



KARAOKE

JÜLICH

Entrepreneurs:

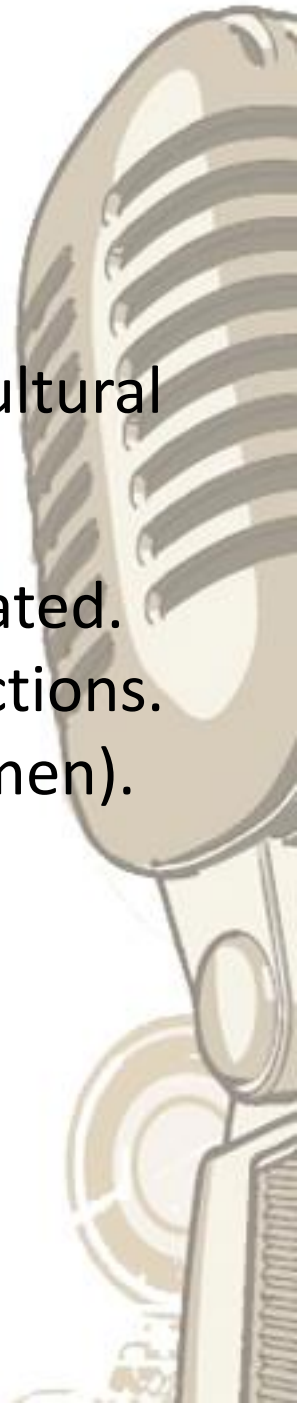
Benke, Thomas

Ströbel, Michael

Wingen, Tobias

Introduction

- Jülich is a small town nearby Aachen. Jülich has a cultural history but not many free time offers.
- In Jülich the FH Aachen with his own Campus is located. For almost 2500 students there are not many attractions. About 500 students are Chinese (Students & Freshmen).
- To give those students a better lifestyle we try to establish a “Karaoke-Bar”.



Description of business idea

Open a Karaoke Bar with event character:



- This Asian-oriented karaoke bar located in the old town of Jülich.
- Opening times: Thu. - Sun. 17 o'clock.
- With one major and four minor areas, this karaoke bar is an ideal location to either a smaller group (in the small room) or with a bigger Community (big room) to sing karaoke songs.
- 3 Song books with a total of about 5,000 songs offer a wide range of music selection (Songs will be updated constantly). In the main room is a small Stage for the Actors.
- Diverse monitors and a large screen are installed, so that the other guests can sing along the songs. People who want to shake a leg, have room for.

Specials



- Offer different topics
(Chinese Songs, Rock, 50', 60', 70', 80', Schlager)
- Competitions
- Birthday parties
- Poetry Slam
- Student Reading
(cooperation with INCAS FH Aachen division
Jülich)

Article of Association

§ 1 Company, Location

- (1) The company is a limited liability company under the name “Karaoke Bar Jülich GmbH”
- (2) The company is located in 52428 Jülich

§ 2 Subject

The Subject of the Company is the Event-Karaoke-Bar “Karaoke” (description)

§ 3 Share capital, capital contributions

- (1) The share capital amounts to EUR 25,000 (€ twenty-five thousand)
- (2) Separated in:
 - Thomas Benke : 8.334 Euro
 - Michael Ströbel : 8334 Euro
 - Tobias Wingen : 8334 Euro
- (3) The initial contributions shall be made in cash. Half of each capital contribution is immediately to pay, the remain is due to a request by the Management Resolution of the shareholders' meeting.

§ 4 Management, Representation

- (1) The company has more than one manager: all shareholders.
- (2) If only one director is appointed, he shall represent the company alone. If more than one manager appointed, the company of two managing directors jointly or by a Managing director jointly represented by an authorized signatory.
- (3) Each manager may be granted authority to act alone.
- (4) Each manager may granted a release from the restrictions of § 181 BGB.

§ 5 Fiscal years

Fiscal year is the calendar year.

§ 6 Notices

The announcements of the company shall be made only in the Federal Gazette of the Federal Republic Germany.

§ 7 Foundation Costs

The Company takes the costs associated with setting up the registration and publication of up to EUR 3.000.



Licenses Needed

„Gaststättenkonzession“

- Criminal record
- Proof of the Central Trade Register „ Gewerbezentralregister“
- Lease of the rooms
- Proof of the notice § 4 Abs. 1 Nr. 4 GastG
- Certification of tax office „Unbedenklichkeitsbescheinigung“
- Floor plan with dimensions (new construction, renovation or expansion)

GEMA contract



Market Analysis

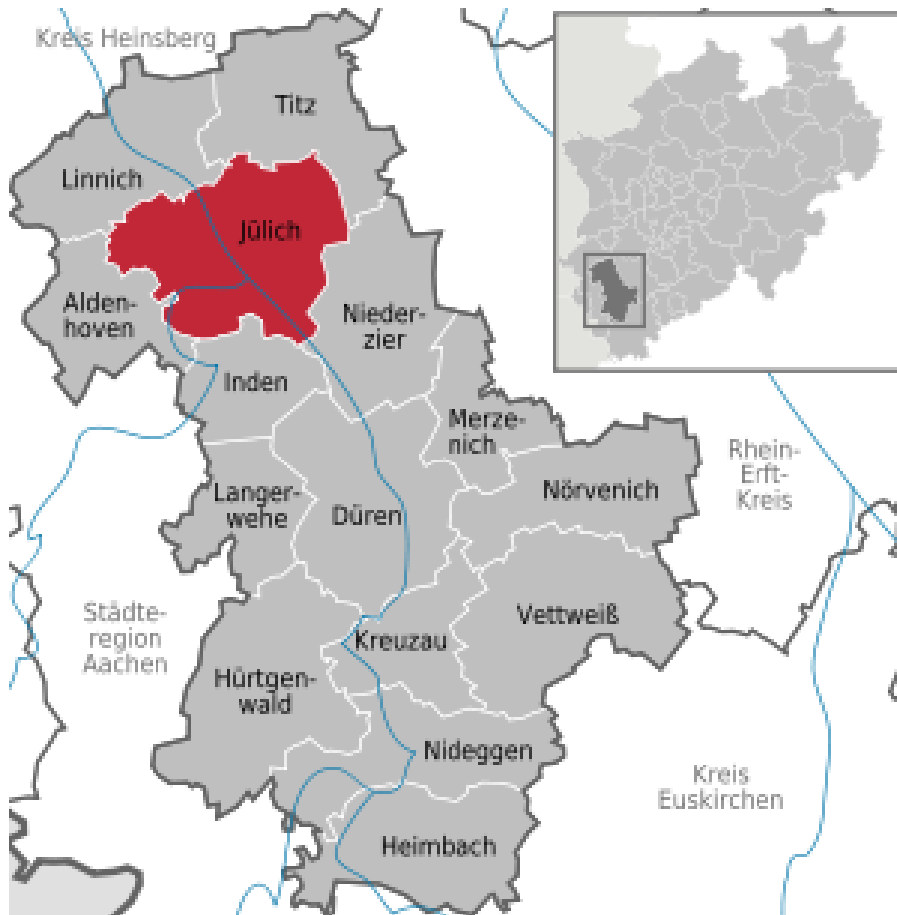


Overview

Aspects	
Site	Jülich
Size	33.133 inhabitants
Costumers	Students/Freshmen 2500 Students 500 Chinese
Competition	No competitor
Prices	No competitor
Quality	No competitor



Location



District	Inhabitants
Jülich	33,133
Linnich	13,632
Titz	8,274
Aldenhoven	14,062
Inden	6,875
Niederzier	14,085
Total	90,061

Expected Customers

Calculation

Aspect	Value
Rooms	5
Seats	15/per room
Business hours	>8h
Business days	4d
Business weeks	52
Total	15,600 customers/year

Inhabitants of region: 90,000

Target customers : $1/4 * 90,000 = 22,500$

$22,500 > 15,600 \rightarrow$ **Perfect**

1/4	too old
1/4	too young
1/4	unwanted
1/4	target



Cost Calculation



Investment & Depreciation Costs

	Investment goods	Investment expenditures	Depreciation	Costs per year
1	Property	330.000,00 €	0%	0,00 €
2	Furniture	40.000,00 €	10%	4.000,00 €
3	Sound system	20.000,00 €	10%	2.000,00 €
4	Industrial real estate	200.000,00 €	5%	10.000,00 €
5	Promotion	7.500,00 €	10%	750,00 €
6	Bar equipment	5.000,00 €	10%	500,00 €
7	Video system	17.500,00 €	10%	1.750,00 €
8	Refrigeration	5.000,00 €	10%	500,00 €
9	Light system	2.500,00 €	10%	250,00 €
10	Licenses (GEMA, Concession)	15.000,00 €	10%	1.500,00 €
11	Assembly of the karaoke system	500,00 €	10%	50,00 €
12	Assembly of the Interior	1.000,00 €	10%	100,00 €
13	Painting	1.000,00 €	10%	100,00 €
14	Industrial coffee machine	8.000,00 €	10%	800,00 €
15	5000 music songs	5.000,00 €	25%	1.250,00 €
16	Administration soft- and hardware	15.000,00 €	25%	3.750,00 €
17	Starting capital for GmbH	25.000,00 €	0%	0,00 €
18	Unexpected	100.000,00 €	0%	0,00 €
	Total investment	798.000,00 €	Total Depreciation costs	27.300,00 €

Consumption Costs

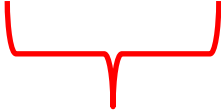
	Expendable material	Price per unit	Number of visitors per year	Costs per year
	Drinks			
1	Beer	0,45 €	30.000	13.500,00 €
2	Shooter	0,45 €	3.750	1.687,50 €
3	Cocktails	1,80 €	3.750	6.750,00 €
4	Soft-drinks	0,45 €	15.000	6.750,00 €
5	Coffee	0,40 €	5.000	2.000,00 €
6	Tea	0,20 €	5.000	1.000,00 €
7	Milk	0,40 €	3.750	1.500,00 €
8	Juice	0,30 €	5.000	1.500,00 €
	Snacks			
9	Chips	0,40 €	7.500	3.000,00 €
10	Cake	0,80 €	7.500	6.000,00 €
11	Sweets	0,10 €	7.500	750,00 €
12	Finger food	1,80 €	5.000	9.000,00 €
13	Electricity	0,15 €/kWh	12.000 kWh	1.800,00 €
14	Drinking water	0,18 €/m ³	150 m ³	27,00 €
15	Waste water	2,15 €/m ³	150 m ³	322,50 €
16	Gas	0,08 €/m ³	20.000 m ³	1.500,00 €
	Total			57.087,00 €

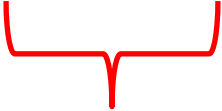
Assumption: 15,000 Visitors per year

Drinking & food prices

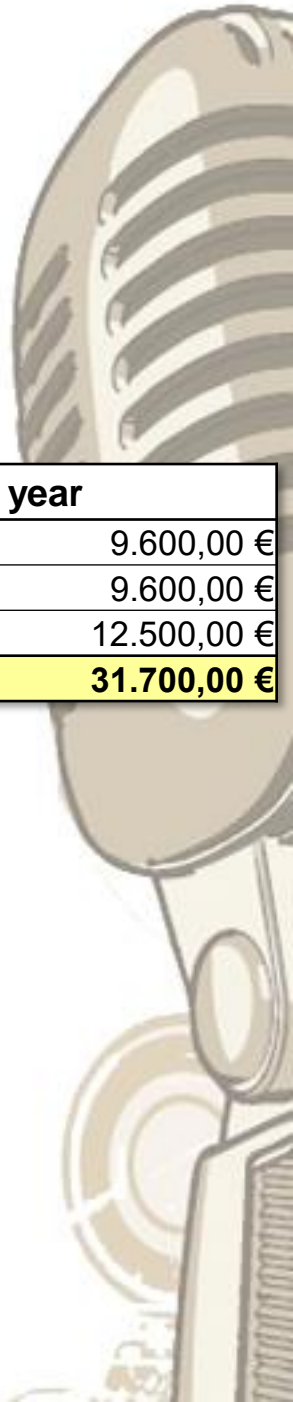


	Expendable material	Cost price	Selling price (year 1-3)		Selling price (year 4-...)	
			<i>theoretical</i>	<i>set (incl. VAT)</i>	<i>theoretical</i>	<i>set (incl. VAT)</i>
	Drinks					
1	Beer	0,45 €	1,35 €	1,70 €	1,58 €	1,90 €
2	Shooter	0,45 €	1,35 €	1,70 €	1,58 €	1,90 €
3	Cocktails	1,80 €	5,40 €	6,50 €	6,30 €	7,50 €
4	Soft-drinks	0,45 €	1,35 €	1,70 €	1,58 €	1,90 €
5	Coffee	0,40 €	1,20 €	1,50 €	1,40 €	1,70 €
6	Tea	0,20 €	0,60 €	0,80 €	0,70 €	0,90 €
7	Milk	0,40 €	1,20 €	1,50 €	1,40 €	1,70 €
8	Juice	0,30 €	0,90 €	1,10 €	1,05 €	1,30 €
	Snacks					
9	Chips	0,40 €	1,20 €	1,50 €	1,40 €	1,70 €
10	Cake	0,80 €	2,40 €	2,90 €	2,80 €	3,40 €
11	Sweets	0,10 €	0,30 €	0,40 €	0,35 €	0,50 €
12	Finger food	1,80 €	5,40 €	6,50 €	6,30 €	7,50 €


300%
 of Cost price


350%
 of Cost price

Labour Costs



	Personal	Personal direct costs	Number of employees	Costs per year
1	Bar keeper	4.800,00 €	2	9.600,00 €
2	Waitress	4.800,00 €	2	9.600,00 €
3	Administrator	12.500,00 €	1	12.500,00 €
	Total			31.700,00 €

Financing Costs

Total investment	798.000 €
40% own capital funds	319.200 €
60% bank loan	478.800 €

Year	Balance of dept	Interest rate	Interest costs per year	Repayment per year
1	478.800,00 €	6%	28.728,00 €	47.880,00 €
2	430.920,00 €	6%	25.855,20 €	47.880,00 €
3	383.040,00 €	6%	22.982,40 €	47.880,00 €
4	335.160,00 €	6%	20.109,60 €	47.880,00 €
5	287.280,00 €	6%	17.236,80 €	47.880,00 €
6	239.400,00 €	6%	14.364,00 €	47.880,00 €
7	191.520,00 €	6%	11.491,20 €	47.880,00 €
8	143.640,00 €	6%	8.618,40 €	47.880,00 €
9	95.760,00 €	6%	5.745,60 €	47.880,00 €
10	47.880,00 €	6%	2.872,80 €	47.880,00 €
Total			158.004,00 €	478.800,00 €

Self Costs



	1. Year	2. Year	3. Year	4. Year	5. Year	6. Year	7. Year	8. Year	9. Year	10. Year
Utilization of capacity	60%	80%	100%	100%	100%	100%	100%	100%	100%	100%
Visitors per year	9.000	12.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000	15.000
Costs										
Depreciation	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €
Consumption	34.252,20 €	45.669,60 €	57.087,00 €	57.087,00 €	57.087,00 €	57.087,00 €	57.087,00 €	57.087,00 €	57.087,00 €	57.087,00 €
Labour	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €
Financing	28.728,00 €	25.855,20 €	22.982,40 €	20.109,60 €	17.236,80 €	14.364,00 €	11.491,20 €	8.618,40 €	5.745,60 €	2.872,80 €
Total	121.980,20 €	130.524,80 €	139.069,40 €	136.196,60 €	133.323,80 €	130.451,00 €	127.578,20 €	124.705,40 €	121.832,60 €	118.959,80 €
Costs per visitor										
Depreciation	1,82 €	1,82 €	1,82 €	1,82 €	1,82 €	1,82 €	1,82 €	1,82 €	1,82 €	1,82 €
Consumption	2,28 €	3,04 €	3,81 €	3,81 €	3,81 €	3,81 €	3,81 €	3,81 €	3,81 €	3,81 €
Labour	2,11 €	2,11 €	2,11 €	2,11 €	2,11 €	2,11 €	2,11 €	2,11 €	2,11 €	2,11 €
Financing	1,92 €	1,72 €	1,53 €	1,34 €	1,15 €	0,96 €	0,77 €	0,57 €	0,38 €	0,19 €
Total	8,13 €	8,70 €	9,27 €	9,08 €	8,89 €	8,70 €	8,51 €	8,31 €	8,12 €	7,93 €

Turnover / Revenue

Admission (Self-costs-max. value)	9,27 €
Admission (Definition)	5,00 €

Year	Visitors	Admission	Turnover / Revenue per year
1	9.000	5,00 €	45.000,00 €
2	12.000	5,00 €	60.000,00 €
3	15.000	5,00 €	75.000,00 €
4	15.000	5,00 €	75.000,00 €
5	15.000	5,00 €	75.000,00 €
6	15.000	5,00 €	75.000,00 €
7	15.000	5,00 €	75.000,00 €
8	15.000	5,00 €	75.000,00 €
9	15.000	5,00 €	75.000,00 €
10	15.000	5,00 €	75.000,00 €
Total			705.000,00 €

Cash Flow

	1. Year	2. Year	3. Year	4. Year	5. Year	6. Year	7. Year	8. Year	9. Year	10. Year
Turnover / Revenue	45.000,00 €	60.000,00 €	75.000,00 €	75.000,00 €	75.000,00 €	75.000,00 €	75.000,00 €	75.000,00 €	75.000,00 €	75.000,00 €
Depreciation costs	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €	27.300,00 €
Consumption costs	34.252,20 €	45.669,60 €	57.087,00 €	57.087,00 €	57.087,00 €	57.087,00 €	57.087,00 €	57.087,00 €	57.087,00 €	57.087,00 €
Labour costs	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €	31.700,00 €
Financing costs	28.728,00 €	25.855,20 €	22.982,40 €	20.109,60 €	17.236,80 €	14.364,00 €	11.491,20 €	8.618,40 €	5.745,60 €	2.872,80 €
Profit by selling drinks and food	64.125,00 €	85.500,00 €	106.875,00 €	133.593,75 €	133.593,75 €	133.593,75 €	133.593,75 €	133.593,75 €	133.593,75 €	133.593,75 €
Loss carried forward	0,00 €	-12.855,20 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
Profit before tax	-12.855,20 €	2.120,00 €	42.805,60 €	72.397,15 €	75.269,95 €	78.142,75 €	81.015,55 €	83.888,35 €	86.761,15 €	89.633,95 €
Taxes (40%)	0,00 €	848,00 €	17.122,24 €	28.958,86 €	30.107,98 €	31.257,10 €	32.406,22 €	33.555,34 €	34.704,46 €	35.853,58 €
Profit after tax	-12.855,20 €	1.272,00 €	25.683,36 €	43.438,29 €	45.161,97 €	46.885,65 €	48.609,33 €	50.333,01 €	52.056,69 €	53.780,37 €
Cash-flow (net profit + depreciation)	14.444,80 €	28.572,00 €	52.983,36 €	70.738,29 €	72.461,97 €	74.185,65 €	75.909,33 €	77.633,01 €	79.356,69 €	81.080,37 €
Repayment credit	47.880,00 €	47.880,00 €	47.880,00 €	47.880,00 €	47.880,00 €	47.880,00 €	47.880,00 €	47.880,00 €	47.880,00 €	47.880,00 €
Dividend	-33.435,20 €	-19.308,00 €	5.103,36 €	22.858,29 €	24.581,97 €	26.305,65 €	28.029,33 €	29.753,01 €	31.476,69 €	33.200,37 €

Total dividend cumulated over 10 years:

148.565,47 €

Conclusions

- No competitor in the near region
- Attractive places for students particular for Chinese
- Positive dividend after three years
- Hugh variety of songs
- Special events
- Friendly service personnel



