

PROJECT DOCUMENT
M/S AGAPE TECHNOLOGICAL CENTRE

PROJECT ANALYSIS AND RECOMMENDATIONS
PROJECT: LEARNING CENTRE

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Agape Technological Centre
Project Document

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0.0 EXECUTIVE SUMMARY AND RECOMMENDATIONS

- 0.1 Name of the Project:** Agape Technological Centre
- 0.2 Name of the Promoter:** Rev. Kennedy Stephen Kisanga
- 0.3 Nature of the Project:** Non-Profit making
- 0.4 Location:** Kiborolom, Moshi Rural, Kilimanjaro region
- 0.5 Mission Statement:** To ensure that basic good education and computer literacy are provided at affordable prices to low income community without discrimination of any kind.
- 0.6 Project Capital Cost:** Tshs. 53,000,000.=
- 0.7 Sources of Funds:** Equity – Tshs. 53,000,000.=
- 0.8 Income Statement:** The project is not designed for profit making.
- 0.9 Cash Flow Projections:** Reveal a positive liquidity position.
- 0.10 Implementation period:** 5 months.
- 0.11 Recommendations:** Equity Funds - Tshs. 53,000,000.=

1.0 BACKGROUND

1.1 Introduction:

Tanzania needs support from private sectors/individuals in its endeavours to let people reduce illiteracy and keep pace with the Global developments of Science and Technology. There are considerable gaps that some Tanzanians face much worse education prospects than others. The major gaps are by rural or urban locations, gender and level of income at house hold. Net negative impact of such situation is marginalization of the Tanzanian community in global matters.

In 1986, Tanzania liberalized its economic policy, which led into removal of subsidies, financial sector reforms and encouragement of private sector investments. Policy on the education system was also liberalized so as to allow establishment of private schools.

Following the Government decision to allow private investments in education sector, a good number of private investors ventured towards establishing private schools (NURSERY/PRIMARY SCHOOLS, SECONDARY etc.) and Learning/Training Centres such as Computing centre, Secretarial centres etc. Most of these establishments however, are profit motivated in nature, and so long as they continue to be fundamentally profit oriented, with the majority of Tanzanian community being poor, it is therefore obvious that only the few privileged people would have access to good education and thus be exposed to the world of science and technology.

It was upon realizing this sympathetic situation that a very religious dedicated man, by the name of Rev. Kennedy Stephen Kisanga, also thought of investing in education, by way of establishing a Training/Learning Centre in the name of AGAPE TECHNOLOGICAL CENTRE. The establishment however, is not focusing on, profit realization, but rather to provide equal learning opportunities for all people regardless their gender status with top priority given to the needy (have nots) class.

1.2 Mission Statement

To ensure that basic good education and computer literacy are provided at affordable prices to low income community without discrimination of any kind.

2.0 THE PROMOTER/FOUNDER

Rev. Kennedy Stephen Kisanga, is the brain child of the proposed Agape Technological Centre. He thought of establishing the Centre, hereinafter, referred to as the Project, after noting that most of the community/people within and around his home area of Kiboroloni, Moshi, Kilimanjaro region have no access to basics of good education and computer knowledge due to financial constraint. Indeed, this religious leader, was constantly haunted by this thought.

Towards end of year 2001, he started to put the idea in place by starting construction of the buildings to accommodate the project. He mobilized and still mobilizes funds from friends, relatives and his own savings to make the project take shape. But it is becoming difficult as people have no adequate money to contribute due to general economic slow down, particularly around Moshi area, where the project is being developed.

It is in this regard therefore, that Rev. Kisanga decided to have this project document prepared with a view of raising non - refundable funds in form of Grants or otherwise, from Donar - agents, sympathizers and the like, in order to develop the project to operational level.

Rev. Kennedy Stephen Kisanga was born on 6.6.1947 in Moshi, Kilimanjaro Region, Tanzania. He completed his secondary education in 1964 and was admitted to Lutheran Bible school Mwika (Tanzania) between 1965 - 1966. Thereafter he continued with Bible. Theology, Social and Development Studies within the Country and in the U.K. Finally, he qualified as a clergyman and also a holder of a Diploma in Education from Birmingham University.

Surely, Rev. K. S. Kisanga has a vast knowledge and experience in Community Development work, and we believe he will manage the project to attain its desired goals.

3.0 THE PROJECT

3.1 Project Concept

As already pointed out, the concept is to establish a Training Centre that will provide good basic education and computer literacy to low income earners regardless of their gender status.

3.2 Location

The proposed project is located at Kiboroloni area, in Moshi rural district. Kilimanjaro region, Tanzania. This area is densely populated and most of its people just earn subsistence income.

3.3 Level of Progress:

3.3.1 Construction Works:

Construction of the buildings to accommodate the envisaged project has already started with about 90% of the work completed. The buildings constitutes rooms, a Nursery School Unit, Computer classes, Seminar/Conference, an Internet Café, a Reception Area and an Office. Total construction costs have been estimated at Tshs. 40,000,000.=.

3.3.2 Equipment, Furniture & Fittings

These will include, computers, photocopier, printers, desks, chairs, computer etc, all estimated to cost Tshs. 9,000,000.=.

A full list of Equipment. Furniture and Fittings required is provided in Appendix II.

4.0 BOARD MEMBERS AND MANAGEMENT

4.1 Board Members

This kind of project does not require a sophisticated organizational structure. The centre will therefore assume a simple Organigram with Chairman and Board members at the top of commanding, down to the Centre Manager and then to the relevant units as provided in Appendix VIII.

The Board will be formed by the community members to be appointed later under the chairmanship of the project promoter, Rev. Kennedy Stephen Kisanga.

4.2 Management

The overall day to day management of the proposed project will be vested on the Project/Centre Manager. The Manager will be answerable to the members of the board.

Other supporting staff are as shown in Appendix V.

5.0 FINANCIAL ASPECTS

5.1 Assumptions and Consideration

>The proposed establishment is regarded as a project and its economic life is assumed to be 5 years.

>All prices are based on current levels and are assumed to remain constant.

>No taxes as the project will act as a Service Provider to the general public.

>Efficiency has been assumed at 50% in year 1, 70% in year 2 and 80% year 3 and subsequent years.

>Pricing mechanism and assumptions governing revenues and costs are given in appendices III, IV and V respectively.

>Sources of funds include equity which do not attract interest and not repayable.

5.2 Capital Investment and Sources of Funds:

(a) Total project cost - Tshs. 53,000,000

(b) Sources of Funds - Equity Funds

A summary of Capital Investment and Financing plan is given in Appendix 1.

5.3 Contingency Allowance

A contingency Allowance of Tshs. 2,500,000 has been provided to take care of any cost over - run or omission.

5.4 Pre-Operational Costs

Pre-operational Cost of Tshs. 1,500,000 have been provided for project write – up and other costs that may be incurred before the project becomes operational.

5.5 Working Capital Requirements (Appendix VIII)

The project working capital for the initial years has been computed Tshs. 671,000.=, rising to Tshs. 1,355,000.= in the second year and levels off at Tshs. 1,697,000 in the third year.

5.6 Projected Income statement

The Income statement provided in Appendix VI shows that the project will sustain an income already the first year and increasing the following years. The money will be invested in developing the school. After the first 3 years, a change in pricing of the services might be appropriate.

5.7 Projected Cash Flow, Statement

The projected cash streams reveal a positive liquidity position of the project but under the assumption that the external funds being sourced are non - refundable and interest free.

5.8 Pricing

The price indicators shown in Appendix III, indicate that prices to be charged by the Agape Technological Centre are meant to enable the low income group have access to modern knowledge and technology which currently they cannot afford due to the prevailing prohibitive prices.

6.0 IMPLEMENTATION PROGRAMME A total of 5 months.

The implementation programme is given in Appendix VII.

7.0 SERVICES TO BE OFFERED

Mainly will include:

- >Basic computer courses
- >Advanced computer courses
- >Nursery/Kindergarten school
- >English courses for both children and adults.
- >Internet cafe and secretarial services.
- >Training for life and other seminars/campaigns against H.I.V. / AIDS.

8.0 SOCIAL JUSTIFICATION

It will provide learning opportunities to the general community with main focus on the low income earners.

9.0 ECONOMIC JUSTIFICATION

Although the project would seem not to be viable on profit stand point; it will create jobs to people, thereby improve their economic base.

10.0 GENERAL OBSERVATIONS

- >Assumptions and considerations under which the project has been analysed are considered to be reasonable.
- >The establishment of the project is mainly focused on provision of learning opportunities to the less privileged community (subsistence income earners) and not on profit making motive.
- >Financial projections have also revealed that the project is a non-profit making.

Appendix I

PROPOSED CAPITAL INVESTMENT ITEMS AND FINANCING PLAN

TSHS `000'

ITEMS	PRESENT	ADDITIONAL	TOTAL
Lands & Building	35,000	5,000	40,000
Equipment	1,000	4,000	5,000
Furniture/Fittings	1,200	2,800	4,000
Contingency Allowance	0	2,500	2,500
Pre-Operational Costs	1,000	500	1,500
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	38,200	14,800	53,000

Appendix II

LIST OF EQUIPMENT, FURNITURE AND FITTINGS

ITEMS

1.0 Equipments (5,000,000):

1.1 Computers	=	0
1.2 Printers	=	0
1.3 Photocopier	=	500,000
1.4 Cutting Machine	=	0
1.5 Internet	=	3,500,000
1.6 Other	=	1,000,000

2.0 Furniture / Fittings (4,000,000):

2.1 Nursery School:		
Desks 30 @ 10,000	=	300,000
Chairs 30 @ 10,000	=	300,000
2.2 Computer Classes:		
Desks 15 @ 40,000	=	600,000
Chairs 30 @ 20,000	=	600,000
2.3 Internet Cafe:		
Desks 10 @ 30,000	=	300,000
Chairs 10 @ 40,000	=	400,000
2.4 Reception/Office:		
Reception Desk	=	50,000
Office Desk	=	50,000
Chairs 5 @ 40,000	=	200,000
2.5 Seminar/Conference Rooms:		
Desks 30 @ 20,000	=	600,000
Chairs 30 @ 20,000	=	600,000
GRAND TOTAL	=	9,000,000

Appendix III

PRICING MECHANISM

1.0 PRICES CHARGED BY EXISTING ESTABLISHMENTS

1.1 Nursery Schools:

Data obtained from various English Medium Nursery Schools within Moshi Municipality and its suburbs indicate that tuition/school fees range from Tshs. 40,000 to Tshs. 60,000 per pupil per term.

1.2 Computing Centres:

Data obtained from different Computer Training Centres within Moshi Municipality reveal the following fees structure:

Course	Duration	Fees Structure
Basic Computer Course	5 weeks / 3hrs daily	60,000 - 90,000
Advanced Applications	5 weeks / 3hrs daily	120,000 - 150,000

1.3 Others:

1.3.1 Hiring of Conference/Seminar Rooms - Tshs. 30.000 per room/day.

1.3.2 Internet Cafe - Tshs. 500 per computer and hour.

2.0 PROPOSED PRICES FOR AGAPE TECHNOLOGICAL CENTRE (A.T.C)

As the Centre is not established on profit motivation ground then prices charged are just to enable it meet its operational expenses.

2.1 Nursery School:

Tshs. 10,000 per pupil and term

2.2 Computing Centre:

>Basic Computer courses Tshs. 50,000 per course and person

>Advanced Applications Tshs. 80,000 per course and person

2.3 Others:

2.3.1 Hiring of Conference/Seminar rooms - Tshs. 10,000 per room and day

2.3.2 English Language teaching - Tshs. 10,000 per student and month (part time)

2.3.3 Internet Cafe - Tshs. 500 per person and hour

2.3.4 Secretarial Wing - An average earning of about Tshs. 10,000 per day.

Appendix IV

1.0 INTAKE SCHEDULE

Basic Assumptions:

>A.T.C. has a daily capacity of handling 3 groups of 30 people each, in the Basic Computer Course, lasting 5 weeks. The total number in a year is about 900 people.

>A group of 30 people to attend advanced computer courses daily (lasting 5 weeks). That is to say 300 people will be taught in a year, at full capacity.

>The Centre will have 1 stream of 30 children in its Nursery unit, every year.

>At 100% efficiency the Centre's Internet Cafe will serve about 30 people a day, that is about 9,000 people in a year.

>Also at 100% efficiency it is assumed that an average of 30 people would be attending an English course annually.

>Operating months in a year; 10 months.

>Avoiding optimism however, an operating efficiency of 50% has been assumed in year 1, 70% in year 2 and levels off at 80% from year 3 and subsequent years.

1.2 Schedule Layout:

ITEMS/YEARS	1	2	3	4	5	CHARGES
Operating Efficiency	50%	70%	80%	80%	80%	
Nursery School Enrolment	15	21	24	24	24	10,000 per term
Basis Computer course	450	730	720	720	720	50,000 per course
Advance Computer course	150	210	240	240	240	80,000 per course
Intenet Café	4500	6300	7200	7200	7200	500 per hour
English course enrolment	15	21	24	24	24	10,000 per month

Appendix V

2.0 INCOME COMPUTATION

CATEGORY/YEAR	1	2	3	4	5
Operating Efficiency	50%	70%	80%	80%	80%
Nursery School	450	630	720	720	720
Basic Computer Course	22,500	31,500	36,000	36,000	36,000
Advanced Computer courses	12,000	16,800	19,200	19,200	19,200
Internet Café	2,250	2,650	3,600	3,600	3,600
English course	1,500	2,100	2,400	2,400	2,400
Conference/Seminar room,	1,500	2,100	2,400	2,400	2,400
Secretarial wing	1,500	2,100	2,400	2,400	2,400
TOTAL	41,700	57,880	66,720	66,720	66,720

3.0 OPERATING COSTS:

ITEM/YEAR	1	2	3-5
Operating Efficiency	50%	70%	80%

3.1 Fixed & Semi - Fixed costs:

3.1.1 Salaries Teaching staff:

Computing centre 2 @ 150,000 p.m	3,600	3,600	3,600
Nursery unit 1 @ 75,000 p.m	900	900	900
English course 1 @ 75,000 p.m	900	900	900

3.1.2 Salaries Others:

Centre Manager 1 @ 400,000 p.m	4,800	4,800	4,800
Secretary 1 @ 70,000 p.m.	840	840	840
Watchmen 2 @ 40,000 p.m	960	960	960
Cleaner 1 @ 40,000 p.m.	480	480	480
Total Salaries	12,480	12,480	12,480
Others	2,000	2,000	2,000
Total Fixed & Semi-Fixed costs	14,480	14,480	14,480

3.2 Variable costs:

Purchase (30% of income)	12,510	17,364	20,016
Maintenance (10% of income)	4,170	5,788	6,672
Internet connection	280	280	280
Electricity & Water	467	653	746
Total Variable costs	17,427	24,085	27,714

TOTAL OPERATING COSTS	31,907	38,565	42,194
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NB:

Purchases include all teaching materials and stationeries for the centre.

Repairs and Maintenance have been provided for the building, furniture/fittings and equipment.

Appendix VI

PROJECTED INCOME STATEMENT - TSHS `000'

ITEMS/YEARS	1	2	3	4	5
Operating Efficiency	50%	70%	80%	80%	80%
Revenue (Appendix V)	41,700	57,880	66,720	66,720	66,720
Variable costs (Appendix V)	17,427	24,085	27,714	27,714	27,714
Contribution Margin	24,273	33,795	39,006	39,006	39,006
Fixed & Semi-fixed costs	14,480	14,480	14,480	14,480	14,480
TOTAL	9,793	19,315	24,526	24,526	24,526

Appendix VII

IMPLEMENTATION PROGRAMME

EVENT	DURATION	PERIOD
Submission of Project Document to Donors	-	Jan 2004
Consideration and Approval	2 months	Jan-Feb 2004
Completion of Construction Works and purchase Of Furniture & Equipment	3 months	Jan-Mar 2004
Commencement of Operations		Apr 2004

Appendix VIII

AGAPE TECHNOLOGICAL CENTRE THE ORGANIGRAM OF THE CENTRE

