

BLUE BIRD LOGISTICS

**BUSINESS PLAN FOR
TRANSPORTATION PROJECT IN
TANZANIA.
FEBRUARY, 2024.**

Prepared By:

INTERNATIONAL MULTI CONSULTANCY (T) LIMITED ,

P.o.Box 2050, DAR ES SALAAM

1.0 Executive Summary

Blue Bird Logistics is a local based firm that deals with transportation business under sole proprietorship business ownership; it deals with transportation of various goods from and to different countries. This firm was registered in May 2023 under Business (Name) Registration Act, 2002 and it plans to start its operations in January 2024 without failure. The firm Management plans to conduct its business activities in East and Central Africa including Countries like Rwanda, Zambia, Burundi, Congo and other neighbor countries.

This project was purposely established to bring about critical changes in transportation sector particularly road transport sector in Tanzania through 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 for promoting transportation sector in the Country.

1.1 Summary of Company Legal Formation

The Company is registered under Business (Name) Registration Act, R.E 2002 as Sole Proprietor Business Firm; this firm is registered to conduct transportation business in the country under sole proprietor, Mr. **Ahmed Nazir Ahmed**. **Therefore, Mr. Ahmed Nazir Ahmed owns the said business firm by 100%.**

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 Mivinjeni 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, Service sector is a leading sector that contribute the most to the economic growth of the Country, specifically with the regards to Gross Domestic Product (GDP) by 20%. With clearing and forwarding industry, it contributes to the overall service industry by 3%. Currently, the Company owns 2% of 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 215 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 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	20	40	50	50	70
2	Skilled Labour	8	9	9	9	14
3	Foreigners	0	0	0	0	0
	TOTAL	28	49	59	59	84

APPENDIX II: PROJECT IMPLEMENTATION SCHEDULE

S/N	Descriptions	2024	2025	2026	2027	2028
1	Registration of the project	■				
2	Acquisition of 20 Trucks and Office Furniture and Equipment	■				
3	Recruitment of 28 Employees	■				
4	Starting up of Operations	■				
5	Acquisition of additional 20 Trucks		■			
6	Recruitment of 21 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 20 Trucks				■	■
11	Recruitment of 24 Employees					■

APPENDIX III: PROJECTED FINANCIAL STATEMENTS

PROJECTED STATEMENT OF FINANCIAL POSITION

		2024	2025	2026	2027	2028
	NOTES	TZS	TZS	TZS	TZS	TZS
Non-Current Assets						
Property, Plant and Equipment	3	1,917,100,000.00	3,317,884,375.00	3,436,296,406.25	2,578,962,724.61	3,886,012,702.64
Total Non-Current Assets		1,917,100,000.00	3,317,884,375.00	3,436,296,406.25	2,578,962,724.61	3,886,012,702.64
Current Assets						
Receivables and Prepayments	4	-	337,824,000.00	118,238,400.00	307,419,840.00	399,645,792.00
Deposit	5	-				
Tax Recoverable	7	-				
Cash and Cash Equivalent	6	12,897,020,400.00	14,995,824,887.50	21,188,488,533.13	30,179,598,406.11	40,842,202,934.71
Total Current Assets		12,897,020,400.00	15,333,648,887.50	21,306,726,933.13	30,487,018,246.11	41,241,848,726.71
TOTAL ASSETS		14,814,120,400.00	18,651,533,262.50	24,743,023,339.38	33,065,980,970.72	45,127,861,429.35
EQUITY AND LIABILITIES						
Equity						
Share Capital		12,500,000,000.00	12,500,000,000.00	12,500,000,000.00	12,500,000,000.00	12,500,000,000.00
Retained Earnings		2,312,920,400.00	6,148,933,262.50	12,197,322,834.38	20,564,780,970.73	32,559,424,641.55
Total Accumulated Capital		14,812,920,400.00	18,648,933,262.50	24,697,322,834.38	33,064,780,970.73	45,059,424,641.55
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	45,700,505.00	1,200,000.00	68,436,787.80
Tax Payable		-	-	-	-	-
Total Current Liabilities		1,200,000.00	2,600,000.00	45,700,505.00	1,200,000.00	68,436,787.80
TOTAL EQUITY AND LIABILITIES		14,814,120,400.00	18,651,533,262.50	24,743,023,339.38	33,065,980,970.73	45,127,861,429.35

PROJECTED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

		2024	2025	2026	2027	2028
	NOTES	TZS	TZS	TZS	TZS	TZS
Revenue	9	11,260,800,000.00	16,891,200,000.00	23,647,680,000.00	30,741,984,000.00	39,964,579,200.00
Other Income		-				
		11,260,800,000.00	16,891,200,000.00	23,647,680,000.00	30,741,984,000.00	39,964,579,200.00
Less:Direct Expenses		6,930,260,000.00	9,702,364,000.00	13,098,191,400.00	17,027,648,820.00	20,433,178,584.00
Gross Profit		4,330,540,000.00	7,188,836,000.00	10,549,488,600.00	13,714,335,180.00	19,531,400,616.00
Less: Operating Expenses						
Administrative Expenses	11	792,944,000.00	1,323,881,625.00	1,432,562,068.75	1,202,795,056.64	1,693,921,171.97
Finance Costs	12	624,000.00	936,000.00	1,170,000.00	1,228,500.00	1,474,200.00
Personnel Expenses	13	232,800,000.00	384,000,000.00	475,200,000.00	556,800,000.00	700,800,000.00
Other Operating Expenses		-	-	-	-	-
Total Operating Expenses		1,026,368,000.00	1,708,817,625.00	1,908,932,068.75	1,760,823,556.64	2,396,195,371.97
Profit/(Loss) Before Tax		3,304,172,000.00	5,480,018,375.00	8,640,556,531.25	11,953,511,623.36	17,135,205,244.03
Corporate Tax (30%)		(991,251,600.00)	(1,644,005,512.50)	(2,592,166,959.38)	(3,586,053,487.01)	(5,140,561,573.21)
Net Profit/(Loss)		2,312,920,400.00	3,836,012,862.50	6,048,389,571.88	8,367,458,136.35	11,994,643,670.82
Other Comprehensive Income		-				
Total Comprehensive Income/(Loss)		2,312,920,400.00	3,836,012,862.50	6,048,389,571.88	8,367,458,136.35	11,994,643,670.82

PROJECTED STATEMENT OF CASH FLOW

		2024	2025	2026	2027	2028
		TZS	TZS	TZS	TZS	TZS
Cash Flow from Operating Activities						
Profit Before Tax		3,304,172,000.00	5,480,018,375.00	8,640,556,531.25	11,953,511,623.36	17,135,205,244.03
Adjustment For:						
Depreciation		638,100,000.00	1,104,215,625.00	1,143,432,968.75	857,333,681.64	1,292,950,021.97
(Increase)/Decrease in Receivables and Prepayments		-	(337,824,000.00)	219,585,600.00	(189,181,440.00)	(92,225,952.00)
(Increase)/Decrease in Inventory		-				
Increase/(Decrease) in Accruals and Payables		1,200,000.00	1,400,000.00	43,100,505.00	(44,500,505.00)	67,236,787.80
Cash generated/(used) from Operating Activities		3,943,472,000.00	6,247,810,000.00	10,046,675,605.00	12,577,163,360.00	18,403,166,101.80
Tax Paid		(991,251,600.00)	(1,644,005,512.50)	(2,592,166,959.38)	(3,586,053,487.01)	(5,140,561,573.21)
Net Cash generated/used from Operating Activities	A	2,952,220,400.00	4,603,804,487.50	7,454,508,645.63	8,991,109,872.99	13,262,604,528.59
Cash Flow From Investing Activities						
Acquisition of Property, Plant and Equipment		(2,555,200,000.00)	(2,505,000,000.00)	(1,261,845,000.00)	-	(2,600,000,000.00)
Disposal of Assets		-	-	-	-	-
Net Cash used from Investing Activities	B	(2,555,200,000.00)	(2,505,000,000.00)	(1,261,845,000.00)	-	(2,600,000,000.00)
Cash Flow From Financing Activities						
Loan from Directors		-	-	-	-	-
Proceeds from Share Capital		12,500,000,000.00	-	-	-	-
Additional contribution for Capital by Owner			-	-	-	-
Loan Repayment		-	-	-	-	-
Net Cash generated from/used in Financing Activities	C	12,500,000,000.00	-	-	-	-
Net Cash increase/Decrease in cash and cash equivalents	A+B+C	12,897,020,400.00	2,098,804,487.50	6,192,663,645.63	8,991,109,872.99	10,662,604,528.59
Add: Cash and Cash Equivalents at the start of Year		-	12,897,020,400.00	14,995,824,887.50	21,188,488,533.13	30,179,598,406.12
Cash and Cash Equivalents at the end of Year		12,897,020,400.00	14,995,824,887.50	21,188,488,533.13	30,179,598,406.12	40,842,202,934.71

PROJECTED STATEMENT OF CHANGE IN EQUITY

	2024	2025	2026	2027	2028
DESCRIPTIONS	TZS	TZS	TZS	TZS	TZS
Opening Balance	-	14,812,920,400.00	18,648,933,262.50	24,697,322,834.38	33,064,780,970.73
Capital contributions	12,500,000,000.00				
Add/Less: Profit/(Loss)	2,312,920,400.00	3,836,012,862.50	6,048,389,571.88	8,367,458,136.35	11,994,643,670.82
Prior Year Adjustment	-	-	-	-	-
Closing Balance	14,812,920,400.00	18,648,933,262.50	24,697,322,834.38	33,064,780,970.73	45,059,424,641.55

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		-	2,505,000,000.00	5,010,000,000.00	6,262,500,000.00	6,262,500,000.00
Additions during the year		2,505,000,000.00	2,505,000,000.00	1,252,500,000.00	-	2,600,000,000.00
Disposals		-	-	-	-	-
Cost As At 31 Dec	A	2,505,000,000.00	5,010,000,000.00	6,262,500,000.00	6,262,500,000.00	8,862,500,000.00
Depreciation						
As At 1 Jan		-	626,250,000.00	1,722,187,500.00	2,857,265,625.00	3,708,574,218.75
Charge during the year		626,250,000.00	1,095,937,500.00	1,135,078,125.00	851,308,593.75	1,288,481,445.31
As At 31 Dec	B	626,250,000.00	1,722,187,500.00	2,857,265,625.00	3,708,574,218.75	4,997,055,664.06
Book Value						
As At 31 Dec	A-B	1,878,750,000.00	3,287,812,500.00	3,405,234,375.00	2,553,925,781.25	3,865,444,335.94
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
NOTE 4: TRADE AND OTHER RECEIVABLES	TZS	TZS	TZS	TZS	TZS
Debtors	-	337,824,000.00	118,238,400.00	307,419,840.00	399,645,792.00
	-	-			
TOTAL	-	337,824,000.00	118,238,400.00	307,419,840.00	399,645,792.00
NOTE 5: CASH AND CASH EQUIVALENT					
Cash at Bank	12,897,020,400.00	14,995,824,887.50	21,188,488,533.13	30,179,598,406.11	40,842,202,934.70
Cash in Hand	-				
	12,897,020,400.00	14,995,824,887.50	21,188,488,533.13	30,179,598,406.11	40,842,202,934.70
NOTE 6: CURRENT TAX					
Balance b/d	-	-			
Tax Computation	991,251,600.00	1,644,005,512.50	2,592,166,959.38	3,586,053,487.01	5,140,561,573.21
Less: Tax paid during the year	(991,251,600.00)	(1,644,005,512.50)	(2,592,166,959.38)	(3,586,053,487.01)	(5,140,561,573.21)
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	43,100,505.00	-	67,236,787.80
TOTAL	1,200,000.00	2,600,000.00	45,700,505.00	1,200,000.00	68,436,787.80
NOTE 8: ADVANCE					
Advance payment	-	-	-		
TOTAL	-	-	-		
NOTE 9: REVENUE					
Receipts from various customers	11,260,800,000.00	16,891,200,000.00	23,647,680,000.00	30,741,984,000.00	39,964,579,200.00
	-	-	-	-	-
TOTAL	11,260,800,000.00	16,891,200,000.00	23,647,680,000.00	30,741,984,000.00	39,964,579,200.00

	2024	2025	2026	2027	2028
NOTE 10: DIRECT COSTS	TZS	TZS	TZS	TZS	TZS
Fuel & Lubricants expenses	4,560,900,000.00	6,385,260,000.00	8,620,101,000.00	11,206,131,300.00	13,447,357,560.00
Mileage Allowances	901,800,000.00	1,262,520,000.00	1,704,402,000.00	2,215,722,600.00	2,658,867,120.00
Road Toll Expenses	1,262,520,000.00	1,767,528,000.00	2,386,162,800.00	3,102,011,640.00	3,722,413,968.00
Trucks Permit Expenses	205,040,000.00	287,056,000.00	387,525,600.00	503,783,280.00	604,539,936.00
TOTAL	6,930,260,000.00	9,702,364,000.00	13,098,191,400.00	17,027,648,820.00	20,433,178,584.00
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	638,100,000.00	1,104,215,625.00	1,143,432,968.75	857,333,681.64	1,292,950,021.97
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	11,000,000.00	16,500,000.00	22,275,000.00	27,843,750.00	33,412,500.00
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	14,400,000.00	21,600,000.00	29,160,000.00	36,450,000.00	43,740,000.00
Consultancy Fees	16,000,000.00	24,000,000.00	32,400,000.00	32,400,000.00	32,400,000.00
Rent Expenses	24,000,000.00	24,000,000.00	24,000,000.00	24,000,000.00	24,000,000.00
Repairs and Maintenance Costs	54,000,000.00	81,000,000.00	109,350,000.00	136,687,500.00	164,025,000.00
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	3,600,000.00	5,400,000.00	7,290,000.00	9,112,500.00	10,935,000.00
Calibration Expenses	15,300,000.00	22,950,000.00	30,982,500.00	38,728,125.00	46,473,750.00
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	792,944,000.00	1,323,881,625.00	1,432,562,068.75	1,202,795,056.64	1,693,921,171.97

	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	232,800,000.00	384,000,000.00	475,200,000.00	556,800,000.00	700,800,000.00
	232,800,000.00	384,000,000.00	475,200,000.00	556,800,000.00	700,800,000.00
NOTE 14: TAX COMPUTATION					
Profit(Loss) for the period	3,304,172,000.00	5,480,018,375.00	8,640,556,531.25	11,953,511,623.36	17,135,205,244.03
Add: Non Allowable Costs					
Depreciation Charges	638,100,000.00	1,104,215,625.00	1,143,432,968.75	857,333,681.64	1,292,950,021.97
	3,942,272,000.00	6,584,234,000.00	9,783,989,500.00	12,810,845,305.00	18,428,155,266.00
Less: Allowable Costs					
Wear and Tear	(638,100,000.00)	(1,104,215,625.00)	(1,143,432,968.75)	(857,333,681.64)	(1,292,950,021.97)
Prior Year Tax Losses					
Taxable Income(Loss)	3,304,172,000.00	5,480,018,375.00	8,640,556,531.25	11,953,511,623.36	17,135,205,244.03
Tax Amount (30%)	991,251,600.00	1,644,005,512.50	2,592,166,959.38	3,586,053,487.01	5,140,561,573.21

APPENDIX IV: ASSUMPTIONS

ASSUMPTIONS	2024	2025	2026	2027	2028
SALES(INCREASE)	20 MOTOR VEHICLES*36 TRIPS	Increase by 50%	Increase by 40%	Increase by 30%	Increase by 30%
DIRECT COSTS(INCREASE)	20 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	2,505,000,000.00	2,505,000,000.00	1,252,500,000.00	-	2,600,000,000.00
Total	2,555,200,000.00	2,505,000,000.00	1,261,845,000.00	-	2,600,000,000.00