# AL NAHDA COLLEGE

# FEASIBILITY STUDY

## BACKGROUND

Al Nahda College established in 2014 and located in Khartoum the capital of Sudan. The College is established on a total area of 1,040 square meters at No.452, Block No.37 Khartoum (3).

The College offers a diversity of programs from Medicine, Engineering and other Humanitarian and Information Technology programs. The market for education in Sudan is growing and the gap between supply and demand is wide despite the fact that there are over 100 university and educational institute in the country.

Al Nahda College is working towards qualifying into a full University recognition by The Ministry of Higher Education. For this purpose they prepared their second strategic plan from 2023 to 2027. The five year strategy among other objectives calls for completing the infrastructure of the college, building qualified and skillful academic staff and updating its curricula to match international research and science.

## PAST FINANCIAL PERFORMANCE (2015-2022)

The past financial performance indicators of the College from 2015 to 2022 show average growth rate on total Assets of 19 %,( table 1).

Revenue increased on average by 36%, while expenses grow approximately by 20% on average, (Table 2).

Cash flows on average increased by 1.42%, return on equity by 31%, and average return on Assets was 23% (Table 3)

## EXPANSION PROJECT ANALYSIS

## RESOURCES NEEDED

To implement phase one of its strategy the College requires fixed assets amounts to US$14,750.222, and working capital of US$470,490 (US$235,144 general & administrative cost and US$195,921 human resource cost plus US$39,425, repairs & maintenance costs) i. e. total capital of US$15,220,713, (table 4)

8% of this capital is to be funded by the owners of the business i.e. US$1,220,713, and 92% i.e. US$14,000,000 to be funded by a long term loan, (table 5).

Based on the above mentioned financial indicators for 2015 – 2022, revenue, expenses, profits and cash flows were forecasted for the five year strategy as follows:.

## REVENUE FORECAST

The expansion project using 36% growth rate is expected to generate revenue of US$ 3,674,814, in the first year of implementation, US$ 4,997,747, US$6,796,936, US$9,243,833 and US$12,571,612 respectively in the rest of the plan period, (table 6).

Revenue also forecasted by calculating the tuition & registration fees per student per program, (table 7, 8 and 9), producing similar result with minor differences.

## EXPENSES FORECAST

The main categories of expenditure as classified in the financial reports of the College are general and administrative costs, human resources cost and repair & maintenance costs. Using the average rate of increase of 20% from the past performance, the general & administrative costs for the five year strategic plan is as follows: US$470,490 for the first year of implementation, US$564,58, US$677506, US$813,007, and US$975,60 respectively over the rest of the strategic plan period, (table 10).

Expenses details for the 1st. year of implementation are as follows: General & administrative Costs amounts to US$235,144, Human resource costs US$195,921

and Repairs & Maintenance amounts to US$39,425 as shown on (tables 11, 12 & 13).

Details of the Assets required for the expansion are shown on (table 14) which amounts to US$14,750,222.

A proforma income statement and a proforma balance sheet were also prepared for the first year of the strategic plan, profits for the first year of implementing the plan amounts to US$1,971,401, (tables 15 & 16).

**PROFIT PLAN**

Phase one of the five year strategy gives the following profits for each year of the plan: US$1,971,401, US$3,235,236, US$4,956,507, US$7,302,903 and US$10,503,081 respectively, (table 17)

This projection generates a stream of cash flows of US$1,924,814, US$4,642,973, US$9,082,402, US$16,778,227, and US$26,764,230 respectively over the five year plan, (table15).

**BREAEVEN POINT**

The business breakeven at a revenue (different programs) of US$23,504,897, a breakeven quantity of 13,679 students. The contribution at breakeven point amounts to US$23,504,897, and the total fixed costs are US$23,504,897, (table 19).

**FEASIBILITY OF THE EXPANSION PROJECT**

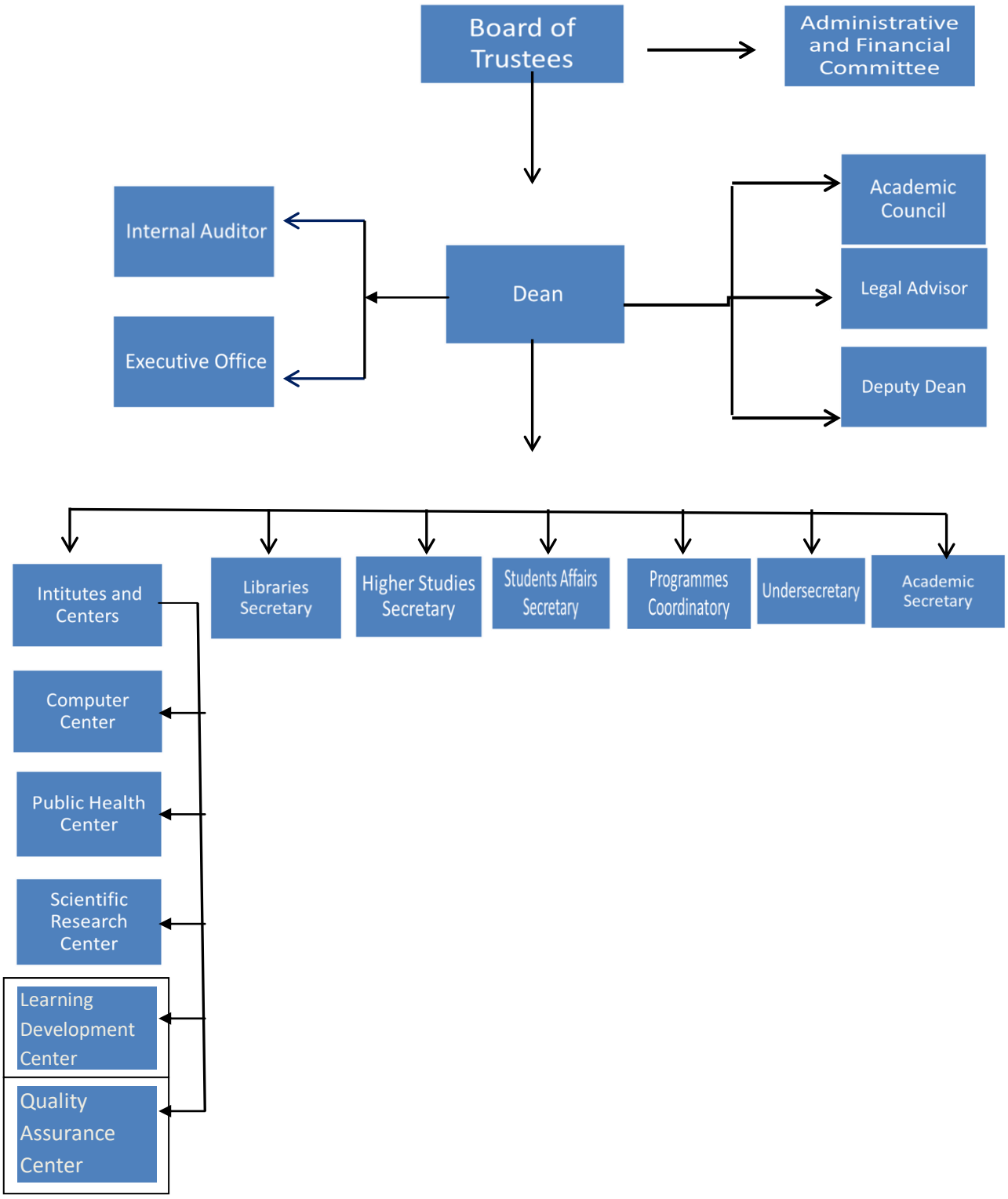
The feasibility of the business is measured by the NPV, IRR, and discounted payback period. The discount rate used is Return on Equity (ROE) of 31% to compensate for inflation & the risk of the future cash flows.

The result of the study is a positive NPV at 31% of US$4,296,806, an internal rate of return (IRR) of 42% and a discounted payback period of approximately three years and three month.

A sensitivity analysis of the NPV was conducted using higher discount factors of 35%, and 41% to accommodate for unforeseen risk in the future and the result is still positive NPV and IRR of 42% ( i.e. NPV = 0), (table 20).

The expansion's Net profit margin is 54%, Return on Assets (ROA) 14% and Return on invested capital (ROI) is 13%.

# COLLEGE ORGANIZATION CHART



# PERFORMANCE INDICATORS 2015 -2022

## Table 1

| Assets Growth 2015 – 2022 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Value in US $ | | | | | | | | |
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Land | | | | 685,558 | 1,615,002 | 1,615,002 | 1,615,002 | 1,615,002 |
| Buildings | 546,209 | 608,055 | 608,055 | 770,786 | 1,083,238 | 1,083,238 | 1,083,238 | 1,083,238 |
| Vehicles | 69,231 | 303,649 | 303,649 | 303,649 | 464,789 | 464,789 | 494,586 | 494,586 |
| Furniture | 178,353 | 243,135 | 243,135 | 243,135 | 249,122 | 249,122 | 249,122 | 249,122 |
| Equipments | 97,228 | 163,529 | 163,529 | 171,080 | 194,217 | 194,217 | 194,217 | 194,217 |
| Control Equipments | - | 109,951 | 109,951 | 109,951 | 110,619 | 110,619 | 110,619 | 110,619 |
| Books & References | 25,438 | 62,950 | 62,950 | 69,232 | 83,343 | 83,343 | 83,343 | 83,343 |
| Tools | 308 | 3,000 | 3,000 | 12,661 | 13,472 | 13,472 | 13,472 | 13,472 |
| Library units | 23,769 | 34,538 | 34,538 | 41,991 | 48,785 | 48,785 | 48,785 | 48,785 |
| Lab equipments | 350,600 | 412,853 | 412,853 | 426,706 | 526,079 | 526,079 | 526,079 | 526,079 |
| Air conditions | 55,342 | 76,448 | 76,448 | 119,717 | 138,072 | 138,072 | 138,072 | 138,072 |
| Electricity Generator | 219,484 | 229,391 | 229,391 | 229,391 | 229,391 | 229,391 | 229,391 | 229,391 |
| Expansion Implementation costs: | - | - | - | - | - | - | - | - |
| Total | 1,565,961 | 2,247,499 | 2,247,499 | 3,183,856 | 4,756,128 | 4,756,128 | 4,785,925 | 4,785,925 |
| Assets Growth in US $ | | 681,538 | - | 936,357 | 1,572,271 | - | 29,797 | - |
| Assets Growth in % | | 44% | 0.00% | 42% | 49% | 0.00% | 0.63% | 0.00% |
| Average growth rate | | | | | | | | 19% |

## Table 2

| Revenue Trend 2015 – 2022 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| No. | Program | 2015<br>SDG 6.49<br>US $ | 2016<br>SDG 6.49<br>US $ | 2017<br>SDG 7<br>US $ | 2018<br>SDG 47.5<br>US $ | 2019<br>SDG 45<br>US $ | 2020<br>SDG 55<br>US $ | 2021<br>SDG 570<br>US $ | 2022<br>SDG 580<br>US $ |
| 1 | Medicine | 543,683 | 1,055,194 | 1,726,301 | 295,649 | 933,981 | 560,524 | 326,978 | 509,483 |
| 2 | Dental Medicine | 124,624 | 465,159 | 1,150,034 | 223,712 | 602,147 | 420,100 | 216,445 | 341,379 |
| 3 | Pharmacy | 108,837 | 411,338 | 981,292 | 161,965 | 359,458 | 317,403 | 87,586 | 390,517 |
| 4 | Medical Labs | 102,254 | 211,711 | 670,318 | 110,638 | 271,056 | 225,952 | 86,266 | 306,034 |
| 5 | Nursing | - | 112,293 | 285,064 | 65,115 | 122,868 | 117,581 | 44,339 | 243,966 |
| 6 | Information Technology | - | 52,196 | 93,554 | 22,776 | 82,479 | 71,412 | 11,222 | 243,448 |
| 7 | Business Administration | 33,499 | 90,609 | 227,479 | 44,251 | 107,445 | 130,390 | 69,786 | 243,448 |
| 8 | Medical Engineering | | | | | | 106,889 | 45,178 | 65,862 |
| 9 | Control Engineering | | | | | | 26,026 | 20,748 | 72,759 |
| 10 | Telecommunication Engineering | | | | | | 16,562 | 7,263 | 72,759 |
| 11 | Computer Engineering | | | | | | 85,176 | 6,836 | 58,276 |
| 12 | Languages | | | 51,214 | 11,849 | 24,625 | 23,686 | 4,039 | 72,759 |
| 13 | Radiology | | | | | | | 24,422 | 81,379 |
| 14 | Others | 104,483 | 338,614 | 35,901 | 23,830 | 24,045 | 38,596 | 5,238 | - |
| | Total | 1,017,380 | 2,737,114 | 5,221,158 | 959,784 | 2,528,105 | 2,140,297 | 956,348 | 2,702,069 |
| | Revenue Growth US$ | | 1,513,897 | 2,689,881 | (4,273,648) | 1,470,014 | 209,534 | (1,381,161) | 1,456,173 |
| | Revenue growth % | | 149% | 106% | -82% | 155% | 9% | -53% | 117% |
| | Average | | | | | | | | 36% |
| | SDG | 6,602,794.00 | 17,763,867.00 | 36,548,104 | 45,589,734 | 113,764,711 | 117,716,351 | 545,118,096 | |

## Table 3

| PROFIT TREND 2015 – 2022 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| SDG/$ rate | 6.49 | 6.49 | 7 | 47.5 | 45 | 55 | 570 | 580 |
| ITEM | US $ | US $ | US $ | US $ | US $ | US $ | US $ | US $ |
| Revenue | 1,017,380 | 2,737,114 | 5,221,158 | 959,784 | 2,528,105 | 2,140,297 | 956,348 | 2,702,069 |
| | | | | | | | | |
| General & Administrative Expense | 241,433 | 491,829 | 1,189,169 | 201,844 | 330,035 | 738,270 | 199,392 | 195,954 |
| Human resources cost | 475,350 | 1,014,496 | 1,828,433 | 301,674 | 445,843 | 956,341 | 166,132 | 163,268 |
| Repairs & Maintenance | 61,480 | 60,074 | 457,527 | 42,456 | 25,284 | 137,423 | 33,430 | 32,854 |
| Depreciation & amortization | 233,436 | 419,850 | 418,514 | 89,223 | 182,600 | 251,651 | 28,492 | 427,433 |
| Total cost | 1,011,700 | 1,986,250 | 3,893,644 | 635,198 | 983,762 | 2,083,685 | 427,446 | 819,508 |
| Profit before tax & Zakat | 5,680 | 750,864 | 1,327,514 | 324,586 | 1,544,342 | 56,612 | 528,902 | 1,882,561 |
| Tax & Zakat | - | - | 9,286 | 1,368 | 6,667 | - | 2,456 | - |
| Net Profit | 5,680 | 750,864 | 1,318,228 | 323,218 | 1,537,676 | 56,612 | 526,446 | 1,882,561 |
| Cash flow | 239,116 | 1,170,714 | 1,736,743 | 412,441 | 1,720,276 | 308,263 | 554,938 | 2,309,994 |
| Cash flow increase | | 931,598 | 566,029 | (1,324,302) | 1,307,835 | (1,412,013) | 246,675 | 1,755,056 |
| Cash flow Increases % | | 3.90 | 0.48 | (0.76) | 3.17 | (0.82) | 0.80 | 3.16 |
| Average increase in Cash Flows | | | | | | | | 1.42 |
| Earnings per share (EPS) | 57 | 7,509 | 13,182 | 3,232 | 15,377 | 566 | 5,264 | 18,826 |
| Average EPS | | | | | | | | 8,002 |
| Equity Capital value | 154,083 | 154,083 | 154,083 | 154,083 | 154,083 | 154,083 | 154,083 | 154,083 |
| Retained earnings | 5,680 | 756,544 | 2,074,772 | 2,397,989 | 3,935,665 | 3,992,278 | 4,518,723 | 4,518,723 |
| Total equity Capital | 159,763 | 910,627 | 2,228,855 | 2,552,073 | 4,089,748 | 4,146,361 | 4,672,807 | 4,672,807 |
| Return on Equity (ROE) | 4% | 82% | 59% | 13% | 38% | 1% | 11% | 40% |
| Average ROE | | | | | | | | 31% |
| Return on Assets (ROA) | 0.4% | 33% | 59% | 10% | 32% | 1% | 11% | 39% |
| Average | | | | | | | | 23% |

## ANALYSIS OF THE EXPANTION PROJECT

### 4- RESOURCES NEEDED:

| CAPITAL REUIRED | |
|---|---|
| DETAILS | AMOUNT |
| | US $ |
| Fixed Assets | 14,750,222 |
| General & Administrative Expense | 235,144 |
| Human Resource Cost | 195,921 |
| Repairs & Maintenance | 39,425 |
| TOTAL CAPITAL REQUIRED | **15,220,713** |
| FINANCED BY:- | |
| OWNER'S SHARE | 1,220,713 |
| LOAN | 14,000,000 |
| TOTAL | **15,220,713** |

FUNDING STRUCTURE:

1. Finance by owners 8% of Capital requirement US$1,220,713
2. Finance by loan 92% US$14,000,000

## 5- - INTEREST & LOAN SCHEDULE

| INTEREST & LOAN SCHEDULE | | | | | |
|---|---|---|---|---|---|
| **First Year** | | | | | |
| **DETAILS** | **Principal** | | | | |
| | | **1st. Half** | **Balance** | **2nd. Half** | **Balance** |
| | 14,000,000 | | 13,300,000 | | 12,600,000 |
| | | | | | |
| **Interest** | | 175,000 | - | 175,000 | |
| | | | | | |
| **Loan repayment** | | 700,000 | | 700,000 | |
| | | **2nd. Year** | | | |
| **DETAILS** | **Principal** | **1st. Half** | **Balance** | **2nd. Half** | **Balance** |
| | 12,600,000 | | 11,900,000 | | 11,200,000 |
| | | | | | |
| **Interest** | | 157,500 | - | 157,500 | |
| | | | | | |
| **Loan repayment** | | 700,000 | | 700,000 | |
| | | **3rd. Year** | | | |
| **DETAILS** | **Principal** | **1st. Half** | **Balance** | **2nd. Half** | **Balance** |
| | 11,200,000 | | 10,500,000 | | 9,800,000 |
| | | | | | |
| **Interest** | | 140,000 | - | 140,000 | |
| | | | | | |
| **Loan repayment** | | 700,000 | | 700,000 | |
| | | **4th. Year** | | | |
| **DETAILS** | **Principal** | **1st. Half** | **Balance** | **2nd. Half** | **Balance** |
| | 9,800,000 | | 9,100,000 | | 8,400,000 |
| | | | | | |
| **Interest** | | 122,500 | - | 122,500 | |
| | | | | | |
| **Loan repayment** | | 700,000 | | 700,000 | |
| | | **5th. Year** | | | |
| **DETAILS** | **Principal** | **1st. Half** | **Balance** | **2nd. Half** | **Balance** |
| | 8,400,000 | | 7,700,000 | | 7,000,000 |
| | | | | | |
| **Interest** | | 105,000 | - | 105,000 | |
| | | | | | |
| **Loan repayment** | | 700,000 | | 700,000 | |
| | | | | | |
| | | | | | |

## 6-REVENUE FORECAST

| Revenue forecast 2023 - 2027 | | | | | | |
|---|---|---|---|---|---|---|
| No. | Program | 2023 | 2024 | 2025 | 2026 | 2027 |
| | | US $ | US $ | US $ | US $ | US $ |
| 1 | Medicine | 692,897 | 942,340 | 1,281,582 | 1,742,952 | 2,370,414 |
| 2 | Dental Medicine | 464,275 | 631,415 | 858,724 | 1,167,864 | 1,588,296 |
| 3 | Pharmacy | 531,103 | 722,300 | 982,328 | 1,335,967 | 1,816,914 |
| 4 | Labs | 416,206 | 566,040 | 769,815 | 1,046,948 | 1,423,850 |
| 5 | Nursing | 331,794 | 451,240 | 613,686 | 834,613 | 1,135,073 |
| 6 | Information Technology | 331,089 | 450,281 | 612,383 | 832,841 | 1,132,663 |
| 7 | Business Administration | 331,089 | 450,281 | 612,383 | 832,841 | 1,132,663 |
| 8 | Medical Engineering | 89,572 | 121,818 | 165,673 | 225,315 | 306,429 |
| 9 | Control Engineering | 98,952 | 134,575 | 183,022 | 248,910 | 338,518 |
| 10 | Telecommunication Engineering | 98,952 | 134,575 | 183,022 | 248,910 | 338,518 |
| 11 | Computer Engineering | 79,255 | 107,787 | 146,591 | 199,363 | 271,134 |
| 12 | Languages | 98,952 | 134,575 | 183,022 | 248,910 | 338,518 |
| 13 | Radiology | 110,675 | 150,519 | 204,705 | 278,399 | 378,623 |
| | Total | **3,674,814** | **4,997,747** | **6,796,936** | **9,243,833** | **12,571,612** |
| | | | | | | |
| | Using growth rate in revenue trend 36% | | | | | |
| | | | | | | |

## 7- NUMBER OF STUDENTS

| Number of Students | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **S.No.** | **Programs** | **Planed Number** | **2022** | **2023** | **2024** | **2025** | **2026** | **2027** | **TOTAL** |
| 1 | Medicine | 125 | 118 | 160 | 218 | 297 | 404 | 549 | 1,746 |
| 2 | Dental Medicine | 75 | 79 | 107 | 146 | 199 | 270 | 368 | 1,169 |
| 3 | Pharmacy | 120 | 113 | 154 | 209 | 284 | 387 | 526 | 1,672 |
| 4 | Medical laboratories | 125 | 118 | 160 | 218 | 297 | 404 | 549 | 1,746 |
| 5 | Nursing | 100 | 94 | 128 | 174 | 236 | 322 | 437 | 1,391 |
| 6 | Business Administration | 200 | 188 | 256 | 348 | 473 | 643 | 875 | 2,782 |
| 7 | Information Technology | 200 | 188 | 256 | 348 | 473 | 643 | 875 | 2,782 |
| 8 | Medical Engineering | 40 | 38 | 52 | 70 | 96 | 130 | 177 | 562 |
| 9 | Comm. Engineering | 60 | 56 | 76 | 104 | 141 | 192 | 261 | 829 |
| 10 | Control Engineering | 60 | 56 | 76 | 104 | 141 | 192 | 261 | 829 |
| 11 | Computer Engineering | 60 | 56 | 76 | 104 | 141 | 192 | 261 | 829 |
| 12 | Languages | 60 | 56 | 76 | 104 | 141 | 192 | 261 | 829 |
| 13 | Radiology | 60 | 47 | 64 | 87 | 118 | 161 | 219 | 696 |
| | **TOTAL** | | 1,207 | 1,642 | 2,232 | 3,036 | 4,129 | 5,616 | 17,862 |
| | Using 36% rate of growth | | | | | | | | |

# 8- TUTION & REGISTRATION FEES

| TUTION & REGISTRATION FEES/ STUDENT | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **S.No.** | **Programs** | **Total Fees** | **2022** | **2023** | **2024** | **2025** | **2026** | **2027** |
| 1 | Medicine | 509,483 | 4,318 | 692,897 | 942,340 | 1,281,582 | 1,742,952 | 2,370,414 |
| 2 | Dental Medicine | 341,379 | 4,321 | 464,275 | 631,415 | 858,724 | 1,167,864 | 1,588,296 |
| 3 | Pharmacy | 390,517 | 3,456 | 531,103 | 722,300 | 982,328 | 1,335,967 | 1,816,914 |
| 4 | Medical laboratories | 306,034 | 2,594 | 416,206 | 566,040 | 769,815 | 1,046,948 | 1,423,850 |
| 5 | Nursing | 243,966 | 2,595 | 331,794 | 451,240 | 613,686 | 834,613 | 1,135,073 |
| 6 | Business Administration | 243,966 | 1,298 | 331,794 | 451,240 | 613,686 | 834,613 | 1,135,073 |
| 7 | Information Technology | 243,966 | 1,298 | 331,794 | 451,240 | 613,686 | 834,613 | 1,135,073 |
| 8 | Medical Engineering | 65,862 | 1,733 | 89,572 | 121,818 | 165,673 | 225,315 | 306,429 |
| 9 | Comm. Engineering | 72,759 | 1,299 | 98,952 | 134,575 | 183,022 | 248,910 | 338,518 |
| 10 | Control Engineering | 72,759 | 1,299 | 98,952 | 134,575 | 183,022 | 248,910 | 338,518 |
| 11 | Computer Engineering | 58,276 | 1,041 | 79,255 | 107,787 | 146,591 | 199,363 | 271,134 |
| 12 | Languages | 72,759 | 1,299 | 98,952 | 134,575 | 183,022 | 248,910 | 338,518 |
| 13 | Radiology | 81,379 | 1,731 | 110,675 | 150,519 | 204,705 | 245,646 | 378,623 |
| | **TOTAL** | **2,703,105** | | **3,676,223** | **4,999,663** | **6,799,542** | **9,214,624** | **12,576,432** |

## 9-COSTING & PRICING

| COSTING & PRICING | | | | | | |
|---|---|---|---|---|---|---|
| Amounts in US Dollars | | | | | | |
| S.No. | PRODUCT/SERVICE | HR COST | FIXED COST/STUDENT | TOTAL COST | PROFIT MARGIN | COURSE CHARGE |
| 1 | Medicine | 99 | 139 | 239 | 4,079 | 4,318 |
| 2 | Dental Medicine | 99 | 139 | 239 | 4,082 | 4,321 |
| 3 | Pharmacy | 99 | 139 | 239 | 3,217 | 3,456 |
| 4 | Medical laboratories | 99 | 139 | 239 | 2,355 | 2,594 |
| 5 | Nursing | 99 | 139 | 239 | 2,357 | 2,595 |
| 6 | Business Administration | 99 | 139 | 239 | 1,059 | 1,298 |
| 7 | Computer Sciences | 99 | 139 | 239 | 1,059 | 1,298 |
| 8 | Medical Engineering | 99 | 139 | 239 | 1,494 | 1,733 |
| 9 | Comm. Engineering | 99 | 139 | 239 | 1,060 | 1,299 |
| 10 | Control Engineering | 99 | 139 | 239 | 1,060 | 1,299 |
| 11 | Computer Engineering | 99 | 139 | 239 | 802 | 1,041 |
| 12 | Languages | 99 | 139 | 239 | 1,060 | 1,299 |
| 13 | Radiology | 99 | 139 | 239 | 1,493 | 1,731 |

## 10-EXPENSES FORECAST

| Expenses Forecast 2023 – 2027 | | | | | | | |
|---|---|---|---|---|---|---|---|
| No. | Program | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
| | | US $ | US $ | US $ | US $ | US $ | US $ |
| 1 | General & Administrative Expense | 195,954 | 235,144 | 282,173 | 338,608 | 406,330 | 487,596 |
| 2 | Human Resource Cost | 163,268 | 195,921 | 235,105 | 282,127 | 338,552 | 406,262 |
| 3 | Repairs & Maintenance | 32,854 | 39,425 | 47,310 | 56,772 | 68,126 | 81,751 |
| | **Total** | **392,075** | **470,490** | **564,589** | **677,506** | **813,007** | **975,609** |
| | General & Admn Expense increase by 20% annually | | | | | | |
| | Human Resource Cost increased by 20% | | | | | | |
| | Repairs & Maintenance increased by 20% | | | | | | |

## 11-GENERAL & ADMINISTRATIVE COST

| General & Administration Costs | | | | |
|---|---|---|---|---|
| | | 2021 | 2022 | 2023 |
| **S.No.** | **ITEMES** | **US $** | **US $** | **US $** |
| 1 | Advertisements | 2,887 | 2,838 | 3,405 |
| 2 | Hospitality cost | 2,007 | 1,973 | 2,367 |
| 5 | Rents | 10,362 | 10,183 | 12,220 |
| 6 | Legal fees | 983 | 966 | 1,160 |
| 7 | Maintenance & repairs | 16,148 | 15,870 | 19,044 |
| 8 | Generators Maintenance | 11,012 | 10,822 | 12,986 |
| 9 | Buildings maintenance | 14,924 | 14,666 | 17,599 |
| | | | | |
| 10 | Internet & connections | 2,468 | 2,425 | 2,910 |
| 11 | Laboratories consumables | 12,692 | 12,473 | 14,968 |
| 12 | Office supplies | 11,522 | 11,324 | 13,588 |
| 13 | Cleaning expenses | 4,200 | 4,128 | 4,953 |
| 14 | Insurance | 2,092 | 2,056 | 2,467 |
| 15 | Audit fees | 2,632 | 2,586 | 3,103 |
| 16 | Consultancy fees | 1,140 | 1,121 | 1,345 |
| 17 | Fuel & Oil | 2,599 | 2,554 | 3,065 |
| 18 | Other fees | 267 | 262 | 314 |
| 19 | Electricity | 16,641 | 16,354 | 19,625 |
| 20 | Water | 749 | 736 | 883 |
| 21 | Travel expenses | 5,703 | 5,604 | 6,725 |
| 22 | License fees | 4,306 | 4,232 | 5,078 |
| 23 | Transportation | 1,799 | 1,768 | 2,122 |
| 24 | Bank charges | 657 | 646 | 775 |
| 25 | Preparation of curricula fees | 1,334 | 1,311 | 1,574 |
| 26 | Newspapers & periodicals | 27 | 27 | 32 |
| 27 | Social insurance | 7,449 | 7,321 | 8,785 |
| 28 | Zakat | 877 | 862 | 1,034 |
| 29 | Social responsibility | 7,253 | 7,128 | 8,554 |
| 30 | Government fees | 1,672 | 1,643 | 1,972 |
| 31 | Dean's money | 8,421 | 8,276 | 9,931 |
| 32 | Grants, subsidies & exemptions | 8,068 | 7,929 | 9,515 |
| 33 | Taxes | 1,175 | 1,155 | 1,386 |
| 34 | Training & conferences | 32,693 | 32,129 | 38,555 |
| 35 | Technical support | 2,632 | 2,586 | 3,103 |
| | **TOTAL** | 199,392 | 195,954 | **235,144** |

## 12-HUMAN RESOURCES COST

| HUMAN RESOURCES COST | | | | |
|---|---|---|---|---|
| | | 2021 | 2022 | 2023 |
| S.No. | DETAILS | US $ | US $ | US $ |
| 1 | Salaries & Wages | 114,900 | 112,919 | 135,502 |
| 2 | Cost of living allowance | 14,134 | 13,891 | 16,669 |
| 3 | Transportation | 9,697 | 9,530 | 11,436 |
| 4 | Housing allowance | 6,260 | 6,152 | 7,382 |
| 5 | President grant | 1,598 | 1,571 | 1,885 |
| 6 | Assistance & grants | 84 | 83 | 100 |
| 7 | Partial contracts incentives | 13,852 | 13,613 | 16,336 |
| 8 | Extra hours cost | 140 | 137 | 165 |
| 9 | Hazard pay | 168 | 165 | 198 |
| 10 | Qualification bonus | 1,627 | 1,599 | 1,919 |
| 11 | Sacristy allowance | 970 | 953 | 1,144 |
| 12 | Experience bonus | 1,386 | 1,362 | 1,634 |
| | Administration burdens cost | 1,317 | 1,294 | 1,553 |
| | **TOTAL** | 166,132 | 163,268 | **195,921** |

## 13-MAINTENANCE COST

| Maintenance Costs | | | | |
|---|---|---|---|---|
| | | 2021 | 2022 | 2023 |
| S.No. | Items | US $ | US $ | US $ |
| 1 | Glass & Aluminum | 466 | 458 | 550 |
| 2 | Ceramic & Tiles | 1,720 | 1,690 | 2,029 |
| 3 | Buildings smoothing works | 1,378 | 1,354 | 1,625 |
| 4 | Gardening | 737 | 724 | 869 |
| 5 | Electricity and air-conditioning | 3,292 | 3,235 | 3,882 |
| 6 | Plumbing | 1,543 | 1,516 | 1,820 |
| 7 | Smithy | 3,123 | 3,069 | 3,683 |
| 8 | Plaster & decoration | 576 | 566 | 679 |
| 9 | Building maintenance | 12,097 | 11,889 | 14,266 |
| 10 | Laboratory and Equipments maintenance | 8,051 | 7,912 | 9,494 |
| 11 | Removal of rubble | 447 | 439 | 527 |
| | **TOTAL** | 33,430 | 32,854 | **39,425** |

## 14-FIXED ASSETS:

| STRATEGIC PLAN IMPLEMENTATION COSTS | | | | | | |
|---|---|---|---|---|---|---|
| **ITEM** | **Expansion Costs** | **Value US$** | **Value US$** | **Dep'n %** | **Dep'n** | **NBV** |
| Land | | | | 0% | 0 | - |
| Buildings | Extension & New building | | 12,000,000 | 3% | 360,000 | 11,640,000 |
| Vehicles | New Vehicles | | 593,503 | 15% | 89,026 | 504,478 |
| Furniture | For extension & new building | | 298,946 | 10% | 29,895 | 269,052 |
| Office Equipments | New Office Equipments | | 233,060 | 30% | 69,918 | 163,142 |
| Books & References | New Books & references | | 132,742 | 20% | 26,548 | 106,194 |
| Tools | New Tools | | 100,012 | 20% | 20,002 | 80,009 |
| Control Equipments | New | | 16,166 | 20% | 3,233 | 12,933 |
| Library units | New | | 58,542 | 10% | 5,854 | 52,688 |
| Lab equipments | New | | 631,295 | 25% | 157,824 | 473,471 |
| Air conditions | New | | 165,687 | 10% | 16,569 | 149,118 |
| Electricity Generator | New | | 275,269 | 20% | 55,054 | 220,215 |
| Implementation costs | | | | | | - |
| | Quality assurance Program | 20,000 | | | | - |
| | Curricula & programs development | 20,000 | | | | - |
| | International Assessment of Institutions and programs | 25,000 | | | | - |
| | Restructure of academic & administrative units | 25,000 | | | | - |
| | College Infrastructure development | 50,000 | | | | - |
| | College scientific Magazine | 30,000 | | | | - |
| | Establishment of information & statistical unit | 25,000 | | | | - |
| | Training & capacity building programs | 30,000 | | | | - |
| | Job Description of all college posts | 20,000 | 245,000 | 20% | 49,000 | 196,000 |
| **TOTAL** | | | **14,750,222** | | **882,923** | **13,867,300** |

## 15- PROFORMA INCOME STATEMENT

| INCOME STATEMENT | | |
|---|---|---|
| FOR THE 1st. YEAR OF OPERATION | | |
| | **US $** | **US $** |
| **REVENUE** | | 3,674,814 |
| | | |
| **LESS OPERATING COSTS:-** | | |
| General & Administrative expenses | 235,144 | |
| Human Resource Cost | 195,921 | |
| Maintenance Costs | 39,425 | |
| Depreciation & amortization costs cost | 882,923 | |
| Interest on Loan | 350,000 | |
| **Total Cost** | | 1,703,413 |
| | | |
| **PROFIT BEFORE TAX & ZAKAT** | | **1,971,401** |

## 16- PROFORMA BALANCE SHEET

| BALANCE SHEET | | | | |
|---|---|---|---|---|
| AS AT THE END OF THE 1st. YEAR OF OPERATION | | | | |
| | **US $** | **US $** | **US $** | **US $** |
| **CURRENT ASSETS:** | | | | |
| Bank balance | | | 1,924,814 | |
| **LESS CURRENT LIABILITIES:** | | | 0 | |
| **NET CURRENT ASSETS** | | | | 1,924,814 |
| **FIXED ASSETS:** | **COST** | **Dep'n** | **N.B.V.** | |
| Land | - | - | - | |
| Buildings | 12,000,000 | 360,000 | 11,640,000 | |
| Vehicles | 593,503 | 89,026 | 504,478 | |
| Control Equipments | 298,946 | 29,895 | 269,052 | |
| Furniture & Fittings | 233,060 | 69,918 | 163,142 | |
| Office Equipments | 132,742 | 26,548 | 106,194 | |
| Books & References | 100,012 | 20,002 | 80,009 | |
| Tools | 16,166 | 3,233 | 12,933 | |
| Library Units | 58,542 | 5,854 | 52,688 | |
| Laboratories | 631,295 | 157,824 | 473,471 | |
| Air Conditions | 165,687 | 16,569 | 149,118 | |
| Electricity Generator | 275,269 | 55,054 | 220,215 | |
| Expansion Costs | 245,000 | 49,000 | 196,000 | |
| | 14,750,222 | 882,923 | 13,867,300 | 13,867,300 |
| **TOTAL ASSETS** | | | | 15,792,114 |
| **LESS LONG-TERM LOANS** | | | | 12,600,000 |
| **TOTAL NET ASSETS** | | | | **3,192,114** |
| **CAPITAL FUND:** | | | | |
| Equity Capital | | | | 1,220,713 |
| PROFIT/LOSS before tax & Zakah | | | | 1,971,401 |
| **NET CAPITAL FUND** | | | | **3,192,114** |

## 17- EXPANSION PROJECT PROFIT PLAN

| Profit Plan 2023 – 2027 | | | | | |
|---|---|---|---|---|---|
| ITEM | 2023 | 2024 | 2025 | 2026 | 2027 |
| | US $ | US $ | US $ | US $ | US $ |
| Revenue | 3,674,814 | 4,997,747 | 6,796,936 | 9,243,833 | 12,571,612 |
| | | | | | |
| General & Administrative Expense | 235,144 | 282,173 | 338,608 | 406,330 | 487,596 |
| Wages & Salaries | 195,921 | 235,105 | 282,127 | 338,552 | 406,262 |
| Repairs & Maintenance | 39,425 | 47,310 | 56,772 | 68,126 | 81,751 |
| Interest on loan | 350,000 | 315,000 | 280,000 | 245,000 | 210,000 |
| Depreciation & amortization costs | 882,923 | 882,923 | 882,923 | 882,923 | 882,923 |
| Cost before tax & Zakat | 1,703,413 | 1,762,511 | 1,840,429 | 1,940,930 | 2,068,531 |
| **Profit before tax & Zakat** | **1,971,401** | **3,235,236** | **4,956,507** | **7,302,903** | **10,503,081** |

# 18- CASH FLOW FORCAST

## 1. CASHFLOW FORECAST FOR THE 1st. YEAR

| CASHFLOW FORECAST | | | | | | |
|---|---|---|---|---|---|---|
| FOR THE 1st. YEAR OF OPERATION | | | | | | |
| | | | | | | |
| **MONTH** | **M0** | **Midterm 1** | **Midterm 2** | **Midterm 3** | **Midterm 4** | **TOTAL** |
| OPENING BANK BALANCE | | | | | | |
| CREDIT(DEBIT) | - | 470,491 | 3,152,682 | 3,035,060 | 2,042,437 | |
| REVENUE | - | 3,674,814 | - | - | - | 3,674,814 |
| LOANS | 14,000,000 | | | | | 14,000,000 |
| FINANCE FROM OWNER | 1,220,713 | | | | | 1,220,713 |
| OTHERS | - | | | | | |
| **TOTAL INCOME** | **15,220,713** | **4,145,305** | **3,152,682** | **3,035,060** | **2,042,437** | **18,895,527** |
| **EXPENDITURE:** | | | | | | |
| General & Administrative Expense | - | 58,786 | 58,786 | 58,786 | 58,786 | 235,144 |
| Wages & Salaries | - | 48,980 | 48,980 | 48,980 | 48,980 | 195,921 |
| Repairs & Maintenance | - | 9,856 | 9,856 | 9,856 | 9,856 | 39,425 |
| Loan interest | - | 175,000 | | 175,000 | | 350,000 |
| Loan repayment | - | 700,000 | | 700,000 | | 1,400,000 |
| Land | | | | | | - |
| Buildings | 12,000,000 | | | | | 12,000,000 |
| Vehicles | 593,503 | | | | | 593,503 |
| Furniture & Fittings | 298,946 | | | | | 298,946 |
| Office Equipments | 233,060 | | | | | 233,060 |
| Books & References | 132,742 | | | | | 132,742 |
| Tools | 100,012 | | | | | 100,012 |
| Control Equipments | 16,166 | | | | | 16,166 |
| Liabrary units | 58,542 | | | | | 58,542 |
| Lab equipments | 631,295 | | | | | 631,295 |
| Air conditions | 165,687 | | | | | 165,687 |
| Electricity Generator | 275,269 | | | | | 275,269 |
| Expansion Costs | 245,000 | | | | | 245,000 |
| **TOTAL EXPENDITURE** | 14,750,222 | 992,623 | 117,623 | 992,623 | 117,623 | |
| **CLOSING BALANCE** | **470,491** | **3,152,682** | **3,035,060** | **2,042,437** | **1,924,814** | |

## 2. CASHFLOW FORECAST FOR THE 2nd. YEAR

| CASHFLOW FORECAST | | | | | |
|---|---|---|---|---|---|
| **FOR THE 2nd. YEAR OF OPERATION** | | | | | |
| **MONTH** | **Midterm 1** | **Midterm 2** | **Midterm 3** | **Midterm 4** | **TOTAL** |
| OPENING BANK BALANCE | | | | | |
| CREDIT(DEBIT) | 1,924,814 | 5,923,914 | 5,782,767 | 4,784,120 | |
| REVENUE | 4,997,747 | - | - | - | 4,997,747 |
| LOANS | | | | | - |
| FINANCE FROM OWNER | | | | | - |
| OTHERS | | | | | |
| **TOTAL INCOME** | **6,922,561** | **5,923,914** | **5,782,767** | **4,784,120** | **4,997,747** |
| **EXPENDITURE:** | | | | | |
| General & Administrative Expense | 70,543 | 70,543 | 70,543 | 70,543 | 282,173 |
| Wages & Salaries | 58,776 | 58,776 | 58,776 | 58,776 | 235,105 |
| Repairs & Maintenance | 11,827 | 11,827 | 11,827 | 11,827 | 47,310 |
| Loan interest | 157,500 | | 157,500 | | 315,000 |
| Loan repayment | 700,000 | | 700,000 | | 1,400,000 |
| **TOTAL EXPENDITURE** | 998,647 | 141,147 | 998,647 | 141,147 | |
| **CLOSING BALANCE** | **5,923,914** | **5,782,767** | **4,784,120** | **4,642,973** | |

## 3. CASHFLOW FORECAST FOR THE 3rd. YEAR

| CASHFLOW FORECAST | | | | | |
|---|---|---|---|---|---|
| **FOR THE 3rd. YEAR OF OPERATION** | | | | | |
| **MONTH** | **Midterm 1** | **Midterm 2** | **Midterm 3** | **Midterm 4** | **TOTAL** |
| OPENING BANK BALANCE | | | | | |
| CREDIT(DEBIT) | 4,642,973 | 10,430,532 | 10,261,155 | 9,251,779 | |
| REVENUE | 6,796,936 | - | - | - | 6,796,936 |
| LOANS | | | | | - |
| FINANCE FROM OWNER | | | | | - |
| OTHERS | | | | | |
| **TOTAL INCOME** | **11,439,908** | **10,430,532** | **10,261,155** | **9,251,779** | **6,796,936** |
| **EXPENDITURE:** | | | | | |
| General & Administrative Expense | 84,652 | 84,652 | 84,652 | 84,652 | 338,608 |
| Wages & Salaries | 70,532 | 70,532 | 70,532 | 70,532 | 282,127 |
| Repairs & Maintenance | 14,193 | 14,193 | 14,193 | 14,193 | 56,772 |
| Loan interest | 140,000 | | 140,000 | | 280,000 |
| Loan repayment | 700,000 | | 700,000 | | 1,400,000 |
| **TOTAL EXPENDITURE** | 1,009,377 | 169,377 | 1,009,377 | 169,377 | |
| **CLOSING BALANCE** | **10,430,532** | **10,261,155** | **9,251,779** | **9,082,402** | |

## 4. CASHFLOW FORECAST FOR THE 4th. YEAR

| CASHFLOW FORECAST | | | | | |
|---|---|---|---|---|---|
| **FOR THE 4th. YEAR OF OPERATION** | | | | | |
| **MONTH** | **Midterm 1** | **Midterm 2** | **Midterm 3** | **Midterm 4** | **TOTAL** |
| OPENING BANK BALANCE | | | | | |
| CREDIT(DEBIT) | 9,082,402 | 17,755,483 | 17,552,231 | 16,981,479 | |
| REVENUE | 9,243,833 | - | - | - | 9,243,833 |
| LOANS | | | | | - |
| FINANCE FROM OWNER | | | | | - |
| OTHERS | | | | | |
| **TOTAL INCOME** | **18,326,235** | **17,755,483** | **17,552,231** | **16,981,479** | **9,243,833** |
| **EXPENDITURE:** | | | | | |
| General & Administrative Expense | 101,582 | 101,582 | 101,582 | 101,582 | 406,330 |
| Wages & Salaries | 84,638 | 84,638 | 84,638 | 84,638 | 338,552 |
| Repairs & Maintenance | 17,031 | 17,031 | 17,031 | 17,031 | 68,126 |
| Loan interest | 122,500 | | 122,500 | | 245,000 |
| Loan repayment | 245,000 | | 245,000 | | 490,000 |
| **TOTAL EXPENDITURE** | 570,752 | 203,252 | 570,752 | 203,252 | |
| **CLOSING BALANCE** | **17,755,483** | **17,552,231** | **16,981,479** | **16,778,227** | |

## 5. CASHFLOW FORECAST FOR THE 5th. YEAR

| CASHFLOW FORECAST | | | | | |
|---|---|---|---|---|---|
| **FOR THE 5th. YEAR OF OPERATION** | | | | | |
| **MONTH** | **Midterm 1** | **Midterm 2** | **Midterm 3** | **Midterm 4** | **TOTAL** |
| OPENING BANK BALANCE | | | | | |
| CREDIT(DEBIT) | 16,778,227 | 28,300,937 | 28,057,035 | 27,008,133 | |
| REVENUE | 12,571,612 | - | - | - | 12,571,612 |
| LOANS | | | | | - |
| FINANCE FROM OWNER | | | | | - |
| OTHERS | | | | | |
| **TOTAL INCOME** | **29,349,839** | **28,300,937** | **28,057,035** | **27,008,133** | **12,571,612** |
| **EXPENDITURE:** | | | | | |
| General & Administrative Expense | 121,899 | 121,899 | 121,899 | 121,899 | 487,596 |
| Wages & Salaries | 101,566 | 101,566 | 101,566 | 101,566 | 406,262 |
| Repairs & Maintenance | 20,438 | 20,438 | 20,438 | 20,438 | 81,751 |
| Loan interest | 105,000 | | 105,000 | | 210,000 |
| Loan repayment | 700,000 | | 700,000 | | 1,400,000 |
| **TOTAL EXPENDITURE** | 1,048,902 | 243,902 | 1,048,902 | 243,902 | |
| **CLOSING BALANCE** | **28,300,937** | **28,057,035** | **27,008,133** | **26,764,230** | |

# 19- BBREAEVEN ANALYSIS

AL NAHDA COLLEGE

BREAK EVEN ANALYSIS

Amounts in US Dollars(000)

| S.No. | Product | Unit price | D.Cost/Unit | Contribution | Fixed Costs | Sales QTY | Sales value | D.Cost | Total Cost | Contribution | Mix T.Cost |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | US $ | US $ | US $ | US $ | at B/E | at B/E | at B/E | at B/E | at B/E | at B/E |
| 1 | Medicine | 4,318 | 99 | 4,218 | 1,703,413 | 404 | 1,743,578 | 40,165 | 1,743,578 | 1,743,478 | 40,165 |
| 2 | Dental Medicine | 4,321 | 99 | 4,222 | 1,703,413 | 403 | 1,743,544 | 40,131 | 1,743,544 | 1,743,444 | 40,131 |
| 3 | Pharmacy | 3,456 | 99 | 3,356 | 1,703,413 | 508 | 1,753,890 | 50,477 | 1,753,890 | 1,753,791 | 50,477 |
| 4 | Medical laboratories | 2,594 | 99 | 2,494 | 1,703,413 | 683 | 1,771,344 | 67,931 | 1,771,344 | 1,771,245 | 67,931 |
| 5 | Nursing | 2,595 | 99 | 2,496 | 1,703,413 | 682 | 1,771,293 | 67,880 | 1,771,293 | 1,771,194 | 67,880 |
| 6 | Business Administration | 1,298 | 99 | 1,198 | 1,703,413 | 1,422 | 1,844,808 | 141,395 | 1,844,808 | 1,844,708 | 141,395 |
| 7 | Computer Sciences | 1,298 | 99 | 1,198 | 1,703,413 | 1,422 | 1,844,808 | 141,395 | 1,844,808 | 1,844,708 | 141,395 |
| 8 | Medical Engineering | 1,733 | 99 | 1,634 | 1,703,413 | 1,043 | 1,807,115 | 103,702 | 1,807,115 | 1,807,016 | 103,702 |
| 9 | Comm. Engineering | 1,299 | 99 | 1,200 | 1,703,413 | 1,420 | 1,844,622 | 141,209 | 1,844,622 | 1,844,523 | 141,209 |
| 10 | Control Engineering | 1,299 | 99 | 1,200 | 1,703,413 | 1,420 | 1,844,622 | 141,209 | 1,844,622 | 1,844,523 | 141,209 |
| 11 | Computer Engineering | 1,041 | 99 | 941 | 1,703,413 | 1,810 | 1,883,425 | 180,012 | 1,883,425 | 1,883,325 | 180,012 |
| 12 | Languages | 1,299 | 99 | 1,200 | 1,703,413 | 1,420 | 1,844,622 | 141,209 | 1,844,622 | 1,844,523 | 141,209 |
| 13 | Radiology | 1,731 | 99 | 1,632 | 1,703,413 | 1,044 | 1,807,226 | 103,813 | 1,807,226 | 1,807,127 | 103,813 |
| | Total | | | 26,989 | 22,144,368 | 13,679 | 23,504,897 | 1,360,528 | 23,504,897 | 23,503,604 | 1,360,528 |

## 20- FEASIBILITY & PROFITABILITY ANALYSIS

| AL NAHDA COLLEGE | | | | | |
|---|---|---|---|---|---|
| Feasibility Analysis | | | | | |
| Year | Cash flow | Discounted Payback period | DF | NPV | IRR |
| | US $ | approximately 3 years and 3 month | % | US$ | % |
| 0 | (15,220,713) | | 31% | $4,296,806 | 42.97% |
| 1 | 1,924,814 | 1,469,324 | 41% | 544,045 | |
| 2 | 4,642,973 | 3,544,254 | | | |
| 3 | 9,082,402 | 6,933,131 | | | |
| 4 | 16,778,227 | 12,807,807 | | | |
| 5 | 26,764,230 | 20,430,710 | | | |
| | | | | | |
| | PROFITABILITY RATIO ANALYSIS | | | | |
| 2 | NET PROFIT MARGIN | | 54% | | |
| 3 | RETURN ON ASSETS | | 14% | | |
| 4 | RETURN ON INVESTMENT | | 13% | | |