

BUSINESS PLAN FOR REGISTRATION OF PROJECT ON TRANSPORTATION WITH TIC

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EXECUTIVE SUMMARY

Kissy & Sons Company Limited of P.O Box 106, Tarime is a registered company and incorporated under the company Act, 2002. The company is limited with certificate of

incorporation number 93228. This is a privately owned medium size company engaged in Transportation logistics, Transportation procurement and selling and other business.

The ownership structure is under three shareholders that form the Board of Directors. These are Mr Michael Kibeyo (Twenty five thousand shares), M/s Perpetua Michael Kissy (Five thousand shares) and Mr George Magibho Kissy (Five thousand shares). The company is managed by managing director Michael Kibeyo Kissy who oversees the daily activities of the company.

The management team has enough experience in Transportation of cargoes and passengers. The company's primary objective is to maintain the highest level of customer satisfaction by provision of quality products and services.

The company is finalizing construction of the car parking and service station at Kisesa, along main road of Usagara to Kisesa in a land of 3,430 square metres with valid title deed no 68679 Igudija- Kisesa trading centre, Magu district, in Mwanza.

Kissy & sons Transportation centre is well placed for loading and offloading of cargoes, parking, service and related services for trucks and other motor vehicles operating routes in that road. Upon completion it will be well mechanized with facilities like tire changing machine, wheel balance and alignment at the same site for heavy and light trucks. The company has enough reserve area for parking service in case drivers are tired. In order to complete the station operation equipment the company is applying for a Project registration facility from Tanzania Investment centre (TIC) for purchase of equipment and facilities worthy Tshs 2,584,000/= (Two Billion five hundred eighty four million). Funds for purchasing have been sought from CRDB Bank in form of Term loan. Upon acquiring of the proposed equipment number of staff in the fuel station will increase from the current number of 12 employees to more than 30. Increase will be contributed by the pump attendants, drivers, mechanics and quality assurance supervisors.

The completion plan will take in three years time from 2022-2025 as implementation schedule attached shows.

1.0 INTRODUCTION

1.1 The Business

Kissy & Sons company ltd of P.O Box 106, Tarime is a Tanzanian owned company based in Mwanza region operating activities procurement, transportation. The company's offices are located in Mwanza city Pamba road, street at the city centre. The company has purchased and developed a plot measuring 3,430 Sqm in Igunija trading centre Kisesa area for construction of offices for transportation logistics and related services of vehicles. Station construction is now

half way and company is in need of procuring working equipment such as transportation trucks and car service equipment for operations to start. The Petroleum products station is about 3 km from Mwanza to Musoma highway junction.

1.2 Business information and contacts

- i. **Business Name:** Kissy & Sons Company Limited
- ii. **Business Address:** P. O. Box 106 Tarime.
- iii. **Tel:** +255 784 451 531

1.3 Director's information

- i. Mr Michael Kibeyo Kissy– Founder and Managing Director
- ii. Mr George Magibho Kissy – Director of operations
- iii. Perpetua Michael Kissy- Director of finance

Managing Director Michael Kibeyo Kissy aged 48 years is an experienced business person who has been in different sectors for past 22 years. The company is registered with association of transporters in Tanzania. Currently it has vehicles 7 vehicles operating routes in Tanzania and neighbouring countries. The vehicles are T214DEF Mitsubishi Canter, T842DMX, Scania R420, T456DDJ Fuel Tanker, T169DDJ Semi Trailer Fuel Tank, T147DDJ Semi Trailer fuel tank, T560BRV Bachu Trailer flat bed and T849DMX Scania R420.

He has vast experience in sectors of transportation logistics, petroleum products, lubricants and construction materials management.

Before official registration of current company of Kissy & Sons in 2012 he was operating as sole proprietor in towns of Tarime and Mwanza undertaking transportation and mining activities. Also he has subsidiary company dealing with construction materials importation and distribution located at Nyamalango area, Nyegezi Mwanza.

1.4 Company Overview

Kissy & Sons Company Ltd is a registered Company with its activities based at Mwanza city. The Company was registered (incorporated on 1st October 2012, with certificate of incorporation number **93228** to take over the business interests that had been in the past run by Michael Kibeyo Kissy and other founding directors. The company has purchased land measuring 3,430 Square

meters that is used for construction of parking centre, petroleum products station and related services.

1.5 Project Objective

Kissy & Sons Company Ltd is a brainchild of Michael Kibeyo Kissy (Managing Director) recognizing the potential of transportation sector to contribute to sustainable socio-economic development in Tanzania. He decided to team up with his co-directors to start and later on incorporate the company with a view to scaling up its activities to other parts of the country. Within the period of its existence, the company has been able to command a large support both from the local communities, local government authorities, financial institutions as well as other stakeholders within and outside the country.

In 2020 Kissy & Sons Company Ltd found a need to establish transportation services business in order to meet increasing demand of products in the lake zone area for customers and company products. Most of company vehicles have contracts of ferrying cargoes and passengers from Dar es salaam to Mwanza and Neighboring countries. They consume more than 9,000 litres of petrol and diesel per month which is an advantage to company shareholders.

Capital equipment to be purchased will increase asset base of the company as well as facilitation of transportation of cargoes to our customers based in the remote areas including mining sites. Magu and Kwimba districts are rich in mining areas that have high demand of fuel and other cargoes for their daily operations.

1.6 Present Conditions and Future Plans

As noted above, the company has been able to achieve some important milestones on its way to becoming a leading transporter of products with contribution to socio-economic development in Tanzania and beyond. The major obstacles so far include technological limitations, especially lack of modern mining technologies which is forcing the company to utilize only a small portion of its ability. It is the company's hope that these limitations will be addressed and thus enables the company to utilize its entire land.

At the construction stage 8 employees are working at the site in full time basis. Upon completion and procurement of equipment number of staff will increase to more than 25 in all departments.

1.7 THE VISION, MISSION, CORE VALUE AND GOALS

Vision

The vision of the company is to become a leading supplier and marketer of quality Petroleum products in the lake zone region and beyond.

Mission statement

The Mission of Kissy & Sons Company Ltd is contributing to sustainable socio-economic development in Tanzania and beyond by building and operating stations in remote areas.

Core values

In conducting our activities we shall always strive to uphold the values of honesty, integrity, and business ethics. We shall treat all people with dignity and respect.

Goals

- i. To scale up the procurement and supply quality Petroleum products to our customers.
- ii. To increase the variety of services provided at the station so as customer can access all in one roof.

1.8 Location

The Petroleum products station is located at Igudija Trading centre, Kisesa Magu district, in Mwanza region, Tanzania Mainland.

1.9 Our Business Structure

Kissy & Sons Company Ltd Petroleum transportation business is a commercial station that will operate at Kisesa, Magu district in Mwanza region. It will operate with advanced technology and service equipment from abroad. Full set of car servicing and washing equipment has been ordered from China and Hongkok to ensure that our customers are satisfied with services. Time of making service and washing of small cars and trucks will be minimum to save time.

At Kissy & Sons Company Ltd, we will hire people that are qualified, hardworking, dedicated, customer centric and ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers).

In view of the above, Kissy & Sons Company Ltd in its completion plans has decided to hire qualified and competent hands to occupy the following positions;

- i. Station Manager (1)
- ii. Car Services technician (3)
- iii. Station safety manager (1)
- iv. Petroleum station Attendants (2)
- v. Security Guards (2)
- vi. Drivers (20)

2.0 DESCRIPTION OF SERVICES

2.1 Transportation logistics

The site has enough space for parking of trucks and sorting of cargoes from customers. It operates with high integrity to satisfy our customers and prospects. Currently it operates with more than 25 trucks for domestic and international routes. Others have been hired on long term contracts in our clients construction and transportation sites. The site is well positioned on the highway from Mwanza kisesa to Usagara on highway to Musoma and Tarime districts thus increasing visibility from customers.

2.2 Car services

Kissy & Sons company Limited proposes to procure a world class set of servicing equipment that will be used by qualified technician to be hired at the site for servicing company vehicles. Equipment include tyre changer for small cars and trucks, Air compressors, oil drainer, 3D wheel balance, grease machine, car lifting machine and digital air gauge. These will enable technicians and their assistants to undertake quick services of small cars and trucks in shortest possible time.

2.3 Car Washing

Site has enough space for parking and washing of trucks and small cars. To undertake car washing service effectively the company proposes to procured set of washing machines with equipment like high pressure car wash, foam washing machine, vacuum cleaner and fiber car wash bay to enable staff and customers undertake their task effectively.

2.4 Environment Sustainability

The project will not have any adverse effect to the environment according to environmental impact assessment report that has been prepared. Further it will transfer sustainable technologies of fuel conservation skills due to modern fuel dispensing machines that will be used at the site. The improved designs of storage facilities at the site will help to reduce the amount of waste space for keeping customer cargoes.

2.5 Economic Sustainability

The Company plans to give the community a proper scientific basis for planning future interventions. It will also save the community from making wrong investments; economic gains from effectively planned interventions will give impetus to the community to continue the same activities in future. The environment conservation measures will help to improve the quality of products and conserve environment properly around the site. It will also unleash the scope of alternative income.

3.0 SWOT Analysis

A proper SWOT analysis is necessary in order to position the business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be equipped to confront our threats. In order to achieve this, Kissy & Sons company Limited employed the

service of an expert Human Resource and Business Analyst with bias in the transportation logistics industry to help us conduct a thorough SWOT analysis and to help us create a business model that will help us achieve our business goals and objectives.

Here below is a summary from the result of the SWOT analysis that was conducted on behalf of Kissy & Sons company Limited:

3.1 Strength:

Our strength as a Transportation logistics company is in the fact that we have healthy relationships with loads of major players (Transporters) within and outside of the Lake Zone.

We have some of the trucks with high capacity that can bring large amount of cargo at the shortest period and satisfy customer demands. There are loading and offloading facilities to minimize the breakage of cargoes.

We have one of the biggest transportation network in the region to help us deliver fuel and other products in right time.

Our location in Mwanza city gives as a strategic access to the neighboring regions of Mara and Simiyu as well as the East Africa market.

3.2 Weakness:

Our weakness could be that upon receiving the incentive from TIC we could expand too fast and exceed the demand of our customers and suppliers, and perhaps the fact that we decided to diversify our Transportation logistics activities could count against us initially. However, we are aware of this and from our projections we will overcome this weakness with time and turn it to a major advantage for the business.

3.3 Opportunities:

The opportunities that are available to us cannot be quantified; we know that there are loads of individuals who needs transportation logistics service both in Lake Zone and other parts in Tanzania. The government policies of empowering local companies will enable us achieve this goal.

3.4 Threats

Some of the threats and challenges that we are likely going to face when we start operation effectively are global economic downturn that can impact negatively on government spending on projects and environment effects. To mitigate the impacts of such threats the Company will put in place strategies such as collaborating with private investors and strengthening relations with local suppliers with few trucks to support us during crisis.

4.0 MARKET ANALYSIS

4.1 Market Trends

One of the common trends in the transportation logistics line of business is that most players in the industry are no longer concentrating only on quality of the services. They now find it easier to procure services low quality providers that do not meet the standards of the market. It is fact that despite that high quality services are expensive, their sale is on the increase and it is indeed profitable.

Despite the fact that transportation logistics business has been in existence since time immemorial, this does not in any way make the industry to be over saturated; business persons are exploring new technology to continue to improve the practices. The fact that there is always a ready market for products makes the business highly profitable.

4.2 LIST OF BUYERS

It is a known fact that the target markets are those end consumers of transportation services and who benefit from the business value chain of transportation logistics is all encompassing.

Our proposed buyers consume services in different forms. In essence suppliers should be able to sell services to as many people as possible including contractors, local transporters and mining sites around the centre.

We will ensure that we position our business to attract consumers of services not just in Lake Zone alone but also other parts of the United Republic of Tanzania and East Africa.

5.0 SALES AND MARKETING STRATEGY

We are quite aware that the reason why some Transportation logistics business hardly makes good profit is their inability to sell off their services to right customers.

Our sales and marketing team will be recruited based on their vast experience in the industry and they will be trained on a regular basis so as to be well equipped to meet their targets and the overall goal of the organization. We want to sell a standard and world class transportation services that will leverage on word of mouth advertisement from satisfied clients (both individuals and businesses).

Over and above, we have perfected our sales and marketing strategies first by networking with manufacturing industries, suppliers and transportation entities and organizations that rely on services regularly. In summary, Kissy & Sons Company Limited will adopt the following strategies in marketing our Transportation logistics services;

- i. Introduce our business by sending introductory letters alongside our brochure to stakeholders.
- ii. Leverage on the internet to promote our business
- iii. Engage in direct marketing
- iv. Encourage the use of word of mouth marketing (referrals)

5.1 Sources of Income

Kissy & Sons company Limited has established transportation logistics business for the purpose of contributing to the income of stakeholders and directors. They plans to concentrate on few but quality services to our customers in the early stage of operation. In order to achieve this, it is very important that the Company has diverse and reliable sources of income. Here below is a list of the main sources of income that will be used to generate revenue to our Company:

- i. Sales of transportation services
- ii. Income from vehicle services
- iii. Income from car wash services.

5.2 Sales Forecast

We conducted a thorough market survey and feasibility studies and we were able to discover that the sales to be generated by a Transportation logistics business depends on the quality of the services from supplier.

We will perfect our sales and marketing strategies and we are quite optimistic that we will meet or even surpass our set sales target of generating enough income/profits from the first year of operation and build the business to sustainability.

5.3 Our Pricing Strategy

The price of services provided is negotiable depending on the distance covered and type of cargo to be transported. To attract customers one should cut the price slowly to differentiate our services from competitors. To achieve this one must cut the cost of running to the barest minimum and deliver the services direct to sites of corporate customers.

We are quite aware that one of the easiest means of penetrating the market and acquiring loads of customers for all our transportation and related services is to sell them at competitive prices. Hence we will do all we can to ensure that the price of our product are going to be what customers would look towards beating.

Based on our services forecast, the project will supply 320,000 kilograms of cargo per year during the first year. Average price of one kilogram is TShs 2,600. The business will earn other incomes from garage services and carwash project

- i. First financial Year-: **TZS 1,138,633,000**
- ii. Second financial Year-: **TZS 1,252,497,000**
- iii. Third financial Year-: **TZS 1,414,849,000**

N.B: This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown that can impact negatively on government policies. Note that the above projection might be lower and at the same time it might be higher.

6.0 TECHNICAL ASPECTS

6.1 Existing Assets (Investment)

Existing Petroleum products station building and Machinery Include;

- i. Office and administration building
- ii. Goods storage shade
- iii. Three fuel tanks
- iv. Four motor vehicles

6.2 Additional Required Investment (Machinery/Equipment)

- i. Used Scania Tractors (10)
- ii. Tipper trucks (2)
- iii. Landcruiser station Wagor VXR (1)
- iv. Fuel dispenser (7)
- v. Tyre changer for trucks and small cars (2)
- vi. 3D Wheel balance (1)
- vii. Air compressor 500 LTS (1)
- viii. High pressure car wash machine 380V (1)
- ix. 3D Wheel alignment (1)
- x. Four post lift (1)
- xi. Generators

6.3 Sources of Finance

Above listed equipments will cost TShs 2,584,168 in period of three years. They will be purchased in phases depending on availability of funds. Funds have been sought from CRDB Bank in form of term loan to be repaid in three years. Loan agreement is attached.

6.4 PROJECT IMPLEMENTATION AND COMPLETION SCHEDULE

Project will be implemented in period of three years as follows

s/n	item	2022	2023	2024
1	Fuel dispenser	✓	✓	
2	Wheel alignment and balance		✓	
3	Generators	✓		
4	Air compressor	✓		
5	Scania Tractors		✓	
6	Four post lift	✓		
7	Light vehicles		✓	✓
8	Tyre changer for trucks and small cars	✓		
9	Tipper truck			✓

7.0 USE OF TAX EXEMPTION PLAN

The exemption sought from TIC is to be used over a period of three years. The applied tax relief will be well utilized to ensure that there is no inherent risk that may arise during the period of operations. The Company will also establish clear policies that help to guide exemption use to meet our commitment. The exemption schedule is clearly shown in Appendix VIII.

8.0 FINANCIAL EVALUATION

8.1 Profitability

According to the projected income statement, the project will start generating profit in the 1st year of operation. Important ratios such as profit to total sales, net profit to equity (Return on equity) and net profit plus interest on total investment (return on total investment) show an increasing trend during the lifetime of the project.

The income statement and the other indicators of profitability show that the project is viable.

8.2 Break-even Analysis

The Break-even Analysis show that if the costs stay at the current, or relatively stable level, we will be able to make an increased profit by the second year. Also the break-even point of the project including cost of finance when it starts to operates at full capacity (year 3) is estimated by using income statement projection.

$$\text{BE} = \frac{\text{Fixed Cost}}{\text{Sales} - \text{Variable cost}} = 12\%$$

8.3 Internal Rate of Return and Net Present Value

The business internal rate of return (IRR) has worked out at **27%** as compared to the cost of capital of 11%. The resulting net present value (NPV) over a 10 year period has worked out at **Tshs 1.3 billion**. The results indicate that the business is financially viable.

9.0 PROJECTED FINANCIAL STATEMENTS

The projected financial statements and analysis are found from Appendix III, IV, V and VIII

Noted that:

- i. Sales Revenues relate to the sales obtained through wholesale and retail sales of products and services to our clients.
- ii. Cash at year-end represents cash that could be used to finance any replacement of defected equipment or additions to equipment.
- iii. Projected cash flow was calculated over a ten years basis. We used the indirect method, which adds all non-cash basis items to net income.
- iv. Net Income has been added back those expenses, previously deducted to arrive at Net income that did not require an outlay of cash in that year. These include depreciation which is simply a write-down of the book value of the related assets.
- v. Investing activities includes the cost of equipment purchased

10.0 Risks & Mitigation measures

- i. Business risks include fluctuation of prices at world market, hazards from natural calamities like fire and earthquake, unreliable markets and infrastructure like power.
- ii. The project has already introduced safety regulations at Mwanza site to protect against any risk arising from above mentioned risks. Already a consulting firm has undertaken feasibility study and identified risk areas for staff and properties.

11.0 BANK RELATIONSHIP

The Kissy & Sons company Limited has good relationship with the bank. The Company operates accounts at CRDB bank, which is useful for normal operation with maximum discipline which has built our credibility with the bank. Annual turnover with the bank for past twelve months is reasonable based on our minimum level of operation due to lack of working capital.

12.0 CONCLUSION AND RECOMMENDATION

The project in question is viable and profitable hence the facility will be used for requested purposes without any difficulties as the attached cash flow statement indicates it.

The director will avail all required information and particulars in addition to the financial statements attached herewith, therefore we recommend to the centre to process application for exemption to the applicant to facilitate the need of purchasing more capital equipment for their transportation business.

Appendix VII

M/S KISSY & SONS COMPANY LTD, P.O.BOX 106 TARIME

Working Capital schedule (in '000TSHS)

Item/Year	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	IX	X
Current Assets										
Cash and Bank	180,124.00	198,136.40	217,950.04	239,745.04	263,719.55	290,091.50	319,100.65	351,010.72	386,111.79	424,722.97
Trade debtors	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00
Trade debtors insurance	17,515.84	18,391.63	19,862.96	21,452.00	23,168.16	25,021.61	27,023.34	29,185.20	31,520.02	34,041.62
Total Current Assets	200,439.84	219,328.03	240,613.00	263,997.04	289,687.71	317,913.11	348,923.99	382,995.92	420,431.81	461,564.59
Current liabilities										
Salaries & wages	116,160.00	121,968.00	128,066.40	134,469.72	141,193.21	148,252.87	155,665.51	163,448.79	171,621.22	180,202.29
Electricity & water	13,680.00	14,364.00	15,513.12	16,754.17	18,094.50	19,542.06	21,105.43	22,793.86	24,617.37	26,586.76
Communications	3,600.00	3,780.00	4,082.40	4,408.99	4,761.71	5,142.65	5,554.06	5,998.38	6,478.26	6,996.52
Total Current liabilities	133,440.00	140,112.00	147,661.92	155,632.88	164,049.42	172,937.58	182,325.00	192,241.03	202,716.85	213,785.56
Net working Capital	66,999.84	79,216.03	92,951.08	108,364.16	125,638.28	144,975.53	166,598.99	190,754.89	217,714.96	247,779.03
Change in Working Capital	66,999.84	12,216.19	13,735.05	15,413.08	17,274.13	19,337.25	21,623.46	24,155.90	26,960.07	30,064.07

Appendix VI

M/S KISSY & SONS COMPANY LTD, P.O.BOX 106 TARIME

Depreciation Schedule (in TSHS)

No	Item rate	Item rate	method	Year 0	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X	R/Value
1. Land & Buildngs															
		4%	DB												
Opening Balance				154,000.00	154,000.00	147,840.00	141,926.40	136,249.34	130,799.37	125,567.40	120,544.70	115,722.91	111,094.00	106,650.24	
Depreciation					6,160.00	5,913.60	5,677.06	5,449.97	5,231.97	5,022.70	4,821.79	4,628.92	4,443.76	4,266.01	
Closing Balance					147,840.00	141,926.40	136,249.34	130,799.37	125,567.40	120,544.70	115,722.91	111,094.00	106,650.24	102,384.23	102,384.23
2. Motor Vehicle															
		25%	SLM												
Opening Balance				1,355,932.00	1,355,932.00	1,016,949.00	677,966.00	338,983.00	-	-	-	-	-	-	
Depreciation					338,983.00	338,983.00	338,983.00	338,983.00	-	-	-	-	-	-	
Closing Balance					1,016,949.00	677,966.00	338,983.00	-	-	-	-	-	-	-	-
3. Furniture Fixture & Fittings															
		12.50%	DB												
Opening Balance				3,390.42	3,390.42	2,966.62	2,595.79	2,271.32	1,987.40	1,738.98	1,521.60	1,331.40	1,164.98	1,019.36	
Depreciation					423.80	370.83	324.47	283.91	248.43	217.37	190.20	166.43	145.62	127.42	
Closing Balance					2,966.62	2,595.79	2,271.32	1,987.40	1,738.98	1,521.60	1,331.40	1,164.98	1,019.36	891.94	891.94
Garage equipments															
		25%	DB												
Opening Balance				5,781.46	5,781.46	4,336.10	3,252.07	2,439.05	1,829.29	1,371.97	1,028.98	771.73	578.80	434.10	
Depreciation					1,445.37	1,084.02	813.02	609.76	457.32	342.99	257.24	192.93	144.70	108.52	
Closing Balance					4,336.10	3,252.07	2,439.05	1,829.29	1,371.97	1,028.98	771.73	578.80	434.10	325.57	325.57
Total Inve&Reinvestment				1,513,322.42	1,513,322.42	1,167,755.62	822,488.19	477,503.66	132,786.77	127,306.37	122,066.30	117,054.32	112,258.97	107,669.59	
Total Deprecation					345,566.80	345,267.43	344,984.53	344,716.89	5,480.40	5,240.07	5,011.99	4,795.34	4,589.38	4,393.43	

**Note: DB- Declining Balance
SL- Straight Line Method**

Appendix V

M/S KISSY & SONS COMPANY LTD, P.O.BOX 106 TARIME

Projected Income and Expenditure Statement(in TSHS)

Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	IX	X	
Revenue											
sales/Revenue	1,138,633	1,252,497	1,377,746	1,414,849	1,556,334	1,711,967	1,883,164	2,071,480	2,278,628	2,506,491	17,191,790
Total Income	1,138,633	1,252,497	1,377,746	1,414,849	1,556,334	1,711,967	1,883,164	2,071,480	2,278,628	2,506,491	17,191,790
Less: Expense											
Salary and wages	116,160	121,968	128,066	134,470	141,193	148,253	155,666	163,449	171,621	180,202	1,461,048
Operating expense	438,456	460,379	487,045	519,065	554,547	592,566	633,309	678,346	732,613	278,298	5,374,624
Total expense	554,616	582,347	615,111	653,535	695,741	740,819	788,975	841,795	904,235	458,500	6,835,672
Operating profit	584,017	670,150	762,635	761,314	860,593	971,148	1,094,189	1,229,686	1,374,394	2,047,991	10,356,118
Less: interest	-	-	-	-	-	-	-	-	-	-	-
Profit before tax	584,017	670,150	762,635	761,314	860,593	971,148	1,094,189	1,229,686	1,374,394	2,047,991	10,356,118
Cummulative Profit	-	670,150	1,432,785	2,194,100	3,054,693	4,025,841	5,120,030	6,349,716	7,724,110	9,772,101	40,343,526

Assumptions for Projections

Salaries and Wages will Increase by 5% every year

Appendix IV**M/S KISSY & SONS COMPANY LTD, P.O.BOX 106 TARIME****Sales/Revenue Projection (in '000 TSHS)**

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Year	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	IX	X
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A: Fuel	832,000	915,200	1,006,720	1,006,720	1,107,392	1,218,131	1,339,944	1,473,939	1,621,333	1,783,466
B: Garage	277,333	305,067	335,573	369,131	406,044	446,648	491,313	540,444	594,489	653,937
C: Carwash project	29,300	32,230	35,453	38,998	42,898	47,188	51,907	57,097	62,807	69,088
Total	1,138,633	1,252,497	1,377,746	1,414,849	1,556,334	1,711,967	1,883,164	2,071,480	2,278,628	2,506,491

Assumptions for Projections

Year 1 sales will increase by 10% every year

Sales of fuel in year 1 is 320,000 kilograms per year

Price per kilogram is TShs 2,600

Car servicing income is one third of fuel sales

M/S KISSY & SONS COMPANY LTD, P.O.BOX 106 TARIME
OPERATING COSTS SCHEDULE ('000 TSHS)

Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	IX	X
Insurance 0.5% of assets	17,515.84	18,391.63	19,862.96	21,452.00	23,168.16	25,021.61	27,023.34	29,185.20	31,520.02	34,041.62
Electricity & water	13,680.00	14,364.00	15,513.12	16,754.17	18,094.50	19,542.06	21,105.43	22,793.86	24,617.37	26,586.76
Stationery & Office utilities	3,120.00	3,276.00	3,538.08	3,821.13	4,126.82	4,456.96	4,813.52	5,198.60	5,614.49	6,063.65
Communications	3,600.00	3,780.00	4,082.40	4,408.99	4,761.71	5,142.65	5,554.06	5,998.38	6,478.26	6,996.52
Operating costs	116,160.00	121,968.00	131,725.44	142,263.48	153,644.55	165,936.12	179,211.01	193,547.89	209,031.72	
Fuel	140,000.00	147,000.00	154,350.00	162,067.50	170,170.88	178,679.42	187,613.39	196,994.06	212,753.58	
Import duties	34,000.00	35,700.00	37,485.00	39,359.25	41,327.21	43,393.57	45,563.25	49,208.31	53,144.98	
Transportation charges	1,700.00	1,785.00	1,927.80	2,082.02	2,248.59	2,428.47	2,622.75	2,832.57	3,059.18	3,303.91
Clearance charges	340.00	357.00	385.56	416.40	449.72	485.69	524.55	566.51	611.84	660.78
Directors fees	14,000.00	14,700.00	15,876.00	17,146.08	18,517.77	19,999.19	21,599.12	23,327.05	25,193.22	27,208.67
Repair and Maintenance	51,360.00	53,928.00	58,242.24	62,901.62	67,933.75	73,368.45	79,237.92	85,576.96	92,423.12	99,816.96
Lincense and permits	5,100.00	5,355.00	1,100.00	-	-	-	-	-	-	-
Profesional association	6,200.00	6,510.00	7,030.80	7,593.26	8,200.73	8,856.78	9,565.33	10,330.55	11,157.00	12,049.56
Consultancy/Audit fees	28,000.00	29,400.00	31,752.00	34,292.16	37,035.53	39,998.38	43,198.25	46,654.11	50,386.43	54,417.35
Contingency !0%	3,680.00	3,864.00	4,173.12	4,506.97	4,867.53	5,256.93	5,677.48	6,131.68	6,622.22	7,151.99
Total	438,455.84	460,378.63	487,044.52	519,065.03	554,547.43	592,566.28	633,309.40	678,345.75	732,613.41	278,297.78

Guidelines:

Operating cost will increased by 8% every year

Insurance will be of the major capital assets(Building and motor vehicle)

Appendix II

M/S KISSY & SONS COMPANY LTD, P.O.BOX 106 TARIME

Staff remunerations Package(in '000 TSHS)

Position	Employees	Salary	Monthly Pay	Annual Package
Managing director	1.00	2,500.00	2,500.00	30,000.00
Station manager	1.00	1,000.00	1,000.00	12,000.00
Finance manager	1.00	800.00	800.00	9,600.00
Marketing and Sales Manager	1.00	500.00	500.00	6,000.00
pump attendants	8.00	500.00	500.00	6,000.00
Garage supervisor	4.00	700.00	700.00	8,400.00
Safety officers	2.00	800.00	800.00	9,600.00
Carwash supervisor	3.00	600.00	600.00	7,200.00
Drivers	10.00	500.00	500.00	6,000.00
Store keeper	1.00	400.00	400.00	4,800.00
Casual laborers	7.00	300.00	300.00	3,600.00
Security Guards	4.00	200.00	200.00	2,400.00
Sub Total	43.00		8,800.00	105,600.00
10% Pension fund				10,560.00
Grant Total				116,160.00

Note: *

10% of the benefits will be for social security fund's contribution

Salary will be inclusive of housing allowance

Appendix I

**M/S KISSY & SONS COMPANY LTD, P.O.BOX 106 TARIME
CAPITAL INVESTMENT STRUCTURE (in '000 TSHS)**

Description	Equity	Additional	Total
Land and building	154,000.00	-	154,000.00
Motor vehicles	765,000.00		765,000.00
Scania Trucks		1,355,932.00	1,355,932.00
Tipper Trucks		228,813.00	228,813.00
Fuel dispensers		19,394.00	19,394.00
Wheel allignment		1,926.38	1,926.38
Four post lift		5,781.46	5,781.46
Tyre changer for trucks		7,985.70	7,985.70
Land cruiser S/W VXR		440,678.00	440,678.00
5 Hilux Double Cabin 2.4L		518,952.00	518,952.00
High pressure car wash		1,314.61	1,314.61
Air Compressors		3,390.42	3,390.42
Garage accessories			-
Total	919,000.00	-	2,584,167.56
Contribution in Percentage	26	74%	