



# LIMA GROUP LOGISTICS LIMITED

## BUSINESS PLAN

For

**Establishing a Cargo Transportation and Logistics Project in Dar  
es salaam in the United Republic of Tanzania**

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# SECTION ONE

## BUSINESS DESCRIPTION

### 1.0 The Industry

In African continent, TANZANIA is among the top ten investment destinations in Africa, thanks to reforms and a conducive investment environment set by the government.

The Rand Merchant Bank (RMB) ranked the country tenth in investment attractiveness in Africa 2021 report released recently.

Development of transport corridors has been one of the main strategies adopted by the Government of Tanzania to facilitate trade. Tanzania serves as a transit country for the import and export of Malawi, Zambia, DR Congo, Burundi, Rwanda and Uganda, using the port of Dar es Salaam. The main rail and road connections in Tanzania are, therefore, in an east-west direction, linking the ports with the hinterlands of those neighboring countries. Tanzania is devoting much attention to the corridor concept in its development policy by concentrating efforts in the Mtwara Corridor, Dar-es-Salaam Corridor, Central Corridor and the Tanga Corridor. The major challenge is to link import, export and transit traffic from and to neighboring countries with transport development efforts, making Tanzania a natural regional hub.

The geography of Tanzania, including its size, diversity and dispersion, give roads a special position in the integration of the national economy. In particular, roads serve rural areas, where the majority of the people live, more effectively than any other mode of transport. The current Tanzania Road Network length is about


85,000 km, which includes trunk and regional roads (35,000 km) managed by the Tanzania National Roads Agency (TANROADS), and the urban, district and feeder roads with a total of 50,000 km, managed by Local Government Authorities (LGA). There are also some unclassified roads, such as those managed by the Tanzania Parks Authority (TANAPA), and by the Mining Companies and village authorities.

### 1.1 Executive Summary

LIMA GROUP LOGISTICS LIMITED is a company incorporated in Tanzania with certificate No. 181844647 dated 04 day of February 2025 as a private limited company under the Tanzanian Companies Act, 2002. LIMA GROUP LOGISTICS LIMITED deals in Transportation and Logistics, across Tanzania. The company is currently planning to provide cargo transportation by road, and logistics supply management within the country and around east Africa

At LIMA GROUP LOGISTICS LIMITED, we believe the customer comes first; the company management is focused in ensuring that the customers are delighted by superior quality services hence increasing customer profitability.

At LIMA GROUP LOGISTIC LIMITED, we intend to operation all over the country, practicing an enduring value system based on an open culture, honest, transparency and fair business, and personal conduct, earning the confidence and trust of our Associates and Customers.



Lima Group Logistics Limited is a partnership business that will be jointly owned by Mohamed Abdi Abdirahman, Liban Khalif Hashi and Mahad Adi Keyre. Mohamed Abdi Abdirahman who is the Chief Executive Officer of the Company has a Degree in business administration with over 10 years' experience working in related industry as a senior manager cum transport and logistics expert prior to starting Lima Group Logistics Limited. He will be working with a team of professionals to build the business and grow it to enviably heights.

## **1.2.0 Our Mission and Vision Statement**

### **1.2.1 *Vision***

Our vision as a transportation and logistics company are to deliver customized and unique logistics solutions ensuring time and cost savings for customers.

### **1.2.2 *Mission***

Our mission is to establish a standard cargo transportation and logistics management company providing business enabling solutions and exceeding customer expectations

## **1.3 Location**

Lima Group Logistics Limited 's Transportation project will be located in Kigamboni district, Mji mwema street Plot No. TMK/KGN/TNG 24/2A in Dar es salaam region.

Furthermore, the company is expecting to expand and establish other fleet sites across the major cities in Tanzania such as Mwanza Arusha and Mbeya so has to capture customers in those regions and neighboring countries.

## SECTION TWO

### SALES AND MARKETING STRATEGY

#### 2.0 Marketing Overview

Tanzania is located along the coast of the Indian Ocean and is a member of the East Africa Community. Dar es Salaam is the largest port of entry in Tanzania and serves as a gateway to landlocked neighboring countries.

The United Republic of Tanzania is an attractive market for U.S. exporters due to its relatively large population estimated to be 62 million people. This makes Tanzania the 24th largest country by population, larger than South Africa and slightly smaller than Italy (source CIA World Fact Book). In addition to its large population, Tanzania reached an important milestone in July 2020, when it formally graduated from low-income country (LIC) to lower-middle-income country (LMIC) status. Tanzania's achievement reflects sustained macroeconomic stability that has supported growth as well as the country's rich natural endowments and strategic geographic position.

Tanzania has benefited from a relatively stable political environment and reasonable macroeconomic policies that has allowed it to maintain sustained 6 to 7% growth rates since 2000. The COVID-19 novel coronavirus crisis of 2020/21 did not spare Tanzania, but economically it fared better than many of its neighbors. The growth rate fell from 5.8 percent in 2019 to an estimated 2.0 percent in 2020, and per capita growth turned negative for the first time in over 25 years, according to the World Bank. Although, Tanzania has witnessed strong nominal economic growth, its fast-growing population (2.8% per year, world's 12th fastest) has kept average income levels relatively low. The annual GDP growth rate is projected to rise to 4.5% in 2021, but this forecast hinges on a strong and consistent recovery in global economic activity.

The COVID-19 pandemic has hit global travel and tourism especially hard, which is particularly problematic for Tanzania with the sector contributing at least 17 percent of GDP in 2019 and attracted about 25 percent of FDI inflows in 2017 (US\$247 million). The economic damage from tourism was partially offset by growth in the price of gold, a key export commodity for Tanzania.

Tanzania has an ambitious industrialization plan to transform into a middle-income economy by 2030. Energy and transportation infrastructure sectors must become more reliable and efficient if Tanzania is to reach this goal. The Government of Tanzania (GoT) is focusing on developing local industries and investing in large infrastructure, energy, and agricultural sector development, which present opportunities for U.S. exports. The private sector is also investing heavily in the mining industry after years of underinvestment.

Growth has been driven primarily by transportation, infrastructure projects, communications, agriculture, manufacturing, electricity (especially renewable sources), wholesale and retail trade, travel and tourism, real estate, and business services. U.S. exporters will find many opportunities in these sectors and products and services that will help Tanzanian industry move up the value chain in agriculture (processing and packaging equipment), mining (refining and smelting), and other key sectors.

Public and private sector participants are concerned about GoT policies that have raised questions about long-term prospects for foreign direct investment (FDI) and has fostered a more challenging business

environment. Aggressive revenue collection (taxation and audit) practices and difficulties in obtaining work permits for expat workers to manage their investments have been particularly challenging.

Tanzania's main trading partner is China (\$4,960 million total trade), India (\$2,313 million), the European Union (EU) (\$1,542 million) followed by Kenya, South Africa and the U.S. in 6th position with \$367 million. Neighboring countries of the Southern African Development Community (SADC) and East African Community (EAC) countries make up a smaller, but still significant part of Tanzania trading relationship.

The United States had a \$124 million positive trade balance with Tanzania with a total trading relationship (exports plus imports) of \$367 million. U.S. key exports to Tanzania are Liquid Propane Gas (\$100 million), Aircraft parts (\$33 million), Automotive and Agricultural Machinery and Parts (\$25 million) and Chemicals and Fertilizers (\$13 million).

Tanzania exported \$121 million of products to the U.S. Tanzanian exports can be broken down into three main areas: Precious/Semi-Precious Stones; Apparel; and Raw agricultural products.

## 2.1 Our Target Market

When it comes to Cargo transportation, there is indeed a well-defined market. This goes to show that the target market for Cargo transportation is far reaching. In view of that, we have conducted our market research and we have ideas of what our target market would be expecting from us. We are in business to engage in supply Cargo transportation services to the following type of clients and various organizations in need of transportation services

- Dar es Salaam Clients/Construction companies.
- Regional Customers
- Retail and wholesale Customers
- Transit Client

## 2.2 FLEET SIZE

LIMA GROUP LOGISTICS LIMITED is planning to purchase the following capital equipment:

- 50 trucks @ \$70,000
- 10 trailers@ \$35,000
- 3 Tanker trucks@ \$245,000.
- 1 crane 40 tones @\$200,000

**50** trucks and trailers. With a capacity of carrying **15** tons a truck and trailer, one truck conducting **2** trips per month operating for ten months per year, carrying **90,000** tons per year. The company **management** intends to continue building its fleet to a level of 50 trucks by 2028. The required number of trailers will also be added to the existing fleet in order to cater to additional requirements in line with truck additions.

## 2.3 Sources of Income

Lima Group logistics Limited will generate income by simply supplying the following services first;

- Transporting various Transit Cargo across East Africa.
- Short cargo transportation around Dar es salaam City.

## 2.4 Sales Forecast

One thing is certain when it comes to Transport and Logistics Services, if your business is strategically positioned and you have good relationship with players in business industry, you will always attract customers cum sales that will translate to increase in revenue generation for the business.

We are well positioned to take on the available market in and around the Tanzania and we are quite optimistic that we will meet our set target of generating enough profits from the first six months of operation and grow the business and our clientele base.

We have been able to critically examine the Transportation and Logistics line of business, we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projections are based on information gathered on the field and some assumptions that are peculiar to startups in the Tanzania.

Below are the sales projections for LIMA GROUP LOGISTICS LIMITED, it is based on the location of our business and other factors as it relates to small scale and medium scale Transportation and Logistics company startups in the Tanzania;

- US\$ 5000 per trip and one truck will conduct 2 trips per month and 20 trips per year.

The yearly computed sales projections that will be seen in the financial statements are as follows

- **First Fiscal Year: 4,335,000 USD**
- **Second Fiscal Year: 4,421,700 USD**
- **Third Fiscal Year: 4,598,568 USD**
- **Fourth Fiscal Year; 4,874,482 USD**
- **Fifth Fiscal Year; 5,264,441 USD**

**N.B:** This projection was done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor offering same product and customer care services as we do within same location. Please note that the above projection might be lower.

## 2.5 Market differentiation:

This is a marketing strategy utilized to separate a product or service from its competition. For our case as Lima Group Logistics Limited our cargo transportation costs will be set in a way that customers will only have to select our services the level of professionalism we will dispense, use of modern technology to get rid of long beau acracies in attaining our services, quick and fast delivery to mention a few, will be our marketing strategy to outshine our competitors in the market.

## 2.6 Competitors

Knowledge on the competition field is extremely important in business environment analysis. When analyzing competition, it is important to identify those competitors who are actually challenging the business in the eyes of the customer. In this light the competition in the transportation and logistics industry in Dar es salaam is very stiff we there are well established companies that are doing good in the market we have competitors like Bhanji Transport Limited and Jones Logistics Limited to mention a few that we have to compete with in the market.

## 2.7 Our competitive advantage

Some of our competitive advantages are availability of large transport trucks, closed body trailers, flatbed trailers, and low loaders fleets aligned to offer transport applications suitable for all transportation needs. Whether the client's freight requires rail transport or road transportation service, door-to-door transport, coast-to-coast Transport, or cross-border transportation, LIMA GROUP LOGISTICS LIMITED is the solution

As a standard licensed transport and logistics company, we know that gaining a competitive edge requires a detailed analysis of the demographics of the surrounding area and the nature of the existing competitors. And even if you are successful at first, new competitors could enter your market at any time to steal your regular customers. Hence, we will not hesitate to adopt successful and workable strategies from our competitors.

Another competitive advantage that we have is the vast experience of our management team; we have people on board who understand how to grow a business from the scratch to becoming a national phenomenon. Our large and robust distribution network and of course our excellent customer service culture will definitely count as a strong strength for the business.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category in the industry, meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives. We will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

## 2.8 Marketing Strategy and Sales Strategy

Before choosing a location to start LIMA GROUP LOGISTICS LIMITED, we conducted thorough market survey and feasibility studies in order for us to penetrate the available market in the Tanzania. We have detailed information and data that we were able to utilize to structure our business to compete with other transportation and logistics companies.

We hired experts who have good understanding of the transportation and logistics line of business to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market.

Lima Group Logistics Limited will adopt the following sales and marketing approach to sell our service of transportation services;

- Introduce our business by sending introductory letters to production companies and other stakeholders in and around the Tanzania.
- List our business and services on yellow pages' ads (local directories)
- Leverage on the internet to promote our product cum business
- Engage in direct marketing and sales
- Encourage the use of Word of mouth marketing (referrals)

## 2.9 Publicity and Advertising Strategy

Regardless of the fact that our transportation and logistics business can favorably compete with other leading transportation companies in Tanzania and any part of East Africa, we will still go ahead to intensify publicity for all our services and brand.

Lima Group Logistics Limited has a long-term plan of exporting Cargo all across Tanzania and other countries of East Africa. This is why we will deliberately build our brand to be well accepted in Dar es salaam before venturing out to other cities all across Tanzania. and other countries of East Africa.

As a matter of fact, our publicity and advertising strategy is not solely for selling our services but to also effectively communicate our brand. Here are the platforms we intend leveraging on to promote and advertise LIMA GROUP LOGISTICS LIMITED;

- Place adverts on both print (community-based newspapers and magazines) and electronic media platforms
- Sponsor relevant community programs
- Leverage on the internet and social media platforms like Instagram, Facebook, Twitter, et al to promote our brand
- Ensure that all our staff members wear our customized clothes, and all our official cars and distribution trucks are customized and well branded.

## 2.10 Our Pricing Strategy

At Lima Group Logistics Limited we will keep the prices of our products below the average market rate by keeping our overhead low and by collecting payment in advance from well – established companies that will be leasing our equipment and would require constant supply of our transportation services.

## 2.11 Payment Options

The payment policy adopted by Lima Group Logistics Limited is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of the Tanzania.

Here are the payment options that Lima Group Logistics Limited will make available to her clients;

- Payment via bank transfer
- Payment via online bank transfer
- Payment via check
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our clients make payment for our transportation and leasing services without any stress on their part. Our bank account numbers will be made available on our website and promotional materials.

## SECTION THREE

### OPERATION STRATEGIES

#### 3.0 Our Business Structure

As part of our plan to build a top-flight transportation and Logistics company in Dar es salaam Region that will favorably compete with leaders in the industry, we have perfected plans to get it right from the onset which is why we are going the extra mile to ensure that we have competent employees to occupy all the available positions in our company.

In view of that, we have decided to hire qualified and competent hands to occupy the following positions at Lima Group Logistics Limited in that line of Transportation and Logistics business;

- Chief Executive Officer (Owner)
- Transport and Logistics Manager
- Human Resources and Admin Manager
- Sales and Marketing Officer
- Accountants/Cashiers
- Warehouse Workers
- Truck Drivers
- Customer Service Executives

#### 3.1 S. W. O. T Analysis

The business can be very robust once it is established. The biggest risk is lack of finance for the start-up operation. This will be solved by a shareholder. The SWOT analysis shown below illustrates that the basic business environment has many strengths and opportunities due to mainly the strong Government, the peace and political stability can flourish a business in a great way.

Dar es salaam city is open for businesses with many opportunities that can be tapped by the company as discussed herein notwithstanding the weakness and threats thereof.

**Table 3.1: S. W. O. T Analysis**

STRENGTH	WEAKNESS
<p>Our strength lies in the fact that the Promoters have sound experience in this business and have talented Management.</p> <p>Another factor that counts to our advantage is the background of our Chief Executive Office; he has a robust experience in the industry and also a pretty good academic qualification to match the experience acquired which has placed him amongst the top-flight players in the transportation and logistics industry. We are not ignoring the fact that our team of highly qualified</p>	<p>Stiff competition from the local market</p> <p>Limited market share growth</p>



and dedicated workers will also serve as strength for our organization.  Good constructed roads all major parts of the country	
<b>OPPORTUNITIES</b>	<b>THREAT</b>
Augmented demand for world-class logistics and warehousing services.  Increased use of logistics services in sectors such as technology, consumer retail, automotive and industrial.  Increasing market share due to rail transport limitations	Increasing fuel rates, therefore, increasing transportation costs  Different laws in different countries  Unorganized sector and competition  Complex Tax Structure

### 3.2 Job Roles and Responsibilities

#### Chief Executive Officer – CEO (Owner):

- Increases management’s usefulness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; collaborating values, strategies, and objectives; assigning accountabilities; preparing, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
- Answerable for fixing prices and signing business deals
- Responsible for providing direction for the business
- Makes, connects, and implements the organization’s vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization’s strategy.
- Accountable for signing checks and documents on behalf of the company
- Evaluates the success of the organization

#### Transport and Logistics Manager

- Planning routes and allocating truck drivers.
- Arranging training for drivers and junior staff
- Maps out strategies that will lead to efficiency amongst workers in the organization
- Responsible for training, evaluation and assessment of the workforce
- Answering customer queries/ensure customer satisfaction
- Performing safety checks on vehicles and storage equipment.

#### Human Resources and Admin Manager

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Defines job positions for recruitment and managing interviewing process
- Carries out induction for new team members
- Responsible for training, evaluation and assessment of employees
- Oversees the smooth running of the daily business activities.

## **Sales and Marketing Manager**

- Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Models demographic information and analyze the volumes of transactional data generated by customer purchases
- Identifies, prioritize, and reach out to new partners, and business opportunities et al
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with customers
- Develops, executes and evaluates new plans for expanding sales
- Documents all customer contact and information
- Represents the company in strategic meetings
- Helps to increase sales and growth for the company

## **Warehouse Workers**

- Loading and unloading goods.
- Inventory management.
- Maintaining working knowledge of standards.

## **Accountant/Cashier**

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensures compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as internal auditor for the organization

## **Truck Drivers**

- Assists in loading and unloading gold and silver et al
- Maintains a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment
- Inspects vehicles for mechanical items and safety issues and perform preventative maintenance
- Complies with truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
- Reports defects, accidents or violations



## **Client Service Executive**

- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with customers on the phone, uses every opportunity to build client's interest in the company's products and services
- Manages administrative duties assigned by the human resources and admin manager in an effective and timely manner
- Consistently stays abreast of any new information on the organizations' services, promotional campaigns etc. to ensure accurate and helpful information is supplied to customers when they make enquiries (answer customer queries regarding our leasing equipment and transportation services offered)
- Finds out the customer's needs, recommend, select and help locate the right merchandise, describe a product's features and benefits.
- make suggestions and encourage purchase of products

## SECTION FOUR

### FINANCIAL PLAN

#### 4.0 Generating Startup Capital for Lima Group Logistics Limited.

The Investment plan of the project involves 63% of shareholders' contribution through shares and 37% the financing through a Five-year term loan from CRDB Bank most likely at the Interest rate of 20%. The project financing is as follows;

##### Figures in USD

S/n	Particulars	Own Financing in USD.- (63%)	External Financing (Bank Loan) in USD. – (37%)	Total Investment in USD
	Total Project's Investment	<u>850,000</u>	<u>500,000</u>	<u>1,350,000</u>
	<b>Total Investment</b>	<b><u>USD 850,000</u></b>	<b><u>USD 500,000</u></b>	<b><u>USD 1,350,000</u></b>

#### 4.1 Labor Management and Cost

We expect to be able to pay good salaries to the office staff as shown below

**Table 4.1: Staff allowance per Month based on their rank (seniority)**

Title	Salary
Chief Executive Officer (Owner)	3150
Transport and Logistics Manager	1000
Human Resources and Admin Manager	1000
Sales and Marketing Officer	1200
Accountants/Cashiers	1000
Warehouse Workers	500
Truck Drivers	1200
Customer Service Executives	900
TOTAL	9,950

This is the estimated monthly cost for salaries for all the offices and staff members for full operations with the staff receiving a 2 per cent increment in their remuneration after the first year as it will be depicted in our financial model. These salaries are deliberate in order for the cooperative to appear to be serious and also, to control pilferage of product since we are dealing in a high value mineral field with high yields and so to keep staff's morale at a high, will always translate in paying them well too.

#### 4.2 Financial Analysis, Forecasting and Strategy

The Financial Plan involves the development of the company's revenue and profitability model. It includes detailed explanations of the key assumptions used in building the model, sensitivity analysis

on key revenue and cost variables, and description of comparable valuations for existing organization with similar business models. In addition, the financial plan assesses the amount of capital LIMA GROUP LOGISTICS LIMITED needs, the proposed use of these funds, and the expected future earnings. It includes Projected Income Statements, balance sheet and Cash Flow Statements. The aggregate cargo transportation project will be funded as earlier explained by shareholders capital of 850,000 USD and a loan of 500,000 USD from CRDB bank at an annual interest rate of 20%, term loan will be for 60month at a monthly rate of 1.53% having a monthly repayment of 12,797.94 USD using a reducing balance method hence having a total amount payable of 767,876.43 USD as it will be depicted in the financial statements.

Importantly, all of the assumptions and projections in the financial plan must flow from and be supported by the descriptions and explanations offered in the other sections of the plan. The Financial Plan is where the entrepreneur communicates how he/she plans to "monetize" the overall vision for the new venture.

The following are key financial assumptions for our project:

**LIMA GROUP LOGISTICS LIMITED**

**FORECASTED REVENUE**

	Trips made annually	price per Trip	Annual revenue per Service
Transit Cargo Trips	850	5,100	4,335,000
			-
<b>TOTAL OF FORECASTED REVENUE</b>			<b>4,335,000.00</b>

**COST OF SERVICES SOLD**

	Expected gross margin	Annual cost of services sold
Transit Cargo Trips	30%	1,300,500
		-
<b>TOATL COST OF SERVICES SOLD</b>		<b>1,300,500</b>

- ANNUAL MAINTANANCE, REPAIR AND OVERHAUL will have a 15% factor on Capital equipment
- ASSET DEPRECIATION will be for 5 year

- ANNUAL TAX RATE will be 30%
  
- ANNUAL INFLATION RATE will be 4%
  
- For operating expenses, the forecasts will be as follows.
  - Marketing expenses will be 1.7% of the total revenue of the first year.
  - Labor management and cost will be 2.6% of the total revenue of the first year and will have an increment of 2% the following years as depicted in the financial model
  - Utilities will be 0.8% of the total revenue of the first year and will have an increment of 2% for each following year.
  - Other administrative expenses will be 0.8% of the total revenue of the first year.
  - Other expenses will be 0.6% of the total revenue of the first year.
  
- ANNUAL AGGREGATE PRICE INCREASE will be 2%

It is expected that **LIMA GROUP LOGISTICS LIMITED** Cargo transport project will earn income from Transit Cargo trips sales during year 1 amounting to USD 4,335,000 which will subsequently have a sales price growth rate from year 2 onwards of 2% when the business will have been more promoted and become well known to many users, both foreign customers and Local customers from all customers in need of transportation services.

The following are the financial statements thus the projected profit and loss statement, balance sheet and projected cash flow of **LIMA GROUP LOGISTICS LIMITED** Cargo transportation project.

## 4.3 PROFIT AND LOSS PROJECTION

LIMA GROUP LOGISTICS LIMITED

### PROFIT AND LOSS ASSUMPTION

	Year 1	Year 2	Year 3	Year 4	Year 5
Annual cumulative price (revenue) increase	0.00%	2.00%	4.00%	6.00%	8.00%
Annual cumulative inflation (expense) increase	0.00%	2.00%	4.00%	6.00%	8.00%

### INCOME

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenue</b>					
Transit Cargo Trips	4,335,000	4,421,700	4,598,568	4,874,482	5,264,441
		-	-	-	-
<b>Total revenue</b>	<b>4,335,000</b>	<b>4,421,700</b>	<b>4,598,568</b>	<b>4,874,482</b>	<b>5,264,441</b>
<b>Cost of Sales</b>					
Transit Cargo Trips	1,300,500	1,326,510	1,379,570	1,462,345	1,579,332
0		-	-	-	-
<b>Cost of services sold</b>	<b>1,300,500</b>	<b>1,326,510</b>	<b>1,379,570</b>	<b>1,462,345</b>	<b>1,579,332</b>
<b>Gross Profit</b>	<b>3,034,500</b>	<b>3,095,190</b>	<b>3,218,998</b>	<b>3,412,137</b>	<b>3,685,108</b>

### Non-Operation Income

Dar es salaam trips		-	-	-	-
Interest income	-	-	-	-	-
Loss (gain) on sale of assets	-	-	1,000	-	-

Other income (specify)	-	-	-	-	-
<b>Total Non-Operation Income</b>	-	-	1,000	-	-
<b>TOTAL INCOME</b>	3,034,500	3,095,190	3,219,998	3,412,137	3,685,108

## EXPENSES

<b>Operating expenses</b>					
Sales and marketing	51,587	52,618	54,723	58,006	62,647
Depreciation	166,000	61,200	62,400	63,600	64,800
Insurance	10,500	10,710	11,138	11,807	12,751
Payroll and Payroll Tax	78,897	80,475	83,694	88,716	95,813
Property taxes	2,500	2,550	2,652	2,811	3,036
Maintenance, repair, and overhaul	82,500	84,150	85,800	87,450	89,100
Utilities	24,276	24,762	25,752	27,297	29,481
Administrative fees	24,276	24,762	25,752	27,297	29,481
Interest expense on long-term debt	86,385	72,947	56,822	37,471	14,250
Other	18,207	18,571	19,314	20,473	22,111
<b>Total operating expenses</b>	545,128	432,745	428,047	424,928	423,470
<b>Non-Recurring Expenses</b>					
Unexpected Expenses	-	-	-	-	-
Other expenses	-	-	-	-	-
<b>Total Non-Recurring Expenses</b>	-	-	-	-	-
<b>TOTAL EXPENSES</b>	545,128	432,745	428,047	424,928	423,470



Less Accumulated depreciation expense		166,000	227,200	289,600	353,200	418,000
<b>Total Property and Equipment</b>	850,000	684,000	622,800	560,400	496,800	432,000
<b>Other Assets</b>	Initial balance	Year 1	Year 2	Year 3	Year 4	Year 5
Goodwill	-	-	-	-	-	-
Deferred income tax	-	-	-	-	-	-
Long-term investments	-	-	-	-	-	-
Deposits	-	-	-	1,000	1,000	1,000
Other long-term assets	-	-	-	-	-	-
<b>Total Other Assets</b>	-	-	-	1,000	1,000	1,000
<b>TOTAL ASSETS</b>	2,200,000	3,875,371	5,658,454	7,516,066	9,491,009	11,634,831

## LIABILITIES

<b>Current Liabilities</b>	Initial balance	Year 1	Year 2	Year 3	Year 4	Year 5
Accounts payable		-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Notes payable/short-term debt	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-
Other current liabilities		-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-

<b>Debt</b>	Initial balance	Year 1	Year 2	Year 3	Year 4	Year 5
Long-term debt/loan	500,000	432,810	352,182	255,429	139,325	-
Other long-term debt						



<b>Total Debt</b>	500,000	432,810	352,182	255,429	139,325	-
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<b>Other Liabilities</b>	<b>Initial balance</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Other liabilities (specify)	-	-	-	-	-	-
Other liabilities (specify)	-	-	-	-	-	-
<b>Total Other Liabilities</b>	-	-	-	-	-	-

<b>TOTAL LIABILITIES</b>	500,000	432,810	352,182	255,429	139,325	-
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## EQUITY

	<b>Initial balance</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Owner's equity (common)	850,000	850,000	850,000	850,000	850,000	850,000
Paid-in capital	850,000	850,000	850,000	850,000	850,000	850,000
Preferred equity	-	-	-	-	-	-
Retained earnings	-	1,742,560	3,606,272	5,560,637	7,651,684	9,934,831
<b>TOTAL EQUITY</b>	1,700,000	3,442,560	5,306,272	7,260,637	9,351,684	11,634,831

<b>TOTAL LIABILITIES AND EQUITY</b>	2,200,000	3,875,371	5,658,454	7,516,066	9,491,009	11,634,831
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## 4.5 CASH FLOW PROJECTION

### LIMA GROUP LOGISTICS LIMITED

<b>Operating activities</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Net income	1,742,560	1,863,712	1,954,365	2,091,047	2,283,147	9,934,831
Depreciation	166,000	61,200	62,400	63,600	64,800	418,000
Accounts receivable	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Amortization	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Other operating cash flow items	-	-	-	-	-	-
<b>Total operating activities</b>	<b>1,908,560</b>	<b>1,924,912</b>	<b>2,016,765</b>	<b>2,154,647</b>	<b>2,347,947</b>	<b>10,352,831</b>

<b>Investing activities</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Capital expenditures	-	-	-	-	-	-
Acquisition of business	-	-	-	-	-	-
Sale of fixed assets	-	-	1,000	-	-	1,000
Other investing cash flow items	-	-	-	-	-	-
<b>Total investing activities</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>1,000</b>

<b>Financing activities</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Long-term debt/financing	67,190	80,628	96,753	116,104	139,325	500,000
Preferred stock	-	-	-	-	-	-
Total cash dividends paid	-	-	-	-	-	-
Common stock	-	-	-	-	-	-
Other financing cash flow items	-	-	-	-	-	-

<b>Total financing activities</b>	-	-	-	-	-	-
	67,190	80,628	96,753	116,104	139,325	500,000
<b>Cumulative cash flow</b>	1,841,371	1,844,284	1,919,012	2,038,543	2,208,622	9,851,831
<b>Beginning cash balance</b>	1,350,000	3,191,371	5,035,654	6,954,666	8,993,209	
<b>Ending cash balance</b>	3,191,371	5,035,654	6,954,666	8,993,209	11,201,831	

## 4.6 LOAN AMORTIZATION SCHEDULE

LIMA GROUP LOGISTICS LIMITED

MONTH	BALANCE	SCHEDULED PAYMENT	PRINCIPAL	INTEREST
	500,000.00			
1	500,000.00	12,797.94	5,143.21	7,654.74
2	494,856.79	12,797.94	5,221.95	7,576.00
3	489,634.85	12,797.94	5,301.89	7,496.05
4	484,332.96	12,797.94	5,383.06	7,414.88
5	478,949.90	12,797.94	5,465.47	7,332.47
6	473,484.43	12,797.94	5,549.14	7,248.80
7	467,935.28	12,797.94	5,634.10	7,163.84
8	462,301.19	12,797.94	5,720.35	7,077.59
9	456,580.83	12,797.94	5,807.93	6,990.01
10	450,772.90	12,797.94	5,896.85	6,901.09
11	444,876.06	12,797.94	5,987.12	6,810.82
12	438,888.93	12,797.94	6,078.78	6,719.16
13	432,810.15	12,797.94	6,171.85	6,626.09



14	426,638.30	12,797.94	6,266.33	6,531.61
15	420,371.97	12,797.94	6,362.27	6,435.67
16	414,009.70	12,797.94	6,459.67	6,338.27
17	407,550.03	12,797.94	6,558.57	6,239.38
18	400,991.46	12,797.94	6,658.97	6,138.97
19	394,332.49	12,797.94	6,760.92	6,037.02
20	387,571.57	12,797.94	6,864.42	5,933.52
21	380,707.15	12,797.94	6,969.52	5,828.42
22	373,737.63	12,797.94	7,076.22	5,721.73
23	366,661.41	12,797.94	7,184.55	5,613.39
24	359,476.87	12,797.94	7,294.54	5,503.40
25	352,182.33	12,797.94	7,406.22	5,391.72
26	344,776.11	12,797.94	7,519.60	5,278.34
27	337,256.51	12,797.94	7,634.72	5,163.22
28	329,621.79	12,797.94	7,751.61	5,046.34
29	321,870.18	12,797.94	7,870.28	4,927.66
30	313,999.90	12,797.94	7,990.77	4,807.17
31	306,009.14	12,797.94	8,113.10	4,684.84
32	297,896.03	12,797.94	8,237.31	4,560.63
33	289,658.72	12,797.94	8,363.42	4,434.52
34	281,295.30	12,797.94	8,491.46	4,306.48
35	272,803.85	12,797.94	8,621.46	4,176.48
36	264,182.39	12,797.94	8,753.45	4,044.49
37	255,428.94	12,797.94	8,887.46	3,910.48
38	246,541.48	12,797.94	9,023.52	3,774.42
39	237,517.96	12,797.94	9,161.67	3,636.27
40	228,356.29	12,797.94	9,301.93	3,496.01
41	219,054.37	12,797.94	9,444.33	3,353.61

42	209,610.03	12,797.94	9,588.92	3,209.02
43	200,021.11	12,797.94	9,735.72	3,062.22
44	190,285.39	12,797.94	9,884.77	2,913.17
45	180,400.62	12,797.94	10,036.10	2,761.84
46	170,364.51	12,797.94	10,189.75	2,608.19
47	160,174.76	12,797.94	10,345.75	2,452.19
48	149,829.01	12,797.94	10,504.14	2,293.80
49	139,324.88	12,797.94	10,664.95	2,132.99
50	128,659.93	12,797.94	10,828.23	1,969.72
51	117,831.70	12,797.94	10,994.00	1,803.94
52	106,837.70	12,797.94	11,162.31	1,635.63
53	95,675.39	12,797.94	11,333.20	1,464.74
54	84,342.19	12,797.94	11,506.71	1,291.23
55	72,835.48	12,797.94	11,682.87	1,115.07
56	61,152.61	12,797.94	11,861.73	936.21
57	49,290.89	12,797.94	12,043.32	754.62
58	37,247.56	12,797.94	12,227.70	570.24
59	25,019.86	12,797.94	12,414.90	383.04
60	12,604.97	12,797.94	12,604.97	192.98

#### 4.7 Sustainability and Expansion Strategy

The future of a business lies in the number of loyal customers that they have the capacity and competence of their employees, their investment strategy and their business structure. If all of these factors are missing from a business, then it won't be too long before the business close shop.

One of our major goals as Lima Group Logistics Limited in starting this project of Cargo transportation and logistics is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running. We know that one of the ways of gaining approval and winning customers over is by offering better cargo transportation services at a little bit cheaper than what is obtained in the market and we are well prepared to survive on lower profit margin for a while.



#### 4.8 Way forward

The overall success of this business plan will depend on the efforts of the entrepreneur's ability to sale the company services as the customers buy the services leading to expand national wide, Also the success will depend on financial discipline of the management as to implement the idea as planned. The activities which are essential for the business to start up has to be carefully monitored and implemented. The entrepreneur is flexible and open up for new ideas and techniques with aim of ensuring the idea take off.

So, after all these considerations and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, mainly the Tanzania Investment Centre – (TIC). And Tanzania revenue authority (TRA) The project deserves this support because of its viability technically, economically, and, socially acceptable.

# List of Appendice

## Appendix I: The Proposed Organization Chart of LIMA GROUP LOGISTICS LIMITED

