

# **TANZANIA ENERGY-RECYCLING CO.LIMITED**

## **BUSINESS PLAN**

**FOR**

**PRODUCTION OF OIL LUBRICANT AND RELATED PRODUCTS**

### **1.0. Executive Summary.**

**TANZANIA ENERGY-RECYCLING CO.LIMITED** is a private business company incorporated in the United Republic of Tanzania with Certificate of

Incorporation No. 171223202 issued on 4<sup>th</sup> January 2024, the main line of the project is the production of oil lubricant from waste recycling.

With the world's ever-vigilant focus on protecting the environment, society is determined to halt the use of single-use plastics, such as those plastic bags used at grocery stores.

The researchers developed an alternative method to upcycle (or creatively reuse) single-use plastics into liquid products of higher quality, including lubricants, motor oils, cosmetics, and detergents. Additionally, researchers determined improved methods for recycling single-use plastics than those methods currently employed.

The new technology will help combat the growing problem of accumulating plastic waste. Poepelmeier feels that the research findings provide hope of a future that benefits from the use of plastics in an environmentally friendly manner.

The process involves converting polyethylene molecules into high-value commercial products with the use of a catalyst. The catalyst consisted of platinum nanoparticles, which were deposited onto perovskite nanocubes using atomic layer deposition. Atomic layer deposition is a controlled process, depositing thin atomic layers of film one layer at a time. Perovskite is a calcium titanium oxide mineral that is easily synthesized. It displays properties such as magnetoresistance and superconductivity.

The catalyst splits the strong carbon-carbon bonds found in plastic to create higher-quality liquid hydrocarbons. Possible uses of the resulting liquid include:

- Lubricants,
- Motor oil,

This new technology provides a method to help support a circular economy. A circular economy is based on the principles of designing out pollution and waste, keeping materials and products in use, and regenerating natural systems.

Plastic waste is an ever-growing environmental concern. Some estimate that by the year 2050, there will be more plastic in the ocean than fish. The fish ingest the plastic, and other animals, including humans, eat the fish, thereby ingesting the plastic themselves. Needless to say, plastic consumption is harmful to the health of fish, animals, and humans alike.

Due to the strong carbon-carbon bonds found in plastics, the material does not degrade after being thrown into the garbage or in landfills. Instead, the plastics break down into smaller pieces, called microplastics. It is these microplastics that end up in the fish and other animals.

However, the researchers viewed the strong bonds as a benefit rather than a detriment. They capitalized on the strong carbon-carbon bonds, which are held together by high energy, in the process of converting the polyethylene molecules into useful products. A further benefit of the new technology is decreased waste production compared to current methods, which create toxic by-products and greenhouse gases.

Plastic is difficult to recycle and is melted to create new products. Plastic is used to make the lube oil through the catalyst process.

### 1.1 The Company ownership

The shareholders of **TANZANIA ENERGY-RECYCLING CO.LIMITED**, company is owned by two shareholders, namely: -

<b>Name</b>	<b>% of share</b>	<b>Nationality</b>
GU FENGCHANG P. O. Box 118 KIBAHA-COAST Email:energyrecycling@gmail.com Mob:+255759501999	60	China
HAN QIZHI P. O. Box 118 KIBAHA-COAST <b>Email:energyrecycling@gmail.com</b> <b>Mob:+255759501999</b>	40	China

All the directors of the company are therefore well-versed people in business operations, having been engaged in the business for a period ranging between 10 to 15 years, Equiped with the wide experience in the business as explained above, the directors of the company are optimistic of successful implementation of the proposed project.

### 1.2 Location.

The new project is located at Plot No. 30 Kibaha Industrial Park, Kibaha, Coast region

### 1.3 Mission

Professionally high-quality products, delivery to customers, aimed at ensuring that they realize the highest value for money.

#### **1.4 Core Values**

Provision of services with integrity and creativity while treating each customer as king

#### **2.0 Basis of the Business Plan**

A study was conducted before as the basis for the preparation of this plan, the study was based on the following objectives and approach:

##### **2.1 Study Objectives:**

- a) To analyze the relevant market and other factors impacting the supply and demand of oil lubricants and related products
- b) To examine the physical and operational characteristics of the existing market to determine the positioning of the proposed company's business in the marketplace.

##### **2.2 Study Approach:**

- a) Participatory: Semi-structured interviews and discussions were held with the Company's Directors, stakeholders in oil lubricant and related businesses
- b) Physical visits to the company's main business premises
- c) A brief market survey on oil lubricants locally and internationally.
- d) Conduction of profitability/viability test of the investment, using the appropriate financial projections for the initial period of five years proposed for the business operations.

##### **2.3 Keys to Success**

The keys to success will be:

- Built up systems in production, quality control, and operations and developed a proven and successful range of high-quality oil lubricants from recycled plastic waste.
- Successfully established sales channels across the Dar es Salaam region, so that today, the products are sold in shops on every oil lubricant shop.
- Store design that will be both visually attractive to customers, and designed for fast and efficient operations.
- Employee technical people to ensure the best oil lubricant products are produced.
- Marketing strategies aimed to build a solid base of loyal customers, as well as maximizing the sales of high-margin products.

#### 2.4 **Mission Statement**

The company's mission is to establish a world-class drive-through oil lubricant business that will make available a wide variety of oil lubricant products at affordable prices to the local

**TANZANIA ENERGY-RECYCLING CO.LIMITED** will make its best effort to create a unique product place that satisfies customers' needs. TANZANIA ENERGY-RECYCLING CO.LIMITED will invest its profits to increase employee satisfaction while providing stable returns to its shareholders.

#### 3.0 **MARKET ANALYSIS**

In 2021, a total of 55.52 million liters of lubricants entered the Tanzanian market. Of this volume, 85% was blended locally and 15% was imported. In comparison, a total of 51.77 million liters of lubricants entered the Tanzanian market in 2020, of which 84% was locally blended and 16% imported. Lubricants Consumption (2021) 55,516,988 Ltr

##### **Lubricants Market in Tanzania**

Here are a few key points about the lubricants business in Tanzania:

**Importance:** Lubricants play a crucial role in maintaining the smooth functioning of machinery and vehicles, which are vital for the growth of the industrial and transportation sectors in Tanzania.

**Market size:** The lubricants market in Tanzania is growing, with a projected growth rate of 3-4% annually.

**Major players:** The major players in the Tanzanian lubricants market are international oil companies such as Total, Mobil, and Castrol, as well as local players such as Tanzania Petroleum Development Corporation (TPDC).

**Distribution channels:** Lubricants are mainly distributed through a network of dealers and distributors, as well as directly to end-users such as industrial and automotive customers.

**Regulations:** The lubricants market in Tanzania is regulated by the government through the Energy and Water Utilities Regulatory Authority (EWURA)

Registered lubricants blending companies in Tanzania

- Oryx Service and Specialities Ltd
- Total (T) Ltd
- Mineral Oil Ltd
- General Petroleum Ltd
- Lake Lubes Ltd and Mogas (T) Ltd
- Mogas (T) Ltd

### 3.1 **THE PROCESS FOR CONVERTING WASTE PLASTIC INTO LUBRICATING OILS**

The process uses a thermal, noncatalytic, atmospheric pressure pyrolysis process that converts high-molecular-weight molecules to lower-molecular-weight molecules in the lube oil range. Hydroisomerization is then used to convert this product to low-pour-point oils of unconventional base oil (UCBO) quality

### **3.2 Market Segmentation**

TANZANIA ENERGY-RECYCLING CO. LIMITED will focus its marketing activities on reaching:

- Auto service and repair
- Equipment Manufacturing
- Mining companies
- Construction companies
- Transporters
- Wholesale
- Retailers

The market research shows that these are the customer groups that are most likely to buy our products. Since our products are very unique across different income categories.

TANZANIA ENERGY-RECYCLING CO.LIMITED's marketing strategy will be focused on getting new customers, retaining existing customers, and getting customers to spend more and come back more often. Establishing a loyal customer base is of paramount importance since such a customer core will not only generate most of the sales but also will provide favorable referrals.

### **3.3 Competitive Edge**

TANZANIA ENERGY-RECYCLING CO.LIMITED will position itself as a unique oil lubricants producer where customers get value for money and will differentiate TANZANIA ENERGY-RECYCLING CO.LIMITED from incumbent competitors no stiff completion is expected within 5 years,

### **3.4 Sales Strategy**

TANZANIA ENERGY-RECYCLING CO.LIMITED management will handle the sales transactions. To speed up customer service, one employee will be servicing clients--while one employee will be preparing the customer's order and taking care of the sales transaction. All sales data logged on the computerized point-of-sale terminal will be later analyzed for marketing purposes.

To build up its client base, TANZANIA ENERGY-RECYCLING CO.LIMITED will use banners and fliers, utilize customer referrals, and cross-promotions with other businesses in the community. At the same time, customer retention programs will be used to make sure the customers are coming back and spending more at the coffee bar

### **3.5 TANZANIA ENERGY-RECYCLING CO.LIMITED Products Offering**

TANZANIA ENERGY-RECYCLING CO.LIMITED will ensure that we do all that is permitted by law in The Republic of Tanzania to achieve our business goal and ambition.

Product and service offerings are listed below;

There are 4 types of lubricants: Oil, Grease, Penetrating Lubricants, and Dry Lubricants. The 2 most common lubricants you'll be dealing with daily are oil and grease,

### **4.0 Management Summary**

TANZANIA ENERGY-RECYCLING CO.LIMITED is owned by two shareholders. The shareholders have traveled around the world gaining vast knowledge with a track record of more than 10 years in the oil lubricant industry production and marketing industry. They have extensive business contacts in

Tanzania and outside Tanzania that will leverage to help the new venture succeed.

However, because of the investors' other commitments, they will not be involved in the daily management decisions at TANZANIA ENERGY-RECYCLING CO.LIMITED. A professional manager will be hired who will oversee all the company operations and other employees will be responsible for coffee preparation.

#### 4.1 **Management Team**

A full-time manager will be hired to oversee the daily operations at TANZANIA ENERGY-RECYCLING CO.LIMITED. This person's responsibilities will include managing the staff, ordering inventory, dealing with suppliers, developing a marketing strategy, and performing other daily managerial duties. We believe that our candidate has the right experience for this role. A profit-sharing arrangement for the manager may be considered based on the first-year operational results.

#### 4.2 Our Business Structure

TANZANIA ENERGY-RECYCLING CO.LIMITED is a recycling company that intends to start small in the Coast region, serving smaller industries within our locations, but hopes to grow big to compete favorably with leading recycling plants in the industry in Tanzania.

The board of directors is aware of the importance of building a solid business structure that can support the picture of the kind of world-class business we want to own. This is why we are committed to only hiring the best hands within our area of operations.

At TANZANIA ENERGY-RECYCLING CO.LIMITED, we will ensure that we hire people who are qualified, hardworking, creative, customer-centric, and ready

to work to help us build a prosperous business that will benefit all the stakeholders (the owners, workforce, and customers).

Profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for five years or more as agreed by the board of trustees of the company. Given the above, we have decided to hire qualified and competent hands to occupy the following positions;

Chief Executive Officer

Head, Technical Services

Human Resources and Admin Manager

Sales and Marketing Executive

Accountant

Plant Engineers / Technicians and Operators

Client Service Executive

Truck Drivers

#### 4.3 **Job Roles and Responsibilities**

##### **Chief Executive Officer – CEO:**

- Increases management’s effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.

- Responsible for providing direction for the business, communicating, and implementing the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for signing checks and documents on behalf of the company
- Evaluate the success of the organization

**Head, Technical Services:**

- Serves as project manager of the organization; works directly with employees
- Develop a strategic plan by studying technological and financial opportunities; presenting assumptions; and recommending objectives.
- Accomplishes subsidiary objectives by establishing plans, budgets, and results measurements; allocating resources; reviewing progress; making mid-course corrections.
- Coordinates efforts by establishing procurement, production, marketing, field, and technical services policies and practices; coordinating actions with corporate staff.
- Builds company image by collaborating with customers, government, community organizations, and employees; enforcing ethical business practices.
- Maintains quality service by establishing and enforcing organization standards.
- Maintains professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal

networks; benchmarking state-of-the-art practices; and participating in professional societies.

- Makes certain that the technical department performs efficiently, coordinates employee efforts, and facilitates communications between management and recycling plant engineers, technicians, and machine operators
- Ensures that the organization works in line with international best practices.

### **Admin and HR Manager**

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Design job descriptions with KPI to drive performance management for clients
- Regularly hold meetings with key stakeholders to review the effectiveness of HR Policies, Procedures, and Processes
- Maintains office supplies by checking stocks; placing and expediting orders; and evaluating new products.
- Ensures operation of equipment by completing preventive maintenance requirements; and calling for repairs.
- Defines job positions for recruitment and managing the interviewing process
- Carrying out staff induction for new team members
- Responsible for training, evaluation, and assessment of employees
- Oversees the smooth running of the daily office activities.

### **Sales and Marketing Manager**

- Manages external research and coordinates all the internal sources of information to retain the organizations' best customers and attract new ones
- Models demographic information and analyzes the volumes of transactional data generated by customer
- Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of development projects.
- Writes winning proposal documents, negotiates fees and rates in line with organizations' policy
- Responsible for handling business research, market surveys, and feasibility studies for clients
- Responsible for supervising implementation, advocating for the customer's needs, and communicating with clients
- Develops, executes, and evaluates new plans for expanding and increasing sales
- Creates new markets cum businesses for the organization
- Empowers and motivates the sales team to meet and surpass agreed targets

### **Accountant / Cashier:**

- Responsible for preparing financial reports, budgets, and financial statements for the organization

- Provides management with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risk analysis.
- Performs cash management, general ledger accounting, and financial reporting for one or more properties.
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensuring compliance with taxation legislation
- Handles all financial transactions for TANZANIA ENERGY-RECYCLING CO.LIMITED
- Serves as internal auditor for TANZANIA ENERGY-RECYCLING CO.LIMITED

**Recycling Plant Engineers (2) and Technicians / Machine Operators (8)**

- Responsible for installing, maintaining, and repairing of all the recycling machines in the plant
- Responsible for operating recycling machines in the plant
- Operates facilities for separating and sorting recyclable materials from nonhazardous waste streams
- Operates facilities where commingled recyclable materials are sorted into distinct categories
- Handles any other job functions as it relate to recycling materials.

## **Truck Drivers**

- Assists in loading and unloading waste materials and recycled materials.
- Maintains a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- Keeps a record of vehicle inspections and makes sure the truck is equipped with safety equipment, such as hazardous material placards.
- Assists the transport and logistics manager in planning their route according to a pick-up and delivery schedule.
- Inspect vehicles for mechanical items and safety issues and perform preventative maintenance
- Complies with hazardous waste truck driving rules and regulations (size, weight, route designations, parking, break periods, etc.) as well as with company policies and procedures
- Collects and verifies delivery instructions
- Reports defects, accidents, or violations

## **Client Service Executive**

- Welcomes clients and potential clients by greeting them in person or on the telephone; answering or directing inquiries.
- Ensures that all contacts with clients (e-mail, walk-in center, SMS, or phone) provide the client with a personalized customer service experience of the highest level
- Through interaction with clients on the phone, uses every opportunity to build clients' interest in the company's products and services

- Manages administrative duties assigned by the human resources and admin manager in an effective and timely manner
- Consistently stays abreast of any new information on the organizations' products, promotional campaigns, etc. to ensure accurate and helpful information is supplied to clients when they make inquiries.

A total of 20 people to be employed

## 5.0 **SWOT Analysis**

TANZANIA ENERGY-RECYCLING CO.LIMITED engaged the services of a core professional in the area of business consulting and structuring to assist our organization in building a well-structured recycling business that can favorably compete in the highly competitive recycling industry in the United States and the world at large.

Part of what the team of business consultants did was to work with the management of our organization in conducting a comprehensive SWOT analysis for TANZANIA ENERGY-RECYCLING CO.LIMITED. Here is a summary of the result of the SWOT analysis that was conducted on behalf of TANZANIA ENERGY-RECYCLING CO.LIMITED;

### **Strength:**

Our core strength lies in the power of our team; our workforce. We have a team of certified highly trained and experienced recycling engineers and technicians/machine operators, a team with excellent qualifications and experience in various niche areas in the recycling industry.

Aside from the synergy that exists in our carefully selected workforce, our product will be guided by best practices in the industry, and our recycling plant is built to fit into the design of a 21st-century recycling plant.

**Weakness:**

As a new recycling plant in Kibaha, it might take some time for our organization to break into the market and gain acceptance, especially from top-profile clients (big-time manufacturing/production companies that make use of recycled materials) in the already saturated and highly competitive recycling industry; that is perhaps our major weakness.

Another weakness is that we may not have the required cash to pump into promoting our business the way we would want to.

**Opportunities:**

No doubt, the opportunities in the recycling industry are massive considering the number of individuals and manufacturing companies who are now switching over to alternative sources of raw materials basically to save cost and energy. As a recycling company, we are ready to take advantage of any opportunity that is available in the industry.

**Threat:**

Just like any other business, one of the major threats that we are likely going to face is an economic downturn. It is a fact that an economic downturn affects purchasing/spending power. Another threat that may likely confront us is the arrival of a new recycling plant in the same location where our target market exists and who may want to adopt the same Business model as us.

**6.0 Project Sustainability**

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed

## 7.0 Project Investment Cost

The estimated capital investment cost of the project for 5 years is estimated to cost US\$ 500,000, the project will be implemented in phases, and the project will grow up to US\$ 500,000 within five years.

### TANZANIA ENERGY-RECYCLING CO.LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	40,000.00
Machinery & Equipment	75,000.00
Motor Vehicles	100,000.00
Furniture & Fixtures	10,000.00
Pre exp	15,000.00
Others	80,000.00
Working Capital	180,000.00
<b>TOTAL</b>	<b>500,000.00</b>

## 7.1 Financing pattern

The project will be financed by equity of US\$500,000 and cash generated from operations will be reinvested at least for 2 years

## 7.2 Financial Analysis

### 7.2.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. The capital investment allowance is 50%. The capital assets are exempted from customs duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

It is assumed that raw materials will be sourced locally as it has been explained above. Revenues have been conservatively estimated based on the experience of the promoters and trends in the industry.

### 7.2.2 Projected Revenue

For projection purposes, it is assumed that the economic life of the project is eight years and that revenue from the project commences from the first year of operation as below:

TANZANIA ENERGY-RECYCLING CO.LIMITED SUMMARY OF REVENUE "US\$"

	1	2	3	4	5	6
Revenue	181,440	203,213	223,534	245,887	270,476	297,524

### 7.2.3 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5th-year period. The position depicted is that the project earns profit throughout its life. Accumulated after-tax profits grow from **US\$55,569** in first year to **US\$560,633** in the year 6<sup>th</sup>; for the detail refer appendix (IV)

### 7.2.4 Projected Cash Flows

This is shown in the financial statements. The project commences with negative accumulated cash flow in year 1 US\$ **(49,881)** and cash grows in the 8th year up to US\$ **689,177**; for the detail refer to appendix (V)

### 7.2.5 Projected Balance Sheet

This is shown in the financial statements. The project assets grow from **US\$ 100,000** in year 1 up to **US\$ 500,000** in the 8th year; for the detail refer appendix (VI)

### 5.2.6 Projected Payback Period

The total investment of the project is estimated to US\$ **500,000** in the fifth year and the total accumulated cash in fifth year is US\$ **568,206** which is more

than the investment cost by **US\$68,206**, The payback period is within five years; for the detail refer appendix (VII)

## 6.0 **ECONOMIC ASPECTS**

Implementation of this project will have the following social and economic values

- The project will create employment for **10** people in the beginning and it will increase gradually as the business grow.
- It will create more business opportunities to local suppliers which will also have a trickledown effect in the environmental issues.
- It adds value our local handcrafts products and brand it internationally.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.
- The project will have transfer of knowledge and skills to handcrafts producers sub industry.
- From the projected \$1million of revenue over the next five years, the vast majority will be earned and spent directly in Tanzania.
- Between 40% and 50% of annual sales revenue to spent in the form of direct artisan payments for the products produced by the currently 350 women artisans.
- As the business grows, more women artisans will be trained and integrated into the business. This means that 350+ women artisans are earning reliable and fair incomes in one of the poorest regions of Tanzania.

This has a significant impact on the artisans' livelihoods and the local economy as a whole.

- The remaining income and expenditure is spent on local staff salaries, taxes, domestic logistics, production, infrastructure and locally sourced raw materials. Only a small fraction of the generated income will be earned and spent outside Tanzania, between 5% – 10%, on one international staff and international marketing and sales activities.
- By providing local women artisans a livelihood through their weaving, WCAC also supports the preservation of local weaving traditions and cultures which have been an important part of life for rural communities in Kagera and across Tanzania for many generations. Without WCAC, local women artisans in Ngara have no access to markets and would likely abandon their weaving traditions.
- Furthermore, the arts and crafts sector is an integral part of the tourism business since it plays an important role as souvenirs and mementos, thereby spatially and temporarily expanding the visitor experience.

## **7.0 IMPLEMENTATION**

Project implementation is expected to be relatively very short once the project has been approved and the space lease, license, and approval obtained, the general implementation schedule is below:

#### IMPLEMENTATION

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	February -2024
2	Placing order of machines	March-April 2024
3	Fixing machines	April –May 2024
4	Recruitment	May-September 2024
5	In house training	September- November 2024
4	Testing production	December 2024
6	Commercial operations	January 2025

#### 8.0 CONCLUSION & RECOMMENDATIONS

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.

Appendix (I)

TANZANIA ENERGY-RECYCLING CO.LIMITED COST STRUCTURE

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	140,000.00
Machinery & Equipment	75,000.00
Motor Vehicles	100,000.00
Furniture & Fixtures	10,000.00
Pre exp	15,000.00
Others	80,000.00
Working Capital	80,000.00
<b>TOTAL</b>	<b>500,000.00</b>

Appendix (II)

TANZANIA ENERGY-RECYCLING CO.LIMITED Summary of Revenue "US\$"

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Revenue	181,440	203,213	223,534	245,887	270,476	297,524

**Appendix (III)**

**TANZANIA ENERGY-RECYCLING LIMITED FIXED ASSETS US\$**

<b>NAME OF ASSETS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
Land And Buildings	140,000	137,200	134,400	131,600	128,800	126,000	123,200	120,400
Machinery, Tools & Equipment	75,000	71,250	67,500	63,750	60,000	56,250	52,500	48,750
Motor Vehicles	100,000	90,000	80,000	70,000	60,000	50,000	40,000	30,000
Furniture & Fixtures	10,000	9,000	8,000	7,000	6,000	5,000	4,000	3,000
<b>Total</b>	<b>325,000</b>	<b>307,450</b>	<b>289,900</b>	<b>272,350</b>	<b>254,800</b>	<b>237,250</b>	<b>219,700</b>	<b>202,150</b>
<b>DEPRECIATION</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
Land and buildings	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Machinery tools & Equipment	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Motor Vehicles	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Furniture & Fixtures	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<b>ANNUAL DEPRECIATION</b>	<b>17,550</b>	<b>17,550</b>	<b>17,550</b>	<b>17,550</b>	<b>17,550</b>	<b>17,550</b>	<b>17,550</b>	<b>17,550</b>

Appendix (IV)

TANZANIA ENERGY-RECYCLING CO.LIMITED Projected Income & Expenditure Statement (US\$)

	1	2	3	4	5	6
Revenue	181,440	203,213	223,534	245,887	270,476	297,524
Operating cost	18,144	20,321	22,353	24,589	27,048	29,752
<b>Cost of raw materials</b>	63,504	71,124	78,237	86,061	94,667	104,133
<b>Profit before Depreciation &amp;Interest</b>	<b>99,792</b>	<b>132,088</b>	<b>145,297</b>	<b>159,827</b>	<b>175,810</b>	<b>193,391</b>
Interest	-	-	-	-	-	-
Depreciation	17,550	17,550	17,550	17,550	17,550	17,550
<b>Net Profit before Tax</b>	<b>82,242</b>	<b>114,538</b>	<b>127,747</b>	<b>142,277</b>	<b>158,260</b>	<b>175,841</b>
Tax (30%)	24,673	34,361	38,324	42,683	47,478	52,752
<b>Profit After Tax</b>	<b>57,569</b>	<b>80,177</b>	<b>89,423</b>	<b>99,594</b>	<b>110,782</b>	<b>123,088</b>
Accumulated Profit	57,569	137,746	227,169	326,763	437,544	560,633

Appendix (V)

TANZANIA ENERGY-RECYCLING LIMITED PROJECTED CASH FLOW US\$

	-	1	2	3	4	5	6
<b>SOURCES:</b>							
Profit before interest and depreciation	-	99,792	132,088	145,297	159,827	175,810	193,391
<b>Total Sources</b>	-	99,792	132,088	145,297	159,827	175,810	193,391
<b>Applications:</b>							
Capital expenditure	100,000	100,000	100,000	25,000	-	-	
working Capital &Others	100,000	25,000	50,000	-			
Cash	-	(49,881)	(52,273)	81,973	117,144	128,332	140,639
Tax	-	24,673	34,361	38,324	42,683	47,478	52,752
<b>Sub total</b>	<b>200,000</b>	<b>99,792</b>	<b>132,088</b>	<b>145,297</b>	<b>159,827</b>	<b>175,810</b>	<b>193,391</b>
<b>Total applications</b>	<b>200,000</b>	<b>99,792</b>	<b>132,088</b>	<b>145,297</b>	<b>159,827</b>	<b>175,810</b>	<b>193,391</b>
Accumulated cash		(49,881)	(102,154)	(20,181)	96,963	225,295	365,934
Necessary working capital	100,000	125,000	175,000	175,000	175,000	175,000	175,000

## TANZANIA ENERGY-RECYCLING CO.LIMITED PROJECTED BALANCE SHEET US \$

	-	1	2	3	4	5	6
<b>Fixed Assets</b>	-						
Opening balance	-	325,000	307,450	289,900	272,350	254,800	237,250
Additions	-						
<b>Total Long-term Assets</b>	-	325,000	307,450	289,900	272,350	254,800	237,250
<b>Less depreciation</b>	-	17,550	17,550	17,550	17,550	17,550	17,550
<b>Closing balance</b>	-	307,450	289,900	272,350	254,800	237,250	219,700
Working capital	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Accumulated cash	-	-49,881	-102,154	-20,181	96,963	225,295	365,934
<b>Total assets</b>	175,000						
Financed by							
Equity	-	200,000	300,000	400,000	500,000	500,000	500,000
Net profit	-	57,569	80,177	89,423	99,594	110,782	123,088
Total equity	-	257,569	380,177	489,423	599,594	610,782	623,088
<b>Total equity and debts</b>	-	257,569	380,177	489,423	599,594	610,782	623,088

**Appendix (VII)**

## TANZANIA ENERGY-RECYCLING LIMITED'S PROJECTED PAYBACK PERIOD

<b>Year</b>	<b>Profit After Tax</b>	<b>Depreciation</b>	<b>Total Cash Flow</b>	<b>Accumulated Cash Flow</b>
1	57,569	17,550.00	75,119.00	75,119.00
2	89,423	17,550.00	106,973.00	182,092.00
3	99,594	17,550.00	117,144.00	299,236.00
4	110,782	17,550.00	128,332.00	427,568.00
5	123,088	17,550.00	140,638.00	568,206.00
6	136,626	17,550.00	154,176.00	722,382.00
7	151,517	17,550.00	169,067.00	891,449.00

