



# **Business Plan**

## **Presented to TIC**

Proposed Safari Lodge in  
The Northern Circuit

By  
Opulent Parks Limited



*View from Proposed Site of  
Lake Manyara & Manyara Safari Park*



*Site Plan of the Proposed Lodge Overlooking  
Lake Manyara & Manyara Safari Park Lodge*

January 2021

# Contents

<b>1</b>	<b>EXECUTIVE SUMMARY .....</b>	<b>4</b>
<b>2</b>	<b>INTRODUCTION.....</b>	<b>9</b>
<b>4</b>	<b>COMPANY COMPOSITION: OPULENT PARKS LTD.....</b>	<b>12</b>
4.1	COMPANY VISION, MISSION AND VALUES .....	13
4.1.1	<i>Vision .....</i>	<i>13</i>
4.1.2	<i>Mission .....</i>	<i>13</i>
4.1.3	<i>Values .....</i>	<i>13</i>
<b>5</b>	<b>INTERNAL POSITION .....</b>	<b>14</b>
5.1	SWOT ANALYSIS: .....	14
5.1.1	<i>Strengths.....</i>	<i>14</i>
5.1.2	<i>Weaknesses.....</i>	<i>14</i>
5.1.3	<i>Opportunities .....</i>	<i>14</i>
5.1.4	<i>Threats.....</i>	<i>15</i>
5.2	MANAGEMENT AND ORGANISATION.....	15
5.2.1	<i>Management.....</i>	<i>15</i>
5.3	MANPOWER REQUIREMENTS .....	16
5.4	TRAINING .....	16
5.5	INCENTIVES .....	16
5.6	OUR COMPETITIVE ADVANTAGES .....	16
5.7	FINANCIAL STANDARDS.....	17
<b>6</b>	<b>OBJECTIVES .....</b>	<b>17</b>
6.1	LONG TERM.....	17
6.2	SHORT TERM .....	18
6.3	LONG TERM.....	18
<b>7</b>	<b>STRATEGIES .....</b>	<b>19</b>
7.1	MAIN STRATEGIES .....	19
7.2	DRIVERS FOR STRATEGY.....	19
7.3	TEAM .....	19
7.4	SALES.....	19
7.5	PRICING .....	20
7.6	FUTURE GROWTH STRATEGIES .....	20

<b>8</b>	<b>MARKET STUDY .....</b>	<b>20</b>
8.1	GDP GROWTH, INFLATION RATE AND EXCHANGE RATE.....	20
8.2	GROWTH IN NUMBER OF VISITORS IN THE NATIONAL PARKS OF TANZANIA.....	21
8.3	LENGTH OF STAY .....	21
8.4	SEGREGATED NUMBER OF VISITORS.....	22
8.5	NON-RESIDENT VISITORS .....	23
8.6	RESIDENT VISITORS.....	23
8.7	INTERNATIONAL VISITORS' EXIT SURVEY .....	24
<b>9</b>	<b>ENVIRONMENTAL IMPACT ASSESSMENT .....</b>	<b>24</b>
<b>10</b>	<b>IMPLEMENTATION AND FINANCING.....</b>	<b>25</b>
10.1	PROJECT LIFE SPAN .....	25
10.2	CAPITAL INVESTMENT.....	25
10.3	PROPERTY VALUATIONS .....	25
<b>APPENDIX A -</b>	<b>LETTER FROM MARRIOTT .....</b>	<b>26</b>
<b>APPENDIX B -</b>	<b>PROJECT CONSIDERATIONS .....</b>	<b>27</b>
<b>APPENDIX C -</b>	<b>SALES REVENUE.....</b>	<b>28</b>
<b>APPENDIX D -</b>	<b>INCOME STATEMENT .....</b>	<b>29</b>
<b>APPENDIX E -</b>	<b>CASH FLOW PROJECTIONS.....</b>	<b>30</b>
<b>APPENDIX F -</b>	<b>DEBT SERVICE COVER AND RETURN ON EQUITY.....</b>	<b>31</b>
<b>APPENDIX G -</b>	<b>PROJECT IMPLEMENTATION SCHEDULE.....</b>	<b>32</b>
<b>APPENDIX H -</b>	<b>SITE PLAN .....</b>	<b>33</b>
<b>APPENDIX I -</b>	<b>VIEW AND PICTURES OF THE PROPOSED SITE.....</b>	<b>34</b>

# 1 Executive Summary

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- This Business Plan is presented to Tanzania Investment Centre (TIC) by Opulent Parks Limited (Opulent) in support to register a lodge hotel in the Safari Parks of Tanzania with TIC to procure a certificate of incentives.
- Opulent proposes to develop the three safari park lodges in the Northern Circuit over two phases. Phase 1 will be commenced immediately, whereas Phase 2 will be dependent on the global pandemic crises and how quickly the travel and tourism sector will return to normalcy.
- The proposal is to purchase and development of a 31 room safari lodge located on the edge of Manyara Safari Park. Thereafter Opulent will look at expanding into other safari parks.
- Opulent has entered into an agreement to purchase an existing lodge that immediately neighbours Manyara Safari Park for the sum of US\$ 600,000. The property is a rundown lodge which measures 4.476 Hectares and is strategically located on the edge of the cliff between Manyara National Park, 36 km from Ngorongoro National Park, 75 km from Tarangire National Park and enjoys unrestricted views of both Manyara National Park and Lake Manyara. See Appendix H and I for site plan and images of the proposed site.
- Opulent has also entered into an agreement to purchase the neighbouring land an existing lodge that immediately neighbours Manyara Safari Park for the sum of TZS 31.28 million. The land is a rundown and measures 3.9 Acres in order to enhance the facility.
- The proposed site will consist of 31 double rooms (62 Beds), reception, restaurant, bar, swimming pool, kitchen, public cloakrooms, staff accommodation and back of house areas.
- Opulent plans to fully refurbish and open the site in Manyara Q1 2022.

- The strategy of Opulent is to operate the proposed lodges in parallel to its sister hotels forming a complete circuit consisting of town hotels, beach resorts in Zanzibar and three Safari Parks.
- The Proposed development will generate a total of 64 local jobs and 6 expat jobs. The wider impact of proposed development will mean a generation of an additional 260 jobs locally by way of linkage benefits.
- Opulent is seriously considering the branding of the proposed hotel within the first few years. Marriott has already issued a letter of intent to Opulent for the proposed lodge facilities to be covered under the Marriott Brand. See Appendix A for letter from Marriott.
- Opulent operates aggressive training for all its local staff so that they can be promoted to senior positions and serve the company loyally over a prolonged period of time. The training programmes include in house training coupled with the brand standard university training.
- Over 95% of Opulent's revenue will be from overseas customers and only 5% for local customers. Opulent will charge all its rates in United States Dollars generating sizeable foreign exchange for Tanzania.
- The proposed hotel will be an impact investment where it will have a major positive impact on civil society. Not only staff will be recruited and trained to high levels, but all locally produced items will be given priority to support the local environment. In addition, hospitality is one of the sectors that tends to benefit tremendously from linkage benefit that will generate multiple opportunities for the environment and its population.
- The existing sister hotels being part of the Opulent Group will give the business tremendous strength and a competitive advantage coupled with global marketing

and awareness of the property. Opulent will also benefit from UpToDate technology and IT systems which will be encompassed in the management and operations of the facility. Furthermore, all local staff will be fully trained to operate all the systems.

- Opulent has entered into an agreement to purchase the lodge from the vendors at a price of US\$ 600,000 and completion is to take place in June 2021.
- The proposed development strongly falls under the category of an “Impact Development” where there will be a direct social and economic benefit to the community whilst following environmentally sound construction and operation techniques.
- Opulent feels very strongly that it can only be successful if its people are successful. As a result, civil society plays a central role in Opulent’s activities. A lot of energy is invested in the development of Opulent’s staff and the civil society within which it operates. Therefore, Opulent’s values are based around the impact it has on the local population and civil society for each project.
- Opulent promotes environmentally friendly building and energy efficient materials, as well as techniques, during the building and in the running of the hotel to protect the environment, thus also benefiting from cheaper operational costs.
- The project will have a positive impact on the overall environment where:
  - a platform for promoting ethical business is promoted
  - a large number of local jobs will be created
  - skill development will take place through the training programmes
  - local trade will be strongly supported
  - environmental considerations such as location, green building techniques and energy efficiency measures will play a central role in Opulent’s operations.
- The aim of Opulent is to provide a superior guest experience coupled with

excellence in hotel accommodation for its customers.

- Profile of investors:

- The Promoter and Director for Opulent is Mr. Ayaz Jivraj.
- Ayaz was born in East Africa and has extensive understanding and knowledge of the culture and the environment. Due to the magnitude of investment planned in the region, Ayaz moved to East Africa in 2008. The values of good corporate governance, ethical business practice, transparency, professionalism and continuity are constantly driven not only within the organisation but also within the wider community.
- Furthermore, Ayaz has vast experience, extending to some 20 years, in hospitality management, property development and construction fields. He has an Honours Degree in Building Legislation and Technology, and an MBA from the Manchester Business School in England. He is also a full member of the Association of Building Engineers. He is the co-founder & Managing Partner of the Opulent Group.
- Karim Kanji is a well-established business entrepreneur with a host of knowledge and experience in the business environment, especially in hospitality, tourism and property development. He is a qualified Chartered Accountant qualified in England & Wales. Karim has been in the hospitality industry for over 15 years.
- Ali Jivraj is fully qualified and possesses full training and experience in the management and operations of brand hotels. In addition to his Bachelor's degree, from University of British Columbia and is part of the senior management team. Ali has been in the hospitality industry for over 5 years.
- Ayaz, Karim and Ali have successfully developed and established the following hotels in partnership with different groups.
- DoubleTree by Hilton Hotel Dar es Salaam

- DoubleTree by Hilton Stone Town Zanzibar
- DoubleTree by Hilton Resort Zanzibar
- DoubleTree by Hilton Conference Centre in Zanzibar
- Beyt al Salaam Boutique Hotel Zanzibar
- Element by Westin Hotel (Marriott Brand) Dar es Salaam opening Q3 2021.
- Each of the above hotels are fully autonomous and held in separate entities.
- The necessary skills and expertise required for the development, management, marketing and operation of the proposed lodges is already in place within Tanzania. Opulent believes that it is crucial to have very strong management and good advisory consultants to be successful.
- Opulent works very closely with all the governmental agencies to secure all statutory consents, rules and regulations are strictly adhered to. It is the intention of the director to position Opulent as a prestigious hotel operator.
- The proposed project of the lodge on the Northern Circuit will further strengthen the Opulent Group.
- The Financial summary of the Opulent’s projections is as follows:

<b>Financial Summary</b>			
<b>US\$</b>			
Total Investment US\$	890,000		
Debt	300,000		
Promoter's Contribution	590,000		
Term of Loan	4		
<b>Projection summary:</b>			
	<b>Year 1</b>	<b>Year 5</b>	<b>Year 10</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Gross Revenue	2,241,070	3,344,310	4,079,397
Income before depreciation	269,593	582,597	872,026
Depreciation	48,238	48,238	48,238
EBITDA	383,819	811,608	1,225,078
Cash Flow	37,327	237,034	926,123
GOP	17%	24%	30%
Interest Cover	1983%	N/A	N/A
Annual Equity Return	46%	99%	148%

- Project cost for the proposed project is as follows:

<b>Project Cost</b>	
<b>Manyara Safari Park Lodge</b>	<b>US\$</b>
Land and Buildings Purchase Plot 1374 Karatu Kilimamoja Village	600,000
Land Plot 58 Karatu Kilimamoja Village	13,425
Preliminary Costs and legal fees	12,000
Renovation, Plant, Machinery and Equipment	178,950
Motor Vehicles	25,000
Contingency fund	15,000
Interest during construction	20,625
<b>Development Costs</b>	<b>865,000</b>
Working Capital	25,000
<b>Total Cost</b>	<b>890,000</b>

See Appendices B to G for financial analysis.

- The promoters' contribution will be US\$ 0.59m for the purchase, renovation and upgrade of the lodge in readiness to take advantage of the expected tourist season by end of 2021. IN addition a loan of US\$ 0.3m has been arranged through Kenya Commercial Bank.
- This business plan, after a thorough financial and economic evaluation, establishes substantial evidence of the viability of the project. It is therefore, highly recommended for timely implementation.

## **2 Introduction**

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Opulent has the vision of establishing itself as a prestigious operator within the hospitality industry of East Africa.

The structure is very basic where each property is fully autonomous and owned by a local Company.

The promoters have a solid track record of developing, renovating and operating hotels. The business model of Opulent is to derive an economic advantage not only from the operations of the business, but also from appreciation in capital values and creation of

goodwill values, and in the process create a stimulus for development of civil society.

The proposed hotel will have a direct positive impact on the socio-economic condition of the people of Tanzania especially the local neighbouring villagers through direct and indirect employment and service utilization from the local population. The government will also benefit through an increase in volume of visitors to the region, including taxation and revenue.

The directors have a wide knowledge and understanding of the hospitality industry and business operation, with many years experience in development and management of branded hotels coupled with a strong track record.

The projections are based on the local knowledge and experience of the promoters.

Opulent will achieve its projected profitability and success as it is underpinned by the brand strengths coupled with the expertise and experience of the promoters and the strength of its people. Through foresight of quality accommodation, superior interior and exterior designs and with a high level of customer service, the hotel will demonstrate an excellent level of success. With professional management together with tight controls, a good return on investment will be sustained.

Opulent intends to use good solid business sense, economies of scale and efficient financial techniques. This will allow the company the following options:

- Improve customer experience by providing superior customer service and accommodation.
- Increase advertising through service quality and design of accommodation and buildings.
- Increase profits.

This business plan will give Opulent tremendous flexibility to effectively target existing and potential markets to achieve its long-term goals.

A combination of experience, sophistication, profit retention, capitalisation and innovation will assist the Company as it strives to reach its sales, profit and return objectives.

Opulent is in the process of positioning itself as a prestigious hotel operator and has embarked on the proposed development to underpin Opulent's continued growth to take advantage of the existing and future opportunities in the region.

## 4 Company composition: Opulent Parks Ltd

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The following company has been incorporated for the proposed development.

Name:	Opulent Parks Limited
Address:	P O Box 78744 Dar es Salaam Tanzania
Registered at:	Registrar of Companies, Dar es Salaam, Tanzania
Company registration number:	149185496
Date of incorporation:	7 <sup>th</sup> January 2021
Director:	Ayazali Sadrudin Jivraj Ali Jivraj Karim Hassanali Teja Kanji
Shareholders:	OPLTZ Corporation 90% Ali Jivraj 10%

## **4.1 Company vision, mission and values**

### **4.1.1 Vision**

To be a reputable and responsible business that is built on its relationship with its peoples, stakeholders and the environment.

### **4.1.2 Mission**

To build and operate quality properties committed to providing value for money, excellent customer service, a positive and nurturing environment whilst developing and providing opportunities for its people and taking the building of civil society as a fundamental pillar to our success.

### **4.1.3 Values**

Our values are based on creating a corporate personality with the following characteristics:

**Agreeableness** - the management and employees work as a team within an environment of warmth, empathy and integrity.

**Enterprising** - the organisation as a whole will be modern and adventurous together with a degree of boldness in order to be innovative and build a strong foundation for the organisation as a whole.

**Competence** - Opulent must have conscientiousness in order to be reliable, hardworking and generate security with drive and technocracy to underpin competence.

**Identity**– Opulent will reflect its image of prestige and elegance.

**Informality** – Opulent will promote transparency, open and honest communication and an easy-going atmosphere within the organisation. This will help create agreeableness, enterprise and competence, but above all, it will minimize the relationship gap between management and employees at all levels.

**Ambitious** - In order to survive in the competitive marketplace, Opulent to an extent, will be assertive and determined so that any challenges can be faced and tackled in a professional manner.

**Results Driven** – Opulent is results driven and pays attention to detail whilst building the business and in dealing with customer issues.

## **5 Internal position**

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### **5.1 SWOT Analysis:**

Strengths, Weaknesses, Opportunities and Threats are projected as follows:

#### **5.1.1 Strengths**

- Established – The promoters are established hotel operator in East Africa.
- Brand – Ability to bring in brands on franchise agreements.
- Management - Experienced with professional organisational structure in place.
- Construction team and procurement – Established and in place as currently operating a number of properties globally.
- Locations - Set within the heart of the Northern Circuit with easy access to safari parks.
- Size – Extends to 4.476 hectare leaving room for expansion.
- Pricing – Ability to price below competitors, whilst offering a superior product
- Capital Cost – Low capital cost able to discount if need arises.

#### **5.1.2 Weaknesses**

- Reliant on the fiscal and monetary policies of the government.
- Political / Civil unrest.
- Infrastructure - electricity and water interruptions (full backup facilities in place).

#### **5.1.3 Opportunities**

- Unexplored natural attractions of the safari parks
- Good demand for superior accommodation and quality service
- Possibility of further extensions to increase density of development and thus

increased profitability.

#### **5.1.4 Threats**

- Decrease in demand.
- Increase in taxation and other costs.
- Natural disasters.
- Competition from other operators.

## **5.2 Management and Organisation**

The Directors and their team of managers and professionals will jointly manage all the project.

### **5.2.1 Management**

The intention of the Directors is to establish and operate an efficient and effective team, with a mix of skills and abilities, to provide a sound basis to satisfy the organisational requirements, with no dependence on any one individual and all functions interlined. Succession re-placement will not be an issue and skills are adequately spread. Active training for all staff, including the senior management and directors is vigorously implemented.

Ayaz Ali Jivraj MBA, BSc(Hons), MBEng, age 60, is the CEO and Managing Director. Ayaz possesses an MBA, a Bachelor of Science with Honours degree in Building, Legislation and Technology and is also a full member of the Chartered Association of Building Engineers.

A very enthusiastic, highly motivated individual, Ayaz has extensive experience in the hospitality field with a proven track record, capable of delivering a successful conclusion to projects he undertakes. He has a particular skill in dealing with town planners, officials, builders and developers and has an ability to manage projects in a cost-effective and practical manner His entrepreneurial instincts and experience have successfully identified a number of opportunities and made possible many developments in UK and East Africa.

### **5.3 Manpower requirements**

Opulent is fully aware that human resources development is very important in order to have competent, experienced and effective staff. Therefore, the management will be responsible for the recruitment training, and appointment of staff.

Tourists and business travellers from abroad come to hotels to seek enjoyment, relaxation and comfort. In order to attract them, apart from beautiful buildings and luxurious furniture, provision of excellent service is very important and essential. To ensure that the hotel maintains its cleanliness and best standards of services, an experienced management team will run the hotel. The Board of Directors are responsible for the operational policies of the projects while the general manager is responsible of the day-to-day activities of the hotel.

Supervision of the labour force and its performance is the key to ensure the smooth and efficient running of the hotel. Opulent's policy is to employ local people at all levels. Opulent is committed to employ residents from the immediate locality as much as possible.

### **5.4 Training**

Aggressive training at all levels is the key to success and remains a strong belief by Opulent. In order to achieve this aim, the provision of regular training to Opulent staff is a way of life. The training programmes includes in house training coupled with the brand standard training by the respective brands. Furthermore, full documentation is maintained in order to appraise and evaluate the progress of each individual employee.

### **5.5 Incentives**

In order to maintain and facilitate the employees' working standard, Opulent offers other benefits in addition to the salaries. This is in the form of enhanced salaries and other benefits based on performance. Incentive schemes for staff also includes overseas training opportunities and healthcare schemes.

### **5.6 Our competitive advantages**

The distinctive competitive advantages that Opulent possesses are:

- The philosophy is to price not just according to the costs, but also according to what the market will pay thus avoiding lost sales opportunities.
- All materials, including luxurious finishes will be purchased directly from manufacturers or main suppliers in order to benefit from economies of scale.
- By keeping overheads low, Opulent will channel the profit back into operations thus allowing for future growth and expansion.

## **5.7 Financial standards**

The accounts for the company are maintained on a very comprehensive accounting package especially designed for brand Hotels. The system records each and every area of accounting including material and stock control. The routine accounts processing is the responsibility of the financial controller who reports to the Directors. Monthly management accounts are prepared together with regular necessary computations and accounts reconciliation.

The management accounts are reviewed and compared with the targets, on an on-going basis to ensure that the company's profitability is maintained and targets are achieved. Variances are investigated and their causes are identified. Proper action is then taken to mitigate the situation.

The accounts are also verified by an external professional accounting firm who meet the international financial reporting standards.

## **6 Objectives**

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### **6.1 Long term**

The CEO believes very strongly in technical, financial, business and moral excellence. To secure a stable future for all those connected with Opulent, the following long-term goals have been set:

1. To promote East Africa as a corporate and tourist destination and to bring in

superior business and tourist visitors.

2. To establish and operate a financially sound business capable of providing the highest standard of service to its clientele at a reasonable price.
3. To create a reliable market for local population, especially nearby villagers.
4. To employ and train capable individuals and help them to actualise their potential to the full.
5. Implement a marketing strategy to take advantage of the company's growing reputation for quality and integrity.
6. Gradually expand the business to run a number of projects simultaneously.
7. To maximise the profits and shareholders wealth.
8. To increase market shares and become a significant player in the tourism field.
9. Earn the reputation as a high quality organisation.
10. To have a significant impact socially within the communities Opulent operates.

## **6.2 Short term**

Short-term goals are:

1. Open the Safari Lodge in the Northern Circuit
2. Establish sustainable businesses and income at the proposed developments.
3. Establish a solid relationship with all stakeholders.
4. Build a strong supply chain.
5. Identify other development sites.

## **6.3 Long term**

Long-term goals are:

- Depending on demand and feasibility studies, develop a hotel in other areas within the Northern Circuit.
- Build a business underpinned by solid management that is proud of its people and has a high regard in the environment it operates in.

## **7 Strategies**

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### **7.1 Main strategies**

The main strategies are to:

- Promote entrepreneurship
- Focus geographically on areas that lack direct foreign investment where opportunities exist to derive an economic advantage.
- Work in collaboration with local partners to create and operate companies that provide goods and services essential to economic development.

### **7.2 Drivers for strategy**

The strategy of Opulent is based on the fact that its product will have to be:

- Important
- Distinctive
- Superior
- Communicable
- Pre-emptive
- Affordable
- Profitable

### **7.3 Team**

The whole organisation to work as a team, with an entrepreneurship type management approach, promoting free speech, enterprise, competence and informality thus reflecting the organisation's values.

### **7.4 Sales**

The Company is planning to achieve high occupancy levels by vigorously marketing the quality of the accommodation and service to the corporate sector, tour operators and other prospective customers in order to achieve advance bookings specifically from targeted clientele.

## **7.5 Pricing**

The pricing strategy will be based on the average market values and will reflect the quality of accommodation and service provided.

## **7.6 Future growth strategies**

Constant study and research into the market within a given geographical area will continue. This will identify market trends coupled with current and future requirements, demands and the types of accommodation required.

To secure growth and expansion, the following methods will be used to increase awareness of the new markets:

- Customer contact - find out their needs
- Contact with other companies and agencies
- Market surveys - through primary and secondary data
- Research & developments

# **8 Market Study**

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## **8.1 GDP Growth, Inflation Rate and Exchange rate**

Gross Domestic Product (GDP) Tanzania has experienced strong growth in the financial year ending June 2020 and in recent years due to various economic reforms. Good governance has been noted during the period which made Tanzania to enter lower-middle income country with effect from 1 July 2020. Real GDP in 2019 maintained at 7.0% mostly driven by investments in social and physical infrastructure, agriculture, manufacturing, and trade. The fastest growing activities were agriculture, construction, and transport. During the period domestic revenue collection grew by 3.2% to TZS 18.5 trillion (equivalent to around 13.8% of GDP), fuelled and intensifying the use of electronic collection systems and other administrative measures. Inflation Rate Domestic financial conditions remained stable with inflation rate pointing lower at 3.2% in June 2020 compared with 3.7% in the prior year. (Source: NBS and Bank of Tanzania (BOT))

Generally, the Tanzanian Shilling traded fairly and stable against other international currencies over the past four years, fluctuating in narrow ranges as indicated in Table below.

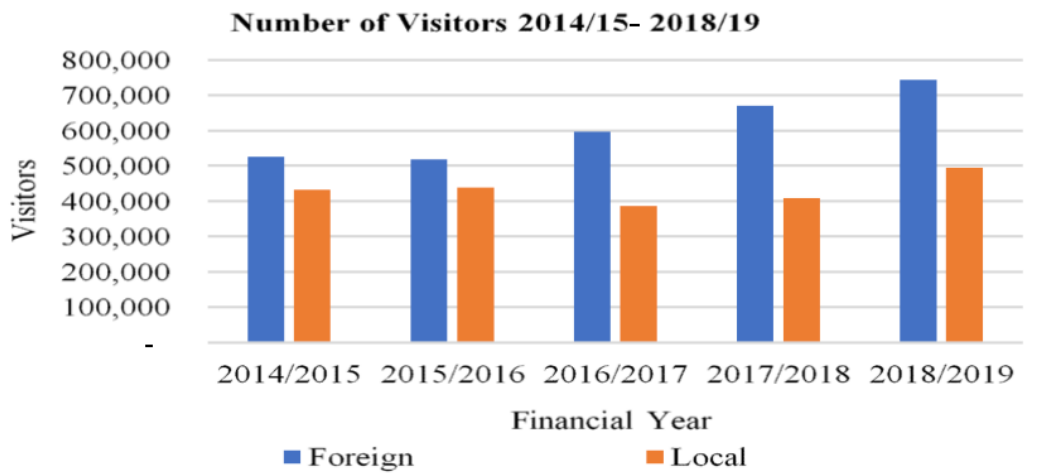
**Year on Year Exchange rate, TZS/USD**

Year	2016	2017	2018	2019	2020
Exchange Rate	2,177.1	2,228.9	2,264.1	2,300.9	2,307.9
Exchange rate; Source: Bank of Tanzania (BOT)					

**8.2 Growth in number of visitors in the National Parks of Tanzania**

International visitors increased from 526,110 in 2014/15 to 743,248 in 2018/19, an increase of 41%. Whereas, domestic visitors increased from 432,124 to 494,254 in the same period, which is an increase of 14%.

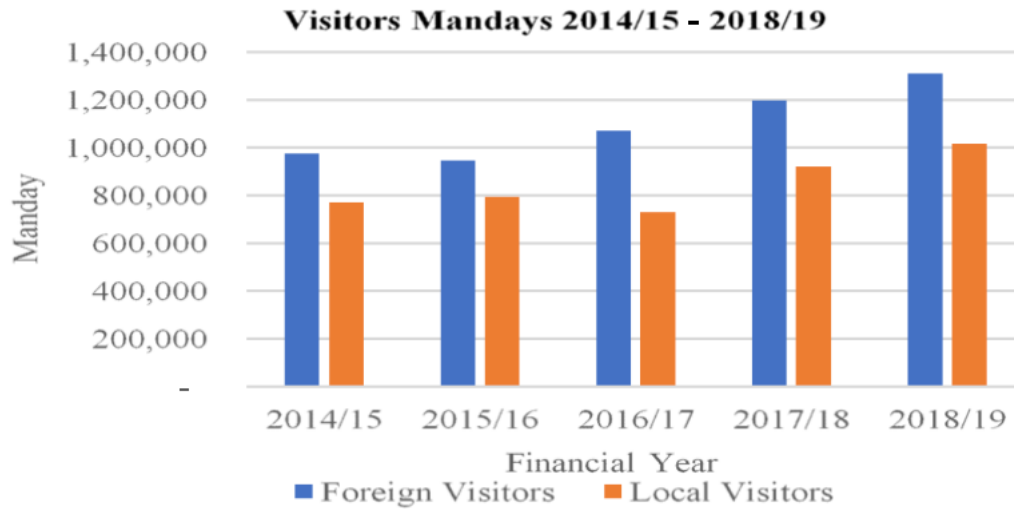
It is interesting to note that, domestic tourism contributes less than 5 % of revenue of TANAPA. Chart 1 illustrates number of foreign and local visitors.



*Chart 1*

**8.3 Length of Stay**

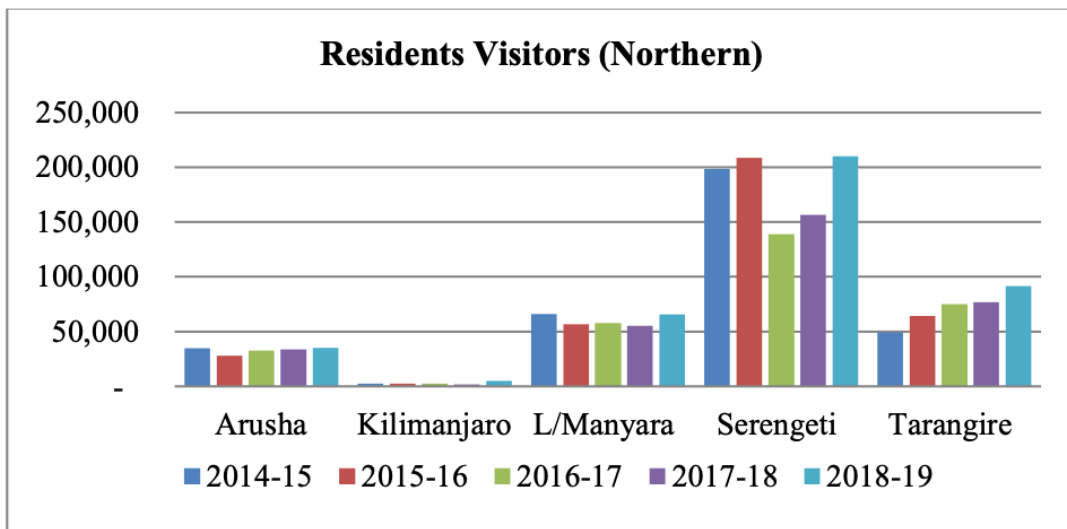
Chart No.2 illustrate a gradual annual increase in total number of person-days for both international and domestic visitors in the national parks.



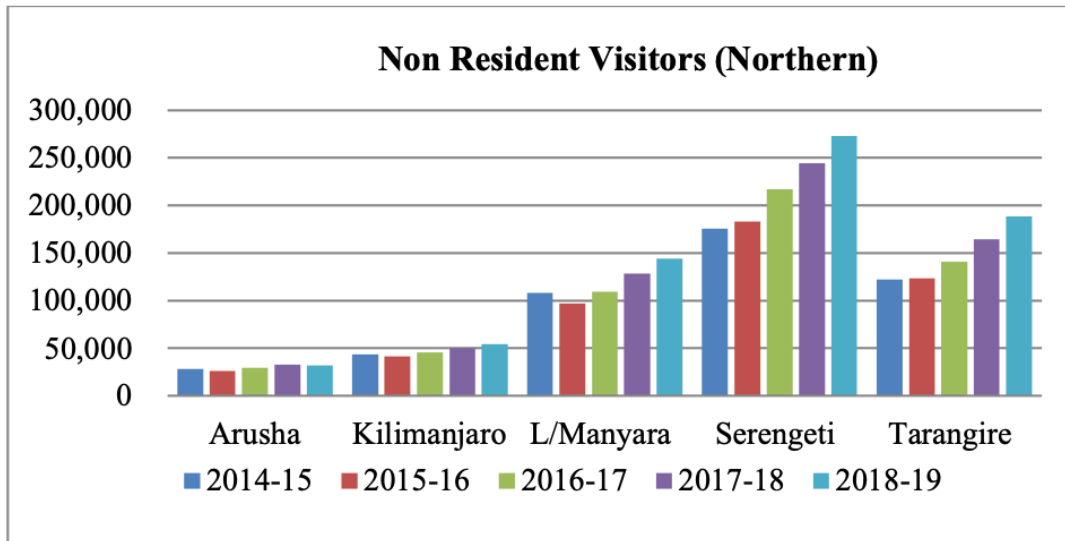
*Chart 2*

#### 8.4 Segregated number of visitors

Chart No. 3 and 4 illustrates resident and non-resident visitors to the Northern Circuit.



*Chart 3*



*Chart 4*

Opulent’s focus is Lake Manyara, Serengeti and Tarangire National Parks.

### 8.5 Non-resident Visitors

In the period of 2014/15 - 2018/19, the popular northern national parks of Arusha, Kilimanjaro, Lake Manyara, Serengeti and Tarangire received between 91% and 93% of all international tourists who visited parks under Tanapa. All the 5 parks had positive average annual growth as shown in brackets, Arusha (2.53%), Kilimanjaro (4.93%), Lake Manyara (6.58%), Serengeti (11.08%) and Tarangire (10.81%). The upcoming national parks which showed positive average annual growth are Kitulo (11.79%), Mikumi (3.97%), Saa Nane (3.6%) and Ruaha (1.92%).

### 8.6 Resident Visitors

In the period of 2014/15 - 2018/19, the northern national parks had average annual growth as shown in brackets. Arusha (0.23%), Kilimanjaro (18.1%), Lake Manyara (-0.15%), Serengeti (1.19%) and Tarangire 17.28%). Together, these parks received between 79% and 83% of all residents who visited parks under Tanapa. Except Kitulo, Ruaha and Udzungwa, the rest of national parks showed positive average annual growth in resident visitors as shown in brackets. Gombe (0.13%), Katavi (0.06%), Mahale

(12.58%), Mikumi (0.8%), Mkomazi (15.52%), Rubondo (8.55%), Saadani (3.84%) and Saanane (3.16%).

### **8.7 International Visitors' Exit Survey**

The Tanzania Tourism Sector Survey is annually conducted jointly by Ministry of Natural Resources and Tourism (MNRT), Bank of Tanzania (BOT), National Bureau of Statistics (NBS), Immigration Services Dept and Zanzibar Commission for Tourism (ZCT). The report for 2017 exit survey was published in October 2018. The points here under are the excerpts of the report which have bearing to wildlife tourist attractions in Tanzania.

- I. Major tourist activities were wildlife safari (Mainland and beach tourism (Zanzibar)
- II. Majority of visitors came from Europe, North America and emerging large economies of China, South Africa and India. Most visitors from Europe were from UK, Italy and Germany.
- III. The main source of information was Word of Mouth (44%) and Travel Agents/Tour Operators (31.2%)
- IV. 72% of those whose main activity was wildlife safari came through packaged arrangement.
- V. The Average Length of Stay was 10 days and has remained constant for the last 5 years.

## **9 Environmental Impact Assessment**

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The purchase and development of a 31 room safari lodge located on the edge of Manyara Safari Park that is an existing facility and business where an Environmental Impact Assessment Report has already been carried and been approved.

With reference to any future expansions, all Environmental Impact Assessment will be carried out in accordance with the statutory requirements.

## **10 Implementation and financing**

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### **10.1 Project life span**

The proposed property is held on the long term government lease.

Although this feasibility study and the cash flow forecasts are based over 10 years, the life span of the projects will be in excess of 50 years.

### **10.2 Capital Investment**

The total capital invested in the developments of the projects for is US\$ 0.89 m. The promoters are to inject US\$ 0.50m and a bank loan from Kenya Commercial Bank has already been arranged for US\$ 0.3m

### **10.3 Property Valuations**

The valuations of all the Lodge Hotels upon completion is estimated to be in excess of US\$ 1 m.

## Appendix A - Letter from Marriott

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**Yasin Munshi**  
Director of Development – East Africa

Marriott International, Inc.  
Level 12, Central Park Towers  
Dubai International Financial Center  
PO Box 213111, Dubai, UAE

December 22<sup>nd</sup>, 2020

**Mr. Ayazali Jivraj**  
Chairman  
Opulent Hotel Group  
Tanzania

Dear Mr. Jivraj,

**Subject: Expression of Interest for Opulent Parks Lake Manvara Lodge.**

Congratulations on securing a new 25-key lodge, located in Kilimamoja village near Manyara National Park.

We believe this is an ideal location for a lodge given the site's proximity to Manyara airstrip, Manyara National Park and Ngorongoro National Park, and within driving distance from Tarangire National Park and Serengeti National Park.

We hereby would like to express our interest in a potential franchise agreement for your Lake Manyara lodge under one of our brands. We also look forward to supporting your future development plans with the addition of two more luxury tented lodges in Serengeti and Tarangire.

Thank you for your interest in Marriott and we look forward to expanding our existing relationship with Opulent Hotel Group.

Sincerely,

A handwritten signature in blue ink, appearing to read "Yasin Munshi".

Yasin Munshi  
Director of Development - East Africa  
Marriott International

## Appendix B - Project Considerations

Project Considerations	
<b>Salient points:</b>	
Commencement of trading as a brand hotel:	Q4 - Sep 2021
<b>Phase 1 - 2021</b>	
Manyara Safari Park Lodge Number of Rooms	31
Size (sqm)	34
Terrace (Sqm)	15
Reception / Restaurant / Kitchen / Public Cloak rooms etc (Sqm)	410
Swimming Pool (Sqm)	275
Staff areas (Sqm)	180
Total number of keys Manyara	31
Total Project Cost	890,000
Total Keys	31
Total Pacs Occupancy	60
Total floor area (sqm)	1,508
Circulation area and other facilities (sqm)	865
Total built area (sqm)	2,373
Published rates per room (USD)	175 to 350
Discounted rate at start (USD) per person	125
Value Current (USD)	600,000
Estimated Value on Completion (USD)	1,200,000
<b>Financials:</b>	
Bank Loan	300,000
Promotors contribution	590,000
<b>Total Project cost</b>	<b>890,000</b>

## Appendix C - Sales Revenue

Revenue Projections																					
Year	1		2		3		4		5		6		7		8		9		10		
<b>Statistics</b>																					
Occupancy (%)	55.00%		66.68%		70.00%		70.00%		70.00%		70.00%		70.00%		70.00%		70.00%		70.00%		
No of Rooms	31.00		31.00		31.00		31.00		31.00		31.00		31.00		31.00		31.00		31.00		
Nos of Days in Month	365.00		365.00		365.00		365.00		365.00		365.00		365.00		365.00		365.00		365.00		
Total Nos of Rooms in Month	11,315.00		11,315.00		11,315.00		11,315.00		11,315.00		11,315.00		11,315.00		11,315.00		11,315.00		11,315.00		
Nos of Rooms Sold	6,223.25		7,544.84		7,920.50		7,920.50		7,920.50		7,920.50		7,920.50		7,920.50		7,920.50		7,920.50		
Pax Ratio	1.94		1.94		1.94		1.94		1.94		1.94		1.94		1.94		1.94		1.94		
No of Pax	12,073.11		14,636.99		15,365.77		15,365.77		15,365.77		15,365.77		15,365.77		15,365.77		15,365.77		15,365.77		
<b>Rates per Pax</b>		<b>US\$</b>		<b>US\$</b>		<b>US\$</b>		<b>US\$</b>		<b>US\$</b>		<b>US\$</b>		<b>US\$</b>		<b>US\$</b>		<b>US\$</b>		<b>US\$</b>	
INCOME per night (AI):	170.00		176.80		183.87		191.23		198.88		206.83		215.10		223.71		232.66		241.96		
Allocation to Rooms	125.00		130.90		137.05		143.47		150.17		157.15		164.43		172.02		179.93		188.18		
Allocation to F&B	45.00		45.90		46.82		47.75		48.71		49.68		50.68		51.69		52.72		53.78		
<b>Reverse Statistics</b>																					
ADR	242.50		253.95		265.88		278.34		291.32		304.87		318.99		333.71		349.07		365.08		
RevPar	133.38		169.33		186.12		194.84		203.93		213.41		223.29		233.60		244.35		255.55		
<b>Operating Revenue</b>																					
Rooms	1,509,138		1,915,982		2,105,940		2,204,566		2,307,424		2,414,690		2,526,546		2,643,182		2,764,795		2,891,590		
<b>Rooms Total</b>	<b>1,509,138</b>		<b>1,915,982</b>		<b>2,105,940</b>		<b>2,204,566</b>		<b>2,307,424</b>		<b>2,414,690</b>		<b>2,526,546</b>		<b>2,643,182</b>		<b>2,764,795</b>		<b>2,891,590</b>		
Food & Beverage (AI)	543,290	36.0%	671,838	35.1%	719,395	34.2%	733,783	33.3%	748,458	32.4%	763,427	31.6%	778,696	30.8%	794,270	30.0%	810,155	29.3%	826,358	28.6%	
Food & Beverage (Others)	113,185	7.5%	143,699	7.5%	157,946	7.5%	165,342	7.5%	173,057	7.5%	181,102	7.5%	189,491	7.5%	198,239	7.5%	207,360	7.5%	216,869	7.5%	
<b>Food &amp; Beverage Total</b>	<b>656,475</b>	<b>43.5%</b>	<b>815,537</b>	<b>42.6%</b>	<b>877,340</b>	<b>41.7%</b>	<b>899,125</b>	<b>40.8%</b>	<b>921,515</b>	<b>39.9%</b>	<b>944,529</b>	<b>39.1%</b>	<b>968,187</b>	<b>38.3%</b>	<b>992,508</b>	<b>37.5%</b>	<b>1,017,515</b>	<b>36.8%</b>	<b>1,043,228</b>	<b>36.1%</b>	
Other Revenue	75,457	5.0%	95,799	5.0%	105,297	5.0%	110,228	5.0%	115,371	5.0%	120,735	5.0%	126,327	5.0%	132,159	5.0%	138,240	5.0%	144,579	5.0%	
<b>Other Revenue Total</b>	<b>75,457</b>	<b>5.0%</b>	<b>95,799</b>	<b>5.0%</b>	<b>105,297</b>	<b>5.0%</b>	<b>110,228</b>	<b>5.0%</b>	<b>115,371</b>	<b>5.0%</b>	<b>120,735</b>	<b>5.0%</b>	<b>126,327</b>	<b>5.0%</b>	<b>132,159</b>	<b>5.0%</b>	<b>138,240</b>	<b>5.0%</b>	<b>144,579</b>	<b>5.0%</b>	
<b>Total Revenue</b>	<b>2,241,070</b>		<b>2,827,318</b>		<b>3,088,577</b>		<b>3,213,919</b>		<b>3,344,310</b>		<b>3,479,954</b>		<b>3,621,060</b>		<b>3,767,850</b>		<b>3,920,549</b>		<b>4,079,397</b>		

## Appendix D - Income Statement

INCOME STATEMENT											
YEAR	0	1	2	3	4	5	6	7	8	9	10
EBITDA	-	383,819	629,425	730,365	770,768	811,608	887,654	966,890	1,049,448	1,135,464	1,225,078
Loan interest	20,625	19,359	12,168	4,420	(0)	(0)	(0)	(0)	(0)	(0)	-
Depreciation	-	48,238	48,238	48,238	48,238	48,238	48,238	48,238	48,238	48,238	48,238
Profit Before Tax	(20,625)	316,223	569,019	677,707	722,530	763,371	839,416	918,653	1,001,211	1,087,226	1,176,841
Tax (30%)		94,867	170,706	203,312	216,759	229,011	251,825	275,596	300,363	326,168	353,052
Profit After Tax		221,356	398,313	474,395	505,771	534,360	587,591	643,057	700,848	761,058	823,788
Add: Depreciation		48,238	48,238	48,238	48,238	48,238	48,238	48,238	48,238	48,238	48,238
<b>Net Income</b>	<b>(20,625)</b>	<b>269,593</b>	<b>446,551</b>	<b>522,633</b>	<b>554,009</b>	<b>582,597</b>	<b>635,829</b>	<b>691,294</b>	<b>749,085</b>	<b>809,296</b>	<b>872,026</b>

## Appendix E - Cash Flow Projections

CASH FLOW PROJECTIONS											
YEAR	Development	1	2	3	4	5	6	7	8	9	10
<b>Inflow:</b>											
Promotors Contribution	590,000										
Bank Loan	300,000										
Pre-Tax Profit		316,223	569,019	677,707	722,530	763,371	839,416	918,653	1,001,211	1,087,226	1,176,841
Add Depreciation		48,238	48,238	48,238	48,238	48,238	48,238	48,238	48,238	48,238	48,238
<b>Total Inflows</b>	<b>890,000</b>	<b>364,460</b>	<b>617,257</b>	<b>725,945</b>	<b>770,768</b>	<b>811,608</b>	<b>887,654</b>	<b>966,890</b>	<b>1,049,448</b>	<b>1,135,464</b>	<b>1,225,078</b>
<b>Outflow:</b>											
Land Building and Development costs	819,375										
Motor Vehicles	25,000			200,000							
Interest pre opening	20,625										
Improvements		75,000	75,000	75,000	175,000	175,000	225,000	225,000	225,000	225,000	225,000
FF&E Reserve		89,643	141,366	154,429	160,696	167,216	173,998	181,053	188,392	196,027	203,970
Promoters Return			50,000	75,000	100,000	150,000	200,000	200,000	200,000	200,000	200,000
Loan Repayment	-	92,623	99,814	107,563	0	0	0	0	0	0	-
Tax (30%)		94,867	170,706	203,312	216,759	229,011	251,825	275,596	300,363	326,168	353,052
<b>Total Outflows</b>	<b>865,000</b>	<b>352,133</b>	<b>536,886</b>	<b>815,304</b>	<b>652,455</b>	<b>721,227</b>	<b>850,823</b>	<b>881,649</b>	<b>913,756</b>	<b>947,195</b>	<b>982,022</b>
<b>Cash Flow:</b>											
Net Flow	25,000	12,327	80,371	(89,359)	118,313	90,382	36,831	85,241	135,693	188,268	243,056
Balance b/d		25,000	37,327	117,698	28,340	146,652	237,034	273,865	359,106	494,799	683,067
<b>Cash Over</b>	<b>25,000</b>	<b>37,327</b>	<b>117,698</b>	<b>28,340</b>	<b>146,652</b>	<b>237,034</b>	<b>273,865</b>	<b>359,106</b>	<b>494,799</b>	<b>683,067</b>	<b>926,123</b>

## Appendix F - Debt Service Cover and Return on Equity

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Debt Service Coverage and Equity Return											
YEAR	0	1	2	3	4	5	6	7	8	9	10
<b>Before Tax &amp; Depreciation</b>											
Interest Cover:		1983%	5173%	16525%							
Debt Service Coverage		343%	562%	652%							
Annual Equity Return		46%	76%	89%	94%	99%	108%	117%	127%	137%	148%

## Appendix G - Project Implementation Schedule

### Project Opulent Manyara

Task	Manager	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
<b>Procure Njake Site</b>	AJ	█												
<b>Bank Finance (all sites)</b>		█												
<b>Manager and staff Appoint</b>														
Manager			█	█										
Head gardner and team			█	█										
Management									█	█	█			
Junior Staff									█	█	█			
<b>Architect</b>														
Appoint		█	█	█										
Topo		█	█	█										
Measure existing Buildings		█	█	█										
Build Permit					█	█	█							
<b>Engineer</b>														
Appoint			█	█	█									
Full drawings			█	█	█									
<b>Int/Ext Designer and Visuals</b>														
Appoint			█	█	█									
Full drawings and Visuals					█	█	█	█	█	█	█	█	█	█
<b>Procurement - Building Items</b>														
<b>Builder</b>														
Appoint				█	█	█	█	█	█	█	█	█	█	█
<b>Procurement - FFE / MEP / SOE</b>														
<b>Marketing and Tour Operator Contracts</b>														
Lepord Tours						█	█	█	█	█	█	█	█	█
<b>Soft Opening</b>													█	█

## Appendix H - Site Plan

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**Appendix I - View and Pictures of the Proposed Site**

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