

BANKABLE BUSINESS PLAN

For

Financing Fleet of Trucks

May, 2024

BF-GHAT LIMITED

Prepared by

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COMPANY AT GLANCE.

Name of the Company	BF-GHAT LIMITED
Year Established	2011
Nature of Ownership	Private Limited Liability Company
Name of the Directors	Castor Rwegoshora Burekero Paschal Clavery Masambu
Nature of Business	Transportation
Industry	Logistics
Company's Head Office	Bahari Motors Building, Kijitonyama P.O. Box 10027, Dar es Salaam
Contact	+255715123501
Principal Bankers	CRDB
Auditor	ARK Partners
External Funds Needed	USD 12,975,300

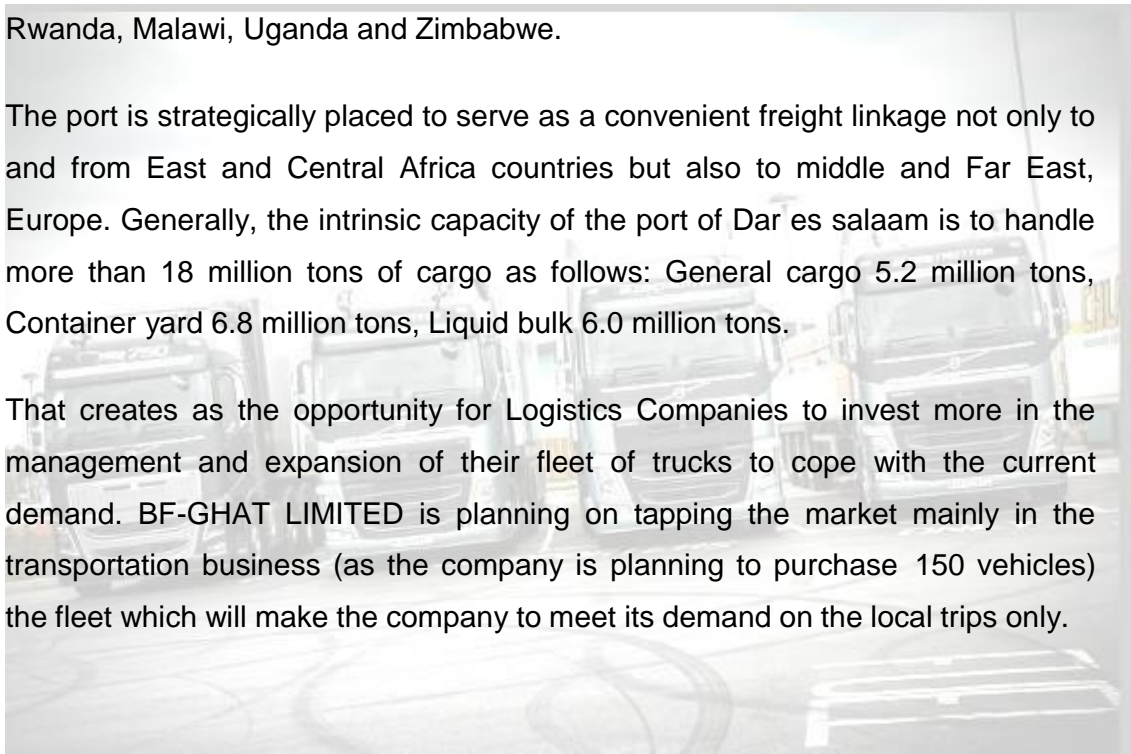


1.0 EXECUTIVE SUMMARY

From 2005 Tanzania striving to become the regional port of choice on 2019, the country has managed to construct 8 new berths that make a total of 17 berths; the country has three main ports Dar es Salaam, Mtwara and Tanga port. Dar es Salaam port is the Tanzania principal port with a rated capacity of 14.1 million (MT) dry cargo and 6.0 million (MT) bulk liquid cargo. The Port has a total quay length of about 2,600 metres with eleven deep-water berths. Dar es Salaam port handles about 95% of the Tanzania international trade. The port serves the landlocked countries of Zambia, Democratic Republic of Congo, Burundi, Rwanda, Malawi, Uganda and Zimbabwe.

The port is strategically placed to serve as a convenient freight linkage not only to and from East and Central Africa countries but also to middle and Far East, Europe. Generally, the intrinsic capacity of the port of Dar es salaam is to handle more than 18 million tons of cargo as follows: General cargo 5.2 million tons, Container yard 6.8 million tons, Liquid bulk 6.0 million tons.

That creates as the opportunity for Logistics Companies to invest more in the management and expansion of their fleet of trucks to cope with the current demand. BF-GHAT LIMITED is planning on tapping the market mainly in the transportation business (as the company is planning to purchase 150 vehicles) the fleet which will make the company to meet its demand on the local trips only.



2.0 INTRODUCTION OF THE BUSINESS PLAN.

2.1 Overview of This Business Plan.

This business plan has been written for BF-GHAT LIMITED with two main objectives;

2.1.1 To be used as a guiding tool to support the implementation the growth strategy management plan based on our financial and human resources we have and what are our aspiration in the coming 5 years of business operations.

2.1.2 To serve as the basis to assess Company`s need of financial resources to support its operations of the business.

Research and market analysis have been conducted to assess the viability and applicability of the nature of this business, the outcome of the research provided concrete evidence to support this line of business. Furthermore, the preliminary financial and investment projections demonstrate the Company will generate substantial income from this business because of having reliable markets to sell the products.

2.2 Purposes of the Proposal

The specific purposes of this proposal are:

- Assess the viability of proposed line of business.
- Review general viability of the proposed business, the supply and demand situation in the market, and the amount of financing required as additional working capital.
- Discuss the technical, management, and operational options of the business.
- Analysis the operational and management aspects of the company to determine its capability by considering the industry challenges and overall growth of the company.

3.0 COMPANY BACKGROUND

3.1 Ownership

BF-GHAT LIMITED is a private limited liability company, established in 02nd March 2011 under certificate of incorporation number 109538. It is licenced to carry out a variety business, ranging from transportation sector industry and management to clearing and forwarding. It is intended to be a medium size trucking company mainly catering for transit cargo and landlocked countries and Kenya. The company has its headquarters in Dar es Salaam, Tanzania under the Directorship

- (1) Castor Rwegoshora Burekero
- (2) Paschal Clavery Masambu

3.2 Location and Facilities

The Company's head office is located at BAHARI MOTORS BUILDING Kijitonyama Dar es salaam P.O.BOX 10027 with E-mail bf.ghat@gmail.com and Contact number +255715123501.

The Company is dealing with cargo transportation from one point to another in the United Republic of Tanzania as local trips.

3.3 Mission

To invest and benefit from the logistics opportunities available in Tanzania and the neighbouring countries namely Burundi, Rwanda, DRC, Malawi and Uganda.

3.4 Vision.

The company's vision is to be a market leader in the transportation and logistics industry between 2024-2034 through offering only the highest quality of transportation services to the corporates along East and Central Africa.

3.5 Keys to Success.

The Company is under supervision of professionals who have 10 years of experience in the logistics industry. Directors have established a wide network of contacts and clientele in these countries over the years, which will be a major key to success.

- Focused and well-defined long-range goals for longevity. Our plan has been developed to allow flexibility and growth.
- Strong marketing goals with niche products and services; targeted services and products delivered with unique marketing approaches.
- Previous base of high-quality external support vendors available to build on, with over twenty years of industry contacts to work with, in both the purchasing of quality products, and also in the marketing of our own branded products.
- Previous successful business plans and experience so that the management will implement and perfect all aspects of the business plan, expecting that a great deal of its own creativity, positive attitude, and energy will be brought into all of the required projects.

3.6 Our Values

- **Clients:**

We believe that in order to succeed we must contribute to the success of our clients which can only be achieved through putting the client first.

- **Staff:**

Our performance and abilities are only as good as the staff we are able to attract, develop and retain our employees who are key in implementing our business goals.

- **Technology:**

A cornerstone of our philosophy is to develop and embrace new technologies and methodologies to the advantage of our clients and our business.

- **Cooperation:**

We encourage cooperation and communication between our stakeholders, and work with international partners to the best advantages of clients.

- **Growth:**

It is our view that growth of our business must be in response to the requirements of clients.

3.7 Company Ownership and Shareholders Particulars

BF-GHAT LIMITED has following shareholders:

1. Castor Rwegoshora Burekero
2. Paschal Clavery Masambu

S/No	Name of Shareholders	%of shares	Position
1	Castor Rwegoshora Burekero	90	Chairman & CEO
2	Paschal Clavery Masambu	10	Director of Finance & Administration



4.0 PRODUCT DESCRIPTION AND BUSINESS OPERATIONS.

4.1 Product Description.

We are planning to venture and establish on the transportation of various cargo in the local trips and we are planning in the near future to go for transit to landlocked counties. Current at Dar es Salaam port Grain Terminal facility storage capacity is 30,000 tons. Inland Container Deposits (ICDs) facilities capacity is 24,300 TEUs and CFs with the capacity of holding 6,000 vehicles at once. There are two oil terminals, the single point Mooring (SPM) and Kurasini Oil Jetty (KOJ). The SPM is an offshore tanker berth for handling exclusively crude and refined oil. It has capacity to accommodate tankers of up to 150,000 deadweight tons. This have created a scare of tankers, Number of companies that are dealing with transporting crude and refined oils in Tanzania and on land lock countries are in need of tankers.

4.2 Business Operations.

DP World and TPA alongside the port's existing stakeholders are on the mission to build on this progress to allow faster cargo clearing and improved cargo planning strengthening Dar es Salaam's critical role as the maritime gateway for green energy metals from the copper belt in Southern-Central Africa Since IBANS business's main activity is transportation and secondary business is recruiting drivers, the company will be enjoying a bilateral agreement with the aforementioned clients from the landlocked countries, industrial mining companies for more than five years consecutively.

The company will invest in the computerized trucking systems which ensure the effective running of the trucks and to ensure the performance (delivery) risk is minimized.

5.0 INDUSTRY AND MARKET ANALYSIS

5.1 Economic Outlook

Many prominent economic reviews on Tanzania's economy (The World Bank, African Development Bank, Deloitte and the like) rate Tanzania's economic condition as being gradual but stable. While observing that a slowdown in the economic system has greatly impacted individual liquidity squeeze, business attrition and slow private sector growth, the reviews, however this shows that the economy will continue to enjoy a prolonged, stable growth.

The economy has continued to perform strongly, with current growth at around 7%. This is driven largely by communications, transport, financial intermediation, construction, agriculture and manufacturing. In the medium term, growth will be supported by the ongoing investments in infrastructure. Also, these medium-term growth projections are backed by continued investments in the recently industrial mine mining has been the booming sector in Tanzania and the expansion in public investments as well as the related investments aimed at stabilizing power generation in the country. The main development challenge is that Tanzania's growth is not sufficiently broad-based and poverty levels still remain high.

5.2 The Market and the Target Market.

There is a wide market for domestic as well as transit cargoes. The business has never experienced marketing and operational issues since its inception due to the huge demand of cargoes from Dar es Salaam port to up country regions.

The port of Dar es Salaam has recently being undergone major rehabilitation, modernization and expansion not only to be able to compete with Mombasa port (Kenya) and Beira port (Mozambique) handling East and Central Africa's imports but also as a strategy for meeting the national demand for cargo handling. The increase in demand of transit cargo have grown steadily following expansion of agricultural, mining and industrial activities in Tanzania.

BF-GHAT LIMITED will endeavour to achieve the projected revenue from domestic cargo demand through the use of Dar es Salaam Port and still in the scrutiny to go for transit in the near future.

5.3 Competitive Advantage.

The construction of a new roll-on, roll-off terminal at the port has boosted its capacity to handle much larger vessels with efficiency, and to improve on the turnaround time for ships coming through, Following the recently rehabilitation, modernization and expansion of Dar es Salaam Port the business of cargo transportation has attracted many entrants which created high competition in the transportation industry.

BF-GHAT LIMITED have planned to position itself as the service providers and support in terms of all issues regarding cargo to other plays and well as to venture in transporting by diversifying types of trucks the ones that can carry cargoes and the other type to carry fuel.

With volumes projected to grow to over 30 million tons by 2030, the Dar es Salaam Maritime Gateway Project is helping address operational and physical constraints at the port which will enable it to improve its overall performance and contribution toward jobs growth in the region.

BF-GHAT LIMITED will have an opportunity to create strong relationship with different vendors that we create a smooth entry in the market, this gives the chance for successful operations of transportation business across East and Central African countries.

6.0 SWOT ANALYSIS.

The purpose of this analysis is to determine both internal and external factors surrounding the business and its ability to be sustainable in generating a reasonable return to its shareholders.

6.1 Strengths.

BF-GHAT LIMITED's strength includes the following:

- The company owners are well versed in transportation and trade industries.
- Experienced personnel ensuring daily smooth operations and profitability.
- Availability of proper infrastructures.

6.2 Weaknesses.

The business is currently merely new in the operations; however, the Management team have a wide experience in the logistics industry and business in general.

6.3 Opportunities.

Opportunities available to the company include the following:

- Tanzania is on the geographical and political map of the world due to its political stability and being in unique position where by serving 7 landlocked countries.
- Tanzania being strategically positioned and with Dar es Salaam port being extensively used by the neighbouring countries, the scope of transportation industry is tremendous. This also vis-à-vis increases the potential for the logistic industry.
- The current ongoing expansion of Dar es Salaam port will highly increase the volume of cargo receipt and handling and therefore more transportation services opportunities.
- Upcoming mining sectors that create a huge demand for transportation and logistics.

6.4 Threats.

With the opening up of the industry and the niche it provides more and more players are bound to enter this business arena with a stronger capital base and create unprecedented competition that may impact our planned expansion.

- **Solutions to the threats.**

As the industry is completely quality services oriented, the businesses pride it by offering the best at the most affordable prices. Though the business is bound to be affected by more competition coming in, our strategy of staying one step ahead of others will definitely bring results.

7.0 ORGANIZATION, MANAGEMENT AND OPERATIONS PLANS.

7.1 Organization and Management Plan

Organization and Management plan of BF-GHAT LIMITED is consisted of Board of Directors who are family members, managers and lower level employees. The company will be managed by skilled and knowledgeable staff. The Company will have a management team with a total of 5 people. The management team will be responsible to support a total of 50+ employees.

7.2 Management Policy

The business's policy is to have adequate manpower to its operations efficiently. The business 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 business. The company have a team of qualified and experienced functional managers in the areas of operations, marketing, workshop, finance and administration. Other senior and middle level staffs are available for the continued and subsequent operations of the business.

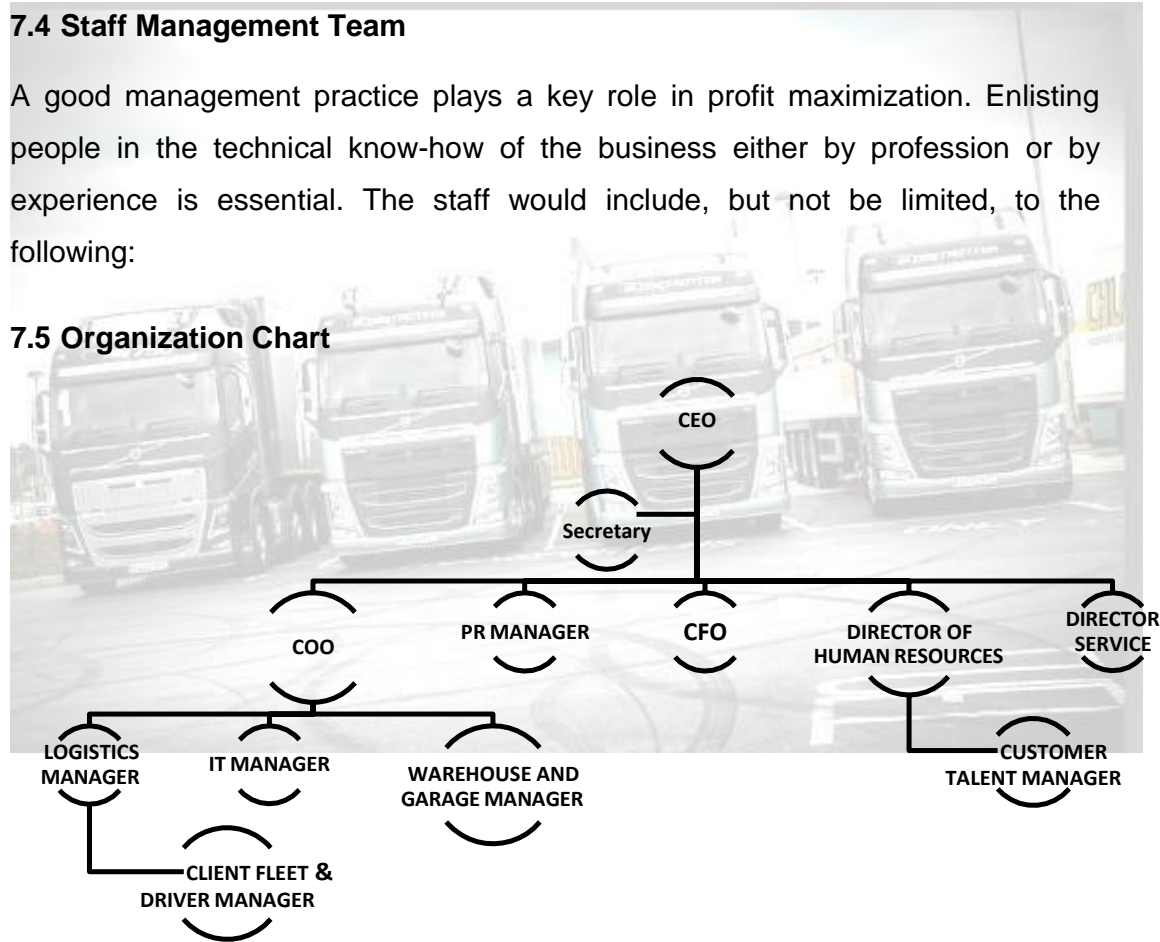
7.3 Board of Directors of the Company

The Company have the Board of Directors with vast experience in the management of various projects. The Board of Directors will be responsible to market the company, and setting up policies and procedures. The Company have a chairman of the Board of Directors with one (1) Executive Director (Managing Director) who will be in charge of day to day operation of the Company, legal issues, procurement and internal audit, and a secretary to the Board of Directors.

7.4 Staff Management Team

A good management practice plays a key role in profit maximization. Enlisting people in the technical know-how of the business either by profession or by experience is essential. The staff would include, but not be limited, to the following:

7.5 Organization Chart



8.0 FINANCIAL PLAN

8.1 FACILITIES SOUGHT

Description	Unit	Unit Price	Total in USD
Brand new Sinotruck HOWO 8X4 dump truck	50	79,528	3,976,400
Brand new Sinotruck HOWO 4X2 tractor truck	100	55,579	5,557,900
Cargo semi-trailer	50	29,906	1,495,300
Tri axle 40ft flatbed semi-trailer	50	30,694	1,534,700
Pick up trucks	3	60,000	180,000
Excavator	2	80,000	160,000
Wheel loader	1	71,000	71,000
		Total	12,975,300
		Grand Total	12,975,300
Bank Financing Arrangement			12,975,300

USD 12,975,300 will be Vehicle Asset Financing (VAF) which will be purposely used to finance the purchase of 50 Brand new sinotruck HOWO 8X4 dump truck, 100 Brand new Sinotruck HOWO 4X2 tractor truck, 50 Cargo semi trailer, 50 Tri axle 40ft flatbed semi trailer, Pick up trucks 3, Excavator 2 and Wheel loader 1. The requested vehicles will be for transportation of cargo from Dar es Salaam Port to the upcountry regions.

8.2 Assumptions Underlying Amount Requested

8.2.1	The requested loan will be repayable within 96 months of equal instalments.
8.2.2	As per Asset finance rule, the company have committed to secure loans from local banks the funds of about Us \$ 1,600,000 as initial deposit.
8.2.3	The requested funds will be fully utilized to procure the units of trucks plus freight charges and port clearance.

9.0 FINANCIAL STATEMENT AND PROJECTIONS

ASSUMPTIONS BEHIND THE FINANCIAL PROJECTIONS

- The projected revenue break-down from transportation business as per market research;
 - Local Trip – Revenue projected as average of TZS 3 million – 4 million depending on the distance.

Note: The mentioned prices are assumed to grow @10% every year.
- The company will purchase of 150 Trucks local trips.
- The business assumed to experience high and low volume for sometimes from the past experience.
- The incoming from transportation are 100% in TZS since trips are local.

9.1 FINANCIAL STATEMENTS PROJECTIONS

9.1.1 REVENUE PROJECTIONS

Revenue Projections		Year 1				Year 2			
"TZS"		Unit	Trip per month	Revenue per Trip	Total Annual Revenue	Unit	Trip per month	Revenue per Trip	Total Annual Revenue
Trucks	150	4	3,500,000	8,400,000,000	150	4	3,850,000	9,240,000,000	
Net Revenue				8,400,000,000				9,240,000,000	
Year 3				Year 4					
Unit	Trip per month	Revenue per Trip	Total Annual Revenue	Unit	Trip per month	Revenue per Trip	Total Annual Revenue		

150	4	4,235,000	10,164,000,000	150	4	4,658,500	11,180,400,000
			10,164,000,000				11,180,400,000
Year 5							
Unit	Trip per month	Revenue per Trip	Total Annual Revenue				
150	4	5,124,350.00	12,298,440,000				
			12,298,440,000				

9.1.2 PERSONNEL COSTS ANALYS

"TZS"		Year 1	Year 2	Year 3	Year 4	Year 5	
Net Revenues		8,400,000,000	9,240,000,000	10,164,000,000	11,180,400,000	12,298,440,000	
Staff Salaries		<u>Monthly Income</u>					
Chief Executive Officer	1	5,000,000	60,000,000	61,500,000	63,037,500	64,613,438	66,228,773
Logistics Manager	1	4,500,000	54,000,000	55,350,000	56,733,750	58,152,094	59,605,896
Finance Manager	1	4,000,000	48,000,000	49,200,000	50,430,000	51,690,750	52,983,019
Marketing Manager	1	3,000,000	36,000,000	36,900,000	37,822,500	38,768,063	39,737,264
Human Resources Manager	1	3,000,000	36,000,000	36,900,000	37,822,500	38,768,063	39,737,264
Drivers	55	800,000	528,000,000	541,200,000	554,730,000	568,598,250	582,813,206
Mechanical Staff	10	750,000	90,000,000	92,250,000	94,556,250	96,920,156	99,343,160
Operation Staff	5	700,000	42,000,000	43,050,000	44,126,250	45,229,406	46,360,141
Accountants	1	1,000,000	12,000,000	12,300,000	12,607,500	12,922,688	13,245,755
IT Manager	1	2,500,000	30,000,000	30,750,000	31,518,750	32,306,719	33,114,387
Total Salary		936,000,000	959,400,000	983,385,000	1,007,969,625	1,033,168,866	
Benefits							
Percent (%)		10%	10%	10%	10%	10%	
Total benefit costs		93,600,000	95,940,000	98,338,500	100,796,963	103,316,887	
Total S & M Compensation		1,029,600,000	1,055,340,000	1,081,723,500	1,108,766,588	1,136,485,752	
% of Revenue		12.3%	11.4%	10.6%	9.9%	9.2%	

9.1.3 DIRECT COSTS ANALYSIS

"TZS"	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	8,400,000,000	9,240,000,000	10,164,000,000	11,180,400,000	12,298,440,000
Cost of Revenue					
Fuel costs	3,780,000,000	4,158,000,000	4,573,800,000	5,031,180,000	5,534,298,000
Mileage	630,000,000	661,500,000	694,575,000	729,303,750	765,768,938
Spare parts	-	-	-	-	-
Other overhead costs	111,150,000	116,707,500	122,542,875	128,670,019	135,103,520
Total Direct Costs at 100% capacity	4,521,150,000	4,936,207,500	5,390,917,875	5,889,153,769	6,435,170,457
Gross Profit	3,878,850,000	4,303,792,500	4,773,082,125	5,291,246,231	5,863,269,543
% of Revenue	46.18%	46.58%	46.96%	47.33%	47.67%
Salaries and wages	936,000,000	959,400,000	983,385,000	1,007,969,625	1,033,168,866
Insurance	25,000,000	27,500,000	30,250,000	33,275,000	36,602,500
Utilities	9,500,000	10,450,000	11,495,000	12,644,500	13,908,950
Miscellaneous expenses	20,000,000	22,000,000	24,200,000	26,620,000	29,282,000
Total Administrative and Operating costs	990,500,000	1,019,350,000	1,049,330,000	1,080,509,125	1,112,962,316
Other Expenses					
Loan repayments	2,350,656,000	2,350,656,000	2,350,656,000	2,350,656,000	2,350,656,000
Depreciation	392,448,548	431,693,403	474,862,743	522,349,017	574,583,919
Total Cost of Revenues	3,733,604,548	3,801,699,403	3,874,848,743	3,953,514,142	4,038,202,235
% of Revenue	44.4%	41.1%	38.1%	35.4%	32.8%
Allocation of Cost of Revenue between:					
Variable	4,521,150,000	4,936,207,500	5,390,917,875	5,889,153,769	6,435,170,457
Fixed	990,500,000	1,019,350,000	1,049,330,000	1,080,509,125	1,112,962,316
Total	5,511,650,000	5,955,557,500	6,440,247,875	6,969,662,894	7,548,132,773

9.1.4 COMPREHENSIVE INCOME STATEMENTS ANALYSIS

"TZS"	Year 1	Year 2	Year 3	Year 4	Year 5
NET REVENUES	8,400,000,000	9,240,000,000	10,164,000,000	11,180,400,000	12,298,440,000
DIRECT COSTS	4,521,150,000	4,936,207,500	5,390,917,875	5,889,153,769	6,435,170,457
% of Revenues	54%	53%	53%	53%	52%
EARNINGS FROM OPERATION	3,878,850,000	4,303,792,500	4,773,082,125	5,291,246,231	5,863,269,543
% of Revenues	46%	47%	47%	47%	48%
ADMINISTRATIVE AND OPERATING COSTS	3,733,604,548	3,801,699,403	3,874,848,743	3,953,514,142	4,038,202,235
% of Revenues	44%	41%	38%	35%	33%
PROFIT BEFORE TAX	145,245,452	502,093,097	898,233,382	1,337,732,089	1,825,067,308
% of Revenues	0%	0%	0%	0%	0%
TAXES	43,573,636	150,627,929	269,470,015	401,319,627	547,520,192
NET EARNINGS	101,671,816	351,465,168	628,763,367	936,412,462	1,277,547,116
% of Revenues	1%	4%	6%	8%	10%
Cumulative Earnings	101,671,816	453,136,984	1,081,900,352	2,018,312,814	3,295,859,930

10.0 CONCLUSION AND RECOMMENDATIONS

10.1 Viability of the Business

The analysis of the project demonstrates that the business is financially viable and technically attainable, economically feasible, and it is providing a good opportunity for other entrepreneurs to participate in meaningfully vital sector of the country's economy.

10.2 Social and Economic Benefits of the Business

Apart from job creation, business's earning, and taxes, there are other possible social and economic impacts associated with the business. Just to a name few, possible gains include; building relationships and employment opportunities.

10.3 Poverty Alleviation

Part of poverty alleviation is tackling unemployment because of access to employment have been created. By the way the company is going to employ the total of 52 staff as full time employees. This is one step further towards eliminating poverty and taking people away from the streets.

10.4 Building Relationships

Majority of employees to be employed by the project are Tanzanians. In this aspect, the owners of the project have definitely built good relationships and strengthen the local community through hiring these local individuals on permanent or temporary basis.

