



Establishing Pharmaceutical Distribution Centre and Outpatient Clinics in Tanzania



Your Local Clinic Limited | **Business Plan**

October 2021



Data Page

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Scope of Work:	Provide Technical Support in Establishing Pharmaceutical Distribution Centre and Primary Care Clinics in Tanzania, and Assist in Preparing Business Plan for Submission to Tanzania Investment Centre.
Selected Distribution Site Location:	Dar es Salaam.
Selected Satellite Clinics Locations:	Dodoma, Kigoma, Iringa, Mtwara, Masasi, and Tunduma.



Non-Disclosure Agreement

This Non-Disclosure Agreement is to acknowledge that the information provided by Your Local Clinic Limited in this business plan is confidential. Therefore, anyone reading this business proposal agrees not to disclose any of the information herein without the prior written consent of the management of Your Local Clinic Limited.

It is also acknowledged by the reader of this business plan that the information furnished herein, other than information that is in the public domain, may cause serious harm or damage to Your Local Clinic Limited and will be kept in the strictest confidence.

The presentation of this business plan is intended for presentation to the Tanzania Investment Centre and it does not imply an offering of securities.

Upon request, this business plan is to be immediately returned to the management of Your Local Clinic Limited.

.....
Full Name

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Signature

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Date



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1. Executive Summary

1.1 Introduction

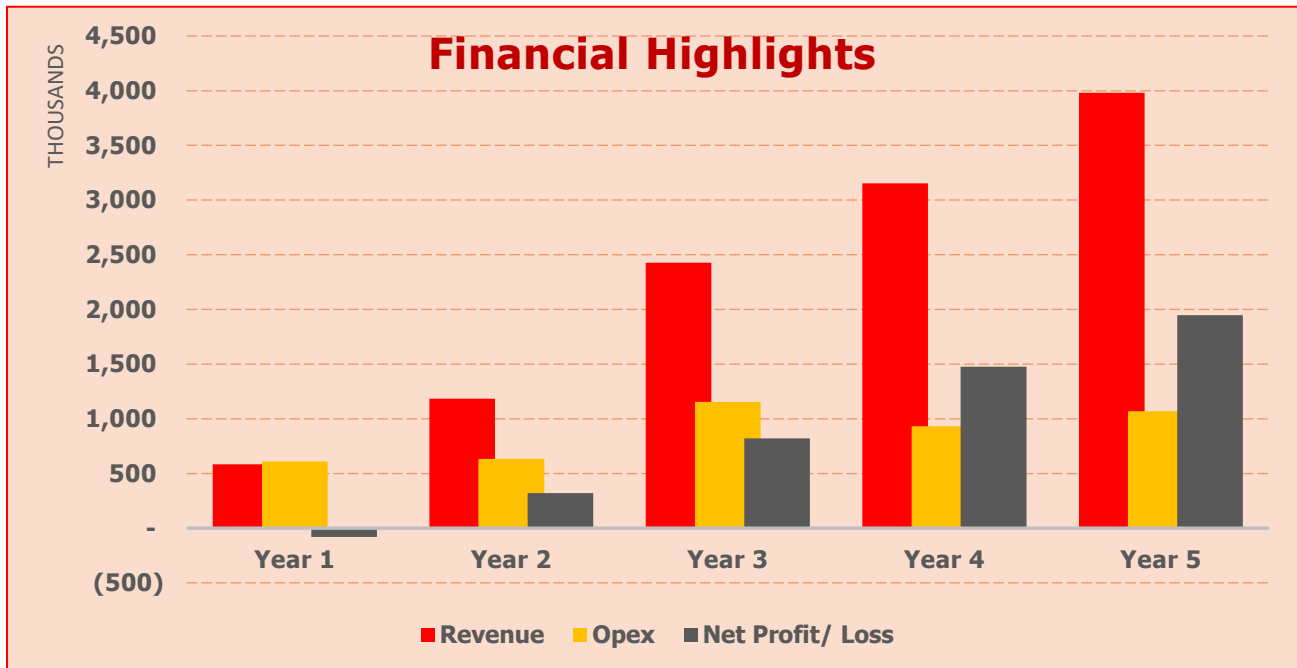
Living in a developing country has many challenges, one of which is convenient access to quality healthcare. Increasing population growth and lack of accessible healthcare in local communities has a negative impact not only on the quality of life and health for the residents, but it also puts a dramatically increased burden on the public health sector facilities to provide non-emergency services to residents who do not have access to a more appropriate level of care, such as an outpatient clinic. By establishing an outpatient clinic that is easily accessible by local residents, the quality of life would dramatically increase due to timely delivery of health care services. Furthermore, this approach would shift the burden from the public health facilities as the first line of medical treatment, which would improve cost value for the local resident, community as well as the country at large.

Therefore, it was against the above backdrop that it was necessary to establish outpatient clinics in selected local communities across Tanzania in a move to provide a strategic solution that allows for higher quality and seamlessly coordinated healthcare. For this drive, it was decided to implement a project by the name 'Your Local Clinic' (YLC), whose main objectives are to operate thirty (30) outpatient clinics to offer the most recent, comprehensive, and recognized healthcare treatments in Tanzania, together with one (1) central pharmaceuticals distribution centre for wholesale importation, re-packaging and distribution of approved essential medicines and medical supplies for private healthcare facilities in Tanzania.

As Sergey Chistov envisioned, the YLC project, which will be funded and operated by 'Your Local Clinic Limited', will be implemented in three (3) phases. Phase I, will establish the central pharmaceuticals distribution centre in Dar es Salaam, and five (5) outpatient clinics in Dar es Salaam, Mtwara and Masasi in year 1 of operation. Phase II, which is subject to completion of phase I, will establish ten (10) outpatient clinics in Dodoma, Iringa, and Tunduma in year 2 and 3 of operation. The last Phase III, will endeavour to establish fifteen (15) outpatient clinics in Shinyanga, Tabora, Kigoma, Bukubu, Tarime, Mpanda, Kahama, Singida, and Morogora in year 4 and year 5 of operation.



As the financial highlights in the table below indicate, YLC will reach profitability by year 1 and will have modest profits by the end of year 5.



The total investment cost for establishing the YLC project is estimated at USD 12.12 million that is financed through a joint owners' capital contribution between Sergey Chistov and Elimira Hadzhykhanova at the rate of 95:5 respectively. Using reference prices for annual clinic visits, laboratory services and medical prescriptions for thirty (30) outpatient clinics, operating on a period of 5 years, this capacity level was found to show that the project has a fair internal rate of return of 19.51% based on conservative data analysis. Whereas, the payback period for the investment is 9.7 years, and the project life cycle is 20-30 years.

Overall, the above financial performance indicators show a strong case for the YLC project viability and warrants support from the Tanzania Investment Centre in implementing the proposed project, in order to deliver innovations healthcare services, bring the expected efficiency, reduce costs, and enhance the lives of all Tanzanians through improved access to quality healthcare in Tanzania.



2. Company Overview

At a Glance

Your Local Clinic Limited is a registered healthcare company incorporated in Tanzania in 2021, and is expected to start operating a chain of thirty (30) outpatient clinics by 2022, subject to financing, that will offer the most recent, comprehensive, and recognized healthcare treatments in Tanzania, together with a central pharmaceuticals distribution centre will focus on wholesale importation, re-packaging and distribution of approved essential medicines and medical supplies for private healthcare facilities in Tanzania.

➤ Ownership	Private Held
➤ Registered Office	Clyde & Co.LLP, 11th Floor, Wing A & B, Golden Jubilee Towers, Ohio Street, Garden Avenue Road, Dar es Salaam, Dar es Salaam, P.O BOX 80512
➤ Founder	Sergey Chistov
➤ Co. Founder	Elimira Hadzhykhanova

Vision Statement

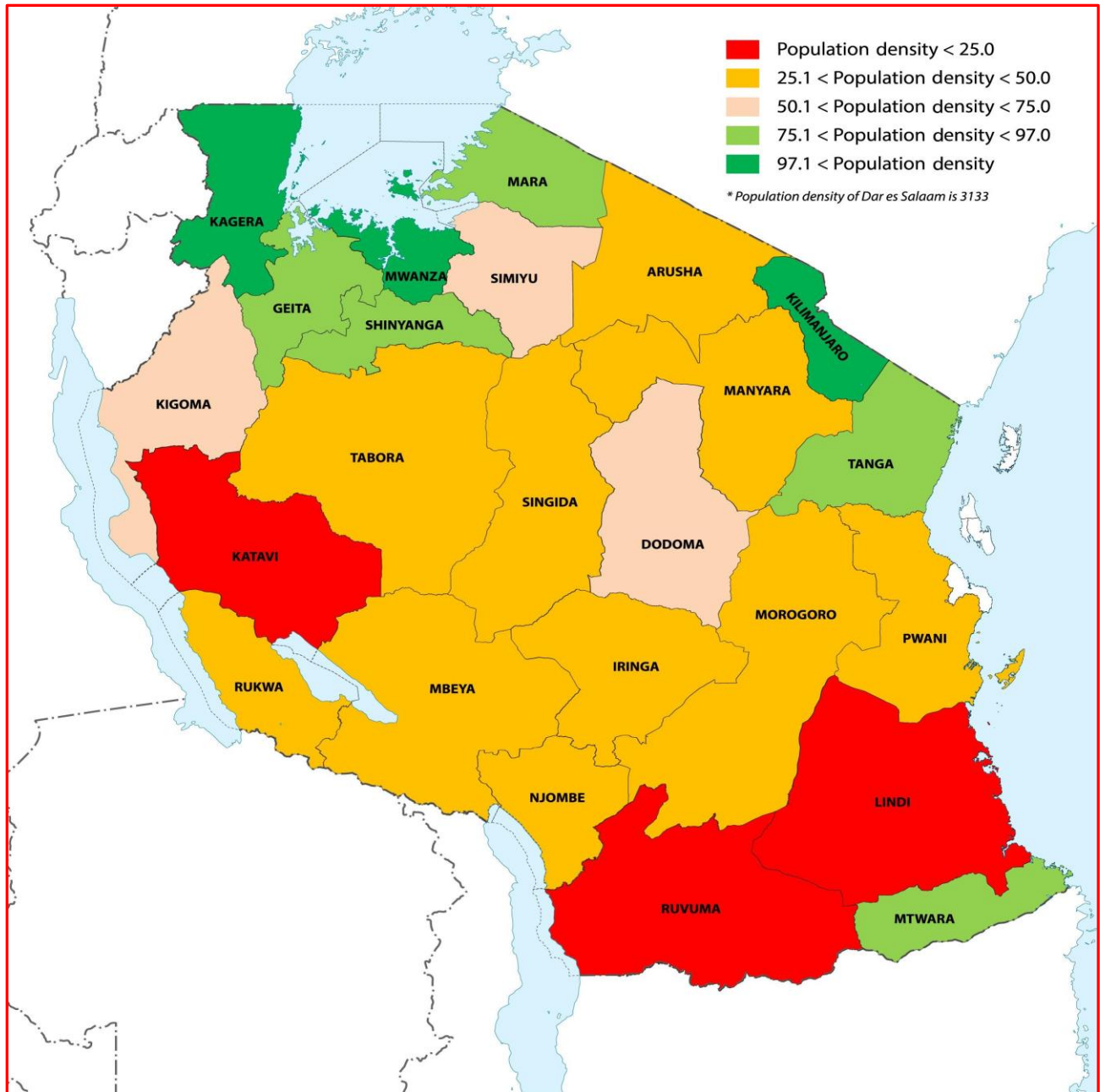
To enhance the lives of all Tanzanians and those who visit Tanzania through improved access to and quality of affordable and innovative healthcare.

Mission Statement

To improve Tanzania's healthcare system and the health of all Tanzanians and those who visit Tanzania by promoting and supporting collaboration and innovation in the medical community and by establishing performance metrics and health indicators to identify priorities and measure community success.



TANZANIA



The United Republic of Tanzania is the largest country in East Africa, covering 940,000 square kilometres, 60,000 of which are inland water. Tanzania lies south of the equator and shares borders with eight countries: Kenya and Uganda to the North; Rwanda, Burundi, the Democratic Republic of Congo, and Zambia to the West; and Malawi and Mozambique to the South.

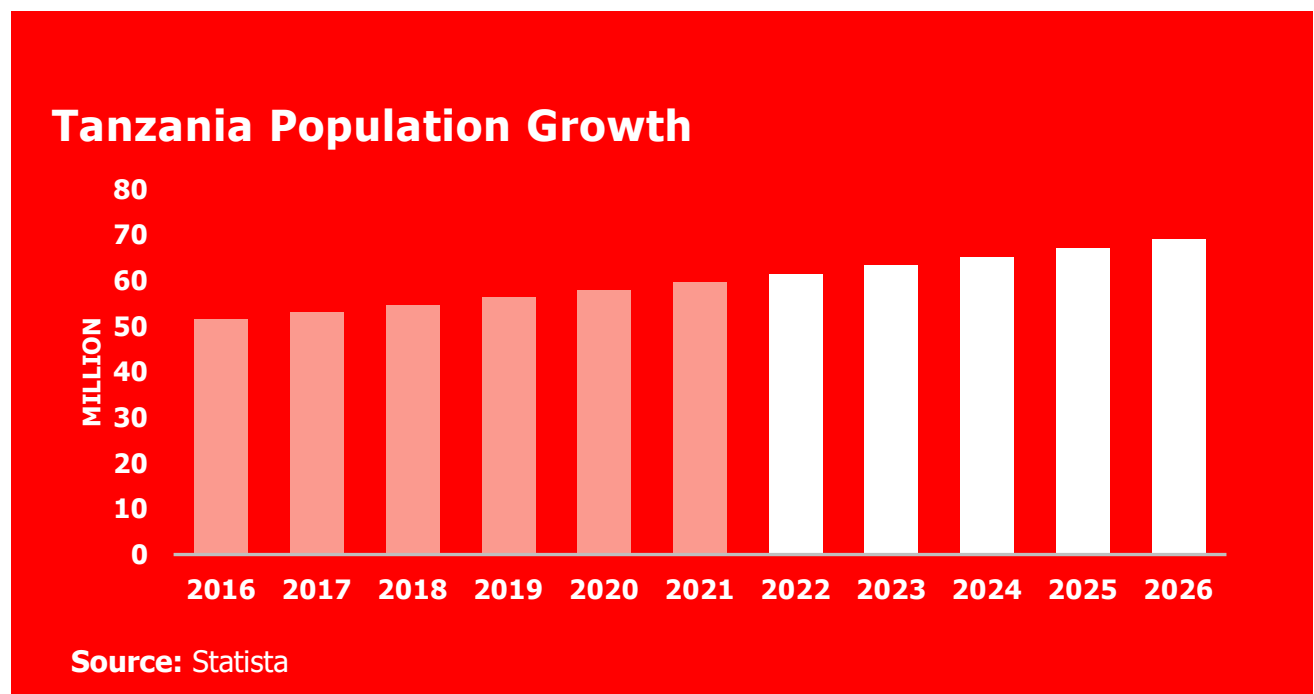


3. Tanzania Healthcare Sector Analysis

3.1 Demographic overview

Tanzania, is home to more than fifty eight million people. Historically, Tanzania has ranked among the fastest-growing regions in Africa. Approximately 70 percent of the population is rural. Dar es Salaam is business and largest city whereas Dodoma, located in the center of Tanzania, is the capital and the direction of the fifth Phase Government is to move the entire government to Dodoma by 2020. The latest official demographic data were provided in 2012 when the national census was held.

The table hereunder provides the population data of Tanzania based on National Census report, 2012 and updated from various credible internet sources. The high population growth rate in Tanzania has been brought about by high fertility and declining mortality levels. According to the 2012 census, the life expectancy at birth is 62 years. The population of Tanzania has continued to be predominantly rural despite the increase in the proportion of urban residents over time, from 6% in 1967 to 30% in 2012.





3.2 Tanzania Healthcare Facilities

With the increasing population, the health sector has also been growing significantly with an increase in the number of health facilities from 7,680 in 2016 to 8,458 in 2020 this includes hospitals, health centers and dispensaries which is an equivalent of 10.1% growth as per the table below:

Number of Healthcare Facilities by Type, Tanzania Mainland, 2016 – 2020

Type of Healthcare Facility	2016	2017	2018	2019	2020
Hospital	263	279	285	294	369
Health Centre	759	819	834	910	926
Dispensary	6,658	6,394	7,000	7,242	7,163
Total	7,680	7,492	8,119	8,446	8,458

The increase in the number of healthcare facilities has also risen a challenge in the availability and accessibility of essential medicines and medical supplies. Currently the distribution of the essential medicines, medical supplies and laboratory reagents is mainly done by the Medical Stores Department (MSD) which caters for 76001 health facilities which is about 89% and hence there is a gap of 11% in which private players in the market can contribute to. The Tanzania health regime is guided by the Tanzania Health Policy (2017) and the Health Sector Strategic Plan 2021-2026 (HSSP V) with its focus on “Improvement of quality life and human wellbeing”. However, the Tanzania health system has been facing a lot of challenges including availability of medicines and accessibility of the health facilities as well as the quality services provided by the facilities. The 2018 WHO Statistics report shows that in 2015 the Tanzania government health expenditure per capita was 32% only and the percentage expenditure per GDP was only 6.1%.

3.3 Public Healthcare Facilities

The current Tanzania Health Policy (2007) explicitly indicates that each region, council, ward and village should have a healthcare facility. Currently Tanzania has 6 cities, 20 municipalities, 22 town councils and 137 district councils, 3956 wards and 12,319 villages, and hence a requirement of 16,487 healthcare facilities. However, to date the Tanzania government has made a coverage of about 8,301 healthcare facilities only which brings a gap of 8,186 healthcare facilities which include hospitals, healthcare centres and dispensaries.



3.4 Private Healthcare Facilities

Tanzania Healthcare sector is largely supported by the private sector which comprises of the Faith based organization facilities, Private for Profit (PFP), Private not for Profit (PNFP) healthcare facilities. According to the Health Facility Registry currently there are a total of 4,476 facilities which is a mix of Dispensaries, General clinics, Health centres, District level hospital, Regional and Zonal level hospitals, medical clinics, Polyclinics etc. These facilities are scattered across Tanzania.

Furthermore, the data in the following table below, obtained from the Health Facility Registry alienates the number of private health facilities concentrating on Health Centre, Dispensaries, Clinics, Hospitals and Health Labs and the estimated population of the mentioned region. for the Private health facilities distribution and the population in the mentioned area which present an opportunity for investment since two third of the Tanzanian's are living in the rural areas and their accessibility to health facilities is still not guaranteed by the numbers presents.

Healthcare Facilities Distribution by Selected Regions							
Region	Estimated Population	Health Centres	Dispensaries	Clinics	Hospitals	Health Labs	Private
Arusha	1,694,310	61	305	31	19	62	236
Dar es Salaam	4,364,541	60	493	292	60	169	06
Dodoma	2,003,588	60	373	23	14	43	139
Geita	1,739,530	28	150	59	62	45	96
Iringa	941,238	32	235	18	10	13	104
Kagera	2,458,023	37	285	8	17	15	99
Katavi	564,609	16	76	0	4	9	24
Kigoma	2,127,930	39	234	1	11	129	78
Kilimanjaro	1,640,087	50	342	21	21	6	190
Lindi	864,652	25	230	2	10	7	26
Manyara	1,425,131	29	191	7	16	8	65
Mara	1,743,830	50	254	7	17	32	117
Morogoro	2,218,492	56	382	20	8	85	243
Mtwara	1,270,854	32	220	8	8	6	64
Mwanza	2,772,509	50	323	36	26	118	261
Njombe	702,097	33	252	3	16	15	17
Pwani	109,668	44	322	11	11	47	142
Rukwa	1,004,539	25	206	1	6	3	40
Ruvuma	1,376,891	35	292	12	13	25	100
Shinyanga	1,534,808	28	210	11	8	17	83
Simiyu	1,584,157	18	201	3	8	9	40
Singida	1,370,637	20	211	7	11	28	73



4. Market Analysis and Strategy

4.1 Market Opportunity

The total requirement of essential pharmaceuticals in Tanzanian Public Sector is USD 120 million¹ whereas in the private sector it is about USD 80 million which represent a total demand of USD 200 million. Out of this total demand only 10-15% is met by local production leaving the remaining 85 -90% to importation equivalent to USD 170 million. The market data does not include the value of various donations that the country receives from various donors under whose value is estimate at USD 200 million per annum². As the healthcare landscape continues to shift to outpatient-based services, the YLC is positioning itself to meet this need in the local communities. The closest primary care clinic is located 8 miles away in a neighboring community.

4.2 Target Market

Across the nation, healthcare is in growing demand as the population ages and Baby Boomers enter later stages of life that require more frequent and more intensive healthcare services. Therefore, YLC will target the working class aged between 25 and 55 years, who are in demand of primary care services.

4.3 Products and Services

The treatment approach offered to the patients will be more innovatative than what is being offered in the market at most clinics in the selected areas. Patients will receive a comprehensive plan based on their condition. The following products will be offered:

¹ MSD Demand Plan 2014

² MSD VPP and donation statistics



PRODUCTS & SERVICES



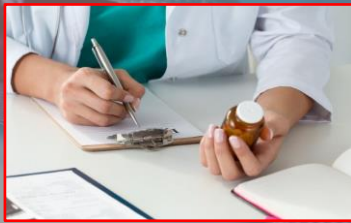
Pharmaceuticals
(Wholesale)



Pharmacy
(Dispensing)



Diagnosis
(Lab Tests)



Wellness & Prevention
(Prescription)



Treatment (Dental)



Rehabilitation
(Physiotherapy)

4.4 Pricing

The YLC pricing strategy will be competitive to the selected areas of operations. It is important not to undercut the recommended fee because YLC wants to establish a reputation for the a professional, high quality clinics.

Product/Service Range	Price
Clinic Visit	US\$ 6.53
Laboratory Tests	US\$ 8.70
Medical Prescription	US\$ 6.53



4.5 SWOT Analysis

A SWOT analysis is a matrix representation of comparisons of four aspects concerning the internal and external factors that affect the YLC project's prowess against market competition. The table represents the SWOT Analysis.

S Strengths	W Weaknesses
<ol style="list-style-type: none">1. The YLC project promoter is a resourceful investor with over 5 years wealth of experience in starting up of multi-million-dollar pharmaceutical business in Tanzania.2. YLC will develop the state-of-the-art project that will bring local convenience and give it a competitive edge in the private healthcare sector.3. There will be a significant cost advantage due to high numbers of clinics that will be produced and thus optimize on economies of scale.4. YLC will have several product lines (managed on portfolio basis), that will diversify it outputs and risks.	<ol style="list-style-type: none">1. The project requires high capital start-up costs.2. There is no similar project in Tanzania that YLC can emulate, at the anticipated scope.3. There is limited agricultural information on chilies in Tanzania from relevant bodies.4. Lack of a detailed research and development program that is designated to explore markets.5. Changing patient behavior in where to seek care.
O Opportunities	T Threats
<ol style="list-style-type: none">1. There is a large demand for local outpatient care in Tanzania that is not met by the current local suppliers.2. Establish a pharmaceutical manufacturing plant that will generate subsequent income to the YLC .3. Develop patient focus group to increase patient engagement	<ol style="list-style-type: none">1. Operate in small communities.2. Changes in government policies may lead to unfavourable working climate.3. There is a likelihood of increase in industry rivals from both local and foreign entrants due to its lucrative nature.



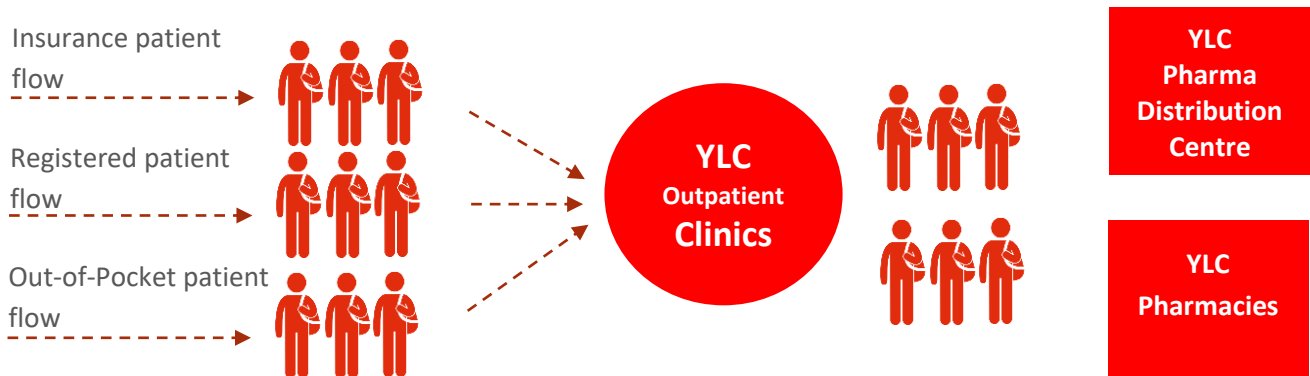
5. Operational Plan

5.1 Business Model

YLC will operate with 30 outpatient clinic clusters consisting of:

- **One (1)** central outpatient clinic integrated with the pharma distribution centre and pharmacy located at the commercial city of Da es Salaam.
- **Twenty nine (29)** satellite outpatient clinics integrated with pharmacies, which provide outpatient diagnostic and treatment services to areas that are urbanized and have been designated as health professional shortage regions.

The outpatient clinic business is going to be the number one tool for customer acquisition at YLC



Pharma Distribution Centre	Outpatient Clinics with Pharmacies
AREA: 1,800-2,500 sq/m	AREA: 20-200 sq/m
OFFERING: Repackaging & Wholesale	OFFERING: Primary & specialty care services
WORKING HOURS: 09:00-17:00, 6 days/week	WORKING HOURS: 09:00-21:00, 6 days/week
INVESTMENT: US\$ 40K	INVESTMENT: US\$ 5.25M

The following towns were identified and will be developed in a phase-in approach as follows:

Phase	Selected Regions	Number of Clinics
I	Dar es es Salaam (Central), Masasi, Mtwara	5
II	Dodoma, Iringa, Tunduma	10
III	Shinyanga, Tabora, Kigoma, Bukoba, Tarime, Mpanda, Kahama, Singida, and Morogoro.	15



Each outpatient clinic will offer both primary and specialty care under the Ministry of Health Clinic Guidelines.

Nurse practitioners, will provide services at least 50% of the clinics operating hours while specialty medical doctors, who are also currently employed, will rotate through the clinic on a scheduled basis depending on demand for services. The clinics will furnish certain laboratory treatment and diagnostic services. These include blood glucose, hemoglobin or hematocrit, occult blood stool examination, pregnancy tests, primary culturing for transmittal to a certified laboratory and urinalysis by dipstick or tablet method. The clinic will also offer prescription services and dispense medicines prescribed by medical doctors to allow patients the convenience of accessing quality health care with convenience.

5.2 Human Capital Requirements per annum

The total wage bill and benefit package for the project employees shall be USD. 160,000 per year. The major component of cost includes costs of equipment and plant operators and casual laborers who account for 25% of the total costs.

The detailed human capital cost component for the project are shown on table below.

Category	Count	Salary Per Month	Annual Salary
		US\$	US\$
Medical Doctor	1	2,000	24,000
Dentist	1	1,800	21,600
Lab Technician	1	900	10,800
Nurse Practitioners	2	775	18,600
Pharmacist	1	680	8,160
Medical Officer	1	350	4,200
Receptionist	1	320	3,480
Office Attendant	1	200	2,400
Driver	1	350	4,200
Pilot	1	3,500	42,000
Store Helper	1	1,350	16,200
Gate Clerk	1	333	4,000
Total	13	13,333	160,000



5.3 YLC Implementation Plan

A phase-in approach is suggested below:

Timeline	2021	2022	2023	2024	2025
Phases	Phases I	Phase II	Phase II	Phase II	Phase III
Activities	<ul style="list-style-type: none"> • Business planning • TIC application • Site Selection • Project Design, Constuction & Commissioning • Staffing 	<ul style="list-style-type: none"> • Site Selection • Project Design, Constuction & Commissioning • Staffing 	<ul style="list-style-type: none"> • Site Selection • Project Design, Constuction & Commissioning. • Staffing • Helicopter Acquisition 	<ul style="list-style-type: none"> • Site Selection • Project Design, Constuction & Commissioning • Staffing 	<ul style="list-style-type: none"> • Site Selection • Project Design, Constuction & Commissioning. • Staffing • Full scale operations capacity
No. of Land Acquisitions	3	3	6	3	3
No. of Land Leases	2	2	4	2	2
No. of Clinics Development	5	5	10	5	5
% of Scale Operations Capacity	16.67%	33.33%	66.67%	83.33%	100%
No. of Patients Handling Capacity	31,200	62,400	124,800	156,000	187,200
Investment	US\$ 2,020,820	US\$ 2,020,821	US\$ 4,041,642	US\$ 2,020,821	US\$ 2,020,821



6. Investment Costs Estimates

6.1 Start-up Costs

The start-up costs for operation of one (1) pharmaceutical distribution centre and thirty (30) primary care clinics have been identified in the table hereunder:

No	Item	Unit	Qty	Unit Cost (US\$)	Total Cost (US\$)
A.1	Land and Building Cost				
1	Land Acquisition @ 900 Sqm	Nos	12	60,000	720,000
2	Primary Care Clinic Facility @ 250 Sqm	Nos	30	175,000	5,250,000
3	Central Distribution Warehouse	Nos	1	40,000	40,000
A.2	Equipment Cost				
4	Ambulance (Motor Van)	Nos	1	17,000	17,000
5	Air Ambulance - Helicopter	Nos	1	250,000	250,000
6	Medical Equipment @ Clinic	Nos	30	70,000	2,100,000
7	Furniture and Fixtures @ Clinic	Nos	30	10,000	300,000
A.3	Operation and Maintenance Cost				
8	Preopening	Lumpsum	1	30,000	30,000
9	Land Lease 5 years @ Clinic	Nos	18	10,875	195,750
10	Drug Supplies @ Clinic	Nos	30	20,000	600,000
11	MIS IT System	Lumpsum	1	100,000	100,000
12	Utilities	Lumpsum	1	90,000	90,000
13	Working Capital	Nos	30	25,000	750,000
14	Salaries and Wages	Lumpsum	1	32,000	1,612,175
15	Contingency	Lumpsum	1	70,000	70,000
	TOTAL (A.1+A.2+A.3)				12,124,925

6.2 Means of Financing

The above investment costs will be financed through promoter's equity contribution as shown in table below:

Item	Percentage	Amount US\$
B1		
Equity Financing		
Equity, source #1 – Sergey Chistov	95%	11,518,678.75
Equity, source #2 – Elimira Hadzhykhanova	5%	606,246.25
TOTAL (B1)	100%	12,124,925



7. Financial Projections

7.1 Assumptions

The assumptions deployed for the analysis in this business plan, intend to mirror the numbers obtained from the secondary study, which enabled gain insights into the feasibility of establishing a pharmaceutical distribution centre and thirty primary care clinics in Tanzania.

We use the following clustered assumptions in the financial modelling of this business plan:

Revenue Assumptions	Details
Number of Business Days per Month	26
Number of Business Days per Year	312
Price of Clinic Visit	US\$ 6.53
Number of Clinic Visit Count per Day	20
Price of Laboratory Services	US\$ 8.70
Number of Laboratory Services Count per Day	16
Price of Medical Prescription (Rx)	US\$ 6.53
Number of Medical Prescription Count per Day	16
Annual average Price Growth Rate	1.32%

Operating Cost Assumptions	Details
Repair and Maintenance	3% of Total Depreciation
Annual Cumulative OPEX Growth Rate	3.70%
Depreciation Method	Straight Line
Depreciation Rate	5% on Building and Infrastructure
Depreciation Factor	20 Years

Financial Assumptions	Details
Promoter's Equity Contribution #1	50%
Promoter's Equity Contribution #2	50%
Phase 1 Investment	5 Clinics, Year 1;
Phase 2 Investment	15 Clinics, Year 2 and 3;
Phase 3 Investment	10 Clinics, Year 4 and 5;
Annual Cumulative Inflation Growth Rate	3.70%
Annual Cumulative Price Growth Rate	1.32%
Price of 1 kWh of Electricity	US\$ 0.102
Annual Cumulative Salaries and Wages Growth Rate	1.32%
Corporate Tax on Products and Services	30%
Exchange Rate (USD to TZS)	2,300



7.2 Expected Revenues

Based on operation capacity of 30 primary care clinics, the details of expected revenues generation of the proposed establishment are provided in the table below.

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Annual Cumulative Price Increase	0%	1.32%	2.64%	3.96%	5.28%
Number of Clinics in Operation	5	10	20	25	30
Price : Clinic Visit	6.53	6.62	6.79	7.06	7.43
: Laboratory Service	8.70	8.81	9.04	9.38	9.86
: Medical Prescription (Rx)	6.53	6.62	6.79	7.06	7.43
Expected Revenues by Source, US\$					
Clinic Visits	203,736	413,088	847,392	1,101,360	1,390,896
Labaratory Services	217,152	439,795	902,554	1,170,624	1,476,634
Medical Prescriptions (Rx)	162,989	330,470	677,914	881,088	1,112,717
Total Revenue	583,877	1,183,353	2,427,860	3,153,072	3,980,247

7.3 Projected Financial Statements

Unless noted otherwise, the financial projections in this business plan rely on a 'base case' that uses the combination of key assumptions listed at the beginning of this section to derive the following financial statements:

- (a) Projected Income Statement;
- (b) Projected Balance Sheet;
- (c) Projected Cash Flow;



(a) Projected Income Statement

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Cum. Price Increase		1.32%	2.64%	3.96%	5.28%
Cum. Inflation Increase		3.70%	7.40%	11.10%	14.80%
Revenues	US\$	US\$	US\$	US\$	US\$
Clinic Visits	203,736	413,088	847,392	1,101,360	1,390,896
Laboratory Services	217,152	439,795	902,554	1,170,624	1,476,634
Medical Prescriptions (Rx)	162,989	330,470	677,914	881,088	1,112,717
Total Income	583,877	1,183,353	2,427,860	3,153,072	3,980,247
Expenses					
Preopening	30,000	31,110	66,824	34,563	39,679
Land Lease Payment	32,625	33,832	72,671	37,587	43,150
Drug Supplies	100,000	103,700	222,748	115,211	132,262
MIS IT System and Upgrade	100,000	103,700	222,748	115,211	132,262
Repair and Maintenance	2,703	2,803	6,021	3,114	3,575
Salaries and Wages	160,000	165,920	356,396	395,956	454,558
Utilities	90,000	93,330	100,236	111,363	127,844
Working Capital	25,000	25,925	27,843	30,934	35,512
Contingency	70,000	72,590	77,962	86,615	99,434
Total	610,328	632,910	1,153,449	930,555	1,068,277
Depreciation	90,100	93,434	100,348	111,486	127,986
EBIT	-116,551	457,009	1,174,063	2,111,031	2,783,984
Interest	-	-	-	-	-
Earnings before tax	-116,551	457,009	1,174,063	2,111,031	2,783,984
Tax	(34,965)	137,103	352,219	633,309	835,195
Net Profit	(81,586)	319,906	821,844	1,477,722	1,948,789

**(b) Projected Balance Sheet**

Item	Year 1	Year 2	Year 3	Year 4	Year 5
	Us\$	Us\$	Us\$	Us\$	Us\$
Current Assets					
Cash	378,820	1,062,046	3,657,800	3,999,734	5,337,455
Preopening expenses	30,000	31,110	66,824	34,563	39,679
Total Current Assets	408,820	1,093,156	3,724,624	4,034,297	5,377,133
Fixed Assets					
Land and Buildings	995,000	1,990,000	3,105,000	4,975,000	5,970,000
Medical and Equipment	350,000	700,000	1,400,000	1,750,000	2,100,000
Motor Vehicle	17,000	17,000	17,000	17,000	17,000
Helicopter	250,000	250,000	250,000	250,000	250,000
...Less Depreciation	-	(90,100)	(93,434)	(100,348)	(111,486)
Total Fixed Assets	1,612,000	2,866,900	4,678,566	6,891,652	8,225,514
TOTAL ASSETS	2,020,820	3,960,056	8,403,191	10,925,949	13,602,647
Debt Financing					
Medium Term Loan	-	-	-	-	-
	-	-	-	-	-
Equity					
Owner's Capital Contribution	2,020,820	4,041,642	8,083,284	10,104,105	12,124,925
Retained Earnings		(81,586)	319,906	821,844	1,477,722
Total Equity	2,020,820	3,960,056	8,403,190	10,925,949	13,602,647
TOTAL LIABILITIES	2,020,820	3,960,056	8,403,190	10,925,949	13,602,647



(c) Projected Cash Flow

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Cum. Price Increase		1.32%	2.64%	3.96%	5.28%
Cum. Inflation Increase		3.70%	7.40%	11.10%	14.80%
Revenues	Us\$	Us\$	Us\$	Us\$	Us\$
Clinic Visit	203,736	413,088	847,392	1,101,360	1,390,896
Pomegranate	217,152	439,795	902,554	1,170,624	1,476,634
Less Yield Losses (5%)	162,989	330,470	677,914	881,088	1,112,717
Total Revenues	583,877	1,183,353	2,427,860	3,153,072	3,980,247
Expenses					
Preopening	30,000	31,110	66,824	34,563	39,679
Land Lease Payment	32,625	33,832	72,671	37,587	43,150
Drug Supplies	100,000	103,700	222,748	115,211	132,262
MIS IT System and Upgrade	100,000	103,700	222,748	115,211	132,262
Repair and Maintenance	2,703	2,803	6,021	3,114	3,575
Salaries and Wages	160,000	165,920	356,396	395,956	454,558
Utilities	90,000	93,330	100,236	111,363	127,844
Working Capital	25,000	25,925	27,843	30,934	35,512
Contingency	70,000	72,590	77,962	86,615	99,434
Total Expenses	610,328	632,910	1,153,449	930,555	1,068,277
EBIT	(26,451)	550,443	1,274,411	2,222,517	2,911,970
CAPITAL EXPENDITURE	(2,020,820)	(2,020,821)	(4,041,642)	(2,020,821)	(2,020,821)
NET CASH FLOW	(2,020,820)	(2,047,272)	(3,491,199)	201,696	2,911,970
CUMULATIVE CASH FLOW	(2,020,820)	(4,068,092)	(7,559,291)	(8,224,966)	(5,312,996)
INTERNAL RATE OF RETURN	19.51%				
PAYBACK PERIOD (YEARS)	9.7				



8. Conclusion

The objective of this business plan was to establish the technical and financial viability of establishing a pharmaceuticals distribution centre and outpatient clinics in Tanzania on behalf of Your Local Clinic Limited.

This business plan has provided detailed analysis and feasibility orientation by preparing the background information through interview with stakeholders and relevant local authorities including the Ministry of Health Community Development Gender Elderly and Children of Tanzania. Furthermore, the Tanzania healthcare sector was documented together with clear elaboration of the factors causing the challenging situation of accessing quality and affordable healthcare in local communities in Tanzania.

Financial viability of the YLC project was conducted as a part of this report including the total investment cost, assets structure, annual income forecasts, and annual cost of operation, net surplus and Business valuation. The results have shown that the YLC project is financially viable with excellent margin of returns. The financing of the YLC project is suggested to be financed only through owners' equity capital contributions. Thus, there is no need in obtaining local financing for the project since the major part of the financing is expected to come from foreign investors. Furthermore, a consideration for starting up as a pharmaceuticals distribution company for first two years and upgrade to a manufacturing venture should be considered. The study has revealed that the medicines and medical supplies will be sourced from India and Europe in preferential order due to cost implication.

From the foregoing and detailed financial analysis contained in this business plan it is whole to conclude that the YLC project is technically and financially viable. The initial capital investment cost requirement is USD 12.12 million. The financial Analysis results show that the project has an IRR of 19.51% and the payback period is 9.7 years with the project life cycle is 20-30 years based on conservative data analysis.

To this end, this business proposal drew a conclusion that the YLC project would play a pivotal role in inspiring change in the Tanzania healthcare system, deliver innovations healthcare services, bring the expected efficiency, reduce costs, and enhance the lives of all Tanzanians through improved access to quality healthcare in Tanzania.