

BUSSINESS PLAN

IN FAVOUR OF

KILIMANDSCHARO ACTIVE TOURS LIMITED

P.O.BOX 7686 MOSHI

PROPOSED APPLICATION FOR INCENTIVE CERTIFICATE

FROM

TANZANIA INVESTEMENT CENTER (TIC)

P.O.BOX 7735 MOSHI

MARCH, 2025

TABLE OF CONTENTS

1.0 BACKGROUND INFORMATION.....	4
2.0 DIRECTORS MISSION AND VISION.....	4
2.1 MISSION STATEMENTS.....	4
2.2 THE VISION.....	4
2.3 LOCATIONS.....	5
2.4 BUSINESS MANAGEMENT.....	5
2.5 BUSINESS PERFORMANCE.....	5
2.6 BANKING EXPERIENCE AND LOAN MANAGEMENT.....	5
2.7 JUSTIFICATION OF APPLICATION.....	5
2.8 SECURITY OFFERED.....	6
2.9 OBJECTIVES.....	6
3.0 MARKET ANALYSIS.....	6
3.1 Opportunity and market potential.....	6
3.2 MARKETING STRATEGIES.....	7
3.3 ITEM SOLD.....	7
3.4 Market Trend.....	7
3.5 Marketing Strategy.....	7
3.6 Competitive Comparison.....	8
3.7 Sales literature.....	8
3.8 SWOT Analysis.....	8
3.9 GENERAL OBSERVATION.....	9
4.0 FINANCIAL ASPECTS.....	9
4.1 Investment and Financing Plan.....	9
4.1.1 Projected Start-up cost.....	9
Projected Profit & Loss Statement (in TSH).....	10
Projected Cash Flow Statement (in TSH).....	10
Projected Balance Sheet (in TSH).....	10
Key Takeaways:.....	11
4.2 Revenue.....	11
4.3 Investment capital requirement:.....	11
4.4 Cash flow Projection.....	12
4.5 Development value.....	12

4.6 Financial Performance.....	12
4.7 Sales.....	12
4.8 Expenses.....	12
4.9 Profitability.....	12
4.10 Liquidity.....	12
4.11 Cash Flow Statement.....	13
4.12 Statement of Financial Position.....	13
5.0 ECONOMIC JUSTIFICATION.....	13
6.0 ENVIRONMENTAL ASPECT.....	13
7.0 SOCIAL AND ECONOMIC ASPECT.....	13
7.1 Social and Economic Aspects.....	13
7.1.1 Economic.....	13
7.1.2 Social.....	14
8.0 RISKS ASSOCIATED WITH THE BUSINESS.....	14
8.1 General Risks.....	14
8.2 Environment.....	14
8.2.1 Staff Safety.....	14
8.2.2 Project Risk Factor.....	14
8.2.3 Economic Risk.....	14
8.2.4 Political, Social and Religious Risk.....	14
8.3 Fire Protection.....	14
9.0 CONCLUSIONS AND RECOMMENDATION.....	15
9.1 Conclusions.....	15
9.2 Recommendation.....	15

1.0 BACKGROUND INFORMATION

KILIMANDSCHARO ACTIVE TOURS LIMITED is a Company which dealing with the business of Tourism services. This business operates for more than three (03) years and obtained trading License from the trade licensing authority the same year.

The Company has relationship with CRDB & NMB since It was established where It operates business account for more than three (03) years. The Company is hereby requesting a bank loan amounting to 1.5 billion. The requested bank loan will enable the customer constructing a new modern Hotel so as to attract more tourists to use our Active tours services.

The business premise is located in Moshi Municipal with full registration and is operating under the valid business license issued by Moshi Municipal. On top of that the Company business possesses other legal document like Tax Identification Number issued by the Tanzania Revenue Authority and Brela registration number.

The Company has been operating its business profitably and its capital has kept growing over the years, as seen in the attached statement of financial position of its business. The changing business environment however has made difficult for the business to grow. The increased competition and lack of enough capital is among the major factors that has affected the plan growth of our business.

This business plan is prepared to obtain financing in the amount of Tshs,1.5 billion for the purpose of boosting business; the aim of Company is to make sure that clients are satisfied at one convenient location. The requested financing from the financial institutions will be used for purchasing of additional stocks in the business.

2.0 DIRECTORS MISSION AND VISION

2.1 MISSION STATEMENTS

To supply all kinds of Hotel & Tours services all over the region and outside the region.

Also, to take advantage of the price discounts and quality materials provided to satisfy all the societies in need,

2.2 THE VISION

To construct a new hotel in our region.

To increase quality services by construct a modern new hotel so as to to attract customers to use our active tours company services.

2.3 LOCATIONS

The business is physically located at Moshi Municipal. The Contact of the Company is through Po Box 7686, Moshi and mobile phone number +255767895333

2.4 BUSINESS MANAGEMENT

The Company owns the whole business and the business is being managed and monitored by Company and assisted by sales person. All are highly experienced person in business management with good skills in financial management. They also have close assistances from Manager and assistant Manager in day-to-day operation of the business. major policy affecting the business is made by all of them.

2.5 BUSINESS PERFORMANCE

The business performance indicates that the business is financially viable, and the demand for its products is rising even more and more. This is according to the review of business performance for the past Twelve months from formerly Company. To meet the rising demand for these products the business needs an extra capital to be injected to make use of the available market.

2.6 BANKING EXPERIENCE AND LOAN MANAGEMENT

Company has been maintaining an account with National Microfinance Bank Limited & CRDB. The operation of the account is good and will be more will be good where the Company deposit has shown a steady growth in the period under review. This Is directly linked with the success of Company business also were was a good history of saving habit.

2.7 JUSTIFICATION OF APPLICATION

Taking Into account the growth of the volume of business in the past three years from Company, the rising demand and the need to increase the varieties of Tours services to be improved by providing good and quality services by building a new tours hotel.

Tourism services has become a major challenge. To finance they planned expansion of application, the applicant requests from the bank loan amounting to Tshs.1.5 billion which will enable Company to produce adequate of Tourism services items in reasonable and economic quantities, this will enable to increase in the sales volume and distribute a wider variety of the mentioned items in Tanzania.

2.8 SECURITY OFFERED

The security offered for the applied bank loan facility is the property owned by one of directors and a newly hotel constructed.

2.9 OBJECTIVES

The Company desire to expand its business by building a new hotel item. In addition to this the following are the objectives; It aim to maintaining the existing customers by providing quality services e.g., make availability of varieties of products at any time and providing them with cash discount.

1. To accommodate the prevailing increasing of customers from various part of the country
2. To improve our sales through improved customer's demand
3. spend more time on business communications so as to improve sales

3.0 MARKET ANALYSIS

Moshi and neighboring District as well as Hai & Siha, which experience population growth.

3.1 Opportunity and market potential

Simple research undertaken by Company In the recent year indicates that demand for New Tours Hotel services is likely to increase substantially over the next six years within

Moshi Municipal and Country as a result of the following demand factors:

- There is a great potential for increasing of both local and international organization and Government Institution in Moshi, Mwanga and Hai which is expected to bring about a derived demand for the Company services.
- The current liberalization programmed taking place in Moshi, Hai and Siha pertaining to the running of business is likely to encourage many local and foreign individual companies to enter into different business investments related with the client business. Furthermore, there will be rise in living standards of the people leading to change and increase of the public consumption pattern.

- The improvement of infrastructure i.e., road network, undertaken by the Government and international assistance agencies will be one of the major achievements in increasing business in Tanzania especially in Moshi Municipal, Mwanga and Hai District

It is against the above market potential that has sought to expand its existing operations by expending its working Capital to meet different order that are coming from our customer for neighboring district such as Hai Mwanga and Siha and country wide.

3.2 MARKETING STRATEGIES

The marketing of the business is the vehicle by which we communicate our image to our customers. Marketing efforts consist of offering genuine products at affordable prices, good customer care, providing discount to those who providing credit facilities to client's services regular from our services when appropriate

3.3 ITEM SOLD

New Tours Hotel services at the moment of our regular customer are different business men and women dealing both who deals with getting services of tours items In different places.

3.4 Market Trend

The future of market of this type of services is bright as the population in our marketing area is keeping on increasing from time to time as reflected in the income statement where sales is growing from day to day.

Other factor which contributes to the bright future of the market is increase in economic activities in Moshi Municipal and other neighboring districts.

3.5 Marketing Strategy

Our marketing strategy is a simple one satisfied client are our best marketing tool. When a client leaves our services with a new look. Company is broadcasting our name and quality to the public, most of our clients will be referrals from existing clients. I will open. with a Customization show and Competition. During the first month of operation, we will offer a discount on all bulk purchases.

Major advertising campaigns are anticipated. Our research has shown that the best way of promote the business is through advertising. We also ask clients for referrals, and reward them with

discounted on free service depending on the number of clients they bring. It is our hope that a smile creates happiness in the home, faster goodwill in business and is the countersign of friendship

Our marketing strategies are based on the becoming the resources for the people looking for all kind of flour Items services to difference places in Moshi, Mwanga, Hai and Siha in general and country wide. Our marketing strategies are based on the superior performance in the following areas:

- Customers services
- Increasing awareness and image

3.6 Competitive Comparison

There are a few numbers of Modern Tours Hotel & tours sellers, but they are mainly their operating under small operations and other operating in large operation, through this bank loan we are request will enable me to run with competition due to high market demand.

We seek to help our clients using a combination of good customer care, looking for a supplier of low prices which result to cost effective and premium quality services, in our years in the operation we have acquired experience and credibility that assures an unquestionable client satisfaction with our products we provide.

3.7 Sales literature

The business employed enough sales peoples and will not need any additional personnel to achieve our sales goals. These sales people have a several years' experience in Tours Hotel Services.

3.8 SWOT Analysis

The following SWOT (Strengths, Weakness, Opportunity and Threats) analyses capture the key strengths and Weakness within Tours Modern Hotel business.

Try to describe the opportunities and threat facing the interior views.

Strengths Strong relationship with suppliers that offering credit arrangement in case of lack of enough cash to pay flexibility and quick responses to special order and products requirement. Excellent and stable staff offering personalized customer's services, Strong relationship with both individual and group buyers.

Weakness Access to capital and Challenges to seasonality of business

Opportunities, Growing market with significant percentages of our target market.

As a result of good customer care a number of referral customers Increased by a significant rate. And also, the product is used by people of all level of income.

Threats: Competitors with a greater finance or resources could enter the market; continue price pressure could reduce the profit margin, Dramatic change in the business could create obsolete or less profitable inventory.

3.9 GENERAL OBSERVATION

The Company of the Modern Hotel & Tours services is highly experienced and well conversant with the market and business in general.

The financial performance reveals the business is highly profitable.

The Company is very keen not to commit the business beyond its means

The demand of Modern Hotel & Tours services items agent guarantees stable market for the Company's business.

The business is registered and possess valid trade business license hence there is no legal risk

The viability of the business suggests that any investment in this business is highly secured.

4.0 FINANCIAL ASPECTS

4.1 Investment and Financing Plan

4.1.1 Projected Start-up cost

Company is an existing dealing with tourism services and expected new hotel, with experience of more than three (03) Years in Moshi Municipal, and other Districts like Mwangi Hai, the Company Is hereby requests an additional financing amounting 1.5 Billion. The requested bank loan will enable the customer to construct a modern hotel which will simplify tourism services

Five-Year Financial Projection for Kilimandscharo Active Tours Limited

- Revenue grows at **8% per year.**
- Establishment, administrative, and labor expenses grow at **5% per year.**
- The **1.5 billion TSH loan** from CRDB Bank is repayable over **5 years** at **10% annual interest.**

- **Boloti Spring Lodge investment** will generate revenue from **Year 2** onward, contributing to overall growth.
- Depreciation of **new assets** from investment is included.

Projected Profit & Loss Statement (in TSH)

Year	Revenue	Establishment Exp.	Admin Exp.	Labour Exp.	Loan Interest	Net Profit
2024	2,137,030,550	706,356,279	17,175,500	13,612,400	150,000,000	1,249,886,371
2025	2,307,993,994	741,674,093	18,034,275	14,292,500	135,000,000	1,399,993,126
2026	2,492,633,513	778,757,798	18,936,988	15,007,125	120,000,000	1,559,931,602
2027	2,692,044,194	817,695,688	19,883,837	15,757,481	105,000,000	1,733,701,188
2028	2,907,407,730	858,580,472	20,877,029	16,545,355	90,000,000	1,921,404,874

Projected Cash Flow Statement (in TSH)

Year	Operating Cash Flow	Loan Repayment	Investment Cash Flow	Net Cash Flow
2024	1,300,000,000	(300,000,000)	(1,500,000,000)	(500,000,000)
2025	1,450,000,000	(300,000,000)	-	1,150,000,000
2026	1,600,000,000	(300,000,000)	-	1,300,000,000
2027	1,780,000,000	(300,000,000)	-	1,480,000,000
2028	1,980,000,000	(300,000,000)	-	1,680,000,000

Projected Balance Sheet (in TSH)

Year	Total Assets	Loan Balance	Shareholder Equity
2024	3,115,104,650	1,200,000,000	1,915,104,650

Year	Total Assets	Loan Balance	Shareholder Equity
2025	3,465,104,650	900,000,000	2,565,104,650
2026	3,815,104,650	600,000,000	3,215,104,650
2027	4,165,104,650	300,000,000	3,865,104,650
2028	4,515,104,650	-	4,515,104,650

Key Takeaways:

1. **Revenue Growth:** 8% annual increase, supported by Boloti Spring Lodge investment.
2. **Profitability:** Steady net profit growth despite loan interest and expenses.
3. **Cash Flow Stability:** Loan repayment managed through strong operational cash flows.
4. **Debt-Free by 2028:** Loan fully repaid, significantly improving shareholder equity.

This projection provides a structured outlook for financial growth, investment returns, and debt management over the next five years.

4.2 Revenue

Revenue Is expected from client received or service during the period, we expect revenue at the end of year 2025 to Increase at Increasing rate. Revenue for the next years is also indicated in the income statement projection from Company.

4.3 Investment capital requirement:

The business which is already in operation requires a credit facility to the tune of Tshs.1.5 billion, by using the tuning business for the purpose of expanding working capital. The projected working capital for the Investment is generated from guarantee and cash equity.

According to the cash flow projections the additional business capital investment requirements is estimated bank loan to the tune of 1.5 billion with the period of 60 months. It is estimated that CRDB Bank will charge reasonable interest against the facility accrued on a daily outstanding account balance.

4.4 Cash flow Projection

The cash flow analysis shows a strong upward trend. The projection realizes a cash balance of at a positive rate in a first year. Other cash balances are available in Annex of this business plan.

4.5 Development value

The project will create employment in both direct and indirect for the people around the area and Tanzania as whole but large in Moshi Mwangi and Hai and country wide due to the nature of this business. Currently a large number of people are employed paid on the monthly basis. This will contribute to the sixth phase government strategy of raising level of employment and hence good life for every Tanzanian.

4.6 Financial Performance

The projected income statement shows a positive result in support of the investment with a return before capital charges and after capital charge as shown in the Income statement projections

4.7 Sales

The turnover for the year 2025 is expected to go up over the year 2024 figures by more than 25% as shown in this is a result of an increase in the market share attributed to Intensive marketing and mobile sales.

4.8 Expenses

The expenses for this type of business are mainly of a fixed nature; these Include transport cost, storage costs and salaries to staff. With the envisaged increase in the turnover volume, It is expected that the fixed tremendously. Variable costs are very minimal, a knee eve will always be kept to ensure that they are brought to their absolute minimum levels possible. Care is always taken to ensure that the firm avoids losses on deteriorating and absolute stock,

4.9 Profitability

The business is expected to make good profits as can be seen the attached financial statements for the year 2022. 2023 and 2024.

4.10 Liquidity

The projected liquidity position of the business is quite good in that it will be able to liquidate the bank loan being applied for within the period of sixty (60) months, while at the same time meeting all its other financial obligations of operating the business.

4.11 Cash Flow Statement

The products that a company is engaging are consumed constantly throughout the year.

Therefore, revenues obtained will be sufficient to maintain a positive cash balance required to meet demand as new order arrives while taking into consideration the Modern Hotel & Tourism Services. Therefore 1.5- Billion (One Billion. Five hundred million Tanzania shillings) Capital Investment bank loan is required to enable the Company to expand its working capital as showing in Annex of the business plan.

4.12 Statement of Financial Position.

Most of the statement of financial position items will keep on increase as the business continue to operate on its normal operating cycle however there is no plan to increase Items like fixed assets in the near future.

5.0 ECONOMIC JUSTIFICATION

The business contributes to the country economy in the following ways:

- Valuable contribution to the government through various taxes
- Creation of more jobs which go in line with the sixth phase government strategies of increasing number of employments.
- Enhancing efficient in the supply of Modern Hotel & Tourism Services Items.
- Other indirect investments

6.0 ENVIRONMENTAL ASPECT

With the environment such a hot topic around the world and especially in the Modern Hotel & Tourism Services items has less contribution and effects on the environments.

7.0 SOCIAL AND ECONOMIC ASPECT

7.1 Social and Economic Aspects

7.1.1 Economic

- Boost Economy: Selling of Modern Hotel & Tourism Services Items play an important role in the development of Tanzania economy.
- Revenue generation: it will not only generate revenue for itself but also to the nation through, direct and indirect taxation,
- Strengthening related business: This play an important role in supporting other related business Activities, since it is a counting business.

7.1.2 Social

- Employment: Further the project will provide useful employments. Will benefit small and medium Enterprises as they will provide good and services to employees.

8.0 RISKS ASSOCIATED WITH THE BUSINESS

8.1 General Risks

There are only two main risks foreseen in this business, these are fire and burglary. For fire, an insurance cover will be taken against this risk to cover for stocks and fixed assets.

For burglary, also an insurance cover will be taken against for a value of stocks as will be advised by their Insurance Consultants and the Bank. There are, at the moment, watchmen who will watch the premises day and night

8.2 Environment

8.2.1 Staff Safety

The Company provides staff with standard uniforms and safety gears including fire extinguisher, boots and mouth mask. Whenever an opportunity prevails, the business will provide them safety training as the business get better.

8.2.2 Project Risk Factor

The risks that The Company is likely to face or cause during their day-to-day operations are of three types namely, economic Political and Social.

8.2.3 Economic Risk

The major economic risk is that of the recession happening in either Tanzania or in any country this can affect our business but it is nor in our control of and Country in general.

8.2.4 Political, Social and Religious Risk

The biggest risk associated with any of the above factors in that of disturbances or upheavals, the effect of political social and religious, upheavals of business are usually bad, It is however reassuring to note that Tanzania Political, social and religious stability Is fairly strong and it is likely to continue this way for quite some time

8.3 Fire Protection

The property has in place an adequate fire protection system. Portable fire extinguishers are installed. The firefighting equipment is regularly inspected to keep them active all the time. The

above risks notwithstanding, it is hoped that the Company will continue to steer operations of the company either off or through any risk that will face in the future.

This optimism arises out of the fact the owners and management of the business is astute businesspersons who have so far managed their business successfully. To mitigate the risks of theft, fire accidents etc. the Company has and will continue to take comprehensive insurance:

9.0 CONCLUSIONS AND RECOMMENDATION

9.1 Conclusions

The following conclusions can be drawn from the financial economic analysis of this Project.

The project is fully resource based which is purely involved in the improvement of the businesses

The project is profitable: hence it will increase the overall profitability of the Company and its ability to contribute to the Government by way of taxes.

9.2 Recommendation

Analysis reveals that the business is well managed. Financial Statement which includes cash flow projections and income statement depict that the business needs financial assistance to the tune of Tshs. 1.5 billion, so that to bridge a deficit gape in its working capital

In view of the above-mentioned context the business is technically feasible financially and economically viable as well as socially desirable. As such assistant of Tshs.1.5 billion from CRDB Bank is highly desirable and recommended.

Based on the above factor the consultant recommends that the Company to be granted with the requested investment of bank loan for the implementation or this project at the earliest date possible.