# Academy

# Concept, Estimated Cost & Revenues

# Concept

# Academy

# for

# Matric / O-Level’s & Inter / A-Level’s

# &

**Technical & Art Courses**

# Introduction

To start an academy for Matric / O-Level’s & Inter / A-Level’s & to provide technical and professional courses with some art, design & photography courses as well

Starting from ‘Johar Town, Faisal Town or Garden Town and then move in other areas of Lahore

# Location

Starting from ‘Johar Town, Faisal Town or Garden Town and then move in other areas of Lahore

Class Rooms = 8

# Concept

The concept of academy is to provide tuition and coaching services to students from different background and want to pursue different carrier paths.

# Levels

* Matric / O-Levels
* Intermediate / A-Levels
* Technical Courses
* Art & Design Courses
* Photography Courses
* Junior section

# Startup Cost

|  |  |  |
| --- | --- | --- |
| Sr. | Particular | Cost  Rs. |
| 1 | 10 Marla House double story on Rent (Advance) | 100,000 |
| 2 | Renovation Cost | 200,000 |
| 3 | Furniture | 250,000 |
| 4 | Black / White Board | 30,000 |
| 5 | Air Conditioning Units (8 class, 1management rooms) | 40000\*9 = 360,000 |
| 6 | Computers (2) | 30,000 |
| 8 | Security Cameras | 30,000 |
| 9 | Generators | 100,000 |
| 7 | Stationary & Miscellaneous | 50,000 |
|  |  |  |
|  | TOTAL | 1,150,000 |

# Per Month Cost for six months

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Sr. |  | Particular | Amount  Rs / month | Amount  Rs /6 month |
| 1 | Teacher Cost\* | O-level Teacher | 48,000 | 288,000 |
| Matric | 20,000 | 120,000 |
| Inter | 30,000 | 180,000 |
| A-level | 72,000 | 432,000 |
| 2 | Other  Running Expenses | Administrator | 30,000 | 180,000 |
| Stationeries | 10,000 | 60,000 |
| Per month rent | 50,000 | 300,000 |
| Utility bills | 40,000 | 240,000 |
| Generator Fuel | 10,000 | 60,000 |
| Maids | 5000 | 30,000 |
| Security Guards | 10,000 | 60,000 |
| Sweeper | 5000 | 30,000 |
| Miscellaneous (10% of total cost) | 33,000 | 198000 |
|  | Total |  | 363,000 | 2,178,000 |

**Total Investment Required = Rs 3,328,000**

# \*Teacher Cost

### O-level

8000 per subject

3 Subjects = 24000

Teacher Cost of Two sections = 48000

### Matric

10000 / Section = 20,000 for two sections

### Inter

15000 / Section = 30,000 for two sections

### A-level

18000 per subject

2 Subjects = 36000

Teacher Cost of Two sections = 72,000

# P&L Statement

## Fees per grade:

O-Level = 2000/ Subject

9-10 = 1500

Inter = 400-800 per subject (suppose we charge 600 / sub)

A-Level = 4000 / Subject

## Distribution of 8 classes

O-level = 2

Matric = 2

Intermediate = 2

A-Level = 2

## Revenue

### O-Level (Assuming 3sub/student)

180,000(15 students, 2sections)

### Matric

45,000 (15 students, 2sections)

### Inter (Assuming 3sub/student)

54,000(15 students, 2sections)

### A-Level (Assuming 2sub/student)

160,000 (10 students, 2sections)

# Total Revenue = 439,000 / month

# Total Cost = 363,000 / month

**Gross Profit = 76,000 / month**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Analysis | Year | | | | |
|  |  | 2015  (Apr-Dec) | 2015 | 2016 | 2017 | 2018 |
| Revenues | Revenue with 10% Annual increase | 3,951,000 | 5,794,800 | 6,374,280 | 7,011,708 | 7,712,879 |
| Cost | Total Cost with 10% Annual Increase | 3267000 | 4,791,600 | 5,270,760 | 5,797,836 | 6377619 |
| GOP | Gross Profit | 684000 | 1003200 | 1103520 | 1213872 | 1335260 |
| Break even in 3 Years Approx. | | | | | | |

Note: The investment is the total of startup cost plus running expenses of first 6 months. If we just consider the startup cost the break even will be in 1.5 Years