

Pre-Feasibility Study

HIGH SCHOOL (FRANCHISE)



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

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1 DISCLAIMER

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2 EXECUTIVE SUMMARY

Education plays a vital role in the progress of any nation and is responsible for its advancement towards success. This Pre-Feasibility Study is about setting up the venture of a High School (Franchise) in small cities of Pakistan. The motive to propose small city is due to market saturation in metropolitan cities of Pakistan and unavailability of quality education institutes in semi urban areas or small cities. The proposed school will offer its services from the classes of primary to matriculation. The school will be catering to children of middle to low-income economic stratum, recognizing the need for a high caliber yet low-cost institute.

The proposed capacity of High School (Franchise) is 480 Students in one year. Initial capacity utilization is estimated at 60% with a growth rate of 15% per annum. This production capacity is estimated to be economically viable and justifies the capital as well as operational cost of the project. However, entrepreneur's knowledge of education industry, experienced management, qualified faculty and location of franchise are key factors for the success of this project.

Total project cost is estimated as Rs. 5.801 million with capital investment of Rs. 5.121 million and working capital Rs. 0.680 million. Given the cost assumptions IRR, Payback and Net Present Value are 33%, 3.62 years and Rs. 4.526 million respectively. The project will provide employment opportunities to 27 people including owner CEO. The legal business status of this project is proposed as 'Sole Proprietorship'.

3 INTRODUCTION TO SMEDA

The Small and Medium Enterprises Development Authority (SMEDA) was established in October 1998 with an objective to provide fresh impetus to the economy through development of Small and Medium Enterprises (SMEs).

With a mission "to assist in employment generation and value addition to the national income, through development of the SME sector, by helping increase the number, scale and competitiveness of SMEs", SMEDA has carried out 'sectoral research' to identify policy, access to finance, business development services, strategic initiatives and institutional collaboration and networking initiatives.

Preparation and dissemination of prefeasibility studies in key areas of investment has been a successful hallmark of SME facilitation by SMEDA.

Concurrent to the prefeasibility studies, a broad spectrum of business development services is also offered to the SMEs by SMEDA. These services

include identification of experts and consultants and delivery of need based capacity building programs of different types in addition to business guidance through help desk services.

4 PURPOSE OF THE DOCUMENT

The objective of the pre-feasibility study is primarily to facilitate potential entrepreneurs in project identification for investment. The project pre-feasibility may form the basis of an important investment decision and in order to serve this objective, the document/study covers various aspects of project concept development, start-up, and production, marketing, finance and business management.

The purpose of this document is to facilitate potential investors in **High School (Franchise)** by providing them with a general understanding of the business with the intention of supporting potential investors in crucial investment decisions.

The need to come up with pre-feasibility reports for undocumented or minimally documented sectors attains greater imminence as the research that precedes such reports reveal certain thumb rules; best practices developed by existing enterprises by trial and error, and certain industrial norms that become a guiding source regarding various aspects of business set-up and its successful management.

Apart from carefully studying the whole document one must consider critical aspects provided later on, which form basis of any investment decision.

5 BRIEF DESCRIPTION OF PROJECT & PRODUCT

School industry is experiencing a rapid change in Pakistan. A lot of school chains are offering franchise opportunities in market with standardized curriculum, rules & regulations and extra curriculum activities. All school chains have effective monitoring and evaluation systems, which conduct evaluation of franchises on regular basis. This ensures good quality education and standardized facilities for students in whole network. Therefore, parents are showing more trust in these school chains instead of small schools operating in isolation.

The franchise networks advertise their business on national print and electronic media for brand recognition. These advertisements provide a competitive edge to the franchise over the single branch schools. Keeping in view the industry situation, it is suggested to buy the rights of a franchise instead of open a school with new brand name.

This pre-feasibility study describes investment opportunity for setting up of a high school (franchise) in any small city of Pakistan to provide education to the children of middle and lower middle-income group. The school will start its operation by starting classes from Nursery to Matriculation (Secondary school). Providing education from primary level onwards ensures consistent quality of education from an early stage.

By offering quality education and modern facilities, the school is expected to earn early recognition and parent's trust and preference. The school can be opened in major cities across Pakistan. The area should be selected near the residents of middle-income group. The proposed project will provide employment generation to 27 peoples including owner himself as CEO of the business. The legal status is proposed to be 'Sole Proprietorship'.

5.1 Installed And Operational Capacities

The total installed capacity of the project is assumed at 480 students in a year. The initial operational capacity of the project will be 60% with an annual growth of 15%. Maximum capacity utilization of the project is assumed at 90%.

Table 1: Installed and Operational Capacity

Description	Total Capacity	Operational Capacity 60 % (Year 1)	Maximum Operational Capacity 90% (Year 3)
No. of Students	480	288	432

6 CRITICAL FACTORS

- ⇒ Good working relations with Parent company for on time official work.
- ⇒ Experienced and well-qualified school-teachers are the most important factor for success.
- ⇒ Proactive administration department is necessary in order to do all administrative work.
- ⇒ Effective marketing campaign of franchise through different media like local newspapers, cable networks and social media.
- ⇒ Campus location is key to success. If the location of campus is not easily reachable for target market; franchise won't be able to achieve sales targets.

- ⇒ Interior of school campus and friendly behaviour of admission office staff are critical as it gives the first impression to parents and students.
- ⇒ Continuous extra-curricular activities play a vital role in student growth & development and parent's optimism on school.
- ⇒ Regular parents-teacher meetings regarding students' performance will provide confidence to parents.

7 GEOGRAPHICAL POTENTIAL FOR INVESTMENT

All the urban areas of Pakistan are the potential areas for investment in high school business as education is a basic necessity for every kid. It is suggested to open the school in populated residential areas so that target market could easily access the school. The proposed school will cater the middle and low-income group of society, therefore, it is important to identify the area where these classes reside.

Entrepreneur also needs to investigate the market dynamics like market competition, current market growth rate and purchasing power of target market. Reasons to propose a small city is that all school chains have already entered in metropolitan cities and the school market of metropolitan cities have already become saturated. Beside this, as per the policy of franchisers they don't offer franchise within the radius of 4 kilometers in order to provide a fair chance of profit making for their franchise.

8 POTENTIAL TARGET CUSTOMERS / MARKETS

The target market for this particular business is the middle and lower middle economic class of the cities of Pakistan. The age group of target market is young generation (i.e. 03 to 17 years) mostly as this segment use to get school education.

9 PROJECT COST SUMMARY

9.1 Project Economics

All the figures in this financial model have been calculated for estimated sales of Rs. 6.654 Million in the year one. The capacity utilization during year one is worked out at 60% with 15% increase in subsequent years up to the maximum capacity utilization of 90%.

The following table shows internal rate of return, payback period and net present value of the proposed venture.

Table 2: Project Economics

Description	Details
Internal Rate of Return (IRR)	33%
Payback Period (Yrs.)	3.62
Net Present Value (Rs.)	4,526,588

9.2 Project Financing

Following table provides details of the equity required and variables related to bank loan:

Table 3: Project Financing

Description	Details
Total Equity (50%)	Rs. 2,900,771
Bank Loan (50%)	Rs. 2,900,771
Markup to the Borrower (%age / annum)	16%
Tenure of the Loan (Years)	5

9.3 Project Cost

Following fixed and working capital requirements have been identified for operations of the proposed business.

Table 4: Project Cost

Description	Amount Rs.
Capital Cost	
Machinery & Equipment	185,500
Furniture & Fixture	1,656,240
Office Equipment	1,559,500
Licensing and Legal Fee	1,047,000
Building Security	180,000
Pre-operating Cost	493,303
Total Capital Cost	5,121,543

Working Capital	
Cash	500,000
Up-front Building Rent	180,000
Total Working Capital	680,000
Total Project Cost	5,801,543

9.4 Space Requirement

The space requirement for the proposed high school (franchise) is estimated considering various facilities including management office, staff room, class rooms, store room and open space, etc. It is compulsory to have a campus of minimum 2 kanals for a high school from most of the franchisers. Franchisers normally check the map of building before granting the permission to start business in order to make sure that the building is suitable for a school campus. The Details of space requirement related to land & building is given below:

Table 5: Space Requirement

Description	No.	Area Required (Sq. Ft)
Principal Office	1	250
Admin Office	1	250
Staff Room	1	400
Computer Lab	1	500
Science Lab	1	400
Class Rooms (300 sq. ft. each)	12	3,600
Canteen	1	200
Wash Rooms (36 sq. ft. each)	6	216
Store Room	1	500
Open / Playing Area	1	2,684
Total		9,000

It is proposed to use a rental building in order to avoid high capital cost and risk. The proposed monthly rent for the building of school is taken at Rs. 60,000/- month.

9.5 Machinery & Equipment Requirement

Machinery and equipment for the proposed project are stated below:

Table 6: Machinery & Equipment Requirement

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Water Cooler	01	35,500	35,500
Security Equipment Set	01	150,000	150,000
Total			185,500

9.6 Furniture & Fixtures Requirement

Details of the furniture and fixture required for the project are given below:

Table 7: Furniture & Fixture Requirement

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Furniture:			
Principal Office			
Table & Chair	01	25,000	25,000
Visitor Chairs	04	3,000	12,000
Sofa Set	01	20,000	20,000
Cupboard	01	12,000	12,000
Admin Office			
Tables & Chairs	03	10,000	30,000
Visitors Chairs	06	3,000	18,000
Cupboard	02	10,000	20,000
Staff Room			
Long Table	01	25,000	25,000
Chairs	12	3,000	36,000
Cupboard	01	10,000	10,000
Class Rooms			
Table & Chairs	12	6,000	72,000
Student Desk and Chairs	480	1,500	720,000
White Boards	14	1,200	16,800

Fixtures:			
Soft Board	02	1,000	2,000
Fans	37	2,500	92,500
Exhaust Fans	27	2,200	59,400
Energy Savers (23 Watts)	74	210	15,540
Air Conditioner (1.5 ton Split)	06	45,000	270,000
Renovation of Building	01	200,000	200,000
Total Furniture and Fixture			1,656,240

9.7 Office Equipment Requirement

Following office equipment will be required for High School (Franchise):

Table 8: Office Equipment Requirement

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Desktop Computers with UPS	32	35,000	1,120,000
Computer Printers	03	20,000	60,000
Telephone Sets	03	1,500	4,500
LED for computer Lab	01	50,000	50,000
Generator (Perkins 30 KVA, 4 Cylinder)	01	325,000	325,000
Total			1,559,500

9.8 Human Resource Requirement

In order to run operations of High School (Franchise) smoothly, details of human resources required along with number of employees and monthly salary are recommended as under:

Table 9: Human Resource Requirement

Description	No. of Employees	Monthly Salary per person (Rs.)
CEO/Principal	01	35,000
Operations Admin Manager	01	18,000
Accounts Officer	01	15,000

Admission Officer	01	15,000
Teachers	15	16,000
IT Lab In-Charge	01	14,000
Science Lab In-Charge	01	14,000
Electrician	01	13,000
Security Guards	02	13,000
Office Boys	03	13,000
Total	27	

9.9 Utilities and Other Costs

An essential cost to be borne by the project is the cost of electricity. The electricity expenses and direct electricity for year one are estimated to be around Rs. 145,155 and Rs. 580,618, respectively. Furthermore, promotional expense being essential for marketing of High School (Franchise) is estimated as 03% of revenue.

9.10 Revenue Generation

Based on the capacity utilization of 60%, sales revenue during the first year of operations is estimated in below table. Student drop out ratio is estimated at 5%.

Table 9: Revenue Generation (Year 1)

Revenue Generation from Admission Fee			
Description	No. of Students Admitted	Admission Fee	Total Revenue (Rs.)
No of Students get Admission	264	2,500	660,000
Revenue Generation from Tuition Fee			
Description	No. of Students*	Tuition Fee	Total Revenue (Rs.)
Nursery to Class 3	115	2,000	2,760,000
Class 4 to Class 5	46	2,200	1,214,400
Class 6 to Class 10	92	2,500	2,760,000
Total Revenue			7,394,400
Share of Franchiser (@ 10%)			739,440
Net Revenue			6,654,960

* 5% dropouts have been considered in tuition fee calculation

10 CONTACT DETAILS

In order to facilitate potential investors, contact details of private sector Service Providers relevant to the proposed project be given.

10.1 School Furniture Suppliers

Name	Address	Telephone
Decora Furniture	47-Ferozpur Road, Lahore	+92-42-37554862
Interwood Mobel	117-E-1, Gulberg- III, Lahore	+92-42-35870222- 6549123
Javaid & Co.	29130-Nishter Road, Lahore	+92-42-37653007
Koncept Furniture	Dheerkay By Pass, G.T. Road, Gujrat	+92-300-6233455

11 USEFUL WEB LINKS

Small & Medium Enterprises Development Authority (SMEDA)	www.smeda.org.pk
Government of Pakistan	www.pakistan.gov.pk
Ministry of Industries & Production	www.moip.gov.pk
Ministry of Federal Education and Professional Training	http://moent.gov.pk
Government of Punjab	www.punjab.gov.pk
Government of Sindh	www.sindh.gov.pk
Government of Khyber Pakhtunkhwa	www.khyberpakhtunkhwa.gov.pk
Government of Baluchistan	www.balochistan.gov.pk
Government of Gilgit Baltistan	www.gilgitbaltistan.gov.pk
Government of Azad Jamu Kashmir	www.ajk.gov.pk
Security Commission of Pakistan (SECP)	www.secp.gov.pk
State Bank of Pakistan (SBP)	www.sbp.org.pk
School Education Department, Punjab	http://schools.punjab.gov.pk/

Sindh Education & Literacy Department	http://www.sindheducation.gov.pk/
Elementary and Secondary Education Department, KPK	http://www.kpese.gov.pk/
Education Department, Govt of Baluchistan	http://balochistan.edu.pk/
Allied Schools, Project of Punjab Group of Colleges	http://www.alliedschools.edu.pk/
The Educators, Project of Beacon House	http://www.educators.edu.pk/
The Knowledge School, Project of ILM	http://tks.edu.pk/
The Spirit School, Project of Superior Group of Colleges	http://www.tss.edu.pk/

12 ANNEXURES

12.1 Income Statement

Calculations	SMEDA									
Income Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	6,654,960	9,170,496	12,123,859	13,147,192	14,461,911	15,908,102	17,498,913	19,248,804	21,173,684	23,291,053
<i>Cost of sales</i>										
Operation costs 1 (direct labor)	3,636,000	3,999,600	4,399,560	4,839,516	5,323,468	5,855,814	6,441,396	7,085,535	7,794,089	8,573,498
Operating costs 3 (direct electricity)	580,618	638,680	702,548	772,803	850,083	935,092	1,028,601	1,131,461	1,244,607	1,369,068
Total cost of sales	4,216,618	4,638,280	5,102,108	5,612,319	6,173,551	6,790,906	7,469,997	8,216,996	9,038,696	9,942,566
Gross Profit	2,438,342	4,532,216	7,021,750	7,534,873	8,288,360	9,117,196	10,028,916	11,031,808	12,134,988	13,348,487
<i>General administration & selling expenses</i>										
Administration expense	1,512,000	1,663,200	1,829,520	2,012,472	2,213,719	2,435,091	2,678,600	2,946,460	3,241,106	3,565,217
Administration benefits expense	45,360	49,896	54,886	60,374	66,412	73,053	80,358	88,394	97,233	106,957
Building rental expense	720,000	792,000	871,200	958,320	1,054,152	1,159,567	1,275,524	1,403,076	1,543,384	1,697,722
Electricity expense	145,155	159,670	175,637	193,201	212,521	233,773	257,150	282,865	311,152	342,267
Water expense										
Education Department Fee	9,000	9,900	10,890	11,979	13,177	14,495	15,944	17,538	19,292	21,222
Travelling expense	15,120	16,632	18,295	20,125	22,137	24,351	26,786	29,465	32,411	35,652
Communications expense (phone, fax, mail, internet, etc.)	15,120	16,632	18,295	20,125	22,137	24,351	26,786	29,465	32,411	35,652
Office expenses (stationary, entertainment, janitorial services, etc)	15,120	16,632	18,295	20,125	22,137	24,351	26,786	29,465	32,411	35,652
Promotional expense	199,649	275,115	363,716	394,416	433,857	477,243	524,967	577,464	635,211	698,732
Professional fees (legal, audit, consultants, etc.)	33,275	45,852	60,619	65,736	72,310	79,541	87,495	96,244	105,868	116,455
Depreciation expense	340,124	340,124	340,124	340,124	340,124	340,124	340,124	340,124	340,124	340,124
Amortization of pre-operating costs	98,661	98,661	98,661	98,661	98,661	-	-	-	-	-
Amortization of legal, licensing, and training costs	104,700	104,700	104,700	104,700	104,700	104,700	104,700	104,700	104,700	104,700
Subtotal	3,253,283	3,589,014	3,964,838	4,300,356	4,676,044	4,990,639	5,445,220	5,945,260	6,495,304	7,100,352
Operating Income	(814,941)	943,202	3,056,912	3,234,517	3,612,317	4,126,557	4,583,696	5,086,548	5,639,685	6,248,136
Earnings Before Interest & Taxes	(814,941)	943,202	3,056,912	3,234,517	3,612,317	4,126,557	4,583,696	5,086,548	5,639,685	6,248,136
Interest on short term debt	51,762	51,762	-	-	-	-	-	-	-	-
Interest expense on long term debt (Project Loan)	388,529	326,501	253,936	169,046	69,737	-	-	-	-	-
Interest expense on long term debt (Working Capital Loan)	51,586	43,350	33,716	22,445	9,259	-	-	-	-	-
Subtotal	491,877	421,613	287,652	191,491	78,997	-	-	-	-	-
Earnings Before Tax	(1,306,818)	521,588	2,769,260	3,043,025	3,533,320	4,126,557	4,583,696	5,086,548	5,639,685	6,248,136
Tax	-	12,159	414,815	483,256	605,830	760,467	897,608	1,048,464	1,214,405	1,409,347
NET PROFIT/(LOSS) AFTER TAX	(1,306,818)	509,430	2,354,446	2,559,769	2,927,490	3,366,091	3,686,087	4,038,084	4,425,280	4,838,789
Balance brought forward		(1,306,818)	(797,389)	1,557,057	4,116,826	7,044,317	10,410,407	14,096,494	18,134,578	22,559,858
Total profit available for appropriation	(1,306,818)	(797,389)	1,557,057	4,116,826	7,044,317	10,410,407	14,096,494	18,134,578	22,559,858	27,398,646
Dividend	-	-	-	-	-	-	-	-	-	-
Balance carried forward	(1,306,818)	(797,389)	1,557,057	4,116,826	7,044,317	10,410,407	14,096,494	18,134,578	22,559,858	27,398,646

12.2 Balance Sheet

Calculations											SMEDA
Balance Sheet											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets											
<i>Current assets</i>											
Cash & Bank	500,000	-	50,059	2,326,299	4,579,885	7,153,643	10,822,106	14,796,321	19,106,862	23,787,363	29,329,287
Accounts receivable		546,983	650,361	875,110	1,038,536	1,134,621	1,248,083	1,372,891	1,510,180	1,661,198	1,827,318
Pre-paid building rent	180,000	198,000	217,800	239,580	263,538	289,892	318,881	350,769	385,846	424,431	-
Total Current Assets	680,000	744,983	918,220	3,440,989	5,881,959	8,578,155	12,389,070	16,519,981	21,002,888	25,872,992	31,156,605
<i>Fixed assets</i>											
Building Security	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Machinery & equipment	185,500	166,950	148,400	129,850	111,300	92,750	74,200	55,650	37,100	18,550	-
Furniture & fixtures	1,656,240	1,490,616	1,324,992	1,159,368	993,744	828,120	662,496	496,872	331,248	165,624	-
Office equipment	1,559,500	1,403,550	1,247,600	1,091,650	935,700	779,750	623,800	467,850	311,900	155,950	-
Total Fixed Assets	3,581,240	3,241,116	2,900,992	2,560,868	2,220,744	1,880,620	1,540,496	1,200,372	860,248	520,124	180,000
<i>Intangible assets</i>											
Pre-operation costs	493,303	394,642	295,982	197,321	98,661	-	-	-	-	-	-
Legal, licensing, & training costs	1,047,000	942,300	837,600	732,900	628,200	523,500	418,800	314,100	209,400	104,700	-
Total Intangible Assets	1,540,303	1,336,942	1,133,582	930,221	726,861	523,500	418,800	314,100	209,400	104,700	-
TOTAL ASSETS	5,801,543	5,323,041	4,952,794	6,932,078	8,829,563	10,982,275	14,348,366	18,034,453	22,072,536	26,497,816	31,336,605
Liabilities & Shareholders' Equity											
<i>Current liabilities</i>											
Accounts payable		-	-	-	-	-	-	-	-	-	-
Short term debt	-	609,477	-	-	-	-	-	-	-	-	-
Total Current Liabilities	-	609,477	-	-	-	-	-	-	-	-	-
<i>Other liabilities</i>											
Security (Refundable)		632,500	846,225	1,037,187	1,037,187	1,037,187	1,037,187	1,037,187	1,037,187	1,037,187	1,037,187
Long term debt (Project Loan)	2,560,771	2,195,596	1,768,392	1,268,625	683,967	-	-	-	-	-	-
Long term debt (Working Capital Loan)	340,000	291,515	234,794	168,438	90,812	-	-	-	-	-	-
Total Long Term Liabilities	2,900,771	3,119,611	2,849,411	2,474,250	1,811,966	1,037,187	1,037,187	1,037,187	1,037,187	1,037,187	1,037,187
<i>Shareholders' equity</i>											
Paid-up capital	2,900,771	2,900,771	2,900,771	2,900,771	2,900,771	2,900,771	2,900,771	2,900,771	2,900,771	2,900,771	2,900,771
Retained earnings		(1,306,818)	(797,389)	1,557,057	4,116,826	7,044,317	10,410,407	14,096,494	18,134,578	22,559,858	27,398,646
Total Equity	2,900,771	1,593,953	2,103,383	4,457,828	7,017,598	9,945,088	13,311,179	16,997,266	21,035,349	25,460,629	30,299,418
TOTAL CAPITAL AND LIABILITIES	5,801,543	5,323,041	4,952,794	6,932,078	8,829,563	10,982,275	14,348,366	18,034,453	22,072,536	26,497,816	31,336,605

12.3 Cash Flow Statement

Calculations	SMEDA										
Cash Flow Statement											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Operating activities</i>											
Net profit		(1,306,818)	509,430	2,354,446	2,559,769	2,927,490	3,366,091	3,686,087	4,038,084	4,425,280	4,838,789
Add: depreciation expense		340,124	340,124	340,124	340,124	340,124	340,124	340,124	340,124	340,124	340,124
amortization of pre-operating costs		98,661	98,661	98,661	98,661	98,661	-	-	-	-	-
amortization of training costs		104,700	104,700	104,700	104,700	104,700	104,700	104,700	104,700	104,700	104,700
Accounts receivable		(546,983)	(103,378)	(224,749)	(163,426)	(96,084)	(113,462)	(124,808)	(137,289)	(151,018)	(166,120)
Pre-paid building rent	(180,000)	(18,000)	(19,800)	(21,780)	(23,958)	(26,354)	(28,989)	(31,888)	(35,077)	(38,585)	424,431
Cash provided by operations	(180,000)	(1,328,317)	929,736	2,651,401	2,915,870	3,348,537	3,668,463	3,974,215	4,310,542	4,680,501	5,541,924
<i>Financing activities</i>											
Project Loan - principal repayment		(365,175)	(427,204)	(499,768)	(584,658)	(683,967)	-	-	-	-	-
Working Capital Loan - principal repayment		(48,485)	(56,721)	(66,355)	(77,626)	(90,812)	-	-	-	-	-
Short term debt principal repayment		-	(609,477)	-	-	-	-	-	-	-	-
Security Refundable		632,500	213,725	190,962	-	-	-	-	-	-	-
Additions to Project Loan	2,560,771	-	-	-	-	-	-	-	-	-	-
Additions to Working Capital Loan	340,000	-	-	-	-	-	-	-	-	-	-
Issuance of shares	2,900,771	-	-	-	-	-	-	-	-	-	-
Cash provided by / (used for) financing activities	5,801,543	218,839	(879,677)	(375,161)	(662,284)	(774,779)	-	-	-	-	-
<i>Investing activities</i>											
Capital expenditure	(5,121,543)	-	-	-	-	-	-	-	-	-	-
Cash (used for) / provided by investing activities	(5,121,543)	-	-	-	-	-	-	-	-	-	-
NET CASH	500,000	(1,109,477)	50,059	2,276,240	2,253,586	2,573,758	3,668,463	3,974,215	4,310,542	4,680,501	5,541,924
Cash balance brought forward		500,000	-	50,059	2,326,299	4,579,885	7,153,643	10,822,106	14,796,321	19,106,862	23,787,363
Cash available for appropriation	500,000	(609,477)	50,059	2,326,299	4,579,885	7,153,643	10,822,106	14,796,321	19,106,862	23,787,363	29,329,287
Dividend		-	-	-	-	-	-	-	-	-	-
Cash balance	500,000	(609,477)	50,059	2,326,299	4,579,885	7,153,643	10,822,106	14,796,321	19,106,862	23,787,363	29,329,287
Cash carried forward	500,000	-	50,059	2,326,299	4,579,885	7,153,643	10,822,106	14,796,321	19,106,862	23,787,363	29,329,287

13 KEY ASSUMPTIONS

13.1 Operating Cost Assumptions

Description	Details
Administration Benefit Expenses	3% of Administration Cost
Office Expenses (Stationery, Entertainment etc)	1% of Administration expenses
Communication Expenses	1% of Administration Cost
Promotional Expenses	3% of Revenue
Professional Fee	0.5% of Revenues
Depreciation Method	Accelerated depreciation
Depreciation Rate	10% on Machinery 10% on Office Equipment 10% on Furniture & Fixture
Inflation Growth Rate	10%
Electricity Price Growth Rate	10%
Salaries Growth Rate	10%

13.2 Revenue Assumptions

Description	Details
Growth in Sales Price	10%
Days Operational / Year	330
Maximum Operational Capacity	480 Students
Production Capacity in First Year	60%
Percentage Increase in Production Capacity every Year	15%
Maximum Production Capacity	90%
Student Drop Out ratio	05%

13.3 Financial Assumptions

Description	Details
Debt	50%
Equity	50%
Interest Rate on Debt	16%
Debt Tenure	5 Years
Debt Payment / Year	4