

GREAT LAKES ADVENTURES LIMITED

BUSINESS PLAN FOR AN OFFICE BUILDING IN ARUSHA

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3.0 PROJECT AT A GLANCE

1. Name of company: Great Lakes Adventure Limited
2. Address: P.O Box 6267, Arusha
3. Project Name: Construction of Office Building for Great Lakes Adventure Limited
4. Location of project: Kisongo, Arusha Municipality
5. Project Cost: USD 649,063 equivalent to TZS 1,784,923,323
6. Means of financing: Loan: 100%
7. Amount of Loan: \$649,063 equivalent to TZS 1,784,923,323
8. Amount of interest to be paid – Free interest loan from a sister company

4.0. EXECUTIVE SUMMARY

Great Lakes Adventure Limited (GLAL) was registered in Tanzania under the Companies Act, 2002 and given Certificate of Incorporation No. 170625803 dated December 8, 2023. The company was principally established to spearhead investments in the tourism and hospitality industry in Tanzania, given the fact that the country is endowed with abundant natural resources.

The company is planning to construct a building for their corporate office in Arusha. Some 8.7 acres of land have already been secured for this purpose. The project, which will be located in Kisongo, is expected to cost \$649,023 equivalent to TZS 1,784,923,323. Financing will be provided by a free-interest loan from a sister company. Other upcoming real estate projects include construction of a commercial complex, hotel and residential apartments.

Land and building will cost TZS 1,392,497,745, Furniture and Furnishings TZS 282,286,345 and Computers and Electronic equipment TZS 111,113,233. The loan shall be repaid over a period of 5 years.

In order to ensure a seamless execution of the project, an evaluation of risks has been made. Each risk has been identified in likely occurrence as high, medium and low and mitigation measures have been developed.

The project shall be implemented over a period of 18 months. Execution of the project has been divided in 6 phases and each phase subdivided in several activities. Each activity has been given time duration for its execution.

Investment on this project is justified based on a number of reasons that include enhanced credibility and customer trust. When customers see a state-of-the art office building, it enhances ones' credibility and the customer has trust in you.

An office building promotes brand visibility, a factor that serves to market company's products. Having an office facilitates seamless coordination with local hotels, transport providers, and national park authorities.

Finally, in terms of cost efficiency in the long run, the fact is that renting and office space may be costly in the long term compared to building a permanent office. In addition, owning an office provides long-term stability, avoiding frequent rent increases.

5.0 COMPANY AND PROJECT DESCRIPTION

Great Lakes Adventure Limited (GLAL) was registered in Tanzania under the Companies Act, 2002 and given Certificate of Incorporation No. 170625803 dated December 8, 2023. Copy of the certificate of incorporation is attached as Annex 1. The company was principally established to spearhead investments in the tourism and hospitality industry in Tanzania, given the fact that the country is endowed with abundant natural resources.

Shareholders of the company are Amos Wekesa (Ugandan) and Amy Sussane Wekesa (American) who are accomplished business persons in their own right with a track record in the tourism and hospitality industry in Uganda and Rwanda. In Uganda, the duo operate a tour company known as Great Lakes Safaris. They also have Great Lakes Collection (previously known as Uganda Lodges) that operates a number of lodges such as Primate Lodge Kibale Ltd, Elephants Plains Lodge Ltd, Budongo Eco Lodge Ltd and Simba Safari Camp Ltd. They also operate two training cafés, namely Café Kibale and Budongo Café; which aim to support the local community by providing training opportunities for your people. They also operate Marine Experience Ltd which is a 60 passenger boat that previously operated cruises on the Kazinga Channel and now operates cruises in Entebbe.

Their success in developing and managing diversified tourist products in Uganda inspired them to venture outside their country. Their first call was Rwanda where they established Great Lakes Safaris Rwanda which has so far been operating quite well. Their next destination was Tanzania where they acquired a property previously trading as Boundary Hill Lodge that borders Tarangire National Park. They entered into a long-term lease, expanded and refurbished the lodge which is now operating as Mwamba Lodge Tarangire.

Great Lakes Adventure Limited is now planning to establish luxurious tented camps in the Serengeti National Park. Considering that the company has made a firm decision of making long term investments in different parts of the country, they have decided to construct a corporate office in the Kisongo area, about 20 km west of Arusha City along the Arusha Dodoma road. Other upcoming real estate projects also include construction of a commercial complex, hotel and residential apartments.

The process towards this project started in late 2023 when the company started to search for land. This task was concluded in January 2024 when they secured 8.7 acres of land after making a payment of U\$ 118,436.68. The project will involve construction of a three story office building and a rest house with 4 en-suite rooms which will be

used to accommodate company officials visiting Arusha as a result of which substantial savings shall be made which would have otherwise been used for hotel accommodation.

6.0 PROJECT COST AND FINANCING

This project is estimated to cost \$649,063 equivalent to Tanzania shillings 1,784,923,323 the details of which are shown in Table 1 below.

Table 1: Project Cost

Item	Amount (USD)	Exch rate	Amount (TZS)
1.Land and Building			
(a) Land	118,436.68	2,750.00	325,700,870.00
(b) Building	387,926.14	2,750.00	1,066,796,875.00
Total Land and Building	506,362.82		1,392,497,745.00
2. Furniture and furnishings	102,649.58	2,750.00	282,286,345.00
3. Computers & electronic equipment	40,050.63	2,750.00	110,139,233.00
Total in USD	649,063.03		1,784,923,323.00
NB: The project is financed by an interest free loan from a sister company			

Cost of land has already been incurred since January 2024. Breakdown of cost of building of \$387,926.14 equivalent of TZS 1,066,796,875 is shown in the table below:

Table 2: Cost Breakdown

Item	%	Cost
1. Foundation. Includes:		
• Includes excavation, concrete footings, foundation walls, and damp-proofing	20	123,750,000.00
2. Wall construction. Includes		
• Covers bricks/blocks, mortar, reinforcement, plastering, structural components	17	205,187,500.00
3. Roofing: Includes		
• Includes trusses, iron sheets/tiles, roofing underlay, and waterproofing	18	111,375,000.00
4. Finishing: Includes		
Doors, Windows, Flooring, Painting, Plumbing, Electrical, security systems, etc	45	626,484,375.00
	Total	1,066,796,875.00
Source of cost allocation: National Construction Council		

The project shall be financed by a free-interest loan from a sister company. The loan shall be paid back according to the Loan Repayment Schedule shown on the table below:

Table No. 3: Loan Repayment Schedule

Year	2027	2028	2029	2030	2031
Amount due as on Jan 1	1,130,626,448	904,501,158.40	678,375,868.80	425,250,570.20	226,125,289.60
Amount paid during yr	226,125,289.60	226,125,289.60	226,125,289.60	226,125,289.60	226,125,289.60
Balance as on Dec 31	904,501,158.40	678,375,868.80	425,250,579.20	226,125,289.60	

Assumptions:

a) A medium term loan of TZS 1,784,923,323 shall be sought from a sister company.

The loans shall be interest-free

b) The loan shall be repaid in 10 equal installments within 5 years effective 2027

c) Loan shall be paid bi-annually with each installment being TZS 113,062,644.80

d) The loan shall be fully repaid at end of year 2031

7.0 DEPRECIATION

There are three categories of assets in this project that will have to be depreciated. They include land and building, furniture and furnishing, and computers and electronic equipment. In simple terms, depreciation represents the wear and tear, obsolescence, or reduction in value of an asset as it is used in business operations. This is achieved by using predetermined rates.

Recognizing that investors invest in assets, the Tanzania Investment Centre has specified rates for depreciating assets. The rates are – land and buildings (5%), furniture and furnishing (12.5%), computers & electronic equipment (37.5%). Depreciation is crucial in the preparation of financial statements, income statement and profit and loss account because it:

- a) Ensures accurate profit measurement by spreading asset costs over time
- b) Reduces taxable income, saving businesses of money
- c) Improvements cash flow without requiring actual cash outlay.

Based on the assets the project will possess, the projected depreciation schedule for 5 years is shown in the table below:

Table 4 – Depreciation schedule

	2027		
	Furniture and Furnishings	Computers & electronic eqpmt	Land and Buildings
Depreciation rate (%)	12.5	37.5	5%
Cost			
As on January 1, 2027	282,286,345.00	110,139,233.00	1,392,497,745.00
Additions during the year	-	-	-
As at Dec 31, 2027	282,286,345.00	110,139,233.00	1,392,497,745.00
Depreciation			
As on Jan 1, 2027			-

	-	-	
Depreciation during the year	35,285,793.00	41,302,212.00	69,624,887.25
Accumulated depreciation	35,285,793.00	41,302,212.00	69,624,887.00
Book value			
As on Dec 31, 2027	247,000,552.00	68,837,021.00	1,322,872,858.00

		2028	
	Furniture and Fittings	Computers & Electronic eqpmt	Land & Buildings
Depreciation rate (%)	12.5	37.5	5.00
Cost			
As on Jan 1, 2028	282,286,345.00	110,139,233.00	1,392,497,745.00
Additions during the year	-		
As at Dec 31, 2028	282,286,345.00	110,139,233.00	1,392,497,745.00
Depreciation			
As on Jan 1, 2028	35,285,793.00	41,302,212.00	69,624,887.00
Depreciation during the year	30,875,069.00	25,813,882.88	66,143,642.90
Accumulated depreciation	66,160,862.00	67,116,094.88	135,768,529.90
Book value			
As on Dec 31, 2028	216,125,483.00	43,023,138.13	1,256,729,215.10
As on Dec 21, 2027	247,000,552.00	68,837,021.00	1,322,872,858.00

	2029		
	Furniture & Fittings	Computers & Electronic equipment	Land & Buildings
Depreciation rate (%)	12.5	37.5	5.00
Cost			
As on Jan 1, 2029	282,286,345.00	110,139,233.00	1,392,497,745.00
Additions during the year	-	-	-
As at Dec 31, 2029	282,286,345.00	110,139,233.00	1,392,497,745.00
Depreciation			
As on Jan 1, 2029	66,160,862.00	67,116,095.00	135,768,530.00
Depreciation during the year	27,015,685.38	16,133,676.80	62,836,460.76
Accumulated depreciation	93,176,547.38	83,249,771.80	198,604,990.76
Book value			
As on Dec 31, 2029	189,109,797.63	26,889,461.20	1,193,892,754.25
As on Dec 31, 2028	216,125,483.00	43,023,138.00	1,256,729,215.00

	2030		
	Furniture and Fittings	Computers & Electronic eqpmt	Land & Buildings
Depreciation rate (%)	12.5	37.5	5.00
Cost			
As on Jan 1, 2030	282,286,345.00	110,139,233.00	1,392,497,745.00
Additions during the year	-	-	-
As at Dec 31, 2030	282,286,345.00	110,139,233.00	1,392,497,745.00
Depreciation			
As on Jan 1, 2030			

	93,176,547.00	83,249,772.00	198,604,991.00
Depreciation during the year	23,638,724.70	10,083,547.95	59,694,637.71
Accumulated depreciation	116,815,271.70	93,333,319.95	258,299,628.71
Book value			
As on Dec 31, 2030	165,471,073.30	16,805,913.05	1,134,198,116.29
As on Dec 21, 2029	189,109,798.00	26,889,461.00	1,193,892,754.00

	2031		
	Furniture and Fittings	Computers & Electronic eqpt	Land & Buildings
Depreciation rate (%)	12.5	37.5	5.00
Cost			
As on Jan 1, 2031	282,286,345.00	110,139,233.00	1,392,497,745.00
As on Jan 1, 2031	282,286,345.00	110,139,233.00	1,392,497,745.00
Additions during the year	-	-	-
As at Dec 31, 2031	282,286,345.00	110,139,233.00	1,392,497,745.00
Depreciation			
As on Jan 1, 2031	116,815,272.00	93,333,320.00	258,299,628.00
Depreciation during the year	20,683,884.16	6,302,217.39	56,709,905.81
Accumulated depreciation	137,499,156.16	99,635,537.39	315,009,533.81
Book value			
As on Dec 31, 2031	144,787,188.84	10,503,695.61	1,077,488,211.19
As on Dec 31, 2030	165,471,073.00	16,805,913.00	1,134,198,116.00

	SUMMARY (TZS)	
YEAR	DEPRECIATION	ACC. DEPRECIATION
2027	113,498,049.00	113,498,049.00
2028	91,753,493.00	205,251,542.00
2029	76,460,626.00	281,712,218.00
2030	65,368,021.00	347,080,239.00
2031	57,049,563.00	404,129,803.00

8.0 PROJECT IMPLEMENTATION

The project shall be implemented in 6 phases spanning a period of 18 months. The phases are described below:

Phase 1 – Preparatory phase which will involve applying and obtaining Certificate of Incentive from the Tanzania Investment Centre. This will be done within month of November 2025

Phase 2 – Design and Planning phase. This will involve:

a) Preparation of Architectural Drawings

- Initial design & sketches and needs assessment – December 2025
- Preliminary sketches and design – Jan. 2026 – Feb. 2026
- Finalization of architectural plans – March. 2026

b) Structural & Engineering Design

- Structural analysis and design- March to April 2026
- Mechanical, Electrical and plumbing (MEP) design – March 2026
- Civil works and foundation design – March 2026

c) Approval & Permits

- Submission of plans to Arusha City Council (ACC) – April. 2026
- Obtaining building permits from ACC – May. 2026

d) Cost Estimation & Budgeting

- Preparation of Bill of Quantities (BOQ) – May2026
- Finalization of cost estimates – May 2026

Phase 3: Pre-construction phase

a) Site preparation & Mobilization

- Land clearing and site surveying – June. 2026
- Soil testing and geotechnical investigations – June. 2026
- Site fencing and security setup – June -July 2026

b) Procurement & Contracting

- Hiring of Project Engineers, contracting and subcontractors – January – Feb 2026
- Mobilization of materials and equipment – June - July 2026
- Scheduling and project planning – August 2026

4. Construction Phase

a) Foundation Works

- Excavation and ground leveling – September 2026
- Laying of foundation – October 2026
- Waterproofing and curing – October - November 2026

b) Structural Works

- Column, beam and slab construction: November - December 2026
- Wall construction: December 2026 – January 2027
- Roofing and structural finishing: February- March, 2027

C) Mechanical, Electrical and Plumbing Works

- Installation of electrical wiring and fixtures: April - May, 2027
- Plumbing system installation: June - July, 2027
- Heating, ventilation and AC installation: August, 2027

5. Finishing Works

- Plastering and painting: September, 2027
- Flooring and ceiling installation: October 2027
- Door and window fixing: October, 2027
- Interior and exterior finishes: October – November, 2027.

6. Post-construction & Commissioning

a) Testing & Inspection

- Structural integrity inspection: December, 2027
- Electrical, AC and plumbing testing: December, 2027

- Fire safety and compliance checks: December, 2027

b) Final Approval & Handover

- Certification from Arusha City Council: December, 2027
- Contractor hands over project to Great Lakes Adventure Ltd: December 2027

9.0 RISK ANALYSIS

Implementation of a project is bound to have risks that may affect realization of the project goal. All possible risks on this project that can have negative effect on the project have been identified and evaluated. The risks may be a result of mismanagement, external factors and/or natural disasters. Risks are rated High, Medium and Low depending on their possible occurrence. The risks are analyzed in the following matrix.

Table 6: Risk Analysis

No	Risk	Likelihood	Mitigation Measures
1	Poor quality of materials	High	Enforce strict quality control, use certified suppliers and conduct regular inspections
2	Inadequate structural design	High	Hire experienced Project Engineer, adhere to building codes, and conduct structural assessments.
3	Corruption and fraud	Medium	Strengthen procurement procedures through tendering system, enforce transparency, and from time to time involve independent auditors.
4	Delays in approvals and Permits	High	Engage early with relevant authorities, ensure proper documentation, and follow up regularly
5	Cost Overruns	High	Develop a detailed budget, include contingency funds and implement strict financial oversight
6	Land Disputes	Medium	Conduct thorough land ownership verification, and resolve any possible conflicts before construction begins.
7	Natural Disasters(e.g., floods, earthquakes)	Medium	Build according to disaster-resistant standards, ensure proper drainage, and conduct environmental impact assessments.
8	Occupational Safety Hazards	Medium	Enforce safety training, provide protective gear, and ensure compliance with OSHA regulations.
9	Poor waste management	Low	Develop a waste management plan,

			promote recycling, and follow environmental regulations
10	Theft and Vandalism	Low	Install CCTV system, hire a security company and use secure storage facilities.

10.0 JUSTIFICATION OF THE PROJECT

Investment of more than \$400,000 for an office building requires proper economic and financial justification. Arusha is Tanzania’s tourism hub and a gateway to world-renowned attractions such as Serengeti National Park, Mount Kilimanjaro, and Ngorongoro Crater. Establishing a physical office in the city offers several strategic advantages to Great Lakes Adventure Limited as follows:-

1. Strategic Location for Business Operations

- Arusha is the main entry point for most safari tours in northern Tanzania. Having a local office improves logistical coordination for clients, staff, and suppliers.
- Proximity to Kilimanjaro International Airport (JRO) and Arusha Airport enhances accessibility.

2. Enhanced Credibility & Customer Trust

- A physical presence reassures clients, especially international tourists who prefer dealing with a well-established company rather than an online-only entity.
- Walk-in customers can get firsthand information, book tours, and receive personalized services.

3. Compliance with Local Regulations

- Tanzanian law may require foreign owned businesses to have a registered local office for business licensing and tax compliance.
- Establishing an office ensures adherence to tourism and business laws, avoiding legal complications.

4. Efficient Coordination of Tours & Operations

- Having an office facilitates seamless coordination with local hotels, transport providers, and national park authorities.

- It enables efficient management of tour guides, drivers, and equipment (e.g., safari vehicles).

5. Improved Customer Service & Support

- Tourists can visit the office for inquiries, itinerary adjustments, or emergency assistance.
- Multilingual staff can offer better customer service to international travelers.

6. Cost Efficiency in the Long Run

- Renting office space may be costly in the long term compared to building a permanent office.
- Owning an office provides long-term stability, avoiding frequent rent increments.

7. Brand Visibility & Marketing

- A branded office in Arusha boosts the company's visibility among tourists and travel agents.
- It provides a space to showcase travel packages, maps, brochures, and other promotional materials.

8. Access to Skilled Workforce

- Arusha has a large pool of skilled professionals in tourism, guiding, and hospitality. A local office makes it easier to recruit and train employees.

9. Strengthening Business Partnerships

- Having a physical office fosters stronger relationships with local businesses, government agencies, and conservation organizations.
- It increases chances of securing business-to-business (B2B) deals with hotels, airlines, and travel agencies.

Due to the reasons given above it is recommended that Great Lakes Adventure should kick-start the process of constructing a building for their corporate offices in Arusha.

