



Youth4Care UG

Business Plan

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T3181 Entrepreneurship
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1. Executive Summary

1.1 Problem

1.1.1 Elderly loneliness

In Germany, more than 2 million men and women are over the age of 80 live alone and most of them ended up isolated when their spouses died. Expert anticipated that this number is increasing considerably. As a result, according to the aarpinternational report (2018), Germany is currently one of five “super-aged” societies in the world, and its population of those age 65 and older will continue to grow, reaching nearly one-third of the total population by 2050.

According to the German Center of Gerontology (DZA), over 20 percent of Germans over the age of 70 are in regular contact with only one person or nobody. One in four receives a visit less than once a month from friends and acquaintances, and nearly one in 10 is not visited by anyone anymore.

In Germany and other western countries, to solve and minimize this problem different foundations and organizations have been established. In the UK, the government form a minister of loneliness. This shows how the problem is serious and affecting an enormous part of the population.

1.1.2 Job seekers student

In Germany, there are 2.87 million university students in Germany, and around 1 in 10 comes from abroad. Those students mostly don't know how to look for a job and how to integrate to the culture. And these who are already familiar with the system are looking for a job that can be done whenever they have free time even if it's for 30 minutes because even a mini job in Germany requires at least 20 hours per week. This might be difficult to plan with the tight schedule of the students.

1.2 Description of our product

To minimize the setbacks and contribute to the elderly society and to the young generation, our team analysis all the above problems and creates an online platform which works as a bridge by creating a link to the above difficulties.

To construct this bridge our team is developing a mobile app and a website to connect the job seeker students and the seniors.

1.2.1 The seniors

After creating the account, the user includes all the necessary information in their profile. Through this account the user can post the services he would like to receive except health-related activities. The seniors' account can be managed by a member of his family (children or grandchildren) if the senior has some difficulties with the digital world. For those who are living alone and not confident with technology can make their request to our team via phone call and we make the post on behalf of them.

To make it more user friendly, the request of the seniors will be categorized in different service type. After posting a request the seniors can choose between the students that have shown interest for the request. The term of the contract will be done between themselves. Another possibility, is that the seniors directly search a student who convince him with his profile and directly contact him for the job.

For the seniors who has difficulties to integrate with technology, our team can create the account and make all the necessary procedure with a phone call to our office.

The service which is requested by the senior shouldn't require any special qualification. In any ways the student would not replacing professionals.

1.2.2 The students

The students who are interested in our service have to register and create an account on our platform as well. The students will describe their abilities and what services they can offer in their account. The students can apply any time for any request and if chosen by the seniors, they can discuss the term of the contract.

1.2.3 The services

As we mentioned above the seniors can request any service which doesn't acquire profession. However, to give a glimpse of a type of request that can be post, we have defined some of the services category:

- Help at home: e.g. cleaning of the apartment, tend the garden, cooking, doing the dishes and the washing, ironing the clothes, etc.
- Daily monitoring: e.g. going to the doctor, going to the supermarket, etc.
- Car driving services: for the daily monitoring services that need car
- Spending leisure time together: e.g. a walk in a park, play game, trip to museum, etc.
- Phone chit chat
- Support for some event at the senior's house or elsewhere
- General lesson how to use social media and other technology
- Hygienic care: this includes basic care for seniors that are defined in Germany in the Social Security Code Five and eleven (SGB V and XI) and that can be done without a license. The basic

care includes body care, excretions, nutrition, mobility, prevention and the promotion of everyday skills and communication. We will except for the students who want to do these services a certification that prove that they have experience in that field.

Those services are among the list that the seniors can request. In addition to the elderly any person who would like to get this service or provide this for their beloved once can create an account. Pregnant women, single mothers and fathers, husbands, wives and busy parents are some for the examples.

1.3 Unique Value Proposition

In today's market the service that's provided to the user is more focused to fulfil the need and the requirement of the young generation. In our app the first target will be the elderly community which it makes this very attractive to left out senior population. The seniors can use this service without being limited by their technology knowhow with the help of our team. Moreover, the app does not limit the service which will be asked unless it require special certification. Therefore, this make the app very broad and attractive for many who would like to receive a diverse type of service at any time. Besides getting and receiving all the possible services the user and the job seeker are secured. The user who would like to participate in the platform should upload all the necessary document.

2 The market analysis

2.1 The market size

2.1.1 The Seniors

According to Destatis, 45 % of the woman and 20% of the man older than 65 years old were living alone at home. This make an average of 34 % of seniors that were living alone. 59 % of the seniors were living with a partner. For woman older than 85 years old 73 % were living alone and the percentage for the man was by 33 %. A supplementary study (see figure 1) show that the number of seniors that are taking services at home is higher than the ones in a nursing home.

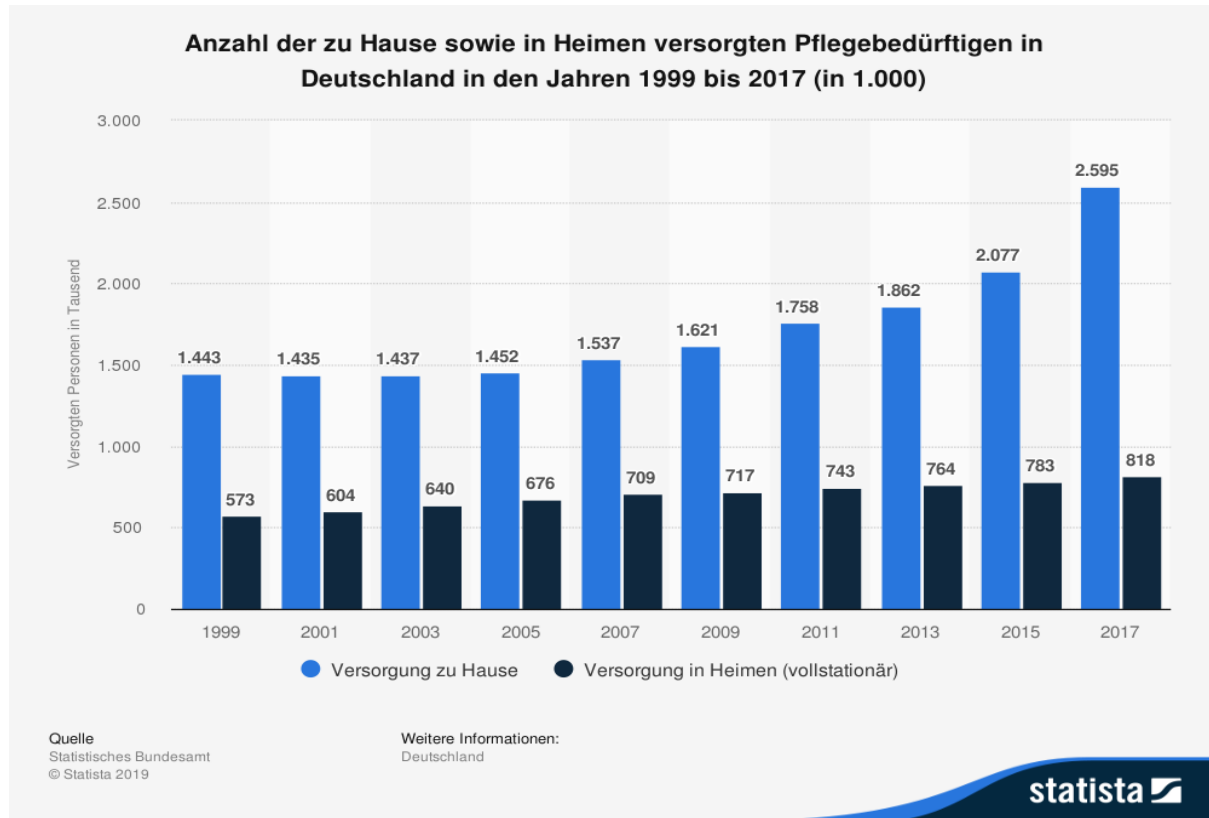


Figure 1: Number of people in need of care in Germany at home and in nursing home from 1999 to 2017 (Statista, 2020).

But as we can see in figure 2, the nursing services are more used by the age group from 85 years old. However, the total rate of seniors between 65 to 85 years old using nursing services is 45 % and this number is increasing. Therefore, all age group requires our attention as potential users.

In Cologne in 2017, the number of seniors between 65 and 80 years old was 134,894. The prognostic for 2030 is 153,694. For the seniors older than 80 years old the number is 54,254 with a prognostic of 65,254 for 2030 (Stadt Köln, 2019).

If we consider that two third of the seniors between 65 and 80 years old lived at home and one third of the seniors older than 80 lived at home, we have a total number of seniors at home of: $134,894 * 0,66 + 54,254 * 0,33 = 106,934$ and $122,972$ for 2030. For the calculation we will not deduct the number of seniors who are not taking a nursing service because we are offering others services described in chapter 1.2.3 and we consider all seniors at home as potential user for our app. It will be then out task to develop great marketing strategies to reach all these seniors and advertise our product.

We will discuss the number of senior not living at home in the subchapter “The partners”.

Table 1: Estimated seniors’ users at home for the first 10 years.

Years	Seniors
-------	---------

1	12300
2	24600
3	36900
4	49200
5	61500
6	73800
7	86100
8	98400
9	110700
10	123000

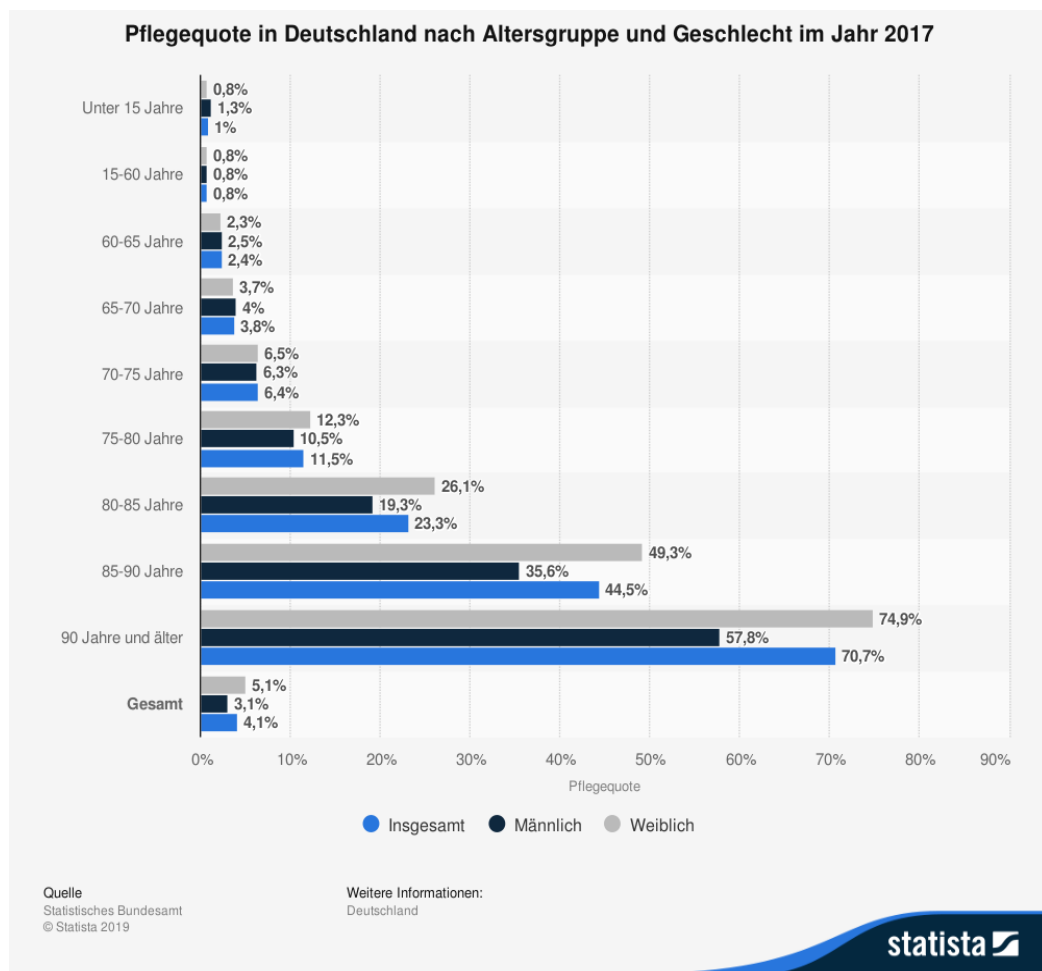


Figure 2: Nursing rate by age group and gender in 2017 (Statista, 2019c).

2.1.2 The students

Bild 4.6 Finanzierungquellen – Inanspruchnahme und geleistete Beträge
Bezugsgruppe „Fokus-Typ“

Finanzierungsquelle	2012			2016		
	Stud.	Beträge in €		Stud.	Beträge in €	
	%	arithm. Mittel	Median	%	arithm. Mittel	Median
Elternleistung	88	481	490	86	541	528
- als Barzuwendung	80	358	300	82	407	370
- als unbare Zuwendung	54	251	235	43	309	300
eigener Verdienst aus Tätigkeiten während des Studiums	61	300	250	61	385	350
BAföG	32	436	480	25	435	480
Rückgriff auf Mittel, die vor dem Studium erworben/angespart wurden	21	124	100	18	171	100
Verwandte, Bekannte	24	80	50	19	92	50
Waisengeld oder Waisenrente	3	217	186	3	222	198
Partner/Partnerin	1	98	50	1	143	100
Stipendium	4	317	300	5	423	300
Bildungskredit von der KfW	1	276	300	1	264	300
Studienkredit von der KfW	3	450	500	5	463	500
Kredit zur Studienfinanzierung von einer anderen Bank/Sparkasse	1	390	400	<1	450	435
sonstige Finanzierungsquellen	3	292	100	2	455	200

DSW/DZHW 21. Sozialerhebung

Figure 3: Source of financing study for students in Germany (Deutsches Zentrum für Hochschul- und Wissenschaftsforschung GmbH (DZHW) & Deutsches Studentenwerk (DSW), 2016).

Figure 3 show us the different sources that are used by the students in Germany to finance their study. The category student job has a percentage of 61 %. In 2018, Cologne had 100,706 students (Stadt Köln, 2019). The potential students that we can assume is about 61,430.

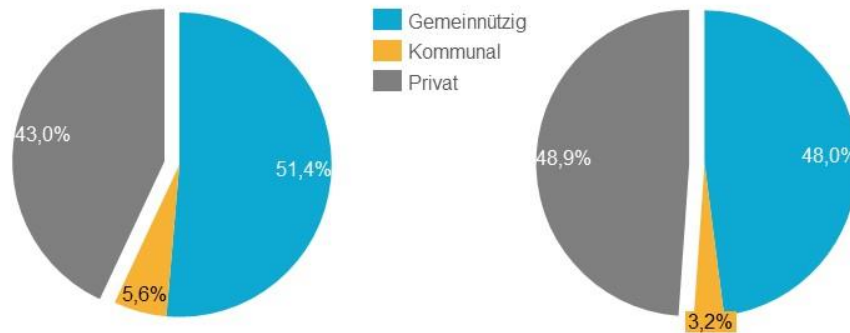
2.1.3 The partners

In order to increase the number of users and also the number of jobs that we can offer on our platform, we would like to have a partnership or work in collaboration with companies that are taking care of seniors. In German there are different terms that are used to describe these companies “Altenheim”, “Altenpflege”, “Altenzentrum”, “Seniorenzentrum”, or “Seniorenheim”. These are facilities where seniors, who cannot live alone anymore and need care services, are living in. In these facilities they are looked after by qualified personal for the basic cares and first medical cares. But for visiting a specialist or for pastime or car driving services, the seniors are dependent from their relatives who normally have time at the weekend. With our product we can offer the chance to the seniors to decide and plan their daily life more easily. With a collaboration with these facilities, which know the seniors and their needs, we could have a constant request input on our platform.

In and around Cologne, there are more than 150 of these facilities (Privatinstitut für Transparenz im Gesundheitswesen GmbH, Schwetzingen, & Germany, 2020). According to figure 4, the average number of places in a senior home is 73 places and 91 places respectively for private senior home and municipal senior home in the city. Charity senior homes in the city have an average of 79 places.

Verteilung von Altenheimen

Stadt VS Land



Größe der Pflegeheime nach Betreiberart (gemessen an der durchschnittlichen Platzzahl)

Art des Trägers	Stadt	Land
Private Träger:	73 Plätze	69 Plätze
Gemeinnützige Träger:	79 Plätze	76 Plätze
Kommunale Träger:	91 Plätze	85 Plätze

05.07.2019

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Figure 4: Distribution of the senior home and the size of the seniors home according to the art and the localization (Pflegermarkt, 2016).

For the estimation of the places in senior homes in and around Cologne, we assume for the calculation 75 places. And we assume also that only 30 seniors will use our product in the first 2 years and at the end of the 6th year we will have 70 seniors. And the goal for the first 10 year is to have a collaboration with 100 senior homes. The number of potential users after 10 years can be estimated at 7,000 seniors.

Table 2: Estimated senior users in senior homes for the first 10 years.

Years	Senior homes	Seniors	Total
1	10	30	300
2	20	30	900
3	30	50	2400
4	40	50	4400
5	50	70	7900
6	60	70	12100
7	70	70	17000
8	80	70	22600
9	90	70	28900
10	100	70	35900

Table 3: Estimated total user for our product in the first 10 years

Years	Seniors	Students	Total
1	12600	5000	17600
2	38700	20000	58700
3	79500	40000	119500
4	135100	61430	196500
5	204500	61430	265930
6	290400	61430	351830
7	395500	61430	454930
8	514500	61430	575930
9	654100	61430	715530
10	813000	61430	874430

Table 3 shows the estimated number of seniors and students that we consider as potential users. We can see that after 5 years the number of seniors will be significantly higher than the number of the students and that we will have to expand our market in order to be able to continue to offer workers that can take the jobs of the seniors.

2.2 Competition

We are targeting the students to do the requests of the seniors; therefore, our competitors are other websites that are offering jobs to the students in Cologne such as:

- Studenten-vermittlung.com
- studitemps.de
- jobruf.de
- indeed.com
- studiwork.com
- stepstones.de
- jobmenge.de
- workaway.info
- Jobmensa.de
- gelegenheitsjobs.de
- stellenwerk-koeln.de

These competitors are offering different kind of jobs to the students, from baby-sitter, catering, cleaning craft, and hostess to removal helpers. Jobruf.de was the only website so far that proposes an extra category for senior care and we could only find 3 requests in this category. We could see that the focus of the competitors is providing students as worker to company or private party that are in the need. We, in our App and website want to focus on the seniors. Therefore, more senior's related jobs will be proposed on our website. In the future, we can still expand more the target group regarding the evolution of the App. Another category of competitors are professional companies that are offering care services for seniors such as:

- Colonia Care Betreuungsdienst
- marena-koeln
- Ambulante Dienste Neubrück
- Caritas
- Diakonie
- German Red Cross

3. Financial Plan

3.1 Monetization Strategy

After the definition of our target group and the possible number of clients that we can accept, the next step will be to define the strategy to earn money from the App. The first choice will be to define if the App will be for free or paid. As we can observe on Figure 5, free Apps has been more downloaded between the year 2013 to 2016 than paid Apps and we can assume that this tendency is still present. The results of a more recent study (see figure 6), show that in the last 4 months of the year 2019, most of the App in the Google Play Store were for free.

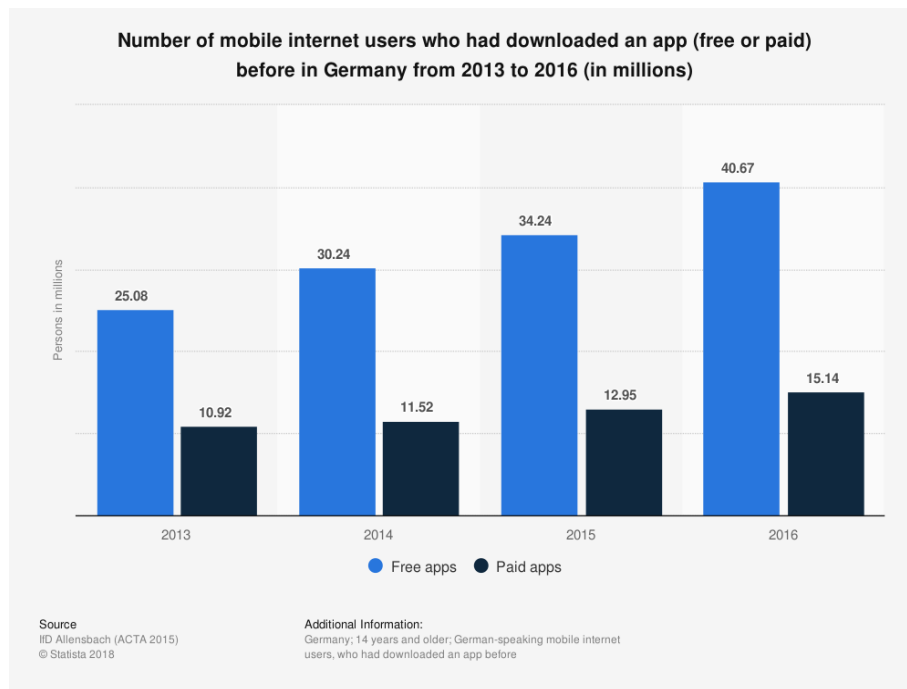


Figure 4: Number of mobile internet users who had downloaded an app before in Germany from 2013 to 2016 (Statista, 2018)

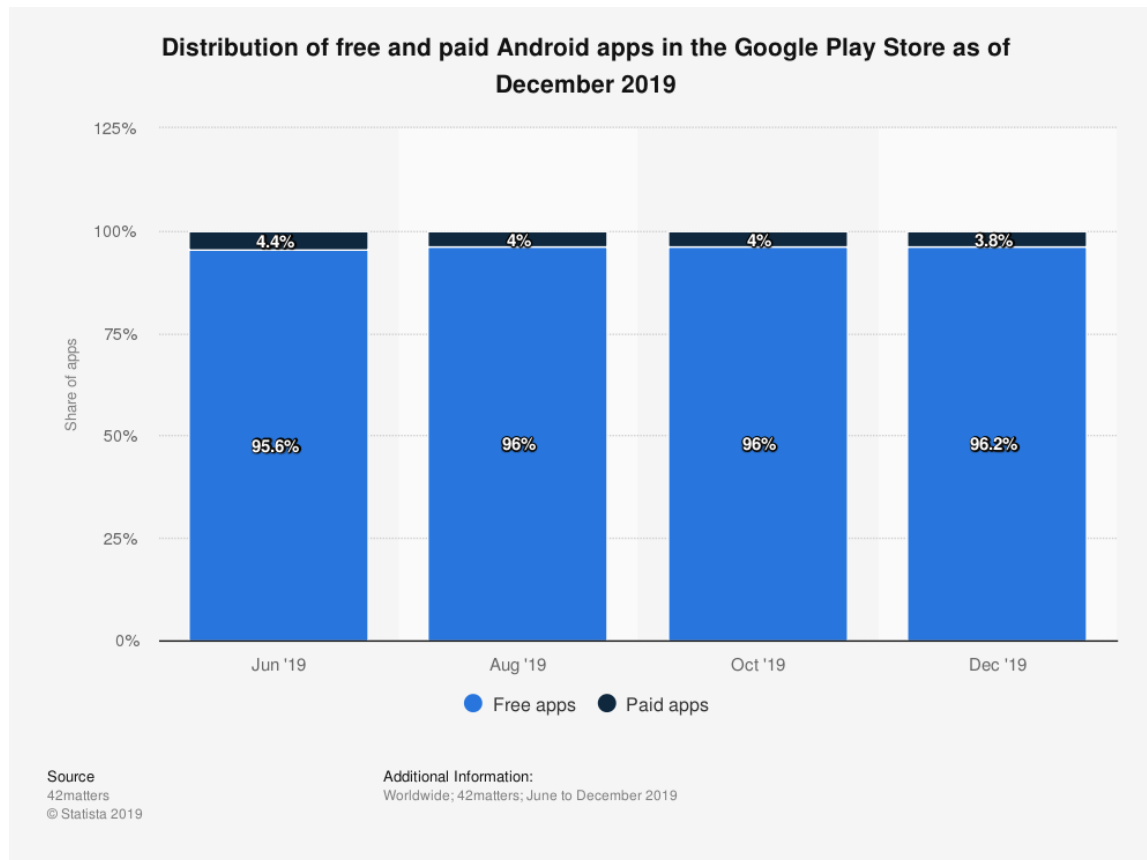


Figure 5: Distribution of free and paid Android apps in the Google Play Store as of December 2019 (Statista, 2019a)

It is obvious that with a free App, we could reach a high number of downloads. But how can we earn money if the App is for free. These are some of the different strategies that we can adopt to make our App profitable (Thinksmobiles, 2019):

- Advertising with display ads and banners: For this strategy the App is offering display commercial inside the mobile App and get paid by the advertisement network. The App can get paid every time the ad is displayed, per click on an ad or when a user installs the advertised App. This strategy can be very profitable because the more ads you show in your App the more money you make.

2018, the average CPM (Cost Per Mile: the cost of 1,000 impressions of a particular ad) for in-app banner ads for Android and iOS was around 25 cents. Those for the interstitial ads around 3.6 Euro for Android and 6.3 Euro for iOS. 2018, the average CPC (Cost Per Click) in Germany was between 0.31 Euro and 0.62 Euro. And the average CPI (Cost Per Install) in Germany is 1.8 Euro.

- Subscription and In-app purchases: For Apps that are free, some contents and features can be available for a limited time, so that the users can pay a subscription fee to get a full access and unlock it. For e.g in the second-hand App “Shpock” that is offering following features to increase your selling chances:
 - Shpock VIP Highlight costs 1.99 Euro for 3 days to highlight your product optically

- Shpock Top Hit costs 2.99 Euro for 3 days to list your offer at the top of the search results.
- Shopck Hot Area costs 3.99 Euro for 3 days to catches the eye of buyers faster

Another well know example is Spotify. With a premium subscription by Spotify, the users can stream music without advertising and also download music. The users have the chance to make that experience during the first 3 months of their registration and can choose later on to keep the premium features for 9.99 Euro per month.

- Freemium upsell: In the case of freemium upsell the principle is similar as the subscription but the features are not available for a limited time but the users get a full access to the functionality of the App. It is a good strategy to gain new users rapidly, and they have the choice later on to choose the premium features.
- Commerce: Selling physical goods or branched merchandise can increase the revenue of the App. In our case, we could propose goods that are cheaper for registered seniors and students.
- Collecting and Selling Data: Free App can sell their database to third parties. The information may contain user's email address, social media accounts, and personal references. Important for this strategy is to inform the users about the use of their information.
- Referral marketing: this strategy consists in promoting other apps and is similar to advertising.

In figure 7, we can observe that in-app purchase, in-app advertising and paid download were the most monetization strategies used in 2017 worldwide. Followed by subscription and commerce.

For our App, a combination of these strategies will be necessary to reach all of our users and to increase our profitability.

First, we could implement a fee for each request that come to an agreement. According to our self-cost calculation, it could be 1 Euro from the seniors and 1 Euro from the students each time it come to an agreement. For the controlling, we can decide to give the contact of the students and the seniors after the receiving of the fee, so we are sure that we are receiving the fee. If a senior want to post more than 8 requests in a period of 30 days or a student want to take more than 8 requests in a period of 30 days, they can choose to make a subscription. They could subscribe for 10 Euro per 30 days Month for the senior and 10 Euro per Month for the student.

Another possibility, is to offer features to the seniors and the students to get found more easily. For example, a student is in vacation and want to work as much as possible, he could subscribe for a Top Hit features and will be listed at the top of the search results. For this service, the student could pay 1.99 Euro for a period of 7 days. The same features can be used by seniors who want to increase their chances to get the attention of the students.

The next strategy will be to implement advertising in our App and Website that are targeting seniors and students.

We can also consider later on after that we have reached a consistent number of users to implement a commerce part, in our App to sell goods at interesting price for registered seniors and students.

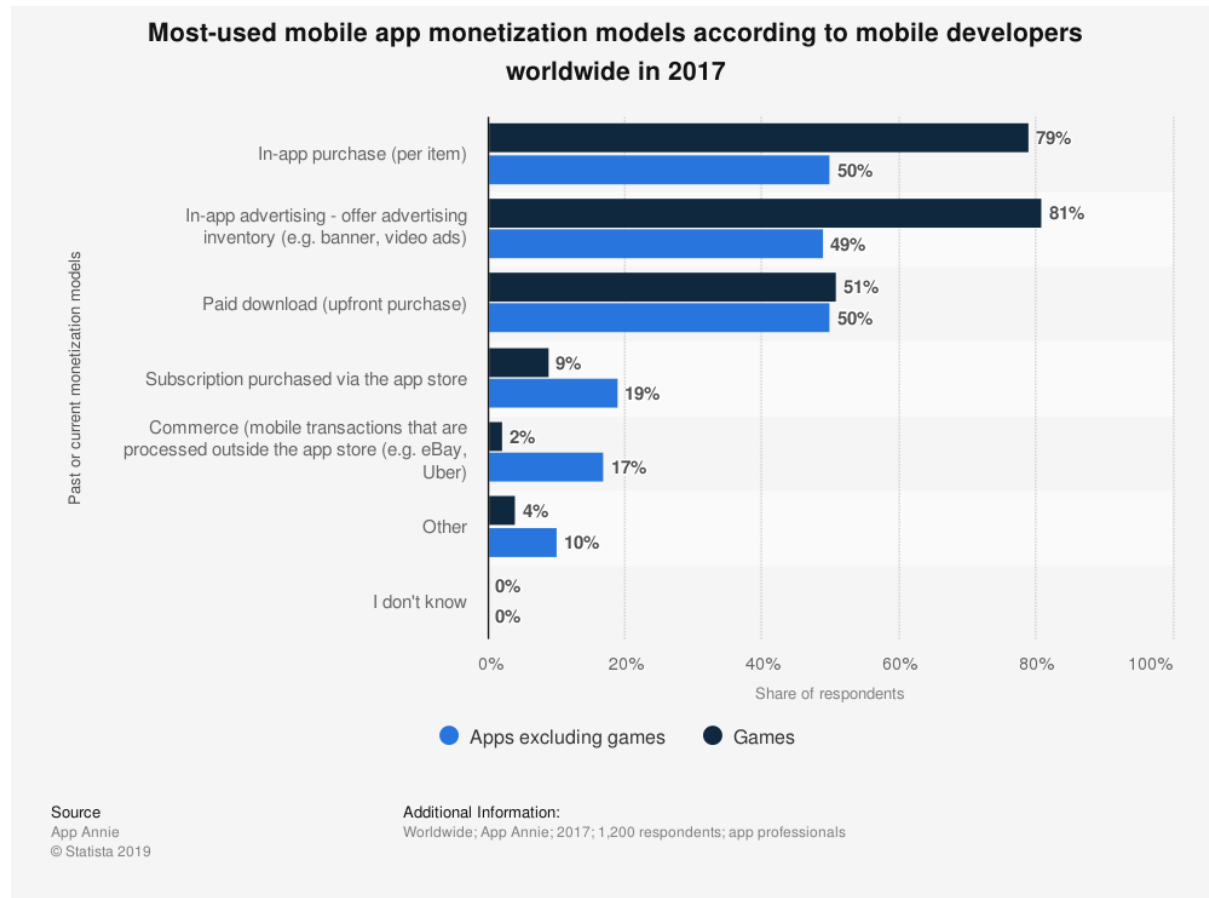


Figure 6: Most-used mobile app monetization models according to mobile developers worldwide in 2017 (Statista, 2019b).

3.2 Startup Costs

Our targeted project area is the city of Cologne in North Rhine Westphalia because we the founder are living in Cologne and we can get much more easily in contact with the seniors and the students. We consider Cologne as a pilot city and one of our goal is to extend our services to other cities such as Berlin with the highest percentage of seniors living alone.

To reach the expected senior we will implement a marketing strategy including:

- Putting broacher and flier at difference commercial and public places like banks, parks, bus, train station, supermarkets, restaurants and café
- Contacting university career service
- Contacting pharmacy's and hospitals
- Contacting government offices
- Advertisement on social media

3.4 Choice of Company's legal form

The choice of the company's legal form is really important. Before to choose the legal form that really fit with the business model, different criteria have to be considered: the shareholder, the liability, the start capital, the taxes, and the registration of the company, the transparency and the investing.

As we want to create the company as a group these are some the following company's legal forms available for a partnership company in Germany (Für Gründer):

- die Gesellschaft bürgerlichen Rechts als Rechtsform (GbR): Quick and easy foundation and no start-up capital required. Liability with private wealth and restriction in the choice of the company name. If the company is growing very rapidly the legal form has to be changed.
- die Rechtsform der Offenen Handelsgesellschaft (OHG): Quick foundation and no regulation about the start capital. But each partner is unlimited liable with his business share and with his private assets.
- Kommanditgesellschaft als Rechtsform (KG): this form is for a company who want to run a commerce in form of a common enterprise. At least one of the partners has a limited liability to a defined capital contribution in form of goods. The others partners do not have such a limited liability, but has a full individual liability.
- GmbH: costly foundation and minimum capital is 25,000 Euro. The liability is restricted to the company assets.
- UG: The UG can be found with a share capital of 1 Euro and is obliged to build up reserves in order to gradually build up the share capital of a GmbH. The liability is limited to the company assets.

To create our company, the UG legal form is the most suitable one at the moment. First, we are not willing to choose a legal form with individual liability. Secondly, we cannot provide the minimum capital required by the GmbH. With an UG we can decide our share capital and limits liability to the company assets. We have decided for a startup capital of 1000 Euro, paid in equal share by the 4 shareholders.

3.5 Business plan calculation

Table 4: Investment and operating costs breakdown

	Investment Costs [€]	Operating Costs [€]	Depreciation Costs [€]
Physical Resources Costs			
Office rental		55000	
Furniture	10000		1000
Electronics & Informatics	10500		2625
Human Resources Costs			

Managing director		55000	
Chief financial officer		48000	
Business development officer		48000	
IT head		48000	
Lawyer (freelance)		5000	
Customer support		42000	
Marketing and publicity officer		44000	
Tax consultant (whenever needed)		5000	
Costs for App			
Android and iOS	72600		
Website	17400	25000	
Support		160000	
Marketing and Publicity Costs	30000	3000	
Miscellaneous		20000	
Total	140500	558000	
Investment Sum	161000		

Table 5: Financing model with ERP Start-up Loan StartGeld

Debt 100000					
Loan Period	10				
ERP Start-up Loan-StartGeld					
Year	Balance of Debt	Interest rate	Interest Cost per annum	Loan repayment	Total Financing Costs
1	100000	5%	5000	10000	15000
2	90000	5%	4500	10000	14500
3	80000	5%	4000	10000	14000
4	70000	5%	3500	10000	13500
5	60000	5%	3000	10000	13000
6	50000	5%	2500	10000	12500
7	40000	5%	2000	10000	12000
8	30000	5%	1500	10000	11500
9	20000	5%	1000	10000	11000
10	10000	5%	500	10000	10500
Total			27500	100000	127500

Table 6: Financing model with High-Tech Gründerfonds Management GmbH

Debt 61000					
Loan Period	10				
High-Tech Gründerfonds Management GmbH					
Year	Balance of Debt	Interest rate	Interest Cost per annum	Loan repayment	Total Financing Costs
1	61000	4%	2440	6100	8540
2	54900	4%	2196	6100	8296
3	48800	4%	1952	6100	8052
4	42700	4%	1708	6100	7808
5	36600	4%	1464	6100	7564
6	30500	4%	1220	6100	7320
7	24400	4%	976	6100	7076
8	18300	4%	732	6100	6832
9	12200	4%	488	6100	6588
10	6100	4%	244	6100	6344
	Total		13420	61000	74420

Table 7: Total financing costs.

Year	ERP financing costs	Hi-Tech financing costs	Total financial costs	Repayment Credit
1	5000	2440	7440	16100
2	4500	2196	6696	16100
3	4000	1952	5952	16100
4	3500	1708	5208	16100
5	3000	1464	4464	16100
6	2500	1220	3720	16100
7	2000	976	2976	16100
8	1500	732	2232	16100
9	1000	488	1488	16100
10	500	244	744	16100
	Total	Final	40920	

Table 8: Self costs

Year	Number of Users	Depreciation Costs	Financing Costs	Operations Costs	Total	Cost per User
1	17600	3625	7440	558000	569065	32.33
2	58700	3625	6696	558000	568321	9.68
3	119500	3625	5952	558000	567577	4.75
4	196500	3625	5208	558000	566833	2.88
5	265930	1000	4464	558000	563464	2.12
6	351830	1000	3720	558000	562720	1.60
7	454930	1000	2976	558000	561976	1.24

8	575930	1000	2232	558000	561232	0.97
9	715530	1000	1488	558000	560488	0.78
10	874430	1000	744	558000	559744	0.64

Table 9: Revenue calculation

Revenue calculation based on fee with one service per week			
Year	Users	Revenue with 2 Euro	Revenue with 3 Euro
1	17600	1830400	2745600
2	58700	6104800	9157200
3	119500	12428000	18642000
4	196500	20436000	30654000
5	265930	27656720	41485080
6	351830	36590320	54885480
7	454930	47312720	70969080
8	575930	59896720	89845080
9	715530	74415120	111622680
10	874430	90940720	136411080

Table 9 shows the revenue that we can expect for the first 10 years if all the users use our service one time per week and that we collect 2 Euro for each service. The collection of the fee is divided between the seniors and the students equally, 1 Euro for the seniors and 1 Euro for the students.

Table 10: Revenue calculation based on advertising in our app and website

Revenue calculation based on Advertising			
Year	Users	Visitors per day	Revenue
1	17600	1000	4158
2	58700	3336	13871
3	119500	6790	28232
4	196500	11165	46424
5	265930	15110	62827
6	351830	19990	83118
7	454930	25848	107475
8	575930	32723	136062
9	715530	40655	169043
10	874430	50000	207900

Table 10 shows the possible revenue from offering our app and website as advertising spaces.

Table 11. Revenue calculation based on fee and advertising

FEE			
Year	Users	Revenue with 2 Euro	Revenue with 3 Euro
1	17600	1830400	2745600
2	58700	6104800	9157200
3	119500	12428000	18642000
4	196500	20436000	30654000
5	265930	27656720	41485080
6	351830	36590320	54885480
7	454930	47312720	70969080
8	575930	59896720	89845080
9	715530	74415120	111622680
10	874430	90940720	136411080
Advertising			
Year	Users	Visitors per day	Revenue
1	17600	1000	4158
2	58700	3336	13871
3	119500	6790	28232
4	196500	11165	46424
5	265930	15110	62827
6	351830	19990	83118
7	454930	25848	107475
8	575930	32723	136062
9	715530	40655	169043
10	874430	50000	207900

Table 12. Cash flow using two euro revenue model

	1	2	3	4	5	6	7	8	9	10
Fee revenue	1,830,400.00	6,104,800.00	12,428,000.00	20,436,000.00	27,656,720.00	36,590,320.00	47,312,720.00	59,896,720.00	74,415,120.00	90,940,720.00
Adv revenue	4,158.00	13,871.00	28,232.00	46,424.00	62,827.00	83,118.00	107,475.00	136,062.00	169,043.00	207,900.00
Depreciation costs	3,625.00	3,625.00	3,625.00	3,625.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Labour costs	295,000.00	295,000.00	295,000.00	295,000.00	295,000.00	295,000.00	295,000.00	295,000.00	295,000.00	295,000.00
Operating costs	558,000.00	558,000.00	558,000.00	558,000.00	558,000.00	558,000.00	558,000.00	558,000.00	558,000.00	558,000.00
Financing costs	23,540.00	22,796.00	22,052.00	21,308.00	20,564.00	19,820.00	19,076.00	18,332.00	17,588.00	16,844.00
Loss carried forward										
Profit before tax	954,393.00	5,239,250.00	11,577,555.00	19,604,491.00	26,844,983.00	35,799,618.00	46,547,119.00	59,160,450.00	73,712,575.00	90,277,776.00
Taxes (40%)	381,757.20	2,095,700.00	4,631,022.00	7,841,796.40	10,737,993.20	14,319,847.20	18,618,847.60	23,664,180.00	29,485,030.00	36,111,110.40
Profit after taxes	572,635.80	3,143,550.00	6,946,533.00	11,762,694.60	16,106,989.80	21,479,770.80	27,928,271.40	35,496,270.00	44,227,545.00	54,166,665.60

Cash-flow	576,260.80	3,147,175.00	6,950,158.00	11,766,319.60	16,107,989.80	21,480,770.80	27,929,271.40	35,497,270.00	44,228,545.00	54,167,665.60
Repayment credit	16,100.00	16,100.00	16,100.00	16,100.00	16,100.00	16,100.00	16,100.00	16,100.00	16,100.00	16,100.00
Dividend	560,160.80	3,131,075.00	6,934,058.00	11,750,219.60	16,091,889.80	21,464,670.80	27,913,171.40	35,481,170.00	44,212,445.00	54,151,565.60
221,690,426.00										

Table 13. Cash flow using three euro revenue model

	1	2	3	4	5	6	7	8	9	10
Fee revenue	2,745,600.00	9,157,200.00	18,642,000.00	30,654,000.00	41,485,080.00	54,885,480.00	70,969,080.00	89,845,080.00	111,622,680.00	136,411,080.00
Adv revenue	4,158.00	13,871.00	28,232.00	46,424.00	62,827.00	83,118.00	107,475.00	136,062.00	169,043.00	207,900.00
Depreciation costs	3,625.00	3,625.00	3,625.00	3,625.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Labour costs	295,000.00	295,000.00	295,000.00	295,000.00	295,000.00	295,000.00	295,000.00	295,000.00	295,000.00	295,000.00
Operating costs	558,000.00	558,000.00	558,000.00	558,000.00	558,000.00	558,000.00	558,000.00	558,000.00	558,000.00	558,000.00
Financing costs	23,540.00	22,796.00	22,052.00	21,308.00	20,564.00	19,820.00	19,076.00	18,332.00	17,588.00	16,844.00
Loss carried forward										
Profit before tax	1,869,593.00	8,291,650.00	17,791,555.00	29,822,491.00	40,673,343.00	54,094,778.00	70,203,479.00	89,108,810.00	110,920,135.00	135,748,136.00
Taxes (40%)	747,837.20	3,316,660.00	7,116,622.00	11,928,996.40	16,269,337.20	21,637,911.20	28,081,391.60	35,643,524.00	44,368,054.00	54,299,254.40
Profit after taxes	1,121,755.80	4,974,990.00	10,674,933.00	17,893,494.60	24,404,005.80	32,456,866.80	42,122,087.40	53,465,286.00	66,552,081.00	81,448,881.60
Cash-flow	1,125,380.80	4,978,615.00	10,678,558.00	17,897,119.60	24,405,005.80	32,457,866.80	42,123,087.40	53,466,286.00	66,553,081.00	81,449,881.60
Repayment credit	16,100.00	16,100.00	16,100.00	16,100.00	16,100.00	16,100.00	16,100.00	16,100.00	16,100.00	16,100.00
Dividend	1,109,280.80	4,962,515.00	10,662,458.00	17,881,019.60	24,388,905.80	32,441,766.80	42,106,987.40	53,450,186.00	66,536,981.00	81,433,781.60

Conclusion

An ambitious yet realistic business plan of our startup provides a way to launch this business into the market. It is our belief that targeting the right voids and empty spaces is one way of co-founding a startup and this report clearly explains our methodology. The scope of this business for now is limited to Cologne but we plan to expand it throughout Germany.

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Annex 1

Article of Association

These Articles of Association (“the agreement”) is made and effective (DATE).

(1) Company name, Registered Offices and Financial Year

The name of the company is *Youth 4 Care (haftungsbeschränkt)*. The registered office of the company is located at *straße (NO), (PLZ)Cologne, Germany*. The financial year of the company starts on/with: *The Calendar Year*.

(2) Object of Business

The Company aims to minimize the setbacks and contribute to the elderly society and to the young generation. The students will be providing to elderly people with service and will be paid accordingly. The company has the right to pursue all business and implement all measures that contribute to achieving the company’s objectives. The Company has the right to transfer or handover its business fully or partially to other companies, to conclude company agreements and enter cooperation.

(3) Share Capital

The total share capital of the company is 1000 Euro. This amount shall be paid immediately in full and in cash. One quarter of the mentioned amount is the individual contribution of each of the four partners. As per the German Civil Code, 25% of the taxed annual turnover of the company shall be added to the capital until a total sum of 25,000.00 Euros is reached. The company will then be eligible to transform into a GmbH (Gesellschaft mit beschränkter Haftung).

(4) Managing Directors and Representation

One or more managing directors for the company shall be appointed. If one managing director is appointed, he/she shall represent the company. If the company has more than one managing director, the company shall be represented jointly by two managing directors or by one managing director jointly with a holder of a special proxy.

(5) Announcements

Announcements of the company shall be published exclusively in the Federal Gazette (Bundesanzeiger).

(6) Formation costs

The Youth 4 Care UG shall bear the costs of incorporation.

(7) Final provisions

Annex 2

Employment Contract- Managing Director

Contract number:

Personnel number:

Youth4care GmbH, In, 53.....0 Cologne, Germany, here in after referred to as the Employer, and Given Name Last Name,str. 23, 50.....4, Germany, born DD.MM.YYYY, here in after referred to as the Employee, conclude the following employment contract.

§ 1 Management and Representation Authority

1. The managing director conducts the business of the company by the law, the partnership agreement of the UG, the respective valid rules of procedure and this contract of employment. He must follow the instructions of the shareholders' meeting. 2. The company may appoint additional managing directors.

§ 2 Transactions subject to approval

1. The authority of the managing director includes the execution of all measures that the ordinary business of the company entails. 2. For further measures, the managing director requires the prior consent of the shareholders' meeting, in the cases governed by the articles of association.

§ 3 self-Contracting

The managing director is released from the restrictions of § 181 BGB. Note: According to § 181 BGB, the managing director can conclude a legal transaction with himself on behalf of the company, unless the legal transaction consists solely in the fulfilment of liability or is legally advantageous for the UG. If the shareholder agreement provides for the exemption from the restrictions of § 181 BGB, this should also be included in the employment contract.

§ 4 Duties and Responsibilities

1. The managing director shall conduct the business of the company with the due care of a prudent businessman and fulfil the duties incumbent upon him by law, articles of association and this contract exactly and conscientiously.

Regardless of whether additional directors are appointed to whom the same rights and obligations have been assigned, each director is responsible for overseeing and monitoring the entire company.

(1) The managing director assumes the rights and duties of an employer within the meaning of employment and social law or tax regulations.

(2) The managing director must draw up the annual financial statements and a management report (§ 289 HGB) for the past financial year within the term of section 264 (1) HGB and forward them to each shareholder directly after their preparation.

At the same time as the annual financial statements and the annual report were sent, the managing director has to convene a shareholders' meeting in accordance with the resolution period of § 42a (2) UG, in which resolution must be passed on the approval of the annual financial statements and the appropriation of profits.

§ 5 Liability of the Managing Director

1. The company is obliged by the shareholders' meeting annually, at the latest at the time of adoption of the annual financial statements, to pass a resolution on the discharge of the managing director for the preceding activity.

2. The liability of the managing director vis-à-vis the company is limited to intentional and grossly negligent behaviour.

3. The managing director is liable to the company for all damages only up to a maximum amount of 5000 €.

4. The managing director is not liable to the company if and insofar as he has acted on the express instructions of the shareholders.

5. For the benefit of the managing director, a financial loss liability insurance with a coverage of 50,000 € is to be concluded and held for the duration of this employment contract, the premiums of which are borne by the company. The company must take insurance before claiming the managing director.

§ 6 Place of Employment and Working Hours

1. The managing director must render his services at the registered office of the company. 2. The managing director has to the extent that no other agreements have been made to put his full work force and all his abilities and knowledge into the service of the company. 3. The managing director should as far as possible comply with the company's working hours. However, it is always required to be available for service, if and to the extent that the well-being of society so requires.

§ 7 own business and secondary activity

1. The managing director is permitted to carry out ancillary business, as far as it does not concern the business purpose of the company and/or decrease their productivity in the company.

2. Publications and lectures concerning the areas of activity of the company require the prior written consent of the general meeting of shareholders.

3. A given consent of the shareholders' meeting can be revoked at any time, considering any notice periods to be observed by the managing director.

4. The assumption of offices on supervisory bodies as well as the takeover or participation in other companies and organizations requires the prior written consent of the shareholders' meeting. The consent granted for the assumption of an office can be revoked at any time, whereby in the case of a revocation existing time limits for the termination of the office taken over must be considered.

5. Gifts or other benefits of persons or companies who are in a business relationship with the Company or who seek such a connection may only be accepted by the Managing Director with the prior consent of the shareholders' meeting.

§ 8 Non-Competition

1. During the term of this contract, the managing director is forbidden to work in a self-employed, dependent or another manner for a company which is in direct or indirect competition with the company. Furthermore, he is prohibited from establishing, acquiring or directly or indirectly participating in such a company for the duration of this contract.

2. The managing director is obliged to keep absolute silence about unauthorized third parties' overall operational and business affairs of the company. This obligation also applies after the termination of this contract.

3. The managing director undertakes not to work for one year after termination of this contract either as a self-employed, non-self-employed person or in any other way for a company which is in direct or indirect competition with the company. Furthermore, he is prohibited from building, acquiring or participating directly or indirectly in such a rival company for five years after termination of this contract.

4. This non-competition clause applies to the territory of the Federal Republic of Germany.

5. For the duration of this post-contractual non-competition clause, the company commits itself to pay the managing director compensation in the amount of 60% of his average monthly

remuneration within the last six months before his departure. The pay is scheduled at the end of every month.

6. The compensation is according to the paragraph. 5 shall include the income which the managing director does not achieve or achieve during the period of the post-contractual non-competition clause arising from self-employment, employment or other gainful employment. The income to be credited also includes any unemployment benefit received by the managing director. At the request of the company, the managing director is obliged to provide information about the amount of his income.

7. If this contract is terminated by the retirement of the managing director, the preceding paragraphs 3-6 shall not apply.

8. The company may waive compliance with the post-contractual non-competition clause using a written declaration to the managing director. In this case, the obligation to pay the compensation ends with the expiration of three months after submission of the declaration.

9. In the event of extraordinary termination of the contract, the right of termination is entitled to cancel the post-contractual non-competition clause within one month after the pronouncement of the extraordinary termination by written declaration to the other party.

10. In the event of a breach of the non-competition clause, the Company's managing director shall pay a contractual penalty amounting to the average monthly compensation paid in the last ... months before the termination of the contract. At the same time, for the month in which the infringement occurred, the payment of the compensation under paragraph 5 shall cease to apply. If the infringement is in a continuing activity, the contractual penalty is forfeited for each commenced month.

§ 9 Remuneration

1. The managing director receives for his activities a) A gross payment of € 55000 per year, paid in twelve equal installments at the end of each calendar month. Optional profit sharing and bonuses b) Also, the managing director receives an annual bonus for his work. This is determined by the Shareholders' Meeting based on the economic result of the last financial year following the adoption of the annual financial statements.

2. Beyond the agreed remuneration, no other remuneration will be granted.

§ 10 Remuneration for service prevention and death

1. In the event of illness or other involuntary loss of service, the Managing Director shall be entitled to a period of three months to the continuation of his contractual remuneration, but at the latest until the end of the employment contract.

2. For a period exceeding this period or other non-obligatory service prevention, the managing director shall receive from the company for three other months a subsidy equal to the difference between a sickness benefit granted by the statutory or private health insurance and the monthly sickness benefit Net amount of his fixed salary. If there is no entitlement to sickness benefit, the sickness benefit for this paragraph shall be based on the amount which the managing director would have received from the responsible local health insurance fund using insurance commensurate with his income. The salary and any applicable church tax on the differential payment are borne by the company.

3. upon expiry of the period of payment specified in the paragraph. 1, the bonus due to the Managing Director shall be reduced by one-twelfth for each calendar month of continuous service prevention commenced.

4. In the event of a breach by a third party, the managing director shall assign all claims against the causer of his invalidity up to the amount of the compensation payment owed by the company under this contract, including any social security contributions thereon.

5. If the managing director dies during the term of this contract of employment, his spouse will be paid the fixed salary for the

following months of the month of death. If the spouse has already died at this time, then this entitlement belongs to the legitimate children of the managing director.

§ 11 Other Services

1. For the duration of this contract, the company grants to the managing director a subsidy to the health insurance in the amount of the employer's contribution, as would be the case with health insurance, but not more than half of the amount which the managing director has to spend on his health insurance. 2. The managing director is entitled to reimbursement of the expenses incurred in the performance of his contractual duties, the travel, entertainment, and telephone/fax costs. If the expenses incurred exceed the lump sum permitted by the tax regulations, the expenses must be documented in detail.

§ 12 Leaves

1. The managing director is entitled to an annual leave of 30 working days.

2. The managing director must choose the time of the holiday and the duration of the holiday considering his task and the interests of the company and to agree with the managing director or the majority shareholder.

3. If the manager cannot or not completely take the holiday in the calendar year for business or personal reasons, the holiday can be cancelled until DD.MM. of the following year. Holidays that have not been taken until the end of the transfer period will expire without a claim for compensation.

4. If the employment relationship is not the entire calendar year, the holiday entitlement according to paragraph. 1 is reduced.

§ 13 Inventions

The outcomes of the performance of the manager related to the firm. Insofar as it concerns inventions or technical suggestions for improvement within the meaning of the Employee Invention Act, these must be offered to the company in writing without delay. The Company shall be entitled to declare within four weeks after receipt of this notice whether and to what extent it intends to avail itself of the invention. In the event of recourse, the Managing Director receives remuneration by the provisions of the Law on Employee Inventions and the related remuneration guidelines. All other work results are compensated with the contractual remuneration of the managing director.

§ 14 contract duration and termination

This contract is effective from DD.MM.YYYY in force. It is closed indefinitely. The contract can be terminated by both sides within 3 months. (note the minimum statutory notice periods!). The right to an exceptional termination of the contract for good cause remains unaffected. An important reason exists for the society in particular if a) the managing director resigns from the company as a partner, or is dismissed as managing director for good cause; b) the managing director violates the provisions on ancillary activity and the noncompetition clause; c) the managing director measures gem. § 2 Abs. 2 is carried out without the prior consent of the shareholders' meeting and the company resulting in damage or the managing director repeatedly commits such violations despite warning; d) the managing director commits serious violations of the instructions of the shareholders' meeting unless they demand an unlawful conduct by the managing director; e) the insolvency proceedings are opened against the assets of the company or the company is liquidated. Each dismissal must be in a written form. Termination of the managing director is to be addressed to each additional managing director of the company or, in case no other managing director is present, to the shareholder that holds the highest capital support in the

firm. The contractual relationship ends without the need for notice of termination at the end of the month in which the managing director completes the first year of age or disability is determined.

§ 15 Severance Pay

1. In the event of an ordinary cancellation or non-renewal of the employment contract by the Company, the Managing Director receives a severance payment amounting to a one-month basic salary per year of employment. The calculation of the severance payment is based on the full years of service completed at the end of the contract and the gross monthly salary received during the last service year on a monthly average.

2. The severance payment is due at the expiration of the employment contract and is paid in compliance with the applicable tax provisions.

§ 16 Confidentiality

1. The managing director is obliged to maintain the strictest confidentiality about all matters of the company which is not the subject of public knowledge and to use secret information not directly neither indirectly toward the gain of third parties. If there are doubts about the scope of this secrecy obligation, the managing director is obliged to bring about a decision of the shareholders' meeting. This obligation also exists after the departure of the Managing Director from the services of the Company. The managing director is however entitled to the revelation, as far as a duty fulfilling him exists.

2. By leaving the services of the Company or by exempting from its functions, the Manager is required to submit, without being requested to do so, all documents, records, and designs, including copies, duplicates and the like relating to the affairs of the Company and in his possession, as well as all other documents, to completely surrender other property of the Company and to delete any data that it has stored in a private computer system. There is no claim of custody on this information.

§ 17 Closing Provisions

1. Verbal side agreements to this contract were not made.

2. Amendments or additions to this contract are possible at any time by mutual agreement but require the text form and the approval of the shareholders' meeting to be effective. Contract amendments utilizing company practice are therefore excluded. The above-written form requirement does not apply to agreements that are made orally between the parties immediately after the conclusion of the contract. Retroactive changes or additions are inadmissible. All contract changes and additions are only for the future.

3. Should peculiar terms of this agreement be or become void, that shall not influence the validity of the left provisions. Under such a situation, the parties are required to replace the invalid provision by a legally allowable and agreeable with the left provisions of this contract, which appears nearest to the economic content of the invalid provision.

With his/her signature, the employee confirms that he/she has read and understood this employment contract in full. Furthermore, the employee expressly acknowledges the time limitation according to this employment contract.

Cologne, DD.MM.YYYY

Managing Director's Signature

Shareholders Representative