

**LAKE TRANS LIMITED**

**PROJECT DOCUMENT**

**ON**

**THE EXPANSION**

**OF**

**TRANSPORTATION COMPANY**

**Prepared By:**  
LAKE TRANS LIMITED  
**P.O.Box 5055**  
**Dar-es-salaam**

## **1.0 EXECUTIVE SUMMARY**

### **1.1 INTRODUCTION**

Lake Trans Limited is a private limited liability company, established on 3<sup>rd</sup> June 2011 under Certificate of Incorporation No. 83667. It is licensed to carry out a variety of businesses, ranging from transportation sector, industry and management to clearing and forwarding. It is a large size trucking company mainly catering for transit liquid and hard cargo of landlocked neighbouring countries and the countries south of Tanzania. The company has its headquarters based in Dar es Salaam.

### **1.2 The Project**

This project report sets out a proposal for the company to expand its cargo transportation project to add additional 200 trucks and trailers trucks with trailers (semi/pull type), pick-ups and related handling service facilities. The company's competitive advantage is the experience gained over the years and the standing arrangements it has with international companies and agencies for providing bulk cargo destined for the neighbouring countries. The trucks will be heavy duty complete with trailers. This project will have the effect of strengthening of distribution and marketing facilities in the Country and the fleet will also be used to transport transit cargo for neighbouring landlocked Countries East and Central Africa namely: Rwanda, Burundi, Uganda, The Democratic Republic of Congo, Zambia, Malawi etc.

### **1.3 The Project Promoters**

The project is promoted by LAKE TRANS LIMITED, incorporated as a Limited Liability Company. The company is based in Dar-es-salaam with the registered office at Vijibweni, Kigamboni. It is primarily a joint venture company with the following shareholders.

<b>Shareholder</b>	<b>Nationality</b>	<b>Share %</b>
Ally Edha Awadh	Tanzanian	1
As Holdings Limited	Mauritanian	99

The shareholders have extensive and long-term exposure to the Transport industry.

#### **1.4 The Market**

Recent developments in Tanzanian economy indicate that there is an increase in demand for local and transit cargo both dry and wet, including white petroleum products namely: petrol, diesel, jet fuel, lubricants, liquefied gas (LPG) etc. Analysis of the demand of transit cargo and supply of trucks/trailers has revealed that there is a need to embark on the acquiring of **200** new trucks/trailers to facilitate movement of transit cargo by road system to and from landlocked neighbouring countries of Burundi, Rwanda, Uganda, Congo, Malawi and Zambia and other part of the southern Africa. In addition, the current shortage of wagons and locomotives in Tanzania Railways Corporation (TRC), the problem of TAZARA in the turnaround of wagons from Zambia and the current construction of the standard gauge railway have created increase in demand for road transportation of transit cargo.

#### **1.5 Location**

The company will be located at vijibweni, Kigamboni Dar-es-Salaam which is easily assessable to the airport, harbours and up-country and will provide transport services all over East and Central Africa.

## 1.6 Project Cost and Financing Plan

The total cost of the project is estimated at US\$ **24,280,000** The following is the summary of the capital investment cost estimated:

<b>CAPITAL ITEMS</b>	<b>COST (USD)</b>
Establishing Workshop and Renovation of the Office Building (Motor vehicle Yard)	300,000
Motor trucks, Trailers and Other Vehicles	20,000,000
Office Furniture and Fixtures	30,000
Pre-operational Expenses	50,000
Working capital	3,900,000
<b>Total</b>	<b>24,280,000</b>

## 1.5 Financing Plan

The promoters propose to finance the above investment costs in the following manner:

SOURCE	US \$
EQUITY	4,280,000
LOAN	20,000,000
<b>Sub total</b>	<b>24,280,000</b>

The working capital of US\$ 3,900,000 is to be financed through shareholders equity contribution.

## 1.6 Profitability

The business as indicated in the projected cash flow is commercially and financially viable. It will earn the company an average of US\$ 11.3 Million before tax profits and depreciation during the first 36 months.

## **1.7 Economic Development Considerations**

### **1.7.1 Employment Creation**

The project will create approximately 529 jobs with capacity to establish the employment levels in the later years upon.

### **1.7.2 Foreign exchange Earnings**

Due to nature transit cargo business all payments are made in foreign currency. This is great contribution to the country in foreign exchange earnings.

### **1.7.3 Government revenue**

The government and other agencies will benefit from various taxes, fees and commissions that will paid to the Treasury.

### **1.7.4 Social and Economic Impact**

The proposed project will increase the provision of high-quality services in the distribution of industrial products in the country. It will also Increase the availability of quality distribution and marketing products and will result in increased healthy competition among all trading and manufacturing companies

### **1.7.5 Economies of Scale**

Profitability is greatly affected by economies of scale. The project will be profitable with subsequent to **200** trucks. It will increase profitability dramatically hence guaranteeing higher returns in the long run.

## **1.8 Conclusion and Recommendations**

The executive summary highlights indicate that the proposed project will be financially and economic viable. The project will generate significantly to the social and economic progress by way of increasing the provision of additional **200** trucks. It is recommended that the project be accorded the required institutional and financial support to pave the way for its expeditious establishment and development.

## **2.0 INTRODUCTION**

### **2.1 Background**

LAKE TRANS LIMITED intends to expand its activities by acquiring trucks and trailers. This involves acquisition of **200** cargo haulage trucks with trailers, upgrading their existing workshops and terminal comprising of container yard, truck parking places, go down and offices. The proposed a project development strategy is to acquire a fleet of trucks in order to have the project's earnings capacity through handling more cargo, provide prompt cargo handling services as required and will be more competitive in the transport sector. The technical appraisal of the project has been prepared in a view to assessing the project's viability and to be used to obtain certificate of incentives.

### **2.2 The project**

The project envisages expanding its trucking company, which deals with transportation of transit cargo to and from neighbouring countries. Among other things, the project component will include:

- Acquiring 200 trucks and 200 trailers. In addition, acquire 4WD patrol vehicles to assist in highway patrols and maintenance services.
- Purchasing of machinery and equipment/tools such as cranes, forklifts and repair equipment to enhance smooth operation of its transport fleet.
- Acquiring new office furniture, fitting, computers and telecommunication system. This includes all trucks and patrol vans to be fitted with HF Radio system connected to the base station.
- Rehabilitating workshops and container yards. The Workshop equipment will be needed to service the trucks as well as to generate income through servicing another transporter's vehicle on commercial basis.
- Importation of mobile communication equipment to monitor the movement of trucks.

The proposed project aims to continue serving serve both Kenyan and Tanzania ports for their domestic cargo and neighbouring land-locked countries namely; Zambia, DRC, Uganda, Rwanda, Malawi, Zimbabwe and Burundi. Fleet routes would depend on cargo availability destined to these countries at any given time.

## **2.3 The Promoters**

The promoter of this expansion project is **LAKE TRANS LIMITED.**

### **2.3.1 The Company**

**LAKE TRANS LIMITED.** is a private liability company engaged in the transportation business. The company, incorporated on 3<sup>rd</sup> June 2011 under Certificate of Incorporation No. 83667. It is primarily a joint venture company with the following shareholders.

<b>Shareholder</b>	<b>Nationality</b>	<b>Share %</b>
Ally Edha Awadh	Tanzanian	1
As Holdings Limited	Mauritanian	99

The shareholders have extensive and long-term exposure to the transport industry through his involvement in transporting cargo to landlocked countries. The company's good performance since its incorporation is the result of the shareholders sheer hard work and articulate management dynamism in the transport sector.

## **3.1 Location**

The company headquarters is based in Dar-es-salaam

**LAKE TRANS LIMITED.**

P.O. Box **5055**

It is situated at vijibweni, Kigamboni Dar-es  
salaam

### **2.3.2 Implementation Time Schedule**

The proposed investment programme is expected to take a period of three years.

### **2.3.3 Environmental Aspect**

Generally, Tanzania has environmental regulations governing the operation of garages, workshops, and storage of oil. Nevertheless, each operator takes basic precautions to ensure that during and in case if an accidental spillage or fire, damage to environment is limited to the minimum possible level.

### 3.0 CAPITAL INVESTMENT FINANCING

#### 3.1 Investment Plan

In order to sustain the viability and expansion of **LAKE TRANS LIMITED**, a modest Investment plan has been drawn during the project period. It is planned that the company will buy **200** heavy duty trucks and trailers in the first three years at the cost US\$ 20,000,000.

<b>CAPITAL ITEMS</b>	<b>COST (USD)</b>
Establishing Workshop and Renovation of the Office Building (Motor vehicle Yard)	300,000
Motor trucks, Trailers and Other Vehicles	20,000,000
Office Furniture and Fixtures	30,000
Pre-operational Expenses	50,000
Working capital	3,900,000
<b>Total</b>	<b>24,280,000</b>

#### 3.2 Financing Plan

The company itself through loan will raise the bulk of the capital cost. The other major source of funding will be internally generated revenue from operations that will plough back. The other possible sources of finance are through supplier's credit.

SOURCE	US \$
EQUITY	4,280,000
LOAN	20,000,000
<b>Sub total</b>	<b>24,280,000</b>

## **4.0 DEMAND AND MARKETING ASPECTS**

There is a wide market for domestic as well as transit cargo transport. Hence, it can be expected that the sponsors would not face marketing and operational problems in managing the proposed project. **LAKE TRANS LIMITED** will endeavour to achieve the transportation contract for domestic and transit business in the neighbouring countries of Kenya, Rwanda, Burundi and Eastern parts of the Democratic Republic of Congo, Uganda and Eastern part of Zambia.

### **4.1 Facts About Cargo Haulage Services in Tanzania**

#### **a) Port**

The major seaports of Tanzania Mainland are Dar es Salaam, Tanga and Mtwara. Among the three ports, Dar es Salaam Port is the most active and important port for transit cargo for neighbouring landlocked countries of Zambia, Malawi, Rwanda, Burundi, Uganda and Congo.

Tanga Port is presently important port for Tanzanian imports and exports but with the construction of standard gauge railway it will increase its importance

#### **b) Railways**

Two railway systems exist in Tanzania namely Tanzania Railway Corporation (TRC) and Tanzania Zambia Railway Authority (TAZARA).

Currently the central line is under rehabilitation and construction to build A Standard Gauge railway. TAZARA is jointly owned by the Government of Tanzania and Zambia and constitutes an important component of the regional network linking the SADC member states. The length of the rail track is 1866 km. TAZARA serves Zambia, Malawi and Congo. Mbeya is an important terminal on TAZARA serving transit cargo for Malawi.

#### **c) Roads**

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 number of road passengers in Tanzania rose by 32%, from 8,750 in Q2 2015 to

11,546 in Q2 2016. The road network in Tanzania currently comprises 86,472 km of roads, of which 12,786 km are trunk roads, 21,105 km are regional roads and the remaining 52,581 km are district, urban and feeder roads.

Following is the list of Tanzanian trunk roads.<sup>[8]</sup>

Road No.	Length	Span	Via
A7	492 km	Dar es Salaam - Iringa	Chalinze - Morogoro - Mikumi
A14	315 km	Chalinze - Horohoro	Segeera - Tanga
A19	620 km	Masasi - Mbamba Bay	Tunduru - Songea - Mbinga
<u>A23</u>	117 km	Arusha - Holili	Moshi
A104	1,218 km	Tunduma- Namanga	Mbeya - Iringa - Dodoma - Kondoa - Arusha
B1	263 km	Segeera - Himo	
B2	561 km	Dar es Salaam - Mtwara	Kilwa - Lindi
B3	625 km	Singida - Rusumo Falls	Nzega - Isaka - Kahama
B4	293 km	Makambako - Songea	Njombe
B5	120 km	Mingoyo - Masasi	
B6	1,071 km	Makogolosi - Sirari	Rungwa - Tabora - Shinyanga - Mwanza
B8	1,128 km	Kasesha - Mutukula	Sumbawanga - Mpanda - Kasulu - Biharamulo - Bukoba
B129	388 km	Morogoro - Manyoni	Dodoma
B141	308 km	Rungwa - Singida	Itigi - Manyoni
B143	151 km	Singida - Babati	
B144	390 km	Makuyuni - Kukirango	Karatu - Ngorongoro - Serengeti National Park
B163	230 km	Usagara - Biharamulo	Sengerema - Geita
B182	171 km	Nyakasanza - Kyaka	Kimisi - Burigi Game Reserve - Omurushaka
B182 W	111 km	Omurushaka - Murongo	
	173 km	Bulahu - Lamadai	Bariadi
	59 km	Nyakasanza - Kobero	Ngara - Kabanga

Source : [List of roads in Tanzania\( Internet \)](#)

As of to date the Government has been implementing construction of roads including the upgrading of a 144km road section connecting Dar es salaam to Chalinze. It will include the construction of a six-lane expressway for the first 50km from Dar es salaam, reducing to a four-lane expressway for the remaining way to Chalinze. The project also includes the construction of eight interchanges, seven toll plazas, weighbridges as well as a number of bridges as depicted, service roads, amenities for road users, and the installation of toll gates, traffic signals and information boards.

The rehabilitation of the road system should greatly ease the transport problems in the country and facilitate road transportation of transit cargo to neighbouring countries. With the above upgrades the project will run smoothly as there will be reduction of wear and tear on his trucks.

#### **4.2 Capacity in Cargo Handling (Country Overview)**

The road contributes about 95% of ton-kilometres in the country. In view of this, there is need for improving the road haulage industry and hence enhancement of economic wellbeing of the country.

One major problem of road transport in the country is still poor condition of many roads. However, the Government alongside World Bank funding has begun to rehabilitate main trunk roads in the country at the moment and this move is expected to alleviate the existing problems. At 18% of roads are tarmac, 20% gravelled, there rest are earth roads. Development of road transport is therefore essential for purposes of enhancing easy movement of inputs and consumer goods in the country. Road transport is also important in so far as transport of transit cargo in concern particularly as regards south, north and central corridors for containerized goods.

#### **4.3 Supply of Transport Equipment**

The supply of goods transport in the region is represented by a fleet of commercial cargo carrying vehicles with average capacities of 35 tons and above operating within the regions, intra-regional and inter regional routes. Tanzania acts as a transit country for the landlocked countries of DRC, Zambia, Rwanda, Burundi, Uganda, and Malawi. General Cargo (that is excluding bulk petroleum and other bulk liquids) handled through the Dar es Salaam ports.

#### **4.5 Market Base**

The proposed project will continue with the existing routes of which is an open eye on the vast opportunities that exist in the regional and domestic transport business. The factors that have contributed to an increase in demand for transportation in the country is the Increased level of rehabilitation and expansion of truck roads by the Government and international assistance agencies which has subsequently resulted in increased kilometre of passable roads by small and heavy-duty vehicles. Other factors are the Rise in people's standard of living and change in people's consumption patterns, General improvement in the national economy, increase general level of investments in industrial activities which are the major users of industrial products and increased transit trade between Tanzania and its neighbours especially Uganda, Rwanda, Malawi, Burundi, the Democratic Republic of Congo and some of the SADC countries.

#### **4.6 Freight Charges**

The rates offered for standard transportation are on a per ton basis; hence the more one carries per road, the more earnings are. There is currently no legislation restricting the amounts one can carry therefore, for the Dar es Salaam to Nzega routes basis has been made the firms' expected revenue from carrying forty (40) tons load. Should legislation come into effect and limit the project to be standard twenty-eight (28) to thirty (30) tons that in effect in SADCC countries, the rate would be adjusted accordingly so that the transporters do not lose out.

## **5.0 MANAGEMENT AND ORGANISATION STRUCTURE**

### **5.1 Management**

The company policy is to have adequate manpower to manage its operations efficiently **LAKE TRANS LIMITED** believes in keeping on board only the very essential manpower strength, to develop them into high motivated and sincere company team for the best and efficient operations of the company. The company is having a team of qualified and experience functional managers in the areas of operation/marketing, workshop operations and finance & administration. The personnel will be qualified, well-seasoned and most possessing considerable industrial experience.

### **5.2 Manpower Requirements**

To improve its transport system the company expects to employ staff of **529** people. Mostly will be truck drivers and turn boys.

### **5.3 Recruitment and Training**

The company will recruit truck drivers and turn boys. All are expected to have strong background in transportation. Other news staff especially in the Operation Department is also expected to have some knowledge in transportation sector. However, all the new employees are expected to receive on-the-job training. All key staff is to be employed 1-2 months before the Company acquires the additional trucks and trailers.

## **7.0 FINANCIAL ANALYSIS**

### **7.1 Financial viability**

The analysis of the proposed **LAKE TRANS LIMITED** Transport project shows that the project can generate a fairly good profit and that it generates sufficient cash to meet its financial obligations.

### **7.2 Fundamental Assumptions**

The preparation of the financial projections took into account the following main assumptions:

1. The Operating period under which the viability of the project is being evaluated in 10 years
2. The capital cost of the proposed project is US\$24,280,000
3. All calculations throughout the economic lifetime of the project and constant with October, 2023 being the base date.
4. The main revenue source is from the charging freight rates. In the estimation of the revenue income we have adopted an average tariff rate of US\$ 5,000 per trip throughout the project period for both domestic and transit cargo destined to the landlocked countries of Rwanda, Burundi, Democratic Republic of Congo, and Northern Zambia and Malawi. Each truck is expected to cover a maximum of 5,000 kms per month.
5. The capacity utilization of the truck starts from 70% in the 1<sup>st</sup> Year to 75% in the 2<sup>nd</sup> year and 80%, in the 3<sup>rd</sup> year and other subsequent years.
6. Capital Expenditure has been assumed to be incurred for a continuous period of 3 years.
7. The financial plan is for the shareholders to finance the project from the term loan. Otherwise the manufacturers of the trucks

are prepared to arrange for a financial package including supplier credit.

8. Economic depreciation rates based on useful lifetimes of the various capital items have been adopted. The following fact facts apply for the depreciation rates in this project:

- Building and Civil works are depreciated at 4% straight line.
- Office equipment is depreciated at 12.5% and therefore replacement is due in the 8<sup>th</sup> year of operation.
- Furniture and fittings are depreciated at 12.5%
- Pre-operational expenses are amortized and written off after 5 years the write off therefore is 20%.

### **7.3 Working Capital Requirements**

Ideally, working capital requirements are directed by the volume and business tempo.

### **7.4 Projected Profitability**

The projected profit and loss account is shown in the Financial Analysis Schedules. On the basis of the operating assumptions and cost the proposed investment is expected to be profitable throughout the project.

### **7.5 Cash Flow Projection**

The liquid performance of the project is shown in the financial analysis schedules. The projections take into account the assumed sources and applications of funds over the planned period and shows the ability of the project to meet financial obligations and capital expenditure requirements.

## **7.6 Financial Review**

The financial review of the proposed **LAKE TRANS LIMITED** shows that:

- The project is profitable.
- The liquidity position is sound and it should be able to meet its financial commitments without any undue difficulty.
- The operations are financially viable.

It is therefore recommended that the project should go ahead as conceived in this report.

## **8.0 Economic Development Considerations**

### **Employment Creation**

The project will create approximately **529** jobs with capacity to establish the employment levels in the later years upon.

#### **7.6.1 Foreign exchange Earnings**

Due to nature transit cargo business all payments are made in foreign currency. This is great contribution to the country in foreign exchange earnings.

#### **7.6.2 Government revenue**

The government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury.

#### **7.6.3 Social and Economic Impact**

The proposed project will result into the Increase the provision of high-quality services in the distribution of industrial products in the country. It will also Increase the availability of quality distribution and marketing products alongside competitive prices of these products will result in increased healthy competition among all trading and manufacturing companies

- **Economies of Scale**

Profitability is greatly affected by economies of scale. The project will be profitable with subsequent to **200** trucks. It will increase profitability dramatically hence guaranteeing higher returns in the long run.

## **7.7 Conclusion and Recommendations**

The brief financial analysis indicates that the proposed project will be financially and economic viable. The project will generate significantly to the social and economic progress by way of increasing the provision of additional **200** trucks. Therefore, it is strongly recommended that the sponsors of **LAKE TRANS LIMITED** be availed with the required institutional assistance so as to enable them to implement the intended expansion the propose project

**M/S LAKE TRANS LIMITED**  
**CAPITAL INVESTMENT COSTS**

<b>CAPITAL ITEMS</b>	<b>COST (USD)</b>
Establishing Workshop and Renovation of the Office Building (Motor vehicle Yard)	300,000
Motor trucks, Trailers and Other Vehicles	20,000,000
Office Furniture and Fixtures	30,000
Pre-operational Expenses	50,000
Working capital	3,900,000
<b>Total</b>	<b>24,280,000</b>

**M/S LAKE TRANS LIMITED**  
**Project's financing Plan**

SOURCE	US \$
EQUITY	4,280,000
LOAN	20,000,000
<b>Sub total</b>	<b>24,280,000</b>

# M/S LAKE TRANS LIMITED

## DEPRECIATION SCHEDULE

Item/year			<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
Land & Building	4%	300,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Vehicles	25%	20,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	-	-	-	-	-
Furniture & Fixtures	12.5	30,000	3,750	3750	3750	3750	3750	3750	3750	3750	-	-
Pre-Operation Expenses	% 20%	50,000	10,000	10,000	10,000	10,000	10,000	-	-	-	-	-
<b>TOTAL DEPRECIATION</b>		<b>20,380,000</b>	<b>5,025,750</b>	<b>5,025,750</b>	<b>5,025,750</b>	<b>5,025,750</b>	<b>5,025,750</b>	<b>15,750</b>	<b>15,750</b>	<b>15,750</b>	<b>12,000</b>	<b>12,000</b>

# M/S LAKE TRANS LIMITED

## PROJECTED CARGO HANDLING

Item/year	1	2	3	4	5	6	7	8	9	10
<b>PERCENTAGES</b>	<b>70%</b>	<b>75%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>
<b>ACHIEVEABLE CAPACITY</b>										
<b>Number of Trucks</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
New Trucks/Trailers	<b>140</b>	<b>150</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>	<b>160</b>
Various Cargo Haulage per month	280	300	320	320	320	320	320	320	320	320
Various Cargo Haulage per year	3,360	3,600	3,840	3,840	3,840	3,840	3,840	3,840	3,840	3,840
<b>Freight Revenue</b> Various cargo haulage Revenue in US\$000'	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
<b>GRAND TOTAL FREIGHT REVENUE US\$000'</b>	<b>16,800</b>	<b>18,000</b>	<b>19,200</b>	<b>19,200</b>	<b>19,200</b>	<b>19,200</b>	<b>19,200</b>	<b>19,200</b>	<b>19,200</b>	<b>19,200</b>

# M/S LAKE TRANS LIMITED

## ESTIMATED WORKING CAPITAL

Item/year	Assumptions	1	2	3	4	5	6	7	8	9	10
<b>A. CURRENT ASSETS</b>											
<b>STOCKS</b>											
Direct Cost	1-month costs	294	315	336	336	336	336	336	336	336	336
Fuel & Lubricants	3 months stock	1,470	1,575	1,680	1,680	1,680	1,680	1,680	1,680	1,680	1,680
Spares & Parts	3 months' supply	588	630	672	672	672	672	672	672	672	672
<b>Total Stocks</b>		<b>2,352</b>	<b>2,520</b>	<b>2,688</b>	<b>2,688</b>	<b>2,688</b>	<b>2,688</b>	<b>2,688</b>	<b>2,688</b>	<b>2,688</b>	<b>2,688</b>
<b>B. DEBTORS</b>											
Trade debtors	1 month Revenue	1,400	1,500	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
<b>Total Current Assets</b>		<b>3,752</b>	<b>4,020</b>	<b>4,288</b>	<b>4,288</b>	<b>4,288</b>	<b>4,288</b>	<b>4,288</b>	<b>4,288</b>	<b>4,288</b>	<b>4,288</b>
<b>C. CURRENT LIABILITIES</b>											
<b>CREDITORS</b>											
Salaries	1 month	980	1,050	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120
		150	150	150	150	150	150	150	150	150	150
<b>Working Capital</b>		<b>2,622</b>	<b>2,820</b>	<b>3,018</b>	<b>3,018</b>	<b>3,018</b>	<b>3,018</b>	<b>3,018</b>	<b>3,018</b>	<b>3,018</b>	<b>3,018</b>
<b>Change in W/Capital</b>			<b>198</b>	<b>198</b>	-	-	-	-	-	-	-

## M/S LAKE TRANS LIMITED PROJECTED INCOME STATEMENT

**US\$000**

Item/year	1	2	3	4	5	6	7	8	9	10
Sales Revenue	16,800	18,000	19,200	19,200	19,200	19,200	19,200	19,200	19,200	19,200
<b>COST OF SALES</b>	11,760	12,600	13,440	13,440	13,440	13,440	13,440	13,440	13,440	13,440
<b>GROSS PROFIT</b>	5,040	5,400	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760
<b>CAPITAL &amp; FINANCE CHARGES</b>										
Other Operational Expenses	200	200	200	200	200	200	200	200	200	200
Depreciation	5,026	5,026	5,026	5,026	5,026	16	16	16	12	12
Interest	1,700	1,413	1,102	764	398					
<b>Sub Total</b>	6,926	6,639	6,328	5,990	5,623	216	216	216	212	212
<b>PROFIT BEFORE TAX</b>	- 1,886	- 1,239	- 568	- 230	137	5,544	5,544	5,544	5,548	5,548
Corporation Tax	-	-	-	-	41	1,663	1,663	1,663	1,664	1,664
<b>PROFIT AFTER TAX</b>	- 1,886	- 1,239	- 568	- 230	96	3,881	3,881	3,881	3,884	3,884
Profit Brought Forward	-	- 1,886	- 3,125	- 3,692	- 3,922	- 3,826	55	3,936	7,817	11,700
Revenue Reserve	- 1,886	- 3,125	- 3,692	- 3,922	- 3,826	55	3,936	7,817	11,700	15,584

## M/S LAKE TRANS LIMITED PROJECTED CASHFLOWS

**US\$ 000**

Item/year	1	2	3	4	5	6	7	8	9	10
<b>CAPITAL INFLOW</b>										
Equity Capital	1,980	1,300	700	300						
Loan	20,000									
<b>Sub Total Capital Inflow</b>	<b>21,980</b>	<b>1,300</b>	<b>700</b>	<b>300</b>	-	-	-	-	-	-
<b>OPERATING INFLOW</b>										
Profit before tax	-	-	-	-	137	5,544	5,544	5,544	5,548	5,548
Depreciation	1,886	1,239	568	230	5,026	16	16	16	12	12
<b>TOTAL INFLOW</b>	<b>3,140</b>	<b>3,787</b>	<b>4,458</b>	<b>4,796</b>	<b>5,162</b>	<b>5,560</b>	<b>5,560</b>	<b>5,560</b>	<b>5,560</b>	<b>5,560</b>
<b>CAPITAL OUTFLOW</b>										
Investment	20,000									
Loan EMI	5,075	5,075	5,075	5,075	5,075					
Taxation	-	-	-	-	41	1,663	1,663	1,663	1,664	1,664
<b>TOTAL OUTFLOW</b>	<b>25,075</b>	<b>5,075</b>	<b>5,075</b>	<b>5,075</b>	<b>5,116</b>	<b>1,663</b>	<b>1,663</b>	<b>1,663</b>	<b>1,664</b>	<b>1,664</b>
<b>NET CASHFLOW</b>	<b>45</b>	<b>12</b>	<b>83</b>	<b>21</b>	<b>46</b>	<b>3,897</b>	<b>3,897</b>	<b>3,897</b>	<b>3,896</b>	<b>3,896</b>