

FEASIBILITY STUDY

FOR



KAMANJAB SERVICE STATION AND CONVENIENCE CENTRE

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NOVEMBER 2020

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KAMANJAB SERVICE STATION & CONVENIENCE CENTRE: FEASIBILITY STUDY

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T&A_NOV 2020_V3

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Acronyms

ADT	Annual Daily Traffic Averages
ATM	Automated Teller Machine
BCR	Benefit to Cost Ratio
BID	Background Information Document
CC	Close Corporation
DEA	Department of Environmental Affairs
EIA	Namibia Environmental Assessment
HV	Heavy Vehicles
I&Aps	Interested Affected Parties
IRR	Internal Rate Of Return
KSSCC	Kamanjab Service Station and Convenience Centre
LRP	Lead Replacement Petrol
LV	Light Vehicles
MET	Ministry of Environment and Tourism
MTI	Ministry of Trade and Industry
N\$	Namibian Dollars
NHIES	Namibia Household Income & Expenditure Survey
NPV	Net Present Value
T & A	T and A Group Trading and Investment
NTB	Namibia Tourism Board
ULP	Unleaded Petrol
WCM	Westcoast Merchants

1. Introduction

Westcoast Merchants (WCM) was selected by the Ministry of Trade and Industry (“MTI”) to work with the T & A Investment Group Trading and Investment CC (T & A) to develop strategy recommendations for a Kamanjab Service Station and Convenience Centre (KSSCC), a multi-functional commercial centre in Kamanjab, Kunene Region. T & A is a Close Corporation registered and duly incorporated according to the company law of Namibia (The Namibian Companies Act of 2004). The company is wholly owned by Mr. Tylvas Shilongo and Mrs Albertina Shilongo.

WCM’s work scope for this project includes:

1.1. Task 1: Orientation

WCM and the Promoter toured the subject site area, assembling and reviewing available data, defining relevant area trends and projections. WCM also met with the Kamanjab Village Council to initially discuss their perceptions regarding development issues and priorities.

1.2. Task 2: Market Analysis

This is an analysis of the demographic, economic patterns and trends that will form the basis for identifying potential near-term multi-functional economic centre development opportunities. Relevant market considerations evaluated included:

- Traffic Flow Analysis;
- Demographic and economic analysis;
- Development activity in Kamanjab;
- Proposed land use review; and
- Competition and opportunities.

1.3. Task 3: Precedent Studies

Comparable multi-functional market centre development patterns were reviewed.

1.4. Task 4: Technical and Human Resources Feasibility study

The promoters’ proposed concept was analysed and reviewed. A team of professionals was assembled to design the infrastructure of the project. The design team was led by Mult Consult CC who proposed a design that would encompass all the factors discussed above.

WCM developed a business model which analysed the technical (technological input for operation) and human resource required to operate the venture. Through a mini labour survey, skills required for the venture were identified in the labour market. All skills required to operate the venture are available in the local market. WCM also proposed a recruitment and selection budget of N\$20,000 in a bid to source the best skills and talent for the venture.

1.5. Task 5: Environmental Impact Assessment

WCM with the help of Outrun Investment CC (Environmental Specialists) undertook an Environmental Impact Assessment for the project.

1.6. Task 6: Financial Feasibility Review

WCM prepared a financial model based on the design above, Engineers' recommendations and Quantity Surveyor's estimated costs for the project.

1.7. Conclusions

During the feasibility study process the following milestones were achieved:

- The project has received a green light from Ministry of Environment and Tourism through the issue of an Environmental Clearance.
- Ministry of Mines and Energy through the issue of an Operating Licence approved the project. (See Annex B)
- Kamanjab Rural Council has entered into an agreement to avail 10,000m² to T & A Trading and Investment CC for the development of Kamanjab Service Station and Convenience Centre at the chosen site (adjacent to intersection of the roads leading to Opuwo, Outjo, Khorixas and Palmwag). All legal/licensing issues pertaining to the project have been addressed.
- NAMCOR Namibia (Pty) Ltd (petroleum products suppliers) has agreed to supply T & A with petroleum products, pumps for the venture and signage of the Service Station.
- Standard Bank Namibia has expressed their desire to locate an ATM at KSSCC when the infrastructure has been developed.
- Namibia Breweries have also agreed in principle to appoint T & A as their wholesaler for beer for Kunene Region.

- The labour survey conducted by the consultant shows that the skills required to develop the project are available. The design team for the project have expressed the local abundance of skill needed to construct the project since the project is not the 1st one of its nature. The local labour market has the necessary skills required to operate the venture. A recruitment budget has been proposed in order to source the best talented and skilled personnel for the venture.
- Initial consultations with potential financiers of the project have been positive. A meeting attended by T &A, WCM and the Head of Lending for the Development Bank of Namibia have show a general acceptance of the nature of the venture by the bank. However, the financiers will only be able to make a decision to or not to finance the venture after studying a business plan of the venture (to be developed).

According to the financial model developed, Kamanjab Service Station and Convenience Centre is a viable business venture that will generate profit in the first month of operation. Profits after tax are project to be N\$487,401 for Month 1 of operation representing a net margin of 13.55%. The venture is projected to earn after tax profit of N\$9,938,948 after operating for the first 12 months representing a net margin of 14.93%. Profits are projected to rise from N\$11,367,094 in Year 2 to N\$12,853,840. Profits are expected to grow to a high of \$16,356,810 by the fifth year of operation.

The project required in initial investment of N\$26,612,869 which will be used as Fixed Capital (N\$23,028,266) and Working Capital (N\$3,584,603). The bulk of the working capital will be used to purchase inventory (N\$ 2,923,703), finance start-up costs (N\$ 221,100) and fund operating costs during the initial period (N\$439,800). The venture will be financed from an interest bearing loan of N\$23,951,582 and owners' investment of N\$2,661,287, contributed on 1:1 ratio by the shareholders.

Based on WCM's findings, KSSCC is a feasible venture which should be developed. The next stage of this venture would be to develop a business plan that can be used to source finance for the venture and to provide blue prints for the operations of the venture.

2. Task 1: Orientation

Through the orientation process, WCM became familiar with the Kamanjab study area; the priorities and expectations of the members of the development company of KSSCC, T & A Group Trading and Investments CC; and development trends of comparable projects. T & A is a Close Corporation founded and owned by Mr. Tylvas Shilongo and Mrs Albertina Shilongo. The company wishes to establish a service station and truck port at Kamanjab Village in Kunene Region, about 401km from Windhoek (coordinates 1937 59.880SS and 1449 59.880E). The area has a population of about 8,000 (3,600 female and 4,400 male) organised in 2400 households¹. The climate is semiarid to very arid receiving 150mm to 350mm of rainfall per annum making Kunene Region one of the most arid and drought prone region in Namibia.

The service station will comprise of retail outlet selling petroleum products (petrol, diesel, oil, liquefied petroleum gas, oxyacetylene gas), bakery, takeaway, truck port, camping site with ablution facilities, carwash, curio shop and a convenience store. Other commercial services planned for this venture include retailing of veterinary products, hardware store selling construction materials, a deport wholesaling beer and an Automated Teller Machine (ATM). In the long term, the venture will also incorporate a cultural village (tourism facility) and lodging facilities adjacent to the service station. During orientation, WCM investigated the business skills and experience of the owners of T & A.

KSSCC is a business initiative by Black Namibian Entrepreneurs investors seeking investment opportunities in the Kunene Region. T & A intends to capitalise on the business travellers, Kamanjab residents, farmers (commercial and communal) and tourists.

The proposed site for KSSCC is a 10,000m² plot at the adjacent to the intersection of the major highways (C35 Road & C40 Roads) linking Kamanjab Village to Outjo, Khorixas, Opuwo, Ruacana and Palmwag. The site is within the boundaries of the area zoned for development by the Kamanjab Village Council. This is the only land available to T & A and a result there is no need to consider an alternative site during this study.

2.1. The Promoters' Brief

Various businesses earmarked for the business complex are:

¹ Namibia 2011 Population and Housing Census Preliminary Results Report by National Statistic Agency

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- Service station and truck port with a tyre repair centre;
- NAMCOR Quick shop/Convenience Store;
- Hardware Store;
- Veterinary Drug Store;
- ATM;
- Car Wash;
- Curio Shop;
- Beer and other alcoholic beverages Wholesale Depot;
- Camping Site;
- Internet Cafe;
- Truck Port;
- Cultural Village; and
- Lodge.

The business concept that has given rise to this project is centred on establishing above listed businesses that will sell but not limited to the following products and services:

- Products
 - ULP 95 Octane Petrol,
 - LRP 93 Octane Petrol,
 - Diesel,
 - Gas,
 - Other Petroleum Products
 - Beer and other alcoholic beverages (for wholesaling),

- Hardware Products,
- Takeaway meals,
- General Convenience Store products
- Veterinary Drugs
- Curio Shop (art and craft products),
- Meat and other meat products,
- Camping Space,
- Bread from own bakery
- Services
 - Tyre Repair Services
 - Carwash Services,
 - Rest rooms
 - Truckpot
 - Showers
 - Internet Cafe,
 - ATM

2.2. WCM's Observations

The initial phase of the Economic Development Feasibility Study for KSSCC began with a tour of the study area where KSSCC is proposed. WCM toured the site area, specifically noting areas of development, adjacent land uses, and site proximity to existing commercial and residential clusters, especially around Kamanjab's 4 way intersection (the intersection of the C40 and C35 roads).

There is no other NAMCOR service station in Kamanjab and the only other service station located in Kamanjab is a Shell service station which is very expensive (most of the products with exception petroleum products carry pricing margin higher than 40% which is relatively higher

compared to the pricing margin planned for KSSCC), taking advantage of lack of competition. Please see 6.6 below for KSSCC's pricing strategy. This particular service station does not operate 24hrs a day and KSSCC will be open for 24hrs per day which will give it an upper hand over the Shell service station. It has neither an ATM nor a restaurant leaving travellers and residents stranded at night. The existence of an ATM at KSSCC will act as a pull factor for clients who can withdraw their money at the ATM and spend it at KSSCC. According to a study conducted at NAMCOR President's Crossing in Klein Windhoek and Puma Pionnerspark Service Station in Pioneerspark, Windhoek (both service stations have ATMs in the convenience stores), 86% of the people who withdraw money at the ATM in the service station's convenience shop purchase products at the service station before leaving. This concept has been the driving force for Bank Windhoek to have their ATMs in most service stations and supermarkets in Windhoek.

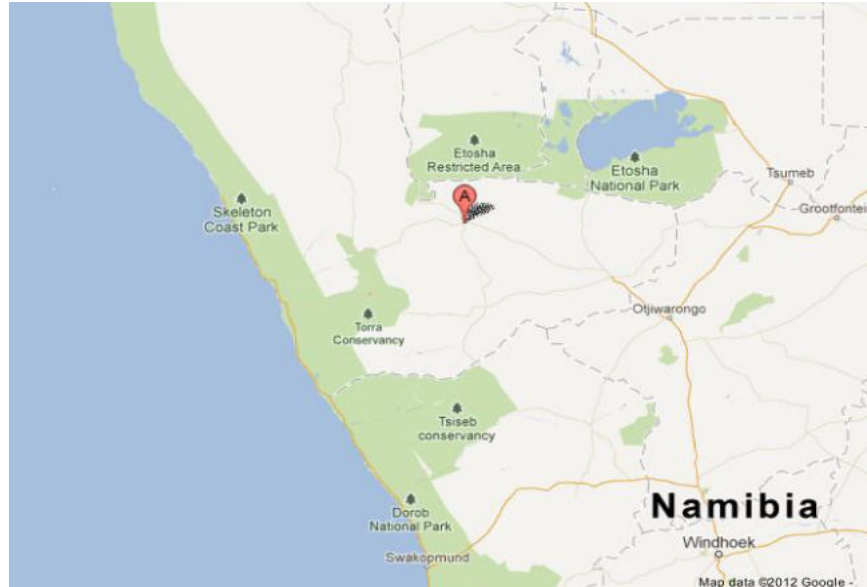
The idea of having more service areas at KSSCC than those offered by Shell is meant to make KSSCC a one stop service centre for its clients. If a customer wants two products or services and only one of the two is offered by Shell, it is only logical for the customer to go KSSCC if KSSCC offers both products at competitive prices. The hardware and veterinary products store will bring relief to Kamanjab Village residents and the surrounding farmers who are sourcing their requirements from as far as Otjiwarongo which is 210.81 km away from Kamanjab Village.

The project will improve Kamanjab Village in the following ways:

- Local availability of various products which used to be sourced from Otjiwarongo
- Availability of Automated Teller Machine in Kamanjab Village
- Employment creation (about 42 jobs to be created when KSSCC is operational) and numerous jobs during the construction of the service station.
- Rest Camp for long distance travellers
- Enhanced infrastructural development of Kamanjab Village.

For detailed analysis of the market for KSSCC please see point 3 (Task Two) below.

Figure 1: Point 'A', proposed site- Kamanjab Village in relation to other areas in Namibia



Recent infrastructural development in the area surrounding the proposed site for KSSCC include the upgrading from gravel to bitumen standards of the Kamanjab to Omakange road (MR67) totalling 204km. MR67 connects with 2 other roads, the Omakange to Opuwo road (MR100) and the Omakange to Okahao (MR122) road which has improved connectivity between Kunene Region and the rest of the country.

Figure 2: Satellite Image of the proposed site, Kamanjab Village residential areas and surrounding facilities.



The major sources of livelihoods for Kamanjab residents are centred around the livestock farms and the surrounding conservancies. In essence animal husbandry and tourism are the major sources of income for the resident.

Following the tour, WCM and T & A met to identify project priorities and the data that would be necessary to support these priorities. T & A provided WCM with excellent comprehensive information in respect of the concept and arranged access to the Kamanjab Village cadres and councillors.

Together with T & A, WCM discussed the development issues of the site with the Kamanjab Village Council duly assisted by the team of professionals mentioned above. The discussions centred on the Village Council's initial perceptions regarding desirable development, undesirable development, project expectations and the council's willingness and capacity to contribute to the project.

Overall, WCM noted group concurrence toward cohesive, planned development at the site but the Village Council did not commit itself financially by the time of concluding this study.

The advantages and limitations of the site are described below:

- The proposed site is made up of 10,000m² currently classified as communal land earmarked for development by Kamanjab Village Council. The site has sizeable land available for further developments by T & A once the KSSCC has been completed;
- Since the proposed site is virgin land in the business development zone of Kamanjab, there is a need to undertake an Environmental Impact Assessment so as to get clearance from Ministry of Environment and Tourism for the establishment of the project;
- The site is at the intersection of C35 and C39 roads in Kamanjab;
- Telephone line runs east to west and is located south of the proposed site ;
- Water pipeline will have to be relocated from current location since it runs across the proposed site;
- Within the vicinity of the site and closer to town there is a lot of land available which is prone to fragmented development that will nonetheless be a significant threat to the viability of the centre should competitors move in;
- Power line runs on the southern side of the proposed location of KSSCC
- The total cost of developing Phase 1 of KSSCC N\$14,947, 810.

WCM conducted high level pre-feasibility reviews of all the ideas that T & A had and it was agreed that some of those concepts would not be ideal for the first phase of the project. As a result of the various consultations WCM's general impressions of current development priorities, drawn from the stakeholder meetings, and professional consultations include:

- Service station and truck port with a tyre repair centre;
- NAMCOR Quick shop;
- Hardware Store;
- Veterinary drug store
- Car Wash;
- Curio Shop;
- Beer Wholesale Depot;
- Internet Cafe;
- Truck Port;
- ATM;
- Rest Camp.

3. Task Two: Market Analysis

The market analysis includes determining the demographic and economic context of the site by assessing area demographic conditions and trends, development activity, comparable site activity and vacant land, zoning, and utilities. All of these components need to be considered in defining a list of potential short and long-term development opportunities for the study area.

The assessment considers how strengths of the local economic base can be used to develop the site as part of the Kamanjab. The market analysis process begins with discussion of important general demographic conditions before moving to discussion of concepts that directly influence the feasibility of developing the project and more specifically, the site.

The target market consists of:

- Kamanjab – with a population of 8,000 (according to the 2011 Population and Housing Census);
- The farming community in the Kunene Region, comprising approximately 2,385 households; and
- Travelers passing through the town using the C35 road stretching from Ruacana to Henties Bay and travelers using the C40 road that stretches from Outjo and connecting with C43 road in Palmwag;
- Tourists visiting tour sites like Peet Albert Koppie rock art and the surrounding scenic view of the mountainous terrain of the Damaraland.

For an in-depth analysis of the market demand for KSSCC's products and services please see 3.3, 3.4, 3.5 and 3.6 below.

3.1.Economy

Kunene (also known as *Kaokoland*) is one of the thirteen regions of Namibia and home to the Himba ethnic group. Compared to the rest of Namibia, it is relatively underdeveloped. This may be due to the mountainous inaccessible geography and the dry climate that significantly hinders agriculture.

Kunene's western edge is the shores of the Atlantic Ocean. In the north, it borders Angola's Namibie Province, and in the far eastern part of its edge it borders Cunene Province of Angola. Domestically, it borders the following regions:

- Omusati - northeast, west of Oshana
- Oshana - northeast, between Oshana and Oshikoto
- Oshikoto - northeast, east of Oshikoto

- Otjozondjupa - east
- Erongo - south

Hard statistics of economic activity in Kamanjab are hard to come by, but a high level survey conducted by WCM has indicated that the major activity in the Kamanjab is small scale retailing, livestock farming, selling of tourism services, art and craft products. Tourism activities include but are not limited to:

- Rhino tracking
- Hiking
- Game drives (day & night)
- Camping
- Trophy hunting

According to the Namibia Household Income & Expenditure Survey (NHIES) 2009/2010 the annual consumption (total household consumption) for Kunene Region is estimated at N\$759,000,000. The average annual household consumption is N\$44,416.00 while per capita consumption is estimated at N\$10,175.00. It would be premature to deduce that the estimated total household consumption represents an opportunity for KSSCC. There is a need to assess the household expenditure of the target market and estimate the households' expenditure on the products and services that will be sold by KSSCC. There is also a need to estimate the expenditure of Kamanjab alone since not every resident in Kunene will have access to KSSCC. These assessments will be done 3.2, 3.3, 3.4 and 3.5 below.

3.2.NAMCOR Convenience Store (Quick shop)'s Viability

A survey conducted by WCM in association with Outrun Investments revealed a demand for a number of products that can be sold by KSSCC. These products will include but not limited to the following:

- Bread
- Meat

- Fish
- Milk
- Eggs
- Cheese
- Fruits
- Nuts
- Berries
- Sugar
- Takeaway meals
- Non alcoholic drinks
- Alcoholic drinks
- Readymade foods and
- Other types of foods

To understand KSSCC's target market, it is important to assess the market's consumption budget and sources of income of the target market. Residences of Kunene Region have a combined annual income of N\$817,000,000. The average household income is N\$47,772 and per capita income is N\$10,944 (source: NHIES 2009/2010). This income is earned from a variety of sources. The figure below shows annual household income by main income source, adopted from a survey conducted by National Planning Commission in 2009/2010.

Figure 3: Annual household income by main source of income

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Main Source of Income	Household %	Population%	Average House-hold size
Salaries and Wages	49.1	42.8	4.1
Subsistence farming	23	29.4	6
Commercial farming	0.6	0.4	3.3
Business income	8.1	7.5	4.4
Pensions	1.2	1	3.9
Cash Remittances/grants	2.9	2.2	3.5
Rental Income	0.5	0.4	3.8
Interest Income	0.3	0.1	2.5
State old age pension	9.9	12.1	5.8
War veteran grants	0.1	0.1	6.4
Disability grants	0.7	0.7	4.7
State Child Maintenance Grants	0.7	0.8	5.8
State foster care grants	0.2	0.3	6.7
Alimony and similar allowances	0.3	0.2	3.9
Drought relief assistance	0.5	0.5	4.6
In kind receipts	1.2	0.8	3.9
Other	0.9	0.7	3.9
Total	100	100	4.7

(Source: Namibia House Hold Income & Expenditure Survey 2009-2010)

From the table above, it is evident that 49.1% of the market earns income from salaries. This means that 49.1% of Kunene households' budget is funded from salaries. 23.0% of the households earn income from subsistence farming, 0.6% earns income from commercial farming and 8.1% survive on income from business. This means that 80.8% of the households survive on income from economic activities. Basically the population has sources of income that can sustain the KSSCC's operations even during drought periods.

The table below shows the expenditure per household per consumption item. This was done to see how much money the consumers (per household) will spend on the products that will be offered by KSSCC's convenience store. There are 12,460 households in Kunene Region (Namibia 2011 Population and Household Census Preliminary Report) with each household spending N\$7,969 per year on food. Consequently the demand for KSSCC's products in Kunene Region is N\$99,293,740.00 per year.

Figure 5: Consumption Budget per household for Kamanjab Village's residents

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Consumption items		Consumption per household (N\$)
Food Expenditure		7,969.00
	Bread	2,196.00
	Meat	1,085.00
	Fish	98.00
	Milk, cheese and eggs	477.00
	Oils and fats	314.00
	Vegetables	439.00
	Fruits, nuts, berries	114.00
	Sugar	830.00
	Non-alcoholic beverages	661.00
	Alcoholic beverages	1,018.00
	Other food	467.00
	Ready-made foods	271.00
Food Consumption in Kind		7,782.00
	Bread and Cereals	1,205.00
	Meat	1,253.00
	Fish	88.00
	Vegetables	251.00
	Fruits, nuts, berries	116.00
	Other food	4,520.00
	Ready-made foods	348.00
Total food consumption		155,770.00
	Clothing and Footwear	2,280.00
	Housing	9,701.00
	Furniture and Utensils	3,399.00
	Health	1,473.00
	Transport & communication	6,711.00
	Education	627.00
	Recreation and culture	873.00
	Other	3,583.00
Total non-food Consumption		28,646.00
Total Consumption		44,416.00

(Source: Namibia Household Income & Expenditure Survey 2009-2010)

Assuming that there are 8,000.00 people (according to the 2011 Population and Housing Census) in Kamanjab and the average household size in Kunene Region is 3.3 (according to the 2011 Population and Housing Census) the immediate market for KSSCC (Kamanjab) can be estimated to comprise of 2,400 households. Consequently the households of Kamanjab spent N\$18,470,400 per year on the products that will be sold by KSSCC's convenience store (N\$7,696 spent on food annually by 2,400 households in Kamanjab). There are however suppliers of these products in

the Kamanjab market, though few. KSSCC will have to develop and implement strategies to wrestle the market from current few providers already located in Kamanjab. These competitors include Shell Services Station, located across the road from the proposed site of KSSCC and other small general dealers located in Kamanjab.

To ascertain the acceptability of the KSSCC by the market and the desire of the Kamanjab community to purchase products and services that will be sold by KSSCC, a market survey was conducted by WCM. The results of the survey showed that 98% of the study sample was willing to purchase products at KSSCC provided that the products were competitively priced (prices lower than Shell's prices). 2% of the study sample expressed skepticism over the continuous availability of products at the KSSCC after it is established and maintained that they would still prefer to do their shopping in Otjiwarongo. Population

The 2011 census of Namibia puts the population of Kunene Region at above 86,000 (estimated to have increased at 2,5% growth rate). 72% of this population is based in rural areas. Kamanjab has a total population of 8000 (3,600 female and 4,400 male) comprising 2,400 households.

In order for WCM to draw conclusions regarding the short term demand for development we reviewed the population estimates and projections. We compared our population estimates and projections to the number of developed and undeveloped residential parcels in Kamanjab. The village contains very few residential parcels as can be visually verified in the aerial photograph Figure 2 above (*Courtesy of Google Earth*):

Whilst there is a high rate of vacant residential ervens, the low activity in the property market does not substantiate a significant short-term population increase to substantially increase the size of the market. Still, depending on the development ability and future developments that can improve the absorption of these lots, the primary market could potentially experience more aggressive long-term population growth.

3.3. Employment

Relatively low median incomes dominated by farm and retail wages and salaries, combined with a 24% employment rate supports the village's current economy and the populace routinely travels to Outjo and Otjiwarongo for major services and purchases of goods not available locally. Although Namibia's per capita income of N\$14,559 places it in the World Bank's upper-

middle income grouping, average income paints a misleading picture since Namibia's income distribution is among the most unequal in the world, with a Gini coefficient estimated at 0.58 by the latest (2009/10) household survey.

The more affluent population (who account for at least 57% of the Kamanjab as per the Gini-coefficient above) does most of their shopping in Outjo and Otjiwarongo where they travel to at least once a month. As stated in 3.3 above, the results of the market survey conducted showed that 98% of the study sample was willing to purchase products at KSSCC provided that the products were competitively priced. 2% of the study sample expressed skepticism over the continuous availability of products at the KSSCC after it is established and maintained that they would still prefer to do their shopping in Otjiwarongo. Conversely through inertia, a substantial portion of the market will continue to be lost to Otjiwarongo.

Skilled local labour force with higher buying capacity is not available in high enough numbers to support high end retail and related services. However a small convenience shop at the NAMCOR Quickshop that is being planned at KSSCC will be adequate.

Relatively average median incomes mostly from retail entities, craft sales, tourism and livestock sales support Kamanjab's economy. There are no major single employers in Kamanjab and based on our discussions with the village council officials there does not seem to be any other major investments being contemplated.

3.4. Truck port and service station viability

NAMCOR, an oil company has agreed to supply KSSCC with fuel dispensers and petroleum products. Mr. Naftal Kakwambi, the retail manager forwarded a letter to T & A and Ministry of Mines and Energy on the 2nd of August confirming NAMCOR's commitment to the project. According to NAMCOR's planning procedures, the company will be able to supply KSSCC with petroleum products in 2013 and the signage in 2014. The list of petroleum products and quantities that KSSCC will require were forwarded to NAMCOR, who confirmed their capacity to provide T & A with their requirements. T & A will construct the service station and fit the storage tanks. NAMCOR will supply KSSCC with fuel dispensers maintain the dispensers at no cost to T & A. The following products will be supplied by NAMCOR:

- Diesel

- Petrol
- Other petroleum products

Fuel prices are government regulated hence gross margins that can be realised by KSSCC for selling fuels are regulated. Service stations in Namibia are currently earning N\$0.71 per litre sold for both diesel and petrol. However since T & A is going to construct the services station without the funding from NAMCOR, KSSCC will be entitled to N\$0.10 (on current rates) and N\$0.13 (by projected 2014 rates) in rebate per litre of diesel purchased. Gross margin for lubricant is currently paged at N\$5.00 per litre sold and is projected to grow to N\$5.65 per litre sold by 2014. The services station will also be eligible for discount N\$1.00 per litre of lubricants purchased (on current rates). This discount is also projected to grow to N\$1.13 by 2014.

Oil products retailer, Shell has a service station in Kamanjab and is most likely going to guard its market share aggressively in the face of competition. In WCM's opinion it is important that the truck port and the service station come up with an innovative strategy other than location to wrestle market share from the current players. One such an innovation is creating a strategic business relationship with transport services providers whose vehicles frequently drive through Kamanjab to refill their vehicles. Once such companies are identified, KSSCC can offer free overnight parking for the transport companies' vehicles in exchange for a prepaid fuel account with T & A. Such an arrangement will see the transport services providers have a monthly limit for fuel consumption based on the prepayment made. Drivers of such transport companies will not have to carry cash to purchase fuel from KSSCC but will refuel on account (the prepayment account). However the drivers will have to pay a fee of about N\$13.00 (2014 rates) for the use of shower facilities at the truckport, deductible from the prepayment account. Meals for drivers bought from KSSCC can also be deductible from the prepayment account. Such an initiative can be used to boost fuel and takeaway sales for KSSCC.

There are four roads that service Kamanjab

- Kamanjab - Outjo
- Kamanjab - Opuwo/Ruacana
- Kamanjab -Khorixas
- Kamanjab - Palmwag

Statistic collected from Roads Authority of Namibia on traffic count for the two roads that intersect in Kamanjab shows that there has been a general decrease in Annual Daily Traffic Averages (ADT).

3.5.1 Kamanjab - Outjo Traffic

Traffic volumes between Outjo and Kamanjab decreased by 12.8% over the past three years. Heavy vehicle traffic flow between Outjo and Kamanjab also decreased by 16.7% while light vehicle traffic for the same route were lower by 12.5% for the period January 2010 and April 2012. It is estimated that in 2012 an average 205 vehicles (175 light vehicles and 30 heavy vehicles) use the Outjo Kamanjab Road on a daily basis.

3.5.2 Kamanjab to Khorixas Traffic

Vehicle traffic between Kamanjab and Khorixas decreased by 21.5% over the last 3 years. Heavy vehicle traffic flow between these two location decrease by 12, 5% and light vehicle traffic also decreased by 23% during the three year period of assessment ending April 2012. An average of 95 vehicles (86 light vehicles and 9 heavy vehicles) use the Kamanjab Khorixas Road every day in 2012.

3.5.3 Kamanjab -Opuwo/Ruacana Traffic

Traffic between Kamanjab and Opuwo/Ruacana also decreased by 3.1% over the last three years. Light vehicle traffic decreased by 4.6% and heavy vehicle traffic decreased by 10.1% over the assessment period that ended on 15 April 2012 on the same road. An average of 185 cars (165 light vehicle and 21 heavy vehicles) use C35 road (north of Kamanjab).

3.5.4 Overall Traffic assessment (all the road servicing Kamanjab)

Kamanjab being an area frequently visited by tourists (mostly international travellers) witnessed such reduction in traffic due to the global economic down turn. According to the Namibia Tourism Board's 2011 report, the number of hospitality establishments that serve tourists visiting the region have reduced by 55% from 54 in January 2011 to 21 in 24 April 2011 owing to the global economic downturn. An assessment made by Namibia Tourism Board during the same period revealed that of the available 27,680 beds only 4,861 were sold, representing an occupancy rate of 23%. It is projected that when the global economy recovers and due to continued realisation of

growth of the local economy, vehicle traffic figures passing through Kamanjab are expected to increase.

Figure 6: Traffic Figures for roads servicing Kamanjab

	Outjo-Kamanjab 157.97 km			Kamanjab-Khorixas 77.46 km			Kamanjab-Ruacana/Opuwo 256.55 km			Kamanjab-Palmwag 107.8 km		
Year	LV ²	HV ³	ADT ⁴	LV	HV	ADT	LV	HV	ADT	LV	HV	ADT
2010	200	35	235	112	8	121	173	19	191	70	10	80
2011	178	29	207	101	8	109	163	19	182			
2012	175	30	205	86	9	95	165	21	185			
Growth	-12.5%	-16.7%	-12.8%	-23%	12.5%	-21.5%	-4.6%	10.5%	-3.1%			

(Source: Roads Authority of Namibia)

An average of 496 light vehicles and 70 heavy vehicles pass through Kamanjab every day (Source: Roads Authority of Namibia).. A survey conducted by WCM at Shell Service Station in Kamanjab showed that 45% of the light vehicles refuel in Kamanjab an average of 20 litres the service stations in Kamanjab have the potential to sell 20 litres of fuel per vehicle to 223 vehicles. Assuming a ratio of 2:1 ratio of petrol powered light vehicle to diesel powered light vehicles the Kamanjab service stations sell 20 litres of petrol per vehicle per day to 149 light vehicles and 20 litres of diesel per vehicle to 74 diesel powered light vehicles. Consequently the market for petrol in Kamanjab is 2980 litres of petrol per day (89,400 litres per month).

A survey conducted at Shell Service Station in Kamanjab showed that 45% of heavy vehicles passing through Kamanjab refuel an average of 60 litres per vehicle per day, heavy vehicles will require 1,920 litres of diesel per day. 74 diesel powered light vehicles that refuel 20 litres of diesel per vehicle per day will consume 1,480 litres of diesel per day. The market for diesel in Kamanjab is 102,000 litres per month (3,400 litres per day)

It should be noted that KSSCC will have to wrestle this market from current supplier in Kamanjab by implementing marketing strategies that will pull customers from Shell Service Station to KSSCC.

² Light Vehicles

³ Heavy Vehicles

⁴ Annual Daily Traffic Averages

3.5. Community Comments

To gain a more complete understanding of the market demand for the proposed development, we interviewed business people regarding their perception of the project. The primary findings are summarised as follows:

Based on the mini-survey done with the assistance of Outrun Investments the following observations were noted:

- KSSCC will offer an alternative to the Shell service station that is already established which was welcomed by Kamanjab residents who label the service station as too expensive for the local population.
- The development is critical – Saves money for the middle and upper class who are currently doing their shopping in Otjiwarongo;
- The local population is not large enough population to warrant development and the venture should target tourists visiting Etosha and Damaraland, and motorists driving through the town to make it viable.
- The Shell Service Station owner naturally does not like the idea of the competition but nevertheless thinks the future plans of a lodge at the site is a good idea;
- The owner of lodges and a bed & breakfast close to the site believe the centre will be a boost for the community and welcomed the idea of having an ATM located at the centre. They also advised that the ATM should be able to take VISA debit or credit cards so as to enable the tourists to withdraw money from the bank accounts which eliminate the need for tourist to drive to Outjo for banking services when they visit Etosha or Damaraland (where they sometimes end up lodging at the disadvantage of the lodges in Kamanjab);
- Farmers welcomed the idea of a veterinarian drug store at the centre. They are currently travelling to Otjiwarongo to get these drugs;
- General enthusiasm was noted among the residents of Kamanjab as the project will provide the residents with products which they used to source from Otjiwarongo only;
- The project also was seen as an opportunity for the youth of Kamanjab to get employment;
- The village council officials welcomed the project as it enhances the image of Kamanjab through infrastructure development;
- A rest camp for travellers was also seen as an opportunity for the local craftsmen to sell their craft through the curio shop;

- The Shell service station currently located at Kamanjab has exploited the community through monopolistic tendencies (lack of competition) and did not operate 24hr a day. The coming of the new service centre would bring in competition which might serve as a regulator to the operations of the Shell service station e.g. better customer care and possible lower commodity prices.

NB Interviewees were assured that their comments would be confidential.

3.6. Marketing Plan

As a new player entering into a market where there are players already in the market (Shell Services Station and general dealers in Kamanjab) KSSCC will have to implement marketing strategies to wrestle the market from current suppliers. The marketing budget for KSSCC should include a mixture of messages communicated to the target market through different media. KSSCC can communicate its marketing message through the use of:

- **4 Billboards** which will be erected 2 km from the service station on the four main roads leading to the four way (where KSSCC will be located).
- **Yellow pages and Trade Directory:** According to the report Global Directory of Market Research Agencies in 2010, the adverts in yellow pages capture 9% of KSSCC's market. It is a directional medium and points willing customers in the direction where the service can be purchased. If someone is looking for a service station in Kamanjab and does not know the area, they will look in the phone book for something good and close. 63% of adults and 48% of business people refer to yellow pages in a month's period. To capture the corporate customer, the organization will also have to advertise in the local trade directory. This will be a good and effective advertising method since almost every corporate office that matters has the Namibian trade directory.
- **Newspapers and Magazines:** For its official opening KSSCC will have to place ads and sales promotions in the state newspapers and other major newspapers like, Infomante, Namibian, Republican, New era, Namibian Sun, Namibia Today. The consultant also recommends that KSSCC place adverts in local magazines like Business Success, Gems. Newspapers reach 11.2 percent of the market for the industry. Newspapers along with yellow pages reach 20.3% of the market. The company's advertising will have to be targeted at people interested in travelling by placing ads in the travel and or leisure

section in newspapers. Newspapers are read by people of all age groups and income levels and are read at an average of 44 minutes per day by individuals.

The strengths of newspapers include:

- Wide availability: there are many cities to choose to advertise to.
- Immediacy: The Company can place an advert and see results quickly.
- Flexibility: The Company can cancel or repeat adverts in newspapers as determined by results.
- Choice of advert formats: The Company can change adverts to suit different needs.
- Reader loyalty: The advert is guaranteed attention as long as the newspaper is sold.

Weaknesses of the newspaper ads are:

- High cost: costs can be controlled by placing coupons or promotions to see immediate reactions.
 - Short lifespan: Readers just read the newspapers once and throws it away.
 - Need for repetition: Raises advertising costs
 - Low recall of ads among consumers: if placed in the right section the advert will attract the required attention.
- **Pamphlets & Brochures:** T & A will have to design pamphlets on A5. These pamphlets will then be put at boarder post in Namibia, Car rental offices, Hotels, Lodges, Bed and Breakfasts all over the country. The pamphlets will also have to be distributed in new and target markets.
 - **Radio:** The organization can also use the radio stations for adverting its products and promotions. The cheaper way of doing this would be through sponsorship of prime programs and get exclusive advertising and air time for the KSSCC's publicity. KSSCC will

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have to air prime time slot adverts on six major radio stations taking into consideration vernacular language distribution of customers.

- **Television:** The consultant also recommends that KSSCC advertise its products and promotions on Namibia's three television station (NBC, One Africa Television and TBN).

Figure below shows the marketing budget that can be adopted by KSSCC. This budget covers pre-opening marketing costs and marketing expenses for the 1st 12 months of operation.

Figure 7: Marketing and Promotion Budget Year 1

Marketing & Promotion Budget (N\$)													
	Pre Opening	Month 1 (N\$)	Month 2 (N\$)	Month 3 (N\$)	Month 4 (N\$)	Month 5 (N\$)	Month 6 (N\$)	Month 7 (N\$)	Month 8 (N\$)	Month 9 (N\$)	Month 10 (N\$)	Month 11 (N\$)	Month 12 (N\$)
Billboard Rental	31,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600
Television	45,000												
Radio	21,000												
Newspaper	22,500												
Brochure	5,000	5,000	5,000	5,000	5,000								
Other	2,000	2,000	2,000	2,000	2,000								
Total	127,100	38,600	38,600	38,600	38,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600

3.7. Market summary

- The role of the site in establishing the desirability of an entire shift from current retailers in Kamanjab may not be underestimated as it provides an excellent opportunity for a co-ordinated and phased development plan that will serve the entire Kamanjab and the Kunene Region at large.
- A co-ordinated planning effort could aid in avoiding haphazard sprawl and maximizing desirable economic development creating further value for the centre and assisting the village council with urban planning.
- The buying power of the local market needs to be substantially complemented by travellers by-passing the Kamanjab through the roads servicing the village.

WCM predicts that, in order for people to choose to purchase goods and services at the study site, instead of the current retailers, customer service and stock availability must not be compromised, particularly for the affluent customers, who can afford strong trips to Outjo and Otjiwarongo for shopping purposes.

4. Task Three: Precedent Studies

Identifying development experience at comparable projects is helpful for determining whether any common development trends or patterns exist.

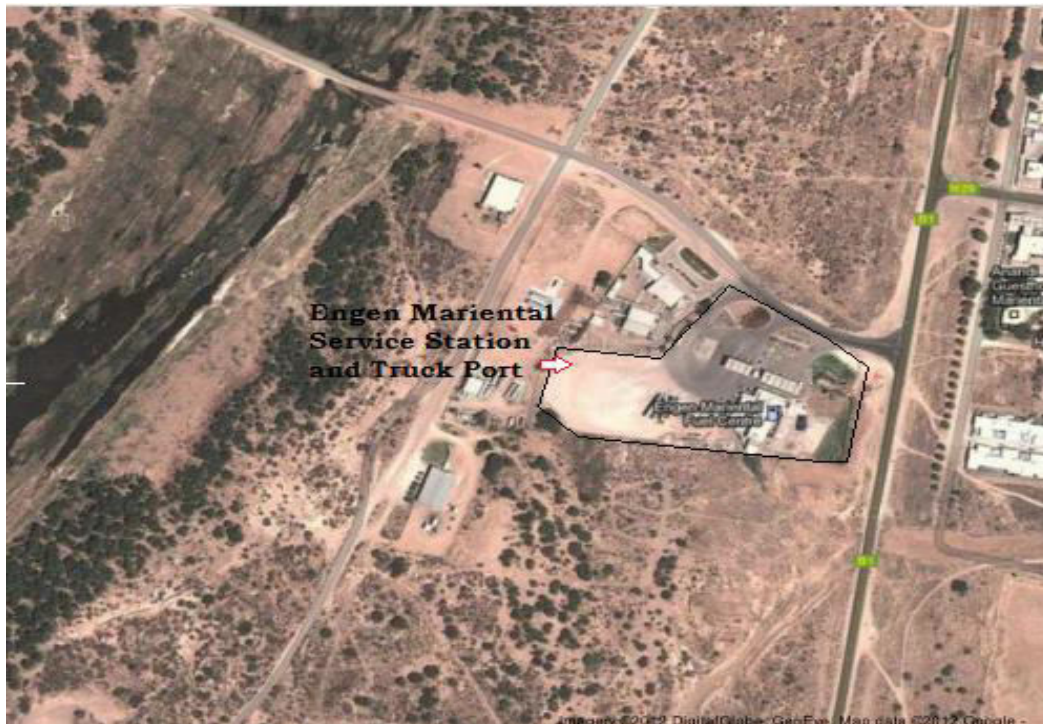
We reviewed development at select comparable projects done around the country (with comparable market conditions) in the recent past namely:

- Mariental;
- Keetmanshoop; and
- Otavi.

These developments, highly successful are similar to KSSCC in that they consisting of a truck port and fuel station incorporating a restaurant and a convenient store. These are all privately owned businesses, so their financial details are hard to come by. However the level of business that has been lost by the traditional businesses in town to these new developments is quite evident even attributing to the closures of competing businesses.

4.1. Mariental

Figure 8: Satellite image of NAMCOR Mariental and Truck Port



The Otavi one is also similarly located on a highway which by-passes the town and it has drawn a substantial amount of business from the town centre resulting in the closure of similar businesses in the centre of town in the period following its opening, according to some locals.

4.4. Conclusion

The precedents referred to above have demonstrated the potential for truck ports and related service businesses at small towns' locations similar to the KSSCC site. There is also substantial evidence that they do not depend on creating new market but wresting market from existing businesses.

It should also be noted that whilst all these case studies lie on the main major road in the country, the same cannot be said about the study site notwithstanding the phenomenal increase that it has enjoyed in recent years notably the upgrading from gravel to bitumen standards of the Kamanjab to Omakange Road (MR67) totalling 204km. This road connects with two other roads, the Omakange to Opuwo road (MR100) and the Omakange to Okahao road (MR122). This development will go a long way to improve connectivity between Kunene Region and the rest of the country. Improvement in connectivity can result in increased traffic passing through Kamanjab which can in turn result in increased number of clients for KSSCC and possible market growth. The Roads Authority of Namibia estimates that this development will result in 15% increase in traffic passing through Kamanjab in year one after completion of the road works.

The sites studied above (Otavi, Mariental and Keetmanshoop) generally have higher population figures that they service compared to Kamanjab. Keetmanshoop Urban has a population of 18,300, complemented by 7,100 people leaving in Keetmanshoop's rural areas. Keetmanshoop is on the main road leading to South Africa (higher traffic flow by 106% compared to Kamanjab). Otavi has a population of 11,000 people compared to Kamanjab's 8,000. Mariental has a population of Urban has 14,600 which is also complemented by 15,000 Mariental Rural population. The effective of local population surrounding the sites studied cannot be overlooked.

5. Task Four: Technical and Human Resources Feasibility

A team of professionals worked on this project. The team consists of:

- **Westcoast Merchants** Business Consultants
- **Multi Consult cc** Architects, Civil, Structural and Electrical Engineers
- **Blokeer, Jacobs & Kuschke** Quantity Surveyors
- **Outrun Investments cc** Environmental Specialists

The following opportunities and priorities have been identified:

5.1. Image

The site development strategy should provide a positive image for Kamanjab. The objectives include:

- Encourage more upscale development activity near the site of KSSCC (i.e. quality commercial activity, higher priced residential properties, etc.)
- Avoid the typical unattractive land use patterns that result from the usual individual development decision-making process.
- Incorporate some green space in the eventual facility plan.

5.2. Economic Benefits

The development strategy should maximise fiscal and economic benefits for residents of Kamanjab, other property owners and area residents. This objective relates to both the site as well as the adjacent land areas in the vicinity.

5.3. Development Phases

Due to the size of this project and capital limitations, the design team broke the venture into four phases:

- Phase 1: Construction of the service station, convenience store, tyre repair shop, hardware and beer depot.
- Phase 2: Construction of Truck Port
- Phase 3: Construction of Lodging facilities

- Phase 4: Construction of Camping site

5.4. Technology/Machinery Required

Bakery machinery and utensils can be sourced locally. Pupkewitz Catering, a company located in Windhoek has the machinery of good brand, Bishop which can be availed to T & A at prices lower than sourcing from South African Suppliers. WCM recommends that T & A acquire a 3 deck 60 loaf plant. (Please see figure 13 below for the list of machinery and their prices)The machinery can be acquired at N\$126,633.74. Takeaway equipment can also be sourced from Pupkewitz catering at the cost of N\$88, 734. Please see figure 31 below for the budget of the takeaway equipment.

Tyre repair shop will have to be sourced from South Africa. Equipment Africa, a South African supplier of tyre fitting and fixing equipment is able to supply the fitting equipment to T & A at a cost of N\$141,310. T & A can acquire the tyre changing machine called the TC528 IT which has the following features:

- Double variable speed system (10-17 rpm). The number of turns of the turntable under stress adjusts to keep the torque constant, and has great benefits, in particular on working time optimization and energy saving compared to conventional motors.
- Efficient tubeless inflation system (IT version) is included with the equipment. It provides a supplementary air circuit with direct passage to the jaws outlets, allowing the beading in any type of tyre.
- The special shape and toughness of the bead breaking arm ensure the rapid bead breaking of all types of wheels. In this version the opening range of the bead breaker plate is easily adjustable, so that it can be fitted to all types of wheels, in particular the largest ones (maximum width 16”).
- The PG version includes an inflation device fitted with a fixed control instrument with graduated gauge and pedal control (standard feature on the IT versions).
- The TC528 LL range is equipped with an innovative design turntable with mobile clamps giving a clamping range from 10” to 28” (inside) for aluminium rims and from 12” to 31” (outside) for steel rims and with the special 4 positions bead breaking arm (S version).

The company will also require a Car Wheel Balancers. The best option (according to the recommendation by various suppliers is the EUROPA Car Wheel Balancer. It has the following features

- Simultaneous weight and position readings on the double display. Self-diagnosis and calibration ensure exceptional accuracy and easy maintenance.
- A computerized digital wheel balancer with a single, fully automatic cycle. Easily access to the different programs using the various function keys.
- Brake pedal for accurate positioning of counterweights.
- Wheel protection guard that allows balancing of 1,120 mm (44") diameter wheels. Automatic width gauge only on WB277 version.
- Aludata program that resolves all the problems of balancing aluminium rims. The arm in the central part of the weight holder panel indicates the exact position for application of adhesive weights.
- Hidden spoke program that hides adhesive weights behind the rim spokes, optimizing the quality/aesthetic ratio.
 - 5 Alu programs for dynamic balancing with adhesive weights.
 - 3 Static balancing programs (with spring or adhesive weights)
 - 2 Special Alu programs for Pax tyres with measurements in mm

Jacks and loose tools for the tyre repair shop can be sourced locally from suppliers like Cymot. Other assets like furniture, car washing equipment, computers and printers can be sourced from various local suppliers. Storage tanks and pipe works can be supplied to T & A by Forgeweld, a South African Engineering firm with vast experience in manufacturing storage tanks for service stations. T & A will have to spent N\$1,664,859 in equipment when establishing KSSCC. Please see Figure 13 below for the detailed budge for equipment and machinery required by KSSCC.

5.5.Human Resources Analysis

The project will have numerous business activities at KSSCC which will require a staff complement comprising of personnel with various skills and capabilities. Figure below shows KSSCC's proposed human resource requirement and proposed human resources budget.

Figure 11: Human Resource Budget.

	YEAR 1	YEAR2	YEAR3	YEAR4	YEAR 5
General Manager	\$78,000	\$81,900	\$85,995	\$90,295	\$94,809
Finance and Admin Manager	\$42,000	\$44,100	\$46,305	\$48,620	\$51,051
Petrol Attendants	\$216,000	\$226,800	\$238,140	\$250,047	\$262,549
Tyre Repair Personnel	\$36,000	\$56,700	\$59,535	\$62,512	\$65,637
Beer Depot Sales Personnel	\$48,000	\$50,400	\$52,920	\$55,566	\$58,344
Hardware Shop Supervisor	\$24,000	\$25,200	\$26,460	\$27,783	\$29,172
Hardware Shop Personnel	\$36,000	\$37,800	\$39,690	\$41,675	\$43,758
Carwash Personnel	\$60,000	\$63,000	\$66,150	\$69,458	\$72,930
Carwash Supervisor	\$18,000	\$18,900	\$19,845	\$20,837	\$21,879
Convenience Shop Tellers	\$54,000	\$56,700	\$59,535	\$62,512	\$65,637
Take-away Personnel	\$36,000	\$37,800	\$39,690	\$41,675	\$43,758
Veterinary Drugs Sales Person	\$24,000	\$25,200	\$26,460	\$27,783	\$29,172
Curio shop & Internet Cafe Teller	\$18,000	\$18,900	\$19,845	\$20,837	\$21,879
Casual Employees	\$24,000	\$25,200	\$26,460	\$27,783	\$29,172
Master Baker	\$24,000	\$25,200	\$26,460	\$27,783	\$29,172
Assistant Baker	\$24,000	\$25,200	\$26,460	\$27,783	\$29,172
Butcher	\$18,000	\$18,900	\$19,845	\$20,837	\$21,879
Total People	41	42	42	42	42
Total Payroll	\$780,000	\$837,900	\$879,795	\$923,786	\$969,972

T & A will have to recruit management personnel with requisite skills. A mini labour survey conducted by the consultant shows that specialist skills for personnel like takeaway employees, master baker, and veterinary drug sales person are available in the market. However care needs to be taken when recruiting these employees, so as to get the best the labour market has to offer. For this reason a budget of N\$20,000 has been proposed for recruitment and selection of personnel of works for KSSCC. Semi-skilled workers will need to be trained in-house so as to reduce human resource costs. Skills to be imparted to all employees will be on customer care, professionalism and productivity improvement.

Recruitment of management and specialist skills personnel can be outsourced to employment agencies while recruitment of semi-skilled personnel can be conducted by the owners of T & A. Advertising for such position (semi-skilled) can be done by the use of posters (these have been seen to work well in the area during the EIA development phase of the project).

5.6.Pricing Strategy

The market that KSSCC is entering has players with monopolistic tendencies. Their products are perceived to be too high by the Kamanjab customers. KSSCC can implement a marketing strategy that will attract the customers from current providers. WCM recommends the following pricing strategies:

- **Penetration pricing:** An analysis done on the prices of Shell Service Station in Kamanjab's convenience store shows that the products in the store carry mark-ups ranging from 40% to 47%. KSSCC can price its products with mark-ups ranging from 35%-40% and still be profitable. In the light of this, KSSCC will have lower prices compared to its competition. Lower prices coupled with good customer care will be factors that can attract customers from Shell Service Station's convenience store to KSSCC's convenience store. Figure 16 below shows the projected price computations for the products and services to be sold by KSSCC
- **Psychological pricing:** The aim of psychological pricing is to make the customer believe the product is cheaper than it really is. Pricing in this way is intended to attract customers who are looking for "value". Competitors for KSSCC are not using psychological pricing. KSSCC can utilise this pricing strategy to wrestle customers from its competition.

5.7.Strategy summary

- **Consensus** – Based on our discussions with the Kamanjab Village Council, the village does not appear to have any other immediate potential commercial activities priorities and options for the area site either in its own capacity or in partnership with other potential investors and have entered into agreement with T & A to avail the 10,000m² of land on proposed site. Please see Annexure D for the confirmation letter from Kamanjab Village Council.
- **Mission** – While T & A generally concludes that the goal for the development is to maximise the long-term opportunities at the proposed centre, this mission will need to incorporate the priorities of the Kamanjab. These priorities were presented to a cross-section of the village's population on an informal basis to determine their potential interest in the concept and general enthusiasm was noted.

- **Concept** – A variety of desirable commercial activities that have been defined by the team of professionals have been satisfactorily confirmed by beneficiary community of Kamanjab.
- The concept evolved throughout the duration of the feasibility study as evident from the architect's drawings in **Annexure D** read together with the corresponding cost estimates by the Quantity Surveyors and the Engineers in **Annexure E**.
- **Phasing** – A decision needs to be made on whether an aggressive near-term site development will be pursued as a catalyst for future demand, or if an effort will be made to contain development until market opportunities increase.

Corporate Image- The Shell Service Station in Kamanjab is relatively old and is not well maintained. KSSCC will have new infrastructure which should be attractive to customers. T & A should make its point that premises of KSSCC are well maintained and clean. The company must have facilities management programme. Facilities management can be described as something that will:

- deliver effective and responsive services;
- enable changes in the use of space in the future;
- sweat the assets, i.e. make them highly cost effective;
- create competitive advantage for the organisation's core business; and
- enhance the organisation's culture and image.

The facilities management programme should cater for routine or planned maintenance and reactive maintenance of the company's facilities.

- Our recommendation is for a phased development tactically implemented within the confines of the proven existing market as it does not appear that the existing market or its buying power can increase significantly in the near term. It is, therefore, our observation that only certain aspects of the proposal, such as the lodging facilities be delayed for implementation up to the 6th year of operation.

6. Task Five: Environmental Impact Assessment

WCM enlisted the assistance of Outrun Investment (environmental specialists) to undertake an environmental impact assessment for T & A's KSSCC project. The EIA was done in line with Namibia Environmental Assessment Policy of 1995 and the Environmental Management Act of 2007. Activities undertaken include:

- Development of scoping report and consultations with Interested Affected Parties (I&APs);
- Submission of scoping report to Ministry of Environment and Tourism (MET);
- Development of Environment Management Plan;
- Submission of Environment Management Plan to MET.

6.1. The Scoping Report

KSSCC was identified as a listed activity under Namibia Environmental Assessment Policy of 1994 that required an Environmental Clearance from MET's Directorate of Environmental Affairs. The scoping process was undertaken in accordance with Namibia's Environmental Assessment Policy of 1994. Public consultations were done during the development of the Scoping Report.

After developing the Scoping Report I&APs were afforded a chance to comment on the report. Key stakeholders identified during the scoping exercise include:

- Ministry of Mines and Energy;
- Outjo Town Council;
- Kamanjab Village Council;
- Environmental groups;
- Civil Society Organisations;
- Kamanjab Community Members;
- Kamanjab Business Community.

Public participation process of the scoping exercise was initiated through the Kamanjab Village Council who invited the Kamanjab community. Initiation posters were also pinned up in public places

in Kamanjab. I&AP and stakeholders were presented with Background Information Document (BID). The BID contained details of the project, the EIA process being followed and an invitation to attend the public meeting. The public meeting was held at Kamanjab Village Council Community Hall on the 25th of February 2012. Based on the public consultations it was concluded that the project had both positive and negative impacts on the environment and will have to be managed through the successful implementation of the Environmental Management Plan.

Draft Scoping Report developed and put in the following centres for public review and commenting:

- Kamanjab Village Council Community Hall;
- Kamanjab Village Council Offices;
- Ministry of Mines and Energy offices.

The closing date for commenting on the draft scoping report was the 25th of April 2012. The comments on the Draft Scoping Report were incorporated into the final Scoping Report. The final report that summarises the KSSCC project, the receiving environment, the concerns raised by stakeholders and I&APs, and suggested mitigating factors for predicted impacts of the project on the environment was submitted to MET. MET accepted the Scoping Report and authorised the consultant to proceed to the next stage of the EIA. The decision from MET was communicated to I&APs. Please see Annex B for the Scoping Report and the acceptance letter from MET allowing the consultant to proceed to the next stage of the study.

6.2.Environmental Impact Assessment (EIA) Report

The issues that were raised in the scoping study were used to develop terms and references for Specialist Study. Experts within the Consultancy Team were assigned specific duties in the Specialist Study whose results were included in the Draft EIA report. The Draft EIA report reflected all issues identified during the scoping process, mitigating measures and the proposed environmental management plan. According to the Environmental Management Act of 2007, public participation forms the integral part of the EIA process. A public consultation plan was developed in line with the Environmental Management Act of 2007 and the plan addressed the following objectives:

- To ensure all stakeholders were included in the consultation and disclosure process;
- To ensure initial information disclosure about the project is understandable to the non-technical stakeholders and local population;

- To ensure that adequate and timely information is provided to the public;
- To ensure that all stakeholders are given sufficient opportunity to express their issues, concerns and opinions;
- To ensure that stakeholders' opinions and concerns influence project decisions;
- To ensure that effective communication will continue during the construction and operational phases of the project.

6.3. Outcomes of Environmental Impact Assessment (EIA)

The EIA process identified the following aspect and potential environmental impacts. These aspects (positive and negative) are for both the construction and operational phases of the project.

6.3.1 Air pollutants (Dust)

Fugitive dust generated during the construction of the service centre will irritate workers at the site, nearby residents and businesses. The dust can contribute to respiratory illnesses. Dust also negatively affects flora adversely and impacts negatively on the outlook or aesthetic value of the surrounding areas. Mitigation of this environmental aspect will involve on-site mixing and unloading operations which should be done using adequately services and maintained machinery. Wetting of the ground surface and providing construction employees with dust masks were also recommended as mitigation activities. These mitigating activities will be monitored by the project's Environmental Health/Construction Manager and will be monitored by Ministry of Health & Social Services and MET's Department of Environmental Affairs (DEA) on a month basis.

6.3.2 Noise

During the construction phase, noise from construction activities will irritate site workers, potentially impairing hearing, and the noise can be a nuisance to nearby businesses and lodges within the vicinity of the KSSCC's construction site. To mitigate this environmental aspect it was advised that the construction equipment being used on site should be well maintained and construction activities will have to be limited to working hours (7:00am to 4:00pm) and noisy construction activities will have to be done in the morning (8:00am to 12:00pm). The construction manager will have to implement the mitigating activities and will be monitored by MET's DEA.

6.3.3 Solid Waste

Solid waste will comprise of the following:

- Soil from excavation
- Packaging e.g. cement bags
- Wood and steel scraps
- Food waste e.g. plastic bottles, plastic bags and food leftovers.

Improperly managed solid waste can lead to the harbouring of pests, rodents and vermin. It will affect the outlook and aesthetic value of the village. It may also cause and increase in sedimentation and blockage of drains during rainy season. Mitigating activities as listed in Environmental Plan (Annex C) include:

- Provide waste collection bins
- Bins should also be strong enough to keep scavengers away
- Bins should be easily accessible.

The implementing agent for these mitigating factors is either the design engineer or the architect. This will be monitored by MET's DEA and Kamanjab Village Council on a quarterly basis.

6.3.4 Oil/Fuel Spills

Fuel and or oil spills can occur at the fuel storage facilities. Oil can enter the drainage system and either contaminate the land, surface and ground water. To mitigate this environmental aspect, the site will be concretised to avoid contamination of the ground water and the petroleum dispensing equipment used will have to be well maintained. Storm water drains leading to oil/water separator will be constructed. The monitoring agent for these mitigating activities will be MET's DEA or Namwater by sampling of the monitoring wells constructed on site of KSSCC.

6.3.5 Positive Environmental Aspects

Positive environmental aspects noted were:

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- Creation of new jobs
- Positive economic benefits due to increased availability of fuel and other services.
- Positive impact of the new infrastructure on the outlook or aesthetic value of the surrounding areas

A detailed analysis of the environmental issues that were noted are in the EIA document annexed hereto. (Annex C). The draft EIA document was made available to the public for comments on the issues of interest. After incorporating the public's comments and opinions, the EIA report was forwarded the MET. MET were satisfied with the report and an Environmental Clearance was issued, allowing the project to proceed to the construction phase. Please see Annex C for the EIA document and the Environmental Clearance.

7. Task Six: Financial Feasibility

During the design stage of the project, the venture has been broken down into 4 phases.

- Phase 1: Construction the service station, convenience store, tyre repair shop, hardware and beer deport.
- Phase 2: Construction of Truck Port
- Phase 3: Construction of Lodging facilities
- Phase 4: Construction of Camping site

During the development of the financial model of the business, it was discovered that phases 1, 2, and 4 can be developed first while Phase 3 can be developed in year six of operations from company's own financial resources. This was done to reduce the debt burden on the business. By combining these phases, the company can offer the following products and services.

- Petroleum products- ULP 95 Octane Petrol, LRP 93 Octane Petrol, Diesel, Gas, Other Petroleum Products
- Tyre Repair Services
- Beer Wholesaling,
- Hardware Products,
- Carwash Services,
- Takeaway meals,
- Convenience Store products retailing
- Veterinary Drugs
- Truckpot related service
- Curio Shop art and craft products,
- Space Rentals for ATM,
- Internet Cafe,
- Meat and other meat products,

- Camping,
- Bread from own bakery

7.1. Investment Plan

All the four phase of the project will require fixed capital to the tune of N\$31,357,477.90 to construct facilities only. Please see figure below for the breakdown of construction cost of the project.

Figure 12: Infrastructure Costs

		Excluding VAT (N\$)	VAT (N\$)	Including VAT (N\$)	Total (N\$)
Phase 1					
1.1	Construction Cost (Phase 1)	12,998,095.65	1,949,714.35	14,947,810.00	
1.2	Design Fees	1,180,037.00	177,005.55	1,357,042.55	
1.3	Supervision & Disbursements	981,314.00	147,197.10	1,128,511.10	
1.4	Total Cost Phase 1				15,159,447
Phase 2					
2.1	Construction Cost (Phase 2)	2,039,913.04	305,986.96	2,345,900.00	
2.2	Design Fees	231,394.00	34,709.10	266,103.10	
2.3	Supervision & Disbursements	182,271.00	27,340.65	209,611.65	
2.4	Total Cost Phase 2				2,821,615
Phase 3					
3.1	Construction Cost (Phase 3)	7,401,391.30	1,110,208.70	8,511,600.00	
3.2	Design Fees	703,526.00	105,528.90	809,054.90	
3.3	Supervision & Disbursements	585,579.00	87,836.85	673,415.85	
3.4	Total Cost Phase 3				9,994,071
Phase 4					
4.1	Construction Cost (Phase 4)	2,483,565.22	372,534.78	2,856,100.00	
4.2	Design Fees	256,896.00	38,534.40	295,430.40	
4.3	Supervision & Disbursements	200,709.00	30,106.35	230,815.35	
4.4	Total Cost Phase 4				3,382,346
Total Infrastructure Costs					31,357,478

The above costs are based on the estimates provided by the project’s quantity surveyor. Please see Annex D for the quantity surveyor’s report. The financial model developed incorporates phases 1, 2 and 4 for initial development, leaving phase 3 for development in year 6. This phase will be developed from company’s own funds. In essence the fixed capital required for constructing the phases to be developed first will be:

Phase 1	N\$ 15,159,446.65
Phase 2	N\$ 2,821,614.75
Phase 4	<u>N\$ 3,382,345.75</u>

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Total N\$21,363,407.15

Apart from infrastructure costs, the company will require fixed capital to purchase other assets required by the venture to function. Figure below shows the assets required.

Figure 13: Machinery and Equipment Budget

		Excluding VAT (N\$)	VAT (N\$)	Including VAT (N\$)	Total (N\$)
B	Bakery Equipment				
5	60 Loaf Baking machinery				
	5.1 Oven 60-loaf 3-deck BC3 Bishop	19,799	2,970	22,769	
	5.2 Prover Elect PRX-26 bishop	12,163	1,824	13,987	
	5.3 Dough Mixer 50LTR Bishop	23,569	3,535	27,104	
	5.4 Scale Platform Electronic 150KG	2,961	444	3,405	
	5.5 Scale Portion Electronic 30KG	1,182	177	1,359	
	5.6 Bread Slicer B2 2MM	22,698	3,405	26,103	
	5.7 Bread Cooling Trolley 4 Tier 900x1600	4,139	621	4,760	
	5.8 Table S/S Plain/top 1700	5,567	835	6,402	
	5.9 Bread Pan Lid BO5	6,140	921	7,061	
	5.10 Bread Pans BO5	11,923	1,788	13,712	
	Totals Bakery Equipment				126,663
C	Furniture and Equipment				
6	Office Furniture	177,320	26,598	203,918	
	6.1 Office Desk	18,000	2,700	20,700	
	6.2 Office chairs	31,200	4,680	35,880	
	6.3 Tables	2,500	375	2,875	
	6.4 Filling Cabinets	24,000	3,600	27,600	
	6.5 Computers	65,000	9,750	74,750	
	6.6 Photo Copiers and Printers	18,000	2,700	20,700	
	6.7 Telephones	2,500	375	2,875	
	Total Furniture and Office Equipment				389,298
D	Take-away Equipment				
7	Henny Penny HCW3 Single Tier Humidified Chicken Display	55,500.00	8,325	63,825	
	Chips Scuttle Free Standing Double Door	1,875.00	281	2,156	
	Mobile Stainless Steel Landing Table	4,935.00	740	5,675	
	Table S/Steel Low Profile 235cm w x 60cm h	12,000.00	1,800	13,800	
	Steel Table 1M	2,850.00	428	3,278	
	Total Take-away Equipment				88,734
E	Carwash Equipment				
8	8.1 Car wash vacume cleaner	2,200	330	2,530	
	8.2 Signage	15,000	2,250	17,250	
	8.3 High Pressure Cleaner	4,400	660	5,060	
	Total Carwash Equipment				24,840

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			Excluding VAT (N\$)	VAT (N\$)	Including VAT (N\$)	Total (N\$)
F		Tyre Repair Shop Equipment				
9	9.1	TC528 IT Tyre Changers	58,000	8,700	68,700	
	9.2	WB 680 Wheel Balancer	56,000	8,400	66,400	
	9.3	2 Ton Jacks	1,000	150	1,150	
	9.4	Loose tools	4,400	660	5,060	
		Total Tyre Repair Shop Equipment				141,310
G		Other Assests				
10	10.1	Motor Vehicles				
	10.2	UD 80 10 ton truck	517,404	77,611	595,014	
	10.3	1 ton truck	260,000	39,000	299,000	
		Total Other Assets				894,014

Figure below shows the summary of fixed costs for the venture

Figure 14: Fixed Capital Budget Summary

SQ	Description	Amount (N\$)
A	Infrastructure costs (Phase 1.2 and 4)	21,363,407
B	Bakery Equipment	126,663
C	Furniture and Equipment	389,298
D	Take-away Equipment	88,734
E	Carwash Equipment	24,840
F	Tyre Repair Shop Equipment	141,310
G	Motor Vehicles	894,014
	Total Fixed Assets	23,028,266

7.2. Investment Summary

Apart from Fixed Capital, Kamanjab Service Station and Convenience Centre will also require working capital for operation. The working capital will be used to acquire inventory and finance operations costs during in the initial period. Figure below shows the capital requirements of the venture.

Figure 14: Capital Budget Summary

Description	Amount (N\$)	Amount (N\$)
Fixed Capital		23,028,266
Working Capital		3,584,603
Start-up Costs	221,100	
Diesel Inventory	290,270	
Petrol Inventory	254,406	
Gas Inventory	23,375	
Other Petroleum Products Inventory	20,625	
Tyre repair shop Inventory	10,395	
Beer Depot Inventory	500,797	
Hardware Store Inventory	1,735,544	
Carwash Inventory	3,564	
Convenience Store Inventory	32,175	
Takeaway Inventory	17,078	
Vetenary Drug Store Inventory	19,500	
Curio Shop Inventory	12,675	
Bakery Inventory	3,300	
Cash	439,800	
Total Capital Required		26,612,869

The project required an initial investment of N\$26,612,869 which will be used as Fixed Capital (N\$23,028,266) and Working Capital (N\$3,584,603). The bulk of the working capital will be used to purchase inventory (N\$ 2,923,703), finance start-up costs (N\$ 221,100) and fund operating costs during the initial period (N\$439,800).

The venture will be financed from an interest bearing loan of N\$23,951,582 and owners' investment of N\$2,661,287, contributed on 1:1 ratio by the shareholders. Figure below shows the start-up chart for Kamanjab Service Station and Convenience Centre.

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Figure 15: Start-up Funding Chart

Start-up Expenses	
Legal	10,000
Stationery	2,000
Insurance	16,000
Fuel	6,000
Recruitment and Selection	20,000
Pre Opening Marketing	127,100
Water & Electricity	30,000
Other start up expenses	10,000
Start-up Assets to Fund	\$26,391,769
Total Funding Required	\$26,612,869
Assets	
Non-cash Assets from Start-up	\$25,951,969
Cash Requirements from Start-up	\$439,800
Cash Balance on Starting Date	\$439,800
Total Assets	\$26,391,769
Liabilities and Capital	
Liabilities	
Long-term Liabilities	\$23,951,582
Total Liabilities	\$23,951,582
Capital	
Planned Investment	
Mr. Tylvas N. Shilongo	\$1,330,643
Mrs. Albertina B. Shilongo	\$1,330,643
Total Planned Investment	\$2,661,287
Loss at Start-up (Start-up Expenses)	(\$221,100)
Total Capital	\$2,440,187
Total Capital and Liabilities	\$26,391,769
Total Funding	\$26,612,869

7.3.Sales Projections

Kamanjab Service and Convenience Centre will have numerous revenues centres with varying profit margins. Sales for the venture are projected to be as high as \$3,595,969 in Month 1 of operation. The biggest contributor to revenue is projected to be hardware sales. Sales are projected to rise to N\$ 66,588,894 in Year 1 of operation. Sales are projected to rise from N\$79,191,805 in Year 2 to N\$90,236,986 in Year 3. Sales will maintain upward growth to N\$101,704,594 and \$115,373,555 in Year 4 and Year 5 respectively. Figure 16, 17and 19 below show assumptions for sales projections for Year 1, monthly sales projections for Year 1 and annual sales projections for five respectively.

Figure 16: Sales Projections Assumptions Year 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Petrol Demand Estimates												
Overall Petrol Demand (Litres)	89,400	89,400	89,400	89,400	89,400	89,400	89,400	89,400	89,400	89,400	89,400	89,400
100% ULP 95 Petrol Demand (Litres)	49,170	49,170	49,170	49,170	49,170	49,170	49,170	49,170	49,170	49,170	49,170	49,170
100 % LRP 93 Petrol Demand (Litres)	40,230	40,230	40,230	40,230	40,230	40,230	40,230	40,230	40,230	40,230	40,230	40,230
ULP 95 Octane Petrol												
Cost Price of ULP 95 Octane Petrol	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69
Pump Price of ULP 95 Petrol Per litre	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59	14.59
Total Demand of Petrol (N\$)	717,635	717,635	717,635	717,635	717,635	717,635	717,635	717,635	717,635	717,635	717,635	717,635
Petrol Sold (litres)	9,834	12,293	14,751	17,210	18,685	19,668	22,127	23,110	24,093	24,585	25,568	27,044
Market Share	20%	25%	30%	35%	38%	40%	45%	47%	49%	50%	52%	55%
LRP 93 Octane Petrol												
Cost Price of LRP 93 Octane Petrol	13.54	13.54	13.54	13.54	13.54	13.54	13.54	13.54	13.54	13.54	13.54	13.54
Pump Price of LRP 93 Octane Petrol Per litre (N\$)	14.44	14.44	14.44	14.44	14.44	14.44	14.44	14.44	14.44	14.44	14.44	14.44
Total Demand of Petrol (N\$)	580,991	580,991	580,991	580,991	580,991	580,991	580,991	580,991	580,991	580,991	580,991	580,991
Petrol Sold (litres)	8,046	10,058	12,069	14,081	15,287	16,092	18,104	18,908	19,713	20,115	20,920	22,127
Market Share (%)	20%	25%	30%	35%	38%	40%	45%	47%	49%	50%	52%	55%
Diesel Sales Assumptions												
100% Diesel Demand (litres)	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000	102,000
Cost Price of Diesel (N\$)	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94
Pump Price for Diesel (N\$)	13.84	13.84	13.84	13.84	13.84	13.84	13.84	13.84	13.84	13.84	13.84	13.84
Market Share (%)	20%	25%	30%	35%	38%	40%	45%	47%	49%	50%	52%	55%
Diesel Sales (litres)	20,400	25,500	30,600	35,700	38,760	40,800	45,900	47,940	49,980	51,000	53,040	56,100
Tyre Fixing Assumptions												
Tyre fixing (Average Price)	50	50	50	50	50	50	50	50	50	50	50	50
Estimated tires fixed	540	550	560	564	570	572	580	590	600	605	610	620
Carwash Assumptions												
Average washing price (N\$)	40	40	40	40	40	40	40	40	40	40	40	40
Estimate- Cars washed (Sum)	540	550	570	582	595	601	605	615	620	635	640	650
Assumptions for takeaway												
Average meal price (N\$)	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00
Estimated Meals (Sum)	1,500	1,650	1,815	1,997	2,196	2,416	2,657	2,923	3,215	3,537	3,891	4,280
Internet Cafe Assumptions												
Hourly Charge (N\$)	15	15	15	18	18	18	18	18	18	18	18	18
Estimated Usage (Hrs)	720	756	794	833	875	919	965	1,013	1,064	1,117	1,173	1,231
Camping Site Assumptions												
Daily Charge (N\$)	120	120	120	120	120	120	120	120	120	120	120	120
Estimated Usage (Nights)	90	108	114	120	126	132	138	128	135	140	142	150
Bakery Assumptions												
Average Price of bread (N\$)	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Estimated Units Sold (Sum)	1,200	1,320	1,452	1,600	1,760	1,936	2,200	2,420	2,662	2,930	3,223	3,550

Figure 17: Monthly Sales Forecast Year 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales												
ULP 95 Octane Petrol	143,527	179,409	215,290	251,172	272,701	287,054	322,936	337,288	351,641	358,817	373,170	394,699
LRP 93 Octane Petrol	116,198	145,248	174,297	203,347	220,777	232,396	261,446	273,066	284,686	290,496	302,115	319,545
Diesel	282,376	352,970	423,564	494,159	536,515	564,753	635,347	663,584	691,822	705,941	734,178	776,535
Gas	25,000	27,500	30,250	33,275	36,603	40,263	44,289	48,718	53,590	58,949	64,844	71,328
Other Petroleum Product s	25,000	26,250	27,563	28,941	30,388	31,907	33,502	35,178	36,936	38,783	40,722	42,758
Tyre Repair Services	27,000	27,500	28,000	28,200	28,500	28,600	29,000	29,500	30,000	30,250	30,500	31,000
Beer Depot Sales	535,612	589,173	648,091	712,900	784,190	862,608	948,869	1,043,756	1,148,132	1,262,945	1,389,240	500,000
Hardware	2,225,056	2,358,559	2,500,073	2,650,077	2,809,082	2,977,627	3,156,284	3,345,662	3,546,401	3,759,185	3,984,736	4,223,821
Carwash	21,600	22,000	22,800	23,280	23,800	24,040	24,200	24,600	24,800	25,400	25,600	26,000
Takeaway	34,500.00	37,950.00	41,745.00	45,919.50	50,511.45	55,562.60	61,118.85	67,230.74	73,953.81	81,349.20	89,484.11	98,432.53
Convenience Store - General sales	45000	47925	51040.1	54357.7	57891.0	61653.9	65661.4	69929.4	74474.8	79315.7	84471.2	89961.8
Veterinary Drugs	25000	27,500	30,250	33,275	36,603	40,263	44,289	48,718	53,590	58,949	64,844	71,328
Truckpot Sales	1000	1,100	1,210	1,331	1,464	1,611	1,772	1,949	2,144	2,358	2,594	2,853
Rent Receivable- ATM	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500
Curio Shop Sales	15000	16,500	18,150	19,965	21,962	24,158	26,573	29,231	32,154	35,369	38,906	42,797
Internet Cafe Sales	10,800	11,340	11,907	15,003	15,753	16,541	17,368	18,236	19,148	20,105	21,110	22,166
Meat	35000	38,500	42,350	46,585	51,244	56,368	62,005	68,205	75,026	82,528	90,781	99,859
Camping	10,800	12,960	13,680	14,400	15,120	15,840	16,560	15,360	16,200	16,800	17,040	18,000
Bread Sales	15,000	16,500	18,150	20,000	22,000	24,200	27,500	30,250	33,275	36,625	40,288	44,375
Total Sales	\$3,595,969	\$3,941,384	\$4,300,910	\$4,678,686	\$5,017,601	\$5,347,944	\$5,781,220	\$6,152,960	\$6,550,472	\$6,946,665	\$7,397,123	\$6,877,958
Direct Cost of Sales	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
ULP 95 Octane Petrol	134,611	168,264	201,917	235,570	255,762	269,223	302,876	316,337	329,798	336,529	349,990	370,181
LRP 93 Octane Petrol	108,904	136,130	163,356	190,582	206,917	217,807	245,033	255,924	266,814	272,259	283,150	299,485
Diesel	263,882	329,852	395,823	461,793	501,375	527,763	593,734	620,122	646,510	659,704	686,092	725,675
Gas	21,250	23,375	25,713	28,284	31,112	34,223	37,646	41,410	45,551	50,106	55,117	60,629
Other Petroleum Product	18,750	19,688	20,672	21,705	22,791	23,930	25,127	26,383	27,702	29,087	30,542	32,069
Tyre Repair	9,450	9,625	9,800	9,870	9,975	10,010	10,150	10,325	10,500	10,588	10,675	10,850
Beer Depot	455,270	500,797	550,877	605,965	666,561	733,217	806,539	887,193	975,912	1,073,503	1,180,854	425,000
Hardware	1,446,286	1,533,064	1,625,047	1,722,550	1,825,903	1,935,457	2,051,585	2,174,680	2,305,161	2,443,470	2,590,079	2,745,483
Carwash	3,240	3,300	3,420	3,492	3,570	3,606	3,630	3,690	3,720	3,810	3,840	3,900
Takeaway meals	15,525	17,078	18,785	20,664	22,730	25,003	27,503	30,254	33,279	36,607	40,268	44,295
Convenience Store - General Products	29,250	31,151	33,176	35,333	37,629	40,075	42,680	45,454	48,409	51,555	54,906	58,475
Veterinary Drug	16,250	17,875	19,663	21,629	23,792	26,171	28,788	31,667	34,833	38,317	42,148	46,363
Curio Shop Products	9,750	10,725	11,798	12,977	14,275	15,702	17,273	19,000	20,900	22,990	25,289	27,818
Meat	22,750	25,025	27,528	30,280	33,308	36,639	40,303	44,333	48,767	53,643	59,008	64,908
Bread	3,000	3,300	3,630	4,000	4,400	4,840	5,500	6,050	6,655	7,325	8,058	8,875
Subtotal Direct Cost of Sales	\$2,558,168	\$2,829,248	\$3,111,203	\$3,404,693	\$3,660,100	\$3,903,668	\$4,238,366	\$4,512,822	\$4,804,511	\$5,089,494	\$5,420,014	\$4,924,006

Figure 18: Annual Sales Forecast

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales					
ULP 95 Octane Petrol	\$3,487,704	5,951,556	8,064,261	10,101,103	12,764,932
LRP 93 Octane Petrol	\$2,823,617	4,852,996	6,528,761	8,177,772	10,334,386
Diesel	\$6,861,744	10,894,618	13,679,303	16,580,974	20,095,400
Gas	\$534,607	588,068	646,875	711,562	782,718
Other Petroleum Products	\$397,928	437,721	481,493	529,642	582,607
Tyre Repair Services	\$348,050	421,141	509,580	616,592	746,076
Beer Depot Sales	\$10,425,515	11,468,067	12,614,874	13,876,361	15,263,997
Hardware	\$37,536,564	39,788,758	42,176,083	44,706,648	47,389,047
Carwash	\$288,120	348,625	421,836	510,422	617,611
Takeaway	\$737,758	892,687	1,080,151	1,306,983	1,581,449
Convenience Store sales	\$781,682	859,850	945,835	1,040,419	1,144,461
Veterinary Drugs	\$534,607	588,068	646,875	711,562	782,718
Truckpot Sales	\$21,384	23,523	25,875	28,462	31,309
Rent Receivable- ATM	\$30,000	33,000	36,300	39,930	43,923
Curio Shop Sales	\$320,764	352,841	388,125	426,937	469,631
Internet Cafe Sales	\$199,477	252,127	346,675	457,611	587,267
Meat	\$748,450	823,295	905,624	996,187	1,095,806
Camping	\$182,760	217,789	257,996	304,067	356,772
Bread Sales	\$328,163	397,077	480,463	581,360	703,445
Total Sales	\$66,588,894	\$79,191,805	\$90,236,986	\$101,704,594	\$115,373,555
Direct Cost of Sales					
ULP 95 Octane Petrol	\$3,271,057	5,581,861	7,563,332	9,473,650	11,972,009
LRP 93 Octane Petrol	\$2,646,361	4,548,343	6,118,910	7,664,401	9,685,632
Diesel	\$6,412,325	10,150,282	12,704,528	15,348,793	18,538,272
Gas	\$454,416	499,858	549,843	604,828	665,311
Other Petroleum Product	\$298,446	328,291	361,120	397,232	436,955
Tyre Repair	\$121,818	147,399	178,353	215,807	261,127
Beer Depot	\$8,861,688	9,747,857	10,722,643	11,794,907	12,974,398
Hardware	\$24,398,767	25,862,693	27,414,454	29,059,321	30,802,881
Carwash	\$43,218	52,294	63,275	76,563	92,642
Takeaway meals	\$331,991	401,709	486,068	588,142	711,652
Convenience Store	\$508,093	558,903	614,793	676,272	743,899
Veterinary Drug	\$347,495	382,244	420,468	462,515	508,767
Curio Shop Products	208,497	229,346	252,281	277,509	305,260
Meat	\$486,492	535,142	588,656	647,521	712,274
Bread	\$65,633	79,415	96,093	116,272	140,689
Subtotal Direct Cost of Sales	\$48,456,296	\$59,105,637	\$68,134,817	\$77,403,735	\$88,551,766
Present Values Cost of Sales	\$48,456,296	\$55,760,035	\$60,639,745	\$64,989,668	\$ 66,171,031

7.4.Profitability

According to the financial model developed, Kamanjab Service Station is a viable business venture that will generate profit in the first month of operation. Profits after tax are project to be \$487,401 for Month 1 of operation representing a net margin of 13.55%. The venture is projected to earn after tax profit of N\$9,938,948 after operating for the first 12 months representing a net margin of 14.93%. Profits are projected to rise from N\$11,367,094 in Year 2 to N\$12,853,840. Profits are also expected to grow to a high of \$16,356,810 by the fifth year of operation.

Figure 19: Pro Forma Profit and Loss

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	\$3,595,969	\$3,941,384	\$4,300,910	\$4,678,686	\$5,017,601	\$5,347,944	\$5,781,220	\$6,152,960	\$6,550,472	\$6,946,665	\$7,397,123	\$6,877,958
Direct Costs of Goods	\$2,558,168	\$2,829,248	\$3,111,203	\$3,404,693	\$3,660,100	\$3,903,668	\$4,238,366	\$4,512,822	\$4,804,511	\$5,089,494	\$5,420,014	\$4,924,006
Cost of Goods Sold	\$2,558,168	\$2,829,248	\$3,111,203	\$3,404,693	\$3,660,100	\$3,903,668	\$4,238,366	\$4,512,822	\$4,804,511	\$5,089,494	\$5,420,014	\$4,924,006
Gross Margin	\$1,037,801	\$1,112,136	\$1,189,707	\$1,273,993	\$1,357,501	\$1,444,275	\$1,542,854	\$1,640,139	\$1,745,960	\$1,857,171	\$1,977,109	\$1,953,952
Gross Margin %	28.86%	28.22%	27.66%	27.23%	27.05%	27.01%	26.69%	26.66%	26.65%	26.73%	26.73%	28.41%
Expenses												
Payroll	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Marketing/Promotion	\$38,600	\$38,600	\$38,600	\$38,600	\$31,600	\$31,600	\$31,600	\$31,600	\$31,600	\$31,600	\$31,600	\$31,600
Consultancy	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Telephone and Internet	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Insurance	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Fuel	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Utilities	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Maintenance	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Water and Electricity	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Printing and Stationery	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Travel and Subsistence	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Total Operating Expenses	\$146,600	\$146,600	\$146,600	\$146,600	\$139,600	\$139,600	\$139,600	\$139,600	\$139,600	\$139,600	\$139,600	\$139,600
Profit Before Interest and Taxes	\$891,201	\$965,536	\$1,043,107	\$1,127,393	\$1,217,901	\$1,304,675	\$1,403,254	\$1,500,539	\$1,606,360	\$1,717,571	\$1,837,509	\$1,814,352
EBITDA	\$891,201	\$965,536	\$1,043,107	\$1,127,393	\$1,217,901	\$1,304,675	\$1,403,254	\$1,500,539	\$1,606,360	\$1,717,571	\$1,837,509	\$1,814,352
Interest Expense	\$198,703	\$197,801	\$196,890	\$195,971	\$195,043	\$194,106	\$193,160	\$192,205	\$191,240	\$190,267	\$189,284	\$188,292
Taxes Incurred	\$207,749	\$230,321	\$253,865	\$279,427	\$306,857	\$333,171	\$363,028	\$392,500	\$424,536	\$458,191	\$494,467	\$487,818
Other Income												
Rebate-Diesel Sales	\$2,652	\$3,315	\$3,978	\$4,641	\$5,039	\$5,304	\$5,967	\$6,232	\$6,497	\$6,630	\$6,895	\$7,293
Total Other Income	\$2,652	\$3,315	\$3,978	\$4,641	\$5,039	\$5,304	\$5,967	\$6,232	\$6,497	\$6,630	\$6,895	\$7,293
Net Other Income	\$2,652	\$3,315	\$3,978	\$4,641	\$5,039	\$5,304	\$5,967	\$6,232	\$6,497	\$6,630	\$6,895	\$7,293
Net Profit	\$487,401	\$540,730	\$596,330	\$656,636	\$721,040	\$782,703	\$853,033	\$922,066	\$997,081	\$1,075,743	\$1,160,652	\$1,145,535
Net Profit/Sales	13.55%	13.72%	13.87%	14.03%	14.37%	14.64%	14.76%	14.99%	15.22%	15.49%	15.69%	16.66%

Figure 20: Pro Forma Profit and Loss

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales	\$66,588,894	\$79,191,805	\$90,236,986	\$101,704,594	\$115,373,555
Direct Costs of Goods	\$48,456,296	\$59,105,637	\$68,134,817	\$77,403,735	\$88,551,766
Cost of Goods Sold	\$48,456,296	\$59,105,637	\$68,134,817	\$77,403,735	\$88,551,766
Gross Margin	\$18,132,598	\$20,086,169	\$22,102,168	\$24,300,859	\$26,821,788
Gross Margin %	27.23%	25.36%	24.49%	23.89%	23.25%
Expenses					
Payroll	\$780,000	\$837,900	\$879,795	\$923,786	\$969,972
Marketing/Promotion	\$407,200	\$431,632	\$457,530	\$484,982	\$514,081
Consultancy	\$60,000	\$63,600	\$67,416	\$71,461	\$75,749
Telephone and Internet	\$24,000	\$25,440	\$26,966	\$28,584	\$30,299
Insurance	\$96,000	\$101,760	\$107,866	\$114,338	\$121,198
Fuel	\$36,000	\$38,160	\$40,450	\$42,877	\$45,449
Utilities	\$12,000	\$12,720	\$13,483	\$14,292	\$15,150
Maintenance	\$24,000	\$25,440	\$26,966	\$28,584	\$30,299
Water and Electricity	\$180,000	\$190,800	\$202,248	\$214,383	\$227,246
Printing and Stationery	\$24,000	\$25,440	\$26,966	\$28,584	\$30,299
Travel and Subsistence	\$60,000	\$63,600	\$67,416	\$71,461	\$75,749
Total Operating Expenses	\$1,703,200	\$1,816,492	\$1,917,102	\$2,023,332	\$2,135,491
Profit Before Interest and Taxes	\$16,429,398	\$18,269,677	\$20,185,066	\$22,277,527	\$24,686,298
EBITDA	\$16,429,398	\$18,269,677	\$20,185,066	\$22,277,527	\$24,686,298
Interest Expense	\$2,322,962	\$2,183,447	\$2,022,118	\$1,841,226	\$1,638,399
Taxes Incurred	\$4,231,931	\$4,825,869	\$5,448,885	\$6,130,890	\$6,914,369
Other Income					
Rebate-Diesel Sales	\$64,443	\$106,733	\$139,776	\$176,686	\$223,281
Total Other Income	\$64,443	\$106,733	\$139,776	\$176,686	\$223,281
Net Other Income	\$64,443	\$106,733	\$139,776	\$176,686	\$223,281
Net Profit	\$9,938,948	\$11,367,094	\$12,853,840	\$14,482,097	\$16,356,810
Net Profit/Sales	14.93%	14.35%	14.24%	14.24%	14.18%
Present Value -Net Profit	\$9,938,948	\$10,732,164	\$ 11,439,872	\$12,159,448	\$12,956,126

7.5.Cash Flow Projections

Figure 21: Pro Forma Cash Flow

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash Received												
Cash from Operations												
Cash Sales	\$3,595,969	\$3,941,384	\$4,300,910	\$4,678,686	\$5,017,601	\$5,347,944	\$5,781,220	\$6,152,960	\$6,550,472	\$6,946,665	\$7,397,123	\$6,877,958
Subtotal Cash from Operations	\$3,595,969	\$3,941,384	\$4,300,910	\$4,678,686	\$5,017,601	\$5,347,944	\$5,781,220	\$6,152,960	\$6,550,472	\$6,946,665	\$7,397,123	\$6,877,958
Additional Cash Received												
Non Operating (Other) Income	\$2,652	\$3,315	\$3,978	\$4,641	\$5,039	\$5,304	\$5,967	\$6,232	\$6,497	\$6,630	\$6,895	\$7,293
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$3,598,621	\$3,944,699	\$4,304,888	\$4,683,327	\$5,022,640	\$5,353,248	\$5,787,187	\$6,159,192	\$6,556,969	\$6,953,295	\$7,404,018	\$6,885,251
Expenditures												
Expenditures from Operations												
Cash Spending	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Bill Payments	\$89,356	\$2,711,665	\$3,620,565	\$3,936,502	\$4,263,075	\$4,500,578	\$4,764,271	\$5,211,943	\$5,457,915	\$5,796,943	\$6,111,247	\$6,464,547
Subtotal Spent on Operations	\$154,356	\$2,776,665	\$3,685,565	\$4,001,502	\$4,328,075	\$4,565,578	\$4,829,271	\$5,276,943	\$5,522,915	\$5,861,943	\$6,176,247	\$6,529,547
Additional Cash Spent												
Non Operating (Other) Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment Long-term Liabilities	\$107,212	\$108,240	\$109,277	\$110,324	\$111,382	\$112,449	\$113,527	\$114,615	\$115,713	\$116,822	\$117,941	\$119,072
Principal Repayment Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$261,569	\$2,884,905	\$3,794,842	\$4,111,826	\$4,439,457	\$4,678,027	\$4,942,798	\$5,391,558	\$5,638,628	\$5,978,765	\$6,294,188	\$6,648,618
Net Cash Flow	\$3,337,053	\$1,059,794	\$510,046	\$571,501	\$583,183	\$675,221	\$844,389	\$767,634	\$918,341	\$974,530	\$1,109,830	\$236,633

KAMANJAB SERVICE STATION & CONVENIENCE CENTRE: FEASIBILITY STUDY

Cash Balance	\$3,776,853	\$4,836,647	\$5,346,694	\$5,918,195	\$6,501,378	\$7,176,599	\$8,020,987	\$8,788,622	\$9,706,963	\$10,681,493	\$11,791,323	\$12,027,955
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Figure 22: Pro Forma Cash Flow

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Cash Received					
Cash from Operations					
Cash Sales	\$66,588,894	\$79,191,805	\$90,236,986	\$101,704,594	\$115,373,555
Subtotal Cash from Operations	\$66,588,894	\$79,191,805	\$90,236,986	\$101,704,594	\$115,373,555
Additional Cash Received					
Non Operating (Other) Income	\$64,443	\$106,733	\$139,776	\$176,686	\$223,281
New Current Borrowing	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$66,653,337	\$79,298,538	\$90,376,762	\$101,881,280	\$115,596,836
Expenditures					
Expenditures from Operations					
Cash Spending	\$780,000	\$837,900	\$879,795	\$923,786	\$969,972
Bill Payments	\$52,928,607	\$67,578,306	\$76,789,284	\$86,550,244	\$98,335,537
Subtotal Spent on Operations	\$53,708,607	\$68,416,206	\$77,669,079	\$87,474,029	\$99,305,509
Additional Cash Spent					
Non Operating (Other) Expense	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$1,356,574	\$1,521,071	\$1,705,515	\$1,912,324	\$2,144,211
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$55,065,181	\$69,937,277	\$79,374,594	\$89,386,353	\$101,449,721
Net Cash Flow	\$11,588,155	\$9,361,262	\$11,002,168	\$12,494,926	\$14,147,115
Cash Balance	\$12,027,955	\$21,389,217	\$32,391,385	\$44,886,311	\$59,033,426
Net Present Value-Cash Balance	\$12,027,955	\$20,178,507	\$28,828,217	\$37,687,412	\$ 46,760,003

7.6. Projected Balance Sheet

Figure 23: Monthly Pro Forma Balance Sheet 2020

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Assets	Starting Balances												
Current Assets													
Cash	\$439,800	\$3,776,853	\$4,836,647	\$5,346,694	\$5,918,195	\$6,501,378	\$7,176,599	\$8,020,987	\$8,788,622	\$9,706,963	\$10,681,493	\$11,791,323	\$12,027,955
Inventory	\$2,923,703	\$2,558,168	\$2,829,248	\$3,111,203	\$3,404,693	\$3,660,100	\$3,903,668	\$4,238,366	\$4,512,822	\$4,804,511	\$5,089,494	\$5,420,014	\$4,924,006
Total Current Assets	\$3,363,503	\$6,335,021	\$7,665,895	\$8,457,896	\$9,322,888	\$10,161,478	\$11,080,267	\$12,259,353	\$13,301,443	\$14,511,474	\$15,770,987	\$17,211,337	\$16,951,962
Long-term Assets													
Long-term Assets	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266
Total Long-term Assets	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266
Total Assets	\$26,391,769	\$29,363,287	\$30,694,161	\$31,486,162	\$32,351,154	\$33,189,744	\$34,108,533	\$35,287,619	\$36,329,709	\$37,539,740	\$38,799,253	\$40,239,603	\$39,980,228
Liabilities and Capital													
Current Liabilities													
Accounts Payable	\$0	\$2,591,330	\$3,489,714	\$3,794,663	\$4,113,342	\$4,342,274	\$4,590,810	\$5,030,390	\$5,265,029	\$5,593,692	\$5,894,284	\$6,291,923	\$5,006,085
Subtotal Current Liabilities	\$0	\$2,591,330	\$3,489,714	\$3,794,663	\$4,113,342	\$4,342,274	\$4,590,810	\$5,030,390	\$5,265,029	\$5,593,692	\$5,894,284	\$6,291,923	\$5,006,085
Long-term Liabilities													
Long-term Liabilities	\$23,951,582	\$23,844,370	\$23,736,130	\$23,626,853	\$23,516,529	\$23,405,147	\$23,292,698	\$23,179,171	\$23,064,556	\$22,948,843	\$22,832,021	\$22,714,079	\$22,595,008
Total Liabilities	\$23,951,582	\$26,435,700	\$27,225,844	\$27,421,515	\$27,629,870	\$27,747,421	\$27,883,507	\$28,209,561	\$28,329,585	\$28,542,535	\$28,726,305	\$29,006,002	\$27,601,092
Paid-in Capital	\$2,661,287	\$2,661,287	\$2,661,287	\$2,661,287	\$2,661,287	\$2,661,287	\$2,661,287	\$2,661,287	\$2,661,287	\$2,661,287	\$2,661,287	\$2,661,287	\$2,661,287
Retained Earnings	(\$221,100)	(\$221,100)	(\$221,100)	(\$221,100)	(\$221,100)	(\$221,100)	(\$221,100)	(\$221,100)	(\$221,100)	(\$221,100)	(\$221,100)	(\$221,100)	(\$221,100)
Earnings	\$0	\$487,401	\$1,028,130	\$1,624,460	\$2,281,096	\$3,002,136	\$3,784,839	\$4,637,872	\$5,559,937	\$6,557,018	\$7,632,761	\$8,793,414	\$9,938,948
Total Capital	\$2,440,187	\$2,927,588	\$3,468,317	\$4,064,647	\$4,721,283	\$5,442,323	\$6,225,026	\$7,078,059	\$8,000,124	\$8,997,205	\$10,072,948	\$11,233,601	\$12,379,135
Total Liabilities and Capital	\$26,391,769	\$29,363,287	\$30,694,161	\$31,486,162	\$32,351,154	\$33,189,744	\$34,108,533	\$35,287,619	\$36,329,709	\$37,539,740	\$38,799,253	\$40,239,603	\$39,980,228
Net Worth	\$2,440,187	\$2,927,588	\$3,468,317	\$4,064,647	\$4,721,283	\$5,442,323	\$6,225,026	\$7,078,059	\$8,000,124	\$8,997,205	\$10,072,948	\$11,233,601	\$12,379,135

Figure 24 : Pro Forma Balance Sheet

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Assets					
Current Assets					
Cash	\$12,027,955	\$21,389,217	\$32,391,385	\$44,886,311	\$59,033,426
Inventory	\$4,924,006	\$6,006,166	\$6,923,688	\$7,803,573	\$8,852,363
Total Current Assets	\$16,951,962	\$27,395,382	\$39,315,073	\$52,689,884	\$67,885,789
Long-term Assets					
Long-term Assets	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266
Total Long-term Assets	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266	\$23,028,266
Total Assets	\$39,980,228	\$50,423,648	\$62,343,339	\$75,718,150	\$90,914,055
Liabilities and Capital					
Current Liabilities					
Accounts Payable	\$5,006,085	\$5,603,483	\$6,374,848	\$7,179,886	\$8,163,193
Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
Subtotal Current Liabilities	\$5,006,085	\$5,603,483	\$6,374,848	\$7,179,886	\$8,163,193
Long-term Liabilities	\$22,595,008	\$21,073,937	\$19,368,422	\$17,456,098	\$15,311,887
Total Liabilities	\$27,601,092	\$26,677,420	\$25,743,270	\$24,635,984	\$23,475,079
Paid-in Capital	\$2,661,287	\$2,661,287	\$2,661,287	\$2,661,287	\$2,661,287
Retained Earnings	(\$221,100)	\$9,717,848	\$21,084,942	\$33,938,782	\$48,420,879
Earnings	\$9,938,948	\$11,367,094	\$12,853,840	\$14,482,097	\$16,356,810
Total Capital	\$12,379,135	\$23,746,229	\$36,600,069	\$51,082,166	\$67,438,976
Total Liabilities and Capital	\$39,980,228	\$50,423,648	\$62,343,339	\$75,718,150	\$90,914,055
Net Worth	\$12,379,135	\$23,746,229	\$36,600,069	\$51,082,166	\$67,438,976
Net Present Value-Net Worth	\$12,379,135	\$22,402,103	\$32,573,931	\$42,889,572	\$ 53,417,986

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7.7. Financial Ratios

Figure 25: Ratio Analysis						
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Industry Profile
Sales Growth	0.00%	18.93%	13.95%	12.71%	13.44%	3.76%
Percent of Total Assets						
Inventory	12.32%	11.91%	11.11%	10.31%	9.74%	19.47%
Other Current Assets	0.00%	0.00%	0.00%	0.00%	0.00%	30.41%
Total Current Assets	42.40%	54.33%	63.06%	69.59%	74.67%	55.87%
Long-term Assets	57.60%	45.67%	36.94%	30.41%	25.33%	44.13%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Current Liabilities						
Long-term Liabilities	12.52%	11.11%	10.23%	9.48%	8.98%	28.95%
Total Liabilities	56.52%	41.79%	31.07%	23.05%	16.84%	27.07%
Net Worth	69.04%	52.91%	41.29%	32.54%	25.82%	56.02%
	30.96%	47.09%	58.71%	67.46%	74.18%	43.98%
Percent of Sales						
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Gross Margin	27.23%	25.36%	24.49%	23.89%	23.25%	9.62%
Selling, General & Administrative Expenses	12.30%	11.01%	10.25%	9.65%	9.07%	5.56%
Advertising Expenses	0.61%	0.55%	0.51%	0.48%	0.45%	0.48%
Profit Before Interest and Taxes	24.67%	23.07%	22.37%	21.90%	21.40%	0.57%
Main Ratios						
Current	3.39	4.89	6.17	7.34	8.32	1.42
Quick	2.40	3.82	5.08	6.25	7.23	0.62
Total Debt to Total Assets	69.04%	52.91%	41.29%	32.54%	25.82%	58.96%
Pre-tax Return on Net Worth	113.95%	67.74%	49.63%	40.01%	34.18%	2.47%
Pre-tax Return on Assets	35.28%	31.90%	29.13%	26.99%	25.35%	6.02%
Additional Ratios						
	2014	2015	2016	2017	2018	
Net Profit Margin	14.93%	14.35%	14.24%	14.24%	14.18%	n.a
Return on Equity	80.29%	47.87%	35.12%	28.35%	24.25%	n.a
Activity Ratios						
Inventory Turnover	12.00	10.82	10.54	10.51	10.63	n.a
Accounts Payable Turnover	11.57	12.17	12.17	12.17	12.17	n.a
Payment Days	27	28	28	28	28	n.a
Total Asset Turnover	1.67	1.57	1.45	1.34	1.27	n.a
Debt Ratios						
Debt to Net Worth	2.23	1.12	0.70	0.48	0.35	n.a
Current Liab. to Liab.	0.18	0.21	0.25	0.29	0.35	n.a
Liquidity Ratios						
Net Working Capital	\$11,945,877	\$21,791,900	\$32,940,225	\$45,509,998	\$59,722,596	n.a
Interest Coverage	7.07	8.37	9.98	12.10	15.07	n.a
Additional Ratios						
Assets to Sales	0.60	0.64	0.69	0.74	0.79	n.a
Current Debt/Total Assets	13%	11%	10%	9%	9%	n.a
Acid Test	2.40	3.82	5.08	6.25	7.23	n.a
Sales/Net Worth	5.38	3.33	2.47	1.99	1.71	n.a

7.8 Internal Rate of Return (IRR)

Assuming that alternative investment of capital would yield an annual interest rate of 6%, WCM used 6% as the discounting factor for income stream to arrive at the Net Present Value for KSSCC over a five year period. With such a high IRR KSSCC is a feasible business venture that should be pursued.

Figure 28 NPV and IRR of KSSCC

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total
Income Stream	- 26,612,869	48,456,296	59,105,637	68,134,817	77,403,735	88,551,766
Discount Factor 1.06 ^a	1	1.06000	1.12360	1.19102	1.26248	1.33823
Net Present Value	- 26,612,869	45,713,487	52,603,807	57,207,306	61,311,008	66,171,031
Internal Rate of Return						199.64%

An investment of N\$26,612,869 will generate a total return on N\$256,393,769 (NPV) over a period of 5 years. In essence every dollar invested is projected to have 199.64% return over a five year period in present value terms.

8. Risk Analysis

Although this venture has a high IRR, there is risk that might render the financial model developed unachievable. This risk includes:

- The entrance of a competitor with more financial resources, into the market targeted by KSSCC can be considered a risk for T & A. There is a vacant lot opposite the proposed site of KSSCC which if taken up by a company that will provide similar products and services to those offered by KSSCC, can reduce T & A's market share, revenue and profitability. This risk can be mitigated by T & A getting a moratorium with Kamanjab Village Council that will stop the village council from allowing another investor to establish a business venture similar to KSSCC (a service station and carport).
- Global Economic downturn- As mentioned above, traffic flow through Kamanjab decreased over the past three years due to the global economic downturn. The major source of income for KSSCC's target market is tourism (mostly international tourism). During a global economic recession, numbers of tourist visitors to Kunene Region decreases and this has both direct and indirect effects on KSSCC. Direct effect of this would be a reduction in traffic passing through Kamanjab which mean fewer customers for KSSCC. Indirect effects the global recession on KSSCC will be that of a reduction in tourist numbers which will result in more closures of tourism and hospitality establishments in Kunene Region which in turn results in retrenchment of employees who form KSSCC's target market. The mitigating activities for this

would be for KSSCC to grow its local market share for products like building materials, beer and veterinary drugs which are hardly affected by reduced numbers of tourists visiting Kunene Region.

9. Benefit-cost ratio (BCR)

A benefit-cost ratio (BCR) is an indicator, used in the formal discipline of cost-benefit analysis, that attempts to summarize the overall value for money of a project or proposal. A BCR is the ratio of the benefits of a project or proposal, expressed in monetary terms, relative to its costs, also expressed in monetary terms. All benefits and costs should be expressed in discounted present values.

Benefit cost ratio (BCR) takes into account the amount of monetary gain realized by performing a project versus the amount it costs to execute the project. The higher the BCR the better the investment. General rule of thumb is that if the benefit is higher than the cost the project is a good investment.

9.1 Benefits

Figure below shows the calculation of Net Present Value of Revenue streams (benefits) for the first five years of operation after being subject to a discount factor of 6%. The NPV of KSSCC's benefits is N\$375,838,246 for the first five years of operation.

Figure 27 Benefits for KSSCC and NPV of benefits

Benefits		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total
Revenue Stream		66,588,894	79,191,805	90,236,986	101,704,594	115,373,555	
Discount Factor 1.06 ^a	1	1.06000	1.12360	1.19102	1.26248	1.33823	
Net Present Value	-	62,819,711	70,480,425	75,764,713	80,559,564	86,213,832	375,838,246

9.2 Costs

Figure below shows the costs for KSSCC over the first 5 years of operation and the NPV of the total cost for the venture. The NPV for the cost of KSSCC for the first 5 years of operation is N\$326,166,312. This is arrived at after discounting the total costs of venture for the first five year by 6%.

Figure 28 Benefits for KSSCC and NPV of benefits

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Costs		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	Total
Investment	26,612,869	-	-	-	-	-	26,612,869
Financing Costs		2,322,962	2,183,447	2,022,118	1,841,226	1,638,399	10,008,152
Direct Costs		48,456,296	59,105,637	68,134,817	77,403,735	88,551,766	341,652,251
Operating Costs		1703200	1816492	1917102	2023332	2135491	9,595,617
Total Costs	26,612,869	52,482,458	63,105,576	72,074,037	81,268,293	92,325,656	387,868,889
Discount Factor 1.06 ^a	1	1.06000	1.12360	1.19102	1.26248	1.33823	
Net Present Value	26,612,869	49,511,753	56,163,738	60,514,751	64,372,100	68,991,101	326,166,312

9.3 Benefit to Cost Ratio (BCR)

The benefits of the project at NPV are projected to be N\$375,838,246 for the first five years while the costs of the venture at NPV for the same period is projected to be N\$326,166,312

BCR = Benefit/Cost where > 1 is good

BCR= N\$375,838,246/ N\$326,166,312

BCR=1.15 or 1.15:1

The final outcome of 1.15 is the dollar representation of a \$1.15 return for every \$1.00 invested in KSSCC. After five years of sales, KSSCC would have paid for itself almost 1.15 times which makes KSSCC a good business venture that should be pursued.

10. Conclusion

The project has received a green light from Ministry of Environment and Tourism through the issue of an Environmental Clearance and Ministry of Mines and Energy through the issue of an Operating Licence. Kamanjab Rural Council has entered into an agreement with T & A to avail 10,000m² to T & A for the development of Kamanjab Services Stations and Convenience Centre at the chosen site (intersection of the roads leading to Opuwo, Outjo, Khorixas and Palmwag). All legal/licensing issues pertaining to the project have been addressed.

NAMCOR Namibia (Pty) Ltd (petroleum products suppliers) has agreed to supply T & A with petroleum products, pumps for the venture and signage of the Service Station. Standard Bank Namibia has expressed their desire to locate an ATM at KSSCC when the infrastructure has been developed. Namibia Breweries have also agreed in principle to appoint T & A as their wholesaler for beer for Kunene Region.

The labour survey conducted by the consultant shows that the skills required to develop the project are available. The design team for the project have expressed the abundance of skill needed to

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construct the project since the project is not the 1st one of its nature. The local labour market has the necessary skills required to operate the venture. A recruitment budget has been proposed in order to source the best talented and skilled personnel for the venture.

Initial consultations with potential financiers of the project have been positive. A meeting attended by Tshak Investment, WCM and the Head of Lending for the Development Bank of Namibia have show a general acceptance of the nature of the venture by the bank. However, the financiers will only be able to finance the venture after studying a business plan of the venture (to be developed).

According to the financial model developed, Kamanjab Service Station is a viable business venture that will generate profit in the first month of operation. Profits after tax are project to be \$487,401 for Month 1 of operation representing a net margin of 13.55%. The venture is projected to earn after tax profit of N\$9,938,948 after operating for the first 12 months representing a net margin of 14.93%. Profits are projected to rise from N\$11,367,094 in Year 2 to N\$12,853,840. Profits are expected to grow to a high of \$16,356,810 by the fifth year of operation.

Over the first five year period, the project had a BCR of 1.15 (1.15:1) which is the dollar representation of a \$1.15 return for every \$1.00 invested in KSSCC. After five years of sales, KSSCC would have paid for itself almost 1.15 times which makes KSSCC a good business venture that should be pursued.

Based on WCM's findings, KSSCC is a feasible venture which should be developed. The next stage of this venture would be to develop a business plan that can be used to source finance for venture and to provide blue prints for the operations of the venture.

Annexure A: Loan Amortisation Schedule.

Mortgage Loan Payments

Enter Values	
Loan Amount	23,951,582.17
Annual Interest Rate	11.50 %
Loan Period in Years	10
Number of Payments Per Year	12
Start Date of Loan	1/1/2019
Optional Extra Payments	-

Loan Summary	
Scheduled Payment	336,748.33
Scheduled Number of Payments	120
Actual Number of Payments	120
Total Early Payments	-
Total Interest	16,458,217.78

Lender Name:

Pmt No.	Payment Date	Start Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Final Balance	Cumulative Interest
1	01/02/2014	23,951,582.17	336,748.33	-	336,748.33	107,212.34	229,536.00	23,844,369.83	229,536.00
2	01/03/2014	23,844,369.83	336,748.33	-	336,748.33	108,239.79	228,508.54	23,736,130.04	458,044.54
3	01/04/2014	23,736,130.04	336,748.33	-	336,748.33	109,277.09	227,471.25	23,626,852.95	685,515.79
4	01/05/2014	23,626,852.95	336,748.33	-	336,748.33	110,324.33	226,424.01	23,516,528.63	911,939.79
5	01/06/2014	23,516,528.63	336,748.33	-	336,748.33	111,381.60	225,366.73	23,405,147.03	1,137,306.53
6	01/07/2014	23,405,147.03	336,748.33	-	336,748.33	112,449.01	224,299.33	23,292,698.02	1,361,605.85
7	01/08/2014	23,292,698.02	336,748.33	-	336,748.33	113,526.64	223,221.69	23,179,171.38	1,584,827.54
8	01/09/2014	23,179,171.38	336,748.33	-	336,748.33	114,614.61	222,133.73	23,064,556.77	1,806,961.27
9	01/10/2014	23,064,556.77	336,748.33	-	336,748.33	115,713.00	221,035.34	22,948,843.77	2,027,996.60
10	01/11/2014	22,948,843.77	336,748.33	-	336,748.33	116,821.91	219,926.42	22,832,021.86	2,247,923.02
11	01/12/2014	22,832,021.86	336,748.33	-	336,748.33	117,941.46	218,806.88	22,714,080.40	2,466,729.90
12	01/01/2015	22,714,080.40	336,748.33	-	336,748.33	119,071.73	217,676.60	22,595,008.68	2,684,406.50
13	01/02/2015	22,595,008.68	336,748.33	-	336,748.33	120,212.83	216,535.50	22,474,795.84	2,900,942.00
14	01/03/2015	22,474,795.84	336,748.33	-	336,748.33	121,364.87	215,383.46	22,353,430.97	3,116,325.46
15	01/04/2015	22,353,430.97	336,748.33	-	336,748.33	122,527.95	214,220.38	22,230,903.02	3,330,545.84
16	01/05/2015	22,230,903.02	336,748.33	-	336,748.33	123,702.18	213,046.15	22,107,200.84	3,543,592.00
17	01/06/2015	22,107,200.84	336,748.33	-	336,748.33	124,887.66	211,860.67	21,982,313.18	3,755,452.67
18	01/07/2015	21,982,313.18	336,748.33	-	336,748.33	126,084.50	210,663.83	21,856,228.68	3,966,116.51
19	01/08/2015	21,856,228.68	336,748.33	-	336,748.33	127,292.81	209,455.52	21,728,935.87	4,175,572.03
20	01/09/2015	21,728,935.87	336,748.33	-	336,748.33	128,512.70	208,235.64	21,600,423.18	4,383,807.67
21	01/10/2015	21,600,423.18	336,748.33	-	336,748.33	129,744.28	207,004.06	21,470,678.90	4,590,811.72
22	01/11/2015	21,470,678.90	336,748.33	-	336,748.33	130,987.66	205,760.67	21,339,691.24	4,796,572.39
23	01/12/2015	21,339,691.24	336,748.33	-	336,748.33	132,242.96	204,505.37	21,207,448.28	5,001,077.77
24	01/01/2016	21,207,448.28	336,748.33	-	336,748.33	133,510.29	203,238.05	21,073,937.99	5,204,315.81
25	01/02/2016	21,073,937.99	336,748.33	-	336,748.33	134,789.76	201,958.57	20,939,148.23	5,406,274.39
26	01/03/2016	20,939,148.23	336,748.33	-	336,748.33	136,081.50	200,666.84	20,803,066.74	5,606,941.22
27	01/04/2016	20,803,066.74	336,748.33	-	336,748.33	137,385.61	199,362.72	20,665,681.13	5,806,303.95
28	01/05/2016	20,665,681.13	336,748.33	-	336,748.33	138,702.22	198,046.11	20,526,978.90	6,004,350.06
29	01/06/2016	20,526,978.90	336,748.33	-	336,748.33	140,031.45	196,716.88	20,386,947.45	6,201,066.94
30	01/07/2016	20,386,947.45	336,748.33	-	336,748.33	141,373.42	195,374.91	20,245,574.03	6,396,441.85
31	01/08/2016	20,245,574.03	336,748.33	-	336,748.33	142,728.25	194,020.08	20,102,845.78	6,590,461.94
32	01/09/2016	20,102,845.78	336,748.33	-	336,748.33	144,096.06	192,652.27	19,958,749.72	6,783,114.21
33	01/10/2016	19,958,749.72	336,748.33	-	336,748.33	145,476.98	191,271.35	19,813,272.74	6,974,385.56
34	01/11/2016	19,813,272.74	336,748.33	-	336,748.33	146,871.14	189,877.20	19,666,401.61	7,164,262.76
35	01/12/2016	19,666,401.61	336,748.33	-	336,748.33	148,278.65	188,469.68	19,518,122.96	7,352,732.44
36	01/01/2017	19,518,122.96	336,748.33	-	336,748.33	149,699.65	187,048.68	19,368,423.30	7,539,781.12
37	01/02/2017	19,368,423.30	336,748.33	-	336,748.33	151,134.28	185,614.06	19,217,289.03	7,725,395.17
38	01/03/2017	19,217,289.03	336,748.33	-	336,748.33	152,582.65	184,165.69	19,064,706.38	7,909,560.86
39	01/04/2017	19,064,706.38	336,748.33	-	336,748.33	154,044.90	182,703.44	18,910,661.48	8,092,264.30
40	01/05/2017	18,910,661.48	336,748.33	-	336,748.33	155,521.16	181,227.17	18,755,140.32	8,273,491.47
41	01/06/2017	18,755,140.32	336,748.33	-	336,748.33	157,011.57	179,736.76	18,598,128.75	8,453,228.23
42	01/07/2017	18,598,128.75	336,748.33	-	336,748.33	158,516.27	178,232.07	18,439,612.48	8,631,460.30
43	01/08/2017	18,439,612.48	336,748.33	-	336,748.33	160,035.38	176,712.95	18,279,577.10	8,808,173.25
44	01/09/2017	18,279,577.10	336,748.33	-	336,748.33	161,569.05	175,179.28	18,118,008.05	8,983,352.53
45	01/10/2017	18,118,008.05	336,748.33	-	336,748.33	163,117.42	173,630.91	17,954,890.63	9,156,983.44
46	01/11/2017	17,954,890.63	336,748.33	-	336,748.33	164,680.63	172,067.70	17,790,210.00	9,329,051.14
47	01/12/2017	17,790,210.00	336,748.33	-	336,748.33	166,258.82	170,489.51	17,623,951.18	9,499,540.66
48	01/01/2018	17,623,951.18	336,748.33	-	336,748.33	167,852.13	168,896.20	17,456,099.04	9,668,436.86
49	01/02/2018	17,456,099.04	336,748.33	-	336,748.33	169,460.72	167,287.62	17,286,638.33	9,835,724.47
50	01/03/2018	17,286,638.33	336,748.33	-	336,748.33	171,084.72	165,663.62	17,115,553.61	10,001,388.09
51	01/04/2018	17,115,553.61	336,748.33	-	336,748.33	172,724.28	164,024.06	16,942,829.33	10,165,412.14
52	01/05/2018	16,942,829.33	336,748.33	-	336,748.33	174,379.55	162,368.78	16,768,449.78	10,327,780.93
53	01/06/2018	16,768,449.78	336,748.33	-	336,748.33	176,050.69	160,697.64	16,592,399.09	10,488,478.57
54	01/07/2018	16,592,399.09	336,748.33	-	336,748.33	177,737.84	159,010.49	16,414,661.25	10,647,489.06
55	01/08/2018	16,414,661.25	336,748.33	-	336,748.33	179,441.16	157,307.17	16,235,220.09	10,804,796.23
56	01/09/2018	16,235,220.09	336,748.33	-	336,748.33	181,160.81	155,587.53	16,054,059.28	10,960,383.76
57	01/10/2018	16,054,059.28	336,748.33	-	336,748.33	182,896.93	153,851.40	15,871,162.35	11,114,235.16
58	01/11/2018	15,871,162.35	336,748.33	-	336,748.33	184,649.69	152,098.64	15,686,512.66	11,266,333.80
59	01/12/2018	15,686,512.66	336,748.33	-	336,748.33	186,419.25	150,329.08	15,500,093.40	11,416,662.88

Mortgage Loan Payments

Pmt No.	Payment Date	Start Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Final Balance	Cumulative Interest
60	01/01/2019	15,500,093.40	336,748.33	-	336,748.33	188,205.77	148,542.56	15,311,887.63	11,565,205.44
61	01/02/2019	15,311,887.63	336,748.33	-	336,748.33	190,009.41	146,738.92	15,121,878.22	11,711,944.36
62	01/03/2019	15,121,878.22	336,748.33	-	336,748.33	191,830.33	144,918.00	14,930,047.89	11,856,862.36
63	01/04/2019	14,930,047.89	336,748.33	-	336,748.33	193,668.71	143,079.63	14,736,379.18	11,999,941.99
64	01/05/2019	14,736,379.18	336,748.33	-	336,748.33	195,524.70	141,223.63	14,540,854.48	12,141,165.62
65	01/06/2019	14,540,854.48	336,748.33	-	336,748.33	197,398.48	139,349.86	14,343,456.01	12,280,515.48
66	01/07/2019	14,343,456.01	336,748.33	-	336,748.33	199,290.21	137,458.12	14,144,165.79	12,417,973.60
67	01/08/2019	14,144,165.79	336,748.33	-	336,748.33	201,200.08	135,548.26	13,942,965.72	12,553,521.85
68	01/09/2019	13,942,965.72	336,748.33	-	336,748.33	203,128.24	133,620.09	13,739,837.47	12,687,141.94
69	01/10/2019	13,739,837.47	336,748.33	-	336,748.33	205,074.89	131,673.44	13,534,762.58	12,818,815.38
70	01/11/2019	13,534,762.58	336,748.33	-	336,748.33	207,040.19	129,708.14	13,327,722.39	12,948,523.52
71	01/12/2019	13,327,722.39	336,748.33	-	336,748.33	209,024.33	127,724.01	13,118,698.06	13,076,247.53
72	01/01/2020	13,118,698.06	336,748.33	-	336,748.33	211,027.48	125,720.86	12,907,670.59	13,201,968.39
73	01/02/2020	12,907,670.59	336,748.33	-	336,748.33	213,049.82	123,698.51	12,694,620.76	13,325,666.90
74	01/03/2020	12,694,620.76	336,748.33	-	336,748.33	215,091.55	121,656.78	12,479,529.21	13,447,323.68
75	01/04/2020	12,479,529.21	336,748.33	-	336,748.33	217,152.84	119,595.49	12,262,376.37	13,566,919.17
76	01/05/2020	12,262,376.37	336,748.33	-	336,748.33	219,233.89	117,514.44	12,043,142.48	13,684,433.61
77	01/06/2020	12,043,142.48	336,748.33	-	336,748.33	221,334.88	115,413.45	11,821,807.59	13,799,847.06
78	01/07/2020	11,821,807.59	336,748.33	-	336,748.33	223,456.01	113,292.32	11,598,351.58	13,913,139.38
79	01/08/2020	11,598,351.58	336,748.33	-	336,748.33	225,597.46	111,150.87	11,372,754.12	14,024,290.25
80	01/09/2020	11,372,754.12	336,748.33	-	336,748.33	227,759.44	108,988.89	11,144,994.68	14,133,279.14
81	01/10/2020	11,144,994.68	336,748.33	-	336,748.33	229,942.13	106,806.20	10,915,052.54	14,240,085.34
82	01/11/2020	10,915,052.54	336,748.33	-	336,748.33	232,145.75	104,602.59	10,682,906.80	14,344,687.93
83	01/12/2020	10,682,906.80	336,748.33	-	336,748.33	234,370.48	102,377.86	10,448,536.32	14,447,065.78
84	01/01/2021	10,448,536.32	336,748.33	-	336,748.33	236,616.53	100,131.81	10,211,919.80	14,547,197.59
85	01/02/2021	10,211,919.80	336,748.33	-	336,748.33	238,884.10	97,864.23	9,973,035.69	14,645,061.82
86	01/03/2021	9,973,035.69	336,748.33	-	336,748.33	241,173.41	95,574.93	9,731,862.29	14,740,636.75
87	01/04/2021	9,731,862.29	336,748.33	-	336,748.33	243,484.65	93,263.68	9,488,377.63	14,833,900.43
88	01/05/2021	9,488,377.63	336,748.33	-	336,748.33	245,818.05	90,930.29	9,242,559.59	14,924,830.71
89	01/06/2021	9,242,559.59	336,748.33	-	336,748.33	248,173.80	88,574.53	8,994,385.78	15,013,405.24
90	01/07/2021	8,994,385.78	336,748.33	-	336,748.33	250,552.14	86,196.20	8,743,833.65	15,099,601.44
91	01/08/2021	8,743,833.65	336,748.33	-	336,748.33	252,953.26	83,795.07	8,490,880.39	15,183,396.51
92	01/09/2021	8,490,880.39	336,748.33	-	336,748.33	255,377.40	81,370.94	8,235,502.99	15,264,767.45
93	01/10/2021	8,235,502.99	336,748.33	-	336,748.33	257,824.76	78,923.57	7,977,678.23	15,343,691.02
94	01/11/2021	7,977,678.23	336,748.33	-	336,748.33	260,295.58	76,452.75	7,717,382.65	15,420,143.77
95	01/12/2021	7,717,382.65	336,748.33	-	336,748.33	262,790.08	73,958.25	7,454,592.56	15,494,102.02
96	01/01/2022	7,454,592.56	336,748.33	-	336,748.33	265,308.49	71,439.85	7,189,284.08	15,565,541.86
97	01/02/2022	7,189,284.08	336,748.33	-	336,748.33	267,851.03	68,897.31	6,921,433.05	15,634,439.17
98	01/03/2022	6,921,433.05	336,748.33	-	336,748.33	270,417.93	66,330.40	6,651,015.12	15,700,769.57
99	01/04/2022	6,651,015.12	336,748.33	-	336,748.33	273,009.44	63,738.89	6,378,005.68	15,764,508.47
100	01/05/2022	6,378,005.68	336,748.33	-	336,748.33	275,625.78	61,122.55	6,102,379.90	15,825,631.02
101	01/06/2022	6,102,379.90	336,748.33	-	336,748.33	278,267.19	58,481.14	5,824,112.71	15,884,112.16
102	01/07/2022	5,824,112.71	336,748.33	-	336,748.33	280,933.92	55,814.41	5,543,178.79	15,939,926.57
103	01/08/2022	5,543,178.79	336,748.33	-	336,748.33	283,626.20	53,122.13	5,259,552.58	15,993,048.70
104	01/09/2022	5,259,552.58	336,748.33	-	336,748.33	286,344.29	50,404.05	4,973,208.30	16,043,452.75
105	01/10/2022	4,973,208.30	336,748.33	-	336,748.33	289,088.42	47,659.91	4,684,119.88	16,091,112.66
106	01/11/2022	4,684,119.88	336,748.33	-	336,748.33	291,858.85	44,889.48	4,392,261.03	16,136,002.14
107	01/12/2022	4,392,261.03	336,748.33	-	336,748.33	294,655.83	42,092.50	4,097,605.20	16,178,094.65
108	01/01/2023	4,097,605.20	336,748.33	-	336,748.33	297,479.62	39,268.72	3,800,125.58	16,217,363.36
109	01/02/2023	3,800,125.58	336,748.33	-	336,748.33	300,330.46	36,417.87	3,499,795.12	16,253,781.23
110	01/03/2023	3,499,795.12	336,748.33	-	336,748.33	303,208.63	33,539.70	3,196,586.49	16,287,320.94
111	01/04/2023	3,196,586.49	336,748.33	-	336,748.33	306,114.38	30,633.95	2,890,472.11	16,317,954.89
112	01/05/2023	2,890,472.11	336,748.33	-	336,748.33	309,047.98	27,700.36	2,581,424.13	16,345,655.25
113	01/06/2023	2,581,424.13	336,748.33	-	336,748.33	312,009.68	24,738.65	2,269,414.45	16,370,393.90
114	01/07/2023	2,269,414.45	336,748.33	-	336,748.33	314,999.78	21,748.56	1,954,414.67	16,392,142.45
115	01/08/2023	1,954,414.67	336,748.33	-	336,748.33	318,018.53	18,729.81	1,636,396.14	16,410,872.26
116	01/09/2023	1,636,396.14	336,748.33	-	336,748.33	321,066.20	15,682.13	1,315,329.94	16,426,554.39
117	01/10/2023	1,315,329.94	336,748.33	-	336,748.33	324,143.09	12,605.25	991,186.85	16,439,159.63
118	01/11/2023	991,186.85	336,748.33	-	336,748.33	327,249.46	9,498.87	663,937.39	16,448,658.51
119	01/12/2023	663,937.39	336,748.33	-	336,748.33	330,385.60	6,362.73	333,551.79	16,455,021.24
120	01/01/2024	333,551.79	336,748.33	-	333,551.79	330,355.26	3,196.54	0.00	16,458,217.78

Annexure B:

Ministry of Mines and Energy Retail Licence,

Kamanjab Village Council Land Offer Letter

Statistics from Roads Authority

NAMCOR Confirmation of Supply Letter

Scoping Report Approval Letter &

Environmental Scoping Report

Annexure C: Environmental Clearance Letter & Environmental Management Plan.

Annexure D: Progressive Quantity Surveyors / Engineers' Cost Estimates.

Annexure E: Progressive architect's drawings.