

ALMEHZA INVESTMENTS LIMITED

BUSINESS PLAN FOR ESTABLISHMENT

OF

ALMEHZA INVESTMENTS LIMITED PROJECT

Almehza Investments Limited
Plot 963,
House 2 Kilimani Close Street,
Mbezi Beach.
P. O. Box 32768
DAR ES SALAAM, TANZANIA.

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ALMEHZA INVESTMENTS LIMITED
SETTING UP FACILITIES FOR OPERATING A ALMEHZA INVESTMENTS LIMITED
PROJECT

1 INVESTMENT PLAN

1.1 Executive Summary

ALMEHZA INVESTMENTS LIMITED is a domestic company limited by shares registered in Tanzania under The Companies Act, (CAP 212) of 2002 as amended with Certificate of Incorporation Number 175476695 given in June 2024. The company has complied with all legal requirements and obtained all necessary certificates including but not limited to Certificate of incorporation number, TIN, Tax Clearance Certificates, Business License and License to carry on Business of Transportation.

1.2 Company Background

- 1.2.1 ALMEHZA INVESTMENTS LIMITED is a private company based in Dar es Salaam, and was incorporated on Tanzania by Registrar of Companies under the Companies Ordinance (CAP 212) now the Companies Act, 2002 with Certificate of Incorporation Number 175476695 given on 13th June 2024.
- 1.2.2 The company has complied with all legal requirements and obtained all necessary certificates including but not limited to Certificate of incorporation number, TIN, Tax Clearance Certificates, Business Licence and License to carry on Business of Transportation.
- 1.2.3 Currently the company establishes a transportation business in Tanzania. The main purpose of the project is to provide transportation of goods services across the country and in the neighboring countries.
- 1.2.4 Tanzania is the international gateway for several of its landlocked neighboring countries. Burundi, Rwanda, Uganda, DR Congo, Zambia and Malawi are all dependent to some extent on the country's transport network for their access to global markets.
- 1.2.5 The government is determined and committed to opening up the country to the global economy through improved investment climate, mega infrastructures development in order to accelerate the smooth flow of the Foreign Direct Investments (FDIs) and Domestic Direct Investment (DDI) for the social and economic prosperity of Tanzanians.

- 1.2.6 The government has been undertaking major legal and regulatory reforms in a quest to make Tanzania one of the best investment destinations on the continent. These reforms, which, cut across the board include tax regime, automation of investment procedures and processes, harmonization of institutions, land laws as well as unlocking hurdles that impede business growth.
- 1.2.7 That being the facts, ALMEHZA INVESTMENTS LIMITED has been impressively moved to invest in the sector of transport by establishing a distinguishable project with the view of bringing changes, increasing employment of local Tanzanians and help in easy transportation of goods in and outside the country.
- 1.2.8 The project will be implemented in five (5) years for an estimated capital investment cost of USD 5,500,000 which will be used for operation costs including to purchase fleet of trucks, tractors, fuel tankers, Tipper, supporting vehicles such as hardtops, land cruisers and pickups, cargo handling equipment; forklift, reach stackers, cranes, communication equipment; Radio calls, Base station, GPS, car tracking systems and workshop Equipment, generators.

1.3 Targeted Market

- 1.3.1 There is very big demand for the project business in Tanzania and the whole of East and central Africa especially in developing places that require this as materials for building.
- 1.3.2 Business with Far Region in Tanzania Mainland. In Tanzania Mainland there are far places or very remote with poor roads and acute shortage of this facility. And another reason is the growth of business in remote areas. There will need merchandise to reach them where the source of business is required.

1.4 Economic Growth

The economic growth influenced such movement of goods especially industries and businessmen as the demand is growing day by day for the increased imported goods. The company is registered in the country under the companies Act, 2002. The project promoter is a well-established business personal who is to carry out various businesses majoring in transportation of goods. Having seen the opportunity of exercising in this business the directors are now prepared to establish a transportation of goods project.

1.5 Transportation Facilities

- (i) Fleet of trucks, tractors, fuel tankers, Tipper
- (ii) Supporting vehicles such as hardtops and pickups,
- (iii) Cargo handling equipment; forklift, reach stackers, cranes
- (iv) Communication equipment; Radio calls, Base station, GPS, car tracking systems.

(v) Workshop Equipment, generators.

2 THE COMPANYS OBJECTIVES

ALMEHZA INVESTMENTS LIMITED is a project for Transportation of goods business in Tanzania Mainland and the whole of East and Central Africa. The mission of proposed project is basically aimed at transportation business and marketing or promotion of the project in order to increase customers from Tanzania Mainland and neighboring countries to achieve the object of carrying on the business of transportation of goods.

3 PLAN OR PROSPECTS

- a) Smooth running of the Transportation of goods business.
- b) For efficient and effectiveness in operation and increase of the project business to neighboring countries and hence resulting foreign earnings in addition to the prevailing local market.
- c) To increase more facilities for the project work machinery with introduction of new technology.
- d) To increase the volume of the project or capacity of the project to be processed in the Transportation of goods.

4 PLAN OBJECTIVES

The investment proposal was prepared to show clearly an analysis of the financial, human, technical and other resources required for the project and also assess its economic viability and commercial viability in order to allocate funds for the Transportation of goods in the project especially in selling of the Transportation of goods materials. The document has been prepared to serve as a business plan for ALMEHZA INVESTMENTS LIMITED for the operator project specializing in Transportation of goods processing. The implementation of the project will comprise of the following activities:

- Construction of office buildings, workshop and packing yard.
- Purchasing CCTV and communication equipment.
- The purchasing of company vehicles. Fleet of trucks, tractors, fuel tankers, Tipper, supporting vehicles such as hardtops, land cruisers and pickups, cargo handling equipment; forklift, reach stackers, cranes, communication equipment; Radio calls, Base station, GPS, car tracking systems and workshop Equipment, generators.

The proposed project is estimated to cost about USD 5,500,000. The project sponsors will provide full funding amounting USD 3,500,000 in terms of equity contribution while the rest TZS 2,000,000 will be reinvestment of cash generated from operations.

5 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds.

The company is owned by 4 shareholders, namely;

NAME, POSTAL ADDRESS AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	NATIONALITY
EDNA KAIYULA BAISI	60	TANZANIAN
MOHAMED HASSAN MOHAMED ALMEHZA	40	UNITED ARAB EMIRATES

6 PROJECT LOCATION:

The project head quarter will be in Dar Es Salaam, Plot 963, House 2 Kilimani close street Mbezi Beach. P. O. Box 32768 Dar es Salaam, Tanzania.

7 IMPLEMENTATION SCHEDULE

August - 2024

- a) Preparing feasibility study for the land space and the project area.
- b) Registration of the project with Tanzania Investment Centre i.e Application for the Certificate of Incentives.
- c) Getting the Certificate of Incentives.

September - 2024

- a) Application for import Duty exemption on trucks, tractors, lorries, supporting vehicles, workshop equipment, communication equipment, cargo lifting-equipment after being awarded certificate of incentives in the establishment programmer.
- b) Ordering and importing of fleet of trucks, tractors, fuel tankers, Tipper, supporting vehicles such as hardtops, land cruisers and pickups, cargo handling equipment; forklift, reach stackers, cranes, communication equipment; Radio calls, Base station, GPS, car tracking systems and workshop Equipment, generators etc.

October- 2024

- c) Recruiting new employees, drivers, turn boys, mechanics and other administration staff.
- d) Fully commencement of the project and the Transportation of goods process.

8 CAPITAL INVESTMENT COST

Costs and Estimate Value

SN	Item	Description	Amount (In USD)
1	Investment Costs	Investment Cost	1,500,000.00
		Working Capital	1,500,000.00
		Total	3,000,000.00
2	Cost & Estimate Revenue Loss	Estimate of total annual revenue	6,000,000.00
		Total Operational Expenses of Project (Annual)	1,500,000.00
		Interest of bank Facilities	7%
		Commissioning cost 10% material Totalannual depreciation expenses	
		Annual Income Tax 30%	
		Total Profit & Loss: (Annual)	
3.	Project Fixed Capital	The costs before commissioning	1,500,000.00
		Land & Landscaping	1,500,000.00
		Civil & Building Implement	0.00
		Machinery, Office, Workshop & Lab Supplies	500,000.00
		Total	3,500,00.00
4.	The costs Before commissioning	Costs before commissioning including feasibility study, periodical visits, acquiring investment permits, TIC License of Incentive, LATRA, Tanzania Port Authority (TPA), Municipals, etc	250,000.00
		Training Before Commissioning	15,000.00
		Total	265,000.00
5.	Land and Land Scaping	Project Land	1,000,000.00
		Landscaping Technical & Production Area)	500,000.00
		Total	1,500,000.00
6.	Machinery, Workshop & Lab Supplies	Spare Part	1,100,000.00
		Electricity	1,100,000.00

		Total	2,200,000.00
7.	Salary and Wages	Engineers	20,000
		Operators	15000
		Other Staffs	80,000
		Total	115,000.00

Fixed capital depreciation

S/N	Description	Production (Estimated)	Unit Price (USD)	Amount (USD)
1.	Production Average	6000 T	1000	6,000,000
Total Cash Income				6,000,000
Deduction (Current Costs)				5,000,000
Deduction (Depreciation Costs)				5,000,000
Deduction (Banking Fees 12%)				250,000
Net Profit (USD):				250,000

9 PERIOD OF INVESTMENT & CAPITAL RETURN

1.	Period of Investment & Capital Return	Purchase of machinery, equipment, transport, set-up and putting into operation	1 year
		Commissioning, trial operation, financing & administrative affairs	1 year
		Settling the principal with interest	1 year
		Capital Annual Rate	1 year

PROJECT FINANCING

Description	Total (USD)	Banking Loan	Customer Share
Fixed Costs of Project	3,000,000.00	2,000,000.00	1,000,000.00
Cost of Circulating Capital 15% of Current Expenses	-	-	-
Total	3,000,000.00	2,000,000.00	1,000,000.00

The intended project is to be implemented within 1 year. The company promoters (shareholders) have resorted to register the project with Tanzania Investment Center (TIC) and securing the certificate of incentives.

10 FINANCIAL PLAN (SOURCE OF FUNDS)

ALMEHZA INVESTMENTS LIMITED has firmed up finances for the implementation programmer by its fund and Loan.

Own fund (Equity)	USD \$ 3,500,000
Local loan	<u>USD \$ 2,000,000</u>
TOTAL	USD \$ 5,500,000

11 FLEXIBLE PACKAGING MATERIAL TRANSPORTATION OF GOODS PROCESS

- a) Trucks and Cranes
- b) Weigh bridge, Generators, Transformer
- c) Pickups and Folk-lift.
- d) Mobile workshop, Tools boxes
- e) GPS and car Tracking system

12 SUBMISSION

- 12.1 ALMEHZA INVESTMENTS LIMITED submits the investment proposal and application to the Tanzania Investment Centre (TIC) for registration and award of certificate of Incentives for the commencement of the Transportation of goods project.
- 12.2 The project will soon commence after the company is registered by Tanzania Investment Centre and being issued the Certificate of Incentives. Thereafter the company will import the project facilities such as, trucks and lorries, heavy duty machines, cargo handling equipment, generators, transformer, Certificate of Incentives will enable the project to qualify for Duty exemptions on Capital and Deemed Capital Goods etc.

13 ECONOMIC GROWTH

The current economic growth which had been registered in Tanzania, as the result of investment, business and Transportation of goods have attracted more investments as well as processing and business in the Tanzania such as the intended transportation of goods project. The economic growth influenced such movement of goods especially industries and business as the demand is growing day by day for the increased production.

14 COMPETITION OR MARKET

Despite there being numbers of other Transportation of goods companies in Tanzania, still the facility is not enough compared to the level of demand. However, the intended project will provide trustworthy, efficient and quality services to dominate the local and export market. Because the project is to ensure high quality, promptness and goodwill.

15 ADVERTISEMENT

Advertisement which forms part of the marketing-strategy will be embarked upon in the newspapers, street banners and later on in the television in a manner benefiting the promotional role of any company or private institutions.

16 BUSINESS STRATEGY

In-order to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets.

- (i) Technology and quality fleet of vehicles.
- (ii) Advertisement and Promotion,
- (iii) Employing qualified and experienced drivers, mechanics,
- (iv) On job training,
- (v) Business Discipline.

17 ENVIRONMENTAL ISSUE

The Transportation of goods project business and the whole project implementation is environmentally friendly. The workshop activities of services will not cause any harm to people.

18 PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors. EDNA KAIYULA BAISI and MOHAMED HASSAN MOHAMED ALMEHZA are the shareholders of the company. They are well versed in distribution of the business.

19 MANPOWER AND TRANSFER OF TECHNOLOGY

19.1 ALMEHZA INVESTMENTS LIMITED being the Transportation of goods project in its commencement will usher in the technology by using modern workshop activities. The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.

- 19.2 Further the country can reduce its dependence on the Transportation of goods project from neighboring countries, hence Tanzania business men, famers.
- 19.3 The proposed project will cause more people to be employed in as drivers, turn boys, mechanic, security guards, accountant, logistic manager and about 100 local people and 2 foreigners will increase their income, improve their social welfare and pay-taxes; it is poverty alleviation programmer to them.
- 19.4 Local employees will get on training for Transportation of goods in a long run will improve the technical competence in the project.

20 CONCLUSION AND RECOMMENDATION

- 20.1 The financial evaluation of the project done so far indicates that this project will be profitable both economically and financially viable venture. There are many other benefits directs and indirect of this project.
- 20.2 The management being experienced businessmen possesses ample managerial capabilities in various business disciplines.
- 20.3 Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the project so that the project will operate and enjoy tax exemption on capital and deemed goods and increase its production capacity.

21 FINANCIAL AND ECONOMIC ANALYSIS

- 21.1 Projected Profit and Loss Account; the company envisages generating a profit of USD \$ 250,000 this operating year. The profit amount is expected to steadily rise to USD \$ 260, 000 in year two, USD \$270,000 in year three and USD \$280,000 in year four.
- 21.2 Projected cash flows; the projected cash flows for the next five years indicate that the company will have enough funds to service and repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.
- 21.3 Proposed balanced sheet; the projected balance sheet shows healthy financial situation. Short term liabilities are all times covered by fixed assets. Also, current liabilities are adequately covered by current assets.

22 SENSITIVITY ANALYSIS

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavourable conditions that might negatively affect the operations of ALMEHZA INVESTMENTS LIMITED.

Effect of cost increase on profitability (on the basis of year II ALMEHZA INVESTMENTS LIMITED.
 INCOME in “.....” USD \$)

INCOME	COSTS	INCREASE	PROFIT BEFORE DEPRECIATION
760,000	500,000	5%	260,000
760,000	525,000	5%	235,000
760,000	550,000	10%	210,000

Effect of ALMEHZA INVESTMENTS LIMITED. INCOME decrease/ drop on profitability (on the basis
 of year II costs in “.....” USD \$)

INCOME	INCOME DECREASE	COST	PROFIT BEFORE DEPRECIATION
760,000	%	500,000	260,000
722,000	5%	500,000	222,000
684,000	10%	500,000	184,000

The viability/ profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients' base.

APPROVED with the SIGNATURE of the Managing Director and OFFICIAL STAMP this 22nd July, 2024.

Edna Kaiyula Baisi


ALMEHZA INVESTMENTS LIMITED
 MANAGING DIRECTOR, P.O. BOX 32768, DAR ES SALAAM
ALMEHZA INVESTMENT LIMITED TANZANIA

Appendix 1

ALMEHZA INVESTMENTS LIMITED
PROJECTED INCOME STATEMENT

(Fig. USD \$ '000')

INCOME	1 st year	2 nd year	3 rd year	4 th year	5 th year
Sales Income	720.0	760.0	800.0	850.0	900.0
Total Income	720.0	760.0	800.0	850.0	900.0
Utilities	150.0	150.0	150.0	150.0	150.0
Salaries and wages	80.0	85.0	90.0	100.0	110.0
Transportation/fuel	100.0	105.0	110.0	120.0	130.0
Administrative					
Expenses	100.0	110.0	120.0	130.0	140.0
Other Expenses	40.0	50.0	60.0	70.0	80.0
Total Expenditure	470.0	500.0	530.0	570.0	610.0
Net Profit (pre tax and depreciation)	250.0	260.0	270.0	280.0	290.0

Appendix II

ALMEHZA INVESTMENTS LIMITED
PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

YEAR	I	II	III	IV	V	TOTAL
Cash inflow						
Income from operation	250.0	260.0	270.0	280.0	290.0	1350.0
Cash outflow	250.0	260.0	270.0	280.0	290.0	1350.0
Interest payments	50.0	45.0	40.0	35.0	30.0	200.0
Loan re-payment	50.0	50.0	50.0	50.0	50.0	250.0
Wear and tear	10.0	12.0	14.0	16.0	18.0	70.0
Taxes	10.0	10.0	10.0	10.0	10.0	50.0
	120.0	117.0	114.0	111.0	108.0	570.0
Surplus cash generated	130.0	143.0	156.0	169.0	182.0	780.0

Appendix III

**ALMEHZA INVESTMENTS LIMITED
PROJECTED LONG TERM LOAN REPAYMENT****(Fig. in USD \$'000')**

YEAR	PRINCIPAL	INTEREST	TOTAL	AMOUNT
0				500.0
I	50.0	50.0	100.0	450.0
II	50.0	45.0	95.0	400.0
III	50.0	40.0	90.0	350.0
IV	50.0	35.0	85.0	300.0
V	50.0	30.0	80.0	250.0
VI	50.0	25.0	75.0	200.0
VII	50.0	20.0	70.0	150.0
VIII	50.0	15.0	65.0	100.0
IX	50.0	10.0	60.0	50.0
X	50.0	5	55.0	00.0

Appendix IV

**ALMEHZA INVESTMENTS
LIMITED PROJECTED BALANCE**

SHEET

(Fig. in USD \$ '000')

NO.	ITEM	YEAR I	YEAR II	YEAR III	YEAR IV	YEAR V
	Source of Funds					
1.	Shareholders' funds	100.0	150.0	200.0	250.0	350.0
2.	Long Term Loan	100.0	95.0	90.0	85.0	80.0
3.	Associated Cos/ Directors	100.0	100.0	100.0	100.0	100.0
4.	Current liabilities	200.0	250.0	300.0	350.0	400.0
		500.0	595.0	690.0	785.0	930.0
	Application of funds					
1.	Fixed Assets	300.0	300.0	300.0	300.0	300.0
2.	Current Assets	200.0	295.0	390.0	485.0	630.0
		500.0	595.0	690.0	785.0	930.0