
Pre-Feasibility Study

Decorating & Catering Services



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

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1 DISCLAIMER

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

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2 EXECUTIVE SUMMARY

A Decorating & Catering business is supposed to be a very viable business these days considering the propensity of the general public to celebrate and adorn their celebrations competitively to be at par with others.

The Decorating & Catering business in this prefeasibility is proposed to be located at a commercial locality or an area with a considerable number of event arenas such as banquets, halls, and lawns.

Services include providing decoration and catering for events and functions such as weddings, birthdays, corporate events, etc. All decoration equipment will be owned by the business whereas catering will be acquired from third party i.e. Pakwan Houses.

The business will cater to around 150 events in the first year of operation and will generate estimated revenue of 33.7 million (if catering is also acquired).

Total estimated cost of starting this business is **Rs. 6,303,300** with fixed investment of **Rs. 5,346,300** and working capital of **Rs. 957,000**.

Given the cost assumptions, **IRR** and **payback** are **39%** and around **3** years respectively.

It will require the businessperson to possess an effective combination of artistic and entrepreneurial skill set to run a business such as this successfully. Other than that, few of the most critical considerations or factors for success of the project are:

- Most significant consideration(s)
 - Quality of services offered; both the equipment as well as the staff
 - Competitive pricing
 - Basic business knowledge, project management skills, prior experience in the field and professional awareness
 - Industry connections
 - Proper marketing of the business
- Equally important factor(s)
 - Operating with good business ethics and integrity
 - Putting together a reliable team of suppliers and staff
 - Considering competition and being aware of their strengths and weaknesses
 - Maintaining strong relationships with local event planners

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 Decorating & Catering business by providing them with a general understanding of the business with the intention of supporting potential investors in crucial investment decisions.

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

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

5 BRIEF DESCRIPTION OF PROJECT & PRODUCT

Event decorating and catering is a part of the rapidly-expanding and always-in-demand event management industry. Such services cater to all sorts of events from Weddings to Birthdays to Corporate Events, etc.

A decorating & catering company or specialist is expected to not just ensure food availability, but also know how to make the event attractive. For example a wedding requires working with the entire theme or colour scheme of the event including stage setup and decor, background props, entrance, reception, seating arrangement etc.

For the proposed project food preparation (production) is assumed to be outsourced to the food producers e.g. Pakwan houses (with a standard menu of an estimated cost of Rs. 250/head) and the business will cater the needs of serving and decoration. This service is typically provided at banquets, conventions, weddings, and other events.

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

- **Service:** The business will provide decorating and catering services to events such as weddings (mayon, mehndi, barat, valima, etc.), parties (such as birthdays, anniversaries, etc.) and corporate events and social gatherings.
- **Target Market:** The proposed target markets for this business are the upper, upper-middle, and middle income groups of main cities like Karachi, Lahore, Islamabad, Peshawar, Quetta, etc. and second tier cities like Hyderabad, Multan, Faisalabad, etc. The main reason for selecting these groups is that the population of these groups is usually more interested in spending a considerable amount of money to make their events more attractive.
- **Location:** The business will have one main office/shop in a middle to high income locality or it can even be in an area that has considerable number of banquet halls and event arenas; and a comparatively large storage facility in an area easily accessible from any part of the city.
- **Equipment:** This business will require an investment in purchasing all the necessary decoration equipment from tents to tables and chairs to all crockery and cutlery, as well as equipment required for the day-to-day running of the management office.
- **Employment Generation:** The proposed project will provide direct employment to 11 people.

5.1 Service Sequence & Process Flow

Service sequence for how a customer or potential customer will be handled and the event will be organized is as follows:

- Date and other details of the event will be discussed and finalized in the preliminary meeting between the manager (owner) and the customer.
- Once all the details and pricing is negotiated and agreed upon between the parties, an event check sheet will be made and the Decorating & Catering business's staff will be briefed about the event.
- Decoration equipment will be selected depending on whether the host wants his/her event in an already established events arena or on some personal property such as his/her own residence, office, shop, factory, etc.
- The venue where the event will take place must clearly indicate the name of the host and the event along with the date.
- On the day of the event, event set-up and other preparations should be completed well before the guests' estimated time of arrival and every staff member should be well aware of his/her responsibilities.
- In case catering is also acquired, servers on daily wages will be hired to fulfill the serving needs.
- All required equipment must be polished and in top condition to ensure a smooth set-up and service.

Important Considerations

- The type of event / function
- Venue of the event
- Expected number of guests
- Table setup arrangements and specifications
- Menu of the food (in case catering is acquired)
- Any special request made by the host
- Employee personal hygiene to be ensured
- A good briefing before the event that will help in avoiding many service problems during the event.

5.2 Installed and Operational Capacities

A Decorating & Catering Business can cater to 360 events annually at optimized level, but as per the industry statistics this business hosts 160-180 events per year, therefore, we have assumed that projections would be based on 50% capacity utilization. Overall an average of 150 events will be catered during a year by this business. Annual growth rate is assumed to be 5% and maximum capacity utilization for the events is assumed to be capped at 90%.

6 CRITICAL FACTORS

The main critical success factors for the proposed business setup are:

Commitment to Quality: There is only one chance to get an event right and that one chance will ensure customer satisfaction which in turn will result in repeated business or promotion through word of mouth. Hence, consistent and accurate fulfillment of the clients' wishes with quality offering will be a very crucial factor for success of a decorating & catering business.

Competitive Pricing: The event management and decoration industry is extremely competitive and people are willing to spend large sums of cash to ensure high quality experience for their guests. Hence, pricing of quality services offered can be such that a significant profit is made on each event planned.

Professional Awareness: Event decoration is also a constantly evolving industry that is vulnerable to seasonal trends. Hence, as in any other industry, staying on top of all sorts of trends and industry developments will ensure success in this industry as well.

Work Experience and Project Management Skills: Prior experience in the decorating and catering industry is another important factor. For instance, if the prospective entrepreneur has already planned a few events and has made some industry connections before starting his/her own business; it will be a very great advantage on his/her part. Similarly, the entrepreneur's project management skills will help him/her execute every event timely, within budget, and as professionally as possible.

Industry Connections: As in any other business, industry connections are very important in the highly competitive event management industry as well. Networking with the event management insiders who have the power to hire you for their clients will be another key factor for success. Also, knowing the right supplier(s) and maintaining good relations with them will ensure that the quality is sustained over time.

Creativity & Dependability: Creativity is the benchmark of all outstanding decorators. Creative decorators are able to turn a client's vision into reality by creating the appropriate look, feel, menu, service, and ambiance. Those who are not very creative can learn to be or they can employ those who are creative. Similarly, dependability is another major cornerstone of success in decorating and catering business. When a decorator/caterer fails to deliver what was promised, the negative word of mouth travels fast among clients and potential clients. Even in those situations where circumstances change, making it more difficult to perform as promised, the outstanding decorator/caterer will find a way to deliver rather than use the changed circumstance as an excuse to not deliver.

Marketing & Branding: For a newly established decorating and catering business positive word-of-mouth will be one of the key marketing approaches. Once the decorator/caterer has succeeded in creating a reputation for him/herself, the business will turn into a brand that people will come looking for. But before the brand is established, the owner will even have to go and find customers because no one will come to a new business when already established decorating and catering services are on the lookout for customers.

7 GEOGRAPHICAL POTENTIAL FOR INVESTMENT

Event planning and decoration is now a very popular trend in Pakistan. Unlike before when weddings were mostly the only events employing the services of caterers and decorators, today almost every person or company with the inclination and the amount to spend is interested in making their events (from birthdays to corporate dinners) memorable by hiring proper event decoration and catering services.

The increased tendency of people to celebrate and show-off their celebrations in this part of the world is also one major reason for the success of a decorating and catering business. Furthermore, events are also a huge source of marketing these days which again compels people to make them as attractive and well-organized as possible.

Based on these factors, there is a potential for proposed business to be established in all major cities like Karachi, Lahore, Rawalpindi, Hyderabad, Faisalabad, Multan, Peshawar, and Quetta.

8 POTENTIAL TARGET CUSTOMERS / MARKETS

The best thing about a decorating and catering business is that it can cater to multiple and differing demands of different segments of the population. For instance, an event decorating and catering service can provide complete event setup (everything from the tent to the spoons) or it can provide only the required decoration equipment such as crockery/cutlery or water cooler or tent setup separately as well on rental basis depending on the customer's requirement (and also of course the resources of the business).

In this model the target markets are the middle and upper income groups as these groups have the propensity and the money to spend as much as they can to make their events as classy or glamorous as possible.

9 PROJECT COST SUMMARY

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

9.1 Project Economics

All the figures in this financial model have been calculated for estimated sales of Rs. 33.7 million in the year one. The capacity utilization during year one is worked out at 50% with 5% increase in subsequent years up to the maximum capacity utilization of 90%.

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

Table 9.1: Project Economics

Description	Details
Internal Rate of Return (IRR)	39%
Payback Period (yrs.)	2.74
Net Present Value (Rs.)	4,494,829

9.2 Project Financing

Following table provides details of the equity required:

Table 9.2: Project Financing

Description	Details
Total Equity (100%)	Rs. 6,303,300

9.3 Project Cost

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

Table 9.3: Project Cost

Description	Amount Rs.
Capital Cost	
Renovation Cost	425,000
Office Equipment, Furniture, & Fixtures	204,000
Decoration Items, Equipment, & Cutlery	3,517,300

Office Vehicle	800,000
Security Deposit (6-month Advance Rent)	300,000
Pre-operating Cost	100,000
Total Capital Cost	5,346,300
Working Capital	
3-month Rent	150,000
Cash	807,000
Total Working Capital	957,000
Total Project Cost	6,303,300

Table 9.3(b): Cost break-up per event

Description	Unit Cost (Rs.)	Number	Total Price (Rs.)
Decoration Setup (per head)	200	400	80,000
Water (per 25 head)	150	16	2,400
Food Cost (Standard Menu)	250	400	100,000
Total			182,400

9.4 Space Requirement

The required space for the proposed Decorating & Catering Business will be acquired on rental basis. The space requirement and the cost of expenditure on that space are estimated considering the various facilities included in the management office and the storage space and the renovation done to both places. Details of space requirement and cost related to land & building are given below:

Table 9.4: Space Requirement

Description	Estimated Area (Sqft)	Per Unit Renovation Cost (Rs.)	Total Renovation Cost (Rs.)	Monthly Rent (Rs.)
Management Office	150	1500	225,000	37,000
Storage	1000	200	200,000	13,000
Total	1150	1700	425,000	50,000

9.5 Decoration Equipment Requirement

Equipment, which includes decoration items and cutlery & crockery, required for the proposed project are stated below:

Table 9.5(a): Decoration Equipment

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Dera (round shaped tent) (90x120 ft.)	2	350,000	700,000
Shamiana (15x30)	4	12,000	48,000
Kanat (15x7)	20	2,000	40,000
Chairs (14" iron rod)	600	1,200	720,000
Chair Covers	600	255	153,000
Executive Chairs	200	3,500	700,000
Round Table (4 ft.) (54")	65	2,500	162,500
Table Stand (Iron Rod)	65	1,000	65,000
Glass Table Top (3x3)	65	1,700	110,500
Buffet Table	8	9,000	72,000
Table Cover (8x6)	75	800	60,000
Border (21 ft.)	15	600	9,000
Stage Screen	2	4,500	9,000
Stage Stairs	2	2,300	4,600
Sofa Set (2 seater)	2	10,000	20,000
Takhet (6x3 ft. stage iron)	2	5,100	10,200
Mehndi Doli	1	3,800	3,800

Carpet (6x15 ft.)	5	2,700	13,500
Daree (5kg)	50	1,050	52,500
Chandni (standard size)	100	350	35,000
Cooler	4	1,850	7,400
Wash Basin (standard)	4	3,150	12,600
Total	1,891	419,355	3,008,600

Table 9.5(b): Cutlery & Crockery

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Thaal	20	75	1,500
Service Dish	20	90	1,800
Service Dish Spoons	20	20	400
Safen Dish (serving set)	20	2,500	50,000
Safen Dish Spoons	40	50	2,000
Bowls	600	100	60,000
Bowl Spoons	600	40	24,000
Plates (per kg) (3-4 plates in 1 kg)	200	260	52,000
Small plates (4 in a kg)	150	250	37,500
Table Spoons (per dozen)	600	170	102,000
Dessert Spoons	600	130	78,000
Tea Spoons	500	100	50,000
Jug (steel)	100	125	12,500

Glass (steel)	400	30	12,000
Glass (wine glass - set of half dozen glasses)	100	250	25,000
Total	3,970	4,190	508,700

It is to be noted that a considerable investment will be made in the business from the owner's equity in every third year since its inception to change or update the above mentioned equipment.

9.6 Office Equipment Requirement

Following office equipment will be required for the Decorating & Catering Business.

Table 9.6: Office Equipment

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Laptop	1	50,000	50,000
Printer	1	10,000	10,000
Tables	2	8,000	16,000
Chairs	6	3,000	18,000
Sofa Set	1	20,000	20,000
Split AC	1	45,000	45,000
UPS System	1	35,000	35,000
Others	Lump sum	10,000	10,000
Total			204,000

9.7 Office Vehicle Requirement

Following office vehicle will be required for the Decoration & Catering Business:

Table 9.7: Office Vehicle

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Carry Pickup	1	800,000	800,000
Total			800,000

9.8 Human Resource Requirement

In order to run operations of the Decorating & Catering business smoothly, details of human resources required along with number of employees and monthly salary are recommended as under:

Table 9.8: Human Resource Requirement

Description	No. of Employees	Monthly Salary per person (Rs)	Monthly Salary (Rs)
Owner/Manager	01	60,000	60,000
Accountant	01	30,000	30,000
Karigar – Trained Workers	02	15,000	30,000
Helpers	06	13,000	78,000
Driver	01	13,000	13,000
Total	11		211,000

9.9 Utilities and other costs

An essential cost to be borne by the project is the cost of electricity, gas, and washing/dry-cleaning. The electricity expenses are estimated to be around Rs. 15,000 per month, gas expenses are estimated to be Rs. 6,000 per month, and washing expense will be Rs. 30,000 per month. Other than that, miscellaneous expenses including entertainment and telephone bill will be around 7,000 per month.

Furthermore, promotional expense for marketing of the Decorating & Catering Business is estimated as 0.06% of administrative / Cost of Sales expenses.

9.10 Revenue Generation

Based on the capacity utilization of 50%, sales revenue during the first year of operations is estimated as under:

Table 9.10: Revenue Generation – Year 1

Description	Sales Revenue (Rs.)
Revenue	33,720,000
Total	33,720,000

Description	Details
Number of events in a year	150
Estimated number of guests per event	400
Estimated revenue per event	224,800
Estimated Revenue generated in a year	33,720,000

Table 9.10(b): Pricing break-down per event

Description	Unit Cost (Rs.)	Number	Total Price (Rs.)
Decoration Setup (per head)	250	400	100,000
Water (per 25 head)	300	16	4,800
Food Price (Standard Menu)	300	400	120,000
Total			224,800

10 CONTACT DETAILS

In order to facilitate potential investors, contact details of private sector Service Providers relevant to the proposed project are given below:

10.1 Equipment Suppliers

Equipment Supplier

Name of Supplier	Mr. Abdul Qader Marfani (Mehran Tent House)
Address	11 Shahab Mansion, Burns Road, Karachi
Phone	021-32638762, 021-32630983 0300-2860903, 0313-2860903

10.2 Industry Experts / Consultants

Industry Expert / Consultant

Name of Expert /Organization	Mr. Intizar Uddin (Royal Decorator & Caterers)
Address	Shop # 1, Safa Residency, Plot # SB-4, Gulistan-e-Jauhar, Scheme # 36, Block-4, University Road, Karachi
Phone	0300-3592757, 0313-3592757

10.3 Caterers

Caterers - 1

Name of Expert /Organization	Hanif Rajput Caterers
Address	02, 2 nd Floor, Plot no. 8C, Shahbaz Lane-2, Khy-e-Shahbaz, DHA, Karachi
Phone	021-35420521, 021-35420522
E-mail	info@hanifrajput.com
Website	www.hanifrajput.com

Caterers - 2

Name of Expert /Organization	Haji Ali Jan Pakwan & Restaurant
Address	Billy's Paradise, Block-18, Near Johar Chowrangi, Gulistan-e-Johar, Karachi
Phone	021-34623651, 021-34621469 0323-9292767

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

12 ANNEXURES

12.1 Income Statement

CATERING & DECORATING SERVICES										
Projected Income Statement (Rs.)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	33,720,000	37,092,000	40,801,200	44,881,320	49,369,452	54,306,397	59,737,037	65,710,741	72,281,815	79,509,996
Net Sales	33,720,000	37,092,000	40,801,200	44,881,320	49,369,452	54,306,397	59,737,037	65,710,741	72,281,815	79,509,996
Variable Cost (Food +Décor Rent)	27,360,000	30,096,000	33,105,600	36,416,160	40,057,776	44,063,554	48,469,909	53,316,900	58,648,590	64,513,449
Staff Salaries	2,532,000	2,785,200	3,063,720	3,370,092	3,707,101	4,077,811	4,485,592	4,934,152	5,427,567	5,970,324
Utilities	696,000	765,600	842,160	926,376	1,019,014	1,120,915	1,233,006	1,356,307	1,491,938	1,641,132
Cost of Sales	30,588,000	33,646,800	37,011,480	40,712,628	44,783,891	49,262,280	54,188,508	59,607,359	65,568,095	72,124,904
Gross Profit	3,132,000	3,445,200	3,789,720	4,168,692	4,585,561	5,044,117	5,548,529	6,103,382	6,713,720	7,385,092
General Administrative & Selling Expenses										
Salaries	0	0	0	0	0	0	0	0	0	0
Rent Expense	600,000	660,000	726,000	798,600	878,460	966,306	1,062,937	1,169,230	1,286,153	1,414,769
Promotional Expense	240,000	264,000	290,400	319,440	351,384	386,522	425,175	467,692	514,461	565,907
Amortization Expenses	20,000	20,000	20,000	20,000	20,000					
Depreciation Expense	846,360	691,378	565,963	564,346	461,894	378,891	511,551	416,835	340,303	578,394
Subtotal	1,706,360	1,635,378	1,602,363	1,702,386	1,711,738	1,731,719	1,999,662	2,053,757	2,140,917	2,559,070
Operating Income	1,425,640	1,809,822	2,187,357	2,466,306	2,873,823	3,312,398	3,548,867	4,049,625	4,572,803	4,826,023
Financial Charges (8% Per Annum)	0	0	0	0	0	0	0	0		
Earnings Before Taxes	1,425,640	1,809,822	2,187,357	2,466,306	2,873,823	3,312,398	3,548,867	4,049,625	4,572,803	4,826,023
Tax	136,346	209,464	284,971	340,761	440,956	550,600	609,717	737,387	894,341	970,307
Net Profit	1,289,294	1,600,358	1,902,385	2,125,545	2,432,867	2,761,799	2,939,150	3,312,237	3,678,462	3,855,716
Monthly Profit After Tax	107,441	133,363	158,532	177,129	202,739	230,150	244,929	276,020	306,538	321,310

12.2 Balance Sheet

CATERING & DECORATING SERVICES											
Projected Balance Sheet (Rs.)	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 Balance	957,000	3,112,654	5,424,390	7,412,738	10,122,629	13,037,390	15,178,080	18,628,781	22,357,853	24,876,618	29,310,727
Account Receivable	0	0	0	0	0	0	0	0	0	0	0
Prepaid Rent	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Total Current Assets	1,257,000	3,412,654	5,724,390	7,712,738	10,422,629	13,337,390	15,478,080	18,928,781	22,657,853	25,176,618	29,610,727
<i>Fixed Assets</i>											
Catering & Decorating Equipme	3,517,300	2,813,840	2,251,072	2,300,858	1,840,686	1,472,549	2,178,039	1,742,431	1,393,945	2,615,156	2,092,125
Construction & Renovation	425,000	382,500	344,250	309,825	278,843	250,958	225,862	203,276	182,949	164,654	148,188
Shehzore Vehicle	800,000	720,000	648,000	583,200	524,880	472,392	425,153	382,638	344,374	309,936	278,943
Office Fixtures	204,000	183,600	165,240	148,716	133,844	120,460	108,414	97,573	87,815	79,034	71,130
Total Fixed Assets	4,946,300	4,099,940	3,408,562	3,342,599	2,778,253	2,316,359	2,937,468	2,425,918	2,009,083	3,168,780	2,590,386
Preliminary Expenses	100,000	80,000	60,000	40,000	20,000	-	-	-	-	-	-
Total Assets	6,303,300	7,592,594	9,192,952	11,095,337	13,220,882	15,653,749	18,415,548	21,354,698	24,666,936	28,345,398	32,201,113
Owner's Equity	6,303,300	7,592,594	9,192,952	11,095,337	13,220,882	15,653,749	18,415,548	21,354,698	24,666,936	28,345,398	32,201,113
Long Term Liability	0	0	0	0	0	0	0	0	0	0	0
Total Equity & Liabilities	6,303,300	7,592,594	9,192,952	11,095,337	13,220,882	15,653,749	18,415,548	21,354,698	24,666,936	28,345,398	32,201,113

12.3 Cash Flow Statement

CATERING & DECORATING SERVICES											
Projected Statement of Cash Flows (Rs.)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cash Flow From Operating Activities											
Net Profit	0	1,289,294	1,600,358	1,902,385	2,125,545	2,432,867	2,761,799	2,939,150	3,312,237	3,678,462	3,855,716
Add: Depreciation Expense	0	846,360	691,378	565,963	564,346	461,894	378,891	511,551	416,835	340,303	578,394
Amortization Expense	0	20,000	20,000	20,000	20,000	20,000	0	0	0	0	0
(Increase) / Decrease in Receivables	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow From Operations	0	2,155,654	2,311,736	2,488,349	2,709,891	2,914,761	3,140,689	3,450,701	3,729,072	4,018,765	4,434,109.353
Cash Flow From Financing Activities											
Receipt of Long Term Debt	0										
Repayment of Long Term Debt		0	0	0	0	0	0	0	0	0	0
Owner's Equity	6,303,300	0	0	(500,000)	0	0	(1,000,000)	0	0	(1,500,000)	0
Net Cash Flow From Financing Activities	6,303,300	0	0	(500,000)	0	0	(1,000,000)	0	0	(1,500,000)	0
Cash Flow From Investing Activities											
Construction Cost	(425,000)										
Office Furniture and Fixtures	(204,000)										
Advance Rent	(300,000)										
Preliminary Expenses	(100,000)										
Office Vehicles	(800,000)										
Culinary & Cutlery	(3,517,300)				0				0		
Net Cash Flow From Investing Activities	(5,346,300)	0	0	0	0	0	0	0	0	0	0
NET CASH FLOW	957,000	2,155,654	2,311,736	1,988,349	2,709,891	2,914,761	2,140,689	3,450,701	3,729,072	2,518,765	4,434,109
Cash at the Beginning of the Period	0	957,000	3,112,654	5,424,390	7,412,738	10,122,629	13,037,390	15,178,080	18,628,781	22,357,853	24,876,618
Cash at the End of the Period	957,000	3,112,654	5,424,390	7,412,738	10,122,629	13,037,390	15,178,080	18,628,781	22,357,853	24,876,618	29,310,727

13 KEY ASSUMPTIONS

13.1 Production Cost Assumptions

Description	Details
Average Minimum Cost / Event	182,400
Total Variable Cost / Year	27,360,000

13.2 Revenue Assumptions

Description	Details
Average Revenue / Event	224,800
Average Number of Guests / Event	400
Total Revenue / Year	33,720,000

13.3 Financial Assumptions

Description	Details
Debt Equity Ratio	0:100