

LYAWERE COMPANY LIMITED

BUSINESS PLAN TO EXPAND CARGO TRANSPORTATION

1.0 EXECUTIVE SUMMARY

Lyawere Company Limited, a privately incorporated entity under the Companies Act of 2002 since 5th April 2012, has been a key player in cargo transportation, building material supply to mining companies in the Lake Region, and petroleum sales through its five filling stations across the country.

The company has successfully secured five contracts for logistics services in cargo transportation, including clearing goods from the port and transporting to neighboring countries such as Congo DRC, Burundi, and Rwanda. Additionally, Lyawere is entrusted with the distribution of raw materials and finished products for Tanzania Breweries Limited (TBL). The surge in demand resulting from these contracts has led to a shortage of trucks, posing a potential risk of losing these lucrative business opportunities.

To capitalize on these opportunities and address the current shortage, Lyawere Company Limited plans to enhance its hauling capacity by acquiring new vehicles. Facing financial constraints, the company has entered into a financing arrangement with Stanbic Bank to secure the necessary investment. In this regard, we seek the support of the **Tanzania Investment Center (TIC)** to grant our company a **Certificate of Incentives**, facilitating tax relief and aiding the expansion of our business portfolio, thereby contributing to the government's tax base.

Lyawere Co. Expansion Plan

The total cost for acquiring thirty units of trucks and trailers from Transinnovation Motors Tanzania Limited amounts to US\$ 3,122,500.00. We propose that Stanbic Bank finance eighty percent of this cost (US\$ 2,498,000.00), with the remaining twenty percent (US\$ 624,500.00) funded by the company through additional equity.

Under the proposed plan, our company will service the loan over a thirty-six-month period, during which the vehicles will serve as joint collateral for the financing. The company commits to channeling all revenue from its transportation operations to a dedicated Stanbic Bank account to facilitate timely loan repayment.

Financial projections, based on conservative assumptions, indicate that the company anticipates generating monthly transport revenue of TZS 840 million, equivalent to TZS 10.1 billion annually. Operational costs are projected at TZS. 588.8 million per month, or TZS. 7.1 billion annually, resulting in a substantial contribution margin of TZS. 252.0 million per month or TZS. 3.0 billion per annum. This margin is expected to comfortably cover the projected monthly loan installment of TZS. 200.0 million.

The proposed investment not only addresses our operational needs but also contributes to the Tanzanian community by creating employment opportunities and expanding the government's tax base. We earnestly request the Tanzania Investment Center (TIC) to consider and approve the issuance of the Certificate of Incentives, empowering our company to undertake this strategic investment for the benefit of economic growth, increased tax revenues, and additional employment opportunities for Tanzanians.

2.0 COMPANY PROFILE

2.1 Incorporation and Trading History

Lyawere Company Limited, established on April 5, 2012, as a private entity under the Companies Act of 2002, has evolved into a multifaceted enterprise engaged in diverse business activities. From its inception, the company has engaged in the sales of cement utilizing its semi-trailer trucks to distribute products from factories in Dar es Salaam to wholesalers in upcountry regions. Additionally, the company provided staff transport services, supplied hardware and facilitated leasing of cargo trucks to Barrick Gold Mine.

In recent times, Lyawere Company Limited has strategically reallocated a significant portion of its resources, focusing on three core business segments. These segments include logistics and transportation, petroleum and gas, and the general supply of mining consumables. This strategic diversification reflects the company's commitment to adaptability and competitiveness in response to changing market dynamics.

2.2 Shareholding of the Company

2.2.1 Share Capital of the Company

Authorized and paid-up share capital of the Company is TZS. 2,000,000,000/=, divided into 2,000 ordinary shares with nominal value of TZS. 1,000,000/=, each.

2.2.2 Shareholders and Directors of the Company

NAME	ADDRESS	SHARE TAKEN
Gaspar E. Tesha	P. O. Box 1013, Kahama	400
Mercy R. Koka	P. O. Box 1013, Kahama	200
Godhelp E. Tesha	P. O. Box 1013, Kahama	200
Gloria E. Tesha	P. O. Box 1013, Kahama	100
Diana E. Tesha	P. O. Box 1013, Kahama	100

Among the directors mentioned above, Mr. Gaspar is the most active director in the management of the Company.

Brief Profile of Mr. Gaspar E. Tesha

He is a founder member of Lyawere Company Limited in 2012. Before starting this business, Mr. Gaspar was a banker with Azania Bank between 2008 and 2011.

He studied accountancy at the IFM in Dar es Salaam, and graduated with an Advanced Diploma in Accountancy, in 2007.

He is married.

Since he started business with this company, Mr. Gasper has shown tireless efforts in guiding the Company in various business operations. His innovative ideas has enabled the Company to win several contracts, including financing from Azania Bank in the form of a bank overdraft.

His commitment and business skills will be critical important in the proposed Exploration Drilling Rig project.

2.3 Legal Aspect

- Certificate of Incorporation issued by Registrar of Companies No. 87645
- TIN issued by TRA No. 117-096-726
- VAT issued by TRA No. 40-012256-P
- Bankers: Azania Bank - Kahama Branch
NBC Limited

2.4 Contact Address

Mr. Gasper E. Tesha,
Managing Director,
Lyawere Company Limited,
P. O. Box 6290,
Dar es Salaam, Tanzania.
Phone: 0752 546 353

Physical Address: mezzanine floor, Address building,
Bains Avenue off Chole Road, Masaki, Dar es SALAAM.

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2.5 Auditors

DEMUS ASSOCIATES (Certified Public Accountants in Public Practice) are appointed auditors of the Company.

3.0 CREDIT FACILITY SOUGHT

3.1 Investment Plan

Lyawere Company Limited is seeking credit facility in the form of vehicle loan from STANBICBank to acquire thirty units of Howo Trucks and Trailers Trailers from Transinnovation Motors Tanzania Limited is US\$ 3,122,500.00, equivalent of TZS. 7,415,937,500/=

INVESTMENT PLAN							
SN	ASSET DESCRIPTION	UNIT	QTY	PRICE in \$	AMOUNT in \$	EXC RATE	AMOUNT IN TZS
1	FAW JH5 380HP 6x4 R Pc	Pc	30	55,070.00	1,652,100.00	2,375.00	3,923,737,500.00
2	Flat Bet	Pc	17	33,214.00	564,638.00	2,375.00	1,341,015,250.00
3	Tankers	Pc	13	69,674.00	905,762.00	2,375.00	2,151,184,750.00
TOTAL					3,122,500.00		7,415,937,500.00

3.2 Financing Plan

The total cost of the assets including import taxes is US\$ 3,122,500.00, equivalent of TZS. 7,415,937,500, however, the Company is prepared to make equity contribution of US\$ 624,500.00 and it is seeking loan from STANBICBank for the remaining cost of US\$ 2,498,000.00, equivalent of TZS. 5,932,750,000, which will be serviced and repaid within the period of thirty-six months.

FINANCING PLAN				
SN	SOURCE		AMOUNT	AMOUNT
1	Equity Contribution	20%	\$ 624,500.00	1,483,187,500.00
2	Asset Loan	80%	\$ 2,498,000.00	5,932,750,000.00
TOTAL FINANCING			\$ 3,122,500.00	7,415,937,500.00

3.3 Proposed Security

The Company is proposing the vehicles to be registered jointly in order to secure the loan.

4.0 STRATEGIC OBJECTIVES (refine this section based on you strategic plan)

4.1 Vision and Mission

Vision

To excel in provision of transport services

Mission

Lyawere Company Limited aim to expand operations of its business units through increasing investment, improving service delivery, and safety, with a view to increase trade revenue and eventually profitability and be able to offer appropriate remunerations to employees and return to its investors

4.2 Specific Objectives

- To expand the cargo transportation by increasing haulage capacity
- To raise funds to finance acquisition of new motor vehicles
- To provide excellent service, maintenance, and repair services for the existing and proposed vehicles
- To conduct period training to operational personnel on quality and safety
- To improve financial management systems in order to produce update and relevant information for decision making
- To improve good governance through proper management practices

5.0 BUSINESS DESCRIPTION

5.1 Cargo Transportation

Lyawere Company Limited undertakes cargo transportation using its fleet of forty five trucks. The Company has rented a large parking yard which also houses the main workshop at plot number 125 and 225, Ununio area, Kinondoni municipality. Its major customer are as follows.

SN	NAME	SERVICE
1	GBE Trading (Mauritius) Ltd	Transportation of Fuel to DRC, Burundi, and Rwanda
2	J K White Cement (Africa) Limited	Transportation of Building Materials from Kenya to Tanzania
3	Yapi Merkezi Insaat Ve Sanay Anonim Sirket	Transportation of construction goods for SGR project
4	Tanzania Breweries Limited	Distribution of beer and Konyagi production in Tanzania, Nairobi, Zambia and Kigali
5	Kilombero Sugar Company Ltd	Distribution of sugar within Tanzania

The Tanzania Breweries Limited, the leading producer of beers in Tanzania, including popular brands of Safari, Kilimanjaro, Castle Larger, Castle Lite, and Ndovu. TBL has four processing plants in Dar es Salaam, Mwanza, Arusha, and Mbeya.

TBL demand for transportation services is quite high. They require this service to distribute their finished products, empties of crates of beer, and raw material.

GEP Trading (Mauritius) Ltd and J K White Cement (Africa) Limited, provide an opportunity for regional trade whereby the company will move its logistics and transportation beyond the boarder of Tanzania, and generate foreign exchange revenues.

Yapi Merkezi has offered the company to participate in construction of the Standard Railway Gauge (SGR) by provision of logistics and transportation of construction materials to their sites.

Each contract with the above clients was negotiated with due diligence to secure the best deal for the company.

5.2 Petroleum and Gas

Lyawere Company Limited is trading in petroleum and gas products at retail and wholesale level. Currently it has five operational petrol stations in Dar es Salaam, Dodoma, Mara, and Arusha regions. The stations sell petrol, diesel, and lubricants to not only to driven in customers, but also to contracted customers.

In September 2022, the Company obtained a wholesale license to import petroleum in bulky and distribute the same in the local market. This segment contributed immensely to revenue growth, and stands to be the other main focus of the company.

5.3 General Supply of Mining Consumables

This segment has been overtaken by the transportation and petroleum due to stiff competition among other suppliers to mining companies. The company still hold contracts with three mining giants, Bulyanhulu Gold Mine, Geita Gold Mine, and Buzwagi Gold Mine.

5.4 Other Related Companies

- TEMA

This is a partnership firm of three partners, namely Mr. Gasper E. Tesha, Diana E. Tesha and Mercy E. Tesha, who are also directors of Lyawere Company Limited. The firm is engaged in cargo transportation and has its own fleet of trucks and trailers.

- Interline Logistics

This is a clearing and forwarding company to facilitate the Lyawere Company's logistics business

- Manpower Construction

Provision of labour services to the mines, and also has two petrol stations in Mbeya and Dar es Salaam.

6.0 EXISTING FLEET

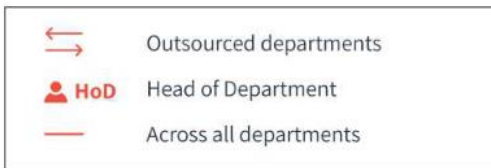
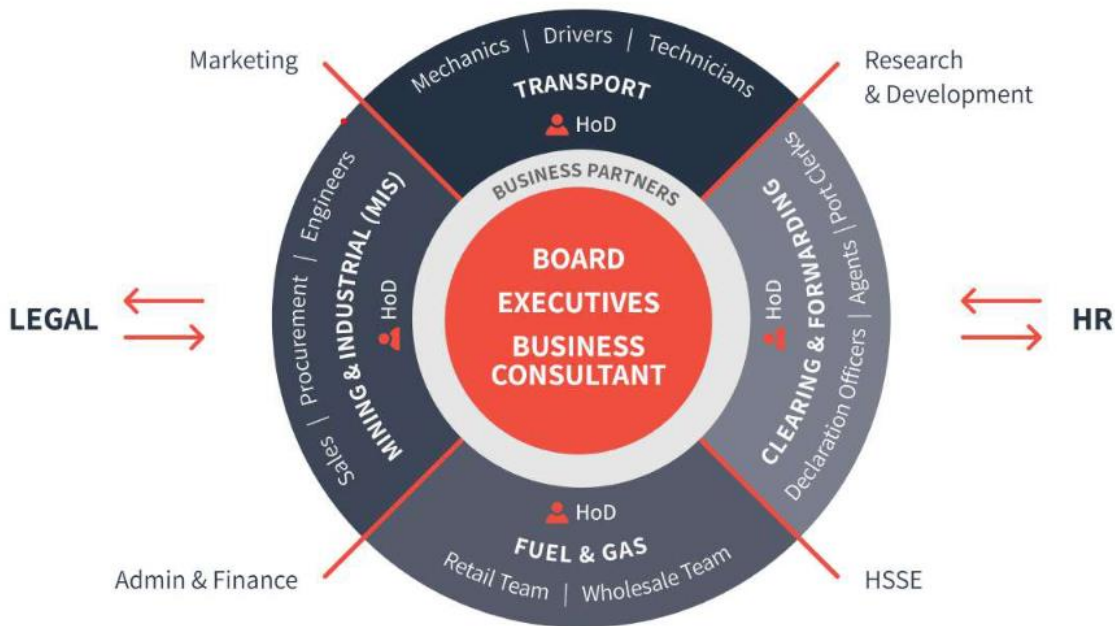
Lyawere Company Limited has a pair of forty five trucks and trailers that are used in its operations. (See attached list of vehicles).

7.0 REPAIRS AND MAINTENANCE

Lyawere Company Limited services its vehicles at its own yard located in Ununio area, Mbezi beach. The company employs qualified and competent drivers, technicians and mechanics, who maintains logbook for each vehicle to track its performance history. The Company plan to continue using this facility to service the proposed vehicles.

8.0 ORGANIZATION AND MANAGEMENT

8.1 Organization Chart



LYAWERE CIRCULAR ORGANOGRAM

Representing Lyawere’s culture of inclusiveness, open-door policy, and unity. At Lyawere, *we are family*. Each employee can see their value and contribution to the greater goal of the company as we work towards our vision of becoming *pioneers of exceptional supply chain solutions in Africa*.

The circular chart illustrates our teamwork and partnerships for success and the value we put on communication and continuous improvement.

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8.2 Management

List down the management team, starting with name, position, education/professional qualifications.

S/NO.	NAME	ROLE	ACADEMIC QUALIFICATIONS	EXPERIENCE (YEARS)
1.	Gasper E. Tesha	Group Chairman	MBA	10
2.	Patrick Manyanza	Managing Director	MBA	10
3.	Dr. Nathan Tirosh	Consultant	PhD	37
4.	Gloria Tesha	General Manager	MBA	9
5.	Outsourced Service	Legal Unit	LLB	Outsourced Service
6.	Grace Oyoo	Fleet Manager	Bcom	40
7.	Outsourced Service	Human Resources Manager	BCSc	9
8.	Mworeka Elpidius	Accounts Officer	Bcom	2
9.	Richard Maleko	Accounts Manager	BAC	7
10.	Outsourced	IT, Security and Risk Manager	BCSc	7
11.	Florence Tesha	Head - Mining and Industrial Supplies	BE Production	7
12.	Fides Meeme	Logistics and Planning Manager	BAMC	8
13.	Juda Semali	Commercial and Project Manager	MBA	15
14.	Renatus Nyanda (Outsourced)	Mining Safety (HSE) Consultant	Masters in Project Management	18

9.0 FINANCIAL PERFORMANCE AND FORECAST

9.1 Financial Performance

Since its inception, Lyawere Company Limited has recorded impressive performance. This is due to heavy investment in trucks, trailers, and qualified personnel.

Financial performance for the last three years is shown in the following table.

DESCRIPTION	30/11/2022 TZS	2021 TZS	2020 TZS	2019 TZS
Turnover (in millions)	64,202	29,481	26,178	16,854
Net Profit 9in millions0	11,345	3,694	3,024	1,976
Profit Margin (Percentage)	18%	13%	12%	12%
Total Assets (in millions)	26,067	15,462	13,136	11,771

However, audited accounts are attached for reference.

9.2 Forecast

Business forecast show the proposed trucks under TBL agreement will generate positive cash flow to cover loan repayments. Detailed income projection and cash flow forecast are attached at the end of this business plan.

DESCRIPTION	2023 TZS	2024 TZS	2025 TZS
Turnover (in millions)	81,888	84,408	84,408
Net Profit 9in millions0	15,300	15,208	16,207
Profit Margin (Percentage)	19%	18%	19%
Total Assets (in millions)	34,730	42,401	52,006

10.0 PROJECT RISK AND MITIGATION

The risks facing this project are mainly accidents and breakdowns. These would be mitigated by a comprehensive insurance cover on proposed vehicles and that the bank would be first beneficiary of compensation. Further, the Company will ensure the vehicles are driven by competent drivers, and that strict schedule of service and maintenance will be followed.

11.0 CONCLUSION & RECOMMENDATION

The strategic decision to expand our vehicle fleet is in direct response to the burgeoning demand for logistics services from importers and forwarders. The existing contractual agreements with our clients play a pivotal role, offering a solid basis for the acquisition of new trucks to enhance our fleet portfolio.

Our adept and capable management team is fully prepared to spearhead this initiative, ensuring not only the generation of substantial revenue to fulfill loan obligations but also making a meaningful contribution to Tanzanian employment and the overall profitability of the company. Simultaneously, this expansion is poised to increase revenue payments to the government of Tanzania, further aligning our business growth with national economic development.