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KWABULAWAYO DEVELOPMENT

BUSINESS PLAN II

APRIL 2004

KWABULAWAYO DEVELOPMENT

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KWABULAWAYO DEVELOPMENT

1. INTRODUCTION

1.1 CONCEPT

"We are one of those nations in Africa which should take a lead in the campaign to revive our African heritage and all those things that gave us dignity and respect in our humanness as Africans"

His Majesty King Goodwill Zwelithini Bhekezulu – Shaka Day Celebration at KwaDukusa on 26th September 1998

The site of King Shaka's KwaBulawayo Military Capital is recognized by all his subjects and many others as being of prime importance in Zulu culture and history. It was here that the heritage of the Zulu Nation was formulated.

"KwaBulawayo was the engine of the Zulu Nations growth and as such, in many ways, is the starting point for important linkages which must be made with all other Zulu historical and cultural sites throughout KwaZulu-Natal and beyond"

Professor Maphalala – Head of History Department – University of Zululand on 20th August 1998

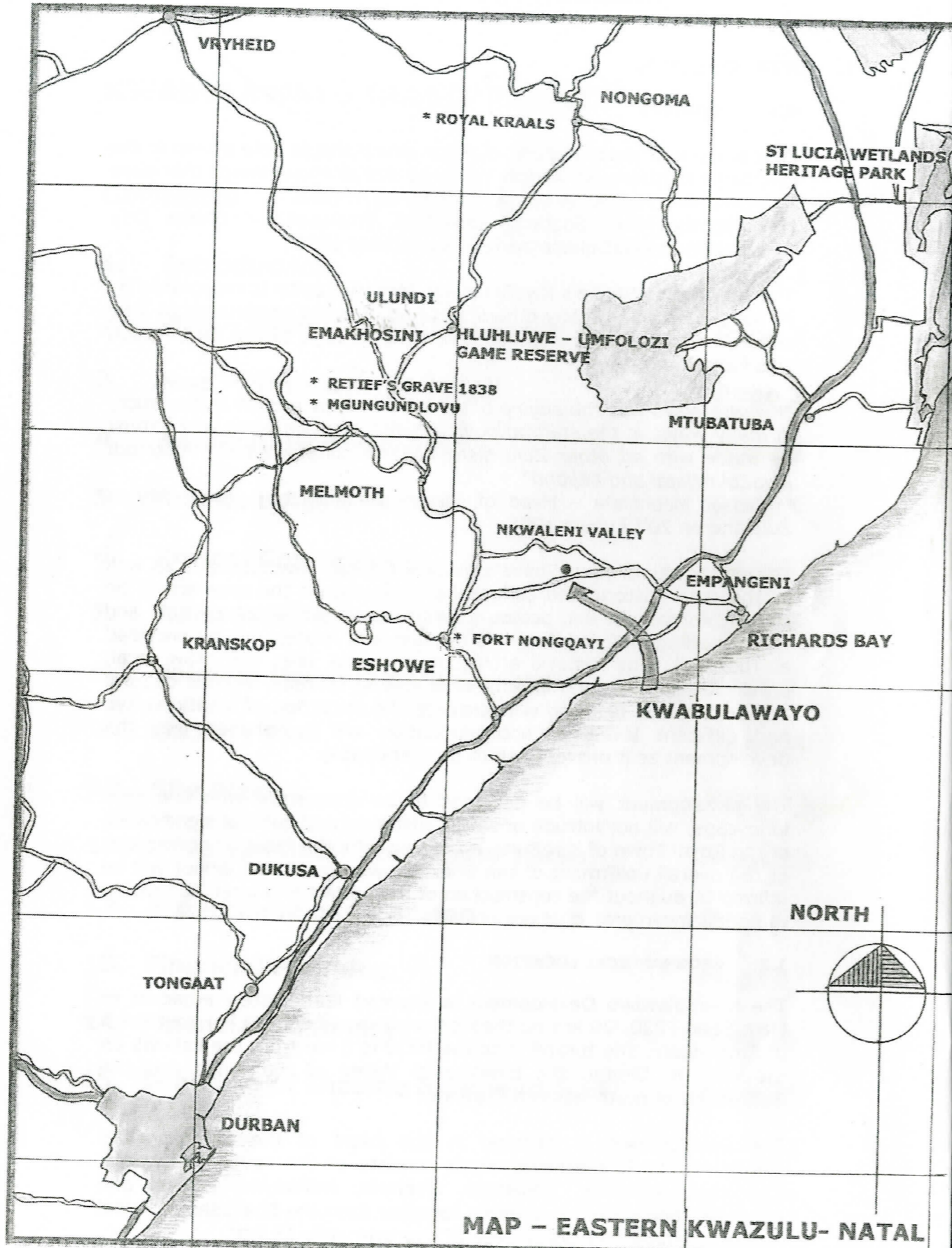
The actual site of King Shaka's Military Capital, KwaBulawayo as well as the other historic and cultural/heritage sites in the area are to be clearly marked out and access to them upgraded. Graphic visual and verbal heritage information plus displays and models will be provided at the sites. The historic attraction of these sites will draw local, provincial, national and international visiting tourists. Various cultural and commercial facilities will reinforce the attraction of KwaBulawayo and different levels of accommodation will be phased into the development as it proves itself to be sustainable.

The development will be designed to be compatible with the local landscape, will not intrude upon the historical and cultural significance of the Royal Town of KwaBulawayo and will be the focus or nodal point of the overall upliftment of the Bhekeshowe area. Local labour will be utilized throughout the construction of the project and locally occurring materials incorporated where possible.

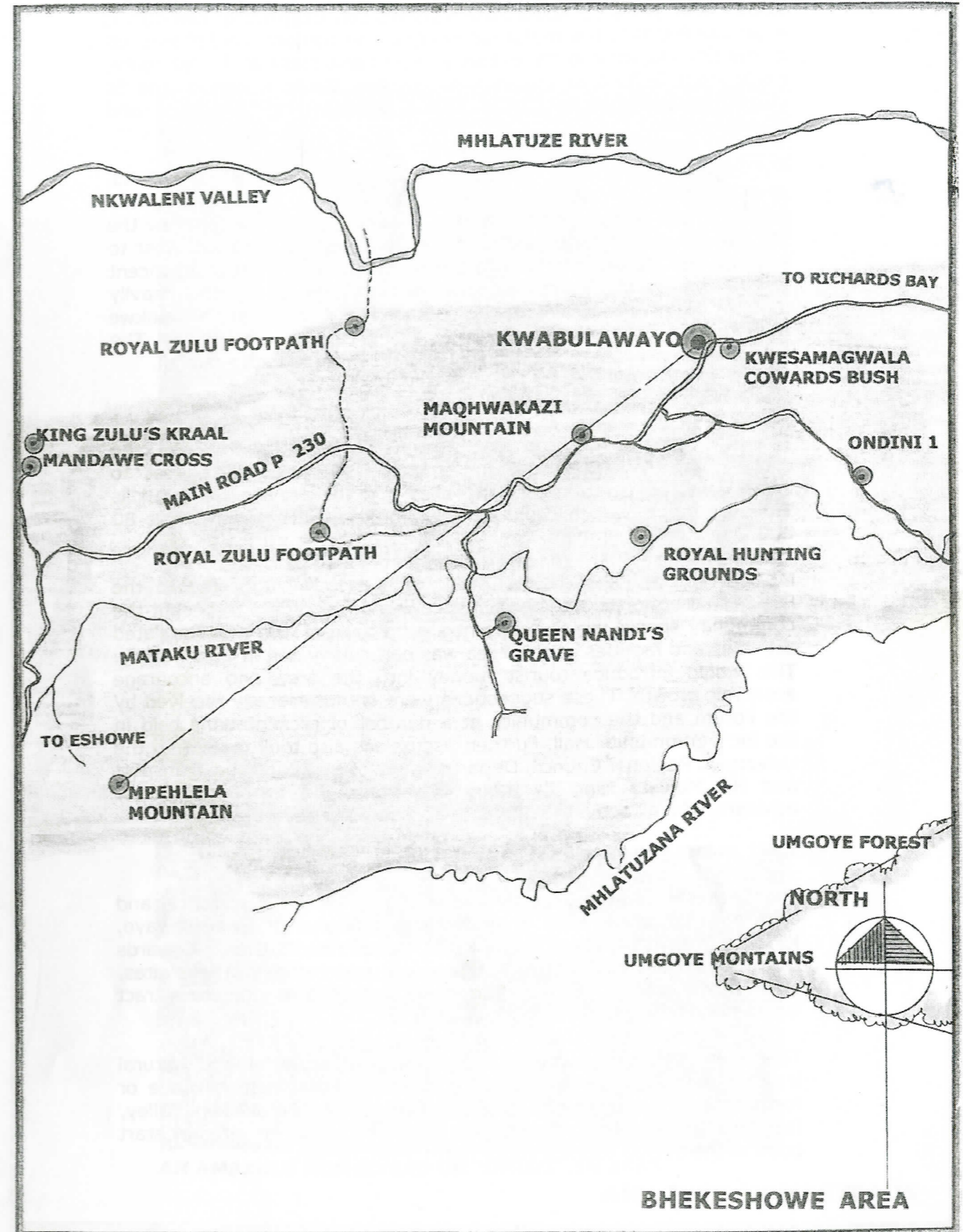
1.2 GEOGRAPHICAL LOCATION

The KwaBulawayo Development is situated immediately adjacent to Main Road P230, 20 km northeast from Eshowe and 30 km southwest of Empangeni. The turnoff onto the P230 is 5 km from the Eshowe on the road to Ulundi, the Emakhosini Valley of the Kings and the Battlefields of north-eastern Zululand.

The Development is situated in the heart of the verdant rural community of Bhekeshowe which consists of the seven sub-wards, KwaNzuza, Mdlalose, Basamlilo, Mashishi, Ndiwayini, Habeni and Mkhwelantaba. These sub-wards together form the Bhekeshowe Tribal Authority which controls an area of approximately 15 km²



MAP - EASTERN KWAZULU- NATAL



BHEKESHOWE AREA

For the visiting tourist, KwaBulawayo is 1.5 hours by road from Durban, less from the proposed new King Shaka International Airport at La Mercy and 0.75 hours from Richards Bay deep-water harbour. It is situated astride the major historic/cultural corridor via Eshowe, up to the Emakhosini and the Battlefields and also close to the N2 route, north from Durban to the various Zululand Game Reserves, the St Lucia Heritage Park and Maputaland en route to Swaziland and Mozambique.

The Bhekeshowe area consists of undulating, open grassland, changing through sparse and dense thornbush to heavy indigenous forests in the valleys and the Ngoya mountains. It is bordered by the strongly flowing Mhlatuze river on the north and is traversed west to east by the Mateku and Umhlatuzana rivers. There are magnificent vistas towards the eastern coastal lowlands, the rocky and heavily forested Ngoya mountains to the south and the legendary Nkwenkwe mountain to the north across the fertile, green Nkwaleni Valley. The area also enjoys a mild sub-tropical climate with moderate rainfall.

1.3 BACKGROUND TO THE DEVELOPMENT

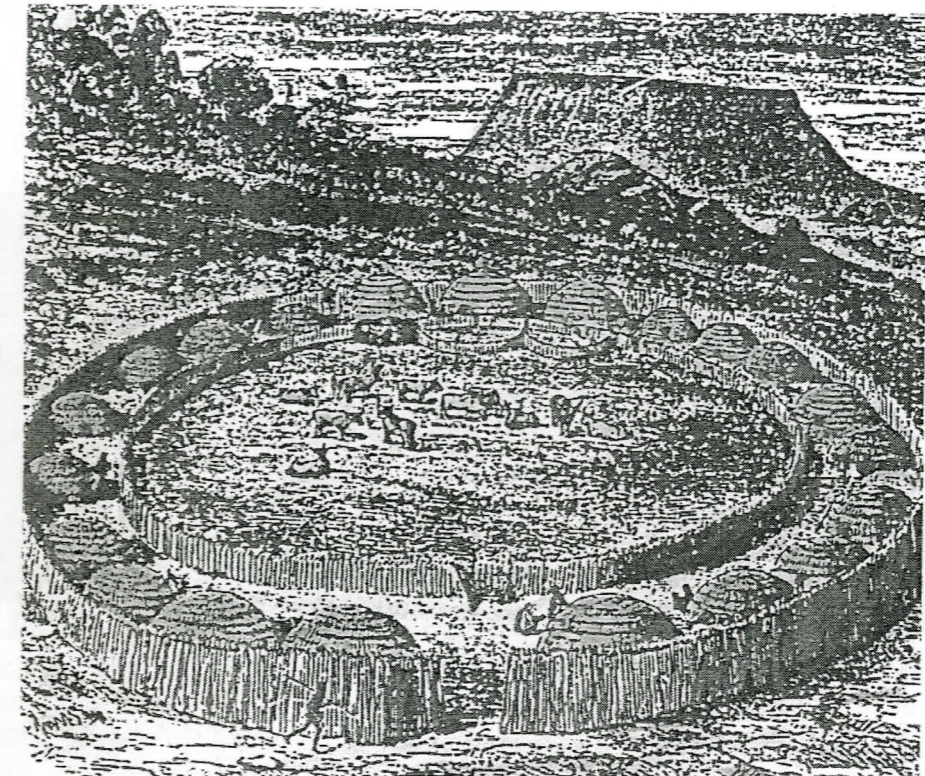
The Bhekeshowe Development Forum originally approached the consultants, M&R Civemech in January 1998 with a request to investigate the upliftment of the area and the provision of a Skills Training Centre, which could directly and indirectly benefit their 80 000 community members.

M&R Civemech (later IP&M Consulting Services) suggested to the Forum that a more holistic and sustainable development to benefit the community should initially concentrate on tourism and tourist related activities and facilities as this area was particularly rich in Zulu history. This would introduce tourist money into the area and encourage economic growth. These suggestions were enthusiastically received by the Forum and the community at a number of presentations held in the local Community Hall. Further discussions also took place with the Uthungulu Regional Council, Departments of Agriculture and Transport and His Majesty King Zwelithini Bhekezulu and the Royal family advisors, who all actively support the proposed development.

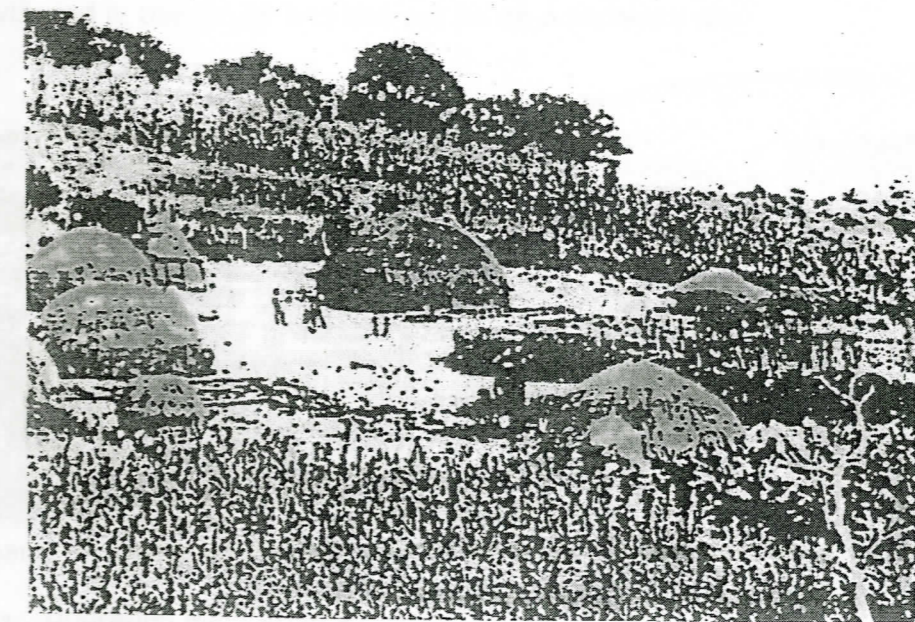
1.4 THEME AND BUSINESS CONCEPT

The Bhekeshowe area is richly endowed with places of historical and cultural significance, King Shaka's Military Capital of KwaBulawayo, King Cetshwayo's Ondini 1 Royal Kraal, Queen Nandi's Grave, Cowards Bush the Royal Zulu Military Pathway and many others. These sites, once clearly marked and upgraded will act as a magnet to attract visitors and tourists.

This area with its obvious heritage, historic, cultural and natural interest lacks only some form of commercial infrastructural node or focus point to become at least as significant as the Emakhosini Valley, Isandlwana, Rourkes Drift and the Battlefields and an integral start point of the overall tourism route north from Durban.

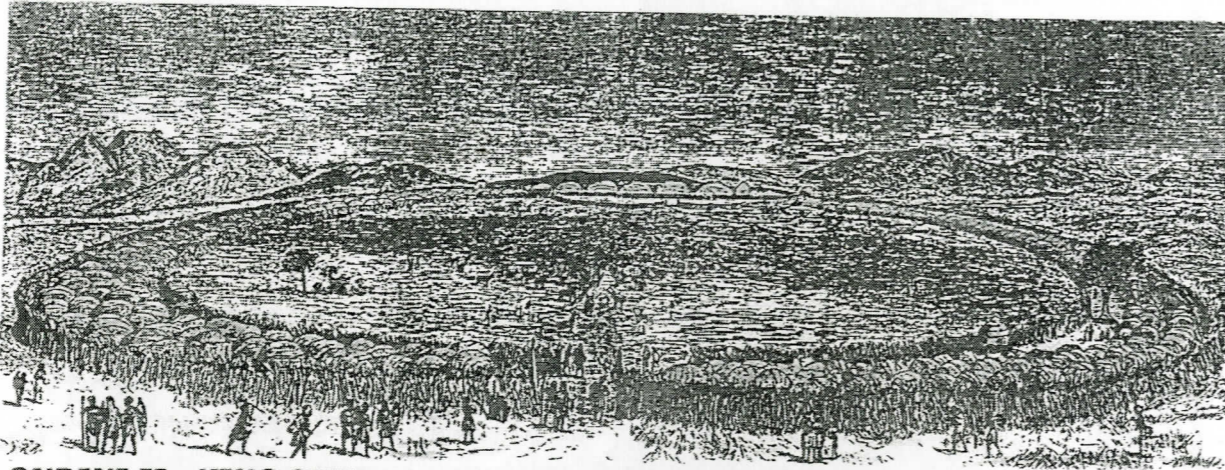


AN AMAZULU HOMESTEAD OR "UMUZI" IN 1891

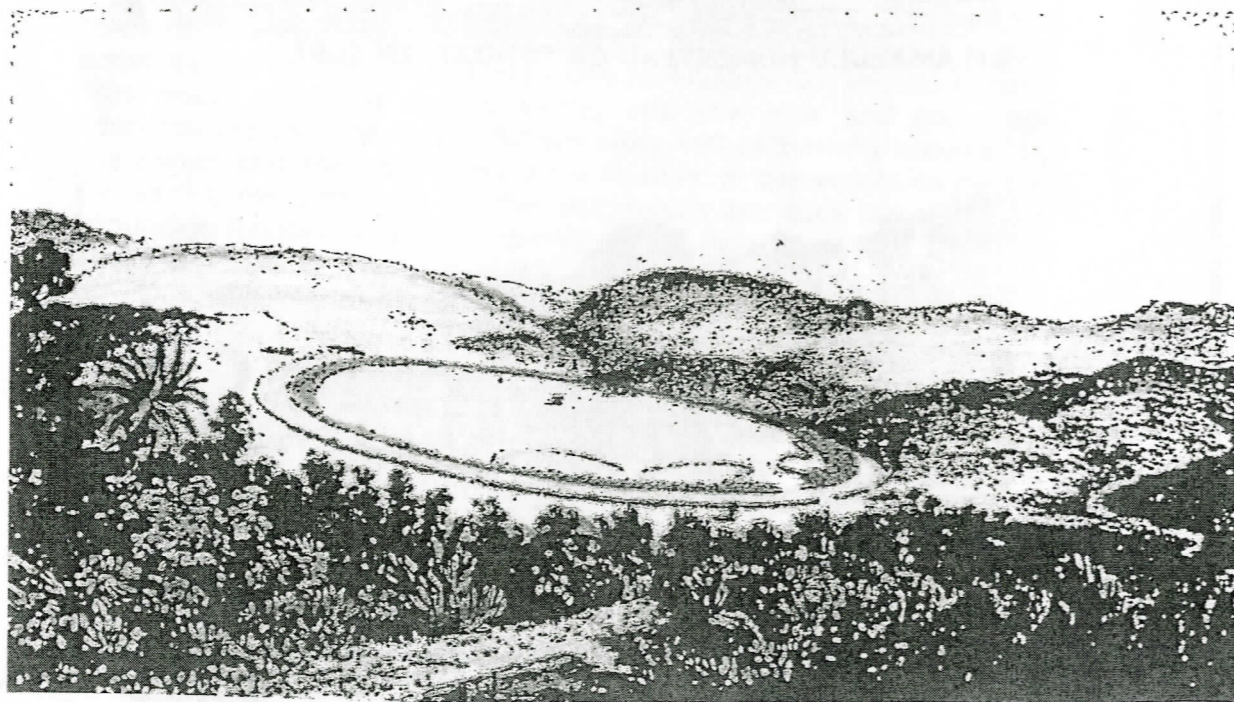


AN AMAZULU HOMESTEAD OR "UMUZI" IN 1836

AMAZULU HOMESTEADS



ONDINI II : KING CETSHWAYO'S ROYAL TOWN IN 1879



MGUNGUNDOVU : KING DINGANE'S ROYAL TOWN IN 1840

AMAZULU ROYAL TOWNS

2. PROJECT COMPONENTS

The two historic mountains in the Bhekeshowe area, KwaMpehlela and KwaMaqwakazi, that were used as direction indicators for King Shaka's returning Impi's still point the way directly to the site of KwaBulawayo and the proposed Development.

The site for the Development is a shallow, natural basin surrounded by five small hills and is immediately adjacent to the site of the original KwaBulawayo Royal Town. The stone monument to KwaBulawayo and the similar one at Cowards Bush (KwaSemagwala) together with what is purported to be the original kei apple tree are immediately adjacent to the Development.

The main element of this Development, a grassed circular arena, takes its form from the shape and feeling of enclosure engendered by the traditional Zulu homestead or "umuzi" as well as the horns and chest battle formation developed by King Shaka for his army of attacking Impi's. The arena will be utilized for annual Zulu cultural events, plays and music, large meetings and sporting functions.

This arena with its circular shape is reinforced by the various buildings making up the visitor and tourist facilities of the Development and overlooks several existing traditional homesteads with distant views of the Ngoya forest and the Nkwaleni valley and mountains on the opposite side of the Umhlatuze river. A complex of traditional hutted accommodation will be situated immediately to the north of the visitor/tourism facilities.

Other levels of accommodation development are envisaged in the future but these will only be initiated once the sustainability of the visitor/tourism facilities is proven. These include a camping facility, an artificial lake and a luxury lodge. A Skills Training Centre is also envisaged in the future and this will be on a separate site.

2.1 TOURISM FACILITIES

- Marked and upgraded historical sites
- Upgraded access and parking at historical sites
- Cultural events arena
- Tourist information centre and kiosks
- Cultural/historic Zulu and King Shaka museum
- Multi-media interpretive centre
- Traditional arts and crafts stalls
- Traditional restaurant and bar facilities
- Traditional Hutted Accommodation Complex

2.2 FUTURE ALLIED FACILITIES

These future facilities are closely connected to the above but would be separately financed and operated.

- Upgraded Main Road P230
- Camping facility and artificial lake
- Luxury lodge
- Royal Zulu Hiking Trail

- Community bed and breakfast facilities
- Skills Training Centre
- Industrial Skills Training Facility
- KwaBulawayo Development Trust offices
- Tribal Authority offices

3. "KICK START " FOR THE PROJECT

Due to the sheer scale of the overall development, it has been decided to carefully prioritize the Tourism facilities as an immediate "kick start" for the project with other elements to follow.

These elements are to be implemented with the assistance of the Departments of Traditional Affairs and the Uthungulu Regional Council under the direction of the KwaBulawayo Development Trust.

3.1 MARK/UPGRADE FOUR HISTORIC SITES

- Upgrade the area and mark the outline of KwaBulawayo and its military parade ground/cattle enclosure with white painted stones or trans-planted aloes.
- Mark the outlines of the King Shaka's huts, his wives' huts and a few of the other huts in the Royal Town with white painted stones.
- Upgrade the area and mark the outline of Ondini 1 with white painted stones
- Correct the spelling on Queen Nandi's grave and upgrade the area
- Upgrade the area surrounding KwaSemagwala (Cowards Bush).

3.2 FENCING AND PARKING

- KwaBulawayo – Provide a large gravel parking area suitable for tour-buses, just off main road P230, with a surrounding fence and gate to the Royal Site.
- Nandi's Grave and Ondini 1 – Provide smaller gravel parking areas, and surrounding fences and gates.
- KwaSemagwala (Cowards Bush) – Provide a small gravel parking area just off main road P230 and a surrounding fence and gate.

3.3 CULTURAL EVENTS ARENA

Earthworks in cut and fill for a circular shaped cultural events arena of 18000m². Grass the surfaces and erect pre-cast concrete raked seating on the cut banks to the north, west and south. Add toilet and change-room Facilities

3.4 TOURIST INFORMATION CENTRE

Construct a 100m² Tourist Information Centre to provide information on the historical and cultural wealth of KwaBulawayo, the Bhekeshowe area and Zululand in general.

3.5 CULTURAL/HERITAGE MUSEUM

Construct a 300m² museum to house permanent and alternating displays which trace Zulu archaeology, history, culture, arts and crafts with particular emphasis on the Shakan Dynasty and the heritage of KwaBulawayo, Bhekeshowe and the surrounding areas.

3.6 MULTIMEDIA INTERPRETIVE CENTRE

Construct a 500m² Multimedia Interpretive Centre (auditorium) for a living cultural experience through the mixed use of the audio, video, film, slides and musical mediums covering the history of the Zulu nation and in particular of King Shaka. The presentation would be produced in short modules or episodes depicting actual events that took place in history. The modules could be choreographed to be linked together to allow for longer presentations to school, student and tour groups.

3.7 TRADITIONAL ARTS AND CRAFTS STALLS AND WORKSHOPS

Construct ten traditional craft stalls, 25m² each with workshop/storage area and open/covered display yard each.

3.8 TRADITIONAL ZULU RESTAURANT AND BAR

Construct a Traditional Zulu Food Restaurant and Bar of 700m² overlooking the arena with visitor restroom facilities.

3.9 TRADITIONAL HUTTED ACCOMMODATION

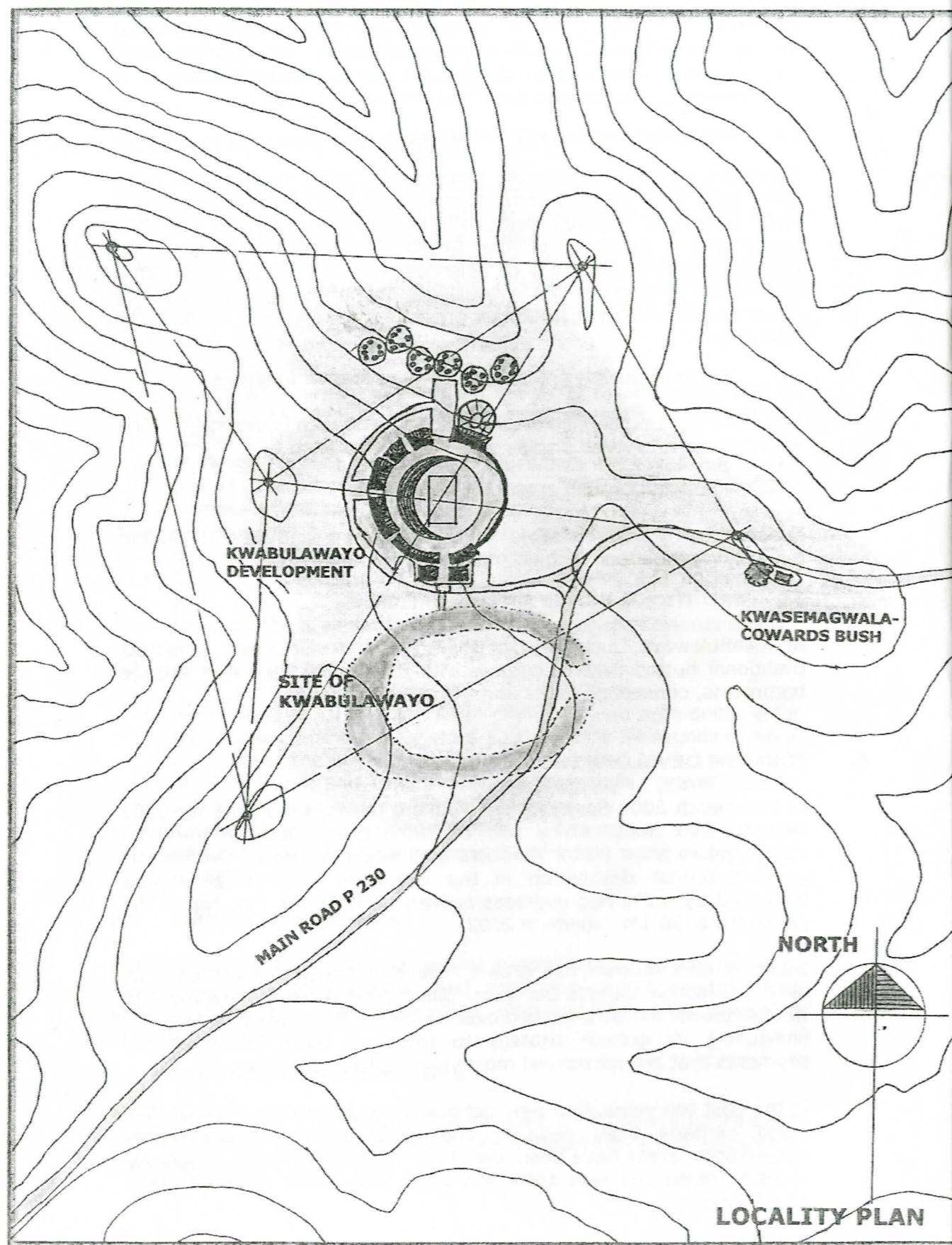
At KwaBulawayo, just north of the tourism development, construct traditional hutted accommodation with ten double huts with ensuite bathrooms, connecting paths and a surrounding fence.

4. TOURISM DEVELOPMENT CONCEPT

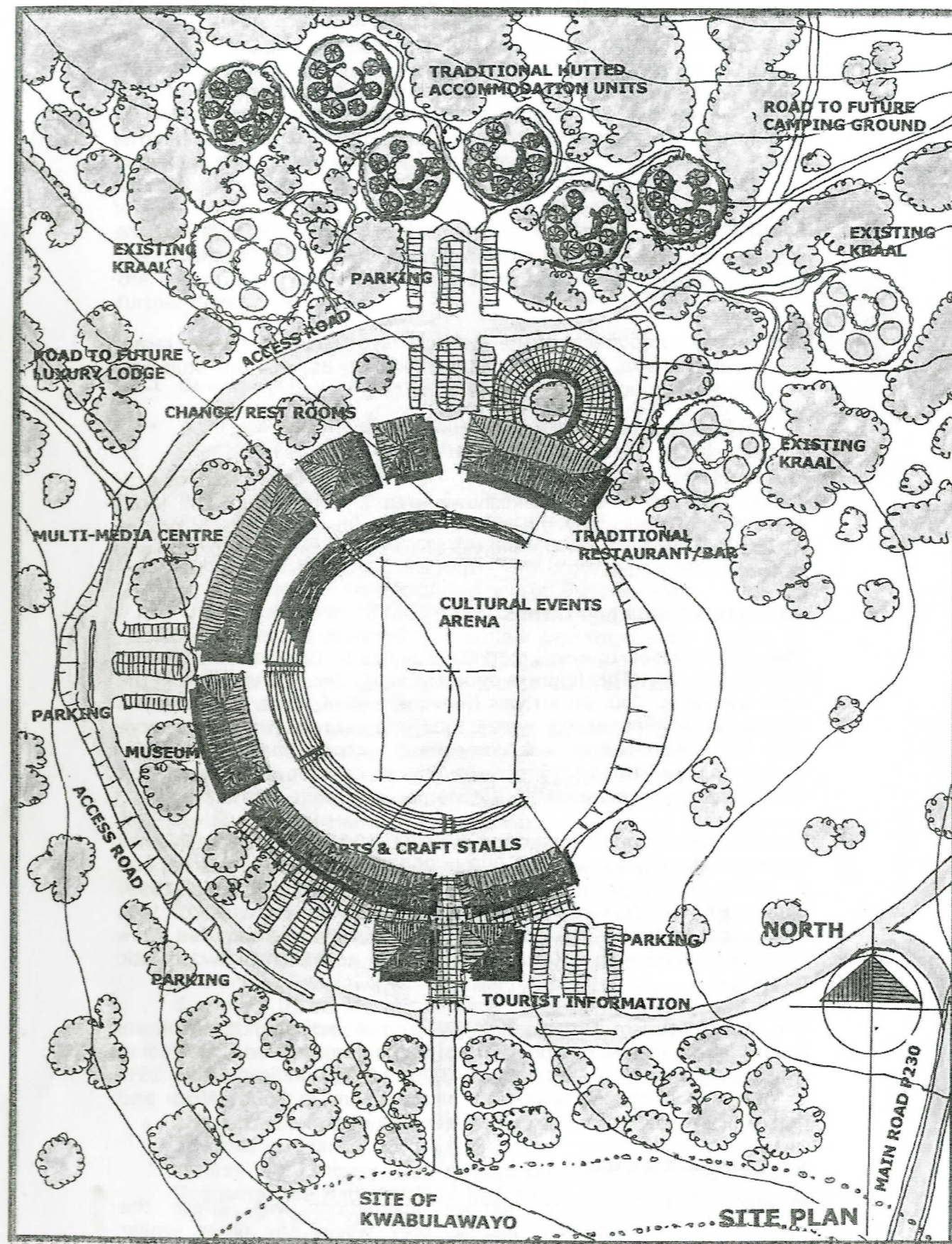
In mid-March 2004 South African Tourism released statistics for 2003 showing that South Africa had bucked the international trend by continuing to grow visitor numbers and that it remained the fastest-growing tourist destination in the world. In 2003 total arrivals increased by 4.2% and overseas arrivals up by 1.2% - on top of the phenomenal 20.1% growth in 2002.

South Africa's tourism has grown 78% over the past eight years to over 6.5 million tourists per year. Since 1994 foreign investment in the SA tourist industry totalled over R9 billion. SA Tourism is currently fine-tuning its growth strategy to focus on those countries and segments that are considered most valuable to South Africa.

In the past ten years, four new national parks have been created, five world heritage sites declared and eight potential trans-frontier conservation areas have been identified. The government's budget for tourism tripled between 1999 and 2003 from R500 million to over R1.5 billion.



LOCALITY PLAN



SITE PLAN

Moeketsi Mosola the CEO of SA Tourism has stressed that the nurturing of the Eastern markets, particularly China and Japan is essential to balance the SA Tourism portfolio, which at the moment relies heavily on North American and European markets.

Cultural Tourism remains the fastest growing component of that industry. Together with the Bhekeshowe community, represented by the KwaBulawayo Development Trust, the consultants identified a specific niche in this tourist market. The KwaBulawayo development is a unique combination of the cultural history of King Shaka and the birth of the Zulu people as a nation. The archaeological sites of KwaBulawayo and Ondini 1 as well as other historical sites and the eco-tourism potential in the Bhekeshowe area contribute to this.

4.1 THE TARGET MARKET

The various components of the KwaBulawayo Development will target the local, national and international tourist as well as students, schools, tour groups and corporate groups.

4.2 CUSTOMERS

The main aim of the KwaBulawayo Development is to promote eco-cultural tourism in the Bhekeshowe area and to attract the local, national and particularly the international tourist. All sizes of groups will be catered for from the individual to school, student groups and package tour groups.

4.3 MARKET SIZE AND TRENDS

The international tourism market already attracts over 2 million tourists annually. This figure is expected to continue to increase in the next few years. Tourism arrivals from the rest of Africa total over 4.5 million per annum, giving overall total international arrivals as more than 6.5 million people. The domestic or national market stands at double this on 13 million people. The world-wide tourism market spending capacity increases by 12.5% per annum.

KwaZulu-Natal tourism generated over 200 000 jobs in 1999. This has increased steadily to over 300 000 in 2003. 450 000 international and 8 million domestic tourists visited KwaZulu-Natal during 1999. KwaZulu-Natal Tourism Authority predicted annual increases of 13% to international and 7% to domestic tourism. These figures were realized in 2003 with 700 000 international and 11 million domestic tourists.

The World Tourism Organization (WTO) has indicated that cultural tourism is the fastest growing form of tourism in the world, increasing by 10% per annum. Research by SATOUR in 2000 indicated that 26% of international tourists visit cultural attractions in South Africa and that 40% concentrate on historic or heritage sites.

4.4 OPERATING CYCLE

Normal seasonal tourist number fluctuations will affect the KwaBulawayo Development just as they would any other similar operation. School, student and both domestic and international tour

groups will be encouraged to utilize off-season times to generally even out the numbers of visitors in order to achieve the maximum occupancy possible throughout the year.

The recent growth in international tour-group charter holidays, particularly from Switzerland, Germany and France will be enhanced by the latest moves to modernise Durban airport as an international arrivals and departures destination in the short term as well as the promised King Shaka International airport at La Mercy due to come on stream in 2006/2007

The careful and considered selection of only certain of the elements of the development for the initial stages will act as a barometer to assess the sustainability and profitability of these elements before initiating further development.

4.5 SWOT ANALYSIS

4.5.1 Strengths

- A 35 year lease was previously negotiated and obtained for the development areas from the Ingonyama Trust Board and this only requires to be renewed.
- A Land Development Area Application was previously submitted and approved in principle in terms of the Development Facilitation Act after successful advertising, calling for objectors and two DFA Tribunal Hearings. This process now only requires to be re-visited in terms of this revised Business Plan.
- The infrastructure of the proposed new King Shaka International Airport at La Mercy and the new passenger liner berths at Richards Bay harbour, good roads and the development being sited astride the established tourist corridor halfway between Durban and northern Zululand.
- The excellent relationships that exist between His Majesty King Goodwill Zwelithini Bhekezulu, his Royal Advisors, the Bhekeshowe Nkosi, Prince Sam Zulu, the Bhekeshowe Tribal Authority, the uThungulu District Municipality, AMAFA – KwaZulu-Natal Heritage and the various Provincial Government Departments involved in the Development.
- The Development enjoys the unequivocal support of the Bhekeshowe, Biyela and Mzimela Communities.
- There are a number of cultural village attractions in Zululand but none of these enjoy the actual authenticity of KwaBulawayo. It will be a unique experience to visit the actual site of King Shaka's KwaBulawayo, as Henry Francis Fynn, the first European to do so, did in 1824. A possible stay over in the Traditional Huttled Accommodation will be an added attraction. This area is truly the center of the "Kingdom of the Zulus" and no visit to Kwazulu-Natal would be complete without visiting here.
- The attraction of a variety of other tourist attractions which are in close proximity to KwaBulawayo. These include various venues in Eshowe, the Emakhosini Valley of the Kings, Nongoma, the Battlefields of both the Zulu and Boer wars and the major Zululand game parks as well as the World Heritage St Lucia Wetland Park.

- Bhekeshowe is a malaria free area and is elevated above the hotter Nkwaleni valley
- The Development will bring much-needed employment to the area during construction and later operation as well as boosting the local economy.

4.5.2 Weaknesses

- The historic legacy of King Shaka's Royal Zulu dynasty are completely undervalued and overlooked in the area at present.
- Inadequate road access to the historic sites.
- Distance from Durban for short-stay tourists.
- The other sites have no signage, are relatively inaccessible and none of them are explained to tourists, either graphically or verbally.
- Main road P230 is sometimes not in good condition and no facilities exist for off-road parking especially for tour buses.
- Lack of infrastructure in Bhekeshowe with no shelter, commercial, restroom or accommodation facilities to cater for visiting tourists.

4.5.3 Opportunities

- The KwaBulawayo Development concept is unique in that the actual site of King Shaka's KwaBulawayo Military Capital is the focus of the development. A wealth of other archaeological, historical, heritage, cultural and eco-tourism sites exist in the immediate area. These sites all await development.
- The Emakhosini Valley of the Kings, 70 km to the north can be considered as being an asset to KwaBulawayo. The Emakhosini will have similar accommodation and cultural interest as well as the graves of most of the pre-Shakan Zulu Kings. Ondini and Umgungundlovu, King Cetshwayo's and King Dingane's military capitals and the Battle of Ulundi site are also there. The Emakhosini and KwaBulawayo have a strong and close historical relationship and it would seem natural for tourists and particularly cultural tourists to take advantage of this and include both venues in any one visit. For instance the site of King Mandela's military capital, which was the birthplace of his son, King Zulu (the original Zulu who gave his name to the Zulu nation), is situated immediately north of the Mandawe Cross at Bhekeshowe and both Kings are buried in the Emakhosini.
- The hotel "Shakaland", 15 km away in the Nkwaleni valley, offers a Zulu cultural experience, which is popular with tourists but lacks solid back-up by not being an actual archaeological and historic site. "Kwabhekithunga" or Stewarts Farm also offers a cultural experience and is closer at 5km from KwaBulawayo, also in the Nkwaleni valley. The KwaBulawayo Development will enhance and add factual archaeological and historical substance to both of these facilities, especially as they are so close to each other.
- The KwaBulawayo Development will add value to the chain of existing and future tourism destinations in the Eshowe - Ulundi - Nongoma corridor and increase its own importance and that of the others to maximize tourist visits.

4.5.4 Threats

- Viability of the cultural/heritage facilities will require a focused marketing campaign to firmly place this venue on the tourism "must-see" map.
- Although there has been no violence or major crime in the area for years, the perception of the possibility, given what has happened previously in other part of Zululand, could dampen tourism enthusiasm.
- Success of the development is dependant on a skilful, transparent and innovative approach by all parties to the completion of all phases of the whole project.

5. DEVELOPMENTAL STATUS AND TASKS

5.1 STATUS

The developmental status of the project as at March 2004 is set out below.

- Archaeological excavations carried out in 1992 by Gavin Whitelaw of the Natal Museum, on behalf of the KwaZulu-Natal Heritage Committee, has fixed the actual position and outline of the KwaBulawayo Military Capital.
- Extensive discussions have taken place since 1998 with experts in various fields to ensure that the formulation of the development complies in all respects with the needs of the community, the tourists and all relevant statutory and governmental requirements.
 - Archaeology and History Professors - University of Natal (Pmb)
 - Geology Department - University of Natal (Dbn)
 - AMAFA - KwaZulu-Natal Heritage Committee
 - Drama, History and Zulu Departments - University of Zululand
 - Uthungulu Regional Council
 - Kwazulu-Natal Tourism
 - KZN Wildlife
 - KZN Economic Affairs and Tourism Department
 - KZN Transport Department
 - KZN Agriculture and Environmental Affairs Department
 - KZN Local Government and Housing Department
 - KZN Traditional and Environmental Affairs Department
- The KwaBulawayo Community Development Trust was formed and registered to oversee the overall development.
- The project proposals have been enthusiastically received by the Bhekeshowe community at a number of public meetings and presentations as well as by the Development Forum and the Trust.
- His Majesty the King and the Royal family advisors actively support the project.
- The Honourable Deputy President Mr Jakob Zuma also actively supports the project.
- The importance of upgrading the historical sites at Bhekeshowe has been recognized and is fully supported by AMAFA and the

Department of Economic Affairs and Tourism who assisted with the formation of the KwaBulawayo Community Development Trust.

- Conceptual architectural layouts have been approved in principal by His Majesty the King, the Bhekeshowe community, the Development Forum and the Trust.

5.2 TASKS

- The successful application in 2000 to the Ingonyama Trust Board for leasehold rights over the development sites needs to be re-visited.
- The Land Development Area application in terms of the Development Facilitation Act needs to be re-evaluated and full approval gained.
- An awareness campaign needs to be undertaken to market the development with tour operators and tourist consultancies.
- Funding applications must be made to Provincial Government, Uthungulu District Municipality and private sector sources to fund the construction and operation of the development.
- Site surveys, geotechnical investigations, design and documentation and finally construction of the development infrastructure is required.

6. PROGRAMME AND PHASING

The overall development will be phased with the cultural/heritage tourism elements proceeding first, to be followed by other elements once the sustainability of the first elements has been firmly established. The cultural/heritage elements are of paramount importance as they are the basic core attraction for tourism in the development. Phases 1 and 2 will initially be subject to the DFA Application and other phases will be dealt with in future DFA Applications.

- Phase 1 Upgrade the historic/heritage sites**
Upgrade access to and parking at these sites
Cultural Events Arena
Traditional Hutted Accommodation
Tourist Information Centre and Kiosks
Cultural/Historic Zulu and King Shaka Museum
Traditional Restaurant and Bar
Traditional Arts and Crafts Workshops and Stalls
- Phase 2 Multi-media Interpretive Centre**
- Phase 3 Upgrade Main Road P230
 Phase 4 Royal Zulu Hiking Trail
 Phase 5 Community Bed and Breakfast Accommodation
 Phase 6 Luxury Lodge Accommodation

A separately sited Community Development Facility is also essential to the overall upliftment of the Bhekeshowe area. This Facility would require a separate DFA Application and would ideally be sited adjacent

to the existing Community Hall and Market Gardens and consist of a Commercial Skills Training and Industrial Skills Training Centre.

Administrative Offices for the KwaBulawayo Community Development Trust are also required and these will be sited as an addition to the existing Bhekeshowe Tribal Court Buildings.

Other elements such as a Creche, Schools and a Clinic will be provided in due course by the relevant Provincial Government Departments according to the needs prioritisation for this area.

7. FINANCIAL PLANNING

7.1 ESTIMATE OF CAPITAL COSTS

PHASE	FACILITY		CONSTRUCTION		EQUIPMENT
1	Upgrade Historic Sites	R	25 000.00	R	0.00
1	Upgrade Access & Parking	R	150 000.00	R	10 000.00
1	Cultural Events Arena	R	350 000.00	R	20 000.00
1	Traditional Hutted Accommod.	R	700 000.00	R	100 000.00
1	Information Centre & Kiosks	R	150 000.00	R	20 000.00
1	Museum	R	350 000.00	R	100 000.00
1	Arts/Crafts WorkshOps/Stalls	R	300 000.00	R	100 000.00
1	Traditional Restaurant & Bar	R	700 000.00	R	300 000.00
2	Multi-Media Centre	R	400 000.00	R	100 000.00

R 3 125 000.00 R 750 000.00

TOTAL R 3 875 000.00

7.2 ESTIMATE OF INCOME

The proposed pricing structures for the various facilities of the development must be based on a reasonable and local-market related structure and not international rates. (viz - uShaka Marine World entry costs)

Figures recently released by Tourism KwaZulu-Natal are as follows :
 Average expenditure per visitor in 1998 - R4175.00. and in 2001 - R6747.00
 An average 10 day stay in 1998 - R417.50/day and in 2001 - R675.00
 Percentage breakdown in 1998 - food and drink - 26 % and in 2001 - 27%
 Percentage breakdown in 1998 - recreation - 7% and in 2001 - 15%
 Percentage breakdown in 1998 - shopping - 15% and in 2001 - 20%
 Percentage breakdown in 1998 - accommodation - 30% and in 2001 - 32%

The numbers of expected visiting tourists should initially be calculated as an average of the current figures for other Zululand cultural destinations eg. Rorkes Drift, Isandlwana, the Emakhosini Valley and uMgungundlovu. In 2001 an average of 50 tourists visited each of these sites and spent, on average again, R50.00 per person per day (excluding food, drink and accommodation).

At KwaBulawayo it is anticipated that each visitor will spend an average of R50.00, being entrance fees to the historic sites, museum, multi-media center, arts/crafts purchases and R100.00 on food and drink. If visitors stay overnight an additional R150.00 per person is anticipated.

7.2.1 Gross Income

These figures could generate gross annual income as follows :-

• Entrance fees	R 912 500.00
• Food and drink	R1 825 000.00
• Accommodation	R 730 000.00
Total	R3 500 000.00

7.2.2 Gross Expenditure

This is calculated to be in the order of **R1 500 000.00** per annum and incorporates both variable and fixed expenditure.

8. FINANCIAL SUMMARY

8.1 INVESTIGATION, FEASIBILITY AND BUSINESS PLANS

Concept (completed by Civemch : R120 000.00)	Not charged for
Feasibility (completed by IP&M : R100 000.00)	Not charged for
Elemental Business Plans (completed by IP&M)	Not charged for
"Kick-Start" Business Plan (less R10 000.00 for re-used material)	R 20 000.00
Revised Business Plan	R 9300.00
TOTAL	R 29 300.00

8.2 DESIGN, DOCUMENTATION AND CONSTRUCTION

Construction costs	R 3 125 000.00
Furniture and equipment	R 750 000.00
Contingency allowance (5%)	R 195 000.00
SUBTOTAL	R 4 070 000.00
Professional Fees (total 14%)	R 570 000.00
Add 14 % VAT	R 650 000.00
TOTAL	R 5 290 000.00

KWABULAWAYO DEVELOPMENT

PROJECTED INCOME AND EXPENDITURE - 12 MONTH PERIOD

50 visitors per day x 365 day R50.00	Entrance fees	R 912 500.00
50 visitors per day x 365 day R100.00	Food and drink	R1 825 000.00
20 visitors per day x 240 day R150.00	Accommodation	R 730 000.00
		<u>R3 500 000.00</u>

Income and Expenditure based on 50 visitors per day	Percentage Occupancy				
	20%	40%	60%	80%	100%
Fixed Expenditure	1 109 000	1 109 000	1 109 000	1 109 000	1 109 000
Advertising	30 000	30 000	30 000	30 000	30 000
Audit fees	5 000	5 000	5 000	5 000	5 000
Cartage and courier	3 000	3 000	3 000	3 000	3 000
Cleaning & laundry consumerables	2 700	2 700	2 700	2 700	2 700
Computer supplies	10 500	10 500	10 500	10 500	10 500
Electricity	50 000	50 000	50 000	50 000	50 000
Insurance - buildings & contents	20 000	20 000	20 000	20 000	20 000
Maintenance - Buildings	8 500	8 500	8 500	8 500	8 500
Computers	4 000	4 000	4 000	4 000	4 000
Historic sites	2 700	2 700	2 700	2 700	2 700
Consumerables	2 700	2 700	2 700	2 700	2 700
Postages, printing & stationery	5 000	5 000	5 000	5 000	5 000
Replacements - General	5 000	5 000	5 000	5 000	5 000
Furniture	10 000	10 000	10 000	10 000	10 000
Equipment	10 000	10 000	10 000	10 000	10 000
Salaries Admin. (incl. Med Aid & UIF)	6 000	6 000	6 000	6 000	6 000
Management	700 000	700 000	700 000	700 000	700 000
Housekeeping	96 600	96 600	96 600	96 600	96 600
Historic sites	30 000	30 000	30 000	30 000	30 000
Telephone/Fax	10 000	10 000	10 000	10 000	10 000
Training	37 600	37 600	37 600	37 600	37 600
Uniforms	7 000	7 000	7 000	7 000	7 000
Water	50 000	50 000	50 000	50 000	50 000

Variable Expenditure	20%	40%	60%	80%	100%
Bank charges	3 900	7 000	7 000	7 000	7 000
Credit Card commission	20 000	40 000	60 000	80 000	98 900
Council levies	8 000	15 800	23 700	31 500	40 500

Income	20%	40%	60%	80%	100%
Entrance fees	182500	365 000	547 500	730 000	912 500
Food & drink	365 000	730 000	1 095 000	1 460 000	1 825 000
Accommodation	137 500	275 000	412 500	550 000	730 000

Income less expenditure	20%	40%	60%	80%	100%
	-455 900	+198 200	+855 300	+1 512 500	+2 244 600

BREAK-EVEN POINT IS 33% OCCUPANCY

A large table with multiple columns and rows, containing faint, illegible text. It appears to be a ledger or data table.

A smaller table with multiple columns and rows, containing faint, illegible text. It appears to be a continuation of the data or a summary table.