

# *BUSINESS PLAN*

FOR

ARK LOGISTICS LIMITED

(TRANSPORTATION PROJECT)

PREPARED FOR  
ARK LOGISTICS LIMITED,  
Dar es Salaam



## 1,0 EXECUTIVE SUMMARIES.

**ARK LOGISTICS LIMITED.** is a company registered in the country under the Companies Act 2002 and bears Certificate of Incorporation No. 156309877 dated 30th May 2022.

The project promoters are well established business in Tanzania majoring in Transportation and Logistics and the like. Having been in the business for 10 years the directors are now well prepared for establishment and operating large transportation and logistics project and they see a very bright future in the transport sector.

This document has been prepared to serve as a business plan for guidance for **ARK LOGISTICS LIMITED** for the transport and logistics project. The implementation of this project will comprise of the following activities: –

- The purchase of 250 Road tractors, 150 Trucks rigid, 20 Truck tankers, 80 Dumper trailers, 50 Dump trucks etc., within 5 years to be implemented in phases from 2022–2027,
- The purchase of breakdowns 6, Accident recovery trucks



- The purchase of mattered fuel dispensing trucks 6
- The purchase 8 pickup for road patrol
- The purchase of 2 staff bus
- The purchase of communication sets radio
- The purchase of 6 folk lift
- Purchase of 6crane
- Equipping the company with relevant facilities

The proposed project on completion is estimated to cost about US\$43,093,000. The US\$13.093m of this investment owner's equity and cash generated from business while the rest of US\$30m will be sought from domestic financial institutions.

#### ARK LOGISTICS LIMITED COST STRUCTURE

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	300,000.00
Machinery & Equipment	260,000.00
Motor Vehicles	40,000,000.00
Furniture & Fixtures	4,000.00
Pre exp	5,000.00
Others	4,000.00
Working Capital	2,520,000.00
<b>TOTAL</b>	<b>43,093,000.00</b>



## 1.1 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds. The company is owned by 2 shareholders, namely: –

Share Holders	% of Share	Nationality
Elias Aminiel Makundi	50	Tanzania
Abdulrahman Muhidin Khamuss	50	Tanzania

## 1.2 Location.

The project head office will be located at Plot No.26/5 Industrial Area, Pugu Road Ilala District Dar Es Salaam Region, Tanzania, Tanzania.

## 1.3 Over view of Tanzania Economy

### The Economy of Tanzania – 2021 Update

With an average real GDP growth rate of 6.3% over the past decade (2010–2019), Tanzania is among the fastest-growing economies in Africa and in the world. In 2019, the Tanzanian economy grew by 5.8% reaching a GDP of USD



55.5 billion, making it the 2nd largest economy in East Africa after Kenya and the 7th largest in Sub-Saharan Africa.

### **Tanzania Key Economic Sectors**

According to the economic data included in the National Data of Tanzania Mainland of 2013–2019 by the National Bureau of Statistics, at current market prices, Services made the highest shares of GDP (40.0%) followed by Industry and Construction (31.1%) and Agriculture, Forestry and Fishing (28.9%) Notable sectors of the Tanzanian economy are tourism, mining, construction, agriculture, and manufacturing. In November 2020, The Government announced that in the next five years its government will put great emphasis on key economic sectors, especially agriculture, livestock, fisheries, industry, mining, trade, and tourism

### **The Tanzanian Economy in 2020 and 2021**



World Bank (WB) expects the economic growth of Tanzania to slow to 2.5% in 2020 due to the Covid-19 pandemic which has affected the labor market, production capacity, and productivity. Tourism has halted, and exports of manufacturing and agricultural goods slumped. However, the African Development Bank (AfDB) projected Tanzania's GDP growth to remain stable at 6.4% in 2020 and 6.6% in 2021, subject to favorable weather, prudent fiscal management, mitigation of financial sector vulnerabilities, and implementation of reforms to improve the business environment. Similarly, the Bank of Tanzania (BoT) estimated the country's economic growth to be 4.8% in 2020 and project a GDP growth of 5.6% in 2021 despite the impact of the Covid-19 pandemic. The positive outlook is driven by expected value-added in agriculture due to adequate rains, public investment, increase in export earnings from mining contributed by high world market prices of gold, and private sector investment, coupled with supportive monetary and fiscal policies. Finally, the International Monetary Fund (IMF) estimates the growth of Tanzania's economy at just 1.9% in 2020 and forecast and

recovery in 2021 with a GDP growth of 3.6%. In June 2020, the IMF approved a debt relief package for Tanzania of USD 14.3 million in grant over the next 4 months, and potentially up to USD 25.7 million over the next 23 months. The grant will free up resources for public sector health needs and other emergency spending, as well as mitigate the balance of payments shock resulting from the pandemic.

### **Tanzania Gross Domestic Product (GDP)**

Tanzania's real GDP reached USD 55.4 billion in 2019 versus USD 52.4 billion in 2018 and USD 32 billion in 2010 with an average year-on-year growth of 6.3%. However, the GDP growth of Tanzania has been slowing down in recent years, from a peak of 7.7% in 2011 to 5.8% in 2019. Tanzania is currently pursuing its National Five Year Development Plan 2016/17–2020/21 which includes among the objectives an annual real GDP growth of 10% by 2021. In April 2021, Tanzania's new president Samia Suluhu Hassan gave her first speech to the parliament, mentioning the priorities of the Sixth Phase Government in the next five years to reach a GDP growth rate of at least 8% yearly.



### **Tanzania Gross National Income (GNI)**

Tanzania's GNI per capita rose by 6.1% during the ten-year period 2010–2019, from USD 720 to USD 1,080. In 2019, Tanzania became a middle-income country with a GNI per capita of USD 1,080, against an average of USD 1,550 in Sub-Saharan Africa.

### **Tanzania Inflation In 2020,**

Tanzania's annual inflation rate was 3.3%, significantly below the Government's medium-term ceiling of 5% outlined in Tanzania's 2020/21 budget. The WB estimates that Tanzania's current low and stable headline inflation is favored by low domestic food prices. The Bank forecasts that in 2021 inflation will remain stable at 3.5%. BoT projects inflation to remain low in Mainland Tanzania, in the range of 3.0% to 5.0% in the remainder of 2020/21, as earlier projected in June 2020. The projection is underpinned by the adequate food supply, anticipated low global oil prices, and stability of the exchange rate.

### **Tanzania Exchange Rates**

On 26th January 2021, the average market exchange rates (source xe.com) for the Tanzanian shilling (TZS) against

major currencies provided were: USD/TZS 2,319.1, GBP/TZS 3,168.9, EUR/TZS 2,814.8, RMB/TZS 358.3. The TZS weakened by more than 25% against the USD over the past five years, from an average annual exchange rate of 1,735 in 2015 to 2,320 in the second half of 2020. However, the Tanzanian shilling was fairly stable against the US dollar throughout 2019/20, supported by low and stable inflation, moderate current account deficit, prudent monetary and fiscal policies, and measures taken to ensure the orderly functioning of the foreign exchange market.

### **Tanzania Balance of Trade**

Tanzania is a net importer with a negative balance of trade of USD –3,095.9 million in the year ended November 2019 (latest BOT data). The value of exports of goods and services amounted to USD 8,839.9 million in the year ended November 2020, lower than USD 9,460.8 million in the year ended November 2019, due to a decline in services receipts (mainly tourism affected by Covid-19). In 2018, Tanzania's top exports were gold (USD 892 m), tobacco (USD 333 m), raw copper (USD 231 m), refined copper (USD 150 m), and other furniture (USD 147 m), exporting mostly to Rwanda,

Kenya, the DRC, Zambia, and Uganda. The top imports of Tanzania were refined petroleum (USD 1.77 b), palm oil (USD 280 m), packaged medicaments (USD 220 ), cars (USD 191 m), and wheat (USD 182 m), importing mostly from China, India, UAE, Saudi Arabia, and South Africa.

### **Tanzania National Debt**

As of December 2019, Tanzania's total national debt amounts to USD 28.6 billion with external debt accounting for 78% of the total and domestic debt with 22%. Tanzania's external debt amounted to USD 22.4 billion (40% of GDP) in December 2019 representing a 6% YoY increase (2018: USD 21.06 billion). Tanzania's domestic debt amounted to USD 6.3 billion (11% of GDP) in December 2019 representing a 1% YoY decrease (2017: USD 6.2 billion). The Tanzanian Central Government is the largest borrower holding 78% of the country's external debt, followed by the private sector (21%), and public corporations (0.4%). The funds were allocated mostly to the transport and telecommunications sectors (27%), followed by social welfare and education (17%), and energy and mining (15%).

## Tanzania Foreign Direct Investment (FDI)

FDI net inflows in Tanzania were USD 1.1 billion in 2018 representing an 18% increase compared to 2017 (USD 938 m) but a 30% decrease from the peak reached in 2015 at USD 1.56 b. The mining sector, the oil and gas industry, as well as the primary agricultural products sector (coffee, cashew nuts, and tobacco) drew most of the FDI. The top five providers of FDI into Tanzania are South Africa, the UK, Kenya, Canada, and China. In the WB Doing Business Report of 2020, Tanzania ranked 141st among 190 countries and ranked 4th in the East African Community (EAC) for the ease of doing business. The country is currently implementing the "Blueprint for Regulatory Reforms to Improve the Business Environment in Tanzania" and aims to raise its score to at least 100

### 1.4 Tanzania Transportation sector Overview

#### Tanzania Transport

The Tanzanian transport sector comprises surface transport (including roads, railways), inland waterways (lakes and rivers), air transport, and sea transport. Tanzania's



transport sector contributed 8.1% to the country's real GDP in 2018 with USD 3.8 billion, compared to USD 2.8 billion in 2014, representing an increase of 33%. Main growth drivers include the increase in the number of passengers carried and freight handled through road transport. According to Tanzania's 2025 Development Vision, investments in infrastructure, particularly in the development of the road network, are the Government's top priority. The World Bank (WB) and the African Development Bank (AfDB) support Tanzania in achieving its infrastructure development goals by providing grants and credits for projects.

### **Tanzania Road Transport**

Road transport is the most widely used form of transport in Tanzania, carrying over 90% of the passengers and 75% of the freight traffic in the country. The road network in Tanzania currently comprises 86,472 kilometers of roads, of which 12,786 kilometers are trunk roads, 21,105 kilometers are regional roads and the remaining 52,581 kilometers are district, urban and feeder roads. Tanzania's Ministry of Works, Transport, and Communication through the Tanzania National Roads Agency (TANROADS) is

managing the national road network of about 33,891 kilometers, comprising 12,786 kilometers of trunk and 21,105 kilometers of regional roads. The remaining network of about 53,460 kilometers of urban, district and feeder roads is under the responsibility of the Prime Minister's Office Regional Administration and Local Government (PMO-RALG).

### **Tanzania Rail Transport**

Railway transport is the second most important mode of transport after road and critical for long distance freight along the main transport corridors in Tanzania. Tanzania has a total of 3,676 kilometers of railway lines operated by two railway systems, Tanzania Railways Corporation (TRC) and Tanzania – Zambia Railways (TAZARA). The mainline of TRC comprises the central corridor between the port of Dar es Salaam in the east, linking central and western areas of the country and terminating at Kigoma on Lake Tanganyika in the west. The TAZARA line is 1,860 kilometers in length, of which 975 kilometers is in Tanzania and 885 kilometers in Zambia.

### **Tanzania Air Transport**



total number of air passengers in Tanzania reached 6.2 million in 2019, compared to 5.2 million in 2015, representing an increase of 18%. Currently (2020), there are 19 airline operators in Tanzania, including some of the leading international air carriers such as British Airways, KLM, Qatar Airways, and SWISS. There are 58 airports in Tanzania and more than 300 private airstrips owned by mining companies and tour operators. The Julius Nyerere International Airport (JNIA), located in Dar es Salaam, is the largest and busiest airport in Tanzania, accounting for over 70% of Tanzania's air passengers. In August 2019, Tanzanian President John Magufuli inaugurated Terminal 3 of the JNIA. The new terminal, which cost USD 314 million set the airport capacity at 8 million passengers annually. In 2019, the AfDB approved a USD 272.12 million loan to Tanzania for the construction of a new international airport in the capital Dodoma. The new airport will be built in the district of Msalato, 12 kilometers from the capital Dodoma. The new facility is expected to handle at least 50,000 aircrafts and one million passengers per year.

### **Tanzania Water Transport**

Tanzania has a coastline of about 720 kilometers on the Indian Ocean, and also borders Lake Victoria, Lake Nyasa, and Lake Tanganyika. Both sea and inland waterways ports in Tanzania are managed and operated by the Tanzania Ports Authority (TPA). The TPA's main Indian Ocean ports are Dar es Salaam, Mtwara, and Tanga. Minor seaports serving coastal traffic include Lindi, Kilwa Masoko, Mafia Island, Bagamoyo, Pangani, and Kwale. Dar es Salaam is Tanzania's principal port with intrinsic capacity of 10.1 tonnes per year. The port handles over 92% of the total maritime ports' throughput. The port serves land-linked countries of Malawi, Zambia, Democratic Republic of Congo, Rwanda, Burundi, and Uganda. These countries are connected to the port through two railway systems (TRL-1.0 metre gauge and TAZARA-1.067 cape gauge), road network, as well as the TAZAMA oil pipeline to Zambia. TPA also operates Tanzania's lake ports, maintaining around 20 ports on Lake Victoria. Some major ports include Bukoba, Kemono Bay, Musoma, and Nansio. Principal lake ports on Tanganyika include Kigoma and Kasanga. Additionally, there are 15 smaller ports along the lake. These ports

provide trade connections between Burundi, Eastern Democratic Republic of the Congo, and Zambia. Lake Nyasa has 4 important ports, at Itungi, Mbamba Bay, Liuli, and Manda. There are up to 10 other smaller TPA ports on the lake that facilitate passenger movement along the lake and between the countries of Malawi, Mozambique, and Tanzania.

## **2.0 Targeted Markets.**

The targeted markets of the project are land locked neighboring countries such as DRC, Rwanda, Burundi etc. the directors already negotiated contracts with various companies in the mentioned countries.

Poor transport and communication infrastructure are said to be the major causes of low levels of intraregional trade in Africa. It is in view of this that, despite poor road infrastructure linking these countries that **ARK LOGISTICS LIMITED** has resolved to invest in the transport sector so as to provide a solution that would lead to stimulating the said intraregional trade. The project is expected to offer a challenge to the business community to enhance intraregional trade between Tanzania and these countries.

## Why land locked countries prefer to use Dar es Salaam Port

- **Strategic location**

Dar es Salaam port is the most preferable seaport due to its strategic positioning; it is more convenient, secure, quick and easy to be used by neighboring countries

- **Easy connection world wide**

Dar es Salaam Port is gateway to the world, the port have capacity and ability to transport any cargo

- **Productivity**

Now it is renowned for its security, efficient and reliability using most modern technology.

- **Capacity**

Dar es Salaam Port has the capacity to handle more than 10million tons of cargo such as general cargo 3.1 million tons, container 9,619,876 TEUs) 1.million tones and liquid bulk 6.0 million tons

In 2017 international Container Terminal Services limited handled 500,000 containers about 45% of cargoes were transit to land locked countries. This is good news for ARK



LOGISTICS LIMITED which is planning to embark in the transportation and logistics businesses

### 3.0 Project Details

The project's objective is to purchase a total of 400 tractors and tankers within 5 years.

This study is based on the 400 tractors and tankers. Some of selected items highlighted below

- Tractor and tanker
- Breakdown
- Fuel dispensing
- Pick Up
- Staff bus
- Communication sets radio
- Volk lift
- Crane etc.
- Expected revenue for each vehicle trip US\$ 3,500
- Each vehicle to carry 2trips per month
- Each vehicle to carry 10 tons per trip
- Total annual tons per year estimated to be 80,000 tons

Full scale operations the 400 units of tractors and tankers are expected to be purchased, their destinations being

Tanzania's landlocked neighboring countries of Malawi, Zambia, Burundi, Rwanda the Democratic Republic of Congo, etc.

#### 4.0 Investment and Financing US\$ 43,093,000

For the project to be a reality a total investment amounting to US\$43,093,000 is needed to finance the project in phases

#### 5.0 Financing Pattern

The financing pattern being considered is that involving the purchase of 400 units of tractors, tankers and other items. The project will be financed both by equity and loan. Loan contribution will constitute US\$10,000,000 and owners' equity and cash generated from business amounting to US\$ 13,093,000

The loan will be negotiated and acquired from financial institutions. The project sponsors expect to procure this loan on the following terms and conditions: –

Loan Amount : US\$ 30,000,000,  
Grace Period : 1 year  
Interest Rate : 6 % annually



Years : Seven

## 6.0 Implementation

Project implementation is expected to be relatively very short once TIC approval is received. Currently, the supplier has already been identified and supply is awaiting word from the project promoters.

## 7.0 Manpower and Organization Structure

The project will be managed by a Board of Directors of **ARK LOGISTICS LIMITED**. The Board, like all other boards is responsible for the formulation and supervision of company policies and guidelines. The project's day to day operations will be under the supervision of Managing Director

The project's employee requirement is estimated to be people in number, as shown below: –

Employees Distribution Summary

Employment	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women	0	20	10	30
Men	0	420	20	440
<b>TOTAL</b>	<b>0</b>	<b>440</b>	<b>30</b>	<b>470</b>

To ensure timely delivery of consignments, provision of goods service to customers, Management will provide on

the job training in the field of motor vehicle maintenance and will provide bonus and other incentives as a means of instilling and boosting employee work morale.

**NB assumption is that the project is fully implemented**

### **8.0 Project Operating Costs**

In order to realize its intended objective, the project will have to meet operating costs estimated to be 65% of total revenue.

### **9.0 Market And Marketing**

The project's earmarked clientele is in the land locked neighboring countries of Malawi, Zambia, Democratic Republic

of Congo, Burundi, Rwanda and even Uganda. Management has already explored these markets and is confident it can conduct profitable business.

The project management plans for all vehicles several trips per month. The number of trips and the cost of trip are determined by both the trip's destination and nature of road involved. All in all, a total of **one truck will conduct 2 trips** per month.

The routes are priced according to distance and the status of the road in question. It has however been conservatively

assumed that all foreign destinations will have a flat rate charge.

### **10.0 Revenue Assumptions**

- The company expecting to have 400 units of tractor
- Expected revenue for each vehicle trip US\$ 3,500
- Each vehicle to carry 2trips per month
- Each vehicle to carry 10 tons per trip
- Total annual tons per year estimated to be 80,000 tons
- Project calculation based on 10 years
- Bank interest is 6% per annum

The combined revenue and expenditure from all the planned routes, in the 1<sup>st</sup> year up to 10 year are indicated above.

The number of trips assumed here, is just a conservative estimate. With the expected improvement of the roads and in general operations coupled with the driver's gaining experience in long distance travels, the number of trips per truck will be raised. This will have a tremendous impact on the Company's expenditure and earnings.

### **11.0 Financial Aspects for The Project**

#### **(i) Projected Profit and Loss Statement**

The attached Appendix I shows the projected income for the 11years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$ 826,847** in the 1<sup>st</sup> year to **US\$6,279,653** in the 5<sup>th</sup> year

**(ii) Projected Cash Flows**

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$1,409,637** in the first year to **US\$8,483,276** at the end of 5<sup>th</sup> years of the project's operations based on the 21 units obtained.

**(iii) Projected Balance Sheet**

The project's assets cash flows are shown in Appendix III. Owners' equity grows from **US\$3,000,000** in the first year to **US\$4,838,000** at the end of 5<sup>th</sup> years of the project's operations based

**(iv) Payback Period**

Total investment is **US\$US\$5,000,000**, cash accumulation in 5<sup>th</sup> year **US\$5,856,047** which is more



than the initial investment by US\$5856,047 The project payback Period is exactly 5 years.

The project has a relatively short payback period. It is remarkably impressing for a project whose investment is as big as US\$ 5,000,000 being recovered within 5 years.

## **12.0 Economic Aspects of The Projects**

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

### **(i) Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that **ARK LOGISTICS LIMITED**, is going to provide additional employment to 470 people. This is a significant contribution coming from local investors.

### **(ii) Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

### **(iii) Foreign Exchange Earning**



Since the project's clientele is mostly towards neighboring countries the project will thus earn foreign currency for the United Republic of Tanzania. Out of all project expected cargo overhauling transactions will be settled in foreign currencies. In this study we have assumed that the project will be paid in foreign currency

## **13.0 Conclusion and Recommendation**

### **13.1 Conclusion**

- (i) The project is profitable and contributes to government revenue by way of taxes.
- (ii) The project provides employment to 470 people all of whom are national Tanzanians.
- (iii) The project is an encouraging sign to prove that we have local investors who have confidence in their country, Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

## 14.0 Recommendation

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the Tanzania Investment Centre – (TIC). The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.



## APPENDIX I

ARK LOGISTICS LIMITED.  
PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5	6	7.00	8	9.00
Revenue	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000
Operating Expenses:	18,200,000	18,200,000	18,200,000	18,200,000	18,200,000	18,200,000	18,200,000	18,200,000	18,200,000
Profit before Depreciation & Interest	9,800,000	9,800,000	9,800,000	9,800,000	9,800,000	9,800,000	9,800,000	9,800,000	9,800,000
Interest	1,800,000	1,542,857	1,285,714	1,028,571.48	771,428.64	514,285.80	514,285	-	-
Depreciation	2,008,000	2,009,000	2,008,000	2,009,000	2,009,000	2,008,000	2,009,000	2,008,000	2,009,000
Gross Profit	5,991,000	6,248,142	6,505,285	6,762,428	7,019,571	7,276,714	7,278,714	7,791,000	7,791,000
Tax (30%)	1,797,300	1,874,442	1,951,685	2,028,728	2,105,871	2,183,014	2,183,014	2,337,300	2,337,300
Profit After Tax	4,193,700	4,373,699	4,553,600	4,733,699	4,913,699	5,093,699	5,093,699	5,453,700	5,453,700
Accumulated Profit	4,193,700	8,567,399	13,121,099	17,854,799	22,768,499	27,862,199	32,955,899	38,409,599	43,863,299

## APPENDIX II



**ARK LOGISTICS LIMITED**  
**PROJECTED CASH FLOWS US\$**

	0	1	2	3	4	5	6	7	8	9
<b>SOURCES:</b>										
Profit before interest and depreciation	0	9,800,000	9,800,000	9,800,000	9,800,000	9,800,000	9,800,000	9,800,000	9,800,000	9,800,000
Equity	13,093,000.00								0.00	
Loan	30,000,000.00								0.00	
<b>Total Sources</b>	<b>43,093,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>
<b>Applications:</b>									0.00	
Capital expenditure	40,554,000	-	-	-	-	-			0.00	
working Capital & Others	2,529,000.00								0.00	
Cash	0	8,002,700	7,925,557	7,948,414	7,771,271	7,894,128	7,616,955	7,616,955	7,462,700	7,462,700
Tax	-	1,797,300	1,874,442	1,851,585	2,028,728	2,105,871	2,183,014	2,183,014	2,337,300	2337300
<b>Sub total</b>	<b>43,093,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>
<b>Total applications</b>	<b>43,093,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>9,800,000</b>
Accumulated cash		8,002,700	15,925,257	23,776,671	31,547,942	39,242,071	47,039,026	54,655,981	62,122,681	69,585,381

ARK LOGISTICS LIMITED  
PROJECTED BALANCE SHEET US\$

	0	1	2	3	4	5	6	7.00	8.00
<b>Fixed Assets</b>									
Opening balance	-	40,664,000.00	38,555,000.00	36,546,000.00	34,637,000.00	32,628,000.00	30,519,000.00	28,510,000.00	26,501,000.00
<b>Total Long-term Assets</b>	-	40,664,000.00	38,555,000.00	36,546,000.00	34,637,000.00	32,628,000.00	30,519,000.00	28,510,000.00	26,501,000.00
Less depreciation	-	2,009,000.00	2,009,000.00	2,009,000.00	2,009,000.00	2,009,000.00	2,009,000.00	2,009,000.00	2,009,000.00
<b>Closing balance</b>	-	38,655,000.00	36,546,000.00	34,537,000.00	32,628,000.00	30,519,000.00	28,510,000.00	26,501,000.00	24,492,000.00
Working capital	2,529,000.00	2,529,000.00	2,529,000.00	2,529,000.00	2,529,000.00	2,529,000.00	2,529,000.00	2,529,000.00	2,529,000.00
Accumulated cash	-	8,002,700	15,928,257	23,776,671	31,647,942	39,242,071	46,800,000	54,400,000	62,000,000
<b>Total assets</b>	2,529,000.00	49,086,700.00	55,003,257.00	60,842,671.00	66,804,942.00	72,290,071.00	77,839,000.00	83,329,000.00	88,991,000.00
Financed by									
Equity	13,093,000.00	13,093,000.00	13,093,000.00	13,093,000.00	13,093,000.00	13,093,000.00	13,093,000.00	13,093,000.00	13,093,000.00
Accumulated profit	-	4,193,700	8,567,399.00	13,121,099	17,854,799	22,768,499	27,862,199	32,956,899	38,409,599
<b>Total equity</b>	13,093,000.00	17,286,700.00	21,660,399.00	26,214,099.00	30,947,799.00	35,861,499.00	40,955,199.00	46,049,899.00	51,502,599.00
Bank overdraft	3,000,000.00	25,714,296.00	21,426,572.00	17,142,868.00	12,857,144.00	8,571,430.00	4,285,716.00	-	-
<b>Total equity and debts</b>	43,093,000.00	58,715,272.00	43,086,971.00	43,356,957.00	43,604,943.00	44,432,929.00	45,240,915.00	46,049,899.00	51,502,599.00

APPENDIX IV

PROPOSED FINANCING PATTERNUS

FOREIGN LOAN	LOCAL LOAN	LOCAL EQUITY
NIL	30,000,000	13,083,000.00



## APPENDIX V

## ARK LOGISTICS LIMITED PROJECTED DEPRECIATION SCHEDULE US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	300,000	294,000	288,000	282,000	276,000	270,000	264,000	258,000
Machinery, Tools & Equipment	260,000	257,400	254,800	252,200	249,600	247,000	244,400	241,800
Motor Vehicles	40,000,000	38,000,000	36,000,000	34,000,000	32,000,000	30,000,000	28,000,000	26,000,000
Furniture & Fixtures	4,000	3,800	3,200	2,800	2,400	2,000	1,600	1,200
<b>Total</b>	<b>40,564,000</b>	<b>38,555,000</b>	<b>36,546,000</b>	<b>34,537,000</b>	<b>32,528,000</b>	<b>30,519,000</b>	<b>28,510,000</b>	<b>26,501,000</b>
<b>DEPRECIATION</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
Land and buildings	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Machinery tools & Equipment	2,600	2,800	2,600	2,600	2,600	2,600	2,600	2,600
Motor Vehicles	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Furniture & Fixtures	400	400	400	400	400	400	400	400
<b>ANNUAL DEPRECIATION</b>	<b>2,009,000</b>	<b>2,009,000</b>	<b>2,009,000</b>	<b>2,009,000</b>	<b>2,009,000</b>	<b>2,009,000</b>	<b>2,009,000</b>	<b>2,009,000</b>

## Projected Long Term Loan Repayment

Year	principle	Loan Interest (6%)	Total Amount Paid	Loan Balance
0				
1	4,285,714.00	1,800,000.00	6,085,714.00	30,000,000.00
2	4,285,714.00	1,542,857.16	5,828,571.16	25,714,286.00
3	4,285,714.00	1,285,714.32	5,571,428.32	21,428,572.00
4	4,285,714.00	1,028,571.48	5,314,285.48	17,142,858.00
5	4,285,714.00	771,428.64	5,057,142.64	12,857,144.00
6	4,285,714.00	514,285.80	4,799,999.80	8,571,430.00
7	4285714	514,285.80	4,799,999.80	4,285,716.00



## Payback Period

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	4,193,700.00	2,009,000	6,202,700	7,000,000.00
2	4,373,699.00	2,009,000	6,382,699	13,382,699.00
3	4,553,698.98	2,009,000	6,562,700	19,945,398.98
4	4,733,698.96	2,009,000	6,742,700	26,688,098.94
5	4,913,698.95	226,200	5,139,900	31,827,998.89
6	5,093,698.94	2,009,000	7,102,700	38,930,698.83
7	5,453,700.00	2,009,000	7,462,700	46,393,398.83
8	5,453,700.00	2,009,000	7,462,700	53,856,098.83
9	5,453,700.00	2,008,000.00	7,462,700	61,318,798.83

## PROJECT IMPLEMENTATION SCHEDULE

It is expected that the Project will be take 9 months to implement as shown below: -

	ACTIVITY	PERIOD
1.	Processing TIC Certificate of Incentive	June 2022
2.	Funds Mobilization	Jan - June 2022
3.	Ordering of Vehicles	July 2022 - Dec 2025
5.	Arrival of Vehicles	July 2021- Dec 2025
6.	Trial Operations	August 2022
7.	Commercial Operations	September 2022

