

BUSINESS PLAN

FOR

INVICTUS COMMERCE TRADING LIMITED

(PACKAGING MANUFACTURING PROJECT)

PREPARED FOR

INVICTUS COMMERCE TRADING LIMITED

Dar Es Salaam

1.0 EXECUTIVE SUMMARIES.

INVICTUS COMMERCE TRADING LIMITED. is a company registered in the country under the Companies Act 2002 and bears Certificate of Incorporation No.141051806 issued on 15TH February 2020.

The project promoters are well established business in Tanzania majoring in packaging manufacturing where as currently in the importation of food products from Europe and other countries and would like to expand the business into a packaging manufacturing industry and they see a very bright future in the packaging manufacturing sector.

This document has been prepared to serve as a business plan for guidance for **INVICTUS COMMERCE TRADING LIMITED** for the products we would be dealing in are for example rice, sugar, beans, powder milk, tomato paste and other products. The implementation of this project will comprise of the following activities:-

- The purchase of 4 machines and vehicles within 5 years to be implemented in phases from 2024 – 2028.
- The purchase of breakdowns 6, Accident recovery vehicles.

- The purchase 2 pickup single cabin
- The purchase of communication sets radio
- The purchase of 2 folk lift
- Equipping the company with relevant facilities

The proposed project on completion is estimated to cost about US\$ 500,000. The US\$**125,000** of this investment owner's equity and cash generated from business while the rest of US\$**375,000** will be sought from domestic financial institutions.

INVICTUS COMMERCE TRADING LIMITED LIMITED COST STRUCTURE

| PARTICULAR | US\$ |
|-----------------------|-------------------|
| Land and Buildings | 220,000.00 |
| Machinery & Equipment | 140,000.00 |
| Motor Vehicles | 50,000.00 |
| Furniture & Fixtures | 8,000.00 |
| Pre exp | 5,000.00 |
| Others | 17,000.00 |
| Working Capital | 60,000.00 |
| TOTAL | 500,000.00 |

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 2 shareholders, namely:-

| Name | Shares % | Nationality |
|---|----------|-------------|
| 1. MR. AHMET GECER. BLOCK NO.2, FLAT NO.18, PRESTIGE APARTMENTS, TURGUT OZAL- AVENUE – CEKMEKOY – ISTTANBUL - TURKEY | 40 | TURKISH |
| 2. MR. AHMED OMER ALMOBARAK MOHAMED P. O. Box 1371,BLOCK 2 KAFORI 59, KHARTOUM- SUDAN DAR ES SALAAM | 30 | SUDANESE |

| | | |
|--|----|----------|
| 3.KHALID OMER MOBARAK MOHAMED MSASANI, MWAI KIBAKI ROAD BULLD DSM LIMITED HOUSE NO. 7 | 20 | SUDANESE |
|--|----|----------|

Location.

The project head office will be located at Plot No. 24A, WareHouse No.A3, Azania Plaza, Nyerere Road at TEMEKE District, Dar Es Salaam Region, Tanzania.

2.0 Targeted Markets.

The targeted markets of the project are Local Market and land locked neighboring countries such as DRC, Rwanda, Uganda, Zambia, Burundi etc. the directors already negotiated contracts with various companies in the region.

Production loss and environment pollution are said to be the major causes of low levels of intraregional trade

in the Region. It is in view of this that, despite Production loss and environment pollution linking these countries that **INVICTUS COMMERCE TRADING LIMITED** has resolved to invest in the manufacturing sector so as to provide a solution that would lead to stimulating the said intraregional trade. The project is expected to offer a challenge to the business community to enhance intraregional trade between Tanzania and these countries.

Why land locked countries prefer to use Dar Es Salaam Port.

- **Strategic location**

Dar Es Salaam port is the most preferable seaport due to its strategic positioning; it is more convenient, secure, quick and easy to be used by neighboring countries

- **Easy connection worldwide**

Dar Es Salaam Port is gateway to the world, the port have capacity and ability to transport any cargo

- **Productivity**

Now it is renowned for its security, efficient and reliability using most modern technology.

3.0 Project Details

The project's objective is to purchase a total of 12 machines and vehicles within 5 years.

This study is based on the 6 Machines and vehicles. Some of selected items highlighted below:-

- Machines and Pick up Van.
- Breakdown
- Pick Up
- Staff bus

- Communication sets radio
- Volk lift
- Expected revenue for each vehicle trip US\$ 3,500
- Each vehicle to carry 2 trips per month
- Each vehicle to carry 4 tons per trip
- Total annual tons per year estimated to be 70,000 tones

Full scale operations the 12 units of machines and motor vehicles are expected to be purchased, their destinations being Tanzania's landlocked neighboring countries of Malawi, Zambia, Burundi, Rwanda the Democratic Republic of Congo, etc.

4.0 Investment and Financing US\$ 500,000

For the project to be a reality a total investment amounting to US\$ 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 4 Machine of packaging, vehicles and other items.

The project will be financed by equity. Directors contribution will constitute US\$ 100,000 and owners' equity and cash generated from business amounting to US\$ 125,000.

6.0 Project Implementation

Project implementation is expected to be relatively very short once TIC approval is received. Currently, the supplier has already been identified and supply is awaiting word from the project promoters.

7.0 Manpower and Organization Structure

The project will be managed by a Board of Directors of **INVICTUS COMMERCE TRADING LIMITED.** The Board, like all other boards 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 | 3 | 5 | 10 | 18 |
| Men | 7 | 15 | 20 | 42 |
| TOTAL | 10 | 20 | 30 | 61 |

To ensure timely delivery of consignments, provision of goods service to customers, Management will provide on the job training in the field of Industrial machines and motor vehicles maintenance and will provide bonus and other incentives as a means of instilling and boosting employee work morale.

NB assumption is that the project is fully implemented

8.0 Project Operating Costs

To achieve its intended goal, the project needs to satisfy operational costs, which are projected to be 65% of total revenue.

9.0 Market and Marketing

The project's earmarked clientele is in the land locked neighboring countries of Malawi, Zambia, Democratic Republic of Congo, Burundi, Rwanda and even Uganda. Management has already explored these markets and is confident it can conduct profitable business.

The project management plans for supplying several trips per month. The number of trips and the cost of trip are determined by both the trip's destination and nature of road involved.

10.0 Revenue Assumptions

- The company expecting to have 12 units of machines
- Expected revenue for each vehicle trip US\$ 3,500
- Each vehicle to carry 2 trips per month
- Each vehicle to carry 4 tons per trip

- Total annual tons per year estimated to be 70,000 tons
- Project calculation based on 7 years
- Bank interest is 6% per annum

The combined revenue and expenditure from all the planned routes, in the 1st year up to 7 year are indicated above.

The number of production assumed here, is just a conservative estimate. With the expected improvement of the general operations coupled with the driver's gaining experience in supplying and production, the number of production per month will be raised. This will have a tremendous impact on the Company's expenditure and earnings.

11.0 Financial Aspects for The Project

(i) Projected Profit and Loss Statement

The attached Appendix I shows the projected income for the 10 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from US\$ 419,370 in the 1st year to US\$ 545,370 in the 5th year

(ii) Projected Cash Flows

The project's cash flows are shown in Appendix II. They depict a good liquidit position right from the first year. Cash accumulation builds up in the first year to the end of 5th years of the project's operations.

(iii) Projected Balance Sheet

The project's assets cash flows are shown in Appendix III. Owners' equity grows in the first year to the end of 5th years of the project's operation

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.

(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 **INVICTUS TRADING COMMERCE LIMITED**, is going to provide additional employment to 50 people. 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.

(iii) Foreign Exchange Earning

Since the project's clientele is mostly towards neighboring countries the project will thus earn foreign currency for the United Republic of Tanzania. In this study we have assumed that the project will be paid in foreign currency.

13.0 Recommendation

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority and the Tanzania Investment Centre.

APPENDIX I

INVICTUS TRADING COMMERCE LIMITED

PROJECTED PROFIT AND LOSS STATEMENT

US\$

| - | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|
| Revenue | 2,080,000 | 2,080,000 | 2,080,000 | 2,080,000 | 2,080,000 | 2,080,000 | 2,080,000 | 2,080,000 | 2,080,000 |
| Operating Expenses: | 1,820,000 | 1,820,000 | 1,820,000 | 1,820,000 | 1,820,000 | 1,820,000 | 1,820,000 | 1,820,000 | 1,820,000 |
| Profit before Depreciation & Interest | 980,000 | 980,000 | 980,000 | 980,000 | 980,000 | 980,000 | 980,000 | 980,000 | 980,000 |
| Interest | 180,000 | 154,285 | 128,571 | 102,857.48 | 77,142.64 | 51,428.80 | 514,285 | - | - |
| Depreciation | 200,900 | 200,900 | 200,900 | 200,900 | 200,900 | 200,900 | 200,900 | 200,900 | 200,900 |
| Gross Profit | 599,100 | 624,814 | 650,528 | 676,242 | 701,957 | 727,671 | 727,671 | 779,100 | 779,100 |
| Tax (30%) | 179,730 | 187,444 | 195,158 | 202,872 | 210,587 | 218,301 | 218,301 | 233,730 | 233,730 |
| Profit After Tax | 419,370 | 437,370 | 455,370 | 473,370 | 491,370 | 509,370 | 509,370 | 545,370 | 545,370 |

APPENDIX II

INVICTUS TRADING COMMERCE
LIMITED PROJECTED CASH
FLOWS US\$

| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------|
| SOURCES: | | | | | | | | | | |
| Profit before interest and depreciation | 0 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9800000 |
| Equity | 13,093,000.00 | | | | | | | | 0.00 | |
| Loan | 30,000,000.00 | | | | | | | | 0.00 | |
| Total Sources | 43,093,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 |
| Applications: | | | | | | | | | 0.00 | |
| Capital expenditure | 40,564,000 | - | - | - | - | - | | | 0.00 | |
| working Capital & Others | 2,529,000.00 | | | | | | | | 0.00 | |
| Cash | 0 | 8,002,70 | 7,925,55 | 7,848,41 | 7,771,27 | 7,694,12 | 7,616,9 | 7,616,9 | 7,462,70 | 7,462,700 |

| | | 0 | 7 | 4 | 1 | 8 | 85 | 85 | 0 | |
|---------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|
| Tax | - | 1,797,300 | 1,874,442 | 1,951,585 | 2,028,728 | 2,105,871 | 2,183,014 | 2,183,014 | 2,337,300 | 2337300 |
| Sub total | 43,093,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 |
| Total applications | 43,093,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 | 9,800,000 |
| Accumulated cash | | 8,002,700 | 15,928,257 | 23,776,671 | 31,547,942 | 39,242,071 | 9,800,000 | 29,400,000 | 36,862,700 | 44,325,400 |

APPENDIX III

**INVICTUS TRADING COMMERCE
LIMITED PROJECTED BALANCE
SHEET US\$**

| | 0 | 2 | 3 | 4 | 5 | 6 | 7.00 | 8.00 | |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Fixed Assets | | | | | | | | | |
| Opening balance | – | 405,640 | 385,550 | 365,460 | 345,370 | 325,280 | 305,190 | 285,100 | 285,010 |
| Total Long-term Assets | – | 405,640 | 385,550 | 365,460 | 345,370 | 325,280 | 305,190 | 285,100 | 285,100 |
| Less depreciation | – | 20,090 | 20,090 | 20,090 | 20,090 | 20,090 | 20,090 | 20,090 | 20,090 |
| Closing balance | – | 385,550 | 365,460 | 345,370 | 325,280 | 305,190 | 285,100 | 265,010 | 244,920 |
| Working capital | 252,900 | 252,900 | 252,900 | 252,900 | 252,900 | 252,900 | 252,900 | 252,900 | 252,900 |
| Accumulated cash | – | 800,270 | 159,282 | 237,766 | 315,479 | 392,420 | 98,000 | 29,400 | 36,862 |
| Total assets | 252,900 | 490,867 | 550,032 | 608,426 | 666,049 | 722,900 | 408,390 | 290,300 | 638,837 |
| Financed by | | | | | | | | | |
| Equity | 1,309,300 | 1,309,300 | 1,309,300 | 1,309,300 | 1,309,300 | 1,309,300 | 1,309,300 | 1,309,300 | 1,309,300 |

| | | | | | | | | | |
|--------------------|-----------|-----------|-----------|-----------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Accumulated profit | - | 419,370 | 856,740 | 131,210 | 178,547 | 227,684 | 278,621 | 329,558 | 384,095 |
| Total equity | 1,309,300 | 1,728,670 | 2,166,040 | 1,140,510 | 30,947,799 .00 | 35,861,499 .00 | 40,955,199 .00 | 46,048,899 .00 | 51,502,599 .00 |

**PROPOSED FINANCING
PATTERNUS**

| FOREIGN LOAN | LOCAL LOAN | LOCAL EQUITY |
|---------------------|-------------------|---------------------|
| NIL | NIL | 1,500,000 |

APPENDIX V

INVICTUS TRADING COMMERCE LIMITED PROJECTED DEPRECIATION SCHEDULE US\$

| NAME OF ASSETS | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Land And Buildings | 300,000 | 294,000 | 288,000 | 282,000 | 276,000 | 270,000 | 264,000 | 258,000 |
| Machinery, Tools & Equipment | 260,000 | 257,400 | 254,800 | 252,200 | 249,600 | 247,000 | 244,400 | 241,800 |
| Motor Vehicles | 40,000 | 38,000 | 36,000 | 34,000 | 32,000 | 30,000 | 28,000 | 26,000 |
| Furniture & Fixtures | 4,000 | 3,600 | 3,200 | 2,800 | 2,400 | 2,000 | 1,600 | 1,200 |
| Total | 504,000 | 593,000 | 542,800 | 571,000 | 560,000 | 549,000 | 538,000 | 527,000 |
| DEPRECIATION | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Land and buildings | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| Machinery tools & Equipment | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 | 2,600 |
| Motor Vehicles | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Furniture & Fixtures | 400 | 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| ANNUAL DEPRECIATION | 29,000 | 29,000 | 29,000 | 29,000 | 29,000 | 29,000 | 29,000 | 29,000 |

PROJECT IMPLEMENTATION SCHEDULE

It is expected that the Project will be take 9 months to implement as shown below: -

| | ACTIVITY | PERIOD |
|----|---|-----------------------|
| 1. | Processing TIC Certificate of Incentive | March 2024 |
| 2. | Funds Mobilization | June – Dec 2024 |
| 3. | Ordering of Vehicles | April 2024 – Dec 2027 |
| 5. | Arrival of Vehicles | July 2024 – Dec 2027 |
| 6. | Trial Operations | August 2024 |
| 7. | Commercial Operations | September 2024 |

