

## Tanzanian Investment Centre Progress report: Thomson Safaris Ltd

### Thursday, 18 November 2021

(information required for the progress report every 6 months or for amendment of the Certificate of Incentives)

#### 1. Planned activities for the period

(since the last Certificate of Incentives certificate no. 030375-01, issue on 3<sup>rd</sup> December 2010)

- investment in additional buildings
- the purchase and body building of 8 new tour vehicles & 2 trucks
- replacement of tentage, renewal and upgrading of camp equipment and interiors.

(And going forwards into 2022:

- Recovery of tour operations business during and following the Covid 19 pandemic.

#### 2. Achievements made on the project to date (from date the project was approved to the date of writing the report)

(Describe the status of activities that have already been undertaken, e.g. construction of buildings, acquisition of supplies, installation of equipment etc)

Delivered Changes and improvements since the last Certificate of Incentives certificate no. 030375-01, issue on 3<sup>rd</sup> December 2010, as been

- investment in additional buildings
- the purchase and body building of 8 new tour vehicles & 2 trucks
- replacement of tentage, renewal and upgrading of camp equipment and interiors.
- purchase of office equipment, computers
- purchase of workshop tools and equipment

#### 3. Provide information on the following aspects:

S/No.	Information	Description	Status
1	Shareholder's information	Current Shareholder's names, Nationality, & percentage of ownership	WARWICK ELDRED THOMSON, New Zealand, Class Ordinary 564323 shares taken, 49.99%
			JUDITH ANN WINELAND, USA, Class Ordinary 564323 shares taken, 49.99%
			JOHN NEVILLE BEARCROFT, United Kingdom, Class Ordinary 1 shares taken, 0.02%
2	Company Communication	Email address	<a href="mailto:rick@thomsonsafaris.com">rick@thomsonsafaris.com</a>
		Mobile number	Mob no: +255 787551101 Mob no: +1 617 9230426
		Land line number	Tel no: +1 617 9230426

**Tanzanian Investment Centre Progress report: Thomson Safaris Ltd**  
**Thursday, 18 November 2021**

		Physical address	Plot number No. 816 & 817 Block "A" Situating at Burka, Olasiti, Arusha, (formerly Region Arusha, District Arusha CBD, Ward Olasiti, Postal code 23119, PLOT NO. 175/2/2 SELIAN BURKA ESTATE)
3	Contact person	Name	JOHN NEVILLE BEARCROFT
		Position	General Manager
		Email address	<a href="mailto:gm@thomsonsafaris.co.tz">gm@thomsonsafaris.co.tz</a>
		Mobile number	Mob no: +255 787 551101
4	Incorporation	Certificate of Incorporation	Certificate of Incorporation no. 15848
5	TIN information	TIN certificate	TIN certificate no. 100-172-240
6	Project Objective	Project Core Activity	7912 - Tour operator activities, Main activity
7	Capacity	Project capacity per year	aprox 10,000 bed nights pre pandemic
8	Direct employment	Foreign-Men	2
		Foreign-Women	0
		Local-Men	131
		Local-Women	19
9	Indirect employment	Estimated Total Number	2,000 assuming a tour operator multiplier of 10 x
		Type/Areas of Indirect employment	3rd party lodges, commercial suppliers, community supplied goods, services and activities, CSR impact, government services, regulators and revenue collectors.

**4. Project financial expenditure (USD)**

	Foreign (USD)	Local (USD)	Total (USD)
Land & Buildings	\$16,625	\$75,736	\$92,361
Plant & Machinery	\$640,707	\$315,572	\$956,279
Vehicles	\$452,308	\$243,551	\$695,859
Furniture		\$9,138	\$9,138
Office equipment	\$14,621	\$27,154	\$41,775
Insurance cover			
Pre-Operational expense		\$5,500	\$5,500
Working sub-total capital			
Grand Total			\$1,800,912

**5. Project financing**

Explain how the project is being financed, e.g. equity, loans, sources of loans, conditions, etc. (see below)

## Tanzanian Investment Centre Progress report: Thomson Safaris Ltd

### Thursday, 18 November 2021

	Amount (USD)	Source country
Local equity	\$580,259	Tanzania
Local loans	0	Tanzania
Foreign equity	\$1,220,654	USA
Foreign loans	0	USA
Total	\$1,800,912	

#### 6. Problems and solutions

*(Explain problems, which the management is encountering in executing the project and the steps being taken to resolve them)*

##### **Achievements from 2010-2019 before pandemic.**

Substantial investment was made as per above, when bookings were stable and covering costs.

**Problems:** A 95% collapse in the tourism revenues 1<sup>st</sup> April 2020 to 31<sup>st</sup> December 2021, and a 70% collapse in revenues for the current financial year 1<sup>st</sup> Jan 2021 to 31<sup>st</sup> Dec 2021 due to the Covid 19 pandemic accompanied by the ongoing increasing cost of doing business in Tanzania, specifically the high cost and administrative burden of government bureaucracy, regulation, taxes, licenses, fees, fines and penalties on the private sector stifling innovation, profitability and growth.

**Solutions:** Neither the covid pandemic nor the challenges posed by government's increasing and inflexible demands imposed on the private sector, particularly at a time of a collapse in company revenues and cash flows are within the control of the company.

All the company can do is lobby the government to generally provide a more predictable business friendly and enabling environment for the long term, reduce complexity, political, regulatory and fiscal risk, adopt a more active responsive and delivery of appropriate measures to deal with the Covid 19 crisis impact on business.

Within the company's control to a limited extent and the immediate priority, in the short term, is to survive, to defend and conserve the company's resources to be able to weather the assault on cash flow and reserves from both fronts; revenue collapse and escalating cost of doing business imposed by the state.

**Steps being taken:** Government have been taking important and useful steps to improve the investment environment but not sufficiently quickly nor substantially to reduce the cost and burden on business as ongoing concerns at a time of crisis. Instead of reducing costs at a time of crisis, there have been significant increases in the states share for costs to businesses in the last 2 years. The private sector, on the other hand, has been cutting its production costs and capacity, furloughing staff, mothballing assets, mining assets and discounting its services.

#### 7. Future plans

**Tanzanian Investment Centre Progress report: Thomson Safaris Ltd**  
**Thursday, 18 November 2021**

*(Explain future plans for the next 6 months and planned financial commitments.)*

The next 6 months is dedicated to recovering our tour operations during and following the ongoing Covid 19 pandemic.

**8. Recommendations and any other comments**

Increase incentives to new investment from old and new investors alike, not forgetting the current and long term value and importance of looking after existing investors.

Empower the TIC to be able to adequately facilitate projects; to assist existing investors from lack of cooperation from other ministries and state gate keepers in delivering project implementation pre-requisites as well as ongoing requirements, to guard against and defend investors from changes in laws and regulation that threaten or render their investment projects viability or existence in contravention to the substance and spirit of the Investment Act.

Reduce the government's burden on business by streamlining and reducing the range, volume, scale and complexity of taxes, fees, regulation, fines and penalties, and provide a more friendly, enabling and actively cooperative business enabling environment that is more predictable, target based, measurable on deliverables and commitments, accountable and results orientated.

Signed



John Bearcroft  
General Manager, Thomson Safaris Ltd