

Pangani Venture Limited

Business Plan 2023-2027

January 2023



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1.0 Executive Summary

1.1 The Company

Pangani Venture Limited is being established to operate a tourism business in the Pangani District in Tanga Region in Tanzania. The company will take over an existing lodge accommodation (Pangani Cliffs Lodge) with 6 rooms, a restaurant, and a bar in Kikokwe, a small fishermen's village 15 minutes from Pangani town. The accommodation will be rebranded as an eco-conscious and sustainable lodge and wellness resort. The company will generate a positive impact by creating jobs, involving the local community in the programs, and supporting local projects.

1.2 Services

Pangani Venture will add services and activities aimed at both the international safari tourist and the overland traveler as well as the growing number of people that live in busy cities in East Africa. The company will offer pure relaxation packages, including massage, yoga, meditation, and local activities to explore the culture. To attract international tourists, Pangani Venture wants to develop and sell tour programs that connect the Tanzanian National Parks and Reserves with the beautiful coast, community-based tourism activities, workshops, and boat trips.

1.3 The market

The Tanga/Pangani area has large tourism potential, yet is unspoiled by mass tourism. The culture and landscapes remain very much true to the Swahili Coast traditions. Currently, the hospitality business in the Pangani/Ushongo area is rather slow. Quite some lodges are closed, while others are still open but have low occupancy rates (some even below 20%) and are struggling with keeping up their service and maintenance, which in turn leads to fewer visitors. By working closely together with other accommodations and suppliers of tourism-related services, Pangani Venture wants to play an active role in developing the Pangani coast as an attractive destination for sustainable tourism.

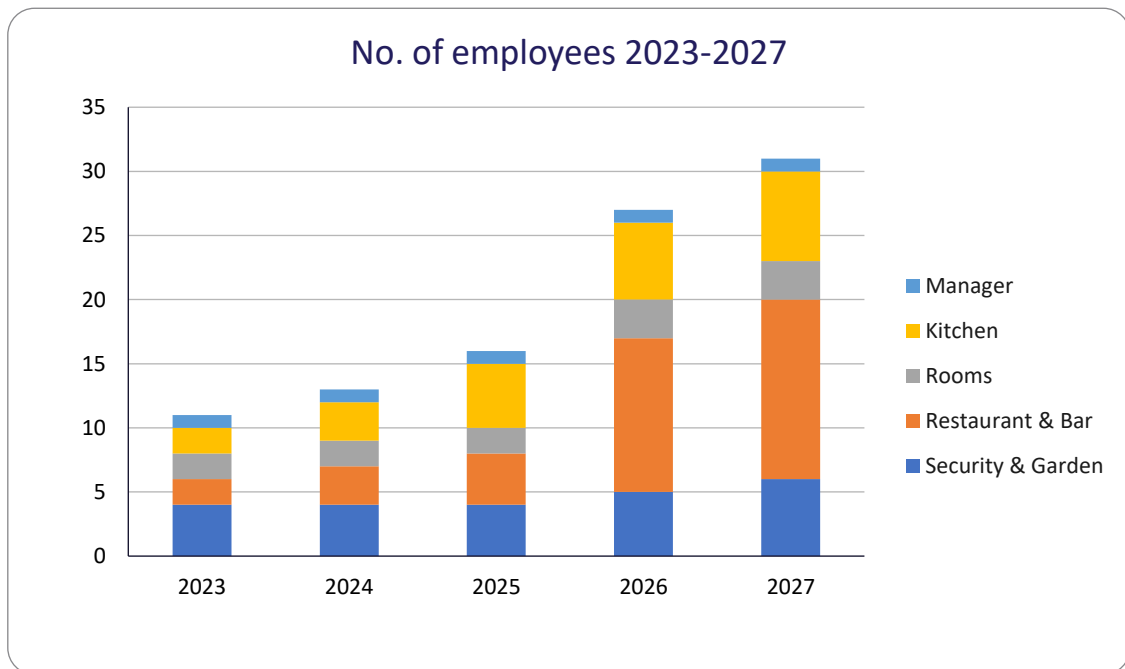
1.4 Establishment Costs & Funding

Total establishment costs are estimated at US \$625.000, including the start-up costs of \$38.750. The project will be funded by private equity and a loan.

1.5 Management & Personnel

The success of Pangani Venture will depend upon management’s ability to attract guests to the area by offering good value for money, high-quality services, and a broad range of activities. The company’s directors have extensive experience in marketing, customer service, finance, and human resource management in an international environment. They are keen to connect with the local community to develop new packages and services. Pangani Venture Limited will have an experienced Tanzanian Operational Manager to run the day-to-day operation and to establish a good relationship with the local community and local government. The staff members will be recruited from the surrounding communities. To help individuals to gain valuable skills and knowledge that can help them succeed in their personal and professional lives, Pangani Venture will offer extensive job training.

Chart: number of Employees



1.6 Financial Success

After the first year of setting up the business and creating a steady online presence, the results are expected to turn positive as the business begins to generate more revenue. Expected Gross Operating Income will be in the 65%-70% range, with a Net Operating Profit Margin of 25-35% and a Net Profit ranging from 9-12%, conform industry benchmarks.

Chart: Financial Highlights



2.0. Company Details

Pangani Venture Limited is being established to operate a tourism business in the Pangani District in Tanga Region in Tanzania. Pangani Venture will take over an existing lodge accommodation (Pangani Cliffs Lodge) with 6 rooms, a restaurant, and a bar in Kikokwe, a small fishermen's village 15 minutes from Pangani town. The accommodation will be rebranded as an eco-conscious and sustainable wellness resort. Pangani Venture will add services and activities aimed at both the international safari tourist and the overland traveler as well as the growing number of people that live in busy cities in East Africa. The company will offer pure relaxation packages, including massage, yoga, meditation, and local activities to explore the culture. To attract international tourists, Pangani Venture wants to develop and sell tour programs that connect the Tanzanian National Parks and Reserves with the beautiful coast, community-based tourism activities, workshops, and boat trips. By working closely together with other accommodations and suppliers of tourism-related services, Pangani Venture wants to play an active role in developing the Pangani coast as an attractive destination for sustainable tourism. The company will generate a positive impact by creating jobs, involving the local community in the programs, and supporting local projects.

2.1 Shareholders

The Shareholders of Pangani Venture limited are

- Asella Gasper Msando, holding 15.300 shares Class A
- EquiCare Holding BV, holding 14.000 ordinary shares Class B
- Willemke Pieterella Cornelia Offereins, holding 350 ordinary shares Class B
- Ricardo Joseph Maria Zengerink, holding 350 ordinary shares Class B

2.2 Company Offices

The company is located on the cliffs of the Indian Ocean, in Kikokwe village, Bweni ward, in Pangani Town division, 45 km south of Tanga.

2.3. Mission & Vision

Vision

To become a model for sustainable tourism development in the Tanga/Pangani area, demonstrating how tourism can be a positive force for change, stimulate other tourism businesses to follow, and together develop the area as a sustainable and attractive tourism destination.

Mission

To offer an unforgettable, enjoyable, and comfortable stay while also being a responsible and sustainable business that has a positive impact on the local community and environment.

1. Providing a safe and secure environment with high-quality accommodations and amenities, such as comfortable beds, clean rooms, and a range of on-site (wellness) services and facilities.
2. Supporting the conservation and protection of the local environment through the implementation of eco-friendly practices, such as the use of renewable energy sources and the reduction of waste and pollution.
3. Creating economic opportunities and income for the local community through employment, training, and the purchase of locally-produced goods and services.
4. Educating and raising awareness among guests about the importance of preserving and protecting the natural environment and cultural traditions of the local community.
5. Promoting cultural exchange and understanding between guests and the local community through interaction and participation in local activities and traditions.

2.4 Objectives

The objectives for the first three years of operation include

- To transform the existing accommodation into an environmentally and economically sustainable wellness resort
- To build a positive reputation both online in terms of reviews and building strong relations with communities.
- To increase the occupancy rate to at least 35% in 2026
- To attract safari tourists and overlanders and extend the target groups gradually

2.5 Keys to Success

Keys to success for Pangani Venture will include:

- Developing a welcoming and inclusive environment for guests, employees, and partners
- Creating a unique guest experience and ensuring optimal guest satisfaction by going above and beyond: looking for opportunities to surprise and delight guests by going the extra mile.
- Building and maintaining strong relationships with the local community and local government
- Complying with high hotel industry quality standards for the rooms and food and beverage
- Implementing excellent staff training programs
- Offer visitors rewarding en life-enriching local activities
- Developing tour programs that connect the Northern Safari Circuit with Pangani area

3.0 Activities and Services

Pangani Venture intends to be a leading tourism business in the Pangani area, offering a wide range of services and activities which will include the following, among others.

3.1 Accommodation

Pangani Venture Limited will offer short-term accommodation services aimed at both the international safari tourist and the overland traveler as well as the growing number of people that live in busy cities in East Africa. The current accommodation consists of 6 rooms and the intention is to upgrade the rooms and extend the number of rooms as soon as the business starts generating profits. For overland travelers, a camping ground for 4-8 campsites will be developed, offering high-quality sanitary facilities. The property has a pool and beach access.

3.2 Food and Beverage Services

To provide hotel guests with food and drinks, Pangani Venture has an on-site restaurant and bar, making it easy for in-house hotel guests to find something that they will enjoy. The (coffee) bar and restaurant are also open for day visitors, using the facilities to relax and enjoy the environment.

Pangani Venture highly values healthy food made of locally produced ingredients and will work with local fishermen, farmers, and producers to source ingredients. The company wants to train kitchen staff to prepare not only traditional meals, but also learn them how to prepare popular and fashionable foods and drinks, like sushi and specialty coffees. By introducing more trendy food and drinks, Pangani Venture wants to attract the growing middle class, aged 30-40 years, by opening small branches at locations where the new road will bring more customers. In this way, the company will be able to train more cooks, baristas, and bartenders, create more jobs, and hence more positive economic impact in a wider area.

3.3 Services and activities

Pangani Venture will offer a wide range of on-site services and activities, including but not limited to:

Wellness packages, including, massage, yoga, meditation, herbal baths, and floating. For busy people living in bustling cities like Dar and Arusha, the company will be a sanctuary to relax, rest and unwind in comfort, giving them a break to relax and recharge. Pangani Venture wants to make use of the unique location to offer natural saltwater baths in the tide pools that appear when the ocean recedes during low tide.

Existing activities and excursions, like Pangani River Cruise, Pangani Town Cultural Tour, Saadani National Park, Tanga Historical Town, Deep Sea Fishing and Snorkelling Unique community-based activities, developed in close cooperation with the surrounding local villages and Pangani Town, based on respect for the local customs and traditions and an open mind to learn from each other. These will include:

- Village walks and mountain bike tours with a local guide
- Visit the local market with a local guide
- Food workshops, cooking class, farm-to-table tours, catch of the day, pub-visit, etc.
- Craft, Music and Dance performances and workshops
- Storytelling & playing local games
- A day with (local fishermen, farmer, mama, etc.)
- Nature conservation-related activities
- Sports activities, like a mountain bike tour or hike
- Boat trips to nearby islands and reefs, starting by chartering local dhows, but future expansion could be to invest in a (glass bottom) boat.
- Craft shop to promote and sell locally made products

3.4 Visit Pangani

Pangani Venture will work closely together with the local government and other tourism-related businesses to develop the area as an attractive and sustainable coastal destination for national and international tourists. One of the ideas is to set up a website that includes everything Pangani has to offer.

3.5 Tour operator services

By working closely together with accommodation businesses and tour operators in the Arusha area, Pangani Venture will develop attractive programs to convince travelers to enhance their travel experience in Tanzania by incorporating Pangani. The company will develop and sell tours that bring tourists from Arusha to Pangani and Zanzibar and extend their safari with fewer visited destinations and completely different experiences. Ranging from hiking or cycling in the Usambara mountains, going on a boat safari in Saadani National Park, and exploring local village life in coastal Tanzania. From Pangani, tourists can travel to their next destination, like the International Airport in Dar es Salaam or continue their trip to Zanzibar.

These kinds of packages will attract more adventurous tourists, repeat tourists, and conscious tourists looking for more authentic experiences and sustainable ways of traveling.

3.6 Local transport services

Pangani Venture will offer local transport services for customers of the accommodation, like airport shuttle, pick up/drop off from Saadani, Tanga, etc.

4.0 Market Analysis

The tourism sector is among the fastest-growing sectors in the global economy. Before the pandemic, tourism was the largest foreign exchange earner, the second largest contributor to the gross domestic product (GDP), and the third largest contributor to employment. Tanzania's tourism market is set to grow sharply in the coming years.

The Tanga/Pangani area has huge tourism potential, yet being unspoiled by mass tourism. The culture and landscapes remain very much true to the Swahili Coast traditions. The footprint on the marine areas in particular has been low and the region boasts some of the most spectacular and well-preserved coral reefs in the world.

4.1 Market trends

4.1.1 Growth of International & Domestic Tourism

The United Republic of Tanzania is a top benchmark for nature-based tourism in Africa and the world. It has established a leading and competitive position in the region, especially regarding its rich biodiversity, wildlife attractions, and cultural resources¹. Tanzania's tourism sector generated USD 1.4 billion in revenues in 2021, versus USD 1 billion in 2020 when it was severely affected by the Covid-19 pandemic and its impact on international travel, and 2.6 billion in 2019. The number of international tourists increased from 754,000 to 1,500,000 in 2019 and decreased significantly in 2020 (592,000) and 2021 (923,000) due to the worldwide pandemic. In 2022, tourism is recovering quickly: January-July 2022 shows an increase of 63% compared to January-July 2021. For 2022, the number of tourist arrivals is expected to increase more than the number of tourists recorded before the Covid-19 pandemic.² Tanzania's tourism sector is seeing a rebound after the Covid-19 pandemic—and the aspirations for its continued growth are high: by 2025, the country hopes to reach \$6 billion in tourism revenue, which assumes the influx of five million tourists annually³. With campaigns promoting domestic tourism, the country registered 788,933 domestic tourists in 2021, up from 562,549 registered in the preceding year, official data shows⁴. The fast-growing population in Dar es Salaam offers interesting opportunities for Pangani to attract the higher-income class for a midweek or weekend break. The development of the new Bagamoyo – Saadani – Pangani Road will reduce the travel time from Dar es Salaam significantly.

¹ UNWTO 2022 Tourism Doing Business – Investing in the United Republic of Tanzania

² <https://www.tanzaniainvest.com/tourism>

³ <https://www.pwc.co.tz/press-room/future-of-tourism-in-tanzania.html>

⁴ <https://www.thecitizen.co.tz/tanzania/news/national/how-tanzania-plans-to-raise-receipts-from-travel-sector-3838414>

4.1.2 Sustainable Travel

The term sustainable travel refers to the adoption of sustainable practices with the aim of minimizing the negative impacts and maximizing the positive effects of tourism.

Sustainable properties will win out; 78 percent of global travelers revealed that they intend to look for low-impact properties to stay in. Cultural immersion will overtake lazy beach days, 45 percent of travelers say they see learning about local cultures as key to sustainable travel. This is supported by 66 percent of people wanting to have ‘authentic’ experiences that give insight into local culture and customs, away from exaggerated tourist attractions⁵. A noticeable trend encountered is the transformation of safari into a holiday trip which is aimed at mostly sightseeing and photographing wildlife. Moreover, the concept of cultural focus in safari tourism has become very prominent among many tourists especially young and working-class tourists for experiencing different lifestyles and natural habitats⁶.

4.1.3 Health & Wellness Tourism

Wellness travel has become a popular trend in recent years, as more and more people seek out vacations and travel experiences that prioritize their physical, mental, and emotional well-being. There’re two types of wellness travelers, which are both interesting target groups for Pangani Venture:

- Primary Wellness Traveler: a traveler whose trip or destination choice is primarily motivated by wellness.
- Secondary Wellness Traveler: who seeks to maintain wellness while traveling or participates in wellness experiences while taking any type of trip for leisure or business.

Wellness tourism may help destinations mitigate the negative impacts of mass tourism or over-tourism. Because wellness travelers tend to be high-spenders and favor experiences that are authentic and unique, there is less pressure for destinations to follow a strategy that mainly competes on price and quantity⁷.

4.1.4 Solo Travel & Digital Nomads

There are more people traveling solo than ever before, with the pandemic accelerating a thirst for adventure after the lockdown. Google searches for solo travel quadrupled to a new high in two years since 2020, with demand evident across all age groups. It’s a big trend, with solo travel now estimated to account for 17% of all travel globally since the pandemic, the average age of a solo traveler is now 47 and 84% is female⁸.

⁵ Booking.com – Sustainable Travel Report 2022

⁶ <https://www.futuremarketinsights.com/reports/safari-tourism-in-africa>

⁷ <https://globalwellnessinstitute.org/what-is-wellness/what-is-wellness-tourism/>

⁸ <https://hub.wtm.com/blog/adventure/why-more-of-us-are-travelling-solo/>

The ‘work-from-anywhere’ trend continues to transform the global travel and tourism industry. Having a maximum time difference of two hours from Europe, Tanzania can be an attractive destination for remote workers to experience working online for 3-4 weeks while living in a completely different environment and culture.

4.2 Market Segmentation

Pangani Venture Limited will target four different groups of customers:

1. Conscious Safari Tourists (B2C and B2B)
2. International overland travelers (B2C)
3. Long stay (1-4 weeks) solo traveler (B2C)
4. Domestic travelers (B2C)

4.3 Competition Analysis

Currently, the hospitality business in the Pangani/Ushongo area is rather slow. Quite some lodges are closed, while others are still open but have low occupancy rates (some even below 20%) and are struggling with keeping up their service and maintenance, which in turn leads to a lower number of visitors. Pangani Cliffs Lodge is operating in the midrange segment (\$90-\$120 per night), competing with two other midrange lodges. There are seven operating lodges that have online visibility.

Table Competition Analysis

		Rate DBL	No of	Service-	Mainte-	Average	Total	Average
	Pangani	room	rooms	level	nance		reviews	Review
								Score
Midrange	Pangani Cliffs	94	6	3	4	3,5	95	4,7
Midrange	Bahari Pori	88	7	3	2	2,5	155	4,8
Midrange	Capricorn	93	4	3	3	3,0	149	4,8
	Ushongo							
Midrange	The Beach Crab	80	15	1	1	1,0	232	3,8
Midrange	Mike's Beach Cottages	90	3	3	2	2,5	89	4,0
	Ushongo Beach							
Budget	Bandas	66	6	2	2	2,0	26	4,5
Semi-								
Luxury	Emayani	200	12	4	5	4,5	157	4,5

Most lodges in the area seem to be in a kind of downward spiral. Low occupancy rates lead to insufficient financial resources to invest in service, maintenance, renovation, or development of new activities, which in its turn reduces the attractiveness of the area and results in lower occupancy rates.

Pangani Venture wants to be the best midrange accommodation in the Pangani/Ushongo area, with the best service level and highest review scores.

The number of international and domestic tourists is expected to grow once the new Tanga-Dar road is finished and there will be room for a hospitality business that is driven by entrepreneurship and a strong market-oriented approach.

5.0 Strategy and Implementation

5.1 Marketing Strategy

Pangani Venture wants to offer excellent value for money and create superior guest satisfaction by giving excellent personalized service. The services, activities, and marketing efforts will be specifically targeted at the different groups of potential guests that have been identified.

The company also wants to actively contribute to the development of the Pangani area into an authentic and sustainable beach destination.

5.1.1 Pricing Strategy

The price of the accommodation will be mid-range (in the Pangani area this is between \$90-120 per night). With upgraded facilities and better-trained staff, the price can be increased according to the developments in the market. The company will carefully consider its pricing strategy and market developments in order to optimize its revenue and profitability.

When it comes to the price of the services and activities, the strategy is aimed at maximizing the number of participants in order to generate maximum positive impact (jobs and income) as well as maximum cultural interaction. Therefore, the profit margin on the activities will be low and do not necessarily need to contribute to the financial results.

5.2.2 Promotion Strategy

Raising awareness of the beauty of the area and the excellent services and unique activities that Pangani Venture has to offer is a priority. Pangani Venture will use traditional and online marketing, personal selling (exhibitions and fairs), and direct marketing. The company directors are experienced marketeers and aim at building a strong brand that stands for quality and sustainability.

5.3 Sales Strategy

Sales will be generated by using a mix of different sales channels:

Room sales

1. Working together with tour operators that service the more conscious traveler. This group of travelers wants to reduce the negative impact of traveling and increase the positive impact by visiting off-the-beaten-track destinations and experiencing local life. In countries like The Netherlands, Germany, and Switzerland, the number of tour operators that focus on sustainable travel is growing fast. Another fast-growing segment that will be targeted is the 'outdoor' event business: more and more companies and large foundations (like Amref)

offer Kilimanjaro Climbing or Usambara Hiking for fundraising purposes. What would be a better place to relax for 2-3 days after your sporty performance than Pangani?

2. Partner with complementary businesses, like lodges and hotels in other parts of Tanzania and in Zanzibar, that operate in the same segment, and cross-promote each other's accommodation and services.
3. Direct sales through online booking platforms, social media, and the company's website (through Search Engine Optimization and Search Engine Advertising), aimed at both the domestic and the international traveler. Additionally, participation in travel fairs in Europe will contribute to direct offline sales.

Food & Beverage Sales

1. Offering a wide range of quality food and drinks to both in-house guests and walk-ins, with a focus on healthy and trendy foods, using dynamic pricing, menu-engineering (optimizing the menu based on profitability and popularity), and offering excellent customer service
2. Increase sales to non-guests by offering take-away and delivery services and hosting events in a second location, for example in Pangani Town or Tanga.

5.3.1 Sales Forecast

The first two months of business will be used to improve the property and service and set up the website and social media accounts. There will be no sales activity during this period of time. Revenue will begin to occur from June 2023 as April and May are low-season months with no sales. From June the first sales are expected and they will only trickle in until September/October when it will become more steady occupancy rates. It will not be until the middle of year two when things begin to settle and become more like an established business with monthly occupancy rates of 35-85%, with a yearly average of 35-40%. After three years the occupancy rate is expected to be around an average of 40% with twice the capacity (expansion from 6 rooms in 2023 to 12 rooms in 2027). The share of Food & Beverage sales will increase from 35% of the total revenues in 2023 to 50% in 2026 as a result of the focus on expanding the restaurant facilities.

Table: Sales Forecast

<i>Sales forecast</i>	2023	2024	2025	2026	2027
No of Rooms available	6	8	8	10	12
Room nights available	2190	2928	2920	3650	4380
Occupancy %	32%	35%	45%	45%	45%
Room nights sold	698	1025	1314	1643	1971
% for Best Available Rate (BAR)	50%	60%	70%	70%	60%
# Rooms BAR	263	615	920	1150	1183
Rate BAR (incl VAT)	\$125	\$125	\$131	\$138	\$145
Rate BAR (ex VAT)	\$106	\$106	\$111	\$117	\$123
Revenue BAR	\$27.858	\$65.148	\$102.331	\$134.309	\$145.071
% for Discounted rate (DSCT)	50%	40%	30%	30%	40%
# Rooms DSCT	263	410	394	493	788
Rate DSCT (incl VAT)	\$39	\$39	\$41	\$43	\$45
Rate DSCT (excl VAT)	\$33	\$33	\$35	\$36	\$38
Revenue DSCT	\$8.692	\$13.551	\$13.673	\$17.964	\$30.149
TOTAL ROOM SALES	\$36.550	\$78.699	\$116.004	\$152.273	\$175.220
F&B Revenue In-house guests	\$23.949	\$46.220	\$68.129	\$89.430	\$102.907
Walk-ins/new location	0	\$10.000	\$20.000	\$50.000	\$75.000
TOTAL F&B SALES	\$23.949	\$56.220	\$88.129	\$139.430	\$177.907
TOTAL SALES	\$60.499	\$134.919	\$204.133	\$291.703	\$353.127

Chart: Sales Forecast 2023-2027

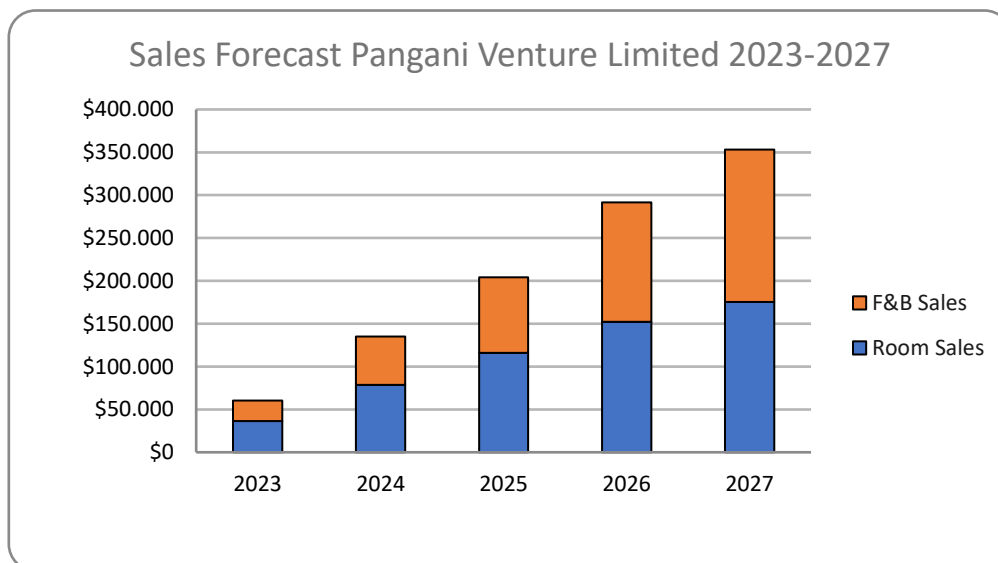
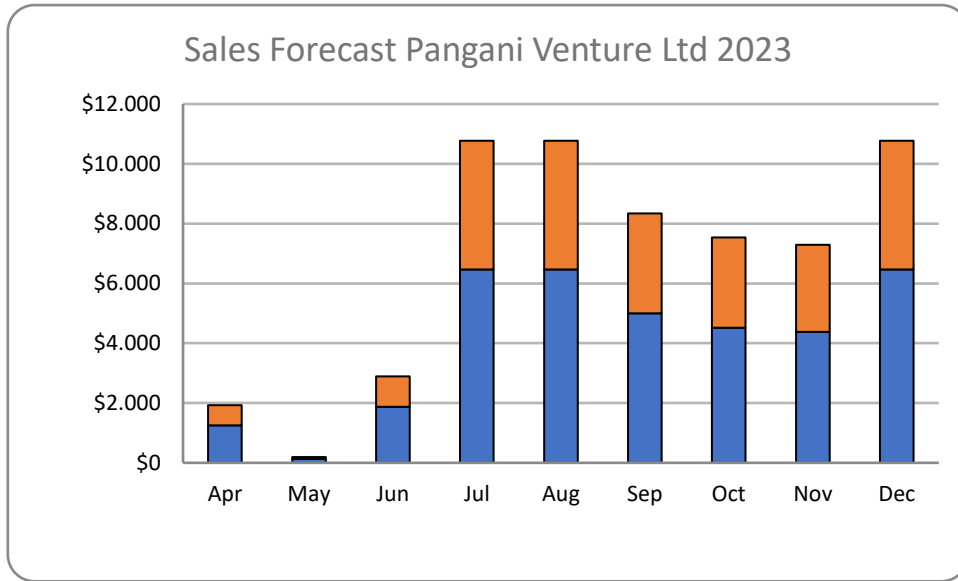


Chart: Sales Forecast 2023



See Appendix 1 for the Sales Forecast table for start-up year 2023.

6.0 Management and Personnel

Both directors of Pangani Venture Limited will be involved in the management of the company. The two directors have proven entrepreneurial skills with a specialization in marketing, customer service, finance, and human resource management in an international environment.

6.1 Personnel Plan

Pangani Venture Limited will appoint an experienced Tanzanian Operational Manager to run the day-to-day operation and to establish a good relationship with the local community and local government officials. The company will start with 11 staff members who all live in the nearby villages. They will get extensive job training and their performance on the job will be constantly mentored. In this way, Pangani Venture will not only be able to offer an excellent customer experience but will also help individuals to gain valuable skills and knowledge that can help them succeed in their personal and professional lives. If this leads to better job opportunities elsewhere, Pangani Venture is happy to recruit, train and mentor new unskilled staff members.

As the Personnel Plan shows, the company expects to make gradual investments in personnel over the next five years.

Tabel: Personnel Plan

<i>Personnel Plan</i>	2023	2024	2025	2026	2027
Manager	\$4.852	\$5.095	\$5.350	\$5.617	\$5.898
Kitchen	\$4.015	\$5.529	\$10.232	\$12.191	\$14.320
Restaurant & Bar	\$2.850	\$4.489	\$6.284	\$19.795	\$24.249
Rooms	\$2.609	\$2.739	\$2.876	\$4.530	\$4.757
Security & Garden	\$4.331	\$4.547	\$4.775	\$5.013	\$5.264
Total people	11	13	16	27	31
	\$18.657	\$22.399	\$29.517	\$47.147	\$54.488

7.0 Financial Plan

The first year will be used to set up the company and establish a sustainable business with steady online performance, the development of new activities and services and ramp up operations to become profitable. From 2024, Pangani Venture expects to generate profits that will be used to reinvest into the company to fund growth and expansion opportunities.

7.1 Start-up Costs and Funding

The following table and chart show the start-up costs for Pangani Venture Limited

Table: start-up costs and funding

<i>Start-up Costs</i>		
Start-up expenses		
Legal advice & Fees	\$38.750	
Total Start-up expenses		\$38.750
Start-up assets		
Land & Assets	\$475.000	
Cash required	\$45.000	
Replacement investment	\$11.250	
Mountainbikes	\$5.000	
Solar system	\$30.000	
Company car	\$20.000	
Total assets		\$586.250
Total requirements		\$625.000
<i>Start-up Funding</i>		
Shareholders		
EquiCare Holding	\$ 515.000	
W.P.C. Offereins	\$ 5.000	
R.J.M. Zengerink	\$ 5.000	
		\$525.000
Shareholders loan		\$100.000
Total Funding		\$625.000

7.2 Long-term investment

Pangani Venture wants to grow by expanding the number of rooms and activities that support the development of tourism in the area. If management identifies opportunities to grow the business by investing in, for example an extra car or boat, the company will consider raising money by issuing more shares or by taking a loan.

Table: Long-term investment

<i>Long term investment</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	Quantity	Cost	Total Cost
New rooms		2		2	2	6	\$ 12.500	\$75.000
Quads			2			2	\$ 10.000	\$20.000
Boat			1			1	\$ 45.000	\$45.000
Restaurant/Coffeebar				1		1	\$ 45.000	\$45.000
Total								\$185.000

7.3 Projected Profit and Loss 2023-2027

Table: Profit and Loss 2023-2027

<i>Projected Profit and Loss</i>	2023	2024	2025	2026	2027
<i>Revenues</i>					
Room Revenues	\$36.550	\$78.699	\$116.004	\$152.273	\$175.220
F&B Revenues	\$23.949	\$56.220	\$88.129	\$139.430	\$177.907
Total Revenues	\$60.499	\$134.919	\$204.133	\$291.703	\$353.127
<i>Cost of Sales</i>					
Cost of Sales Rooms	\$9.137	\$19.675	\$29.001	\$38.068	\$43.805
Cost of Sales F&B	\$9.580	\$22.488	\$35.252	\$55.772	\$71.163
Total Cost of Sales	\$18.717	\$42.163	\$64.253	\$93.840	\$114.968
Gross Operating Income	\$41.782	\$92.756	\$139.880	\$197.863	\$238.159
GOI %	69%	69%	69%	68%	67%
<i>Expenses</i>					
Payroll	\$16.792	\$26.879	\$35.420	\$56.576	\$65.385
Sales & Marketing	\$10.000	\$20.238	\$25.000	\$25.000	\$25.000
Operating Expenses	\$12.750	\$14.278	\$18.322	\$28.568	\$45.321
Administrative Expenses	\$60.041	\$24.929	\$29.217	\$33.702	\$35.547
Total Operating Costs	\$99.583	\$86.323	\$107.958	\$143.845	\$171.253
Net Operating Profit (NOP)	-\$57.801	\$6.433	\$31.922	\$54.017	\$66.907
NOP Margin	-96%	5%	16%	19%	19%
Depreciation	\$25.815	\$26.091	\$21.597	\$42.184	\$52.205
Land rent	\$320	\$336	\$353	\$370	\$389
EBIT	-\$83.616	-\$19.658	\$10.325	\$11.834	\$14.701
Taxes	\$0	-\$5.897	\$3.097	\$3.550	\$4.410
Net profit	-\$83.616	-\$13.761	\$7.227	\$8.284	\$10.291
	-138%	-10%	4%	3%	3%

Appendix Table Sales Forecast 2023

<i>Sales Forecast 2023</i>	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Rooms Available	180	186	180	186	186	180	186	180	186	1.650
Occupancy %	10,0%	1,0%	15,0%	50,0%	50,0%	40,0%	35,0%	35,0%	50,0%	31,9%
Rooms Sold	18	2	27	93	93	72	65	63	93	526
% for Best Available Rate (BAR)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
# Rooms BAR	9	1	14	47	47	36	33	32	47	263
Rate BAR (incl VAT)	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	
Rate BAR (ex VAT)	\$106	\$106	\$106	\$106	\$106	\$106	\$106	\$106	\$106	\$106
Revenue BAR	\$953	\$99	\$1.430	\$4.926	\$4.926	\$3.814	\$3.448	\$3.337	\$4.926	\$27.858
% for Discounted rate (DSCT)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
# Rooms DSCT	9	1	14	47	47	36	33	32	47	263
Rate DSCT (incl VAT)	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	
Rate DSCT (excl VAT)	\$33	\$33	\$33	\$33	\$33	\$33	\$33	\$33	\$33	\$33
Revenue DSCT	\$297	\$31	\$446	\$1.537	\$1.537	\$1.190	\$1.076	\$1.041	\$1.537	\$8.692
TOTAL ROOM SALES	\$1.251	\$129	\$1.876	\$6.463	\$6.463	\$5.003	\$4.524	\$4.378	\$6.463	\$36.550
TOTAL F&B SALES	\$674	\$70	\$1.010	\$4.308	\$4.308	\$3.336	\$3.016	\$2.919	\$4.308	\$23.949
TOTAL SALES	\$1.924	\$199	\$2.887	\$10.771	\$10.771	\$8.339	\$7.540	\$7.297	\$10.771	\$60.499

Appendix Projected Profit & Loss 2023

<i>Projected Profit and Loss</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	Total
<i>Revenues</i>										
Room Revenues	\$1.251	\$129	\$1.876	\$6.463	\$6.463	\$5.003	\$4.524	\$4.378	\$6.463	\$36.550
F&B Revenues	\$674	\$70	\$1.010	\$4.308	\$4.308	\$3.336	\$3.016	\$2.919	\$4.308	\$23.949
Total Revenues	\$1.924	\$199	\$2.887	\$10.771	\$10.771	\$8.339	\$7.540	\$7.297	\$10.771	\$60.499
<i>Cost of Sales</i>										
Cost of Sales Rooms	\$313	\$32	\$469	\$1.616	\$1.616	\$1.251	\$1.131	\$1.094	\$1.616	\$9.137
Cost of Sales F&B	\$269	\$28	\$404	\$1.723	\$1.723	\$1.334	\$1.206	\$1.167	\$1.723	\$9.580
Total Cost of Sales	\$582	\$60	\$873	\$3.339	\$3.339	\$2.585	\$2.337	\$2.262	\$3.339	\$18.717
Gross Operating Income	\$1.342	\$139	\$2.013	\$7.432	\$7.432	\$5.754	\$5.202	\$5.035	\$7.432	\$41.782
GOI%	70%	70%	70%	69%	69%	69%	69%	69%	69%	
<i>Expenses</i>										
Payroll	\$1.866	\$1.866	\$1.866	\$1.866	\$1.866	\$1.866	\$1.866	\$1.866	\$1.866	\$16.792
Sales & Marketing	\$1.111	\$1.111	\$1.111	\$1.111	\$1.111	\$1.111	\$1.111	\$1.111	\$1.111	\$10.000
Operating Expenses	\$1.417	\$1.417	\$1.417	\$1.417	\$1.417	\$1.417	\$1.417	\$1.417	\$1.417	\$12.750
Start-up costs	\$12.917	\$12.917	\$12.917							\$38.750
Administrative Expenses	\$2.366	\$2.366	\$2.366	\$2.366	\$2.366	\$2.366	\$2.366	\$2.366	\$2.366	\$21.291
Total Operating Costs	\$19.676	\$19.676	\$19.676	\$6.759	\$6.759	\$6.759	\$6.759	\$6.759	\$6.759	\$99.583
Net Operating Profit	-\$18.334	-\$19.537	-\$17.662	\$673	\$673	-\$1.005	-\$1.557	-\$1.725	\$673	-\$57.801
NOP Margin	-953%	-9825%	-612%	6%	6%	-12%	-21%	-24%	6%	-96%
Depreciation	\$2.868	\$2.868	\$2.868	\$2.868	\$2.868	\$2.868	\$2.868	\$2.868	\$2.868	\$25.815
Land rent	\$27	\$27	\$27	\$27	\$27	\$27	\$27	\$27	\$27	\$240
EBIT	-\$21.202	-\$22.406	-\$20.531	-\$2.195	-\$2.195	-\$3.874	-\$4.425	-\$4.593	-\$2.195	-\$83.616