



FAAL

FAAL INTERNATIONAL

(TANZANIA) Company Limited

Business Plan

For

Establishing Mining chemicals repackaging Line services in Kibaha Industrial Areas in the United Republic of Tanzania.



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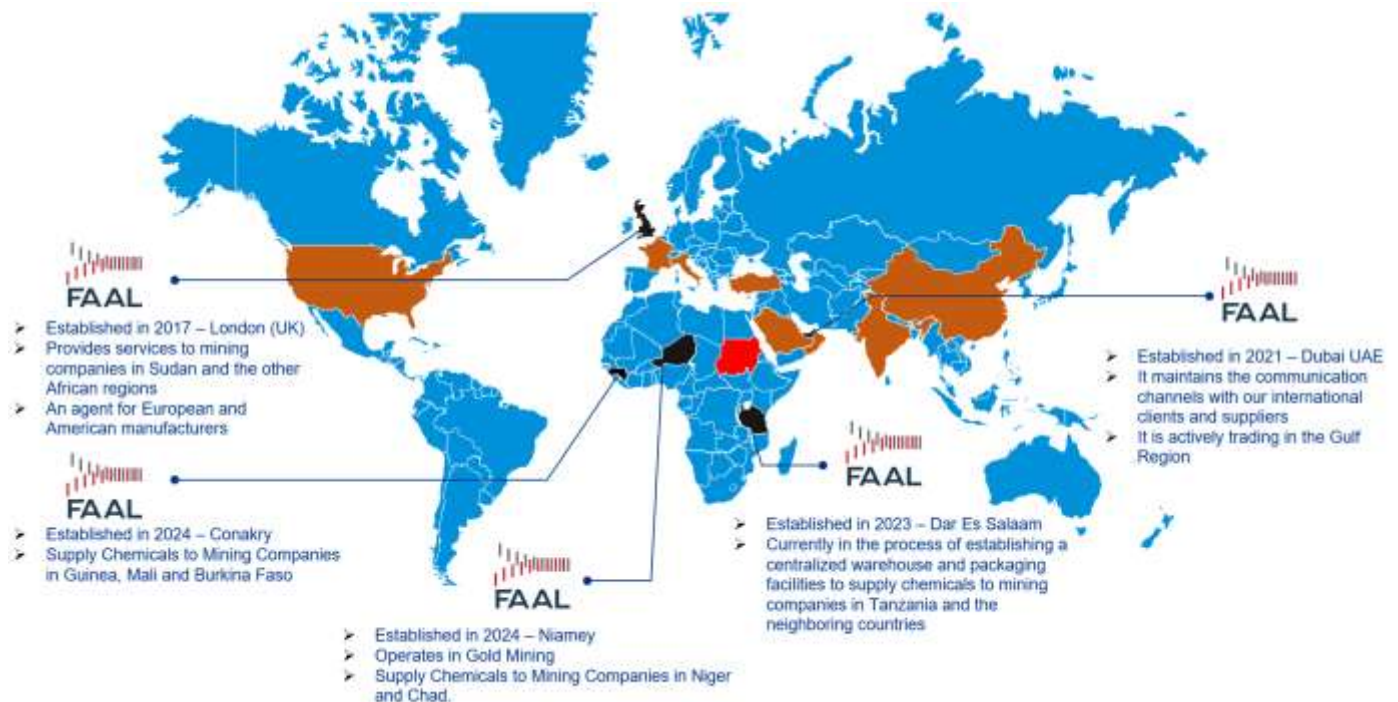
INTRODUCTION

FAAL:

FAAL International is a British subsidiary of a wider family-owned business in Sudan known as ELHASSAN GROUP. In 2017, FAAL was established to focus on mining and mining services.

Currently FAAL has high-quality portfolio of operations, projects and exploration activities across several African countries, where we are committed to transform natural resources into tangible benefits and mutual prosperity for all stakeholders.

We also supply chemicals, spare arts, Machineries, and safety equipment to mining companies in Sudan and West Africa.



ELHASSAN GROUP:

ELHASSAN GROUP has been a market leader for many decades and a major player in many different markets in the Middle East, Asia and North East Africa regions.

Our Group was established in 1945 and currently is one of the largest five business groups in Sudan. The Group owns several subsidiaries and associates that operate in various industries such as manufacturing, gold mining, automobile, import and export, medicals and pharmaceutical services, education and agriculture industries.

It also holds exclusive agencies for VW & FAW, SONALIKA TRACTORS, LEEGA POWER GENERATOR, ARCELIK, BEKO, GRUNDIG and TCL

I. EXECUTIVE SUMMARY

Faal International (Tanzania) Company Limited that will be based in Kibaha industrial area– Coasta Region, Tanzania. We are registered under the Tanzanian Business Registration and Licensing Agency (BRELA). Although we intend starting out on a small scale as a cottage company, but that will not in any way stop us from maximizing our potential in mining chemicals line of business by supplying various chemicals used in various stages in mining industry in all mining sites all Tanzania such as Sodium Cyanide, Activated Carbon, Silver Nitrate and many others.

Our business goal as a chemical company is to become the number one choice of mining companies cum construction sites in Tanzania where we intend supplying

As a business, we are willing to go the extra mile to invest in owning our own world – class and environmentally friendly chemicals and also to hire efficient and dedicated employees. We have been able to secure permits and license from all relevant departments both at central government level and local level in Kibaha area- Coast region.

Faal International (Tanzania) Company Limited is set to redefine how standard mining chemical business should be run, not just Tanzania, but also in the whole of East Africa. This is why we have put plans in place for continuous training of all our staff at regular interval.

No doubt the demand for chemicals in mining sector is not going to plummet any time soon which is why we have put plans in place to continue to explore all available market around mining and processing sites where we intend supplying our products.

In the nearest future, we will ensure that we create a wide range of distribution channels all across Tanzania. With that, we know we will be able to maximize profits in our business.

Faal International (Tanzania) Company Limited will at all-time demonstrate her commitment to sustainability, both individually and as a firm, by actively participating in our communities and integrating sustainable business practices wherever possible.

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

Faal International (Tanzania) Company Limited is a Private limited company by shares that is owned by the following shareholders Mr. Mohammed Abdulrahim who is the C.E.O of the Company and having a vast experience in the field of Mining, Machinery and Mineral processing at large, and Faal Line General Trading L.L.C situated in the United Arab Emirates which also has also a vast experienced business people whose expertise is outstanding for this venture to go through. Mr. Mohammed Abdulrahim is an astute businessman who has been able to start and grow several businesses before starting Faal International (Tanzania) Company Limited in Tanzania.

2. COMPANY OVERVIEW

Faal International Tanzania Co Ltd (FAAL) was established in 2023 in Tanzania with the aim of focusing on providing services to companies within the Mining sector in Tanzania and the neighbouring countries.

FAAL is an agent of a sodium cyanide manufacturer based in the Czech Republic. The company also signed an MOU with the German chemicals' distributor "Brenntag" to supply industrial chemicals in Africa.

In addition, FAAL is currently acting as an agent for Norit Activated Carbon for Mining, water treatment and industrial sectors.

The company is currently looking to establish a centralized warehouse in Dar es Salaam and Dodoma to supply mining companies with chemicals, spare parts and safety equipment.

FAAL is also looking to expand its services to Congo, Zambia, Kenya, and other neighboring countries in this region.



Our Mission:

Our mission is to position ourselves as one of the leading companies in the region in the chemical distribution market in the long term in order to continue our successful development.

Our Vision & Values:

Our core values represent; creative, reliable, responsible, entrepreneurial. Hence, we strive to connect our customers and suppliers by providing the most effective industry channel. We also ensure that we continuously provide a working environment where the best people want to work.

Our Objectives:

For us, a successful business is about contributing to a world that provides a viable future with enhanced quality of life for everyone. We aim to do so by acting as a fair and reliable partner, connecting creative minds to find the best solutions for market needs.

3. BUSINESS DESCRIPTION

FAAL is aiming to establish a packaging facility a distribution hub in Tanzania to provide services to companies within the Mining Sector in the East and Central African regions.

This would include strengthening the supply of Sodium Cyanide and Activated Carbon within the identified potential markets, supplying other chemicals and safety equipment and spare parts for mining and industrial sectors.

Our Business Plan Concept:

Our short-term plan will only be focused on establishing the repackaging facility and the distribution centers across Tanzania for the 2 main chemicals that are widely used in the mining industry.

Our mid-term plan will include expanding the range of our products and establishing the distribution centers in the neighboring countries.

Our long-term plan is to use our facilities in Tanzania as our main distribution hub for the African markets.

Product overview:

Sodium Cyanide:

Sodium cyanide is a white, water-soluble solid. It has a high affinity for metals, and its main application, in gold mining, also exploits its high reactivity toward metals. It is a moderately strong base.

Activated Carbon:

Granular activated carbon is an activated carbon, which is suitable in a wide range of applications such as purification of (potable) water and industrial process liquids.

Other Products:

- Caustic Soda-Sodium Hydroxide
- Silver Nitrate
- Lead Nitrate
- Nitric acid
- Sodium Silicates
- Borax
- Copper Sulphate

4. MARKET ANALYSIS

Tanzania is the third-largest gold producer in Africa, after Ghana and South Africa. In 2023, Tanzania was the world's 18th-largest gold producer. The mining sector is one of the key sectors in Tanzania, contributing significantly to the country's GDP, employment, and social development. The minerals available in Tanzania include Metal Minerals such as Gold, Copper, Iron, Silver, Nickel; Industrial Minerals such as Graphite, Gypsum.

The country's gold mining industry is primarily concentrated in three regions: the Lake Victoria Goldfields, the Handeni Goldfields, and the Mpanda Mineral Field. Tanzania is one of Africa's largest gold producers, with gold accounting for approximately 90% of the country's total mineral exports. The country's gold mining industry is primarily concentrated in three regions: the Lake Victoria Goldfields, the Handeni Goldfields, and the Mpanda Mineral Field. The Lake Victoria Goldfields, located in the northwestern part of Tanzania, are the most significant gold-producing region in the country.

Tanzania's gold mining industry is dominated by large-scale mining companies, including Barrick Gold Corporation, AngloGold Ashanti, and Acacia Mining. These companies operate several mines in the country, including the Bulyanhulu, North Mara, and Geita mines. In addition to these large-scale mining companies, many small-scale miners work in the country's gold mining industry.

According to the 2023/2024 financial year report released by the Ministry of Minerals, the mining sector contributed approximately 9.1% of Tanzania's GDP by 2022. In the 2023/2024 financial year, the mining sector's contribution reached TZS 6.4 trillion, showing rapid growth due to the government's efforts to enhance revenue collection and improve the investment environment.

Investment in the mining sector has continued to grow rapidly, with the government encouraging both local and foreign companies to invest in exploration, mining, and value addition. In 2023, Tanzanian companies sold goods and services worth USD 1.48 billion (over TZS 3.75 trillion) to mines, accounting for 90% of all sales made to mines. This demonstrates the importance of the private sector in boosting the mining sector and the economy overall.

Given the sector's importance, the Tanzanian government has implemented various strategies to enhance the mining sector to increase productivity and growth through Vision 2030: Minerals are Life and Wealth. The reforms that happened in the last five years have paved way for trust building between the government and the private sector. More importantly, the government appears to be serious about investment in the mining sector and is focused on positioning Tanzania as a mining hub for Africa.

The future of the mining sector in Tanzania looks promising due to the strategies set by the government in collaboration with stakeholders and ongoing investments.

Overall, the mining sector in Tanzania has significantly contributed to economic and social development. The achievements of recent years highlight the sector's considerable potential in increasing the national GDP, providing employment, and improving citizens' livelihoods. However, the government, through the Ministry of Minerals, continues to establish sustainable strategies and foster partnerships with the private sector and other stakeholders. These strategies will enable Tanzania to continue reaping more benefits from its mineral resources and ensure sustainable development for future generations.

SWOT Analysis:

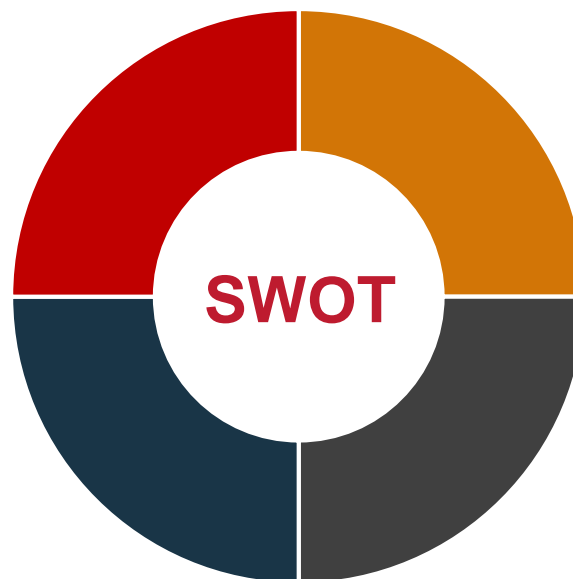
Based on our market research we identified the factors below to assess how the company strengths can help to maximize opportunities and minimize threats, how its weaknesses can slow the company's ability to capitalize on the opportunities and expose it to possible threats.

STRENGTHS

- Rich Resources
- Steady Growth
- Low Competition
- Lower Cost
- Market Penetration
- Fast Delivery Time

OPPORTUNITIES

- Government Support
- Regional Expansion
- Sustainability Trends
- Local supply services
- Local Branding



WEAKNESSES

- Infrastructure Challenges
- High Import Cost
- Limited Local Experts
- Regulatory Complexities
- Dependency on Suppliers
- Storage and Handling Risks

THREATS

- Economy Movement
- Regulatory Changes
- Intensifying Competition
- Supply Chain Disruptions
- Social conflicts

Strengths:

Abundant Natural Resources: Tanzania has vast mineral resources, including gold, diamonds, and gemstones, which require chemicals for extraction and processing. Tanzania has an estimated 45 million ounces of gold reserves, making it one of the largest gold reserves in Africa. This means there is still significant potential for the country's gold mining industry to grow.

Growing Mining Sector: The mining industry in Tanzania is expanding, driven by increased investment and government support.

Low Competition in Specialized Chemicals: Niche markets for advanced mining chemicals may have limited competition, offering opportunities for differentiation. Our product knowledge will enable us to provide high quality products at lower prices

Government Initiatives: Policies encouraging mining activities and related industries. The Tanzanian government has recently implemented several policies to attract foreign investment in the country's mining sector which will enhance the demand for mining chemicals.

Custom packaging sizes: Local operations allow for tailoring chemical packaging to meet specific customer needs, which can enhance market appeal.

Branding opportunities: We can create custom labels and branded packaging, enhancing brand recognition and market positioning.

Compliance with local regulations: Local repackaging operations can ensure products meet national and regional standards, reducing regulatory risks.

Enhanced safety measures: Local handling ensures adherence to proper storage and repackaging protocols.

Job creation: Establishing a repackaging facility creates local employment opportunities.

Market penetration: A local presence would allow us to better understand customer preferences and market dynamics, increasing competitiveness.

Lower transportation costs: Sourcing chemicals in bulk reduces shipping expenses, as large volumes are typically cheaper to transport than multiple smaller shipments.

Fast Delivery Times: Proximity to customers reduces lead times and we can respond more quickly to fluctuations in customer demand.

Better inventory control: Bulk chemicals can be stored and repackaged as needed, reducing our clients waste and overstocking.

Weaknesses:

Infrastructure Challenges: Inadequate transport, storage, and logistics infrastructure can hinder efficient distribution. Many of the country's gold mines are located in remote areas, which makes it difficult to transport equipment and supplies to the mines.

High Import Costs: Dependence on imported chemicals leads to fluctuating costs and supply chain vulnerabilities.

Limited Local Expertise: Shortage of specialized technical knowledge in chemical handling and distribution.

Regulatory Complexities: Navigating strict import and safety regulations can be challenging and costly.

Dependency on Suppliers: Vulnerability to price fluctuations or supply chain disruptions.

Storage and Handling Risks: Potential risks from improper storage or repackaging of hazardous chemicals.

Opportunities:

Government Support for Mining: Policies to promote mining create new market opportunities for chemical suppliers.

Regional Expansion: Tanzania's location provides easy access to East and Southern African markets. This would open the opportunity to export out chemicals to neighbouring countries like Zambia, Kenya and the Democratic Republic of Congo.

Partnerships with Local and International Players: Joint ventures with global chemical manufacturers or local mining companies could enhance market penetration.

Sustainability Trends: Growing demand for environmentally friendly chemicals aligns with global sustainability initiatives.

Growing Demand for Custom Solutions: Increase in industries requiring tailored chemical packaging solutions.

Sustainability Trends: Opportunities to innovate with eco-friendly and sustainable packaging options.

Local supply services: There is an opportunity to supply the mining industry with local products which will ensure steady supply chain to the local mining companies.

Local Branding: Creating a Tanzanian brand for the local and potential international markets.

Threats:

Economic Instability: Inflation and currency fluctuation risks affecting import costs and pricing.

Regulatory Changes: Stricter environmental and safety regulations could increase compliance costs.

Intensifying Competition: Entry of global players and local manufacturers could drive down prices.

Supply Chain Disruptions: Global events, delays or shortages in chemical supply affecting chemical supply chains could lead to shortages and delays

Intense Competition: Pressure from established chemical manufacturers as they currently have better functioning supply chain.

Social conflicts: Mining can lead to social conflicts and entrepreneurial risks for mining companies

Environmental concerns: Mining can have environmental impacts, such as mercury pollution.

5. OPERATING PLAN

FAAL will establish a packaging facility in Kibaha industrial area-coastal region near Dar es Salaam as this location will be the company's main operating and distribution centre to regional hubs, clients, and key markets.

The company is also looking to expand its services to Kenya, Zambia, Congo and other neighboring countries in East and Southern Africa within the next 2-3 years.

This following structure will ensure FAAL's logistics operations are efficient, scalable, and ready for regional expansion.

1. Logistics Planning for Packaging Facility and Distribution Hub:

Location Strategy:

The company has considered Kibaha industrial area Plot no. 351 Block R the land and facility it has acquired from Kamaka as the potential area to establish its packaging and central hub. This is due to the location being suitable for our chemicals packaging and being near to major highways, railways and also ports for streamlined import and export.

The identified area also has an easy accessibility to local markets and neighbouring countries (Kenya, Zambia, Congo).

Warehousing:

Storages will be containing segregated zones for bulk storage, packaged goods, and hazardous materials.

The company will implement a real-time inventory management system to track stock levels and expiry dates.

All warehouses will be equipped by temperature controls, fire prevention systems, and 24/7 monitoring.

2. Regional Distribution Centres:

Location Benefits:

The company will establish 5 main regional distribution centres in Geita, Arusha, Tanga, Chunya, and Singida. These locations are selected to reduce delivery lead times and transportation costs to key mining areas. Our warehouses are designed for quick dispatch and receiving.

Transportation Network:

The company will invest in a dedicated fleet to reduce transportation costs and be able to respond to clients need very rapidly. The company will start off with 5 trucks to transport the products from the central warehouse to the regional hubs.

Each regional warehouse will also have a dedicated small fleet to transportation vans to deliver the products from our warehouse to the potential clients.

3. Operational Strategies:

Supply Chain Integration:

FAAL will procure the products required in bulks from our existing suppliers in Europe and Asia and ensure that all materials used are of a high quality and purchased at a reasonable price to maintain our cost efficiency.

Once the chemicals are packaged; it will be shipped directly to the regional hubs and deliveries to clients will be delivered based on their demand's forecasts.

Due to the nature of these chemicals and our responsibility toward the local communities, the company will only deliver these chemicals to the end users directly to ensure that these materials are being handled in a safe manner.

Repackaging Operations:

FAAL will establish a streamlined filling, labelling, and sealing workflows for efficiency. There will be batch sampling and testing to ensure compliance with regulatory standards.

The repackaging facility will be designed carefully to ensure that it maintains the highest safety standards and meets all the regulatory requirements.

Regular quality control checks on incoming supplies, repackaged and outgoing products will be performed and adequate of batches, raw materials, finished goods and inspections will be maintained at all times.

All product labels must include product name, hazards, handling instructions, and Safety Data Sheet (SDS) information.

4. Regulatory Compliance:

FAAL will obtain all the relevant approvals such as the National Environment Management Council (NEMC) certificate. The company will ensure that all its operations must comply with the Occupational Safety and Health (OSH) and Tanzania Bureau of Standards (TBS) regulations.

In addition, clear procedures for chemical waste disposal and emissions control will be maintained by the company.

5. Safety and Risk Management:

Personal Protective Equipment (PPE) such as gloves, goggles, and respirators will be provided to all staff, and the company will implement strict rules for following the Health and Safety codes at all times.

In addition, all staff will receive regular hazardous Material Training on handling spills, leaks, emergency response and safety protocols.

6. MARKETING AND SALES PLAN

This plan will position FAAL for market leadership, ensuring customer-centric, efficient, and growth-driven marketing and sales operations.

1. Marketing Strategy:

1.1. Target Market Segments:

- **Mining Industry:** Supply chemicals for mineral processing (Geita, Chunya regions).
- **Export Markets:** Kenya, Zambia, and Congo for regional expansion.

1.2. Value Proposition:

- **Quality and Reliability:** High-quality, certified chemical products with consistent availability.
- **Safety and Compliance:** Full adherence to safety regulations and proper packaging.
- **Efficiency and Reach:** Fast delivery through a strategically located main hub and regional centres.

1.3. Branding and Positioning:

- Position FAAL as a trusted, safety-conscious supplier with tailored solutions.
- **Brand Elements:** Professional packaging design, safety-compliant labelling, and a strong corporate identity.

1.4. Promotion Strategy:

- **Digital Marketing:** Launch a website highlighting services, safety practices, and order capabilities as well as using social media, B2B networking and industry connections.
- **Trade Shows and Industry Events:** Participate in mining and industrial expos in Tanzania and target countries.
- **Content Marketing:** Publish articles and safety guides to establish thought leadership in chemical handling.
- **Customer Education:** Provide free training sessions or webinars on safe chemical usage and regulatory compliance to local miners and small-scale mining companies.

2. Sales Strategy:

2.1. Sales Channels

- **Direct Sales Team:** Employ knowledgeable sales representatives for direct engagement with mining companies, manufacturers, and agricultural clients.
- **Online Sales Platform:** Develop an e-commerce portal for bulk orders with real-time inventory visibility.
- **Distribution Network:** Establish export warehouses close to the borders with targeted neighbouring countries and utilize partnerships with logistics firms for broader reach across East and Southern Africa.

2.2. Sales Tactics:

- **Relationship Management:** Establish long-term contracts with key clients in mining and industrial sectors.
- **Customized Solutions:** Offer tailored packaging and formulation solutions to meet specific client needs.
- **Incentives and Discounts:** Volume discounts, loyalty programs, and flexible credit terms for repeat clients.

3. Pricing Strategy:

- **Competitive Pricing:** Benchmark prices against competitors while highlighting value-added services like compliance, safety training, and faster delivery.
- **Dynamic Pricing:** Adjust pricing for different regions and customer sizes to maximize market penetration.

4. Performance Monitoring:

- **Key Performance Indicators (KPIs):** Sales growth by segment, customer acquisition rates, repeat purchase frequency, and market share.
- **Customer Feedback:** Regular surveys to gather insights and improve service offerings.

7. FINANCIAL PLAN

1. Generating Startup Capital for Faal international (Tanzania) Limited.

The Investment plan of the project involves 60% of shareholders' contribution through shares and 40% the financing through a Five-year term loan from Crdb Bank most likely at the Interest rate of 20%. The project financing is as follows;

Figures in USD (Exchange rate 1USD =TZs 2,700/=)

S/n	Particulars	Own Financing in USD. - (60%)	External Financing (Bank Loan) in USD. – (40%)	Total Investment in USD
	Total Project's Investment	<u>600,000</u>	<u>400,000</u>	<u>1,000,000</u>
	Total Investment	<u>USD 600,000</u>	<u>USD 400,000</u>	<u>USD 1,000,000</u>

Labor Management and Cost

We expect to be able to pay good salaries to the office staff as shown below

Table 4.1: Staff allowance per Month based on their rank (seniority)

Title	Salary
Chief Executive Officer (Owner)	4150
Stone Quarry Manager/Quality Assurance Manager	3000
Human Resources and Admin Manager	3000
Sales and Marketing Officer	3200
Accountants/Cashiers	3297
Stone Quarry Casual Workers	3000
Truck/Tipper Drivers	3000
Customer Service Executives	3000
TOTAL	25,647

This is the estimated monthly cost for salaries for all the offices and staff members for full operations with the staff receiving a 2 per cent increment in their remuneration after the first year as it will be depicted in our financial model. These salaries are deliberate in order for the cooperative to appear to be serious

and also, to control pilferage of product since we are dealing in a high value mineral field with high yields and so to keep staff's morale at a high, will always translate in paying them well too.

4.2 Financial Analysis, Forecasting and Strategy

The Financial Plan involves the development of the company's revenue and profitability model. It includes detailed explanations of the key assumptions used in building the model, sensitivity analysis on key revenue and cost variables, and description of comparable valuations for existing organization with similar business models. In addition, the financial plan assesses the amount of capital FAAL INTERNATIONA (TANZANIA) LIMITED needs, the proposed use of these funds, and the expected future earnings. It includes Projected Income Statements, balance sheet and Cash Flow Statements. The aggregate production plant project will be funded as earlier explained by shareholders capital of 600,000 USD and a loan of 400,000 USD from Crdb bank at an annual interest rate Of 20%, term loan will be for 60month at a monthly rate of 0.8% having a monthly repayment of 10,238.35 USD using a reducing balance method hence having a total amount payable of 614,301.14 USD as it will be depicted in the financial statements. Importantly, all of the assumptions and projections in the financial plan must flow from and be supported by the descriptions and explanations offered in the other sections of the plan. The Financial Plan is where the entrepreneur communicates how he/she plans to "monetize" the overall vision for the new venture.

The following are key financial assumptions for our project:

FORECASTED REVENUE			
	Tonnes sold annually	price per Tonne	Annual revenue per Tonne
Sodium Cyanide	960	4,000.00	3,840,000
Activated Carbon	1500	650.00	975,000
			-
		-	-
		-	-
TOTAL OF FORECASTED REVENUE			4,815,000.00
COST OF GOODS SOLD			
	Expected gross margin		Annual cost of Chemicals sold
Sodium Cyanide	60%		2,304,000.00
Activated Carbon	40%		390,000.00
			-
			-
			-

TOTAL COST OF GOODS SOLD

2,694,000.00

- ANNUAL MAINTANANCE, REPAIR AND OVERHAUL will have a 15% factor on Capital equipment
- ASSET DEPRECIATION will be for 5 year
- ANNUAL TAX RATE will be 30%
- ANNUAL INFLATION RATE will be 4%

- For operating expenses, the forecasts will be as follows.
 - Marketing expenses will be 0.4% of the total revenue of the first year.
 - Labor management and cost will be 0.7% of the total revenue of the first year and will have an increment of 2% the following years as depicted in the financial model
 - Utilities will be 0.23% of the total revenue of the first year and will have an increment of 2% for each following year.
 - Other administrative expenses will be 0.23% of the total revenue of the first year.
 - Other expenses will be 0.1% of the total revenue of the first year.
- ANNUAL AGGREGATE PRICE INCREASE will be 2%

It is expected that **FAAL INTERNATIONAL (TANZANIA) LIMITED** will earn income from the repacked chemical sales during year 1 amounting to USD 2,121,000 which will subsequently have a sales price growth rate from year 2 of 30% when the business will have been more promoted and become well known to many users, both foreign customers and Local customers mainly from mining industry.

8. PROFIT AND LOSS PROJECTION

FAAL INTERNATIONAL (TANZANIA)
COMPANY LIMITED

PROFIT AND LOSS ASSUMPTION

	2025	2026	2027	2028	2029
Annual cumulative price (revenue) increase	0.00%	10.00%	30.00%	30.00%	30.00%
Annual cumulative inflation (expense) increase	0.00%	2.00%	4.00%	6.00%	8.00%

INCOME

	2025	2026	2027	2028	2029
Revenue					
Sodium Cyanide	3,840,000	4,224,000	5,491,200	7,138,560	9,280,128
Activated Carbon	975,000	1,072,500	1,179,750	1,297,725	1,427,498
0	-	-	-	-	-
0	-	-	-	-	-
0	-	-	-	-	-
Total revenue	4,815,000	5,296,500	6,670,950	8,436,285	10,707,626

Cost of Sales

Sodium Cyanide	2,304,000	2,350,080	2,444,083	2,590,728	2,797,986
Activated Carbon	390,000	397,800	405,756	413,871	422,149
0	-	-	-	-	-
0	-	-	-	-	-
0	-	-	-	-	-
Cost of goods sold	2,694,000	2,747,880	2,857,795	3,029,263	3,271,604

Gross Profit

	2,121,000	2,548,620	3,813,155	5,407,022	7,436,022
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Non-Operation Income

Dar es salaam trips

Interest income

Loss (gain) on sale of assets

Other income (specify)

	-	-	-	-
	-	-	-	-
	-	-	1,000	-
	-	-	-	-

Total Non-Operation Income

	-	-	1,000	-	-
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TOTAL INCOME	2,121,000	2,548,620	3,814,155	5,407,022	7,436,022
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EXPENSES

Operating expenses

Sales and marketing	9,507	9,697	10,085	10,690	11,545
Depreciation	196,000	61,200	62,400	63,600	64,800
Insurance	7,500	7,650	7,956	8,433	9,108
Payroll and Payroll Tax	14,939	15,238	15,847	16,798	18,142
Property taxes	2,500	2,550	2,652	2,811	3,036
Maintenance, repair, and overhaul	84,000	85,680	87,360	89,040	90,720
Utilities	4,980	5,079	5,282	5,599	6,047
Administrative fees	4,980	5,080	5,283	5,600	6,048
Interest expense on long-term debt	69,108	58,358	45,458	29,977	11,400
Other	3,169	3,232	3,362	3,563	3,848
Total operating expenses	396,683	253,764	245,684	236,112	224,695

Non-Recurring Expenses

Unexpected Expenses	-	-	-	-	-
Other expenses	-	-	-	-	-
Total Non-Recurring Expenses	-	-	-	-	-

TOTAL EXPENSES	396,683	253,764	245,684	236,112	224,695
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TAXES

Income Tax	517,295	688,457	1,070,541	1,551,273	2,163,398
Other Tax (specify)	-	-	-	-	-

TOTAL TAXES	517,295	688,457	1,070,541	1,551,273	2,163,398
NET PROFIT	1,207,022	1,606,399	2,497,929	3,619,637	5,047,929

9. BALANCE SHEET PROJECTION

FAAL INTERNATIONAL (TANZANIA) COMPANY LIMITED	
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ASSETS

Current Assets	Initial balance	2025	2026	2027	2028	2029
Cash and short-term investments		1,349,270	2,952,367	5,434,294	9,024,648	14,025,916
Accounts receivable		-	-	-	-	-
Total inventory		-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Deferred income tax	-	-	-	-	-	-
Other current assets		-	-	-	-	-
Total current assets	-	1,349,270	2,952,367	5,434,294	9,024,648	14,025,916

Property and Equipment	Initial balance	2025	2026	2027	2028	2029
Buildings	80,000	80,000	80,000	80,000	80,000	80,000
Land	20,000	20,000	20,000	20,000	20,000	20,000
Capital improvements	200,000	200,000	200,000	200,000	200,000	200,000
Machinery and equipment	700,000	700,000	700,000	700,000	700,000	700,000
Less Accumulated depreciation expense		196,000	257,200	319,600	383,200	448,000
Total Property and Equipment	1,000,000	804,000	742,800	680,400	616,800	552,000

Other Assets	Initial balance	2025	2026	2027	2028	2029
Goodwill	-	-	-	-	-	-
Deferred income tax	-	-	-	-	-	-
Long-term investments	-	-	-	-	-	-
Deposits	-	-	-	1,000	1,000	1,000
Other long-term assets	-	-	-	-	-	-
Total Other Assets	-	-	-	1,000	1,000	1,000

TOTAL ASSETS	1,000,000	2,153,270	3,695,167	6,115,694	9,642,448	14,578,916
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LIABILITIES

Current Liabilities	Initial balance	2025	2026	2027	2028	2029
Accounts payable		-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Notes payable/short-term debt	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-
Other current liabilities		-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-

Debt	Initial balance	2025	2026	2027	2028	2029
Long-term debt/loan	400,000	346,248	281,746	204,343	111,460	-
Other long-term debt						
Total Debt	400,000	346,248	281,746	204,343	111,460	-

Other Liabilities	Initial balance	2025	2026	2027	2028	2029
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Other liabilities (specify)	-	-	-	-	-	-
Other liabilities (specify)	-	-	-	-	-	-
Total Other Liabilities	-	-	-	-	-	-

TOTAL LIABILITIES	400,000	346,248	281,746	204,343	111,460	-
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EQUITY						
	Initial balance	2025	2026	2027	2028	2029
Owner's equity (common)	600,000	600,000	600,000	600,000	600,000	600,000
Paid-in capital	-	-	-	-	-	-
Preferred equity	-	-	-	-	-	-
Retained earnings	-	1,207,022	2,813,421	5,311,351	8,930,988	13,978,916
TOTAL EQUITY	600,000	1,807,022	3,413,421	5,911,351	9,530,988	14,578,916
TOTAL LIABILITIES AND EQUITY	1,000,000	2,153,270	3,695,167	6,115,694	9,642,448	14,578,916

10. CASH FLOW PROJECTION

FAAL INTERNATIONAL (TANZANIA) COMPANY LIMITED	
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Operating activities	2025	2026	2027	2028	2029	Total
Net income	1,207,022	1,606,399	2,497,929	3,619,637	5,047,929	13,978,916
Depreciation	196,000	61,200	62,400	63,600	64,800	448,000
Accounts receivable	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Amortization	-	-	-	-	-	-

Other liabilities	-	-	-	-	-	-
Other operating cash flow items	-	-	-	-	-	-
Total operating activities	1,403,022	1,667,599	2,560,329	3,683,237	5,112,729	14,426,916

Investing activities	2025	2026	2027	2028	2029	Total
Capital expenditures	-	-	-	-	-	-
Acquisition of business	-	-	-	-	-	-
Sale of fixed assets	-	-	1,000	-	-	1,000
Other investing cash flow items	-	-	-	-	-	-
Total investing activities	-	-	1,000	-	-	1,000

Financing activities	2025	2026	2027	2028	2029	Total
Long-term debt/financing	-	-	-	-	-	-
Preferred stock	53,752	64,502	77,403	92,883	111,460	400,000
Total cash dividends paid	-	-	-	-	-	-
Common stock	-	-	-	-	-	-
Other financing cash flow items	-	-	-	-	-	-
Total financing activities	53,752	64,502	77,403	92,883	111,460	400,000

Cumulative cash flow	1,349,270	1,603,097	2,481,927	3,590,354	5,001,269	14,025,916
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Beginning cash balance	-	1,349,270	2,952,367	5,434,294	9,024,648	
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Ending cash balance	1,349,270	2,952,367	5,434,294	9,024,648	14,025,916	
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11. LOAN AMORTIZATION SCHEDULE

FAAL INTERNATIONAL (TANZANIA) COMPANY
LIMITED

MONTH	BALANCE	SCHEDULED PAYMENT	PRINCIPAL	INTEREST
	400,000.00			
1	400,000.00	10,238.35	4,114.56	6,123.79
2	395,885.44	10,238.35	4,177.56	6,060.80
3	391,707.88	10,238.35	4,241.51	5,996.84
4	387,466.37	10,238.35	4,306.45	5,931.90
5	383,159.92	10,238.35	4,372.38	5,865.98
6	378,787.54	10,238.35	4,439.32	5,799.04
7	374,348.23	10,238.35	4,507.28	5,731.07
8	369,840.95	10,238.35	4,576.28	5,662.07
9	365,264.66	10,238.35	4,646.34	5,592.01
10	360,618.32	10,238.35	4,717.48	5,520.88
11	355,900.84	10,238.35	4,789.70	5,448.65
12	351,111.15	10,238.35	4,863.03	5,375.33
13	346,248.12	10,238.35	4,937.48	5,300.88
14	341,310.64	10,238.35	5,013.07	5,225.29
15	336,297.57	10,238.35	5,089.81	5,148.54
16	331,207.76	10,238.35	5,167.74	5,070.62
17	326,040.02	10,238.35	5,246.85	4,991.50
18	320,793.17	10,238.35	5,327.18	4,911.17
19	315,465.99	10,238.35	5,408.74	4,829.62
20	310,057.26	10,238.35	5,491.54	4,746.81
21	304,565.72	10,238.35	5,575.61	4,662.74

22	298,990.10	10,238.35	5,660.97	4,577.38
23	293,329.13	10,238.35	5,747.64	4,490.71
24	287,581.49	10,238.35	5,835.63	4,402.72
25	281,745.86	10,238.35	5,924.97	4,313.38
26	275,820.89	10,238.35	6,015.68	4,222.67
27	269,805.21	10,238.35	6,107.78	4,130.57
28	263,697.43	10,238.35	6,201.28	4,037.07
29	257,496.15	10,238.35	6,296.22	3,942.13
30	251,199.92	10,238.35	6,392.61	3,845.74
31	244,807.31	10,238.35	6,490.48	3,747.87
32	238,316.83	10,238.35	6,589.85	3,648.50
33	231,726.98	10,238.35	6,690.74	3,547.62
34	225,036.24	10,238.35	6,793.17	3,445.19
35	218,243.08	10,238.35	6,897.17	3,341.19
36	211,345.91	10,238.35	7,002.76	3,235.59
37	204,343.15	10,238.35	7,109.97	3,128.39
38	197,233.19	10,238.35	7,218.82	3,019.54
39	190,014.37	10,238.35	7,329.33	2,909.02
40	182,685.04	10,238.35	7,441.54	2,796.81
41	175,243.49	10,238.35	7,555.47	2,682.89
42	167,688.03	10,238.35	7,671.14	2,567.21
43	160,016.89	10,238.35	7,788.58	2,449.77
44	152,228.31	10,238.35	7,907.82	2,330.53
45	144,320.49	10,238.35	8,028.88	2,209.47
46	136,291.61	10,238.35	8,151.80	2,086.55
47	128,139.81	10,238.35	8,276.60	1,961.75
48	119,863.21	10,238.35	8,403.31	1,835.04
49	111,459.90	10,238.35	8,531.96	1,706.39

50	102,927.94	10,238.35	8,662.58	1,575.77
51	94,265.36	10,238.35	8,795.20	1,443.15
52	85,470.16	10,238.35	8,929.85	1,308.50
53	76,540.31	10,238.35	9,066.56	1,171.79
54	67,473.75	10,238.35	9,205.37	1,032.99
55	58,268.39	10,238.35	9,346.29	892.06
56	48,922.09	10,238.35	9,489.38	748.97
57	39,432.71	10,238.35	9,634.66	603.69
58	29,798.05	10,238.35	9,782.16	456.19
59	20,015.89	10,238.35	9,931.92	306.43
60	10,083.97	10,238.35	10,083.97	154.38

12. Sustainability and Expansion Strategy

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

One of our major goals of starting Faal International (Tanzania) Limited (chemical company) is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running. We know that one of the ways of gaining approval and winning customers over is to supply our Sodium Cyanide, Activated Carbon, Caustic Soda-Sodium Hydroxide and other chemicals at a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

13. Way forward

The overall success of this business plan will depend on the efforts of the entrepreneur ability to sale the company products and services as the customers can buy leading to expand national wide, Also the success will depend on financial discipline of the management as to implement the idea as planned. The activities which are essential for the business to start up has to be carefully monitored and implemented. The entrepreneur is flexible and open up for new ideas and techniques with aim of ensuring the idea take off.

So, after all these considerations 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, mainly the Tanzania Investment Centre – (TIC). And Tanzania revenue authority (TRA) The project deserves their support because of its viability technically, economically, and, socially acceptable.

Projected profit and loss model: The model below shows a sample of the projections a small business is forecasting for their first 12 months of operations. The top portion of the table shows projected sales and gross profit. This is a good place to begin creating the company's sales forecast. The next section itemizes the recurring expenses the business is projecting for the same months. These should be consistent with the estimated start-up costs completed in the prior section. At the bottom of this model, it will possible to see when the company is becoming profitable and what expense items are the most impactful to its profitability. There is a blank table in the Appendix to complete the business' own start-up cost projections.

START-UP COSTS													
Your Office-Based Agency												January 1, 20XX	
REVENUE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Estimated Sales	\$5,000	\$13,000	\$16,000	\$7,000	\$14,500	\$16,400	\$22,500	\$23,125	\$24,549	\$22,000	\$25,000	\$27,349	\$216,423
Less Sales Returns & Discounts	\$0	(\$350)	\$0	(\$206)	(\$234)	\$0	\$0	(\$280)	(\$1,200)	(\$1,600)	\$0	(\$2,400)	(\$6,270)
Service Revenue	\$0	\$0	\$0	\$0	\$0	\$250	\$350	\$100	\$0	\$0	\$1,245	\$1,360	\$3,305
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	\$0	\$0	\$0	\$0	\$1,500
Net Sales	\$5,000	\$12,650	\$16,000	\$6,794	\$14,266	\$16,650	\$22,850	\$24,445	\$23,349	\$20,400	\$26,245	\$26,309	\$214,958
Cost of Goods Sold*	\$2,000	\$5,200	\$6,400	\$2,800	\$5,800	\$6,560	\$9,000	\$9,250	\$9,820	\$8,800	\$10,000	\$10,940	\$86,569
Gross Profit	\$3,000	\$7,450	\$9,600	\$3,994	\$8,466	\$10,090	\$13,850	\$15,195	\$13,529	\$11,600	\$16,245	\$15,369	\$128,389
EXPENSES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Salaries & Wages	\$2,500	\$2,500	\$3,500	\$5,000	\$5,000	\$5,000	\$8,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$76,500
Marketing/Advertising	\$400	\$450	\$450	\$450	\$900	\$900	\$900	\$900	\$900	\$900	\$1,200	\$1,200	\$9,550
Sales Commissions	\$250	\$650	\$800	\$350	\$725	\$820	\$1,125	\$1,156	\$1,227	\$1,100	\$1,250	\$1,367	\$10,821
Rent	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
Utilities	\$250	\$150	\$200	\$200	\$200	\$250	\$250	\$250	\$200	\$200	\$250	\$250	\$2,650
Website Expenses	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$225	\$225	\$2,200
Internet/Phone	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$1,320
Insurance	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$1,980
Travel	\$100	\$0	\$0	\$250	\$0	\$0	\$0	\$0	\$675	\$800	\$0	\$0	\$1,825
Legal/Accounting	\$1,200	\$0	\$0	\$450	\$0	\$500	\$0	\$0	\$0	\$0	\$0	\$250	\$2,400
Office Supplies	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$1,500
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$6,525	\$5,575	\$6,775	\$8,525	\$8,650	\$9,295	\$12,100	\$13,131	\$13,827	\$13,825	\$13,575	\$13,942	\$125,746
Income Before Taxes	(\$3,525)	\$1,875	\$2,825	(\$4,531)	(\$184)	\$795	\$1,750	\$2,064	(\$298)	(\$2,225)	\$2,670	\$1,427	\$2,643
Income Tax Expense	(\$529)	\$281	\$424	(\$680)	(\$28)	\$119	\$263	\$310	(\$45)	(\$334)	\$401	\$214	\$396
NET INCOME	(\$2,996)	\$1,594	\$2,401	(\$3,851)	(\$156)	\$676	\$1,488	\$1,754	(\$253)	(\$1,891)	\$2,270	\$1,213	\$2,246

*In the service industry, Cost of Goods Sold is the monetized value of the time spent on the client.

APPENDIX

START-UP COSTS				
Office-Based Agency				Date
COST ITEMS	MONTHS	COST/ MONTH	ONE-TIME COST	TOTAL COST
Advertising/Marketing				
Employee Salaries				
Employee Payroll Taxes and Benefits				
Rent/Lease Payments/Utilities				
Postage/Shipping				
Communication/Telephone				
Computer Equipment				
Computer Software				
Insurance				
Interest Expense				
Bank Service Charges				
Supplies				
Travel & Entertainment				
Equipment				
Furniture & Fixtures				
Leasehold Improvements				
Security Deposit(s)				
Business Licenses/Permits/Fees				
Professional Services - Legal, Accounting				
Consultant(s)				
Inventory				
Cash-On-Hand (Working Capital)				
Miscellaneous				
ESTIMATED START-UP BUDGET				

Instructions for Getting Started with Estimated Start-Up Costs

Determining a business' startup costs is critical to ensure enough cash is available to begin business operations within the budgeted time frame as well as within the cost budget. Startup costs typically fall within two categories: monthly costs and one-time costs. Monthly costs cover costs that occur each month during the startup period, and one-time costs are costs that will be incurred once during the startup period.

Steps for preparation:

- **Step 1:** Enter the company name and the date this estimate is being prepared.
- **Step 2:** Enter the number of months and the monthly cost for each cost item that is recurring. For one-time costs only, skip the monthly costs. If there are cost items that have both recurring and one-time amounts, enter those as well.
- **Step 3:** Once all of the costs are entered, review the individual items and total amount to see where the budget can be fine-tuned or move something out into the future when more revenue is coming in.

START-UP COSTS

Office-Based Agency

Date

REVENUE

JAN

FEB

MAR

APR

MAY

JUN

JUL

AUG

SEP

OCT

NOV

DEC

YTD

Estimated Product Sales

Less Sales Returns & Discounts

Service Revenue

Other Revenue

Net Sales**Cost of Goods Sold****Gross Profit****EXPENSES**

JAN

FEB

MAR

APR

MAY

JUN

JUL

AUG

SEP

OCT

NOV

DEC

YTD

Salaries & Wages

Marketing/Advertising

Sales Commissions

Rent

Utilities

Website Expenses

Internet/Phone

Insurance

Travel

Legal/Accounting

Office Supplies

Interest Expense

Other 1

Total Expenses**Income Before Taxes****Income Tax Expense****NET INCOME**

* In the service industry, Cost of Goods Sold is the monetized value of the time spent on the client.

Instructions for Getting Started on Profit & Loss Projections

Completing projections for Profit and Loss of a new company is a good exercise to understand and communicate when the company will begin to break even and see how sales and profits will grow. The top portion of the model to the left, Revenue, is a good way to forecast sales, month by month for the first year. The lower portion then applies estimated expenses for the same period of time to derive the business' profitability.

Steps for preparation:

- **Step 1:** Enter the company name and the date this projection is being prepared.
- **Step 2:** For each month, beginning in January or whenever the start is estimated, enter the expected sales to be. This could be for a single service or multiple services. Add lines to this model for additional offerings. From this, subtract any product returns or discounts that are to be tracked (these should be shown as negative numbers, for example, -10). Below Net Sales, enter the Cost of Goods Sold. This refers to the monetized value of the time spent on a particular client.
- **Step 3:** For each month, enter the estimated salaries, marketing, utilities, and other items that are projected.
- **Step 4:** Once all of the costs have been entered, review the individual items and total amount to see where projections can be fine-tuned or move something out into the future when more revenue is coming in. The objective is to get to profitability and positive cash flow as quickly as possible.