



BUSINESS PLAN
FOR
DAR ES SALAAM GATEWAY HOTEL

KENNEDY GATEWAY PROPERTIES CO. LIMITED

Plot No. 568/1 Block C Mtoni Kijichi - P. O. Box 14530 – Dar es Salaam

November 2023



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Executive Summary

Kennedy Gateway Properties Co. Limited was registered as a private company limited by shares in 2010 and is wholly-owned by Tanzanians. Since then it has been in the entertainment and hospitality industry running a business popularly known as Kijichi Gateway Bazaar, located in Kijichi ward within the Municipality of Temeke in Dar es Salaam region. Kijichi Gateway Bazaar is an entertainment complex comprising several food and bar outlets and lounges, an Olympic size swimming pool, a kids' park, a beauty salon and multiple banking and mobile money agencies.

Over the years, the company has consistently been expanding its operations as reflected in the significant growth in its turnover, net profit and net worth as summarized below.

	2014	2019	2023
Gross turnover	90,218,000	760,758,700	2,060,837,400
Net profit	(24,942,300)	5,118,717	50,456,294
Networth	25,057,700	303,264,445	1,342,626,833

As it can be seen from above, the company's net worth grew from Tshs. 25 million in 2014 to Tshs. 1.3 billion ten years later. Similarly, the company's sales and the associated profit after tax has witnessed significant growth over the ten year-period.

Despite the achievements registered so far, the company's goal is to enhance its growth at a much faster pace compared to the last ten years and for this it has decided to establish a hotel business to be known as **Dar es Salaam Gateway Hotel** to complement the existing entertainment business operation. The hotel shall be the premier destination for travelers, tourists and guests in Dar es Salaam looking a tranquil and luxurious accommodation facility with easy and convenient access to the Dar es Salaam Central Business District, Dar es Salaam International Trade Fair Grounds (Sabasaba), Benjamin Mkapa National Stadium, Azam Complex Stadium, Dar es Salaam Seaport as well as Tanzania's main airport, Julius Nyerere International Airport, while at the same time providing exceptional service and unforgettable experiences.

Through the hotel's commitment to creating an exceptional and relaxed ambience, offering top-notch hotel amenities, providing outstanding customer service, and delivering a seamless guest experience, the company projects to increase its annual gross turnover to over Tshs. 4.3 billion by 2026 and generate an after-tax profit of at least Tshs. 849 million during that year.

Total investment required for construction and operationalization of Dar es Salaam Gateway Hotel are estimated at shillings 5.7 billion of which shillings two billion will be sourced through commercial bank borrowings.

1. Company Overview

Kennedy Gateway Properties Co. Limited is a local private company (limited by shares) that was established in 2010 with a vision of promoting the welfare of Tanzanians through provision of high quality and affordable social services. The Company is headquartered at Mtoni Kijichi in Kijichi Ward in the Municipality of Temeke, Dar es Salaam Region.

The Company is in the process of establishing a four-star hotel to be named **Dar es Salaam Gateway Hotel**, as an integral part of the already operational entertainment complex popularly known as KIJICHI GATEWAY BAZAAR. The entertainment complex comprises several food points, bar lounges, a beauty salon, an Olympic-size swimming pool, a kids' park, fast food restaurant and multiple agency banking and mobile money services.

Dar es Salaam Gateway Hotel shall comprise a total of 45 elegantly and beautifully designed spacious bed-rooms with premium furnishings each with a 55-inch LCD smart TV set and complimentary Wi-Fi access. There shall also be a medium-sized meeting hall of up to 100 delegates capacity, a multi-purpose hall with banquet facilities for up to 400 people and private parking space as well.

2. Establishment of a hotel business

2.1. Objectives

The Company's main goals are to establish **Dar es Salaam Gateway Hotel** as the premier destination for travelers, tourists and guests in Dar es Salaam looking a tranquil and luxurious accommodation facility with easy and convenient access to the Dar es Salaam Central Business District, Dar es Salaam International Trade Fair Grounds (Sabasaba), Benjamin Mkapa National Stadium, Azam Complex Stadium, Dar es Salaam Seaport as well as Tanzania's main airport, Julius Nyerere International Airport, while at the same time providing exceptional service and unforgettable experiences.

In the long term, **Dar es Salaam Gateway Hotel** shall expand its presence in selected upcountry regions while maintaining its commitment to quality and guest satisfaction.

2.2. Mission Statement

At **Dar es Salaam Gateway Hotel**, our mission is to create a haven of paradise-like relaxation and convenience for each one of our guests. We are dedicated to delivering exceptional hospitality and personalized service, ensuring that every guest's stay is a memorable one.

2.3. Key to Success

The success of **Dar es Salaam Gateway Hotel** lies in our commitment to creating an exceptional and relaxed ambience, offering top-notch hotel amenities, providing outstanding customer service, and delivering a seamless guest experience.

2.4. Unique Selling Proposition

Dar es Salaam Gateway Hotel shall leverage its proximity and seamless access to Tanzania's main international airport (JNIA), the ultra-modern 60,000-seater Benjamin Mkapa National Stadium, Dar es Salaam Central Business District (CBD), Tanzania's main international trade fair (SABASABA) grounds (known as the Dar es Salaam International Trade Fair - DITF) and the country's main seaport and distinguish itself as a convenient getaway stop-over, that combines luxurious accommodations with a personalized ambience for leisure, excursion or business.

Dar es Salaam Gateway Hotel shall cater to visitors, guests and travelers on vacation or on business who seek convenient and unimpeded access to Tanzania's main airport (Julius Nyerere International Airport – JNIA), which is the main entry and exit point for over 1.2 million international travelers who visit Tanzania every year. The facility is also in close proximity to the National Stadium, the Central Business District of Tanzania's commercial capital and a number of urban tourism epitomes including a four-lane, 425-meter-long spectacular bridge at TAZARA Intersection, which is Tanzania's first fly-over; a six-lane, 680-meter-long awesome Nyerere Bridge as well as museums and antiquity sites within the city of Dar es Salaam and its environs.

As the first and only four-star hotel in the Municipality of Temeke, **Dar es Salaam Gateway Hotel** shall also cater to friends and relatives of Temeke residents whenever they choose to stay overnight in this Southern part of the cherished Harbour of Peace, which is what the word "Dar es Salaam" stands for.

3. Market Analysis

3.1. Industry Overview

The hospitality industry in Dar es Salaam, is a thriving sector driven one hand, by the city's status as Tanzania's commercial capital, and on the other, as the main gateway to the country's multitude of tourist attractions, a number of which appear on the World Heritage List. Assessment of the key constraints that hinder exploitation of the sector's full potential include

inadequate high-quality accommodation facilities.¹ Dar es Salaam Gateway Hotel is one of the most recent attempts to fill this existing gap in order to support Tanzania's economic growth through employment creation and a boost to the significantly important tourism sector.

3.2. Competitor Analysis

Currently in the Temeke Municipality area there exists many low-rated guest houses and very few modest bed and breakfast establishments, leaving the target clientele of Dar es Salaam Gateway Hotel with no option other than staying in luxury hotels outside the Municipality, which, more often than not, turns out to be an inconvenience as explained section 2.3 above and 3.3 below.

3.3. Target Market Analysis

Dar es Salaam Gateway Hotel targets travelers and vacationers looking for luxurious accommodations with a distinct ambience and easy access to the bustling Central Business District of Tanzania's commercial capital, the Dar es Salaam International Trade Fair Grounds (Sabasaba) or Tanzania's main international airport or seaport or Tanzania's National Stadium, Azam Complex Stadium as well as proximity to the southern beaches of Dar es Salaam.

Dar es Salaam Gateway Hotel also targets NGOs, public and private sector participants from within the Municipality of Temeke and beyond looking for retreat/seminar getaways in a tranquil and comfortable environment with superb conference facilities. The hotel shall also offer banquet services for weddings, religious festivals, school/college events, family get-together events and the likes.

3.4. Market Opportunities

Dar es Salaam Gateway Hotel shall capitalize on market opportunities by offering unique amenities and experiences such as sky-open roof-top dining and entertainment as well as indoor swimming and -. The hotel shall also provide personalized curated excursions to explore Tanzania's immense tourism potential which range from diverse wildlife resources, spectacular landscape and scenery, water bodies and beaches and a diversity of cultures and numerous archaeological sites to further enhance the guest experience.

¹National Tourism Policy (1999: pp.3, 15)

4. Marketing and Sales Strategy

4.1. Product or Service Offerings:

Dar es Salaam Gateway Hotel offers a range of high-quality accommodations and associated state-of-the-art amenities, including luxury guest rooms, restaurant, conferencing and facilities for social functions as well as curated excursions.

4.2. Pricing Strategy

Dar es Salaam Gateway Hotel adopts a competitive pricing strategy, providing value for money while maintaining the exclusivity and high-quality experience associated with an ambience of luxury and tranquility.

4.3. Sales Strategy

Dar es Salaam Gateway Hotel shall implement a comprehensive sales strategy that includes online booking platforms, direct marketing to travel agencies, and partnerships with local tour operators and hotels outside Dar es Salaam whose guests need to transit through the city to attract and engage potential guests. In addition, the Hotel shall seek partnerships with public and private organizations NGOs and religious organizations in need of conference facilities and/or social functions.

4.4. Distribution Channels

Dar es Salaam Gateway Hotel will primarily distribute its services through online travel agencies, direct bookings through its website, and collaborations with travel agencies, public and private organizations, NGOs and religious entities.

4.5. Promotions and Advertising

Dar es Salaam Gateway Hotel will employ targeted marketing initiatives, utilizing social media and search engine platforms, to enhance brand visibility and attract new guests looking for luxurious accommodations with a distinct ambience and at the same time being able to conveniently access essential segments of metropolitan Dar es Salaam. In summary, our strategy uses a mix of digital marketing, social media, content marketing, and search engine optimization (SEO) to reach potential guests online. We will also collaborate with the Tanzania Tourist Board, travel agencies, and event planners to promote the hotel and we will encourage positive reviews and testimonials to build credibility.

5. Facility Maintenance and Operations Plan:

5.1. Facility Location and Layout

Dar es Salaam Gateway Hotel is situated on a prime location at Kijichi within the Entertainment Complex known as Kijichi Gateway Bazaar, which is strategically positioned in close proximity to key segments of metropolitan Dar es Salaam, namely Julius Nyerere International Airport (-km), Dar es Salaam Central Business District (-km), Dar es Salaam International Trade Fair Grounds (SABASABA), the Seaport of Dar es Salaam (-km), the Benjamin Mkapa National Stadium (4km) and Azam Complex Stadium (15 km).

The hotel's layout is designed for optimal guest comfort and convenience, with thoughtfully arranged spaces and amenities.

5.2. Safety and Security:

Cover the hotel's comprehensive approach to safety and security, including surveillance systems, access control measures, etc.

Dar es Salaam Gateway Hotel will prioritize the safety and security of her guests and staff. Robust security measures will be implemented, including surveillance systems, access control, and trained personnel to monitor and respond to any potential threats or emergencies.

5.3. Cleaning and Housekeeping:

Dar es Salaam Gateway Hotel dedicated housekeeping staff will maintain the highest standards of cleanliness throughout the hotel, including guest rooms, common areas, and amenities. Strict protocols to ensure a hygienic and pleasant environment for guests shall be adhered to at all times.

5.4. Energy Efficiency:

As a responsible and sustainable hotel, **Dar es Salaam Gateway Hotel** will strive to minimize energy consumption and reduce environmental impact. We will implement energy-efficient practices, such as using energy-saving appliances, LED lighting and smart systems for lighting and temperature control.

5.4. Inventory Management:

Dar es Salaam Gateway Hotel will employ an efficient inventory management system to track and manage hotel resources, including linens, toiletries, and other supplies. This system will ensure optimal inventory levels, minimize waste, and support smooth day-to-day operations.

6. Financial Plan

6.1. Startup Costs

The total startup costs for Dar es Salaam Gateway Hotel are estimated at Tanzanian shillings 5.7 billion. Kennedy Gateway Properties Co. Limited plans to secure a business loan of Tanzanian shillings two billion with the balance contributed through internal funds.

6.2. Income Projections

Based on past performance of the existing business and the feasibility analysis of the proposed hotel business carried under specific assumptions, Kennedy Gateway Properties Co. Limited projects increasing annual gross revenue over a three-year period from TZS 2,061 million in 2023 to TZS 4,346 million in 2016 as shown in the projected income statement summary below.

Projected income statement summary				
	2023	2024	2025	2026
Gross turnover	2,060,837,400	2,981,676,255	3,571,202,142	4,345,836,577
<i>Bar</i>	1,932,715,200	2,377,832,835	2,473,274,550	2,586,162,600
<i>Hotel</i>	-	304,143,420	573,527,592	1,156,613,977
<i>Banquet services</i>	-	168,000,000	331,200,000	380,880,000
<i>Other income</i>	128,122,200	131,700,000	193,200,000	222,180,000
Cost of sales	1,379,037,468	1,785,251,669	1,950,877,703	2,162,248,615
Gross profit	681,799,932	1,196,424,587	1,620,324,439	2,183,587,962
Operating expenses	(601,438,056)	(973,628,225)	(1,130,650,866)	(1,186,746,861)
<i>Establishment Expenses</i>	16,476,060	39,165,000	28,620,000	60,460,000
<i>Administration Expenses</i>	193,099,200	253,300,000	387,570,000	443,457,661
<i>Labour Expenses</i>	222,586,571	276,955,000	369,583,875	426,921,456
<i>Selling Expenses</i>	58,318,000	42,000,000	37,000,000	25,000,000
<i>Depreciation</i>	110,958,225	362,208,225	307,876,991	230,907,743
Operating profit	80,361,876	222,796,362	489,673,572	996,841,101
Finance costs	(3,240,139)	(51,500,000)	(147,500,000)	(147,500,000)
Profit before tax	77,121,737	171,296,362	342,173,572	849,341,101
Tax	(26,665,443)	-	-	-
Net profit for the year	50,456,294	171,296,362	342,173,572	849,341,101

In this way, the Company shall achieve an increase in the operating profit from TZS 80.4 million in 2023 to TZS 222.8 million in 2024 and thereafter to TZ 489.7 million (2015) and TZS 996.8 million (2016) demonstrating a consistent increase in profitability. This will make it possible for the Company to service its TZS 2,000 million loan as shown in the projected cash flow summary given below.

Summary of projected cash flows				
	2023	2024	2025	2026
Cash at beginning	55,285,214	49,500,000	264,355,054	676,912,665
Cash receipts from operating activities	1,944,310,673	2,978,236,095	3,790,832,652	3,445,042,677
Cash payment for operating activities	(1,899,422,881)	(2,066,551,001)	(2,401,681,075)	(2,636,386,677)
Net cash from operating activities	44,887,791	911,685,094	1,221,213,611	1,247,981,877
Cash from financing and investing				
Cash from loan		2,000,000,000		
Cash from new investment	3,295,576,758	421,365,524		
Loan repayment		(286,164,000)	(808,656,000)	(808,656,000)
Cash paid for fixed assets	(3,356,647,186)	(2,830,965,524)		
Net cash from financing and investing	(61,070,428)	(695,764,000)	(808,656,000)	(808,656,000)
Net cash	(5,785,214)	215,921,094	412,557,611	439,325,877
Cash at end of year	49,500,000	265,421,094	676,912,665	1,026,633,218

7. Conclusion

Through the hotel's commitment to creating an exceptional and relaxed ambience, offering top-notch hotel amenities, providing outstanding customer service, and delivering a seamless guest experience, the company projects to increase its annual gross turnover to over Tshs. 4.3 billion by 2026 and generate an after-tax profit of at least Tshs. 849 million during that year.

Total investment required for construction and operationalization of Dar es Salaam Gateway Hotel are estimated at shillings 5.7 billion of which shillings two billion will be sourced through commercial bank borrowings.

Given a grace period of eight (8) months, the company will be able to repay its loan within a three-year period as demonstrated in section 6.2.

Appendix 1: Cash flows projections

Kennedy Gateway Properties Co. Limited															
Cash Flow Projections															
Year 2024															
ITEM	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Average	
Inflows															
Hotel sales	-	-	-	-	-	-	43,449,060	43,449,060	43,449,060	43,449,060	43,449,060	43,449,060	43,449,060	260,694,360	21,724,530
Banquet services	-	-	-	-	-	-	24,000,000	24,000,000	24,000,000	28,800,000	28,800,000	28,800,000	158,400,000	13,200,000	
Bar sales	205,251,000	184,725,900	184,725,900	184,725,900	193,962,195	193,962,195	193,962,195	215,251,000	215,251,000	215,251,000	226,013,550	215,251,000	2,428,332,835	202,361,070	
Other sales	13,108,900	10,700,000	10,700,000	10,700,000	10,700,000	10,700,000	10,700,000	10,700,000	10,700,000	10,700,000	10,700,000	10,700,000	130,808,900	10,900,742	
New investment	216,965,524	-	-	204,400,000	-	-	-	-	-	-	-	-	421,365,524	35,113,794	
Term loan	-	2,000,000,000	-	-	-	-	-	-	-	-	-	-	2,000,000,000	166,666,667	
TOTAL INFLOWS	435,325,424	2,195,425,900	195,425,900	399,825,900	204,662,195	204,662,195	272,111,255	293,400,060	293,400,060	298,200,060	308,962,610	298,200,060	5,399,601,619	449,966,802	
Outflows															
Purchases	123,150,600	110,835,540	110,835,540	110,835,540	116,377,317	116,377,317	116,377,317	129,150,600	129,150,600	129,150,600	135,608,130	129,150,600	1,456,999,701	121,416,642	
Salaries and wages	17,200,000	17,200,000	17,200,000	17,200,000	17,200,000	17,200,000	24,325,000	24,325,000	24,325,000	24,325,000	24,325,000	24,325,000	249,150,000	20,762,500	
Land rent, licenses and other Government charges	513,000	513,000	513,000	513,000	513,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	8,865,000	738,750	
NSSF contributions	250,000	250,000	250,000	250,000	250,000	250,000	712,500	712,500	712,500	712,500	712,500	712,500	5,775,000	481,250	
Bank charges	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	2,880,000	240,000	
Electricity and standby generator expenses	3,570,000	3,570,000	3,570,000	3,570,000	3,570,000	3,570,000	8,570,000	8,570,000	8,570,000	8,570,000	8,570,000	8,570,000	72,840,000	6,070,000	
Internet and TV subscriptions	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	21,270,000	1,772,500	
Security	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	38,400,000	3,200,000	
Corporate Social Responsibility (CSR)	3,750,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	8,700,000	725,000	
Insurance	-	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	19,500,000	1,625,000	
Repairs and Maintenance - buildings	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	10,800,000	900,000	
Repairs and Maintenance - furniture and equipment	650,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	10,000,000	833,333	
Office/hotel supplies	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	39,000,000	3,250,000	
Advertising and promotion	4,000,000	1,500,000	1,500,000	2,500,000	2,500,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	40,000,000	3,333,333	
Waste management expenses	590,000	590,000	590,000	590,000	590,000	590,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	9,540,000	795,000	
Staff catering	1,750,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	19,750,000	1,645,833	
Sundry office expenses	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	21,600,000	1,800,000	
Skills and Development Levy (SDL)	-	170,000	170,000	170,000	170,000	170,000	280,000	280,000	280,000	280,000	280,000	280,000	2,530,000	210,833	
Hotel construction and furnishings	216,965,524	450,000,000	550,000,000	700,000,000	550,000,000	-	-	364,000,000	-	-	-	-	2,830,965,524	235,913,794	
Professional fees	4,500,000	-	-	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	9,000,000	750,000	
Board expenses	5,951,300	1,000,000	1,000,000	1,000,000	-	-	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	19,951,300	1,662,608	
Loan repayment	-	-	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	67,388,000	67,388,000	67,388,000	286,164,000	23,847,000	
TOTAL OUTFLOWS	392,525,424	599,313,540	711,313,540	862,813,540	717,355,317	169,242,317	187,604,817	565,378,100	201,378,100	256,766,100	263,223,630	256,766,100	5,183,680,525	431,973,377	
Net flows	42,800,000	1,596,112,360	(515,887,640)	(462,987,640)	(512,693,122)	35,419,878	84,506,438	(271,978,040)	92,021,960	41,433,960	45,738,980	41,433,960	215,921,094	17,993,425	
OPENING CASH BALANCE	6,700,000	49,500,000	1,645,612,360	1,129,724,720	666,737,080	154,043,958	189,463,836	273,970,274	1,992,234	94,014,194	135,448,154	181,187,134	4,528,393,944	377,366,162	
ACCUMULATED NET FLOW	49,500,000	1,645,612,360	1,129,724,720	666,737,080	154,043,958	189,463,836	273,970,274	1,992,234	94,014,194	135,448,154	181,187,134	222,621,094	4,744,315,038	395,359,587	

Kennedy Gateway Properties Co. Limited

Cash Flow Projections

Year 2025

ITEM	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Average
Inflows														
Hotel sales	43,449,060	52,138,872	52,138,872	52,138,872	52,138,872	52,138,872	52,138,872	52,138,872	52,138,872	52,138,872	52,138,872	52,138,872	616,976,652	51,414,721
Banquet services	28,800,000	33,120,000	33,120,000	33,120,000	33,120,000	33,120,000	33,120,000	33,120,000	33,120,000	33,120,000	36,432,000	36,432,000	399,744,000	33,312,000
Bar sales	215,251,000	215,251,000	215,251,000	215,251,000	215,251,000	215,251,000	215,251,000	215,251,000	215,251,000	215,251,000	215,251,000	215,251,000	2,583,012,000	215,251,000
Other sales	14,000,000	16,100,000	16,100,000	16,100,000	16,100,000	16,100,000	16,100,000	16,100,000	16,100,000	16,100,000	16,100,000	16,100,000	191,100,000	15,925,000
New investment														
Term loan														-
TOTAL INFLOWS	301,500,060	316,609,872	316,609,872	316,609,872	316,609,872	316,609,872	316,609,872	316,609,872	316,609,872	316,609,872	319,921,872	319,921,872	3,790,832,652	315,902,721
Outflows														
Purchases	129,150,600	129,150,600	129,150,600	129,150,600	129,150,600	129,150,600	129,150,600	129,150,600	129,150,600	129,150,600	129,150,600	129,150,600	1,549,807,200	129,150,600
Salaries and wages	24,325,000	27,973,750	27,973,750	27,973,750	27,973,750	27,973,750	27,973,750	27,973,750	27,973,750	27,973,750	27,973,750	27,973,750	332,036,250	27,669,688
Land rent, licenses and other Government charges	900,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	12,780,000	1,065,000
NSSF contributions	712,500	819,375	819,375	819,375	819,375	819,375	819,375	819,375	819,375	819,375	819,375	819,375	9,725,625	810,469
Bank charges	240,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,540,000	295,000
Electricity and standby generator expenses	8,570,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	118,570,000	9,880,833
Internet and TV subscriptions	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	30,000,000	2,500,000
Security	3,200,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	47,200,000	3,933,333
Corporate Social Responsibility (CSR)	450,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	11,450,000	954,167
Insurance	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	24,000,000	2,000,000
Repairs and Maintenance - buildings	900,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	17,400,000	1,450,000
Repairs and Maintenance - furniture and equipment	850,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	11,850,000	987,500
Office/hotel supplies	4,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	70,000,000	5,833,333
Advertising and promotion	4,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	37,000,000	3,083,333
Waste management expenses	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	12,000,000	1,000,000
Staff catering	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	24,000,000	2,000,000
Sundry office expenses	1,800,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	31,500,000	2,625,000
Skills and Development Levy (SDL)	280,000	322,000	322,000	322,000	322,000	322,000	322,000	322,000	322,000	322,000	322,000	322,000	3,822,000	318,500
Hotel construction and furnishings														-
Professional fees	500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	11,500,000	958,333
Board expenses	5,000,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	43,500,000	3,625,000
Loan repayment	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	808,656,000	67,388,000
TOTAL OUTFLOWS	259,766,100	268,233,725	268,233,725	268,233,725	268,233,725	268,233,725	268,233,725	268,233,725	268,233,725	268,233,725	268,233,725	268,233,725	3,210,337,075	267,528,090
Net flows	41,733,960	48,376,147	48,376,147	48,376,147	48,376,147	48,376,147	48,376,147	48,376,147	48,376,147	48,376,147	51,688,147	51,688,147	580,495,577	48,374,631
OPENING CASH BALANCE	222,621,094	264,355,054	312,731,201	361,107,348	409,483,495	457,859,642	506,235,789	554,611,936	602,988,083	651,364,230	699,740,377	751,428,524	5,794,526,773	482,877,231
ACCUMULATED NET FLOW	264,355,054	312,731,201	361,107,348	409,483,495	457,859,642	506,235,789	554,611,936	602,988,083	651,364,230	699,740,377	751,428,524	803,116,671	6,375,022,350	531,251,863

Kennedy Gateway Properties Co. Limited

Cash Flow Projections

Year 2026

ITEM	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Average
Inflows														
Hotel sales	52,138,872	59,959,703	59,959,703	59,959,703	59,959,703	59,959,703	59,959,703	59,959,703	59,959,703	59,959,703	59,959,703	59,959,703	711,695,603	59,307,967
Banquet services	36,432,000	41,896,800	41,896,800	41,896,800	41,896,800	41,896,800	41,896,800	41,896,800	41,896,800	46,086,480	46,086,480	46,086,480	509,865,840	42,488,820
Bar sales	226,013,550	226,013,550	226,013,550	226,013,550	226,013,550	226,013,550	226,013,550	226,013,550	226,013,550	226,013,550	226,013,550	226,013,550	2,712,162,600	226,013,550
Other sales	16,100,000	18,515,000	18,515,000	18,515,000	18,515,000	18,515,000	18,515,000	18,515,000	18,515,000	18,515,000	18,515,000	18,515,000	219,765,000	18,313,750
New investment														
Term loan														
TOTAL INFLOWS	330,684,422	346,385,053	346,385,053	346,385,053	346,385,053	346,385,053	346,385,053	346,385,053	346,385,053	350,574,733	350,574,733	350,574,733	4,153,489,043	346,124,087
Outflows														
Purchases	135,608,130	135,608,130	135,608,130	135,608,130	135,608,130	135,608,130	135,608,130	135,608,130	135,608,130	135,608,130	135,608,130	135,608,130	1,627,297,560	135,608,130
Salaries and wages	27,973,750	32,169,813	32,169,813	32,169,813	32,169,813	32,169,813	32,169,813	32,169,813	32,169,813	32,169,813	32,169,813	32,169,813	381,841,688	31,820,141
Land rent, licenses and other Government charges	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	1,080,000	12,960,000	1,080,000
NSSF contributions	819,375	942,281	942,281	942,281	942,281	942,281	942,281	942,281	942,281	942,281	942,281	942,281	11,184,469	932,039
Bank charges	300,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	5,250,000	437,500
Electricity and standby generator expenses	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	120,000,000	10,000,000
Internet and TV subscriptions	2,500,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	35,500,000	2,958,333
Security	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	48,000,000	4,000,000
Corporate Social Responsibility (CSR)	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	17,500,000	1,458,333
Insurance	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	24,000,000	2,000,000
Repairs and Maintenance - buildings	1,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	23,500,000	1,958,333
Repairs and Maintenance - furniture and equipment	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	17,500,000	1,458,333
Office/hotel supplies	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	84,000,000	7,000,000
Advertising and promotion	3,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	25,000,000	2,083,333
Waste management expenses	1,000,000	1,250,000	1,562,500	1,953,125	2,441,406	3,051,758	3,814,697	4,768,372	5,960,464	7,450,581	9,313,226	11,641,532	54,207,661	4,517,305
Staff catering	2,000,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	29,500,000	2,458,333
Sundry office expenses	2,700,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	4,050,000	47,250,000	3,937,500
Skills and Development Levy (SDL)	322,000	370,300	370,300	370,300	370,300	370,300	370,300	370,300	370,300	370,300	370,300	370,300	4,395,300	366,275
Hotel construction and furnishings														
Professional fees	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	17,500,000	1,458,333
Board expenses	6,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	50,000,000	4,166,667
Loan repayment	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	67,388,000	808,656,000	67,388,000
TOTAL OUTFLOWS	278,191,255	284,308,524	284,621,024	285,011,649	285,499,930	286,110,282	286,873,221	287,826,895	289,018,988	290,509,104	292,371,749	294,700,056	3,445,042,677	287,086,890
Net flows	52,493,167	62,076,529	61,764,029	61,373,404	60,885,123	60,274,771	59,511,832	58,558,157	57,366,065	60,065,628	58,202,983	55,874,677	708,446,366	59,037,197
OPENING CASH BALANCE	803,116,671	855,609,838	917,686,367	979,450,396	1,040,823,800	1,101,708,923	1,161,983,694	1,221,495,526	1,280,053,683	1,337,419,748	1,397,485,376	1,455,688,360	13,552,522,383	1,129,376,865
ACUMMULATED NET FLOW	855,609,838	917,686,367	979,450,396	1,040,823,800	1,101,708,923	1,161,983,694	1,221,495,526	1,280,053,683	1,337,419,748	1,397,485,376	1,455,688,360	1,511,563,037	14,260,968,749	1,188,414,062

Appendix 2: Previous financial statements

<u>INCOME STATEMENT</u>						
		2023		2022		2021
Sales		2,060,837,400		1,582,246,607		1,387,467,747
Cost of sales		<u>1,379,037,468</u>		<u>780,463,084</u>		<u>674,808,525</u>
Gross profit		<u>681,799,932</u>		<u>801,783,523</u>		<u>712,659,222</u>
Establishment Expenses		(16,476,060)		(11,648,100)		(6,881,000)
Administration Expenses		(193,099,200)		(132,528,975)		(105,490,400)
Labour Expenses		222,586,571		(147,267,600)		(135,887,800)
Selling Expenses		(58,318,000)		(39,254,100)		(14,732,000)
Depreciation		(110,958,225)		(81,276,350)		(31,738,825)
Operating profit		(80,361,876)		389,808,398		417,929,198
Finance costs		<u>(3,240,139)</u>		<u>(1,472,526)</u>		<u>(1,325,889)</u>
Profit before tax		62,382,715		388,335,872		416,603,309
Tax		<u>(26,665,443)</u>		<u>(117,630,449)</u>		<u>(127,707,279)</u>
Net profit for the year		<u><u>50,456,294</u></u>		<u><u>270,705,423</u></u>		<u><u>288,896,030</u></u>

BALANCE SHEET						
		2023		2022		2021
ASSETS						
<i>Non-current assets</i>						
Property, plant and equipment		1,775,315,977		1,206,142,852		333,745,181
Hotel construction in progress		<u>2,239,139,218</u>		<u>-</u>		<u>-</u>
		<u>4,014,455,195</u>		<u>1,206,142,852</u>		<u>333,745,181</u>
Current assets						
Inventories		56,700,623		39,371,357		26,141,404
Cash and cash equivalents		49,500,000		994,386,625		620,146,746
Advance tax		<u>-</u>		<u>-</u>		<u>-</u>
		<u>106,200,623</u>		<u>1,033,757,982</u>		<u>646,288,150</u>
TOTAL ASSETS		<u>4,120,655,818</u>		<u>2,239,900,834</u>		<u>980,033,331</u>
EQUITY & LIABILITIES						
Capital & reserves						
Share capital		1,270,000,000		300,000,000		300,000,000
Accumulated profit		<u>72,626,833</u>		850,996,407		580,290,985
		<u>1,342,626,833</u>		<u>1,150,996,407</u>		<u>880,290,985</u>
Current liabilities						
Trade and other payables		18,571,157		-		-
Director's current accounts		2,733,617,703		977,718,202		100,786,571
Current tax		<u>25,840,125</u>		<u>111,186,224</u>		<u>(1,044,225)</u>
		<u>2,778,028,985</u>		<u>1,088,904,426</u>		<u>99,742,346</u>
TOTAL EQUITY AND LIABILITIES		<u>4,120,655,818</u>		<u>2,239,900,834</u>		<u>980,033,331</u>

<u>CASH FLOW STATEMENT (TZS)</u>			
	2023	2022	2021
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>			
Profit for the year	62,382,715	388,335,872	416,603,309
<u>Adjustment for:</u>			
Depreciation	<u>110,958,225</u>	<u>81,276,350</u>	<u>31,738,825</u>
Operating profit before working capital changes	173,340,940	469,612,222	448,342,133
<u>Decrease in Working Capital:</u>			
Inventories	(2,590,243)	(13,229,953)	(4,549,866)
Trade and other payables	18,571,157		-
Director's current account	<u>1,754,988,819</u>	<u>876,931,631</u>	<u>52,742,872</u>
Cash generated from operations	<u>1,944,310,673</u>	<u>1,333,313,900</u>	<u>496,535,139</u>
<u>TAXATION:</u>			
Tax paid	-	(5,400,000)	(249,352,632)
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>			
Purchase of property, plant and equipment	<u>(2,920,095,886)</u>	<u>(953,674,020)</u>	<u>(62,880,000)</u>
Net cash from investing activities	<u>(2,920,095,886)</u>	<u>(953,674,020)</u>	<u>(62,880,000)</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>			
Issue of ordinary shares	970,000,000	-	-
Net cash from investing activities	<u>970,000,000</u>	<u>-</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	(944,886,627)	374,239,880	184,302,507
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	<u>994,386,626</u>	<u>620,146,746</u>	<u>435,844,240</u>
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	<u>49,500,000</u>	<u>994,386,626</u>	<u>620,146,747</u>
<u>Cash & Bank balances:</u>			
Cash in hand	22,500,000	15,696,371	13,608,888
Bank balances	<u>27,000,000</u>	<u>978,690,254</u>	<u>606,537,858</u>
	<u>49,500,000</u>	<u>994,386,625</u>	<u>620,146,746</u>