

SHANANGA GROUP LIMITED

BUSINESS PLAN FOR SPORTS

ACTIVITIES

SHANANGA GROUP LIMITED

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1.0. SUMMARY

1.1 Project Concept

This project document presents a proposal by **SHANANGA GROUP LIMITED**, a locally registered company with Certificate of Incorporation No. 139692802 Dated 11th September 2019 intending to sports activities. The project promoters are confident of mobilizing financial resources through equity financing and long-term loan.

1.2 Location

The project will be located at Plot No 2051 Block F, Kinyerezi Area, Ilala, Dar Es Salaam Region.

1.3 The Sponsors

SHANANGA GROUP LIMITED will be sponsoring this project. The Company is jointly owned by the following shareholders.

No	Name of Subscribers	Number of Shares	Nationality
1.	OLESTUCY ERNEUS MWALONGO	3,000	Tanzania
2.	GOVARID ERNEUS MWALONGO	1,500	Tanzania
3.	PANCRASY ERNEUS MWALONGO	1,000	Tanzania
4	JOSEPH ERNEUS MWALONGO	500	Tanzania

The company is locally registered and is all owned by Tanzanian investors

1.4 Project Management and Manpower requirements

SHANANGA GROUP LIMITED will be under the Management of Mr. Olestus E. Mwalongo, Govarid E. Mwalongo, Pancrasy E. Mwalongo and Mr. Joseph E. Mwalongo who have international experience managing various businesses will be directly managing the project. The Managing Director will be assisted by properly trained managers in areas of specialty, who will together comprise the management team. 200 staff will be directly employed.

1.5 Project description

Significant measures have been taken to liberalize the Tanzania economy so that to encourage private sector to take a lead as engine of economic growth; The Government of Tanzania embarked on adjustment program to give the private sector the leading role. It is in view of the above that **SHANANGA GROUP LIMITED** came up with a proposal to construct sports facilities for Creative Arts and Entertainment uses. The project will involve among others acquiring necessary building intends to identify Athletes from disadvantaged families in Kinyerezi Ilala Dar Es Salaam District. Upon Identifying these Athletes, the Academy sources for funding for the Development and upkeep of the identified Athletes as well as their Education.

We have identified a House to accommodate the athletes and a local School of Sporting excellence which will enroll the athletes. Shabanie Mine Athletic which I am Technical Advisor to will provide facilities for the Athlete's training and Camps. It is in our mandate that we ensure that the Child Protection rights of the young athletes particular the girl athlete are taken great care of, hence the appointment of a mature female to the post of Academy assistant Director Administration. Finally, our focus will not only be centered on the 2026 AFCON Games but the years beyond that too, and sustained life for the identified young Athletes.

Vision and values

In order to achieve our organization's mission, Shananga Group is guided by the following core values:

Teamwork: We believe in working as a group to achieve a common goal throughout the organization, from the Director level to our athletes.

Respect & Diversity: We respect ourselves and each other while encouraging and embracing our diversity.

Integrity: We have a high regard for truth, play according to the rules, strive to act in ethical ways and are sincere in our actions.

Commitment: We are committed to the community we serve and we will work hard to achieve our goals and objectives, and the observation of the National child protection procedures.

Vision

Our vision is a community where Vulnerable and underprivileged young boys and girls have access to structured and organized sports programmes, which promotes psycho-social development, life skills training as well as basic exercise in a fun and safe environment.

Mission Statement

Shananga Group Limited is a non-profit organization that promotes mass participation in sport. The academy's primary mission is to develop vulnerable and underprivileged young people (boys and girls) from poor family background holistically through development coaching clinics.

(SGL Sport for Life Programme) and through a "high performance" coaching programme (Shananga Group Limited). Through all its activities, Shananga Group Limited will be guided by the following five objectives:

- To promote participation for Vulnerable and Disadvantaged Children in Sport.
- To teach life skills using sport – empowering young people, especially girls.
- To offer professional coaching to young athletes.

- To expose young athletes to opportunities that lie in sport.
- To create job opportunities for the youth and sports enthusiasts.
- To expose young athletes to Provincial National, Regional and International competitions

The academy is directed by the Academy Director and a team of volunteers made up solely of volunteers who founded the organization, parent volunteers, senior players as well as friends and peers from the community.

"Together building the powerbase for sustainable Athlete development and Talent Naturing."

Shananga Group Limited vision was developed to align itself with the fast-developing sports industry. Shananga Group Limited has a responsibility to the country to ensure that sustainable development of athletes becomes a reality. It plays a major role in accelerating growth of sport in the community by providing high-quality sporting expertise to satisfy the needs of the country.

Shananga Group Limited vision means:

Together:	One Academy, unified, working together in partnership with others
Building	Planning for the future, building Songea sporting base
Powerbase	Providing the necessary expertise and exposure for positive sustainable development
Sustainable	Ensuring continued delivery on economic, environmental and social outcomes
Growth	Empowering Midlands, its young people and the economy
Development	Securing a brighter future for the young athletes and integrating them into self-sustainability

Values

Values are the things we hold important. They define our identity as an organization. They also define the operating qualities used to improve performance. Values should nurture and enrich us. To make values come

alive, we need to shape value statements that guide behavior. We must study how each value relates to our everyday work.

culture and values

Culture can be defined as "The way we do things around here". Culture exists at various levels. The outer layer consists of the image - the buildings, the decor and the people - the first things people hear, see or feel when they enter or deal with the organization. The second level of culture includes our Shananga Group Limited values, strategies and goals. The deepest level of culture includes the values, beliefs and assumptions of the leaders and founders. Values are therefore a core element of culture.

2.0 PROJECT'S INVESTMENT COST

The estimated capital investment cost of the project is US **\$1,775,500** out of which US \$1,635,000 will be fixed investment costs. Pre-production expenditures have been budgeted at US \$20,500; other cost will be \$50,000, while working capital is put at \$70,000.

SCHIDULE 2.0: COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	1,280,000.00
Machinery & Equipment	250,000.00
Motor Vehicles	100,000.00
Furniture & Fittings	5,000.00
Pre exp	20,500.00
Others	50,000.00
Working Capital	70,000.00
TOTAL	1,775,500.00

For the project to be a reality a total investment amounting to US \$1,775,500 is needed

(i) Land and Building: Us \$1,280,0,000

SHANANGA GROUP LTD has opted for construction of Football Stadium in ilala District that estimated to cost US \$1,280,000 once the al project is fully completed

(ii) Machinery and Equipment: US\$ 250,000

Some US \$250,000 is anticipated to be spent on the purchase of various sporting goods like dart boards, footballs, basketballs, volleyballs, exercise equipment, rackets, tennis balls, support bands and much etc which will accommodate new technology

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

The project will need 5 busses, Advertising Vehicle 8 these vehicles will be used in transportation and double cabin pick up for administrative purposes.

(iv) Office Furniture : US \$5,000

This investment cost item has been estimated to cost US \$5,000. It will consist of office tables, chairs, telephone, fax, machines, file cabinets, sofa chairs etc.

(v) Pre-Operational Expenses: US\$ 50,000

They cover things like company registration, expenses spent in exploring the viability of the project, especially the market/client identification exercise. This pre-operational coast item also covers the architectural designs of project sports 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\$70,000

Calculations as well as assumptions for working capital requirements, it is estimated that it will cost US \$ 70,000.

3.0 FINANCING PATTERN

The project will be financed by equity by 80%; constituting US\$ 1,420,400 and loan 20% being US \$ 355,100

4.0 PROJECT OPERATING COSTS

In order to realize its intended objective, the project will have to meet the following operating costs.

SCHEDULE 4.0: OPERATING COSTS (US\$)

YEAR	1	2	3	4	5
Salaries and Wages	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Vehicle running expenses	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Electricity	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00
Water	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
Insurance	8,000.00	8,000.00	8,000.00	8,000.00	8,000.00
Maintenance (Furniture)	100.00	100.00	100.00	100.00	100.00
Maintenance (Machinery)	50,000.00	70,000.00	90,000.00	100,000.00	120,000.00
Maintenance (Building)	100,000.00	150,000.00	160,000.00	170,000.00	180,000.00
Loan interest	31,959.00	31,959.00	31,959.00	31,959.00	
Administrative overheads	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Marketing cost	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00
TOTAL	635,259.00	705,259.00	735,259.00	755,259.00	753,300.00

5.0 ASPECTS OF PROJECT SUSTAINABILITY

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed. The growing demand for quality industrial park and warehouses due to growth of manufacturing and transportation sectors gives them assurance of a steady market. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

6.0 MONITERING AND EVALUATION

The monitoring and evaluation tools will be applied in running this project as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth business running.

7.0 FINANCIAL ANALYSIS

7.1. Considerations and Assumptions:

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom 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 local market and other will be imported. Revenues have been conservatively estimated based on experience of the promoters and trends in the manufacturing industry.

7.2 Financial Statements:

7.3 Projected Warehouse Revenue

For projection purposes, it is assumed that the economic life of the project is five years, and that revenue from warehouse commence from the first year of operation.

7.4 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. After tax profits grow from. US \$ 420,687 in first year to US \$ 797,930 in the 5 year

SCHEDULE 7.3: REVENUE SCHEDULE

	US \$ 1	US\$ 2	US\$ 3	US\$ 4	US\$ 5
Sales Revenue	1,375,000.00	1,550,000.00	1,732,000.00	1,921,280.00	1,118,131.00

SCHEDULE 7.4: SUN SHINE GROUP LTD PROJECTED INCOME AND EXPENDITURE STATEMENT

	US \$ 1	US\$ 2	US\$ 3	US\$ 4	US\$ 5
Sales Revenue	1,375,000.00	1,550,000.00	1,732,000.00	1,921,280.00	2,000,000.00
less Operating Expenses:	635,259.00	705,259.00	735,259.00	755,259.00	753,300.00
PROFIT BEFORE INTEREST AND DEPRECIATION	739,741.00	844,741.00	996,741.00	1,166,021.00	1,246,700.00
Depreciation	106,800.00	106,800.00	106,800.00	106,800.00	106,800.00
Interest	31,959.00	31,959.00	31,959.00	31,959.00	-
SUBTOTAL	138,759.00	138,759.00	138,759.00	138,759.00	106,800.00
PROFIT BEFORE TAX	600,982.00	705,982.00	857,982.00	1,027,262.00	1,139,900.00
TAX (30%)	180,294.60	211,794.60	257,394.60	308,178.60	341,970.00
PROFIT AFTER TAX	420,687.40	494,187.40	600,587.40	719,083.40	797,930.00
ACCUMULATED PROFIT	420,840.00	915,027.40	1,515,614.80	2,234,698.20	3,032,628.20

7.5 Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow from year1, i.e. e US\$ **420,840** of operation to the 5th year i.e. US\$ **2,618,203**

SCHEDULE 7.5: SUN SHINE GROUP LIMITED PROJECTED CASH FLOW US\$

	0	1	2	3	4	5
SOURCES:						
Profit before interest and depreciation	0	739,741	844,741	996,741	1,166,021	1,246,700
Equity	1,420,400	-	-	-	-	-
Total Sources	1,420,400	739,741	844,741	996,741	1,166,021	1,246,700
Applications:						
Capital expenditure	1,635,000	-	-	-	-	-
Working Capital and others	140,500	-	-	-	-	-
Cash	0	438,647	537,011	682,543	795,039	937,397
Tax	-	180,360	186,996	193,464	250,248	309,303
Sub total	1,775,500	619,007	724,007	876,007	1,045,287	1,246,700
Debt service						
Principal	-	88,775	88,775	88,775	88,775.00	-
Interest	-	31,959	31,959	31,959	31,959.00	-
Total debt service	-	120,734	120,734	120,734	120,734	-
Total applications	1,775,500.00	739,741	844,741	996,741	1,166,021	1,246,700
Accumulated				1,308,581	1,892,494	2,618,203

cash		420,840	857,164			
Necessary working capital	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00	70,000.00

7.5 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Net worth of the project increases from US\$**1,775,500** in the first year of operation to US \$**3,859,703** in the 5th year.

SCHEDULE 7.5: SHANANGA GROUP LIMITED PROJECTED BALANCE SHEET “US\$”

	0	1	2	3	4	5
Fixed Assets	-					
Opening balance	-	1,635,000.00	1,528,200.00	1,421,400.00	1,314,600.00	1,207,800.00
Additions	1,635,000.00	0	0	0	0	0
Total Long-term Assets	1,635,000.00	1,635,000.00	1,528,200.00	1,421,400.00	1,314,600.00	1,207,800.00
Less depreciation	-	106,800.00	106,800.00	106,800.00	106,800.00	106,800.00
Closing balance	1,635,000.00	1,528,200.00	1,421,400.00	1,314,600.00	1,207,800.00	1,101,000.00
Debtors	-	17,872.00	18,500.00	20,000.00	22,000.00	24,000.00
Working capital	140,500.00	140,500.00	140,500.00	140,500.00	140,500.00	140,500.00
Accumulated cash	-	420,840.00	857,164.00	1,308,581.00	1,892,494.00	2,618,203.00
Total assets	1,775,500.00	2,107,412.00	2,437,564.00	2,783,681.00	3,262,794.00	3,883,703.00
Financed by						

Equity	1,420,400.00	1,420,400.00	1,420,400.00	1,420,400.00	1,420,400.00	1,420,400.00
Profit	-	420,687.00	494,187.00	600,587.00	719,083.00	797,930.00
Total equity	1,420,400.00	1,841,087.00	1,914,587.00	2,020,987.00	2,139,483.00	2,218,330.00
Long term loan	355,100.00	266,325.00	177,550.00	88,775.00	-	-
Creditors	-	-	326,927.00	653,919.00	1,101,311.00	1,641,373.00
Total debts	355,100.00	266,325.00	504,477.00	742,694.00	1,101,311.00	1,641,373.00
Total equity and debts	1,775,500.00	2,107,412.00	2,419,064.00	2,763,681.00	3,240,794.00	3,859,703.00

7.6 Projected pay back period

Total investment is US \$ **1,775,500**, cash accumulation in year 3 is US\$. **1,835,861** which are more than the initial investment costs by **US\$ 60361**, the project payback Period is almost 3 years.

The project has a relatively short payback period. It is remarkably impressing for a project whose investment is as big as **US\$ 1,775,500** being recovered in 3 years as shown below:

SCHEDULE 7.6: PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulative Cash Flow
1	420,687.00	106,800.00	527,487.00	527,487.00
2	494,187.00	106,800.00	600,987.00	1,128,474.00
3	600,587.00	106,800.00	707,387.00	1,835,861.00
4	719,083.00	106,800.00	825,883.00	2,661,744.00
5	797,930.00	106,800.00	904,730.00	3,566,474.00
Initial Fixed Investment and Working capital = USD 1,775,500				
From above table, payback period is within 3 years				

7.7 Projected loan repayments

The loan borrowed from financial institution is expected to be fully paid within 4 years,

SCHEDULE 7.7: PROJECTED LONG TERM LOAN REPAYMENT

Repayments US\$					
Year	Principle	Loan Interest (9%)	Total Amount Paid		Loan Balance
0					355,100
1	88,775	31,959	120,734		266,325
2	88,775	31,959	120,734		177,550
3	88,775	31,959	120,734		88,775
4	88,775	31,959	120,734		0
TOTAL	355,100	127,836	482,936		

7.8 Projected fixed schedule

The projected fixed schedule is shown in the schedule under same heading as shown below:

SCHEDULE 7.8: SHANANGA GROUP LTD FIXED ASSETS SCHEDULE

NAME OF ASSETS	2025 USD	2026 USD	2027 USD	2028 USD	2030 USD
Land And Buildings	1,280,000	1,228,800	1,177,600	1,126,400	1,075,200
Machinery, Tools & Equipment	250,000	220,000	190,000	160,000	130,000
Motor Vehicles	100,000	75,000	50,000	25,000	0
Furniture & Fixtures	5,000	4,400	3,800	3,200	2,600
Total	1,635,000	1,528,200	1,421,400	1,314,600	1,207,800
DEPRECIATION	2025 USD	2026 USD	2027 USD	2028 USD	2030USD
Land and buildings	51,200	51,200	51,200	51,200	51,200
Machinery tools & Equipment	30,000	30,000	30,000	30,000	30,000

Motor Vehicles	25,000	25,000	25,000	25,000	25,000
Furniture & Fixtures	600	600	600	600	600
ANNUAL DEPRECIATION	106,800	106,800	106,800	106,800	106,800
CLOSING FIXED ASSETS	1,528,200	1,421,400	1,314,600	1,207,800	1,101,000

7.9 Projected Risks

This is a real estate 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.

8.0 ECONOMIC ASPECTS

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

- The project will provide high quality football stadium storage facilities with state of the art and company office to meet international standards required by the company and targeted clients
- The project is an ideal option for utilization of the recently acquired prime site in Kinyerezi and reducing congestion of football stadium in Dar es Salaam.
- The project will involve transfer of technology in football and home academy park.
- The project will create direct employment for 200 people on permanent contract basis as well as on temporary basis.
- It will create more business opportunities to local transporters, which will also have a trickledown effect in the environmental issues.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.

9.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once project has been approved it is estimated that once transfer of property is completed, the company will start immediately to implement the project

10.0 CONCLUSION AND RECOMMENDATIONS

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

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