

Business Plan

Proposed
MAKOMA IMPERIAL LODGE
Safari Lodge Services

Makoma Hills,
Serengeti National Park,
TANZANIA

Presented by:

Imperial Investments Limited,
Plot No. 2006/93,
Morogoro Road/Indra Gandhi Street,
Tetex House
P.O.Box 20660,
Dar-es-salaam,
TANZANIA

Tel: +255 222 122 830
Fax: +255 222 126 833

January, 2024

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Imperial Investment Limited**

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MAKOMA IMPERIAL LODGE

Project Summary

The Business	Five Star Safari Lodge Facilities and Tour Operation																																																																																																																																																																																		
Project Activities	(i) Accommodation services (ii) Lodge Auxiliary Services (iii) Safari Game Drives																																																																																																																																																																																		
Project Size	50-suite lodge, 100 beds																																																																																																																																																																																		
Promoter	Imperial Investment Limited – Tanzania’s limited liability company																																																																																																																																																																																		
Project Location	MAKOMA HILLS, Serengeti National Park, TANZANIA																																																																																																																																																																																		
Project Concept	Establishment of a Luxury Safari Lodge for Tourists																																																																																																																																																																																		
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ANNEXES

1. Background

1.1 Introduction

IMPERIAL INVESTMENT LIMITED is a Tanzania registered private limited liability company established to carry on the business of hotelier and ancillary businesses including hotels, safari lodges, tourist operators and other related businesses.

IMPERIAL INVESTMENT LTD is intending to develop a prestigious Five Star safari lodge located in the rolling slopes of MAKOMA HILLS, within the famous Serengeti National Park area in northern Tanzania. The lodge will incorporate the natural environment with traditional and modern architectural styles. The lodge will go by the brand name – MAKOMA IMPERIAL LODGE.

1.2 The Project

MAKOMA IMPERIAL LODGE will be a luxurious, 50 suite lodge with 100-beds capacity situated on the slopes of MAKOMA HILLS. The lodge will be a perfect hideaway destination for the most desired safari adventures, offering luxury, comfort and absolute tranquillity with a mixture of romance and wildlife.

MAKOMA Hills is a prominent site within the Serengeti National Park that forms the western edge of the wildlife packed Seronera Valley. The Proposed site is on the lower slopes of Makoma hills, and the site layout has been carefully planned to achieve a perfect blend with the natural environment and to obtain uninterrupted, breath-taking views of the great Serengeti plains while not disturbing the wildlife movement.

1.3 Tourist Facilities

The lodge complex, built into the Makoma slopes, will include elegant, open air villas and suites, a spacious common area and event space, an indoor bar and 5 star restaurant, a terrace lounge and other supporting facilities. The lodge will provide private Safari game drive services to guests.

The lodge will incorporate a leisure-health concept, and will offer sport and wellness facilities including a gymnasium, swimming pool and spa.

The luxury Lodge, expected to have its soft-opening within a 24-month period, will develop lodge infrastructure that will provide accommodation services, meeting and event services and other hotel auxiliary services. The project will further develop staff houses and dining quarters, sports and conference facilities, service buildings, and support facilities including furniture and equipment, water and electricity, and motor vehicles.

Upon completion, the Lodge will offer accommodation services in 50-luxurious suites with 100-beds capacity, tour operation services and other auxiliary services as well as in house evening and full day game drives with our fleet of cars and expert wildlife guides.

1.4 The Proposal

The shareholders of IMPERIAL INVESTMENT LTD intend for the luxury safari lodge is to become a highly coveted tourist destination with state-of-the-art, modern Lodge facilities and auxiliary services and game drive safari offerings.

The proposed investment will entail buildings construction, procurement of hotel furniture and equipment, safari game drive motor vehicles and other facilities. The design and construction work will be overseen by a highly accredited international hotel management consulting company. The promoters will enter into a management contract with the international hotel management company for the operation of the lodge.

The project promoters strongly believe in the mutual benefit of private sector investments in Tanzania's tourism industry, and that with good management in place, the project will have positive and long-term returns to the investors and to Tanzania in terms of tourism revenues. Further, the promoters are interested in supporting the promotion of Tourism in Tanzania. The promoters recognize the shortage of hotel beds in Tanzania and aim to help reduce this shortage and bring in more tourists through the design and construction of the luxury five-star safari lodge.

2. Executive Summary

2.1 Introduction

- IMPERIAL INVESTMENT LTD is a private limited liability company registered in Tanzania with the objective of, among other things, to carry on the business of hotel establishment and management.
- The company is an associate of a Dar-es-salaam-based MeTL Group of companies, and is owned by Tanzanian nationals, notably President Mohammed Dewji.



2.2 The Project Concept

- The establishment of MAKOMA IMPERIAL LODGE will involve development of the following luxurious lodge facilities:
 - (i) 50 Guest Room accommodations that will provide for the following:
 - ✓ Two Presidential Villas with six beds capacity.
 - ✓ Five Family Suites with four beds capacity each.
 - ✓ Fifteen Luxury Suites with three beds capacity each.
 - ✓ Twenty-five Standard Luxury Suites with two beds capacity each.
 - (ii) Restaurant Building with Indoor Bar – this provides for the kitchen, cold room facility, store and other kitchen facilities as well as well-furnished and spacious restaurant and bar.
 - (iii) Administration Building – this provides for the Reception, Souvenir shop, Business Centre, Data room, Manager Room.
 - (iv) Terrace – this provides for a large outdoor terrace overlooking the migration path, used for guest recreation, relaxation and outdoor food and beverage offerings
 - (v) Housekeeping Building – this provides for laundry facilities, dry stores, sick-bay, manager room.

- (vi) Staff quarters – these include 2-twin manager houses to accommodate 4-people; 4-senior houses for 8-people; and 12-junior houses for 24-people.
- (vii) Sports facilities – these include swimming pool, gym and spa.
- (viii) Other external works included
 - Perimeter wall, water and electricity connections and installations, inner roads and pavements and gardening.
 - Other amenities buildings such as generator house, pump house, block fence, and staff canteen building.
 - Other external works which include inner roads, parking lot for motor vehicles, landscaping and other external works.
 - Utilities connections and installations – these entails water infrastructure including water borehole and water storage tanks; electricity connections, sewerage system; and telephone connections.
 - Facilities procurement – the procurement of motor vehicles for tour operation; conference facilities, equipment for the guest rooms, staff house equipment and furniture, outdoor furniture, kitchen and dining equipment.

The lodge will utilize high quality, luxurious hotel equipment and furnishings of a five-star equivalent hotel.

2.3 Investment and Financing Plan

- The physical assets include buildings and external works, hotel equipment and furniture, and other support facilities.
- The project working capital of USD 1.0 million will be required in the third year of the project.
- External financing in the form of long-term loan will sought to part-finance about 40% of the capital cost.
- Shareholders' equity will finance 60% of the capital expenditure.

Investment & Financing Plan			
	Amount in USD '000'		
	Year 1	Year 2	Total
Project Investments			
Physical Assets	11,731	10,489	22,221
Pre-Operating xpenses	1,800	1,127	2,927
Working Capital	-	-	-
Total Investment	13,531	11,616	25,147
Project Financing			
Equity			
Ordinary Share Capital	-	-	-
Shareholders' funds	7,031	8,116	15,147
Sub-total	7,031	8,116	15,147
External Financing			
Long-term Loan 1	6,500	0	6,500
Long-term Loan 2	0	3,500	3,500
Short-term Loans	-	-	-
Sub-total	6,500	3,500	10,000
Total Financing	13,531	11,616	25,147
Exposure			
Equity	52%	70%	60%
External Financing	48%	30%	40%
Total	100%	100%	100%

2.4 The Market

- MAKOMA IMPERIAL LODGE is situated at the heart of wildlife tourism in Tanzania. Currently, Tanzania's marketed tourist assets are of sufficient calibre to guarantee a continuation of international tourism demand for the foreseeable future. Serengeti, Lake Manyara and Tarangire National Parks and the Ngorongoro Conservation Area are world class tourist assets that are featured by tour operators worldwide.
- The main target market of MAKOMA IMPERIAL LODGE is largely foreign tourists from countries such as Europe, North America, South Africa and other visitors on short-term assignments from around the world. The project also targets the domestic tourist market.

2.5 Financial and Economic Viability

- The overall analysis of the project profitability indicates that the tourist lodge is a profitable undertaking with 36% to 60% capacity utilisation.
- With projected annual revenues of USD 8.6 million in Year-2 of operation, the project is projected to generate 15% net margins increasing to 37% in the 10th year as summarised below:

Project Performance Indicators		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Room Occupancy Rates	%	0%	0%	25%	32%	39%	46%	49%	51%	54%	56%
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Gross Margins	%	-	-	62%	61%	59%	59%	59%	59%	58%	59%
EBITDA Margins	%	-	-	59%	57%	56%	56%	56%	55%	55%	56%
NET Margins	%	-	-	15%	21%	25%	29%	30%	35%	36%	37%
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Net Present Value (NPV)	9,652 USD '000'										
Internal Rate of Return (IRR)	12.5% Percentage										
Average Return on Investment	17.6% Percentage										
Payback Period	5 Years										

- The hotel is projected to yield an Internal Rate of Return (IRR) of 12.6% and positive Net Present Value (NPV). The project is expected to provide employment to over 400 people in the direct and indirect employment.

2.6 Conclusion and Recommendations

- The project analysis indicates that the project is technically and financially feasible. In view of the project analysis, the promoters may undertake the project, and find external sources of finance to participate in the co-financing and management of the project.

3. About the Project Promoters

3.1 The Company Legal Status

- The proposed project will be implemented by IMPERIAL INVESTMENTS LTD, a private limited liability company registered in Tanzania. The company's main business objective is to establish and manage hotel business and tourism auxiliary services, such as game drives.
- The company has a Certificate of Incorporation, and is dully registered with the Tanzania Revenues Authority (TRA).

3.2 The Company Ownership

- MeTL Group, parent company to IMPERIAL INVESTMENTS LTD, is a family run and operated Tanzanian multinational conglomerate with President and Chief Executive Officer as Tanzanian national Mohammed Dewji.
- IMPERIAL INVESTMENT LTD is owned by three Tanzanian nationals whose shares are distributed as follows:

Shareholders' name	Shares Owned (%)	Nationality
Dixita Mohammed Gulamabbas Dewji	50%	Tanzanian
Gulamabbas Hassanali Fazal Dewji	40%	Tanzanian
Hassan Gulamabbas Dewji	10%	Tanzanian
Total	100%	

3.3 The Company Business

- IMPERIAL INVESTMENT LTD envisions becoming an international tourist company with investment in hotels and tourist recreational centres in East Africa. Presently, the company owns and manages real estate property in Dar-es-salaam, Tanzania and Zanzibar.

4. MeTL Group

4.1 Introduction

- MeTL Group, parent company to associate IMPERIAL INVESTMENT LTD, is one of Africa’s largest and most successful multinational conglomerates, operating in over 35 industries across 5 countries and employing over 34,800 people. MeTL Group contributes around 3.3% of Tanzania’s Gross Domestic Product.
- MeTL Group’s investments deal in a wide range of products, services and sectors that touch lives of a majority of Tanzanians and of millions across Africa. Investments are in agriculture, manufacturing, automotive, food and beverage, energy, transport and logistics, financial services, communication services, infrastructure, Real Estate and trading.

4.2 Group History

- MeTL Group, with a total of 34,800 employees (FY2020), originated in the early 1970’s when Mr. Gulam Dewji, founder and Chairman of MeTL Group, established Mohammed Enterprises Tanzania Ltd (“MeTL”). Initially, it was a mere trading house, which ventured into local trading and later into the import and export of consumer goods.
- In 1998, MeTL identified opportunities in new economic sectors. Major investments began, specifically, in the agriculture and manufacturing sectors. The Group’s fifty-years of presence in the market, identifies itself with vertical integration in six core sectors of the economy:

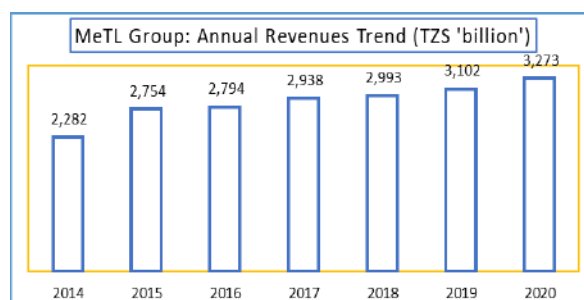
Trade	Agriculture	Manufacturing	Transport & logistics	Energy	Financial Services
• 1	• 2	• 3	• 4	• 5	• 6

- MeTL Group’s President, Mr. Mohammed Dewji, is an impact investor who has prioritized the sustainable development of Tanzania in his business ventures. Since assuming role of President of MeTL Group, he has ensured that the growth of MeTL Group contributes to the productive growth of Tanzania’s economy. He has focused on industries that create employment and skills training at every level, committing to large ventures in agriculture and manufacturing.

- Mohammed Dewji is also a public figure in Tanzania and in the International community, and has used his platform to market Tanzania and Zanzibar as prime tourism and investment destinations. In meetings with international investors, speaking engagements around the world, magazine and television interviews and other public relations occurrences, Mohammed Dewji has served as an ambassador of Tanzania and Zanzibar to the international community, working hard to attract foreign direct investment and tourists.
- Mohammed Dewji, also, firmly believes that it is the responsibility of businesses to give back to their communities. Committed to philanthropy, in 2015 Mohamed Dewji founded the Mo Dewji Foundation, which supports development projects in health, education and sanitation in Tanzania and Zanzibar. Mohammed Dewji also signed the Giving Pledge in 2016, through which he has committed more than half of his personal wealth to philanthropy and giving back to his communities in Tanzania and Zanzibar.

4.3 Group Performance

- MeTL Group's revenues growth from 2014 to 2020 averages 6.4%.
- The growth is entrenched in the Group's strategy to capture opportunities in the important sectors of the economy and to focus on basic consumer goods.



4.4 Associate Companies

- In Tanzania, besides Imperial Investment Ltd, MeTL Group has Twenty-two (22) associate companies involved in eight (8) major sectors of the economy with varying sub-sectors and economic activities.
- Additionally, there are associate companies in Mozambique, Rwanda, Uganda, Malawi, and the Kenya (DRC).
- MeTL Group's 22-associate companies which are registered in Tanzania and their respective economic activities are as presented below:

MeTL Group

MeTL Group's Associate Companies (Year 2020) in Tanzania

Sector	Sub-sector	Products/Services Category	Company
1 Manufacturing Industry	Textiles Industry	Textiles Products	1 21st Century Textiles Ltd
		Textiles Products	2 Afritex Ltd
		Textiles Products	3 MARA Textiles Mills
	Cotton Ginning Industry	Cotton Lint	4 MeTL Ginning Co. Ltd
	Beverages	Beverages (soft drinks)	5 AONE Products & Bottlers Ltd
	Edible Oil & Soap Industry	Edible Oil, Laundry soap & Toilet soap	6 East Coast Oil & Fats Ltd
			7 Royal Soap & Detergent Industries Ltd
Assembling Industry	Bicycle/tricycle	8 National Bicycle Co. Ltd	
2 Agro-Processing Industry	Food Processing	Wheat & Maize products	9 21st Century Food & Packaging
		Wheat & Maize products	10 Agro-Processing & Allied Products Ltd
	Sisal Industry	sisal bags	11 TPM (1998) Ltd
sisal yarn products		12 21st Century Holdings Ltd	
3 Energy	Petroleum Products	Diesel & Petrol products	13 STAR OILS (T) Ltd
4 Trading	Export/import Trading	Agricultural Crops & Industrial materials imports	14 Tanzania Commodities Trading Co. Ltd
	Wholesale Trading	Merchandise trading	15 Mohammed Enterprises (T) Ltd
	Import Trading	Motor Vehicles & Motor Cycles	16 Maisha Tanzania Ltd
	Import Trading	Trading of Agricultural Inputs	17 MeTL AGRO Ltd
5 Agriculture (Commercial)	Plantations	Sisal & Tea estates	Mohammed Enterprises (T) Ltd
6 Infrastructure	Liquid storage Infrastructure	Liquid storage services	18 East Coast Liquid Storage Ltd
7 Transport & Communication	Telecommunication	Air-time for mobile telephone	19 ZEFONA CELLINES LTD
	Road Transport & Logistics	Cargo transport & logistics services	20 Glenrich Transportation Co. Ltd
8 Real Estate	Commercial real estate	Office & residential real estate property	21 Khakhi Complex Limited
		Industrial Land	22 FM FAM Company Ltd

5. The Project Concept

5.1 Introduction

- IMPERIAL INVESTMENT LTD is planning to develop a five-star safari lodge. The shareholders aim to accomplish their vision by establishing a dynamic, high-end lodge that will provide the full range of luxury tourist services, with top tier accommodation, food and beverage offerings, health and wellness and wildlife safari activities.

5.2 The Concept

- The project concept entails construction of luxurious tourist lodge infrastructure and procurement of support facilities including furniture and fixtures, hotel equipment, office equipment, motor vehicles, pre-operating expenses and additional working capital.
- The infrastructure works include buildings and external works and utilities connections and installations that will provide for high quality lodge facilities. The envisaged tourist lodge will have the following facilities:
 - 50-Guest Room Accommodations that will provide for the following:
 - Two Presidential villas with six beds capacity.
 - Five Family Suites with four beds capacity each.
 - Fifteen Luxury Suites with three beds capacity each.
 - Twenty-five Standard Luxury Suites with two beds capacity each.
 - Event & Conference multipurpose Building – this provides for Multipurpose space with 100-seats capacity for week-end retreat and seminars and also as a general guest relaxation space. It will also serve as a business centre, as it will be equipped with computers, computer accessories and high speed internet connection
 - Restaurant Building with indoor bar – this provides for the kitchen, cold room facility, store and other kitchen facilities as well as well-furnished and spacious restaurant and bar.
 - Health, wellness and sports facilities – these include swimming pool, gym and spa.
 - Facilities procurement – the procurement of motor vehicles for tour operation.

6. Facilities Developments

6.1 Introduction

- IMPERIAL INVESTMENT LTD will invest in a luxurious tourist lodge. The lodge is located in the Northern region of Tanzania.
- The project aims to establish a world-class tourist lodge that will offer the most pleasant and attractive accommodation facilities, restaurant and bar services, conference and meeting facilities, wildlife tourism activities and other recreational facilities.

6.2 Proposed Development

- The project implementation will eventually lead to the development of a full-fledged luxurious lodge where the activities will involve the following facilities:

(i) Construction of buildings and civil works which will include:

- Lodge rooms –
 - This will entail construction of spacious 50-guestroom suites that will comprise of the following:
 - Two Presidential Villas with six beds capacity.
 - Five Family Suites with four beds capacity each.
 - Fifteen Luxury Suites with three beds capacity each.
 - Twenty-five Standard Luxury Suites with two beds capacity each.
- Lodge Auxiliary service building –
 - This entails construction of modern restaurant and bar facilities. The building will accommodate the kitchen, cold room storage facility, dry room stores and other amenities.
- Event & Conference building –
 - This entails building construction to provide for conference and meeting facilities where the conference hall will be designed to have capacity to accommodate up to 100-people.

- Administration building –
 - This will accommodate the reception, the lounge, luggage area, gift shops, administration offices, business centre and other amenities.

- House-keeping building –
 - The building will accommodate the laundry unit, sick-bay, staff changing rooms, dry stores, data centre, and office rooms for senior staff.

- Sports facilities –
 - This entails construction of swimming pool and other sports facilities such as gym and spa, and playing area.

- Staff housing –
 - The project will construct Staff houses comprising of Junior staff quarters, Senior staff quarters, and managers houses. The project will also construct staff canteen and resting room building.

- External Works –
 - These include construction of the lodge perimeter wall to provide secure fencing of the lodge facilities; inner-roads and pavements, running roadways, ample parking space.
 - Other works will include gardening and trees planting and extensive landscaping to make the lodge surrounding more attractive of comparable to international attractive hotels in the world.

(ii) Procurement and installation of the following lodge facilities

- Utilities –
 - These include electricity connection and installations including standby electric generators; water connections including boreholes and water tanks; and sewerage systems construction.

- Equipment –
 - This entails procurement of bedroom equipment, office equipment, kitchen and dining equipment, laundry equipment, restaurant and bar equipment, conference and meeting equipment, presentation equipment, gardening equipment and other equipment.

- Furniture and fixtures –
 - This entail procurement of furniture and fixtures for the outdoor, bedrooms, kitchen, restaurant, bar, conference, staff houses, offices, and other lodge furniture and fixtures.

- Motor vehicles –
 - The motor vehicles will be procured for lodge use including senior manager motor vehicle, staff vehicles, tourist vehicle, supply van.

- Initial working capital –
 - The project will entail mobilisation of the initial working capital to finance initial operating costs including administrative costs and the direct operating costs of the project.

- The hotel facilities will meet international standards of a luxurious lodge. The facilities have been designed and will be supervised by the hotel management company with the view of developing the facilities that meet the requirements of a top-class luxurious hotel.

7. Project Investment Costs

7.1 Introduction

- MAKOMA IMPERIAL LODGE will be designed to be a world-class luxurious lodge with a high level of investment. The investments in the project include the land, buildings and civil works, lodge equipment and other support facilities.

7.2 Investments Costs

- The project will be implemented in a period not exceeding 24-month. The major cost component of the project will be on the buildings and civil works which will account for about 60% of the total capital expenditure.
- The project is estimated to cost USD 25.1 million on capital expenditure that include buildings, lodge equipment and other support facilities as summarised below:

Investment Plan			
Amount in US Dollar			
	Year 1	Year 2	Total
Exchange Rate: TZS/USD	2,350	2,350	
Land & Land Development	-	-	-
Buildings & Civil Works	9,180,000	6,120,000	15,300,000
Equipment & Installation	798,000	342,000	1,140,000
Utilities	1,290,000	860,000	2,150,000
Motor Vehicles	240,000	960,000	1,200,000
Hotel Furniture, Fittings & equipment	223,260	2,009,340	2,232,600
Office Furniture & Equipment	-	198,000	198,000
Physical Assets	11,731,260	10,489,340	22,220,600
Pre-operating expenses			
Administrative Costs	719,958	321,500	1,041,458
Finance Costs	1,079,937	805,200	1,885,137
Pre-operating expenses	1,799,895	1,126,700	2,926,595
Total capital costs	13,531,155	11,616,040	25,147,195
Working Capital	-	-	-
Total Investment	13,531,155	11,616,040	25,147,195

- The project will, further, require working capital at the start of the project operation. The initial working capital is estimated at USD 1.0 million.

8. Proposed Financing Approach

8.1 Introduction

- The shareholders of MAKOMA IMPERIAL LODGE are planning to finance the proposed project through their own equity and external loan financing.
- With the intent to complete the project, the shareholders are seeking for long-term loan facilities, preferably with a tenure of 8-years with one-year of grace.

7.2 Project Financing

- The company is seeking a term-loan to a tune of USD 10.0 million which will be used to finance the following:
 - Construction works of the buildings and civil works
 - Utilities including electricity, water connections and installations.
- The proposed financing plan is as summarised below:

Financing Plan			
Amount in US Dollar			
	Additional Financing		
	Year 1	Year 2	Total
Exchange Rate: TZS/USD	2,350	2,350	2,350
Equity Financing			
Ordinary Share Capital	-	-	-
Shareholders' funds	7,031,155	8,116,040.00	15,147,195
Retained Earnings	-	-	-
Valuation Reserves	-	-	-
Total Equity	7,031,155	8,116,040	15,147,195
External Financing			
Long-Term Loans			
Long-term Loan 1	6,500,000	-	6,500,000
Long-term Loan 2	-	3,500,000	3,500,000
Short-term Loans			
Short-term Loans	-	-	-
Creditors & Payables	-	-	-
Total External Financing	6,500,000	3,500,000	10,000,000
Total Financing	13,531,155	11,616,040	25,147,195
Exposure			
Equity Financing	52%	70%	60%
External Financing	48%	30%	40%
Total Financing	100%	100%	100%

- The shareholders will mobilise for working capital funds to finance the operating expenses of the project.

9. Tanzania's Business Environment

9.1 Overview

- According to The Economist Intelligence Unit, Tanzania's economic growth has averaged 7% per year over the previous 10-Years, real GDP growth will moderate in 2018/2022, to a yearly average of 5.4%.
- Nevertheless, Tanzania's growth trend will remain above that of most of its peers in East Africa, with the service sector (driven by travel and tourism) set to remain the main engine of growth.



9.2 Socio-Economic Development

- Tanzania is among the poorest countries in the world. The country's socio-economic indicators since 2013 are as summarised below:

Tanzania: Selected Key Economic Indicators							
Year	2013	2014	2015	2016	2017	2018	2019
	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast
GDP							
Nominal GDP (USD million)	44,413	48,219	45,667	47,653	50,837	52,459	53,918
Real GDP growth (%)	7.3	6.9	7.0	7.0	6.4	5.5	5.2
Expenditure on GDP (% Real Change)							
Private Consumption	8.4	4.5	1.4	16.7	8.9	5.9	5.3
Government Consumption	18.1	-0.5	-0.4	12.3	8.8	7	5.5
Gross Fixed Investment	4.5	12.8	10.6	12.4	6	5	7.2
Exports of goods & services	0.6	17.7	23.3	-11.7	9.2	7.3	4.6
Imports of goods & services	11	2.9	-6	1.6	8.9	7	5.6
Population & Income							
Population (million)	50.6	52.2	53.9	55.6	57.3	59.1	60.9
GDP per capita (USD at PPP)	2,328	2,457	2,580	2,710	2,845	2,979	3,089
Prices & Financial Indicators							
Exchange Rate TZS: USD (end-period)	1,574	1,726	2,149	2,173	2,230	2,442	2,633
Lending Interest Rate (av. %)	15.9	16.3	16.1	16	17	17.1	17.4

Source: Economist Intelligence Unit, Tanzania Country Report, January 2018

9.3 Population

- With 947,300 square kilometres of land, Tanzania is the 31st largest country in the world and the 14th largest in Africa.
- Tanzania is estimated to have a population of over 50 million people and has one of the highest birth rates in the world and more than 44% of the population is under the age of 15. The total fertility rate is 5.01 children born per woman, which is the 18th highest of any country.
- Tanzania has a very low median age with more than 44.8% of the population under 15, 52% between 15 and 64 and just 3.1% over the age of 64.

9.4 Urbanisation

- A review of Tanzania's population growth, internal migration and urbanisation for the past five-post Independence Census (1967, 1978, 1988, 2002 and 2012) provides a good highlight of urbanisation in the country.

Tanzania (Mainland): Urban Population (1967 – 2012)					
Year	1967	1978	1988	2002	2012
Urban					
Population	685,092	2,257,921	3,991,882	7,554,838	12,701,238
Growth Rate	-	11.5%	5.9%	4.7%	5.3%
Dar-es-salaam					
Population	272,821	769,445	1,205,443	2,336,055	4,364,541
Growth rate	-	9.9%	4.6%	4.8%	6.5%
Tanzania (Mainland)					
Population	11,975,757	17,036,499	22,507,047	33,461,849	43,625,354
Growth Rate	-	3.3%	2.8%	2.9%	2.7%

- Within the urban population, the position of Dar es Salaam has always been dominant, accounting for 34.4% of the urban population in 2012.
- Growth rates for the 19 other principal regional towns of Tanzania have also generally been quite rapid but more variable. The smaller settlements classified as urban grew rather faster, both in number and size, accounting for 34% of the urban population by 2012 compared with only 7% in 1967.
- The number of towns other than regional capitals with a population of over 10,000 was none in 1967; 14 in 1978; 38 in 1988; 80 in 2002; and 150 in 2012.

9.5 Macro-economic Performance

- Tanzania maintains an economy highly dependent on agriculture, contributing an estimated 30% to GDP and employing nearly 80% of the working population.
- The service sector—which has been growing rapidly in recent years—accounts for approximately 47%.
- The industrial sector, dominated by the construction sub-sector, accounts for 23% of the GDP.
- Tanzania's macro-economic performance for over 10-years period has been impressive, underpinned by steady implementation of policy/structural reforms.

Tanzania: GDP Growth Rate (2008-2017)										
Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GDP Growth	7.4%	6.0%	7.0%	6.4%	6.9%	7.0%	7.1%	7.0%	7.0%	7.1%

10. Overview of World Tourism

10.1 Introduction

- Tourism is one of the most dynamic and fastest growing economic sectors globally. Continued expansion and diversification have characterized the tourism sector over the past decades. In 2016, the sector's overall contribution to GDP was around 10% and is foreseen to rise by 3.9% annually to reach 11.4% of GDP in 2027.
- Tourism also attracts capital investment, which accounted for US\$806.5 billion in 2016, representing 4.4% of total investment. International tourism receipts earned by destinations worldwide have increased from US\$ 2 billion in 1950 to US\$1,220 billion in 2016.

10.2 Tourism as an Export Sector

- Tourism is the world's third largest export category after chemicals and fuels: international tourism (inbound and outbound tourism) represents 30% of the world's services exports and accounts for 7% of overall exports in goods and services.
- For many countries inbound tourism is an important source of foreign currency earnings and contributes to countries' economies. For emerging economies¹ as a whole, where the sector increasingly provides an opportunity for economic diversification, tourism accounts for 40% of services exports.

10.3 International Tourist Arrivals

- International tourist arrivals rose from 25 million in 1950 to 278 million in 1980, 674 million in 2000, and 1235 million in 2016. France, the United States, Spain and the People's Republic of China are the top-five destinations in terms of international tourist arrivals.
- Tourism growth is strongest in emerging economies (+4.4%) with tourist arrivals foreseen to increase at twice the rate of those in advanced economies (+2.2%) between 2010 and 2030. By 2030, the market share of international

tourism in emerging economies is expected to reach 57%, compared to 45% in 2016 and 30% in 1980.

- By 2030 international tourism is foreseen to increase in Asia and the Pacific (to 30% up from 22% in 2010), the Middle East (to 8% up from 6%) and Africa (to 7% up from 5%)

10.4 Employment in Tourism

- One job in the core tourism sector creates about 1.5 additional or indirect jobs in the tourism-related economy. Tourism overall accounts for one in 10 jobs in the world.
- In 2016, tourism globally generated 108 million direct jobs (3.6% of total employment). Including jobs indirectly supported by tourism, the sector represented 292 million jobs (9.6% of total employment).
- The proportion of part-time and temporary workers, as well as of self-employed persons is generally higher in hotels and restaurants than in the overall economy. Turnover also tends to be frequent as workers are more likely to spend less than 2 years working with the same employer.
- The age profile of the tourism workforce is generally lower than for the economy as a whole. Most tourism workers are under 35 years of age, and half of them are 25 or under. In developed countries, almost half (46.8%) of the tourism workforce is aged 15-34, compared to 32.4% in the economy as a whole.
- Women represent between 60% and 70% of the global tourism workforce. They are often over-represented in lower skilled and lower paid occupations, notably housekeeping and customer contact areas. Moreover, women frequently suffer segregation in terms of education and training, and are on average paid less than male workers for comparable skills.

11. Tanzania's Tourism Industry

11.1 An Overview

- Revenues from Tanzania's tourism sector increased by 7.13% in 2018 compared to 2017 thanks to the increase in arrivals from foreign visitors. Revenues reached USD 2.43 billion in 2018, up from USD 2.19 billion in 2017, while tourist arrivals amounted to 1.49 million compared with 1.33 million.
- According to 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.

11.2 Tourist Attractions

(i) Tanzania's World Heritage Sites

- Tanzania has six World Heritage Sites. Only three countries in Africa have more: Tunisia (8) and Algeria and Ethiopia (7) and only Morocco has as many sites as Tanzania.
- The sites in Tanzania comprise two cultural and four natural sites, the sites are prime tourist attractions as follows:
 - Ngorongoro Conservation Area
 - Ruins of Kilwa Kisiwani and Ruins of Songo Mnara
 - Serengeti National Park
 - Selous Game Reserve
 - Kilimanjaro National Park
 - Stone Town of Zanzibar

(i) Tanzania's National Parks, Wildlife and Marine Assets

- Conservation is the primary role of Tanzania's twelve National Parks, which constitute some 25% of the country. Visits by non-residents to National Parks have averaged 200,000 per annum over the past four years.
- Tanzania's National Parks account for 25% of the land area, but, if the Ngorongoro Conservation area, the 23 game reserves, and 44 game-controlled areas are

included, Tanzania conserves some 430,000 square kilometres or 38% of its territory.

- This is among the higher conservation rates of national territory in the world and ensures that Tanzania can bring on stream new destinations and circuits for the foreseeable future – provided that investment is available for infrastructure and tourist accommodation and services.

11.3 Tanzania Tourism Circuits

Tanzania has three tourist circuits – the west, southern and the northern circuits.

- The Northern Circuit, which comprises Tanzania's best known National Parks of Serengeti, Lake Manyara and Tarangire National Parks and the Ngorongoro Conservation Area. Other parks are the Arusha and the Kilimanjaro National Parks. The circuit extends to Usambara Mountain, Mkomazi Game Reserve and the coastal area including Tanga, Amboni caves, Pangani and the Pemba Channel.
- Southern Circuit comprises of the wildlife/adventure trail – the Selous Game Reserve, Mikumi National Park and Udzungwa National Park, Ruaha National Park and Rungwa National Game Reserve. It also includes the Coastal Heritage Trail including Bagamoyo, Kilwa, Mafia Island and Dar-es-salaam.
- The western circuit is still underdeveloped.

11.4 Prospects for the Future.

- Tanzania's currently marketed assets are of sufficient caliber to guarantee a continuation of international demand for the foreseeable future. There is a wealth of attractions spread throughout the country so that lack of attractions should not constrain development.
- The exploitation of these attractions will require public and private sector investments in infrastructure, accommodation and services, supplemented by assistance from international lenders and local and international NGOs.

12. Products/Services

12.1 Introduction

- MAKOMA IMPERIAL LODGE will offer 5-Star safari hotel services. The lodge will have a total of 50-serviced suites accommodating 100 beds. Other facilities include conference and lounge facilities, food and beverages, swimming pool and sports facilities, and health and wellness facilities.
- The lodge is designed to provide a luxurious home-like environment that balances the needs of the visitors, the work requirements of support staff, safety and security and meets occupational health and safety requirements.

12.2 The Lodge Facilities

12.2.1 Accommodation

- ✓ **PRESIDENTIAL VILLAS:** the project will establish two Presidential villas which will provide six beds capacity each. These rooms will be designed to meet



- international standard of five-star hotel equivalent. The villas will be fully equipped with kitchen facilities, lavish sitting room and dining room, a study area and with capacity to accommodate up to six people. The villas will also include a private plunge pool overlooking the wildlife of the Serengeti. The rooms will have 24-hour room-service, coffee/tea making unit, international direct dial telephone, same day laundry, dry cleaning, mini bars, satellite television, hairdryer, in-room safe and butler services.
- ✓ **FAMILY SUITES:** the project will establish five Family Suites with 4-beds capacity each. The spacious suites will accommodate up to 4-people and will be designed to meet international standard of five-star hotel equivalent. The suites will be fully equipped with kitchen facilities, lavish sitting room and dining room, a study area and with capacity to accommodate up to four people. The rooms will have 24-hour room-service, coffee/tea making unit, international direct dial telephone, same day laundry, dry cleaning, mini bars, satellite television, hairdryer, in-room safe and butler services.
 - ✓ **LUXURY SUITES:** the project will establish 15-Luxury Suites with 3-beds capacity each. The spacious luxury suites will be designed to meet international standard of five-star hotel equivalent. The suites will be fully equipped with kitchen facilities, lavish sitting

room and dining room, a study area and with capacity to accommodate up to four people. The rooms will have 24-hour room-service, coffee/tea making unit, international direct dial telephone, same day laundry, dry cleaning, mini bars, satellite television, hairdryer, in-room safe and butler services.

- ✓ **STANDARD SUITES:** the lodge will have twenty-five double-room suites which will be occupied by one or two guests. The suites are spacious providing all the comfort a visitor would expect from one of the leading hotels in East Africa. All rooms will have satellite television, international direct dial telephone, tea and coffee making facilities, mini bar, hairdryers and twenty-four-hour room service.

12.2.2 Other Lodge Facilities

- ✓ **RESTAURANT:** the lodge will have restaurant facilities that will offer tantalising selection of traditional Swahili cuisine and fusion food from India, China, and Italy and more.
- ✓ **BAR:** the lodge will have two bars, one indoors and one on the terrace overlooking the Northern Serengeti. These will be warm, cosy and sophisticated Bars and will offer relaxing drinks and selected menu of light snacks.
- ✓ **CONFERENCE and Event Space:** the lodge will have facilities and equipment to accommodate groups and events of varying sizes, including small private meeting room, conference room, exhibition areas and marquee upon request. The conference rooms can facilitate up to 100 delegates. The facilities will include a range of audio visual equipment and a dedicated business centre with professional secretarial services.
- ✓ **GIFT SHOPS:** The lodge will have a gift-shops which will sell traditional African products that are of interest to tourists.
- ✓ **SPA/SALOON:** The lodge will have full-equipped superior quality spa/salon facilities and services.
- ✓ **SWIMMING POOL AND FITNESS CENTRE:** The lodge will have modern swimming facilities and a fitness centre that will offer premiere exercise classes.
- ✓ **SAFARI SERVICES –** the lodge will provide tour operator services to its guests, and will have a fleet of luxury safari cars and top tier guides to provide guests with a premiere and bespoke game drive experience. The lodge will also provide walking safari and photo safari tours.



13. Market Overview

13.1 Introduction

Mentioning of the word 'Arusha' signify a place of wilderness, tranquil, scenery of natural beauty, an exotic feeling, and going back to history. Arusha forms part of Tanzania's northern tourist circuit which attracts over 70-percent of all tourists visiting the country.

The well-established 'Northern Circuit' safari of northern Tanzania offers some of the world's most

diverse safari experiences, consisting of National Parks, game reserves, conservation areas and private concessions. Among these are the world-famous and iconic Serengeti National Park and Ngorongoro Crater, and of course their less well-known neighbours, Tarangire National Park and Lake Manyara National Park.



13.2 Target Market

(i) General Market Target

- The plan focuses on both domestic and international market priorities within general and mass travel, Diaspora travel, experimental travel interest, creative travel interest, adventure seeking travel interest, and business related travel,
- Other target markets include Meeting, Incentive, Conference and Exhibition (MICE), domestic travelers and educational market and Sport Tourism.

(ii) Source Target

- Based on the country experience on tourists visting Tanzania, the project will put emphasis on targeting the following sources of tourists:

The Project Market Target And Growth Targets

Market Target	Market Priority	Growth/annum
1 Germany Market Segment	High priority	10%
2 Italy market Segment	High Priority	10%
3 UK Market Segment	High Priority	12%
4 China & Other Asian Market	Medium Priority	5%
5 South Africa & Africa Market	High Priority	10%
6 United States of America/Canada	High Priority	10%
7 Turkey Market Segment	Secondary Market	12%
8 Kenya Market Segment	High Priority	10%
9 Visiting Friend & Relatives	Low Priority	3.5%
10 Local Holiday Market Segment	Medium Priority	5%
11 Conference, Business & Incentive	Medium Priority	4%
12 Domestic tourism	Medium Priority	5%
13 Sports tourism	Low Priority	2%

13.3 DEMAND AND SUPPLY ANALYSIS

13.3.1 General Market Overview

- Tourism is currently recognized as one of the biggest and fastest growing global industry. It continues to be the largest economic activity and the main source of foreign exchange earnings in many countries. The world has witnessed rapidly growing tourism in most coastal nations over the last two decades.
- Nature is an important factor for the tourists, and the national parks and game reserves provide possibilities for various nature-based recreational activities wildlife viewing, birding, photographic safaris, hunting and cultural tourism. With the increase in the number of tourists traveling abroad for different purposes, the popularity of the Tanzania's northern circuit for tourist activities is increasing yearly.

13.3.2 Northern Circuit's Tourist Products

- The Northern Circuit, which comprises Tanzania's best known National Parks including Serengeti, Lake Manyara and Tarangire National Parks and the Ngorongoro Conservation Area, is served by airports in Nairobi, Kilimanjaro and Arusha.
- The Northern Safari Circuit is the most frequented by tourists for two reasons: most of the destinations are fairly close to each other and many of Tanzania's most famous sights, such as Ngorongoro Crater, the Serengeti and Mt Kilimanjaro are all a part of this circuit. Due to the fact that all the parks, towns and attractions are within easy reach of one another, one can tour this entire circuit by vehicle with only a couple of hours in-between destinations.

- **Lake Manyara National Park**

- ✓ Stretching for 50km along the base of the rusty-gold 600-metre high Rift Valley escarpment, Lake Manyara is a scenic gem. The Park measures 330 square km of which up to 200 sq km is lake when water levels are high.
- ✓ The Park is within 1.5 hours west of Arusha along a newly surfaced road, close to the ethnically diverse market town of Mto-wa-Mbu. The Park offers Game drives, canoeing when the water levels is sufficiently high, cultural tours, mountain bike tours, abseiling and forest walks on the escarpment outside the park.
- ✓ Best time Dry season (July-October) for large mammals; wet season (November-June) for bird watching, the waterfalls and canoeing.

- **Serengeti National Park**

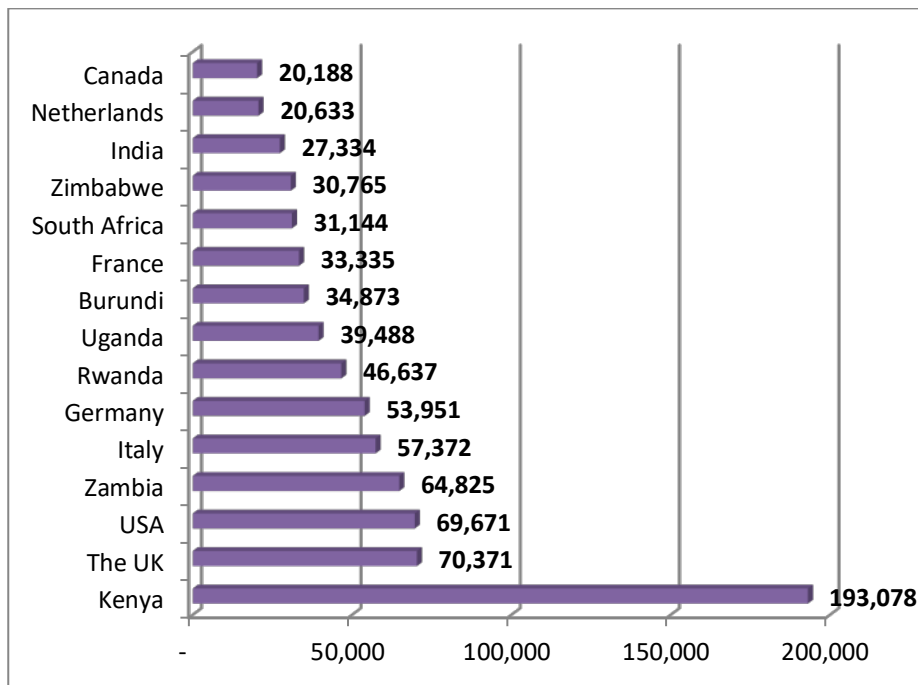
- This is Tanzania's oldest and most popular national park. The Park, measuring 14,763 square km, is located 335km from Arusha stretching north to Kenya and bordering Lake Victoria to the west.
- The Park is famed for its annual migration, when some six million hooves pound the open plains, as more than 200,000 zebra and 300,000 Thomson's gazelle join the wildebeest's trek for fresh grazing. Yet even when the migration is quiet, the Serengeti offers arguably the most scintillating game-viewing in Africa: great herds of buffalo, smaller groups of elephant and giraffe, and thousands upon thousands of eland, topikongoni, impala and Grant's gazelle.
- The tourist activities at the Park include Hot air balloon safaris, Maasai rock paintings and musical rocks. Others are visit to neighbouring Ngorongoro Crater, Olduvai Gorge, Ol Doinyo Lengai volcano and Lake Natron's flamingos.

- **Tarangire National Park**

- Tarangire National Park has herds of up to 300 elephants which scratch the dry river bed for underground streams, while migratory wildebeest, zebra, buffalo, impala, gazelle, hartebeest and eland crowd the shrinking lagoons. It's the greatest concentration of wildlife outside the Serengeti ecosystem and the one place in Tanzania where dry-country antelope such as the stately fringe-eared oryx and peculiar long-necked gerenuk are regularly observed.
- The Park covers an area of 2,600 square km and is located 118km southwest of Arusha. The Park activities include guided walking safaris; day trips to Maasai and Barabaig villages, and the ancient rock paintings around Kolo on the Dodoma Road.

13.3.3 Tanzania: Tourism Sector Performance





- Tanzania's wildlife resources are considered among the finest in the world and include the Serengeti plains which host the largest terrestrial mammal migration in the world, the Ngorongoro Crater, the world's largest intact volcanic caldera and home to the highest density of big game in Africa, and Africa's highest mountain Kilimanjaro.
- **International Tourist Arrivals**
 - The immigration statistics show that out of total international tourist arrivals to Tanzania, tourists from Kenya was leading by far followed by those from the United Kingdom, the United States of America and Zambia as shown below.



- The appearance of other EAC partner states in the list of the major source markets for Tanzania reflects an increase in business interactions as well as movement of persons in light of the strengthening regional integration arrangements.
- **Tanzania Voted the Best Safari Destination**
 - In November 2018, Tanzania won the Award for the "Best Destination to the World" in the Category of Exotic Destination 2018 at the Russian National Geographical Traveler Award following an online voting conducted by the Russian version of National Geographic Magazine that involved 263,000 online readers.

- In 2017, Tanzania also received a National Geographic Travel Award as the second-best destination in the world in the category of exotic destination.
- According to the survey conducted by an online market place for African tours, SafariBookings.com, Tanzania was voted the best safari destination in Africa. The survey, which involved 276 specialized safari operators, eight major safari countries, 139 wildlife parks and reserves, 2,324 user reviews and 756 expert reviews, concluded that Tanzania leads in the continent, by scoring an average rating of 4.8 stars out of five stars (5.0); the highest score of all eight major safari countries. Botswana and Kenya scored 4.7 stars each, followed by South Africa and Zambia which scored 4.6 stars each, Namibia 4.5 stars, Uganda 4.2 stars and Zimbabwe 4.1 stars.
- The main contributing factors towards this achievement include the fact that Tanzania is the land of two of UNESCO's World Heritage Sites namely; Serengeti National Park, the home to the "great migration," and the Ngorongoro Crater.
- Other factors include; the best chimp tracking in Africa and the world-famous Mount Kilimanjaro, which is the highest free-standing mountain in Africa. Visitors can also enjoy authentic African wilderness without paved roads and fencing, beaches in Zanzibar Island, coupled with political stability and safety

13.3.4 Hotel Supply in Serengeti

- MAKOMA IMPERIAL LODGE will be designed to provide five-star equivalent hotel facilities. Development of the sector in Tanzania's northern circuit has witnessed growth in investment in the sector. However, there is still shortage of hotel facilities of international standards.
- The major players in the hotel industry in Seronera, Serengeti and its environs and of comparable standards with the MAKOMA IMPERIAL LODGE include the following:
 -  Melia Serengeti Lodge
 -  Four Seasons Safari Lodge
 -  Leopard Lodge Seronera
 -  Sopa Lodge
- **Melia Serengeti Lodge**
 - Melia Serengeti Lodge is within 36km from Seronera Airport and 335km from Arusha city. The lodge has been established on the slopes of MAKOMA HILLS in the Serengeti National Park.

- In terms of accommodation services, the Lodge officers the following services and accommodation rates:

S/n	Accommodation type	Room Space	Rates (TZS/Night)	No. of Visitors
1	Junior Suites	66sqm room	4,643,000 to 4,820,000	2-visitors
			4,554,000 to 4,684,000	1-visitor
2	One-Bedroom Suite	111sqm room	6,427,000 to 6,826,000	2-visitors
3	One-Bedroom suite	111sqm room	8,065,000 to 8,320,000	3-visitors
4	Two-Bedroom suite	144 sqm room	9,774,000 to 11,013,000	4-visitors

- **4 Seasons Safari Lodge Serengeti**

- 4-Seasons Safari Lodge Serengeti is one of several international hotels under the 4-Season Hotels. The hotel is within the Serengeti National Park and offers the following competitive accommodation types and rates:

S/n	Accommodation type	Room Space	Rates (TZS/Night)	No. of Visitors
<i>1</i>	Presidential 3-bedroom villa	242 sqm	28,077,000	6-visitors
<i>2</i>	2 Bedroom Villa	172 sqm	16,062,000	4-visitors
<i>3</i>	One Bedroom Villa	121 sqm	11,000,000	2-visitors
<i>4</i>	Terrace Suite King Bed	88 sqm	8,037,000	3-visitors
			7,080,000	2-visitors
<i>5</i>	Terrace Suite Water Hole	55 sqm	7,663,000	2-visitors

- MAKOMA IMPERIAL LODGE will charge as follows:
 - USD 8,000 (or TZS 18,800,000) per bednight for Presidential Suite;
 - USD 2,100 (or TZS 4,935,000) per bednight for Family Suites
 - USD 1,200 (or TZS 2,820,000) per bednight for Luxury Suites, and
 - USD 850 (or TZS 1,997,500) per bednight for Standard Luxury Suite – double
 - USD 600 (or TZS 1,410,000) per bednight for Standard Luxury Suite – single
- The proposed rates are very competitive considering the quality of the services and the competitors' rates which offer similar services.

14. Marketing Strategy

14.1 Competition Analysis

14.1.1 National Level Competition

- The main competitors of Tanzania in tourism industry are neighboring countries including Kenya, Mozambique, Maldives, Mauritius and Seychelles due to their location, similar tourism resources and offer, infrastructure, arrival possibilities (proximity) and tourism development indicators.
- More specifically, Tanzania conducts its tourism marketing activities in similar target markets – competitors position themselves effectively in the same source countries, with higher marketing budgets.
- A comparative analysis of Tanzania and its competitors is as summarized below.

Tanzania: Comparative Analysis of Competitors	
Specific Competitor	Market Segment & Competition Issues
International Market: <ul style="list-style-type: none"> • Maldives, • Mauritius, • Seychelles, • Kenya, • Mozambique, • South Africa • Zambia 	<ul style="list-style-type: none"> • Market Segment – International visitors • Issues <ul style="list-style-type: none"> ✓ Competitive tourism infrastructure ✓ Similar wildlife, marine and beaches products ✓ Same market sources
Regional Market: <ul style="list-style-type: none"> • Kenya, • Mozambique, • Rwanda and • Burundi 	<ul style="list-style-type: none"> • Market Segment – regional and MICE** market • Issues <ul style="list-style-type: none"> ✓ Short haul destinations offering cheap accommodation are attractive alternatives for regional visitors. ✓ Intensive marketing budget enable them to market their destination effectively. ✓ Well established tourism destinations which attract visitors away from the area to stay and for day visits. ✓ Focused development, ease of access, new transport options make these attractive day trip alternatives for shopping or family activities.

MICE** – Meeting, Incentive, Conference & Exhibition

14.1.2 Competition at Hotel Level

- Competition is expected from existing modern hotels and lodges located in Arusha and Serengeti and more specifically in the Seronera areas of the Serengeti. Main competitors to the proposed project are those facilities offering similar services to that of the MAKOMA IMPERIAL LODGE mainly the 5-Star equivalent lodges/hotels.
- These include the Melia Serengeti, the Four Seasons Safari Lodge Serengeti, The Elewana Serengeti Migration Camp, the Sopa Lodge and others.
- The basic competitive factors hinge on pricing, service quality, infrastructure quality and attractiveness, diversity of tourist activities in the locality, security, exclusivity and technology use. MAKOMA IMPERIAL LODGE project will thrive on the high quality of the services and other marketing strategies.

14.2 Hotel Management

- The shareholders of the company have identified an experienced international hotel management company to oversee the marketing and management of the project.

14.3 Promotional Activities

- MAKOMA IMPERIAL LODGE is intending to create a corporate brand image. The Lodge will emphasise on the following marketing strategy efforts:

(i) Develop Promotional Materials

- This tool is often used in combination with other tools such as sales visits and workshops, at travel trade shows, etc. the lodge will create digital and printable promotional materials for advertising the lodge services.
- The Lodge will conduct surveys and develop opportunities for special events, seminars and trade shows where promotional materials can be distributed

(ii) Develop Website

- The use of a website as a tourism tool is of particular importance for destination marketing and is becoming more important for information collection.
- A website will be established and linked to as many relevant other web sites as possible. The project will identify appropriate uses for e-newsletters, and invite bloggers to the Lodge website.
- The strategy will also involve creation of Facebook, Tweeter and other pages; identification of activities and/or groups that would benefit from e-newsletters;

develop videos segment in the website to advertise tourism attractions; put all brochures and manuals on the Lodge website as downloadable digital publications.

(iii) Personal Selling

- This is a direct interaction between the Lodge staff and the visitors. It is highly effective form of communication in the hospitality and tourism sector since it offers chance for the Lodge to respond to the individual needs of the tourists with immediate feedback.
- The personal selling will entail the following:
 - Obtaining and maintaining list of tour operators, travel agents, special interest associations and sport associations.
 - Telephone calls to travel agents and tour operators
 - Develop and implement familiarizations for travel intermediaries and media
 - Gathering intelligence on competitor destinations

(iv) Public Relations

- Public relation is an exceptionally useful and cost effective promotional tool where most segments of the domestic market are concerned. The Lodge will prepare editorials on tourist packages on offer and prepare coverage with the radio and television travel and news programmes.
- The Lodge will undertake basic public relations effort including message elements, press releases, etc and distribute to target media that reach target market segments.
- The Lodge will further use the visits of local and foreign dignitaries, senior government officials, private and parastatal corporations' officials and prominent business people to promote the project.

(v) Advertising

- As rule of thumb, the lodge will design and print multi-language promotion materials and identify national and international publications in which advertisement of tourism products would be beneficial.
- The lodge will publish advertisements of up-coming events and festivals so that readers know the types of activities going on the country.

14.4 Other Marketing Strategies

(i) The Marketing Team

- The Lodge will recruit and train the appropriate marketing staff including marketing officers and customer-service staff. The project may hire experts for designing and production of the promotional materials.

(ii) Members Databank

- The Lodge will create a databank on the information of customers including physical address, telephone and e-mail addresses, their preferences.
- The addresses will be used by the marketing team to disseminate information regarding the project from time to time.

(iii) Strategic Market Focus

Throughout the marketing campaign initiatives the project will give impetus to different foreign market segments with specific goals to achieve. The

Target Market for Foreign Tourists		
1	High Market Priority	1. UK; 2. Italy; 3. Germany; 4. USA
2	High Priority	1. Asia (China & India); 2. South Africa; 3. France; 4. Kenya; 5. Dutch
3	Priority	1. Asia (China & India); 2. South Africa; 3. France; 4. Kenya; 5. Dutch
4	Secondary	1. Belgium; 2. Australia; 3. Turkey; 4. Spain 5. UAE
5	Prospective	1. Norway; 2. Sweden; 3. Spain; 4. Russia

14.5 Competitive Edge

- The Lodge is surrounded by the famous national parks of the northern circuit of Tanzania that support wildlife tourism.
- The Lodge is managed by a team of competent and experienced professionals in the hospitality industry.

15. Technical Aspects

15.1 Project Location

- MAKOMA IMPERIAL LODGE will be located along the slopes of MAKOMA HILLS at GPS 36M 0680126 UTM 9725123 which is within Serengeti National Parks in the northern tourist circuit of Tanzania.
- The project is within the northern tourist hub of Tanzania surrounded by the famous national parks and game reserves.

15.2 Project Land

- The plot of land is under the Serengeti National Parks.
- The site is well served with the necessary access road.

Site Characteristics

Site Characteristics

Development Site Imagery



- ✓ **Elevated position** which will offer 180 degree views over the plains and enhances game viewing from the lodge
- ✓ **Lack of direct competition** in the surrounding area with the Melia Serengeti being the closest comparator but offering a more traditional lodge experience and product
- ✓ **Tranquil environment**, considering the location in the southern central Serengeti there will be a limited number of tour operator / day visitor vehicles in the surrounding area which makes for a more private game viewing experience



15.3 Infrastructure Development

15.3.1 Building & Civil works

- MAKOMA IMPERIAL LODGE is built to offer hotel facilities of equivalents of 5-Star hotel which will have the following luxurious buildings and civil works:
 - 50-Bedroom Villas and Suites of different features including Presidential villas, Family suites, Luxury suites, and double bedroom standard suites.
 - Restaurant and bar with kitchen facilities and cold storage room.
 - Conference and event space that will offer conference services
 - Housing keeping building which will have laundry unit, sick-bay, manager room, dry stores,
 - Administration building which will house the reception, gift shops, business centre, administration office.
 - Staff houses which include Manager's house and other support staff houses and staff canteen.
 - Sports facilities including swimming pool, gym and spar
 - Utility buildings including generator house, and water pump house
 - Other external works including fencing, inner roads and pavements, gardening, landscaping and other civil works.

15.3.2 Equipment

- MAKOMA IMPERIAL LODGE will procure and install lodge equipment and tools including the following:
 - Lodge equipment – kitchenware, laundry equipment, bar and restaurant equipment, computer and computer accessories, telecommunication equipment, swimming pool and gym equipment.
 - Other equipment includes security system, water system, electrical equipment, fire-fighting equipment and standby generator set.

15.4 Motor Vehicles

- The project will procure motor vehicles which will include vehicles for senior and general staff, supplies vans, and mini-buses for facilitating movement of the technical staff as well as for running operations of the lodge. The project is planning to procure the following motor vehicles:

Motor Vehicles Requirements	
Type of Motor Vehicle	Nos.
1 Double Coaster Mini-bus 30-seater	1
2 Land Cruiser Pick-Up	1
3 Hilux 4WD Double Cabin -office use	2
4 Land Cruiser vans for tour operation	8
Total Motor Vehicles	12

- The project will hire motor vehicles for the tour operation from the shareholders.

15.5 Furniture, Fixtures And Fittings

- MAKOMA IMPERIAL LODGE will procure additional lodge furniture and fixtures towards completion of the project.
- The project will procure furniture and fittings for the lodge guest-rooms, conference halls, bars, restaurants, outdoor furniture and other areas.
- Other furniture and fittings include lodge linen and drapers such as carpets, bedding materials, curtains, banquet linen and other lodge consumables.

15.6 Amenities, Services and Facilities

- The key considerations for tenants in selection for a property is the availability and reliability of utilities such as water, electricity, sanitation, car parking space, security system and telecommunication. The buildings will be connected to mains water supply, power supply from national grid system, and landline telephone.

Water Supply, Drainage and Sewage system

- The project site will have its own borehole for water supply. The project will construct water storage tanks and other water storage tanks will be installed.
- Site will have Desalinator plant to change the salty water into clean water when required.

Power Supply

- The main power supply for the project will be solar energy. The project will procure and install a 2MW capacity solar equipment that will generate and supply electricity to the project.

15.7 Pre-Operating expenses

- The project has incurred pre-operating expenses associated with the project implementation costs such as mobilisation of finance resources, physical resources, informational resources and human resources.
- The project is projected to incur additional pre-operating expenses in mobilising for prospective equity investors and during construction works and procurement of various facilities for the completion of the project.

15.8 Environmental Considerations

- The lodge project will adopt ecosystem-based approaches in order to maintain the integrity and essential values and services of ecosystems. An ecosystem-based approach helps identify and address cumulative and multi-source impacts of hotels and resorts. An ecosystem-based approach also calls for inter-sectoral cooperation between tourism, finance, land-use planning, academic institutions, and natural resource management departments and agencies in decision making.
- Environmental impact assessments (EIAs) of lodge developments will be carried out by qualified and independent individuals and companies, using an exhaustive baseline and before any agreements are made to permit construction.
- Where baseline data do not exist, a study of species and habitats will be carried out beforehand to ensure that critical natural habitats or areas that provide local livelihoods are conserved.

16. Implementation Plan

16.1 Project Completion Status

- The proposed investment is estimated to be completed in 24-months period and the project is expected to commence operation in the first half of the third year.
- IMPERIAL INVESTMENT LTD has undertaken due diligence on the project status and the requirements towards its completion.

16.2 Project Approvals

- The project establishment is subject to approvals by TANAPA and other relevant government authorities including building permits, environmental impact assessment, lodge licensing and other approvals for project implementation and operation.
- The company has internally approved the proposed financing structure of the project where the existing shareholders are willing to release up to 80% of their stake in the project.
- The project will in due course re-apply for the Certificate of Incentives from the Tanzania Investment Centre (TIC).
- The company will finalise engagement of the management company to oversee the hotel construction works and management of the hotel operation.

16.3 Sourcing for External Loan

- The shareholders of MAKOMA IMPERIAL LODGE will undertake to approach lending institutions to participate in the financing of the lodge project. The lending institutions are those offering long-term loans to the hospitality sector.

16.4 Pre-Construction Phase

- The company has a Board of Directors and will form project implementation team of consultants that will work hand-in-hand with the Management company.
- All decisions on the future investments of the project will be made by the Board of Directors in collaboration with the Management Company.

16.5 Construction Phase

- The Company will engage a reputable contractor to undertake the construction works.
- The Company will ensure the work output is of the required quality and technical specifications for the value of money are met. Under the leadership of the Project Manager, the project sponsors will conduct financial appraisal, final accounts and payment evaluation and certification of the contractors' interim claim and advise client for payment and conduct regular inspection of the project.

16.6 Post-Construction Phase

- Upon completion of the construction phase, the Management Company will undertake to manage and run the project.

16.7 Operations Plan

- MAKOMA IMPERIAL LODGE will be under the management of IMPERIAL INVESTMENT LTD or any other company as would be agreed with the shareholders of the company.

17. Risks And Uncertainties Analysis

17.1 Introduction

- Tourists usually travel to cities with good impression. Choosing a travel destination is definitely a complicated decision-making process for tourists. For safety concerns, some tourists intentionally visit somewhere familiar and nearby, but avoid nations or areas with high crime rates or political instability. A wide range of perceptions governs the desirability and appeal of a destination to the potential traveller.

- The analysis of risk for the lodge project considers a set of negative outcomes to be avoided by the company. The causes of these outcomes are specific to this project besides the general risks such as war, terrorist attacks, diseases outbreaks and other factors.

17.2 Inflation risks

- There is a potential risk that inflation might raise at higher rates than projected. This may increase the price of the supplies to the lodge hence reduce the profitability of the project. While inflation risk usually prevails in Developing Countries like Tanzania, the government appears committed to continue maintaining the macroeconomic stability and bring inflation further down.
- At the company level, negotiations on the prices with suppliers will be done with the management staff to cushion the project from price fluctuations.

17.3 Political risks

- The government may from time to time issue new directives which may impact on the project implementation and operations. However, this risk is strongly addressed by the government long-term commitment of involving private sector in policy decisions.

17.4 Managerial risks

- Managerial risks - Management of lodge project requires close supervision and expertise in cooking, service delivery, customer handling, procurement, marketing and finance management.
- The company will employ personnel with experience in the tourist hotels including food preparation for the international travellers, procurement, marketing, inventory management and finance control.
- The company will employ experienced and trainable staff. The company will also undertake to evaluate staff performance in different intervals such as 3-months, 6-months, 9-months and 12-months. The company will undertake to provide practical training to its staff.

17.5 Product Damage/Wear

- The most common forms of damage/wear for households and hotel products comprising of hotel equipment, furniture and fixtures as well as walls and floors of the

hotel buildings include breakage, bruising, abrasion, scratches, discoloration, printing, and damage from moisture, dehydration, and temperature changes. When this happens the quality of the Lodge deteriorates, and it is potential for causing loss of the target customers.

- Often the damage/wear can be repaired. When that is impractical, the piece must be replaced. Sometimes, replacement is impossible and the item must be written off as a loss.
- MAKOMA IMPERIAL LODGE will undertake to ensure the Lodge assets are well maintained and replacements are done promptly to the keep-up with the lodge standards.

17.6 Inventory Shrinkage

- Inventory shrinkage at the Lodge includes a combination of employee theft, shop lifting, vendor fraud and administrative error. Very often store merchandise and cash are stolen through fraudulent transactions involving false transfers and vendor collusion.
- MAKOMA IMPERIAL LODGE will thrive to keep a track of cash transactions and merchandise movement. Staff will be trained on inventory shrinkage and accountability. The company will employ professional securing personnel and use technology in curbing inventory shrinkage including installation of CCTV camera and other computerised inventory management system.

18. Financial And Economic Analysis

18.1 Introduction

- This section presents the financial plan. The main objective of the financial analysis is to examine both commercial profitability and economic viability of the proposed project.
- The financial assumptions which lead to the financial results are detailed in the attached Annexes 1 to 8.
- The financial results including the profit and loss, cash flow and balance sheets statements, internal rate of return analysis are presented in the Annexes 9 to 13.

18.2 Financial Goals

The immediate financial goals of the company are as follows:

- Finance the investment costs through equity and loan financing.
- Secure long-term loan to finance capital expenditure.

18.3 Financial Assumptions

(i) General Financial Assumptions

- The currency of accounting is US Dollar (USD)
- The exchange rate of USD to TZS is assumed at TZS 2,350.
- Financial projections for the first 10-years of operation have been worked out.
- The additional project implementation has not commenced
- The project main business is provision of tourist hotel services which include accommodation services, conference services and auxiliary services.

(ii) Investment Plan

- Projected Investment and financing plans are presented in Annex 1 and the Detailed Investment Plan is in Annex 2.
- The capital investment costs include the following:
 - Land and land development and Buildings & civil works,
 - Plant and Machinery, Equipment and tools, and Utilities
 - Others including motor vehicles, pre-operating costs and working capital
- The total project cost is estimated at USD 25.1 million excluding the initial working capital. The project will require USD 1.0 million towards working capital in the first year of operation, that's Year 3 of the project.
- The summary of the project investment plan is as follows:

Proposed - MAKOMA IMPERIAL LODGE Serengeti			
Investment Plan			
Amount in US Dollar			
	Year 1	Year 2	Total
Exchange Rate: TZS/USD	2,350	2,350	
Land & Land Development	-	-	-
Buildings & Civil Works	9,180,000	6,120,000	15,300,000
Equipment & Installation	798,000	342,000	1,140,000
Utilities	1,290,000	860,000	2,150,000
Motor Vehicles	240,000	960,000	1,200,000
Hotel Furniture, Fittings & equipment	223,260	2,009,340	2,232,600
Office Furniture & Equipment	-	198,000	198,000
Physical Assets	11,731,260	10,489,340	22,220,600
Pre-operating expenses			
Administrative Costs	719,958	321,500	1,041,458
Finance Costs	1,079,937	805,200	1,885,137
Pre-operating expenses	1,799,895	1,126,700	2,926,595
Total capital costs	13,531,155	11,616,040	25,147,195
Working Capital	-	-	-
Total Investment	13,531,155	11,616,040	25,147,195

(iii) Financing Plan

- The investments will be financed through equity and bank loan facilities to the proportion of 60% equity and 40% loans as summarised below:

Proposed - MAKOMA IMPERIAL LODGE Serengeti			
Financing Plan			
Amount in US Dollar			
	Additional Financing		Total
	Year 1	Year 2	
Exchange Rate: TZS/USD	2,350	2,350	2,350
Equity Financing			
Ordinary Share Capital	-	-	-
Shareholders' funds	7,031,155	8,116,040.00	15,147,195
Retained Earnings	-	-	-
Valuation Reserves	-	-	-
Total Equity	7,031,155	8,116,040	15,147,195
External Financing			
Long-Term Loans			
Long-term Loan 1	6,500,000	-	6,500,000
Long-term Loan 2	-	3,500,000	3,500,000
Short-term Loans			
Short-term Loans	-	-	-
Creditors & Payables	-	-	-
Total External Financing	6,500,000	3,500,000	10,000,000
Total Financing	13,531,155	11,616,040	25,147,195
Exposure			
Equity Financing	52%	70%	60%
External Financing	48%	30%	40%
Total Financing	100%	100%	100%

(iv) Depreciation Assumptions

- The Depreciation Schedules are presented in Annex 4.
- The depreciation and amortization rates are as indicated in the schedule.

(v) Revenues Assumptions

The projected Revenues assumptions for the Lodge project are detailed in Annexes 5 (i), (ii), (iii) and (iv). The following are the main revenues assumptions:

- Revenues sources - There are three main revenues streams:
 - Accommodation services revenues
 - Tour Operation services revenues
 - Auxiliary services revenues

- About 87.3% of the total project revenues is expected to be generated by the rooms' incomes, and Tour Operation will contribute 3.1% and the balance of 9.6% from the auxiliary services as summarised below:

Projected Revenues											
	Amount in USD '000'										
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10	
Accommodation services	-	-	5,767	7,576	9,385	12,314	12,894	13,473	14,053	16,097	87.3%
% of Total Revenues	-	-	88%	88%	87%	88%	87%	87%	87%	87%	
Auxiliary Services											
Revenues - Room Food Service	-	-	-	-	-	-	-	-	-	-	0.0%
Revenues - Beverages	-	-	349.0	487.2	638.4	803.6	877.7	957.4	1,042.8	1,134.4	6.0%
Revenues - Room Services	-	-	60.9	83.6	108.3	135.4	148.3	162.1	176.9	192.8	1.0%
Revenues - Souvenir	-	-	150.6	208.3	271.4	340.3	372.8	407.7	445.1	485.3	2.6%
Sub-total	-	-	560.5	779.1	1,018.2	1,279.3	1,398.8	1,527.2	1,664.7	1,812.5	9.6%
Tour Operation											
3- Door Cars	-	-	49.6	66.2	84.5	89.8	95.3	97.2	99.2	101.2	0.7%
5-Door Cars	-	-	53.3	70.2	89.6	99.4	109.6	111.8	114.0	116.3	0.7%
Landcruiser	-	-	123.1	161.2	205.0	235.2	266.6	271.9	277.3	282.9	1.7%
Sub-total	-	-	226.0	297.5	379.1	424.4	471.4	480.9	490.5	500.3	3.1%
Total Revenues	-	-	6,553.1	8,652.4	###	14,017.5	14,763.8	15,481.5	16,208.6	18,409.3	100%
Revenues Growth	-	-	-	32%	25%	30%	5%	5%	5%	14%	

- The Lodge will have a total of 50-rooms comprising of the following:
 - 2-Presidential Suites with 6-beds each
 - 5-Family Suites with 4-beds each
 - 15-Luxury Suites with 3-beds each
 - 25- Standard Luxury Suites with 2-beds each.

- The Lodge is conservatively assumed to operate at 25% occupancy rate in the first year of operation increasing to about 46% within four years of operation, and to about 51% in the 6th year onwards.

- The Lodge room rates are assumed to remain unchanged for the period of the project and they will be as follows:
 - Presidential Suites – USD 8,000/bednight
 - Family Suites – USD 2,100/ Bednight
 - Luxury Suites – USD 1,200/ Bednight
 - Standard Luxury Suites (Double) – USD 850/ Bednight

- Standard Luxury Suites (Single) – USD 600/ Bednight
- The auxiliary services include beverages; room services such as laundry services, internet services and telephone services. Food to the lodge room guests is assumed to be included in the room rates.
- The Tour Operation have assumed will provide three types of motor vehicles for hire to tourists: 3-doors motor vehicles, 5-doors motor vehicles and Landcruiser for game safaris.
- The motor vehicles will be charged per day and subject to the type of the motor vehicle and the number of days.
- Other revenues assumptions are presented in Annexes 5 (i), (ii) and (iii).

(vi) Operating Costs

- The Lodge project, which include the tour operation services, has operating costs including the Direct and Indirect Operating expenses.
- The project operating costs are presented in Annexes 6 (i), (ii) and (iii).

• Direct Operating Costs

- The project direct operating costs assumptions are presented in Annex 6 (i) for the franchising costs, and costs related to provision of room services, auxiliary services and tour operation services.
- The direct operating costs for the franchise costs account for about 2% to 5% of the total project revenues; room services costs account for 29% of total revenues; auxiliary services 6% of total revenues; and tour operation services 2% of the total revenues.
- The direct operating costs are assumed to account for about 41% of the total project revenues as summarised below.

	Amount in USD '000'							
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8
Direct Operating Costs								
Operating Costs - Franchise Services	-	-	100	246	397	555	622	692
Operating Costs- Room Service	-	-	1,852	2,465	3,078	4,061	4,249	4,437
Operating Costs- Auxiliary Services	-	-	360	500	652	822	894	971
Operating Costs - Tour Operation	-	-	147	193	246	276	306	313
	-	-	2,459	3,404	4,374	5,714	6,072	6,413
% of Revenues	-	-	38%	39%	41%	41%	41%	41%

• Indirect Operating Costs

- The Indirect operating costs of the project are presented in Annex 6(iii) and the detailed salaries and staff assumptions are presented in Annex 6 (iv).

Amount in USD '000'								
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8
Indirect Operating Costs								
Salaries & Staff Benefits	-	-	134	180	230	274	293	313
Administrative expenses	-	-	89	116	143	170	183	195
	-	-	223	296	373	444	476	509
% of Revenues	-	-	3%	3%	3%	3%	3%	3%

- The indirect operating costs include the salaries and staff benefits and administrative expenses.
- The summary of the salaries and staff benefits are as presented below:

Projected Salaries And Staff Benefits										
Amount in USD '000'										
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Basic Salaries										
Management Staff	-	-	25.0	31.7	38.4	45.1	47.6	50.1	52.6	55.1
Support Staff	-	-	80.9	109.0	139.9	164.4	173.5	182.6	191.7	200.8
Sub-total	-	-	105.8	140.7	178.3	209.5	221.1	232.7	244.3	255.9
Staff Benefits	-	-	10.6	14.1	17.8	21.0	22.1	23.3	24.4	25.6
Add: Inflation Adjustments	-	-	2.3	5.4	9.3	14.0	18.8	23.9	29.3	34.9
Total Remunerations	-	-	118.7	160.2	205.5	244.4	262.0	279.9	298.0	316.4
Monthly Bill	-	-	9.9	13.4	17.1	20.4	21.8	23.3	24.8	26.4
Salaries as % of Revenues	-	-	1.8%	1.9%	1.9%	1.7%	1.8%	1.8%	1.9%	1.7%

- The administrative costs include general maintenance and repair, office supplies, insurance premium, traveling and transport costs and other expenses.
- The salaries and wages account for about 1.8% of the project revenues and the administrative expenses account for about 1.2% of the revenues.

(vii) Working Capital Requirements

The projected operating capital of the project is presented in Annex 7.

- The projections indicate the current assets and liabilities of the project
- It is estimated that the project will need USD 1.0 million as initial working capital requirements at the launch of the project.

18.4 Financial Results

(i) Profitability Analysis

- The project's profitability analysis has been carried out and presented in Annex 10.
- The analysis of the profitability of the overall project indicates that the project is a profitable undertaking with long-term returns to the investors.
- The Lodge is projected to generate positive Gross profits, EBITDA margins as well as net margins as summarised below:

Project Profitability										
Amount in USD '000'										
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Revenues										
Accommodation services	-	-	5,767	7,576	9,385	12,314	12,894	13,473	14,053	16,097
Auxiliary Services	-	-	560	779	1,018	1,279	1,399	1,527	1,665	1,813
Tour Operation	-	-	226	297	379	424	471	481	490	500
	-	-	6,553	8,652	10,782	14,017	14,764	15,482	16,209	18,409
Direct Operating Costs										
Operating Costs - Franchise Services	-	-	100	246	397	555	622	692	765	840
Operating Costs- Room Service	-	-	1,852	2,465	3,078	4,061	4,249	4,437	4,626	5,295
Operating Costs- Auxilliary Services	-	-	360	500	652	822	894	971	1,052	1,147
Operating Costs - Tour Operation	-	-	147	193	246	276	306	313	319	325
	-	-	2,459	3,404	4,374	5,714	6,072	6,413	6,762	7,608
% of Revenues	-	-	38%	39%	41%	41%	41%	41%	42%	41%
Indirect Operating Costs										
Salaries & Staff Benefits	-	-	134	180	230	274	293	313	334	354
Administrative expenses	-	-	89	116	143	170	183	195	208	221
	-	-	223	296	373	444	476	509	542	575
% of Revenues	-	-	3%	3%	3%	3%	3%	3%	3%	3%
Other Operating Expenses										
Depreciation & Amortisation	-	-	1,814	1,762	1,715	1,624	1,586	752	605	577
Finance Costs	-	-	682	578	467	349	223	88	0	0
Corporate Taxes	-	-	412	784	1,156	1,766	1,922	2,316	2,490	2,895
	-	-	2,909	3,124	3,338	3,739	3,731	3,156	3,095	3,471
Gross Profits	-	-	4,094	5,248	6,409	8,304	8,692	9,068	9,447	10,801
EBITDA	-	-	3,871	4,953	6,036	7,860	8,216	8,560	8,905	10,226
NET Profits	-	-	962	1,829	2,698	4,120	4,485	5,404	5,810	6,754
Gross Margins	-	-	62%	61%	59%	59%	59%	59%	58%	59%
EBITDA Margins	-	-	59%	57%	56%	56%	56%	55%	55%	56%
NET Margins	-	-	15%	21%	25%	29%	30%	35%	36%	37%

(ii) Projected cash flow statement

- The details of sources and application of funds are presented in Annex 11.
- The cumulative cash balance starts with positive balances and continues with positive closing balances throughout the project life. The summary of the projected cash flows statements is as presented below:

Projected Cash Flows Statements										
	Amount in USD '000'									
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Cash Inflows										
Revenues										
Accommodation services	-	-	5,767	7,576	9,385	12,314	12,894	13,473	14,053	16,097
Auxiliary Services	-	-	560	779	1,018	1,279	1,399	1,527	1,665	1,813
Tour Operation	-	-	226	297	379	424	471	481	490	500
Equity Financing										
Shareholders' funds	7,031	8,116	-	-	-	-	-	-	-	-
External Financing										
Long-term Loan 1	7,345	-	-	-	-	-	-	-	-	-
Long-term Loan 2	-	3,728	-	-	-	-	-	-	-	-
Total Cash Inflows	14,376	11,844	6,553	8,652	10,782	14,017	14,764	15,482	16,209	18,409
Cash Outflows										
Capital expenditure										
Physical Assets	11,731	10,489	-	-	-	480	-	-	-	480
Pre-Operating Expenses	2,645	1,354	-	-	-	-	-	-	-	-
Change in Working Capital	-	-	1,032	355	362	525	128	120	122	344
Other Operating Costs										
Direct Operating Costs	-	-	2,459	3,404	4,374	5,714	6,072	6,413	6,762	7,608
Indirect Operating Costs	-	-	223	296	373	444	476	509	542	575
Finance Costs	-	-	682	578	467	349	223	88	0	0
Loan Principal Repayment	-	-	1,561	1,665	1,776	1,894	2,021	2,155	0	0
Corporate Taxes	-	-	412	784	1,156	1,766	1,922	2,316	2,490	2,895
Dividends	-	-	-	-	-	-	-	-	-	-
Total Cash Outflows	14,376	11,844	6,370	7,082	8,508	11,172	10,842	11,601	9,915	11,902
Net Cash Flows	-	-	183	1,571	2,274	2,845	3,922	3,881	6,293	6,507
Opening Cash Balances	-	-	-	183	1,754	4,028	6,873	10,795	14,676	20,969
Closing Cash Balances	-	-	183	1,754	4,028	6,873	10,795	14,676	20,969	27,476

(iii) Projected Balance Sheet

- The project balance sheet is presented in Annex 12.
- The balance sheet statements present the status of the project's fixed assets and current assets and the financing of the assets including the liabilities and shareholders' contribution into the project.
- The project's net worth is USD 26.2 million after project implementation.

(iv) Internal Rate of Return (IRR)

- The IRR schedule is as shown in Annex 13. The key indicators are as follows:

• Cost of fund	6.5%
• Net Present Value (NPV)	USD 9.65 million
• IRR	12.5%
• Average Return on Investments.....	17.6%

• Payback Period	5-years
------------------------	---------

- Note that: the IRR of 12.5% is greater than the assumed cost of fund (6.5%) and the NPV is positive suggesting a viable business venture.

(v) Sensitivity Analysis

Sensitivity analysis has been worked out in Annex 13.

- The sensitivity analysis has considered two risk factors:
 - The changes in the occupancy rates of the lodge rooms
 - The changes in the room rates
- A ten (10) percent change on both directions to determine the worst and the best-case scenario have been worked out.
- The analysis shows that the project is likely to be more negatively affected by the fall in room rates. A 10% decrease in room rates would lead to:

○ IRR	11.0%
○ NPV	USD 7.17 million
○ Average Returns on Investment	15.4%
○ Payback Period	5-years

- The proposed room rates have factored in the location advantage and the quality of the services as compared to the project competitors.
- It is most likely that the proposed prices will increase due to increased demand for modern Lodge facilities in Arusha.

(vi) Financial Indicators

- The summary of the project performance for the first 10-years of operation is as summarised below.
- The summary shows that the project will generate positive returns on equity (ROE) and returns on assets (ROA) as well as positive Earnings per share.

Project Performance Indicators											
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Room Occupancy Rates	%	0%	0%	25%	32%	39%	46%	49%	51%	54%	56%
Room Revenues	USD '000'	-	-	5,767	7,576	9,385	12,314	12,894	13,473	14,053	16,097
Total Revenues	USD '000'	-	-	6,553	8,652	10,782	14,017	14,764	15,482	16,209	18,409
Gross Margins	%	-	-	62%	61%	59%	59%	59%	59%	58%	59%
EBITDA Margins	%	-	-	59%	57%	56%	56%	56%	55%	55%	56%
NET Margins	%	-	-	15%	21%	25%	29%	30%	35%	36%	37%
Return on Equity	%	-	-	6%	10%	13%	17%	15%	16%	14%	14%
Return on Assets	%	-	-	4%	7%	10%	14%	14%	16%	14%	14%
Net Present Value (NPV)	9,652	USD '000'									
Internal Rate of Return (IRR)	12.5%	Percentage									
Average Return on Investment	17.6%	Percentage									
Payback Period	5	Years									

(vii) Economic Benefits of the Project

- **Employment Creation –**

MAKOMA IMPERIAL LODGE will employ a total of 86-staff increasing to 104 staff. The project is estimated to provide indirect employment to over 400 people in various sectors: agriculture, real estate, telecommunication, transport, energy and other sectors which provide services to project.

- **Tax Income –**

The project will pay income taxes, property taxes, corporate taxes and other taxes to the Tanzania government.

- **Value creation –**

MAKOMA IMPERIAL LODGE will mobilise resources to create a modern Lodge facility which will substantially add to the country's capital formation and Gross Domestic Product (GDP).

19. Financial Requirements

19.1 Proposed Financing Structure

- IMPERIAL INVESTMENT LTD will seek for financing amounting to USD 25.1 million to finance the proposed project.

- The shareholders will finance through equity to the amount of USD 15.1 million towards capital expenditure. The shareholders will also finance the initial working capital requirements of the project.
- A long-term loan of USD 10.0 million will be sought from lending institutions to part-finance capital expenditure of the proposed project.

19.2 Sources and Uses of Funds

- The term loan facility will part-finance buildings and civil works as summarised below.

Proposed - MAKOMA IMPERIAL LODGE Serengeti										
Sources & Uses of Funds Schedule										
Amount in US Dollar										
	Year 1				Total	Year 2				Total
	Qrt 1	Qrt 2	Qrt 3	Qrt 4		Qrt 1	Qrt 2	Qrt 3	Qrt 4	
Equity Financing										
Land & Land Development	-	-	-	-	-	-	-	-	-	-
Buildings & Civil Works	1,825,000	795,000	795,000	265,000	3,680,000	795,000	1,295,000	265,000	265,000	2,620,000
Equipment & Installation	342,000	228,000	114,000	114,000	798,000	114,000	114,000	114,000	-	342,000
Utilities	37,500	72,500	72,500	107,500	290,000	322,500	322,500	107,500	107,500	860,000
Motor Vehicles	240,000	-	-	-	240,000	-	-	-	960,000	960,000
Hotel Furniture, Fittings & equipment	111,630	111,630	-	-	223,260	-	893,040	893,040	223,260	2,009,340
Office Furniture & Equipment	-	-	-	-	-	-	-	118,800	79,200	198,000
Pre-operating expenses	629,963	449,974	359,979	359,979	1,799,895	281,675	281,675	281,675	281,675	1,126,700
Working Capital	-	-	-	-	-	-	-	-	-	-
Total	3,186,093	1,657,104	1,341,479	846,479	7,031,155	1,513,175	2,906,215	1,780,015	1,916,635	8,116,040
External Financing										
Land & Land Development	-	-	-	-	-	-	-	-	-	-
Buildings & Civil Works	2,000,000	1,500,000	1,500,000	500,000	5,500,000	1,500,000	1,000,000	500,000	500,000	3,500,000
Equipment & Installation	-	-	-	-	-	-	-	-	-	-
Utilities	500,000	250,000	250,000	-	1,000,000	-	-	-	-	-
Motor Vehicles	-	-	-	-	-	-	-	-	-	-
Hotel Furniture, Fittings & equipment	-	-	-	-	-	-	-	-	-	-
Office Furniture & Equipment	-	-	-	-	-	-	-	-	-	-
Pre-operating expenses	-	-	-	-	-	-	-	-	-	-
Working Capital	-	-	-	-	-	-	-	-	-	-
Total	2,500,000	1,750,000	1,750,000	500,000	6,500,000	1,500,000	1,000,000	500,000	500,000	3,500,000
Total Financing	5,686,093	3,407,104	3,091,479	1,346,479	13,531,155	3,013,175	3,906,215	2,280,015	2,416,635	11,616,040

- The shareholders will undertake to finance the working capital when the project starts operation in Year 3.

19.3 Proposed Terms and Conditions

- The proposed Term Loan facility is as indicated in the Project Repayment Schedule Annex 12.
- The following are the proposed Terms and Conditions:

Loan currency	US Dollar
Loan Amount	USD 10,000,000
Type of facility	Long-Term Loan
Mode of disbursement	Direct disbursement to suppliers
Disbursement Period	Year 1 – USD 6,500,00 Year 2 – USD 3,500,000
Loan tenure	8-Years
Grace Period	24-month
Interest rate	Floating rate of 6.5% p.a.

19.4 Security of the loan

- A First ranking fixed mortgage over all immovable assets of IMPERIAL INVESTMENT LTD and a corporate guarantee of the company.

20. Conclusion And Recommendations

- Tourism is one of the leading economic sectors in Tanzania and has unlimited potential to contribute even more to the development of the country. Blessed with unique natural and cultural attractions, Tanzania is well placed to become a leader of tourism in the region. The sector has, in the past, been relying primarily on wildlife resources as the major attraction, with up to 90 percent of all tourists taking part in wildlife safaris or hunting.
- Recently, the need to diversify away from other sectors such as agriculture sector has been recognized by both the public and private sectors. The wildlife tourism is one of the areas that have vast, untapped potential to attract tourism investments. The opportunities available in the wildlife tourism development are the focus of this Lodge project.
- IMPERIAL INVESTMENT LTD is seeking to develop a modern recreational facility in Serengeti National Park, the northern tourist hub of Tanzania. The project will be one facility of its kind in Makoma Hills area and its environs.
- The assessment of the viability of the proposed project demonstrates the project is a long-term investment and a profitable venture. The project will increase national outputs and provide employment opportunities. The project will be able to meet its financial obligations.
- In view of our observations, it is recommended to the promoters to undertake the project.

21. Project Imagry

Accommodation Imagery



Facility Imagery



BUSINESS PLAN

Proposed

MAKOMA IMPERIAL LODGE Serengeti

**Makoma Hills,
Serengeti National Park**

August, 2022

FINANCIAL PROJECTIONS

Proposed - MAKOMA IMPERIAL LODGE Serengeti
Project Summary

Investment & Financing Plan			
	Amount in USD '000'		
	Year 1	Year 2	Total
Project Investments			
Physical Assets	11,731	10,489	22,221
Pre-Operating xpenses	1,800	1,127	2,927
Working Capital	-	-	-
Total Investment	13,531	11,616	25,147
Project Financing			
Equity			
Ordinary Share Capital	-	-	-
Shareholders' funds	7,031	8,116	15,147
Sub-total	7,031	8,116	15,147
External Financing			
Long-term Loan 1	6,500	0	6,500
Long-term Loan 2	0	3,500	3,500
Short-term Loans	-	-	-
Sub-total	6,500	3,500	10,000
Total Financing	13,531	11,616	25,147
Exposure			
Equity	52%	70%	60%
External Financing	48%	30%	40%
Total	100%	100%	100%

Project Performance Indicators

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Room Occupancy Rates	%	0%	25%	32%	39%	46%	49%	51%	54%	56%	
Room Revenues	USD '000'	-	5,767	7,576	9,385	12,314	12,894	13,473	14,053	16,097	
Total Revenues	USD '000'	-	6,501	8,605	10,729	13,982	14,681	15,389	16,107	18,298	
Gross Margins	%	-	63%	61%	60%	59%	59%	59%	59%	59%	
EBITDA Margins	%	-	60%	58%	56%	56%	56%	56%	55%	56%	
NET Margins	%	-	15%	21%	25%	30%	31%	35%	36%	37%	
Return on Equity	%	-	6%	10%	13%	17%	15%	16%	14%	14%	
Return on Assets	%	-	4%	7%	10%	14%	14%	16%	14%	14%	
Net Present Value (NPV)	9,756	USD '000'									
Internal Rate of Return (IRR)	12.6%	Percentage									
Average Return on Investment	17.7%	Percentage									
Payback Period	5 Years										

Projected Revenues

	Amount in USD '000'									
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Accommodation services	-	-	5,767	7,576	9,385	12,314	12,894	13,473	14,053	16,097
% of Total Revenues	-	-	89%	88%	87%	88%	88%	88%	87%	88%
Auxiliary Services										
Revenues - Room Food Service	-	-	-	-	-	-	-	-	-	0.0%
Revenues - Beverages	-	-	349.0	487.2	638.4	803.6	877.7	957.4	1,042.8	1,134.4
Revenues - Room Services	-	-	60.9	83.6	108.3	135.4	148.3	162.1	176.9	192.8
Revenues - Souvenir	-	-	150.6	208.3	271.4	340.3	372.8	407.7	445.1	485.3
Sub-total	-	-	560.5	779.1	1,018.2	1,279.3	1,398.8	1,527.2	1,664.7	1,812.5
Conference Services										
Revenues- Conference Hire	-	-	-	-	-	-	-	-	-	0.0%
Revenues- Conference Food Service	-	-	109.8	158.0	205.2	245.3	245.3	245.3	245.3	245.3
Revenues - Other Conference Services	-	-	64.2	92.4	120.0	143.5	143.5	143.5	143.5	143.5
Sub-total	-	-	174.0	250.4	325.2	388.7	388.7	388.7	388.7	388.7
Total Revenues	-	-	6,501.1	8,605.3	10,729.3	13,981.7	14,681.1	15,389.4	16,106.8	18,297.8
Revenues Growth	-	-	32%	32%	25%	30%	5%	5%	5%	14%

Project Profitability

	Amount in USD '000'									
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Indirect Operating Costs										
Salaries & Staff Benefits	-	-	119	160	205	244	262	280	298	316
Administrative expenses	-	-	89	116	143	170	183	195	208	221
Sub-total	-	-	208	276	348	415	445	475	506	538
% of Revenues	-	-	3%	3%	3%	3%	3%	3%	3%	3%
Other Operating Expenses										
Depreciation & Amortisation	-	-	1,814	1,762	1,715	1,624	1,586	752	605	577
Finance Costs	-	-	682	578	467	349	223	88	0	0
Corporate Taxes	-	-	414	789	1,163	1,777	1,929	2,322	2,496	2,900
Sub-total	-	-	2,910	3,129	3,345	3,750	3,738	3,162	3,101	3,477
Gross Profits	-	-	4,085	5,245	6,407	8,311	8,683	9,056	9,431	10,782
EBITDA	-	-	3,877	4,969	6,059	7,897	8,238	8,581	8,925	10,244
NET Profits	-	-	966	1,640	2,714	4,146	4,501	5,419	5,824	6,767
Gross Margins	-	-	63%	61%	60%	59%	59%	59%	59%	59%
EBITDA Margins	-	-	60%	58%	56%	56%	56%	56%	55%	56%
NET Margins	-	-	15%	21%	25%	30%	31%	35%	36%	37%

Annex 1**Proposed - MAKOMA IMPERIAL LODGE Serengeti****Investment Plan**

Amount in US Dollar

	Year 1	Year 2	Total
Exchange Rate: TZS/USD	2,350	2,350	
Land & Land Development	-	-	-
Buildings & Civil Works	9,180,000	6,120,000	15,300,000
Equipment & Installation	798,000	342,000	1,140,000
Utilities	1,290,000	860,000	2,150,000
Motor Vehicles	240,000	960,000	1,200,000
Hotel Furniture, Fittings & equipment	223,260	2,009,340	2,232,600
Office Furniture & Equipment	-	198,000	198,000
Physical Assets	11,731,260	10,489,340	22,220,600
Pre-operating expenses			
Administrative Costs	719,958	321,500	1,041,458
Finance Costs	1,079,937	805,200	1,885,137
Pre-operating expenses	1,799,895	1,126,700	2,926,595
Total capital costs	13,531,155	11,616,040	25,147,195
Working Capital	-	-	-
Total Investment	13,531,155	11,616,040	25,147,195

Annex 2					
Proposed - MAKOMA IMPERIAL LODGE Serengeti					
Investment Plan					
Amount in US Dollar					
		Additional Investment			
		Year 1	Year 2	Total	
Exchange Rate: TZS/USD		2,350			
Land & Land Development					
	Acres	USD/Acre			
Land & Land Development	0	-	-	-	-
Land Cleaning & Statutory costs	0	-	-	-	-
Land					
Buildings & Civil Works					
		Rate			
Main Buildings & civil works					
1 Administration Block (incl. Reception, Souvenir shop, Business Centre, Data room, admin. office)	1	-	-	-	-
2 House Keeping Block (incl. Laundry, sick-bay, dry stores, Manager room)	1	-	-	-	-
3 Conference Block (Incl. 100-pax Hall, 2-meeting rooms, amenities)	1	-	-	-	-
4 Restaurant Block (incl. Restaurant, Bar, Kitchen, Cold room, amenities)	1	-	-	-	-
5 Cottages (Guest Houses)		-	-	-	-
Presidential Suite	2	-	-	-	-
Family Suite	8	-	-	-	-
Luxury Suite	15	-	-	-	-
Standard Luxury Suite	25	-	-	-	-
6 Others (Pump House,)	1	-	-	-	-
7 Staff Houses		-	-	-	-
Manager Houses (accom. 2-people each)	2	-	-	-	-
Senior Houses (accom. 2-people each)	4	-	-	-	-
Junior Houses (accom. 2-people each)	12	-	-	-	-
Staff Canteen	1	-	-	-	-
8 Sport Facility (Incl. Swimming Pool, Gym & Spa)	1	-	-	-	-
9 Concrete fence	1	-	-	-	-
10 Landscaping	1	-	-	-	-
Total cost					
Building & Civil works			9,180,000	6,120,000	15,300,000
Equipment & Installation					
Air conditioning system & installations			-	-	-
Security & Data system & installation			-	-	-
Fire fighting system & installation			-	-	-
Contingency			-	-	-
Equipment & Installation			798,000	342,000	1,140,000
Utilities					
Electrical equip & installations			-	-	-
Electrical main connections & Transformer			-	-	-
Main water connections			-	-	-
Water tanks & water wells			-	-	-
Solar Panels and accessories			-	-	-
Telephone system installations			-	-	-
Contingency			-	-	-
Utilities			1,290,000	860,000	2,150,000
Motor Vehicles					
Double Coaster Mini-bus 30-seater	1		-	-	-
Land Cruiser Pick-Up	1		-	-	-
Hilux 4WD Double Cabin -office use	2		-	-	-
Land Cruiser vans for tour operation	8		-	-	-
Motor Vehicles			240,000	960,000	1,200,000
Hotel Furniture, Fittings & equipment					
Hotel Equipment (water pump, CCTV, etc)			-	-	-
General furniture & kitchen equipment			-	-	-
Guest wing Furniture/fittinas/communication units			-	-	-
Staff Quarter Wing Equipment/Furniture/fittinas/communication unit			-	-	-
Conference/meeting room equipment			-	-	-
Banquet, conference room, restaurant/bar, quest wing linen			-	-	-
Other furniture, fittinas & equipment			-	-	-
Contingency			-	-	-
Hotel Furniture, Fittings & equipment			223,260	2,009,340	2,232,600
Office Furniture & Equipment					
Office equipment			-	-	-
Office furniture			-	-	-
Contingency			-	-	-
Office Furniture & Equipment			-	198,000	198,000
Pre-operating expenses					
Administrative Costs					
Business Consultancy services			-	-	-
Project Design			-	-	-
Statutory expenses			-	-	-
Administrative expenses			-	-	-
Launching costs			-	-	-
Initial Marketing costs			-	-	-
Labour costs during implementation			-	-	-
Sub-total			964,500	321,500	1,286,000
Finance Costs					
Loan facility fee	1.0%		-	-	-
Legal fees - registration	1.0%		-	-	-
Valuation charges	0.4%		-	-	-
Interest payment (During Construction)			-	-	-
Other pre-operating expenses			-	-	-
Sub-total			835,395	805,200	1,640,595
Pre-operating expenses			1,799,895	1,126,700	2,926,595
Total Investment			13,531,155	11,616,040	25,147,195

Annex 3			
Proposed - MAKOMA IMPERIAL LODGE Serengeti			
Financing Plan			
Amount in US Dollar			
	Additional Financing		
	Year 1	Year 2	Total
Exchange Rate: TZS/USD	2,350	2,350	2,350
Equity Financing			
Ordinary Share Capital	-	-	-
Shareholders' funds	7,031,155	8,116,040.00	15,147,195
Retained Earnings	-	-	-
Valuation Reserves	-	-	-
Total Equity	7,031,155	8,116,040	15,147,195
External Financing			
Long-Term Loans			
Long-term Loan 1	6,500,000	-	6,500,000
Long-term Loan 2	-	3,500,000	3,500,000
Short-term Loans			
Short-term Loans	-	-	-
Creditors & Payables	-	-	-
Total External Financing	6,500,000	3,500,000	10,000,000
Total Financing	13,531,155	11,616,040	25,147,195
Exposure			
Equity Financing	52%	70%	60%
External Financing	48%	30%	40%
Total Financing	100%	100%	100%

Annex 3 (ii)

Proposed - MAKOMA IMPERIAL LODGE Serengeti

Sources & Uses of Funds Schedule

Amount in US Dollar

	Year 1				Total	Year 2				Total
	Qrt 1	Qrt 2	Qrt 3	Qrt 4		Qrt 1	Qrt 2	Qrt 3	Qrt 4	
Equity Financing										
Land & Land Development	-	-	-	-	-	-	-	-	-	-
Buildings & Civil Works	1,825,000	795,000	795,000	265,000	3,680,000	795,000	1,295,000	265,000	265,000	2,620,000
Equipment & Installation	342,000	228,000	114,000	114,000	798,000	114,000	114,000	114,000	-	342,000
Utilities	37,500	72,500	72,500	107,500	290,000	322,500	322,500	107,500	107,500	860,000
Motor Vehicles	240,000	-	-	-	240,000	-	-	-	960,000	960,000
Hotel Furniture, Fittings & equipment	111,630	111,630	-	-	223,260	-	893,040	893,040	223,260	2,009,340
Office Furniture & Equipment	-	-	-	-	-	-	-	118,800	79,200	198,000
Pre-operating expenses	629,963	449,974	359,979	359,979	1,799,895	281,675	281,675	281,675	281,675	1,126,700
Working Capital	-	-	-	-	-	-	-	-	-	-
Total	3,186,093	1,657,104	1,341,479	846,479	7,031,155	1,513,175	2,906,215	1,780,015	1,916,635	8,116,040
External Financing										
Land & Land Development	-	-	-	-	-	-	-	-	-	-
Buildings & Civil Works	2,000,000	1,500,000	1,500,000	500,000	5,500,000	1,500,000	1,000,000	500,000	500,000	3,500,000
Equipment & Installation	-	-	-	-	-	-	-	-	-	-
Utilities	500,000	250,000	250,000	-	1,000,000	-	-	-	-	-
Motor Vehicles	-	-	-	-	-	-	-	-	-	-
Hotel Furniture, Fittings & equipment	-	-	-	-	-	-	-	-	-	-
Office Furniture & Equipment	-	-	-	-	-	-	-	-	-	-
Pre-operating expenses	-	-	-	-	-	-	-	-	-	-
Working Capital	-	-	-	-	-	-	-	-	-	-
Total	2,500,000	1,750,000	1,750,000	500,000	6,500,000	1,500,000	1,000,000	500,000	500,000	3,500,000
Total Financing	5,686,093	3,407,104	3,091,479	1,346,479	13,531,155	3,013,175	3,906,215	2,280,015	2,416,635	11,616,040

Annex 4

Proposed - MAKOMA IMPERIAL LODGE Serengeti

Depreciation & Amortisation Schedule

Amount in US Dollar

Year	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
	Rate									
Land & Land Development										
Opening Balance	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-
Depreciation	0.00%	-	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-	-	-
Buildings & Civil Works										
Opening Balance	-	9,180,000	15,300,000	14,994,000	14,694,120	14,400,238	14,112,233	13,829,988	13,553,388	13,282,321
Additions	9,180,000	6,120,000	-	-	-	-	-	-	-	-
Depreciation	2%	-	306,000	299,880	293,882	288,005	282,245	276,600	271,068	265,646
Closing Balance	9,180,000	15,300,000	14,994,000	14,694,120	14,400,238	14,112,233	13,829,988	13,553,388	13,282,321	13,016,674
Equipment & Installation										
Opening Balance	-	798,000	1,140,000	1,083,000	1,028,850	977,408	928,537	882,110	838,005	796,105
Additions	798,000	342,000	-	-	-	-	-	-	-	-
Depreciation	5.00%	-	57,000	54,150	51,443	48,870	46,427	44,106	41,900	39,805
Closing Balance	798,000	1,140,000	1,083,000	1,028,850	977,408	928,537	882,110	838,005	796,105	756,299
Utilities										
Opening Balance	-	1,290,000	2,150,000	2,042,500	1,940,375	1,843,356	1,751,188	1,663,629	1,580,448	1,501,425
Additions	1,290,000	860,000	-	-	-	-	-	-	-	-
Depreciation	5.00%	-	107,500	102,125	97,019	92,168	87,559	83,181	79,022	75,071
Closing Balance	1,290,000	2,150,000	2,042,500	1,940,375	1,843,356	1,751,188	1,663,629	1,580,448	1,501,425	1,426,354
Motor Vehicles										
Opening Balance	-	240,000	1,200,000	960,000	720,000	480,000	768,000	576,000	384,000	307,200
Additions	240,000	960,000	-	-	-	480,000	-	-	-	480,000
Depreciation	20.00%	-	240,000	240,000	240,000	192,000	192,000	192,000	76,800	76,800
Closing Balance	240,000	1,200,000	960,000	720,000	480,000	768,000	576,000	384,000	307,200	710,400
Hotel Furniture, Fittings & equipment										
Opening Balance	-	223,260	2,232,600	1,953,525	1,709,334	1,495,668	1,308,709	1,145,120	1,001,980	876,733
Additions	223,260	2,009,340	-	-	-	-	-	-	-	-
Depreciation	12.50%	-	279,075	244,191	213,667	186,958	163,589	143,140	125,248	109,592
Closing Balance	223,260	2,232,600	1,953,525	1,709,334	1,495,668	1,308,709	1,145,120	1,001,980	876,733	767,141
Office Furniture & Equipment										
Opening Balance	-	-	198,000	173,250	151,594	132,645	116,064	101,556	88,861	77,754
Additions	-	198,000	-	-	-	-	-	-	-	-
Depreciation	12.50%	-	24,750	21,656	18,949	16,581	14,508	12,694	11,108	9,719
Closing Balance	-	198,000	173,250	151,594	132,645	116,064	101,556	88,861	77,754	68,035
Pre-operating expenses										
Opening Balance	-	2,644,895	3,999,095	3,199,276	2,399,457	1,599,638	799,819	-	-	-
Additions	2,644,895	1,354,200	-	-	-	-	-	-	-	-
Amortisation (years)	5	-	799,819	799,819	799,819	799,819	799,819	-	-	-
Closing Balance	2,644,895	3,999,095	3,199,276	2,399,457	1,599,638	799,819	-	-	-	-
Totals:										
Opening Balance	-	14,376,155	26,219,695	24,405,551	22,643,730	20,928,951	19,784,551	18,198,404	17,446,683	16,841,537
# Additions	14,376,155	11,843,540	-	-	-	480,000	-	-	-	480,000
Depreciation + Amortisation	-	-	1,814,144	1,761,821	1,714,779	1,624,401	1,586,147	751,721	605,146	576,634
Closing Balance	14,376,155	26,219,695	24,405,551	22,643,730	20,928,951	19,784,551	18,198,404	17,446,683	16,841,537	16,744,903

			Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Number of Rooms												
Presidential Suite	Rooms		-	-	2	2	2	2	2	2	2	2
Family Suite	Rooms		-	-	8	8	8	8	8	8	8	8
Luxury Suite	Rooms		-	-	15	15	15	15	15	15	15	15
Standard Luxury Suite - Double	Rooms		-	-	25	25	25	25	25	25	25	25
Standard Luxury Suite - Single	Rooms		-	-	-	-	-	-	-	-	-	-
Total Rooms	Rooms		-	-	50	50	50	50	50	50	50	50
Standard Rooms Occupancy												
Standard Luxury Suite - Double	Percentage		-	-	65%	65%	65%	65%	65%	65%	65%	65%
Standard Luxury Suite - Single	Percentage		-	-	35%	35%	35%	35%	35%	35%	35%	35%
Total Occupancy Rates												
#	Change/Year							2%				
Presidential Suite	5% Percentage		-	-	15%	20%	25%	30%	32%	34%	36%	38%
Family Suite	10% Percentage		-	-	25%	35%	45%	55%	57%	59%	61%	63%
Luxury Suite	10% Percentage		-	-	30%	40%	50%	60%	62%	64%	66%	68%
Standard Luxury Suite - Double	5% Percentage		-	-	30%	35%	40%	45%	47%	49%	51%	53%
Standard Luxury Suite - Single	5% Percentage		-	-	25%	30%	35%	40%	45%	50%	55%	60%
Total Occupancy Rate	Percentage		-	-	25%	32%	39%	46%	49%	51%	54%	56%
Number of Days/year												
	Days		-	-	365	365	365	365	365	365	365	365
Number of Bednights												
Presidential Suite	Bednights		-	-	110	146	183	219	234	248	263	277
Family Suite	Bednights		-	-	730	1,022	1,314	1,606	1,664	1,723	1,781	1,840
Luxury Suite	Bednights		-	-	1,643	2,190	2,738	3,285	3,395	3,504	3,614	3,723
Standard Luxury Suite - Double	Bednights		-	-	1,068	1,246	1,424	1,601	1,673	1,744	1,815	1,886
Standard Luxury Suite - Single	Bednights		-	-	798	958	1,118	1,278	1,437	1,597	1,757	1,916
Total Occupancy Rate	Bednights		-	-	4,348	5,562	6,775	7,989	8,402	8,816	9,229	9,642
Rate Per Bednight												
#	Change in Rates	Annually	-	-	0%	0%	0%	10%	0%	0%	0%	10%
Presidential Suite	USD/Night		-	-	8,000	8,000	8,000	8,800	8,800	8,800	8,800	9,680
Family Suite	USD/Night		-	-	2,100	2,100	2,100	2,310	2,310	2,310	2,310	2,541
Luxury Suite	USD/Night		-	-	1,200	1,200	1,200	1,320	1,320	1,320	1,320	1,452
Standard Luxury Suite - Double	USD/Night		-	-	850	850	850	935	935	935	935	1,029
Standard Luxury Suite - Single	USD/Night		-	-	600	600	600	660	660	660	660	726
Revenues - Accommodation												
Presidential Suite	USD		-	-	876,000	1,168,000	1,460,000	1,927,200	2,055,680	2,184,160	2,312,640	2,685,232
Family Suite	USD		-	-	1,533,000	2,146,200	2,759,400	3,709,860	3,844,764	3,979,668	4,114,572	4,674,424
Luxury Suite	USD		-	-	1,971,000	2,628,000	3,285,000	4,336,200	4,480,740	4,625,280	4,769,820	5,405,796
Standard Luxury Suite - Double	USD		-	-	907,481	1,058,728	1,209,975	1,497,344	1,563,893	1,630,441	1,696,990	1,939,892
Standard Luxury Suite - Single	USD		-	-	479,063	574,875	670,688	843,150	948,544	1,053,938	1,159,331	1,391,198
Revenues - Accommodation	USD		-	-	5,766,544	7,575,803	9,385,063	12,313,754	12,893,620	13,473,487	14,053,353	16,096,542
Change in Revenues	Percentage		-	-	-	31%	24%	31%	5%	4%	4%	15%

Annex 5 (ii)
Proposed - MAKOMA IMPERIAL LODGE Serengeti

Projected Revenues Schedule

Amount in US Dollar

			Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Auxiliary Services												
Average Number of Visitors/Room												
Residential Suite	Visitors Per room	-	-	6	6	6	6	6	6	6	6	6
Family Suite	Visitors Per room	-	-	4	4	4	4	4	4	4	4	4
Luxury Suite	Visitors Per room	-	-	3	3	3	3	3	3	3	3	3
Standard Luxury Suite - Double	Visitors Per room	-	-	2	2	2	2	2	2	2	2	2
Standard Luxury Suite - Single	Visitors Per room	-	-	1	1	1	1	1	1	1	1	1
Total Number of Visitors												
Residential Suite	Visitors	-	-	657	876	1,095	1,314	1,401	1,489	1,576	1,664	1,664
Family Suite	Visitors	-	-	2,920	4,088	5,256	6,424	6,657	6,891	7,124	7,358	7,358
Luxury Suite	Visitors	-	-	4,927	6,570	8,212	9,855	10,183	10,512	10,840	11,169	11,169
Standard Luxury Suite - Double	Visitors	-	-	2,135	2,491	2,847	3,202	3,345	3,487	3,629	3,772	3,772
Standard Luxury Suite - Single	Visitors	-	-	798	958	1,117	1,277	1,437	1,596	1,756	1,916	1,916
Total Number of Visitors	Visitors	-	-	11,437	14,983	18,527	22,072	23,023	23,975	24,925	25,879	25,879
Food Services Revenue/Visitor												
Residential Suite	Change	5% USD/Visitor	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Family Suite	5% USD/Visitor	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Luxury Suite	5% USD/Visitor	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Standard Luxury Suite - Double	5% USD/Visitor	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Standard Luxury Suite - Single	5% USD/Visitor	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Food service revenues												
Provision for cancellations	Percentage	-	-	10%	10%	10%	10%	10%	10%	10%	10%	10%
Residential Suite	USD	-	-	-	-	-	-	-	-	-	-	-
Family Suite	USD	-	-	-	-	-	-	-	-	-	-	-
Luxury Suite	USD	-	-	-	-	-	-	-	-	-	-	-
Standard Luxury Suite - Double	USD	-	-	-	-	-	-	-	-	-	-	-
Standard Luxury Suite - Single	USD	-	-	-	-	-	-	-	-	-	-	-
Revenues - Room Food Service	USD	-	-	-	-	-	-	-	-	-	-	-
Beverages Revenues/Visitor												
Residential Suite	Change	5% USD/Visitor	-	-	50.0	52.5	55.1	57.9	60.8	63.8	67.0	70.4
Family Suite	5% USD/Visitor	-	-	50.0	52.5	55.1	57.9	60.8	63.8	67.0	70.4	70.4
Luxury Suite	5% USD/Visitor	-	-	50.0	52.5	55.1	57.9	60.8	63.8	67.0	70.4	70.4
Standard Luxury Suite - Double	5% USD/Visitor	-	-	25.0	26.3	27.6	28.9	30.4	31.9	33.5	35.2	35.2
Standard Luxury Suite - Single	5% USD/Visitor	-	-	25.0	26.3	27.6	28.9	30.4	31.9	33.5	35.2	35.2
Beverages Revenues												
Provision for cancellations	Percentage	-	-	30%	30%	30%	30%	30%	30%	30%	30%	30%
Residential Suite	USD	-	-	22,995	32,193	42,253	53,239	59,602	66,513	73,920	81,950	81,950
Family Suite	USD	-	-	102,200	150,234	202,816	260,280	283,207	307,820	334,139	362,371	362,371
Luxury Suite	USD	-	-	172,445	241,448	316,881	399,294	433,213	469,570	508,432	550,057	550,057
Standard Luxury Suite - Double	USD	-	-	37,363	45,772	54,929	64,868	71,153	77,882	85,106	92,883	92,883
Standard Luxury Suite - Single	USD	-	-	13,965	17,603	21,551	25,870	30,567	35,647	41,181	47,180	47,180
Revenues - Beverages	USD	-	-	348,968	487,250	638,430	803,551	877,741	957,431	1,042,779	1,134,440	1,134,440
Room Service revenues/room												
Internet + telephone + Laundry	Change	5% USD/room	-	-	-	-	-	-	-	-	-	-
Residential Suite	5% USD/room	-	-	30.0	31.5	33.1	34.7	36.5	38.3	40.2	42.2	42.2
Family Suite	5% USD/room	-	-	25.0	26.3	27.6	28.9	30.4	31.9	33.5	35.2	35.2
Luxury Suite	5% USD/room	-	-	15.0	15.8	16.5	17.4	18.2	19.1	20.1	21.1	21.1
Standard Luxury Suite - Double	5% USD/room	-	-	10.0	10.5	11.0	11.6	12.2	12.8	13.4	14.1	14.1
Standard Luxury Suite - Single	5% USD/room	-	-	10.0	10.5	11.0	11.6	12.2	12.8	13.4	14.1	14.1
Room Service Revenues												
Provision for Non-use	Percentage	-	-	30%	30%	30%	30%	30%	30%	30%	30%	30%
Residential Suite	USD	-	-	-	-	-	-	-	-	-	-	-
Family Suite	USD	-	-	15,330	22,535	30,422	39,042	42,485	46,174	50,127	54,359	54,359
Luxury Suite	USD	-	-	28,744	40,241	52,817	66,549	72,206	78,262	84,743	91,676	91,676
Standard Luxury Suite - Double	USD	-	-	11,210	13,732	16,479	19,466	21,347	23,368	25,538	27,867	27,867
Standard Luxury Suite - Single	USD	-	-	5,589	7,042	8,627	10,352	12,228	14,266	16,478	18,874	18,874
Revenues - Room Services	USD	-	-	60,873	83,551	108,345	135,409	148,266	162,071	176,885	192,776	192,776
Souvenir Revenues/Visitor												
Residential Suite	Change	5% USD/Visitor	-	-	50.0	52.5	55.1	57.9	60.8	63.8	67.0	70.4
Family Suite	5% USD/Visitor	-	-	15.0	15.8	16.5	17.4	18.2	19.1	20.1	21.1	21.1
Luxury Suite	5% USD/Visitor	-	-	20.0	21.0	22.1	23.2	24.3	25.5	26.8	28.1	28.1
Standard Luxury Suite - Double	5% USD/Visitor	-	-	15.0	15.8	16.5	17.4	18.2	19.1	20.1	21.1	21.1
Standard Luxury Suite - Single	5% USD/Visitor	-	-	10.0	10.5	11.0	11.6	12.2	12.8	13.4	14.1	14.1
Souvenir Revenues												
Provision for Non-Purchase	Percentage	-	-	30%	30%	30%	30%	30%	30%	30%	30%	30%
Residential Suite	USD	-	-	22,995	32,193	42,253	53,239	59,602	66,513	73,920	81,950	81,950
Family Suite	USD	-	-	30,660	45,070	60,845	78,084	84,962	92,346	100,242	108,711	108,711
Luxury Suite	USD	-	-	68,978	96,579	126,752	159,718	173,285	187,828	203,373	220,023	220,023
Standard Luxury Suite - Double	USD	-	-	22,418	27,463	32,958	38,921	42,692	46,729	51,064	55,730	55,730
Standard Luxury Suite - Single	USD	-	-	5,586	7,041	8,620	10,348	12,227	14,259	16,472	18,872	18,872
Revenues - Souvenir	USD	-	-	150,637	208,347	271,428	340,309	372,768	407,675	445,071	485,285	485,285
Revenues - Auxiliary Services	USD	-	-	560,477	779,148	1,018,203	1,279,269	1,398,775	1,527,177	1,664,734	1,812,501	1,812,501

Change in Revenues	Percentage	-	-	-	39%	31%	26%	9%	9%	9%	9%
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Annex 5 (iv)												
Proposed - MAKOMA IMPERIAL LODGE Serengeti												
Projected Revenues Schedule												
Amount in US Dollar												
			Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Conference Services												
Food Revenues												
	Change											
Conference Pack/Participant	0%	USD/Participant	-	-	45	45	45	45	45	45	45	45
Up to 100 Pax		USD	-	-	4,500	9,000	13,500	13,500	13,500	13,500	13,500	13,500
Up to 80 Pax		USD	-	-	10,800	18,000	21,600	25,200	25,200	25,200	25,200	25,200
Up to 60 Pax		USD	-	-	24,300	32,400	43,200	51,300	51,300	51,300	51,300	51,300
Up to 40 Pax		USD	-	-	21,600	30,600	39,600	48,600	48,600	48,600	48,600	48,600
Up to 20 Pax		USD	-	-	40,500	56,700	72,900	89,100	89,100	89,100	89,100	89,100
Up to 10 Pax		USD	-	-	8,100	11,250	14,400	17,550	17,550	17,550	17,550	17,550
Revenues- Conference Food Service		USD	-	-	109,800	157,950	205,200	245,250	245,250	245,250	245,250	245,250
Other Conferene Service Revenues												
Beverages												
Soft Drinks	10.0%	of Food revenue	-	-	10,980	15,795	20,520	24,525	24,525	24,525	24,525	24,525
Beer	15.0%	of Food revenue	-	-	16,470	23,693	30,780	36,788	36,788	36,788	36,788	36,788
Spirits & Wine	3.0%	of Food revenue	-	-	3,294	4,739	6,156	7,358	7,358	7,358	7,358	7,358
Champagne	0.5%	of Food revenue	-	-	549	790	1,026	1,226	1,226	1,226	1,226	1,226
Decorations	3%	of Food revenue	-	-	3,294	4,739	6,156	7,358	7,358	7,358	7,358	7,358
Presentation materials	2%	of Food revenue	-	-	2,196	3,159	4,104	4,905	4,905	4,905	4,905	4,905
Transport Services	25%	of Food revenue	-	-	27,450	39,488	51,300	61,313	61,313	61,313	61,313	61,313
Revenues - Other Conference Services		USD	-	-	64,233	92,401	120,042	143,471	143,471	143,471	143,471	143,471
Revenues - Conference Services		USD	-	-	174,033	250,351	325,242	388,721	388,721	388,721	388,721	388,721
Change in Revenues		Percentage	-	-	-	44%	30%	20%	0%	0%	0%	0%
Project Revenues												
			Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Revenues - Accommodation		USD	-	-	5,766,544	7,575,803	9,385,063	12,313,754	12,893,620	13,473,487	14,053,353	16,096,542
Percentage of Total revenues			-	-	89%	88%	87%	88%	88%	88%	87%	88%
Auxiliary Services												
Revenues - Room Food Service		USD	-	-	-	-	-	-	-	-	-	-
Revenues - Beverages		USD	-	-	348,968	487,250	638,430	803,551	877,741	957,431	1,042,779	1,134,440
Revenues - Room Services		USD	-	-	60,873	83,551	108,345	135,409	148,266	162,071	176,885	192,776
Revenues - Sourvenir		USD	-	-	150,637	208,347	271,428	340,309	372,768	407,675	445,071	485,285
Conference Services												
Revenues- Conference Hire		USD	-	-	-	-	-	-	-	-	-	-
Revenues- Conference Food Service		USD	-	-	109,800	157,950	205,200	245,250	245,250	245,250	245,250	245,250
Revenues - Other Conference Services		USD	-	-	64,233	92,401	120,042	143,471	143,471	143,471	143,471	143,471
Total Project Revenues		USD	-	-	6,501,054	8,605,301	10,728,508	13,981,744	14,681,117	15,389,385	16,106,809	18,297,763
Change in Revenues		Percentage	-	-	-	32%	25%	30%	5%	5%	5%	14%

Annex 6 (ii)												
Proposed - MAKOMA IMPERIAL LODGE Serengeti												
Projected Operating Costs Schedule												
Amount in US Dollar												
			Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Direct Operating Costs												
3 Auxilliary Services Operating Costs												
Beverages Costs												
Presidential Suite	55%	Beverage Income	-	-	12,647	17,706	23,239	29,282	32,781	36,582	40,656	45,072
Family Suite	55%	Beverage Income	-	-	56,210	82,629	111,549	143,154	155,764	169,301	183,777	199,304
Luxury Suite	65%	Beverage Income	-	-	112,089	156,941	205,972	259,541	281,588	305,220	330,481	357,537
Standard Luxury Suite - Double	65%	Beverage Income	-	-	24,286	29,752	35,704	42,164	46,249	50,623	55,319	60,374
		USD	-	-	205,232	287,028	376,464	474,141	516,382	561,727	610,232	662,287
Room Services Costs												
Presidential Suite	30%	Room service Income	-	-	-	-	-	-	-	-	-	-
Family Suite	20%	Room service Income	-	-	3,066	4,507	6,084	7,808	8,497	9,235	10,025	10,872
Luxury Suite	15%	Room service Income	-	-	4,312	6,036	7,922	9,982	10,831	11,739	12,711	13,751
Standard Luxury Suite - Double	12%	Room service Income	-	-	7,305	10,026	13,001	16,249	17,792	19,448	21,226	23,133
		USD	-	-	14,682	20,569	27,008	34,040	37,120	40,423	43,963	47,756
Sourvenir Costs												
Presidential Suite	50%	Sourvenir Income	-	-	11,498	16,097	21,127	26,620	29,801	33,257	36,960	40,975
Family Suite	55%	Sourvenir Income	-	-	16,863	24,789	33,465	42,946	46,729	50,790	55,133	59,791
Luxury Suite	60%	Sourvenir Income	-	-	41,387	57,947	76,051	95,831	103,971	112,697	122,024	132,014
Standard Luxury Suite - Double	60%	Sourvenir Income	-	-	13,451	16,478	19,775	23,352	25,615	28,037	30,638	33,438
		USD	-	-	83,198	115,310	150,417	188,749	206,116	224,781	244,755	266,217
Facilities Maintenance Costs												
Outdoor Facilities	0,5%	Room Incomes	-	-	28,833	37,879	46,925	61,569	64,468	67,367	70,267	80,483
Beverages Facilities	5%	Beverage Income	-	-	17,448	24,362	31,922	40,178	43,887	47,872	52,139	56,722
Services Facilities	5%	Room service Income	-	-	3,044	4,178	5,417	6,770	7,413	8,104	8,844	9,639
Sourvenir Facilities	5%	Sourvenir Income	-	-	7,532	10,417	13,571	17,015	18,638	20,384	22,254	24,264
		USD	-	-	56,857	76,836	97,835	125,532	134,407	143,726	153,503	171,108
Operating Costs - Auxilliary Services		USD	-	-	359,969	499,744	651,725	822,461	894,025	970,657	1,052,454	1,147,368
% of Total Revenues		Percentage	-	-	5.5%	5.8%	6.1%	5.9%	6.1%	6.3%	6.5%	6.3%
4 Conference Services Operating Costs												
Food Services												
Up to 100 Pax	50%	Of incomes	-	-	2,250	4,500	6,750	6,750	6,750	6,750	6,750	6,750
Up to 80 Pax	52%	Of incomes	-	-	5,616	9,360	11,232	13,104	13,104	13,104	13,104	13,104
Up to 60 Pax	54%	Of incomes	-	-	13,122	17,496	23,328	27,702	27,702	27,702	27,702	27,702
Up to 40 Pax	56%	Of incomes	-	-	12,096	17,136	22,176	27,216	27,216	27,216	27,216	27,216
Up to 20 Pax	58%	Of incomes	-	-	23,490	32,886	42,282	51,678	51,678	51,678	51,678	51,678
Up to 10 Pax	60%	Of incomes	-	-	4,860	6,750	8,640	10,530	10,530	10,530	10,530	10,530
		USD	-	-	61,434	88,128	114,408	136,980	136,980	136,980	136,980	136,980
Other Conference Services												
Beverages	75%	Beverage Income	-	-	23,470	33,762	43,862	52,422	52,422	52,422	52,422	52,422
Decorations	60%	Decorations Income	-	-	1,976	2,843	3,694	4,415	4,415	4,415	4,415	4,415
Presentation materials	40%	Presentation Income	-	-	878	1,264	1,642	1,962	1,962	1,962	1,962	1,962
Transport Services	60%	Transport Income	-	-	16,470	23,693	30,780	36,788	36,788	36,788	36,788	36,788
		USD	-	-	42,795	61,561	79,977	95,586	95,586	95,586	95,586	95,586
Operating Costs - Conference Services		USD	-	-	104,229	149,689	194,385	232,566	232,566	232,566	232,566	232,566
% of Total Revenues		Percentage	-	-	2%	2%	2%	2%	2%	2%	1%	1%
Total Direct Operating Costs												
Operating Costs - Franchise Services		USD	-	-	100,490	246,000	397,290	554,533	622,186	692,324	765,018	840,342
Operating Costs- Room Service		USD	-	-	1,851,727	2,465,078	3,078,428	4,060,957	4,249,226	4,437,495	4,625,765	5,295,438
Operating Costs- Auxilliary Services		USD	-	-	359,969	499,744	651,725	822,461	894,025	970,657	1,052,454	1,147,368
Operating Costs - Conference Services		USD	-	-	104,229	149,689	194,385	232,566	232,566	232,566	232,566	232,566
Total Direct Operating Costs		USD	-	-	2,416,415	3,360,510	4,321,828	5,670,517	5,998,004	6,333,042	6,675,802	7,515,714
% of Total Revenues		Percentage	-	-	37%	39%	40%	41%	41%	41%	41%	41%

Annex 6 (iii)											
Proposed - MAKOMA IMPERIAL LODGE Serengeti											
Projected Operating Costs Schedule											
Amount in US Dollar											
		Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Indirect Operating Costs											
Salaries & Staff Benefits											
Salaries & Wages	USD	-	-	105,814	140,706	178,315	209,520	221,110	232,701	244,291	255,882
Staff Benefits	USD	-	-	10,581	14,071	17,831	20,952	22,111	23,270	24,429	25,588
Inflation Adjustment	USD	-	-	2,328	5,423	9,346	13,956	18,820	23,940	29,314	34,943
Salaries & Staff Benefits	USD	-	-	118,724	160,200	205,493	244,428	262,042	279,911	298,035	316,414
% of Total Revenues		-	-	2%	2%	2%	2%	2%	2%	2%	2%
Administrative expenses											
Cost realisation	Percentage	-	-	25%	32%	39%	46%	49%	51%	54%	56%
Number of Operating Months	Months	-	-	12	12	12	12	12	12	12	12
Repair and maintenance	SD/mon	-	-	3,375	4,320	5,265	6,210	6,561	6,912	7,263	7,614
Gardening expenses	SD/mon	-	-	1,688	2,160	2,633	3,105	3,281	3,456	3,632	3,807
Estate supervision expenses	SD/mon	-	-	1,013	1,296	1,580	1,863	1,968	2,074	2,179	2,284
Postage and courier	SD/mon	-	-	810	1,037	1,264	1,490	1,575	1,659	1,743	1,827
Skills development levy (SDL)	SD/mon	-	-	6,750	8,640	10,530	12,420	13,122	13,824	14,526	15,228
Office supplies and printing	SD/mon	-	-	2,025	2,592	3,159	3,726	3,937	4,147	4,358	4,568
Internet & Telephone expense	SD/mon	-	-	2,363	3,024	3,686	4,347	4,593	4,838	5,084	5,330
Insurance expenses	JSD/Yea	-	-	1,406	1,800	2,194	2,588	2,734	2,880	3,026	3,173
Audit fee	JSD/Yea	-	-	1,406	1,800	2,194	2,588	2,734	2,880	3,026	3,173
Exchange loss/gain	JSD/Yea	-	-	338	432	527	621	656	691	726	761
Land rent expenses	JSD/Yea	-	-	844	1,080	1,316	1,553	1,640	1,728	1,816	1,904
Transport and travelling	SD/mon	-	-	3,375	4,320	5,265	6,210	6,561	6,912	7,263	7,614
Bank service charges	SD/mon	-	-	1,688	2,160	2,633	3,105	3,281	3,456	3,632	3,807
Electricity and water	SD/mon	-	-	5,400	6,912	8,424	9,936	10,498	11,059	11,621	12,182
Permits and documentation ex	SD/mon	-	-	3,375	4,320	5,265	6,210	6,561	6,912	7,263	7,614
Security service expenses	SD/mon	-	-	6,750	8,640	10,530	12,420	13,122	13,824	14,526	15,228
Marketing expenses	SD/mon	-	-	33,750	43,200	52,650	62,100	65,610	69,120	72,630	76,140
Withholding tax	om Rev	-	-	-	-	-	-	-	-	-	-
Directors emoluments	SD/mon	-	-	10,125	12,960	15,795	18,630	19,683	20,736	21,789	22,842
Hotel Management Fees		-	-	-	-	-	-	-	-	-	-
Other expenses	SD/mon	-	-	675	864	1,053	1,242	1,312	1,382	1,453	1,523
Inflation adjustment	# p.a	-	-	1,743	3,974	6,693	9,901	13,289	16,859	20,610	24,542
Administrative costs		-	-	88,897	115,531	142,653	170,264	182,716	195,350	208,165	221,161
% of Total Revenues	Percentage	-	-	1.4%	1.3%	1.3%	1.2%	1.2%	1.3%	1.3%	1.2%
Indirect Operating Expenses	USD	-	-	207,621	275,731	348,146	414,691	444,758	475,261	506,200	537,575
% of Total Revenues	Percentage	-	-	3%	3%	3%	3%	3%	3%	3%	3%
Total Operating Costs											
		Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Direct Operating Costs	USD	-	-	2,416,415	3,360,510	4,321,828	5,670,517	5,998,004	6,333,042	6,675,802	7,515,714
Indirect Operating Costs	USD	-	-	207,621	275,731	348,146	414,691	444,758	475,261	506,200	537,575
Total Operating Costs	USD	-	-	2,624,035	3,636,242	4,669,974	6,085,209	6,442,762	6,808,303	7,182,002	8,053,289
% of Total Revenues	USD	-	-	40%	42%	44%	44%	44%	44%	45%	44%

Annex 7 (i)

Proposed - MAKOMA IMPERIAL LODGE Serengeti

Projected Operating Costs Schedule

Amount in US Dollar

Number of staff

	Year	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Management Team											
Managing Director		-	-	1	1	1	1	1	1	1	1
Commercial Director		-	-	1	1	1	1	1	1	1	1
Hotel Manager		-	-	1	1	1	1	1	1	1	1
Administrative Secretary		-	-	1	1	1	1	1	1	1	1
Accounts & Procurement Manager		-	-	1	1	1	1	1	1	1	1
Head Chef		-	-	1	1	1	1	1	1	1	1
Real Estate Supervisor		-	-	1	1	1	1	1	1	1	1
Sub-total: Management		-	-	7	7	7	7	7	7	7	7
Support Staff											
SHIFT (numbers are for 2 shifts)											
Service Staff - Grade 1		-	-	5	5	5	5	5	5	5	5
Service Staff - Grade 2		-	-	10	10	10	10	10	10	10	10
Service Staff - Grade 3		-	-	12	12	12	12	12	12	12	12
Chef Assitants - Grade 1		-	-	2	3	4	4	4	4	4	4
Chef Assitants - Grade 2		-	-	4	5	6	6	6	6	6	6
Accounts & Stores Clerk		-	-	1	2	3	3	3	3	3	3
Receptionist/Cashier		-	-	2	3	4	4	4	4	4	4
Laundry Workers		-	-	2	3	4	4	4	4	4	4
Guest Helpers		-	-	2	3	4	4	4	4	4	4
Drivers		-	-	4	5	6	6	6	6	6	6
Security Guards		-	-	6	7	8	8	8	8	8	8
Gardeners		-	-	2	3	4	4	4	4	4	4
Other Support staff		-	-	1	1	1	1	1	1	1	1
Sub-total: Support Staff		-	-	53	62	71	71	71	71	71	71
Total staff Contingent (potential)		-	-	60	69	78	78	78	78	78	78
Capacity Utilisation		0%	0%	26%	33%	40%	47%	50%	52%	55%	57%
Actual No of people employed		-	-	16	23	31	37	39	41	43	45

Annex 8

Proposed - MAKOMA IMPERIAL LODGE Serengeti

Projected Working Capital Schedule

Amount in US Dollar

				Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Current Assets:													
Debtors													
Accommodation Services	15	Days	Room Incomes	-	-	236,981	311,334	385,688	506,045	529,875	553,705	577,535	661,502
Auxilliary Services	15	Days	Auxilliary Incomes	-	-	23,033	32,020	41,844	52,573	57,484	62,761	68,414	74,486
Conference Facilities	15	Days	Conference Incomes	-	-	7,152	10,288	13,366	15,975	15,975	15,975	15,975	15,975
Total debtors				-	-	267,167	353,643	440,898	574,592	603,334	632,440	661,924	751,963
Pre-payments	1	Month	on Direct Costs	-	-	201,368	280,043	360,152	472,543	499,834	527,754	556,317	626,310
Stocks													
Accommodation Services	30%	%	Room Service costs	-	-	555,518	739,523	923,528	1,218,287	1,274,768	1,331,249	1,387,729	1,588,631
Auxilliary Services	20%	%	Auxilliary Service costs	-	-	71,994	99,949	130,345	164,492	178,805	194,131	210,491	229,474
Conference Facilities	30%	%	Conference Costs	-	-	31,269	44,907	58,315	69,770	69,770	69,770	69,770	69,770
Total Stocks				-	-	658,780	884,379	1,112,189	1,452,549	1,523,343	1,595,150	1,667,990	1,887,875
Other current assets	15	Days	Indirect Costs	-	-	8,532	11,331	14,307	17,042	18,278	19,531	20,803	22,092
Total current assets				-	-	1,135,847	1,529,395	1,927,546	2,516,727	2,644,788	2,774,875	2,907,033	3,288,239
Current Liabilities:													
Trade Creditors													
Accommodation Services	5	Days	Room Service costs	-	-	25,366	33,768	42,170	55,630	58,209	60,788	63,367	72,540
Auxilliary Services	5	Days	Auxilliary Service costs	-	-	4,931	6,846	8,928	11,267	12,247	13,297	14,417	15,717
Conference Facilities	5	Days	Conference Costs	-	-	1,428	2,051	2,663	3,186	3,186	3,186	3,186	3,186
Total Creditors				-	-	31,725	42,665	53,761	70,082	73,641	77,270	80,970	91,443
Administrative expenses	30	Days	Administrative Costs	-	-	7,307	9,496	11,725	13,994	15,018	16,056	17,109	18,178
Accued Incomes													
Accommodation Services	5	Days	Room Incomes	-	-	78,994	103,778	128,563	168,682	176,625	184,568	192,512	220,501
Auxilliary Services	0	Days	Auxilliary Incomes	-	-	-	-	-	-	-	-	-	-
Conference Facilities	2	Days	Conference Incomes	-	-	954	1,372	1,782	2,130	2,130	2,130	2,130	2,130
Total Accrued Incomes				-	-	79,947	105,150	130,345	170,812	178,755	186,698	194,642	222,631
Other current liabilities	5	Days	Indirect Oper. Costs	-	-	2,844	3,777	4,769	5,681	6,093	6,510	6,934	7,364
Total Current liabilities				-	-	121,823	161,087	200,599	260,568	273,507	286,535	299,655	339,616
Net Working Capital				-	-	1,014,024	1,368,308	1,726,947	2,256,158	2,371,281	2,488,340	2,607,378	2,948,624
Change in Net Working Capital				-	-	1,014,024	354,284	358,639	529,211	115,123	117,059	119,038	341,245

Annex 9
Proposed - MAKOMA IMPERIAL LODGE Serengeti
Loan Repayment Schedule
Amount in US Dollar

	Year	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10		
Long-term Loan 1													
Loan Amount	6,500,000 USD												
Loan Tenure	8 Years												
Interest rate	7% p.a												
Grace Period	12 Month												
Repayment Schedule													
Opening Balance		-	7,345,000	7,345,000	6,309,368	5,204,762	4,026,587	2,769,944	1,429,606	-	-	0	
Drawdowns		7,345,000	-	-	-	-	-	-	-	-	-	-	
Interest	7% p.a.	477,425	477,425	452,521	383,546	309,977	231,509	147,814	58,546	-	0	-	0
Principal Repayment	8 Years	-	-	1,035,632	1,104,606	1,178,175	1,256,643	1,340,338	1,429,606	0	0	0	
Balance		7,345,000	7,345,000	6,309,368	5,204,762	4,026,587	2,769,944	1,429,606	-	-	0	0	
Long-term Loan 2													
Loan Amount	3,500,000 USD												
Loan Tenure	7 Years												
Interest rate	7% p.a												
Grace Period	12 Month												
Repayment Schedule													
Opening Balance		-	-	3,727,500	3,201,929	2,641,355	2,043,445	1,405,714	725,508	-	-	-	
Drawdowns		-	3,727,500	-	-	-	-	-	-	-	-	-	
Interest	7% p.a.	-	242,288	229,649	194,645	157,310	117,488	75,014	29,711	-	-	-	
Principal Repayment	8 Years	-	-	525,571	560,575	597,910	637,731	680,205	725,508	-	-	-	
Balance		-	3,727,500	3,201,929	2,641,355	2,043,445	1,405,714	725,508	-	-	-	-	
TOTALS:													
Opening Balance		-	7,345,000	11,072,500	9,511,298	7,846,117	6,070,032	4,175,658	2,155,115	-	-	0	
Drawdowns		7,345,000	3,727,500	-	-	-	-	-	-	-	-	-	
Interest		477,425	719,713	682,169	578,191	467,287	348,997	222,829	88,257	-	0	0	
Principal Repayment		-	-	1,561,202	1,665,181	1,776,085	1,894,375	2,020,543	2,155,115	0	0	0	
Closing Balance		7,345,000	11,072,500	9,511,298	7,846,117	6,070,032	4,175,658	2,155,115	-	-	0	0	
Total repayment		477,425	719,713	2,243,372	2,243,372	2,243,372	2,243,372	2,243,372	2,243,372	-	-	-	

LOAN REPAYMENT SCHEDULE

(Amount in USD currency)

NAME OF BORROWER:	Proposed - MAKOMA IMPERIAL LODGE Sere				
PROJECT:	Tourist Hotel				
LOAN AMOUNT (IN USD)	6,500,000.00				
NUMBER OF PAYMENTS PER YEAR	4.00				
GRACE PERIOD (MONTHS)	24.00				
GRACE PERIOD INTEREST CAPITALISED	845,000.00				
LOAN AMOUNT + GPI CAPITALISED	7,345,000				
REPAYMENT PERIOD IN YEARS	6.00				
INTEREST RATE (%)	6.50				
INSTALMENT FACTOR	0.05				
INSTALMENT AMOUNT	372,038.03				
Month	Loan Balance	Principal Due	Interest Due	Equal Monthly Installments	Loan Bal. C/F
Quarters	6,500,000	-	845,000		7,345,000
1					
1	7,345,000	0	119,356	372,038	7,345,000
2	7,345,000	0	119,356	372,038	7,345,000
3	7,345,000	0	119,356	372,038	7,345,000
4	7,345,000	0	119,356	372,038	7,345,000
2					
5	7,345,000	0	119,356	372,038	7,345,000
6	7,345,000	0	119,356	372,038	7,345,000
7	7,345,000	0	119,356	372,038	7,345,000
8	7,345,000	0	119,356	372,038	7,345,000
3					
9	7,345,000	252,682	119,356	372,038	7,092,318
10	7,092,318	256,788	115,250	372,038	6,835,530
11	6,835,530	260,961	111,077	372,038	6,574,570
12	6,574,570	265,201	106,837	372,038	6,309,368
4					
13	6,309,368	269,511	102,527	372,038	6,039,858
14	6,039,858	273,890	98,148	372,038	5,765,967
15	5,765,967	278,341	93,697	372,038	5,487,626
16	5,487,626	282,864	89,174	372,038	5,204,762
5					
17	5,204,762	287,461	84,577	372,038	4,917,301
18	4,917,301	292,132	79,906	372,038	4,625,170
19	4,625,170	296,879	75,159	372,038	4,328,291
20	4,328,291	301,703	70,335	372,038	4,026,587
6					
21	4,026,587	306,606	65,432	372,038	3,719,981
22	3,719,981	311,588	60,450	372,038	3,408,393
23	3,408,393	316,652	55,386	372,038	3,091,741
24	3,091,741	321,797	50,241	372,038	2,769,944
7					
25	2,769,944	327,026	45,012	372,038	2,442,918
26	2,442,918	332,341	39,697	372,038	2,110,577
27	2,110,577	337,741	34,297	372,038	1,772,836
28	1,772,836	343,229	28,809	372,038	1,429,606
8					
29	1,429,606	348,807	23,231	372,038	1,080,799
30	1,080,799	354,475	17,563	372,038	726,324
31	726,324	360,235	11,803	372,038	366,089
32	366,089	366,089	5,949	372,038	0
		7,345,000	3,383,763		

LOAN REPAYMENT SCHEDULE

(Amount in USD currency)

NAME OF BORROWER:	Proposed - MAKOMA IMPERIAL LODGE Sere				
PROJECT:	Tourist Hotel				
LOAN AMOUNT (IN USD)	3,500,000.00				
NUMBER OF PAYMENTS PER YEAR	4.00				
GRACE PERIOD (MONTHS)	12.00				
GRACE PERIOD INTEREST CAPITALISED	227,500.00				
LOAN AMOUNT + GPI CAPITALISED	3,727,500.00				
REPAYMENT PERIOD IN YEARS	6.00				
INTEREST RATE (%)	6.50				
INSTALMENT FACTOR	0.05				
INSTALMENT AMOUNT	188,804.87				
Month	Loan Balance	Principal Due	Interest Due	Equal Monthly Installments	Loan Bal. C/F
Quarters					
1	1				
	2				
	3				
	4	3,500,000	0	227,500	3,727,500
2	5	3,727,500	0	60,572	3,727,500
	6	3,727,500	0	60,572	3,727,500
	7	3,727,500	0	60,572	3,727,500
	8	3,727,500	0	60,572	3,727,500
3	9	3,727,500	128,233	60,572	3,599,267
	10	3,599,267	130,317	58,488	3,468,950
	11	3,468,950	132,434	56,370	3,336,516
	12	3,336,516	134,586	54,218	3,201,929
4	13	3,201,929	136,774	52,031	3,065,156
	14	3,065,156	138,996	49,809	2,926,160
	15	2,926,160	141,255	47,550	2,784,905
	16	2,784,905	143,550	45,255	2,641,355
5	17	2,641,355	145,883	42,922	2,495,472
	18	2,495,472	148,253	40,551	2,347,218
	19	2,347,218	150,663	38,142	2,196,556
	20	2,196,556	153,111	35,694	2,043,445
6	21	2,043,445	155,599	33,206	1,887,846
	22	1,887,846	158,127	30,678	1,729,719
	23	1,729,719	160,697	28,108	1,569,022
	24	1,569,022	163,308	25,497	1,405,714
7	25	1,405,714	165,962	22,843	1,239,752
	26	1,239,752	168,659	20,146	1,071,093
	27	1,071,093	171,400	17,405	899,693
	28	899,693	174,185	14,620	725,508
8	29	725,508	177,015	11,790	548,493
	30	548,493	179,892	8,913	368,601
	31	368,601	182,815	5,990	185,786
	32	185,786	185,786	3,019	0
		3,727,500	1,273,604		

Annex 10										
Proposed - MAKOMA IMPERIAL LODGE Serengeti										
Projected Profit & Loss Statements										
Amount in US Dollar										
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Projected Revenues										
Revenues - Accommodation	-	-	5,766,544	7,575,803	9,385,063	12,313,754	12,893,620	13,473,487	14,053,353	16,096,542
Revenues - Auxilliary Services	-	-	560,477	779,148	1,018,203	1,279,269	1,398,775	1,527,177	1,664,734	1,812,501
Revenues - Conference Services	-	-	174,033	250,351	325,242	388,721	388,721	388,721	388,721	388,721
Total Revenue	-	-	6,501,054	8,605,301	10,728,508	13,981,744	14,681,117	15,389,385	16,106,809	18,297,763
Direct Operating Costs										
Operating Costs - Franchise Services	-	-	100,490	246,000	397,290	554,533	622,186	692,324	765,018	840,342
Operating Costs- Room Service	-	-	1,851,727	2,465,078	3,078,428	4,060,957	4,249,226	4,437,495	4,625,765	5,295,438
Operating Costs- Auxilliary Services	-	-	359,969	499,744	651,725	822,461	894,025	970,657	1,052,454	1,147,368
Operating Costs - Conference Services	-	-	104,229	149,689	194,385	232,566	232,566	232,566	232,566	232,566
Total Direct Operating Costs	-	-	2,416,415	3,360,510	4,321,828	5,670,517	5,998,004	6,333,042	6,675,802	7,515,714
Gross Profit/(Loss)	-	-	4,084,639	5,244,791	6,406,679	8,311,227	8,683,113	9,056,343	9,431,007	10,782,049
Gross Margins	-	-	63%	61%	60%	59%	59%	59%	59%	59%
Indirec Operating Costs										
Salaries & Staff Benefits	-	-	118,724	160,200	205,493	244,428	262,042	279,911	298,035	316,414
Administrative expenses	-	-	88,897	115,531	142,653	170,264	182,716	195,350	208,165	221,161
Total Indirect Operating Costs	-	-	207,621	275,731	348,146	414,691	444,758	475,261	506,200	537,575
EBITDA	-	-	3,877,018	4,969,059	6,058,533	7,896,535	8,238,355	8,581,083	8,924,807	10,244,474
EBITDA Margins	-	-	60%	58%	56%	56%	56%	56%	55%	56%
Depreciation & Amortisation	-	-	1,814,144	1,761,821	1,714,779	1,624,401	1,586,147	751,721	605,146	576,634
Profit Before I & T	-	-	2,062,874	3,207,239	4,343,755	6,272,135	6,652,209	7,829,361	8,319,661	9,667,841
Finance Costs										
Long-term Loan 1	-	-	452,521	383,546	309,977	231,509	147,814	58,546	0	0
Long-term Loan 2	-	-	229,649	194,645	157,310	117,488	75,014	29,711	-	-
Working Capital Loan Facility	-	-	-	-	-	-	-	-	-	-
Total Finance costs	-	-	682,169	578,191	467,287	348,997	222,829	88,257	0	0
Profit Before Tax	-	-	1,380,705	2,629,048	3,876,468	5,923,138	6,429,380	7,741,104	8,319,661	9,667,841
Taxable Incomes	-	-	1,380,705	2,629,048	3,876,468	5,923,138	6,429,380	7,741,104	8,319,661	9,667,841
Provision for Taxation	-	-	414,211	788,714	1,162,940	1,776,941	1,928,814	2,322,331	2,495,898	2,900,352
Profit After Tax	-	-	966,493	1,840,333	2,713,527	4,146,196	4,500,566	5,418,773	5,823,763	6,767,488
NET Margins	-	-	0	0	0	0	0	0	0	0
Dividends	-	-	0	0	0	0	0	0	0	0
Retained Income	-	-	966,493	1,840,333	2,713,527	4,146,196	4,500,566	5,418,773	5,823,763	6,767,488
Cumulative retained income	-	-	966,493	2,806,827	5,520,354	9,666,551	14,167,117	19,585,890	25,409,653	32,177,141

Annex 11										
Proposed - MAKOMA IMPERIAL LODGE Serengeti										
Projected Cash Flows Statements										
Amount in US Dollar										
Year	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Cash Inflows										
Equity Financing										
Ordinary Share Capital	-	-	-	-	-	-	-	-	-	-
Shareholders' funds	7,031,155	8,116,040	-	-	-	-	-	-	-	-
Retained Earnings	-	-	-	-	-	-	-	-	-	-
Valuation Reserves	-	-	-	-	-	-	-	-	-	-
External Financing										
Existing Loans										
Long-term Loan 1	7,345,000	-	-	-	-	-	-	-	-	-
Long-term Loan 2	-	3,727,500	-	-	-	-	-	-	-	-
Short-term Loans	-	-	-	-	-	-	-	-	-	-
Creditors & Payables	-	-	-	-	-	-	-	-	-	-
Project Revenues										
Revenues - Accommodation	-	-	5,766,544	7,575,803	9,385,063	12,313,754	12,893,620	13,473,487	14,053,353	16,096,542
Revenues - Auxilliary Services	-	-	560,477	779,148	1,018,203	1,279,269	1,398,775	1,527,177	1,664,734	1,812,501
Revenues - Conference Services	-	-	174,033	250,351	325,242	388,721	388,721	388,721	388,721	388,721
Add: Directors' Incomes from other Sources	-	-	-	-	-	-	-	-	-	-
Total Cash Inflows	14,376,155	11,843,540	6,501,054	8,605,301	10,728,508	13,981,744	14,681,117	15,389,385	16,106,809	18,297,763
Cash Outflows										
Capital expenditure										
Land & Land Development	-	-	-	-	-	-	-	-	-	-
Buildings & Civil Works	9,180,000	6,120,000	-	-	-	-	-	-	-	-
Equipment & Installation	798,000	342,000	-	-	-	-	-	-	-	-
Utilities	1,290,000	860,000	-	-	-	-	-	-	-	-
Motor Vehicles	240,000	960,000	-	-	-	480,000	-	-	-	480,000
Hotel Furniture, Fittings & equipment	223,260	2,009,340	-	-	-	-	-	-	-	-
Office Furniture & Equipment	-	198,000	-	-	-	-	-	-	-	-
Pre-operating expenses	2,644,895	1,354,200	-	-	-	-	-	-	-	-
Capital Expenditure	14,376,155	11,843,540	-	-	-	480,000	-	-	-	480,000
Change in Net Operating Capital	-	-	1,014,024	354,284	358,639	529,211	115,123	117,059	119,038	341,245
Direct Operating costs										
Operating Costs - Franchise Services	-	-	100,490	246,000	397,290	554,533	622,186	692,324	765,018	840,342
Operating Costs- Room Service	-	-	1,851,727	2,465,078	3,078,428	4,060,957	4,249,226	4,437,495	4,625,765	5,295,438
Operating Costs- Auxilliary Services	-	-	359,969	499,744	651,725	822,461	894,025	970,657	1,052,454	1,147,368
Operating Costs - Conference Services	-	-	104,229	149,689	194,385	232,566	232,566	232,566	232,566	232,566
Indirect Operating costs										
Salaries & Staff Benefits	-	-	118,724	160,200	205,493	244,428	262,042	279,911	298,035	316,414
Administrative expenses	-	-	88,897	115,531	142,653	170,264	182,716	195,350	208,165	221,161
Finance Costs										
Long-term Loan 1	-	-	452,521	383,546	309,977	231,509	147,814	58,546	0	0
Long-term Loan 2	-	-	229,649	194,645	157,310	117,488	75,014	29,711	-	-
Working Capital Loan Facility	-	-	-	-	-	-	-	-	-	-
Loans Principal Repayment										
Long-term Loan 1	-	-	1,035,632	1,104,606	1,178,175	1,256,643	1,340,338	1,429,606	0	0
Long-term Loan 2	-	-	525,571	560,575	597,910	637,731	680,205	725,508	-	-
Corporate Tax	-	-	414,211	788,714	1,162,940	1,776,941	1,928,814	2,322,331	2,495,898	2,900,352
Dividends	-	-	-	-	-	-	-	-	-	-
Extra-ordinary Costs	-	-	-	-	-	-	-	-	-	-
Total Applications	14,376,155	11,843,540	6,295,643	7,022,612	8,434,925	11,114,733	10,730,070	11,491,064	9,796,938	11,774,886
Surplus (Deficit)										
Opening Balance	-	-	205,411	1,582,690	2,293,583	2,867,011	3,951,047	3,898,321	6,309,870	6,522,877
	-	-	0	205,411	1,788,101	4,081,683	6,948,695	10,899,741	14,798,062	21,107,932
Closing Balance	-	-	205,411	1,788,101	4,081,683	6,948,695	10,899,741	14,798,062	21,107,932	27,630,809

Annex 12

Proposed - MAKOMA IMPERIAL LODGE Serengeti

Projected Balance Sheets Statements

Amount in US Dollar

	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Net Fixed Assets										
Fixed Assets	14,376,155	26,219,695	26,219,695	24,405,551	22,643,730	21,408,951	19,784,551	18,198,404	17,446,683	17,321,537
Less: Depreciation	-	-	1,814,144	1,761,821	1,714,779	1,624,401	1,586,147	751,721	605,146	576,634
Less: Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Net Fixed assets	14,376,155	26,219,695	24,405,551	22,643,730	20,928,951	19,784,551	18,198,404	17,446,683	16,841,537	16,744,903
Current Assets:										
Cash Balances	-	-	205,411	1,788,101	4,081,683	6,948,695	10,899,741	14,798,062	21,107,932	27,630,809
Debtors	-	-	267,167	353,643	440,898	574,592	603,334	632,440	661,924	751,963
Pre-payments	-	-	201,368	280,043	360,152	472,543	499,834	527,754	556,317	626,310
Stocks	-	-	658,780	884,379	1,112,189	1,452,549	1,523,343	1,595,150	1,667,990	1,887,875
Other current assets	-	-	8,532	11,331	14,307	17,042	18,278	19,531	20,803	22,092
Total Current Assets	-	-	1,341,258	3,317,496	6,009,230	9,465,421	13,544,529	17,572,937	24,014,966	30,919,048
Current Liabilities:										
Trade Creditors	-	-	31,725	42,665	53,761	70,082	73,641	77,270	80,970	91,443
Administrative expenses	-	-	7,307	9,496	11,725	13,994	15,018	16,056	17,109	18,178
Accued Incomes	-	-	79,947	105,150	130,345	170,812	178,755	186,698	194,642	222,631
Other current liabilities	-	-	2,844	3,777	4,769	5,681	6,093	6,510	6,934	7,364
Total Current Liabilities	-	-	121,823	161,087	200,599	260,568	273,507	286,535	299,655	339,616
Net Current Assets	-	-	1,219,435	3,156,409	5,808,630	9,204,853	13,271,022	17,286,402	23,715,311	30,579,433
Total Net Assets	14,376,155	26,219,695	25,624,986	25,800,139	26,737,581	28,989,403	31,469,426	34,733,085	40,556,848	47,324,336
Financed By:										
Equity Financing										
Ordinary Share Capital	0	0	0	0	0	0	0	0	0	0
Shareholders' funds	7,031,155	15,147,195	15,147,195	15,147,195	15,147,195	15,147,195	15,147,195	15,147,195	15,147,195	15,147,195
Retained Earnings	0	0	0	0	0	0	0	0	0	0
Valuation Reserves	0	0	0	0	0	0	0	0	0	0
Profit & Loss Account	0	0	966,493	2,806,827	5,520,354	9,666,551	14,167,117	19,585,890	25,409,653	32,177,141
Total Equity Financing	7,031,155	15,147,195	16,113,688	17,954,022	20,667,549	24,813,746	29,314,312	34,733,085	40,556,848	47,324,336
External Financing										
Long-Term Loans										
Long-term Loan 1	7,345,000	7,345,000	6,309,368	5,204,762	4,026,587	2,769,944	1,429,606	-	0	0
Long-term Loan 2	-	3,727,500	3,201,929	2,641,355	2,043,445	1,405,714	725,508	-	-	-
Short-term Loans	-	-	-	-	-	-	-	-	-	-
Creditors & Payables	-	-	-	-	-	-	-	-	-	-
Total External Financing	7,345,000	11,072,500	9,511,298	7,846,117	6,070,032	4,175,658	2,155,115	-	0	0
Total Financing	14,376,155	26,219,695	25,624,986	25,800,139	26,737,581	28,989,403	31,469,426	34,733,085	40,556,848	47,324,336

Annex 13

Proposed - MAKOMA IMPERIAL LODGE Serengeti

Sensitivity Analysis

Amount in USD '000'

		Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	Year-7	Year-8	Year-9	Year-10
Base Case											
Net Present Value (NPV)	9,755,649										
Internal Rate of Return (IRR)	12.6%										
Average Return on Investment	17.7%										
Payback Period	5 Years										
Profit After Tax	USD '000'	0	0	966	1,840	2,714	4,146	4,501	5,419	5,824	6,767
Cash Flows - Closing Balances	USD '000'	0	0	205	1,788	4,082	6,949	10,900	14,798	21,108	27,631
Cumulative Undiscounted Net Flow	USD '000'	-14,376	-26,220	-22,343	-17,374	-11,315	-3,899	4,340	12,921	21,846	31,610
Change in Occupancy rate											
<u>Worst Case - 10% Decrease in Occupancy Rate</u>											
Net Present Value (NPV)	2,767,596										
Internal Rate of Return (IRR)	8.9%										
Average Return on Investment	6.5%										
Payback Period	9 Years										
Profit After Tax	USD '000'	-222	50	136	294	621	709	747	796	840	1,013
Cash Flows - Closing Balances	USD '000'	276	12	-20	-235	48	435	528	895	2,225	3,371
Cumulative Undiscounted Net Flow	USD '000'	-11,071	-10,117	-8,973	-7,939	-6,211	-4,452	-2,990	-1,231	529	2,225
<u>Best Case - 10% Increase in Occupancy Rate</u>											
Net Present Value (NPV)	5,611,256										
Internal Rate of Return (IRR)	12.9%										
Average Return on Investment	9.8%										
Payback Period	8 Years										
Profit After Tax	USD '000'	-13	307	396	547	920	1,004	1,036	1,082	1,122	1,348
Cash Flows - Closing Balances	USD '000'	390	285	511	547	1,113	1,792	2,172	2,822	4,431	5,895
Cumulative Undiscounted Net Flow	USD '000'	-10,855	-9,503	-7,973	-6,562	-4,390	-2,194	-301	1,884	4,062	6,257
Change in Hotel Room Rates											
<u>Worst Case - 10% Decrease in Rate/Bednight</u>											
Net Present Value (NPV)	2,489,691										
Internal Rate of Return (IRR)	8.6%										
Average Return on Investment	6.2%										
Payback Period	9 Years										
Profit After Tax	USD '000'	-178	88	136	268	578	663	696	742	783	961
Cash Flows - Closing Balances	USD '000'	283	24	-3	-239	3	343	384	696	1,968	3,058
Cumulative Undiscounted Net Flow	USD '000'	-11,024	-10,027	-8,878	-7,876	-6,205	-4,508	-3,114	-1,427	255	1,882
<u>Best Case - 10% Increase in Rate/Bednight</u>											
Net Present Value (NPV)	5,889,166										
Internal Rate of Return (IRR)	13.2%										
Average Return on Investment	10.2%										
Payback Period	8 Years										
Profit After Tax	USD '000'	-57	293	396	573	963	1,050	1,087	1,136	1,179	1,400
Cash Flows - Closing Balances	USD '000'	383	297	519	576	1,182	1,909	2,340	3,045	4,713	6,232
Cumulative Undiscounted Net Flow	USD '000'	(10,902)	(9,593)	(8,068)	(6,624)	(4,396)	(2,137)	(177)	2,080	4,336	6,601

Project Investment & Financing						
		Existing	Additional		Total	Total Project
			Year 1	Year 2		
Project Investment						
Capital Expenditure	USD '000'	#REF!	13,531.2	11,616.0	25,147.2	#REF!
Working Capital	USD '000'	#REF!	0.0	0.0	0.0	#REF!
Total	USD '000'	#REF!	13,531	11,616	25,147	#REF!
Project Financing						
Equity Financing						
Ordinary Share Capital	USD '000'	#REF!	0.0	0.0	0.0	#REF!
Shareholders' funds	USD '000'	#REF!	7,031.2	8,116.0	15,147.2	#REF!
Retained Earnings	USD '000'	#REF!	0.0	0.0	0.0	#REF!
Total Equity Financing	USD '000'	#REF!	7,031	8,116	15,147	#REF!
External Financing						
Long-term Loan 2	USD '000'	#REF!	0.0	3,500,000.0	3,500.0	#REF!
#REF!	USD '000'	#REF!	#REF!	#REF!	#REF!	#REF!
Total External Financing	USD '000'	#REF!	#REF!	#REF!	#REF!	#REF!
Total Financing	USD '000'	#REF!	#REF!	#REF!	#REF!	#REF!