

**BUSINESS PLAN FOR THE
IMPLEMENTATION PROGRAMME**

OF

M/S DOLPHIN TOURS AND SAFARIS LIMITED

IN

**ESTABLISHING AND OPERATING A PROJECT FOR
CONSTRUCTING MODERN WAREHOUSES INTENDED
FOR INDUSTRIAL PARK**

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**M/S DOLPHIN TOURS AND SAFARIS LIMITED
TABLE OF CONTENTS**

	Page
1. Investment Plan	2
2. Company's Background	2
3. Market Potential	3
4. The Company's Objectives	4
5. Plan/Prospects	5
6. Shareholders (Promoters)	5
7. Location.....	6
8. Capital Investment Cost	7
11. Submission.....	9
12. Economic Growth.....	10
13. Competition/Market	10
14. Advertisement	10
15. Business Strategy	10
16. Environmental Issue.....	11
17. Project Management	11
18. Manpower and Transfer of Technology.....	11
19. Conclusion and Economic Analysis	12
20. Financial and Economic Analysis.....	12
21. Sensitivity Analysis.....	13
22. Appendix I – III.....	16 -19

M/S DOLPHIN TOURS AND SAFARIS LIMITED
ESTABLISHING A PROJECT FOR CONSTRUCTING MODERN
WAREHOUSES INTENDED FOR INDUSTRIAL PARK

1. INVESTMENT PLAN

The investment plan has been prepared by **M/S DOLPHIN TOURS AND SAFARIS LIMITED** for the company's establishment programme in extensive construction of modern warehouses intended for industrial park.

The investment plan has also been prepared to give an analysis of the financial, human, technical and other resources required for the intended commercial building project and also assess its economic viability and commercial viability in order to allocate funds for the implementation programme especially in acquiring steel structures, pre-fabricated buildings, overhead cranes, equipment, generators, transformer, utility vehicles etc.

The certificate of incentives will enable the project to enjoy Tax exemptions on CAPITAL/ DEEMED CAPITAL GOODS and TIC ONE STOP FACILITATION like processing of approvals, licenses and permits such as resident / work permits, Business License, protection of investment, arbitration and transfer of foreign currency etc

2. COMPANY'S BACKGROUND

M/S DOLPHIN TOURS AND SAFARIS LIMITED is a private owned company registered/ incorporated in Tanzania by Registrar of Companies under company's ordinance, on 17th day of March, 1997 with Certificate of Incorporation No: 30622

The company was initially incorporated with a prime objective of operating a project for tour operations. However currently

the Company intends to construct modern warehouses suitable for industrial park.

The company determines to construct modern industrial park with warehouses which is going to be used by industries which will be rented to industries for manufacturing processes. The company besides construction of these warehouses will at same time improve the quality of company's commercial buildings.

The main purpose of the proposed project is to provide quality facility for industrial park to correspond with the growing demand especially for supporting the government emphasis in industrialization. The quality of company's warehouses will guarantee industrial park satisfaction in proposed programme.

There is an extensive market to absorb all the facilities which will be leased to various Industries. It is on the basis of the above reasons the management resolved to invest in constructing the facility for modern industrial park for leasing.

In the establishment programme, the proposed commercial building project will import steel structures, pre-fabricated building, equipment, machinery and other facilities for the construction of these warehouses.

Hence the establishment programme of three years in setting up the industrial park facility for industries is estimated to be USD 1,075,000. The estimated capital investment cost of USD 1,075,000 will be on new and modern steel structure, pre-fabricated building, overhead cranes and related equipment, machinery, generators, utility vehicles and other expenses.

3. MARKET POTENTIAL

There is a very big market potential for the industrial park in Mwanza. Therefore, there is high demand of the modern

warehouses for the investors in manufacturing project. And the market is growing day by day especially by the Industries. One Warehouse which was constructed earlier has been occupied by SANDVIK ROCK TECHNOLOGY a mining processing project.

The modern warehouses can be used by any investments either for warehousing of goods or manufacturing processes in these industrial park.

The recent market survey undertaken by the company has realized that there is high demand for industrial park in Mwanza whereby there is growth of investments especially Industries of any scale.

High quality and goodwill are the factors which will make the project to dominate the market. There are few such facilities which will suit Industries of different kinds. Manufacturers and importers can benefit this facility.

The company also expects to expand, diversify and construct such intended facility in other key areas in other Regions.

4. THE COMPANY'S OBJECTIVES

M/S DOLPHIN TOURS AND SAFARIS LIMITED is a project intended to construct modern warehouses especially for industrial Park for both Industries and importers.

The mission of proposed project is basically aimed at construction and marketing of such development- modern warehouses for industries and importers in order to achieve the following objectives.

- ❖ To foster the growth of industrial Park in Tanzania.
- ❖ To reduce shortage of facility by setting up Industries in industrial area.

- ❖ To promote Industrialization in the Country.
- ❖ To promote growth and expansion of private sector.
- ❖ The Company will create more employment (more job opportunities from unskilled to professionals/technicians etc.)
- ❖ Skill development (human resources development) through on job training and use of modern machinery and new technology application.
- ❖ Income generation, alleviation of poverty and improve their social welfare employees.
- ❖ The Company contributes to the government revenue through taxes and other levies.

5. PLAN/PROSPECTS

- ❖ High production performance
- ❖ To increase development of industrial park in key areas in the Country.
- ❖ To construct more industrial park facility.
- ❖ To increase the volume of production capacity.

6. SHAREHOLDERS (PROMOTERS)

The following are the shareholders/ promoters of **M/S DOLPHIN TOURS AND SAFARIS LIMITED** and their shareholder's position are: -

No	Name of Shareholders	No. of Shares	Nationality	% shareholding structure
1.	Nurmohamed Hussein	1500	BRITISH	24%
2.	Nishaz Hussein	1500	BRITISH	24%
3.	Parvizbanu Hussein	3250	TANZANIAN	52%
	TOTAL	6250		100%

Therefore, the authorized capital of the company is Tshs. 20,000,000/= divided into 20,000 ordinary shares of Tshs. 1,000/= each. The Company shall have power to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company.

7. LOCATION

The company's business premises are located at Plot No. 3, Mkuyuni Industrial Area, Nyamagana district in Mwanza. Postal Address P. O. Box 336 Mwanza.

8. COMPANY'S IMPLEMENTATION SCHEDULE

8.1 SEPTEMBER - 2021

- ❖ Preparing feasibility study for the Construction of the modern warehouses suitable for Industrial Park.
- ❖ Registration of the proposed project with Tanzania Investment Centre i.e. Application for the Certificate of incentives.

- ❖ Getting Certificate of Incentives

8.2 OCTOBER - 2021

- ❖ Application for Tax exemption on CAPITAL/ DEEMED CAPITAL GOODS after being awarded certificate of incentives in the Establishment Programme.
- ❖ Ordering/Importing steel structures, Pre-fabricated Buildings, equipment, overhead cranes, tools, generators, transformer, utility vehicles etc.
- ❖ Clearing the CAPITAL/DEEMED CAPITAL GOODS from customs control (at the Port and Airport).
- ❖ Development of Industrial Park

8.3 NOVEMBER- 2021

- ❖ Recruiting new staffs and training them on new technology skills for construction of these modern warehouses intended for industrial park
- ❖ Fully commencement of production in its implementation programme

9. CAPITAL INVESTMENT COST

Land/Building	USD \$	850,000
Plant/Machinery	USD \$	150,000
Vehicles	USD \$	25,000
Furniture and Fittings	USD \$	-
Pre-expenses	USD \$	25,000
Working Capital	USD \$	25,000
TOTAL CAPITAL	USD \$	<u>1,075,000</u>

The proposed programme in extensive construction of modern warehouses suitable for industrial park to be leased to industries to be implemented within 3 years. The company's promoters (shareholders) have resolved to register the intended Project with Tanzania Investment Centre (TIC) and securing the certificate of incentives.

10. FINANCIAL PLAN (SOURCE OF FUNDS)

M/S DOLPHIN TOURS AND SAFARIS LIMITED has firmed up finances for the implementation programme by its own fund and loan:-

Own fund (equity)	USD \$ 575,000
local loan	<u>USD \$ 500,000</u>
TOTAL	<u>USD \$ 1,075,000</u>

11. CONSTRUCTING OF MODERN WAREHOUSES INTENDED FOR INDUSTRIAL PARK:

- Project Requirement: -
 - i. -Steel Structure buildings. ...
 - ii. - Pre-fabricated Buildings. ...
 - iii. - Equipment & Tools. ...
 - iv. - Generators & Transformer ...
 - v. - Forklift and overhead cranes
 - vi. etc. ...

13. PLANT LAYOUT

***STEEL STRUCTURES PRE-FAB
I
DESIGNING +ERECTION
I
CONSTRUCTION+ GLAZING***

I
FINISHING WORKS

I
MODERN WAREHOUSES-4 units
warehouses each 4800 square meters with office space+ wash rooms+changing rooms+ wash rooms+showers+guard houses+ canteen+Landscaping. Parking for utility vehicles(Phase two)

The whole area is 16 Acres. Each warehouse is 20metres(width) x60 metres(length)

One warehouse has been occupied by SANDVIK ROCK TECHNOLOGY(Phase one)

11. SUBMISSION

M/S DOLPHIN TOURS AND SAFARIS LIMITED wishes to submit its investment plan and application to the Tanzania Investment Centre (TIC) its proposal for registration and award of certificate of incentives in the establishment programme.

The Proposed Project will soon commence after the Company is registered with Tanzania Investment Centre and being issued the Certificate of incentives. Thereafter the Company will order and import the steel structures, pre-fabricated buildings, overhead cranes, equipment, generators, forklifts, transformers etc for developing/erecting the modern warehouses for industrial park. The Project will enjoy tax exemptions on CAPITAL/ DEEMED CAPITAL GOODS

The certificate of incentives will enable the project to enjoy TIC FACILITATION like processing of approvals, permits and licenses such as resident / work permits, Business license, protection of investment, arbitration and transfer of foreign currency etc.

12. ECONOMIC GROWTH

Positive economic growth which had been registered in Tanzania, have attracted more investments in the Tanzania like the proposed project in construction of modern warehouses suitable for industrial park. The economic growth influenced establishment of such development of industrial park to facilitate manufacturing of goods and importation of goods demand is growing day by day due to increased population and government emphasis on Industrialization.

13. COMPETITION/MARKET

Despite there being numbers of manufacturers and importers of goods still the facility is not enough compared to the level of demand (economic activities).

However, the proposed commercial building project expects to dominate the market because the industrial park project ensures goodwill and high quality.

14. ADVERTISEMENT

Advertisement, which forms part of the marketing strategy, will be embarked upon in the newspapers, street banners and later on in the televisions in a manner benefiting the promotional role of any company or private institutions.

15. BUSINESS STRATEGY

In order to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets

- ❖ Technology/product quality and design,
- ❖ Advertisement/promotion,
- ❖ Employing qualified and experienced personnel,

- ❖ On job training,
- ❖ Business Discipline.

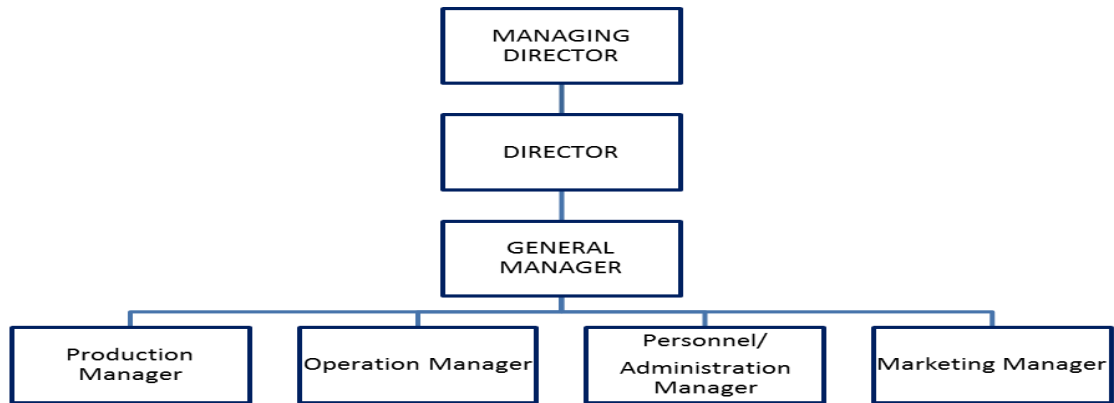
16. ENVIRONMENTAL ISSUE

The construction processes and the whole commercial building project is environmental friendly. The project’s activities and all processes will not cause any harm to people.

17. PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors. Mr. Nurmohamed Hussein is the Managing Director of the Company; he is well versed in Tourism and various Business. The other Directors are Nishaz Hussein and Parvizbani Fard Hussein.

THE COMPANY’S ORGANIZATION CHART



18. MANPOWER AND TRANSFER OF TECHNOLOGY

This project being a Development of Industrial Park in its establishment programme will usher in the country a new construction technology (Transfer of knowledge/technology). The advantages to the country are quite significant both in construction and manufacturing, and will get the advantage of

value addition from manufacturers in the park due to such incoming technology.

The project will solve the acute problem of having facility for setting up Industries. Furthermore, the country can reduce its dependence on importation of goods because goods will be manufactured in these Industrial Park etc. Hence Tanzanian will be able to purchase high quality goods at a reasonable price.

The Proposed commercial building programme will cause more local people to be employed about 50 in the course of construction and the project will increase their income, improve their social welfare and pay taxes; also it is poverty alleviation programme to them.

Local employees will get on job training and in a long run will improve the technical competence of the production/construction.

19. CONCLUSION AND RECOMMENDATION

The financial evaluation of the proposed construction of modern warehouses intended for Industrial Park (Industries and Importers) done so far indicates that this programme will be profitable both economically and financially viable venture. There are many other benefits direct and indirect of this project.

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the proposed project so that the project will import and enjoy tax exemption on CAPITAL/ DEEMED CAPITAL GOODS and increase its production capacity.

20. FINANCIAL AND ECONOMIC ANALYSIS

20.1 Projected Profit and Loss Account

The company envisages generating a profit of USD \$ 150,000 this operating year. The profit amount is expected to steadily rise to USD \$ 160,000 in year two, USD \$ 170,000 in year three and USD \$ 180,000 in year four.

20.2 Projected cash flows

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

20.3 Proposed Balance Sheet:

The projected balance sheet shows healthy financial situation. Short term liabilities are at all times covered by fixed assets. Also current liabilities are adequately covered by current assets.

21. SENSITIVITY ANALYSIS

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavorable conditions that might negatively affect the operations of **M/S DOLPHIN TOURS AND SAFARIS LIMITED**

21.1 Effect of cost increase on profitability (on the basis of year II PVC INDUSTRIAL PARK INCOME in “000” USD \$)

Income	Costs	Increase	Profit before depreciation
605,000	445,000	%	160,000
605,000	467,250	5%	137,750
605,000	489,500	10%	115,500

21.2 Effect of PVC INDUSTRIAL PARK income decrease/drop on profitability (on the basis of year II costs in "000" USD \$)

Income	Income Decrease	Cost	Profit before depreciation
605,000	%	445,000	160,000
574,750	5%	445,000	129,250
544,500	10%	445,000	99,500

The viability/profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients base.

Appendix I

M/S DOLPHIN TOURS AND SAFARIS LIMITED

PROJECTED INCOME STATEMENT (ESTIMATED)

(Fig. USD \$ '000')

Income	Years				
	I	II	III	IV	V
Sales Income	570.0	605.0	640.0	675.0	710.0
Total Income	570.0	605.0	640.0	675.0	710.0
Utilities	200.0	200.0	200.0	200.0	200.0
Salaries and wages	50.0	50.0	50.0	50.0	50.0
Transportation/fuel	20.0	25.0	30.0	35.0	40.0
Administrative Expenses	110.0	120.0	130.0	140.0	150.0
Other Expenses	40.0	50.0	60.0	70.0	80.0
Total Expenditure	420.0	445.0	470.0	495.0	520.0
Net Profit (pre tax and depreciation)	150.0	160.0	170.0	180.0	190.0

Appendix II

M/S DOLPHIN TOURS AND SAFARIS LIMITED

PROJECTED CASHFLOW STATEMENT(ESTIMATED)

(Fig. USD \$ '000')

Year	I	II	III	IV	V	
Cash inflow						
Income from operation	150.0	160.0	170.0	180.0	190.0	
	150.0	160.0	170.0	180.0	190.0	
Cash outflow						
Interest payments	50.0	45.0	40.0	35.0	30.0	
Loan re-payment	50.0	50.0	50.0	50.0	50.0	
Wear & tear	10.0	12.0	14.0	16.0	18.0	
Taxes	10.0	10.0	10.0	10.0	10.0	
	120.0	117.0	114.0	111.0	108.0	
Surplus cash generated	30.0	43.0	56.0	69.0	82.0	

(Fig. USD \$ '000')

Year	VI	VII	VIII	IX	X	Total
Cash inflow						
Income from operation	200.0	210.0	220.0	230.0	240.0	1950.0
	200.0	210.0	220.0	230.0	240.0	1950.0
Cash outflow						
Interest payments	25.0	20.0	15.0	10.0	5.0	275.0
Loan re-payment	50.0	50.0	50.0	50.0	50.0	500.0
Wear & tear	20.0	22.0	24.0	26.0	28.0	190.0
Taxes	10.0	10.0	10.0	10.0	10.0	100.0
	105.0	102.0	99.0	96.0	93.0	1065.0
Surplus cash generated	95.0	108.0	121.0	134.0	147.0	885.0

Appendix III

M/S DOLPHIN TOURS AND SAFARIS LIMITED

PROJECTED LONG TERM LOAN REPAYMENT(ESTIMATED)

(Fig. in USD \$ '000')

Year	Repayment			
	Principal	Interest	Total	Amount
O				500.0
I	50.0	50.0	100.0	450.0
II	50.0	45.0	95.0	400.0
III	50.0	40.0	90.0	350.0
IV	50.0	35.0	85.0	300.0
V	50.0	30.0	80.0	250.0
VI	50.0	25.0	75.0	200.0
VII	50.0	20.0	70.0	150.0
VIII	50.0	15.0	65.0	100.0
IX	50.0	10.0	60.0	50.0
X	50.0	5.0	55.0	0.0

Appendix 1V

M/S DOLPHIN TOURS AND SAFARIS LIMITED

PROJECTED BALANCE SHEET (ESTIMATED)

(Fig. in USD \$ '000')

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV	YEAR V
	Source of funds					
1.	Shareholders funds	150.0	200.0	250.0	300.0	350.0
2.	Long term Loan	100.0	95.0	90.0	85.0	80.0
3.	Associated Cos/ Directors	100.0	100.0	100.0	100.0	100.0
4.	Current Liabilities	200.0	250.0	300.0	350.0	400.0
		550.0	645.0	650.0	835.0	930.0
	Application of funds					
1.	Fixed Assets	400.0	400.0	400.0	400.0	400.0
2.	Current Assets	155.0	245.0	250.0	435.0	530.0
		550.0	645.0	650.0	835.0	930.0