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 6 month report  
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I have just one week reported back to Kampala from Kigomba Nairobi(Kenya), usual case purchasing stock merchandises and this time, I have again re-stocked Second-Hand School Bags because they are yet again still on demand since its still a back to school season down here. For this term, I have now tripped this kind of stock twice.

A. Merchandises:

Merchandise I buy and off-sell in this Business are:

1. Second-Hand shoes (all sizes- school goers, men, sports Boots and sometimes women's).
2. Second-Hand clothes ( " - casual t-shirts, skirts, sports jackets, women shirts).
3. Second-Hand Bags (school Bags, travel/safari bags and a few women's hand bags).

B. Overseas suppliers:

They come from countries like,

- 1-Dubai
- 2-Malaysia

N.B- Mostly Asian countries and from a few East European countries.

C. System/method I use when purchasing:

Bargaining system sometimes involves strong convincing and the much time killing I sometimes spend with various suppliers in the Kenyan market sources as I bargain for lower prices of what I buy, but at the end of the day after succeeding, I am always able to earn a better profit on the goods back in Kampala from my usual customers.

D. The purchasing prices and off-sell prices on the various commodities I deal.

<u>Items.</u>	<u>Cost</u>	<u>off-sell</u>	<u>Gross Profit</u>
1. Second-Hand clothes.(in UGshs)	6,000-7,000shs	(10,000-12,000shs)	4-5000shs
2. Second-Hand shoes.	10,000-15,000-20,000shs	(15,000-25,000-28,000shs)	5-8000shs
3. Second-Hand Bags. In UGshs-	12,000-15,000shs	(15,000-30,000shs)	3-15,000shs

Below are the Records of my proceedings from my credit Data Books as per the last 8trade trips so far; (the means of money or cash exchanging I use are;- sometimes I use mobile money changers at the Boarder ie kenya – Uganda Boarder before the bus crosses and sometimes I use our Domestic forex bureaus.)

**Records for the first trip.**

Items- on 2rd.01.2010, I bought second-hand women skirts worth 555,000ugshs of stock cost, (*kshs 22,200shs*). It was a 1&1/2 stock batch. i.e 370,000ugshs & 185,000shs. (*in Kshs 4,800 & 7,400shs*).

**Currency ex-change rate was then 1kshs- 25.22.**

	Sales			812,500ugshs
Less:	Cost of sales			

	Total stock purchase		(22,200kshs)	<u>555,000shs</u>
	<b>Acc' income:</b>			<b>257,500shs</b>
Less:	Operating expenses			
	Tax charges	45,000shs		
	Transit cargo	20,000shs	(800kshs)	
	Travel fee	86,000shs	(3,440kshs)	
	Accommodation	20,000shs	(800kshs)	
	feeding	<u>15,000shs</u>	(600kshs)	<u>186,000shs</u>
	<b>Nt. Pft worth</b>			<b><u>71,500shs</u></b>

### Record for the 2rd trade trip.

I received more **460,000ugshs** from you again.

**Gross working capital b/f;**-812,500shs + 14,000shs= 826,500ugshs

Then; 826,500shs + 460,000shs= 1,286,500ugshs.(in full amount).

Used **1,258,000shs** and 28500/=as reserve.

Date: 28<sup>th</sup>.01.2010.

Item; T.shirts and shoes(all second-hand) **ex-change rate- 25.20kshs**

	Sales			1,358,000/=
Less:	Cost of stock			
	Total stock purchased		(42,063kshs)	<u>1,060,000/=</u>
	<b>Gross profit</b>			<b>298,000/=</b>
Less:	Operating expenses			
	Tax charges	52,000/=		
	Transit/cargo fee	25,000/=	(992kshs)	
	Accommodation	20,000/=	(794kshs)	
	Feeding	15,000/=	(595kshs)	
	Travel fee and others	<u>86,000/=</u>	(3,413kshs)	<u>198,000/=</u>
	<b>Net profit</b>			<b>100,000/=</b>

### Record for the 3<sup>rd</sup> trade trip.

Items- men, women and children shoes (second-hand) stock.

**Gross working capital b/f;**- 1,358,000shs + 28,500shs(reserve)= **1,386,500shs net cash**.

Date:1<sup>st</sup>.02.2010. Bought stock worth **1,350,000shs** (36,500shs reserved).

	Sales			1,410,000/=
Less:	c.o.st			
	Total stock purchased			<u>1,112,000/=</u>
	<b>Accumulated profit</b>			<b>298,000/=</b>
Less:	Operating expenses			
	Tax charges	67,000/=		
	Transit/cargo fee	40,000/=	(1,587kshs)	
	Accommodation	20,000/=	(794kshs)	
	feeding	25,000/=	(992kshs)	
	Travel fee	<u>86,000/=</u>	(3,413kshs)	<u>238,000/=</u>
	<b>Net profit</b>			<b>60,000/=</b>

**Record for the 4<sup>th</sup> trade trip.**

Gross working capital b/f; - 1,410,000shs + (36,500shs reserved)= 1,446,500ugshs.

Used; **1,440,000shs**, then reserved (6,500shs).

Date: 20<sup>th</sup>.02.2010. item- only men's classic shoes ware but second-hand.

Ex-change rate was at 26.60kshs.

	Sales			1,246,000/=
Less:	c.o.stk	1,148,200/=	(42,526kshs)	
			)	
	Operating expenses			
	Tax URA charges	123,000/=		
	Transit/cargo fee	42,800/=	(1,585kshs)	
	Accommodation	20,000/=		
	Feeding	20,000/=		
	Travel fee	<u>86,000/=</u>		<u>1,440,000/=</u>
	<b>Net loss</b>			<b>(194,000/=)</b>

**This trade trip was really a disappointing one so far!!!!..**

**Record for the 5<sup>th</sup> trade trip.**

working capital b/f; - 1,246,000shs + (6,500ushs reserved)= 1,252,500ugshs.

Used;- **1,250,000/=** (2,500/= reserved)

Date: 16<sup>th</sup>.03.2010. item- stock was; T.shirts i.e causal and sports jazzies.

Ex-change rate was at 26.00kshs.

	Sales			1,293,000ugshs
Less:	c.o.st			<u>1,002,400/=</u>
	<b>Accum' income</b>			<b>290,600/=</b>
Less:	Operating expenses			
	U.R.A Tax	96,600/=		
	Transit/cargo cost	30,000/=		
	Accommodation	20,000/=		
	Feeding	15,000/=		
	Travel expense	<u>86,000/=</u>	(3,308kshs)	<u>247,600/=</u>
			)	
	<b>Net profit</b>			<b>43,000/=</b>

**Record for the 6<sup>th</sup> trade trip.**

Gross working capital b/f; - 1,293, 000shs + (2,500shs reserved)= 1,295,500ugshs.

Used: **1,275,000/=**

Date: 28<sup>th</sup>.03.2010. items- sports boots and women skirts only(second-hand)

	Sales			1,359,000/=
Less:	c.o.stk			<u>1,026,680/=</u> (1,026,700/=)
	<b>Income accumulated</b>			<b>332,320/(332,300/=)</b>
Less:	Operating expenses			
	U.R.A tax rev.	88,350/=		
	Transit/ cargo fee	35,000/=		
	Accommodation	20,000/=		

	Feeding	15,000/=		
	Travel fee	<u>90,000/=</u>	(3,462kshs	<u>248,350/=</u>
			)	
	<b>Net profit.</b>			<b>83,950/=</b>

**Record for the 7<sup>th</sup> trade trip.**

Gross working capital b/f;- 1,359,000shs + (20,500shs reserved)= 1,379,500shs + 500shs=  
**1,380,000ugshs.** Used it all.

Date: 17<sup>th</sup>.04.2010. item t.shirts and shoes (all second-hand) exchange rate was 27.00kshs.

	Sales			1,390,000/=
Less:	c.o.stk			
	Total stock purchased			<u>1,140,000/=</u>
	<b>Rised income</b>			<b>250,000/=</b>
Less:	Operating expenses			
	U.R.A rev.	90,000/=		
	Transit/cargo expenses	40,000/=		
	Accommodation	20,000/=		
	Feeding	20,000/=		
	Travel fee	<u>90,000/=</u>	(3,333kshs	<u>240,000/=</u>
			)	
	<b>Net Profit</b>			<b>10,000/=</b>

**N.B;- I regard this trip was a flat one.**

**Record for the 8<sup>th</sup> trade trip.**

Gross working capital b/f;- **1,390,000ugshs.**

Date: 2rd. 05. 2010 items- women skirts' stock. exchange rate was 26.20kshs.

	Sales			1,440,000/=
Less:	c.o.stk			<u>1,151,800/=</u>
	<b>Income</b>			<b>288,200/=</b>
Less:	Operating expenses			
	U.R.A rev.	78,200/=		
	Transit/cargo fee	34,000/=	(1,308kshs	
			)	
	Accommodation	20,000/=		
	Feeding	20,000/=		
	Travel fee	<u>86,000/=</u>	(3,308kshs	<u>238,200/=</u>
			)	
	<b>Nt profit</b>			<b>50,000/=</b>

**Record for the 9<sup>th</sup> trade trip.**

Gross working capital b/f;- **1,440,000ugshs.**

Used:-**1,430,000/=** (10,000/= as reserved)

Date: 13<sup>th</sup>.05.2010. items- second-hand soccer boots plus women's skirts and t.shirts' stock.

Ex-change rate was at 27.00kshs.

	Sales			1,365,200/=

Less:	c.o.stk	1,115,000/=		
	Operating expenses			
	U.R.A rev.	140,000/=		
	Transit/cargo fee	50,000/=		
	Accommodation	20,000/=		
	Feeding	15,000/=		
	Travel fee	<u>90,000/=</u>		<u>1,430,000/=</u>
	<b>Net loss</b>			<b>(64,800/=)</b>

**N.B;-This was the second loss suffered during this course of the Business.**

**Record for the 10<sup>th</sup> trade trip**

Working capital b/f;- 1,365,200shs + (10,000shs reserved)= 1,375,200/=. Used 1,375,000/=.

Date: 29<sup>th</sup>.05.2010. Items- Second-Hand School Bags only. **Ex-change rate was at 26.00kshs.**

	Sales			1,488,000/=
Less:	c.o.stk			<u>1,090,000/=</u>
	<b>Income</b>			<b>385,000/=</b>
Less:	Operating expenses			
	Taxes ura	110,000/=		
	Transit/cargo fee	45,000/=		
	Accommodation	20,000/=		
	Feeding	20,000/=		
	Travel fee	<u>90,000/=</u>	(3,462kshs )	<u>285,000/=</u>
	<b>Net profit</b>			<b>113,000/=</b>

**Record for the 11<sup>th</sup> trade trip.**

Gross working capital b/f;- 1,488,000ugshs. Used this all amount for this trip.

Date: 18<sup>th</sup>.06.2010

items- I went back and I have again traded school bags, travel/safari bags plus women's hand bags as you can see in the photos I have attached to this folder.

You will ask me about these threats I have since encountered and I tell you in my past 2-4 stock Dealing trip;

- I was certainly affected by the ex-change rate of the Kenyan shilling at some occasions, I was buying this Kshs at a very high rate of sometimes (26.20, 27.00 and 27.60kshs) this however led to some of the second-hand merchandises to go at high prices in Kenya yet such merchandises would be on fair Demand here in our local suburbs and Kampala markets thus, this at times caused me marginal Losses Or sometimes making No profit almost. This used to happen at times when I had already bought the Kshs and after buying such items at these high prices in Kenya, then as I reach my local markets in Uganda, some customers would be scared off with the prices I always wanted to make a profit. A little class would afford but after a long convincing them about what is happening in the ex-change currency rate market. By the way, this comes about because of the changes in the rates of the US Dollar, as you know it is the Dollar power which determines our 3<sup>rd</sup> world currency rates down here. So under such circumstances, my ready stock would stay for long to finish sometimes.

- This occasional dynamic unfair URA(Uganda revenue authority) tax charges on my second-hand merchandises sometimes, but this depends on what the kind, weight and sometimes the brand/label of the items, forexmple; some second-hand shoe make, i.e (Italy, USA etc..) such makes which are durable and stylish in designs are rated slittly with an increment. All merchandise are weighed in kilos and recently according to URA a kilo is sometimes 1,350 – 1,385 or 1,400Ugshs.
- Transit fee (charges) for the merchandises from Kenya to Kampala of recent has slightly increased hence these cross boarder Bus companies, N.B(this is the medium of travel I always use as for my cargo and personal transportation movements from Kenya to Kampala by road) so these bus companies have now come up with a system of charging our cargo in kilogrammes i.e @kg has gone from 400ugshs – 550ugshs.
- Sometimes when my target market for the items is away from Kampala, that's to other regional parts of Uganda, then I incur more transit plus other minor minor costs to shift or move the cargo to these parts, however this tends to reduce the profits at the end of the Day.

So far, those are the only circumstantial challenges on some occasions, tho' the other would bes; like competition from other dealers in the same field like I, personal like trip lodging (accommodation) while in Kenya gathering the merchandises from the source markets for my merchandises, feeding etc... With these all, I always try to minimize them accordingly, as much as possible i.e in comparison with my working capital.

Lastly, at first my plan of these trade trips was to always go up to Mombasa-Harbour Market centers for most of these merchandises I trade and off-sell in Uganda but the two reasons which limited me to always move up to there are;

1. The travel fee charge from Kampala direct to Mombasa ranges from 70,000ugshs and sometimes 80,000ugshs. So to and fro (Kampala - Mombasa) is 140,000ugshs or sometimes 160,000ugshs hence this automatically somehow reduces my little working capital so far. i.e it's a little expensive for my little working capital.
2. Transit cargo costs as well increases a little, which will also somehow affect this small working capital of mine. However, Mombasa-harbour has more markets and suppliers being the main coastal landing place for all the merchants ships (cargo fleets), that's if my working capital Bigger I would always trip direct to Mombasa for these items at lesser prices as compared to my markets in Naroibi, Voi, Kigomba etc...