



BUSINESS PLAN

DHALLASONS TANZANIA LIMITED

Prepared By: Moses Massam
IFS CERTIFIED PUBLIC ACCOUNTANT

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

TABLE OF CONTENTS

TABLE OF CONTENTS	1
Executive Summary	2
1. INTRODUCTION	3
1.1 Background	3
1.2 Vision, Mission, Values and Objectives of the Business	3
1.2.1 Mission.....	3
1.2.2 Vision	3
1.2.4 Project Objectives	4
1.3 Products	4
1.4 RATIONALE AND DESCRIPTION OF THE BUSINESS	5
2. Operational plan	6
3. Ownership and Management of the Project	6
3.2 Shareholding Structure	7
4.1 Investment Priority.....	8
4.2 Employment opportunity	8
4.3 Government revenue.....	9
5. MARKET ASSESSMENT	13
5.0 Industry Analysis	13
5.4 CONCLUSION	16

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

Executive Summary

DHALLASONS TANZANIA LIMITED is a private company registered in Tanzania and trading and licensed to deal with production and retail business in Tanzania neighboring region. The company is dealing with importation of household products and stationary materials by wholesale and retail services.

The company business models are aiming to balance the reliability and the quality of goods to satisfy the requirements of the local market and international markets. Currently the company is on formation stage where the company is investing in machinery and capacity to start the productions line. The company have land located in Kigamboni mainly for the building of the said factory.

The company were incorporated in Tanzania with plant and machinery are expected to be imported in between October and December 2023, financed by the capital contributions from the shareholders of Dhallasons Tanzania limited.

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

1. INTRODUCTION

This business plan has been drawn up regarding the Paper Production in United Republic of Tanzania. This business plan has been drawn up for an operation that would help the company and the Government of Tanzania and neighboring countries to boost the economic growth through provision of high quality and affordable paper products and vacuum flasks

1.1 Background

Paper Products form an important part of daily business and the supply chain management and improvements. The improvement in infrastructures and border clearance within a short time have improved the mobility of goods from Tanzania ports to neighboring countries.

Dhallasons Tanzania limited operates his business legally with company registration number 79658, tax identification number 111-190-925. The Company comply with all laws and regulations and have got all required legal documents to run and operate in Tanzania

..

1.2 Vision, Mission, Values and Objectives of the Business

1.2.1 Mission

Dhallasons Tanzania limited committed to provide high quality and affordable paper materials at reasonable costs to all customers and timely delivery.

1.2.2 Vision

Dhallasons Tanzania limited Vision is to be a leading provider quality products to ensure the value for money and satisfactions for our customers.

1.2.3 Core Values

Caring, Safety, Excellence, Integrity, Customer First, Team-work, Respect, Confidentiality and Dependability

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

1.2.4 Project Objectives

1. High quality products for both local and international markets
2. Sourcing the high quality machine to be installed in our industry with the state of art technology which will consummate with our environment and infrastructures.
3. Ensure the steady supply of goods are delivered within the time frame agreed by cutting the delivery time.

1.3 Products

Paper products

The main activity for the company is the paper production business. The paper productions account for more than 60% of the company revenues. The first step in a typical paper manufacturing process is to produce pulp from wood chip. Softwoods, such as spruce and pine with slender, strong and elastic fibers, are most commonly used species in Tanzania. In general, pulp, which is the raw material of paper, can be manufactured using two methods: chemical pulping or mechanical pulping. Most paper production passes through a process of Calendaring. Calendaring is a process to enhance both physical and mechanical properties of paper as it passes through a specially designed series of drum type rolls as a result of friction. For example, surface finish of newsprint is mainly due to calendaring process. Depending on the type of paper, further finishing processes are needed. Application of coats of various types of chemicals applied to the surface of the paper make it extra shiny for special applications, such as art papers. In general, coated papers are classified into three groups: matte, semi matte and glossy.

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

1.4 RATIONALE AND DESCRIPTION OF THE BUSINESS

Our business has partnered with reputable suppliers for wood companies in United Republic of Tanzania and other countries which creates the readymade solutions for our production lines.

Tanzania is a country of more than 61.7 million peoples which is regarded as faster growing economy. The country is bordered with the 5 East African countries (EAC) and 3 Southern African Development Community (SADC)

The paper market in Tanzania is growing due to increase in middle income. Currently the company is committed to ensure the good supply habits for the peoples and ensure the quality of the products offered to the market are meeting the standards. Our products are crafted by the expatriates who have the experiences in paper production and marketing.

Trucking services are crucial to the development of African economies. Access to regional markets is very sensitive to the efficiency of our products, as these are the dominant mode of brands but our marketing penetrations method will ensure we are gaining the foot stand in the market. More efficient process and quality products are crucial to the development of our industries, and ensure the company is contributing to the country in terms of taxes and employment.

Our company is tapping on the efficiency and the gap by ensuring the company plays the good role to industrialize the country. The country is linking neighboring countries with foreign suppliers through Dar es salaam port. The company wealth of local knowledge ensure seamlessly supply chain management for our products and also the understanding of the regional market.

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

1.5 Operational plan

The plan created has been developed by assessing current situation of manufacturing in Tanzania and improvement in economic conditions in Tanzania.

The company have experienced management, supply chain management, transport and logistics which covers the business in 360 degrees in management of the business spectrum.

The company have experienced management and staffs to offer production and supply chain management to the customers through the centralized productions and distributions chains in each zones within Tanzania.

2. Ownership and Management of the Project

The company Dhallasons Tanzania Limited is owned by experienced individual and company with diverse experiences in manufacturing and supply chain management. The Managing Director of the company is fully responsible to ensure effective management, supervision and going concern of the company.

Table 3.1: Human resource requirement for Novus Distilleries Limited

Job Title	Number of people
Managing Director	1
Production Manager	1
Sales and Marketing Manager	1
Finance Manager	1
Qualified Personnel	25
Technicians	10
Other Staffs	50
Total Employees	89

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

3.2 Shareholding Structure

The company shareholding structure is depicted below:

Shareholder	Share Held	Share Value	Authorized Share Capital
Mohamedraza Shabir Dhalla	1,000	10,000	1,000,000,000
Shabir Kassamali Dhalla	1,000	10,000	1,000,000,000

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

3.2.1. Funding

Funds for financing the business was contributed the Directors of **Dhallasons Tanzania Limited** Also the company explored other financing window such as supplier credits and short term financing from financial institutions.

a. Equity

The company shareholders contributed the equity which were used to acquire the plant and machinery, as well as initial working capital.

b. Directors financing

The directors also extended the financing in terms of advance from directors to facilitates the company growth and ensure the company operations are running smoothly

c. Supplier Financing

The company through the good relationship with suppliers can obtain the credits for the supply of inputs and raw materials.

1. ECONOMIC ASPECTS

1.1 Investment Priority

The project investment is in line with government policy and development goals to ensure easy movements of goods and passengers. This includes the goals of the country towards industrialization economy.

1.2 Employment opportunity

The project will creates employment to people who otherwise could not have secured employment and indirectly will create more opportunities. It also develops skills to the employees on a continuous basis that will have a multiplier effect and associated demand for support services.

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

1.3 Government revenue

The government is expected to earn greater amount of income in form of taxes such as corporate tax, Value Added Tax, Excise duty, Employment taxes such as pay as you earn and skills and development levy. Also other government fees such as licenses and permits.

1.4 Economies of scale

In the t industry, the aspect of economies of scale comes in when bulk buying is done. Production and Transporting products in bulk will cost the customer or organization less money than producing and transporting the same products in small portions. Our company can reduce its expenditure by increasing the productions and good supply chain to ferry the goods. This aspect has become a new trend in the manufacturing industry, where the cost is minimized through the application of large scale processes.

In most cases, the cost of a single transportation exercise has a fixed cost. Thus, the organizations are taking advantage of this aspect to acquire large vehicles or containers that carry a huge number of products. This aspect reduces the number of trips being made to move goods and services from one location to the other. Thus, the economies of scale have played a significant role in reducing the variable cost associated with many trips where small numbers of products are transported.

In addition, transporting products in bulk has enhanced the safety and security of items by reducing the chances of losses. Transporting goods in large quantities requires special packaging such as containers. This strategy has played a significant role in preventing the loss of a small number of products while they are in transit.

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

In fact, the company fleets will enable to be competitive in the industry by increasing the capacity to do the bulk transit haulage, which we have the good reputations in the market and the customers in neighboring countries.

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

1.5 ANNUAL SALES AND PURCHASES PROJECTIONS

The following is the projected purchases of devices for the next 12 months.

DHALLASONS TANZANIA LIMITED

Business Plan – PAPER PRODUCTION

Period of Cash Flow Projections year	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Inflows:													
Cash and Debtors Collections	0	0	206,177,400	201,595,680	180,977,940	190,141,380	160,360,200	158,069,340	148,905,900	180,977,940	160,360,200	183,268,800	1,770,834,780
Capital Injections	200,000,000												200,000,000
Directors current account		30,000,000	0										30,000,000
Total inflows	200,000,000	30,000,000	206,177,400	201,595,680	180,977,940	190,141,380	160,360,200	158,069,340	148,905,900	180,977,940	160,360,200	183,268,800	2,000,834,780
Out Flows:													
FIXED & VARIABLE EXPENSES													
Commissions and fees	-	-	4,123,548	4,031,914	3,619,559	3,802,828	3,207,204	3,161,387	2,978,118	3,619,559	3,207,204	3,665,376	35,416,698
Sales and marketing	-	-	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	12,100,000	121,000,000
Interest expense	6,556,333	6,415,464	6,272,598	6,127,709	5,980,767	5,831,743	5,680,608	5,527,332	5,371,885	5,214,236	5,054,353	4,892,205	68,925,234
Purchases of Raw materials	-	-	145,878,700	85,811,000	85,811,000	171,622,000	85,811,000	85,811,000	163,040,900	85,811,000	85,811,000	180,203,100	1,175,610,700
Salary and wages - Experts	-	-	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	8,250,000	82,500,000
Salaries/ wages - Other Staffs	-	-	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	5,850,000	58,500,000
Workers Compensation Fund (WCF)	-	-	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	29,250	292,500
Social Security Contributions	-	-	1,795,000	1,795,000	1,795,000	1,795,000	1,795,000	1,795,000	1,795,000	1,795,000	1,795,000	1,795,000	17,950,000
Skills and Development Levy (SDL)	-	-	718,000	718,000	718,000	718,000	718,000	718,000	718,000	718,000	718,000	718,000	7,180,000
Repairs and maintenance	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	1,073,333	12,880,000
Water & Electricity	514,800	514,800	514,800	514,800	514,800	514,800	514,800	514,800	514,800	514,800	514,800	514,800	6,177,600
Auditing Fee	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000
Telephone, postage and Internet	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	176,000	2,112,000
Tax Consultations	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	4,800,000
Oil and Lubricants	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	2,083,333	25,000,000
Road Toll	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	6,414,408	78,972,896
Weight and Measures	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	13,200,000
Permits and other costs	-	-	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	4,400,000
Bank Charges	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000
Loan Processing fees	-	-	-	-	-	-	-	-	-	-	-	-	-
City service levy	-	-	618,532	604,787	542,934	570,424	481,081	474,208	446,718	542,934	481,081	549,806	5,312,500
Rent	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	1,388,400	16,660,800
Demurrage and handling charges	1,157,000	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	1,619,800	19,974,800
Insurance	1,458,333	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	2,041,667	23,916,668
Courier Services	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,200,000
Business Licence	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	33,333	400,000
Security Expenses & Accessories	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000
Parking and Gate pass Expenses	76,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	1,000,000
Plant and machinery													
Taxes paid	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	6,000,000
Trucks repayments	175,000,000												175,000,000
Total Outflows	198,781,275	24,694,538	204,354,703	144,036,734	143,415,584	229,288,320	142,641,210	142,435,252	219,298,946	142,648,053	142,014,962	236,771,812	1,970,382,396
Net flow	1,218,725	5,305,462	1,822,697	57,558,946	37,562,356	-39,146,940	17,718,982	15,634,088	-70,393,046	38,328,887	18,345,238	-53,503,012	30,452,384
Opening Cash Balance	-	1,218,725.33	6,524,187.11	8,346,884.12	65,905,830.05	103,466,186.95	64,321,246.38	82,040,228.74	97,674,316.77	27,281,271.21	65,610,158.19	83,955,396.01	
Net flow	1,218,725.33	5,305,461.78	1,822,697.01	57,558,945.93	37,562,355.91	(39,146,939.58)	17,718,982.37	15,634,088.03	(70,393,045.56)	38,328,886.98	18,345,237.82	(53,503,012.14)	

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

Accumulated cash flow	1,218,725.33	6,524,187.11	8,346,884.12	65,905,830.05	103,468,185.95	64,321,246.38	82,040,228.74	97,674,316.77	27,281,271.21	65,610,158.19	83,955,396.01	30,452,383.88	
-----------------------	--------------	--------------	--------------	---------------	----------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	--

•

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

2. MARKET ASSESSMENT

5.0 Industry Analysis

For Dhallasons Tanzania Limited to have the Centre running the Key Success Factors include use of advanced technology for managing the vehicles, Procured quality trucks which ensure the return on investment, Good management, networking abilities, timely delivery, lowest product sourcing cost, accessible location and other factors deem to be important. .

The market for distilling and blending spirits is still robust in Tanzania fuelled by improvements in trunk roads and regional roads, also the business relationship and proximity of the country.

5.1. Rival Analysis

The market study established that the competition level is moderately high and the market for paper Production and its associated products as stable in Tanzania. With a quality plant and machinery, cutting the delivery time, managing the supply chain placed the company in a competitive positions.

Therefore, managing the supply chain understanding the clients' needs will positively improve the product marketability and gain a good market share. With the good procurement policy, we will be in positions of having stable prices to curb the problem of price fluctuations which had been common in mobile phones and quality after sales services which creates confidence for our customers.

DHALLASONS TANZANIA LIMITED
Business Plan – PAPER PRODUCTION

Table 5.1: Rival Analysis

Key Success Factor	Industry1	Industry2	Industry3	Competitor 4	Competitor 5	Competitor 6	Competitor 7	NOVUS DISTILLERIES LIMITED
Reputation and Image	High	High	Moderate	Moderate	Moderate	High	Moderate	High
Good services	High	High	Moderate	Moderate	Moderate	High	Moderate	High
Supply Chain management	High	High	Moderate	Moderate	Moderate	Moderate	Moderate	High
Reliability of the trucks	Moderate	Moderate	Low	Low	Low	Moderate	Moderate	High
Affordability	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	High
Timely delivery	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	High
Price Stability	High	High	Moderate	Moderate	High	High	High	High

From Table 5.1 above, the company is focusing on quality and reliable distilling and blending spirits, Stable prices, after sale services, supply chain management and protecting the brand.

DHALLASONS TANZANIA LIMITED

Business Plan – PAPER PRODUCTION

5.2 Strengths, Weaknesses, Opportunities and Challenges (SWOC)

The analysis of key strengths and weaknesses that emanate from the internal environment and opportunities and challenges emanating the project from external environment is depicted in Table 5.2 below

Table 5.2: SWOT Analysis for Dhallasons Tanzania Limited

STRENGTH	WEAKNESSES
<ul style="list-style-type: none">• Bulk Sourcing• Steady supply and good supply chain• Focus on affordability's• After sale services which is very key in customers confidence for our products	<ul style="list-style-type: none">• After sales services is expensive due to wide coverage of the country
OPPORTUNITIES	THREATS/CHALLENGES
<ul style="list-style-type: none">• There are more than 61 million peoples in Tanzania.• The increase in middle class fuels the consumptions of high quality products.• Connecting the customers with financing options for the mobile phones	<ul style="list-style-type: none">• Technology is evolving faster but we got this sorted

5.3 Strategic issues-Priority Areas for the Project Plan

Through situational analysis and discussion with the members of management, the followings were established as the priority issues to be addressed in the next three years of this Business Plan:

- Focus on marketing strategies by doubling the annual productions and sales within the country and also establishing the export market.
- Foster the relationship with supplier financing institutions, transport and logistic partners in Tanzania
- Ensuring the company provide high quality products at the reasonable cost, strength and care about customer needs.
- Maintaining effective and close communication with both customers and employees.
- Ensuring on time delivery of products to customers
- Heavily focusing on after sales services to our customers to ensure the products are offering the intended satisfactions

DHALLASONS TANZANIA LIMITED

Business Plan – PAPER PRODUCTION

5.4 CONCLUSION

The demand and market for quality Paper Production in Tanzania is still not utilized in fully and there is a potential of doing good business by playing part to ensure the quality products are produced and supplied within the country and for the exportation purposes.

This makes the project, relevant in the country like Tanzania and neighboring countries in Africa when there is rapid growth of population which triggered by improvement of internet infrastructure, water sector and construction industry. The company will fuel the development through the creations of employments and contributing to the country through paying taxes.

The financial returns from the project are therefore expected to be adequate to reflect the conservative approach to revenues and associated cost projections as well as long term view by the shareholders.

DHALLASONS TANZANIA LIMITED
5 YEARS FINANCIAL STATEMENTS PROJECTIONS
JULY 2023-JUNE 2028

STATEMENT OF COMPREHENSIVE INCOME

	Notes	<u>30.06.2027</u>	<u>30.06.2026</u>	<u>30.06.2025</u>	<u>30.06.2024</u>	<u>30.06.2023</u>
		TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Revenue	1	1,013,627	921,479	837,708	761,553	692,321
Direct Costs	2	<u>760,220</u>	<u>691,109</u>	<u>628,281</u>	<u>571,164</u>	<u>519,241</u>
Gross Profit		253,407	230,370	209,427	190,389	173,080
Administration Cost	3	43,247	42,517	42,233	43,277	47,103
Staff Cost	4	24,000	24,000	24,000	24,000	24,000
Finance costs	5	12,585	31,584	47,627	61,173	72,610
Depreciation Expenses	12	<u>44,555</u>	<u>52,119</u>	<u>61,164</u>	<u>71,681</u>	<u>84,764</u>
		124,388	150,220	175,024	200,131	228,476
PROFIT BEFORE TAX		129,019	80,149	34,403	(9,741)	(55,396)
Corporate Tax		(38,706)	(24,045)	(10,321)	-	-
		<u>90,313</u>	<u>56,105</u>	<u>24,082</u>	<u>(9,741)</u>	<u>(55,396)</u>
PROFIT/(LOSS) AFTER TAX		<u>90,313</u>	<u>56,105</u>	<u>24,082</u>	<u>(9,741)</u>	<u>(55,396)</u>

STATEMENT OF FINANCIAL POSITION

	Notes	<u>30.06.2027</u>	<u>30.06.2026</u>	<u>30.06.2025</u>	<u>30.06.2024</u>	<u>30.06.2023</u>
		<u>TZS'000</u>	<u>TZS'000</u>	<u>TZS '000</u>	<u>TZS '000</u>	<u>TZS '000</u>
ASSETS						
NON CURRENT ASSETS						
Property, plant and equipment	12	<u>286,704</u>	<u>331,259</u>	<u>383,378</u>	<u>442,076</u>	<u>513,758</u>
		<u>286,704</u>	<u>331,259</u>	<u>383,378</u>	<u>442,076</u>	<u>513,758</u>
CURRENT ASSETS						
Inventories		325,100	327,914	328,061	331,147	343,703
Tax receivables	6	(1,997)	(1,228)	(516)	-	-
Trade and other receivables	7	32,765	19,543	16,754	20,172	18,765
Cash and Bank	8	<u>15,291</u>	<u>12,683</u>	<u>9,964</u>	<u>7,650</u>	<u>8,459</u>
		<u>371,159</u>	<u>358,912</u>	<u>354,263</u>	<u>358,969</u>	<u>370,927</u>
TOTAL ASSETS		657,863	690,171	737,641	801,046	884,685
EQUITY AND LIABILITIES						
SHAREHOLDERS EQUITY						
Share capital	11	550,000	550,000	550,000	550,000	550,000
Retaining Earning		<u>105,363</u>	<u>15,050</u>	<u>(41,055)</u>	<u>(65,137)</u>	<u>(55,396)</u>
		<u>655,363</u>	<u>565,050</u>	<u>508,945</u>	<u>484,863</u>	<u>494,604</u>
NON CURRENT LIABILITIES						
Loan		<u>-</u>	<u>122,621</u>	<u>226,196</u>	<u>313,683</u>	<u>387,581</u>
		<u>-</u>	<u>122,621</u>	<u>226,196</u>	<u>313,683</u>	<u>387,581</u>
CURRENT LIABILITIES						
Trade and other payables	9	2,500	2,500	2,500	2,500	2,500
Tax (receivable)/Payables	6	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>
TOTAL EQUITY AND LIABILITIES		657,863	690,171	737,641	801,046	884,685

STATEMENT OF CHANGES IN EQUITY

	Issued share capital	Accumulated Profit	Total equity
	TZS '000	TZS '000	TZS '000
2027			
As at 1 July 2026	550,000	15,050	565,050
Profit/(Loss) for the year		90,313	90,313
As at 30 June 2027	550,000	105,363	655,363
2026			
As at 1 July 2025	550,000	(41,055)	508,945
Profit/(Loss) for the year		56,105	56,105
As at 30 June 2026	550,000	15,050	565,050
2025			
As at 1 July 2024	550,000	(65,137)	484,863
Profit/(Loss) for the year		24,082	24,082
As at 30 June 2025	550,000	(41,055)	508,945
2024			
As at 1 July 2023	550,000	(55,396)	494,604
Profit/(Loss) for the year		(9,741)	(9,741)
As at 30 June 2024	550,000	(65,137)	484,863
2023			
As at 1 July 2022	550,000	-	550,000
Profit/(Loss) for the year		(55,396)	(55,396)
As at 30 June 2023	550,000	(55,396)	494,604
2021			
As at 1 July 2021			-
Profit/(Loss) for the year			-
As at 30 June 2022	-	-	-

CASH FLOW STATEMENT

	<u>30.06.2027</u>	<u>30.06.2026</u>	<u>30.06.2025</u>	<u>30.06.2024</u>	<u>30.06.2023</u>
	<u>TZS '000</u>	<u>TZS '000</u>	<u>TZS '000</u>	<u>TZS '000</u>	<u>TZS '000</u>
OPERATING ACTIVITIES					
Profit before taxation	129,019	80,149	34,403	(9,741)	(55,396)
Adjustment for non cash items					
Depreciation of property and equipment	12 44,555	52,119	61,164	71,681	84,764
Change in Deffered Taxes				-	-
Operating profit before working capital changes	173,574	132,269	95,567	61,940	29,368
Working capital changes:					
Decrease/(Increase) in inventories/WIP	2,813	147	3,086.37	12,555.63	#####
(Increase)/decrease in trade and other receivables	(13,222)	(2,789)	3,418	(1,407)	(18,765)
Increase/(decrease) in trade and other payables			-	-	2,500.00
Cash flows from operations	(10,409)	(2,642)	6,504	73,088	(330,600)
Previous and Current Tax paid	(37,937)	(23,333)	(9,805)	-	-
Net cash generated from operating activities	125,229	106,294	92,267	73,088	(330,600)
INVESTING ACTIVITIES					
Property, plant and Equipment	12 -	-	(2,466)	-	(598,522)
Net cash flow from investing activities	-	-	(2,466)	-	(598,522)
FINANCING ACTIVITIES					
Increase in Share Capital			-	-	550,000
Long term Financing			-	-	450,000
Loan Repayment	(122,621)	(103,575)	(87,487)	(73,898)	(62,419)
Net cash from financing activities	(122,621)	(103,575)	(87,487)	(73,898)	937,581
Net increase in cash and cash equivalents	2,607	2,719	2,314	(809)	8,459
Cash and cash equivalent at the beginning of the year	12,683	9,964	7,650	8,459	-
Cash and cash equivalent at the end of the year	15,291	12,683	9,964	7,650	8,459

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	<u>30.06.2027</u>	<u>30.06.2026</u>	<u>30.06.2025</u>	<u>30.06.2024</u>	<u>30.06.2023</u>
	TZS'000	TZS'000	TZS '000	TZS '000	TZS '000
1 REVENUE					
Revenue	1,013,627	921,479	837,708	761,553	692,321
Other Income	-	-	-	-	-
	<u>1,013,627</u>	<u>921,479</u>	<u>837,708</u>	<u>761,553</u>	<u>692,321</u>
2 DIRECT COSTS					
Opening Stock	327,914	328,061	331,147	343,703	-
Raw material Purchases	530,184	484,396	437,407	387,892	707,747
Spare parts	15,671	14,246	12,951	11,774	10,703
Fuel & Lubricants	31,341	28,492	25,902	23,547	21,406
Electricity	109,694	99,722	90,656	82,415	74,922.47
Direct Labor	70,518	64,107	58,279	52,981	48,164.45
less Closing Stock	(325,100)	(327,914)	(328,061)	(331,147)	(343,703)
	<u>760,220</u>	<u>691,109</u>	<u>628,281</u>	<u>571,164</u>	<u>519,241</u>
3 ADMINISTRATION COST					
Office Electricity and water	1,823	1,736	1,654	1,575	1,500
postage and telecommunicatin	75	75	75	75	75
Insurance	2,000	2,000	2,000	2,000	2,000
printing & stationary	591	579	568	557	546
audit fees	2,500	2,500	2,500	2,500	2,500
travelling & accommodations	1,400	1,100	1,300	1,200	1,400
license,permit & professional fees	1,392	1,392	1,392	1,392	300
city service levy	3,041	2,764	2,513	2,285	2,077
fuel & Lubricants	111	111	-	1,516	871
vehicle repair & maintenance	2,829	2,774	2,746	2,692	2,564
Telephone, Postage and internet	804	804	804	804	804
security expenses	2,400	2,400	2,400	2,400	2,400
Rent	24,281	24,281	24,281	24,281	24,281
Company registration expenses	-	-	-	-	5,785.00
	<u>43,247</u>	<u>42,517</u>	<u>42,233</u>	<u>43,277</u>	<u>47,103</u>
4 STAFF COST					
Salaries & Wages	24,000	24,000	24,000	24,000	24,000
Directors Remuneration	-	-	-	-	-
	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>	<u>24,000</u>
5 FINANCE COSTS					
Interest expenses	11,582	30,629	46,717	60,306	71,785
Bank charges & Commission	1,003	955	910	866	825
	<u>12,585</u>	<u>31,584</u>	<u>47,627</u>	<u>61,173</u>	<u>72,610</u>
6 TAXATION					
(a) Tax Expense					
Normal Tax					
Deferred Tax					
	-	-	-	-	-
(b) Tax Paid					
Amounts receivable/(owing) at the beginning of the year	1,228	516	-	-	-
Amounts charged to the statement of comprehensive income	38,706	24,045	10,321	-	-
Amount paid during the year	(37,937)	(23,333)	(9,805)	-	-
Amounts receivable/(owing) at the end of the year	<u>1,997</u>	<u>1,228</u>	<u>516</u>	<u>-</u>	<u>-</u>

7 TRADE AND OTHER RECEIVABLES					
Trade and other receivables	<u>32,765</u>	<u>19,543</u>	-	<u>16,754</u>	<u>20,172</u>
	<u>32,765</u>	<u>19,543</u>	=	<u>16,754</u>	<u>18,765</u>
8 CASH AND BANK					
Cash and Cash equivalent	<u>15,291</u>	<u>12,683</u>	-	<u>9,964</u>	<u>7,650</u>
	<u>15,291</u>	<u>12,683</u>	=	<u>9,964</u>	<u>8,459</u>
9 Trade and Other payable					
Trade and Other payable	<u>2,500</u>	<u>2,500</u>		<u>2,500</u>	<u>2,500</u>
	<u>2,500</u>	<u>2,500</u>	=	<u>2,500</u>	<u>2,500</u>
10 LONG TERM LIABILITY					
Opening Balance	122,621	226,196		313,683	387,581
Loan Received					-
Loan Repayment	(122,621)	(103,575)		(87,487)	(73,898)
Closing Balance	<u>-</u>	<u>122,621</u>	=	<u>226,196</u>	<u>313,683</u>
					<u>387,581</u>
11 SHARE CAPITAL					
(a) Authorised :					
Authorised ordinary shares of TZS 550 millions	<u>550,000</u>	<u>550,000</u>	=	<u>550,000</u>	<u>550,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

PROPERTY, PLANT AND EQUIPMENT

	Furnitures	Plant & Machineries	Office Equipments	Vehicles	Total
	0.125	0.13	0.125	0.25	
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
COST					
As at 1 July 2022					-
Additions	5,400	510,132	3,400	79,590	598,522
Disposal					-
As at 30 June 2023	5,400	510,132	3,400	79,590	598,522
DEPRECIATION					
As at 1 July 2022					-
Charge for the year	675	63,767	425	19,897	84,764
Disposal					-
As at 30 June 2023	675	63,767	425	19,897	84,764
NET BOOK VALUE					
As at 30 June 2023	4,725	446,366	2,975	59,692	513,758
As at 1 July 2022	-	-	-	-	-

PROPERTY, PLANT AND EQUIPMENT

	Furnitures	Plant & Machineries	Office Equipments	Vehicles	Total
	0.125	0.125	0.125	0.250	
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
COST					
As at 1 July 2023	5,400	510,132	3,400	79,590	598,522
Additions					-
Disposal					-
As at 30 June 2024	<u>5,400</u>	<u>510,132</u>	<u>3,400</u>	<u>79,590</u>	<u>598,522</u>
DEPRECIATION					
As at 1 July 2023	675	63,767	425	19,897	84,764
Charge for the year	591	55,796	372	14,923	71,681
Disposal					-
As at 30 June 2024	<u>1,266</u>	<u>119,562</u>	<u>797</u>	<u>34,820</u>	<u>156,445</u>
NET BOOK VALUE					
As at 30 June 2024	<u>4,134</u>	<u>390,570</u>	<u>2,603</u>	<u>44,769</u>	<u>442,076</u>
As at 30 June 2023	<u>4,725</u>	<u>446,366</u>	<u>2,975</u>	<u>59,692</u>	<u>513,758</u>

PROPERTY, PLANT AND EQUIPMENT

	Furnitures & Fittings	Plant & Machineries	Office Equipments	Vehicles	Total
	0.125	0.125	0.125	0.250	
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
COST					
As at 1 July 2024	5,400	510,132 #	3,400	79,590	598,522
Additions			2,466	-	2,466
Disposal					-
As at 30 June 2025	<u>5,400</u>	<u>510,132</u>	<u>5,866</u>	<u>79,590</u>	<u>600,988</u>
DEPRECIATION					
As at 1 July 2024	1,266	119,562	797	34,820	156,445
Charge for the year	517	48,821	634	11,192	61,164
Disposal					-
As at 30 June 2025	<u>1,782</u>	<u>168,383</u>	<u>1,431</u>	<u>46,013</u>	<u>217,609</u>
NET BOOK VALUE					
As at 30 June 2025	<u>3,618</u>	<u>341,749</u>	<u>4,435</u>	<u>33,577</u>	<u>383,378</u>
As at 30 June 2024	<u>4,134</u>	<u>390,570</u>	<u>2,603</u>	<u>44,769</u>	<u>442,076</u>

PROPERTY, PLANT AND EQUIPMENT

	Furnitures	Plant & Machineries	Office Equipments	Vehicles	Total
	0.125	0.13	0.125	0.25	
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
COST					
As at 1 July 2025	5,400	510,132	5,866	79,590	600,988
Additions			-		-
Disposal					-
As at 30 June 2026	<u>5,400</u>	<u>510,132</u>	<u>5,866</u>	<u>79,590</u>	<u>600,988</u>
DEPRECIATION					
As at 1 July 2025	1,782	168,383	1,431	46,013	217,609
Charge for the year	452	42,719	554	8,394	52,119
Disposal					-
As at 30 June 2026	<u>2,235</u>	<u>211,102</u>	<u>1,985</u>	<u>54,407</u>	<u>269,729</u>
NET BOOK VALUE					
As at 30 June 2026	<u>3,165</u>	<u>299,030</u>	<u>3,881</u>	<u>25,183</u>	<u>331,259</u>
As at 30 June 2025	<u>3,618</u>	<u>341,749</u>	<u>4,435</u>	<u>33,577</u>	<u>383,378</u>

PROPERTY, PLANT AND EQUIPMENT

	Furnitures	Plant & Machineries	Office Equipments	Vehicles	Total
	0.125	0.125	0.125	0.25	
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
COST					
As at 1 July 2026	5,400	510,132	5,866	79,590	600,988
Additions					-
Disposal					-
As at 30 June 2027	<u>5,400</u>	<u>510,132</u>	<u>5,866</u>	<u>79,590</u>	<u>600,988</u>
DEPRECIATION					
As at 1 July 2026	2,235	211,102	1,985	54,407	269,729
Charge for the year	396	37,379	485	6,296	44,555
Disposal					-
As at 30 June 2027	<u>2,630</u>	<u>248,481</u>	<u>2,470</u>	<u>60,703</u>	<u>314,284</u>
NET BOOK VALUE					
As at 30 June 2027	<u>2,770</u>	<u>261,651</u>	<u>3,396</u>	<u>18,887</u>	<u>286,704</u>
As at 30 June 2026	<u>3,165</u>	<u>299,030</u>	<u>3,881</u>	<u>25,183</u>	<u>331,259</u>

GLOBAL TRUST COMPANY LIMITED

BASIC ASSUMPTIONS

1	Interest rate on Loan	17%
2	Loan Amount	TZS 450,000,000
3	Repayment Period	5 Years
4	Loan Disbursed	01 July 2023
5	Firs Repayment	31 July 2024
6	Last Repayment	30 June 2028
7	Annual Revenue Growth rate	10%

**LOAN AMORTIZATION
SCHEDULE**

LOAN	450,000,000			
PERIOD	60			
RATE	0.01			
PMT	11,183,659			
	INS	PRINCIPLE	INTEREST	BALANCE
Jun-23	-	-	-	450,000,000
Jul-23	11,183,659	4,808,659	6,375,000	445,191,341
Aug-23	11,183,659	4,876,782	6,306,877	440,314,559
Sep-23	11,183,659	4,945,870	6,237,790	435,368,690
Oct-23	11,183,659	5,015,936	6,167,723	430,352,754
Nov-23	11,183,659	5,086,995	6,096,664	425,265,759
Dec-23	11,183,659	5,159,061	6,024,598	420,106,698
Jan-24	11,183,659	5,232,148	5,951,512	414,874,550
Feb-24	11,183,659	5,306,270	5,877,389	409,568,281
Mar-24	11,183,659	5,381,442	5,802,217	404,186,839
Apr-24	11,183,659	5,457,679	5,725,980	398,729,160
May-24	11,183,659	5,534,996	5,648,663	393,194,164
Jun-24	11,183,659	5,613,408	5,570,251	387,580,755
Jul-24	11,183,659	5,692,932	5,490,727	381,887,824
Aug-24	11,183,659	5,773,582	5,410,078	376,114,242
Sep-24	11,183,659	5,855,374	5,328,285	370,258,868
Oct-24	11,183,659	5,938,325	5,245,334	364,320,543
Nov-24	11,183,659	6,022,451	5,161,208	358,298,092
Dec-24	11,183,659	6,107,769	5,075,890	352,190,322
Jan-25	11,183,659	6,194,296	4,989,363	345,996,026
Feb-25	11,183,659	6,282,049	4,901,610	339,713,977
Mar-25	11,183,659	6,371,044	4,812,615	333,342,933
Apr-25	11,183,659	6,461,301	4,722,358	326,881,632
May-25	11,183,659	6,552,836	4,630,823	320,328,796
Jun-25	11,183,659	6,645,668	4,537,991	313,683,128

Jul-25	11,183,659	6,739,815	4,443,844	306,943,313
Aug-25	11,183,659	6,835,295	4,348,364	300,108,018
Sep-25	11,183,659	6,932,129	4,251,530	293,175,889
Oct-25	11,183,659	7,030,334	4,153,325	286,145,555
Nov-25	11,183,659	7,129,930	4,053,729	279,015,625
Dec-25	11,183,659	7,230,938	3,952,721	271,784,687
Jan-26	11,183,659	7,333,376	3,850,283	264,451,311
Feb-26	11,183,659	7,437,266	3,746,394	257,014,045
Mar-26	11,183,659	7,542,627	3,641,032	249,471,418
Apr-26	11,183,659	7,649,481	3,534,178	241,821,938
May-26	11,183,659	7,757,848	3,425,811	234,064,089
Jun-26	11,183,659	7,867,751	3,315,908	226,196,338
Jul-26	11,183,659	7,979,211	3,204,448	218,217,127
Aug-26	11,183,659	8,092,250	3,091,409	210,124,878
Sep-26	11,183,659	8,206,890	2,976,769	201,917,988
Oct-26	11,183,659	8,323,154	2,860,505	193,594,833
Nov-26	11,183,659	8,441,066	2,742,593	185,153,768
Dec-26	11,183,659	8,560,647	2,623,012	176,593,120
Jan-27	11,183,659	8,681,923	2,501,736	167,911,197
Feb-27	11,183,659	8,804,917	2,378,742	159,106,280
Mar-27	11,183,659	8,929,653	2,254,006	150,176,626
Apr-27	11,183,659	9,056,157	2,127,502	141,120,470
May-27	11,183,659	9,184,452	1,999,207	131,936,017
Jun-27	11,183,659	9,314,566	1,869,094	122,621,452
Jul-27	11,183,659	9,446,522	1,737,137	113,174,930
Aug-27	11,183,659	9,580,348	1,603,312	103,594,582
Sep-27	11,183,659	9,716,069	1,467,590	93,878,513
Oct-27	11,183,659	9,853,713	1,329,946	84,024,799
Nov-27	11,183,659	9,993,308	1,190,351	74,031,492
Dec-27	11,183,659	10,134,880	1,048,779	63,896,612
Jan-28	11,183,659	10,278,457	905,202	53,618,155
Feb-28	11,183,659	10,424,069	759,591	43,194,086
Mar-28	11,183,659	10,571,743	611,916	32,622,344
Apr-28	11,183,659	10,721,509	462,150	21,900,834
May-28	11,183,659	10,873,397	310,262	11,027,437
Jun-28	11,183,659	11,027,437	156,222	(0)