



Pre-feasibility Study

COWORKING SPACE

December 2022

“The figures and financial projections are approximate due to fluctuations in exchange rates, energy costs, and fuel prices etc. Users are advised to focus on understanding essential elements such as production processes and capacities, space, machinery, human resources, and raw material etc. requirements. Project investment, operating costs, and revenues can change daily. For accurate financial calculations, utilize financial calculators on SMEDA’s website and consult financial experts to stay current with market conditions.”

Small and Medium Enterprises Development Authority
Ministry of Industries and Production
Government of Pakistan

Table of Contents

1. DISCLAIMER	5
2. EXECUTIVE SUMMARY	6
3. INTRODUCTION TO SMEDA	7
4. PURPOSE OF THE DOCUMENT	8
5. BRIEF DESCRIPTION OF PROJECT & SERVICES.....	8
5.1. Process Flow.....	13
5.2. Installed and Operational Capacities	14
6. CRITICAL FACTORS	16
7. GEOGRAPHICAL POTENTIAL FOR INVESTMENT	16
8. POTENTIAL TARGET MARKETS.....	16
9. PROJECT COST SUMMARY	18
9.1. Project Economics	18
9.2. Project Cost.....	18
9.2.1 Land	19
9.2.2 Building Construction and Renovation Cost	19
9.2.3 Machinery and Equipment.....	20
9.2.4 Furniture & Fixtures	20
9.2.5 Office Equipment	21
9.2.6 Office Vehicles	22
9.2.7 IT Equipment	23
9.2.8 Pre-Operating Cost.....	24
9.2.9 Security against Building & Parking Area Land	24
9.3. Financial Feasibility Analysis.....	24
9.4. Financial Feasibility Debt Financing.....	25
9.5. Breakeven Analysis	25
9.6. Revenue Generation.....	25
9.7. Variable Cost Estimate.....	26
9.8. Fixed Cost Estimate.....	27
9.9. Human Resource Requirement	28
10. CONTACT DETAILS.....	29
11. USEFUL LINKS	31
12. ANNEXURES	32
12.1. Income Statement	32
12.2. Balance Sheet	33
12.3. Cash Flow Statement	34

13. KEY ASSUMPTIONS.....	35
13.1. Operating Cost Assumptions.....	35
13.2. Revenue Assumptions	35
13.3. Financial Assumptions	35
13.4. Debt related Assumptions.....	35

Table of Tables

Table 1: Installed and Operational Capacity	15
Table 2: Capacity Assumptions	15
Table 3: Project Cost	18
Table 4: Breakup of Space Requirement	19
Table 5: Construction and Renovation Cost	20
Table 6: Machinery and Equipment	20
Table 7: Coworking Office Furniture and Fixtures	20
Table 8: General Furniture and Fixtures	21
Table 9: Coworking Office Equipment	21
Table 10: General Office Equipment.....	22
Table 11: Office Vehicles	22
Table 12: Coworking IT Equipment.....	23
Table 13: General IT Equipment.....	23
Table 14: Pre-Operating Cost	24
Table 15: Security against Building and Parking Area Land.....	24
Table 16: Financial Feasibility Analysis.....	24
Table 17: Financial Feasibility Debt Financing.....	25
Table 18: Breakeven Analysis.....	25
Table 19: Revenue Generation.....	25
Table 20: Variable Cost Estimate	26
Table 21: Consumables	26
Table 22: Fixed Cost Estimate	27
Table 23: Human Resource Requirement.....	28
Table 24: Coworking Spaces	29
Table 25: Equipment Suppliers.....	30
Table 26: Useful Links	31
Table 27: Operating Cost Assumptions.....	35
Table 28: Revenue Assumptions.....	35
Table 29: Financial Assumptions.....	35
Table 30: Debt Related Assumptions	35

Table of Figures

Figure 1: Shared Space	11
Figure 2: Dedicated Desks	11
Figure 3: Private Office.....	12
Figure 4: Conference Room	13
Figure 5: Growth in Pakistan Freelancers' Revenue.....	17

1. DISCLAIMER

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Document Control

Document No.	279
Prepared by	SMEDA-Punjab (OS)
Revision Date	December 2022
For information	helpdesk.punjab@smeda.org.pk

2. EXECUTIVE SUMMARY

Coworking is a term used to describe a working arrangement in which people from different businesses, companies and backgrounds come together to work in a single shared space. The term “coworking” was first used in 1995 and the first designated coworking space was opened in San Francisco in 2005. Coworking spaces mostly attract self-employed freelancers, startups and web entrepreneurs searching for an alternative to working from coffee shops, business centers and home offices.

Coworking space offers the same amenities available in formal offices, and provides flexibility, since workers do not have to engage in long-term lease agreements to acquire decent working space. Coworking spaces offer basic facilities like shared working spaces, Wi-Fi, printers, meeting rooms, conference halls and have arrangements to provide tea, coffee and snacks to the workers and their guests. The concept of Coworking is beneficial for both the companies and the employees/workers. For companies, the major benefit is the cost saving when compared with the option of setting up an independent office. For the employees/workers, Coworking concept offers the freedom to work in a way that is best suited to one’s specific needs, at a reasonably affordable cost.

Over the past two decades, Coworking has become a global phenomenon and Coworking spaces have evolved to keep up with the changing work styles. Evidence shows that Coworking spaces considerably improves a person’s professional productivity, making shared offices not only economically worthwhile, but also an important component of effective business growth strategy. It helps in expanding professional network with other businesses and individuals to expedite growth. It also provides the services of support staff and many other facilities that are normally available only in the offices of the large companies.

This “Pre-feasibility Document” provides details for setting up a business of Coworking Space. It may be established in larger cities such as Lahore, Karachi, Islamabad, Peshawar, Quetta, Faisalabad, Hyderabad, Multan and other metropolitan cities.

Coworking space concept has already been introduced in Pakistan and number of such spaces exist in larger cities of the country. Some important names operating in this business are COLABS, Daftarkhwan, Zi Space, Kickstart, Coloc Work, GitMit, Sand Box, The Hive, La Oficina coworking space, The Bullpen, Binary coworking space, COWO, Daftar Coworking, etc.

The proposed project provides the shared Coworking space, dedicated space, conference rooms and private offices. The shared place will be available to individuals for 24 hours, 7 days a week. A proper fixed dedicated space is provided to individuals on monthly charges. Furthermore, conference hall facility is also available on an hourly basis, for holding official meetings.

The study provides information about a “Co-working Space” set up in a rented area of 13,500 square feet. The project requires a total investment of PKR 55.67 million. This includes capital investment of PKR 52.58 million and working capital of PKR 3.09

million. This project is financed through 100% equity. The Net Present Value (NPV) of project is PKR 66.48 million with an Internal Rate of Return (IRR) of 48% and a Payback period of 3.01 years. Further, this project is expected to generate Gross Annual Revenues of PKR 59.56 million during 1st year, with Gross Profit (GP) ratio ranging from 30% to 56% and Net Profit (NP) ratio ranging from 1% to 40% during the projection period of ten years. The proposed project will achieve its estimated breakeven point at capacity of 59% (1,699 Bookings) with breakeven revenue of PKR 58.85 million.

The proposed project may also be established using leveraged financing. With 50% debt financing, at a cost of KIBOR+3%, the proposed Coworking space business provides Net Present Value (NPV) of PKR 78.70 million, Internal Rate of Return (IRR) of 45% and Payback period of 3.12 years. Further, this project is expected to generate Net Profit (NP) ratio ranging from 1% to 40% during the projection period of ten years. The proposed project will achieve its estimated breakeven point at capacity of 59% (1,706 Bookings) with breakeven revenues of PKR 59.07 million.

The proposed project will provide employment opportunities to 31 people. High return on investment and steady growth of business is expected with the entrepreneur having some prior experience similar businesses. The legal business status of this project is proposed as "Sole Proprietorship". Further, the proposed project may also be established as a "Partnership Concern".

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.

National Business Development Program for SMEs (NBDP) is a project of SMEDA, funded through Public Sector Development Program of Government of Pakistan.

The NBDP envisages provision of handholding support / business development services to SMEs to promote business startup, improvement of efficiencies in existing

SME value chains to make them globally competitive and provide conducive business environment through evidence-based policy-assistance to the Government of Pakistan. The Project is objectively designed to support SMEDA's capacity of providing an effective handholding to SMEs. The proposed program is aimed at facilitating around 314,000 SME beneficiaries over a period of five years.

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 provide information to the potential investors about “Coworking Spaces”. The document provides a general understanding of the business to facilitate potential investors in crucial and effective investment decisions.

The need to come up with pre-feasibility reports for undocumented or minimally documented sectors attain 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 setup and its successful management.

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

5. BRIEF DESCRIPTION OF PROJECT & SERVICES

Coworking space is defined as an “office sharing arrangement where people from different companies, professional backgrounds, and interests work in the same place together”. The concept of Coworking is not new as it also existed hundreds of years ago when writers and artists used to establish communities to practice their skills and networks. However, the Coworking concept started getting popular in the modern age in 2005. The term “coworking” was first used in 1995 and the first designated coworking space was opened in San Francisco in 2005. Coworking spaces mostly attract self-employed freelancers, startups and web entrepreneurs searching for an alternative to working from coffee shops, business centers and home offices.

Coworking space concept has already been introduced in Pakistan and number of such spaces exist in larger cities of the country. Some important names operating in this business are COLABS, Daftarkhwan, Zi Space, Kickstart, Coloc Work, GitMit, Sand Box, The Hive, La Oficina coworking space, The Bullpen, Binary Coworking Space, COWO, Daftar Coworking, etc.

A Coworking space provides a shared workplace to customers on specified charges on an hourly, weekly or monthly basis. There are four successful business models for Coworking spaces practiced around the world.

The first business model is the one that generates revenue from membership fees for renting a workspace. These fees can be calculated according to the time spent by the users. Rent may be charged on daily, monthly, quarterly, or annual basis. Such an arrangement allows the members to use basic or more advanced amenities of the Coworking space.

The second business model is based on renting amenities and equipment which may include private audio or video call cabins, lockers, private offices with full equipment, mailboxes, kitchens, and refrigerator rooms, as well as social spaces that can be rented at discounted fees to regular members. Equipment rentals may be charged for telephone lines, video, and audio equipment for the conference rooms, printers, computers, and even cloud storage for startups that need larger data resources.

The third business model is a membership package that includes collaborative business models with local amenities, for instance food spots, bars and clubs, gym and fitness locations, outdoor activities, transportation, medical assistance, and alternative revenue sources that meet the needs of a member and that can be easily incorporated into the basic package.

The fourth business model focuses on conference room rentals; adapting a conference room to serve multiple purposes. Conference rooms can be rented for business purposes, such as holding meetings, training staff, making video presentations, or for any alternative social events. Giving discounts to members/customers is also a norm in this sector. The reason for providing discounts is to achieve longer memberships to reward loyalty or give group discounts to make profits by serving larger number of members/customers.

Provision of properly organized workplace facilities and a conducive work environment are the key elements of a successful Coworking space business. Coworking spaces provide small businesses, independent contractors, and other workers a space to get work done, create networks with their local business community. Ranging from having individual meetings other business professionals to large company meetings for collaborating on independent projects, coworking spaces can function as a shared location where people with varying business ideas can get together and work, while learning from each other's experiences. Joining a coworking space means pursuing a new opportunity and participating in a community of business professionalism.

For any business, an entrepreneur needs large investment for creating a proper office setup. Most of the small businesses are not able to invest such large sums of money. Cost-efficiency is the crucial benefit to small businesses, since by adopting coworking space option, they can avoid getting locked into expensive rental agreements. For such customers, the coworking spaces offer much-required support to start and run

the business with lesser capital and help to initiate the business with smaller capital in a proper organized workplace.

Coworking space provides the opportunity to connect people with diverse backgrounds with each other. Individuals from different professions like consultants, programmers, graphic designers, web designers, fashion designers, engineers, architects, traders, etc. work under the same roof which helps in increasing creativity in the work environment. While working from a home or independent office, one may be depriving himself from some important and useful connections needed to drive the growth of business. By going to working space, an individual can increase his/her productivity. Many coworking spaces are accessible 24/7, which supports boosting the creativity of individuals.

The proposed Coworking business provides shared work spaces, dedicated work spaces, private offices, and conference rooms. Shared work spaces, dedicated spaces, and private rooms are charged on monthly basis and conference rooms are charged on hourly basis. The individuals can use private offices, dedicated desks, and shared work spaces 24/7 as per their personal convenience. The person paying for working spaces, dedicated desks, and private offices can use his/her place at any time and no one is allowed to occupy the space reserved for him/her in the facility. Conference rooms facilities are charged on hourly basis according to the requirements of the customers.

In the proposed Coworking space, high-speed 100 MB internet connection through Wi-Fi is provided to the customers. 14 Wi-Fi connections and routers are proposed to be operational for providing easy connectivity to everyone working at the facility. Other facilities, including cafeteria, kitchen, lounge rest area, washrooms, and valet parking are also provided to the customers. Furthermore, support of office boys is also available to the customers.

Work Spaces

Coworking is best suited for freelancers, solopreneurs¹ and small startups that demand flexibility and need to build networking. Coworking spaces are well-equipped office spaces shared by individuals from different professions. In addition, such spaces have in-house professional staff to take care of individuals' needs, enabling them to solely focus on their work. The proposed project provides two types of working spaces, a shared space and dedicated spaces.

Shared Space

The proposed shared space has a seating capacity of 152. In the shared area, each individual can be assigned one seat and the seats or workstations are not fixed for any individual; meaning thereby that anyone may sit at any available seat as per the availability at any particular time. A shared working space is shown in Figure 1.

¹ **Solopreneurs** are individuals who organize, manage, and assume the risks of a business or enterprise without the help of a partner

Figure 1: Shared Space**Dedicated Desk**

A dedicated desk in a Coworking space is a workstation that can only be used by the person who has acquired it with a 24/7 access. For the membership period, no one else but only that individual is allowed to use the desk and the related amenities. A dedicated desk allows the individual to have a quiet spot to complete her work with focus. When the person is not in office, the spot is left vacant, and no one is allowed to use that space. Typically, dedicated desks are allocated in one section of the shared workplace instead of being interspersed with shared spaces. It ensures that person gets an environment free of any distractions. Dedicated desks are shown in Figure 2.

Figure 2: Dedicated Desks

Private Offices

The proposed Coworking space business also offers private offices which provide people with the privacy of a traditional office setup while being equipped with all the amenities available to the shared space customers. Furthermore, as the people using shared space and private offices are in the same building, it also helps build connections between individuals which help them to build their professional networks.

Private offices are fully furnished offices with such spatial layouts offering space, flexibility and customization to better suit the customer's requirements. Small, medium and large offices may be provided as per specific requirements of the customers i.e., the size of these office is based on the number of people members/customers who need to be accommodated in that office. A private office in a Coworking space is shown in Figure 3.

Figure 3: Private Office



Conference Room

Meetings constitute an integral part of communication within an organization. Special hours are dedicated for managers and subordinates to plan business strategies and share viewpoints and progress. Conference rooms are used for conducting meetings, holding training sessions, general meetings, or brainstorming sessions. Conference rooms are furnished with presentation equipment such as projector; projection screens, whiteboards, flip chart boards, laptops, smart LED TV with HDMI support. A typical conference room is shown in Figure 4.

Figure 4: Conference Room

5.1. Process Flow

A brief description of the process flow of Coworking Space business is provided below:

Customer's Inquiry

The customer inquires about the details of the services being provided and the charges of different types of spaces available in the facility. Initial inquiry may be done through call or social media platforms. The customer then may also visit the facility to see on-ground situation and may also get feedback from the people already using those services and facilities.

Registration and Form Filling

The customer willing to get a space in the facility fills a standard form, providing his personal details and the details of the required services.

Payment

Payment is to be made on a monthly basis, in advance, by the customer, before he/she may start using the office space. For some large customers, the option of making payment in two installments during a month may also be considered.

5.2. Installed and Operational Capacities

The proposed center has a maximum capacity of 6,868 annual bookings which include 1,824 bookings of shared working spaces, 912 bookings of dedicated spaces, 132 bookings of private offices and 4,000 bookings of conference rooms. It is assumed that the proposed facility will be able to achieve 60% capacity utilization during the first operational year, which translates into total of 4,120 annual bookings, including 1,094 bookings of shared working spaces, 547 bookings of dedicated spaces, 79 bookings of private offices and 2,400 bookings of conference rooms. The operational capacity utilization is assumed to increase at the rate of 10% per annum to reach a maximum capacity of 90% in year 4. The proposed project will be operational for 350 days annually with 8 working hours per day. Of the 8 working hours, the conference rooms are assumed to be rented out for 4 hours per day whereas, for the remaining 4 hours, the conference rooms are assumed to be used by the existing customers of the Coworking Space facility. Conference room facility is available only to the customers using private offices or dedicated spaces.

Table 1 shows details of maximum annual capacity and operational capacity utilized during first year of operations.

Table 1: Installed and Operational Capacity

Particulars	Number of Spaces	Basis for per annum	Spaces Available per Annum @ 100%	Spaces Available per Annum @ 60%
Monthly Basis	A (Table 2)		$B=A*12$	$C=B*60\%$
Shared working Spaces	152	12 months	1,824	1,094
Dedicated Spaces	76	12 months	912	547
Private Offices	11	12 months	132	79
Hourly Basis	A (Table 2)		$B=A*4*250$	$C=B*60\%$
Conference Room*	4	250 days-4 working hours	4,000	2,400

*Note: The computation of spaces available per annum for conference rooms is done with respect to 250 days rather than 350 days, keeping in mind the public holidays during a year and the fact that normally they are not booked on weekends.

Table 2: Capacity Assumptions

Break-up of Land Area	Total Area (Sq. ft)	Area required for single Space (Sq. ft)	Number of Spaces
<i>Formulas</i>	A	B	$C=A/B$
Shared working Spaces	3,800	25	152
Dedicated Spaces	3,800	50	76
Private Offices	2,500	225	11
Conference Rooms	1,200	300	4

6. CRITICAL FACTORS

The following factors should be considered while making investment decision:

- Competitive pricing strategy
- High quality services, in line with customers' expectations
- Good knowledge about target audience
- Good location, having convenient access and close to prospective customers
- Keeping organized track of records
- Courteous behavior of staff with the clients
- Continuous feedback from the clients to continuously improve service quality

7. GEOGRAPHICAL POTENTIAL FOR INVESTMENT

The proposed "Coworking Space" may be established in any of the major cities of Pakistan, such as Karachi, Lahore, Islamabad, Peshawar, Multan, Quetta, Rawalpindi, Hyderabad, Sialkot, Faisalabad, Gujranwala, etc. It is because majority of public and private businesses operate in these cities. In addition to large cities, the project may also be established in some smaller cities all over Pakistan where small businesses exist. Establishing the proposed business in above mentioned cities will be helpful in capturing a large share of market since there are many small startups, which are switching away from conventional workplaces towards more economical Coworking spaces.

8. POTENTIAL TARGET MARKETS

Small and medium businesses are the major customers of Coworking Space businesses and remote offices. One of the needs in this regard is getting a temporary work space for employees hired for some special projects, being implemented out of town. In such cases, the companies need a branch office in the same city/town where most of their employees live to facilitate them. Since it is very expensive to open a new branch, so they prefer to acquire Coworking space which offers an economical solution.

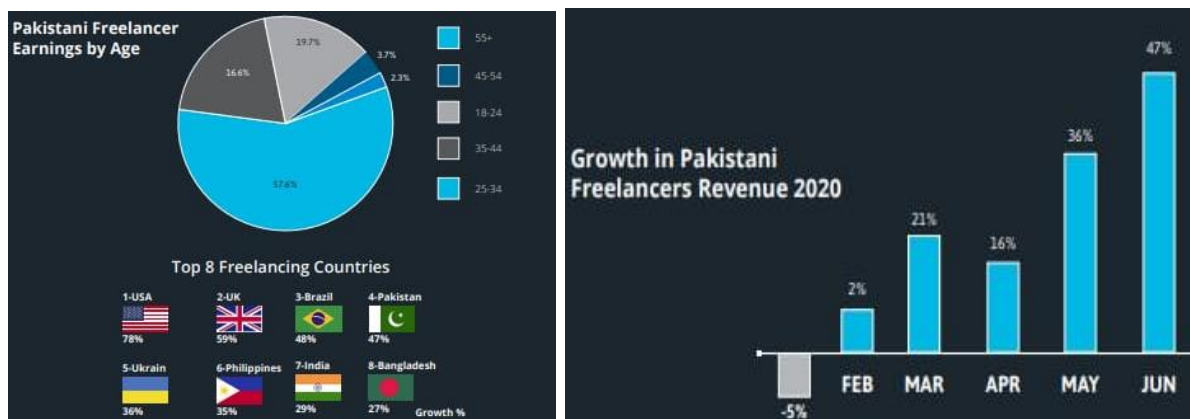
Currently, there are many UK and US based companies operating in Pakistan. These companies find it more convenient to use Coworking spaces to set up their offices which helps them in saving time and capital, which in turn can be used on running business operations more efficiently. The capital which is spent on preparation, renovation and furniture for the offices can be spent on regular business operations and growth projects.

Furthermore, freelancers are also the major potential customers of such facilities as they work remotely and find it very helpful and productive if a proper environment and

professional workplace is available for them nearby. There has been an increase in trend of freelancing over the past decade in Pakistan. It has been a major catalyst for rise in popularity of Coworking and shared office spaces in major cities of Pakistan. Many people are now interested to work in shared environment due to reduction in cost, availability of better facilities, prospects of creating better professional networks and connections which might help in providing them various new growth opportunities. Pakistan was ranked as the fourth fastest growing freelance market in the second quarter of 2018. The national community of freelancers has generated \$216.788 million by exporting their services from July to December during the fiscal year 2021-22, which is almost a 16.74% rise from last year's earnings for the same period.²

Pakistan Software Export Board (PSEB) has issued a detailed report reviewing the IT Industry and highlighting key facts and figures regarding its achievements. A section of the report titled "Freelancer, A Workforce in Acceleration" reveals an exponential growth in the number of freelancers in Pakistan which has resulted in revenue of \$150 million earned by freelancers in 2019-20. Figure 5 shows growth in Pakistan freelancers' revenue for 2020.

Figure 5: Growth in Pakistan Freelancers' Revenue



The Coworking market is growing at 15% per year but is still only 3-5% of the office market because coworking is still in its early growth stage.³ The global Coworking space market size is expected to grow from \$13.60 billion in 2021 to \$16.17 billion in 2022 at a compounded annual growth rate (CAGR) of 18.9% The market is expected to reach \$30.36 billion in 2026 at a CAGR of 17.0%.⁴

There were an estimated 19,000 Coworking spaces around the world in 2019. According to projections, there will be around 42,000 Coworking spaces worldwide by the end of 2024.⁵ The overall market size of Coworking spaces worldwide in 2021 was nearly seven billion US dollars. The overall market size worldwide is predicted to grow

² <https://www.zameen.com/blog/freelancing-in-pakistan.html>

³ <https://www.upsuite.com/blog/find-your-target-market-for-coworking-spaces/>

⁴ [https://www.thebusinessresearchcompany.com/press-release/coworking-space-market-2022#:~:text=The%20global%20coworking%20space%20market,\(CAGR\)%20of%2018.9%25.](https://www.thebusinessresearchcompany.com/press-release/coworking-space-market-2022#:~:text=The%20global%20coworking%20space%20market,(CAGR)%20of%2018.9%25.)

⁵ <https://www.statista.com/statistics/554273/number-of-coworking-spaces-worldwide/>

several times reaching US\$ 24 billion in 2030, showing a remarkable increase in demand for such spaces all around the globe. In Pakistan, Coworking concept is in its early stage of growth. In line with the global trends, it is expected that demand for coworking facilities is going to increase in the years to come.

9. PROJECT COST SUMMARY

A detailed financial model has been developed to analyze the commercial viability of a Coworking Space. Various costs and revenue related assumptions along with results of the analysis are outlined in this section.

The projected Income Statement, Cost of Goods Sold, Cash Flow Statement and Balance Sheet are attached as Annexure.

9.1. Project Economics

All the figures in this financial model have been calculated after carefully taking into account the relevant assumptions and target market.

9.2. Project Cost

Total cost of the project has been calculated to be PKR 55.67 million. The project will be financed through 100% Equity. Table 3 provides the details of the costs calculated for the proposed production unit.

Table 3: Project Cost

Description	Amount (PKR)	Reference
Land	-	9.2.1
Building / Infrastructure	7,136,286	9.2.2
Machinery and Equipment	1,000,000	9.2.3
Furniture & Fixtures	21,140,000	9.2.4
Office Equipment	7,738,500	9.2.5
Office Vehicles	3,266,000	9.2.6
IT Equipment	6,438,000	9.2.7
Pre-operating Costs	2,591,161	9.2.8
Security against building	3,270,000	9.2.9
Total Capital Cost	52,579,946	
Working capital		
Consumables inventory	85,150	
Cash	3,000,000	
Total Working capital	3,085,150	
Total Project Cost (PKR)	55,665,096	

9.2.1 Land

The proposed Coworking Space will be established in a rented building to avoid the high cost. Suitable buildings for setting up a facility like this can be easily found on rent. Therefore, no land cost has been added to the project cost. Total space requirement for the proposed unit has been estimated as 13,500 sq. ft. The breakup of the space requirement is provided in Table 4. Furthermore, a land of 2,250 sq. ft. will be rented for parking area for employees and customers.

Table 4: Breakup of Space Requirement

Break-up of Land Area	Number	% Break-up	Area (Sq. Ft.)
Executive office	1	2%	225
Admin/Accounts/Marketing Department	1	6%	750
Dedicated Single Spaces	1	28%	3,800
Shared Working Spaces	1	28%	3,800
Conference Rooms	4	9%	1,200
Private Offices	11	19%	2,500
Kitchen	1	1%	100
Lounge/ Rest Area	1	3%	338
Cafeteria	1	3%	338
Male Washroom	5	2%	225
Female Washroom	5	2%	225
Total Area		100%	13,500

9.2.2 Building Construction and Renovation Cost

There will be no construction cost of building since the proposed facility will be established in a rented building. However, there will be a renovation cost; required to make the building usable for the business. The proposed project requires electricity load of around 78 KW for which an electricity connection under the General Supply Tariff-Commercial three-phase will be required. Building rent of PKR 1,000,000 per month and land rent for parking area pf PKR 90,000 per month has been included in the operating cost. Building renovation cost is shown in Table 5.

Table 5: Construction and Renovation Cost

Cost Item	Unit of Measurement	Total Units	Cost/Unit (PKR)	Total Cost (PKR)
Paint Cost	Litre	410	800	327,857
Labour Cost	Sq. Feet	40,882	15	613,232
Blinds	Number	12	7,000	84,000
Glass Partition and Doors	Sq. Feet	4,471	650	2,906,196
Carpet	Sq. Feet	8,813	80	705,000
Decoration Cost ⁶				2,500,000
Total (PKR)				7,136,286

9.2.3 Machinery and Equipment

Table 6 provides details of machinery and equipment required for the project.

Table 6: Machinery and Equipment

Cost Item	Number	Unit Cost (PKR)	Total Cost (PKR)
Generator (Diesel) 25 KVA	1	1,000,000	1,000,000
Total			1,000,000

9.2.4 Furniture & Fixtures

Table 7 and Table 8 provides details of the furniture and fixture requirement of the project.

Table 7: Coworking Office Furniture and Fixtures

Cost Item	No.	Unit Cost (PKR)	Total Cost (PKR)
Conference Table	4	100,000	400,000
Shared Working Space Tables	19	60,000	1,140,000
Dedicated and Private Rooms Table	239	30,000	7,170,000
Office Chairs	391	25,000	9,775,000
Sofa Set- Private Offices	11	45,000	495,000
Racks	15	15,000	225,000

⁶Decoration Cost includes cost for paintings, decorative articles and showpieces, wallpapers, tiles, wall paintings and artwork etc.

Sofa Set- Lounge	3	45,000	135,000
Chairs-Lounge	10	15,000	150,000
Tables-Lounge	3	20,000	60,000
Total			19,550,000

Table 8: General Furniture and Fixtures

Cost Item	No.	Unit Cost (PKR)	Total Cost (PKR)
Executive Tables	3	80,000	240,000
Executive Chairs	3	30,000	90,000
Office Table	5	30,000	150,000
Office Chairs	27	25,000	675,000
Sofa Set	3	45,000	135,000
Racks	20	15,000	300,000
Total			1,590,000

9.2.5 Office Equipment

Details of office equipment required for the project are provided in Table 9 and Table 10.

Table 9: Coworking Office Equipment

Cost Item	Units	Unit Cost(PKR)	Total Cost (PKR)
Laptops-Conference Rooms	4	150,000	600,000
Air Conditioners-1.5 ton	43	105,000	4,515,000
Bracket Fan	14	10,500	147,000
Ceiling Fan	35	8,000	280,000
Water Dispenser	9	24,000	216,000
Wi-Fi / Internet Router	14	3,500	49,000
LED Bulbs	565	300	169,500
Microwave Oven	3	25,000	75,000
Fridge	2	80,000	160,000
Coffee Maker	2	25,000	50,000
Batteries 12V	5	25,000	125,000

10 Cell Lockers	11	25,000	275,000
Projectors	4	72,000	288,000
Screen for Projector	4	9,500	38,000
Kitchen accessories*			100,000
Total			7,087,500

*Note: Kitchen accessories include crockery, cutlery, toasters, ice makers, and tea kettles etc.

Table 10: General Office Equipment

Cost Item	Units	Unit Cost(PKR)	Total Cost (PKR)
Air Conditioners-1.5 ton	3	105,000	315,000
Exhaust Fan	13	4,500	58,500
Bracket Fan	4	10,500	42,000
Ceiling Fan	10	8,000	80,000
Water Dispenser	1	24,000	24,000
Wi-Fi / Internet Router	1	3,500	3,500
LED Bulbs	210	300	63,000
UPS 5 Kva	1	40,000	40,000
Batteries 12V	1	25,000	25,000
Total			651,000

9.2.6 Office Vehicles

Details of office vehicle required for the project are provided in Table 11.

Table 11: Office Vehicles

Cost Item	Units	Unit Cost (PKR)	Total Cost (PKR)
Motorcycle	3	126,000	378,000
Car (1000 cc)	1	2,800,000	2,800,000
Registration Bike		6,000	18,000
Registration Car		70,000	70,000
Total Cost (PKR)			3,266,000

9.2.7 IT Equipment

Details of IT Equipment required for the project are provided in Table 12 and Table 13.

Table 12: Coworking IT Equipment

Cost Item	Units	Unit Cost (PKR)	Total Cost (PKR)
Printers	34	40,000	1,360,000
Miscellaneous Conference System	80	18,000	1,440,000
Desktop Computers	5	50,000	250,000
CCTV Cameras (2MP)	45	3,000	135,000
DVR	3	12,000	36,000
LED TV (32") Lounges	15	45,000	675,000
LED TV (43") Conference Room	4	70,000	280,000
Biometric Scanner - Private Offices	11	30,000	330,000
Total Cost (PKR)			4,506,000

Table 13: General IT Equipment

Cost Item	Units	Unit Cost (PKR)	Total Cost (PKR)
Laptops	8	150,000	1,200,000
Desktop Computers	7	50,000	350,000
Office Printer	2	40,000	80,000
CCTV Cameras (2MP)	15	3,000	45,000
DVR	1	12,000	12,000
LED TV (32")- CCTV	1	45,000	45,000
LED TV (43")	2	70,000	140,000
Biometric Scanner	2	30,000	60,000
Total Cost (PKR)			1,932,000

9.2.8 Pre-Operating Cost

Details of pre-operating cost for the project are provided in Table 14.

Table 14: Pre-Operating Cost

Cost Item	Total Cost (PKR)
Administration expense	1,300,000
Utilities expense	291,161
Interior Designer – fee	1,000,000
Total	2,591,161

9.2.9 Security against Building & Parking Area Land

Details of security against building and parking area and for the project are provided in Table 15.

Table 15: Security against Building and Parking Area Land

Cost Item	Months	Unit Cost / Month (PKR)	Total Cost (PKR)
Security against Building	3	1,000,000	3,000,000
Security against Land – Parking Area	3	90,000	270,000
Total			3,270,000

9.3. Financial Feasibility Analysis

The financial feasibility analysis given in Table 16 provides the information regarding projected IRR, NPV and payback period of the study based on 100% equity.

Table 16: Financial Feasibility Analysis

Description	Project
IRR	48%
NPV (PKR)	66,481,814
Payback Period (years)	3.01
Projection Years	10
Discount Rate used for NPV	25%

9.4. Financial Feasibility Debt Financing

Table 17 provides the information regarding projected IRR, NPV and payback period of the study based on combination of equity (50%) and debt (50%) financing for the proposed project.

Table 17: Financial Feasibility Debt Financing

Description	Project
IRR	45%
NPV (PKR)	78,698,091
Payback Period (years)	3.12
Projection Years	10
Discount Rate used for NPV	22%

9.5. Breakeven Analysis

Breakeven analysis is provided in Table 18.

Table 18: Breakeven Analysis

Particulars	Amount First Year (PKR)	Ratio
Sales (PKR) – A	59,558,000	100%
Variable Cost (PKR) – B	24,028,437	40%
Contribution (PKR) (A-B) = C	35,529,563	60%
Fixed Cost (PKR) – D	35,105,316	59%
Break Even Revenue (PKR) (D/CM) =E	58,846,837	
Breakeven Units		1,699
Breakeven Capacity		59%

9.6. Revenue Generation

Based on the 60% capacity utilization of the unit, sales revenues during the first year of operations is estimated in Table 19.

Table 19: Revenue Generation

Product	Number of Bookings (A)	Charges Per booking (PKR) (B)	Total Revenue (PKR) (A*B)
Monthly Basis			
Shared Working Space	1,094	22,000	24,068,000

Dedicated Space	547	30,000	16,410,000
Private Offices	79	120,000	9,480,000
Hourly Basis			
Conference Room	2,400	4,000	9,600,000
Total			59,558,000

9.7. Variable Cost Estimate

Variable costs of the project have been provided in detail in Table 20.

Table 20: Variable Cost Estimate

Variable Cost	Cost (PKR)
Operational Cost-1 Direct Electricity	2,096,356
Operational Cost-2 Direct Labour	15,120,000
Operational Cost-4 Generator Fuel Cost	314,453
Operational Cost-5 (Entertainment/Refreshment Expense/Stationery)	824,160
Operational Cost-6 Communication Cost (Wi Fi)	1,344,000
Operational Cost-7 Repair and Maintenance of Building	356,814
Operational Cost-8 Repair and Maintenance of Furniture & Fixtures	1,057,000
Operational Cost-9 Repair and Maintenance of Office Equipment	619,080
Operational Cost-10 Repair and Maintenance of IT Network and Equipment	193,140
Consumables	1,021,800
Office vehicle running and maint. Expense	502,633
Office expenses (software, ticketing, stationery, entertainment, janitorial services, etc.)	579,000
Total Variable Cost (PKR)	24,028,437

Table 21: Consumables

Cost Item	Units	Unit Cost (PKR)	Total Cost (PKR)
Stationery			
A4 Paper Rim	100	850	85,000
Pen/Ballpoints	200	20	4,000

Markers	100	25	2,500
Highlighter	70	150	10,500
Correction Pen (Whitener)	70	70	4,900
Sub total			106,900
IT Spares			
Printers toners	108	6,500	702,000
Mouse	20	1,000	20,000
Mouse pad	20	150	3,000
Keyboards	10	2,450	24,500
Sub total			749,500
Cleaning Accessories			
Mop	60	650	39,000
Bucket	24	600	14,400
Besoms	36	400	14,400
Phenyle (3 Ltr)	100	400	40,000
Wiper	48	600	28,800
Cob Web Cleaner	12	300	3,600
Window Cleaning Wiper	24	350	8,400
Window Cleaner Chemical	84	200	16,800
Sub total			165,400
Total			1,021,800

9.8. Fixed Cost Estimate

Table 22 provides details of fixed cost for the project.

Table 22: Fixed Cost Estimate

Fixed Cost	Cost (PKR)
Operational Cost-3 Building Rental Expense	13,080,000
Administration expense	11,580,000
Administration benefits expense	1,335,000
Communications expense (phone)	57,900
Promotional expense	595,580
Professional fees (legal, audit, consultants, etc.)	50,000

General Depreciation expense	2,315,879
Amortization of pre-operating costs	518,232
Co-Working Depreciation expense	5,572,725
Total Cost (PKR)	35,105,316

9.9. Human Resource Requirement

For the 1st year of operations, the complex shall require the workforce at a salary cost as projected in Table 23.

Table 23: Human Resource Requirement

Designation	No of Persons	Average Monthly Salary (PKR)	Total Salary (PKR)
CEO			
General Manager	1	200,000	2,400,000
Marketing Manager	1	150,000	1,800,000
Marketing Officers	3	60,000	2,160,000
Admin & HR Manager	1	150,000	1,800,000
Accounts Manager	1	150,000	1,800,000
Accounts Assistant	2	50,000	1,200,000
Admin Assistant	4	40,000	3,840,000
Receptionist	1	35,000	420,000
Security Guard	8	25,000	4,800,000
Office Boy	6	30,000	4,320,000
House Keeping Staff	3	30,000	2,160,000
Total	31		26,700,000

10. CONTACT DETAILS

Details of Service providers of Coworking Space and supplier of office equipment are provided in Table 24 and Table 25 respectively.

Table 24: Coworking Spaces

Name of Business	Website	Address	Contact
Colabs	https://colabs.pk/contact/	50-N Gurumangat Road, Gulberg II, Lahore, Pakistan	0300-8496079/
Popcorn studio	https://popcornstudio.co/	10 Wahdat Rd, Muslim Town, Lahore, Punjab	0317 7672676
Kickstart	https://kickstart.pk/	58-A2 Tipu Rd, Block A 2 Gulberg III, Lahore, Punjab	0333 0596162
Daftarkhwan	https://daftarkhwan.com/central/	3 rd Floor, Vogue Towers, MM Alam Rd, Block C2, Gulberg, Lahore	0304 1113387
The Hive at Clifton	https://www.thehive.pk/	1 st Floor, MA Tabba Foundation Building, Gizri Rd, Block 9 Clifton, Karachi	(021) 37131410
The Bullpen	https://www.thebullpen.pk/	Building 11-C, Ittehad Commercial, Karachi,	0336 1112855
Zamung Daftar	https://zamungdaftar.pk/	Zamung Daftar Office TF-308, Deans Trade Center, Peshawar,	0310 9000190
Basecamp	hello@peshawar2.org	First Floor, Arbab Tower, Nasir Bagh Road, Peshawar, Pakistan	+92 (91) 561 1942

Table 25: Equipment Suppliers

Suppliers	Product Name	Address	Contact	Website
Diseno (SMC-PVT) Limited	Office Furniture	6LG Business Center, 73 Shadman Market, Shadman 1 Shadman, Lahore	0333-8044442	
Focus Interiors	Office Furniture	14/A1, Block D-1, Ghalib Road Gulberg 3, Lahore Pakistan	042-35764488	https://www.focusinteriors.com.pk/
Master OffiSys	Office Furniture	26 Street, Karachi	0301-8255823	https://www.masteroffisys.com/
Mohsin office furniture	Office Furniture	University Road Peshawar Pakistan	0314-9000194	https://mohsin-office-furniture.business.site/
Interwood	Office Furniture	SS Tower, Hassan Parwana Road, Near GPO, Dera Adda Multan.	0300-2015000	https://interwood.pk/
Afzal Electronics	IT Equipment	G8X8+4F3, Jubilee Town, Lahore	0321-7072992	
G8X8+4F3, Jubilee Town, Lahore	IT Equipment	Block E1 Block E 1 Gulberg III, Lahore	0315-4746666	
Technicity Mall Karachi	IT Equipment	Hasrat Mohani Rd, New Chali, Karachi		

11. USEFUL LINKS

Table 26: Useful Links

Name of Organization	E-mail Address
Small and Medium Enterprises Development Authority (SMEDA)	www.smeda.org.pk
National Business Development Program (NBDP)	www.nbdp.org.pk
Government of Pakistan	www.pakistan.gov.pk
Ministry of Federal Education and Professional Training	www.mofept.gov.pk
Government of Punjab	www.punjab.gov.pk
Government of Sindh	sindh.gov.pk/
Government of Balochistan	balochistan.gov.pk/
Government of KPK	kp.gov.pk/
Government of Gilgit Baltistan	gilgitbaltistan.gov.pk/
Government of Azad Jammu & Kashmir	ajk.gov.pk/
Trade Development Authority of Pakistan	www.tdap.gov.pk
Securities and Exchange Commission of Pakistan	www.secp.gov.pk
State Bank of Pakistan	www.sbp.gov.pk
Federal Board of Revenue	www.fbr.gov.pk
Federation of Pakistan Chambers of Commerce and Industry (FPCCI)	www.fpcci.com.pk
Pakistan Stock Exchange (PSX)	www.psx.com.pk
Ministry of Information Technology & Telecommunication	https://moitt.gov.pk/
Pakistan Freelancers Association (PAFLA)	https://pafla.org.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
Shared Working Space	24,068,000	30,987,682	39,050,716	48,475,508	53,468,486	58,975,740	65,050,241	71,750,416	79,140,708	87,292,201
Dedicated Space	16,410,000	21,117,800	26,645,000	33,086,300	36,452,400	40,229,000	44,334,000	48,931,600	53,939,700	59,522,500
Private Offices	9,480,000	12,180,800	15,476,000	19,159,000	21,134,400	23,312,100	25,715,900	28,357,700	31,285,100	34,510,000
Conference Room	9,600,000	12,320,000	15,680,000	19,440,000	21,240,000	23,400,000	25,920,000	28,440,000	31,680,000	34,920,000
Total Revenue	59,558,000	76,606,282	96,851,716	120,160,808	132,295,286	145,916,840	161,020,141	177,479,716	196,045,508	216,244,701
Cost of sales										
Operational Cost-1 Direct Electricity	2,096,356	2,638,963	3,254,218	3,950,214	4,262,281	4,599,001	4,962,322	5,354,346	5,777,339	6,233,749
Operational Cost-2 Direct Labour	15,120,000	16,586,640	18,195,544	19,960,512	21,896,682	24,020,660	26,350,664	28,906,678	31,710,626	34,786,556
Operational Cost-3 Building Rental Expense	13,080,000	14,388,000	15,826,800	17,409,480	19,150,428	21,065,471	23,172,018	25,489,220	28,038,142	30,841,956
Operational Cost-4 Generator Fuel Cost	314,453	395,844	488,133	592,532	639,342	689,850	744,348	803,152	866,601	935,062
Operational Cost-5 (Entertainment/Refreshment Expense/Stationery)	824,160	961,520	1,098,880	1,236,240	1,236,240	1,236,240	1,236,240	1,236,240	1,236,240	1,236,240
Operational Cost-6 Communication Cost (Wi Fi)	1,344,000	1,482,432	1,635,122	1,803,540	1,989,305	2,194,203	2,420,206	2,669,487	2,944,444	3,247,722
Operational Cost-7 Repair and Maintenance of Building	356,814	393,566	434,103	478,816	528,134	582,532	642,533	708,714	781,711	862,227
Operational Cost-8 Repair and Maintenance of Furniture & Fixtures	1,057,000	1,165,871	1,285,956	1,418,409	1,564,505	1,725,649	1,903,391	2,099,441	2,315,683	2,554,198
Operational Cost-9 Repair and Maintenance of Office Equipment	619,080	682,845	753,178	830,756	916,323	1,010,705	1,114,807	1,229,633	1,356,285	1,495,982
Operational Cost-10 Repair and Maintenance of IT Network and Equip	193,140	213,033	234,976	259,178	285,874	315,319	347,797	383,620	423,132	466,715
Consumables	1,021,800	1,127,045	1,243,131	1,371,174	1,512,404	1,668,182	1,840,005	2,029,525	2,238,566	2,469,139
Co-Working Depreciation expense	5,572,725	5,572,725	5,347,425	6,152,516	6,152,516	5,844,389	5,613,581	10,540,125	10,118,720	11,624,574
Total cost of sales	41,599,529	45,608,485	49,797,467	55,463,367	60,134,034	64,952,200	70,347,912	81,450,179	87,807,490	96,754,121
Gross Profit	17,958,471	30,997,797	47,054,249	64,697,441	72,161,251	80,964,639	90,672,229	96,029,537	108,238,019	119,490,580
General administration & selling expenses										
Administration expense	11,580,000	12,703,260	13,935,476	15,287,217	16,770,078	18,396,775	20,181,262	22,138,845	24,286,313	26,642,085
Administration benefits expense	1,335,000	1,464,495	1,606,551	1,762,386	1,933,338	2,120,872	2,326,596	2,552,276	2,799,847	3,071,432
Office vehicle running and maintenance cost	502,633	218,173	240,645	265,432	292,771	322,927	356,188	392,875	433,342	477,976
Communications expense (phone)	57,900	63,516	69,677	76,436	83,850	91,984	100,906	110,694	121,432	133,210
Office expenses (software, ticketing, stationery, entertainment, janitor)	579,000	635,163	696,774	764,361	838,504	919,839	1,009,063	1,106,942	1,214,316	1,332,104
Promotional expense	595,580	766,063	968,517	1,201,608	1,322,953	1,459,168	1,610,201	1,774,797	1,960,455	2,162,447
Professional fees (legal, audit, consultants, etc.)	50,000	55,150	60,830	67,096	74,007	81,630	90,037	99,311	109,540	120,823
General Depreciation expense	2,315,879	2,315,879	2,219,279	2,564,471	2,564,471	2,432,357	2,629,103	3,734,082	3,553,399	4,199,052
Amortization of pre-operating costs	518,232	518,232	518,232	518,232	518,232	-	-	-	-	-
Subtotal	17,534,224	18,739,931	20,315,982	22,507,239	24,398,203	25,825,551	28,303,358	31,909,823	34,478,643	38,139,129
Operating Income	424,247	12,257,865	26,738,267	42,190,202	47,763,048	55,139,088	62,368,871	64,119,714	73,759,375	81,351,451
Other income (cafeteria)	960,000	1,056,000	1,161,600	1,277,760	1,405,536	1,546,090	1,700,699	1,870,768	2,057,845	2,263,630
Gain / (loss) on sale of office equipment	-	-	-	-	-	-	1,934,625	-	-	-
Gain / (loss) on sale of office vehicles	-	-	-	-	-	-	816,500	-	-	-
Earnings Before Interest & Taxes	1,384,247	13,313,865	27,899,867	43,467,962	49,168,584	56,685,177	66,820,695	65,990,482	75,817,221	83,615,081
Subtotal	-	-	-	-	-	-	-	-	-	-
Earnings Before Tax	1,384,247	13,313,865	27,899,867	43,467,962	49,168,584	56,685,177	66,820,695	65,990,482	75,817,221	83,615,081
Tax	744,475	957,579	1,210,646	1,502,010	1,653,691	1,823,960	2,012,752	2,218,496	2,450,569	2,703,059
NET PROFIT/(LOSS) AFTER TAX	639,772	12,356,287	26,689,220	41,965,952	47,514,893	54,861,217	64,807,943	63,771,986	73,366,652	80,912,022

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	3,000,000	11,114,531	25,580,476	35,096,065	57,133,675	75,455,215	79,878,519	91,231,467	169,212,425	239,715,347	339,201,956
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-
Consumables Inventory	85,150	93,920	103,594	114,264	126,034	139,015	153,334	169,127	186,547	205,762	226,955
Pre-paid building rent	-	1,199,000	1,318,900	1,450,790	1,595,869	1,755,456	1,931,001	2,124,102	2,336,512	2,570,163	-
Total Current Assets	3,085,150	12,407,452	27,002,971	36,661,119	58,855,578	77,349,686	81,962,854	93,524,696	171,735,484	242,491,272	339,428,911
<i>Fixed assets</i>											
Land	-	-	-	-	-	-	-	-	-	-	-
Building / Infrastructure- Renovation Cost	7,136,286	6,422,657	5,709,029	4,995,400	4,281,771	3,568,143	2,854,514	2,140,886	1,427,257	713,629	-
Generator	1,000,000	900,000	800,000	700,000	600,000	500,000	400,000	300,000	200,000	100,000	-
Furniture & fixtures	21,140,000	17,969,000	14,798,000	11,627,000	8,456,000	5,285,000	2,114,000	40,158,628	34,134,833	28,111,039	22,087,245
Office vehicles	3,266,000	2,776,100	2,286,200	1,796,300	1,306,400	816,500	326,600	6,780,739	5,763,628	4,746,517	3,729,406
IT Equipment	6,438,000	4,184,700	1,931,400	8,804,808	5,723,125	2,641,443	12,041,729	7,827,124	3,612,519	16,468,642	10,704,617
Office equipment	7,738,500	6,577,725	5,416,950	4,256,175	3,095,400	1,934,625	773,850	14,700,451	12,495,384	10,290,316	8,085,248
Security Against Building	3,270,000	3,270,000	3,270,000	3,270,000	3,270,000	3,270,000	3,270,000	3,270,000	3,270,000	3,270,000	3,270,000
Interest Capitalized	-	-	-	-	-	-	-	-	-	-	-
Total Fixed Assets	49,988,786	42,100,182	34,211,579	35,449,683	26,732,697	18,015,710	21,780,693	75,177,827	60,903,621	63,700,143	47,876,517
<i>Intangible assets</i>											
Pre-operation costs	2,591,161	2,072,928	1,554,696	1,036,464	518,232	-	-	-	-	-	-
Legal, licensing, & training costs	-	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	2,591,161	2,072,928	1,554,696	1,036,464	518,232	-	-	-	-	-	-
TOTAL ASSETS	55,665,096	56,580,562	62,769,246	73,147,267	86,106,507	95,365,397	103,743,547	168,702,523	232,639,105	306,191,415	387,305,428
Liabilities & Shareholders' Equity											
<i>Current liabilities</i>											
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Advance from Customers	-	595,580	766,063	968,517	1,201,608	1,322,953	1,459,168	1,610,201	1,774,797	1,960,455	2,162,447
Total Current Liabilities	-	595,580	766,063	968,517	1,201,608	1,322,953	1,459,168	1,610,201	1,774,797	1,960,455	2,162,447
<i>Other liabilities</i>											
Total Long Term Liabilities	-	-	-	-	-	-	-	-	-	-	-
<i>Shareholders' equity</i>											
Paid-up capital	55,665,096	55,665,096	55,665,096	55,665,096	55,665,096	55,665,096	55,665,096	55,665,096	55,665,096	55,665,096	55,665,096
Retained earnings	-	319,886	6,338,087	16,513,653	29,239,803	38,377,348	46,619,282	111,427,225	175,199,211	248,565,863	329,477,885
Total Equity	55,665,096	55,984,982	62,003,183	72,178,750	84,904,899	94,042,444	102,284,379	167,092,322	230,864,308	304,230,959	385,142,981
TOTAL CAPITAL AND LIABILITIES	55,665,096	56,580,562	62,769,246	73,147,267	86,106,507	95,365,397	103,743,547	168,702,523	232,639,105	306,191,415	387,305,428

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		639,772	12,356,287	26,689,220	41,965,952	47,514,893	54,861,217	64,807,943	63,771,986	73,366,652	80,912,022
Add: depreciation expense		7,888,604	7,888,604	7,566,704	8,716,987	8,716,987	8,276,746	8,242,684	14,274,206	13,672,120	15,823,626
amortization of pre-operating costs		518,232	518,232	518,232	518,232	518,232	-	-	-	-	-
Consumable inventory	(85,150)	(8,770)	(9,674)	(10,670)	(11,769)	(12,981)	(14,319)	(15,793)	(17,420)	(19,214)	(21,193)
Pre-paid building rent	-	(1,199,000)	(119,900)	(131,890)	(145,079)	(159,587)	(175,546)	(193,100)	(212,410)	(233,651)	2,570,163
Advance	-	595,580	170,483	202,454	233,091	121,345	136,216	151,033	164,596	185,658	201,992
Cash provided by operations	(85,150)	8,434,418	20,804,032	34,834,050	51,277,413	56,698,888	63,084,314	72,992,766	77,980,958	86,971,564	99,486,609
<i>Financing activities</i>											
Issuance of shares	55,665,096	-	-	-	-	-	-	-	-	-	-
Purchase of (treasury) shares											
Cash provided by / (used for) financing activities	55,665,096	-	-	-	-	-	-	-	-	-	-
<i>Investing activities</i>											
Capital expenditure	(52,579,946)	-	-	(8,804,808)	-	-	(12,041,729)	(61,639,818)	-	(16,468,642)	-
Acquisitions											
Cash (used for) / provided by investing activities	(52,579,946)	-	-	(8,804,808)	-	-	(12,041,729)	(61,639,818)	-	(16,468,642)	-
NET CASH	3,000,000	8,434,418	20,804,032	26,029,242	51,277,413	56,698,888	51,042,585	11,352,948	77,980,958	70,502,922	99,486,609

13. KEY ASSUMPTIONS

13.1. Operating Cost Assumptions

Table 27: Operating Cost Assumptions

Description	Details
Building rent growth rate	10%
Furniture and fixture depreciation	15%
Vehicle depreciation	15%
Office equipment depreciation	15%
Inflation rate	10.3%
Wage growth rate	9.7%
Electricity price growth rate	7.9%
Office equipment price growth rate	9.6%
Office vehicle price growth rate	11%

13.2. Revenue Assumptions

Table 28: Revenue Assumptions

Description	Details
Sale price growth rate	10.3%
Initial capacity utilization	60%
Capacity growth rate	10%
Maximum capacity utilization	90%

13.3. Financial Assumptions

Table 29: Financial Assumptions

Description	Details
Project life (Years)	10
Debt: Equity	0:100
Discount Rate used for NPV	25%

13.4. Debt related Assumptions

Table 30: Debt Related Assumptions

Description	Details
Project life (Years)	10

Debt: Equity	0:100
Discount Rate used for NPV	22%
Debt Tenure	5 years
Grace Period	1 Year
Interest Rate (KIBOR+3%)	19%

Small and Medium Enterprises Development Authority

HEAD OFFICE

4th Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road, Lahore
Tel: (92 42) 111 111 456, Fax: (92 42) 36304926-7

www.smeda.org.pk, helpdesk@smeda.org.pk

REGIONAL OFFICE PUNJAB	REGIONAL OFFICE SINDH	REGIONAL OFFICE KPK	REGIONAL OFFICE BALOCHISTAN
3 rd Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road Lahore, Tel: (042) 111-111-456 Fax: (042) 36304926-7 helpdesk.punjab@smeda.org.pk	5 TH Floor, Bahria Complex II, M.T. Khan Road, Karachi. Tel: (021) 111-111-456 Fax: (021) 5610572 helpdesk-khi@smeda.org.pk	Ground Floor State Life Building The Mall, Peshawar. Tel: (091) 9213046-47 Fax: (091) 286908 helpdesk-pew@smeda.org.pk	Bungalow No. 15-A Chaman Housing Scheme Airport Road, Quetta. Tel: (081) 831623, 831702 Fax: (081) 831922 helpdesk-qta@smeda.org.pk