



Pre-feasibility Study

3D CINEMA

December 2020

“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

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1 DISCLAIMER

This information memorandum is to introduce the subject matter and provide a general idea and information on the said matter. Although, the material included in this document is based on data/information gathered from various reliable sources; however, it is based upon certain assumptions, which may differ from case to case. The information has been provided on as is where is basis without any warranties or assertions as to the correctness or soundness thereof. Although, due care and diligence has been taken to compile this document, the contained information may vary due to any change in any of the concerned factors, and the actual results may differ substantially from the presented information. SMEDA, its employees or agents do not assume any liability for any financial or other loss resulting from this memorandum in consequence of undertaking this activity. The contained information does not preclude any further professional advice. The prospective user of this memorandum is encouraged to carry out additional diligence and gather any information which is necessary for making an informed decision; including taking professional advice from a qualified consultant/technical expert before taking any decision to act upon the information.

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2 EXECUTIVE SUMMARY

The proposed project is about establishing a **3D Cinema** in a shopping mall. The subject project is strongly recommended to be established in the large cities of Pakistan. The prevalence of such facility would add economic benefits in the country and would number of direct and indirect employment. Moreover, features like low cost & less complexity associated with installation of a 3D Cinema over a shopping mall makes it more attractive project as compared to a separate full sized Cinema. Currently the project is being designed / proposed for major cities that are densely populated but the same can be proposed for other cities which can fulfill input and requirements of the project.

Initially project focus would be on displaying latest movies that are released in a year, whereas at a later stage blockbusters will also be displayed. The main feature of the project would include 3D features.

The 3D cinema has the capacity of selling approximately 198,000 tickets annually and will be operational for 330 days a year and 2 shows a day. Initially the 3D cinema will be operated at 65% of capital utilization and will increase it by 5% annually. The Maximum capacity utilization will be 95%.

The total project investment is Rs. **20,555,963/-** with an Internal Rate of Return (IRR) of **30%** and Net Present Value (NPV) of Rs. **16,123,544/-**. The total project investment would be paid back in **3.09** years.

3 INTRODUCTION TO SMEDA

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

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

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

Concurrent to the prefeasibility studies, a broad spectrum of business development services is also offered to the SMEs by SMEDA. These services include identification of experts and consultants and delivery of need based capacity building programs of different types in addition to business guidance through help desk services.

4 PURPOSE OF THE DOCUMENT

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

The purpose of this document is to facilitate potential investors in **3D Cinema business** by providing them with a general understanding of the business with the intention of supporting potential investors in crucial investment decisions.

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

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

5 BRIEF DESCRIPTION OF PROJECT & PRODUCT

Following key parameters must be addressed as per pre-feasibility study under preparation

- **Technology:** This proposed project includes;
 - 4K Digital Projector of LAITS brand with 30,000 Lumens brightness, automatic Lens, 3D built-in, Internet built-in, laser style and maximum 1000 inches projection size that weighs 55 kg along with 2 years company warranty.
 - A 3D projection screen of 600 inches.
 - Sound System of Nakamichi Shockwafe Ultra 9.2.4 Channel 1000W Dolby Atmos Soundbar with Dual 10" Subwoofers (Wireless) & 4 Rear Surround Effects Speakers.
 - Fashion customized 3D glasses of paper characteristics.
- **Location:** The subject project is strongly recommended to be established in a shopping mall in the major cities that are densely populated.
- **Product:** Keeping in view the market demand and characteristics displaying 3D movies for entertainment to be the final product of the proposed prefeasibility. 3D Hollywood, Bollywood and Lollywood movies to be displayed.
- **Target Market:** The target customers for the proposed product would primarily be individuals and families of all age.
- **Employment Generation:** The proposed project will provide direct employment to 20 people.

6 INSTALLED AND OPERATIONAL CAPACITIES

The 3D cinema has the capacity of selling approximately 198,000 tickets annually and will be operational for 330 days a year and 2 shows a day. Initially the 3D cinema will be operated at 65% of capital utilization and will increase it by 5% annually. The Maximum capacity utilization will be 95%.

7 CRITICAL FACTORS

- Selection of proper location, equipment and staff would be required to run project successfully.
- Ability to produce / acquire unique designs and safe guarding such design from piracy.
- Progress in terms of product development and innovation
- To attract large number of customers the selection of movies to be displayed must be of high quality standards.
- Government rule and policies
- Employing and retaining skilled labor
- Higher return on investment and a steady growth of business is expected with the entrepreneur having some prior experience in the related field of business

8 GEOGRAPHICAL POTENTIAL FOR INVESTMENT

A 3D projector works by displaying two almost identical images at once. When the viewer sees the image through polarized lenses that isolate left and right views, the depth of the image is enhanced, creating a 3-dimensional image.

Like any other business, the first step in opening a 3D cinema is finding the right location as it will be greatly helpful in returning profits in the long run. Currently, shopping malls are the major source of attracting a large number of people. So, opening a 3D cinema over the upper portion of a shopping mall would be ideal.

The market for digital 3D cinema is still relatively minor and the number of screens not yet large enough to justify a major Studio release. This report provides an economic basis for continued investment in digital 3D cinema, looking at opportunities for the sector against the potential threats to its pace of development worldwide. On a technical level, this report considers each of the stereoscopic formats available, including the range of investments, the potential revenues and profit margins.

The next several years will see an expansion of 3D's power at the global box office, with a series of brand new films, sequels, and a huge growing slate of franchises. The biggest game changer for 3D has been the launch and adoption of RGB laser projection, which creates brighter 3D with richer colors.

9 POTENTIAL TARGET CUSTOMERS / MARKETS

The target customers for the proposed project would primarily be individuals and families. Cinema is appealing to a more diverse group of consumers than ever before, making it an attractive platform for many brands to utilize. To ensure you reach and engage your target audience effective cinema promotion must be considered.

10 PROJECT COST SUMMARY

10.1 Project Economics

All the figures in this financial model have been calculated for estimated sales of **Rs. 70,785,000** in the year one. The capacity utilization during year one is worked out at **65%** with **5%** increase in subsequent years up to the maximum capacity utilization of **95%**.

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

Table 1: Project Economics

Description	Details
Internal Rate of Return (IRR)	34%
Payback Period (yrs.)	3.09
Net Present Value (Rs.)	16,123,544

10.2 Project Financing

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

Table 2: Project Financing

Description	Details
Total Equity (50%)	10,277,981
Bank Loan (50%)	10,277,981
Markup to the Borrower (%age / annum)	16%
Tenure of the Loan (Years)	5

10.3 Project Cost

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

Table 3: Project Cost

Description	Amount Rs.
Capital Cost	
Renovation	3,970,000
Cinema Equipment	3,210,000
Furniture & Fixture	3,415,000
Vehicle	1,506,750
Office Equipment	269,000
Pre-operating Cost	645,000
Total Capital Cost	13,015,750
Working Capital	
Equipment and Spare Part Inventory	536,250
Raw Material Inventory	268,125
Upfront building rent	6,000,000
Upfront Insurance Payment	235,838
Cash	500,000
Total Working Capital	7,540,213
Total Project Cost	20,555,963

10.4 Space Requirement

As the proposed 3D cinema to be established in a shopping mall, so the space acquired to be purely on monthly rental basis. A 9000 sq. ft. area is a good space to establish a 300-seater 3D cinema, following are the renovation cost:

Table 4: Space Requirement

Description	Estimated Area (Sqft)	Unit Cost (Rs.)	Total Rent/Month (Rs.)
Movie Hall/Theater	7000	500	3,500,000
Ticket Booth/Box Office	100	200	20,000
Waiting Lounge/Cafeteria	1400	250	350,000
Washroom	500	200	100,000
Total	9000		3,970,000

10.5 Machinery & Equipment Requirement

3D Cinema equipment for the proposed project is stated below. 3D glasses are stocked for 2 months.

Table 5: Machinery & Equipment

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Digital Projector (30,000 Lumens)	1	1,600,000	1,600,000
Projection Screen	600	200	120,000
Sound System (complete set)	1	230,000	230,000
Paper 3D Glasses	36000	35	1,260,000
Total			3,210,000

10.6 Furniture & Fixtures Requirement

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

Table 6: Furniture & Fixture

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Furniture/Seats	350	2800	980,000
Carpeting	8500	150	1,275,000
Electric Wiring & Lighting	1	500,000	500,000
Air conditioners (Orient Ultimate 24G 2	4	165,000	660,000

ton Floor)			
Total			3,415,000

10.7 Office Equipment Requirement

Following office equipment will be required for a 3D cinema;

Table 7: Office Equipment

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Laptops	2	85,000	170,000
Printers	1	42,000	42,000
Telephone sets	2	6,000	12,000
Ticketing machine	1	45,000	45,000
Total			269,000

10.8 Human Resource Requirement

In order to run operations of a 3D cinema smoothly, details of human resources required along with number of employees and monthly salary are recommended as under;

Table 8: Human Resource Requirement

Description	No. of Employees	Monthly Salary per person (Rs.)
Cinema Manager	1	90,000
Marketing Manager	1	65,000
Team Leader	1	50,000
Cinema Attendant	8	35,000
Sweeper	3	25,000
Guard	5	25,000
Driver	1	25,000
Total	20	

10.9 Utilities and other costs

An essential cost to be borne by the project is the cost of utilities. The administrative expenses are Rs. 4,560,000 in year 1, the electricity cost is Rs. 268,125/- per month. Furthermore, promotional expense being essential for marketing of 3D cinema is estimated as 5% and that is Rs. 3,539,250 for year 1.

10.10 Revenue Generation

Based on the capacity utilization of **65%**, sales revenue during the first year of operations is estimated as under;

Table 9: Revenue Generation – Year 1

Description	No. of Seats Available (No.)	No. of Tickets Sold at 65% Capacity/Day (No.)	Sale Price / Ticket including 3D Glasses (Rs.)	No. of Days operational in a Year	Sales Revenue (Rs.)
Show 1	300	195	550	330	35,392,500
Show 2	300	195	550	330	35,392,500
Total	600	390	550	330	70,785,000

11 CONTACT DETAILS

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

11.1 Equipment Suppliers

Name of Supplier	Address	Phone	Fax	E-mail	Website
Shopus	1 House 65, Ground Floor, Street 10, E-11/1, Islamabad	051-8747444	-	info@shopus.pk	www.shopus.pk
Alibaba.com	Taobao City, China	-	-	service.alibaba.com	www.alibaba.com

12 USEFUL WEB LINKS

Small & Medium Enterprises Development Authority (SMEDA)	www.smeda.org.pk
Government of Pakistan	www.pakistan.gov.pk
Ministry of Industries & Production	www.moip.gov.pk
Ministry of Education, Training & Standards in Higher Education	http://moptt.gov.pk
Government of Punjab	www.punjab.gov.pk
Government of Sindh	www.sindh.gov.pk
Government of Khyber Pakhtunkhwa	www.khyberpakhtunkhwa.gov.pk
Government of Balochistan	www.balochistan.gov.pk
Government of Gilgit Baltistan	www.gilgitbaltistan.gov.pk
Government of Azad Jamu Kashmir	www.ajk.gov.pk
Trade Development Authority of Pakistan (TDAP)	www.tdap.gov.pk
Security Commission of Pakistan (SECP)	www.secp.gov.pk
Federation of Pakistan Chambers of Commerce and Industry (FPCCI)	www.fpcci.com.pk
State Bank of Pakistan (SBP)	www.sbp.org.pk
Punjab Small Industries Corporation	www.psic.gop.pk
Sindh Small Industries Corporation	www.ssic.gos.pk
Pakistan Horticulture Development and Export Company (PHDEC)	www.phdec.org.pk
Punjab Vocational Training Council (PVTC)	www.pvtc.gop.pk
Technical Education and Vocational Training Authority (TEVTA)	www.tevta.org
Pakistan Readymade Garment Technical Training Institute	www.prgmea.org/prgtti/
Livestock & Dairy Development Department, Government of Punjab.	www.livestockpunjab.gov.pk
Punjab Industrial Estates (PIE)	www.pie.com.pk
Faisalabad Industrial Estate Development and Management Company (FIEDMC)	www.fiedmc.com.pk

13 ANNEXURES

13.1 Income Statement

Statement Summaries										SMEDA
Income Statement										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Rs. in actuals									
Revenue	70,785,000	80,041,500	90,046,688	100,852,290	112,513,336	125,088,356	138,639,595	145,571,574	152,850,153	160,492,661
Cost of goods sold	45,787,500	51,746,751	58,221,958	65,254,555	72,889,392	81,175,038	90,164,106	95,297,352	100,756,039	106,563,521
Gross Profit	24,997,500	28,294,749	31,824,730	35,597,735	39,623,944	43,913,318	48,475,488	50,274,223	52,094,114	53,929,140
<i>General administration & selling expenses</i>										
Administration expense	4,696,800	5,154,087	5,655,896	6,206,562	6,810,842	7,473,955	8,201,630	9,000,152	9,876,420	10,838,002
Rental expense	6,000,000	6,600,000	7,260,000	7,986,000	8,784,600	9,663,060	10,629,366	11,692,303	12,861,533	14,147,686
Utilities expense	-	-	-	-	-	-	-	-	-	-
Travelling & Comm. expense (phone, fax, etc.)	182,400	200,159	219,646	241,032	264,499	290,251	318,510	349,520	383,550	420,893
Office vehicles running expense	75,338	82,871	91,158	100,274	110,302	121,332	133,465	146,811	161,493	177,642
Office expenses (stationary, etc.)	45,600	50,040	54,912	60,258	66,125	72,563	79,627	87,380	95,888	105,223
Promotional expense	3,539,250	4,002,075	4,502,334	5,042,615	5,625,667	6,254,418	6,931,980	7,278,579	7,642,508	8,024,633
Insurance expense	235,838	204,720	173,603	142,485	111,368	201,582	161,265	120,949	80,633	40,316
Professional fees (legal, audit, etc.)	353,925	400,208	450,233	504,261	562,567	625,442	693,198	727,858	764,251	802,463
Depreciation expense	1,189,250	1,189,250	1,189,250	1,189,250	1,189,250	1,373,227	1,373,227	1,373,227	1,373,227	1,373,227
Amortization expense	129,000	129,000	129,000	129,000	129,000	-	-	-	-	-
Property tax expense	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense	2,123,550	2,401,245	2,701,401	3,025,569	3,375,400	3,752,651	4,159,188	4,367,147	4,585,505	4,814,780
Subtotal	18,570,950	20,413,654	22,427,434	24,627,306	27,029,618	29,828,480	32,681,457	35,143,927	37,825,006	40,744,866
Operating Income	6,426,550	7,881,095	9,397,296	10,970,430	12,594,325	14,084,838	15,794,032	15,130,296	14,269,108	13,184,273
Other income	-	-	-	-	-	-	-	-	-	-
Gain / (loss) on sale of assets	-	-	-	-	602,700	-	-	-	-	-
Earnings Before Interest & Taxes	6,426,550	7,881,095	9,397,296	10,970,430	13,197,025	14,084,838	15,794,032	15,130,296	14,269,108	13,184,273
Interest expense	1,310,143	816,354	629,827	411,168	154,839	-	-	-	-	-
Earnings Before Tax	5,116,407	7,064,741	8,767,469	10,559,262	13,042,186	14,084,838	15,794,032	15,130,296	14,269,108	13,184,273
Tax	2,097,727	2,896,544	3,594,662	4,329,297	5,347,296	5,774,784	6,475,553	6,203,421	5,850,334	5,405,552
NET PROFIT/(LOSS) AFTER TAX	3,018,680	4,168,197	5,172,807	6,229,965	7,694,890	8,310,054	9,318,479	8,926,874	8,418,773	7,778,721
Balance brought forward		1,509,340	2,838,769	4,005,788	5,117,876	12,812,766	21,122,821	30,441,299	39,368,174	47,786,947
Total profit available for appropriation	3,018,680	5,677,537	8,011,575	10,235,752	12,812,766	21,122,821	30,441,299	39,368,174	47,786,947	55,565,668
Dividend	1,509,340	2,838,769	4,005,788	5,117,876	-	-	-	-	-	-
Balance carried forward	1,509,340	2,838,769	4,005,788	5,117,876	12,812,766	21,122,821	30,441,299	39,368,174	47,786,947	55,565,668

13.2 Balance Sheet

Statement Summaries											SMEDA
Balance Sheet											Rs. in actuals
	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	6,000,000	6,063,100	7,641,906	8,847,976	9,766,271	14,446,500	23,947,420	34,544,301	44,584,626	54,105,288	66,977,528
Accounts receivable	-	193,932	206,612	232,998	261,505	292,282	325,482	361,271	389,330	408,797	429,237
Finished goods inventory	-	-	-	-	-	-	-	-	-	-	-
Equipment spare part inventory	536,250	630,630	737,837	859,433	997,157	1,152,948	1,328,965	1,451,229	1,584,742	1,730,539	-
Raw material inventory	268,125	315,315	368,919	429,716	498,578	576,474	664,482	725,615	792,371	865,269	-
Pre-paid annual land lease	-	-	-	-	-	-	-	-	-	-	-
Pre-paid building rent	500,000	550,000	605,000	665,500	732,050	805,255	885,781	974,359	1,071,794	1,178,974	-
Pre-paid lease interest	-	-	-	-	-	-	-	-	-	-	-
Pre-paid insurance	235,838	204,720	173,603	142,485	111,368	201,582	161,265	120,949	80,633	40,316	-
Total Current Assets	7,540,213	7,957,696	9,733,876	11,178,108	12,366,929	17,475,040	27,313,395	38,177,723	48,503,497	58,329,183	67,406,764
<i>Fixed assets</i>											
Land	-	-	-	-	-	-	-	-	-	-	-
Building/Infrastructure	3,970,000	3,771,500	3,573,000	3,374,500	3,176,000	2,977,500	2,779,000	2,580,500	2,382,000	2,183,500	1,985,000
Machinery & equipment	3,210,000	2,889,000	2,568,000	2,247,000	1,926,000	1,605,000	1,284,000	963,000	642,000	321,000	-
Furniture & fixtures	3,415,000	3,073,500	2,732,000	2,390,500	2,049,000	1,707,500	1,366,000	1,024,500	683,000	341,500	-
Office vehicles	1,506,750	1,205,400	904,050	602,700	301,350	2,426,636	1,941,309	1,455,982	970,654	485,327	-
Office equipment	269,000	242,100	215,200	188,300	161,400	134,500	107,600	80,700	53,800	26,900	-
Total Fixed Assets	12,370,750	11,181,500	9,992,250	8,803,000	7,613,750	8,851,136	7,477,909	6,104,682	4,731,454	3,358,227	1,985,000
<i>Intangible assets</i>											
Pre-operation costs	645,000	516,000	387,000	258,000	129,000	-	-	-	-	-	-
Legal, licensing, & training costs	-	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	645,000	516,000	387,000	258,000	129,000	-	-	-	-	-	-
TOTAL ASSETS	20,555,963	19,655,196	20,113,126	20,239,108	20,109,679	26,326,176	34,791,303	44,282,405	53,234,951	61,687,410	69,391,764
Liabilities & Shareholders' Equity											
<i>Current liabilities</i>											
Accounts payable	-	1,625,587	1,836,841	2,065,083	2,311,504	2,577,378	2,864,062	3,168,295	3,325,576	3,490,872	3,548,115
Export re-finance facility	-	-	-	-	-	-	-	-	-	-	-
Short term debt	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	-	1,625,587	1,836,841	2,065,083	2,311,504	2,577,378	2,864,062	3,168,295	3,325,576	3,490,872	3,548,115
<i>Other liabilities</i>											
Lease payable	-	-	-	-	-	-	-	-	-	-	-
Deferred tax	-	658,050	658,050	658,050	658,050	658,050	526,440	394,830	263,220	131,610	0
Long term debt	10,277,981	5,584,238	4,501,486	3,232,206	1,744,267	-	-	-	-	-	-
Total Long Term Liabilities	10,277,981	6,242,288	5,159,536	3,890,256	2,402,317	658,050	526,440	394,830	263,220	131,610	0
<i>Shareholders' equity</i>											
Paid-up capital	10,277,981	10,277,981	10,277,981	10,277,981	10,277,981	10,277,981	10,277,981	10,277,981	10,277,981	10,277,981	10,277,981
Retained earnings	-	1,509,340	2,838,769	4,005,788	5,117,876	12,812,766	21,122,821	30,441,299	39,368,174	47,786,947	55,565,668
Total Equity	10,277,981	11,787,321	13,116,750	14,283,769	15,395,857	23,090,747	31,400,802	40,719,281	49,646,155	58,064,928	65,843,650
TOTAL CAPITAL AND LIABILITY	20,555,963	19,655,196	20,113,126	20,239,108	20,109,679	26,326,176	34,791,303	44,282,405	53,234,951	61,687,410	69,391,764
Note: Total assets value will differ from project cost due to first installment of leases paid at the start of year 0											

13.3 Cash Flow Statement

Statement Summaries Cash Flow Statement											SMEDA
											Rs. in actuals
	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	-	3,018,680	4,168,197	5,172,807	6,229,965	7,694,890	8,310,054	9,318,479	8,926,874	8,418,773	7,778,721
Add: depreciation expense	-	1,189,250	1,189,250	1,189,250	1,189,250	1,189,250	1,373,227	1,373,227	1,373,227	1,373,227	1,373,227
amortization expense	-	129,000	129,000	129,000	129,000	129,000	-	-	-	-	-
Deferred income tax	-	658,050	-	-	-	-	(131,610)	(131,610)	(131,610)	(131,610)	(131,610)
Accounts receivable	-	(193,932)	(12,680)	(26,386)	(28,508)	(30,776)	(33,200)	(35,789)	(28,059)	(19,467)	(20,440)
Finished good inventory	-	-	-	-	-	-	-	-	-	-	-
Equipment inventory	(536,250)	(94,380)	(107,207)	(121,596)	(137,724)	(155,791)	(176,017)	(122,265)	(133,513)	(145,796)	1,730,539
Raw material inventory	(268,125)	(47,190)	(53,604)	(60,798)	(68,862)	(77,896)	(88,008)	(61,132)	(66,757)	(72,898)	865,269
Pre-paid building rent	(500,000)	(50,000)	(55,000)	(60,500)	(66,550)	(73,205)	(80,526)	(88,578)	(97,436)	(107,179)	1,178,974
Pre-paid lease interest	-	-	-	-	-	-	-	-	-	-	-
Advance insurance premium	(235,838)	31,118	31,118	31,118	31,118	(90,214)	40,316	40,316	40,316	40,316	40,316
Accounts payable	-	1,625,587	211,254	228,242	246,422	265,874	286,683	304,233	157,281	165,296	57,243
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Cash provided by operations	(1,540,213)	6,266,183	5,500,328	6,481,137	7,524,110	8,851,132	9,500,921	10,596,881	10,040,325	9,520,662	12,872,240
<i>Financing activities</i>											
Change in long term debt	10,277,981	(4,693,743)	(1,082,753)	(1,269,279)	(1,487,939)	(1,744,267)	-	-	-	-	-
Change in short term debt	-	-	-	-	-	-	-	-	-	-	-
Change in export re-finance facility	-	-	-	-	-	-	-	-	-	-	-
Add: land lease expense	-	-	-	-	-	-	-	-	-	-	-
Land lease payment	-	-	-	-	-	-	-	-	-	-	-
Change in lease financing	-	-	-	-	-	-	-	-	-	-	-
Issuance of shares	10,277,981	-	-	-	-	-	-	-	-	-	-
Purchase of (treasury) shares	-	-	-	-	-	-	-	-	-	-	-
Cash provided by / (used for) financ	20,555,963	(4,693,743)	(1,082,753)	(1,269,279)	(1,487,939)	(1,744,267)	-	-	-	-	-
<i>Investing activities</i>											
Capital expenditure	(13,015,750)	-	-	-	-	(2,426,636)	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-	-	-
Cash (used for) / provided by invest	(13,015,750)	-	-	-	-	(2,426,636)	-	-	-	-	-
NET CASH	6,000,000	1,572,440	4,417,575	5,211,858	6,036,171	4,680,228	9,500,921	10,596,881	10,040,325	9,520,662	12,872,240
Cash balance brought forward		6,000,000	6,063,100	7,641,906	8,847,976	9,766,271	14,446,500	23,947,420	34,544,301	44,584,626	54,105,288
Cash available for appropriation	6,000,000	7,572,440	10,480,675	12,853,764	14,884,147	14,446,500	23,947,420	34,544,301	44,584,626	54,105,288	66,977,528
Dividend	-	1,509,340	2,838,769	4,005,788	5,117,876	-	-	-	-	-	-
Cash carried forward	6,000,000	6,063,100	7,641,906	8,847,976	9,766,271	14,446,500	23,947,420	34,544,301	44,584,626	54,105,288	66,977,528

14 KEY ASSUMPTIONS

14.1 Operating Cost Assumptions

Description	Details
Operational Days/ year	330
Hours operational/ days	12
Daily shows	2

14.2 Production Cost Assumptions

Description	Details
Initial Capital utilization	65%
Annual Capital Utilization Growth	5%
Maximum Capital Utilization	95%

14.3 Revenue Assumptions

Description	Details
Revenue	70,785,000
Cost of goods sold	32,175,000
Sale Price/ticket	550
Tickets sold in year 1	128,700

14.4 Financial Assumptions

Description	Details
Interest Rate	16%
Debt: Equity Ratio	50:50
Debt Tenure	5 Years

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