

**BUSINESS PLAN**  
**FOR**  
**M/S ARUSHA ECO LODGE LIMITED**  
**HOTEL PROJECT**  
**PHASE I, II, III & IV**  
**F/Y 2025 – F/Y 2030**

**PREPARED BY:**  
**ADM INTERNATIONAL BUSINESS**  
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**ARUSHA**



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REF. ADM/AEL/1/2025

26/09/2025

**TO :** THE DIRECTORS AND SHAREHOLDERS  
ARUSHA ECO LODGE LIMITED  
P. O. BOX 1119  
**ARUSHA**

Dear Directors,

**RE: PROFESSIONAL BRIEF**

Carefully and correctly I am writing to brief you official checklist in order for your hotel project be registered with Tanzania Investment and Special Economic Zones Authority (formerly TIC) and enjoy capital deemed capital goods incentives together with VAT deferment, all this is in conformity to the Investment Policy of October 1997 read together with TIC Act 2022. As discussed when we met at your good office, in order for our company (firm) to act on your behalf we will need your good office to furnish us with the following key legal and administrative documents.

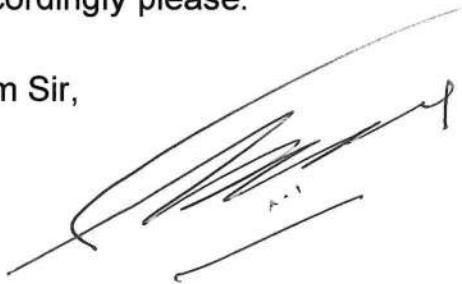
- Memorandum and Articles of Association one copy
- Certificate of incorporation of the company
- Tax Identification Number of both your company and if possible directors TIN numbers.
- Land documents connected to where your project will be located.
- Board resolution dully signed by Chairman of the company or secretary.
- Latest bank statement of sister company

- Audited accounts of the company (sister company) among others. On our part, we will prepare a bankable business plan which will show cost and revenue based on a detailed interview we conducted at your good office.
- We will engage a Quality Surveyor to prepare Bill of Quantities together with architectural drawings of the proposed hotel.
- Based on what you will supply to us we will prepare a list of capital deemed capital goods based on the East African Customs protocol and present the same to Tanzania Revenue Authority Customs Department UFS Tanzania Investment and special economic zones authority for approval.

To do all this, on your behalf we will invoice your company a flat rate fee of US Dollars Five Thousand which you will be required to deposit 50% - it is our policy to accomplish this task within three weeks working days save for any Gods Act. Once we get any additional detail or query from Tanzania Investment and Special Economic Zones Authority we will keep you informed in order to effect a professional line of authority to both parties.

Take this letter as our official statement from our company and be guided accordingly please.

I am Sir,

A handwritten signature in black ink, appearing to read 'Dr. Mapolu Simon John', with a horizontal line underneath it.

**Dr. Mapolu Simon John**  
**CHAIRMAN AND MANAGING DIRECTOR**

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# EXECUTIVE SUMMARY

## **PREAMBLE**

This is a detailed business plan for the company to enable the said document be present to Tanzania Investment and Special Economic Zones both for registration and also approval of Capital Deemed Capital Goods together with VAT deferment – This approach, will enable directors cum shareholders to operate professionally, profitably and within the ambit of law. In this document all areas of interest has been debated and analysed in details. They include that of project concept, investment objectives, project priority areas, legal structure of the company, total investment costs, management line of authority, implementation programme, market analysis. Risk factors and how the company have positioned itself to mitigate them. In order to prove viability, social and economic impact of this project we have taken trouble to refer to a number of data and statistics in order to prove the necessity of this project to be issued with certificate of incentive. It is better to note also that while doing all this we were properly guided by several laws and policies governing business and investments in Tanzania specifically the Investment Policy of October 1997 and its Act of 2022 – this is detailed business plan addressing key issues of cost and revenue.

**MAIN REPORT**

## **1.0 MAIN REPORT (BACKGROUND INFORMATION)**

The directors cum shareholders having been in the hospitality industry for a number of years now they have now resolved to establish state of the art hotel specifically to cater for their clients – this is so because the directors cum shareholders they do operate also a very successful tour company in the northern circuit.

### **1.0.1 THE PROJECT CONCEPT**

It has been resolved and agreed by shareholders cum directors to establish a well managed and operated tourist hotel at the land they acquired legally in conformity to the main Land Act of United Republic of Tanzania Section 29 Cap. 113. The land is located at an area called Lemungur in Arumeru District.

### **1.0.2 THE INVESTMENT OBJECTIVES**

Guided as they are by National blue print which was signed by private sector and the Government together with the Investment Policy of October 1997 and its Act of 2022 – The directors want to take advantage to maximize profit from tour operations and accommodation using their facilities.

### **1.0.3 PROJECT PRIORITY AREAS**

The directors cum shareholders are properly guided by a number of professionals. They started with an advocate who supervised registration of the company in conformity to the Companies Act 2002. The tax consultant supervised the issue of obtaining Tax Identification Number in conformity to Section 23 of the Tax Administration Act 2015. The land expert together with land officers at Arumeru District enabled the company to secure land at Lemugur village, all this was in conformity to Section 29 of the main land act cap 113 – with all this in their custody the directors cum shareholders approached our firm in order for us to act on their behalf to deal with Qs, Architecture, TRA Customs Dept. and investment centre. – At a glance one can easily conclude that the companies priority area number one was and still is to operate within the ambit of law and then trade professionally and profitably.

## **2.0 TANZANIA ECONOMY AT A GLANCE**

### **2.0.1 Role of Tourism in Tanzania**

It is easy to conclude that the role of tourism industry to the National GDP is at very high rate – this basic fact justify this project to be implemented as planned.

### **2.0.2 The Role of Tourism and Hospitality Industry in Arusha Region (Arumeru District included)**

In Arusha specifically in the City of Arusha and Arumeru District hospitality industry has proved to employ a number of permanent staff (drivers) professional hunters, porters e.t.c the impact of hospitality industry can be witnessed to hotels, supermarkets, local markets, farmers, petrol stations, recreation centres, taxi drivers to name but a few. In short hospitality industry not only plays a significant role to Arusha region but indeed to the National GDP. – We have taken trouble to annex key social and economic benefits to hospitality industry in Tanzania (Refer Exhibits) in this business plan.

## **3.0 CORPORATE INFORMATION**

### **3.0.1 Legal Structure of the Companies**

As stated in the aforementioned paragraphs the company was and still is operating within the ambit of law. To prove this basic fact the company is a holder of the following key legal and administrative documents

- Memorandum and Articles of Association together with latest annual returns all this is to abide and comply to Companies Act 12 of 2002.
- Certificate of Incorporation the same was issued inconformity to the Companies Act 2002.
- Certificate of registration for tax payers identification number (TIN) the same was issued under Section 23 of the Tax Administration Act 2015.
- As stipulated in details in the Investment Act 2022 and its Policy of October 1997 we have taken trouble to annex board resolution of the company dully signed by Managing Director of the company.
- Land documents is among key legal and administrative documents connected to the company – we have taken trouble to annex all these documents connected to Land and are in conformity to the Land Act Cap 113 of the Main Land Act.
- Documents connected to environment are also annexed.

As it has been the case before all these documents are annexed serially in this business plan – as stated early the company is operating within the ambit of law. – It is better to note also that the company have signed contracts with other professionals e.g. accountants and auditors in conformity to the National Board of Accountants and Auditors.

### **3.0.2 DETAILS OF PROMOTERS**

According to the official Memorandum and Articles of Association one JAKOB STENHOLT MOELKJAER of DENMARK KLIDEBEKKEN 218660RY is a shareholder with 49% shares. – The advantage of having investment certificate is that the project will be protected by Multilateral Investment Agency a World Bank affiliated body which time and again the agency will protect investments (local or foreign) this means that Jakob can comfortably invest in Tanzania and (MIGA) Multilateral Investment Agency will time and again protect his investments. All this is in conformity to the Investment Policy of October 1997 and its Act of 2022 together with blue print the Government signed with private sector.

### **3.0.3 STATUTORY OBLIGATIONS**

To prove both social and economic impact of the project in their detailed strategic plan, management manual and that of accounting all these key legal and administrative documents are guiding the company to pay taxes (corporate tax) VAT and to remit all statutory returns as stipulated by law, the said statutory returns include that of:-

- NSSF, WCF, Insurance, TALA, Environment Impact Assessment Certificate (the same will be applied when the hotel will be fully operational – with all these basic facts, it is easy to conclude that statutory obligations connected to this project will be remitted/paid in conformity to respective laws.

## **4.0 THE INVESTMENT**

### **4.0.1 Implementation Programme/Investment Pattern**

In order to capture a reasonable market share, it has been resolved by directors cum shareholders of the company to implement this project in phases of course the implementation programme will be properly guided by the companies strategic plan. In phase one total investment cost has been projected to cost USD 2,000,000 this includes furniture and fittings beddings, crockery and cutlery, solar power equipments, standby

generators e.t.c details of total investment cost are debated in detailed under para 6.0 – 6.0.6 in this business plan.

#### 4.0.2 THE MANAGEMENT

According to the company’s strategic plan the company was and still is employing staff on merit, their staff have got authority and power this is so because recruitment procedure at the company time and again make sure every professional is assigned tasks in conformity to his professional background and that authority and power which is vested to employees time and again do reconcile with incentive package. Thus to prove that the project will be professionally conducted we have taken trouble to demonstrate implementation programme under exhibit 2 and management line of authority (management structure under Exhibit 3) in this business plan both exhibits form part of this study.

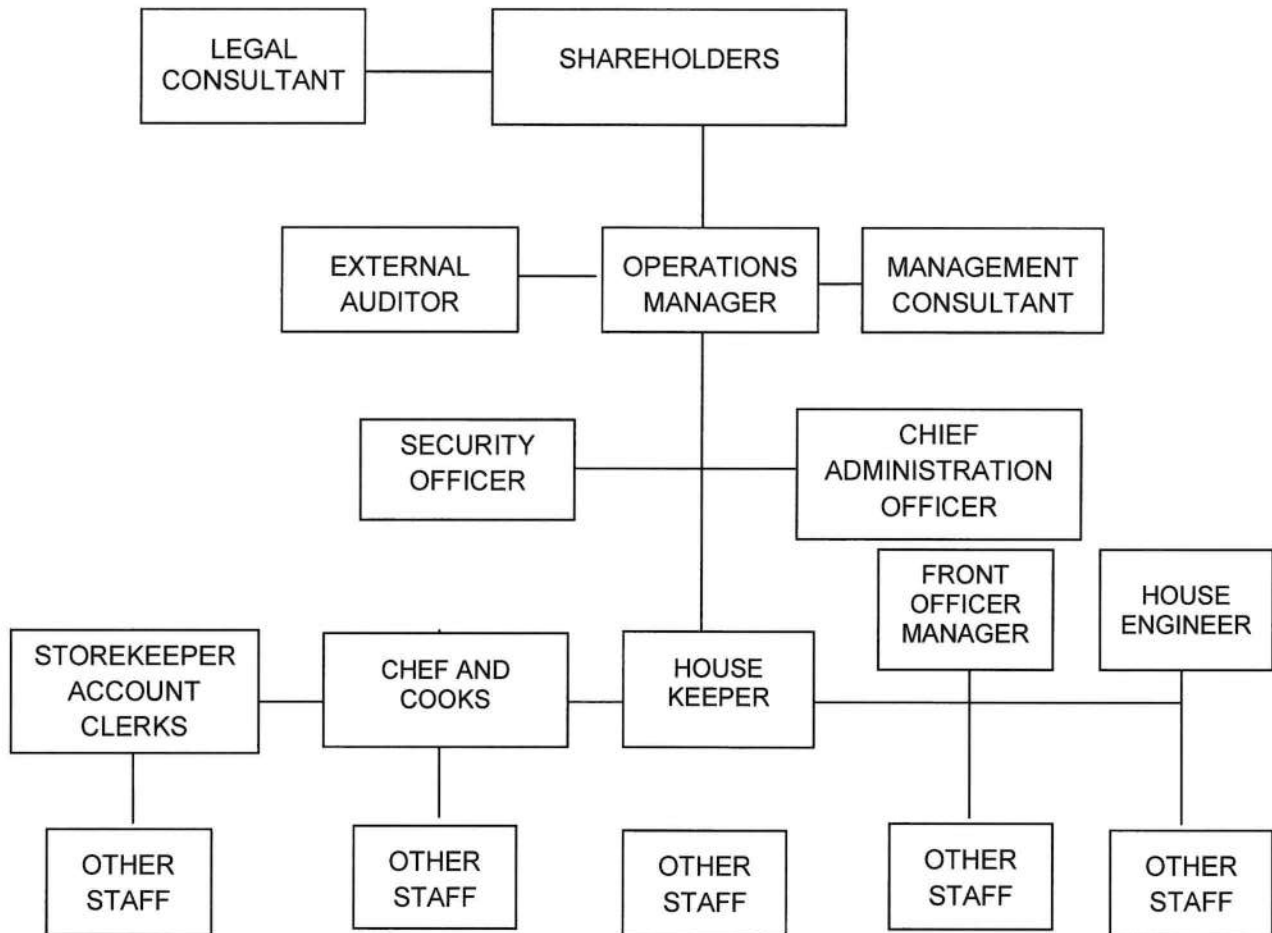
#### EXHIBIT 2

##### IMPLEMENTATION PROGRAMME

S/NO	ACTIVITY	YEAR				
		1	2	3	4	5
1.	Documentation of key legal & administrative documents of the company					
2.	Site plan, BOQs preparations together with architectural drawings of the hotel					
3.	Application of environment agency building permits and other related legal issues					
4.	Construction starts					
5.	Application/procurement of key document from TRA customs & investment center					
6.	Recruitment of staff training (in house and soft opening)					
7.	Expansion programme					

**NOTE:** In order to make sure that the entire project will be manned professionally, profitably, sustainably and legally the project will be guided by the following life of authority.

### EXHIBIT 3



1. The shareholders will time and again make sure that the companys vision and mission statement of the company is adhered to.
2. Accounting manual and management manual will time and again assist the management of the hotel (operations manager to operate professionally and profitably).
3. It is important to remember that the entire project will be time and again conducted and monitored in conformity to both capital budget and operational budget which are narrated in details in the companies strategic plan.

## **5.0 MARKET**

### **5.0.1 Professional Details of the Entire Project**

In Tanzania specifically in the northern circuit bed occupancy, room occupancy is always at a very reasonable rate specifically peak seasons of tourism another advantage is that the company is operating a tour company, this being the case their clients will be utilizing the hotel to the advantage of this project.

### **5.0.2 The Tanzania Experience**

As stated under para 5.0.1 besides the fact that the hotel will take advantage of their own clients demand of facilities of accommodation in Tanzania specifically in Arusha does not meet the expected supply thus why taking advantage of Arusha being a cosmopolitan city with a lot of foreign companies, NGO, international institutions, the famous Arusha International Conference Centre thus why the directors in phase III & IV & V they have tentative plans of taking advantage of all this to have state of the art hotel to accommodate their clients and other clients from all walks of life.

### **5.0.3 Market Analysis and competitive Atmosphere**

Gurus of marketing of Philip Kotler type have guided us that there are key factors which in any business can diffuse the competitive atmosphere among others they include that of:-

- Affordable rate which reconcile with good services which are provided.
- Well trained human resource capital with authority and power which time and again reconcile with incentive package.
- Security, availability of key utilities e.g. water, electricity, mobile phones, WiFi e.t.c. all this guarantee peace and tranquility to all types of visitors at the hotel (merry makers, executives tourists, business executive e.t.c)

We are happy to report that the directors cum shareholders guided as they are with a well researched strategic plan all the above mentioned issues have been taken into consideration, this being the case then, a reasonable market share of this project is guaranteed to the advantage of project promoters and indeed to the National GDP.

## **6.0 FINANCIAL AND ECONOMIC ANALYSIS**

### **6.0.1 The Investment Pattern**

Total investment cost of this project in phase one has been projected to cost 2,000,000,000/= it is better to note that the entire project will be implemented in phases 1, 2, 3, 4, 5 each phase will have a separate budget of both capital budget and operational budget. Due to the fact that the project will involve a substantial amount of money it has been resolved by directors cum shareholder to apply for term loan from investment bank in order to accomplish the project. Details of all this are as per Appendix I in this business plan.

### **6.0.2 Revenue Calculation and Projected Cashflow**

Revenue calculation have proved that the project will find a ready market share this being the case a very favourable cashflow has been computed which prove the basic fact that the project will meet all its operational expenses and be in a position to pay the term loan together with related interests.

### **6.0.3 Loan Repayment Schedule and Amortization**

Computations of loan repayment schedule together with loan amortization as indicated in the annexed figures prove profitability, sustainability together with the lion's share of the market to the advantage of project implementation programme. Details of all this are as per Appendix 3 in this business plan the same form part of this study.

### **6.0.4 Projected Profit and Loss Statement**

Computations of profit and loss statement as supported by computations of cashflow cement the basic fact that the project will prove to be profitable and sustainable to the advantage of project implementation programme. This basic fact justify the project to be implemented as planned.

### **6.0.5 Projected Balance Sheet**

Assets and liabilities as per projected balance sheet prove liquidity ratios of the entire project – with a reasonable market share expected we can guarantee that the project will continue to make profits and hence be sustainable.

### **6.0.6 Depreciation Schedule**

We have taken trouble to compute schedule of depreciation in order to assist the management of the company to plan how and when to replenish fixed asset. This move is very important because of setting standards at the hotel. Details of all this are as per Appendix 5.

### **6.0.7 I.R.R and Business Ratios**

Gurus of both accounting principals and theories together with gurus of economic theories time and again they test viability, profitability and sustainability of the project by computing internal rate of return and business ratios, this being the case on our part in order to guide the directors cum shareholders we have taken trouble to compute I.R.R and business ratios all have proved to be viable, profitability and sustainability of the entire project – these results then encourage promoters of this project to implement, the project as planned, details of all this are as per Appendix 6 in this business plan the said computation also form part of this study.

## **7.0 RISK FACTORS AND MITIGATING FACTORS**

### **7.0.1 Business Risks**

A professional business need to study key anticipated business risk and find ways and means of how to mitigate the same in this case key business risks include competitive atmosphere in order to get a reasonable market share – the directors cum shareholders of this company are aware of all this and in order to diffuse business risks they are time and again guided by professionals – the same include business consultants, accountants and auditors, legal experts, contractors and architectures to name but a few. With all this together with companies strategic plan management and accounting manual definitely business risks at their office will be a world of the past.

### **7.0.2 Financial Risks**

Fluctuation of a shilling to a dollar, interest rates connected to term loans, poor national economic growth all these are among financial risks to be anticipated – in order to diffuse all this the directors cum shareholders have resolved and agreed to make use of professionals in the field of economics (management consultants) to guide them. This approach will definitely diffuse financial risks to the advantage of project implementation programmes.

### **7.0.3 Political Risks**

We don't anticipate any political risks to affect project implementation programme this is so because both directors don't practice active politics to cape it all during project implementation programme the directors cum shareholders have resolved to employ casual labourers from areas where the project will be conducted it is a fact also that the company in their operational budget a certain amount will be budgeted to cater for social and corporate responsibilities – key areas which will be targeted include hospitals schools and health centres. This approach will diffuse political risks to the advantage of project implementation programme.

### **7.0.4 Economic Risks**

Global economic risks, natural calamities which are caused by God's Act can affect project implementation programme. The directors time and again are guided by three pillars of project implementation programme namely P.A.C (**plan** properly, **act** timely and **control** effectively). With professional guidance from celebrated economics and planners we don't anticipate economic risks to affect project implementation programme of this project.

## **8.0 PROFESSIONAL OPINION**

### **8.0.1 Economic Consideration**

Economically the project have a number of positive issues namely tax to the central government tax to the city of Arusha, tax to Arumeru Districts several fees to be paid to city, central government and to Arumeru District Council (TALA, Business Licence, Environment impact assessment certificate e.t.c) not forgetting statutory returns to government affiliated agencies e.g. NSSF, WCF, PPF, if any to name but a few all this will have very positive economic impact not only to the national but to Arusha Region, TANAPA, Ngorongoro Conservation, Arumeru District to a number of private sectors and related business executive (a detailed diagrammatic presentation is annexed together in this business plan).

### **8.0.2 Environment Issues**

The directors cum shareholders are aware of why environment issues are very important to be observed, due to this basic fact in their operational budget a certain amount has been budgeted in order to accommodate all environment issues all this is to the advantage of the nation.

accommodate all environment issues all this is to the advantage of the nation.

### **8.0.3 Social Impact**

A lot of people will be employed trained manpower (skilled) and casual labourers this approach will create a very reliable trickledown effect to the people of Arusha, Arumeru and to National Parks and Ngorongoro Conservation. Thus one can easily conclude that this project have got very positive social issues to the advantage of not only the National Economy but also it will stimulate trickledown effect to the society.

### **8.0.4 Political Consideration**

All what the directors cum shareholders are doing and planning to do are in conformity to the blue print the Government signed with private sector, it is also in conformity to five years development plan of the Government 2022 – 2026, National budget among others, the issues of social and economy will create a direct political mileage to the Government and ofcourse to the ruling party.

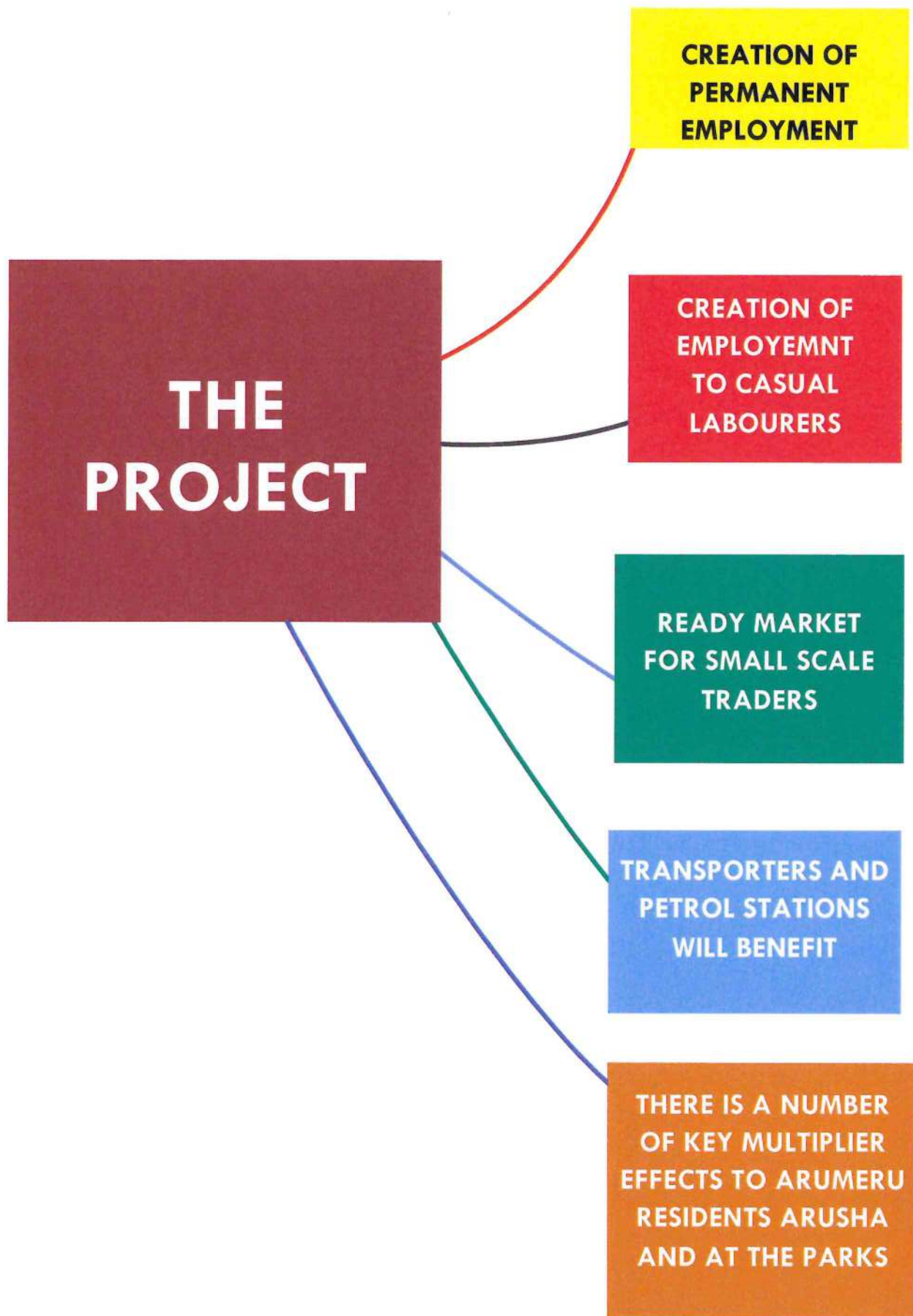
### **8.0.5 Other Benefits**

Business will create peace and tranquility to the masses, money supply to the locality will improve, regional income per capital will improve together with personal income per capita of Arushans all these socially, economically, spiritually and politically have a positive impact.

## **9.0 CONCLUSION**

The project is in conformity to al laws and policies governing business and investments, the project is environmentally friendly, profitable, sustainable and legal, the project is in conformity to investment policy of October 1997, Investment Act 2022 and that it has very positive social and economic issues, we thus recommend the project to be implemented as planned – and be issued with certificate of incentive as requested – and so we declare.

**SOCIAL ISSUES CONNECTED  
TO THIS PROJECT**



## ECONOMIC ISSUES

# **THE PROJECT**

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graph LR; A[THE PROJECT] --- B[TAX TO CENTRAL GOVERNMENT]; A --- C[TAX TO ARUMERU DISTRICT]; A --- D[TANAPA AND NGORONGORO CONSERVATION FEES WILL BE TAPPED]; A --- E[SUPERMARKETS HARDWARE, SHOPS WILL HAVE TREMENDOUS SALES]; A --- F[STATUTORY RETURNS PAYEE, NSSF, WCF, PPF AND THE LIKE WILL MAKE MONEY]; A --- G[THERE IS A NUMBER OF MULTIPLY EFFECTS TO THE NATIONAL ARUSHA CITY AND ARUMERU DISTRICT];
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**TAX TO CENTRAL  
GOVERNMENT**

**TAX TO ARUMERU  
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**THERE IS A NUMBER OF  
MULTIPLY EFFECTS TO  
THE NATIONAL ARUSHA  
CITY AND ARUMERU  
DISTRICT**

**FINANCIAL STATEMENTS TO PROVE  
VIABILITY SUSTAINABILITY AND  
PROFITABILITY OF THE PROJECT**

## APPENDIX 1

**TOTAL PROJECT COST**

**ARUSHA ECO LODGE LIMITED  
PROJECT COST**

Item	Qty	Unit cost	Total
<b>1. Land &amp; Buildings</b>	1	1,200,000.00	<b>1,200,000,000.00</b>
<b>2. Equipment</b>			
(a) Generator (20kva)	1		140,000,000.00
(b) Laundry machine	1		100,000,000.00
(c) Kitchen equipment (assorted)	1		80,000,000.00
(d) Solar equipment (lumpsum)	1		60,000,000.00
(e) Crokery (assorted)	1		47,000,000.00
(f) Water tanks & pump	1		8,000,000.00
		<b>Sub-total</b>	<b>435,000,000.00</b>
<b>3. Vehicles</b>			
a) Double Cabin Pick up	1	120,000,000.00	120,000,000.00
b) Van (for purchases)	1	80,000,000.00	70,000,000.00
		<b>Sub-total</b>	<b>190,000,000.00</b>
<b>4. Furniture &amp; Fittings (assorted)</b>	1		<b>160,000,000.00</b>
<b>5. Computer &amp; Electronic equipment</b>	1		<b>15,000,000.00</b>
		<b>Total</b>	<b>2,000,000,000.00</b>

**Financed by:**

Equity (40%)	800,000,000.00
Loan (60%)	1,200,000,000.00
<b>Total</b>	<b>2,000,000,000.00</b>

**REVENUE CALCULATIONS**

**ARUSHA ECO LODGE LIMITED**

**REVENUE CALCULATIONS**

	Days	Bed capacity	Occup (%)	Bed nights	Rate/ bed night U\$	2027	2028	2029	2030	2031
<b>Rooms 20 (Double Occupancy)</b>										
(a) Peak Season	142	5,680.00	60	3,408.00	100.00	568,000.00	579,360.00	590,947.00	602,766.00	614,821.00
(b) High Season	114	4,560.00	50	2,280.00	80.00	364,800.00	372,096.00	379,538.00	387,538.00	394,871.00
(c ) Low Season	109	4,360.00	30	1,308.00	60.00	78,480.00	80,050.00	81,651.00	83,284.00	84,949.00
				6,996.00	<b>Sub-total USD</b>	<b>1,011,280.00</b>	<b>1,031,506.00</b>	<b>1,052,136.00</b>	<b>1,073,588.00</b>	<b>1,094,641.00</b>
	<b>365</b>				<b>Exchange rate</b>	2,650.00	2,650.00	2,700.00	2,700.00	2,700.00
<b>Total</b>					<b>Sub-total (TZS)</b>	<b>2,679,892,000.00</b>	<b>2,733,490,900.00</b>	<b>2,840,767,200.00</b>	<b>2,898,687,600.00</b>	<b>2,955,530,700.00</b>

**Assumptions**

1. The property has 20 executive rooms rooms of double occupancy
2. From year 2028 tariffs shall increase by 2% over those of the previous year.

**CASHFLOW STATEMENT**

## ARUSHA ECO LODGE LIMITED

### CASH FLOW STATEMENT

	2027	2028	2029	2030	2031
<b>Cash inflow</b>					
Opening balance	-	1,977,329,566.00	3,972,428,529.00	6,060,502,383.00	8,172,475,396.00
Revenue	2,679,892,000.00	2,733,490,900.00	2,840,767,200.00	2,898,687,600.00	2,955,530,700.00
<b>Total Inflow</b>	<b>2,679,892,000.00</b>	<b>4,710,820,466.00</b>	<b>6,813,195,729.00</b>	<b>8,959,189,983.00</b>	<b>11,128,006,096.00</b>
<b>Cash Outflow</b>					
Cost of Sales	436,908,010.00	466,656,199.68	499,206,343.68	536,370,985.92	574,099,099.20
Director's fees	28,800,000.00	28,800,000.00	28,800,000.00	28,800,000.00	28,800,000.00
Salaries & wages	55,440,000.00	55,440,000.00	55,440,000.00	60,984,000.00	60,984,000.00
Business License fees	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00
Electricity & water	8,176,000.00	8,176,000.00	8,176,000.00	8,339,520.00	8,339,520.00
Travelling	7,457,800.00	7,606,956.00	8,759,095.00	8,914,275.00	9,072,560.00
Printing & stationery	3,160,000.00	3,160,000.00	3,160,000.00	3,160,000.00	3,160,000.00
Communications	2,000,000.00	2,000,000.00	2,040,000.00	2,040,000.00	2,080,800.00
Legal fees	6,000,000.00	6,000,000.00	7,200,000.00	7,200,000.00	7,500,000.00
Accounting & Audit fees	7,200,000.00	7,200,000.00	7,200,000.00	7,344,000.00	7,344,000.00
Interest	-	-	-	-	-
Motor running expenses	12,010,355.00	12,610,872.75	13,241,416.39	13,903,487.21	14,598,661.57
Depreciation	135,110,269.00	140,441,909.00	119,170,491.00	109,358,319.00	97,844,057.00
<b>Total Outflows</b>	<b>702,562,434.00</b>	<b>738,391,937.43</b>	<b>752,693,346.07</b>	<b>786,714,587.13</b>	<b>814,122,697.77</b>
<b>Closing balance</b>	<b>1,977,329,566.00</b>	<b>3,972,428,528.57</b>	<b>6,060,502,382.93</b>	<b>8,172,475,395.87</b>	<b>10,313,883,398.23</b>

**PROFIT AND LOSS ACCOUNT**

**ARUSHA ECO LODGE LIMITED**

**PROFIT AND LOSS ACCOUNT**  
In TZS

	2027	2028	2029	2030	2031
<b>Income</b>					
Revenue	2,679,892,000.00	2,733,490,900.00	2,840,767,200.00	2,898,687,600.00	2,955,530,700.00
<b>Cost of Sales</b>	1,179,152,480.00	1,202,735,996.00	1,249,937,568.00	1,275,422,544.00	1,300,433,508.00
<b>Gross Margin</b>	1,500,739,520.00	1,530,754,904.00	1,590,829,632.00	1,623,265,056.00	1,655,097,192.00
<b>Operational expenses</b>					
Director's fees	28,800,000.00	28,800,000.00	28,800,000.00	28,800,000.00	28,800,000.00
Salaries & wages	55,440,000.00	55,440,000.00	55,440,000.00	60,984,000.00	60,984,000.00
Business License fees	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00
Electricity & water	8,176,000.00	8,176,000.00	8,176,000.00	8,339,520.00	8,339,520.00
Travelling	7,457,800.00	7,606,956.00	8,759,095.00	8,914,275.00	9,072,560.00
Printing & stationery	3,160,000.00	3,160,000.00	3,160,000.00	3,160,000.00	3,160,000.00
Communications	2,000,000.00	2,000,000.00	2,040,000.00	2,040,000.00	2,080,800.00
Legal fees	6,000,000.00	6,000,000.00	7,200,000.00	7,200,000.00	7,500,000.00
Accounting & Audit fees	7,200,000.00	7,200,000.00	7,200,000.00	7,344,000.00	7,344,000.00
Motor running expenses	12,010,355.00	12,610,872.75	13,241,416.39	13,903,487.21	14,598,661.57
Interest	168,343,896.00	140,335,459.00	107,824,541.00	70,087,346.00	11,370,510.00
Depreciation	135,110,269.00	140,441,909.00	119,170,491.00	109,358,319.00	97,844,057.00
<b>Total operating expenses</b>	433,998,320.00	412,071,196.75	361,311,543.39	320,430,947.21	251,394,108.57
<b>Profit before tax</b>	1,066,741,200.00	1,118,683,707.25	1,229,518,088.61	1,302,834,108.79	1,403,703,083.43
<b>Corporate tax (30%)</b>	320,022,360.00	335,605,112.18	368,855,426.58	390,850,232.64	421,110,925.03
<b>Profit after tax</b>	746,718,840.00	783,078,595.08	860,662,662.03	911,983,876.16	982,592,158.40

**LOAN REPAYMENT  
SCHEDULE**

**ARUSHA ECO LODGE LIMITED**

**LOAN REPAYMENT SCHEDULE**

	2027	2028	2029	2030	2031
<b>Principal</b>					
Amount due as on Jan 1	1,200,000,000.00	960,000,000.00	720,000,000.00	480,000,000.00	240,000,000.00
Loan received during the year	-	-	-	-	-
Payment made during the year in TZS	240,000,000.00	240,000,000.00	240,000,000.00	240,000,000.00	240,000,000.00
Balance as on Dec 31 in TZS	960,000,000.00	720,000,000.00	480,000,000.00	240,000,000.00	-
<b>Interest</b>					
Balance at beginning of year	497,961,752.00	329,617,856.00	189,282,397.00	81,457,856.00	11,370,510.00
Payment made during the year (TZS)	168,343,896.00	140,335,459.00	107,824,541.00	70,087,346.00	11,370,510.00
Balance as on Dec 31 (TZS)	329,617,856.00	189,282,397.00	81,457,856.00	11,370,510.00	-
Total payments during the year (TZS)	408,343,896.00	380,335,459.00	347,824,541.00	310,087,346.00	251,370,510.00

**Assumptions**

- a) A mid- term loan of TZS 1,200,000,000 shall be sought from TIB Development Bank at interest of 15% p.a
- b) Principal loan shall be repaid in 5 years time effective 2027
- c)Principal shall be paid bi-annually, while interest shall be paid quarterly
- d) Total interest paid shall be Tsh 497,961,752
- e) Both principal and interest shall be fully paid at end of 2031

**LOAN AMORTIZATION**

**ARUSHA ECO LODGE LIMITED**  
**LOAN AMORTIZATION**

**Loan Values**

Amount borrowed	1,200,000,000.00
Periods (months)	60
rate (15%)	0.0125
Payments	TSh28,547,916.10

Months	Beginning	Amount	Interest	Principal	Ending Balance
1	1,200,000,000.00	28,547,916.00	15,000,000.00	13,547,916.00	1,186,452,084.00
2	1,186,452,084.00	28,547,916.00	14,830,651.05	13,717,264.95	1,172,734,819.05
3	1,172,734,819.00	28,547,916.00	14,659,185.24	13,888,730.76	1,158,846,088.24
4	1,158,846,088.00	28,547,916.00	14,485,576.10	14,062,339.90	1,144,783,748.10
5	1,144,783,748.00	28,547,916.00	14,309,796.85	14,238,119.15	1,130,545,628.85
6	1,130,545,629.00	28,547,916.00	14,131,820.36	14,416,095.64	1,116,129,533.36
7	1,116,129,533.00	28,547,916.00	13,951,619.16	14,596,296.84	1,101,533,236.16
8	1,101,533,236.00	28,547,916.00	13,769,165.45	14,778,750.55	1,086,754,485.45
9	1,086,754,485.00	28,547,916.00	13,584,431.06	14,963,484.94	1,071,791,000.06
10	1,071,791,000.00	28,547,916.00	13,397,387.50	15,150,528.50	1,056,640,471.50
11	1,056,640,472.00	28,547,916.00	13,208,005.90	15,339,910.10	1,041,300,561.90
12	1,041,300,562.00	28,547,916.00	13,016,257.03	15,531,658.98	1,025,768,903.03
<b>Total 1st year</b>		<b>342,574,992.00</b>	<b>168,343,895.70</b>	<b>174,231,096.30</b>	
13	1,025,768,903.00	28,547,916.00	12,822,111.29	15,725,804.71	1,010,043,098.29
14	1,010,043,098.00	28,547,916.00	12,625,538.73	15,922,377.28	994,120,720.73
15	994,120,721.00	28,547,916.00	12,426,509.01	16,121,406.99	977,999,314.01
16	977,999,314.00	28,547,916.00	12,224,991.43	16,322,924.58	961,676,389.43
17	961,676,389.00	28,547,916.00	12,020,954.86	16,526,961.14	945,149,427.86
18	945,149,428.00	28,547,916.00	11,814,367.85	16,733,548.15	928,415,879.85
19	928,415,880.00	28,547,916.00	11,605,198.50	16,942,717.50	911,473,162.50
20	911,473,163.00	28,547,916.00	11,393,414.54	17,154,501.46	894,318,661.54
21	894,318,662.00	28,547,916.00	11,178,983.28	17,368,932.73	876,949,729.28
22	876,949,729.00	28,547,916.00	10,961,871.61	17,586,044.39	859,363,684.61
23	859,363,685.00	28,547,916.00	10,742,046.06	17,805,869.94	841,557,815.06
24	841,557,815.00	28,547,916.00	10,519,472.69	18,028,443.31	823,529,371.69
<b>Total 2nd year</b>		<b>342,574,992.00</b>	<b>140,335,459.84</b>	<b>202,239,532.16</b>	
25	823,529,372.00	28,547,916.00	10,294,117.15	18,253,798.85	805,275,573.15
26	805,275,573.00	28,547,916.00	10,065,944.66	18,481,971.34	786,793,601.66
27	786,793,601.66	28,547,916.00	9,834,920.02	18,712,995.98	768,080,605.68
28	768,080,605.68	28,547,916.00	9,601,007.57	18,946,908.43	749,133,697.25
29	749,133,697.25	28,547,916.00	9,364,171.22	19,183,744.78	729,949,952.47
30	729,949,952.47	28,547,916.00	9,124,374.41	19,423,541.59	710,526,410.88
31	710,526,410.88	28,547,916.00	8,881,580.14	19,666,335.86	690,860,075.02
32	690,860,075.02	28,547,916.00	8,635,750.94	19,912,165.06	670,947,909.96
33	670,947,909.96	28,547,916.00	8,386,848.87	20,161,067.13	650,786,842.83
34	650,786,842.83	28,547,916.00	8,134,835.54	20,413,080.46	630,373,762.37
35	630,373,762.37	28,547,916.00	7,879,672.03	20,668,243.97	609,705,518.40
36	609,705,518.40	28,547,916.00	7,621,318.98	20,926,597.02	588,778,921.38
<b>Total 3rd year</b>		<b>342,574,992.00</b>	<b>107,824,541.52</b>	<b>234,750,450.48</b>	

Months	Beginning	Amount	Interest	Principal	Ending Balance
37	588,778,921.38	28,547,916.00	7,359,736.52	21,188,179.48	567,590,741.90
38	567,590,741.90	28,547,916.00	7,094,884.27	21,453,031.73	546,137,710.17
39	546,137,710.17	28,547,916.00	6,826,721.38	21,721,194.62	524,416,515.55
40	524,416,515.55	28,547,916.00	6,555,206.44	21,992,709.56	502,423,805.99
41	502,423,805.99	28,547,916.00	6,280,297.57	22,267,618.43	480,156,187.56
42	480,156,187.56	28,547,916.00	6,001,952.34	22,545,963.66	457,610,223.90
43	457,610,223.90	28,547,916.00	5,720,127.80	22,827,788.20	434,782,435.70
44	434,782,435.70	28,547,916.00	5,434,780.45	23,113,135.55	411,669,300.15
45	411,669,300.15	28,547,916.00	5,145,866.25	23,402,049.75	388,267,250.40
46	388,267,250.40	28,547,916.00	4,853,340.63	23,694,575.37	364,572,675.03
47	364,572,675.03	28,547,916.00	4,557,158.44	23,990,757.56	340,581,917.47
48	340,581,917.47	28,547,916.00	4,257,273.97	24,290,642.03	316,291,275.44
Total 4th year		342,574,992.00	70,087,346.07	272,487,645.94	
49	316,291,275.44	28,547,916.00	3,953,640.94	24,594,275.06	291,697,000.38
50	291,697,000.38	28,547,916.00	3,646,221.25	24,901,694.75	266,796,005.63
51	266,796,005.63	28,547,916.00	3,334,950.07	25,212,965.93	241,583,039.70
52	34,855,875.03	28,547,916.00	435,698.44	-	-
Total 5th year		114,191,664.00	11,370,510.71	74,708,936	
		Total interest	497,961,752.00		

**BALANCE SHEET**

## ARUSHA ECO LODGE LIMITED

### BALANCE SHEET

	2027	2028	2029	2030	2031
<b>Total Fixed Assets</b>	2,000,000,000.00	2,000,000,000.00	2,000,000,000.00	2,000,000,000.00	2,000,000,000.00
Less: Accum depr	187,500,000.00	348,718,750.00	581,097,772.00	888,472,538.00	1,327,586,860.00
<b>Net Fixed Assets</b>	<b>1,812,500,000.00</b>	<b>1,651,281,250.00</b>	<b>1,418,902,228.00</b>	<b>1,111,527,462.00</b>	<b>672,413,140.00</b>
<b>Current Assets</b>					
Cash & bank balances	335,501,194.00	440,418,355.00	64,033,068.00	176,545,950.00	102,103,054.00
Receivables	188,522,516.00	141,792,537.00	185,235,471.00	52,120,979.00	196,515,682.00
<b>Total current assets</b>	<b>524,023,710.00</b>	<b>582,210,892.00</b>	<b>249,268,539.00</b>	<b>228,666,929.00</b>	<b>298,618,736.00</b>
<b>Total Assets</b>	<b>2,336,523,710.00</b>	<b>2,233,492,142.00</b>	<b>1,668,170,767.00</b>	<b>1,340,194,391.00</b>	<b>971,031,876.00</b>
<b>Current liabilities</b>					
Tax payable	51,058,971.00	58,054,438.00	92,639,942.00	127,532,632.00	131,301,525.00
Interest payable	285,464,739.00	184,751,633.00	143,610,825.00	96,701,759.00	39,730,351.00
<b>Total current liabilities</b>	<b>336,523,710.00</b>	<b>242,806,071.00</b>	<b>236,250,767.00</b>	<b>224,234,391.00</b>	<b>171,031,876.00</b>
<b>Term Loan</b>	1,200,000,000.00	947,880,000.00	631,920,000.00	315,960,000.00	-
<b>Total liabilities</b>	<b>1,536,523,710.00</b>	<b>1,190,686,071.00</b>	<b>868,170,767.00</b>	<b>540,194,391.00</b>	<b>171,031,876.00</b>
<b>Equity</b>					
Share capital	800,000,000.00	800,000,000.00	800,000,000.00	800,000,000.00	800,000,000.00
<b>Total equity &amp; liabilities</b>	<b>2,336,523,710.00</b>	<b>2,233,492,142.00</b>	<b>1,668,170,767.00</b>	<b>1,340,194,391.00</b>	<b>971,031,876.00</b>

#### Assumptions

- Assets have been depreciated at following rates: Vehicles(25%), Furniture (12.5%), computers (37.5%), equipment (12.5%), land and buildings (5%)
- Tax liability indicated is the outstanding tax payable at the end of the year with the rest having been paid during the year
- It is assumed that the term loan of sh 1,200,000,000 shall have been fully paid in 5 years time.

**DEPRECIATION SCHEDULE**

**ARUSHA ECO LODGE LIMITED**  
**DEPRECIATION SCHEDULE**

2027

Depreciation schedule					
	Furniture	Vehicles	Equipment	Computers & Electronic eqpt	Land & Buildings
Depreciation rate (%)	12.5	25	12.5	37.5	5
<b>Cost</b>					
As on January 1, 2027	160,000,000.00	190,000,000.00	435,000,000.00	15,000,000.00	1,200,000,000.00
Additions during the year	-			-	
As at Dec 31, 2027	160,000,000.00	190,000,000.00	435,000,000.00	15,000,000.00	1,200,000,000.00
<b>Depreciation</b>					
As on Jan 1, 2027	-	-	-	-	
Depreciation during the year	20,000,000.00	47,500,000.00	54,375,000.00	5,625,000.00	60,000,000.00
Accumulated depreciation	20,000,000.00	47,500,000.00	54,375,000.00	5,625,000.00	60,000,000.00
<b>Book value</b>					
As on Dec 31, 2027	140,000,000.00	142,500,000.00	380,625,000.00	9,375,000.00	1,140,000,000.00

2028

	Furniture	Vehicles	Equipment	Computers & Electronic eqpt	Land & Buildings
Depreciation rate (%)	12.5		12.5	37.5	5
<b>Cost</b>					
As on Jan 1, 2028	160,000,000.00	190,000,000.00	435,000,000.00	15,000,000.00	1,200,000,000.00
Additions during the year	-			-	
As at Dec 31, 2028	160,000,000.00	190,000,000.00	435,000,000.00	15,000,000.00	1,200,000,000.00
<b>Depreciation</b>					
As on Jan 1, 2028	20,000,000.00	47,500,000.00	54,375,000.00	5,625,000.00	60,000,000.00
Depreciation during the year	17,500,000.00	35,625,000.00	47,578,125.00	3,515,625.00	57,000,000.00
Accumulated depreciation	37,500,000.00	83,125,000.00	101,953,125.00	9,140,625.00	117,000,000.00
<b>Book value</b>					
As on Dec 31, 2028	122,500,000.00	106,875,000.00	333,046,875.00	5,859,375.00	1,023,000,000.00
As on Dec 21, 2027	140,000,000.00	142,500,000.00	380,625,000.00	9,375,000.00	1,140,000,000.00

2029

	Furniture	Vehicles	Equipment	Computers & Electronic eqpt	Land & Buildings
Depreciation rate (%)	12.5	25	12.5	37.5	5
<b>Cost</b>					
As on Jan 1, 2029	160,000,000.00	190,000,000.00	435,000,000.00	15,000,000.00	1,200,000,000.00
Additions during the year	-			-	
As at Dec 31, 2029	160,000,000.00	190,000,000.00	435,000,000.00	15,000,000.00	1,200,000,000.00
<b>Depreciation</b>					
As on Jan 1, 2029	37,500,000.00	83,125,000.00	101,953,125.00	9,140,625.00	117,000,000.00
Depreciation during the year	15,312,500.00	26,718,750.00	41,630,859.38	2,197,265.63	51,150,000.00
Accumulated depreciation	52,812,500.00	109,843,750.00	143,583,984.38	11,337,890.63	168,150,000.00
<b>Book value</b>					
As on Dec 31, 2029	107,187,500.00	80,156,250.00	291,416,015.63	3,662,109.38	1,031,850,000.00
As on Dec 31, 2028	122,500,000.00	106,875,000.00	333,046,000.00	5,859,375.00	1,023,000,000.00

**2030**

	<b>Furniture</b>	<b>Vehicles</b>	<b>Equipment</b>	<b>Computers &amp; Electronic eqpmt</b>	<b>Land &amp; Buildings</b>
Depreciation rate (%)	12.5	25	12.5	37.5	5
<b>Cost</b>					
As on Jan 1, 2030	160,000,000.00	190,000,000.00	435,000,000.00	15,000,000.00	1,200,000,000.00
Additions during the year	-			-	
As at Dec 31, 2030	160,000,000.00	190,000,000.00	435,000,000.00	15,000,000.00	1,200,000,000.00
<b>Depreciation</b>					
As on Jan 1, 2030	52,812,500.00	109,843,750.00	143,583,984.00	11,337,891.00	168,150,000.00
Depreciation during the year	13,398,437.50	20,039,062.50	36,427,001.95	1,373,291.02	51,592,500.00
Accummulated depreciation	66,210,937.50	129,882,812.50	180,010,985.95	12,711,182.02	219,742,500.00
<b>Book value</b>					
As on Dec 31, 2030	93,789,062.50	60,117,187.50	254,989,014.05	2,288,817.98	980,257,500.00
As on Dec 21, 2029	107,187,500.00	80,156,250.00	291,416,016.00	2,662,109.00	1,031,850,000.00

**2031**

	<b>Furniture</b>	<b>Vehicles</b>	<b>Equipment</b>	<b>Computers &amp; Electronic eqpmt</b>	<b>Land &amp; Buildings</b>
Depreciation rate (%)	12.5	25	12.5	37.5	
<b>Cost</b>					
As on Jan 1, 2031	160,000,000.00	190,000,000.00	435,000,000.00	15,000,000.00	1,200,000,000.00
Additions during the year	-			-	
As at Dec 31, 2031	160,000,000.00	190,000,000.00	435,000,000.00	15,000,000.00	1,200,000,000.00
<b>Depreciation</b>					
As on Jan 1, 2031	66,210,938.00	129,882,813.00	190,010,986.00	12,711,182.00	219,742,500.00
Depreciation during the year	11,723,632.81	15,029,296.88	31,873,626.76	858,306.74	49,012,875.00
Accummulated depreciation	77,934,570.81	144,912,109.88	221,884,612.76	13,569,488.74	268,755,375.00
<b>Book value</b>					
As on Dec 31, 2031	82,065,429.19	45,087,890.13	213,115,387.24	1,430,511.26	931,244,625.00
As on Dec 31, 2030	93,879,063.00	60,117,188.00	254,989,014.00	2,288,818.00	980,257,500.00

**BUSINESS RATIOS AND  
INTERNAL RATE OF RETURN**

## ARUSHA ECO LODGE LIMITED

### BUSINESS RATIOS AND INTERNAL RATE OF RETURN

Ratio/Year	2027	2028	2029	2030	2031
1. Debt Service Coverage Ratio	0.878109989	1.131561087	1.593382148	1.933569999	2.381444636
2. Debt-Equity Ratio	1.920654638	1.488357589	1.085213459	0.675242989	0.213789845
3. Return on Equity Ratio	0.513676513	0.635884566	0.849925741	0.970832549	1.108798534
4. Current Ratio (Times)	1.921727227	2.397843224	1.055101502	1.019767432	1.74598293

#### Notes

1. The DSCR is the ratio of net income available for servicing interest and principal loan obligations. A debt service ratio of 1 or above, as in this case, indicates that the business is generating sufficient cash to service its annual obligations
2. The debt equity ratio is a financial ratio indicating the relative proportion of shareholders' equity and debt used used to finance company's assets.
3. The return on equity is a measure of the profitability of a business in relation to the equity. A high ROE, as in this case, suggests efficient utilization of investment financing to grow the business
4. The current ratio is a liquidity ratio that measures whether a firm has enough resources to meet its short-term obligations. A ratio above 1, as in this case, indicates the business is liquid enough to meet any financial obligations that fall due.

#### INTERNAL RATE OF RETURN

<b>OUTFLOW</b>	<b>- 2,000,000,000.00</b>
2027	1,066,741,200.00
2028	1,118,683,707.00
2029	1,229,518,089.00
2030	1,302,834,109.00
2031	1,403,703,083.00
<b>IRR</b>	<b>50%</b>

#### Notes

The figure of TZS 2,000,000,000 is the project investment cost. Figures corresponding to years 2027 to 2031 represent profit before tax. The IRR of 28% is attractive

**KEY LEGAL AND ADMINISTRATIVE  
DOCUMENTS TO SUPPORT THE  
APPLICATION**