



Pre-feasibility Study

FOOD CORNER ON WHEELS

February 2021

“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

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2 EXECUTIVE SUMMARY

The concept of a 'Food Corner on Wheels' is an emerging trend and gaining popularity among the masses. It is basically a small size restaurant that uses movable food vehicle to sell various menu of foods; basically, meals and fast-food items to customers on the go.

This particular pre-feasibility study provides basic information for setting up a 'Food Corner on Wheels' in any major city of Pakistan. The proposed unit will comprised of a movable food truck, which will be equipped to cook and serve good quality ready to eat meals to customers. The menu of the food corner is proposed to be fast food items, mainly Burgers, Pizza, Shawarma, Wraps & Rolls, Fried Chicken, Nuggets, Sandwiches and French Fries along with Soft Drinks.

The proposed food corner will have the capacity to prepare and serve around 1,171,548 servings per annum with 8 hours operation per day round the year. However, starting operational capacity is assumed at 30% with gradual increase of 5% in subsequent years up to maximum capacity utilization of 75% (i.e. 878,661 servings). The serving capacity is estimated to be economically viable and justifies the capital as well as operational cost of the project. However, entrepreneur's knowledge of food business, taste and quality of food and selection of appropriate locations are key factors for the success of this venture.

Total project cost is estimated as Rs. 7.601 million with capital investment of Rs. 6.964 million and working capital of Rs. 0.637 million. Based on an equity finance model, the project NPV is around Rs. 26.031 million, with an IRR of 58% and Payback Period of 2.57 years. The project will provide employment opportunities to 10 people including the Owner. The legal business status of this project is assumed to be 'Sole Proprietorship'.

3 INTRODUCTION TO SMEDA

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

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

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

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

4 PURPOSE OF THE DOCUMENT

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

The purpose of this document is to facilitate potential investors in **Food Corner on Wheels** 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, which form basis of any Investment Decision.

5 BRIEF DESCRIPTION OF PROJECT & PRODUCT

The trend of setting up 'Food Trucks' and 'Food Corner on Wheels' have progressed in many cities. It is an efficient business model that is driven by technology and succeeds on customer demand for low-cost, convenient and quality food. Modern food trucks offer diverse and high quality meals which involve certain on-site food preparations. With relatively low-barriers to entry, lower capital cost and flexibility to operate at multiple locations are key advantages for initiating food truck business in comparison to traditional restaurants.

The proposed project envisages the setup of a 'Food Corner on Wheels' business utilising a moveable truck, which mainly cater to serve the quality and hygienic meals to the customers at competitive prices. The menu of food corner will comprises of fast food items mainly, Burgers, Sandwiches, French Fries, Pizzas, Shawarmas, Paratha Rolls, Nuggets along with Soft Drinks. Individual food items as per the menu along with value meals and deals will be offered to the customers.

For this purposes, a mini truck will be purchased and renovated along with installations of necessary kitchen machinery on turnkey basis. The proposed food truck will be equipped with Pizza Oven, Fryers, Shawarma Grill, Stoves, Hot Pans and Other

Cooking Items; 5 KVA Generator is also installed in the truck to provide uninterrupted electricity. Moreover, deep freezer and refrigerator will also be fitted in the truck to store raw material, meal ingredients and chilling of soft drinks. Apart from the stated machinery the food truck will house a window for order taking, meal delivering and cash receiving purposes.

The proposed food truck should be parked at 3 to 5 different locations in different time slots after obtaining the requisite food service permits and certificates from the regulating authorities. Densely populated areas in surrounding of commercial markets and business centres of major cities would be most suitable location for regular parking. Whereas, active marketing through social media i.e. Facebook, Instagram, Twitter etc, should be done to attract the customers.

Financial analysis shows the unit shall be profitable from the very first year of operation. The legal status is proposed to be 'Sole Proprietorship'.

5.1 Business Operations Process Flow

The brief overview of the business operations process flow of proposed 'Food Corner on Wheels' mainly comprises of the following steps.

Raw Material Procurement

Raw material for the fast-food items is purchased according to their graded shelf life. Some material like potatoes, onions, spices and sausages can be purchased in bulk and stored for a longer period than chicken, mince and other perishable items which will be procured on daily basis.

Cleaning and Storing

Procured material is washed and sorted in containers for processing and cutting of each item according to their use.

Initial Processing / Cutting

The precleaned chicken and beef, mince, potatoes, tomatoes, onions and salad material is cut into desired sizes and quantities. Chicken and beef patties and pieces are marinated.

Storage

The semi processed food items like chicken patties, chicken pieces, salads, sausages and spices are put into containers and get them ready for loading into food truck.

Loading in Food Truck

Already packed containers of food items are loaded into food truck's special purpose compartments. The containers are loaded into the truck according to

their shelf-life quality. Chicken patties and chicken pieces will be stored in pre-installed refrigerator on the food truck.

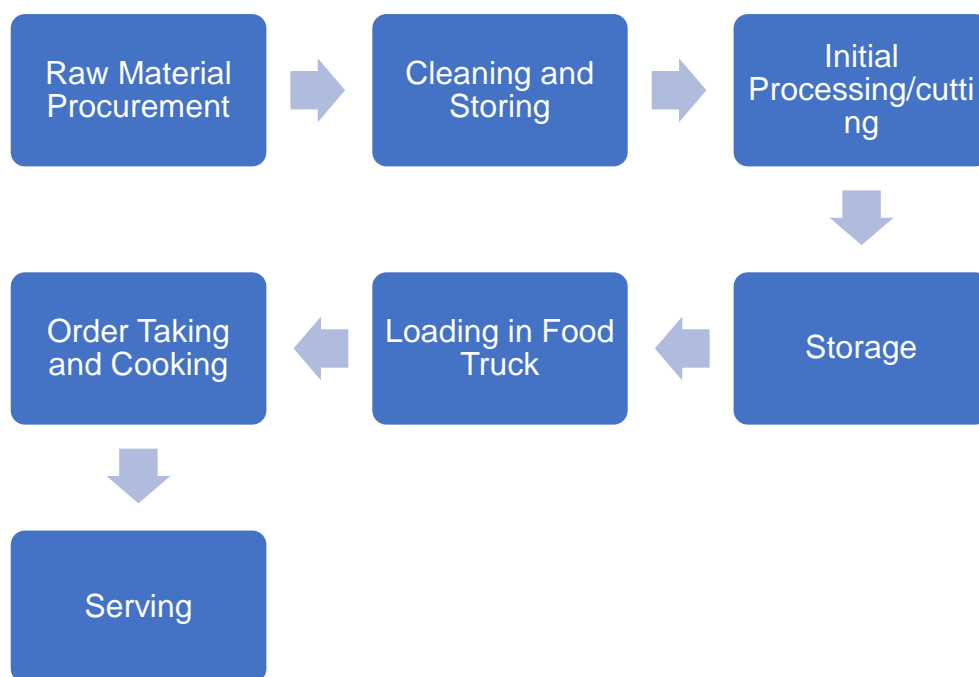
Order Taking and Cooking

When the truck is reached on the designated location, waiter takes orders from customers. The food and meals are prepared / cooked in onboard kitchen facility as per the customer orders.

Serving

Finally, the food is served to the customers when it gets prepared and the same process repeats on recurring basis.

Figure 1: Process Flow



5.2 Installed and Operational Serving Capacity

For the proposed 'Food Corner on Wheels' moveable mini truck will be used. The minitruck will be customized with onboard kitchen facility as per the business requirements. According to estimates, the proposed food truck will have an installed capacity of preparing 1,171,548 servings per annum. However, initial operational capacity of the project will be 30% with an annual growth of 5%. Maximum capacity utilization of the project is assumed at 75%.

The food items wise operational serving capacity is provided in the table below.

Table 1: Operational Serving Capacity

Description	Serving Capacity – Year 1 (30%)	Maximum Serving Capacity – Year 10 (75%)
Shawarma	10,800	27,000
Paratha Roll	10,800	27,000
Zinger Burger with Fries	8,640	21,600
Chicken Burger with Fries	8,640	21,600
Beef Burger with Fries	8,640	21,600
Fried Chicken with Fries (Kgs.)	51,840	129,600
Fries (115 gm per serving)	209,059	522,647
Pizza Large	2,592	6,480
Pizza Medium	3,888	9,720
Pizza Small	6,480	16,200
Club Sandwich with Fries	10,800	27,000
Chicken Sandwich with Fries	10,800	27,000
Nuggets (140 gm per serving)	8,486	21,214
Total	351,465	878,661

6 CRITICAL FACTORS

Following are the factors critical for the success of this business venture:

- ⇒ Background knowledge and related experience of the entrepreneur in restaurant management or food business.
- ⇒ Selection of quality ingredients for food preparation with special focus on the planning and forecasting the right amount of items to be ordered.
- ⇒ Choosing the right location for the regular parking spot of the food truck. Good visibility can create opportunities for the impulse eating decision that is critical for fast food operators.
- ⇒ Creating the right menu and competitive pricing.
- ⇒ Compliance with standards and obtaining license from Food Authorities.
- ⇒ Develop strong linkages with raw material suppliers for sourcing quality material on time at economical prices.

- ⇒ Maintaining the best agronomy practices and hygiene standards.
- ⇒ Induction of trained human resource (experienced cooks and staff) for quality food and good service delivery.
- ⇒ Exceed customer expectations by offering high quality products at reasonable prices.
- ⇒ Effective marketing and promotion through social and electronic media.
- ⇒ Employ careful financial and accounting analysis to ensure efficiency and proper controls.

7 GEOGRAPHICAL POTENTIAL FOR INVESTMENT

Mobility is one of the key advantages of the proposed food corner on wheels business venture. It can meet its customers where they are. However, it's also important that customers know where it is and can find it easily. Many food trucks have a go-to spot where they park with some regularity. This regular spot is proposed to be established at a location that has a continuous stream of traffic, convenient parking and is in proximity to other businesses, preferably near densely populated middle income group areas.

Major cities like Karachi, Lahore, Faisalabad, Islamabad, Multan, Gujranwala, Sialkot, Rawalpindi, Peshawar and Quetta etc. are most suitable to initiate the proposed project.

8 POTENTIAL TARGET CUSTOMERS / MARKETS

Middle income group people, especially working class and students, living in major cities like Karachi, Lahore, Faisalabad, Islamabad, Multan, Gujranwala, Sialkot, Rawalpindi, Peshawar and Quetta etc. are the major target customers for the proposed food corner. Subsequently, online booking and free delivery service will help in target more customers.

9 PROJECT COST SUMMARY

A detailed financial model has been developed to analyze the commercial viability of 'Food Corner on Wheels'. Various cost and revenue related assumptions along with results of the analysis are outlined in this section.

The projected Income Statement, Cash Flow Statement and Balance Sheet are attached as annexures.

9.1 Project Economics

All the figures in this financial model have been calculated for the estimated sales of Rs. 46.920 million in the year one. The capacity utilization during year one is worked out at 30%.

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

Table 2: Project Economics

Description	Details
Internal Rate of Return (IRR)	58%
Payback Period (Yrs.)	2.57
Net Present Value (Rs.)	26,031,029

Calculation of break-even analysis is as follows:

Table 3: Breakeven (100% Equity-Based)

Break-Even Analysis	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Break-Even Revenue	39,999,444	38,319,791	38,085,349	38,832,897	40,261,716	42,116,741	44,713,252	47,775,446	51,339,366	55,443,774
Break-Even Units	231,211	201,365	181,939	168,646	158,955	151,163	145,893	141,713	138,440	135,917
Margin of Safety	15%	35%	47%	55%	61%	65%	68%	71%	73%	74%

However, for the purposes of further explanation the Project Economics based on Debt:Equity (i.e. 50:50) Model has also been computed. Based on Debt:Equity model the Internal Rate of Return, Payback Period and Net Present Value of the proposed project are provide in the table below.

Table 4: Project Economics Based on Debt (50%):Equity (50%)

Description	Details
Internal Rate of Return (IRR)	57%
Payback Period (Yrs.)	2.61
Net Present Value (Rs.)	35,445,706

The financial assumptions for Debt:Equity are as follows:

Table 5: Financial Assumptions for Debt:Equity Model

Description	Details
Debt (50%)	3,800,331
Equity (50%)	3,800,331
Interest Rate on Debt	12%
Debt Tenure	5
Debt Payment / Year	2

The projected Income Statement, Cash Flow Statement and Balance Sheet enclosed as annexures are based on 100% Equity Based Business Model.

9.2 Project Cost

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

Table 6: Project Cost

Description	Amount Rs.
Capital Cost	
Food Truck – Customized Mini Truck	6,565,000
Machinery & Equipment	133,000
Pre-Operating Costs	140,000
Computer Equipment	73,000
Furniture & Fixtures	52,600
Total Capital Cost	6,963,600
Cash	637,062
Total Working Capital	637,062
Total Project Cost	7,600,662

9.3 Food Truck Requirement

For the proposed 'Food Corner on Wheels' moveable mini truck will be used. The minitruck will be customized with onboard kitchen facility as per the business requirements. The estimated cost of the truck with required customization is **Rs. 6.57 million**.

The on board kitchen facility in the truck will be equipped with following items:

- Pizza Oven
- Deep Fat Fryer
- Under Counter Chiller
- Char Coal Grill
- Hot Plate
- Shawarma Machine
- Dough Machine
- Exhaust Blower
- Sink Table Double Bowl
- Panini Grill
- Working Table
- Pizza Pre Under Counter Chiller
- Upright Chiller – Double Door
- Exhaust Hood
- Working Table Under Cabinet
- Working Table With Cash Drawer
- Pizza Over Under Cabinet Table

In addition to the above, the customized truck will also have the following installations:

- Point of Sale – Cash Machine
- Air Conditioned – Interior
- Fully Fabricated / Painted / Vinyl Pasting
- Clean Water Tank – 500 Liters
- Disposable Water Tank – 500 Liters
- Main DB (Distribution Board) For Wapda Supply
- Diesel Generator 5 KVA

9.4 Machinery & Equipment Requirement

The machinery and equipment required for the proposed project is stated below.

Table 7: Machinery & Equipment

Description	Unit Cost (Rs.)	Total Cost (Rs.)
Cutting Knives, Kitchen Utensils, Grinder, Mixers etc.	Lumpsum	100,000
LPG Cylinder 45 Kg (Qty:3)	11,000	33,000

Total		133,000
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9.5 Computer Equipment Requirement

Following computer equipment will be required for the project.

Table 8: Computer Equipment

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Computers	45,000	45,000	45,000
Invoice Printer	8,000	8,000	8,000
Computer Printer	20,000	20,000	20,000
Total			73,000

9.6 Furniture & Fixtures Requirement

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

Table 9: Furniture & Fixture

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Stools / Chairs	7	1,800	12,600
Table and Chair Sets	4	10,000	40,000
Total			52,600

9.7 Raw Material Requirement

The major raw materials required for the proposed venture mainly includes, chicken, meat, oil, potato, margination materials as per the recipe and other food ingredients and spices along with soft drinks. All the required raw materials will be procured locally. Special focus by the owner / manager will be on inventory management. Excess inventory of raw material is not desirable because of limited storage space and limited shelf-life period.

According to the menu offered by the proposed unit, the raw materials required for each product along with estimated costs are provided as Annexure12.4. The cost of raw material is assumed to increase 7% annually.

9.8 Human Resource Requirement

In order to run operations of Food Corner On Wheels Business, details of human resources required along with number of employees and monthly salary are recommended as under.

Table 10: Human Resource Requirement

Description	No. of Employees	Monthly Salary per Person (Rs.)
Owner / Manager	1	80,000
Chef	1	65,000
Cook	5	35,000
Waiter	2	20,000
Security Guards	1	20,000
Total	10	

9.9 Utilities and Other Costs

An essential cost to be borne by the project is the cost of fuel and gas. The electricity fuel and gas expenses are estimated to be around Rs.74,604 (Direct) per month. Furthermore, promotional expense being essential for marketing, is estimated as 2% of revenue.

9.10 Revenue Generation

Based on the capacity utilization of 30%, sales revenue during the first year of operations is provided in the table below.

Table 11: Revenue Generation – Year 1

Description	Meals to be Served (No)	Sale Price / Unit (Rs.)	Sales Revenue (Rs.)
Shawarma	10,800	130	1,404,000
Paratha Roll	10,800	130	1,404,000
Zinger Burger with Fries	8,640	230	1,987,200
Chicken Burger with Fries	8,640	210	1,814,400
Beef Burger with Fries	8,640	235	2,030,400
Fried Chicken with Fries	51,840	140	7,257,600
Fries (115 gm per Serving)	209,059	90	18,815,310
Pizza Large	2,592	850	2,203,200
Pizza Medium	3,888	650	2,527,200
Pizza Small	6,480	380	2,462,400
Club Sandwich with Fries	10,800	200	2,160,000

Chicken Sandwich with Fries	10,800	170	1,836,000
Nuggets (140 gm per Serving)	8,486	120	1,018,320
Total	351,465		46,920,030

10 CONTACT DETAILS

In order to facilitate potential investors, contact details of machinery supplier relevant to the proposed project is given below.

Table 12: Machinery Supplier

Name of Supplier	Address	Phone
First Bus Private Limited	Plot No. 34 Industrial Area Green Town Lahore	+92 343 5213 430-3

11 USEFUL WEB LINKS

Small & Medium Enterprises Development Authority (SMEDA)	www.smeda.org.pk
Government of Pakistan	www.pakistan.gov.pk
Ministry of Industries & Production	www.moip.gov.pk
Government of Punjab	www.punjab.gov.pk
Government of Sindh	www.sindh.gov.pk
Government of Khyber Pakhtunkhwa	www.khyberpakhtunkhwa.gov.pk
Government of Baluchistan	www.balochistan.gov.pk
Government of Gilgit Baltistan	www.gilgitbaltistan.gov.pk
Government of Azad Jammu 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.gov.pk

Sindh Small Industries Corporation	www.ssic.gos.pk
Ministry of National Food Security & Research	www.mnfsr.gov.pk
Punjab Food Authority	www.pfa.gop.pk
Sindh food Authority	www.sfa.gos.pk
Khyber Pakhtunkhwa Food Safety & Halal Food Authority	www.kpfsa.gov.pk
All Pakistan Restaurant Association	www.apra.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
Revenue	46,920,030	58,571,779	71,624,864	86,218,526	102,504,182	120,647,360	140,828,311	163,243,616	188,106,800	215,651,100
<i>Cost of sales</i>										
Cost of goods sold 1	36,479,433	45,538,448	55,686,975	67,033,267	79,695,056	93,801,034	109,491,342	126,918,811	146,249,465	167,664,645
Direct labour	3,360,000	3,696,000	4,065,600	4,472,160	4,919,376	5,411,314	5,952,445	6,547,689	7,202,458	7,922,704
Machinery maintenance	164,125	180,538	198,591	218,450	240,295	264,325	290,757	319,833	351,817	386,998
Direct fuel	98,475	126,376	158,873	196,605	240,295	290,757	348,909	415,783	492,543	580,497
Generator fuel	639,360	703,296	773,626	850,988	936,087	1,029,696	1,132,665	1,245,932	1,370,525	1,507,577
Direct water	24,000	26,400	29,040	31,944	35,138	38,652	42,517	46,769	51,446	56,591
Direct gas	157,410	192,827	231,393	273,333	318,888	368,316	421,889	479,899	542,655	610,486
Total cost of sales	40,922,803	50,463,885	61,144,098	73,076,747	86,385,137	101,204,093	117,680,525	135,974,716	156,260,909	178,729,500
Gross Profit	5,997,227	8,107,894	10,480,766	13,141,779	16,119,046	19,443,266	23,147,786	27,268,900	31,845,891	36,921,600
<i>General administration & selling expenses</i>										
Administration expense	1,200,000	1,320,000	1,452,000	1,597,200	1,756,920	1,932,612	2,125,873	2,338,461	2,572,307	2,829,537
Water expense	144,000	158,400	174,240	191,664	210,830	231,913	255,105	280,615	308,677	339,544
Communications expense (phone, fax, mail, internet, etc.)	120,000	132,000	145,200	159,720	175,692	193,261	212,587	233,846	257,231	282,954
Office vehicles running expense	656,500	722,150	794,365	873,802	961,182	1,057,300	1,163,030	1,279,333	1,407,266	1,547,993
Office expenses (stationary, entertainment, janitorial services, etc)	72,000	79,200	87,120	95,832	105,415	115,957	127,552	140,308	154,338	169,772
Promotional expense Year	938,401	750,720	600,576	480,461	384,369	307,495	245,996	196,797	157,437	125,950
Professional fees (legal, audit, consultants, etc.)	234,600	292,859	358,124	431,093	512,521	603,237	704,142	816,218	940,534	1,078,256
Depreciation expense	699,150	699,150	699,150	703,677	702,947	702,947	708,188	707,343	707,343	713,410
Amortization of pre-operating costs	28,000	28,000	28,000	28,000	28,000	-	-	-	-	-
Parking cost	720,000	792,000	871,200	958,320	1,054,152	1,159,567	1,275,524	1,403,076	1,543,384	1,697,722
Miscellaneous expense 1	300,000	330,000	363,000	399,300	439,230	483,153	531,468	584,615	643,077	707,384
Subtotal	5,112,651	5,304,479	5,572,976	5,919,068	6,331,258	6,787,442	7,349,465	7,980,612	8,691,593	9,492,522
Operating Income	884,576	2,803,414	4,907,790	7,222,711	9,787,788	12,655,824	15,798,321	19,288,289	23,154,297	27,429,078
Other income (interest on cash)	35,997	97,037	198,125	339,837	525,359	757,155	1,041,697	1,386,196	1,795,682	2,279,056
Other income 2										
Gain / (loss) on sale of computer equipment	-	-	18,250	-	-	39,377	-	-	63,833	50,961
Earnings Before Interest & Taxes	920,573	2,900,451	5,124,166	7,562,547	10,313,147	13,452,356	16,840,018	20,674,485	25,013,812	29,759,095
Earnings Before Tax	920,573	2,900,451	5,124,166	7,562,547	10,313,147	13,452,356	16,840,018	20,674,485	25,013,812	29,759,095
Tax	42,057	350,090	957,250	1,766,891	2,729,601	3,828,324	5,014,006	6,356,069	7,874,834	9,535,683
NET PROFIT/(LOSS) AFTER TAX	878,516	2,550,361	4,166,916	5,795,656	7,583,546	9,624,031	11,826,012	14,318,416	17,138,978	20,223,412

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	637,062	2,242,728	5,520,239	10,329,798	16,857,132	25,171,625	35,400,777	47,934,977	62,960,735	80,693,810	101,630,631
Total Current Assets	637,062	2,242,728	5,520,239	10,329,798	16,857,132	25,171,625	35,400,777	47,934,977	62,960,735	80,693,810	101,630,631
<i>Fixed Assets</i>											
Machinery & equipment	133,000	119,700	106,400	93,100	79,800	66,500	53,200	39,900	26,600	13,300	-
Furniture & fixtures	52,600	47,340	42,080	36,820	31,560	26,300	21,040	15,780	10,520	5,260	-
Office vehicles	6,565,000	5,908,500	5,252,000	4,595,500	3,939,000	3,282,500	2,626,000	1,969,500	1,313,000	656,500	-
Computer equipment	73,000	48,910	24,820	85,237	56,619	28,732	98,672	65,544	33,261	114,225	75,875
Total Fixed Assets	6,823,600	6,124,450	5,425,300	4,810,657	4,106,979	3,404,032	2,798,912	2,090,724	1,383,381	789,285	75,875
<i>Intangible assets</i>											
Pre-operation costs	140,000	112,000	84,000	56,000	28,000	-	-	-	-	-	-
Total Intangible Assets	140,000	112,000	84,000	56,000	28,000	-	-	-	-	-	-
TOTAL ASSETS	7,600,662	8,479,178	11,029,539	15,196,455	20,992,111	28,575,657	38,199,689	50,025,701	64,344,116	81,483,095	101,706,507
Liabilities & Shareholders' Equity											
<i>Shareholders' equity</i>											
Paid-up capital	7,600,662	7,600,662	7,600,662	7,600,662	7,600,662	7,600,662	7,600,662	7,600,662	7,600,662	7,600,662	7,600,662
Retained earnings		878,516	3,428,877	7,595,793	13,391,449	20,974,995	30,599,027	42,425,039	56,743,454	73,882,433	94,105,845
Total Equity	7,600,662	8,479,178	11,029,539	15,196,455	20,992,111	28,575,657	38,199,689	50,025,701	64,344,116	81,483,095	101,706,507
TOTAL CAPITAL AND LIABILITIES	7,600,662	8,479,178	11,029,539	15,196,455	20,992,111	28,575,657	38,199,689	50,025,701	64,344,116	81,483,095	101,706,507

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		878,516	2,550,361	4,166,916	5,795,656	7,583,546	9,624,031	11,826,012	14,318,416	17,138,978	20,223,412
Add: depreciation expense		699,150	699,150	699,150	703,677	702,947	702,947	708,188	707,343	707,343	713,410
amortization of pre-operating costs		28,000	28,000	28,000	28,000	28,000	-	-	-	-	-
Cash provided by operations	-	1,605,666	3,277,511	4,894,066	6,527,333	8,314,493	10,326,979	12,534,200	15,025,759	17,846,321	20,936,822
<i>Financing activities</i>											
Issuance of shares	7,600,662	-	-	-	-	-	-	-	-	-	-
Cash provided by / (used for) financing activities	7,600,662	-	-	-	-	-	-	-	-	-	-
<i>Investing activities</i>											
Capital expenditure	(6,963,600)	-	-	(84,507)	-	-	(97,827)	-	-	(113,247)	-
Cash (used for) / provided by investing activities	(6,963,600)	-	-	(84,507)	-	-	(97,827)	-	-	(113,247)	-
NET CASH	637,062	1,605,666	3,277,511	4,809,559	6,527,333	8,314,493	10,229,152	12,534,200	15,025,759	17,733,074	20,936,822

12.4 Raw Material Requirements

	Shawarma			Paratha Roll			Zinger Burger			Chicken Burger			Beef Burger			Fried Chicken			Fries		
Input Material	Qty.	Rate	Amount	Qty.	Rate	Amount	Qty.	Rate	Amount	Qty.	Rate	Amount	Qty.	Rate	Amount	Qty.	Rate	Amount	Qty.	Rate	Amount
Garlic White Sauce	1	500	500	1	500	500	-	500	-		500	-		500	-		500	-		500	-
Red Cihilli sauce	1	100	100	1	100	100	-	100	-		100	-		100	-		100	-		100	-
Pickles/Vegetable	1	200	200	1	200	200	-	200	-		200	-		200	-		200	-		200	-
Chicken Masalah	1	185	185	1	185	185	0	185	74	0	185	74	-	185	-	0	185	74		185	-
Beef Masalah		178	-		178	-		178			178		0	178	71		178			178	
Chicken Boneless	5	375	1,875	5	375	1,875	1	375	488	1	375	413		375			375	-		375	-
Chicken per kg	-	230	-		230	-		230			230			230		1	230	230		230	
Beef Mince		600	-		600	-		600			600		1	600	660		600			600	
Shawarma Bread	50	15	750																		
Bread		6		50	6	292															
Burger	-	15	-	-	15	-	10	15	150	10	15	150	10	15	150	-	15	-		15	-
Mayonese		270	-		270	-	0	270	68	0	270	68	0	270	68	-	270	-		270	-
Ketchup		250	-		250	-	0	250	43	0	250	43	0	250	43	-	250	-		250	-
Oil		250	-	1	250	250	1	250	188	0	250	100	0	250	100	1	250	125	1	250	188
Chicken coating		300	-		300	-	1	300	150		300			300		0	300	90		300	
Potato Fries		380	-		380	-	-	380	-		380	-		380	-		380	-	1	380	380
Fries Masalah		10	-		10	-	-	10	-		10	-		10	-		10	-	1	10	10
Other Miscalleneous	1,000	250		1,000	250		-	1,000	50		1,000	150		1,000	150		1,000	100		1,000	-
Other Costs:																					
Packing Cost	50	2	100	50	1	50	10	10	100	10	10	100	10	10	100	8	10	80	9	7	66
Fries in Deal							10	50	500	10	50	500	10	50	500	8	25	200			
Raw Material Cost	3,960			3,702			1,809			1,597			1,841			899			644		
Output (With above input materials)	Qty	Unit		Qty	Unit		Qty	Unit		Qty	Unit		Qty	Unit		Qty	Unit		Qty	Unit	
	50	Shawarmas		50	Rolls		10	Burgers		10	Burgers		10	Burgers		8	Servings		8.70	Servings	

	Pizza (Large)			Pizza (Medium)			Pizza (Small)			Club Sandwich			Chicken Sandwich			Nuggets		
Input Material	Qty.	Rate	Amount	Qty.	Rate	Amount	Qty.	Rate	Amount	Qty.	Rate	Amount	Qty.	Rate	Amount	Qty.	Rate	Amount
Chicken Masalah	0.4	185	74.0	0.3	185	55.5	0.3	185	46.3	0.1	185	17	0.1	185	17	0.5	185	93
Chicken Boneless	1.8	375	675	1.5	375	562.5	0.8	375	281.3	0.4	375	150	0.8	375	300	1.0	375	375
Pizza Dough	6.0	70	420	6.0	56	336.0	6.0	42	252.0		70			70			70	
Bread										24	6	140	32	6	187			
Mayonese	-	270	-	-	270	-	-	270	-	0.5	270	135	0.1	270	32	-	270	-
Ketchup	0.3	250	75	0.3	250	62.5	0.2	250	50.0	-	250	-	-	250	-	-	250	-
Oil	0.3	250	63	0.2	250	50.0	0.2	250	37.5	0.3	250	63	-	250	-	0.3	250	63
Toppings etc.	6.0	100	600	6.0	80	480.0	6.0	50	300.0	1.0	100	100	-	100	-	-	100	-
Cheese for topping	1.5	900	1,350	1.2	900	1,080.0	0.8	900	675.0	-	900	-	-	900	-	-	900	-
Eggs	-	15	-		15			15		8.0	15	120	-	15	-	-	15	-
Salt	-	0.3	-		0.3			0.3		8.0	0.3	2.0	8.0	0.3	2	-	0.3	-
Black Pepper	-	1.3	-		1.3			1.3		8.0	1.3	10.0	8.0	1.3	10	-	1.3	-
Other Miscalleneous		1,000	180		1,000	120		1,000	60	-	1,000	40	-	1,000	40	-	1,000	20
Other Costs:																		
Packing Cost	6.0	20.0	120.0	6.0	16.7	100.0	6.0	13.3	80.0	8.0	10.0	80	8.0	10.0	80	7.0	10.0	70
Fries in Deal										8.0	40.0	320	8.0	40.0	320			
Raw Material Cost			3,557			2,847			1,782			1,176			988			620
Output (With above input)	Qty	Unit		Qty	Unit		Qty	Unit		Qty	Unit		Qty	Unit		Qty	Unit	
	6	Pizza		6	Pizza		6	Pizza		8	Sandwich		8	Sandwich		7	Servings	

13 KEY ASSUMPTIONS

13.1 Operating Cost Assumptions

Description	Details
Mini Truck running expense	10% of vehicles cost
Communication Expenses	10 % of administration expense
Promotional Expenses	2% of revenue
Depreciation Method	Straight line
Depreciation Rate	10% on Machinery & Equipment 33% on Computer equipment 10% on Furniture & Fixture 10% on vehicles
Inflation Growth Rate	10%
Salaries Growth Rate	10%
Gas price growth rate	5%

13.2 Production Cost Assumptions

Description	Details
Maximum Serving Capacity	1,171,548
Serving Capacity in First Year	30%
Increase in Serving Capacity Per Year	5%
Maximum Serving Capacity	75%
Per Unit Cost of Raw Material & Packing	
Shawarma	Rs. 79
Paratha Roll	Rs. 74
Zinger Burger with Fries	Rs.181
Chicken Burger with Fries	Rs.160
Beef Burger with Fries	Rs.184
Fried Chicken with Fries	Rs.112
Fries (115 gm per Serving)	Rs.74

Pizza Large	Rs.593
Pizza Medium	Rs.474
Pizza Small	Rs.297
Club Sandwich with Fries	Rs.147
Chicken Sandwich with Fries	Rs.123
Nuggets (140 gm per Serving)	Rs.89

13.3 Revenue Assumptions

Description	Details
Sale Price Growth Rate	7%
Capacity Utilization	30%
Sales Price Per Meal	
Shawarma	Rs.130
Paratha Roll	Rs.130
Zinger Burger with Fries	Rs.230
Chicken Burger with Fries	Rs.210
Beef Burger with Fries	Rs.235
Fried Chicken with Fries	Rs.140
Fries (115 gm per Serving)	Rs.90
Pizza Large	Rs.850
Pizza Medium	Rs.650
Pizza Small	Rs.380
Club Sandwich with Fries	Rs.200
Chicken Sandwich with Fries	Rs.170
Nuggets (140 gm per Serving)	Rs.120

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