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Business Plan for KUKUA TOUR & SAFARIS LIMITED

Concerning Non-Consumptive Tourism (Photographic and Hospitality) Operations.

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Executive Summary

Kukua Tour & Safaris Limited, incorporated in 2025 in Arusha, Tanzania (Certificate No. 180420223), is poised to capitalize on Tanzania's thriving tourism industry by offering premium safari and travel services, focusing on the Northern Circuit (Serengeti, Ngorongoro, Tarangire, Lake Manyara) with plans to explore the Southern Circuit. With a total capital investment of USD 500,000, the company will acquire 10 Land Cruisers, land for operational headquarters, and invest USD 600,000 in a camp/lodge starting in Year 3 (2028) to complement Northern Circuit operations. The plan ensures compliance with Tanzania Investment Centre (TIC) and Tourism Licensing Act (TALA) requirements, including the 10-vehicle threshold. Kukua Tour & Safaris Limited projects revenues of USD 261,744 in Year 1, growing to USD 1,200,000 by Year 3, with net profit margins of 12–15%. This plan leverages market research from Tanzania Specialist and Nimali Africa to position Kukua Tour & Safaris Limited, as a competitive, eco-conscious tour operator.

1. Introduction and Background

1.1 Company Overview

Kukua Tour & Safaris Limited, is a private limited company based in Arusha, Tanzania, established under the Companies Act (Cap. 212). A joint venture between local Tanzanian entrepreneur and foreign shareholders, the company leverages tourism expertise to deliver high-quality safari experiences, eco-tourism, and cultural tours. Mountain climbing activities are excluded to comply with regulations prohibiting such operations by foreign-owned entities.

1.2 Mission and Vision

- ✓ **Mission**: To provide exceptional safari and travel experiences showcasing Tanzania's wildlife, culture, and natural beauty while promoting sustainability.

- ✓ **Vision**: To be a leading tour operator in Tanzania, recognized for quality, innovation, and eco-friendly practices.

1.3 Project Objectives

- ✓ Acquire a fleet of 10 Land Cruisers to meet TALA licensing requirements.
- ✓ Secure land (USD 248,961) and develop a camp/lodge (USD 600,000, starting Year 3) to support Northern Circuit operations.
- ✓ Offer competitive safari packages, eco-tourism, and cultural tours.
- ✓ Establish international partnerships in Europe, the U.S.A, and Asia.
- ✓ Achieve 6% annual tourist growth, aligning with industry trends.
- ✓ Ensure compliance with TIC and TALA regulations.

2. Market Analysis

2.1 Tanzania Tourism Industry

Tanzania's tourism sector contributes 16% to GDP and 40% of export earnings, welcoming 5.36 million tourists in 2024, surpassing the 2025 target of 5 million. The Northern Circuit dominates, with Ngorongoro (55%), Zanzibar (48%), and Serengeti (41%) as key destinations. The industry is projected to grow at 6% annually, supported by the government's Integrated Tourism Development Master Plan and infrastructure upgrades.

2.2 Competitive Analysis

Research on Northern Circuit tour packages from Tanzania Specialist and Nimali Africa informs ***Kukua Tour & Safaris Limited***, strategy projections:

- **Tanzania Specialist**:
  - 6–10 day Northern Circuit safaris (Serengeti, Ngorongoro, Tarangire, Lake Manyara).
  - Prices: USD 2,500–USD 5,000 per person (mid-range), including accommodation, transport, and park fees.
  - Focus: Customizable itineraries, eco-tourism, private group tours.

- **Nimali Africa**:
  - Luxury 5–7 day safaris, priced at USD 4,000–USD 7,000 per person.
  - Operates exclusive tented camps (e.g., Nimali Tarangire, Nimali Serengeti).
  - Emphasis: Eco-tourism, conservation, cultural interactions.

Kukua Tour and Safaris' Positioning:

- Offer mid-range to premium packages (USD 2,000–USD 4,500 per person) to compete with other tour operating companies.
- Differentiate through eco-tourism, cultural tours, and a proprietary camp/lodge from Year 3.
- Target small group and private tours for Europe, USA, and Asia markets.

2.3 Target Market

- **Primary Markets**: Europe (UK, Germany, France, Italy), USA, Asia (Japan, China).
- **Customer Segments**: Holiday tourists (77%), eco-tourists, cultural enthusiasts, researchers, small business groups.
- **Demographics**: Young adults (18–35 years, 47%), repeat visitors (22% return within 5 years).

2.4 Market Trends

- Growing demand for sustainable and eco-tourism experiences.
- Popularity of combined safari-beach holidays (Northern Circuit + Zanzibar).
- Rising interest in the Southern Circuit due to less crowding.
- Preference for personalized, small-group tours.

3. Business Activities

3.1 Core Services

Kukua Tour & Safaris Limited, will focus on the following activities, excluding mountain climbing:

- **Safari Tours**: 1–9 day tours in the Northern and Southern Circuits.

- **Eco-Tourism**: Conservation-focused tours, ornithology, and cultural experiences with Maasai communities.
- **Cultural and Study Tours**: Programs for students, researchers, and volunteers.
- **Car Rental Services**: Safari-spec vehicles for tourists, businesses, and consultants.
- **Booking and Facilitation**: Lodge bookings, park entries, airport transfers.
- **Wildlife Filming and Photography**: Logistics and permits for film crews and photographers.
- **Camp/Lodge Operations**: Develop a mid-range tented camp/lodge starting in Year 3 to complement safari offerings.

3.2 Proposed Expansion

- **Vehicle Fleet**: 10 Land Cruisers to meet TALA requirements.
- **Land and Camp/Lodge**: USD 248,961 for land acquisition; USD 600,000 for a tented camp/lodge starting in Year 3.
- **Office Infrastructure**: Modern office in Arusha with furniture and equipment.
- **Human Resources**: Employ 5–10 staff initially, scaling to 15–20 by Year 3.

4. Investment and Financing

4.1 Capital Investment

The total capital investment is **1,406,659 USD** revised as follows:

Item	Cost (USD)
Land Acquisition (Year 2)	248,961
Camp/Lodge Development (Year 3)	600,000
Vehicles (8 Land Cruisers from Year 2-5)	384,000
Vehicles (2 Land Cruisers, Already Purchased)	96,000
Office Furniture and Fittings	12,000
Office Operational Equipment	12,000
Pre-Operational Expenses	53,698
Total	**1,406,659**

- **Camp/Lodge Development**: USD 600,000 allocated for a mid-range tented camp (10–15 units) starting in Year 3, based on benchmarks from other related tour operating companies.
- **Vehicles**: 10 Land Cruisers (USD 48,000 each) to meet TALA's 10-vehicle requirement.
- **Pre-Operational Expenses**: Includes TIC/TALA fees, legal costs, and initial marketing.

4.2 Financing Plan

Source	Existing (USD)	New Investment (USD)	Total (USD)
Equity Contribution	200,000	1,156,659	1,356,659
Bank Overdraft	0	50,000	50,000
Total	**200,000**	**1,206,659**	**1,406,659**

- **Equity Contribution**: Shareholders fund USD 1,406,659 including USD 50,000 working capital. Camp/lodge investment (USD 600,000) is financed in Year 3 via retained earnings and additional equity if needed.
- **Bank Overdraft**: USD 50,000 for advance lodge payments and supplier costs.

4.3 Investment Incentives

- Partial exemption of customs duty and VAT on vehicles and equipment.
- Tax holidays under the Tanzania Investment Centre Act 1997.

5. Financial Projections

5.1 Sales Revenue Projections

Revenue Stream	Year 1 (USD)	Year 2 (USD)	Year 3 (USD)	Year 4 (USD)	Year 5 (USD)
Safari Tours (1–2 days)	15,120	90,909	109,091	141,818	198,545
Safari Tours (4–9 days)	22,679	136,364	163,636	212,727	297,818
Camp/Lodge Revenue	0	0	0	50,000	60,000
Car Rental (Executive)	0	0	0	9,672	13,541
Revenue from Kel 12	220,165	300,000	415,000	479,829	728,235
Commission on Bookings	3,780	22,727	27,273	35,454	49,636
Total Revenue	**261,744**	**550,000**	**715,000**	**929,500**	**1,347,775**

- **Assumptions**:
  - Camp/lodge revenue starts in Year 4 (USD 50,000), growing with occupancy.
  - 65% capacity in Year 1, increasing to 85% by Year 5.
  - Average safari prices: USD 2,500 (1–2 days), USD 4,000 (4–9 days).
  - 20% annual tourist growth.

5.2 Cost of Sales and Operating Expenses

Item	Year 1 (USD)	Year 2 (USD)	Year 3 (USD)	Year 4 (USD)	Year 5 (USD)
Personnel Costs	52,755	180,680	216,816	260,179	364,251
Real Estate	7,224	14,448	17,338	20,805	29,127
Insurance and Maintenance	10,694	21,388	25,666	30,799	43,118
Legal & Administrative	24,700	29,400	35,280	42,336	59,270
General Expenses	22,560	25,800	30,960	37,152	52,013
Equipment	2,308	5,200	6,240	7,488	10,483
Depreciation	7,800	10,980	13,176	15,811	22,136
Marketing & Development	14,500	9,000	10,800	12,960	18,144
Banking Expenses	653	4,200	5,040	6,048	8,467
Total Expenses	**143,194**	**301,096**	**361,316**	**433,578**	**607,009**

- **Depreciation Rates**:
  - Vehicles: 25% straight line.
  - Camp/Lodge (from Year 3): 10% straight line.
  - Machinery & Equipment: 12.5% diminishing value.
  - Furniture & Fittings: 12.5% diminishing value.
  - Pre-Operational Expenses: 20% straight line.

5.3 Profit and Loss

Item	Year 1 (USD)	Year 2 (USD)	Year 3 (USD)	Year 4 (USD)	Year 5 (USD)
Total Revenue	261,744	550,000	715,000	929,500	1,347,775
Total Expenses	91,141	301,096	361,316	433,578	607,009
Gross Profit	**170,603**	**248,904**	**353,684**	**495,922**	**740,766**
Corporation Tax (30%)	35,565	74,671.2	106,105.2	148,776.6	222,229.8
Net Profit	**82,985**	**174,233**	**247,579**	**347,145**	**518,536**
Gross Profit Margin (%)	**45.2%**	**45.2%**	**49.5%**	**53.3%**	**55.0%**
Net Profit Margin (%)	**31.7%**	**31.7%**	**34.6%**	**37.3%**	**38.5%**

Item	Year 1 (USD)	Year 2 (USD)	Year 3 (USD)	Year 4 (USD)	Year 5 (USD)
Cash Inflows					
Sales Revenue	261,744	550,000	715,000	929,500	1,347,775
Equity Contribution	200,000	256,659	700,000	0	0
Bank Overdraft	0	50,000	0	0	0
Total Inflows	**461,744**	**856,659**	**1,415,000**	**929,500**	**1,347,775**
Cash Outflows					
Capital Expenditure	200,000	256,659	700,000	0	0
Operating Expenses	133,086	284,914	314,900	410,279	574,390
Interest on Overdraft	0	9,000	9,000	9,000	0
Tax Payments	35,565	74,671.2	106,105	148,776.6	222,229.8
Total Outflows	**368,651**	**625,244**	**1,130,005**	**568,056**	**796,620**
Net Cash Flow	**93,093**	**231,415**	**284,995**	**361,444**	**551,155**
Cumulative Cash	**93,093**	**324,508**	**609,503**	**970,947**	**1,522,102**

Balance

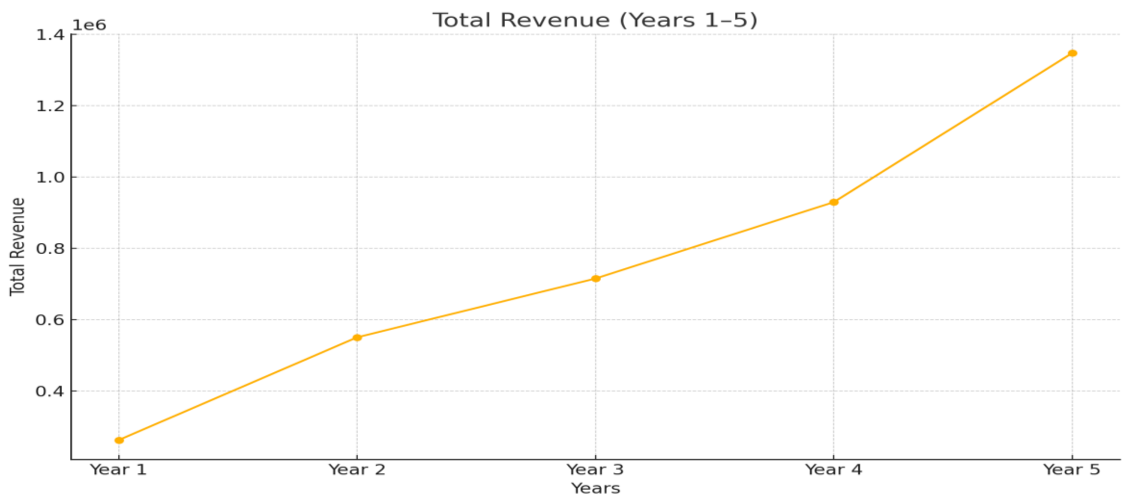
6. Cash Flow Projection

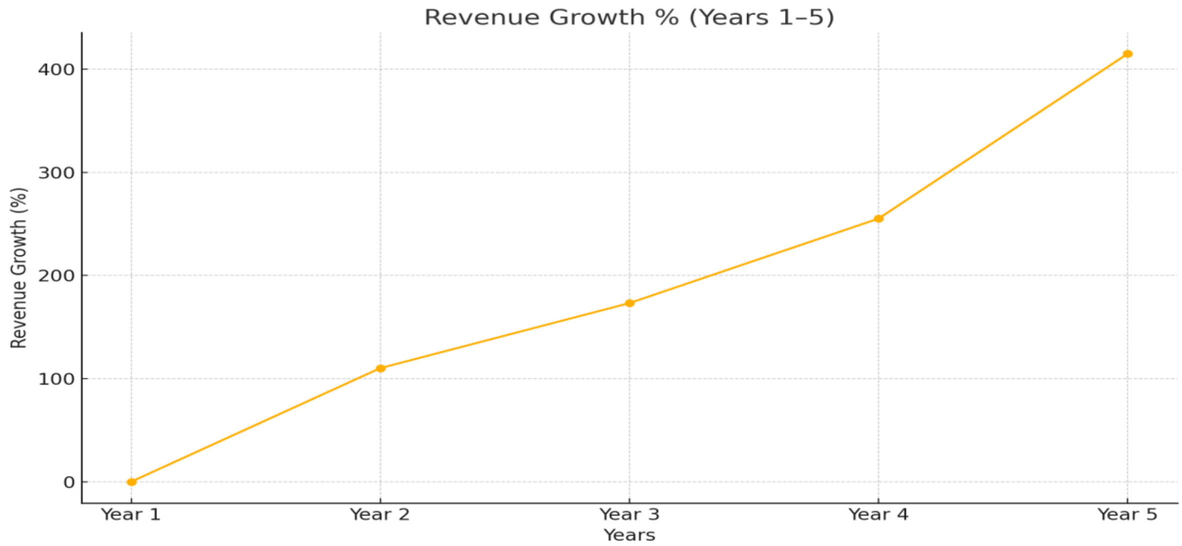
- **Assumptions**:
  - Camp/lodge capital expenditure (USD 600,000) occurs in Year 3, funded by equity or retained earnings.
  - Overdraft repaid by Year 4.
  - No additional borrowing required.

7. Balance Sheet (Year-End)

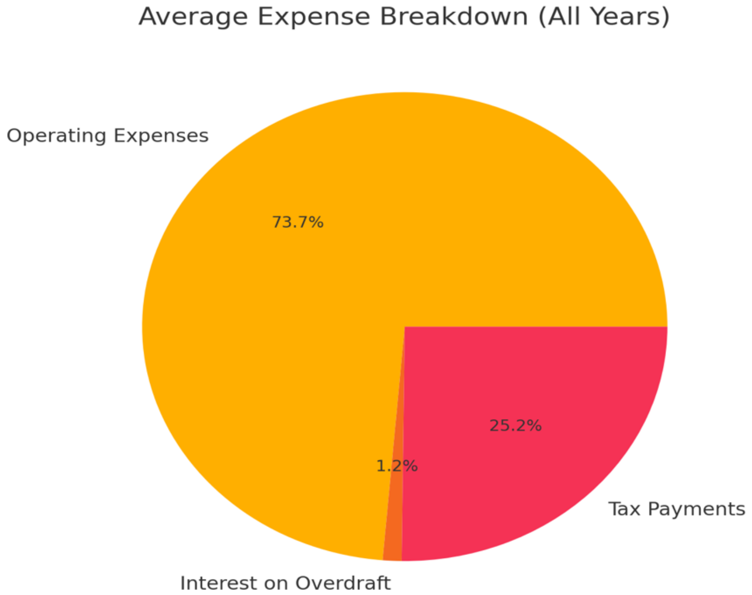
Item	Year 1 (USD)	Year 2 (USD)	Year 3 (USD)	Year 4 (USD)	Year (USD)	5year
Assets						
Fixed Assets (Net)	200,000	456,659	1,156,659	1,156,659		1,156,659
Cash & Equivalents	93,093	324,508	609,503	970,947		1,522,102
Total Assets	**293,093**	**781,167**	**1,766,162**	**2,127,606**		**2,678,761**
Liabilities & Equity						
Bank Overdraft	0	50,000	0	0		0
Equity Contribution	200,000	256,659	700,000	0		0
Retained Earnings	119,422.10	293,654.90	541,233.70	888,379.10		1,406,915.30
Total Liabilities & Equity	**319,422.10**	**800,313.90**	**1,697,892.70**	**2,045,083.10**		**2,563,574.30**

8. Visualizations





Financial Performance chart



9. Organization and Management

9.1 Ownership Structure

- **Shareholders**:
  - Hellen Beatus Kasegenya: 510000 shares (51%)
  - KEL 12 Tour Operator S.R.L: 490000 shares (49%)

- **Authorized Share Capital**: TZS 10,000,000 divided into 1,000 shares of TZS 10,000 each.

9.2 Management Structure

- **Board of Directors**: Sets policies and strategic direction.
- **Managing Director**: Oversees daily operations.
- **Operations Manager**: Manages tour logistics and customer service.
- **Finance Manager**: Handles budgeting and compliance.

9.3 Human Resources

- **Initial Staffing**: 8–10 employees (4 tour guides/drivers, 1 expatriate specialist, administrative staff).
- **Training**: On-the-job training for hospitality and customer care.
- **Future Expansion**: Scale to 15–20 employees by Year 5, including camp/lodge staff.

10. Implementation Schedule

Stage	Tasks/Activity	Time Frame
Stage 1	Mobilize equity and overdraft funds	1–2 months

Stage	Tasks/Activity	Time Frame
Stage 2	Acquire vehicles, land, and office setup	3–6 months
Stage 3	Pay suppliers and secure lodge bookings	1 month
Stage 4	Complete TIC and TALA registration	2–3 months
Stage 5	Begin camp/lodge construction (Year 3)	Q1–Q2 2028
Stage 6	Launch full operations with camp/lodge	Q3–Q4 2028

11. Regulatory Compliance

11.1 TIC Registration

- **Requirements**: Minimum USD 500,000 investment (met), five-year business plan, proof of assets.
- **Process**: Submit plan and documents to TIC by Q2 2026.

11.2 TALA Licensing

- **Requirements**: 10 vehicles (not older than 5 years), TCC, eco-tourism compliance.
- **Process**: Apply via Tanzania National Business Portal post-TIC approval.

11.3 Land and Camp/Lodge

Process: Pre-Sale Agreement for land, followed by Derivative Rights from the Commissioner of Lands. Camp/lodge construction begins Q1 2028.

12. Risk Analysis and Mitigation

Risk	Mitigation Strategy
Regulatory delays	Engage Kasegenya Consult for streamlined compliance.
Competition	Differentiate with camp/lodge (from Year 3) and eco-tourism focus.
Currency fluctuations	Use USD-based contracts for international clients.
Seasonal demand	Offer cultural tours and Southern Circuit packages for low seasons.
Construction delays (Year 3)	Partner with experienced local contractors for camp/lodge development.

13. Economic and Social Benefits

- **Job Creation**: 8–10 initial jobs, scaling to 15–20 with camp/lodge operations.
- **Foreign Exchange**: USD 1.10–1.73 million annually.
- **Community Impact**: Cultural tours with Maasai communities.
- **Tax Revenue**: Corporate taxes, VAT, and tourism levies.
- **Sustainability**: Eco-tourism and conservation initiatives.

14. Conclusion and Recommendations

Kukua Tour & Safaris Limited, revised plan, with USD 1,406,659 investment, is financially viable, projecting net profits of USD **82,985** in Year 1, growing to USD **518,536** by Year 5, and a cumulative cash balance of USD **1,522,102**. The delayed camp/lodge investment (USD 600,000 in Year 3) ensures compliance and enhances competitiveness.