

Kibaha Holdings Ltd.

P. O Box 30289 Kibaha Pwani
Reg.No. No.53221, TIN No.104-799-094
Mobile 0658075061
Email: westgategirls@gmail.com

BUSINESS PLAN FOR EXPANSION OF EDUCATION INFRASTRUCTURE

SUBMITTED TO:

TANZANIA INVESTMENT CENTER

DAR ES SALAAM, TANZANIA

JANUARY 2022

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Project List: Expansion of Westgate Secondary School infrastructures
(Misugusugu Kibaha)

Project Concept: Project Expansion

Sponsors: Shareholders+ Bank Loans

Office Location: No.24 Misugusugu, Kibaha Township.

KIBAHA HOLDINGS LTD-PROJECT OVERVIEW SUMMARY

EXPANSION OF EDUCATION INFRASTRUCTURES AT WEST GATE GIRLS

SECONDARY SCHOOL.

West Gate Girls Secondary School became operational in 2016 by admitting the first form one students. The School is owned by Kibaha Holdings Ltd, and has registration number **S.4948**

The current school infrastructures consist of Administration Block, Class rooms, Science Laboratories, Libraries Dormitory blocks, Multipurpose hall, Kitchen and water borehole. Total capital invested in the above assets is TZS 3.7 Billion.

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Classrooms blocks



Laboratory block

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Administration Block

The school has generated job opportunities for local people, generated taxes for the local and central Governments and has so far produced 185 Form 4 graduates since inception. In addition, the school has actively supported community projects in the adjacent areas.

In order to accommodate more students, the company is planning to expand the infrastructure by making the following additional Investments:

Estimated investment required for project expansion	
Investment	Amount
1. Additional class rooms for A'Level students-	200,000,000
2. Additional Laboratories for 'A' Levels	120,000,000
3. Additional Dormitory block for A'Level students	220,000,000
4. Additional Library Block	100,000,000
5. A computer Lab	50,000,000
6. Installation of renewable energy (Solar lighting and LPG for cooking)	20,000,000
7. Housing projects for Staffs (16 apartment)	560,000,000
Total investment required for project expansion	1,270,000,000

The Company will apply for a term loan through local Banks to finance 70% of the estimated investment costs mentioned above, the balance of 30% will be financed through internal revenues.

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Education Industry

- Education is a basic necessity for Tanzania children. Before liberalization of commercial and industrial activities in Tanzania, learning institutions were controlled by the government. Government schooling capacity was only supplemented by religious organization located in peri-urban areas, small towns and villages. Total government capacity was nevertheless very limited and it is estimated that over 50% of children completing standard 7 level of education annually do not access secondary school education.
- With the advent of liberalization, several private schools, from nursery to colleges have been established in Tanzania to supplement Government effort. Most of these private learning institutions are operating profitably

Products and Marketing

The main services to the nation will be provision of high quality secondary and high school education targeted for Tanzania children. Demand is determined by population growth rate and per capital consumption. The Ministry of Education and Culture estimates that only a small number of children completing primary school education can get access to a government secondary school due to capacity limitations. With population growth rate of 2.5% per annum, projections show stable and predictable market availability for West Gate Girls Secondary School services during the economic life of the project.

Technical Analysis

West Gate Girls Secondary School is located on plot No. 24 Misugusugu Kibaha Township, Coastal Region 50km from Dar es salaam city along Morogoro Road. The school is served with all the necessary infrastructural services such as electricity, water telephone and an access road.

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Management and Organization.

Implementation of the project is being co-coordinated by the main promoters, Mr. H. Mwaniki Ngibuini and Godlisten A Minja as the Executive Directors. The company has recruited qualified Headmaster and deputy Headmistress with proven experience in education industry/sector as the Chief Operating Officers.

Financial Analysis:

The company balance sheet has so far a total of Tzs. 3.7billion value of assets summarized in Table No.1 below

Table No.1

Details	Total
Land and Buildings	3,435,000,000
Laboratory Equipments	54000000
Motor Vehicles	27,000,000
Furniture & Office equipment	167,000,000
Work In Progress	69,000,000
GRAND TOTAL	3,752,000,000

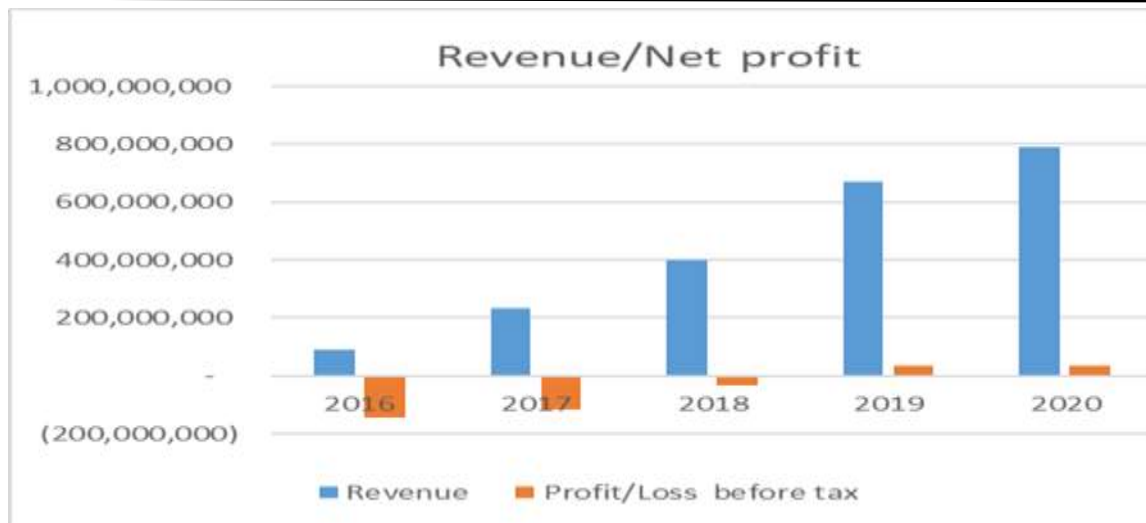
The profitability audited statements for the project is shown on table II. The project registered a positive small margin from the 4th and 5th year of operation.

Table II: Profitability analysis

Years	2016	2017	2018	2019	2020
Turnover	89,600,670	234,116,203	400,677,900	669,009,279	788,965,006
Gross Profit	(2,039,107)	75,738,747	184,940,135	301,060,515	355,204,492
Net Profit(loss)	(145,315,708)	(117,690,532)	(34,229,651)	33,675,602	35,553,023
Margins %	-162%	-50%	-9%	5%	5%

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The profitability of the project is very much dependent on the number of students admitted each year which is also driven by the state of the national economy and the ability of the parents to pay school fees as well as the academic performance of the school. It is projected that the profitability will continue to increase year over year *mutatis mutandis* and especially after the proposed projects are completed and commissioned.

Economic benefit Analysis:

The school project has so far created about 40 employment opportunities for Tanzanians. In addition, the company has annually paid corporate tax to the Central Government apart from the monthly statutory payments. The local Government has also benefited from payments for operating licenses and other taxes.

Conclusion and Recommendations:

(a) Conclusion

This analysis together with our experience in the project so far, shows that the project is financially viable, economically attractive, technically attainable and socially acceptable.

(b) Recommendations

It is recommended that the project should seek for financiers to assist the proposed investment expansion.

TIC is requested to approve the project to enable the company to enjoy the investment incentives offered by the center.

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Investment Financial Plan:

The total investment will be Tzs, 1,270,000,000 (USD 552,174). Out of this, 70% will be financed by Equity and 30% by local loan as per summary table bellow

Investment Financing Plan: US\$ 552,174 OR TZS 1,270,000,000				
Foreign Equity	Local Equity	Foreign Loan	Local Loan	Total
60%	40%	0%	30%	
231,913	154,609	-	165,652	552,174

5 years' investment breakdown:

The investment activities are expected to be completed over the five years' period as per table bellow

5 Years investment breakdown							
Estimated investment required for project expansion		Year 1	Year 2	Year 3	Year 4	Year 5	Total
Investment	Amount						
1. Additional class rooms for A'Level students-	200,000,000			100,000,000	100,000,000		200,000,000
2. Additional Laboratories for 'A' Levels	120,000,000			60,000,000	60,000,000		120,000,000
3. A Additional Dormitory block for A'Level students	220,000,000			110,000,000	110,000,000		220,000,000
4. Additional Library Block	100,000,000		50,000,000	50,000,000			100,000,000
5. A computer Lab	50,000,000		50,000,000				50,000,000
6. Installation of renewable energy ((Solar lighting and LPG for cc	20,000,000	20,000,000					20,000,000
7.Housing projects for Staffs (16 apartment)	560,000,000				280,000,000	280,000,000	560,000,000
Total investment required for project expansion	1,270,000,000	20,000,000	100,000,000	320,000,000	550,000,000	280,000,000	1,270,000,000

Annexes

1. Application Form
2. Application Letter
3. The Bank Statement
4. Board Resolution
5. Business Plan
6. Certificate of incorporation
7. Title deed
8. Memorandum and articles of association
9. TIN Certificate
10. Audited Accounts for the past three years
11. Extract from Registrar (BRELA)