

KIMORI COMPANY LIMITED

BUSINESS PLAN

FOR

MANUFACTURING

OF

ROOFING SHEETS

Prepared by

KIMORI COMPANY LIMITED

1. INTRODUCTION

1.0 EXECUTIVE SUMMARY

Kimori Company Limited is a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation No. 159016099 issued on 22/11/2022, registered with Tanzania Revenue Authority (TRA) and issued with Taxpayer Identification Number 159-016-099.

1.2 MISSION

Prompt and professionally high-quality service delivery to customers, aimed at ensuring that they realize the highest value for money, thereby increasing the market share and seizure of every available opportunity for the company's growth.

1.3 CORE VALUES

Service provision with commitment, integrity and creativity while treating each customer as if they were the company's only customer.

2 COMPANY OWNERSHIP

The following is the table showing the Names, Number of Shares and Nationality of the shareholders.

SN	NAMES	NUMBER OF SHARES	NATIONALITY
1.	LAZARO WILLIAM KANDORE	80,000	Tanzanian
2.	SOPHIA MOHAMED ISSA	10,000	Tanzanian

3 THE PROJECT OBJECTIVE

The Project Objective is to manufacture Roofing Sheets for sale in Tanzania local market, East Africa (EA), and in the SADC market in the future, A study to manufacture Roofing Sheets for sale in the Local Market and in the Neighboring Market was conducted based on rapid appraisal surveys was conducted prior to, and as the basis of preparation of this plan, the surveys were based on the following objectives and approach:

Study Objectives:

- 3.1 To analyze the relevant market and other factors impacting upon the supply and demand of reinforcement bars and other Roofing Sheets in the short-, medium- and long-term requirements
- 3.2 To examine the physical and operational characteristics of the existing market in order to determine the positioning of the proposed company's business in the marketplace.
- 3.3 To conceptualize the proposed company's production and business operations, assess their economic viability, commercial profitability, social feasibility and provide a vision as to how the planned objectives should be realized.

4 LOCATION AND SITE OF THE PLANT

The Plant will be established in an appropriate location at Plot Number 82/E/1, Kihonda Industrial Area, Morogoro Municipal, Morogoro and the plot will be accessible and fully provided with all necessary utilities such as Water, Electricity, and enough working and packing space.

5 PLANT LAYOUT

The lay out proposed is the one deemed appropriate for the functional areas of the Plant, however among the key functional areas of the facility will include the following: -

- Storage space for processing inputs
- Office space

- Processing hall
- Storage of proposed products
- Social amenities space
- Ordinary stores
- Parking areas

6 MAIN POWER SUPPLY

The factory will be connected to the National Grid prevailing in the Municipality; also, a stand by generator will have to be provided to Supply all the essential loads in case of TANESCO Power failure i.e. frequent Power cuts and fluctuating voltages, for this reason M/s Kimori Company Limited might be forced to use stand by Generator to some extent, such sources of power will result in the increasing the production costs of the products in question.

7 POWER DISTRIBUTION

Power distribution in the Plant compound will be via underground cables to be installed with TANESCO requirements.

8 FIRE PROTECTION

It is composed to provide fire protection and firefighting systems, fire detection system which consist of automatic and manual detection devises, alarm and communication systems whereas firefighting systems will feature portable extinguishers, hose reels, wet and dry rises and automatic sprinkler system.

9 ACCESS ENTRANCE

Wide inlet/ entrance will be provided so as to facilitate smooth passage of the workers and vehicles.

10 PARKING SPACE FOR THE FACTORY BUILDING

The plant area will have ample parking space adequate to accommodate several vehicles at any given time.

11 SOURCE OF WATER

The source of the Portable Water for the Plant will be from the Municipal Water System, and the design of the Water Supply will be based on the Ministry of Water and Livestock Design Manual. Material specification for the pipes and fittings will be according to the relevant standards.

12 STORM WATER DRAINAGE

Road storm water drainage will be dealt separately during design of the parking space whereby all the drainage structures will be considered.

Storm water runoff will be collected from the building by means of spouts and full boras through down pipes and will be discharged into the open channel and deposited into roadside drains. Also, some method / channels will be used to dispose storm water run – off from car park and other facilities to the road side drains.

13 SEWERAGE SYSTEM

Waste and foul water is collected from the building by means of UPVCP pipes of different sizes e.g., 75mm and 150mm to the municipal sewer lines.

14 PRODUCTION PROCESS

We plan to manufacture Roofing Sheets by pressing, folding and cutting of iron rolls to produce roofing sheets of different sizes and shapes.

15 PLANT CAPACITY

The plant has production capacity of 50 Tons of Roofing Sheets per day. This will attain in the range of 60%, 70% and 80% for year 1, 2, 3 respectively. But also, it sometimes depends with the customer demands.

16 MARKET

16.1 GENERAL

In this chapter an attempt is made to estimate the Demand for Roofing sheets at locally and externally as well as the Supply of these products and the ultimate goal is to establish the current Demand – Supply Gap and projections for the future.

17 ASSUMPTIONS

In order to estimate Demand and Supply for Roofing sheets within and outside the country, the following assumptions have been made;-

- Roofing Sheets are needed in the Construction Sector

18 SUPPLY OF ROOFING SHEETS

As noted elsewhere in this report existing Supplier of Roofing Sheets is through both local Producers and importation.

19 DEMANDS OF ROOFING SHEETS

There is huge demand for Roofing Sheets due to rapid growth of Transport sectors in East Africa (EA) and in the SADC Countries caused by various policies which reduces the use of foreign currency by discouraging importation and encouraging more investors to invest in Tanzania through reduction of “Cost of Doing Business” and remove the bureaucracy in establishment of business (Industries) in Tanzania and modernizing dare s salaam and other harbor which increases the flow of ships for transit goods.

20 DISTRIBUTION

Our target market is Local Market and other neighboring Market i.e. Kenya, Rwanda, Burundi, Zambia, Kenya, Uganda etc. Therefore Our Roofing Sheets are designed and Manufactured with Africa in mind with different specifications for different environments and basing on the customer’s needs, The Produced Roofing sheets will be sold in the Tanzania local Market, East Africa (EA) and in the SADC Countries.

21 INVESTMENT STRUCTURE AND EXPENDITURE BREAKDOWN

The Total Initial Investment in fixed assets and working capital is estimated at 300,000,000 TSH the breakdown of which is as follows: -

(Exchange Rate 1 USD = 2,330 TZS) TABLE 2.1 INVESTMENT STRUCTURE

ITEM	TSH "000"
Land and Building	30,000
Machinery and Equipment	50,000
Motor vehicle:	20,000
Operational expenses	200,000
GRAND TOTAL	300,000

22 FINANCING PATTERN

The Total Investment of 300,000,000 TSH shall be financed as follows: -

TABLE 2.2 FINANCING PATTERN BREAKDOWNS

SOURCE	TSH "000"
FIXED ASSETS	
Equity (40%)	40,000
Long-term loan (60%)	60,000
Sub total	100,000
WORKING CAPITAL	
Bank overdraft (75%)	150,000
Equity (25%)	50,000
Subtotal	200,000
GRAND TOTAL	300,000

23 FINANCIAL INDICATORS

The financial indicator shows that the project is viable as hereafter confirmed here below; -

24 BREAK-EVEN ANALYSIS 4rd YEAR

The Break-Even Analysis on the 2rd year of operation shows that Break Even Sales and Break Even Capacity of 30%.

25 INTERNAL RATE OF RETURN (IRR) AFTER TAX

The Projects Internal Rate of Return after Tax is 30% well above the lending rate of 10% and 12% assumed for the long-term loan and the bank overdraft.

26 PAY BACK PERIOD

This gives an estimated period from start of operation to the time when initial fixed investment is recovered through profits after tax and depreciation charges. The Payback Period for this undertaking estimated at around 4 years and 5 months.

27 JOB CREATION - MANPOWER REQUIREMENTS AND ORGANIZATION

27.1 MANAGEMENT

The success of the venture of this kind depends on the competence of the personnel recruited by the management; it is assumed that relevant personnel with requisite skills shall be available within the country. There will be a need of the recruiting expatriates in some key positions. The overall in charge, responsible of the day-to-day operations will be the project manager who in turn is answerable to the board of directors.

27.2 TOTAL MANPOWER REQUIREMENTS

Based on the proposed organization structure the Project will initially employ a Total of 20 people where by 90% will be Tanzanian. However, it is anticipated that by the time the project attains maturity the envisaged employees will be 25 People, All staff will be recruited at least one month before the Plant operations are commenced.

28 TRAINING

The management of the Plant would strive to employ competent and qualified personnel in the Production line and will be trained on the job. However, it is expected that most of them will have some basic knowledge and experience in processing business.

29 ECONOMIC BENEFITS OF THE PROJECTS

The successful operation of the M/s Kimori Company Limited Plant will produce significant economic benefits to the Region and Tanzania as whole. In summary the benefits which will be realized are as follows: -

- i. Contributing to the Industrial base in the Region hence creation of direct employment opportunities for 25 employees for the Plant.
- ii. Provision of income to 25 employees in the Plant will be about an increase in the demand of services and goods related to the welfare to the workforce in question along to their families.
- iii. The direct income from workers, combined with the medical and other social benefits that M/s Kimori Company Limited Management will provide, in turn will help in overall efforts of alleviation of Poverty.
- iv. Setting up this Plant in the Region is the strategy of poverty alleviation, which emphasizes the creation of job opportunities.
- v. Expanded tax base to the Treasury and local Government authorities and generation of substantial income to the Government. The Government earns considerable revenue from the Processing Industry in terms Tax collections.
- vi. Opportunity for increasing Foreign Exchange Earnings through export of some of the Plants products to the neighboring countries.

30 CONCLUSION

The investment and development of M/s Kimori Company Limited Plant is in line with the Government policies which places special emphasis on initiating / setting up of various Industries in the Country.

In addition, it will have a positive impact on the development of the Region, as it will generate a number of benefits and reliable income for the employees of the Company and providers of the services and goods demanded by these workers / their families.

This document has provided a full analysis on the financial, Techno-economic viability on the establishment /operation of the processing Undertaking, along with the financing requirements / parameters have been considered and it has been established that the proposed project is technically sound, financially viable, and economically / socially beneficial.

However, for this project to be implemented and the production targets to be achieved as planned, several factors have to be taken into account. This will include consideration of the level of investments in this project, the roles of the Roofing Sheets.

The management of M/s Kimori Company Limited anticipates that all interested parties will give their full support so as to ensure timely implementation of the project and apprehension of successful operation.

KIMORI COMPANY LIMITED FINANCIAL STATEMENTS

Projected Statement of Financial Position as at 31 December 2024–2028

Currency: TZS

Particulars	TZS 2024	TZS 2025	TZS 2026	TZS 2027	TZS 2028
ASSETS					
Non-Current Assets					
Land and Buildings	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00
Machinery and Equipment	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00
Total Non-Current Assets	80,000,000.00	80,000,000.00	80,000,000.00	80,000,000.00	80,000,000.00
Current Assets					
Cash	9,005,000,000.00	19,420,000,000.00	31,335,000,000.00	44,000,000,000.00	57,415,000,000.00
Inventory	-	-	-	-	-
Trade Receivables	-	-	-	-	-
Prepayments	-	-	-	-	-
Total Current Assets	9,005,000,000.00	19,420,000,000.00	31,335,000,000.00	44,000,000,000.00	57,415,000,000.00
TOTAL ASSETS	9,085,000,000.00	19,500,000,000.00	31,415,000,000.00	44,080,000,000.00	57,495,000,000.00
EQUITY AND LIABILITIES					
Equity					
Share Capital	90,000,000.00	90,000,000.00	90,000,000.00	90,000,000.00	90,000,000.00
Total Equity	90,000,000.00	90,000,000.00	90,000,000.00	90,000,000.00	90,000,000.00
Liabilities					
Current Liabilities					
Trade Payables	-	-	-	-	-
Short-term Provisions	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00
Current Tax Payable	210,000,000.00	210,000,000.00	210,000,000.00	210,000,000.00	210,000,000.00

Particulars	TZS 2024	TZS 2025	TZS 2026	TZS 2027	TZS 2028
Total Liabilities	360,000,000.00	360,000,000.00	360,000,000.00	360,000,000.00	360,000,000.00
TOTAL EQUITY AND LIABILITIES	9,085,000,000.00	19,500,000,000.00	31,415,000,000.00	44,080,000,000.00	57,495,000,000.00

3. Projected Statement of Financial Position (2024–2028)

Year	Total Assets (TZS)	Equity (TZS)	Long-term Loan (TZS)	Bank Overdraft (TZS)	Total Liabilities (TZS)	Net Assets (TZS)
2024	9,005,000,000	90,000,000	60,000,000	150,000,000	210,000,000	9,215,000,000
2025	19,420,000,000	90,000,000	60,000,000	150,000,000	210,000,000	19,630,000,000
2026	31,335,000,000	90,000,000	60,000,000	150,000,000	210,000,000	31,545,000,000
2027	44,000,000,000	90,000,000	60,000,000	150,000,000	210,000,000	44,210,000,000
2028	57,415,000,000	90,000,000	60,000,000	150,000,000	210,000,000	57,625,000,000

Projected Statement of Cash Flow (2023 – 2027)

Currency: TZS

Detail	2023	2024	2025	2026	2027
Beginning Cash	-67,200,000,000.00	60,669,100,000.00	129,139,200,000.00	207,579,300,000.00	288,007,400,000.00
Cash Inflows	6,530,900,000.00	75,000,000,000.00	85,000,000,000.00	87,000,000,000.00	95,000,000,000.00
Cash Outflows	60,669,100,000.00	6,529,900,000.00	6,559,900,000.00	6,571,900,000.00	6,577,900,000.00
Ending Cash	0.00	129,139,200,000.00	207,579,300,000.00	288,007,400,000.00	376,429,500,000.00

