

# SHEBA KINGDOM HALL

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



**A Business Plan for Weddings Hall**

Hani Al-Koli & Muhammad Khalifa

# CONTENT

- **INTRODUCTION**
- **MARKET ANALYSIS**
- **PROPOSAL**
- **INVESTMENT ANALYSIS**
- **CONCLUSION**



# 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
LAND	Land Area (845 m <sup>2</sup> )	-	-	-
	Total Land Cost	62,600	0	0
CONSTRUCTION	Total Floor Area (578 m <sup>2</sup> )			
	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)			
	Furniture length (375m)	16875	10	1687.5
EQUIPMENTS	Audio Devices	3000	10	300
	Visual Equipments	1500	10	150
	Refrigerators	2400	10	240
	Electricity Generators	2600	10	260
LABORS	Registration and Reservation (2)	5600/yr		
	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
<b>Total Cost</b>	<b>40,630.50</b>	<b>39,164.70</b>	<b>37,698.90</b>	<b>36,233.10</b>	<b>34,767.30</b>	<b>33,301.50</b>	<b>31,835.70</b>	<b>30,369.90</b>	<b>28,904.10</b>	<b>27,438.30</b>
<b>Revenues</b>	<b>31200</b>	<b>39000</b>	<b>46800</b>	<b>62400</b>	<b>78000</b>	<b>78000</b>	<b>78000</b>	<b>78000</b>	<b>78000</b>	<b>78000</b>
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+Depreciation)	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**