

AFRICAN STAR LIMITED

**BUSINESS PLAN
FOR
DEVELOPMENT AND OPERATING MODERN TOURIST HOTEL**

**Prepared by:
AFRICAN STAR LIMITED
ARUSHA**

1.0. EXECUTIVE SUMMARY

1.1 Project Concept

The envisaged project will involve the construction of a modern tourist hotel at **Plot No. 53, Block No. II, Corridor Area, Arusha City, Arusha region** where the company has entered into a lease agreement of 30 years for the area of 32,899sqft, the proposed tourist hotel of 80 rooms is intended to reduce the shortage of good accommodation for tourists and business executives visiting Arusha city, the proposed hotel will comprise the following

- **Harmonious Architecture: Bring the Outside In**

To get the atmosphere right, the design will blend in with the surroundings of the building site. Incorporate natural components such as wood, stone, and metal onto the façade of the structure — this will make it feel like a welcome addition to the natural environment.

Taking into account the hotel's scale, dimensions, and rooflines, will ensure that it blends in with the terrain organically, creating a gorgeous and coherent blend with nature.

- **A Cozy Interior: Add Some Warmth**

The proposed modern hotel' decor will elicit feelings of comfort, coziness, and safety, to improve this all-important atmosphere, the use of rustic, homey elements such as exposed wooden beams, stone fireplaces, and warm linens incorporating ample

seating, plush bedding, and gentle lighting, to create a relaxing haven for guests to unwind and enjoy their stay.

- **Open and Flexible Spaces: Cozy, Not Cramped!**

The designed hotel will have in an open floor plan, creating more flexible interior areas that promote socialization and leisure. Not only does an open layout encourage social gathering, but it will also be more easily adapted to the needs of the occasion.

This openness is going to produce a warm sense of community while still letting guests enjoy some personal space.

- **Thoughtful Lighting: A Clean, Inviting Atmosphere**

One of the most crucial elements in our hotel in establishing the ambiance is the lighting. The hotel will have different ways of lighting such as hidden lighting, natural lighting to warm, and exposed tungsten bulbs. Installed dimmers and automatic lighting controls to allow guests to customize their lighting preferences for a truly relaxing stay.

- **Sustainable Design: Elegance with Responsibility**

As we've already discussed, a lodge will make feel in harmony with nature. Will incorporate eco-friendly practices and products. Using renewable energy, efficient insulation, and water-saving equipment to be more encouraged.

- **Integrated Technology: Modern Features with Rustic Charm**

Technology is one of the essential elements to put the “modern” in our modern hotel. Installed high-speed internet, smart room controls, and entertainment systems that blend in with the overall aesthetic of the building. The more integrated, the better will be one of the strategies

- **Outdoor Living: Bring the Inside Out**

Finally, we come full circle by incorporating modern living with natural charm. The lodge includes elements like decks, patios, fire pits, and outdoor seating. These spaces allow visitors to appreciate the stunning surroundings, socialize, and relax in a gorgeous natural environment.

The project developer agreed with Marriott International to use its brand

The management of AFRICAN STAR LIMITED currently negotiating International leading worldwide hospitality company which offers the broadest portfolio of hospitality brands in the world with

a high level of customer preference and excellent growth and profit potential. Collectively, the unique strengths and competitive advantages of these brands form a powerful

network—one that allows us to effectively leverage economies of scale and capitalize on profitable business opportunities.

Through this network, the entire company is strengthened. The resulting growth potential, and the reliability of that growth, are very high. The preferred brand is the one with wide distribution to ensure a strong presence wherever our customers want us to be, and our brands are becoming more recognizable and preferred in global markets.

The project developer plans to have the following:

- Hotel with 80 rooms
- Occupancy rate is 70%
- Accommodation per night US\$ 350 per day
- The main building containing the reception area will be a premium place, which will be used by arrivals to rest while waiting for the service.
- The central building will also be comprised of conference facilities, offices for management activities, public toilets, a gift shop, and business center, a restaurant, a bar, a kitchen, and cold rooms.
- Swimming pool, and associated changing rooms, flush toilets and showers, spa, and sauna
- Staff/Driver's quarters and associated facilities

- Generator, powerhouse, house and storage rooms, and workshop for light maintenance of vehicles and other equipment
- Car parking Wastewater management facilities

The project's detailed designs have been carried out by a reputable international consultant.

The project will involve setting up site services/civil works, motor vehicles, general machinery and equipment, room equipment, general furniture and fittings, and room furniture and fittings.

The project will employ adequately trained and experienced management and employees.

The project document presents a proposal by AFRICAN STAR LIMITED, a locally registered company with Certificate of Registration No. 171345995 dated 15th January, 2024. The project promoters are confident of mobilizing financial resources through shareholders' equity by 20% and the remaining 80 through local loan and foreign loan.

This study will be used as a guiding tool and will be presented to TIC for obtaining a certificate of incentives to facilitate the smooth implementation of the project.

1.2 Location

The project will be located at **Plot No. 53, Block No. II, Corridor Area, Arusha City, Arusha region**

1.3 The Sponsors

AFRICAN STAR LIMITED, will be sponsoring this project. The Company is currently jointly owned by two shareholders both from Lebanon

Share Holders	% of Share	Nationality
HASSAN NEHME BOURJI P. O. Box 999, DAR ES SALAAM	90	Lebanese
ISSAM HASSAN BOURGI P. O. Box 999, DAR ES SALAAM	10	Lebanese

1.4 AFRICAN STAR LIMITED,

The company's main business objectives include the following:

- To operate tourist lodge and hotel
- To Operate international conference
- To operate tour operations etc.

1.5 Objective of Study

The purpose of this study is to work out the technical and commercial details and financial viability of the project

1.6 Tourism Overview

In 2023, tourist arrivals to Tanzania increased by 24.3% to a record-breaking 1,808,205, from 1,454,920 tourists in 2022, 922,692 in 2021, and 616,491 in 2020. Tanzania's tourism receipts reached a record-high USD 3,368.7 million in 2023, compared to USD 2,527.8 million in 2022 (USD 1,310.3 million in 2021). This increase is consistent with the rise in the number of tourist arrivals. In 2020, revenues were down to USD 1 billion as it was severely affected by the Covid-19 pandemic and its impact on international travel, from a peak of USD 2.6 billion in revenues and 1.5 million arrivals in 2019. The sector's contribution to GDP fell from 10.6% in 2019 to 5.3% in 2020 and climbed to 5.7% in 2021. However, given the ongoing fast recovery of the sector, the Tanzania National Business Council (TNBC) forecast that the share of tourism in the country's GDP will reach 19.5% in 2025/26. Europe traditionally accounts for the largest share of arrivals, followed by Asia and the Pacific, the Americas, Africa, and the Middle East. Tanzania's hotel occupancy rate was estimated at 53.8% in December 2019 compared to 44.9% in December 2018. The increase in tourist arrivals in 2023 was attributed to the rebound of travel activity post-COVID. Additionally, it was driven by the continued efforts of the Tanzanian government to promote tourist attractions within and outside the country.

“The Royal Tour” Documentary

In April 2022 Tanzania’s President Samia Suluhu Hassan unveiled the “The Royal Tour” documentary while promoting FDIs during her official visit to the US. Filmed throughout Tanzania in 2021, it features Emmy Award–winning journalist Peter Greenberg traveling to Tanzania with President Hassan. She’s the ultimate guide for a week, exhibiting Tanzania’s history, culture, environment, food, and music, as well as telling the stories of Tanzania’s hidden jewels

Source Markets in 2022,

The United States of America recorded the highest number of arrivals from the rest of the world at 100,600 followed by France (100,371), Germany (67,718), the United Kingdom (60,116) and Poland (46,431). Meanwhile, arrivals from Africa were from Kenya (166,324) Burundi (100,851), Zambia (46,787), Malawi (44,438) and Rwanda (44,288). Tourist arrivals from the top 10 countries out of 214 account for 53.2% of all arrivals. Tanzania Tourism Offer Tanzania’s incredibly rich natural tourism offer earned it the title of “Africa’s Leading Destination” in 2021. The natural attractions fall into two main categories: wildlife and beach. Tanzania Wildlife & Beaches Tanzania’s wildlife resources are considered among the finest in the world. Tanzania is the only country, which has allocated more than 25% of its total area to wildlife national parks and protected

areas. There are 16 National Parks in Tanzania, 28 Game Reserves, 44 Game controlled areas, 1 conservation area, and 2 Marine Parks. Tanzania boasts many of Africa's most renewed destinations; in the north the Serengeti plains, the Ngorongoro Crater, Lake Manyara, and Mount Kilimanjaro, and in the south Mikumi and Ruaha National Parks and the Selous Game Reserve. According to a survey conducted by SafariBookings.com, Tanzania's Serengeti National Park was voted Africa's best safari destination for 2020, followed by Mana Pools (Zimbabwe), Mala Mala (South Africa), Okavango Delta (Botswana), and Lower Zambezi (Zambia). Mount Kilimanjaro was declared Africa's leading tourist attraction in 2016 during the World Travel Awards Africa and the Indian Ocean Gala Ceremony in Zanzibar. Other additional natural attractions include the white sandy beaches of the Zanzibar archipelago, those north and south of Dar es Salaam, and excellent deep-sea fishing at the Mafia and Pemba Islands.

Tanzania Hunting

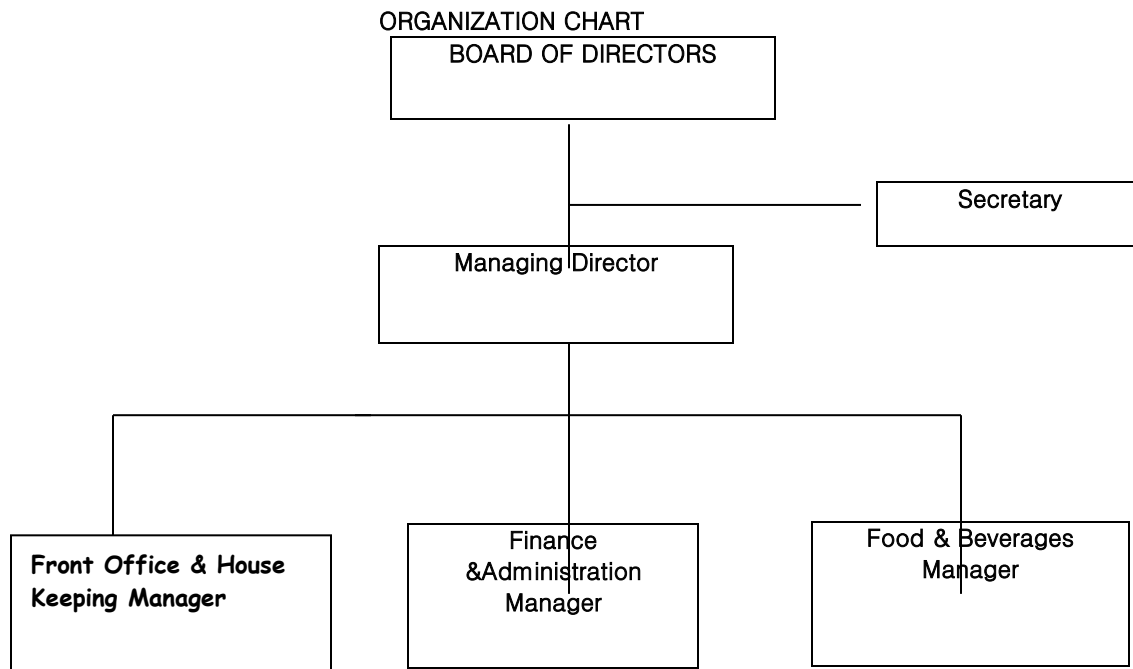
Tanzania is prized for its superb trophy hunting (sport hunting or safari hunting). Hunting in Tanzania is presently permitted and regulated by the Wildlife Conservation Act of 2009, and its subsidiary regulations. The hunting industry has grown considerably in the last two decades and Tanzania is among the leading hunting destinations in the world. Hunting and Forestry

jointly contribute 2 to 3 % of the GDP of Tanzania. Given there is such commitment to the conservation and protection of wildlife, it may be surprising to note that, unlike neighboring Kenya, hunting still occurs in Tanzania. However, there is no contradiction, as hunting in Tanzania is part of the wildlife conservation process, as it is done in a much-planned manner. Counts of wildlife are taken regularly and hunting licenses are issued accordingly.

The market survey carried out reveals that the current demand for hotel rooms is higher than the current supply. There is a wide gap between supply and demand and therefore, business opportunities exist for setting up additional lodge facilities to satisfy the market requirements.

2.0 Project Management and Manpower Requirements

AFRICAN STAR LIMITED, will be under the Management of JW Marriott. With vast experience in managing various tourist lodges, the overall change regarding policy and business strategy will be the responsibility of the board of directors. The Managing Director will be assisted by properly trained managers in the areas of Sales and Marketing, Finance, Administration, and Operations, who will together comprise the management team. 200 staff will be directly employed.



2.1 Project description

Significant measures have been taken to liberalize the Tanzania economy to encourage the private sector to take a lead in Tanzania's economic growth; The Government of Tanzania embarked on an adjustment program to give the private sector the leading role.

It is given the above; **AFRICAN STAR LIMITED**, came up with a proposal to construct and operate a modern tourist hotel project.

It is expected that the construction of the modern tourist hotel project will be completed within two years' time and the company will apply to be exempted from paying import duty and

VAT on Capital goods and deemed capital goods, the project will contribute significantly toward the tourism sector and construction sector.

2.2 Targeted Markets.

The targeted markets of the project are upper budget and middle market segments both foreigners and locals who are visiting Serengeti National Park, Ngorogoro, Kilimanjaro Mountain etc., It also targets to exploit the corporate market, especially for conferences, package accommodation, parties, shop space, holidaymakers, business travelers, etc.

2.3 Supply and Competition

The proposed modern tourist hotel will compete with all lodges and hotels in Arusha currently classified to include; lodges, vocational hotels, and tented camps, within an 40km radius from the proposed hotel

2.4 Market Strategy

According to experts, personal selling is the most effective method for marketing packaging accommodation, training, and conference services because of the customers and institutions. To reduce sunk costs, the project will use marketing agents who will be paid commissions on successful deals. Marketing in all types of media and publicity will support and enhance personal selling

The project will use the internet for advertising to potential customers in the world.

2.5 Pricing

The pricing policy for the project will be based on the service cost and competition levels considering various variables namely:

- Service positioning
- Gain market share from competitors
- Stimulating and increasing demand and
- Achieving profitability and liquidity financial performance goals

The recommended market entry tariffs for rooms are US\$350 per bed.

2.6 Monitoring and Evaluation

The Management has full commitment to ensuring good use of the resourced and sustainable environment and the well-being of the community with which they do business. Thus, the management philosophy is through business processes, managers will strive to ensure compliance with standards and the safety of the products and customers they serve.

3.0 Project Investment Cost

The estimated capital investment cost of the project is US \$ 25,800,000

AFRICAN STAR LIMITED COST STRUCTURE US\$

Land and Buildings	15,000,000.00
Machinery & Equipment	1,500,000.00
Motor Vehicles	2,000,000.00
Furniture & Fixtures	5,000,000.00
Pre exp	800,000.00
Others	500,000.00
Working Capital	1,000,000.00
TOTAL	25,800,000.00

For the project to be a reality a total investment amounting to US \$ 25,800,000 is needed

4.0 Financing pattern

The project will be financed by equity by 20%; constituting US\$ 5,160,000 and loan 80% being US \$ 20,640,000

5.0 Project operating costs

To realize its intended objective the project will have to meet the operating costs estimated to be 55% of total revenue.

6.0 Aspect of Project Sustainability

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be

able to operate undisturbed. The growth of the tourism sector and economic activities assures them of a steady market. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

7.0 Monitoring and Evaluation

The monitoring and evaluation tools will be applied in running this project as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth business running.

8.0 Financial Analysis

8.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. The capital investment allowance is 50%. The capital assets are exempted from customs duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

It is assumed that the major building raw material will be procured from the local market and others will be imported. Revenues have been conservatively estimated based on the experience of the promoters and trends in the hospitality industry.

8.2 Financial Statements:

8.3 Projected Hotel Revenue

For projection purposes, it is assumed that the economic life of the project is ten years and that revenue from the Hotel business commences from the first year of operation.

8.4 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 10 years. The position depicted is that the project earns profit throughout its life as it is shown below

8.5 Projected Cash Flows

This is shown in the financial statements. The project has a positive end-of-year cash flow from year 1

8.6 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under the same heading. The net worth of the project increases in the first year of operation to up to the 10th year as shown below:

8.7 Projected payback period

Total investment is US \$ 25,800,000 cash accumulation in year 8 is US\$ 31,926,676 which is more than the initial investment

8.8 Projected loan repayments

The loan borrowed from a financial institution is expected to be fully paid within 8 years of projection operation

8.9 Projected Risks

This is a hospitality industry investment; no major risks have been identified for this kind of project so far. Unless a change in the globe's political and economic stability occurs, the project is more likely to prosper very fast for a very long period.

9.0 Economic Aspects

Implementation of this project will have the following social and economic values

- The project is an ideal option for utilization of the recently acquired prime site
- The project will create employment for 200 people on a permanent contract basis as well as temporarily.
- It will create more business opportunities for local suppliers and transporters, which will also have a trickle-down effect on environmental issues.
- It will generate substantial revenue for the government in the form of corporate tax, value-added tax, and pay-as-you-earn.

- The project will have the transfer of knowledge and skills to cooperative members as far as managing a big project

10.0 Implementation

Project implementation is expected to be relatively very short once the project has been approved it is estimated that the construction of the two lodges will be completed within two years: –

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	May 2024
2	Construction	August 2024 –October 2026
3	Procurement of furniture and other facilities	October–February 2027
3	Recruitment	March 2027
4	Testing business and in-house training	July– August 2027
6	Commercial operations	August 2027

11.0 Conclusion and Recommendations

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by the Tanzania Investment Centre and be granted the TIC Certificate of

Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.

AFRICAN STAR LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

	1	2	3	4	5	6	7	8	9	10
Revenue (Food& beverages)	2,400,000	2,640,000	2,904,000	3,194,400	3,513,840	3,865,224	4,251,746	4,676,921	5,144,613	5,659,074
Revenue (Tour Operations)	1,600,000	1,728,000	1,866,240	2,015,539	2,176,782	2,350,925	2,538,999	2,742,119	2,961,488	3,198,407
Revenue (accommodation)	5,600,000	6,160,000	6,776,000	7,453,600	8,198,960	9,018,856	9,920,742	10,912,816	12,004,097	13,204,507
Total Revenue	9,600,000	10,528,000	11,546,240	12,663,539	13,889,582	15,235,005	16,711,487	18,331,856	20,110,199	22,061,989
Operating Expenses	5,280,000	5,790,400	6,350,432	6,964,947	7,639,270	8,379,253	9,191,318	10,082,521	11,060,609	12,134,094
Profit before Depreciation &Interest	4,320,000	4,737,600	5,195,808	5,698,593	6,250,312	6,855,752	7,520,169	8,249,335	9,049,589	9,927,895
Interest	1,651,200	1,444,800	1,238,400	1,032,000	825,600	619,200	412,800	206,400	–	–
Depreciation	935,000	935,000	935,000	935,000	935,000	935,000	935,000	935,000	935,000	935,000
Net Profit before Tax	1,733,800	2,357,800	3,022,408	3,731,593	4,489,712	5,301,552	6,172,369	7,107,935	8,114,589	8,992,895
Tax (30%)	520,140	707,340	906,722	1,119,478	1,346,914	1,590,466	1,851,711	2,132,381	2,434,377	2,697,869
Profit After Tax	1,213,660	1,650,460	2,115,686	2,612,115	3,142,798	3,711,087	4,320,658	4,975,555	5,680,213	6,295,027
Accumulated Profit	1,213,660	2,864,120	4,979,806	7,591,920	10,734,719	14,445,805	18,766,464	23,742,018	29,422,231	35,717,257

AFRICAN STAR LIMITED PROJECTED CASH FLOW US\$

SOURCES:		1	2	3	4	5	6	7	8	9	10
Profit before interest and depreciation	–	4,320,000	4,737,600	5,195,808	5,698,593	6,250,312	6,855,752	7,520,169	8,249,335	9,049,589	9,927,895
Equity	5,160,000										
Loan	20,640,000										
Total Sources	25,800,000	4,320,000	4,737,600	5,195,808	5,698,593	6,250,312	6,855,752	7,520,169	8,249,335	9,049,589	9,927,895
Applications:											
Capital expenditure	23,500,000	–	–	–	–	–					
working Capital & Others	2,300,000										
Cash	–	3,106,340	3,087,140	3,080,122	3,086,478	3,107,514	3,144,666	3,199,511	3,273,781	3,369,377	3,632,869
Tax	–	1,213,660	1,650,460	2,115,686	2,612,115	3,142,798	3,711,087	4,320,658	4,975,555	5,680,213	6,295,027
Sub total	25,800,000	4,320,000	4,737,600	5,195,808	5,698,593	6,250,312	6,855,752	7,520,169	8,249,335	9,049,589	9,927,895
Total applications	25,800,000	4,320,000	4,737,600	5,195,808	5,698,593	6,250,312	6,855,752	7,520,169	8,249,335	9,049,589	9,927,895
Accumulated cash		3,106,340	7,843,940	10,924,062	14,010,540	17,118,054	20,262,719	23,462,230	26,736,011	30,105,388	33,738,256

AFRICAN STAR LIMITED PROJECTED BALANCE SHEET US \$

Fixed Assets		1	2	3	4	5	6	7	8	9	10
Opening balance	–	23,500,000	22,565,000	21,630,000	20,695,000	19,760,000	18,825,000	17,890,000	16,955,000	16,020,000	15,085,000
Total Long-term Assets	–	23,500,000	22,565,000	21,630,000	20,695,000	19,760,000	18,825,000	17,890,000	16,955,000	16,020,000	15,085,000
Less depreciation	–	935,000	935,000	935,000	935,000	935,000	935,000	935,000	935,000	935,000	935,000
Closing balance	–	22,565,000	21,630,000	20,695,000	19,760,000	18,825,000	17,890,000	16,955,000	16,020,000	15,085,000	14,150,000
Working capital	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Accumulated cash	–	3,106,340	7,843,940	10,924,062	14,010,540	17,118,054	20,262,719	23,462,230	26,736,011	30,105,388	33,738,256
Total assets	2,300,000	27,971,340	31,773,940	33,919,062	36,070,540	38,243,054	40,452,719	42,717,230	45,056,011	47,490,388	50,188,256
Financed by											
Equity	5,160,000	5,160,000	5,160,000	5,160,000	5,160,000	5,160,000	5,160,000	5,160,000	5,160,000	5,160,000	5,160,000
Net profit	–	1,213,660	1,650,460	2,115,686	2,612,115	3,142,798	3,711,087	4,320,658	4,975,555	5,680,213	6,295,027
Total equity	5,160,000	6,373,660	6,810,460	7,275,686	7,772,115	8,302,798	8,871,087	9,480,658	10,135,555	10,840,213	11,455,027
Long term loan	20,640,000	18,060,000	15,480,000	12,900,000	10,320,000	7,740,000	5,160,000	2,580,000	–	–	0
Total debts	20,640,000	18,060,000	15,480,000	12,900,000	10,320,000	7,740,000	5,160,000	2,580,000	–	–	0
Total equity and debts	25,800,000	24,433,660	22,290,460	20,175,686	18,092,115	16,042,798	14,031,087	12,060,658	10,135,555	10,840,213	11,455,027

AFRICAN STAR LIMITED COST STRUCTURE US\$

PARTICULAR	
Land and Buildings	15,000,000.00
Machinery & Equipment	1,500,000.00
Motor Vehicles	2,000,000.00
Furniture & Fixtures	5,000,000.00
Pre exp	800,000.00
Others	500,000.00
Working Capital	1,000,000.00
TOTAL	25,800,000.00

AFRICAN STAR LIMITED FIXED ASSETS US\$

NAME OF ASSETS	1	2	3	4	5	6.00	7	8	9	10
Land And Buildings	15,000,000	14,700,000	14,400,000	14,100,000	13,800,000	13,500,000.00	13,200,000	12,900,000	12,600,000	12,300,000
Machinery, Tools & Equipment	1,500,000	1,425,000	1,350,000	1,275,000	1,200,000	1,125,000.00	1,050,000	975,000	900,000	825,000
Motor Vehicles	2,000,000	1,840,000	1,680,000	1,520,000	1,360,000	1,200,000.00	1,040,000	880,000	720,000	560,000
Furniture & Fixtures	5,000,000	4,600,000	4,200,000	3,800,000	3,400,000	3,000,000.00	2,600,000	2,200,000	1,800,000	1,400,000
Total	23,500,000	22,565,000	21,630,000	20,695,000	19,760,000	18,825,000.00	17,890,000	16,955,000	16,020,000	15,085,000
DEPRECIATION	1	2	3	4	5	6.	7	8	9	10
Land and buildings	300,000	300,000	300,000	300,000	300,000	300,000.00	300,000	300,000	300,000	300,000
Machinery tools & Equipment	75,000	75,000	75,000	75,000	75,000	75,000.00	75,000	75,000	75,000	75,000
Motor Vehicles	160,000	160,000	160,000	160,000	160,000	160,000.00	160,000	160,000	160,000	160,000
Furniture & Fixtures	400,000	400,000	400,000	400,000	400,000	400,000.00	400,000	400,000	400,000	400,000
ANNUAL DEPRECIATION	935,000	935,000	935,000	935,000	935,000	935,000.00	935,000	935,000	935,000	935,000

AFRICAN STAR LIMITED PROJECTED LONG-TERM LOAN REPAYMENT

Year	principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
0				20,640,000
1	2,580,000	1,651,200	4,231,200	18,060,000
2	2,580,000	1,444,800	4,024,800	15,480,000
3	2,580,000	1,238,400	3,818,400	12,900,000
4	2,580,000	1,032,000	3,612,000	10,320,000
5	2,580,000	825,600	3,405,600	7,740,000
6	2,580,000	619,200	3,199,200	5,160,000
7	2,580,000	412,800	2,992,800	2,580,000
8	2,580,000	206,400	2,786,400	0
TOTAL	20,640,000	7,430,400	28,070,400	

AFRICAN STAR LIMITED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	1,213,660	935,000	2,148,660.00	2,148,660.00
2	1,650,460	935,000	2,585,460.00	4,734,120.00
3	2,115,686	935,000	3,050,685.60	7,784,805.60
4	2,612,115	935,000	3,547,114.85	11,331,920.45
5	3,142,798	935,000	4,077,798.44	15,409,718.88
6	3,711,087	935,000	4,646,086.55	20,055,805.43
7	4,320,658	935,000	5,255,658.38	25,311,463.81
8	5,680,213	935,000	6,615,212.63	31,926,676.44
9	6,295,027	935,000	7,230,026.51	39,156,702.95