



CONFIDENTIAL

# STEP Africa - Exchange for Change Limited

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**Business plan**  
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# Executive Summary

## Opportunity

### Problem

Traveling and learning about new cultures is benefiting travelers and hosts on many levels. Traveling as a volunteer to Tanzania in specific opens a chance to support local communities on a grassroots level while experiencing the culture first hand. Intercultural Exchange is the key to global change. While the concept isn't new, most volunteer agencies charge very high fees to run their oversea offices. There are very few organizations offering volunteering trips at an affordable rate and with a personal approach having the whole team on the ground.

### Solution

STEP Africa offers volunteering and internship experiences exclusively in Arusha, Tanzania with the whole team on the ground. Volunteers are in one location - the STEP Africa Volunteer House(s) - and spread out everyday to support their various projects (schools, hospitals, pre-schools, animal welfare projects and women's and children's rights NGOs) from here. The participants only pay for their food, accommodation and supervision by our team while no additional administrative fees are charged. STEP Africa Fees are therefore highly competitive and cheaper than those of any volunteer agency abroad. By concentrating on one country and currently only one city we can assure the best possible support and a personal atmosphere.

### Market

Many young people in the western industrial countries are looking for gap year opportunities abroad. Especially high school graduates and university students are continuously seeking opportunities for intercultural experiences. In addition to this many young people need to complete internships related to their studies and are given the option by their schools or colleges to complete them in other countries.

There are also people on the job and retirees seeking for new experiences and a meaningful way to support a charity cause.

Since STEP Africa's Director is from Germany the majority of customers can be expected to come from German speaking countries - Germany, Austria, Switzerland, Luxembourg. In 2020 in Germany alone there were 123.000 high school graduates as well as 2 million university students and therefore potential customers.

Since the company has a strong online presence with a multilingual website as well as social media accounts there are millions of potential customers world wide which is why we see a great opportunity for growth.

## **Competition**

There are only very few direct competitors in the Arusha Region as the target customers are acquired from abroad. There are a few companies with a similar concept, those however mostly work with various international agencies and therefore do not do direct sale. Others put stronger emphasis on the accommodation aspect, selling their rooms and beds by night while we sell by week. We are among the most affordable volunteer hostels in Arusha and offer more service for a lower price. While most customers find us online and at the time will not be aware of the direct competitors in Arusha they will likely meet volunteers from other companies during their time in Arusha. So far our experience has shown that in direct comparison volunteers are in favor of STEP Africa even in retrospective.

## **Why Us?**

STEP Africa is a social enterprise. This means that although we are a company that works for profit, we put the profit motive behind the overriding goal of supporting the community. It is therefore of utmost importance to us that we support our volunteers in the best possible way to help our partner projects and to ensure that our work benefits the community in which we are located in an all-encompassing way. We also do justice to social relevance by offering our staff fairly paid and long-

term jobs with fixed contracts and social benefits. Our volunteers pay prices comparable to standard backpacker hostels in Tanzania, but receive a complete package of accommodation, meals and round-the-clock support from our experienced team, who are on hand to help with any questions and problems relating to project support, thus providing a close approach to the aid work and authentic life in Tanzania.

When you leave your familiar surroundings to do volunteer work or an internship on a new and unknown continent as a young person, you want to be sure that it will be an unforgettable time. Trust is a huge factor in our industry and everything stands and falls with it.

Trust comes when potential volunteers are sure that they will be excellently taken care of on both a professional and personal level. Our company director Kira's first trip to Tanzania also took her to Arusha as a volunteer. She therefore shares the experience of all our volunteers and knows exactly how it feels to live as a young person in Tanzania and to get involved in projects. In addition, she has a relevant education in the field of pedagogy and social work with a focus on intercultural pedagogy. Many volunteers come from German-speaking countries and can therefore not only identify with Kira, but also communicate with her in the language they are familiar with in case of problems and other concerns.

But those who want to do volunteer work intend above all to gain an intensive insight into the culture, ways of thinking and living of the people in the host country. With Upendo and the rest of the Tanzanian team, STEP Africa provides its participants with an excellently trained and emphatic team of supporters who quickly become a second family for the volunteers - a home away from home.

This combination of expertise, experience, empathy and cultural diversity within our team, the flat hierarchies and last but not least the "extra mile" that everyone from the team goes to make our volunteers feel at home, have already ensured numerous very good ratings and recommendations and clearly set us apart from many other providers in the same field.

A second point is the very good reputation we already enjoy with NGOs, schools and other social and medical institutions. We prepare our volunteers very

intensively for their stay in Tanzania and can extend the trust placed in us to our partner projects. Thanks to the support of our volunteers, many of the facilities have been able to make great strides in development, both materially and in terms of content. Since our focus is on sustainability, we expect a steady growth in the number of successfully supported meaningful initiatives and institutions in Arusha and the entire north of Tanzania.

Why STEP Africa? Because we are a very special "family" driven by the goal of international understanding and fair development.

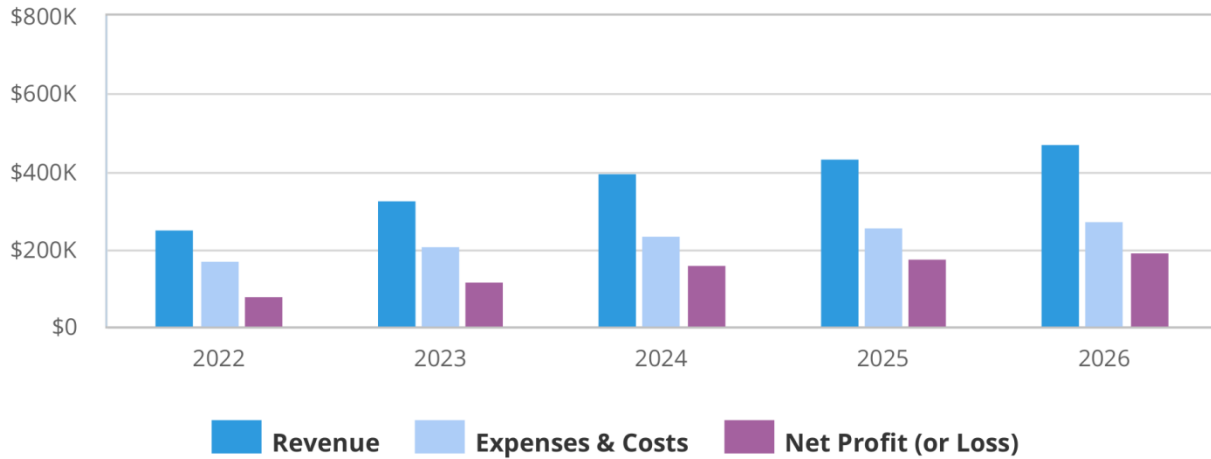
## Expectations

### Forecast

We are already into the third year of business operation. Leaving the pandemic year of 2020 out of the assumption we were already able to generate sales of \$88,000 in year 2 (2021). We are projecting sales of \$254,000 in year 3 and \$326,000 in year 4 with a profit margin of 34%. That assumes we can accommodate 45 volunteers per week with an average price of \$115 paid weekly per volunteer and an application fee of \$155 assuming that each volunteers stays for an average of 8 weeks. Our managing director will not draw a high salary so we can reinvest our profits into growing the business. Rent, besides of salaries and professional fees as well as meals will be one of our biggest expense until we will be able to move into our own property. This is followed by smaller allotments for utilities, licenses, office and kitchen supplies, house upkeep and government fees. We are aiming at a total capacity of 65 beds from 2024 onwards which means a possible revenue of about \$471,000 and a profit margin of up to 42% which we are aiming at for the year of 2026.

We want to stress out that our company's goal is to use our profit by reinvesting in our employees and services to benefit the community we are serving.

## Financial Highlights by Year



## Financing Needed

Our business is already self sufficient and we have been running on a profit from the first year of business operation during a global pandemic. We are expecting a steady growth until our maximum capacity will be reached. Since we plan to construct our own volunteer house and therefore eliminate the expenses for renting multiple houses we will need a construction loan from the bank at the end of 2022 or in early 2023. We are aiming at taking a loan of \$200.000. The majority of our investments in non-current assets, amounting up to over \$625.000 will be funded by company profits and shareholders equity over the coming 5 years.

# Opportunity

## Problem & Solution

### Problem Worth Solving

The world is growing closer together and in the course of ongoing globalization, the desire of many people, especially young people, to explore as many corners of the world as possible is growing. However, it is not only the desire to travel that drives people, but above all an awareness of unequal global structures and the will to make a small contribution to making the world a fairer place.

Many universities and training centers are increasingly demanding international internships. Young people are therefore looking for a way to reconcile their desire to travel, their desire to help and their educational obligations and are therefore increasingly interested in the opportunities offered by volunteering in Africa.

Numerous large agencies offer volunteer work and internships in a wide variety of countries and continents, often comprised as all inclusive packages and therefore targeting the aforementioned group. For a few weeks, thousands of Dollars are charged, of which the majority seeps into administrative structures and does not even reach the economy of the target country. It is too often forgotten that the main target group, namely the pupils and students, in most cases have only a very limited budget at their disposal. They are less interested in perfect glossy brochures and expensive advertising events than in a provider who makes them feel safe, secure and well looked after. And also a provider where the price is fair and comprehensible.

A more recent problem many companies working in the hospitality sector are facing are global developments such as the pandemic, wars and economic uncertainties resulting in inflation and lack of customers. In 2020, COVID-19 almost meant the end of our newly founded company. One of the big burdens during this time was the rent and the threat of losing our rented property. In order to set STEP Africa apart from our competitors in the long term, not only through the high quality of our work but also through maintaining fair and affordable program fees,

we rely on accommodating as many volunteers as possible in a single location to guarantee high cost efficiency - and we rely on an accommodation facility that is safely available even during financial uncertainties. In order to create a sense of community and operating cost effectively a single, purpose built volunteer house is needed.

## **Our solution**

The global goal of offering young people in particular the opportunity to do voluntary work and internships in a protected and sustainable framework can only be achieved if you do not have an anonymous and expensive agency being responsible to organize your stay, but if you choose a provider with a personal, professional and fairly priced approach. This is exactly what STEP Africa offers by focusing on a single location, paying the utmost importance to the quality of employees and service as well as choosing worthy and sustainable projects to support. We are specialists in what we do and are chosen by our clients for this very reason.

In order to keep the program fees as low as possible for our mainly young participants, most of them being students, STEP Africa has to place a high value on cost efficiency. This can only be achieved in the long term if we invest in the acquisition and construction of our own volunteer house. This not only saves rental costs, which in turn do not have to be passed on to our customers, but also offers the chance to construct a purpose built hostel that can accommodate many volunteers at the same time and which meets the needs of the foreign guests in terms of space, sanitary facilities and living comfort.

It is planned to build a volunteer accommodation in Njiro, Arusha, where up to 65 volunteers can be accommodated and looked after at the same time.

Owning a volunteer accommodation will save costs in the long run and will ensure that the program fees remain low, but will also provide more room for salary increases for the staff as well as further investments and support of our partners.

## Target Market

Sourcing reliable data isn't easy however, it is estimated that in the EU-27 there are about 17.5 million tertiary education students ([https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tertiary\\_education\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tertiary_education_statistics)), 19.4 million students in the US (<https://nces.ed.gov/fastfacts/display.asp?id=372>), 1 million in Canada (Source: Universities Canada estimates based on 2016 Postsecondary Student Information System data) and 1.5 million in Australia (<https://www.universitiesaustralia.edu.au/wp-content/uploads/2019/06/Data-snapshot-2019-FINAL.pdf>).

Tertiary Education students of developed countries being our main target group this makes an estimated **39 million potential clients for our company**. Since we source most of our interns via the internet and provide an up to date multilingual website, our services are accessible for the majority of the above mentioned students in the western world.

We aim at a total of 65 spots in our program at any given time. Considering the above number we are confident to being able to in the future keep those spots filled throughout the year.

## Competition

### Current alternatives

As described above, international volunteering is a growing market that more and more agencies and organizations are entering. Comparison portals and international agencies that offer volunteer work all over the world and in various fields of work are very popular. Clients sometimes pay very high sums to participate in projects booked through such agencies, which include agency fees and taxes and duties of the agency location and the assignment location. The advantage of agencies is the variety of projects and locations and the possibility to combine different countries and fields of work. They represent a "one stop for all".

Another quite direct competition are the many hostels in Arusha, which offer their accommodation and additional tourist services via Airbnb, Booking.com and other platforms and are priced at a similar level as STEP Africa. Even though many of the hostels are located in the immediate vicinity, the acquisition of customers mostly takes place online. Many of those hostels offer volunteering packages as an additional service to a Tanzania holiday and host both, tourists and volunteers, in their accommodation.

## **Our advantages**

The market is growing which in itself is a great advantage for any young business. In fact the international volunteering market is booming.

It has already been mentioned above that personal support, strict selection of sustainable partner projects and low prices are among the main reasons for our competitive advantage. Once clients have found us in the mass of offers on the World Wide Web, their decision is usually already made in our favour and against the big international agencies.

But the hostels in our immediate vicinity in Arusha should not be disregarded either. Arusha is a small town where foreigners quickly meet and get to know each other better and accordingly exchange information about their accommodation and volunteering experience. So there is always the risk of losing customers to the competition, even after their arrival, if they decide to move to one of the other hostels, for example.

However, our experience so far and also our very good reviews on the internet show that the satisfaction rate among our volunteers is extremely high. We have a negligible number of volunteers who leave for the competition and an overwhelmingly high number of those who recommend us to their friends and family.

This is because STEP Africa has one distinct advantage over the competition and that is our exclusivity. We are not a tourist hostel, we are not selling beds by day, but we exclusively accommodate and look after volunteers and interns who usually

stay with us for several weeks, if not months. We are not a travel company that offers accommodation, safaris and a little volunteering on the side. We are absolute experts in our field, because we only offer volunteering and internships. We specialise in the placement of volunteers and know exactly what we are doing through our many years of experience and our close relationships with our partner projects.

# Execution

## Marketing & Sales

### Marketing Plan

STEP Africa does not currently have a permanent marketing strategist and does not see the need for one at this point in time. Marketing tasks are mainly worked on by the management team. We have a very active social media presence (Instagram and Facebook) and post several times a week about our projects and the activities of our volunteers and team. A growing number of volunteers are now finding their way to us via social media.

We are also planning to launch a Google Ad Words campaign in the future to improve our search engine visibility. We already have a Google My Business profile with further information and review as well as our map location. This has a high number of monthly visitors.

We also present our projects on online platforms such as Volunteerworld, which retains a commission on the placement of volunteers.

We get a very large proportion of our volunteers through word of mouth from former participants. We create an additional incentive here by reducing program fees for referrals or issuing vouchers for the referring person. However, even without this many volunteers are very motivated to recommend our program and e.g. get in touch with local newspapers or web portals where they submit testimonials about their time in Tanzania - leading to further potential customers.

### Sales Plan

We currently offer two payment methods for our participants. Cash payment on arrival and advance transfer to our Tanzanian accounts (USD, EUR and TZS account with CRDB Bank). For registrations via Volunteerworld, participants pay a deposit via Paypal, which is retained by Volunteerworld as a commission. We will then invoice the remaining amount using the above mentioned payment methods.

If they register directly, our volunteers pay a registration fee in advance and the programme fees on arrival. If, on the other hand, they choose to pay in cash, the total amount is due on arrival. Most of our clients choose cash payments.

In the future, we would like to see the introduction of more payment methods, as this would allow us to set up more flexible payment plans and would also provide greater security for us as providers. Because where payment only takes place on site, there is always the danger that volunteers cancel at the last moment without having to reckon with financial consequences. We will therefore identify more providers of online payment services in the near future who will allow our clients to use credit cards and make online payments.

## Operations

### Locations & Facilities

Our current two rented volunteer houses are located in Njiro, Arusha. Njiro is a very popular district due to its central yet quiet location and thus the ideal location for volunteer accommodation. Not only can our partner projects be easily reached by public transport from here, but our volunteers also find all shops for their daily needs and numerous opportunities for leisure activities in Njiro itself. Njiro is also a very safe area, an aspect that should not be neglected, especially when accommodating international guests.

We currently offer a total of 40 places for our volunteers, spread over two houses. Most of our volunteers are accommodated in dormitories. From July 2022, we will replace the current second house with a newly rented property, which will offer up to 30 accommodation places. This will increase our capacity to a maximum of 50 places in two houses. The contract in our first house, which also houses our offices, will be renewed in July 2022 until at least December 2022. The contract for the new, larger property was also signed in May 2022 and runs until 31 May 2023.

Although the location of our volunteer houses in Njiro is ideal, the situation of having two different houses is not. Therefore, our goal is to acquire a house with a capacity of at least 65 volunteers. As it is very unlikely to find such a property for rent and since we also want to eliminate the rental cost factor in the long run in

order to save costs and gain security, we are planning to purchase our own plot of land before the end of 2022 and to start building a Purpose Built volunteer house in 2023.

## Technology

We currently run a Wordpress-powered website which, with the help of numerous plug-ins, allows us to create registration and contact forms for interested parties. All registrations run via Formidable WordPress Plug-in and are processed manually on the computer. We use Google Calendar to organise our bookings. In the background, the company "Praxis" takes care of our bookkeeping via Quickbooks. The introduction of further software to manage our volunteer data is planned, although no specific software has been selected at present.

Our office is equipped with a total of three company laptops (HP, Acer and Apple MacBook), an Epson printer and a TP-Link mobile wifi device. We have two more TP-Link Wifi routers for the volunteers in the two accommodations. One accommodation also has a flat screen TV and DVD player. We also have three company mobile phones. In the future, we plan to switch our administration system completely to Apple (Macbook and iPhone) in order to be able to share and manage data more securely, quickly and efficiently. There are also plans to purchase at least one more TV.

To make the introductory presentation for new volunteers more appealing, we will also equip our office with a projector in the near future.

## Equipment & Tools

As our company has been operating since 2020, we already possess the most important equipment, which mainly includes furniture for our accommodation, bed linen, kitchen utensils and other equipment. For the move to the larger second accommodation in July 2022, we will purchase more living room furniture as well as garden furniture.

The purchase of further furnishings is then planned for the future move into our own property. We would like to commission sustainable design companies and

furniture manufacturers based in Arusha in order to express our sustainable philosophy with our furnishings.

Another need for the future is the purchase of a Bus to facilitate airport and project transfers. Such a vehicle is also needed for our growing community outreach program, with which we visit and support rural schools and women's groups.

## Milestones & Metrics

### Milestones Table

Milestone	Due Date	Details
Purchase of Company Vehicle (Landcruiser VX)	Completed	Old Vehicle has to be replaced as it is not reliable.
Purchase of Company Vehicle (Toyota Platz)	Completed	Our Coordinator needs her own transport in order to work in a more time effective manner.
Rent of First Hostel	Completed	Start of Business Operation
Rent of Second Hostel	Completed	Due to high demand.
Rent of Third Hostel	Completed	As Second Hostel is not offering enough space it will be surrendered and replaced with the third Hostel. Hostel 1 and Hostel 3 continue operation.
Land Purchase (Sale Agreement)	Completed	The first step towards our own volunteer house (Hostel).
Finalize Title Deed for Land	August 31, 2022	Completion of Transfer through Tanzania Investment Center approximately 3 months after signing of the sale agreement.
Construction Start	January 01, 2023	We are aiming at constructing a double story volunteer house with 15 dormitory and private rooms and a roof top terrace which will be the main building on our property.
Move into the new Volunteer House	July 01, 2023	We plan to move the first volunteers and our offices into the new premises by this time. However, construction will be ongoing. This will be the time that we hope to only operate Hostel 1 until our own Volunteer House will be finalized
Grand Opening of the new Volunteerhouse	January 01, 2024	At this stage we want the main building to be completed although other constructions (5 small huts for private accommodation) and installations (e.g. Solar System) as well as landscaping will continue.
Purchase of Project Bus	February 01, 2024	Transfer of Volunteers to the project side, airport etc.

## Key metrics

Our most important key figure for defining our entrepreneurial success is the occupancy rate of our volunteer house. We strive for full occupancy of all beds throughout. Per capita salary costs and other fixed costs per unit decrease the more volunteers we can accommodate and care for at the same time. We also strive for the highest possible rate of direct bookings, as these produce a higher turnover compared to bookings via platforms. We receive direct bookings mainly through alumni referrals and through our social media channels as well as search engines.

Since our field of work can be defined relatively simply by these key metrics and our maximum profit depends on the capacity of our beds, further profit maximization is only possible through cost savings -since raising prices is not an option at this point in time. This is where rent comes into play, which will be eliminated as soon as we own our own property. Food costs can also be saved the more clients we accommodate (buying in wholesale).

As a social enterprise, however, profit maximisation is not fundamentally our primary goal, but rather stability and the creation of secure jobs. We also only succeed in this if we aim for the highest possible occupancy rate in the long term.

Our social success is also measured by the occupancy rate, because the more volunteers we can take care of, the more our partner NGOs also benefit from the financial and overall support. Once our entrepreneurial goals are achieved we are planning to invest larger sums of our profits into the charities we already support.

# Company

## Overview

### Ownership & Structure

STEP Africa - Exchange for Change is a company limited by shares. Our two German founders, Kira Uher and Deborah Blasche nee Uher are co-owner with Kira Uher holding 70% and Deborah Blasche holding 30% of the shares. Kira Uher serves as the managing Director in Tanzania. No outside investors are involved at this point in time, though there might be an opportunity for that as the business grows.

### Company history

The idea of STEP Africa was born several years ago based on the experience of co-founder Kira Uher who served as a volunteer in Tanzania herself in 2008. Kira studied Social Work and Pedagogics and remained closely attached to Tanzania advising volunteers and interns worldwide online after she moved to Tanzania to start a family in 2014. In August of 2019 the company known as STEP Africa - Exchange for Change Ltd. was established.

2020 was the first business year and at the same time a very challenging year for the company due to the Corona Virus Pandemic. Due to the foreigner friendly politics of Tanzania 2021 was already a hugely successful year for the company.

## Team

### Management team

STEP Africa is a cooperation between two sister from Germany: Kira Uher and Deborah Blasche. While Deborah is not actively involved in the running of the company but strongly supports the idea and vision behind STEP Africa, Kira runs all day to day businesses as she is the only shareholder and director in Tanzania. Upendo Lema is acting as the official company secretary and is, alongside Kira, helping to manage the day to day business and operations.

Kira has an extensive experience and qualification in the educational and social field and has supervised numerous volunteers and interns prior to her founding of STEP Africa. She herself started as a volunteer in Tanzania and therefore exactly understands the needs and challenges volunteers face as well as their expectations and wishes towards a good volunteer organization. Kira has gathered intensive business and marketing knowledge in a learning-by-doing setting. She is furthermore very accustomed to the Tanzanian culture having lived in Arusha for most of her adult life.

Upendo is a trained primary school teacher and impresses with her always open, friendly and emphatic manner. Not only does she quickly build a close relationship with our volunteers, making her one of their main contacts. She has also already acquired excellent knowledge in the field of company administration and reliably takes care of all kinds of official appointments.

STEP Africa relies on flat hierarchies and attaches great importance to a friendly atmosphere among the staff. The entire team is regularly involved in strategic issues.

## **Advisors**

Our company benefits from the combined experience of various similar enterprises in Tanzania and worldwide. In Germany, the "Interessengemeinschaft internationale Freiwilligenarbeit" (Interest Group for International Volunteer Work) was founded in 2019, whose guidelines and criteria for the professional organization of international volunteer work we follow.

As our team mainly comes from the social and educational sector, we are especially dependent on professional management advice. This is mainly done by our accountant and tax consultant Lashku T. Lashku ("Praxis"). We also regularly seek legal advice on labour law and business issues.

# Financial Plan

## Forecast

### Key assumptions

We are targeting a maximum occupancy capacity of 65 beds in our proposed development, sold at a price of \$115 per unit (week/person). The maximum annual revenue from program fees will thus be \$405,600 after the completion of the construction.

Each participant is also charged a one-time registration fee of \$155. With an average length of stay of 8 weeks, this means an expected maximum of 422 registrations per year and thus an additional annual revenue of approximately \$65,488.

The expected annual revenue under ideal conditions and with full occupancy throughout is therefore \$471,088.

We are targeting an average occupancy rate of 35 volunteers for 2022, 45 volunteers for 2023, 55 volunteers for 2024, 60 volunteers for 2025 and a fully booked house with an average of 65 volunteers by 2026 as seen above.

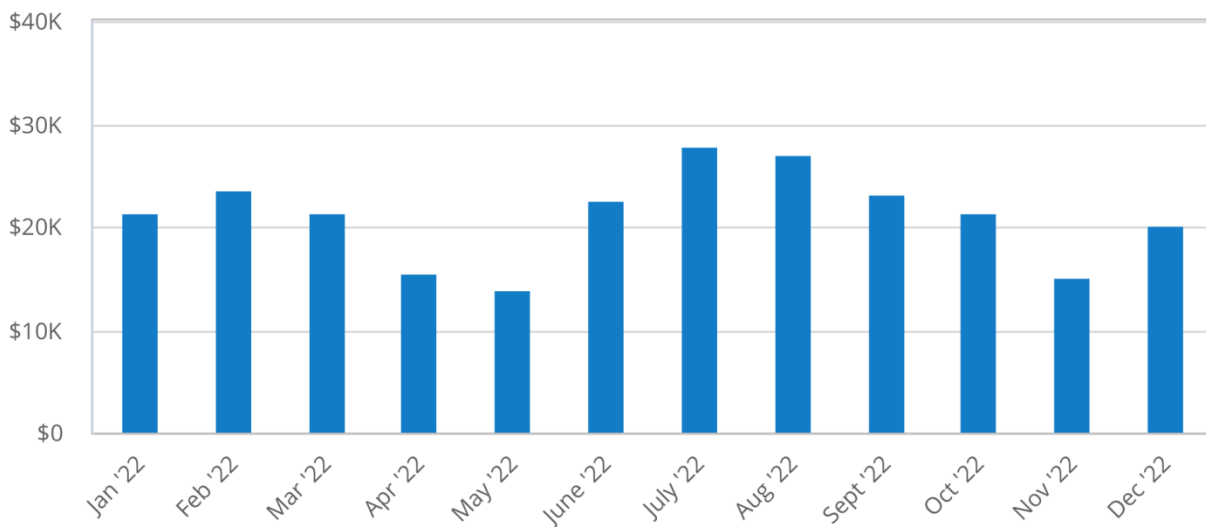
As we already have two business years behind us and many years of experience in organising international volunteer work before that, we have a good understanding of the current market situation and the expected financial development of our company. Worldwide, a boom in international volunteering is predicted for the next 5 years, which is also related to the new travel awareness in the wake of the COVID-19 pandemic. The excellent marketing work of the Tanzanian government in the tourism sector will also have a positive impact on our field of work. In general, we also know that volunteers decided to travel to Tanzania even when tourists were still hesitant due to the global situation. This is particularly evident in the rapid regeneration of our company after our three-month corona-related closure from mid-March to early June 2020. The reason for this lies in the nature of our offer. While tourists travel to a country as holidaymakers and therefore tend to pursue more selfish purposes, volunteers also travel to Tanzania to gain their own

experiences. However, the overarching goal is selfless, as they want to support charitable causes in the country. This completely different priority increases the willingness to travel even under rather difficult external circumstances.

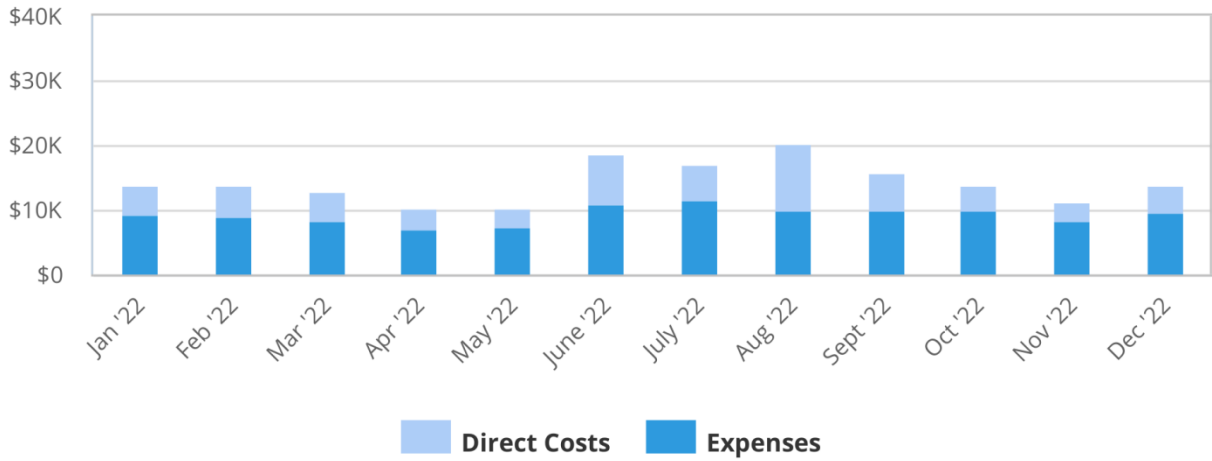
Currently, our highest costs are in the area of rent, salaries / professional fees and maintenance of volunteers (food and other utilities). We plan to eliminate our rental costs by building our own hostel and reducing our per capita food costs in the future by increasing the number of guests. This will then give us more room to expand our team and raise salaries in the long term.

While we are considering taking out a loan to build our hostel, we are also optimistic that a larger sum will be financed through our own profits.

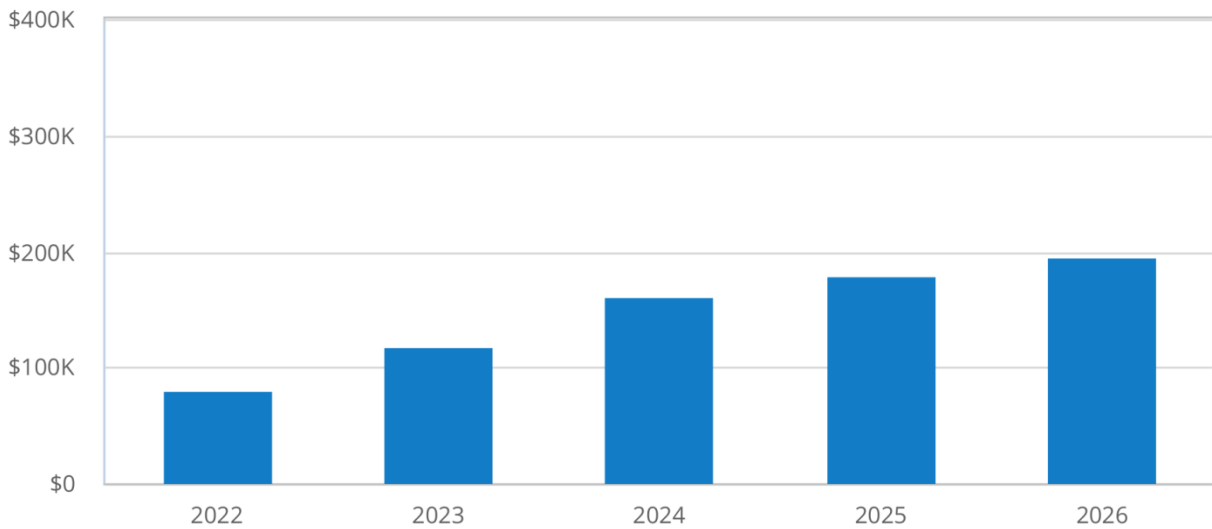
### Revenue by Month



### Expenses by Month



### Net Profit (or Loss) by Year



## Financing

### Use of funds

We already have two fully furnished and equipped volunteer houses which we have rented. The reason for having two houses is the high demand for accommodation and support services for international volunteers and also the fact that it is difficult to find a rental house with more than five bedrooms in Arusha. To meet the demand we will need at least 15-20 bedrooms in the future, some of which will be shared rooms and some private rooms. For this reason, and in order to save on rent, the biggest investment planned is the purchase of a plot of land and the construction of volunteer accommodation (hostel) to meet demand, as well as a sufficient number of office and training rooms. An own building will also give us the opportunity to combine our activities under one roof and spend more time with our volunteers, as the daily commute between two different accommodations and the office will no longer be necessary for our team. We expect the cost of land and building to be around \$500,000 to complete the building so that it can be used appropriately. Additions and extensions can then always be planned for the future (see Appendix for referral). Among others we plan to build a further five huts for private accommodation as well as install a solar system for a more sustainable energy concept. We also plan to build a swimming pool once the main and side buildings are completed. This adds a high value to our property and sets a very high standard for hostels in Arusha.

Another important purchase for the near future is a Bus to transport the volunteers to projects further away, which we support as part of our outreach program, without incurring major costs or security risks. We expect the purchase cost to be around \$25,000.

### Sources of Funds

Our company is registered for a shared capital of 1.000.000.000 /= Tanzania Shillings (\$435.000) which will be funded by shareholders equity. We are

furthermore intending to reinvest our companies profits for the coming 5 years. We also plan to take out a building loan of \$200.000 with CRDB Bank in order to get the construction started soon. The land for the future construction was already purchased in May 2022 with profits of 2021 and the first quarter of 2022.

Once the volunteer house is completed, the elimination of the previous rent and the expansion of the room capacity should result in a further increase in profits, which can be reinvested in the expansion and upgrading of the property and which should make it easy to repay the loan.

## Statements

### Projected Profit and Loss

	2022	2023	2024	2025	2026
<b>Revenue</b>	<b>\$253,585</b>	<b>\$326,138</b>	<b>\$398,612</b>	<b>\$434,850</b>	<b>\$471,088</b>
<b>Direct Costs</b>	<b>\$60,327</b>	<b>\$65,389</b>	<b>\$82,419</b>	<b>\$87,184</b>	<b>\$96,950</b>
Gross Margin	\$193,258	\$260,749	\$316,193	\$347,666	\$374,138
<b>Gross Margin %</b>	<b>76%</b>	<b>80%</b>	<b>79%</b>	<b>80%</b>	<b>79%</b>
<b>Operating Expenses</b>					
Salaries & Wages	\$34,660	\$41,181	\$43,828	\$46,724	\$49,892
Employee Related Expenses	\$4,520	\$5,188	\$5,678	\$6,218	\$6,808
Rent Hostel 1	\$3,660	\$3,660			
Rent Hostel 2	\$2,640				
Rent Hostel 3	\$8,400	\$6,000			
Waterbill	\$1,425	\$1,800	\$1,800	\$1,800	\$1,800
Electricity Bill	\$2,088	\$2,090	\$2,090	\$2,090	\$2,090
TALA License	\$800	\$800	\$400	\$400	\$400
Tanzania Investment Center	\$1,100				
Fuel / Vehicle Expenses	\$4,000	\$4,000	\$5,900	\$5,900	\$5,900
House Upkeep	\$1,745	\$4,000	\$1,800	\$1,800	\$1,800
Bedding	\$500	\$500	\$500	\$500	\$500
Repairs and Maintenance	\$600	\$600	\$600	\$600	\$600
Audit Fees	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Software	\$720	\$720	\$720	\$720	\$720

## STEP Africa - Exchange for Change Limited

Service Levy	\$1,268	\$1,631	\$1,993	\$2,174	\$2,355
BRELA Costs	\$150	\$150	\$150	\$150	\$150
Kitchen Supplies	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Office Expenses	\$1,045	\$1,045	\$1,045	\$1,045	\$1,045
Other Land Purchase Fees and Expenses	\$2,000				
Stamp Duty	\$403	\$52	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$73,724</b>	<b>\$75,416</b>	<b>\$68,505</b>	<b>\$72,121</b>	<b>\$76,061</b>
<b>Operating Income</b>	<b>\$119,534</b>	<b>\$185,332</b>	<b>\$247,689</b>	<b>\$275,545</b>	<b>\$298,077</b>
Interest Incurred		\$12,229	\$11,756	\$9,987	\$8,090
Depreciation and Amortization	\$3,088	\$3,744	\$6,513	\$8,900	\$10,153
Gain or Loss from Sale of Assets					
Income Taxes	\$34,934	\$50,808	\$68,826	\$76,997	\$83,950
<b>Total Expenses</b>	<b>\$172,073</b>	<b>\$207,585</b>	<b>\$238,019</b>	<b>\$255,190</b>	<b>\$275,203</b>
<b>Net Profit</b>	<b>\$81,512</b>	<b>\$118,552</b>	<b>\$160,594</b>	<b>\$179,660</b>	<b>\$195,884</b>
<b>Net Profit / Sales</b>	<b>32%</b>	<b>36%</b>	<b>40%</b>	<b>41%</b>	<b>42%</b>

## Projected Balance Sheet

	2022	2023	2024	2025	2026
Cash	\$33,942	(\$22,879)	\$58,887	\$223,590	\$438,825
Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Inventory					
Other Current Assets					
<b>Total Current Assets</b>	<b>\$33,942</b>	<b>(\$22,879)</b>	<b>\$58,887</b>	<b>\$223,590</b>	<b>\$438,825</b>
Long-Term Assets	\$61,894	\$476,314	\$592,854	\$643,028	\$658,028
Accumulated Depreciation	(\$3,088)	(\$6,832)	(\$13,345)	(\$22,245)	(\$32,398)
<b>Total Long-Term Assets</b>	<b>\$58,806</b>	<b>\$469,482</b>	<b>\$579,509</b>	<b>\$620,783</b>	<b>\$625,630</b>
<b>Total Assets</b>	<b>\$92,748</b>	<b>\$446,604</b>	<b>\$638,396</b>	<b>\$844,373</b>	<b>\$1,064,455</b>
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Income Taxes Payable	\$7,591	\$12,627	\$17,219	\$19,240	\$21,011
Sales Taxes Payable	\$3,645	\$4,893	\$5,972	\$6,508	\$7,073
Short-Term Debt		\$24,472	\$26,241	\$28,138	\$30,172
Prepaid Revenue					
<b>Total Current Liabilities</b>	<b>\$11,236</b>	<b>\$41,992</b>	<b>\$49,432</b>	<b>\$53,886</b>	<b>\$58,256</b>
Long-Term Debt		\$154,548	\$128,307	\$100,169	\$69,997
<b>Long-Term Liabilities</b>		<b>\$154,548</b>	<b>\$128,307</b>	<b>\$100,169</b>	<b>\$69,997</b>
<b>Total Liabilities</b>	<b>\$11,236</b>	<b>\$196,540</b>	<b>\$177,739</b>	<b>\$154,055</b>	<b>\$128,253</b>
Paid-In Capital		\$50,000	\$100,000	\$150,000	\$200,000
Retained Earnings		\$81,512	\$200,064	\$360,658	\$540,318

## STEP Africa - Exchange for Change Limited

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Earnings	\$81,512	\$118,553	\$160,593	\$179,661	\$195,884
<b>Total Owner's Equity</b>	<b>\$81,512</b>	<b>\$250,064</b>	<b>\$460,658</b>	<b>\$690,318</b>	<b>\$936,202</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$92,748</b>	<b>\$446,604</b>	<b>\$638,396</b>	<b>\$844,373</b>	<b>\$1,064,455</b>

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## Projected Cash Flow Statement

	2022	2023	2024	2025	2026
<b>Net Cash Flow from Operations</b>					
Net Profit	\$81,512	\$118,552	\$160,594	\$179,660	\$195,884
Depreciation & Amortization	\$3,088	\$3,744	\$6,513	\$8,900	\$10,153
Change in Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Change in Inventory					
Change in Accounts Payable	\$0	\$0	\$0	\$0	\$0
Change in Income Tax Payable	\$7,591	\$5,036	\$4,592	\$2,021	\$1,771
Change in Sales Tax Payable	\$3,645	\$1,248	\$1,079	\$536	\$565
Change in Prepaid Revenue					
<b>Net Cash Flow from Operations</b>	<b>\$95,836</b>	<b>\$128,580</b>	<b>\$172,778</b>	<b>\$191,118</b>	<b>\$208,373</b>
<b>Investing &amp; Financing</b>					
Assets Purchased or Sold	(\$61,894)	(\$414,420)	(\$116,540)	(\$50,174)	(\$15,000)
<b>Net Cash from Investing</b>	<b>(\$61,894)</b>	<b>(\$414,420)</b>	<b>(\$116,540)</b>	<b>(\$50,174)</b>	<b>(\$15,000)</b>
Investments Received		\$50,000	\$50,000	\$50,000	\$50,000
Dividends & Distributions					

## STEP Africa - Exchange for Change Limited

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Change in Short-Term Debt		\$24,472	\$1,769	\$1,897	\$2,034
Change in Long-Term Debt		\$154,548	(\$26,241)	(\$28,138)	(\$30,172)
<b>Net Cash from Financing</b>		<b>\$229,020</b>	<b>\$25,528</b>	<b>\$23,759</b>	<b>\$21,862</b>
Cash at Beginning of Period	\$0	\$33,942	(\$22,879)	\$58,887	\$223,590
Net Change in Cash	\$33,942	(\$56,820)	\$81,766	\$164,703	\$215,235
<b>Cash at End of Period</b>	<b>\$33,942</b>	<b>(\$22,879)</b>	<b>\$58,887</b>	<b>\$223,590</b>	<b>\$438,825</b>

# Appendix

## Profit and Loss Statement (With monthly detail)

2022	Jan '22	Feb '22	Mar '22	Apr '22	May '22	June '22	July '22	Aug '22	Sept '22	Oct '22	Nov '22	Dec '22
<b>Total Revenue</b>	\$21,450	\$23,675	\$21,390	\$15,525	\$13,860	\$22,650	\$27,875	\$27,100	\$23,150	\$21,485	\$15,175	\$20,250
<b>Total Direct Costs</b>	\$4,667	\$4,874	\$4,249	\$3,149	\$2,764	\$7,871	\$5,588	\$10,287	\$5,776	\$3,890	\$2,750	\$4,462
Gross Margin	\$16,784	\$18,800	\$17,142	\$12,376	\$11,096	\$14,780	\$22,286	\$16,813	\$17,375	\$17,595	\$12,425	\$15,788
<b>Gross Margin %</b>	<b>78%</b>	<b>79%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>	<b>65%</b>	<b>80%</b>	<b>62%</b>	<b>75%</b>	<b>82%</b>	<b>82%</b>	<b>78%</b>
<b>Operating Expenses</b>												
Salaries and Wages	\$2,510	\$2,510	\$2,510	\$2,510	\$2,510	\$2,730	\$3,230	\$3,230	\$3,230	\$3,230	\$3,230	\$3,230
Employee Related Expenses	\$351	\$351	\$351	\$351	\$351	\$395	\$395	\$395	\$395	\$395	\$395	\$395
Rent Hostel 1	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305	\$305
Rent Hostel 2	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$220	\$220
Rent Hostel 3						\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Waterbill	\$75	\$75	\$75	\$75	\$75	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Electricity Bill	\$174	\$174	\$174	\$174	\$174	\$174	\$174	\$174	\$174	\$174	\$174	\$174
TALA License	\$800											
Tanzania Investment Center					\$1,100							
Fuel / Vehicle Expenses	\$333	\$333	\$333	\$333	\$333	\$333	\$334	\$334	\$334	\$334	\$333	\$333
House Upkeep	\$125	\$125	\$125	\$125	\$125	\$500	\$125	\$125	\$100	\$90	\$90	\$90

## STEP Africa - Exchange for Change Limited

Bedding	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repairs and Maintenance	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Audit Fees	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$84	\$84	\$84	\$84
Software	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60
Service Levy	\$107	\$119	\$107	\$77	\$70	\$113	\$139	\$136	\$115	\$108	\$76	\$101
BRELA Costs	\$12	\$12	\$12	\$12	\$12	\$12	\$13	\$13	\$13	\$13	\$13	\$13
Kitchen Supplies	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$84	\$84	\$84	\$84
Office Expenses	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$87	\$88
Other Land Purchase Fees and Expenses						\$2,000						
Stamp Duty	\$36					\$367						
<b>Total Operating Expenses</b>	<b>\$5,911</b>	<b>\$4,587</b>	<b>\$4,575</b>	<b>\$4,545</b>	<b>\$5,638</b>	<b>\$8,862</b>	<b>\$6,648</b>	<b>\$6,645</b>	<b>\$6,601</b>	<b>\$6,584</b>	<b>\$6,551</b>	<b>\$6,577</b>
<b>Operating Income</b>	<b>\$10,872</b>	<b>\$14,214</b>	<b>\$12,567</b>	<b>\$7,830</b>	<b>\$5,459</b>	<b>\$5,917</b>	<b>\$15,638</b>	<b>\$10,168</b>	<b>\$10,773</b>	<b>\$11,011</b>	<b>\$5,874</b>	<b>\$9,211</b>
Interest Incurred												
Depreciation and Amortization	\$173	\$265	\$265	\$265	\$265	\$265	\$265	\$265	\$265	\$265	\$265	\$265
Gain or Loss from Sale of Assets												
Income Taxes	\$3,210	\$4,184	\$3,691	\$2,269	\$1,559	\$1,695	\$4,612	\$2,971	\$3,152	\$3,224	\$1,683	\$2,684
<b>Total Expenses</b>	<b>\$13,961</b>	<b>\$13,910</b>	<b>\$12,779</b>	<b>\$10,229</b>	<b>\$10,226</b>	<b>\$18,692</b>	<b>\$17,114</b>	<b>\$20,168</b>	<b>\$15,794</b>	<b>\$13,963</b>	<b>\$11,248</b>	<b>\$13,989</b>
<b>Net Profit</b>	<b>\$7,489</b>	<b>\$9,765</b>	<b>\$8,611</b>	<b>\$5,296</b>	<b>\$3,634</b>	<b>\$3,958</b>	<b>\$10,761</b>	<b>\$6,932</b>	<b>\$7,356</b>	<b>\$7,522</b>	<b>\$3,927</b>	<b>\$6,261</b>
<b>Net Profit / Sales</b>	<b>35%</b>	<b>41%</b>	<b>40%</b>	<b>34%</b>	<b>26%</b>	<b>17%</b>	<b>39%</b>	<b>26%</b>	<b>32%</b>	<b>35%</b>	<b>26%</b>	<b>31%</b>



## STEP Africa - Exchange for Change Limited

	2022	2023	2024	2025	2026
<b>Total Revenue</b>	<b>\$253,585</b>	<b>\$326,138</b>	<b>\$398,612</b>	<b>\$434,850</b>	<b>\$471,088</b>
<b>Total Direct Costs</b>	<b>\$60,327</b>	<b>\$65,389</b>	<b>\$82,419</b>	<b>\$87,184</b>	<b>\$96,950</b>
Gross Margin	\$193,258	\$260,749	\$316,193	\$347,666	\$374,138
<b>Gross Margin %</b>	<b>76%</b>	<b>80%</b>	<b>79%</b>	<b>80%</b>	<b>79%</b>
<b>Operating Expenses</b>					
Salaries and Wages	\$34,660	\$41,181	\$43,828	\$46,724	\$49,892
Employee Related Expenses	\$4,520	\$5,188	\$5,678	\$6,218	\$6,808
Rent Hostel 1	\$3,660	\$3,660			
Rent Hostel 2	\$2,640				
Rent Hostel 3	\$8,400	\$6,000			
Waterbill	\$1,425	\$1,800	\$1,800	\$1,800	\$1,800
Electricity Bill	\$2,088	\$2,090	\$2,090	\$2,090	\$2,090
TALA License	\$800	\$800	\$400	\$400	\$400
Tanzania Investment Center	\$1,100				
Fuel / Vehicle Expenses	\$4,000	\$4,000	\$5,900	\$5,900	\$5,900
House Upkeep	\$1,745	\$4,000	\$1,800	\$1,800	\$1,800
Bedding	\$500	\$500	\$500	\$500	\$500
Repairs and Maintenance	\$600	\$600	\$600	\$600	\$600
Audit Fees	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Software	\$720	\$720	\$720	\$720	\$720
Service Levy	\$1,268	\$1,631	\$1,993	\$2,174	\$2,355
BRELA Costs	\$150	\$150	\$150	\$150	\$150
Kitchen Supplies	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Office Expenses	\$1,045	\$1,045	\$1,045	\$1,045	\$1,045

## STEP Africa - Exchange for Change Limited

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Other Land Purchase Fees and Expenses	\$2,000				
Stamp Duty	\$403	\$52	\$0	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$73,724</b>	<b>\$75,416</b>	<b>\$68,505</b>	<b>\$72,121</b>	<b>\$76,061</b>
<b>Operating Income</b>	<b>\$119,534</b>	<b>\$185,332</b>	<b>\$247,689</b>	<b>\$275,545</b>	<b>\$298,077</b>
Interest Incurred		\$12,229	\$11,756	\$9,987	\$8,090
Depreciation and Amortization	\$3,088	\$3,744	\$6,513	\$8,900	\$10,153
Gain or Loss from Sale of Assets					
Income Taxes	\$34,934	\$50,808	\$68,826	\$76,997	\$83,950
<b>Total Expenses</b>	<b>\$172,073</b>	<b>\$207,585</b>	<b>\$238,019</b>	<b>\$255,190</b>	<b>\$275,203</b>
<b>Net Profit</b>	<b>\$81,512</b>	<b>\$118,552</b>	<b>\$160,594</b>	<b>\$179,660</b>	<b>\$195,884</b>
<b>Net Profit / Sales</b>	<b>32%</b>	<b>36%</b>	<b>40%</b>	<b>41%</b>	<b>42%</b>

## Balance Sheet (With Monthly Detail)

2022	Jan '22	Feb '22	Mar '22	Apr '22	May '22	June '22	July '22	Aug '22	Sept '22	Oct '22	Nov '22	Dec '22
Cash	(\$14,161)	(\$7,546)	\$4,609	\$298	(\$19,543)	(\$12,043)	(\$987)	\$9,041	\$19,103	\$19,079	\$23,817	\$33,942
Accounts Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Inventory												
Other Current Assets												
<b>Total Current Assets</b>	<b>(\$14,161)</b>	<b>(\$7,546)</b>	<b>\$4,609</b>	<b>\$298</b>	<b>(\$19,543)</b>	<b>(\$12,043)</b>	<b>(\$987)</b>	<b>\$9,041</b>	<b>\$19,103</b>	<b>\$19,079</b>	<b>\$23,817</b>	<b>\$33,942</b>
Long-Term Assets	\$28,894	\$36,894	\$36,894	\$36,894	\$61,894	\$61,894	\$61,894	\$61,894	\$61,894	\$61,894	\$61,894	\$61,894
Accumulated Depreciation	(\$173)	(\$438)	(\$703)	(\$968)	(\$1,233)	(\$1,498)	(\$1,763)	(\$2,028)	(\$2,293)	(\$2,558)	(\$2,823)	(\$3,088)
<b>Total Long-Term Assets</b>	<b>\$28,721</b>	<b>\$36,456</b>	<b>\$36,191</b>	<b>\$35,926</b>	<b>\$60,661</b>	<b>\$60,396</b>	<b>\$60,131</b>	<b>\$59,866</b>	<b>\$59,601</b>	<b>\$59,336</b>	<b>\$59,071</b>	<b>\$58,806</b>
<b>Total Assets</b>	<b>\$14,560</b>	<b>\$28,910</b>	<b>\$40,800</b>	<b>\$36,224</b>	<b>\$41,118</b>	<b>\$48,353</b>	<b>\$59,144</b>	<b>\$68,907</b>	<b>\$78,704</b>	<b>\$78,415</b>	<b>\$82,889</b>	<b>\$92,748</b>
Accounts Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income Taxes Payable	\$3,210	\$7,394	\$11,085	\$2,269	\$3,828	\$5,523	\$4,612	\$7,583	\$10,735	\$3,224	\$4,907	\$7,591
Sales Taxes Payable	\$3,861	\$4,262	\$3,850	\$2,794	\$2,495	\$4,077	\$5,018	\$4,878	\$4,167	\$3,867	\$2,731	\$3,645
Short-Term Debt												
Prepaid Revenue												
<b>Total Current Liabilities</b>	<b>\$7,071</b>	<b>\$11,656</b>	<b>\$14,935</b>	<b>\$5,063</b>	<b>\$6,323</b>	<b>\$9,600</b>	<b>\$9,630</b>	<b>\$12,461</b>	<b>\$14,902</b>	<b>\$7,091</b>	<b>\$7,638</b>	<b>\$11,236</b>
Long-Term Debt												
<b>Long-Term Liabilities</b>												

## STEP Africa - Exchange for Change Limited

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<b>Total Liabilities</b>	<b>\$7,071</b>	<b>\$11,656</b>	<b>\$14,935</b>	<b>\$5,063</b>	<b>\$6,323</b>	<b>\$9,600</b>	<b>\$9,630</b>	<b>\$12,461</b>	<b>\$14,902</b>	<b>\$7,091</b>	<b>\$7,638</b>	<b>\$11,236</b>
Paid-In Capital												
Retained Earnings												
Earnings	\$7,489	\$17,254	\$25,865	\$31,161	\$34,795	\$38,753	\$49,514	\$56,446	\$63,802	\$71,324	\$75,251	\$81,512
<b>Total Owner's Equity</b>	<b>\$7,489</b>	<b>\$17,254</b>	<b>\$25,865</b>	<b>\$31,161</b>	<b>\$34,795</b>	<b>\$38,753</b>	<b>\$49,514</b>	<b>\$56,446</b>	<b>\$63,802</b>	<b>\$71,324</b>	<b>\$75,251</b>	<b>\$81,512</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$14,560</b>	<b>\$28,910</b>	<b>\$40,800</b>	<b>\$36,224</b>	<b>\$41,118</b>	<b>\$48,353</b>	<b>\$59,144</b>	<b>\$68,907</b>	<b>\$78,704</b>	<b>\$78,415</b>	<b>\$82,889</b>	<b>\$92,748</b>

## STEP Africa - Exchange for Change Limited

	2022	2023	2024	2025	2026
Cash	\$33,942	(\$22,879)	\$58,887	\$223,590	\$438,825
Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Inventory					
Other Current Assets					
<b>Total Current Assets</b>	<b>\$33,942</b>	<b>(\$22,879)</b>	<b>\$58,887</b>	<b>\$223,590</b>	<b>\$438,825</b>
Long-Term Assets	\$61,894	\$476,314	\$592,854	\$643,028	\$658,028
Accumulated Depreciation	(\$3,088)	(\$6,832)	(\$13,345)	(\$22,245)	(\$32,398)
<b>Total Long-Term Assets</b>	<b>\$58,806</b>	<b>\$469,482</b>	<b>\$579,509</b>	<b>\$620,783</b>	<b>\$625,630</b>
<b>Total Assets</b>	<b>\$92,748</b>	<b>\$446,604</b>	<b>\$638,396</b>	<b>\$844,373</b>	<b>\$1,064,455</b>
Accounts Payable	\$0	\$0	\$0	\$0	\$0
Income Taxes Payable	\$7,591	\$12,627	\$17,219	\$19,240	\$21,011
Sales Taxes Payable	\$3,645	\$4,893	\$5,972	\$6,508	\$7,073
Short-Term Debt		\$24,472	\$26,241	\$28,138	\$30,172
Prepaid Revenue					
<b>Total Current Liabilities</b>	<b>\$11,236</b>	<b>\$41,992</b>	<b>\$49,432</b>	<b>\$53,886</b>	<b>\$58,256</b>
Long-Term Debt		\$154,548	\$128,307	\$100,169	\$69,997
<b>Long-Term Liabilities</b>		<b>\$154,548</b>	<b>\$128,307</b>	<b>\$100,169</b>	<b>\$69,997</b>
<b>Total Liabilities</b>	<b>\$11,236</b>	<b>\$196,540</b>	<b>\$177,739</b>	<b>\$154,055</b>	<b>\$128,253</b>
Paid-In Capital		\$50,000	\$100,000	\$150,000	\$200,000
Retained Earnings		\$81,512	\$200,064	\$360,658	\$540,318
Earnings	\$81,512	\$118,553	\$160,593	\$179,661	\$195,884
<b>Total Owner's Equity</b>	<b>\$81,512</b>	<b>\$250,064</b>	<b>\$460,658</b>	<b>\$690,318</b>	<b>\$936,202</b>

## STEP Africa - Exchange for Change Limited

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Total Liabilities & Equity	\$92,748	\$446,604	\$638,396	\$844,373	\$1,064,455
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## Cash Flow Statement (With Monthly Detail)

2022	Jan '22	Feb '22	Mar '22	Apr '22	May '22	June '22	July '22	Aug '22	Sept '22	Oct '22	Nov '22	Dec '22
<b>Net Cash Flow from Operations</b>												
Net Profit	\$7,489	\$9,765	\$8,611	\$5,296	\$3,634	\$3,958	\$10,761	\$6,932	\$7,356	\$7,522	\$3,927	\$6,261
Depreciation & Amortization	\$173	\$265	\$265	\$265	\$265	\$265	\$265	\$265	\$265	\$265	\$265	\$265
Change in Accounts Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in Inventory												
Change in Accounts Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in Income Tax Payable	\$3,210	\$4,184	\$3,691	(\$8,816)	\$1,559	\$1,695	(\$911)	\$2,971	\$3,152	(\$7,511)	\$1,683	\$2,684
Change in Sales Tax Payable	\$3,861	\$401	(\$412)	(\$1,056)	(\$299)	\$1,582	\$941	(\$140)	(\$711)	(\$300)	(\$1,136)	\$914
Change in Prepaid Revenue												
<b>Net Cash Flow from Operations</b>	<b>\$14,733</b>	<b>\$14,615</b>	<b>\$12,155</b>	<b>(\$4,311)</b>	<b>\$5,160</b>	<b>\$7,499</b>	<b>\$11,056</b>	<b>\$10,029</b>	<b>\$10,062</b>	<b>(\$24)</b>	<b>\$4,738</b>	<b>\$10,124</b>
<b>Investing &amp; Financing</b>												
Assets Purchased or Sold	(\$28,894)	(\$8,000)			(\$25,000)							
<b>Net Cash from Investing</b>	<b>(\$28,894)</b>	<b>(\$8,000)</b>			<b>(\$25,000)</b>							

## STEP Africa - Exchange for Change Limited

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Investments Received												
Dividends & Distributions												
Change in Short-Term Debt												
Change in Long-Term Debt												
<b>Net Cash from Financing</b>												
Cash at Beginning of Period	\$0	(\$14,161)	(\$7,546)	\$4,609	\$298	(\$19,543)	(\$12,043)	(\$987)	\$9,041	\$19,103	\$19,079	\$23,817
Net Change in Cash	(\$14,161)	\$6,615	\$12,155	(\$4,311)	(\$19,841)	\$7,499	\$11,056	\$10,029	\$10,062	(\$24)	\$4,738	\$10,124
<b>Cash at End of Period</b>	<b>(\$14,161)</b>	<b>(\$7,546)</b>	<b>\$4,609</b>	<b>\$298</b>	<b>(\$19,543)</b>	<b>(\$12,043)</b>	<b>(\$987)</b>	<b>\$9,041</b>	<b>\$19,103</b>	<b>\$19,079</b>	<b>\$23,817</b>	<b>\$33,942</b>

## STEP Africa - Exchange for Change Limited

	2022	2023	2024	2025	2026
<b>Net Cash Flow from Operations</b>					
Net Profit	\$81,512	\$118,552	\$160,594	\$179,660	\$195,884
Depreciation & Amortization	\$3,088	\$3,744	\$6,513	\$8,900	\$10,153
Change in Accounts Receivable	\$0	\$0	\$0	\$0	\$0
Change in Inventory					
Change in Accounts Payable	\$0	\$0	\$0	\$0	\$0
Change in Income Tax Payable	\$7,591	\$5,036	\$4,592	\$2,021	\$1,771
Change in Sales Tax Payable	\$3,645	\$1,248	\$1,079	\$536	\$565
Change in Prepaid Revenue					
<b>Net Cash Flow from Operations</b>	<b>\$95,836</b>	<b>\$128,580</b>	<b>\$172,778</b>	<b>\$191,118</b>	<b>\$208,373</b>
<b>Investing &amp; Financing</b>					
Assets Purchased or Sold	(\$61,894)	(\$414,420)	(\$116,540)	(\$50,174)	(\$15,000)
<b>Net Cash from Investing</b>	<b>(\$61,894)</b>	<b>(\$414,420)</b>	<b>(\$116,540)</b>	<b>(\$50,174)</b>	<b>(\$15,000)</b>
Investments Received		\$50,000	\$50,000	\$50,000	\$50,000
Dividends & Distributions					
Change in Short-Term Debt		\$24,472	\$1,769	\$1,897	\$2,034
Change in Long-Term Debt		\$154,548	(\$26,241)	(\$28,138)	(\$30,172)
<b>Net Cash from Financing</b>		<b>\$229,020</b>	<b>\$25,528</b>	<b>\$23,759</b>	<b>\$21,862</b>
Cash at Beginning of Period	\$0	\$33,942	(\$22,879)	\$58,887	\$223,590
Net Change in Cash	\$33,942	(\$56,820)	\$81,766	\$164,703	\$215,235
<b>Cash at End of Period</b>	<b>\$33,942</b>	<b>(\$22,879)</b>	<b>\$58,887</b>	<b>\$223,590</b>	<b>\$438,825</b>