Pre-feasibility Study

INDOOR AMUSEMENT PARK

December 2022

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

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

Table of Contents

Table of Tables

Table of Figures

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2. EXECUTIVE SUMMARY

Throughout history, humans have always craved for a sense of thrill and a liking for entertainment and amusement. Means of amusement have continuously evolved, as per the entertainment needs of people living through different periods of the history. The concept of the amusement park first emerged in Europe in 1583, when in, Denmark, a pleasure garden was opened with live entertainment, fireworks, dancing, games and some early rides. In 18th century, more pleasure gardens were opened in different parts of the world as a mean of entertainment for people. With the passage of time, the pleasure garden concept declined in popularity and the current forms of amusement parks started gaining popularity. The amusement park industry gained huge popularity in the early 1900s, when hundreds of theme parks were established around the world.

In Pakistan, Aladdin Park was the first amusement park which was established in Karachi in 1995. However, joyland was the oldest recreational park that was established in Lahore in 1977.

Visiting amusement is fun and helps release stress. It helps increase socializing and enhance one's mood. Such activities lead to release of adrenaline and endorphins in the body, which nourishes positive emotions and gives a natural high; like the one gets from strenuous physical exercise.

This "Pre-feasibility Document" provides details for setting up a "Indoor Amusement Park" which features various attractions, such as rides and games for entertainment of general public. The unit is proposed to be ideally located in metropolitan cities like Karachi, Lahore, Islamabad, and other cities with sizeable shares of affluent population, such as Faisalabad, Rawalpindi, Peshawar, Quetta, Hyderabad, Multan, Gujranwala, Sialkot, Mardan, Bahawalpur, Sukkur, Sahiwal, Gujrat, etc. These cities are suitable due to the presence of large urban populations with good average per capita income to make such activities affordable for them. These cities also offer availability of required resources, good infrastructure and qualified and skilled manpower.

The proposed indoor amusement park will operate in a single shift of 12 hours a day (12:00 noon to 12:00 midnight) in a day for 330 days in a year. Further, it is assumed that the operational capacity utilization of the proposed indoor amusement park will be 60% during the first year of its operations. The capacity will increase at the rate of 5% per annum to reach the maximum capacity of 90% in the 7th operational year. The indoor amusement park will provide four different kinds of amusement and entertainment services, including kiddie rides, arcade game, bumper cars and trampoline jumping. Capacity of such businesses is defined in term of the number of rides which depend on the times allocated per ride. People have to buy tokens to avail the rides, with one token required for each ride. Thus the capacity can be expressed in terms of number of tokens. As per the assumptions of the project, at the maximum capacity, the project can offer 313,632 kiddie rides, 386,496 arcade games turns, 95,040 bumper car rides and 63,360 trampoline jumping turns per annum.

The initial year service capacity of the proposed indoor amusement park is assumed to be 60% which translate into 188,179 kiddie rides, 231,899 arcade games turns, 57,024 bumper car rides and 38,016 trampoline jumping runs per year.

The proposed indoor amusement park will be set up in a rented building with an area of 4,050 square feet (18 Marla). The proposed business requires a total investment of PKR 25.57 million. This includes capital investment of PKR 24.32 million and working capital of PKR 1.26 million. The project will be established using 100% equity financing. The Net Present Value (NPV) of project is PKR 47.28 million with an Internal Rate of Return (IRR) of 62% and a Payback period of 2.02 years. Further, this project is expected to generate Gross Annual Revenues of PKR 38.85 million during 1st year, Gross Profit (GP) ratio ranging from 61% to 76% and Net Profit (NP) ratio ranging from 18% to 38% during the projection period of ten years. The proposed project will achieve its estimated breakeven point at capacity of 38% (326,238 tokens) with annual breakeven revenue of PKR 24.61 million.

The proposed project may also be established using leveraged financing. At 50% financing at a cost of KIBOR+3%, the proposed business provides Net Present Value (NPV) of PKR 56.23 million, Internal Rate of Return (IRR) of 61% and Payback period of 2.10 years. Further, this project is expected to generate Net Profit (NP) ratio ranging from 18% to 38% during the projection period of ten years. The proposed project will achieve its estimated breakeven point at capacity of 38% (329,026 tokens) with breakeven revenue of PKR 24.82 million.

The proposed project will provide employment opportunities to 28 people, working in a single shift of 12 hours each during 330 days in a year. High return on investment and steady growth of business is expected to the entrepreneur having some prior experience or education in the related field of business. The legal business status of this project is proposed as “Sole Proprietorship” or “Partnership “concern.

3. INTRODUCTION TO SMEDA

The Small and Medium Enterprises Development Authority (SMEDA) was established in October 1998 with the 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 ‘sectorial research’ to identify policy, access to finance, business development services, strategic initiatives and institutional collaboration and networking initiatives.

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

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

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

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

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

4. PURPOSE OF THE DOCUMENT

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

The purpose of this document is to facilitate potential investors in setting up a “Indoor Amusement Park” by providing a general understanding of the business with the intention of supporting them in 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 setup and its successful management.

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

5. BRIEF DESCRIPTION OF PROJECT &PRODUCTS

An amusement park is a place that features various attractions, such as rides and games, as well as other events for entertainment purposes. Unlike temporary and mobile funfairs and carnivals, amusement parks are established at a fixed place and built for a permanent and long-lasting operation. Just like city parks and playgrounds, amusement parks also offer attractions to cater to the needs of people from diverse age groups.

Amusement parks fall under Tourism Sector, which has been given the status of Industry by the Government of Pakistan in the recent past. The amusement park is a facility that provides physical entertainment to people by offering an exciting and fun

atmosphere. The rides' layout, the buildings' decor, and the music played in the amusement park all contribute to building this atmosphere.

An indoor amusement park is an attraction in which the rides and games are installed indoors. This may be set up in a large building which allows the visitors to enjoy the amusement park during all kinds of weathers and all seasons of the year. For families or people of all ages, an indoor amusement park can be a great way to spend some time in a fun environment. Indoor amusement park does not actually feature any of the larger rides found at traditional outdoor amusement parks, and have smaller games and amusement facilities. Video games are also common in such indoor amusement parks. These parks may be a less expensive option for the people since they usually typically do not charge an admission ticket, and instead require tickets to play individual games. The main appeal of an indoor amusement park over an outdoor one is a comfortable environment and pleasant condition for every single day throughout the year.

In the proposed project, the refreshment area is outsourced within the indoor amusement park premises and the park charges rent from the owner of the refreshment area.

In the proposed project of indoor amusement park, business will provide the following four kinds of entertainment facilities:

1. Kiddie Rides
2. Arcade Games
3. Bumper Cars
4. Trampoline Jumping

Details of each of these facilities are given below:

5.1. Kiddie Rides

A kiddie ride is a coin-operated amusement ride for young children. Kiddie rides are commonly seen in amusement parks, arcades, malls, hotels' game rooms, outside supermarkets and departmental stores. Less commonly, these may also appear in other venues such as restaurants, food courts, grocery shops and auto dealerships. When activated by a coin, a kiddie ride entertains the rider with motion, depending on the ride type. Most rides are accompanied by sounds and music, and some also feature flashing lights, pedals and buttons. The term "kiddie ride" can also be used for an amusement park ride that mainly fulfills of the interests of the young children. In some kiddie rides, the children may also use their arms and legs to push, pull, pedal and kick. Just like riding a kid's bike, they learn how to control his/her body movements. They also learn to steer, grasp and grip. They are able to improve on their gross motor skills while enjoying their ride-on toy. Most 5-year-olds are mature enough to handle kiddie rides, but market pressure has brought height limits down so low on some of these machines that children who cannot yet talk and have barely learned to walk are also allowed to ride alone.

In the proposed indoor amusement park, the category of kiddie rides includes 15 different types of ride for entertainment of children. These are described as follows:

Motor Kiddie Ride

Motor kiddie ride is a luxury and popular kiddie ride game machine which has popular music and colored lights, with 5 game scenes. It is suitable for children over three years of age. From this video and game show, along with colored lights, the children can also learn while enjoying the game. It has ABS[1] quality material and has safety belt to protect the young riders. It requires an electric power of 180 watts. Figure 1 shows motor kiddie ride.

Figure 1: Motor Kiddie Ride

Horse Racing Kiddie Ride

Horse Racing Kiddie ride has a 17-inch-high-definition liquid display screen with 3D colorful scenes. There is a language learning software with the function of voice and video teaching. This ride has 8 optional and changeable little games. Seven colors LED shining functions. It uses an electric power of 400 watts. Figure 2 shows Horse Racing Kiddie ride.

Figure 2: Horse Racing Kiddie Ride

[1] ABS or Acrylonitrile Butadiene Styrene is a common thermoplastic polymer.

Rotating Cup Kiddie Ride

Rotating Cup Kiddie Ride is a child theme machine, equipped with rich colors and a variety of interactive game modes. There is a proactive ring, safety belts and safety doors around the machine to protect the children. It has built-in exquisite toy display with LED lighting effects to create machine theme for children. It has a seating arrangement of 2 persons and has an electric consumption of 100 watts. Figure 3 shows Rotating Cup Kiddie ride.

Figure 3: Rotating Cup Kiddie Ride

Swing Car Kiddie Ride

Swing Car Kiddie Ride is a rocking car the body of which is designed in cartoon style. The body color is warm and eye-catching. The front of the body is a pair of cute smiling eyes, which makes people feel good at first glance. A pair of buttons act as ears. The children sit in it, swing up and down with the music, see interesting pictures on the big screen, which makes them happy. This ride has large game screen, body light flash effect, 3D graphics and gameplay and a racer design. It has an electric consumption of 180 watts. Figure 4 shows swing car kiddie ride.

Figure 4: Swing Car Kiddie Ride

Jeep Swing Kiddie Ride

Jeep swing kiddie ride is an innovative design of kiddie ride with 3D HD screen. This jeep comes with an interactive sound package and spectacular lighting effects to please children. It has two dimensional up and down movements. Two people can sit in it and the game time of this ride is adjustable. With popular music and dynamic games, it become children's favorite. It requires an electric power of 400 watts. Figure 5 shows Jeep Swing Kiddie ride.

Figure 5: Jeep Swing Kiddie Ride

London Bus Kiddie Ride

London Bus Kiddie Ride is a red color bus kiddie rides, seats up to 3 riders, for two passenger's seat and one driver seat, operated with one steering wheel. It is a popular family ride featuring in schoolchildren footprint, interactive sound effect and eye-catching lights. It plays fun music to keep kids entertained and features an interactive game where kids can take control of the toy bus. The electric consumption of this ride is 135 watts. Figure 6 shows London Bus Kiddie ride.

Figure 6: London Bus Kiddie Ride

Kiddie Electric Train

Kiddie electric trains have 4, 6, 8, 12, 14 or even more seats with different designs of train carriages. The electric riding trains imitate the real steam trains and are powered by electricity. Small electric trains are environment friendly, safe, less noisy and energy saving. The proposed kiddie electric train has 6 seats having three train carriages. There is also a mini track for train. It has an electric consumption of 280 watts. Figure 7 shows Kiddie Electric Train.

Figure 7: Kiddie Electric Train

3 Player Mini & 6 Player Carousel Kiddie Ride

Carousel kiddie ride is a classic amusement equipment. The appearance, lights and wonderful music are the attractive features of carousel. When device turns the wheel up and down over time. It feels like riding on a real Carousel has two modes of transmission up drive and down drive. Carousel 8, 12, 14 or even more horses (players) with different design. The proposed use 3 players mini carousel kiddie ride with an electric consumption of 110 players carousel kiddie ride with an electric consumption of 200 watt.

Figure 8 shows 3 player mini & 6 player carousel kiddie ride.

Figure 8: 3 Player Mini & 6 Player Carousel Kiddie Ride

Space Airship Kiddie Ride

Space airship kiddie ride is widely popular in children. It has dynamic music with LED energy saving lights which gives a rich feeling. It has surround type security desk and chair which provides the child a comfortable and safe driving environment. Double flashing headlights, with energy saving lamp, are very colorful and attractive. Stirring wheel high simulation design can upgrade the game experience. Safety seat use high quality ABS material, wear resistant and crashworthy. It requires an electric power of 100 watts. Figure 9 shows Space Airship Kiddie ride.

Figure 9: Space Airship Kiddie Ride

Pirate Ship Kiddie Ride

Pirate Ship Kiddie ride, with 8 push buttons controlling, is a unique boat-shaped kiddie ride game machine. It is different from a regular kiddie ride because it is not only the funny ride but also has with 8 push buttons to control mini game with animals. This kiddie ride is a beautiful and cartoon boat shape, and the console designs a steering and 8 push buttons, corresponding to 8 different animals. It features with the motion platform from where the player enjoys the interesting and exciting kiddie ride and a press button to interact with the animated animals. The child sits on the seat, fastens the seat belt, starts the game, and the motion platform starts working and the boat begins to swing. Player presses the buttons on the console to make the animal move up and down, each button corresponding to one animal, and different animal sounds add to the fun atmosphere. It requires an electric power of 100 watts. Figure 10 shows Pirate Ship Kiddie ride.

Figure 10: Pirate Ship Kiddie Ride

5.2. Arcade Games

An arcade game is a gaming machine typically found in public places like malls, restaurants, amusement arcades and is usually coin operated. An arcade video game takes player's input from its controls, processes it through electrical or computerized components, and displays the output on an electronic monitor or similar display. Most arcade video games are housed in an arcade cabinet, and located in amusement arcades, alongside other kinds of arcade games. Arcade games often have short levels, which increase in difficulty with simple and intuitive controls. Arcade games boost decision making and multi-tasking abilities. Much of the time as a player, both hands are busy working, which creates brain activity, and helps in developing decision making skills. No one under 8 years is permitted to play arcade games.

In the proposed indoor amusement park, the category of arcade game includes 25 different types of machines for entertainment. These are described as follows:

Subway Parkour Racing Game

Subway Parkour Racing game is played on an electrical machine, which contains screen and works like a video game. The player has to choose the game mode for initiating the game. With the help of installed joy stick and buttons, the machine and game can be controlled. It has an electric power of 250 watts. Figure 11 shows Subway parkour Racing game.

Figure 11: Subway Parkour Racing Game

2-Seat Egg VR Game

This machine usually contains two electrical motions and VR glasses.[2] chairs and VR glasses are used to play the game. The player sits in the chair glasses to watch the video in 3D. Chair also simulates according to video the same feeling, as the person is actually inside the video game. It has an power of 2,500 watts.

Figure 12 shows 2-Seat Egg VR game.

Figure 12: 2-Seat Egg VR Game

Candy Crane Claw Game

It is a machine which provides facility of playing a game of picking candies from inside the machine. The jaw of the small bucket on the top of the crane sways downward, closes automatically when it touches the candies, starts to rise, and then puts the grabbed dessert into a recoverable chute. In this way, the operation process of the

[2] (Virtual Reality headset/glasses) A head-worn apparatus that completely covers the eyes for an immersive 3D experience. A virtual reality headset is a head-mounted device that provides virtual reality for the wearer. VR headsets are widely used with VR video games.

claw crane machine is completed. It has an electricity consumption of 250 watts. Figure 13 shows candy crane claw game.

Figure 13: Candy Crane Claw Game

Adult Car Racing Game

Adult Car Racing gaming machine is an electrical machine, which contains screen and works like a video game to play car racing game. Initially, the person has to choose the game mode and starts playing the game by using installed steering, gear and buttons. It also contains chair a seat for the player, which gives feeling of a driving seat of real car. It has an electric consumption of 500 watts Figure 14 shows Adult Car Racing game.

Figure 14: Adult Car Racing Game

Clown Hitting Game

Clown hitting game is one of the most popular games. This game is perfect for of all ages and was designed to allow two players to play side by side or against each other. Players toss balls at the different sized clowns for points, certain clowns adds bonus points as the players attempt to hit the interactive bonus. As the players successfully knock down the clowns, a mechanical arm clowns back up after being hit, creating a truly interactive, and family toss game. This gaming device features a life-like carnival canopy top, carnival clowns, flashing LEDs and an optional deluxe bonus marquee that mounted between 2 units. Just like walking the indoor amusement park, clown game incorporates a fun and quirky carnie voice that attracts and engages and encourages players of all ages. It requires an electric power of 200 watts.

Figure 15 shows Clown Hitting game.

Figure 15: Clown Hitting Game

2-Player Hoop Shootout Basketball Game

The aim of this game is to shoot as many hoops as possible and this eye-catching machine is designed to offer maximum interactivity and fun. The Basketball machine consists of two raised sides to keep the ball in play. Players shoot the ball through the hoop; some games also cause the hoop to move for more excitement and fast-paced action. An LED scoreboard keeps track of progress, and the player must keep shooting before the time counter reaches zero. If the player achieves a high enough score, he advances to the next level of the game. It requires an electric power of 200 watts. Figure 16 shows a 2-Player Hoop Shootout Basketball game.

Figure 16: 2-Player Hoop Shootout Basketball Game

Moto GP Racing Simulator Motorcycle Game

A racing simulator takes the idea of driving a bike. Designed to replicate real world physics variables, such as tire grip, traction, suspension geometry, aerodynamics and more, a simulator creates the most accurate representation of driving dynamics. This is an electrical gaming machine which contains simulating seat just like that of a bike for the sitting of a gamer and a screen, through which player can play and control the game. There are different verities of game. Driving simulators places the driver in an artificial environment, believed to be a valid substitute for one or more aspects of actual driving experience. It has an electrical consumption of 250 watts. Figure 17 shows Moto GP Racing Simulator Motorcycle game.

Figure 17: Moto GP Racing Simulator Motorcycle Game

Bowling Ball Game

Bowling ball is an indoor arcade machine with 42 inch LCD The players have the option to play single player and double player matches. This game is very exciting and the player can play up to five levels. It has an electric consumption of 150 watts. Figure 18 shows Bowling Ball game.

Figure 18: Bowling Ball Game

Tekken 7 Cabinet Game

Tekken 7 is a 3D action fighting arcade game. It is the latest sequel to the popular fighting arcade game series Tekken, the 7th version Tekken series. Tekken 7 is with the new systems called Rage Arts and Power Clash which relates to the health of game characters when they compete. If the health value drops to a certain value, the character becomes a state Enraged State. It increases their defense power and releases Furious Art. In addition to jumping, squatting, forward and backward, the game also allows left lateral and right lateral movements. It has an electric consumption of 200 watts. Figure 19 shows Tekken 7 Cabinet game.

Figure 19: Tekken 7 Cabinet Game

Pac Man Game

Pac Man is an action maze chase arcade game in which the player controls the character through an enclosed maze. The objective of the game is to eat all of the dots placed in the maze while avoiding four colored ghosts. It has an electric consumption of 300 watts. Figure 20 shows Pac Man game.

Figure 20: Pac Man Game

Donkey Kong Game

Donkey kong is a 1981 arcade video game. As Mario game, the player runs and jumps on platforms and climbs ladders to ascend a construction site and rescue Pauline from the giant gorilla Donkey Kong. It is the first game in the Donkey Kong series as well as Mario's first appearance in an arcade game. It has an electric consumption of 100 watts. Figure 21 Donkey Kong game.

Figure 21: Donkey Kong Game

Hammer Punch Game

A high striker, also known as a strength tester, or strongman game, is an attraction used in funfairs, amusement parks, fundraisers and carnivals. It operates by utilizing the lever where one end holds a puck attached to the tower and the other end is struck by the person or contestant using a hammer or mallet. It has an electric consumption of 150 watts. Figure 22 shows Hammer Punch game.

Figure 22: Hammer Punch Game

Electronic Dart Board Game

Darts or dart-throwing is a competitive sport in which two or more players bare-handedly throw small sharp-pointed items known as darts at a round target known as a dartboard. Points can be scored by hitting specific marked areas of the board. Though a number of similar games using various boards and rules exist, the term "darts" usually refers to a standardized game involving a specific board design and set of rules. The most common objective is to reduce a fixed score, commonly 301 or 501, to zero with the final dart landing in either the bullseye or a double segment to win. Player sets the game and it automatically tracks the scoring according to the game is playing. The game automatically records and calculates scores and show points balance. It has an electric consumption of 20 watts. Figure 23 shows electronic dart board game.

Figure 23: Electronic Dart Board Game

Gun Shooting Simulator Game

Shooter arcade games are a subgenre of action games where the focus is almost entirely on the defeat of the character's enemies using the weapons given to the player. Usually, these weapons are firearms. common resource found in many shooter games is ammunition, armor or health, or upgrades which augment the player character's weapons. It has dynamic gun with two player design which is a good simulation of shooting. It has a high quality high-definition LCD screen and metal firm cabinet with beautiful LED lighting. It has 4 types of guns with different guns have different killing ability. It has an electric consumption of 300 watts. Figure 24 shows Gun Shooting Simulator game.

Figure 24: Gun Shooting Simulator Game

Boxing Game

In this game, the players hold two boxing gloves and stand in the middle of a motion sensing environment. The puncher has to punch the mechanism as hard as he can. When punched, the bag is knocked back up into its tucked-away position, and the force of the punch that puts it there is recorded and displayed as an electronic score. It has an electric consumption of 250 watts. Figure 25 shows boxing game.

Figure 25: Boxing Game

Air Hockey Table Game

Air hockey is one of the more competitive arcade games. Air hockey is a Pong-like tabletop sport where two opposing players try to score goals against each other on a low-friction table using two hand-held discs ("mallets") and a lightweight plastic puck. Air Hockey pucks are discs made of Lexan Polycarbonate resin. Each air hockey table is drilled symmetrically with tiny holes across the entire surface, creating an even and frictionless playing field. Underneath the table, a fan blows air through these holes. The air pressure is what keeps the puck floating, making it appear as though the puck is levitating. Air hockey tables come with a digital scoreboard that keeps track of points. It has an electric consumption of 460 watts. Figure 26 shows air hockey table game.

Figure 26: Air Hockey Table Game

5.3. Bumper Cars

Bumper cars are the generic names for a type of amusement ride consisting of multiple small electrically powered cars, where bumper cars run on electric batteries. These new bumper cars avoid the requirement of conductive floor/ceiling of the traditional bumper car setup. These are easy to move to other places, easy to maintain and had a remote control unlike the traditional bumper car setup which are operated in a protected area, require key management of dedicated control cabinet and a stronger power. These are for the kids of 2-5 years of age. The car has a parental speed control feature. Riding in these cars teaches kids about collaboration. There are flashing lights and a Bluetooth music option. Back support is included to keep kids secure. Bumper cars arrive fully assembled. With a ring of lights surrounding the frame, this car looks beautiful. In the proposed indoor amusement park project, the category of bumper cars

includes eight bumper cars. The proposed project uses two kinds of bumper cars, one is mini bumper car which has an electric consumption of 50 watts and the other one the big bumper car which has an electric consumption of 350 watts. Figure 27 shows bumper cars.

Figure 27: Bumper Cars

5.4. Trampoline Jumping

Rebounding is a type of aerobic exercise that is performed while jumping on a trampoline. Jumps can be fast or slow and can be mixed with rest or aerobic Rebounding can help work the muscles in the legs, increase once endurance strengthen bones. Light bouncing and rebounding can help kids tune their improve their coordination in different ways. Trampolines can also help posture and balance of body, giving more control of bodies and helping physical limits and possibilities. Most people believe that it is the fabric that a person into the air, but actually, it is the system of springs attached to the When a person jumps on a trampoline, his weight forces the springs to coil This kinetic energy of jumping is applied to the springs, forcing the trampoline downward. The proposed project will use trampoline (14 Feet) with net which for 4-5 kids to have fun at the same time. It is important to note that playing on trampoline can be dangerous and may cause injuries. So it is important to safety advice and children should be at least six year of age before they allowed to use a trampoline. In the proposed indoor amusement park, the trampoline jumping includes two trampolines.

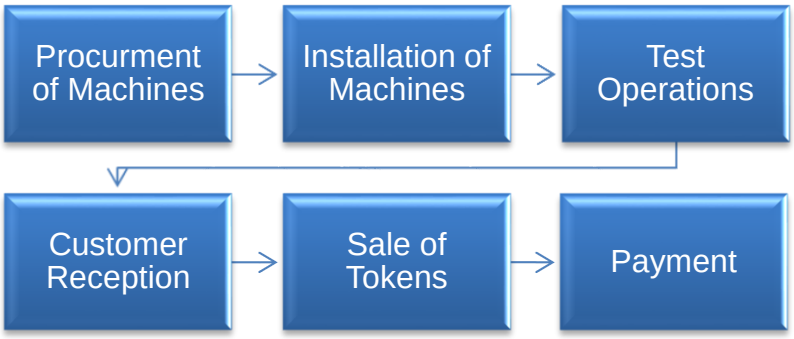
Figure 28 shows trampoline.

Figure 28: Trampoline

5.5. Process Flow for Indoor Amusement Park

A general process flow of an indoor amusement park is shown in Figure 29.

Figure 29: Process Flow for Indoor Amusement Park



Brief description of process flow is as follows:

Procurement of Machines

All the gaming machines, to be used in the four different kinds of amusement and entertainment facilities will be imported. In Pakistan, machines are commonly imported from USA, UK, China, Japan and Taiwan. These machines are procured from trusted suppliers having a good reputation of supplying quality products at competitive prices.

Installation of Machines

After procurement of machines, the engineers and technicians will do the installation and commissioning of the machines. Usually, the imported machines are ready for operations after unpacking and the only requirement is to put the machine in place and provide electric connection.

Test Operations

Once the machines are installed, the engineers and technicians carry out test operations to see that the machines operate efficiently as per the specifications. All the features of machines are checked to ensure that they work properly. Safety features of the machines are especially chcked to ensure that the customers remain protected from any accidient during the use of those machines.

Customer Reception

Once the technical team is satisfied with the machines' operations, the park is opened for the customers. The customer enters the park after fulfilling necessary protocols (luggage scanning, sanitizing, etc. and chooses the amusement facility she/he wants to avail on the basis of her/his interest and guided to ticket counter.

Sale of Tokens

Customer comes to token provider counter where the counter staff will provide token of the specific ride/game to the customer for the specified time during which the customer will enjoy the ride/game.

Payment

Customer make the payment of game token on cash basis. Token charges for playing different games are different. For playing each additional game, customer has to purchase additional tokens.

Maintenance

During the routine operations of the park, the engineers and technicians regularly carry out the preventive and breakdown maintenance of the machines to ensure that they remain in efficient working condition. In case of a fault in any machine, it is resolved on timely basis to avoid any machine downtime.

5.6. Installed and Operational Capacities

The proposed indoor amusement park operates in a single shift of 12 hours a day (12:00 noon to 12:00 midnight) in a day for 330 days in a year. The park offers four different kinds of amusement and entertainment services, including kiddie rides, arcade game, bumper cars and trampoline jumping. Capacity of such businesses is defined in term of the number of rides which depend on the times allocated per ride. The total available time also includes a waiting time which is the time between the completion of a ride/game and the start of the next ride/game. That waiting time has to be subtracted from the total available time. A waiting time of 5 minutes for kiddie rides and arcade games, and 10 minutes for bumper cars and trampoline jumping has been assumed for the purpose of the calculations.

People have to buy tokens to avail the rides, with one token required for each ride. Thus the capacity can be expressed in terms of number of tokens. As per the assumptions of the project, at the maximum capacity, the project offers 313,632 kiddie rides, 386,496 arcade games turns, 95,040 bumper car rides and 63,360 trampoline jumping turns per annum.

It is further assumed that the operational capacity utilization for the indoor amusement park is 60% during the first year of its operations. The capacity will increase at the rate of 5% per annum attaining a capacity of maximum of 90% of its total service capacity during the projected period of 7 years.

The initial year service capacity of the proposed indoor amusement park at 60% translates into 188,179 kiddie rides, 231,899 arcade games turns, 57,024 bumper car rides and 38,016 trampoline jumping turns per year.

Table 1, Table 2,

Table 3,

Table 4 and Table 5 shows service capacity calculations of the proposed indoor amusement park.

Table 1: Annual Operational Minutes

Working Days	Working Hours Per Day	Annual Operational Minutes
330	12	237,600

Table 2: Service Capacity of Kiddie Rides

Particular	Annual Operational Minutes @100%	No. of Machines	Annual Operational Minutes for Machine @100%	Specified Time Per Game (Minutes)	Wait Time Per Game (Minutes)	Total Time Specified Per game in one token (Minutes)	Maxiumum No. of Players/Tokens per Game	Annual No. of Token Sold @100%	Annual No. of Token Sold @60%
Motor Kiddie Ride	237,600	1	237,600	15	5	20	1	11,880	7,128
Horse Racing Kiddie Ride		2	475,200	15	5	20	1	23,760	14,256
Pirate Ship Kiddie Ride		2	475,200	15	5	20	1	23,760	14,256

Rotating Cup Kiddie Ride		1	237,600	15	5	20	2	23,760	14,256
Swing Car Kiddie Ride		1	237,600	15	5	20	1	11,880	7,128
Space Airship Kiddie Ride		1	237,600	20	5	25	1	9,504	5,702
Jeep Swing Kiddie Ride		2	475,200	20	5	25	2	38,016	22,810
London Bus Kiddie Ride		1	237,600	20	5	25	3	28,512	17,107
Kiddie Electric Train		1	237,600	25	5	30	6	47,520	28,512
3 Player Mini Carousel Kiddie Ride		2	475,200	25	5	30	3	47,520	28,512

6 Player Carousel Kiddie Ride		1	237,600	25	5	30	6	47,520	28,512
Total		**15**	**3,564,000**					**313,632**	**188,179**

Table 3: Service Capacity of Arcade Games

Particular	Annual Operational Minutes @100%	No. of Machines	Annual Operational Minutes for Machine @100%	Specified Time Per Game (Minutes)	Wait Time Per Game (Minute)	Total Time Specified Per game in one token (Minutes)	Maxium um No. of Players/ Tokens per Game	Annual No. of Token Sold @100%	Annual No. of Token Sold @60%
Subway Parkour Racing Game	237,600	2	475,200	20	5	25	1	19,008	11,405
Tekken 7 Cabinet Game		2	475,200	20	5	25	2	38,016	22,810
Pac Man Game		1	237,600	20	5	25	1	9,504	5,702
Donkey Kong Game		1	237,600	20	5	25	1	9,504	5,702
Gun Shooting Simulator Game		2	475,200	20	5	25	2	38,016	22,810

2 Player Hoop Shootout Basketball Game		1	237,600	20	5	25	2	19,008	11,405
Bowling Ball Game		2	475,200	20	5	25	2	38,016	22,810
Air Hockey Table Game		2	475,200	20	5	25	2	38,016	22,810
2 Seat Egg VR Game		1	237,600	20	5	25	2	19,008	11,405
Adult Car Racing Game		1	237,600	20	5	25	1	9,504	5,702
Moto Gp Simulator Motorcycle RaceGame		4	950,400	20	5	25	1	38,016	22,810
Candy Crane Claw Game		2	475,200	10	5	15	1	31,680	19,008
Clown Hitting Game		1	237,600	10	5	15	2	31,680	19,008
Hammer Punch Game		1	237,600	10	5	15	1	15,840	9,504
Electronic Dart Board Game		1	237,600	10	5	15	1	15,840	9,504
Boxing Game		1	237,600	10	5	15	1	15,840	9,504
Total		**25**	**5,940,000**					**386,496**	**231,899**

Table 4: Service Capacity of Bumper Cars

Particular	Annual Operational Minutes @100%	No. of Facilities	Annual Operational Minutes for Facility @100%	Specified Time Per Game (Minutes)	Wait Time Per Game (Minutes)	Total Time Specified Per game in one token (Minutes)	Maxiumum No. of Players/ Tokens per Game	Annual No. of Token Sold @100%	Annual No. of Token Sold @60%
Bumper Electric Car Ride	237,600	4	950,400	20	10	30	2	63,360	38,016
Mini Bumper Electric Car Ride		4	950,400	20	10	30	1	31,680	19,008
Total		**8**	**1,900,800**					**95,040**	**57,024**

Table 5: Service Capacity of Trampoline Jumping

Particular	Annual Operational Minutes @100%	No. of Facilities	Annual Operational Minutes for Facility @100%	Specified Time Per Game (Minutes)	Wait Time Per Game (Minutes)	Total Time Specified Per game in one token (Minutes)	Maxiumum No. of Players/ Tokens per Game	Annual No. of Token Sold @100%	Annual No. of Token Sold @60%
Trampoline Sky Jump	237,600	2	475,200	20	10	30	4	63,360	38,016
Total		**2**	**475,200**					**63,360**	**38,016**

6. CRITICAL FACTORS

Before making the decision to invest in indoor amusement park, one should carefully analyze the associated risk factors. The important considerations in this regard include:

- Indoor amusement parks should be located in areas with a high population density, as this will result in more visitors and more revenue.
- Indoor amusement parks should have good space to accommodate the expected number of visitors.
- The theme of the indoor amusement park should reflect the general theme of the surrounding area.
- The indoor amusement park should have ample amenities to accommodate the needs of its visitors.
- To ensure safety for both guests and employees, indoor amusement parks must have tight security measures in place.
- Appointment of trained, highly skilled and professional staff should be ensured.
- Regular feedback and follow up of the customers should be received.
- Continuous inspection of machinery and equipment should be performed by technical experts.
- Advanced machinery should be used to save cost and time.

7. GEOGRAPHICAL POTENTIAL FOR INVESTMENT

The unit is proposed to be ideally located in metropolitan cities like Karachi, Lahore, Islamabad, and other cities with sizeable shares of affluent population, such as Faisalabad, Rawalpindi, Peshawar, Quetta, Hyderabad, Multan, Gujranwala, Sialkot, Mardan, Sukkur, Gujrat, Muzaffarabad, Sahiwal, etc. These cities are suitable due to the presence of large urban populations, with good average per capita income to make such entertainment activities affordable for them. These cities also offer good availability of required resources, good infrastructure and qualified and skilled manpower. The indoor amusement park should be located near public transportation, shopping areas and malls which would be in excess in all these cities.

8. POTENTIAL TARGET MARKETS/CUSTOMERS

The project aims to target a diverse range of visitors. The mix of amusement services will ultimately determine the kind of guests who will visit the park. The proposed park offers a balanced mix of rides, with various thrill and entertainment factors and should

be able to the attract good number of customers. The proposed park offers attractions for all age groups including, young children, school going children, teens and adults.

The global indoor amusement parks and arcades market reached a value of nearly $62.0 billion in 2018, having grown at a compound annual growth rate (CAGR) of 8.3% since 2014 and is expected to grow at a CAGR of 8.8% to nearly $87.2 billion by 2022[3] and projected to reach $94.20 Billion by 2030,[4] growing at a CAGR of 6.10% from 2023 to 2030.

As per State bank of Pakistan, under HS code 9504 and 9503 Pakistan has reported 21% growth in total import of arcade machines with a value of $1.61 million in 2021 as compared to $1.33 million in 2020. Growth in indoor amusement parks depends on disposable incomes of people, travel & tourism activities and the overall economic growth.

As per current statistics, in Pakistan, each metropolitan city has 10 to 20 number of indoor amusement parks which are well established and organized. Looking at the number of parks in Pakistan and 1.91%[5] increase in population from 2021 as well as the import of arcade machines there is a great potential to establish indoor amusement parks in Pakistan.

In terms of visitor demographics, the market is fragmented into families with children (up to 8 years), families with children (9-12 years), teenagers (13-19 years), young adults (20-25 years), and adults (Ages 25+ years). Teenagers (13-19 years) represents the largest segment of the family/indoor entertainment. However, the families with children (9-12 years) segment is expected to grow at the highest rate during the forecast period, as the families with children of age between 9 and 12 years are more focused on shaping their children's future through numerous activities, whether it is fun or education. Use of social media and popularity of gaming industry is increasing due to technological advancement in developed countries. The growing inclination of the young population towards gaming could propel the growth of this market in future is home entertainment.

9. PROJECT COST SUMMARY

A detailed financial model has been developed to analyze the commercial viability of indoor amusement park. Various assumptions relevant to revenue and costs along with the results of the analysis are outlined in this section.

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

[3] https://www.thebusinessresearchcompany.com/report/amusement-parks-and-arcades-market
[4] https://www.verifiedmarketresearch.com/product/amusementparksmarket/#:~:text=Amusement%20Parks%20Market%20size%20was,6.10%25%20from%202023%20to%202030.
[5] https://datacommons.org/place/country/PAK?utm_medium=explore&mprop=count&popt=Person&hl=en

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

9.1. Initial Project Cost

Table 6 provides fixed and working capital requirements for establishment of indoor amusement park.

Table 6: Initial Project Cost estimates

Particulars	Cost (PKR)	Reference
Land	-	9.1.1
Building / Infrastructure	1,439,330	9.1.2
Machinery & equipment	15,180,000	9.1.3
Office equipment	3,037,000	9.1.4
Tools & Equipment	1,851,600	9.1.5
Furniture & fixtures	943,000	9.1.6
Office vehicles	236,000	9.1.7
Pre-operating costs	730,924	9.1.8
Security Against Building	900,000	9.1.9
Total Capital Cost - (A)	**24,317,854**	
Equipment spare part inventory	455,400	
Upfront building rent	300,000	
Cash	500,000	
Total Working Capital	**1,255,400**	
Total Project Cost - (A+B)	**25,573,254**	

9.1.1. Land

The proposed unit will be established in a rented building having an area of 4,050 square feet (18 Marla). Total rental cost has been estimated as PKR 300,000. The breakup of the space requirement is provided in Table 7.

Table 7: Breakup of Space Requirement

Production Area	Number	Length	Width	Area (Sq. Ft.)
Reception Counter Area	1	6	10	60
Refreshment Area	1	10	15	150

Staff Area	1	14	25	350
Sitting & Waiting Area	1	12	15	180
Area for Kiddie Rides	1	25	30	750
Area for Arcade Games	1	35	40	1,400
Area for Bumper Cars	1	20	25	500
Area for Trampoline	1	15	20	300
Pavement Area	1	10	15	150
Kitchen	1	5	10	50
Washrooms	4	5	8	160
Total				**4,050**

9.1.2. Building/ Infrastructure

There will be no cost of building construction since the indoor amusement park will be started in a rented building having an area of 4,050 square feet. However, there will be a renovation cost required to make the building usable for the business. Building rent of PKR 300,000 per month has been included in the operating cost as well as it is also included in the capital investment. The proposed project requires electricity load of around 66 KW for which an industrial electricity connection will be required. Table 8 provide details of building renovation cost.

Table 8: Building Renovation Cost

Cost Item	Unit of Measurement	Total Units	Cost/Unit (PKR)	Total Cost (PKR)
Paint Cost	Liter	107	800	85,680
Labour Cost	Sq.Feet	10,710	15	160,650
Tile Cost	Sq.Feet	4,050	120	486,000
Labour Cost-Tile	Sq.Feet	4,050	40	162,000
Carton Wallpaper	Units	30	1,500	45,000
Decoration				500,000
Total				**1,439,330**

9.1.3. Machinery and Equipment

Table 9 provides details of machinery and equipment for the proposed project.

Table 9: Machinery Cost Details

Cost Item	Number of Items	Unit Cost (PKR)	Total Cost (PKR)
Kiddie & Fun Rides			
Motor Kiddie Ride	1	200,000	200,000
Horse Racing Kiddie Ride	2	110,000	220,000
Pirate Ship Kiddie Ride	2	110,000	220,000
Rotating Cup Kiddie Ride	1	140,000	140,000
3 Player Mini Carousel Kiddie Ride	2	330,000	660,000
Swing Car Kiddie Ride	1	180,000	180,000
Space Airship Kiddie Ride	1	70,000	70,000
Jeep Swing Kiddie Ride	2	300,000	600,000
London Bus Kiddie Ride	1	330,000	330,000
Kiddie Electric Train	1	390,000	390,000
6 Player Carousel Kiddie Ride	1	550,000	550,000
Sub-Total (PKR)			**3,560,000**
Arcade Games			
Subway Parkour Racing Game	2	180,000	360,000
2 Seat Egg VR Game	1	1,130,000	1,130,000
Candy Crane Claw Game	2	550,000	1,100,000
Adult Car Racing Game	1	490,000	490,000
Clown Hitting Game	1	490,000	490,000
2 Player Hoop Shootout Basketball Game	1	150,000	150,000
Moto Gp Racing Simulator Motorcycle Game	4	660,000	2,640,000
Bowling Ball Game	2	440,000	880,000
Tekken 7 Cabinet Game	2	550,000	1,100,000
Pac Man Game	1	130,000	130,000
Donkey Kong Game	1	110,000	110,000
Hammer Punch Game	1	150,000	150,000
Electronic Dart Board Game	1	220,000	220,000

Gun Shooting Simulator Game	2	220,000	440,000
Boxing Game	1	110,000	110,000
Air Hockey Table Game	2	350,000	700,000
Sub-Total (PKR)			**10,200,000**
Bumper Cars			
Bumper Electric Car Ride (4 Cars)	1	800,000	800,000
Mini Bumper Electric Car Ride (4 Cars)	1	320,000	320,000
Sub-Total (PKR)			**1,120,000**
Trampoline Sky Jump			
Trampoline Sky Jump	2	150,000	300,000
Sub-Total (PKR)			**300,000**
Total (PKR)			**15,180,000**

9.1.4. Office Equipment

Table 10 shows details of equipment cost required for the indoor amusement park.

Table 10: Office Equipment Cost Details

Cost Item	No.	Unit Cost (PKR)	Total Cost (PKR)
1.5 ton Inverter Air Conditioners	3	105,000	315,000
2 ton Inverter Floor Standing AC	9	140,000	1,260,000
Laptop	5	150,000	750,000
Desktop Computer	3	75,000	225,000
Printer	1	52,000	52,000
Water Dispenser	2	25,000	50,000
Security System (6 Cams , 2 MP)	16	2,500	40,000
DVR	2	14,000	28,000
LED/LCD TV	1	40,000	40,000
WI-FI/ Internet Connection	1	3,500	3,500
Ceiling Fan	19	8,000	152,000
Bracket Fan	9	10,500	94,500
Exhaust Fan	6	4,500	27,000
Total			**3,037,000**

9.1.5. Tools & Equipment

Table 11 provides details of tools and equipment for the proposed project.

Table 11: Tools & Equipment

Cost Item	Number of Items	Unit Cost (PKR)	Total Cost (PKR)
142 Pcs Combination Tool Set	2	41,000	82,000
Cordless Drill Machine with Accessories	2	7,800	15,600
Handle Wrench Screwdriver Set	2	1,200	2,400
Digital Multimeter Clamp Meter	2	4,000	8,000
Soldering Iron Kit	2	6,800	13,600
Cash Register	1	30,000	30,000
Generator 50 KVA	1	1,700,000	1,700,000
Total (PKR)			**1,851,600**

9.1.6. Furniture and Fixture

Table 12 provides details of furniture and fixtures.

Table 12: Furniture & Fixtures Cost Details

Cost Item	Number of Items	Unit Cost (PKR)	Total Cost (PKR)
Executive Table	1	60,000	60,000
Executive Chair	1	30,000	30,000
Staff Chairs	28	13,500	378,000
Staff Table	5	30,000	150,000
Visitor Chairs	8	15,000	120,000
Sofa Set	2	45,000	90,000
Reception Counter	1	40,000	40,000
Steel Racks	5	15,000	75,000
Total Cost (PKR)			**943,000**

9.1.7. Vehicles

Table 13 provides details of the vehicles required along with their cost for the proposed project.

Table 13: Office Vehicle Cost Details

Cost Item	Number of Vehicles	Unit Cost (PKR)	Registration Fee Plus Number Plate Charges per vehicle	Total (PKR)
Motorcycle	2	111,500	6,500	236,000
Total Cost (PKR)				**236,000**

9.1.8. Pre-Operating Costs

Table 14 provides details of estimated pre-operating costs.

Table 14: Pre-Operating Cost Details

Costs Item	Hiring Months Beforein Year 0	Unit Cost (per month) (PKR)	Cost (PKR)
Diploma Holder Electrical Technician	1	60,000	60,000
Diploma Holder Electronics Technician	1	60,000	60,000
Diploma Holder Mechanical Technician	1	60,000	60,000
Maintenance Helpers	1	35,000	35,000
Sales & Marketing Officer	1	60,000	60,000
Office Boy	1	25,000	25,000
Security Guard	1	25,000	25,000
Sweeper	1	25,000	25,000
Utility expenses			380,924
Total Cost (PKR)			**730,924**

9.1.9. Security against Building

Table 15 shows details of security against building.

Table 15: Security against Building

Particular	Months	Rent per month (PKR)	Total (PKR)
Security against building	3	300,000	900,000
Total (PKR)			**900,000**

9.2. Breakeven Analysis

Table 16 shows calculation of break-even analysis.

Table 16: Breakeven Analysis

Particulars	Amount First Year (PKR)	Profitability Ratio
Sales (PKR) – A	38,852,490	100%
Variable Cost (PKR) – B	16,814,048	43%
Contribution (PKR) (A-B) = C	22,038,442	57%
Fixed Cost (PKR) – D	13,957,554	36%
Contribution Margin	57%	
Breakeven Analysis		
Breakeven Revenue (PKR)		24,606,355
Break-Even (Tokens)		326,238
Breakeven Capacity		38%

9.3. Revenue Generation

Table 17, Table 18, Table 19, Table 20 and Table 21 provides details regarding revenue generation from the indoor amusement park and other income generated from refreshment area during the first year of its operations.

Table 17: Revenue – Kiddie Rides

Particular	Annual No. of Token Sold @60%	Token Price per Game (PKR)	Total Revenue (PKR)
Motor Kiddie Ride	7,128	50	356,400
Horse Racing Kiddie Ride	14,256	50	712,800
Pirate Ship Kiddie Ride	14,256	50	712,800
Rotating Cup Kiddie Ride	14,256	50	712,800
Swing Car Kiddie Ride	7,128	50	356,400
Space Airship Kiddie Ride	5,702	70	399,140
Jeep Swing Kiddie Ride	22,810	70	1,596,700

London Bus Kiddie Ride	17,107	70	1,197,490
Kiddie Electric Train	28,512	100	2,851,200
3 Player Mini Carousel Kiddie Ride	28,512	100	2,851,200
6 Player Carousel Kiddie Ride	28,512	100	2,851,200
Total	**188,179**		**14,598,130**

Table 18: Revenue – Arcade Games

Particular	Annual No. of Token Sold @60%	Token Price per Game (PKR)	Total Revenue (PKR)
Subway Parkour Racing Game	11,405	60	684,300
Tekken 7 Cabinet Game	22,810	100	2,281,000
Pac Man Game	5,702	60	342,120
Donkey Kong Game	5,702	60	342,120
Gun Shooting Simulator Game	22,810	100	2,281,000
2 Player Hoop Shootout Basketball Game	11,405	60	684,300
Bowling Ball Game	22,810	60	1,368,600
Air Hockey Table Game	22,810	100	2,281,000
2 Seat Egg VR Game	11,405	120	1,368,600
Adult Car Racing Game	5,702	80	456,160
Moto Gp Racing Simulator Motorcycle Game	22,810	100	2,281,000
Candy Crane Claw Game	19,008	60	1,140,480
Clown Hitting Game	19,008	60	1,140,480
Hammer Punch Game	9,504	60	570,240
Electronic Dart Board Game	9,504	60	570,240
Boxing Game	9,504	60	570,240
Total	**231,899**		**18,361,880**

Table 19: Revenue – Bumper Cars

Particular	Annual No. of Token Sold @60%	Token Price per Game (PKR)	Total Revenue (PKR)
Bumper Electric Car Ride	38,016	80	3,041,280
Mini Bumper Electric Car Ride	19,008	50	950,400
Total (PKR)	**57,024**		**3,991,680**

Table 20: Revenue – Trampoline Jumping

Particular	Annual No. of Token Sold @60%	Token Price per Game (PKR)	Total Revenue (PKR)
Trampoline Sky Jump	38,016	50	1,900,800
Total (PKR)	**38,016**		**1,900,800**

Table 21: Rental Income Refreshment Area

Particulars	Monthly Rent (PKR)	Annual Rental Income (PKR)
Rental Income Refreshment Area	50,000	600,000
Total		**600,000**

9.4. Variable Cost Estimate

Variable costs of the project have been provided in Table 22.

Table 22: Variable Cost Estimate

Description of Costs	Amount (PKR)
Direct Utilities Cost	717,848
Direct Labor	8,640,000
Machinery Maintenance Cost	1,821,600
Depreciation Expense Machines	2,277,000
Generator Diesel Cost	1,821,600
Communications expense (phone, mail, internet, etc.)	576,000
Office vehicles running expense	384,000
Office expenses (stationery, entertainment etc.)	576,000
Total Variable Cost (PKR)	**16,814,048**

Table 23: Direct Labor

Personnel	Number of Personnel	Salary per Head (PKR)	Annual Salaries (PKR)
Manager	1	80,000	960,000
Diploma Holder Electrical Technician	1	60,000	720,000
Diploma Holder Electronics Technician	1	60,000	720,000
Diploma Holder Mechanical Technician	2	60,000	1,440,000
Maintenance Helpers	2	35,000	840,000
Human Cartoon Clown	3	30,000	1,080,000
Customer Attendent	8	30,000	2,880,000
Total	**18**		**8,640,000**

Table 24: Generator Diesel Cost

Machine	Diesel Consumption per Liter/Hour	Generator Usage Hours per Day	Total Diesel Consumption Liter/Day	Diesel Price per Liter	Total Diesel Consumption Liter/Day (PKR)	Total Diesel Consumption Liter/Year (PKR)
50 KVA Generator	8	3	24	230	5,520	1,821,600
Total						**1,821,600**

Table 25: Variable Cost Assumption

Description of Costs	Rational
Machinery Maintenance Cost	20% of Cost of Machinery
Communications expense (phone, mail, internet, etc.)	15% of Management staff expense
Office vehicles running expense	10% of Management staff expense
Office expenses (stationery, entertainment etc.)	15% of Management staff expense

9.5. Fixed Cost Estimate

Table 26 shows the estimated fixed cost of the project.

Table 26: Fixed Cost Estimate

Description of Costs	Amount (PKR)
Management Staff	3,840,000
Building rental expense	3,600,000
Indirect Electricity	3,374,672
Promotional expense	1,942,625
Depreciation expense	1,054,073
Amortization of pre-operating costs	146,185
Total Fixed Cost	**13,957,555**

Table 27: Management Staff

Personnel	Number of Personnel	Salary per Head (PKR)	Annual Salaries (PKR)
Receptionist	1	25,000	300,000
Accountant	1	60,000	720,000
Sales & Marketing Officer	1	60,000	720,000
Office Boy	1	25,000	300,000
Security Guard	4	25,000	1,200,000
Sweeper	2	25,000	600,000
Total	**10**		**3,840,000**

Table 28: Fixed Cost Assumptions

Description of Costs	Rational
Promotional expense	5% of revenue
Depreciation	
Building & infrastructure	10% of cost
Machinery & equipment	15% of cost
Office equipment, Furniture & Fixture, Office vehicles	15% of cost
Tools and Equipment's	15% of cost

9.6. Financial Feasibility Analysis

The financial feasibility analysis provides the information regarding projected Internal Rate of Return (IRR), Net Present Value (NPV) and Payback period of the study, which is shown in Table 29.

Table 29: Financial Feasibility Analysis

Description	Project
IRR	62%
NPV (PKR)	47,283,130
Payback Period (years)	2.02
Projection Years	10
Discount rate used for NPV	25%

9.7. Financial Feasibility Analysis with 50% Debt

The financial feasibility analysis provides the information regarding projected IRR, NPV and payback period of the study on the basis of Debt: Equity Model (50:50), which is shown in Table 30.

Table 30: Financial Feasibility Analysis with 50% Debt

Description	Project
IRR	61%
NPV (PKR)	56,228,908

Payback Period (years)	2.10
Projection Years	10
Discount rate used for NPV	22%

9.8. Human Resource Requirement

The proposed services shall require the workforce as provided in Table 31.

Table 31: Human Resource

Personnel	Number of Personnel	Salary per Head (PKR)	Annual Salaries (PKR)
Manager	1	80,000	960,000
Diploma Holder Electrical Technician	1	60,000	720,000
Diploma Holder Electronics Technician	1	60,000	720,000
Diploma Holder Mechanical Technician	2	60,000	1,440,000
Maintenance Helpers	2	35,000	840,000
Receptionist	1	25,000	300,000
Accountant	1	60,000	720,000
Sales & Marketing Officer	1	60,000	720,000
Human Cartoon Clown	3	30,000	1,080,000
Customer Attendent	8	30,000	2,880,000
Office Boy	1	25,000	300,000
Security Guard	4	25,000	1,200,000
Sweeper	2	25,000	600,000
Total	**28**		**12,480,000**

10. CONTACT DETAILS

The contact details of all the major suppliers of machinery and equipment are given in Table 32.

Table 32: Contact Details

Name of Supplier	Contact	Website/Email
Guangzhou Sunflower Amusement Equipment Co. Ltd	86-15918658300	http://www.sunflowegame.com
Guangzhou Dreamland Technology Co Ltd.	86-15217929250	http://dreamlandplay.com/
Guangzhou Tongwei Shizu Trading Co. Ltd	86-18502024999	
Guangzhou Riteng Electronics Co. Ltd	86-13794363386	http://ritenggame.dtllamp.com/
Guangzhou Dinibao Animation Technology Co. Ltd	86-18588670485	http://www.dinibao.com
Guangzhou Childhood Amusement Equipment Co. Ltd	86-13726853408	https://www.gzchildhood.com/service.html
Guangzhou Ifun Park Technology Co. Ltd	86-13360551904	https://www.ifunamusement.com/
Guangzhou EPARK Electronic Technology Co. Ltd	86-13903079263	https://eparkgames.com/

11. USEFUL LINKS

Table 33: Useful Links

Name of Organization	E-mail Address
Small and Medium Enterprises Development Authority (SMEDA)	www.smeda.org.pk
National Business Development Program (NBDP)	www.nbdp.org.pk
Government of Pakistan	www.pakistan.gov.pk
Ministry of National Health Services Regulations and Coordination	www.nhsrc.gov.pk
Ministry of Federal Education and Professional Training	www.mofept.gov.pk
Specialized Healthcare and Medical Education Department Lahore	health.punjab.gov.pk/
Government of Punjab	www.punjab.gov.pk
Government of Sindh	sindh.gov.pk/
Government of Balochistan	balochistan.gov.pk/
Government of KPK	kp.gov.pk/
Government of Gilgit Baltistan	gilgitbaltistan.gov.pk/
Government of Azad Jammu & Kashmir	ajk.gov.pk/
Trade Development Authority of Pakistan	www.tdap.gov.pk
Securities and Exchange Commission of Pakistan	www.secp.gov.pk
State Bank of Pakistan	www.sbp.gov.pk
Federal Board of Revenue	www.fbr.gov.pk
Federation of Pakistan Chambers of Commerce and Industry (FPCCI)	www.fpcci.com.pk
Pakistan Stock Exchange (PSX)	www.psx.com.pk
Pakistan Standards and Quality Control Authority (PSQCA)	http://www.psqca.com.pk
Punjab Small Industries Corporation	https://www.psic.gop.pk/
Sindh Small Industries Corporation	https://ssic.gos.pk/
KP Small Industries Development Board	https://small_industries_de.kp.gov.pk/
Government of Balochistan Industries and Commerce	https://balochistan.gov.pk/departments-download/industries-and-commerce/

Pakistan Tourism Development Corporation (PTDC)	https://tourism.gov.pk/
Tourism Department Punjab	https://tourism.punjab.gov.pk/
KP Culture & Tourism Authority	https://www.kptourism.com/
Sindh Tourism Development Corporation	https://stdc.gos.pk/
Culture, Tourism and Archives Department Balochistan	https://balochistan.gov.pk/departments/culture-tourism-archives/
AJ&K Tourism Department	https://ajktourism.gov.pk/

12. ANNEXURES

12.1.Income Statement

Calculations

Income Statement **SMEDA**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Kiddie Rides - Revenue	14,598,130	17,406,680	20,632,666	24,331,848	28,566,712	33,407,509	38,933,555	42,852,867	47,166,722	51,914,839
Arcade Game - Revenue	18,361,880	21,685,026	25,491,642	29,844,586	34,815,595	40,485,384	46,943,165	51,668,777	56,870,101	62,595,024
Fun Cars - Revenue	3,991,680	4,759,635	5,641,754	6,653,240	7,811,199	9,134,872	10,645,887	11,717,573	12,897,142	14,195,455
Trampoline Jumping - Revenue	1,900,800	2,266,493	2,686,549	3,168,209	3,719,619	4,349,939	5,069,470	5,579,797	6,141,496	6,759,740
Total Revenue	**38,852,490**	**46,117,834**	**54,452,612**	**63,997,883**	**74,913,126**	**87,377,704**	**101,592,078**	**111,819,014**	**123,075,461**	**135,465,058**
Cost of sales										
Direct Electricity Cost	717,848	847,944	995,690	1,163,215	1,352,887	1,567,339	1,809,502	1,973,021	2,151,316	2,345,723
Direct Labor	8,640,000	9,478,080	10,397,454	11,406,007	12,512,389	13,726,091	15,057,522	16,518,102	18,120,358	19,878,032
Machinery Maintenance Cost	1,821,600	1,202,985	1,434,426	1,700,272	2,005,107	2,354,085	2,753,004	3,208,383	3,531,360	3,886,851
Depreciation Expense Machines	2,277,000	2,277,000	2,277,000	2,277,000	2,277,000	2,277,000	1,518,000	4,316,306	4,316,306	4,316,306
Generator Diesel Cost	1,821,600	2,004,974	2,206,808	2,428,961	2,673,476	2,942,606	3,238,828	3,564,870	3,923,734	4,318,723
Total cost of sales	15,278,048	15,810,983	17,311,378	18,975,455	20,820,859	22,867,121	24,376,856	29,580,681	32,043,073	34,745,635
Gross Profit	23,574,442	30,306,851	37,141,234	45,022,428	54,092,267	64,510,583	77,215,222	82,238,333	91,032,388	100,719,423
General administration & selling expenses										
Management Staff	3,840,000	4,212,480	4,621,091	5,069,336	5,561,062	6,100,485	6,692,232	7,341,379	8,053,492	8,834,681
Building rental expense	3,600,000	3,960,000	4,356,000	4,791,600	5,270,760	5,797,836	6,377,620	7,015,382	7,716,920	8,488,612
Indirect Electricity	3,374,672	3,679,629	4,012,145	4,374,710	4,770,037	5,201,090	5,671,095	6,183,573	6,742,362	7,351,647
Communications expense (phone, mail, internet, etc.)	576,000	631,872	693,164	760,400	834,159	915,073	1,003,835	1,101,207	1,208,024	1,325,202
Office vehicles running expense	384,000	422,656	465,203	512,034	563,579	620,312	682,757	751,488	827,138	910,403
Office expenses (stationery, entertainment etc.)	576,000	631,872	693,164	760,400	834,159	915,073	1,003,835	1,101,207	1,208,024	1,325,202
Promotional expense	1,942,625	2,305,892	2,722,631	3,199,894	3,745,656	4,368,885	5,079,604	5,590,951	6,153,773	6,773,253
Depreciation expense	1,054,073	1,054,073	1,054,073	1,054,073	1,054,073	1,054,073	750,693	1,856,035	1,856,035	1,856,035
Amortization of pre-operating costs	146,185	146,185	146,185	146,185	146,185	-	-	-	-	-
Subtotal	15,493,554	17,044,659	18,763,655	20,668,633	22,779,671	24,972,827	27,261,670	30,941,220	33,765,767	36,865,034
Operating Income	8,080,888	13,262,192	18,377,579	24,353,796	31,312,596	39,537,757	49,953,552	51,297,113	57,266,621	63,854,389
Other Income (Rental Income)	600,000	660,400	726,880	800,053	880,592	969,238	1,066,808	1,174,200	1,292,402	1,422,504
Gain / (loss) on sale of office equipment	-	-	-	-	-	-	759,250	-	-	
Gain / (loss) on sale of office vehicles	-	-	-	-	-	-	59,000	-	-	
Earnings Before Interest & Taxes	8,680,888	13,922,592	19,104,459	25,153,849	32,193,187	40,506,994	55,633,610	52,471,312	58,559,023	65,276,893
Interest expense on long term debt (Project Loan)	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-	-
Earnings Before Tax	8,680,888	13,922,592	19,104,459	25,153,849	32,193,187	40,506,994	55,633,610	52,471,312	58,559,023	65,276,893
Tax	1,515,222	2,873,713	4,298,726	5,962,308	8,402,956	11,322,098	17,125,923	16,098,176	17,776,683	19,959,990
NET PROFIT/(LOSS) AFTER TAX	**7,165,666**	**11,048,880**	**14,805,733**	**19,191,540**	**23,790,231**	**29,184,896**	**38,507,686**	**36,373,136**	**40,782,341**	**45,316,903**

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											
Current assets											
Cash & Bank	500,000	7,655,973	14,732,270	21,789,562	29,128,946	36,687,438	44,572,100	44,776,229	86,950,084	133,462,798	187,870,707
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-
Equipment spare part inventory	455,400	329,518	430,502	559,106	722,423	929,297	1,190,742	1,520,461	1,833,621	2,211,281	-
Pre-paid building rent	300,000	330,000	363,000	399,300	439,230	483,153	531,468	584,615	643,077	707,384	-
Total Current Assets	1,255,400	8,315,491	15,525,772	22,747,968	30,290,598	38,099,888	46,294,309	46,881,306	89,426,782	136,381,463	187,870,707
Fixed assets											
Land	-	-	-	-	-	-	-	-	-	-	-
Building Infrastructure Renovation	1,439,330	1,295,397	1,151,464	1,007,531	863,598	719,665	575,732	431,799	287,866	143,933	-
Machinery & equipment	15,180,000	12,903,000	10,626,000	8,349,000	6,072,000	3,795,000	1,518,000	28,775,370	24,459,065	20,142,759	15,826,454
Furniture & fixtures	943,000	801,550	660,100	518,650	377,200	235,750	94,300	1,787,561	1,519,427	1,251,293	983,158
Office vehicles	236,000	200,600	165,200	129,800	94,400	59,000	23,600	359,570	305,635	251,699	197,764
Office equipment	3,037,000	2,581,450	2,125,900	1,670,350	1,214,800	759,250	303,700	5,756,970	4,893,424	4,029,879	3,166,333
Security against building	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Total Fixed Assets	23,586,930	20,255,857	16,924,784	13,593,711	10,262,638	6,931,565	3,600,492	41,521,182	35,348,842	29,176,501	23,004,161
Intangible assets											
Pre-operation costs	730,924	584,739	438,554	292,369	146,185	-	-	-	-	-	-
Total Intangible Assets	730,924	584,739	438,554	292,369	146,185	-	-	-	-	-	-
TOTAL ASSETS	**25,573,254**	**29,156,087**	**32,889,110**	**36,634,048**	**40,699,421**	**45,031,453**	**49,894,801**	**88,402,488**	**124,775,624**	**165,557,964**	**210,874,867**
Liabilities & Shareholders' Equity											
Current liabilities											
Total Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
Other liabilities											
Total Long Term Liabilities	-	-	-	-	-	-	-	-	-	-	-
Shareholders' equity											
Paid-up capital	25,573,254	25,573,254	25,573,254	25,573,254	25,573,254	25,573,254	25,573,254	25,573,254	25,573,254	25,573,254	25,573,254
Retained earnings		3,582,833	7,315,856	11,060,795	15,126,167	19,458,199	24,321,548	62,829,234	99,202,370	139,984,711	185,301,614
Total Equity	25,573,254	29,156,087	32,889,110	36,634,048	40,699,421	45,031,453	49,894,801	88,402,488	124,775,624	165,557,964	210,874,867
TOTAL CAPITAL AND LIABILITIES	**25,573,254**	**29,156,087**	**32,889,110**	**36,634,048**	**40,699,421**	**45,031,453**	**49,894,801**	**88,402,488**	**124,775,624**	**165,557,964**	**210,874,867**

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
Operating activities											
Net profit		7,165,666	11,048,880	14,805,733	19,191,540	23,790,231	29,184,896	38,507,686	36,373,136	40,782,341	45,316,903
Add: depreciation expense		3,331,073	3,331,073	3,331,073	3,331,073	3,331,073	3,331,073	2,268,693	6,172,341	6,172,341	6,172,341
amortization of pre-operating costs		146,185	146,185	146,185	146,185	146,185	-	-	-	-	-
Accounts receivable		-	-	-	-	-	-	-	-	-	-
Equipment inventory	(455,400)	125,882	(100,984)	(128,604)	(163,317)	(206,874)	(261,445)	(329,720)	(313,160)	(377,660)	2,211,281
Pre-paid building rent	(300,000)	(30,000)	(33,000)	(36,300)	(39,930)	(43,923)	(48,315)	(53,147)	(58,462)	(64,308)	707,384
Cash provided by operations	(755,400)	10,738,806	14,392,153	18,118,087	22,465,551	27,016,692	32,206,209	40,393,513	42,173,855	46,512,714	54,407,909
Financing activities											
Issuance of shares	25,573,254	-	-	-	-	-	-	-	-	-	-
Cash provided by / (used for) financing activities	25,573,254	-	-	-	-	-	-	-	-	-	-
Investing activities											
Capital expenditure	(24,317,854)	-	-	-	-	-	-	(40,189,383)	-	-	-
Cash (used for) / provided by investing activities	(24,317,854)	-	-	-	-	-	-	(40,189,383)	-	-	-
NET CASH	500,000	10,738,806	14,392,153	18,118,087	22,465,551	27,016,692	32,206,209	204,130	42,173,855	46,512,714	54,407,909

13. KEY ASSUMPTIONS

13.1. Operating Cost Assumptions

Table 34: Operating Cost Assumptions

Description	Details
Operating costs growth rate	10.1%
Electricity growth rate	9.0%
Water price growth rate	9.0%
Gas price growth rate	9.0%
Wage growth rate	9.7%
Office equipment price growth rate	9.6%
Office vehicles price growth rate	6.2%

13.2. Revenue Assumptions

Table 35: Revenue Assumptions

Description	Details
Sale price growth rate	10.1%
Capacity utilization	60%
Capacity utilization growth rate	5%
Maximum capacity	90%

13.3. Financial Assumptions

Table 36: Financial Assumptions

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

13.4.Debt Related Assumptions

Table 37: Debt Related Assumption

Description of Cost	Details
Project Life (Years)	10
Debt: Equity	50:50
Discount Rate	22%
Debt Grace Period	1 Years
Interest Rate (KIBOR+3%)	19%

13.5.Cash Flow Assumptions

Table 38: Cash Flow Assumptions

Description	Details
Accounts receivable cycle (in days)	0
Accounts payable cycle (in days)	0

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
3rd 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	5TH 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