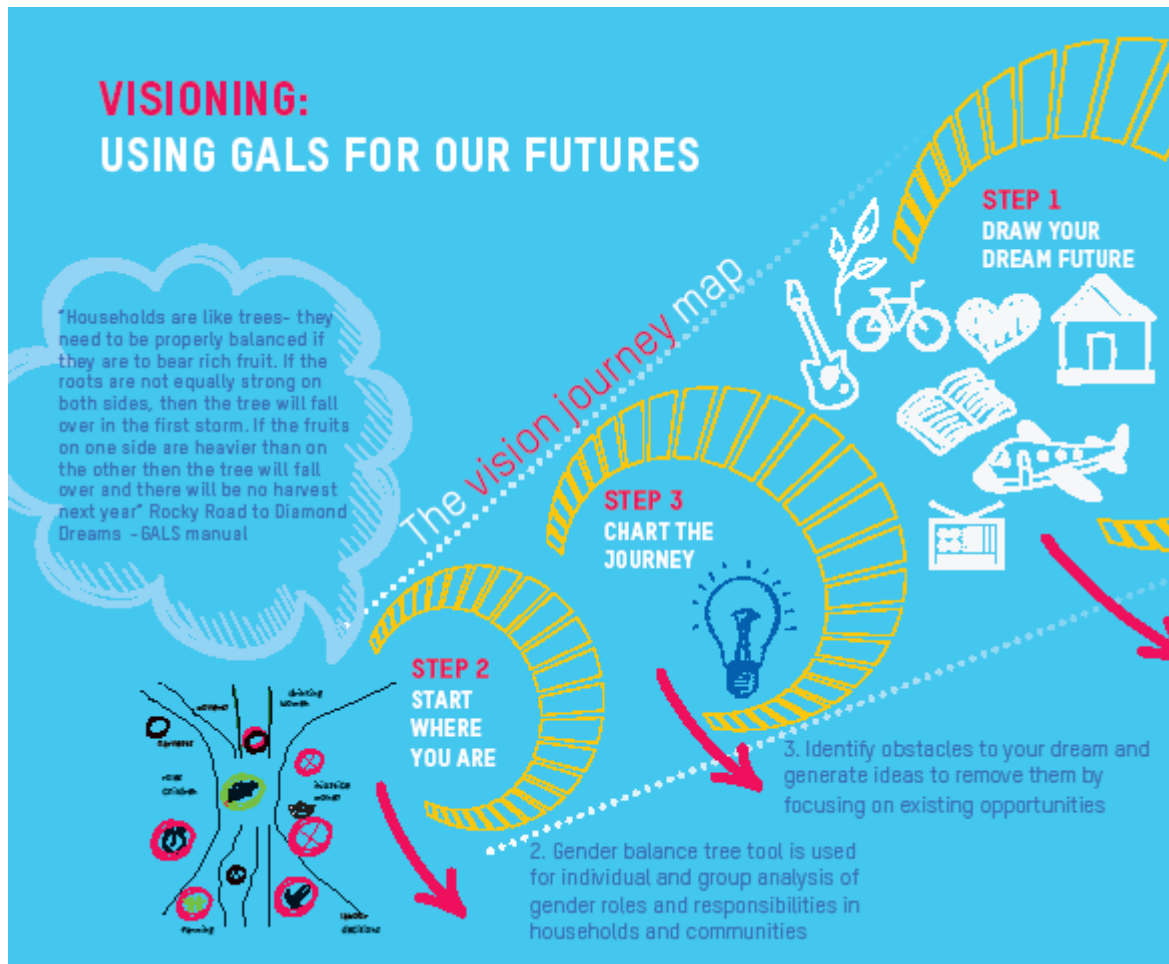


BUSINESS MODEL FOR EMPOWERMENT LEARNING CENTERS



2nd -25th October 2019

With support from IFAD

to Consortium Oxfam Novib and Hivos

Developed By

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LIST OF ACRONYMS

CBOs	Community Based Organizations
CEDAW	Convention on Elimination of Discrimination Against Women
CEFORD	Community Organization for Rural Development
CREAM	Community Organisation for Rural Enterprise Activity Management
GALS	Gender Actions Learning Systems
Hivos	Humanist Institute for Co-operation with Developing Countries
IEC	Informative, Educative and Communicative
IFAD	International Fund for Agricultural Development
NAFA	
NGOs	Non-Governmental Organizations
OVCs	Orphans and Vulnerable Children
PELUM	Participatory Ecological Land Use Management
PLWHIV	People Living With HIV
PWD	People With Disability
SACCO	Savings and Credit Cooperatives
VEDCO	Volunteer Efforts for Development Concerns (VEDCO)
VSLAs	Village Savings and Lending Associations

1.0 INTRODUCTION

1.1 Background

Oxfam in consortium with Hivos (Humanist Institute for Co-operation with Developing Countries), CEFORD (Community Organization for Rural Development), PELUM (Participatory Ecological Land Use Management) with support from International Fund for Agricultural Development (IFAD) are implementing a project titled: Scaling up empowerment through household methodologies: from thousands to millions (in short: Empower@scale). The project seeks to propose a mechanism for facilitating the set-up and professionalizing Empowerment Learning Centers (ELCs), which will be service centers for household methodologies like the Gender Actions Learning Systems (GALS) to different categories of clients. The project has been implemented through smaller initiative and projects, but the consortium is now proposing a business "Growth model" starting with establishment of Empowerment Learning Centers (ELCs) and develop a business model for sustainability. This document presents the business model that was developed by key stakeholders including key partner NGOs, representatives from the communities being targeted and champions as well as facilitators from ELCs through a co creation workshop. The business model will help ELCs position themselves as sustainable services providers of Gender Actions Learning Systems (GALS) to different categories of clients at a fee to sustain the operations of the centers.



1.2 Approach and Methodology

The business model was developed using a participatory approach involving key stakeholders in promoting household methodologies like GALS through a cocreation workshop to provide opportunity to incorporate the different perspective of the service providers, targeted beneficiary and key partners promoting the empowerment initiatives. The participation in the Co creation workshop was 16, 6 females. Very important to note was the use of the pioneer ELCs of Poroporo, NAFA and Wadelai from West Nile Region of Uganda.

With support from the consultants, the team used Business Model Canvas to analyze and articulate the elements of the ECLs business model covering key partners, key activities, value proposition, audience relationships, audience segments, distribution channels, key resources and revenue streams. The discussion was guided and enriched by the GALS tools including:

- **Self-introduction using GALS symbols;** Participants identified themselves as Cow heads, Hoe, pen, eye, lion for peace, tree, 5 fingers, , fruit tree, savings Box, book and Ball. The Hoe was echoed by three of the participants.
- **Vision Road Journey:** Allowed the participants to visualize their future and determine what it take to achieve their vision by analysing current circumstances/reality and map possible income generation streams or activities
- **Challenge Action Tree:** Improved planning through identification of challenges and coming up actions on how to overcome them.
- **Empowerment Learning maps:** Enabled participants to analyse the relationships of ELCs with other stakeholders that they interact with.

2.0 ELCs BUSINESS MODEL

This section presents the elements of the ELCs business model and its summary in the diagram in section 2.11.

The Empowerment Learning Centers will be run as self-financing entities or department or project providing a service to the communities, development initiatives, public and private sectors. The ELCs will mainly be owned and run by cooperative societies and community groups in partnership with other service providers like NGOs, CBOs, individuals (consultants and community-based trainers) and private organizations.

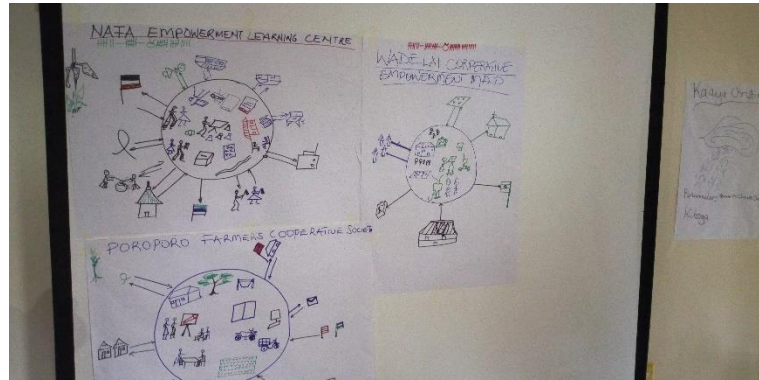
ELC Marketing Strategy; The learning centers will develop individual marketing strategies to ensure that their services are demanded to support changes in gender relations, livelihoods and social norms. This will result into more customers for an ELC's services for integration of GALS in development initiatives. Prior to implementing individual ELCs marketing strategies, key stakeholders in promoting GALS will conduct a massive country wide campaign to create awareness of GALS as a practical tool for addressing gender inequalities. The key stakeholders will include Oxfam, host organizations, cooperatives and other community groups, host local communities and local leaders.

2.1 Key Partners

The ELCs works with different partners to deliver GALS to different categories of targeted beneficiaries. The key partners have expectations from ELCs and roles to play to help ELCs achieve its vision. The key partners include NGOs, donors, government agencies, religious leaders, district leaders, lower local government and cultural leaders.

Donors, government agencies and NGOs will provide resources and technical support and expect the ELCs to deliver services to targeted beneficiaries as well as provide accountability in form of progress reports. The government at different levels will support ECLs and also incorporate ELCs plans in their development plans and expect ELCs to comply with regulatory requirements. Religious leaders and cultural leaders will help in mobilizing and sensitizing the communities to access the services and promote awareness respectively. This was expressed in empowerment maps as shown here below;

Empowerment map showing the resources available with the pioneer ELCs of NAFA, Poroporo and Wadelai.



2.2 Key Activities

In order to integrate GALS in the different categories of interventions, ELCs perform several activities including but not limited to training in GALS, sensitization, establishment and maintain demonstration sites, marketing ELCs services and networking with other organizations within the community.

2.3 Key Resources

As any business entity or development intervention, ELCs need resources to deliver GALS to the targeted beneficiary. The key resources include human resources, money, information materials both paper-based and digital including digital equipment, land for demonstrating best agricultural practices, office equipment, trainees and access roads. In addition, there is need for timely acquisition of resources for smooth running of the business at the ELCs.

The Pioneer ELCs are located at churches, schools' classrooms, under a tree, Cooperatives, marketing associations, office structures and under tents. The diagram below presents the empowerment Map of Poroporo Cooperative Society showing the audiences trained and where they train them from.

The empowerment Map of Poroporo Cooperative Society showing the audiences trained and where they train them from.



2.4 Value Proposition

The ELCs help targeted customer/beneficiaries to addressing gender inequalities through integration of Gender Action Learning system (GALS) into their activities and decision making. The ELCs mainly focus on addressing gender inequalities in

land rights, agricultural value chains, VSLAs, governance, climate change, advocacy, Peace building & conflict resolution, knowledge management, peer replication, schools, consultancy, development interventions and other public and private sectors through integration of GALS in their activities and decision making. In addition, the focus of an ELCs will also be guided by the demand for the services in the community. Integrating GALS in development areas/households provides practical tools and an all-inclusive participatory process and platform for individuals and groups to analyze their livelihoods with a gender perspective and take practical steps to address gender inequalities stipulated under the CEDAW Provisions such as the division of labor and household chores between women and men, decision making decision about income, expenditures and assets and reduction of alcohol abuse and violence.

2.5 Audience Relationships

ECLs mainly interacts with the targeted beneficiaries and NGOs/donors/government agencies to integrate GALS in the different development area. ECLs relationship with targeted beneficiary is a service provider-client relationship with the client paying for the service rendered to sustain the operations of ELCs while the relationship with NGOs/donors/government agencies is partner relationship with NGOs/donors/government agencies providing support to enable ELCs integrate GALS in development areas. The ECLs will maintain a unique relationship with Oxfam, as a parent organization, to ensure quality service is delivered to the targeted beneficiaries. Oxfam will provide technical support were need arises including but not limited to promoting grounded, fair and inclusive champion certification systems to be managed by CBOs and revising the tools based on lessons learnt. ELCs deliver services to clients and in return receive payment from clients for the service delivered. On other hand, NGOs and donors provide resources and technical support and ELCs to deliver services to targeted beneficiaries as well as provide accountability in form of progress reports. Based on the three Champion ELCs of Poroporo, NAFA and Wadelai, the centres have so far shared their trainings with PWDs, students, Women, Youths, LGs, Farmers, Refugees, NGOs and Internally Displaced persons. These relationships are based on the premise of a win-win situation.



The participants of the Co Creation workshop held on 7th and 8th October 2019.

2.6 Distribution Channels

ECLs use four delivery channels which involve; conducting training at the learning center, in the communities and local government/NGOs offices, use of the media and use of the IEC materials. Trainings in communities as the most common approach used have been conducted in; selected households, under a tree, at the

ELC offices, at partner organization/local government offices. The selection of the delivery channel is informed by convenience to the targeted beneficiary and availability of resources. Similarly, capacity development activities will be conducted in same locations. From the financial projections, the volume of business at the ELC shall be 60% in the first year, 80% in the second year and full potential of 100% in the 3rd year.

2.7 Clients/Beneficiary

The target beneficiaries for ELCs will depend on the development intervention or organization/sector. The table below presents the targeted customer/beneficiaries by development intervention or organization/sector. The different gender including youths, women, PWD, PLWHIV, the elderly, are catered for under the different denominations described in the different GALS Themes. In most cases, ELCs approaches the targeted beneficiaries, sensitizes them about the service they offer with a view of promoting the business while sometimes the communities or associations/NGOs approach ELCs to access services. The former is more dominant at the on start of the ELC and it is anticipated that with thorough marketing of the Centers, the audiences shall demand the service with ease.

Table 1: Development intervention or organization/sector

Development intervention or organization/sector	Targeted customer/beneficiaries
Land rights	Communities with high prevalence of land conflicts, Refuge host communities, Indigenous communities.
Agricultural value chains	Farmer groups, storage and process organizations, marketing associations and cooperative societies.
Savings and Credit	VSLAs members, SACCOs
Governance	Local government leaders and NGOs
Climate change	Climate Change activists, Line Climate MDAs, indigenous communities
Advocacy	Advocacy groups, advocacy campaigners
Peace building & conflict resolution	Refugee camps, post war communities, communities with high rate of domestic violence, Orphans and Vulnerable Children (OVCs)
Knowledge management	NGOs
Peer replication	Community based organization (CBOs) and communities being supported by other NGOs/donors
Development partners	Program or project staff and beneficiaries
Schools	School going Students and teachers
Consultancy	Consulting firms and independent consultants
Companies	Private and public companies

2.8 Cost Structure

The main costs incurred in delivering GALS include; Land, transport, salaries and allowances for at least 4 permanent staff, allowances for champions in special cases, information materials, utilities, stationery, M&E costs and cost of assets needed for smooth running of the center. These costs are optimized to ensure that the revenue streams are able to cover the cost for sustainability of the center. The operating costs will include transport in case the training is out of office, salaries

for two permanent staff, allowances for trainers, cost of training aids, printer cartridges and media expenses while other administrative expenses will include utilities, cleaning & sanitation, telephone & internet and depreciation of assets etc. The costs are expected to increase due to inflation. The detailed operating and assets acquisition costs with accompanying assumptions are presented in the financial projection section. Based on the Financial Projections attached, an ELC will need capital of at least UGX 6,000,000 as startup costs to purchase furniture, computer, printer, camera and movable board and other operating costs.

2.9 Revenue Streams

The revenue streams include fees for services rendered, annual membership fees, fines, donations, sale of manuals and certificates. With successful ELCs, more revenue shall be accessed from the proportion of the profit. Since ELCs are embedded within registered groups at District/ Sub county, they are legible to conditional grants at their respective Local governments. ELCs will continuously sensitize the communities to appreciate the need to pay for the services rendered as opposed to waiting for donors' support towards stakeholders to access the services. The fees and other related costs per participant by category are presented in the Table 2 below. The fees are expected increase due to inflation. Manuals will be sold to both participants and non-participants at UGX 10,000 a separate product for ELCs to generate revenue.

Table 2: Training fees and other related costs per participant by category

Category	Training fees	Transport to demonstration sites	Certificates	Total
Local sponsored participants	100,000	10,000	10,000	120,000
Local self-sponsored participants	10,000	5,000	5,000	20,000
International participants	150,000	10,000	10,000	170,000

2.10 Oxfam

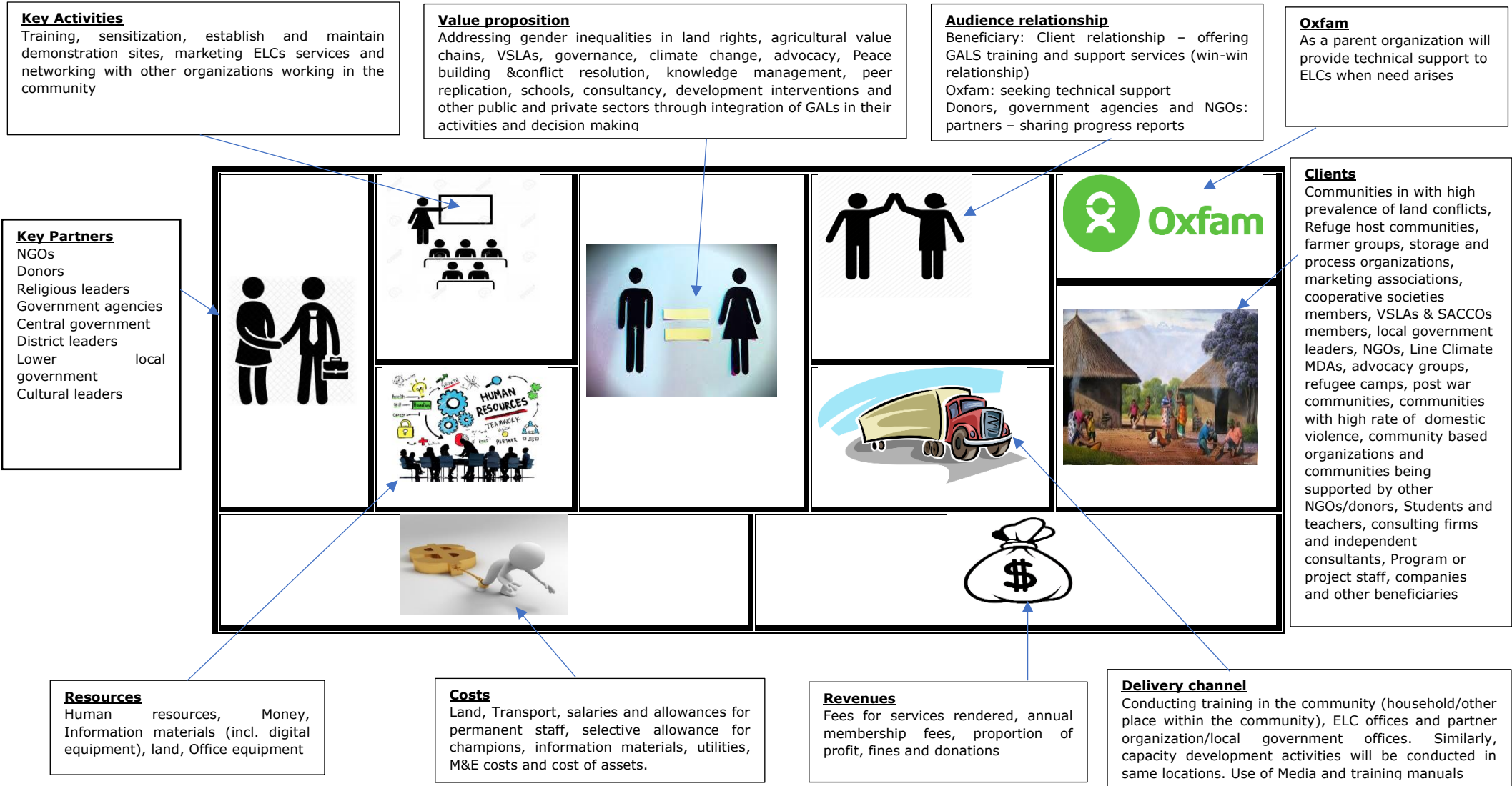
Oxfam, as a parent organization of the ECLs, will provide technical support to ELCs when need arises. The technical support may include strengthening ELCs self-monitoring system to ensure quality service is delivered and revising the tools based on lessons learnt.

2.11 Description of the model

In order for the ELCs to provide services to the targeted clients, ECLs will need the support of key partners in terms resources, sensitization and mobilization to complement the activities the ELCs undertake to perform including training, sensitization, establish and maintain demonstration sites, marketing ELCs services and networking with other organizations working in the community. Through these activities using the available resources ELCs will provide unique value proposition to help clients address gender inequalities through integrating GALS in their activities and decision making. The value proposition will be delivered through different mechanisms/channels depending on the convenience the target clients including conducting training in the community (household/other place within the community), ELC offices and partner organization/local government offices, use of the media and selling training manuals. The clients will include but not limited to communities with high prevalence of land conflicts, Refugee host communities, farmer groups, storage and process organizations, marketing associations, cooperative societies members, VSLAs members, local government leaders, NGOs, line climate MDAs, advocacy groups, refugee camps, post war communities,

communities with high rate domestic rate violence, community based organization and communities being supported other NGOs/donors, students and teachers, consulting firms and independent consultants, Program or project staff and beneficiaries. ELCs will establish a client relationship with the targeted beneficiary and partnership relationship with donors and NGOs supporting them based on the premise of win-win situation for all parties involved. Oxfam as a parent organization will provide technical support to ELCs when need arises.

Empowerment Learning Centre Business Model



3.0 FINANCIAL PROJECTIONS

The financial projections are based on assumptions and input from the cocreation workshop. The projections include assumptions, investment plan, statement of comprehensive income, balance sheet and cashflow statement.

3.1 Assumptions

Like many businesses in Uganda, the ELCs are not expected to operate at full capacity at the beginning because of limited knowledge of and appreciation of the service by targeted beneficiaries. It is expected that the ECLs will operate at 60% of full capacity in the year 1 and increase to 80% in year 2 and attain full capacity in year 3 and the subsequent years. Inflation of 4% is expected to affect fees for services and transport demonstration site as well as costs incurred by the ELCs. The ECLs will conduct one training in a month totaling 12 training in a year with 2 target international participants while the ten targeting local participants and being conducted alternatively at the office and out of office (off site).

The charges for participants will vary depending on the 3 categories namely local sponsored by organization (e.g. NGO, public and private enterprises), local self-sponsored (e.g. communities and cooperative members) and international participants. The fee structure for the different category of participant is presented in the Table 2 section 2.9. Table 2 shows training fees and other related costs per participant by category. The training will take one week and will cover all the modules necessary to integrate GALS in the different fields. It is assumed that the cost will be the same irrespective of the field and will only differ based on the 3 categories mentioned above. The manuals will be sold to both participants and non-participants at UGX 10,000 and rate at which manuals will be sold is expected to be far lower than the number participants trained because some people can access information online. The percentage of manuals sold compared to number of participants is set at 20%. The cost of preparing a manual and certificate is set at UGX 7,000 and UGX 3,000 respectively.

The accommodation and meal are set at UGX 60,000 and 50,000 respectively but they are not included in the projections because they are likely to vary depending on the clients and they will be paid directly to the service provider. The center will employ two permanent staff to run the center and pay allowance to trainers when conducting training. The detailed assumptions are provided in appendix I.

3.2 Investment and Financing

The promoters will invest UGX 6 million as equity to finance acquisition of fixed asset that are required to support operations of the ECLs. In year 3, ECLs will procure land for construction of office using internally generated funds at UGX 10 million and construct the office in year 5 at UGX 50 million.

3.3 Statement of Comprehensive income projections

The statement of compressive income shows the profitability of the ELC for each year. The business will register profit right from first year of operation onward with UGX 4.3 million in year 1 after tax and increasing to UGX 14.8 million in year 5 indicating that business is sustainable. Table 2 presents the summarized statement of comprehensive income with the detailed projection presented appendix IV

Table 3: Projected statement of comprehensive income (UGX '000)

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Total Income	19,368	26,731	34,593	35,820	37,095
Less Operating Expenses	9,768	10,383	11,032	11,474	11,933
Net Income from Operations	9,600	16,348	23,561	24,346	25,163
Total other income	800	800	800	800	800
Less administrative expenses	4,290	4,424	4,564	4,710	4,861
Net other income	(3,490)	(3,624)	(3,764)	(3,910)	(4,061)
Net Profit before tax	6,110	12,723	19,797	20,437	21,102
Tax	1,833	3,817	5,939	6,131	6,331
Net Profit after tax	4,277	8,906	13,858	14,306	14,772
<i>Performance ratios:</i>					
<i>Net margin</i>	<i>32%</i>	<i>48%</i>	<i>57%</i>	<i>57%</i>	<i>57%</i>
<i>Return on assets</i>	<i>50%</i>	<i>55%</i>	<i>51%</i>	<i>38%</i>	<i>31%</i>

3.3 Balance Sheet projections

The projections show that the ELCs grow stronger with total assets growing from UGX 10.3 million in year 1 to UGX 62.1 million. The ELCs will acquire land at UGX 10 million in year 3 and construct an office premises in year 5 at UGX 50 million. The projections show that the ELC will not receive donation because that source is not predictable though ELCs may get funding from other sources in form of donations. It is anticipated that some donors may provide business to the ELC through paying fees for clients. The current ratio of 4 and above in the first 4 years is a clear indication that the ELCs will be able to meet financial obligations as the fall due. The current ratio will drop to 1 due to construction of office premises and situation will be temporary and expected to improve in the following year as demonstrated by the previous years. Table 3 presents the summarized balance sheet with the detailed projections presented appendix V.

Table 4: Projected balance sheet (UGX '000)

	Year 1	Year 2	Year 3	Year 4	Year 5
Non-current assets	5,650	5,650	15,650	15,650	65,650
Less Accumulated depreciation	930	1,860	2,790	3,720	4,650
Net non-current assets	4,720	3,790	12,860	11,930	61,000
Current Assets	7,486	19,310	26,224	41,656	7,561
Current Liabilities	1,929	3,917	6,043	6,239	6,443
Net Current Assets	5,557	15,393	20,181	35,417	1,118
Total Assets	10,277	19,183	33,041	47,347	62,118
Financed by:					
Equity	6,000	6,000	6,000	6,000	6,000
Donation	0	0	0	0	0
Retained surplus	4,277	13,183	27,041	41,347	56,118
Total financing	10,277	19,183	33,041	47,347	62,118
<i>Current ratio</i>	<i>4</i>	<i>5</i>	<i>4</i>	<i>7</i>	<i>1</i>
<i>Acid test/ liquidity ratio</i>	<i>4</i>	<i>5</i>	<i>4</i>	<i>7</i>	<i>1</i>

3.3 Cash Flow Statement projections

The cash flow statement shows that ELCs will be positive net cash flow before financing throughout the period except in year 5 when the centres will be constructing the office premises. All the same accumulated cash over the four years

of UGX 40.2 million will be enough to offset the deficit of UGX34.1 million in year 5. The positive cumulative cash flow confirms that the business will liquid enough to meet its financial obligation as they value due and be able to construct office premises in 5 years, worth UGX 60 million including land.

Table 5: Projected Cash flow Statement (UGX '000)

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Net Profit before tax		6,110	12,723	19,797	20,437	21,102
Depreciation		930	930	930	930	930
Total operating cash-inflows	0	7,040	13,653	20,727	21,367	22,032
Less Tax		0	1,833	3,817	5,939	6,131
Net operating cash flows	0	7,040	11,820	16,910	15,428	15,901
Less investment outflow	0	6,319	292	10,314	51	50,053
Cash-flow before financing	-	721	11,528	6,596	15,377	(34,152)
Sources of Funds						
Equity		6,000	0	0	0	0
Donations		0	0	0	0	0
Total Financing	0	6,000	0	0	0	0
Net Cash Flow	0	6,721	11,528	6,596	15,377	(34,152)
Cumulative Cash Flow	0	6,721	18,249	24,845	40,222	6,070

3.3 Conclusion

Based on the financial projections, we can conclude that the business is financially viable. Therefore, the ELCs should be able sustain its operations with aggressive marketing and sensitization of the community and organization on the need to integrate gender action learning systems in their activities and decision making.

APPENDIX

Appendix I: Key Assumptions and Bases for Financial Forecasts

Year	Year 1	Year 2	Year 3	Year 4	Year 5
Projected Level of Business					
Volume of business at ELC office	60%	80%	100%	100%	100%
Volume of business out of ELC office	60%	80%	100%	100%	100%
No. of participants at ELC Offices					
Local sponsored participants	54	72	90	90	90
Local self-sponsored	54	72	90	90	90
International participants	0	0	0	0	0
Sub Total	108	144	180	180	180
No. of participants out of ELC Offices					
Local sponsored participants	36	48	60	60	60
Local self-sponsored	36	48	60	60	60
International participants	36	48	60	60	60
Sub Total	108	144	180	180	180
<i>Total No. of participants</i>	<i>216</i>	<i>288</i>	<i>360</i>	<i>360</i>	<i>360</i>
Inflation factor	1.000	1.040	1.082	1.125	1.170
Increase fees and transport demo. site factor	1.000	1.040	1.082	1.125	1.170
Increase in expenses factor	1.000	1.040	1.082	1.125	1.170
	UGX '000	UGX '000	UGX '000	UGX '000	UGX '000
Income					
Training fees					
Local sponsored participants	9,000	12,480	16,224	16,873	17,548
Local self-sponsored	900	1,248	1,622	1,687	1,755
International participants	5,400	7,488	9,734	10,124	10,529
Transport to demonstration sites					
Local sponsored participants	900	1,248	1,622	1,687	1,755
Local self-sponsored	450	624	811	844	877
International participants	360	499	649	675	702
Income from manuals sold	648	864	1,080	1,080	1,080
Income from certificates sold	1,710	2,280	2,850	2,850	2,850
Total income	19,368	26,731	34,593	35,820	37,095
Operating Expenses					
Transport per month - out of office training	600	624	649	675	702
Salaries for 2 permanent staff per month	4,080	4,243	4,413	4,589	4,773
Allowance for 3 champions while on training	1,440	1,498	1,558	1,620	1,685
Transport costs to demonstration site	648	899	1,168	1,215	1,263
Training aids per month	1,200	1,248	1,298	1,350	1,404
Printer cartridge	600	624	649	675	702
Media expenses	1,200	1,248	1,298	1,350	1,404
Total Operating Expenses	9,768	10,383	11,032	11,474	11,933
Other income					
Contribution from parent cooperative society	200	200	200	200	200
Annual subscription contributed to ELC	600	600	600	600	600
Total other income	800	800	800	800	800
Administrative Expenses					
Utilities	1,200	1,248	1,298	1,350	1,404
Cleaning and sanitation	1,200	1,248	1,298	1,350	1,404
Telephone and internet	960	998	1,038	1,080	1,123

Depreciation	930	930	930	930	930
Total administrative expenses	4,290	4,424	4,564	4,710	4,861
Funding	Year	Year 1	Year 2	Year 3	Year 4
Equity (UGX)	6,000,000	0	0	0	0
Donations (UGX)	0	0	0	0	0
Inflation	4%				
No. of participants per training	30				
Local participants					
No. of training in year	10				
No. of training at the ELC office					
Local sponsored	3				
Self-sponsored	3				
No. of training out of ELC office					
Local sponsored	2				
Self-sponsored	2				
International participants					
No. training in year	2				
Fees per participant					
Local sponsored participants	100,000				
Local self-sponsored participants	10,000				
International participants	150,000				
Transport to demonstration sites					
Local sponsored participants	10,000				
Local self-sponsored participants	5,000				
International participants	10,000				
Price of the Manual	15,000				
People buying manuals as %age of participants	20%				
Price of Certificates					
Local sponsored participants	10,000				
Local self-sponsored participants	5,000				
International participants	10,000				
Accommodation cost for participant	60,000				
Meals	50,000				
Annual subscription	20,000				
% of annual subscription contributed to ELC	30%				
No. of members of cooperative	100				
Contribution from parent cooperative society	200,000				
Training aids per month	100,000				
Cost of preparing Manual	7,000				
Cost of preparing certificate	3,000				
Transport to demonstration site	3,000				
Transport per month - out of office training	100,000				
Salaries for 2 permanent staff per month	340,000				
Allowance for 3 champions while on training	120,000				
Printer cartridge per 3 months	150,000				
Media expenses per month	100,000				
Utilities per month	100,000				
Cleaning and sanitation per month	100,000				
Telephone and internet per month	80,000				
Tax rate	30%				
Land	10,000,000				
Office building	50,000,000				

Furniture	2,000,000				
Computer	2,000,000				
Printer	500,000				
Camera	1,000,000				
Movable board	150,000				
%age of fees not yet paid by client (end of year)	5%				
%age of utilities not yet paid by ELC by end of year	8%				
Depreciation for furniture	10%				
Depreciation for office equipment	20%				

Appendix II: Fixed Assets/ Depreciation Schedule (UGX '000)

Fixed assets	Year	Year 1	Year 2	Cost Year 3	Year 4	Year 5
	-----	-----	-----	-----	-----	-----
Land		0	0	10,000	0	0
Office building		0	0	0	0	50,000
Furniture		2,000	0	0	0	0
Computer		2,000	0	0	0	0
Printer		500	0	0	0	0
Camera		1,000	0	0	0	0
Movable board		150	0	0	0	0
		-----	-----	-----	-----	-----
Total Fixed Assets acquired		5,650	0	10,000	0	50,000
		=====	=====	=====	=====	=====
Cumulative cost of assets		5,650	5,650	15,650	15,650	65,650
Depreciation for the year		930	930	930	930	930
Cumulative depreciation		930	1,860	2,790	3,720	4,650
		=====	=====	=====	=====	=====

Appendix III: Working Capital Schedule (UGX '000)

	Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	-----	-----	-----	-----	-----	-----	-----
Current assets:							
Cash and cash equivalents							
Account receivable			765	1,061	1,379	1,434	1,492
Other current assets							
			-----	-----	-----	-----	-----
Total current assets			765	1,061	1,379	1,434	1,492
			-----	-----	-----	-----	-----
Less: Current liabilities							
Account payable			96	100	104	108	112
Other current liabilities							
			-----	-----	-----	-----	-----
Total current liabilities			96	100	104	108	112
			-----	-----	-----	-----	-----
Net working capital			669	961	1,275	1,326	1,379
			-----	-----	-----	-----	-----
Change in W. capital			669	292	314	51	53
			=====	=====	=====	=====	=====

Appendix IV: Projected Statement of Comprehensive Income (UGX '000)

	Year	Year 1	Year 2	Year 3	Year 4	Year 5
	-----	-----	-----	-----	-----	-----
Income						
Training fees						
Local sponsored participants		9,000	12,480	16,224	16,873	17,548
Local self-sponsored		900	1,248	1,622	1,687	1,755
International participants		5,400	7,488	9,734	10,124	10,529
Transport to demonstration sites						
Local sponsored participants		900	1,248	1,622	1,687	1,755
Local self-sponsored		450	624	811	844	877
International participants		360	499	649	675	702
Income from manuals sold		648	864	1,080	1,080	1,080
Income from certificates sold		1,710	2,280	2,850	2,850	2,850
Total Income		19,368	26,731	34,593	35,820	37,095
Less Operating Expenses						
Operating Expenses						
Transport per month - out of office training		600	624	649	675	702
Salaries for 2 permanent staff per month		4,080	4,243	4,413	4,589	4,773
Allowance for 3 champions while on training		1,440	1,498	1,558	1,620	1,685
Transport costs to demonstration site		648	899	1,168	1,215	1,263
Training aids per month		1,200	1,248	1,298	1,350	1,404
Printer cartridge		600	624	649	675	702
Media expenses		1,200	1,248	1,298	1,350	1,404
Total Operating Expenses		9,768	10,383	11,032	11,474	11,933
Net Income from Operations		9,600	16,348	23,561	24,346	25,163
Other income						
Contribution from parent cooperative society		200	200	200	200	200
Annual subscription contributed to ELC		600	600	600	600	600
Total other income		800	800	800	800	800
Administrative Expenses						
Utilities		1,200	1,248	1,298	1,350	1,404
Cleaning and sanitation		1,200	1,248	1,298	1,350	1,404
Telephone and internet		960	998	1,038	1,080	1,123
Depreciation		930	930	930	930	930
Total administrative expenses		4,290	4,424	4,564	4,710	4,861
Net other income		(3,490)	(3,624)	(3,764)	(3,910)	(4,061)
Net Profit before tax		6,110	12,723	19,797	20,437	21,102
Tax		1,833	3,817	5,939	6,131	6,331
Net Profit after tax		4,277	8,906	13,858	14,306	14,772

	Year -----	Year 1 -----	Year 2 -----	Year 3 -----	Year 4 -----	Year 5 -----
Performance ratios:						
<i>Net margin</i>		32%	48%	57%	57%	57%
<i>Return on assets</i>		50%	55%	51%	38%	31%

Appendix V: Projected Balance Sheet (UGX '000)

	Year	Year 1	Year 2	Year 3	Year 4	Year 5
	-----	-----	-----	-----	-----	-----
Non-current assets						
Land		0	0	10,000	10,000	10,000
Office building		0	0	0	0	50,000
Furniture		2,000	2,000	2,000	2,000	2,000
Computer		2,000	2,000	2,000	2,000	2,000
Printer		500	500	500	500	500
Camera		1,000	1,000	1,000	1,000	1,000
Movable board		150	150	150	150	150
Total non-current assets		5,650	5,650	15,650	15,650	65,650
Less Accumulated depreciation		930	1,860	2,790	3,720	4,650
Net non-current assets		4,720	3,790	12,860	11,930	61,000
Current Assets						
Cash and cash equivalents		6,721	18,249	24,845	40,222	6,070
Account receivable		765	1,061	1,379	1,434	1,492
Other current assets		0	0	0	0	0
Total Current Assets		7,486	19,310	26,224	41,656	7,561
Current Liabilities						
Account payable		96	100	104	108	112
Tax payable		1,833	3,817	5,939	6,131	6,331
Other current liabilities						
Total Current Liabilities		1,929	3,917	6,043	6,239	6,443
Net Current Assets		5,557	15,393	20,181	35,417	1,118
Total Assets		10,277	19,183	33,041	47,347	62,118
Financed by:						
Equity		6,000	6,000	6,000	6,000	6,000
Donation		0	0	0	0	0
Retained surplus		4,277	13,183	27,041	41,347	56,118
		10,277	19,183	33,041	47,347	62,118
Balance sheet ratios:						
Current ratio		4	5	4	7	1
Acid test/ liquidity ratio		4	5	4	7	1

Appendix VI: Projected Cashflow Statement (UGX '000)

	Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
	-----	-----	-----	-----	-----	-----	-----
Net Profit before tax			6,110	12,723	19,797	20,437	21,102
Depreciation			930	930	930	930	930
		-----	-----	-----	-----	-----	-----
Total operating cash-inflows		0	7,040	13,653	20,727	21,367	22,032
Tax			0	1,833	3,817	5,939	6,131
		-----	-----	-----	-----	-----	-----
Total operating cash outflows		0	0	1,833	3,817	5,939	6,131
		-----	-----	-----	-----	-----	-----
Net operating cash flows		0	7,040	11,820	16,910	15,428	15,901
		-----	-----	-----	-----	-----	-----
Investing outflows							
Fixed assets		0	5,650	0	10,000	0	50,000
		-----	-----	-----	-----	-----	-----
Financing outflows							
Increase in working capital			669	292	314	51	53
		-----	-----	-----	-----	-----	-----
Total outflow		0	6,319	292	10,314	51	50,053
		-----	-----	-----	-----	-----	-----
Cash-flow before financing		-	721	11,528	6,596	15,377	(34,152)
		=====	=====	=====	=====	=====	=====
Sources of Funds							
Equity			6,000	0	0	0	0
Donations			0	0	0	0	0
		-----	-----	-----	-----	-----	-----
TOTAL		0	6,000	0	0	0	0
		-----	-----	-----	-----	-----	-----
Net Cash Flow		0	6,721	11,528	6,596	15,377	(34,152)
Cumulative Cash Flow		0	6,721	18,249	24,845	40,222	6,070
		=====	=====	=====	=====	=====	=====