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FINANCIAL SUSTAINABILITY AND SOCIAL IMPACT ANALYSIS OF A NEW COMMUNITY CENER FOR PEOPLE WITH INTELLECTUAL DISABILITY AND CEREBRAL PALSY

What is the potential relevance of the AAJUDE association in the market of services for people with disabilities?

FRANCISCA CATROGA INÊS MARTINS AGUIAR

Work Project carried out under the supervision of:

José Miguel Pita

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Abstract

Currently, AAJUDE is dedicated to welcoming the largest possible number of people with disabilities and helping them lead fulfilling lives. AAJUDE provides a supportive community that fosters self-development through the provision of services such as a residential home, and an activity and training center, all focused on promoting inclusion and the well-being of this community. Although AAJUDE recognizes the urgent need for more social response, especially a solution for its 400-people waiting list, its hands are tied, with its center at full capacity and a client rotation of almost zero. Therefore, this project defines and develops a new sustainable community center able to provide, at least, weekly activities and daycare to some of the intellectually disabled people that are stuck at home without anything to do. Our focus is on redefining the core activities, marketing, and organizational structure, and concludes with a clear and potentially sustainable financial path for the new community center.

Keywords

Social Impact, Social Inclusion, Special Needs, Intellectual Disability, Cerebral Palsy, Self-development, Accessibility, Independent Living, Support Structures, Social Response, Residential Home, CACI, Individual Therapy, Group Activity, Community Center, Benchmark, Market Analysis, Value Proposition, Pricing Strategy, Income-Based Pricing, Capacity Allocation, Human Resources Management, Social Media Promotion, Website Optimization , Donor Outreach, Holistic Support, Community Partnerships, Innovation in Social Services, Financial Sustainability, Cash Flow Projection, Project Evaluation.

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Abreviations

AAJUDE – Associação de Apoio à Juventude Deficiente

CACI – Centro de Atividades e Capacitação para a inclusão

ID - Intellectual Disability

CP - Cerebral Palsy

IT – Individual Therapy

GA – Group Activity

P.E – Physical Education

CC – Community Center

SWOT – Strengths, Weaknesses, Opportunities and Threats

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1.Executive Summary

This project extensively examines the multifaceted analysis and strategic recommendations for AAJUDE, a prominent organization in the field of intellectual disability. The primary objective is to continually enhance its support structures and improve the quality of services at a social action level.

The study aims to evaluate AAJUDE's context, structure, activities, and finances. It reveals a pressing opportunity - a waiting list of approximately 400 individuals with intellectual disabilities in need of support. The analysis delves into the market context, identifies potential partners, assesses the services portfolio, and calculates the market size.

Subsequent chapters systematically address how AAJUDE can establish itself as a relevant player in the market. Priority is given to the activities of the organization, with a specific focus on the development of the New Community Center. A comprehensive promotion plan has been devised to foster these activities, enhance sales potential, and streamline the recruitment process.

Financial factors have been thoroughly examined by identifying main costs and revenues, calculating implied market share for breakeven analysis. The financial projections for the new Community Center demonstrate its progression over time and AAJUDE's capacity to repay its financing.

In summary, this project provides a comprehensive blueprint for the evolution and sustainability of AAJUDE’s New Community Center. The aim is to offer activities and day care to portuguese individuals with disabilities who are currently confined at home without meaningful engagement.

2. Context

2.1 Value generated by AAJUDE

AAJUDE (Associação de Apoio à Juventude Deficiente) was founded in Oporto in 1982, with the creation of an Occupational Activity Center (CAO) to provide comprehensive support to young people with intellectual disabilities.

The topic of intellectual disability and cerebral palsy is complex and influenced by many variables. For this impact lab project with AAJUDE association, it was important to first understand the type of disability in order to provide a better response to the association's needs.

The World Health Organization's International Classification of Diseases (ICD-11) recognizes disability as a natural part of the human experience. Individuals commonly face challenges in functioning, particularly as they age. The extent of disability experienced by an individual is influenced by the interaction between their health condition or impairment and societal barriers (International Classification of Functioning, Disability and Health (ICF) n.d.).

Intellectual Disability (ID) is a condition characterized by a deficit in intellectual function, which is associated with adaptive impairments in two or more areas of functional ability. These areas include communication, personal care, domestic life, social skills, community use, academic skills or work, health and safety. The main features of intellectual disability are difficulty in learning and understanding skills related to language, reading, writing, maths, reasoning, knowledge, and memory, as well as difficulty communicating (Saúde T 2022).

Cerebral Palsy (CP) is a group of disorders that affect the development of motor control and posture due to a non-progressive lesion in the central nervous system during development. The injury can occur before, during, or after birth. It causes limitations in activity but does not worsen or progress over time. CP affects approximately 2 out of every 1000 individuals and is the most common developmental problem in children. Cerebral Palsy is a condition that mainly affects motor function, resulting in mobility and fine motor skill difficulties. In addition to these physical challenges, individuals with CP may also experience cognitive, communicative, and perceptual difficulties, as well as epilepsy in some cases (Paralisia cerebral n.d.).

Intellectual disability and cerebral palsy are complex conditions that affect physical and cognitive functions, as well as daily life and participation in society. Addressing these conditions requires a holistic approach, involving a multidisciplinary team and providing comprehensive support to promote the well-being and inclusion of individuals.

AAJUDE is a social response for individuals with intellectual disability or cerebral palsy. It was established by a group of parents who were seeking specialized educational opportunities for their children.

AAJUDE continued to develop and expand its services. In 1983, a significant milestone was reached when the first cooperation agreement was signed with the Porto regional Social Security Center. This agreement facilitated the development of support activities for young people and adults, with an initial maximum capacity of 15 users. AAJUDE has demonstrated its commitment to creating a supportive environment for those in need through subsequent collaborations. In 1996, a second cooperation agreement was established to a support home for eight users, and a residential home was acquired in 1998. The organization's capacity to accommodate nine additional users was increased in 2001 with the signing of an agreement for Residential Home II.

As the number of users at AAJUDE increased, the range of activities available to them also grew. The organization initially focused on developing skills and creativity in painting, clay work, weaving, and music. Later, it expanded into physical education, swimming, adapted tennis, gardening, and IT classes. Recently, AAJUDE has introduced innovative activities such as surfing and golf lessons, which are recognized for their physical and psychological benefits.

In 2013, AAJUDE opened its doors to new premises in Santa Cruz do Bispo - Matosinhos. The design is simple yet functional, set against a rustic and unique landscape. Over time, particularly since 2005, the facilities have become inadequate for the population that AAJUDE supports. The dream of a new building with enhanced physical conditions that would permit and expansion in the number of individuals served emerged. The first step in making this dream a reality was the donation of a plot of land in Santa Cruz do Bispo - Matosinhos. The second step was to contact Matosinhos City Council and its Social Action Councilor. The necessary conditions were thus established for the implementation of the new AAJUDE facilities.

AAJUDE's mission is to provide a supportive environment for young people with intellectual disabilities, enabling them to develop their abilities and experience the happiness they are entitled to as full citizens. The organization aims to become a leader in the field of intellectual disability, continuously improving support structures and the quality of social action responses.

The core values of innovation, commitment, dedication, solidarity, honesty, respect, affection, equality, love, and happiness guide AAJUDE’s mission.

AAJUDE is committed to addressing the pressing social problem of disabled individuals who lack the necessary support for a comfortable and facilitated life. AAJUDE advocates for their rightful entitlements.

The organization currently employs 26 individuals and has 30 beneficiaries participating in the activities and training center for inclusion. Of these beneficiaries, 24 are also residents of the home. Additionally, the organization has 6 key partners, including Matosinhos City Council, Lídergraf, BPI, GNR, Porto Lazer, and BNP Paribas (AAJUDE 2024).

The subsequent section of the text will examine the organization's response to the pressing challenges faced by the intellectually disabled and cerebral palsy community. This will be achieved through an analysis of AAJUDE’s current range of services.

2.2 Organization’s Current Portfolio of Services

AAJUDE provides essential services for individuals with ID through its Residential Home and CACI (Activity and Training Center for Inclusion).

- The **Residential Home** is a crucial component of AAJUDE's support network, offering collective accommodation for 24 residents who face challenges living in their family environment. In Portugal Residential homes for the intellectually disabled are specialized establishments created to offer people with ID who need assistance with everyday tasks residence, care, and support. The objective of these residences is to provide a secure, steady, and welcoming atmosphere where people can live with honor and get the help they need to improve their standard of living.

  The AAJUDE Residential Home aims to create a comfortable environment while promoting the physical and mental well-being of its residents. It provides permanent and assisted living options with specialized technical assistance to meet the unique needs of each resident. Daily routines and leisure activities, such as visiting museums and parks, playing traditional games, listening to music, and occasionally attending cultural events, are integral to the services provided. Celebrations, including Christmas, Carnival, St. John's festivities, Mr. de Matosinhos parties, and an end-of-school-year celebration, further contribute to a vibrant and inclusive community.

- The AAJUDE oversees the **CACI**, a center supporting 30 users, which plays a pivotal role in the promotion of physical, mental, artistic, and social development among young people with intellectual disabilities. The CACI is designed to foster social inclusion, autonomy, independent living, quality of life, and self-esteem and career appreciation among its participants. The CACI is designed to cater to individuals with disabilities aged 18 and above, with a particular focus on those with sensory impairments and communication challenges. The mission of the CACI is to create conditions that encourage social inclusion and self-appreciation. Recognising the importance of promoting autonomy, AAJUDE has organised various **holiday camps** in locations such as Tocha, Vila Nova de Cerveira, Foz do Arelho, and Costa da Caparica.

In conclusion, AAJUDE's Residential Home and CACI are essential components of the organization's commitment to providing comprehensive support for individuals with ID. The Residential Home aims to create a familial environment and improve the overall well-being of its residents, while the CACI promotes social development and inclusion through a diverse range of tailored activities. These services contribute to AAJUDE's mission of ensuring the happiness and full citizenship of those under their care. In the future, AAJUDE aims to expand its services with **Polo 2, which will combine the CACI and Residential Home** to accommodate 30 beneficiaries each, reaching a total of **60 beneficiaries**. The main objective remains unchanged - to offer a wider range of activities that enable individuals to improve their abilities, skills, autonomy, and independence (AAJUDE 2024).

After examining the current services provided by AAJUDE, the next chapter will present the idea of the new project called Community Center that AAJUDE is developing to support more and more people with ID or CP.

2.3 Contribution of the New Community Center to the Enhancement of the Disabled Community's Value

Although AAJUDE will already expand its reach to 60 beneficiaries with Polo 2, there is still a large problem at hand. The Institution realizes that there is an immense lack of response for the ID and CP community, given that AAJUDE is facing a stagnated waiting list of approximately 400 people who are in desperate need of help and support, and the Institution finds it impossible to attend to them due to their low capacity, in general, and the fact that each current beneficiary's average length of stay is until death (meaning the rotation is almost zero). To address these challenges and pressing issues, AAJUDE is developing a new project, alongside the new home and CACI, to create an innovative Community Center that will provide this unattended community with at least some kind of weekly support to help stimulate their cognitive abilities and relieve their families of the burden of having to do it all themselves. With the help of Matosinhos City Council, which will provide a kindergarten building, AAJUDE's vision will become a reality. The Community Center will essentially be a place where AAJUDE will offer both individual therapy and group activities to the community, who are on a waiting list to have at least some activities during the week. It will allow the facility to reach a much larger number of people and provide them with a short-term solution while they wait to be accepted into a CACI.

While a CACI is a daycare center, and a program usually for life, focused on the social inclusion of people with disabilities, where approximately 30 beneficiaries spend every day approximately from 9 a.m. to 7 p.m., the Community Center will have the same purpose but with a different concept (Diario da República 2021). In the Community Center, a much larger number of individuals will find an Activity Center where they can enroll in a few weekly activities and therapies every month, in order to have some sort of stimuli while they are stuck on a CACI's waiting list. Therefore, the center will be a short-term solution for this community, and it will have much more beneficiary rotation and reach.

In order to maximize the use of staff, AAJUDE is planning to work with other organizations in the area by using some of their staff during dead times - AAJUDE has noticed that during some 'off-campus' activities or normal parts of the day, such as lunchtime, some specialists and staff don't have anything to do, which is very unproductive and a waste of available resources. In addition, the project already has an unofficial agreement with Matosinho City Council, which will provide an annual contribution of €100,000 to pay the salaries of five staff members.

This new Community Center will operate as an activity center, rather than a normal daycare center, offering stimulating group activities as well as useful individual therapies, in order to help as many people in the disabled community engage with others in a safe space, at least a few hours per week. Furthermore, the new project will also be an aid to desperate families in the area of Oporto and Matosinhos who have had to quit their jobs and focus all of their lives on taking care of their loved ones.

Essentially, with this new center, AAJUDE will offer two groups of activities: individual therapies and group activities. To ensure the effectiveness of its services, AAJUDE will conduct a pilot programme with 30 carefully selected beneficiaries. This trial period will include a range of therapeutic interventions, including psychology for emotional support and character development, physiotherapy to aid physical and motor recovery, occupational therapy to promote independence, and socio-cultural animation to encourage social interaction and skill development. In addition, the center will have a large auditorium for expressive activities such as gymnastics, dance, dramatic expression and physical education. This comprehensive approach reflects AAJUDE's commitment to meeting the diverse needs of its clients and promoting their overall well-being. Through this trial, AAJUDE aims to gain valuable insight into the effectiveness of its services and identify areas for improvement. By gathering feedback from participants and caregivers, the facility will refine its offerings to better meet the needs of the community it serves.

Regarding the space and blueprint seen in Appendix 1, the center will be located in the old Portela Kindergarten School in Matosinhos, which has a total of 385 square meters. With an initial investment of €600,000, the space will consist of an entry room which will also serve as a waiting room, four individual support rooms where the specialists will give their consultations, one lard auditorium for expressive arts and physical activities, and five bathrooms (two collective and three private).

The proposed Community Center represents a comprehensive solution to the desperate need for at least some sort of support for people with disabilities around Matosinhos. By offering essential services, maximizing resource and staff utilization, and collaborating with the City Council and others willing to help, AAJUDE aspires to create a beacon of hope, improving the lives of individuals with disabilities, their families, and the community as a whole (AAJUDE 2024).

As AAJUDE seeks to expand its reach and services, it is crucial to contextualize this initiative within the wider market landscape. The next chapter will analyze the size of the market and the existing in order to gain valuable insights into the scope of its impact and the gaps it seeks to fill.

3. Market Context

3.1 Market Size Analysis

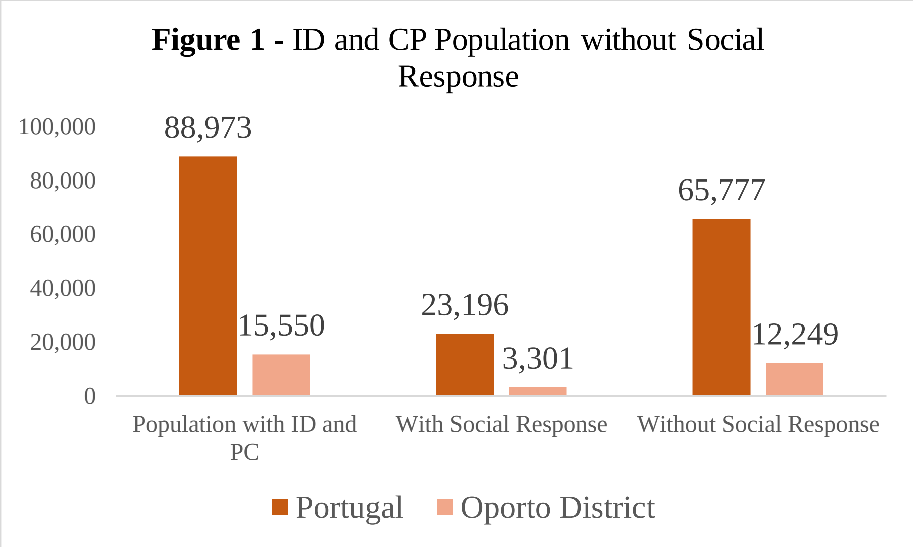
"The greatest total sales or clients that a business can have during a given time period, usually a year, is referred to as its *market size. (…)* It's helpful to know the potential market size before launching a new product line or line of business, since that can help you understand if it's a worthwhile investment of your time and money" (Melendez, 2019) This is necessary in order to determine the viability of the proposed investment. The size of the market may vary depending on a number of variables, including market trends, consumer demographics, supply and demand, and the degree of competition. The analysis of market size is fundamental to economic planning, commercial decision-making, and the determination of potential sales within a particular industry or product category.

In considering the market size for the AAJUDE New Community Center, it was determined that the number of individuals with ID or CP residing in the Porto district who lacked social response represented the relevant market. In order to ascertain the size of the market, the resident population of the Porto district (1,829,375) and Portugal as a whole (10,467,366) was first identified. (Gabinete de Estratégia e Estudos, n.d., Statistics Portugal n.d.). This revealed that 17% of the Portuguese population resides in the Oporto district. Subsequently, the incidence rates of intellectual disability (0.7%) and cerebral palsy (0.15%) were investigated, which were found to be identical for both the Porto district and Portugal. (Estatísticas Censos. 2001, Acessibilidade.gov.pt. n.d.). It is important to note that these conditions were distinguished from one another, as they represent distinct illnesses. Subsequently, the incidence rates were multiplied by the resident population of Porto to yield a total of 15,550 potential clients for Porto (12 806 individuals with ID and 2 744 individuals with CP) and 88,973 in Portugal who have some form of ID or CP (73 272 individuals with ID and 15 701 individuals with CP).(Appendix 2 and 3)

To determine the number of individuals who currently receive assistance or some form of social support. It is crucial to exclude those who reside in residential homes or participate in occupational activity centers from our market size calculation as they have indicated a lack of receptiveness towards our Community Center. When referring to individuals with intellectual disabilities, the term *social response* refers to "societal acceptance of people with disabilities within school, work, and community settings.” (Simplican 2015). This concept places a strong emphasis on the value of social inclusion, which involves two important aspects of life: community involvement and interpersonal connections. Social inclusion is a crucial objective for individuals with intellectual disabilities, their families, support providers, and legislators. It involves the interplay of individual, interpersonal, organizational, community, and sociopolitical elements, with community engagement and interpersonal interactions (Simplican, 2015).

In Portugal, there are 741 social services available for individuals with intellectual disabilities or cerebral palsy, with a total capacity of 23,196 people. In Oporto, there are 113 social services with a total capacity of 3,301 people, which means that only 21% of people with ID or CP living in the district of Porto and 26% of people with an ID or CP living in Portugal have access to social services. Thus, the district of Porto has a lower social service coverage than the rest of Portugal. After excluding current recipients of assistance, the value is 12,249 in the Porto District and 65,777 in Portugal. (Número de Respostas Sociais Carta Social n.d.).

The analysis of social responses towards individuals with ID or CP is a critical factor in determining their inclusion within various social By integrating insights from market size calculations and social response evaluations, AAJUDE can develop more comprehensive strategies to address the needs and promote the social integration of individuals with intellectual disabilities and cerebral palsy.



Legend: The district of Porto has a worse social response than the rest of Portugal.

There are two main types of social responses to people with ID or CP. The first is residential homes, which accounted for 298 of the 741 responses. The second type of assistance currently available is what we previously defined as CACIs. Currently, there are 443 CACIs across the country. The cities currently with the most residential homes social responses are Lisbon, which currently represents 20% of all the responses in the country, and Porto, where the new AAJUDE Community Center is the second district with the most responses, with 12% of the total responses in the country. Given that the two largest cities in the country should exhibit similar levels of social response, the 8% discrepancy observed is notable. With regard to CACIs, Lisbon has the greatest number of responses, representing 22% of all responses in the country. Porto has the second-largest number of responses, representing 16.9% of all responses in the country. This highlights the necessity for new social responses in the northern regions of the country, as exemplified by the AAJUDE Community Center. (Número de Respostas Sociais Carta Social n.d.).

After analyzing the size of the potential market for the new Community Center, it is important to analyze the different services available on the market as well as the costs and prices practiced in the market, this is what the next chapter will focus on.

3.2 Analysis of services available on the market, labor costs and market prices by specialty

After studying the size of the market in which AAJUDE operates, two types of benchmark were necessary. The first benchmark analyzed the services and activities available to people with ID or CP offered by different institutions in the district of Porto. The second benchmark examined the costs of the different services and activities, as well as the prices charged for them.

Services and Activities Benchmark

The initial benchmark aimed to gain insight into the sector in which AAJUDE operates, specifically in the district of Porto. The objective was to identify the largest existing institutions and the type of services they offer. This information will help find the open path that will contribute to AAJUDE's growth.

AAJUDE is an association operating in Porto, a district in the north of Portugal. Therefore, the benchmark of existing institutions and associations, considering the type of services and activities they provide as well as the number of beneficiaries they support was done in the same north region.

In order to create a more accurate benchmark of the institutions operating in this sector and their strategies, the Vision, Mission, Values (VMV) strategy was used as a basis for analyzing the main players. The methodology concepts of Mission, Vision and Values of the VMV framework were used as a basis for this analysis. Vision refers to an inspirational, long-term statement of purpose. A clear vision statement helps to define the direction in which the institution is moving. Mission is the purpose of the practice and its place in the world. A concise mission statement serves to guide all strategic initiatives and goals. The values of a company represent its culture and reflect the beliefs of the institution, whether explicitly or through stated behavioral imperatives (Lumen Learning n.d.).

In addition to AAJUDE, four key players were identified: **APPACDM do Porto** (Associação Portuguesa de Pais e Amigos do Cidadão Deficiente Mental do Porto), **APPC (**Associação do Porto de Paralisia Cerebral), **ALADI** (Associação Lavrense de Apoio ao Diminuído Intelectual), and **Rumo à Vida**. The following paragraphs we will explore each of these potential partners.

- **APPCDM do Porto**

APPACDM do Porto is a non-profit social solidarity organization that was established in 1969 in Oporto. It provides support to individuals of all ages with developmental delays and intellectual disabilities, covering the entire city of Porto. The organization's **vision** is to create an inclusive and supportive society for all individuals, while its **mission** is to empower individuals with intellectual disabilities or incapacities to lead better lives. The association's core **values** include empowerment, respect, personal development, teamwork, rigor, and trust. To achieve its mission, the association provides several services. These include a **Center for Activities and Training for Inclusion (CACI)**, which caters to individuals over 18, who are temporarily or permanently unable to continue their education or work. The CACI offers a range of services, including food and personal care, therapeutic support, well-being promotion and transportation. In addition, The CACI provides vocational, therapeutic, environmental interaction, socially useful, and qualification activities to enhance social and professional integration. Additionally, the **Center for Care, Accompaniment, and Social Rehabilitation**

for People with Disabilities and Incapacities (CAARPD) offers specialized technical assistance, including speech therapy, music therapy, and occupational therapy. **Residential homes** are available for individuals aged 16 and over who are unable to live with their families. The goal of these homes is to improve the quality of life and well-being of their residents. APPACDM do Porto operates an **Independent Living Support Center (CAVI)** that aims to promote self-determination, freedom, and autonomy for individuals with intellectual disabilities. CAVI provides personal assistance services to facilitate their full participation in society (APPACDM Porto n.d.).

- **APPC**

The **Portuguese Cerebral Palsy Association (APPC)** was established in Lisbon on July 26, 1960, by a group of parents and professionals. Its objective is to address the needs of children and young people with cerebral palsy. The APPC aims to be the leading entity in the social economy, innovating intervention practices and implementing sustainable management (**vision**).The association aims to provide excellent services for human diversity and support life projects as an expert partner (**mission**). They value self-determination and believe that clients have the capacity to freely decide their life project. The association facilitates access to necessary resources for clients to make their own choices. Additionally, they prioritize passion, dedicating themselves to the goals they set, always safeguarding the best interests of the client, persisting, and reinventing solutions **(values).** APPC offers a range of services, including a **Rehabilitation Center**, an **Occupational Activities Center for Inclusion (CACI)**, which seeks to promote the inclusion of people aged 18 and above through activities such as music, theatre, plastic arts, hippotherapy, and swimming. Additionally, there is a **Social Assistance and Rehabilitation Center for People with Disabilities (CAARPD)**, which provides informative activities. The aim of this project is to guide and empower young adults with disabilities. The **Community Center** provides a space for stimulation and development that is open to the community, integrating people of various age groups with the goal of strengthening intergenerational ties. Additionally, there is an **Activity Center for leisure time** (APPC n.d.).

- **Aladi**

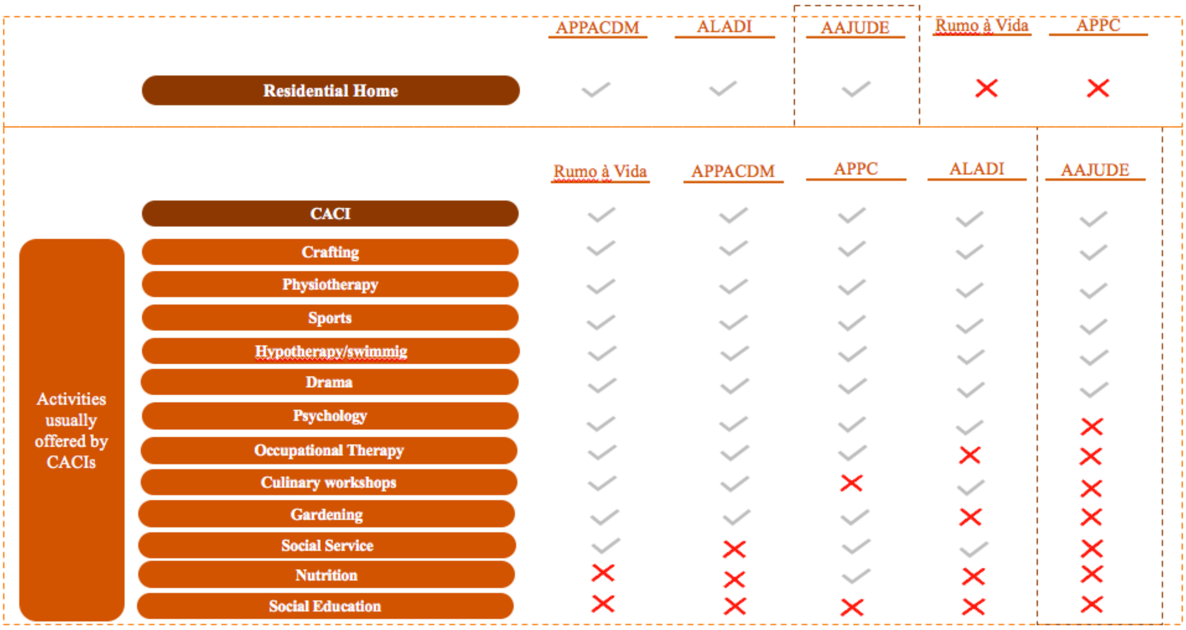
For over 30 years, the Private Institution of Social Solidarity (IPSS) **Aladi** has been providing support and care for citizens with intellectual disabilities. Aladi's **mission** is to promote services and activities that contribute to the bio-psycho-social well-being of our clients, with the aim of improving their quality of life. The institution strives to be recognized as a local leader and national reference in the field of disability (**vision**). The association prioritizes confidentiality, privacy, ethics, integrity, respect for diversity, rigor, and dedication (**values**). The institution provides both **residential home** and an **occupational activity center**. Its commitment is to promote social inclusion of clients while upholding their dignity and ensuring their safety. The institution is committed to providing a high-quality service that is continuously analyzed and improved to meet the expectations and satisfaction of clients and their partners. To maintain this standard, qualified and committed teams prioritize client-centered care (ALADI n.d.).

- **Rumo à Vida**

Rumo à Vida is an IPSS that aims to promote emotional, cognitive and community balance among people with disabilities. It fosters a sense of community and group awareness, while empowering citizens with disabilities through progressive responsibility in decision-making and group dynamics. The ultimate goal is to promote individual autonomy through community engagement **(mission).** Rumo à Vida aims to become a national benchmark in empowering people with disabilities, striving for their physical, mental, and social well-being, and promoting global awareness of disability **(vision).** The organization's core **values** include respect, commitment, experience, trust, solidarity, and belief. To achieve its mission, IPSS provides support services to citizens with disabilities, including an **occupational activity center** and a **special educational institution** (Associação Rumo à Vida, IPSS. n.d.).

After identifying five significant institutions in the Porto district, including AAJUDE, we analyzed the activities and most common services offered by these institutions, such as residential homes and activity centers for inclusion.

Figure 2– A benchmark of services and activities



Legend: Five institutions were benchmark in order to understand how good is AAJUDE's offer, in comparison to others, and what activities and services they should focus on for their new project

Based on figure 2, we concluded that three out of the five institutions, AAPADCDM, ALADI, and AAJUDE, offer residential homes. Regarding occupational activity centers, the Porto district is served by the five most well-known institutions. These centers provide a range of activities, including crafting, physiotherapy, sports, hippotherapy/swimming, drama, psychology, occupational therapy, cooking, gardening, social work, nutrition, and social education. After comparing the activities offered by different institutions, we found that Rumo à Vida offers the highest number of activities, followed by APPACDM. APPC comes in third place, followed by ALADI and finally AAJUDE.

Based on our analysis of services and activities, we have found that residential homes and occupational activity centers are the two most common social responses for individuals with ID or CP. Our research has also revealed that AAJUDE is less competitive in terms of the variety of activities it offers compared to the four other players in this sector in the Porto district.

AAJUDE is expanding with Pole II, a residential home, and an occupational activity center. As a result, the association has decided to embark on a new project to create an innovative Community Center. This center will utilize the resources of existing associations and institutions that provide similar activities by making the most of their technicians' downtime. It will provide a new space for individuals with ID or CP who lack social support to engage in activities during their day. The Community Center's activities were determined based on the available human resources for this innovative project.

The management team of AAJUDE, along with the technical management team, has designated the technicians and assistants who will be working at the Community Center. The team includes a physiotherapist, a psychologist, an occupational therapist, a physical education teacher, a music therapist, a social educator, and a painting teacher (AAJUDE 2024).

A protocol has been signed with VEM - Voluntariado em Matosinhos to select technicians from other institutions to work in the Community Center. The specialties include three physiotherapists, a social work technician, a psychologist, a nutritionist, a physical education teacher, and four crafting teachers (AAJUDE 2024).

The Matosinhos City Council will allocate €100,000 annually to fund five technicians, equating to €20,000 per technician per year. Technicians will be allocated to a specialty based on capacity, costs, and profit margins (AAJUDE 2024).

In conclusion, the defined activities include psychology, physiotherapy, occupational therapy, social work, nutrition, music, physical education, theatre, social education, crafting, and painting.

Furthermore, research outside of Portugal was also conducted to better understand how innovative this project is. We found out there aren't any centers just like the one AAJUDE wants to open, but there are two similar projects. The Arc runs day programs in many areas. These programs help people with ID and CP. They can join social events, learn new things, and have fun. The Arc Greater Cincinnati is one such program. Mencap has centers in the UK. They have part-time social activities and workshops, but also individual therapy (The Arc 2024).

Costs and Prices Benchmark

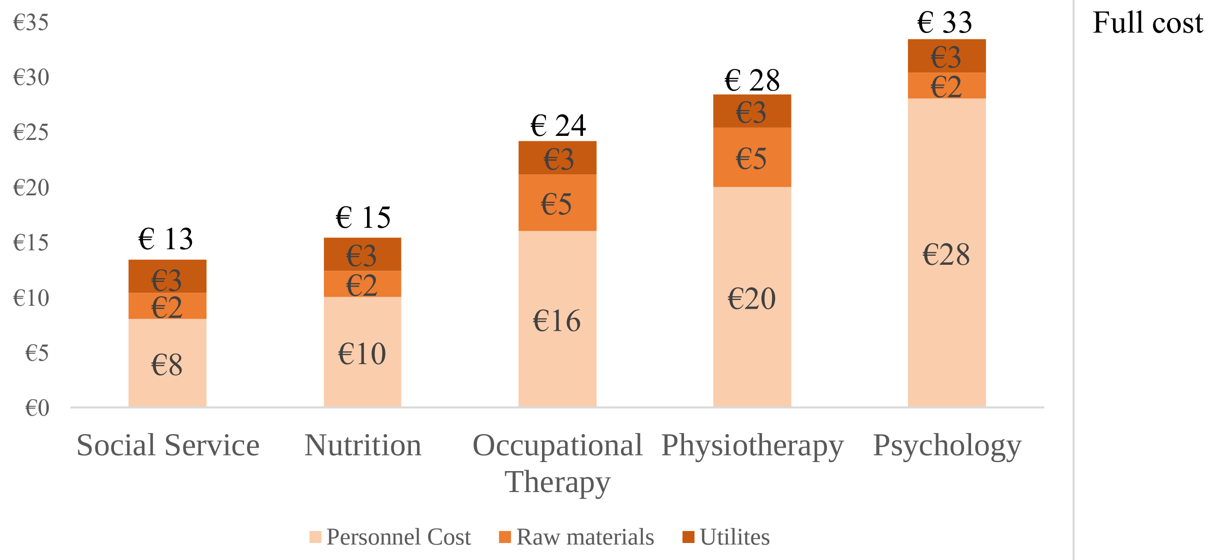
After comparing the services and activities offered by various institutions, such as residential homes and occupational activity centers, it was necessary to benchmark the prices and costs of each specialty individually. This is because the new center will have a different value proposition, and therefore we could not use the four institutions to set prices for AAJUDE Community Center. The research for prices was conducted on several specialized music and art schools, physiotherapy and psychology clinics, and interviews with specialists. A comparison was made between three renowned competitors offering the same activities and therapies to determine the average price per hour per specialty. It is important to note that psychological therapy has the highest market price, while painting has the lowest, as we can see on the appendix 4. Furthermore, it is generally less expensive to participate in group activities than in individual therapies. On the appendix 4 we can see the range of prices per hour per specialty[1]:

- Psychology Price Range 45€ - 65€
- Physiotherapy Price Range 40€ - 50€
- Nutritionist Price Range 40€ - 45€
- Occupational Therapy Price Range 35€ - 40€
- Physical Education Price Range 20€-30€
- Music Therapy Price Range 20€ -25€
- Social Service Average Price 20€
- Social Education Average Price 20€
- Drama Price Range 12€ - 25€
- Crafting Price Range 3€ - 15€
- Dance Price Range 7€ - 14€
- Painting Price Range 9€ - 10€

An online research was conducted to determine the average hourly salary for specialists in Portugal for personnel costs per therapy/activity. Specific hourly costs for each professional were obtained. A similar study was conducted to determine the raw materials costs per activity/therapy per hour.

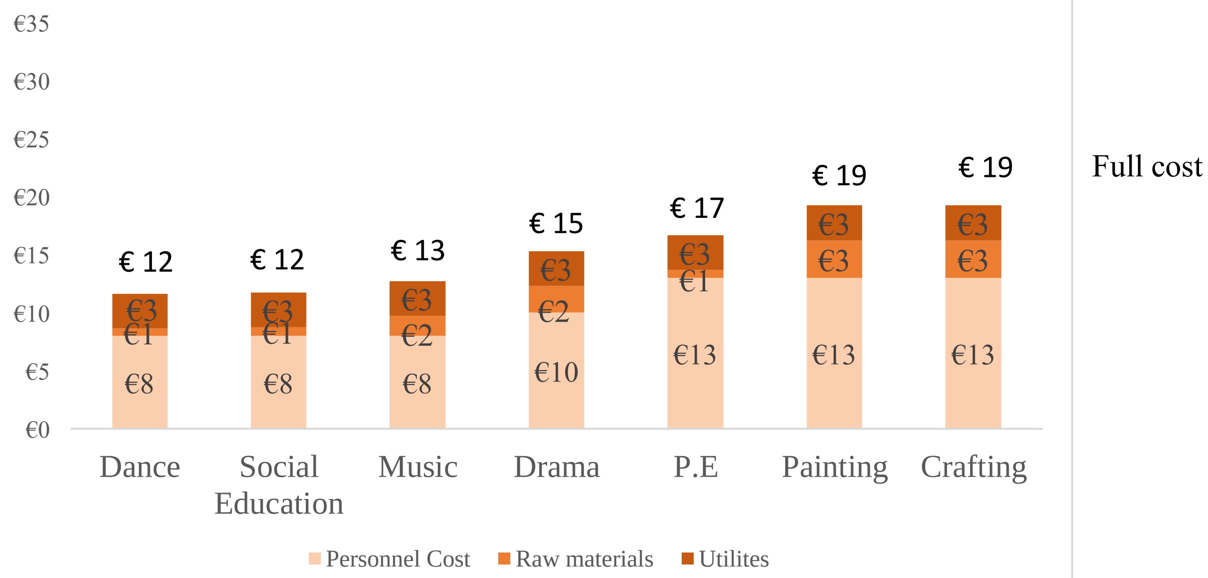
[1] Oporto Medical SPA 2024, Psicovias 2024, Equilibrium n.d., Thrust Clinic n.d., Direção geral de educação n.d., Superprof n.d., The Craft Company 2023, Centro Nacional de Cultura n.d., Jazzy n.d.

Figure 3 - Individual Therapy Cost per hour



Legend: Personnel costs represent the biggest contributor to the total cost per activity per hour. The cost of psychology is the highest, while that of social services is the lowest.

Figure 4 - Group Activity Cost per Hour



Legend: Personnel costs represent the biggest contributor to the total cost per activity per hour. The cost of crafting and painting is the highest, while that of dance and social education is the lowest.

Regarding salaries, the cost of individual therapy per session ranges from €8 to €28[2], with social service being the least expensive and psychology being the most expensive. The cost of group activities per session ranges from €8 to €13, with dance, social education, and music therapy being the least expensive and PE, painting, and crafts being the most expensive.

Regarding raw materials, the cost of individual therapy per session ranges from €2 to €5[3], with social service, nutrition and psychology being the least expensive and physiotherapy and occupational therapy being the most expensive. The cost of group activities per session ranges from €1 to €3, with dance, social education and physical education being the least expensive and painting, and crafts being the most expensive.

In order to calculate these costs, AAJUDE's current utility costs were used as a basis. According to the 2023 income statement, AAJUDE has utility costs of €176,931. This facility has a total area of 2,000 square meters. The new Community Center has a total of 385 square meters and using AAJUDE's current utility costs as a base, the estimated annual cost for AAJUDE's new Community Center will be €34,059, which was divided by month and by hours to arrive at a value of €3 per hour.

Finally, the hourly profit per activity was calculated by considering both costs and average market prices. It is important to note that group activities, which have an average of 12 clients, are generally more profitable than individual therapies. Physical education is the most profitable group activity, with a profit of €259 per hour session, while nutrition is the most profitable individual therapy, with a profit of €27 per hour session.

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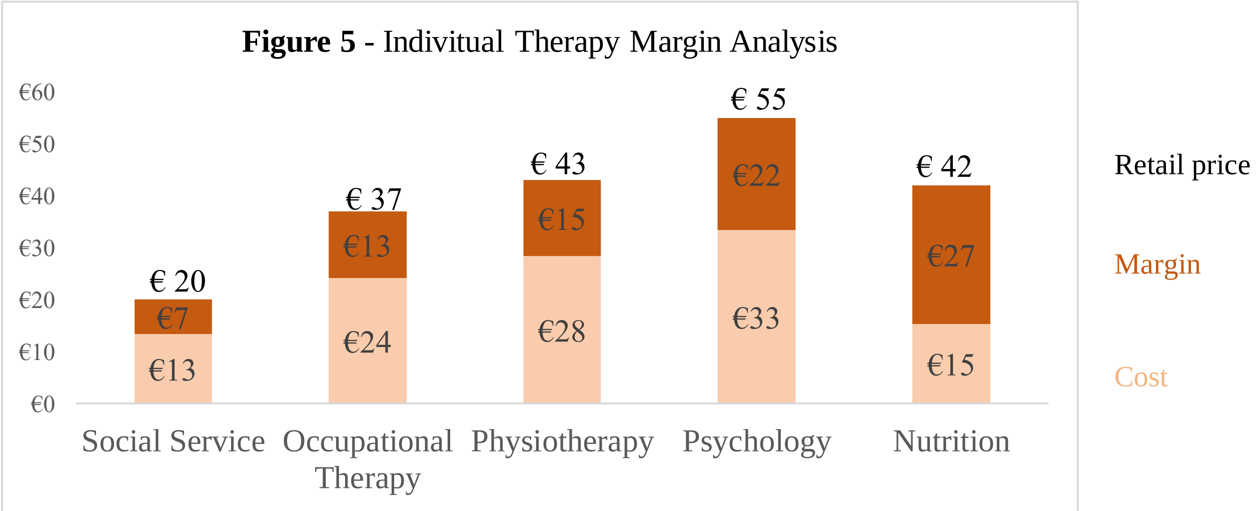
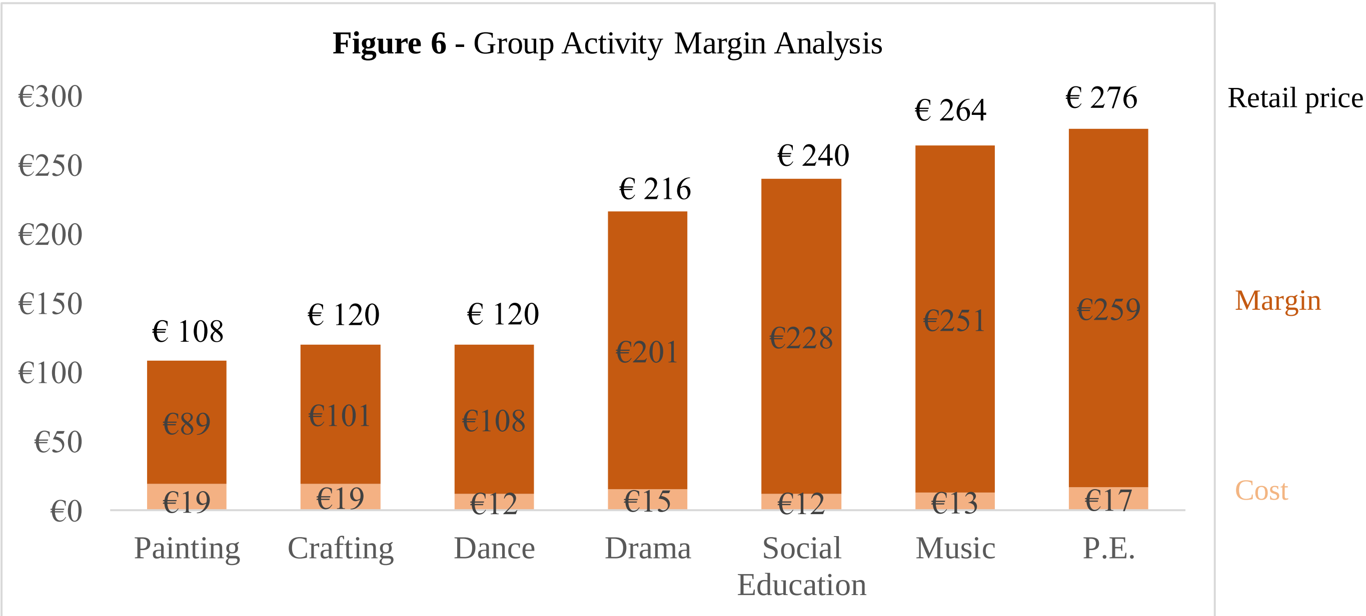
[2] Personnel Costs - ERI Economic Research Institute n.d., *Jobted n.d.,* Professor Salary in Portugal - Salário médio n.d

[3] Raw Materials Costs - Raw Materials Costs – Farmácia Moderna n.d., Fisioterapia n-d-, Continente Online n.d., Grupo H.P. Saúde n.d., Terapia Léon 2020, Decathlon n.d., SportZone n.d, Fnac n.d.



Legend: Profits from individual therapies range from €7 to €27, with social services being the least profitable and nutrition the most profitable.



Legend: Group activities are more profitable than individual sessions, with painting being the least profitable and physical Education the most profitable.

In addition to the benchmark of services, activities, costs and prices, it was also considered important to search for an attendance rate[4] of each type of activity in order to estimate the number of people with ID or CP that will search for each type of therapy.

Individual therapies:

- Occupational therapy has an attendance rate of 3%, resulting in a total of 367 target users.
- Nutrition has an attendance rate of 10%, resulting in a total of 1,225 target users.
- Physiotherapy has an attendance rate of 10%, resulting in a total of 1,225 target users.
- Psychology has an attendance rate of 15%, resulting in a total of 1,837 target users.

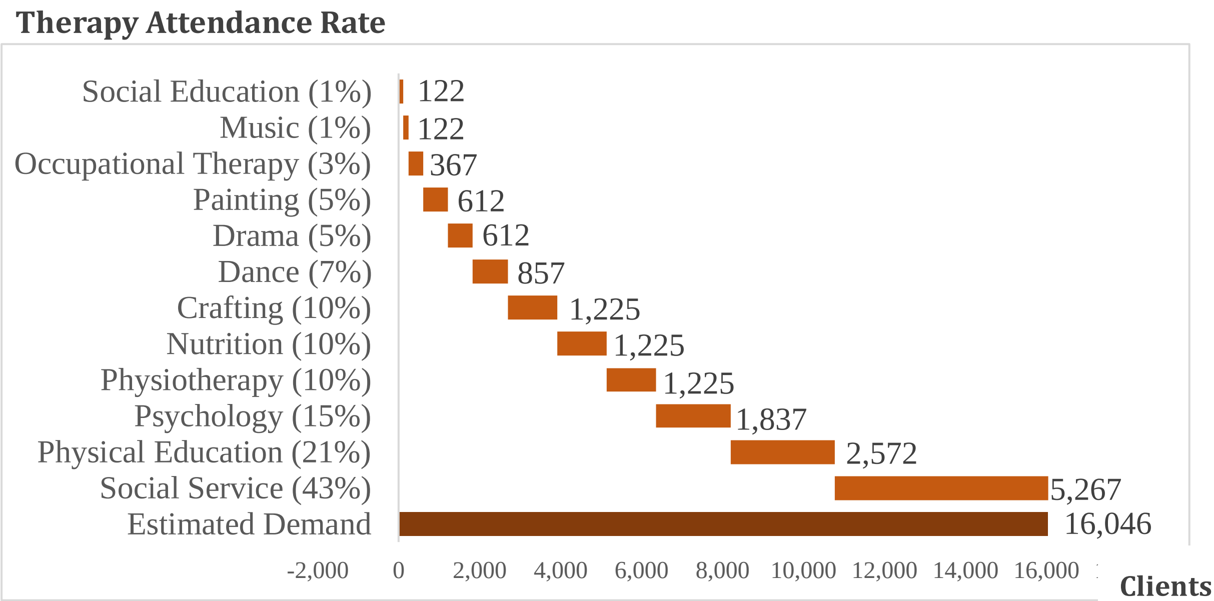
Group activities:

- Social Education has an attendance rate of 1%, resulting in a total of 122 target users.
- Music has an attendance rate of 1%, resulting in a total of 122 target users.
- Painting has an attendance rate of 5%, resulting in a total of 612 target users.
- Crafting has an attendance rate of 5%, resulting in a total of 612 target users.
- Drama has an attendance rate of 5%, resulting in a total of 612 target users.
- Dance has an attendance rate of 7%, resulting in a total of 857 target users.
- Physical Education has an attendance rate 21%, resulting in a total of 2,572 target users.
- Social Service has an attendance rate of 43%, resulting in a total of 5 267 target users.

This information will be useful in determining whether the demand for each therapy/activity is sufficient to match the Community Center's capacity for each type of therapy/activity

[4] Ordem dos Psicólogos 2011, Asociación Española de Fisioterapeutas 2024, Ministerio de Sanidad n.d., Asociación de artistas plásticos escénicos y audiovisuales de España 2024, Moraes M. L. 2007, Descubrir el arte 202, FEDAC n.d, Consejo General de Colegios de Educadoras y Educadores Sociales, 2023

Figure 7 – Estimated Nº of Clients per Therapy/Activity



*Legend: The nº of clients was calculated by taking into account the **attendance rate of each therapy** and the **12 249 individuals** with CP and ID residing in the Porto district without any social response.*

Following this more detailed market analysis of the services and activities that already exist in the Porto district, as well as their costs and the prices charged for each type of activity, it is necessary to clarify the relevance that the new Community Center designed by AAJUDE will have on the existing market. This will be discussed in more detail in the next chapter.

3.3 Potential Relevance of AAJUDE in the Market

As we have seen in this chapter of the report, from a population of 15,550 individuals with ID or CP in Porto, there is still a concerning percentage of 79% who do not have any support in their daily life. This means that 12,249 individuals with ID or CP are stuck at home, leading to social isolation and regression of cognitive skills, and they left to the basic and possible care of their family members, who are often desperate and in concerning financial situations because they do not have enough time to get a full-time job. To this day, in Portugal, there is no other possible social response to this other than Residential Homes and Occupational Activity Centers which are mostly at full capacity and have entry rates of almost zero because every new beneficiary stays there most of their life. All in all, this has made it abundantly clear that AAJUDE has a very strong window of opportunity.

Furthermore, we performed a benchmark of services and activities offered by similar institutions in order to better understand what the new center should offer, as well as a benchmark of costs and prices of several clinics and schools which helped us determine how AAJUDE's new center will price their sessions. Overall, this market research helped estimate sustainable profits up to 267€ per group session and 32€ per therapy session, which showed us a clear and sustainable potential before even doing the financial analysis.

Lastly, the professionals provided by VEM, AAJUDE and the City Council represent a large advantage for opening the Community Center. This allowed us to better understand what activities the center can actually provide, based of personnel availability, and what profits that will represent.

Given all the information gathered, as well as the 400-person waiting list, the new Community Center's relevance to the market is clear. By creating a Community Center, a concept never before seen in Portugal, where people aged 16 to 40 can take part in group activities and individual therapies, AAJUDE will help a greater part of the ID and CP community to cognitively flourish, develop skills important to be more present in our society, and overall experience happiness. AAJUDE will be able to reach its potential by continuously bringing in clients who are in precarious situations and don't have any other institutionalized support, who will undergo an extensive assessment to better understand if and how they can benefit from the Community Center. Further, along the process, these individuals will hopefully be accepted in a Residential Home or CACI, therefore leaving AAJUDE's center and creating space for others to come in and benefit from the same resources that they were provided, creating higher rotation and a strong cycle of helping others in need.

4. Value Proposition

The Value proposition of this consultancy project was developed in accordance with the Marketing Mix, an approach first introduced in 1948 by Professor Culliton, a Harvard Business School affiliate. The traditional approach encompasses four key decision variables: Product, Price, Place, and Promotion. Over time, various variations have emerged from this conventional approach, including the 7P model, proposed by Booms and Bitner, in 1981 (Chemo, Samanta, and Singh 2023). The term "mix" refers to a state in which all elements are interconnected and, to some extent, dependent on one another (Zeithaml and Bitner 2003). The framework constituted the basis for the hypothesis generation with the addition of the "sales target" dimension.

For AAJUDE's Community Center Value Proposition we have defined 5Ps, the product, the price, the place, the people, and the promotion. Look at Appendix 5 for further information about each P.

As will be further explained in this chapter, AAJUDE Club will offer a comprehensive range of therapies and group activities at an affordable price, which will depend on each family's income level. Its innovative Community Center will have one multi-purpose room and four therapy rooms, where the qualified professionals gathered by AAJUDE, VEM, and the City Council will work. To attract clients and donors, AAJUDE should leverage strategic partnerships and social media engagement.

4.1 AAJUDE'S new Products and Services

After careful consideration and research, we are proposing AAJUDE Club – a Community Center, managed by AAJUDE's current management team, where individuals with Intellectual Disabilities and Cerebral Palsy, aged 16 to 40 years old, can come in for a few sessions per week and be nurtured into better and more stimulated human beings, while they wait to hopefully be accepted into a permanent center. The center offers a supportive environment for disabled individuals, providing opportunities for learning, self-development, and socialization.

AAJUDE Club offers personalized services for patients, specifically five individual therapies and six group activities:

- Psychology: a practice of self-care that helps the client gain more emotional intelligence and master emotion regulation techniques such as handling anger, anxiety, and frustration directly, as well as learn how to interact and communicate effectively with others.

- Physiotherapy: physical therapists individually design a treatment plan based on every person's unique physical traits. This manner of intervention leads to improving posture and enhancing coordination and balance. Furthermore, it facilitates breathing and digestion in addition to increasing physical endurance.

- Occupational Therapy: occupational therapists for individuals with ID have an essential role in improving the efficiency of the individuals by being productive and being engaged continuously in activities of daily living. In general, this is done through a holistic assessment in which they examine the contexts of the individual's physical, cognitive, and social or environmental abilities, and routines as well.

- Social Service: Social work is a fundamental part of the process of improving the lives and mentally cultivating social acceptance of people afflicted with ID or CP. It provides a comprehensive and individualized intervention that enables them to deal with life's challenges, advocate for their rights, and possibly gain access to the essential resources and services, and thus achieve the maximum level of autonomy and independence.

- Nutrition: By working with a nutritionist, people with ID will be empowered to make the right diet choices, manage their diet needs, and develop eating habits that are part of their goals and particularly cater to their challenges.

- Physical Education: Bringing weekly P.E. classes for people with ID has just as much to do with their movement techniques, fitness, or decent state of health as with other mental and physical aspects. Through the methods of working out, which include simple and inclusive exercises, individuals with ID can improve their skills and coordination, lessen their stress level which leads to a happier mood, and, at last, to an improved psychological health.

- Social Education: This intervention of programs employs a positive approach and arms the beneficiaries with the knowledge, skills, and tools needed to be able to manage social interactions, build and sustain meaningful relationships, and participate actively in the community they belong to.

- Drama: As this activity is accomplished in a group, it leads to a powerful and enjoyable way to enhance imagination and stimulate creativity, self-expression, socialization, as well as teamwork. The beneficiaries get a chance to discover their emotions, develop ways to communicate and develop self-confidence in a safe and enjoyable environment.

- Dance: This activity will be implemented for all levels of abilities and needs. This place is a haven that makes people who have intellectual disabilities at peace while they move their bodies, express their creative side, and create their art.

- Crafting and painting (two different activities): These sessions are a perfect platform to deal with creativity and self-expression, development of fine motor skills and manual dexterity through simple but still detailed projects and tasks that need coordination of hand and eyes, grip strength and grip power and function of each finger.

Firstly, the center will offer an initial consultation to each potential beneficiary, where they will undergo a tailored assessment to ensure that they are placed in the activities and therapies that will most benefit them and maximize their potential.

This new and innovative center will completely differ from a classic activity center where beneficiaries spend their whole day, with the exact same people, and instead support a much larger group of clients a few hours every week. As we have mentioned before, AAJUDE has a strong desire to help relieve the burden on family members of people with ID or CP and allow them to lead a little less stressful life knowing that their loved ones are participating in something useful and enjoyable.

In sum, the new AAJUDE Club's unique selling point will consist in their effort to revolutionize the support and social response offered by Portuguese organizations, uniting forces and resources between centers, and therefore offering a tailored experience and diverse range of activities and therapies. Ultimately, this project will maximize everyone's (staff members and beneficiaries) potential, while also providing aid for caregivers, and promoting inclusivity, but mostly the goal is to empower individuals and promote a sense of belonging and fulfillment within the community.

The selection process for AAJUDE Club's future clients will involve among other things their vulnerability in society, which may include factors such as limited social interaction and the level of disability, so that AAJUDE can give priority to the ones who are more vulnerable. Also, AAJUDE will evaluate the family support or lack thereof of the individual because people who have less support will have the most priority, as well as the family's economic resources, which will be crucial to determine which level of prices they will pay (as the organization wants to help families regardless of their income level). Besides that, AAJUDE should take into account a beneficiary's life assessment, such as evaluations of the individual's cognitive abilities, physical abilities, and interests, to better understand how and if the program would be beneficial for the potential client.

Once and if selected, each client will undergo a week-long assessment with the center's professionals to determine the most suitable individual therapies and/or group activities, considering the individual's characteristics.

After this program has been carefully drawn down, there will be a trial month for all clients during which professionals closely monitor the person to find out whether the chosen activities and therapies correspond with their needs and character thus improving their communication skills, self-care abilities, and social interactions while being at the center. Also, they may talk to their caregivers about any changes they have noticed at home and whether this program is suitable. Following this period, there is an adjustment phase where experts are all in contact with each other in order to keep track of the beneficiary's improvements and make necessary changes that would lead to the maximization of each beneficiary's potential and development. This stage will repeat itself until clients have a program that not only helps them grow but also gives them joy.

Lastly, once the beneficiary's program is deemed suited for them, the specialists will finally fully focus on the client's process into a better and more independent life. Specialists and staff members will continuously speak about each client's situation to understand and assess their improvement and response. After one year, the client's program will be re-evaluated, and changes will be made if necessary. Also, at the end of every year, AAJUDE will ask the beneficiaries and their families to answer a satisfaction questionnaire as to identify the quality of the program provided by the Community Center and continuously identify areas for improvement.

4.2 AAJUDE's Pricing Strategy

In the pursuit of offering this solution to everyone who needs it, and to allow everyone to enjoy it regardless of the income level, the AAJUDE Community Center has meticulously crafted a pricing strategy that balances market standards with the financial realities of its clientele.

Through a thorough examination of competitor pricing models and an insightful analysis of household incomes, AAJUDE has devised a pricing framework that ensures accessibility without compromising sustainability. This text delves into the pricing methodologies adopted by AAJUDE, shedding light on its commitment to inclusivity and financial responsibility.

In the course of research into pricing models, several institutions were analyzed in order to identify the optimal pricing model for the new AAJUDE Club. All of the following institutions sell their services on an hourly basis, which allows for a direct comparison of pricing models.

- The Pais21 – Down Portugal Association is a collective comprising individual with Down syndrome, families, and members of civil society. Established in 2008, its primary objective is to foster the dissemination of information and facilitate the exchange of developments related to trisomy 21. Pais 21 operates in a manner analogous to that of the AAJUDE club. Consequently, an analysis was conducted to ascertain the pricing models they use. Pais 21 offers four distinct pricing models, all of which are paid on a monthly basis. The first model, which includes three activities per week, costs €100. The second, which includes five to seven activities per week, costs €125. The third, which includes more than seven activities per week, costs €175. Pais 21, has one final pricing model which is the one that AAJUDE will follow for their pricing model. In this model clients have one session per week, which is the equivalent to 4 a month, and depending on the activity prices will adapt. In this model Pais 21's prices range from €30 being the cheapest to €70 being the most expensive. As a comparable institution to AAJUDE club, it is imperative to examine the pricing models employed by similar institutions (Pais 21 n.d.).

- The second institution that was analyzed was Academia de Música de Telheiras, this is a renowned music academy that also utilizes a similar model as Pais 21 with packages for their services. The prices are as follows: 4 classes for 120€, 6 classes for 170€, 8 classes for 220€, 10 classes for 270€. Academia de Telheiras also has a different model where clients pay monthly to have one session per week. If sessions are individual clients will pay €115 per month or €28.75 per session. If sessions are group sessions clients will pay 65€ per month or €16.25 per session (Academia de Música de Telheiras n.d.).

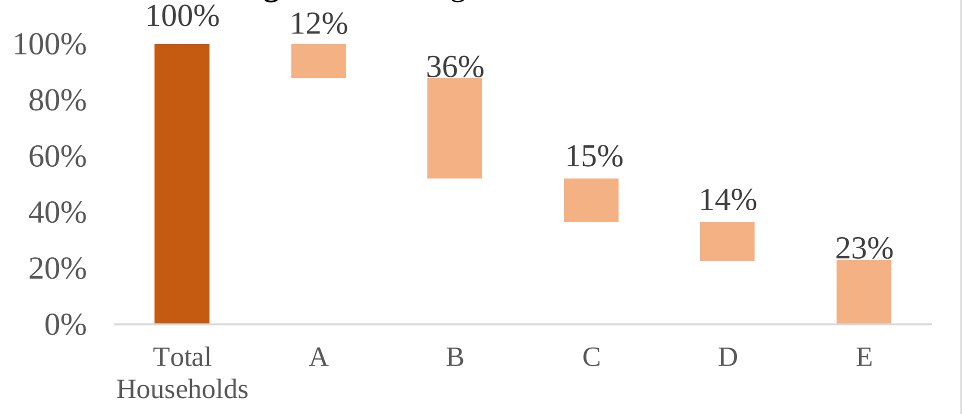
- The third association that was analyzed was a Psychology clinic called Psike. As AAJUDE Club will offer psychology as one of the services this institution demonstrates the models that similar institutions are offering. Psike sells their products in 2 different ways: as a single session that has a price of €50 and the following sessions have a price of €40. Additionally, the clinic sells packages of 4 sessions for €120 which comes out at €40 per session, which means the client does not benefit from buying a package (Psike 2024)

- The final institution whose pricing model was analyzed was a physiotherapy clinic called One clinics, once again AAJUDE Club will also offer this service so this institution's pricing model was also analyzed. One clinics offers a single session for €35 euros a pack of 10 sessions for €300 giving the consumer s €5 discount per session when the pack is bought (One Clinics n.d.)

An analysis of these institutions reveal that most institutions have packages per activity and packages that join different activities where the more sessions the client buys, a larger discount is applied. While many organizations rely on bulk-purchase discounts to encourage customer loyalty, the AAJUDE club seeks to create a more inclusive pricing model, considering the varying income levels among Portuguese households, as outlined by the following income levels:

- **A < 5 000€**
- **B 5 001€ - 10 000€**
- **C 10 001€ - 13 500€**
- **D 13 501€ - 19 000€**
- **E > 19 001€**

Figure 8 – Portuguese Income Levels



Legend: The largest group of people resides in level B, which is the second lowest income level in Portugal . (Pordata 2016).

In Portugal, as of 2016 which is the most recent data available 12% of the households earn less than € 5000 per month (Income Level A). The second level that was analyzed were households that earn between € 5001 and € 10 000, and this level represents 36% of all the households in Portugal (Income Level B). The third level, where the average household income lies is incomes between € €10 001 and €13 500, and this level represents 15% of all the households in Portugal (Income Level C). The fourth level analyzed was household incomes between € 13 5001 and € 19 000, which is where 14% are situated (Income Level D). Finally, the last level that was analyzed was households with incomes higher than € 19 001, and within this bracket there are 23% of all the households in Portugal (Income Level E) (Pordata 2016). The levels shown above were created according to the Portuguese government and with the average household income of Portugal as the base.

AAJUDE is a nonprofit organization that recognizes the existence of a significant proportion of the Portuguese population who are unable to afford the full price of the services that the Community Center will provide. Consequently, the decision was taken to establish pricing based on the household income of the family, in accordance with the values presented above. Two essential factors were established in order to ensure that AAJUDE is fair to all of its clients while also ensuring that all costs are still being covered. The first is a price floor, which is the cost of the service. In order to ensure that the AAJUDE club is covering its costs, a price floor was established at cost. This means that families in the lowest income level pay a value equivalent to the cost of the service. Families with an income above the highest income level will pay the full price. This value will be the cost plus 100% of the margin that the Community Center has on the activity.

The average household income in Portugal was €11 089 as of 2021 (ECO 2023). This value lies in Group C which is the middle group and will pay 50% of the margin AAJUDE has on that service. In other words, every client whose family earn more than the value that has been set as the highest income level (€19 001) pay full price (cost plus 100% of the margin set by AAJUDE). Then, extra levels were created mostly to accommodate clients who are in worse financial conditions. These levels were divided equally from full price to a price floor which was previously discussed. As previously mentioned, the lowest income level (Income Level A) pay cost or the "price floor", the second level (Income Level B) pays 25% of the margin that AAJUDE has set on the service, the third pays (Income Level C) 50%, fourth (Income Level D) 75% the last level (Income Level E) which pays full price set by AAJUDE.

Given that AAJUDE Club will relate to the client's family household it is not sustainable to apply different packs discounts according to the larger number of sessions bought.

AAJUDE pricing strategy will be to offer monthly packages with 4 sessions per month of the activity that the client wants to be enrolled in. If a client wants to mix several activities, either individual or group, the price of each of the activities is added up and sold as a package according to the household income of that client's family. The packages that the Community Center will offer will simply be the price of the activity multiplied by 4 and adapted to the client's family household income.

Below are demonstrated all the monthly packages and the respective prices per therapy:

Figure 9 – Individual Therapies Monthly Packages Prices

	Price per Income Level				
	A	B	C	D	E
Social Service	€53	€60	€67	€73	€80
Occupational Therapy	€96	€109	€122	€135	€148
Physiotherapy	€113	€128	€143	€157	€172
Psychology	€133	€155	€177	€198	€220
Nutrition	€61	€155	€177	€198	€220

Figure 10– Group Activity Monthly Packages Prices

	Price per Income Level				
	A	B	C	D	E
Painting	€6	€14	€21	€29	€36
Crafting	€6	€15	€23	€32	€40
Dance	€4	€13	€22	€31	€40
Drama	€5	€22	€39	€55	€72
Social Education	€4	€23	€42	€61	€80
Music	€4	€25	€46	€67	€88
Physical Education	€6	€27	€49	€70	€92

4.3 Characteristics of the Place offered by AAJUDE

The AAJUDE Community Center is fully accessible and adapted for people with reduced mobility, ensuring inclusivity and ease of use. Once AAJUDE's new product and pricing strategy is known, it's important to understand the physical place available and how capacity will be managed.

The Community Center is a modern and innovative building that provides a pleasant environment for therapy and a variety of physical and therapeutic activities, with a team of specialists offering personalized support in various areas. The building will have four Specialized Support Rooms consisting of individual therapy rooms that promote quality of life through psychology, physiotherapy, nutrition, occupational therapy, and social services. There will also be a multi-purpose room for social activities that promote physical and cognitive development.

According to the room description, the potential number of hours available for different activities is 240 per week, which equates to 960 per month and 11 520 per year. Of these, 160 hours per week are allocated to individual therapies in the four rooms, and 80 hours per week are allocated to group activities in the large multi-purpose room, which will be split into two rooms to double capacity. In order to allocate potential capacity between individual therapy and group activities, we established specific criteria.

It is first necessary to clarify that the AAJUDE management team, together with the technical management team, has already identified the AAJUDE technicians and assistants who will be working at the Community Center (physiotherapist, psychologist, occupational therapist, physical education teacher, music therapist, social educator, painting teacher). In addition, a protocol has already been signed with VEM - Voluntariado em Matosinhos - to select technicians from other institutions to work in the Community Center (three physiotherapist, one social service technician, one psychologist, one nutritionist, one physical education teacher and four crafting teachers). Furthermore, the Matosinhos City Council will provide €100,000 per year to fund five technicians, which equates to €20,000 per technician per year.

It is crucial to determine the duration of each therapy session, as it affects the allocation of technicians and the structuring of service packages. A decision has been taken to standardise all therapy and activity sessions at one hour, regardless of whether they are individual or group-based. This approach is based on research indicating that the majority of activities and therapies should be one hour in duration. This includes physiotherapy, psychology, nutrition, dance and other similar fields. Additionally, research indicates that activities should not be excessively lengthy and should be engaging to prevent boredom (Alive4life, 2023). For these reasons, it was decided that all sessions will be one hour in length.

In terms of group activities, the allocation of 80 hours per week is based on the number of hours per week of AAJUDE and VEM specialists that the Community Center has guaranteed. Four hours are allocated to physical education, social education, and painting, two hours to drama and music, and fourteen hours to plastic arts. This leaves 50 hours per week to be allocated.

The remaining 50 hours per week have been allocated to Dance an additional group activity whose salary costs are covered by the amount available from the City Council, in order to make the best use of the resources available, and which is also one of the group activities with the highest attendance rates (7%). We decided to include Dance based on research about its benefits and the fact that many competitors offer it. It provides a safe space for emotional expression, promoting well-being and communication through movement. It can also improve physical health by enhancing balance, strength, and coordination (Appendix 22).

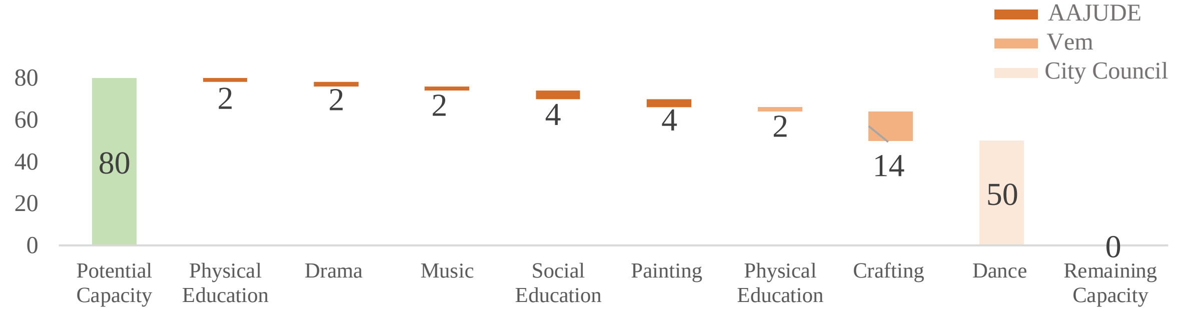
In terms of individual therapies, the allocation of the 160 hours per week was based on the number of hours per week of AAJUDE and VEM specialists that the Community Center already had guaranteed. Twenty hours were allocated to physiotherapy, eight hours to psychology, eight hours to occupational therapy, four hours to social work and four hours to nutrition. This leaves 116 hours per week to be allocated.

The second criteria for allocating the remaining 116 hours per week to individual therapies was to allocate the remaining 30 hours of the dance teacher paid by the city council, who will give online dance classes in one of the specialized support rooms. This decision to enter the online sector was based on research showing that some people with ID can’t access these classes because they have no transportation. Also, in Portugal, certain companies, such as 'Street Cadeirante Virtual' and 'CIM-Companhia de Dança', already offer these online classes, so it is definitely feasible. By using this method, and taking advantage of the new technological world we live in, especially after COVID-19, AAJUDE will be able to reach an even larger number of individuals with disabilities (Street Cadeirante Virtual 2022, Cunha G 2023).

To fulfill the remaining 116 hours per week for specialized support rooms, two other technicians paid by the city council were allocated for social services. The salary costs for this activity can be covered by the city council, and it has the highest attendance rate at 43%. These two technicians correspond to 80 hours per week. Out of a total of 116 hours per week, 110 hours have already been allocated, leaving 6 hours to be allocated for nutrition, which is the most profitable individual therapy.

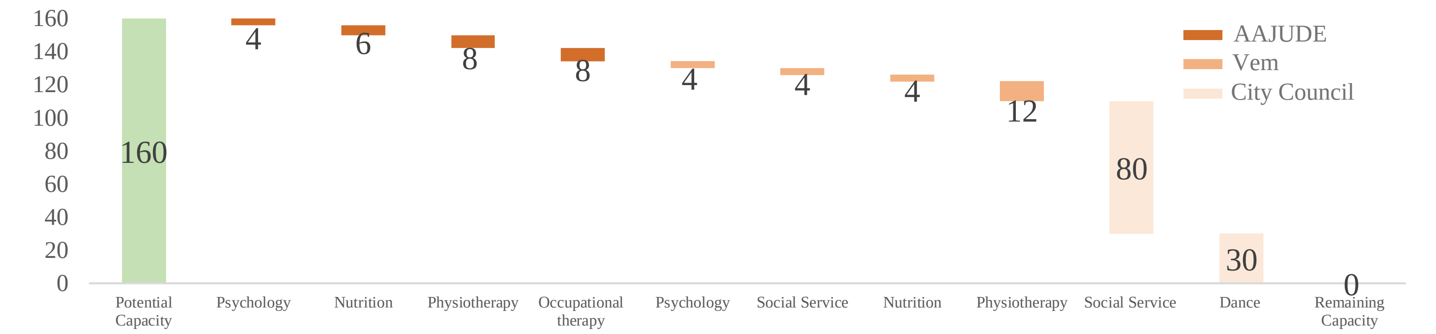
In conclusion, in order to maximize the 160 hours per week of individual therapy, 20 hours were allocated to physiotherapy, 8 hours to psychology and occupational therapy, 84 hours to social services, 10 hours to nutrition, and 30 hours to social dance. The 80 a week of group activities were divided between the different activities, leaving 4 hours for physical education and painting, 2 hours for music and theater, 14 hours for crafting and 50 for dance.

Figure 11 – The distribution of weekly capacity for group activities sessions



Legend: A large part of the City Council's subsidies is allocated to the new dance class, which is made possible with the new dividing wall in the multi-purpose room.

Figure 12 – The distribution of weekly capacity for individual therapy sessions



Legend: The majority of the City Council subsidies will go to Social Service, while a small part will be allocated to a technician who will teach dance classes online.

We have created a schedule proposal for individual therapies and group activities, taking into account the allocated hours for each type of therapy or activity. The aim is to maximize the capacity of AAJUDE Club by combining a variety of individual therapies in the four specialized support rooms and different group activities in the double multi-purpose room (Appendix 23 and 24).

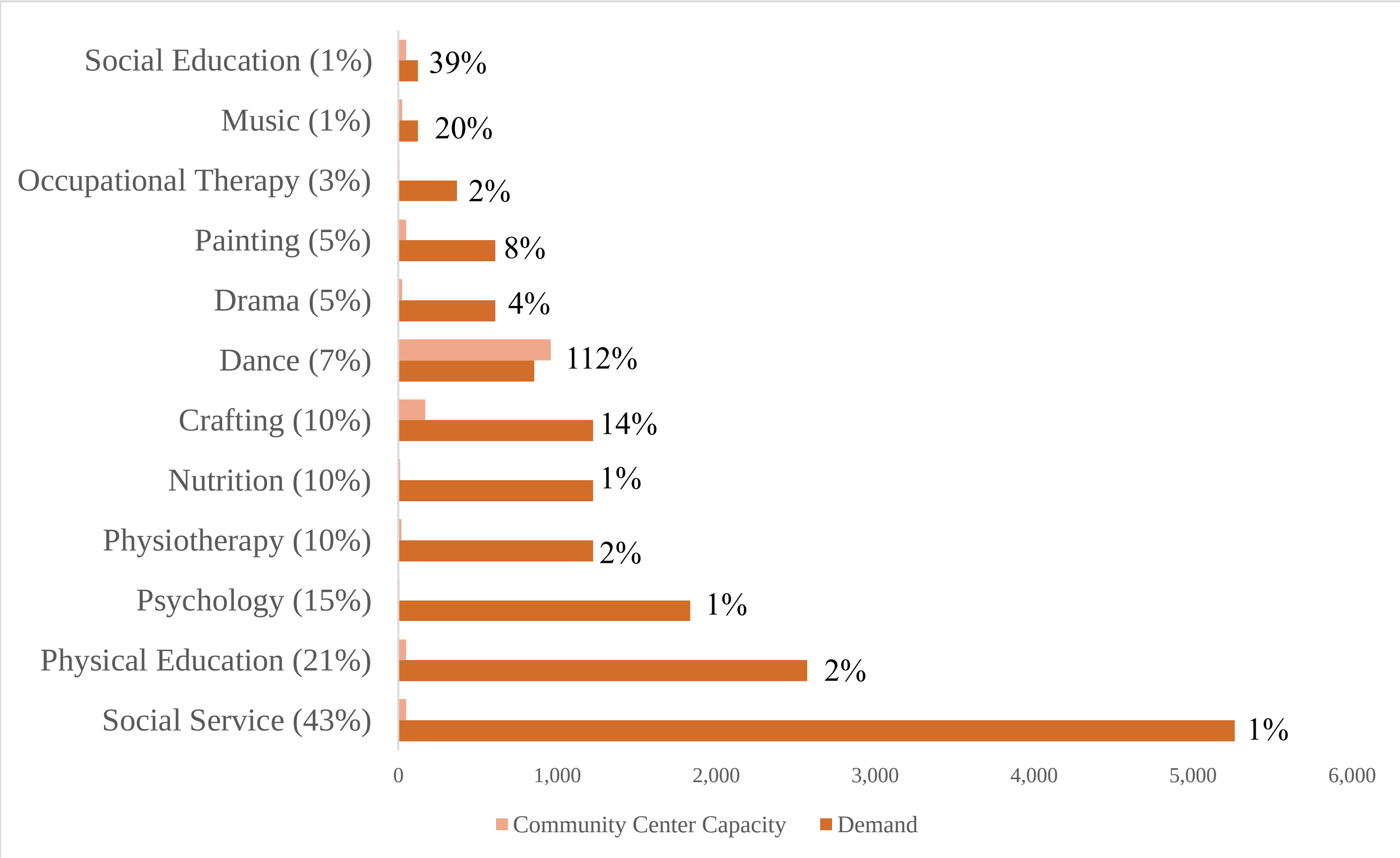
The number of clients per hour of therapy and activity of the New Community Center per week was estimated in order to determine the number of people with cerebral palsy or intellectual disabilities who do not receive any social support, which AAJUDE will address per week.

It was estimated that psychology would have a weekly capacity of eight clients, occupational therapy would have a weekly capacity of ten clients, nutrition would have a weekly capacity of twenty-four clients, drama would have a weekly capacity of twenty-four clients, music would have a weekly capacity of twenty-four clients, painting would have a weekly capacity of twenty-eight clients, physical education and social education would have a weekly capacity of forty-eight clients. The Social Service department will have a weekly capacity of 84 clients, while the crafting activity will have a weekly capacity of 168 clients. per week. Finally, dance will have a weekly capacity of 960 clients, 360 of whom will be online clients and 600 of whom will be in-person clients.

Up to 1,430 clients with ID or CP can be accommodated per week. Group activities will have approximately 12 participants per session, while individual therapies will only have one participant. This number represents 12% of the 12,249 individuals with cerebral palsy or intellectual disability who do not receive any social support in the Porto district.

The attendance rate per therapy and the value of individuals with ID or CP in the Porto district permit the estimation of the demand per therapy, as previously mentioned. The allocation of hours per therapy has already been completed, thus providing the maximum capacity per therapy for each client. These two pieces of information can be considered an estimation of the demand and supply of the Community Center. Given the target user base and the center's capacity per month, which you can find in appendix 25, these are the percentages of clients satisfied with each service, every month.

Figure 13 – The proportion of Individuals with ID or CP who will be satisfied through the Community Center broken down by activity/therapy



Legend: This comparison between demand and supply illustrates the great lack of social response in Oporto. Moreover, it presents a compelling argument in favour of the Community Center.

4.4 People Management Strategies

Given the center's capacity and activities offered, it is important to thoroughly define how to distribute and manage the 30 technicians provided by three different organizations who work on different days and at different times, in an efficient way.

Firstly, it's important to clarify the different protocols that have already been signed that will provide technicians for the New Community Center. The management team of AAJUDE, along with the technical management team, has designated the technicians and assistants who will be working at the Community Center. The team comprises a physiotherapist, a psychologist, an occupational therapist, a physical education teacher, a music therapist, a social educator, a painting teacher, and five auxiliary helpers. Furthermore, a protocol has been signed with VEM

- Voluntariado em Matosinhos to select technicians from other institutions to work in the Community Center. The team comprises three physiotherapists, a social work technician, a psychologist, a nutritionist, a physical education teacher, and four arts and crafts teachers. The Matosinhos City Council will allocate €100,000 annually to fund five technicians, equating to €20,000 per technician per year. Two of the five technicians were allocated to Dance, one to social education and one to social service, and one as an auxiliary helper.

Furthermore, in order to reach the full capacity of the Community Center, in addition to the technicians from VEM, AAJUDE and Matosinhos City Council, it will be necessary to contract a nutritionist to work six hours per week. This is because it is the most profitable form of individual therapy.

Each technician is assigned a specific role and responsibility, which will be done according to their expertise. All technicians involved in the center will have background in working with people with ID or CP, as to optimize the progress of every beneficiary. Further explanation of each technician and what their roles will be, can be found in appendix 26.

Regarding AAJUDE technicians, there are five auxiliary helpers who will work a total of 20 hours per week, with three of them working 4 hours per week and two of them working 5 hours per week. The physiotherapist, and the occupational therapist will work for 8 hours per week. The psychologist, the social education teacher, and painting teacher will each work 4 hours per week. The physical education teacher, the drama teacher, and the music teacher will all work for only 2 hours per week.

As for VEM technicians, the three physiotherapists, the social service technician, the psychologist, and the nutritionist will each work for 4 hours per week each. The physical education teacher will work 2 hours per week. Three out of the four crafting teachers will work

2 hours per week, while one of the three will work for 4 hours per week, making a total of 14 hours.

As for the five technicians financed by the city council, the two dance teachers, the social education teacher, the social service technician, and the auxiliary helper will all work 40 hours a week.

After reviewing the staffing plan, it is evident that there are differences in the distribution of workload among technicians from various organizations at the New Community Center. Although attempts have been made to allocate resources based on the center's needs, there are instances where workload imbalances exist. For instance, some technicians, such as dance teachers and social service technicians funded by the Matosinhos City Council, work full-time hours, while others, such as physical education and music teachers, have significantly fewer hours allocated to their roles. Moreover, there are discrepancies in the number of hours worked per week among technicians performing similar roles across different organizations.

Effective people management strategies are crucial for addressing the task of managing 31 technicians provided by three different organizations, who work on different days and at different times, to ensure the success of the New Community Center for AAJUDE.

One of the human resource management strategies will be to apply an evaluation questionnaire to the technicians involved, as well as to the technical team/management team. The evaluation of the technicians and the technical team managing the project will be carried out every six months. The purpose of this evaluation is to assess satisfaction/dissatisfaction and to identify areas for improvement. The output of this process will be a satisfaction assessment report. In addition to gauging satisfaction with the project, the questionnaires will be used to gather external suggestions and guidelines for improving the organization and working conditions of the Community Center's technicians.

Regular communication and coordination meetings between the Community Center management team and technicians from AAJUDE, VEM, and the Matosinhos City Council will facilitate collaboration and alignment on staffing issues. Some communication strategies include scheduling regular meetings between the technicians, management team, and AAJUDE management team to discuss progress, challenges, and opportunities. This can be achieved by defining clear communication channels, such as email, to ensure that all technicians can communicate effectively. Furthermore, encouraging feedback and input from the AAJUDE management team can promote a culture of collaboration and continuous improvement.

Flexible scheduling arrangements can accommodate the varying availability of technicians while promoting work-life balance. The provision of cross-training and skill development opportunities can enhance the versatility of the workforce, thereby promoting teamwork and collaboration. The recognition and celebration of the achievements of technicians can boost morale and motivation, reinforcing their commitment to the Community Center's mission. By prioritizing effective people management practices, AAJUDE can ensure a cohesive and productive workforce dedicated to serving the community's needs.

In conclusion, the staffing plan for the New Community Center, managed by the AAJUDE club and supported by technicians from multiple organizations, demonstrates a concerted effort to address the diverse needs of the center's beneficiaries. AAJUDE, VEM, and the Matosinhos City Council are committed to providing comprehensive support and services to the community through the New Community Center.

4.5 Strategies for AAJUDE's Project Promotion

Now that we have determined AAJUDE Club's product, price, place, and people, we must define a strong promotion strategy that will suit this project and help the project succeed. AAJUDE's promotion strategy for the new Community Center has to be a little different. As we have mentioned several times, a large part of AAJUDE Club's clients will come from the organization's waiting list. In fact, that was the primary factor that led to this innovative idea in the first place. The promotion strategy will target three distinct segments: potential partners, the families of individuals with ID and CP, and donors.

As the new center's personnel management strategy will revolve around the recruitment of staff members from other organizations that wish to assist and become involved in this initiative, it is recommended that AAJUDE investigate the waiting list problem among its competitors. Organizations that were previously benchmarked, such as APPACDM and Rumo à Vida, are likely to have a similar situation to that of AAJUDE. Consequently, AAJUDE may consider establishing collaborative arrangements with other CACIs and Residential Homes in the northern region of Portugal. This could facilitate a rotation and cycle of providing staff members and therapists during periods of low demand. However, these partnerships would also be advantageous in terms of promoting the new Community Center among other organizations' waiting lists. This would allow AAJUDE to gain more recognition, with the objective of increasing awareness of the AAJUDE Club and demonstrating that there are alternative options available. Furthermore, it would facilitate the development of a robust network of potential clients, in the event that the anticipated growth in membership does not materialize.

In addition, AAJUDE should build a strong social media and online strategy, as it is a very strong source of recognition and stream of connecting to potential clients. This strategy will focus on the families of people with ID or CP, even before they are AAJUDE's clients. They are the ones who want to understand and accompany the day-to-day in the Community Center, as a way of feeling safer while leaving their loved one there. Also, this strategy will focus on potential donors, such as companies and even people who are interested and have the means to help. These people will want to gain a clear vision of AAJUDE Club and what it is, and they will want to feel present and connected with the organization's action and events. Given these targets, it is essential to create spaces where they can easily discover what the Community Center is all about, settle their doubts, get closer to the organization's people and activities, and see the outcome of their potential donation.

With regard to AAJUDE's social media, it is recommended that they create a more intuitive, eye-catching and interesting page on both Instagram and Facebook. This would enable them to improve their storytelling about their daily activities and, it is hoped, to build more engagement with the families of current and potential clients, as well as potential donors. With regard to the AAJUDE Club, given that it represents a distinct entity from AAJUDE's current value proposition, it is recommended that new social media pages be created with a focus on the Community Center. In the contemporary era, social media has become a primary research tool for individuals seeking information on a wide range of topics. It is therefore recommended that, in addition to the fact that the caregivers of future clients will wish to see everything that the Community Center does on a day-to-day basis, potential donors will also wish to feel closer to the cause they are helping and to see the results of their actions.

It is therefore recommended that AAJUDE posts a photograph on a weekly basis, with approximately three stories being shared on a weekly basis to enhance network visibility. Since group activities, and especially dance, represent such a large part of the Community Center's revenues, it would be advantageous to focus these posts on them. For instance, AAJUDE could post video stories of the beneficiaries during a dance class or a drama class. Furthermore, the inaugural post should be a promotional video of the new center, showcasing all of the rooms, the staff, and the activities and therapies offered, in order to create a robust initial impression (this video should also be disseminated on the website and YouTube). Finally, the team should post monthly reels, each featuring a different staff member or specialist. These videos should explain the process, benefits, and answer any common questions regarding the sessions. In conclusion, the content of the Club should be consistent across all social media platforms in order to maintain clarity and coherence.

Conversely, these advantages extend to AAJUDE's website. Upon examination of AAJUDE's website in comparison to other similar websites, it becomes evident that there is considerable scope for improvement. A website must be intuitive, informative, and updated to reflect current events in order to gain greater recognition and attract future donors. It is therefore recommended that AAJUDE should first of all create a section on the website which clearly indicates the services currently being provided and those which are planned for the future. This should be done by separating the information about the CACIs and Residential Homes from that about the new Community Center. It is crucial to create a distinct area on the website for the institution's new project, the Community Center, as it represents a distinct concept. Secondly, it would be beneficial to include a more explicit button to access the contacts page, as well as a more straightforward 'path' to donations, which could be enhanced with additional options such as a simple MB Way option. In order to facilitate a more pleasant and comfortable experience for donors, the donation process should be streamlined. Thirdly, AAJUDE must update the website's calendar and gallery section with greater frequency, as the current lack of updates makes it difficult for visitors to ascertain the activities and events taking place at their centers. Finally, it is recommended that AAJUDE conduct a professional photographic shoot with some beneficiaries in order to enhance the visual appeal of the homepage. This would help to create a more authentic, appealing, and visually appealing homepage.

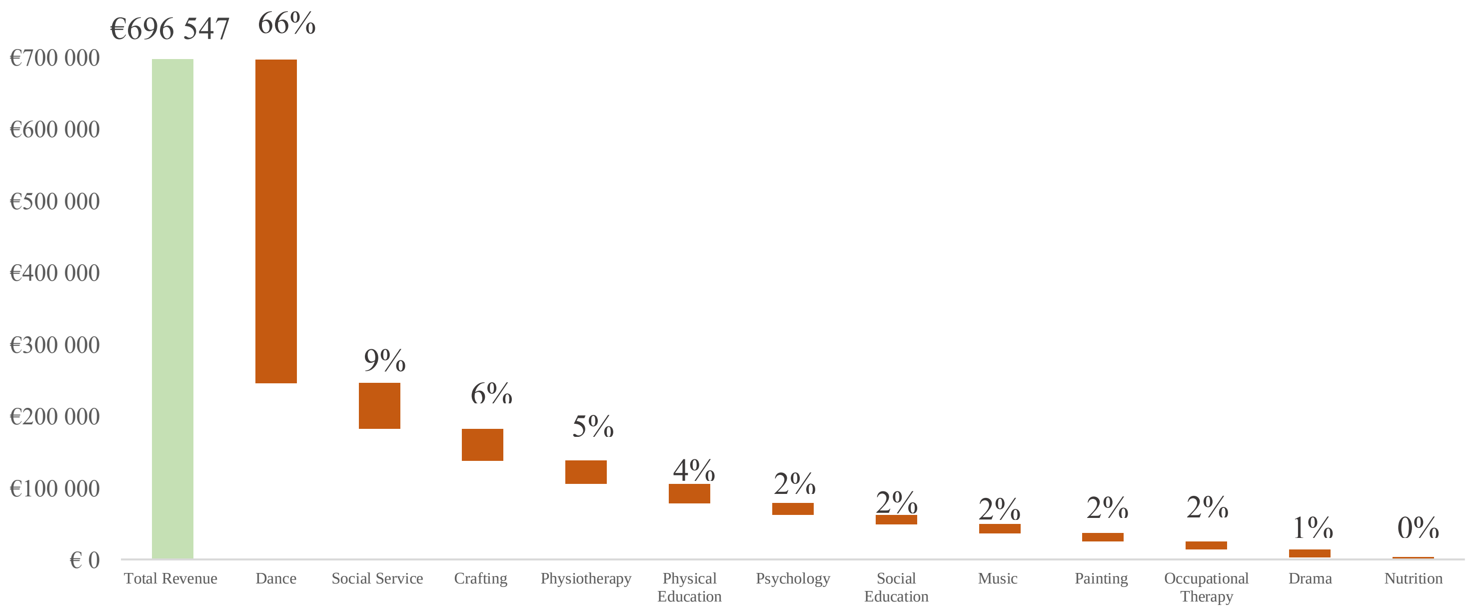
5. Financial Analysis

5.1 Financial Aspects of the Community Center

The aim of AAJUDE Club's cost and revenue structure is to maintain high standards of service quality while ensuring financial stability. The main cost drivers are staff, utilities and therapy-related equipment, all of which are required for both individual and group therapy sessions. Group activities and individual therapies are the main sources of income. This arrangement allows the club to meet its expenses while continuing to provide an excellent service. In the following paragraphs, the Club's cost and income structure is examined in more detail, providing important details and insights.

An in-depth analysis of the revenue streams and grants allocated to the construction and day-to-day operation of the new AAJUDE Club Community Center is critical to understanding the financial underpinnings that will support its development and sustainability. As mentioned above, the AAJUDE center will provide 160 hours of individual therapies and 80 hours of group activities. These hours have been allocated according to several criteria that have been previously analyzed. Furthermore, as mentioned above, the Portuguese household income is divided into 5 levels and these levels will be used to calculate the club's income. In addition, as there are 5 different prices for the same service, an average price per parcel was calculated and used in the calculations. The average price per package was calculated on the assumption that the percentage of customers from each income level in the AAJUDE Club would reflect the percentage of households in Portugal that fall into that income level. (12% from level A, 36% from level B, 15% from level C, 14% from level D and finally 23% from level E). This basically means that the price per income level was multiplied by the percentage of clients coming from that level, and finally summed up to arrive at the average package price per therapy. This rule has been applied to each therapy and activity, so in the end we have an average price per therapy pack and the total number of packs we can sell per month, which gives us the monthly revenue per therapy and therefore the annual revenue per therapy. The graph below shows the total annual revenue when we reach full capacity, and the percentage of total revenue that each therapy/activity represents.

Figure 14- Revenue per Activity /Therapy



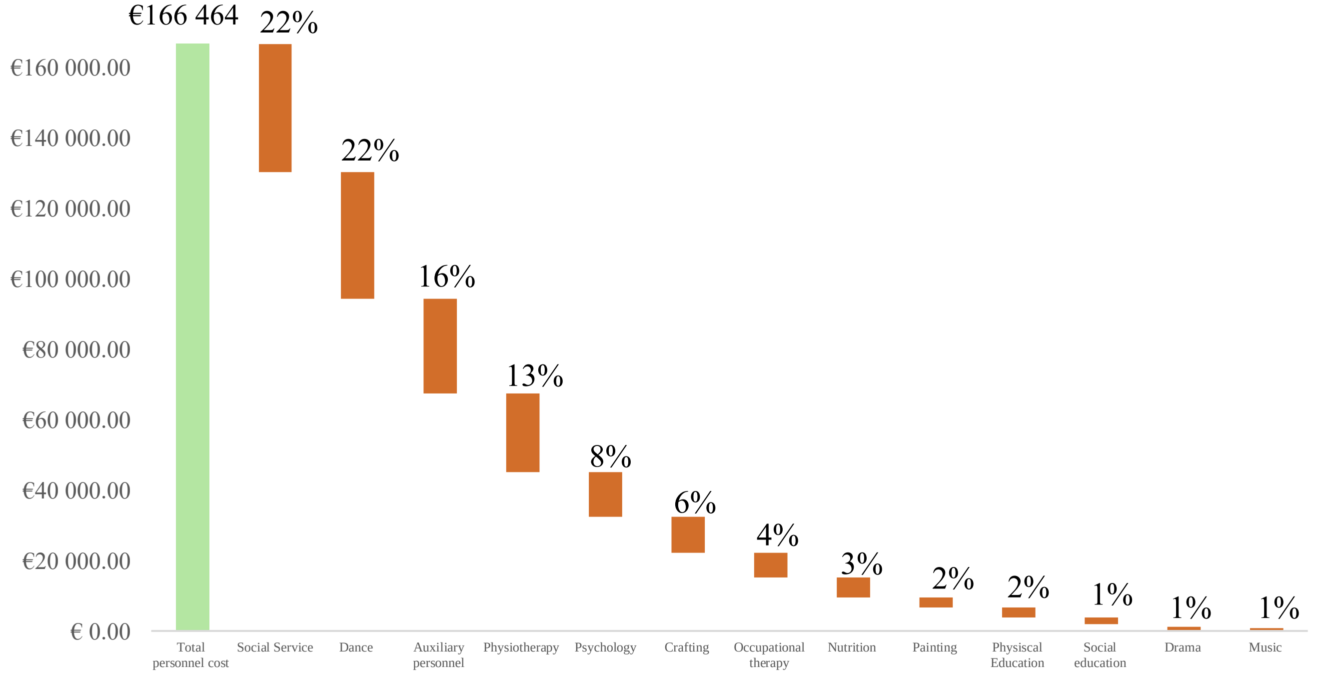
Legend: The majority of revenue is generated by dance, which accounts for the greatest number of sessions in the community center schedule. Conversely, the least revenue is generated by nutrition therapy.

In order to guarantee the long-term sustainability of the AAJUDE CLUB, it is essential to conduct a comprehensive examination of its principal cost drivers. This analysis is focused on three core areas: personnel, raw materials, and utilities, which collectively contribute significantly to the club's operational expenses. The term "personnel costs" encompasses salaries and benefits. The term "raw materials" refers to the supplies and resources needed for various club activities and events. Utilities, which encompass electricity, water, and other essential services, also represent a substantial portion of the budget.

The following section will present a detailed analysis of the aforementioned costs:

The largest contributor to the cost structure of AAJUDE is personnel costs. With a total of 240 hours of activities and therapies per week, there are a total of 12 different types of specialists who will be working to provide these services to the clients at AAJUDE Club. In addition to the aforementioned specialists, the Club will also be staffed by auxiliary personnel, whose role will be to provide any necessary assistance to both clients and technicians. As previously stated, there are 160 hours of individual therapies, divided between six different therapies. The total cost of these therapies is €6,958 per month and €97,415 per annum. A total of 80 hours of group activities will be conducted each week, with the total monthly cost for these activities amounting to €3,012 and the total annual cost reaching €42,169. Finally, the cost of auxiliary personnel is €8 per hour, equating to €1,920 per month and €26,880 per annum. The values presented were calculated using the cost benchmark per therapy per hour. The graph below illustrates the annual total personnel cost (€116, 464) and the percentage of total personnel costs represented by each therapy/activity.

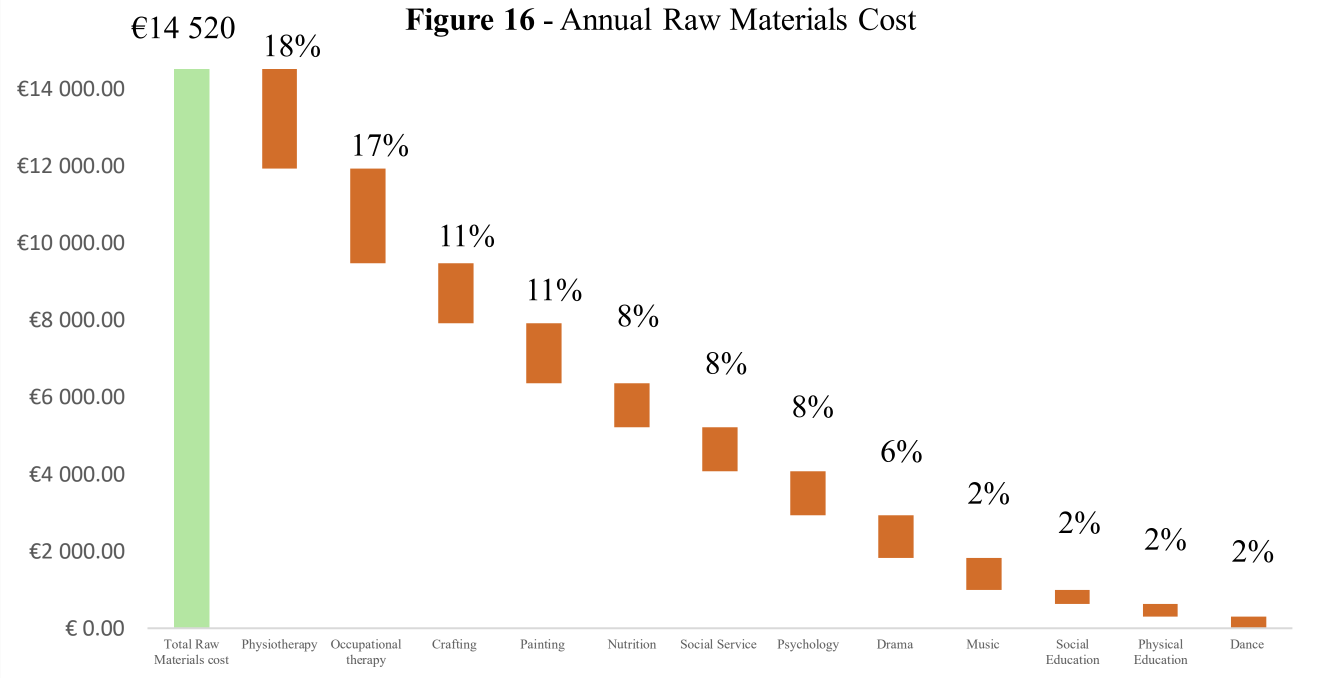
Figure 15 - Annual Personnel Costs



Legend: The Social Service is the therapy represents the highest personnel cost at 22%, while the therapy with the lowest personnel costs is Music.

The costs of raw materials for our community center encompass the expenses related to the procurement of supplies, equipment, and other resources necessary to support our various programs, activities, and day-to-day operations. These costs vary depending on the therapy and activity, with some having higher raw materials costs and others having almost none. It is essential to outline these costs individually, as they are a contributing factor to the sustainability of AAJUDE CLUB. To ensure that each activity and therapy had accurate estimations, comprehensive research was conducted on the average monthly expense for raw materials for each activity. The graph below illustrates the annual total raw materials cost and the percentage of total personnel costs represented by each therapy/activity.

Figure 16 - Annual Raw Materials Cost



Legend: Physiotherapy is the therapy with the highest raw materials costs representing 18%, whereas Dance, is the activity with the lowest raw material costs.

The final component of the community center's cost structure is utility cost. To calculate this cost, AAJUDE's current utility costs were used as a base. According to the profit and loss account of 2023, AAJUDE has utility costs of €176,931. This facility has a total of 2,000 squared meters. The new community center has a total area of 385 square meters. Using

AAJUDE's current utility costs as a base, the estimated annual cost for AAJUDE's new Community Center will be €34,059.

Following an analysis of the main costs and revenues, it is important to examine the infrastructure and equipment investment and depreciations costs and how it will be funded and financed. It is also necessary to understand the type of interest the AAJUDE organization pays.

The construction of the AAJUDE Club represents a substantial financial investment, with the long-term costs of depreciation and amortization playing a critical role in the ongoing budgetary considerations for the facility. As previously stated, the new community center has a total area of 385 square meters. The construction will utilize the existing foundation of the building as a base. To ensure accurate calculations, the team contacted the CEO of a renowned Portuguese construction company, IceBlock, for an interview. The CEO provided the team with an estimated cost of €1,500 per square meter for the construction of the new Community Center. The total cost of the project, calculated at €577,500, is based on the assumption that the new Community Center will occupy a total area of 385 square meters. AAJUDE also consulted with the team and estimated a cost of €600,000, which was used as a conservative estimate for the construction cost of the new Community Center. Finally, an additional €29,926 was invested in equipment, which was provided to the team. When added to the building cost, this results in a total investment cost of €629,926. With regard to depreciation, the useful lifetime of the building is estimated to be 50 years (PWC, 2022), and it can be depreciated using a straight-line method over the course of this period. Consequently, depreciation will be 2% per annum, equating to €12,000 per annum.

As previously stated, it is crucial to highlight that AAJUDE will receive an equity injection of €181,000 from the BPI Capacitar LP Fund for this project. This implies that of the total investment of €629,926, 29% will be funded by BPI, while the remaining 71% (€448,926) will be provided as a loan. The terms of this loan are advantageous for AAJUDE, given its status as a non-profit organization. In such instances, banks tend to provide these institutions with smaller bank spreads, which was the case for AAJUDE. The loan will have a term of 10 years, with Euribor 6 as the base and a 0.75% bank spread. Upon calculation, the two values combined result in an annual rate of 4.57% or a 0.38% monthly rate. The total amount payable on this loan, calculated in accordance with the aforementioned conditions, is €56 013,13 (The appendix 43 illustrates the monthly instalment and interest).

It is crucial to comprehend the rationale behind AAJUDE's tax-exempt status. In Portugal, IPSS institutions are exempt from paying corporate income tax (IRC). This exemption applies to entities that may be defined as public utility administrative entities, private charitable institutions, and other specific entities that predominantly pursue certain charitable, care, welfare, social solidarity, and environmental protection activities. Moreover, the exemption does not extend to corporate income derived from commercial or industrial activities undertaken by these entities (PWC 2024).

The availability of comprehensive data on revenue, expenditure, depreciation, amortization, interest and funds enables the annual profit and loss account of AAJUDE Club to be analyzed (Appendix 29).

An analysis of the Profit and Loss (P&L) statement for the AAJUDE CLUB Community Center reveals significant insights into its financial health and sustainability, particularly when comparing two scenarios: one with the human resources subsidy from “Câmara de Matosinhos”, “VEM” and “AAJUDE” (Scenario A) and one without. A scenario was developed for the Profit and Loss (P&L) statement that excludes the human resources subsidy from “Câmara de Matosinhos”, “VEM” and “AAJUDE” allowing for an assessment of the Community Center’s ability to remain sustainable in the absence of this external support (Scenario B).

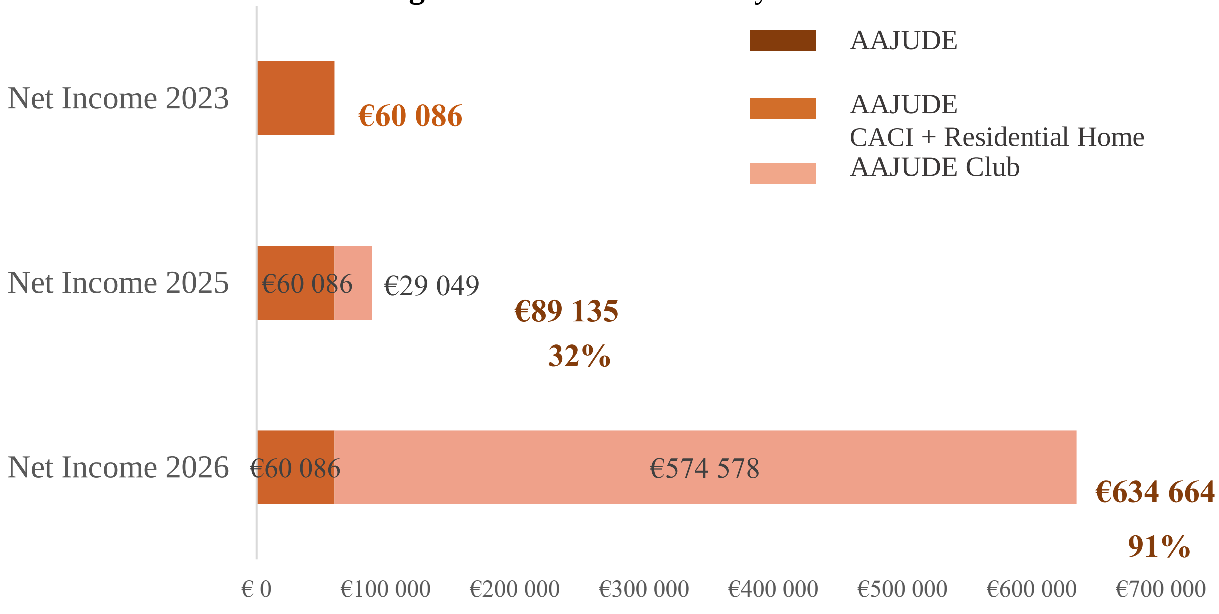
In Scenario A, the AAJUDE club exhibits robust financial sustainability, operating at 95% capacity. This is based on the assumption that 5% represents the potential for errors and absences. For 2025, the sales amount was calculated based on the fact that the Community Center will start operations with a pilot group of 30 individuals and will grow until it reaches 95% of capacity in the last month of the year. For the year 2026, it was assumed that the Community Center would operate at 95% capacity throughout the year. For the year 2025, the estimated net income is €29 049, while for the year 2026, the net income increased to €574,578. The net profit margin ratio of 21% for 2025 and 83% for 2026 indicates that the club is not only generating considerable revenue but also maintaining a substantial portion of that revenue as profit after all costs, interest, and taxes. These findings suggest that AAJUDE is on a solid financial footing and poised for continued success (Appendix 29).

In Scenario B, the AAJUDE club is still operating at 95% capacity, but without subsidies from the City Council, VEM and AAJUDE Technicians. For the year 2025, the estimated net income is -€132 039, while for the year 2026, the net income increased to €413,490. The net profit margin ratio of 59% for 2026 indicates that the club is still generating considerable revenue, with a substantial portion of that revenue retained as profit after reaching 95% capacity and after the deduction of all costs, interest, and taxes (Appendix 30).

In conclusion, both scenarios demonstrate that the AAJUDE club operates with robust financial sustainability, exhibiting strong profit margins even in the absence of subsidies. This impressive performance is in part attributable to the pricing model adopted by the club, indicating that it can remain resilient and profitable under varying financial conditions.

It is crucial to comprehend the implications of the AAJUDE Club on the institution as a whole, including the financial impact of the new center. In 2022, the net income of AAJUDE was €159,248. In 2023, AAJUDE's net income declined significantly, reaching €60,086. A review of the profit and loss account reveals that this was primarily due to an increase in personnel costs of 21%, which had a significant impact on the overall net income level in 2023. Consequently, it is challenging to ascertain a growth rate for AAJUDE given the inconsistency in the values presented. Therefore, the net income of 2023 will be utilized for the analysis presented here. In the inaugural year of AAJUDE Club, the net income forecast is €29 049. Consequently, if AAJUDE's net income remains constant, AAJUDE Club will represent 32% of AAJUDE's net income. This evidence demonstrates the pivotal role that AAJUDE Club will play in the long-term sustainability of AAJUDE. Finally, in 2026, after the club has been operational for one year, with 95% capacity, it is forecast that AAJUDE Clube will generate a net income of €574,578. This, once again, if AAJUDE's net income remains constant, means that AAJUDE Club will represent 91% of AAJUDE's net income. In conclusion, the AAJUDE Club will become a cornerstone of the AAJUDE organization, providing the capacity for AAJUDE to become self-sustaining without relying on government subsidies. Figure 17, presented below, provides a visual demonstration of this impact.

Figure 17 - Net Income Analysis



Legend: By 2026, the AAJUDE Club is projected to account for 91% of AAJUDE's net income, thereby substantiating the pivotal role of the Club in the long-term prosperity of AAJUDE.

5.2 Breakeven Point of the Community Center

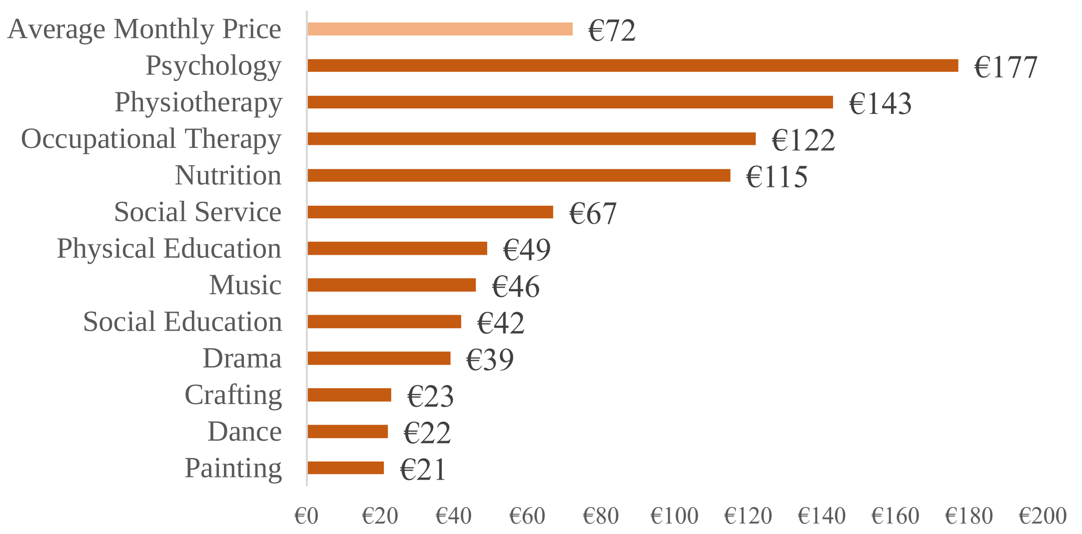
Having analyzed the Profit and Loss (P&L) statement, let's now examine the break-even point to understand the sales volume needed to cover the company's costs. AAJUDE is seeking to ascertain the sustainability of the proposed new Community Center. In order to gain insight into the project's financial viability, it is also important to determine the minimum number of activity packages that AAJUDE would need to sell each month in order to achieve a profit. Consequently, a break-even analysis was conducted.

In business, a break-even unit is defined as the minimum number of products or services a company needs to sell in order to cover its fixed costs. In contrast, break-even revenue refers to the minimum amount of sales a company must generate to cover the fixed costs of production. The fixed costs of the new Community Center include utilities, labor and depreciation and amortization costs, while the variable costs of the activities are the raw materials. For this specific case, the break-even analysis was conducted on a monthly basis, given that the activities are sold on monthly packages of four sessions. In order to determine the number of units that AAJUDE must sell per month, it was assumed that a unit is a monthly package of four sessions. Given that the Community Center will offer 12 different activities and therapies at varying prices, it was necessary to calculate an average price for each therapy monthly package using the different income level prices in order to obtain an average price for an average monthly package. To illustrate, each therapy/activity monthly package is available at five different prices according to the different income levels. For example, for occupational therapy, income level A pays 96 €, income level B pays 109 €, income level C pays 122 €, income level D pays 135 €, and income level E pays 148 €. In consideration of the proportion of households in each income level (12% in income level A, 36% in income level B, 15% in income level C, 14% in income level D, 23% in income level E), the average price for a monthly package of occupational therapy was calculated to be 122€. This process was repeated for all therapies in order to ascertain an average price for the monthly package of all therapies.

Subsequently, in order to ascertain a single average price, the capacity weight of each therapy/activity was employed to calculate a more accurate average price. It is important to note that the monthly weight of each therapy/activity represents the total monthly capacity of clients per therapy/activity. The proportion of the monthly client capacity represented by Physiotherapy, Psychology, Occupational Therapy, Nutrition is 1% each, while Drama and Music represent 2% each of the monthly client capacity. Painting, Physical Education and

Social Education represent 3% of the monthly client capacity, Social Service represents 6% of the monthly client capacity, Crafting represents 12% of the monthly client capacity, and Dance represents 66% of the monthly clients capacity.

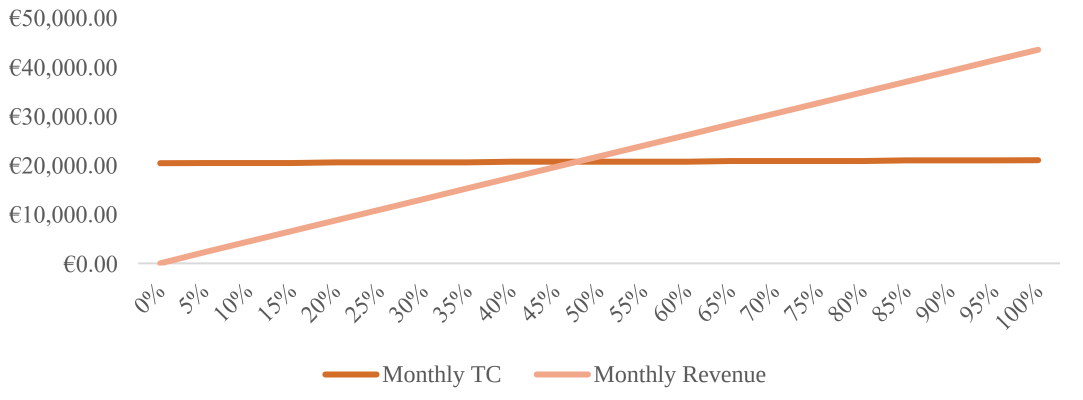
Figure 18 - Average Monthly Package Price per therapy/activity



Legend: A range of monthly prices from €177 to €21 euros results in an average price of €72, which was previously utilised for the analysis.

Assuming an average package price of €30 and an average raw material variable cost of €0.42, and a total monthly fixed cost of €20 396, which €2,838 corresponds to the monthly utility cost, €11,890 to the monthly labor costs, €1,000 to monthly depreciation and €4 667 to monthly amorization. According to the aforementioned values, AAJUDE must sell 690 packages per month in order to achieve equilibrium, resulting in a monthly break-even revenue of 20 686€. In order to ascertain the break-even scenario, a profit and loss account was also calculated and is presented in the appendix.

Figure 19 - Break-even Point



Legend: The break-even point for the AAJUDE Club is 690 packages or €20,686. Upon reaching this threshold is reached, the Club will commence generating profits.

Following the completion of the break-even analysis, a series of scenarios were devised in which the percentage of households varied across different income levels. This was done in order to gain an understanding of the variations in the average price that would consequently impact the break-even units and revenues. From the scenarios generated, six scenarios were selected. Scenario 1 represents the original break-even scenario.

Scenario 2 is a scenario where the percentage of income level A increases until 20%, while income level E decreases to 15%. This alters the average price to 27€, the break-even units to 758, and the break-even revenue to 20,715€ (Appendix 33).

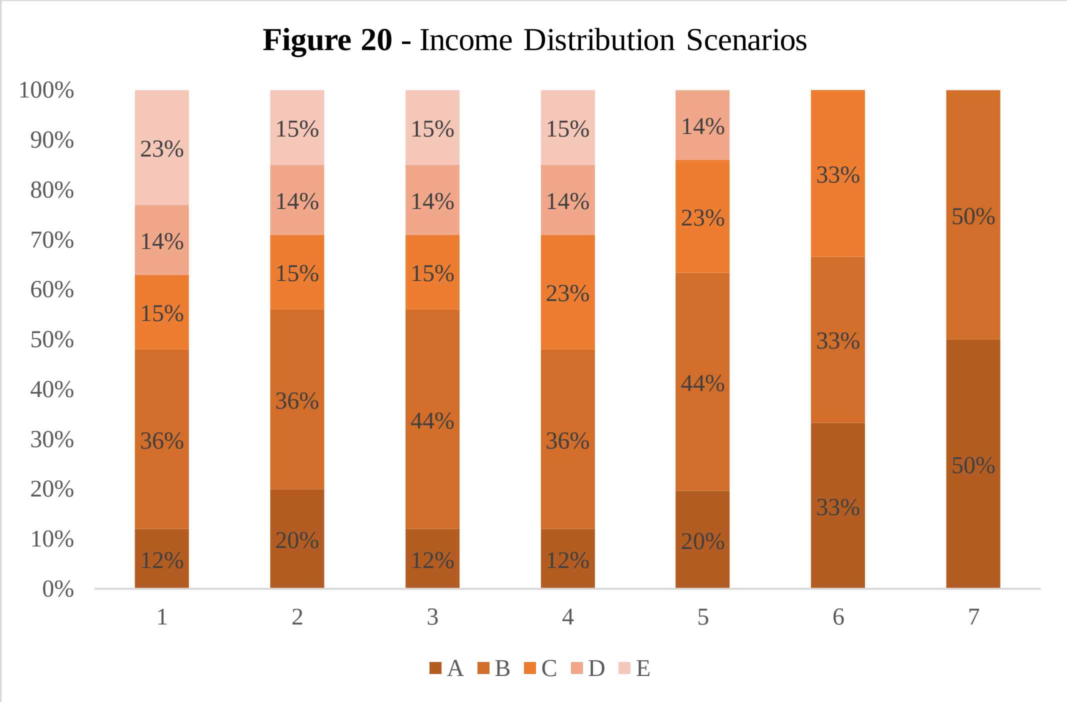
In scenario 3, the percentage of income level B is increased until it reaches 44%, while income level E is decreased to 15% (Appendix 34). This alters the average price to 28€, the break-even units to 736 and the break-even revenue to 20,705€. In Scenario 4, the percentage of income level C is increased until it reaches 23%, while income level E is decreased to 15%. This alters the average price to 29€, the break-even units to 715 and the break-even revenue to 20,697€. (Appendix 35). Scenario 5 is a scenario that combines the three preceding scenarios. In this scenario, the percentage of income level A increases to 20%, income level B to 44% and income level C increases until 23%, while income level E decreases to 0%. This alters the average price to 24€, the break-even units to 880 and the break-even revenue to 20 766€ (Appendix 36).

Scenario 6 and 7 represent more extreme scenarios. In scenario 6, the percentage of income level A, B and C is 33.3%, while income levels D and E decrease to 0%. This alters the average price to 20€, and the break-even units to 1023 and break-even revenue to 20 826€ (Appendix 37).

Finally, in scenario 7, the percentage of income level A, B and C are 50% each, resulting in an average price of 15€, a break-even unit of 1362 and a break-even revenue of 20,969€ (Appendix 38).

The results indicate that alterations to the income distribution can have a considerable impact on the financial viability of the project. Scenarios 2, 3, and 4 indicate that a different distribution of weights in the three lower income levels could result in a small impact in lowering the average price, which in turn would necessitate a small greater number of packages sold to achieve equilibrium. Scenarios 5, 6 and 7 illustrate that a highly skewed income level distribution could result in a significantly lower average price, which would necessitate a higher number of packages sold to achieve equilibrium. In the most extreme scenario considered (7), where there is no distribution of income levels C, D and E, AAJUDE is able to cover costs when reaching 94% of its total capacity.

The scenarios presented in the text demonstrate the significance of considering the income level distribution when evaluating the financial viability of a project such as AAJUDE's new Community Centre. This is because alterations in the income level distribution can have a considerable impact on the break-even units and revenues.



Legend: A comprehensive analysis of seven scenarios has been conducted, with the most adverse scenario representing an equal distribution of clients from the two lowest income levels (A and B).

Figure 21 – Break-even Analysis Scenarios

Scenarios	Average Price	Break - even Units	Break - even Revenue	Total Capacity
1	€30	690	€20 686	48%
2	€27	758	€20 715	52%
3	€28	736	€20 705	51%
4	€29	715	€20 697	49%
5	€24	880	€20 766	61%
6	€20	1023	€20 826	71%
7	€15	1363	€20 969	94%

Legend: A sensitivity scenario analysis indicates that in the most unfavourable circumstances, AAJUDE Club will have to reach a capacity of 94% to achieve a break-even point.

5.3 Progression of the New Community Center Over Time

After determining the break-even point, the next step is to analyze the cash flow forecast to assess the Community Center's liquidity and its ability to support long-term growth.

A cash flow statement is a financial report that shows the inflows and outflows of cash in a business during a specific period. The purpose of a cash flow statement is to provide a more detailed picture of what happened to a business's cash during the reporting period. A typical cash flow statement comprises three sections: cash flow from operating activities, cash flow from investing activities, and cash flow from financing activities. Cash flow from operating activities provides insight into the cash generated by a company from its operational activities. Cash flow from investing activities details cash flows related to the buying and selling of long-term assets, such as facilities and equipment. Cash flow from financing activities examines cash inflows and outflows related to financing activities, including cash flows from both debt and equity financing (Appendix 39).

In the Community Center, the services and activities are priced on a monthly package basis, which necessitated the calculation of the cash flow statement on a monthly basis. The first period of the cash flow statement refers to the investment period, during which there is no cash entering or leaving from operating activities; only cash is entering or leaving for investment and financial activities.

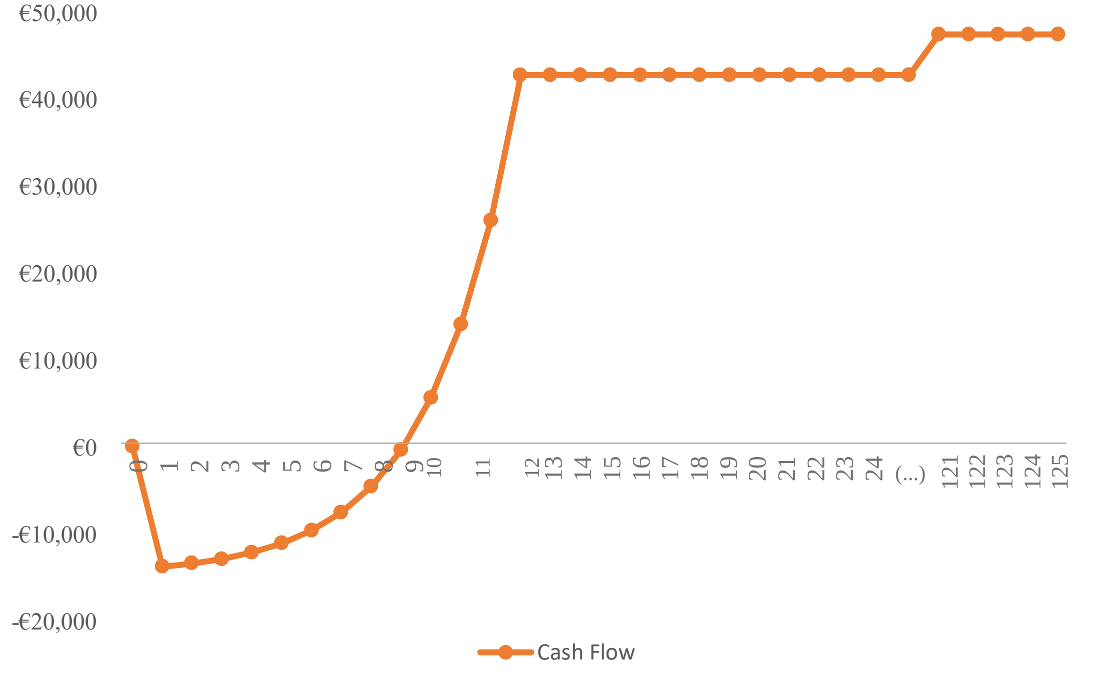
The estimated cost of the infrastructure of the Community Center is approximately €600,000, while the projected investment in equipment for various activities and therapies is approximately €29,926. Consequently, the total amount of cash that will be spent on investment activities is estimated to be approximately €629,926. This figure was considered the total amount of cash outflow from investment activities. In order to finance this investment, the BPI Capacitar will provide a fund of €181,000, while AAJUDE will request a loan for €448,926. Both values were considered as a cash inflow for financing activities.

The Community Center is scheduled to commence operations in the initial month with a pilot group of 30 individuals, each of whom will be enrolled in a monthly package at an average price of 30€. Consequently, the center will have generated a value of 1,274€ in the first operating month. With regard to cash outflows from operating activities, it should be noted that there are raw materials costs that vary according to the number of packages sold. In the first month, these costs will amount to 13€. Fixed labor costs per month will be 7,194€. Finally, utility costs will be 2,838€. Furthermore, the depreciation of the building represents an operating cash outflow of 1,000€ per month, while the interest expenses associated with the loan amount to 1,710€ in the first month. It should be noted that there are no further investment cash inflows or outflows. With regard to financing activities, a loan installment is required to repay the debt, with the first month's repayment amounting to 2,958€. For the initial year, the total free cash flow is negative at -13,813€.

The estimated demand and waiting list for Community Center activities indicate that, by the end of the first operating year, the Community Center will have reached a capacity of 95%. This figure is not 100% due to the inclusion of some errors or absences. Consequently, it is estimated that the number of packages sold each month will increase at a rate of 41.61% in order to reach the target of 1378 packages, which corresponds to 95% of the capacity at the end of the year. It is also anticipated that sales revenues will increase in line with the number of packages sold, as well as the raw materials costs. Fixed labor and utility costs, and depreciation value will remain constant throughout the period. It should be noted that interest expenses and loan installments will vary over the course of the year (Appendix 43). In the tenth month, the company will begin to generate a positive cash flow, which will increase to 26,034€ in the twelfth month, when the Community Center reaches its estimated maximum capacity (95%) of clients. As the loan is considered to be repayable in 10 years, until the community repays the debt, the free cash flow will remain at the same value as the 12-month period of the first year. After 10 years, once the debt has been repaid, the monthly free cash flow will increase to 47,435€ and will remain at this level indefinitely.

To illustrate the cash flow statement, an s-curve was computed, which is a mathematical graph that shows the progress of a project over time. Its name derives from its "S" shape. The s-curve depicts the evolution of cash flows over time, with the time being measured in months. By examining the graph, it can be observed that the initial month corresponds to the investment period, during which the cash flow is negative. As the operations commence, the cash flow begins to grow, reaching positive values by the seventh month. By the 12th month of the first year, it is estimated that the maximum capacity of clients (95%) will be reached, which corresponds to the maximum monthly revenue possible. It can be reasonably assumed that the cash flows will stabilize at the value corresponding to the first year last month for 10 years, which is the duration of a loan repayment. Following this period, the loan will have been repaid, and the revenue generated each month will continue to increase and stabilize indefinitely.

Figure 22 - S-Curve



Legend: This figure illustrates the exponential growth observed from period 1 until 10, at which point cash flow becomes positive. Thereafter, the growth continues until period 12, at which point the Club reaches 95% capacity. At this point, the free cash flows stabilize until the loan is fully repaid.

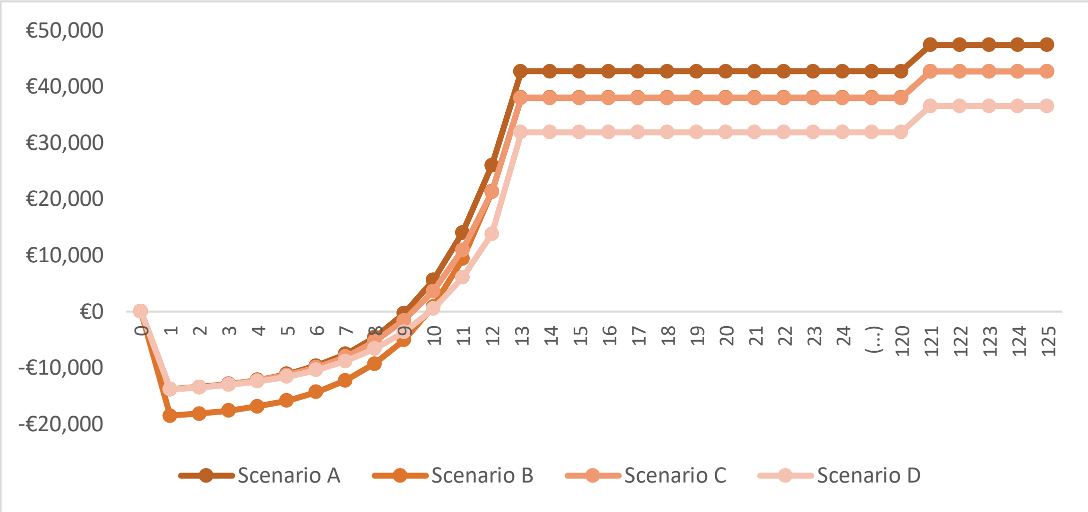
In order to gain further insight into the financial viability of the project, we conducted cash flow statements for some of the scenarios created.

Scenario B (Appendix 40) which assumes that the Community Center has no subsidies and reaches 95% capacity, demonstrated a positive free cash flow in month 10 (€917). Subsequently, there would be a gradual increase until month 12, at which point the figure would stabilize at €38,071 until the end of the loan repayment period. At the eleventh year, the free cash flow would increase to €42,738.

Scenario C (Appendix 41) which assumes that dance classes are only filled to 50% and therefore overall capacity is 84%, demonstrated a positive free cash flow also in month 10 (€3,668). Subsequently, there would be a gradual increase until month 12, at which point the figure would stabilize at €38,043 until the end of the loan repayment period. At the eleventh year, the free cash flow would increase to €42,710. There is a clear similarity between scenario B and C.

Scenario D (Appendix 42) which assumes that dance classes are only filled to 33% and therefore overall capacity is 67%, is our worst case scenario but also the least probable. The free cash flow turns positive also in month 10 (€472). Subsequently, there would be a gradual increase until month 12, at which point the figure would stabilize at €31,932 until the end of the loan repayment period. At the eleventh year, the free cash flow would increase to €36,599. Given this analysis, it is clear that the risk associated with over-estimating the attendance rate in dance classes, the most impactful activity for the AAJUDE Club's revenues, would not create that much damage. In all three scenarios, the free cash flow would turn positive in month ten.

Figure 23 – S-Curve of the four scenarios



Legend: The three scenarios presented indicate that AAJUDE Club has the potential for long-term financial sustainability, even in the face of significant challenges or in the absence of subsidies.

5.4 AAJUDE's Ability to Repay Financing

In order to execute the Community Center project there is a need of an initial investment of 629 926€, approximately €600,000 correspond to the infrastructure while the projected investment in equipment for various activities and therapies is approximately €29,926.

The BPI Capacitar will provide 181,000 euros in funding, while AAJUDE will request a loan for the remaining 448,926 euros.

It is anticipated that revenue will begin to be generated from the moment of the commencement of operations of the Community Center. It is assumed that AAJUDE will commence operations with a group pilot of 30 individuals, which equates to 30 monthly packages. Furthermore, it is assumed that the number of individuals will grow at a monthly constant rate of 42% in order to reach the full capacity at the end of the year. The assumption of a constant monthly growth rate of 41.61% provides a basis for forecasting the Community Center 's client capacity. However, it is crucial to recognise the associated risks. The assumption of a single growth trajectory fails to account for the potential variability in demand and market conditions. It would be prudent to investigate the potential risks associated with higher growth rate scenarios, given the existence of a waiting list of clients eager to access the center's services. Rapid growth necessitates the expansion of operations in a timely manner, which may result in the inadequate allocation of resources, infrastructure, and staffing. Furthermore, maintaining consistent quality standards becomes increasingly challenging as the organization expands, potentially compromising the quality of services delivered. Finally, if the organization fails to meet the expectations of clients due to rapid growth, it may result in a deterioration of its reputation and a loss of trust among stakeholders. Negative publicity or reviews can dissuade potential clients and impede future growth prospects.

In the light of the before mentioned assumptions, the base case scenario (scenario A) predicts the following cumulative monthly operating cash flow: In the twenty-second month, which corresponds one year and ten months, the cumulative operating cash flow will be €455,523. This sum is sufficient to repay the loan, indicating that the payback period is one year and ten months. It is also of great importance to determine the payback period for the most extreme scenario, namely scenario D, where the cumulative operating cash flow in the twenty-sixth month, which corresponds to two years and two months, is estimated to be €454 329. This sum is sufficient to repay the loan, indicating that the payback period is two years and two months for scenario D (Appendix 44).

However, in order to guarantee a certain amount of capital in the Community Center, the loan was requested with a repayment period of 10 years. Consequently, the loan installment will fluctuate from €2,958 to €4,650 each month, while the interest expenses will vary between €1,710 and €18. Please refer to Appendix 43 for further details.

6. Final Recommendations and Conclusions

Following comprehensive research and analysis of the viability of the proposed new Community Center, this final chapter will present our principal recommendations, together with a SWOT analysis of AAJUDE's project and a conclusion to our thesis.

Recommendations

Throughout this project we have made a number of changes, suggestions and recommendations that we feel would be valuable to the Community Centre project that has been presented to us.

Firstly, we think it would be a great opportunity to include dance classes in the Community Center program. Market research clearly shows that many competitors offer this activity and that people with ID benefit greatly from it. Also, in our new post-covid technology world, and inspired by the organization Pais 21, we believe that many potential clients would like the option of having online sessions (starting with dance classes and assessing the client's response to them). This innovative approach will allow the center to serve a much larger number of beneficiaries who may have transportation problems or live too far away, without taking up the capacity of the only multipurpose room available.

Secondly, given the number of technicians the Community Center will have and the large size of the market size calculated, we strongly recommended that the multi-purpose room be divided. AAJUDE could install a movable 'wall' that could be strategically placed depending on the number of clients of the two activities, effectively doubling the capacity. We also decided to change the duration of the group activities to one hour, as this seemed reasonable when looking at the competition. This maximizes the use of resources and allows the center to serve more beneficiaries at the same time.

We also recommended and designed a tailored approach to the assessment and intake process, which will ultimately improve each client's experience. By conducting regular progress assessments, AAJUDE will ensure better outcomes, benefits and continuous improvement for each beneficiary.

We also strongly believe that AAJUDE would benefit from a multi-faceted promotion strategy to reach all its outreach channels. The center should collaborate with various institutions that also serve people with ID to promote their services on their waiting lists and potentially attract more technicians. However, after researching competitors' social media and websites, we suggested a new design for a robust social media presence that engages the community with informative content, testimonials and event updates, as well as improving the center's website by making it user-friendly, accessible and informative. Providing clear data on services, pricing and accessibility features is likely to attract a wider audience of potential clients and donors. In addition, based on the financial analysis conducted, we strongly recommend that AAJUDE focus on marketing and promoting group activities, as these are much more profitable and allow the organization to serve more people from lower income levels.

Finally, given the projected growth trajectory and cash flow projections, we recommend a 10-year loan term with an annual interest rate of 4.75%. This longer loan term allows for a more manageable repayment schedule, facilitating steady financial growth and future expansion plans.

SWOT Analysis

A SWOT is a framework designed for organizations to assess their status on different traits. Strengths and weaknesses are related to internal factors, while the external environment influences opportunities and threats (von Kodolitsch et al. 2015). A comprehensive examination helps firms determine the resources and competencies that may contribute to a competitive advantage (Gürel 2017). This concept was crucial during the diagnosis phase, aiding in a better understanding of the project context and concerns.

1. Strengths

The AAJUDE Community Center is unique in offering a range of services that are not only attractive, but compelling and engaging. Unlike its competitors, the center is a fully fledged one-stop shop, offering a holistic and tailored approach to thousands of clients. It offers great convenience to clients and their families, who can attend a few sessions a week and benefit from easy access to essential services without having to navigate a complicated network of providers. Given the lack of social response mentioned in this work project, the AAJUDE Club will offer a part-time solution to people with intellectual disabilities, as well as their careers, who struggle to give them the best life possible.

In addition, the center will benefit greatly from the depth and breadth of its qualified staff. With the participation of AAJUDE and its allies (VEM and the City Council), who will either provide technicians or the resources to do so, there is a wealth of expertise and know-how that AAJUDE can tap into. The delivery of these services will be optimized, resulting in high quality and positive outcomes for future beneficiaries.

Prices at the center are structured as income-based, meaning that they vary according to the five income brackets identified in this project. The center is designed to cater for different types of financial need, creating a space for large sections of the community. In this way, the club's social impact is enhanced by diversity, and it is possible to maintain AAJUDE's desire to help everyone who comes to them for help.

Strategic allocation of resources is another building block that guides the center’s excellence. Service based on maximum capacity allows for a successful allocation of staff and equipment. With this technique, AAJUDE can serve the largest client base, and the community can be reached and impacted even more. In short, the commitment of VEM and the vital contribution of the City of Matosinhos guarantee the long-term stability of the center. The result of the collaboration is the creation of a tripartite relationship, based on which there are further opportunities for referrals and outreach. However, this collaborative approach contributes to the improvement of both the center itself and the situation of the clients and careers it serves.

2. Weaknesses

The AAJUDE Community Center serves as a powerful platform, but the constraints it faces need to be addressed seriously if its success is to be sustained. Efforts have been made to increase capacity by dividing the auditorium and introducing online sessions, but demand can still outstrip the center's capacity. It is therefore crucial to continually look for ways to accommodate the growing number of people who want to use the center.

The second weakness and probably the biggest red flag is the fact that dance less demand than supply, although it represents 66% off the overall capacity of the Community Center. However, our team strongly believes that due to the scarcity of options for these families and their desperate situations, AAJUDE can always advise people who, for example, want to attend physical education but there is no vacancies, to try the dance classes.

The second problem is the tendency to overwork staff. Due to the different working hours of different technicians in different partner organizations and the scarcity of resources, it is crucial to create balanced schedules. This could lead to an inefficient process that ultimately affects the quality of service delivery and causes burnout. The AAJUDE Club must adopt a scheduling technique that aims to realize its full potential by preventing any possible random distribution of work among employees.

Financial security is another problem. This dependence on external funding, including a ten-year loan and the BPI Capacitar fund, entails certain risks. The diversity of funding sources is crucial for long-term financial stability. The center should start by seeking various grants, corporate partners and people who are willing to donate through its promotional strategy. Such collaboration will contribute more to the financial stability of the center and make it less dependent on current contracts.

Finally, the start-up period can also be a factor that temporarily affects the finances of the small business. The acquisition of the first customers for start-ups and the costs associated with this can lead to negative cash flow in this new business. This is the immediate and personal time when prudent cash flow management and accurate pricing are key. The center needs to find financial control to stay on a sustainable path and prevent the balance from shifting away from service delivery during the initial period.

3. Opportunities

The AAJUDE Community Center meets at the intersection of opportunity and possibility. By making effective use of its strengths, the place has a chance to overcome current limitations and be propelled into a future full of promise.

A pool of potential clients that exists right there, through a combination of a great lack of social response in Porto and AAJUDE's waiting list of 400 people, indicates a continuous demand. Selective outreach initiatives through our proposed promotional partnerships aimed at this category are capable of increasing the number of guests, with the concomitant effect of expanding the center’s geographical coverage. Going further, the center can also look for ways to strategically expand its service offering. By introducing new therapies or activities, carefully selected and benchmarked through the market research in this report, the center can broaden its client base and generate additional revenue streams. This will not only make the center more financially viable but will also make it more attractive to the whole spectrum of needs in the community.

Technological innovation through another channel allows progress to be enhanced. The addition of online therapy sessions can extend the center's reach beyond its geographical location. This could be a valuable step for people with intellectual disabilities who can't always leave their homes, as they would be able to attend sessions remotely. These online opportunities allow a center to expand its resources and serve a wider range of people.

4. <u>Threats</u>

Although the AAJUDE team has made some progress and has a bright future ahead of it, they need to be constantly aware of possible factors that could hinder the progress of the Community Center. An economic downturn has great potential. Reduced donations and the complexity of obtaining financial support can limit the center's ability to function properly. Developing a robust fundraising strategy and exploring different sources of funding are essential steps to mitigate this risk. The center should not only explore traditional sources of funding, but should also try to proactively seek out grants, corporate partnerships, and individual donations to build a strong financial base.

Staff turnover is another threat. Experienced technicians can be lost, which in turn can reduce the quality of service and disrupt relationships with clients. Staff training and development programs are key aspects of ensuring that technicians have the skills and knowledge required to deliver the highest standard of service and care. Also, creating a good working environment that allows staff to get well and not leave in large numbers can go a long way to improving staff retention. By responding to these concerns in a timely manner, AAJUDE is likely to build a solid foundation for success and meaningful contributions to the neighborhood.

Finally, although the Community Center is currently an innovative project, competition may arise. Increased competition may lead to difficulties in attracting clients and the desired level of funding. The institution will need to continue to focus on service excellence if its performance is to be sustained. It is essential to maintain a high level of creativity in the service portfolio to meet emerging client needs and market demands.

Conclusion

Given all that has been mentioned in this final chapter, it is clear that this innovative project is a testament to AAJUDE's commitment to improving the lives of people with ID or CP. By addressing the 79% gap in social response in Porto and using innovative approaches, the center has the potential to change the landscape of support for this community.

The center stands out for its variety of services tailored to the needs of potential clients. The AAJUDE Club, which focuses on interactional activities and therapeutic interventions offered in rooms, aims to provide a part-time solution and support to families struggling in Porto. In addition, the pricing structure based on income levels ensures that financial difficulties do not hinder the center's mission.

The financial analysis presented in this thesis assesses our main question: Will the Community Centre be financially viable and self-sustaining? The projected cash flows indicate that the center is expected to achieve a positive financial position within seven months of opening. The break-even analysis also demonstrates the operational efficiency of the center's business model, while the eleven-year financial projections highlight its sustainability.

However, the success of the Community Center depends on how it implements the recommendations outlined in this project. By following these strategies, AAJUDE can maximize the center's impact, reach its beneficiaries, and fulfil its intended purpose.

The AAJUDE Club offers hope to people with disabilities in Porto by creating a nurturing environment with services and opportunities for greater independence and inclusion. This center has the potential to change lives and provide relief to families who face challenges while waiting for help. As the Community Centre begins its journey, it carries with it the dreams and aspirations of a community for opportunities to thrive.

Under AAJUDE's leadership and with the united support of all parties, the center is on its way to becoming a focal point for change, paving the way for a better future for people with intellectual disabilities and cerebral palsy in the district of Porto.

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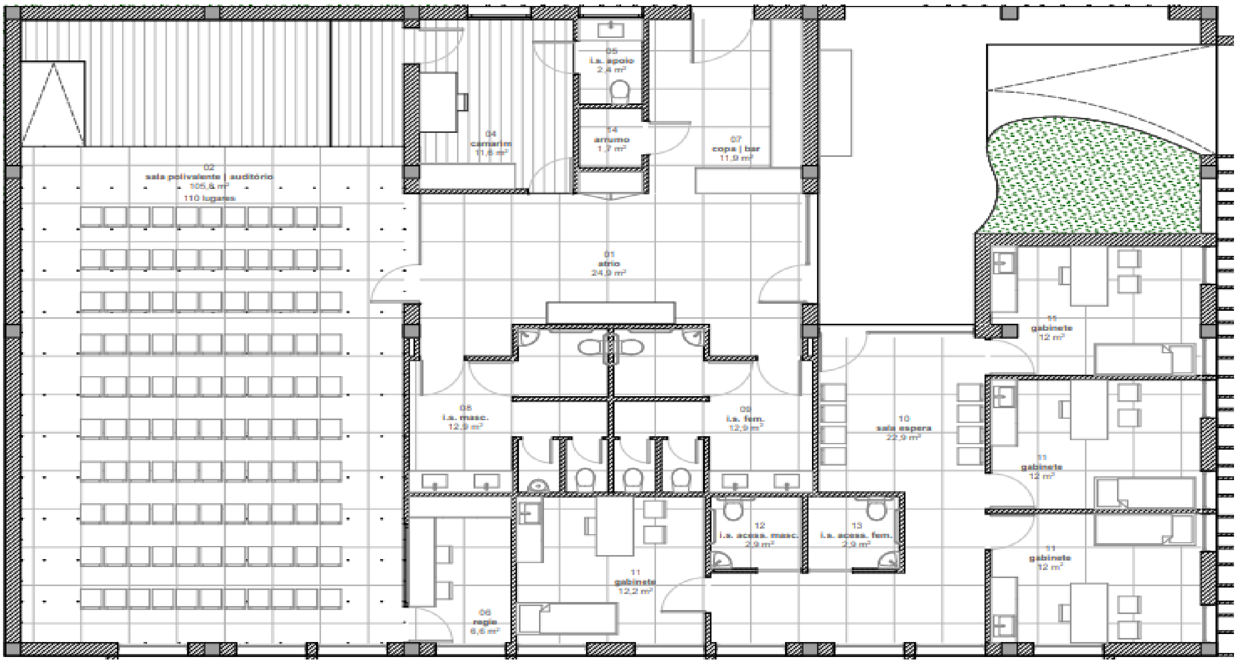
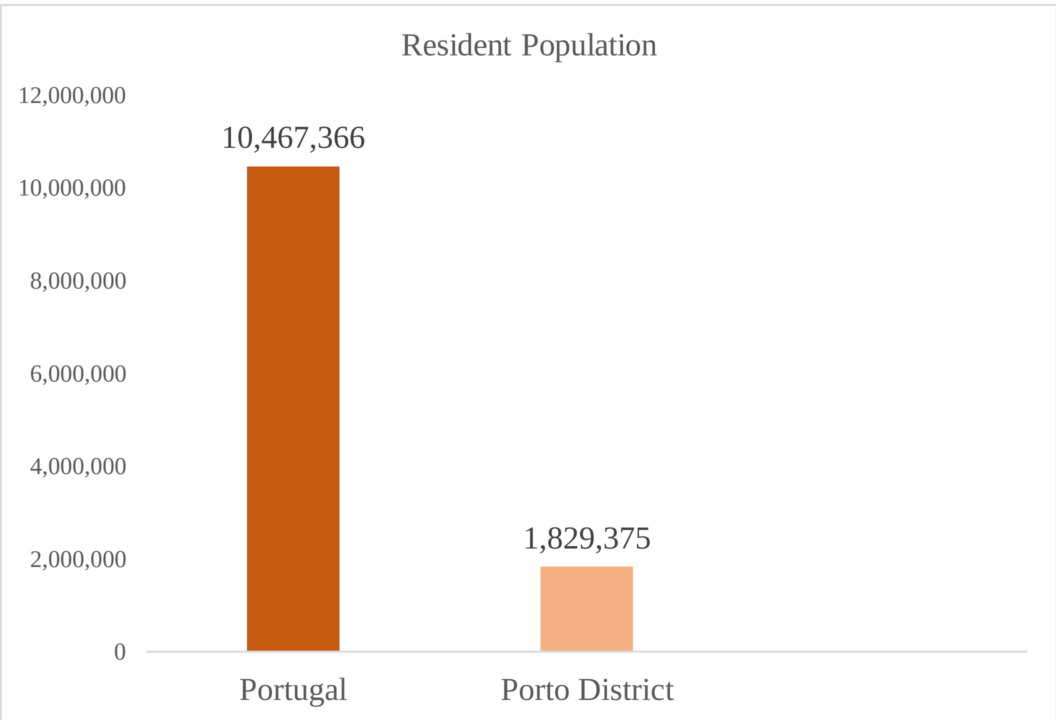
8. Appendix

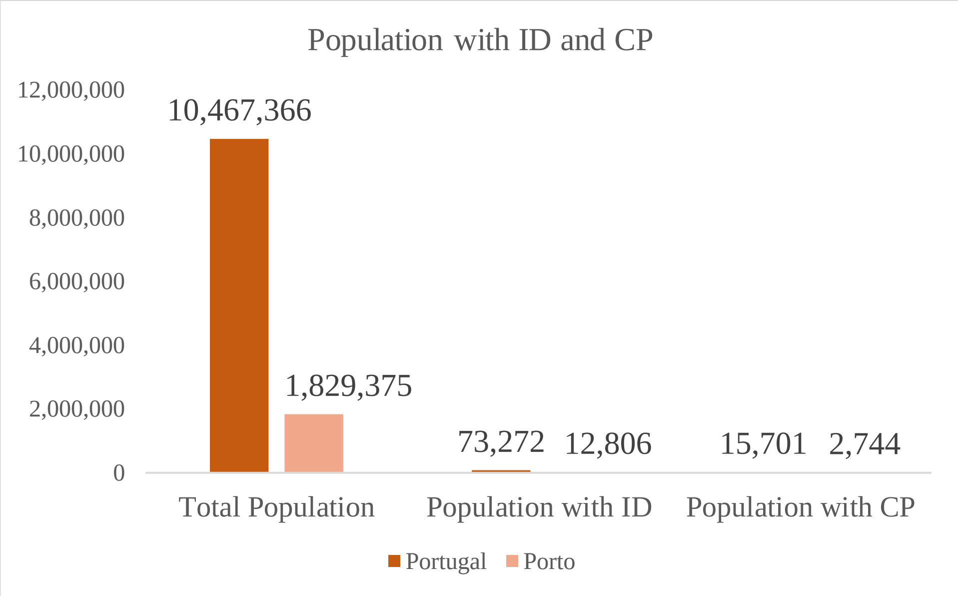
Appendix 1 – Community Center Blue Print



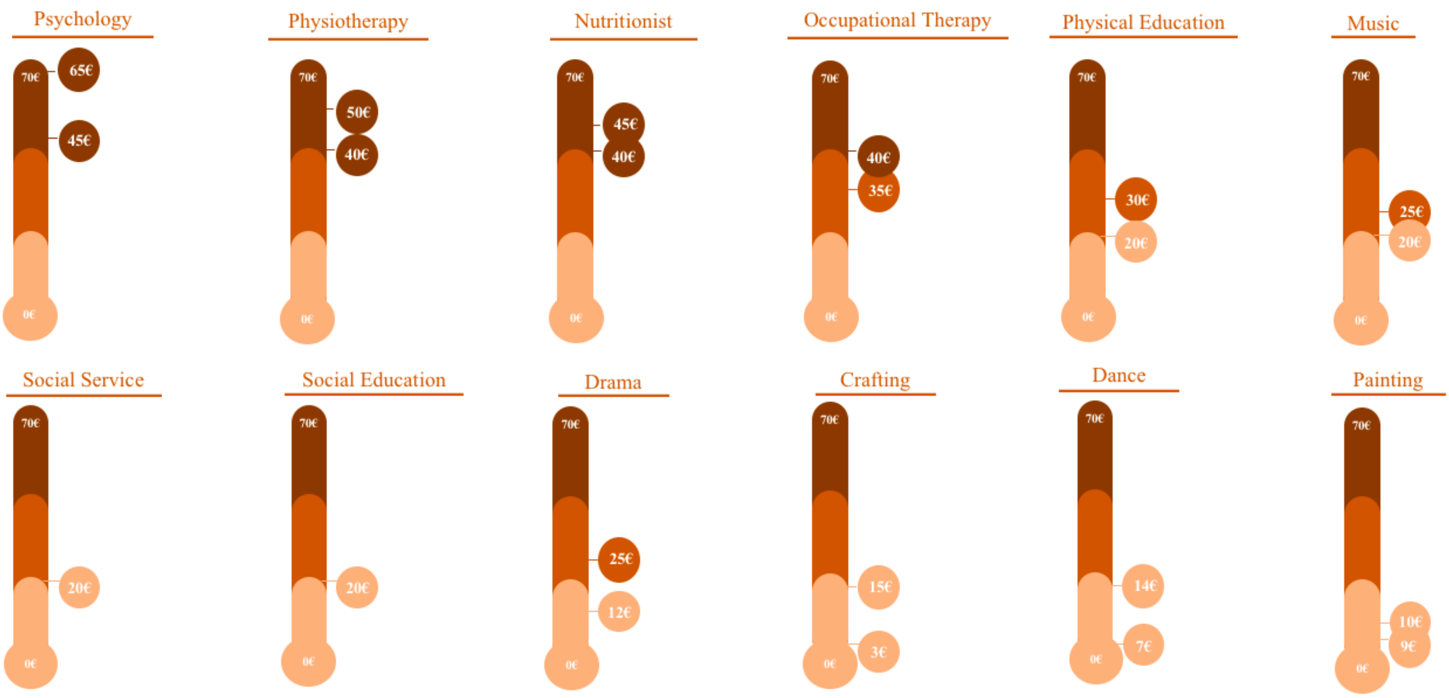
Appendix 2 – Resident Population in Portugal and Porto District



Appendix 3 – Resident Population in Portugal and Porto District with ID and CP



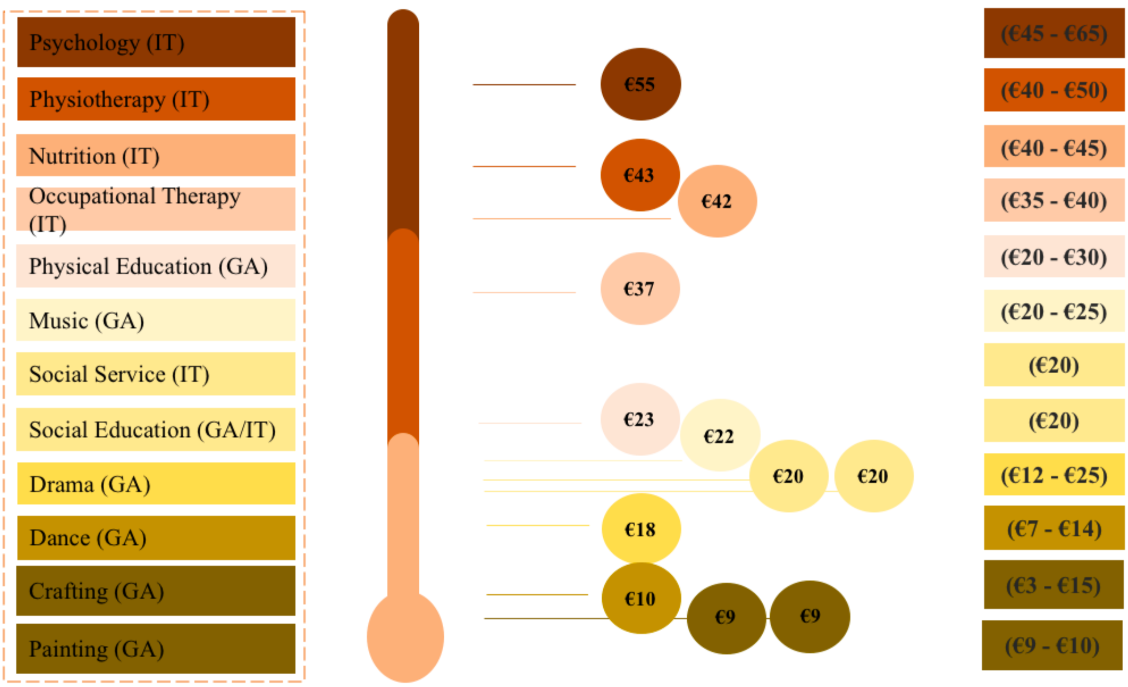
Appendix 4– Price range for each Therapy/Activity



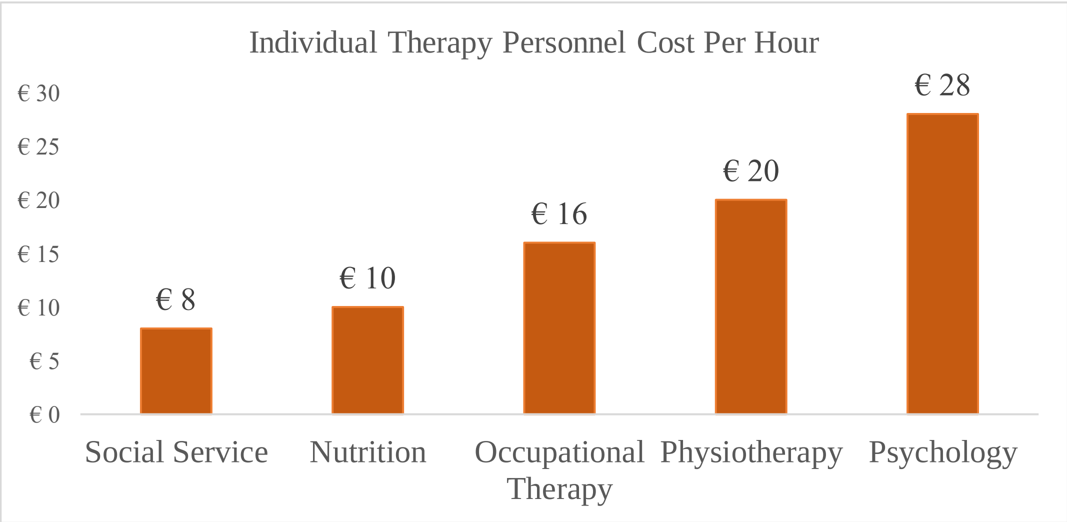
Appendix 5– Definition of the 5Ps

Product	The product is regarded as a "good." Its origins lie in economics. It can be conceptualized as a set of benefits and features that contribute to customer satisfaction.
Price	Price is the sole component of the mix that is regarded as pure revenue-generating. This is a reflection of the product's economic cost of production. However, prices represent more than the product's economic cost of production. Furthermore, there is the value perceived by the customer.
Place	The term 'place' is used to describe the location, distribution channels, and logistics of a product or service.
Promotion	The term 'promotion' encompasses a multitude of marketing communication activities, including advertising, direct marketing, face-to-face selling, public relations, sales promotions, and word-of-mouth.
People	According to the modern approach, the term 'people' encompasses clients, staff, and vendors. It is important to note that numerous communities are involved in the marketing connection.

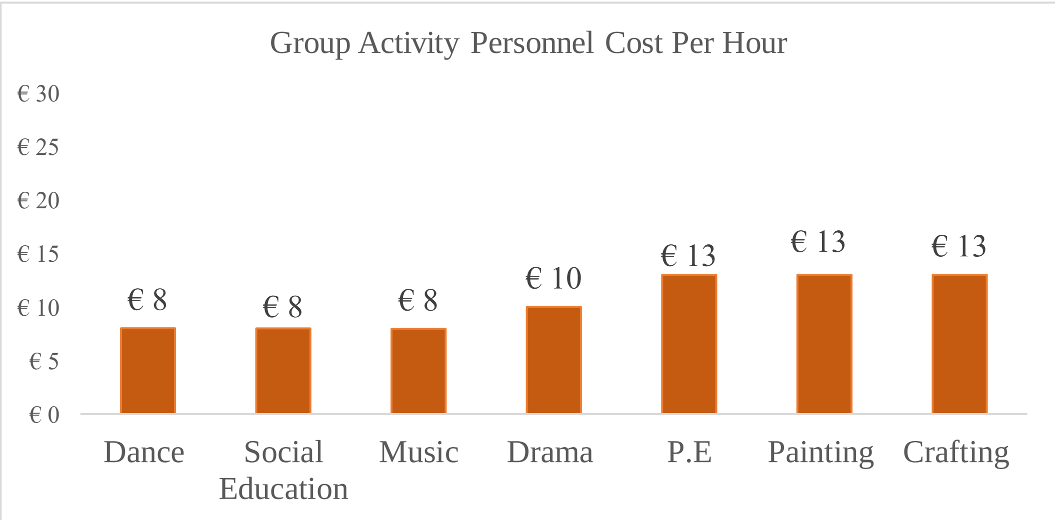
Appendix 6 – The Market Average Price for each Therapy/Activity



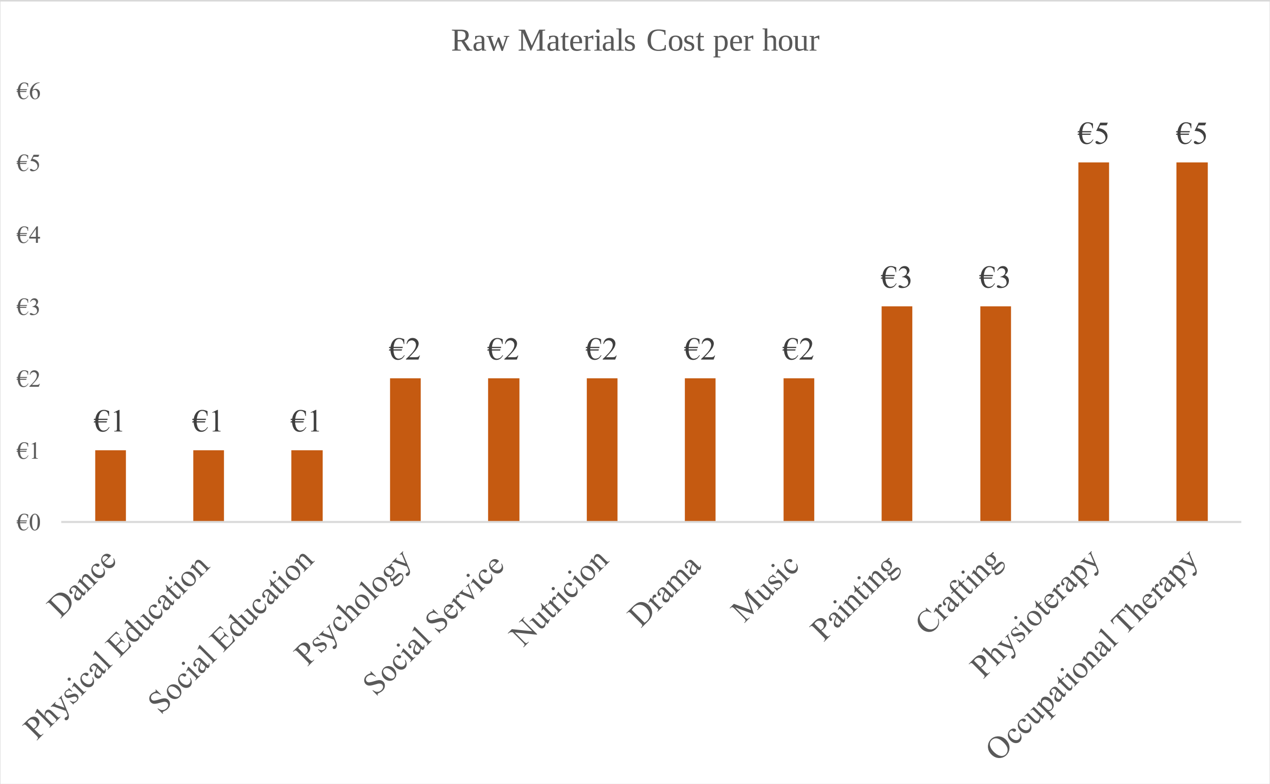
Appendix 7 – Individual Therapies Personnel Cost per hour



Appendix 8– Group Activities Personnel Cost per hour

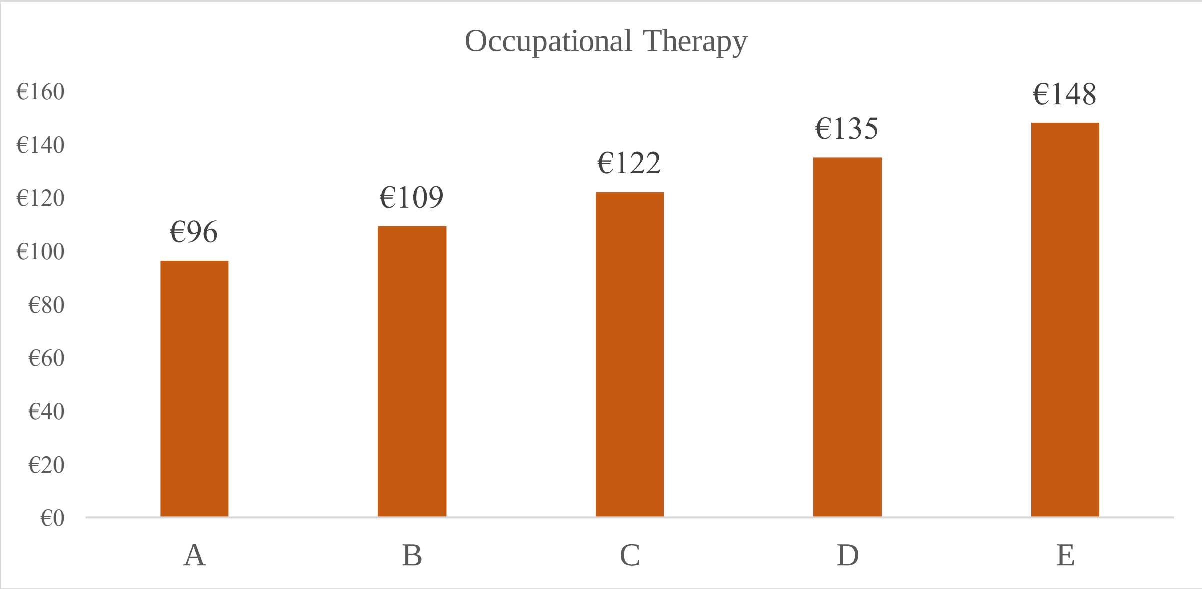


Appendix 9 –Raw Materials Cost per hour per therapy/activity

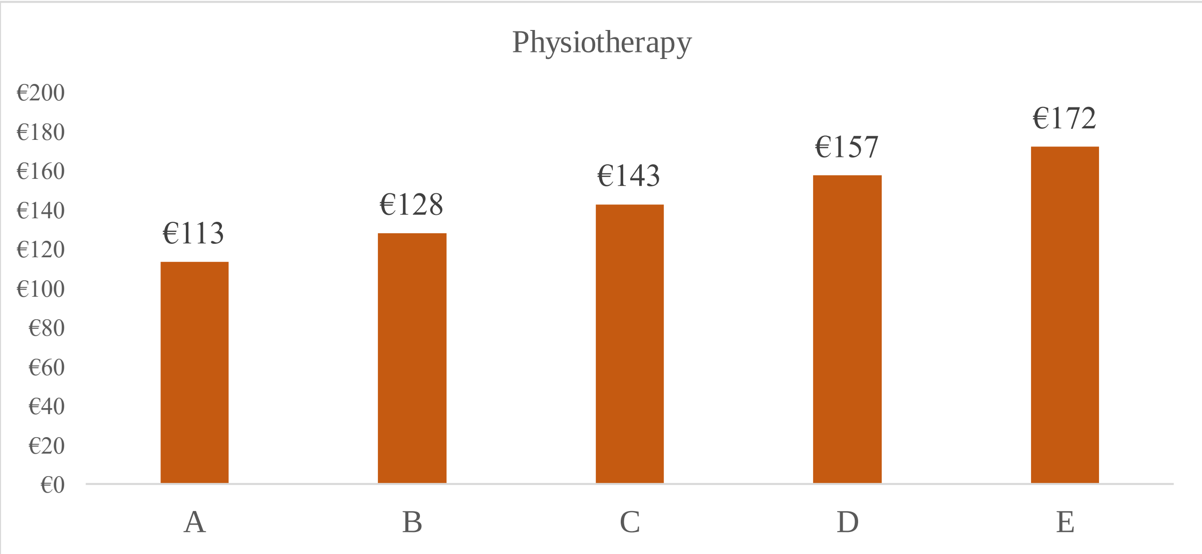


Appendix 10 – Social Service Packages Prices organized by income level

Appendix 11 – Occupational Therapy Packages Prices organized by income level

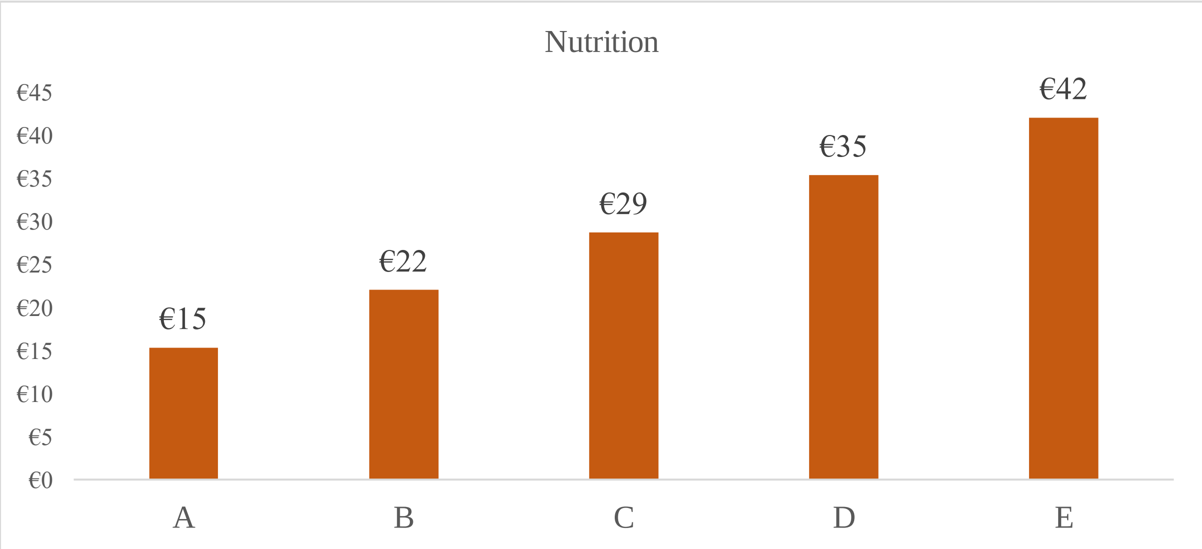


Appendix 12 – Physiotherapy Packages Prices organized by income level

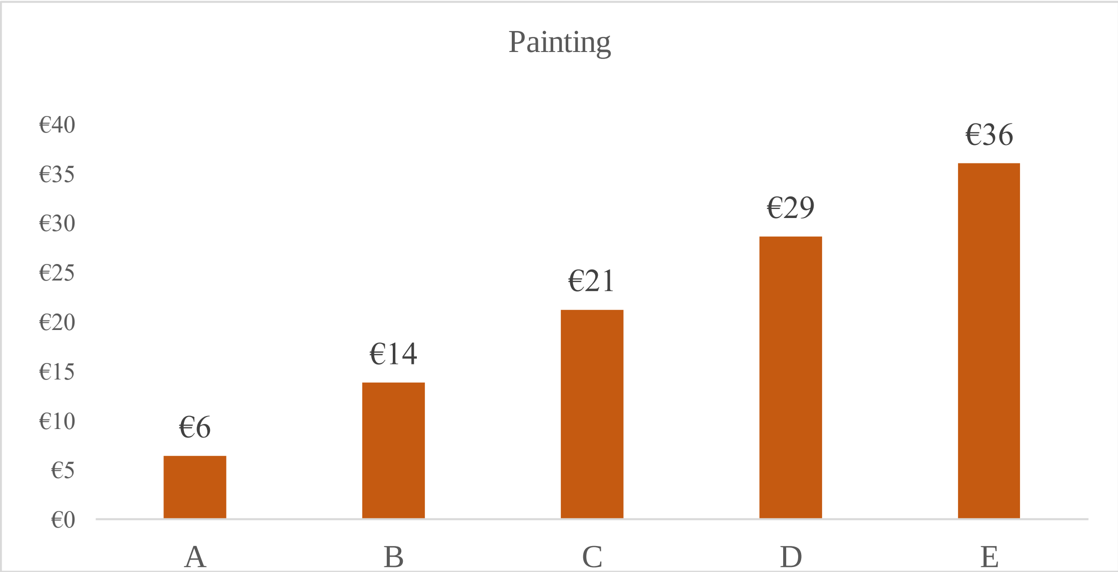


Appendix 13– Psychology Packages Prices organized by income level

Appendix 14 – Nutrition Packages Prices organized by income level

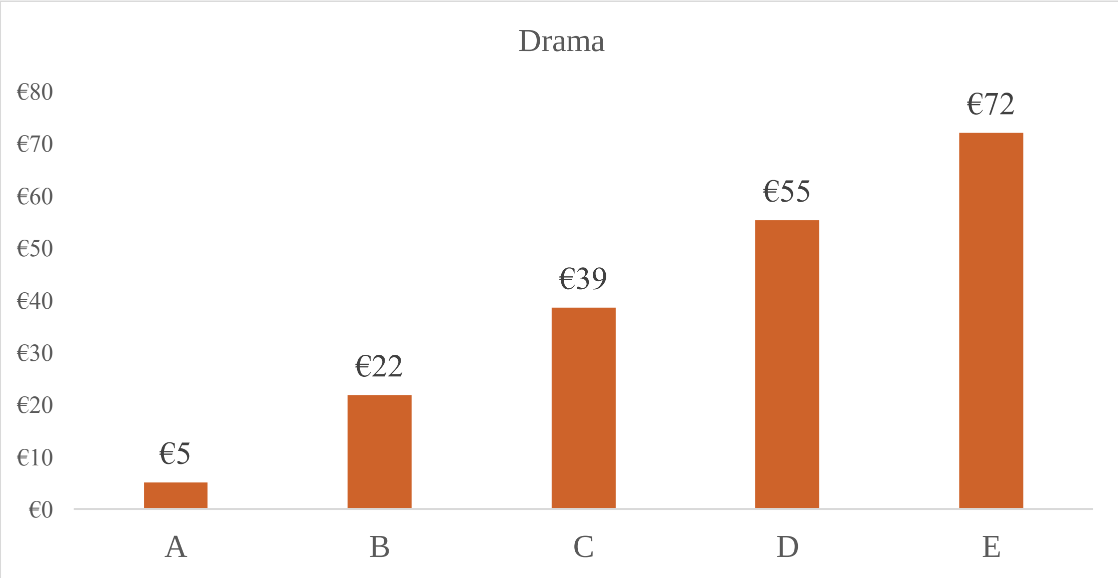


Appendix 15 – Painting Packages Prices organized by income level



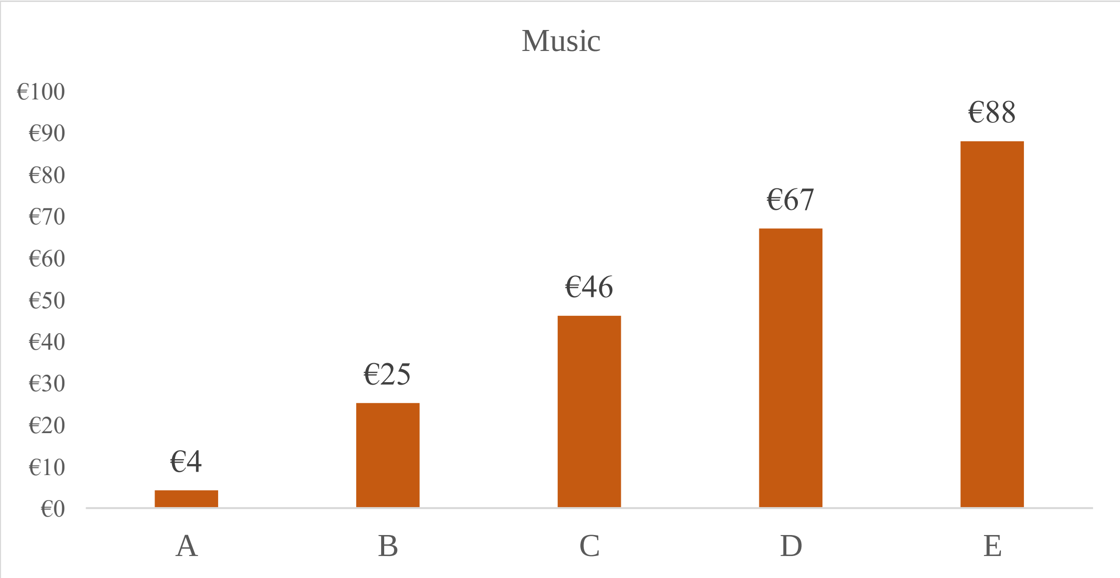
Appendix 16 – Crafting Packages Prices organized by income level

Appendix 17 – Drama Packages Prices organized by income level

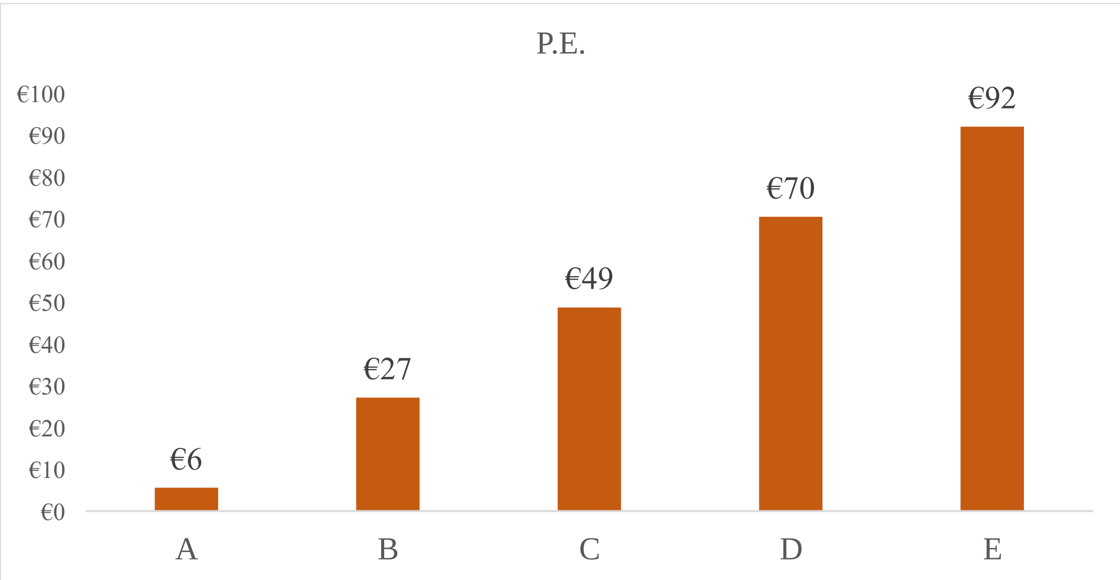


Appendix 18 – Social Education Packages Prices organized by income level

Appendix 19 – Music Packages Prices organized by income level



Appendix 20– Physical Education Packages Prices organized by income level



Appendix 21 – Dance Packages Prices organized by income level

Apendix 22 – Duration of activities/therapies

	Duration
Physiotherapy	Between 30 and 60 minutes (Sports Medicine Information n.d.)
Psychology	Between 45 and 55 minutes (Forhers n.d.)
Occupational Therapy	Between 50 and 60 minutes (Enable Occupational Therapy n.d.)
Social Service	-
Nutrition	Between 45 and 60 minutes (MainLineNutrition n.d.)
P.E	Between 50 and 60 minutes (UC Santa Cruz n.d.)
Drama	Between 45 minutes to 2 hours (Collective Acting Studio n.d.)
Music	Between 45 and 60 minutes (Gotsis 2020)
Social Education	-
Painting	60 minutes (Calgary n.d.)
Crafting	Between 2 and 4 hours (Craft Courses n.d.)
Dance	Between 45 and 60 minutes (Inspire Dance Centre n.d.)

Appendix 23 – Activities/Therapies allocation in the Community Center Blueprint

Appendix 24 – Proposal for a Schedule of Therapy/Activity Sessions

Monday

	1. MP R	2. MP R	1. SS R	2. SS R	3. SS R	4. SS R
9h	Crafting	Social Education	Dance	Dance	Social Service	Social Service
10h	Crafting	Social Education	Dance	Dance	Social Service	Social Service
11h	Crafting	Social Education	Dance	Dance	Social Service	Social Service
12h	Crafting	Social Education	Dance	Dance	Social Service	Social Service
13h	Lunch Time					
14h	Dance	Music	Dance	Occupational T.	Social Service	Social Service
15h	Dance	Music	Dance	Occupational T.	Social Service	Social Service
16h	Dance	Dance	Nutrition	Occupational T.	Social Service	Social Service
17h	Dance	Dance	Nutrition	Occupational T.	Social Service	Social Service

Tuesday

	1. MP R	2. MP R	1. SS R	2. SS R	3. SS R	4. SS R
9h	Dance	Painting	Dance	Physiotherapy	Social Service	Social Service
10h	Dance	Painting	Dance	Physiotherapy	Social Service	Social Service
11h	Dance	Painting	Dance	Physiotherapy	Social Service	Social Service
12h	Dance	Painting	Dance	Physiotherapy	Social Service	Social Service
13h	Lunch Time					
14h	Dance	Crafting	Dance	Physiotherapy	Social Service	Social Service
15h	Dance	Crafting	Dance	Physiotherapy	Social Service	Social Service
16h	Dance	Dance	Nutrition	Physiotherapy	Social Service	Social Service
17h	Dance	Dance	Nutrition	Physiotherapy	Social Service	Social Service

Wednesday

	1. MP R	2. MP R	1. SS R	2. SS R	3. SS R	4. SS R
9h	Dance	Dance	Nutrition	Physiotherapy	Social Service	Social Service
10h	Dance	Crafting	Dance	Physiotherapy	Social Service	Social Service
11h	Dance	Crafting	Dance	Physiotherapy	Social Service	Social Service
12h	Dance	Dance	Nutrition	Physiotherapy	Social Service	Social Service
13h	Lunch Time					
14h	Dance	Drama	Dance	Psychology	Social Service	Social Service
15h	Dance	Drama	Dance	Psychology	Social Service	Social Service
16h	Dance	Dance	Physiotherapy	Psychology	Social Service	Social Service
17h	Dance	Dance	Physiotherapy	Psychology	Social Service	Social Service

Thursday

	1. MP R	2. MP R	1. SS R	2. SS R	3. SS R	4. SS R
9h	Dance	Dance	Nutrition	Social Service	Social Service	Social Service
10h	Dance	Crafting	Dance	Social Service	Social Service	Social Service
11h	Dance	Crafting	Dance	Social Service	Social Service	Social Service
12h	Dance	Dance	Nutrition	Social Service	Social Service	Social Service
13h	Lunch Time					
14h	Dance	P.E	Dance	Physiotherapy	Social Service	Social Service
15h	Dance	P.E	Dance	Physiotherapy	Social Service	Social Service
16h	Dance	Dance	Physiotherapy	Physiotherapy	Social Service	Social Service
17h	Dance	Dance	Physiotherapy	Physiotherapy	Social Service	Social Service

Friday

	1. MP R	2. MP R	1. SS R	2. SS R	3. SS R	4. SS R
9h	Dance	Crafting	Psychology	Dance	Social Service	Social Service
10h	Dance	Crafting	Psychology	Dance	Social Service	Social Service
11h	Dance	Crafting	Psychology	Dance	Social Service	Social Service
12h	Dance	Crafting	Psychology	Dance	Social Service	Social Service
13h	Lunch Time					
14h	Dance	P.E	Occupational T.	Dance	Social Service	Social Service
15h	Dance	P.E	Occupational T.	Dance	Social Service	Social Service
16h	Dance	Dance	Occupational T.	Nutrition	Social Service	Social Service
17h	Dance	Dance	Occupational T.	Nutrition	Social Service	Social Service

	AAJUDE
	VEM
	City Council

1. MP R	1. Multi-purpose Room
2. MP R	2. Multi-purpose Room
1. SS R	1. Specialized-Support Room
2. SS R	2. Specialized-Support Room
3. SS R	3. Specialized-Support Room
4. SS R	4. Specialized-Support Room

Appendix 25 – Clients satisfied per therapy/activity

		Target user base	Capacity	Percentage Satisfied with the community centre
Individual Therapies	Occupational Therapy	367	8	2%
	Nutrition	1,225	10	1%
	Physiotherapy	1,225	20	2%
	Psychology	1,837	8	1%
	Social Service	5,267	48	1%
Group Activities	Social Education	122	48	39%
	Music	122	24	20%
	Painting	612	48	8%
	Crafting	612	168	14%
	Drama	612	24	4%
	Dance	857	960	103 vacancies
	Physical Education	2,571	48	2%

Appendix 26– Explanation of each technician and what their role will be

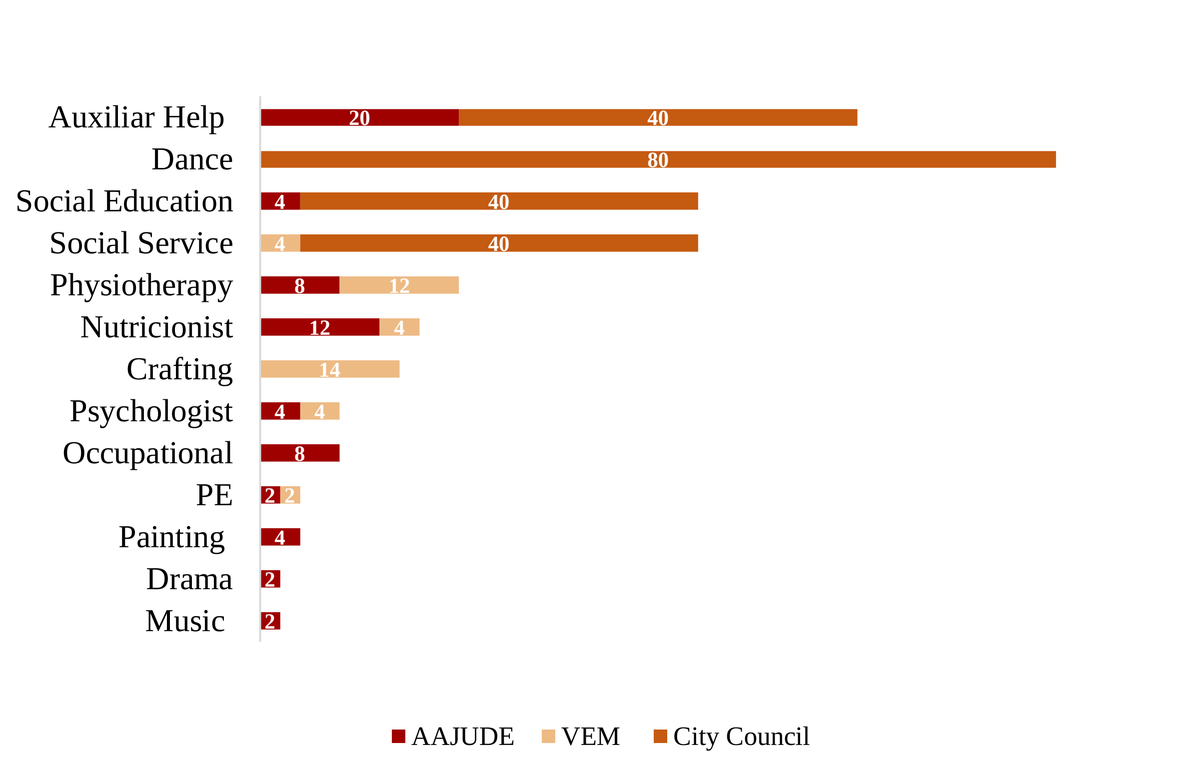
Physiotherapist	A physiotherapist is a healthcare professional who works to prevent and treat injuries or disabilities through physical methods such as massage, heat treatment, and exercise. They are trained to prevent and treat injuries or disabilities through physical methods. They typically hold bachelor's or master's degrees in physiotherapy.
Psychologist	A psychologist is a healthcare professional who provides psychological support and therapy to individuals or groups, helping them to manage emotional, social, and behavioral issues. Psychologists, who have obtained advanced degrees in psychology, provide psychological support and therapy to individuals or groups.
Music therapist	A music therapist employs music as a therapeutic tool to address a range of needs, including physical, emotional, cognitive, and social. The objective is to enhance the quality of life for individuals. Music therapists, who frequently hold degrees in music therapy or related disciplines, employ music as a therapeutic instrument to enhance the quality of life of individuals.
Social Educator	A social educator is responsible for promoting social inclusion and participation, with the objective of developing social skills and relationships. Social educators, who typically hold degrees in social work or related fields, are responsible for promoting social inclusion and development.
Nutricionist	A nutritionist provides nutritional advice and guidance, assisting individuals in making informed food choices. Nutritionists, who typically hold degrees in nutrition or dietetics, provide guidance on informed food choices.
Drama teacher	A drama teacher teaches drama classes, promoting creativity and self-expression.
Occupational therapist	An occupational therapist is a healthcare professional who assists individuals with physical, sensory, or cognitive disabilities in developing, recovering, or maintaining the skills necessary for daily living and work. Occupational therapists, who typically hold bachelor's or master's degrees in occupational therapy, assist individuals with disabilities in developing the skills required for daily living.

Paiting teacher	The role of the painting teacher is to facilitate the delivery of painting classes, which are designed to encourage creativity and self-expression. Teachers of painting and arts and crafts bring expertise in artistic expression and creativity to the centre's programmes, thereby enriching individuals' experiences
Social Worker	A social work technician is a professional who provides social work services, assisting individuals in accessing resources and support services.
Physical Education teacher	A physical education teacher is a professional who teaches physical education classes with the objective of promoting physical activity and healthy lifestyles. Physical education teachers, who typically hold degrees in physical education or related disciplines, are responsible for promoting physical activity and healthy lifestyles.
Dance teacher	A dance teacher is responsible for instructing students in the art of dance with the objective of promoting physical activity and creativity. Dance and drama teachers are experienced professionals with backgrounds in their respective disciplines, and they foster creativity and self-expression through their classes.
Auxiliar helper	The role of the auxiliary helper is to provide support to the other technicians, assisting with tasks as required.

Appendix 27 – Number of therapists from VEM, AAJUDE and city Council

	AAJUDE	VEM	CITY COUNCIL
Auxiliar Help	5	0	1
Dance	0	0	2
Social Education	1	0	1
Social Service	0	1	1
Physiotherapy	2	3	0
Nutrition	1	1	0
Crafting	0	4	0
Psychology	1	1	0
Occupational Therapy	2	0	0
Physical Education	1	1	0
Painting	1	0	0
Drama	1	0	0
Music	1	0	0

Appendix 28- Total hours by speciality and by organisation (VEM, AAJUDE, City Council)



Appendix 29 – Scenario A - Annual Income Statement - 95% Clients Capacity

Annual Income Statement - 95% Clients Capacity	2025	2026
Sales	**€138 438**	**€696 547**
Physioterapy	-	€32 527
Psychology	-	€16 112
Occupational Therapy	-	€11 141
Social Service	-	€63 837
Nutrition	-	€3 268
Dance	-	€450 677
Physical Education	-	€26 689
Drama	-	€10 546
Music	-	€12 618
Social Education	-	€13 097
Painting	-	€11 601
Crafting	-	€44 435
COGS (Raw Materials)	**€1 939**	**€14 520**
Physioterapy	-	€2 580
Psychology	-	€1 140
Occupational Therapy	-	€2 460

Social Service	-	€1 140
Nutrition	-	€1 140
Dance	-	€300
Physical Education	-	€330
Drama	-	€1 110
Music	-	€840
Social Education	-	€360
Painting	-	€1 560
Crafting	-	€1 560
Gross Profit	**€136 498**	**€682 027**
Human Resources Costs	€166 464	€166 464
Physioterapy	€22 400	€22 400
Psychology	€12 544	€12 544
Occupational Therapy	€7 069	€7 069
Social Service	€36 362	€36 362
Nutrition	€5 600	€5 600
Dance	€35 840	€35 840
Physical Education	€2 912	€2 912
Drama	€1 120	€1 120
Music	€890	€890
Social Education	€1 743	€1 743
Painting	€2 912	€2 912
Crafting	€10 192	€10 192
Auxiliary Personnel	€26 880	€26 880
External Supplies and Services	€34 059	€34 059
Operating Subsidies, Donations and Legacies	€161 088	€161 088
EBITDA	**€97 063**	**€642 591**
Depreciation	€12 000	€12 000
Amortization	€56 013	€56 013
EBIT	**€29 049**	**€574 578**
Interest expense	€0	€0
Interest Income	€0	€0
EBT	**€29 049**	**€574 578**
CorporateTaxes	€0	€0
Net Income	**€29 049**	**€574 578**

Appendix 30 – Scenario B - Annual Income Statement - 95% Clients Capacity without subsidies

Annual Income Statement - 95% Clients Capacity without HR subsidies		
	2025	**2026**
Sales	**€138 438**	**€696 547**
Physioterapy	-	€32 527
Psychology	-	€16 112
Occupational Therapy	-	€11 141
Social Service	-	€63 837
Nutrition	-	€3 268
Dance	-	€450 677
Physical Education	-	€26 689
Drama	-	€10 546
Music	-	€12 618
Social Education	-	€13 097
Painting	-	€11 601
Crafting	-	€44 435
COGS (Raw Materials)	**€1 939**	**€14 520**
Physioterapy	-	€2 580
Psychology	-	€1 140
Occupational Therapy	-	€2 460
Social Service	-	€1 140
Nutrition	-	€1 140
Dance	-	€300
Physical Education	-	€330
Drama	-	€1 110
Music	-	€840
Social Education	-	€360
Painting	-	€1 560
Crafting	-	€1 560
Gross Profit	**€136 498**	**€682 027**
Human Resources Costs	€166 464	€166 464
Physioterapy	€22 400	€22 400
Psychology	€12 544	€12 544
Occupational Therapy	€7 069	€7 069
Social Service	€36 362	€36 362
Nutrition	€5 600	€5 600
Dance	€35 840	€35 840
Physical Education	€2 912	€2 912
Drama	€1 120	€1 120

Music	€890	€890
Social Education	€1 743	€1 743
Painting	€2 912	€2 912
Crafting	€10 192	€10 192
Auxiliary Personnel	€26 880	€26 880
External Supplies and Services	€34 059	€34 059
Operating Subsidies, Donations and Legacies	€0	€0
EBITDA	**-€64 025**	**€481 503**
Depreciation	€12 000	€12 000
Amortization	€56 013	€56 013
EBIT	**-€132 039**	**€413 490**
Interest expense	€0	€0
Interest Income	€0	€0
EBT	**-€132 039**	**€413 490**
CorporateTaxes	€0	€0
Net Income	**-€132 039**	**€413 490**

Appendix 31 – Monthly Income Statement Break-even Scenario with subsidies

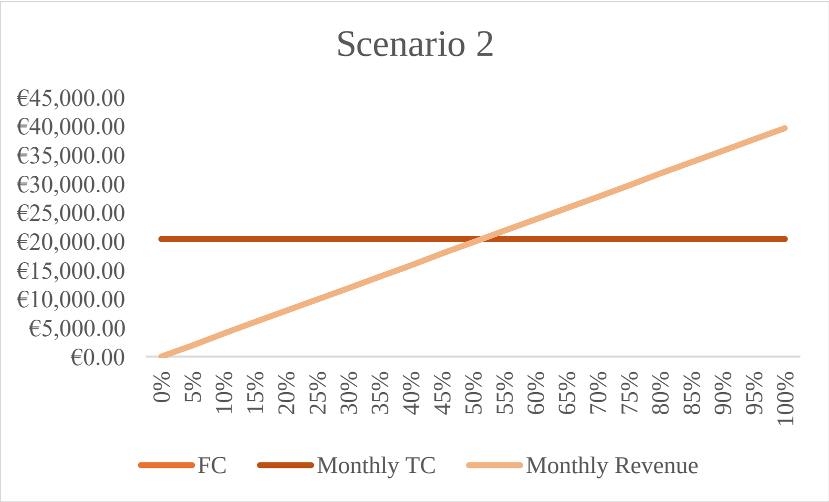
Income Statement - Break-even scenario with subsidies	
	2026
Sales	€20 686
COGS (Raw Materials)	€290
Gross Profit	**€20 396**
Human Resources Costs	€11 890
External Supplies and Services	€2 838
Operating Subsidies, Donations and Legacies	€13 424
EBITDA	**€19 092**
Depreciation	€1 000
Amortization	€4 668
EBIT	**€13 424**
Interest expense	€0
Interest Income	€0
EBT	**€13 424**

CorporateTaxes	€0
Net Income	**€13 424**

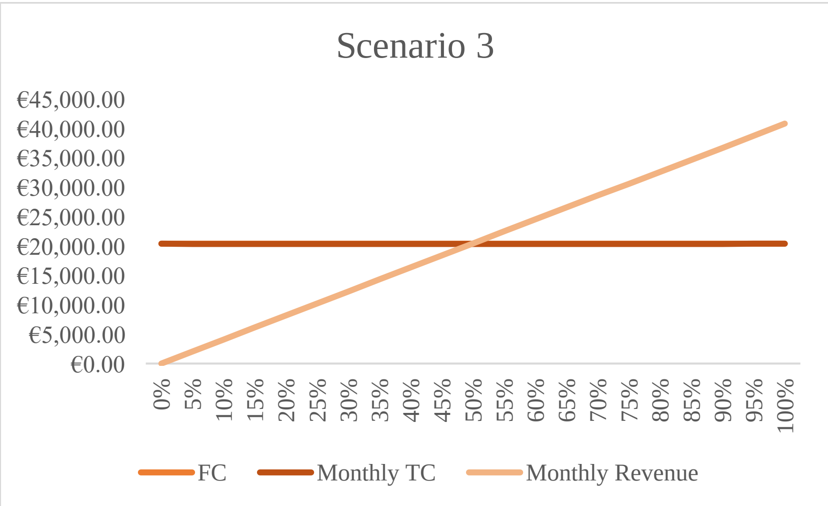
Appendix 32 – Monthly Income Statement Break-even Scenario without subsidies

Income Statement - Break-even scenario without subsidies	
	2026
Sales	€20 686
COGS (Raw Materials)	€290
Gross Profit	**€20 396**
Human Resources Costs	€11 890
External Supplies and Services	€2 838
Operating Subsidies, Donations and Legacies	€0
EBITDA	**€5 668**
Depreciation	€1 000
Amortization	€4 668
EBIT	**€0**
Interest expense	€0
Interest Income	€0
EBT	**€0**
CorporateTaxes	€0
Net Income	**€0**

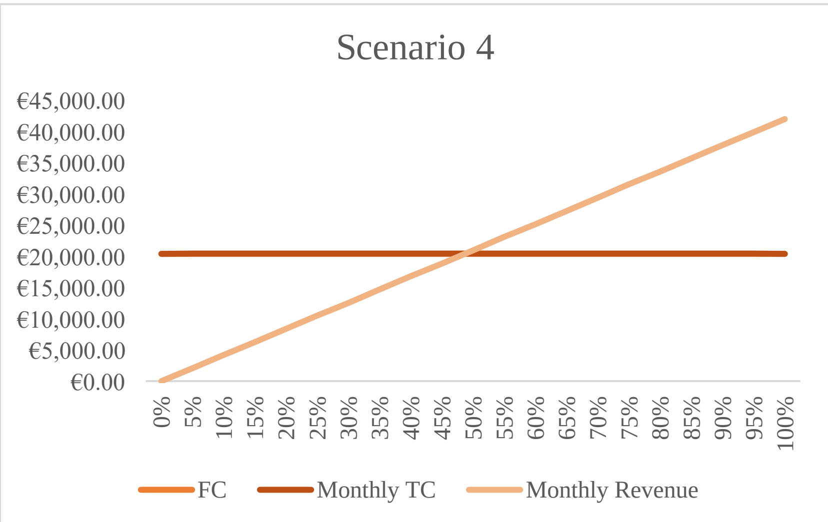
Appendix 33 - Break even graph Scenario 2



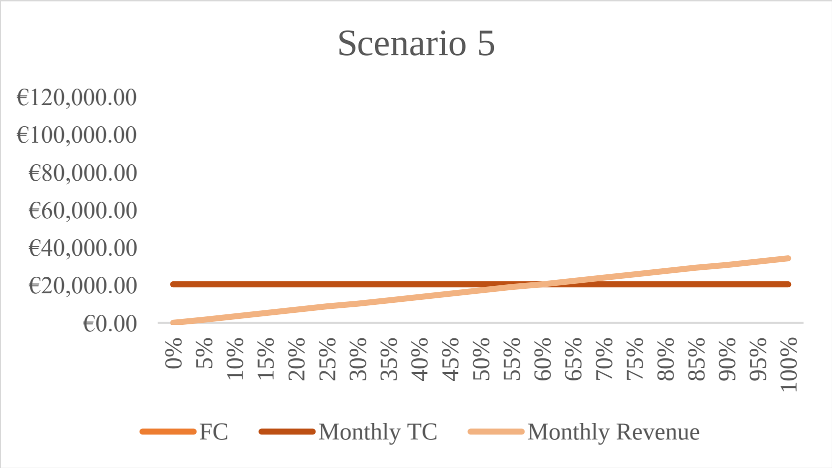
Appendix 34- Break even graph Scenario 3



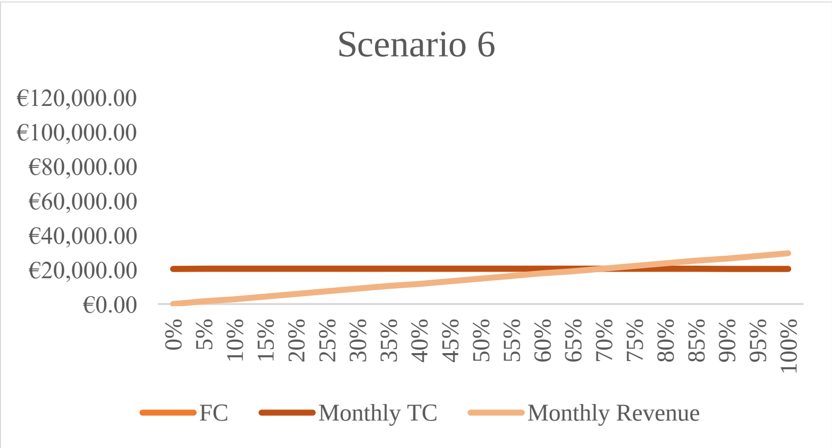
Appendix 35- Break even graph Scenario 4



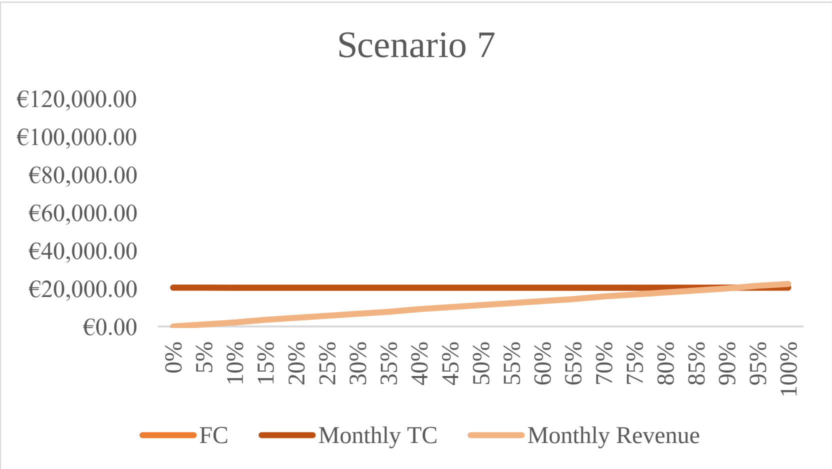
Appendix 36 - Break even graph Scenario 5



Appendix 37- Break even graph Scenario 6



Appendix 38 - Break even graph Scenario 7



Appendix 39– Cash Flow Statement 95% Clients Capacity (Scenario A)

	First Year												
Cash Flow Statement	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Sales	€0	€900	€1 274	€1 804	€2 555	€3 618	€5 123	€7 255	€10 274	€14 548	€20 602	€29 173	€41 312
Units Sold	€0	€30	€42	€60	€85	€121	€171	€242	€343	€485	€687	€973	€1 378
Average Selling Price	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30
COGS (Raw Materials)	€0	€13	€18	€25	€36	€51	€72	€102	€144	€204	€289	€409	€579
Gross Profit	**€0**	**€887**	**€1 256**	**€1 779**	**€2 519**	**€3 567**	**€5 051**	**€7 153**	**€10 130**	**€14 344**	**€20 313**	**€28 765**	**€40 733**
Monthly Labor Costs	€0	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194
Utility Costs	€0	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838
EBITDA	**€0**	**-€9 145**	**-€8 776**	**-€8 253**	**-€7 513**	**-€6 465**	**-€4 980**	**-€2 879**	**€98**	**€4 313**	**€10 281**	**€18 733**	**€30 701**
Depreciation	€0	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
EBIT	**€0**	**-€10 145**	**-€9 776**	**-€9 253**	**-€8 513**	**-€7 465**	**-€5 980**	**-€3 879**	**-€902**	**€3 313**	**€9 281**	**€17 733**	**€29 701**
Interest Expenses	€0	€1 710	€1 698	€1 687	€1 676	€1 664	€1 653	€1 641	€1 630	€1 618	€1 607	€1 595	€1 583
EBIT	**€0**	**-€11 854**	**-€11 474**	**-€10 940**	**-€10 189**	**-€9 129**	**-€7 633**	**-€5 520**	**-€2 532**	**€1 694**	**€7 674**	**€16 138**	**€28 118**
Tax Expenses	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Depreciation	€0	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
Net Income	**€0**	**-€10 854**	**-€10 474**	**-€9 940**	**-€9 189**	**-€8 129**	**-€6 633**	**-€4 520**	**-€1 532**	**€2 694**	**€8 674**	**€17 138**	**€29 118**
Operating Cash Flow	**€0**	**-€10 854**	**-€10 474**	**-€9 940**	**-€9 189**	**-€8 129**	**-€6 633**	**-€4 520**	**-€1 532**	**€2 694**	**€8 674**	**€17 138**	**€29 118**
CAPEX	€629 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Infrastructure	€600 000	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Equipment	€29 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Investment Cash Flow	-€629 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Cash Receipts From Subsidy	€181 000	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Long term loan	€448 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Loan Installments		€2 958	€2 969	€2 981	€2 992	€3 003	€3 015	€3 026	€3 038	€3 049	€3 061	€3 073	€3 084
Financing Cash Flow	€629 926	-€2 958	-€2 969	-€2 981	-€2 992	-€3 003	-€3 015	-€3 026	-€3 038	-€3 049	-€3 061	-€3 073	-€3 084
Net Increase (decrease) in Cash	€0	-€13 813	-€13 443	-€12 921	-€12 181	-€11 132	-€9 648	-€7 546	-€4 570	-€355	€5 613	€14 065	€26 034
Opening Cash Balance	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Free Cash Flow	€0	-€13 813	-€13 443	-€12 921	-€12 181	-€11 132	-€9 648	-€7 546	-€4 570	-€355	€5 613	€14 065	€26 034

	Second Year											
Cash Flow Statement	1	2	3	4	5	6	7	8	9	10	11	12
Sales	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046
Units Sold	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378
Average Selling Price	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30
COGS (Raw Materials)	€579	€579	€579	€579	€579	€579	€579	€579	€579	€579	€579	€579
Gross Profit	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**
Monthly Labor Costs	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194
Utility Costs	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838
EBITDA	**€47 435**	**€47 435**	**€47 435**	**€47 435**	**€47 435**	**€47 435**	**€47 435**	**€47 435**	**€47 435**	**€47 435**	**€47 435**	**€47 435**
Depreciation	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
EBIT	**€46 435**	**€46 435**	**€46 435**	**€46 435**	**€46 435**	**€46 435**	**€46 435**	**€46 435**	**€46 435**	**€46 435**	**€46 435**	**€46 435**
Interest Expenses	€1 572	€1 560	€1 548	€1 536	€1 524	€1 512	€1 500	€1 488	€1 476	€1 464	€1 452	€1 439
EBIT	**€44 863**	**€44 875**	**€44 887**	**€44 899**	**€44 911**	**€44 923**	**€44 935**	**€44 947**	**€44 959**	**€44 971**	**€44 983**	**€44 996**
Tax Expenses	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Depreciation	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
Net Income	**€45 863**	**€45 875**	**€45 887**	**€45 899**	**€45 911**	**€45 923**	**€45 935**	**€45 947**	**€45 959**	**€45 971**	**€45 983**	**€45 996**
Operating Cash Flow	**€45 863**	**€45 875**	**€45 887**	**€45 899**	**€45 911**	**€45 923**	**€45 935**	**€45 947**	**€45 959**	**€45 971**	**€45 983**	**€45 996**
CAPEX	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Infrastructure	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Equipment	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Investment Cash Flow	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Cash Receipts From Subsidy	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Long term loan	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Loan Installments	€3 096	€3 108	€3 120	€3 132	€3 144	€3 156	€3 168	€3 180	€3 192	€3 204	€3 216	€3 228
Financing Cash Flow	-€3 096	-€3 108	-€3 120	-€3 132	-€3 144	-€3 156	-€3 168	-€3 180	-€3 192	-€3 204	-€3 216	-€3 228
Net Increase (decrease) in Cash	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767
Opening Cash Balance	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Free Cash Flow	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767	€42 767

	Eleventh Year
Cash Flow Statement	1
Sales	€58 046
Units Sold	€1 378
Average Selling Price	€30
COGS (Raw Materials)	€579
Gross Profit	**€57 467**
Monthly Labor Costs	€7 194
Utility Costs	€2 838
EBITDA	**€47 435**
Depreciation	€1 000
EBIT	**€46 435**
Interest Expenses	€0
EBIT	**€46 435**
Tax Expenses	€0
Depreciation	€1 000
Net Income	**€47 435**
Operating Cash Flow	**€47 435**
CAPEX	€0
Infrastructure	€0
Equipment	€0
Investment Cash Flow	€0
Cash Receipts From Subsidy	€0
Long term loan	€0
Loan Installments	€0
Financing Cash Flow	€0
Net Increase (decrease) in Cash	€47 435
Opening Cash Balance	€0
Free Cash Flow	€47 435

Appendix 40 – Cash Flow Statement 95% Clients Capacity without Human Resources Subsidy (Scenario B)

		First Year											
Cash Flow Statement	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Sales	€0	€900	€1 274	€1 804	€2 555	€3 618	€5 123	€7 255	€10 274	€14 548	€20 602	€29 173	€41 312
Units Sold	€0	€30	€42	€60	€85	€121	€171	€242	€343	€485	€687	€973	€1 378
Average Selling Price	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30
COGS (Raw Materials)	€0	€13	€18	€25	€36	€51	€72	€102	€144	€204	€289	€409	€579
Gross Profit	**€0**	**€887**	**€1 256**	**€1 779**	**€2 519**	**€3 567**	**€5 051**	**€7 153**	**€10 130**	**€14 344**	**€20 313**	**€28 765**	**€40 733**
Monthly Labor Costs	€0	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890
Utility Costs	€0	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838
EBITDA	**€0**	**-€13 841**	**-€13 472**	**-€12 950**	**-€12 210**	**-€11 161**	**-€9 677**	**-€7 575**	**-€4 599**	**-€384**	**€5 584**	**€14 036**	**€26 005**
Depreciation	€0	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
EBIT	**€0**	**-€14 841**	**-€14 472**	**-€13 950**	**-€13 210**	**-€12 161**	**-€10 677**	**-€8 575**	**-€5 599**	**-€1 384**	**€4 584**	**€13 036**	**€25 005**
Interest Expenses	€0	€1 710	€1 698	€1 687	€1 676	€1 664	€1 653	€1 641	€1 630	€1 618	€1 607	€1 595	€1 583
EBIT	**€0**	**-€16 551**	**-€16 171**	**-€15 637**	**-€14 885**	**-€13 826**	**-€12 330**	**-€10 217**	**-€7 229**	**-€3 002**	**€2 978**	**€11 441**	**€23 421**
Tax Expenses	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Depreciation	€0	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
Net Income	**€0**	**-€15 551**	**-€15 171**	**-€14 637**	**-€13 885**	**-€12 826**	**-€11 330**	**-€9 217**	**-€6 229**	**-€2 002**	**€3 978**	**€12 441**	**€24 421**
Operating Cash Flow	**€0**	**-€15 551**	**-€15 171**	**-€14 637**	**-€13 885**	**-€12 826**	**-€11 330**	**-€9 217**	**-€6 229**	**-€2 002**	**€3 978**	**€12 441**	**€24 421**
CAPEX	€629 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Infrastructure	€600 000	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Equipment	€29 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Investment Cash Flow	-€629 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Cash Receipts From Subsidy	€181 000	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Long term loan	€448 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Loan Installments		€2 958	€2 969	€2 981	€2 992	€3 003	€3 015	€3 026	€3 038	€3 049	€3 061	€3 073	€3 084
Financing Cash Flow	€629 926	-€2 958	-€2 969	-€2 981	-€2 992	-€3 003	-€3 015	-€3 026	-€3 038	-€3 049	-€3 061	-€3 073	-€3 084
Net Increase (decrease) in Cash	€0	-€18 509	-€18 140	-€17 617	-€16 877	-€15 829	-€14 345	-€12 243	-€9 267	-€5 052	€917	€9 368	€21 337
Opening Cash Balance	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Free Cash Flow	€0	-€18 509	-€18 140	-€17 617	-€16 877	-€15 829	-€14 345	-€12 243	-€9 267	-€5 052	€917	€9 368	€21 337

Cash Flow Statement	1	2	3	4	5	6	7	8	9	10	11	12
Sales	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046	€58 046
Units Sold	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378	€1 378
Average Selling Price	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30
COGS (Raw Materials)	€579	€579	€579	€579	€579	€579	€579	€579	€579	€579	€579	€579
Gross Profit	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**	**€57 467**
Monthly Labor Costs	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890	€11 890
Utility Costs	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838
EBITDA	**€42 738**	**€42 738**	**€42 738**	**€42 738**	**€42 738**	**€42 738**	**€42 738**	**€42 738**	**€42 738**	**€42 738**	**€42 738**	**€42 738**
Depreciation	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
EBIT	**€41 738**	**€41 738**	**€41 738**	**€41 738**	**€41 738**	**€41 738**	**€41 738**	**€41 738**	**€41 738**	**€41 738**	**€41 738**	**€41 738**
Interest Expenses	€1 572	€1 560	€1 548	€1 536	€1 524	€1 512	€1 500	€1 488	€1 476	€1 464	€1 452	€1 439
EBIT	**€40 167**	**€40 178**	**€40 190**	**€40 202**	**€40 214**	**€40 226**	**€40 238**	**€40 250**	**€40 262**	**€40 274**	**€40 287**	**€40 299**
Tax Expenses	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Depreciation	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
Net Income	**€41 167**	**€41 178**	**€41 190**	**€41 202**	**€41 214**	**€41 226**	**€41 238**	**€41 250**	**€41 262**	**€41 274**	**€41 287**	**€41 299**
Operating Cash Flow	**€41 167**	**€41 178**	**€41 190**	**€41 202**	**€41 214**	**€41 226**	**€41 238**	**€41 250**	**€41 262**	**€41 274**	**€41 287**	**€41 299**
CAPEX	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Infrastructure	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Equipment	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Investment Cash Flow	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Cash Receipts From Subsidy	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Long term loan	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Loan Installments	€3 096	€3 108	€3 120	€3 132	€3 144	€3 156	€3 168	€3 180	€3 192	€3 204	€3 216	€3 228
Financing Cash Flow	-€3 096	-€3 108	-€3 120	-€3 132	-€3 144	-€3 156	-€3 168	-€3 180	-€3 192	-€3 204	-€3 216	-€3 228
Net Increase (decrease) in Cash	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070
Opening Cash Balance	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Free Cash Flow	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070	€38 070

	Eleventh Year
Cash Flow Statement	1
Sales	€58 046
Units Sold	€1 378
Average Selling Price	€30
COGS (Raw Materials)	€579
Gross Profit	**€57 467**
Monthly Labor Costs	€11 890
Utility Costs	€2 838
EBITDA	**€42 738**
Depreciation	€1 000
EBIT	**€41 738**
Interest Expenses	€0
EBIT	**€41 738**
Tax Expenses	€0
Depreciation	€1 000
Net Income	**€42 738**
Operating Cash Flow	**€42 738**
CAPEX	€0
Infrastructure	€0
Equipment	€0
Investment Cash Flow	€0
Cash Receipts From Subsidy	€0
Long term loan	€0
Loan Installments	€0
Financing Cash Flow	€0
Net Increase (decrease) in Cash	€42 738
Opening Cash Balance	€0
Free Cash Flow	€42 738

Appendix 41 – Cash Flow Statement 84% Clients Capacity (Dance 50% Capacity - Scenario C)

	First Year												
Cash Flow Statement	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Sales	€0	€900	€1 260	€1 764	€2 471	€3 460	€4 845	€6 784	€9 500	€13 303	€18 628	€26 086	€36 528
Units Sold	€0	€30	€42	€59	€82	€115	€162	€226	€317	€444	€621	€870	€1 218
Average Selling Price	€72	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30
COGS (Raw Materials)	€0	€13	€18	€25	€35	€48	€68	€95	€133	€186	€261	€365	€512
Gross Profit	**€0**	**€887**	**€1 242**	**€1 740**	**€2 436**	**€3 411**	**€4 777**	**€6 689**	**€9 367**	**€13 116**	**€18 367**	**€25 720**	**€36 017**
Monthly Labor Costs	€0	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194
Utility Costs	€0	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838
EBITDA	**€0**	**-€9 145**	**-€8 790**	**-€8 292**	**-€7 596**	**-€6 621**	**-€5 255**	**-€3 343**	**-€665**	**€3 085**	**€8 335**	**€15 688**	**€25 985**
Depreciation	€0	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
EBIT	**€0**	**-€10 145**	**-€9 790**	**-€9 292**	**-€8 596**	**-€7 621**	**-€6 255**	**-€4 343**	**-€1 665**	**€2 085**	**€7 335**	**€14 688**	**€24 985**
Interest Expenses	€0	€1 710	€1 698	€1 687	€1 676	€1 664	€1 653	€1 641	€1 630	€1 618	€1 607	€1 595	€1 583
EBIT	**€0**	**-€11 854**	**-€11 488**	**-€10 979**	**-€10 272**	**-€9 285**	**-€7 908**	**-€5 984**	**-€3 295**	**€466**	**€5 729**	**€13 093**	**€23 402**
Tax Expenses	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Depreciation	€0	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
Net Income	**€0**	**-€10 854**	**-€10 488**	**-€9 979**	**-€9 272**	**-€8 285**	**-€6 908**	**-€4 984**	**-€2 295**	**€1 466**	**€6 729**	**€14 093**	**€24 402**
Operating Cash Flow	**€0**	**-€10 854**	**-€10 488**	**-€9 979**	**-€9 272**	**-€8 285**	**-€6 908**	**-€4 984**	**-€2 295**	**€1 466**	**€6 729**	**€14 093**	**€24 402**
CAPEX	€629 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Infrastructure	€600 000	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Equipment	€29 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Investment Cash Flow	-€629 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Cash Receipts From Subsidy	€181 000	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Long term loan	€448 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Loan Installments		€2 958	€2 969	€2 981	€2 992	€3 003	€3 015	€3 026	€3 038	€3 049	€3 061	€3 073	€3 084
Financing Cash Flow	€629 926	-€2 958	-€2 969	-€2 981	-€2 992	-€3 003	-€3 015	-€3 026	-€3 038	-€3 049	-€3 061	-€3 073	-€3 084
Net Increase (decrease) in Cash	€0	-€13 813	-€13 457	-€12 960	-€12 264	-€11 289	-€9 923	-€8 011	-€5 333	-€1 583	€3 668	€11 021	€21 317
Opening Cash Balance	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Free Cash Flow	€0	-€13 813	-€13 457	-€12 960	-€12 264	-€11 289	-€9 923	-€8 011	-€5 333	-€1 583	€3 668	€11 021	€21 317

	Second Year											
Cash Flow Statement	1	2	3	4	5	6	7	8	9	10	11	12
Sales	€53 254	€53 254	€53 254	€53 254	€53 254	€53 254	€53 254	€53 254	€53 254	€53 254	€53 254	€53 254
Units Sold	€1 218	€1 218	€1 218	€1 218	€1 218	€1 218	€1 218	€1 218	€1 218	€1 218	€1 218	€1 218
Average Selling Price	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30
COGS (Raw Materials)	€512	€512	€512	€512	€512	€512	€512	€512	€512	€512	€512	€512
Gross Profit	**€52 742**	**€52 742**	**€52 742**	**€52 742**	**€52 742**	**€52 742**	**€52 742**	**€52 742**	**€52 742**	**€52 742**	**€52 742**	**€52 742**
Monthly Labor Costs	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194
Utility Costs	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838
EBITDA	**€42 710**	**€42 710**	**€42 710**	**€42 710**	**€42 710**	**€42 710**	**€42 710**	**€42 710**	**€42 710**	**€42 710**	**€42 710**	**€42 710**
Depreciation	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
EBIT	**€41 710**	**€41 710**	**€41 710**	**€41 710**	**€41 710**	**€41 710**	**€41 710**	**€41 710**	**€41 710**	**€41 710**	**€41 710**	**€41 710**
Interest Expenses	€1 572	€1 560	€1 548	€1 536	€1 524	€1 512	€1 500	€1 488	€1 476	€1 464	€1 452	€1 439
EBIT	**€40 139**	**€40 150**	**€40 162**	**€40 174**	**€40 186**	**€40 198**	**€40 210**	**€40 222**	**€40 234**	**€40 246**	**€40 259**	**€40 271**
Tax Expenses	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Depreciation	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
Net Income	**€41 139**	**€41 150**	**€41 162**	**€41 174**	**€41 186**	**€41 198**	**€41 210**	**€41 222**	**€41 234**	**€41 246**	**€41 259**	**€41 271**
Operating Cash Flow	**€41 139**	**€41 150**	**€41 162**	**€41 174**	**€41 186**	**€41 198**	**€41 210**	**€41 222**	**€41 234**	**€41 246**	**€41 259**	**€41 271**
CAPEX	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Infrastructure	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Equipment	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Investment Cash Flow	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Cash Receipts From Subsidy	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Long term loan	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Loan Installments	€3 096	€3 108	€3 120	€3 132	€3 144	€3 156	€3 168	€3 180	€3 192	€3 204	€3 216	€3 228
Financing Cash Flow	-€3 096	-€3 108	-€3 120	-€3 132	-€3 144	-€3 156	-€3 168	-€3 180	-€3 192	-€3 204	-€3 216	-€3 228
Net Increase (decrease) in Cash	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042
Opening Cash Balance	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Free Cash Flow	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042	€38 042

	Eleventh Year
Cash Flow Statement	1
Sales	€53 254
Units Sold	€1 218
Average Selling Price	€30
COGS (Raw Materials)	€512
Gross Profit	**€52 742**
Monthly Labor Costs	€7 194
Utility Costs	€2 838
EBITDA	**€42 710**
Depreciation	€1 000
EBIT	**€41 710**
Interest Expenses	€0
EBIT	**€41 710**
Tax Expenses	€0
Depreciation	€1 000
Net Income	**€42 710**
Operating Cash Flow	**€42 710**
CAPEX	€0
Infrastructure	€0
Equipment	€0
Investment Cash Flow	€0
Cash Receipts From Subsidy	€0
Long term loan	€0
Loan Installments	€0
Financing Cash Flow	€0
Net Increase (decrease) in Cash	€42 710
Opening Cash Balance	€0
Free Cash Flow	€42 710

Appendix 42 – Cash Flow 67% Clients Capacity (Dance 33% Capacity - Scenario D)

	First Year												
Cash Flow Statement	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Sales	€0	€900	€1 233	€1 691	€2 318	€3 178	€4 356	€5 972	€8 187	€11 224	€15 387	€21 094	€28 918
Units Sold	€0	€30	€41	€56	€77	€106	€145	€199	€273	€374	€513	€703	€964
Average Selling Price	€72	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30
COGS (Raw Materials)	€0	€13	€17	€24	€32	€45	€61	€84	€115	€157	€216	€296	€405
Gross Profit	**€0**	**€887**	**€1 216**	**€1 667**	**€2 286**	**€3 133**	**€4 295**	**€5 889**	**€8 073**	**€11 067**	**€15 172**	**€20 799**	**€28 513**
Monthly Labor Costs	€0	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194
Utility Costs	€0	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838
EBITDA	**€0**	**-€9 145**	**-€8 816**	**-€8 365**	**-€7 746**	**-€6 899**	**-€5 736**	**-€4 143**	**-€1 959**	**€1 035**	**€5 140**	**€10 767**	**€18 481**
Depreciation	€0	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
EBIT	**€0**	**-€10 145**	**-€9 816**	**-€9 365**	**-€8 746**	**-€7 899**	**-€6 736**	**-€5 143**	**-€2 959**	**€35**	**€4 140**	**€9 767**	**€17 481**
Interest Expenses	€0	€1 710	€1 698	€1 687	€1 676	€1 664	€1 653	€1 641	€1 630	€1 618	€1 607	€1 595	€1 583
EBIT	**€0**	**-€11 854**	**-€11 514**	**-€11 052**	**-€10 422**	**-€9 563**	**-€8 389**	**-€6 785**	**-€4 589**	**-€1 583**	**€2 533**	**€8 172**	**€15 898**
Tax Expenses	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Depreciation	€0	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
Net Income	**€0**	**-€10 854**	**-€10 514**	**-€10 052**	**-€9 422**	**-€8 563**	**-€7 389**	**-€5 785**	**-€3 589**	**-€583**	**€3 533**	**€9 172**	**€16 898**
Operating Cash Flow	**€0**	**-€10 854**	**-€10 514**	**-€10 052**	**-€9 422**	**-€8 563**	**-€7 389**	**-€5 785**	**-€3 589**	**-€583**	**€3 533**	**€9 172**	**€16 898**
CAPEX	€629 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Infrastructure	€600 000	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Equipment	€29 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Investment Cash Flow	-€629 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Cash Receipts From Subsidy	€181 000	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Long term loan	€448 926	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Loan Installments		€2 958	€2 969	€2 981	€2 992	€3 003	€3 015	€3 026	€3 038	€3 049	€3 061	€3 073	€3 084
Financing Cash Flow	€629 926	-€2 958	-€2 969	-€2 981	-€2 992	-€3 003	-€3 015	-€3 026	-€3 038	-€3 049	-€3 061	-€3 073	-€3 084
Net Increase (decrease) in Cash	€0	-€13 813	-€13 483	-€13 032	-€12 414	-€11 566	-€10 404	-€8 811	-€6 627	-€3 633	€472	€6 099	€13 814
Opening Cash Balance	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Free Cash Flow	€0	-€13 813	-€13 483	-€13 032	-€12 414	-€11 566	-€10 404	-€8 811	-€6 627	-€3 633	€472	€6 099	€13 814

	Second Year											
Cash Flow Statement	1	2	3	4	5	6	7	8	9	10	11	12
Sales	€47 036	€47 036	€47 036	€47 036	€47 036	€47 036	€47 036	€47 036	€47 036	€47 036	€47 036	€47 036
Units Sold	€964	€964	€964	€964	€964	€964	€964	€964	€964	€964	€964	€964
Average Selling Price	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30	€30
COGS (Raw Materials)	€405	€405	€405	€405	€405	€405	€405	€405	€405	€405	€405	€405
Gross Profit	**€46 631**	**€46 631**	**€46 631**	**€46 631**	**€46 631**	**€46 631**	**€46 631**	**€46 631**	**€46 631**	**€46 631**	**€46 631**	**€46 631**
Monthly Labor Costs	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194	€7 194
Utility Costs	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838	€2 838
EBITDA	**€36 599**	**€36 599**	**€36 599**	**€36 599**	**€36 599**	**€36 599**	**€36 599**	**€36 599**	**€36 599**	**€36 599**	**€36 599**	**€36 599**
Depreciation	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
EBIT	**€35 599**	**€35 599**	**€35 599**	**€35 599**	**€35 599**	**€35 599**	**€35 599**	**€35 599**	**€35 599**	**€35 599**	**€35 599**	**€35 599**
Interest Expenses	€1 572	€1 560	€1 548	€1 536	€1 524	€1 512	€1 500	€1 488	€1 476	€1 464	€1 452	€1 439
EBIT	**€34 028**	**€34 039**	**€34 051**	**€34 063**	**€34 075**	**€34 087**	**€34 099**	**€34 111**	**€34 123**	**€34 135**	**€34 148**	**€34 160**
Tax Expenses	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Depreciation	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000	€1 000
Net Income	**€35 028**	**€35 039**	**€35 051**	**€35 063**	**€35 075**	**€35 087**	**€35 099**	**€35 111**	**€35 123**	**€35 135**	**€35 148**	**€35 160**
Operating Cash Flow	**€35 028**	**€35 039**	**€35 051**	**€35 063**	**€35 075**	**€35 087**	**€35 099**	**€35 111**	**€35 123**	**€35 135**	**€35 148**	**€35 160**
CAPEX	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Infrastructure	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Equipment	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Investment Cash Flow	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Cash Receipts From Subsidy	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Long term loan	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Loan Installments	€3 096	€3 108	€3 120	€3 132	€3 144	€3 156	€3 168	€3 180	€3 192	€3 204	€3 216	€3 228
Financing Cash Flow	-€3 096	-€3 108	-€3 120	-€3 132	-€3 144	-€3 156	-€3 168	-€3 180	-€3 192	-€3 204	-€3 216	-€3 228
Net Increase (decrease) in Cash	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932
Opening Cash Balance	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0	€0
Free Cash Flow	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932	€31 932

	Eleventh Year
Cash Flow Statement	1
Sales	€47 036
Units Sold	€964
Average Selling Price	€30
COGS (Raw Materials)	€405
Gross Profit	**€46 631**
Monthly Labor Costs	€7 194
Utility Costs	€2 838
EBITDA	**€36 599**
Depreciation	€1 000
EBIT	**€35 599**
Interest Expenses	€0
EBIT	**€35 599**
Tax Expenses	€0
Depreciation	€1 000
Net Income	**€36 599**
Operating Cash Flow	**€36 599**
CAPEX	€0
Infrastructure	€0
Equipment	€0
Investment Cash Flow	€0
Cash Receipts From Subsidy	€0
Long term loan	€0
Loan Installments	€0
Financing Cash Flow	€0
Net Increase (decrease) in Cash	€36 599
Opening Cash Balance	€0
Free Cash Flow	€36 599

Appendix 43– Loan Repayment

	1st Year											
Period	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Payment	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76
Interest	€1 709,66	€1 698,39	€1 687,09	€1 675,73	€1 664,34	€1 652,90	€1 641,42	€1 629,90	€1 618,33	€1 606,71	€1 595,06	€1 583,35
Principal	€2 958,10	€2 969,37	€2 980,67	€2 992,03	€3 003,42	€3 014,86	€3 026,34	€3 037,87	€3 049,43	€3 061,05	€3 072,71	€3 084,41
Balance	€445 967,90	€442 998,53	€440 017,86	€437 025,83	€434 022,41	€431 007,55	€427 981,21	€424 943,35	€421 893,91	€418 832,86	€415 760,16	€412 675,75
	2nd Year											
Period	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**
Payment	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76
Interest	€1 571,61	€1 559,82	€1 547,98	€1 536,10	€1 524,17	€1 512,20	€1 500,18	€1 488,12	€1 476,01	€1 463,86	€1 451,65	€1 439,41
Principal	€3 096,15	€3 107,95	€3 119,78	€3 131,66	€3 143,59	€3 155,56	€3 167,58	€3 179,64	€3 191,75	€3 203,91	€3 216,11	€3 228,36
Balance	€409 579,60	€406 471,65	€403 351,87	€400 220,21	€397 076,62	€393 921,06	€390 753,48	€387 573,84	€384 382,09	€381 178,19	€377 962,08	€374 733,72
	3rd Year											
Period	**25**	**26**	**27**	**28**	**29**	**30**	**31**	**32**	**33**	**34**	**35**	**36**
Payment	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76
Interest	€1 427,11	€1 414,77	€1 402,38	€1 389,95	€1 377,46	€1 364,93	€1 352,35	€1 339,73	€1 327,05	€1 314,33	€1 301,56	€1 288,74
Principal	€3 240,65	€3 252,99	€3 265,38	€3 277,82	€3 290,30	€3 302,83	€3 315,41	€3 328,03	€3 340,71	€3 353,43	€3 366,20	€3 379,02
Balance	€371 493,07	€368 240,08	€364 974,70	€361 696,89	€358 406,59	€355 103,76	€351 788,35	€348 460,32	€345 119,61	€341 766,18	€338 399,98	€335 020,96
	4th Year											
Period	**37**	**38**	**39**	**40**	**41**	**42**	**43**	**44**	**45**	**46**	**47**	**48**
Payment	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76
Interest	€1 275,87	€1 262,95	€1 249,99	€1 236,97	€1 223,91	€1 210,79	€1 197,63	€1 184,41	€1 171,14	€1 157,83	€1 144,46	€1 131,04
Principal	€3 391,89	€3 404,81	€3 417,77	€3 430,79	€3 443,85	€3 456,97	€3 470,14	€3 483,35	€3 496,62	€3 509,93	€3 523,30	€3 536,72
Balance	€331 629,07	€328 224,26	€324 806,49	€321 375,70	€317 931,85	€314 474,88	€311 004,74	€307 521,39	€304 024,77	€300 514,84	€296 991,54	€293 454,82

5th Year

Period	49	50	51	52	53	54	55	56	57	58	59	60
Payment	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76
Interest	€1 117,57	€1 104,05	€1 090,48	€1 076,86	€1 063,18	€1 049,46	€1 035,68	€1 021,84	€1 007,96	€994,02	€980,03	€965,99
Principal	€3 550,19	€3 563,71	€3 577,28	€3 590,90	€3 604,58	€3 618,31	€3 632,08	€3 645,92	€3 659,80	€3 673,74	€3 687,73	€3 701,77
Balance	€289 904,64	€286 340,93	€282 763,65	€279 172,75	€275 568,17	€271 949,87	€268 317,78	€264 671,86	€261 012,06	€257 338,32	€253 650,59	€249 948,82

6th Year

Period	61	62	63	64	65	66	67	68	69	70	71	72
Payment	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76
Interest	€951,89	€937,74	€923,53	€909,27	€894,96	€880,59	€866,17	€851,69	€837,16	€822,57	€807,93	€793,23
Principal	€3 715,87	€3 730,02	€3 744,23	€3 758,49	€3 772,80	€3 787,17	€3 801,59	€3 816,07	€3 830,60	€3 845,19	€3 859,84	€3 874,53
Balance	€246 232,94	€242 502,92	€238 758,69	€235 000,20	€231 227,40	€227 440,23	€223 638,64	€219 822,57	€215 991,97	€212 146,78	€208 286,94	€204 412,41

7th Year

Period	73	74	75	76	77	78	79	80	81	82	83	84
Payment	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76
Interest	€778,47	€763,66	€748,79	€733,87	€718,88	€703,85	€688,75	€673,60	€658,39	€643,12	€627,79	€612,40
Principal	€3 889,29	€3 904,10	€3 918,97	€3 933,89	€3 948,88	€3 963,91	€3 979,01	€3 994,16	€4 009,38	€4 024,64	€4 039,97	€4 055,36
Balance	€200 523,12	€196 619,01	€192 700,04	€188 766,15	€184 817,27	€180 853,36	€176 874,35	€172 880,18	€168 870,81	€164 846,16	€160 806,19	€156 750,84

8th Year

Period	85	86	87	88	89	90	91	92	93	94	95	96
Payment	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76
Interest	€596,96	€581,46	€565,89	€550,27	€534,59	€518,85	€503,05	€487,19	€471,27	€455,29	€439,25	€423,14
Principal	€4 070,80	€4 086,30	€4 101,87	€4 117,49	€4 133,17	€4 148,91	€4 164,71	€4 180,57	€4 196,49	€4 212,47	€4 228,51	€4 244,62
Balance	€152 680,03	€148 593,73	€144 491,86	€140 374,38	€136 241,21	€132 092,30	€127 927,59	€123 747,02	€119 550,53	€115 338,06	€111 109,54	€106 864,92

9th Year

Period	97	98	99	100	101	102	103	104	105	106	107	108
Payment	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76
Interest	€406,98	€390,75	€374,46	€358,11	€341,70	€325,22	€308,69	€292,09	€275,42	€258,69	€241,90	€225,05
Principal	€4 260,78	€4 277,01	€4 293,30	€4 309,65	€4 326,06	€4 342,54	€4 359,07	€4 375,67	€4 392,34	€4 409,07	€4 425,86	€4 442,71
Balance	€102 604,14	€98 327,13	€94 033,83	€89 724,18	€85 398,12	€81 055,59	€76 696,51	€72 320,84	€67 928,50	€63 519,43	€59 093,58	€54 650,86

10th Year

Period	109	110	111	112	113	114	115	116	117	118	119	120
Payment	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76	€4 667,76
Interest	€208,13	€191,14	€174,10	€156,98	€139,80	€122,56	€105,25	€87,88	€70,43	€52,93	€35,35	€17,71
Principal	€4 459,63	€4 476,62	€4 493,66	€4 510,78	€4 527,96	€4 545,20	€4 562,51	€4 579,89	€4 597,33	€4 614,84	€4 632,41	€4 650,05
Balance	€50 191,23	€45 714,62	€41 220,95	€36 710,17	€32 182,22	€27 637,02	€23 074,51	€18 494,62	€13 897,30	€9 282,46	€4 650,05	€0,00

Appendix 44– Payback Period