

MELAKA LOGISTICS LIMITED



BUSINESS PLAN FOR LIQUID AND DRY CARGO TRANSPORT AND LOGISTICS PROJECT 2023 – 2027

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CORPORATE INFORMATION

Registration Number : 162-414-232

Business Activity : Liquid and Dry Cargo transportation & logistics project

Shareholders:

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1.0 EXECUTIVE SUMMARY

Melaka Logistics Limited is private company limited by shares registered in Tanzania with registration number 162414232 with the main purpose to engage in transport and logistics business. Currently, the company has embarked on establishing a project aimed at providing oil and gas as well as dry cargo transport services. The company is planning to buy 500 trucks and tankers for service provision. The business premise is expected to be located at Mikocheni area, Kinondoni District in Dar es Salaam region. This business plan is prepared to establish the viability of the targeted services and guide the procurement, operational and marketing activities of the project. The plan establishes a strategic framework that provides a focus, direction and most importantly a common language that acts as a guide for all service delivery, marketing/brand activities creating cohesive strategic alignment between the company mission, vision and goals.

Transport and related services is currently among the pillars of the country's economy with a growing improvement of attraction, investment opportunities and increasing movement of goods in Tanzania and in the region. This project wants to leverage on existing opportunities by providing competitive transport services with the capacity of moving 2.8 million metric tons (MT) of oil and gas per annum and other dry cargos. The planned activities will cater for the rising demand of transport services in the country and substantially contribute to the economy and employment creation.

The company requires a total of USD 39,911,210 that will be used for office and yard premise renting, structural construction, raw materials required for the project start up and operations. The financing of the project is expected to be 30% equity and 70% loan financing. The project expects to employ 346 persons during the first years of the business, majority being Tanzanians who shall be directly employed by the project. It is expected that at least 1000 indirect jobs will be created through sales and commissioning agreements with local service providers.

1.1 Vision, Mission and Core Values

Vision

To become the leading energy logistics service company in the region by offering services with superior customer value. To be a reliable partner and act proactively to satisfy our customers by delivering tailored petroleum products logistics services.

Mission

To provide reliable, timely and safe logistics services in the downstream sub-sector of the oil and gas industry

Core Values

Customer driven – Our services are always tailored to meet the needs and preferences of our customers

Quality – We strive to perform at an excellent level in everything we do. We are reliable. We are committed to consistently delivering our services at highest standard.

Teamwork - We work together collectively to achieve our common vision and mission

Honesty & Integrity - We are truthful and our actions are consistent with our words. We are honest and direct in all of our communications.

Respect & Dignity - We demonstrate respect for and appropriate loyalty towards our customers, colleagues and suppliers.

Innovation & Improvement -We drive change and challenge the status quo to exceed our customers' expectation.

Safety – We are committed to the safety, wellbeing and security of our customers, staff and facilities.

1.2 Project Location

The project is going to be located at Mikocheni light industrial area, Kinondoni District in Dar es Salaam region. The office is expected a convenient location. The area is accessible by road and has direct access to electricity. This location is strategically chosen due to proximity to the Dar es Salaam port and easy access by our target customers.

1.3 Implementation Period

The project is expected to start on 15st February, 2023. It shall be implemented in two phases. Phase one shall include preliminary activities including layout design and special construction where applicable. The phase will also encompass procurement of basic equipment, trucks, furniture and respective installation. During the first phase about 300 trucks will be procured while remaining 200 will be procured during the second phase. Phase two shall also include staffing and official launching of the business. Phase two is expected to kick off effective from 1st June 2023.

Table 1: Implementation Schedule

DESCRIPTION		PHASE ONE Feb – December 2023				PHASE TWO January 2024
No.	Activities	February to December				January & beyond
1	Layout design, Landscaping and special construction.					
2	Procurement of office equipment and fittings					
3	Procurement of trucks					
4	Recruitment					
5	Official launching of the business					

1.4 Project Objectives

The business is mainly meant to provide oil and gas road transport services and related services in Tanzania and neighbouring countries. The services are targeted

for both foreign and local customers. Our services packages are designed to cater for the increasing demand of oil and gas transport services triggered by the increasing economic activities and fast-growing movement of people and goods in the country leading to high demand of fuel. Besides, we would like to engage in business aiming at operating sustainably by giving our customers value for money and making profits. We are dedicated to making our esteemed customers part of our success by creating environment and platforms that ensure safety and enjoyment to them. Notably the business will focus on the following specific objectives;

- To ensure availability and reliability of high-quality transportation services;
- To employ at least 346 people and contribute to the improvement of livelihood of the community,
- To generate sufficient income through sales to meet the needs of the shareholders and contribute to government revenues,
- To expand into branches across main transport corridors in Tanzania.

1.5. Project components and costs

The project is still at the initial stages; require some investments in terms of fixed assets, labour and materials. The business has already rented office premise at Mikocheni area, Kinondoni Municipality in Dar es Salaam. Basic legal documents to allow business start-up are ready in place. The details of initial investment requirements are outlined in Table 2 below.

Table 2: Project Requirements (US\$)

Type of Investment	Qty	Cost/unit (\$)	Total Value (\$)
Furniture and fixtures	1	8,000	8,000
Motor vehicles	2	10,000	20,000
Trucks	300	90,000	27,000,000
Structural construction	1	20,000	20,000
Maintenance	1	250,000	250,000
Total Investment cost			27,298,000
Rent (office and yard)	24	2,350	56,410
Raw Materials (fuel)	300	37,440	11,232,000
Labour for 12 Months	1	1,324,800	1,324,800
Total Cost			39,911,210

2.0 BUSINESS DESCRIPTION

The company has already rented office space at Mikocheni light industrial area where the business will operate from. The project shall make special layout and construction suitable for delivering best service to customers. Modern facilities shall be installed and equipment availed for best customer experience. The company shall make use of trucks in recommended condition.

The project expects to move an average of 165,000 metric tons per month. The project is planning to expand its service portfolio and establish new outlets over time as new opportunities emerge and be identified.

3.0 BUSINESS ENVIRONMENT

The business may be affected by factors beyond owner's control, and these need to be taken into account before making any investment decision. The company has considered many opportunities and challenges that may arise out of the expected changes. The analysis of business environment key factors is paramount to this plan in order to determine external factors and how they are likely to affect the project.

Economically; Tanzania is now experiencing economic growth whereby the purchasing power of people is increasing and people's interactions is increasing as trade grows in the East Africa and SADC regions. The country is highly improving business environment to encourage investors in various sectors where tourism is one among top government investment priorities. The burning issue currently is the rate of inflation and fall in domestic currency this would lead to increased cost of service delivery as the price of fuels are rising. Issues like Common Market for the East Community are opening up business performance and new investment opportunities. In recent years there has been an acute shortages of trucks in the Tanzanian market, whereby there are far many cargos to be transported than trucks. Melaka Logistics will greatly contribute to solving this problem.

Politically; the political environment is conducive for the business operations. The current government regime is in support of investments. There have been adequate policies to support the energy sector. The Tanzanian Government is engaged in developing and promoting sustainable growth where remarkable investments are

being made in infrastructure sector development in Tanzania as one of the economic growth catalyst.

Social-Cultural: The social aspect focuses on the forces within the society. Family, friends, colleagues, neighbours and the media are social factors. These factors can affect our attitudes, opinions and interests. So, it can impact sales of products and revenues earned. There is no doubt that the society is continually changing. The tastes and preferences are a great example of this change for the Tanzanian culture. Most of Tanzanians currently are willing to pay a premium price for a product that satisfies their expectations. Demographically, the country is increasing in population where currently the country is estimated to have over 61.7 million people. The increase in population necessitates increase in goods and services.

Technological factors: Technological factors are variables that are being used for evaluating available alternatives with respect to technological capabilities. Our company considers it as an important tool for improving operations and functions. Technological factors are one of various external environment factors that affect businesses greatly and are also an integral component of the PESTLE analysis. In the present scenario, utmost dependence on equipment, technological factors can have more effect on business operation and success globally than ever before. Furthermore, development of technology has also introduced digital marketing strategies through which companies are able to sell their products and services. Even the research and development R&D divisions in companies have changed ways of functioning and more advanced techniques in the development of products and services have been introduced only through technological advancements. *Melaka Logistics Limited* is constantly looking for development and updates within the technological environment. In this way, we do not only improve our operations but, we will also be well aware of business transformational phase. We will derive groundbreaking strategies to grow exponen

4.0 MARKET ANALYSIS

Increasing exports and imports of oil and gas on the account of surged demand across the world are fuelling the market growth. Global oil demand is estimated at 104 MMbbl/d in 2025 and natural gas continues to expand its share across major markets.

Oil and gas companies will need to expand their production to meet emerging demand in the foreseeable future.

The oil and gas industry is undergoing rapid transformations across the world. The innovation of new technologies has allowed unconventional drilling that enhances oil & gas production. New business models and services are rapidly evolving and assisting to reduce the cost of operations in upstream oil and gas, which in turn is promoting the market growth.

As of 2020, the consumption of petroleum products in Tanzania increased by three percent, reaching roughly 3.6 billion litres. In the preceding year, 3.5 billion litres of petroleum products were consumed in the country. According to the source, the main business segments demanding petroleum items are transportation, industries, construction, power generation, mining, and aviation. Recovering prices, strong demand from the transportation industry and modern developments of oil and gas exploration and production activities are some of the factors driving Tanzania oil and gas market growth.

Sustained growth in the consumption of natural gas, petroleum, and petrochemical products is one of the major growth drivers for oil and gas companies in Tanzania. Companies operating in the industry can benefit from this opportunity through investing and participating in the oil and gas trade. The major Tanzania companies are undertaking various oil and gas pipeline projects and contracts to expand their production capacities and sustain their position in the oil and gas industry.

In Tanzania, future oil and gas consumption will increase due to key factors such as a strong economy, population growth, and fuel economy. The dependence on oil and gas is further expected to increase as the country's infrastructure continues to heavily rely on petroleum-based products.

The market players are also undertaking several investment plans to cater to the increasing demand for oil and gas products. Government policies and support related to the exploration and production of oil and gas are playing a major role in the industry and encouraging the companies to boost Tanzania oil and gas investments.

This project will utilise the prevailing opportunities and utilise modern facilities and equipment that meet the needs and preferences of the target market. Besides, the company recognizes the market forces that are surrounding oil and gas logistics business. We will utilise all reasonable means to ensure that our services meet the required standards and be able to sustain the business environment.

4.1 TARGET MARKETS AND THEIR CHARACTERISTICS

The resolution to invest in Transport and logistics for liquid and dry cargo business resulted from a well thought market study that informed different strategies and actions. In view of that, following economic and market trends, lifestyle, needs and preferences our services are mainly meant for business to business engagements. These are specifically local and regional suppliers and distributors of oil and gas products and other bulk buyers of these products.

These will include:

- Local suppliers and distributors of oil and gas
- Importers, suppliers and distributors of oil and gas from neighboring land locked countries
- Other bulk buyers of oil and gas and dry cargo

4.2 Market Size

Our feasibility field survey indicates that; the market is poised to keep on growing as economic activities increase. Highest demand comes from importers, suppliers and distributors of oil and gas products in the country and the region. We expect to offer our services on daily basis. The business is designed to carry and move 2 million MT per annum with an estimated annual revenue of USD 67.4 million during first year of the business. It is projected that 60% and 40% of sales shall be generated from domestic and foreign customers respectively. Table 4.1 below summarises the expected demand for the business during the first year of the project.

Table 4.1: Projected Sales in the First Year of Operation (US\$)

Descriptions	Units	Milage/month	Price per unit (Average)	Sales per year
Foreign (40%)	Km	12,480,000	1.8	26,956,800
Domestic (60%)	Km	18,720,000	1.8	40,435,200
Total				67,392,000

4.3 SWOT ANALYSIS

Melaka Logistics Limited has conducted a thorough SWOT analysis that will help us achieve our project goals and objectives. This is the summary of the SWOT analysis that was conducted. The analysis is carried out to assess the strength that the business can leverage on, and then assess its weaknesses that need to be improved. In this part also potential opportunities are identified and how the business can utilize these opportunities. Lastly, the business has identified potential threats and challenges that are likely to face the business and respective mitigation strategies.

Strengths: Part of what is going to count as positives *the company* has good technical know-how, investment in modern equipment and strong management team. The company is planning to hire people who are highly experienced with good understanding of the industry capable of taking the business from the scratch to profitability.

Weakness: A major weakness that may count against us is the fact that we are still at infancy stage with the project. Another weakness is that we do not have our own business premise, however, we have already rented a property under long-term contractual agreement. The company expects to raise 70% of initial investment whereas owners are ready to invest 30% of initial required capital, which also reflects good owners' will to take risk.

Opportunities: Rising investments in different sectors in Tanzania, among which manufacturing and extraction, trigger increasing mobility of materials and people hence the positive growth of demand for gas and oil. All these call for transport services. In addition to that, the fact that investment in infrastructure and technology are among key government's strategic focus for economic development is very

promising to the business growth and sustainability. We only need to position our business to take advantage of these existing and emerging opportunities.

Challenges/Threats: We are quite aware that just like any other business, one of the major threats that we will face is the competition from other companies running similar businesses. However, we understand on how to position ourselves in the market, at the same time making sure that our services meet our target customer needs.

4.4 Marketing, Distribution and Communication Strategy

Various methods of marketing mix will be used to curb the existing and potential weaknesses and challenges/threats while utilizing the arising opportunities and leveraging on the key strengths of the company.

Pricing: The objectives of price strategy depend on a number of factors such as business economic and marketing objectives. Price setting can be based on cost or market based. With demand and competition orientation concepts. The pricing shall take into consideration both customer ability to pay and operational costs with some profit margin. Our services will be competitively priced in relation to the dictates of the market. Features of penetration strategy will be considered to attract more customers at this initial stage. In this case our services will be priced a bit cheaper. However, this will dictate that our costs are prudently kept so as to ensure our financial goals come to fruition.

Distribution: Melaka Logistics Limited has arranged to start operations by looking at the most convenient market segment. The main targeted market consists of both local and foreign importers, suppliers and distributors of oil and gas. Our services shall be directly accessed from our business premises. Following the nature of segment, customers will also have online booking and purchase options.

Promotion: A word of mouth has been the major promotion strategy for the business. This strategy is cheap and the product can effectively describe itself as it is clean and self-sufficient. The company will also be printing t-shirts and fliers as a communication strategy and promotional tools. In addition to ensuring we shall be active on social

media (twitter, linkedin, Instagram and facebook), a highly interactive website will also be availed.

5.0 OPERATIONAL PLAN

5.1 Long Term Operation Plan

The project is expected to be operated through two departments; the finance and one hand; and operation on the other. The Finance department is responsible for all financial, procurement and sales activities; while the operation will deal with all operational and technical aspects of the business. The Operations Manager is a skilled salaried employee who work day to day to achieve company's targets. On the other hand, the Finance Manager will lead the strategic action plans and make sure they correspond to available operational environment. The operational plan is associated with service delivery costs as well as materials required as inputs along the process.

5.3 Labour Requirements

Labour is one of the most important inputs in any industrial enterprise. The business will require skilled labour most of whom will be Tanzanians. Table 5.1 indicates that labour required amounts to US\$ 110,400 per month that is US\$ 1,324,800 per annum.

Table 5.1: Labour Requirement (US\$)

Description	Qty	Unit price \$	Monthly Salary (\$)	Annual Salary (\$)
Managing Director	1	2,500	2,500	30,000
Personal assistant	1	900	900	10,800
Operations			0	
Operations manager	1	1,200	1,200	14,400
Section Supervisors	3	700	2,100	25,200
Drivers	300	300	90,000	1,080,000
Security Officers	4	250	1,000	12,000
Technicians	10	500	5,000	60,000
Casual workers	20	150	3,000	36,000
Finance department			0	
Finance manager	1	1,200	1,200	14,400
Accountant	1	700	700	8,400
Procurement officer	1	700	700	8,400
Sales officers	3	700	2,100	25,200
Total	346		110,400.00	1,324,800

5.4 Raw Materials Requirements

The project is typically a service business. Unlike manufacturing and even other service businesses, the major material required is fuel to be used by our trucks. The project intends to engage in contractual agreements with selected suppliers (filling stations). The annual material requirements amounts to USD 24,336,000.

Table 5.2: Materials Requirements per Month (US\$)

Type of raw materials	Price/month	Amount per year
Fuel	2,028,000	24,336,000
Total Purchases	2,028,000	24,336,000

5.5 Service Delivery Overheads

Service delivery overheads covers costs such as utilities for water and electricity, postage and telephone, maintenance and other costs directly associated with the delivery of services. Table 5.3 shows service delivery overheads amounting to US\$ 116,842 per month that is US\$ 1,402,105 per year.

Table 5.3: Service Delivery Overheads (US\$)

Item	Monthly Expenses	Estimated Annual Costs
Postage & Telephone	100	1,200
Electricity	100	1,200
Water bills	50	600
Maintenance Costs 5%	113,742	1,364,900
Rent	2350	28,205
Others	500	6,000
Total Costs	116,842	1,402,105

5.6 Total Service Delivery Cost

The estimated total Service Delivery cost is US\$ 27,062,905 per annum as shown in Table 5.4 below. The raw materials are generally procured on contractual basis per trip. Given the nature of Melaka Logistics Limited's project, the production costs include raw materials, direct labor and production overheads.

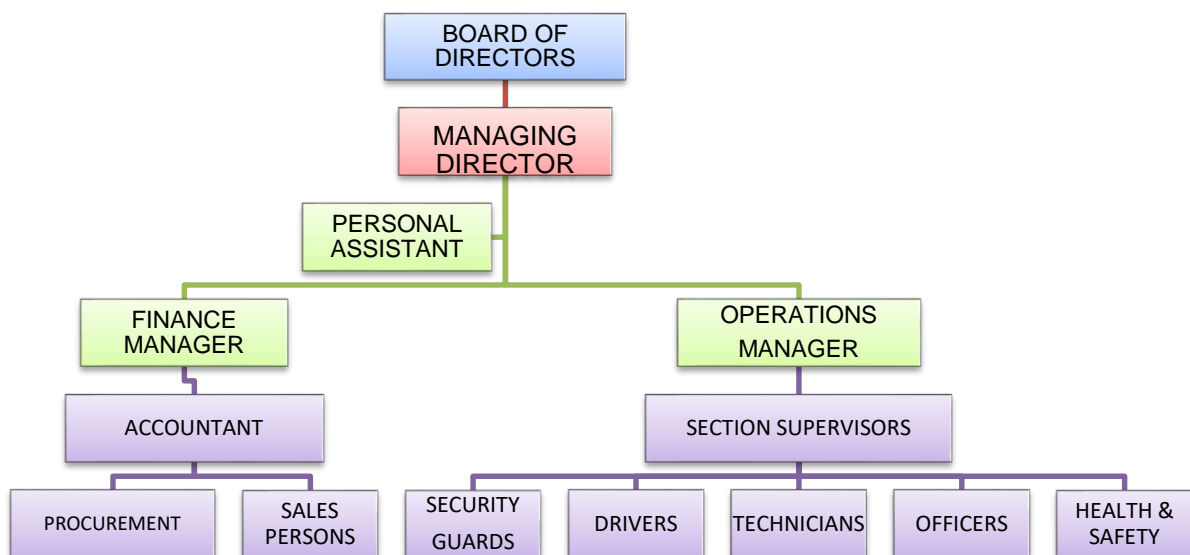
Table 5.4: Total Service Delivery Cost (US\$)

Item	Expenses/Month	Estimated Annual Cost
Raw materials	2,028,000	24,336,000
Direct labour	110,400	1,324,800
Production Overheads	116,842	1,402,105
Total Costs	2,255,242	27,062,905

6.0 MANAGEMENT PLAN

The management structure of Melaka Logistics Limited will be headed by the Managing Director who shall be overseeing all company's operations on daily basis. He/she will be assisted by the operations manager who shall be responsible for day-to-day operations and manage all staff under his/her line. The Finance Manager shall be responsible for all administrative duties and finances and supervises all personnel under his/her line. The section supervisors shall be responsible for daily operations and engaging casual workers at different levels when needed. The following figure illustrates the organisation structure of the company.

Figure 6.1: Organization Chart



7.0 FINANCIAL PLAN

7.1 Financial Assumption

Several assumptions were made and considered in the preparation of this financial plan and projection. The assumptions are based on professional judgment, economic trends and current financial market environment. These are as noted below;

- (i) The focus market shall involve both local (60%) and foreign (40%) customers.
- (ii) All sales will take place throughout the month and billing will generally be done on daily basis or, where applicable, on contractual basis.
- (iii) Depreciation will be charged on straight line method to allocate the cost of each value over its estimated useful life. The rates to be used are as follows;
 - (a) Buildings 5%
 - (b) Furniture & Fittings 12.5%
 - (c) Equipment 9%
 - (d) Motor vehicles 15%

The financial assumptions will also include issues on credit sales, payments of interest rates, taxes and other levies. Interest rates, tax rates, and personnel burden are based on conservative assumptions. Some of the more important underlying assumptions are:

- We assume a strong economy, without major recession.
- We assume, of course, that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- We assume an inflation rate of 5% yearly.
- Maintenance costs 5% of Trucks and Equipment
- Corporate tax is 30% of Net Income

7.2 Sources of Funds

The project financing shall come from owners' equity (30%) and bank loan (70%). The owners have already committed some funds into the project for office/yard rent and preliminary costs of the project.

7.3 Profitability Analysis

The project profitability analysis indicates that the project will be able to generate substantial amounts of profits throughout the project, table 7.1 summarizes the profit analysis for 5 years.

Table 7.1: Profit Projections (US\$)

Year	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEARS 5
Sales	67,392,000	70,761,600	74,299,680	78,014,664	81,915,397
Total production cost	27,062,905	28,416,050	29,836,853	31,328,696	32,895,130
Profit Margin (Loss)	40,329,095	42,345,550	44,462,827	46,685,968	49,020,267

7.3 Operating Expenses

The following table shows the projected operating costs for five years. All expenses reflect an annual inflation rate of 5% annually.

Table 7.2 Operating Expenses

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Marketing expenses	2400	2,472	2,546	2,623	2,701
Insurance	945,000	1,288,350	1,642,001	1,691,261	1,741,998
Office rent	28,200	29,046	29,917	30,815	31,739
Permits and Licenses	435	448	461	475	490
Vehicle expenses	1,800,000	1,854,000	1,909,620	1,966,909	2,025,916
Professional fees	2,608	2,686	2,767	2,850	2,935
Provision for bad & doubtful debts	0	-	-	-	-
Depreciations	3,399,050	4,099,768	4,712,848	4,124,248	3,609,183
Miscellaneous expenses	1,800	1,854	1,910	1,967	2,026
Bank Charges	77244	79,561	81,948	84,406	86,938
Total	6,179,493	7,278,624	8,302,070	7,821,147	7,416,989

7.4 The Projected Income Statements

The Projected income statements for five years indicate that the project shall be able to generate substantial amounts of profits as detailed below.

Table 7.3 Projected Income Statements for five years

Description	Year 1	Year 2	Year 3	Year 4	Year 5
	US\$	US\$	US\$	US\$	US\$
Total sales	67,392,000	70,761,600	74,299,680	78,014,664	81,915,397
Less Cost of sales:	27,062,905	28,416,050	29,836,853	31,328,696	32,895,130
Gross Profit	40,329,095	42,345,550	44,462,827	46,685,968	49,020,267
Less Operating Expenses	6,179,493	7,278,624	8,302,070	7,821,147	7,416,989
<i>Earnings before Interest and Tax (EBIT)</i>	<i>34,149,602</i>	<i>35,066,926</i>	<i>36,160,757</i>	<i>38,864,821</i>	<i>41,603,278</i>
Less Loan interest	\$4,567,838	\$3,562,076	\$2,556,313	\$1,550,551	\$544,788
<i>Earnings Before Tax</i>	<i>29,581,764</i>	<i>31,504,850</i>	<i>33,604,444</i>	<i>37,314,271</i>	<i>41,058,490</i>
Less TAX 30%	8,874,529	9,451,455	10,081,333	11,194,281	12,317,547
NET PROFIT/ (Loss)	20,707,235	22,053,395	23,523,111	26,119,990	28,740,943
Dividend 30%	6,212,170	6,616,019	7,056,933	7,835,997	8,622,283
Retained Earnings	14,495,064	15,437,377	16,466,178	18,283,993	20,118,660

7.5 Projected Balance Sheet

The Projected balance sheet for five years indicates the capacity of the project to finance its operations throughout the projected period as shown in Table 7.4.

Table 7.4 Projected Balance Sheet for Five Years

Descriptions	Year 1	Year 2	Year 3	Year 4	Year 5
	US\$	US\$	US\$	US\$	US\$
NON-CURRENT ASSETS					
Land& Buildings	35,150	33,393	31,723	30,137	28,630
Machinery &Equipment	184,500	166,050	149,445	134,501	121,050
Motor vehicles	23,625,000	28,546,875	32,853,516	28,746,826	25,153,473
Furniture & Fixtures	7,000	6,125	5,359	4,689	4,103
Total Non-Current Assets	23,851,650	28,752,443	33,040,043	28,916,153	25,307,257
Stocks	0	0	0	0	0
Debtors & Prepayments	3,437,721	3,238,094	6,424,171	14,098,424	16,323,186
Cash and Bank balance	34,630,247	26,125,350	15,010,254	9,285,560	8,528,525
Total Current Assets	38,067,968	29,363,444	21,434,425	23,383,983	24,851,711
TOTAL ASSETS	61,919,618	58,115,887	54,474,468	52,300,136	50,158,967
Share Capital	11,973,363	11,973,363	11,973,363	11,973,363	11,973,363
Additions	0	0	0	0	0
Retained Earnings	20,707,235	22,053,395	23,523,111	26,119,990	28,740,943
Total Equity	32,680,598	34,026,758	35,496,474	38,093,353	40,714,306
Bank loan	22,350,278	16,762,708	11,175,139	5,587,569	0
Trade Creditors and Accruals	676,573	710,401	745,921	783,217	822,378
Dividends	6,212,170	6,616,019	7,056,933	7,835,997	8,622,283
Total Current Liabilities	29,239,021	24,089,128	18,977,994	14,206,784	9,444,661
Total Equity & Liability	61,919,619	58,115,886	54,474,468	52,300,136	50,158,967

7.6 Projected Cash Flows

The projected cash flows for five years indicates that the project shall be able to maintain sufficient cash required to meet all operational needs as shown in Table 7.5.

Table 7.5 Cash Flow Projections for Five Years

DESCRIPTIONS	Year 1	Year 2	Year 3	Year 4	Year 5
	US\$	US\$	US\$	US\$	US\$
Cash from operations:					
Profits before tax	29,581,764	31,504,850	33,604,444	37,314,271	41,058,490
Adjustments for non-cash items:					
Depreciations	3,399,050	4,099,768	4,712,848	4,124,248	3,609,183
Change in Working Capital:					
Receivables	0	0	0	0	0
Trade payables & Accruals	676,573	710,401	745,921	783,217	822,378
Capital additions	0	0	0	0	0
Total	33,657,386	36,315,019	39,063,213	42,221,737	45,490,052
Tax payments	-8,874,529	-9,451,455	10,081,333	11,194,281	12,317,547
Total Cash Inflow from Operating Activities	24,782,857	26,863,564	28,981,880	31,027,455	33,172,504
Cash from investing activities:					
Purchase of property, plant & equipment	-23,851,650	-28,752,443	-33,040,043	-28,916,153	-25,307,257
Net Cash Outflow From Investing Activities	931,207	-1,888,879	-4,058,163	2,111,303	7,865,248
Cash from financing activities:					
Dividends	-6,212,170	-6,616,019	-7,056,933	-7,835,997	-8,622,283
Change in cash & cash equivalent	-5,280,963	-8,504,897	11,115,096	-5,724,694	-757,035
Beginning Cash Balance	39,911,210	34,630,247	26,125,350	15,010,254	9,285,560
Ending Cash Balance	34,630,247	26,125,350	15,010,254	9,285,560	8,528,525

7.6 Loan Repayment Plan

YEAR	31/12/2023	31/12/2024	31/12/2025	31/12/2026	31/12/2027	BALANCE
Opening Balance (USD)	\$27,937,847	\$22,350,278	\$16,762,708	\$11,175,139	\$5,587,569	\$27,937,847
Interest rate (5%)	\$4,567,838	\$3,562,076	\$2,556,313	\$1,550,551	\$544,788	\$12,781,565
Subtotal	\$32,505,685	\$25,912,353	\$19,319,021	\$12,725,689	\$6,132,357	\$40,719,412
Repayment						
Principal	\$5,587,569	\$5,587,569	\$5,587,569	\$5,587,569	\$5,587,569	\$27,937,847
Interest	\$4,567,838	\$3,562,076	\$2,556,313	\$1,550,551	\$544,788	\$12,781,565
Subtotal	\$10,155,407	\$9,149,645	\$8,143,882	\$7,138,120	\$6,132,357	\$40,719,412
Closing Balance	\$22,350,278	\$16,762,708	\$11,175,139	\$5,587,569	\$0	\$0

8.0 ECONOMIC ASPECTS

8.1 National economic and social Benefits

The economic and social impact of establishing the proposed project to Tanzania is expected to be positive. This positive impact is expected to be direct and indirect as explained below:

(i) Direct economic impact

Direct positive economic impact is expected to come from three factors, namely,

- (a) Tax payments to the government
- (b) Foreign currency savings,
- (c) Employment opportunities generation; at least 346 direct jobs expected to be created.
- (d) Transfer of technical know how

(ii) Indirect economic (job creation)

In addition to the direct employment opportunities that the proposed project is expected to generate, its operations are expected to boost businesses of respective suppliers of goods/services that the project will need. With the increase in the activities of these suppliers, there is great likelihood that the increase will create additional employment opportunities in their businesses.

(iii) Corporate Social Responsibility

The project is also expected to operate as a responsible corporate citizen by fulfilling some of its corporate responsibilities such as assisting some of the disadvantage communities by way of donations, starting from the communities living near the project.

9.0 CONCLUSION

The financial analysis in this plan indicates a positive growth and ability of the project to recover initial investments and make substantial profits in the successive years. The objectives indicated in this plan are likely to be met; hence it is feasible undertaking this project. In addition, the community where the project will operate is likely to benefit from employment created through provision of locally made edible oils at a reasonable price and thus create more indirect jobs to all stakeholders engaged in the purchase and sell of company's services. The project is also expected to benefit the society through social corporate responsibility activities of the company; and most importantly; the government will get taxes from the project and help to contribute to countries economic growth strategies.

10.0 RECOMMENDATION

We are highly encouraged to undertake this project, due to the fact that it has proven to have great potentials of meeting market demand. The financial analysis also shows a significant contribution of the to the country's economic activities through employment creation and raising tax revenues to the government. Various stakeholders both from the public and private sector are highly requested to support this project at whatever capacity that may make this project a success.