

# BUSINESS PLAN FOR TRASPORTATION AND LOGISTICS PROJECT

**VAN MO COMPANY LIMITED**

Plot No. 2523,Block B Yombo Vituka Area, Temeke District Dar es  
Salaam region, Tanzania

# **VAN MO COMPANY LIMITED**

P. O. Box 80698, DARES SALAAM

## **1.0 INTRODUCTION**

VAN MO COMPANY LIMITED is a company incorporated in Tanzania with certificate No. 136375466 dated 18th April 2018 as private limited company under the Tanzanian Companies Act, 2002. VAN MO COMPANY LIMITED is engaged in the business of Transportation, Logistics, etc, VAN MO COMPANY LIMITED is currently planning to provide global supply chain solutions providers within the country and in east Africa and SADC region.

## **1.1 OUR MISSION**

To become a leading integrated global logistics and supply chain management company providing business enabling solutions and exceeding customer expectations.

## **1.2 OUR VISION**

To deliver customized and unique logistics solutions globally ensuring time and cost savings for customers in a responsible and sustainable manner.

## **1.3 OUR VALUES**

At VAN MO COMPANY LIMITED, we believe the customer comes first; we are focused to ensure customer delight, superior quality of delivery and increased customer profitability.

At VAN MO COMPANY LIMITED, at our operations all over the country, we practice an enduring value system based on an open

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culture, honest and fair business and personal conduct, earning the confidence and trust of our Associates and Customers.

At VAN MO COMPANY LIMITED, we practice transparency with all agencies that we are involved with.

At VAN MO COMPANY LIMITED, we value the importance of our colleagues, evolving a sense of togetherness and passion to deliver. OWNERSHIP AND OPERATIONS

### 1.4 **COMPANY** OWNERSHIP AND BOARD OF DIRECTORS

VAN MO COMPANY LIMITED is promoted by two shareholders who are very experienced in transport and logistic business.

<b>Share Holders</b>	<b>% of Share</b>	<b>Nationality</b>
Abdul Ally Mohamed P. O. Box 80698, DAR ES SALAAM	62.5	Tanzania
Juma Issa Kasabika P. O. Box 80698, DARES SALAAM	37.5	Tanzania

### 1.6 **PROJECT LOCATION**

Registered office of the VAN MO COMPANY LIMITED is located at Plot **No. 2523 , Block B Yombo Vituka Area, Temeke District Dar es Salaam region, Tanzania**

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### **1.7 FLEET SIZE**

VAN MO COMPANY LIMITED is planning to purchase **200** trucks and trailers. With capacity of carrying **60** tons truck and trailer, one truck conducting **2** trips per month operating for ten months per year.

VAN MO COMPANY LIMITED **management** intends to continue building its fleet to a level of –

- 50 trucks by 2024
- 50 trucks by 2025
- 50trucks by 2026
- 50trucks by 2027
- 

Required number of trailers will also be added to existing fleet in order to cater to additional requirements in line with truck additions.

### **1.8 PROJECT ESTIMATED REVENUE**

The company has estimated that the project revenue to be US\$ 4,000 per trip and one truck will conduct 2 trip per month and 20 trips per year

### **1.9 PROJECT OPERATING COST**

The company has estimated that the project operating cost and other cost to be 60% of the total annual revenue

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**1.10 PROJECT FINANCING**

The company has estimated that the project will be financed by long term loan amounting to US\$7,000,000 with interest rate of 8% repaid within 7 years and remaining US\$ 4,300,000 will be shareholders contribution and cash generated from business.

**1.11 PROJECT COST**

The project has budgeted to cost the followings:

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	100,000.00
Machinery & Equipment	400,000.00
Motor Vehicles	10,500,000.00
Furniture & Fixtures	5,000.00
Pre exp	10,000.00
Others	5,000.00
Working Capital	280,000.00
<b>TOTAL</b>	<b>11,300,000.00</b>

**2.0 ORGANISATION FLOW CHART**

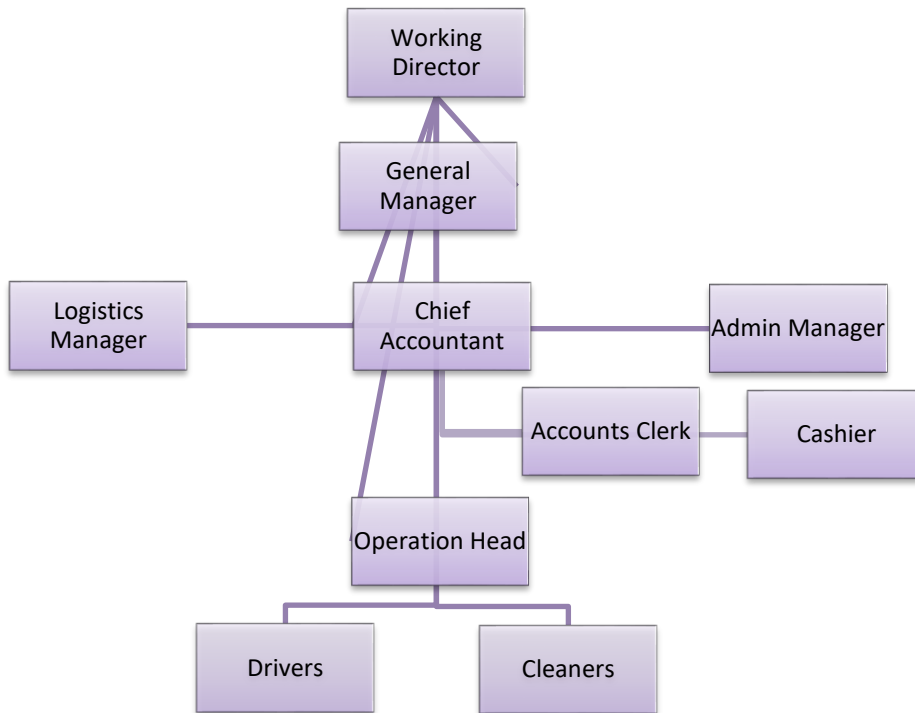
VAN MO COMPANY LIMITED management is headed by Managing Director. Core management team comprises of 1 General Manager, 1 HR and Admin Manager, 1 Logistics Manager, 1 Chief Accountant and 2 Junior accounting clerks. Operational

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team headed by 3 operational managers and includes drivers and cleaners.

The organisation chart of the VAN MO COMPANY LIMITED is presented herein below:



## Employees Distribution Summary

Employment	<b>Foreign</b>	<b>Local</b>	<b>Total</b>
Women	2	20	22
Men	8	215	223
<b>TOTAL</b>	<b>10</b>	<b>235</b>	<b>245</b>

### **3.0 TANZANIA TRANSPORT OVER VIEW**

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

Tanzania's transport sector contributed 8.1% to the country's real GDP in 2018 with USD 3.8 billion, compared to USD 2.8 billion in 2014, representing an increase of 33%.

Main growth drivers include the increase in the number of passengers carried and freight handled through road transport.

According to Tanzania's 2025 Development Vision, investments in infrastructure, particularly in the development of the road network, are the Government's top priority.

The World Bank (WB) and the African Development Bank (AfDB) support Tanzania in achieving its infrastructure development goals by providing grants and credits for projects.

Tanzania Road Transport

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Road transport is the most widely used form of transport in Tanzania, carrying over 90% of the passengers and 75% of the freight traffic in the country.

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

Tanzania's Ministry of Works, Transport, and Communication through the Tanzania National Roads Agency (TANROADS) is managing the national road network of about 33,891 kilometers, comprising 12,786 kilometers of trunk and 21,105 kilometers of regional roads.

The remaining network of about 53,460 kilometers of urban, district and feeder roads is under the responsibility of the Prime Minister's Office Regional Administration and Local Government (PMO-RALG).

### **Tanzania Rail Transport**

Railway transport is the second most important mode of transport after road and critical for long distance freight along the main transport corridors in Tanzania.

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Tanzania has a total of 3,676 kilometers of railway lines operated by two railway systems, Tanzania Railways Corporation (TRC) and Tanzania – Zambia Railways (TAZARA).

The mainline of TRC comprises the central corridor between the port of Dar es Salaam in the east, linking central and western areas of the country and terminating at Kigoma on Lake Tanganyika in the west.

The TAZARA line is 1,860 kilometers in length, of which 975 kilometers is in Tanzania and 885 kilometers in Zambia.

### **Tanzania Air Transport**

The total number of air passengers in Tanzania reached 6.2 million in 2019, compared to 5.2 million in 2015, representing an increase of 18%.

Currently (2020), there are 19 airline operators in Tanzania, including some of the leading international air carriers such as British Airways, KLM, Qatar Airways, and SWISS.

There are 58 airports in Tanzania and more than 300 private airstrips owned by mining companies and tour operators.

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The Julius Nyerere International Airport (JNIA), located in Dar es Salaam, is the largest and busiest airport in Tanzania, accounting for over 70% of Tanzania's air passengers.

In August 2019, Tanzanian President John Magufuli inaugurated Terminal 3 of the JNIA. The new terminal, which cost USD 314 million set the airport capacity at 8 million passengers annually.

In 2019, the AfDB approved a USD 272.12 million loan to Tanzania for the construction of a new international airport in the capital Dodoma. The new airport will be built in the district of Msalato, 12 kilometers from the capital Dodoma.

The new facility is expected to handle at least 50,000 aircrafts and one million passengers per year.

### **Tanzania Water Transport**

Tanzania has a coastline of about 720 kilometers on the Indian Ocean, and also borders Lake Victoria, Lake Nyasa, and Lake Tanganyika.

Both sea and inland waterways ports in Tanzania are managed and operated by the Tanzania Ports Authority (TPA).

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The TPA's main Indian Ocean ports are Dar es Salaam, Mtwara, and Tanga. Minor seaports serving coastal traffic include Lindi, Kilwa Masoko, Mafia Island, Bagamoyo, Pangani, and Kwale.

Dar es Salaam is Tanzania's principal port with intrinsic capacity of 10.1 tonnes per year. The port handles over 92% of the total maritime ports' throughput.

The port serves land-linked countries of Malawi, Zambia, Democratic Republic of Congo, Rwanda, Burundi, and Uganda.

These countries are connected to the port through two railway systems (TRL-1.0 metre gauge and TAZARA-1.067 cape gauge), road network, as well as the TAZAMA oil pipeline to Zambia.

TPA also operates Tanzania's lake ports, maintaining around 20 ports on Lake Victoria. Some major ports include Bukoba, Kemono Bay, Musoma, and Nansio.

Principal lake ports on Tanganyika include Kigoma and Kasanga. Additionally, there are 15 smaller ports along the lake. These ports provide trade connections between Burundi, Eastern Democratic Republic of the Congo, and Zambia.

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Lake Nyasa has 4 important ports, at Itungi, Mbamba Bay, Liuli, and Manda. There are up to 10 others smaller TPA ports on the lake that facilitate passenger movement along the lake and between the countries of Malawi, Mozambique, and Tanzania.

### **4.0 TANZANIAN BUSINESS ENVIRONMENT**

In the African continent, TANZANIA is among the top ten investment destinations in Africa, thanks to reforms and a conducive investment environment set by the government.

The Rand Merchant Bank (RMB) ranked the country tenth in investment attractiveness, in the Where to Invest in Africa 2021 report released recently.

#### **4.1 THE TANZANIA DEVELOPMENT CORRIDORS**

Development of transport corridors has been one of the main strategies adopted by the Government of Tanzania to facilitate trade. Tanzania serves as a transit country for the import and export of Malawi, Zambia, DR Congo, Burundi, Rwanda and Uganda, using the port of Dar es Salaam. The main rail and road connections in Tanzania are, therefore, in an east-west direction, linking the ports with the hinterlands of those neighbouring countries. Tanzania is devoting much attention to the corridor concept in its development policy by concentrating efforts in the

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Mtwara Corridor, Dar-es-Salaam Corridor, Central Corridor and the Tanga Corridor. The major challenge is to link import, export and transit traffic from and to neighbouring countries with transport development efforts, making Tanzania a natural regional hub.

The geography of Tanzania, including its size, diversity and dispersion, give roads a special position in the integration of the national economy. In particular, roads serve rural areas, where the majority of the people live, more effectively than any other mode of transport. The current Tanzania Road Network length is about 85,000 km, which includes trunk and regional roads (35,000 km) managed by the Tanzania National Roads Agency (TANROADS), and the urban, district and feeder roads with a total of 50,000 km, managed by Local Government Authorities (LGA). There are also some unclassified roads, such as those managed by the Tanzania National Parks Authority (TANAPA), and by the Mining Companies and village authorities.

### **5.0 SWOT ANALYSIS**

#### **STRENGTHS**

Strengths of the business are –

-

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- Promoters have sound experience in this business and have talented Management.
- Rapid growth in sector due to effective management
- Influence & Networking of Directors in the Business Sector.
- Business location is at prominent place.
- Good roads and highway in Tanzania.
- Confirmed business via agreement entered with few companies.

### **WEAKNESSES**

Weakness of the business are –

- New entry in logistics market
- Stiff competition from local market
- Limited market share growth

### **OPPORTUNITIES**

Opportunities of the business are –

- Potential market encourages foreign investors
- Increasing market share due to rail transport limitations
- Augmented demand for world –class logistics and warehousing services

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- Increased use of logistics services in sectors such as technology, consumer retail, automotive and industrial

### THREATS

Threats of the business are –

- Complex Tax Structure
- Unorganised sector and competition
- Different laws in different countries
- Increasing fuel rates therefore increasing transportation costs

### **6.0 SERVICES OFFERED BY VAN MO COMPANY LIMITED**

VAN MO COMPANY LIMITED Management understands that your supply chain needs are unique and that's exactly why the company have engaged the best minds in the Transport industry to create specific transport solutions customized to suit your ever-changing cargo movement environment. VAN MO COMPANY LIMITED transport vans, trucks and trailers (closed body trailers, flat bed trailers and low loaders) from precision transport are designed to seamless execution, VAN MO COMPANY LIMITED dedicated cargo transportation professionals are engaged at every step of the

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way to provide the services with the most accurate transport and economical transportation arrangement that the industry has to offer.

VAN MO COMPANY LIMITED Transportation and the company Customs Brokerage Service allow the company to complete the supply chain, cargo transit and offers truly door-to-door transportation service in the freight industry. The company optimized transportation translates to fast transit service and the door-to-door delivery of your freight on time, safely transported and damage free.

Transport integration with Customs Brokerage Service

- Allows VAN MO COMPANY LIMITED Transport Logistics to complete the supply chain and offer truly door-to-door transportation service in the market
- Eliminates unnecessary customs delays, transport dispatch and improves communication between the shipping line, Customs, Client and our transport department.
- Provides greater control, handling and security of your freight transportation

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- Full range of freight forwarding services are offered, including customs clearance, warehousing, in-bond storage, transportation, etc.
- Customer receives a single itemized invoice for door-to-door transportation eliminating additional administrative requirements

VAN MO COMPANY LIMITED Transport Logistics plan to customize and design transportation solutions to transport client's freight at the speed and ease. VAN MO COMPANY LIMITED Management has been in the transport logistics and our transport segment delivers freight to numerous customers spread across east Africa namely Tanzania, Uganda, Northern Tanzania, Burundi, Rwanda, Southern Sudan and DR Congo.

VAN MO COMPANY LIMITED plan to combine the economy of rail transport with road transport handling for seamless door-to-door service and savings. The company transport network throughout Tanzania, Uganda, Northern Tanzania, Burundi, Rwanda, Southern Sudan and DR Congo and large transport trucks, closed body trailers, flat bed trailers and low loaders fleet are aligned to offer transport applications suitable for all transportation needs. Whether clients freight requires rail transport or road transportation service, door-to-door transport, coast-to-coast

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transport, or cross-border transportation, VAN MO COMPANY LIMITED Transport Logistics is the solution.

Benefits of optimized door to door delivery and transportation

- VAN MO COMPANY LIMITED Transportation is dedicated to creating win-win solutions by investing talent, capital, and transport resources.
- Dynamic transport route optimization systems at client's disposal to create supply-chain door to door and reduce transport costs.
- The largest transportation truckload fleet and terminal network in the transport industry.
- Satellite tracking on our transport
- Modern fleet of transport trucks
- One of the Safest operating fleets in the transport industry
- Heavy and fragile equipment transported using air hydraulic low loaders.
- Door-to-door control of transport equipment = less handling, better security, and increased efficiency
- Fully multilingual experienced transport staff to cater all our transportation routes
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- Strict requirements for transport department staff and constant integrity checks transport and delivery.

### **Container Transport Mode (Container on Flat Bed)**

VAN MO COMPANY LIMITED Capital offers a complete door-to-door service for all of your container transport requirements. Our road transport fleet is comprised of 200 trucks and transportation trailers. The company plans to have container transport fleet in the transport industry and our container transport trucks are all equipped with satellite tracking, permitting real time tracking of your loads.

VAN MO COMPANY LIMITED Transport Logistics also supplement road transport fleet with our access to our East Africa railway transport line. VAN MO COMPANY LIMITED Transport Logistics is capable of transporting heavy and bulk cargo on Low Loader, rail and can also transport transit cargo on rail and low-loaders.

### **Heavy Haulage – Low-Loader Transportation**

VAN MO COMPANY LIMITED transportation Low Loaders comprise of a variety of unique low loader trailer configurations, VAN MO COMPANY LIMITED Capital is still constantly engineering new low loader transport solutions for our customers' Low Loader Transportation requirements. VAN MO COMPANY LIMITED Transportation Logistics is rapidly becoming the preeminent low loader transport provider for

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importers and exporters of many commodities, including earth transporting equipment and engineering structures that has to be transport on low loaders. Low loader as the industry's most dynamic carrier, VAN MO COMPANY LIMITED Transportation plans to expand our diverse portfolio of service-sensitive, specialty operations to meet our clients' low loaders needs.

### **Heavy Equipment Transport**

Whether it is around town or interstate VAN MO COMPANY LIMITED Transportation has the low loaders and heavy transport equipment to transport any sized machines. We have low loader expertise required to transport, arrange all the permits, lease with police, load and unload cranes.

### **Mining Equipment Transport**

VAN MO COMPANY LIMITED Low loader transport offers transportation services for heavy equipment utilizing their low loader trailers and has experienced transporting a range of Mining equipment including Hitachi Excavators, Zoom Lion Cranes, Caterpillars and Komatsu Dump Trucks, concrete mixers, graders and bulldozers on low loaders.

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### **Local cargo**

VAN MO COMPANY LIMITED offers the fastest Local cargo service in Tanzania. This airport-to-airport service puts your cargo, envelopes and other packages on the first scheduled flight and delivers them to the recipient at the airport of arrival within one hour after the landing time. No advance reservations are required for this service.

Tanzanian Cargo provides around-the-clock Local cargo service with same-day delivery across Tanzania.

### **Transit Cargo**

VAN MO COMPANY LIMITED strive to extend standard services across vast distances and through rough terrain all across East Africa. Our motivated staff and our expertise in the industry always keep us on schedule by rail and road.

VAN MO COMPANY LIMITED provide relocation and movement of both of bulk and containerized goods. VAN MO COMPANY LIMITED offer a variety of transport solutions, be it grouping or other transport services such as part and full load shipments by road, railways or a combination of two

## **7.0 COMPETITION**

According to data available there are more than 15,000 trucks registered in Tanzania and VAN MO COMPANY LIMITED plan to compete favorably with local and foreign companies

## **8.0 FINANCIAL ASPECTS FOR THE PROJECT**

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

The attached Appendix I shows the projected income for the 8years period. The position depicted is that the project starts to earns profit in the second year and throughout its life. Accumulated after tax profits grow from. **US\$(11,900)** in the 1<sup>st</sup> year to **US\$ 39,594,800** in the 8<sup>th</sup> year.

### **(ii) Projected Cash Flows**

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 1,605,100 in** the first year to **US\$ 50,230,800 at** the end of 8<sup>th</sup> years of the project's operations based on the 200 trucks and trailers obtained.

### **(iii) Projected Balance Sheet**

The project's assets cash flows are shown in Appendix III. Owners' equity grows from **US\$ 4,300,000** in the first year to **US\$ 43,894,800** at the end of 8<sup>th</sup> years of the project's operations based.

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### **(iv) Payback Period**

Total investment is US\$11,300,000 cash accumulated in 4<sup>th</sup> year **US\$ 13,476,400**, which is more than the initial investment, The project payback Period is exactly 4 years. The project has a relatively short payback period. It is remarkably impressing for a project whose investment is as big as **US\$11,300,000** is being recovered within 4years.

### **(v) Loan repayment**

Total investment loan is US\$US\$ 7,000,000 to be repaid within 5 years.

## 9.0 **ECONOMIC ASPECTS OF THE PROJECTS**

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

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

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that the company, is going to provide additional employment to 245 people. This is a significant contribution coming from investors.

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

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

**(iii) Foreign Exchange Earning**

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

**10.0 CONCLUSION**

- (i) The project is profitable and contributes to government revenue by way of taxes.
- (ii) The project provides employment to 245 people.
- (iii) The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

**11.0 RECOMMENDATION**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implement and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania

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Revenue Authority, TRA and the Tanzania Investment Centre – (TIC). The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

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## APPENDIX I

### VAN MO COMPANY LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5	6	7	8
Revenue	4,000,000	8,000,000	16,000,000	20,000,000	24,000,000	28,000,000	32,000,000	36,000,000
<b>Operating Expenses:</b>	2,400,000	4,800,000	9,600,000	12,000,000	14,400,000	16,800,000	19,200,000	21,600,000
<b>Profit before Depreciation &amp; Interest</b>	<b>1,600,000</b>	<b>3,200,000</b>	<b>6,400,000</b>	<b>8,000,000</b>	<b>9,600,000</b>	<b>11,200,000</b>	<b>12,800,000</b>	<b>14,400,000</b>
<b>Interest</b>	560,000	480,000	400,000	320,000	240,000	120,000	60,000	-
<b>Depreciation</b>	1,057,000	1,057,000	1,057,000	1,057,000	1,057,000	1,057,000	1,057,000	1,057,000
<b>Gross Profit</b>	<b>(17,000)</b>	<b>1,663,000</b>	<b>4,943,000</b>	<b>6,623,000</b>	<b>8,303,000</b>	<b>10,023,000</b>	<b>11,683,000</b>	<b>13,343,000</b>
Tax (30%)	(5,100)	498,900	1,482,900	1,986,900	2,490,900	3,006,900	3,504,900	4,002,900
<b>Profit After Tax</b>	<b>(11,900)</b>	<b>1,164,100</b>	<b>3,460,100</b>	<b>4,636,100</b>	<b>5,812,100</b>	<b>7,016,100</b>	<b>8,178,100</b>	<b>9,340,100</b>
Accumulated Profit	(11,900)	1,152,200	4,612,300	9,248,400	15,060,500	22,076,600	30,254,700	39,594,800

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## APPENDIX II

### VAN MO COMPANY LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5	6	7	8
Profit before interest and depreciation	-	1,600,000	3,200,000	6,400,000	8,000,000	9,600,000	11,200,000	12,800,000	14,400,000
Equity	4,300,000								
Loan	7,000,000								
<b>Total Sources</b>	<b>11,300,000</b>	<b>1,600,000</b>	<b>3,200,000</b>	<b>6,400,000</b>	<b>8,000,000</b>	<b>9,600,000</b>	<b>11,200,000</b>	<b>12,800,000</b>	<b>14,400,000</b>
<b>Applications:</b>									
Capital expenditure	11,010,000	-	-	-	-	-			
working Capital & Others	290,000								
Cash	-	1,605,100	2,701,100	4,917,100	6,013,100	7,109,100	8,193,100	9,295,100	10,397,100
Tax	-	(5,100)	498,900	1,482,900	1,986,900	2,490,900	3,006,900	3,504,900	4,002,900
<b>Sub total</b>	<b>11,300,000</b>	<b>1,600,000</b>	<b>3,200,000</b>	<b>6,400,000</b>	<b>8,000,000</b>	<b>9,600,000</b>	<b>11,200,000</b>	<b>12,800,000</b>	<b>14,400,000</b>
<b>Total applications</b>	<b>11,300,000</b>	<b>1,600,000</b>	<b>3,200,000</b>	<b>6,400,000</b>	<b>8,000,000</b>	<b>9,600,000</b>	<b>11,200,000</b>	<b>12,800,000</b>	<b>14,400,000</b>
Accumulated cash		1,605,100	4,306,200	9,223,300	15,236,400	22,345,500	30,538,600	39,833,700	50,230,800

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APPENDIX III

## VAN MO COMPANY LIMITED PROJECTED BALANCE SHEET US\$

<b>Fixed Assets</b>	-	1	2	3	4	5	6	7	8
Opening balance	-	<b>11,010,000</b>	<b>9,953,000</b>	<b>8,896,000</b>	<b>7,839,000</b>	<b>6,782,000</b>	5,698,956	4,540,911	3,382,867
<b>Total Long-term Assets</b>	-	<b>11,010,000</b>	<b>9,953,000</b>	<b>8,896,000</b>	<b>7,839,000</b>	<b>6,782,000</b>	<b>5,698,956</b>	<b>4,540,911</b>	<b>3,382,867</b>
<b>Less depreciation</b>	-	<b>1,057,000</b>	<b>1,057,000</b>	<b>1,057,000</b>	<b>1,057,000</b>	<b>1,057,000</b>	1,057,000	1,057,000	1,057,000
<b>Closing balance</b>	-	<b>9,953,000</b>	<b>8,896,000</b>	<b>7,839,000</b>	<b>6,782,000</b>	<b>5,725,000</b>	<b>4,641,956</b>	<b>3,483,911</b>	<b>2,325,867</b>
Working capital	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000	290,000
Accumulated cash	-	1,605,100	4,306,200	9,223,300	15,236,400	22,345,500	30,538,600	39,833,700	50,230,800
<b>Total assets</b>	<b>290,000</b>	<b>11,848,100</b>	<b>13,492,200</b>	<b>17,352,300</b>	<b>22,308,400</b>	<b>28,360,500</b>	<b>35,470,556</b>	<b>43,607,611</b>	<b>52,846,667</b>
Financed by									
Equity	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000
Accumulated profit	-	<b>(11,900)</b>	<b>1,152,200</b>	<b>4,612,300</b>	<b>9,248,400</b>	<b>15,060,500</b>	22,076,600	30,254,700	39,594,800
Total equity	4,300,000	4,288,100	5,452,200	8,912,300	13,548,400	19,360,500	26,376,600	34,554,700	43,894,800
Long term loan	7,000,000	6,000,000	5,000,000	4,000,000	3,000,000	2,000,000	1,000,000		
<b>Total debts</b>	<b>7,000,000</b>	<b>6,000,000</b>	<b>5,000,000</b>	<b>4,000,000</b>	<b>3,000,000</b>	<b>2,000,000</b>	<b>1,000,000</b>	-	-
<b>Total equity and debts</b>	<b>11,300,000</b>	<b>10,288,100</b>	<b>10,452,200</b>	<b>12,912,300</b>	<b>16,548,400</b>	<b>21,360,500</b>	<b>27,376,600</b>	<b>34,554,700</b>	<b>43,894,800</b>

**VAN MO COMPANY LIMITED**

P. O. Box 80698, DARES SALAAM

**PROPOSED FINANCING PATTERN US\$**

<b>LOAN</b>	<b>EQUITY</b>
7,000,000	4,300,000

# VAN MO COMPANY LIMITED

P. O. Box 80698, DARES SALAAM

## VAN MO COMPANY LIMITED PROJECTED DEPRECIATION SCHEDULE

US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	100,000	98,000	96,000	94,000	92,000	63,956	35,911	7,867
Machinery, Tools & Equipment	400,000	396,000	392,000	388,000	384,000	380,000	310,000	240,000
Motor Vehicles	10,500,000	9,450,000	8,400,000	7,350,000	6,300,000	5,250,000	4,200,000	3,150,000
Furniture & Fixtures	10,000	9,000	8,000	7,000	6,000	5,000	-5,000	-15,000
<b>Total</b>	<b>11,010,000</b>	<b>9,953,000</b>	<b>8,896,000</b>	<b>7,839,000</b>	<b>6,782,000</b>	<b>5,698,956</b>	<b>4,540,911</b>	<b>3,382,867</b>
<b>DEPRECIATION</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	6	7	8
Land and buildings	2,000	2,000	2,000	2,000	2,000	28,044	28,044	28,044
Machinery tools & Equipment	4,000	4,000	4,000	4,000	4,000	70,000	70,000	70,000
Motor Vehicles	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
Furniture & Fixtures	1,000	1,000	1,000	1,000	1,000	10,000	10,000	10,000
<b>ANNUAL DEPRECIATION</b>	<b>1,057,000</b>	<b>1,057,000</b>	<b>1,057,000</b>	<b>1,057,000</b>	<b>1,057,000</b>	<b>1,158,044</b>	<b>1,158,044</b>	<b>1,158,044</b>

**VAN MO COMPANY LIMITED PROJECT IMPLEMENTATION SCHEDULE**

	<b>ACTIVITY</b>	<b>PERIOD</b>
1.	Processing TIC Certificate of Incentive	July 2024
2.	Funds Mobilization	May – Dec 2028
3.	Ordering of Vehicles	October 2024 – Dec 2029
5.	Arrival of Vehicles	December 2024– December 2029
6.	Trial Operations	December 2024
7.	Commercial Operations	January 2025