

MWANZA VICTORIA FISHERIES COMPANY LIMITED

**BUSINESS PLAN FOR
FISH PROCESSING AND PACKAGING FACTORY**

Presented by:

MWANZA VICTORIA FISHERIES COMPANY LIMITED

P.O BOX 1629

MWANZA

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EXECUTIVE SUMMARY

1.1 Introduction

MWANZA VICTORIA FISHERIES COMPANY LIMITED is privately owned companies incorporated for purposes of establishing a modern factory for the processing of fish and packaging. The project will process and package fish in qualified standards with quality , with the aim of meeting increasing demand of fish and allied products

The Company is registered under Certificate of Incorporation No. 174684928 dated 16th May, 2024.

1.2 The Project

The promoters of this project through MWANZA VICTORIA FISHERIES COMPANY LIMITED decided to invest on fish processing after taking into consideration of the following:

A: Self-assessment in order to understand their capabilities strengths, limitations and preferences of undertaking such a project.

B: Explored possible and suitable opportunities based on environment, current business scene, technology change and linkage related ideas.

C: Assessed the market potentiality available

D: Identified viable project location

E: Considers finances mobilization to suit the project requirement

G: Re assessed their managerial strengths and is in the process of pooling up human resources from local and foreign sources.

The project aims at process fish which will be over a wide range rather than food (fish fillets) with other products, domestic and other uses. The project will therefore have a positive indirect impact on the environment as it will reduce waste from cooking oil.

The macro objectives of establishing the project is to support economic, social and administrative activities in the country .Also , to increase the competitiveness of Tanzania goods in the export markets and improve the manufacturing industry by offering competitive transport rates.

1.3 The Project Location

The Project will be located in Mwanza Region. The location is well served by all the necessary infrastructures and environmental requirements and hence well suited to the nature of the envisaged project.

1.4 The Project Promoters

The Project is being promoted by MWANZA VICTORIA FISHERIES COMPANY LIMITED based in the Dar es Salaam. The shareholders to this project:

S/No	NAME OF SHAREHOLDER	NATIONALITY	SHAREHOLDING (%)
1	GUO PEITAO	Chinese	50
2	WANG ZHIQUAN	Chinese	50

1.5 The Market

Recent reforms taking place in economy indicate that there is a continuous increase in demand for fish as food and other products from fish processing in the local market and in the international market. This has brought about a concern in the market. It is the idea of this project to focus on the external market especially the EA countries which are in high demand of FISH products and semi-finished products. The Asia market is also growing as well as demand.

1.6 Project Cost and Financing Plan

The total cost of the project is estimated as US Dollars 1,000,000

The following is the summary of the capital investment cost estimated.

PARTICULAR	AMOUNTS USD
Land and Buildings	135,000
Plant & Machines	254,000
Motor Vehicles	64,000
Furniture & Fixtures	22,000
Pre Expenses	25,000
Working Capital	500,000
TOTAL	1,000,000

1.6 Financing

The project's cost will be fully financed by shareholder's equity contribution by Usd 800,000 and a bank loan of Usd 200,000

1.7 Financial Indicators

The following are some of the financial analysis highlights:

1.7.1 Profitability

Profitability after tax over the years in US \$ is as follows:

1st Year 97,017.00

2nd Year 137,416.00
3rd Year 145,282.00
4th Year 155,266.00
5th Year 165,024.00

1.7.2 Liquidity

The projected net cash flow over the year shows a health position and demonstrates the ability of the company to meet financial commitments as they fall due. The drop in cash flow is due to the fact that the company will repay the Bank loan of 200,000

The Summary thereof in US \$ is as follows

1st Year 222,504.00
2nd Year 245,654.00
3rd Year 255,544.00
4th Year 66,769.00
5th Year 275,005.00

1.7.3 Payback period

The Investment recoups itself in 5 years

1.8 Social and Economic Impact

The proposed project will result into the following social and economic impacts:

- 1.8.1 Increased availability of quality products alongside competitive prices of these products will result in increased healthy competition among all trading and manufacturing companies
- 1.8.2 The proposed project of this sector will provide employment for about 30 people.
- 1.8.3 The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury

1.9 Conclusion and Recommendations

The Executive Summary highlights indicate that the proposed project will be financially and economically viable. The project will generate significantly to the social and economic benefit by way of increasing the provision of FISH. It is recommended that the project be accorded the required institutional and financial support to pave the way for its expeditious establishment and development.

2.0 THE PROJECT

MWANZA VICTORIA FISHERIES COMPANY LIMITED have invested on fish processing after taking the following into consideration

- A. Self-assessment in order to understand their capabilities strengths, limitations and preferences of undertaking such a project
- B. Explored possible and suitable opportunities based on environment, current business scene, technology change and linkage related ideas.
- C. Assessed the market potentiality available
- D. Identified viable project location
- E. Considers finances mobilization to suit the project requirement
- F. Re assessed their managerial strengths and is in the process of pooling up human resources from local and foreign sources.

3.1 FISH PROCESSING

INTRODUCTION

Tanzania has a total surface area of 945,037 sq. km. The area of freshwater cover is estimated at 54,337 sq. km., which is about 6.1 percent of the total country's surface area. The country has a Territorial Sea of 64,000 sq. km. And a stretch of a coastline of about 1,424 km long all in the Indian Ocean, and other inland water bodies (major and minor lakes, rivers, dams, ponds, and wetlands), covering about 5,000 sq. km. The country shares three major inland lakes: Lake Victoria (shared with Kenya and Uganda), Lake Tanganyika (shared with Burundi, DRC, and Zambia), and Lake Nyasa (shared with Malawi and Mozambique).

Fish is a highly perishable food which needs proper handling and preservation if it is to have a long shelf life and retain a desirable quality and nutritional value. The central concern of fish processing is to prevent fish from deteriorating. The most obvious method for preserving the quality of fish is to keep them alive until they are ready for cooking and eating. Other methods used to preserve fish and fish products include

- ikejime method of fish slaughter
- the control of temperature using ice, refrigeration or freezing
- the control of water activity by drying, salting, smoking or freeze-drying
- the physical control of microbial loads through microwave heating or ionizing irradiation
- the chemical control of microbial loads by adding acids
- oxygen deprivation, such as vacuum packing.

Usually more than one of these methods is used. When chilled or frozen fish or fish products are transported by road, rail, sea or air, the cold chain must be maintained.

This requires insulated containers or transport vehicles and adequate refrigeration. Modern shipping containers can combine refrigeration with a controlled atmosphere.

Fish processing is also concerned with proper waste management and with adding value to fish products. There is an increasing demand for ready to eat fish products, or products that do not need much preparation.

When fish are captured or harvested for commercial purposes, they need some preprocessing so they can be delivered to the next part of the marketing chain in a fresh and undamaged condition. This means, for example, that fish caught by a fishing vessel need handling so they can be stored safely until the boat lands the fish on shore. Typical handling processes are

- transferring the catch from the fishing gear (such as a trawl, net or fishing line) to the fishing vessel
- holding the catch before further handling
- sorting and grading
- bleeding, gutting and washing
- chilling
- storing the chilled fish
- unloading, or landing the fish when the fishing vessel returns to port

The number and order in which these operations are undertaken varies with the fish species and the type of fishing gear used to catch it, as well as how large the fishing vessel is and how long it is at sea, and the nature of the market it is supplying. Catch processing operations can be manual or automated. The equipment and procedures in modern industrial fisheries are designed to reduce the rough handling of fish, heavy manual lifting and unsuitable working positions which might result in injuries.

Handling live fish

An alternative, and obvious way of keeping fish fresh is to keep them alive until they are delivered to the buyer or ready to be eaten. This is a common practice worldwide. Typically, the fish are placed in a container with clean water, and dead, damaged or sick fish are removed. The water temperature is then lowered and the fish are starved to reduce their metabolic rate. This decreases fouling of water with metabolic products (ammonia, nitrite and carbon dioxide) that become toxic and make it difficult for the fish to extract oxygen.

Fish can be kept alive in floating cages, wells and fish ponds. In aquaculture, holding basins are used where the water is continuously filtered and its temperature and oxygen level are controlled. In China, floating cages are constructed in rivers out of palm woven baskets, while in South America simple fish yards are built in the backwaters of rivers. Live fish can be transported by methods which range from simple artisanal methods where fish are

placed in plastic bags with an oxygenated atmosphere, to sophisticated systems which use trucks that filter and recycle the water, and add oxygen and regulate temperature.

Preservation

Preservation techniques are needed to prevent fish spoilage and lengthen shelf life. They are designed to inhibit the activity of spoilage bacteria and the metabolic changes that result in the loss of fish quality. Spoilage bacteria are the specific bacteria that produce the unpleasant odours and flavours associated with spoiled fish. Fish normally host many bacteria that are not spoilage bacteria, and most of the bacteria present on spoiled fish played no role in the spoilage. To flourish, bacteria need the right temperature, sufficient water and oxygen, and surroundings that are not too acidic. Preservation techniques work by interrupting one or more of these needs. Preservation techniques can be classified as follows.

Control of temperature



Ice preserves fish and extends shelf life by lowering the temperature

If the temperature is decreased, the metabolic activity in the fish from microbial or autolytic processes can be reduced or stopped. This is achieved by refrigeration where the temperature is dropped to about 0 °C, or freezing where the temperature is dropped below -18 °C. On fishing vessels, the fish are refrigerated mechanically by circulating cold air or by packing the fish in boxes with ice. Forage fish, which are often caught in large numbers, are usually chilled with refrigerated or chilled seawater. Once chilled or frozen, the fish need further cooling to maintain the low temperature. There are key issues with fish cold store design and management, such as how large and energy efficient they are, and the way they are insulated and palletized.

An effective method of preserving the freshness of fish is to chill with ice by distributing ice uniformly around the fish. It is a safe cooling method that keeps the fish moist and in an easily stored form suitable for transport. It has become widely used since the development of mechanical refrigeration, which makes ice easy and cheap to produce. Ice is produced in various shapes; crushed ice and Flake Ice, plates, tubes and blocks are commonly used to cool fish. Particularly effective is slurry ice, made from micro crystals of

ice formed and suspended within a solution of water and a freezing point depressant, such as common salt.

A more recent development is pumpable ice technology. Pumpable ice flows like water, and because it is homogeneous, it cools fish faster than fresh water solid ice methods and eliminates freeze burns. It complies with HACCP and ISO food safety and public health standards, and uses less energy than conventional fresh water solid ice technologies.

Physical control of microbial loads

Heat or ionizing irradiation can be used to kill the bacteria that cause decomposition. Heat is applied by cooking, blanching or microwave heating in a manner that pasteurizes or sterilizes fish products. Cooking or pasteurizing does not completely inactivate microorganisms and may need to be followed with refrigeration to preserve fish products and increase their shelf life. Sterilised products are stable at ambient temperatures up to 40 °C, but to ensure they remain sterilized they need packaging in metal cans or retortable pouches before the heat treatment.

Chemical control of microbial loads

Microbial growth and proliferation can be inhibited by a technique called biopreservation. Biopreservation is achieved by adding antimicrobials or by increasing the acidity of the fish muscle. Most bacteria stop multiplying when the pH is less than 4.5. Acidity is increased by fermentation, marination or by directly adding acids (acetic, citric, lactic) to fish products. Lactic acid bacteria produce the antimicrobial nisin which further enhances preservation. Other preservatives include nitrites, sulphites, sorbates, benzoates and essential oils.

Control of the oxygen reduction potential

Spoilage bacteria and lipid oxidation usually need oxygen, so reducing the oxygen around fish can increase shelf life. This is done by controlling or modifying the atmosphere around the fish, or by vacuum packaging. Controlled or modified atmospheres have specific combinations of oxygen, carbon dioxide and nitrogen, and the method is often combined with refrigeration for more effective fish preservation.

Combined techniques

Two or more of these techniques are often combined. This can improve preservation and reduce unwanted side effects such as the denaturation of nutrients by severe heat treatments. Common combinations are salting/drying, salting/marinating,

salting/smoking, drying/smoking, pasteurization/refrigeration and controlled atmosphere/refrigeration. Other process combinations are currently being developed along the multiple hurdle theory.

Waste management

Waste produced during fish processing operations can be solid or liquid.

- Solid wastes: include skin, viscera, fish heads and carcasses (fish bones). Solid waste can be recycled in fish meal plants or it can be treated as municipal waste.
- Liquid wastes: include bloodwater and brine from drained storage tanks, and water discharges from washing and cleaning. This waste may need holding temporarily, and should be disposed of without damage to the environment. How liquid waste should be disposed from fish processing operations depends on the content levels in the waste of solid and organic matter, as well as nitrogen and phosphorus content, and oil and grease content. It also depends on an assessment of parameters such as acidity levels, temperature, odour, and biochemical oxygen demand and chemical oxygen demand. The magnitude of waste management issues depends on how much waste volume there is, the nature of the pollutants it carries, the rate at which it is discharged and the capacity of the receiving environment to assimilate the pollutants. Many countries dispose of such liquid wastes through their municipal sewage systems or directly into a waterway. The receiving waterbody should be able to degrade the organic and inorganic waste components in a way that does not damage the aquatic ecosystem.

Treatments can be primary and secondary.

- Primary treatments: use physical methods such as flotation, screening, and sedimentation to remove oil and grease and other suspended solids.
- Secondary treatments: use biological and physicochemical means. Biological treatments use microorganisms to metabolise the organic polluting matter into energy and biomass. "These microorganisms can be aerobic or anaerobic. The most used aerobic processes are activated sludge system, aerated lagoons, trickling filters or bacterial beds and the rotating biological contractors. In anaerobic processes, the anaerobic microorganisms digest the organic matter in tanks to produce gases (mainly methane and CO₂) and biomass. Anaerobic digesters are sometimes heated, using part of the methane produced, to maintain a temperature of 30 to 35°C. In the physicochemical treatments, also called coagulation-flocculation, a chemical substance is added to the effluent to reduce the surface charges responsible for particle repulsions in a colloidal suspension, thus reducing the forces that keep its particles apart. This reduction in charge causes flocculation (agglomeration) and particles of larger sizes are settled and clarified effluent is obtained. The sludge produced by primary and secondary treatments is further processed in digesting tanks through anaerobic processes or

sprayed over land as a fertilizer. In the latter case, care must be exercised to ensure that the sludge is freed of its pathogens.

Transport

Fish is transported widely in ships, and by land and air, and much fish is traded internationally. It is traded live, fresh, frozen, cured and canned. Live, fresh and frozen fish need special care.

- Live fish: When live fish are transported they need oxygen, and the carbon dioxide and ammonia that result from respiration must not be allowed to build up. Most fish transported live are placed in water supersaturated with oxygen (though catfish can breathe air directly through their gills and body skin, and the climbing perch has special air-breathing organs). The fish are often "conditioned" (starved) before they are transported to reduce their metabolism and increase packing density, and the water can be cooled to further reduce metabolism. Live crustaceans can be packed in wet sawdust to keep the air humid.
- By air: Over five percent of the global fish production is transported by air. Air transport needs special care in preparation and handling and careful scheduling. Airline transport hubs often require cargo transfers under their own tight schedules. This can influence when the product is delivered, and consequently the condition it is in when it is delivered. The air shipment of leaking seafood packages causes corrosion damage to aircraft, and each year, in the US, requires millions of dollars to repair the damage. Most airlines prefer fish that is packed in dry ice or gel, and not packed in ice
- By land or sea: "The most challenging aspect of fish transportation by sea or by road is the maintenance of the cold chain, for fresh, chilled and frozen products and the optimisation of the packing and stowage density. Maintaining the cold chain requires the use of insulated containers or transport vehicles and adequate quantities of coolants or mechanical refrigeration. Continuous temperature monitors are used to provide evidence that the cold chain has not been broken during transportation. Excellent development in food packaging and handling allow rapid and efficient loading, transport and unloading of fish and fishery products by road or by sea. Also, transport of fish by sea allows for the use of special containers that carry fish under vacuum, modified or controlled atmosphere, combined with refrigeration."

Quality and safety

The International Organization for Standardization, ISO, is the worldwide federation of national standards bodies. ISO defines *quality* as "the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs."(ISO 8402). The quality of fish and fish products depends on safe and hygienic practices. Outbreaks of fish-borne illnesses are reduced if appropriate practices are followed when handling, manufacturing, refrigerating and transporting fish and fish

products. Ensuring standards of quality and safety are high also minimizes the post-harvest losses.

"The fishing industry must ensure that their fish handling, processing and transportation facilities meet requisite standards. Adequate training of both industry and control authority staff must be provided by support institutions, and channels for feedback from consumers established. Ensuring high standards for quality and safety is good economics, minimizing losses that result from spoilage, damage to trade and from illness among consumers.

Fish processing highly involves very strict controls and measurements in order to ensure that all processing stages have been carried out hygienically. Thus, all fish processing companies are highly recommended to join a certain type of food safety system. One of the certifications that are commonly known is the Hazard Analysis Critical Control Points (HACCP).

Fish quality has a direct impact on market price. Accurate assessment and prediction of fish quality are of main importance to set prices, increase competitiveness, resolve conflicts of interest and prevent food wastage due to conservative product shelf-life estimations. In last years, research in food science and technology has focused on developing new methodologies to predict fish freshness.

Hazard Analysis and Critical Control Points

HACCP is a system which identifies hazards and implements measures for their control. It was first developed in 1960 by NASA to ensure food safety for the crewed space program. The main objectives of NASA were to prevent food safety problems and control food borne diseases. HACCP has been widely used by food industry since the late 1970 and now it is internationally recognized as the best system for ensuring food safety.

"The Hazard Analysis and Critical Control Points (HACCP) system of assuring food safety and quality has now gained worldwide recognition as the most cost-effective and reliable system available. It is based on the identification of risks, minimizing those risks through the design and layout of the physical environment in which high standards of hygiene can be assured, sets measurable standards and establishes monitoring systems. HACCP also establishes procedures for verifying that the system is working effectively. HACCP is a sufficiently flexible system to be successfully applied at all critical stages -- from harvesting of fish to reaching the consumer. For such a system to work successfully, all stakeholders must cooperate which entails increasing the national capacity for introducing and maintaining HACCP measures. The system's control authority needs to design and implement the system, ensuring that monitoring and corrective measures are put in place.

HACCP is endorsed by the:

- FAO (Food and Agriculture Organization)

- Codex Alimentarius (a commission of the United Nations)
- FDA (US Food and Drug Administration)
- European Union
- WHO (World Health Organization)

Safety and hygiene

We have a strong focus on hygiene by design to help hold the highest possible standards of food safety while also benefiting from efficiency gains.

- Machines are designed for optimum cleanability;
- Often available with a fully automated cleaning in place (CIP) system;
- Avoid cross-contamination between different batches of FISH;
- Comply with food safety regulations;
- Optimize production efficiency by reducing downtime;
- Operator and system safety (CE/ATEX compliance).

Application-specific advice

There is such a diverse range of fish processing, each with their own characteristics, that selecting the best technology for your application is a complex process of interacting criteria.

3.2 Source of technology & Capacity

The machines will be Imported from China. The annual production capacity will be 1 million kg annually. The kilograms will be of various designs as per production schedules and demand.

3.3 Other inputs

These will include cars necessary for administration purpose and distribution:

- Civil works will include renovation of the existing workshop in and office buildings at the project site on the premises leased at Mwanza Region.
The site has the entire necessary infrastructure required for the business, including a workshop
- Importation of office equipment namely, telephones, facsimile machines, personal computers and air conditioners at company's head office.

3.4 The Project time table

The plant should be in fully operational with two production lines and a diversified product range by December of the year 2024

3.5 Sales revenue forecast and direct& indirect cost estimates

3.5.1 Sales Forecast

First year operation is scheduled to begin Jan 2025 after completion of machinery installation and pre-production activities. The sales generation will be as of

3.5.2 OPERATING COSTS

Since the production will be done for the last quarter in the first operating year the cost will be less to begin with and will substantially rise to reflect normal production in the following years

3.6 Environmental Aspects

Generally, Tanzania has environmental regulations governing the operation of garages and workshops. Nevertheless each operator takes basic precautions to ensure that during operations and in case of an accidental spillage or fire, damage to environment is limited to the minimum possible level. The company has taken into consideration environmental aspect in the factory and will put all necessary required facilities.

3.0 CAPITAL INVESTMENT AND FINANCING PLAN

4.1 Investment Plan

The total capital investment of the project is Usd 1,000,000. The promoters will contribute Usd 0.8 million and Usd 0.2 million will be financed by loan. The capital investment breakdown is as indicated below:

PARTICULAR	AMOUNTS USD
Land and Buildings	135,000
Plant & Machines	254,000
Motor Vehicles	64,000
Furniture & Fixtures	22,000
Pre Expenses	25,000
Working Capital	500,000
TOTAL	1000,000

4.2 **Financing Plan**

It is estimated that a total of US\$ 800,000 will required price to the first year of the project to acquire the various assets as shown in the Table above

The bulk of the capital cost will be raised by the company itself through equity contribution. The other major source of funding will be internally generated revenue from operations which will be ploughed back.

Taking into account acceptable financial ratios will be financed through the following sources of finance:

Financing Source	USD
Equity	800,000
Long term loans	200,000
Total	1,000,000

Interest rates for the loan are assumed to be at 8% with a grace period of 5 years and will be paid back in the fifth year of operation.

4.0 **MARKET AND MARKETING ASPECTS**

4.1 **General Overview**

There is a wide market for FISH in Tanzania. Likewise, there is external market and the demand is increasing .Hence, it can be expected that the sponsors would not face marketing and operational problems in managing the proposed project

The existing market is supplied by importation of the products from overseas .Based on the nature of the products and its users; the company's product has a good market in Tanzania.

The ports of Dar es Salaam have undergone major rehabilitation, modernization and expansion so as not only to be able to complete with South Africa ports in handling of the cargo and this will substantially enhance cargo handling in all phases of the project. The port would also provide the proposed freight haulage project necessary condition for its soft establishment and expansion of its future operations.

MWANZA VICTORIA FISHERIES COMPANY LIMITED will endeavor to achieve the projected sales for both domestic and transits business in the neighboring eastern Africa countries and Asia

4.2 **Key Success Factors**

Following are Key Success Factors of the manufacturing industry:

- Financial Resources
- Working Capital
- Use of Technology
- Proper logistics to meet demand

The importance of having huge funds to finance the use of latest technology which will yield a quality product which is important in project success operation. Further with a quality product there must be proper delivery of the product to the customers to meet their demand. All this depends on financial resources which the owner has to achieve desired result.

4.3 **Long Term Relationships**

Established transport firms enjoy the advantage of long- term relationships with corporate clients. Such corporate firms include among others, armies, huge mining companies using thermal power, etc, clearing and forwarding companies, just to mention a few. Again the proposed project would use its Synergy of its relation with parent companies in securing huge cargo.

However, it should be clearly understood that as time changes some industry forces have tended to re- modify these key success factors, Hence, generally it is the ability of a transport company to design and implement its business strategies that may suit building of a company's success in this sector.

5.0 **MANAGEMENT AND ORGANIZATION STRUCTURE**

5.1 **Management**

The Company policy is to have adequate manpower to manage its operations efficiently. MWANZA VICTORIA FISHERIES COMPANY LIMITED believes in keeping on board only the very essential manpower strength, to develop them into highly motivated and sincere company team for the best and efficient operations of the company.

The company will have a team of qualified and experienced functional managers in the areas of Operations/Marketing, Workshop Operations and Finance & Administration. Other senior and middle level staff will be available for the startup and subsequent operations of the company. The personnel will be qualified, well-seasoned and most possessing considerable industrial experience.

5.2 **Management Policy**

The day to day operations will be managed by the General Manager, to be assisted by the Operations Manager who will be the overall in charge of the fleet, a Sales & Marketing Manager whose major responsibility will be marketing and a Finance & Administrative Manager who will manage finance and administrative issues. The Company's fleet pool will therefore be professionally managed.

5.3 Organization Structure

Once the company has well established the market its organizational structure will have to change sp as to give it a corporate structure of freight Haulage Company. Therefore, the shareholders will have to embark on a meticulous manpower planning and recruitment, which will be preceded by a manpower consultant's report.

It is proposed that the company's operations then be headed by the General Manager under whom there will be functional managers, that is : Personnel & Administration Manager, Sales & Marketing Manager, Finance & Administration manager, and Production manager.

The Marketing Manager will be responsible for both the countrywide and regional wide sales and marketing for the service .The job responsibilities will include market planning and development, sales promotion and sales co- ordination.

5.4 Manpower requirement and emoluments

NO	EMPLOYEE DESIGNATION	NO	SALARY PER MONTH	SUBTOTAL MONTHLY SALARY	ANNUAL GROSS SALARY
1	Managing Director	1	900	900	10,800
2	Management	1	600	600	7,200
3	Transport Manager	0	2500	0	0
4	Accounts Assistants	1	300	300	3,600
5	Supervisor	1	200	200	2,400
6	Drivers	1	150	150	1,800
7	Assistant Drivers	0	400	0	0
8	Mechanics	1	300	300	3,600
9	Secretary	0	300	0	0
10	Casual labors	24	50	1200	14,400
	TOTAL USD \$	30	5700	3650	43,800

6.0 FINANCIAL ANALYSIS

6.1 Financial Viability

The analysis of the proposed MWANZA VICTORIA FISHERIES COMPANY LIMITED project shows that the project can generate a fairly good profit and that it generates sufficient cash to meet its financial obligations

6.2 Fundamental Assumptions:

The preparation of the financial projections took into account the following main assumptions:

7.2.1 The operation period under which the viability of the project is being evaluated is 5 years

7.2.2 The capital of the proposed project is US\$ 800,000

7.2.3 All the calculations throughout the economic lifetime of the project are constant with March 2023 being the base date.

7.2.4 The projected operational costs are shown

7.2.5 Capital Expenditure has been assumed to be incurred for a period of 1 year

7.2.6 The financial plan is for the shareholders to finance the project from own sources by ploughing back profits

6.3 Working Capital Requirements

Ideally, working capital requirements are directed by the volume and business tempo

6.4 Projected Profitability

The projected profit and loss account is shown in the *Financial Analysis Schedule*. On the basis of the operating assumptions and cost the proposed investment is expected to be profitable throughout the project period of five years. The after tax profits (US\$) are as follows:

1 st Year	97,017
2 nd Year	137,416
3 rd Year	145,282
4 th Year	155,266
5 th Year	185,024

6.5 Cash Flow Projection

The liquidity performance of the project is shown in the Financial Analysis Schedules. The projections take into account the assumed sources and applications of funds over the planned period and show the ability of the project to meet financial obligations and capital expenditure requirements.

Cash flow on the 5 the year will be used to pay back the loan and this reflects the small balance at the end of the year but the activities will be performed as usual

6.6 Financial Review

The financial review of the proposed MWANZA VICTORIA FISHERIES COMPANY LIMITED shows that:

7.6.1 The project is profitable

7.6.2 The liquidity position is sound and that is should be able to meet its financial commitments without any undue difficulty.

7.6.3 The operations are financially viable

7.6.4 The key ratios are acceptable with Internal Rate of Return (IRR) of 20%, Net Present Value of US\$ 199,476 and a Payback Period of 5 years.

6.7 Development Aspects

The following are the major economic and social benefits, which will be generated by the proposed project.

6.7.1 Revenue to the government Treasury and other organs in the form of taxes, fees and levies.

6.7.2 Increase in employment opportunities

6.7.3 Savings/earnings of foreign exchange because of the project's active engagement in the transit trade

6.7.4 Facilitate in increased improvement and availability of the freight Haulage services especially in the transportation of raw materials, crops, building, materials and finished products to and from markets.

With the liberalization of the economy in fully swing the resultant industrial growth is expected to push up the demand for the transportation of industrial and consumer goods services considerably.

7.0 CONCLUSION AND RECOMMENDATIONS

The foregoing discussion highlights on the social, economic and financial dimensions which the envisaged project is set to generate in this country. The brief financial analysis indicates that the project will be financially viable. Therefore, it is strongly recommended that the sponsors, MWANZA VICTORIA FISHERIES COMPANY LIMITED be availed with the required institutional assistance so as to enable them establish the propose project.

FINANCIAL PROJECTIONS

COST STRUCTURE

PARTICULAR	AMOUNTS USD
Land and Buildings	135,000
Plant & Machines	254,000
Motor Vehicles	64,000
Furniture & Fixtures	22,000
Pre Expenses	25,000
Working Capital	500,000
TOTAL	1,000,000

OTHER OPERATING COST						
Other Operations Cost		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Motor Vehicle running expens		60,000	60,400	60,800	61,200	61,600
Salaries and Wages		43,800	48,180	52,998	58,298	64,128
Administrative Overhead Costs		51,800	56,980	62,678	68,946	75,840
Utility Costs		23,000	25,300	27,830	30,613	33,674
Interest on Loan		8,600	7,740	6,966	6,269	5,642
Raw Materials		312,800	344,080	378,488	416,337	457,970
Total Costs		500,000	542,680	589,760	641,663	698,855

PROJECTED INCOME STATEMENT						
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEARS 5
Sales Revenue		1,450,000	1,740,000	2,088,000	2,505,600	3,006,720
Cost of Sales		290,000	290,000	290,000	290,000	290,000
Gross Profit		1,160,000	1,450,000	1,798,000	2,215,600	2,716,720
Operating Expenses						
Administrative Overhead						
Costs		51,800	52,318	52,841	53,370	53,903
Motor Vehicle running		60,000	60,600	61,206	61,818	62,436
Salaries and Wages		43,800	44,238	44,680	45,127	45,578
Depreciation		77,900	78,679	79,466	80,260	81,063
Utility Costs		23,000	23,230	23,462	23,697	23,934
Insurance		25,000	25,250	25,503	25,758	26,015
Interest on Loan		8,600	8,686	8,773	8,861	8,949
Total Expenses		178,300	180,083	181,884	183,703	185,540
Profit before Tax		981,700	1,269,917	1,616,116	2,031,897	2,531,180
Tax (30%)		294,510	380,975	484,835	609,569	759,354
Profit After Tax		687,190	888,942	1,131,281	1,422,328	1,771,826

PROJECTED BALANCE SHEET						
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Fixed Assets		475,000	397,100	331,800	266,500	201,200
Long term Assets						
Depreciation		77,900	65,300	65,300	65,300	65,300
Total long term assets		397,100	331,800	266,500	201,200	135,900
Current Assets						
Cash		406,100	684,700	979,050	1,292,735	1,625,723
Account Receivable		105,000	110,250	216,535	421,763	527,628
Inventory		214,710	376,383	438,469	402,292	467,493
Total Current Assets		525,000	525,000	525,000	525,000	525,000
Total Assets		922,100	856,800	791,500	726,200	660,900
Current Liabilities						
Accounts Payable		84,000	88,200	92,610	97,241	102,103
Other Current Liablit		70,000	73,500	77,175	81,034	85,085
Subtotal Current Liabi		154,000	1,616,700	169,785	178,274	187,188
Long term Liabilities						
Long term Liabilitie		1,820,000	1,820,000	1,820,000	1,820,000	1,820,000
Total Liabiities		397,100	331,800	266,500	201,200	135,900
Net Assets		820,810	877,633	951,268	1,044,516	1,157,656
Captil and Reserves						
Owners Contribution		780,000	780,000	780,000	780,000	780,000
Retained Earning		40,810	97,633	171,268	264,516	377,656
Total Capital		922,100	856,800	791,500	726,200	660,900

FIXED ASSETS SCHEDULE						
NAME OF ASSETS		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Land and Buildings		135,000	128,250	121,500	114,750	108,000
Plant & Machines		254,000	203,200	152,400	101,600	50,800
Motor Vehicle		64,000	46,400	41,400	36,400	31,400
Furniture & Fixtures		22,000	19,250	16,500	13,750	11,000
Total		475,000	397,100	331,800	266,500	201,200
Depreciation		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Land and Buildings		6,750	6,750	6,750	6,750	6,750
Plant & Machines		50,800	50,800	50,800	50,800	50,800
Motor Vehicles		17,600	5,000	5,000	5,000	5,000
Furniture & Fixtures		2,750	2,750	2,750	2,750	2,750
ANNUAL DEPRECIATION		77,900	65,300	65,300	65,300	65,300
CLOSING FIXED ASSETS		397,100	331,800	266,500	201,200	135,900

