

REVISED BUSINESS PLAN



The Plantation Lodge & Safaris

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The Plantation Lodge and Safaris
Located in Bashay Village, Qurrus Ward, Karatu District, Arusha Region,
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1. Executive Summary

The Plantation Lodge is a 17-hectare landholding in Karatu District on which a luxury lodge operation is run. The lodge is privately run, and was established by the current owners Udo Marahrens and Renate Marahrens, with each owning 50% shares of the company. The landholding is historically a coffee plantation and was purchased as such by the current owners in 1997. Coffee farming was abandoned in the late 1990's in favor of tourism, and the lodge operation was largely developed over the course of several years from 1999-2003.

The Head Office of the Company will be situated at REGION ARUSHA, DISTRICT KARATU, WARD OLDEANI, POSTAL CODE 23610, STREET OLDEAN, ROAD OLDEAN ROAD, PLOT NUMBER 23/2, BLOCK NUMBER A, HOUSE NUMBER 1

Auditors of the Company are CASSIAN & ASSOCIATES 1ST FLOOR, PEGASUS HOUSE CORNER NKRUMAH/GEREZANI STREET P.O. BOX 63217 DAR ES SALAAM, TANZANIA

The capital investment in the hotel was 90,000,000 whereby it was owned by the two shareholders equally each 45,000,000. The authorized share capital of the Company is Tshs 100,000,000. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs. 3,139,210,190. The month and day of the financial year end is DECEMBER 31st

2. Introduction

Plantation Lodge is located 3.5km as the crow flies from Karatu town, in Bashay Village of Qurus Ward, Karatu District. The lodge is surrounded by commercial agriculture activities of Shagrila (to the North) and Height (to the South) estates; the border of the Ngorongoro Conservation Area (NCA) lies 3km (straight line distance) to the North.

The lodge is a high-end tourist lodge, with 25 guest cottages arranged amongst gardens of exotic and indigenous flowers and trees, and relic coffee plantation. A kitchen and two restaurants cater for guests; other facilities include a swimming pool, spa, and bar. Approximately 6500 bed nights are sold per annum.

A vegetable garden and small, vaccinated flocks of geese, ducks, and chickens are maintained to provide fresh produce to the kitchen; only biodegradable detergents and cleaning agents are used in catering activities.

A total of **37** Tanzanians are employed by Plantation Lodge, the vast majority (>90%) of which come from surrounding communities. The operation's daily water needs of approximately 17,500l are met mostly by a borehole in Karatu, from which water is purchased via the borehole owner and transported to the lodge. Water for irrigation of the grounds is acquired from a stream in the NCA, piped to the lodge premises. A combination of TANESCO grid and diesel back-up generators supply the lodge with power. Waste generated by lodge activities is recycled (glass and plastic bottles), composted (biodegradable waste), or burnt in an incinerator and buried in a pit.

3. Financial Plan

The capital investment in the hotel was 90,000,000 whereby it was owned by the two shareholders equally each 45,000,000. The initial investment was 90,000,000 but the hotel was gradually increasing in value and the current retained earnings value (share capital plus accumulated profit) was 1,592,517,697.

A) List Of Fixed Assets:

Below is the list of assets

S/No	Asset Type	Amount
1	Land and Building	1,774,550,045.50
2	Plant	742,152,815.30
3	Vehicles	209,470,645.20
4	Furniture and Fittings	265,611,074.68
5	Others	147,425,609.58
6	Bank Balance	312,243,699
	TOTAL	3,451,453,889.26

The Five years Expected revenue and operating profit before interest, tax and depreciation is as below.

	2021	2022	2023	2025	2026
Revenue					
Accommodations	880,694,875	1,232,972,825	1,726,161,955	2,416,626,737	2,899,952,084
Food and Beverages	59,984,342	83,978,079	117,569,310	164,597,035	197,516,441
	940,679,217	1,316,950,904	1,843,731,265	2,581,223,772	3,097,468,526
Expected Number Of Bed to Be sold	1900	2660	3724	5214	6256
Expected Direct Expenses					
Food and Beverage	169,322,259	237,051,163	331,871,628	464,620,279	557,544,335
Cleaning and Lodge Maintenance	49,385,659	69,139,922	96,795,891	135,514,248	162,617,098
Electricity	35,275,471	49,385,659	69,139,922	96,795,891	116,155,070
Lodge Consumable Supplies	28,220,377	39,508,527	55,311,938	77,436,713	92,924,056
Total Expected Direct Cost	282,203,765	395,085,271	553,119,380	774,367,131	929,240,558

Expected Gross Profit	658,475,452	921,865,633	1,290,611,886	1,806,856,640	2,168,227,968
Operation Expenses					
Payroll & Related Cost	305,720,746	428,009,044	599,212,661	838,897,726	1,006,677,271
Consulting and Accounting Fees	23,516,980	32,923,773	46,093,282	64,530,594	77,436,713
Security Cost	45,858,112	64,201,357	89,881,899	125,834,659	151,001,591
Other Cost	95,243,771	133,341,279	186,677,791	261,348,907	313,618,688
Total Operation Cost	470,339,609	658,475,452	921,865,633	1,290,611,886	1,548,734,263
Expected Profit Before Interest Tax and Amortization	188,135,843	263,390,181	368,746,253	516,244,754	619,493,705

B) Assumptions Applied:

Gross Profit Ratio	70.00%
Net Profit Ratio	20.00%
Direct Expenses Ratio to total expenses	37.50%
Operation Expenses Ratio to total expenses	62.50%

C) GOP Break Even

The GOP Break Even for the plantation Lodge is 50% of the operation revenue. i.e the company will need 0.5Tsh in operation expenses to generate 1tsh. See from the 5 years plan above.

D) EBITDA

	2019	2018
EBITDA	582,089,114.03	448,841,441.00
	10%	10%
EBITDA 10%	58,208,911.40	44,884,144.10