

Business Plan

Care Pangani International School
A Nonprofit English-Primary School

Managed By

Care International Consultancy Limited

Supported By

Care Association for Aid and Solidarity (www.care.org.tr)

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I. Executive Summary

A quality education is sorely lacking in the Tanga Region of Tanzania. The lack of quality education has had a detrimental impact on families and the society in that part of the state.

Care International School will be a top-notch and English-medium Primary school imparting quality education to children in the city of Pangani, Tanga, Tanzania. At least 50% of the students will receive free education.

Care Association of Turkiye, a tax exempt organization under section under Turkish Civic Society Law, solicits \$1,580,000 in donations to help complete the building of Care International School and to support its initial operation. Care Association, a Turkey-based nonprofit organization, has already spent over \$438,000 on land acquisition and the school's building until now. The school has over six acres of land, and the school's building is partially built.

II. Company Overview

2.1 Vision

Care Association, a tax exempt organization under section Civic Society Code of the Internal Revenue Code, is committed to open life-changing opportunities for children through quality education. Education is wealth that can be invested by people to better their lives. Education is the most effective weapon against poverty and social enigma. Our motto is “Imparting good education is the best community service.”

2.2 Mission Statement

Our mission is to support a model high quality international level school offering a cost-effective, broad, and challenging educational program to students in Africa. At least 50% of the students from poor families will get tuition-free education. These students will not pay any fees. A quality education is in short supply in many parts of Africa as a known fact. Children and their families are caught in a vicious circle of poverty and ignorance. They are unable to break the shackles of the gripping poverty and ignorance. Quality education is a major way to deal with this dire situation. The school is committed to inspire students to achieve the highest standards of intellectual and personal development through a stimulating and comprehensive educational program. The emphasis will be on Science, Engineering, Technology, Math (STEM), and English.

2.3 Objectives

Our objectives at Care Pangani International Isar Primary School run by Care International Consultancy Limited are as follows:

- Fight against poverty, ignorance and conflict with the weapons of advanced technology, education with values and a sense of harmony in unity.
- Shape great minds, transform hearts, empower excellence
- Provide an environment where children are happy, ambitious, confident and secure;
- Equip our students with the skills to succeed in the future through an innovative approach to teaching, learning and and international exposure;
- Train our students show kindness, mutual respect
- Produce enthusiastic intellectual with enthusiasm for the world beyond the classroom;
- To shape global minds in a islamic etiquette with Tanzanian Values
- Provide an environment for the development of quality of leadership, team spirit, sportsmanship, self-esteem and other social attributes to prepare children for facing real life challenges.
- To prepare and implement policies and procedures to enhance physical, mental, emotional, intellectual and spiritual progress for achieving multifaceted development and growth
- To enter into a strategic alliance with relevant world class education institutes

2.4 The Business Opportunity and Need

There is an acute shortage of quality primary education in Africa, especially in rural areas. The lack of quality education has had a detrimental effect on society and its development. There is no availability of a good education even for families who can easily afford it. The situation is even worse when it comes to having access to quality education.

2.4.1 School Description

Care International School, a truly English medium primary school, is a start-up high quality educational institution. The school is being built on more than six acres of land located in the town of Pangani, Tanga, Tanzania. Tanzania's map in Figure 1 shows the location of Pangani. Pangani iskm from the city of Tanga. The Tanga airport is only ...km from Pangani.

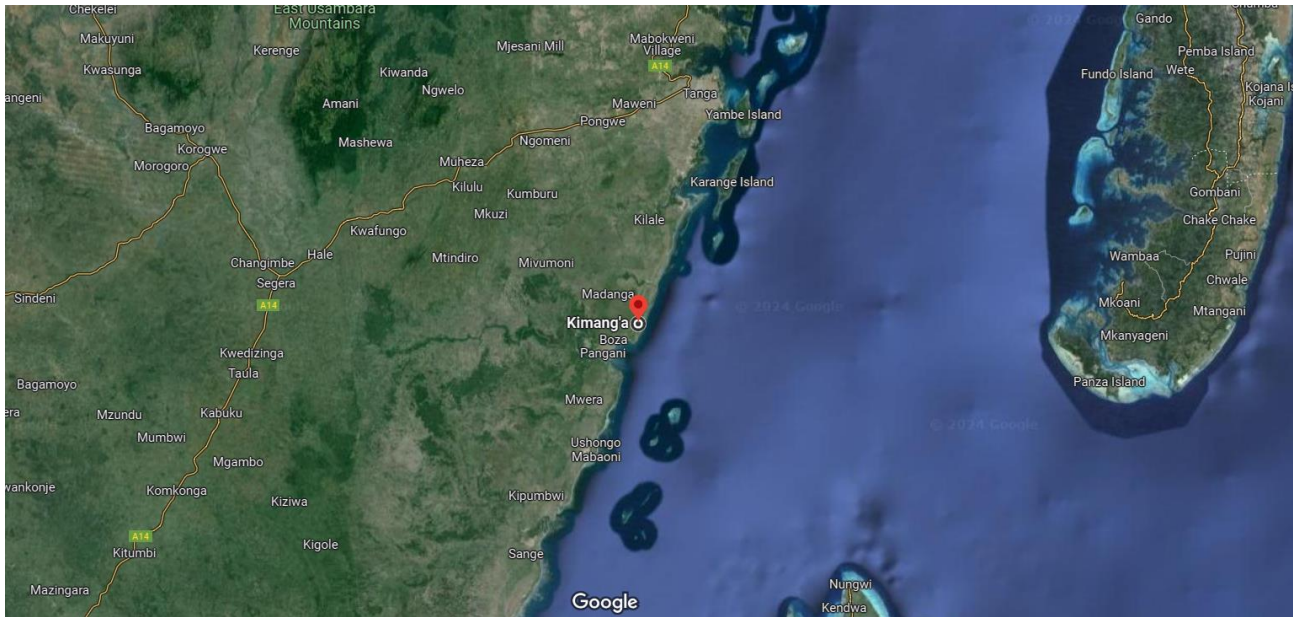


Figure 1. Location of Pangani is indicated by a red marker.

Visualization and active learning will be integrated in every subject. The school will have a mathematics lab equipped with mathematical software to help students understand physics- and mathematics-related concepts visually and actively. An English lab will be set up to help students practice reading, writing, and speaking English correctly and proficiently. Students will be provided an active learning environment. Active learning refers to methods where students do more than simply listen to class lectures. Students “do” something including discovering, processing, practicing, and applying information through interaction with teachers.

2.4.2 School Construction

The proper land-zoning was approved by the municipal government in .../.../, 2023. We have all necessary government approvals and formalities in place to start building the school. Figure 2 shows the school’s land and the buildings. Figure 3 shows an artist’s rendering of the completed school building. It has four wings— west, north, east, and south. These wings will have classrooms, laboratories, and offices. The eastside extension in the background will house a multipurpose hall and additional rooms.

Appendix B. The figures in the balance sheet are in shillings. Currently, construction is fast approaching its rough finish. The pictures below in Figures 4 to 6 show a partial view of the school under construction. Figures 4 and 5 show the west side classrooms. Figure 6 shows the foundation and pillars for the north wing (in the foreground) of the building while the west wing is in the background.



Figure 4. A partial view of the west wing of the school under construction. The school building starts at the northwest corner of the land.



Figure 5. Another view of the west wing of the school.



Figure 6. This picture shows the partially built pillars for the north wing in the foreground, and the west wing is in the background.





2.5 Capital Requirements

The Care Association has all necessary payments for the construction and the initial operation of the school. The financial capacity of our association will enable Care International Consultancy Limited to help complete the school construction and support the first five years of school operation. The school is expected to become self-sustaining in the 4th year of its operation. This funding will enable the school to build a total of 20 classrooms including five laboratories (Physics, Chemistry, Biology, Math, and computer labs) and one library, three office rooms, teacher housing for accommodating up to 16 teachers, one principal's residence, and a multipurpose hall. The company is expected to complete all the construction work by the second year of the school operation. Table 2 in section 9.1 shows the five year budget plan. The capital will enable the school to become self-sustaining and to have enough building space to run classes up to the 12th grade. The details of the five-year budget and other financial data are discussed in the financial plan section of the business plan.

III. School Services

3.1 Overview

The school will offer an ideal setting for students to get quality education. Each student will be treated as a valuable “customer” who expects the best learning environment. Teachers and other employees of the school will be treated with respect. The school will engage in the following major activities:

1. Manage student learning
2. Manage student services
3. Manage school operation
4. Manage finance and accounting
5. Manage auxiliaries services

Manage student learning Manage student services Manage school operation Manage finance and accounting
Manage auxiliary services

These activities will go through a periodic assessment of their performance. Each of these major activities is briefly described below.

3.2 Student Learning

Student learning activity deals with the design and implementation of various curricular programs at various levels—primary, secondary, and higher secondary levels. There will be emphasis on Science, Technology, Engineering and Math (STEM), and English education. Programs will be designed based upon the required knowledge, skills, and abilities (KSA). Appropriate courses will be designed and taught based upon the KSA specification of each program. Teaching and student learning will be assessed on a regular basis. Student and teacher performance will be assessed. These assessments will be used as feedback to evaluate teachers as well as curricular programs. Teachers will be given adequate resources and facilities to upgrade and refine their teaching skills. After school “coaching” sessions will be conducted to help and guide students in their assignments and homework. These sessions will allow students to complete their assigned work without relying on their parents. Most of the parents are not educated enough to help their children with their homework. An English-medium education presents even more challenges to parents because most of them do not have a good knowledge of English. A close interface with the industry will be sought and maintained. The school will encourage and leverage the employee volunteer program of companies in providing enrichment to student learning experience.

3.3 Student Services

Student services activity involves recruitment, admission, guidance, counseling, health, etc. A well-defined process will be used to recruit and admit students. A screening test will be given to ascertain the knowledge and deficiency for incoming-students. This process will enable the school to identify fitting students who may need some remedial work in order to get up to speed with the rest of the students. The school will have a well-equipped student-health clinic for providing first-aid services and for keeping immunization records. Students will be provided counseling in various career opportunities and higher education.

3.4. School Operation

School operation activities involve maintaining the infrastructure such as labs, library, Information Technology(IT), building, and other facilities. It also involves maintaining the inventory of supplies, equipment, and other assets as well as managing the security of the campus and the students.

3.5 School Finance and Accounting

Finance and accounting activities relate to strategic planning, budgeting, financial management, accounting, state and federal rule compliance, implementation of plans, etc.

3.6. Student Auxiliary Services

Auxiliary services will involve management of extracurricular activities, recreational activities, community service activities, student transportation, etc.

IV. The Market

Rapidly expanding industrial and service industry has put a heavy labor market demand for graduates with higher levels of knowledge and skills. Secondary education is the basic foundation for almost any kind of knowledge and skills. This has resulted in a huge demand for secondary education in Tanzania

4.1 School Market Analysis

Primary enrollment in Tanzania increased by more than 2.5 million since 2013. Mainland now has 12.3 million students attending preprimary and primary classes. Nevertheless, Tanzania's education sector remains constrained by several key factors including inequitable access to early learning and primary education for rural marginalized and vulnerable groups, inadequate school learning environments exacerbated by declining financing and increasing school populations, and a shortage of teachers and low teacher competencies. Our school project will help make Tanzania primary schools safer, more inclusive and child friendly, enhance teachers' subject content knowledge and pedagogical competencies, and strengthen education finance and decentralized service delivery capacity. The overall goal is to ensure an education system that supports children.

Education is a crucial foundation in every child's life, and choosing the right primary school is an essential decision for parents. In Tanga City Council, located in the Tanga Region of Tanzania, there are several exceptional primary schools that prioritize quality education. In this Article, we will explore the top 20 primary schools in Tanga City Council, highlighting their names and respective primary school codes.

The Primary Education Development Plan (PEDP) was introduced in July 2015. The plan includes the abolition of school fees, increased teacher recruitment, investment grants for new buildings, as well as community mobilization and empowerment of school committees. This project brief is concerned with the challenges that primary education faces in the years to come. We as Care International want to be the tool on this plan for the development of education in Tanzania.

4.2 Tanga Demographic Information

Tanga Region (Mkoa wa Tanga in Swahili) is one of Tanzania's 31 administrative regions. The region covers an area of 26,667 km² (10,296 sq mi). The region is comparable in size to the combined land area of the nation state of Burundi. The regional capital is the municipality of Tanga city. Located in northeast Tanzania, the region is bordered by Kenya and Kilimanjaro Region to the north; Manyara Region to the west; and Morogoro and Pwani Regions to the south. It has a coastline to the east with the Tanzanian Ocean. According to the 2022 national census, the region had a population of 2,615,597.

4.3 Pangani Demographic Information

The area that is now Pangani District has been inhabited by humans for thousands of years. The area is the ancestral home to two Bantu people groups, namely the Bondei people and the Zigua. According to the 2002 Tanzania National Census, the population of the Pangani District was 44,107. According to the 2012 Tanzania National Census, the population of Pangani District was 54,025, with population density of 29.5 persons per square kilometer.

Pangani, which is a predominantly Muslim district, is a part of the Swahili culture that extends north and south along the seashore with Zanzibar serving as its spiritual hub. The sisal and copra plantation industries, which employed both locally born employees and the enormous number of migrant laborers that make up the majority of the population, are in charge of the country's economic existence. The majority of people live in and around

estates, in urban and peri-urban areas, and in predominantly male groups that are stable in structure but unstable in composition. On the other hand, the coastal villages have a predominantly female population and a high level of population and form stability.

There is a clear cultural split in the late 19th century between the dialect-speaking, Christian and Pagan, migrants on the sisal estates and the Swahili-speaking, Muslims of the coastal Swahili towns. The historical disparity between the Afro-Arab elite and their slaves is reflected in the limited social interaction between these groups.

The real social divide is between the older, more established Swahili families in the established villages who own land, speak Swahili, profess Islam, and follow a subset of Islamic culture, and the immigrants who are viewed as socially inferior and who are Christians or pagan and speak different languages. The former group, plantation owners or fishermen, who are employers of labor, is sharply divided from the latter who provide the work for them, are not very interested in permanent agriculture, and are highly mobile. This dichotomy, which was originally derived from the distinction between the coastal Afro-Arab slave economy and the inland slave-providing tribes, is still maintained today in the economic sphere.

The Swahili families are under continual strain to maintain their conscious superiority particularly when the migrants settle locally. Neither side is interested in contact with the other. Transfers to the superior group are well disguised and take place through marriage and conversion to Islam, combined with slow assimilation during a long period of residence on the fringe of a Swahili village until with the passage of years the newcomers are gradually accepted as part of the Swahili society. Against this background, the presence of the immigrant residents in the villages is to be explained. They consist partly of long-term migrants exfoliated from the estates, after a period of residence on them, because of social ambition (i.e. to be regarded as a member of the coastal superior class or because of the more significant economic benefit to be derived from cultivating their plantations bought with their savings or cleared from the bush.

4.4 Profile of Direct Competitors

Top 20 Primary Schools in Tanga City Council list

Jabir bin Zaid Primary School – PS2007052: Jabir bin Zaid Primary School stands out for its commitment to academic excellence and holistic development. With a nurturing environment and dedicated teachers, this school ensures students receive a well-rounded education.

Prince and Princess Primary School – PS2007099: Prince and Princess Primary School is known for its innovative teaching methods and emphasis on character building. The school offers a stimulating curriculum to foster intellectual growth and instill strong moral values.

Musab' Primary School – PS2007045: Musab' Primary School prides itself on its supportive learning environment and comprehensive educational programs. The school focuses on developing critical thinking skills, creativity, and a passion for lifelong learning.

Burhani Primary School – PS2007055: Burhani Primary School is committed to providing quality education that empowers students for future success. The school places a strong emphasis on academic achievement while nurturing students' personal growth.

Abul Fadhl – Abbas Islamic Primary School – PS2007057: As an Islamic primary school, Abulfadhilil – Abbas nurtures students' spiritual and moral development alongside academic excellence. The school strives to create an environment that upholds Islamic values and principles.

An-Noor Primary School – PS2007095: An-Noor Primary School promotes an inclusive and supportive learning environment. The school focuses on individualized attention, enabling students to reach their full potential academically, socially, and emotionally.

Juhudi Primary School – PS2007036: Juhudi Primary School stands out for its commitment to educational innovation and student engagement. The school provides a stimulating curriculum and utilizes modern teaching techniques to foster a love for learning.

Mwenge Primary School – PS2007040: Mwenge Primary School is dedicated to providing a well-rounded education that encompasses academics, sports, arts, and character development. The school aims to nurture students who are confident and well-prepared for the future.

Majani-Mapana Primary School – PS2007012: Majani-Mapana Primary School prioritizes academic excellence and aims to create a conducive learning environment for students. The school focuses on fostering a strong foundation in core subjects and encouraging critical thinking.

Eben Ezer Primary School – PS2007048: Eben Ezer Primary School is known for its commitment to academic excellence and character development. The school aims to instill values such as integrity, responsibility, and respect, alongside a rigorous academic curriculum.

Triple A Primary School – PS2007108: Triple A Primary School prides itself on its holistic approach to education, focusing on academics, arts, and athletics. The school encourages students to explore their interests and talents beyond the classroom.

Muzdalfa Mwakidila Primary School – PS2007102: Muzdalfa Mwakidila Primary School places a strong emphasis on fostering a love for learning and critical thinking skills. The school provides a supportive environment that encourages students to become lifelong learners.

Kana Central Primary School – PS2007054: Kana Central Primary School is committed to creating a nurturing and inclusive learning environment for all students. The school provides a comprehensive curriculum and promotes active student participation.

Golden Chance Primary School – PS2007104: Golden Chance Primary School is dedicated to providing quality education and shaping well-rounded individuals. The school encourages students to develop leadership skills, self-confidence, and a sense of social responsibility.

Bombo Primary School – PS2007001: Bombo Primary School is known for its academic excellence and commitment to providing a well-rounded education. The school focuses on cultivating a strong foundation in core subjects while encouraging creativity and critical thinking.

Arafah Primary School – PS2007029: Arafah Primary School aims to provide a safe and supportive learning environment for its students. The school focuses on fostering academic growth, moral values, and social responsibility.

Amani Primary School – PS2007097: Amani Primary School emphasizes a learner-centered approach to education. The school aims to inspire students to become independent thinkers, problem solvers, and responsible citizens.

Darajani Primary School – PS2007005: Darajani Primary School is dedicated to providing quality education that prepares students for future challenges. The school focuses on a comprehensive curriculum and encourages active participation in extracurricular activities.

Sir John Primary School – PS2007046: Sir John Primary School is committed to nurturing students' intellectual, social, and emotional growth. The school provides a supportive learning environment that encourages curiosity, creativity, and critical thinking.

Raskazone Primary School – PS2007031: Raskazone Primary School aims to provide a high-quality education that equips students with the skills and knowledge necessary for success. The school promotes a culture of academic excellence and personal development.

4.5 Competitive Analysis and Strategy

Current economic and labor market trends have marked a continued growth in demand for quality primary education in Tanga and throughout Tanzania. The demand for additional schools was recently demonstrated by the fact that new schools attract many students in their first year of operation in and around the city. There is a very strong demand for quality primary and secondary education. The competitive environment offers ample opportunity for organizations wishing to provide primary and secondary education.

The above competitors serve similar populations and similar admission criteria. However, Care International School will use a more comprehensive educational service model, attract better teachers, and provide high quality education. Care International School will quickly establish a competitive advantage by focusing on the needs of the students and teachers.

Teachers will be highly paid. The principal and most of the teachers will be offered on campus residence. This will enable us to attract better teachers from the various parts of Tanzania. State-of-the art laboratories and IT infrastructure will create a more hands-on learning environment for students. STEM education will have high priority. Students will get after-school help in completing their homework. The school will differentiate itself by providing excellent service to students.

V. Marketing Plan

5.1 Marketing Overview

Care International School will use a dynamic marketing campaign to achieve branding and promote visibility in the city as well as in the region. The school plans to initially establish brand visibility within the local community market of the town of Pangani and eventually expand into the regional community market. Currently students of this region easily travel 30 to 40 kilometers to attend a good school.. The school will involve itself into volunteering work in and around the city in order to create a more positive and true image of the school.

The following marketing strategies will be integral in generating sustainable revenue and growth.

5.2 Branding Strategy

Care International School will bring to the educational market a high quality educational experience by providing excellent facilities and service to students and teachers. The branding objectives for Surya International School will focus on building credibility for its high quality education at a competitive price, backed by highly qualified teachers and an active learning infrastructure. The school will strive for exposing students to American English speaking and teaching. It will establish collaboration with US universities where university students will do internships at the school and teach English to primary and secondary students. The school will hope to build a reputation for its educational program. Care International School's brand will eventually convey the following five strategic goals:

- Excellence in well-rounded education Focus on quality and relevance Educational accessibility to poor students Excellent learning and teaching environment Educational outreach

5.3 Newspaper Advertising

Spotlight Ad and Informational Ad about the school and its activities will be published in the local and other newspapers regularly.

5.4 Signage

The school will feature prominent signage along walls that are visible to walk-by and drive-by traffic. The signs will be large banners that garner attention of individuals that pass by the school facility.

5.5 Internet Marketing

Care International School will implement a variety of Internet marketing techniques to promote its brand, mission, and services. The school will use websites, email marketing, blogging, and social media to reach various kinds of families in the community. Website will be a base for student information. The website will become an accessible source of information about the school and its services.

VI. Management and Staff

The school will be affiliated with the Ministry of Education. It will follow Ministry's affiliation bylaws as it pertains to the management of a primary school. As per the bylaws, the managing committee of a private school shall consist of not more than 21 members. The Care International School's Management Committee shall include the following namely: (i) (ii) (iii) (iv) (v) the manager of the school; the head of the school. He/she will be a Member Secretary of the School Managing Committee; two parents of students in the school; two teachers of the school; two other persons, who are, or have been teachers of any other school or of any college, to be nominated by Care Association; (vi) two members, from out of a panel recommended by Care Association to be nominated by the Board; (vii) one additional member to be nominated in accordance with the rules and regulations of Care Association by which the school will be run. Thus, the Care International School's Management Committee will consist of 11 members.

6.1 Executive Management

The overall operation and management of Care International School will be handled by Care International Consultancy Limited, the owner of the school.

VII. Operational Plan

7.1 Operational Overview

The Primary school's academic session starts next year (2025). According to the current plan, the school will start the operation in the month of February 2025. It is estimated that it will take about six months to complete the partially-constructed school. Therefore, the construction should be done by the end of September 2024 in order to start the school in 2025. The school will open in 2025 if the construction is well done.

7.2 Facility Layout

The sketch in Figure 2 shows the school's land. The school building and two residences are also shown with the raised blocks. The land is over two acres, and it is located in an open area. It's very strategically located because it is inside the city limit but away from the city crowd. The land is already bought, and the school building has been partially constructed. The building foundation and the pillars are very strong and of high quality. The facility will be outfitted with proper plumbing, wiring and security cameras. An inviting campus will be maintained through proper landscaping and cleanliness. Management will ensure that the facility is properly licensed and in full compliance with all applicable CBSE and state regulations governing the operation of an educational institute. The land is already zoned for educational purposes.

7.3 Laboratories and Library

The school will have fully equipped laboratories. There will be visualization software and other tools in every lab in addition to the standard lab equipment. Excellent library facilities will be provided to encourage reading.

7.4 Campus Safety

The campus safety will be maintained all the time. The campus will be secured with a well-constructed and fenced boundary with a manned entry gate. Web-camera based surveillance systems will be used to monitor the campus activities.

7.5 Accounting, Billing, and Collections

Accounting and other related operations will be stream-lined. Best-practice accounting techniques such as activity-based accounting will be used to manage expenses. A proper separation of duties and responsibilities will be maintained in financial and other areas. Appropriate accounting and billing software will be utilized to support the school's operation. Student registration and fee collection software will be integrated with the accounting and billing software.

7.6 IT Infrastructure

It is envisioned that IT will play a major role in creating a highly effective educational environment. A highly secured network of servers and client workstations will be maintained. Cloud computing and other appropriate IT concepts will be used to minimize the storage and maintenance of physical devices on the campus.

VIII. Financing and Growth Strategy

8.1 Capital Requirements

Care International School will be spending for the construction and necessities for the operation might reach \$2,380,000 in funding to finance the successful implementation of the school's educational venture. The fund will be used as follows:

- (i) \$20,000 will be used for marketing and other expenses
- (ii) \$ 50,000 all pre expenses
- (iii) \$1,100,000 will be used to cover the construction cost of the school and the residential buildings
- (iv) \$30,000 will be used to purchase vehicles and other learning equipment's
- (v) \$100,000 will be used to build a furniture's for school and dormitory
- (vi). \$200,000 will be used to support the school operation for the first five years. It will be used mainly to cover the salary expenses.

8.2 Financial Strategy

Care International Consultancy Limited financing strategy to solicit donations from organizations and individuals who invest in social and educational activities. It is projected that the seed fund will enable the school to launch its educational operations and successfully implement its business operations plan for providing a life-changing education to children underserved for quality education. The foundation will focus on securing donations from multiple sources including organizations that believe in social investing.

8.3 Risk Analysis

The risk associated with this venture is very negligible. The primary source of risk is related to the future uncertainties about the need for quality education in Tanzania. The market demand for primary education is growing rapidly throughout Tanzania. More families have high enough income to provide good education to their children. The management believes that the market opportunities are significant and the chances for success are excellent.

IX. Financial Plan

9.1 Five-Year Budget Plan

Table 2 shows the five-year budget plan. The school will run KG through 4th grade in the first year of operation. It is estimated that the school will enroll 200 tuition-paying in the first year. Thirty percent of the total enrolled students will receive free education. Each grade will have 30 to 40 students. An earnest attempt will be made to reduce the class sizes in two to three years once the school gets established. We are very confident that it would be possible to charge a higher tuition and fees once the school gains a reputation for high quality education.

The enrollment estimate of 370 students in the first year of operation is a conservative estimate for the number of students. There is a waiting line of students to get into good schools. We have no written evidence on the waiting lines since schools do not publish this kind of information. However, our own experience and the experiences of families with children in Pangani tell us that not only are there a waiting line of students but also there is a desperate desire on the part of parents to find better schools even if the children are bussed more than 8 kilometers (12 miles) away from their homes.

9.2 Revenue Model

Care international Consultancy Limited will generate revenues from tuition and fees charged to students. Table 3 shows the details of tuition and fees for different classes. The row titled Total Monthly (including tuition and fees) shows the total monthly charge for each student. These estimates are very competitive for the education market in Tanga, Tanzania. As can be seen from the fee schedules of other, Care international Consultancy's monthly charges are very reasonable.

Care international Consultancy Limited		
Tuition & Fee Schedule (TZS)		
(Estimates)	Amounts	
Annual Fee	Class Nursery	Class--I to VII
Admission fee (For new Students)	300,000	300,000
(i) School Diary, Folder	10,000	20,000
(ii) Games & Activities	15,000	1,500
(iii) Library & Audio-Visual	-	-
(iv) Science Fee	-	-
(v) Maintenance & Development Fee	10,000	15,000
(vi) Electricity & Water	10,000	10,000
(vii) School Uniform	50,000	60,000
(viii) Computer Fee	-	-
Total Tuition and School Annual Fee	500,000	600,000
Security Deposit--New Admission (refundable only with the Original receipt)	25,000	30,000

Table 1. Tuition and fees estimates.

The five-year budget plan in Table 2 shows the revenue projection for five years. The school is projected to be self-sufficient by the fourth year of operation.

9.3 Expense Assumptions

The building construction expense has been computed based upon the square footage of the building multiplied by the construction cost per square foot. The current construction cost in Pangani is \$20.23 per square foot. The salary expense has been computed based upon the 6th Pay Commission's recommendation shown in Appendix G. The salary estimates are based upon the government's recommendation for salaries. However, the private schools in Tanzania hire teachers on a contract basis and pay a lot less (up to 50% less) than the official recommendations. The reason for this is that the unemployment rate is quite high in Tanzania, and teachers are willing to work at a lower salary. This indicates that Care international Consultancy Limited will be able to attract better teachers even if the school hires them on contract as long as the school pays more salary than the salary paid by other area schools.

The expenses for other items such as utilities, tables and chairs, computers, etc. have been determined based upon the current going rates in Tanzania.

9.4 Income and Expense Estimates

The estimate indicates that the net cash flow from the school's operation will become positive in the third year. The management strongly believes that the school will not need any external financing to support its operations. It is anticipated that the internally generated cash flows will be more than sufficient to support growth and sustained financial liquidity.