

BUSINESS PLAN

TO SUPPORT A BANK CREDIT APPLICATION



CLIENT:

ANRIC GAS TECHNOLOGY TANZANIA COMPANY LIMITED

P.O. BOX 77819

DAR ES SALAAM.

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1 EXECUTIVE SUMMARY

1.1 Business Profile

1.1.1 Name: **ANRIC GAS TECHNOLOGY TANZANIA COMPANY LIMITED**

1.1.2 Ownership Type: Private Limited Liability Company

1.1.3 Nature of Business: Manufacturing of Gas and Distribution of Gaseous Fuel

1.1.4 Head Office: Plot NO.98 -Sandal Street, Tazara

1.1.5 Registration: Certificate of incorporation, TIN & Business License

1.1.6 Bankers: EQUITY BANK

1.2 Finance Purpose: Investment & Working Capital.

1.3 Financing Plan:

1.3.1 Financing: Debt and Equity

1.3.2 Bank Facility Size: Term Loan: TZS 11.1 Billion

1.3.2 Recovery Terms: Payable over 60 months

1.3.2 Sources of Repayments: Business Sales proceeds.

1.3.3 Collateral: Legal Mortgage.

1.4 Prior years Financial Highlights:

Financial highlights for selected indicators:

The above analysis indicates the **business's financial performance** and reflects the following:

- The business is liquid and can cover immediate obligations, referring to current and quick ratios.
- The business runs profitably and can accommodate obligations from the Bank through profit made, referring to the net profit margin.
- The business is financially stable, the reliance on external financing is reasonable referring to prior years gearing ratio.
- Efficient management of receivables and payables referring to average collection period and days in creditors.

Owing to its solid financial position, its positive cash flow forecasts as well as its future expansion plans, the business wishes to be considered favorably for the applied facility to support its expansion and in a way contribute to the enhancement of the country's economy at large.

1.5 The Way Forward

The company aspires to be one of the leading gas manufacturers and distributors in the country, through driving the business to prosper and continue to grow in providing service, profitability and build a magnificent reputation in the business. The business's uniqueness is reflected in the experience and professionalism of the director and his team who have earned customers' trust over the years of operation.

1.6 Mission

To develop domestic natural gas resources and use advanced, reliable and economical technology to provide transportation industry and residents with clean, environmental-friendly and cost-effective natural gas solutions in Tanzania and neighboring countries.

1.7 Vision

To make natural gas affordably near all users and promote natural gas technology to drive better life within Tanzania and neighboring countries.

Company values.

- Integrity
- Innovation and Progress
- Team work and collaboration.
- Concentration
- Passion

1.8 Objectives

Anric Gas Technology Tanzania Company limited bases its success on meeting the following objectives:

- To maintain high quality standards, delivering the best service.
- To use the applied loan to invest and increase the business`s working capital in anticipation to multiply output capacity and generate more cash for re-investment in-line with meeting day to day business obligations and the repayment of loan installments.
- To continue to increase and build valuable and reliable human resources.
- To always make use of the latest marketing techniques, such as promoting products through social media like Facebook, Instagram, WhatsApp and the like.
- To make use of technological systems deployments to enhance good customer service.
- To monitor and anticipate socio-economic and corporate changes with special reference to oil, gas and energy worldwide, in order to position ourselves strategically where we are easily accessible and where there are abundant business opportunities.

2 ABOUT THE BUSINESS

2.1 Nature of Business

ANRIC GAS TECHNOLOGY TANZANIA COMPANY LIMITED is a company limited by shares with a certificate of incorporation no 139157516, established in May 2019. Currently the company's principal place of business is located at Temeke Dar es salaam. The company's technical team has participated in the natural gas market in China for more than 15 years. We have ample experience in natural gas mid and downstream market. We are currently one of the bigger players in Tanzania with the ability to develop the entire natural gas industry chain.

The company has specialized in conversion of vehicles and refueling of natural gas. Currently the company has only one filling station and one conversion center with a storage capacity of 1500 kg. The company has the capacity to convert 10 vehicles per day but the current demand is 6 vehicles, also has the capacity to refill about 100 vehicles per day. Thus, we wish to expand to Mkuranga, where we have already secured a plot near the TPDC pipe, the only obstacle remaining is securing a permit. Mkuranga Station will be the mother station, and daughter stations will be built after every 800kms, one from Mkuranga to Tunduma border, the second from Mkuranga to Arusha and the third from Mkuranga to Central zone. The daughter stations will mainly be used for storage and refueling, while the mother station will be the main conversion center. If the new stations are successfully established, the Company's new servicing capacity will be 800 vehicles per day.

Natural Gas vehicles produce up to 90% fewer emissions than gasoline or diesel and reduce greenhouse gases 15-20% over diesel and gasoline. According to the existing classification of combustible substances, natural gas is the safest type of fuel. The Company currently uses compressed natural gas (CNG). It wishes to acquire a processing plant so as to expand its distribution network. The processing plant will now be used to generate CNG for small vehicles and LNG for large trucks. The use of Liquefied Natural Gas (LNG) in transport is a suitable option to power large long-distance trucks in areas on the other hand LNG is cheaper than diesel fuel hence cost-effective solution. With LNG one can save up to around 50% of the normal fuel cost. The use of gas fuel reduces shock loads on details of an internal combustion engine; as a result, engine work becomes less noisy. Moreover, during the combustion of gaseous fuel there is

practically no carbon formation in the combustion chamber; the rate of combustion of the gas-air medium is less than that of the vapor-air, therefore, shock loads on the parts of the cylinder-piston group are lower; engine operation is less noisy.

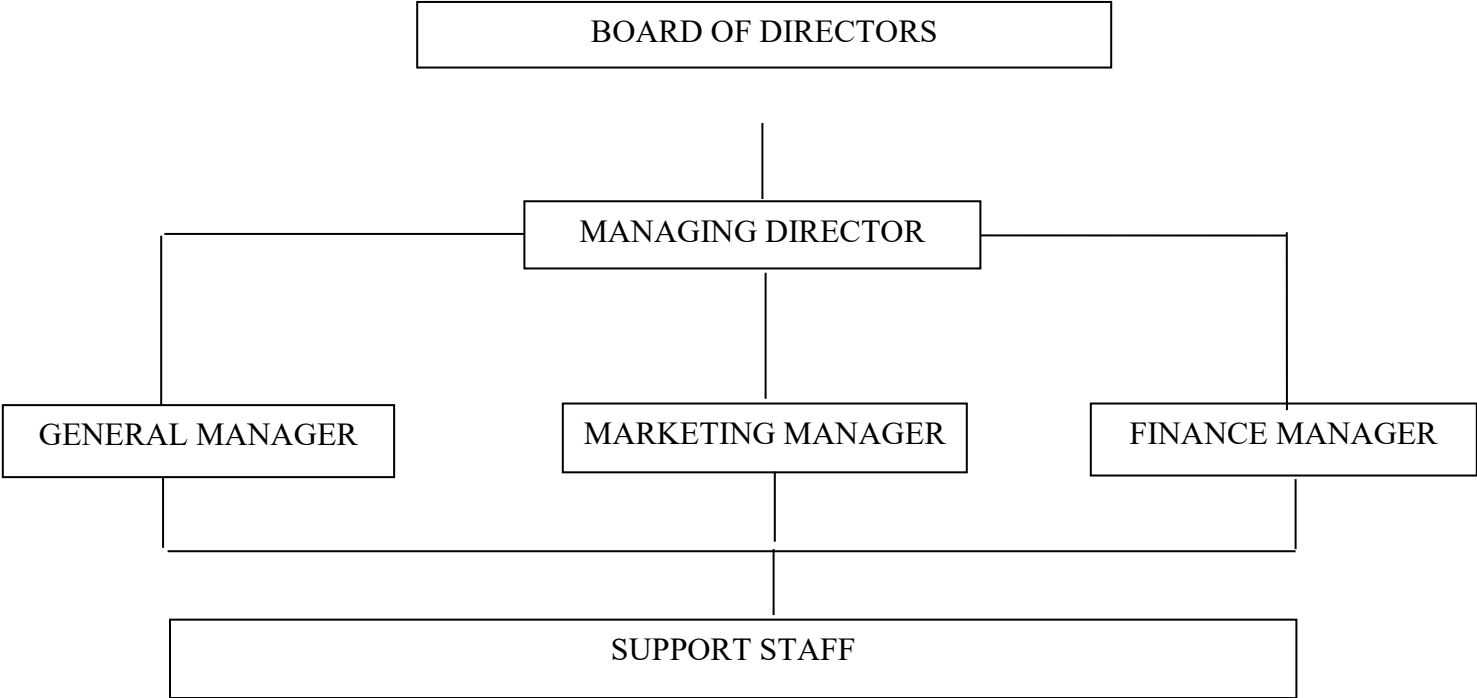
This business plan is developed to support a bank credit financing amounting to TZS 11.1 Billion, for the purpose of expanding business operations to match the increasing demand.

2.2 Ownership and Management

2.2.1 Ownership

Mr. WENJIE GUO is the founder and Managing Director of Anric Gas Technology. He currently owns 34% of the company and the remaining 66% of shares are owned by the remaining shareholders.

2.2.2 Management organization structure



The Key Staff

The Company Currently consists of 15 key staffs categorized as follows:

- 2 Engineers
- 6 Technicians
- 5 Dispenser Operator
- 1 reception manager
- 1 marketing manager

2.3 Location

The company's head office is located at Plot NO.98 -Sandal Street, Tazara-Temeke, Dar es Salaam.

2.4 Company Safety Principal

- To put safety as a first priority in all their business activities.
- To comply with health and safety regulations.
- To strive to follow international standards and to uphold the company operating procedures.

2.5 Expansion Plan and Finance required

As mentioned before, the company is set to establish a new processing plant which will be generating CNG and LNG. As such, the following undertakings will need to be acquired for the expansion.

➤ Mkuranga 2-acre plot

The company is in the process of acquiring a plot in Mkuranga which is situated near TPDC pipe. As such, it is imperative that the company obtains a permit to connect the pipe directly to the plot. This will be termed as the mother station used for conversion of trucks.

➤ **Daughter stations after every 800 kms**

These are each to be built from Mkuranga to Tunduma border, Mkuranga to Arusha and from Mkuranga to Central zone thus making a total of 3 stations. The stations are to be used for storage and refueling of trucks.

➤ **Kunduchi Project**

The company has received a letter of interest to supply gas in living quarters of police in Kunduchi. The gas supply will be for domestic use.

2.6 Implementation Schedule

S/N	ACTIVITY	DURATION
1	Acquiring land	Already acquired
2	Importation of plant	30 Days
3	Securing Plant Permit	30-60 Days
4	Construction phase i. Construction of office building ii. Plant installation	30 Days

2.7 Sources of Inputs

The project will receive its supplies mainly from government owned entities as follows.

INPUT	SUPPLIER
GAS	TPDC

3 INDUSTRY & MARKET OVERVIEWS

3.1 Sector Brief & Background

Tanzania is a major producer of natural gas and has been exporting the product for more than 50 years. The first natural gas discovery in Tanzania was Songo Songo Island (Lindi Region) followed by Mnazi Bay (Mtwara Region). Tanzania has 842 kilometers (km) of gas transmission pipelines, of which 58 km is utilized for industrial customers in Dar es Salaam. The discovered natural gas reserves amount to 57.54 trillion standard cubic feet (TCF) according to the Ministry of Energy data (December 2017).

TPDC has been the sole license holder for upstream operations since it was established in 1980. In 2009, TPDC formed the Commercial Petroleum Company of Tanzania (COPEC) as its subsidiary to engage in downstream activities, COPEC was changed to TANOIL in 2015 when it became operational. GASCO is another TPDC's subsidiary in the mid-stream and downstream. It operates and maintains two natural gas plants at Songo Songo and Madimba, two natural gas receiving stations at Somanga Fungu in Lindi and Kinyerezi in Dar Es Salaam, as well as the pipeline from Mtwara to Dar Es Salaam. TPDC is also involved in the East Africa Crude Oil Pipeline Project (EACOP). A \$3.5 billion project whereby the longest heated oil pipeline will be constructed between Uganda and Tanzania. Uganda and Tanzania are now negotiating a host government agreement (HGA) with a consortium of International Oil Companies developing the Uganda oil reserves.

In 2011, the Ministry of Energy produced a market study projecting gas demand for industry use by 2016 to be at 0.076 TCF. This makes a total natural gas demand of 3.6 TCF from 2016 to 2045. The natural gas utilization master plan assumed demand for gas for light industries will grow at 3% annually. According to the National Bureau of Statistics (NBS), Tanzania has about 9,000,000 households with household size of 5 people or more. It is estimated that from 2016- 2045 the population will grow by 1.95% per year. It is expected that by 2045 10% of the households will be supplied with gas. This makes a demand of 0.5 TCF for 30 years. Immediate opportunities are in supplying domestic gas using the current infrastructure. Vehicles registered between 2004 to

2014, 60% use petrol as fuel which have the potential to be converted into compressed natural gas vehicles (CNGV).

Following the large of natural gas discovery in the deep water, the government and the natural gas operating companies have decided to invest in a huge natural gas production in order to bring more productivity to the nation and its people. The country has achieved to gain the following benefits from the use of natural gas in different areas.

➤ Electricity sector

Electricity sector started using natural gas since July 2004, so far 625.5MW is produced in the country using the using natural gas. Approximately more than the US \$4.4 billion, equivalent to Tshs 7 trillion, has been saved using the natural gas power supply from July 2004 to March 2016 (Ministry of Energy and Minerals, 2017).

➤ Industrial sector

About 42 industries have already been linked to natural gas infrastructure (Ministry of Energy and Minerals, 2017). Statistics show that 42 factories using natural gas have reduced energy costs to more than the US \$400 million, equivalent to Tshs. 640 billion, compared to whether they would use oil in their operating systems for the period from July 2004 to December 2015.

➤ Transport sector

According to research conducted in 2018, 40 cars had been set up for the use of natural gas as a sample. The system was used in conjunction with the existing fuel system (Peng and Poudineh, 2017). For the period from May 2011 to March 2013, the vehicles had spent a value of Tshs. 22.88 million. For the same period, the vehicles could use fuel worth Tshs. 46.2 million. Thus, the savings saved by 40 cars using natural gas instead of petroleum for the period amounted to Tshs. 23.32 million.

3.2 Market Analysis

This section sets out product description, market analysis, marketing strategy, pricing strategy and competition analysis. Attention will be given to the Natural Gas Industry locally.

3.2.1 Products/Services

i. Transportation

We install a gas system on the car, so that the vehicle can use both gasoline and natural gas without affecting the original car system.

ii. Industry

We are suppliers and maintenance service provider of variety natural gas industrial requirements.

iii. Domestic Supply

We are suppliers and installers of domestic indoor CNG distribution pipes for natural gas to facilitate natural gas usage at homes i.e., apartments and also capable to provide this solution to organized single users. We supply natural gas stoves, heaters and storage cylinders at an affordable cost.

- Compressed Natural Gas refueling station
- Liquefied Natural Gas Processing plant

3.2.3 Branding & Marketing Strategy

The company `s Marketing strategy shall include the 4 P's of marketing by Michael Porter.

- ❖ **Product:** We have made sure that quality is the first and foremost factor in our products. We offer fuel made with the best technologies which has been proven to be highly efficient in vehicles, industrial machines and at domestic level. The products are the best in the industry and they meet National quality standards.
- ❖ **Price:** The company's pricing strategy is mainly cost-plus with due care to market forces. Very narrow margins are added to the business supplies in order to remain competitive and to attract more customers.

Our prices will be as follows:

Petrol cars conversion	TZS 1,900,000 per truck
Gas refilling	TZS 1,550 per kg
Truck conversion	TZS 30,160,000 per truck

- ❖ **Promotion:** The Company has focused on the following approaches in its promotional activities;
 - ✓ Building strong business relationships with regional bulk suppliers with the aim to become their customer.
 - ✓ Registering product brand in all potential markets to enhance recognition and market penetration.
- ❖ **Place:** About 3 stations are to be established to ensure our services reach more customers all over the country.

3.3 Competitive Advantages

Through management's vast experience in the natural gas industry, dealing with the transport sector, industrial sector and domestic sector has created the following competitive advantages;

- Experienced management team -, the team has been in business for over 15 years and they have taken on board people who have been in the natural gas businesses with the idea to leverage on the expertise of the existing team.
- Consumers are more likely to choose their goods or services much because the costs are lower, and the quality is better
- Assurance of safe services during vehicle conversion.
- Professional drivers that possess years of experience in the field.
- Abidance to the gas transportation rules and regulation as stipulated by the international standards.

3.4 Analysis of Strengths, Weaknesses, Opportunities and Threats

The table below presents the business's (SWOT) analysis

Strengths <ul style="list-style-type: none">• Established Infrastructures• Having own logistics facilities• Established brand name• Access to Finance• Strong distribution networks	Weakness <ul style="list-style-type: none">• Inadequacy of sufficient working capital.• High attrition rate in work force• Need more investment in new technology
Opportunities. <ul style="list-style-type: none">• Growth of population in urban areas and international market• Access to debt facilities• Favorable government policies• Experienced Management• Low inflation rate	Threats. <ul style="list-style-type: none">• Intense competition from other dealers• Changes in government policies

4 FINANCIAL PLAN & FORECASTS

This section describes the project's Total Investment & Budget requirements, Financing arrangement and financial projections.

4.1 Investment Plan and Budget

To achieve the plan, a capital investment of eighteen billion nine hundred twenty million three hundred thousand Shillings (TZS 18,920,300,000) plus working capital of four billion two hundred fifty-two million eighty thousand Shillings (TZS 4,252,080,000) is required. Breakdown for the total investment is as shown below;

S/N	ITEMS	AMOUNT
1	Plant Machine 70%	11,704,700,000
2	Plant Machine 30%	5,016,300,000
3	EWURA licencing fee - LNG PLANT - 1 Year	25,000,000
4	Licensing fee for 3 filling station @6m per station per year	18,000,000
5	NEMC certificate for 3 filling station @ 8M per station	24,000,000
6	Hauler Vehicles Logistic - Truck 3 – USD 100k each	649,300,000
7	Conversion Kit and lng cylinder for Diesel trucks 100 pc @ 10,000 USD per pc	2,330,000,000
8	Filling Stations - 3 - 350,000,000 Tzs	1,050,000,000
9	Construction for lng plant BOQ	300,000,000
10	Pipe construction from TPDC to Our site	200,000,000
11	Land rent for 3 filling station – 3 million per month x 12 months = 36 million per station per year	102,000,000
12	100 staff salary per month – 500,000 PER person - 6 months	300,000,000
13	CNG storage cylinder 150 pc (petrol) 280 USD per pc	98,280,000
14	CNG conversion kits 100 pc (petrol) 118 USD per pc	275,120,000
15	Port Charges - Dar es salaam	390,000,000
16	Shipping 20 containers - 8,000 usd per container	372,800,000
17	Loading & Unloading (in China) - 2,500 usd	116,500,000
18	Loading & Unloading (in Tanzania) - 2,500 usd	116,500,000
19	3 Chinese Technicians setup for 3 months	83,880,000
	TOTAL AMOUNT REQUIRED	23,172,380,000

4.2 Financial Arrangement

The Project is envisaged to be financed through debt and Equity, whereby the Investment Capital will be funded via Debt and Equity and Working capital will be financed by Equity. Debt facility will be executed at a cost of 15% on TZS annually.

FUND	ALLOCATION	AMOUNT	RATIO
Debt	Investment capital	11,097,390,000	48%
Equity	Investment capital	7,822,910,000	52%
	working capital	4,252,080,000	
TOTAL FINANCE		23,172,380,000	100%

4.3 Financial Projections

4.3.1 Assumptions

DIRECT COSTS

Cost of Raw Materials

Gas	750	Per kg
Conversion kit and Ing cylinder	23,200,000	per truck
Conversion kit and Ing cylinder	1,370,000	per other cars

Direct Costs

Direct labour cost	12,500,000	per month
Miscellaneous cost	3,450,000	per month

PRODUCTION OUTPUT (Per Day)

Converted cars	16	per day
Converted trucks	3	per day
Refilling Gas	76,000	Kgs per day
Production days per year	364	Days p.a

Production capacity utilization

Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
45%	60%	75%	85%	95%

REVENUES

Car conversion	Price	1,900,000	Per car
Gas Refilling	Price	1,550	per kg
Truck conversion	Price	30,160,000	per truck

4.3.2 Revenue and profitability

➤ **Income**

- **Selling price**

Car conversion	Price	1,900,000	Per car
Gas Refilling	Price	1,550	per kg
Truck conversion	Price	30,160,000	per truck

➤ **Profitability ratios**

- Average gross profit is expected at 34%
- Average Net profit after tax is envisaged at 6%

4.3.3 Projected statement of financial Performance

In the first five years of the project, revenue is expected to be growing by an average of 15% annually for five years due to yearly increase capacity utilization. Operating expenses are projected to be covered by at least 6-7% of total revenues yearly as detailed below. Net profits after tax are to grow by an average rate of 17% yearly. Below is the projected Statement of Comprehensive Income of the business.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	TZS	TZS	TZS	TZS	TZS
Revenues	37,095,784,000	49,127,712,000	60,659,640,000	70,847,592,000	78,535,544,000
Cost of sales	24,413,706,000	32,551,608,000	40,689,510,000	46,114,778,000	51,540,046,000
Gross Profit	12,682,078,000	16,576,104,000	19,970,130,000	24,732,814,000	26,995,498,000
Expenses:					
Administration Expenses	4,856,973,000	6,478,142,400	8,097,678,000	9,177,368,400	10,257,058,800
Operating Expenses	2,793,767,652	3,689,690,203	4,584,112,753	5,181,594,454	5,779,076,154
Finance Costs	1,815,308,409	1,479,956,420	1,212,852,201	896,902,228	528,880,499
Depreciation	467,582,500	1,430,278,588	1,433,263,752	1,354,000,870	1,522,567,605
Total expenses	9,933,631,561	13,078,067,611	15,327,906,706	16,609,865,952	18,087,583,058
Profit before tax	2,748,446,439	3,498,036,389	4,642,223,294	8,122,948,048	8,907,914,942
Income Tax	(824,533,932)	(1,049,410,917)	(1,392,666,988)	(2,436,884,414)	(2,672,374,483)
Profit after tax	1,923,912,507	2,448,625,472	3,249,556,306	5,686,063,634	6,235,540,459
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	1,923,912,507	2,448,625,472	3,249,556,306	5,686,063,634	6,235,540,459

4.3.4 Projected Statement of Financial Position

	YEAR 1 TZS	YEAR 2 TZS	YEAR 3 TZS	YEAR 4 TZS	YEAR 5 TZS
NON CURRENT ASSETS (NET)	18,452,717,500	17,022,438,912	17,389,175,160	18,285,174,290	17,564,606,685
CURRENT ASSETS					
Inventory	1,368,142,729	1,739,646,977	2,394,099,122	3,508,571,179	3,570,850,071
Trade and Other Receivables	4,323,517,900	6,218,698,000	6,274,269,760	6,634,290,900	6,607,576,800
Cash and cash equivalents	1,229,639,009	1,369,358,483	887,871,050	1,050,644,119	2,839,459,362
Total current assets	6,921,299,638	9,327,703,460	9,556,239,932	11,193,506,198	13,017,886,233
TOTAL ASSETS	25,374,017,138	26,350,142,372	26,945,415,092	29,478,680,488	30,582,492,918
EQUITY & LIABILITIES					
EQUITY					
Capital	12,074,990,000	12,074,990,000	12,074,990,000	12,074,990,000	12,074,990,000
Revaluation reserve	-	-	-	-	-
Retained Earnings	1,923,912,507	4,372,537,979	7,134,664,285	11,967,817,919	17,268,028,378
Total Equity	13,998,902,507	16,447,527,979	19,209,654,285	24,042,807,919	29,343,018,378
NON CURRENT LIABILITIES					
Long-term Borrowings	10,321,770,598	8,585,827,576	6,570,823,870	4,231,899,215	-
Total non-current liabilities	10,321,770,598	8,585,827,576	6,570,823,870	4,231,899,215	-
CURRENT LIABILITIES					
Trade and Other Payables	1,036,850,100	1,284,811,968	1,129,325,100	1,179,247,103	1,212,503,806
Accrued tax	16,493,932	31,974,849	35,611,837	24,726,251	26,970,734
Bank overdraft	-	-	-	-	-
Total current liabilities	1,053,344,032	1,316,786,817	1,164,936,937	1,203,973,354	1,239,474,540
TOTAL LIABILITIES	11,375,114,630	9,902,614,393	7,735,760,807	5,435,872,569	1,239,474,540
TOTAL EQUITY & LIABILITIES	25,374,017,138	26,350,142,372	26,945,415,092	29,478,680,488	30,582,492,918

5 FORESEEN RISKS

Exogenous (external) and endogenous (internal) factors that need to be considered and mitigated against if the business is to succeed:

RISK	MITIGATION
<p>Competition:</p> <p>There is competition from other businesses dealing in the same line of business. Due to the growing economy, new entrants are a constant threat as well as competition from existing expanding competitors</p>	<p>The business is already well established with very strong reputation and a well-established customer base.</p>
<p>Risk Against Fire</p>	<p>The business has put in place emergency action plan with evacuation procedures. It has also installed fire extinguishers and/or hose reels. Fire extinguishers have been installed by approved contractors, mounted on brackets with clear signage indicating their positions so that they can be easily located in an emergency and they are annually serviced by the approved contractors to ensure that they remain serviceable and they should also be checked regularly by staff on duty. Above all the business has Insured comprehensive against fire.</p>
<p>Unforeseeable cases (Theft and burglary)</p>	<p>There are adequate security measures in place to deter theft. Modern security equipment including CCTV cameras are installed on site</p>

<p>Occurrence of accidents during transportation of supplies (There is a possibility of suffering potential loss due to transportation challenges like accidents, vehicle catching fire or theft)</p>	<p>Our transportation companies are reliable, and are comprehensively insured for accidents, fire and theft.</p>
<p>Price Volatility: Price of natural gas has been volatile and is determined by the world market and also currency movement,</p>	<p>The business has embarked on hedging through signing forward sale contracts with big suppliers, hedging from the losses caused by price movement.</p>
<p>Loss of key Staff: The success of any business depends on the skills, trust and confidence people have around technical skills and reputation.</p>	<p>The company has managed to assemble a very strong and experienced team to run their businesses so far and have been very successful. They have reviewed their employment policies to ensure that the core staff are sufficiently motivated and can be retained. The idea is to ensure that the staff are treated as part owners of the business and strive to take charge of all situations. The shareholders have also made plans to ensure they create a succession plan so that in the unlikely event of anyone leaving for any reason, the company can continue without loss.</p>
<p>Environmental hazardous substances: There is a risk that the premises can cause environmental damage and disturb the ecosystem leading to penalties or closure by the relevant regulatory bodies</p>	<p>The company will ensure the following is being observed; Store all hazardous substances correctly Make sure that all hazardous substances are labeled correctly</p>

	Segregate substances when required Use correct procedures when dispensing If a task can be achieved with a safer substance – use it Isolate exposures with ventilators at source Make sure that you use the right safety equipment Have emergency plans in place Always dispose of hazardous waste in accordance with the law.
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6 ECONOMIC JUSTIFICATIONS

The company has done some proper market research and the results attest to the fact that there is a guaranteed going concern, the detailed discussion in the previous sections reveals that, this business is financially viable and economically justifiable. The shareholders are established business people who have demonstrated great management skills in growing the existing businesses. As indigenous operators they are heeding the government’s call to help industrialize the country which promotes self-employment, entrepreneurship, income-generation spirit and financial independence.

- To provide employment to local people.

A minimum of 55 indigenous people are to be employed at the plant site. These people will not only benefit by raising their living standards through income generation, but also benefit from technological transfer passed from the Chinese technicians.

Also about 25 people will be employed in all the three daughter stations, and 100 local vendors will be contracted during the construction phase.

- The business will also widen the Tax base which will benefit the nation with taxes paid out from VAT and ROI from the profits earned.

- The income accruing to the employees will help uplift families thereby playing a part in poverty alleviation.

7 CONCLUSIONS

The rationale for additional finance in the form of bank credit is well reasoned after a thorough market research and proven market demand in the country. The financials and the cash flow forecasts appended makes economic sense.

- i. Management analysis also shows that the key staff is well experienced in the industry with integrity and high appreciation of the market field which they are trading in.
- ii. The security offered has a very good value that should cover for the exposure being requested.
- iii. Socio-economic analysis depicts the business is of interest to the locals and the economy at large as analyzed above.

It is, therefore recommended that the business attracts a favorable financing consideration of the applied amount for investment and working capital purposes to ensure that the business is run efficiently, being competitive and achieving more revenues and profits on a sustainable basis and most importantly there is a mutual development goal between the business and the society in general.