



# **GIANTE WINE AND SPIRITS COMPANY LIMITED**

BUSINESS PLAN DOCUMENT

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# 1. COMPANY'S BACKGROUND INFORMATION

Giante Wine and Spirits Company Limited is a locally owned company lawful registered by BRELA under the Companies Act, 2002 with No. **151419151** in the 1<sup>st</sup> of April 2023 observing the laws of the people of the United Republic of Tanzania.

The company's offices and factory are located in the industrial are of Mkuu Township – Rombo district, Plot 36 Block C.

The company was established under the foresight of Mr. Shanel J. Ngowi who is a local entrepreneur with several other investments.

## **2. COMPANY'S MAIN OBJECTIVES**

Among other objectives, the company is intended to produce and supply plastic packaging materials such as preforms and caps. For the purpose of packaging still water and other soft drinks.

The company is intended to invest over USD 230,000 for machinery and running capital of the company.

These funds are intended to be raised from the company directors' savings.

# 3. COMPANY'S VALUES

The company is committed towards an open governance system whereby its activities will be managed and undertaken ethically, transparently, and in the interests of all concerned stakeholders.

This shall be undertaken through implementation of the following company values:

1. Conduct the business ethically and transparently, respecting all applicable laws.
2. Making business decisions by giving appropriate weight and consideration to social and environmental impacts.

# COMPANY'S VALUES

3. Provide products of uncompromising quality to meet the needs of our customers.
4. Optimize the creation of wealth to provide fair reward and recognition for the contributions of our stakeholders.

Through promotion and implementation of the above stated company values we believe that we will be able to attain our corporate and stakeholders' goals and objectives for the benefit of all concerned, in particular the communities in which we will operate.



## 4. BUSINESS IDEA

The investment is expected to bring about changes in the Mkuu Township where there is a rising demand for manufacturers of packaging materials because new food factories are established almost every year and one of the biggest challenge is the availability of packaging materials most of which are purchased from Dar es Salaam, which increases production costs and risk of wasting production hours.

For example; over 90% of soft and alcoholic drinks producers in Kilimanjaro Region are purchasing their preforms/bottles from Dar es Salaam.

# 5. PRODUCTS



# 6. INVESTMENT PLAN

## 6.1 MACHINES.

The company has invested in the purchase of an injection mold machine which will be used to produce both preforms and caps. This investment will help local manufacturers to save production time and save transportation costs.

Furthermore, this investment will open employment opportunities to local people both skilled and unskilled ones.

Also, the company will be able to rise enough revenue to invest in her other projects and bigger ones which shall also open doors for more employments and more revenue to the government.

# INVESTMENT PLAN CONT'D ...



# **INVESTMENT PLAN CONT'D ...**

## **6.2 PURCHASE OF LOGISTICS TRUCKS**

In order to make operations easier, the management of the company is intended to purchase logistics trucks which will transport raw materials to the company and products to customers.

# INVESTMENT PLAN CONT'D ...

Activity	November, 2021	January, 2022	July, 2023	August, 2023	September, 2023
Advance payments by GWSCl	by GWSCl. (US\$30,000)				
Making of the machine and packing by Shanghai OK Machinery Co. Ltd		GWSCl US\$40,000 was deposited to Shanghai OK Machinery Co. Ltd to top up the purchase			
Shipping			from Shanghai Port, China to Tanzania.		
Installation, commissioning and training				By both GWSCl and Shanghai OK Machinery Co. Ltd	
Operations by GWSCl					Starting of opetations

# 7. FINANCIAL STATEMENTS PROJECTIONS

## 7.1 Projected Cash flow

<b>CASH INFLOWS</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Opening Balance	200,000,000.00	223,141,283.20	271,858,156.00
Sales	2,058,240,000.00	2,549,760,000.00	3,072,000,000.00
<b>Total Inflows</b>	<b>2,258,240,000.00</b>	<b>2,772,901,283.20</b>	<b>3,343,858,156.00</b>
<b>CASH OUTFLOWS</b>			
<i>Expenditures on operations</i>			
Raw Material Purchases	1,595,181,024.00	1,976,119,776.00	2,380,867,200.00
Carriage inwards	3,200,000.00	4,200,000.00	5,500,000.00
Payroll	112,000,000.00	116,000,000.00	120,000,000.00
Utilities costs	42,000,000.00	68,000,000.00	72,000,000.00
Staff Meals	17,160,000.00	20,280,000.00	23,400,000.00
Transportation expenses	3,000,000.00	4,500,000.00	5,000,000.00
Maintenance costs	30,000,000.00	36,000,000.00	42,000,000.00
Factory cleaning and sanitation	1,800,000.00	2,000,000.00	2,000,000.00
<i>Additional expenses</i>			
Principle loan payment	98,000,000.00	105,000,000.00	125,000,000.00
TAX	42,917,692.80	57,582,067.20	78,189,840.00
Medical expenses	12,000,000.00	15,000,000.00	17,000,000.00
Depreciation	50,000,000.00	50,000,000.00	50,000,000.00
Insurance	10,000,000.00	12,000,000.00	12,000,000.00
Other Expenses	17,840,000.00	34,361,284.00	110,458,156.00
<b>TOTAL OUTFLOWS</b>	<b>2,035,098,716.80</b>	<b>2,501,043,127.20</b>	<b>3,043,415,196.00</b>
NET IN/OUT FLOWS	223,141,283.20	271,858,156.00	300,442,960.00
<b>CASH BALANCE</b>	<b>223,141,283.20</b>	<b>271,858,156.00</b>	<b>300,442,960.00</b>

# FINANCIAL STATEMENTS PROJECTIONS CONT'D ...

<b>7.2 Projected Income Statement</b>			
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Sales	2,058,240,000.00	2,549,760,000.00	3,072,000,000.00
Direct Cost of Sales	3,000,000.00	4,500,000.00	5,000,000.00
Raw Material costs	1,595,181,024.00	1,976,119,776.00	2,380,867,200.00
<b>Total Cost of Sales</b>	<b>1,598,181,024.00</b>	<b>1,980,619,776.00</b>	<b>2,385,867,200.00</b>
<b>Gross Margin</b>	<b>460,058,976.00</b>	<b>569,140,224.00</b>	<b>686,132,800.00</b>
<b>Gross Margin %</b>	<b>22.35%</b>	<b>22%</b>	<b>22%</b>
<i>Expenses</i>			
Payroll	112,000,000.00	116,000,000.00	120,000,000.00
Maintenances	30,000,000.00	36,000,000.00	42,000,000.00
Rent to landlord (land and services)	3,200,000.00	4,200,000.00	5,500,000.00
Principle Debts payments	98,000,000.00	105,000,000.00	125,000,000.00
Utilities	42,000,000.00	68,000,000.00	72,000,000.00
Insurance	10,000,000.00	12,000,000.00	12,000,000.00
Factory cleaning and sanitation	1,800,000.00	2,000,000.00	2,000,000.00
Electricity	20,000,000.00	34,000,000.00	47,000,000.00
<b>Total Operating Expenses</b>	<b>317,000,000.00</b>	<b>377,200,000.00</b>	<b>425,500,000.00</b>
Profit Before Interest and Taxes	143,058,976.00	191,940,224.00	260,632,800.00
Taxes Incurred	42,917,692.80	57,582,067.20	78,189,840.00
<b>Net Profit</b>	<b>100,141,283.20</b>	<b>134,358,156.80</b>	<b>182,442,960.00</b>
<b>Net Profit/Sales</b>	<b>4.87%</b>	<b>5%</b>	<b>6%</b>

# FINANCIAL STATEMENTS PROJECTIONS CONT'D ...

<b>7.3 Projected Balance Sheet</b>			
<b>Assets</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<i>Current Assets</i>			
Cash	2,058,240,000.00	2,549,760,000.00	3,072,000,000.00
Other Current Assets			
<b>Total Current Assets</b>	<b>2,058,240,000.00</b>	<b>2,549,760,000.00</b>	<b>3,072,000,000.00</b>
<i>Long-term Assets</i>			
Accumulated Depreciations	50,000,000.00	50,000,000.00	50,000,000.00
Machinery	290,000,000.00	293,000,000.00	293,000,000.00
Long-term Assets	30,000,000.00	30,000,000.00	30,000,000.00
Total Long-term Assets	370,000,000.00	373,000,000.00	373,000,000.00
<b>Total Assets</b>	<b>2,428,240,000.00</b>	<b>2,922,760,000.00</b>	<b>3,445,000,000.00</b>
<b>Liabilities and Capital</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<i>Current Liabilities</i>			
Account Payables	1,595,181,024.00	1,976,119,776.00	2,380,867,200.00
Other Current Liabilities	307,000,000.00	365,200,000.00	413,500,000.00
<b>Subtotal Current Liabilities</b>	<b>1,902,181,024.00</b>	<b>2,341,319,776.00</b>	<b>2,794,367,200.00</b>
<i>Long-term Liabilities</i>			
TAX	42,917,692.80	57,582,067.20	78,189,840.00
Earnings	10,000,000.00	12,000,000.00	12,000,000.00
Loans and other returns	250,000,000.00	240,000,000.00	260,000,000.00
<b>Subtotal Long-term Liabilities and Capital</b>	<b>302,917,692.80</b>	<b>309,582,067.20</b>	<b>350,189,840.00</b>
<b>Total Liabilities and Capital</b>	<b>2,205,098,716.80</b>	<b>2,650,901,843.20</b>	<b>3,144,557,040.00</b>
<b>Net Worth</b>	<b>223,141,283.20</b>	<b>271,858,156.80</b>	<b>300,442,960.00</b>

