



KARIBU
NATURALS LIMITED



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BUSINESS PLAN

EXECUTIVE SUMMARY

This is the business plan report for the seeking Certificate of Incentive from Tanzania investment Center presented by Karibu Naturals Limited of P. O. Box2613, with proposed industrial establishment at Nala Segu Industrial Area, Dodoma, Tanzania. The entity intends to be engaged in manufacturing of vegetable oils, others value addition products like livestock feed, creams and lotions etc from byproducts. The purpose of the report is to throw light on the overview of the project and business portfolio including investment analysis and sensitivity analysis of the proposed project.

The studies carried out reveal that the proposed sector is one of the economic powerhouses in Tanzania that could contribute to bridge edible oil deficit and earn valuable foreign exchange for the country. The financial projections of the proposed project reveal lucrative profits that could offset all liabilities during the project timeline. Capital injected has been sourced by the directors themselves within their reach along with loan from unsecured and secured identities. Profitability analysis reveals the contribution of a positive balance at the end of the project projection that would be geared on sustainability and plowed back for re-investment.

The project is technically sound, and financially viable which is based with the aim to add value to the primary and secondary agriculture with focus on sustainable socio-economic development.

1. INTRODUCTION

1.1 Background

Karibu Naturals Limited is planning to establish an agro processing facility to process edible vegetable oils, other value addition products like soaps and lotions for direct human consumption and livestock feed for animals by selling to the customers. The objective of the food processing company is to focus on innovation by incorporating state of the art manufacturing technologies, have sustainable socio-economic development of nearby ecosystem and to bridge the demand supply gap for vegetable oils apart from earning valuable forex reserve for the country.

Through the technical advantage the purpose is to make available the finished product at a competitive price compared with similar imported products and increases affordability for the end user. Presently the company has a business plan to process and manufacture food products such as vegetable oils and animal feeds and other value addition products to sell to the customers. Karibu Naturals Limited will strive to make the production and processing of these products a more efficient and valuable asset.

1.2 Legal Status and Location of Business

Karibu Naturals Limited is a legally registered company by Business Licensing Authority (BRELA) with a certificate of incorporation No 166353459 on 20th June 2023. Registered with Tanzania Revenue Authority with Taxpayer Identification Number (TIN) 166-353-459.

The nerve center of the business's operations is proposed at Nala Segu Industrial Area, Dodoma where the company's offices will be situated. The unit is strategically located in the center of the raw material procurement area, making it a suitable location for the establishment of the industry.

The selection of site has been done taking following Benefits:

- Easy Availability of Raw Material
- Abundant Availability of Boiler fuels from nearby stations
- Easy access to logistics
- Easy Availability of Skilled Manpower
- Easy Availability of Land for further Expansion
- Better Road Connectivity
- Easy Access to upcoming SGR for Rail Transport in future
- Availability of water

1.3 Business Plan and Objectives

Karibu Naturals Ltd will be participating in an exciting and growing food processing sector. Food processing industries have seen explosive growth in Tanzania in the last decade. It is one of the fastest growing sectors in Tanzania.

The business plan is to process and manufacture food and livestock products that will be used for both human and animal consumption throughout the country along with exploring a wide export potential for these products. The aim is to make the production and processing of vegetable oils and animal feed more efficient and valuable asset. Agricultural being back born of Tanzania's economic sector, a product that is produced locally will increase sustainability and finally increase the country's potential to become self-reliant.

The business plan also hopes to create room in the market, for these products, in order to supply to the neighboring countries in the region, which would help to increase business relations within East Africa. Moreover, there is wide export potential for these products which will help in earning valuable Forex reserve for Tanzania.

(a) Objectives

1. To make KARIBU NATURALS LTD a leading food processing industry for processing edible vegetable oils and manufacturing other value addition products like livestock feed, soaps and lotions.
2. The company aims to achieve manufacturing excellence by optimizing production processes and ensuring consistent product quality.
3. To foster product innovation and development, exploring new product formulations and applications to meet evolving customer needs.
4. Regulatory compliance and safety are prioritized to ensure adherence to environmental standards, occupational health, and product quality regulations.
5. The company is committed to sustainability and environmental responsibility, implementing eco-friendly manufacturing practices and waste management strategies.
6. Customer satisfaction and relationship management are key objectives, focusing on delivering quality products, providing excellent customer service, and building strong partnerships.
7. Market expansion and sustainable growth are pursued through market diversification, geographical expansion, and exploring new customer segments.
8. Talent development and employee engagement initiatives are implemented to attract and retain skilled professionals, fostering a motivated and skilled workforce.

(b) Mission

KARIBU NATURALS LTD is dedicated to providing products that combine quality with value pricing. We wish to establish a successful partnership with our customers, our employees, and our suppliers that respect the interests and goals of each party.

Constantly striving to supply what the consumer is asking for, we will continually review what is available in the market place, and what isn't. Improving on what is available and providing new products and services to the areas of need will help ensure our success in a market driven by consumer demand.

Success will ultimately be measured by our customers choosing us because of their belief in our ability to meet or exceed their expectations of price, service, and selection.

(c) Keys to Success

To succeed in this business, we will endeavor to:

- Be an active member of the community
- Deliver our products promptly.
- Work with our customers on a personal level.

1.4 Justification for venturing into this sector

The company saw it prudent to process vegetable oilseeds and related products and produce vegetable oils, other products for human consumption and livestock needs and sell to the customers, a business which is currently considered to have a huge income opportunity, simply by manufacturing quality products as the demand these products is already there and will be increasing in the near future.

We conceived this business idea in the background of the survey with respect to two things, which are availability of raw material and the market, after analyzing the market and determining some of the key factors such as industrial issues, market structure, market size, market capacity, attainable market shares, cost structure, core economies, time to break even, opportunity costs and barriers to the entry. The truth is, it is very simple and easy to do business around which do not require very big financial capital to start with but require technical expertise with qualitative advantage and good idea of forward and backward integration.

The idea of venturing into the production of the edible oil business has been prompted by various factors including and not limited to:

- There is deficit of edible oil in Tanzania as domestic supply falls short of local demand and around 60% of the total edible oil is imported. This provides an opportunity for establishing this venture where value can be added to local available raw material to reduce this demand deficit and simultaneously exploring export market potential for earning valuable forex reserve for Tanzania.
- Processing and manufacturing of edible oil is one way with a very quick turnover, this will drive growth and productivity in Tanzania because the product will be sold at competitive prices than the similar imported ones.
- The currently opened window of opportunity by the Government, which encourages local people to invest and participate in various businesses including processing, packaging, distribution, and supply of high-quality oilseeds products which is one of the lead sectors of the economy has appealed Karibu Naturals Limited to venture into it through agro processing plant thus adding value to the secondary agriculture.
- The project will provide employment opportunities and promote income generation activities to various participants in the whole chain of operation in the edible oil plant.
- The proposed business is therefore economically and socially relevant to the current government drive towards poverty alleviation and employment schemes.
- Prices and margins are attractive and there is potential for earnings increase after operational overhead on sales.

- The major existing competitors are a few local and small-scale producers and medium size importers who have limited space and capital finance with unhygienic situations respectively. Hence Karibu Naturals Limited as a medium-sized company with a new approach to processing the oilseeds and produce edible oil will increase sales and withstand competition by operational efficiency.
- The management has enough experience in carrying out various business also has been trained and know what is required by the industry.

It led to the conclusion to process vegetable oilseeds and producing vegetable edible oils for human consumption along with other value-added products like soaps, lotions and livestock feed for animal needs and selling to the customers is feasible in Tanzania in view of high demand for these products as local population is growing rapidly and there is huge export potential for these products.

The business is also founded on the idea that maintaining satisfied customers is essential to the financial health of the organization. With this in mind, KARIBU NATURALS LTD will be working hard to ensure that all of their customer's expectations are exceeded in all transactions.

2. THE ORGANIZATION

KARIBU NATURALS LTD is being promoted by the well experienced team, who are Indian nationals. The Directors and other shareholders possess good academic qualifications and have wide managerial experience. They have been operating various businesses in the food processing industries for more than fifteen years now. The management is from a dynamic hard-working business background who in their life history has never been tried for whatever business misconduct.

Being a part of vibrant, reliable, and trustworthy company, during this period of managing food processing business, the promoters of Karibu Naturals Limited will enjoy profit and a higher reputation, the thing that we believe is due to hard work with total dedication to the business.

Authorized Share Capital:

The authorized share capital of the company is Tanzania Shillings 5,000,000,000 divided into 500,000 ordinary shares each of Tanzania Shillings 10,000, with the powers for the company to increase the capital.

Capital structure

The Shareholders of the company are:

1. Varun Goyal, of India holding 7,500 shares
2. Omkar Bansal, of India, holding 6,250 shares
3. Deepanshu Bansal, of India holding 6,250 shares
- 4 Himani Rajiv Kumar Garg, of India holding 16,500 shares
5. Arun Goyal, of India holding 7,500 shares
6. Ramesh Goyal, of India holding 6,000 shares

3. BUSINESS DESCRIPTIONS

3.1 BUSINESS SUMMARY

The company will be engaged into the business of extraction, refining of vegetable oils from vegetable oilseeds and manufacturing of value addition products like soaps, lotions , animal feeds from byproducts etc.

3.2 INDUSTRY ANALYSIS

According to the market report, the future of the food processing market looks promising with opportunities in beverage, dairy, meat & poultry, convenience food & snacks, fruits & vegetables, seafood industries and particularly vegetable oils category. Emerging trends, which have a direct impact on the dynamics of the industry, include the development of food processing technologies that reduce detrimental changes in food and maintain the nutritional value. The food processing industry has created a significant quantity and range of foodstuffs, as well as created jobs and improving people's economic status.

3.3 RAW MATERIALS

- **Rice Bran**

Rice Bran is the main raw material for the manufacturing of Rice Bran oil. Rice bran is by-product of rice mills, as rice bran is outer layer of un-polished rice after the de-husking of paddy in rice mills. So, Rice bran is produced during whitening of rice (removal of brown layer from rice), which is around 8 to 10 % of rice. The company is situated in the center zone of the country with a hub of many rice mills in the nearby administrative divisions.

Also, location is well connected with roads, so transportation of raw material will be done easily from place of suppliers.

- **Sunflower Seeds & Cake:**

Sunflower seeds and cake are the main raw material for the manufacturing of Sunflower oil. Sunflower seeds contain 34-40 % oil and cake contain around 10-12% oil and remaining as De-oiled cake. Sunflower cake, also known as sunflower meal or sunflower seed residue, is a byproduct obtained during the extraction of sunflower oil from sunflower seeds. It is a valuable agricultural product that finds various applications in animal feed and organic fertilizer production. Here are some key details about sunflower cake:



Composition: Sunflower cake is a rich source of proteins, fats, and carbohydrates. The exact composition may vary depending on factors such as the quality of sunflower seeds and the extraction process. On average, sunflower cake contains approximately:

Protein: Sunflower cake typically contains 30-40% protein, making it a valuable protein source of animal feed.

Fats and Oils: Sunflower cake retains a small amount of residual oil, usually around 10-12%.

Fiber: It contains dietary fibre that aids in digestion and contributes to the overall nutritional profile.

Applications:

Animal Feed: Sunflower cake is commonly used as a protein-rich feed ingredient for livestock, poultry, and fish. Its high protein content, combined with essential amino acids, makes it a valuable component in formulating balanced animal feed. It provides nutrients necessary for growth, development, and reproduction in animals.

Organic Fertilizer: Sunflower cake is also utilized as an organic fertilizer due to its nutrient content. It serves as a slow-release fertilizer, providing essential nutrients such as nitrogen, phosphorus, and potassium, as well as micronutrients. When applied to the soil, it helps improve soil fertility, enhances microbial activity, and promotes healthy plant growth.

3.4 SOURCING

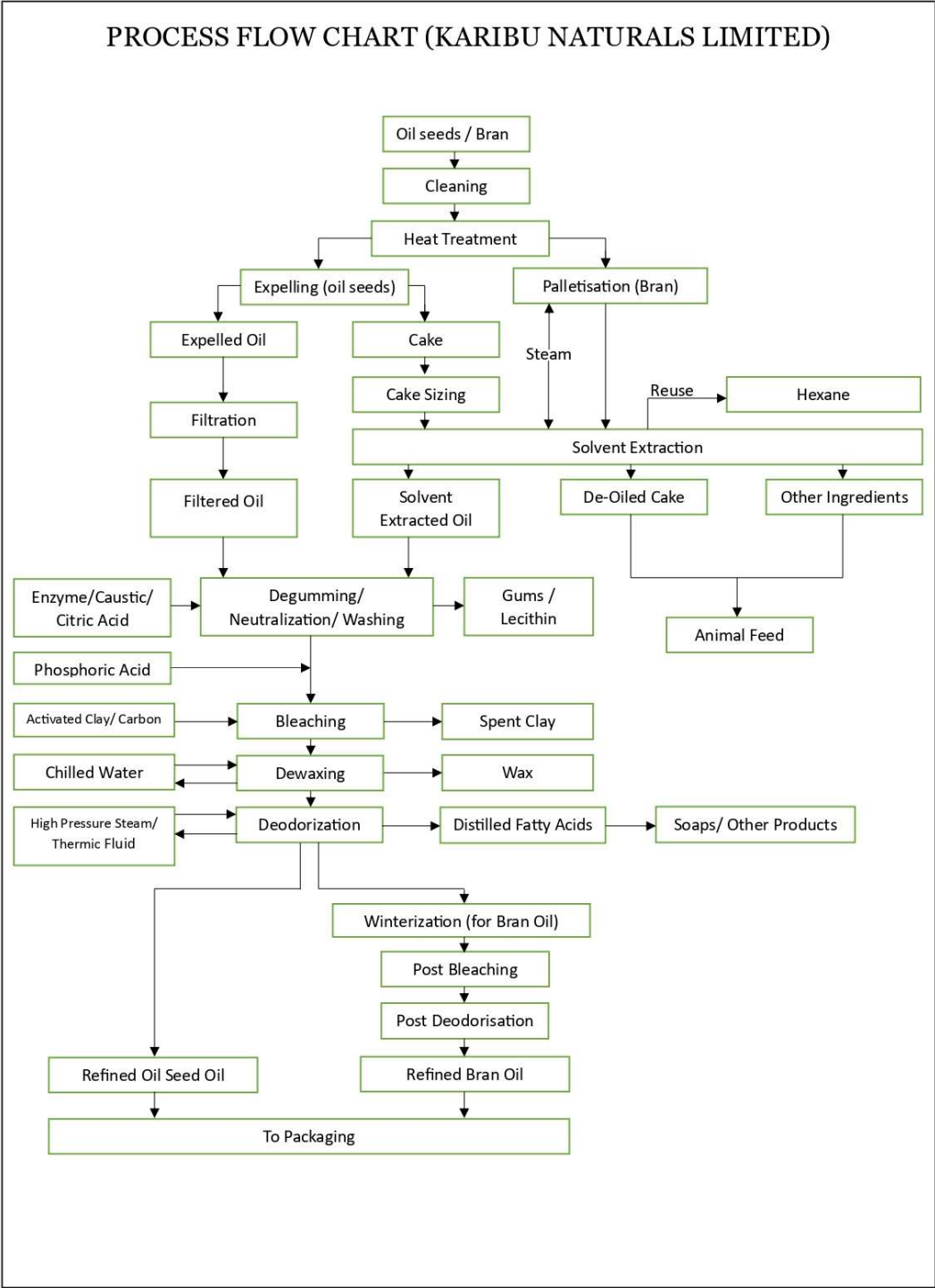
As agriculture is the one of the main sectors of Tanzanian economy and in that the contribution of the cash crops is huge. Farmers in the u grow a vast variety of crops like sunflower, rice, soyabeans, sesame, groundnut and maize etc which are a valuable potential source for vegetable oil extraction. Currently we will be focusing on the prospects of exploring rice bran and sunflower mainly, apart from other oilseeds.

Because of our past work experience in manufacturing industry, we have a strategy to develop a vast number of supplier contacts and distributors within the manufacturing and food processing industry. This is an area that we feel will enjoy a distinct advantage over much of our competition. We intent to have a good, long-term, solid relationships with many of these vendors which, in many cases, will allow us to achieve decreased cost-of-goods and/or additional terms.

We will purchase our inventory from both regional traders and direct from the farmers. We will use the regional traders more initially because of their ability to service us faster. This will lower our margins slightly; however, we feel that the upside will be that it will allow us to turn our inventory faster. As our sales volume increases, we will shift our buying patterns and along with traders will purchase more of our inventory direct, which will result in increased profits.

3.5 MANUFACTURING PROCESS

The process flow is depicted by the flow chart attached as below:



3.6 PRODUCTS

KARIBU NATURALS LTD will sell its food products to the different customers both in the domestic and export market. We will assist our customers in selecting the best parts for their application at a price that meets or exceeds their expectations. In the event of a problem, we will be there to assist and counsel the customer to a speedy solution.

Product Description

These products will include mainly vegetable edible oils and livestock feed, other value added products like soaps and lotions from byproducts etc.

3.7 MARKET ANALYSIS

Edible oil processing business enjoys a steady growth in the market. While there is not much research data/information on market share or growth rate of customers, but private research undertaken by our team indicate that demand for the cooking oil business is currently very high and is growing every day. However, the government has been strategizing with the view to increasing local production of sunflower, rice, soyabeans, olives and palm oil seeds (raw materials) so as to reduce dependence on import and control price fluctuations.

3.8 COMPETITIVE COMPARISON

There is no doubt that we will compete against the large outfits than against any small local suppliers. Within our niche of qualitative advantage, we only have few significant competitors that use old conventional technologies, which should give us an edge in that respect. We have good observations that quality conscious and educated customers would rather pay more for a long-term relationship with a company providing quality service and support. Moreover, availability is of utmost importance. The buyer tends to prefer immediate, cost effective and local products to meet their needs. In general, our competition is not in our targeted portion of the market.

However, in order to be competitive in the production of edible oil, we will engage the following key strategies: -

3.8.1 Rely on highly competitive price compared to the existing. And again, strive to control operational costs in terms of labour, materials, overheads and selling expenses, in order to guarantee and ensure sufficient profit.

3.8.2 Deliver promptly supplies in order to satisfy customer requirements.

3.8.3 Undertake serious promotional efforts through personal contacts, sales promotions in house delivery, provide credit sales to credit worth consumers and give sales discounts to major customers.

3.8.4 Extensive uses of existing transport agents because they have already established network with customers and sales channels in the market.

3.9 TARGET MARKET AND SALES DISTRIBUTION STRATEGY

To drive sales initially, KARIBU NATURALS LTD will utilize an established supply chain. This chain will cover the local distributors, retailers and direct consumers apart from exploring the huge export market potential. We will target individual customers, distributors, youth groups and small-scale traders who buy edible oil throughout the country at a reasonable price for cooking oil and at affordable by being reliable and of good quality for domestic uses. However, in long term our target market is the Direct Consumer.

After much research, we found that there is a need to educate the consumer about the quality and health benefits of different oils that closely resemble the needs of the consumer, on which we will be focusing upon. For this various marketing tools will be used like advertisements, print literature like product catalogues, pamphlets, conferences, seminars etc. will be used.

These marketing tools will be used on an as-needed basis. These will primarily showcase qualitative advantage of the new products and/or will be used to advertise special sales promotions. This will not only help in developing a space for the products of the company in the already established but also to create new opportunities for the product.

3.10 PRICING STRATEGY

Our customers are especially sensitive to value. We must ensure that our price and service are perceived to be a good value to the customers. The company intends to use penetration pricing model. We plan to set our pricing based on competitors' pricing. Prices will also be based on market prices for similar off-the-shelf products.

Therefore, our pricing strategy is to be competitive within the various product categories, but not to rely on the selling price to overshadow the other advantages of doing business with our company. We will sell ourselves on the basis of a diverse line of quality products, that are readily available, reasonably priced, and backed up by our extraordinary customer service.

3.11 FUTURE PRODUCTS

We intend to remain on top following new products and trends. The most important factor in developing future products is market need. Our understanding of the needs in our market niche is one of our competitive advantages.

3.12 MARKETING STRATEGY

We have designed suitable marketing strategies and planned logistics in order to sell our products in an efficient and competitive manner. The retail marketing strategy of KARIBU NATURALS LTD centers on creating a corporate identity that clearly defines our market niche in terms that benefit our customer. Our strategy is based on serving the end customers well.

According to projections, consumer consumption expenditure levels in the food industry in Tanzania will increase significantly over the next five-ten years, owing to rising incomes, urbanization, and shifting consumer attitudes toward conveniently processed and qualitative food items. More domestic, regional, and global players, as well as private equity firms and other stakeholders, are likely to come into the country in the near future thereby expanding the educative consumer base.

3.13 SALES FORECAST

KARIBU NATURALS LTD we are projecting to make sales that will exceed VAT registration threshold as stipulated by VAT regulation 14 of 2015 as per projected sales of more than nineteen billion after the first year of operation, which will grow steadily for the next five years.

3.14 SOCIAL MESSAGE FROM THE COMPANY:

We are dedicated to not only providing high-quality solvent products but also making a positive impact on society. We believe in sustainable practices, environmental stewardship, and community engagement. Our commitment extends beyond business goals to embrace social responsibility.

Through our eco-friendly manufacturing processes, we strive to minimize our carbon footprint and preserve natural resources. We actively invest in research and development to develop innovative and sustainable solutions that contribute to a greener future. We prioritize the well-being and safety of our employees and work tirelessly to create a workplace that fosters growth, diversity, and inclusivity.

Beyond our operations, we actively participate in community initiatives, supporting local charities, educational programs, and environmental conservation efforts. We believe in empowering communities and helping them thrive. At Karibu Naturals Limited, we understand that true success is not just measured in financial terms but also by the positive impact we make on society. We are committed to being a responsible corporate citizen, contributing to a sustainable world and improving the lives of people we touch.

Together, let's build a brighter future for generations to come.

4. MANAGEMENT TEAM AND COMPANY STRUCTURE

4.1 INTRODUCTION

This chapter provides the description on the organization structure of the business, the chapter also explains on the powers, roles and responsibilities of various stakeholders of the company.

4.2 MANAGEMENT TEAM BACKGROUND

The business will be managed by directors, who have wide experience of operating an industry. Given their experience in the industry, directors have not only had the desire to succeed, but also brings a wealth of knowledge and experience to the KARIBU NATURALS LTD team. They have nearly 10 years of combined experience. The company look forward to employ to a vast workforce both skilled and unskilled to manage the day-to-day operations.

4.3 ROLES AND RESPONSIBILITIES OF MEMBERS OF THE ORGANIZATION

Top Management

- Communicate the vision, mission and objectives of the business to workers of the organization
- Recruit and hire competent staffs to ensure efficient job is done
- Receive and analyze information received from the employees and the customer.
- Periodically coordinate to prepare financial statements for the business.
- Hire adequate sales person to aid in sales activities in all verticals.
- Oversee day to day activities

Second Horizontal

- Receive and process customer orders timely, accurately and efficiently
- Records day to day activities in the books of business
- Communicate concerns and information to immediate senior as well as the subordinate as seen appropriate.
- Receive orders from the manager and act as the manager's delegate in some situations.
- Prepare for events which will take place at the place of business

Third Horizontal

- Receive, handle and store raw material and finished products in a safe organized manner
- Record movement of inventories.
- Communicate information to the manager as seen appropriate.
- Periodic assessment of facilities and equipment to ensure they are in good condition
- Ensure hygiene and safety of the workplace.

5. FINANCIALS

Following are the key financial projections for the project.

Investment & Re-Investment

Funds Deployment	TZS'000'
Land	240,025
Building	743,710
Plant & Machinery	5,261,900
Motor Vehicles	700,000
Office Furniture	59,070
Preliminary expenses	221,843
Working Capital	3,000,000
Total Investment Cost	10,226,548

Proposed Sources of Funds and Financing Arrangements TZS

The directors/shareholders shall be able to contribute TSH. 500,000,000/- as their equity contribution from their own sources, they propose to borrow the remaining amount through unsecured loans and local financial institutions.

Description	Sponsor	%
Equity /Assets (After reinvestment)	5,273,025,976	51.56%
Working Capital	3,000,000,000	29.34%
Long-Term Loan	1,953,522,024	16.16%
TOTAL	10,226,548,000	100%

Liquidity

The project shall enjoy very sound liquidity throughout its lifespan. The project is in the mobilization process and machinery will be ordered after receiving Certificate of Incentive from TIC. The Expected earnings will be reinvested in procurement and installation of new heavy machinery, vehicles, furniture in all five years of operations, thus providing ample liquidity for the project.

Profitability

Upon knocking all, the company will remain steady on accumulated TSH. 270 M from the first year of operation to TSH. 1.48 B in fifth year. See the appendices on the attached spreadsheets.

A. FINANCIAL PROJECTION

FINANCIAL PROJECTIONS/PLAN AND ANALYSIS

The key facts considered in preparing the projection cash flow statement to ascertain the feasibility of the business include the following:

a. Investment and costing:

Oilseeds/Cake/Bran from farmers 51,000 tons for initial year.

Capital investment @ TSH 2.07 B for initial year and TSHs 7.22 B during project implementation in 5 years.

b. Production capacity of edible oil per year:

The factory can produce an average of 20,000 tons of oil per year.

• Administration Cost:

- Business License
- Communication Expenses
- Cleaning Expenses
- Salaries and Wages
- Security
- Fuel & Lubricants
- Packaging Materials
- Fixtures & Fitting
- Transport Cost
- Loading & Offloading
- Pallets
- Pension
- Permit & Visa
- Electricity
- Water
- Printing & stationery

Total Additional Cost

• Other Charges

- Directors Allowances
- Other Expenses
- Bank Charges
- Interest on Borrowing

- The volume of the business is assumed to increase each year depending on the demand.
- Wages are paid based on the Production and Sales income in the business year.
- The production of the edible oil plant promises a healthy cash position which will enable the company to honor its financial obligations.

CONCLUSION AND RECOMMENDATION:

Based on the above analysis and observation, it is hereby concluded and recommended as follows;

- i. **Karibu Naturals Limited** to pursue the planned objectives since they are economically and financially sound.
- ii. The projected production of edible oils and other value added products like soaps, lotions and livestock feed from byproducts should be undertaken as scheduled since they have a positive impact on entrepreneurship development and to customers and to the general public as well as leading to a feasible business that generates revenue that results in surplus funds.
- iii. The sale proceeds from the production of edible oil business appear to be a very sustainable source of profit. It is recommended that Karibu Naturals Limited can source funds from any financing institution for the purpose of putting in place this plan for implementation.

KARIBU NATURALS LIMITED**P. O. BOX 2613 DODOMA****Appendix i****Investment & Re-Investment****Currency TZS "000"**

Investment Plan	Year 0 to 1	Year 2	Year 3	Year 4	Year 5
Land	240,025	-	-	-	-
Buildings	275,760	148,550	129,400	100,000	90,000
Plant & Machinery	1,173,300	1,218,600	1,190,000	980,000	700,000
Motor Vehicles	298,300	151,700	150,000	100,000	-
Furniture & Equipment	29,070	30,000	-	-	-
Preliminary Expenses	56,035	50,008	55,800	40,000	20,000
Working capital	3,000,000	-	-	-	-
Total Investments	5,072,490	1,598,858	1,525,200	1,220,000	810,000

Capitalization

Fixed assets	7,004,705
Pre-Operational Expenses	221,843
Working Capital	3,000,000
Initial total assets	10,226,548

FORECAST ACCOUNT NO. I**ECONOMIC DEPRECIATION SCHEDULE****AND AMORTIZATION TZS '000"**

ITEM / YEAR	Initial assets	RATE	1	2	3	4	5
Land	240,025	0	-	-	-	-	-
Buildings	275,760	5.0%	13,788	20,526	25,970	29,671	32,688
Plant & Machinery	1,173,300	12.5%	146,662	280,655	394,323	467,532	496,591
Motor Vehicles	298,300	25.0%	74,575	93,856	107,892	105,919	79,439
Furniture & Equipment	29,070	12.5%	3,634	6,930	6,063	5,305	4,642
Preliminary Expenses	56,035	-	-	-	-	-	-
Working capital	3,000,000	-	-	-	-	-	-
TOTAL FIXED ASSETS	5,072,490		238,659	401,697	534,248	608,428	613,360
ACCUM DEPRECIATION	-	-	238,659	640,356	1,174,604	1,783,032	2,396,393

FORECAST ACCOUNT NO. II**PROJECTED INCOME & LOSS STATEMENT TZS '000"**

ITEM	YEAR	0	1	2	3	4	5
Sales			19,719,450	23,545,935	30,473,822	43,565,764	46,109,863
Total Sales			19,719,450	23,545,935	30,473,822	43,565,764	46,109,863
Less: Direct Costs			18,629,400	21,639,860	27,923,546	40,504,503	42,730,965
Margin Contribution			1,090,050	1,906,065	2,550,277	3,061,261	3,378,898
Percentage			5.53%	8.10%	8.37%	7.03%	7.33%
Less:							
OPERATING OVERHEADS							
Administrative			109,819	131,783	158,139	173,953	191,349
Personnel			85,812	102,974	123,569	148,283	177,940
Pension			8,581	10,297	12,357	14,828	17,794
Total Operating Overheads			204,212	245,055	294,066	337,065	387,082
CAPITAL CHARGES							
Interest Long-Term loan			125,760	125,760	125,760	125,760	125,760
Interest Short Term			135,000	135,000	135,000	135,000	135,000
Economic Depreciation			238,659	401,967	534,248	608,428	613,360
Total Capital charges			499,419	662,727	795,008	869,188	874,120
Total Overheads			703,631	907,782	1,089,074	1,206,253	1,261,202
NET PROFIT BEFORE TAX			386,419	998,284	1,461,203	1,855,008	2,117,695
TAXATION			115,926	299,485	438,361	556,502	635,309
NET PROFIT AFTER TAX			270,493	698,799	1,022,842	1,298,506	1,482,387
RETAINED EARNINGS.			270,493	969,292	1,992,134	3,290,640	4,773,027

Expected Production Cost

Notes to Review Workings

	Units	Units	
Production of edible oil		Per Month	Per Annum
Expected Production		1,500	9,000
<i>Production Cost</i>		TZS ('000)	TZS ('000)
Raw Materials		1,420,000	17,040,000
Power and Fuel		162,900	977,400
Labour		51,000	306,000
Packaging and other Materials		51,000	306,000
Insurance @ 2%		-	-
Total Production Cost		1,684,900	18,629,400

One month's production shall be sold the following month and cash is expected that same month.
The selling price per unit varies for different type of oil varying around TSH 1300 TO 3500.
Cash in-flow shall therefore be projected as this:

	Year 1	Year 2	Year 3	Year 4	Year 5
	TZS ('000)	TZS ('000)	TZS ('000)	TZS ('000)	TZS ('000)
Credit Sales	19,719,450	23,545,935	30,473,822	43,565,764	46,109,863