

DK AGRICULTURE LIMITED

P.O.Box 9026, Dar es Salaam, Tanzania

Cell +255 782841440, Cell +255 752673341

E-mail: dkagriculture2000@gmail.com

TANZANIAN INVESTMENT CENTRE
DK AGRICULTURE LIMITED
PROJECT PROPOSAL

**PROJECT PROPOSAL FOR THE DEVELOPMENT OF
SUSTAINABLE ECO FARMING**

**PROMOTERS: Mr. K H KNOESEN /Mr. D Q KNOESEN
DIRECTORS
DK AGRICULTURE LIMITED
BAGAMOYO
TEL: +255 763848188**

**PREPARED BY: Mr. K H KNOESEN
DIRECTOR
DK AGRICULTURE LIMITED
BAGAMOYO
TEL: +255 763848188**

TABLE OF CONTENTS

ITEM	PAGE
1.0 Executive Summary and description of Project	1-4
1.1 Sponsors background	5
1.2 Shareholding	5
1.3 Profitability	5
1.4 Implementation Program	5
1.5 Financing	5
1.6 Human Resources	
2.0 Capital Investment Cost	
3.0 Competition	
4.0 Financial Projections	
4.1 Assumptions	
4.2 Projected profit and loss statement	
4.3 Projected balance sheet	
4.4 Projected Capital expenditure	
4.5 Directors statements and undertakings	
5.0 Conclusion	

Executive Summary

DK Agriculture Limited, was registered in Dar es Salaam on 4 September 2015, Registered number 120013. The Company has been in abeyance and is applying for Incentives with the Tanzanian Investment Corporation to conduct general agriculture, as per Schematics shown below:

Company Name:	DK Agriculture Limited
Registered Company Number:	120013
Incorporated Date:	4 September 2015
Registered Address Plot	Plot No. 248, Block R, Kikwete Street, Ukuni, Bagamoyo
Company Type:	Private Limited by shares
Principal Company Activity	Sustainable Farming
Directors and Owners:	D Q Knoesen, K H Knoesen- South African Citizens

Sustainable ECO farming is becoming a part of the future. In this system the major players are Poultry and Fish. To this end we plan to produce 3 units, see schematics [Appendix 1.0.A](#)

The company plans to employ personnel as per 1.6 Human Resources, from the local villages. With the emphasis on furthering skills in all fields related to sustainable agricultural practices.

The Company has already approached the Mtoni Village Committee and have been presented with a letter of acceptance (copy attached) into the village and to the purchase /lease of land as per the google earth attachments.

Project - 2018 to 2023

We wish to invest in the business, and develop it to a increased level, and to this end, attach budgets and projections over the next 5 years and application for a Certificate of Incentives with the Tanzanian Investment Centre.

Ventures are as follows:

- 1) Fishing Project
- 2) Chickens project
- 3) Spirulina as high protein feed for fingerlings
- 4) **Moringa Farming** – Principal is for fish feed. An additional side product will be the milling of the pods to produce oil. Moringa oil processing, side products, global health industry, etc.
- 5) **Small dairy and cheese production**
- 6) **Duck project**
- 7) **Fruit (bananas, pineapples, sunflowers etc.** - Distribution and Implementation

8) **Processing plants for all produce to add value and employment.**

1.1 Sponsors background

The shareholders are professionally qualified and experienced in this field. They possess ample managerial capabilities and have exposure in various business disciplines. See **Annexure 1.1.A** with details of both CV's

1.2 Shareholding

NO	Name and address	Nationality	% Shareholding
1	Donovan Quin Knoesen Plot Bagamoyo	South African	2%
2	Kevin Harold Knoesen Plot Bagamoyo TANZANIA	South African	2%

1.3 Profitability – see attached projections in Annexure B

The after tax internal rate of return (IRR) on total investment when discounted over a period of 5 years gives a return of 42%. Since the return exceeds the anticipated cost of capital of 18%, it can be concluded that this project will be both economically and financially viable a venture.

1.4 Implementation Program

The company is in the process of completing registration and license requirements, operations will commence as soon as this is complete.

To achieve the anticipate projections a capital injection of Tsh 513 million will be required, and has already been lodged in an Stanbic Kinondoni Bank Account , which will be available to drawn down on as required, to meet the projected targets over the 5 year period, from the date of receiving the certificate of incentives from the Tanzania Investment Centre.

1.5 Financing

The project will be financed through owners' equity contribution, by way of ordinary and preference share capital and shareholder loans.

Investment Breakdown Tshs.M

Land to be Purchased

250 000 000

Plant, Vehicles other assets available	780 000 000
Working Capital	513 000 000

1.6 Human Resources (One unit)

Projected Staff compliment	2018	2019	2020	2021	2022/23
Expatriates	2	2	3	3	14
Skilled	2	3	5	5	5
Un skilled	5	10	10	10	10
Contract staff	5	10	15	20	25
Staff compliment	14	25	33	38	59

On the job training and courses to be offered

Self Development
Selling Skills
Customer Care
Teambuilding

2.0 Capital Investment Cost

See Fix assets and projections for details

3.0 Competition for new expansion products

All though there is no competition in the agriculture field as the country is facing a agriculture crises due to the fast economic and population growth. The benefit of such schemes is to uplift the rural areas and by doing so stem the tidal flux of youth to the major cities.

4.0 Financial Projections – See Annexures A, B and C

Assumptions
Projected profit and loss statement
Projected balance sheet
Projected cash flow statement
Payback period

5.0 Conclusion

From the evaluation presented in this document, there is no doubt that this project will benefit Tanzania, by way of employment creation, training of skilled manpower and revenue in the form of taxes levied on the company's operations

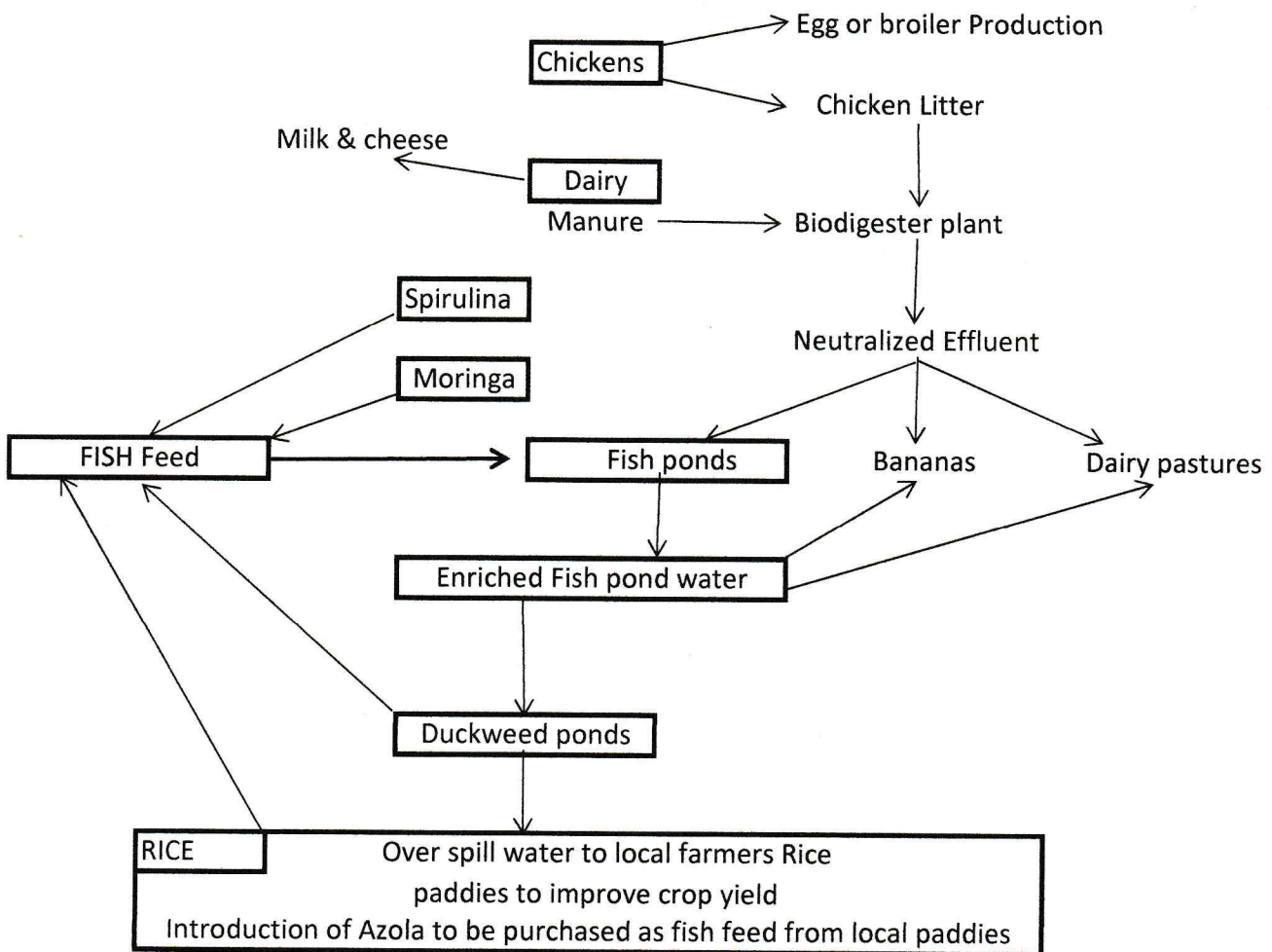
Of greater benefit however, will be the advantage to agricultural industry, due to the value add nature of all the products and services offered by these expansion projects, which will in turn have a spiral effect on the Country's economy as our products will have an exponential effect on the agricultural industry.

The investors are satisfied that with their expertise they can operate a financially sound project and hereby apply for a Certificate of Incentives to be granted so that they can commence

Executive Summary and description of Project THREE UNITS TO BE PRODUCED

Sustainable ECO farming is becoming a part of the future. In this system the major players are Poultry and Fish .

The importation of Chicken feed starts the chain of events



NB a small pilot project in Bagamoyo has been running for 10 months laid out on the above schematics and has shown to be very feasible

DK AGRICULTURE LIMITED

STATEMENT OF THE DIRECTORS FOR THE TIC APPLICATION 2018

ACTIVITIES

The company's revenue earning activities Fish, chickens (eggs & boilers) Dairy products plus fruit and vegetables ,rice etc.

Farming is a science! The nature of the business is to train Tanzanian's to carry out the tasks related to the above, and in turn to train unskilled new additions to the company to also become skilled farmers.

The corporate social responsibility vision of the business is to support the disabled and offer training and employment opportunities for that community

DIRECTORS

The Directors of the company are:

Mr. Donovan Quin Knoesen

Mr. Kevin Harold Knoesen

SHAREHOLDING

Donova Quin Knoesen - 2%

Kevin Harold Knoesen - 2%

DIRECTORS RESPONSIBILITIES

The directors declare that this report gives a true and fair view of the current state of affairs and of the future projections of the company

Directors confirm that suitable policies will be used in the carrying out of the Company's business.

AUDITORS

The auditors will be MARTEC & Co.

Certified Public Accountants in Public Practise

1.1 SPONSERS BACKGROUND (Kevin Harold Knoesen)Director

The sponsor grew up in Zimbabwe, where at 14 years of age developed and ran a small fish farm on his father's ranch. Within 5 years it had become the second major earner on this property.

He has been in Tanzania for 16years in the Mining Industry and was involved in the introduction of the Agricultural Lime System in the Country.

For the last 10 months while researching the feasibility of this business a small pilot project was set up near Bagamoyo and has proved the viability of this business plan.

His management skills have been proven through numerous projects throughout Tanzania.

SPONSERS BACKGROUND (Donovan Quin Knoesen) Director

The sponsor grew up in South Africa, where he finished his studies as an Electrical Technician and furthered into the systems and Automation field. Using these skills he went into the Aquaponics and hydroponics automating systems and started helping out farmers as a second job in South Africa.

He has been Working in Tanzania for the last 10 years in the Gold Mining Industry as a Systems Coordinator, Systems Administrator, Project Manager and training Tanzanians into senior positions.

His management skills have been proven through numerous projects throughout Tanzania.

1 DK AGRICULTURE LIMITED

DK AGRICULTURE LIMITED
PROJECTED BALANCE SHEET

	PROJECTED					
	2018	2019	2020	2021	2022	2023
	TZS Million					
NON CURRENT ASSETS	831	732	697	668	568	477
Prepaid Tax			-			
Cash in Hand and at bank	513	446	335	225	190	168
Stock on hand	0	-	25	55	82	101
WIP(Capital expenditure)	0	15	18	22	26	31
Prepaid Tax	0				2	13
TOTAL CURRENT ASSETS	513	461	378	301	300	313
TOTAL ASSETS	1 344	1 193	1 075	969	868	790
EQUITY AND CURRENT LIABILITIES						
EQUITY AND RESERVES						
Share Capital	1	1	1	1	1	1
Ordinary Shares		9	10	10	10	10
Retained Profit / Loss	-	81 -	135 -	100	34	264
TOTAL EQUITY	1 -	71 -	124 -	89	45	275
CURRENT LIABILITIES						
Loan Account	1480	1 401	1 336	1 195	950	607
(Debtors) /Creditors - Suppliers			-	-	-	-
2 Dec Vat Payable						
Provision for Tax 2021					10	45
Provision for Tax - Previous year						
TOTAL EQUITIES AND CURRENT LIABILITIES	1 480	1 401	1 336	1 195	960	652
	1 481	1 330	1 212	1 106	1 005	927
			-	138 -	137 -	136 -
						136

DK AGRICULTURE LIMITED

SHARE CAPITAL AND REVENUE PROJECTIONS

		PROJECTED				
	2018	2019	2020	2021	2022	2023
SHARE CAPITAL						
Authorised						
1000 ordinary shares at Tsh 10 000 each		10	10	10	10	10
Issued and Fully Paid						
40 ordinary shares of Tsh 10 000		40	40	40	40	40
Ordinary Shares 960	-	9	9	9	9	9
TOTAL EQUITY	-	49	49	49	49	49
REVENUE						
Bananas			2	3	3	4
Eggs			20	22	24	27
Dairy products				8	9	10
Fish			64	256	512	768
Moringa			5	5	5	5
Spirulina			2	2	2	3
Other			-	-	-	-
TOTAL	-	-	93	296	556	816
DIRECT COSTS						
Land Purchase						
Bananas	-	-	1	2	2	2
Eggs	-	-	13	14	16	17
Dairy products	-	-		8	9	10
Fish	-	-	35	115	230	346
Moringa	-	-	3	3	3	3
Spirulina	-	-	1	1	1	2
vegetables	-	-	1	1	2	2
Other	-	-	-	-	-	-
TOTAL	-	-	54	144	263	381
Gross Profit	-	-	39	152	293	435

1 **DK AGRICULTURE LIMITED**
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR

Projected				
2019	2020	2021	2022	2023

NOTE

REVENUE

Income from business operations	-	93	296	556	816
Less Direct Costs	-	54	144	263	381
GROSS PROFIT	-	39	152	293	435

LESS: OPERATING EXPENSES

Salaries and wages	17	25	29	33	36
Advertising and Promotion expenses	1	1	1	1	1
Bank charges	2	2	2	2	3
Consumables	10	11	11	12	13
Electricity and water	2		-	-	-
Legal charges	2	2	2	2	3
Teas, cleaning and meeting	1	1	1	1	1
Plant- vehicle spares and maintenance	10	11	11	8	8
Fuel and Oil	11	13	16	11	11
Rent	5	5	6	6	6
Security	4	4	4	5	5
Skills and Development Levy	3	3	3	4	4
Printing and stationary	1	1	1	1	1
Repairs and Maintenance	6	6	7	7	8
Telephone, Fax and e mail	1	1	1	1	1
Transport and Travelling	5	5	6	6	6
Depreciation	-	-	-	-	-
TOTAL OPERATING EXPENSES	81	92	103	101	106

2 Net Profit before tax	(81)	(53)	49	191	328
Less Tax	-	-	15	57	98
Net profit after tax	(81)	(53)	34	134	230
Retained profit brought forward	-	(81)	(135)	(100)	34
Retained profit carriedforward	(81)	(135)	(100)	34	263

DK AGRECULTURE LIMITED

ASSUMPTIONS FOR THE TIC APPLICATION 2019

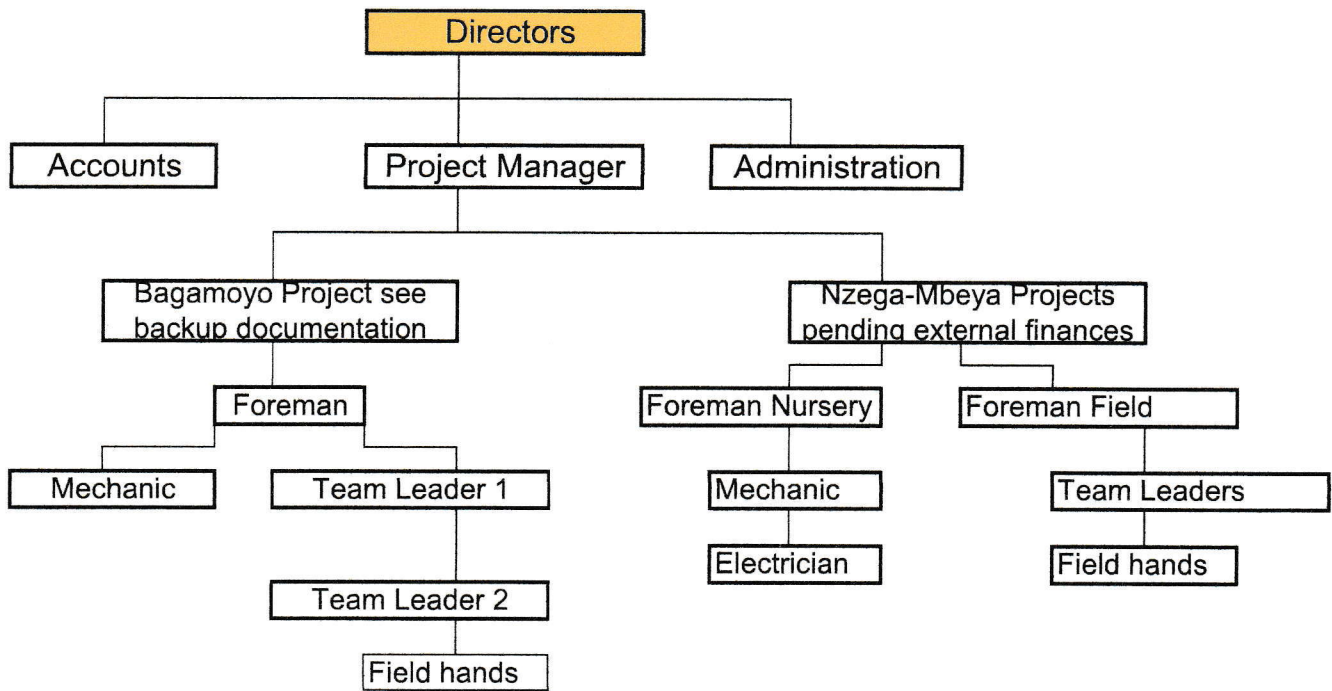
	2019	2020	2021	2022	2023
1 Inflation	7%	8%	8%	8%	8%
Exchange Rate:					
2 Tsh to U S Dollar rate	2300	2438	2,584	2,739	2,904
3 Start up dates SEE BAR PROGRAM					
4 Staff compliment					
Expatriats	1	2	2	2	2
Skilled	3	4	4	5	5
Un skilled	5	8	10	10	10
Contract staff	5	10	15	20	25
Staff compliment	14	24	31	37	42
Tsh M					
Expatriats	6	7	7	8	9
Skilled	5	7	7	10	10
Un skilled	7	11	15	16	17
Contract staff	-	-	-	-	-
Staff cost per annum	17	25	29	33	36
5 Taxes Payable					
VAT	-	-	-	-	-
Income Tax				57	98
PAYE & SDL	4	6	7	8	9
Other	1	1	1	1	1
	5	7	8	66	108
Accumulated		12	19	86	194

1 **DK AGRICULTURE LIMITED**
FIXED ASSETS and PROJECTIONS
Tsh '000

TYPE OF ASSETS	NBV	PROJECTED				
	END 2018	2019	2020	2021	2022	2023
40ft container modified	638 000	510 400	408 320	326 656	261 325	209 060
Land Cruiser	34 200 000	27 360 000	21 888 000	17 510 400	14 008 320	11 206 656
Cruiser Motor cycle - multicolour	4 560 000	3 648 000	2 918 400	2 334 720	1 867 776	1 494 221
John Deere 310 Backhoe	41 040 000	32 832 000	26 265 600	21 012 480	16 809 984	13 447 987
Massey Ferguson Tractor 4 x 4 - red	70 680 000	56 544 000	45 235 200	36 188 160	28 950 528	23 160 422
Massey Ferguson 106 4 Row Planter	36 480 000	29 184 000	23 347 200	18 677 760	14 942 208	11 953 766
Dam Scoop	25 080 000	20 064 000	16 051 200	12 840 960	10 272 768	8 218 214
Landman 4 row Rolskoffel	7 980 000	6 384 000	5 107 200	4 085 760	3 268 608	2 614 886
Vibroflex	6 498 000	5 198 400	4 158 720	3 326 976	2 661 581	2 129 265
Timbery Sawmill 14hp petrol	18 696 000	14 956 800	11 965 440	9 572 352	7 657 882	6 126 305
Feed Mill,conveyors,Bins etc.	182 400 000	145 920 000	116 736 000	93 388 800	74 711 040	59 768 832
Bagging equipment ,stiching mach etc	6 840 000	5 472 000	4 377 600	3 502 080	2 801 664	2 241 331
Bags	10 032 000	8 025 600	6 420 480	5 136 384	4 109 107	3 287 286
Electrical timing systems	17 100 000	13 680 000	10 944 000	8 755 200	7 004 160	5 603 328
Generators						
Cummings	84 360 000	67 488 000	53 990 400	43 192 320	34 553 856	27 643 085
Lister Peiter diesel	19 380 000	15 504 000	12 403 200	9 922 560	7 938 048	6 350 438
Yamaha Petrol	3 420 000	2 736 000	2 188 800	1 751 040	1 400 832	1 120 666
Honda	969 000	775 200	620 160	496 128	396 902	317 522
Ryobi	353 400	282 720	226 176	180 941	144 753	115 802
110 lt compresor	2 736 000	2 188 800	1 751 040	1 400 832	1 120 666	896 532
Pumps						
14 hp engine 80m ³ /hr water pump	7 296 000	5 836 800	4 669 440	3 735 552	2 988 442	2 390 753
Borehole pump	1 710 000	1 368 000	1 094 400	875 520	700 416	560 333
2 Small pumps and tools	6 384 000	5 107 200	4 085 760	3 268 608	2 614 886	2 091 909
Irrigation system 400m hdpe 8 stands with sprinklers	7 866 000	6 292 800	5 034 240	4 027 392	3 221 914	2 577 531
Solar system 3 batteries + 5 panels+ cabling+ (inverter)	10 944 000	8 755 200	7 004 160	5 603 328	4 482 662	3 586 130
Furniture & Fittings						
Safari Tents	19 380 000	15 504 000	12 403 200	9 922 560	7 938 048	6 350 438
Fridge/Freezers	2 052 000	1 641 600	1 313 280	1 050 624	840 499	672 399
Ariston 4 plate gas cooker with grill	1 140 000	912 000	729 600	583 680	466 944	373 555
4 x camp chairs	410 400	328 320	262 656	210 125	168 100	134 480
4 x camp cupboards	342 000	273 600	218 880	175 104	140 083	112 067
Toilet x2 hand basis x2	648 000	518 400	414 720	331 776	265 421	212 337
3xCamp tables	513 000	410 400	328 320	262 656	210 125	168 100
Filling cabnet	513 000	410 400	328 320	262 656	210 125	168 100
Computer ,printers,etc	490 200	392 160	313 728	250 982	200 786	160 629
Vagabond 43' steel hull boat	198 360 000	158 688 000	126 950 400	101 560 320	81 248 256	64 998 605
Projected assets & Capital expenditure						
Land plus clearing and prep		67 000 000	53 600 000	42 880 000	34 304 000	27 443 200
Buildings main			66 000 000	52 800 000	42 240 000	33 792 000
Out Buildings			44 800 000	35 840 000	28 672 000	22 937 600
Dams				110 600 000	88 480 000	70 784 000
Plantations					34 200 000	27 360 000
others						22 600 000
	831 491 000	# 732 192 800	696 554 240	667 843 392	568 474 714	477 379 771

DK AGRICULTURE LIMITED

Organizational Chart



A1 Location map

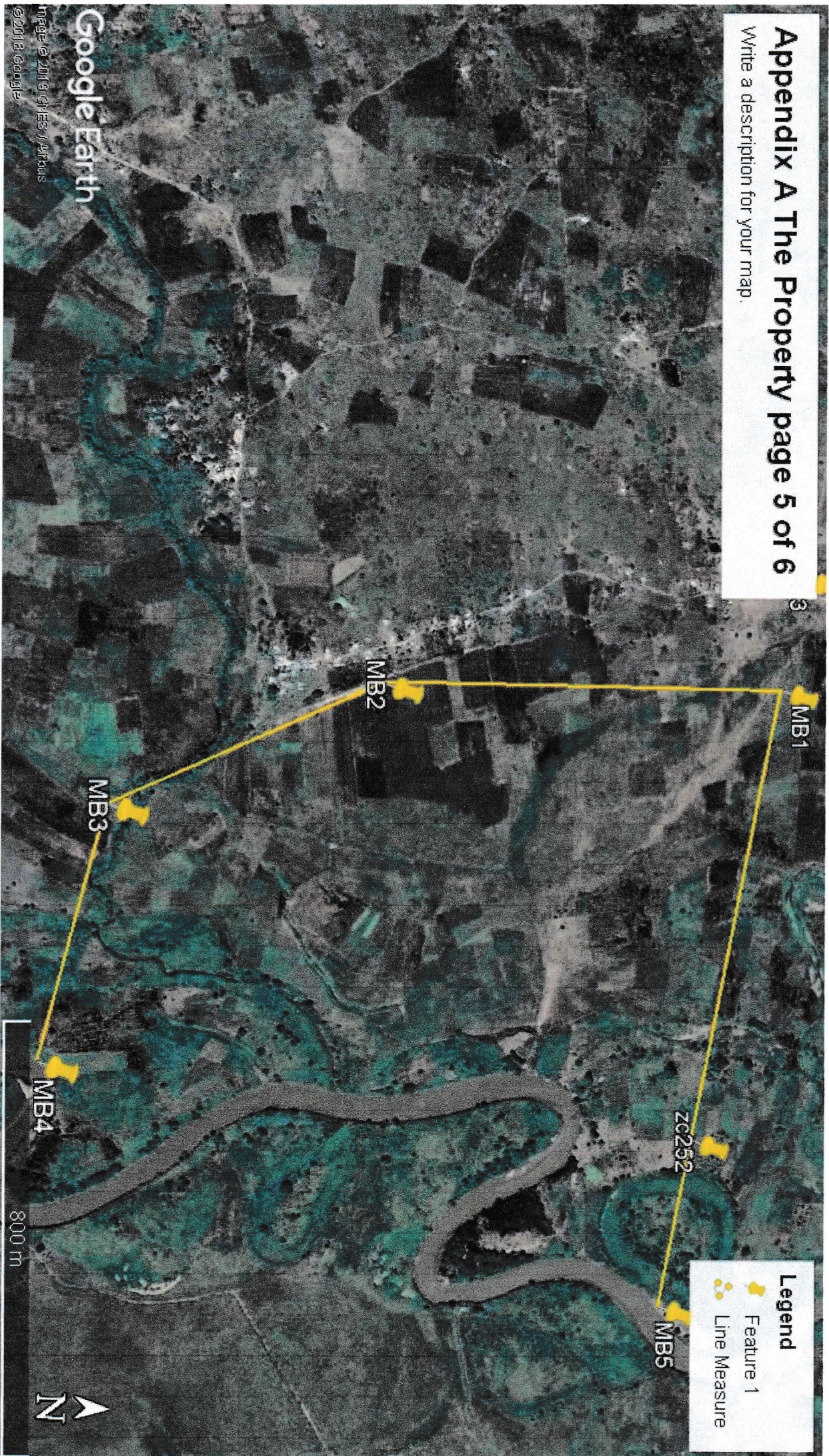


Google Earth

Image © 2019 CNES / Airbus
© 2018 Google
Data SIO, NOAA, U.S. Navy, NGA, GEBCO

Appendix A The Property page 5 of 6

Write a description for your map.



Google Earth

Image © 2019 Google, Inc.
© 2018 Google

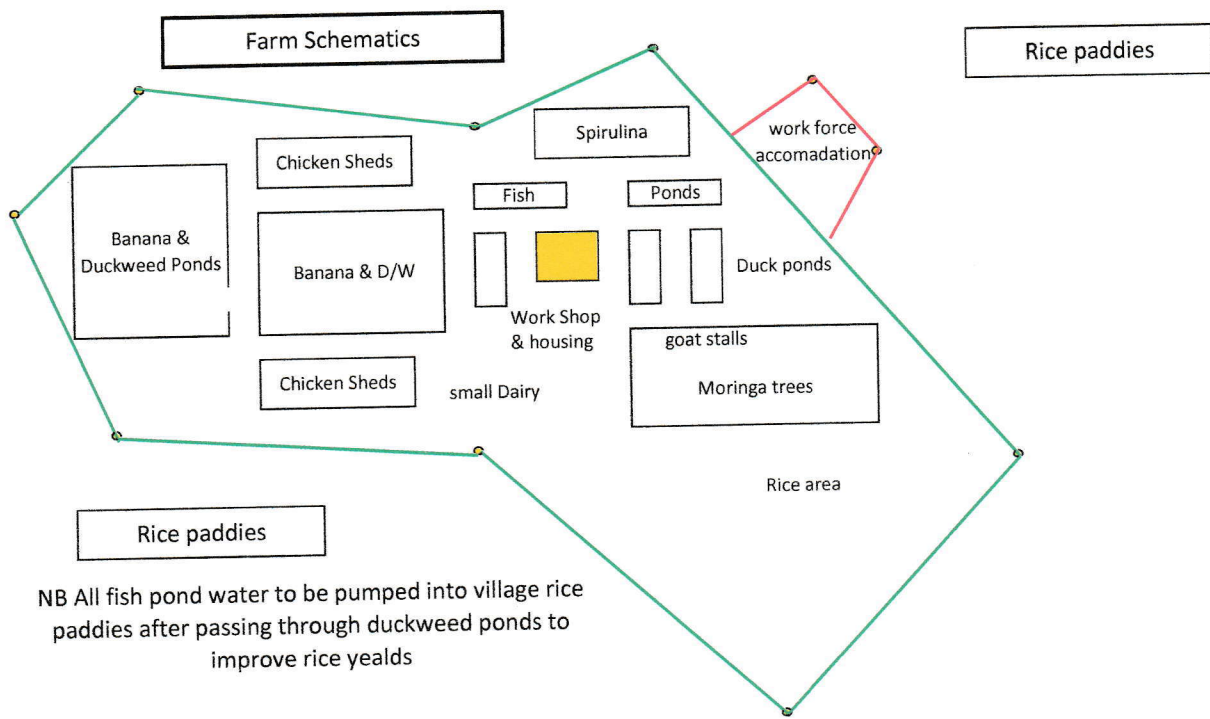
APPENDIX B

**COORDINATES OF THE PROPERTY IN THE PURCHASE
AGGREMENT BETWEEN GENENTER LTD AND D K
AGRICULTUER LTD 15th September 2019**

Arc 1960

37 M UTM

GPS N°	NAME	UTM	UPS	Comments
		N	E	
354	B1	9282638,13	479255,46	
353	B2	9282618,58	479263,16	
352	B3	9282600,05	479275,99	
351	B4	9282534,81	479306,69	
350	B5	9282509,76	479327,88	
349	B6	9282483,97	479345,18	
348	B7	9282450,78	479354,24	
344	B8	9282407,45	479373,48	
343	B9	9282378,92	479377,79	
338	B10	9282350,25	479393,64	
333	B11	9282308,68	479408,49	
332	B12	9282235,58	479424,26	
331	B13	9282180,03	479347,26	
330	B14	9282144,13	479306,14	
329	B15	9282100,71	479231,24	
328	B16	9281999,78	479326,44	
327	B17	9281983,69	479334,79	
326	B18	9281863,4	479339,28	
325	B19	9281771,75	479376,43	
324	B20	9281722,29	479385,49	
323	B21	9281459,13	479505,99	
322	B22	9281387,53	479608,86	
321	B23	9281301,89	479676,44	
320	B24	9281233,59	479722,02	
356	K3	9281160,00	479869,00	
355	K4	9281172,00	479989,00	
347	R8	9281138,00	480450,00	
335	R9	9282370,00	480772,00	
334	ZC252	9282435,29	480417,892	



NB All fish pond water to be pumped into village rice paddies after passing through duckweed ponds to improve rice yealds