

# **ROUGH TRACKS LIMITED**

**FEASIBILITY STUDY ON EXPANSION**

**FOR**

**LUXURY TENTED CAMPS & TOUR OPERATION ACTIVITIES**

**AT**

**NORTH SERENGETI, MUSABI, MASWA DISTRICT  
SIMIYU REGION**

**SEPTEMBER 2023**

**ROUGH TRACKS LIMITED**

**P. O. BOX 14708**

**Moshi**

**1.0 The Executive Summary**

**1.1 The company**

ROUGH TRACKS LIMITED was incorporated in Tanzania on 22<sup>nd</sup> November 2008 as a limited liability company, Registration 50741. Its principal activity is the operation of tourist hotels, lodges and camps. Other activities which the company involves itself are –

- (i) Daily game drives in the National parks and organized leisure trips outside the park.
- (ii) Special meals according to guest’s preference
- (iii) Transfers of guests from and to the Lodge
- (iv) Accommodation in high standard rooms at the tented camps

Due to the increase of tourist activities the company has decided to establish luxury tented camps and Tour operation activities by constructing luxury tented camps, purchasing vehicles such as 4WD tourist safari vehicles, commercial and various safari equipment.

**1.2 THE COMPANY OWNERSHIP**

The project sponsors are ROUGH TRACKS LIMITED whose shareholder/ directors have vast experience in in Tourism industry especially in finance, strategic planning, and marketing. The overall governing body of ROUGH TRACKS LIMITED is the Board of Directors, who are also the shareholders. The present shareholders of the company comprise of the following: -

<b>NAME</b>	<b>Nationality</b>	<b>Percentage %</b>
Manmohan S. Bhamra	British	81.81
Varinder S. Bhamra	British	18.19

The shareholders of **Rough Tracks Limited** own the largest Tourist project in Tanzania having its head office located at Kilimanjaro Region.

### **1.3 THE PROJECT**

Due to ever-increasing tourist demand for special photographic safaris and holiday makers, the company plans to boost its investment and decided to establish a new Luxury tented Lodge with modern facilities such as 4WD tourist safari vehicles, commercial and new safari equipment. The investment cost of the project will be of **US Dollars 3,600,000**

### **1.4 PROJECT OBJECTIVES**

The project main objective is to involve itself in the operation of luxury tented camps and tour operation activities such as expedition safaris of game viewing for the tourists visiting Tanzania National Parks. The activities will involve daily game drives in the National parks and organized leisure trips outside the park, arranging accommodation in high standard hotels, providing Special meals according to guest's preference and Transfers of guests from various lodges. Therefore, the company intends to boost its investment by establishing luxury tented camps facilities, Musabi, North Serengeti, Mara Region. The project will contribute in increasing foreign exchange as it will be receiving tourists throughout the world. It will also provide employment opportunities to local people in the hospitality industry and hence stimulate economic development.

### **1.5 THE INVESTMENT COST**

The cost of implementing the proposed project is estimated to be **USD 3,600,000**. A summary of these costs is summarized hereunder.

## Summary for the Investment cost for **ROUGH TRACKS LIMITED:**

	Foreign (USD)	Total (USD)
Land and Buildings	1,500,000	1,500,000
Various Equipment's/Machines	200,000	200,000
Motor Vehicles	1,000,000	1,000,000
Furniture & Office equipment	500,000	500,000
Pre-expenses	100,000	100,000
Others	50,000	50,000
Working capital	250,000	250,000
<b>GRAND TOTAL</b>	<b>3,600,000</b>	<b>3,600,000</b>

### **1.6 PROPOSED FINANCING PLAN**

M/S ROUGH TRACKS LIMITED proposes to invest **USD 3,600,000** for developing this project. It is planned that some investment cost will be financed by loan which will sought from various Banks. Furthermore, the sister company's Self-Generated Funds shall be utilized at a later stage for working capital funds. The breakdown of which is a follow:

	<b>USD</b>
Equity	2,600,000
Loan	<u>1,000,000</u>
<b>Total</b>	<b><u>3,600,000</u></b>

### **1.7 Location**

The luxury tented lodge will be located at **North Serengeti, Musabi Hill, Simiyu Region**

### **Environmental impact:**

The operations of **Rough Tracks Limited** have no negative impact on the environment. The company understands the need to help, protect parks, reserves and wilderness areas around the camps and the wildlife that draws the company and clients there. In all the places it operated it contributes to conservation of our precious environment.

### **1.8 PROJECT IMPLEMENTATION PERIOD**

The proposed project implementation is estimated to cover a period of 5 years beginning November 2023. The planned completion date is November 2028. The main determining factor for the completion of the project is the availability of funds, granting of TIC certificate for the project and completion of tax exemption procedures. The main implementation activities include:

- Construction of a tented camps and lodges
- Procurement of motor vehicles and trucks
- Procurement of camping and lodge equipment's

### **1.10 Manpower Requirements**

The plant will employ 55 people, the company will also employ some expatriates. Once the project is finalized and in full operation, The Company will provide intensive training to recruited employees. Employees will continuously receive internal training which covers both the professional and practical aspects of the company ideal and ways of operation and will be done by the management and assisted by expatriates.

### **1.11 FINANCIAL ANALYSIS**

Assumptions on the financial projections indicate that the project is profitable and will generate profit from the early years.

#### **a) Profit and Loss accounts**

Over the projected period from the beginning of year 1 to year 10, the turnover of M/S ROUGH TRACKS LIMITED is expected to grow from **US Dollars 0.308 million** in year 1 to **US Dollars USD 1.141 million** from year 3.

#### **b) Cash flow statements**

The cash flow of **M/S ROUGH TRACKS LIMITED** shows that it will generate sufficient cash to meet all its financial obligations.

### **1.12 ECONOMIC IMPACT**

The company's main economic benefits to the country are as follows:

- a) The company Establishment project at Mara Region is expected to employ 55 people.
- b) General raise of living standard for the people living in the project surroundings and improvement of the infrastructure and facilities of the area.
- c) The government is expected to get taxes from the operations **Rough Tracks Limited** when the project takes it up and is implemented.
- d) The project will earn Foreign Exchange

### **1.13 CONCLUSION AND RECOMMENDATION**

The project if implemented will be able to Create 55 direct employment Opportunities and revenue to government through VAT and other taxes. In

view of the above, it is recommended that the project be implemented as is technically feasible, financially viable and economically sound.

## **2.0 THE PROJECT**

### **2.1 Introduction**

Tourism is continuing to be leading being a contributor to the Tanzania economy. The sector has continued to offer opportunities for investors to invest in the infrastructure and the development of tourism related services. The existing peaceful environment and political stability in Tanzania offers a great opportunity for international tourist to visit the country, which has now become the major tourist destination. The most beautiful game viewing area has prompted investors to expand its facilities and made Tanzania as a tourist destination. The country is blessed with the wildlife resources that are considered among the finest attractions.

### **2.2 PROJECT CONCEPT**

The company has embarked on a project at **North Serengeti, Musabi, Simiyu Region** to establish a Luxury tented Lodge and to purchase 4WD tourist safari vehicles, commercial and new safari equipment. This has been necessitated by increased volume of business in Tanzania and to achieve the targeted level of business so that it can reap expected benefits.

**2.2.1** The project main objective is to involve itself in the operation of luxury tented camps and tour operation activities such as expedition safaris of game viewing for the tourists visiting Tanzania National Parks. The activities will involve daily game drives in the National parks and organized leisure trips outside the park, arranging accommodation in high standard hotels,

providing Special meals according to guest's preference and Transfers of guests from various lodges. The project will contribute in increasing of foreign exchange as it will be receiving tourist throughout the world. It will also provide employment opportunities to local people in the hospitality industry and hence stimulate economic development.

**.2.2.2** The Company will also carry privately guided safaris. The privately guided safaris are finest safaris, with each itinerary being tailor-made to suit each group's interest. To enhance their safari, some guest may request that the company to include the services of an additional top naturalist/photographer/birder who shall accompany their group for all or part of the safari. The real benefit of this service is that the guide soon gets to know the interests and needs of the visitor and can build on them as they move from area to area to area. There will be top quality guides who will be committed and dedicated professionals. All the safaris run in this programme are private and each itinerary is customized. There are no scheduled departures. The company makes certain that the safari's itinerary is perfectly suited to each party's interests and time frame. No two safaris are the same.

**2.2.3** The Company will use its fleet of vehicles in its tour operation activities, project sites and connection between towns and remote locations. Most of the vehicles will be fitted with radios communication system for direct communication with head offices and they will also introduce a workshop, which will be equipped with special maintenance equipment's. This project will also construct its maintenance and back service for its fleet of vehicles, which will make the company efficient on its tour operating

activities. The company shall invest US Dollars **USD 3,600,000** to finance its capital expenditure purchases of operating equipment's, building tented camps, and training,

**2.2.4** To summarize, the company will carry out a variety of activities while on camping safaris. Listed below here are brief activity and facilities that will be made available for the guests.

- Day game drive – The activity is central for the camps and tour safari. It entails park game driving with 4x4 Motor Vehicles targeting the wildlife that may be seen around the national parks included Elephants, Buffalos, Lions, Leopards, Zebra, Impalas, Giraffe, Wildebeest Eland, Cheetahs, Thomson Gazelle, warthog etc.
- Bird Watching. - Bird watching is another activity which will be undertaken by the company of which they will show the guests better areas, which offer bird watching activity. The company will employ experts who know and advice on times of bird migration.
- Night Drives. – Is another activity that will be offered to clients, an opportunity to experience some of nocturnal mammals and birds, which are only very rarely encountered during the day it also entails drives in safari vehicles after dark.
- Photo Safaris. – The company will arrange for professional migration photographic safaris and advice on the best time and opportunity.

## 2.3 The COMPANY

The project sponsors are **Rough Tracks Limited** whose shareholder/directors have vast experience in in Tourism industry especially in the area of administration, finance, strategic planning and marketing. The overall governing body of **Rough Tracks Limited** is the Board of Directors, who are also the shareholders. The present shareholders of the company comprise of the following: -

<b>NAME</b>	<b>Nationality</b>	<b>Percentage %</b>
Manmohan S. Bhamra	British	81.81
Varinder S. Bhamra	British	18.19

The company has been involved in expedition safaris throughout the main attractions of the Northern Circuit that stretches from the plains of Serengeti, Lake Manyara, Tarangire National Park and the Ngorongoro Conservation Area, beach area such as Pangani Zanzibar and Kilwa. They have many years of world-wide experience in the field of Tourism industry. Being the members of various International and national organizations, they have gained knowledge in various type of tourist industries, Government procedures and marketing strategies in all over the world. The intended luxury tented camp project under their leadership and guidance will be a grand success.

## 2.4 Implementation Programme

The proposed project implementation is estimated to cover a period of 5 years beginning November 2023. The planned completion date is 2028. The main determining factor for the completion of the project is the availability

of funds, granting of TIC certificate for the expansion programme and completion of tax exemption procedures. The main implementation activities include:

- i) Construction of Tented camps and a lodge
- ii) Procurement of motor vehicles
- iii) Procurement of camping equipment's

The implementation timetable is expected to be reasonable and achievable because the management of the company had requisite experience to implement the project.

#### **2.4 SITE AND LOCATION**

ROUGH TRACKS LIMITED is a private limited company with Registered offices in Arusha. The luxury tented Camp will be located at North Serengeti, Musabi, Mara Region.

#### **Management and Organization Structure**

M/S ROUGH TRACKS LIMITED luxury tented camps will be managed through a board of directors. The Board will appoint a reputable and experienced Managing director and technical personal who will be responsible for the day-to-day operations. The overall governing body of ROUGH TRACKS LIMITED is the Board of Directors, who are also the shareholders. The board is made up 2 Directors. The board formulates and determines the policy and strategic direction of the company. The chief executive of the company is the Managing Director. He reports to the Board of Directors composed of the shareholders. The company has a well-

established management structure filled with qualified personnel for the tour industry. It is expected that a total of 55 people will be employed. Once the project is finalized and in full operation ROUGH TRACKS LIMITED will provide intensive training for new employees immediately after recruitment. Employees will continuously receive internal training which will cover both the professional and practical aspects of the company ideal and ways of operations and it is done by the management and assisted by senior and experienced employees. Thus, the company's remuneration packages will be designed to attract, motivate, and retain employees of the right caliber and to reward them for enhancing their value to shareholders.

### **3.0 THE MARKET**

#### **3.1 Market Analysis Summary**

Tanzania has plenty of natural tourist resources and attractions. These includes several game parks and reserves such as Serengeti, Lake Manyara, Tarangire, Arusha National Park (Momella), Mount Kilimanjaro, Ngorongoro Creter, Gombe in the west, Mikumi, Ruaha National Parks and Selous Game Reserved in the South of the Country. The spice Island of Zanzibar, Pemba and Mafia are other attractions. Tanzania's hospitality industry has become exuberant, such that tourism has become the second, after mining, fast growing sector in Tanzania.

The main market segment for ROUGH TRACKS LIMITED will comprise of tourists, tour operators', travel agencies, government departments, diplomatic and foreign mission accredited to Tanzania, companies' individuals as well as project promoters engaged in up country and remote area for operations. To date not only the tourist standard hotels and support

facilities have improved the quality of their services, but also the non – tourist hotels in up country regions, where international travelers can still enjoy excellent accommodation, restaurant services and other leisure activities like touring to tourist sites etc. have mushroomed. Modernization and addition of tourist support projects in general attract potential demand and in particular, tour operations, hunting and other tourist support services.

### **3.2 Market Opportunity**

The probability for ROUGH TRACKS LIMITED to grow in this most popular and the most beautiful game viewing area is very high and because of this opportunity it has prompted the investors to invest in the Simuyu region. The facts that attracted the investor mostly are.

- Tanzania as a tourist destination is among the best in the world. The country is blessed with the wildlife resources that are considered among the finest attractions. The wildlife areas offer spectacular game viewing including the annual wildebeest migration in the Serengeti. With its 12 national parks, 17 game reserves, 50 game-controlled areas, a conservation area and marine park, the area stretches through the vast Serengeti plains to the Mt Kilimanjaro in the north, the Selous Game Reserve to the south and the exotic Island of Zanzibar, Mafia and Pemba.
- Tourism is a growing Sector and at a fast pace hence becoming a leading contributor to the Tanzania economy.

- number of international tourist arrivals in Tanzania is estimated to have grown by 44.4 % in 2022 compared to the same months of the previous year 2021.
- The existing peaceful environment and political stability in Tanzania offers a great opportunity for international tourist to visit the country, which has now become the major tourist destination. In 2022 the number of tourist arrivals reached 1,454,920 equivalent to increase of from a 922,692 in 2021.
- The Company provides excellent photographic opportunities, with a rare excitement of game viewing for tourists who have come a long way to see the prodigious variety of wildlife in its natural habitat.
- ROUGH TRACKS LIMITED in this business opportunity will explore and develop the new products and destinations. The project idea comes at the time when new product diversification and new destinations have to be explored as America and European market present compelling opportunity for growth and expansion.

### **3.3 Tanzania's Hospitality Industry – Past & Present**

The growth of Tanzania's hospitality industry may be measured by several parameters, two of which are the growth of tourist arrivals and growth of new hotels in the country.

Hotel foreign arrivals from 2015 and July -2022 are as follows:

Year	Number
2015	1,137,000
2016	1,284,000
2017	1,327,000
2018	1,506,000
2019	1,527,000
2020	621,000
2021	923,000
2022-	1,454,920
2023 Jan -August	1,600,000

*Source: Internet*

The sharp increase in tourist arrivals since 2023 is largely due to the lifting of Covid -19 lockdown by most countries and the continued effort of the governments to promote tourism attractions within and outside the country. Other reasons include advances in technology, meaning travel now is easier,

quicker and more affordable. The growth of internet means now it is easier than ever before to book holidays.

### **3.4 Competition**

**Rough Tracks Limited** as an investor in Tanzania have an advantage in knowledge and experience regarding the local environment, industry, and markets. Besides, it provides both Accommodation and Safari in a package. The company's plan for better facilities will provide better services daily hence it will necessitate advance bookings.

**Rough Tracks Limited** has established itself in the international market in various places such as UK and America. This increases Company recognition leading to its being among the best tour operators. With this, the office remains stable against the challenges from other Tour Operators. **Rough Tracks Limited** has some in-built advantages against any new competitor who may decide to enter this lucrative market. By leading in the market, it has established a name, experience, marketing network and strong relationship with the major international and local tour operators which in the short period would require reputable and strong competitors to make an impact. **Rough Tracks Limited** will continue offering its services that are gaining popularity, offering new destinations with new product diversification as the demand continues to surpass the potential supply products for up-market clientele.

### **3.5 Target Market**

The target market for **Rough Tracks Limited** in its luxury-tented camps will comprises mainly three types of guests. There are:

- i. Tourists booked directly with our agent 80%
- ii. Tourists booked by foreign/Local tour agents. 10 %
- iii. Tourist with direct bookings 10%

The tourist guests to be served by company is from Europe and United States of America and Far East. The company is planning to extend its reach to other parts of the continent.

### **3.6 Market Segmentation and Analysis**

There are basically two major markets. The tourist market and special photographic tourist market:

- **The Tourist Market**

This comprises tourists who visit the country on a year- to-year basis with prior bookings with their local tour agents. The company will target similar market in China, Russia and South American market. This is a special market that has to be shaped.

- **The Special Photographic Tourist Market**

This comprises of the privately guided hot balloon aerial safari and company's finest safaris, with each itinerary being tailor-made to suit each group's interests. To enhance the safari, guests can request that the company include the services of an additional top naturalist/Photographer who will fly accompany with the group for all or part of the Safari.

### **3.7 Marketing Strategies**

**Rough Tracks Limited** principal objectives are to make **Rough Tracks Limited** quality tourist companies provide enjoyable and memorable game

drive safaris and accommodation as well as provide a new experience on new diving activity. It will also ensure that the existing **Rough Tracks Limited** reputation is maintained to increase market share for tourists visiting our National Parks. To attain these objectives, ROUGH TRACKS LIMITED Management will develop various market strategies that will ensure its goals are realized. Among other features that will be applied will include:

### **3.7.1 Direct marketing**

The Company uses the services of overseas tour agencies that book tourists in advance. The company has established marketing relationships with reputable tour safari agents in Europe to cater for market-related issues.

#### **a) Use of Marketing Tools and Programmes**

The company will use local and overseas marketing programs to capture market segments envisaged. The company has a website where it has advertised and can also be logged at anyplace in the World. The use of brochures and Journals will be applied to market.

#### **b) Door to Door Market**

ROUGH TRACKS LIMITED through its offices and agencies abroad will now and then visit or call on various international offices of potential clients for business solicitation. Such clients shall include:

- i) Sport Organizations to target Executives and Super Stars
- ii) Travel industry executives
- iii) Cooperative executives.
- iv) Senior Governments official
- v) International Organization

vi) International Trade Fair

### **c) Pricing**

Rough Tracks Limited will continuously develop and review tariffs systems. The current tariffs charged are more competitive compared to those of other competitors.

### **FUTURE OUTLOOK – BEYOND**

According to projections by Tanzania Tourist Board, which is under the Ministry of Natural Resources and Tourism, will surpass the target of **5,000,000** tourist arrivals by 2025. With the surge of tourist arrivals, it is expected to push up the demand for quality lodges, luxury tented camps and quality tour services. Other factors that are likely push the demand for the above-mentioned facilities as Tanzania has been considered as major tourist destination includes: -

- A) Political and Social Stability: The hospitality industry is expected to grow rapidly particularly for upper- and middle-class tourists who have lost interest in neighboring countries due to crowding and political unrests like that of Zimbabwe.
- B) Presence of world-famous tourist attractions in Tanzania.
- C) A growth in per capital GDP over 5.49 % from 2020 and the overall demand of services for the local clients.
- D) Improved infrastructure and transportation network to facilitate movement of travelers from abroad and within the country. For international visitors there is Tanzania can be able to attract higher load factors and there of lower air tariffs, more frequencies, which

catalyze the extension of the average lengths of stay together with other, related gains etc.

## **4.0 INVESTMENT AND FINANCING**

### **4.1 Assumptions**

The financial projections to determine the viability of the project are based on the following key assumptions:

- Feasibility report is submitted for 10 years.
- Depreciation calculated in straight line method.
- Income tax has been provided for at 30%.
- All the figures are stated in USD for convenience.
- The project has adopted the currency exchange rate of United state Dollar  
1 = US\$.2500

### **4.2 Summary of Capital Costs**

The cost of implementing the proposed project is estimated to be **USD 3,600,000**. A summary of these costs is summarized hereunder.

Summary for the Investment cost for **Rough Tracks Limited:**

	Foreign (USD)	Total (USD)
Land and Buildings	1,500,000	1,500,000
Various Equipment's/Machines	200,000	200,000
Motor Vehicles	1,000,000	1,000,000
Furniture & Office equipment	500,000	500,000
Pre-expenses	100,000	100,000
Others	50,000	50,000
Working capital	250,000	250,000
<b>GRAND TOTAL</b>	<b>3,600,000</b>	<b>3,600,000</b>

**4.3 PROPOSED FINANCING PLAN**

**M/S Rough Tracks Limited** proposes to invest **USD 3,600,000** for developing this project. It is planned that some investment cost will be financed by loan which will sought from various Banks. Furthermore, the sister company’s Self-Generated Funds shall be utilized at a later stage for working capital funds. The breakdown of which is a follow:

	<b>USD</b>
Equity	2,600,000
Loan	<u>1,000,000</u>
<b>Total</b>	<b><u>3,600,000</u></b>

**4.4 The Luxury Tented Lodge**

The company plans to construct a Luxury tended camp in North **Serengeti, Musabi, Simiyu Region** that shall be designed in such a way that each camp blends into its environment and location. The company aims to make each tented camp different. The design of the tents shall ensure that the guests feel comfortable. Since the camps shall not have any access to regular electrical power as they do in such remote locations, it will provide its own electricity. An option will be to use a generator on site to produce **220V** electricity or use solar panels for the camp. As the company will limit the sounds of a generator in camp, the generators will be silenced as much as possible.

Roof open Land Cruiser can be used for the purpose. The Company shall not burn firewood to heat the showers or baths. Instead, it will heat the water

with the sun's rays or by solar panels. The only firewood that is burnt is the small amount needed for an evening's campfire.

#### **4.5 Vehicles**

The company will have ordinary or extended 4x4 Land Rover and Land Cruiser with open roof almost exclusively while driving to the launch site and a game drive back to the lodge. The local conditions in Tanzania are much more suited for Land Rover & Land Cruisers with specially designed open roof hatches for photography and unobstructed viewing for all- round visibility.

#### **4.6 FURNITURE AND FITTINGS**

The company will procure large deluxe beds, king-size and double beds, towels, face cloths, good lighting. Luxury tents always have en suite bathrooms with provision for an additional and optional outdoor shower "under the stars" to get the guest feel closer to nature.

#### **4.7 PRE –OPERATIONAL EXPENSES**

This item includes the cost of travel, cost of the feasibility study, personnel recruitment, legal fees, bank charges, registration costs etc.

#### **4.8 OPERATING COST STRUCTURE**

The major operating costs include the cost of running the tented camps such as food, refreshments, gas fuel for generators, salaries and wages, repairs and maintenance and electricity. Other costs include the cost of water and administrative overheads. The operation cost has been assumed to be 85% of the total revenue. the capacity utilization has been assumed to grow at a

rate of 60% in year 1, 70% in year 2, 80% in year 3 while stabilized production is envisaged from the fourth year at 90% of rated capacity.

## **5.0 FINANCIAL ANALYSIS**

Assumptions on the financial projections indicate that the project is profitable and will generate profit from the early years and enhance the network of project sponsors. The projected financial result of **Rough Tracks Limited** operations is detailed in the attached tables.

### **5.1 Profit and Loss accounts**

Over the projected period from the beginning of year 1 to year 10, the turnover of M/S **Rough Tracks Limited** is expected to grow from **US Dollars 0.308 million** in year 1 to **US Dollars USD 1.141 million** in year three. The Tented cash flow cash flow shows the operations will generate sufficient cash to meet all its financial obligations.

### **5.2 Cash flow statements**

The cash flow of **M/S Rough Tracks Limited** shows that it will generate sufficient cash to meet all its financial obligations.

## **6.0 ECONOMIC CONSIDERATION**

### **6.1 Economic Impact**

The economic impact of **Rough Tracks Limited** to the country is as stated hereunder.

### **6.1.2 Employment:**

First, the tour is expected to provide direct employment to 200 people. Its operations will also contribute to generating indirect employment in other sectors of the country's economy.

### **6.1.3 Government revenue**

Operations of the tours and tented camps are expected to generate various taxes to the Government.

### **6.1.4 Environmental Impact**

The operations of **Rough Tracks Limited** have no negative impact on the environment. All liquid waste will be disposed of through the access pits that have been made. Other wastes are collected and periodically picked up by refuse collection service that dumps to their approved refuse dump pits.

## **7.0 CONCLUSION & RECOMMENDATIONS:**

It is apparent from the above that project facilities are expected to be a profitable undertaking. The economic impact from implementing and operating **North Serengeti, Musabi Hills, Simiyu Region** is also positive. In view of the above it is recommended that the proposed project be implemented at the earliest.

# **ANNEXETURES AND APPENDICES**

## ROUGH TRACKS LIMITED

### INVESTMENT COST

	Foreign (USD)	Total (USD)
Land and Buildings	1,500,000	1,500,000
Various Equipment's/Machines	200,000	200,000
Motor Vehicles	1,000,000	1,000,000
Furniture & Office equipment	500,000	500,000
Pre-expenses	100,000	100,000
Others	50,000	50,000
Working capital	250,000	250,000
<b>GRAND TOTAL</b>	<b>3,600,000</b>	<b>3,600,000</b>

## ROUGH TRACKS LIMITED

### DEPRECIATION SCHEDULE

**USD**

	Amount	Rates	1	2	3	4	5	6	7	8	9	10
Land & buildings	1,500,000	<b>5.00%</b>	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Plant & Machinery	200,000	<b>12.50%</b>	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	-	-
Motor Vehicles	1,000,000	<b>25.00%</b>	250,000	250,000	250,000	250,000	-	-	-	-	-	-
Furniture & Fittings	500,000	<b>12.50%</b>	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500		
Pre-operational Expenses	100,000	<b>20%</b>	20,000	20,000	20,000	20,000	20,000	-	-	-	-	-
<b>TOTAL</b>			432,500	432,500	432,500	432,500	182,500	162,500	162,500	162,500	75,000	75,000

# ROUGH TRACKS LIMITED

## SALES SCHEDULE USD

Year	1	2	3	4	5	6	7	8	9	10
Sales Revenue	<b>2,019,752</b>	<b>2,239,728</b>	<b>2,461,900</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>
<b>Total Sales</b>	<b>2,019,752</b>	<b>2,239,728</b>	<b>2,461,900</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>
Cost Of Goods Sold	1,146,036	1,260,640	1,386,704	1,525,374	1,525,374	1,525,374	1,525,374	1,525,374	1,525,374	1,525,374
Operating Profit	873,714	979,088	1,075,196	1,182,715	1,182,715	1,182,715	1,182,715	1,182,715	1,182,715	1,182,715
Less: Depreciation	432,500	432,500	432,500	432,500	182,500	162,500	162,500	162,500	75,000	75,000
<b>PROFIT BEFORE TAX</b>	<b>441,214</b>	<b>546,588</b>	<b>642,696</b>	<b>750,215</b>	<b>1,000,215</b>	<b>1,020,215</b>	<b>1,020,215</b>	<b>1,020,215</b>	<b>1,107,715</b>	<b>1,107,715</b>
LESS: INCOME TAX @ 30%	132,364	163,976	192,809	225,065	300,065	306,065	306,065	306,065	332,315	332,315
<b>PROFIT AFTER TAX</b>	<b>308,850</b>	<b>382,612</b>	<b>449,887</b>	<b>525,150</b>	<b>700,150</b>	<b>714,151</b>	<b>714,151</b>	<b>714,151</b>	<b>775,401</b>	<b>775,401</b>
<b>Reserves</b>	<b>308,850</b>	<b>691,463</b>	<b>1,141,350</b>	<b>1,666,501</b>	<b>2,366,651</b>	<b>3,080,802</b>	<b>3,794,952</b>	<b>4,509,103</b>	<b>5,284,503</b>	<b>6,059,904</b>

# ROUGH TRACKS LIMITED

## PROJECTED PROFIT & LOSS ACCOUNTS

USD

DESCRIPTION	1	2	3	4	5	6	7	8	9	10
Revenue from game package and flight transfers	1,635,645	1,799,210	1,979,131	2,177,044	2,177,044	2,177,044	2,177,044	2,177,044	2,177,044	2,177,044
Revenue from camp shop sales and other sales	110,506	121,557	133,713	147,084	147,084	147,084	147,084	147,084	147,084	147,084
Revenue From Tanapa Park and Camping Fees	211,590	232,749	256,023	281,625	281,625	281,625	281,625	281,625	281,625	281,625
Revenue from service charge	62,011	86,212	93,033	102,336	102,336	102,336	102,336	102,336	102,336	102,336
<b><u>TOTAL SALES REVENUE</u></b>	<b>2,019,752</b>	<b>2,239,728</b>	<b>2,461,900</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>	<b>2,708,089</b>

## ROUGH TRACKS LIMITED PROJECTED CASH FLOWS

USD, 000

	0	1	2	3	4	5	6	7	8	9	10
<b><i>Inflows</i></b>											
Equity	3,600										
Depreciation		433	433	433	433	182	163	163	163	75	75
Net Profit		309	383	450	525	700	714	714	714	775	775
<b>Total Inflows</b>	3,600	742	816	883	958	882	877	877	877	850	850
<b><i>Outflows</i></b>											
Investment	3,600										
Taxation		132	164	193	225	300	366	366	366	332	332
<b>Total Outflows</b>	3,600	132	164	193	225	300	366	366	366	332	332
<b>Net Cash Flows</b>	-	610	652	690	733	583	511	511	511	518	518