

HAKAM INVESTMENT LIMITED

BUSINESS PLAN

FOR

DEVELOPMENT OF

**MANUFACTURING CONSTRUCTION NAILS, PRECISION-TURNED
PRODUCTS, GENERIC NUTS, BOLTS, SCREWS, RIVETS AND
WASHERS AND RELATED PRODUCTS**

1.0. EXECUTIVE SUMMARY

HAKAM INVESTMENT LIMITED is a company incorporated in Tanzania with Certificate of Incorporation No. 63715 issued on 10th January 2008 the company is engaged in the manufacturing of construction nails and fasteners manufacturer that will be located in

UN surveyed area in Kisarawe II, Kigamboni, Dar es Salaam, Tanzania; in an ideal location, highly suitable for the kind of manufacturing business we want to establish.

The board of directors of HAKAM INVESTMENT LIMITED has been able to lease a facility that is big enough to fit into the design of the kind of standard nail and fastener manufacturing company that we intend to launch.

HAKAM INVESTMENT LIMITED will be involved in manufacturing construction nails, precision-turned products, generic nuts, bolts, screws, rivets and washers et al. We are set to service a wide range of clientele in and around Dar es Salaam.

The board of directors is aware that there are several large and small nail and fastener manufacturing companies all around the United Republic of Tanzania, which is why we spent time and resources to conduct a thorough feasibility study and market survey to be well positioned to favorably compete with all our competitors.

HAKAM INVESTMENT LIMITED will at all times demonstrate her commitment to sustainability, both individually and as a firm, by

actively participating in our communities and integrating sustainable business practices wherever possible.

We will ensure that we hold ourselves accountable to the highest standards by meeting our customer's needs precisely and completely whenever they patronize our products. We will cultivate a working environment that provides a human, sustainable approach to earning a living and living in our world, for our partners, employees, and our customers.

HAKAM INVESTMENT LIMITED will ensure that all our customers (wholesale construction nails, screws, nut, and bolt distributors) are given first-class treatment whenever they visit our factory.

We have CRM software that will enable us to manage a one-on-one relationship with our customers (wholesale distributors) no matter how large the numbers of our customer base may grow. We will ensure that we get our customers involved when making some business decisions that will directly or indirectly affect them.

1.2. Sponsors.

The project is being sponsored by HAKAM INVESTMENT LIMITED, a private limited liability company incorporated and registered in Tanzania with Certificate of Incorporation No. 63715 issued on 10th January 2008

HAKAM INVESTMENT LIMITED is owned by three shareholders mentioned below:

Shareholders' Names	% of Shares	Nationality
HUSSEIN MABRUU MEENA	40	Tanzanian
FADHIL KASSIM MSEMO	40	Tanzanian
TEMBA KASSIM MSEMO	20	Tanzanian

1.3 Location

The project will be located in **an unsurveyed area in Kisarawe II, Kigamboni, Dar es Salaam, Tanzania.**

1.4 The Project

The project involves the manufacturing construction of nails, precision-turned products, generic nuts, bolts, screws, rivets, washers, etc.

1.5 Our Products and Services

HAKAM INVESTMENT LIMITED is in the nail, screw, nut, and bolt manufacturing industry to service a wide range of clients and of course to make profits, which is why we will ensure we go all the way to give our clients and potential clients options.

The management of HAKAM INVESTMENT LIMITED will do all that is permitted by the law of the United Republic of Tanzania to

achieve our business goal, aim, and ambition of starting the business. Our product offerings are listed below;

- Manufacturing construction nails
- Manufacturing precision-turned products
- Manufacturing generic nuts, bolts, screws, rivets and washers

1.6 Our Mission and Vision Statement

The company's vision is to become the leading brand in the construction nail and fastener manufacturing industry in Tanzania.

The company's mission is to establish a world-class construction and fastener manufacturing business whose products will not only be retailed in the United Republic of Tanzania but also be exported to other countries of the world.

1.7 Our Business Structure

HAKAM INVESTMENT LIMITED does not intend to start a construction nail and fastener manufacturing business like the usual business; our intention in starting a construction nail and fastener manufacturing company is to build a standard business whose products will be exported to other countries of the world.

The board of directors will ensure that we put the right structure in place that will support the kind of growth that we have in mind while setting up the business.

The management will ensure that we hire people who are qualified, honest, 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 ten years or more. Given that, we have decided to hire qualified and competent hands to occupy the following positions;

- Chief Executive Officer (Owner)
- Factory Manager
- Human Resources and Admin Manager
- Sales and Marketing Manager
- Nails and Fastener Machine Operator
- Accountants / Cashiers
- Customer Services Executive / Front Desk Officer

2.0 Job Roles and Responsibilities

2.1 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 fixing prices and signing business deals
- Responsible for providing direction for the business
- Creates, communicates, and implements 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
- Reports to the board

2.2 Admin and HR Manager

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- 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.
- Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining

personal networks; and participating in professional organizations.

- Enhances department and organization reputation by accepting ownership for accomplishing new and different requests; and exploring opportunities to add value to job accomplishments.
- Defines job positions for recruitment and managing the interviewing process
- Carries out staff induction for new team members
- Responsible for training, evaluation, and assessment of employees
- Responsible for arranging travel, meetings, and appointments
- Oversees the smooth running of daily office activities.

2.3 Factory Manager:

- Responsible for overseeing the smooth running of the factory
- Part of the team that determines the quantity of construction nails and fasteners that are to be produced
- Maps out a strategy that will lead to efficiency amongst workers in the factory
- Responsible for training, evaluation, and assessment of factory workers
- Ensures that the steady flow of both raw materials to the factory and easy flow of finished products through wholesale distributors to the market

- Ensures operation of equipment by completing preventive maintenance requirements; and calling for repairs.
- Ensures that the factory meets the expected safety and health standards at all times.
- Interfaces with third-party suppliers (vendors) of raw materials
- Control nail and fastener distribution and supply inventory
- Supervises the workforce in the factory.

2.4 Sales and Marketing Manager

- external research and coordinates all the internal sources of information to retain the organization's best customers and attract new ones
- Models demographic information and analyzes the volumes of transactional data generated by customer purchases
- Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
- Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of development projects.
- 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

- Documents all customer contact and information
- Represents the company in strategic meetings
- Help to increase sales and growth for the company
- Construction Nails and Fastener Machine Operators
- Responsible for operating machines used in the manufacturing construction nails
- Responsible for operating machines used in the manufacturing of precision-turned products
- Responsible for operating machines used in the manufacturing of generic nuts, bolts, screws, rivets, and washers.

2.5 **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
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls

- Ensuring compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as an internal auditor for the organization

2.6 Client Service Executive / Front Desk Officer

- Welcomes guests and 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 manager in an effective and timely manner
- Consistently stays abreast of any new information on the company's products, promotional campaigns, etc. to ensure accurate and helpful information is supplied to clients
- Receives parcels/documents for the company
- Distributes mail to the organization
- Handles any other duties as assigned by the line manager

A total of **20 people** to be employed by HAKAM INVESTMENT LIMITED

3.0 SWOT Analysis

HAKAM INVESTMENT LIMITED is in business to become one of the leading construction nails and fastener manufacturing companies in Tanzania and the board of directors is fully aware that it will take the right business concept, management, and organizational – structure to achieve our goal.

The board and management are quite aware that there are several construction nail and fastener manufacturing companies all over Dar es Salaam and in other regions and even in the same location where we intend to locate ours, which is why we are following the due process of establishing a business.

The board of directors knows that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks, and be well equipped to confront our threats.

HAKAM INVESTMENT LIMITED employed the services of an expert HR and Business Analyst with bias in manufacturing to help us conduct a thorough SWOT analysis and to help us create a Business model that will help us achieve our business goals and objectives.

This is the summary of the SWOT analysis that was conducted for HAKAM INVESTMENT LIMITED;

Strength:

HAKAM INVESTMENT LIMITED's core strength lies in the high quality of our construction nails and fasteners, the power of our team, and the state-of-the-art and well-equipped construction nails and fastener manufacturing factory that we own. We have a team of highly trained and experienced staff members who can go all the way to produce top strong and durable construction nails and fasteners.

HAKAM INVESTMENT LIMITED is well positioned in the heart of Dar es Salaam and we know we will attract loads of clients from the first day we open our construction nails and fastener manufacturing company for business.

- **Weakness:**

A major weakness that may count against us is the fact that HAKAM INVESTMENT LIMITED is a new construction nails and fastener manufacturing company and we don't have the financial capacity to compete with multi-million dollars construction nail and fastener manufacturing companies in the United States and most especially from China when it comes to manufacturing construction nails and fasteners at a rock bottom prices.

So also, we may not have enough cash reserve to promote our construction nails and fastener manufacturing company the way we would want to do.

- **Opportunities:**

The fact that HAKAM INVESTMENT LIMITED is going to be operating our construction nails and fastener manufacturing company in Dar es Salaam provides us with unlimited opportunities to sell our construction nails and fasteners to a large number of individuals and corporate organizations.

We have been able to conduct thorough feasibility studies and market surveys and we know what our potential clients will be looking for when they visit our construction nails and fasteners manufacturing factory; we are well-positioned to take on the opportunities that will come our way.

- **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 construction nail and fastener manufacturing company in the same

location where ours is located. So, unfavorable government policies may also pose a threat to businesses such as ours.

4.0 **Market Analysis**

Market Trends

If you are conversant with the trends in the Nail, Screw, Nut, and Bolt manufacturing industry you will agree that the industry has benefited from improved industrial production and construction activity over the last half a decade. Revenue from generic fastening products has been falling due to product standardization, with increasing competition from low-cost, low-priced imports produced in China and elsewhere.

On the other hand, the precision fastening products segment has been growing steadily, and its sales are becoming more significant to the overall performance of the industry.

Precision-turned products are high in demand in the automotive industry, as well as for aerospace, medical manufacturing, and other applications. In the coming years, the industry is expected to benefit from persistent demand for fasteners by downstream markets and from rising world steel prices.

A close watch on the industry activities reveals that the nail, screw, nut, and bolt manufacturing industry was hit hard by the recent economic downturn and experienced a decline in revenue in recent times.

Lastly, in recent times, the nail, screw, nut, and bolt manufacturing landscape has seen tremendous changes in the last 20 years; it has grown from a smaller enterprise to a more organized and far-reaching massive construction of nails and fastener manufacturing factories.

This trend has benefited them in such a way that they can comfortably sell their construction nails and fasteners nationally and also export them to other countries of the world.

4.1 Target Market

Perhaps it will be safe to submit that the construction nails and fastener manufacturing industry has the widest range of customers; construction nails and fasteners are used in every facility and machine.

Given that, we have positioned our construction nails and fastener manufacturing company to service construction companies and other manufacturing companies in Dar es Salaam, and every other location where we intend to distribute our products.

We have conducted our market research and feasibility studies and we have ideas of what our target market would be expecting from us. We are in business to manufacture a wide range of construction nails and fasteners for the following clients;

- Construction companies
- Building materials dealers
- Machines and electronics manufacturing companies

- Carpenters and furniture manufacturing companies
- Roofing construction manufacturing companies

5.0 Our competitive advantage

A close study of the construction nails and fastener manufacturing industry reveals that the market has become much more intensely competitive over the last decade. You have to be highly creative, customer-centric, and proactive if you must survive in this industry.

The board of directors is aware of the stiffer competition and we are well prepared to compete favorably with other leading construction nails and fastener manufacturing companies in Dar es Salaam and throughout the East Africa region.

HAKAM INVESTMENT LIMITED is launching a standard construction nails and fastener manufacturing company that will indeed become the preferred choice of residence of Dar es Salaam and neighboring countries.

HAKAM INVESTMENT LIMITED construction nail and fastener manufacturing company is located in an ideal property highly suitable for the kind of manufacturing company that we want to run. We have enough parking space that accommodate well over 30 cars/trucks per time.

One thing is certain, we will ensure that we manufacture a wide range of construction nails, screws, nuts, and bolts to meet international standards. One of our business goals is to make Bill

HAKAM INVESTMENT LIMITED a one-stop construction nails and fastener manufacturing company for both cottage companies and large corporations.

HAKAM INVESTMENT LIMITED's excellent customer service culture, online store, various payment options, and highly secured facility will serve as a competitive advantage for us.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category (startup construction nails and fastener manufacturing companies) in the industry meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives.

HAKAM INVESTMENT LIMITED will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

7.0 Sales and Marketing Strategy

Sources of Income

HAKAM INVESTMENT LIMITED is in business to manufacture and retail a wide range of construction nails and fasteners to clients in Tanzania and neighboring countries. We are in the construction nail and fastener manufacturing industry to Construction nails of various

sizes and Precision turned products of various sizes Generic nuts, bolts, screws, rivets, and washers of different sizes

8.0 Marketing Strategy and Sales Strategy

Before choosing a location for HAKAM INVESTMENT LIMITED, the board of directors conducted a thorough market survey and feasibility studies for us to be able to be able to penetrate the available market and become the preferred choice for stakeholders in Dar es Salaam.

The company has detailed information and data that we were able to utilize to structure our business to attract the number of customers we want to attract per time. We hired experts who have a good understanding of the nails, screw, nut, and bolt manufacturing industry to help us develop

In other to continue to be in business and grow, we must continue to manufacture and sell construction nails, screws, nuts, and bolts which is why we will go all out to empower or sales and marketing team to deliver. In summary, HAKAM INVESTMENT LIMITED will adopt the following sales and marketing approach to win customers over;

- Open our construction nails and fastener manufacturing company in a grand style with a party for all.
- Introduce our construction nails and fasteners manufacturing company by sending introductory letters alongside our brochure to construction companies, furniture manufacturing companies, roofing contractor companies, machines and equipment manufacturing companies, and key stakeholders in and around Dar es Salaam
- Ensure that we manufacture a wide range of construction nails and fasteners
- Make use of attractive hand bills to create awareness and also to give direction to our factory
- Position our signage / flexi banners at strategic places around Dar es Salaam
- Position our greeters to welcome and direct potential customers
- Create a loyalty plan that will enable us reward our regular customers
- Engage on road shows within our neighborhood to create awareness for our construction nails and fastener manufacturing company
- List our business and products on Yellow Pages ads (local directories)

- Leverage the internet to promote our business
- Engage in direct marketing and sales
- Encourage the use of Word of mouth marketing (referrals)
- Join local chambers of commerce and industries with the aim of networking and marketing our products.

9.0 Publicity and Advertising Strategy

Even though our construction nails and fasteners manufacturing company is well located, we will still go ahead to intensify publicity for the business. We are going to explore all available means to promote our construction nails and fastener manufacturing company.

HAKAM INVESTMENT LIMITED has a long-term plan of opening our retail outlets in various locations all around Dar es Salaam and key cities in Tanzania which is why we will deliberately build our brand to be well accepted in Tanzania before venturing out.

Our publicity and advertising strategy is not solely for winning customers over but to effectively communicate our brand. Here are the platforms we intend to leverage to promote and advertise HAKAM INVESTMENT LIMITED;

- Place adverts in community-based newspapers, radio stations, and TV stations.
- Encourage the use of word-of-mouth publicity from our loyal customers

- Leverage the internet and social media platforms like; YouTube, Instagram, Facebook, Twitter, LinkedIn, Snapchat, Badoo, Google+, and other platforms to promote our business.
- Ensure that we position our banners and billboards in strategic positions all around Dar es Salaam
- Distribute our fliers and handbills in target areas in and around our neighborhood
- Contact construction companies, roofing contractor companies, equipment and machines manufacturing companies, and other stakeholders by calling them up and informing them of HAKAM INVESTMENT LIMITED and the products we manufacture and sell
- Advertise our construction nails and fastener manufacturing company on our official website and employ strategies that will help us pull traffic to the site
- Brand all our official cars and trucks and ensure that all our staff members and management staff wear our branded shirts or caps at regular intervals.

10.0 Our Pricing Strategy

Aside from quality, pricing is one of the key factors that gives leverage to construction nails and fasteners manufacturing companies, it is normal for clients to go to places where they can get construction nails and fasteners at cheaper prices which is why a

big player in the nails, screw, nut and bolt industry co will always attract loads of corporate and individual clients.

We know we can't compete with leading construction nails and fastener manufacturing companies in the United States and Canada, but we will ensure that the prices and quality of all the products that we manufacture are competitive with what is obtainable amongst construction nails and fastener manufacturing nails within our level.

11.0 Sustainability and Expansion Strategy

The future of a business lies in the number of loyal customers that they have, the capacity and competence of the employees, their investment strategy, and the business structure. If all of these factors are missing from a business (company), then it won't be too long before the business closes shop.

One of our major goals in starting HAKAM INVESTMENT LIMITED is to build a business that will survive off its cash flow without the need for injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to manufacture and retail durable and quality construction nails and fasteners a little bit cheaper than what is

obtainable in the market and we are well prepared to survive on a lower profit margin for a while.

HAKAM INVESTMENT LIMITED will make sure that the right foundation, structures, and processes are put in place to ensure that our staff welfare is well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and re – re-training of our workforce is at the top burner.

Profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for six years or more. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to helping us build the business of our dreams.

12.0 **Monitoring and Evaluation**

The Management has full commitment to ensuring good use of the resourced and sustainable environment and the well-being of the community with which they do business. Thus, the management philosophy is through business processes, managers will strive to ensure compliance with standards and the safety of the products and customers they serve.

13.0 **Estimated Capital Costs**

The total investment cost of the project is estimated at US\$870, broken down as follows:

HAKAM INVESTMENT LIMITED COST US\$

Land and Buildings	250,000.00
Machinery & Equipment	400,000.00
Motor Vehicles	100,000.00
Furniture & Fixtures	5,000.00
Pre exp	10,000.00
Others	5,000.00
Working Capital	100,000.00
TOTAL	870,000.00

For the project to be a reality a total investment amounting to US \$ 870,000 is needed

(i) Land and Building: Us \$250,000

The project has opted for the construction of a modern commercial complex estimated to cost US \$250,000.

(ii) Machinery and Equipment: US\$ 400,000

Some US \$400,000 is anticipated to be spent on the purchase of various nails, bolts manufacturing machines, tools, and equipment that will accommodate new technology

(iii) Motor Vehicles: US\$100,000

The project will need 2double cabin picks. These vehicles will be used to facilitate project business and for administrative purposes.

(iv) Furniture and Equipment: US \$5,000

This investment cost item has been estimated to cost US \$5000. It will consist of beds, tables, chairs, telephone, fax, machines, file cabinets, sofa chairs etc.

(v) Pre-Operational Expenses: US\$ 10,000

They cover things like company registration, and expenses spent in exploring the viability of the project, especially the market/client identification exercise. This Pre-operational cost item also covers the architectural designs of project buildings and other engineering services. Also included under this item are issues like consultancy fees, legal fees, and recruitment and training costs of personnel.

(vi) Initial Working Capital: US\$100,000

Calculations as well as assumptions for working capital requirements, it is estimated that it will cost US \$ 100,000.

13.1 Financing pattern

The project will be financed by equity of US\$ 350,000 and a loan US \$500,000

13.2 Project operating costs

To realize its intended objective the project will have to meet the operating costs estimated to be 45% of the total revenue

13.3 Financial Analysis

13.4 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 the major building raw material will be procured from the local market and others will be imported. Revenues have been conservatively estimated based on the experience of the promoters and trends in the real estate industry.

13.5 Projected Revenue

For projection purposes, it is assumed that the economic life of the project is 10 years and that revenue from business commences from the first year of operation.

HAKAM INVESTMENT LIMITED COST PROJECTED SUMMARY OF REVENUE " US\$"

	1	2	3	4	5
Revenue	625,000	656,250	689,063	723,516	759,691

13.6 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 10 years. The position depicted is that the project earns profit throughout its life. Accumulated after-tax profits grow from. US \$**106,750 in** the first year to US \$**1,699,432** in the 10-year

HAKAM INVESTMENT LIMITED COST PROJECTED INCOME & EXPENDITURE STATEMENT**(US\$)**

	1	2	3	4	5
Revenue	625,000	656,250	689,063	723,516	759,691
Operating Expenses:	281,250	295,313	310,078	325,582	341,861
Profit before Depreciation &Interest	343,750	360,938	378,984	397,934	417,830
Interest	40,000	32,000	24,000	16,000	8,000
Depreciation	20,000	20,000	20,000	20,000	20,000
Gross Profit	283,750	308,938	334,984	361,934	389,830
Tax (30%)	85,125	92,681	100,495	108,580	116,949
Profit After Tax	198,625	216,256	234,489	253,354	272,881
Accumulated Profit	198,625	414,881	649,370	902,724	1,175,605

13.7 Projected Cash Flows

This is shown in the financial statements. The project has a positive end-of-year cash flow from year 1st, i.e. US\$**182,250** of operation to the 10th year i.e. US \$**2,139,432**

HAKAM INVESTMENT LIMITED COST PROJECTED CASH FLOW " US\$"

SOURCES:		1	2	3	4	5
Profit before interest and depreciation	-	343,750	360,938	378,984	397,934	417,830
Equity	350,000					
Loan	500,000					
Total Sources	850,000	343,750	360,938	378,984	397,934	417,830
Applications:						
Capital expenditure	760,000	-	-	-	-	-
working Capital &Others	90,000					
Cash	-	258,625	268,256	278,489	289,354	300,881
Tax	-	85,125	92,681	100,495	108,580	116,949
Sub total	850,000	343,750	360,938	378,984	397,934	417,830
Total applications	850,000	343,750	360,938	378,984	397,934	417,830
Accumulated cash		258,625	526,881	805,370	1,094,724	1,395,605

13.8 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under the same heading. Net worth of the project increases from US\$**350,000** in the first year of operation to US \$ **1,525,605 in** the 5th year

HAKAM INVESTMENT LIMITED COST PROJECTED BALANCE SHEET " US \$"

Fixed Assets	-	1	2	3	4	5
Opening balance	-	760,000	740,000	720,000	700,000	680,000
Total Long-term Assets	-	760,000	740,000	720,000	700,000	680,000
Less depreciation	-	20,000	20,000	20,000	20,000	20,000
Closing balance	-	740,000	720,000	700,000	680,000	660,000
Working capital	90,000	90,000	90,000	90,000	90,000	90,000
Accumulated cash	-	258,625	526,881	805,370	1,094,724	1,395,605
Total assets	90,000	1,088,625	1,336,881	1,595,370	1,864,724	2,145,605
Financed by						
Equity	350,000	350,000	350,000	350,000	350,000	350,000
Accumulated profit	-	198,625	414,881	649,370	902,724	1,175,605
Total equity	350,000	548,625	764,881	999,370	1,252,724	1,525,605
Long term loan	500,000	400,000	300,000	200,000	100,000	
Total debts	500,000	400,000	300,000	200,000	100,000	-
Total equity and debts	850,000	948,625	1,064,881	1,199,370	1,352,724	1,525,605

13.9 Projected payback period

Total investment is US \$ 1,350,000, cash accumulation in 8 years is US\$ 982,724 which is more than the initial investment of US\$112,724 ,

HAKAM INVESTMENT LIMITED COST PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	198,625	20,000	218,625	218,625
2	216,256	20,000	236,256	454,881
3	234,489	20,000	254,489	709,370
4	253,354	20,000	273,354	982,724
5	272,881	20,000	292,881	1,275,605

13.10 Projected loan repayments

The loan borrowed from a financial institution is expected to be fully paid within 5 years of projection operation

HAKAM INVESTMENT LIMITED COST PAYBACK PERIOD

Year	principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
1	100,000.00	40,000.00	140,000.00	500,000.00
2	100,000.00	32,000.00	132,000.00	400,000.00
3	100,000.00	24,000.00	124,000.00	300,000.00
4	100,000.00	16,000.00	116,000.00	200,000.00
5	100,000.00	8,000.00	108,000.00	100,000.00

13.12 Projected Risks

This is a manufacturing investment; no major risks have been identified for this kind of project so far. Unless a change in the country's political and economic stability occurs the project is more likely to prosper very fast for a very long period. Like any other project,

14.0 Economic Aspects

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

- The project will increase the share value of shareholders
- The project will create employment for 20 people on a permanent contract basis as well as temporarily.
- It will create more business opportunities for local suppliers and building materials, which will also have a trickle-down effect on environmental issues.
- It will generate substantial revenue for the government in the form of corporate tax, value-added tax, and pay-as-you-earn.
- The project will transfer knowledge and skills to the local investor as far as managing a big project

15.0 Implementation

Project implementation is expected to be relatively very short once the project has been approved it is estimated that the construction of the commercial complex will be completed within one year:-

16.0 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 the 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.

17 **Conclusion**

Given the above explanations and arguments, it is clear that the project is in time and the proposed modern Commercial complex will just be a drop in the ocean compared to the current demand