

UNITED POWER POINT LTD

**Progress Report for the Period
2013 - 2016 August**

**Submitted to Tanzania Investment Centre
February 2023**

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1.0 Planned Activities for the period Company Details & Registration:

M/s UNITED POWER POINT LTD was registered with the Registrar of Companies on 09 May of 2006 as a limited liability company. The Authorized share capital of the company is same as the paid-up share capital. The registration number of the company is 56422.

Since the core business or the object clause remains road aggregates and all other and sub base materials for road construction, then during the period, the company planned to invest and undertake the following activities:

Proposed activities included:

- Building/Constructing sizeable yard for parking and services purposes.
- Purchasing of tipping trucks and other utility vehicles necessary for the implementation of the project
- Construct garage facilities and service bays for all utility vehicles.
- Procuring additional and necessary equipments in supporting the implementation.
- Commissioning service bays.
- Leasing other premises wherever need arise.
- To apply some additional funds from commercial banks in fulfilling the project missions.
- As part of the implementation, additional labour will be needed.

2. Achievements made towards Implementation

During implementation, a number of planned activities were implemented as follows:

- 1.1. As part of the implementation and as per approved list of capital goods, number of utility vehicles has been procured as per attached copies of registration cards light trucks.
- 1.2. Also additional utility vehicles (pick ups) have been procured as per attached photos.
- 1.3. The construction of the garage facilities in main yard has been completed and in others is still underway and due to increased number of booking for the would be customers, then we are forced to increase the facilities hence need for extension is obvious.
- 1.4. Employment: During the period, the company provided cumulative employment to more than 100 Tanzanians.
- 1.5. Main yard at plot 40, ,Kisongo area,Monduli, will be renovated soon after the additional funds from our financiers realised and will be ready for use for both parking and services of all trucks and other supporting vehicles.

2.0 Company Details:

- Shareholders Informations : 1.Bariki S. Lekule ,Tanzanian 60%
2.Edna .S.Lekule ,Tanzanian 40%
- Company communications: Emails: barilekule@yahoo.co.uk
Mobiles:+255754278805
Physical Address :Arusha region, plot 45,ward Sakina
Kerany rd
- Contact Person : Bariki Lekule
Group Chairman, +255754 278805
- Incorporation: : COI 56422
- TIN information : TIN 105-309-112
- Project Objective : Project core activity : Aggregates /construction activities
- Capacity :Project capacity per year: 200,000 tones
- Direct employment :Foreigners N/A
Local Men 65
Local women 15
- Indirect Employment:

4. 0 Project Financial Expenditure

During the implementation period, the company has incurred significant expenditure on the purchase of fleet of trucks and other supporting vehicles, and other equipments as summarized here below:

ITEM	US (\$)	TSHS
Light ton trucks and others(pick ups)	692,800	1,136,192,000
Machineries and others	541,500	888,060,000
Office equipments	108,100	177,284,000
Computers	5,400	8,856,000
Grand total (Exchange rate Tshs 1,640/\$)	1,347,800	2,210,392,000

5.0 Project financing

The company activities have since been and still being financed by equity. And in the coming period, it is expected that the company activities will be financed by both equity and long term debt, in proportions of 55% and 45%, respectively

6.0 Problems and Solutions

In the implementation period at various stages, pile of problems affected both our projections of costs and contributed to some delays. The major problems encountered are:

- 4.1 Excise and import duties on imported capital/deemed capital goods.

We understood from the Income Tax Act of 1973 and as per VAT and Customs Tariffs Act, 1976 and VAT Act, 1997 and as Income Tax Act, 1973 that the companies would be exempted from excise and import duties on the above mentioned during the implementations period. However the Tanzania Revenue Authority (TRA) officers are delaying in honouring these exemptions and this has made project costs to go up significantly, deviating materially from initial estimates due to storages at the port.

4.2 Prolonged negotiations

Negotiations with our financiers,I&M Bank take much longer time,(years) resulting into unexpectedly high administration and finance costs of the project. A good example is to compare the time taken since the Loan term contracts to the time of delivering or allocating the same for the said project,involves lots of paper works,to and from headquarters etc,other factors involved here are the one borned as a results of Monduli municipal in reallocating projects areas in multiple errors and as we know at the ministerial level,The lands minister’s office,going to Moshi,back to Dar es salaam,back and front,takes more than 6 years to come into a serious conclusion and all together resulting in frustrating the project missions, Therefore after several interventions via our Company Lawyers finally we have reached a strong solution and conclusions that there won’t be any more delays, in other words business is back to normal.

7.0 Future Plans (Planned activities for the Coming Period)

The development focus in 2023/24 will be on expanding the project capacity and strengthening of the ROAD construction and other aggregates activities to connect the country as a whole and surroundings.

Together with local, regional and national government agencies and NGOs, UNITED POWER has developed and adopted codes of conduct and operations practices that allow the company to execute upstream activity programs while protecting these vibrant working environments, creating a minimal footprint by employing the highest environmental standards in all aspects of operations.

The financial requirements for the extension period are projected as follows:

ITEM	US (\$)	TSHS
Project equipment's	1,750,000	4,287,500,000
Project utility Vehicles	700,000	1,715,000,000
Office equipment	20,000	49,000,000
Grand total (exchange rate 1 usd = tshs 2450)	2,470,000	6,051,500,000

8.0 Comments/Recommendations

We humbly appreciate the TIC management tireless efforts in enabling both local and foreign investors enjoy the facility through different session of discussions and negotiations with Governments departments especially the Ministry of Finance and TRA all aiming at increasing the country GDP growth and as well as putting the country in WTO trade map.