

TRUCK TRANSIT PARKS

...the new way to go



Email: nsc@shipperscouncil.gov.ng
www.shipperscouncil.gov.ng





FEDERAL MINISTRY OF TRANSPORTATION



Our Vision

To be the foremost economic development agency providing regulatory system that fosters efficient, effective and competitive service delivery in the transport sector.

Our Mission

To contribute optimally to the economic development of the nation while protecting the rights and interests of all stakeholders in the transport sector in line with best practice.

Develop and sustain a professional workforce driven by technology for operational efficiency, reduction of costs, setting standard and monitoring compliance.

Mandate

Establish an enabling environment for all stakeholders by instituting an efficient and effective economic regulatory system in the transport sector.

Table of Content

Introduction.....	4
Executive Summary.....	5
Projected Financial Statement.....	6-12
Key Indicators.....	13

Proposed Geographical Locations of TTPs in Nigeria



Other Locations are being indentified for the establishment of TTPs



INTRODUCTION

The poor and inefficient transport infrastructure in Nigeria, especially of the road mode constitutes a major source of concern to government and Nigerians. This is mostly because of the realization of the roles that transportation plays in economic development. Lack of efficient transport system significantly impacts the ease and costs of doing business. Efficient transport systems provide economic and social opportunities and benefits that results in positive multiplier effects such as better accessibility to markets, employment and additional investments.

The relative underdevelopment of the other modes of transport put a huge burden on the roads especially the major trunk roads which are owned by the Federal Government and which are responsible for the movement of between 70 -80 percent of passengers and cargo. The burden on the roads in turn has created a lot of challenges which include traffic congestion due to large number of articulated vehicles, road failure, frequent and fatal accident, high cost of transportation and high cost of doing business to mention a few.

However, in these seemingly daunting challenges lies boundless opportunities for investors. The Federal Government has seen the need to address these challenges. An important solution is the development of Truck Transit Parks across the major road transport corridors in Nigeria.

A Truck Transit Park (TTP) is a modern, common user road transport infrastructure, just off the highway, where truck and bus drivers and passengers can conveniently park their vehicles get accommodation, fuel, food, drinks, rest rooms, showers, vehicle repairs and maintenance, and other basic needs of persons and vehicles on long distance travels.

Other Objectives of TTP Projects:

- Economic growth in TTP host states and regional integration between states arising from increased freight movements.
- Employment and wealth creation in catchment areas and improved internally generated revenue for hosts state governments.
- Reduce fatigue induced accidents resulting in fatalities, loss and damage to haulage cargos and resultant effect on the economy.
- Improved transit trade with landlocked neighbouring countries of Niger and Chad.

FACILITIES AND TECHNOLOGY

TTPs will provide conducive environment for drivers on long distance travels and other stakeholders by the deployment of quality facilities and technology. These include perimeter fence, separate parking bays for freight laden trucks and tankers; well secured entrance and exit gates with electronic plate number sensor; showers and restrooms; restaurants, hotels and motels; mechanic workshops; fuel stations; warehouses and trans-loading facilities; fire station; police post; health centre and clinics.

SERVICES AND MARKET

TTPs have great assurance of patronage by both drivers, passengers and other external customers being a business hub with modern facilities and competitive pricing.



EXECUTIVE SUMMARY

ArkConcessionCompany has been retained by Nigerian Shippers Council to compute "Financial Projections", for the purpose of providing a basis for discussion with potential investors and lenders for the development of a Modern Truck Transit Park (TTP) Infrastructure.

The appraisal is a collaboration with Nigerian Shippers Council's Project Team and consultants headed by Oremade Oyedeji to provide a basis for stakeholders Discussion.

During the preparation of this report we have made certain assumptions which are fully disclose in this report:

We have not audited the financial statements and other financial information received, as provided by the management and Project Team. It was assumed that these financial statements and other financial information are true and accurate.

The appraisal report relies upon the use of fair market value as the standard of value.

The primary sources of information were research on the economy, industry and input from Regulators as well as analysis of comparative entity's financials.

It is common practice to use a number of methods, No one approach is definitive. The projected values then are determined by reconciling the results obtained from the selected methods used.

Projected Performance Ratio

FINANCIAL STABILITY ANALYSIS	2019	2020	2021	2022	2023	2024	2025
EPS	0.21	0.19	0.25	0.32	0.41	0.51	0.57
PBT	241,278,265	312,637,092	404,098,801	518,632,681	654,357,709	815,558,472	912,483,901
PAT	241,278,265	218,845,964	282,869,160	363,042,877	458,050,396	570,890,930	638,738,731
Turnover	444,117,000	524,663,700	620,784,070	735,539,277	872,597,365	1,036,354,093	1,137,180,685
PROFITABILITY	2019	2020	2021	2022	2023	2024	2025
ROCE (%)	13.22	17.09	24.11	33.90	47.0	64.81	82.40
Return on Total Assets (%)	9.59	8.09	10.12	12.32	14.45	16.41	15.45
Return on Net Assets (%)	13.22	19.50	23.72	27.52	30.30	64.81	24.28
Net Profit Turnover (%)	54.33	59.59	65.09	70.51	74.99	78.69	80.24
Gross Profit/Sales (%)	62.88	67.56	72.50	77.39	81.37	84.60	86.16
Total Asset Turnover (%)	566.67	736.55	643.40	572.51	519.08	479.42	519.47
Working Capital Turnover (%)	82.79	305.58	274.45	256.19	247.52	272.05	330.49
Operating Expenses to Sales (%)	12.58	11.68	10.82	10.02	9.27	8.57	8.57
Admin Exp to Sales (%)	8.56	7.97	7.41	6.88	6.38	5.91	5.92
LIQUIDITY							
Current Ratio	0.20	0.94	1.10	1.35	1.71	2.24	3.39
NET Present Value of the Project							
Discounted Factor @ 18%	0.8475	0.7182	0.6086	0.5158	0.4371	0.3704	0.3139
Present Value	204,473,106	157,171,764	172,162,904	187,253,477	200,218,050	211,476,006	200,516,077
Net present value		1,333,271,383.61					
	2019	2020	2021	2022	2023	2024	2025
Net Asset per Share	1.54	4.52	5.15	5.96	6.98	8.24	10.67
Average Price per Share	2.13						
Debt to Equity Ratio	3						

Financial Forecasts

Projected Statement of comprehensive income

	year ended 2019 =N=	2020 =N=	2021 =N=	2022 =N=	2023 =N=	2024 =N=	2025 =N=
Revenue	444,117,000	524,663,700	620,784,070	735,539,277	872,597,365	1,036,354,093	1,137,180,685
Add: Other Income	0	-	-	-	-	-	-
Finance Cost	(108,960,000)	(108,960,000)	(103,512,000)	(92,616,000)	(81,720,000)	(70,824,000.00)	(59,928,000.00)
Total Income for the Year	335,157,000	415,703,700	517,272,070	642,923,277	790,877,365	965,530,093	1,077,252,685
Less: Direct Cost	(55,878,735)	(61,266,609)	(67,193,269)	(73,712,596)	(80,883,856)	(88,772,242)	(97,449,466)
Gross Profit/(Loss)	279,278,265	354,437,092	450,078,801	569,210,681	709,993,509	876,757,852	979,803,219
	279,278,265	354,437,092	450,078,801	569,210,681	709,993,509	876,757,852	979,803,219
Less: Admin. Expenses	(38,000,000)	(41,800,000)	(45,980,000)	(50,578,000)	(55,635,800)	(61,199,380)	(67,319,318)
Profit/(Loss) Before Tax	241,278,265	312,637,092	404,098,801	518,632,681	654,357,709	815,558,472	912,483,901

Pre-operational expenses	0	0	0	0	0	0	0	241,278,265	312,637,092	404,098,801	518,632,681	654,357,709	815,558,472	912,483,901
Taxation	-	(93,791,127)	(121,229,640)	(155,589,804)	(196,307,313)	(244,667,541)	(273,745,170)							
Profit/(Loss) after tax	241,278,265	218,845,964	282,869,160	363,042,877	458,050,396	570,890,930	638,738,731							
Total Comprehensive Income Net Tax	241,278,265	218,845,964	282,869,160	363,042,877	458,050,396	570,890,930	1,089,884,160							
Discounted Factor @ 18%	0.8475	0.7182	0.6086	0.5158	0.4371	0.3704	0.3139							
Present Value	204,473,106	157,171,764	172,162,904	187,253,477	200,218,050	211,476,006	200,516,077							
Net present value	1,333,271,383.61													