

**BUSINESS PLAN PROPOSAL**

**BY**

**U-FRESH FOOD LIMITED**

**FOR**

**APPLICATION FOR A CERTIFICATE OF INCENTIVE**

**SUBMITTED TO THE TANZANIA INVESTMENT CENTRE**

**U-FRESH FOOD LIMITED**

**P.O. Box 14004 KIBAHA PWANI**

**FARM NUMBER 1130, MIEMBESABA, KONGOWE AREA, KIBAHA DISTRICT,  
PWANI**

**REGION, TANZANIA**

**DECEMBER 2020**



4.6 MARKETING AND SALES .....	13
5. REVENUE PROJECTION .....	15
5.1 Operating Expenses .....	16
5.1.1 Salaries and Wages.....	16
5.1.2 Re-investment Expenditure .....	17
5.1.3 Corporate income .....	17
5.2 Financial Highlights.....	17
6. Project Liquidity .....	18
7. MANPOWER REQUIREMENTS AND ORGANISATION .....	19
7.1 MANAGEMENT.....	19
7.2 MANPOWER REQUIREMENTS .....	19
7.2.1 Chief Executive Officer .....	19
7.2.2 Human Resources and Admin Manager .....	20
7.2.3 Marketing Executives.....	20
7.2.4 Accountants .....	20
7.2.5 Mechanics and assistant .....	21
7.2.6 Drivers .....	21
7.2.7 Security Guard.....	21
8. Economic and Social Benefits.....	21
9. Summary and Conclusion.....	22
9.1 Summary .....	22
9.2 Conclusion .....	23

## **PART I: GENERAL PROJECT INFORMATION**

### **1. GENERAL**

This project document gives details on an investment proposal by ***U-FRESH FOOD LIMITED*** for manufacturing and packaging of fruit juice plant at Farm Number 1130, Miembesaba, Kongowe Area, in Kibaha District, Pwani Region. The company intends to bring into the country from China the machinery and equipment to manufacture and package fruit juice, to serve the existing demand for the product in the food industry.

**U-FRESH FOOD LIMITED** is therefore applying for a Certificate of Incentives from the Tanzania Investment Centre (TIC) under Section 17 of the Tanzania Investment Act and Part IV of the Investment Regulations 2002 to fulfill its ambition.

Having effectively studied this market, we are confident that our laid down strategies will enable us to be able to compete favorably with other fruit juice manufacturing companies in the area and even around the world. Besides manufacturing tiles for sale, we intend to offer other services that will give us an edge over our competitors and attract customers to us.

Our goal is to be among the top three top brands in Tanzania as a whole. This we will do by not only offering the best services but also getting the best equipment.

**U-Fresh Food Limited** intends to set the pace for how fruit juice manufacturing and packaging companies should be run. This we would do by constantly upgrading our machinery and providing continuous training to ensure that our staffs get updated on new technologies and innovations.

We intend to provide excellent customer service to all our customers so as to keep having repeated businesses with them. We would ensure that we listen closely to their complaints and resolve them in a timely manner. We would also listen to suggestions and tips that would move our business forward. We would also keep in touch with our customers and ensure that we keep them informed of new services and products from our stable.

#### **Our Products and Services**

**U-Fresh Food Limited** intends to not only focus on producing fruit juice but also produce other items that are closely related to fruit juice as well.

## **2. REGISTERED OWNERS PROFILE**

**U-FRESH FOOD LIMITED** is owned by experienced individuals in the fruit juice production industry. They have several years' experience in initiating/running fruit juice production.

### **Professional Back ground**

Jianyong Chen (50%) and Jinsong Chen (50%) the shareholders of **U-FRESH FOOD LIMITED** are experienced Chinese business Citizens specializing in fruit juice trading and manufacturing activities specifically.

Jianyong Chen has 5 years of experience in the management of a fruit juice manufacturing. He is very professional in the process and optimization of steel fruit juice manufacturing and packaging.

Jinsong Chen is an expert in raw material market analysis of fruit juice products and has 10 years of experience in market management and analysis of fruit juice products.

## **3. FRUIT JUICE MANUFACTURING PROCESS**

Natural fruit juice (original juice) drink, fruit juice drink or fruit juice drink with pulp, the basic principle and process of their production are roughly the same. Fruit juice production process mainly includes fruit raw material pretreatment, juice extraction, clarification and filtration, homogenization, deoxidization, concentration, ingredient adjustment, packaging and sterilization.

### **Selection of fruit raw materials**

1. Fruit raw materials should have good flavor and aroma, stable color and moderate acidity. In the process of processing and storage, they still maintain these excellent qualities and have no obvious adverse changes.
2. The fruit juice is rich and easy to take, and the extraction rate of juice is high.
3. The fruit is fresh and not rotten.

### **Fruit juice extraction**

1. The purpose of crushing is to increase the yield of the juice.
2. Pretreatment before squeezing: Heating or adding pectinase.
3. The method of juice extraction varies according to the structure of the fruit, the existence part of the fruit juice, the nature of the tissue and the quality requirement of the finished product.

Most fruit juices are contained in the whole fruit, which can be crushed and pressed directly. Fruits with thick skins (Citrus and pomegranates, etc.), extracting the juice one by one or firstly removing the peel. The yield of fruit juice depends on the quality, variety, maturity and freshness of the fruit, the processing season, the method of squeezing and the efficiency of the juice.

### **Clarification of fruit juice**

1. Natural clarification.
2. Gelatin tannin clarification.
3. Enzymatic clarification.
4. Frozen clarification.
5. Heating condensation clarification (Simple and effective).

### **Homogenization and degassing of fruit juice**

Homogenization is special requirements of cloudy juice production, used for glass bottle packaging products, tinplate products rarely used. Frozen preserved fruit juice and concentrated juice do not have to be homogeneous.

There is a large amount of oxygen in the juice, which will destroy vitamin c in the juice. The reaction of oxygen to various components in fruit juice makes the aroma and color worse, will cause internal corrosion of tinplate. It is more obvious at the time of heating. The method of vacuum degassing and nitrogen exchange are often used.

The adjustment and mixing of sugar and acid in fruit juice

Adding a proper amount of sugar and edible acid (citric acid or malic acid) into the fresh juice.

- Determination and adjustment of sugar degree.
- Determination and adjustment of acid content.

### **Concentration of fruit juice**

- Vacuum concentration method.
- Freeze concentration method.
- Reverse osmosis concentration method.
- Aromatics recovery.

### **Sterilization and packaging of fruit juice**

- The selection principle of sterilization process is to kill the microorganism and reduce the effect on the quality of the product as much as possible.
- The most commonly used method is high temperature and short time.
- High temperature filling (hot filling) and low temperature filling (cold filling). Carbonated beverages generally use low temperature filling. The fruit drinks, except for the paper containers, are almost filled with hot filling.

### **Typical fruit juice production process**

### **Apple juice processing line**

Washing and sorting, apple juice extraction, apple juice clarification, concentration and sterilization, apple juice filling and packing.

### **Pineapple juice processing line**

Fruit elevator, fruit sorter, brush type citrus cleaning, fruit bubble washing machine, pineapple peeling and squeezing, fruit pulping.

### **Orange juice processing line**

Sorting and washing equipment, essential oil extraction machine, peeling and squeezing machine, refining machine, filling machine.

### **Mango Juice Processing Line**

Washing, sorting, peeling, destoning, pulping, filtration, degassing, homogenization, concentration, sterilization and packaging.

### **Frozen concentrated sweet orange juice**

The difference of processing technology between concentrated juice and pure juice is that flesh pulp of concentrated juice must be as few as possible. Otherwise, it can not only reduce the concentration efficiency, but also cause the phenomenon of coking and so on.

### **Hawthorn juice**

Hawthorn pectin content is rich, so it cannot be processed by the method of crushing and extracting juice. The technologies used at present are hot soaking and enzymatic treatment.

## **4. MARKET ANALYSIS**

### **Market Trends**

While the fruits juice market is regarded as a stable one, fruits juice manufacturing and packaging companies have to sometimes come up with strategies that would differentiate them from their competitors. This can be in the production of high-premium fruits juice.

Another trend is in ensuring that we not only produce fruits juice but also pack the juice and do other related tasks as well; and also create avenues for our customers to be aware of what new products we are offering.

Lastly, we intend to use technology as a means of marketing our fruit juice manufacturing company and also increasing its awareness and sales as well. Asides, technology, we also intend to use the internet in reaching out to our various existing as well potential clients.

### **Our Target Market**

Our target market is basically everyone in Tanzania. This is why part of our expansion strategy is to have strategic locations in different regions of the country.

Due to several authentic statistics and market researches, we know exactly who and where our target markets are, and what they expect from us. We intend to engage in wholesale distribution to retail stores that will cater to the following group of people:

Households

Malls

Business Places

Government Institutions

Educational Institutions

Hotels and club houses

Restaurants

Every person/entity not listed

#### **4.1 COMPETITION**

Competition is the key factor facing the project. Since we intend to survive in the fruit juice production business for a long time to come and also be among the top leading brands in Tanzania, we have drafted competitive advantage strategies that will ensure that our vision and mission statement is achieved.

We know how important our customers are to the business, and so one of our competitive advantages is to ensure that our customer retention strategies remain very high. This can be achieved by promptly attending to the complaints of our clients and giving out incentives regularly.

Another of our competitive advantage is in the hiring of competent employees who have a vast experience in the field and are attuned to our vision and corporate culture, and also understand the need to have a strong distribution network as well as excellent customer culture while also positively promoting and projecting our brands.

Another part of our competitive advantage is in ensuring that our competent employees have fair welfare packages, which would be the best in the industry. This would then ensure that they improve on their productivity, which would to a greater extent improve our bottom line.

Lastly, we would ensure that our pricing policies are not only favorable to our customers but also to us as well. This we would do by critically evaluating the right price that would be fair to

us as well as our numerous clients.

## **4.2 Our Competitive Advantage**

Since we intend to survive in the fruit juice production and packaging businesses for a long time to come and also be among the top leading brands in Tanzania, we have drafted competitive advantage strategies that will ensure that our vision and mission statement is achieved.

We know how important our customers are to the business, and so one of our competitive advantages is to ensure that our customer retention strategies remain very high. This can be achieved by promptly attending to the complaints of our clients and giving out incentives regularly.

Another of our competitive advantage is in the hiring of competent employees who have a vast experience in the field and are attuned to our vision and corporate culture, and also understand the need to have a strong distribution network as well as excellent customer culture while also positively promoting and projecting our brands.

Another part of our competitive advantage is in ensuring that our competent employees have fair welfare packages, which would be the best in the industry. This would then ensure that they improve on their productivity, which would to a greater extent improve our bottom line.

Lastly, we would ensure that our pricing policies are not only favorable to our customers but also to us as well. This we would do by critically evaluating the right price that would be fair to us as well as our numerous clients.

## **4.3 RISK FACTORS FACING THE PROJECT**

There are is always an element of risk in any real investment. It is therefore important to identify the risk and take into account measures for their mitigation. Risks to the project have been identified as follows:

- a) Increase in Raw material prices
- b) A period of low market demand
- c) Equipment failure that cannot be fixed in time
- d) Malicious market competition

#### 4.5. SWOAT ANALYSIS

Having a SWOT analysis is very important as this would help us know what our chances of succeeding in this market are and how well we can improve on our weakness while eliminating totally or reducing threats to the barest minimum. In carrying out a thorough SWOT analysis, we hired a reputable business consultant who has several years of experience in helping start-ups with carrying out this analysis.

The aim of the SWOT has also helped us determine if this is a business that we should pursue or not. We are glad to say our strengths and opportunities were in high percentages and that the threats posed to our business is few and our weaknesses will be worked on.

Here is what the SWOT analysis carried out by an expert on behalf of U-Fresh Food Limited revealed;  
**Showing the SWOT ANALYSIS**

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> <li>• Experienced Shareholders of U-Fresh Food Limited.</li> <li>• Experienced Consultant team</li> <li>• Shareholder Commitment</li> <li>• Prime location of the Industry</li> </ul>	<ul style="list-style-type: none"> <li>• Juice production market is one that already has many players in the field in Tanzania. This has made it seem like the market is saturated as the entry requirements into this market are low. However, we intend not to allow this deter us as we have strategies in place to ensure we become a brand to be reckoned with.</li> <li>• Invest in unfamiliar countries</li> <li>• Need time to get used to the different legal and business environment</li> <li>• New supply chain sales channels need to be built</li> </ul>
OPPORTUNITY	THREATS
<p>There is however several opportunities that abound in this field which stems from the fact that;</p> <ul style="list-style-type: none"> <li>• fruits juice are consumed daily, which shows the market is there.</li> <li>• Also, because of our approach to producing quality and yet affordable fruits juice, we will help new business start-ups by giving them franchises that would elevate their business to great</li> </ul>	<p>Every business is faced with threats, and so the threats that would face us in this area include;</p> <ul style="list-style-type: none"> <li>• having to compete against already established fruit juice manufacturing companies</li> <li>• unfavorable government policies</li> </ul>

<p>heights</p> <ul style="list-style-type: none"> <li>• Increase in sale values</li> <li>• Growth in economy with time</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in cost of raw materials</li> </ul>
---	---

#### 4.6 MARKETING AND SALES

Every business man knows how important marketing is to a business and how deploying the right marketing strategies will help the companies generate income as well as boost its own profile. After a thorough research on what marketing strategies would be best for us to not only penetrate the market but also compete favorably with other leading brands as an upcoming company, we were able to come up with reliable data and information that will ensure our business is marketed effectively in Tanzania. Also, knowing the importance of marketing to our business, our sales and marketing executives have been empowered to deliver our corporate sales goals so as to shore up our revenue base while also positively promoting the company's image.

We also know how important technology is in these times especially when it comes to marketing and so we have perfected plans to develop an app that will bring us closer to our existing and potential clients. We would also make our official website and social media platforms as active as possible for our audience.

We intend in summary to leverage on the following approaches to market our products and services at U-Fresh Food Limited;

- a) Advertise our fruit juice products via local newspapers, national newspapers, and radio stations and on television.
- b) Encourage our loyal customers by giving out incentives for referrals
- c) Engage in word of mouth marketing
- d) Engage in direct marketing through our sales and marketing executives
- e) Ensure our business is listed in Yellow pages and other local directories as well as online directories
- f) Use our website to sell our products and services
- g) Make use of our social media platforms to actively promote and sell our products and services.

Regardless of the fact that our brand is a well-known one that has a high standard, we know how important creating awareness for a business is. Every business established for the purpose of making profit and competing favorably with other leading brands must have good publicity and advertising strategies laid out, and this we have in place.

U-Fresh Food Limited intends to explore all available means of publicity in Tanzania. Our publicity strategies will ensure that we not only promote our products and services but project our image positively to intending and existing clients.

Listed below are the platforms we intend to leverage on in promoting U-Fresh Food Limited;

- Ensure that we introduce our Steel products to commercial offices around us
- Provide distribution benefits to all our distributors and partners
- Place adverts on print media (local newspapers as well as relevant magazines) and electronic media (radio stations and televisions)
- Use our social media platforms – such as Facebook, Twitter, and instagram to seriously engage our existing and potential clients and promote our brands
- Sponsor social shows such as community pageants and educational fairs
- Distribute our handbills and fliers in various target areas
- Install our billboards in various strategic locations around Tanzania
- Give our distribution trucks an attractive color that will visibly show and promote our products
- Our Pricing Strategy

Our pricing module will however not be too different from that of our competitors, as we would during the first six months of operations offer our products at a little less price than that of our competitors; we might however raise the prices a bit after our brand has become well known. We would never offer prices that are below our cost of production as well as overheads as we intend to be in business for a long time.

## **5. REVENUE PROJECTION**

Revenue projections are based on the following assumptions:

- The fruit juice factory has a production capacity of 30 metric tonnes per day. Half of the capacity plan to be used as a process factory for other fruit juice products supplier and the remaining capacity will be used as our own products process.
- The fruit juice factory will operate for 24 days per month, for a period of 11 months per annum, other days being reserved for maintenance purposes and holidays.
- The fruit juice production plant will operate on a capacity utilization of 75% during the first year of its operation, increasing to 80% during the second year and 85% in the third year, 90% from the fourth year onwards.
- The quantities of fruit juice production sold each year are projected to increase from 75% of the total quantities produced during the first year of operations to 80% during the second year and 85% from the third year onwards.
- Applied Exchange Rate is TSHILLING 2,320 per 1 USD.
- Revenue from fruit juice products is projected to increase from USD 2,524,500 in the first year, to USD 2,692,800 in the second year, to USD 2,861,100 in third year, and USD

3,029,400 from the fourth year onwards.

## **5.1 Operating Expenses**

The main operating expenses for fruit juice manufacturing and packaging include transportation costs as well as electricity and water costs associated with production;

### **5.1.1 Salaries and Wages**

Salaries, wages and 30% social security benefits for 48 workers are also indicated in in this business plan.

### **5.1.2 Re-investment Expenditure**

Re-investment will be carried out in years 3 and 9 for vehicles and the factory building and processing plant respectively.

### **5.1.3 Corporate income**

Tax rate of 30% is assumed is to remain unchanged over the projected period of ten (10) years.

## **5.2 Financial Highlights**

Financial forecasts over a ten-year period for the project have been worked out. Investment Costs is estimated at USD 2,000,000/=, presented in Appendix 1.

Gross operating income is USD 2,524,500 in the first year, to USD 2,692,800 in the second year, to USD 2,861,100 in third year, and USD 3,029,400 from the fourth year onwards.

Gross operating profit is projected to increase from USD 316,800 in the first year, increasing to USD 525,101 in the fourth year, USD 494,935 in year 6, USD 483,021 in year 8 and USD 421,848 in the tenth year

Profits after taxation are projected to start at USD 307,464 in the first year, increasing to USD 362,697 in the third year, USD 409,579 in the fourth year, USD 386,049 in year 6, USD 376,756 in year 8 and USD 329,041 in the tenth year.

Accumulated retained earnings are projected to increase from USD 307,464 in the first year to USD 3,569,398 in the tenth year as shown in this business plan.

## **6. Project Liquidity**

The proposed project is very profitable. It generates positive net cashflows from the first year of operations with net cashflow of USD 394,184. Positive net cashflows are recorded in each year of operation.

The project is able to achieve an attractive payback period of 6 years. That is to say the whole investment cost of USD 2,000,000 will fully be recouped in that period.

## **7. MANPOWER REQUIREMENTS AND ORGANISATION**

### **7.1 MANAGEMENT**

This success of a venture of this kind depends on the competence of the personnel recruited to manage. It is assumed that relevant personnel with requisite skills shall be available within the country.

In Order to streamline operations, it is proposed to engage two key figures; Operational officer and the Accountant. These two along with the Industry Manager will form the central operational core that will ensure the success of the project.

### **7.2 MANPOWER REQUIREMENTS**

Based on the proposed organization structure the project will initially employ a total of 49 persons.

#### **7.2.1 Chief Executive Officer**

- Provides a clear strategic direction for the organization and communicate these strategies to appropriate channels
- Has an experience with the budgets as well as allocate resources appropriately
- Ensures that the right professionals are hired into the management team
- Builds corporate culture that would influence employees attitude and decision

#### **7.2.2 Human Resources and Admin Manager**

- Ensures the development, management as well as implementation of personnel policies
- Recruits, retain and terminates staff appropriately
- Ensures that office practices are adhered to and in line with employment related laws
- Ensures that the administrative systems are constantly reviewed with an aim to being proactive instead of reactive
- Ensures that staff welfare and incentive packages are appropriately done.

### **7.2.3 Marketing Executives**

- Carries out promotional activities that will project the image of the company as well as bring in revenue
- Devises marketing and sales strategy for U-Fresh Food Limited
- Manages campaigns on all of the company's social media platforms
- Plans and organizes product and service exhibitions' for the company
- Monitors performance and change weak strategies

### **7.2.4 Accountants**

- Ensures that tax returns are prepared and that tax requirements, preparation and reporting are complied with
- Works with management and report all the finances regarding U-Fresh Food Limited.
- Ensures that budgets are developed, and maintained periodically and also compare budgeted costs to actual costs
- Prepares and analyzes of accounting records, financial statements and reports in order to determine accuracy and conformance with accounting standards
- Carries out analysis of business operations including costs and revenues and use this to not only project future income and expenses but to proffer advice as well.

### **7.2.5 Mechanics and assistant**

- Ensure the smooth operation of the machine
- Complete daily maintenance and repair of equipment
- Ensure the completion of monthly production
- Assist to solve any problems in production activities and Communicate with the leadership on any safety issues

### **7.2.6 Drivers**

- Ensures that cargoes are loaded and unloaded at the appropriate times
- Ensures that all traffic laws are followed
- Inspects truck before and after every trip, and report any major defects found to the appropriate department
- Carries out light repairs and maintenance on trucks as at when due
- Ensures that clients get their products on time

### **7.2.7 Security Guard**

- Protects the property Prevents security problems that are likely to arise during the course of carrying out security duties

- Responds to security issues that might crop up
- Enlightens employees by providing security tips

## 8. Economic and Social Benefits

The successful operation of the cement production project to be operated by **U-FRESH FOOD LIMITED** will have significant economic and social benefits to the country as a whole. In summary, some of the benefits which will be realized include:

- (i) Creation of permanent employment opportunities for over 48 Tanzania employees.
- (ii) The project will solve the market demand for fruit juice
- (iii) The neighborhood of the project will benefit domestic lighting from the electrification of the factory.
- (iv) Feeder roads leading to the factory will be frequently repaired by the project hence affording easy transportation of goods and people around the project.
- (v) Provision of income to employees and other service providers (individual entrepreneurs) thus contributing to Government efforts in improving citizens' living standards.
- (vi) Provision of a new market for food products and other goods required at project area, thus generating an economic multiplier effect to the project area and surrounding areas.

Provision of revenue to the Government through corporate tax. It is projected that the project will contribute a total of USD 1,006,753 to the Treasury in the form of corporate tax over a period of ten years, which implies an annual average of USD 83,896.08.

## 9. Summary and Conclusion

This project document has provided descriptions of a detailed investment proposal by **U-FRESH FOOD LIMITED** for establishment and operation of a fruit juice production plant at Farm Number 1130, Miembesaba, Kongowe Area, in Kibaha District, Pwani Region.

### 9.1 Summary

The main product of the company is fruits juice and has the ability to produce most types of products on the market. The shareholders of company are very experienced to fruits products factory, they can take use of their advantage and knowledge in production techniques and market analysis to make company grow steady and successful.

According to the above statement, the investment cost will be 2 million USD. The proposed project is very profitable. it generates positive net cashflows from the first year of operations with net cashflow of USD 394,184 and will fully be recouped in within 6 years.

The project will contribute a total of USD 1,006,753 to the Treasury in the form of corporate tax over a period of ten years, which implies an annual average of USD 83,896.08.

The project can create permanent employment opportunities for over 48 Tanzania employees and train skilled technicians and mechanics of locals, as well as improve the quality of life in the project area and surrounding areas.

## 9.2 Conclusion

The company is therefore seeking for a Certificate of Incentives from the Tanzania Investment Centre (TIC) under Section 17 of the Tanzania Investment Act and Part IV of the Investment Regulations 2002, for the importation of the cement production machinery and equipment of the proposed cement factory.

Through the various parameters, which have been considered in the study, it has been established that the proposed project is technically feasible, financially viable, economically and socially beneficial.

It is therefore recommended that the Tanzania Investment Centre (TIC) provide the necessary support to the company by approving this application for Certificate of Incentives.

## PART II : APPENDIX

### APPENDIX 1

#### Investment cost

ITEM	USD
Land & Building	420,000
Plant(factory and Equipment)	1,100,000
Vehicles	130,000
Furniture & Fittings	80,000
Pre-Operational Expenses	50,000
Others	20,000

working capital	200,000
GRAND TOTAL	2,000,000

**APPENDIX 2**

Project cash flow in USD

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash in flow	2,000,000	2,130,316	2,271,437	2,396,104	2,504,299	2,552,236	2,534,465	2,563,764	2,546,379	2,601,495	2,607,552
Equity	2,000,000	-	-	-	-	-	-	-	-	-	-
Revenue	0	2,524,500	2,692,800	2,861,100	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400
Initial Cash in flow	2,000,000	2,524,500	2,692,800	2,861,100	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400
Depreciation	0	128,800	141,303	124,484	127,723	151,160	133,389	135,739	118,354	143,826	149,883
Total Cash out flow	1,800,000	2,130,316	2,271,437	2,396,104	2,504,299	2,552,236	2,534,465	2,563,764	2,546,379	2,601,495	2,607,552
Net Cash flow	200,000	394,184	421,363	464,996	525,101	477,164	494,935	465,636	483,021	427,905	421,848
Ann.Deficit/Excess	200,000	594,184	1,015,547	1,480,543	2,005,644	2,482,808	2,977,742	3,443,378	3,926,399	4,354,304	4,776,152

### APPENDIX 3

production costs

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Loading cost at site in USD		0.5/T	2,475	2,640	2,805	2,970	2,970	2,970	2,970	2,970	2,970	2,970
Tramroad Costs in USD		0.03/T.km	11,880	12,672	13,464	14,256	14,256	14,256	14,256	14,256	14,256	14,256
Fuel consumption of transportation	Turnover	0.40%	10,098	10,771	11,444	12,118	12,118	12,118	12,118	12,118	12,118	12,118
Extra Vehicle Hiring Expense	Turnover	0.80%	20,196	21,542	22,889	24,235	24,235	24,235	24,235	24,235	24,235	24,235
Water and Electricity Cost	Turnover	2.50%	63,113	67,320	71,528	75,735	75,735	75,735	75,735	75,735	75,735	75,735
Package Materials	Turnover	0.30%	7,574	8,078	8,583	9,088	9,088	9,088	9,088	9,088	9,088	9,088
Repair and Maintenance	Turnover	1.20%	30,294	32,314	34,333	36,353	36,353	36,353	36,353	36,353	36,353	36,353
Total Costs		-	133,749	152,698	162,241	157,529	157,529	157,529	157,529	157,529	157,529	157,529

## APPENDIX 4

production costs

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Loading cost at site in USD		0.5/T	495	528	561	594	594	594	594	594	594	594
Tramroad Costs in USD		0.03/T-km	2 376	2 534	2 693	2 851	2 851	2 851	2 851	2 851	2 851	2 851
Fuel consumption of transportation	Turnover/3	0.40%	3 366	3 590	3 815	4 039	4 039	4 039	4 039	4 039	4 039	4 039
Extra Vehicle Hiring Expense	Turnover/3	0.80%	6 732	7 181	7 630	8 078	8 078	8 078	8 078	8 078	8 078	8 078
Water and Electricity Cost	Turnover/3	2.10%	17 672	18 850	20 028	21 206	21 206	21 206	21 206	21 206	21 206	21 206
Package Materias	Turnover/3	0.20%	1 683	1 795	1 907	2 020	2 020	2 020	2 020	2 020	2 020	2 020
Repair and Maintenance	Turnover/3	1.00%	8 415	8 976	9 537	10 098	10 098	10 098	10 098	10 098	10 098	10 098
Total Costs		-	40 739	43 454	46 170	48 886	48 886	48 886	48 886	48 886	48 886	48 886

## APPENDIX 5

### Administrative costs including manpower requirements

Salaries&wages	number	USD per month	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Managing Director	1	2,000	24,000	24,000	26,400	26,400	26,400	29,040	31,944	31,944	35,138	35,138
Chief Account	1	1,000	12,000	12,000	13,200	13,200	14,520	14,520	15,972	15,972	17,569	17,569
Accounts	4	350	16,800	16,800	18,480	18,480	20,328	20,328	22,361	22,361	24,597	24,597
Marketing manager	1	1,000	12,000	12,000	13,200	13,200	14,520	14,520	15,972	15,972	17,569	17,569
Marketing officers	4	300	14,400	14,400	15,840	15,840	17,424	17,424	19,166	19,166	21,083	21,083
Store keepers	4	300	14,400	14,400	15,840	15,840	17,424	17,424	19,166	19,166	21,083	21,083
Human resources officers	2	400	9,600	9,600	10,560	10,560	11,616	11,616	12,778	12,778	14,055	14,055
Project engineer	2	400	9,600	9,600	10,560	10,560	11,616	11,616	12,778	12,778	14,055	14,055
Mechanics	16	300	57,600	57,600	63,360	63,360	69,696	69,696	76,666	76,666	84,332	84,332
Assistant	6	380	27,360	27,360	30,096	30,096	33,106	33,106	36,416	36,416	40,058	40,058
Drivers	4	260	12,480	12,480	13,728	13,728	15,101	15,101	16,611	16,611	18,272	18,272
Security guards	4	260	12,480	12,480	13,728	13,728	15,101	15,101	16,611	16,611	18,272	18,272
Total Salaries&wages	49	6,950	222,720	222,720	244,992	244,992	269,491	269,491	296,440	296,440	326,084	326,084
Other Admin Expense												
Insurance	1%	Turnover	25,245	26,928	28,611	30,294	30,294	30,294	30,294	30,294	30,294	30,294
Local Government Levies	1.20%	Turnover	30,294	32,314	34,333	36,353	36,353	36,353	36,353	36,353	36,353	36,353
General Office Expense	1%	Turnover	25,245	26,928	28,611	30,294	30,294	30,294	30,294	30,294	30,294	30,294
Travelling Expense	0.16%	Turnover	4,039	4,308	4,578	4,847	4,847	4,847	4,847	4,847	4,847	4,847
Meal Allowance	0.15%	Turnover	3,787	4,039	4,292	4,544	4,544	4,544	4,544	4,544	4,544	4,544
Marketing Expense	0.50%	Turnover	12,623	13,464	14,306	15,147	15,147	15,147	15,147	15,147	15,147	15,147
Total Other Admin Expense			101,232	107,981	114,730	121,479	121,479	121,479	121,479	121,479	121,479	121,479
Total Administrative Expense in USD			323,952	330,701	359,722	366,471	390,970	390,970	417,919	417,919	447,563	447,563

## APPENDIX 6

### Project Income Statement In USD

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	2,524,500	2,692,800	2,861,100	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400
Raw Materials Costs	1,503,076	1,603,281	1,703,486	1,803,691	1,803,691	1,803,691	1,803,691	1,803,691	1,803,691	1,803,691
Production costs	174,488	196,152	208,412	206,415	206,415	206,415	206,415	206,415	206,415	206,415
Administration costs	323,952	330,701	359,722	366,471	390,970	390,970	417,919	417,919	447,563	447,563
Depreciatoin	128,800	141,303	124,484	127,723	151,160	133,389	135,739	118,354	143,826	149,883
Profit before tax	394,184	421,363	464,996	525,101	477,164	494,935	465,636	483,021	427,905	421,848
Taxation	86,720	92,700	102,299	115,522	104,976	108,886	102,440	106,265	94,139	92,807
Profit after tax	307,464	328,663	362,697	409,579	372,188	386,049	363,196	376,756	333,766	329,041
Accumulated Earning	307,464	636,127	998,824	1,408,402	1,780,590	2,166,639	2,529,835	2,906,591	3,240,357	3,569,398

## APPENDIX 7

### Project cash flow In USD

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash in flow	2,000,000	2,130,316	2,271,437	2,396,104	2,504,299	2,552,236	2,534,465	2,563,764	2,546,379	2,601,495	2,607,552
Equity	2,000,000	-	-	-	-	-	-	-	-	-	-
Revenue	0	2,524,500	2,692,800	2,861,100	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400
Total Cash In flow	2,000,000	2,524,500	2,692,800	2,861,100	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400	3,029,400
Depreciatoin	0	128,800	141,303	124,484	127,723	151,160	133,389	135,739	118,354	143,826	149,883
Total Cash out flow	1,800,000	2,130,316	2,271,437	2,396,104	2,504,299	2,552,236	2,534,465	2,563,764	2,546,379	2,601,495	2,607,552
Net Cash flow	200,000	394,184	421,363	464,996	525,101	477,164	494,935	465,636	483,021	427,905	421,848
Cum Deficit/Excess	200,000	594,184	1,015,547	1,480,543	2,005,644	2,482,808	2,977,742	3,443,378	3,926,399	4,354,304	4,776,152