

**BUSINESS PLAN OF**

**MUVINA GENERAL SUPPLIES AND COMPANY LIMITED**  
**T/A CHAULA FARM LODGE**

**DEVELOPMENT & OPERATION OF A FARM LODGE**

**CONTACT**

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## 1.0 EXECUTIVE SUMMARY

### 1.1 Project

**Type:** Set-up  
**Nature of Project:** Eco-tourism (tourism, accommodation, catering)  
**Line of Business:** Service  
**Branch:** Accommodation and Catering  
**Sector:** Eco-Tourism

### 1.2 Distribution and Nature of Capital:

**Table 1: Company Shareholding Structure**

Shareholder/Director	Percentage (%)
ALIMONI SIMONI CHAULA	20
MARY LEONARD SHANGA	15
IDDI BATISTA KAVINDI	10
<b>Total</b>	<b>45</b>

### 1.3 Establishment

**Place of Establishment:** Msalato, Veyula  
**District:** Dodoma  
**Surface Area of Building/Land:** 18,915 sqm (1.9 hectare)  
**Impact on the Environment:** Negligible

### 1.4 Characteristics of the Company

**Business Name:** MUVINA GENERAL SUPPLIES AND COMPANY LIMITED T/A  
 CHAULA FARM LODGE  
**Legal Form:** Private Limited Liability Company  
**Head Office:** Dodoma  
**Registered Capital:** Tsh. 500 million

### 1.5 Production and Market

**Products/Service:** Tourism, Accommodation, Catering  
**Market Prospects:** 20 customers daily, that is 10% of the market share  
**Expected Sales Revenue:** US\$150,000 – 200,000 per annum

### 1.6 Means of Production

**Permanent Jobs to be created:** Kitchen, security, care-taker service, House-keeping, barman/woman, gardening, technicians, laundry, receptionist.

### 1.7 Cost and Funding

**Table 2: Project Cost and Funding**

Component		Amount (TSH)	Rate in %
Land (1.9 Ha = 7.5 Acres @ TSH 4.8 million)		36,000,000	4.79%
Existing Structures (40% complete)		188,000,000	25.00%
Establishment Costs		2,500,000	0.33%
Construction		100,000,000	13.30%
Civil Engineering/Development Costs		182,000,000	24.20%
Equipment		74,500,000	9.91%
Furniture and Office Supplies		12,300,000	1.64%
Rolling Stock		6,000,000	0.80%
Intangible Assets		2,400,000	0.32%
Sundry and Unforeseen		7,200,000	0.96%
Vehicles (2 units)		48,000,000	6.38%
Working Capital	Operating Funds	87,000,000	11.57%
	Non-Operating Cost	6,100,000	0.81%
<b>Total</b>		<b>752,000,000</b>	<b>100.00%</b>

## 2.0 DESCRIPTION OF THE PROJECT

### 2.1 Presentation of the Project

**MUVINA GENERAL SUPPLIES AND COMPANY LIMITED T/A CHAULA FARM LODGE** is an eco-tourism Lodge, a place where you are in touch with the ecological spirit, where you are face to face with nature and feel the warmth of relaxation, catering and accommodation. The Managing Director **Mr. Alimwoni Simon Chaula** was fascinated by the way in which eco-lodges in other places within Tanzania and other countries in East African succeed, while maintaining almost intact the outward appearance of the environment, to promote bungalows/Villas making the area fresh, comfortable, calm, and/or luxurious in their interior. The idea of the project was inspired by strong uptake of hospitality and tourism-related services in th Dodoma District area of Tanzania.

### 2.2 Objectives

Generate profits; become the first eco-tourism destination in this corner of the Dodoma District; provide about a thirty jobs to many young persons, especially women; instill in the entire community of Dodoma District the need to migrate to sustainable development activities; become an eco-tourism destination of choice in the Central Region; become a natural cultural centre just like 5\* hotels; help to instill in the local population environmentally friendly attitudes and environmental protection.

### 2.3 Contribution in Innovations

**MUVINA GENERAL SUPPLIES AND COMPANY LIMITED T/A CHAULA FARM LODGE** will be built under the theme of African traditional huts thus encapsulating the image of Africa in miniature. It also seeks to promote the culture of the indigenous people in Dodoma, contribute to the education of tourists on the importance of living in harmony with nature.

### 2.4 Key Factors of Success

As far as this project is concerned, the key success factor is mainly funding through the commercial loan facility (**68.18% of Total Project Cost**) at an interest rate of 23% per annum. The other critical success factors fundamental to this business are defined in two (2) bands: primary activities and support activities.

#### Primary Activities:

- Local tourism resources
- Marketing activities
- Service system and cultivation of tourists" understanding and behaviors.

#### Support Activities:

- Company infrastructure and management
- Product or technical development
- Human resources

One could also mention the getting of a permit to build, open an accommodation establishment, a restaurant, a leisure establishment. Documents to furnish: a technical studies file prepared by an architect, showing the characteristics of the building and the

developments made. This file will comprise of: the site plan, ground plan, the plan of existing premises before their development, showing the parking space, development plans showing especially the organization of space (distribution), emergency exits, fire and smoke proof doors and other flame arrestors, plumbing installations with sewage system, electricity facilities, fire-fighting equipment, kitchen plan showing vapour extraction systems, dustbin location, work estimates clearly showing the types and nature of materials to be used in particular for the construction of the night club hall and the kitchen and the work estimates; plan of a classical bedroom, plan of a septic tank indicating the number of users; land ownership certificate; a copy of the descriptive report written by the Regional Delegate for Tourism for the Littoral Region.

At the international level, we have the World Tourism Code.

## 2.5 Project Financials

**CHAULA FARM LODGE** has rigorously examined its financial projections and concluded that they are both conservative in profits and generous in expenditures.

This has been done deliberately to provide for unforeseeable events. The company's principals believe that cash flow projections are realistic.

Total operating costs are estimated at **TShs. 949,742,106** in the first year (2024) rising to **TShs. 1,154,417,466** in year 6 (2028). This increasing trend in production costs therefore reflects sustainable eco lodge operational output when the loan is repaid and interest payments cease. The main item is cost of sales (comprising of safari expenditures, acquisition of gorilla permits/chimps tracking and sundry purchases) which constitutes **42.79%** of total costs.

**CHAULA FARM LODGE** is projected to start turning a profit right from its first year of full operations (2024) of **TShs. 191,533,086** which gradually improves to **TShs. 451,227,492** by the sixth year (2028). Cumulative cash balance is positive from Year Two (2024) onwards, building up from **TShs. 164,975,766** to **TShs. 3,690,208,000** by Year Six (2028). Pay-back period of loan finance is **2.96 years**. At sustainable capacity in **Project Year 5 (2021)**; break-even capacity is **30.73%**.

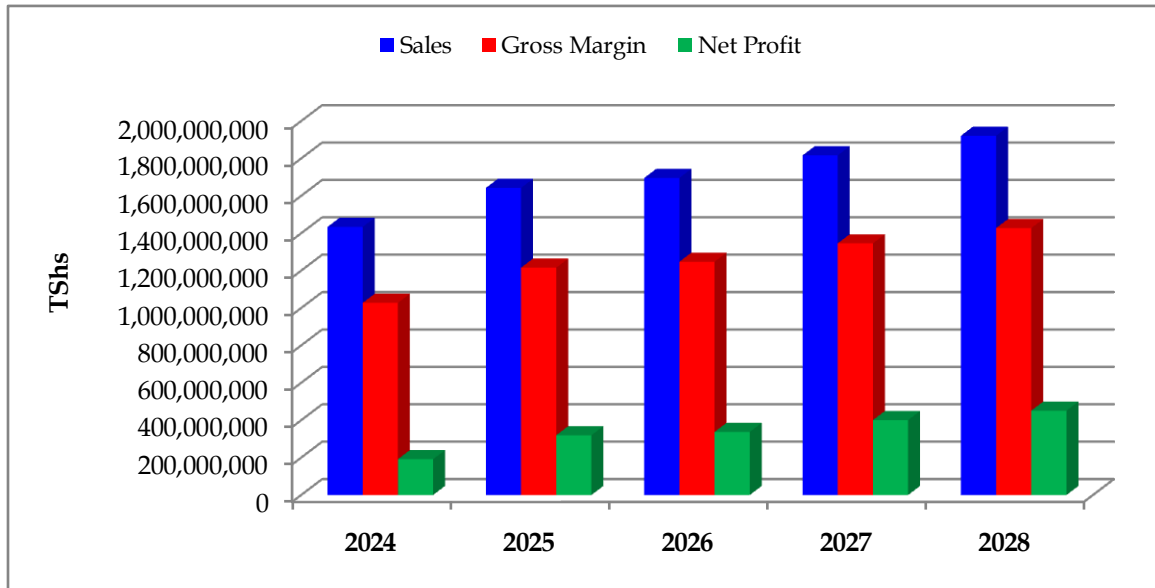
Total project assets grow from **TShs. 224,953,086** at the start of the project (2024) to **TShs. 1,536,582,968** by **Project Year 6 (2028)**, mainly from build-up of cumulative cash and other company current assets.

Table 1: Key Project Performance Parameters (TSH)

KPI/Year	2024	2025	2026	2027
Sales	1,434,080,800	1,642,586,200	1,695,774,800	1,816,401,788
Operating Profit	484,338,694	645,356,989	648,684,128	716,956,583
Tax	82,085,608	137,015,097	144,637,238	171,742,975
Net Profit / [Loss]	191,533,086	319,701,892	337,486,890	400,733,608
Gross Margin	71.66%	74.02%	73.58%	74.10%
Operating Margin	33.77%	39.29%	38.25%	39.47%
Net Margin	13.36%	19.46%	19.90%	22.06%
Return on Investment	24.36%	40.66%	42.92%	50.96%
Fixed Assets Turnover	1.47	1.66	1.89	2.17
Debt Coverage Ratio	3.47	4.55	4.59	5.08
Times Interest Earned Ratio	4.39	7.31	9.79	16.24

**Break-even Point (BEP):** TSH 558,246,709 at a capacity utilization of 30.73%  
**Payback Period (Loan):** 2.96 Years  
**NPV at 17%:** USD 398,245,231  
**IRR:** 37.56%

Figure 2: Financial Performance Highlights (2024 - 2028)



### **3.0 STRATEGIC ANALYSIS OF THE MARKET**

#### **3.1 Presentation of the Sector**

##### **1) Business Line of the Project:**

**CHAULA FARM LODGE** is a project that is part of the economic activities of **Eco Lodge**. An **Eco Lodge** is a tourism accommodation complex, which lays emphasis on the respect of the natural environment and where resources for the wellbeing of the local population are preserved. Eco Lodges fall under Eco Tourism.

##### **2) Summary of the Project:**

The Project is an initiative of **Mr. Alimwoni Simon Chaula** who is leading and spearheading the **Eco Lodge** development effort through **CHAULA FARM LODGE** aiming at building a place of accommodation and a natural tourist resort at the fringes of **Dodoma District** in Central Tanzania, specifically in Dodoma District. This place, which belongs to the **Eco Lodge** category, will be characterized by its traditional architecture, the quality of the dishes, art and crafts, the image of the large cultural areas of Tanzania. This cultural diversity will enable travellers and tourists who will stay in this place, to visit the cultural diversity of Tanzania. This will help them to save some good sums of money than if they were to go into these cultural areas alone. The aim is also to preserve the local ecosystem, the protection, and restoration of biodiversity, the creation of parks, using technologies and renewable energies such as solar energy and many others. While generating income, **CHAULA FARM LODGE** is a vector sustainable development project, a centerpiece in the creation of jobs by promoting agricultural, fishery, handicraft, artistic activities..

**CHAULA FARM LODGE** therefore falls under the activities that involve the following principles:

- Generating income and profits through accommodation, catering; visits of certain natural environments;
- Conserving, projecting, restoring the biodiversity of the locality of the Dodoma District area;
- developing gardens;
- Educating travelers and tourists on the importance of living in harmony with nature;
- promoting the local diversities of Dodoma District area and also national ecological and environmental diversities,;

#### **3.2 Potential Demand**

##### **3.2.1 Tourism Accommodation in Tanzania**

It is estimated that Tanzania has a total of approximately 1,300 registered establishments offering accommodation. These establishments have approximately 20,000 rooms with close to 30,000 beds. It suffices to note that

Tanzania's average room occupancy rates for 2009 were 29.9%; In other words, on average 29.9% of the rooms are occupied every month. While the average room rate was US\$11 per bed per night (for all establishments), thus the total earned revenue was estimated to be US\$15m that year. The 2009 bed space utilization on the other hand is estimated at 25%, implying that since 2005 room and bed space utilization has been below 50%.

Of these 1,300 establishments, approximately 600 are in the tourism-centric districts with about 80 being used by international tourists or foreign residents and most of them are located in Dar es Salaam, Arusha and Dodoma. These establishments have a high average room rate and occupancy rate of US\$44 and 26% respectively which is four-fold high than national average room rate and double the national average occupancy rate. The occupancy rate for the tourist standard hotels and lodges is highest in Dar es Salaam, averaging 45% compared to 22% for all other focal areas.

Tanzania has limited "high end" accommodation along the basic tourists' circuit of Dodoma, Kibale which has 400 rooms of 2-star plus range for a daily tourist population of about 700 and 1-star range camping site for 1,600 tourists. Thus making Tanzania a "low-end" tourist destination and being dominated by "backpackers" and "overlanders". The low share of foreign non-African hotel ownership in Tanzania compared to Kenya and Rwanda (**Table 3**) can be attributed to this. However, of late there have been significant foreign investments in the hotel industry namely Serena Hotel, the Green Wilderness Group (Semliki Safari Lodge) and Emin Pasha Hotel.

**Table 3: Percentage capital Ownership of Hotels in East Africa**

Ownership	Tanzania	Kenya	Uganda
State	10.53	6.45	5.45
Private Sector (Domestic)	68.42	69.42	61.82
Private Sector (foreign African)	15.79	3.23	9.09
Private Sector (foreign Non-African)	5.26	20.90	23.64

*Source: Tanzania Diagnostic Trade Integration Study, Volume 2, June 2006, page 109*

### 3.3 Analysis of Supply and Competition

Within the Dodoma District area, there are quite a number of lodges that have come up in recent years that present quite some of level of competition for the proposed CHAULA FARM LODGE in this hospitality industry sector. However, the key competition differentiator for CHAULA FARM LODGE will be in the beauty of surroundings, the style of its design as an up-market eco-tourism complex, the quality of its hospitality services, and the strong commitment of its Managing Director Mr. Alimwoni Simon Chaula to make it succeed in meeting its targeted cash flows and business growth objectives while generating surplus to service the loan facility and meet its shareholder expectations in the short- to medium-term



### 3.4 Situation Analysis and Management of Risk

#### 3.4.1 SWOT Analysis

**Table 5: Situation Analysis**

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Strategic location within the extremely busy Central Tanzania tourist circuit;</li> <li>• Site has favourable traffic connections (good connectivity);</li> <li>• The project already has its own land with a Title Deed;</li> <li>• Use of solar energy in the long-term;</li> <li>• Development of leisure activities, guided activities in the long-term;</li> <li>• Leisure activities (traditional dances, etc.);</li> <li>• Display of artistic objects.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited financial resources to develop a decent eco-tourism complex;</li> <li>• Lack of awareness by the local community;</li> <li>• Low tourism sector input by the government and other tourism suppliers;</li> <li>• Hotel Industry is linked with the wider Economy leaving the sector vulnerable in times of recession.</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Good economic potential;</li> <li>• IT as a means to promote tourism (to supplement site branding efforts);</li> <li>• Accession to the EAC – travelling without borders, high ecological standards, financial perspective – cohesion funds.</li> </ul>	<ul style="list-style-type: none"> <li>• Competition from other tourist lodges/facilities within the tourist axis;</li> <li>• Inadequate development finance (including equity)</li> <li>• Lack of interest by the local community and tourism suppliers;</li> <li>• Climate changes and ecological disasters.</li> </ul>

### 3.5 Risk Management

**Table 6: Risk Management**

No	Risk Involving the Execution of the Project	Risk Management
01	Lack of tourism subsidies	<ul style="list-style-type: none"> <li>• Get a commercial loan from a commercial bank.</li> </ul>
02	Insufficient liquidity to fund project development	<ul style="list-style-type: none"> <li>• Continue growing and strengthening the farm and St. Leo's Junior School to bolster the lodge's financial income.</li> </ul>
03	Number of customers	<ul style="list-style-type: none"> <li>• Transform the site into a living environment and build houses for that, develop agro-pastoral and fishery activities on a portion of the land.</li> </ul>
04	Delay in getting funding	

#### 4.0 HOSPITALITY INDUSTRY DESCRIPTION AND OUTLOOK

##### 4.1 Tanzania's Visitor Survey – Market Trends and Growths

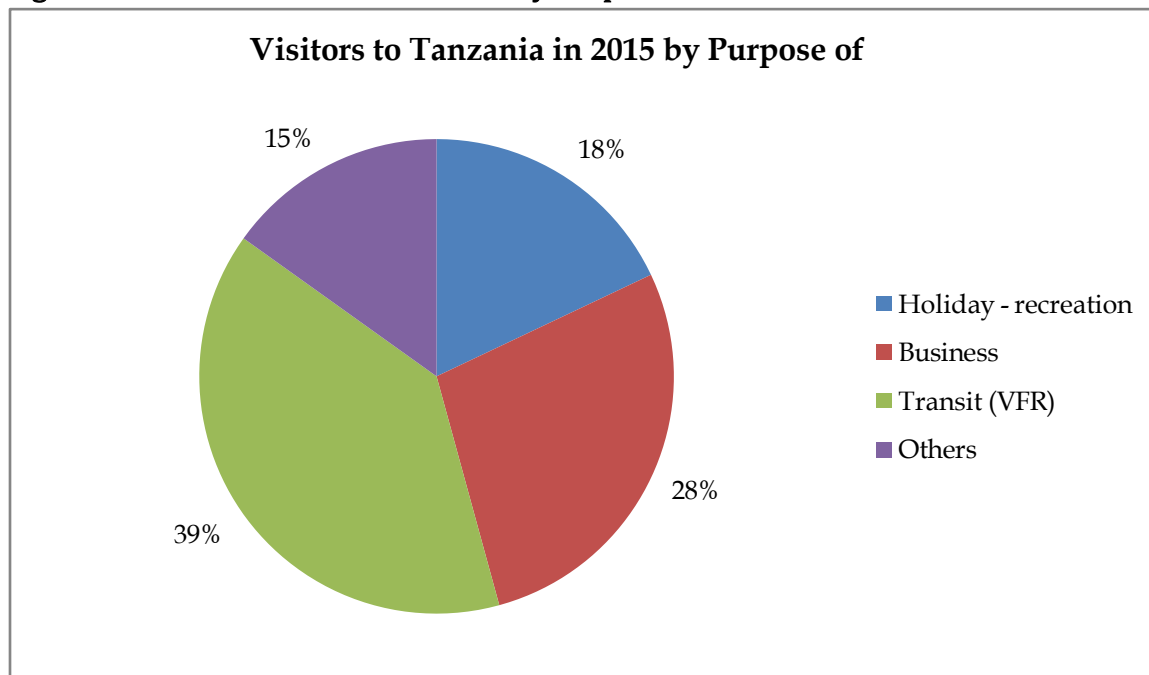
Dodoma District received one of the highest number of visitors in Tanzania for 2022 being 72,964 as the total annual number of visitors to visit, including its tourist circuit lodges and hospitality facilities.

**Table 7** and **Figure 8** below show a breakdown of visitors that entered in Tanzania by purpose of visit for 2015 (Source: Tanzania Bureau of Statistics).

**Table 7: Visitors to Tanzania in 2015 by Purpose of Visit**

Holiday - recreation	Business	Transit (Visiting friends and relatives)	Others	Total
234,000	362,000	510,000	197,000	1,303,000

**Figure 8: Visitors to Tanzania in 2015 by Purpose of Visit**



Currently, there are no disaggregated published data on the demographic profile of visitors to Tanzania – where they come from, purpose of visit, length of stay, accommodation used etc.

Tanzania national park visitor statistics shows that Europeans account for some two - thirds of total visits and Americans a further 30 percent although visitor arrivals from the main source markets have increased during the past five years:

- Visitors from Europe and North America predominate.
- US originating traffic has grown slowly throughout the period from about 41,000 to

55,240, while traffic from Northern and Western Europe has grown from about 68,900 to 95,650 tourist arrivals.

Within Europe, the main source markets are Britain, Scandinavia, Italy, Germany and France, which together accounted for just over 70 percent of total European arrivals in 2015. The secondary markets are Switzerland, the Benelux and Spain, together accounting for a further 19 percent of arrivals.

Bearing in mind that the results of the pilot visitor exit survey are unweighted to take account of the different visitor flows through the main entry – exitpoints, indications are that just under half of all visitors came for holiday purposes; about 25% for business, about 12% to visit friends and relatives, and about 10% for conference - meetings.

#### 4.2 Visitor Expenditure Pattern

Expenditure patterns vary by purpose of visit, length of stay and whether package or non-package arrangement as shown on the following table (source: international visitor exit pilot survey, May 2017)

Table 9: Visitor Expenditure Patterns

Purpose of visit	Non package			Package		
	Length of stay in days	Average in US\$	Average per day in US\$	Length of stay in days	Average in US\$	Average per day in US\$
Business	1 – 3	837	418	1 – 3	986	493
	4 – 7	878	160	4 – 7	981	178
	8 – 28	1,481	82	8 – 28	1,481	82
Conference	1 – 3	1,359	680	1 – 3	851	426
	4 – 7	362	66	4 – 7	539	98
	8 – 28	679	38	8 – 28	863	48
Holiday	1 – 3	382	191	1 – 3	779	390
	4 – 7	540	98	4 – 7	919	167
	8 – 28	4,405	245	8 – 28	1,723	96

Again, taking into account the fact that the results are unweighted by visitor flows, and adjusting for extreme values, the findings indicate that:

- business visitors spend an average of about US\$ 900 – per trip
- conference visitors spend an average of about US\$ 600 – per trip
- holiday visitors spend an average of about US\$1,000 – per trip

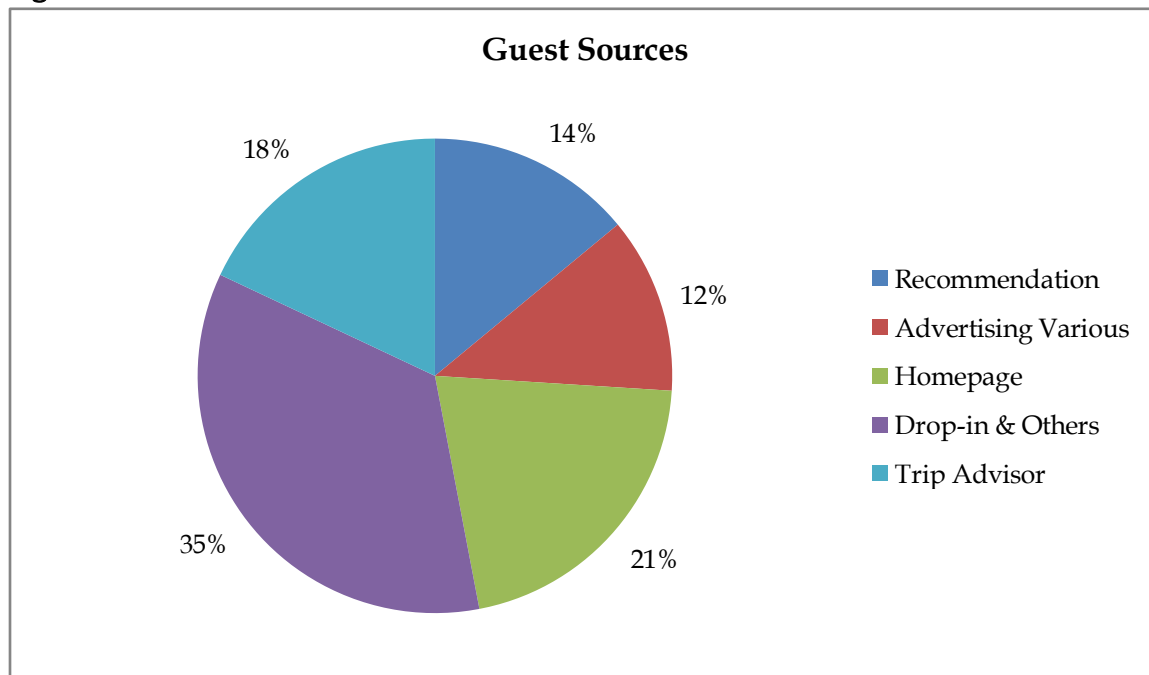
#### 4.3 CHAULA FARM LODGE and Its Target Market

- In general, we are targeting those customers who are looking for accommodation and a combined safari, nature holiday, and soft adventure.
- Our foremost target group of customers is the European visitors whose main

motivation is of “nature” experience, combination holidays, hiking, soft adventure and culture. In particular these European visitors and especially British, Germans, Swiss and Austrians as well as the Scandinavian country customers. Most of those countries are ranking highest worldwide in consumption of organic food and organic farming, so there is an overall understanding and acceptance of green, sustainable eco-tourism.

- Secondly, another target group of customers are the foreign staff of UN organizations, diplomatic missions, multinational companies etc. including of their visiting friends and relatives.
- A further source of market targeting in future will be the USA, Canada, Asia – Pacific (especially Australians) customer.
- Another group of special interest that we are also targeting is the emergent Tanzanian tourist group composed mostly of school and university student.

**Figure 10: Guest Sources**



#### **4.4 Visitor Market Segment and Product Analyses**

“Geotourism” includes ecological, nature, cultural and heritage tourism. What they all have in common is that they offer visitors a wider range of authentic experiences of the beaten track, in addition to and beyond the traditional wildlife viewing and beach holidays.

#### **4.5 Competitive Analysis**

The following competitors in within the Dodoma District and surrounding area have to be taken into reflective consideration.

**Rafiki Hotel (Up-Market Luxury):**

Jacana is an up-market 24 bed lodge with swimming pool and sauna located 12 kms off the main road from Dodoma to Morogoro. The lodge is well sign posted on the main road

**The Bush Lodge (Moderate Price Value):**

The Bush Lodge forms an excellent base for your safari activities in Dodoma District. The lodge is built along ecological principals, the bandas designed and spaced in such a way to maximize privacy and enhance the aspect of the lodge. The lodge has a truly unique setting. At a great price quality ratio, The Bush Lodge finally offers an affordable and authentic experience.

**Mweya Safari Lodge (Up-Market):**

Mweya Safari Lodge is 49 rooms of luxury. There are standard and up-market rooms for you which are furnished in a most tasteful fashion. The lodge itself and the restaurant are a delight and each year thousands of visitors pass through here.

It has fantastic and well prepared food and can meet any need from vegetarian to the carnivore lover. The swimming pool is fabulous, a perfect place to cool off after a long safari drive.

**4.6 Keys to Success**

In order to achieve all the goals related to building up a cutting-edge hospitality business, **CHAULA FARM LODGE** needs to focus on the following key areas:

- Appropriate communication through personal interaction, media, and regional marketing
- Focus on loyal customers who give repeat - business and work closely with travel agents and tour operators in order to generate adequate sales
- Maintain a high level of service quality and offer cutting - edge facilities
- Allow visitors to see the beauty of the Dodoma District and the surrounding countryside and make them want to comeback
- Competitive price and price policy
- Strong management handling costs, cash flow and other operations
- Encourage local authorities to support the project
- Developing a range of special interest products to a high standard
- Developing activity and soft adventure products
- Developing a cultural - historical product
- Image creation as **CHAULA FARM LODGE** is a soft eco - tourism lodge, emphasizing the abundance of flora and fauna of the Dodoma District and its immediate environs. **CHAULA FARM LODGE** should advertise the fact that **CHAULA FARM LODGE** is not a mass tourism lodge and that **CHAULA FARM LODGE** is an ideal base for recreation holiday"s with activities e.g. guided touring, bird-watching, biking on -site activities

etc. the Dodoma District and the CHAULA FARM LODGE unspoilt natural environment and beautiful scenery should also be highlighted. To develop an image of CHAULA FARM LODGE as the leading accommodation provider in conjunction with high quality services, activities and diverse cultural interests.

- To undertake an inventory of tourism resources. this would involve not just an enumeration of the various resources, amenities and facilities - but also include a qualitative description.

## 5.0 MARKETING STRATEGY

### 5.1 Market Share Objective

In the light of the studies that have been conducted, the potential market, which is also the available market of the Dodoma District tourist circuit, is estimated at about 73,000 customers. CHAULA FARM LODGE intends to enter this market and take 10% of the market share, that is, 7,300 customers per year.

### 5.2 Marketing Strategies

#### 5.2.1 Product/Service Policy

CHAULA FARM LODGE when it starts operating will offer products from the catering sector and accommodation services.

#### a-) Products of Chaula Farm Lodge:

Talking about products, the products which will be proposed to customers are the following:

**Table 11: Lodge Products**

No.	Categories	Number of Varieties
1	National Cuisine	15
2	International Cuisine	24
3	Creams	04
4	Desserts	04
5	Natural Juice	10
6	Alcoholic Drinks	20
7	Liquor	08
8	Wine	10
9	Sweet Beverages	09
10	Cocktails	12
11	Beers	10
<b>TOTAL</b>	<b>11</b>	<b>125</b>

#### b-) Services of Chaula Farm Lodge:

The accommodation services will comprise of:

**Table 12: Lodge Accommodation Facilities**

No.	Categories	Dimensions	Number of Rooms
1	Eco Lodge Rooms	20 m <sup>2</sup>	08
<b>TOTAL</b>		<b>160 m<sup>2</sup></b>	<b>08</b>

### 5.2.2 Pricing Policy

The provisional prices that will be adopted are as follows:

**Table 13: Pricing for Products and Services**

No.	Categories	Prices (USD)
<b>Catering</b>		
1	National Cuisine	3
2	International Cuisine	8.4
3	Creams	5
4	Desserts	4
5	Natural Juice	4
6	Alcoholic Drinks	10
7	Liquor	30
8	Wine	30
9	Sweet Beverages (Soda)	0.5
10	Cocktails	10
11	Beers	1.0
<b>Total A</b>	<b>11</b>	<b>105.9</b>
<b>Accommodation</b>		
1	Eco Lodge Rooms/Villas	
<b>Total B</b>	<b>8</b>	<b>20 x 8 = 160</b>
<b>Total A + B</b>	<b>19</b>	<b>265.9</b>

### 5.2.3 Communication and Promotion

It is necessary to state that the CHAULA FARM LODGE Complex will lay emphasis on:

- service quality;
- customer service;
- quality-prix ratio
- National customers because the data on the market survey conducted earlier show that they are many and can even meet the profitability objectives.

The table below is a summary of the communication and promotion plan:

**Table 14: Communication and Promotion Plan**

No.	Activities	Number of yearly transactions	Budget per transaction (USD)		Period	Number of prospects and visits		Cost of Getting One Customer (USD)	
			Min.	Max.		Prospects	Number of Clients	Min.	Max.
1	Articles in New Vision	2	600	800	Jan; Dec	500	10	12	16
2	Press Release	1	400	500	Dec.	100	10	40	50



CHAULA FARM LODGE									
3	Internet	12	4800	9000	Once a month	10,000	40	5	10
4	Lobbying	3	1200	1800	Dec; May; July	200	10	60	90
5	Mailing address	24	200	300	Twice a month	200	10	10	15
6	TV adverts	1	600	200	Dec.	1,000	10	6	8
7	FM Radio adverts	1	400	500	Dec.	500	10	8	10
8	Mouth to ear network	1	200	300	Jan.	100	10	20	30
9	Stand for events(WORLD TOURISM DAY,AFRICA TOURISM EXPO, KILI FAIR)	3	1200	2000	During dates of such events	150	05	80	135
10	Posters	3	600	600	Dec; May; July	100	05	60	60
11	Banners	3	1500	1500	Dec; May; July	100	05	150	150
12	Newsletters	12	200	300	Once a month	200	02	10	15
13	Phoning	12	1200	2400	Once a month	200	20	60	120
14	Conference	3	1000	1400	Dec; May; July	200	10	50	70
15	Gifts to Customers	1	500	1000	Dec.	50	20	100	200
<b>TOTAL</b>	<b>15</b>	<b>81</b>	<b>14,600</b>	<b>22,500</b>		<b>13,600</b>	<b>177</b>		

NB: Currency Conversion Rate of USD 1 = TSHS 2,600

### 5.3 Distribution

The sales point of the products of **CHAULA FARM LODGE** is at Veyula, Msalato in Dodoma District. Accommodation services will take place on the site and on the website via the marketing and communication service.

## 6.0 PRODUCTION AND ORGANIZATION PLAN

### 6.1 Project Scheduling Process and Preparation of Dishes and Delicacies

#### 6.1.1 Project Scheduling Process

The CHAULA FARM LODGE implementation scheduling process will be as follows:

Figure 15: Project Scheduling Process

<b>Step 1: Purchase of Building Materials</b>
<b>Step 2: Site Preparation and Development for Construction</b>
<b>Step 3: Construction of Foundations</b>
<b>Step 4: Erection of Walls</b>
<b>Step 5: Roofing</b>
<b>Step 6: Shaping of Stones</b>
<b>Step 7: Putting on Pavements and Tiles</b>
<b>Step 8: Connection of Lighting and Water Systems</b>
<b>Step 9: Painting of Buildings</b>
<b>Step 10: Arranging and Setting Up the Premises</b>
<b>Step 11: Recruitment of Staff</b>
<b>Step 12: Launching of Eco-Lodge</b>

### 6.1.2 Process of Preparation of Dishes

Figure 16: Process of Food Preparation

Step 1: Buy the Ingredients
Step 2: Wash the Ingredients
Step 3: Prepare the Ingredients
Step 4: Cook
Step 5: Set the Table
Step 6: Deliver the Order

### 6.2 Production Capacity

The production capacity of CHAULA FARM LODGE is summarized in the following tables:

#### 6.2.1 Production Capacity of Products

Table 17: Production Capacity of Products

No.	Categories	Number of Varieties	Annual Production
1	National Cuisine	12	3,600
2	International Cuisine	22	3,600
3	Creams	04	1,000
4	Desserts	04	3,600
5	Natural Juice	10	7,200
6	Alcoholic Drinks	20	520
7	Liquor	08	520
8	Wine	10	520
9	Sweet Beverages	09	7,200
10	Cocktails	12	7,200
11	Beers	10	14,400
<b>TOTAL</b>	<b>11</b>	<b>121</b>	<b>49,660</b>

### 6.2.2 Production and Accommodation Capacity

Table 18: Lodge Accommodation Facilities

No.	Categories	Dimensions	No. of Rooms	Annual Usage
1	Eco Lodge Rooms	20 m <sup>2</sup>	08	2,920
<b>TOTAL</b>		160 m <sup>2</sup>	08	2,920

### 6.3 Supply

The CHAULA FARM LODGE Project intends to deploy its supply system around the following positions:

Figure 19: Schedule of Supplies in 2024

Activity	2024												Suppliers
	J	F	M	A	M	J	J	A	S	O	N	D	
Ingredients for Dishes	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Various suppliers in Dodoma
Energy Bill			Orange			Orange			Orange			Orange	TANESCO
Internet Connection				Blue			Blue			Blue		Blue	TTCL
Supply from the administration				Pink			Pink			Pink		Pink	
Marketing and communication tools (gifts, banners And other gadgets...)					Blue						Blue		Computer graphics and silkscreen printing

### 6.4 Human Resources

#### 6.4.1 Payroll and Duties

The proposed human resource staffing, functions and salary structure are presented in Table 20 below.

Table 20: Human Resource & Salary Structure

Number	Category	Skills/Training	Duties/Functions	Monthly Salary (TSHS)	Total Annual Salary (TSHS)
3	Board of Directors (BOD)	Promoter and his partners	Define the general policy, objectives, vote the budgets	2,000,000	72,000,000
1	GM	Master's Degree in Management or Business Administration (5 years experience)	Execute the policies defined by the Board of Directors and management of the entire complex	1,500,000	18,000,000
1	Secretary	Bachelor's Degree in Law (3 years experience)	Assist and manage the Management database (sex female)	850,000	10,200,000

CHAULA FARM LODGE

1	Accounting & Financial Director	Bachelor's Degree in Accounting and Management (5 years experience)	General, cost, financial accounting, cashier for accommodation services and auditing of accounts (sex female)	1,000,000	12,000,000
1	Marketing & Communications Director	Bachelor's Degree in marketing (5 years experience)	Marketing Strategies ; commercial and communication	1,000,000	12,000,000
2	General Communication	Bachelor's Degree in Corporate Communication (3 years experience)	Implementation of the general strategies and Internet	1,200,000	28,800,000
1	Computer Maintenance	Bachelor's Degree in computer maintenance (3 years experience)	Computer Maintenance	1,000,000	12,000,000
1	Lighting System Maintenance	Higher National Diploma in (HND) electricity (3 years experience)	Maintenance of the lighting system	720,000	8,640,000
1	Water System Maintenance	Higher National Diploma in Management of Water Systems (3 years experience)	Maintenance of the water system	720,000	8,640,000
1	Manager of Accommodation	Bachelor's Degree in tourism and leisure or hotel business and catering (5 years experience)	Implementation of the policies defined by the GM, the marketing and communication service under the services accommodation (sex female)	1,000,000	12,000,000
2	Chambermaids	Diploma in hotel business and catering (3 years experience)	Upkeep of the bedrooms and dressing room	850,000	20,400,000
1	Restaurant Manager	Bachelor's Degree in hotel business and catering (5 years experience)	Implementation of the policies defined by the GM, the marketing and communication service under the restaurant	1,000,000	12,000,000
1	Barman	Diploma in hotel business and catering (3 years experience)	Managing the bar and cashier of the restaurant	500,000	6,000,000
1	Chief Cook	Diploma in hotel business and catering (3 years experience)	Cook for customers	500,000	6,000,000
3	Cooks	Advanced Level (3 years experience)	Cook for customers	350,000	12,600,000
4	Waiters	Advanced Level (3 years experience)	Wait on customers (sex female)	400,000	19,200,000
3	Maintenance Workers	(3 years experience)	Maintenance and cleaning of the complex	300,000	10,800,000
2	Security Guards	(3 years experience)	Security of the complex, customers and of the staff	300,000	7,200,000
<b>TOTAL</b>	<b>30</b>			<b>15,190,000</b>	<b>288,480,000</b>

From the data presented in **Table 20** above, we notice that the average wage is **TSHS. 506,000**. It is largely above the minimum wage in Tanzania which is **TSHS 300,000**. In anticipation of changes in the operating account, the average salary will increase by **5%** per annum.

### 6.5 Location – Establishment

The market for the products and services of **CHAULA FARM LODGE** is located in the Central Region of Tanzania, in Veyula, Dodoma District, specifically in the Ward of Msalato lies approximately 20 kilometres, by road, in the capital of Tanzania. It extends over an area of 1.9 Hectares. However, the eco-lodge structure itself occupies an area of approximately 1,980 sqm.

### 6.6 Facilities

The **CHAULA FARM LODGE** building will be built with bamboo, earth, wood and other local materials. The following construction costs are drawn up as in the following tables:

**Table 21: Eco-Lodge Construction Costs**

ECO-LODGE				
No	Rooms	Nos.	Dimensions/Room (m <sup>2</sup> )	Total Area (m <sup>2</sup> )
1	Bedroom	8	20	160
2	Water room	8	3	24
3	Sas	8	3	24
4	WC	8	2	16
<b>TOTAL</b>	<b>4</b>		<b>28</b>	<b>224</b>
<b>COST</b>	<b>224 m<sup>2</sup> x TSHS 175,000 = 39,200,000</b>			

**Table 22: Administrative Block Construction Costs**

No	Rooms	Nos.	Dimensions/Room (m <sup>2</sup> )	Total Area (m <sup>2</sup> )
1	Office	1	15	15
2	Airlock	1	3	3
3	Meeting Room	1	30	30
4	WC Office	1	6	6
5	Reserve	1	15	15
<b>TOTAL</b>	<b>5</b>		<b>69</b>	<b>69</b>
<b>COST</b>	<b>69 m<sup>2</sup> x TSHS 250,000 = 17,250,000</b>			

**Table 23: Lingerie Construction Costs**

LINGERIE				
No	Rooms	Nos.	Dimensions/Room (m <sup>2</sup> )	Total Area (m <sup>2</sup> )
1	Storage Space	1	15	15
2	Bedrooms	1	30	30
3	Machine Room	1	15	15
4	Dressing Room	1	30	30
5	WC	1	2	2
<b>TOTAL</b>	<b>5</b>		<b>92</b>	<b>92</b>

**Table 24: Restaurant Construction Costs**

RESTAURANT				
No	Rooms	Nos.	Dimensions/Room (m <sup>2</sup> )	Total Area (m <sup>2</sup> )
1	Kitchen	1	35	35
2	Cold Room	1	4	4
3	Store	1	12	12
4	Bar	1	5	5
5	Dining Room	1	80	80
6	Dressing Room	2	3	6
7	Manager's Office	1	15	15
8	WC	2	2	4
9	Terrace	1	10	10
10	Airlock	1	5	5
<b>TOTAL</b>	<b>10</b>		<b>171</b>	<b>176</b>
<b>COST</b>	<b>176 m<sup>2</sup> x TSHS 250,000 = 44,000,000</b>			

**Table 25: Construction Costs for Other Spaces**

OTHER SPACES				
No	Rooms	Nos.	Dimensions/Room (m <sup>2</sup> )	Total Area (m <sup>2</sup> )
1	Sentry Box	1	10	10
2	Reception	1	30	30
3	Gardens and Green Spaces		100	100
4	Pavement		1,000	1,000
5	External WC	3	2	6
<b>TOTAL</b>	<b>5</b>		<b>1,142</b>	<b>1,146</b>
<b>COST</b>	<b>1,146 m<sup>2</sup> x TSHS 50,000 = 57,300,000</b>			

Table 26: Other Expenditure

OTHER EXPENDITURE				
No	Rooms	Nos.	Dimensions/Room (m <sup>2</sup> )	Total Area (m <sup>2</sup> )
1	Lighting System	1,707 m <sup>2</sup>	12,375.51	21,125,000
2	Hydraulic System	1,707 m <sup>2</sup>	7,272.99	12,415,000
3	Internet Network	1,707 m <sup>2</sup>	292.91	500,000
4	Communication System	1,707 m <sup>2</sup>	585.82	1,000,000
5	Equipment for Administration	41	60,975.61	2,500,000
6	Catering & Kitchen Equipment			5,000,000
7	Equipment for Bedrooms	10	200,000	2,000,000
8	Generator	1	6,000,000	6,000,000
9	Small Equipment			1,500,000
10	Rolling Stock			3,000,000
<b>TOTAL</b>	<b>10</b>	-	-	<b>55,040,000</b>
<b>COST</b>	<b>176 m<sup>2</sup> x TSHS 500,000 = 88,000,000</b>			



## **7.0 FINANCIAL PLAN.**

In order to develop a comprehensive investment case for **CHAULA FARM LODGE's** establishment of the tourist eco-lodge and its subsequent development, a detailed financial model was created. The model builds revenue and cost forecasts, as well as associated capital expenditures, relying on historical performance and considering expected changes in the business. The model was designed with the following key objectives:

- Provide flexibility to test and alter assumptions and inputs in the future.
- Identify and capture the key input levers that drive financial requirements and return.
- Identify and assess the expected financial and economic results.

The key variables used in the model are:

- **Inputs:** High-level capital inputs such as equipment cost, building infrastructure cost and office space, additional working capital requirements, and capital structure.
- **Cost of capital:** Calculations of the discount rate for the proposed operations, taking into consideration key determinants such as risk-free rate, marginal risk premium, and debt-equity structure.
- **Historical financial performance:** Considering behavior of historical cost and revenue drivers, including production volumes and growth in cost elements.
- **Market size:** Sizing the tourism market in Tanzania and projecting market share for **CHAULA FARM LODGE.**

The main outputs of the model include:

- **Debt:** Breakout of the schedule for debt repayments, including principal and interest portions. The debt can be used to finance acquisition of fixed assets.
- **Pro forma financials:** Income statement, balance sheet, and cash flow statements, including key performance measures.
- **Outputs:** Summary of the key return metrics and capital requirement.
- **Development benefits:** Estimates of the number of tourists involved in the service consumptive application and anticipated increase in incomes.
- **Sensitivity Analyses:** Estimates levels of change in projected financial performance of the business following potential changes in key cost and revenue drivers.

### 7.1 Key Project Assumptions

The financial analysis of the iodized salt project is based on the data presented in the previous sections and the following assumptions:-

Construction period	1 year
Source of finance	36.17% project Managing Director's equity 63.83% loan financing
Tax holidays	3 years
Loan interest	23% per annum
Discount cash flow	17.0%
Accounts receivable	30 days
Cost of sales	30 days
Work in progress	9 days
Finished products	45 days
Cash in hand	15 days
Accounts payable	30 days

### 7.2 Break-even Analysis

The **CHAULA FARM LODGE** Break-even Analysis figures are linked to the main financial analysis spreadsheets that are appended to this Business Plan.

The project's commercial break-even level (profitability break-even) in Project Year 5 (2028) is calculated below:

**Table 27: Break-Even Analysis in Project Year 6 – 2028 (In TSHS)**

Items	Variable Cost	Fixed Cost	Total Cost
Cost of Sales	470,424,946	0	470,424,946
Salaries and Wages	250,463,745	83,487,915	333,951,660
Marketing Costs	27,826,411	9,275,470	37,101,881
Transport and Fuel	33,779,136	11,259,712	45,038,848
Stationery	5,723,298	2,861,649	8,584,947
Telephone and Internet	9,090,250	3,030,083	12,120,334
Audit Fees	3,107,066	1,553,533	4,660,598
Bank Charges	8,204,551	4,102,276	12,306,827
Rental + Lake Subscription Costs	24,754,653	8,251,551	33,006,204
Repairs and Maintenance	13,480,929	6,740,465	20,221,394
Electricity and Water	14,856,959	4,952,320	19,809,279
Miscellaneous Expenses	76,663,716	25,554,572	102,218,288
Depreciation	0	64,620,000	64,620,000
Financial Expenses	0	44,160,000	44,160,000
<b>TOTAL</b>	<b>938,375,660</b>	<b>269,849,545</b>	<b>1,208,225,205</b>

Sales Value of Production = TSH 1,816,401,788

$$\text{Break-even Sales} = \frac{269,849,545}{1 - \frac{938,375,660}{1,816,401,788}} = \frac{269,849,545}{1 - 0.5166} = \frac{269,849,545}{0.4834}$$

Break-even Sales = TSH 558,246,709

Capacity utilization required to Break-even =  $\frac{\text{TSH } 558,246,709}{\text{TSH } 1,816,401,788} \times 100 = 30.73\%$

Margin of Safety =  $100\% - 30.73\% = 69.27\%$ .

### 7.3 Cost and Funding of the Project

#### 7.3.1 Investment Details and Costs.

**Table 28: Project Investment Cost and Funding Structure**

Component	Amount (TSH)	Rate in %	
<b>A. EXISTING ASSETS (EQUITY)</b>			
Land (1.9 Ha = 3.5 Acres @ TSH 4.8 million)	36,000,000	4.79%	
Existing Structures (40% complete)	188,000,000	25.00%	
Vehicles (2 units)	48,000,000	6.38%	
<b>Sub-Total</b>	<b>272,000,000</b>	<b>36.17%</b>	
<b>B. PLANNED INVESTMENTS (LOAN)</b>			
Establishment Costs	2,500,000	0.33%	
Construction	100,000,000	13.30%	
Civil Engineering/Development Costs	182,000,000	24.20%	
Equipment	74,500,000	9.91%	
Furniture and Office Supplies	12,300,000	1.64%	
Rolling Stock	6,000,000	0.80%	
Intangible Assets	2,400,000	0.32%	
Sundry and Unforeseen	7,200,000	0.96%	
Working Capital	Operating Funds	87,000,000	11.57%
	Non-Operating Cost	6,100,000	0.81%
<b>Sub-Total</b>	<b>480,000,000</b>	<b>63.83%</b>	
<b>Total</b>	<b>752,000,000</b>	<b>100.00%</b>	

According to **Table 28** above, we notice that civil engineering and development costs take the largest share on the loan-financed part of the investment (24.20%) followed by construction costs at 13.30% and working capital at 12.38%.

### 7.3.2 Funding

This project will be financed through a mixture of Equity (existing assets) and debt (medium-term loan of **TSHS 480 million**) refundable with a **23%** interest rate per annum.

### 7.3.3 Loan Disbursement

The Managing Director of **CHAULA FARM LODGE** – proposes loan disbursements for the requested for medium-term loan of **TSH 480 million** to be made in 4 separate installments over a 4-month period (i.e. **October 2025 – January 2029**).

### 7.3.4 Repayment and Financial Charges

For the medium-term loan, the repayment table is presented here below with a straight-line depreciation and variable annuities.

**Table 29: Loan Repayment Table and Financial Charges in TSH**

Year	2024*	2025	2026	2027	2028	2029	Total
Principal	0	96,000,000	96,000,000	96,000,000	96,000,000	96,000,000	<b>331,200,000</b>
Interest	0	110,400,000	88,320,000	66,240,000	44,160,000	22,080,000	<b>480,000,000</b>
<b>TOTAL</b>	<b>0</b>	<b>206,400,000</b>	<b>184,320,000</b>	<b>162,240,000</b>	<b>140,160,000</b>	<b>118,080,000</b>	<b>811,200,000</b>

\* The first year (2023) is a Grace Period of 1 year.

### 7.4 Basic Assumptions Used in Making Estimates

The assumptions that have been used as basis for calculating the turnover are:

- the requirement of the customer with respect to quality-price and service-customer ratio;
- Investment and operational and administrative costs.

### 7.5 Total Operating Cost

The annual total operating cost at full operation capacity (2028) is estimated at **TSHS. 1,154.42 million** (see **Table 30**). The cost of sales accounts for 42.79 per cent, while salaries and wages will take 30.37 per cent of the annual operating cost.

**Table 30: Annual Production Cost at Full Capacity (TSHS)**

Items	Cost	%
<b>Cost of Sales</b>		
Cost of Sales I	122,236,171	10.59%
Cost of Sales II	171,023,864	14.81%

Cost of Sales III	200,686,159	17.38%
<b>Total Cost of Sales</b>	<b>493,946,194</b>	<b>42.79%</b>
<b>Overhead Costs</b>		
Salaries and Wages	350,649,243	30.37%
Marketing Costs	38,956,975	3.37%
Transport and Fuel	47,290,790	4.10%
Stationery	9,014,194	0.78%
Telephone and Internet	12,726,350	1.10%
Audit Fees	4,893,628	0.42%
Bank Charges	12,922,168	1.12%
Rental + Lake Subscription Costs	34,656,514	3.00%
Repairs and Maintenance	21,232,463	1.84%
Electricity and Water	20,799,743	1.80%
Miscellaneous Expenses	107,329,202	9.30%
<b>Total Overheads</b>	<b>660,471,272</b>	<b>57.21%</b>
<b>Total Operating Expenses</b>	<b>1,154,417,466</b>	<b>100.00%</b>

### 7.6 Cost of Sales

The **Cost of Sales (CoS)** for the **CHAULA FARM LODGE** tourism enterprise includes the direct variable expenses like safari expenses, purchase of Day Old Chicks and fish fingerlings for the farm, acquisition of peacocks permits and purchase of fish and poultry feeds for the farm. These are calculated as part of working capital estimation and are reflected in **Schedule 03/3**.

### 7.7 Financial Performance

Income for the **CHAULA FARM LODGE** tourism enterprise is realized from the pricing margins realized on the sale of eco-lodge accommodation, bar drinks, souvenirs and nature walks as explained in **Schedule 01: Key Financial Modeling Assumptions** on page 72. Net Income has been calculated by taking into account all the operational cost and gross income for the variety of salts and industrial gases being sold on the domestic and external export markets. The stabilized average income realized by the **CHAULA FARM LODGE** tourism enterprise is presented in the **Schedule of Projected Income Statement**.

Summarized income and expenditure forecasts have been compiled and are set out in **Schedules 03/3, 07, and 09** respectively. These projected financial figures are based on the assumption that the salt-processing and marketing enterprise is established and operating effectively

**Taxation has been provided at the company income tax rate of 30%.**

### **7.8 Basis of Preparation**

The generation of cash is crucial in sustaining any business, but for the purposes of this Business Plan the forecast profit and loss account has been prepared on the cash basis of accounting.

For the purposes of illustration all receipts and payments have been reflected on a “cash” basis.

### **7.9 The Vehicle**

As a medium-sized but highly promising tourism enterprise, it is imperative that **CHAULA FARM LODGE** tourism enterprise employs the most transparent, ethical and responsible CEO and subordinate Departmental Managers to run the business.

To this end, we would suggest the following governance mechanisms: -

A small but efficient Board of Directors be instituted to guide and control the company. Only people who have the necessary time to devote to the business should be considered.

Sound accounting and internal controls to be followed.

By running a business through a company the most efficient tax mechanism can be planned and staff can be remunerated and employed on an incentives-driven basis.

### **7.10 The Accounting System and Financial Control**

An up-market software accounting package will be acquired in order that the financial condition of the business can be regularly monitored.

We see control over expenditure as a most important issue. The following methods of achieving sound financial control will be implemented.

Annual operating budget will be approved.

Monthly management accounts to be prepared on a timely basis and any capital expenditure and all major running expenditures will have to be approved by the Board. Audit shall be by a reputable firm of auditors with expertise in the industry that can offer high quality business solutions.

### **7.11 Summary and Results**

#### **7.11.1 Profitability**

According to the projected income statement, the project will start generating profit in the first year of operation (**2024**). Important ratios such as profit to total sales, net profit to equity (Return on equity) and net profit plus interest on total investment (return on total investment) show an increasing trend during the life-time of the project.

The income statement and the other indicators of profitability show that the project is viable.

Profitability is shown by:

An **Internal Rate of Return (IRR)** after tax of **37.56%**.

A **Net Present Value (NPV)** of **TSHS 398,245,231** at a discount factor of **17%**.

The company is shown to have an average **gross profit margin** of **73.53%** between the first year of the project (**2024**) and the sixth year (**2028**). The operating effectiveness of the enterprise is reflected in the four year operational period **operating margin** that averages at **38.14%** - **Schedule 09** refers.

#### **7.11.2 Payback Period**

The investment cost and income statement projection are used to project the pay-back period. The project's initial investment will be fully recovered within 3 years (2.96 years).

#### **7.11.3 Internal Rate of Return and Net Present Value**

Based on the cash flow statement, the calculated **IRR** of the project is **37.56%** and the net present value at 17% discount rate is **TSHS 398.245 million**.

#### **7.11.4 Liquidity**

The **CHAULA FARM LODGE** tourism enterprise will require a medium-term credit financial infusion in the year of investment (i.e. First Year of Project) to complete eco-lodge construction, procure capital equipment and finance essential working capital that the company does not have to be able to finance out of its planned establishment and operations.

Basing on the forecast attainable levels of the **CHAULA FARM LODGE** tourism enterprise's operational output, the project is shown to generate a **strong cash flow** position that starts out from **TSH 164,975,766** in the first year of operation (**2024**) to post a very strong and healthy surplus cash flow return of **TSHS 1,066,880,808** by the sixth year of operation (**2028**) – **Schedule 07** refers.

The company is thus able to comfortably cover its medium term debt obligations right from the first year of operations. The **Debt Service Coverage Ratio** is **5.36** in Project **2028** (project end-point) and the **Times Earned Ratio** is **34.74** – **Schedule 11** refers.

#### **7.11.5 Leverage**

The project has a sound capital structure with a debt to net worth ratio in

the first year (i.e. 2024) of the project of 0.55 that steadily reduces to 0.05 by the sixth year (i.e. 2028) of the project when practically all the principal debt and interests shall have been fully discharged. The loan is therefore adequately secured and there shall be no recourse to additional collateral or security provisions – Schedule 11 refers.

#### 7.11.6 Sensitivity Analysis

The assumptions on which the financial projections are based reflect current conditions. A Sensitivity Analysis of the project has, however, been carried out to examine the impact of possible changes in critical variables on the **CHAULA FARM LODGE**'s performance. The results of the sensitivity analysis are presented in **Table 37** below.

**Table 37: Project Sensitivity Analysis Results**

	← ----- DSCR ----- →							
	Change	IRR	ROI	PY 2	PY 3	PY 4	PY 5	PY 6
<b><u>Sensitivity Case</u></b>								
Base Case		37.56%	47.98%	3.47	4.55	4.59	5.08	5.36
Selling Prices	-10%	22.69%	31.42%	2.47	3.41	3.41	3.81	4.02
Operating Costs	+10%	32.14%	42.15%	3.10	4.15	4.17	4.64	4.90
Cost of Sales	+10%	33.50%	43.62%	3.19	4.25	4.28	4.75	5.02

The sensitivity analysis above shows that the **CHAULA FARM LODGE** tourism enterprise is most sensitive to changes in unit selling prices (decline by 10%). Fortunately, the project will benefit from the strong and sustained growth of the Tanzania tourism sector as well having good complementary support from its related enterprises of farming (agriculture) and nursery education (education) that have one of the highest sector compound average growth rates (CAGR) in Tanzania at the present. The potency of the exiting market for these services in the tourism, agriculture and education sectors of the Tanzanian economy will thus have the effect of cushioning the **CHAULA FARM LODGE** tourism enterprise from unexpected price distortions and any other unexpected negative market phenomena that tends to play havoc on most other consumer goods enterprises active within the domestic economy.

#### **Legend:**

IRR: Internal Rate of Return  
 ROI: Return on Investment (Project Year 5)



## 8.0 COMMUNITY CORPORATE TASKS

### 8.1 Social Responsibilities

**CHAULA FARM LODGE** is aware of the negative impact that tourism can create and we are committed to spread the benefits of tourism to previously disadvantaged communities by sharing our skills and knowledge, connecting communities with opportunities, funding and facilitation.

It is **CHAULA FARM LODGE** 's policy to:

- Develop tourism with dignity, respect and nurture local cultures (including religion), so that they enrich the tourism experience and build pride and confidence among local communities.
- Ensure communities are involved in and benefit from tourism and that exploitation and over-commercialization of local cultures is avoided.
- Use tourism as a catalyst for human development, focusing on gender equality and career development.
- Coordinating training programmes to develop skills within the framework of the skills.
- Develop relationships with local communities based on trust, empowerment, co – operation and partnerships and respect indigenous intellectual property.
- Recruit and employ staff in an equitable and transparent manner and maximize the proportion of staff employed from the local community
- As the project develops and becomes viable it will provide structures for the local community to improve their skills in order to participate in the management and rewards of **CHAULA FARM LODGE** :
  - Provide appropriate on-going skills training programmes for staff;
  - Involve the community in the planning, decision - making and the development of tourism;
  - Support the development of sustainable local crafts by assisting with improvement of design, marketing, production and packaging skills whilst ensuring that they maintain the authenticity and cultural values of their products;
  - Provide information to guests about the host culture and traditions, local services and attractions, and encourage them to use them;
  - Educate guests to respect local customs and traditions and make them aware of how they should behave in this regard;
  - Create opportunities for visitors to interact with locals in an unstructured, spontaneous manner;

- Protect the community against negative social and cultural impacts associated with tourism, such as increased crime, drug and alcohol abuse, prostitution, and crime.

Tourism is one of many processes or factors that contributes to social and culture change in host communities. Some of the direct and indirect impacts that may be associated with tourism are summarized in **Table 38** below.

Respect for local culture and tradition is integral to “responsible tourism” practice of **CHAULA FARM LODGE**. “Responsible tourism” requires the establishment of trust and effective communication between everyone involved in the tourism encounter. Trust and communication provide the basis for information exchange, cultural understanding and tolerance of difference.

“Responsible tourism” is about embracing and respecting cultural variation, not only to avoid conflict and other negative aspects of culture contact but also to explore the potential for “responsible” commercial tourism products that are based on culture and heritage.

### Potential Socio - cultural Effects of Tourism on Host Communities

**Table 38: Potential Socio - Cultural Effects of Tourism on Host Communities**

Positive Effects	Negative Effects
<ul style="list-style-type: none"> <li>• tourism can lead to new domestic arrangements and gender roles that create new opportunities for women and young people</li> <li>• tourism can keep cultural traditions alive, engender community pride and encourage creative art</li> <li>• tourism provides opportunities for cultural exchange and broadening of horizons</li> <li>• tourism can create new /expanded public services and amenities</li> <li>• tourism can create economic stability and improved living standards</li> <li>• tourism can promote use and conservation of natural and cultural resources</li> <li>• tourism can improve quality of fire protection tourism can lead to improved education</li> <li>• tourism can support indigenous languages</li> </ul>	<ul style="list-style-type: none"> <li>• tourism can lead to new domestic arrangements and gender roles that create social tension (e.g. reduced esteem for elders and/or men)</li> <li>• local people may try to imitate tourists which can lead to disillusionment, and cultural drift</li> <li>• tourism can lead to the co modification of culture</li> <li>• tourism can increase pollution and deplete natural resources</li> <li>• tourism can increase crime, prostitution, begging, alcohol and drug abuse, and can also lead to the spread of disease</li> <li>• tourism can lead people to change their cultural practices (e.g. arts, craft, dress, festivals) to meet the real or perceived needs of tourists</li> <li>• tourism can exacerbate existing social inequalities and create new ones</li> <li>• tourism can engender new forms of moral conduct, family relations, recreation and community organization, which may lead to conflict amongst individuals and/or social groups</li> <li>• Tourists can offend local people (e.g. by wearing revealing clothing or visiting private / sacred sites).</li> <li>• an influx of tourists can lead to loss of language, artifacts</li> </ul>

### **The Benefits of Social Responsibility**

Any enterprise that employs people, works with people, purchases services and products from people, and/or provides activities for visitors will engender a range of social impacts. There are various reasons why **CHAULA FARM LODGE** should attempt to manage these impacts, in their own interests as well as in the interests of others. Some of these reasons are summarized below:

- **Destination success.** The success of an individual tourism enterprise is linked to the broader success of the tourism destination in which it is situated. co-operation between government, communities and the private sector on the broader planning, management and marketing of the destination will be beneficial to all.
- Sustainable use of shared resources. Many tourism enterprises rely upon communal or public resources that are used by many parties.
- Acting in a socially responsible manner leads to improved co - operation between resource users and mutually acceptable, sustainable use.
- **Improved problem solving.** Tourism enterprises are sometimes faced with problems that they cannot solve on their own. a good example is crime, which is best addressed through a collective approach to safety and security that involves community members, government and other role players
- **Appropriate community benefits.** “Responsible tourism” is about ensuring that host communities have a say in how they would like to benefit from tourism, and how they would like these benefits to be distributed.
- **Improved supply and other business linkages.** **CHAULA FARM LODGE** will benefit from the establishment of linkages with local suppliers as well as with complementary tourism products in the area.
- **Mutual respect.** “Responsible tourism” **CHAULA FARM LODGE** respect their neighbors, and vice versa. This shared respect leads to improved communication and co - operation between **CHAULA FARM LODGE** and host communities, which in turn enrich the overall tourism experience.

### **Action Plan for Social Responsibility**

As noted above, social responsibility is desirable for a number of reasons - not least of all because it makes good business sense. But how does **CHAULA FARM LODGE** go about becoming more socially responsible? What does social responsibility mean in practice?

As summarized below, a tourism enterprise that wants to operate in a socially responsible manner needs to undertake a series of concrete actions designed to create, execute, support, monitor and promote enterprise – specific strategies for socially “responsible tourism”. The targets set by **CHAULA FARM LODGE** should be realistic yet challenging, and benchmarks employed should be easily measured and relevant to the social responsibility objectives of the enterprise.

**CHAULA FARM LODGE strategies should incorporate one or more of the following areas of social responsibility like:**

- creating partnerships
- establishing a social contract
- supporting community development
- tourist activities and information
- recruitment and employment
- capacity building, training and skills development

**Table 39: Taking Action towards Social Responsibility**

Action No.	Actions
Action 1	Commit the enterprise to working according to an ethic of social responsibility.
Action 2	Identify and support a member of staff who will be tasked with monitoring and reporting on social responsibility within the enterprise.
Action 3	Set targets and benchmarks to monitor social responsibility progress and Performance.
Action 4	Create a strategy with an implementation plan.
Action 5	Educate and motivate staff to be socially responsible.
Action 6	Invite suggestions from staff, tourists and others as to how the enterprise can improve its social responsibility efforts.
Action 7	Showcase social responsibility initiatives and projects to guests, and ideally employ a local guide or community representative to facilitate site visits.

## 8.2 Economic Responsibilities

**CHAULA FARM LODGE** appreciates that promoting tourism, increasing linkages, planning initiatives and investments will contribute to the broader economic development for the area and the community within the project proposal.

**It is CHAULA FARM LODGE "s policy to:**

- Empower communities to market their cultural traditions and products as assets and enhance their economic opportunities.
- Work closely with local communities and entrepreneurs to develop new products that provide complementary products for the tourism industry.
- Develop partnerships and joint ventures in which communities have a significant stake, and a substantial role in management.
- Ensure that the risk is equitably shared when entering into agreements with local communities or emerging entrepreneurs
- Maintain and encourage economic diversity, whilst avoiding over - dependency on

tourism

CHAULA FARM LODGE

- Buy locally - made goods and use locally provided services from locally owned businesses wherever quality, quantity, and consistency permits in order to minimize the revenue that “leaks” out of the local area
- Pay fair prices for local services and products
- Encourage visitors to spend more money in the local economy
- Make clients aware of the responsible purchasing policy

**CHAULA FARM LODGE will communicate economic responsibilities by:**

**Table 40: Strategies for Communication of Economic Responsibilities**

<b>Provide information</b>	<p>Providing guests with information about the local economy (e.g. household income, school fees, unemployment, etc).</p> <p>Showcase any corporate social investment activities by providing details of money spent, infrastructure created</p> <p>Providing guests with information about current or planned social infrastructure projects</p>
<b>Demonstrate the impact</b>	<p>Demonstrate the impact that a relatively small amount of money (e.g. TSHS 120,000 – per month, about 33 – US Dollars) can make to a poor rural household</p>
<b>Create opportunities</b>	<p>Ensure that guests are able to spend money locally and encourage them to do so</p> <p>Make it possible for clients who want to support local projects to do so</p>
<b>Solicit feedback</b>	<p>Guest feedback forms should include a list of „responsibility“ questions that can solicit general impressions as well as specific information about visitor expenditure in the local economy</p> <p>Feedback can be used to profile clients and increase return business</p>
<b>Showcase staff benefits</b>	<p>CHAULA FARM LODGE will make sure that guests are aware of training and other benefits to staff</p>
<b>Consider a local tour</b>	<p>Enable interested guests to visit neighboring communities and make sure they are informed about how CHAULA FARM LODGE has</p>

### 8.3 Environmental Responsibilities

**CHAULA FARM LODGE** abides the environmental and conservation policies.

Further it is **CHAULA FARM LODGE** 's policy to:

- Advise and ensure that guests behaviour respects the natural heritage and has a low impact upon it, by using designated trails, not collecting seeds and removing plants, and by not feeding animals
- Working closely with suppliers to minimize the amount of packaging purchased with supplies, and therefore reducing the amount of waste that needs to be disposed of.
- Avoid or minimize pollution by using environmentally friendly chemicals, and by using biodegradable soaps and detergents.
- Ensure that staff are familiar with the issues and ways of avoiding environmental impacts and to communicate it to guests.
- Buy crafts that are sustainable produced.
- Educate guests by building sensitively placed trails and hides, with interpretation material for guests.
- Educate local communities about the importance of sustainable natural resource management.
- Have clearly labeled separate bins for wet waste, plastics, glass and tin to help recycling compost food waste on site and to use it to fertilize the lodge grounds.
- Store, collect and dispose of hazardous waste safely and according to government regulations.
- Inform guests and train staff how they can help with water and energy conservation.
- Invest in and develop renewable energy technology for minimizing the greenhouse gas impact of **CHAULA FARM LODGE** and practice sustainable energy consumption

#### **The benefits of environmental management and biodiversity conservation**

Tanzania is one of the most ecologically diverse countries in the world, with habitats including forests, mountains, swamps, savannah, rivers, thickets and a long and beautiful stretch of coastline. This natural heritage, combined with the rich cultural heritage, is the foundation for Tanzania's tourism sector. Needless to say, it is vital that all Tanzanians take responsibility for maintaining the integrity of the national natural resources and the rich biodiversity that they support tourism enterprises, especially those engaged in nature - based activities, have an especially vital role to play in maintaining and expanding this biodiversity. Even small, local initiatives can have impacts of international importance.

#### **How does a tourism operation affect conservation and biodiversity?**

**CHAULA FARM LODGE** can affect the local environment and its biodiversity values in a number of ways – both positive and negative. "Responsible" operators will recognize this inter - relationship and attempt to manage the impacts in such a way that **CHAULA FARM LODGE** leaves a net positive impact on the environment. To determine how **CHAULA FARM**

**LODGE** impacts on the natural world, it is necessary to examine all aspects of the operation over the life cycle of **CHAULA FARM LODGE**.

#### 8.4 Responsible Tourism” and the Triple Bottom Line

Aside from decreasing operating costs, managing **CHAULA FARM LODGE** responsibly makes good business sense for at least three reasons:

- “Responsible tourism” is aligned to the international trend towards responsible business practice.
- “Responsible tourism” meets the growing market demand for responsible tourism products.
- “Responsible tourism” makes customers, staff and investors feel good.

Recent market research in the UK and elsewhere has pointed towards a positive trend in consumer and sector demand for “responsible tourism” products. This research suggests that ethical business practices can provide commercial advantage, and that “responsible tourism” can be a positive marketing tool – provided that claims of responsibility are credible and based on demonstrable delivery of responsible activities and objectives.

Although most tourists make purchasing decisions based on such factors as price, weather, type and range of facilities and quality, more and more tourists are also concerned about the ethics of travel. A recent survey by the UK - based NGO “TearFund”, for instance, found that British consumers are more likely to book a holiday based on availability of information about the country, reduced environmental impact and meeting local people on holiday than on whether or not they had used the company before.

Significantly, the data suggests that consumers (and thus trade) demand for “responsible tourism” products are increasing – and that more and more people want to purchase responsible holidays.

#### The „Feel Good“ Factor

Positive publicity and customer feedback associated with responsible business activities engender good relationships with staff and shareholders, while simultaneously paving the way for meaningful partnerships with local businesses and communities. The importance of the „feel good“ factor cannot be underestimated, for example in accounting for the value of positive word-of-mouth advertising and the role played by staff in shaping the (positive or negative) quality of the **CHAULA FARM LODGE** tourism experience.

Responsible action by one business, like **CHAULA FARM LODGE** will be, also helps to encourage similar and even improved initiatives within other companies and enterprises. This „domino effect“ will ultimately lead to positive action within industry as a whole, which in turn can help to position the Dodoma District, the Central Tanzania tourism circuit and Tanzania as a whole as a leading responsible tourism destination.

## 8.5 Marketing of the Corporate Responsibilities

Marketing is essential to the operation and survival of each and every tourism business.

**CHAULA FARM LODGE responsible marketing is about:**

- ***Truth in advertising:*** CHAULA FARM LODGE will be honest about the quality, range and price of experience/s offered, and ensure that guests get more or less what they bargained for including a range of information about local attractions in promotional materials (e.g. brochures, website)
- CHAULA FARM LODGE will promote informal / emerging tourism enterprises and encouraging guests as well as tour operators to include these in their itineraries. Wherever possible, CHAULA FARM LODGE will put tour operators and SMEs in direct contact with each other, which empowers disadvantaged people to participate in the tourism „mainstream“.
- CHAULA FARM LODGE will promote diverse complementary local products, services and attractions to the clients, before they arrive, and when they are with CHAULA FARM LODGE. Word - of - mouth advertising is very strong CHAULA FARM LODGE will report on how promote local activities, and report on visitation by guests.
- CHAULA FARM LODGE will ensure that additional products „fit“ the enterprises marketing image, its product and the type of source market in which CHAULA FARM LODGE is operating. To avoid confusion over the type of product marketed as well to avoid misunderstanding by tourists and/or tour operators concerning the type of experience they can expect from CHAULA FARM LODGE.
- CHAULA FARM LODGE will closely monitor local products. CHAULA FARM LODGE should monitor the number of local products advertised in its literature; the proportion of space provided to them as well as the impressions of customers (e.g. did the inclusion of such information influence purchasing behavior). Provision of new and complementary products may encourage tourists to stay longer at a particular location (e.g. more bed – nights) and in turn spend more money in the area. CHAULA FARM LODGE will report on its attempts to market responsibly and on any improvement in tourist spend and length of stay.



## Schedule 01: KEY FINANCIAL MODELLING ASSUMPTIONS

Table 41-1: Capacity Utilization Assumptions (Eco Lodge)

Service/Year	2024	2025	2026	2027	2028	2029
Double Room Bed nights	474	552	554	598	636	672
Single Room Bed nights	63	83	92	102	114	130
Extra Bed nights	44	39	44	50	56	62
Game Drives (Nos.)	62	57	70	82	94	100

Table 41-2: Revenue Assumptions (Eco Lodge)

Double Room rate (US\$)	224
Single Room rate (US\$)	132
Extra Beds rate (US\$)	92
Day Game Drives (US\$)	75
Annual Increase in Eco-Lodge Rates	0%

Table 41-3: Production &amp; Revenue Assumptions (Fish Farm &amp; Poultry Farm)

Annual Fish Catch from Fish Ponds (fish)	37,800
Fish Sales Price/fish in TSHS	5,500
Annual increase in Fish Prices	5%

Table 41-4: Production &amp; Revenue Assumptions (Villa Rooms)

Number of children enrolled in nursery school in Year 2024	220
Annual increase of guest in numbers (2024-2028)	10
School Fees per Pupil/Term in Year 2024 in TSHS	650,000
Annual increase in Accommodation Fees (%)	5%

Table 41-5: Operating Expense Assumptions (Eco Lodge)

Safari expenditures in First Year (2024) in US\$	25,035
Gorilla permits/chimpanzee tracking in First Year (2024) in US\$	31,200
Purchases in First Year (2024) in US\$	16,100
Marketing and website in First Year (2024) in US\$	10,000
Transport and fuel in First Year (2024) in US\$	3,600
Stationery in First Year (2024) in US\$	360
Telephone and Internet in First Year (2024) in US\$	1,800
Audit Fees in First Year (2024) in US\$	285
Annual Operating Expense Assumptions Growth Rate (%)	5%

**Table 41-6: Economy-Related Assumptions**

Electricity price growth rate	5%
Diesel price growth rate	5%
Wage growth rate	5%

**Table 41-7: Cash Flow Assumptions**

Accounts Receivable cycle (in days)	30
Accounts Payable cycle (in days)	30
Raw material inventory (in days)	3
Equipment spare parts inventory (in days)	30

**Table 41-8: Financial Assumptions**

Project Life (Years)	6
Debt	68.19%
Equity	31.81%
Interest rate on long-term debt	23.0%
Debt tenure (Years)	6
Grace Period (Years)	1
Debt payments per year	1
Currency Exchange Rate (USD to TSHS)	2,500

**Table 41-9: Depreciation Rate Assumptions**

Land	0%
Buildings	5%
Machinery and Equipment	10%
Office Equipment	10%
Furniture & Fixtures	10%
Vehicles	20%

**Schedule 02: Source & Structure of Project Financing (In TSHS)**

Source	Share	Equity	Debt	Total
Land (1.9 Ha)	4.79%	36,000,000	0	36,000,000
Existing Structures (40% Complete)	25.00%	188,000,000	0	188,000,000
Establishment Costs	0.33%	0	2,500,000	2,500,000
Construction	13.30%	0	100,000,000	100,000,000
Civil Engineering/Development Costs	24.20%	0	182,000,000	182,000,000
Equipment	9.91%	0	74,500,000	74,500,000
Furniture and Office Supplies	1.64%	0	12,300,000	12,300,000
Rolling Stock	0.80%	0	6,000,000	6,000,000
Intangible Assets	0.32%	0	2,400,000	2,400,000
Sundry and Unforeseen	0.96%	0	7,200,000	7,200,000
Vehicles (2 units)	6.38%	48,000,000	0	48,000,000
W/Capital: Operating Funds	11.57%	0	87,000,000	87,000,000
W/Capital: Non-Operating Cost	0.81%	0	6,100,000	6,100,000
<b>TOTAL</b>	<b>100.00%</b>	<b>272,000,000</b>	<b>480,000,000</b>	<b>752,000,000</b>
<b>% of Total</b>		<b>36.17%</b>	<b>63.83%</b>	<b>100.00%</b>

**Schedule 03/1: CALCULATION OF WORKING CAPITAL: I Minimum Requirements of Current Assets and Liabilities**

(a) Accounts receivable: 30 days at total production costs minus depreciation and interest

(b) Inventory:

Cost of Sales: 30 days

Salaries & Wages: 90 days

Production Operations: 60 days at total operating expenses

Building & Eqpmt maintenance: 180 days

Work in progress: 9 days at total cost of sales

Finished products: 45 days at total cost of sales

© Cash-in-hand: 15 days, see separate calculations at the bottom of **Schedule 03/4**.

(d) Accounts payable: 30 days of 10% total operating expenses

N.B.: All the local cost price factors for cost of sales, operational costs and working capital are indicated in Tanzania Shillings for the ease of computational and financial analysis.

Schedule 03/2: Calculation of Working Capital: II Consolidated Annual Income Estimates  
(In TSHS)

Year	2024	2025	2026	2027	2028	2029
<b>Eco-Lodge Services</b>						
Double Rooms	474	552	554	598	636	672
Single Rooms	63	83	92	102	114	130
Extra Beds	44	39	44	50	56	62
Nature Walks	62	57	70	82	94	100
<b>Eco-Lodge Rates (US\$)</b>						
Double Rooms	224	224	224	224	224	224
Single Rooms	132	132	132	132	132	132
Extra Beds	92	92	92	92	92	92
Nature Walks	75	75	75	75	75	75
<b>Eco-Lodge Income (US\$)</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Double Rooms	106,176	123,648	124,096	133,952	142,464	150,528
Single Rooms	8,316	10,956	12,144	13,464	15,048	17,160
Extra Beds	4,048	3,588	4,048	4,600	5,152	5,704
Nature Walks	4,650	4,275	5,250	6,150	7,050	7,500
Other Income (1)	87,138	85,800	80,130	82,470	80,316	84,418
<b>Total</b>	<b>210,328</b>	<b>228,267</b>	<b>225,668</b>	<b>240,636</b>	<b>250,030</b>	<b>265,310</b>
<b>Consolidated Income (TSHS)</b>						
Eco-Lodge Income	757,180,800	821,761,200	812,404,800	866,289,600	900,108,000	955,116,000
Villas Rooms (2)	429,000,000	470,925,000	515,970,000	564,342,188	616,261,669	671,962,243
Farm Income (3)	247,900,000	349,900,000	367,400,000	385,770,000	405,058,500	425,311,425
<b>Total Income</b>	<b>1,434,080,800</b>	<b>1,642,586,200</b>	<b>1,695,774,800</b>	<b>1,816,401,788</b>	<b>1,921,428,169</b>	<b>2,052,389,668</b>

**Notes:**

1. Other Income includes sales receipts from transfer fees from Dodoma Airports, souvenir sales, bar drink sales, swimming pool fees, massage parlour sales and nature walk sales.
2. Villas Income represents the total annual receipts.
3. Farm Income are the annual consolidated revenues from the sale of farmed fish and eggs produced at the farm.

**Schedule 03/3a: Calculation of Working Capital: III Annual Production Cost Estimates  
in TSHS (Eco Lodge)**

ACCOUNT HEAD	FINANCIAL YEAR OF OPERATION					
YEAR	2023	2024	2025	2026	2027	2028
<b>Operating Costs (TSHS)</b>						
<b>Cost of Sales</b>						
Safari Expenditures		87,084,000	91,438,200	96,010,110	100,810,616	105,851,146
Gorilla Permits/Chimps Tracking		98,280,000	103,194,000	108,353,700	113,771,385	119,459,954
Sundry Purchases		47,880,000	50,274,000	52,787,700	55,427,085	58,198,439
<b>Total Cost of Sales</b>		<b>233,244,000</b>	<b>244,906,200</b>	<b>257,151,510</b>	<b>270,009,086</b>	<b>283,509,540</b>
<b>Overhead Costs</b>						
Marketing and website		27,900,000	29,295,000	30,759,750	32,297,738	33,912,624
Transport and Fuel		12,600,000	13,230,000	13,891,500	14,586,075	15,315,379
Stationery		1,116,000	1,171,800	1,230,390	1,291,910	1,356,505
Telephone and Internet		9,540,000	10,017,000	10,517,850	11,043,743	11,595,930
Audit Fees		1,026,000	1,077,300	1,131,165	1,187,723	1,247,109
Bank Charges		5,400,000	5,670,000	5,953,500	6,251,175	6,563,734
Rent expenses		12,312,000	12,927,600	13,573,980	14,252,679	14,965,313
Repairs and Maintenance		11,808,000	12,398,400	13,018,320	13,669,236	14,352,698
Electricity and Water		6,912,000	7,257,600	7,620,480	8,001,504	8,401,579
To Related Party (St. Leo's JS)		7,200,000	7,560,000	7,938,000	8,334,900	8,751,645
<b>Total Overheads</b>		<b>95,814,000</b>	<b>100,604,700</b>	<b>105,634,935</b>	<b>110,916,682</b>	<b>116,462,516</b>
<b>Total Operating Costs</b>		<b>329,058,000</b>	<b>345,510,900</b>	<b>362,786,445</b>	<b>380,925,767</b>	<b>399,972,056</b>

**Schedule 03/3b: Calculation of Working Capital: III Annual Production Cost Estimates  
in TSHS (Villa Rooms)**

ACCOUNT HEAD	FINANCIAL YEAR OF OPERATION					
YEAR	2013	2024	2025	2026	2027	2028
<b>Operating Costs (TSHS)</b>						
<b>Cost of Sales</b>						
Medication & First Aid		280,000	294,000	308,700	324,135	340,342
Food Purchases		31,045,756	32,598,044	34,227,946	35,939,343	37,736,310
Uniform		9,025,000	9,476,250	9,950,063	10,447,566	10,969,944
<b>Total Cost of Sales</b>		<b>40,350,756</b>	<b>42,368,294</b>	<b>44,486,708</b>	<b>46,711,044</b>	<b>49,046,596</b>
<b>Overhead Costs</b>						
Advertising & Promotion		4,150,000	4,357,500	4,575,375	4,804,144	5,044,351
Transport and Fuel		22,106,250	23,211,563	24,372,141	25,590,748	26,870,285
Stationery		6,300,000	6,615,000	6,945,750	7,293,038	7,657,689
Telephone and Internet		570,000	598,500	628,425	659,846	692,839
Audit Fees		2,000,000	2,100,000	2,205,000	2,315,250	2,431,013
Bank Charges		1,031,100	1,082,655	1,136,788	1,193,627	1,253,308
Rent expenses		15,600,000	16,380,000	17,199,000	18,058,950	18,961,898
Repairs and Maintenance		2,060,000	2,163,000	2,271,150	2,384,708	2,503,943
Electricity and Water		3,600,000	3,780,000	3,969,000	4,167,450	4,375,823
To Related Party (Tourism) & Misc.		60,700,000	63,735,000	66,921,750	70,267,838	73,781,229
<b>Total Overheads</b>		<b>118,117,350</b>	<b>124,023,218</b>	<b>130,224,378</b>	<b>136,735,597</b>	<b>143,572,377</b>
<b>Total Operating Costs</b>		<b>158,468,106</b>	<b>166,391,511</b>	<b>174,711,087</b>	<b>183,446,641</b>	<b>192,618,973</b>

**Schedule 03/3c: Calculation of Working Capital: III Annual Production Cost  
Estimates in TSHS (Farm)**

ACCOUNT HEAD	FINANCIAL YEAR OF OPERATION					
YEAR	2023	2024	2025	2026	2027	2028
<b>Operating Costs (UGX)</b>						
<b>Cost of Sales</b>						
Purchase of Day Old Chicks		13,200,000	13,860,000	14,553,000	15,280,650	16,044,683
Purchase of Fish Fingerlings		11,376,000	11,944,800	12,542,040	13,169,142	13,827,599
Purchase of Fish & Poultry Feeds		108,200,000	113,610,000	119,290,500	125,255,025	131,517,776
<b>Total Cost of Sales</b>		<b>132,776,000</b>	<b>139,414,800</b>	<b>146,385,540</b>	<b>153,704,817</b>	<b>161,390,058</b>
<b>Overhead Costs</b>						
Salaries and Wages		0	0	0	0	0
Advertising & Promotion		0	0	0	0	0
Transport and Fuel		4,200,000	4,410,000	4,630,500	4,862,025	5,105,126
Stationery		0	0	0	0	0
Telephone and Internet		360,000	378,000	396,900	416,745	437,582
Audit Fees		1,000,000	1,050,000	1,102,500	1,157,625	1,215,506
Bank Charges		4,200,000	4,410,000	4,630,500	4,862,025	5,105,126
Lake Subscription Fees for Use of Cages			600,000	630,000	661,500	694,575
Repairs and Maintenance		3,600,000	3,780,000	3,969,000	4,167,450	4,375,823
Electricity and Water		6,600,000	6,930,000	7,276,500	7,640,325	8,022,341
Medication & Fumigation + Cage Replacement			20,400,000	21,420,000	22,491,000	23,615,550
<b>Total Overheads</b>		<b>40,960,000</b>	<b>43,008,000</b>	<b>45,158,400</b>	<b>47,416,320</b>	<b>49,787,136</b>
<b>Total Operating Costs</b>		<b>173,736,000</b>	<b>182,422,800</b>	<b>191,543,940</b>	<b>201,121,137</b>	<b>211,177,194</b>



**Schedule 03/3d: Calculation of Working Capital: III Annual Production Cost Estimates  
in TSHS (Consolidated Project)**

ACCOUNT HEAD	FINANCIAL YEAR OF OPERATION					
	2023	2024	2025	2026	2027	2028
<b>Operating Costs (UGX)</b>						
<b>Cost of Sales</b>						
Cost of Sales I (4)		100,564,000	105,592,200	110,871,810	116,415,401	122,236,171
Cost of Sales II (5)		140,701,756	147,736,844	155,123,686	162,879,870	171,023,864
Cost of Sales III (6)		165,105,000	173,360,250	182,028,263	191,129,676	200,686,159
<b>Total Cost of Sales</b>		<b>406,370,756</b>	<b>426,689,294</b>	<b>448,023,758</b>	<b>470,424,946</b>	<b>493,946,194</b>
<b>Overhead Costs</b>						
Salaries and Wages		288,480,000	302,904,000	318,049,200	333,951,660	350,649,243
Marketing Costs		32,050,000	33,652,500	35,335,125	37,101,881	38,956,975
Transport and Fuel		38,906,250	40,851,563	42,894,141	45,038,848	47,290,790
Stationery		7,416,000	7,786,800	8,176,140	8,584,947	9,014,194
Telephone and Internet		10,470,000	10,993,500	11,543,175	12,120,334	12,726,350
Audit Fees		4,026,000	4,227,300	4,438,665	4,660,598	4,893,628
Bank Charges		10,631,100	11,162,655	11,720,788	12,306,827	12,922,168
Rental + Lake Subscription Costs		28,512,000	29,937,600	31,434,480	33,006,204	34,656,514
Repairs and Maintenance		17,468,000	18,341,400	19,258,470	20,221,394	21,232,463
Electricity and Water		17,112,000	17,967,600	18,865,980	19,809,279	20,799,743
Miscellaneous Expenses		88,300,000	92,715,000	97,350,750	102,218,288	107,329,202
Total Overheads		543,371,350	570,539,918	599,066,913	629,020,259	660,471,272
<b>Total Operating Costs</b>		<b>949,742,106</b>	<b>997,229,211</b>	<b>1,047,090,672</b>	<b>1,099,445,205</b>	<b>1,154,417,466</b>
<b>Financial Costs (UGX)</b>						
Bank M & E Fees (US\$ 100 p.m.) (7)		4,320,000	4,320,000	4,320,000	4,320,000	4,320,000
Interest on Medium Term Loans @ 23% p. a.		110,400,000	88,320,000	66,240,000	44,160,000	22,080,000
Depreciation		46,620,000	48,620,000	56,620,000	64,620,000	64,620,000
<b>Total Financial Costs</b>		<b>161,340,000</b>	<b>141,260,000</b>	<b>127,180,000</b>	<b>113,100,000</b>	<b>91,020,000</b>
<b>Total Production Costs</b>		<b>1,111,082,106</b>	<b>1,138,489,211</b>	<b>1,174,270,672</b>	<b>1,212,545,205</b>	<b>1,245,437,466</b>

**Notes:**

4. Cost of Sales I: Safari Expenditures (Eco-Lodge) + Medication & First Aid (Villa Rooms) + Purchase of Day Old Chicks (Farm).
5. Cost of Sales II: Peacocks Permits (Eco-Lodge) + Food Purchases + Purchase of Fish Fingerlings (Farm).
6. Cost of Sales III: Sundry Purchases (Eco-Lodge) + Uniform + Purchase of Fish & Poultry Feeds (Farm).
7. A Monitoring and Evaluation allowance of US\$100 (TSHS 360,000) per month on the project by the bank is included as a Financial Cost.

## Schedule 03/4: Calculation of Working Capital: IV Working Capital Requirements in TSHS

Item	X	Y	Requirements (TSHS)				
	Minimum days	Coefficient of	Full-Capacity				
	of coverage	turn-over	2024	2025	2026	2027	2028
<b>I. Current assets</b>							
A. Accounts receivable	30	12	79,145,176	83,102,434	87,257,556	91,620,434	96,201,455
<b>B. Inventory</b>							
a) Cost of Sales	30	12	33,864,230	35,557,441	37,335,313	39,202,079	41,162,183
b) Salaries & Wages	90	4	72,120,000	75,726,000	79,512,300	83,487,915	87,662,311
c) Business Operations	60	6	185,180,351	189,748,202	195,711,779	202,090,868	207,572,911
d) Maintenance & Repair	180	2	8,734,000	9,170,700	9,629,235	10,110,697	10,616,232
e) Work-in-Process	9	40	20,456,825	21,479,666	22,553,650	23,681,332	24,865,399
f) Finished Products	45	8	102,284,126	107,398,332	112,768,249	118,406,661	124,326,994
C. Cash-in-hand (from V below)	15	24	24,463,963	24,528,161	24,641,569	24,806,647	42,137,104
D. Current assets	-	-	526,248,670	546,710,936	569,409,650	593,406,632	634,544,589
<b>II. Current Liabilities</b>							
A. Accounts payable	30	12	-9,259,018	-9,487,410	-9,785,589	-10,104,543	- 10,378,646
<b>III. Working Capital</b>							
A. Net Working Capital			516,989,652	537,223,526	559,624,061	583,302,089	624,165,943
B. Increase in Working Capital			-	20,233,874	22,400,535	23,678,028	40,863,854
<b>IV. Total Production Costs</b>							
	-	-	1,111,082,106	1,138,489,211	1,174,270,672	1,212,545,205	1,245,437,466
Less: Cost of Sales	-	-	438,420,756	460,341,794	483,358,883	507,526,828	122,236,171
Transport & Fuel	-	-	38,906,250	40,851,563	42,894,141	45,038,848	47,290,790
Depreciation	-	-	46,620,000	48,620,000	56,620,000	64,620,000	64,620,000
	15	24	587,135,100	588,675,855	591,397,648	595,359,530	1,011,290,505
<b>V. Required Cash Balance</b>	-	-	24,463,963	24,528,161	24,641,569	24,806,647	42,137,104

## Schedule 04: Fixed Assets and Depreciation Allowances in TSHS

Year	2023	2024	2025	2026		2027	2028
	Initial	Dep	Dep	Dep		Dep	Dep
Asset	Value	Allowance	Allowance	Allowance		Allowance	Allowance
Eco-Lodge Buildings	470,000,000	23,500,000	23,500,000	23,500,000		23,500,000	23,500,000
Villa Rooms	80,000,000	4,000,000	6,000,000	14,000,000		22,000,000	22,000,000
Eco Lodge Equip & Machinery	74,500,000	7,450,000	7,450,000	7,450,000		7,450,000	7,450,000
Office Furniture & Equip	12,300,000	1,230,000	1,230,000	1,230,000		1,230,000	1,230,000
Miscellaneous Fixed Assets	8,400,000	840,000	840,000	840,000		840,000	840,000
Motor Vehicles	48,000,000	9,600,000	9,600,000	9,600,000		9,600,000	9,600,000
<b>TOTALS</b>	<b>693,200,000</b>	<b>46,620,000</b>	<b>48,620,000</b>	<b>56,620,000</b>		<b>64,620,000</b>	<b>64,620,000</b>

**Schedule 05: Change in Total Investment Costs in TSHS**

<b>Period</b>	<b>Construction</b>	<b>Full Capacity</b>					
<b>Year</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>Total</b>
1. Fixed Investment Costs	693,200,000	40,000,000	160,000,000	160,000,000	0	0	1,053,200,000
a) Initial fixed investment costs	693,200,000	40,000,000	160,000,000	160,000,000	0	0	1,053,200,000
b) Replacement	0	0	0	0	0	0	0
2. Pre-operational expenses	93,100,000	0	0	0	0	0	93,100,000
3. Working Capital increase	0	516,989,652	20,233,874	22,400,535	23,678,028	40,863,854	624,165,943
<b>Total Investment Costs</b>	<b>786,300,000</b>	<b>556,989,652</b>	<b>180,233,874</b>	<b>182,400,535</b>	<b>23,678,028</b>	<b>40,863,854</b>	<b>1,770,465,943</b>

**Schedule 06: Change in Total Assets in TSHS**

<b>Period</b>	<b>Construction</b>	<b>Full Capacity</b>					
<b>Year</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>Total</b>
1. Fixed Investment Costs	693,200,000	40,000,000	160,000,000	160,000,000	0	0	1,053,200,000
a) Initial fixed investment costs	693,200,000	40,000,000	160,000,000	160,000,000	0	0	1,053,200,000
b) Replacement	0	0	0	0	0	0	0
2. Pre-operational expenses	93,100,000	0	0	0	0	0	93,100,000
3. Current Assets increase	0	526,248,670	20,462,267	22,698,713	23,996,982	41,137,957	634,544,589
<b>Total Assets</b>	<b>786,300,000</b>	<b>566,248,670</b>	<b>180,462,267</b>	<b>182,698,713</b>	<b>23,996,982</b>	<b>41,137,957</b>	<b>1,780,844,589</b>

## Schedule 07: Projected Cash Flow Table in TSHS

Period	Construction	Full Capacity					*Sal val	Total
Year	2023	2024	2025	2026	2027	2028		
Costs (UGX)								
A. Cash inflow	786,300,000	1,434,080,800	1,642,586,200	1,695,774,800	1,816,401,788	1,921,428,169	-	9,296,571,757
1. Financial resources total	786,300,000	-	-	-	-	-	-	786,300,000
2. Sales revenue total	-	1,434,080,800	1,642,586,200	1,695,774,800	1,816,401,788	1,921,428,169	-	8,510,271,757
B. Cash outflow	-786,300,000	-- 1,269,105,034	-936,486,657	-945,599,710	-814,324,904	-854,547,361	989,165,943	-- 4,617,197,723
1. Total assets schedule								
including replacements	-786,300,000	-566,248,670	-180,462,267	-182,698,713	-23,996,982	-41,137,957	989,165,943	-791,678,646
2. Operating Costs (Cost of Sales)	-	-406,370,756	-426,689,294	-448,023,758	-470,424,946	-493,946,194	-	-- 2,245,454,948
3. Debt Service								
a) Interest	-	-110,400,000	-88,320,000	-66,240,000	-44,160,000	-22,080,000	-	-331,200,000
b) Repayments	-	-96,000,000	-96,000,000	-96,000,000	-96,000,000	-96,000,000	-	-480,000,000
4. Corporate tax	-	-82,085,608	-137,015,097	-144,637,238	-171,742,975	-193,383,211	-	-728,864,129
5. Dividends 4% on equity	-	-8,000,000	-8,000,000	-8,000,000	-8,000,000	-8,000,000	-	-40,000,000
C. Surplus / deficit	0	164,975,766	706,099,543	750,175,090	1,002,076,884	1,066,880,808	989,165,943	4,679,374,034
D. Cumulative cash balance	0	164,975,766	871,075,309	1,621,250,399	2,623,327,283	3,690,208,091	4,679,374,034	

\*Salvage values - Land: 36,000,000; 70% of eco-lodge structures: 329,000,000; Working Capital: 624,165,943  
**989,165,943**



## Schedule 09: Projected Income Statement in TSHS

Year	2023	2024	2025	2026	2027	2028
Sales	–	1,434,080,800	1,642,586,200	1,695,774,800	1,816,401,788	1,921,428,169
Cost of Sales	–	406,370,756	426,689,294	448,023,758	470,424,946	493,946,194
<b>GROSS PROFIT</b>	–	1,027,710,044	1,215,896,906	1,247,751,042	1,345,976,842	1,427,481,975
Less: Operating Costs (excl. Cost of Sales)	–	543,371,350	570,539,918	599,066,913	629,020,259	660,471,272
<b>OPERATING PROFIT</b>	–	484,338,694	645,356,989	648,684,128	716,956,583	767,010,703
Less: Interest on Medium-Term Loan (@ 23% p.a.)		110,400,000	88,320,000	66,240,000	44,160,000	22,080,000
Less: M&E Costs	–	4,320,000	4,320,000	4,320,000	4,320,000	4,320,000
Less: Annual Repayments	–	96,000,000	96,000,000	96,000,000	96,000,000	96,000,000
<b>NET PROFIT BEFORE TAX</b>	–	273,618,694	456,716,989	482,124,128	572,476,583	644,610,703
Corporation Tax 30%	–	82,085,608	137,015,097	144,637,238	171,742,975	193,383,211
<b>NET PROFIT</b>	–	191,533,086	319,701,892	337,486,890	400,733,608	451,227,492
Accumulated Net Profit (Loss)	–	191,533,086	511,234,978	848,721,868	1,249,455,475	1,700,682,968
Net Profit Margin	–	13.36%	19.46%	19.90%	22.06%	23.48%
Gross Profit Margin		71.66%	74.02%	73.58%	74.10%	74.29%
Rate of Return on Investment	–	24.36%	40.66%	42.92%	50.96%	81.01%
Operating Profit Margin	–	33.77%	39.29%	38.25%	39.47%	39.92%

## Schedule 10: Projected Balance Sheet in TSHS

<b>CAPITAL EMPLOYED:</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Share Capital		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Retained Earnings		191,533,086	511,234,978	848,721,868	1,249,455,475	1,700,682,968
<b>Shareholder's Equity/Deficit</b>		<b>391,533,086</b>	<b>711,234,978</b>	<b>1,048,721,868</b>	<b>1,449,455,475</b>	<b>1,900,682,968</b>
<b>Long-Term Liabilities</b>		480,000,000	384,000,000	288,000,000	192,000,000	96,000,000
		<b>871,533,086</b>	<b>1,095,234,978</b>	<b>1,336,721,868</b>	<b>1,641,455,475</b>	<b>1,996,682,968</b>
<b>EMPLOYMENT OF CAPITAL:</b>						
Eco-Lodge Buildings	470,000,000	446,500,000	423,000,000	399,500,000	376,000,000	352,500,000
Villa Rooms	80,000,000	116,000,000	270,200,000	416,690,000	395,855,500	356,269,950
Equipment & Machinery	74,500,000	67,050,000	59,600,000	52,150,000	44,700,000	37,250,000
Office Furniture & Equipment	12,300,000	11,070,000	9,840,000	8,610,000	7,380,000	6,150,000
Miscellaneous Fixed Assets	8,400,000	7,560,000	6,720,000	5,880,000	5,040,000	4,200,000
Vehicles	48,000,000	38,400,000	28,800,000	19,200,000	9,600,000	0
<b>LONG-TERM ASSETS:</b>	<b>693,200,000</b>	<b>686,580,000</b>	<b>798,160,000</b>	<b>902,030,000</b>	<b>838,575,500</b>	<b>756,369,950</b>
<b>CURRENT ASSETS:</b>		<b>198,532,103</b>	<b>310,882,388</b>	<b>448,797,457</b>	<b>817,304,519</b>	<b>1,255,011,663</b>
Accounts Receivable		79,145,176	83,102,434	87,257,556	91,620,434	96,201,455
Stock (Inventory)		422,639,532	439,080,341	457,510,525	476,979,551	496,206,029
Bank Balance and Cash		24,463,963	24,528,161	24,641,569	24,806,647	42,137,104
Other Current Assets		-327,716,566	-235,828,548	-120,612,193	223,897,886	620,467,074
<b>CURRENT LIABILITIES:</b>		<b>13,579,018</b>	<b>13,807,410</b>	<b>14,105,589</b>	<b>14,424,543</b>	<b>14,698,646</b>
Accounts Payable		9,259,018	9,487,410	9,785,589	10,104,543	10,378,646
Current Portion of Long-term						
Liabilities		4,320,000	4,320,000	4,320,000	4,320,000	4,320,000
<b>NET CURRENT ASSETS:</b>		<b>184,953,086</b>	<b>297,074,978</b>	<b>434,691,868</b>	<b>802,879,975</b>	<b>1,240,313,018</b>
<b>TOTAL CAPITAL</b>		<b>871,533,086</b>	<b>1,095,234,978</b>	<b>1,336,721,868</b>	<b>1,641,455,475</b>	<b>1,996,682,968</b>



**Schedule 11: Ratio Analysis in TSHS**

Period	Construction	Full Capacity				
		2023	2024	2025	2026	2027
Sales Growth		5%	5%	5%	5%	5%
<b>Percent of Total Assets</b>						
Accounts Receivable Inventory		8.94%	7.49%	6.46%	5.53%	4.78%
Other Current Assets		47.75%	39.59%	33.87%	28.81%	24.67%
Total Current Assets		-37.03%	-21.26%	-8.93%	13.52%	30.85%
Long-term Assets Total		22.43%	28.03%	33.22%	49.36%	62.40%
Assets		77.57%	71.97%	66.78%	50.64%	37.60%
		100.00%	100.00%	100.00%	100.00%	100.00%
Current Liabilities						
Long-term liabilities		1.53%	1.24%	1.04%	0.87%	0.73%
Total Liabilities		54.23%	34.62%	21.32%	11.60%	4.77%
Net Worth (Total Capital)		55.76%	35.87%	22.36%	12.47%	5.50%
		98.47%	98.76%	98.96%	99.13%	99.27%
<b>Percent of Revenues</b>						
Revenues						
Gross Margin		100.00%	100.00%	100.00%	100.00%	100.00%
Management / Administration		71.66%	74.02%	73.58%	74.10%	74.29%
Net Profit (after Interest & Tax)		0.73%	0.67%	0.68%	0.67%	0.66%
		13.36%	19.46%	19.90%	22.06%	23.48%
<b>Main Ratios</b>						
Current						
Quick		14.62	22.52	31.82	56.66	85.38
Total Debt to Total Assets		-16.50	-9.28	-0.62	23.59	51.62
Pre-tax Return on Net Worth		54.23%	34.62%	21.32%	11.60%	4.77%
Pre-tax Return on Assets		31.40%	41.70%	36.07%	34.88%	32.28%
		30.91%	41.18%	35.69%	34.57%	32.05%
<b>Business Vitality Profile</b>						
Revenue per Employee		\$47,802,693	\$54,752,873	\$56,525,827	\$60,546,726	\$64,047,606

**Schedule 11: Ratio Analysis ..... continued in TSHS**

CHAULA FARM LODGE

<b>Additional Ratios</b>						
Net Profit Margin		13.36%	19.46%	19.90%	22.06%	23.48%
Return on Equity		48.92%	44.95%	32.18%	27.65%	23.74%
<b>Activity Ratios</b>						
Accounts Receivable Turnover		1.81	1.98	1.94	1.98	2.00
Collection Days		30	30	30	30	30
Inventory Turnover		2.25	2.27	2.29	2.31	2.33
Accounts Payable Turnover		1.20	1.20	1.20	1.20	1.20
Payment Days		30	30	30	30	30
Total Assets Turnover		1.62	1.48	1.26	1.10	0.96
Fixed Assets Turnover		1.38	1.25	1.16	1.31	1.53
<b>Debt Ratios</b>						
Debt to Net Worth		0.55	0.35	0.22	0.12	0.05
Current Liability to Liability		0.03	0.04	0.05	0.08	0.15
Debt-Service Coverage Ratio		3.47	4.55	4.59	5.08	5.36
<b>Liquidity Ratios</b>						
Net Working Capital		\$516,989,652	\$537,223,526	\$559,624,061	\$583,302,089	\$624,165,943
Interest Coverage [Times Interest Earned Ratio - TIE]		4.39	7.31	9.79	16.24	34.74
<b>Additional Ratios</b>						
Assets to Revenue						
Current Debt / Total Assets		0.62	0.68	0.80	0.91	1.05
Acid Test		0.49%	0.39%	0.32%	0.26%	0.21%
Sales/Net Worth		-16.50	-9.28	-0.62	23.59	51.62

**Schedule 12: Projected Payback Period in TSHS**

YEAR/ITEM	2024	2025	2026	2027	2028
Net Profit	191,533,086	319,701,892	337,486,890	400,733,608	451,227,492
Interest	110,400,000	88,320,000	66,240,000	44,160,000	22,080,000
Depreciation	46,620,000	48,620,000	56,620,000	64,620,000	64,620,000
"Profit"	348,553,086	456,641,892	460,346,890	509,513,608	537,927,492

Year	Amount paid back from "profits"	Balance of Total Investment	Balance of Equity Investment
1	0	-786,300,000	-306,300,000
2	348,553,086	-437,746,914	42,253,086
3	456,641,892	18,894,978	498,894,978
4	460,346,890	479,241,868	959,241,868
5	509,513,608	988,755,475	1,468,755,475
6	537,927,492	1,526,682,968	2,064,610,460

**Payback Period (Total Investment) = 2.96 Years Payback**

**Period (Equity Investment) = 1.88 Year**

