



ONE NATURE HOTELS LIMITED

Business Plan for

Development of Ultra Luxury Permanent Tented Camp in Serengeti

Prepared by:

One Nature Hotels Limited

PLOT NO. 18 BLOCK F SAKINA AREA

P.O. Box 15053, Arusha - TANZANIA

Mobile +255 688 933339

Website: www.onenaturehotels.com

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1.0 EXECUTIVE SUMMARY

1.1 Introduction

1.1.1. Background:

M/s One Nature Hotels Limited of P.O. Box 15053 Arusha is a limited liability company with Certificate of Incorporation No: 118809 dated 14th July 2015. One of the company's objectives is to carry on businesses as tour operators, tourist/travel agents, hotel reservationists, photographic safaris, and camping and hunting safaris in Tanzania. The project promoters are well established international businesspersons, carrying out various businesses but majoring in hotel accommodation at present. Having been in the business for 5 years in Tanzania, the directors of One Nature Hotels Limited are now seeing a very bright future in the tourist sector in general, luxury permanent tented camps in particular and hence have decided to start operations in this sector at Lang'osa Hills, Mara-Kisiwani Area in Serengeti National Park.

This document has been prepared to serve as a business plan for the development of a luxury permanent tent camp in Serengeti National Park. Development of the business focuses mainly on:

- The construction and equipping the luxury permanent tented camp that will consist of 12 units of 2-bedrooms and 1-bedroom tents as well as a heated pool, gym facilities, wellness facilities, dining facilities and laundry facilities;
- The acquisition of camp utility and administration vehicles;
- Market penetration to the key markets; and
- Training of the company workforce to be in line with the industry's demand

The proposed project is estimated to cost about US\$ 3,500,000 over an implementation period of three years. The project sponsors have enough financial resources and adequate access to bank funding to undertake the contemplated investment. The project promoters are planning to finance project cost in the following pattern:

Owners' Equity Contribution: US\$ 1,200,000 (34%)

Bank Loans: US\$ 2,300,000 (66%)

The objectives of this Feasibility Study Report are twofold. First is to determine the viability of the proposed project. Second is to facilitate the application for Tanzania Investment Centre (TIC) Certificate of Incentives to access exemptions on duties, VAT deferments and other benefits and protections as statutorily provided for under Tanzania Investment Act (1997) for the Project.

1.1.2. The Project Promoters

The project is promoted by M/s One Nature Hotels Limited. The company was incorporated under Certificate of Incorporation No: 118809 dated 14th July 2015. The architects of this project are Mr. Hani Tanios Saliba and Ms. Pamela Menzoyan, investors with a diverse professional and business background with a keen interest to consolidate their wealth of experience and resources to tap the opportunities in the tourism industry.

1.1.3. Location

The project will be located at Lang'osa Hills, Mara-Kisiwani Area in Serengeti National Park. The premises have adequate space for construction of the luxury permanent tented camp.

1.1.4 Target Markets

The target market for permanent tented camps in Serengeti National Park will include the traditional tourist market sources of USA, Western Europe, Japan, New Zealand, Australia and South Africa. Appropriate focus will as well be channeled to the new up and coming markets of Eastern Europe, South Asia, South East Asia and South America. Local tourism is currently picking up form and the company will take appropriate measures to help further the development of local tourism through a deliberate incentive program.

2.0 THE PROJECT

2.1 Brief Description and Rationale behind the Project

One Nature Hotels Limited is a well established limited liability company, under the Companies Act, 2002 under Certificate of Incorporation No: 118809 dated 14th July 2015. The objective for establishing permanent tented camps is to tap into the opportunities in the flourishing tourism industry in the country by carrying out business as providers of accommodation to tourists.

The 12 accommodation units will consist of 2-bedrooms and 1 bedroom tents as well as a heated pool, gym facilities, wellness facilities, dining facilities and laundry facilities. All the rooms will be self-contained with TV sets in each room. The rooms will be given a finish touch of international standard and immaculate cleanliness will be observed throughout to give the guest a serene atmosphere while in the tents.

The tents will be constructed with locally available construction materials and designed to combine antique African and modern contemporary styles, creating articulate and seductive ambiance. The tents are designed to be most convenient for short-term visitors and corporate clients looking to spend a few nights in Serengeti National Park. They will serve as ideal bases for those wishing to have best accommodation of international standards, and yet pay less than a half of what they would have otherwise paid elsewhere.

The tents will have accommodation capacity of 12 units of standard rooms with single and double beds. All the rooms will be furnished to a high standard, offering satellite TVs, telephones, fans, and en-suite bathrooms. In addition to the above amenities, each room features air-conditioning and unlimited use of the internet for those with own laptops.

Facilities within the tents will include:

- Restaurant serving Breakfast, Lunch and Dinner
- Bar
- Business Centre with Internet, Fax and Printing facilities
- Reception Area: telephones, hairdryers, ironing board and iron, postage stamps etc
- Fully Equipped Gymnasium
- Laundry Facilities
- Standby Power Generator
- Installation of Overhead Water Tanks and procurement of Water Pumps
- Air Conditioners (split units)
- Mini fridges, TVs, and furniture for each tent room
- Crockery, Cutlery and other Catering Equipment
- State-of-the-art Communication and Security Equipment

The company plans also to procure utility and administration motor vehicles including:

- Light Truck 1 unit
- Delivery Van 1 unit
- Luxury Mini Bus for transportation of hotel guests 2 units
- Pickup 2 units

2.2 Location

As mentioned above, the project will be located at Lang'osa Hills, Mara-Kisiwani Area in Serengeti National Park. The premises have adequate space for construction of the luxury permanent tented camps.

The location is ideally suited for the project because it is easily accessible and its infrastructure is developed within the major Tourist Circuits (Northern Circuit) from Arusha or Musoma or Mwanza by road, scheduled and chartered flights.

2.3 The Promoters

One Nature Hotels Limited project is a well thought out project: a brain child of the company directors of unquestionable integrity and wide international experience in various disciplines. The company is owned by the following shareholders:

S/N	Name and Address of Shareholders	Nationality	Number of Shares	% Shareholding
1.	Hani Tanios Saliba Bldg-1-Flat-504 345-Burj Dubai Development (E&W-S/M) P.O. Box 21868 Dubai	Canadian	50	5%
2.	Pamela Menzoyan Bldg-1-Flat-504 345-Burj Dubai Development (E&W-	Swedish	50	5%

	S/M) P.O. Box 21868 Dubai			
3.	One Nature Limited Mill Mall Suite 6 Wickhams Cay 1 P.O. Box 3085 Road Town Tortola, British Virgin Islands	British Virgin Islands	400	40%
4.	Unalloted		500	50%
	Total		1,000	100

3.0 OVERVIEW OF THE TOURISM SECTOR IN TANZANIA

3.1 The Economy in General

Tanzania is one of the fastest growing economies in Africa, thanks to the sustained economic reforms which have been implemented by the government beginning from last years of the 1980's decade. The country's economy has been constantly growing since mid-1990s by an average of above 6% annually.

As of 2014, Tanzania had an estimated population of 47.4 million. International Monetary Fund and World Bank Group (WBG) among other development partners have supported Tanzania to make important economic and structural reforms and sustain its economic growth rates.

Despite looming poverty in the country, the current political leader, President John Magufuli is a promising change to the country. He has already minimized the country's overspending by cutting cost of unnecessary government spending.

According to WBG, by 2019 the Gross Domestic Product of the country stood at 7.0% with the main contributors being; trade, construction, agriculture and transport sectors.

According to the World Bank, Tanzania's population of 55 Million is estimated to grow at an annual rate of 3%. This coupled with an urbanization rate of 30%, has resulted in increased consumer and credit demand. An increased population will also trigger increased demand for social amenities and infrastructure. Tanzania's economic growth is expected to average 6.2% between 2017 and 2026.

Tanzania has recently seen high growth rates because of mineral production and tourism. The economy also runs on telecommunications, banking, energy, and mining, as well as agriculture. In terms of per capita income, however, the country is one of the poorest in the world. The overall goal therefore is to achieve the National Vision of becoming a middle income nation by the year 2025 (*National Development Vision 2025, National Planning Commission*).

3.2 Tourism Performance in Tanzania

Tourism is a fast growing industry in Tanzania. At an annual growth rate of 15% on average in the last ten years, tourism accounts for nearly 17.2% of Gross Domestic Product (GDP) as of today, and more than 25% of total export earnings. It is the leading foreign exchange earner, generating about US\$2 billion per year and contributing 17 per cent of Tanzania's annual income. It is also the source of employment to Tanzanians (direct & indirect jobs).

In 2017 the revenues from the tourism industry were projected to be at US\$ 2.69bn which would be an 8.6% increase from the revenues in 2016 at US\$ 2.48bn. This increase goes hand in hand with the estimated increase in the absolute arrival numbers which stands at 1.32m in 2016, and are forecasted to be 1.39m in 2017, which would indicate a 5.3% growth from the previous year. In 2016, the tourism industry directly contributed US\$ 2.1bn, equal to 4.7% of total GDP to the economy and was forecasted to rise by 3.7% in 2017. Tanzania's tourism industry still has a potential to grow due to its safe and peaceful nature.

The growth of the sector has created increased demand for hospitality and tour operations' services in the country, creating business opportunity in the provision of the two services. One of the reasons for this growth is the global growth of the industry. Tourism is the fastest growing and one of the world's largest industries today, with global revenues accounting for over 10% of the world's Gross National Product (GNP).

Some of the reasons for the growth at the national level, include improved services in the industry after privatization of service provision in the sector, and other linked sectors such as transport (particularly air transport), resulting in improved efficiency in handling passengers. This development has attracted more airlines using the country's airports and has increased the number of flights using the airports as their destination, hence increasing the inflow of direct visitors into the country, unlike in the past where most of them used to come through the neighboring countries.

Lack of sufficient facilities however, such as hotels, lodges, permanent tents and excursion services to various tourist attractions in the country, providing quality services, commensurate with the standards that attract international visitors, is still a constraint to the enhanced growth of the sector. Opportunity for these businesses is therefore evidently abundant in the country. The directors of M/s One Nature Hotels Limited are aware of the existence of this business opportunity and have been investing in tourism sector.

It is estimated that 42 percent of the tourists who visit Tanzania come from the United States of America, Italy and the United Kingdom. These countries have continued to be the top three main source markets for Tanzania. However, there is an increase in the number of visitors from other regions, particularly Asia and the Pacific and Middle East. For instance, statistics from the Immigration Department indicate that the number of visitors to Tanzania from Asia and the Pacific, and the Middle East grew by 117.2 percent and 39.7 percent, respectively. This growth is partly explained by increase in diversification of promotional efforts to regions other than the traditional source markets.

Leisure and holiday is the major reason for visitors coming to Tanzania. The findings reveal that about 85.5 percent of the tourists that visit the country come for leisure and holidays and are mostly from America and Europe.

4.0 MARKET ANALYSIS AND STRATEGIES

4.1 Service Description

One Nature Hotels Limited intends to offer accommodation to tourists through luxury permanent tented camps in Serengeti National Park. The tents will have accommodation capacity of 12 units of standard rooms with single and double beds. All the rooms will be furnished to a high standard, offering satellite TVs, telephones, fans, and en-suite bathrooms. In addition to the above amenities, each room features air-conditioning and unlimited use of the internet for those with own laptops.

This accommodation will be targeting the market, with prices ranging from US\$ 1,400 to US\$ 1,600 per person per night in peak season. During off-season, prices will range from US\$ 1,100 to US\$ 1,300 per person per night in peak season. Bookings will be met through different agents, direct bookings and use of different web portals like booking.com, expedia, etc.

4.2 Demand/Supply Gap

The demand for luxury permanent tented camps in Serengeti National Park is quite apparent given the limited number of permanent tented camps available. The demand is now increasing fast following the increase of tourists who visit Tanzania.

The increase of tourists who visit National Parks has however not been followed with adequate increase in accommodation services to cater for the increasing number of visitors. Supply of accommodation services of acceptable standard in National Parks has generally lagged behind the increasing demand. This is true for Serengeti National Park.

Physical survey of existing hotels, lodges and permanent tented camps for this particular study has not been carried out to establish actual demand. However, available hotels, lodges and permanent tented camps as compared to the increase of tourists suggest that more hotels or lodges or permanent tented camps both high class and medium cost need to be established to cater for the increasing number of visitors in the Serengeti National Park.

4.3 Target Markets

As stated elsewhere, the target markets of permanent tented camps is mainly high and middle class income group of visitors that include both local and international tourists, executives; government officials; as well as the traditional tourist market sources.

In spite of the big supply gap, the project promoters will have to engage marketing skills and financial resources to enable them to acquire a reasonable market share of the market.

Market knowledge and connections on the international market network are of prime importance.

One Nature Hotels Limited will focus on two main categories of tourists:

- a) Foreign Tourists: Mainly from German, USA, UK and China
- b) Local Tourists

In the Tanzanian context so far, the most valuable and profitable clientele is from the foreign tourists category. One Nature Hotels Limited has a clientele of over 95% from the foreign tourists' category. It can be said therefore that One Nature Hotels Limited will do tourism business for export market. In the domestic market however, the company targets the middle and higher class of the market segmentation strata. These customers access One Nature Hotels Limited services mainly through the company's marketing campaigns and partly through commission agency. Very few individual drop-in customers will be served by the company. This trend is not expected to change with One Nature Hotels Limited operations.

4.4 Pricing

One Nature Hotels Limited does not pretend to become a market leader, nor does it intend to challenge the bigger and established companies. The company's pricing policy is set with the objectives of achieving profitability and growth and achieving a reasonable share of the market without necessarily pricing the company out of competition. The company will maintain a wide set of packages on offer with different terms and prices to suit different interests and pocket sizes.

As mention earlier, One Nature Hotels Limited will target the market, with prices ranging from US\$ 1,400 to US\$ 1,600 per person per night in peak season. During off-season, prices will range from US\$ 1,100 to US\$ 1,300 per person per night in peak season. Bookings will be met through different agents, direct bookings and use of different web portals like booking.com, expedia, etc.

4.5 Promotion and Advertising

Creative promotion and advertising strategies will be outlined in the comprehensive marketing plan. With the objective of capturing new market segments and to attract faster responses in older market segments without stretching the company's human and financial resources too thin.

One Nature Hotels Limited envisages undertaking a comprehensive and concerted marketing program in order to obtain the necessary networking connections. One Nature Hotels Limited will reach out to all relevant stakeholders both locally and internationally through presentations at international and local that may avail the company the requisite

net workings. A focused aggressive marketing strategy is envisaged in this plan; this will include outsourcing adequate working capital to back up the marketing effort.

A considerable budget will be set aside over the period of the first five years towards the marketing and networking effort, which will be used largely in preparation of promotional and advertising materials.

5.0 MANAGEMENT, ORGANISATION AND HUMAN RESOURCES

5.1 Management

One Nature Hotels Limited as a corporate entity is managed under the Board of Directors. Day to day management of its businesses is organized and executed under the company's directors – Mr. Hani Tanios Saliba and Ms. Pamela Menzoyan, foreign investors with a diverse professional and business background with a keen interest to consolidate their wealth of experience and resources to tap the opportunities in the tourism industry.

Management structure of the proposed project will have the following personnel:

- Managing Director
- General Manager
- Assistant General Manager
- Food & Beverages (F&B)
- Chef
- Accounts/Finance
- Marketing
- Storekeeper
- HR Executive
- Tour Guide
- Drivers
- Housekeeping staff
- Laundry staff
- Receptionist
- Kitchen staff
- Electrician
- Maintenance Supervisor
- Security Guards

These staff will be coordinated by the Managing Director through close assistance and supervision of the General Manager.

The Company intends to compensate personnel well, so as to retain their invaluable expertise and to ensure job satisfaction and enrichment through delegation of authority. One Nature Hotels Limited recognizes that employees contribute fundamentally to the company's long-term prosperity, acknowledging their obligation to remunerate them competitively.

The project will contribute to the growth of the Tanzanian economy through generation of employment to 45 people, majority i.e. 40 being Tanzanians and 5 foreign expatriates. The company plans to adhere to Non-Citizens (Employment Regulation No. 1 of 2015) by employing only foreign expatriates who will perform duties and responsibilities on the jobs that require skills that are either not available or not sufficient among the Tanzanians. The

positions to be filled by foreign expatriates will require them extensive job knowledge, technical skills and expertise.

Furthermore, M/S One Nature Hotels Limited will ensure that Tanzanian employees are being designated to understudy the non citizen for the purpose of skills transfer as described in Part III Section 16 (1) of the Non-Citizens (Employment Regulation).

Nature/Nationality	No. of Employment
Local	40
Foreign	5
Total	45

5.2 Organization Structure

The Company will adapt a management structure capable of meeting the needs of its operations, and recruit personnel to operate the business.

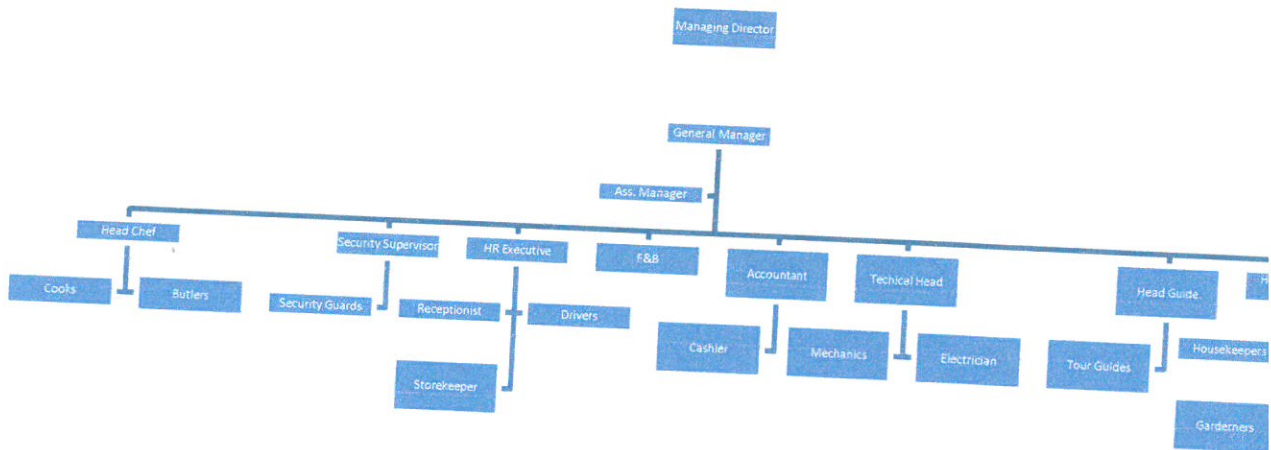
The adapted structure comprises of the following:

Board of Directors: This consists of the shareholders of the Company and the Managing Director (MD). The Board is responsible for overseeing the overall direction of the Company, setting goals, and monitoring performance of the management.

Managing Director (MD): The MD oversees and coordinates the implementation of various Board decisions and business goals. She is in charge of all affairs of the Company and reports to the Board.

General Manager (GM): He/She must be at least a degree holder in Business Administration or Diploma in Travel & Tourism operations from a recognized college (*or equivalent qualification*). The experience must be from a reputable business entity. He/She must be a hands-on supervisor, with ability to organize workers and instill in them the necessary team spirit. He/She will be in-charge of day to day operations of the Company and shall be directly answerable to the MD.

The Organizational Structure of One Nature Hotels Limited is summarized in the schematic below:



The Structure of the Organization proposed above is expected to afford the management a reasonable degree of flexibility and information flow that is considered critical for its business strategy and its market target. The strategy requires high level of contact and interaction with market players; therefore need to remove information barriers between the top management and operational staff. The structure would also allow an efficient and effective provision of various services at the proposed Permanent Tented Camp.

The following requirement of staff along with their levels and monthly salary is foreseen for this project:

Staff Remunerations Package (in USD)

Position	Employees	Year 1	Year 2	Year 3	Year 4	Year 5
General Manager	1	30,000	30,000	31,500	31,500	34,650
Assistant Manager	1	25,000	25,000	26,500	26,500	28,875
F & B Supervisor	1	12,500	12,500	13,125	13,125	14,438
Accountant	1	15,000	15,000	15,750	15,750	17,325
Receptionist	1	9,000	9,000	9,450	9,450	10,395
Head Chef	1	15,000	15,000	15,750	15,750	17,325
Head Receptionist	1	6,000	6,000	6,300	6,300	6,930
Housekeeping Supervisor	1	6,000	6,000	6,300	6,300	6,930
Housekeeping staff	3	6,000	6,000	6,300	6,300	6,930
Maintenance Supervisor	1	7,000	7,000	7,350	7,350	8,085
Cooks	4	20,000	20,000	21,000	21,000	23,100
Electrician	1	6,500	6,500	6,825	6,825	7,508
Mechanics	1	6,500	6,500	6,825	6,825	7,508
Drivers	6	13,500	13,500	14,175	14,175	15,593
Laundry	3	7,500	7,500	7,875	7,875	8,663
Tour Guide	4	30,000	30,000	31,500	31,500	34,650
Gardeners	2	6,500	6,500	6,825	6,825	7,508
Storekeeper	2	12,000	12,000	12,600	12,600	13,860
HR Executive	1	9,000	9,000	9,450	9,450	10,395

Security Guards	3	9,000	9,000	9,450	9,450	10,395
Butlers	2	6,500	6,500	6,825	6,825	7,508
Massage Therapist	2	3,000	3,000	3,150	3,150	3,465
Scullery	2	3,000	3,000	3,150	3,150	3,465
Total Employees	45					
Total Payroll		297,000	297,000	311,850	311,850	343,035
Direct Staff		218,500	218,500	229,425	229,425	252,368
Admin Staff		78,500	78,500	82,425	82,425	90,668

5.3 Technical Advisory Services

The Company plans to engage external consultants, law firm and auditors to provide management advisory services. Consultants will be engaged on contract terms, and would be expected to work closely with the MD. The Company's use of external consultants would ensure continuous improvements in business strategy and will be a low cost alternative to having a large internal pool of employee.

5.4 Support Services and Needs Assessment

The project would require moderate use of support services. The project management envisages obtaining certain support services. These include cooks, laundry staff, housekeepers, storekeeper, mechanics, etc. The market availability of the people for these positions in Tanzania is favourable as the existing enterprises and the government are unable to fully absorb the labour force. Others may be hired as temporary workers paid on an hourly basis.

The Company will outsource other services such as security to the proposed project from a credible security company.

6.0 ENVIRONMENTAL IMPACT ASSESSMENT

M/s One Nature Hotels Limited concern is that they become as environmentally conscious as possible. All facilities and structures will be environmentally defensible and built with as low a carbon footprint as possible while still delivering on the company's brand promise. To this end, project promoters are committed to the following strict environmental guidelines which include:

- Low impact on site and limited visibility of the architecture (during both day and night) will be designed to blend into the natural setting, minimizing any site damage;
- Architectural design, scale and materials used will be appropriate to the surrounding area, vegetation and the culture of the local people;
- The placement of the buildings and choice of materials will strive to preserve the natural integrity of the place and introduce nature to the guest's experience, with a focus on rehabilitation and conservation of the surrounds;
- Will be designed to meet the expectations of guests when it comes to comfort and safety through the use of energy efficient passive heating and cooling systems and off-the-grid solar technology;
- Design and construction will only allow for minimal use of cement;
- No wood from unsustainable sources will be used, unless it is old and recycled;
- The development will always attempt to capture the feel of the environment that it has been set in the construction site footprint and impact will be delineated by the Environmental Officer (EO) with the contractor at the site establishment. This delineation can only be moved with the permission of the EO.
- No high gables will be built into roofs, for they let in too much light and heat.

7.0 INVESTMENT AND FINANCING PLAN

7.1 Project Costs

The investment cost for the project has been estimated at USD 3,500,000 as follows:

Item	Foreign Equity	Foreign Loan	Total (in USD)
Land, Buildings & Other Civil Works Structure	760,000	1,820,000	2,580,000
Plant, Machinery and Equipment	20,000	200,000	220,000
Motor Vehicles	80,000	200,000	280,000
Furniture, Fixture & Fittings	-	80,000	80,000
Pre - Operational Expenses	40,000	-	40,000
Sub-total	900,000	2,300,000	3,200,000
Add : Working capital	300,000	-	300,000
Grand total	1,200,000	2,300,000	3,500,000
Contribution in Percentage	34%	66%	100%

7.2 Financing Plan:

The proposed project is estimated to cost about US\$ 3,500,000 over an implementation period of three years only. The project sponsors have enough financial resources and adequate access to foreign bank funding to undertake the contemplated investment. The project promoters are planning to finance project cost in the following pattern:

Owners' Equity Contribution: US\$ 1,200,000 (34%)

Bank Loans: US\$ 2,300,000 (66%)

8.0 ECONOMIC AND FINANCIAL ANALYSIS

8.1 Projected Financial Statements

The projected financial statements for five year period are presented in this Chapter. These statements include the projected balance sheets, profit and loss projections, and the statement of cash flows.

The projected balance sheets indicate a healthy trend, with a good equity position. The projected current assets will remain substantially above current liabilities, thus posing no liquidity problems. The projected income statement shows a steady increase in net income starting from the first year of project implementation.

The projected cash flows also indicate a strong cash position.

8.2 Analysis of Financial and Economic Viability

Considerations and Assumptions

8.1.1 Exchange Rate:

The exchange rate for financial analysis has been taken as T.Shs. 2,300.00 = USD 1.00 throughout the project period.

8.1.2 Depreciation

The straight-line method to depreciate the project's capital items has been applied as follows:

	2.0%
Buildings and other Civil Works Structures	
Plant, Machinery & Equipment	25.0%
Motor vehicles	25%
Office Equipment, Furniture fittings	12.5%

8.1.3 Sales and Revenue Assumptions:

It is assumed that One Nature Hotels Limited will target the market, with prices ranging from US\$ 1,400 to US\$ 1,600 per person per night in peak season. During off-season, prices will range from US\$ 1,100 to US\$ 1,300 per person per night in peak season. The Table below shows Sales Forecast for the period of 5 Years:

Sales Forecast (in US\$)

Direct Sales-Income	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Rooms-A	3,612,000	4,153,800	5,554,500	6,387,675	7,345,826	27,053,801
Food & Beverages-B	210,000	231,000	254,100	279,510	307,461	1,282,071
Shuttle Services-Car/Air-C	0	0	0	0	0	
Leisure Trip/Adventure/Games-D	25,000	26,250	27,563	28,941	30,388	138,141
Adventure/Games-E	0	0	0	0	0	
Beauty Spa-F	180,600	189,630	199,112	209,067	219,520	997,929
Total Sales	4,027,600	4,600,680	6,035,274	6,905,193	7,903,195	29,471,942
Direct Cost of Sales						
Rooms Repairs & Maintenance-A	361,200	415,380	555,450	628,768	734,583	2,705,380
Food & Beverages-B	420,000	462,000	508,200	559,020	614,922	2,564,142
Shuttle Services-Car-C	0	0	0	0	0	
Leisure Trip/Adventure/Games-D	20,000	21,000	22,050	23,153	24,310	110,513
Fuel & Maintenance-Vehicle-E	443,036	465,188	488,447	512,870	538,513	2,448,054
Beauty Spa-F	162,540	170,667	179,200	188,160	197,568	898,136
Training for Staff	18,060	18,963	19,911	20,907	21,952	99,793
Payroll	218,500	218,500	229,425	229,425	252,368	1,148,218
Permit Entry & Camp Fee	543,900	625,485	719,308	827,204	951,284	3,667,181
Subtotal of Direct Cost of Sales	2,187,236	2,397,183	2,721,991	2,999,506	3,335,500	13,641,416

8.3 Financial Statements:

8.3.1 Projected Profit and Loss for 5 Years (in

Projected Profit & Loss Account	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Sales	4,027,600	4,600,680	6,035,274	6,905,193	7,903,195	29,471,942
Direct Cost of Sales	2,187,236	2,397,183	2,721,991	2,999,506	3,335,500	13,641,416
Other Expenses	0	0	0	0	0	0
Total Cost of Sales	2,187,236	2,397,183	2,721,991	2,999,506	3,335,500	13,641,416
Gross Margin	1,840,364	2,203,497	3,313,283	3,905,687	5,567,695	15,830,526
Gross Margin %	46%	48%	55%	57%	58%	54%
Payroll	78,500	78,500	82,425	82,425	90,668	412,518
Visa, Registration & Renewals	72,240	75,852	79,645	83,627	87,808	399,172
Sales, Marketing and Other Expense	200,000	180,000	162,000	105,300	68,445	715,745
Land Lease Charges	0	0	0	0	0	0
Agents, Web Portals Commission	722,400	1,038,450	1,388,625	1,596,919	1,836,457	6,582,850
General, Sales, Advertising, and Support Fee to Head Office	201,380	276,041	362,116	414,312	474,192	1,728,041
Food & Accommodation for Staff	72,240	83,076	111,090	127,754	146,917	541,076
Depreciation	500,000	450,000	405,000	364,500	328,050	2,047,550
Utilities	15,000	26,000	26,000	26,000	26,000	0
Insurance	10,000	24,000	24,000	24,000	24,000	106,000
Payroll Taxes	29,700	29,700	31,185	31,185	34,304	156,074
Other & Misc Expenses	30,000	36,000	43,200	51,840	62,208	223,248
Interest of Borrowing	0	0	0	0	0	0
Profit Before Taxes	-91,096	-94,122	597,997	997,827	1,388,648	2,799,254
% of Profit	-2%	-2%	10%	14%	18%	9%
Earnings Before Interest, Taxes, Depreciation and Amortization	-591,096	-544,122	192,997	633,327	1,060,598	751,704
Taxes	0	-28,236	179,399	299,348	416,594	867,105
Profit After Interest, Taxes, Depreciation and Amortization	-91,096	-65,885	418,598	698,479	972,054	1,932,149
% of Profit	-2%	-1%	7%	10%	12%	7%

8.3.2 Projected Cash Flows :

Cashflow for 5 Years (in US\$)

Projected Cashflow	Year 1	Year 2	Year 3	Year 4	Year 5
Cashflow from Operating Activities					
Cash Inflow from Operation	4,027,600	4,600,680	6,035,274	6,905,193	7,903,195
Cash Outflow for Operations	4,118,696	4,694,802	5,437,277	5,907,366	6,514,547
Cash Generated from Operations	-91,096	-94,122	597,997	997,827	1,388,648
Interest Paid-Outflow	0	0	0	0	0
Tax Paid-Outflow	0	-28,236	179,399	299,348	416,594
Earned from Previous Year	0	-91,096	-156,981	261,616	960,095
Net Cash Inflow from Operating Activities-(A)	-91,096	-156,981	261,616	960,095	1,932,149
Cash Outflow from Investing Activities					
Investment in Fixed Assets	500,000	950,000	1,355,000	1,719,500	2,047,550
Advance Payments	0	0	0	0	0
Additions to Equipment-Outflow	0	0	0	0	0
Replacement of Equipment-Outflow	0	0	0	0	0
Sale of Equipment-Inflow	0	0	0	0	0
Net Cash Outflow from Investing Activities-(B)	500,000	950,000	1,355,000	1,719,500	2,047,550
Cashflow from Financing Activities					
From Borrowings/Capital Brought	5,000,000	0	0	0	0
Payment of Borrowing	0	0	0	0	0
Net Cash Inflow from Financing Activities-(C)	5,000,000	0	0	0	0
Net Increase/Decrease in Cash (A+C-B)	4,408,904	1,106,981	1,093,384	-759,405	-115,401

8.3.2 Projected Balance Sheet:

The project net worth increases from USD 4,908,904 in year one to USD 6,932,149 at the end of year ten.

Balance Sheet for 5 Years (in US\$)

Projected Balance Sheet	Year 1	Year 2	Year 3	Year 4	Year 5
Liabilities and Capital					
Accounts Payable	0	0	0	0	0
Current Borrowings	0	0	0	0	0
Other Current Liabilities	0	0	0	0	0
Total Current Liabilities	0	0	0	0	0
Long Term Liabilities	0	0	0	0	0
Total Liabilities	0	0	0	0	0
Capital Brought	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Earnings	-91,096	-156,981	261,616	960,095	1,932,149
Total Capital	4,908,904	4,843,019	5,261,616	5,960,095	6,932,149
Total Liabilities and Capital	4,908,904	4,843,019	5,261,616	5,960,095	6,932,149
Current Assets					
Cash	408,904	4,206,981	-3,383,384	2,320,405	1,020,301
Other Current Assets-Advance Payment	0	0	0	0	0
Total Current Assets	408,904	4,206,981	3,383,384	2,320,405	1,020,301
Long Term Assets	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Accumulated Depreciation	500,000	950,000	1,355,000	1,719,500	2,047,550
Total Long Term Assets	4,500,000	4,050,000	3,645,000	3,280,500	2,952,450
Total Assets	4,908,904	-156,981	261,616	960,095	1,932,149
Net Worth	4,908,904	4,843,019	5,261,616	5,960,095	6,932,149

8.5 Economic Benefits of the Project

The successful operation of the Project will contribute significant economic benefits to the Tanzanian people. In summary, the benefits that will be realized are as follows:-

- Employment opportunities for at least 45 permanent staff people at full commercial production.
- Provision of income to other services providers, thus contributing to the reduction of poverty. The income to be earned will help in improving standard of living of the workers and other people residing in the region.
- The direct income for the workers, combined with other social benefits that the management of M/s One Nature Hotels Limited will provide, will help in overall efforts of alleviation of poverty in the surrounding area.
- Provision of a market for goods and services demanded by expanded tax base to the Treasury and local Government authorities and generation of substantial income to the Government. The Government earns considerable revenue from the tourism sector in terms tax collections.
- This project will facilitate the increase of foreign exchange earnings through services provision as most of the tourists to be served will be foreigners.

9.0 CONCLUDING REMARKS AND RECOMMENDATIONS

9.1 Overall Project Concept

The overall project concept is sound as it contributes to the growth of tourism in Tanzania. It also has great potential for generating foreign exchange for the economy.

9.2 Economic and Financial Viability

The technical analysis indicates that the project is both financially and economically feasible.

9.3 Social and Administrative Sustainability

The project is socially acceptable as it contributes directly to the national development objective. There are no likely social complexities with respect to the project.

9.4 Recommendations

The project is highly recommended for implementation and necessary approvals.