

TAFBROS COMPANY LIMITED

BUSINESS PLAN

FOR

**RESIDENTIAL AND COMMERCIAL REAL
ESTATES INVESTMENT**

SUBMITTED TO TANZANIA INVESTMENT CENTRE

JUNE 2024

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1. COMPANY INFORMATION

Principle Place of Operation	Plot No: 331/00, House No. 66, Msasani Road, Oysterbay P.O.BOX 72838 Dar es Salaam, Tanzania
Physical Address of the company	Plot No: 331/00, House No. 66, Msasani Road, Oysterbay P.O.BOX 72838 Dar es Salaam, Tanzania
Tax Identification Number (TIN)	167-223-378
Incorporation Number	167-223-378
Promoter and contact Person	Name: Yasar Kemal Kurt Plot No: 331/00, House No. 66, Msasani Road, Oysterbay P.O.BOX 72838 Dar es Salaam, Tanzania Email: yasrkemalkurt@yahoo.com Mob: +25577930000
Company Legal Advisor	Breakthrough Attorneys 66 BTA House, Plot No. 331/00 Msasani Road, Oysterbay, Opposite UN House Email: info@breakthroughattorneys.com Mob: +255754037740

2. EXECUTIVE SUMMARY

2.1 Statement of Purpose

This document is drawn for the purpose of submission and application of certificate of incentives for operating a real estate business in the United Republic of Tanzania from Tanzania Investment Centre (TIC).

2.2 About the Company

TAFBROS Limited is the company limited by shares registered in the United Republic of Tanzania under the company Act of 2002. The company was effectively registered on 5th with the certificate of incorporation number 167-223-378 and Tax Identification Number 167-223-378. TAFBROS is the Romanian owned company that is legally registered and operates in Tanzania.

2.3 Vision Statement

The company is envisioned to be the leading real estate developer across east Africa by providing tailored real estate designs and providing housing solutions to individuals, corporates, and businesses.

2.4 Mission Statement

TAFBROS company limited focus to redefining real estate industry through provision of class, modernist, quality, and affordable real estate properties which are tailored made in Tanzania market and East Africa

2.5 Principle Activities of the Company

The company dedicated to providing **residential and commercial real estate properties** in Tanzania. The investment that aimed to provide the housing solutions in the country through construction of quality, class, affordable and modernist housing solutions to different customers ranging from higher income earner to the lower income earners.

2.6 Expected Results from the Company Operations

The contribution and development that will be made by TAFBROS Company in Tanzania will create spontaneous opportunities in the market such as

- Provision of accessible and affordable residential properties to different target groups ranging from higher income earners, middle class earners and lower income earners
- Contribute to economic development through provision of commercial properties for businesses operation.
- Create employment opportunities to various Tanzanian such as architectural company, construction company, cleaning company and party-time labourers during construction.
- Taxes payment to the government through corporate tax, employment taxes (PAYE) and withholding tax on rental income from both commercial and residential properties.

2.7 Competitive Positioning of the Company

TAFBROS company, have several competitive advantages to penetrate in the real estate market in Tanzania. The detailed summary of the company competitive advantages and positioning includes:

- (a) Strategic location of the real estate development, which is Dar es Salaam, the heart of national economy.
- (b) Adequate capital investment by shareholders
- (c) Untapped market and Increasing demand of affordable housing in Tanzania.

The Company will leverage on its competitive advantages to ensure its real estates portfolio is well diversified and provide housing solution in Tanzania through provision of quality and affordable housing properties.

3. HOUSING MARKET IN TANZANIA

3.1 Overview of Housing Market

In Tanzania there is the increasing demand of housing for both commercial and residential properties. The increase in housing demand is mainly driven by strong and sustained economic growth of Tanzania with GDP growth averaging at 6.2 percent over the past decade and population growth of Tanzania which is expected to be double in 2050.

The current statistic in the housing market of Tanzania shows, there is the estimated demand of housing of 200,000 houses annually, while there is the shortage of 3 million houses as per the Tanzania National Housing Corporation (NHC) report.

Despite, the fact that there is the increasing housing demand in Tanzania and the statistics shows there is the housing shortage, the challenge of affordability and accessibility of housing properties and housing finance is still the challenge while there is the rapid growth of urbanization in our country.

The latest published report of the Bank of Tanzania on the mortgage market updates for December 2023, shows the Mortgage lenders interest rate range from 15% to 19% per annum which is more expensive compared to other mortgage market across the global.

The housing initiative in Tanzania can be broadly categorized into mortgage market and housing microfinance with different stakeholders such as the Government of Tanzania and other international development agencies (non-governmental and foreign government) both play a vital role to reduce the problem of housing and increasing access to affordable housing in the country.

3.2 Market Players

Housing market in Tanzania is largely dominated by individual homebuilders who account more than 60% of the total supply while the rest of the percent is catered for public sector (through NHC, TBA, Watumishi Housing Company (WHC) and pension funds such as NSSF) and private developers.

Both players in the market have target market and serve a certain market inch in our country. The market is featured with different development ranging from residential properties, commercial properties and malls. It is undeniable truth there is the increasing demand of both categories of housing properties driven by the economic growth and increasing population in Tanzania.

TAFDOAS is dedicated to play a vital role in solving the increasing housing demand in Tanzania through development of residential housing and commercial properties across our country.

3.3 Factor affecting real estate development in Tanzania.

The real estate market in Tanzania is largely affected by several factors ranging from economic factors, political factors, and geographical factor. Some of the factors includes:

- (i) Business and economic dynamics. The business cycle and economic cycle in the country affect per capital income of businesses, companies and individuals. Unstable and unpredictable economic trends and business will significantly affect the real estate market and causing lower demand and decreasing price of real estate properties both residential and commercial.
- (ii) Location - Most of the prime areas of tend to have higher price of real estate properties while the less prime areas tend to have lower price of real estate properties. TAFBROS Company limited have ensure all the investment will be made to the prime areas in the country starting with Dar es Salaam at Regent estate.
- (iii) Political influence can also affect the real estate market. Example the government move to shift to the capital city of Tanzania which recently caused the decrease in the real estate market in Dar es Salaam.

3.4 Market Competition

Currently, there is the slight decline in residential and commercial properties in Tanzania which was caused by the increasing supply of residential units accompanied by a slower demand. This decline was mainly observed in Dar es salaam the city hub for business in Tanzania.

The decline in Dar es Salaam, caused the emerging market of residential properties and commercial properties in the capital city of Tanzania (Dodoma), following the government decision to relocate all the ministries and institutions from Dar es Salaam to Dodoma.

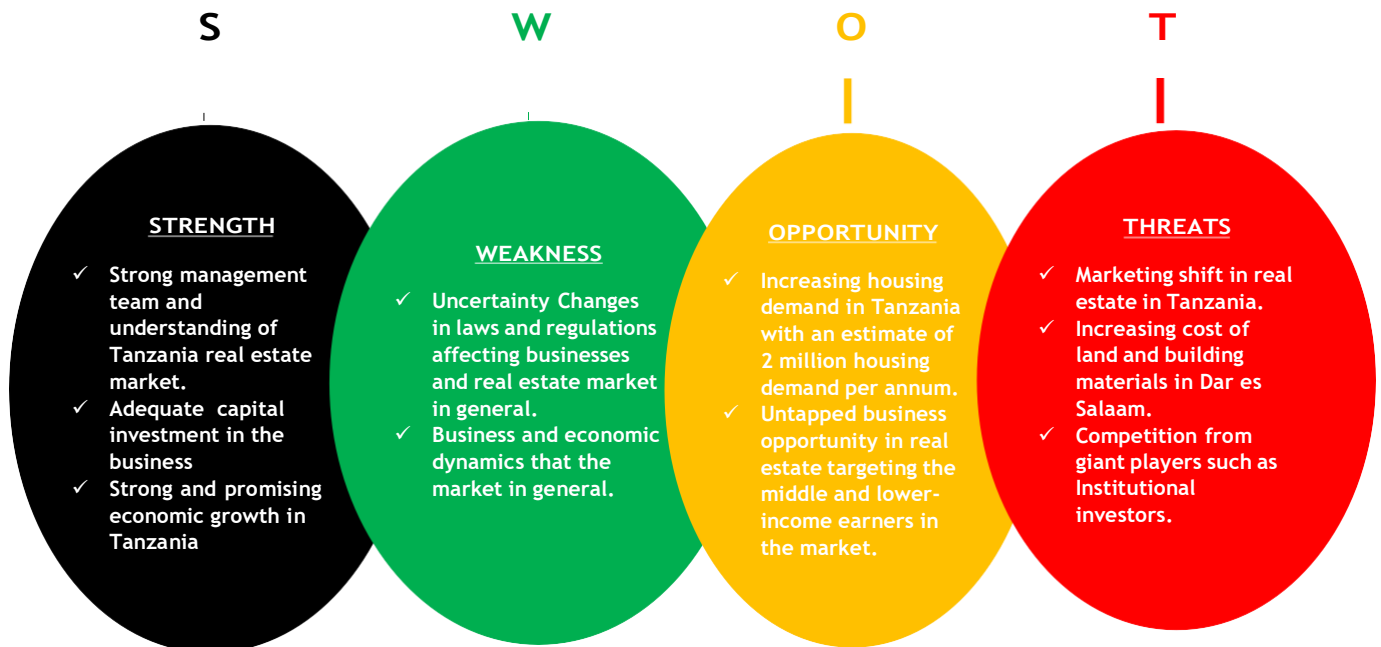
Despite the market shift, Dar es Salaam has continued to be the strongest business harbour with high urbanization and population increase with the key players and competitors in the market being individual home builders, Government Housing institutions (NHC, WHC and TBA) and private real estate developers in Dar es Salaam Market.

TAFBROS Company limited, will leverage from the Quality and affordability of the properties developed (residential and commercial) to ensure successful operation of the business.

The Quality and affordability of the housing properties depends with the financing cost of real estate properties, also the cost of materials used for construction of the properties. All of these together determine the pricing and affordability of the developed real estates properties. TAFBROS will use their experience and expertise in real estate business to ensure that the quality of housing is not compromised but at same time the cost is minimized through direct purchases from the manufacturers in order to provide class and modernist housing properties at affordable price.

3.5 SWOT Analysis of the business

In analyzing the business operation and driving factors towards the pattern of real estate market in Tanzania, TAFBROS Company limited broadly analyze the following competitive advantages and disadvantages as the strategy on how to enter the market and positioning the company to be the best and top-class real estate developer across East Africa.



3.6 Company Positioning in the Market.

TAFBROS company, have several competitive advantages to penetrate in the real estate market in Tanzania. The detailed summary of the company competitive advantages and positioning includes:

- (a) Strategic location of the real estate development
- (b) Adequate capital investment
- (c) Increasing demand of affordable housing in Tanzania

The Company will leverage on its competitive advantages to ensure its real estates portfolio is well diversified and serve well the target market inch in Tanzania through provision of quality and affordable housing properties.

4. ADMINISTRATION AND OPERATION PLAN OF THE COMPANY

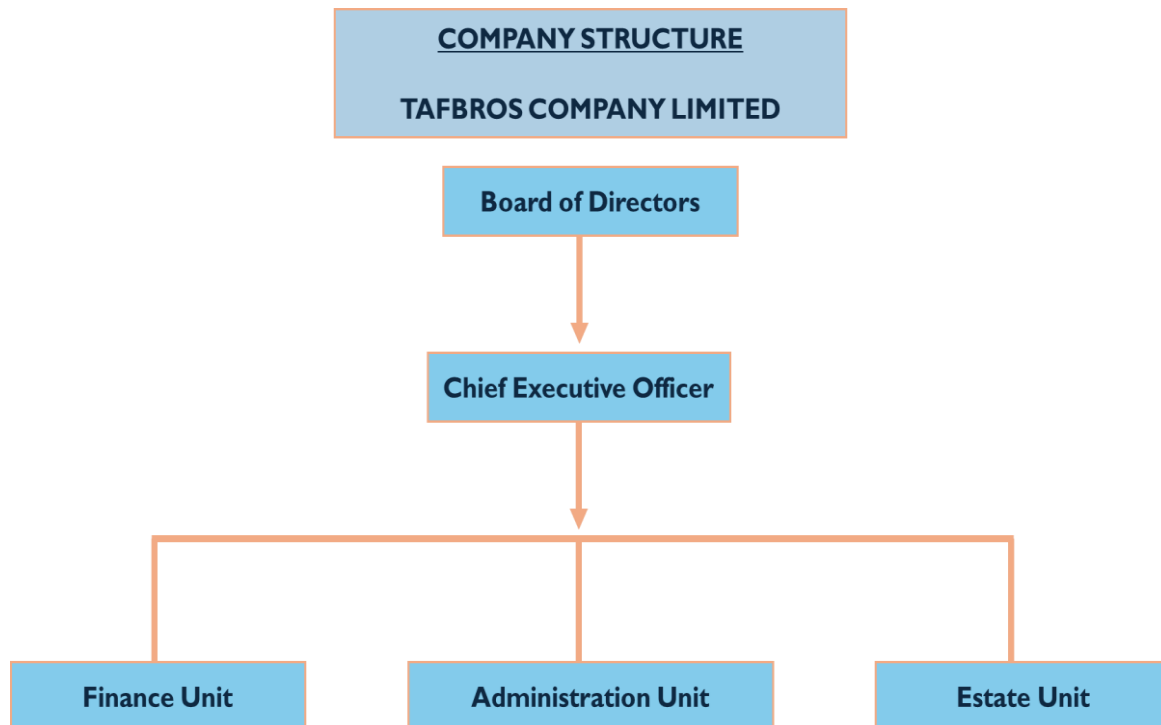
4.1 Company Structure

The corporate governance system of the company is illustrated under the chart below. The hierarchy and superior power of the company will be the Board of Directors of the company which will comprises three (3) Directors listed below:

Table 1: Directors of the company

S/N	Name	Nationality
1	Ally Aydin	Romanian
2	Alper Pazarbas	Romanian
3	Yasar Kemal Kurt	Turk

Among the three directors named above, **Yasar Kemal Kurt** will be the Chief Executive Officer (C.E.O) who will be responsible and in-charge of day-to-day operation of the company. The organogram of the company is illustrated as detailed below:



4.2 Board of Directors of the Company

The overall responsibilities of the Board of directors of the company includes the following:

- ✓ Ensuring the strategic goals of the company are implemented and achieved.
- ✓ Raising investment capital of the business where needed
- ✓ Identifying and managing all the risks associated with business operation.
- ✓ Reviewing and monitoring management performance from time to time to ensure shareholders objectives are realized.
- ✓ Ensuring there are well established infrastructures such as technology, human capital, designed policies and controls in the company to facilitate smooth operation of the business.

4.3 Management Team

The company management team comprises of various personnel as detailed below:

S/N	Name & Position	Roles and Responsibilities
1	Yasar Kemal Kurt (Chief Executive Officer)	<ul style="list-style-type: none"> ▪ Yasar is the experienced businessman vested with enough experience in managing various businesses. Throughout his career he has been involved in management of several real estate portfolio in Romania. ▪ Yasar has spent most of his time studying Tanzania market and business in general. ▪ Yasar will be in-charge of the overall business operation of the company. ▪ He will be assisted with various unit managers in running day to day activities of the business. ▪ He will be responsible to report to the Board of Directors on all affairs of the company.
2	Unit Leads (Finance, Administration, and estate department)	<p>❖ Finance Unit The Finance department of the company will be responsible for handling various finance related issues such as:</p> <ul style="list-style-type: none"> ✓ Ensuring proper documentation of all payments and ensure adequate supporting of the payments. ✓ Ensuring all payments made align with company workplan and approved by the Chief Executive Officer ✓ Preparation of financial reports of the company that includes Income statement, financial position, cashflow statement and statement of change in equity. <p>❖ Administration and Estate Unit The estate and administration department will be headed by Estate Manager and Administration Manager. The departments will be responsible for handling all estate investments.</p> <ul style="list-style-type: none"> ✓ Ensuring all the infrastructure in the residential and commercial properties work. ✓ Handling human resources related issues of the company. ✓ Handling tenant's contracts and ensure all bills to the customers are billed and paid on time. This will be done in coordination with the finance department. ✓ Ensuring proper maintenance of the properties owned by the company. ✓ Handling logistic services in all commercial and residential properties.

4.4 Business Requirements

To operatized some of the activities of the company, the following cost will be incurred by the business. In the first year of operation, the company has incurred the business registration cost and will purchase a land for investment. The company expect after obtainment of the certificate of incentives from Tanzania Investment Centre, then the construction and procurement of the materials to start immediately. The detailed summary of the operational cost of the business for the five (5) years are projected as detailed below:

Table 2: Estimated operational cost of the business.

Estimated Operation Cost	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
	TZS	TZS	TZS	TZS	TZS
PERSONNEL COST					
Basic Salaries					
Chief Executive Officer	-	14,400,000	14,400,000	14,400,000	14,400,000
Finance Officer	-	12,000,000	13,200,000	13,200,000	13,200,000
Estate Manager	-	12,000,000	13,200,000	13,200,000	13,200,000
Administrative Manager	-	11,400,000	12,540,000	12,540,000	12,540,000
	-	49,800,000	53,340,000	53,340,000	53,340,000
Other Statutory Contribution					
Pension Contribution (NSSF) - 10%	-	4,980,000	5,334,000	5,334,000	5,334,000
Workers Compensation Fund - 0.5%	-	249,000	266,700	266,700	266,700
NHIF Cost - 3%	-	1,494,000	1,600,200	1,600,200	1,600,200
Other Support Staffs	-	6,723,000	7,200,900	7,200,900	7,200,900
	-	13,446,000	14,401,800	14,401,800	14,401,800
Total Personnel Cost	-	63,246,000	67,741,800	67,741,800	67,741,800
ADMINISTRATIVE COST	-	-	-	-	-
Electricity	-	30,000,000	30,000,000	30,000,000	30,000,000
Water bills	-	10,000,000	10,000,000	10,000,000	10,000,000
Security Service fee		15,000,000	15,000,000	15,000,000	15,000,000
Cleaning Service Outsourced	-	8,000,000	8,000,000	8,000,000	8,000,000
Repair & Maintenance - Buildings & infrastructures		10,000,000	10,000,000	10,000,000	10,000,000
Repair & Maintenance - Motor Vehicles	-	7,800,000	7,800,000	7,800,000	7,800,000
Fuel Cost	2,650,000	5,400,000	5,400,000	5,400,000	5,400,000
Transportation and logistic service	-	-	-	-	-
Registration & licensing cost	5,700,000	-	-	-	-
Audit fee cost	-	7,000,000	7,000,000	7,000,000	7,000,000
Insurance Cost	-	27,598,432	27,598,432	27,598,432	27,598,432
Depreciation expenses	1,312,500	177,733,100	177,295,600	160,308,100	158,052,350
	9,662,500	346,094,732	345,657,232	328,669,732	326,413,982
SALES & MARKETING		-	-		
Branding and Advertisement cost		9,700,000	4,850,000	2,425,000	2,425,000
Website maintenance Cost		5,000,000	5,000,000	5,000,000	5,000,000
Online listing of apartments		4,500,000	2,500,000	2,500,000	2,500,000
		19,200,000	12,350,000	9,925,000	9,925,000
TOTAL OPERATION COST	9,662,500	421,817,732	418,548,132	399,135,632	396,879,882

5. MARKET STRATEGIES AND PLAN OF THE BUSINESS

5.1 Market Analysis

Tanzania economy being one of the fastest growing economies in east Africa, the real estate industry is featured with different players ranging from giant institutional investors to individuals and private real estate developers as detailed on competition analysis on the overview of the housing market in Tanzania.

Each player in the market trying to serve different market niches from higher income earners, middle income earners, lower income earners and poorer of the poor depending on the need assessment of the market and ability to serve the identified market needs.

The biggest factor that determines the shift in the real estate market is its location of the real estate investment which is largely affected by economic and business activities, promote urbanization, social services and economic activities which in turn determine the income of the people around the area. These factors together contribute to determine and drive the price of real estate market.

TAFBROS company limited, did a thorough analysis of the real estate market in Tanzania and decided to venture in joining the initiative to provide the housing solutions to the increasing housing demand in Tanzania.

5.2 Products of the Company

After a successful business analysis and market study of real estate industry in Tanzania. The Directors of the Company, collectively will invest in provision of:

- (a) Residential Properties
- (b) Commercial Properties

Residential and commercial properties development will be the housing products offered by TAFBROS Company in Dar es Salaam, Tanzania.

5.3 Target Market Segment

The targeted customers of the company in Tanzania are stratified into the following categories:

- (i) Business owners,
- (ii) Private and public workers
- (iii) Government officials
- (iv) Entrepreneurs

TAFBROS Company limited is dedicated to redefining the real estate market in Tanzania with class, quality, modernist and affordable residential and commercial properties.

5.4 Marketing strategies

Our marketing strategies are mainly centred and focused on the products (residential and commercial properties). TAFBROS company will dedicate its marketing initiatives in striving

to maintain high quality of its housing properties and ensure affordability to its targeted customers.

(a) Production strategies

Our objective is to ensure that our products are available and affordable to all our target customers according to the stratified groups and the identified needs. This will involve development of high-quality housing properties using quality materials and advanced technology from Romania.

(b) Sales strategies

Our sales strategies will be stressed on customer identification through various marketing activities. TAFBROS Company Limited believe that the quality and affordability of the product (residential and commercial properties) is the key drive to customer satisfaction and retention which may result into customer referral or ambassador of our products to other customers.

5.5 Marketing promotion

Market penetration is very important in our operation. In order to secure enough customers, proper information about our product needs to be available and channelled to the market. To ensure our customers are well informed and aware about our product, we will use the following marketing tools for promotion:

- (i) Full furnished company website which will have all necessary information about our residential and commercial properties.
- (ii) Using of existing platforms that promote residential and hotels business such as Booking.com, Airbnb etc.
- (iii) We will use direct sales to our potential and target customers. This will involve door to door sales to our identified and targeted customers.
- (iv) Use of advertisement. Where necessary to spread the information very fast we will use radio advisement to the general public about our class and quality residential and commercial properties.
- (v) Use of social media as the means to increase visibility. Using social media such as Instagram, Facebook, and twitter.

5.6 Sales projections

From the marketing initiative and other business strategies. The company expect to generate revenue from the properties as detailed below on annual basis.

Property Type	Units	No. Of Apartments	Rental Cost	2,024	2,025	2,026	2,027	2,028
			Monthly	TZS	TZS	TZS	TZS	TZS
Residential Properties (Two Buildings)	2 Bedroom Apartment	75	1,500,000	-	114,187,500	114,750,000	113,625,000	114,750,000
	3 Bedroom Apartment	60	2,300,000	-	140,070,000	140,760,000	139,380,000	140,760,000
	Service charge fee			-	20,340,600	20,440,800	20,240,400	20,440,800
Total estimated Revenue				-	274,598,100	275,950,800	273,245,400	275,950,800

Description	Tall Buildings	Number of floors	Square Metre per floor	Total Square Meters	Rental Cost per Square Metre	Yearly Revenue
					TZS	Pro-rate (TZS)
Commercial Property	1	10	1,200	12,000	2,000	288,000,000
Service charge fee						23,040,000
Total estimated Revenue						311,040,000

6. FINANCIAL PLAN OF THE COMPANY

6.1 Sources of the finance

TAFBROS Company limited will be financed by internal raised fund through share capital investment and owners' injection of additional funding needed for the business.

All the share capital of the company will be paid up by the shareholders and the total of TZS 100,000,000 has been available and used to set up some of the preliminary work of the company such as legal advice service and acquisition of working tools for the C.E.O

Table 3: Shareholders Paid up Capital.

S/N	Shareholder	Number of Shares	Share Price	Share Capital
			TZS	TZS
1	Ally Aydin	4,700	10,000	47,000,000
2	Alper Pazarbas	4,700	10,000	47,000,000
3	Yasar Kemal Kurt	600	10,000	6,000,000
		10,000	30,000	100,000,000

6.2 Uses of fund

The large part of the funds raised will be used to cover the operational cost and acquisition of long-term fixed assets of the company such as land lease, building constructions, furniture and fitting, computers, and equipment.

The detailed analysis of operational cost which includes staff salaries and statutory payments, administration and marketing cost are presented on Table 1 of this business plan. While the detailed summary of fixed assets acquisition of the company are presented below:

Table 4: Acquisition of Fixed Asset for the first year of business start-up.

Description	Land	Buildings	Furniture & Fitting	Computers & Accessories	Motor vehicle	Machinery	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS
COST							
As at 01 July 2023	-	-	-	-	-	-	-
Addition	6,000,000,000	-	-	3,500,000	-	-	6,003,500,00
Disposal	-	-	-	-	-	-	-
Cost as at 31 December 2024	6,000,000,000	-	-	3,500,000	-	-	6,003,500,000
DEPRECIATION							
Depreciation Rates		5%	13%	37.5%	25%	25%	
Accumulated Depreciation		-	-	-	-	-	-
<i>Depreciation Charge for the year</i>		-	-	1,312,500	-	-	1,312,500
	-	-	-	1,312,500	-	-	1,312,500
NET BOOK VALUE							
Net Book Value as 31 Dec 2024	6,000,000,000	-	-	2,187,500	-	-	6,002,187,500

Table 5: Acquisition of Fixed Assets for the second year of operation.

Description	Land Lease	Buildings	Furniture & Fitting	Computers	Motor vehicle	Machinery	Total
		TZS	TZS	TZS	TZS	TZS	TZS
COST							
As at 1st January 2025	6,000,000,000	-	-	3,500,000	-	-	6,003,500,000
Addition	-	2,009,095,000	118,650,000	48,982,000	93,065,400	78,000,000	2,347,792,400
Disposal	-	-	-	-	-	-	-
Cost As at 31 December 2025	6,000,000,000	2,009,095,000	118,650,000	52,482,000	93,065,400	78,000,000	8,351,292,400
DEPRECIATION							
Depreciation Rate		5%	13%	38%	25%	25%	
Accumulated Depreciation	-	-	-	1,312,500	-	-	1,312,500
Depreciation Charge for the year	-	100,454,750	14,831,250	19,680,750	23,266,350	19,500,000	177,733,100
	-	100,454,750	14,831,250	20,993,250	23,266,350	19,500,000	179,045,600
NET BOOK VALUE							
NBV As at 31 December 2025	6,000,000,000	1,908,640,250	103,818,750	31,488,750	69,799,050	58,500,000	8,172,246,800
NBV As at 31 December 2024	6,000,000,000	-	-	2,187,500	-	-	6,002,187,500

To operationalize the residential and commercial real estates development, the investment of long-term fixed assets as detailed above will cost the total investment of TZS 8.351 billion.

6.3 Financial Projections

The financial projections of the company for five (5) years has taken into account several underlining assumptions and management believes towards the company perform for the projected five (5) years. The following factors were considered during preparation of the financial projections and considered to be the key success factors of the company to achieve the desired outcomes.

- (i) Economic stability of the country with steady growth
- (ii) Increasing housing demand in the market due prosperity in economic growth
- (iii) TAFBROS positioning to serve the increasing housing demand with affordable and accessible quality, class, and modernist housing in Dar es Salaam.

6.3.1 Projected income statement for the five years ended 2024 to 2028

Description	2024 TZS	2025 TZS	2026 TZS	2027 TZS	2028 TZS
Rental Income - Commercial	-	315,705,600	317,260,800	314,150,400	317,260,800
Rental Income - Residential	-	274,598,100	275,950,800	273,245,400	275,950,800
Total Revenue	-	590,303,700	593,211,600	587,395,800	593,211,600
<u>OPERATING COST</u>					
Salaries and statutory payments	-	56,523,000	60,540,900	60,540,900	60,540,900
Administration Expenses	9,662,500	346,094,732	345,657,232	328,669,732	326,413,982
Sales and Marketing cost	-	19,200,000	12,350,000	9,925,000	9,925,000
Total Operating Expenses	9,662,500	365,294,732	358,007,232	338,594,732	336,338,982
Profit/Loss during the year	(9,662,500)	225,008,968	235,204,368	248,801,068	256,872,618
Interest cost					
Profit before taxes	(9,662,500)	225,008,968	235,204,368	248,801,068	256,872,618
Total Comprehensive Income	(9,662,500)	225,008,968	235,204,368	248,801,068	256,872,618

6.3.2 Projected Statements of financial position as at 2024, 2025, 2026, 2027 and 2028

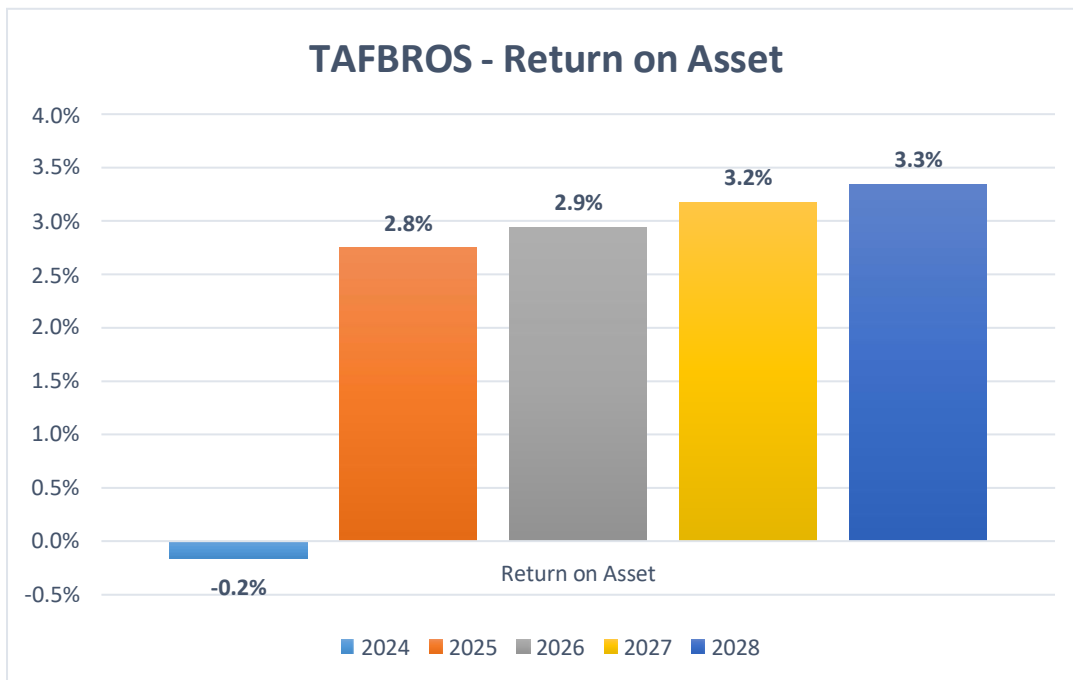
Description	2024 TZS	2025 TZS	2026 TZS	2027 TZS	2028 TZS
ASSETS					
Non-current Assets					
Property and equipment	6,002,187,500	8,172,246,800	7,994,951,200	7,834,643,100	7,676,590,750
	<u>6,002,187,500</u>	<u>8,172,246,800</u>	<u>7,994,951,200</u>	<u>7,834,643,100</u>	<u>7,676,590,750</u>
Current Assets					
Cash and cash equivalents	24,890,000	1,265,984,568	1,678,484,537	2,087,593,705	2,502,518,674
	<u>24,890,000</u>	<u>1,265,984,568</u>	<u>1,678,484,537</u>	<u>2,087,593,705</u>	<u>2,502,518,674</u>
TOTAL ASSETS	<u>6,027,077,500</u>	<u>9,438,231,368</u>	<u>9,673,435,737</u>	<u>9,922,236,805</u>	<u>10,179,109,424</u>
EQUITY & LIABILITIES					
Equity					
Additional Capital Investment	5,936,740,000	9,122,884,900	9,122,884,900	9,122,884,900	9,122,884,900
Paid up share Capital	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Accumulated profit	(9,662,500)	215,346,468	450,550,837	699,351,905	956,224,524
	<u>6,027,077,500</u>	<u>9,438,231,368</u>	<u>9,673,435,737</u>	<u>9,922,236,805</u>	<u>10,179,109,424</u>
Liabilities					
Liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY & LIABILITIES	<u>6,027,077,500</u>	<u>9,438,231,368</u>	<u>9,673,435,737</u>	<u>9,922,236,805</u>	<u>10,179,109,424</u>

6.3.3 Projected Cash flow Statement for five (5) years from 2024 to 2028

Description	2024 TZS	2025 TZS	2026 TZS	2027 TZS	2028 TZS
Cash flows from operating activities					
Profit before tax and Interest	(9,662,500)	225,008,968	235,204,368	248,801,068	256,872,618
Adjustment for non-cash item	1,312,500	177,733,100	177,295,600	160,308,100	158,052,350
Cash flows from operating activities before working capital changes	(8,350,000)	402,742,068	412,499,968	409,109,168	414,924,968
Working Capital Changes					
change in Bank & Interest payable	-	-	-	-	-
change in account receivables	-	-	-	-	-
Change in account payables	-	-	-	-	-
Cash flows in operating activities	-	-	-	-	-
Adjustment of cash from operating activities					
Interest rate paid	-	-	-	-	-
Net Cash from operating activities	(8,350,000)	402,742,068	412,499,968	409,109,168	414,924,968
Cash flows from investing activities					
Acquisition of fixed assets	(6,003,500,000)	(2,347,792,400)	-	-	-
Net cash flows from investing activities	(6,003,500,000)	(2,347,792,400)	-	-	-
Cash flows from financing activities					
Additional Capital Injections	5,936,740,000	3,186,144,900	-	-	-
Paid up share capital	100,000,000	-	-	-	-
Net cash flows from financing activities	6,036,740,000	3,186,144,900	-	-	-
Net increase in cash and cash equivalents	24,890,000	1,241,094,568	412,499,968	409,109,168	414,924,968
Cash and cash equivalents					
Cash and cash equivalent at Begin	-	24,890,000	1,265,984,568	1,678,484,537	2,087,593,705
Cash and cash equivalent at the End	24,890,000	1,265,984,568	1,678,484,537	2,087,593,705	2,502,518,674

6.3.4 Ratio Analysis

The company used return on assets ratio assess the ability of the company assets to generate revenue.



From the graph above it is evident that there is a positive trend and there is the growth in ability of the company assets to generate profit. The graph shows there is the great improvement from year to year. For the first year of 2024, there is negative return on assets which implies that the company assets were not generating any profit from the business, that is because the first year of operation the company will be in a construction phase.

The focus of the company is to optimize the assets while cutting down some of the operational cost to ensure our revenue on assets increase significantly.

7. RISK ANALYSIS AND MITIGATIONS

There are several externalities that may likely affect the company's operation, these externalities can be related to internal operational deficiencies or external related. Our business contingency plan and risk mitigation strategies are detailed below:

S/N	Risk Area	Description	Mitigation Approach
1.	Regulatory and compliance Risk	Failure to comply with difference laws and regulations that governing our operations in Tanzania. Constantly changing of national and global regulatory and compliance requirements which may affect national plan, tourism and travelling industry.	TAFBROS will ensure having the legal Advisor who will be responsible for handling all regulatory and compliance requirements of the company.
2.	Competition Risk	Risk associated with increasing supply residential and commercial properties in Dar es Salaam and across the country which will result into price dropping of properties both residential and commercial properties	TAFBROS have planned to invest heavily in class, modernist and affordable residential and commercial properties to give the target customers the value for their money.
3.	Inflation Risk	This is the risk associated with persistent increase in general price level of goods and services in the country which in turn may affect construction cost and price of properties.	To mitigate this risk, TAFBROS will make importation of most of the materials direct from the Manufacturers to minimize the cost. Also, the company will strive to ensure the constructions costs are minimized to the lowest possible in order to ensure the pricing of properties is reasonable and affordable to the majority of Tanzanian. This is due to the fact that construction cost sometimes affects the price of housing properties.
4.	Operational Risks	These are risk associated with failure of business established controls and management as well as external factors affecting the business such as fire hazards, business failure due to system etc.	The company will ensure there are effective responsive measures to mitigate internal operational risks of the business.

The company will be strategically positioned to ensure the established and designed internal controls are effective and adequate to respond to any risks raised from the business development and operation in Dar es Salaam.

8. CONCLUSION

The directors and management of the company are pleased to provide insightful information about the state of affairs of the company and submit the business plan for application of the certificate of incentives from Tanzania Investment Centre.

The provision of certificate of incentives under this application will fuel company operational activities and play a vital role of the company strategic position in providing solutions to the increasing housing demand in Tanzania by providing quality, class and affordable residential and commercial properties in Dar es Salaam, Tanzania.

The Directors of the company, credit to their best of knowledge and belief, that the provided information provide an overview of the intended business operations and projected state of affairs of the company.

Signed for and on behalf of the Board of Directors of the company.



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