

OLAYA DEVELOPERS LIMITED

FEASIBILITY STUDY

FOR THE REFURBISHMENT AND REHABILITATION

OF

A TOURIST HOTEL

**OLAYA DEVELOPERS LIMITED
P.O. Box 32527
DAR ES SALAAM**



1.0 EXECUTIVE SUMMARY

1.1 INTRODUCTION

Tanzania contains some of the world's greatest natural wonders. Following major reforms in its foreign tourism policies in the mid-1980s, tourism has increased to become the nation's second leading foreign exchange earner. The hotel industry in the region is experiencing robust growth, fuelled by an increasing number of domestic and international travellers seeking diverse and high-quality accommodation options. This upward trend is expected to continue as tourism and business activities expand in the area. Following the efforts to promote Tanzania as a unique tourist destination in Africa, it is believed that the pace at which the high growth has been achieved calls for the parallel growth in modern accommodation, restaurants, and shopping and recreation places.

1.2 The Project

The project proposal being considered in this document is ***Olaya Developers Limited*** Refurbishment and rehabilitation programme. The document is prepared to be used to submit to the Tanzania Investment Centre for the Certificate of Incentives. The Project concept involves the Refurbishment, Rehabilitation and modernization of the proposed hotel. It has been established that in the city of Dar-es-Salaam some of the well-organized facility which are found in prime locations are unable to cater to the growing number of visitors and now efforts have to be directed towards establishment of modern hotels, restaurants and accommodation facilities to keep pace with the growth of foreign visitors visiting the city. The target market for ***Olaya Developers Limited*** tourist hotel is up market, travelers, and public and private institution officials, foreign missions and businessmen.

1.3 THE COMPANY AND SPONSORS PROFILE

Olaya Developers Limited is a private limited liability company registered and incorporated under Companies laws of 2002 of the United Republic of Tanzania and was issued with a Certificate of Registration **95953** dated 19th December 2012 in Dar –ES- Salaam

Olaya Developers Limited is owned by a Tanzanian and a Chinese shareholder as given here below. The initial authorized share capital of the Company is TShs.200,000,000 divided into 10,000 Shares of TShs. One Thousand 20,000) each. The shareholders their percentage holding is hereunder:

	Name	Nationality	% Shareholding
1.	Huang Zaisheng	Chinese	49
2.	Youssef Jaber Malek	Tanzanian	51

The promoters are prominent businessman is a well-known experienced entrepreneur and successfully in various business/activities.

1.4 Property Location and Site:

The property is located at, plot no.5&6, Block 71, Kariakoo area in Ilala Municipality Dar-es-Salaam Region.

1.5 Company Management

The management of **Olaya Developers Limited** is vested in a Board of Directors which is the policymaking and controlling authority. The day-to-day operations are vested in the hands of the Executive Director who is directly responsible to the Board. The Executive Director is supposed to Chief Accountant, Personnel Manager, hotel supervisors Sales

Supervisors and various Managers. Given their long managerial experience, technical and business background, the shareholders possess the proven successfully entrepreneurship to promote and operate another business of this nature by hiring professional hoteliers or Hotel Management firm such as Protea Hotels or GK Group both from South Africa.

1.6 THE INVESTMENT COST

The cost of implementing the proposed project is estimated to be **USD 6,920,000**. A summary of these costs is summarized hereunder.

	Foreign (USD)	Total (USD)
Land and Buildings	2,550,000	2,550,000
Machinery and equipment	530,000	530,000
Motor Vehicles	350,000	350,000
Furniture & Office equipment	1,250,000	1,250,000
Others	350,000	350,000
Pre-operational	890,000	890,000
Working Capital	1,000,000	1,000,000
GRAND TOTAL	6,920,000	6,920,000

1.7 PROPOSED FINANCING PLAN

M/S *Olaya Developers Limited* proposes to invest **USD 6,920,000** for carrying rehabilitation and the refurbishment of the hotel. It is planned that some investment cost will be financed by loan which will sought from various Banks. Furthermore, the sister company's Self-Generated Funds shall be utilized at a later stage for working capital funds. The breakdown of which is a follow:

USD	
Equity	<u>1,200,000</u>
Loan	<u>5,720,000</u>
Total	6,920,000

1.8 The Market

Services of an internationally reputed hotel management and marketing company expected to market the rooms, should ensure steady booking for the rooms and an increased flow of visitors. With this arrangement in place, the proposed hotel should not face any marketing problems. Considering the location of *Olaya Developers Limited* and the complementary nature of the concept, it can be concluded that the overall proposal would not face any serious competition that would threaten its viability and that the facility would be highly sought after by up-market travelers, the business community and diners.

1.9 PROJECT IMPLEMENTATION PERIOD

The proposed project implementation is estimated to cover a period of 5 years beginning November 2023. The planned completion date is November 2028. The main determining factor for the completion of the project is the availability of funds, granting of TIC certificate for the expansion programme and completion of tax exemption procedures. The main implementation activities include:

- Rehabilitation and refurbishment of the whole hotel
- Procurement of hotel equipment and amenities'
- Procurement other capital items for the hotel.

1.10 Manpower Requirements

The plant will employ 100 people. the company will also employ some expatriates to pass state of the Art knowledge to locals. Once the project is finalized and in full operation, The company will provide intensive training to new employees immediately after recruitment. Employees will continuously receive an internal training which covers both the professional and practical aspects of the hotel activities and will be done by the management and assisted by senior and experienced employees.

1.11 FINANCIAL ANALYSIS

Assumptions on the financial projections indicate that the project is profitable and will generate profit from the early years. The projected financial result of *Olaya Developers Limited* operations is detailed in the attached tables.

a) Profit and Loss accounts

Over the projected period from the beginning of year 1 to year 10, the turnover of *Olaya Developers Limited* is expected to grow from **US Dollars 3.49 million** in year 1 to **US Dollars USD 4.78 million** from year 4. The hotel cash flow shows the operations will generate sufficient profit to meet all its financial obligations. Profits after tax is also expected to grow from **US Dollars 0.480million** in year 1 to **USD 0.808 million** from year 5.

b) Cash flow statements

The cash flow of *Olaya Developers Limited* shows that it will generate sufficient cash to meet all its financial obligations.

1.12 ECONOMIC IMPACT

The company's main economic benefits to the country are as follows:

- a) The hotel Establishment project is expected to employ 100 people.
- b) General raise of living standard for Tanzanian people through generation of job opportunities.
- c) The government is expected to get additional taxes from the operations *OLAYA DEVELOPERS LIMITED* when the project takes it up and is implemented.
- d) The project will earn Foreign Exchange Earnings and hence Improve foreign earnings and the external trade balance.

1.13 CONCLUSION AND RECOMMENDATION

Like any hotel in the world, the proposed project faces the risk of low occupancy in the initial months; however, extensive marketing, sales promotion and direct contact will mitigate this with potential clients.

The project if implemented will be in a position to Create 100 direct employment Opportunities and revenue to government through VAT and other taxes. In view of the above, it is recommended that the project be implemented as is technically feasible, financially viable and economically sound.

2.0 THE PROJECT

Olaya Developers Limited intends to rehabilitate and refurbish its hotel facilities by refurbishing and rehabilitating a tourist hotel, consisting of 66 hotels room which will provide a suitable accommodation, high quality restaurant, curios, shopping center and the number of visitors visiting. Situated in Dar es Salaam, the economic and commercial heart of the region, the hotel enjoys a strategic advantage. Its proximity to key business districts, government institutions, and entertainment hubs positions it as an ideal choice for both business travelers and tourists seeking convenience and accessibility.

2.1 PROJECT CONCEPT

The project will be committed to providing modern and luxurious facilities that cater to the evolving needs of discerning guests. With well-appointed rooms, advanced technology integration, and a range of amenities, the hotel promises a distinctive and comfortable stay experience. The hotel will Dedicate itself to superior customer service by offering personalized attention, prompt service, and a warm and welcoming environment. This will enable the hotel to differentiate itself and foster guest loyalty. The hotel will also collaborate with local artisans, showcase regional art and culture, and offer a diverse menu that tantalizes the taste buds of visitors from around the world. ***The hotel has Proposed Services the following services.*** Accommodation Guest Rooms – 96 rooms, Dining Services, Beer and Beverages, Laundry Services and Banquet/Conference Hall.

2.2 The COMPANY

The project sponsors are **OLAYA DEVELOPERS LIMITED** whose shareholder/ directors have vast experience in in Tourism industry especially in the area of administration, finance, strategic planning and marketing. The shareholders are as follows;

NAME	Nationality	Percentage
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	Name	Nationality	% Shareholding
1.	Huang Zai sheng	Chinese	49
2.	Youssef Jaber Malek	Tanzanian	51

Mr. Youssef Jabber With a wealth of experience in diverse business sectors, currently holds directorship positions in several profitable companies. His expertise spans FMCG, construction, and logistics industries. Mr. Huang Zai sheng, A Chinese citizen with extensive experience in construction, government projects, and real estate, brings valuable insight to the project. Both directors are personally managing funds for the project and intend to hire skilled professionals for its management. Being the members of various International and national organizations, they have gained knowledge in various type of tourist industries, Government procedures and marketing strategies in all over the world.

2.3 Implementation Programme

The proposed project implementation is estimated to cover a period of 5 years beginning December 2023. The planned completion date is 2028. The main determining factor for the completion of the project is the availability of funds, granting of TIC certificate for the rehabilitation and

refurbishment programme and completion of tax exemption procedures.

The main implementation activities include:

i) rehabilitation and refurbishment of all the rooms

ii) Procurement of hotel equipment's and hotel modern amenities.

iii) Procurement of furniture and other hotels equipment such as kitchenette, laundry machines etc. The implementation timetable is considered reasonable and achievable because the management of the company had requisite experience to implement the programme.

2.4 LOCATIONS AND SITE

The hotel will be set up in the prime area of Dar-es-Salaam, plot no.5&6, Block 71, Kariakoo area in Ilala Municipality Dar-es-Salaam Region. The envisaged project site will easily accessible, and it can easily be reached through the tarmac road.

2.4.1 An independent transformer will be provided to cater for the whole hotel. The company will also consider to have standby generator which will be provided to supply the essential loads in an even of TANESCO power failure. The Power distribution through the hotel will be via underground cables installed with TANESCO requirements. It is also proposed that fire detection and firefighting system to consist of automatic and manual detection devices, alarm and communication system whereas firefighting system will feature portable extinguishers, hose reels, wet and dry rises and automatic sprinkler system.

2.4.2 An individual/separate air conditioning system mainly split units is proposed for the complex. Proper ventilation system will be providing throughout the year. Security will be of prime importance surveillance cameras and access control will protect both tenants and customers alike.

It is recommended that an independent security company provide the security of the Hotel. This system is very popular for high-rise building owners in the country at present. The complex will be provided with a parking space.

2.4.3 Provision for both group and overhead storage tanks will be of priority so as to boost the water pressure and for availability whenever the pipes go dry. The tanks capacity will depend on the number of users that will be determined by the design concept and scheme.

2.5 Environmental Considerations

The design of the Hotel complex will be carried out with maximum consideration of environmental impact assessment. The building will be designed to receive maximum natural ventilation and light. Mechanical ventilation should be an alternative only in the absence of natural one. However, both cases should be considered according to the varying/changing climate. Another area where the environmental impact has to be considered is at the project surroundings.

3.0 MANPOWER REQUIREMENTS AND ORGANISATION

3.1 Management

The success of a venture of this kind depends on the competence of the personnel recruited to manage. It is assumed that relevant personnel with requisite skills shall be available within the country. It is envisaged that the proposed manpower structure would give an effective control of the activities

3.2 Proposed Management of Olaya Developers Limited

The proposed management structure is such that there will be a Managing Director as Chief Executive Officer Under the CEO, there will be a ***Hotel Manager*** who is expected to be well trained and experienced in Hotel Management. The Manager will report directly to the Managing Director. There will also be the post of ***Hotel Accountant*** to assist the Managing Director on all financial matters of the Hotel. The accountant is expected to be well trained and fully registered with the professional accounting bodies. There will be supervisors to ensure efficient handling of operations. In this regard, the Hotel's Management Team will be complete. Subordinate staff will include the ***Storekeeper, Secretary and the Head*** of Laundry Section. There will also be support staff including ***Attendants, Cooks, Waiters and Security Guards***.

The Hotel Manager will prepare the appropriate training programme both on the job training and training outside from various institutions

3.3 Manpower Requirements

Based on the proposed organization structure the project will initially employ a total of 100 persons. All new staff would be recruited at least one month before the Hotel operations are commenced

4.0 THE MARKET

4.1 Market Analysis Summary

The main market segment for *Olaya Developers Limited* will comprise of tourists, tour operators', travel agencies, government departments, diplomatic and foreign mission accredited to Tanzania, companies' individuals as well as project promoters engaged in up country and remote area for operations.

The tourist standard hotels, beach hotels in Dar-es-salaam and Coast have improved the quality of their services and hence international travelers can enjoy excellent accommodation, restaurant services and other leisure activities. Modernization, Refurbishment, Rehabilitation and addition of tourist support projects in general attract potential demand and in particular, hotel accommodation and other tourist support services of which will require good hotels where tourists and other visitors can stay before going to visit the intended various sites or after coming before departing to their home countries.

4.2 Market Opportunity

The probability for *Olaya Developers Limited* to grow has prompted the investors to rehabilitate and refurbish their hotel facilities. The existing peaceful environment and political stability in Tanzania offers a great opportunity for international tourist to visit the country, which has now become the major tourist destination. In 2022 the number of tourist arrival reached 1,454,920 ,which increased from a 922,692 in 2021.

4.3 Tanzania's Hospitality Industry – Past & Present

The growth of Tanzania's hospitality industry may be measured by several parameters, two of which are the growth of tourist arrivals and growth of new hotels in the country.

Hotel foreign arrivals from 2015 and July -2022 are as follows:

Year	Number
2015	1,137,000
2016	1,284,000
2017	1,327,000
2018	1,506,000
2019	1,527,000
2020	621,000
2021	923,000
2022-	1,454,920
2023 Jan -August	1,600,000

Source: Internet

The sharp increase in tourist arrivals since 2023 is largely due to the lifting of Covid -19 lockdown by most countries, peaceful environment, political stability in Tanzania and the continued effort of the governments to promote tourism attractions within and outside the country. Other reasons include the advances in technology meaning that the travel now is easier, quicker and more affordable. The growth of internet means now it is easier than ever before to book holidays.

4.4 Competition

Olaya Developers Limited as a joint venture company, has an advantage in knowledge and experience regarding the local environment,

industry and markets. The company's plan for better facilities will provide better services on daily basis hence it will not face any fierce competition. ***Olaya Developers Limited*** will try its best to establish international market in various places such as UK and America. This will increase Company recognition leading to be among the best tourist hotel in Tanzania. ***Olaya Developers Limited*** will work hard to offer its services so that it can gain popularity and be able to offer new destination with new product diversification due to the increasing demand on tour activities worldwide.

4.5 Target Market

The target market for ***Olaya Developers Limited*** in its hotel will comprises mainly three types of guests. There are:

- | | |
|---|------|
| i. Tourists booked directly with agents | 60% |
| ii. Tourists booked by foreign/Local tour agents. | 20 % |
| iii. Tourist with direct bookings | 20% |

4.6 Marketing Strategies

Olaya Developers Limited will also ensure that its reputation will be maintained in order to increase market share for tourist visiting its hotel. In order to attain these objectives ***Olaya Developers Limited*** management will develop various market strategies that will ensure its goals to be realized. Among other features that will be applied will include:

i) Direct marketing

The Company will use the services of overseas hotel agencies that book tourists in advance. The company will have to establish marketing relationship with reputable hotel and tour agents in Europe to cater for market related issues.

ii) Use of Marketing Tools and Programmes

The company will use local and overseas marketing programs to capture market segments envisaged. The company will establish a website and also use brochures and Journals.

iii) Door to Door Market

Olaya Developers Limited will now and then visit or call on various international offices of potential clients for business solicitation. Such clients shall include:

- i) Sport Organizations to target Executives and Super Stars
- ii) Travel industry executives
- iii) Cooperative executives.
- iv) Senior Governments official
- v) International Organization
- vi) International Trade Fair

iv) Pricing

Olaya Developers Limited intends to continuously develop and review tariffs systems. The tariffs will be charged competitively to those of other competitors.

4.7 COMPETITION

Olaya Developers Limited as an investor in Tanzania have an advantage in knowledge and experience regarding the local environment, industry and markets. The company's plan for better facilities will provides better services on daily basis hence it will necessitate advance bookings.

Olaya Developers Limited will establish itself in the international market in various places such as UK and America. This will increase

Company recognition and lead to be among the best Hotel in Tanzania. The hotel will try its best to offer better services in order to gain popularity.

4.8 Tourism Future Outlook – Beyond

According to projections by Tanzania Tourist Board, which is under the Ministry of Natural Resources and Tourism, will surpass the target of **5,000,000** Tourist arrivals by 2025. With the surge of tourist arrivals, it is expected to push up the demand for quality hotels. Other factors that are likely push the demand for the above-mentioned facilities as Tanzania has been considered as major tourist destination includes: -

- A) Political and Social Stability: The hospitality industry is expected to grow rapidly particularly for upper- and middle-class tourists who have lost interest in neighboring countries due to crowding and political unrests.
- B) Presence of world-famous tourist attractions in Tanzania.
- C) Improved infrastructure and transportation network to facilitate movement of travellers from abroad and within the country.

5.0 IMPLEMENTATION SCHEDULE

Both local and external factors have been taken into account when drawing out the proposed schedule of implementation. Factors such as finalization of civil works, survey, acquisitions of hotel equipment, recruitment of qualified personnel and other factors have been looked into.

- ***Ordering Of Hotel Equipment/Vehicle/Furniture***

Timely ordering will have to be executed to match the rate of development of the hotel. Time needed will run into few months. Once the required items are purchased and imported, the installation of hotel machinery/equipment/furniture and fittings upon arrival at the project site.

- ***Hotel Commencement***

On completion of the building/fitting of equipment/furniture then the Hotel will commence without further delay. On completion of the rehabilitation and refurbishment, the receiving of the visitors will start immediately.

6.0 INVESTMENT STRUCTURE

The total initial investment in fixed assets and working capital is estimated at US\$**6,920,000**. The breakdown of which is as follows:

	Foreign (USD)	Total (USD)
Land and Buildings	2,550,000	2,550,000
Machinery and equipment	530,000	530,000
Motor Vehicles	350,000	350,000
Furniture & Office equipment	1,250,000	1,250,000
Others	350,000	350,000
Pre-operational	890,000	890,000
Working Capital	1,000,000	1,000,000
GRAND TOTAL	6,920,000	6,920,000

6.1 MACHINERY/EQUIPMENT

These will be in the form of air condition ceiling fans, cookers, refrigerators, laundry equipment and elevators so as to make the Hotel fully furnished.

6.2 FURNITURE AND FITTINGS

These will comprise of beds, mattresses, sofa sets, and curtains. Such furnishing with proper interior finishing touches will make the apartments assume an acceptable international standard.

6.3 Civil Works

The rehabilitation and refurbishment of the building to house the project is estimated at a cost of US\$2.55 million.

6.4 Vehicles

These are estimated at US\$0.350 million

6.5 pre-operational expenses

These are estimated at 0.150 million

6.6 The initial Working Capital

It is envisaged that for the project to take off the initial working capital could be at the level of US\$1.0 million.

6.7 Furniture & Fittings

These are estimated at 1.25 million

7.0 OPERATION COSTS

The structure of operating costs at full capacity will be estimate at 65% of the total revenue

8.0 WORKING CAPITAL REQUIREMENTS:

8.1 Assumptions:

8.1.2 Stocks:

Rooms and Laundry

Based on 1 month's material purchases for rooms and laundry

8.1.3 Food Stuffs

Stocks are assumed at 7 days cost of foodstuffs. Consideration is given to the fact that the Hotel is within walking distance the market where fresh food supplies are available.

8.1.4 Beer and Beverages

Beer and Beverages stocks are taken at 1 month's purchases.

8.1.5 Debtors

Debtors are assumed at 1 month's sales

8.1.6 Cash

Cash requirement is based on 1-month salaries and administrative costs.

8.1.7 Creditors:

Creditors are assumed at 1 month's purchases (Cost of Sales)

8.2 FINANCIAL PROJECTIONS

8.2.1 Forecasted Revenue Considerations:

The main revenue centers considered in this evaluation include:

- Guest Room Accommodation
- Food Revenue
- Beer and Beverages Revenue
- Conference and Banquet Hall
- Other Income:
- Laundry Services
- Telephone Services

8.2.2 Revenue Assumptions:

1) Accommodation Revenue

The main assumptions on revenue are summarized in the Table below:

Forecasts of Accommodation Revenue US\$.

ITEMS	YEAR1	YEAR2	YEAR3	Year4
Rooms Occupancy Rate	70%	75%	80%	100%
Rooms Available Daily	46	50	53	66
Rooms Occupied	46	50	53	66
Room Nights (365 Days)	16790	18250	19345	24090
Revenue at US\$. 125	2,098,750	2,281,250	2,418,125	3,011,250
Room Tariff per year	2,098,750	2,281,250	2,418,125	3,011,250
Net Accommodation Revenue	2,098,750	2,281,250	2,418,125	3,011,250

ii) Food Revenue:

Food Revenue forecasts have 4 major components as summarized below:

Lunch, Dinner, Casual visitor and, Snacks, teas and bites. The specific assumptions are presented in tabular form as follows.

Tables 3: Forecasted Food Revenue

S/No.	ITEMS	YEAR1	YEAR2	YEAR3
(i)	LUNCH: 50% of hotel guests will take lunch	8000	9000	9500
	Total food Revenue @US\$13	104,000	117,000	123,500
(ii)	DINNER 80% of hotel guests will take dinner	13,432	14,600	15476
	Total Food Revenue@US\$13	174,616	189,800	201188
(iii)	CASUAL VISITORS:	6,716	7,300	7,738
(iv)	SNACKS, TEAS AND BITES Estimated at 30% of Food Revenue	83585	92040	97406
(v)	TOTAL FOOD REVENUE	362,201	398,840	422,094

iii) Beer and Beverages Revenue

Beer and Beverages are products served from the Bar as a revenue center. Beverages will include beer, all hard drinks, soft drinks, cigarettes and mineral water.

iv) Conference and Banquet Hall

There is potential demand for conference and banquet services for the hotel. Such functions will be held 3 times a week.

v) Other Income

Other income is expected from laundry services, which will remain open to residents and non-residents. Some income is also expected from telephone services.

7.3.3 Total Forecasted Revenue:

The Hotel's income per annum is the aggregate of income forecasts on accommodation, meals, beer and beverages and other services as summarized below:

Total Forecasted Income:

					US\$
S.No.	ITEMS	YEAR1	YEAR2	YEAR3	Years4
1.	Accommodation Revenue	2,098,750	2,281,250	2,418,125	3,011,250
2.	Food Revenue	362,201	398,840	422,094	422,094
3.	Beer and Beverages Revenue	289761	319072	337675	337675
4.	Conference/Banquet Hall	108,000	108000	108000	108000
5.	Other Income	629625	684375	725438	903375
	TOTAL INCOME	3,488,337	3,175,537	4,011,332	4,782394

8.3 Cost of Sales

The total operation costs are estimated at 65 % of total Revenue

9.0 PROJECTED FINANCIAL RESULTS:

9.1 Projected Profit and Loss Statement:

The project registers good operating profit levels

From year one

9.2 Projected Cash flow Statement:

The project's liquidity position is seen well right from the year 2 of operations

10.0 ECONOMIC ADVANTAGES

10.1 Development Value:

The project when implemented will create 120 new jobs. These people are beneficiaries of health support over and above financial benefits allocated to them. In turns, the standard of living of the workers and their immediate families will rise.

10.2 Government Revenue:

The project is beneficial to the government, as it will collect revenue in the form of taxes.

11.0 Conclusion and recommendation

The investment and development of this Hotel undertaking is in line with the Government objective of encouraging proper development of Tourist Hotel in the country.

In addition, it will have a positive impact on the development of the region, as it would generate a number of benefits and more positive impact on the economy of the region. As noted above this undertaking will bring about the generation a number of benefits and reliable incomes for the employees of the project and providers of the excellent services demanded by the Tourists and other visitors.

This document has established that the proposed project is technically sound, financially viable, and economically/socially beneficial. In the context of the immense useful potential of this project, the management of ***M/S Olaya Developers Limited*** anticipates that all interested parties in the region/and the Government of Tanzania will give their full support so as to ensure timely implementation of the project and apprehension of successful operation.

OLAYA DEVELOPERS LIMITED
Investment Cost

	Foreign (USD)	Total (USD)
Land and Buildings	2,550,000	2,550,000
Machinery and equipment	530,000	530,000
Motor Vehicles	350,000	350,000
Furniture & Office equipment	1,250,000	1,250,000
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Pre-operational	890,000	890,000
Working Capital	1,000,000	1,000,000
GRAND TOTAL	6,920,000	6,920,000

OLAYA DEVELOPERS LIMITED

Financing Plan

	Local	US\$ Total
Equity	6,920,000	6,920,000
TOTAL	6,920,000	6,920,000

OLAYA DEVELOPERS LIMITED

Depreciation Schedule

US\$

	Rate	Value	1	2	3	4	5	6	7	8	9	10
Land & Buildings	5.0	2,550,000	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500	127,500
Equipments & Fittings	12.5	530,000	66,250	66,250	66,250	66,250	66,250	66,250	66,250	66,250	66,250	66,250
Motor Vehicles	25.0	350,000	87,500	87,500	87,500	87,500	-	-	-	-	-	-
Furniture/Fixtures	12.5	1,250,000	156,250	156,250	156,250	156,250	156,250	156,250	156,250	156,250	-	-
Pre operational Expenses	20	850,000	170,000	170,000	170,000	170,000	170,000	-	-	-	-	-
			607,500	607,500	607,500	607,500	520,000	350,000	350,000	350,000	193,750	193,750

OLAYA DEVELOPERS LIMITED

Revenue Schedule ((ACCOMMODATION))

USD

ITEMS	YEAR1	YEAR2	YEAR3	Year4
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Rooms Available Daily	46	50	53	66
Rooms Occupied	46	50	53	66
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Net Accommodation Revenue	2,098,750	2,281,250	2,418,125	3,011,250

OLAYA DEVELOPERS LIMITED
FORCASTED FOOD REVENUE

S/No.	ITEMS	YEAR1	YEAR2	YEAR3
(i)	LUNCH: 50% of hotel guests will take lunch	8000	9000	9500
	Total food Revenue @US\$13	104,000	117,000	123,500
(ii)	DINNER 80% of hotel guests will take dinner	13,432	14,600	15476
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(v)	TOTAL FOOD REVENUE	362,201	398,840	422,094

OLAYA DEVELOPERS LIMITED

Total Forecasted Income:

US\$

S.No.	ITEMS	YEAR1	YEAR2	YEAR3	Years4
1.	Accommodation Revenue	2,098,750	2,281,250	2,418,125	3,011,250
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	TOTAL INCOME	3,488,337	3,791,537	4,011,332	4,782394

OLAYA DEVELOPERS LIMITED

Projected Profit & Loss Account USD000

	1	2	3	4	5	6	7	8	9	10
Revenue	3,488	3,792	4,011	4,782	4,782	4,782	4,782	4,782	4,782	4,782
Cost of Sales	2,267	2,465	2607	3108	3108	3108	3108	3108	3108	3108
Gross Profit	1221	1327	1404	1674	1674	1674	1674	1674	1674	1674
Operating Profit	1221	1327	1404	1674	1674	1674	1674	1674	1674	1674
Less: Depreciation	607	608	608	608	520	350	350	350	194	194
Profit Before tax	614	719	796	1,066	1,154	1,324	1,324	1,324	1,480	1,480
Profit for taxation	614	719	796	1,066	1,154	1,324	1,324	1,324	1,480	1,480
Corporation Tax	184	216	239	320	346	397	397	397	444	444
Profit After Tax	430	503	557	746	808	927	927	927	1,036	1,036
Profit Brought forward	-	403	906	1,463	2,209	3,017	3,944	4,871	5,798	6,834
Profit Carried forward	430	906	1,463	2,209	3,017	3,944	4,871	5,798	6,834	7,870

OLAYA DEVELOPERS LIMITED

Projected Cash Flow

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	0	1	2	3	4	5	6	7	8	9	10
<u>Cash Inflow</u>	6,920										
Owners equity		-	-	-	-	-	-	-	-	-	-
Sub Total	6,920	-	-	-	-	-	-	-	-	-	-
<u>Revenue Inflows</u>											
Profit Before Tax	-	614	719	796	1,066	1,15	1,32	1,32	1,32	1,48	1,48
Depreciation	-	608	608	608	608	4	4	4	4	0	0
						520	350	350	350	194	194
Sub Total	6,920	1,222	1,347	1,404	1,674	1,674	1674	1674	1674	1674	1674
<u>Cash Outflow</u>											
Investment & Re-investment	6,920	-	-	-	-	-	-	-	-	-	-
Sub Total	6,920	-	-	-	-	-	-	-	-	-	-
<u>Revenue Outflows</u>											
Corporation	-	184	216	239	320	346	397	397	397	444	444
Change in Working Capital	-										
Sub Total	-	184	216	239	320	346	397	397	397	444	444
Net Cash Flows	-	1,038	1,131	1,165	1354	1328	1,277	1,277	1,277	1,230	1,230