

***BUSINESS
PLAN***

FOR

**CONSTRUCTION
PROJECT**

OF

**MILLENNIUM MASTER BUILDERS COMPANY (T)
LIMITED**

PREPARED BY:

MILLENNIUM MASTER BUILDERS COMPANY LIMITED.

DODOMA, TANZANIA.

1.0

This document has been prepared to serve as a business plan for guidance for MILLENNIUM MASTER BUILDERS COMPANY LIMITED for the Construction project. The implementation of this project will comprise of the following EXECUTIVE SUMMARIES.

MILLENNIUM MASTER BUILDERS COMPANY LIMITED is a company registered in the country under the Companies Act 2002 and bears Certificate of **Incorporation No.39534 issued on 23rd July 2000** with **TIN No. 116-538-539**.

The project promoters are well established business in Tanzania majoring in Construction and other sectors. Having been in the business over 20 years. The directors are now well prepared for establishment and operating large Construction project and they see a very bright future in the said sector.

activities: -

- The purchase of construction vehicles within 5 years to be implemented in phases from 2024 - 2027,
- The purchase of breakdowns, Accident recovery trucks
- The purchase pickup for management and supervisor
- The purchase of communication sets radio
- The purchase of folk lift
- Purchase of crane
- Equipping the company with relevant facilities

PROJECT CAPITAL

The proposed project on completion is estimated to cost about US\$ 1,500,000. The US\$ **500,000** of this investment owner's equity and cash generated from business while the rest of US\$ **1 Million** will be funded by domestic loan.

MILLENNIUM MASTER BUILDERS COMPANY TANZANIA LIMITED

PARTICULAR	US\$
Land and Buildings	300,000
Machinery & Equipment	450,000
Motor Vehicles	300,000
Furniture & Fixtures	5,000
Pre exp	35,000
Others	10,000
Working Capital	400,000
TOTAL	1,500,000

1.1 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds. The company is owned by four (4) shareholders, namely:

S/N	Name	Shares %	Nationality
1	John Barnabas Temba P.O. Box1952, Mbeya Tanzania	20	Tanzania
2	Beather Gabriel Laizer P.O. Box1952, Mbeya Tanzania	17	Tanzania
3	David J. Kusare P.O. Box1952, Mbeya Tanzania	10	Tanzania
4	Pamela J. Ndeonasia P.O. Box1952, Mbeya Tanzania	10	Tanzania

1.2 Location.

The project head office will be located at Plot No.AG 305 - 318, Ndachi Street, Mnadani, Dodoma City, Tanzania.

1.3 Over view of Tanzania Economy Tanzania Key Economic Sectors

According to the economic data included in the National Data of Tanzania Mainland by the National Bureau of Statistics, at current

market prices, Construction services made the highest shares of GDP (31.1%) followed by Agriculture, Forestry and Fishing (28.9%) Notable sectors of the Tanzanian economy are tourism, mining.

1.4 Tanzania construction sector Overview

The Construction sector in Tanzania has expanded recently. In addition to governmental projects like building roads, railroads, bridges, water systems, telecommunications, and air transportation networks, this also covers private projects like building homes and businesses.

The government has been increasing its infrastructure spending every year for the past 10 years, which has encouraged new investment into the building sector. Beginning with the third phase of the country's Five-Year Development Plan (FYTDP III), Tanzania's infrastructure industry has reaped significant benefits

2.0 Targeted Markets.

The targeted markets of the project are being targeting our ideal customer might include homeowners, real estate developers, commercial property managers, DIY enthusiasts and contractors. It is in view of this that, despite poor road infrastructure linking these countries that **MILLENNIUM MASTERBUILDERS COMPANY LIMITED** has resolved to invest in the Construction sector so as to provide a solution that would lead to stimulating the said regional trade in the country particularly in Dodoma City and other Regions. The project is expected to offer a challenge to the business community to enhance intraregional trade within the Regions.

Why this Construction project prefer in Dodoma City.

- **Strategic location**

Dodoma City is the most preferable region to its strategic positioning; it is more convenient, secure, quick and easy to be used by Government officials

- **Easy connection country wide**

Dodoma is gateway to the country wide and neighboring countries.

4.0 Investment and Financing US\$ 1,500,000

For the project to be a reality a total investment amounting to US\$ 1,500,000 is needed to finance the project in phases

5.0 Financing Pattern

The financing pattern being considered is that involving the purchase of units of vehicles, machines and other building equipment.

The project will be financed both by equity and loan. Loan contribution will constitute US\$1,000,000 and owners' equity and cash generated from business amounting to US\$ 500,000

The loan will be negotiated and acquired from financial institutions. The project sponsors expect to procure this loan on the following terms and conditions: -

Loan Amount: US\$ 1,000,000,

Grace Period : 1 year

Interest Rate : 6 % annually Years : Five

6.0 Implementation

Project implementation is three years as expected to be relatively very short once TIC approval is received. Currently, in order to grow and attract more investors, the project has already begun to be implemented. At this point, we are awaiting some imported project vehicles and plants.

7.0 Manpower and Organization Structure

The project will be managed by a Board of Directors of **MILLENNIUM MASTERBUILDERS COMPANY (T) LIMITED.** The

Board is responsible for the formulation and supervision of company policies and guidelines. The project's day to day operations will be under the supervision of Managing Director.

The project's employee requirement is estimated to be people in number, as shown below: -

Employees Distribution Summary

Employment	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women	1	10	20	31
Men	9	80	80	169
TOTAL	10	90	100	200

In order to guarantee prompt consignment delivery and customer service, management will offer on-the-job training in the area of motor vehicle maintenance and will boost employee morale.

8.0 Project Operating Costs

In order to realize its intended objective, the project will have to meet operating costs estimated to be 65% of total revenue.

9.0 Market and Marketing

The provision of high-tech products, amiable customer service, and an active marketing strategy to increase client traffic are all necessary for MILLENIUM MASTERBUILDERS COMPANY (T) LIMITED to succeed. To be successful in today's market, a MILLENIUM MASTERBUILDERS COMPANY (T) LIMITED needs more than just goods and services. Being proactive rather than reactive in our marketing endeavors is how MILLENIUM MASTERBUILDERS COMPANY (T) LIMITED will relentlessly work to win over additional clients.

The management will make an effort to establish and preserve a favorable, appealing image for the clients. All marketing platforms and sales campaigns will present this image in the same way.

12.0 Economic Aspects of the Projects

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

(i) Employment Opportunities

Employment and poverty reduction are among the major concerns of the Central and the Local Government authorities. It is gratifying to note that **MILLENIUM MASTERBUILDERS COMPANY (T) LIMITED**, is going to provide additional employment to 200 people including skilled and unskilled labor. This is a significant contribution coming from local investors.

(ii) Revenue to the Government

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

13.0 Conclusion and Recommendation

13.1 Conclusion

- (i) The project is profitable and contributes to Government revenue by way of taxes.
- (ii) The project provides employment to 200 people the majority are expected to be Tanzanians.

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13.2 Conclusion and Recommendation

13.3 Conclusion

- (i) The project is profitable and contributes to government revenue by way of taxes.
- (ii) The project provides employment to 200 people
- (iii) The project is an encouraging sign to prove that we have local investors who have confidence so that they are ready to invest such large investment

MILLENIU MASTERBUILDERS LIMITED

PROJECTED PROFIT LOSS U\$

Period (Year)	1	2	3	4	5	6
Revenue	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Operating Expenses:	900,000	900,000	900,000	900,000	900,000	900,000
Profit before Depreciation & Interest	500,000	500,000	500,000	500,000	500,000	500,000
Interest	25,000	25,000	25,000	25,000	25,000	25,000
Depreciation	12,000	12,000	12,000	12,1000	2,000	2,000
Gross Profit	463,000	463,000	463,000	463,000	463,000	463,000
Tax (30%)	138,000	138,000	138,000	138,000	138,000	138,000
Profit After Tax	324,100	324,100	324,100	324,100	324,100	324,100

MILLENIUM MASTERBUILDERS LIMITED

PROJECTED CASH FLOWS US\$

Period (Year)	0	1	2	3	4	5	6
SOURCES:							
Profit before interest and depreciation	0	500,000	500,000	500,000	500,000	500,000	500,000
Equity	500,000						
Loan	1,000,000						
Total Sources	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Applications:							
Capital expenditure	900,000	900,000	900,000	900,000	900,000	900,000	900,000
working Capital & Others	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Cash	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Tax	138,000	138,000	1,874,442	138,000	138,000	138,000	138,000

MILLENIUM MASTERBUILDERS LIMITED
PROJECTED BALANCE SHEET US\$

Period (Year)	0	1	2	3	4	5	6
Fixed Assets							
Opening balance	–	300,000	300,000	300,000	300,000	300,000	300,000
Total Long-term Assets	–	200,000	200,000	200,000	200,000	200,000	200,000
Less depreciation	–	12,000	12,000	12,000	12,000	12,000	12,000
Closing balance	–	488,000	488,000	488,000	488,000	488,000	488,000
Working capital	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Accumulated cash	–	888,000	888,000	888,000	888,000	888,000	888,000

PROJECT IMPLEMENTATION SCHEDULE

It is expected that the Project will be take 3 years to implement as: -

	ACTIVITY	PERIOD
1.	Processing TIC Certificate of Incentive	July 2024
2.	Funds Mobilization	July 2024 – June 2026
3.	Ordering of Vehicles	July 2024 – Dec 2027
5.	Arrival of Equipment	July 2024 – Dec 2027
6.	Trial Operations	September 2024
7.	Operations	November 2024

