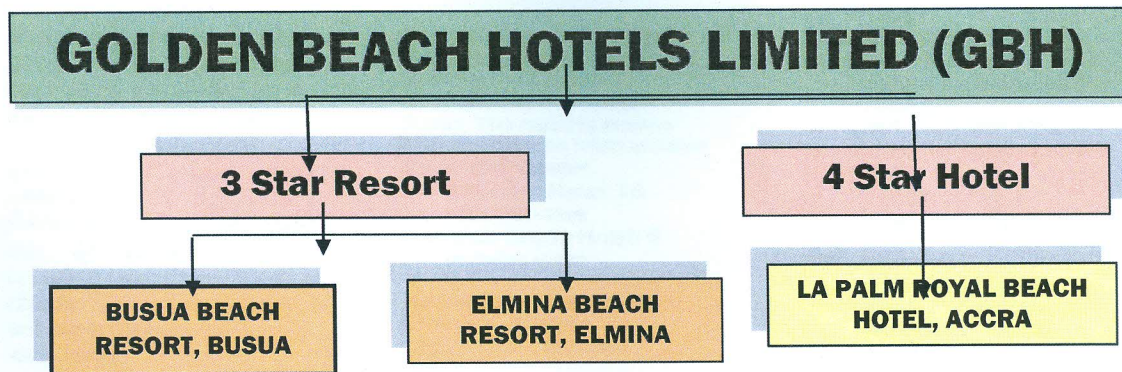


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COMPANY FACT SHEET - THE GOLDEN BEACH HOTELS LIMITED

The Golden Beach Hotels Limited (GBH) is made up of a corporate office (serving as the head office) and three independent operating hotels as subsidiaries under the management of the Board of Directors of the GBH. The three hotels are: La-Palm Royal Beach Hotel, Accra – Greater-Accra Region, Elmina Golden Beach Resort, Elmina – Central Region, and Busua Beach Resort, Busua – Western Region.



Name:	Golden Beach Hotels Limited (GBH),
Business Sector:	Tourism and Hospitality Business Sector
Line of Business:	<ul style="list-style-type: none"> ▪ To carry on the business of hotel, restaurant, café, motel and holiday camp. ▪ To fit and furnish any property for the purpose of letting the same to visitors or guests whether in single rooms, chalets or otherwise. ▪ To appropriate any part or parts of the property of the company for the purpose of and to build or let shops, offices and other places of business and to use or leave any part of the property of the company not required for the purposes aforesaid for any purpose for which it may be convenient.
Registered office:	No. 14 & 16 Kakramadu, East Cantonments-Accra P.O. Box OS 3000, Osu - Accra
Subsidiaries:	<ol style="list-style-type: none"> 1. La-Palm Royal Beach Hotel, Accra – G/A Region, 2. Elmina Beach Resort, Elmina – Central Region 3. Busua Beach Resort, Busua – Western Region
Shareholding Structure:	Social Security and National Insurance Trust (SSNIT)–100%
Board of Directors:	<ol style="list-style-type: none"> 1. Frank Adu – Chairman 2. Kojo Bonsu – Member 3. Kwaku Botwe - Member 4. Adjei Mensah (Rev. Dr.) - Member 5. Anthony Lither – Member 6. Charles As are - Member 7. Shalom Gene/Samuel Accad – Alternate Director 8. Anthony Styr/Jacob Deborah – Alternate Director
Company Secretary:	Justine Maneuver
Company Auditors:	Kwame Asante & Associates, Chartered Accountants P.O. Box 58, Trade Fair Center, Accra
Company Bankers:	<ol style="list-style-type: none"> 1. Merchant Bank Ghana Limited, Accra 2. Ghana Commercial Bank Limited, Accra 3. Barclays Bank Ghana Limited, Accra 4. Ghana International Bank Plc., London, UK

EXECUTIVE SUMMARY

This report is prepared and submitted by KRON Finance & Investments Ltd (the Consultant) working with its associated consultants in line with the signed service sub-contract agreement for the execution of the assignment. It is the third and final report to be submitted by the Consultant on the assignment.

Golden Beach Hotels Limited (GBH) which is wholly owned by the Social Security & National Insurance Trust (SSNIT). It is currently the holding company of La Palm Royal Beach Limited, Elmina Golden Beach Resort Limited and Busua Beach Resort Limited. SSNIT intends to offload a portion of its interest in GBH.

As a background to the assignment, SSNIT first invested in Elmina Beach Resort (Elmina, Central Region) and Busua Beach Resort (Busua, Western Region) in the late 1980s and early 1990s. These Hotels were brought into a joint venture arrangement with the La Palm Royal Beach Hotel (Accra, Greater Accra) which was then owned by Rexol Limited in 1999, which created the Golden Beach Hotels Limited (GBH). Concerned about the deteriorating state of the infrastructure and facilities as well as the level of service delivery at GBH, SSNIT bought out Rexol Limited at the end of year 2010 and became the sole shareholder of GBH.

It is the understanding of the Consultant that SSNIT wants to attract new investor(s)/partner(s) into the company in order to re-capitalize and re-organise the operations of GBH so as to take advantage of the growing demand for excellent hospitality services in the fast growing Ghanaian economy. To assist in the process of identifying and selecting the new investor(s) in order to capitalize and re-position GBH, the Board and Management of GBH engaged the services of Consultants for the management of the process. The assignment to be undertaken by the Consultants entails the review, analysis and revision of the operational, financial and corporate governance framework of GBH in order to re-position and re-capitalize the company.

KRON's mandate is to handle all non-operational issues of the assignment. Its mandate includes the financial and investments review, to develop and recommend a business value of the company and other indirect issues that could affect the general review and analysis of GBH's finances and investments.

The primary aim of the financial and investment review of the assignment is to advise both SSNIT and GBH on the way forward with regards to attracting a willing Strategic Investor(s)/partner(s) that will be interested in:-

- (i) Acquiring a substantial equity interest in GBH, through direct shares acquisition, management contract, facility and franchise leasing, or any combination thereof;
- (ii) Providing fresh investment capital to directly invest in new hotel infrastructure and facilities required to raise the standard of service provision and to ensure market competitiveness; and
- (iii) Providing internationally rated management services required to sustain the competitiveness of the GBH hotels in the country.

A. The Assignment

1. The scope of the assignment to be undertaken by KRON is as follows:-
 - a) To conduct a detailed situational review of the financial operations of GBH, including but not limited to the following: (i) Review and "clean-up" the balance sheet of GBH and recommend actions on how to liquidate the existing debt of GBH; (ii) Review of financial and investments needs and advise on the various shareholding options available including the appropriate debt/equity proportions; (iii) Review and analysis of corporate governance and management structure; and (iv) Review and determine the implications of the institutional framework such as legal, environmental and human resources issues on the operations of GBH.
 - b) To ascertain the institutional and operational deficit arising from the reviews above and make projections as to how to bridge that deficit to ensure optimum operations of GBH and thus make it more viable and attractive.

CONCLUSIONS

The mandate of the Consultant is to receive and analyse bids received and to identify and advise GBH on the "best fit" potential strategic partner(s) for the purpose of re-capitalising and/or management of GBH.

Although the 3 companies which submitted proposals represented only 14% success rate, it is the considered opinion of the consultants that out of the field of 22 companies which originally expressed interest in GBH in April/May 2011, these three companies have taken their interest to a higher level.

The consultants note the following:-

- (i) All three respondents have each not been consistent with the requirements stipulated in the RFP in one way or the other.
- (ii) The proposals were submitted against the background of insufficient due diligence by the interested parties (respondents).
- (iii) Submissions received for management/operation of the hotels were not sufficiently responsive under the Technical proposals while one of these two did not adequately provide details of its financial plans.
- (iv) One of the bids received was a proposal for leasing the hotels which was not part of the original options requested but may be of interest for further exploration.

RECOMMENDATIONS

In view of the above considerations, the consultant is recommending that, subject to the consent of the client, further action should be taken to consider the following after the request for additional information and further consultations with the bidders.

- (a) the 2 bidders who expressed interest as operators, if the GBH/SSNIT will want to explore further the management option for OPERATORS.
- (b) Dazee Hotels for the consideration of the leasing option, which is the recommended option of the Consultant. This should be back by evidence of strong financial balance sheet of Dazee Hotels and any proof of financing the proposal.

Of the three bidders that responded to the RFP, the Consultant is of the opinion that the one that will add more value to the present operations of GBH will be the leasing option received from Dazee Hotels. This should however be considered after the receipt of additional information to help GBH determine the following:

- e) the annual lease value;
- f) how and when it is payable;
- g) how will the present staff be handled after the take-over;
- h) what happens to the head office of GBH (will it be on a separate arrangement?); and
- i) if there will be any additional/new direct investments in the GBH infrastructure/facilities as part of the agreement to lease the existing facilities, among others.