

Pre-Feasibility Study

AMUSEMENT PARK



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

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1. INTRODUCTION TO SMEDA

The Small and Medium Enterprise Development Authority (SMEDA) was established with the objective to provide fresh impetus to the economy through the launch of an aggressive SME support program.

Since its inception in October 1998, SMEDA had adopted a sectoral SME development approach. A few priority sectors were selected on the criterion of SME presence. In depth research was conducted and comprehensive development plans were formulated after identification of impediments and retardants. The all-encompassing sectoral development strategy involved recommending changes in the regulatory environment by taking into consideration other important aspects including finance, marketing, technology and human resource development.

SMEDA has so far successfully formulated strategies for sectors including, fruits and vegetables, marble and granite, gems and jewelry, marine fisheries, leather and footwear, textiles, surgical instruments, transport and dairy. Whereas the task of SME development at a broader scale still requires more coverage and enhanced reach in terms of SMEDA's areas of operation.

Along with the sectoral focus a broad spectrum of business development services is also offered to the SMEs by SMEDA. These services include identification of viable business opportunities for potential SME investors. In order to facilitate these investors, SMEDA provides business guidance through its help desk services as well as development of project specific documents. These documents consist of information required to make well-researched investment decisions. Pre-feasibility studies and business plan development are some of the services provided to enhance the capacity of individual SMEs to exploit viable business opportunities in a better way. This document is in the continuation of this effort to enable potential investors to make well-informed investment decisions

2. PURPOSE OF THE DOCUMENT

The objective of the pre-feasibility study is primarily to facilitate potential entrepreneurs in project identification for investment. The study 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, production, marketing, finance, and business management. The document also provides sector information, brief on government policies and international scenario, which have some bearing on the project itself.

Before studying this particular pre-feasibility regarding Amusement Park it is advisable to consider following critical aspects, which form the basis of any investment decision.

3. CRUCIAL FACTORS (STEPS IN DECISION MAKING FOR INVESTMENT)

Before making any investment decision, it is advisable to evaluate the associated risk factors by taking into consideration certain key elements. For starting an amusement park critical factors that should be considered before the launch of the project are described below:

- Number of guests/visitors to the park will determine the financial success of the project. The entrepreneur should analyze the minimum percentage of population that it will have to mobilize out of the total population to achieve a steady flow of visitors to the park. In order to do this, the entrepreneur should analyze existing competing amusement facilities in the target city.
- Looking at the size of investment and potential for this amusement park, it is advised that the facility is set up in those districts/cities of the country that have a population of 3-4 million people. In that case one would have to attract only 5-6% of the total population in the target district per year, who would visit the park for successful running of the facility.
- Another aspect linked with the revenue generating capacity of the project is the spending power of the potential visitors in a specific district to visit the Amusement Park/Joy Land. Average per capita income in Pakistan is \$ 847/yr (i.e. Rs. 120/day). In case the project is being considered in a district with the expectation of required number of visitors having below average per capita income, it would create doubts about the viability of the project/venture. ***It is estimated that the average spending per visitor per visit will not exceed average one day's income of that visitor.*** This will provide an important quantitative tool to select the location of setting up an amusement park and to calculate average revenues.
- Selection of rides is an important factor in the popularity of an amusement park. Rides are classified according to the thrill level they provide. High, moderate and children rides are three broad categories for rides. It is recommended that the final selection of rides should be inline with the targeted market segment and should have a balance of the various levels of thrill factors. Moreover, the selection of rides will also depend on the location of the project. For an urban center with a population of over 4 million, introduction of new versions and non traditional rides are advisable.
- In addition to rides, provision of other facilities for the visitors also plays a major role in the popularity of the amusement park. Adequate wash rooms, sitting area, accessible ticketing counters, facilities for clean drinking water, food and beverages stop, and provisions for visitors' guidance and assistance are some of the basic facilities that should be incorporated in the amusement park.

Once an entrepreneur has decided to go ahead with the project, a systematic approach to implementing the project is recommended. A standard set of steps involved in the implementation of an amusement park with our estimated time required for each activity is given below:

Table 3-1: Project Plan

S. No	Activity	Time (Months)
1	Pre-design and feasibility	1
2	Master plan and budget preparation	2
3	Schematic design	3
4	Design development	5
5	Working drawings and site preparation	6
6	Manufacturing and construction	6

7	Pre-opening operations	2
	Total	25

This is the total extent to the work involved in the project conception, design and implementation phase. Moreover, some of the activities listed above can also be carried out in parallel.

4. PROJECT PROFILE

4.1 Project Brief

The proposed project presents an investment opportunity in setting up an Amusement Park/Joy Land. Major product in this case would be the service, which would be provided through selling joy rides and providing pleasant environment to the people visiting this facility. In order to attract a cross section of population, a combination of eleven (11) different rides is used in this study. This combination can however, vary according to the final site selection and amount of investment with individual investor. Although for this particular project study only joy rides are included, however, Video Games, Mini Zoo, etc are some of the other options that can also be incorporated in the project. In addition to joy rides, foods and beverages stalls, advertisement sites, and car parking are other sources of revenue for this particular unit.

4.2 Project Capacity and Rationale

Project Capacity is based on virtual capacity of 11 Rides installed in an area of 12 Kanals. Number of working days has been taken as 360 with average duration of rides as 3 minutes. Loading and off loading time for the rides have been taken as 7 minutes so one round of ride will consume 10 minutes in total, which would result in 6 rounds of rides per hour. The detail of the Rides, Virtual Capacity and the seating capacity is given as under:

Table 4-1: Joy Rides with Capacity

Rides	Van	Seats/Van	Total Seats	Virtual Capacity/Day
Samba tower	6	6	36	2592
Tea Time	6	10	60	4320
Giant wheel	24	4	96	6912
Hully gully	12	2	24	1728
Crazy bus	1	36	36	2592
Train	6	8	48	3456
Pirate Ship	6	6	36	2592
Mono rail without track	2	8	16	1152
Kiddy Rides	1	1	1	72
Dodge'm Cars	5	2	10	720
Free Fall	2	12	24	1728
Total			387	27,864

Virtual Capacity of the amusement park is calculated on the basis of total capacity of 387 seats x 12 working hours per day x 6 Rides per hour. Maximum number of visitors for any day has been assumed to be 5% of the Virtual Capacity, which comes out to 27,864. This assumption is made to assess the support services & infrastructure required for the park.

It is expected that annual increase in number of visitors would be 3% which is in line with the growth of population. It is further estimated that average spending per person per visit to the amusement park is Rs. 60. Although due diligence is carried out in estimating these numbers, the final outcome will vary depending on the selection of location, pricing, rides mix and the marketing strategies.

However, in case any individual consider that attraction of such number of people to the Amusement Park is not possible than the capital investment can be reduced to match the requirement of revenue for the viability of the project

The final selection of rides and facilities will entirely depend upon the entrepreneur, who would be in the best position to judge the actual ground situation while setting up the facility. A typical layout of the Amusement Park/ joy Land is attached with the pre-feasibility for the proposed option of 11 Rides.

4.3 Project Investment

Total cost of the project is worked out to be Rs. 45.02 million. This includes a fixed cost of Rs. 44 million and a working capital of Rs. 0.1 million. Period of construction is expected to be one year.

4.4 Proposed Product Mix

This pre-feasibility is developed for a project based on 11 Rides. Selection of rides would totally depend upon the mix of target population and their willingness to visit Amusement Park/Joy Land. For example if we start this venture in bigger cities, one might select more thrilling rides than the other two types but in case of smaller cities, one would prefer to go for a mix which have more passive and active rides instead of thrilling ones.

Table 4-2 Recommended Project Parameters

Capacity	Human Resource	Rides	Technology/ Machinery	Location
12 Kanals Land (1 Kanal = 4500 sq. ft.)	52 employees	11	Local	Urban city with a population of over 3 Million.

4.5 Proposed Business Legal Status

There are three main forms of business: Sole Proprietorship, Partnership and Company. An enterprise can be a proprietorship or a partnership and even it can be registered under company law with corporate law authority. Although selection totally depends upon the choice of the entrepreneur but this financial feasibility is based on a private limited company. For getting information on the formation of type of firm/company, please refer to the Website: www.saarcnet.org/newsarcnet/govtpolicies/Pakistan/settingbusiness.html.

4.6 Financial Summary

The financial cost of the project can be surmised as under:

Table 4-3 Project Returns

Project Cost	IFRR	NPV	Payback Period
Rs. 45 million	48.24%	Rs. 155 millions	2.61 years

Project cost is on the basis of 40%-60% debt-equity ratio with 100% capital expenditure in the first year and the total life of the project is assumed as 30 years. Repayment for the long-term loan would be 7 years with grace period of 1 year. Annual mark up rate for the long-term loan has been taken as 14%. Loan commitment charges have been taken as 0.5%.

4.7 Proposed Location

Any Tehsil Headquarter in the 11 districts already identified above, with a total population of over 3 Million is the ideal location for the project. The entrepreneur can also go for the districts having 3-4 million of total population. Ultimately it has to be observed as how to mobilize the required set of people to visit the park.

4.8 Opportunity Rationale

The opportunity of setting up the Amusement Park can be linked with the gap of amusement facilities existing in different areas of Pakistan, total population of a specific area requiring recreational activities and the spending capability of people in that area.

According to Population Census reports & Bureau of Statistics (2004-2005), the total population of Pakistan is 18.64 million with 26 divisions and 104 districts. Out of these 104 districts, 53 districts have population under 1 million, 28 districts have population ranging between 1-2 million, another 16 districts have 3-4 million population, and only 2 districts have a population of over 5 million. This population however, includes both urban as well as rural areas. There are however, 11 districts in the country that has over 1 million urban population.

There are various amusement options available at various levels in the country. These can be grouped into Indoor and Outdoor categories. Indoor options comprise of Cable, Video Games (Play Station), DVD, VCD, etc. Outdoor can be classified as Parks, Zoos, Joy lands, etc. However, looking at the outdoor recreational activities, there are very few outdoor amusement parks in the country. This provides an opportunity for any investor that can design and implement a well researched amusement park in any major city of the country.

Availability of local rides is the second factor that makes investment in this sector economically viable. Local fabrication and design ensures that repair, maintenance and operational expertise are readily available at a competitive price. Any entrepreneur can either source the readily available local rides or can also design and custom fabricate its own rides from the local rides manufacturers.

4.9 Market Entry Timing

As the main Decision Making Units (DMUs) in this case are the children/kids and youngsters ranging from age group of 3-20 years, the investor will have to match the timings with their willingness to move out of their routine activities. The Peaks and Off Peaks can be classified as

summer/winter holidays of the kids and Ramadan/Muharram & the days of exams respectively. Other than the Off Peaks, this project can be launched at any time in the whole year but the most appropriate time can be the start of summer holidays.

4.10 Key Success Factors/Practical Tips for Success

Some of the Key Success factors that will determine the success of this project include:

- Rides selection and introduction of unconventional joy rides.
- Selection of location.
- Pricing strategy.
- Understanding of target customers; alternatives available (product differentiation).
- Launching time.
- Branding/perception of the park (right mix of advertisement and promotion).
- Incentive schemes (e.g. Wrist band of rs.100; can take all rides as many times as you want on single entry basis).
- Cleanliness.
- Availability of good quality food; normally not available at this kind of locations.
- Provision of related facilities e.g. Mini zoo and/or Mini Park etc.

4.11 Strategic Recommendations

4.11.1 Marketing

Marketing and branding of this amusement park will play a key role in the mobilization of targeted number of customers. Major marketing options include, site advertisement, cable ads and handbills among other traditional marketing channels. Marketing budget and strategy would be based on the change in the number and type of visitors to the park overtime. Before launch of the project, it is recommended that a research for understanding the dynamics of the targeted market should also be carried out, to designing the products as well the promotional strategy.

4.11.2 Pricing

It is recommended that the average spending per person per visit to the amusement park should not exceed average per day income of the targeted market. Since national average per day income per person is Rs 120. Total spending per limit per person per visit is assumed to be the same. Any pricing strategy for the amusement park should be designed based on this guideline. It is estimated that the average number of rides per person is around four (4) therefore an average price per ride of Rs 15 is recommended. In addition to rides' cost, entrance fee and car parking fee are other costs that will be incurred by visitors. Food & beverages and signboard spaces can also be rented out at Rs 40-60 per sq. ft.

4.11.3 Product/Product Packaging

Product/Product package can be directly correlated with the type of location, mix of urban and rural population, spending power of people in that area and the total investment available with the entrepreneur for this project. For this project 11 rides of three different types are proposed, which can be varied keeping in view the above factors. Other associated attractions could be Food, Video Games, Mini Park, Mini Zoo, etc. Product Package would once again depend upon the entrepreneur's understanding of the visitors to the park and finances available with the entrepreneur.

4.11.4 Addition of Attraction at Intervals

It is also understood that the repeat customers can be encouraged through variations in the park either by addition or by replacement of ride types. If the entrepreneur establishes more parks in different cities, it can be easier to move one ride to other city & vice-versa. This can also attract re-visits of the old visitors.

5. SECTOR ANALYSIS

Amusement Parks / Joy Lands fall under the “Tourism Sector” in Pakistan, which has been given the status of Industry in the recent past.

The Amusement Park/Joy Land is a facility that provides outdoor physical entertainment to people and therefore has a variety of competing factors. Some of the direct or indirect competing activities include cable, TV, Internet cafes, Internet or video gaming centers, water parks, cinemas and indoor as well as outdoor amusement parks. However, indoor and outdoor amusement centers are the major direct competing factors. Amusement park facilities in the country are still at a very primitive stage with only a handful of competing private sector facilities in Lahore and Karachi. There is not any private sector amusement organization with its operations in all or majority of major cities in the country. Lahore has a fair share of amusement facilities with two Joy Lands in the country; however, most of these facilities only include traditional rides.

In addition, to private Joy Lands in organized sector, every district in the country has its own public parks with few rides installed. These parks are normally contractual and charge highly subsidized ride rates. In addition to these, in most of the cantonment areas of the country, cantonment establishments are also renting out public land for establishment of amusement facilities. These are both competing forces as well as also provides business opportunities if, any investor can enter into a nation wide contractual arrangements with local or cantonment governments.

It is therefore, expected that any investor entering into this sector, should be able to mobilize a large number of visitors to the facility. However, it is recommended that a highly viable option is to open the facility in a group of larger cities of the country with the introduction of newer and more exciting rides. If a national-wide programme is exercised, the entrepreneurs will have to invest around Rs. 350 to Rs. 400 million to set up 10-11 Amusement Parks in Pakistan as per identified target locations (1-2 million urban population and above). It will generate direct employment of almost 500 people and indirect employment of almost 1,000 with more than Rs. 100 million contributions to GNP.

5.1 Target Customers

The project aims to target a diverse range of visitors to its facilities. The mix of rides will ultimately determine the kind of guests who will visit the park. The proposed ride mix is a balance of rides with various thrill factors, and should be able to target population along the entire continuum of age group. The basic age classification of the target group is children, school going children and adults. 3% annual increase in the number of visitors is expected for the proposed facility.

6. TECHNOLOGY AND PROCESSES

It is expected that entrepreneur will use the local technology with local installations, as both these facilities are available in Pakistan. Local fabrication and installation are quite competitive in price in comparison to the foreign equipment and installations. Additionally, it is linked with the viability of the project as the foreign rides and installation would not be feasible without high investment in marketing and opening up facilities at more than one location, due to the high cost involved.

Major concerns with the local rides are the quality and the safety standards, which are reasonable in case of local rides and the installation capabilities are also acceptable. The entrepreneur may opt the product line with the mix of foreign rides, which depends upon, once again, on the location, cost, target audience and the life cycle of the project.

6.1 Machinery & Equipment Requirement

6.1.1 Plant and Machinery

Plant and Machinery for the proposed project are the Joy Rides with an estimated total cost of Rs. 14.65 million.(this cost also include the cost of civil work required for the rides)

Table 6-1 Machinery Details in Rs. (000)

Name of the Rides	Qty	Total Cost (000)
Samba tower	1	1,700
Tea Time	1	1,300
Giant wheel	1	1,700
Hully gully	1	1,550
Crazy bus	1	1,800
Train	1	850
Pirate Ship	1	1,200
Mono rail without track	1	300
Kiddy Rides	1	35
Dadgem Cars	1	190
Free Fall	1	2,500
Train Track	1	1,500
Security monitoring & surveillance system.	1	50
Total		14,675

6.1.2 Equipments Details

For this project, computers and other office equipment cost is estimated at Rs. 0.13 Million and telephone exchange will cost 0.05 million

Table 6-2 Office Equipment

Computers	Qty	Total cost (000)
Computers	3	75
UPS	3	26
Laser Printers	1	25
Misc.	1	5
Total of Computers		131

Table 6-3 Telephone Exchange

Telephone	Qty	Cost	Total cost (000)
Telephone Exchange	1	25,000	25
Telephone Sets	10	1,500	15
Misc. Accessories & Wiring	1	10,000	10
Total of Telephone			50

6.1.3 Vehicle & furniture

Vehicle, furniture and security system's cost is estimated at Rs. 0.75 million.

Table 6-3

Description	Qty	Unit Cost in Rs	Total Cost(000)
Vehicles			
Carrier Van	1	400,000	400
Total of Vehicles			400
Furniture			
Executive Table with Side Racks & Chairs	1	20,000	20
Working Table with Side Racks & Chairs	4	10,000	40
Visitor Chairs for Executive	8	1,500	12
Visitor Chairs	8	800	6
Computer Table	1	2,500	3
Computer Chairs	1	2,000	2
File Cabinets	1	5,000	5
Steel Safe	1	10,000	10
Air Conditioners	2	25,000	50

Water cooler	1	10,000	10
Total of Furniture			158
Security System			
Public Address and Paging System	1	200,000	200
Total of Security System			200
Total			758

6.2 Repair & Maintenance

Annual Repair & Maintenance of the Plant and Machinery is expected to be 0.75% of the total Machinery Cost, which comes out to be Rs. 0.115 million with annual expected increase @3%.

7. LAND & BUILDING REQUIREMENT

7.1 Land Requirement

For the proposed set up with 12 Rides, a total of 3,150 sq.ft of land requirement is estimated for the project. This land requirement includes space for installation of rides, management building, ticketing booths, food and beverages places, parking space and others. The details of land requirement are explained below:

7.2 Recommended Mode Of Land Acquisition

Recommended mode of acquisition of land & building for the proposed project would be either leased (100 years) or owned.

Table 7-1 Total Land Cost (000)

Description	Qty in Acre	Unit Rate	Amount
Land	1.5 Acre	8,000,000	12,000
Other charges @ 15%			1,800
Total			13,800

7.3 Covered Area Requirement

Covered area of 7000 sq. ft is estimated for Ticketing Booths at entry point & near Joy Rides, Security Office at Gate, Admin Block, Security & Surveillance Area, First Aid Room, Public Toilets, Pump Room, Workshop and Store Rooms. Other civil works include Boundary Wall, Main Sewerage Network, Main Water Drainage, Main Water Supply Network, Main Fire Fighting Network, Telephone Works, Gas Supply Works, Main gate and Staff Parking Sheds. Area estimated for the proposed Joy Rides is 25600 sq. ft. Covered area of food service/souvenir stalls and the signboards is estimated at 1000 sq. ft respectively. 1500 sq. ft will be covered by water fall, fountains etc. Remaining part of 12 canals will be covered by grass and pavements.

Table 7-2

Names of ride	Area in Sq ft
Samba tower	1900
Tea Time	1900
Hully gully	4100
Crazy bus	4100
Free Fall	3500
Ferris Wheel	2500
Pirate Ship	900
Mono Cycle	1200
Kiddy Rides	1500
Dodgem Cars	4000
Total	25600

7.4 Construction Cost

Total cost of building & civil works is estimated at Rs. 8.6 millions excluding Joy Rides.

Table 7-3 Construction Cost (000)

Facilities	Total cost
Ancillary Buildings	2,418
Landscaping Work	6,168
Total	8,586

Table 7-4 Landscaping Work (000)

Description	Units	Qty.	Unit Cost	Total
Development of lawns including grassing.	Sft.	4,000	100	400
Concrete Pavers	Sft.	28,000	200	5,600
Fountains	Job	1	100,000	100
Park furniture as benches, sculptures etc.	Each	15	4,500	68
Total				6,168

Table 7-4 Ancillary Buildings (000)

Description	Qty	area	Unit cost	total
Main Sewerage Network and Sewerage Disposal System	1		200,000	200
Main Storm Water Drainage	1		200,000	200
Main Water Supply Network	1		100,000	100
Main Fire Fighting Network	1		100,000	100
Telephone Works	1		10,000	10
Gas Supply Works	1		20,000	20

Boundary wall	1,060		300	318
Ticketing booths at Entry Point	2	80	500	80
Ticketing booths near rides	6	64	300	115
Security offices at gate.	1	80	500	40
Main gate	2		20,000	40
Administration Block including security surveillance & First Aid Center	1	550	500	275
Public toilets for Men	2	300	500	300
Public toilets for Women	2	300	500	300
Pump room for tube well and sewerage disposal pump.	1	225	400	90
Workshop, Electrical control room & store	1	500	400	200
Staff vehicle parking sheds	1		30,000	30
Total				2,418

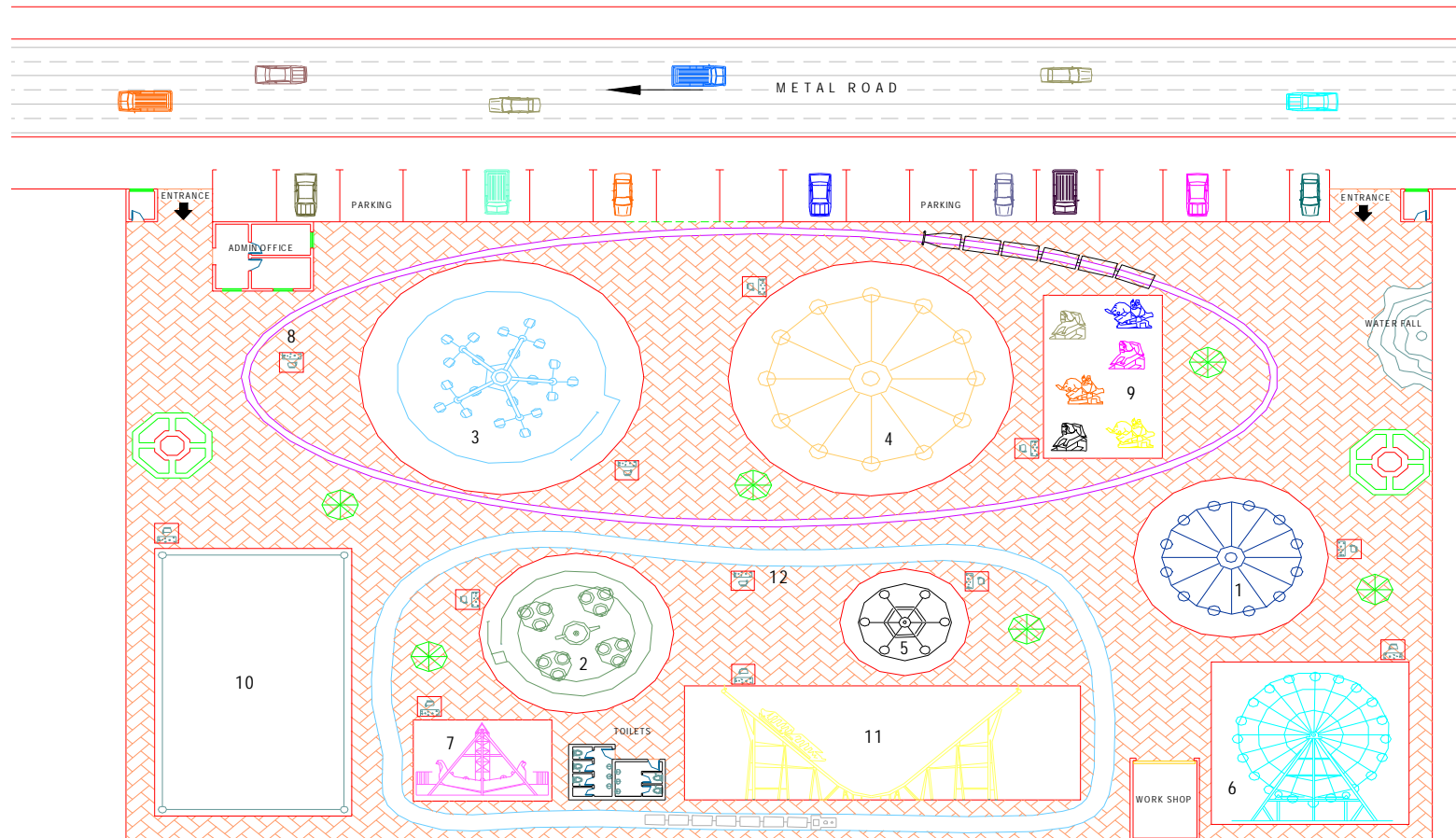
7.5 Utilities Requirement

Main utilities would be power, water and gas. 200 KVA distribution transformer station is estimated to fulfill the requirement of power. Monthly gas consumption is estimated at 40 MMBTU for the Project. Water supply would be through local tube well. In addition to it, 3 computers with UPS, 1 telephone connection with internal exchange, telephone sets is also required for communication, accounts and data management. Almost Rs. 10 millions is estimated as annual expense associated with utilities. Proposed WAPDA Tariff is taken as B-2¹ for this project.

7.6 Suitable Location

As already mentioned, the suitable location for the project would be the districts where the total population is between 3-4 million people or areas where urban population is between 1-2 million. Obviously the spending power and willingness to spend would be the important aspects associated with this venture. 11 districts with more than 1 million urban population can be the initial target locations. Other issues linked with the location are the availability of infrastructure facilities such as roads, water, gas, power etc. Access to public transport to the selected location would be mandatory to attract the required number of visitors.

¹ For more information on Electricity Tariffs: www.pakwapda.com

Figure 7-1 Amusement Park Layout²

² No 1-12 represents space for individual rides, Smaller pies represent Ticketing booths & two octagons at left & right represent cafeterias.

8. HUMAN RESOURCE REQUIREMENT

The following requirement of staff along with their levels and monthly salary is foreseen for this project:

Table 8-1 Human Resource Requirement

Designation	Total no. of Staff	Monthly Salary-Rs.	Salary Per Annum-Rs(000)
Chief Executive Officer	1	50,000	600
Manager Admin& accounts	1	30,000	360
Accounts Officer	1	25,000	300
Admin Officer	1	15,000	180
Technicians & Electricians	4	6,500	312
Machine Operators & Machine attendance	24	5,500	1,584
Guards, Mali, Janitorial Service etc.	20	3,500	840
Total	52		4,176

Board of Management is also considered for this pre-feasibility and would consist of Chairman Board of Management, Secretary and Member with monthly salary of Rs. 50,000, Rs. 30,000 and Rs. 30,000 respectively.

Social Charges to the employees is considered to be 35% of the Monthly Salary. An annual increment of 8% to each employee is considered in the pre-feasibility.

Salary Cost & Social Charges shall include the following pays, allowances, benefit and facilities by whatever name called, paid or payable to the employees or on his behalf, in accordance with the service rules of the company for the employees.

- Pay, Technical pay, Charge pay or allowance
- Pay during vacation/earned leave salary
- Pay during holidays
- Dearness allowances/local compensatory allowances
- Conveyance allowance or conveyance allowances
- House rent allowance or free house, furnished or unfurnished including telephone facility.
- House maintenance allowance pay of guard, gardener etc.
- Free electricity, gas or water
- Entertainment allowance
- Government expenses/allowance.
- Government levies, e.g., old age benefit contribution, as payable to EOBI and Education Census etc.
- Provident fund and gratuity
- Group Insurance premium.
- Leave fare assistance

- Any other special allowances or benefits, actual paid or payable to an employee and mutually agreed between the company and employee and required as per any labor or other laws in force.

9. FINANCIAL ANALYSIS

9.1 Project Appraisal Summary

Parameter	Details
Anticipated Commissioning	1 Year
Location	Any Tehsil Headquarter
New/ Expansion/ BMR	New
Setup	Sole Proprietorship/Partnership/Limited Company

Table 9-1 Total Project Cost (000)

Description	Total Rs
Land	13,800
Building & Civil Works	8,586
Plant & Machinery	14,675
Tools, Equipment, Computers & Telephones	331
Electric Installations	4,196
Vehicles, Furniture & Security System	758
Contingencies	571
Deferred & Pre-Operating Cost	1,427
Interest During Construction	570
Total Fixed Cost	44,913
Net Initial Working Capital	109
Project Cost	45,022

Table 9-2 Means of Financing (000)

			Total Rs
Debt		40%	
	Long Term Loans		18,009
	Total Debt		18,009
Equity		60%	
	Share Capital		27,013
	Total Equity		27,013
Total Investment			45,022

9.2 Projected Balance Sheet

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Capital & Reserves											
Capital	27,013	27,013	27,013	27,013	27,013	27,013	27,013	27,013	27,013	27,013	27,013
Retained Earnings	0	5,202	11,071	18,627	27,946	39,170	52,812	68,939	87,764	109,460	134,074
Sub Total	27,013	32,215	38,084	45,640	54,959	66,183	79,825	95,952	114,777	136,473	161,087
Long Term Liabilities											
Loans LCY	18,009	20,618	16,708	13,936	11,169	8,403	5,637	2,870	104	0	0
Loans FCY	0	0	0	0	0	0	0	0	0	0	0
Sub Total	18,009	20,618	16,708	13,936	11,169	8,403	5,637	2,870	104	0	0
Current Liabilities											
Accrued Expenses	0	599	617	635	654	674	694	715	737	759	781
Proposed Dividend	0	4,052	4,052	4,052	4,052	4,052	6,753	6,753	6,753	6,753	6,753
Tax payable	0	3,406	4,787	5,888	7,010	8,190	11,086	12,550	14,114	15,761	17,424
Sub Total	0	8,057	9,455	10,575	11,716	12,916	18,533	20,018	21,604	23,273	24,959
Total Equity & Liabilities	45,022	60,890	64,247	70,151	77,844	87,503	103,995	118,841	136,485	159,746	186,046
Fixed Assets, Capital W.I.P & Pre-operating Expenses											
Fixed Assets & Capital W.I.P	43,486	40,984	38,482	35,979	33,477	30,975	28,473	25,970	23,468	20,966	18,464
Pre-operating Expenses	1,427	1,284	1,141	999	856	713	571	428	285	143	0
Sub Total	44,913	42,268	39,623	36,978	34,333	31,688	29,043	26,398	23,754	21,109	18,464
Current Assets											
Debtors	0	160	171	182	194	206	220	235	250	267	285
Advances deposits & other Payment	0	100	102	104	106	108	110	113	115	117	120
Short Term Investment	0	18,262	24,251	32,787	43,111	55,400	74,521	91,995	112,267	138,153	167,178
Cash & Bank Balance	109	100	100	100	100	100	100	100	100	100	0
Sub Total	109	18,622	24,624	33,173	43,511	55,814	74,951	92,442	112,732	138,637	167,582
Total	45,022	60,890	64,247	70,151	77,844	87,503	103,995	118,841	136,485	159,746	186,046

9.3 Projected Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	27,520	29,796	32,262	34,935	37,832	46,082	49,915	54,070	58,574	63,458
Direct Cost and Expenses	12,251	12,374	12,525	12,700	12,898	13,521	13,792	14,072	14,364	14,667
Gross Profit	15,269	17,422	19,738	22,235	24,933	32,560	36,123	39,997	44,210	48,791
Other Income	0	0	0	0	0	0	0	0	0	0
Operating Profit	15,269	17,422	19,738	22,235	24,933	32,560	36,123	39,997	44,210	48,791
Financial Charegs	2,609	2,715	2,242	1,854	1,467	1,080	692	305	0	0
Profit before Tax	12,660	14,708	17,496	20,380	23,466	31,481	35,431	39,692	44,210	48,791
Taxation	3,406	4,787	5,888	7,010	8,190	11,086	12,550	14,114	15,761	17,424
Profit after Tax	9,254	9,921	11,608	13,371	15,276	20,395	22,881	25,578	28,449	31,367

9.4 Projected 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
Sources											
Operating Profit	0	15,269	17,422	19,738	22,235	24,933	32,560	36,123	39,997	44,210	48,791
Add Depreciation & Amortization	0	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645
Share Capital	27,013										
Other Sources											
Long Term Loans	18,009										
Inc./ (Dec) in accrued expenses	0	599	18	19	19	20	20	21	21	22	23
Total	45,022	18,513	20,085	22,401	24,899	27,598	35,225	38,789	42,664	46,877	51,459
Applications											
Fixed Assets	43,486										
Pre-Operating Expenses	1,427										
Long Term Loans	0	0	2,573	2,573	2,573	2,573	2,573	2,573	2,573	104	0
Payments Of											
Financial Expenses	0	0	4,053	2,441	2,048	1,661	1,273	886	499	0	0
Taxes Paid	0	0	3,406	4,787	5,888	7,010	8,190	11,086	12,550	14,114	15,761
Dividend	0	0	4,052	4,052	4,052	4,052	4,052	6,753	6,753	6,753	6,753
(Inc.)/Dec in Current Assets	0	18,522	6,002	8,549	10,338	12,303	19,137	17,491	20,289	25,906	28,944
Total	44,913	18,522	20,085	22,401	24,899	27,598	35,225	38,789	42,664	46,877	51,459
Surplus	109	(9)	0	0	0	0	0	0	0	0	0
Balance Opening	0	109	100	100	100	100	100	100	100	100	100
Balance closing	109	100	100	100	100	100	100	100	100	100	100

10. KEY ASSUMPTIONS

10.1 Project Assumptions

Period of Construction in Years	1
Projected Life of The Project in Years	30

10.2 Operating Assumptions

No of Working Days in One Year	360
No. of Working Hours in One Day	12

10.3 Revenue Assumptions: Joy Rides

Average Duration of Rides in Minutes	3
Loading-Off Loading Time For Each Ride in Minutes	7
Total No. of Rides Per Hours	6
Virtual Capacity of The Amusement Park ³	46,440
Visitors Per Day (At 5% of Virtual Capacity)	2,322
Average No. of Visitors Expected Per Annum	835,920

10.4 Revenue Assumptions: Others

Monthly Average Rentals Per Sq. ft. In Rs.	50
Total Area of Signboard in Sq ft.	1,000
Monthly Rentals of Signboards in Sq ft. in Rs.	40
Visitors Entrance Fee in Rs.	10
Average Fee For Rides in Rs.	60
Vehicle Parking Fees in Rs.	10

10.5 Growth Rates

Annual Increase in Visitors' Entrance Fee	5%
Annual Increase in Vehicle Parking Fee.	5%
Annual Increase of Monthly Rentals	10%
Annual Increase in Visitors' Entrance Fee.	5%
%Age Annual Increase in No. of Visitors.	3%

10.6 Financial Assumptions

Debt	40%
Equity	60%

³ Total no of visitor that can be accommodated

Annual Mark Up Rate	
Long Term Loan – LCY	14%
Long Term Loan Grace Period in Years	1
Repayment Period- Long Term Loans in Years	7
Insurance Rate For LCY Components	0.75%
Applicable Tax Rate @	35%

10.7 Expected Dividend Payout Ratio

Year 1-5	15%
From 6-10	25%
From 11-15	30%

10.8 Depreciation Rate

Tools, Equipments, Computers & Telephones	10%
Electric Installations	10%
Vehicles, Furniture & Security System	10%

11. ANNEXURE

Table 11-1 Project Capacity Utilization based on the average No. of visitors

Year	Percentage
0	0%
1	75%
2	75%
3	75%
4	75%
5	75%
6	85%
7	85%
8	85%
9	85%
10	85%
11	90%
12	90%
13	90%
14	90%
15	90%

Table 11-2 Virtual Capacity

Description	Van	Seats	Total
Samba tower	6	6	36
Tea Time	6	10	60
Giant wheel	24	4	96
Hully gully	12	2	24
Crazy bus	1	36	36
Train	6	8	48
Pirate Ship	6	6	36
Mono rail without track	2	8	16
Kiddy Rides	1	1	1
Dodge'm Cars	5	2	10
Free Fall	2	12	24
Total			387

PICTURES OF JOY RIDES

