

T & T LOGISTICS COMPANY LIMITED

A FESIBILITY STUDY REPORT

**ON THE PROPOSED
CARGO TRANSPORTATION PROJECT**

Prepared by:

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DODOMA

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EXECUTIVE SUMMARY

1.1 Introduction

T & T LOGISTICS COMPANY LIMITED is a privately owned company incorporated for purpose of carrying out cargo/fuel transport operations to provide both domestic and transit cargo haulage services.

1.2 The Project

The feasibility study report sets out a proposal for the establishment of the project by purchasing fleet of trucks/tankers. The total number is going to be 600 units of vehicles at full project implementation.

This project was established with following micro objectives:

- ✚ To carryout transportation of all manner of raw materials and goods including gas, oil and petroleum, timber, sugar, water, fuel, all types of machinery for construction and other related cargo.
- ✚ Serving rural areas in general and important agricultural areas by efficient distribution of agricultural inputs such as farm implements, fertilizers, insecticides and consumer goods to rural areas.
- ✚ To move food and cash crops and particularly rice, leaf tobacco, cotton, and maize from farmers to consumers in urban areas and export outlets.
- ✚ To move and distribute building materials in both urban and rural areas.
- ✚ To transport transit cargo for neighbouring landlocked countries East and Central East namely: Rwanda, Burundi, Uganda, Malawi, Zambia, Democratic Republic of Congo, etc.
- ✚ To train local people on an equal opportunity level and provide competitive incentives.

The macro objectives of establishing the project were to support economic, social and administrative activities in the mentioned areas. Also, to increase the

competitiveness of Tanzania goods in the export markets and improve the building and construction industry by offering competitive transport rates.

1.3 The Project Promoters

The project is being promoted by **T & T LOGISTICS COMPANY LIMITED** based at Dodoma.

1.4 The Market

Recent reforms taking place in economy indicate that there is an increase in demand for transit cargo both dry and wet, including white petroleum product namely: petrol, diesel, jet fuel, lubricants, liquefied gas (LPG) etc. The following are some of the factors that have contributed to such an increase in demand for these products in the country.

- ✚ Increased level of rehabilitation and expansion of urban and trunk roads by the Government and international assistance agencies which has subsequently resulted in increased kilometers of passable roads by small and heavy-duty vehicles.
- ✚ Rise in people's standard of living and change in people's consumption patterns;
- ✚ General improvement in the national economy, especially the balance of payments which has made it possible for the Government to achieve greater capability to import critical products into the country;
- ✚ Increase general level of investments in industrial activities which are the major users of industrial inputs;
- ✚ Increased general level of investments in industrial activities which are the major users of industrial inputs;
- ✚ Increased transit trade between Tanzania and its neighbours especially Uganda, Rwanda, Malawi, Burundi and the Democratic Republic of Congo.

The factors have led to increased demand for transportation services for products in the country. Furthermore, these factors have created the impetus for increased inflow of investment capital by foreign and local private investors who now have decided to venture in the importation and industrial raw materials business.

The reforms, which are now being introduced in the sector, aim at influencing the inflow of and increased supply of both capital goods and other industrial products and their distribution in the country and beyond the national borders.

1.5 Project Cost and Financing Plan

The total cost of the project is estimated at US Dollars **25,000,000**. The following is the summary of the capital investment cost estimated.

PARTICULAR	AMOUNTS USD
Land and Buildings	714,200
Plant & Machines	1,201,600
Motor Vehicles	17,870,000
Furniture & Fixtures	98,000
Pre Expenses	53,600
Working Capital	5,062,600
TOTAL	25,000,000

Financing.

The project's cost will be financed by shareholder's equity contributions as well as loans as shown hereunder.

Equity	Loans
US\$ 10,000,000	US\$ 15,000,000

1.6 Financial Indicators

The following are some of the financial analysis highlights:

1.6.1 Profitability

Profitability after tax over the years in US \$ is as follows:

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1,801,101	1,884,196	1,248,428	1,560,628	1,935,4573

1.6.2 Liquidity

The projected net cash flow over the year shows a health position and demonstrates the ability of the company to meet financial commitments as they fall due. The summary thereof in US \$ at end of each year is as follows:

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
25730020	32947320	41614293	52020936	64515245

1.7 Social and Economic Aspects

The proposed project will result into the following social and economic impacts:

- 1.7.1 Increase the provision of high quality services in transportation of industrial products, fuel, building & construction materials and other cargo in the country.
- 1.7.2 Increased availability of quality distribution and marketing of products along side competitive prices of these products will result in increased and healthy competition among all trading and manufacturing companies
- 1.7.3 The proposed project will provide employment for about 121 permanent employees and several temporary ones

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

1.8 Conclusion and Recommendations

The Executive Summary highlights indicate the proposed project will be financially and economically viable. The project will greatly contribute in transportation of cargo/fuel to support Tanzania's growing economy. It is expected to contribute significantly to the social and economic progress by way of increasing the provision of reliable sales and distribution of the various products and building & construction materials in the country. It is recommended that the project be accorded the required institutional and financial support to pave the way for its expeditious implementation.

2.0 THE PROMOTERS

The promoters in this project is Ms **T & T LOGISTICS COMPANY LIMITED** with head office in Dodoma, Tanzania.

The shareholders are people who are qualified in skills of business management and have acquired vast business experience in the country, particularly in cargo/fuel transportation business.

3.0 THE PROJECT

T & T LOGISTICS COMPANY LIMITED plans to acquire 600 units of vehicles at full project implementation

3.1 Description

In summary the project entails the following

- ✚ Purchase of a 600 units of vehicles to be used in transportation of cargo from one point to another
- ✚ Purchase of tools and equipment including generators, welding machines, lathing machine, compressors, pump calibrator machine , various repair equipment and other machinery for the workshop
- ✚ Other cars include Four Wheel Drive Toyota Land Cruiser Hardtop, 4WD Toyota Land Cruiser pick ups, 4WD Toyota Land Rover pick ups and Low Loaders.
- ✚ Civil works will include minor renovation of workshop and office buildings the project sites.
- ✚ The sites have necessary infrastructure required for the business, including workshop.
- ✚ Importation of office equipment namely: telephones, facsimile machines, personal computers, and air conditioners at company's head office.

3.2 Location

As stated above, the company operations will be based at Dodoma and other selected regions as sub stations

3.3 Objectives and Cargo Haulage Targets

This project was established with following micro objectives:-

- ✚ To carryout the business of transportation of cargo/fuel within and outside Tanzania
- ✚ To carryout transportation of all manner of raw materials and goods including coal, petroleum, timber, sugar, water, fuel, all types of machinery for construction and other related cargo
- ✚ Serving rural areas in general and important agricultural areas by efficient distribution of agricultural inputs such as farm implements, fertilizers, insecticides and consumer goods to rural areas.
- ✚ To move food and cash crops and particularly rice, leaf tobacco, cotton, and maize from farmers to consumers in urban areas and export outlets.
- ✚ To move and distribute building materials in both urban and rural areas
- ✚ To transport transit cargo for neighbouring landlocked countries East and Central East namely: Rwanda, Burundi, Uganda, Malawi, Zambia, Democratic Republic of Congo, etc.
- ✚ To train local people on an equal opportunity level and provide competitive incentives.

The macro objectives of establishing the project is to support economic, social and administrative activities in the mentioned areas. Also, it aims to increase the competitiveness of Tanzania goods in the export markets and improve the building and construction industry by offering competitive transport rates.

3.5 Environmental Aspects

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

3.6 Constraints and Government Policy

3.6.1 Constraints

The road transport in Tanzania is heavily dependent on imported vehicles and related inputs. The road transport sector is however faced with the following problems:

- Lack of adequate transportation equipment;
- Poor infrastructure facilities particularly trunk roads;
- Lack of adequate transport services to land-locked neighbouring countries which would like to use our port facilities for enhancement of their international trade;
- Poor maintenance of roads and transport equipments;
- Lack of proper co-ordination between the transport sector and other sector of the economy.

3.6.2 Government Policy on Transportation

The government has of late put a greater emphasis on the transport and communication sector so as to improve upon them and consequently lead to economic development. The following are therefore the national transport policies among others:

- ✚ To improve the standard of trunk road network by maintaining the existing roads so as to ensure satisfactory level of service and to expand the feeder roads in order to cover a wider area of agricultural production. Rehabilitation and maintenance of existing railway network is also given greater attention;
- ✚ To give assistance to the private sector so as to enable the sector provide proper transport services both in the country and neighbouring states. Hence, the private transport sector is expected to provide over 70% of total road services.

From the brief outline mentioned above, the transport policy in all its intent is geared towards improving and encouraging all modes of transport whether private or public and run on strictly business principles in order to promote efficiency and raise the quality of the service rendered.

4. ROAD TRANSPORT

4.1 History of road transport

The first forms of road transport were horses, oxen or even humans carrying goods over dirt tracks that often followed game trails. As commerce increased, the tracks were often flattened or widened to accommodate the activities, the travois, a frame used to drag loads, was developed. The wheel came still later, probably preceded by the use of logs as rollers.

With the advent of the Roman Empire, there was a need for armies to be able to travel quickly from area to another, and the roads that existed were often muddy, which greatly delayed the movement of large masses of troops. To resolve this issue, the Romans built great roads. The Roman roads used deep roadbeds of crushed stone as an underlying layer to ensure that they kept dry, as the water would flow out from the crushed stone, instead of becoming mud in clay soils.

During the Industrial Revolution, and because of the increased commerce that came with it, improved roadways became imperative. The problem was rain combined with dirt roads created commerce-miring mud. John Loudon McAdam (1756-1836) designed the first modern highway. He developed an inexpensive paving material of soil and stone aggregate (known as macadam), and he embanked roads a few feet higher than the surrounding terrain to cause water to drain away from the surface.

Various systems had been developed over centuries to reduce bogging and dust in cities, including cobblestones and wooden paving. Tar-bound macadam (tarmac) was applied to macadam roads towards the end of the 19th century in cities such as Paris. In the early 20th century tarmac and concrete paving were extended into the countryside.

4.2 Types of Road Transportation Services

Transport on roads can be roughly grouped into two categories: transportation of goods and transportation of people. In many countries licencing requirements and safety regulations ensure a separation of the two industries.

The nature of road transportation of goods depends, apart from the degree of development of the local infrastructure, on the distance the goods are transported by road, the weight and volume of the individual shipment and the

type of goods transported. For short distances and light, small shipments a van or pickup truck may be used. For large shipments even if less than a full truckload (Less than truckload) a truck is more appropriate. In some countries cargo is transported by road in horse drawn carriages, donkey carts or other non-motorized mode. Delivery services are sometimes considered a separate category from cargo transport. In many places fast food is transported on roads by various types of vehicles. For inner city delivery of small packages and documents bike couriers are quite common.

People (Passengers) are transported on roads either in individual cars or automobiles or in mass transit/public transport by bus/coach (vehicle). Special modes of individual transport by road like rikshas or velotaxis may also be locally available.

4.3 Trucking and Hauling

Trucking companies or haulers/hauliers accept cargo for road transportation. In Australia road train replace rail transport for goods on many routes. Low-loader or flat-bed trailers are used to haul containers, see containerization, in intermodal transport. Truck drivers operate either independently working directly for the client or through freight carriers or shipping agents. Some big companies (e.g. grocery store chains) operate their own internal trucking operations.

In the U.S. many truckers own their truck (rig), and are known as owner-operators. Some road transportation is done on regular routes or for only one consignee per run, while others transport goods from many different loading stations/shippers to various consignee. On some long runs only cargo for one leg of the route (to) is known when the cargo is loaded. Truckers may have to wait at the destination for the return cargo (from).

A Bill of Lading issued by the shipper provides the basic document for road freight. On cross-border transportation the trucker will present the cargo and documentation provided by the shipper to customs for. This also applies to shipments that are transported out of a Free port.

To avoid accidents caused by fatigue truckers have to keep to strict rules for drive time and required rest periods. This is known in the U.S as hours of service, and in the E.U as drivers working hours. Tachographs record the times

the vehicle is in motion and stopped. Some companies use two drivers per truck to ensure uninterrupted transportation; with one driver resting or sleeping in a bunk in the back of the cab while the other is driving.

For transport of hazardous materials truckers need a licence, which usually requires them to pass an exam. They have to make sure they affix proper labels for the respective hazard (s) to their vehicle. Liquid goods are transported by road in tank trucks or tanker lorries or special tank containers for intermodal transport. For unpackaged goods and liquids weigh stations confirm weight after loading and before delivery. For transportation of live animals special requirements have to be met in many countries to prevent cruelty to animals. For fresh and frozen goods refrigerator trucks or reefer are used.

Truck drivers often need special licenses to drive, known in the U.S as a commercial driver's license. In the U.K. a Large Goods Vehicle license is required.

4.4 Modern roads

Today roadways are principally asphalt or concrete. Both are based on McAdam's concept of stone aggregate in a binder, asphalt cement or Portland cement respectively. Asphalt is known as a flexible pavement, one which slowly will "flow" under the pounding of traffic. Concrete is a rigid pavement, which can take heavier loads but is more expensive and requires more carefully prepared sub base. So, generally, major roads are concrete and local roads are asphalt. Often concrete roads are covered with a thin layer of asphalt to create a wearing surface.

Modern pavements are designed for heavier vehicle loads and faster speeds, requiring thicker slabs and deeper sub base. Sub base is the layer or successive layers of stone, gravel and sand supporting the pavement. It is needed to spread out the slab load bearing on the underlying soil and to conduct away any water getting under slabs. Water will undermine a pavement over time, so much of pavement joint design are meant to minimize the amount of water getting and staying under the slabs.

Shoulders are also an integral part of highway design. They are multipurpose; they can provide a margin of side clearance, a refuge for incapacitated vehicles,

an emergency lane, and parking space. They also serve a design purpose, and that is to prevent water from percolating into the soil near the main pavement's edge. Shoulder pavement is designed to a lower standard than the pavement in the traveled way and won't hold up as well to traffic.

Pavement technology is still evolving, albeit in not easily noticed increments. For instance, chemical additives in the pavement mix make the pavement more weather resistant, grooving and other surface treatments improve resistance to skidding and hydroplaning, and joint seals which were once tar are now made of low maintenance neoprene.

6.0 CAPITAL INVESTMENT AND FINANCING PLAN

6.1 Investment Plan

The company plans to build a fleet for trucks & trailers/tankers each costing around USD 128,000. Each Toyota Land Cruiser Hardtop/Pick up will cost approximately USD 52,000. Each Land Rover Pick up is estimated to cost USD 49,000. and each low loader will cost USD 80,000.

The company will need USD 536,000 being pre-operational expenses. Initial working capital of USD 50,626,000 will also be required. A summary of the Investment Plan is shown in the Table below:

CAPITAL INVESTMENT COST SUMMARY (US\$)
COST STRUCTURE

PARTICULAR	AMOUNTS USD
Land and Buildings	714,200
Plant & Machines	1,201,600
Motor Vehicles	17,870,000
Furniture & Fixtures	98,000
Pre Expenses	53,600
Working Capital	5,062,600
TOTAL	25,000,000

6.2 Financing Plan

It is estimated that a total of US \$ 250,000,000 will be required to acquire the various assets as shown in the table above.

The bulk of the capital cost will be raised by the company itself through equity contribution as well as loans. The other major source of funding will be internally generated revenue from operations which will be ploughed back.

Equity	Loans
US\$ 10,000,000	US\$ 15,000,000

7.0 MARKET AND MARKETING ASPECTS.

7.1 A General Overview

There is a wide market for transportation of domestic as well as transit cargo. Likewise, the market for transportation of fuel, as well as building and construction materials is huge, especially for the rural road contractors and builders in general. Hence, it can be expected that the sponsors would not face marketing and operational problems in managing the proposed project.

The ports of Dar es Salaam, Mtwara, Tanga and Mombasa have undergone major rehabilitation, modernization and expansion so as not only to be able to compete with South Africa ports in handling the East, Central and Southern African

import and export trade but also, as a strategy for meeting the national demands for cargo handling that have grown steadily following expansion of agricultural, mining and industrial activities especially in East and Central Africa. These factors would provide the proposed freight haulage project the necessary condition for its soft establishment expansion of its future operations. **T & T LOGISTICS COMPANY LIMITED** will endeavour to achieve the projected sales for both domestic and transit business in the neighbouring countries of Kenya, Rwanda, Burundi and Eastern parts of the Democratic Republic of Congo, Uganda and Eastern parts of Zambia.

8.0 MANAGEMENT AND ORGANIZATION STRUCTURE

8.1 Management

The company policy is to have adequate manpower to manage its operations efficiently. **T & T LOGISTICS COMPANY LIMITED** believes in keeping on board only the very essential manpower strength, to develop them into highly motivated and sincere company team for the best and efficient operations of the company.

The company has a team qualified and experienced functional managers in the areas of Transport Operations, Workshop Operations and Finance & Administration. Other senior and middle level staffs are available for the operations of the company. The personnel for the expansion phase will also be qualified, well seasoned and possessing considerable industrial experience.

8.2 Management Policy

The day to day operations are managed by the Managing Director, assisted by Managers in areas of Finance and Administration and Transport operations. The manager for Transport Operations is the overall in charge of the fleet and Workshop Operations. An Accounts Assistant is available to assist in Accounting, Procurement and Finance functions. The Marketing Unit is responsible for both the countrywide and regional wide sales and marketing for the service. The job responsibilities include market planning and development, sales promotion and sales co-ordination. The Company's fleet pool is therefore professionally managed.

8.3 Organization Structure

Once the expansion programme has been well undertaken, the company organizational structure will have to change so as to give it a corporate structure of freight Haulage Company. Therefore, the shareholders will have to embark on a meticulous manpower planning and recruitment, which will be proceeded by a manpower consultant's report.

MANPOWER REQUIREMENT AND EMOLUMENTS

Manpower requirements are appearing in schedule attached hereunder. It comprises permanent employees to be employed. Some of the employees will be employed on temporary basis when needed.

SALARIES & WAGES

NO	EMPLOYEE DESIGNATION	NO	SALARY PER MONTH	SUBTOTAL MONTHLY SALARY	ANNUAL GROSS SALARY
1	Managing Director	1	3000	3000	36,000
2	Finance Management	1	2500	2500	30,000
3	Transport Manager	1	2500	2500	30,000
4	Accounts Assistants	4	1000	4000	48,000
5	Supervisor	5	700	3500	42,000
6	Drivers	250	500	125000	1,500,000
7	Assistant Drivers	80	300	24000	288,000
8	Mechanics	4	250	1000	12,000
9	Secretary	1	250	250	3,000
10	Office Attendants	1	400	400	4,800
	TOTAL USD \$	348	11400	166150	1,993,800

9.0 FINANCIAL ANALYSIS

9.1 Financial Viability

The analysis of the proposed expansion of **T & T LOGISTICS COMPANY LIMITED** transport project shows that the project can generate a fairly good profit and that it generates sufficient cash to meet its financial obligations.

9.2 Fundamental Assumptions.

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

9.2.1 The operating period under which the viability of the project is being evaluated is 5 years.

9.2.2 All the calculations throughout the economic lifetime of the project are constant with Jan 2023 being the base date

9.2.3 The projected operational costs are shown

9.2.4 The main revenue source is from the charging freight rates. In the estimation of the revenue income we have assumed that the revenue per trip is between USD 10,000 and USD 12,000

9.2.5 Capital Expenditure has been assumed to be incurred for a period of 5 years.

9.2.6 The financial plan is for the shareholders to finance the project from own sources by ploughing back profits and also through a loan.

9.3 Working Capital Requirements

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

9.4 Cash Flow Projection

The liquidity 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 show the ability of the project to meet financial obligations and capita expenditure requirements.

Over the projected period of five year the project has a positive end of year cash flow throughout the period.

9.6 Financial Review

The financial review of the proposed expansion of **T & T LOGISTICS COMPANY LIMITED** shows that:-

9.6.1 The project is profitable

- 9.6.2 The liquidity position is sound and that is should be able to meet its financial commitments without any undue difficulty
- 9.6.3 It is therefore recommended that the project should go ahead so conceived in this report.

9.7 Development Aspects

The following are the major economic and social benefits, which will be generated by the proposed project expansion.

- 9.7.1 Revenue to the government Treasury and other organs in the form of taxes, fees and levies
- 9.7.2 Increase in employment opportunities as about 350 people will be employed by the project
- 9.7.3 Savings/earnings of foreign exchange because of the project's active engagement in the transit trade
- 9.7.4 Facilitate in increased improvement and availability of the freight haulage services especially in the transportation of minerals such as copper, raw materials, fuel, crops, building materials and finished products to and from markets.

With the liberalization of the economy in fully swing the resultant industrial growth is expected to push up the demand for the transportation of industrial and consumer goods services considerably.

10. CONCLUSION AND RECOMMENDATIONS

The foregoing discussion highlights on the social, economic and financial dimensions which the envisaged project is set to generate in this country. The brief financial analysis indicates that the project will be financially viable. Therefore, it is strongly recommended that the sponsors, **T & T LOGISTICS COMPANY LIMITED** be available with the required institutional assistance so as to enable them expand the cargo transportation project.

T & T LOGISTICS COMPANY LIMITED

PROJECTED INCOME STATEMENT						
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEARS5
Sales Revenue		36,250,000	43,500,000	52,200,000	62,640,000	75,168,000
Cost of Sales		7,250,000	7,250,000	7,250,000	7,250,000	7,250,000
Gross Profit		29,000,000	36,250,000	44,950,000	55,390,000	67,918,000
Operating Expenses						
Administrative Overhead						
Costs		93,100	94,031	94,971	95,921	96,880
Motor Vehicle running		2,660,000	2,686,600	2,713,466	2,740,601	2,768,007
Salaries and Wages		1,150,000	1,161,500	1,173,115	1,184,846	1,196,695
Depreciation		366,680	370,347	374,050	377,791	381,569
Utility Costs		78,300	79,083	79,874	80,673	81,479
Insurance		625,000	631,250	637,563	643,938	650,378
Interest on Loan		1,050,000	1,060,500	1,071,105	1,081,816	1,092,634
Total Expenses		3,269,980	3,302,680	3,335,707	3,369,064	3,402,754
Profit before Tax		25,730,020	32,947,320	41,614,293	52,020,936	64,515,246
Tax (30%)		7,719,006	23,063,124	29,130,005	36,414,655	45,160,672
Profit After Tax		18,011,014	9,884,196	12,484,288	15,606,281	19,354,574

T & T LOGISTICS COMPANY LIMITED

PROJECTED BALANCE SHEET						
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Fixed Assets		19,883,800	19,517,120	19,190,340	18,904,310	18,618,280
Long term Assets						
Depreciation		366,680	293,280	293,280	293,280	293,280
Total long term assets		19,517,120	19,223,840	18,897,060	18,611,030	18,325,000
Current Assets						
Cash		406,100	684,700	979,050	1,292,735	1,625,723
Account Receivable		105,000	110,250	216,535	421,763	527,628
Inventory		214,710	376,383	438,469	402,292	467,493
Total Current Assets		5,116,200	5,116,200	5,116,200	5,116,200	5,116,200
Total Assets		24,633,320	24,340,040	24,013,260	23,727,230	23,441,200
Current Liabilities						
Accounts Payable		84,000	88,200	92,610	97,241	102,103
Other Current Liabilit		70,000	73,500	77,175	81,034	85,085
Subtotal Current Liabi		154,000	1,616,700	169,785	178,274	187,188
Long term Liabilities						
Long term Liabilitie		1,820,000	1,820,000	1,820,000	1,820,000	1,820.00
Total Liabiities		19,517,120	19,223,840	18,897,060	18,611,030	18,325,000
Net Assets		820,810	877,633	951,268	1,044,516	1,157,656
Captil and Reserves						
Owners Contribution		780,000	780,000	780,000	780,000	780,000
Retained Earning		40,810	97,633	171,268	264,516	377,656
Total Capital		24,633,320	24,340,040	24,013,260	23,727,230	23,441,200

T & T LOGISTICS COMPANY LIMITED
PROJECTED CASHFLOW

OTHER OPERATING COST						
Other Operations Cost		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Motor Vehicle running expens		2,660,000	2,660,400	2,660,800	2,661,200	2,661,600
Salaries and Wages		1,150,000	1,265,000	1,391,500	1,530,650	1,683,715
Administrative Overhead Costs		93,100	102,410	112,651	123,916	136,308
Utility Costs		78,300	86,130	94,743	104,217	114,639
Interest on Loan		1,050,000	945,000	850,500	765,450	688,905
Communication Exepnses		31,200	34,320	37,752	41,527	45,680
Total Costs		5,062,600	5,093,260	5,147,946	5,226,961	5,330,847

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ASSETS		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Buildings		714,200	678,490	642,780	607,070	571,360
Machines		1,201,600	961,280	720,960	480,640	240,320
Vehicle		17,870,000	17,791,600	17,786,600	17,781,600	17,776,600
& Fixtures		98,000	85,750	40,000	35,000	30,000
		19,883,800	19,517,120	19,190,340	18,904,310	18,618,280
DEPRECIATION		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Buildings		35,710	35,710	35,710	35,710	35,710
Machines		240,320	240,320	240,320	240,320	240,320
Vehicles		78,400	5,000	5,000	5,000	5,000
& Fixtures		12,250	12,250	12,250	12,250	12,250
DEPRECIATION		366,680	293,280	293,280	293,280	293,280
FIXED ASSETS		19,517,120	19,223,840	18,897,060	18,611,030	18,325,000

COST STRUCTURE

INVESTMENT BREAKDOWN			
PARTICULAR			AMOUNTS USD
Land and Buildings			714,200
Plant & Machines			1,201,600
Motor Vehicles			17,870,000
Furniture & Fixtures			98,000
Pre Expenses			53,600
Working Capital			5,062,600
TOTAL			25,000,000