

**SUNSHARE INVESTMENT LIMITED**

**Business Plan**

**FOR**

**Poultry farm Project**

## 1.0 EXECUTIVE SUMMARY

**Sunshare Investment Ltd** is engaged in poultry farming as its core business, and well known for quality products in South Africa, Zambia and China..

**Sunshare Investment Ltd** potential customers include the following among other once customers: Tourist hotel, supermarkets, normal hotel, households, and bars

The original project vision is to provide reasonably priced products, underpinned by increased supply of chicken meat into Tanzania market, relative to demand and thus the ability to maintain prices low. **Sunshare Investment Ltd** will strive to work towards achieving the vision.

- 1.2 The main objective of the company is to establish itself in EAC countries and generate a turnover of more than US\$4 million in three years.

## 2.0 COMPANY OVERVIEW

**Sunshare Investment Ltd** is a company incorporated in Tanzania with certificate of incorporation No. 111386 dated 18<sup>th</sup> September 2014, **Sunshare Investment Ltd** is engaged in poultry farming.

### 2.1 COMPANY OWNERSHIP

**Sunshare Investment Ltd** is owned by five investors from China

Shareholders	Nationality	Percentage of ownership
Chengyao Chen	Chinese	60
Chengui Chen	Chinese	15
Chengdeng Cheng	Chinese	15
Xia Qing Chen	Chinese	10

## 2.2 BUSINESS PURPOSE

**Sunshare Investment Ltd** is started when the current owners observed that there was a market gap, which created by the failure by the present industry players to cater for domestic market, **Sunshare Investment Ltd** realised that customers were finding it difficult to get reasonable prices and prompt services. Poultry Industry in Tanzania is characterised by SMEs, with the majority struggling to build and establish their companies and brands. As I was experienced in industries which were more customer central; in terms of quality, cost effectiveness and last minute delivery schedule saw the opportunity to enter into this segment(one stop shop). Where all services will be provided at the same window

## 2-3 VISION

The vision of the company also extended to establishing branches in all EAC countries, however with HQ remaining in Tanzania.

**Sunshare Investment Ltd** is a sole executive managed business with support from the lower management personnel like technician, accountant and drivers.

**Sunshare Investment Ltd** is experienced and skilled in managing poultry farm ,the company is operating the same business in Zambia, South Africa and China, with an professional background of poultry management and marketing . The Tanzania market is still maturing and **Sunshare Investment Ltd** the opportunity to enter this particular segment of the business, with ten years experience in this sector and ten years of experience in the same field ,the company can see bright future.

## 2.3 COMPANY MISSION

To serve customers with the highest quality products and produced precisely to their requirements.

## 3.0 BUSINESS MODEL

Sunshare Investment Ltd generates its revenue from layers and broilers, and Sunshare Investment Ltd would like to strengthen the same opportunity to move us forward. Like in any other company, Sunshare Investment Ltd has a revenue generation ratio of printing 60 % and others 40 %. as the target market segment being serviced is SMEs which are more price sensitive. It is envisaged that with the introduction of new capital, margins will improve to 50% and above, as the company will be able to serve big companies as well as NGO's who are quality conscious and have sustained brand building initiatives, rather than the price sensitive SMEs category.

Sunshare Investment Ltd is looking to streamline its profitability to take it to the next level by inducing new technology to cut down operating cost.

Sunshare Investment Ltd has looked forward to work with their client to maintain relationships by offering value added services like advising them on the marketing strategy, in addition to creating new revenue generation

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#### 4.0 LOCATION.

The project head office will be located at Kiromo, Bagamoyo, Coast Region, the company has acquired ten acres of land, and projected to produce 300,000 units of layers and 300,000 of broilers annually

#### 5.0 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with diverse professional and business backgrounds, the company is owned owned by five shareholders from China

#### 6.0 PRODUCTS AND/OR SERVICES

Sunshare Investment Ltd products:

- Layers

- Broilers

## 6.1 CAPACITY GENERATION

**Sunshare Investment Ltd** is planning to produce 300,000 units of layers and broilers annually and we will have a futuristic plan to increase the number every year manufacture those once we establish in the business and achieve our targets.

## 6.2 COMPETITIVE PROFILE

We have competitors at different levels and products, **Sunshare Investment Ltd** is focused to service every need of their clientele.

## 7.0 KEY SUCCESS FACTORS

A quality, value, prompts delivery, flexibility and relationship.

## 7.1 BARRIERS TO ENTRY INTO THE INDUSTRY

A typical barrier is the acquisition of the land, animal food and medication as they are highly priced, skilled man power availability, technical knowhow.

## 7.2 UNIQUE CAPABILITIES/CREATING COMPETITIVE ADVANTAGE

**Sunshare Investment Ltd** is engaged in poultry farming in China, South Africa and Zambia as its core business, at present we are known for our quality products and prompt delivery .

## 7.3 MARKETING STRATEGIES

As a marketing strategy **Sunshare Investment Ltd** would target the corporate market as well as households. Looking for unique ideas/strategies to help me get my foot in the door, Building up rapport and relationship with those clientele for lifelong will fetch more business.

#### **7.4 ADVERTISING, PROMOTIONS, PUBLIC RELATIONS**

**Sunshare Investment Ltd** will advertise mainly through social media, online, print and billboards, this will lead to high conversion ratio of turning a prospective into a client and a client into a lifelong relationship.

#### **7.5 SALES ORGANISATION**

We will require a marketing and sales manager and 20 employees to be employed

#### **8.0 PRICING STRATEGY**

Pricing will be done on the competitiveness of the market and cost of the production and required.

#### **8.1 SERVICE AND SUPPORT**

Superior customer service builds loyalty and repeat business, and therefore ongoing revenue for your company. As our company establishes we will have offices and representative across East Africa to ensure support and services.

#### **8.2 STRATEGIC ALLIANCES UNDERTAKEN OR PROPOSED**

As the company grows we will have alliances with potential customers, animal food manufactures and supporting institutions

#### **8.3 MANAGEMENT TEAM**

We will have a qualified and experienced team of management under the much experienced CEO and Founders

#### **8.4 PERSONNEL TO BE ADDED IN ORDER TO BUILD A SUCCESSFUL TEAM**

New personnel will be added as the company grows and in line with company strategy.

## 8.5 OPERATIONS AND FACILITIES

Sunshare Investment Ltd will have farm at Kiromo, Bagamoyo area to cut down the cost and will have an office in City centre for the wider reach to its clientele.

## 8.6 LICENSING AND REGULATORY ISSUES

Sunshare Investment Ltd will ave all the licenses required by the respective regulatory boards to carry on the business namely Certificate of incorporation TIN, VRN, OHSA, fire and safety, business license.

## 9.0 Project Investment Cost

The estimated capital investment cost of the project is US\$ 2m

### COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	400,000.00
Machinery & Equipment	1,100,000.00
Motor Vehicles	150,000.00
Furniture & Fittings	2,000.00
Pre expenses	48,000.00
Working Capital	300,000.00
<b>TOTAL</b>	<b>2,000,000.00</b>

## 9.1 Financing Pattern

The project will be financed by equity and loan from financial institutions

	US\$
Equity	100,000
Loan	1,900,000
<b>Total</b>	<b>2,000,000</b>

## 10.0 Financial Analysis

### 10.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight line method to depreciate the project's capital items has been applied, it is assumed to be 5% annual depreciation.

It is assumed that the major building raw material will be procured from local market and other will be imported. Revenues have been conservatively estimated based on experience of the promoters and trends in the Real estate industry.

8 years financial projections have been worked out

### 10.2 Financial Statements:

### 10.3 Projected Rental Revenue

For projection purposes, it is assumed that the economic life of the project is 8 years, and that revenue from commercial building business commence from the first year of operation.

**PROJECTED REVENUE**

	1	2	3	4	5	6	7	8
Revenue	1,400,000	1,512,000	1,632,960	1,763,596	1,904,684	2,057,059	2,221,624	2,399,353

**10.4 Projected Profit and Loss Statement**

The Income and Expenditure Statement shows the projected income for the 8 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US\$ 120,960 in first year to US\$ 2,902,602 in the 8 year (refer appendix I)

**10.5 Projected Cash Flows**

This is shown in the Projected Cash Flows Statement in appendix II. They indicate that the project will meet its entire financial obligation, the cash flow in the first year US\$ 12,517 and grow up to US\$ 1,614,602 in 8<sup>th</sup> year, (refer appendix II)

**10.6 Projected Balance Sheet**

The projected Balance Sheet of the projected is shown in the financial statements under appendix III, Total net assets of the project increases from US\$ in 1,857,897 at the end of the first year of operation to US \$ 2,455,402 in the 8<sup>th</sup> year .Therefore; balance sheets depict a healthy financial

**11.0 Implementation Schedule**

Project implementation is expected to be relatively very short once project has been approved

Project Implementation

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	October 2014
2	Processing Exemptions	October-November 2014
3	Mobilizing Fund	October- December 2014
3	Renovation of building	October 2014-September 2015
4	Ordering Machines and other equipment	January 2015-March 2015

The proposed project will result into the following social and economic impacts:

- Make available cheap and quality products
- Increase the provision of high quality products
- Increased availability of quality distribution and marketing products alongside competitive prices of these products will result in increased healthy competition within the industry
- The project will result in direct employment creation of 20 people many more indirectly
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid by the company

## 11.0 Conclusion

The Executive Summary highlights indicate that the proposed project will be financial and economically viable, The project will generate significantly to the social and economic progress by way of increasing the provision of quality products in the country. It is

recommended that the project be accorded the required institutional support to pave the way for its expeditious establishment and development.

In that regard; we strongly recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under Tanzania Investment Act, 1997 to enable smooth implementation

## **12.0 Recommendations**

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.

## APPENDIX I

## SUNSHARE INVESTMENT LTD PROJECTED INCOME &amp; EXPENDITURE STATEMENT

" US \$"

	1	2	3	4	5	6	7	
Revenue	1,400,000.00	1,512,000.00	1,632,960.00	1,763,596.80	1,904,684.54	2,057,059.31	2,221,624.05	2,399,353.98
Cost of Raw materials (30%)	420,000.00	453,600.00	489,888.00	529,079.04	571,405.36	617,117.79	666,487.22	719,806.19
Cost of Good available for sale	980,000.00	1,058,400.00	1,143,072.00	1,234,517.76	1,333,279.18	1,439,941.52	1,555,136.84	1,679,547.78
<b>Operating Expenses:</b>								
Donation	4,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Electricity	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00
Oil & Lubricants	210,000.00	226,800.00	244,944.00	264,539.52	285,702.68	308,558.90	333,243.61	359,903.10
Salary & Wages	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00
Insurance	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Maintenance	10,000.00	11,000.00	12,100.00	13,310.00	14,641.00	16,105.10	17,715.61	19,487.17
Communication	5,000.00	5,250.00	5,512.50	5,788.13	6,077.53	6,381.41	6,700.48	7,035.50
<b>Total Expenses</b>	<b>434,000.00</b>	<b>453,050.00</b>	<b>472,556.50</b>	<b>493,637.65</b>	<b>516,421.21</b>	<b>541,045.40</b>	<b>567,659.70</b>	<b>596,423.77</b>
<b>Profit before Interest and Depreciation</b>	<b>546,000.00</b>	<b>605,350.00</b>	<b>670,515.50</b>	<b>740,880.12</b>		<b>893,896.11</b>	<b>987,477.14</b>	<b>1,083,122.01</b>

					816,857.97			
<b>Interest</b>	228,000.00	228,000.00	228,000.00	228,000.00	228,000.00	228,000.00	228,000.00	
<b>Depreciation</b>	145,200.00	66,000.00	66,000.00	66,000.00	66,000.00	66,000.00	66,000.00	66,000.00
<b>Profit before Tax</b>	172,800.00	311,350.00	376,515.50	446,880.12	522,857.97	604,896.11	693,477.14	1,017,122.01
<b>Tax (30%)</b>	51,840.00	93,405.00	112,954.65	134,064.03	156,857.39	181,468.83	208,043.14	305,136.60
<b>Profit After Tax</b>	120,960.00	217,945.00	263,560.85	312,816.08	366,000.58	423,427.28	485,434.00	711,985.41
<b>Accumulated Profit</b>	120,960.00	338,905.00	602,465.85	915,281.93	1,281,282.51	1,704,709.79	2,190,143.78	2,902,129.19

## APPENDIX II

## SUNSHARE INVESTMENT LTD ROJECTED CASH FLOW " US\$"

	1	2	3	4	5	6	7	
<b>CASH INFLOW</b>								
Profit/Loss Before Interest and Depreciation	546,000.00	605,350.00	670,515.00	740,880.00	816,857.00	898,896.00	987,477.00	1,083,122.00
Equity	100,000.00	-	-	-	-	0	-	-
Bank Loan	1,900,000.00	-	-	-	-	0	-	-
<b>Total Inflow</b>	<b>2,546,000.00</b>	<b>605,350.00</b>	<b>670,515.00</b>	<b>740,880.00</b>	<b>816,857.00</b>	<b>898,896.00</b>	<b>987,477.00</b>	<b>1,083,122.00</b>
<b>CASH OUTFLOW</b>								
Capital Expenditure	1,652,000.00	-	-	-	-	0	0	-
Working Capital	348,000.00	-	-	-	-	-	-	-
Cash		12,517.00	58,133.00	107,388.00	160,572.00	218,000.00	280,006.00	777,986.00
Corporate Tax	51,840.00	93,405.00	112,954.00	134,064.00	156,857.00	181,468.00	208,043.00	305,136.00
<b>Subtotal Cash Outflow:</b>	<b>2,051,840.00</b>	<b>105,922.00</b>	<b>171,087.00</b>	<b>241,452.00</b>	<b>317,429.00</b>	<b>399,468.00</b>	<b>488,049.00</b>	<b>1,083,122.00</b>
Debt Servicing:	-	-	-	-	-	0	-	-



APPENDIX III

SUNSHARE INVESTMENT LTD PROJECTED BALANCE SHEET " US \$"

	1	2	3	4	5	6	7
<b>Fixed Assets</b>							
Long-term Assets	1,652,000.00	1,506,800.00	1,361,600.00	1,216,400.00	1,071,200.00	926,000.00	780,800.00
Depreciation	142,200.00	142,200.00	142,200.00	142,200.00	142,200.00	142,200.00	142,200.00
Total Long-term Assets	1,509,800.00	1,364,600.00	1,219,400.00	1,074,200.00	929,000.00	783,800.00	638,600.00
<b>Current Assets</b>							
Accumulated Cash	-	12,517.00	70,650.00	178,038.00	338,610.00	556,610.00	836,616.00
Working Capital	348,000.00	348,000.00	348,000.00	348,000.00	348,000.00	348,000.00	348,000.00
Total Current Assets	348,000.00	360,517.00	418,650.00	526,038.00	686,610.00	904,610.00	1,184,616.00
Total Assets	1,857,800.00	1,725,117.00	1,638,050.00	1,600,238.00	1,615,610.00	1,688,410.00	1,823,216.00
<b>Financed by:</b>							
Bank Loan	1,900,000.00	1,628,572.00	1,357,144.00	1,085,716.00	814,288.00	541,860.00	271,432.00
Equity	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Retained Earnings	120,960.00	217,945.00	263,560.00	312,816.00	366,000.00	423,427.00	485,834.00
Total Financing	2,120,960.00	1,946,517.00	1,720,704.00	1,498,532.00	1,280,288.00	1,065,287.00	857,266.00
							811,985

SUNSHARE INVESTMENT LTD COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	400,000.00
Machinery & Equipment	1,100,000.00
Motor Vehicles	150,000.00
Furniture & Fittings	2,000.00
Pre exp	48,000.00
Working Capital	300,000.00
<b>TOTAL</b>	<b>2,000,000.00</b>

APPENDIX V

SUNSHARE INVESTMENT LTD FIXED ASSETS SCHEDULE (US\$)

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	400,000	380,000	360,000	340,000	320,000	300,000	280,000	260,000
Machinery, Tools & Equipment	1,100,000	990,000	880,000	770,000	660,000	550,000	440,000	330,000
Motor Vehicles	150,000	135,000	120,000	105,000	90,000	75,000	60,000	45,000
Furniture & Fixtures	2,000	1,800	1,600	1,400	1,200	1,000	800	600
<b>Total</b>	<b>1,652,000</b>	<b>1,506,800</b>	<b>1,361,600</b>	<b>1,216,400</b>	<b>1,071,200</b>	<b>926,000</b>	<b>780,800</b>	<b>635,600</b>
<b>DEPRECIATION</b>	<b>2011 USD</b>	<b>2012 USD</b>	<b>2013 USD</b>	<b>2014 USD</b>	<b>2015USD</b>	<b>2013 USD</b>	<b>2014 USD</b>	<b>2015USD</b>
Land and buildings	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Machinery tools & Equipment	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Motor Vehicles	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Furniture & Fixtures	200	200	200	200	200	200	200	200
<b>ANNUAL DEPRECIATION</b>	<b>145,200</b>	<b>145,200</b>	<b>145,200</b>	<b>145,200</b>	<b>145,200</b>	<b>145,200</b>	<b>145,200</b>	<b>145,200</b>
<b>CLOSING FIXED ASSETS</b>	<b>1,506,800</b>	<b>1,361,600</b>	<b>1,216,400</b>	<b>1,071,200</b>	<b>926,000</b>	<b>780,800</b>	<b>635,600</b>	<b>490,400</b>