



# KEARSLEY (TANZANIA) LIMITED

## BUSINESS PLAN

For

**Expansion of Tourism Services Project in Dar es salaam in the  
United Republic of Tanzania**

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## SECTION ONE

### BUSINESS DESCRIPTION

#### 1.0 The Industry

Tanzania is a country with many tourist attractions. Approximately 38 percent of Tanzania's land area is set aside in protected areas for conservation. There are 17 national parks, 29 game reserves, 40 controlled conservation areas (including the Ngorongoro Conservation Area) and marine parks. Tanzania is also home to Mount Kilimanjaro, the highest point in Africa.

Travel and tourism contributed 17.5 percent of Tanzania's gross domestic product in 2016 and employed 11.0 percent of the country's labor force (1,189,300 jobs) in 2013. The sector is growing rapidly, rising from US\$1.74 billion in 2004 to US\$4.48 billion in 2013. In 2016, 1,284,279 tourists arrived at Tanzania's borders compared to 590,000 in 2005.

In 2019, the Tanzanian tourism sector generated US\$2.6 billion in revenues with 1.5 million tourist arrivals.


In 2020, due to Covid-19, travel receipts declined to US\$1.06 billion and the number of international tourist arrivals declined to 616,491.

In October 2021, the Ministry of Natural Resources and Tourism of Tanzania has been granted TSh.90 billion/= for the financial year 2021-2022, part of the IMF loan for emergency financial assistance to support Tanzania's efforts in responding to the Covid-19 pandemic.

Tanzania has almost 38% of its land reserved as protected areas, one of the world's highest percentage. Tanzania boasts 16 national parks and is home to a large variety of animal life. Among the large mammals include the Big five, cheetahs, wildebeest, giraffes, hippopotamuses and various antelopes. Tanzania's most well-known wildlife attractions are located in the northern part of the country and include the Serengeti National Park, Tarangire National Park and Lake Manyara National Park. The Serengeti National park encompasses the world-famous great migrations of animals. The Serengeti National Park is the most popular park in the country and had the chance to host more than 330,000 visitors in 2012.

In 2018, Serengeti National Park was voted the best African Safari Park following the depth study conducted by Safari Bookings the largest online marketplace for African safaris. In their website, it reads, *in total 2,530 reviews were examined from the safari Bookings website. The 1,670 user reviews were contributed by safari tourists from 72 countries. To complement these user reviews, reputable guidebook authors (working for Lonely Planet, Rough Guides, Frommer's, Bradt and Footprint) teamed up in the safari Bookings Expert Panel to write 860 expert reviews*

The north is also home to the Ngorongoro Conservation Area. The Ngorongoro Conservation Area includes the Ngorongoro Crater, which is an extinct volcanic caldera with lions, hippopotamus, elephants, various types of antelope, the endangered black rhinoceros, and large herds of wildebeest and zebra. Olduvai Gorge, considered to be the seat of humanity after the discovery of the earliest



known specimens of the human genus, Homo habilis as well as early hominidae, such as Paranthropus boisei also lies within the conservation area.

The western part of Tanzania includes the Mahale, Katavi, and Gombe national parks, the latter of which is the site of Jane Goodall's ongoing study, begun in 1960, of chimpanzee behavior. The country is also particularly rich in plant diversity, the Tanzania National Parks Authority has an entire national park the Kitulo National Park dedicated to flowers. There is a wide variety of biomass across the nation

Also known as the roof of Africa, Mount Kilimanjaro is a UNESCO World Heritage site and the highest peak in Africa. The mountain (now a dormant volcano) rises approximately 4,877 metres (16,001 ft) from its base to 5,895 metres (19,341 ft) above sea level. The mountain is located in the north of the country on the border with Kenya in the town of Moshi and is accessible via Kilimanjaro International Airport. The airport also provides a gateway for tourists to all northern safari circuits. The mountain is part of Kilimanjaro National Park and is the second most popular park in the country and roughly 20,000 visitors trek the mountain every year. The mountain is one of the most accessible high peaks in the world and has an average success rate of around 65%.


## 1.1 Executive Summary

KEARSLEY TANZANIA LIMITED as it is more avidly known today was incorporated in 1948 with a vision to serve the foreign expatriates working in Tanganyika (Tanzania before independence) with a reliable and efficient travel and tourism services to meet their needs. The company passed through various reforms until 1974 when it changed hands after being sold to N.V. Patel & Brothers Ltd., a locally owned holding company with a wide interest in agriculture and agro- chemical industries, air and sea transportation and general trading. Since that date the management of the company has been passed to the local board of directors consisting entirely of Tanzanians who have admirably steered the company forward and developed it into a market leader in spite of the economic challenges it faced over the years.

KEARSLEY TANZANIA LIMITED is now over 74 years in operation, being the oldest operating tours and travel agency company in Tanzania, it has played a pivotal and a leading role in the development of air travel and tourism in Tanzania and has built an unrivalled reputation both locally and internationally serving its clients and the travelling public at large with unparalleled and reliable service levels.

With this strong historical past, the future looks promising and we at Kearsleys are very confident that our legacy will live on for years to come.

Kearsleys is in the forefront in ensuring that many tourists from overseas are attracted to visit our alluring majestic country, Tanzania and that's why its planning on expanding its tour operations by purchasing more fleet of vehicles such as 30 Toyota Land Cruisers which will later be modified into safari vehicles to cater the needs of our tourists and 4 33seater buses which are key and essential to this business plan.



Our employees are our backbone and we pride in having a dedicated team of qualified travel & tours consultants, driver guides and senior managers who collectively work hand-in-hand to meet Kearsleys core objectives of providing superior services to our clients in a professional and an efficient manner provide consistent service delivery and finally, to create avenues for growth of both self and organization. Our employees have all been with us for a minimum of 3 years (some exceed 20 years) signifying low employee turnover and high employee satisfaction with Kearsleys. This is what gives us the strength to excel in dire situations and to grow when other companies are downsizing.

## **1.2.0 Our Mission and Vision Statement**

### **1.2.1 *Vision***

Our vision is to continue being the market leader in tour operations in Tanzania.

### **1.2.2 *Mission***

Our mission is to keep providing superior tourism services in a professional and efficient manner hence meeting the tourist's expectations.

## **1.3 Location**

Kearsley Tanzania Limited's project is located in Ilala district, Zanaki street, plot number 16 posta in Dar es salaam region as the head office and a branch office in Arusha and other sub centers around the country.

## SECTION TWO

### SALES AND MARKETING STRATEGY

#### 2.0 Marketing Overview

Tanzania is located along the coast of the Indian Ocean and is a member of the East Africa Community. Dar es Salaam is the largest port of entry in Tanzania and serves as a gateway to landlocked neighboring countries.

The United Republic of Tanzania is an attractive market for U.S. exporters due to its relatively large population estimated to be 62 million people. This makes Tanzania the 24th largest country by population, larger than South Africa and slightly smaller than Italy (source CIA World Fact Book). In addition to its large population, Tanzania reached an important milestone in July 2020, when it formally graduated from low-income country (LIC) to lower-middle-income country (LMIC) status. Tanzania's achievement reflects sustained macroeconomic stability that has supported growth as well as the country's rich natural endowments and strategic geographic position.

Tanzania has benefited from a relatively stable political environment and reasonable macroeconomic policies that has allowed it to maintain sustained 6 to 7% growth rates since 2000. The COVID-19 novel coronavirus crisis of 2020/21 did not spare Tanzania, but economically it fared better than many of its neighbors. The growth rate fell from 5.8 percent in 2019 to an estimated 2.0 percent in 2020, and per capita growth turned negative for the first time in over 25 years, according to the World Bank. Although, Tanzania has witnessed strong nominal economic growth, its fast-growing population (2.8% per year, world's 12th fastest) has kept average income levels relatively low. The annual GDP growth rate is projected to rise to 4.5% in 2021, but this forecast hinges on a strong and consistent recovery in global economic activity.

The COVID-19 pandemic has hit global travel and tourism especially hard, which is particularly problematic for Tanzania with the sector contributing at least 17 percent of GDP in 2019 and attracted about 25 percent of FDI inflows in 2017 (US\$247 million). The economic damage from tourism was partially offset by growth in the price of gold, a key export commodity for Tanzania.

Tanzania has an ambitious industrialization plan to transform into a middle-income economy by 2030. Energy and transportation infrastructure sectors must become more reliable and efficient if Tanzania is to reach this goal. The Government of Tanzania (GoT) is focusing on developing local industries and investing in large infrastructure, energy, and agricultural sector development, which present opportunities for U.S. exports. The private sector is also investing heavily in the mining industry after years of underinvestment.

Growth has been driven primarily by transportation, infrastructure projects, communications, agriculture, manufacturing, electricity (especially renewable sources), wholesale and retail trade, travel and tourism, real estate, and business services. U.S. exporters will find many opportunities in these sectors and products and services that will help Tanzanian industry move up the value chain in agriculture (processing and packaging equipment), mining (refining and smelting), and other key sectors.

Public and private sector participants are concerned about GoT policies that have raised questions about long-term prospects for foreign direct investment (FDI) and has fostered a more challenging business

environment. Aggressive revenue collection (taxation and audit) practices and difficulties in obtaining work permits for expat workers to manage their investments have been particularly challenging.

Tanzania's main trading partner is China (\$4,960 million total trade), India (\$2,313 million), the European Union (EU) (\$1,542 million) followed by Kenya, South Africa and the U.S. in 6th position with \$367 million. Neighboring countries of the Southern African Development Community (SADC) and East African Community (EAC) countries make up a smaller, but still significant part of Tanzania trading relationship.

The United States had a \$124 million positive trade balance with Tanzania with a total trading relationship (exports plus imports) of \$367 million. U.S. key exports to Tanzania are Liquid Propane Gas (\$100 million), Aircraft parts (\$33 million), Automotive and Agricultural Machinery and Parts (\$25 million) and Chemicals and Fertilizers (\$13 million).

Tanzania exported \$121 million of products to the U.S. Tanzanian exports can be broken down into three main areas: Precious/Semi-Precious Stones; Apparel; and Raw agricultural products.

## 2.1 Our Target Market

Whatever the size of your marketing budget or the scale of tourism offer, having a plan for who you want to reach and how to reach them will ensure you use your budget to best effect. Over the years we have been attending American trade fairs and exhibitions to maximize the value of our marketing campaigns by having a clear strategy for promoting our brand story and achieving our marketing objectives through various connections of international companies we have been getting in advertising our services worldwide. Not only that but also our website has been a great marketing tool. The following are our target clients for our tourism services

- American tourists. (mainly)
- Tourists from other nations.
- Other local tourism companies in need of vehicles and tour guides.

## 2.2 FLEET SIZE

KEARSLEY (TANZANIA) LIMITED is planning to expand its tourism operations by purchasing more fleet of vehicles so as cater the demand of transportation in tourism services in the industry the following are the vehicles to be purchased:

- 30 Toyota Land Cruisers @ \$50,000

These are single cabin vehicles which will be modified into safari vehicles upon arrival

- 4 33seater buses @ \$78,000

## 2.3 Sources of Income

Kearsley (Tanzania) Limited generates income by simply supplying the following services first;

- Offering tourism services.
- Leasing safari vehicles to companies in need in the industry.
- Air ticketing services

## 2.4 Sales Forecast

One thing is certain when it comes to tourism Services, if your business is strategically positioned and you have good relationship with players in business industry, you will always attract customers cum sales that will translate to increase in revenue generation for the business.

The purchase of these fleet of cars will fill in the gap that has been there in our tourism services operations hence increasing or adding up more sales to the previous ones.

We have been able to critically examine the tourism industry and since we have been leading the game for years, we have analyzed our chances with this expansion and we have been able to come up with the following sales forecast. The sales projections are based on information gathered on the field and some assumptions.

Below are the sales projections for KEARSLEY (TANZANIA) LIMITED, it is based on the location of our business and other factors as it relates to tourism industry.

The yearly computed sales projections that will be seen in the financial statements are as follows

- **First Fiscal Year: 5,832,000 USD**
- **Second Fiscal Year: 5,948,640 USD**
- **Third Fiscal Year: 6,172,877 USD**
- **Fourth Fiscal Year: 6,515,283 USD**
- **Fifth Fiscal Year: 6,993,718 USD**


**N.B:** This projection was done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor offering same product and customer care services as we do within same location. Please note that the above projection might be lower.

## 2.5 Market differentiation:

This is a marketing strategy utilized to separate a product or service from its competition. For our case as Kearsley (Tanzania) Limited we have been providing cost-effective tourism services and leasing options to keep our customers' bottom line in check, retain their liquidity, stay on the cutting edge of technology while having the equipment they need to get the job done and the level of professionalism we will dispense to mention a few, will be our marketing strategy to outshine our competitors in the market.

## 2.6 Competitors

Knowledge on the competition field is extremely important in business environment analysis. When analyzing competition, it is important to identify those competitors who are actually challenging the business in the eyes of the customer. In this light the competition in tourism industry in Tanzania in general is stiff we have few well established companies that are doing good in the market we have competitors like Goshen safaris,



Tanzania Specialist to mention a few that we have to compete with in the market. With this expansion we stand a great chance of competing well in the market

## 2.7 Our competitive advantage

Some of our competitive advantages are availability of resources and manpower that have catapulted our survival since 2016 to date.

Another competitive advantage that we have is the vast experience of our management team; we have people on board who understand how to grow a business from the scratch to becoming a national phenomenon. Our large and robust distribution network and of course our excellent customer service culture definitely counts as a strong strength for the business.

Lastly, our employees are well taken care of, and their welfare package are among the best within our category in the industry, meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives. We will also continue creating for them a good working environment.

## SECTION THREE

### OPERATION STRATEGIES

#### 3.0 Our Business Structure

As part of our plan to expand our tourism operations in Dar es salaam Region and Arusha that will favorably compete with leaders in the industry, we have perfected plans to get it right from the onset which is why we are going the extra mile to ensure that we have competent employees to occupy all the available positions in our company that will be generated with this expansion.

In view of that, we have decided to hire qualified and competent hands to occupy the following positions at Kearsley (Tanzania) Limited in that line of tourism;

- Tour guides
- Drivers
- Mechanics

#### 3.1 S. W. O. T Analysis

The business can be very robust once it is established. The biggest risk is lack of finance for the start-up operation. This will be not be an issue with Kearsley for its management has taken that into consideration in this expansion. The SWOT analysis shown below illustrates that the basic business environment has many strengths and opportunities due to mainly the strong Government, the peace and political stability can flourish a business in a great way.

Dar es salaam city is open for businesses with many opportunities that can be tapped by the company as discussed herein notwithstanding the weakness and threats thereof.

**Table 3.1: S. W. O. T Analysis**

STRENGTH	WEAKNESS
<p>Our strength lies in the fact that the Promoters have sound experience in this business and have talented Management.</p> <p>Another factor that counts to our advantage is the background of our Chief Executive Office; he has a robust experience in the industry and also a pretty good academic qualification to match the experience acquired which has placed him amongst the top-flight players in tourism industry. We are not ignoring the fact that our team of highly qualified and dedicated workers will also serve as strength for our organization.</p> <p>Diversified client base; this will reduce our dependancy on one particular market.</p>	<p>The introduction on new organizational practices and personnel who have not previously worked together presents a challenge to the organization.</p>
OPPORTUNITIES	THREAT



<p>Current drive by the government towards encouraging tourism through the royal tour campaign and the participation of indigenous entrepreneurs in tourism presents an opportunity which we are fully utilizing.</p> <p>Current growth rate of tourism presents an opportunity for ourselves which we may take advantage of. This is further supported by the current marketing campaigns the government through its tourist bodies/departments.</p> <p>International tourism trends indicate that today's traveler wants a more enriching experience than that provided by conventional 'sun and sea' vacations.</p>	<p>The present growth in the tourism sector may result in an increasing number of firms entering the market. This may lead to increased competition emerging from a variety of given sources including:</p> <ul style="list-style-type: none"><li>• Established travel agencies, hotels and lodges may look at the development of new lines and vertically integrate transportation so as to provide additional services to clients.</li><li>• New marketing strategies and tactics by established companies aimed at providing excursions of our intended nature.</li></ul>
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## SECTION FOUR

### FINANCIAL PLAN

#### 4.0 **Generating Expansion Capital for Kearsley (Tanzania) Limited.**

The expansion plan of the project involves 30% of shareholders' contribution through shares and 70% the financing through a Five-year term loan from EXIM Bank most likely at the Interest rate of 10%. The project financing is as follows;

##### Figures in USD

S/n	Particulars	Own Financing in USD.- (30%)	External Financing (Bank Loan) in USD. – (70%)	Total Investment in USD
	Total Project's Expansion	<u>609,600</u>	<u>1,422,400</u>	<u>2,032,000</u>
	<b>Total Investment</b>	<b><u>USD 609,600</u></b>	<b><u>USD 1,422,400</u></b>	<b><u>USD 2,032,000</u></b>

#### 4.1 **Labor Management and Cost**

We expect to be able to pay good salaries to our additional staff thus tour guides, drivers and mechanics amounting to 31,374usd during year one which will have an increment of 2% for the following years as will be depicted in the financial statements.

This is the estimated monthly cost for salaries for all the offices and staff members for full operations with the staff receiving a 2 per cent increment in their remuneration after the first year as it will be depicted in our financial model. These salaries are deliberate in order for the cooperative to appear to be serious and also, to control pilferage of product since we are dealing in a high value mineral field with high yields and so to keep staff's morale at a high, will always translate in paying them well too.

#### 4.2 **Financial Analysis, Forecasting and Strategy**

The Financial Plan involves the development of the company's revenue and profitability model. It includes detailed explanations of the key assumptions used in building the model, sensitivity analysis on key revenue and cost variables, and description of comparable valuations for existing organization with similar business models. In addition, the financial plan assesses the amount of capital KEARSLEY (TANZANIA) LIMITED'S Expansion project needs, the proposed use of these funds, and the expected future earnings. It includes Projected Income Statements, balance sheet and Cash Flow Statements. The Expansion of tourism services will be funded as earlier explained by shareholders capital of 609,600 USD and a loan of 1,422,400 USD from EXIM bank at an annual interest rate of 10%, term loan will be for 60month at a monthly rate of 0.80% having a monthly

repayment of 29,921.01 USD using a reducing balance method hence having a total amount payable of 1,795,260.67 USD as it will be depicted in the financial statements.

Importantly, all of the assumptions and projections in the financial plan must flow from and be supported by the descriptions and explanations offered in the other sections of the plan. The Financial Plan is where the entrepreneur communicates how he/she plans to "monetize" the overall vision for the new venture or Expanding the existing project.

The following are key financial assumptions for our Expansion:

## 5-YEAR FINANCIAL PLAN

### KEARSLEY (TANZANIA) LIMITED

#### FORECASTED REVENUE

	No. of trips annually	All services price per day	Annual revenue per service
Safari Vehicles rentals	4300	1,200.00	5,160,000
4-33-seater bus rentals	840	800.00	672,000
			-
			-
			-
<b>TOTAL OF FORECASTED REVENUE</b>			<b>5,832,000.00</b>

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			-
			-
			-

<b>TOTAL OF FORECASTED REVENUE</b>		5,832,000.00
<b>COST OF SERVICES SOLD</b>		
	Expected gross margin	Annual cost of Services sold
Safari Vehicles rentals	65%	3,354,000.00
33-seater bus rentals	25%	168,000.00
		-
		-
		-
<b>TOTAL COST OF SERVICES SOLD</b>		3,522,000.00

- ANNUAL MAINTANANCE, REPAIR AND OVERHAUL will have a 15% factor on Capital equipment
- ASSET DEPRECIATION will be for 5 year
- ANNUAL TAX RATE will be 30%
- ANNUAL INFLATION RATE will be 4%
  
- For operating expenses, the forecasts will be as follows.
  - Marketing expenses will be 0.4% of the total revenue of the first year.
  - Labor management and cost will be 0.5% of the total revenue of the first year and will have an increment of 2% the following years as depicted in the financial model
  - Utilities will be 0.2% of the total revenue of the first year and will have an increment of 2% for each following year.
  - Other administrative expenses will be 0.1% of the total revenue of the first year.
  - Other expenses will be 0.1% of the total revenue of the first year.
  
- ANNUAL AGGREGATE PRICE INCREASE will be 2%

It is expected that **KEARSLEY (TANZANIA) LIMITED** Expansion project of tourism services will earn income from the use of the purchased capital goods during year 1 amounting to USD 5,832,000 which will subsequently have a sales price growth rate from year 2 onwards of 2% when the services will have been more promoted and become well known to many users, both foreign customers and Local customers in need of our services.

The following are the financial statements thus the projected profit and loss statement, balance sheet and projected cash flow of KEARSLEY (TANZANIA) LIMITED's expansion tourism services project.

## 4.3 PROFIT AND LOSS PROJECTION

KEARSLEY (TANZANIA) LIMITED	
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### PROFIT AND LOSS ASSUMPTION

	Year 1	Year 2	Year 3	Year 4	Year 5
Annual cumulative price (revenue) increase	0.00%	2.00%	4.00%	6.00%	8.00%
Annual cumulative inflation (expense) increase	0.00%	2.00%	4.00%	6.00%	8.00%

### INCOME

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenue</b>					
Safari Vehicles rentals	5,160,000	5,263,200	5,473,728	5,802,152	6,266,324
4-33-seater bus rentals	672,000	685,440	699,149	713,132	727,394
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
<b>Total revenue</b>	<b>5,832,000</b>	<b>5,948,640</b>	<b>6,172,877</b>	<b>6,515,283</b>	<b>6,993,718</b>

### Cost of Sales

Safari Vehicles rentals	3,354,000	3,421,080	3,557,923	3,771,399	4,073,110
4-33-seater bus rentals	168,000	171,360	174,787	178,283	181,849
	-	-	-	-	-
<b>Cost of services sold</b>	<b>3,522,000</b>	<b>3,592,440</b>	<b>3,736,138</b>	<b>3,960,306</b>	<b>4,277,130</b>

<b>Gross Profit</b>	<b>2,310,000</b>	<b>2,356,200</b>	<b>2,436,739</b>	<b>2,554,978</b>	<b>2,716,588</b>
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<b>Non-Operation Income</b>					
Dar es salaam trips		-	-	-	-
Interest income	-	-	-	-	-
Loss (gain) on sale of assets	-	-	1,000	-	-
Other income (specify)	-	-	-	-	-
<b>Total Non-Operation Income</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>

<b>TOTAL INCOME</b>	<b>2,310,000</b>	<b>2,356,200</b>	<b>2,437,739</b>	<b>2,554,978</b>	<b>2,716,588</b>
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## EXPENSES

<b>Operating expenses</b>					
Sales and marketing	20,916	21,334	22,188	23,519	25,400
Depreciation	402,400	40,800	41,600	42,400	43,200
Insurance	13,500	13,770	14,321	15,180	16,394
Payroll and Payroll Tax	31,374	32,001	33,282	35,278	38,101
Property taxes	3,500	3,570	3,713	3,936	4,250
Maintenance, repair, and overhaul	271,800	277,236	282,672	288,108	293,544
Utilities	10,458	10,667	11,094	11,759	12,700
Administrative fees	5,832	5,949	6,187	6,558	7,082
Interest expense on long-term debt	126,067	102,768	77,140	48,948	17,938

Other	7,321	7,467	7,766	8,232	8,890
<b>Total operating expenses</b>	<b>893,167</b>	<b>515,563</b>	<b>499,961</b>	<b>483,918</b>	<b>467,501</b>
<b>Non-Recurring Expenses</b>					
Unexpected Expenses	-	-	-	-	-
Other expenses	-	-	-	-	-
<b>Total Non-Recurring Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENSES</b>	<b>893,167</b>	<b>515,563</b>	<b>499,961</b>	<b>483,918</b>	<b>467,501</b>
<b>TAXES</b>					
Income Tax	425,050	552,191	581,334	621,318	674,726
Other Tax (specify)	-	-	-	-	-
<b>TOTAL TAXES</b>	<b>425,050</b>	<b>552,191</b>	<b>581,334</b>	<b>621,318</b>	<b>674,726</b>
<b>NET PROFIT</b>	<b>991,783</b>	<b>1,288,446</b>	<b>1,356,445</b>	<b>1,449,742</b>	<b>1,574,361</b>

## 4.3 BALANCE SHEET PROJECTION

KEARSLEY (TANZANIA) LIMITED	
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<b>ASSETS</b>						
<b>Current Assets</b>	Initial balance	Year 1	Year 2	Year 3	Year 4	Year 5
Cash and short-term investments	609,600	1,770,797	2,843,759	3,958,892	5,140,930	6,417,377
Accounts receivable		-	-	-	-	-
Total inventory		-	-	-	-	-



Prepaid expenses	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Deferred income tax	-	-	-	-	-	-
Other current assets		-	-	-	-	-
<b>Total current assets</b>	<b>629,600</b>	<b>1,790,797</b>	<b>2,863,759</b>	<b>3,978,892</b>	<b>5,160,930</b>	<b>6,437,377</b>

<b>Property and Equipment</b>	<b>Initial balance</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Buildings		-	-	-	-	-
Land		-	-	-	-	-
Capital improvements	200,000	200,000	200,000	200,000	200,000	200,000
Machinery and equipment	1,812,000	1,812,000	1,812,000	1,812,000	1,812,000	1,812,000
Less Accumulated depreciation expense		402,400	443,200	484,800	527,200	570,400
<b>Total Property and Equipment</b>	<b>2,012,000</b>	<b>1,609,600</b>	<b>1,568,800</b>	<b>1,527,200</b>	<b>1,484,800</b>	<b>1,441,600</b>

<b>Other Assets</b>	<b>Initial balance</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Goodwill	-	-	-	-	-	-
Deferred income tax	-	-	-	-	-	-
Long-term investments	-	-	-	-	-	-
Deposits	-	-	-	1,000	1,000	1,000
Other long-term assets	-	-	-	-	-	-
<b>Total Other Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

<b>TOTAL ASSETS</b>	<b>2,641,600</b>	<b>3,400,397</b>	<b>4,432,559</b>	<b>5,507,092</b>	<b>6,646,730</b>	<b>7,879,977</b>
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## LIABILITIES

<b>Current Liabilities</b>	<b>Initial balance</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Accounts payable		-	-	-	-	-

Accrued expenses	-	-	-	-	-	-
Notes payable/short-term debt	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-

Debt	Initial balance	Year 1	Year 2	Year 3	Year 4	Year 5
Long-term debt/loan	1,422,400	1,189,414	933,130	651,218	341,114	-
Other long-term debt						
<b>Total Debt</b>	1,422,400	1,189,414	933,130	651,218	341,114	-

Other Liabilities	Initial balance	Year 1	Year 2	Year 3	Year 4	Year 5
Other liabilities (specify)	-	-	-	-	-	-
Other liabilities (specify)	-	-	-	-	-	-
<b>Total Other Liabilities</b>	-	-	-	-	-	-

<b>TOTAL LIABILITIES</b>	1,422,400	1,189,414	933,130	651,218	341,114	-
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## EQUITY

	Initial balance	Year 1	Year 2	Year 3	Year 4	Year 5
Owner's equity (common)	609,600	609,600	609,600	609,600	609,600	609,600
Paid-in capital	609,600	609,600	609,600	609,600	609,600	609,600
Preferred equity	-	-	-	-	-	-
Retained earnings	-	991,783	2,280,229	3,636,674	5,086,416	6,660,777
<b>TOTAL EQUITY</b>	1,219,200	2,210,983	3,499,429	4,855,874	6,305,616	7,879,977

**TOTAL LIABILITIES  
AND EQUITY**

2,641,600      3,400,397      4,432,559      5,507,092      6,646,730      7,879,977

## 4.4 CASH FLOW PROJECTION

KEARSLEY (TANZANIA) LIMITED

<b>Operating activities</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Net income	991,783	1,288,446	1,356,445	1,449,742	1,574,361	6,660,777
Depreciation	402,400	40,800	41,600	42,400	43,200	570,400
Accounts receivable	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Amortization	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Other operating cash flow items	-	-	-	-	-	-
<b>Total operating activities</b>	<b>1,394,183</b>	<b>1,329,246</b>	<b>1,398,045</b>	<b>1,492,142</b>	<b>1,617,561</b>	<b>7,231,177</b>

<b>Investing activities</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Capital expenditures	-	-	-	-	-	-
Acquisition of business	-	-	-	-	-	-
Sale of fixed assets	-	-	1,000	-	-	1,000
Other investing cash flow items	-	-	-	-	-	-
<b>Total investing activities</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>1,000</b>

<b>Financing activities</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Long-term debt/financing	232,986	256,284	281,912	310,104	341,114	1,422,400
Preferred stock	-	-	-	-	-	-

Total cash dividends paid	-	-	-	-	-	-
Common stock	-	-	-	-	-	-
Other financing cash flow items	-	-	-	-	-	-
<b>Total financing activities</b>	232,986	256,284	281,912	310,104	341,114	1,422,400
<b>Cumulative cash flow</b>	1,161,197	1,072,962	1,115,133	1,182,038	1,276,447	5,807,777
<b>Beginning cash balance</b>	609,600	1,770,797	2,843,759	3,958,892	5,140,930	
<b>Ending cash balance</b>	1,770,797	2,843,759	3,958,892	5,140,930	6,417,377	

## 4.5 LOAN AMORTIZATION SCHEDULE

KEARSLEY (TANZANIA) LIMITED

MONTH	BALANCE	SCHEDULED PAYMENT	PRINCIPAL	INTEREST
	1,422,400.00			
1	1,422,400.00	29,921.01	18,578.59	11,342.42
2	1,403,821.41	29,921.01	18,726.74	11,194.27
3	1,385,094.66	29,921.01	18,876.07	11,044.94
4	1,366,218.59	29,921.01	19,026.59	10,894.42
5	1,347,192.00	29,921.01	19,178.31	10,742.70
6	1,328,013.69	29,921.01	19,331.24	10,589.77
7	1,308,682.44	29,921.01	19,485.39	10,435.62
8	1,289,197.05	29,921.01	19,640.77	10,280.24
9	1,269,556.28	29,921.01	19,797.39	10,123.62
10	1,249,758.89	29,921.01	19,955.26	9,965.75
11	1,229,803.63	29,921.01	20,114.38	9,806.63



12	1,209,689.24	29,921.01	20,274.78	9,646.23
13	1,189,414.46	29,921.01	20,436.45	9,484.56
14	1,168,978.01	29,921.01	20,599.42	9,321.59
15	1,148,378.59	29,921.01	20,763.68	9,157.33
16	1,127,614.91	29,921.01	20,929.25	8,991.76
17	1,106,685.66	29,921.01	21,096.14	8,824.87
18	1,085,589.52	29,921.01	21,264.37	8,656.64
19	1,064,325.15	29,921.01	21,433.93	8,487.08
20	1,042,891.22	29,921.01	21,604.85	8,316.16
21	1,021,286.37	29,921.01	21,777.13	8,143.88
22	999,509.24	29,921.01	21,950.78	7,970.23
23	977,558.45	29,921.01	22,125.82	7,795.19
24	955,432.63	29,921.01	22,302.26	7,618.75
25	933,130.37	29,921.01	22,480.10	7,440.91
26	910,650.27	29,921.01	22,659.36	7,261.65
27	887,990.92	29,921.01	22,840.05	7,080.96
28	865,150.87	29,921.01	23,022.18	6,898.83
29	842,128.69	29,921.01	23,205.76	6,715.25
30	818,922.93	29,921.01	23,390.80	6,530.21
31	795,532.13	29,921.01	23,577.33	6,343.68
32	771,954.80	29,921.01	23,765.34	6,155.68
33	748,189.47	29,921.01	23,954.84	5,966.17
34	724,234.62	29,921.01	24,145.86	5,775.15
35	700,088.76	29,921.01	24,338.41	5,582.61
36	675,750.36	29,921.01	24,532.48	5,388.53
37	651,217.87	29,921.01	24,728.11	5,192.90
38	626,489.77	29,921.01	24,925.29	4,995.72
39	601,564.47	29,921.01	25,124.05	4,796.96

40	576,440.42	29,921.01	25,324.39	4,596.62
41	551,116.03	29,921.01	25,526.33	4,394.68
42	525,589.69	29,921.01	25,729.89	4,191.13
43	499,859.81	29,921.01	25,935.06	3,985.95
44	473,924.75	29,921.01	26,141.87	3,779.14
45	447,782.88	29,921.01	26,350.33	3,570.68
46	421,432.55	29,921.01	26,560.45	3,360.56
47	394,872.10	29,921.01	26,772.25	3,148.77
48	368,099.86	29,921.01	26,985.73	2,935.28
49	341,114.12	29,921.01	27,200.92	2,720.09
50	313,913.20	29,921.01	27,417.82	2,503.19
51	286,495.38	29,921.01	27,636.46	2,284.55
52	258,858.92	29,921.01	27,856.83	2,064.18
53	231,002.09	29,921.01	28,078.97	1,842.04
54	202,923.12	29,921.01	28,302.87	1,618.14
55	174,620.25	29,921.01	28,528.56	1,392.45
56	146,091.68	29,921.01	28,756.06	1,164.96
57	117,335.63	29,921.01	28,985.36	935.65
58	88,350.27	29,921.01	29,216.49	704.52
59	59,133.77	29,921.01	29,449.47	471.54
60	29,684.30	29,921.01	29,684.30	236.71

#### **4.6 Sustainability and Expansion Strategy**

The future of a business lies in the number of loyal customers that they have the capacity and competence of their employees, their investment strategy and their business structure. If all of these factors are missing from a business, then it won't be too long before the business close shop.

One of our major goals as Kearsley (Tanzania) Limited in expanding this project of tourism services of injecting more luxurious safari vehicles and buses is to cater for the needs of our tourists bridging the gap between our current execution of our tourists' operations/ services and the new expected one which will not only catapult our revenue to greater heights but also create a place and name in the industry and market as far as competition is concerned. We know that one of the ways of gaining approval and winning customers over is by offering better tourism services/packages at a little bit cheaper than what is obtained in the market and we are well prepared to that as the economic trends will be going on.

#### **4.7 Way forward**

The overall success of this business plan will depend on the efforts of the entrepreneur's ability to sale the company services as the customers buy the services leading to expand national wide, Also the success will depend on financial discipline of the management as to implement the idea as planned. The activities which are essential for the business to start up has to be carefully monitored and implemented. The entrepreneur is flexible and open up for new ideas and techniques with aim of ensuring the idea take off.

So, after all these considerations and financial evaluation of the project, we strongly recommend that this project expansion be implemented and be given all the support required by all the concerned Government Ministries and Agencies, mainly the Tanzania Investment Centre – (TIC). And Tanzania revenue authority (TRA) The project deserves this support because of its viability technically, economically, and, socially acceptable.