

ANNEX A. Model of typical wildlife viewing lodge JV GKED 2011

FINANCIAL/ECONOMIC MODEL - KASONSO BUSANGA WILDLIFE VIEWING TOURISM - BASE CASE 2011

ASSUMPTIONS*

Production System:	18	bed, up-market lodge offering all inclusive, guided, wildlife viewing.									
Site:	High quality, unfenced area with river/floodplain frontage and mixed population of northeastern woodland species.										
Game Density:	100%	5.73	LSU Equivalents/Sq. Km. or,	17	Hectares per LSU Equivalent						
Carrying Capacity:	<u>100%</u>	0.125	Tourist Beds/Sq. Km. or,	800	Ha. per Tourist Bed						
Concession Size:	24100	Hectares or,		241	Square Kilometres						
Tourist Category:	Overseas	80%	Regional	10%	Resident	5%	Citizen	5%			
	Adults	90%	Children	10%							
Occupancy Rate:	<u>100%</u>	47.5%	Average Length of Stay:		4 Days						
Daily Tariffs (ZK'000):	<u>100%</u>	Overseas	2053	Regional	2053	Resident	2053	Citizen	2053		
		Children	100%	of Adult Price							
Capital Item Prices:	<u>70%</u>	(Variation from Normal for Sensitivity Analysis)									
Capital Sources:	<u>100%</u>	Loan =	25%	Equity =	75%	and:	<u>100%</u>	Foreign	25%	Domestic	75%
Interest Rates:	<u>100%</u>	Rate for Capital Loans:		15%	Rate for Working Capital Loans:		22%				
Working Capital as Proportion of Annual Operating Costs:				20%							
Park Entry Fees:	<u>100%</u>	Fee per Tourist Night/Day:		ZK'000 64							
Land Rental and Resource Royalty (ZK'000):	<u>100%</u>	Rental:	0.82	per Ha.	<u>100%</u>	Royalty:	4%	of Turnover			
Manpower Needs:	<u>100%</u>	Managers	6	Skilled Labour	7	Unskilled Labour	15				
	<u>100%</u>	Management:	Foreign	25%	Citizen	75%					
Shadow Wage Adjustment:	<u>100%</u>	Managers	1.00	Skilled Labour	0.60	<u>100%</u>	Unskilled Labour	0.30			
Foreign Exchange Premium:	<u>100%</u>	8%		Adjustment Factor =		1.08					
Tax Adjustments:	<u>100%</u>	General Sales Tax:		11%	Import Taxes:	0%		to SACU:	n/a		
Discount Rates:	<u>100%</u>	Financial Discount Rate:		10%	Economic Discount Rate:		10%				
Opportunity Cost of Capital:	<u>100%</u>	10%									
<p>Static models depict enterprise at full production. Static financial model includes interest, amortisation government fees, royalties and land rentals. Static economic model takes foreign inflows and outflows into account, excludes other interest and transfers and values enterprise in economic prices before land and government costs</p> <p>Dynamic models presented over 5 and 10 years, to measure IRR and NPV. Financial dynamic model, at constant prices, excludes interest and depreciation, and includes asset residual values. Economic model includes foreign inflows and outflows, and measures value of enterprise in economic prices before inclusion of land costs and public expenditures.</p>											

* Shaded cells indicate degree of conformity with base case values. Underlined shaded cells can be changed

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TABLE 1: CAPITAL REQUIREMENTS

ITEM	QUANT.	PRICE ZK'000	FINAN. COST	LIFE Years	AMORT. + INT.	DEPREC- IATION	ECON. DEPR.	FOREX ADJ.	TAX ADJ.	ECON. COST
FIXED CAPITAL										
DOMESTIC ITEMS										
Houses Manager	6	57412	241130	40	38523	6028	5365	1.00	0.89	214605
Houses Labour	22	8633	132954	40	21241	3324	2958	1.00	0.89	132954
Storerooms	1	863335	604335	40	96549	15108	13446	1.00	0.89	537858
Tourist Lodges	1	2065529	1445871	40	230994	36147	32171	1.00	0.89	1286825
Borehole	0	179862	0	40	0	0	0	1.00	0.89	0
Reservoir (Whole Water System)	1	467640	327348	40	52298	8184	7283	1.00	0.89	291340
Reticulation/Pans	0	6443	0	40	0	0	0	1.00	0.89	0
Firebreaks	0.00	8805	0	40	0	0	0	1.00	0.89	0
Hiking Trails	0.00	1289	0	40	0	0	0	1.00	0.89	0
Power/Road to Site	1	71945	50361	40	8046	1259	1121	1.00	0.89	44821
CONTINGENCIES @ 5%			140100	40	22383	3502	3117	1.00	0.89	124689
SUBTOTAL DOMESTIC ITEMS			2942097							2633092
TRADABLE ITEMS										
Boma	0	75381	0	20	0	0	0	1.08	0.89	0
Hiker Camps	0	0	0	15	0	0	0	1.08	0.89	0
Pump/Windmill	1	139594	97716	15	16711	6514	6262	1.08	0.89	93924
Fencing Perimeter	0.00	125914	0	15	0	0	0	1.08	0.89	0
Fencing Internal	0.00	114467	0	15	0	0	0	1.08	0.89	0
CONTINGENCIES @ 5%			4886	15	836	326	313	1.08	0.89	4696
SUBTOTAL TRADABLES			102602							98621
SUBTOTAL- FIXED CAPITAL			3044699							2731712
MOVABLE CAPITAL										
TRADABLE ITEMS										
Land Cruisers/Trucks/Vans	4	578306	1619256	4	567169	404814	389107	1.08	0.89	1556429
Tools/Office Equipment	1	63784	44649	6	11798	7441	7153	1.08	0.89	42916
Lodge Equipment	1	83982	58787	6	15534	9798	9418	1.08	0.89	56506
Boats/Quad bikes	3	14174	29766	6	7865	4961	4768	1.08	0.89	28611
CONTINGENCIES @ 10%			175246	6	46306	29208	28074	1.08	0.89	168446
SUBTOTAL TRADABLES			1927703							1852909
DOMESTIC ITEMS										
Capture: Small Antelope	0	0	0	40	0			1.00	0.89	0
: Large Antelope	0	0	0	40	0			1.00	0.89	0
: Ostrich	0	0	0	40	0			1.00	0.89	0
: Other Animals	0	0	0	40	0			1.00	0.89	0
Horses and Donkeys	0	0	0	40	0			1.00	0.89	0
CONTINGENCIES @ 10%			0	40	0			1.00	0.89	0
SUBTOTAL- DOMESTIC ITEMS			0							0
SUBTOTAL- MOVABLE CAPITAL			1927703							1852909
WORKING CAPITAL										
			LOAN	INTEREST						
VARIABLE			554249	121935						
OVERHEAD			319972	70394						
SUBTOTAL- WORKING CAPITAL			874221	192329						
TOTALS			5846624	192329	1136253	536614	510557			5528780

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TABLE 2: STOCK COMPOSITION BY SPECIES AT FULL PRODUCTION

ITEM	HEAD	LSU FACTOR	LSU
Baboon	217	0.00	0
Black Rhinoceros	0	1.50	0
Buffalo	25	1.00	25
Burchells Zebra	924	0.63	582
Bushbuck	4	0.14	1
Bushpig	0	0.20	0
Cheetah	8	0.00	0
Crocodile	0	0.00	0
Duiker	588	0.07	41
Eland	29	1.00	29
Elephant	69	3.33	231
Gemsbok	105	0.40	42
Giraffe	58	1.50	88
Hartebeest	14	0.26	4
Impala	105	0.14	15
Klipspringer	0	0.07	0
Kudu	277	0.40	111
Lechwe	0	0.16	0
Leopard	21	0.00	0
Lion	14	0.00	0
Monkey vervet	42	0.00	0
Ostrich	210	0.26	55
Reedbuck	0	0.14	0
Roan	0	0.65	0
Small predators	140	0.00	0
Spotted Hyaena	21	0.00	0
Springbok	504	0.08	40
Steenbok	578	0.06	35
Tsessebe	0	0.26	0
Warthog	126	0.20	25
Waterbuck	0	0.37	0
Wildebeest	147	0.40	59
TOTAL	4227		1381
GAME DENSITY:	5.73	LSU PER SQ.KM.; CONCESSION SIZE:	24100 HECTARES

TABLE 3: SALES AT FULL PRODUCTION

ITEM	VISITOR DAYS	@	RATE ZK'000/Day	FINANCIAL VALUE	FOREX ADJ.	TAX ADJ.	ECON. VALUE
Overseas Adults	2247	@	2053	4613717	1.08	1.00	4982814
Regional Adults	281	@	2053	576715	1.08	1.00	622852
Resident Adults	140	@	2053	288357	1.08	1.00	311426
Citizen Adults	140	@	2053	288357	1.00	1.00	288357
Overseas Children	250	@	2053	512635	1.08	1.00	553646
Regional Children	31	@	2053	64079	1.08	1.00	69206
Resident Children	16	@	2053	32040	1.08	1.00	34603
Citizen Children	16	@	2053	32040	1.00	1.00	32040
Optional Excursions				0	1.08	1.00	0
Bar				0	1.08	1.00	0
Crafts/Curios				46811	1.08	1.00	50556
TOTALS	3121		GROSS INCOME	6454751			6945500

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TABLE 4: VARIABLE EXPENDITURE AT FULL PRODUCTION

ITEM	FINANCIAL VALUES			FOREX ADJ.	TAX ADJ.	ECONOMIC VALUES		
	ZK'000/LSUK'000/HA.	VALUE	VALUE			ZK'000/LSUK'000/HA.	VALUE	VALUE
TRADABLE ITEMS								
						0.25		
						1613688		
Marketing Costs: Advertising	467.35	26.78	645475	1.08	0.89	449.22	25.74	620431
: Agents Fees	701.03	40.17	968213	1.08	0.89	757.11	43.39	1045670
Lodge Running Costs : Accomodation	67.94	3.89	93830	1.08	0.89	65.30	3.74	90189
: Transport	18.75	1.07	25897	1.08	0.89	18.02	1.03	24892
: Optional Activ.	0.00	0.00	0	1.08	0.89	0.00	0.00	0
: Bar	47.56	2.73	65681	1.08	0.89	45.71	2.62	63132
: Craffs/Curios	28.19	1.62	38939	1.08	0.89	27.10	1.55	37428
Fodder and Supplements	0.00	0.00	0	1.08	0.89	0.00	0.00	0
Offtake Costs: Ammunition	0.00	0.00	0	1.08	0.89	0.00	0.00	0
: Supplies and Packaging	0.00	0.00	0	1.08	0.89	0.00	0.00	0
: Transport	0.00	0.00	0	1.08	0.89	0.00	0.00	0
: Live Game Distribution	0.00	0.00	0	1.08	0.89	0.00	0.00	0
: Biltong Distribution	0.00	0.00	0	1.08	0.89	0.00	0.00	0
Fuels, Oils and Miscellaneous Costs	17.66	1.01	24396	1.08	0.89	16.98	0.97	23449
SUBTOTAL TRADABLES	1348.48	77.28	1862430			1379.44	79.05	1905192
DOMESTIC ITEMS								
Veterinary and Medicine Costs	0.00	0.00	0	1.00	0.89	0.00	0.00	0
Licence Fees: Park Entrance Fees	143.93	8.25	198792	1.00	1.00	0.00	0.00	0
: Hunting Licences	0.00	0.00	0	1.00	1.00	0.00	0.00	0
Sales Tax	514.09	29.46	710023	1.00	1.00	0.00	0.00	0
SUBTOTAL DOMESTIC ITEMS	658.02	37.71	908814			0.00	0.00	0
TOTAL VARIABLE EXPENDITURE	2006.51	114.99	2771245			1379.44	79.05	1905192

TABLE 5: OPERATING OVERHEAD EXPENDITURE AT FULL PRODUCTION

ITEM	FINANCIAL VALUES			FOREX ADJ.	TAX ADJ.	ECONOMIC VALUES		
	ZK'000/LSUK'000/HA.	VALUE	VALUE			ZK'000/LSUK'000/HA.	VALUE	VALUE
DOMESTIC ITEMS								
						0.17		
						1075452		
Salaries and Wages: Unskilled Labour	100.47	5.76	138768	1.00	1.00	100.47	5.76	41630
: Skilled Labour	175.83	10.08	242844	1.00	1.00	175.83	10.08	129679
: Managers	502.37	28.79	693840	1.00	1.00	502.37	28.79	693840
Administration	42.45	2.43	58629	1.00	0.89	42.45	2.43	52180
Maintenance and Repairs	124.83	7.15	172409	1.00	0.89	124.83	7.15	153444
Insurance	212.41	12.17	293372	1.00	0.89	212.41	12.17	261101
Travelling	0.00	0.00	0	1.00	0.89	0.00	0.00	0
TOTAL OPERATING OVERHEAD EXPEND.	1158.37	66.38	1599862			1158.37	66.38	1331874

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TABLE 6: STATIC FINANCIAL MODEL (AT FULL PRODUCTION)

ITEM	UNITS		TOTAL
Concession Extent	Hectares		24100
Concession Stock	Large Stock Units (LSU)		1381
Total Capital Requirement	ZK'000		5846624
	ZK'000/LSU	ZK'000/HECTARE	ZK'000
GROSS INCOME	4673.53	267.83	6454751
VARIABLE COSTS	2006.51	114.99	2771245
GROSS MARGIN	2667.02	152.84	3683506
OVERHEAD COSTS			
Overhead Operating Costs	1158.37	66.38	1599862
Loan Amortisation and Interest	205.67	11.79	284063
Provisions for Capital Replacement	291.40	16.70	402461
Interest on Variable Working Capital	88.29	5.06	121935
Interest on Overhead Working Capital	50.97	2.92	70394
Land Rental	14.31	0.82	19762
Resource Royalty	186.94	10.71	258190
TOTAL OVERHEAD COSTS	1995.95	114.38	2756667
NET CASH INCOME	671.07	38.46	926840
NET CASH INCOME/ZK'000/100 TOTAL CAZK'000ITAL INVESTM	15.85		
"TOTAL BENEFITS"*/ZK'000/100 TOTAL CAZK'000ITAL INVESTM	54.55		
"TOTAL BENEFITS"*/HECTARE	132.33		

* "Total Benefits" = all of Net Cash Income, Salaries and Wages, Licences and Duties, Rental and Royalties.

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TABLE 7: STATIC ECONOMIC MODEL (AT FULL PRODUCTION)

ITEM	UNITS		TOTAL
Concession Extent	Hectares		24100
Concession Stock	Large Stock Units (LSU)		1381
Total Capital Requirement	ZK'000		5528780
Economic Depreciation Cost	ZK'000		510557
Foreign Financing (Prorated)	ZK'000		144886
Foreign Amortisation	ZK'000		36221
Foreign Capital Replacement Provision	ZK'000		108664
Foreign Interest Cost	ZK'000		213831
Domestic Interest Cost	ZK'000		641493
ECONOMIC BENEFITS	ZK'000/LSU	ZK'000/HECTARE	ZK'000
Gross Income	5028.85	288.20	6945500
ECONOMIC COSTS			
DOMESTIC COMPONENT			
Shadow Unskilled Citizen Wages	30.14	1.73	41630
Other Citizen Wages	470.67	26.97	650059
Opportunity Cost of Capital	400.31	22.94	552878
Other Domestic Economic Costs	337.93	19.37	466725
SUBTOTAL DOMESTIC COMPONENT	1239.05	71.01	1711292
TRADABLE COMPONENT			
Foreign Remuneration	125.59	7.20	173460
Foreign Services	965.07	55.31	1332880
Foreign Interest	154.82	8.87	213831
Foreign Lease Payments	0.00	0.00	0
Foreign Rentals	0.00	0.00	0
Foreign Net Income	181.19	10.38	250247
Other Tradable Economic Costs	414.38	23.75	572311
SUBTOTAL TRADABLE COMPONENT	1841.05	105.51	2542730
TOTAL ECONOMIC COSTS	3080.10	176.52	4254022
GROSS VALUE ADDED TO NATIONAL INCOME	1948.75	111.68	2691478
NET VALUE ADDED (Excluding Depreciation)	1579.09	90.49	2180921
STATISTICAL GROSS VALUE ADDED	2449.57	140.38	3383167
DOMESTIC RESOURCE COST RATIO =	0.53		
NET VALUE ADDED/ZK'000/100 TOTAL CAZK'000ITAL COST =	39.45		
CAPITAL COST/EMPLOYMENT OPPORTUNITY CREATED =	197456		
NUMBER OF EMPLOYMENT OPPORTUNITIES/1000 HA.	1.16		

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TABLE 8: CAPITAL PHASING, DEPRECIATION SCHEDULE AND CALCULATION OF RESIDUAL VALUE

ITEM	LIFE (Yrs)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
DEPRECIABLE ASSETS												
"Forty Year" Items	40											
Total Expenditure		2942097										
Phased Expenditure		1765258	1176839	0	0	0	0	0	0	0	0	0
Depreciation		44131	73552	73552	73552	73552	73552	73552	73552	73552	73552	73552
Residual value		1765258	2897966	2824414	2750861	2677309	2603756	2530204	2456651	2383099	2309546	2235994
"Twenty Year" Items	20											
Total Expenditure		0										
Phased Expenditure		0	0	0	0	0	0	0	0	0	0	0
Depreciation		0	0	0	0	0	0	0	0	0	0	0
Residual value		0	0	0	0	0	0	0	0	0	0	0
"Fifteen Year" Items	15											
Total Expenditure		102602										
Phased Expenditure		61561	41041	0	0	0	0	0	0	0	0	0
Depreciation		4104	6840	6840	6840	6840	6840	6840	6840	6840	6840	6840
Residual value		61561	98498	91657	84817	77977	71137	64297	57457	50617	43777	36937
"Six Year" Items	6						6					
Total Expenditure		308447						308447				
Phased Expenditure		215913	92534	0	0	0	0	215913	92534	0	0	0
Depreciation		35986	51408	51408	51408	51408	51408	51408	51408	51408	51408	51408
Residual value		215913	272462	221054	169646	118238	66830	231336	272462	221054	169646	118238
"Four Year" Items	4											
Total Expenditure		1619256				1619256				1619256		
Phased Expenditure		1619256	0	0	0	1619256	0	0	0	1619256	0	0
Depreciation		404814	404814	404814	404814	404814	404814	404814	404814	404814	404814	404814
Residual value		1619256	1214442	809628	404814	1619256	1214442	809628	404814	1619256	1214442	809628
NON DEPRECIABLE ASSETS												
Stock	-											
Phased Expenditure		0	0	0	0	0	0	0	0	0	0	0
Residual value		0	0	0	0	0	0	0	0	0	0	0
Working Capital	-											
Phased Expenditure		874221	0	0	0	0	0	0	0	0	0	0
TOTAL PHASED CAPITAL EXPENDITURE												
Domestic Component		1765258	1176839	0	0	0	0	0	0	0	0	0
Tradable Component		1896730	133575	0	0	1619256	0	215913	92534	1619256	0	0
Total Financial Value		3661989	1310414	0	0	1619256	0	215913	92534	1619256	0	0
Total Economic Value		3394217	1175779	0	0	1556429	0	207536	88944	1556429	0	0
TOTAL ASSET RESIDUAL VALUE												
Domestic Component		1765258	2897966	2824414	2750861	2677309	2603756	2530204	2456651	2383099	2309546	2235994
Tradable Component		1896730	1585401	1122339	659277	1815471	1352409	1105261	734733	1890927	1427865	964803
Financial Value		3661989	4483367	3946753	3410139	4492780	3956166	3635464	3191384	4274026	3737411	3200797
Economic Value		3394217	4103078	3592521	3081964	4127836	3617279	3314258	2892645	3938517	3427960	2917403

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TABLE 9: LOAN FINANCING SCHEDULE

ITEM	PERIOD (Yrs)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
LONG TERM LOANS												
TWENTY YEAR LOAN	20											
Total Expenditure		735524										
Loan Disbursements		441315	294210	0	0	0	0	0	0	0	0	0
Loan Payments		70505	117508	117508	117508	117508	117508	117508	117508	117508	117508	117508
Amortisation		22066	36776	36776	36776	36776	36776	36776	36776	36776	36776	36776
Interest Payments		48439	80732	80732	80732	80732	80732	80732	80732	80732	80732	80732
Loans Outstanding		441315	713459	676682	639906	603130	566354	529578	492801	456025	419249	382473
FIFTEEN YEAR LOAN	15											
Total Expenditure		25650										
Loan Disbursements		19238	6413	0	0	0	0	0	0	0	0	0
Loan Payments		3290	4387	4387	4387	4387	4387	4387	4387	4387	4387	4387
Amortisation		1283	1710	1710	1710	1710	1710	1710	1710	1710	1710	1710
Interest Payments		2007	2677	2677	2677	2677	2677	2677	2677	2677	2677	2677
Loans Outstanding		19238	24368	22658	20948	19238	17528	15818	14108	12398	10688	8978
SIX YEAR LOAN	6											
Total Expenditure		77112						77112				
Loan Disbursements		53978	23134	0	0	0	0	53978	23134	0	0	0
Loan Payments		14263	20376	20376	20376	20376	20376	20376	20376	20376	20376	20376
Amortisation		8996	12852	12852	12852	12852	12852	12852	12852	12852	12852	12852
Interest Payments		5267	7524	7524	7524	7524	7524	7524	7524	7524	7524	7524
Loans Outstanding		53978	68115	55263	42412	29560	16708	57834	68115	55263	42412	29560
FOUR YEAR LOAN	4											
Total Expenditure		404814				404814				404814		
Loan Disbursements		404814	0	0	0	404814	0	0	0	404814	0	0
Loan Payments		141792	141792	141792	141792	141792	141792	141792	141792	141792	141792	141792
Amortisation		101204	101204	101204	101204	101204	101204	101204	101204	101204	101204	101204
Interest Payments		40589	40589	40589	40589	40589	40589	40589	40589	40589	40589	40589
Loans Outstanding		404814	303611	202407	101204	404814	303611	202407	101204	404814	303611	202407
SHORT TERM LOANS												
Working Capital	1											
Overdraft		874221	874221	874221	874221	874221	874221	874221	874221	874221	874221	874221
Interest Payments		192329	192329	192329	192329	192329	192329	192329	192329	192329	192329	192329
TOTAL LONG TERM LOAN DISBURSMENTS												
Domestic Component		689509	242817	0	0	303611	0	40484	17350	303611	0	0
Foreign Component *		248223	87414	0	0	109300	0	14574	6246	109300	0	0
TOTAL LONG TERM LOAN AMORTISATION												
Domestic Component		100161	114406	114406	114406	114406	114406	114406	114406	114406	114406	114406
Foreign Component *		36058	41186	41186	41186	41186	41186	41186	41186	41186	41186	41186
TOTAL INTEREST PAYMENTS												
Domestic Component		216473	242888	242888	242888	242888	242888	242888	242888	242888	242888	242888
Foreign Component *		77930	87440	87440	87440	87440	87440	87440	87440	87440	87440	87440
TOTAL LOANS OUTSTANDING												
Domestic Component		689509	832164	717758	603352	792556	678150	604227	507171	696375	581969	467563
Foreign Component *		248223	299579	258393	217207	285320	244134	217522	182582	250695	209509	168323

* Economic Values

FINANCIAL/ECONOMIC MODEL - KASONSO BUSANGA WILDLIFE VIEWING TOURISM - BASE CASE 2011

TABLE 10: FINANCIAL ANALYSIS - 5 YEARS

ITEM	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
EXPENDITURE						
Capital Expenditure	3661989	1310414	0	0	1619256	0
Variable Expenditure	277124	1662747	2771245	2771245	2771245	2771245
Overhead Expenditure	1877814	1877814	1877814	1877814	1877814	1877814
TOTAL EXPENDITURE	5816927	4850975	4649059	4649059	6268315	4649059
INCOME						
Gross Income	0	3227376	5809276	6454751	6454751	6454751
Asset Residual Value	0	0	0	0	0	3956166
TOTAL INCOME	0	3227376	5809276	6454751	6454751	10410917
NET BENEFIT/COST	-5816927	-1623599	1160217	1805692	186436	5761858
FINANCIAL RATE OF RETURN (FRR) OVER 5 YEARS = 4.70%						
NET PRESENT VALUE (NPV) @ 10.00% = -1156752						

TABLE 11: FINANCIAL ANALYSIS - 7 YEARS

ITEM	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
EXPENDITURE								
Capital Expenditure	3661989	1310414	0	0	1619256	0	215913	92534
Variable Expenditure	277124	1662747	2771245	2771245	2771245	2771245	2771245	2771245
Overhead Expenditure	1877814	1877814	1877814	1877814	1877814	1877814	1877814	1877814
TOTAL EXPENDITURE	5816927	4850975	4649059	4649059	6268315	4649059	4864972	4741593
INCOME								
Gross Income	0	3227376	5809276	6454751	6454751	6454751	6454751	6454751
Asset Residual Value	0	0	0	0	0	0	0	3191384
TOTAL INCOME	0	3227376	5809276	6454751	6454751	6454751	6454751	9646135
NET BENEFIT/COST	-5816927	-1623599	1160217	1805692	186436	1805692	1589779	4904542
FINANCIAL RATE OF RETURN (FRR) OVER 7 YEARS = 9.00%								
NET PRESENT VALUE (NPV) @ 10.00% = -286091								

TABLE 12: FINANCIAL ANALYSIS - 10 YEARS

ITEM	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
EXPENDITURE											
Capital Expenditure	3661989	1310414	0	0	1619256	0	215913	92534	1619256	0	0
Variable Expenditure	277124	1662747	2771245	2771245	2771245	2771245	2771245	2771245	2771245	2771245	2771245
Overhead Expenditure	1877814	1877814	1877814	1877814	1877814	1877814	1877814	1877814	1877814	1877814	1877814
TOTAL EXPENDITURE	5816927	4850975	4649059	4649059	6268315	4649059	4864972	4741593	6268315	4649059	4649059
INCOME											
Gross Income	0	3227376	5809276	6454751	6454751	6454751	6454751	6454751	6454751	6454751	6454751
Asset Residual Value	0	0	0	0	0	0	0	0	0	0	3200797
TOTAL INCOME	0	3227376	5809276	6454751	6454751	6454751	6454751	6454751	6454751	6454751	9655548
NET BENEFIT/COST	-5816927	-1623599	1160217	1805692	186436	1805692	1589779	1713158	186436	1805692	5006489
FINANCIAL RATE OF RETURN (FRR) OVER 10 YEARS = 12.01%											
NET PRESENT VALUE (NPV) @ 10.00% = 755088											

FINANCIAL/ECONOMIC MODEL - KASONSO BUSANGA WILDLIFE VIEWING TOURISM - BASE CASE 2011

TABLE 13: ECONOMIC ANALYSIS - 5 YEARS

ITEM	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
ECONOMIC COSTS						
Capital Expenditure	3394217	1175779	0	0	1556429	0
Unskilled Wages	41630	41630	41630	41630	41630	41630
Other Domestic Costs	893427	1116784	1116784	1116784	1116784	1116784
Tradable Costs	204243	1225458	2042430	2042430	2042430	2042430
Foreign Amortisation	36058	41186	41186	41186	41186	41186
Foreign Profits	0	17517	200197	250247	250247	250247
Foreign Loans Outst.	0	0	0	0	0	244134
TOTAL COSTS	4569575	3618355	3442228	3492277	5048706	3736411
ECONOMIC BENEFITS						
Gross Income	0	3472750	6250950	6945500	6945500	6945500
Asset Residual Value	0	0	0	0	0	3617279
Foreign Financing	248223	87414	0	0	109300	0
TOTAL BENEFITS	248223	3560164	6250950	6945500	7054799	10562779
NET BENEFIT/COST	-4321352	-58191	2808722	3453222	2006093	6826367
ECONOMIC RATE OF RETURN (ERR) OVER 5 YEARS				=	41.14%	
NET PRESENT VALUE (NPV) @		10.00%		=	5591170	

TABLE 14: ECONOMIC ANALYSIS - 10 YEARS

ITEM	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ECONOMIC COSTS											
Capital Expenditure	3394217	1175779	0	0	1556429	0	207536	88944	1556429	0	0
Unskilled Wages	41630	41630	41630	41630	41630	41630	41630	41630	41630	41630	41630
Other Domestic Costs	893427	1116784	1116784	1116784	1116784	1116784	1116784	1116784	1116784	1116784	1116784
Tradable Costs	204243	1225458	2042430	2042430	2042430	2042430	2042430	2042430	2042430	2042430	2042430
Foreign Amortisation	36058	41186	41186	41186	41186	41186	41186	41186	41186	41186	41186
Foreign Profits	0	17517	200197	250247	250247	250247	250247	250247	250247	250247	250247
Foreign Loans Outst.	0	0	0	0	0	0	0	0	0	0	168323
TOTAL COSTS	4569575	3618355	3442228	3492277	5048706	3492277	3699813	3581221	5048706	3492277	3660600
ECONOMIC BENEFITS											
Gross Income	0	3472750	6250950	6945500	6945500	6945500	6945500	6945500	6945500	6945500	6945500
Asset Residual Value	0	0	0	0	0	0	0	0	0	0	2917403
Foreign Financing	248223	87414	0	0	109300	0	14574	6246	109300	0	0
TOTAL BENEFITS	248223	3560164	6250950	6945500	7054799	6945500	6960074	6951746	7054799	6945500	9862903
NET BENEFIT/COST	-4321352	-58191	2808722	3453222	2006093	3453222	3260261	3370524	2006093	3453222	6202303
ECONOMIC RATE OF RETURN (ERR) OVER 10 YEARS				=	45.63%						
NET PRESENT VALUE (NPV) @		10.00%		=	11288537						

FINANCIAL/ECONOMIC MODEL - KASONSO BUSANGA WILDLIFE VIEWING TOURISM - BASE CASE 2011

TABLE 16: SUMMARY OF RESULTS

ITEM	UNITS				TOTAL
Concession Extent	Hectares				24100
Concession Stock	Large Stock Units (LSU)				1381
Annual Visitor Days (VD)	Number				3121
ITEM	% of TCI	ZK'000/VISITOR DAY	ZK'000/LSU	ZK/HECTARE	ZK'000
Total Private Capital (TCI)	-	1,873	4,233	243	5,846,624
Private Gross Income	110%	2,068	4,674	268	6,454,751
Variable Private Costs	-	888	2,007	115	2,771,245
Fixed Private Costs	-	883	1,996	114	2,756,667
Net Private Income	16%	297	671	38	926,840
Local Community Income	11%	211	478	27	659,564
Land Rental	-	6	14	1	19,762
Resource Royalty	-	83	187	11	258,190
Private Rate of Return (@ 10 Years)	-	-	-	-	12%
Private Net Present Value (@ 10%, @ 10 Years)	-	-	-	31	755,088
Total Economic Capital	-	1,772	4,003	229	5,528,780
Economic Gross Income	126%	2,226	5,029	288	6,945,500
Economic Costs	77%	1,363	3,080	177	4,254,022
Gross Value Added to National Income	49%	862	1,949	112	2,691,478
Net Value Added to National Income	39%	699	1,579	90	2,180,921
Economic Rate of Return (@ 10 Years)	-	-	-	-	46%
Economic Net Present Value (@ 10%, @ 10 Years)	-	-	-	468	11,288,537
Economic Capital Cost/Job	-	-	-	-	197,456
Domestic Resource Cost Ratio	-	-	-	-	0.53
Policy Analysis Matrix	: Effects of Policy / Market Imperfections		: on Output		(490,748)
			: on Tradable Inputs		680,299
			: on Domestic Factors		(1,443,632)
	: Net Effects of Policy / Market Imperfections		: on Annual Net Income		(1,254,082)
			: on Net Present Value (10 Years)		(10,533,449)

ANNEX B. Summary of typical CRB business model GKED, 2011

FINANCIAL/ECONOMIC MODEL - GENERAL CRB BUSINESS MODEL - BASE CASE 2010

TABLE 19: SUMMARY OF RESULTS

ITEM	UNITS	TOTAL		
Land Extent	Hectares	284000		
GMA Stock	Large Stock Units (LSU)	771		
ITEM	% of TCI	ZK'000/LSU	ZK'000/HECTARE	ZK'000
Total Private Capital (TCI)	-	1,153	3.13	889,575
Private Gross Income	127%	1,459	3.96	1,125,554
Variable Private Costs	-	442	1.20	341,357
Fixed Private Costs	-	556	1.51	428,757
Net Private Income	40%	461	1.25	355,441
Community Private Income	71%	819	2.22	631,441
Land Rental	-	-	-	-
Resource Royalty	-	-	-	-
Project Private Rate of Return (@ 10 Years)	-	-	-	10%
Community Private Rate of Return (@ 10 Years)	-	-	-	26%
Project Private Net Present Value (@ 10%, @ 10 Years)	-	-	(0.26)	(74,860)
Community Private Net Present Value (@ 10%, @ 10 Years)	-	-	4.53	1,285,202
Total Economic Capital	-	1,090	2.96	841,089
Economic Gross Income	144%	1,575	4.28	1,215,173
Economic Costs	70%	763	2.07	588,275
Gross Value Added to National Income	75%	813	2.21	626,898
Net Value Added to National Income	63%	691	1.88	532,700
Economic Rate of Return (@ 10 Years)	-	-	-	28%
Economic Net Present Value (@ 10%, @ 10 Years)	-	-	5.84	1,657,380
Economic Capital Cost/Job	-	-	-	14,256
Domestic Resource Cost Ratio	-	-	-	0.43
Policy Analysis Matrix	: Effects of Policy / Market Imperfections	: on Output		(89,618)
		: on Tradable Inputs		(12,403)
		: on Domestic Factors		(75,238)
	: Net Effects of Policy / Market Imperfections	: on Annual Net Income		(177,259)
		: on Net Present Value (10 Years)		(1,732,239)