

AMSONS LOGISTICS (T) LIMITED

BUSINESS PLAN FOR
TRANSPORTATION PROJECT IN
TANZANIA.
OCTOBER, 2023.

Prepared By:

INTERNATIONAL MULTI CONSULTANCY (T) LIMITED ,

P.o.Box 2050, DAR ES SALAAM

1.0 Executive Summary

Amsons Logistics (T) Limited is a local based Company that deals with transportation business, and clearing and forwarding business of various goods within and outside of the Country. This Company was registered in September 2023 under Companies Act, 2002 and it plans to start its operations in January 2024 without failure. The Company Management plans to conduct its business activities in East and Central Africa including Countries like Rwanda, Zambia, Burundi, Congo and other neighboring countries.

This project was purposely established to bring about critical changes in transportation sector particularly road transport sector in Tanzania through East and central Africa corridor for both dry and liquid products. It is planned to acquire one hundred trucks within three years from 2023 to 2026 for promoting transportation sector in the Country.

1.1 Summary of Company Legal Formation

The Company is registered under Companies Act, Cap 212 as private company limited by shares; this Company is registered to conduct transportation business in the country and the Company is owned by three shareholders namely; ***Hassan Abdallah Nahdi, Edha Abdallah Munif and Yasser Abdallah Nahdi.***

1.2 Company Shareholding Structure

The details of the Company shareholding structure is provided in the table below:

S/N	Name of Shareholder	Nationality	Ownership in %	NIDA Numbers
1	Hassan Abdallah Nahdi	TANZANIAN	10	19970827141120000127
2	Edha Abdallah Munif	TANZANIAN	80	19851003111020000129
3	Yasser Abdallah Nahdi	TANZANIAN	10	2000015141120000126

1.3 Description of the Project Location

The project is expected to be executed in the United Republic of Tanzania; the Company's headquarters is located at Kurasini Area within Temeke Municipality in Dar Es Salaam Region, and the Company's yards for keeping those trucks that are expected to be in operations is located in the same area.

1.4 Description of the Project Objective

The project is established for bringing big reforms in the transportation sector through promoting road transport performance in the country; this will create more employment opportunities and boost economic performance of the Country. Therefore, the main objective of this project is to improve transportation sector performance, and in turn the Company can make profit through improved performance.

1.5 Summary of Sector Performance

Considering current performance statistics as issued by the National Bureau of Statistics (NBS); it is shown that the transportation sector is growing by 10% in general and by 5% in the road transportation segment. This growth provides justification that the Company still has an opportunity to make and own a great market share.

1.6 Market Analysis

In Tanzania, the Service sector is a leading sector that contributes the most to the economic growth of the Country, specifically with regards to Gross Domestic Product (GDP) by 20%. With the transportation industry, it contributes to the overall service industry by 3%. Currently, the Company expects to own more than 2% of the total market share of the transportation industry. The Company targets corporate customers from Small and Medium Enterprises where market share is adequate enough to enable the Company to achieve its operational targets.

1.7 Summary of Project Description

The project is expected to recruit more than 77 workers in the course of executing the said project; this large number of workers to be employed in the project will be caused by expected better performance as shown in the *Appendix – I*.

1.8 Project Financing Pattern

The project initially is planned to be financed through shareholders' funds (Equity Financing) and later on loan from financial institutions (Debt Financing). Hence, performance of 2024 to 2028 may provide picture for the size of loan to be taken to finance the Company's operations, but for five years operations, the Company Management plans to use paid up capital. It is also important to note that the Company Management is planning to use its generated profits for re- investments; retained earnings will be used as additional source of capital. The project financing pattern is presented as *Appendix – III*.

1.9 Project Implementation Schedule

The Project will be implemented in different phases from 2024 to 2028 as shown in the *Appendix –II*.

1.10 Projected Financial Statements

The projected statement of financial position, Comprehensive Income, Cash Flows, and projected statement of Changes in Equity for the fiscal year of 2024 to 2028 are presented in the *Appendix - IV* and their assumptions are presented as *Appendix - V*.

1.11 Conclusion

Based on the facts adduced regarding the project under consideration, it is undisputed fact that the project will be more profitable for the investors and the Country where the project is planned to be located. It is our strong submission that the project is viable to be registered at the Tanzania Investment Centre.

APPENDIX – I: DESCRIPTION OF PROJECT EMPLOYEES

S/N	Description	2024	2025	2026	2027	2028
1	Unskilled Labour	50	80	100	100	100
2	Skilled Labour	7	9	9	11	11
3	Foreigners	0	0	0	0	0
	TOTAL	57	89	109	111	111

APPENDIX – II: PROJECT IMPLEMENTATION SCHEDULE

S/N	Description	2023	2024	2025	2026	2027	2028
1	Registration of the Project	■					
2	Acquisition of 50 Trucks and office furnitures and equipment		■				
3	Recruitment of 57 Employees		■				
4	Starting up of Operations		■				
5	Acquisition of additional 30 Trucks			■			
6	Recruitment of 32 Employees			■			
7	Recruitment of 20 employees				■		
8	Acquisition of 20 Trucks and office equipment				■		
9	Monitoring and Progress Implementation Reports					■	■
10	Recruitment of 2 employees					■	■

APPENDIX – III: PROJECT FINANCING PATTERN

S/N	Description	2024	2025	2026	2027	2028
1	Paid - Up Capital	18,478,000,000.00	27,794,870,500.00	39,051,169,137.50	55,006,078,444.35	77,339,946,107.35
2	Retained Earnings	9,316,870,500.00	11,256,298,637.50	15,954,909,306.85	22,333,867,663.00	31,348,897,187.64
	TOTAL	27,794,870,500.00	39,051,169,137.50	55,006,078,444.35	77,339,946,107.35	108,688,843,294.99

APPENDIX IV: PROJECTED FINANCIAL STATEMENTS

PROJECTED STATEMENT OF FINANCIAL POSITION

		2024	2025	2026	2027	2028
	NOTES	TZS	TZS	TZS	TZS	TZS
Non-Current Assets						
Property, Plant and Equipment	3	7,163,350,000.00	9,648,821,875.00	10,095,124,531.25	7,573,083,818.36	5,681,603,522.95
Total Non-Current Assets		7,163,350,000.00	9,648,821,875.00	10,095,124,531.25	7,573,083,818.36	5,681,603,522.95
Current Assets						
Receivables and Prepayments	4	-	675,648,000.00	211,140,000.00	1,319,625,000.00	343,102,500.00
Deposit	5	-				
Tax Recoverable	7	-				
Cash and Cash Equivalent	6	26,631,520,500.00	34,729,299,262.50	50,737,175,904.40	74,649,718,738.84	108,714,708,820.02
Total Current Assets		26,631,520,500.00	35,404,947,262.50	50,948,315,904.40	75,969,343,738.84	109,057,811,320.02
TOTAL ASSETS		33,794,870,500.00	45,053,769,137.50	61,043,440,435.65	83,542,427,557.20	114,739,414,842.97
EQUITY AND LIABILITIES						
Equity						
Share Capital		18,478,000,000.00	18,478,000,000.00	18,478,000,000.00	18,478,000,000.00	18,478,000,000.00
Retained Earnings		9,316,870,500.00	20,573,169,137.50	36,528,078,444.37	58,861,946,107.37	90,210,843,295.01
Total Accumulated Capital		27,794,870,500.00	39,051,169,137.50	55,006,078,444.37	77,339,946,107.37	108,688,843,295.01
Liabilities						
Non-Current Liabilities						
Directors' Loan		6,000,000,000.00	6,000,000,000.00	6,000,000,000.00	6,000,000,000.00	6,000,000,000.00
Total Non-Current Liabilities		6,000,000,000.00	6,000,000,000.00	6,000,000,000.00	6,000,000,000.00	6,000,000,000.00
Current Liabilities						
Accruals and Other Payables	7	-	2,600,000.00	37,361,991.28	202,481,449.83	50,571,547.96
Tax Payable		-	-	-	-	-
Total Current Liabilities		-	2,600,000.00	37,361,991.28	202,481,449.83	50,571,547.96
TOTAL EQUITY AND LIABILITIES		33,794,870,500.00	45,053,769,137.50	61,043,440,435.65	83,542,427,557.20	114,739,414,842.97

PROJECTED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

		2024	2025	2026	2027	2028
	NOTES	TZS	TZS	TZS	TZS	TZS
Revenue	9	28,152,000,000.00	33,782,400,000.00	42,228,000,000.00	52,785,000,000.00	68,620,500,000.00
Other Income		-				
		28,152,000,000.00	33,782,400,000.00	42,228,000,000.00	52,785,000,000.00	68,620,500,000.00
Less:Direct Expenses		10,976,567,000.00	12,623,052,050.00	13,885,357,255.00	15,968,160,843.25	19,161,793,011.90
Gross Profit		17,175,433,000.00	21,159,347,950.00	28,342,642,745.00	36,816,839,156.75	49,458,706,988.10
Less: Operating Expenses						
Adminstrative Expenses	11	3,408,994,000.00	4,387,003,725.00	4,713,925,803.75	4,075,166,691.89	3,754,711,470.21
Finance Costs	12	624,000.00	717,600.00	789,360.00	947,232.00	1,136,678.40
Personnel Expenses	13	456,000,000.00	691,200,000.00	835,200,000.00	835,200,000.00	918,720,000.00
Other Operating Expenses		-	-	-	-	-
Total Operating Expenses		3,865,618,000.00	5,078,921,325.00	5,549,915,163.75	4,911,313,923.89	4,674,568,148.61
Profit/(Loss) Before Tax		13,309,815,000.00	16,080,426,625.00	22,792,727,581.25	31,905,525,232.86	44,784,138,839.49
Corporate Tax (30%)		(3,992,944,500.00)	(4,824,127,987.50)	(6,837,818,274.38)	(9,571,657,569.86)	(13,435,241,651.85)
Net Profit/(Loss)		9,316,870,500.00	11,256,298,637.50	15,954,909,306.87	22,333,867,663.00	31,348,897,187.64
Other Comprehensive Income		-				
Total Comprehensive Income/(Loss)		9,316,870,500.00	11,256,298,637.50	15,954,909,306.87	22,333,867,663.00	31,348,897,187.64

PROJECTED STATEMENT OF CASH FLOW

		2024	2025	2026	2027	2028
		TZS	TZS	TZS	TZS	TZS
Cash Flow from Operating Activities						
Profit Before Tax		13,309,815,000.00	16,080,426,625.00	22,792,727,581.25	31,905,525,232.86	44,784,138,839.49
Adjustment For:						
Depreciation		2,386,850,000.00	3,214,528,125.00	3,363,042,343.75	2,522,040,712.89	1,891,480,295.41
(Increase)/Decrease in Receivables and Prepayments		-	(675,648,000.00)	464,508,000.00	(1,108,485,000.00)	976,522,500.00
(Increase)/Decrease in Inventory		-				
Increase/(Decrease) in Accruals and Payables		-	2,600,000.00	34,761,991.28	165,119,458.55	(151,909,901.87)
Cash generated/(used) from Operating Activities		15,696,665,000.00	18,621,906,750.00	26,655,039,916.28	33,484,200,404.30	47,500,231,733.03
Tax Paid		(3,992,944,500.00)	(4,824,127,987.50)	(6,837,818,274.38)	(9,571,657,569.86)	(13,435,241,651.85)
Net Cash generated/used from Operating Activities	A	11,703,720,500.00	13,797,778,762.50	19,817,221,641.90	23,912,542,834.44	34,064,990,081.18
Cash Flow From Investing Activities						
Acquisition of Property, Plant and Equipment		(9,550,200,000.00)	(5,700,000,000.00)	(3,809,345,000.00)	-	-
Disposal of Assets		-	-	-	-	-
Net Cash used from Investing Activities	B	(9,550,200,000.00)	(5,700,000,000.00)	(3,809,345,000.00)	-	-
Cash Flow From Financing Activities						
Loan from Directors		6,000,000,000.00	-	-	-	-
Proceeds from Share Capital		18,478,000,000.00	-	-	-	-
Additional contribution for Capital by Owner			-	-	-	-
Loan Repayment		-	-	-	-	-
Net Cash generated from/used in Financing Activities	C	24,478,000,000.00	-	-	-	-
Net Cash increase/Decrease in cash and cash equivalents	A+B+C	26,631,520,500.00	8,097,778,762.50	16,007,876,641.90	23,912,542,834.44	34,064,990,081.18
Add: Cash and Cash Equivalents at the start of Year			26,631,520,500.00	34,729,299,262.50	50,737,175,904.40	74,649,718,738.84
Cash and Cash Equivalents at the end of Year		26,631,520,500.00	34,729,299,262.50	50,737,175,904.40	74,649,718,738.84	108,714,708,820.02

PROJECTED STATEMENT OF CHANGE IN EQUITY

	2024	2025	2026	2027	2028
DESCRIPTIONS	TZS	TZS	TZS	TZS	TZS
Opening Balance	-	27,794,870,500.00	39,051,169,137.50	55,006,078,444.37	77,339,946,107.37
Capital contributions	18,478,000,000.00				
Add/Less: Profit/(Loss)	9,316,870,500.00	11,256,298,637.50	15,954,909,306.87	22,333,867,663.00	31,348,897,187.64
Prior Year Adjustment	-	-	-	-	-
Closing Balance	27,794,870,500.00	39,051,169,137.50	55,006,078,444.37	77,339,946,107.37	108,688,843,295.01

NOTE 3: PLANT, PROPERTY AND EQUIPMENT

		2024	2025	2026	2027	2028
DESCRIPTION		TZS	TZS	TZS	TZS	TZS
MOTOR VEHICLES		25%	25%	25%	25%	25%
Cost As At 1 Jan		-	9,500,000,000.00	15,200,000,000.00	19,000,000,000.00	19,000,000,000.00
Additions during the year		9,500,000,000.00	5,700,000,000.00	3,800,000,000.00	-	-
Disposals		-	-	-	-	-
Cost As At 31 Dec	A	9,500,000,000.00	15,200,000,000.00	19,000,000,000.00	19,000,000,000.00	19,000,000,000.00
Depreciation						
As At 1 Jan		-	2,375,000,000.00	5,581,250,000.00	8,935,937,500.00	11,451,953,125.00
Charge during the year		2,375,000,000.00	3,206,250,000.00	3,354,687,500.00	2,516,015,625.00	1,887,011,718.75
As At 31 Dec	B	2,375,000,000.00	5,581,250,000.00	8,935,937,500.00	11,451,953,125.00	13,338,964,843.75
Book Value						
As At 31 Dec	A-B	7,125,000,000.00	9,618,750,000.00	10,064,062,500.00	7,548,046,875.00	5,661,035,156.25
FURNITURE AND EQUIPMENT		12.50%	12.50%	12.50%	12.50%	12.50%
Cost As At 1 Jan		-	27,900,000.00	27,900,000.00	32,245,000.00	32,245,000.00
Additions during the year		27,900,000.00	-	4,345,000.00	-	-
Disposals		-	-	-	-	-
Cost As At 31 Dec	A	27,900,000.00	27,900,000.00	32,245,000.00	32,245,000.00	32,245,000.00
Depreciation						
As At 1 Jan		3,487,500.00	3,487,500.00	6,539,062.50	9,752,304.69	12,563,891.60
Charge during the year		-	3,051,562.50	3,213,242.19	2,811,586.91	2,460,138.55
As At 31 Dec	B	3,487,500.00	6,539,062.50	9,752,304.69	12,563,891.60	15,024,030.15
Book Value						
As At 31 Dec	A-B	24,412,500.00	21,360,937.50	22,492,695.31	19,681,108.40	17,220,969.85

COMPUTER AND ACCESSORIES		37.50%	37.50%	37.50%	37.50%	37.50%
Cost As At 1 Jan		-	22,300,000.00	22,300,000.00	27,300,000.00	27,300,000.00
Additions during the year		22,300,000.00	-	5,000,000.00	-	-
Disposals		-	-	-	-	-
Cost As At 31 Dec	A	22,300,000.00	22,300,000.00	27,300,000.00	27,300,000.00	27,300,000.00
Depreciation						
As At 1 Jan		-	8,362,500.00	13,589,062.50	18,730,664.06	21,944,165.04
Charge during the year		8,362,500.00	5,226,562.50	5,141,601.56	3,213,500.98	2,008,438.11
As At 31 Dec	B	8,362,500.00	13,589,062.50	18,730,664.06	21,944,165.04	23,952,603.15
Book Value						
As At 31 Dec	A-B	13,937,500.00	8,710,937.50	8,569,335.94	5,355,834.96	3,347,396.85

	2024	2025	2026	2027	2028
	TZS	TZS	TZS	TZS	TZS
NOTE 4: TRADE AND OTHER RECEIVABLES					
Debtors	-	675,648,000.00	211,140,000.00	1,319,625,000.00	343,102,500.00
	-	-			
TOTAL	-	675,648,000.00	211,140,000.00	1,319,625,000.00	343,102,500.00
NOTE 5: CASH AND CASH EQUIVALENT					
Cash at Bank	26,631,520,500.00	34,729,299,262.50	50,737,175,904.00	74,649,718,738.84	108,714,708,820.02
Cash in Hand	-				
	26,631,520,500.00	34,729,299,262.50	50,737,175,904.00	74,649,718,738.84	108,714,708,820.02
NOTE 6: CURRENT TAX					
Balance b/d	-	-			
Tax Computation	3,992,944,500.00	4,824,127,987.50	6,837,818,274.38	9,571,659,569.86	13,435,241,651.85
Less: Tax paid during the year	(3,992,944,500.00)	(4,824,127,987.50)	(6,837,818,274.38)	(9,571,659,569.86)	(13,435,241,651.85)
Tax payable	-	-	-	-	-
NOTE 7: TRADE AND OTHER PAYABLES					
Accountancy and Audit fees	-	2,600,000.00	2,600,000.00	2,600,000.00	2,600,000.00
Other payables	-	-	34,761,991.28	199,881,449.83	47,971,547.96
TOTAL	-	2,600,000.00	37,361,991.28	202,481,449.83	50,571,547.96
NOTE 8: ADVANCE					
Advance payment	-				
TOTAL	-				
NOTE 9: REVENUE					
Receipts from various customers	28,152,000,000.00	33,782,400,000.00	42,228,000,000.00	52,785,000,000.00	68,620,500,000.00
	-	-	-	-	-
TOTAL	28,152,000,000.00	33,782,400,000.00	42,228,000,000.00	52,785,000,000.00	68,620,500,000.00

	2024	2025	2026	2027	2028
	TZS	TZS	TZS	TZS	TZS
NOTE 10: DIRECT COSTS					
Fuel & Lubricants expenses	5,495,967,000.00	6,320,362,050.00	6,952,398,255.00	7,995,257,993.25	9,594,309,591.90
Mileage Allowances	2,070,000,000.00	2,380,500,000.00	2,618,550,000.00	3,011,332,500.00	3,613,599,000.00
Road Toll Expenses	2,898,000,000.00	3,332,700,000.00	3,665,970,000.00	4,215,865,500.00	5,059,038,600.00
Trucks Permit Expenses	512,600,000.00	589,490,000.00	648,439,000.00	745,704,850.00	894,845,820.00
TOTAL	10,976,567,000.00	12,623,052,050.00	13,885,357,255.00	15,968,160,843.25	19,161,793,011.90
NOTE 11: ADMINISTATIVE COSTS					
Auditing and Accountancy fees	2,600,000.00	-	2,600,000.00	2,600,000.00	2,600,000.00
Depreciation	2,386,850,000.00	3,214,528,125.00	3,363,042,343.75	2,522,040,712.89	1,891,480,295.41
Eletricity and water Charges	1,104,000.00	1,269,600.00	1,396,560.00	1,606,044.00	1,927,252.80
Insurance Premium & Related Costs	27,500,000.00	31,625,000.00	36,368,750.00	41,824,062.50	50,188,875.00
Compliance and other statutory Expenses	300,000.00	345,000.00	396,750.00	456,262.50	547,515.00
Printing and stationery Expenses	6,000,000.00	6,900,000.00	7,935,000.00	9,125,250.00	10,950,300.00
Parking Expenses	1,200,000.00	1,380,000.00	1,587,000.00	1,825,050.00	2,190,060.00
Consultancy Fees	16,000,000.00	18,400,000.00	21,160,000.00	24,334,000.00	29,200,800.00
Rent Expenses	24,000,000.00	27,600,000.00	31,740,000.00	36,501,000.00	43,801,200.00
Repairs and Maintenance Costs	396,000,000.00	455,400,000.00	523,710,000.00	602,266,500.00	722,719,800.00
Cleaning Expenses	540,000.00	621,000.00	714,150.00	821,272.50	985,527.00
Transport Expenses	360,000.00	414,000.00	476,100.00	547,515.00	657,018.00
Telephone & Internet Expenses	1,440,000.00	1,656,000.00	1,904,400.00	2,190,060.00	2,628,072.00
Staff allowances	1,000,000.00	1,150,000.00	1,322,500.00	1,520,875.00	1,825,050.00
Latra Fees	9,000,000.00	10,350,000.00	11,902,500.00	13,687,875.00	16,425,450.00
Calibration Expenses	15,300,000.00	17,595,000.00	20,234,250.00	23,269,387.50	27,923,265.00
Duty & Permit Expenses	512,600,000.00	589,490,000.00	677,913,500.00	779,600,525.00	935,520,630.00
Fines & Penalties Expenses	-	-	-	-	-
security expenses	7,200,000.00	8,280,000.00	9,522,000.00	10,950,300.00	13,140,360.00
Miscellaneous Expenses	-	-	-	-	-
TOTAL	3,408,994,000.00	4,387,003,725.00	4,713,925,803.75	4,075,166,691.89	3,754,711,470.21

	2024	2025	2026	2027	2028
	TZS	TZS	TZS	TZS	TZS
NOTE 12: FINANCE COSTS					
Bank charges	624,000.00	717,600.00	789,360.00	947,232.00	1,136,678.40
TOTAL	624,000.00	717,600.00	789,360.00	947,232.00	1,136,678.40
NOTE 12: PERSONNEL EXPENSES					
Salary and Wages	456,000,000.00	691,200,000.00	835,200,000.00	835,200,000.00	918,720,000.00
	456,000,000.00	691,200,000.00	835,200,000.00	835,200,000.00	918,720,000.00
NOTE 14: TAX COMPUTATION					
Profit(Loss) for the period	13,309,815,000.00	16,080,426,625.00	22,792,727,581.25	31,905,525,232.86	44,784,138,839.49
Add: Non Allowable Costs					
Depreciation Charges	2,386,850,000.00	3,214,528,125.00	3,363,042,343.75	2,522,040,712.89	1,891,480,295.41
	15,696,665,000.00	19,294,954,750.00	26,155,769,925.00	34,427,565,945.75	46,675,619,134.90
Less: Allowable Costs					
Wear and Tear	(2,386,850,000.00)	(3,214,528,125.00)	(3,363,042,343.75)	(2,522,040,712.89)	(1,891,480,295.41)
Prior Year Tax Losses					
Taxable Income(Loss)	13,309,815,000.00	16,080,426,625.00	22,792,727,581.25	31,905,525,232.86	44,784,138,839.49
Tax Amount (30%)	3,992,944,500.00	4,824,127,987.50	6,837,818,274.38	9,571,657,569.86	13,435,241,651.85

APPENDIX V: ASSUMPTIONS

DESCRIPTIONS	2024	2025	2026	2027	2028
SALES	50 MOTOR VEHICLES*36 trips	Increase by 20%	Increase by 25%	Increase by 25%	Increase by 30%
DEBTORS		2% of Sales	0.5% of Sales	2.5% of Sales	0.5% of Sales
DIRECT COST	50 MOTOR VEHICLES*36 trips	Increase by 15%	Increase by 10%	Increase by 15%	Increase by 20%
ADMINISTRATIVE EXPENSES	-	Increase by 15%	Increase by 15%	Increase by 15%	Increase by 20%
OTHER PAYABLES	-	-	0.5% of Fuel & Lubricant cost	2.5% of Fuel & Lubricant cost	0.5% of Fuel & Lubricant cost

APPENDIX VI: PROJECT INVESTMENT COSTS

ANNUAL CAPITAL EXPENDITURE TABLE

	2024	2025	2026	2027	2028
DESCRIPTIONS	TZS	TZS	TZS	TZS	TZS
Furniture & Fittings	27,900,000.00	-	4,345,000.00	-	-
Computer & Computer Accessories	22,300,000.00	-	5,000,000.00	-	-
Motor Vehicles	9,500,000,000.00	5,700,000,000.00	3,800,000,000.00	-	-
Total	9,550,200,000.00	5,700,000,000.00	3,809,345,000.00	-	-