

STALWART ILMA TANZANIA LIMITED

A Business Plan for

Establishing and Operating Inland Cargo Transportation Project

Prepared by:

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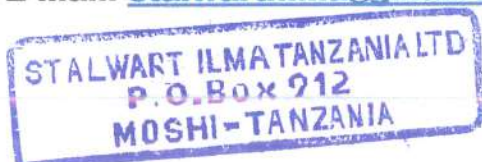


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1.0 INTRODUCTION

Stalwart Ilma Tanzania Limited of P.O. Box 912 Moshi is a limited liability private company incorporated for purposes of carrying on all or any of the businesses of public transport and inland cargo transport operations to provide both domestic and international transit cargo haulage services. The company is registered under Certificate of Incorporation No: 157203282 dated 3rd August 2022. The Head Office of the Company is situated at Plot No. 5&7 Block EEE/HD, 45 Shaurimoyo Road, Kwa Komba Street, Mji Mpya in Moshi Central Business District, 25111 Kilimanjaro.

1.1 Project Objective

Stalwart Ilma Tanzania Limited plans to acquire 40 units of heavy-duty trucks (Mercedes Benz Axor FH2). Other vehicles will include:

- 3 Units 4WD pickups/hardtops for escort and rescue operations;
- 3 Units 4WD pickups for road patrol and general supervisory operations;
- 1 Unit Towing vehicle for brake down (motorized crane)

Civil works will include construction of workshop sheds and storage facilities including procurement of cargo handling facilities. The site will have the entire necessary infrastructure required for the business, including modern workshop facilities;

- Electric Welding Machine;
- Heavy duty Stand-by Power Generator;
- Forklift (For loading and offloading cargo);
- Excavators;
- Importation of Automobile spare parts;
- Importation of mobile communication equipment to monitor the movement of trucks

1.2 Project Location

The project will be located at Plot No. 5&7 Block EEE/HD, 45 Shaurimoyo Road, Kwa Komba Street, Mji Mpya in Moshi Central Business District, 25111 Kilimanjaro.

1.3 Objectives and Cargo Haulage Targets

This project is established with the following micro objectives:

- To transport brown sugar from the Mkulazi Holding Company to consumers in urban areas;
- To transport molasses cargo from the Mkulazi Holding Company;
- To transport ethanol cargo from the Kilimanjaro Biochem Company;
- Serving rural areas in general by efficient distribution of agricultural inputs such as farm implements, fertilizers, consumer goods, beer and soft drinks to rural and urban areas;
- Moving and distributing building materials in both urban and rural areas in Tanzania Mainland.

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

1.4 The Project Promoters

The project is being promoted by Stalwart Ilma Tanzania Limited based in Geita. The shareholders of the company are:

S/NO:	NAME AND ADDRESS OF SHAREHOLDER	NATIONALITY	NUMBER OF SHARES	SHAREHOLDING (%)
1.	Mohamed Omari Ally P.O. Box 512 Sumbawanga RUKWA	Tanzanian	480	48%
2.	Douglas Sawe Malamsha P.O. Box 912 Moshi KILIMANJARO	Tanzanian	320	32%
	Unallocated Shares		200	20%
	TOTAL		1,000	100%

1.5 Project Cost and Financing Plan

The total cost of the project is estimated at US\$ 368,243. The following is the summary of the capital investment cost estimates.

Capital Items	Cost (US\$)
Land & Buildings: Workshop Sheds and Storage Facilities (Rent)	2,697
Machinery, Tools and Equipment	18,727
Trucks and other Vehicles	275,655
Office Furniture and Fixtures	7,490
Pre-operational Expenses	14,985
<i>Sub Total</i>	<i>319,554</i>
Add: Initial Working Capital: -Spare parts, Tyres, Fuels etc	48,689
Total	368,243

Proposed Financing Pattern:

	SOURCE OF FINANCE	AMOUNT (US\$)	% of Total Investment Cost
I:	EQUITY	219,243	60%
II:	LOAN	149,000	40%
	GRAND TOTAL (I: + II)	368,243	100%

1.6 Project Implementation Time Schedule

The proposed investment programme is expected to take a period of **three years**. The investment programme is shown in the Capital Investment Schedule appearing overleaf. The following is the Implementation Time Schedule:

ACTIVITY	TIME SCHEDULE
Mobilization of Funds	January - June 2024
Legal Documentation	June-August 2024
TIC Application and Approval of Certificate of Incentives	September 2024
Construction of Workshop, Storage Facilities and Other Civil Works Structures at the Project Site	January – August 2024
Ordering of the 1 st Batch: 20 Trucks and other Equipment	September - December 2024
Delivery of the 1 st Batch of Trucks & Administration Vehicles and Equipment	January 2025
Servicing & Trials Runs of the 1 st Batch of Trucks and Equipment	March 2025
Commencement of Commercial Operation	June 2025
Ordering of the 2 nd Batch consisting of: Truck (10 units) 4WD Road Patrol Pick-up (1 unit) 4WD Toyota Hard Top (1 unit)	September 2025
Delivery of the 2 nd Batch of Vehicles	November/December 2025
Servicing & Trial Runs of the 2 nd Batch of Trucks	December 2025
Ordering of the 3 rd and last Batch of: Trucks (10 units) Road Patrol Pick up (1 unit)	March 2026
Commencement of Full Commercial Operation	June 2026

2.0 MARKET AND MARKETING ASPECTS

2.1 A General Overview

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

M/S Stalwart Ilma Tanzania Limited will endeavour to achieve the projected sales for domestic business in Tanzania.

2.2 Market Base

As already stated, road transportation of cargo basically involves movement of trucks of agricultural produce, agricultural inputs, building materials, soft drinks, sugar, beer, timber, consumer goods, molasses, fertilizers, industrial raw materials like gypsum, fuel, coal etc. Domestic road transportation of cargo is basically classified into intra-regional and inter-regional transport.

Intra-regional transport demand involves transportation of goods within the region which may be inward demand which refers to movement of goods from rural areas to urban centres, rail heads and factories or it may be outward demand which refers to movement of goods to rural areas.

Inter-regional demand of transport includes movement of goods across borders of a particular region to and fro. The movement of goods to and fro across borders of the country is referred to as international transport demand.

M/S Stalwart Ilma Tanzania Limited will adhere to the company's basic objectives for which it is established; that is, to strengthen transportation related to consumer goods, agriculture and support building and construction activities (especially those related to rural road construction) in order to serve more efficiently the rural population with a basic view of improving agricultural production and stimulating and supporting other economic activities. Besides intra-regional and inter-regional operations, the company plans to focus on the domestic market.

Stalwart Ilma Tanzania Limited has an open eye on the vast opportunities that exist in the intra-regional and inter-regional transport. The directors of the company have a wealth of long experience in the transportation industry in Tanzania. The project therefore targets transportation of agricultural inputs, building materials, soft drinks, sugar, beer, timber, consumer goods, molasses, fertilizers, industrial raw materials like gypsum, fuel, coal etc. The directors have well established ties with the major sugar and fertilizer companies such that acquiring transport tenders will not be a problem, and demand for the crop, sugar, fertilizers, and molasses haulage services is huge.

Other targeted markets are transportation of building materials like cement (from Cement Companies), steel (from Dar es Salaam manufacturers), timber (from Sao Hill to Dar es Salaam) and movement of industrial raw materials like gypsum for Mbeya Cement Company and coal from Kiwira Coal Mines.

The other major targets in domestic transportation are in securing contracts to transport mining machinery and equipment for major mining companies around the Lake Victoria basin. The directors have already made contacts to the potential customers in these areas and so far, response has been very encouraging.

3.0 MANAGEMENT AND ORGANIZATION STRUCTURE

3.1 Management

The company's policy is to have adequate manpower to manage its operations efficiently. Stalwart Ilma Tanzania Limited believes in keeping on board only the very essential manpower strength, to develop them into highly motivated and sincere company team for the best and efficient operations of the company.

The company will have a team of qualified and experienced functional managers in the areas of Operations/Marketing, Workshop Operations and Finance & Administration. Other senior and middle level staff will be available for the start-up and subsequent operations of the company. The personnel will be qualified, well-seasoned and most possessing considerable industrial experience.

3.2 Management Policy

The day-to-day operations will be managed by the General Manager who will be assisted by the Operations and Marketing Manager. The Operations and Marketing Manager who will be the overall in charge of the fleet and marketing operations. On the other hand, the General Manager will be assisted by Maintenance Engineer whose major responsibility will be to ensure the vehicles are road worthy at all times. The Company's fleet pool will therefore be professionally managed.

The General Manager will manage the company under the policy guidance of the Board of Directors.

3.3 Organizational Structure

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

It is proposed that the company's operations will be headed by the Managing Director under whom there will be a General Manager. Functional managers will assist the General Manager, that is: Operations Manager, Workshop Manager, and Human Resources Officer.

The General Manager will be functionally responsible for achieving the Business plan prepared every year. He will also be responsible for the entire function of the company subject to policy guidance set. The Operations and Marketing Manager will be responsible for both the countrywide and regional wide sales and marketing for the service. The job responsibilities will include market planning and development, sales promotion and sales co-ordination.

MANPOWER REQUIREMENT AND EMOLUMENTS

Position	Employees	Salary	Monthly Pay	Annual Package
General Manager	1	700	700.00	8,400.00
Security Officer	2	100	200.00	2,400.00
Personal Secretary	1	100	100.00	1,200.00
Office Assistant/Cleaner	1	60	60.00	720.00
Human Resources Officer	1	250	250.00	3,000.00
Accountant	1	250	250.00	3,000.00
Drivers	10	80	800.00	9,600.00
Operations & Marketing Manager	1	250	250.00	3,000.00
Marketing Officer	1	150	150.00	1,800.00
GPS Monitor/Radio Operator	1	150	150.00	1,800.00
Turn Boys	8	50	400.00	4,800.00
Workshop/Technical Manager	1	400	400.00	4,800.00
Workshop Mechanics	3	80	240.00	2,880.00
Automobile Electricians	1	150	150.00	1,800.00
Sub Total	33		2,610.00	49,200.00
Payroll Levy 4%				1,968.00
10% Pension Fund				4,920.00
Grant Total				56,088.00

Note: *

-- 10% of the benefits will be for Social Security Fund's contribution.

4.0 CAPITAL INVESTMENT AND FINANCING PLAN

4.1 Investment Plan

In order to sustain the viability and growth of Stalwart Ilma Tanzania Limited, a modest Investment plan has been drawn during the project period. It is planned that the company will build a fleet of 40 units of heavy-duty trucks with carrying capacity of 30 to 40 tons each. Other vehicles will include:

- 3 Units 4WD pickups/hardtops for escort and rescue operations
- 3 Units 4WD pickups for road patrol and general supervisory operations
- 1 Unit Towing vehicle for brake down (motorized crane)

Other major machinery and equipment to be acquired during the project will include:

- General Workshop Tools and Equipment
- Communication Equipment including Global Positioning System (GPS), Based & Mobile Radio Calls etc
- Standby Power Generators (1 units)
- Fork Lift, Cranes and Other Lifting Equipment
- Miscellaneous Tools and Equipment

The total investment capital for this project is estimated at US\$ 368,243.

- Furniture & Office Equipment will cost US\$ 7,490

A summary of the Investment Plan is shown in the Table below:

CAPITAL INVESTMENT COST SUMMARY (US\$)

Item	Equity	Loan	Total
Land and Buildings (Rent)	2,697.00	-	2,697.00
Motor Vehicles	146,655.00	129,000.00	275,655.00
Furniture and Fittings	7,490.00	-	7,490.00
Machinery, Tools and Equipment	18,727.00	-	18,727.00
Preparation Expenses	14,985.00	-	14,985.00
Initial Working Capital	28,689.00	20,000.00	48,689.00
Total	219,243.00	149,000.00	368,243.00
Contribution in Percentage	60%	40%	100%

4.2 Financing Plan

It is estimated that a total of US\$ 368,243 will be required over a period of the first three years of the project to acquire the various assets as shown in the Table above. The bulk of the investment capital cost will be raised Supplier's Credit Facility which will cover procurement of the heavy-duty trucks estimated to cost US\$ 219,243. The company plans to secure Bank Loan at the tune of US\$ 149,000. The balance will be raised by the company itself through equity contribution and internally generated revenue from operations which will be ploughed back. The following is the proposed project financing pattern:

Proposed Financing Pattern:

	SOURCE OF FINANCE	AMOUNT (US\$)	% of Total Investment Cost
I:	EQUITY	219,243	60%
II:	LOAN	149,000	40%
	GRAND TOTAL (I: + II:)	368,243	100%

5.0 FINANCIAL ANALYSIS

5.1 Financial Viability

The analysis of the proposed Stalwart Ilma Tanzania Limited transport project shows that the project can generate a fairly good profit and that it generates sufficient cash to meet its financial obligations. The review is given below under the following sub – sections:

- Fundamental Assumptions;
- Capital Expenditure and Financing
- Operating Costs;
- Working Capital Requirements
- Projected Profitability
- Projected Balance Sheets;
- Projected Cash Flow;
- Discounted Cash Flow
- Projected Balance Sheet
- Net Present Value; and
- The Pay Back Period

5.2 Fundamental Assumptions:

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

- The operating period under which the viability of the project is being evaluated is 10 years.
- The investment capital cost of the proposed project is estimated at US\$ 368,243.
- All the calculations throughout the economic lifetime of the project are constant with June 2024 being the base date.
- The projected operational costs are shown the Table overleaf.
- The main revenue source is from the charging freight rates. In the estimation of the revenue income we have adopted an average tariff rate of US \$ 0.060 per ton per km throughout the project period for both domestic. Each truck is expected to cover a maximum of 5,000 kms per month.
- The capacity utilization of the trucks starts from 70%, in the 1st year to 75%, in the 2nd year and 80%, in the 3rd year and other subsequent years.
- Capital Expenditure has been assumed to be incurred for a continuous period of 5 years.
- The financial plan is for the shareholders to finance the project from own sources and through ploughing back profits (60%). The promoters are likewise looking at obtaining Suppliers' Credit and bank short term credit to finance working capital requirements (40%).
- Economic depreciation rates based on useful lifetimes of the various capital items have been adopted. The following facts apply for the depreciation rates in this project:
 - Building and Civil Works are depreciated at 2% Straight line. Most buildings are supposed to last for about 25 years.

- Workshop equipment, plant, machinery and operating equipment are depreciated at 25%
- Furniture and fittings are depreciated at 12.5%
- Motor vehicles are depreciated at 25%

The computation for depreciation is shown in the *Capital Assets Depreciation and Amortization Schedule* above.

5.3 Working Capital Requirements

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

5.4 Projected Profitability

The projected profit and loss account is shown in the *Financial Statement Schedules* and presented as follows:

Profit Before Tax for the period of ten years in US \$ is as follows:

1st Year	540,448
2nd Year	535,971
3rd Year	522,931
4th Year	508,932
5th Year	493,902
6th Year	1,197,762
7th Year	1,324,428
8th Year	1,464,210
9th Year	1,618,450
10th Year	1,788,626

5.5 Cash Flow Projection

The liquidity performance of the project is shown in the *Financial Statement Schedules*. The projections take into account the assumed sources and applications of funds over the planned period and show the ability of the project to meet financial obligations and capital expenditure requirements. Over the projected period of ten year the cumulative cash flow is:

1st Year	579,205.89
2nd Year	1,166,509.40
3rd Year	1,737,427.94
4th Year	2,259,570.76
5th Year	2,764,736.14
6th Year	3,972,263.09
7th Year	5,305,293.85
8th Year	6,755,118.95
9th Year	8,375,603.32
10th Year	10,165,679.10

5.6 Financial Review

The financial review of the proposed Stalwart Ilma Tanzania Limited shows that:

- 5.6.1 The project is profitable;
- 5.6.2 The liquidity position is sound and that it should be able to meet its financial commitments without any undue difficulty;
- 5.6.3 The operations are financially viable;
- 5.6.4 The key ratios are acceptable with Internal Rate of Return (IRR) of 16.10%, Net Present Value at 25% is US\$ 2,125,565.80

It is therefore recommended that the project should go ahead as conceived in this report.

5.7 Development Aspects

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

- 5.7.1 Revenue to the government Treasury and other organs in the form of taxes, fees and levies
- 5.7.2 Increase in employment opportunities
- 5.7.3 Savings/earnings of foreign exchange because of the project's active engagement in the transit trade
- 5.7.4 Facilitate in increased improvement and availability of the freight haulage services especially in the transportation of raw materials, crops, sugar, fertilizers, timber, building materials and finished products such as beer and soft drinks to and from markets.
- 5.7.5 With the liberalization of the economy in full swing the resultant industrial growth is expected to push up the demand for the transportation of industrial and consumer goods services considerably.

6.0 CONCLUSION AND RECOMMENDATIONS

The foregoing discussion highlights on the social, economic and financial dimensions which the envisaged project is set to generate in this country. The brief financial analysis indicates that the project will be financially viable. Therefore, it is strongly recommended that the sponsors, Stalwart Ilma Tanzania Limited be availed with the required institutional assistance so as to enable them establish the propose project.

M/S STALWART ILMA TANZANIA LIMITED P.O. BOX 912 MOSHI		Appendix I	
CAPITAL INVESTMENT (in US\$)			
Item	Equity	Loan	Total
Land and Buildings (Rent)	2,697.00	-	2,697.00
Motor Vehicles	146,655.00	129,000.00	275,655.00
Furniture and Fittings	7,490.00	-	7,490.00
Machinery, Tools and Equipment	18,727.00	-	18,727.00
Preparation Expenses	14,985.00	-	14,985.00
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Total	219,243.00	149,000.00	368,243.00
Contribution in Percentage	60%	40%	100%

M/S STALWART ILMA TANZANIA LIMITED P.O. BOX 912 MOSHI

Staff Remunerations Package (in US \$)					
Position	Employees	Salary	Monthly Pay	Annual Package	
General Manager	1	700	700.00	8,400.00	
Security Officer	2	100	200.00	2,400.00	
Personal Secretary	1	100	100.00	1,200.00	
Office Assistant/Cleaner	1	60	60.00	720.00	
Human Resources Officer	1	250	250.00	3,000.00	
Accountant	1	250	250.00	3,000.00	
Drivers	10	80	800.00	9,600.00	
Operations & Marketing Manager	1	250	250.00	3,000.00	
Marketing Officer	1	150	150.00	1,800.00	
GPS Monitor/Radio Operator	1	150	150.00	1,800.00	
Turn Boys	8	50	400.00	4,800.00	
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Workshop Mechanics	3	80	240.00	2,880.00	
Automobile Electricians	1	150	150.00	1,800.00	
Sub Total	33		2,610.00	49,200.00	
Payroll Levy 4%				1,968.00	
10% Pension Fund				4,920.00	
Grant Total				56,088.00	

Note: *

-- 10% of the benefits will be for Social Security Fund's contribution.

Appendix III

M/S STALWART ILMA TANZANIA LIMITED P.O. BOX 912 MOSHI

Operating Cost Schedule (in US \$)

Guidelines:

- Operating cost will increased by 8% every year
- Insurance will be 2% of the major capital assets(Motor vehicles and Machinery/Equipment)

Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Insurance 2% of assets	16,000.00	17,280.00	18,662.40	20,155.39	21,767.82	23,509.25	25,389.99	27,421.19	29,614.88	31,984.07
Fuel	30,000.00	32,400.00	34,992.00	37,791.36	40,814.67	44,079.84	47,606.23	51,414.73	55,527.91	59,970.14
Oils and Lubricants	13,600.00	14,688.00	15,863.04	17,132.08	18,502.65	19,982.86	21,581.49	23,308.01	25,172.65	27,186.46
Tyres and Tubes	21,440.00	23,155.20	25,007.62	27,008.23	29,168.88	31,502.39	34,022.59	36,744.39	39,683.94	42,858.66
Communications	2,500.00	2,700.00	2,916.00	3,149.28	3,401.22	3,673.32	3,967.19	4,284.56	4,627.33	4,997.51
Repair and Maintenance	8,900.00	9,612.00	10,380.96	11,211.44	12,108.35	13,077.02	14,123.18	15,253.04	16,473.28	17,791.14
Lisence	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Travelling costs	2,500.00	2,700.00	2,916.00	3,149.28	3,401.22	3,673.32	3,967.19	4,284.56	4,627.33	4,997.51
Advertising/Marketing expenses	3,200.00	3,456.00	3,732.48	4,031.08	4,353.56	4,701.85	5,078.00	5,484.24	5,922.98	6,396.81
Consultancy/Audit Fees	4,000.00	4,320.00	4,665.60	5,038.85	5,441.96	5,877.31	6,347.50	6,855.30	7,403.72	7,996.02
Contingency 10%	11,224.00	12,121.92	13,091.67	14,139.01	15,270.13	16,491.74	17,811.08	19,235.96	20,774.84	22,436.83
Directors/Board Fees	5,100.00	5,508.00	5,948.64	6,424.53	6,938.49	7,493.57	8,093.06	8,740.50	9,439.74	10,194.92
Total	123,464.00	127,941.12	138,176.41	149,230.52	161,168.96	174,062.48	187,987.48	203,026.48	219,268.60	236,810.08

Appendix IV

M/S STALWART ILMA TANZANIA LIMITED P.O. BOX 912 MOSHI

Assumptions for Projections

- After 5 years, Sales will increase by 10% Every year
- No. of operating units in the first 5 years will be 20, then increase into 40
- Average revenue per month per unit will be US \$ 3,000

Sales Projections (in US \$)

No of Operating Units	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
20 then from year VI onwards 40	720,000	720,000	720,000	720,000	720,000	1,440,000	1,584,000	1,742,400	1,916,640.00	2,108,304.00
Total	720,000	720,000	720,000	720,000	720,000	1,440,000	1,584,000	1,742,400	1,916,640	2,108,304

Appendix V

M/S STALWART ILMA TANZANIA LIMITED P.O. BOX 912 MOSHI

Assumptions for Projections

- Salaries and Wages will Increase by 5% Every year

Projected Income and Expenditure Statement (in US \$)

Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Revenue:										
Sales	720,000	720,000	720,000	720,000	720,000	1,440,000	1,584,000	1,742,400	1,916,640	2,108,304
Total Income	720,000	720,000	720,000	720,000	720,000	1,440,000	1,584,000	1,742,400	1,916,640	2,108,304
Less: Expenses:										
Salary and Wages	56,088.00	56,088	58,892	61,837	64,929	68,175	71,584	75,163	78,921	82,868
Operating Expenses	123,464	127,941	138,176	149,231	161,169	174,062	187,987	203,026	219,269	236,810
Total Expenses	179,552	184,029	197,069	211,068	226,098	242,238	259,572	278,190	298,190	319,678
Operating Profit	540,448	535,971	522,931	508,932	493,902	1,197,762	1,324,428	1,464,210	1,618,450	1,788,626
Less: Interest	0	0	0	0	0	0	0	0	0	0
Profit Before Tax	540,448	535,971	522,931	508,932	493,902	1,197,762	1,324,428	1,464,210	1,618,450	1,788,626
Cummulative Profit	540,448	1,076,419	1,599,350	2,108,283	2,602,185	3,799,947	5,124,375	6,588,586	8,207,036	9,995,662

Depreciation Schedule (in TSHS)															
NO:	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 and Buildings (Rent)	2% DB													
	Opening Balance			67,416.00	67,416.00	66,067.68	64,746.33	63,451.40	62,182.37	60,938.72	59,719.95	58,525.55	57,355.04	56,207.94	
	Depreciation			1,348.32	1,321.35	1,294.93	1,269.03	1,243.65	1,218.77	1,194.40	1,170.51	1,147.10	1,124.16		
	Closing Balance			66,067.68	64,746.33	63,451.40	62,182.37	60,938.72	59,719.95	58,525.55	57,355.04	56,207.94	55,083.78		
2	Motor Vehicle	25% SLM													
	Opening Balance			217,228.00	217,228.00	162,921.00	108,614.00	88,307.00	66,230.25	44,153.50	22,076.75	0.00	0.00	0.00	
	Depreciation			54,307.00	54,307.00	54,307.00	54,307.00	22,076.75	22,076.75	22,076.75	22,076.75	0.00	0.00	0.00	
	Closing Balance			162,921.00	108,614.00	108,614.00	54,307.00	66,230.25	44,153.50	22,076.75	0.00	0.00	0.00	0.00	0.00
3	Furniture and Fittings	12.5% DB													
	Opening Balance			7,490.00	7,490.00	6,553.75	5,734.53	5,017.71	4,390.50	3,841.69	3,361.48	2,941.29	2,573.63	2,251.93	
	Depreciation			936.25	819.22	716.82	627.21	548.81	480.21	420.18	367.66	321.70	281.49		
	Closing Balance			6,553.75	5,734.53	5,017.71	4,390.50	4,390.50	3,841.69	3,361.48	2,941.29	2,573.63	2,251.93	1,970.44	
4	Equipment and Machinery	25.0% DB													
	Opening Balance			67,416.00	67,416.00	50,562.00	37,921.50	28,441.13	21,330.84	15,998.13	11,998.60	8,998.95	6,749.21	5,061.91	
	Depreciation			16,854.00	16,854.00	12,640.50	9,480.38	7,110.28	5,332.71	3,999.53	2,999.65	2,249.74	1,667.30	1,265.48	
	Closing Balance			50,562.00	37,921.50	37,921.50	28,441.13	21,330.84	15,998.13	11,998.60	8,998.95	6,749.21	5,061.91	3,796.43	
	Total Invest.& Reinvestment			374,535.00	374,535.00	286,104.43	217,916.36	185,217.24	154,133.97	124,932.05	97,156.78	70,465.79	66,677.88	63,521.78	
	Total Depreciation			73,445.57	69,088.07	65,799.12	31,063.27	31,063.27	29,201.92	27,775.27	26,690.98	3,787.91	3,156.11	2,671.13	

Note: DB - Declining Balance Method

SL - Straight Line Method

Appendix VII

M/S STALWART ILMA TANZANIA LIMITED P.O. BOX 912 MOSHI

Working Capital Schedule (In US \$)

Item\ Year	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Current Assets:										
Debtors 1 month of sales	28,791.67	28,791.67	28,791.67	28,791.67	28,791.67	28,791.67	28,791.67	28,791.67	28,791.67	28,791.67
Trade debtors insurance - 1 Year	16,000.00	17,280.00	18,662.40	20,155.39	21,767.82	23,509.25	25,389.99	27,421.19	29,614.88	31,984.07
Total Current Assets	44,791.67	46,071.67	47,454.07	48,947.06	50,559.49	52,300.92	54,181.66	56,212.86	58,406.55	60,775.74
Current Liabilities:										
Salaries and Wages (1 month)	4,674.00	4,907.70	5,153.09	5,410.74	5,681.28	5,965.34	6,263.61	6,576.79	6,905.63	7,250.91
Fuel (1 month)	2,500.00	2,700.00	2,916.00	3,149.28	3,401.22	3,673.32	3,967.19	4,284.56	4,627.33	4,997.51
Tyre and Tubes (1 month)	1,786.66	1,929.59	2,083.96	2,250.68	2,430.73	2,625.19	2,835.20	3,062.02	3,306.98	3,571.54
Oil and Lubricants (1 month)	1,133.33	1,224.00	1,321.92	1,427.67	1,541.88	1,665.23	1,798.45	1,942.33	2,097.71	2,265.53
Total Current Liabilities	10,093.99	10,761.29	11,474.96	12,238.37	13,055.11	13,929.08	14,864.45	15,865.70	16,937.65	18,085.49
Net Working Capital	34,697.68	35,310.38	35,979.11	36,708.70	37,504.38	38,371.84	39,317.21	40,347.16	41,468.90	42,690.25
Change in Working Capital	34,697.68	612.70	668.73	729.59	795.68	867.46	945.37	1,029.95	1,121.74	1,221.35

Appendix VIII

M/S STALWART ILMA TANZANIA LIMITED P.O. BOX 912 MOSHI

Cashflow Projections (in US \$)

Item	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Inflows:										
Equity	219,243.00	219,243.00	219,243.00	219,243.00	219,243.00	219,243.00	219,243.00	219,243.00	219,243.00	219,243.00
Loan Capital	149,000.00	149,000.00	149,000.00	149,000.00	149,000.00	149,000.00	149,000.00	149,000.00	149,000.00	149,000.00
Profit Before Tax	540,448.00	535,971.00	522,931.00	508,932.00	493,902.00	1,197,762.00	1,324,428.00	1,464,210.00	1,618,450.00	1,788,626.00
Depreciation	73,445.57	69,088.07	65,799.12	31,083.27	29,201.92	27,775.27	26,690.98	3,787.91	3,156.11	2,671.13
Total Inflows	982,136.57	973,302.07	956,973.12	908,258.27	891,346.92	1,593,780.27	1,719,361.98	1,836,240.91	1,989,849.11	2,159,540.13
Outflows:										
Investment	368,243.00	368,243.00	368,243.00	368,243.00	368,243.00	368,243.00	368,243.00	368,243.00	368,243.00	368,243.00
Reinvestment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in Working Capital	34,687.68	612.70	668.73	729.59	795.68	867.46	945.37	1,029.95	1,121.74	1,221.35
Total Outflows	402,930.68	368,855.70	368,911.73	368,972.59	369,038.68	369,110.46	369,188.37	369,272.95	369,364.74	369,464.35
Operating Cashflow	579,205.89	604,446.37	588,061.39	539,285.68	522,308.24	1,224,669.81	1,350,173.61	1,466,967.96	1,620,484.37	1,790,075.78
Less: Loan Instalment	0.00	17,142.86	17,142.86	17,142.86	17,142.86	17,142.86	17,142.86	17,142.86	0.00	0.00
Net Cashflow	579,205.89	587,303.51	570,918.53	522,142.82	505,165.38	1,207,526.95	1,333,030.75	1,449,825.10	1,620,484.37	1,790,075.78
Cummulative Cashflows	579,205.89	1,166,509.40	1,737,427.94	2,259,570.76	2,764,736.14	3,972,263.09	5,305,293.85	6,755,118.95	8,375,603.32	10,165,679.10

M/S STALWART ILMA TANZANIA LIMITED P.O. BOX 912 MOSHI

Projected Balance Sheet (in US \$)

Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Assets:										
Fixed Assets (net)	132,900.00	145,850.00	160,351.75	165,625.18	171,445.04	180,561.86	188,177.04	195,689.74	198,710.16	202,835.08
Current Assets:										
Cash & Bank	109,301.71	106,545.51	99,374.07	97,258.68	96,291.25	93,950.27	95,297.04	89,234.27	90,499.16	87,895.43
Debtors	15,133.33	15,293.33	15,485.33	17,149.07	19,002.21	21,068.32	23,374.22	25,950.52	28,832.23	32,059.44
Total Current Assets	124,435.04	121,838.84	114,859.40	114,407.75	115,293.47	115,018.59	118,671.26	115,184.79	119,331.39	119,954.87
Less: Current Liabilities:										
Trade Creditors	2,124.36	2,257.58	2,399.62	2,551.09	2,712.66	2,885.02	3,068.95	3,265.24	3,474.77	3,698.49
Net Current Assets	2,124.36	2,257.58	2,399.62	2,551.09	2,712.66	2,885.02	3,068.95	3,265.24	3,474.77	3,698.49
Net Total Assets	255,210.68	265,431.26	272,811.53	277,481.84	284,025.85	292,695.43	303,779.35	307,609.29	314,566.78	319,091.46
Financed by:										
Equity	219,243.00	219,243.00	219,243.00	219,243.00	219,243.00	219,243.00	219,243.00	219,243.00	219,243.00	219,243.00
Loan	149,000.00	149,000.00	149,000.00	149,000.00	149,000.00	149,000.00	149,000.00	149,000.00	149,000.00	149,000.00
Reserves	35,967.68	46,188.26	53,568.53	58,238.84	64,782.85	73,452.43	84,536.35	88,366.29	95,323.78	99,848.46
Net Worth	255,210.68	265,431.26	272,811.53	277,481.84	284,025.85	292,695.43	303,779.35	307,609.29	314,566.78	319,091.46

M/S STALWART ILMA TANZANIA LIMITED P.O. BOX 912 MOSHI

Loan Repayment Schedule (in US \$)								
Amount	149,000							
Period	7 years							
Rate	5% p.a							
Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII
Opening	149,000	149,000	127,714	106,429	85,143	63,857	42,571	21,286
Interest	7,450	7,450	6,386	5,321	4,257	3,193	2,129	1,064
Loan repayment	0	21,286	21,286	21,286	21,286	21,286	21,286	21,286
Total payment	7,450	28,736	27,671	26,607	25,543	24,479	23,414	22,350
Loan balance	149,000	127,714	106,429	85,143	63,857	42,571	21,286	0