# SHEBA KINGDOM HALL

Your day to remember, at a place you'll never forget



## A Business Plan for Weddings Hall

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# INTRODUCTION

 Marriage is one of the most important human relationships and celebrating this unique event has special ceremonies in all societies around the world.

$$(1 + 1 = 2....., 3, 4 ....)$$



## INTRODUCTION

 In Yemen and in many other Muslim countries the wedding ceremony is divided into two parallel and separated events.
 One for the groom with men and the other for the bride with women.





# **MARKET ANALYSIS**

Sana'a Population: 2 millions (2007), 8.9% of Yemen population.

 Annual rate of population growth: 5.55%

 11829 marriage cases were registered (2009) at Sana'a (Civil Registration Authority).

 The current available halls can't cover the increasing demand for the wedding halls.



## **PROPOSAL**





## Our Objectives are:

- Offering comfortable halls with privacy.
- Competitive prices, with a high service quality.
- Give a benefit contribution to the society.

# **PROPOSAL**

- A Building with three floors (3 halls).
- The proposed location of the project is at Shamlan area. It's one of the most condensed area with people in Sana'a.
- Available halls are far away from Shamlan area
  - → additional cost for transportation.

# **PROPOSAL**











# **ASSUMPTIONS**

- 3 Halls
- 100 day / Yr
- 125 person / hall
- 260 EUR / Hall
- 100 \* 260\* 3 =
   78,000 EUR/Yr



# **INVESTMENT ANALYSIS**

#### **INVESTMENT COST I**

		Description	Amount of Investment (EUR)	Depreciation Rates in Years	Depreciation in EUR
	9	Land Area (845 m <sup>2</sup> )	-	-	-
	LAND	Total Land Cost	62,600	0	0
	CONSTRUCTION	Total Floor Area (578 m²)			
		Construction Cost of each floor	50,675		
		Total Construction Cost (3 floors)	152,000		
		Fencing, parking and landscaping	4600		
		Total Construction Cost (3 Floors)	156,700	20	7835

# INVESTMENT ANALYSIS INVESTMENT COST II

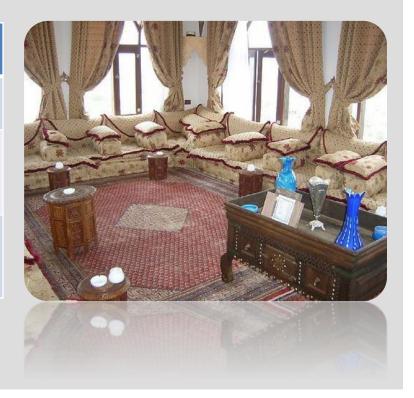
	Description	Amount of Investment (EUR)	Depreciation Rates in Years	Depreciation in EUR	
FURNITURE	Furniture (45EUR/m)				
FURN	Furniture length (375m)	16875	10	1687.5	
VTS	Audio Devices	3000	10	300	
ME	Visual Equipments	1500	10	150	
EQUIPMENTS	Refrigerators	2400	10	240	
E	Electricity Generators	2600	10	260	
ORS	Registration and Reservation (2)	5600/yr			
LABORS	Security (2)	2400/yr			
	Hall Supervisor (3)	4800/yr			

# INVESTMENT ANALYSIS TOTAL COST

Description	Amount of Investment (EUR)			
Land Cost	63,000			
Construction Cost	156,700			
Furniture	16,875			
Equipment	9,500			
Labors	12,800			
Unexpected Cost	46,500			
Total Cost	305,375			

# INVESTMENT ANALYSIS FINANCING

	EUR
Total Investment	305,375
60% of capital funds by owner	183225
40% bank loan	122150



# CALCULATION OF FINANCING COST

Year	Balance of Debt	Interest Rate %	Interest Costs Paid p.a.	Paying back loan p.a.
1	122150	0.12	14658	12215
2	109935	0.12	13192.2	12215
3	97720	0.12	11726.4	12215
4	85505	0.12	10260.6	12215
5	73290	0.12	8794.8	12215
6	61075	0.12	7329	12215
7	48860	0.12	5863.2	12215
8	36645	0.12	4397.4	12215
9	24430	0.12	2931.6	12215
10	12215	0.12	1465.8	12215
Total interest paid			80619	
Total Re-payment				122150

## **CALCULATION OF DEPRECIATION COST**

Investment goods	Investment expenditures	Depreciation in %	Depreciation costs	
Land	0	0		
Building	156,700	5	7,835	
Furniture	16,875	10	1,687.5	
Equipments	9,500	10	950	
Sum			10,472.5	

# **CASH FLOW**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Utilization of Capacity (%)	40%	50%	60%	80%	100%	100%	100%	100%	100%	100%
Rent days	40	50	60	80	100	100	100	100	100	100
Depreciation	10,472.5	10,472.5	10,472.5	10,472.5	10,472.5	10,472.5	10,472.5	10,472.5	10,472.5	10,472.5
Financing Costs	14658	13192.2	11726.4	10260.6	8794.8	7329	5863.2	4397.4	2931.6	1465.8
Sum of running cost	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500	15,500
Total Cost	40,630.50	39,164.70	37,698.90	36,233.10	34,767.30	33,301.50	31,835.70	30,369.90	28,904.10	27,438.30
Revenues	31200	39000	46800	62400	78000	78000	78000	78000	78000	78000
Profit before tax	-9,430.50	-164.70	9,101.10	26,166.90	43,232.70	44,698.50	46,164.30	47,630.10	49,095.90	50,561.70
Taxes (35%)	0	0	3185.385	9158.415	15131.445	15644.475	16157.505	16670.535	17183.565	17696.595
Profit after taxes	-9,430.50	-164.70	5,915.72	17,008.49	28,101.26	29,054.03	30,006.80	30,959.57	31,912.34	32,865.11
Cash flow(net flow+Depreci ation)	1,042.00	10,307.80	16,388.22	27,480.99	38,573.76	39,526.53	40,479.30	41,432.07	42,384.84	43,337.61
Re-payment Credit	12215	12215	12215	12215	12215	12215	12215	12215	12215	12215
Dividend	-11,173.00	-1,907.20	4,173.22	15,265.99	26,358.76	27,311.53	28,264.30	29,217.07	30,169.84	31,122.61

# **INVESTMENT ANALYSIS**

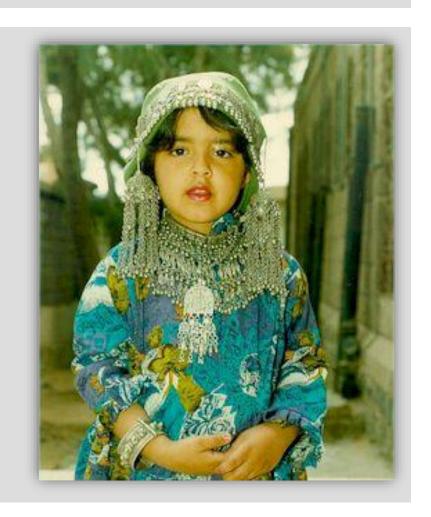
Total dividend cumulated over 10 years

178,803.08 EUR



# **CONCLUSION**

- This project has these potentialities:
  - ✓ Contribute to the society;
  - ✓ Highly profitable;
  - ✓ Relatively short period of Cost recovery
- Recommendation:
  - Marry today is better than marry tomorrow.



# THANK YOU