

OSERO CAMPS LTD

BUSINESS PLAN FOR REGISTRATION WITH THE TANZANIA INVESTMENT CENTRE

21st August 2023

EXECUTIVE SUMMARY

This document outlines the business plan for Osero Camps Ltd to expand its' business as a registered Accommodation Facility through the development of a new camp, Serengeti Plains, in the Serengeti National Park. Osero Camps Ltd has secured funding, in the form of a loan from foreign partners that allows it to qualify for registration with the Tanzania Investment Centre.

OVERVIEW OF OSERO LTD

Osero Camps Ltd is a company registered in Tanzania, as per Certificate 140950009 issued on 4th February 2020 (Appendix 1). The company is majority Tanzanian owned with shareholders as follows:

- 70% Topguides Bush Camps Ltd.
- 30% Leleshwa Safari Company (Tanzania) Ltd.

The company directors are:

- Victor Nyakiriga, Tanzanian
- Joseph Charleson, Kenyan
- Elena Danilova, American

Osero Camps Ltd is licenced by The Ministry of Natural Resources and Tourism, Tourism Division to carry out the business of Accommodation Facility (Mobile Camps/Seasonal Camps), as per Licence Number 011792 issued on 13th December 2022 and 014207 issued on 16th February 2023 (Appendix 4).

Osero Camps Ltd has offices based in Arusha and has purchased land in Mugumu for purposes of establishing stores for the company equipment, a workshop and a logistics hub for operations in the Serengeti National Park.

The company currently operates one mobile camp in the Serengeti National Park, under the name of Osero Camp. The 7-tent camp moves between Lamai and Ndotu each year following the Great Wildebeest Migration.

Osero Camps Ltd has Taxpayer Identification Number (TIN) 140-950-009, dated 4th February 2020 (Appendix 5) and has been assigned VAT Registration Number 40-043374-E, with effect from 10th September 2021 (Appendix 6).

PROJECT SUMMARY

The Company has a Seasonal campsite at Nyabogati 12, in the Serengeti National Park (Appendix 7) and is developing this as a luxury tented camp to be operated under the name Serengeti Plains.

Nyabogati 12 is one of the most remote campsites with the Serengeti National Park. It comprises Acacia woodland adjacent to the Ngare Nanyuki River, overlooking the vast open plains containing the Barafu, Zebra and Gol Kopjes. The area is renowned for excellent wildlife sighting, particularly of lions and cheetah and has one of the lowest tourism densities in the Serengeti.

Regulations stipulate that, as a Seasonal Camp, Serengeti Plains cannot incorporate any permanent construction within the project. Despite this, the camp will be aimed at the luxury top-end market with the following features:

- All guest tents will be on raised wooden platforms (set on metal frames).
- Stretch fabric imported flysheets over a locally constructed inner tent provides a premium look.
- Large central lounge & dining area with sliding glass doors opening to an 'infinty' view.
- 24-hour solar generated power.
- Solar water heaters for each tent.
- Custom, handmade furniture almost entirely sourced from Tanzania and the rest of East Africa and a mixture of imported and locally-sourced fixtures and fittings complete the stylish look.

The proposed look of the camp has been captured in Artist's Renderings (Appendix 8).

Serengeti Plains will open in June 2023 with seven guest tents. In 2024 & 2025, the occupancy capacity will be expended by the addition of 3-5 more guest tents, including family units, and a second lounge & dining tent to allow for the creation of a 'private wing' where select groups can take over a section of the camp on exclusive basis.

The camp will operate on both a 'Full Board' and 'Game Package' basis. Initially, the camp will have two specially customised open Landrover game-viewer vehicles and the camp will also operate a pick-up truck and tractor and trailer, but this fleet will be expanded the following year.

PROJECT IMPLEMENTATION SCHEDULE

The project will take place over a period of 3 years from 2023-2025. The Phases of the Serengeti Plains project can be summarised as follows:

1. Phase 1:
 - a. Initial construction – January – June 2023
 - b. Camp Opening – June 2023
 - c. 7 guest tents
 - d. 1 lounge/dining area
 - e. All staff and back-of-house facilities
 - f. Vehicles – 2 open game-viewer safari vehicles, 1 pick-up, 1 tractor
2. Phase 2:
 - a. Building occupancy capacity & product features – 2024/5
 - b. 3-5 more guest tents, including family units
 - c. 1 more lounge/dining area
 - d. The development of a camp 'boma' area

- e. The development of land in Mugumu to house stores, a workshop and operational hub for Serengeti Plains and Osero Camps.
- f. Vehicles – 6 open game-viewer safari vehicles, 1 closed client vehicle, 1 supply lorry, 2 pick-ups, 1 tractor.

EMPLOYMENT CONSIDERATIONS

The development of Serengeti Plains Camp will create employment opportunities for Tanzanians. The Company pursues a policy of local over foreign employment, although foreigners may be employed on a temporary basis where special skills not readily available in the local employment market are required. Any foreign employee will be expected to train and transfer their skills to local employees.

Employment opportunities for Tanzanians created by this project are projected to be:

Phase 1 – 2023:

- Several local artisans making custom-built furniture for the camp, over a period of 6 months.
- Approximately 15-20 camp staff, including 1 Camp Manager, 2 Safari Guides, Chefs, Waiters, Room Attendants, Drivers & general staff.
- Additional Arusha-based staff, including Sales, Reservations, Procurement and general Operational staff.

Phase 2 – 2024/5

- Several local artisans making custom-built furniture for the camp, over a period of 6-9 months.
- An additional 10-15 camp staff in various positions.
- Additional Arusha-based staff, in various positions.
- A team of Architect, Builders and other construction-related contractors to develop the company land in Mugumu, over a period of 12 months.

PROJECT FINANCING

The overall budget for the Serengeti Plains construction project is estimated at US\$ 1,250,000, broken down as follows:

	Phase 1 (2023)	Phase 2 (2024/5)	Total
Tents & Platforms	\$ 365,000	\$ 150,000	\$ 515,000
Operating equipment & utilities	\$ 97,500	\$ 50,000	\$ 147,500
Furniture, fixtures & furnishings	\$ 160,000	\$ 80,000	\$ 240,000
Motor vehicles	\$ 55,000	\$ 155,000	\$ 210,000
Pre-operating expenses	\$ 50,000	n/a	\$ 50,000
Development of Mugumu land	n/a	\$ 50,000	\$ 50,000
Miscellaneous costs	\$ 22,500	\$ 15,000	\$ 37,500
TOTALS	\$ 750,000	\$ 500,000	\$ 1,250,000

The funding required to undertake the project has been secured, with details as follows:

1. Phase 1 - \$750,000
 - a. \$550,000 loan from Natural Habitat Inc, registered with the Bank of Tanzania as per DRN 2023021 (Appendix 9).
 - b. \$100,000 in pre-payments for safari services due in 2023 made by Safari Services East Africa Ltd, one of Osero Camps Ltd's key customers (Appendix 10).
 - c. \$100,000 reserved from operational income for 2023.
2. Phase 2 - \$500,000
 - a. \$500,000 reserved from operational income for 2024 & 2025.

This financing has no effect on the equity of Osero Camps Ltd.

CONCLUSION

At the time of writing, Phase 1 of the Serengeti Plains project is broadly completed and the camp is operational and has been accepting international visitors since 21st June 2023. Certain back of house infrastructure and utilities require completion and current expenditure records show the following:

	Phase 1	Spent at 18/7/23	Balance to spend
Tents & Platforms	\$ 365,000	\$ 325,958	\$ 39,042
Operating equipment & utilities	\$ 97,500	\$ 88,763	\$ 8,737
Furniture, fixtures & furnishings	\$ 160,000	\$ 145,069	\$ 14,931
Motor vehicles	\$ 55,000	\$ 30,855	\$ 24,145
Preoperating expenses	\$ 50,000	\$ 47,639	\$ 2,361
Development of Mugumu land		\$ -	\$ -
Misceallaneous costs	\$ 22,500	\$ -	\$ 22,500
TOTALS	\$ 750,000	\$ 638,284	\$ 111,716

Photographs of the final camp are shown as Appendix 11.

OSERO CAMPS LIMITED						
PROFIT & LOSS FORECAST		<i>Figures in US\$</i>				
	2023	2024	2025	2026	2027	2028
Revenue						
Safari Income	747,885	972,250	1,263,925	1,643,102	2,136,033	2,776,843
Vehicle Hire	8,000	10,400	13,520	17,576	22,849	29,703
Other Income	2,058	2,470	2,964	3,556	4,267	5,121
Total Projected Revenue	757,943	985,120	1,280,408	1,664,235	2,163,149	2,811,667
Cost of Sales						
Client Consumables	89,746	116,670	151,671	197,172	256,324	333,221
Park Entry & Camping Fees	186,971	243,062	315,981	410,776	534,008	694,211
Vehicle Hire	9,367	10,772	12,388	14,246	16,383	18,840
Other Safari Expenses	2,500	2,750	3,025	3,328	3,660	4,026
Total Projected Cost of Sales	288,584	373,254	483,065	625,521	810,375	1,050,298
Expenses						
Depreciation	153,533	146,554	164,273	137,653	115,854	97,880
Finance Cost	6,750	7,763	8,927	10,266	11,806	13,577
Insurance	5,870	6,751	7,763	8,928	10,267	11,807
Internet	933	980	1,029	1,080	1,135	1,191
Licences & Permits	1,300	1,300	1,300	1,300	1,300	1,300
Marketing	35,000	36,750	38,588	40,517	42,543	44,670
Motor Vehicle Costs	78,376	94,052	112,862	135,434	162,521	195,025
Postage and Delivery	4,686	5,623	6,747	8,097	9,716	11,659
Printing & Stationary	3,324	3,989	4,787	5,744	6,893	8,271
Professional Fee	58,840	64,724	71,197	78,316	86,148	94,763
Rents and Rates	7,560	7,938	8,335	8,752	9,189	9,649
Repairs & Maintenance	12,330	14,180	16,306	18,752	21,565	24,800
Staff Expenses	130,000	143,000	157,300	173,030	190,333	209,366
Subscription	100	105	110	116	122	128
Technology	150	165	182	200	220	242
Telephone costs	1,500	1,650	1,815	1,997	2,196	2,416
Travelling & Accommodation	3,000	3,300	3,630	3,993	4,392	4,832
Other Expenses	5,000	5,500	6,050	6,655	7,321	8,053
Total Projected Expenses	508,253	544,322	611,200	640,829	683,519	739,627
Profit/Loss	- 38,894	67,543	186,144	397,884	669,256	1,021,742

OSER CAMP LIMITED						
CASHFLOW PROJECTION						
	<i>Figures in US\$</i>					
	2023	2024	2025	2026	2027	2028
Balance brought forward from previous year	2,183	14,765	171,901	33,017	174,394	487,209
Cash Inflows						
- Safari Income	747,885	972,250	1,263,925	1,643,102	2,136,033	2,776,843
- Vehicle Hire	8,000	10,400	13,520	17,576	22,849	29,703
- Loan from Natural Habitat Adventures	550,000	-	-	-	-	-
- Additional Share capital	100,000	-	-	-	-	-
- Additional loan	-	300,000	-	-	-	-
Total Cash inflows	1,405,885	1,282,650	1,277,445	1,660,678	2,158,882	2,806,546
Total Cash Available	1,408,068	1,297,414	1,449,346	1,693,695	2,333,276	3,293,755
Cash Outflows	643,303	771,022	929,992	1,128,697	1,378,040	1,692,045
- Direct Costs (Cost of Sales)	288,584	373,254	483,065	625,521	810,375	1,050,298
- Operating Expenses (Admin)	354,719	397,768	446,927	503,176	567,665	641,747
Other Cash Outflows	750,000	354,491	486,337	390,604	468,027	629,215
- Tax Payments	-	20,263	55,843	119,365	200,777	306,523
- Capital Expenditure	750,000	200,000	300,000	25,000	25,000	25,000
- Natural Habitat Adventures loan repayment	-	134,229	130,494	126,671	122,683	178,124
- Additional Loan repayment	-	-	-	119,568	119,568	119,568
Total Cash outflows	1,393,303	1,125,513	1,416,329	1,519,301	1,846,067	2,321,260
Net Cash Position	14,765	171,901	33,017	174,394	487,209	972,495

OSERO CAMPS LIMITED

BALANCE SHEET FORECAST

	2023	2024	2025	2026	2027	2028
Current Assets						
Cash in bank	\$14,765	\$171,901	\$33,017	\$174,394	\$487,209	\$972,495
Deposits	\$300	\$360	\$432	\$518	\$622	\$746
Accounts receivable	\$500	\$600	\$720	\$864	\$1,037	\$1,244
Inventory	\$1,500	\$1,575	\$1,654	\$1,736	\$1,823	\$1,914
Prepaid expenses	\$1,500	\$1,725	\$1,984	\$2,281	\$2,624	\$3,017
Other current assets	\$3,640	\$73,827	\$269,575	\$505,592	\$833,663	\$1,284,478
Total Current Assets	\$22,205	\$249,988	\$307,381	\$685,386	\$1,326,977	\$2,263,896
Fixed Assets						
Land & buildings	\$2,609	\$22,739	\$53,876	\$56,570	\$59,398	\$62,368
Computers & Accessories	\$19,545	\$13,036	\$8,695	\$5,800	\$3,868	\$2,580
Tents and Accessories	\$597,211	\$582,560	\$599,740	\$524,773	\$459,176	\$401,779
Furniture and Fittings	\$169,807	\$180,581	\$206,009	\$180,258	\$157,725	\$138,010
Operating Equipments	\$111,888	\$109,510	\$117,608	\$94,087	\$75,269	\$60,215
Crockery & Cutlery	\$18,745	\$12,503	\$8,339	\$5,562	\$3,710	\$2,475
Linen & Beddings	\$28,597	\$19,074	\$12,722	\$8,486	\$5,660	\$3,775
Motor Vehicle	\$65,023	\$72,018	\$150,615	\$120,492	\$96,393	\$77,115
(Less accumulated depreciation on all fixed assets)	\$153,533	\$146,554	\$164,273	\$137,653	\$115,854	\$97,880
Total Fixed Assets	\$859,892	\$865,468	\$993,332	\$858,373	\$745,347	\$650,437
Total Assets	\$882,096	\$1,115,456	\$1,300,714	\$1,543,759	\$2,072,325	\$2,914,333
Liabilities and Equity						
Current Liabilities						
Accounts payable	\$33,036	\$4,778	\$5,016	\$5,267	\$5,531	\$5,807
Accruals	\$3,950	\$4,148	\$4,355	\$4,573	\$4,801	\$5,041
Taxes payable	\$1,250	\$20,263	\$55,843	\$119,365	\$200,777	\$306,523
Other current liabilities	\$50,140	\$18,776	\$20,653	\$22,719	\$24,991	\$27,490
Total Current Liabilities	\$88,376	\$47,964	\$85,868	\$151,924	\$236,099	\$344,861
Long-term Debt						
Natural Habitat Adventures loan	\$566,818	\$473,046	\$375,541	\$274,214	\$168,916	\$0
Additional loan	\$0	\$300,000	\$358,715	\$239,147	\$119,579	\$0
Total Long-term Debt	\$566,818	\$773,046	\$734,256	\$513,361	\$288,495	\$0
Total Liabilities	\$655,194	\$821,010	\$820,124	\$665,285	\$524,595	\$344,861
Capital and Reserves						
Members Equity	\$0	-\$38,894	\$28,649	\$214,793	\$612,677	\$1,281,933
Retained earnings	-\$51,366	-\$51,366	-\$51,366	-\$51,366	-\$51,366	-\$51,366
Share capital	\$317,162	\$317,162	\$317,162	\$317,162	\$317,162	\$317,162
Profit/loss for the year	-\$38,894	\$67,543	\$186,144	\$397,884	\$669,256	\$1,021,742
Total Capital and Reserves	\$226,903	\$294,446	\$480,590	\$878,474	\$1,547,730	\$2,569,472
Total Liabilities & Equity	\$882,097	\$1,115,456	\$1,300,713	\$1,543,759	\$2,072,324	\$2,914,333

APPENDICES

1. Certificate of Incorporation for Osero Camps Ltd.
2. Certificate of Incorporation for Topguides Bush Camps Ltd.
3. Certificate of Incorporation for Leleshwa Safari Company (Tanzania) Ltd.
4. Osero Camps Ltd – Tourism Licence.
5. Osero Camps Ltd – TIN.
6. Osero Camps Ltd – VAT.
7. Letter from TANAPA allocating Nyabogati 12 special campsite.
8. Renderings of Serengeti Plains guest tents and lounge/dining tent.
9. Bank of Tanzania Registration Document.
10. Proof of deposit of \$100,000 from SSEA
11. Photographs of completed Serengeti Plains camp.

















