				



Note; Item Group is the classification of the item whether the item is plant & machinery, equipment, building materials, vehicle, furniture, hotel equipment, communication equipment etc.

MINUTE SHEET

REZO
No.

MINUTE SHEET

Dokezo
No.

2.0

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 \$ 0.815 m.
- (b) Legal entity has been incorporated under certificate
No. 78873 of 28/09/2010

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

28th October, 2011

2.0

EXD

In response to the TIC letter of registration dated 28/10/2011

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from EXIM BANK
- (c) A letter from Director General - TEMBEKE informing on the ongoing survey of land in cheka Kigamboni as evidence of land.

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

12

**THE COMPANIES ACT
ACT NO 12 OF 2002**

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

BARAN MKATE HOUSE LIMITED

*Certified true copy of the
original*

DRAWN BY
NYANDUGA LAW CHAMBERS,
ADVOCATE,
5TH FL. NIC LIFE HOUSE, WING C,
P. O. BOX 7239,
DAR ES SALAAM



[Handwritten Signature]



Secret
10253
24/9/2010
[Signature]

**THE COMPANIES ACT
ACT NO 12 OF 2002.**

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

Secret
10253
24/9/2010
[Signature]

OF

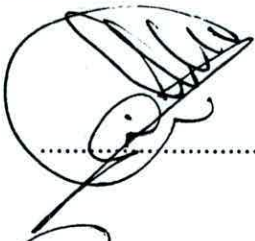

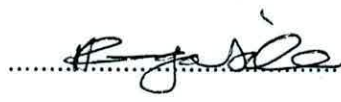
BARAN MKATE HOUSE LIMITED

1. The name of the Company is **BARAN MKATE HOUSE LIMITED.**
2. The registered office of the Company shall be situated in United Republic of Tanzania.
3. The objects for which the Company is established are:-
 - (a) To carry on business of baking and selling all types of confectionaries which shall include bread, cake, biscuits, sweets, lollipop, and such other confectionaries for human consumption.
 - (b) To conduct wholesale and retail business in respect of the said confectionaries by supplying to public and private institutions supermarkets, and shops.
 - (c) To manufacture, import and sell ingredients for the confectionary and baking business including yeast, sweeteners, sugars, food preservatives and other materials so related to the confectionary business.
 - (d) To enter into partnership, or any other arrangement or joint venture or co-operation with any company or person carrying on, engaged in or about to carry on or engage in any activity or business of a similar nature, or otherwise that is capable of being conducted so as directly or indirectly to benefit the Company.

- (e) To invest and deal with moneys of the Company not immediately required in or upon such investments and in such manner as may from time to time seem expedient of or in connection with the objects of the company.
 - (f) To borrow and raise money and to secure or discharge any debt or obligation or binding on the Company in such manner as the Directors of the Company may think fit and in particular by mortgages and charges upon the undertaking and all or any of the property and assets (present and future) and the uncalled capital of the Company, or by the creation and issue on such terms as may be thought expedient for securities of any description.
 - (g) To open and operate bank accounts and to draw, make accept, endorse, execute and issue promissory notes, bills of exchange, cheques, and other negotiable or transferable instruments for the purpose of achieving the aims and objects of the company.
 - (h) To undertake, contract, acquire and carry out works of any kind relating to the business of the company, or aimed at achieving the objects stipulated under this memorandum.
 - (i) To receive, use, hold, accept and apply any fees, contribution bequest, donations or endowments or the proceeds thereof for carrying out the objects of company.
 - (j) To pay out of the funds of the Company the costs, charges and expenses of and incidental to the formation and registration of or the issue of its capital.
 - (k) To insure against losses, damages, risks and liabilities of all kinds, which may affect the Company.
 - (l) To contribute by donation, subscription, guarantee or otherwise to any public, general, charitable or useful object whatever.
 - (m) To acquire property (movable and immovable) for office purposes and in connection with the activities of the company.
 - (n) To do all such other things as are incidental or conducive to the attainment of the above objects
4. The liability of members is limited.
5. The authorized share capital of the company is Tanzania shillings Twenty million, (Tshs 20, 000,000/=) divided into one hundred ordinary shares of Tanzania shillings two hundred thousand (Tshs.200,000/=)each.

6. The shares in the original, or any increase or reduced capital may be divided into several classes, and attached thereto, respectively such preferential, deferred, qualified or special rights, privileges, or conditions as may be determined by or in accordance with the company regulations.

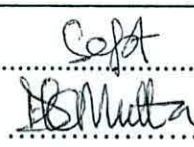
7. We, the several persons whose names, addresses and descriptions are subscribed are desirous of being formed into a Private Company in pursuance of the Memorandum of Association, and we respectively agree to take the number of shares in the capital of the company set opposite of our respective names

NAME, ADDRESS AND DESCRIPTION	SHARES	SIGNATURE
NIHAT KILIT Omercikler Mah, Degirmenler Cd Kilit Sokok, 8025 Sokok No 3 Akyazi/Sakarya, TURKEY (SUBSCRIBER)	34	
MRS SHAMIM B. NYANDUGA P.O.BOX 7239 DAR ES SALAAM (SUBSCRIBER)	33	
MRS HELEN L WEGASIRA BRAHIM P.O.BOX 582, DAR ES SALAAM (SUBSCRIBER)	33	

TOTAL NUMBER OF SHARES 100

Dated at DAR ES SALAAM on this 24th day of Sept

WITNESS to the above signatures;





**THE COMPANIES ACT
ACT NO 12 OF 2002**

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

BARANMKATE HOUSE LIMITED

Preliminary

1. In these Articles, unless the context otherwise requires, words and expressions defined in the Act shall, where used in these Articles bear the same meaning as in the Act.

“The Act” means the Companies Act , No 12 of 2002, or any law for the time being that shall be passed to regulate company matters.

Subject as hereinafter provided, the regulations contained in Table “A” in the First Schedule to the Companies Act, No 12 of 2002, hereinafter referred to as Table “A” shall apply to the company, subject to such modifications hereinafter expressed. When any provision of the Act is referred to the reference is to such provision as modified by any law for the time being in force.

Unless the context otherwise requires, expression defined in the Act or any statutory modification thereof in force at the date at which these regulation was become binding on the company, shall have the meanings so defined.

Private Company

2. The Company is a private Company and accordingly;
 - (a).The number of members of the Company (exclusive of persons who, having formerly been in employment of the company, were, while in such employment of the company) is limited to Fifty. PROVIDED that where two or more persons jointly hold one or more shares in the Company, they shall for the purposes of the Articles, be treated as a single member.
 - (b).Any invitation to the public to subscribe for shares or debentures of the company is prohibited.
 - (c).The right to transfer shares is restricted in the manner hereinafter provided.

Share Capital and Variation of Rights

3.
 - (a). The authorized share capital of the company is Tanzanian Shillings twenty million (Tshs 20,000,000/=) divided into one hundred (100) ordinary shares of Tanzanian shillings two hundred thousand (Tshs.200,000/=) each.
 - (b). Subject to the provisions of section 61 of the Act, the Directors may issue any Preference shares on such terms, or at the option of the Company, liable to be redeemed on such terms and in such manner, as the Directors may determine.

Lien

4. The Company shall have a first and paramount lien on every share (not being fully paid share) and on all dividend or interest declared payable in respect thereof for all moneys (whether presently payable or not) called or payable at fixed time in respect of that share and the company shall have a first and paramount lien on all shares (other than fully paid shares) standing registered in the name of a single person for all moneys presently payable by him or his estate to the company but the Directors may at anytime declare any share to be wholly or in part exempt from the provisions of this Article. The

Company's lien, if any, on a share shall extend to all dividend payable thereon provided that nothing in these articles shall be construed as giving any right of lien over any fully paid share.

Call on Shares

Directors may from time to time make calls upon members in respect of any moneys unpaid on their shares provided that no call shall exceed one fourth of the nominal amount of the share, or be made at less than one month from the last call, and each member shall (subject to receiving at least fourteen days notice specifying the date of payment) pay to the company at the time or times specified the amount called on his shares.

Transfer and Transmission of Shares

The instrument of transfer of any shares shall be executed by or on behalf of the transferor or transferee and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in such respect thereof.

The legal representative of the deceased sole holder of a share shall be the only person recognised by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or the survivor, or the legal representatives of the deceased survivor, shall be the only person recognised by the company as having any title to the share.

Forfeiture of Shares

- 8 If a member fails to pay any call or instalment of a call on the day appointed for the payment thereof, the Directors may, at anytime thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and any expense incurred by reason of such non-payment. Such notice shall state the place at which the payment required by such notice is to be made.

Company's lien, if any, on a share shall extend to all dividend payable thereon provided that nothing in these articles shall be construed as giving any right of lien over any fully paid share.

Call on Shares

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7. The legal representative of the deceased sole holder of a share shall be the only person recognised by the company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivors or the survivor, or the legal representatives of the deceased survivor, shall be the only person recognised by the company as having any title to the share.

Forfeiture of Shares

8. If a member fails to pay any call or instalment of a call on the day appointed for the payment thereof, the Directors may, at anytime thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and any expense incurred by reason of such non-payment. Such notice shall state the place at which the payment required by such notice is to be made.

9. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the company all monies which at the date of forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company receive payment in full of the nominal amount of the shares.

Alteration of Capital

10. The Company may from time to time by Ordinary Resolution increase the Share Capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
11. The Company may by Ordinary Resolution:-
 - (a). consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares,
 - (b). subject to Section 65(1) (d) of the Act, subdivide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association.
 - (c). cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person.
12. The Company may by Special Resolution reduce its share capital, and Capital Redemption Reserve Fund or any share premium account in any manner, and with, and subject to any incident authorised, and consent required by law.

General Meetings

13. A general meeting shall be held once in every calendar year at such time not being more than fifteen months after the holding of the last preceding general meeting and place as may be prescribed by the company in general meeting or, in default at such time in the third month following that in which the anniversary of the company's

incorporation occur, and at such place as the Directors shall appoint. In default of a general meeting being so held a general meeting shall be held in the month next following, and may be convened by any two members in the same manner as nearly as possible as that in which meetings are to be convened by the directors.

14. The above-mentioned general meetings shall be called ordinary general meetings all other general meetings shall be called extraordinary general meetings.
15. The Directors may, whenever they think fit, convene an extraordinary general meeting and extraordinary meetings shall also be convened on such requisition or, in default, may be convened by such requisitions, as provided by section 134 of the Act. If at any time there are not within the Territory sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

Notice of General Meetings

16. Subject to the provisions the Ordinance relating to special resolutions, seven days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given specifying the place, the day and the hour of meeting and in case of special business, the nature of that business shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the regulation of the company entitled to receive such notices from the company, but with the consent of all the members entitled to receive notice of some particular meeting, that meeting may be convened by such shorter notice and in such manner as those members may think fit.
17. The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any member shall not invalidate the proceedings at any meeting.

Proceeding at General Meetings

18. All business shall be deemed special that is transacted at an extraordinary meeting, and all that is transacted at an ordinary meeting, with the exception of the consideration of the accounts, balance sheets and the ordinary report of the directors and auditors, the election of directors and other officers in the place of those retiring by rotation, and the fixing of the remuneration of the auditors.
19. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, two members personally present shall be a quorum.
20. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.
21. The Chairman if any, of the Board of Directors shall preside as chairman at every general meeting of the company.
22. If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the members present shall choose some one of their number to be Chairman.
23. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

24. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least two members present in person or by proxy entitled to vote and unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against, that resolution.
25. If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
26. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
27. A poll demanded on the election of a Chairman, or on a question or adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.

Votes of Members

28. Every member shall have one vote.
29. A member of unsound mind, or in respect of whom an order has been made, by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, or other legal guardian appointed by that court, and any such committee, or other legal guardian or other person may, on a poll, or by proxy.
30. No member shall be entitled to vote at any general meeting unless all moneys presently payable by him to the company have been paid.

31. On a poll votes may be given either personally or by proxy. Provided that so company shall vote by proxy as long as a resolution of its directors in accordance with the provisions the sections of the Ordinance is in force
32. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation either under the seal, or under the hand of an officer or attorney so authorised. A proxy need not be a member of the company.
33. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited at the registered office of the company, not less than seventy two hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument propose to vote, and in default the instrument of proxy shall not be treated as valid.
34. An instrument appointing a proxy may be in the following form, or any other form which the directors shall approve

I.....
of P.O.Box being
a member of
the.....Company Limited
hereby appoint.....of.....as
my proxy to vote for me and on my behalf at the (ordinary or
extraordinary), as the case may be) general meeting of the
company to be held on the.....day
of.....20... at.....or
any adjournment thereof.

Signed by.....this.....day
of.....20...

35. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

Corporation acting by Representatives at Meetings

36. Any corporation which is a member of the company may by resolution of its Directors or other governing body authorise such person as it think fit to act as its representative at any meeting of the company and the person authorised shall be entitled to exercise the same powers on behalf of the corporation he represents as that corporation could exercise if it were individual member of the company.

Directors

37. The number of Directors and the names of the first directors shall be;
- (i). Mr. NIHAT KILIT
 - (ii). Mrs SHAMIM B. NYANDUGA.
 - (iii) Mrs HELEN LWEGASILA BRAHIM
31. The remuneration of the Directors shall from time to time be determined by the company in general meeting.

Powers and Duties of Directors

32. The business of the company shall be managed by the Directors, who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company as are not by, the Act or by the articles, required to be exercised by the company in general meeting, subject nevertheless to any regulation of these articles, to the provisions of the Act and to such regulations, being not inconsistent with the aforesaid regulation or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

34. The Directors shall cause minutes to be made in books provided for the purpose:-
- (a) of all appointments of officers made by the Directors;
 - (b) of the names of the Directors present at each meeting of the Board and of any committee of the Directors;
 - (c) of all resolutions and proceedings at all meetings of the company, and of Directors, and of committees of Directors, and every Director present at any meeting of Directors or committee of Directors shall sign his name in a book to be kept for that purpose.

The Seal

35. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors, and in the presence of a Director and of the Secretary or such other person as the Directors may appoint for the purpose and that Director and the Secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Disqualifications of Directors

36. The office of Director shall be vacated, if the Director
- (a) without the consent of the company in general meeting holds any other office of profit under the company; or
 - (b) becomes bankrupt; or
 - (c) becomes prohibited from being a Director by reason of any order made under section 325 of the Act.
 - (d) is found lunatic or becomes of unsound mind; or
 - (e) resigns his office by notice in writing to the company.

- (f) is directly or indirectly interested in any contract with the company and fails to declare the nature of his interest in manner required by section 209 of the Act.
- (g) is punished with imprisonment for a term exceeding six months without the option of a fine.

A Director shall not vote in respect of any contract in which he is interested or any matter arising there out, and if he does so vote his vote shall not be counted.

Rotation of Directors

- 37. The company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.
- 38. Any casual vacancy occurring in the Board of Directors may be filled up by the Directors but the person so chosen shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a director.
- 38. The Directors shall have power at any time, and from time to time, to appoint a person as an additional Director who shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the company at that meeting as an additional Director.
- 39. The company may by extraordinary resolution remove any Director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

Proceedings of Directors

- 40. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In case

of an equality of votes the Chairman shall have a second or casting vote. A Director may, and the Secretary, on the requisition of a Director shall at any time summon a meeting of the Directors.

41. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall, when the number of Directors exceed three, be three and shall, when the number of directors does not exceed three be two.
42. The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of Directors the continuing Directors may act for the purpose of increasing the number of Directors to that number, or summoning a general meeting of the company, but for no other purpose.
43. The Directors may elect a Chairman of the company and determine the period for which he is to hold office, but if no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
44. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the directors.
45. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
46. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present and in case of an equality of votes the chairman shall have a second or casting vote.

47. All acts done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified, in as valid as if every such person had been duly appointed and was qualified to be a Director.

Accounts

48. The Directors shall cause proper books of account to be kept with respect to all sum of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; in respect of all sales and purchases of goods by the company and the assets and liabilities of the company.
49. The books of account shall be kept at the registered office of the company or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.
50. The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the account and books of the company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the company except as conferred by statute or authorised by the Directors or by the company in general meeting.
51. The Directors shall from time to time in accordance with section 153 of the Act, cause to be prepared and to be laid before the company in general meeting such profit and loss account, balance sheets and reports as are referred to in the section.
52. The profit and loss account shall show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account so

that a just balance of profit and loss may be laid before the meeting, in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

53. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the company in general meeting together with a copy of the auditor's report shall not less than seven days before the date of the meeting be sent to all persons entitled to receive notice of general meetings of the company.

Audit

54. Auditors shall be appointed and their duties regulated in accordance with sections 170, and 175, of the Act.

Notices

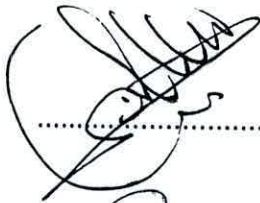


55. A notice may be given by the company to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address within the Territory) to the address, if any, within the Territory supplied by him to the company for the giving of notices to him.

When a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

56. If a member has no registered address within the Territory and has not supplied to the company an address within the Territory for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the company, shall be deemed to be duly given to him on the day on which the advertisement appears.

57. Notice of every general meeting shall be given in some manner here-in before authorised to every member except those members who (having no registered address within the Territory) have not supplied to the company an address within the Territory for the giving of notices to them. No other persons shall be entitled to receive notices of general meetings.

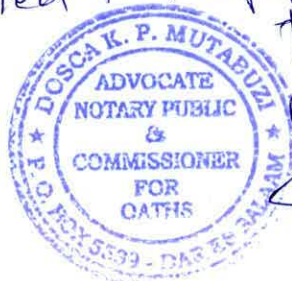
We, the several persons whose names, address and descriptions are subscribed, are desirous of being formed into a Company in pursuance of the Memorandum and Articles of Association.

NAME, ADDRESS AND DESCRIPTION	SHARES	SIGNATURE
NIHAT KILIT Omercikler Mah, Degirmenler Cd Kilit Sokok, 8025 Sokok No 3 Akyazi/Sakarya, TURKEY (SUBSCRIBER)	34	
MRS SHAMIM B. NYANDUGA P. O. Box 7239 DAR ES SALAAM (SUBSCRIBER)	33	
MRS HELEN L WEGASIRA BRAHIM P. O. Box 582, DAR ES SALAAM (SUBSCRIBER)	33	
TOTAL NUMBER OF SHARES	100	

Dated at DAR ES SALAAM on this 20th day of Sept
 WITNESS to the above signatures; Mulla

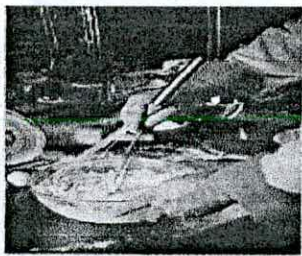


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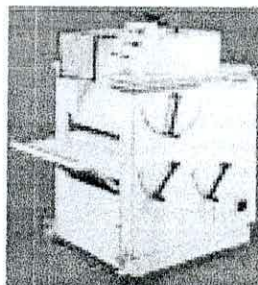
Mulla

Baran Mkatte House Limited



Business Plan

2011-2013



Bread making machine

Prepared By:

Pamphill A Kiluwa
Consultant & Trainer
IPSCM Consult

**CERTIFIED TRUE
COPY OF THE ORIGINAL**



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Executive Summary

Tanzania is one of the third world countries with a high potential for investment by not only Tanzanians but also foreigners. Current statistics indicate a high influx of foreign investment in various areas of the country with agriculture being the main drive at the moment, pushed by the 'Kilimo Kwanza' philosophy of the government of Tanzania.

The success of 'Kilimo Kwanza' will include an increase in the production of agricultural products for both domestic consumption and export. This is in line with the government's efforts to eradicate poverty in the country by increasing the per capital income of its people and making sure that no one goes hungry.

The bakery and confectionery products production is among the secondary industries which help the government achieve its objectives of ensuring the people have adequate food to eat. Given the eating habits of indigenous Tanzanians and other nationalities living in the country, it has been observed that the bakery and confectionery industry is growing at a fast pace in the urban areas of the country. It will grow even faster with the development of the Blue Diamond City of Kigamboni.

Baran Mkate House is to grab this demand opportunity by bringing in Turkish bakery and confectionery technology to fill the 'mkate' demand gap primarily in the Dar es Salaam City and later on in the up country cities. To do this, the company, with its mission of producing and selling quality bread at low prices and seeing itself as being one of leading producers and distributors of quality bread in the country, intends to have a factory at Kigamboni, have distribution shops in each of the three municipalities of the city and establish relationships with big shops and supermarkets from which its products will be sold. This is in addition to having a shop around the factory.

The business will be introduced in phases but within a short period of time to cope with investment developments in the city. **First**, there will be building of a factory coupled with the importation of quality machinery from Turkey and subsequent installation of the same as well as the renting of shops in the three municipalities. **Then**, there will follow phase two which will be the production of different types of bread in the first place followed by the production of salty and sweet products like pastry, biscuits and cakes.

To implement the entire plan, four local and foreign investors have come together to contribute towards the required capital. It is expected that the whole project will cost about US Dollars 400,000 in buildings and machinery as well as initial working capital.

With the favorable investment climate in the country, and given that demand for bread is unquestionable with manageable competition, the investors are very optimistic about achieving their objectives of providing quality food to Tanzanians, paying taxes to the government and paying back the investment money to the shareholders.

Together we shall build the nation.

Shamim Msangi Nyanduga

EXECUTIVE DIRECTOR

General Company Description

Introduction

Baran Mkate House Limited is a company registered in Tanzania by the Registrar of Companies under the Companies Ordinance Cap. 212 (revised 2006).

The company was registered on the 28th day of September in the year 2010, under certificate number 78873. It also has a valid business license number as well as a Tax Payer Identification Number (TIN) 111-008-981 dated 20/10/2010.

Its **Headquarter** is at Kigamboni in the City of Dar es Salaam – Tanzania.

In its Memorandum and Articles of Association, the company is in the business of producing and selling all kinds of bakery products, including but not limited to all types and sizes of bread, sconces, banana rolls, cakes, biscuits, doughnuts, burgers and the like for sale in the local market to begin with and later on in the export market as circumstances allow.

Mission:

BMHL has a mission of producing quality bakery products for consumption by the local and foreign consumers in line with local and international health standards with a view to minimizing costs of production and maximizing quality so that products are availed to the consumers at the lowest prices possible.

Vision:

BMHL would like to see itself as one of the leading producers of bakery products, with a major in the common food product 'mkate' or bread which is commonly consumed by the common man, as well a leading provider of not only employment to the local community, but also poverty alleviator in the provision of quality yet affordable bread.

Objectives and Goals:

The main objectives of the company include:

1. Meeting the quality and quantity 'mkate' needs of all the three Municipal Councils of the City (*Ilala, Kinondoni and Temeke*), during 2011 and later on, in the neighboring municipalities and towns in the years to come.

2. To assist the government in eradicating poverty by availing 'mkate' products at as low prices as possible while maintaining quality.
3. To ensure it enters the competitive market and obtains at least a 30% share of the whole market by the end of 2011.

In order to meet the above objectives, the company has the following goals:

1. Build or acquire three shops in each of the municipalities from where product distribution will take place,
2. Establishing selling outlets in the densely populated areas for the consumers' ease of access to the products – at least sixty (60) of these.
3. Engage in door to door selling to the major hotels and restaurants in the city for the main and other products they might require to gain a competitive advantage over other suppliers – at least twenty (20) motor cycles.
4. Establishment of alliances with local producers and/or later apply vertical integration to ensure minimum production costs for lower prices.

Business Philosophy:

In line with the Tanzania Government's policies on eradication of poverty in the country by means of creating employment opportunities for Tanzanians, BMHL intends to create employment opportunities for workers in the factory as well as in the sales operations. This will continue when we consider expanding our sales operations upcountry.

The company believes in the spirit of 'entrepreneurship', that of taking advantage of business opportunities and applying the 'win win' philosophy whose results will benefit not only the company but the consumers, suppliers, the general population and the government, in terms of providing quality products on a timely basis and paying taxes for the development of the nation.

Baran Mkate House Limited boasts of bringing in a wealth of knowledge and experience from its owners- many years of experience in the bakery industry where quality and variety production cannot be over-emphasized, as well as business management where customer care is taken and practiced very seriously.

We intend to set up supply centers in the densely populated areas of the city as mentioned under 'objectives', such as Temeke, Buguruni, Mbagala, Ubungo, Kariakoo, etc. so as to be within the proximity of our customers.

Given the quality of our products and the supply strategy, we expect to grow into a large producer and distributor of bakery products without much competition. We have the production and human resources to do so.

This company is legally registered as a Limited liability company pooling a tremendous wealth of skills from within the country and outside the country as well.

Ownership and Shareholding

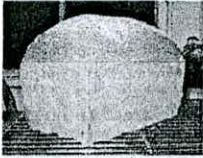
The company is owned by a team of indigenous Tanzanians and a foreigner from Turkey. The company's shareholding is distributed among the shareholders as follows:-

1. Shamin Msangi Nyanduga – Tanzanian – (22%)
2. Helen Lwegasira - Tanzanian – (22%)
3. Victoria Richard Mwakasege – Tanzanian – (22%) and
4. Nihat Kilit – Turkish – (36%)

These will form the founding Board of Directors who will develop policies to be applied by the Management of the company as described under Personnel Issues.

Products and services

Products:



In accordance with our studies, the majority of the urban and sub-urban dwellers consume

1. Bread for not only breakfast but also as a meal. For this group of customers, we expect to produce small, medium and large sizes of white bread, mostly sliced and a fair portion of unsliced bread (in the large size category). We shall also produce brown bread which is mostly sold in supermarkets, shopping centers and large shops.
2. Cakes and scones - especially the youngsters; at school, parties conferences and even at home.
3. Banana rolls and burgers – in restaurants, hotels, tea shops and kiosks. A variety of these will be produced in accordance with confirmed orders and foreseen demand.
4. Creams – variety of these in accordance with the weather in the country.
5. Other products we intend to produce to cater for a small portion of the market will include biscuits, pasta and baklava types and tulumba.

The needs of our customers are dependent on their cultural orientation. We have a number of communities with differing food tastes – Indian, Arabic, Chinese, European, African and mixtures of the above. In order to satisfy such consumption needs, we will

have to use a number of ingredients to produce different tastes, especially for the cakes, burgers, scones and rolls. These will include but not limited to the following:-

- a) Different types of flour - white bread flour, brown flour (whole wheat or wheat meal), whole grain and rye flour, Pastry flour, Cake flour, Durham flour, Hovis flour, Rice flour, self raising flour and numerous other flours, each designed for some particular manufacturing method or product.
- b) Liquids used in the bakery, which might be eggs or water, milk or oil.
- c) Shortenings which can be separated into several categories,
- d) Oil which can be frying oil or salad oils,
- e) Margarines or butters.
- f) Pastry shortenings or high ratio shortenings and lards.
- g) Different types of dry sugars, which can also be in liquid forms too. Glucose, Honey and syrup are but three.
- h) Salts used in a bakery, of which many chemicals can be attributed to a salt also, such as Ammonium bi-carbonate as well as Salt or sodium chloride and Vol, as well as cream of tartar and baking powder.
- i) Herbs like parsley and sage, flavors and spices as well as colorings.
- j) Thickening agents like corn starch and custard powders, gravy browning and soup flavors.

All of these come under the term ingredients.

Services:

In order to compete in the 'mkate' market, our selling strategy will incorporate the provision of the following services:-

- i) A sales outlet around the factory in Kigamboni,
- ii) Shops in the major market places,
- iii) Selling points in the major densely populated areas in the town and
- iv) Distribution vans and motor cycles and tricycles to supermarkets and large shops.

Investment Plan

We intend to have two investment phases.

Phase One will be the acquisition of land and putting up a factory building and a sales and administration building as well as hiring three shops in each of the three municipalities. This will go hand in hand with the purchase of production equipment shown under fixed assets in the schedules to this business plan.

Phase Two will be starting production and sales operations which will have two projects.

- a) Project 1 will be production of bread – the main product – in different sizes and shapes to cater for the different types of consumers.
- b) Project 2 will be the production of baked products comprising:-
 - i) Salty types of baked products like pastry with meat/cheese filling, Turkish bagel, pasta with cheese parsley fillings, rolled pastry, different types of biscuits
 - ii) Sweet type of baked products like birthday cakes, baklava deserts and the like.

Marketing Plan

Market Economics

Our market survey reveals that there are existing suppliers in the market most of whom have been in the business for many years. Many of these are located in specifically populated areas of the city and do have outlets to other areas of it as given below:

- 1) AZAM BAKERY – ‘azam’, a big brand in the market is sold almost throughout the country; the factory is located outside the city centre towards the JK International airport.
- 2) TEMEKE BAKERY – covers a large part of the Temeke Municipality and some gaps are filled by Azam.
- 3) SUPER LOAF – a big competitor of Azam, has a factory in Dar es Salaam and a distribution network throughout the country,

- 4) SAHARA – another long established producer of bread has captured the Magomeni Mwembechai market and enjoys a fair share of the market.
- 5) MARCOM – located at Kijitonyama area, has several years in the market and also enjoys a fair share of it,
- 6) MANZI LOAF – located at Magomeni Makanya, distributes bread around that area and extends to Tandale and Magomeni. It also enjoys a fair share of the market.
- 7) HOT LOAF – has specialized in supplying bread to Super Markets together with other small bakeries like Epic d’or, and
- 8) SUPER BAKERY – distributes its bread in the Tegeta and Kunduchi areas.

AZAM and TEMEKE bakeries are the main competitors in the market. We are optimistic that we can comfortably enter the market and enjoy the competition.

The above survey clearly shows that the City of Dar es Salaam is yet to be covered by bakeries. The area we have chosen – Kigamboni, is not well covered at all. The demand in the areas of Ubungo, Kimara, Mbezi, just to mention a few, is yet to be satisfied.

With the growing population of the City of Dar es Salaam, and given that bread consumption is unavoidable (especially by the low income earners), the demand for bread is ought to increase as well into the far future.

Marketing Strategy

As observed earlier, almost every household in the city of Dar es Salaam eats bread- (bread eating was introduced to the coastal and later upcountry areas by businessmen from Asia, the Far East and Central Europe, especially the Greeks).

Our target customers are the low income earners in those densely populated areas- demographically located in the areas of Kigamboni, Manzese, Tandika and Tandale. These form the larger part of the Dar es Salaam population.

The other customer groups are the middle level income earners of Tabata, Kimara, Mbezi and parts of Msasani, and the high income earners located in areas like Masaki, Upanga, Mikocheni, Oyster bay and most parts of the city centre.

The low and middle level income earners are our target groups – the **niche** market.

In order to enter the market with high impact, we will apply the following marketing strategies:-

- a) Employing workers from other bakeries or who have had working/selling experience in the bakery industry for a faster production and sales take off.
- b) Develop and launch marketing campaigns such as sending letters of introduction to shops as well as samples of the products to major shopping centers.
- c) Getting media exposure through Television, Radio and Newspaper advertisements using the most popular media – the ones seen, heard and read by the niche market population.
- d) Undertaking shop to shop deliveries using vans and motor cycles for quick delivery and ease of availability of the products. This also reduces the selling prices because the company will be eliminating seller purchasing costs.
- e) Establish a consumer feedback mechanism which will help us eliminate problems encountered by the selling outlets as well as the direct consumers.
- f) Come up with a logo for the main product so that customers know our products through the logo,
- g) Obtain certification from the Tanzania Bureau of Standards for our products for customer confidence in what they consume.
- h) Have a website where our products and services will be read and seen.

Pricing

Cost of Production.

We intend to keep down costs of production by buying in large quantities for quantity discounts, as well as systematically controlling our other variable costs of production.

Fixed Costs-(Operating Costs).

Where possible we shall keep our operating costs to the minimum to ensure low selling prices.

Selling Prices and quality

While we endeavor to minimize costs, our niche market is seen not to worry much about prices, it is quality that matters. This will be our concentration in the production of bread to make sure we get the desired share of the 'mkate' market.

Distribution Channels

In order to be able to reach the customers in the niche market and the high income earners, we intend to have:-

- a) A retail shop in the factory compound at Kigamboni,
- b) Three shops- one in each of the three municipalities from where our vans and motor cycles will take their supplies for distribution to large shops and supermarkets.

Sales Forecast

Sales forecast for the first year are based on the main products – bread (65%), sconces (20%) banana rolls (10%), and burgers (5%).

Normally, with effective cost control, the profit margin on bakery products is high. We intend to keep prices low while maintaining quality for higher sales.

The sales data can be seen in our sales forecast. Monthly sales of US Dollars 225,000 are expected.

Operations Plan

Production

The company will import modern high technology production machines from Turkey which will not only ensure quality production but also production of the required quantities in time for supply to the consumers to ensure continuity of supply.

It is expected that in the first year, the factory will work for twenty five (25) days a month and ensure there are stocks for the week-ends, with a labor force of about fifty (50) people.

Legal environment

As long as one is aware of the legal system of Tanzania and is 'tax compliant' doing business in this country is easy and healthy. The company intends to hire staff who are competent and aware of the legal systems as well as obtaining the legal and accounting consultants to make sure there is no problem with the authorities in the area of licenses

(investment, trading etc), health certificates, permits (building, residence, etc.) insurance, trade names and trademarks.

Personnel

The company intends to hire key staff on a permanent basis and the rest on a casual labour or sales commission basis. The key workers will include the following:

Administration Staff.

1. Managing Director
2. Marketing Manager
3. Operations Manager
4. Accountant
5. Accounts Assistant
6. Cashier
7. Purchasing Office
8. Office Administrator
9. Driver

Production Staff

1. Chief Baker
2. Senior Baker
3. Baking Assistants

Inventory

Most, if not all of the raw materials will be bought from the local market. We expect to stock at most one month's supply of these. For the imported supplies, quantities enough to support production during the lead time will be kept.

The stocks referred to here are the ingredients for the production of bread and other products mentioned under 'Products and Services'.

Suppliers

Our key suppliers will be those of flour who will be either wholesalers or producers. We shall carry out a cost benefit analysis from time to time to determine the best option.

While we expect to pay in advance for deliveries, we plan to negotiate for supply credit for smoother cash flows.

Credit Policy

In order to gain a fare and fast share of the market, we intend to allow a thirty day credit for 25% of our sales (select customers like supermarkets and big shops).

This is in line with the expected purchase strategy for smooth cash flow management.

Financial Plan

In the Financial Plan the company has worked out the Cash Flow Projections, Profit/ (Loss) Statement and the Balance Sheet for the first year (monthly) and the second year (consolidated).

Cash Flow Projections.

It is expected that the shareholders will avail investment advances amount to about us\$400,000 for the purchase of machines and materials as well as construction of a factory and cost of land and compensation for property and products on the factory land. This money will be paid back in the course of the year.

An amount of us\$20,000 will also be injected by the shareholders as capital. This will be used for the operations of the company as well.

The cash flow statement shows a healthy position.

Profit/ (Loss) Statement

Given the sales and cost assumptions, the statement shows a profit before tax. This should be useful in achieving the objectives of providing the government with tax income as well as paying the dividends to the shareholders.

Balance Sheet

The Balance Sheet as at the end of the year shows a positive Net Wealth, and a healthy Net Assets position.

Appendices

- **Balance Sheet**
- **Profit/(Loss) statement**
- **Cash Flow Statement**
- **Cost sheets**
- **Fixed Assets Schedule**
- *Brochures and advertising materials*
- *Industry studies*
- *Blueprints and plans*
- *Maps and photos of location*
- *Magazine or other articles*
- *Copies of leases and contracts*
- *Any other materials needed to support the assumptions in this plan*

BARAN MKATE HOUSE LIMITED

Profit and Loss Projection (9 Months)

Fiscal Year Begins

Jul-11

	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	YEARLY	%
Revenue (Sales)														
Sliced Bread	0	0	0	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	756,000	-
Brown Bread	0	0	0	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	648,000	-
Scounces	0	0	0	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	246,857	-
Banana Rolls	0	0	0	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	123,429	-
Burgers	0	0	0	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	246,857	-
Category 6	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Category 7	0	0	0	0	0	0	0	0	0	0	0	0	0	-
Total Revenue (Sales)	0	0	0	224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	2,021,143	0.0
Cost of Sales														
Opening Inventory					33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	0	
ADD: Direct Purchases														
Direct Materials	0	0	0	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	301,500	14.9
Direct Labour				3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	31,500	1.6
Direct Overheads				510	510	510	510	510	510	510	510	510	4,593	0.2
Available for production	0	0	0	37,510	71,010	71,010	71,010	71,010	71,010	71,010	71,010	71,010	337,593	
LESS: Closing Stock				33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	
Total Cost of Sales	0	0	0	4,010	37,510	37,510	37,510	37,510	37,510	37,510	37,510	37,510	304,093	15.0
Gross Profit														
	0	0	0	220,561	187,061	187,061	187,061	187,061	187,061	187,061	187,061	187,061	1,717,050	85.0
Expenses														
Finance Charges	0	0	0	469	469	469	469	469	469	469	469	469	4,221	0.2
Indirect Expenses	0	0	0	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	277,805	13.7
Total Expenses	0	0	0	31,336	31,336	31,336	31,336	31,336	31,336	31,336	31,336	31,336	282,025	14.0
Net Profit														
	0	0	0	189,225	155,725	155,725	155,725	155,725	155,725	155,725	155,725	155,725	1,435,025	71.0

BARAN MKATE HOUSE LIMITED

Balance Sheet (Projected)

As at June 30, 2012

Projected

2011

Assets

Current Assets

Cash in bank	703,653
Accounts receivable	56,143
Inventory (Closing)	33,500
Pre operating Expenses	66,594
Total Current Assets	\$ 859,890

Fixed Assets

Machinery & equipment	\$ 169,713
Furniture & fixtures	\$ 3,850
Leasehold improvements	\$ 46,747
Land & buildings	\$ 440,690
Office Machines	\$ 7,600
(LESS accumulated depreciation on all fixed assets)	\$ (59,610)
Total Fixed Assets (net of depreciation)	\$ 608,988

Other Assets

Intangibles	\$ -
Deposits	-
Goodwill	-
Other	-
Total Other Assets	\$ -

TOTAL Assets	\$ 1,468,879
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Liabilities and Equity

Current Liabilities

Accounts payable	9,034
Interest payable	-
Taxes payable	4,820
Notes, short-term (due within 12 months)	-
Current part, long-term debt	-
Other current liabilities	-
Total Current Liabilities	\$ 13,854

Long-term Debt

Bank loans payable	\$ -
Notes payable to stockholders	-
LESS: Short-term portion	-
Other long term debt	-
Total Long-term Debt	\$ -

Total Liabilities	\$ 13,854
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Owners' Equity

Invested capital	\$ 20,000
Shareholders Advances towards capital	\$ -
Retained earnings - current	\$ 1,435,025
Total Owners' Equity	\$ 1,455,025

Total Liabilities & Equity	\$ 1,468,879
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BARAN MKATE HOUSE LIMITED

Sales Forecast (12 Months)

Fiscal Year Begins

July 1, 2011

12-month Sales Forecast

		Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Annual Totals
Sliced Bread	35%				168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	168,000	1,512,000
Sale price @ unit					0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	
TOTAL					84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	756,000
Brown Bread	30%				144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	1,296,000
Sale price @ unit					0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	
TOTAL					72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	648,000
Scounces	20%				96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	96,000	864,000
Sale price @ unit					0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	
TOTAL					27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	246,857
Banana Rolls	10%				48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	432,000
Sale price @ unit					0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	0.29	
TOTAL					13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	13,714	123,429
Burgers	5%				24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	216,000
Sale price @ unit					1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	
TOTAL					27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	27,429	246,857
Monthly totals: All Categories					224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	2,021,143

Production Capacity

		480,000
	%	Quantity
Sliced Bread	35	168,000
Brown Bread	30	144,000
Scounces	20	96,000
Banana Rolls	10	48,000
Burgers	5	24,000
	100	480,000
BREAK-EVEN PRODUCTION		17,860
EXCESS PRODUCTION		462,040

480,000

BARAN MKATE HOUSE LIMITED

Cash Flow (12 months)

	Fiscal Year Begins: Jul-11												Total Item
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	EST
Cash on Hand (beginning of month)		20,000	414,340	268,277	133,432	33,521	133,609	233,697	333,786	433,874	533,962	633,331	0
CASH RECEIPTS													
Cash Sales	0	0	0	168,429	168,429	168,429	168,429	168,429	168,429	168,429	168,429	168,429	1,515,857
Collections from Debtors		0	0	0	56,143	56,143	56,143	56,143	56,143	56,143	56,143	56,143	449,143
Directors' Advances	20,000												20,000
		397,340											397,340
TOTAL CASH RECEIPTS	20,000	397,340	0	168,429	224,571	224,571	224,571	224,571	224,571	224,571	224,571	224,571	2,382,340
Total Cash Available (before cash out)	20,000	417,340	414,340	436,706	358,004	258,092	358,181	458,269	558,357	658,446	758,534	857,902	2,382,340
CASH PAID OUT													
Purchases (merchandise)	0	0	0	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	301,500
Gross wages (exact withdrawal)				7,940	7,940	7,940	7,940	7,940	7,940	7,940	7,940	7,940	71,464
Payroll expenses (taxes, etc.)				4,820	4,820	4,820	4,820	4,820	4,820	4,820	4,820	4,820	38,356
Cooking Gas	0	0	0	441	441	441	441	441	441	441	441	441	3,972
Water	0	0	0	69	69	69	69	69	69	69	69	69	621
Bank Charges	0	0	0	469	469	469	469	469	469	469	469	469	4,221
Interest													0
Accounting Services	0	0	0	500	500	500	500	500	500	500	500	500	4,500
Computer Supplies	0	0	0	70	70	70	70	70	70	70	70	70	630
Provisional Corporation Tax	0	0	0	379	379	379	379	379	379	379	379	379	3,414
Electricity Expense	0	0	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	0	20,000
Generator Fuel	0	0	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	0	20,000

Insurance	0	0	0	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	13,500
Medical Expenses	0	0	0	800	800	800	800	800	800	800	800	800	7,200
M V Fuel	0	0	0	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	0	11,200
Mobile Phone Expenses	0	0	0	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	11,700
N S S F Expenses	0	0	0	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	9,900
Newspapers & Periodicals	0	0	0	34	34	34	34	34	34	34	34	0	276
Printing & Stationery	0	0	0	100	100	100	100	100	100	100	100	100	900
Professional Charges	0	0	0	250	250	250	250	250	250	250	250	0	2,000
R & M Computers	0	0	0	150	150	150	150	150	150	150	150	150	1,350
Rent - Staff Quarters	0	0	0	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	0	17,600
Repairs and Maintenance	0	0	0	500	500	500	500	500	500	500	500	500	4,500
Salaries and Wages	0	0	0	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	60,750
Staff Development Levy	0	0	0	660	660	660	660	660	660	660	660	660	5,940
Staff Welfare Expenses	0	0	0	100	100	100	100	100	100	100	100	100	900
Telephone & Fax expenses	0	0	0	150	150	150	150	150	150	150	150	0	1,200
Travelling Expenses	0	0	0	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	11,700
Miscellaneous													0
SUBTOTAL	0	0	0	71,483	71,483	71,483	71,483	71,483	71,483	71,483	71,483	57,629	629,494
Loan principal payment													0
Capital purchase (specify)													
Production Machines		143,063		26,650									169,713
Office Equipment				7,600									7,600
Furniture & Fittings				3,850									3,850
Building Materials				50,000	250,000								300,000
Factory and Office Hire costs	3,000	3,000		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000		30,000
Other startup costs				140,690									140,690
Reserve and/or Escrow													0
Director's Advances refund						50,000	50,000	50,000	50,000	50,000	50,720	96,620	397,340
TOTAL CASH PAID OUT	0	3,000	146,063	303,273	324,483	124,483	124,483	124,483	124,483	124,483	125,203	154,249	1,678,687
Cash Position (end of month)	20,000	414,340	268,277	133,432	33,521	133,609	233,697	333,786	433,874	533,962	633,331	703,653	703,653

DIRECT LABOUR	BASIC SALARY	NSSF EXPENSE	TAXABLE PAY	PAYE	TOTAL DEDUCTIONS	NET SALARY
Chief Baker	1,200	120	1,080	250	370	830
Senior Baker	800	80	720	142	222	578
Baking Assistant	500	50	450	64	114	386
Baking Assistant	500	50	450	64	114	386
Baking Assistant	500	50	450	64	114	386
TOTAL DIRECT LABOUR	3,500	350	3,150	585	935	2,565
INDIRECT LABOUR						
Managing Director	2,000	200	1,800	466	666	1,334
Marketing Manager	1,200	120	1,080	250	370	830
Operations Manager	1,200	120	1,080	250	370	830
Accountant	1,000	100	900	196	296	704
Accounts Assistant	500	50	450	64	114	386
Cashier	300	30	270	25	55	245
Stores Officer	400	40	360	43	83	317
Purchasing Officer	400	40	360	43	83	317
Office Administrator	300	30	270	25	55	245
Driver	200	20	180	12	32	168
TOTAL INDIRECT LABOUR	7,500	750	6,750	1,375	2,125	5,375

TOTAL LABOUR	11,000	1,100	9,900	1,960	3,060	7,940
S D L	660.00					

NSSF PAYABLE	GROSS SALARY	PAYE PAYABLE
240	10,800	3,001
160	7,200	1,705
100	4,500	771
100	4,500	771
100	4,500	771
700	31,500	7,020
-	-	-
400	24,000	5,593
240	14,400	3,001
240	14,400	3,001
200	12,000	2,353
100	6,000	771
60	3,600	301
80	4,800	517
80	4,800	517
60	3,600	301
40	2,400	140
1,500	90,000	16,495
2,200	121,500	23,515

DIRECT OVERHEADS

Cooking Gas	441	441	441	441	441	441	441	441	441	3,972
	-	-	-	-	-	-	-	-	-	-
Water	69	69	69	69	69	69	69	69	69	621
	510	510	510	510	510	510	510	510	510	4,593

Finance Charges

Bank Charges	469	469	469	469	469	469	469	469	469	4,221
Interest on Loan										-
	469	469	469	469	469	469	469	469	469	4,221

Indirect Expenses

Accounting Services	500	500	500	500	500	500	500	500	500	4,500
Computer Supplies	70	70	70	70	70	70	70	70	70	630
Provisional Corporation Tax	379	379	379	379	379	379	379	379	379	3,414
Depreciation	6,623	6,623	6,623	6,623	6,623	6,623	6,623	6,623	6,623	59,610
Electricity Expense	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	22,500
Generator Fuel	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	22,500
Insurance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	13,500
Medical Expenses	800	800	800	800	800	800	800	800	800	7,200
M V Fuel	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	12,600
Mobile Phone Expenses	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	11,700
N S S F Expenses	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	9,900
Newspapers & Periodicals	34	34	34	34	34	34	34	34	34	310
Printing & Stationery	100	100	100	100	100	100	100	100	100	900
Professional Charges	250	250	250	250	250	250	250	250	250	2,250
R & M Computers	150	150	150	150	150	150	150	150	150	1,350
Rent - Staff Quarters	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	19,800
Repairs and Maintenance	500	500	500	500	500	500	500	500	500	4,500
Salaries and Wages	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	6,750	60,750
Staff Development Levy	660	660	660	660	660	660	660	660	660	5,940
Staff Welfare Expenses	100	100	100	100	100	100	100	100	100	900
Telephone & Fax expenses	150	150	150	150	150	150	150	150	150	1,350
Travelling Expenses	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	11,700
	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	30,867	277,805

ACCOUNTS PAYABLE	Jun-12
Telephone & Fax expenses	150
Rent - Staff Quarters	2,200
Newspapers & Periodicals	34
M V Fuel	1,400
Electricity Expense	2,500
Generator Fuel	2,500
Professional Charges	250
TOTAL	9,034

TAXES PAYABLE	Jun-12
P A Y E	1,960
NSSF EXPENSE	2,200
S D L	660
	4,820

PRODUCTION (QUANTITY AND COSTS)

		Unit Cost	PRODUCTION (QTY)		PRODUCTION (COSTS)
			Daily	Monthly	Monthly
Birthday Cakes	Nos	0.25	50	1,500	375
Biscuits	Kg	0.10	50	1,500	150
Pasta with cheese parsey	Kg	0.10	50	1,500	150
Pastry with meat/cheese Filling	Kg	0.10	50	1,500	150
Turkish Bage	Kg	0.10	50	1,500	150
Baklava Types & Tulumba	Kg	0.25	50	1,500	375

	Unit Cost	Hourly (Pcs)	PRODUCTION (QTY)		PRODUCTION (COSTS)
			Daily (24hrs)	Monthly (25Dys)	Monthly
Bread	0.25	800	19,200	480,000	120,000

BARAN MKKATE HOUSE LIMITED

LIST OF FIXED ASSETS

Own Supplied (TURKEY)

CERTIFIED TRUE COPY OF THE ORIGINAL



MAKE	DESCRIPTION	QTY (pcs)	UNIT PRICE (EUR)	Conversion rate		FULL AMOUNT US\$	DEPRECIATION 2011	
				NET AMOUNT (EUR)	0.748719		\$	AMOUNT
LIDER 250	Rotary Trolley Oven with Gas	2	15,200	30,400		40,603		
DM 2100	Past Cutting and Weighing Machine	1	5,650	5,650		7,546		
PM 280 P	Interval Resting Machine (280 bowl stainless machine)	1	5,450	5,450		7,279		
LM 300 P	Long Forming machine (stainless steel)	1	5,900	5,900		7,880		
ELM 50 PI	Portable Flour eliminating Machine (silk stainless Steel)	1	1,485	1,485		1,983		
CM 3100	Paste Rolling Machine (stainless steel)	1	3,950	3,950		5,276		
EDM 32 T	Bread Slicing (can cut large breads)	1	1,300	1,300		1,736		
SP 200 K	Spiral Mixer (200kg lift and turning)	1	18,900	18,900		25,443		
SP 80	Spiral Mixed (80 Kg paste)	1	4,850	4,850		6,478		
KLM 12	Steam Conditioner	1	1,200	1,200		1,603		
PL 60	Planet Mixer (120 eggs)	1	1,800	1,800		2,404		
TA 80 x 100	Pan Trolley (for LIDER 250)	10	250	2,500		3,339		
BG 80 x 100	Baquette Pan (teflon)	25	60	1,500		2,003		
SD 80 x 100	Sandwich Pan (teflon)	16	141	2,250		3,005		
TS 9 x 9 x 28	Toast Pan for 6 Toasts (teflon flap)	30	75	2,250		3,005		
DZ 80 x 100	Perforated and Unperforated Pan (teflon)	120	40	4,800		6,411		
	Cold room and Deep freezer - Ice machine	1	10,300	10,300		13,757		
MATAS	Bread Slicing Machine (2,000 slices in an hour)	1	3,500	3,500		4,675		
COMIZ	Package Closing Machine (2,000 packages in an hour)	1	3,600	3,600		4,808		
	Equipment Shipping Costs			5,000		6,678		
Local - TZ	Air Compressor (100Lt)	1				2,000		
Local - TZ	AC Generator (50 KV)	1				12,000		
POSSIBLE DICOUNT (EUR 22,895)				116,585	169,713	25%	42,428	
DISCOUNTED VALUE				22,895	22,895			
				93,690	146,818			

BUILDINGS

Leasehold Improvements	1	20,690		20,690			
Sales Shops (50 - 60 m2 x 400 -800)	3	40,000		120,000			
Factory cum Office Building	1	200,000		200,000			
Sales and Storehouse	1	100,000		100,000			
				440,690	5%	22,034	

MOTOR VEHICLES

Distribution Vans (pick-ups)	3	11,667	35,000	46,747	25%	11,687	
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OFFICE MACHINES

Computers	5	1,000	5,000	5,000			
Printers & Copiers	2	800	1,600	1,600			
Copiers	2	500	1,000	1,000			
				7,600	7,600	37.50%	2,850

OFFICE FURNITURE & FITTINGS

Tables	10	150	1,500	1,500			
Chairs	10	110	1,100	1,100			
Air conditioners	5	250	1,250	1,250			
				3,850	3,850	12.50%	481

TOTAL INVESTMENT IN FIXED ASSETS				668,599			79,481
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