1. Promoters of the Project

Peponi Luxury Resorts Limited tourist resort venture is a well thought out scheme and brain child of the business directors who have a wealth of business experience and understand the tourism industry and how it functions. The company is owned by two shareholders – namely:

S/NO	Name of Shareholders	No. of Shares	% Shareholding
1	Dharar Hilal Majid Al Ismaily	60,000	60
2	Ann-Denise Whittles	40,000	40

2. Holding Company Details

1. Name of Company: Peponi Luxury Resorts Company Limited		
2. Contacts: +255 777 653 653 / +255 655 67 57 57		
Project Location:		12 Peponi Road, Plot No. 26 & 27, Block B, Amani Gomvu, Kigamboni, Dar es salaam.
P. O. Box **City** **Country**		36284 Dar Es Salaam Tanzania
E-mail: md@peponiluxuryresorts.com, denise@peponibeach.co.tz **Website: www.peponiluxuryresorts.com**		
5.Contact Person:	Ann-Denise Whittles	**6. Position:** Director
7. Present Type of Business:		Tourist Resort
8. Year of Establishment: 17th November 2011		
9. No. Of Employees Expected: 38		02 x Expatriates 35 x Tanzanians
10. Present Ownership Structure:		100% Foreign (see above table)
12. Bank: CRDB Bank, Azikiwe Premier Branch, Benjamin Mpaka Towers, Dar Es Salaam, Tanzania NMB, Oyster Plaza, Haile Selassie Road, Dar Es Salaam, Tanzania		
Brief Professional/Business Background: The directors have extensive hospitality backgrounds which will ensure the running of a successful operation		

3. Executive Summary

This Business Plan supersedes the previous Business Plan written in 2011, which is now outdated and the figures and some of the assumptions have changed. Currently construction work is in progress.

This Business Plan will be the one used by management and promoters to guide the business over the next five years. Figures in the projections will be used in the budgets and monitored against these very conservative projections.

Peponi Luxury Resorts will provide the ultimate luxury experience by offering the most opulent accommodation, superlative service, exquisite and unrivalled levels of gastronomy and excellent facilities to exceed the needs of even the most discerning guest whilst adhering to the principals of sustainability and environmental responsibility.

The proposed 10 one bedroom, 1 two-bedroom spacious villas will envelop you in elegance, whilst the surrounds of soft sands, water cascades and lush tropical vegetation and clear waters of the Indian Ocean create a real slice of heaven.

The administration building will house 2 penthouse apartments on the upper floor affording magnificent views of the Indian Ocean and surrounding countryside. The kitchen, stores, fine dining restaurant, bar, lounge and offices will be located on the ground floor. The resort will have an infinity pool with a swim up bar, waterfall, rock pool, SPA, and a fully equipped GYM. An organic garden will be cultivated to provide fresh produce.

The Resort aims to be the first high end resort on the South Coast of Tanzania.

The resort has been designed to work in harmony with the natural environment specific to this site in Mbutu. The monsoon winds arrive from the South East between April and October and the North East between November and March. The luxury units have been developed specially to work in harmony with the weather conditions. The orientation and angles associated with the room layouts of each building typology maximize the wind patterns allowing the spaces to be naturally cross ventilated.

During construction and subsequent maintanance of the resort we endeavor to use local, sustainable building materials as well as labour. Our hiring policy will be driven by discovering diligent, hard working people from the local community to work within the resort. Staff training will be to the highest standard to empower and offer them a new scope of employment and steady income.

Purchasing supplies from the local community will not only helps the resort lower the carbon footprint but also gives a sustainable trade to the growers and merchants.
The Resort will comprise of ten (10) single Villas, two (2) double Villas and 2 penthouse apartments on the top floor of the administration building, all finished to a very high standard with quality furniture, fittings and fixtures. The administration building will house offices, kitchen, restaurant, bar and a lounge. The Resort will have an infinity Swimming Pool with a swim up bar, rock pool, SPA and fully equipped GYM. The Resort aims to be the first high end resort on the South Coast of Tanzania.

The anticipated project is projected to cost US$ 1,600,000 this includes Land, Buildings and landscaping. The project promotors have sufficient financial wealth to undertake the intended investment.

4. Project Description

4.1 The Site

12 Peponi Road, Plot No. 28 & 29, Block B, Amani Gomvu Area, Kigamboni Municipality, Dar es Salaam.

Approximately 29 kms south of Dar Es Salaam, the land (covering 16,138 square metres) has been purchased and the title deeds are held by Peponi Luxury Resorts. Government of Tanzania approval through TIC has been established to construct a hotel / beach resort.

The unique cultural and tropical flavours of Tanzania will come to life at Peponi Luxury Resorts, nestled in the idyllic unspoiled beaches of Mbutu where warm sand, gleaming waters, unique, intricate landscaping, protected indigenous trees and tranquil guest rooms instantly set the scene for an idyllic African escape. Guests will instantly feel at home with the resorts charming, intimate atmosphere.

The upper part of the land is a solid rock site sloping gently towards the Indian Ocean. Along the coastline there are several hotels of varying standards. Infrastructure, including electricity, telecommunications, water and a road to the site shall be sourced from appropriate government or private agencies.

4.2 Site Specifications and Property Permits

Site size square meters	16,138
Maximum Building percentage	40 % of the 16,138square meters
Approved and Suggested Building	Double storey reception / admin building with 2 x 2-bedroom apartments, restaurant, kitchen and bar. Spa building, 1 double storey 2-bedroom villas and 10 single bedroom villas, staff house, staff canteen/ toilets, stores and laundry, swimming pool with swim up bar, rock formation waterfall with a cave and rock pool with jacuzzi
Access to the Site	The resort can be accessed by car, boat, private aircraft or helicopter

5. Services to be provided

The proposed luxury tourist resort will provide hospitality services in conformity to industry standards and in line with what is offered by similar facilities. The summary of major services to be provided has been summarized as follows:

5.1 Accommodation

The resort will have ten single bedroom and two double storey, two bedroom villas, two penthouse apartments each with two bedrooms. The architecture style will be an eclectic mix of coastal and contemporary. Each ocean facing villa is designed with seclusion in mind merging the outdoors with indoors. A walkthrough dressing area leads to a spacious bedroom with panoramic views over the aqua marine waters of the Indian Ocean. Bathrooms will have spa bathtubs, walk in shower and dual wash basins. Two of the single villas are expected to have a private pool overlooking the tropical gardens or the Indian Ocean.

5.2 Restaurant and Bars

The administration building will house a fine dining restaurant and bar. A swim up pool bar will be located by the edge of the infinity pool. The natural setting of the beach with individual fire pits will bring the essence of romance and intimacy to dining alfresco beneath a canopy of stars each evening. In room dining will also be available.

Continually evolving menus will be inspired by Tanzania’s fresh ingredients and spices, offering a wide assortment of dishes with an emphasis on inventive dishes and local delights. Seafood will be delivered fresh from the ocean on a daily basis from local fishermen. Fruit and vegetables are hand-picked from the resorts private organic garden or surrounding local farms.

Personal approach to allergies and special dietary requirements, (a necessity for high end resorts) will provide ultimate confidence and comfort for guests to enjoy their stay.

To complement the superb cuisine, excellent wines presented the Sommelier will be paired with each dining course.

5.3 Weddings / Events / Team Building

The resort has plans to provide a full wedding service for both local and international guests. Hosting of special events will be organized especially during low seasons to provide additional revenue. Team Building can be directed at the Top 100 Companies based in Tanzania for management development in a unique setting. Water sports are an ideal team building activity.

6. Target Markets/Marketing Strategy and Competitor Analysis

There is a niche in the market for high end luxury travel, especially on the south coast of Tanzania. The definition of luxury travel is to undertake a new experience and immerse oneself in a new destination whilst indulging in the very best levels of personal and attentive service where your every need is pre-empted and ones every expectation is met and exceeded.

Today's luxury traveler seeks more depth of understanding and immersion into local culture and would prefer the tranquility of idyllic unspoiled beaches after a laborious Mount Kilimanjaro climb or the excitement of experiencing one of Africa's best wildlife safaris.

Unlike other beaches in Tanzania, Mbutu remains un-commercialized and the remoteness and serenity of the place make it an ideal romantic location for weddings and honeymoons or to just escape unwind and reflect. The location would also appeal to the high net worth individuals who prefer to block out a resort to entertain their friends & families. Peponi is ideal for this market.

In addition to the local market, The target market is worldwide with an emphasis on the Middle East, USA, Europe & Japan.

6.1 Market Research

Various studies have indicated the presence of unpolluted beaches in the Kigamboni and especially in the Mbutu area. Based on these studies the Government has drawn up the Kigamboni new city master plan with the aim of providing sufficient infrastructure to cater for Tourism development in the Kigamboni region.

Currently the only resort in the area which comes close to what we aim to provide is Ras Kutani. Whilst Ras Kutani is an eco-friendly resort providing rustic no-frills accommodation, Peponi Luxury Resorts aims to be eco- friendly without compromising on high end luxury which is a unique feature differentiating Peponi from the competition currently operating.

Alternative accommodation in the area caters for the budget traveller offering rates between US$25 to US$300 per room per night. (Based on 2 people sharing). The newly built Aya Sophia Hotel does not serve alcohol and the Overhang is self-catering therefore, they are not in direct competition.

In the first year, to attract business Peponi Luxury resorts will offer an incentive discount of 15% to make us both competitive and appear alongside our competitors on the online booking search engines.

6.2 Assumptions of Calculation of Income

Breakdown as follows based on STO (Discounted 30% from Rack Rates) Rates for single & double Villas rate per villa per night – all inclusive (Full Board, Drinks (non-premium brands), tea/coffee & water:

High Season	Income Per night
1 x Double Villas @ US$840 per Villa per night (4 pax)	US$840
10 x Single Villas @ US$490 per Villa per night (2 pax)	US$4,900
1 x Penthouse Apartment 1 x Penthouse apartment (Directors Accomodation	US$ 900
Total per night:	**US$6,580**
Low Season	
1 x Double Villas @ US$770 per Villa per night (4 pax)	US$770
10 x Single Villas x US$420 per Villa per night (4 pax)	US$4,200
1 x Penthouse Apartment	US$800
Total Per night:	**US$5,740**

Fully Occupied therefore will be as follows:

HIGH SEASON: Per Day US$6,580x30 Days = US$197,400 per month x 4 months = **US$789,600 per annum**

LOW SEASON: Per Day US$5,740x30 Days = US$172,200 per month x 6 months = **US$1,033,200 per annum**

TOTAL: Per year if Fully Occupied **US$ 1,822,800.** In Year 3 & 5% an increase of 5% has been applied**.**

During the heavy Masika rains in April and May, Peponi Luxury Resorts shall be closed for business

The calculations for Income are based on the following assumptions below, and include the Drinks Supplement (non-premium brands):

PROJECTED INCOME CALCULATION US$

Occupancy	**Year 1 - 25%**	**Year 2 - 45%**	**Year 3 – 60%**	**Year 4 – 65%**	**Year 5 – 70%**
Occupancy 100%	1,822,800	1,822,800	1,913,940	1,913,940	2,009,637
Projected Income	455,700	820,260	1,148,364	1,244,061	1,406,746
Drinks Supplement Income	45,570	82,026	114,836	124,406	140,675
Projected Income	**501,270**	**902,286**	**1,263,200**	**1,368,467**	**1,547,421**

7.0 Revenue Projection

Revenue projection figures below are based on STO Rates (30% discounted) and include 18% VAT. In Year 3 and 5 a 5% increase has been applied.

REVENUE PROJECTION

	YEAR 1 USD$	**YEAR 2 USD$**	**YEAR 3 USD$**	**YEAR 4 USD$**	**YEAR 5 USD$**
Accommodation	245,700	442,260	619,164	670,549	758,236
Food & Beverage Sales	255,570	460,026	644,036	697,918	789,185
Total inc 18% VAT	**501,270**	**902,286**	**1,263,200**	**1,368,467**	**1,547,421**

Sales projections and expenses are based on 2 main revenue generating services.

- Accommodation
- Bar and Restaurant

8.0 Marketing Strategy

Innovation needs to be part of our culture. Consumers are transforming faster than we are, we want to know what they are looking for, what their values are, and how can we meet their needs.

In today's growing hospitality industry, hotels are constantly competing with each other to attract the most guests by using the best or most innovative marketing tools to reach their target. By using a combination of both online and offline marketing tools Peponi Luxury resorts intends to have an integrated marketing approach, which reflects a consistent brand message.

8.1 SWOT Analysis of the Investment

Strengths	Weakness
• Location • Lack of resorts in the area offering high end luxury accommodation • Ability to differentiate the type of services offered at our resort from our competitors • The owners have extensive hospitality backgrounds which will ensure the running of a success operation	• Lack of established reputation due to being a new company • Limited financial resources • Long rains (Masika) in April / May
Opportunities	**Threats**
• Ability to create new jobs for Tanzanians • Help revive the rural economy • Utilization of soil to create an organic garden • Corporate Events / Weddings	• Emergence of a new competitor • New legislation increasing costs • A downturn in the economy, reducing overall demand

8.2 Online Marketing

Direct bookings via the website: www.peponiluxuryresorts.com will utilize cutting edge technology to book directly through a website that will be fast, have an informative home page and be easy to navigate. Blogs attached to the website will get potential guests engaged, build reputations and possibly catch the attention of guests not originally in the target market. Social Media platfoms.

"80% of shoppers are influenced by something online before making a purchase" *(Wordstream.com).*

With the increasing capabilities of smart phones about 80 percent of all hotel searches are now done on mobile devices. Peponi Luxury Resorts recognize this and will endeavour to invest and develop a mobile friendly site.

Other marketing strategies will include:

- Utilizing Google places/maps and local focused search engine optimization.
- Promote the resort through social media therefore maximizing marketing returns in a socially connected world.
- E mail marketing: Automation in email marketing is a big opportunity and it takes a small level of resources to create.
- Utilization of booking engines through Channel Manager
- Downloadable brochure
- Trade area on website designed for all segments of trade password protected
- 360 degrees video clip of resort attached to website
- You Tube presentation
- Twitter presentation
- Instagram presentation
- Joining associations selling Africa that represent major travel buyers like ATA and ASATA also luxury concierge sites
- Linking with partner websites and back linking to add internet optimization

8.3 Offline Marketing

- Travel-related networking at corporate / social events and attending travel fairs and trade shows worldwide.
- Written agreements with travel agents and tour operators to promote and advertise the resort.
- Media – Newspaper / magazine articles and advertisements.
- Business cards
- Flyers / CD's / USB / Newsletters
- Low Season marketing plan to engage diplomatic community and top 100 companies in Tanzania
- Hosted media visits from international travel writers and editors
- Hosted visits for International Tour Operators during low occupancy periods
- Good focused events using the resort to its potential but offering a specialized group of people a hook - like yoga or painting. Water sports can also be added to increase the attractiveness of the resort to the local and regional community. Resident and African Resident rates should be offered during Low Season and advertised in local media.

9.0 Major Assumptions

- Tourism is seasonal and runs for 10 months in a year
- Overseas travel staff shift agencies frequently
- Average beach safari duration is 5 days and usually after wildlife safari

10.0 Organisation and Staff Responsibilities

The resort operations will be appropriately organized to achieve project budgets. Peponi Luxury Resorts Limited has identified staff responsibilities to support training procedures and key performance indicators (KPI) monitoring of management will be implemented based on this five (5) Year Business Plan and corresponding budgets and cashflows.

10.1 Working Conditions

Working conditions will be compliant with the Labour Law of Tanzania. Resort staff must be flexible and encouraged to take their vacation and any accrued days off during low season months. Managerial staff shall be accommodated on the premises

10.2 Training and Advancement

Peponi Luxury Resorts Limited will emphasize on specialized training. Post-secondary training in hotel or restaurant management will be preferred for resort management positions. Internships or part-time employment are assets to students seeking a career in hotel management. The experience gained and the contacts made with employers may greatly benefit them after graduation.

The resort managers will be trained to be able to interact with many different nationalities and cultures, even in stressful situations. They are expected to be able to solve problems and concentrate on details. Initiative, self-discipline, effective communication skills, and the ability to organize and direct the work of others are also essential for managers at all levels.

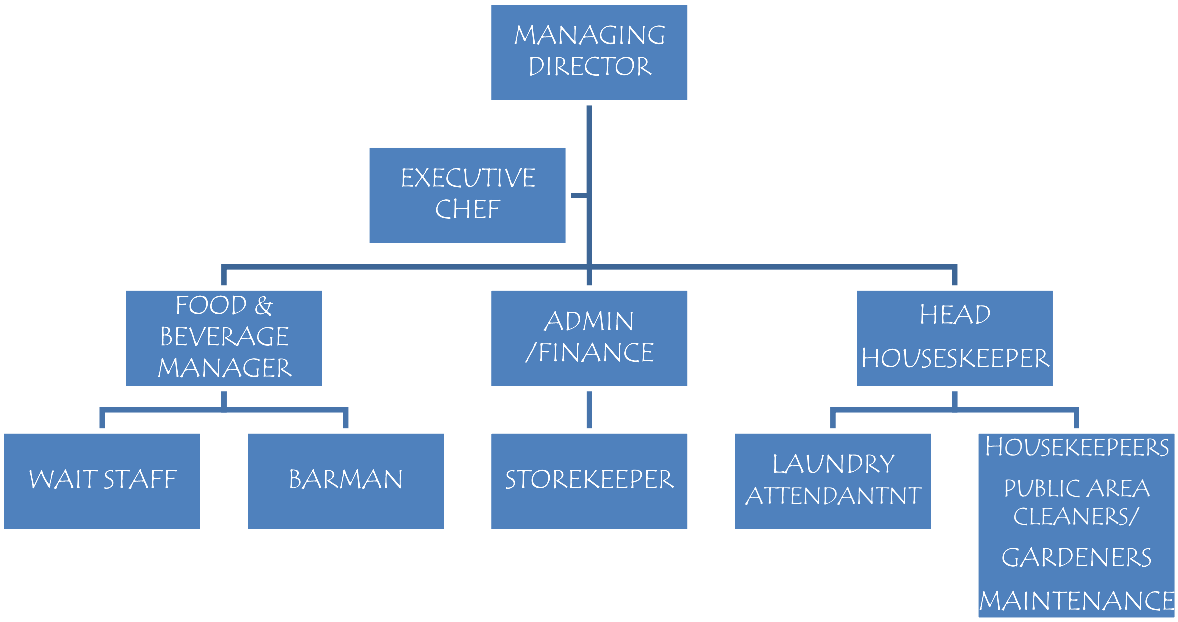
Peponi Luxury Resorts Limited will promote employees who prove their ability and possess formal education in hotel management. Graduates of hotel or restaurant management programs will usually start as trainee assistant managers. The resort management will consider sponsoring specialized on-the-job management training programs allowing trainees to rotate among various departments and gain a thorough knowledge of the resort operation. It will consider financing formal training in hotel management for outstanding employees. Peponi Luxury Resorts Limited will offer opportunities for advancement. An internal ongoing training program will be developed to train those staff employed from the local community and lack any formal education. The intention of the project is to develop local staff to international standards.

10.3 Earnings

Staff salaries of Peponi Luxury Resorts Limited will vary according to their responsibilities. Based on performance, the company will consider providing bonuses to motivate its key staff and those going beyond the course of their duties and have been recommended or mentioned by our clients. Employee of the Month scheme will be put in place. Staff may also be furnished with lodging, meals, parking, laundry, and other services to motivate them.

10.4 Organisational Structure

This represents a framework within which Peponi Luxury Resorts Limited will arrange its lines of authority and communications, and allocate rights and duties. The shown organizational structure will determine the manner and extent to which roles, power and responsibilities will be delegated, controlled, and coordinated, and how information will flow between levels of management.



11.0 Kigamboni Government Development Plans

The Government of Tanzania has been ceaselessly encouraging the development of the entire Kigamboni area.

Future development in Kigamboni will continue as Dar es Salaam has nowhere else to expand to, but along it's undeveloped South Coast, which has now been opened up further by the building of the Julius Nyerere Bridge, which connects Dar es Salaam central to the South Coast. This bridge has also shortened the airport transfer by road to 40 minutes instead of 1.5hrs.

Kigamboni has available large tracts of good, unexploited land for both residential development and beautiful beaches for tourism development. According to various studies on the presence of unpolluted beaches, the redevelopment of Kigamboni will spearhead economic development and increase the national income.

Government are keen that the beaches of the South Coast be reserved for tourism and residential plots are being built behind the beaches, so as not to disrupt the hotels and tourist resorts along the beaches.

Roads and electricity have already started to be introduced along the South Coast to assist investors complete their projects.

12.0 Tanzania

Tanzania is a country of immense natural endowments which constitute some wonderful tourist attractions. In realization of this fact the government has gazetted about 25% of the country's land mass (945,000km2) to be under protection either as game reserves, conservation areas and fully fledged national parks.

12.1 The 3 Main Tourist Routes are as follows:

12.2 The Northern circuit

This constitutes the largest and the best known tourist circuit. Main attractions in this circuit include Mt. Kilimanjaro-the Roof of Africa, the Serengeti derived from a famous Maasai tribe dialect, the Siringit or endless plains, one of the world's largest game parks; and the 8th world wonder - the caldera of Ngorongoro crater among others.

12.3 The Southern and Western Circuit

This comprises the world's largest game reserve - the Selous Game Reserve (55,000 km2), Ruaha and Udzungwa Mountains. **Peponi Luxury Resorts fall under the Southern Circuit.**

12.4 Others

The Katavi (Rukwa) Rubondo and Gombe National parks.

In these three tourist circuits, the attractions include cultural cocktails, sandy beaches, wildlife, marine life, scenery and flora, however it would be naïve to think that beautiful attractions alone can make a successful tour operations business. It boils down to the entire package that constitutes the marketing message, quality hotel/resort services, ground handling and professionalism that finally tips the decision of the tourist to visit a particular destination. The amount of deliberate effort and resources that have been invested into the promotion of Tanzania as an independent quality destination and the development of the tourist infrastructure and industry staff training in the preceding years underscores the positive trends in the growth of the tourism industry. It is this growth trends that ensures Peponi Luxury Resorts Limited a substantial share of the tourist traffic to achieve the objectives outlined in this implementation program.

13.0 Tourism Policy and Strategies in Tanzania

The United Republic of Tanzania is the 2nd largest country in the SADC Region and the 1st biggest in East Africa. It lies in the east coast of Africa between Latitudes of 1degree and 11 degrees South of the Equator. It covers 945,234 square Kilometres comprising Mainland and the islands of Zanzibar and Pemba.

Tanzania has a tropical **climate** but has regional variations due to topography. In the highlands, temperatures range between 10 and 20 °C (50 and 68 °F) during cold and hot seasons respectively. The rest of the country has temperatures rarely falling lower than 20 °C (68 °F)

Most of Tanzania's popular tourist destinations experience two rainy seasons and two dry seasons every year. The long rains (called masika) usually last from early March to late May, bringing with them heavy afternoon downpours and high humidity. Temperatures at this time of year frequently exceed 86 degrees Fahrenheit (30 degrees Celsius). The short rainy (vuli) season (November and December) sees lighter, less reliable rains and the start of the hottest time of year, which lasts until the end of February. Temperatures during this period can get as high as 104 degrees Fahrenheit (40 degrees Celsius). January and February constitute the short dry season. The most pleasant time of year, however, is the long dry season which lasts from late June to mid-October and is the best time to visit the National Parks for wildlife viewing. During this time, rainfall is uncommon, while clear skies and plenty of sunshine are to be expected. Temperatures are relatively cool and can be chilly on early morning game drives.

Of course, the higher slopes of famous Tanzanian peaks including Mount Kilimanjaro and Mount Meru can experience sub-zero temperatures at any time of year. Coastal areas are hot and humid although sea breezes cool the area pleasantly between June and September. For a beach resort like Peponi it is possible to open for 10 months of the year closing only during **April & May** when the long rains make it miserable to be at a beach resort.

13.1 The estimated population of Tanzania

Year	Population	Fertility Rate
2020	59,734,218	4.92
2019	58,005,463	5.17
2018	56,313,438	5.17
2017	54,660,339	5.17

(Source worldometers)

About 95% of Tanzanians are of Bantu origin. These include the Sukuma (who live around Mwanza and southern Lake Victoria, and constitute about 16% of the overall population), the Nyamwezi (around Tabora), the Makonde (southeastern **Tanzania**), the Haya (around Bukoba) and the Chagga (around Mt Kilimanjaro).Tanzanians are well known for their hospitality, open and jovial sense of humour, friendly approach and generosity to foreigners. The people are endowed with a wealth of culture, history and artistic talent that has put Tanzania on the world map as one of the leading nations to visit for its vast variety of cultural experiences.

The Government of Tanzania views tourism as a significant industry in terms of job creation, poverty alleviation, and foreign exchange earnings. Tourism today is receiving a greater attention than ever before from international development agencies. To many countries, tourism is the highest foreign exchange earner and an important provider of employment.
According to the World Tourism Organization, in 2000 there were 698 million tourist arrivals worldwide that generated 478.0 US $ billion. According to the statistics in 2000, Africa region showed average annual growth rate of 4.5% in arrivals. Statistics available also indicate that, Africa's market share in 1999 was 2.0%. Given the size of our continent, the beauty of Africa, the diversity and uniqueness of tourism attractions in Africa, there is still room for a bigger growth in both tourist arrivals and receipts. Tanzania is therefore determined to have its fair share in this important industry. The industry has grown organically for the last ten years and current arrivals are approaching 1.5 million per year.

According to World Travel **Tourism** Council, total contribution of **tourism** to GDP in 2017 was 9.0 percent and it is forecast to rise to 9.1 percent in 2018. ... **Tanzania's tourism** sector grew over the past decade by 300 percent, attracting more than one million five hundred thousand visitors annually, the majority come for a wildlife safari and many end their safaris on a beach.

New data shows that the top 15 source markets accounted for 71.8 percent of total visitors with the United States of America taking the lead accounting for 15.6 percent, followed by Kenya and the United Kingdom.

"Revenues from Tanzania's tourism sector increased by 7.13% in 2018 compared to 2017 thanks to the increase in arrivals from foreign visitors, the government disclosed. Revenues reached USD 2.43 billion in 2018, up from USD 2.19 billion in 2017, while tourist arrivals totaled 1.49 million compared with 1.33 million, Tanzania's Prime Minister Kassim Majaliwa said in a presentation to parliament. According to the latest available International Visitors' Exit Survey Report of 2017 by the National Bureau of Statistics of Tanzania (NBS), tourism earnings were USD 2,13 billion in 2016 with 1.2 million arrivals. The distribution of arrivals by region indicates that Europe continued to account for the largest share in 2017, followed by Asia and the Pacific, the Americas, Africa, and the Middle East. Recently, Tanzania's Ambassador to China, Mr. Mbelwa Kairuki, disclosed that the China National Travel Service Group Corporation (CTS) is planning to invest in Tanzania's tourism sector by constructing hotels on the mainland and Zanzibar. Tanzania Tourism The direct and indirect contribution of tourism was 14% of Tanzania's GDP in 2014 with USD 6.7 billion."

(Source: www.tanzaniainvest.com/tourism)

13.2 Tourism Policy

The first National Tourism Policy was adopted in 1991 to provide the overall objectives and strategies necessary to ensure sustainable tourism development in the country. Nearly a decade later, there have been considerable changes on the political, economic and social fronts within the country, which raised the need for regular review of the policy. The thrust of these changes has been towards stimulating efforts to expand the private sector, in tandem with the disengagement of the Government from the sole ownership and operation of tourist facilities. Knowing the potentiality of tourism sector, as a strategy for poverty alleviation, the National Tourism Policy of Tanzania was reviewed in 1999 to cope with the dynamism of the tourism industry.

The overall objective of the policy is to assist in efforts to promote the economy and livelihood of the people, essentially poverty alleviation through encouraging the development of sustainable and quality tourism that is culturally and socially acceptable, ecologically friendly, environmentally sustainable and economically viable. It is also sought to market Tanzania as favoured tourist destination for touring and adventure in a country renowned for its cultural diversity and numerous beaches.

The Government recognizes that the private sector plays a major role in the industry's development, with the Government playing the catalytic role of providing and improving the infrastructure as well as providing a conducive climate for investment.

14.0 Strategies for Tourism Development

To affect the implementation of the policy, there is an Integrated Tourism Master Plan, which outlines strategies and programmes for the sector. The primary focus of this plan is to obtain sustainable benefits for the people of Tanzania by generating additional economic activity from available resources. Six primary areas addressed by the Integrated Tourism Master Plan are the following:

- Creating greater awareness of Tanzania in the tourism source markets.
- Expanding tourism products
- Securing a more competitive position
- Maximizing the necessary service skills, and establishing the necessary structures and controls to underpin tourism development.

The Integrated Tourism Master Plan outlines details of each area and how to implement it.

The Government is fully aware that increased investment and technological advancement require deliberate promotional policies. It is in this respect that, the Government decided to gradually pull out of productive and commercial activities and concentrate in its traditional role of maintaining law and order. It has been decided that the commanding heights of the economy, which used to be in the hands of the Government, should be in the able hands of the private sector.

The Government considers private investments (both foreign and local) as the engine of growth. It has taken steps to provide a macro economic framework and an enabling environment for private investors to operate. To strengthen private sector in tourism industry in Tanzania, the Government assisted in the formation of Tourism Confederation of Tanzania (TCT), a private sector body that is intended to be the representative, voice of the tourism private sector interests. Thus, the private sector is being assigned an increasing role in Tanzania's overall economic development.

The Government's role is to regulate, promote, facilitate and provide very conducive environment for the sustained growth and development of tourism. The private sector is thus engaged in development, promotion and marketing of tourism products, construction of tourist accommodation facilities; and provision of tour packages and other related services for the sector's sustainable development. To encourage private investment in the country, investment incentives have been put in place.

14.1 Investment Incentive Packages in Tanzania

Tanzania offers a well-balanced package of incentives to investors. These include: -
Recognition of private property and protection against any non-commercial risks. Tanzania is an active member of the World Bank Foreign Investment Insurance wing, Multilateral Investment Guarantee Agency (MIGA). Tanzania is a member of the International Center for Investment Settlement Disputes (ICSID) a body affiliated to World Bank. Zero percent (0%) import Duty on project capital goods. The right to transfer outside the country 100% of foreign exchange earned, profits and capital. The ease of obtaining other permits, such as, Residence/ Work Permits, industrial license, trading license etc. Automatic permit of employing 5 foreign nationals, for projects holding Certificate of incentives.

These incentives have so far attracted good number of investors in the country.

14.2 Competitive Strengths of Tanzania Tourism Development

The strength of the appeal of Tanzania to tourist product is dominated by natural assets of the country. The assessment is that by any standards, Tanzania is an exceptionally beautiful and interesting country. With its 12 National parks, 31 Game reserves, 38 Game controlled areas, a Conservation area and Marine park, Tanzanians wildlife resources are considered among the finest in the world and have been widely known for many years. They include the great Serengeti plains, the spectacular Ngorongoro Crater, Lake Manyara and Africa's highest mountain, Kilimanjaro, in the north, Mikumi, Udzungwa and Ruaha National parks and Selous game Reserve in the south. Additional natural attractions include the sandy beaches in the north and south of Dar es Salaam and the excellent deep-sea fishing at Mafia. Tanzania has a rich heritage of archaeological, historical and rock painting sites, a number of which have been designated World Heritage Sites. At Olduvai Gorge, in the interior Rift Valley, is the site of discoveries of the traces of earliest man, and along the Indian Ocean are the remains of settlements from the Omani and German occupations.

To a tourist, Tanzania offers interesting culture and crafts, most notably the Maasai culture and art of the Makonde sculptures and carvings the list is endless. In short, the strength of Tanzania tourist product lies on:

- Abundance, diversity, reliability and visibility of wildlife
- Unspoiled environment and beautiful scenery
- Low tourist density
- Safe destination
- Unspoiled Beaches without the nuisance of hawkers
- Authenticity and the unique African experience
- Friendly people and low crime rates against tourists

However, in order for Tanzania to succeed further in this endeavour of improving the services, the country has shown commitment to learn what more can be done to increase private investment in these potential tourism areas. In Tanzania today, tourism is well developed in the Northern Circuit while lots of potential in the southern circuit still offer attractive areas for investment. These tourism components of the southern circuit are exceptionally strong, comprising
Three primary beach resources at: Bagamoyo, Mafia Island and the beaches south of Dar es Salaam where Peponi Luxury Resorts is located
.
The immerse wildlife resources of the Selous game reserve and Mikumi, Ruaha, Udzungwa national parks plus substantial cultural resources, including Bagamoyo, Kilwa (World Heritage Site) and Mafia.

The Government therefore encourages investment in, both privately and through joint ventures in these areas. Overall, the areas for tourism investment are as indicated below:
The sector employs around one-half million people, and is the country's most significant source of foreign currency. Yet, tourism is centered mainly in the "northern circuit" of Arusha, Mount Kilimanjaro, Tarangire National Park, Lake Manyara, the Ngorongoro Conservation Area, and the Serengeti as well as Zanzibar.

Tourism is Tanzania's largest foreign exchange earner since 2018, contributing an average of 2 billion U.S. dollars annually, which is equivalent to 25 percent of all exchange earnings, according to government data.

Tourism also contributes to more than 17 percent of the national gross domestic product (GPD), creating more than 1.5 million jobs.

15.0 Areas for Tourism Investment

15.1 Operation of Tourist Hotels and Accommodation

The Ministry of Natural Resources and Tourism recently outlined plans to add an extra 3,000 hotel rooms to cater for the spiraling popularity of holidays. The ministry is suggesting that the added capacity is needed to cope with demand. Sources confirm that Tanzania has seen its number of visitors rise from 295,000 in 1995 to 1.5 million in 2019.

Many people head to Tanzania to scale the famous Mount Kilimanjaro making it necessary for the extra accommodation to be put in place. According to the ministry, for it to reach its goal of receiving one million tourists annually with an average 12 nights stay, an additional 3,000 rooms must be made available in the short term.

The number of hotel rooms meeting international standards for tourists, guests and other visitors in Arusha was put at 1,491 by the Ministry of Natural Resources and Tourism at beginning of year 2010. The ministry maintained that this number of rooms was very low and actually did not meet the demands of guests visiting the region, which is the hub of the tourism sector for Tanzania and the venue for local and international meetings.

Dar es Salaam is also short of quality hotel rooms and is one of the main entry points for business and tourist travelers especially from within Africa and regionally.

16.0 Transportation (Air, Sea, Road Networks)

16.1 Air

The future growth of tourism in Tanzania is inextricably bound to the development of the air transport industry. Currently there are 10 international scheduled airlines coming to Tanzania. These alone, are not enough to cater for the increased demand for the international tourists.

The internal air access has been a problem in the country due to under capacity for scheduled and no-scheduled air services. However, attempts made by Government to improve the internal air access have resulted to increased domestic air transport. According to Tanzania Civil Aviation Authority (TCAA), there were about 3 scheduled and 13-chartered domestic air companies operating in Tanzania when the policy was being conceived. Still these were not enough to cater for the increased demand for tourists within the country. Again, this situation has not changed much as demand for such services appears to exceed supply.

The diversity of the country, inaccessibility especially to the southern Circuit, which has very rich in tourist attractions, makes the need of adequate and affordable air transport to tourists. More urgently, southern circuit area, that includes the Selous game reserve, Mikumi, Ruaha and Udzungwa National Parks.

Government have revived Air Tanzania and made a substantial investment to bring planes into the airline that can offer both international routes and a few targeted international routes with China being one of the most important future target markets for Tanzania.

16.2 Sea

The major port in Tanzania is Dar Es Salaam, serving the whole of East and Central Africa.

16.3 Lakes

Lakes in Tanzania are not yet fully utilized /exploited i.e. Lake Tanganyika, Lake Nyasa and Lake Victoria. Establishment of lake cruise and floating hotels; operation of sports fishing and water recreation facilities are some of the areas for investment. Development of these tourists' facilities in these areas could even attract more visitors in these new undeveloped destinations, which could as well stimulate development.

16.4 Major Road Networks

Corridor	Connection between	Length	Main purpose
Tanzam corridor	Dar es Salaam- Morogoro-Mikumi (link to Ifakara and Mahenge)-Iringa -Mafinga (with link to Mgololo)-Makambako-Mbeya (with link to Itungi Port and Malawi)-Tunduma	1,324km	Facilitate the existence & growth of economic activities in the urban & rural areas extending along it, including agriculture, tourism, mining & trade
North East corridor	Dar es Salaam-Tanga-Arusha-Namanga	950km	Provides people living in regions with an incentive to carry out economic activities, such as production of both subsistence and cash crops, promotion of tourism & mining
Southern Coastal corridor	Dar es Salaam-Lindi-Mtwara	508km	Intended to pave the way for easy communications between the regions and the rest of the country. It is also a vital link to the Oil & Gas Industry based in Mtwara
Central corridor	Morogoro-Tanyam-Dodoma-Mwanza(on Lake corridor)-Rusumo-(Rwanda border)-Kobero(Burundi border)-	1,584km	Dodoma is the centre of Government and holds Parliament. MP's travel between Dar es Salaam and Dodoma when Parliament in session. Export corridor to Burundi & Rwanda
Southern corridor	Lindi-Mtwara-Songea-(linking Makambako on the TANZAM and Mkamba Bay on Lake Nyasa)	1,326km	Promotes agricultural production including livestock and fishing, mining, free trade, and urbanisation
Great North corridor	Iringa(TANZAM corridor)-Arusha-Namanga	1,024km	Important role in increasing the country's productivity through expansion of economic activities such as agricultural schemes, mining & tourism
Western corridor	Tunduma(TANZAM corridor)-Sumbawanga-Mpanda-Uvinza-Kigoma-Nzakanazi-Nyakahura(Lake circuit corridor)	1,286km	Potential yet to be fully exploited. Economic activities along the corridor include agriculture, tourism, timberworks, fishing and gold
Mid-West corridor	Central corridor in the East to the TANZAM corridor in the South west	Unknown	Potential to be yet fully exploited

Source: United Republic of Tanzania, Ministry of Communications & Transport 2003,

17.0 Safaris / Photographic Services / Cultural Tourism Centres

The Government has set nearly twenty-five percent of land aside as Wildlife and botanical sanctuaries that enjoy a high degree of protection and management. They serve conservational, educational, scientific, cultural and recreational purposes. The provision of services relating to tourism such as safaris/ tour operation, photographic services by the private sector is encouraged.

Tanzania is a peaceful country, which can attract more conference tourism if enough of such facilities are developed and available. Investments are therefore encouraged in congress hotels and conference centres.

18.0 International Standard Hospitality and Tourism Training Institutes

The National Tourism Policy [1999], attaches importance to service delivery as a key factor for tourism to succeed; quality of service was in a recent international visitor survey singled out [by visitors] as one area that needed improvement. Employers in the industry attribute poor [non-professional] service delivery to inferior formal training.

The challenges facing the tourism industry will only be met successfully by a well-educated, well trained, bright, energetic, multilingual and entrepreneurial workforce who understand the nature of tourism and have a professional training. A high quality of professional human resources in tourism will allow enterprises to gain a competitive edge and deliver added value with their service.

The main tourism training facility is the Hotel and Tourism Training Institute (HTTI) in Dar es Salaam the only Government owned hotel institute in Tanzania. The institute still offers craft courses in Hotel related disciplines. The school is in need of repair, upgrading and improvement. However, the French Embassy in Tanzania has provided funding for construction of an ideal hospitality and tourism College. This alone cannot meet the demand of the market, since the development of tourism in Tanzania needs to go together with the improved service delivery in hospitality and tourism industry. Private investors are therefore encouraged to invest in training as well.

19. Conclusion

The development of tourism in Tanzania is a process involving all stakeholders to ensure its sustainability. Private sector is encouraged to use the investment incentives provided by the government in the country to invest more in tourism in the country. The areas discussed above need to be treated with utmost importance. Accommodation, tour operations, transportation and training are among the most important areas for investment.

Tanzania boasts of its unsurpassed natural, cultural and historical resources, which are still under-utilized. Most investors are competing for the overdeveloped Northern Circuit and few have discovered the potentiality of the Southern Circuit. The Government is calling for diversification of the tourism sector is reducing the pressure on the Northern Circuit. Private sector is therefore encouraged to invest more in the Coastal and Southern circuit either individually or in partnerships.

The Government of Tanzania has promised to continue taking required institutional measures to improve the performance of the economy and to create conducive environment for private investment in the country. It has also vowed to ensure that development and promotion of tourism is done in a sustainable manner in order to conserve and preserve our natural and cultural resources. To this end, cooperation between all players is called upon in order to develop a sustainable tourism destination.

20.0 Corporate Social Responsibility (CSR)

As part of our commitment to Corporate Social Responsibility we have made it our mission to protect the environment and reducing waste without compromising on luxury.

Rain water will be collected in storage tanks and filtered as drinking water to save on plastic bottles which currently are destroying the environment. This rain water will also be used for flushing toilets and watering the landscape gardens. Flow control devices will be connected to shower heads, taps and toilet flushes to reduce water usage.

To conserve energy electricity will be supplemented by solar panels and wind turbines.

A sewerage tank built into ground close to border but away from guest with a remote drainage pipe.

Local produce will be used wherever possible, agreements with local farmers and fishermen will be established to provide fresh organic food to the resort on a daily basis to supplement own cultivated produce.

Guests will be encouraged to respect the local communities and cultures as well as wildlife conservation and protection of the environment. The Resort plans to engage with Sea Sense to protect the coastline and assist with the turtle hatching sites near to the resort. www.seasense.co.tz

21.0 Financial Projections: Sales Revenue Year 1 – 5

Sales revenue projections for five years are based on STO rates (discounted by 30%) and average market performance experience and the company' current market research for growth possibilities and include 18% VAT payable to Government.

21.1 Financial and Economic Analysis

Projections for financial statements are based on the following assumptions:

- The project is evaluated for 5 years based on the useful life of major assets
- The implementation of the project will cost US$ 1,600,000
- Capital expenditure will be spread over a period of 5 years.
- Economic depreciation rates are based on useful life of fixed assets and capital items and pre operation expenses are depreciated at 20% annually.

21.2 Pricing

The company's pricing policy is set with the objectives of achieving profitability and growth and achieving a reasonable share of the market without necessarily pricing the company out of competition. The company will maintain a wide set of packages on offer with different terms and prices to suit different interests and also cater for regional travelers and local people wanting a high-end experience. Prices will be monitored constantly and specials introduced to ensure targets are maintained throughout the year

22.0 VAT 18% on ALL Sales

Vat 18% is included in all figures and the company has built up a Vat Refund during the build and pre-operational expenses, which, will be offset in the first year of trading. This is why in the cashflow statement there is no VAT paid in the first year.

23.0 Fixed Assets

The fixed assets schedule for the project to establish the luxury tourist resort has been shown in the attached schedules to this Business Plan.

24.0 Cost Analysis

Costs fall into two main categories of operating and administrative costs. The following is a summary of various costs during the fifth year of operation

24.1 Operating costs:

- Salaries and wages estimated at: US$ 209,905
- Motor running expense estimated at: US$ 12,500
- Utilities (water, diesel for generator + electricity bills): US$ 45,000
- Communications (postage, telephone, internet): US$ 1,484

24.2 Administrative Costs

- Insurance: US$ 104,000
- Marketing & International Travel: US$ 220,000
- Administrative Overheads: US$ 63,016
- Depreciation: estimated at US$ 130,333

25.0 Financial Statements

25.1 Income

The project's annual income at full commercial production **(10 MONTHS TRADING)** is estimated to average at US$ 1,822,800 per year for Year 1 & 2; Year 3 & 4 a 5% Income increase has been applied and in Year 5 - 10% increase applied (see table below). For projection purposes, it is assumed the resort will achieve a 25% occupancy in its first year of operating making income in year one USD$501,270 including 18% VAT. This is industry standard. Occupancy levels & income increases for income projections have been calculated as follows:

YEAR	OCCUPANCY LEVEL ESTIMATED	INCOME INCREASE
1	25%	
2	45%	
3	60%	5%
4	65%	5%
5	70%	10%

25.2 Expenditure

The expenditure items are as indicated in section 10.2 Cost Analysis for year five (5) above. They include all cost items plus depreciation and finance charges. These are listed under Annual Production Costs in the financial statements Appendix attached to this Business Plan.

26.0 Projected Cash Flows

This is shown in the financial statements. The project has a positive end of the year cash flow from year 1 of operation to the 5th year as shown hereunder. It is estimated Working Capital of USD$75,000 will be required for the first year.

1st Year	78,371.00
2nd Year	204,436.00
3rd Year	393,150.00
4th Year	569,765.00
5th Year	679,550.00

27.0 Projected Balance Sheet

The projected Balance Sheet of the project is shown in the financial statements under same heading. Net worth of the project stands at US$ 1,554,074.00 in the first year of operation. Project net worth is US$ 1,680,558.00 in the 5th year.

1st Year	1,554,074.00
2nd Year	1,521,764.00
3rd Year	1,621,844.00
4th Year	1,706,439.00
5th Year	1,680,558.00

28.0 Economic Benefits

The successful operation of the Project will contribute significant economic benefits to Tanzania. In summary the benefits which will be realized are as follows:

- Employment opportunities, for at least 35 local permanent staff; at full commercial production.

- Other staff may be recruited on a temporary basis when need for them arises. It is anticipated only 3-4 Expatriates will be required.

- Provision of income to other service providers locally, thus contributing to the reduction of poverty in our local vicinity. The income to be earned will help in improving standard of living of the workers and other people residing in the nearby villages.

- The direct income for the workers, combined with other social benefits that the Management of M/s Peponi Luxury Resorts Limited will provide, will help in overall efforts of alleviation of poverty in the Region.

- The Government earns considerable revenue from the tourism sector in terms of tax collections.
- This project will facilitate the increase of foreign exchange earnings through service provision as most of the tourists to be served will be foreigners.

29.0 Financial Recommendations

The project is technically feasible, financially and economically viable and environmentally friendly. The project is estimated to be complete by July, 2020 and will Officially Open in August, 2020.

Whilst this Business Plan has used very conservative figures in ALL projections, it is hoped that the Resort will enjoy a better than 25% occupancy level in its first year and to help ensure this happens extra resources have been allocated to marketing and International Travel.

It is not anticipated that the project will exceed USD$1.6 million, in fact it is hoped to come in under the final projections, as savings have been made on purchasing direct from factories located in China and Asia.

29.1 Income & Expenditure Statement Projection

INCOME & EXPENDITURE STATEMENT PROJECTION

	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR5 USD
Sales Revenue	424,805	764,649	1,070,509	1,159,718	1,311,373
Cost of Sales	125,013	225,023	326,826	354,062	414,121
Gross Profit	**299,792**	**539,626**	**743,683**	**805,656**	**897,252**
Operating Expenses:					
Administrative Overhead Costs	33,332	55,378	107,735	115,372	163,016
Motor Vehicle Running Costs	1,747	5,000	7,500	10,000	12,500
Salaries and Wages	137,370	142,370	163,825	165,625	178,956
Medical/Pension Contribution	13,737	14,237	16,383	16,563	17,896
Skills & Development Levy	6,182	6,407	7,372	7,453	8,053
De preciation	180,000	158,375	138,634	122,020	130,333
Marketing Costs	140,000	80,000	120,000	140,000	120,000
Utility Costs	6,000	15,000	30,000	40,000	45,000
Insurance	26,310	42,500	63,000	78,500	104,000
Communication	590	1,170	1,346	1,412	1,484
Staff Housing	872	1,500	2,500	3,500	5,000
Total Expenses	**546,140**	**521,937**	**658,295**	**700,445**	**786,238**
Profit Before Tax(Loss)	(246,348)	17,689	85,388	105,211	111,014
Corporate Tax (30%)		5,307	25,616	31,563	33,304
Profit After Tax		12,382	59,772	73,648	77,710

29.2 Balance Sheet Projected

PROJECTED BALANCE SHEET					
ASSETS	**YR 1 USD**	**YR 2 USD**	**YR 3 USD**	**YR 4 USD**	**YR5 USD**
Fixed Assets					
Land	55,703	55,703	55,703	55,703	55,703
Building & Civil Works	800,000	760,000	722,000	685,900	619,025
Furniture, Fixtures & Fittings	300,000	262,500	273,438	265,508	222,420
Motor Vehicles	100,000	75,000	56,250	42,188	98,730
Tools & Equipment	50,000	43.750	38,281	33,496	25,646
Computer Hardware	10,000	8,750	7,656	6,699	5,129
Pre-Operational Expenses	340,000	270,000	214,000	169,200	104,688
Accumulated Depreciation	180,000	158,375	138,634	122,020	130,333
Total Fixed Assets	**1,475,703**	**1,317,328**	**1228,694**	**1,136,674**	**1,001,008**
Current Assets					
Bank & Cash	78,371	204,436	393,150	569,765	679,550
Total Current Assets	**78,371**	**204,436**	**393,150**	**569,765**	**679,550**
TOTAL ASSETS	**1,479,074**	**1,521,764**	**1,621,844**	**1,706,439**	**1,680,558**
LIABILITIES					
Current Liabilities					
Director's Loan Account	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Vat Control Account		13,764	19,769	22,716	23,605
Corporate Tax Payable		12,382	59,771	73,648	77,710
TOTAL LIABILITIES	**1,600,000**	**1,626,146**	**1,679,540**	**1,696,364**	**1,701,315**
SHAREHOLDER'S EQUITY	**1,600,000**	**1,626,146**	**1,679,540**	**1,696,364**	**1,701,315**
TOTAL LIABILITIES & NET WORTH	**1,479,074**	**1,521,764**	**1,621,844**	**1,706,439**	**1,680,558**

29.3 Cashflow Projection

CASH FLOW PROJECTION					
	YR 1 USD	**YR 2 USD**	**YR 3 USD**	**YR 4 USD**	**YR5 USD**
Receipts					
Accommodation	208,220	374,797	524,715	568,262	642,573
Food & Beverage (F&B)	216,585	389,853	545,793	591,456	668,801
VAT 18%	69,719	131,618	191,687	224,214	235,158
Depreciation	180,000	158,375	138,634	122,020	130,333
TOTAL RECEIPTS	**674,524**	**1,054,643**	**1,400,829**	**1,505,952**	**1,676,865**
Payments					
Fixed Assets Purchased		50,000	30,000	25,000	100,000
VAT paid***		131,618	191,687	224,214	235,158
Accomodation Purchases	12,285	22,113	29,484	31,941	34,398
F & B Purchases	112,728	202,910	297,342	322,121	379,723
Operating Expenses	526,221	501,293	634,540	676,429	760,289
Corporation Tax			5,307	25,616	31,563
Skills Development Levy	6,182	6,407	7,372	7,453	8,053
Medical/Pension	13,737	14,237	16,383	16,565	17,896
TOTAL PAYMENTS	**671,153**	**928,578**	**1,212,115**	**1,329,339**	**1,567,080**
Cashflow Surplus/ Deficit (-)	3,371	126,065	188,714	176,615	109,785
Opening Cash Balance	75,000	78,371	204,436	393,150	569,765
Closing Cash Balance	**78,371**	**204,436**	**393,150**	**569,765**	**679,550**

Vat paid *** No VAT payable first year as project has VAT refund due to building and pre-operational expenses

SCHEDULE 1

REVENUE PROJECTION					
PRODUCTS	**YR 1 USD**	**YR 2 USD**	**YR 3 USD**	**YR 4 USD**	**YR5 USD**
Accommodation	245,700	442,260	619,164	670,549	758,236
Food & Beverage Sales	255,570	460,026	644,036	697,918	789,185
Less VAT 18%	(76,465)	(137,637)	(192,692)	(208,749)	(236,047)
TOTAL	**214,805**	**764,649**	**1,070,508**	**1,159,718**	**1,311,374**

SCHEDULE 2

OTHER OPERATING COST					
OTHER OPERATING COST	**YR 1 USD**	**YR 2 USD**	**YR 3 USD**	**YR 4 USD**	**YR5 USD**
Motor Vehicle Running Expenses	1,747	5,000	7,500	10,000	12,500
Salaries and Wages	137,370	142,370	163,825	165,625	178,956
Medical/Pension Contributions	13,737	14,237	16,383	16,563	17,896
Skills & Development Levy	6,182	6,407	7,372	7,453	8,053
Depreciation	180,000	158,375	138,634	122,020	130,333
Administrative Overhead Costs	33,332	55,378	107,735	115,372	163,016
Marketing Costs	140,000	80,000	120,000	140,000	120,000
Utility costs	6,000	15,000	30,000	40,000	45,000
Insurance	26,310	42,500	63,000	78,500	104,000
Staff Housing	873	1,500	2,500	3,500	5,000
Communication	590	1,170	1,346	1,413	1,484
Total Costs	**546,141**	**521,937**	**658,295**	**700,446**	**786,238**

SCHEDULE 3

COST STRUCTURE	
PARTICULAR	**AMOUNT USD**
Land and Buildings	855,703
Machinery, Tools & Equipment	50,000
Motor Vehicles	100,000
Furniture, Fixtures & Fittings	300,000
Pre Operations Expenditure	340,000
Computer Hardware	10,000
Working Capital	
TOTAL	**1,655,703**

SCHEDULE 4

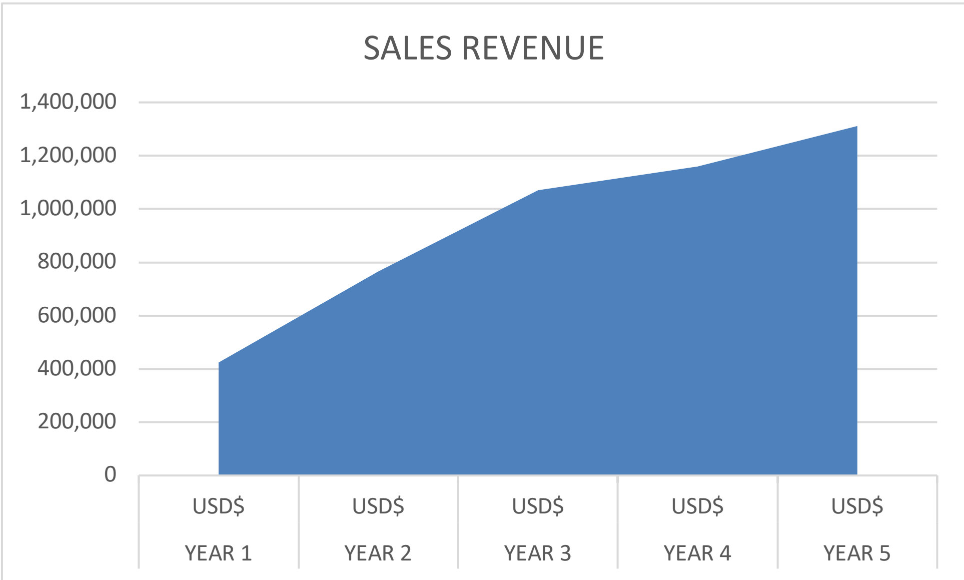
FIXED ASSETS					
NAME OF ASSETS	**YR 1 USD**	**YR 2 USD**	**YR 3 USD**	**YR 4 USD**	**YR5 USD**
Land	55,703	55,703	55,703	55,703	55,703
Buildings & Civil Works	800,000	760,000	722,000	685,900	619,025
Machinery, Tools & Equipment	50,000	43,750	38,281	33,496	25,646
Motor Vehicles	100,000	75,000	56,250	42,187	98,730
Furniture, Fixtures & Fittings	300,000	262,500	273,438	265,508	222,420
Computer Hardware	10,000	8,750	7,656	6,699	5,129
Pre-operation Expenses	340,000	270,000	214,000	169,200	104,688
TOTAL	**1,655,703**	**1,475,703**	**1,367,328**	**1,258,694**	**1,131,341**
DEPRECIATION	**USD**	**USD**	**USD**	**USD**	**USD**
Buildings & Civil Works	40,000	38,000	36,100	34,295	32,580
Machinery, Tools & Equipment	6,250	5,469	4,785	4,187	3,664
Motor Vehicles	25,000	18,750	14,063	10,547	32,910
Furniture, Fixtures & Fittings	37,500	39,063	37,930	36,314	31,774
Computer Hardware	1,250	1,094	957	837	733
Pre-operational Expenses	70,000	56,000	44,800	35,840	28,672
ANNUAL DEPRECIATION	**180,000**	**158,376**	**138,635**	**122,020**	**130,333**

SCHEDULE 5

SALARIES & WAGES				
EMPLOYEE DESIGNATION	NO.	SALARY PER MONTH	SUBTOTAL MONTHLY SALARY	ANNUAL GROSS SALARY
Managing Director	1	2,500	2,500	30,000
Executive Chef	1	2,500	2,500	30,000
Finance and Admin. Manager	1	1000	1000	12,000
Accountant	1	250	250	3,000
Guest Relations Manager	1	292	292	3,500
F& B Supervisor	1	188	188	2,250
Sous Chefs	2	188	375	4,500
Kitchen Assistants	2	67	133	1,600
Waiters	5	125	625	7,500
Barmen	2	188	375	4,500
Housekeepers	4	92	367	4,400
Laundry Attendent	2	92	184	2,200
Public Area Cleaners	4	92	367	4,400
Head Gardner	1	150	150	1,800
Gardeners	3	110	330	3,960
Pool Attendent	1	110	110	1,320
Pot Washers	2	67	133	1,600
Security Guards	4	80	320	3,840
Salaries Contingency		2,083	2,083	25,000
TOTAL USD $	**38**	**7,137**	**12,282**	**137,370**

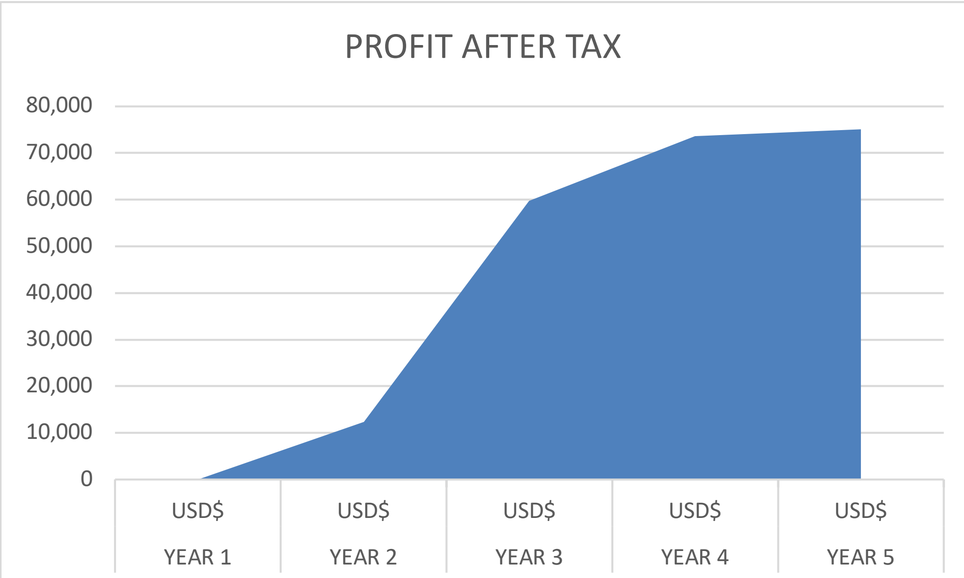
SCHEDULE 6

SALES REVENUE PROJECTION					
	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR5 USD
Sales Revenue	424,805	764,649	1,070,509	1,159,718	1,311,373



SCHEDULE 7

PROFIT AFTER TAX PROJECTION					
	YR 1 USD	**YR 2 USD**	**YR 3 USD**	**YR 4 USD**	**YR5 USD**
Profit After Tax		12,382	59,771	73,648	75,096



SCHEDULE 8

CASH FLOW AT END OF YEAR PROJECTION					
	YR 1 USD	**YR 2 USD**	**YR 3 USD**	**YR 4 USD**	**YR5 USD**
Cashflow at End of Year	78,371	204,436	393,150	569,765	679,550