

**Proposed Project for
Building a Fish
Processing Facility
at Rubambangwe
village, Chato District**

**A BUSINESS PLAN: 2021 -
2025**

Prepared by:

Supreme Perch Limited

P.O. Box 173

Mwanza

1.0 EXECUTIVE SUMMARY

1.1 Introduction

M/s Supreme Perch Limited of P.O Box 173, MWANZA is a locally registered company under certificate of incorporation number 132318 dated 5th January, 2017. The company started fish processing activities in Bukoba in year 2017 after obtaining TIC Certificate of Incentives No. 043204 dated 14th March 2017 granted for purposes of facilitating implementation of the fish processing project. Having achieved satisfactory results in the first three years of operations (2017 – 2020), the company is now planning to build a modern fish processing facility in Rubabangwe village, Muungano ward , Chato District , Geita Region. This integrated project is planned to have factories for Fish processing, EPS box manufacturing unit exclusively for packing the fishery products and a fish maws drying unit . In the process, the company plans to inject additional US\$ 2.5 million in the project where US\$ 1,800,000- is for fixed assets while US\$ 735,000- is to be utilized to finance working capital requirements.

With the additional investment, the company targets to explore and opportunity to have the first fish processing factory in Geita which will enable the company to utilize the abundant Nile perch fishery available around the shores of Lake Victoria in Geita region.

1.2 Rationale behind the construction of the new factory project

The applicants advocate two major economic reasons for considering Geita as their strategic area for expansion:

- (i) Geita has no fish processing factories compared to peer places like Mwanza , Mara and Kagera . Lack of active fish processing factory encourages local fish suppliers from Geita region to supply to the factory thus increase the revenue to Chato District council.
- (ii) Tanzania owns 51% of Lake Victoria but compared to its counterparts and her lake potentials, the country has only 8 operating factories compared to Uganda with 43% share of the lake (11 operating factories) and Kenya with only 6% share of the lake (4 operating factories). Given this share analysis, Tanzania's lake potential is either underutilized or utilized to the maximum with fish supplies channeled to neighbouring countries due to lack of sufficient fish processing factories. Given the country's potential, and sufficient fish catch in Geita/Kagera, the project envisages expansion of Tanzania's market share in the industry and thus maximizing the government revenue;

1.3 The Project Concept

The project entails acquisition of land and construct a new facility for processing Nile Perch fish fillets and fish maws for export. Saleable by-products are skins and extracted bones, belly flaps, head, and fats. Proposed Installed processing capacity (raw fish) is about 30 tons per day or approximately 9,000,000 kgs per day assuming 300 working days per annum.

1.4 The Business Plan Objectives

This document has been prepared for two main reasons. Firstly, to determine the viability of the project and serve as a business plan for construction of the fish processing facility. Secondly, it is meant to facilitate the application for Tanzania Investment Centre (TIC) Certificate of Incentives so as to access exemptions on duties, VAT deferments and other benefits and protections as statutorily provided for under Tanzania Investment Act (1997) for the project.

1.5 The Project Promoters

Supreme Perch Ltd is a Private Limited company incorporated in Tanzania under Certificate of Incorporation No. 132318 dated the 5th day of January 2017. It is jointly owned by Mr. Saju Thankappan (75%) and Mrs. Smitha Saju (25%). The Company is registered with authorized share capital of TShs 1,000,000,000/= divided into 1,000 ordinary shares of TShs 1,000,000/= each. Its fiscal year is the calendar year. The shareholders are Indian nationals

Directors:

1. Mr. Saju Thankappan - Indian
2. Mr. Smitha Saju - Indian

1.6 Location and Infrastructure

At present the company's head office and processing plant is located at at the shores of Lake Victoria at Plot No 37 Block 42 Nyamkazi Industrial Area, Kahororo Ward in Bukoba Municipality, Kagera Region. The factory premises, project plant and most of transportation facilities are operated on lease basis. The leased property provides offices, plant and machinery, office equipment, transportation facilities and other fish processing facilities.

1.7 Capital Investment Structure

The directors and shareholders of Supreme Perch Limited plan to make substantial investment in the acquisition of new assets, including factory buildings and related civil works, and acquisition of machinery and fish transportation facilities.

The project is estimated to cost US\$ 1,500,000- for financing fixed capital items, and additional US\$ 1000,000- to finance working capital requirements.

Table 1.1: Capital Investment Summary: 2021/2025

S/No.	Capital Item	Capital Investment (US)
1.	Land & Civil Structures and Buildings	735,000
2.	Plant Machinery, Tools and Equipment	800,000
3.	Utility Motor Vehicles	300,000
	TOTAL	1,800,000
4.	Add: Working Capital Requirements	700,000
	GRAND TOTAL	2,535,000

It is assumed that all motor vehicles will be replaced in the sixth-year operation.

1.8 Financing Arrangement

The proposed **fixed assets** of the project estimated to cost US\$ 735,000-- is planned to be wholly financed through owners' equity , Rest of the capital will be financed through a term loan.

The rehabilitation and expansion project will apply to be registered with Tanzania Investment Centre so as to be eligible to enjoy the various tax incentives and other benefits as statutorily provided under Tanzania Investment Act of 1997 as well as for meeting conditions for obtaining processing and export licenses as per The Fisheries Regulations of 2009.

1.9 Raw Materials Sources and Supply Arrangement

Nile Perch (Sangara), the raw material for fish processing under this project is obtained entirely from the Lake Victoria. The company will continue employing collection agents who will obtain the fish from artisanal fishermen. As has been our company norm, care will be taken to ensure only size of fish allowed for processing is purchased from the suppliers to avoid conflict with fisheries authorities.

1.10 Production Capacity and Revenue Estimates

Installed processing capacity (raw fish) of the existing facilities is about 40 tons per day or approximately 12,000,000 kgs per annum assuming 300 working days per annum. Even if the utilization of capacity is at least 65% of installed capacity.

Under this assumption the processing capacity of raw material (raw Nile perch) is estimated to be 7,800,000 kgs per year at full project implementation, thereby estimated fish fillets production will be 3,432,000 kgs ,at full implementation. During the same period, production of fish maws is estimated to be 156,000 kgs. The processing activity will likewise estimate to have a production of saleable by-products 4,368,000 kgs per annum at the end of implementation period.

At full implementation of the programme, raw material (raw fish) is estimated to cost about US\$ 17.16 million annually, all of which will go into the pockets of our local fishermen and collection agents. Under these production assumptions, the proposed project is set to generate revenue in excess of US\$ 24,000,000- per annum. This translates to huge increase in government revenue in form of royalty, corporate tax and other taxes.

1.11 Resources for Fish Processing: Raw Materials and Manpower

The two main resources for producing Nile Perch fillet are raw material and labour which are abundantly available in the region. The company is producing raw material from Lake Victoria, the second largest fresh water lake in the world and the largest in Africa. Fifty one percent (51%) of the lake is under the territorial jurisdiction of Tanzania. The company will make substantial investments in the infrastructure for procuring the raw material like fishing boats, engines, fishing nets etc. Furthermore, fishing gear will be supplied to local artisan fishing community to ensure regular and assured supply of raw material.

The project envisages creating more permanent jobs for the local people. It is estimated that new project will give 250 direct employment to the local people,. The company will require of 14 expatriate staff, mainly fish technologists. Total employment is therefore expected to be 264 employees.

1.12 Market and Marketing Aspects

The company will continue to export fresh chilled and frozen Nile Perch fillets to its traditional major markets of Europe, Far East and Middle East.

The demand for these Nile Perch fillets and allied products has been constantly growing as transportation and logistics issues are taken care of and accessibility to markets in Europe, America and East Asian countries become easier. The demand for this fish in these countries is likely to grow. The prices of the Nile perch fish are more competitive than those of similar fish species and the supply virtually constant. This makes the Nile Perch fish fillets more attractive.

1.13 Competition

The emergence of and increasing global domination by Bassa fish from Vietnam is real threat to the Nile Perch. Before, there was ample scope in the world market for this product.

With the earlier EU ban and resultant greater awareness of hygiene requirements: many smaller players, who have not been able to upgrade their facilities to the required standard, have been weeded out of the market. Present restrictive quota regime operative for other white fillet fish like cod will help the company in market penetration.

The next logical step will be to enter in the value-added production and ready to eat meal section of the market in which as at present there are no or fewer players.

1.14 Environmental Aspects

The project activities involve collection, cleaning and cutting the fish into fish fillets, before packaging and chilling/freezing the products ready for transportation in refrigerated trucks to the export points (airport/sea port). In the process, the company cooperates with various regulatory authorities, including Tanzania Fisheries Department, OSHA, MMC, TRA, CGL and NEMC. Supreme Perch Limited will adhere to all regulations as appearing in The Fisheries Act (2003) and Fisheries Regulations (2003) which guides fish processors on the necessary the processors have to observe regarding environmental aspects before the processors can be granted fish processing and export licence.

Generally, Tanzania has environmental regulations governing the industrial operations/manufacturing activities etc. Nevertheless, each operator takes basic precautions to ensure that during operations, damage to environment is limited to the minimum possible level.

1.16 Organization and Management

The project is managed through the Board of Directors consisting of three members. The Board formulates policy and offer strategic business guidance to management and regularly monitor and evaluate performance of the company.

The day to day management of the project is vested in the Management Team. The Management Team comprises of the General Manager who is the overall in-charge of the project. The General Manager is assisted by Production Manager. The General Manager and his deputy are assisted by Section Supervisors and Officers. These are in turn supported by qualified personnel in their areas of specializations.

1.17 Risk Analysis

The major risk factor considered under this project is the possible temporary suspension of fishing activities in the Lake Victoria as fish stock is said to have been reduced substantially due to illegal fishing activities. There is an on-going debate that to prevent the fish stock being depleted further, the three governments sharing the lake should introduce fishing quotas. Should this happen, it is obvious the project will be adversely affected as it will be forced to temporarily stop production during the time of fishing suspensions. The second major risk is the possibility of the increase of number of fish processing companies which may increase competition drastically and thus reduce supply of raw materials to the company.

1.18 Social, Economic and Developmental Benefits

The fish processing activities generates a lot of developmental benefits, including but not limited to the following:

- Construction of fish processing facility will further strengthen and expand a reliable market for the local fishermen and fish collection agents in Geita and Kagera thus reducing losses in government revenue;
- Given the country's potential, and the abundant fish catch in Geita and Kagera, the project has expanded Tanzania's market share in the industry and thus maximizing the government revenue;
- The project employment will create more local jobs.
- Estimated amount of US\$ 19.5 million will be collected by local fishermen and collecting agents, income and other suppliers, the project is set to change the economy of Chato irreversibly;
- Chato Municipal Council will collect substantial revenue (levies/taxes) from fish processing activities;
- Except for saleable by-products, the entire production is geared for export; therefore, the proposed project will generate foreign currency. It is anticipated that the export earnings of the project at full implementation will be in the excess of US\$ 24 million per annum.

1.19 Project Implementation Schedule

The company directors have the financial muscle, technology, market access and all other necessary resources required to implement the expansion project. Given that all the permits and authorization are in place, implementation of the project should take place immediately.

It should be noted that by nature of this industry, rehabilitation and replacement of the project facilities are an on-going exercise so as to meet product quality requirements of international standards. This exercise is therefore expected to be continuous for the next three years (2021 - 2023) as indicated in the investment plan.

1.20 Conclusion and Recommendations

The foregoing discussion highlights on the social, economic and financial dimensions which the envisaged rehabilitation and expansion project is set to generate in this country. The briefly analysis indicates that the proposed expansion project is economically feasible, financially viable, socially desirable and environmentally manageable. Therefore, it is strongly recommended that the

sponsors, Supreme Perch Limited be availed the required institutional assistance so as to enable them implement the proposed expansion project. It is further recommended that an application for TIC Certificate of Investment Incentives be submitted to Tanzania Investment Centre with a view to benefit from investment benefits and protection as statutorily allowed under Tanzania Investment Act, 1997.

2.0 BACKGROUND INFORMATION

2.1 Introduction

Supreme Perch Ltd was incorporated in 5th January, 2017 with the objective of procuring, processing, marketing and exporting fresh and frozen Nile perch fishery products. Initially the company leased an on-going fish processing factories in Mwanza and Bukoba, but on implementation, the directors decided to concentrate in Bukoba, and thus abandoned the Mwanza processing plan. The leased facilities are owned by M/s Vicfish Limited and are located at Plot No 37 Block 42 Nyamkazi Industrial Area, Kahororo Ward in Bukoba Municipality, Kagera Region. The plant has installed capacity to process 40 tons of raw fish per day.

Supreme Perch Ltd has been in operation for the last three years and has been able to fulfill most of its objectives despite some operating challenges unforeseen at the start of the project. Initial plans were to rehabilitate some of the leased facilities as well as investing in acquisition and installation of new facilities to meet the product quality and demands. It was likewise planned to produce two main lines of products primarily focusing on chilled and frozen fish products. These products were earmarked for distribution to Europe, Middle East, USA, and other destination where the market is appreciative of good quality fish.

2.2 Project Review: 2017 - 2019

2.2.1 Capital Investment

Capital invested during the period fall in two major categories: fixed capital assets amounting to TShs 350,295,541/= (financed through ploughed back profits), and working capital ranging from TShs 3,607,275,623/= to TShs 5,653,201,888/= financed through directors' loans and bank overdraft facilities.

Fixed Investment

As indicated in the Lease Agreement, M/s Supreme Perch Limited is operating in leased property where the lessor, M/s Vicfish Limited provides the demised premises together with factory equipment and machines together with motor vehicles for both collections of raw fish as well as transportation of finished products. The Lease Agreement provides room for the lessee to make structural changes and modifications and carry out regular maintenance. The contract also allows the lessee to invest on plant, machinery and equipment. The property along with all the facilities is leased at the rent of US\$ 60,000- per month or US\$ 720,000- per annum

Since the premises, plant, machinery, tools and vehicles were found to be in very good condition, no major investment was required for rehabilitation and acquisition of new facilities. The following were the fixed investments made during the period:

Table 2.1: Capital Invested - 2017/2019

S/NO.	CAPITAL INVESTMENT	AMOUNT (TSHS)
1.	Land and Buildings	42,222,683
2.	New Ice Machine	84,488,255
3.	Tools	19,526,986
4.	Motor Vehicles	190,495,280
5.	Computers and Consumables	13,562,337
	TOTAL FIXED ASSETS	350,295,541

Working Capital

Working capital was mainly required to finance purchasing of raw fish and other direct costs. It ranged from TShs 3,607,275,623/= to TShs 5,653,201,888/= and was financed through directors' loans and bank overdraft facilities.

2.2.2 Raw Fish Cost and Quantity Processed

Table 2.2: Raw Fish Cost and Quantity Processed - 2017/2019

ITEM/PERIOD	2017	2018	2019
Quantity Processed (Kgs)	5,017,816	6,351,567	5,324,620
Price per Kg (TShs)	7,214	6,377	4,835
Cost of Raw Fish (TShs)	36,198,535,450	40,505,632,950	25,742,332,800

2.2.3 The Products

The company produces three main products: fish fillets (fresh and frozen), Head less gutted (HNG) fish, fish maws and other by products. While fish fillets, HNG and fish maws are mainly for the export markets, by products are sold locally for production of poultry feeds.

2.2.4 Production and Sales Revenue

The tables below summarize sales revenue of the above three (3) products during the period under review:

Table 2.3: Fish Fillet Production/H&G - Production: 2017/2019

PRODUCTION/VALUE	2017	2018	2019
Fish Fillets Production (Kgs)	2,156,973	3,249,807	2,360,183
Price per Kg (US\$)	5.89	4.64	3.77
Production Value (US\$)	12,694,503	15,086,398	8,908,189

Table 2.4: Fish Fillet /H&G - Export - 2017/2019

EXPORT SALES/VALUE	2017	2018	2019
Fish Fillets Export (Kgs)	2,119,673	3,023,512	2,319,421
Price per Kg (US\$)	5.89	4.64	3.77
Exports (US\$)	12,474,981	14,035,881	8,754,338

Table 2.5: Fish Maws - Production - 2017/2019

PRODUCTION/VALUE	2017	2018	2019
Fish Maws Production (Kgs)	102,666	138,546	123,812
Price per Kg (US\$)	39.07	45.19	36.67
Production Value (US\$)	4,011,097	6,261,357	4,539,800

Table 2.6: Fish Maws - Export 2017/2019

EXPORT SALES/VALUE	2017	2018	2019
Fish Maws Export (Kgs)	98,322	118,266	76,214
Price per Kg (US\$)	39.07	45.19	36.67
Export Value (US\$)	3,841,380	5,344,836	2,794,530

Table 2.7: Saleable By-products - Production and Sales - 2017/2019

PRODUCTION/SALES	2017	2018	2019
By-Product Production/Sales (Kgs)	2,848,748	3,373,182	2,998,856
Price per Kg (TShs)	784	724	722
Production/Sales Value (TShs)	2,233,063,517	2,442,818,491	2,166,472,911

2.2.5 Processing/Direct Costs (in TShs)

Table 2.8: Processing/Direct Costs - 2017/2019

Year	2017	2018	2019
Wages	184,899,414.00	381,860,387.00	337,748,690.00
Packing materials	713,423,314.60	809,994,394.22	579,182,873.17
Factory Expenses	20,065,360.00	10,760,500.00	24,655,480.00
Import Expenses	46,460,881.40	105,190,270.00	100,054,184.50
Electricity & Water	545,193,706.20	774,983,421.34	503,511,195.98
Lease Rentals	2,232,764,000.00	2,659,046,000.00	1,823,280,000.00
Processing Expenses	83,321,824.15	103,277,270.88	68,539,250.00
Ecolabelling Expense	125,013,600.00	50,356,250.00	67,413,600.00
Transportation Charges'	939,438,283.23	1,287,167,245.08	824,574,689.23
Grand Total	4,890,582,400.58	6,182,637,756.52	4,328,961,981.88

2.2.6 Markets and Marketing Aspects

During the period under review, the company exported its products to the following countries: Netherlands, Germany, Belgium, Italy, Spain, Romania, Greece, Poland, Japan, Dubai (UAE), Saudi Arabia, and Vietnam.

As stated from the outset, our marketing strategies involved production of high quality fish products, implementing quality controls as per international standards, aggressive marketing to expand our sales share in international markets, minimizing production cost without compromising the product, and benchmarking our competitors.

2.2.7 Organization and Employment Aspects

The company is headed by a Managing Director who is also a company director and shareholder, Mr. Saju Thankappan. He is assisted by a General Manager who is currently an expatriate staff. The General Manager is further assisted by Production Manager and competent supervisors.

The company has four core departments as indicated below with number of employees in brackets:

- (i) Administration Department (including the Managing Director, General Manager, logistics and security) (13)
- (ii) Production Department (37)
- (iii) Engineering (2)
- (iv) Eco Laboratory (11)
- (v) Casual Employees with valid Contracts (198)

Total employment (including the Managing Director) adds to 261 in the breakdown below:

- Local Employees: 261
- Expatriate Staff: 12 comprised of:
 - the Managing Director (1)
 - The Director(1)
 - the General Manager (1)
 - the Production Manager (1)
 - Fish Technologists (9)

3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS

3.1 Introduction

Tanzania is blessed with fisheries resources from marine, freshwater, riverine and wetland species, according to a Study Report *“The Tanzania Fisheries Sector: Challenges and Opportunities”* by the Ministry of Agriculture, Livestock and Fisheries (2016). By making use of these resources, the sector provides direct employment of about 183,800 fishers. More than 4,000,000 people such as boat builders, fish processors, net and engine repairers are indirectly employed. It provides income for local people from foreign earnings, food for coastal and upcountry communities and also contributes to GDP (2.4% in 2015). This makes the country one of the greatest fisheries nations in Africa, ranking in the top 10 in terms of total capture and fisheries production. Current information on the assessment of the fisheries management performance is scanty. The fisheries resources in Tanzania are currently exploited using the open access principle, through a licensing system and community participation in fisheries management.

3.2 The Fishery Sector

Tanzania is endowed with rich marine and inland waters that yield a wide range of living aquatic resources, providing livelihoods, food security, export revenues, and potential further economic development. The fisheries can be divided into the following subsectors: marine and inland capture fisheries, aquaculture, and fish processing. The scale of operations ranges from small-scale subsistence fishing to industrial fish processing. There is a vibrant export market, exploited by small-scale fish processors and traders serving the regional market, and by large fish processors selling into international markets.

Over the last decade, Tanzania fisheries production has been in the range of 325,000 to 380,000 tonnes per annum. About 85% is from inland fisheries, 14% from marine fisheries and just 1% from aquaculture. In 2014, there were some 183,800 people engaged in fishing, accounting for about 0.7% of the work force, with a large, but unknown number, also engaged in fish trading and processing.

Table 3.1: Fish Production in Tanzania – 2015

SOURCE	METRIC TONNES	AS A % OF TOTAL
Inland	314,062	85%
Marine	51,912	14%
Aquaculture	3,942	1%
TOTAL CATCH	369,966	100%

Source: Fisheries Statistics 2014 Ministry of Agriculture, Livestock and Fisheries (MALF) - Department of Fisheries

3.3 Fisheries Sector Institutions

The Ministry of Livestock and Fisheries (MLF) is responsible for the preparation, implementation, monitoring, and reviewing of national fisheries policies and regulatory frameworks in Tanzania. The Department of Fisheries Development within the MLF is responsible for the management of inland fisheries, and for marine fisheries within the territorial waters of the mainland.

In addition, several institutions work in the fisheries sector in research, training and development roles. The Tanzania Fisheries Research Institute (TAFIRI) carries out research in Fisheries and has its headquarters in Dar es Salaam and offices in Mwanza, Kigoma and Kyela. The institute undertakes research in fresh water and marine capture fisheries, aquaculture and mariculture, fish processing and quality as well as socio-economic studies.

The Mbegani Fisheries Development Centre and the Nyegezi Fisheries Institute (Mwanza) operate under Fisheries Education Training Agency (FETA). They offer technical training courses in fishing technology, aquaculture, fish processing and quality control, coastal resources management, and other subjects relevant to the development needs of the fishery sector.

3.4 Inland Fisheries

Inland fisheries accounted for about 85% of the national fish production in 2014. Lake Victoria and Lake Tanganyika are the most important lakes from a fishery point of view, accounting for about 94% of the total inland fish production. Lake Victoria, according to the Lake Victoria Fisheries Organization, is the most productive freshwater fishery in Africa.

The inland fisheries are currently exploited by an estimated 132,982 fishers, operating 42,288 (mostly very small) vessels, and over the last 15 years have produced an average overall catch of 296,370 tons. Of the three lakes, Lake Victoria accounted for about 63% of all fish production from freshwater capture fisheries during 2013, Lake Tanganyika contributed about 18% and Lake Nyasa about 3%. The main freshwater species of commercial interest are the Nile Perch (*Lates niloticus*), Nile Tilapia (*Oreochromis niloticus*), and freshwater sardine or Dagaa (*Rastrineobola argentea*).

3.5 Nile Perch

3.5.1 Description

Nile Perch Is a fatty white fish found apparently exclusively in freshwater lakes in central and eastern Africa, overwhelmingly in Lake Victoria. Lake Victoria is the second largest lake in the world and also the largest lake in Africa, covering a surface area of 68,000km² and a catchment area of 184,000km². The lake fishery is a shared resource with Uganda (45%), Tanzania (49%) and Kenya (6%).

Over the past two decades, the Nile Perch fishery has attained great importance from both food security and economic points of views. Nile Perch, which is a top predator, is caught mostly from small traditional designed wooden canoes (paddle, sail or outboard powered), and is fished with gillnets and longlines. Tanzania’s annual catch of Lates species in Lake Victoria and Tanganyika was about 112,000 tonnes in 2014 (36% of freshwater fish production).

An extensive system of collector vessels, mostly powered by outboard motors, delivers the catch to the landing sites, where it is sold to traders and processors, who bring vehicles and ice to the location. Nile Perch, of a suitable size and quality, is processed into chilled and frozen export products in ten factories operating to international standards. The importance of this species is reflected in the substantial private investment in processing infrastructure for the export of Nile Perch.

3.5.2 The Catches

Fisheries Export Data available from Tanzania Fisheries Department (2013) indicates that Tanzania caught 47,051 metric tons of Nile Perch from Lake Victoria in year 2013, which accounted for 20.1% of total fish catch during the period. It further reveals that during the same period, the country exported a total of 20,859,003.8kgs of fresh and frozen fillets.

3.5.3 The Main Fishing Grounds

The Nile Perch fishing grounds are located around the entire shoreline of Lake Victoria although they are concentrated in certain areas more than others. The Fisheries Export Data (2013), the busiest areas on the Tanzania shoreline were in the Ukerewe – a very large Island in the south east corner of the lake which contributed 13,704.2 metric tons (29.1% of total Nile Perch catch on the Tanzanian side), Musoma District (7,186.1 tons or 15.5%), south west corner of the lake on the islands in Muleba District (6,931.5 tons or 14.7%), and Sengerema District (5,866.2 tons or 12% of total Nile Perch catch during the year). In summary, the catch in the three Tanzanian regions surrounding the lake were as follows:

Table 3.2: Nile Perch Catch in 2013 by Regions Surrounding the Lake

REGION	CATCH IN METRIC TONS	AS A % OF TOTAL
Kagera	10,097.2	21.46%
Mara	11,019.8	23.42%
Mwanza	25,934.0	55.12%
TOTAL	47,051.0	100.00%

3.5.4 Industrial Fish Processing

Nile Perch provides a substantial white flesh which is readily filleted, and is in good demand on international markets. Statistics obtained from a Study Report on the Tanzania Fisheries Resources – “The Tanzania Fisheries Sector: Challenges and Opportunities” by Ministry of Agriculture, Livestock and Fisheries (MALF) (2016) reveal that up to 2016, there were ten processing plants in Tanzania authorized for international export of Nile Perch (compared to fourteen in Uganda and four in Kenya). All are situated in the region of Lake Victoria.

All these establishments are operated to international standards, including HACCP, and are compliant with EU hygiene rules. As well as complying with EU hygiene requirements, many of the establishments are certified to ISO 22000 BRC and other global standards certified on issues of food safety, hygiene standards.

Fresh fish on ice is delivered to the processing plant directly from the landing site, and sorted into export and non-export grades. Nile Perch is gutted and scaled and processed by hand into a range of products according to market requirements. Premium quality fish is used for chilled fillets and steaks etc., which are freighted in fresh form to global destinations. The EU is the major market, but product is also sent to the Middle East, USA, Australia, Israel and South Africa. More recently, markets for skins and maws (swim bladders) have been developed.

3.5.5 Hygiene Conditions

Tanzania was one of the first countries in Africa to achieve hygiene approval from the European Union, and be permitted to export fish and fishery products to the EU. At present there are 14 establishments and two freezer vessels approved for export to the EU. The Fisheries Development Division of the MALF is the nominated Competent Authority for official control of fishery product exported to the EU.

The system is periodically audited by European Commission. The inspectorate is well equipped with a microbiological laboratory and a chemical analysis laboratory. There are 34 inspectors of whom 22 are based in Mwanza Office and the rest in field offices on Lake Victoria. Fish inspectors take regular samples from all fish processing factories to assess the sanitary conditions of the fish before export. The national sanitary regulations require that establishments apply the Hazard Analysis and Critical Control Point (HACCP), and that they employ qualified Quality Control Staff.

3.5.6 Fish Processing Capacity

The MALF report reveals that today, the Tanzanian factories have the capacity to process an average of 500 tonnes of raw fish per day. The decline in catches of fish of a suitable size has led to most plants operating at a much-reduced capacity; only 25% in some of the larger plants in 2016. Fisheries Annual Statistics Report (2013) of the Ministry of Agriculture, Livestock and Fisheries Development – Fisheries Development Division provides the following data on fish fillet exports:

Table 3.3: Nile Perch Fish Fillets Export Data - 2013

FISH PRODUCTS	WEIGHT (KGS)
Fresh Fish Fillets	9,962,862.0
Frozen Fish Fillets	10,896,141.8
TOTAL EXPORTS	20,859,003.8

Source: Author’s Construction from Fisheries Annual Statistics Report 2013 – Ministry of Agriculture, Livestock, and Fisheries Development – Fisheries Development Division

The international market for Nile Perch has also been hit by the rise of the much cheaper Pangasius fillets from Asian aquaculture suppliers, such as Vietnam. However, most of the plants are over 20 years old, and are able to continue operations with relatively low overheads.

4.0 TECHNICAL ASPECTS

4.1 The Project Concept

The main activity of Supreme Perch Limited is fish processing and packaging, mainly for the export market. Traditionally, the main product has been fish fillet and fish maws for export, while processing by-products are sold locally as an important input in the production of chicken feed.

The project entails construction of Processing facility of Nile Perch fish fillets and fish maws for export. Other products are saleable by-products including skins and extracted bones, belly flaps, head, and fats.

4.2 Location and Infrastructure:

New project is expected to start at PLOT 1 and Plot 7 , Block GRubabangwe C,

Muungano Ward in Chato District , Geita Region. The site is in Government gazette for a lot of Investments such as hotels and cultural tourism. The area is fast developing with all the necessary infrastructure development plans.

At present the company’s head office in Mwanza and the processing plant is located at the shores of Lake Victoria at Plot No 37 Block 42 Nyamkazi Industrial Area, Kahororo Ward in Bukoba Municipality, Kagera Region. The factory premises, project plant and most of transportation facilities are operated on lease basis. The leased property provides offices, plant and machinery, office equipment, transportation facilities and other fish processing facilities. The site is a well-developed area with all the necessary infrastructure (water supply and electricity connectivity from the main municipal distribution system.

4.3 Ownership

Supreme Perch Ltd is a Private Limited company incorporated in Tanzania under Certificate of Incorporation No. 132318 dated the 5th day of January 2017. It is jointly owned by Mr. Saju Thankappan (75%) and Mrs. Smitha Saju (25%). The Company is registered with authorized share capital of TShs 1,000,000,000/= divided into 1,000 ordinary shares of TShs 1,000,000/= each. Its fiscal year is the calendar year. The shareholders are Indian nationals .

Table 4.1: Company Shareholders and Shareholding Structure

NAME AND ADDRESS OF SHAREHOLDER	NUMBER OF SHARES TAKEN BY EACH	NATIONALITY
Saju Thankappan Plot No. 37 Nyamkazi Industrial Area P.O Box 1139 Bukoba	75 (25%)	Indian
Smitha Saju Plot No. 37 Nyamkazi Industrial Area P.O Box 1139 Bukoba	25 (25%)	Indian
TOTAL	100	

Directors:

- 1.Mr. Saju Thankappan - Indian
- 2.Mrs. Smitha Saju - Indian

4.4 The Planned New Activities

Specifically, the company plans to do the following during the next three years (2021 – 2023):

- Construct the buildings necessary for fish processing , fishmaws processing and packaging material manufacturing at a budget of US\$ 735,000;
- Installation of Machinery and Equipment at a budget of US\$ 800,000-

- Strengthen transportation facilities at a budget of US\$ 300,000-.

4.5 The Strategies to be employed

In order to realize the planned construction , the company will use the following strategies:

4.5.1 . construction of the buildings and then procure the following machinery

- Plate Freezers units comprising of compressor, evaporators and other accessories;
- Blast Freezers unit comprising of compressor, evaporators, and other accessories;
- Flake Ice Machines;
- EPS box making machines
- Compressors and freezing accessories; strapping machines, band saws etc
- Processing tables, racks , trolleys ,Insulated tubs, pallet movers and miscellaneous tools and equipment.

4.5.2 Procurement of the following the following:

- Light Trucks with insulated body (refrigerated)
- Heavy Duty Truck with Semi Trailer

4.5.3 Construction of Effluent Treatment plants to conform to laid down standards for discharge water.

4.5.4 Continue to adhere to the EU Food Standards in collaboration with the country's fisheries authorities to ensure we are eligible to enter any global market at all times;

4.5.5 Ensure continuous specialized staff training and motivation throughout so as to maintain a local trained and dedicated work force.

4.6 Financial Aspects - Investment Costs

The company plans to invest capital amounting to US\$ 2,535.000- in The main investment items are mentioned in the section 4.4 and costs summarized in the table 4.2:

Table 4.2: Planned Investment Structure: 2021 to 2023 Period

S/NO.	CAPITAL ITEM	QTY (UNITS)	UNIT PRICE (US\$)	INVESTMENT 2021	INVESTMENT 2022	INVESTMENT 2022	TOTAL COST (US\$)
1.0	Land,Civil Structures and Buildings			535,000	200,000		735,000
2.0	Plant Machinery and Equipment						
2.1	Plate Freezer units with accessories	2	45,000	90,000		0	90,000
2.2	Blast Freezer & accessories	2	40,000	80,000	0		80,000
2.3	Flake Ice Machines	4	40,000	160,000	0	0	160,000
2.4	Compressors and freezing accessories,utensils etc	10	17,000	0	170,000	0	170,000
2.5	EPS machinery	2	70,000		140,000		140,000
2.6	Generator &Transformers	2	40,000		80,000		80,000
2.7	Electrical fixtures and plumbing	many	80,000		80,000		80,000
	Sub total			830,000	670,000		1,500,000
3.0	Transport Facilities						
3.1	Light Refrigerated Trucks	12	20,000		240,000	0	240,000
3.2	Heavy Duty Truck with Semi Trailer	1	60000	0	0	60,000	60,000
	Sub total				240,000	60,000	300,000
	TOTAL						1,800,000

	Add: Working Capital						700,000
	GRAND TOTAL						2,535,000

Table 4.3: Capital Investment Financing Plan – 2021/2022

Source	Amount (US\$)
Directors share	735,000
Term Loan from Banks	1,800,000
TOTAL FINANCING	2,535,000

M/s Supreme Perch Limited will apply the project to be registered with Tanzania Investment Centre so as to be eligible to enjoy the various fiscal incentives and other benefits as statutorily provided under Tanzania Investment Act of 1997.

4.7 Raw Materials Sources and Procurement Arrangement

Nile perch was first introduced to Lake Victoria in the 1960's. Due to its ecological tenacity, it now accounts for approximately two thirds of the lake's total harvest with the prospect of virtually continuous supply.

This is one resource, which is in no immediate danger of over fishing. The fishing methods are traditional, and that too is only by local artisan fishermen. The tree countries, which share the lake, have not permitted mechanized commercial harvesting of the fish resultantly; the fishing is restricted to about seven km from the shore, providing ample opportunities for breeding in the central and deeper sections of the lake.

The fresh fish required for processing is procured from the artisan fishermen through the local co-operative societies and the company plans to make substantial investments in infrastructure that ensures continuous and consistent supply to the processing plant. These include the supply of fishing boats, nets, outboard engines and consumables, on very easy terms to artisan fishermen.

Nile Perch Latin name *Lates Niloticus* belongs to the Grouper family of fish. It's a wonderfully sweet tasting, firmly textured, highly nutritious, virtually odourless and retains its high moisture content when cooked. This fish is low on calories, rich in trace nutrients, and it is lipid poly saturated. This species is the largest fresh

water fish in the world. It can grow in excess of 230 kgs (500lbs), however, only fish below 23 kgs (50lbs) are used commercially, to assure tenderness and low-fat content.

4.8 Production Process

4.8.1 General Information

The company sponsoring this project, M/s Supreme Perch Limited has been in this trade for a significant period of time, having a number of plants already operating in Uganda and Tanzania, Consequently, they are fully conversant with the technology of filleting and freezing. This industry in any case is not technology driven; all it requires is the maintenance of a high degree of hygiene and cleanliness. The factories need to have walls and floorings finished to food grade requirements, adequate supply of fresh and clean water and skilled filleters, the process of filleting is essentially manual

4.8.2 Materials Procurement and Selection

The fish is procured from the artisan fishermen and weighed quantities are delivered to the factory. At the point of receipt of the fish and then again at factory, the fish is visually inspected for quality and freshness. Quality inspectors are in a position to access the quality of the raw material by the sense of touch smell and visual inspection.

4.8.3 Fish Processing

The acceptable fish is only taken into the factory premises where it is first washed with fresh clean water, and then dipped in a chlorine solution of 20 PPM and graded. The treated and graded fish is taken to the production line for filleting. The process of filleting involves

- Filleting, de-boning and removal of offal
- Removal of belly flaps
- De-skinning
- Trimming
- Grading
- Graded fillets are then individually poly-wrapped and weighed and packed in 6 kilo boxes
- Freezing for 1 hour 45 minutes to about 2 hours in plate freezers at minus 40 degrees Celsius
- Strapping of boxes and storage in cold stores at minus 18 degree Celsius
- Export by Air from Mwanza Airport or Transportation to Mombasa for export by Sea

- From the offal we remove the fish maws, skins, chest portions, head, skeleton and the tail
- Fish maws are frozen and it is an expensive product for sale in the far East market
- The belly flap and the chest portion are sold locally. Efforts are being made to export these by products also.
- Skin skeletons and the tail is at present sold to fishmeal manufacturers

4.9 Packaging and Storage

Primary Product Forms

	Frozen	Deep skinned boneless fillets; skin-on boneless fillets, Head less and gutted
Packaging	Fresh	Deep skinned boneless fillets; head less and gutted
	Frozen	Fillets are typically Individually Layer Packed (ILP) or individually poly-wrapped (IPW) in 6 kg boxes, and frozen to minus 40 degrees Celsius and stored at minus 18 degree Celsius
Brands	Fresh	Packed in 6 kg insulated boxes and chilled to minus 4 degrees Celsius.
	Frozen	Branding mainly depend on the marketing strategy applicable in countries in question.
Storage Period	Fresh	Fresh product is normally supplied in white Styrofoam cartons
	Frozen:	Properly packed and stored - up to 18 months

Fresh: Fresh fillets will keep for 10-14 days

4.10 Production Capacity and Revenue Estimates

4.10.1 Materials Requirement and Cost

On starting, the project plans to procure and process an average of 7,800,000 kgs of raw fish per annum in the first year of production, increasing to 8,400,000 Kgs on second year onwards The average purchase price of raw fish is estimated at US\$ 2.30 per kilo throughout the first three years of operations.

Table

4.4 Raw material requirement projection and cost estimates 2021/2025

	Item /products	Unit	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
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1	Material required(Raw Nile Perch)	Kgs		7,800,000	8,400,000	8,400,000	8,400,000
2	purchase Price	US\$		2.35	2.397	2.44494	2.4938388
3	Revenue	US\$		18,330,000	20,192,328	22,243,869	24,503,846

4.10.2 Processing Capacity, Product Price and Product Sales Revenue

It is assumed that fish fillets production will constitute 44% of raw fish while fish maws will constitute 2%. Saleable by products will form 54% of raw fish as in reality; nothing is thrown away in the fish processing activity.

It is further assumed that from the production estimates production of fish fillet will amount to 3,432,000kgs in year one, 3,775,200 in year two before climbing and stabilizing above 4,152,720 kgs from year three onward. The export price is estimated at US\$ 4.78 per kilo) throughout the project economic life period.

Table 4.5 Fillets production Estimates and revenue forecast 2021/2025

	Item /products	Unit	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
1	Fish fillet	Kgs		3,432,000	3,775,200	4,152,720	4,567,992
2	Export Price	US\$		4.78	4.78	4.78	4.78
3	Revenue	US\$		16,404,960	18,045,456	19,850,002	21,835,002

Production of fish maws assumed to constitute 2% of raw fish is estimated at 156,000 kgs in year one, 171,600 kgs in year two before raising and stabilizing above 180,000 kgs from year three onwards. The export price is estimated at US\$ 44- per kg and is assumed to remain stable throughout the economic life of the project.

Table 4.6 Fish Maws Production estimates and revenue forecast 2021/2025

	Item /products	Unit	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
1	Fish Maws	Kgs		156,000	171,600	188,760	207,636
2	Export Price	US\$		44.00	44.00	44.00	44.00

3	Revenue	US\$		6,864,000	7,550,400	8,305,440	9,135,984
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On the other hand, production of saleable by-products is estimated at 4,212,000 kgs in year one, 4,536,000 in year two before raising and stabilizing at 4,536,000 from year three onwards. The factory price is estimated at US\$ 0.35- per kg and is assumed to remain stable throughout the economic life of the project.

Table

4.7 Sellable By products estimates and revenue forecast 2021/2025

	Item /products	Unit	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
1	By products	Kgs		4,212,000	4,633,200	5,096,520	5,606,172
2	Export Price	US\$		0.37	0.37	0.37	0.37
3	Revenue	US\$		1,558,440	1,714,284	1,885,712	2,074,284

4.10.3 Projected Total Sales Revenue

From the above production estimates Table 4.5, 4.6 and 4.7), total sales revenue is projected at US\$ 2,429,7000- in year one, US\$ 26,694,00- in year two before stabilizing at US\$ 26,694,000- from year three onwards as indicated in Table 4.8

Table

4.8 Total Sales revenue forecast 2021/2025

	Item /products	Unit	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
1	Fish fillets	US\$		16,404,960	18,054,456	19,850,002	21,835,002
2	Fish Maws	US\$		6,864,000	7,550,400	8,305,440	9,135,984
3	By product sales	US\$		1,558,440	1,714.284	1,885,712	2.074.284
4	Total Revenue	US\$		24,827,400	27,310,140	30,041,154	33,045,269

FINANCIAL PROJECTIONS

SUPREME PERCH LTD

ASSUMPTIONS MADE

FOR PROPOSED FISH PROCESSING PROJECT AT RUBAMBANGWE VILLAGE, CHATO DISTRICT

Below are the guiding assumptions:

Project implementation is at beginning of 2021

2% of production of fillets is expected to remain in inventory in 2022 & 2023 and 1% in later years

4% of production of fish maws is expected to remain in inventory in 2022, 3% in 2023 and 2% in subsequent years

100 % of production of by products are sold in the year of production

94% of sales are collected in current year

Expenses will grow at 10%pa

Bank interest for term loan will remain@ 8% through the 5 year term

Tax is paid in same year and relief for loss in 2021 will be claimed in 2022

SUPREME PERCH LTD
PLANNED CAPITAL INVESTMENT STRUCTURE AND FINANCING FOR 5 YEARS
FOR PROPOSED FISH PROCESSING PROJECT AT RUBAMBANGWE VILLAGE, CHATO DISTRICT
(IN UNITED STATES DOLLARS)

Table 4.2: Planned Investment Structure: 2020 to 2023 Period

S/NO.	CAPITAL ITEM	QTY (UNITS)	UNIT PRICE (US\$)	INVESTMEN T 2021	INVESTMEN T 2022	INVESTMEN T 2023	TOTAL COST (US\$)
1.1	Land		35000	35,000			35,000
1.2	Civil Structures and Buildings			500,000	200,000		700,000
2	Plant Machinery and Equipment						0
2.1	Plate Freezer units with accessories	2	45,000	90,000		0	90,000
2.2	Blast Freezer & accessories	2	30,000	80,000	0		80,000
2.3	Flake Ice Machines	4	40,000	160,000	0	0	160,000
2.4	Compressors and freezing accessories,utensils etc	10	17,000	0	170,000	0	170,000
2.5	EPS machinery	2	70,000		140,000		140,000
2.6	Generator &Transformers	2	40,000		80,000		80,000
2.7	Electrical fixtures and plumbing	many	80,000		80,000		80,000
	Sub total			865,000	670,000	0	1,535,000
3	Transport Facilities						
3.1	Light Refrigerated Trucks	12	20,000		240,000	0	240,000
3.2	Heavy Duty Truck with Semi Trailer	1	60000	0	0	60,000	60,000
	Sub total			0	240,000	60,000	300,000
	Working Capital Requirement			700000			700,000
TOTAL				1,565,000	910,000	60,000	2,535,000

Table 4.3: Capital Investment Financing Plan – 2021/2025

Directors share	35,000	700,000	-	-	735,000
Term Loan from Banks	1,800,000	-	-	-	1,800,000
TOTAL FINANCING	1,835,000	700,000	-	-	2,535,000

SUPREME PERCH LTD
PROJECTION OF PRODUCTION AND SALES VOLUMES
FOR PROPOSED FISH PROCESSING PROJECT AT RUBAMBANGWE VILLAGE, CHATO DISTRICT

Table 4.4 Raw material requirement projection and cost estimates 2021/2025

No	Item /products	Unit	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
1	Material required(Raw Nile Perch)	Kgs		7,800,000	8,424,000	9,097,920	9,825,754
2	purchase Price	US\$		2.35	2.397	2.44494	2.4938388
	Amount	US\$		18,330,000	20,192,328	22,243,869	24,503,846

Table 4.5 Fillets production Estimates and revenue forecast 2021/2025

1	Fish fillet	Kgs		3,432,000	3,775,200	4,152,720	4,567,992
2	Export Price	US\$		4.78	4.78	4.78	4.78
	Amount	US\$		16,404,960	18,045,456	19,850,002	21,835,002

Table 4.6 Fish Maws Production estimates and revenue forecast 2021/2025

	Item /products	Unit	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
1	Fish Maws	Kgs		156,000	171,600	188,760	207,636
2	Export Price	US\$		44	44	44	44
3	Revenue	US\$		6,864,000	7,550,400	8,305,440	9,135,984

Table 4.7 Sellable By products estimates and revenue forecast 2021/2025

	Item /products	Unit	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
1	By products	Kgs		4,212,000	4,633,200	5,096,520	5,606,172

2	Export Price	US\$		0.37	0.37	0.37	0.37
3	Revenue	US\$		1,558,440	1,714,284	1,885,712	2,074,284

Table 4.8 Total Production forecast 2021/2025

	Item /products	Unit	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
1	Fish fillets	US\$		16,404,960	18,045,456	19,850,002	21,835,002
2	Fish Maws	US\$		6,864,000	7,550,400	8,305,440	9,135,984
3	By product sales	US\$		1,558,440	1,714,284	1,885,712	2,074,284
4	Total Revenue	US\$		24,827,400	27,310,140	30,041,154	33,045,269

Table 4.9 Total Sales forecast 2021/2025

	Item /products	Unit	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
1	Fish fillets	US\$		16,076,861	17,684,547	19,651,502	21,616,652
2	Fish Maws	US\$		6,589,440	7,323,888	8,139,331	8,953,264
3	By product sales	US\$		1,558,440	1,714,284	1,885,712	2,074,284
4	Total Revenue	US\$		24,224,741	26,722,719	29,676,545	32,644,200

Table 4.10 Total Inventory forecast 2021/2025

	Item /products	Unit	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025
1	Fish fillets	US\$	0	328,099	689,008	887,508	1,105,858
2	Fish Maws	US\$	0	274,560	501,072	667,181	849,900
4	Total	US\$	0	602,659	1,190,080	1,554,689	1,955,759

SUPREME PERCH LTD
INCOME STATEMENT PROJECTION (DETAILED) FOR 5 YEARS
FOR PROPOSED FISH PROCESSING PROJECT AT RUBAMBANGWE VILLAGE, CHATO
DISTRICT
(IN UNITED STATES DOLLARS)

Year	2021	2022	2023	2024	2025
Sales Revenue	-	24,224,741	26,722,719	29,676,545	32,644,200
DIRECT COSTS					
Cost of R/M	-	18,330,000	20,192,328	22,243,869	24,503,846
Salaries & Wages	-	178,907	196,797	216,477	238,125
Packing Materials	-	337,367	371,104	408,215	449,037
Factory Expenses	-	12,779	14,056	15,463	17,009
Import Expenses	-	44,727	49,199	54,119	59,531
Electricity& Water	-	261,371	288,168	316,985	348,684
Lease Rentals	-	958,431	1,054,274	1,159,702	1,275,672
Processing Expenses	-	46,004	50,605	55,666	61,233
Ecolaballing Expense	-	35,142	38,656	42,522	46,774
Transportation Charges	-	447,268	491,994	541,194	595,313
Total Direct Costs	-	20,651,996	22,747,181	25,054,212	27,595,223

Gross Profit	-	3,572,745	3,975,538	4,622,334	5,048,977
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ADMINISTRATIVE COSTS

Canteen Expenses	1,943	19,431	21,374	23,511	25,862
Depreciation & Amortization	92,500	253,175	208,055	159,152	122,412
Employment Costs					
(i) Directors' Remuneration	7,105	7,894	8,683	9,551	10,506
(ii) Medical Expenses	344	3,440	3,785	4,164	4,580
(iii) Social Security Contributions	2,429	24,289	26,718	29,390	32,329
(iv) Salaries & Wages - Administration	9,108	91,083	100,192	110,210	121,231
(v) Skills & Development Levy	1,194	11,942	13,136	14,450	15,895
(vi) Staff Welfare	810	8,096	8,905	9,796	10,776
(vii) Training Expenses	911	9,108	10,019	11,021	12,123
(viii) Visas & Permits	27,180	30,200	30,200	30,200	30,200
(ix) Workers Compensation Fund	1,012	10,120	11,132	12,245	13,470
General Office Expenses	1,660	16,597	18,257	20,082	22,090
Insurance	5,627	56,269	61,896	68,085	74,894
Licences, Fees and Levies	30,968	34,409	37,850	41,635	45,799
Fines & Penalties	-	10,525	11,578	12,735	14,009

Postages & Telephones	587	5,870	6,457	7,102	7,812
Printing & Stationery	1,417	5,667	6,234	6,858	7,544
Professional, Legal and Secretarial Fees	5,000	5,263	5,789	6,368	7,005
Security Expenses	37,708	41,898	46,088	50,697	55,767
Subscription & Fees	3,825	4,250	4,675	5,143	5,657
<i>Selling & Distribution Overheads</i>					
(i) Freight, C&F and Export Charges	-	71,275	783,724	862,094	948,303
(ii) Fuel Expenses	33,499	133,994	147,393	162,133	178,346
(iii) Motor Vehicle Running Expenses	69,311	277,243	304,967	335,464	369,010
(iv) Royalty on Exports	-	588,197	647,017	710,933	782,026
(v) Travelling & Hotel Expenses	5,010	20,038	22,042	24,246	26,671
Repairs & Maintenance	-	82,582	90,841	99,924	109,916
Service Levy	-	66,390	73,029	80,331	88,364
Bank Charges & Commissions	10,626	42,505	46,756	51,432	56,575
Total	349,772	1,931,750	2,756,792	2,958,952	3,199,172
Profit Before Interest and Tax	-	349,772	1,640,995	1,218,746	1,663,382
Finance Cost	132,978	107,664	80,248	50,558	18,403

Profit after Interest	-				
	482,750	1,533,331	1,138,497	1,612,824	1,831,402
Corporate Tax (30% of Profit Before Tax)					
	-	315,174	341,549	483,847	549,421
Net Profit (Loss) After Tax	-				
	482,750	1,218,157	796,948	1,128,977	1,281,981

SUPREME PERCH LTD
INCOME STATEMENT PROJECTION FOR 5 YEARS
FOR PROPOSED FISH PROCESSING PROJECT AT RUBAMBANGWE VILLAGE, CHATO DISTRICT
(IN UNITED STATES DOLLARS)

	2021	2022	2023	2024	2025
Turn Over	-	24,224,741	26,722,719	29,676,545	32,644,200
Cost of Sales	-	(20,651,996)	(22,747,181)	(25,054,212)	(27,595,223)
Gross Profit	-	3,572,745	3,975,538	4,622,334	5,048,977
Other Income	-	-	-	-	-
Gross Income	-	3,572,745	3,975,538	4,622,334	5,048,977
Operating Expenses	(349,772)	(1,931,750)	(2,756,792)	(2,958,952)	(3,199,172)
Profit/(Loss) Before Interest and Tax	(349,772)	1,640,995	1,218,746	1,663,382	1,849,805
Finance Costs	(132,978)	(107,664)	(80,248)	(50,558)	(18,403)
Profit Before Tax	(482,750)	1,533,331	1,138,497	1,612,824	1,831,402
Tax Charge Provision	-	(315,174)	(341,549)	(483,847)	(549,421)
Profit/Loss After Tax	(482,750)	1,218,157	796,948	1,128,977	1,281,981

SUPREME PERCH LTD
PROJECTED BALANCE SHEET FOR 5 YEARS
FOR PROPOSED FISH PROCESSING PROJECT AT RUBAMBANGWE VILLAGE, CHATO DISTRICT
(IN UNITED STATES DOLLARS)

STATEMENT OF FINANCIAL POSITION PROJECTION FOR 5 YEARS

	2021	2022	2023	2024	2025
ASSETS					
Non Current Assets					
Property Plant and Equipment	737,500	1,394,325	1,246,270	1,087,118	964,706
Land	35,000	35,000	35,000	35,000	35,000
	772,500	1,429,325	1,281,270	1,122,118	999,706
Current Assets					
Inventories	-	602,659	1,190,080	1,554,689	1,955,759
Trade and Other Receivables	-	1,453,484	1,690,572	1,882,027	2,071,574
Cash and Bank Balances	963,705	1,060,075	1,166,083	1,282,691	1,410,960
	963,705	3,116,219	4,046,735	4,719,407	5,438,293
TOTAL ASSETS	1,736,205	4,545,544	5,328,005	5,841,525	6,437,998

EQUITY AND LIABILITIES**Capital and Reserves**

Share Capital	429,185	429,185	429,185	429,185	429,185
Retained Earnings	(482,750)	735,407	1,532,355	2,661,331	3,943,313
Total Equity	(53,566)	1,164,591	1,961,539	3,090,516	4,372,497

Non Current Liabilities

Loans from Share Holders	305,815	305,815	305,815	305,815	305,815
Bank Loan	1,468,477	1,135,969	775,862	385,867	-
	1,774,292	1,441,784	1,081,678	691,682	305,815

Current Liabilities

Trade and Other Payables	15,478	1,939,169	2,284,789	2,059,327	1,759,686
TOTAL EQUITY AND LIABILITIES	1,736,205	4,545,544	5,328,005	5,841,525	6,437,998

SUPREME PERCH LTD
CASH FLOW PROJECTION FOR 5 YEARS
FOR PROPOSED FISH PROCESSING PROJECT AT RUBAMBANGWE VILLAGE, CHATO DISTRICT
(IN UNITED STATES DOLLARS)

STATEMENT OF CASH FLOWS - PROJECTION FOR 5 YEARS

	2021	2022	2023	2024	2025
Cash generated form operating activities					
Profit before Interest and Tax	(349,772)	1,640,995	1,218,746	1,663,382	1,849,805
<u>Adjustment for</u>					
Depreciation	92,500	253,175	208,055	159,152	122,412
Operating Profit Before Working Capital changes	(257,272)	1,894,170	1,426,801	1,822,534	1,972,217
Increase/Decrease in Inventories	-	(602,659)	(587,421)	(364,609)	(401,070)
Increase/Decrease in Trade and Other Receivables	-	(1,453,484)	(237,088)	(191,455)	(189,547)
Increase/Decrease in Trade and Other Payables	15,478	1,923,691	345,620	(225,462)	(299,641)
Cash generated from/(used in) operations	(241,794)	1,761,717	947,912	1,041,008	1,081,959
Taxation	-	(315,174)	(341,549)	(483,847)	(549,421)
Interest Paid	(132,978)	(107,664)	(80,248)	(50,558)	(18,403)
Net Cash from Operating Activities	(374,772)	1,338,879	526,114	506,603	514,136
Cash flows from investing activities					

Purchase/Disposal of Property Plant and Equipment	(865,000)	(910,000)	(60,000)	-	-
Net Cash used in investing activities	(865,000)	(910,000)	(60,000)	-	-
Cash flow from financing activities					
Share capital	429,185	-	-	-	-
Share holders loan	305,815	-	-	-	-
Increase/decrease in borrowings	1,468,477	(332,508)	(360,106)	(389,995)	(385,867)
Changes in retained earnings					
Net cash generated by financing activities	2,203,477	(332,508)	(360,106)	(389,995)	(385,867)
Net increase/(decrease) in cash and cash equivalents	963,705	96,370	106,008	116,608	128,269
Cash and Cash equivalents at beginning of year	-	963,705	1,060,075	1,166,083	1,282,691
Cash and cash equivalents at end of year	963,705	1,060,075	1,166,083	1,282,691	1,410,960

SUPREME PERCH LTD
INVESTMENT IN ASSETS AND WRITTEN TOWN VALUE PROJECTION FOR 5 YEARS
FOR PROPOSED FISH PROCESSING PROJECT AT RUBAMBANGWE VILLAGE, CHATO
DISTRICT
(IN UNITED STATES
DOLLARS)

	Depreciation Rate	Land 0%	Building 2%	PPE 25%	Total
Period	Cost	35,000	500,000	330,000	865,000
2021	Depreciation		- 10,000	82,500	92,500
bal					
b/f	WDV	35,000	490,000	247,500	772,500
	Additions		- 200,000	710,000	910,000
2022	Depreciation		- 13,800	239,375	253,175
bal					
b/f	WDV	35,000	676,200	718,125	1,429,325
	Additions		-	- 60,000	60,000
2023	Depreciation		- 13,524	194,531	208,055
bal					
b/f	WDV	35,000	662,676	583,594	1,281,270
2024	Depreciation		- 13,254	145,898	159,152
bal					
b/f	WDV	35,000	649,422	437,695	1,122,118
2025	Depreciation		- 12,988	109,424	122,412

WDV	35,000	636,434	328,271	999,706
		63,566	771,729	835,294
YR 2021	35,000	500,000	330,000	865,000
YR 2022		- 200,000	710,000	910,000
YR 2023		-	- 60,000	60,000
Total	<u>35,000</u>	<u>700,000</u>	<u>1,100,000</u>	<u>1,835,000</u>

SUPREME PERCH LTD
PROJECTION OF DEBTOTS AND COLLECTIONS
FOR PROPOSED FISH PROCESSING PROJECT AT RUBAMBANGWE VILLAGE, CHATO DISTRICT
(IN UNITED STATES DOLLARS)

PROJECTION OF COLLECTIONS

	2021	2022	2023	2024	2025
Turn Over	-	24,224,741	26,722,719	29,676,545	32,644,200
Opening Debtors	-	-	1,453,484	1,690,572	1,882,027
Collections	-	22,771,256	26,485,631	29,485,090	32,454,653
Closing Debtors	-	1,453,484	1,690,572	1,882,027	2,071,574

LOAN CALCULATION:

Loan Amount USD 1,800,000
 Interest Rate 8%
 Loan Period (year) 5

Loan at Reducing Balance Interest				
YEAR 1				
Month	EMI	Interest	Principal	Loan Balance
0				1,800,000.0
1	\$36,497.51	12000.00	\$24,497.51	\$1,775,502.49
2	\$36,497.51	11836.68	\$24,660.83	\$1,750,841.66
3	\$36,497.51	11672.28	\$24,825.23	\$1,726,016.43
4	\$36,497.51	11506.78	\$24,990.73	\$1,701,025.70
5	\$36,497.51	11340.17	\$25,157.34	\$1,675,868.36
6	\$36,497.51	11172.46	\$25,325.05	\$1,650,543.31
7	\$36,497.51	11003.62	\$25,493.89	\$1,625,049.42
8	\$36,497.51	10833.66	\$25,663.85	\$1,599,385.57
9	\$36,497.51	10662.57	\$25,834.94	\$1,573,550.63
10	\$36,497.51	10490.34	\$26,007.17	\$1,547,543.46
11	\$36,497.51	10316.96	\$26,180.55	\$1,521,362.91
12	\$36,497.51	10142.42	\$26,355.09	\$1,495,007.82
13	\$36,497.51	9966.72	\$26,530.79	\$1,468,477.03
14	\$36,497.51	9789.85	\$26,707.66	\$1,441,769.36
15	\$36,497.51	9611.80	\$26,885.71	\$1,414,883.65
16	\$36,497.51	9432.56	\$27,064.95	\$1,387,818.70
17	\$36,497.51	9252.12	\$27,245.39	\$1,360,573.31
18	\$36,497.51	9070.49	\$27,427.02	\$1,333,146.29
19	\$36,497.51	8887.64	\$27,609.87	\$1,305,536.42
20	\$36,497.51	8703.58	\$27,793.93	\$1,277,742.49
21	\$36,497.51	8518.28	\$27,979.23	\$1,249,763.26

<u>year</u>	<u>payment</u>	<u>interest</u>	<u>principal</u>
Year 1	\$437,970.12	132977.93	304992.18
year 2	\$437,970.12	107663.73	330306.38
year 3	\$437,970.12	80248.47	357721.65
year 4	\$437,970.12	50557.74	387412.37
year 5	\$437,970.12	18402.71	419567.41
Total	\$2,189,850.58	\$389,850.58	\$1,800,000

22	\$36,497.51	8331.76	\$28,165.75	\$1,221,597.51
23	\$36,497.51	8143.98	\$28,353.53	\$1,193,243.98
24	\$36,497.51	7954.96	\$28,542.55	\$1,164,701.43
25	\$36,497.51	7764.68	\$28,732.83	\$1,135,968.60
26	\$36,497.51	7573.12	\$28,924.39	\$1,107,044.21
27	\$36,497.51	7380.29	\$29,117.21	\$1,077,927.00
28	\$36,497.51	7186.18	\$29,311.33	\$1,048,615.67
29	\$36,497.51	6990.77	\$29,506.74	\$1,019,108.93
30	\$36,497.51	6794.06	\$29,703.45	\$989,405.48
31	\$36,497.51	6596.04	\$29,901.47	\$959,504.01
32	\$36,497.51	6396.69	\$30,100.82	\$929,403.19
33	\$36,497.51	6196.02	\$30,301.49	\$899,101.70
34	\$36,497.51	5994.01	\$30,503.50	\$868,598.20
35	\$36,497.51	5790.65	\$30,706.86	\$837,891.35
36	\$36,497.51	5585.94	\$30,911.57	\$806,979.78
37	\$36,497.51	5379.87	\$31,117.64	\$775,862.14
38	\$36,497.51	5172.41	\$31,325.10	\$744,537.04
39	\$36,497.51	4963.58	\$31,533.93	\$713,003.11
40	\$36,497.51	4753.35	\$31,744.16	\$681,258.96
41	\$36,497.51	4541.73	\$31,955.78	\$649,303.17
42	\$36,497.51	4328.69	\$32,168.82	\$617,134.35
43	\$36,497.51	4114.23	\$32,383.28	\$584,751.07
44	\$36,497.51	3898.34	\$32,599.17	\$552,151.90
45	\$36,497.51	3681.01	\$32,816.50	\$519,335.40
46	\$36,497.51	3462.24	\$33,035.27	\$486,300.13
47	\$36,497.51	3242.00	\$33,255.51	\$453,044.62
48	\$36,497.51	3020.30	\$33,477.21	\$419,567.41
49	\$36,497.51	2797.12	\$33,700.39	\$385,867.01
50	\$36,497.51	2572.45	\$33,925.06	\$351,941.95
51	\$36,497.51	2346.28	\$34,151.23	\$317,790.72
52	\$36,497.51	2118.60	\$34,378.90	\$283,411.82

53	\$36,497.51	1889.41	\$34,608.10	\$248,803.72
54	\$36,497.51	1658.69	\$34,838.82	\$213,964.90
55	\$36,497.51	1426.43	\$35,071.08	\$178,893.82
56	\$36,497.51	1192.63	\$35,304.88	\$143,588.94
57	\$36,497.51	957.26	\$35,540.25	\$108,048.69
58	\$36,497.51	720.32	\$35,777.19	\$72,271.50
59	\$36,497.51	481.81	\$36,015.70	\$36,255.80
60	\$36,497.51	241.71	\$36,255.80	(\$0.00)
TOTAL	\$2,189,850.58	\$389,850.58	\$1,800,000.00	