

STUDY ON THE PROFITABILITY OF THE AGRI-PENSION SC ROSE HIP HILL SRL IN THE TARNA VALLEY, BIHOR COUNTY

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RESEARCH ARTICLE

Abstract

Tourism is one of the most important resources that Romania can use, being a country rich in natural resources and cultural experiences.

Scopul prezentului studiu este de a afla evolutia rentabilitatii agro-pensiunii Rose Hip Hill din comuna Sinteu, judetul Bihor, pe o perioada de 4 ani, din 2019 pana in 2022.

The study utilizes a combination of financial analysis and economic evaluation methods to assess the profitability of Rose Hip Hill. Financial statements, including income statements and balance sheets, were analyzed to understand the company's financial performance.

The analysis revealed positive financial performance for the Agri-Pension Rose Hip Hill. The company exhibited a healthy revenue stream and managed to maintain a stable financial position over the study period. The profitability ratios indicated efficient cost management and favorable returns on investment.

Analizand datele obtinute, constatam ca cifra de afaceri a crescut cu 93% din anul 2019 pana in anul 2022, iar profitul net cu 270%, cresterea accelerata a profitului net datorandu-se cresterii mult mai rapide a veniturilor, decat a cheltuielilor.

Keywords: agri-pension, profitability, cifra de afaceri,

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INTRODUCTION

In the last 25 years, the spending department, which developed the fastest, belonged to the leisure branch of services, for example, with over 340% more in the United Kingdom from 1980 until present. This implied a development without precedent regarding client options, especially in the tourism department.

Now, many tourists look for quiet vacations, without a strict schedule, inclining to planning their own activities and tourist objectives, usually preferring the authenticity of a rural area. (Nita Constantin)

Agritourism can be considered an attractive and at the same time important land both locally and regionally, which exploits the surplus of household accommodation. It can be prepared and arranged especially for guests, and it assumes the existence of a set of goods and services offered by the farm for the consumption of the people / tourists. It is also of particular importance, changing in a positive way the life of the locals, increasing the living standards resulting from the use of specific own resources, transforming the structure of agricultural crops to meet the need of tourists. (Danila Ileana)

This research proposes to determine the profitability and rentability of the business, thus contributing to the field's understanding of how small enterprises can transform themselves into successful touristic destinations by showcasing the beauty of nature and the countryside, by selling products from your own household and by offering quality services.

A very important factor in order to obtain profit in every business, is to obtain good incomes. In rural tourism is the same: the incomes obtained or not by the rural guesthouses lead or not to a great development of the business and of the tourism and economy as well. (Tirpe Paula)

In introduction, we briefly present the commune Sinteu, the place where the agropension Rose Hip Hill lies.

The Commune Sinteu is situated in the East side of county Bihor, on top of Mount Ses, at a medium altitude of 750 m, on each side of DN 1H which unites the city of Alesd with Simleu Silvaniei, expanding over 40km square. In the east side, it's separated by county Salaj, in the north-west of commune Popesti, west of city Alesd and south of commune Auseu. To the group of the Occidental Carpathian mountains, belong the mount Ses and mount Plopisului,

which represent a large peak formed by crystalline formations which are situated in the Valley Crisului Repede and Bazinul Barcaului. In the north-west of these mountains, expands the commune Sinteiu, in which components, we can find the next villages Sinteiu (the residency of the commune), Valea Tarnei, Huta Voievozi and Socet.

The commune of Sinteiu is crossed by numerous springs and rivers, from which the most important one is river Bistra, springing from underneath the peak of the commune, highest altitude 757m.
<https://www.primariasinteiu.bihor.ro>

The most important natural attraction from the area are the forests. Commune Sinteiu has under administration over 1.000 ha. of wooded pasture. <https://sinteiu.ro/conducere/>

According to the National Statistical Institute, the population of the commune comes to a total of 1289 residents, the majority of these being Slovaks. On the territory of Sinteiu we can see specific settlements of the wasted type, characteristic of the mountain are, where houses stand apart from each other. <https://sinteiu.ro/conducere/>

In Şinteiu commune, local traditions have been preserved over the years, so tourists looking to spend their leisure time in the commune can experience traditional folk manifestations. These include the Potato Ball, Easter Watering, Walking with the Maypole, Ruffling of Feathers, and Christmas Caroling.

The Rose Hip Hill Agro-guesthouse, situated in a picturesque, secluded, and tranquil landscape, in a traditional orchard, near the forest and a stream, is located in Valea Târnei, Şinteiu commune, Bihor County. (<https://rosehiphill.ro/cazare-la-agropensiune/>)

MATERIAL AND METHOD

For collecting this data we went on a field research by going to tirnova where we visited an agroturism guesthouse. there, the administrator gave us the data we needed so we could do the economical and financial analysis. also, we collected data from the guesthouse's webpage, from the touristic platform booking and their facebook page.

RESULTS AND DISCUSSIONS

The Rose Hip Hill Agro-guesthouse is hosted by a new building, a green house on a green hill, blending with nature, yet designed and arranged as comfortably as possible. (<https://rosehiphill.ro/cazare-la-agropensiune/>)

The Rose Hip Hill Agro-guesthouse offers its guests accommodation in:

- 2 rooms (each with 4 beds),
- a suite (2 beds in the main room and 4 beds in the secondary room)
- an attic (6-8 beds).

Table 1

The components of the rooms

Rooms	STRAWBERRY/PLUM	ELDER	CAMERACHERRY (ATTIC)
1	Matrimonial bed	Matrimonial bed	Six simple beds
2	Extensible couch	Two extensible beds	Private bathroom
3	Private bathroom	Private bathroom	
4	Balcony	Balcony	

Source:<https://rosehiphill.ro/cazare-la-agropensiune/>

Each room has a special decor and a private bathroom.

The kitchen is fully equipped, and there is a suitable dining area for 25 people as well as a spacious living room..

The location features an indoor mini-wellness area with a sauna for 4-5 people and a hot tub for 2 people, a sunny open terrace, and a closed winter terrace (capacity of 30-40 people).

Reservation rates for accommodation at Rose Hip Hill guesthouse:

Guesthouse rental:

1000 RON/night (10 people – WITHOUT ATTIC)

1500 RON/night (16 people – WITH ATTIC)

Additional beds are available upon request at an extra cost.

Strawberry or plum rooms:
400 RON/night

Elder room:
500 RON/night

New Year's Eve:
7500 RON/3 nights (14 people)
9000 RON/3 nights (20 people)

Mini-wellness (sauna for 4-5 people
and hot tub for 2 people):
200 RON/4 HOURS

Additionally, the location has a sunny open terrace and a closed winter terrace (capacity 30-40 people).

Guests of Rose Hip Hill Agro-guesthouse have access to the Rose Hip Hill Farm, where they can find a forest playground with a 50m double zip line, a 12m water slide, trampoline, and a multifunctional enclosed sports field (soccer, volleyball, foot tennis). They also have the opportunity to participate in farm activities such as goat milking, cheese making, fruit and lavender picking.

Both adults and children can enjoy the house pets (cats, dogs) and the farm animals (goats, rabbits, chickens).

Rose Hip Hill Farm also has two guest rooms in an annex. They are small but comfortable and warm. The rates for these two rooms (Lavender and Rose) are described in Table 2.

Table 2

Rates

Rooms ron/night	1 pers.	2 pers.	3 pers.	4 pers.
Lavender	150	300	350	400
Rose	150	300	350	400

Sursa: <https://rosehiphill.ro/cazare-la-ferma/>

In the Lavender room, there are two double beds, one single bed, and a private bathroom.

In the Rose room, there is a queen-size bed, one single bed, and a private bathroom.

The agropension owns more assets like:

Farmland: SC Rose Hip Hill SRL leases 18.09 hectares of agricultural land in the

village of Valea Tarnei, Sineu commune, Bihor county. The cultivated areas include pumpkins (0.86 ha), medicinal plants, aromatics, and seed spices (0.21 ha), temporary artificial meadows (9.10 ha), Starkinson fruit trees (400 trees on 1.23 ha), Williams fruit trees (200 trees on 0.61 ha), burgundy trees (200 trees on 0.62 ha), plum trees (300 trees on 0.92 ha), and other trees (quinces, almonds, etc.) (100 trees on 0.31 ha). There are also fruit trees with fruit on 0.35 ha.

Furthermore, the legal representative of the agro-pension, Toth Nicolaie Samuel, owned additional lands, including agricultural and non-agricultural land (3.5276 ha). Among these, 2.3848 ha were designated as arable land for greenhouses and solariums.

In addition to income from accommodation and meals, the guesthouse owners generate revenue from selling products obtained on the farm: goat cheese, goat salami, jams, fruit juices, syrups, teas, wines, etc. In Table 3, you can see the prices for various farm-produced products.

Table 3
The prices of the products obtained in the farm:

Products	Prices RON
Goat's milk cheese	150 Ron/kg
Goat meat salami	160 Ron/kg
Blueberry jam	20 Ron/320 gr.
Blueberry jam with red currant	20 Ron/320 gr.
Blueberry jam with lavender	20 Ron/320 gr.
Blueberry jam with rose	20 Ron/320 gr.
Red currant jam	20 Ron/320 gr.
Black blueberry jam	20 Ron/320 gr.
Pear jam with anise	20 Ron/320 gr.
Applesauce without sugar for babies	20 Ron/320 gr.
Lavender siroup	15 Ron /330gr.
Blueberry nectar without sugar	60 Ron/ L
Currant nectar without sugar	60 Ron/ L
Apple juice	25 ron/ 3L
Lavender tea	25 Ron/ 30 gr.
Homemade red wine	30RON / 0.75L
Black blueberry wine	50RON / 0.75L
Lavender oil	40 Ron/ 10 ml

Source: <https://rosehiphill.ro/produse/>

Year	Turnover (ron)	%	Net profit (ron)	%	Incomes (ron)	%	Expenses (ron)	%
2022	637.601	93%	356.566	270%	688.248	99%	325.923	32%
2021	478.757		121.227		500.550		375.953	
2020	481.293		285.888		650.821		361.764	
2019	331.057		96.404		346.368		246.590	

Table 4

Financial indicators of rose hop Hill agritourism in the period 2019-2022
 Processed data: <https://www.topfirme.com/afacere/rose-hip-hill-s-r-l-/5ty54fi3f8/>

In Table 4, we can observe a 93% increase in the company's revenue from 2019 to 2022, rising from 331,057 lei in 2019 to 637,601 lei in 2022.

The company's profit has grown from 96,404 lei in 2019 to 356,566 lei in 2022, representing a substantial percentage increase of 270%.

During the same period, the company's income increased by 99%, while expenses increased by 32%, resulting in a higher growth rate of income, which contributes to the company's profitability.

The percentage increase was calculated using the formula:

$$\text{Percentage Increase} = (\text{New Value} - \text{Old Value}) / \text{Old Value} * 100\%$$

CONCLUSIONS

Net profit stands as a paramount measure of financial success within a company, encapsulating the true essence of its profitability. In the case of SC Rose Hip Hill SRL, the calculated net profit of 356,566 RON unveils a significant achievement in their pursuit of sustainable growth and economic viability. Net profit emerges as a crucial indicator, representing the surplus remaining after deducting all expenses from the total revenue. It not only quantifies the efficiency of operations but also serves as a testament to the company's ability to generate substantial income. This commendable net profit figure showcases SC Rose Hip Hill SRL's sound financial management, judicious allocation of resources, and successful mitigation of costs. Such robust profitability not only fosters confidence in

stakeholders but also provides a solid foundation for future endeavors and expansion.

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