

**FMS TRANSPORT COMPANY  
LIMITED**

**BUSINESS PLAN  
FOR  
THE ESTABLISHMENT OF A  
ROAD  
TRANSPORT PROJECT**

Prepared By:

FMS Transport Company Limited  
Dar Es Salaam  
TANZANIA

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# Chapter 1

## 1.0. EXECUTIVE SUMMARY

### 1.1. The Project

This project will involve transportation by road of goods and importation and marketing of motor vehicle and machinery spare parts of all kinds. It will also involve operation of a modern workshop for repair of motor vehicles and machinery which will service and repair the company fleet of road trucks/tankers as well as service and repair third party motor vehicles.

The project promoters plan to acquire three hundred (300) heavy duty motor truck horses and three hundred (300) road trailers. The road fleet of vehicles will be acquired over a period of two years as follows:

<b>First Year</b>	-	100 Road trucks horses
	-	100 Road trailers
<b>Second Year</b>	-	100 Road truck horses
	-	100 Road trailers
<b>Third Year</b>	-	100 Road truck horse
	-	100 Road Trailers

The complete fleet will be on the road from the third year onwards.

The project will be financed by equity, and hire purchase loan (supplier's credit). The promoter will invest a total of USD 30,673,200 of which USD 9,411,960 will be equity. The balance of USD 21,261,240 will be by way of supplier's credit - hire purchase arrangement. The equity injection will be utilized for the construction and equipping of the workshop and payment of the 30% down payment for the road trucks horses and trailers.

The road truck horses and trailers, will be purchased and be financed over a period of three years from equity funds, retained earnings, and credit from the hire purchase financier

An amount of USD 300,000 will be utilized to finance the construction of new workshop at Chamakweza, Chalinze District and purchase of the relevant workshop equipment.

### 1.2. The Market

The market for road transport facilities in Tanzania commands a very big demand. The main reason for the remarkable growth of demand for road trucks and trailers is in response to the growth of the transport sector in Tanzania. Over the past one year the demand for road trucks has grown over 60%. The road

transport growth in demand is as a result of increase in cargo going through the Dar es Salaam Port. As the cargo traffic is expected to grow further as a result of rehabilitation and extension of the Dar es Salaam Port as well as the port of Tanga and Mtwara it is imperative that the road transport capacity in the country is increased accordingly. Currently 34% of the total D.R.Congo cargo goes through the Dar es Salaam Port. It is planned to increase D.R.Congo traffic through Dar es Salaam Port to 80% of all D.R.Congo cargo. The transport sector is the link pin between the rest of the sectors of the Tanzanian economy. The growth of any of these other sectors in one way or another touches on the transport sector. The railways and water transport sub sectors are progressively in the decline leaving most of the growth of the transport sector to the road transport sub sector. It is expected that, with the advent of the SGR and rehabilitation of the MGR the railway transport sub-sector will acquire a bigger share in the transport market but this will take sometime before it can adversely effect the road sub-sector.

Road transport contributes immensely to the growth of the other socio-economic sectors. About 93.7% of all cargo in the country is transported by road out of which 3.4% is destined to neighbouring countries, while 90% of passengers use road transport.

### **1.3. Management and Organization**

The company will be managed by knowledgeable, experienced and competent people to insure smooth operations. The Managing Director of the company has had over ten years' experiences as Chief Executive of a road transport company. With him he has a complement of the right caliber staff who have been tried and proven to be competent in managing the operations in road transport business. The company will attract high caliber personnel in view of the attractive remuneration packages recruitment procedures that will be adopted.

### **1.4 Capital Cost and Capitalization**

The total capital investment cost of this project over the three years investment period is projected to be US Dollars 30,673,200. An amount of US Dollars 300,000 will be invested in the construction of a workshop and purchase of the relevant workshop equipment.

### **1.5. Financial Appraisal**

The various assumptions on the basis of which this study has been projected indicate that the net profit after taxes from the operations of this transport business is expected to increase from US Dollars 1,034,532 in the first year of operations to a net profit of US Dollars 11,377,997 in the tenth year of the business operations. By the end of the tenth year the business will have accumulated a reserve of US Dollars 74,418,122 if no dividends are paid out.

The company's cash generation over the period of the project is quite strong. Cash balances accumulate from a deficit US Dollars 341,234 in the first year of the project to US Dollar 67,379,663 in the tenth year.

The projects internal rate of return (IRR) before interest and taxes is projected at 32%. The payback period is about five years and three months. In this respect, therefore, this project is financially viable.

### 1.6 Economic Appraisal

This project is a good commercial venture as shown above and it is also economically desirable on the basis of the following parameters:

- It is the centre pin to all the other economic sectors as one of the major contributors to the transport sector in the economy. As stated earlier in this study the transport sector in Tanzania touches on all the other economic sectors.
- It will generate foreign exchange for the country as most of the income generated will be in foreign currency. Over seventy percent of transport undertaken will be transit traffic to the neighbouring countries of D.R.Congo, Zambia, Malawi, Uganda, Rwanda and Burundi. The foreign exchange impact of this project to the economy of this country is therefore quite substantial
- The project will create employment for 300 employees on permanent basis. About 350 other indirect employment jobs will be generated through forward and backward linkages. This will have some effect on the economy by way of families supported by the employees.
- The project will contribute to the Government revenue by way of payment for duties taxes, levies and licenses.
- The project will contribute towards the Governments plan to increase the handling of cargo at the Dar es Salaam Port to increase from the current 17 Million tons per annum to 30 Million tons per annum.
- The project will contribute towards increasing of the handling of import and export cargo to and from D.R.Congo by 50%.

### 1.7 Conclusion

This study demonstrates that the project is financially viable, economically desirable and commercially profitable.

The project will be managed by people who are knowledgeable and experienced with demonstrated success in this type of business.

It is our considered opinion, therefore that this project should be given all the support and assistance that it deserves for the common good of this nation.

## Chapter 2

### 2.0. BACKGROUND INFORMATION

#### 2.1 Introduction

FMS Transport Company Limited is a private limited liability company which was incorporated in Tanzania on the 29<sup>th</sup> July 2013.

The shareholders are as follows:

Faraj Mbarak Binkleeb	88.24%
Farha Salmin Binkleeb	5.88%
Saleh Faraj Yaslam Bin Kulaib	5.88%

Mr. Faraj Mbarak Binkleeb is the Chairman and Managing Director of this company. He has had over 23 years experience as owner and manager of his own transport business which he has operated very successfully and currently has 65-200 heavy duty trucks and trailers. Mr Faraj Binkleeb has under him a management of knowledgeable and experienced people with proven track record.

The business is located at Plot No.4 Block L Chamakweza in Chalinze Urban.

#### 2.2 Background

The transport sector in Tanzania is very important to the economy mainly because the other sectors of the economy are largely dependent on this sector.

Bearing in mind that road transport sub sector contributed 93.7% to the total inland transport sector it is evident that road transport is key contributor to the national economy.

The road transport sub sector is growing at a fast pace but this growth is being stunted by liquidity problems which impede the local transporters efforts to acquire new road vehicles. However, there is now some element of relief in that some motor vehicle suppliers have adopted the hire purchase system of selling their motor vehicles through credit from contracted bankers which is some sort of supplier credit. This has contributed to the ability of the local road transport companies to purchase new road trucks and compete favourably with road transporters from the neighbouring countries.

In the past most of the transportation and almost all the road transport sub sector was undertaken by parastatal companies such as the National Transport Company and the various regional transport companies, which were established by the government in all the geographical regions of Tanzania. All these

parastatals have ceased business and all their old road trucks have since gone off the road.

A vacuum in the road transport subsector developed from when these parastatals were liquidated and the private sector has been trying hard to fill this vacuum.

The Ministers for Finance from the EAC Partner states in their consultative pre-budget meeting held in May 2010 took note of the importance of the transport sector. In this meeting they agreed to promote growth of important sectors like transport. This sector plays a crucial role in supporting economic growth in the region through its forward and backward linkages with other economic sectors of the country. They agreed to take measures to support the transport sector with a view to reducing transportation costs and stimulate economic growth.

Seventeen millions (17) tons of cargo went through the Dar es Salaam port during the period 2019 to 2021. Of this quantity only 2,040,000 were transported by rail. The rest of the cargo ( 14,960,000 tons) was transported by road.

The government of Tanzania has realized that the only way to promote the rural economies of the country and also encourage exports is by improving the road transport infrastructure. To this end the government has embarked on a major road network improvement programme. The road network has been categorized by corridors as follows:

- Tanzam Corridor
- Central Corridor
- Mid west Corridor
- Lake Circuit Corridor
- Western Corridor
- Great North Corridor
- Southern Coast Corridor

The total trunk roads as network plans fit into the corridors as categorized above.

The development of trunk and regional roads has increased by 85% since 2010 to date.

There is a lot of interregional road traffic within the country moving farm produce. Normally there is an interregional movement of food covering the whole country.

In the past large quantities of agricultural produce were stranded in the villages and could not reach the market because of inaccessibility of the villages by road trucks because the roads were impossible. In some villages there were no roads at all. The government road network development plan, when it is implemented

## Chapter 3

### 3.0 MARKETING AND MARKET ANALYSIS

Availability of cargo for the truck horses and trailers, as proposed in this study exists in view of the current and future demand for road transport. There is and there will be more cargo chasing few motor trucks/trailers unless and until rail and water transport capacity is vastly increased.

According to statistics from TASAC road transport licenses issued to cargo road trucks increased from 63,000 to 83,155 in 20 ( an increase of 34%)

The increase in road transport demand is in resonance to the increase in road cargo supply. The main source of road cargo supply are the sea ports of Dar es Salaam, Tanga, and Mtwara. Also to a certain extent the agriculture sector, which is intended to attain big growth will create demand for road transport to convey farm inputs to the farmers and farm produce from the farmer to the market in the urban areas and to the export centers.

FMS Transport Company Ltd is intent upon meeting part of this demand for road transport and is confident of meeting their share of the market demand as described in this study.

The vision of the road sub sector is embodied in the Tanzania's vision 2025 which gives priority to investment in infrastructure. The aim of the vision is to have a modern integrated and efficient transport system that is safe, secure and environmentally friendly and meets the needs of the country.

This company's plan is to provide the road transport vehicles which will use the improved road infrastructure to meet the transport needs of the economy.

Only 43% of the trunk road network is bituminized but there is a big push by the government to bituminize bigger sections of the road network. Over the past five years 1716 kilometers of new roads was constructed and another 6006 kilometers of new trunk roads will be added to the trunk roads infrastructure over the next five years. The government has set up an urgent Road Rehabilitation Programme (URRP) to address the issue of road network expansion in response to the increase in the road transport demand in Tanzania. It has rationalized and streamlined the institutional framework of the management of the road sub sectors in order to enhance its effectiveness, and accountability. An autonomous executive agency, the Tanzania Road Agency (TANROADS) is charged with the responsibility for the management of trunk road construction, rehabilitation and maintenance. Additionally the local government authorities are responsible for district and urban roads in order to open up existing and potential rural productive areas for agriculture, small scale mining enterprises, rural tourism and small scale rural primary industries.

Good road network means less maintenance cost for the road motor vehicles which will result in more economic road vehicle fleet operations. This will encourage investment in the road transport sub sector which is in need of additional road transport capacity.

Tanzania intends to secure more business from D.R.Congo and has plans to increase the traffic through Dar es Salaam to achieve 58% of the entire import and export cargo to and from D.R.Congo.

The Dar es Salaam port through the current expansion project, has increased the cargo handling capacity from 17 million tons to 30 million tons. Currently D.R.Congo cargo going through Dar es Salaam Port is between 35 to 40 per cent. The remaining percentage is handled by other Ports outside Tanzania.

Tanzania wants its Ports to handle 84 million tons of freight per annum by 2026.

## Chapter 4

### 4.0. FINANCIAL PLAN AND FINANCIAL PROJECTIONS

#### 4.1 Assumptions

The prices of the road trucks horses and road trailers will remain the same as shown in Appendix 10 to this study throughout the plan period. Also it is assumed that the cost of the workshop equipment will be USD 225,000 as projected.

The total investment for this venture over the three years investment period is projected at USD 37,154,113 of which USD 30,672,200 is capital expenditure and USD 64,480,913 is working capital. (Reference Appendix 6 and Appendix 10 to this plan).

An exchange rate of Tshs. 2300 to US Dollars has been assumed over the plan period.

The projected internal rate of return (IRR) is 32.0%. No credit will be extended to customers. The expected railway performance improvement in progress will not affect this business because the growth in demand will by far superceed any increase in the railway transport capacity.

The figures in the financial projections to this study are in United States dollars.

#### 4.2. Projected Profit and Loss Statements

The profit before interest of the operations reflect an operational profit of USD 2,061,669 in the first year of operation increasing to a profit of USD 16,254,281 in year 10.

An annual retained profit averaging USD 7,441,812 is available for building up reserves and further investment. The cumulative retained earnings at the end of the tenth year is USD 74,418,122 which is available for further investment.

#### 4.3 Projected Balance Sheets

The company balance sheets for each of the ten years are as shown in Appendix 13.

#### 4.4 Projected Cash Flow Statements

The sources of funds will be equity, hire purchase credit, and profit before interest, depreciation and taxes. After the initial financing no additional loan or equity will be required. The cash flow statement are shown in Appendix 12 to this study.

#### 4.5. Payback Period

The payback period as calculated for this project is five years and three months.

## Chapter 5

### 5.0. MANAGEMENT AND ORGANIZATION

#### 5.1. Manpower

The company has endeavored to recruit for its staff people with the appropriate knowledge skills and experience to carry out the jobs in the different fields of the business in order to ensure that the project operates efficiently (see Management Organization chart - Figure No.1)

##### 5.1.1. The Board of Directors

The Board of Directors is the overall management authority of the company. It appoints and supervises the company chief executive who will be fully accountable to it. It is the appointing authority of all company's manager cadre immediately below the chief executive.

##### 5.1.2 The Chief Executive

The Chief executive of the company will be appointed by the board of directors either from amongst one of their members or from the outside of the company. The Chief executive will be vested with the full responsibilities for the day to day management of the company operations. He is directly answerable to the board of directors of the company.

##### 5.1.3 The Finance and Administration Manager

The Finance and Administration Manager is appointed by the company board of directors and is directly responsible to the Chief executive for his day to day duties. The Finance and administration manager of the company manages the company finances as well as the company human resources. He prepares the company financial budgets in collaboration with the rest of the management team and is responsible to ensure that expenditure of the company finances conforms to the budgets as agreed and authorized by the board of directors. He is responsible for all the administrative affairs and all matters relating to the company human resources. Under him to assist him will be the company accountant and personnel supervisor.

##### 5.1.4 The Marketing Manager

The Marketing Manager will be appointed by the company board of directors and is directly answerable to the chief executive of the company for his day to day duties. He is responsible for obtaining and securing transport contracts to ensure that the company road fleet is always on the road.

### **5.1.5 The Operations Manager**

The Operations Manager is appointed by the board of directors of the company and is answerable to the Chief executive of the company for his day to day duties. The Operation Manager is responsible for the operations of the company fleet of road trucks, the repair workshop and all plant and machinery deployed for the operation of this project.

Under him to assist him will be logistics supervisor, workshop supervisor and road fleet maintenance supervisor.

### **5.2. Recruitment**

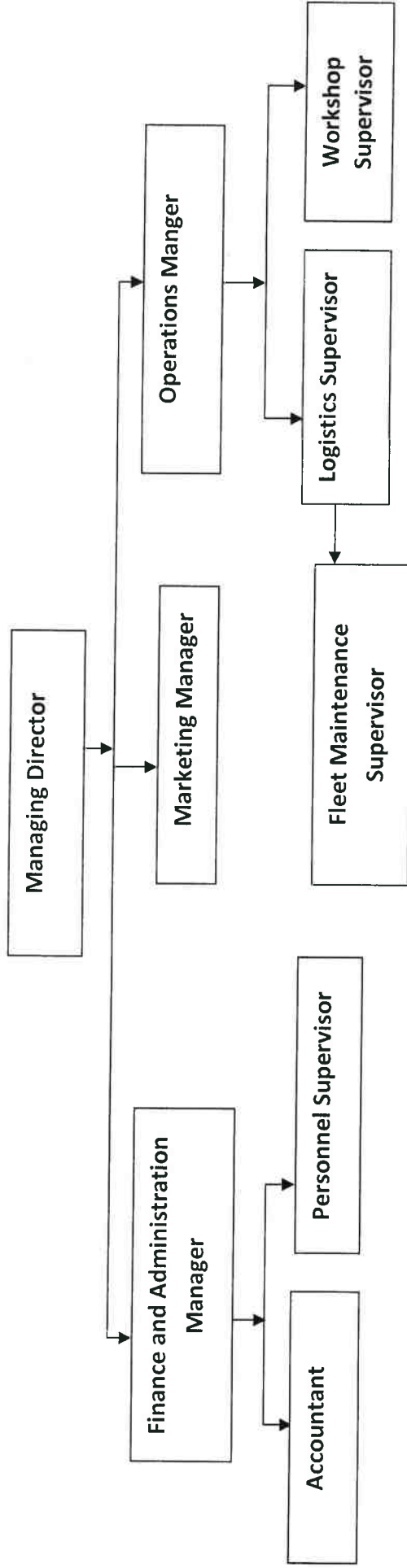
Recruitment of the staff with the appropriate knowledge and experience in the different jobs will be carried out continuously to ensure that the company operates efficiently.

### **5.3 Staff Training**

The company will carry out on the job training for the staff and where need arises selected staff will be sponsored to attend formal training to enhance and increase their knowledge of the job.

Figure No. 1

COMPANY MANAGEMENT ORGANIZATION CHART



## Chapter 6

### 6.0. ECONOMIC ASPECTS

#### 6.1 Employment Generation

The project will create employment for 300 employees on permanent basis and over 350 employees on casual basis. Furthermore additional employment will be generated through the forward and backward linkages that will develop e.g. suppliers contractors, service providers etc. Above all the project will stimulate employment for people who will work in the wayside garages, hotels and restaurants which will develop enroute to provide for the fleet truck drivers and their assistants.

#### 6.2. Foreign Exchange Generation

The project fleet of trucks will be mostly in the transit transport business for which payment is mostly in foreign exchange. This will bring into the country a substantial amount of foreign exchange.

#### 6.3 Government Revenue

The project will generate revenue for the Tanzania government in terms of:

- Corporate taxes
- Personal Income Tax (PAYEE)
- Excise Duties
- Fuel levy for Road Fund
- VAT
- Import Duty
- Various levies for the Central and local government authorities.

#### 6.4 Project Impact on Transport Sector

The project will serve to support the national economy by meeting part of the transport demand for goods especially for the transit trade which will ensure maximum utilization of our sea ports. The project will help to alleviate the current transport capacity deficiency that has been created by the marked decline of the railway network capacity. This project will also stimulate the agricultural sector of the economy by facilitating conveyance of agricultural from the suppliers to the farmers. It is well known that the agricultural sector is the backbone of the Tanzania rural economy and by improving agriculture, we will improve the per capita income of the population.

## Chapter 7

### 7.0 RECOMMENDATIONS

#### 7.1.0 Mission

To undertake transport business in order to contribute towards the economic growth of Tanzania and to enable the company make good returns on the investment and at the same time to repay its loans to its creditors.

#### 7.1.1 Strategic Objectives

The main purpose is to take advantage of the current demand of the road transport facilities for the transportation of goods for the national and regional requirements. To this end the company will expand its road transport capacity to cope with the increase in the demand for road transport.

#### 7.1.2 SWOT Analysis

##### **Strengths**

- Company is managed by personnel with knowledge and long experience in the road transport business.
- The Chief Executive has widespread business connection nationally and in the neighbouring landlocked countries.
- The company enjoys excellent business relations with its customers in particular and the economic region business community at large.

##### **Opportunities**

- There is an ever increasing demand for road transport capacity to meet the economic growth of Tanzania and the neighbouring countries especially in lieu of the deteriorating rail transport capacity.
- The company has good relationship with the government institutions in Tanzania and the neighbouring countries.
- The company maintains good business relationship with the bankers.

##### **Weakness**

- The company has to compete with other transport companies some of whom could be in a better financial position and could therefore increase their transport capacity at short notices. The company relies on credit facilities.

##### **Threats**

- Failure of the Tanzania ports to perform well which could lead to diversion of cargoes destined to neighbouring countries to sea ports outside Tanzania.
- The company could face losses due to untrustworthy employee's.

### **7.3.0 Conclusion**

This study demonstrates that FMS Transport Company Ltd will operate this project successfully. The project will create new direct employment to people and indirect employment to other people in terms of the backward and forward integration. This project will contribute greatly in the facilitation of enhancement and growth of the economies of Tanzania and the neighbouring countries.

It is therefore recommended that this project receives all the necessary support so that it can be successfully implemented.

**FMS TRANSPORT COMPANY LTD. - REVENUE**

(Figures in US\$)

SOURCE OF REVENUE	Basis	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	5 <sup>th</sup> Year	6 <sup>th</sup> Year	7 <sup>th</sup> Year	8 <sup>th</sup> Year	9 <sup>th</sup> Year	10 <sup>th</sup> Year
<b>PROJECTED REVENUE (IN US\$)</b>											
Truck Revenue											
Truck Horses & Trailers (US\$ 220/T Luburn)	6600	5,940,000	11,880,000	17,820,000	17,998,200	18,178,182	18,359,964	18,543,563	18,543,563	18,543,563	19,470,742
Truck Horses & Trailers (Return Trip)	Est.	2,079,000	4,158,000	6,237,000	6,299,370	6,362,364	6,425,987	6,490,247	6,490,247	6,490,247	6,814,760
Rigid Trucks and Trailers	7700	0	0	0	0	0	0	0	0	0	0
Low Loaders	250	0	0	0	0	0	0	0	0	0	0
Road Recovery Vehicle (US\$/Month)	0	0	0	0	0	0	0	0	0	0	0
Mobile Crane (US\$/Month)	25000	0	0	0	0	0	0	0	0	0	0
Light Trucks		0	0	0	0	0	0	0	0	0	0
Pick-up Trucks											
Road Tankers	193.6	0	0	0	0	0	0	0	0	0	0
Workshop Income	3E+05	37,500	39,375	39,769	40,166	40,568	40,974	41,384	41,384	41,384	43,453
<b>TOTAL REVENUE US\$</b>		<b>8,056,500</b>	<b>16,077,375</b>	<b>24,096,769</b>	<b>24,337,736</b>	<b>24,581,114</b>	<b>24,826,925</b>	<b>25,075,194</b>	<b>25,075,194</b>	<b>25,075,194</b>	<b>26,328,954</b>

FMS TRANSPORT COMPANY LTD. - COST OF OPERATIONS										
Particulars	Basis	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7	Year - 8	Year - 9
<b>DIRECT OPERATING COSTS</b>										
<b>TRUCKS</b>										
Fuel and Service		2,658,645	5,317,290	5,370,463	5,424,168	5,478,409	5,533,193	5,588,525	5,588,525	5,588,525
Drivers' Salaries and Allowance		644,520	1,289,040	1,301,930	1,314,950	1,328,099	1,341,380	1,354,794	1,354,794	1,354,794
Miscellaneous Expenses		241,695	638,372	644,756	651,203	657,715	664,292	670,935	670,935	670,935
Sub Total		3,544,860	7,244,702	7,317,149	7,390,320	7,464,224	7,538,866	7,614,254	7,614,254	7,614,254
<b>WORKSHOP</b>										
Spare Parts and Labour		644,520	1,286,190	1,927,742	1,947,019	1,966,489	1,986,154	2,006,016	2,006,016	2,006,016
Others		161,130	321,548	481,935	486,755	491,622	496,538	501,504	501,504	501,504
Sub Total		805,650	1,607,738	2,409,677	2,433,774	2,458,111	2,482,692	2,507,519	2,507,519	2,507,519
<b>TOTAL</b>		<b>4,350,510</b>	<b>8,852,439</b>	<b>9,726,826</b>	<b>9,824,094</b>	<b>9,922,335</b>	<b>10,021,558</b>	<b>10,121,774</b>	<b>10,121,774</b>	<b>10,121,774</b>

**FMS TRANSPORT COMPANY LTD. - SELLING & DISTRIBUTION COSTS**

Particulars	Basis	(Figures in US\$)									
		Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7	Year - 8	Year - 9	Year - 10
Travelling		40,000	40,000	44,000	48,400	53,240	58,564	64,420	70,862	77,949	85,744
Advertisement and Sales Promotion		25,000	27,500	30,250	33,275	36,603	40,263	44,289	48,718	53,590	58,949
Other Marketing		4,500	4,950	5,445	5,990	6,588	7,247	7,972	8,769	9,646	10,611
<b>TOTAL</b>		<b>69,500</b>	<b>72,450</b>	<b>79,695</b>	<b>87,665</b>	<b>96,431</b>	<b>106,074</b>	<b>116,681</b>	<b>128,350</b>	<b>141,185</b>	<b>155,303</b>



**FMS TRANSPORT COMPANY LTD. - GENERAL OVERHEAD COSTS**

Particulars	Basis	(Figures in US\$)											
		Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7	Year - 8	Year - 9	Year - 10		
Printing and Stationery	Estimated	3,780	3,780	3,780	3,780	3,780	3,780	3,780	3,780	3,780	3,780	3,780	3,780
Transport Expenses -Office Cars	Estimated	8,000	8,400	8,500	8,820	8,820	8,820	8,820	8,820	8,820	8,820	8,820	8,820
Directors Fees	.05% of Revenue	4,028	8,039	12,048	12,169	12,291	12,413	12,538	12,538	12,538	12,538	12,538	13,164
Travelling	Estimated	10,000	10,500	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710	10,710
Telephone and Postage	Estimated	5,040	5,500	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,610
Repairs and Maintenance	Estimated	2,100	2,100	2,205	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250
Professional Fees	Estimated	4,200	4,200	4,285	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370	4,370
Audit Fees	Estimated	2,500	2,500	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625	2,625
Government Levies	Estimated	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Business Licence	Estimated	2,520	2,520	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650	2,650
<b>TOTAL</b>		44,668	50,039	54,913	55,484	55,606	55,728	55,853	55,853	55,853	55,853	55,853	56,479
<b>CHARGED TO P&amp;L</b>		44,668	50,039	54,913	55,484	55,606	55,728	55,853	55,853	55,853	55,853	55,853	56,479

**FMS TRANSPORT COMPANY LTD. - WORKING CAPITAL REQUIREMENTS**

Particulars	Basis	Year										
		Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7	Year - 8	Year - 9	Year - 10	
(Figures in US\$)												
<b>INVENTORY:</b>												
<b>Stocks and stores</b>												
Stationery		417	417	417	417	417	417	417	417	417	417	417
Spares and Consumables (1 month)		362,543	1,100,246	1,910,815	2,729,489	3,556,350	4,391,480	5,234,961	6,078,442	6,921,924	7,765,405	7,765,405
		362,959	1,100,662	1,911,231	2,729,906	3,556,767	4,391,897	5,235,378	6,078,859	6,922,340	7,765,821	7,765,821
Work In Progress		-	-	-	-	-	-	-	-	-	-	-
<b>DEBTORS:</b>												
Trade Debtors	1/2 month	335,688	669,891	1,004,032	1,014,072	1,024,213	1,034,455	1,044,800	1,044,800	1,044,800	1,044,800	1,097,040
		335,688	669,891	1,004,032	1,014,072	1,024,213	1,034,455	1,044,800	1,044,800	1,044,800	1,044,800	1,097,040
Cash and Bank		(341,234)	(612,804)	2,110,035	8,081,677	16,772,961	26,776,709	36,873,901	46,743,497	56,604,047	67,279,663	67,279,663
<b>TOTAL CURRENT ASSETS</b>		<b>357,412</b>	<b>1,157,749</b>	<b>5,025,299</b>	<b>11,825,655</b>	<b>21,353,941</b>	<b>32,203,061</b>	<b>43,154,078</b>	<b>53,867,156</b>	<b>64,571,187</b>	<b>76,142,524</b>	<b>76,142,524</b>
Sundry Creditors	1 month	18,681	19,832	21,035	21,747	22,487	23,301	24,195	25,168	26,237	27,466	27,466
Interest Payable		-	-	-	-	-	-	-	-	-	-	-
Taxation Account		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>18,681</b>	<b>19,832</b>	<b>21,035</b>	<b>21,747</b>	<b>22,487</b>	<b>23,301</b>	<b>24,195</b>	<b>25,168</b>	<b>26,237</b>	<b>27,466</b>	<b>27,466</b>
<b>NET WORKING CAPITAL</b>		<b>338,732</b>	<b>1,137,917</b>	<b>5,004,264</b>	<b>11,803,908</b>	<b>21,331,454</b>	<b>32,179,760</b>	<b>43,129,883</b>	<b>53,841,988</b>	<b>64,544,949</b>	<b>76,115,058</b>	<b>76,115,058</b>

**FMS TRANSPORT COMPANY LTD - INTEREST & HIRE-PURCHASE INSTALMENTS**

Particulars	(Figures in US\$)									
	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7	Year - 8	Year - 9	Year - 10
<b>Opening Balance</b>	-	4,864,720	7,157,080	7,087,080	2,362,360	-	-	-	-	-
Term Loan	7,297,080	7,087,080	7,087,080	-	-	-	-	-	-	-
<b>Total</b>	<b>7,297,080</b>	<b>11,951,800</b>	<b>14,244,160</b>	<b>7,087,080</b>	<b>2,362,360</b>	-	-	-	-	-
<b>Payments:</b>										
Interest at 8%	583,766	956,144	1,139,533	566,966	188,989	-	-	-	-	-
<b>Principal Repayment</b>										
Loan Instalments	2,432,360	4,794,720	7,157,080	4,724,720	2,362,360	-	-	-	-	-
<b>Total Principal Repaid</b>	<b>2,432,360</b>	<b>4,794,720</b>	<b>7,157,080</b>	<b>4,724,720</b>	<b>2,362,360</b>	-	-	-	-	-
<b>Balance Outstanding</b>	<b>4,864,720</b>	<b>7,157,080</b>	<b>7,087,080</b>	<b>2,362,360</b>	-	-	-	-	-	-
<b>Term Loan at Close</b>	<b>4,864,720</b>	<b>7,157,080</b>	<b>7,087,080</b>	<b>2,362,360</b>	-	-	-	-	-	-
	<b>4,864,720</b>	<b>7,157,080</b>	<b>7,087,080</b>	<b>2,362,360</b>	-	-	-	-	-	-

**FMS TRANSPORT COMPANY LTD. - DISCOUNTED CASH FLOW STATEMENT**

Particulars	(Figures in US\$)										
	Year - 0	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7	Year - 8	Year - 9	Year - 10
<b>INFLOWS</b>											
Profit Before Tax	1,477,903	3,062,836	8,371,638	9,087,264	9,609,466	14,129,350	14,274,805	15,028,562	15,015,499	16,254,281	-
Add: Depreciation	1,736,560	3,449,920	5,163,280	5,163,280	5,163,280	957,760	957,760	192,112	192,112	192,112	-
Interest on Term Loan	583,766	956,144	1,139,533	566,966	188,989	-	-	-	-	-	-
<b>Inflow from operating activities</b>	<b>3,798,229</b>	<b>7,468,900</b>	<b>14,674,451</b>	<b>14,817,510</b>	<b>14,961,735</b>	<b>15,087,110</b>	<b>15,232,565</b>	<b>15,220,674</b>	<b>15,207,611</b>	<b>16,446,393</b>	-
Equity	3,127,320	3,037,320	3,037,320	-	-	-	-	-	-	-	-
Term Loan	7,297,080	7,087,080	7,087,080	-	-	-	-	-	-	-	-
Subtotal	10,424,400	10,124,400	10,124,400	-	-	-	-	-	-	-	-
<b>TOTAL INFLOWS</b>	<b>14,222,629</b>	<b>17,593,300</b>	<b>24,798,851</b>	<b>14,817,510</b>	<b>14,961,735</b>	<b>15,087,110</b>	<b>15,232,565</b>	<b>15,220,674</b>	<b>15,207,611</b>	<b>16,446,393</b>	-
<b>OUTFLOWS</b>											
Investing Activities:											
Investment in Fixed Assets	10,424,400	10,124,400	10,124,400	-	-	-	-	-	-	-	-
Rehabilitation of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-
Subtotal	10,424,400	10,124,400	10,124,400	-	-	-	-	-	-	-	-
Increase in net Current Assets	-	679,966	1,070,755	1,143,508	828,003	836,261	844,558	852,931	842,509	842,412	894,492
Taxation	-	443,371	918,851	2,511,491	2,726,179	2,882,840	4,238,805	4,282,441	4,508,568	4,504,650	4,876,284
Repayment of Loan	2,432,360	2,432,360	2,432,360	-	-	-	-	-	-	-	-
<b>TOTAL OUTFLOW</b>	<b>13,980,097</b>	<b>FMS Transport C</b>	<b>13,779,399</b>	<b>3,554,182</b>	<b>3,719,101</b>	<b>5,083,363</b>	<b>5,136,373</b>	<b>5,351,077</b>	<b>5,347,061</b>	<b>5,770,777</b>	-
<b>Surplus/(Deficit)</b>	<b>(20,548,800)</b>	<b>242,532</b>	<b>#VALUE!</b>	<b>11,019,452</b>	<b>11,263,328</b>	<b>11,242,634</b>	<b>10,003,747</b>	<b>10,097,192</b>	<b>9,869,596</b>	<b>9,860,550</b>	<b>10,675,616</b>
Terminal / Residual Value											
Discount Factor:	10%	15%	20.0%	-	-	-	-	-	-	-	-
NPV of Cash Flows	28,075,633	17,277,518	9,903,376	-	-	-	-	-	-	-	-
NPV of Terminal Value	28,075,633	17,277,518	9,903,376	-	-	-	-	-	-	-	-
IRR	32.0%										

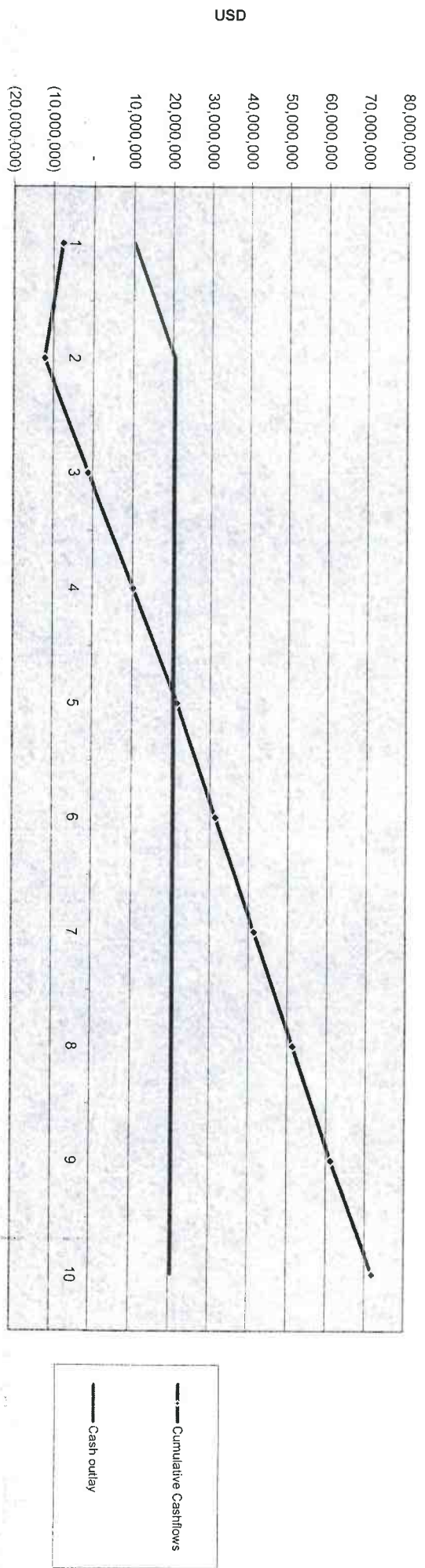
Payback Period:

Initial cash outlay 10,424,400 (Figures in US\$)

Particulars	Year - 0	Year -1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7	Year - 8	Year - 9	Year - 10
Net Cashflows	(10,424,400)	(341,234)	(271,569)	2,722,839	5,971,641	8,691,285	10,003,747	10,097,192	9,869,596	9,860,550	10,675,616
Additional Investment		(10,124,400)	(10,124,400)								
Add Back Financing Cashflows											
Loan Repayment \$ Interest		3,016,126	5,750,864	8,296,613	5,291,686	2,551,349					
Adjusted Cashflows	(10,424,400)	(7,449,508)	(4,645,105)	11,019,452	11,263,328	11,242,634	10,003,747	10,097,192	9,869,596	9,860,550	10,675,616

Payback Period is about 5.3 years

FARAJI SALMIN COMPANY LTD. - PAYBACK PERIOD ANALYSIS



FMS TRANSPORT COMPANY LTD. - PROJECT COST STATEMENT

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL
<b>ASSETS</b>											
<b>Motor Vehicles</b>											
Road Truck Horses	7,009,200	7,009,200	7,009,200	-	-	-	-	-	-	-	21,027,600
Road Truck Trailers	3,115,200	3,115,200	3,115,200	-	-	-	-	-	-	-	9,345,600
Rigid Trucks	-	-	-	-	-	-	-	-	-	-	-
Pulling Trailer	-	-	-	-	-	-	-	-	-	-	-
Low Loader Truck and Trailer	-	-	-	-	-	-	-	-	-	-	-
Road Recovery Vehicle	-	-	-	-	-	-	-	-	-	-	-
Mobile Crane	-	-	-	-	-	-	-	-	-	-	-
Double-cabin Pick-up Trucks	-	-	-	-	-	-	-	-	-	-	-
Single-cabin Pick-up Trucks	-	-	-	-	-	-	-	-	-	-	-
Light Trucks	-	-	-	-	-	-	-	-	-	-	-
Road Tankers	-	-	-	-	-	-	-	-	-	-	-
Sub - Total	10,124,400	10,124,400	10,124,400	-	-	-	-	-	-	-	30,373,200
Land	40,000										40,000
Workshop Building	35,000	-	0								35,000
Workshop Equipment	225,000	-	0								225,000
<b>TOTAL</b>	<b>10,424,400</b>	<b>10,124,400</b>	<b>10,124,400</b>	-	-	-	-	-	-	-	<b>30,673,200</b>
<b>FINANCING</b>											
Equity	3,127,320	3,037,320	3,037,320	-	-	-	-	-	-	-	9,201,960
Hire-Purchase Loan	7,297,080	7,087,080	7,087,080	-	-	-	-	-	-	-	21,471,240
Term Loan	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>10,424,400</b>	<b>10,124,400</b>	<b>10,124,400</b>	-	-	-	-	-	-	-	<b>30,673,200</b>

## FMS TRANSPORT COMPANY LTD. - CASH BUDGET

(Figures in US\$)

Month /Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>INFLOWS:</b>										
Cash collections	7,720,813	15,407,484	23,092,737	23,323,664	23,556,901	23,792,470	24,030,394	24,030,394	24,030,394	25,231,914
Collection from debtors and WIP	-	335,688	669,891	1,004,032	1,014,072	1,024,213	1,034,455	1,044,800	1,044,800	1,044,800
Operating Cash Inflow	7,720,813	15,743,172	23,762,627	24,327,696	24,570,973	24,816,683	25,064,850	25,075,194	25,075,194	26,276,714
Other Sources:										
Equity	3,127,320	3,037,320	3,037,320	-	-	-	-	-	-	-
Hire-Purchase Loan	7,297,080	7,087,080	7,087,080	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-	-
<b>Total Financing Inflows</b>	<b>10,424,400</b>	<b>10,124,400</b>	<b>10,124,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Cash Inflows</b>	<b>18,145,213</b>	<b>25,867,572</b>	<b>33,887,027</b>	<b>24,327,696</b>	<b>24,570,973</b>	<b>24,816,683</b>	<b>25,064,850</b>	<b>25,075,194</b>	<b>25,075,194</b>	<b>26,276,714</b>
<b>OUTFLOWS:</b>										
<b>Creditors</b>	<b>-</b>	<b>18,681</b>	<b>19,832</b>	<b>21,035</b>	<b>21,747</b>	<b>22,487</b>	<b>23,301</b>	<b>24,195</b>	<b>25,168</b>	<b>26,237</b>
<b>Operating Expenses</b>										
Cost of Operations	4,350,510	8,852,439	9,726,826	9,824,094	9,922,335	10,021,558	10,121,774	10,121,774	10,121,774	10,121,774
Selling	63,708	66,413	73,054	80,359	88,395	97,235	106,958	117,654	129,419	142,361
Personnel	156,552	371,250	371,452	371,659	371,869	391,584	391,803	392,026	392,253	392,486
Administration	31,779	36,244	40,520	41,043	41,154	41,267	41,381	41,381	41,381	41,955
<b>Total Operating Expenses</b>	<b>4,602,550</b>	<b>9,326,346</b>	<b>10,211,852</b>	<b>10,317,154</b>	<b>10,423,753</b>	<b>10,551,643</b>	<b>10,661,915</b>	<b>10,672,834</b>	<b>10,684,827</b>	<b>10,698,576</b>
Financial Expenses	-	-	-	-	-	-	-	-	-	-
Interest on Overdraft	-	-	-	-	-	-	-	-	-	-
Interest on Borrowed Funds	583,766	956,144	1,139,533	566,966	188,989	-	-	-	-	-
<b>Total Financial Expenses</b>	<b>583,766</b>	<b>956,144</b>	<b>1,139,533</b>	<b>566,966</b>	<b>188,989</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital Expenditure	10,424,400	10,124,400	10,124,400	-	-	-	-	-	-	-
Repayment of Borrowed Funds	2,432,360	4,794,720	7,157,080	4,724,720	2,362,360	-	-	-	-	-
Provisional Income Tax	443,371	918,851	2,511,491	2,726,179	2,882,840	4,238,805	4,282,441	4,508,568	4,504,650	4,876,284
<b>Total Outflow</b>	<b>18,486,447</b>	<b>26,139,141</b>	<b>31,164,188</b>	<b>18,356,055</b>	<b>15,879,688</b>	<b>14,812,936</b>	<b>14,967,658</b>	<b>15,205,598</b>	<b>15,214,645</b>	<b>15,601,098</b>
<b>Net Cashflow</b>	<b>(341,234)</b>	<b>(271,569)</b>	<b>2,722,839</b>	<b>5,971,641</b>	<b>8,691,285</b>	<b>10,003,747</b>	<b>10,097,192</b>	<b>9,869,596</b>	<b>9,860,550</b>	<b>10,675,616</b>
Balance B/Fwd.	(341,234)	(612,804)	2,110,035	8,081,677	16,772,961	26,776,709	36,873,901	46,743,497	56,604,047	67,279,663
<b>Cumulative Cash Balance</b>	<b>(341,234)</b>	<b>(612,804)</b>	<b>2,110,035</b>	<b>8,081,677</b>	<b>16,772,961</b>	<b>26,776,709</b>	<b>36,873,901</b>	<b>46,743,497</b>	<b>56,604,047</b>	<b>67,279,663</b>

**FMS TRANSPORT COMPANY LTD. - CASH FLOW STATEMENT**

(Figures in US\$)

Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7	Year - 8	Year - 9	Year - 10
<b>INFLOWS</b>										
Profit as per P & L A/c	1,477,903	3,062,836	8,371,638	9,087,264	9,609,466	14,129,350	14,274,805	15,028,562	15,015,499	16,254,281
Add: Depreciation	1,736,560	3,449,920	5,163,280	5,163,280	5,163,280	957,760	957,760	192,112	192,112	192,112
Inflow from operating activities	3,214,463	6,512,756	13,534,918	14,250,544	14,772,746	15,087,110	15,232,565	15,220,674	15,207,611	16,446,393
Equity	3,127,320	3,037,320	3,037,320	-	-	-	-	-	-	-
Hire Purchase Loan	7,297,080	7,087,080	7,087,080	-	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-	-	-	-	-
Subtotal	10,424,400	10,124,400	10,124,400	-	-	-	-	-	-	-
<b>TOTAL INFLOWS</b>	<b>13,638,863</b>	<b>16,637,156</b>	<b>23,659,318</b>	<b>14,250,544</b>	<b>14,772,746</b>	<b>15,087,110</b>	<b>15,232,565</b>	<b>15,220,674</b>	<b>15,207,611</b>	<b>16,446,393</b>
<b>OUTFLOWS</b>										
Investing Activities:										
Purchase of Fixed Assets	10,424,400	10,124,400	10,124,400	-	-	-	-	-	-	-
Rehabilitation of Fixed Assets	-	-	-	-	-	-	-	-	-	-
Subtotal	10,424,400	10,124,400	10,124,400	-	-	-	-	-	-	-
Repayment of loan	2,432,360	4,794,720	7,157,080	4,724,720	2,362,360	-	-	-	-	-
Increase in net Current Assets	679,966	1,070,755	1,143,508	828,003	836,261	844,558	852,931	842,509	842,412	894,492
Taxation	443,371	918,851	2,511,491	2,726,179	2,882,840	4,238,805	4,282,441	4,508,568	4,504,650	4,876,284
<b>TOTAL OUTFLOW</b>	<b>13,980,097</b>	<b>16,908,726</b>	<b>20,936,479</b>	<b>8,278,902</b>	<b>6,081,461</b>	<b>5,083,363</b>	<b>5,135,373</b>	<b>5,351,077</b>	<b>5,347,061</b>	<b>5,770,777</b>
<b>Surplus/(Deficit)</b>	<b>(341,234)</b>	<b>(271,569)</b>	<b>2,722,839</b>	<b>5,971,641</b>	<b>8,691,285</b>	<b>10,003,747</b>	<b>10,097,192</b>	<b>9,869,596</b>	<b>9,860,550</b>	<b>10,675,616</b>
Opening Cash Balance	-	(341,234)	(612,804)	2,110,035	8,081,677	16,772,961	26,776,709	36,873,901	46,743,497	56,604,047
<b>Closing Cash Balance</b>	<b>2,110,035</b>	<b>(341,234)</b>	<b>(612,804)</b>	<b>2,110,035</b>	<b>8,081,677</b>	<b>16,772,961</b>	<b>26,776,709</b>	<b>36,873,901</b>	<b>46,743,497</b>	<b>56,604,047</b>

**FMS TRANSPORT COMPANY LTD. - BALANCE SHEETS**

Particulars	(Figures in US\$)										
	Year 0	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7	Year - 8	Year - 9	Year - 10
<b>Fixed Assets</b>	<b>10,424,400</b>	<b>8,687,840</b>	<b>15,362,320</b>	<b>20,323,440</b>	<b>15,160,160</b>	<b>9,996,880</b>	<b>9,039,120</b>	<b>8,081,360</b>	<b>7,889,248</b>	<b>7,697,136</b>	<b>7,505,024</b>
Current Assets:											
Stocks and stores	-	362,959	1,100,662	1,911,231	2,729,906	3,556,767	4,391,897	5,235,378	6,078,859	6,922,340	7,765,821
Work in Progress	-	-	-	-	-	-	-	-	-	-	-
Debtors	-	335,688	669,891	1,004,032	1,014,072	1,024,213	1,034,455	1,044,800	1,044,800	1,044,800	1,097,040
Cash and bank	-	0	0	2,110,035	8,081,677	16,772,961	26,776,709	36,873,901	46,743,497	56,604,047	67,279,663
Less:											
Current Liabilities:											
Sundry Creditors	-	18,681	19,832	21,035	21,747	22,487	23,301	24,195	25,168	26,237	27,466
Interest Payable	-	-	-	0	0	0	0	0	0	0	0
Bank Overdraft	-	341,234	612,804	21,035	21,747	22,487	23,301	24,195	25,168	26,237	27,466
Net Working Capital	-	359,915	632,636	21,035	21,747	22,487	23,301	24,195	25,168	26,237	27,466
<b>TOTAL</b>	<b>10,424,400</b>	<b>9,026,572</b>	<b>16,500,237</b>	<b>25,327,704</b>	<b>26,964,068</b>	<b>31,328,334</b>	<b>41,218,880</b>	<b>51,211,243</b>	<b>61,731,236</b>	<b>72,242,085</b>	<b>83,620,082</b>
Equity Fund	3,127,320	3,127,320	6,164,640	9,201,960	9,201,960	9,201,960	9,201,960	9,201,960	9,201,960	9,201,960	9,201,960
Retained Earnings	0	1,034,532	3,178,517	9,038,664	15,399,748	22,126,374	32,016,920	42,009,283	52,529,276	63,040,125	74,418,122
Term Loan	7,297,080	4,864,720	7,157,080	7,087,080	2,362,360	-	-	-	-	-	-
<b>TOTAL</b>	<b>10,424,400</b>	<b>9,026,572</b>	<b>16,500,237</b>	<b>25,327,704</b>	<b>26,964,068</b>	<b>31,328,334</b>	<b>41,218,880</b>	<b>51,211,243</b>	<b>61,731,236</b>	<b>72,242,085</b>	<b>83,620,082</b>

**FMS TRANSPORT COMPANY LTD. - PROFIT & LOSS ACCOUNTS**

(Figures in US\$)

Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7	Year - 8	Year - 9	Year - 10
<b>Revenue</b>	<b>8,056,500</b>	<b>16,077,375</b>	<b>24,096,769</b>	<b>24,337,736</b>	<b>24,581,114</b>	<b>24,826,925</b>	<b>25,075,194</b>	<b>25,075,194</b>	<b>25,075,194</b>	<b>26,328,954</b>
Cost of Operations	3,987,968	8,114,736	8,916,257	9,005,419	9,095,474	9,186,428	9,278,293	9,278,293	9,278,293	9,278,293
Staff Costs	156,552	371,250	371,452	371,659	371,869	391,584	391,803	392,026	392,253	392,486
Marketing Costs	69,500	72,450	79,695	87,665	96,431	106,074	116,681	128,350	141,185	155,303
Administration Costs	44,252	50,039	54,913	55,484	55,606	55,728	55,853	55,853	55,853	56,479
<b>Total Costs</b>	<b>4,258,271</b>	<b>8,608,475</b>	<b>9,422,318</b>	<b>9,520,227</b>	<b>9,619,379</b>	<b>9,739,815</b>	<b>9,842,629</b>	<b>9,854,521</b>	<b>9,867,583</b>	<b>9,882,561</b>
<b>Profit Before Depreciation,</b>	<b>3,798,229</b>	<b>7,468,900</b>	<b>14,674,451</b>	<b>14,817,510</b>	<b>14,961,735</b>	<b>15,087,110</b>	<b>15,232,565</b>	<b>15,220,674</b>	<b>15,207,611</b>	<b>16,446,393</b>
Interest and Tax	1,736,560	3,449,920	5,163,280	5,163,280	5,163,280	957,760	957,760	192,112	192,112	192,112
Depreciation	583,766	956,144	1,139,533	566,966	188,989	-	-	-	-	-
<b>Net Profit Before Tax</b>	<b>1,477,903</b>	<b>3,062,836</b>	<b>8,371,638</b>	<b>9,087,264</b>	<b>9,609,466</b>	<b>14,129,350</b>	<b>14,274,805</b>	<b>15,028,562</b>	<b>15,015,499</b>	<b>16,254,281</b>
Taxation	443,371	918,851	2,511,491	2,726,179	2,882,840	4,238,805	4,282,441	4,508,568	4,504,650	4,876,284
<b>Net Profit After Tax</b>	<b>1,034,532</b>	<b>2,143,985</b>	<b>5,860,147</b>	<b>6,361,084</b>	<b>6,726,626</b>	<b>9,890,545</b>	<b>9,992,363</b>	<b>10,519,993</b>	<b>10,510,849</b>	<b>11,377,997</b>
<b>Profit Brought Forward</b>	<b>-</b>	<b>1,034,532</b>	<b>3,178,517</b>	<b>9,038,664</b>	<b>15,399,748</b>	<b>22,126,374</b>	<b>32,016,920</b>	<b>42,009,283</b>	<b>52,529,276</b>	<b>63,040,125</b>
<b>Accumulated Profit C/F</b>	<b>1,034,532</b>	<b>3,178,517</b>	<b>9,038,664</b>	<b>15,399,748</b>	<b>22,126,374</b>	<b>32,016,920</b>	<b>42,009,283</b>	<b>52,529,276</b>	<b>63,040,125</b>	<b>74,418,122</b>

FMS TRANSPORT COMPANY LTD. - INVESTMENT									
(Figures in US\$)									
Year 0 Investment									Tot. Assets
Land		40,000	0	0	0	-	-	-	40,000
Buildings and sheds		35,000	0	0	0	-	-	-	35,000
Road Truck Horses		7,009,200	7,009,200	7,009,200	7,009,200	-	-	-	21,027,600
Road Truck Trailers		3,115,200	3,115,200	3,115,200	3,115,200	-	-	-	9,345,600
Rigid Trucks		0	0	0	0	-	-	-	-
Pulling Trailer		0	0	0	0	-	-	-	-
Low Lower Truck and Trailer		0	0	0	0	-	-	-	-
Road Recovery Vehicle		0	0	0	0	-	-	-	-
Mobile Crane		0	0	0	0	-	-	-	-
Double-cabin Pick-up Trucks		0	0	0	0	-	-	-	-
Single-cabin Pick-up Trucks		0	0	0	0	-	-	-	-
Light Trucks		0	0	0	0	-	-	-	-
Road Tankers		0	0	0	0	-	-	-	-
Workshop Equipment		225,000	-	-	-	-	-	-	225,000
Total Assets		10,424,400	10,124,400	10,124,400	10,124,400	0	0	0	30,673,200

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A. ROAD FLEET										
	PRICE	Year 1	Year 2	Year 3	TOTAL		Year 1	Year 2	Year 3	TOTAL
							QTY	QTY	QTY	QTY
Road Truck Horses	70,092	7,009,200	7,009,200	7,009,200	21,027,600	Road Truck Horses	100	100	100	300
Road Truck Trailers	3,115,200	3,115,200	3,115,200	3,115,200	9,345,600	Road Truck Trailers	100	100	100	300
Rigid Trucks	0	0	0	0	0	Rigid Trucks	0	0	0	0
Pulling Trailer	0	0	0	0	0	Pulling Trailer	0	0	0	0
Low Lower Truck and Trailer	0	0	0	0	0	Low Lower Truck and Trailer	0	0	0	0
Road Recovery Vehicle	0	0	0	0	0	Road Recovery Vehicle	0	0	0	0
Mobile Crane	0	0	0	0	0	Mobile Crane	0	0	0	0
Double-cabin Pick-up Trucks	0	0	0	0	0	Double-cabin Pick-up Trucks	0	0	0	0
Single-cabin Pick-up Trucks	0	0	0	0	0	Single-cabin Pick-up Trucks	0	0	0	0
Light Trucks	0	0	0	0	0	Light Trucks	0	0	0	0
Road Tankers	0	0	0	0	0	Road Tankers	0	0	0	0

**FMS TRANSPORT COMPANY LTD. - ARMOTISATION AND DEPRECIATION SCHEDULES**

FIXED ASSET ITEM	Year 1	COST			DEPRECIATION			NET BOOK VALUE
		O/Balance	Purchases	C/Balance	O/Balance	Change	C/Balance	
Land	0%	0	40,000	40,000	-	0	0	40,000
Buildings and sheds	2%	0	35,000	35,000	-	700	700	34,300
Road Truck Horses	20%	0	7,009,200	7,009,200	-	1,401,840	1,401,840	5,607,360
Road Truck Trailers	10%	0	3,115,200	3,115,200	-	311,520	311,520	2,803,680
Rigid Trucks	20%	0	0	0	-	0	0	0
Pulling Trailer	10%	0	0	0	-	0	0	0
Low Loader Truck and Trailer	10%	0	0	0	-	0	0	0
Road Recovery Vehicle	10%	0	0	0	-	0	0	0
Mobile Crane	10%	0	0	0	-	0	0	0
Double-cabin Pick-up Trucks	20%	0	0	0	-	0	0	0
Single-cabin Pick-up Trucks	20%	0	0	0	-	0	0	0
Light Trucks	20%	0	0	0	-	0	0	0
Road Tankers	10%	0	0	0	-	0	0	0
Workshop Equipment	10%	0	225,000	225,000	-	22,500	22,500	202,500
<b>Total</b>		<b>0</b>	<b>10,424,400</b>	<b>10,424,400</b>	<b>-</b>	<b>1,736,560</b>	<b>1,736,560</b>	<b>8,687,840</b>
<b>Year 2</b>								
FIXED ASSET ITEM		COST			DEPRECIATION			NET BOOK VALUE
Land	0%	0	40,000	40,000	-	0	0	40,000
Buildings and sheds	2%	0	35,000	35,000	700	700	1,400	33,600
Road Truck Horses	20%	0	7,009,200	7,009,200	1,401,840	2,803,680	4,205,520	9,812,880
Road Truck Trailers	10%	0	3,115,200	3,115,200	311,520	623,040	934,560	5,295,840
Rigid Trucks	20%	0	0	0	-	0	0	0
Pulling Trailer	10%	0	0	0	-	0	0	0
Low Loader Truck and Trailer	10%	0	0	0	-	0	0	0
Road Recovery Vehicle	10%	0	0	0	-	0	0	0
Mobile Crane	10%	0	0	0	-	0	0	0
Double-cabin Pick-up Trucks	20%	0	0	0	-	0	0	0
Single-cabin Pick-up Trucks	20%	0	0	0	-	0	0	0
Light Trucks	20%	0	0	0	-	0	0	0
Road Tankers	10%	0	0	0	-	0	0	0
Workshop Equipment	10%	0	225,000	225,000	22,500	22,500	45,000	180,000
<b>Total</b>		<b>0</b>	<b>10,124,400</b>	<b>10,124,400</b>	<b>1,736,560</b>	<b>3,449,920</b>	<b>5,186,480</b>	<b>15,362,320</b>
<b>Year 3</b>								
FIXED ASSET ITEM		COST			DEPRECIATION			NET BOOK VALUE
Land	0%	0	40,000	40,000	-	0	0	40,000
Buildings and sheds	2%	0	35,000	35,000	1,400	700	2,100	32,900
Road Truck Horses	20%	0	7,009,200	7,009,200	4,205,520	4,205,520	8,411,040	12,616,560
Road Truck Trailers	10%	0	6,230,400	6,230,400	934,560	934,560	1,869,120	7,476,480
Rigid Trucks	20%	0	0	0	-	0	0	0
Pulling Trailer	10%	0	0	0	-	0	0	0

**FMS TRANSPORT COMPANY LTD. - ARMOTISATION AND DEPRECIATION SCHEDULES**

Low Loader Truck and Trailer	10%	0	0	0	-	0	0	0	0
Road Recovery Vehicle	10%	0	0	0	-	0	0	0	0
Mobile Crane	10%	0	0	0	-	0	0	0	0
Double-cabin Pick-up Trucks	20%	0	0	0	-	0	0	0	0
Single-cabin Pick-up Trucks	20%	0	0	0	-	0	0	0	0
Light Trucks	20%	0	0	0	-	0	0	0	0
Road Tankers	10%	0	0	0	-	0	0	0	0
Workshop Equipment	10%	225,000	0	225,000	45,000	22,500	67,500	157,500	0
<b>Total</b>		<b>20,548,800</b>	<b>10,124,400</b>	<b>30,673,200</b>	<b>5,186,480</b>	<b>5,163,280</b>	<b>10,349,760</b>	<b>20,323,440</b>	

**FMS TRANSPORT COMPANY LTD. - ARMOTISATION AND DEPRECIATION SCHEDULES**

FIXED ASSET ITEM	Year 7	O/Balance	Additions	COST		O/Balance	Charge	DEPRECIATION		NET BOOK VALUE
				O/Balance	Additions			O/Balance	Charge	
Land	0%	40,000	0	40,000	-	-	0	0	40,000	
Buildings and sheds	2%	35,000	0	35,000	4,200	700	4,900	0	30,100	
Road Truck Horses	20%	21,027,600	0	21,027,600	16,822,080	0	16,822,080	0	4,205,520	
Road Truck Trailers	10%	9,345,600	0	9,345,600	4,672,800	934,560	5,607,360	0	3,738,240	
Rigid Trucks	20%	0	0	0	-	0	0	0	0	
Pulling Trailer	10%	0	0	0	-	0	0	0	0	
Low Lowder Truck andTrailer	10%	0	0	0	-	0	0	0	0	
Road Recovery Vehicle	10%	0	0	0	-	0	0	0	0	
Mobile Crane	10%	0	0	0	-	0	0	0	0	
Double-cabin Pick-up Trucks	20%	0	0	0	-	0	0	0	0	
Single-cabin Pick-up Trucks	20%	0	0	0	-	0	0	0	0	
Light Trucks	20%	0	0	0	-	0	0	0	0	
Road Tankers	10%	0	0	0	-	0	0	0	0	
Workshop Equipment	10%	225,000	0	225,000	135,000	22,500	157,500	0	67,500	
<b>Total</b>		<b>30,673,200</b>	<b>-</b>	<b>30,673,200</b>	<b>21,634,080</b>	<b>957,760</b>	<b>22,591,840</b>	<b>0</b>	<b>8,081,360</b>	
<b>Year 8</b>										
Land		40,000	0	40,000	-	0	0	0	40,000	
Buildings and sheds	2%	35,000	0	35,000	4,900	700	5,600	0	29,400	
Road Truck Horses	20%	21,027,600	0	21,027,600	16,822,080	0	16,822,080	0	4,205,520	
Road Truck Trailers	10%	9,345,600	0	9,345,600	5,607,360	186,912	5,794,272	0	3,551,328	
Rigid Trucks	20%	0	0	0	-	0	0	0	0	
Pulling Trailer	10%	0	0	0	-	0	0	0	0	
Low Lowder Truck andTrailer	10%	0	0	0	-	0	0	0	0	
Road Recovery Vehicle	10%	0	0	0	-	0	0	0	0	
Mobile Crane	10%	0	0	0	-	0	0	0	0	
Double-cabin Pick-up Trucks	20%	0	0	0	-	0	0	0	0	
Single-cabin Pick-up Trucks	20%	0	0	0	-	0	0	0	0	
Light Trucks	20%	0	0	0	-	0	0	0	0	
Road Tankers	10%	0	0	0	-	0	0	0	0	
Workshop Equipment	10%	225,000	0	225,000	157,500	4,500	162,000	0	63,000	
<b>Total</b>		<b>30,673,200</b>	<b>-</b>	<b>30,673,200</b>	<b>22,591,840</b>	<b>192,112</b>	<b>22,783,952</b>	<b>0</b>	<b>7,889,248</b>	
<b>Year 9</b>										
Land		40,000	0	40,000	-	0	0	0	40,000	
Buildings and sheds	2%	35,000	0	35,000	5,600	700	6,300	0	28,700	
Road Truck Horses	20%	21,027,600	0	21,027,600	16,822,080	0	16,822,080	0	4,205,520	
Road Truck Trailers	10%	9,345,600	0	9,345,600	5,794,272	186,912	5,981,184	0	3,364,416	
Rigid Trucks	20%	0	0	0	-	0	0	0	0	
Pulling Trailer	10%	0	0	0	-	0	0	0	0	
<b>Total</b>		<b>106,412,800</b>	<b>0</b>	<b>106,412,800</b>	<b>23,216,852</b>	<b>187,612</b>	<b>23,404,464</b>	<b>0</b>	<b>83,008,336</b>	

