

**U- FRESH FOOD LIMITED**  
**PROPOSED BUSINESS PLAN**  
**FOR**  
**EXPANSION OF FRUIT PROSESSING FACTORY**  
**MWANZA REGION,**  
**TANZANIA.**



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## **List of Abbreviations**

CAPEX – Capital Expenditure  
EIA – Environment Impact Assessment  
EU – European Union  
GDP – Growth Domestic Products  
Kg – kilo gram  
IRR – Internal rate of return  
MT – Metric Ton  
MIS - Management Information System  
NBS – National Bureau of standard  
NEMC – national Environment Management Council  
OPEX – Operating Expenditure  
KVA –Kilovolt Amperes  
MWAUWASA–Mwanza urban Water Supply Authority  
SIDO- Small Development Organization  
TANESCO – Tanzania Electric Supply Company  
TISEZA- Tanzania Investment and Special Economic Zone Authority  
TZS-Tanzania Shillings  
TZS – Tanzania Shilling  
US\$ - United State Dollar  
VETA - Vocation Education Training Authority  
VAT – Value Added tax

## Executive Summary

U-Fresh Food Limited is a limited liability company registered in Tanzania under Certificate of Incorporation No. 95698 issued on 07 December 2012. The company has made substantial investments in fruit processing and the production of beverages such as juice, soda, and other carbonated drinks. It owns processing facilities in both Mwanza and Dar es Salaam. The Mwanza plant is located at Plot No. 135, Nyakato Industrial Area, Ilemela District, and the company is currently expanding its operations by constructing a new factory in Magu District to meet the rising demand for its products in the Lake Zone regions. U-Fresh Food Ltd employs over 27 staff across various professional categories.

The company is implementing an integrated expansion project valued at **USD 6,026,619.14**, financed through **80% equity (USD 4,821,295.31)** and **20% loan financing (USD 1,205,323.83)**.

Projected revenue from beverages, water, and soda products for the first year of full operation is **USD 4,141,304.35**, with **25% of sales expected from export markets**, and the remainder from domestic wholesale distribution.

The updated financial analysis confirms the project's viability based on revised cost structures and financing assumptions. The project achieves a **positive Internal Rate of Return (IRR) of 7.81%**, and a **payback period of 7.73 years** based on new capital allocations and corrected loan interest charges. Net profit before tax in Year 1 is projected at **USD 899,713**, increasing steadily throughout the first five years due to economies of scale and enhanced operational performance. Net profit after tax for Year 1 is **USD 229,236**, rising consistently in subsequent years. The company is expected to contribute significantly to government revenue through corporate taxes, with **USD 98,244 paid in Year 1**, increasing annually with profitability.

Cash generated from operations remains positive throughout the 10-year projection, supported by strong operating margins and efficient cost structures. Depreciation and amortization of fixed assets follow standard rates applied as per Tanzanian financial reporting norms: land 5%, civil works and buildings 5%, plant and machinery 12.5%, and motor vehicles on a straight-line basis. These depreciation charges are incorporated into profit and tax calculations.

A comprehensive risk assessment was conducted, and the project includes a structured risk management approach that identifies, analyzes, and mitigates potential operational, financial, and market risks. The adopted methodology ensures that risks are systematically addressed to safeguard long-term sustainability.

Economically, the project is expected to positively impact the Lake Zone region and Tanzania as a whole through job creation, enhanced value addition in the fruit-processing sector, and increased government revenues via various tax streams. The project's potential for regional export to neighboring countries also positions it as a contributor to foreign exchange earnings and industrial competitiveness.

The financial modelling undertaken for this feasibility analysis incorporates updated assumptions for site development, market demand, and investment needs. The findings confirm that the project aligns with national economic objectives, including promoting agro-industrial transformation, attracting both domestic and foreign investors, and strengthening local value chains in fruit and beverage processing.

## 1.0. Introduction

### 1.1. Fruit and industry in Tanzania

U-FRESH FOOD LIMITED is matching grants opportunity for businesses in Tanzania that wish to develop or increase their ability to trade, support product quality improvement and the meeting of international standards to access potential markets within and outside Tanzania. In this respect the company is planning to establish integrated project for processing Fruit and fruit products in Mwanza Region that will support government initiatives endeavour to develop the business sector as an engine of pro-poor economic growth, in line with Tanzania's National Strategy for Growth and Reduction of Poverty (MKUKUTA). Since its establishment 2012, the company has managed to establish different juice processing factories have long established economic activities in Tanzania, but still their outputs/products are not enough to meet the growing demand of the domestic and international market. This has led to the company to consider project expansion strategy in order to at least meet the demand of affordable fruit juice in the lake zone regions.

### 1.2. Demand of beverages and by products in Tanzania

Tanzania Market for Fruit and fruits by product processed is forecasted to reach US\$ 29.8million per annul respectively<sup>1</sup>. The major expansion of integrated factories in Mwanza region will employ more than 0.5 million personnel in Tanzania.

**Processed fruits**, fruit processing firms in Tanzania were not able to utilize their capacities almost throughout the year with very low-capacity utilization during off season<sup>2</sup>. Processors had difficulties of marketing some of their processed products during both harvest and off season, partly due to stiff competition from imported products. With the exception of locally processed fruits, households consumed significantly larger quantities of imported processed products than similar products processed locally. Based on this plan, the company has explore this opportunity by establish fruit processing plant, this will stimulating and promoting processing, marketing and demand for locally processed fruits by improving capacity utilization of processing firms, improving market access, improving and maintaining quality standards of processed products.

In an effort to strengthening the country economy, the Government of Tanzania cited Fruit and fruits by product industries as one of the potential revenue and

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<sup>1</sup>[https://www.researchgate.net/publication/326546634\\_fruit\\_in\\_Tanzania\\_why\\_is\\_fruit\\_not\\_commercially\\_viable\\_in\\_Mvomero](https://www.researchgate.net/publication/326546634_fruit_in_Tanzania_why_is_fruit_not_commercially_viable_in_Mvomero)

<sup>2</sup><http://www.suaire.suanet.ac.tz:8080/xmlui/handle/123456789/684>

job creation sector, its important is not only to social economic development, but has positive significantly towards economic development. U-FRESH FOOD LIMITED decided to establish integrated Fruit and fruits by product factories as major expansion of related products from purchasing agricultural products from Tanzania Farmers as raw materials for production and some will be imported as additives and flavors to suit customer satisfaction in Tanzania.

Considering such level of market growth and demand driven variables with notably absence of local manufacturing facilities already functioning in Tanzania and neighboring countries, the investment venture will become potentially profitable business.

## 2.0. PROJECT OVERVIEW

### 2.1. The industry ownership and share distribution

**U-FRESH FOOD LIMITED** is a limited liability company registered in Tanzania under Certificate of Incorporation No. 95698 issued on 07 December 2012. The company operates at Plot No. 135, Nyakato Industrial Area, Ilemela District in Mwanza Region. To meet the increasing demand for its products across the Lake Zone regions, the company plans to expand its production capacity. As part of this expansion programme, U-FRESH FOOD LIMITED has acquired Plot No. 1 Block 16 U, Ihayabuyaga in Magu District for the establishment of a new factory.

Over the years, the company has employed more than 100 workers across various professional categories. The new facility in Magu District is expected to create an additional 100+ direct jobs, prioritizing youth and women, while also generating substantial indirect employment through product distribution channels.

The expanded factory will source raw materials such as fruits and agricultural inputs from Tanzanian farmers, while certain additives and flavors will be imported. The project includes installation of two additional production lines for fruit and fruit by-product processing, covering machinery acquisition and installation, operational and management expenses, and product distribution costs.

Furthermore, the project entails the installation of two new machines as part of the company's intention to apply for a **Tanzania Investment and Special Economic Zones Authority (TISEZA) Certificate of Incentives**, which will enable the company to benefit from duty exemptions, VAT deferments, and other fiscal and non-fiscal incentives provided under the Tanzania Investment and Special Economic Zones Act (2025).

The initial Authorized Share Capital of the company is Tshs 100,000,000/= divided into 10,000 ordinary shares of Tshs 10,000 each and the company have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights privileges, restrictions or conditions. Unless the conditions of issues shall otherwise expressly declare, every issue of shares, whether preference or otherwise, or any such rights, privileges or conditions shall not be altered or modified except in accordance with the registered Articles or Association. The liability of the members is limited and the following names compromise the company ownership and principal shareholding as illustrated on

**Table 1: Company Ownership and Principal Shareholders**

S/No.	Shareholder's Name	Address	Number of Shares
1	Chen Jian Yong (Chinese)	P O Box 14004, DAR ES SALAAM	5000
2	Chen Jin Song (Chinese)	P O Box 331, ACCRA, GHANA	5000

The address for this company is;  
U-FRESH FOOD LIMITED;  
P O Box 14004,

DAR ES SALAAM, TANZANIA.

## 2.2. Project Description

### 2.2.1. Expansion of Fruits processing factory overview

**U-FRESH FOOD LIMITED** will expand its production of can juice to a wide range of products such as Carbonated soft drinks, milk flavored juice and milk flavored drink. The main products ranges from soda, juice, glass juice flavored milk and tube ice, the main raw materials used are fruits from local farmers and imported flavours from different parts of the world. The processing of the fruits to be used consist of four steps. In the first step, washing, cleaning, grading and peeling of matured and fully ripe fruits is done. Thereafter, juice is extracted from fruits and then it is filtered to remove seeds, fibers, etc. This juice is then processed, sterilized and bottled after adding preservatives. In case of squash, syrup of sugar along with preservatives is added to juice and this mixture is stirred till a uniform solution is formed and then it is bottled:

This unique industry is primarily a legacy of Government policies that promote labor intensive and increases employment for Tanzanian. The project is expected to start by early June 2026, whereas the raw material during the start of project will be from Tanzania farmers. The project will install a fully packages automated fruit processing machines from China that will cost 2,300,000.00 US\$.

In the first year of operation, the project will install fully complete set for both machines whereas for fruits/beverage, water and soda processing machines with a capacity of 25, 50, 30 Metric Liters, beverage, water and sodas respectively per day.

The plant capacity during the first year of production will be 75% operations and as the plant successfully win the market will be operated to 100%. Selling plan of the said products is 0.196, 0.1, 0.13 USD of beverages, water and sodas respectively.

Raw material mainly are from Tanzanian farmers and other ingredients will imported, Expected stock for raw material is 3-4 months so as the company will have a continuous operation in case of delay of importation of raw material from china to Tanzania.

### 2.3. Project Cost & Financing Pattern

The proposed integrated project is estimated to cost a total of **USD 6,026,619.14**, financed through **80% own equity contribution amounting to USD 4,821,295.31** and **20% loan financing totaling USD 1,205,323.83**. The current asset position stands at **USD 5,448,668.67**, while fixed assets amount to **USD 3,164,828**. The project is planned for implementation over a **10-year period**, during which production, revenue generation, and positive cash flows are expected to strengthen the company's financial position.

## 2.4. Business Plan Objectives

The objectives of this study are two-fold. First is to determine the viability of the proposed project expansion and serve as a business plan for the company's development program. First, it will be as a road map for running of the proposed projects. The project promoters have commissioned a reputable engineering and project planning consulting firm to advice on detailed technical and economic evaluation of the project and in determining its viability. As the report will be used to raise debt financing for the project, it is tailored to meet standard requirements of financial institutions in the region.

Secondly, it is meant to facilitate the application for Tanzania Investment and Special Economic Zone (TISEZA) Certificate of Incentives so as to access exemptions on duties, VAT deferments and other benefits and protections as statutorily provided for under Tanzania Investment and Special Economic Zone Act (2025).

## 2.5. Product: Demand and Market Analysis

### 2.5.1. Market potential for the Expansion of Fruit and fruits by product:

The market potential for U-FRESH's expanded production of fruit juices and fruit by-products is robust, driven by both domestic demand and export opportunities within the East African Community (EAC). The company's strategic decision to expand operations within the Lake Zone specifically Mwanza and Magu District is supported by strong consumer demand, favourable demographics, and growing regional market integration.

#### **Domestic Market Potential**

Tanzania has experienced a significant rise in the consumption of processed food products, including packaged fruit juices and related fruit-based goods. Factors contributing to this growth include:

- ✓ Rapid urbanization and changing consumer preferences toward ready-to-drink and hygienically processed beverages.
- ✓ Increasing awareness of health and nutrition, leading to higher preference for natural fruit juices.
- ✓ Growth of retail outlets, supermarkets, and hospitality industry (hotels, restaurants, schools, hospitals), particularly in urban and peri-urban areas.

Market intelligence conducted by U-FRESH indicates a **substantial unmet demand** for fruit juices and fruit by-products in the domestic market. Existing suppliers are unable to fully satisfy current consumption levels, creating strong market entry and expansion opportunities. Given these conditions, selling the bulk of production locally (75%) is considered viable and sustainable.

Furthermore, even under circumstances where export markets face disruptions, the **domestic market alone is capable of absorbing the entire production volume**, ensuring continued business stability.

### **2.5.2. Market Competitiveness and Prospects**

The fruit juice and fruit by-product industry in Tanzania is expanding but remains far from saturated. U-FRESH's expansion is expected to increase competitiveness by offering:

- ✓ High-quality standardized products.
- ✓ Locally sourced raw materials that support sustainability.
- ✓ Improved distribution efficiency due to proximity to multiple market corridors.

Overall, the market prospects for U-FRESH are highly favorable, supported by strong demand trends, regional integration, and the company's strategic expansion model deliver directly to importer from Kenya, Burundi, Rwanda, Democratic Republic of Congo and south Sudan. Likewise, local buyers are expected to collect their requirements of the various products for the produced products, but the promoters will be flexible to deliver the goods on demand.

### **2.5.3. Pricing strategy**

The basis for pricing has been from observations and data collected from various parts of Tanzania, market behavior of raw materials and by- products, production costs and profit margins. Packaging will be done in good quality material, the pricing has been estimated at annual sales increase of 5% and this should allow a very high standard of packing. The industry after making a marketing research has come with the following proposed prices status; price per litres 0.196, 0.1, and 0.13 US\$ for beverage, water and sodas respectively.

## **2.6. Technical Characteristic of the project.**

### **2.6.1. Project Location**

The expansion project will be developed at U-FRESH FOOD LIMITED compound in Plot No 1 Block 16U Ihayabuyaga, Magu District just along Mwanza to Musoma road. This area is seen as potential as it gives a room for further expansion also making it easy to access Magu District, Simiyu and Mara region while the old factory which is located in Nyakato industrial will serve in Ilemela, Nyamagana as well other other regions such as Geita, Shinyanya and Kagera. Both projects are nearby tarmac road connecting Mwanza to Musoma leading to Kenya country.

### **2.6.2. Project Site analysis**

Based on physical inspection of the proposed site, the availability of basic and essential industrial infrastructure such transport, water supply, effluent disposal, electric power supply, telecommunication system and security were all checked out and they were satisfactory for factory establishment. The realization of the project development requires successful completion of a number of necessary activities and facilities to enable a successful development of the project. The project location is already installed necessary utilities such as reliable supplies of energy, water, transportation, telecommunications services, waste disposal and other services are in place.

### **2.6.3. Buildings**

The company has already acquired land in Magu District – Plot No 1 Block 16U Ihayabuyaga. The company plans to build 3 warehouse and office building. The project will

include the development of floor plans, elevations, and other related structural designs, all of which will be implemented as part of the proposed investment.

The total cost of land acquisition, registration, and construction of factory buildings has been fully incorporated into this business plan. The structures will include dedicated facilities for the storage of raw materials and finished products, as well as administrative and operational offices. The estimated cost for land acquisition and construction of storage, processing, and office structures is USD 1,450,000.

#### **2.6.4. Machinery and Equipment:**

Proper machinery selection is one of the key problems in the development of an industry. The machinery must suit the two-fold requirements of the developing countries, i.e. it should be up-to-date to allow for competitive production. In view of the foregoing, an effort has been made to choose from modern technological alternatives, a level that strikes a balance between fixed costs based on depreciation of 12.5% and variable costs based essentially on wages.

The requirements of various items of equipment have been worked out taking into consideration the production programs, average equipment utilization and normal productivity level of an average worker etc. While working out details of equipment required, it is assumed that the plant will operate for a double shift with approximately of 8 hours per single shift,(makes 16 hours/day) in a day, 25 days a month or 300 days per year. The total cost of machinery will for expansion will be 2,300,000 USD.

#### **2.6.5. Motor Vehicles**

10 Vehicles truck for distribution and 6 fork lift will purchased at a price of 300,000 US\$ and 678,000US\$ respectively. Truck will be for local collection and distribution. The company will hire Heavy truck for regional distribution. The estimated cost for purchasing all these working tools is estimated to 978,000US\$.

#### **2.6.6. Furniture& Fittings**

This cost item includes the purchase of various office furniture: tables, chairs cabinets, safes, telecommunication gadgets, firefighting equipment, air conditioners etc, 10,869.57US\$ is estimated cost for purchasing furniture and fittings.

#### **2.6.7. Computers& Accessories**

It is the directors desire to computerize the project operations from the point of identifying the need till the final product reaches the final consumer. Included in this cost item are a good Accounting package/software, network facility to suffice all departments and management. The company will have an efficient Management Information System (MIS) and the computers are necessary for the effective internal control system, budget control, marketing, finance management

### **2.6.8. Pre-Operational Expenses**

Under pre-operational expenses are considered costs like company formation, preliminary project studies, business plan preparation costs, licenses, permits and authorization, including processing of TISEZA Certificate of Incentives, and legal fees, travelling expenses, initial recruitment and training expenses, and interest accrued during project construction period. Pré operational cost is estimated to be 167,980.00.

### **2.6.9. Initial Working Capital**

This item will mainly cover initial imports of raw materials estimated to last for the first three months of operations. Otherwise, raw materials will generally be maintained at one month's stock and debtors at one month's sales volume constitute the biggest portion of current assets. Trade credits will be 15 days for the items listed. The total operational cost allocated budget is 858,900.00 US\$.

### **2.6.10. Project Financing**

The project costs, including fixed costs (machinery, equipment, building, motor vehicles, office furniture and equipment and pre-operation expenses will be financed by a shareholders and no loan facilities will be imposed to this project. The project promoters are planning to finance project cost in the following pattern:

### **2.6.11. Project Implementation**

Full implementation of the project is planned to take place by mid June, 2026 and all machines has been ordered for importation from abroad.

### **2.6.12. Auxiliary Materials/ services**

Falling under this category is packing bags, paper for bags for bran, lubricants, grease and other miscellaneous items.

**Utilities and service facilities that will need to be provided in this plant are as follows:**

- (i) Workshop and laboratory
- (ii) Electric power
- (iii) Water supply
- (iv) Miscellaneous facilities {Canteen; First Aid Kit, Storage and transport and Office Facilities}

#### **(i) Workshop and laboratory**

It is necessary to make provision for a small workshop in the plant premises so that certain maintenance operations could be carried out following sudden breakdowns and major routine matters.

The facility will comprise of necessary machines like small centre lathe, drilling machine, welding set, soldering and gas-cutting equipment including complete electrical kit to take care of necessary electrical maintenance as well as to replace worn-out parts and periodic oil and greases needs for the plant. Equipment provision has been restricted to the minimum. Installation of Laboratory for test quantity and quality of products has been considered to the project

**(ii) Electric Power and Generator**

The proposed projects will be supplied with industrial production 3-phase standard power supply from Tanzania Electric Supply Company (TANESCO), the electricity is available through the National Grid Line in 60MW power plant at Nyakato power station to Mara Region. There also heavy2 standby generators that will smoothen production process that generate 500 and 800KW.The U- FRESH FOOD LIMITED also install an online UPS system that secures clean and uninterrupted power free of surges, brownouts, fluctuations and other power problems.

**(iii) Water Supply**

Apart from the needs of electric power, water is also required for the actual process and other social needs. The proposed site has close to MWAUWASA water network, the agency is major supplier of water to urban and peri urban area in the city while depending on water supply from MWAUWASA. The main line from this source has been tapped and let to the land site and water collected in an overhead reservoir provided at the top of the building of the plant. Adequate provision has been made in the project cost for the overhead tank and supply and laying of pipelines etc.

**(iv) Miscellaneous Facilities e.g. First Aid Kit, Storage and Transport, Office Facilities etc**

- Provision has been made in the project costs for necessary facilities for external telephones and fire alarm system;
- Sickness and ill-health are recognized to be among the cause of absenteeism and low morale leading to decreased production, increased waste and bad employee-management relations. Therefore, necessary provision has been made for the canteen and first aid facilities in case of accidents, sudden sickness etc.
- Storage and transport needs of the plant have been duly recognized and been attempted mostly manual. Regarding transport,5 Light trucks with a capacity of 15MTwill be purchased and other heavy truck will be hired for regional distribution will be added.

- Necessary provision for furniture and office equipment has been made in the Capital Cost estimates.
- Provision has also been made for the various types of weighing equipment in various sections for material-handling equipment etc.

### 2.6.13. Warehousing and distribution



U-FRESH FOOD LIMITED's warehousing service is ready in place to meet 24/7/365 with produced products and raw materials imported. The efficiency of on-site combined with 3 loading docks (focal lift) will accommodate all needs and reduce supply chain costs. The industry will use electronics inventory management system means will ready for the

efficiently movements of goods to next level.

The industry will use quick dispatch for fast distribution of final products and packed by manual means or by semi-automatic machines. The industry will take Extra care is therefore taken to make it hygienic so that the products do not get spoiled during storage.

### 2.6.14. Waste management for industry

In order to create a sustainable society, it is necessary to develop effective utilization of all sorts of wastes. One of the major wastes from our living is fiber wastes. Fiber wastes are generally divided to nonindustrial (organic chemicals) and industrial wastes (inorganic Chemicals)

In this strategic management for a U-FRESH FOOD LIMITED; the industry has to move from an understanding of improvement at all costs to an understanding of continuous and balanced improvement once established. In modern times, environmental protection is being implemented not because it is enforced law, but as an administrative philosophy.

Due to the nature of project, the company must think of installation of treatment plant, TP as many wastes will be produced after peeling of fruits, processing etc. Rapid degradation in environmental conditions has changed at attitude of industrial managers toward ecological environment and had them consider ecology a significant factor while taking decisions related to industrial management. Parameters responsible for environmental pollution include

chemicals discharged into air, water and soil as well as energy pollution all these will taken into consideration of the proposed project.

Noise pollution caused by poorly planned settlement programs is also included in this plan. Furthermore, safety and health of those working in production will be also taken into account by installing modern machines free from noise pollution.

### **3.0. ORGANIZATION AND MANPOWER REQUIREMENT AND PROPOSED SALARY BUDGET**

#### **3.1. Employment**

The whole process of production lines is looking at providing direct employment to at least 272 permanent jobs on full implementation and operation of the project. Thereafter most of the production supervision will be taken over by local Tanzanians who by then will be expected to have acquired adequate experience in the operations and management of the project.

#### **3.2. Recruitment**

Recruitment of the 246 persons will be carried out by giving first preference to ex-technician from our local technical institutes such as Vocation Education Training Authority "VETA" and existing employees of the company, based on demonstration of skills and aptitude basis and their willingness to work for U- FRESH FOOD LIMITED. Careful methodology is being worked out by a competent management consultant who will set the job descriptions etc. To ensure that the right caliber is recruited. Recruitment of expatriate personnel will be carried out in consultation with the relevant authorities in Government and the collaborating agencies.

#### **3.3. Training and the use of Consultants**

The Company plans to initially carry out on the job training for most of the technical staff by China expert (depending on the source of technology) to be dispatched to the project site by the suppliers of the plant which will be specified under sales agreement. Later on, the maintenance staff will be sponsored to go on field trips outside the country with the manufacturers of the machinery in China so as to familiarize themselves with the operations of the plant and machinery. In general the company will ensure that employees acquire new skills and procedures to increase their productivity fourfold. Educational materials will be subsidized or paid for to motivate the workers to develop themselves.

Whereas the company will endeavor to obtain the best talents to fill the permanent posts in the organization, it is intended where necessary, to continue with the policy of hiring out some specialized skills by way of consultants. Alternatively, those skills not required throughout the year will be left to consultants. These include legal counsels, systems and management consultants. To ensure efficient and scientific management, operational manuals will be prepared for the core functions of the company.

### 3.4. Organization and Management

The project will be managed by qualified professionals given the vast experience that the promoters have acquired over years in running and managing similar businesses. The Board of Directors formulates policy and offer strategic business guidance to management and regularly monitor and evaluate performance of the company.

All the production line will have its own management under which the day to day leader/management of each production line will be vested in the management team headed by a Production Manager. The Production Manager is to be assisted by qualified and experienced personnel. The Production Managers will report to a General Manager who will be directly responsible to the Board of Directors.

Proposed organization and manpower requirement for the plant is as follows:

<b>A.ADMINISTRATION DEPARTMENT</b>	<b>FULL TIME STAFF</b>	<b>MONTHLY SALARY FULL TIME STAFF</b>	<b>TOTAL ANNUAL SALARY</b>
<b>DEPARTMENT</b>	<b>POSTS</b>	<b>AMOUNT USD</b>	<b>AMOUNT USD</b>
EXCUTIVE DIRECTOR	1	1,000	12,000
LOGISTIC OFFICER	2	500	12,000
DRIVER	2	270	6,480
<b>SUB TOTAL</b>	<b>15</b>	<b>2020</b>	<b>60,480</b>
<b>B.FINANCE AND MARKETING DEPARTMENT</b>	<b>FULL TIME STAFF</b>	<b>MONTHLY SALARY FULL TIME STAFF</b>	<b>TOTAL ANNUAL SALARY</b>
<b>DEPARTMENT</b>	<b>POSTS</b>	<b>AMOUNT USD</b>	<b>AMOUNT USD</b>
CHIEF ACCOUNTANT	1	800	9,600
ACCOUNTANT	3	600	21,600
MARKETING MANAGER	1	550	6,600
MARKETING OFFICER	2	330	7,920
PROCUREMENT OFFICER	6	500	36,000
DRIVER	4	270	12,960
<b>TOTAL</b>	<b>17</b>	<b>3050</b>	<b>94680</b>
<b>C. OPERATIONAL DEPARTMENT</b>	<b>FULL TIME STAFF</b>	<b>MONTHLY SALARY FULL TIME STAFF</b>	<b>TOTAL ANNUAL SALARY</b>
<b>DEPARTMENT WATER AND SODA PRODUCTION</b>	<b>POSTS</b>	<b>AMOUNT USD</b>	<b>AMOUNT USD</b>
QUALITY CONTROL	3	650	23,400

ICT EXPERT	2	650	15,600
OPERATORS	12	320	46,080
MOLDING EXPERT	4	200	9,600
ELECTRICIAN	1	350	4,200
MECHANICS	1	350	4,200
HELPERS	6	250	18,000
SECURITY GUARD	10	250	30,000
DRIVERS	30	270	97,200
SUPPORTING STAFFS	50	200	120,000
<b>TOTAL</b>	<b>119</b>	<b>1820</b>	<b>368,280</b>
<b>DEPARTMENT FRUITS AND BEVERAGE PRODUCTION</b>	<b>POSTS</b>	<b>AMOUNT USD</b>	<b>AMOUNT USD</b>
QUALITY CONTROL	3	650	23,400
ICT EXPERT	2	650	15,600
OPERATORS	12	320	46,080
ELECTRICIAN	1	350	4,200
MECHANICS	1	350	4,200
HELPERS	12	250	36,000
DRIVERS	30	270	97,200
SUPPORTING STAFFS	60	200	144,000
<b>TOTAL</b>	<b>121</b>	<b>1970</b>	<b>370,680</b>
<b>GRAND TOTAL</b>	<b>272.00</b>	<b>8860.00</b>	<b>894,120.00</b>

## 4.0. FINANCIAL ANALYSIS

### 4.1 Production, Revenue and project viability

- The estimated annual revenue from the sale of fruits and fruit-based products, including 25 ml, 50 ml, and 30 ml packs of juice, flavoured milk, soda, and carbonated drinks, is projected at USD 4,141,304.35 in the first year of production, exclusive of Value Added Tax (VAT).
- Gross sales contribution in the first year of production is estimated at **22%**, with significant improvement expected in subsequent years as production efficiency and market penetration increase.
- Sales revenue is projected to grow annually at **5%**, while production costs are expected to increase at an average rate of **3%**, mainly driven by inflationary trends. Accordingly, operations in the second year are projected to expand by **5%**.
- The **total investment cost of the project is USD 6,026,619.14**, financed through **80% equity contribution amounting to USD 4,821,295.31** and **20% loan financing totaling USD 1,205,323.83**.
- The project's cash flow position remains positive throughout the project life, with **ending cash balances increasing steadily each year**, indicating strong liquidity and the ability to meet operational and debt obligations.
- Financial viability testing confirms that the project is economically feasible, achieving a **positive Internal Rate of Return (IRR) of 7.81%** and a **payback period of approximately 7.73 years**.
- **Net profit before tax** in the first year of operation is estimated at **USD 899,713**, with profitability increasing steadily from the second year through the fifth year of the project's economic life due to rising sales volumes and improved operating efficiencies.
- **Net profit after tax** in the first year of operation is estimated at **USD 229,236**, with a consistent upward trend in subsequent years. The project is expected to contribute positively to national revenue through **corporate tax payments of approximately USD 98,244 in Year 1**, increasing annually as profitability grows.
- Project assets in the first year comprise **current assets of USD 306,422**, **fixed assets valued at USD 3,164,828**, and **project liquidity of USD 899,713**. Total liabilities amount to **USD 4,292,238**, after accounting for depreciation, taxation, and statutory employer obligations, as detailed in the projected balance sheet.
- Cash generated from operations and net cash flows from operating activities increase positively throughout the project life, demonstrating strong operational sustainability (refer to the Cash Flow Statement).
- **Return on Investment (ROI)** is positive from the first year of operation and

improves significantly over the project period, reflecting increasing profitability and efficient utilization of invested capital (see projected balance sheet).

- Depreciation and amortization of fixed and pre-operational assets have been applied using standard straight-line rates: **land at 5%, civil works and buildings at 5%, plant, machinery, and technical equipment at 12.5%, and motor vehicles at 20%**. Based on these rates, first-year depreciation is estimated at **USD 78,725**, increasing gradually over time due to asset utilization and wear and tear.

## 5.0. RISK ANALYSIS

Risk is the probability that an event or action will adversely affect the organization. Risk assessment is the identification and analysis of risks associated with the achievement of operations, financial reporting and compliance goals and objectives. Risk management is a central part of the U- FRESH FOOD LIMITED. The Industry's management will determine the level of operations, financial and compliance risk they are willing to assume. Risk assessment is one of the Company's management responsibilities.

### 5.1. Macroeconomic risk analysis

Since early 1986, the Government of Tanzania has launched a comprehensive economic policy and stabilization plan with the aim to enhance the amount of infrastructure construction and improve the lives of the poor. During this time the main economic indicators significantly improved. However, uneven development of various region in the country, lack of relevant infrastructure in transportation, telecommunications, networking, health facilities, electricity and water supplies have proven to be investment barriers. Overall, Tanzania has a weak economic foundation but the project can achieve a greater impact in attaining social and economic goals for the country.

### 5.2. Finance risk analysis

- a) **Supply Risk:** The risk in Primary production relates to supply of raw material, transportation and price fluctuations. There is no assurance of enough supply of raw materials in the local market instead mostly of raw materials are imported.
- b) **Processing Risks:** The technology, machines and equipment used in fruits production are in rudimentary stages all of which contribute to reducing production efficiency. Also quality/food safety and standards consideration in the production environment is limited. In fruit factory facilities operation know-how is very low as there are notarized labourers.
- c) **Sales/market risk:** Placing value added products on the consumer markets bears risk of demand fluctuations and rejections through retailers. Furthermore, consumers are not aware of the fruit factory quality and safety criteria and are usually very price sensitive.

### 5.3. Other potential external risk

- a) **Lack of Governance:** the governance mechanism in the value chain is underdeveloped, actors operate in an uncoordinated and unorganized fashion, and if rules exist they are often ignored;
- b) **Lack of market coordination:** No lead organization has a coordinating role in relation to markets, technology and information such that producers

and processors have no incentives for improving neither their product nor the chain process to promote sustainable income earning opportunities;

**c) Unclear and conflicting roles regulatory authorities:** Regulatory Agencies are responsible for quality control as well as enforcing NBS, NEMC etc, are regulatory role in issuing licensing etc

**d) Industry associations:** Associations are weak at all levels of the chain;

**e) Operating procedures:** Standard procedures are inadequately enforced, or not enforced at all, because of relaxed production and trade regulations; and

**f) Integration:** there is little vertical integration of importers, mid chain actors and processors.

#### **5.4. Mitigating potential risk**

The development of a large and complex project such as U-FRESH FOOD LIMITED is necessarily accompanied by multiple risks during all the phases of the project development, construction, operation and maintenance. The right approach to manage the project in a manner which is fairly and adequately address the multiple risks in a comprehensive as well as systematic manner is to use the risk analysis and management methodology which identifies the risk issues and their instrumental cause. In this regard, the risk is eliminated or effectively managed by the party best suited with capacity to handle or deal with the risk factors.

## 6.0. ECONOMIC AND SOCIAL ASPECTS

The expansion of this project is also likely to have a positive impact on the economy of Lake Zone regions and Tanzania as a whole by creating employment, and contributing to Government revenues through various taxes, which will be paid. It also has potential for substantial exporting to foreign markets especially to neighboring countries in the Great Lakes Region. In summary the following table will show impact investment index framework

### 6.1. Impact Investment Index Framework

<b>Impact Investment Index</b>		
<b>Frame Work for U-FRESH FOOD LIMITED</b>		
<b>Performanc e Area</b>	<b>Quantitative Indicator</b>	<b>Remarks</b>
<b>Investment Capital</b>	Total investment capital, CAPEX and OPEX US\$ 6.02 Million US\$	Substantial amount of capital invested into the domestic economy.
<b>Export Earnings</b>	Indicative Annual sales of 25% earnings of 1,035,326S\$ out of annual average collection of 4,141,304.35S\$ for the project will be exported.	Increased foreign earnings.
<b>Job requirements</b>	Job creation after plant in operation 2021-2022. DIRECT TANZANIAN JOBS 272	<ul style="list-style-type: none"> <li>• Reasonable number of direct job created to local Tanzanians with direct impact on poverty reduction through enhanced income generation; and</li> <li>• Improving skills development for Industrial production</li> </ul>
<b>Technology applied</b>	High Tech Environmentally friendly machinery	<ul style="list-style-type: none"> <li>• Enhancing technological transfer; and</li> <li>• Applied technology which is free from environmental pollution,</li> </ul>
<b>Other Implied Project Benefits</b>		
<ul style="list-style-type: none"> <li>▪ Increased sales to the Utility Companies providing services of electricity, water and sewerage, telecommunications;</li> <li>▪ Increased business transacted by local banks and institutions providing financial services;</li> <li>▪ Business opportunities for local entrepreneurs in market distribution channels,</li> <li>▪ Business opportunities to contractors and sub-contractors during the minor construction phase;</li> <li>▪ Increased regional intra-trade and international trade due to better infrastructure facility and links to markets;</li> <li>▪ Increase of technology transfer &amp; expertise to local employed staff,</li> <li>▪ Capital spends in local economy over 4,141US\$ Millions and</li> <li>▪ Contribution to GDP growth through increased economic activities</li> </ul>		

Based on the Impact Investment Index analysis, the company can develop projections that the project can deliver both value for money in the context of broad socioeconomic impact and return on investment while complying with governance requirements. In this regard therefore, U-FRESH FOOD LIMITED will promote the industrialization process in the country, create employment, attract new technologies, expand foreign exchange earnings and ultimately contribute substantially to the country's economic growth.

## 7.0. FINANCIAL MODELING AND ANALYSIS

The Financial Modelling and analysis, is the main source of information for assessing the potential financial viability of the U-FRESH FOOD LIMITED. The analysis is based on the assumptions that have been taken for the implementation of the site development, demand and the associated potential investment requirements for a 5 year time period. The purpose of establishing this Fruit and fruits by product processing plant is to speed up the country's economic development by being a catalyst for restructuring the existing local Fruit and fruits by product processing industrial set up and attracting new, both foreign and domestic entrepreneurs to a liberalized legal business framework.

### 71. Project investment inputs summary

Expected quantities for production	
All cost and revenue in US\$	
<b>Glass, Beverages, water and sodas sales assumptions</b>	
Working days per month	25.000
Annual working days	300.000
Average production of Juice per day in Lts	50,000.000
average production of Flaovered Milk per day in Lts	100,000.000
Average production of sodas/carbonated drinks per day in Lts	60,000.000
Average sales of Juice per USD per Lts	0.196
average sales water per USD per Ltrs	0.250
Average sales of sodas in USD per Lts	0.130
annual sales of Beverage in USD	2,940,000
Annual sales of Water in USD	7,500,000
Annual sales of Sodas in USD	2,340,000
<b>Total sales Revenue</b>	<b>12,780,000</b>

### 7.2. Investment summary

INVESTMENT SUMMARY - U FRESH FOOD LTD			
CAPITAL ITEM	No. OF UNITS	Unit of Measure	
<b>ALL FIGURES IN USD</b>			
<b>A. LAND AND BUILDINGS</b>			
Land acquisition			150,000
Construction of 3 warehouse			1,000,000
Construction of administration and office building			300,000
<b>SUB TOTAL</b>			<b>1,450,000.00</b>

<b>B. MACHINERY EQUIPMENT</b>			
Bottle beverage filling production line	2	set	400,000
Glass beverage filling production line	2	set	475,000.00
Pe Bottle beverage filling production line	2	set	50,000.00
Water Filling Production line	2	set	169,000.00
Soda production line	2	set	494,000.00
Carbonated drinks production line	1	set	712,000.00
<b>SUB TOTAL</b>			<b>2,300,000.00</b>
<b>C. MOTOR VEHICLES</b>			
Folk lift 7.5MT	6	unit	300,000.00
Lorries with trailers (6x4 Stake Truck) 32 MT	10	unit	678,000.00
<b>SUB TOTAL</b>			<b>978,000.00</b>
<b>D. FURNITURE</b>			
Office Furniture	set in lump sum		10,869.57
Contiguous			260,869.57
<b>SUB TOTAL</b>			<b>271,739.14</b>
<b>TOTAL FIXED ASSET</b>			<b>4,999,739.14</b>
<b>E. CURRENT ASSETS</b>			
Pre operational expenses			167,980.00
Initial working capital			858,900.00
<b>SUB TOTAL</b>			<b>1,026,880.00</b>
<b>TOTAL INVESTMENT</b>			<b>6,026,619.14</b>

### 7.3. Objective and Scope of Financial Model

#### 7.3.1. Objective

The main objective of the financial modelling and analysis is to setup a financial model framework for potential generated revenues and operational & maintenance costs for the full operation of U-FRESH FOOD LIMITED based on the

assumptions taken for the Market Analysis, the plan for the facility development, unit production costs and other overhead and operational charges.

### **7.3.2. Scope**

The scope consists of a financial model that will be used to analyse the potential financial viability of the project based on the assumptions taken for the concept and scope of the Fruit and fruits by product processing factory on the Market Analysis. The financial model has been developed in excel spread sheet and include information on costs, expenses and the subsequent sales revenue based on the average market prices and linked to the financial cash flow.

## ANNEX I- INCOME STATMENT.

ITEM / YEAR	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
<b>TOTAL OPERATING REVENUE</b>	12,780,000	13,419,000	14,089,950	14,794,449	15,534,171	16,310,880	17,126,425	17,982,746	18,881,884	19,825,978
<b>TOTAL OPERATING COSTS</b>	9,990,287	10,290,996	10,600,726	10,919,748	11,247,341	11,584,761	11,932,304	12,290,273	12,658,981	13,038,750
<b>EBITDA</b>	2,789,713	3,128,004	3,489,224	3,874,701	4,286,830	4,726,119	5,194,121	5,692,473	6,222,903	6,787,228
<b>Depreciation</b>	78,725	88,334	98,074	108,462	129,436	141,556	164,680	178,731	204,225	220,429
<b>EBIT</b>	2,710,988	3,039,670	3,391,150	3,766,239	4,157,394	4,584,563	5,029,441	5,513,742	6,018,678	6,566,799
<b>Interest Paid (12%)</b>	144,638.86	144,638.86	123,976.17	103,313.47	82,650.78	61,988.08	41,325.39	20,662.69	0	0
<b>PROFIT BEFORE TAX</b>	2,566,349.14	2,895,031.14	3,267,173.83	3,662,925.53	4,074,743.22	4,522,574.92	4,988,115.61	5,493,079.31	6,018,678.00	6,566,799.00
<b>Tax (30%)</b>	769,904.74	868,509.34	980,152.15	1,098,877.66	1,222,422.97	1,356,772.48	1,496,434.68	1,647,923.79	1,805,603.40	1,970,039.70
<b>NET EARNINGS</b>	1,796,444.40	2,026,521.80	2,287,021.68	2,564,047.87	2,852,320.25	3,165,802.44	3,491,680.93	3,845,155.52	4,213,074.60	4,596,759.30

## ANNEX II – PROJECTED CASH FLOW

(ALL NUMBERS IN US\$)

ITEM / YEAR	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
<b>Cash Receipts from Sales</b>	12,780,000	13,419,000	14,089,950	14,794,449	15,534,171	16,310,880	17,126,425	17,982,746	18,881,884	19,825,978
<b>Cash Paid to Suppliers &amp; Employees</b>	(9,990,287)	(10,290,996)	(10,600,726)	(10,919,748)	(11,247,341)	(11,584,761)	(11,932,304)	(12,290,273)	(12,658,981)	(13,038,750)
<b>Cash Generated from Operations</b>	2,789,713	3,128,004	3,489,224	3,874,701	4,286,830	4,726,119	5,194,121	5,692,473	6,222,903	6,787,228
<b>Interest Paid</b>	(144,638.86)	(144,638.86)	(123,976.17)	(103,313.47)	(82,650.78)	(61,988.08)	(41,325.39)	(20,662.69)	0	0
<b>Tax Paid</b>	(769,904.74)	(868,509.34)	(980,152.15)	(1,098,877.66)	(1,222,422.97)	1,356,772.48	1,496,434.68	1,647,923.79	1,805,603.40	1,970,039.70
<b>Net Cash Flow from Operating Activities</b>	1,630,961.05	1,870,647.05	2,175,774.18	2,498,075.32	2,842,208.46	3,202,697.59	3,586,586.73	3,988,999.86	4,417,300.00	4,817,188.00
<b>Equity Contribution</b>	4,821,295.31	0	0	0	0	0	0	0	0	0
<b>Loan Proceeds</b>	1,205,323.83	0	0	0	0	0	0	0	0	0
<b>Loan Repayment (Principal)</b>	0	(172,189.12)	(172,189.12)	(172,189.12)	(172,189.12)	(172,189.12)	(172,189.12)	(172,189.12)	0	0
<b>Net Increase / (Decrease) in Cash</b>	7,657,580.19	1,698,457.93	2,003,585.06	2,325,886.20	2,670,019.34	3,030,508.47	3,414,397.61	3,816,810.74	4,417,300.00	4,817,188.00
<b>Cash at Beginning of Period</b>	306,422	7,964,002.19	9,662,460.12	11,666,045.18	13,991,931.38	16,661,950.72	19,692,459.19	23,106,856.80	26,923,667.54	31,340,967.54
<b>Cash at End of Period</b>	7,964,002.19	9,662,460.12	11,666,045.18	13,991,931.38	16,661,950.72	19,692,459.19	23,106,856.80	26,923,667.54	31,340,967.54	36,158,155.54

### ANNEX III – PROJECT BALANCE SHEET

ITEM / YEAR	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
<b>CURRENT ASSETS</b>	5,448,668.67	5,248,874.84	5,179,277.80	5,245,246.35	5,534,650.70	5,974,000.94	6,654,630.28	7,501,238.01	9,196,306.91	11,025,863.71
<b>FIXED ASSETS</b>	3,164,828	3,086,103	2,997,769	2,899,695	2,791,233	2,661,797	2,520,242	2,355,562	2,176,831	1,972,606
<b>LIQUIDITY</b>	899,713	1,009,530	1,120,850	1,239,562	1,479,266	1,617,779	1,882,052	2,042,641	2,334,002	2,519,183
<b>TOTAL ASSETS</b>	<b>9,513,210</b>	<b>9,344,508</b>	<b>9,297,896</b>	<b>9,384,503</b>	<b>9,805,150</b>	<b>10,253,577</b>	<b>11,056,924</b>	<b>11,899,441</b>	<b>13,707,140</b>	<b>15,517,652</b>
<b>TOTAL OWN EQUITY</b>	5,050,531.34	5,349,912.98	5,769,751.41	6,314,767.43	7,062,245.25	7,947,549.96	8,911,003.38	9,946,889.58	11,437,733.48	13,046,861.28
<b>PROVISIONS</b>	2,629,124	2,741,518	2,845,477	2,948,099	3,184,152	3,278,882	3,511,456	3,598,077	3,827,075	3,905,300
<b>LONG TERM LOAN</b>	1,205,323.83	1,033,134.71	860,945.59	688,756.47	516,567.35	344,378.23	172,189.11	0	0	0
<b>SHORT TERM LIABILITIES</b>	325,021	364,693	404,907	447,792	534,385	584,423	679,891	737,904	843,158	910,055

<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>9,210,000</b>	<b>9,489,259</b>	<b>9,881,081</b>	<b>10,399,414</b>	<b>11,297,350</b>	<b>12,155,233</b>	<b>13,274,539</b>	<b>14,282,871</b>	<b>16,107,967</b>	<b>17,862,216</b>
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## ANNEX IV – LOAN PAYMENT SCHEDULES

### LOAN INFORMATION AND PAYMENT SCHEDULE

<b>LOAN DATA</b>	<b>ALL NUMBER IN US\$</b>
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ORIGINAL PRINCIPAL	1,205,323.83
LOAN TERM (YEARS)	7.00
ANNUAL INTEREST RATE	12%
PAYMENTS PER YEAR	1.00

Year	Opening Balance	Principal Paid	Interest Paid	Total Payment	Closing Balance
1	1,205,323.83	0.00	144,638.86	144,638.86	1,205,323.83
2	1,205,323.83	172,189.12	144,638.86	316,827.98	1,033,134.71
3	1,033,134.71	172,189.12	123,976.17	296,165.29	860,945.59
4	860,945.59	172,189.12	103,313.47	275,502.59	688,756.47
5	688,756.47	172,189.12	82,650.78	254,839.90	516,567.35
6	516,567.35	172,189.12	61,988.08	234,177.20	344,378.23
7	344,378.23	172,189.12	41,325.39	213,514.51	172,189.11
8	172,189.11	172,189.11	20,662.69	192,851.80	0.00

## ANNEX V - INTERNAL RATE OF RETURN

### IRR FOR THE PROJECT

(ALL NUMBERS IN US\$)

	INITIAL INVESTMENT	-6,026,619.14
YEAR 1	ADDITIONAL ANNUAL NET PROFIT	229,236.03
YEAR 2	ADDITIONAL ANNUAL NET PROFIT	299,381.64
YEAR 3	ADDITIONAL ANNUAL NET PROFIT	419,838.43
YEAR 4	ADDITIONAL ANNUAL NET PROFIT	545,016.02
YEAR 5	ADDITIONAL ANNUAL NET PROFIT	747,477.82
YEAR 6	ADDITIONAL ANNUAL NET PROFIT	885,303.71
YEAR 7	ADDITIONAL ANNUAL NET PROFIT	1,103,458.81
YEAR 8	ADDITIONAL ANNUAL NET PROFIT	1,255,386.20
YEAR 9	ADDITIONAL ANNUAL NET PROFIT	1,490,843.90
YEAR 10	ADDITIONAL ANNUAL NET PROFIT	1,609,127.80
	<b>IRR (IN 10 YEARS)</b>	<b>5.27%</b>

**THE IRR ABOVE INDICATES THAT THE EXPECTED RETURN ON THE 6,026,619.14 USD INITIAL INVESTMENT AFTER 10 YEARS IS 5.27%.**

## ANNEX VI – PROJECTED PAY BACK PERIOD

### PAYBACK PERIOD ANALYSIS

	YEAR	BEGINNING BALANCE	NET CASH FLOWS	ENDING BALANCE
COST OF INVESTMENT	1.00	6,026,619.14	229,236.03	5,797,383.11
	2.00	5,797,383.11	299,381.64	5,498,001.47
	3.00	5,498,001.47	419,838.43	5,078,163.04
	4.00	5,078,163.04	545,016.02	4,533,147.02
	5.00	4,533,147.02	747,477.82	3,785,669.20
	6.00	3,785,669.20	885,303.71	2,900,365.49
	7.00	2,900,365.49	1,103,458.81	1,796,906.68
	8.00	1,796,906.68	1,255,386.20	541,520.48
	9.00	541,520.48	1,490,843.90	(949,323.42)
	10.00	(949,323.42)	1,609,127.80	PAID BACK

**PAYBACK PERIOD = 8.4 YEARS**

## **8.0. CONCLUDING REMARKS AND WAY FORWARD**

### **8.1. Evidence of project viability based on financial model and policy framework support**

On the basis of all the analysis done on this Business Plan on all aspects of assessment on both SWOC Analysis, market analysis, risk analysis and the financial analysis, the proposed investment options in the fruit processing plant as prescribed on this business plan have shown that the project is commercially viable. Nonetheless, U-FRESH FOOD LIMITED through professional consultative manner, will continue to find ways of implementing cost effective options given time and financial resources that will be made available. Financial analysis results show that when the construction of beverages, water and sodas plant facility is financed 20% by shareholders in a given IRR of 7.81%. The payback period for the project is estimated at 7.7 years, which is within the range for this type of investment. Sensitivity analysis results also favor the project. Financial analysis for the project has shown feasible returns, based on the investment scope and the assumptions taken in this Business Plan.

### **8.2. Policy Framework Support**

The development of the U-FRESH FOOD LIMITED is designed to take advantages of the current Tanzanian market-oriented reforms. The Project will be developed and established to accelerate the industrialization process. The vision 2025 emphasizes the importance of the allocation of public funds for strategic investments and private sector financing for development investments.

The 15 years Perspective Plan (2010-2015); Pristine private investment in the context of Public Private Partnership. The First Five Years Development Plan (2011-2016) recognizes the fundamental role of the private sector in enabling the government to allocate its fund to strategic projects to facilitate a higher level of development. MKUKUTA II (2010-2015) identifies Public Private Partnership as a means of increasing the level of stakeholder participation and of easing the financial burden on the government. It should be noted that existing public resources are clearly insufficient to meet Tanzanian's huge development needs. The increased use of private enterprises participation in development projects can help alleviate the financing gap. This approach is now applied by U-FRESH FOOD LIMITED to ensure development of one among the ultra-modern Fruit and fruits by product plant to be developed in Mwanza Region. Private sector and investment have been recognized as the most significant potential source of additional funding required to facilitate development projects.

### **8.3. Conclusive Remarks and Way Forward**

The development of this Fruit and fruits by product plant will be funded by private finances. The company acting through its various shareholders and structures will provide the initial risk capital amounting to 5,140,707.63US\$. The company will fund the development of the factory, before the Company engages into the development of this project as a private enterprise, it needs to accomplish the pre development activities to make way for the development of the designated project. The company has to accomplish the following;

#### **a) Apply for TISEZA certificate**

The company by using this Business Plan and other required supporting documents should apply for the TISEZA Certificate Mwanza zonal Office. With this certificate, the company will be able to access tax reliefs which to a large extent will help to in reducing project costs, particularly in the purchasing of machineries and minor building of area of proposed industrial area.

#### **b) Mobilizing Funds**

As previously discussed on the Financial Analysis of this business plan, financing mechanism for the Fruit and fruits by product plant should be scrutinized well before commencing the project implementation. There may be several options of financing the project development but the company will find the best option. This exercise should be more effective if the team works closely with central government agencies, particularly TISEZA and the Ministry of Industry & Trade and Ministry of Investment.