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1. Executive Summary

Gundua Development Limited (“the Company”) is a private company limited by shares incorporated on the 19th Day of September, 2018 under the Companies Act No. 12 of 2002 of the Laws of United Republic of Tanzania with Certificate of Incorporation number 137680696. The Company’s principal business activity is to operate a lodge and recreational activities.

Currently, the Company has invested in a high-end luxury lodge near Lake Manyara. The initial investment cost was USD 920.000. The investment was done through loan from Gloria Investments BV and the same was registered at the Bank of Tanzania (BOT). The construction phase of the lodge “Manyara’s Secret” started from 2019 to December 2020, where it commenced operations from 1st of January 2021.

At the request of many Tanzanian tour operators, the Company has studied the possibility to expand the capacity of its lodge by 30%. The budgeted additional investment shall be USD 100.000. whereby the plan is to realize it from second half of 2022. Gloria Investments BV is once again considering to make this additional investment through loan and/or deferred repayment of existing loans.

1.1 Webplan / Internet presence

www.manyarassecret.com (in English, Dutch and Chinese)

[Tripadvisor](#)

[Booking.com](#)

[Instagram](#)

[Facebook](#)

1.2 Mission statement:

The Company wants to contribute to the economic development of the area around Mto Wa Mbu through its investment in the lodge. With respect of nature, culture and especially the community of Mto Wa Mbu, Manyara's Secret offers employment, opportunities, and an economic boost now and in the future.

1.3 Objective:

Operating a small-scale, high-quality lodge with a high occupancy, so that employees and local suppliers are assured of continuous business and work. Foreign guests (and thus turnover) guarantee continuity, which benefits the Company, the employees, the suppliers, and the social environment.

2. Company Description

Gundua Development Limited is a private company limited by shares incorporated on the 19th Day of September, 2018 under the Companies Act No. 12 of 2002 of the Laws of United Republic of Tanzania with Certificate of Incorporation number 137680696. The Company has one local shareholder holding 51% and Gloria Investments BV (a medium sized Dutch Investment company) owns 49%.

2.1. Business Operation/ Manyara Secret

Currently, the Company owns and operates a lodge commonly known as Manyara's Secret which is located on Lake Manyara, 20 minutes by car from the entrance to Lake Manyara National Park, 45 minutes from the entrance to the Ngorogoro Crater National Park and 45 minutes from Tarangire National Park. Manyara Airport is a 30-minute drive. On January 1, 2021, the lodge opened for business for maximum 24 guests (1 x 8pax, 2 x 4pax, 4 x 2pax). The villas are luxurious but have a quiet natural appearance and blend into the special environment. Manyara's Secret was built and furnished by local craftsman using local materials, based on proven Tanzanian techniques.

Our water supply comes from a source at the rim. Due to the construction of our pipeline, the surrounding Maasai villages now have clean running water. Electricity comes from our solar park.

Manyara's Secret is in good contact with its neighbours, the Maasai villages. They benefit from our presence because our guests can visit the boma and honeymooners can have their marriage blessed in a Maasai manner. The Company supports the community by buying groceries at the Mto Wa Mbu market.

Meanwhile, Manyara's Secret has built up a good reputation with all stakeholders; namely tour operators, suppliers, and the surrounding community. The guests are more than enthusiastic as it shows on Tripadvisor.

For more information, please visit the website: www.manyarassecret.com

2.2. Employment

It is the Company's undertaking that it complies with laws and regulations governing labour relations and encourages positive gender consideration when recruiting on non-discriminatory basis at the same time ensuring adequate post qualification training. The effect has been to maintain a sustainable organization with solid training and skills development mechanism as well as succession plan. The team in Tanzania currently consists of 21 employees and is headed by a management team: being a General Manager, a Financial Manager, and an Operational Manager. It is worth noting that all the employees are Tanzania nationals with no expatriate working for the Company.

2.3. Tax and Fee Payment

The Company is at the forefront in complying with the laws and regulations governing the industry. Since its commencement of operation, the Company has paid a total (2019, 2020 and 2021) of USD130.000 For different purposes such as TAWA Game Fees, VAT, WHT, TALA Licenses. Land-use tax and payroll taxes.

3. Project

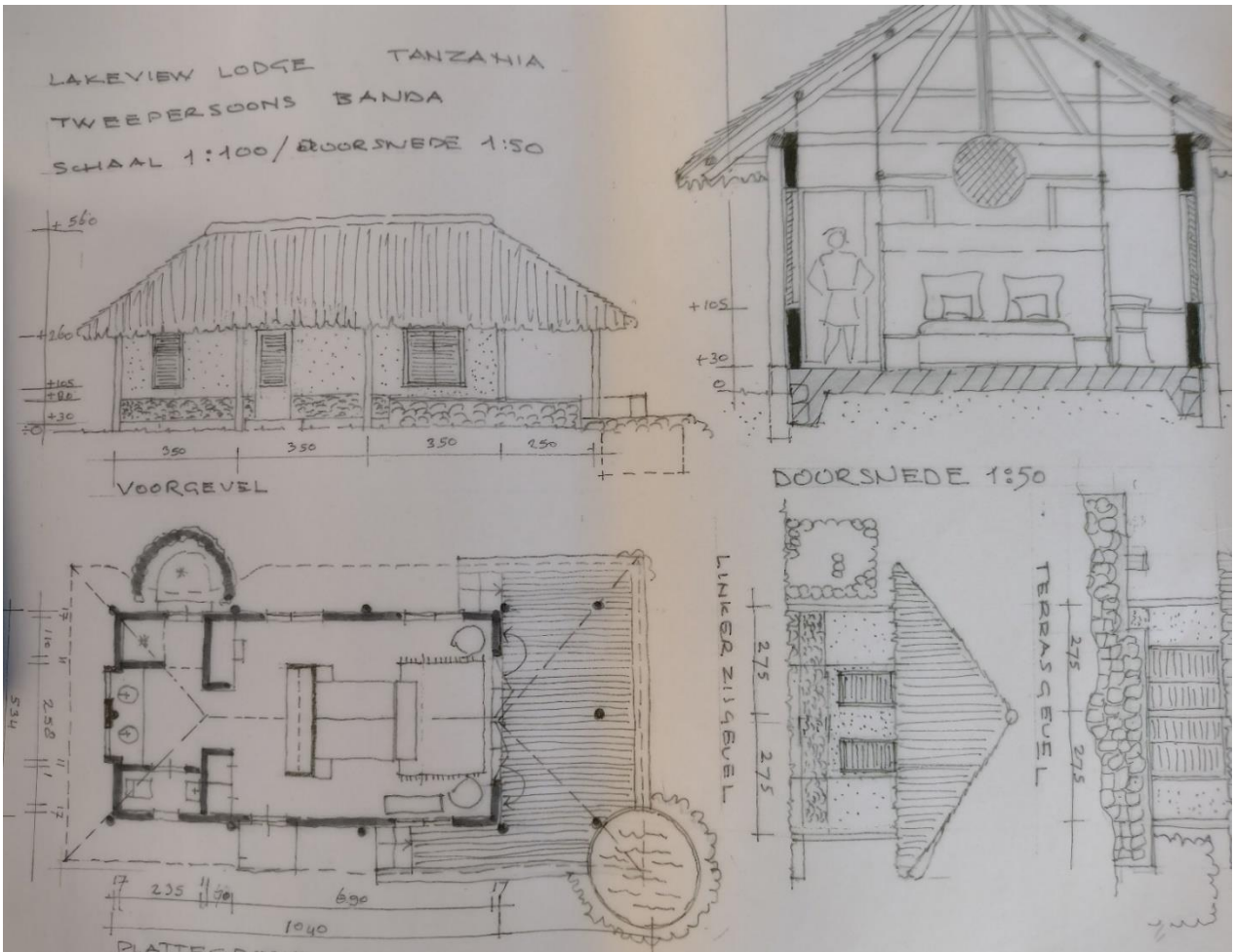
The luxury that Manyara's Secret offers requires a significant investment in personnel, goods, and infrastructure daily. Spreading these costs over more guests will lead to a better and more competitive offer to our customers. The Company therefore wants to expand the capacity with 30% by adding a 2 PAX and a 6 PAX Villa. This will enable the Company to offer high quality for attractive price.

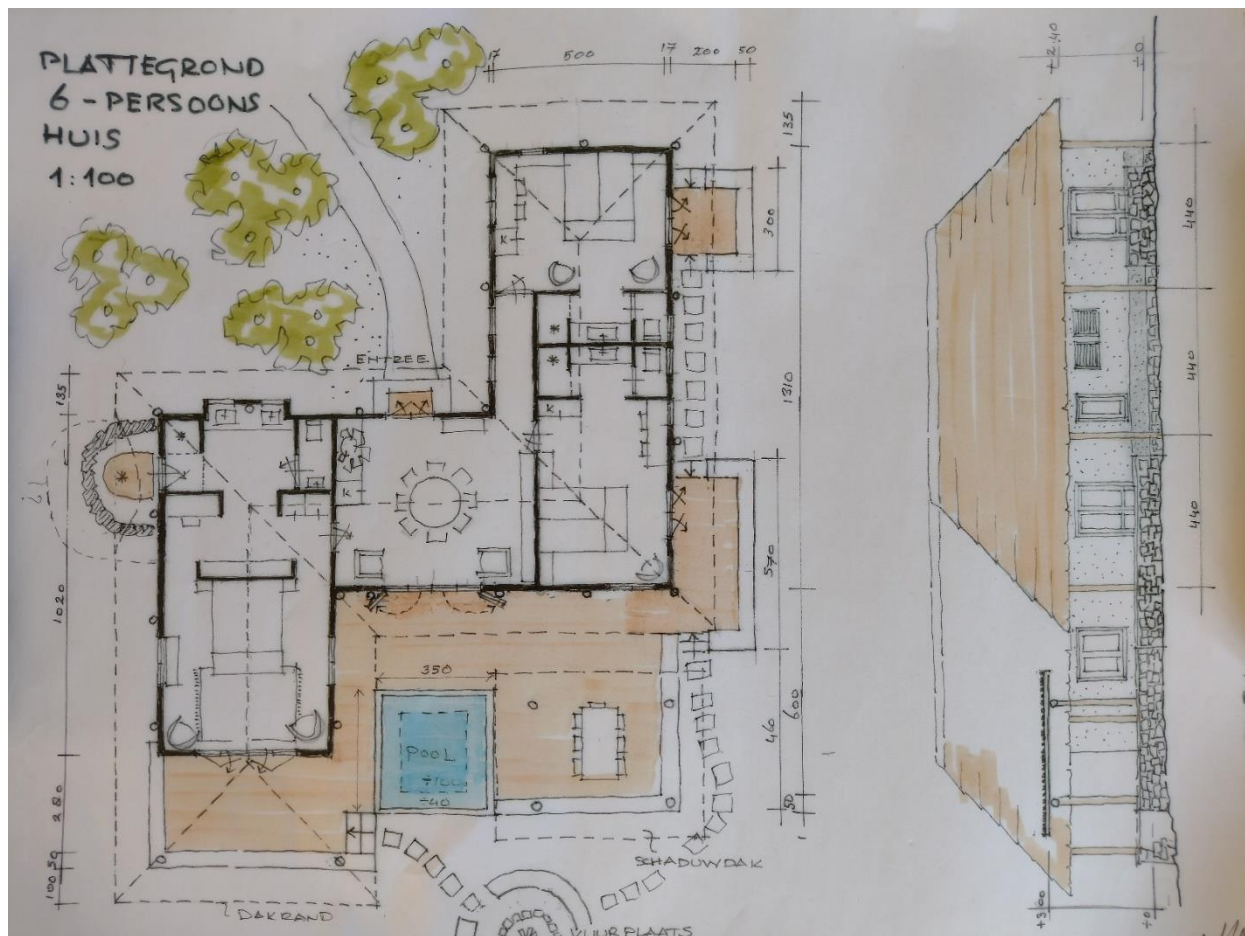


The 30 % expansion of the capacity of the lodge is a 2 PAX and a 6 PAX villa.

The design of the villa's is to ensure the real African look and feel for the guests. The villas are situated on the plot by a landscape architect in such a way that the trees and bushes are spared as much as possible.

The architect has started the positioning of the buildings via google earth picture to ensure minimum impact on the trees, bushes, and nature.





4. Market Strategy

Manyara's Secret meets the trend of [Slow Travel](#): Slow travel emphasizes the connection to local people, cultures, food and music. The idea of slow travel is that a trip should educate and must have an emotional impact now and for the future. Sustainability for the local communities and the environment is key.

The location of Manyara's Secret is ideal to stay a few days and to visit three parks from this location and do cultural excursions to Mto Wa Mbu or with our Maasai neighbours. The possibility to stay in the 4-6- or 8-pax villas with an extended family or a group of friends facilitates this. A walk along the lake, enjoying each other's company or discovering the birdlife makes the experience more intense. In the first year of business of Manyara's Secret, it appeared that an expansion with the 6-pax and a 2-pax is highly desirable according to our customers. A 6-pax is in demand.

It is common for guests from Arusha to stay at Lake Manyara or Karatu for 1 night before continuing to the Ngorogoro Crater, the Company has managed to convince DMCs to accommodate guests at Manyara's Secret for more than one day, because:

1. Manyara's Secret is not a "passage" lodge because of the atmosphere and the luxury.
2. Guests increasingly request to stay more than one day in one place.

3. Manyara's Secret is strategically located between three National Parks i.e. Tarangire, Ngorongoro and Manyara.

4. Manyara's Secret is well located at the last stop of a safari; Kilimanjaro Airport is only a 3-hour drive.

4.1 Marketing activities:

Being fully occupied in the high season is easy but getting the occupancy at an acceptable level in the low season is a challenge. Manyara's Secret achieves an occupancy of 20% in the first year (2021 being a covid year).

In the Netherlands, a team of three people is fully engaged in overseas marketing of Manyara's Secret. This team is supported by the General Manager and the Reservation Officer at Manyara's Secret Tanzania.

- The website is monitored and adjusted daily.
- Reviews on Tripadvisor and Google Review are answered daily.
- Manyara's Secret advertises on Google Search (Adwords).
- Manyara's Secret advertises on Tripadvisor.
- We constantly post on social media, Instagram, WhatsApp groups and Facebook.
- We constantly update our mail file of > 2000 e-mail addresses of overseas agents and local tour operators which we mail on regular basis.
- The General Manager and the Reservation Officer in Tanzania follow-up the marketing efforts in direct contact with the local tour operators.
- The overseas marketing team in the Netherlands follows up on a weekly basis with oversea agents.

Webdesign and support, direct mailings to > 2000 tour operators and travel agencies worldwide, follow up on reviews, Booking.com marketing, Google AdWords campaigns and TripAdvisor campaigns are done by this team. Follow-up in Tanzania is done by the General Manager of the lodge and the Reservation Officer.

These active overseas marketing and sales activities, positive feedback from our Tanzanian partners and the excellent reviews on trip advisor have resulted in a financial "break even" in 2021. This is an exceptional achievement because tourism was very low in 2021 because of COVID 19.

5. Management and staffing

Apart from the marketing department in the Netherlands, the team in Tanzania consists of 21 employees. It is headed by a management team: a General Manager, a Financial Manager, and a Floor Manager. As far as the extension is concerned, when realized, an expansion of staff will be required it estimated an additional 5 employees will be added.

The current staff

- General Manager, Financial Manager and Floor Manager
- 2 chefs and 2 assistant chefs

- 2 employees in laundry
- 4 employees in house keeping
- 4 employees for staff canteen and cleaning
- 3 employees for gardening/ dishwashing etc
- 1 employee for pool and water maintenance

These employees are all on the payroll.

6.0 Financial Plan

The initial investment cost was 250.000 Euro and 630.000 USD being in total USD 920.000 in total.

With this investment a high-end luxury lodge was realized and finalized by the end 2021.

Our clients (tour operators) ask for an additional 6 PAX villa and a 2 PAX villa for more availability during peak and high season. This would mean a 30% of expansion of the current capacity of the lodge and would require an additional investment of 100.000 USD.

The board of Gloria Investments BV is willing to give the green light for this expansion and additional investment.

6.1 Sales forecast

Audited annual reports for the years 2018/2019 and 2020 are deposited. The annual report 2021 is ready and will be audited in April.

	TSH x1000					
	2018/19	2020	2021	2022	2023	2024
number of rooms	0	0	12	16	16	16
investment in USD	460.000	460.000		100.000		-
sales	0	0	571.634	900.000	1.100.000	1.300.000
expenses	271.717	243.281	319.836	450.000	500.000	500.000
Gross profit from operations	271.717	243.281	251.797	450.000	600.000	800.000
total expenses	82.695	5.427	80.261	100.000	110.000	100.000
other expenses/depreciation/interest			136.281	140.000	150.000	160.000
Loss/Profit before tax	276.890	325.976	35.255	210.000	340.000	540.000

Risks

Important assumptions for this plan

- COVID 19 will not hit the world anymore.
- War in Europe does not escalate.

- No travel bans because of other diseases.
- Financial markets do not collapse because of uncertainty/war etc.

Projected Cash flow

Projected cashflow in **USD**
(Before repayment of loans and interest)

2018/2019	2020	2021	2022	2023	2024
-----	-				
460.000	460.000	40.000	150.000	250.000	400.000

Projected Balance Sheet 2021

	<u>31 Dec 21</u>
ASSETS	
Fixed Assets	
Buildings	
Acc Depr	-62.001.144,12
Cost	<u>1.240.022.883,25</u>
Total Buildings	1.178.021.739,13
Furniture & Fittings	
Acc Depr	-7.540.781,28
Cost	<u>60.580.487,98</u>
Total Furniture & Fittings	53.039.706,70
Kitchen Equipments	
acc Depr	-2.676.137,16
Cost	<u>37.154.097,08</u>
Total Kitchen Equipments	34.477.959,92
Land	165.000.000,00
Motor Vehicles	
Acc Depr	-28.225.312,56
Cost	<u>53.130.000,00</u>
Total Motor Vehicles	24.904.687,44
Office & Computer Equip	
Acc Depr	-1.755.371,88
Cost	4.831.491,52
Office & Computer Equip - Other	<u>254.237,29</u>
Total Office & Computer Equip	3.330.356,93
Pool & Pumps	
Acc Depr	-4.684.198,44
Cost	<u>37.473.587,95</u>
Total Pool & Pumps	32.789.389,51
Power & Solar Systems	
Acc Depr	-21.511.058,04
Cost	<u>172.088.464,00</u>
Total Power & Solar Systems	<u>150.577.405,96</u>

Total Fixed Assets	1.642.141.245,59
Current Assets	
Other Current Assets	
Corporate / Provisional Tax	<u>3.000.000,00</u>
Total Other Current Assets	3.000.000,00
Accounts Receivable	
Accounts Receivable TZS	-504.600,00
Accounts Receivable USD	<u>-30.159.330,71</u>
Total Accounts Receivable	-30.663.930,71
Cash at bank and in hand	
Bank ABC Euro	2.074.078,04
Bank ABC TZS	699.709,67
Bank ABC USD	18.244.772,25
Bank NMB Euro	236.467,40
Bank NMB TZS	1.626.338,29
Bank NMB USD	30.076.218,91
Cash TZS	413.000,00
Cash USD	1.240.817,40
Pesapal	<u>89.614,59</u>
Total Cash at bank and in hand	<u>54.701.016,55</u>
Total Current Assets	27.037.085,84
Current Liabilities	
Accounts Payable	
Accounts Payable TZS	<u>-13.693.343,94</u>
Total Accounts Payable	-13.693.343,94
Other Current Liabilities	
Staff Liability	
Net Salary Payable	68.376.177,01
NSSF Payable	1.344.298,80
PAYE Payable	279.441,64
SDL Payable	2.136.063,44
WCF Payable	<u>39.146,37</u>
Total Staff Liability	72.175.127,26
VAT Liability	16.008.869,40
Withholding Tax 10% (Interest)	8.569.104,00
Withholding Tax 15%	34.843,20
Withholding Tax 5% (Services)	<u>527.270,76</u>
Total Other Current Liabilities	<u>97.315.214,62</u>
Total Current Liabilities	83.621.870,68
NET CURRENT ASSETS	<u>-56.584.784,84</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	1.585.556.460,75
Long Term Liabilities	
Loan from Investors	
Interest	79.038.329,90
Principal	<u>2.073.129.900,00</u>
Total Loan from Investors	<u>2.152.168.229,90</u>
Total Long-Term Liabilities	<u>2.152.168.229,90</u>
NET ASSETS	<u><u>-566.611.769,15</u></u>

Capital and Reserves	
Members Equity	-325.976.788,36
Retained Earnings	-276.890.050,00
Share Capital Account	1.000.000,00
Profit for the Year	<u>35.255.069,21</u>
Shareholder funds	<u><u>-566.611.769,15</u></u>