

ZOHEB LAKHA COMPANY LIMITED

BUSINESS PLAN FOR GOODS
TRANSPORTATION PROJECT IN
TANZANIA.
MARCH, 2024.

Prepared By:

INTERNATIONAL MULTI CONSULTANCY (T) LIMITED ,

P.o.Box 2050, DAR ES SALAAM

1.0 Executive Summary

Zoheb Lakha Company Limited is a local based firm that deals with transportation business under Private Limited Company; it deals with transportation of various goods from and to different countries. This Company was incorporated in January 2017 under Companies Act, 2002 and it started its operations immediately after incorporation without failure. The Company Management plans to expand its operations to cover a wide area in East, South and Central Africa including Countries like Rwanda, Zambia, Burundi, Congo and other neighboring countries.

This project was purposely established to bring about critical changes in the transportation sector, particularly road transport sector in Tanzania through the East and central Africa corridor for both dry and liquid products. It is planned to acquire one hundred trucks within five years from 2024 to 2028 to promote the transportation sector in the Country.

1.1 Summary of Company Legal Formation

The Company is registered under Companies Act, R.E 2002 as Private Company by share; this Company is registered to conduct transportation business in the country under the ownership of two shareholders namely; Mr. **Zoheb Lakha and Abdulsatar Lakha**.

1.2 Description of the Project Location

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

1.3 Description of the Project Objective

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

1.4 Summary of Sector Performance

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

1.5 Market Analysis

In Tanzania, the Service sector is a leading sector that contributes the most to the economic growth of the Country, specifically with regards to Gross Domestic Product (GDP) by 20%. With the clearing and forwarding industry, it contributes to the overall service industry by 3%. Currently, the Company owns 0.1% of the total market share of the clearing and forwarding industry. The Firm targets corporate customers from Small and Medium Enterprises where market share is adequate enough to enable the Business to achieve its operational targets. It is always very common, in the month of October, November and December, turnover becomes more compared to other months of a year.

1.7 Summary of Project Description

The project is expected to recruit more than 60 workers in the course of executing the said project; this large number of workers to be employed in the project will be caused by expected better performance as shown in the *Appendix – I*.

1.8 Project Financing Pattern

The project initially is planned to be financed through business owner's funds (Equity Financing) and later on loan from financial institutions (Debt Financing). Hence, performance of 2024 to 2026 may provide a picture for the size of loan to be taken to finance the Business's operations, but for three years operations, the Business Management plans to use its accumulated funds from the business Owner. It is also important to note that the Business Management is planning to use its generated profits for re- investments; retained earnings will be used as additional source of capital.

1.9 Project Implementation Schedule

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

1.10 Projected Financial Statements

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

1.11 Conclusion

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

APPENDIX I: DESCRIPTION OF PROJECT EMPLOYEES

S/N	Descriptions	2024	2025	2026	2027	2028
1	Unskilled Labour	10	20	30	40	50
2	Skilled Labour	8	9	9	10	10
3	Foreigners	0	0	0	0	0
	TOTAL	18	29	39	50	60

APPENDIX II: PROJECT IMPLEMENTATION SCHEDULE

S/N	Descriptions	2024	2025	2026	2027	2028
1	Registration of the project					
2	Acquisition of 10 Trucks and Office Furniture and Equipment					
3	Recruitment of 18 Employees					
4	Starting up of Operations					
5	Acquisition of additional 10 Trucks					
6	Recruitment of 11 Employees					
7	Acquisition of 10 Trucks and Office Furniture and Equipment					
8	Recruitment of 10 Employees					
9	Monitoring and Progress Implementation Reports					
10	Acquisition of 10 Trucks					
11	Recruitment of 11 Employees					
12	Monitoring and Progress Implementation Reports					
13	Acquisition of 10 Trucks					
14	Recruitment of 10 Employees					

APPENDIX III: PROJECTED FINANCIAL STATEMENTS

PROJECTED STATEMENT OF FINANCIAL POSITION

	NOTES	2024 TZS	2025 TZS	2026 TZS	2027 TZS	2028 TZS
Non-Current Assets						
Property, Plant and Equipment	3	977,725,000.00	1,673,978,125.00	2,203,366,718.75	2,593,640,458.98	2,886,396,003.42
Total Non-Current Assets		977,725,000.00	1,673,978,125.00	2,203,366,718.75	2,593,640,458.98	2,886,396,003.42
Current Assets						
Receivables and Prepayments	4	-	168,912,000.00	59,119,200.00	153,709,920.00	199,822,896.00
Deposit	5	-				
Tax Recoverable	7	-				
Cash and Cash Equivalent	6	5,755,778,520.00	7,915,350,750.50	11,898,847,096.81	17,189,942,160.20	24,957,052,359.68
Total Current Assets		5,755,778,520.00	8,084,262,750.50	11,957,966,296.81	17,343,652,080.20	25,156,875,255.68
TOTAL ASSETS		6,733,503,520.00	9,758,240,875.50	14,161,333,015.56	19,937,292,539.18	28,043,271,259.10
EQUITY AND LIABILITIES						
Equity						
Share Capital		4,800,000,000.00	4,800,000,000.00	4,800,000,000.00	4,800,000,000.00	4,800,000,000.00
Retained Earnings		1,932,303,520.00	4,955,640,875.50	9,348,345,637.93	15,136,092,539.18	23,225,866,949.99
Total Accumulated Capital		6,732,303,520.00	9,755,640,875.50	14,148,345,637.93	19,936,092,539.18	28,025,866,949.99
Liabilities						
Non-Current Liabilities						
Directors' Loan Loan		-	-	-	-	-
Total Non-Current Liabilities		-	-	-	-	-
Current Liabilities						
Accruals and Other Payables	7	1,200,000.00	2,600,000.00	12,987,377.63	1,200,000.00	17,404,309.10
Tax Payable		-	-	-	-	-
Total Current Liabilities		1,200,000.00	2,600,000.00	12,987,377.63	1,200,000.00	17,404,309.10
TOTAL EQUITY AND LIABILITIES		6,733,503,520.00	9,758,240,875.50	14,161,333,015.56	19,937,292,539.18	28,043,271,259.10

PROJECTED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

		2024	2025	2026	2027	2028
	NOTES	TZS	TZS	TZS	TZS	TZS
Revenue	9	5,630,400,000.00	8,445,600,000.00	11,823,840,000.00	15,370,992,000.00	19,982,289,600.00
Other Income		-				
		5,630,400,000.00	8,445,600,000.00	11,823,840,000.00	15,370,992,000.00	19,982,289,600.00
Less:Direct Expenses		2,283,873,400.00	3,197,422,760.00	4,316,520,726.00	5,611,476,943.80	6,733,772,332.56
Gross Profit		3,346,526,600.00	5,248,177,240.00	7,507,319,274.00	9,759,515,056.20	13,248,517,267.44
Less: Operating Expenses						
Adminstrative Expenses	11	424,669,000.00	688,187,875.00	899,656,756.25	1,077,276,697.27	1,205,422,480.57
Finance Costs	12	624,000.00	936,000.00	1,170,000.00	1,228,500.00	1,474,200.00
Personnel Expenses	13	160,800,000.00	240,000,000.00	331,200,000.00	412,800,000.00	484,800,000.00
Other Operating Expenses		-	-	-	-	-
Total Operating Expenses		586,093,000.00	929,123,875.00	1,232,026,756.25	1,491,305,197.27	1,691,696,680.57
Profit/(Loss) Before Tax		2,760,433,600.00	4,319,053,365.00	6,275,292,517.75	8,268,209,858.93	11,556,820,586.88
Corporate Tax (30%)		(828,130,080.00)	(1,295,716,009.50)	(1,882,587,755.33)	(2,480,462,957.68)	(3,467,046,176.06)
Net Profit/(Loss)		1,932,303,520.00	3,023,337,355.50	4,392,704,762.43	5,787,746,901.25	8,089,774,410.81
Other Comprehensive Income		-				
Total Comprehensive Income/(Loss)		1,932,303,520.00	3,023,337,355.50	4,392,704,762.43	5,787,746,901.25	8,089,774,410.81

PROJECTED STATEMENT OF CASH FLOW

		2024	2025	2026	2027	2028
		TZS	TZS	TZS	TZS	TZS
Cash Flow from Operating Activities						
Profit Before Tax		2,760,433,600.00	4,319,053,365.00	6,275,292,517.75	8,268,209,858.93	11,556,820,586.88
Adjustment For:						
Depreciation		324,975,000.00	556,246,875.00	732,456,406.25	862,226,259.77	959,744,455.57
(Increase)/Decrease in Receivables and Prepayments		-	(168,912,000.00)	109,792,800.00	(94,590,720.00)	(46,112,976.00)
(Increase)/Decrease in Inventory		-				
Increase/(Decrease) in Accruals and Payables		1,200,000.00	1,400,000.00	10,387,377.63	(11,787,377.63)	16,204,309.10
Cash generated/(used) from Operating Activities		3,086,608,600.00	4,707,788,240.00	7,127,929,101.63	9,024,058,021.07	12,486,656,375.54
Tax Paid		(828,130,080.00)	(1,295,716,009.50)	(1,882,587,755.33)	(2,480,462,957.68)	(3,467,046,176.06)
Net Cash generated/used from Operating Activities	A	2,258,478,520.00	3,412,072,230.50	5,245,341,346.31	6,543,595,063.39	9,019,610,199.48
Cash Flow From Investing Activities						
Acquisition of Property, Plant and Equipment		(1,302,700,000.00)	(1,252,500,000.00)	(1,261,845,000.00)	(1,252,500,000.00)	(1,252,500,000.00)
Disposal of Assets		-	-	-	-	-
Net Cash used from Investing Activities	B	(1,302,700,000.00)	(1,252,500,000.00)	(1,261,845,000.00)	(1,252,500,000.00)	(1,252,500,000.00)
Cash Flow From Financing Activities						
Loan from Directors		-	-	-	-	-
Proceeds from Share Capital		4,800,000,000.00	-	-	-	-
Additional contribution for Capital by Owner		-	-	-	-	-
Loan Repayment		-	-	-	-	-
Net Cash generated from/used in Financing Activities	C	4,800,000,000.00	-	-	-	-
Net Cash increase/Decrease in cash and cash equivalents	A+B+C	5,755,778,520.00	2,159,572,230.50	3,983,496,346.31	5,291,095,063.39	7,767,110,199.48
Add: Cash and Cash Equivalents at the start of Year		-	5,755,778,520.00	7,915,350,750.50	11,898,847,096.81	17,189,942,160.19
Cash and Cash Equivalents at the end of Year		5,755,778,520.00	7,915,350,750.50	11,898,847,096.81	17,189,942,160.19	24,957,052,359.68

PROJECTED STATEMENT OF CHANGE IN EQUITY

	2024	2025	2026	2027	2028
DESCRIPTIONS	TZS	TZS	TZS	TZS	TZS
Opening Balance	-	6,732,303,520.00	9,755,640,875.50	14,148,345,637.93	19,936,092,539.18
Capital contributions	4,800,000,000.00				
Add/Less: Profit/(Loss)	1,932,303,520.00	3,023,337,355.50	4,392,704,762.43	5,787,746,901.25	8,089,774,410.81
Prior Year Adjustment	-	-	-	-	-
Closing Balance	6,732,303,520.00	9,755,640,875.50	14,148,345,637.93	19,936,092,539.18	28,025,866,949.99

NOTE 3: PLANT, PROPERTY AND EQUIPMENT

		2024	2025	2026	2027	2028
DESCRIPTION		TZS	TZS	TZS	TZS	TZS
MOTOR VEHICLES		25%	25%	25%	25%	25%
Cost As At 1 Jan		-	1,252,500,000.00	2,505,000,000.00	3,757,500,000.00	5,010,000,000.00
Additions during the year		1,252,500,000.00	1,252,500,000.00	1,252,500,000.00	1,252,500,000.00	1,252,500,000.00
Disposals		-	-	-	-	-
Cost As At 31 Dec	A	1,252,500,000.00	2,505,000,000.00	3,757,500,000.00	5,010,000,000.00	6,262,500,000.00
Depreciation						
As At 1 Jan		-	313,125,000.00	861,093,750.00	1,585,195,312.50	2,441,396,484.38
Charge during the year		313,125,000.00	547,968,750.00	724,101,562.50	856,201,171.88	955,275,878.91
As At 31 Dec	B	313,125,000.00	861,093,750.00	1,585,195,312.50	2,441,396,484.38	3,396,672,363.28
Book Value						
As At 31 Dec	A-B	939,375,000.00	1,643,906,250.00	2,172,304,687.50	2,568,603,515.63	2,865,827,636.72
FURNITURE AND EQUIPMENT		12.50%	12.50%	12.50%	12.50%	12.50%
Cost As At 1 Jan		-	27,900,000.00	27,900,000.00	32,245,000.00	32,245,000.00
Additions during the year		27,900,000.00	-	4,345,000.00	-	-
Disposals		-	-	-	-	-
Cost As At 31 Dec	A	27,900,000.00	27,900,000.00	32,245,000.00	32,245,000.00	32,245,000.00
Depreciation						
As At 1 Jan		3,487,500.00	3,487,500.00	6,539,062.50	9,752,304.69	12,563,891.60
Charge during the year		-	3,051,562.50	3,213,242.19	2,811,586.91	2,460,138.55
As At 31 Dec	B	3,487,500.00	6,539,062.50	9,752,304.69	12,563,891.60	15,024,030.15
Book Value						
As At 31 Dec	A-B	24,412,500.00	21,360,937.50	22,492,695.31	19,681,108.40	17,220,969.85

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

	2024	2025	2026	2027	2028
	TZS	TZS	TZS	TZS	TZS
NOTE 4: TRADE AND OTHER RECEIVABLES					
Debtors	-	168,912,000.00	59,119,200.00	153,709,920.00	199,822,896.00
	-	-			
TOTAL	-	168,912,000.00	59,119,200.00	153,709,920.00	199,822,896.00
NOTE 5: CASH AND CASH EQUIVALENT					
Cash at Bank	5,755,778,520.00	7,915,350,750.50	11,898,847,096.81	17,189,942,160.20	24,957,052,359.68
Cash in Hand	-				
	5,755,778,520.00	7,915,350,750.50	11,898,847,096.81	17,189,942,160.20	24,957,052,359.68
NOTE 6: CURRENT TAX					
Balance b/d	-	-			
Tax Computation	828,130,080.00	1,295,716,009.50	1,882,587,755.33	2,480,462,957.68	3,467,046,176.06
Less: Tax paid during the year	(828,130,080.00)	(1,295,716,009.50)	(1,882,587,755.33)	(2,480,462,957.68)	(3,467,046,176.06)
Tax payable	-	-	-	-	-
NOTE 7: TRADE AND OTHER PAYABLES					
Accountancy and Audit fees	1,200,000.00	1,200,000.00	2,600,000.00	1,200,000.00	1,200,000.00
Other payables	-	1,400,000.00	10,387,377.63	-	16,204,309.10
TOTAL	1,200,000.00	2,600,000.00	12,987,377.63	1,200,000.00	17,404,309.10
NOTE 8: ADVANCE					
Advance payment	-	-	-		
TOTAL	-	-	-		
NOTE 9: REVENUE					
Receipts from various customers	5,630,400,000.00	8,445,600,000.00	11,823,840,000.00	15,370,992,000.00	19,982,289,600.00
	-	-	-	-	-
TOTAL	5,630,400,000.00	8,445,600,000.00	11,823,840,000.00	15,370,992,000.00	19,982,289,600.00

	2024	2025	2026	2027	2028
NOTE 10: DIRECT COSTS	TZS	TZS	TZS	TZS	TZS
Fuel & Lubricants expenses	1,099,193,400.00	1,538,870,760.00	2,077,475,526.00	2,700,718,183.80	3,240,861,820.56
Mileage Allowances	450,900,000.00	631,260,000.00	852,201,000.00	1,107,861,300.00	1,329,433,560.00
Road Toll Expenses	631,260,000.00	883,764,000.00	1,193,081,400.00	1,551,005,820.00	1,861,206,984.00
Trucks Permit Expenses	102,520,000.00	143,528,000.00	193,762,800.00	251,891,640.00	302,269,968.00
TOTAL	2,283,873,400.00	3,197,422,760.00	4,316,520,726.00	5,611,476,943.80	6,733,772,332.56
NOTE 11: ADMINISTRATIVE COSTS					
Auditing and Accountancy fees	1,200,000.00	1,200,000.00	2,600,000.00	1,400,000.00	1,200,000.00
Depreciation	324,975,000.00	556,246,875.00	732,456,406.25	862,226,259.77	959,744,455.57
Electricity and water Charges	1,104,000.00	1,656,000.00	2,235,600.00	2,794,500.00	3,353,400.00
Insurance Premium & Related Costs	5,500,000.00	8,250,000.00	11,137,500.00	13,921,875.00	16,706,250.00
Compliance and other statutory Expenses	300,000.00	450,000.00	607,500.00	759,375.00	911,250.00
Printing and stationery Expenses	6,000,000.00	9,000,000.00	12,150,000.00	15,187,500.00	18,225,000.00
Parking Expenses	7,200,000.00	10,800,000.00	14,580,000.00	18,225,000.00	21,870,000.00
Consultancy Fees	16,000,000.00	16,000,000.00	16,000,000.00	32,400,000.00	32,400,000.00
Rent Expenses	18,000,000.00	18,000,000.00	18,000,000.00	18,000,000.00	18,000,000.00
Repairs and Maintenance Costs	27,000,000.00	40,500,000.00	54,675,000.00	68,343,750.00	82,012,500.00
Cleaning Expenses	540,000.00	810,000.00	1,093,500.00	1,366,875.00	1,640,250.00
Transport Expenses	360,000.00	540,000.00	729,000.00	911,250.00	1,093,500.00
Telephone & Internet Expenses	1,440,000.00	2,160,000.00	2,916,000.00	3,645,000.00	4,374,000.00
Staff allowances	2,000,000.00	3,000,000.00	4,050,000.00	5,062,500.00	6,075,000.00
Latra Fees	1,800,000.00	2,700,000.00	3,645,000.00	4,556,250.00	5,467,500.00
Calibration Expenses	7,650,000.00	11,475,000.00	15,491,250.00	19,364,062.50	23,236,875.00
Fines & Penalties Expenses	-	-	-	-	-
security expenses	3,600,000.00	5,400,000.00	7,290,000.00	9,112,500.00	9,112,500.00
Miscellaneous Expenses	-	-	-	-	-
TOTAL	424,669,000.00	688,187,875.00	899,656,756.25	1,077,276,697.27	1,205,422,480.57

	2024	2025	2026	2027	2028
	TZS	TZS	TZS	TZS	TZS
NOTE 12: FINANCE COSTS					
Bank charges	624,000.00	936,000.00	1,170,000.00	1,228,500.00	1,474,200.00
TOTAL	624,000.00	936,000.00	1,170,000.00	1,228,500.00	1,474,200.00
NOTE 13: PERSONNEL EXPENSES					
Salary and Wages	160,800,000.00	240,000,000.00	331,200,000.00	412,800,000.00	484,800,000.00
	160,800,000.00	240,000,000.00	331,200,000.00	412,800,000.00	484,800,000.00
NOTE 14: TAX COMPUTATION					
Profit(Loss) for the period	2,760,433,600.00	4,319,053,365.00	6,275,292,517.75	8,268,209,858.93	11,556,820,586.88
Add: Non Allowable Costs					
Depreciation Charges	324,975,000.00	556,246,875.00	732,456,406.25	862,226,259.77	959,744,455.57
	3,085,408,600.00	4,875,300,240.00	7,007,748,924.00	9,130,436,118.70	12,516,565,042.44
Less: Allowable Costs					
Wear and Tear	(324,975,000.00)	(556,246,875.00)	(732,456,406.25)	(862,226,259.77)	(959,744,455.57)
Prior Year Tax Losses					
Taxable Income(Loss)	2,760,433,600.00	4,319,053,365.00	6,275,292,517.75	8,268,209,858.93	11,556,820,586.88
Tax Amount (30%)	828,130,080.00	1,295,716,009.50	1,882,587,755.33	2,480,462,957.68	3,467,046,176.06

APPENDIX IV: ASSUMPTIONS

ASSUMPTIONS	2024	2025	2026	2027	2028
SALES(INCREASE)	10 MOTOR VEHICLES*36 TRIPS	Increase by 50%	Increase by 40%	Increase by 30%	Increase by 30%
DIRECT COSTS(INCREASE)	10 MOTOR VEHICLES*36 TRIPS	Increase by 40%	Increase by 35%	Increase by 30%	Increase by 20%
ADMINSTRATION EXPENSES(INCREASE)	-	Increase by 50%	Increase by 35%	Increase by 25%	Increase by 20%
RECEIVABLES	-	2% OF SALES	0.5% OF SALES	1% OF SALES	1% OF SALES
OTHER PAYABLES	-	-	0.5% OF FUEL & LUBRICANTS	-	0.5% OF FUEL & LUBRICANTS
OFFICE RENT	-	CONSTANT	CONSTANT	CONSTANT	CONSTANT

APPENDIX V: PROJECT INVESTMENT COSTS

ANNUAL CAPITAL EXPENDITURE TABLE

	2024	2025	2026	2027	2028
DESCRIPTIONS	TZS	TZS	TZS	TZS	TZS
Furniture & Fittings	27,900,000.00	-	4,345,000.00	-	-
Computer & Computer Accessories	22,300,000.00	-	5,000,000.00	-	-
Motor Vehicles	1,252,500,000.00	1,252,500,000.00	1,252,500,000.00	1,252,500,000.00	1,252,500,000.00
Total	1,302,700,000.00	1,252,500,000.00	1,261,845,000.00	1,252,500,000.00	1,252,500,000.00