

BUSINESS PLAN FOR REGISTRATION OF PROJECT ON TRANSPORTATION WITH TIC

PREPARED FOR:

HOUSE OF TRAVEL COMPANY LIMITED,

P.O.BOX 267

MWANZA

Tel: + 255 756 995 385

PREPARED BY:



Business Winners Consultancy LTD

Dealers in: Management training and consultancy services

P.O.BOX 10556, CCM building, Kenyatta road

5th floor room 107, Mwanza

E-mail: bwcons2005@gmail.com

Tel: +255 756 145 121,

+255 784 581 446

March, 2024

Table of contents

BUSINESS PLAN FOR REGISTRATION OF PROJECT ON TRANSPORTATION WITH TIC	1
EXECUTIVE SUMMARY	4
1.0 INTRODUCTION	6
1.1 The Business.....	6
1.2 Business information and contacts	6
1.3 Director’s Brief Profiles	6
1.4 Business Overview	7
1.5 Project Objective.....	7
1.6 Present Conditions and Future Plans.....	8
1.7 THE VISION, MISSION, CORE VALUE AND GOALS	8
1.8 Location	9
1.9 Our Business Structure.....	9
2.0 DESCRIPTION OF SERVICES	10
2.1 Transportation logistics.....	10
2.2 Environment Sustainability	10
2.3 Economic Sustainability	10
3.0 SWOT Analysis.....	10
3.1 Strength:	10
3.2 Weakness:.....	11
3.3 Opportunities:.....	11
3.4 Threats	11
4.0 MARKET ANALYSIS	11
4.1 Market Trends.....	11
4.2 LIST OF BUYERS	12
5.0 SALES AND MARKETING STRATEGY	12
5.1 Sources of Income.....	13

5.2	Sales Forecast.....	13
5.3	Our Pricing Strategy	13
5.4	PROJECTED SALES	14
6.0	TECHNICAL ASPECTS	14
6.1	Existing Assets (Investment)	14
6.2	Additional Required Investment (Machinery/Equipment).....	14
6.3	Financing Plan	15
6.4	Sources of Finance	15
7.0	PROJECT IMPLEMENTATION AND COMPLETION SCHEDULE.....	15
8.0	INVESTMENT REQUIREMENT, PROJECTIONS, FINANCING & EXPECTED RETURNS.	15
9.0	USE OF TAX EXEMPTION PLAN	16
10.0	FINANCIAL EVALUATION	16
10.1	Profitability	16
10.2	Break-even Analysis	16
10.3	Internal Rate of Return and Net Present Value.....	16
11.0	PROJECTED FINANCIAL STATEMENTS	17
12.0	Risks & Mitigation measures.....	17
13.0	BANK RELATIONSHIP	17
14.0	CONCLUSION AND RECOMMENDATION.....	17

EXECUTIVE SUMMARY

House of travel Company Limited of P.O Box 267, Mwanza is a registered company and incorporated under the company Act, 2002. The company is limited with certificate of incorporation number 120851. This is a privately owned medium size company engaged in Transportation activities and in other (non Transportation) business.

The ownership structure is under two shareholders that form the Board of Directors. These are M/s Jesca Kikoito Nestory (Six hundred shares), M/s Angel Kikoito Nestory (One hundred shares). The company is managed by two directors namely M/s. Jesca Kikoito Nestory (the Managing Director) and Angel Kikoito Nestory who oversees the daily activities of the company.

The management team has enough experience in Transportation logistics, distribution and selling of various products and services. The Company's primary objective is to maintain the highest level of customer satisfaction by provision of quality products and services.

The Company transportation logistics offices are located at Kirumba, Mwaloni, Ilemela municipal Mwanza Urban, with branch in Dar es salaam city. The office is located in strategic location to catch attention of corporate customers and passerby.

House of travel company limited is seeking to strengthen its transportation logistics business by procuring trucks for its various projects including transportation of mining samples from different companies in the lake zone region.

In order to expand operation of activities the company is applying for a project registration from Tanzania Investment centre (TIC) for purchase of transportation trucks and facilities worthy Tshs 859,410,000/= (Eight hundred fifty nine, four hundred and ten million). Funds for purchasing have been raised by company directors and loan sought from CRDB Bank in form of Term loan. Upon acquiring of the proposed trucks number of staff in the company will increase from the current number of 30 employees to more than 72. Increase will be contributed by the drivers, mechanics, assistant drivers and quality assurance supervisors.

The plan will take in three years' time from 2024-2028 as implementation schedule attached shows.

1.0 INTRODUCTION

1.1 The Business

House of travel Company limited of P.O Box 267 Mwanza, is a Tanzanian owned Company based in Mwanza city operating activities of transportation logistics. The Company's offices are located in Mwanza city with branch office in Dar es salaam. Headquarters are located at Kirumba, Mwaloni area for provision of trucks hiring and related services. The business is fully in operation, it lacks some trucks and servicing equipment for expansion of its services in other parts of Tanzania and east African region. The Transportation logistics company is strategically located at Mwaloni area where there is large number of cargoes transported from the lake zone to other regions and fish products exported to other great lakes region countries.

1.2 Business information and contacts

- i. **Company:** House of travel company limited
- ii. **Business Address:** P. O. Box 267, Mwanza
- iii. **Tel:** +255 756 995 385

1.3 Director's Brief Profiles

1.3.1 M/s Jesca Kikoito Nestory– Founder and Managing Director

Managing Director of House of travel company is an experienced business women who has been in different sectors for past 15 years in formal employment at CRDB Bank and private sector as an investor. The business is registered with relevant authorities and is a member of association of transporters in Tanzania. She has vast experience in sectors of transportation logistics, air ticketing and banking services.

House of travel Company has more than 4 trucks operating its activities in the lake zone regions and branch office in Dar es salaam city. High demand of special services from dedicated customers in the mining industry for transportation of samples has forced the company to look for alternative sources.

1.3.2 M/s Angel Kikoito Nestory– Founder and Director

Director of House of travel company is an experienced customer service manager who uses her skills in promotion of business as well as retention of customers. She has more than four years customer care experience in formal employment at TANESCO and private sector as an investor. The business is registered with relevant authorities and is a member of association of transporters in Tanzania. She has vast experience in sectors of transportation logistics and customer care services.

House of travel Company has more than 4 trucks operating its activities in the lake zone regions and branch office in Dar es salaam city where she attends customer in close contact.

1.4 Business Overview

House of travel company limited is a registered entity with its activities based in Mwanza city and branch office Dar es salaam. The Company is registered at BRELA with certificate number 120851, Tanzania revenue authority TIN number 128 253 289, VRN number 40-025762-N, business licence number BL01713432023-2400004385. It was registered to take over the business interests that had been in the past run by Jesca Kikoito Nestory as individual person. The Business has established two offices in Mwanza and Dar es salaam for collection of cargoes.

1.5 Project Objective

House of travel company limited is a brainchild of managing director after recognizing the potential of transportation logistics sector to contribute to sustainable socio-economic development in Tanzania. She decided to team up with her co-director to start and later on incorporate the Company with a view to scaling up its activities to other parts of the country. Within the period of its existence, the business has been able to command a large support both from the local communities, local government authorities, financial institutions as well as other stakeholders within and outside the country.

In 2022 House of travel company limited found a need to expand the transportation logistics company by purchasing trucks from Japan in order to meet increasing demand of services from

customers. Most of company vehicles have contracts of ferrying cargoes from Mwanza and Dar es salaam to upcountry and Neighboring countries.

Vehicles to be purchased will increase asset base of the Business as well as facilitation of transportation of cargoes to customers based in the remote areas including mining company. Lake zone region districts are rich in mining areas and tourism activities that have high demand of transportation logistics for their daily operations.

1.6 Present Conditions and Future Plans

As noted above, the business has been able to achieve some important milestones on its way to becoming a leading Transportation logistics with contribution to socio-economic development in Tanzania and beyond. The major obstacles so far include technological limitations, especially lack of modern trucks with high carriage tonnage which is forcing the business to utilize only a small portion of its ability in fulfilling orders from customers. It is the Business hope that these limitations will be addressed and thus enables the company to utilize its entire capacity.

At the present stage 30 employees are working at the company in full time basis. Upon completion and expansion plans and procurement of trucks and servicing equipment number of staff will increase to more than 45 in all departments.

1.7 THE VISION, MISSION, CORE VALUE AND GOALS

Vision

The vision of the business is to become a leading provider of quality transportation logistics services in the lake zone region and beyond.

Mission statement

The Mission of House of travel company limited is contributing to sustainable socio-economic development in Tanzania and beyond by offering services in remote areas.

Core values

In conducting our activities we shall always strive to uphold the values of honesty, integrity, and business ethics. We shall treat all people with dignity and respect.

Goals

- i. To scale up the procurement and supply quality Transportation logistics to our customers.
- ii. To increase the variety of services provided at the company so as customer can access all in one roof.

1.8 Location

The transportation logistics company is located at Mwanza city Tanzania Mainland.

1.9 Our Business Structure

House of travel company limited is a commercial entity that operates at Mwanza city. It operates with well serviced trucks and service equipment from certified and trusted suppliers. Our core motto is to ensure that our customers are satisfied with services within reasonable time.

At House of travel company limited, we have hired services of people that are qualified, hardworking, dedicated, customer centric and ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers).

In view of the above, House of travel company limited has hired qualified and competent hands to occupy the following positions;

- i. Operations Manager (1)
- ii. Car Services technician (3)
- iii. Company safety manager (1)
- iv. Security Guards (2)
- v. Drivers (5)

2.0 DESCRIPTION OF SERVICES

2.1 Transportation logistics

The company has enough space for parking of trucks and sorting of cargoes from customers. It operates with high integrity to satisfy our customers and prospects. Currently it operates with more than 5 trucks for domestic and international routes. Others have been hired on long term contracts in our clients projects. The company is well positioned on the shores of lake Victoria at Mwaloni area, Kirumba.

2.2 Environment Sustainability

The project will not have any adverse effect to the environment according to environmental impact assessment report that has been prepared and recommendations from relevant authorities.

2.3 Economic Sustainability

The Company plans to give the community a proper scientific basis for planning future interventions. It will also save the community from making wrong investments; economic gains from effectively planned interventions will give impetus to the community to continue the same activities in future.

3.0 SWOT Analysis

A proper SWOT analysis is necessary in order to position the business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be equipped to confront our threats. In order to achieve this, House of travel company limited employed the service of an expert Human Resource and Business Analyst with bias in the transportation logistics industry to help us conduct a thorough SWOT analysis and to help us create a business model that will help us achieve our business goals and objectives.

Here below is a summary from the result of the SWOT analysis that was conducted on behalf of House of travel company limited:

3.1 Strength:

Our strength as a Transportation logistics company is in the fact that we have healthy relationships with loads of major players (Transporters) within and outside of the Lake Zone.

We have one of the biggest transportation network in the region to help us deliver cargoes and other products in right time.

Our location in Mwanza city centre gives us a strategic access to the neighboring regions of Mwanza, Kagera and Simiyu as well as the East Africa market.

3.2 Weakness:

Our weakness could be that upon receiving the incentive from TIC we could expand too fast and exceed the demand of our customers and suppliers, and perhaps the fact that we decided to diversify our Transportation logistics activities could count against us initially. However, we are aware of this and from our projections we will overcome this weakness with time and turn it to a major advantage for the business.

3.3 Opportunities:

The opportunities that are available to us cannot be quantified; we know that there are loads of individuals who need transportation logistics in different forms both in Lake Zone and other parts in Tanzania. The government policies of empowering local companies will enable us to achieve this goal.

3.4 Threats

Some of the threats and challenges that we are likely going to face when we start operation effectively are global economic downturn that can impact negatively on government spending on projects and environment effects. To mitigate the impacts of such threats the Company will put in place strategies such as collaborating with private investors and strengthening relations with local community and mining companies.

4.0 MARKET ANALYSIS

4.1 Market Trends

One of the common trends in the transportation logistics line of business is that most players in the industry are no longer concentrating only on quality of the services. They now find it easier to procure services of low quality providers that do not meet the standards of the market. It is

fact that despite that high quality services are expensive, their sale is on the increase and it is indeed profitable.

Despite the fact that transportation logistics business has been in existence since time immemorial, this does not in any way make the industry to be over saturated; business persons are exploring new technology to continue to improve the practices. The fact that there is always a ready market for products makes the business highly profitable.

4.2 LIST OF BUYERS

It is a known fact that the target markets are those end consumers of transportation services and who benefit from the business value chain of transportation logistics is all encompassing.

Our proposed buyers consume services in different forms. In essence suppliers should be able to sell services to as many people as possible including contractors, local transporters and mining companies around the great lakes region countries.

We will ensure that we position our business to attract consumers of services not just in Lake Zone alone but also other parts of the United Republic of Tanzania and East Africa.

5.0 SALES AND MARKETING STRATEGY

We are quite aware that the reason why some Transportation logistics companies hardly make good profit is their inability to sell off their services to right customers.

Our sales and marketing team will be recruited based on their vast experience in the industry and they will be trained on a regular basis so as to be well equipped to meet their targets and the overall goal of the organization. We want to provide a standard and world class transportation services that will leverage on word of mouth advertisement from satisfied clients (both individuals and businesses).

Over and above, we have perfected our sales and marketing strategies first by networking with manufacturing industries, suppliers, transportation entities and organizations that rely on services regularly. In summary, House of travel company limited will adopt the following strategies in marketing our Transportation logistics services;

- i. Introduce our business by sending introductory letters alongside our brochure to stakeholders.
- ii. Leverage on the internet to promote our business
- iii. Engage in direct marketing
- iv. Encourage the use of word of mouth marketing (referrals)

5.1 Sources of Income

House of travel company limited has established transportation logistics business for the purpose of contributing to the income of stakeholders and directors. They plan to concentrate on few but quality services to our customers in the early stage of operation. In order to achieve this, it is very important that the Company has diverse and reliable sources of income. Here below is a list of the main sources of income that will be used to generate revenue to our Company:

- i. Sales of transportation services
- ii. Income from vehicle services
- iii. Income from air ticketing sales services.

5.2 Sales Forecast

We conducted a thorough market survey and feasibility studies and we were able to discover that the sales to be generated by a Transportation logistics business depends on the quality of the services delivered to our customers.

We will perfected our sales and marketing strategies and we are quite optimistic that we will meet or even surpass our set sales target of generating enough income/profits from the first year of operation and build the business to sustainability.

5.3 Our Pricing Strategy

The price of services provided is negotiable depending on the distance covered and type of cargo to be transported. To attract customers one should cut the price slowly to differentiate our services from competitors. To achieve this one must cut the cost of running to the barest minimum and deliver the services direct to sites of corporate customers.

We are quite aware that one of the easiest means of penetrating the market and acquiring loads of customers for all our transportation and related services is to sell them at competitive prices. Hence we will do all we can to ensure that the price of our product are going to be what customers would look towards beating.

5.4 PROJECTED SALES

Based on our services forecast, the house of travel company provide service of transporting cargo worth an average of 860,000 kilograms of cargo during the first year. Average price of transporting kilograms is TShs 2,600

- i. First financial Year:- **TZS 2,236,000,000**
- ii. Second financial Year:- **TZS 2,459,600,000**
- iii. Third financial Year:- **TZS 2,705,560,000**
- iv. Fourth financial year:- **TZS 2,976,116,000**
- v. Fifth financial year:- **TZS 3,273,728,000**

N.B: This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown that can impact negatively on government policies. Note that the above projection might be lower and at the same time it might be higher.

6.0 TECHNICAL ASPECTS

6.1 Existing Assets (Investment)

Existing House of travel assets Include;

- i. Office furniture and accessories
- ii. Cargoes dispensing shade
- iii. Four motor vehicles

6.2 Additional Required Investment (Machinery/Equipment)

- i. Used Mitsubishi Tractors (10)
- ii. Scania trucks (12)

6.3 Financing Plan

Description	Foreign	Local	Total
Equity	0	143,860,000	143,860,000
Loan	0	715,550,000	715,550,000
Total Investment	0	859,410,000	859,410,000

6.4 Sources of Finance

Above listed equipment will cost TShs 715,550,000 in period of three years. They will be purchased in phases depending on availability of funds. Funds have been sought from CRDB Bank in form of term loan to be repaid in three years. Our financial statement and relationship with bank allows to secure such amount in period of three years to come.

7.0 PROJECT IMPLEMENTATION AND COMPLETION SCHEDULE

Project will be implemented in period of three years as follows

s/n	item	2024	2025	2026
1	Hilux Double Cabin	✓	✓	✓
2	Scania Tractors	✓	✓	✓

8.0 INVESTMENT REQUIREMENT, PROJECTIONS, FINANCING & EXPECTED RETURNS.

Investment & Financing Pattern

The Company has invested in the project to the tune of estimated Tshs 144 million. The cost includes trucks, mini vehicles and office equipment.

9.0 USE OF TAX EXEMPTION PLAN

The exemption sought from TIC is to be used over a period of three years. The applied tax relief will be well utilized to ensure that there is no inherent risk that may arise during the period of operations. The Company will also establish clear policies that help to guide exemption use to meet our commitment. The exemption schedule is clearly shown in Appendix VIII.

10.0 FINANCIAL EVALUATION

10.1 Profitability

According to the projected income statement, the project will start generating profit in the 1st year of operation. Important ratios such as profit to total sales, net profit to equity (Return on equity) and net profit plus interest on total investment (return on total investment) show an increasing trend during the lifetime of the project.

The income statement and the other indicators of profitability show that the project is viable.

10.2 Break-even Analysis

The Break-even Analysis show that if the costs stay at the current, or relatively stable level, we will be able to make an increased profit by the second year. Also the break-even point of the project including cost of finance when it starts to operate at full capacity (year 3) is estimated by using income statement projection.

$$\text{BE} = \frac{\text{Fixed Cost}}{\text{Sales} - \text{Variable cost}} = 12\%$$

10.3 Internal Rate of Return and Net Present Value

The business internal rate of return (IRR) has worked out at **27%** as compared to the cost of capital of 11%. The resulting net present value (NPV) over a 10 year period has worked out at Tshs 1.7 billion. The results indicate that the business is financially viable.

11.0 PROJECTED FINANCIAL STATEMENTS

The projected financial statements and analysis are found from Appendix III, IV, V and VIII

Noted that:

- i. Sales Revenues relate to the sales obtained through provision of services to our clients.
- ii. Cash at year-end represents cash that could be used to finance any replacement of defected equipment or additions to equipment.
- iii. Projected cash flow was calculated over a ten years basis. We used the indirect method, which adds all non-cash basis items to net income.
- iv. Net Income has been added back those expenses, previously deducted to arrive at Net income that did not require an outlay of cash in that year. These include depreciation which is simply a write-down of the book value of the related assets.
- v. Investing activities includes the cost of equipment purchased

12.0 Risks & Mitigation measures

- i. Business risks include fluctuation of prices at world market, hazards from natural calamities like fire and earthquake, unreliable markets and infrastructure like power.
- ii. The company has already introduced safety regulations to protect against any risk arising from above mentioned risks. Already a consulting firm has undertaken feasibility study and identified risk areas for staff and properties.

13.0 BANK RELATIONSHIP

The House of travel company limited has good relationship with the bank. The Company operates accounts at CRDB bank, which is useful for normal operation with maximum discipline which has built our credibility with the bank. Annual turnover with the bank for past twelve months is reasonable based on our minimum level of operation due to lack of working capital.

14.0 CONCLUSION AND RECOMMENDATION

The project in question is viable and profitable hence the facility will be used for requested purposes without any difficulties as the attached cash flow statement indicates it.

The directors will avail all required information and particulars in addition to the financial statements attached herewith, therefore we recommend to the TIC center to process application for exemption to the applicant to facilitate the need of purchasing more capital equipment for their transportation business.

Appendix I

**M/S HOUSE OF TRAVEL CO LIMITED, P.O.BOX 267 MWANZA
CAPITAL INVESTMENT STRUCURE (in '000 TSHS)**

Description	Equity	Additional	Total
Land and building	3,600.00	-	3,600.00
Motor vehicles	82,800.00		82,800.00
Office equipments	57,460.00		57,460.00
Mitsubish trucks	307,050.00		307,050.00
Scania trucks	318,600.00		318,600.00
Furniture and fittings	7,500.00		7,500.00
Pre Operating expenses	26,000.00		26,000.00
Working capital	56,400.00		56,400.00
Total	859,410.00	-	859,410.00
Contribution in Percentage	100	0%	

-

Appendix II

M/S HOUSE OF TRAVEL CO LIMITED, P.O.BOX 267 MWANZA

Staff remunerations Package(in '000 TSHS)

Position	Employees	Salary	Monthly Pay	Annual Package
Managing director	1.00	1,000.00	1,000.00	12,000.00
Station manager	1.00	800.00	800.00	9,600.00
Finance manager	1.00	800.00	800.00	9,600.00
Marketing and Sales Manager	2.00	500.00	1,000.00	12,000.00
Garage supervisor	2.00	400.00	800.00	9,600.00
Safety officers	2.00	300.00	600.00	7,200.00
Drivers	15.00	400.00	6,000.00	72,000.00
Store keeper	3.00	400.00	1,200.00	14,400.00
Casual laborers	25.00	150.00	3,750.00	45,000.00
Security Guards	3.00	200.00	600.00	7,200.00
Sub Total	55.00		16,550.00	198,600.00
10% Pension fund				19,860.00
Grant Total				218,460.00

Note: *

10% of the benefits will be for social security fund's contribution

Salary will be inclusive of housing allowance

M/S HOUSE OF TRAVEL CO LIMITED, P.O.BOX 267 MWANZA
OPERATING COSTS SCHEDULE ('000 TSHS)

Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	IX	X
Insurance 0.5% of assets	4,297.05	4,511.90	4,872.85	5,262.68	5,683.70	6,138.39	6,629.47	7,159.82	7,732.61	8,351.22
Electricity & water	4,080.00	4,284.00	4,626.72	4,996.86	5,396.61	5,828.33	6,294.60	6,798.17	7,342.02	7,929.39
Stationery & Office utilities	420.00	441.00	476.28	514.38	555.53	599.98	647.97	699.81	755.80	816.26
Communications	2,400.00	2,520.00	2,721.60	2,939.33	3,174.47	3,428.43	3,702.71	3,998.92	4,318.84	4,664.34
Operating costs	218,460.00	229,383.00	247,733.64	267,552.33	288,956.52	312,073.04	337,038.88	364,001.99	393,122.15	
Fuel	8,000.00	8,400.00	8,820.00	9,261.00	9,724.05	10,210.25	10,720.77	11,256.80	12,157.35	
Import duties	2,000.00	2,100.00	2,205.00	2,315.25	2,431.01	2,552.56	2,680.19	2,894.61	3,126.18	
Transportation charges	120.00	126.00	136.08	146.97	158.72	171.42	185.14	199.95	215.94	233.22
Clearance charges	30.00	31.50	34.02	36.74	39.68	42.86	46.28	49.99	53.99	58.30
Directors fees	2,000.00	2,100.00	2,268.00	2,449.44	2,645.40	2,857.03	3,085.59	3,332.44	3,599.03	3,886.95
Repair and Maintenance	6,960.00	7,308.00	7,892.64	8,524.05	9,205.98	9,942.45	10,737.85	11,596.88	12,524.63	13,526.60
Lincense and permits	1,400.00	1,470.00	1,100.00	-	-	-	-	-	-	-
Profesional association	800.00	840.00	907.20	979.78	1,058.16	1,142.81	1,234.24	1,332.97	1,439.61	1,554.78
Consultancy/Audit fees	700.00	735.00	793.80	857.30	925.89	999.96	1,079.96	1,166.35	1,259.66	1,360.43
Contingency !0%	320.00	336.00	362.88	391.91	423.26	457.12	493.69	533.19	575.84	621.91
Total	251,987.05	264,586.40	284,950.71	306,228.02	330,378.98	356,444.64	384,577.33	415,021.89	448,223.64	43,003.41

Guidelines:

Operating cost will increased by 8% every year

Insurance will be of the major capital assets(Building and motor vehicle)

Appendix IV**M/S HOUSE OF TRAVEL CO LIMITED, P.O.BOX 267 MWANZA****Sales/Revenue Projection (in '000 TSHS)**

A

Year	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	IX	X
Sales										
A: Transportation	2,236,000	2,459,600	2,705,560	2,976,116	3,273,728	3,601,100	3,961,210	4,357,331	4,793,065	5,272,371
B: Air ticketing	559,000	614,900	676,390	744,029	818,432	900,275	990,303	1,089,333	1,198,266	1,318,093
Total	2,795,000	3,074,500	3,381,950	3,720,145	4,092,160	4,501,375	4,951,513	5,446,664	5,991,331	6,590,464

Assumptions for Projections

Year 1 sales will increase by 10% every year

Transported cargoes in year 1 is 860,000 kilograms per year

Price per kilogram is TShs 2,600

Appendix V

M/S HOUSE OF TRAVEL CO LIMITED, P.O.BOX 267 MWANZA

Projected Income and Expenditure Statement(in TSHS)

Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	IX	X	
Revenue											
sales/Revenue	2,795,000	3,074,500	3,381,950	3,720,145	4,092,160	4,501,375	4,951,513	5,446,664	5,991,331	6,590,464	44,545,102
Total Income	2,795,000	3,074,500	3,381,950	3,720,145	4,092,160	4,501,375	4,951,513	5,446,664	5,991,331	6,590,464	44,545,102
Less: Expense											
Salary and wages	218,460	229,383	240,852	252,895	265,539	278,816	292,757	307,395	322,765	338,903	2,747,766
Operating expense	251,987	264,586	284,951	306,228	330,379	356,445	384,577	415,022	448,224	43,003	3,085,402
Total expense	470,447	493,969	525,803	559,123	595,918	635,261	677,335	722,417	770,989	381,907	5,833,168
Operating profit	2,324,553	2,580,531	2,856,147	3,161,022	3,496,241	3,866,114	4,274,178	4,724,247	5,220,342	6,208,557	38,711,933
Less: interest	-	-	-	-	-	-	-	-	-	-	-
Profit before tax	2,324,553	2,580,531	2,856,147	3,161,022	3,496,241	3,866,114	4,274,178	4,724,247	5,220,342	6,208,557	38,711,933
Cummulative Profit	-	2,580,531	5,436,678	8,597,700	12,093,941	15,960,055	20,234,234	24,958,481	30,178,823	36,387,380	156,427,823

Assumptions for Projections

Salaries and Wages will Increase by 5% every year

Appendix VI

M/S HOUSE OF TRAVEL CO LIMITED, P.O.BOX 267 MWANZA

Depreciation Schedule (in TSHS)

No	Item rate	Item rate	method	Year 0	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X	R/Value
1. Land & Buildings															
		4%	DB												
Opening Balance				3,600.00	3,600.00	3,456.00	3,317.76	3,185.05	3,057.65	2,935.34	2,817.93	2,705.21	2,597.00	2,493.12	
Depreciation					144.00	138.24	132.71	127.40	122.31	117.41	112.72	108.21	103.88	99.72	
Closing Balance					3,456.00	3,317.76	3,185.05	3,057.65	2,935.34	2,817.93	2,705.21	2,597.00	2,493.12	2,393.40	2,393.40
2. Motor Vehicle															
		25%	SLM												
Opening Balance				57,460.00	57,460.00	43,095.00	28,730.00	14,365.00	-	-	-	-	-	-	-
Depreciation					14,365.00	14,365.00	14,365.00	14,365.00	-	-	-	-	-	-	-
Closing Balance					43,095.00	28,730.00	14,365.00	-	-	-	-	-	-	-	-
Total Inve&Reinvestment				61,060.00	61,060.00	46,551.00	32,047.76	17,550.05	3,057.65	2,935.34	2,817.93	2,705.21	2,597.00	2,493.12	
Total Deprecation					14,509.00	14,503.24	14,497.71	14,492.40	122.31	117.41	112.72	108.21	103.88	99.72	

**Note: DB- Declining Balance
SL- Straight Line Method**

Appendix VII

M/S HOUSE OF TRAVEL CO LIMITED, P.O.BOX 267 MWANZA

Working Capital schedule (in '000TSHS)

Item/Year	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	IX	X
Current Assets										
Cash and Bank	180,124.00	198,136.40	217,950.04	239,745.04	263,719.55	290,091.50	319,100.65	351,010.72	386,111.79	424,722.97
Trade debtors	124,000.00	124,000.00	124,000.00	124,000.00	124,000.00	124,000.00	124,000.00	124,000.00	124,000.00	124,000.00
Trade debtors insurance	4,297.05	4,511.90	4,872.85	5,262.68	5,683.70	6,138.39	6,629.47	7,159.82	7,732.61	8,351.22
Total Current Assets	308,421.05	326,648.30	346,822.89	369,007.73	393,403.25	420,229.90	449,730.12	482,170.54	517,844.40	557,074.19
Current liabilities										
Salaries & wages	218,460.00	229,383.00	240,852.15	252,894.76	265,539.50	278,816.47	292,757.29	307,395.16	322,764.92	338,903.16
Electricity & water	4,080.00	4,284.00	4,626.72	4,996.86	5,396.61	5,828.33	6,294.60	6,798.17	7,342.02	7,929.39
Communications	2,400.00	2,520.00	2,721.60	2,939.33	3,174.47	3,428.43	3,702.71	3,998.92	4,318.84	4,664.34
Total Current liabilities	224,940.00	236,187.00	248,200.47	260,830.94	274,110.58	288,073.24	302,754.60	318,192.25	334,425.78	351,496.89
Net working Capital	83,481.05	90,461.30	98,622.42	108,176.78	119,292.67	132,156.66	146,975.52	163,978.29	183,418.62	205,577.30
Change in Working Capital	83,481.05	6,980.25	8,161.12	9,554.36	11,115.89	12,863.99	14,818.86	17,002.77	19,440.33	22,158.67

Appendix VIII

M/S HOUSE OF TRAVEL CO LIMITED, P.O.BOX 267 MWANZA

Cashflow projections(in TSHS)

Item	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	IX	X
Inflows:										
Equity	-	-	-	-	-	-	-	-	-	-
Loan Capital	-	-	-	-	-	-	-	-	-	-
Profit before tax	2,324,552.95	2,580,530.60	2,856,147.14	3,161,022.22	3,496,241.03	3,866,114.34	4,274,178.37	4,724,247.24	5,220,342.16	6,208,557.23
Depreciation	14,509.00	14,503.24	14,497.71	14,492.40	122.31	117.41	112.72	108.21	103.88	99.72
Total Inflow	2,339,061.95	2,595,033.84	2,870,644.85	3,175,514.62	3,496,363.33	3,866,231.75	4,274,291.09	4,724,355.45	5,220,446.04	6,208,656.95
Outflows:										
Investment	859,410.00	859,410.00	859,410.00	859,410.00	859,410.00	859,410.00	859,410.00	859,410.00	859,410.00	859,410.00
Reinvestment	-	-	-	-	-	-	-	-	-	-
Change in working capital	83,481.05	6,980.25	8,161.12	9,554.36	11,115.89	12,863.99	14,818.86	17,002.77	19,440.33	22,158.67
Total Outflows	942,891.05	866,390.25	867,571.12	868,964.36	870,525.89	872,273.99	874,228.86	876,412.77	878,850.33	881,568.67
Operating cashflow	1,396,170.90	1,728,643.59	2,003,073.72	2,306,550.26	2,625,837.45	2,993,957.76	3,400,062.23	3,847,942.68	4,341,595.71	5,327,088.28
Less: Loan instalment	-	-	-	-	-	-	-	-	-	-
Net cashflow	1,396,170.90	1,728,643.59	2,003,073.72	2,306,550.26	2,625,837.45	2,993,957.76	3,400,062.23	3,847,942.68	4,341,595.71	5,327,088.28
Cumulative cashflows		1,728,643.59	3,731,717.31	6,038,267.57	8,664,105.02	#####	#####	#####	#####	28,574,751.68