



PASSENGER & GOODS TRANSPORTATION SERVICES in the East Africa and SADC Region

THE BUSINESS PLAN

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Project Owner:

ROCK STAR EXPRESS LIMITED

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ABBREVIATIONS

CIF	Cost Insurance and Freight
DAR	Dar es Salaam
DOM	Dodoma
DSCR	Debt Service Coverage Ratio
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
GDP	Gross Domestic Product
IPO	Initial Public Offer
IRR	Internal Rate of Return
LATRA	Land Transport Regulation Authority
NBS	National Bureau of Statistics
NPV	Net Present Value
PSSSF	Public Service Social Security Fund
QTY	Quantity
ROCKSTAR	Rock Star Express Ltd
SADC	Southern African Development Community
SDL	Staff Development Levy
TIC	Tanzania Investment Centre
TIN	Tax Identification Number
TLB	Transport Licensing Board
TZS	Tanzanian Shillings
U /Cost	Unit Cost
USD	United States Dollars
VAT	Value Added Tax
VRN	VAT Registration Number

THE EXECUTIVE SUMMARY

This business plan has been written for the pursuance of expanding the transport business which the company has been pursuing for over five years by purchasing 10 SCANIA trailer trucks 25 SCANIA Marcopolo busses for passenger transportation within Tanzania and the SADC region as a whole depending on the econometrics of each route as it shall be determined from time to time. To perform better on the passenger transportation, the company will construction state of the art Bus terminal in Dodoma and small mini bus terminals upcountry where each route ends. The company will also construct a furl station for servicing the busses and the trucks. The fuel station shall include two new fuel tankers to transport diesel from the depo in Dar es Salaam to the fuel station in Dodoma. In order to undertake this successfully, the company is seeking a **Loan of USD 10,060,000** preferably at an interest rate of not more than **3%** and a repayment period of **15 years**.

The Transport Industry

The Tanzania transport sector plays a crucial role in the growth of the Tanzanian economy; it facilitates domestic and international trade, contributes to national integration, and provides access to jobs, health, education and other essential facilities. The transport system's effectiveness, appropriateness and adequacy contribute a great deal to the successful implementation of socioeconomic activities, the lowering of domestic production costs through timely delivery, and the enhancement of the economies of scale in the production process and creating economic opportunities. The economic opportunities include: ease of market access, strengthening of competition, promotion of trade and export, tourism and foreign investment contribution to government revenue and generation of a large number of employment opportunities. In the past five years, the transport sector in Tanzania has helped to integrate market- strengthening competition, promote trade, tourism, and foreign investment, and has contributed to the government revenue¹.

Road transport is the most widely used form of transport in Tanzania as opposed to the Air and rail Transportation, carrying over 90% of the passengers and about 75% of the freight traffic in the country.

Tanzania's transport sector grew at a rate of 12.2% in Q3 2016 reaching TZS 865 billion at constant prices, compared to TZS 771 billion in Q3 2015 at a growth rate of 6.7%². NBS attributes the growth to a rise in the number of passengers and cargo transported by road and rail, as well as increased transportation of natural gas via pipelines.

Altering customer expectations, evolving digital requirements, Digital transformations and **Transport** automation and the Internet of Things has become part and parcel of the business.

In order to maintain a competitive advantage, developing an effective operating mechanism and marketing strategies is very important for Bus carriers to sustain in the intercity transport market. Improving the service quality is generally viewed by the transport carriers as an important strategy to level up customer satisfaction and to retain the ridership.

¹ Read more at: <https://www.tanzaniainvest.com/transport/tanzania-transport-sector-report-full>

² National Bureau of Statistics (NBS) Country's GDP performances for Q3 2016

In turn, transport carriers are forced to upgrade or purchase new vehicles that meet customers' requirement and make the customers comfortable to use.

ROCKSTAR is one transporter that can't escape this trend and hence the need to purchase new and modern Buses and trailer trucks featured with the latest techies which are currently a preference to customers and for the management as well.

The Business Objectives

The directors of the company have over ten years of experience in the transportation business in Tanzania both for cargo and passengers and hence the aim to embark on establishing a new modern and luxury transportation of passengers under economy and business class category.

Almost all competitors in the passenger transportation use the economy class operation, but the company would like to introduce the business class operations for the Dodoma - Dar es Salaam route and a few years later could expand to the other bus routes.

Objective for Phase 1:

The company needs **to purchase:**

- a) **25 units of full luxury MARCOPOLO buses** which have 46 +1 +1 seats each
- b) **10 units of SCANIA Trucks XT 410** for goods and cargo transportation services

Objective for Phase 2:

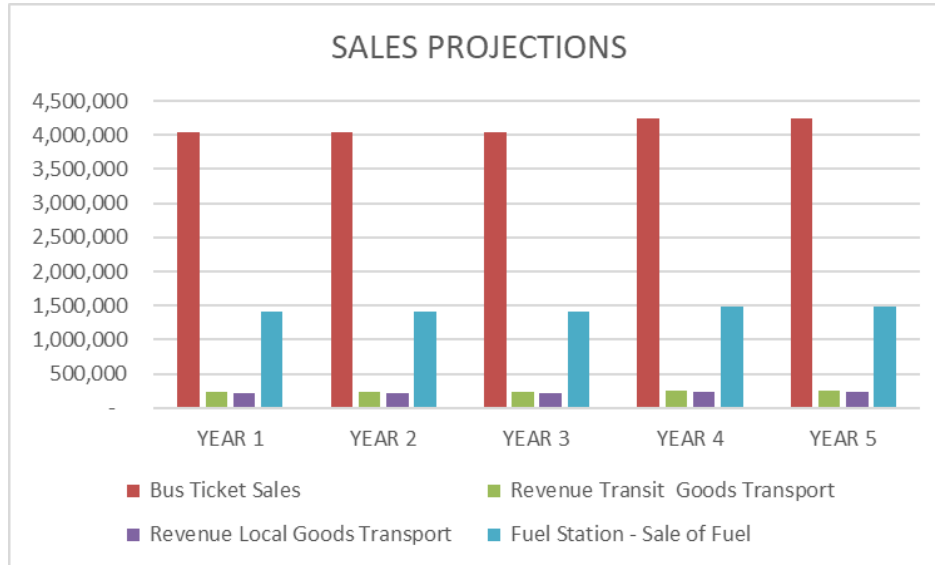
The Marcopolo buses and the SCANIA XT 410 are strong brands and can be used for at least 10 years before replacement. Therefore, more units will be added for the same or new routes on a year-by-year basis from the fifth year and as the business dictate anyway.

Services to be provided

The company will continue providing the following services to the general public:

- Passenger transportation services
- Goods, Parcel/cargo manifest services

The Sales Projections



The Market

The Dodoma-Dar-Dodoma route has more than 1,000 daily passengers, the Dodoma-Mwanza-Dodoma has more than 2,000 daily passengers while the Dodoma-Bukoba-Dodoma, Dodoma-Kasulu-Dodoma and Dodoma-Musoma-Dodoma has at least 600 daily passengers. Passengers make early bookings, three days before the travelling date. Very rarely one can find the right seat if s/he comes on spot the travelling day. This implies then that the market is huge and thus more buses needs to be introduced in the market.

The Funding Sought

In order to undertake the envisaged business, the company is looking for a **Loan or Equity of USD 10,060,000** at an **interest rate of 4%** and **repayment period of 15 years**. The funding sought should be availed **by Jan 2022** so that the new buses and the truck can be ordered in Jan for delivery in **Feb/Mar 2022**.

SUMMARY of FUNDING SOUGHT			
Category		Amount USD	Percentage
LOAN Amount		10,060,000	95.9%
Owners's Equity		430,000	4.1%
TOTAL INVESTMENT		10,490,000	100%

The Financial Returns Projection

The 5 years financial projections indicate a **profit-after-tax** of at least **USD 248,000** in the first year rising to at least **USD 425,000** during the fifth year.

The projected financial statements also show an **IRR of 31%** and an **NPV of USD 16.1 million** and a **return on investment (ROI) of 3.1%**.

Management & Financial Controls

The company will institute proper work-flows that results in water-tight financial controls and other process controls throughout the operations of the services. Best practices elsewhere shall

be employed from time to time. We envisage to create a work environment that allow workers to be happy, honest and accurate in their respective areas of work.

The company will register the project under the Tanzania Investment Center “TIC” to be granted the Tax incentives on the importation of the busses & trucks and other Taxes for some years according to the TIC regulations.

The Exit Strategy

The company proposes five methods through which and incase an investor wishes to exit the business shall recover his /her rightful proceeds from the company. The Exit methodology shall be:

a. **Initial Public Offer (IPO)**

One of the common ways is to come out with a public offer of the company, and sell his /her own shares as a part of the IPO to the public.

b. **Strategic Acquisition**

This is a trade sale, where the company you have invested in, is sold to another suitable company, and then you take your share from the sale value. The buyer will usually have a strategic advantage in acquiring this business as they both may complement each other. For this reason, the buyer will often pay a premium on the current share value in order to acquire the business.

c. **Secondary Sale**

This is a case where the private investors will sell their stake in the business to another private equity firm. This can happen for many reasons, for example, the business may require more money which is not in the capacity of the current equity investor or, the business may have reached a stage that the existing private equity investors wanted it to reach and other equity investors want to take over from there.

d. **Repurchase by the Promoters**

This is also a successfully used exit strategy, where the promoters of the company buy back the equity stake from the private investor(s). This is an attractive exit option for both the investors and the directors.

e. **Liquidation**

This is the least favorable option but sometimes will have to be used if the promoters of the company and the investors have not been able to successfully run the business.

1. THE COMPANY

1.1 About the Company

Rock Tech Engineering Company Limited “**ROCKSTAR**” is a Private Limited Liability Company registered on 18th February 2017 under the Tanzania Companies Act 2002 with a Certificate of Registration No. 150743672 and TIN No. 150-743-672 as well as the VRN No. 40-041080-W with the sole purpose of providing, importation of generators, installation of changeover switches, electrical installation, to carry out generators’ services, maintenance repair and overhauling, telecommunication, network design, Installation and support to our esteemed customers.

The Rock Tech Engineering Company has a subsidiary Company called Rock Star Express which is dealing with goods, cargos and logistics and now intending to expand the business portfolio by dealing with passengers’ services within Tanzania and East African Countries.

1.2 Vision Statement

The Vision statement of the company is:

“To become the Preferred Passenger and Cargo transport provider in Tanzania”.

1.3 Mission Statement

The Mission statement of the company is:

“To provide our services to the customers with Empathy, Integrity, Efficiency”.

1.4 The Key to Success

An analytical review of other systems (both through peer review and by reading the studies done by a variety of transportation research organizations) has shown that all of the successful public transporters have a number of characteristics in common. The identified characteristics indeed are the keys to success for ROCKSTAR’s services, both in the short- and long-term plan. The factors are:

- Provide dependable, convenient and frequent or regular services.
- Provide prompt and easily accessible information to customers about schedule changes /problems.
- Ensure both drivers and crew are trained to provide courteous customer service.
- Ensure the service operations is reliable and in a condition that makes the customers feel comfortable.

2. THE BUSINESS & THE INDUSTRY

2.1 The Existing Business Opportunity

The 6 routes which ROCKSTAR has chosen are usually fully booked as they have a lot of travelers. Excellent buses in terms of facilities and that which make customers feel more comfortable have almost a guaranteed to fill the buss seats every trip.

This is an opportunity that ROCKSTAR wants to capture by ensuring that it procures brand new, state of the art buses which will be a preference to the customers on the chosen routes. Apart from that, the company wants to introduce a Business Class service for the Dodoma-Dar-es-salaam-Dodoma. Buses will leave Dodoma at 8pm reaching Dar es Salaam at 4am and also will leave Dar es Salaam at 8pm reaching Dodoma at 4am. This service will allow people like Ministers, MPs and business community to finish their day's work and travel at night. Usually, businesses are closed at night in Tanzania, so the time sensitive people would want to travel at night so that they don't waste a business day. Almost everyone interviewed was positive and affirmative ready to use the service once it commences.

2.2 The Industry Trend

The future of transport and logistics lies in the use of technology and innovation driven by customers who are so much eager for a significant transformation in the transport and Logistics industry. With so much heat, the sector has to disrupt itself, or else the demand will force customers to look for options.

Experts in transport are incredibly concerned with the speed at which innovation is evolving. Technology is taking over like a disease as a result, several businesses in this sector struggle to keep up with the levels of developments in technology.

2.3 The Customers' Expectations

Client expectations are now changing because of technology. As clients become information-enabled, they have expectations that their transport service providers will keep them fully informed throughout the entire process.

Similarly, because of the ballooning amount of accessible data, clients want to discover a business that operates with their precise expectations. Clients are pushing for more modern transport techniques.

With the emergence of e-commerce, transportation providers are required to operate efficiently and faster.

This implies that the services providers will have to comprehend better the impacts of technology trends in the transport & logistics process to allow the clients to witness what is transpiring at each step.

3. THE SERVICES

3.1. The Passenger Services

For the selected Bus routes, the company will provide the following services to the general public:

PASSENGER SERVICES /BUSES

- Passenger transportation services
- Parcel/cargo manifest services

The services shall be coupled with add-on services such as:

- Providing beverages and soft drinks during the journey.
- Educative and Entertaining movies during the journey.
- The business class routes will run non-stop, will have toilets and restaurant services and hence shorter travelling hours.

The Initial Passenger Routes

	BUS ROUTE	CLASS
1	Dodoma-Dar-Dodoma	Business Class
2	Dodoma-Kigoma-Dodoma	Economy Class
3	Dodoma-Kasulu-Dodoma	Economy Class
4	Dodoma-Bukoba-Dodoma	Economy Class
5	Dodoma-Mwanza-Dodoma	Economy Class
6	Dodoma-Musoma-Dodoma	Economy Class

3.2.The Goods Transport Services

The trucks will be used to the following transportation services:

- Goods for transporting to other countries – Transit Goods
- Goods for in-country transportation.

The Initial Goods Transport Service Routes

TRANSIT GOODS TRANSPORTATION			IN-COUNTRY GOODS TRANSPORTATION		
	Destination	Cargo Type		Destination	Cargo Type
1	Congo	Cereal /Foods Stuff	1	Kigoma/Shinyanga - Dar	Cows
2	Zambia	Cereal /Foods Stuff	2	Songea -Tanga	Coal
3	Uganda	Cereal /Foods Stuff	3	Songea - Tanga	Cereal /Foods Stuff
4	Sudan	Cereal /Foods Stuff	4	Sumbawanga/Rukwa/Katavi - Dar	Cereal /Foods Stuff
5	Mozambique	Cereal /Foods Stuff	5	Dodoam - Dar es Salaam	Cereal /Foods Stuff

4. MARKET ANALYSIS

4.1. The Market Size

The Dodoma-Dar-Dodoma route has more than 1,000 travelers on daily basis. As the central government & ministerial offices are now based in Dodoma, a lot more passengers travel from the regions to Dodoma for business or service issues. With a distinguished customer care, the ROCKSTAR busses will be fully booked in most cases. We don't foresee a market drop in the next ten years other than potential increase in the number of travelers.

As Tanzania envisages to become an industrial economy driven country by 2030, we foresee a huge market growth for goods transportation both for the transit and local transportation needs. That being the case, competition is expected to be strong and will continue rising over the time.

4.2. The Target Customers

This is a service industry business where the potential target customers /markets are the general public. Because of the huge market potential, the issue is to make sure we use effective selling methods that cause the buses and the trucks to be fully booked prior to the travelling or goods transportation day.

4.3. The Competitor Analysis

For the passenger transport service, there are very few bus operators having luxury buses, we believe that our new Marcopolo luxury busses fitted with all latest high-tech facilities coupled with tailored customer care, will lift the company to be attractive to customers and become a transporter of choice over time. Along with all these facilities, the business class couch will have additional services of Wi-fi, restaurant and a wash-room.

As a policy the company will not hang on with breaking busses or trucks, we shall sell any bus or truck that will begin to show a sign of failure /breaking. The immediately arrange to replace such buses or truck with the standby bus or truck and then make a plan to replace it with a new one within a span of one to two months.

All of the above methods are aimed at giving the company a competitive advantage over the other players. And we believe this is possible and will be achieved.

4.4. Strategies to overcome the Competition

Despite the competition, the business is still attractive because the number of passengers travelling in our chosen routes is still much higher and is ever increasing. We believe, having the best buses and trucks coupled with best customer-care and an appropriate marketing and selling strategies would improve the business profitability over time. The company will use some specific strategies to beat competition such strategies as:

- To offer "the after sales services" such as arrange for reliable taxi or Uber services when passenger disembark from the bus to proceed to another short routes.
- To ensure that all bus schedule is attended timely without wasting time on the bus terminals and avoid unnecessary delays in transit bus stops.
- In the event of emergency, the company will ensure that it provides ready bus to support passengers so that they proceed to their destination as scheduled.
- Frequent-passenger shall win a free ticket after reaching some travelling-points.

4.5. Marketing Strategy

Marketing will be done through various methods including the word of mouth, advertisement through media such as radio, TV, newspapers, social media and if possible, on events which are organized for various social purposes in the country.

5. SALES ANALYSIS

5.1. The Sales Strategy

The Company will use various sales strategies including the following:

- To appoint the best sales team at route end point who recruit passengers for every fleet.
- Allow complementary tickets for frequent passenger travelers.
- To issue discounted price to customers who come in groups as well as for the regular customers on reaching a certain travel-points, discounted prices will apply for passenger and logistics transportation of goods for the regular customers.

5.2. The Pricing

Bus fare prices for all routes in the country, are usually determined and specified by the regulator - Land Transport Regulatory Authority (LATRA) which issues carrier licenses for passenger and all transport operations, specifying the routes, prices and timetables. Therefore, pricing has to be tackled using other methods such as discounted pricing or frequent traveler coupons etc.

5.3. Bus Rates Projections

		Projected	Market								
Diesel Cost per Litre		in TZS = 2,170	2,200	Discount of 30 sh per litre							
		in USD = 0.94	0.95								
Passenger seats per Bus		46									
PROJECTIONS FOR ONE BUS PER ROUTE											
	BUS ROUTE		Ticket Category	ONE-WAY FARE	Average No. of Seats Filled	Revenue - One way	Revenue - Return	Litres of Diesel - Return Trip	Diesel Cost /Litre	Diesel Cost - Return trip	No. of Return Trips /Month
	FROM	TO		USD		USD	USD	Litres	USD	USD	
1	DOM	DAR	Full Price	15.09	40	603	1,207	390	0.94	365	10
			Low-Cost	7.54	6	45	91				
2	DOM	MWANZA	Full Price	15.09	40	603	1,207	420	0.94	393	10
			Low-Cost	7.54	6	45	91				
3	DOM	KIGOMA	Full Price	19.40	40	776	1,552	440	0.94	412	10
			Low-Cost	9.70	6	58	116				
4	DOM	KASULU	Full Price	19.40	40	776	1,552	440	0.94	412	10
			Low-Cost	9.70	6	58	116				
5	DOM	MUSOMA	Full Price	17.24	40	690	1,379	560	0.94	524	10
			Low-Cost	8.62	6	52	103				
6	DOM	BUKOBA	Full Price	19.40	40	776	1,552	680	0.94	636	10
			Low-Cost	9.70	6	58	116				

5.4. Bus Routes – Cost & Revenue Projections

ROUTE REVENUE PROJECTIONS														
										Monthly Maintenance Cost per Bus		2,000,000	TZS	
												862.07	USD	
REVENUE					DIESEL			MAINTENANCE			DRIVERS			
BUS ROUTE			No. Buses	No. of Return Trips /Month	Return trip Revenue /Bus	Monthly Revenue /Route	Return trip Diesel Cost /Bus	Monthly Diesel Cost /Route	Monthly Maintenance Cost /Bus	Total Monthly Maintenance Cost /Route	Drivers /Bus	Cost per driver per return trip	Cost of Drivers /Route	Monthly Cost of Drivers
FROM	TO				USD	USD	USD	USD	USD	USD				
1	DOM	DAR	2	10	1,297	25,948	365	7,296	862.07	1,724	1	43.10	86.21	862
2	DOM	KIGOMA	4	10	1,297	51,897	393	15,714	862.07	3,448	1	43.10	172.41	1,724
3	DOM	KASULU	4	10	1,668	66,724	412	16,462	862.07	3,448	2	43.10	344.83	3,448
4	DOM	BUKOBA	4	10	1,668	66,724	412	16,462	862.07	3,448	2	43.10	344.83	3,448
5	DOM	MWANZA	4	10	1,483	59,310	524	20,952	862.07	3,448	2	43.10	344.83	3,448
6	DOM	MUSOMA	4	10	1,668	66,724	636	25,441	862.07	3,448	2	68.97	551.72	5,517
Total New Buses			22			337,328		102,327		18,966				18,448

SUMMARY OF MONTHLY BUS ROUTE COSTS

			Cost of Diesel	Drivers' allowances	Conductors' allowances	Maintenance Cost	Total Cost
1	DOM	DAR	7,296	862	344.83	1,724	10,227
2	DOM	KIGOMA	15,714	1,724	689.66	3,448	21,576
3	DOM	KASULU	16,462	3,448	689.66	3,448	24,048
4	DOM	BUKOBA	16,462	3,448	689.66	3,448	24,048
5	DOM	MWANZA	20,952	3,448	689.66	3,448	28,538
6	DOM	MUSOMA	25,441	5,517	689.66	3,448	35,097

SUMMARY OF MONTHLY GROSS MARGIN PROJECTIONS

MONTHLY PROJECTIONS							
			REVENUE	Total Cost	Gross Margin		Cost to Income Ratio
			USD	USD	USD	TZS	
1	DOM	DAR	25,948	10,227	15,722	36,474,000	39%
2	DOM	KIGOMA	51,897	21,576	30,321	70,344,000	42%
3	DOM	KASULU	66,724	24,048	42,676	99,008,000	36%
4	DOM	BUKOBA	66,724	24,048	42,676	99,008,000	36%
5	DOM	MWANZA	59,310	28,538	30,772	71,392,000	48%
6	DOM	MUSOMA	66,724	35,097	31,628	73,376,000	53%
			337,328	143,534	193,794	449,602,000	43%

5.5. Rates for Trucks Transit Routes

Number of New Trucks	10
Cost of Fuel per Litre	0.94

Rates for Transit Goods /To foreign country

Cargo Type	Price per Return Trip	
	TZS	USD
Cereal /Foods Stuff	7,500,000	3,233
Coal	11,000,000	4,741
Others	7,000,000	3,017

5.6. Cost & Revenue Projections for Transit Routes

PROJECTIONS OF COST AND REVENUE - TRANSIT GOODS					Monthly Costs			Monthly Costs		
Destination	Cargo Type	Price per Return Trip	Return Trips per Mth	Revenue	Litres of Diesel per Return Trip	Diesel Cost per Litre	Cost of Fuel - Return Trip	Cost of Driver		Total Cost of Return Trip
		USD		USD		USD	USD	TZS	USD	
Congo	Cereal /Foods Stuff	3,233	1	3,233	1,000	0.94	935.34	400,000	172.41	1,107.76
Zambia	Cereal /Foods Stuff	3,233	2	6,466	900	0.94	841.81	400,000	172.41	1,014.22
Uganda	Cereal /Foods Stuff	3,233	1	3,233	1,000	0.94	935.34	400,000	172.41	1,107.76
Sudan	Cereal /Foods Stuff	3,233	1	3,233	1,200	0.94	1,122.41	400,000	172.41	1,294.83
Mozambique	Cereal /Foods Stuff	3,233	1	3,233	1,400	0.94	1,309.48	400,000	172.41	1,481.90

Transit routes will cover the East Africa and SADC countries as shown in the above table.

SUMMARY OF INCOME & EXPENDITURE - TRANSIT GOODS			
ROUTE	Monthly Projections		
	INCOME	COST	MARGIN
Congo	3,233	1,108	2,125
Zambia	6,466	1,014	5,451
Uganda	3,233	1,108	2,125
Sudan	3,233	1,295	1,938
Mozambique	3,233	1,482	1,751
	19,397	6,006	13,390

5.7. Rates Local Truck Routes

Rates for Local Goods /In country						
Cargo Type	Go Trip		Return Trip		Total per Return trip	Total per Return trip
	TZS	USD	TZS	USD	TZS	USD
Cows	4,000,000	1,724	2,700,000	1,164	6,700,000	2,888
Cereal /Foods Stuff	1,500,000	647	800,000	345	2,300,000	991
Coal	7,000,000	3,017			7,000,000	3,017
Others - Plastic items	1,000,000	431	800,000	345	1,800,000	776

5.8. Cost & Revenue Projections for Local Truck Routes

PROJECTIONS OF COST AND INCOME - LOCAL GOODS												
Destination	Cargo Type	Price per Return Trip	Return Trips per Mth	Monthly Revenue	Litres of Diesel per Return Trip	Diesel Cost per Litre	Cost of Fuel - Return Trip	Cost of Driver		Monthly Service & Maintenance Cost		Total Monthly Cost of Return Trip
								TZS	USD	TZS	USD	
Kigoma/Shinyanga - Dar	Cows	2,888	2	5,776	700	0.94	1,309.48	500,000	215.52	500,000	215.52	1,740.52
Songea -Tanga	Coal	3,017	2	6,034	700	0.94	1,309.48	500,000	215.52	500,000	215.52	1,740.52
Songea - Tanga	Cereal /Foods Stuff	991	1	991	400	0.94	374.14	250,000	107.76	500,000	215.52	697.41
Sumbawanga/Rukwa/Ka	Cereal /Foods Stuff	991	2	1,983	700	0.94	1,309.48	500,000	215.52	500,000	215.52	1,740.52
Dodoam - Dar es Salaam	Cereal /Foods Stuff	991	4	3,966	480	0.94	1,795.86	1,000,000	431.03	500,000	215.52	2,442.41
				18,750	2,980		6,098.45		1,185.34		1,077.59	

SUMMARY OF INCOME & EXPENDITURE - LOCAL GOODS						
		INCOME	COST	MARGIN	Trips	Cost to
						Income Ratio
Kigoma/Shinyanga - Dar	Cows	5,776	1,741	4,035	2	30%
Songea -Tanga	Coal	6,034	1,741	4,294	2	29%
Songea - Tanga	Cereal /Foods Stuff	991	697	294	1	70%
Sumbawanga/Rukwa/Ka	Cereal /Foods Stuff	1,983	1,741	242	2	88%
Dodoam - Dar es Salaam	Cereal /Foods Stuff	3,966	2,442	1,523	4	62%
		18,750	8,361	10,389		

5.9. Fuel Station Cost Projections

		TZS /USD Exch. =	2,320
Monthly			
	Litres Consumed /Month	USD Cost /Litre	Total Cost
Prices in USD			
Buses	109,400	0.98	106,666
Goods Trucks	2,980	0.98	2,906
Tanker Trucks	2,400	0.98	2,340
	112,380		111,912

5.10. Fuel Station Revenue Projections

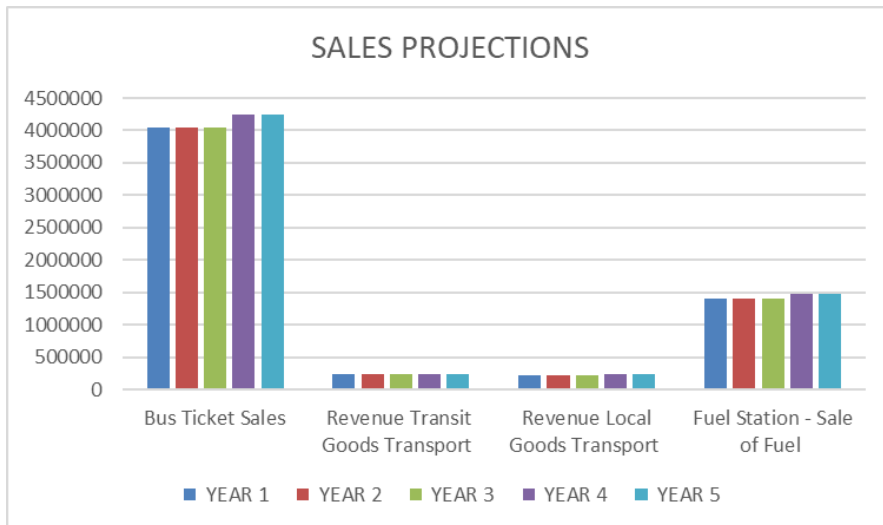
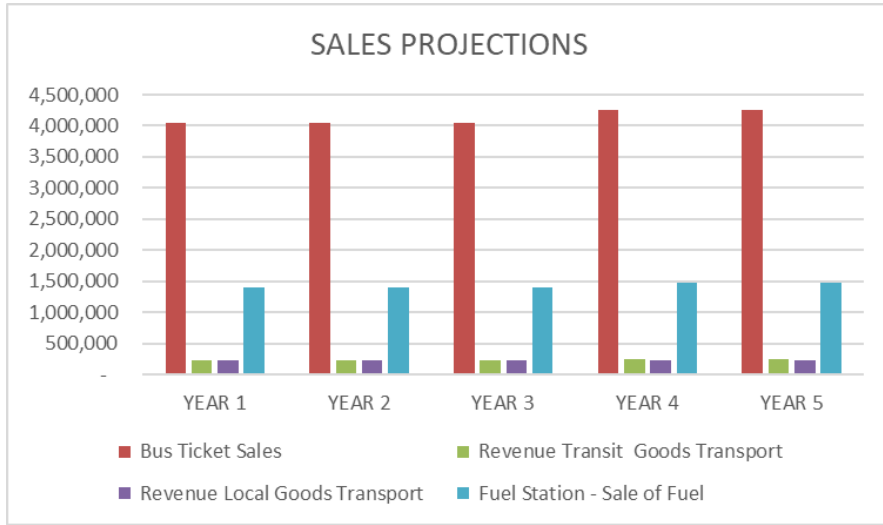
Monthly			
		USD Price /Litre	Total Revenue
Prices in USD			
Buses	109,400	1.04	114,163
Goods Trucks	2,980	1.04	3,110
	112,380		117,272

5.11. Fuel Consumption Projections

FUEL CONSUMPTION REQUIREMENT SUMMARY			
	Litres	Cost /Litres	Cost - USD
Buses	109,400	0.98	106,666
Goods Trucks	2,980	0.98	2,906
Tankers	2,400	0.98	2,340
Litres /Month	114,780		111,912
	Capital for Purchasing Fuel		112,000

5.12. Sales Projections - 5 years

SALES PROJECTIONS					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	Prices in USD				
Bus Ticket Sales	4,047,931	4,047,931	4,047,931	4,250,328	4,250,328
Revenue Transit Goods Transport	232,759	232,759	232,759	244,397	244,397
Revenue Local Goods Transport	225,000	225,000	225,000	236,250	236,250
Fuel Station - Sale of Fuel	1,407,269	1,407,269	1,407,269	1,477,632	1,477,632



6. OPERATIONS

6.1. Operational Standards

The company will need special tailored ticketing and control system which will be accessible in all major cities where the company buses will be passing.

The company already has a financial reporting system which is used for all internal financial reporting purposes.

- Added services such as Wi-Fi, Hi-Fi, TV etc are important to be able to compete with other operators who have those value-added services.
- Fleet scheduling is carried out by the operation manager who knows the status of each unit, its condition, where it is and other important information that enable him to plan accordingly.
- Each vehicle will be under comprehensive Insurance to cover goods and passengers.

6.2. Fleet Operations and Management

The company will implement procedures for all processes and for all staff in the respective sections to follow and adhere to. The company will also implement various policies that shall be cascaded down to all staff to instill the right and appropriate altitude and discipline in the fleet processes and management.

In order to have a regular visibility of the business at any time, the company shall also endeavor to automate most of the processes which can be automated.

6.3. Operational Costs Control Strategy

The cost control measures will involve tracking costs and revenue by the individual bus and truck to see which one is doing better than the other and the reason reasons behind. Performance discussions with the incumbent shall follow in order to inculcate the desired efficiency and standard as a learning point to ensure a better performance from that moment going forward.

6.4. Procurement of Buses

The company will purchase **25 SCANIA Marcopolo brand buses**. These are robust and stronger brands which can be used for up to 10 years without major services. Most other brands survive for 4 years and become written-off.

The company will maintain these buses in a very good conditions and when any bus begins to bring troubles it shall be replaced with immediate effect.

Full Luxury Coach Buses - 46 + 1 + 1 Seats			15/12/2021	
			Economy Class	Business Class
			Cost in TZS	USD
Make: SCANIA - Marcopolo				
CIF Price - per Bus			297,000	317,000
Port Charges per Bus	100,000,000		Inclusive	Inclusive
TLB Cost per Bus	1,400,000		Inclusive	Inclusive
Transfer Fuel per Bus	200	2,170	187	187
Unit Cost			297,187	317,187
Number of Buses			23	2
Total - A			6,835,303	634,374
			7,469,677	
INSURANCE COST				
			USD	USD
Principal			297,187	317,187
Cover	4%		11,887	12,687
VAT	18%		2,140	2,284
Insurance cover per Bus			14,027	14,971
Number of Buses			23	2
			322,626	29,942
Insurance cover for all Buses				352,569



6.5. Procurement of Trucks

The company will purchase **10 trailer trucks** with trailers for goods transportation. The chosen brand is **SCANIA XT 410** which are also a strong brand hand have proved a best performance over a period of 10 years.

TRAILER TRUCKS FOR GOODS TRANSPORTATION						
		Qty	U /Cost USD	Sub Total Cost	Clearing 5%	Cost USD
SCANIA XT 410	6 X 2	5	119,000	595,000	29,750	624,750
	6 X 4	5	123,000	615,000	30,750	645,750
		10		Investment Cost		1,270,500
INSURANCE COST						
				Principal	1,270,500	USD
				Cover	4%	50,820
				VAT	18%	9,148
				Insurance Cover =		59,968



6.6. Procurement of Tankers

The company intends to procure 2 diesel tankers which will be used for transporting the diesel from the depo in Dar es Salaam to our fuel station in Dodoma.

TANKER TRUCK FOR TRANSPORTION OF DIESEL FROM DEPO IN DAR TO DODOMA FUEL STATION							
		Qty	U /Cost USD	Sub Total Cost	Clearing 5%	Cost	
SCANIA	4 axle	2	85,000	170,000	8,500	178,500	89,250
		2		Investment Cost		178,500	
INSURANCE COST							
				Principal	178,500	USD	
				Cover	4%	7,140	
				VAT	18%	1,285	
				Insurance Premium		8,425	



6.7. Construction of a Fuel Station

The fuel station will be constructed by an experienced local contracted who has an experience of over 15 years operating in Tanzania and the East Africa in general. The contractor has provided us his quotation which has been used in the financial projections, whose costs are as shown in the table below:

FUEL STATION - CONSTRUCTION					
Quotation from PONP Company Ltd			Quote Dated	30 Nov 2021	
FUEL ACCESSORIES					
Item	Description	Qty	Unit Cost		Total Cost
			TZS	USD	
Storage Tank Calibration	Calibration	1	3,900,000	3,900,000	1,681.03
Underground Storage Tank	10,000 Lts, Steel, adjustable neck and pedestrian lid cover ,Bunded Diesel or petroleum Tank with 6mm thickness plate	2	9,600,000	19,200,000	8,275.86
Fuel Pump	Fuel dispenser, Pumo -EFD compatible 2nozzle 1 product /including breakaway stop switch hose 3/4 (warrant 1 year free)outlet: 13/16" 2 x Black rubber hose, length:4 M with-Motor, 1PH,220V, 50HZ, 0.75Kw 2 x Tatsuno type pump	2	5,500,000	11,000,000	4,741.38
GS Pipes	Pipe	12	930,000	11,160,000	4,810.34
Elbow	1.5 inch	34	191,000	6,494,000	2,799.14
Nipple	1.5 inch	34	31,000	1,054,000	454.31
Check Valves	Valve	3	200,000	600,000	258.62
Tank	Underground tank Installation	2	1,900,000	3,800,000	1,637.93
Charges	Transport, Concrete costs	3	3,800,000	11,400,000	4,913.79
Pump Island	Concrete, Canopy and Canopy Ring	2	4,009,000	8,018,000	3,456.03
Labour	Labour cost	2	3,800,000	7,600,000	3,275.86
Contingence	Miscellaneous costs	1	7,321,458	7,321,458	3,155.80
				91,547,458	
			VAT	18%	16,478,542
					108,026,000
			Sales Tax		16,684,680
			Investment Cost		124,710,680
					53,755
				Round to	75,000

INSURANCE COST		
Principal	75,000	USD
Cover	8%	6,000
VAT	18%	1,080
Insurance Premium - Premises		7,080



The fuel /diesel shall be sold to the buses and trucks at a LATRA price less TZS 30 per liter or diesel as a discounted price.

The fuel station in Dodoma will only serve the company vehicles in the first couple of years. Later many be converted to serve the public as well.

The Bus and trucks operations has a lot of challenges in conserving and proper use of fuel. In most cases, drivers steal the fuel every trip, which result in enormous losses to the company. Our company will control this by having our own filling station from which each bus shall be fueled with fuel enough for the go and return trip and the same for the trucks.

Other cost control measure shall be introduced for the sake of keeping the operational costs as low as possible.

6.8. Construction of Bus Terminals

The company will construct a state-of-the-art terminal in Dodoma with facilities and a lounge for the general public but also with a lounge for business class passengers who await to board the Business Class busses. The terminal in Dodoma will cost USD 340,000. The terminals in the regions up-country shall be constructed from third year using internal resources.



The Topographic layout of the business terminal



The Business Class Lounge

6.9. Procurement of Office Equipment

Due to the envisaged business, a number of office equipment will have to be purchased to pave a smoother operation and working environment for staff. The equipment shall be as listed in the table below:

OFFICE EQUIPMENT							
No.	Item	Dom Office	Regional Booking Offices	Total Qty	U/Cost	Amount	
						TZS	USD
	Number of Booking Offices =	1	6	7			
1	Desktop Computers	5	14	19	1,000,000	19,000,000	8,190
2	Laptops	10	-	10	2,500,000	25,000,000	10,776
3	Printers	2	7	9	2,500,000	22,500,000	9,698
4	Office Tables	15	14	29	450,000	13,050,000	5,625
5	Office Chairs	20	28	48	380,000	18,240,000	7,862
6	Visitors Chairs	2	7	9	400,000	3,600,000	1,552
7	Reception Desk with 4 chairs	1	-	1	2,700,000	2,700,000	1,164
8	IP CCTV system with Software:						
	Dom Camera	2	7	9	150,000	1,350,000	582
	Bullete Camera	6	21	27	150,000	4,050,000	1,746
	Nvr Camera	2	7	9	600,000	5,400,000	2,328
	Hdd 2TB	2	-	2	280,000	560,000	241
9	Wala Boxes 32 Inch	1	7	8	380,000	3,040,000	1,310
						118,490,000	51,073

6.10. The Business Systems

In order to provide excellent services to our customers and for the management need to have a clearer and prompt visibility of the business, the company intends to deploy the following business systems:

- The Online ticketing System
- The Mobile App Ticketing System
- The Frequent Travelers' Tracking System
- The Customer Satisfaction Monitoring Tool

With the successful implementation of these business systems, ROCKSTAR expects to excel and gain more royalty and acceptance by the general public which in turn will cause a more profitable and sustainable business.

6.11. Customer Satisfaction

Measuring customer satisfaction is about profit and competitive advantage. To achieve a long-term success in the market, ROCKSTAR should monitor the customer satisfaction signals regarding product, service and relationship. Measuring customer satisfactions provide a comprehensive insight to the customer pre and post purchase behavior. ROCKSTAR has planned to develop tools for monitoring customer satisfaction and to build continuous, quality improvement systems that respond to customer feedback.

6.12. Risks Analysis

The Company has already identified the operational risks for the business and for staff as well. Control measures shall be implemented to mitigate the risks at all times. Any residual risks shall be covered via insurance and any other method as may be recommended by the business and the operations from time to time.

6.13. THE SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Customer royalty • Employees’ experience and professionalism in bus transport business • Established organizational system of continual employee training 	<ul style="list-style-type: none"> • Inadequate financial capacity to meet the expansion requirement • Technology adaptability – to provide online customer services. • Staff honesty
OPPORTUNITIES	THREATS /CHALLENGES
<ul style="list-style-type: none"> • Large number of travelers in the chosen routes and Logistics services – with high market growth potential • High demand for business class bus services tailored with toilets and possibly with a mini-restaurant services 	<ul style="list-style-type: none"> • Meeting customers’ expectations • Increasing competition • Evolving digital requirements • Increased regulatory requirement & controls • Skills level for all drivers and support staff to adapt to new ways of doing things

6.14. Mechanics & Maintenance Services

The Operations department shall oversee and employ effective maintenance schedules just to ensure that all vehicles and machines operate optimally at all times. In order to enhance this, adequate spare parts shall be made readily available.

Incident tracking and regular checking shall be used so that breakup and servicing trends are established.

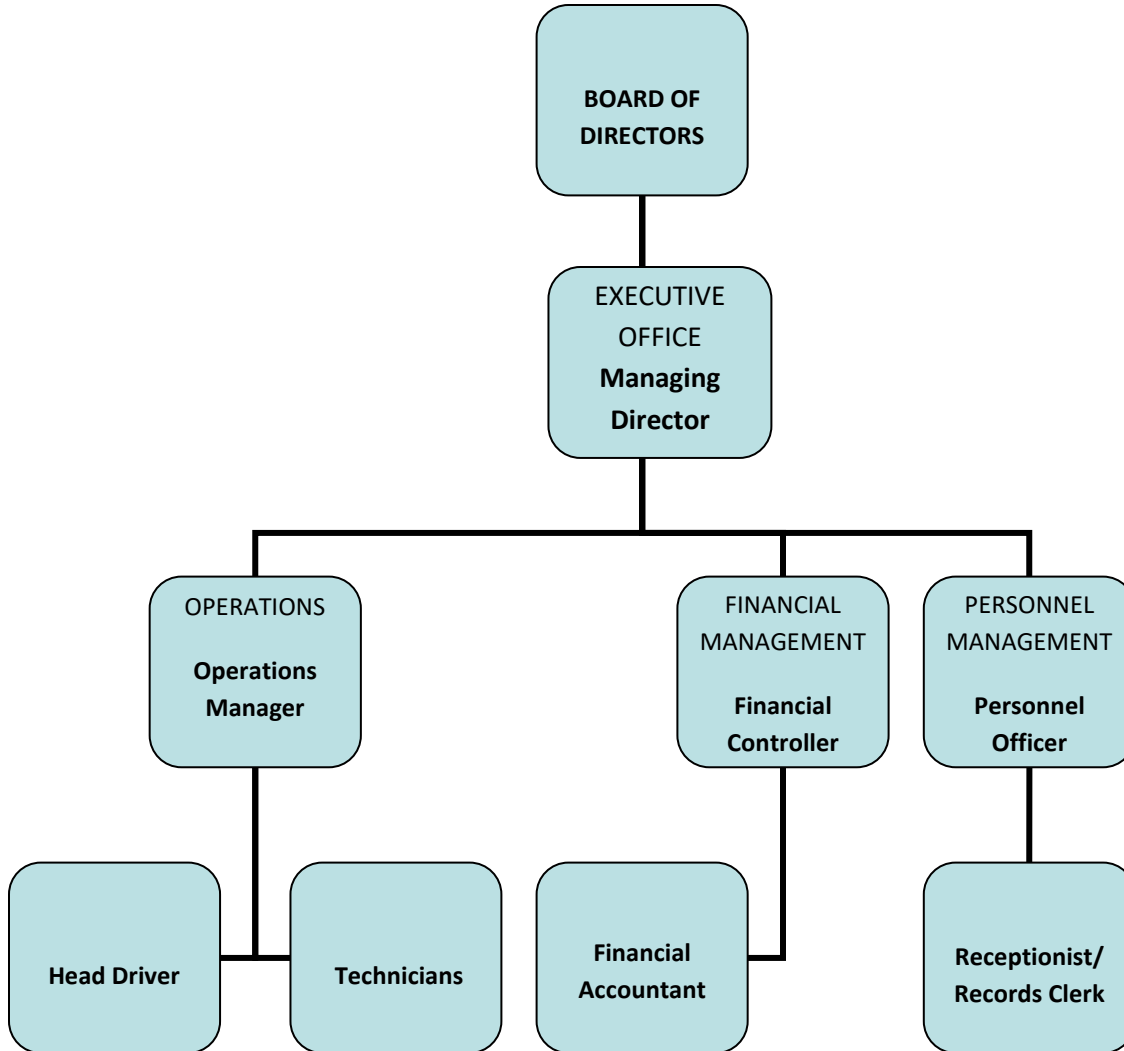
However, the buses will be serviced/maintained using own garage located at the yard in Dodoma where the head office is and using own mechanics. Spare parts are sourced by the company head technician who knows the best suppliers of spare parts.

7. MANAGEMENT

7.1. The Personnel Team

All the Bus and Truck drivers shall be recruited and be subject a probation period of six months, this is in order to establish their skills and integrity levels. Well performing drivers shall then be contracted by the company in the respective service.

7.2. The Organizational Structure



8. THE FINANCIAL PLAN

8.1. The Financial Requirements

In order to implement the project, an **investment USD 10,490,000** is required. But the Company is seeking a **loan of USD 10,060,000**.

8.2. Sources of Funds

The funds shall be utilized according to the schedule below. ROCKSTAR will provide an equity of **USD 430,000** and is seeking a **loan of USD 10,060,000** under favorable terms to enable it to execute the envisaged business.

USES AND SOURCES OF FUNDS					
No.	Uses	Qty	Amount	Source	%
1	Purchase of full Luxury Buses - Economy Class	23	6,841,303	Loan	65.2%
2	Purchase of full Luxury Buses - Business Class	2	640,374	Loan	6.1%
3	Purchase of Goods Trucks	10	1,270,500	Loan	12.1%
4	Tanker - Truck for transporting Diesel	2	178,500	Loan	1.7%
5	Construction of modern Passenger Terminals	5	340,000	Loan	3.2%
6	Construction of a Fuel Station	1	75,000	Loan	0.7%
7	Cost of Yard - Dodoma	1	250,000	Loan	2.4%
8	Office Equipment		51,073	Owners' Equity	0.5%
9	Operational Costs - Half year		240,986	Owners' Equity	2.3%
SUBTOTAL			9,887,736		
10	CFA Consultancy Costs	4%	395,509	Loan	3.8%
11	Contingency Provision	2%	197,755	Loan	1.9%
Sub Total			10,481,000		99.9%
round to			10,490,000		

The budget has also included a provision for contingency and all consultancies that will be involved especially in the processes for sourcing the funds and as may be necessary.

SUMMARY of FUNDING SOUGHT		
Category	Amount USD	Percentage
LOAN Amount	10,060,000	95.9%
Owners's Equity	430,000	4.1%
TOTAL INVESTMENT	10,490,000	100%

8.3. Loan Affordability Analysis

The proposed tenure for the loan will be Fifteen (15) years at an interest rate of 4% with a grace period of 6 months during which all procurements, constructions, delivery and installations of systems shall be conducted. The proposed loan repayment schedule in USD shall be as indicated in the table below:

Requested Term LOAN Amount	TZS	10,060,000			
Interest Rate	4.0%	per annum			
Loan Tenure	15	years			
	Year 1	Year 2	Year 3	Year 4	Year 5
	USD	USD	USD	USD	USD
Principal Repayment Amt	499,645	520,002	541,187	499,645	586,183
Interest Repayment Amt	393,306	372,950	351,764	393,306	306,768
Total Repayment Amt (USD)	892,951	892,951	892,951	892,951	892,951
Projected EBITDA (USD)	2,193,226	2,184,826	2,184,120	2,457,643	2,456,841
_NB: EBITDA stands for E arnings B efore I nterest, T ax, D epreciation & A mortization					
Ratio of Loan Repayment Amt to EBITDA	41%	41%	41%	36%	36%

8.4. The Debt Service Coverage Ratio - DSCR

Debt Service Coverage Ratio /DSCR					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Interest Repayments	393,306	372,950	351,764	393,306	306,768
Principal Repayments	499,645	520,002	541,187	499,645	586,183
Total Debt Service	892,951	892,951	892,951	892,951	892,951
Annual EBITDA	2,193,226	2,184,826	2,184,120	2,457,643	2,456,841
Annual DSCR	2.46	2.45	2.45	2.75	2.75
	5 Years' Average DSCR				2.57

An average **DSCR of 2.57** over a period of 5 years, means that the business will have 2.57 times the money required to fund the debt.

8.5. Proposed Loan Repayment Schedule

From the financial plan, the business can afford the loan as analyzed in the table below.

PROPOSED LOAN REPAYMENT SCHEDULE								
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
	USD	USD	USD	USD	USD	USD	USD	USD
Interest Repayment	393,306	372,950	351,764	393,306	306,768	282,886	258,031	232,163
Principal Repayment	499,645	520,002	541,187	499,645	586,183	610,065	634,920	660,788
Annual Repayment (USD)	892,951	892,951	892,951	892,951	892,951	892,951	892,951	892,951
	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Interest Repayment	205,242	177,223	148,064	117,716	86,131	53,260	19,050	3,397,860
Principal Repayment	687,709	715,728	744,888	775,236	806,820	839,691	873,654	9,996,162
Annual Repayment (USD)	892,951	892,951	892,951	892,951	892,951	892,951	892,704	13,394,022

8.6. The Projected Profit & Loss Statement

PROFIT & LOSS STATEMENT	USD				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Revenues	5,912,959	5,912,959	5,912,959	6,208,606	6,208,606
Total Revenues	5,912,959	5,912,959	5,912,959	6,208,606	6,208,606
Cost of Sales or Direct Costs	3,237,761	3,237,761	3,237,761	3,302,517	3,302,517
Cost of Sales	3,237,761	3,237,761	3,237,761	3,302,517	3,302,517
Gross margin (Net revenues)	2,675,197	2,675,197	2,675,197	2,906,090	2,906,090
Marketing	1,810	1,810	1,810	1,810	1,810
Staff costs	6,778	6,778	7,064	7,237	7,599
Travel costs	-	-	-	-	-
Office costs	38,141	38,141	38,561	38,561	39,002
Equipment & maint. costs	2,400	2,400	2,400	2,400	2,400
Third Party cost	428,042	428,042	428,042	385,237	385,237
Other costs	4,800	13,200	13,200	13,200	13,200
Operating Costs	481,971	490,371	491,077	448,446	449,249
Income from Operations /EBITDA	2,193,226	2,184,826	2,184,120	2,457,643	2,456,841
Interest charges	393,306	372,950	351,764	393,306	306,768
Loan Repayment	499,645	520,002	541,187	499,645	586,183
Depreciation	945,869	955,869	955,869	955,869	955,869
Non-operating costs	1,838,820	1,848,820	1,848,820	1,848,820	1,848,820
Gross Profit	354,406	336,006	335,300	608,823	608,020
Profit Before Tax	354,406	336,006	335,300	608,823	608,020
Profit tax	106,322	100,802	100,590	182,647	182,406
Net profit (PAT)	248,084	235,204	234,710	426,176	425,614

8.7. Projected Cash Flow Statement

CASHFLOW STATEMENT	USD				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Beginning Cash Position	-	1,908,371	3,375,593	4,901,171	6,646,081
Revenues	5,912,959	5,912,959	5,912,959	6,208,606	6,208,606
Cash IN	5,912,959	5,912,959	5,912,959	6,208,606	6,208,606
Operations Cost	481,971	490,371	491,077	448,446	449,249
Cost of Sales /Direct Costs	3,237,761	3,237,761	3,237,761	3,302,517	3,302,517
Fixed asset purchases	9,721,168	80,000	-	-	-
Cash OUT	13,440,901	3,808,132	3,728,838	3,750,963	3,751,766
Subtotal	7,527,942-	2,104,826	2,184,120	2,457,643	2,456,841
In					
Loans received	10,060,000	-	-	-	-
External share capital paid in	-	-	-	-	-
Out					
Loan Repayment (not interest payments)	499,645	520,002	541,187	499,645	586,183
Dividend payments	124,042	117,602	117,355	213,088	212,807
Subtotal	9,436,313	637,604-	658,542-	712,733-	798,990-
Cash flow per year	1,908,371	1,467,222	1,525,578	1,744,910	1,657,850
Ending cash position	1,908,371	3,375,593	4,901,171	6,646,081	8,303,931

INTERNAL RATE OF RETURN (IRR) :						
Financing Amount =	10,060,000					
Loan/Invest.	Net Cashflow	Net Cashflow	Net Cashflow	Net Cashflow	Net Cashflow	Net Cashflow
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	
(10,060,000)	1,908,371	3,375,593	4,901,171	6,646,081	8,303,931	
IRR =	31%					

NET PRESENT VALUE (NPV) :						
Discount Rate	Loan/Invest.	Income	Income	Income	Income	Income
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
4%	(10,060,000)	5,912,959	5,912,959	5,912,959	6,208,606	6,208,606
NPV =	16,114,580					

8.8. Projected Balance Sheet Statement

BALANCE SHEET	USD				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS					
Net Fixed Assets (purch. - depr.)	8,775,299	7,899,430	6,943,561	5,987,692	5,031,823
Cash	1,908,371	3,375,593	4,901,171	6,646,081	8,303,931
Fuel Inventory	16,787	16,787	16,787	16,787	16,787
Current Assets	1,925,157	3,392,380	4,917,958	6,662,867	8,320,718
Total Assets	10,700,456	11,291,810	11,861,518	12,650,559	13,352,540
LIABILITIES & EQUITY					
Current Liabilities					
Outstanding loans	499,645	520,002	541,187	499,645	586,183
Fixed Liabilities					
None	-	-	-	-	-
Total liabilities	499,645	520,002	541,187	499,645	586,183
Profits current year	248,084	235,204	234,710	426,176	425,614
Retained earnings	124,042	117,602	117,355	213,088	212,807
External share capital paid in	-	-	-	-	-
Other equity	9,828,685	10,419,002	10,968,266	11,511,650	12,127,936
Total Equity	10,200,811	10,771,808	11,320,331	12,150,914	12,766,357
Total Liabilities and equity	10,700,456	11,291,810	11,861,518	12,650,559	13,352,540

8.9. The Projected Financial Ratios

THE FINANCIAL RATIOS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
PROFITABILITY RATIOS:					
Return on Sales	6%	6%	6%	10%	10%
Return on Equity i.e. ROE	3%	3%	3%	5%	5%
Return on Assets	2%	2%	2%	3%	3%
SOLVENCY RATIOS:					
Acid Test (Quick of Liquid ratio)	3.8	6.5	9.1	13.3	14.2
Cash to Current Liabilities	3.8	6.5	9.1	13.3	14.2
EFFICIENCY RATIOS:					
Sales to Total Assets	0.55	0.52	0.50	0.49	0.46
Sales to Inventory (Inventory Turnover)	352.2	352.2	352.2	369.9	369.9
Sales to Total Labor expense	872.40	872.40	837.09	857.86	817.01
Cost to Income Ratio	94%	94%	94%	90%	90%

9. ANNEXTURES

Annex 1: The Income and Expenditure Budget

INCOME & EXPENDITURE BUDGET		Currency = USD														
	YEAR 1			YEAR 2			YEAR 3			YEAR 4			YEAR 5			
	U /Price	Units	Total	U /Price	Units	Total	U /Price	Units	Total	U /Price	Units	Total	U /Price	Units	Total	
Summary >>			2,193,226			2,184,826			2,184,120			2,457,643			2,456,841	
INCOME																
Revenues / Sales											5% up					
Bus Ticket Sales	337,328	12	4,047,931	337,328	12	4,047,931	337,328	12	4,047,931	354,194	12	4,250,328	354,194	12	4,250,328	
Revenue Transit Goods Transport	19,397	12	232,759	19,397	12	232,759	19,397	12	232,759	20,366	12	244,397	20,366	12	244,397	
Revenue Local Goods Transport	18,750	12	225,000	18,750	12	225,000	18,750	12	225,000	19,688	12	236,250	19,688	12	236,250	
Fuel Station - Sale of Fuel	117,272	12	1,407,269	117,272	12	1,407,269	117,272	12	1,407,269	123,136	12	1,477,632	123,136	12	1,477,632	
sub-total			5,912,959			5,912,959			5,912,959			6,208,606			6,208,606	
COSTS																
Cost of sales (direct costs)											2% up					
Bus Diesel Costs	102,327	12	1,227,921	102,327	12	1,227,921	102,327	12	1,227,921	104,373	12	1,252,479	104,373	12	1,252,479	
Cost of Bus Drivers	18,448	12	221,379	18,448	12	221,379	18,448	12	221,379	18,817	12	225,807	18,817	12	225,807	
Cost of Bus Conductors	3,793	12	45,517	3,793	12	45,517	3,793	12	45,517	3,869	12	46,428	3,869	12	46,428	
Bus maintenance Cost	18,966	12	227,586	18,966	12	227,586	18,966	12	227,586	19,345	12	232,138	19,345	12	232,138	
Transit goods Operational Costs	6,006	12	72,078	6,006	12	72,078	6,006	12	72,078	6,127	12	73,519	6,127	12	73,519	
Local goods Operational Costs	8,361	12	100,337	8,361	12	100,337	8,361	12	100,337	8,529	12	102,343	8,529	12	102,343	
Depo Cost of Diesel	111,912	12	1,342,944	111,912	12	1,342,944	111,912	12	1,342,944	114,150	12	1,369,803	114,150	12	1,369,803	
sub-total			3,237,761			3,237,761			3,237,761			3,302,517			3,302,517	
Marketing																
Total marketing Costs	1,810	1	1,810	1,810	1	1,810	1,810	1	1,810	1,810	1	1,810	1,810	1	1,810	
sub-total			1,810			1,810			1,810			1,810			1,810	
Staff costs							1.05				2% up		1.05			
GROSS PAY	4,073	26	4,073	4,073	26	4,073	4,277	26	4,277	4,362	26	4,362	4,581	26	4,581	
Total number of Staff		26			26			26			26			26		
PSSSF	407	1	407	407	1	407	428	1	428	436	1	436	458	1	458	
SDL	204	1	204	204	1	204	214	1	214	218	1	218	229	1	229	
Health Insurance Cover	41	26	1,059	41	26	1,059	43	26	1,059	44	26	1,134	46	26	1,191	
Casual Labour	86	12	1,034	86	12	1,034	91	12	1,086	91	12	1,086	95	12	1,141	
sub-total			6,778			6,778			7,064			7,237			7,599	
Entertainment and Travel costs							1.05						1.05			
sub-total			-			-			-			-			-	
Office costs																
Communication	500	12	6,000	500	12	6,000	525	12	6,300	525	12	6,300	551	12	6,615	
Printing & Stationery	200	12	2,400	200	12	2,400	210	12	2,520	210	12	2,520	221	12	2,646	
Electricity Bill	172	12	2,069	172	12	2,069	172	12	2,069	172	12	2,069	172	12	2,069	
Water Bill	129	12	1,552	129	12	1,552	129	12	1,552	129	12	1,552	129	12	1,552	
Rent for Booking Offices	2,177	12	26,121	2,177	12	26,121	2,177	12	26,121	2,177	12	26,121	2,177	12	26,121	
sub-total			38,141			38,141			38,561			38,561			39,002	
Equipment & maintenance																
Office maintenance	200	12	2,400	200	12	2,400	200	12	2,400	200	12	2,400	200	12	2,400	
sub-total			2,400			2,400			2,400			2,400			2,400	
Third Party costs											10% Less					
Bus Insurance Costs	352,569	1	352,569	352,569	1	352,569	352,569	1	352,569	317,312	1	317,312	317,312	1	317,312	
Goods Trucks Insurance	59,968	1	59,968	59,968	1	59,968	59,968	1	59,968	53,971	1	53,971	53,971	1	53,971	
Tanker Truck Insurance	8,425	1	8,425	8,425	1	8,425	8,425	1	8,425	7,583	1	7,583	7,583	1	7,583	
Insurance of Fuel Station	7,080	1	7,080	7,080	1	7,080	7,080	1	7,080	6,372	1	6,372	6,372	1	6,372	
sub-total			428,042			428,042			428,042			385,237			385,237	
Other costs							1.05						1.05			
Bank Charges	100	12	1,200	100	12	1,200	100	12	1,200	100	12	1,200	100	12	1,200	
Contingency	300	12	3,600	1,000	12	12,000	1,000	12	12,000	1,000	12	12,000	1,000	12	12,000	
sub-total			4,800			13,200			13,200			13,200			13,200	
Total Revenues			5,912,959			5,912,959			5,912,959			6,208,606			6,208,606	
Total Costs			3,719,732			3,728,132			3,728,838			3,750,963			3,751,766	
Total (revenues MINUS costs)			2,193,226			2,184,826			2,184,120			2,457,643			2,456,841	

Annex 2: The Initial Payroll Budget

PAYROLL BUDGET							
		Year 1			Year 2		
Staff Position	Monthly Pay	Staff Count	Amount		Staff Count	Amount	
	TZS		TZS	USD		TZS	USD
CEO	2,500,000	1	2,500,000	1,078	1	2,500,000	1,078
Finance Manager	1,300,000	1	1,300,000	560	1	1,300,000	560
Human Resources Manager	700,000	1	700,000	302	1	700,000	302
Sales Marketing	500,000	2	1,000,000	431	2	1,000,000	431
Accountants	400,000	2	800,000	345	2	800,000	345
Mechanics	500,000	10	5,000,000	2,155	10	5,000,000	2,155
Pump Operators -Fuel Station	350,000	4	1,400,000	603	4	1,400,000	603
Cleaners	250,000	5	1,250,000	539	5	1,250,000	539
			9,450,000			9,450,000	
			<u>TZS</u>	<u>USD</u>		<u>TZS</u>	<u>USD</u>
GROSS PAY			9,450,000	4,073		9,450,000	4,073
PSSSF	0.10		945,000	407		945,000	407
SDL	0.05		472,500	204		472,500	204
TOTAL PAYROLL BUDGET			10,867,500	4,684		10,867,500	4,684
STAFF COUNT		26			26		

Annex 3: The Marketing Budget

MARKETING BUDGET							
					Year 1	Year 2	Year 3
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	Total	Total
Desktop Calendars	500,000		500,000		1,000,000	1,000,000	1,000,000
TV Adverts	1,000,000		1,000,000		2,000,000	2,000,000	2,000,000
Radio Adverts	500,000		500,000		1,000,000	1,000,000	1,000,000
Social Media	100,000		100,000		200,000	200,000	200,000
				Total in TZS	4,200,000	4,200,000	4,200,000
				USD =	\$ 1,810	\$ 1,810	\$ 1,810

Annex 4: Rent Schedule for Booking Offices

Booking Office Costs	Rent /Month	
	TZS	USD
	MWANZA	700,000
KIGOMA	700,000	301.72
DAR	850,000	366.38
KASULU	700,000	301.72
BUKOBA	700,000	301.72
MUSOMA	700,000	301.72
DODOMA	700,000	301.72
	2,176.72	

Annex 5: The Fixed Assets Register & Depreciation Schedule

FIXED ASSETS REGISTER	USD	PURCHASES					DEPRECIATION SCHEDULE				
	Life time (Years)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Office Equipment											
Desktop Computers	5	8,190					1,638	1,638	1,638	1,638	1,638
Laptops	5	10,776					2,155	2,155	2,155	2,155	2,155
Printers	5	9,698					1,940	1,940	1,940	1,940	1,940
Office Tables	8	5,625					703	703	703	703	703
Office Chairs	5	7,862					1,572	1,572	1,572	1,572	1,572
Visitors Chairs	5	1,552					310	310	310	310	310
Reception Desk with 4 chairs	5	1,164					233	233	233	233	233
IP CCTV system with Software:		-									
Bulle Camera	5	1,746					349	349	349	349	349
Nvr Camera	5	2,328					466	466	466	466	466
Hdd 2TB	5	241					48	48	48	48	48
Wala Boxes 32 Inch	5	1,310					262	262	262	262	262
sub-total		50,491	-	-	-	-					
Production Hardware/Tools											
Marcopolo Bus 46 + 1+1 - Economy Class	10	6,841,303					684,130	684,130	684,130	684,130	684,130
Marcopolo Bus 46 + 1+1 - Business Class	10	640,374					64,037	64,037	64,037	64,037	64,037
Purchase of Goods Trucks	10	1,270,500					127,050	127,050	127,050	127,050	127,050
Tanker - Truck for transporting Diesel	10	178,500					17,850	17,850	17,850	17,850	17,850
Construction of modern Passenger Terminals	20	340,000					17,000	17,000	17,000	17,000	17,000
Construction of a Fuel Station	15	75,000					5,000	5,000	5,000	5,000	5,000
Cost of Yard - Dodoma	20	250,000					12,500	12,500	12,500	12,500	12,500
Mobile App Ticketing System	10	30,000					3,000	3,000	3,000	3,000	3,000
Online Ticketing System	8	-	50,000				-	6,250	6,250	6,250	6,250
Frequent Traveller Tracking System	8	45,000					5,625	5,625	5,625	5,625	5,625
Customer Satisfaction Monitoring Tool	8	-	30,000				-	3,750	3,750	3,750	3,750
sub-total		9,670,677	80,000	-	-	-					
Other hardware/Tools											
	1						-	-	-	-	-
sub-total		-	-	-	-	-					
Total investments/ depreciation		9,721,168	80,000	-	-	-	945,869	955,869	955,869	955,869	955,869
Net fixed assets		8,775,299	7,899,430	6,943,561	5,987,692	5,031,823					

