

KIDIA ONE
INVESTMENT
LIMITED
BUSINESS PLAN
For
Transportation And
Cargo
services

SETTING UP FACILITIES FOR OPERATING TRANSPORTATION PROJECT SERVICES

1. INVESTMENT PLAN

The Business Plan was prepared by Kidia One Investment Ltd for setting up of Transportation and Cargo to cover the whole of Eastern and Central Africa.

The investment proposal was prepared to clearly show an analysis of the financial, human, technical and other resources required for the transportation and also assess its economic viability and commercial viability in order to allocate funds for transportation project especially in importation of trucks, buses, supporting vehicles like coasters and cargo handling equipment.

The TIC certificate will enable the project to qualify for duty exemption Deemed capital Goods and VAT Deferment on capital goods. The deemed capital goods such as utility vehicles, buses, coasters and cargo handling equipment and enjoy the services under one stop center at Tanzania Investment Centre such as licenses, incentives of other departments like land, and tax exemptions during the importation of some items from overseas.

2. COMPANY BACKGROUND

Kidia One Investment Limited is a private Company based in Dar es salaam Region was incorporated in Tanzania by Registrar of companies under Companies Act with Certificate of incorporation No. 77592 since 2010.

The company has been incorporated with different objectives like transportation, maintenance and repairs of most of their vehicles, related parts and accessories and operating a project for transportation and intends to import transport facilities such as buses, coasters and supporting vehicles for cargo services.

The company has head office in Dar es salaam as Head Quarter and other branches in Arusha, Dodoma, Mwanza and Nairobi. The office in Dar es Salaam has vehicle yards and will have a modern workshop to service and maintain the vehicles for any repairs and cargo carriage as illustrated below;



The main purpose of the proposed project is to provide quality facility for transportation business to correspond with the clients demand especially in this competitive market. The quality of company's cargo business will guarantee client's satisfaction in proposed programmed.

There is a very big demand for such facility in Tanzania, East Africa and Central Africa to serve cargo haulage clients. The project services will be efficiently provided by Kidia One Investment Limited. Basing on the above reasons, the management resolved to invest in establishing and operating a project for transportation and cargo as an expansion of their business.

In setting up the facility, the intended transportation project will import buses, coasters and other supporting vehicles for facilities, equipment, etc.

Hence, the establishment programmed of three years is setting up facilities for transportation project is estimated to be Three Billion Nine Hundred Million Fifteen million Tanzanian Shillings 3,915,000,000/= Billion. The estimated capital investment cost of TZSHS 3,915,000,000 /= will be on buses, coasters and other supporting cargo vehicles, etc.

3. TARGETED MARKET

There is very big demand for the transportation business in Tanzania and the whole of Eastern and Central Africa especially land locked countries.

The target markets of the project are land locked neighboring countries such as DRC, Rwanda, Burundi, Uganda and Zambia. The directors have already negotiated contracts with various companies in the mentioned countries. The mentioned countries depend on Tanzania for most of reliable facilities of transport for its position of being a country open to the harbour. The company has also extended its routes to Nairobi, Kenya providing luxury and comfortable services of transportation to the clients with the VIP luxury buses as illustrated below. The company wants to extend the cargo services which will be fast and reliable.



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4. BUSINESS IN FAR REGIONS

In Tanzania mainland there are far places/remote with poor roads and acute shortage of this facility. The growth of business in remote areas necessitated the transportation business in those areas. Those places need merchandise from Dar es Salaam where is the source of goods and merchandize from abroad also development of most of the regions.

5. ECONOMIC GROWTH

The economic growth influenced movement of people from one region to another, especially the business persons. This is due to the growing of demand day by day and hence increased transportation and movement of people with different business in the region.

6. LANDLOCKED COUNTRIES

Land locked countries need transportation services to transport people from Dar es Salaam, Dodoma Tanga and Mtwara to their countries which do not have enough services. The market is growing day by day due to growth of business and the marketing of companies.

The market survey conducted by the company has noticed that there is high demand of transportation business in Tanzania as well as land locked countries which do not have enough of such buses with better transportation services. Expansion of the company business will enable land locked countries to get their goods and merchandize from the cargo as part of the services of Kidia One Investment Limited.

There are few cargo haulage services offered from other bus companies transporting people from one place to another.

Kidia One Investment Limited intends to increase transport services such as transporting people, internal cargo transportation of light luggage in mainland where there is a shortage of such services due to remoteness and poor roads.

7. CARGO TRANSPORTATION FACILITIES

- ✚ Cargo trucks.

- ✚ Coasters.
- ✚ Pick-ups.
- ✚ Cargo buses.
- ✚ Workshops equipment.
- ✚ Communication equipment.

8. THE COMPANY OBJECTIVES

The objective of Kidia One Investment Limited transportation business in Tanzania Mainland is to expand to the whole of Eastern and Central Africa especially the land locked countries.

The mission of proposed cargo transportation project is basically aimed at cargo transportation business and marketing/promotion of the cargo transportation in order to increase customers from Tanzania and neighboring countries due to the following objectives: -

- ✚ To foster the growth of transportation industry in Tanzania.
- ✚ To reduce dependence on external transporters for transportation, especially transporters from neighboring Eastern and Central African countries especially the land locked countries.
- ✚ To promote import and export businesses, transit and industries by reliable transportation services.
- ✚ To promote growth and expansion of private sector.
- ✚ The company will create more employments (drivers, turn boys, mechanic, accountants, managers etc.)
- ✚ Skill development (human resources development) through on job training, use of modern vehicles and new technology applications.
- ✚ Income generation, alleviation of poverty and improvement of social welfare to employees such as drivers, turn boys, mechanics and other staff etc.
- ✚ The company contribution to the government revenue through taxes and other levies like corporate taxes, PAYE.

9. PLAN/PROSPECTS

- ✚ Smooth running of transportation business.

- ✦ For efficient and effectiveness in operation and increase cargo transport business to neighboring landlocked countries and hence resulting to addition prevailing local market.
- ✦ To increase more facilities for cargo transportation, vehicles with new and modern technology.
- ✦ To increase the volume of transportation of passengers and cargo capacity.

10. SHAREHOLDERS (PROMOTERS)

Kidia One Investment Limited is a project for transportation and the following are the shareholders/promoters: -

No.	Name of Shareholder	Nationality	Percentage
1.	Wilfred Oforo Maro	Tanzanian	700
2.	Anita Kaveva Maro	Tanzanian	100
3.	Neema Wilfred Maro	Tanzanian	100
4.	Nancy Wilfred Maro	Tanzanian	100

Therefore, the authorized capital of the company as per the beginning was Tshs100,000,000/= divided into 100,000/= ordinary shares of Tshs.1,000/= each. The company shall have power to increase its capital and to divide the shares in its capital for the time being to classes of stock or shares and to attach thereto respectively such profits, special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the company.

11. LOCATION

The company business premises are located at Dar es Salaam Region, Kinondoni district, Mikochen ward, Msikitini Street, Plot No. 570, Block C.

Consequently, the company terminal is at Shekilango as shown below;



12. COMPANY'S IMPLEMENTATION SCHEDULE

12.1 April-2025

- ✚ Preparing feasibility study for the transportation services.

- ✦ Registration of all necessary licenses from government institutions.
- ✦ Getting the certificate of incentives.

12.2 May-2025

- ✦ Application for import duty exemption on buses, coasters trucks and pick-ups after being awarded certificate of incentives in the establishment programmer.
- ✦ Clearing the fleet of vehicles from customer control.

13.3 June-2025

- ✦ Recruiting new drivers, turn boys, mechanics and other administration staff of more than 800 employees.

13. CAPITAL INVESTMENT COST

No	Particulars	TZS
1.	Land/ Building	1,400,000,000
2.	Plant/ Machinery	120,000,000
3.	Vehicles	1,800,000,000
4.	Furniture and fittings	100,000,000
5.	Pre-expenses	130,000,000
6.	Other expenses	100,000,000
7.	Working Capital	265,000,000
8.	Total	3,915,000,000

The intended transportation and cargo project is to be implemented within three (3) years. The company's shareholders have resolved to register the transportation project under Tanzania Investment Center (TIC) for securing the certificate of incentives.

14. FINANCIAL PLAN (SOURCE OF FUNDS)

Kidia One Investment Limited has firmed up finances for the implementation programmed by its own fund and loan as follows: -

Particulars	USD
Own fund (Equity)	1,174,500.000

Local Loan	391,500,000
Foreign loan	2,349,000,000
Total	3,915,000,000

15. SUBMISSION

Kidia One Investment Limited submits the investment proposal and application to the Tanzania Investment Centre (TIC) for registration and award of certificate of incentives for the commencement of transportation and logistics projects.

The transportation project will soon commence after the company is registered by Tanzania Investment Center and being issued with the certificate of incentives. Thereafter, the company will import transport facilities, the certificate of incentives will enable the project to qualify for duty exemptions on capital/ deemed capital goods.

16. ECONOMIC GROWTH

The current economies growth which had been registered in Tanzania, as the result of investment, business, mining has attracted more investors as well as transportation business. The economic growth with influence of movement of goods especially industries and business as the demand is growing day by day for the increased movements of people around the region which will be an innovation for the transportation of cargo to other regional or other regional zones.

17. COMPETITION/MARKET

Despite there being numbers of transportation companies, still the facility is not enough compared to the level of demand.

However, the intended transportation project will provide trustworthy, efficient and quality services to dominate the local and outside market because the project ensures high quality, promptness and goodwill.

18. ADVERTISEMENT

Advertisement which forms part of the marketing strategy, will be embarked upon newspapers, streets banners and later on in the televisions in a manner benefiting promotional role of any company of private institutions.

19. BUSINESS STRATEGY

In order to meet the current demand and high productivity, the management of the company will develop and implement additional strategy which will capture markets.

- ✦ Technology / quality vehicles.
- ✦ Advertisement/ promotion.
- ✦ Employment qualified and experienced drivers.
- ✦ Job training.
- ✦ Business discipline.

20. ENVIRONMENTAL ISSUE

The transportation business and the whole process of vehicle servicing is environmentally friendly. The workshop activities of vehicle services will not cause any harm to people.

21. PROJECT MANAGEMENT

Kidia One Investment Limited being the transport in its commencement will usher in the technology (transfer of knowledge/technology) by using modern vehicles and workshop activates. The advantages to the country are quite significant and will get the advantage of value addition due to the incoming technology. Further, the country can reduce its dependence on other means of transporting people from one place to other.

The proposed project will cause more people to be employed in as drivers, turn boys, mechanic, security guards, accountants, managers and about 800 local people will increase their income, improve their social welfare and pay taxes, it is poverty alleviation programmed to them.

22. CONCLUSION AND RECOMMENDATION

The financial evaluation of the transportation done so far in this project will be profitable both economically and financially viable venture. Also there are many other benefits direct and indirect of this project.

The management being experienced businessmen possess sample managerial

capabilities in various business disciplines. Based on the above factors, it is recommended that the company be granted certificate of incentives for the implementation of the transportation project so that the project will import and enjoy tax exemption on Capita/Deemed Goods and increase its production capacity.

23. FINANCIAL AND ECONOMIC ANALYSIS

Projected Profit and Loss Account

The company envisages generating a profit of USD \$ 250,000 this operating year. The profit amount is expected to steadily rise to USD \$ 260,000 in year two, USD \$ 270,000 in year three and USD \$ 280,000 in year four.

Projected cash flows

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met on timely.

24. SENSITIVITY ANALYSIS

To access further the viability of the implementation project sensitivity analysis has worked out on the basis of several unfavorable conditions that might affect negatively the operations of Kidia One Investment Limited.

24.1 Effect of cost increase on profitability (on the basis of year II Transportation Income in USD.

Income	Costs	Increase %	Profit Before Depreciation
760,000	500,000	%	260,000
760,000	525,000	5%	235,000
760,000	550,000	10%	210,000

24.1 Effect of Transportation Income

Decrease/drop on profitability (on the basis of year II costs in USD)

Income	Income Decrease	Costs	Profit Before Depreciation
760,000	%	500,000	260,000
722,000	5%	500,000	222,000
684,000	10%	500,000	184,000

The viability/profitability of the company operations appears more sensitive to sales Income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients base.

Appendix I

KIDIA ONE INVESTMENT LIMITED PROJECTED INCOME STATEMENT

(Fig. USD'000')

INCOME	I	II	III	IV
Sales Income	720.0	760.0	800.0	850.0
Total Income	720.0	760.0	800.0	850.0
Utilities	150.0	150.0	150.0	150.0
Salaries and Wages	80.0	85.0	90.0	100.0
Transportation/fuel	100.0	105.0	110.0	120.0
Administrative Expenses	100.0	110.0	120.0	130.0

Other Expenses	40.0	50.0	60.0	70.0
Total Expenditure	470.0	500.0	530.0	570.0
Net Profit (Pre-Tax and Depreciation)	250.0	260.0	270.0	280.0

Appendix II

KIDIA ONE INVESTMENT LIMITED PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

Year	I	II	III	IV	V	Total
Cash inflow						
Income from operation	250.00	260.00	270.00	280.00	290.00	1,350.00
	250.00	260.00	270.00	280.00	290.00	1,350.00
Cash outflow						
Interest payments	50.00	45.00	40.00	35.00	30.00	200.00
Loan re-payment	50.00	50.00	50.00	50.00	50.00	250.00
Wear & tear	10.00	12.00	14.00	16.00	18.00	70.00
Taxes	10.00	10.00	10.00	10.00	10.00	50.00
	120.00	117.00	114.00	111.00	108.00	570.00
Surplus cash generated	130.00	143.00	156.00	169.00	182.00	780.00

Appendix III

KIDIA ONE INVESTMENT LIMITED PROJECTED LONG TERM LOAN REPAYMENT

(Fig. USD '000')

Year	Repayment			
	Principal	Interest	Total	Amount
I	50.0	45.0	100.0	450.0

II	50.0	40.0	95.0	400.0
III	50.0	35.0	90.0	350.0
IV	50.0	30.0	85.0	300.0
V	50.0	25.0	80.0	250.0
VI	50.0	20.0	75.0	200.0
VII	50.0	15.0	70.0	150.0
VIII	50.0	10.0	65.0	100.0
IX	50.0	5.0	60.0	50.0
X	50.0	0.0	55.0	0.0

Appendix IV

**KIDIA ONE INVESTMENT LIMITED
PROJECTED BALANCED SHEET**

(Fig. in USD ‘000’)

No.	Item	Year I	Year II	Year III	Year IV	Year V
	Source of funds					
1.	Shareholders’ funds	100.00	150.00	200.00	250.00	350.00

2.	Long term Loan	100.00	95.00	90.00	85.00	80.00
3.	Associated Cos/Director	100.00	100.00	100.00	100.00	100.00
4.	Current Liabilities	400.00	350.00	300.00	250.00	100.00
		700.00	695.0 0	690.00	685.00	630.00
	Application of funds					
1.	Fixed Assets	300.00	300.00	300.00	300.00	300.00
2.	Current Assets	630.00	485.00	390.00	295.00	200.00
		930.00	785.00	690.00	595.00	500.00