

MALAIKA CAMPS & LODGES LIMITED
BUSINESS PLAN FOR THE ESTABLISHMENT
OF TOURISIM PROJECT.

8th JUNE 2024

Certified as a true copy of the
Original



.....
Caesar A. Shayo
Advocate, Notary Public & Commissioner for Oath

EXECUTIVE SUMMARY

Company & Project concept.

Malaika Camps & Lodges Limited is limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 11 September 2020, and bears Certificate of Incorporate No. the 143385493. Company belongs to tourism sector and specifically tented permanent tents.

Company Objectives, Malaika Camps & Lodges Limited is legally formed to fulfil the following objectives. To build tented permanent tents in Serengeti National Park, Manyara National Park, Tarangire National Park, Selous Game Reserve, Ruaha National Park and Zanzibar.

Purpose of feasibility report: This document is prepared to the serve the purpose as a feasibility study for Malaika Camps & Lodges Limited for her Tourism Project as well as to be submitted to TIC for an award of TIC Certificate of Incentives.

The project promoters, the project will be managed and operated by Malaika Camps & Lodges Limited. The Company is owned by China and Tanzanian investors with diferent shares distribution.

Company Legality, the legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, justify that Malaika Camps & Lodges Limited will be operating within the ambit of the law of the Land.

Project Organization Structure, the management of Malaika Camps & Lodges Limited constituted by the following organization set up:- Board of Directors, who are responsible on the management on the entire operations of the Company

Investment Structure, the project is estimated to cost USD\$ 1,000,000 the money covers being purchased Vehicles, Furniture & Fittings, Pre-expenses, and Working Capital.

Certified as a true copy of the
Original
.....
Caesar A. Shayo
Advocate, Notary Public & Commissioner for Oath

BASIC INFORMATION

Name of company:	Malaika Camps & Lodges
Address:	P.O. Box 17031 Arusha
Telephone:	+255 762 029 951
Project Location	ArushaCBD District, Arusha Region
Certificate of Incorporation no.	163508613
Sector	Tourism
Sub sector	Accommodation of tented permanent tents
Total Cost of estimated Investment.	USD 1,000,000
Directors	i. Kong Xiangying ii. Yu Shan

Certified as a true copy of the
Original


Caesar A. Shayo
Advocate, Notary Public & Commissioner for Oath

1. **PROJECT OBJECTIVES**

Malaika Camps & Lodges Limited is legally formed to fulfil the following objectives, to carry out tourism business, specifically building of tented permanent tents.

The company plans to build permanent tented camps in Serengeti National Park, Manyara National Park, Tarangire National Park, Selaus Game Reserve, Ruaha National Park and Zanzibar . The main objective is to achieve approximately 70% market share with profitable sales by 2026.

Malaika Camps & Lodges Limited has partners in China called, Discover Simba Tours and Safari China and Ctrip China they started operating together in 2019.

BTD Tours and Safari China is invested heavily in Tanzania however financial stability is questionable. Ctrip China have plans to increase Capital from 30,000 – 60,000 USD in the next 5 years.

Basically the Tourism sector growing together with the economy of the country.

1.1 **Key Region Objective / Strategy:**

The company's strategy is to build permanent tented camps in Serengeti National Park, Manyara National Park, Tarangire National Park, Selaus Game Reserve, Ruaha National Park and Zanzibar

To establish strong partnerships with the current and future customers across the region.

To support the local tourism industries, with continuous training.

Certified as a true copy of the
Original
.....
Caesar A. Shayo
Advocate, Notary Public & Commissioner for Oath

2. LOCATION OF THE PROJECT

Malaika Camps & Lodges Limited will conduct this project in Arusha Region, Ward Moshono, District Arusha CBD

3. INVESTOR PROFILE/PROJECT PROMOTERS

Name	Nationality	Shares%
Ctrip China	China	50%
BTD Safari China	China	50%

BTD Safari China has a subsidiary branch in Tanzania namely BTD Tours and Safari Tanzania and the company has invested over 30,000 USD in BTD Tours and Safari Tanzania.


4. INVESTMENT COSTS

The total investment cost is USD One Million (USD 1,000,000). The Investment Financing Plan is as follows in Million US\$.

Foreign Equity is \$900,000.00
Local Equity \$100,000.00

The Investment Breakdown is as follows in Million US\$.

- Land/Building- 500000
- Vehicles- 150000
- Furniture & Fittings- 200000
- Pre-Expenses- 50000
- Working Capital- 100000
- TOTAL- 1,000,000**

Certified as a true copy of the Original

.....
Caesar A. Shayo
Advocate, Notary Public & Commissioner for Oath

4.1 Financial and Economic Analysis

The projection for financial statements was based on the following assumption: -

- The implementation of the project will cost USD1,000,000
- The capital expenditure will spread over a period of the five years
- Implementation cost take into consideration inflation rate/influx.

4.2 Financial Statement of Project

The financial projection is based on the assumption that the prices of input and output are accurately estimated over the project useful lifetime that is five years. However because of unforeseen events in the future, the prices of these inputs and outputs will be adjusted accordingly in order to maintain objective of the comply, that is maximizing next profit and at the sauce time to ensure customer satisfaction by providing the right product service at the right price and time. Expenditure items are as shown in the financial statements. They include all major costs items plus depreciation changes and financial charges. They are also listed under annual costs in the financial statements.

4.3 Projected Cash Flow Statement

The business has a positive net cash flow estimating that the project must be implemented. But also this guarantees the Company to meet its entire obligation.

4.4 Projected Business Scale/Production

The business projects having a medium to large-scale production. The projected planning is to grow from USD 13,000,000/= across the territory.

4.4 Projected Profit and Loss Amount

The computations of the company projected profit and loss account show a respectable turnover. This tourism business this is good, it can be seen; the projected profit and loss of statement of the company is strong and sound. Hence the company is expected the following taxes;- Skilled Development Levy, Insurance, Land Rent Tax, PAYEE, NSSF & Corporate Tax

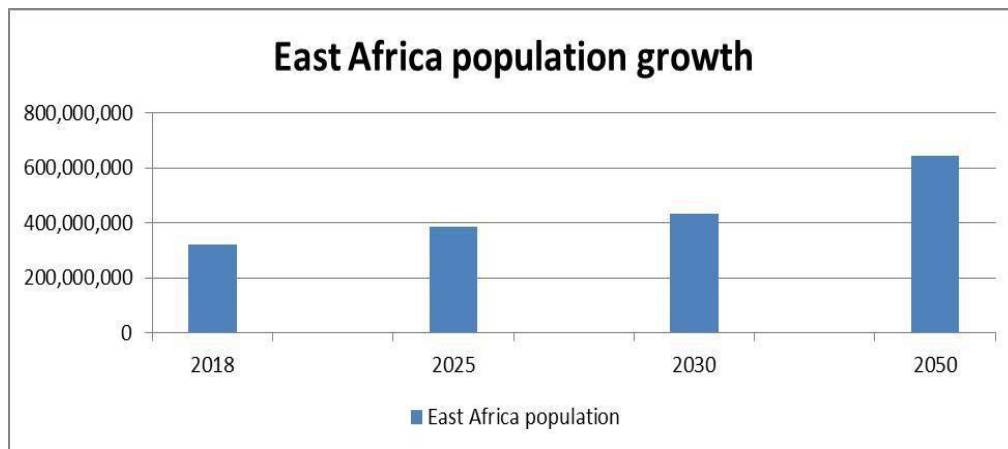
4.5 Projected Balance sheet

The projected current assets and current capabilities estimates that the company financial status is strong. As the result we expect the company to meet all its financial and Administrative transaction without difficulties

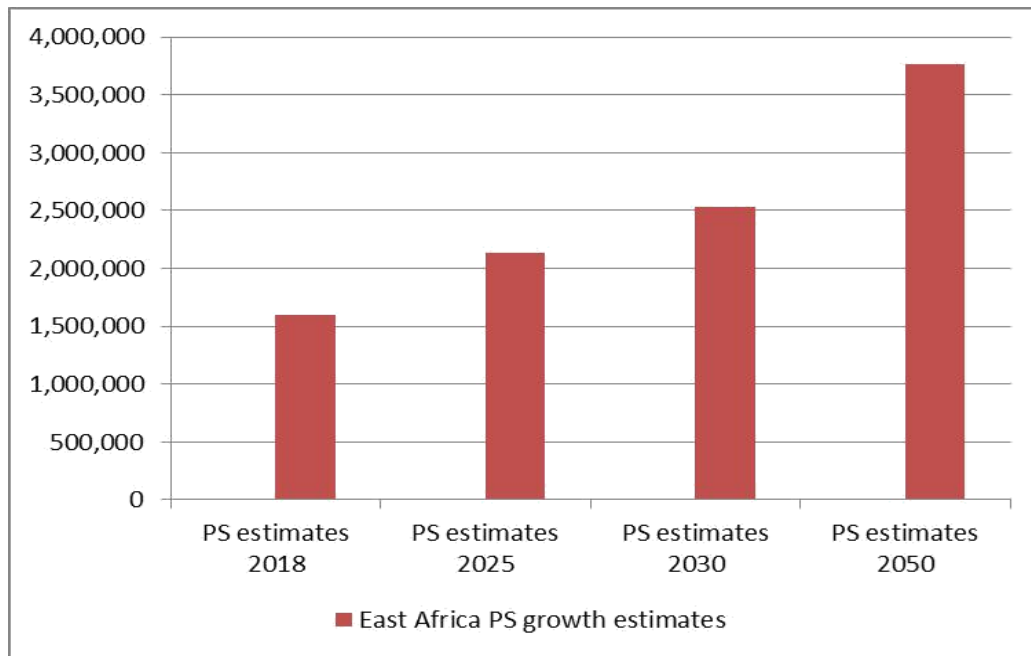
5. MARKETS OVERVIEW

The current market is mainly local and foreign tourism, around 60-65%. The future trend is tourism which will increase as the brand is expanding with the middle income growing; they are able to spend more.

The main activity is construction of permanent tented tents. This type of activity is unique and rare in the industry. The growing population will increase the tourism industry.



Certified as a true copy of the
Original
.....
Caesar A. Shayo
Advocate, Notary Public & Commissioner for Oath



6. ECONOMIC SWOT ANALYSIS

Strengths:

- Large population growth.
- Tourism based economy employing 80% of the work force and represents 85% of exports revenue.
- Tourism plays an important part to some countries.
- China aims to remain the commercial hub for East Africa.
- Currency susceptible to exchange fluctuations. China has been relatively stable recently.
- Government has simplified the establishment of new businesses.
- Well educated population.

Weaknesses:

- Very low per capital in tourism sector.
- Many obstacles to foreign investment due to bureaucratic attitude.
- One of the world's poorest economies in terms of per capita income
- Land prices are higher where water resources are found.
- High fuel prices due to high government taxation
- Limited loans to small business projects
- Poor national infrastructure.

Certified as a true copy of the
Original

.....
Caesar A. Shayo
Advocate, Notary Public & Commissioner for Oath

- Corruption is an issue.

Opportunities:

- In order to maintain the per capital consumption at its current level with the increasing population growth, tourism sector needs to increase to meet this demand.
- Chinese investments
- Expansion of tourism
- Economy is expanding over 5-6% % per annum
- Urbanization

Threats:

- Many obstacles for foreign investment due to bureaucratic attitude.
- One of the world's poorest economies in terms of per capita income
- Limited loans to small business projects.
- Difficult to obtain credit facilities unless you are a successful established business

7. INDUSTRY SWOT ANALYSIS

Strengths:

- Well organised and professional tourism industry.
- Continued expansion of tourism projects.
- Well educated population
- Increasing population provides an opportunity for higher construction for well tented tents
- Availability of land and water resources to attract tourist
- Good infrastructure which allows easy links to neighboring countries

Weaknesses:

- The presence of middlemen tourism traders contributes to the cost of production
- Ongoing disease challenges .
- High feed cost, poor quality and availability
- Lack of infrastructure
- Lack of power supply in certainly areas – temporary
- Poor road network and transportation
- Lack of finance for tourism.

- Inadequate management competences

Opportunities:

- Total tourism population growing.
- Tourism can be used as a tool to alleviate poverty.
- There is a high demand for permanent tented tents.
- Tourism sector is a high priority and capital investments required
- International tourism companies looking for investment
- Expansion plans from local large-scale tourism companies

Threats:


- Governmental bureaucracy and regulations limiting the establishment of a modern industry.
- Some illegal tourism companies.
- Pandemic Disease Covid-19.

8. SOCIAL AND ECONOMIC IMPACT OF THE PROJECT

The proposed project will result into the following social and economic impacts:

- Increasing and enhancing the provision of high quality tourism services in Tanzania and Region
- The proposed project in investment will provide employment to more than 60 people direct and other more than 40 people indirect.
 - 95 percent of all direct employment will be local people and 5percent will be foreign people.
 - Employment will be based on the gender equality and equity
 - More than 60 people will be employed permanently and other more than 40 people or company-based people will provide services during and after construction such supplying of construction material, transport, food and other commodities.
 - Through Direct and Indirect employment, the Induced jobs will be created too
 - The company is expecting to employ less than 5 people foreigners
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the government by Malaika Camps & Lodges Limited.

Certified as a true copy of the
Original



.....
Caesar A. Shayo
Advocate, Notary Public & Commissioner for Oath

PROJECTED INCOME & EXPENDITURE STATEMENT


PROJECTED INCOME & EXPENDITURE STATEMENT						
		YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Sales Revenue		1,784,000	2,972,000	4,194,000	5,378,000	6,536,000
Cost of Sales		1,090,000	1,710,000	2,369,000	3,001,000	3,703,000
Gross Profit		694,000	1,262,000	1,825,000	2,376,000	2,833,000
General Administrative and Other Expenses:		227,000	227,000	227,000	227,000	227,000
Depreciation		239,000	309,000	353,000	401,000	471,000
Operating Profit		228,000	726,000	1,245,000	1,748,000	2,134,000
Finance Costs		320,000	360,000	360,000	330,000	300,000
Profit before Tax		(92,000)	366,000	885,000	1,418,000	1,834,000
Tax (30%)		-	109,800	265,500	425,400	550,200
Profit After Tax		(92,000)	256,200	619,500	992,600	1,283,800

Certified as a true copy of the
Original

.....
Caesar A. Shayo
Advocate, Notary Public & Commissioner for Oath

PROJECTED BALANCE SHEET						
		YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
<u>Fixed Assets</u>						
Long-term Assets		10,450,000	9,405,000	8,464,500	7,618,050	6,856,245
Depreciation		(1,045,000)	(940,500)	(846,450)	(761,805)	(685,624)
Total Long-term Assets		9,405,000	8,464,500	7,618,050	6,856,245	6,603,745
<u>Current Assets</u>						
Cash		1,055,000	1,258,220	1,299,883	1,379,153	1,597,364
Accounts Receivable		147,017	173,080	195,453	114,069	129,157
Stock		200,533	220,674	225,892	246,509	279,321
Total Current Assets		1,402,550	1,651,974	1,721,228	1,739,731	2,005,842
Total Assets		10,807,550	10,116,474	9,339,278	8,595,976	8,609,587

Certified as a true copy of the
Original



.....
Caesar A. Shayo
Advocate, Notary Public & Commissioner for Oath

<u>C urrent Liabilities</u>						
Accounts Payable		4,298,900	3,507,958	2,559,809	3,165,870	3,099,771
Income taxes payable		500,650	352,000	326,000	475,600	550,400
Subtotal Current Liabilities		4,799,550	3,859,958	2,885,809	3,641,470	3,650,171
<u>L ong-term Liabilities</u>						
Long-term Loan		0	0	0	0	0
Net Liabilities		4,799,550	3,969,758	3,151,309	3,641,470	3,650,171
<u>Capital and Reserves</u>						
Cash		3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Owners Contribution		2,500,000	2,500,000	2,500,000	1,000,000	1,000,000
Retained Earnings		(92,000)	156,516	353,469	354,506	359,416
Total Capital		6,008,000	6,256,516	6,453,469	4,954,506	4,959,416
Total		10,807,550	10,116,474	9,339,278	8,595,976	8,609,587

PROJECTED STATEMENT OF CASH FLOWS

		YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
CASH PROVIDED BYTH FOLLOWING ACTIVITIES						
OPERATING						
Net earnings		(92,000)	256,200	619,500	992,600	1,283,800
Depreciation		239,000	309,000	353,000	401,000	471,000
		147,000	565,200	972,500	1,393,600	1,754,800
Change in working capit accounts						
Accounts receivable		(87,000)	(43,080)	(65,453)	(89,069)	(294,157)
Inventory		200,533	220,674	225,892	246,509	279,321
Other assets		0	0	0	0	0
Accounts payable		4,298,900	1,200,000	886,534	669,645	794,562
Income taxes payable		0	0	0	0	0
Total		4,559,433	1,942,794	2,019,476	2,220,685	2,534,526
FINANCING						
Repayment of long- term loan		0	0	0	0	0

CHANGE IN CASH		4,559,433	1,942,794	2,019,476	2,220,685	2,534,526
CASH BEGINNING OF THE YEAR		1,055,000	1,258,220	1,299,883	1,379,153	1,597,364
CASH, END OF THE YEAR		5,614,433	3,201,014	3,319,359	3,599,838	4,131,890

OPERATING COSTS

		YR 1	YR 2	YR 3	YR 4	YR 5
		USD	USD	USD	USD	USD
Depreciation		239,000	309,000	353,000	401,000	471,000
Operating profit		<u>228,000</u>	<u>726,000</u>	<u>1,245,000</u>	<u>1,748,000</u>	<u>2,134,000</u>
TOTAL		467,000	1,035,000	1,598,000	2,149,000	2,605,000

COST INVESTMENT STRUCTURE AT FULL CAPACITY

Current assets	Rate	USD
Working capital		1,055,000
Opening stock		200,533
Account receivable		<u>147,017</u>
		1,402,550
Property and Equipment		
Long - term assets		10,450,000
Depreciation	(10%)	<u>(1,045,000)</u>
		9,405,000
Total Assets		10,807,550
Current Liabilities		
Account payable		4,298,900
Income tax payable		<u>500,650</u>
		4,799,550
Owner's Equity		
Cash		3,600,000

Contributed asset value		2,500,000
Less Retained Earnings		(92,000)
		6,008,000
Total		10,807,550

Certified as a true copy of the
Original


.....
Caesar A. Shayo
Advocate, Notary Public & Commissioner for Oath