

PROSPERIS TRANSPORT & LOGISTICS (TANZANIA) LIMITED

BUSINESS PLAN

FOR

**LOGISTICS AND ROAD TRANSPORTATION INVESTMENT
PROJECT**

FIVE YEARS: 2026-2030

JANUARY, 2026

CORPORATE INFORMATION

Date of Incorporation : 31/12/2025

Company Registration

Number : 192308410

TIN : 192-308-410

Business Activity: The company among other activities is dedicated to provide Freight haulage and logistics solutions for the mining and distribution sectors.

Shareholders:

Name	Address	Number of shares
1. MINGHUI HU	CHINA	15
2. FENG LIU	CHINA	19
3. LICHENG DING	CHINA	30
4. ZHENGHUA YANG	CHINA	36

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LIST OF ABBREVIATIONS

AfCFTA	-	African Continental Free Trade Area
CEO	-	Chief Executive Officer
CIF	-	Cost Insurance and Freight
DRC	-	Democratic Republic of Congo
EAC	-	East African Community
GDP	-	Gross Domestic Product
SADC	-	Southern African Development Community
SWOT/SWOC-		Strengths, Weaknesses, Opportunities and Threats/Challenges
TIN	-	Taxpayer Identification Number
TIC	-	Tanzania Investment Centre
TZS	-	Tanzania Shillings

1.0 EXECUTIVE SUMMARY

Transport industry is among the key sectors in Tanzania as well as other economies in the world. Road transportation is widely used by majority of Tanzanians for cargo transportation due to its reliability and affordability. The roads in a big way facilitate advancement in the economy of a country and they simultaneously facilitate communication. Tanzania's continued economic growth and major investments in infrastructure, construction, mining, agriculture, and industrial development have significantly increased demand for reliable road transportation services. The logistics sector currently faces challenges such as insufficient modern fleets, high operational costs, and inefficiencies in long-haul transportation. This project aims to introduce modern trucks and professional fleet management practices to improve efficiency, reduce costs, and support national development priorities.

Prosperis Transport & Logistics (Tanzania) Limited is a company registered in Tanzania which is dedicated to improve logistical services and provide logistics and transportation of cargo from production centres and distribute the products to various markets. The company is owned and managed by experienced business operators. The project is expected to be financed through owners' equity where the total project requirement at the beginning amounts to **TZS 800,000,000 (Tanzania Shillings Eight Hundred Million)**. Internal sources through owners' equity shall be used to finance the project. The company, will keep on investing in subsequent faces in order to provide long and short haul transportation services to customers in its targeted market.

During the first year of operations, the project intends to employ at least 30 locals, 3 foreigners and more than 100 indirect jobs through services associated with logistics.

1.1 Company Vision, Mission and Core Values

Our Vision: To be the most reliable, innovative, and cost-efficient transportation and logistics company in Eastern and Central Africa, and ultimately, across the African continent.

Our Mission: To inspire and empower the transport industry by delivering safe, efficient, affordable, and customized transportation solutions that add value to our clients and communities.

Our Belief: We believe that our success is rooted in exceptional teamwork and a commitment to excellence, always striving to leave our clients with a lasting and positive experience.

Core Values: Guided by a team of dedicated, professional, and highly motivated personnel, and supported by modernized systems and processes, we are committed to the following principles:

- Ensuring continuous customer satisfaction and delivering optimal value.
- Listening and responding proactively to the needs of the communities we serve.
- Upholding the highest international standards through a quality management system driven by individual and collective accountability.
- Inspiring and connecting with our stakeholders to help them realize their full potential every day.

1.2 Project Objectives

The overarching goal of this project is to enhance our operational capacity in delivering high-quality transportation services within Tanzania and to neighbouring countries. The initiative focuses on offering dependable, efficient, and affordable logistics and road freight services across Tanzania, the East African Community (EAC), and the Southern African Development Community (SADC) regions.

Specific objectives include:

- Providing efficient and reliable transportation services. This would involve ensuring that the company's fleet is well-maintained and that drivers are trained to operate

vehicles safely and efficiently. By providing high-quality transportation services, the company could attract more customers and establish a reputation as a trusted and dependable transportation provider.

- **Expanding the client base:** The company shall seek to expand its client base by attracting new customers in the transportation market. This shall involve marketing efforts to raise awareness of the company's services and building relationships with potential clients. By expanding its client base, the company could increase its revenue and establish a stronger foothold in the transportation industry.
- **Diversifying its services beyond transportation.** The company will consider offering logistics and warehousing services to complement its transportation offerings. By diversifying its services, the company could increase its revenue streams and establish a stronger competitive position in the market.
- **Building a strong brand:** The company aim to build a strong brand identity that resonates with its target audience. This will involve developing a distinctive visual identity, creating a memorable brand message, and establishing a strong online presence. By building a strong brand, the company could differentiate itself from its competitors and attract more customers who identify with the company's values and mission.

1.3 Keys to Success

- (a) Reliable and Efficient Transportation Services:** The company's success depends on its ability to deliver on this promise. This will involve investing in well-maintained vehicles and trained drivers, establishing effective communication, and tracking systems, and continuously monitoring and improving service quality.
- (b) Marketing and Customer Acquisition:** To expand its client base, Prosperis shall develop effective marketing strategies that reach potential customers and communicate the company's unique value proposition. This may involve targeted advertising, social media campaigns, and networking with potential clients to build relationships.
- (c) Diversification of Services:** Prosperis will eventually diversify its services beyond transportation, where it will need to carefully consider which additional services to

offer and how to integrate them with its existing offerings. This shall involve investing in new equipment, hiring additional staff with specialized expertise, and establishing partnerships with other companies that offer complementary services.

- (d) **Investment in Technology and Innovation:** To stay ahead of the competition, Prosperis intends to invest in new technologies and innovations that improve efficiency, reduce costs, and enhance the customer experience. This could include implementing tracking and analytics software to optimize routes and scheduling, exploring alternative fuel sources to reduce emissions, and developing new approaches to logistics and supply chain management.
- (e) **Company Culture:** A strong company culture will be cultivated to help to attract and retain top talent, foster collaboration and innovation, and drive long-term success. Prosperis should focus on building a positive and inclusive workplace culture that values teamwork, communication, and continuous improvement. This shall involve offering professional development opportunities, recognizing and rewarding employee achievements, and soliciting feedback from staff to identify areas for improvement.
- (f) **Vehicle Maintenance:** To provide reliable and efficient transportation services, Prosperis shall ensure that its fleet of vehicles is well-maintained. Regular maintenance help to prevent breakdowns, extend the lifespan of vehicles, and ensure that they operate safely and efficiently. Prosperis will invest in a maintenance schedule that ensures that vehicles are serviced at regular intervals and conduct regular inspections to identify any potential issues before they become major problems. By prioritizing vehicle maintenance, Prosperis will minimize downtime, reduce repair costs, and build a reputation for providing reliable transportation services.
- (g) **Competitive Rates:** The transportation industry is highly competitive, and Prosperis will need to offer competitive rates to attract and retain customers. This involves carefully balancing the cost of providing transportation services with the fees charged to customers. Prosperis can

conduct market research to understand the pricing strategies of its competitors and develop pricing models that offer a balance between affordability and profitability. By offering competitive rates, Prosperis can position itself as an attractive option for customers who are looking for high-quality transportation services at a reasonable price.

1.4. Project components and costs

The project is expected to commence its activities soon after all the preliminary arrangements and permits are obtained. Table 1.1 provides a summary of project requirements in Phase I.

Table 1.1: Project Requirements (Cost in TZS)

S/n	Specification	Qty.	Unit Cost (TZS '000')	Total (TZS '000')
1	Trucks & Trailers	5	104,000	520,000
2	Import Duties & Licensing	5	16,000	80,000
3	Operations Setup			100,000
4	Working Capital			100,000
Total				800,000

The project requirement amounts to **TZS 800,000,000** which covers the cost of importing trucks and trailers at CIF value and the related cost including duties and insurance.

1.5 Implementation Plan

The envisaged project is expected to be implemented from February, 2026 after all the preliminary requirements for the project are met including purchase of vehicles. The project will use a conception approach for project financing. The implementation programme is well described in the Table 1.2

Table 1.2: Implementation Schedule

DESCRIPTION		PHASE I					PHASE II
No.	Activities	Feb- June, 2026	July- Sept 2026	Oct- Dec,2026	Jan- June,2027	July- Dec.2027	Jan 2028- Dec.2030
1	Mobilization of resources; Purchase of vehicles and obtain relevant permits.						
2	Recruitments of Staff, and engagements						
4	Project roll out, vehicles placed on relevant routes						
5	Assessment of vehicles, replenishments and procurement of new vehicles						
6	Project expansion, additional trucks procured and new routes added.						

Upon completion of site preparations, procurement of vehicles and facilities, then the process of hiring and engaging qualified personnel shall follow. The project shall pay attention to expertise in the sector. Then the project roll-out shall take place and vehicles shall be placed to the designated routes as per established demand. The project shall conduct periodical assessment of its vehicles and replace the obsolete ones through disposal and procurement of new vehicles. Project monitoring and evaluation shall be maintained throughout the duration of five years.

1.6. Project Benefits

The Implementation of this project will have economic and social benefits to the community and the country at large notably:

- The project will help the community access the best, safest yet affordable transport services in the country;

- The project will support industrialization process through provision of logistics support and cargo transportation for manufactured goods.
- The project will increase employment opportunities;
- The project will increase social services to the community;
- The project will increase tax revenue to the government.

2.0 PROJECT DESCRIPTION

Road transport remains the backbone of Tanzania’s domestic and regional trade, supporting the movement of construction materials, mining inputs and outputs, agricultural produce, industrial goods, and imported cargo from ports to inland destinations. However, the logistics sector continues to face several structural challenges, including limited availability of modern transport fleets, high operating and maintenance costs, inadequate fleet management systems, and inefficiencies in long-haul and cross-border transportation.

In response to these challenges, this project proposes the establishment of a modern road transportation and logistics company equipped with new, heavy-duty trucks and trailers and supported by professional fleet management and logistics coordination systems. The project will enhance transport efficiency, reduce cargo delivery timelines, lower logistics costs for key economic sectors, and contribute directly to Tanzania’s national development objectives and regional trade integration agenda.

The Company will undertake the following core business activities:

- Provision of road freight transportation and haulage services within Tanzania;
- Transportation of construction materials, mining equipment, industrial machinery, fuel, agricultural produce, and bulk cargo;
- Ownership, operation, and maintenance of a modern fleet of trucks and trailers;
- Provision of cross-border transportation services within the East African region, subject to regulatory approvals and licensing;
- Importation of trucks, trailers, spare parts, and related equipment strictly for operational use;
- Provision of logistics coordination, scheduling, and transport support services to clients.

3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS

3.1 Business environment

Businesses may be affected by factors beyond owner's control, and these need to be taken into account before making any investment decision. The company has considered many opportunities and challenges that may arise out of the expected changes. Thus, analysis of business environment key factors is paramount to this plan in order to determine external factors and how they are likely to affect the project.

Economically; Tanzania is now experiencing economic growth whereby the purchasing power of people is increasing and people's interactions is increasing as trade grows in the East African Region, SADC and AfCFTA. This has called for a lot of business opportunities in the regions. The burning issue currently is the rate of inflation and continuous fall in domestic currency this would lead to increased cost of operations as the price of materials are rising.

Politically; Tanzania has enjoyed political stability since it gained her independence in 1961, which has allowed for a degree of continuity and coherence in the organisation of both the state and the private sector. The country retains strong national unit with an engaged civil society and private sector. The government of Tanzania is in support of investments through a number of policies and strategies that aims at making the business environment more conducive.

Social-Cultural: The social aspect focuses on the forces within the society. Family, friends, colleagues, neighbours and the media are social factors. These factors can affect our attitudes, opinions and interests. So, it can impact sales of products and revenues earned. There is no doubt that the society is continually changing. The tastes and preferences are a great example of this change for the Tanzanian culture. Most of Tanzanians currently are willing to pay a premium price for a product that satisfies their expectations. Demographically, the country is increasing in population where currently the country is estimated to have over 61 million people. The increase in population necessitates increase in demand of goods and services.

Technological factors: Technological factors are one of various external environment factors that affect businesses greatly and are also an integral component of the environment analysis. Our project considers technology as an integral part and important tool for improving operations and functions. In the present scenario, utmost dependence on equipment, technological factors can have more effect on business operation and success globally than ever before. Furthermore, development of technology has also introduced digital marketing strategies through which companies are able to sell their products and services. Even the research and development (R&D) divisions in most companies have changed their ways of functioning and more advanced techniques in the development of products and services have been introduced only through technological advancements. We will ensure we keep up the pace of technology to suit the needs of our customers.

3.2 Business Analysis

According to the Tanzania National Bureau of Statistics (NBS) report on "Transport Statistics 2016", the road transport sector contributed significantly to Tanzania's economy in the year 2016. In 2016, the road transport sector accounted for 86.6% of the total passenger traffic and 67.8% of the total freight traffic in Tanzania. The sector also employed about 4.4% of the country's total workforce. Furthermore, the road transport sector contributed about 5.5% to Tanzania's Gross Domestic Product (GDP) in 2016, which amounted to approximately TZS 5.3 trillion (equivalent to USD 2.3 billion).

Recent Data (2023/2024) indicated that, GDP share of transport & storage is 7.8% which is the 5th-largest contributor to GDP. The transport sector has grown markedly from contributing 5.5% of GDP in 2016 to 7.8% today and plays a significant role in national economic growth (6.3% contribution in 2023).

With the trucks earmarked for purchase by PROSPERIS, the operations are as follows;

- Trips per month per truck: 4 trips
- Cargo carrying capacity per trip: 30 tons.
- Cargo transported per truck per month: 20 tons.
- Cargo transported per truck per year (10 months): 1200 tons.

- Maximum carrying capacity for 5 trucks per year: 1,367 tons.

Therefore, proposed number of trucks are more than ideal to service the community while also leaving space to cater for other business opportunities outside the country. With the boom in economic activities in the region, transportation business opportunities are ever rising against limited available truck units.

3.3 SWOT Analysis

Strengths:	<ul style="list-style-type: none"> • Reliable, experienced drivers. • First hand understanding of Tanzania market and neighboring countries. • Insurance security (goods-in-transit insurance).
Weaknesses:	<ul style="list-style-type: none"> • Fewer trucks. • Limited clientele base • We are a new player in transportation industry. • Foreign owned company with limited influence in Tanzania
Opportunities:	<ul style="list-style-type: none"> • Growing demand for transportation services in in Tanzania and neighbouring countries (Zambia, Rwanda, Congo, Uganda, Kenya, Malawi). • Supply and distribution of raw materials and products • Solid relationship with local companies for cross-selling opportunities.
Threats:	<ul style="list-style-type: none"> • Dishonest drivers. • Uncertainty like accidents and fire outbreak. • Financial flows. • Regulatory red tapes. • Economic downturn which can lower the price of petroleum products dramatically.

From the SWOT analysis, we have been able to identify the Company's strengths, weaknesses, opportunities and threats. The project will capitalize on the key strengths to provide best products and services to customers. The available opportunities create a room for business expansion and the company sees that this prevailing opportunity cannot be left in vain. On the other hand, the company is facing some limitations in providing its services, thus marketing strategies are aimed at minimization of these constraints. The project shall make use of the marketing mix in making sure that high quality product is maintained in the market, the products reach to high demand locations (place), reasonable price is charged to the clients and appropriate promotional tools are employed to increase awareness of company's products and services.

Product: The high-quality of trucks and trailers that suit different use will be an added advantage to compete in the market. A sufficient budget shall be allocated for repair and maintenance of vehicles to ensure that all trucks and trailers remain in a good condition all the time to ensure continuity of operations.

Pricing: The objectives of price strategy depend on a number of factors such as business, economic and marketing objectives. Price setting can be based on cost or market based. With demand and competition orientation concepts, a fair price shall be set which customers are willing to pay at the same time covers operational costs with some profit margin. In this regard, price setting shall be based on demand, and competition but also cost of operation.

Place: The project shall invest in modern and sophisticated facilities and conducive environment. The project has arranged to start operations by looking at the most convenient market segment.

Promotion: Media advertisements both digital and print media shall be widely employed by the project. The company will engage in positive promotion of the project through developing appropriate marketing strategies. The project will make advertisement of the available services via a number of media such as local newspapers, leaflets, TV, radio, social media and Internet. Different procedures of promotion will be applied, such as providing price discounts to regular customers.

3.4 Competitive Edge

The biggest competitive edge of PROPERIS in this area of operation is its personnel and great influence on Chinese vehicles. We will hire experienced and trained drivers who can take care of transportation of various products from depots to desired destinations. Additionally, the company will emphasize great customer services by providing customers with courteous and reliable transportation services. The company seeks to gain a reputation for timely deliveries with less breakdown and the best drivers in the industry and intends to build upon that.

3.4.1 Target Clients:

- Construction and infrastructure contractors
- Mining and energy companies
- Importers and exporters
- Manufacturing and industrial enterprises
- Government and donor-funded projects

Competitive Advantages:

- Modern fleet imported from China
- Strong capital base
- Professional management and financial control
- Competitive pricing and reliable service delivery

3.5 Marketing Strategy

The company markets its services as solution to many companies' requiring cargo to be transported promptly, efficiently, and safely. We will employ the following marketing plan for our services:

- **Competitive Tendering:** PROSPERIS will enter the market through competitive tendering which is organized by organizations and institution in need of local and transportation and logistics services.
- **Word of Mouth:** The company will also use personal selling strategies where the managing director and the sales manager will contact the customers and offer the service of the company. The company will also set up appointments

with larger transportation companies and market its services with intention of working as a subcontractor.

5.0 OPERATIONAL AND MANAGEMENT PLAN

5.1 Operational Plan

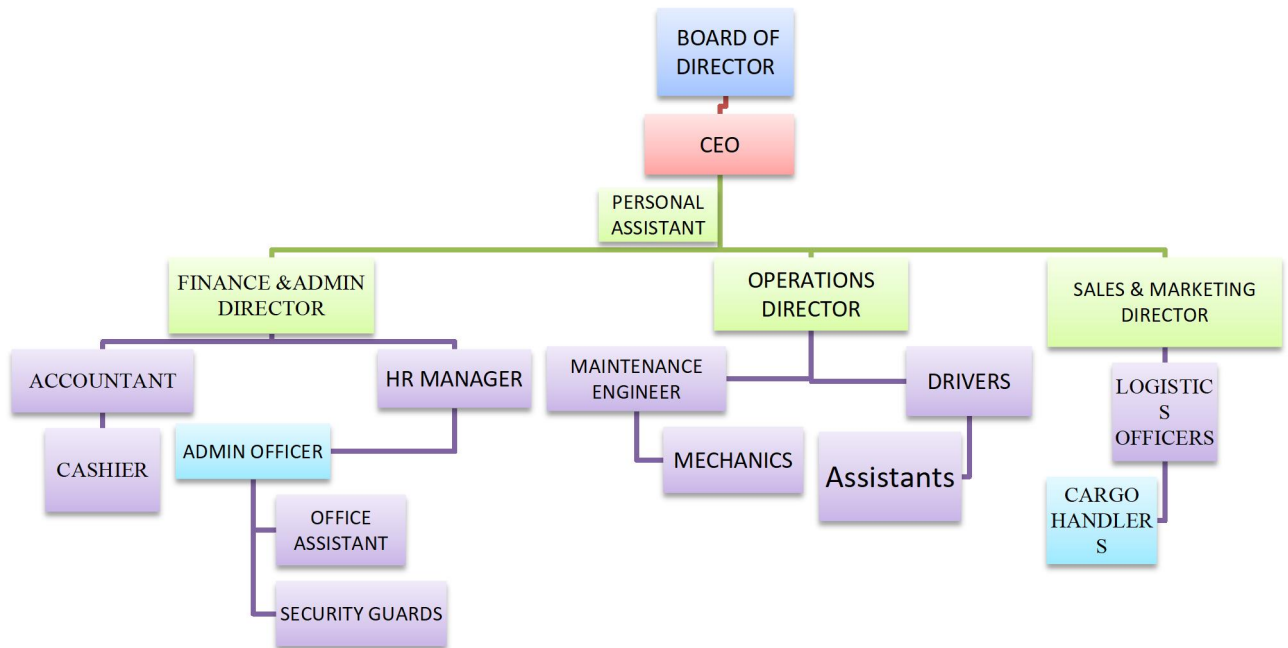
The operation is subject to government regulations and acquiring relevant permits and licenses before commencement of the business. All necessary licensing and permits shall be obtained prior to commencement of the project.

5.2 The Organization Structure

The project shall maintain the hierarchical mode of organization structure. The organization structure comprises of the Project Implementation Team led by the CEO and other supporting staff.

The Organization structure comprises of three main departments which shall report to the CEO; Finance and Admin Department which shall include the Finance and Administrative Director, Accountant and Cashier Officer, Administrative Officers and Office Assistants as well as watchmen/security guards. Marketing and Sales Department shall include the Director of Sales and Marketing, logistics officer and cargo handlers. The Operations Department shall include the Director of Operations, Technical and maintenance Manager, Mechanics, Truck Drivers and Assistants. The figure 5.1 describes the organization structure and the reporting lines for each category.

Figure 5.1 Organization Chart



5.3 Management

The Chief Executive Officer shall be responsible for day-to-day running of the project and direct reports to the Board of Directors. Director of Operations shall be responsible for day-to-day operational activities of the project including sourcing of materials, manage the personnel under him, repair and maintenance and control the timetable for trucks. Finance and Administrative Director shall be responsible for all financial and administrative issues. Accounting and Administrative officers shall be responsible for all financial and administrative issues respectively. They shall ensure monitoring resource allocation especially funds and making sure that the fund is used in a desired manner.

6.0 PROJECT MONITORING AND EVALUATION

The project will be monitored and evaluated on a regular basis to track progress and identify any potential problems. The monitoring process will collect data on key indicators, such as the number of trucks added, the number of trucks per route, and reduction in service delivery time and costs. The evaluation process will collect data on the benefits of the project, such as improvement in transport services, the creation of jobs, and the improvement of economic activities of the Company.

The monitoring and evaluation plan will be tailored to the specific needs of the project. However, the following general principles will be followed:

- i) **Relevance:** The monitoring and evaluation plan will be relevant to the objectives of the project.
- ii) **Accuracy:** The monitoring and evaluation plan will be accurate and reliable.
- iii) **Timeliness:** The monitoring and evaluation plan will be timely and up-to-date.
- iv) **Transparency:** The monitoring and evaluation plan will be transparent and accessible to stakeholders.

7.0 RISK ASSESSMENT AND KEY ASSUMPTIONS

7.1 Risk Assessment

The project has the potential to significantly improve the efficiency of transport service in Tanzania and neighbouring countries and hence promote economic activities and incomes of people. However, there are also a number of risks associated with the project. Some of the key risks may include:

1. **Operational Risks:** PROSPERIS recognizes the fact that there is inherent risk in transporting some sensitive products. Any damage to cargo may undermine the profitability of the company and its clients. To reduce this risk, the company will maintain all necessary insurance (goods-in-transit insurance). The main goal is to consolidate good customers and client services by making timely deliveries, hiring the best drivers, and having competitive price structure.
2. **Service Delivery Risks:** One of the service delivery risks is long waiting times at the port which can affect transportation of some products by delaying deliveries.

3. **Regulatory and compliance risks:** The trucking industry in Tanzania is highly regulated, and trucking companies must comply with a range of regulations and laws governing everything from licensing and permits to driver qualifications and vehicle maintenance. These risks can be broken down as per below details;

- **Licensing and permit requirements:** Trucking companies must obtain licenses and permits from various government agencies to operate legally. These requirements can be complex and time-consuming to navigate, and failure to obtain the necessary licenses and permits can result in fines, penalties, or even the revocation of the company's license.
- **Vehicle regulations:** Trucks in Tanzania are subject to a range of regulations governing everything from weight and size limits to safety and emissions standards. Failure to comply with these regulations can result in fines, impoundment of vehicles, or legal disputes.
- **Driver qualifications:** Drivers of commercial vehicles in Tanzania must meet specific qualifications, including obtaining a commercial driver's license (CDL) and meeting certain age and health requirements. Failure to comply with these requirements can result in fines, legal disputes, or even the revocation of the company's license.
- **Insurance requirements:** Trucking companies in Tanzania are required to carry certain types and amounts of insurance coverage to protect themselves and their customers in the event of accidents, cargo damage, or other incidents. Failure to obtain the necessary insurance coverage can result in fines or legal disputes.
- **Tax regulations:** Trucking companies in Tanzania are subject to various tax regulations, including income tax, value-added tax (VAT), and road tolls. Failure to comply with these regulations can result in fines, penalties, or legal disputes.
- **Labor regulations:** Trucking companies must comply with various labor regulations, including minimum wage and working hours requirements, as well as health and safety regulations. Failure to comply with these

regulations can result in fines, legal disputes, or damage to the company's reputation.

Overall, regulatory compliance is a critical aspect of running a successful trucking business in Tanzania, and companies must be prepared to navigate complex and ever-changing regulatory requirements to remain competitive and profitable.

Despite likelihood of these risks, the project potentials to make significant contribution to the economic development are inevitable. If the project is successful, it could help to improve the movement of people and goods and hence reduce trade costs and ultimately boost economic growth.

7.2 Financial Assumptions

Several assumptions were made and considered in the preparation of this financial plan and projection. The assumptions are based on professional judgment, economic trends and current financial market environment. These are as noted below;

- (i) The annual sales are projected to grow by 10% per annum; while expenses shall rise by 5%;
- (ii) Depreciation will be charged on straight line method to allocate the cost of each value over its estimated useful life. The rates to be used for vehicles and equipment are as follows;

(a) Buildings	5%
(b) Furniture & Fittings	10%
(c) Equipment	10%
(d) Motor vehicles	20%

The financial assumptions will also include issues on credit sales, payments of interest rates, taxes and other levies. From the beginning, we recognize that payment terms and hence collection days are critical, but not a factor we can influence easily. At least we are planning on the problem, and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions. Some of the more important underlying assumptions are:

- We assume a strong economy, without major recession.

- We assume, of course, that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- We assume an inflation rate of 5% yearly.
- Maintenance costs 5% of Property Plant and Equipment.
- Corporate tax is 30% of Net Income.

8.0 FINANCIAL PLAN

8.1 Sources of Funds

The project financing is expected to be through both owners' equity and debt financing through bank loans when needs arise. The amount of revenue shall be clearly allocated to the parties as per profit calculations of the project.

Table 8.1 Sources of Fund

S/N	Source of Fund	Amount (TZS '000')
1	Equity	800,000
2	Loan	-
	Total	800,000

8.3 Projected Financial Sstatements

The projected financial statements for five years indicate that the company shall be able to generate substantial amounts of profits as detailed below.

Table 8.2: Projected Income Statements for Five Years

Description	YEAR 1 (TZS 000)	YEAR 2 (TZS 000)	YEAR 3 (TZS 000)	YEAR 4 (TZS 000)	YEAR 5 (TZS 000)
Revenue	2,700,000	3,600,000	4,500,000	5,400,000	6,600,000
Less: Cost of sales	1,550,000	2,062,500	2,543,625	3,143,306	3,891,472
Operating Profit	1,150,000	1,537,500	1,956,375	2,256,694	2,708,528
<i>Less: Op. expenses</i>	550,000	577,500	606,375	636,694	668,528
Earnings Before Interest and Tax	600,000	960,000	1,350,000	1,620,000	2,040,000
Less: Charges					
Interest	-	-	-	-	-
Earnings Before Tax	600,000	960,000	1,350,000	1,620,000	2,040,000
<i>Corporate Tax (30%)</i>	180,000	288,000	405,000	486,000	612,000
Earnings After Tax (Loss)	420,000	672,000	945,000	1,134,000	1,428,000
<i>Dividends (30%)</i>	126,000	201,600	283,500	340,200	428,400
Retained Earnings	294,000	470,400	661,500	793,800	999,600

Table 8.2 Projected Balance Sheet

DESCRIPTIONS	YEAR 1 (TZS 000)	YEAR 2 (TZS 000)	YEAR 3 (TZS 000)	YEAR 4 (TZS 000)	YEAR 5 (TZS 000)
NON-CURRENT ASSETS					
Land & Buildings	-	-	152,000	144,000	136,000
Machinery & Equipment	90,000	80,000	150,000	132,500	125,000
Motor vehicles	560,000	420,000	980,000	1,040,000	832,000
Total Non-Current Assets	650,000	500,000	1,282,000	1,316,500	1,093,000
Stocks	255,500	372,000	369,500	665,000	581,700
Debtors & Prepayments	916,550	366,630	383,000	315,510	614,050
Cash and Bank balance	314,288	174,221	195,185	168,389	744,558
Total Current Assets	1,486,338	912,851	947,685	1,148,899	1,940,308
TOTAL ASSETS	2,136,338	1,412,851	2,229,685	2,465,399	3,033,308
Equity Capital	800,000	800,000	800,000	800,000	800,000
Retained Earnings	294,000	470,400	661,500	793,800	999,600
Total Equity	1,094,000	1,270,400	1,461,500	1,593,800	1,799,600
Bank loan	-	-	-	-	-
Total Non-Current Liability	-	-	-	-	-
Trade Creditors and Accruals	1,023,463	120,245	757,446	863,099	1,215,608
Taxation	18,875	22,206	10,739	8,500	18,100
Total Current Liabilities	1,042,338	142,451	768,185	871,599	1,233,708
TOTAL EQUITY & LIABILITIES	2,136,338	1,412,851	2,229,685	2,465,399	3,033,308

Table 8:3 Projected Cash Flow for Five Years

DESCRIPTIONS	Year 1	Year 2	Year 3	Year 4	Year 5
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Cash from operations:					
Profits before tax	600,000	960,000	1,350,000	1,620,000	2,040,000
Adjustments for non-cash items:					
Depreciations	160,000	448,600	568,600	641,400	567,120
Change in Working Capital:					
Receivables	-916,550	-366,630	-383,000	-315,510	-614,050
Trade payables & Accruals	1,023,463	120,245	757,446	863,099	1,215,608
Total	866,913	1,162,215	2,293,046	2,808,989	3,208,678
Tax payments	-180,000	-288,000	-405,000	-486,000	-612,000
Total Cash Inflow from Operating Activities	686,913	874,215	1,888,046	2,322,989	2,596,678
Cash from investing activities:					
Purchase of assets	-929,000	-167,210	-	-	-778,163
Other purchases	-191,486	-645,472	1,146,947	1,485,505	-813,946
Net Cash Outflow from Investing Activities	-433,573	61,533	304,464	313,404	1,004,569
Cash from financing activities:					
Dividends	-126,000	-201,600	-283,500	-340,200	-428,400
Change in cash & cash equivalent	-559,573	-140,067	20,964	-26,796	576,169
<i>Beginning Cash Balance</i>	<i>873,861</i>	<i>314,288</i>	<i>174,221</i>	<i>195,185</i>	<i>168,389</i>
<i>Ending Cash Balance</i>	314,288	174,221	195,185	168,389	744,558

9.0 ECONOMIC ASPECTS

9.1 National economic and social Benefits

The economic and social impact of establishing the proposed project to Tanzania is expected to be positive. This positive impact is expected to be direct and indirect as explained below:

a) Direct economic impact

Direct positive economic impact is expected to come from the following factors, namely,

- 1) Tax payments to the government increased,
- 2) Access to quality, reliable and affordable transport services increased,
- 3) Employment opportunities generation; more than 30 direct jobs expected to be created.
- 4) Technology and skills transfer from expertise hired from different parts of the globe.

b) Indirect economic impact

The project is expected to operate as a responsible corporate citizen by fulfilling some of its corporate responsibilities such as assisting some of the disadvantaged communities by way of donations, starting from the communities living near the project and participation in economic development activities of the country.

10.0 CONCLUSION

The analysis indicates that the project is a feasible idea. Owners are committed to their funds and are capable of raising the required investment capital to finance the project, it shows a strong commitment in making sure that the project is successfully implemented. The Project lays in areas which are very convenient for various economic activities that attracts movement of cargo in the country and EAC regions. Owners are willing to comply with all government requirements. The fact that there is a huge demand for transport services despite presence of a number of other service providers, makes this project a viable idea.