

JSSC COMPANY LIMITED

BUSINESS PROPOSAL
FOR
PROCUREMENT OF TRUCKS & TRAILERS

PROJECT INVESTMENT IN USD

APPENDIX 1

ITEM	UNITS	Price per Unit in USD	Total Price in USD
Company Assets			
Land & Buildings			
Motor Vehicles	1	4,076.09	4,076
Furniture and Fittings	1	2,092.00	2,092
Computer and Peripherals	1	550.00	550
TOTAL EXISTING ASSETS			6,718
New Assets			
FM 400 hp 6X4 Tractor High Chassis Height, w	20	95,000	1,900,000
AFRIT 12.9 m TRIDEM AXLE SKELETAL SEMI	20	33,500	670,000
			2,570,000
TOTAL COMPANY ASSETS			2,576,718

JSSC COMPANY LIMITED

DEPRECIATION SCHEDULE in USD

APPENDIX 2

ITEM	RATE	Year 1	Year 2	Year 3	Year 4	Year 5
Motor Vehicles						
	25% SL					
Opening Balance		2,574,076.09	1,930,557.07	1,287,038.04	643,519.02	-
Additions		-	-	-	-	-
Annual Depreciation	25.0%	643,519.02	643,519.02	643,519.02	643,519.02	-
Closing Balance		1,930,557.07	1,287,038.04	643,519.02	-	-
Furniture & Equipment						
	12.5% DV					
Opening Balance		2,642.00	2,311.75	2,022.78	1,769.93	1,548.69
Additions		-	-	-	-	-
Annual Depreciation	12.5%	330.25	288.97	252.85	221.24	193.59
Closing Balance		2,311.75	2,022.78	1,769.93	1,548.69	1,355.11
Total Depreciation		643,849.27	643,807.99	643,771.87	643,740.26	193.59

JSSC COMPANY LIMITED

LONG TERM CAPITAL LOAN FACILITY REPAYMENT SCHEDULE in USD

APPENDIX 3 A

				USD
TOTAL ASSETS				2,576,718
New Assets/Loan				2,570,000
Interest Rate per Annum				5.0%
Annual Instalments				5
Loan Duration (years)				5
	Principal	Balance	Interest	Total
YEAR 1	514,000.00	2,056,000.00	128,500.00	642,500.00
YEAR 2	514,000.00	1,542,000.00	102,800.00	616,800.00
YEAR 3	514,000.00	1,028,000.00	77,100.00	591,100.00
YEAR 4	514,000.00	514,000.00	51,400.00	565,400.00
YEAR 5	514,000.00	-	25,700.00	539,700.00
TOTALUSD	2,570,000.00		385,500.00	2,955,500.00

WORKING CAPITAL

				USD
Overdraft facility/working capital				55,139.00
Interest Rate per Annum				5.0%
Annual Instalments				1
Loan Duration (years)				1
	Principal	Balance	Interest	Total
YEAR 1	55,139.00	-	2,756.95	57,895.95

JSSC COMPANY LIMITED

BASE CASE:

Income Statement inUSD

APPENDIX 4 A

Cement Transportation			Year 1	Year 2	Year 3	Year 4	Year 5
Cement from Mtwara to Kabanga Border and other commodities							
Number of Trucks	20						
Number of Trips per week (4 days)	1						
Number of trips per Month	4						
Number of tons per truck	30						
Number of Tonnage per month	2,400						
Rate per ton inUSD	231						
Income per month inUSD	554,087						
Number of Operational Months per Annum	12						
Full Year Income inUSD	6,649,043						
Return trip Revenue is 1/2 of full year income	3,324,522						
Total Annual revenue	9,973,565						
Capacity Utilization			95%	95%	95%	95%	95%
Realized Revenue inUSD			9,474,886.96	9,474,886.96	9,474,886.96	9,474,886.96	9,474,886.96
Operating Expenses							
Cement Procurement	Turnover	20.0%	1,894,977.39	1,894,977.39	1,894,977.39	1,894,977.39	1,894,977.39
Fuel expenses		7.5%	710,616.52	710,616.52	710,616.52	710,616.52	710,616.52
Drivers Allowances		1.0%	94,748.87	94,748.87	94,748.87	94,748.87	94,748.87
Total Operating Expenses inUSD			2,700,342.78	2,700,342.78	2,700,342.78	2,700,342.78	2,700,342.78
Gross Operating Income inUSD			6,774,544.17	6,774,544.17	6,774,544.17	6,774,544.17	6,774,544.17

JSSC COMPANY LIMITED

BASE CASE:

Income Statement inUSD

APPENDIX 4 B

Cement Transportation and other commodities			Year 1	Year 2	Year 3	Year 4	Year 5
Cement from Mtwara to Rusumo to Burundi							
Number of Trucks	20						
Number of Trips per week (4 days)	1						

Number of trips per Month			4					
Number of tons per truck			30					
Number of Tonnage per month			2,400					
Rate per ton inUSD			239					
Income per month inUSD			573,913					
Number of Operational Months per Annum			12					
Full Year Income inUSD			6,886,957					
Return trip Revenue is 1/2 of full year income			3,443,478					
Total Annual revenue			10,330,435					
Capacity Utilization				95%	95%	95%	90%	90%
Realized Revenue inUSD				9,813,913.04	9,813,913.04	9,813,913.04	9,297,391.30	9,297,391.30
Operating Expenses								
Cement Procurement expenses	Turnover	20.0%	1,962,782.61	1,962,782.61	1,962,782.61	1,859,478.26	1,859,478.26	1,859,478.26
Fuel expenses		7.5%	736,043.48	736,043.48	736,043.48	697,304.35	697,304.35	697,304.35
Drivers Allowances		1.0%	98,139.13	98,139.13	98,139.13	92,973.91	92,973.91	92,973.91
Total Operating Expenses inUSD			2,796,965.22	2,796,965.22	2,796,965.22	2,649,756.52	2,649,756.52	2,649,756.52
Gross Operating Income inUSD			7,016,947.83	7,016,947.83	7,016,947.83	6,647,634.78	6,647,634.78	6,647,634.78

JSSC COMPANY LIMITED

BASE CASE:

Cement Transportation									APPENDIX 4 C
Cement from Mtwara to Kigali and other commodities				Year 1	Year 2	Year 3	Year 4	Year 5	
Number of Trucks	20								
Number of Trips per week (4 days)	1								
Number of trips per Month	4								
Number of tons per truck	30								
Number of Tonnage per month	2,400								
Rate per ton inUSD	261								
Income per month inUSD	626,087								
Number of Operational Months per Annum	12								
Full Year Income inUSD	7,513,043								
Return trip Revenue is 1/2 of full year income	3,756,522								
Total Annual revenue	11,269,565								
Capacity Utilization				95%	95%	95%	90%	90%	
Realized Revenue inUSD				10,706,086.96	10,706,086.96	10,706,086.96	10,142,608.70	10,142,608.70	
Operating Expenses									
Cement Procurement expenses	Turnover	20.0%	2,141,217.39	2,141,217.39	2,141,217.39	2,028,521.74	2,028,521.74	2,028,521.74	
Fuel expenses		8.5%	910,017.39	910,017.39	910,017.39	862,121.74	862,121.74	862,121.74	
Drivers Allowances		1.0%	107,060.87	107,060.87	107,060.87	101,426.09	101,426.09	101,426.09	
Total Operating Expenses inUSD			3,158,295.65	3,158,295.65	3,158,295.65	2,992,069.57	2,992,069.57	2,992,069.57	
Gross Operating Income inUSD			7,547,791.30	7,547,791.30	7,547,791.30	7,150,539.13	7,150,539.13	7,150,539.13	

Income Statement inUSD

Consolidated				Year 1	Year 2	Year 3	Year 4	Year 5	APPENDIX 4 D
Total Revenue				10,706,086.96	10,706,086.96	10,706,086.96	10,142,608.70	10,142,608.70	

Operating Expenses			8,655,603.65	8,655,603.65	8,655,603.65	8,342,168.87	8,342,168.87
Gross Operating Income			21,339,283.30	21,339,283.30	21,339,283.30	20,572,718.09	20,572,718.09

JSSC COMPANY LIMITED

BASE CASE:

Admin Expenses inUSD

APPENDIX 5 A

Management Salaries & Wages

			Year 1	Year 2	Year 3	Year 4	Year 5
Salaries & Wages	Number	TZS per month					
Chairman	1	3,000	36,000.00	36,000.00	37,800.00	39,690.00	41,674.50
Directors	2	2,500	60,000.00	60,000.00	63,000.00	66,150.00	69,457.50
Chief Accountant	1	1,000	12,000.00	12,000.00	12,600.00	13,230.00	13,891.50
Procurement Personnel	4	700	33,600.00	33,600.00	35,280.00	37,044.00	38,896.20
Secretary	1	400	4,800.00	4,800.00	5,040.00	5,292.00	5,556.60
Add: 20% Social Benefits			29,280.00	29,280.00	30,744.00	32,281.20	33,895.26
Total Salaries & Wages	9		175,680.00	175,680.00	184,464.00	193,687.20	203,371.56

Other Admin Expenses

					APPENDIX 5 B		
Insurance	2.0%	Turnover	214,121.74	214,121.74	214,121.74	202,852.17	202,852.17
Repair and Maintenance costs	1.5%	Turnover	129,834.05	129,834.05	129,834.05	125,132.53	125,132.53
General Office Expenses	Per Month	2,000	24,000.00	24,000.00	24,000.00	24,000.00	24,000.00
Office Rent	Per Month	500	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Medical Expenses	Per Month	500	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Marketing Expenses	0.5%	Turnover	53,530.43	53,530.43	53,530.43	50,713.04	50,713.04
Total Other Admin Expenses			433,486.23	433,486.23	433,486.23	414,697.75	414,697.75
Total Administrative Expenses inUSD			609,166.23	609,166.23	617,950.23	608,384.95	618,069.31

JSSC COMPANY LIMITED

BASE CASE:

PROJECTED INCOME STATEMENT inUSD

APPENDIX 6

			Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenue			10,706,086.96	10,706,086.96	10,706,086.96	10,142,608.70	10,142,608.70
Operating Expenses			8,655,603.65	8,655,603.65	8,655,603.65	8,342,168.87	8,342,168.87
Gross Operating Income			2,050,483.30	2,050,483.30	2,050,483.30	1,800,439.83	1,800,439.83
Administration Expenses			609,166.23	609,166.23	617,950.23	608,384.95	618,069.31
Gross Operating Profit			1,441,317.08	1,441,317.08	1,432,533.08	1,192,054.88	1,182,370.52
Finance & Capital Charges							
Loan repayment			514,000.00	514,000.00	514,000.00	514,000.00	514,000.00
Interest Payment			128,500.00	102,800.00	77,100.00	51,400.00	25,700.00
Depreciation			643,849.27	643,807.99	643,771.87	643,740.26	193.59
Total Finance & Capital Charges			1,286,349.27	1,260,607.99	1,234,871.87	1,209,140.26	539,893.59
Profit before Tax			154,967.80	180,709.09	197,661.21	(17,085.39)	642,476.93

Taxation (30%)			46,490.34	54,212.73	59,298.36	(5,125.62)	192,743.08
Profit after Tax			108,477.46	126,496.36	138,362.84	(11,959.77)	449,733.85
Accumulated Retained Earnings			108,477.46	234,973.82	373,336.67	361,376.90	811,110.75

JSSC COMPANY LIMITED

BASE CASE:

PROJECTED CASHFLOW STATEMENT inUSD

APPENDIX 8

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Cashflow from Operations:	-	108,477.46	126,496.36	138,362.84	(11,959.77)	449,733.85
Equity	-					
Loan	2,570,000.00	-				
Overdraft/Working Capital						
Add non Cash Items:	6,718.09					
Depreciation	-	643,849.27	643,807.99	643,771.87	643,740.26	193.59
Total Inflows	2,576,718.09	752,326.73	770,304.35	782,134.71	631,780.49	449,927.44
Investment	2,576,718.09					
Normal replacement	-	-	-	-		
Total Outflow	2,576,718.09	-	-	-	-	-
Net Cashflow	0.00	752,326.73	770,304.35	782,134.71	631,780.49	449,927.44
Opening Balance	-	0.00	752,326.74	1,522,631.09	2,304,765.80	2,936,546.29
Closing Balance	0.00	752,326.74	1,522,631.09	2,304,765.80	2,936,546.29	3,386,473.73

JSSC COMPANY LIMITED

BASE CASE:

PAYBACK PERIOD

APPENDIX 9

	Investment	Net Cashflow	Cumulative
	TZS	TZS	Cashflow
			TZS
INVESTMENT PERIOD	(2,570,000.00)	-	(2,570,000.00)
YEAR 1		752,326.73	(1,817,673.27)
YEAR 2		770,304.35	(1,047,368.92)
YEAR 3		782,134.71	(265,234.20)
YEAR 4		631,780.49	366,546.29
YEAR 5		449,927.44	816,473.73
PAYBACK PERIOD (Years)	3.42		

JSSC COMPANY LIMITED

BASE CASE:

BREAK EVEN ANALYSIS BASED ON YEAR 1

APPENDIX 10

COMPONENT	TZS
Revenue	10,706,086.96
FIXED COSTS	
Salaries & wages	175,680.00
Repair & Maintenance	129,834.05
Insurance Premium	214,121.74
General Administration	24,000.00
Depreciation	643,771.87
TOTAL FIXED COSTS	1,187,407.66
VERIABLE COSTS	
Marketing Expenses	53,530.43
Cement procurement costs	2,141,217.39
Fuel expenses	910,017.39
TOTAL VARIABLE COSTS	3,104,765.22
Contribution Margin	7,601,321.74
Contribution Margin Ratio	0.71
Break Even Revenue	1,672,405.16
Break Even Capacity	16%

JSSC COMPANY LIMITED

BASE CASE:

DISCOUNTED CASHFLOW PROJECTIONS INUSD

APPENDIX 11

	NPV	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Net Cashflow		(2,631,857.09)	752,326.74	1,522,631.09	2,304,765.80	2,936,546.29	3,386,473.73
PRESENT VALUE AT 4%	1,947,866.54	(2,631,857.09)	752,326.74	1,522,631.09	2,304,765.80	2,936,546.29	3,386,473.73
PRESENT VALUE AT 5%	1,947,866.54	(2,631,857.09)	752,326.74	1,522,631.09	2,304,765.80	2,936,546.29	3,386,473.73
Internal Rate of Return (IRR)	28%						

BALANCE SHEET	Year + 1	Year + 2	Year + 3	Year + 4	Year + 5
	2021	2022	2023	2024	2025
CURRENT ASSETS:					
Cash	8,696	8,696	8,696	8,696	8,696
Trade receivables - clients	108,477	126,496	138,363	-11,960	449,734
Inventories					
Other current assets					
TOTAL CURRENT ASSETS	117,173	135,192	147,058	-3,264	458,430
FIXED ASSETS:					
Intangible fixed assets					
Land, buildings, Motor vehicles	2,574,076	1,930,557	1,447,918	1,085,938	814,454
Financial fixed assets					
TOTAL FIXED ASSETS	2,574,076	1,930,557	1,447,918	1,085,938	814,454
TOTAL ASSETS	2,691,249	2,065,749	1,594,976	1,082,674	1,272,883
CURRENT LIABILITIES:					
Trade payables - suppliers	0	0	0	0	0
Bank long term loans	642,500	616,800	591,100	565,400	539,700
Other current liabilities					
TOTAL CURRENT LIABILITIES	642,500	616,800	591,100	565,400	539,700
LONG TERM LIABILITIES:					
Subordinated debt / shareholder loan					
Long term bank loans **					
Other long term liabilities					
TOTAL LONG TERM LIABILITIES	0	0	0	0	0
EQUITY					
Paid-in capital	2,174	2,174	2,174	2,174	2,174
Retained earnings	108,477	234,974	373,337	361,377	811,111
Advance towards share capital	2,580,598	1,828,601	1,219,466	719,123	459,598
Other reserves					
TOTAL EQUITY	2,691,249	2,065,749	1,594,977	1,082,674	1,272,883
TOTAL EQUITY AND LIABILITIES	3,333,749	2,682,549	2,186,077	1,648,074	1,812,583