

2017

Business Plan

TINY FLOWERS SCHOOL

PROFESSOR COLONY STREET NO HOUSE NO
203



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LOAN APPLICATION FOR

PRIME MINISTER KAMYAB JAWAN SCHEME

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EXECUTIVE SUMMARY

Montessori school education is the first formal learning stage for a child. This feasibility provides information on already established Montessori school & day care center under the name of TINY FLOWERS SCHOOL on rented premises @ Rs:50000/- situated at PROFESSOR COLONY STREET NO HOUSE NO 203 and further up gradation up to Class 5th starting classes from Play-group to ECD-2 (aged 3 – 7) from 2017 focusing on middle income tier of society. The school is providing quality education starting at the Elementary level, charging an affordable fee structure. Advanced educational procedures is in practiced; teaching an extensive curriculum, using modern teaching methodology at par with international standards.

Schools with high reputation have a stringent admission selection process, for which Montessori schools provide the necessary training. Economic pressures are compelling both parents to work towards achieving and sustaining quality life standards. This has further added to complexity and competition of a metropolitan resident. As a result of these social changes, the trend of early child education is increasing, resulting in high demand for Montessori schools in metropolitan cities. Moreover, the competition for admission in renowned primary to higher education schools has tremendously increased, forcing parents to invest in early learning and development of kids to match the admission test requirements. On other end, growing population in urban cities due to migration from semi-urban areas has exhausted the limited capacity of existing private as well as

public primary school systems. Thus, the Private investor with his/her investment capacity is well positioned to capitalize on this opportunity for establishing adequately equipped and qualified staffed, viable school systems in the country.

The Montessori & Primary School in Peshawar area which is located at **PROFESSOR COLONY STREET NO HOUSE NO 203** and is running by Ms.Farhat Imran. She is well educated lady. School is starting from last four years from the range Montessori Play-group to KG 1-II. The school aimed to target the children of the age 3 to 8 years belonging to the local groups of the society. The school is providing quality education starting at the Montessori & Elementary level charging an affordable fee. The school will practice advanced educational procedures teaching an extensive curriculum and using modern teaching methodology in sync with international standards. The school has sophisticated infrastructural facilities, spacious classrooms, and wide-ranging learning material from learning books to toys & audio & video method used for a good educational experience. This school is also providing day care facilities on a reasonable charges.

COST OVERVIEW

The Montessori school business is operational with the investment of Rs.1.650 Million &further the business venture entails Rs.1.00 M for upgaradtion from class II- class V.The project is financed through 38% debt and 62% equity.

The project will generate directly 4 more employment opportunity. Higher return on investment and a steady growth of business is expected with the

entrepreneur having some prior experience in the related field of business. This feasibility encompasses essential information regarding various aspects for expansion a Montessori school business in Pakistan.

GEOGRAPHICAL POTENTIAL FOR INVESTMENT

All the urban areas of Pakistan are the potential areas for investment in high school business as education is a basic necessity for every kid so that target market could easily access the school. The established school is catering the middle and low-income group of city.

The age group of target market is (i.e. 3 to 12 years) mostly as this segment use to get Montessori education.

Ms.Farhat Imran is managing overall School management, controlling Cost, ensure quality education.

OPERATIONAL CAPACITIES

71 students have been enrolled. It is proposed that gradually increase 30 per year.

Position of Already enrolled Number of students

Class	Students per year				
	Historic	Year	Fee	Total	Ist Year
	1	Per student	Historic Revenue	Revenue	
Daycare	8	3	6000	576000	792000
Playgroup	10	3	5000	600,000	780,000
Nursery	18	3	5000	1,080,000	1,260,000
KG	15	3	5000	900,000	1,080,000
KG-I	10	3	5000	600,000	780,000
KG-II	10	4	5000	600,000	840,000
ECD-2		4	6000		288,000
ECD-3		3	6500		234000
ECD-4		2	6500		156000
ECD-5		2	6500		156000
Total	71	30		4,356,000	6,366,000

HUMAN RESOURCE

S.No.	Description	Quantity	Salary	Per year
	Principle	self		
1	Teachers	2	8000	192,000
2	Staff support	2	7000	168000
3	Senior Teachers	2	12000	288,000
4	Guard	1	7000	84000
5	Ayah	2	6000	144,000
		8		876000

PROJECTED HUMAN SOURCE

Teachers $3*10000*12=360000+876000=1236000$

1. Business Financing:

A detailed financial model has been developed to analyze the commercial Viability of Montessori School & day care business under the 'PMKJ-Yes Loan Scheme'. Various costs and revenue related assumptions along with results of the analysis are outlined in this section.

The projected Income Statement, Cash Flow Statement and Balance Sheet are attached as annexure

Following table provides the details of required equity and variables related to bank loan:

Total Equity 62%)	=	Rs.1,650,000/-
Bank Loan (38%)	=	Rs. 1000,000/-
Total Project Cost	=	Rs.2,650,000/-
Tenure of the loan (Years)	=	8
Mark up %	=	3%
Grace period		3 Month

Project Cost

PROJECT COST

CAPITAL INVESTMENT	ALREADY INVESTMENT	AMOUNT (RS.)
OFFICE EQUIPMENT	420000	339,000
SCHOOL OFFICE EQUIPMENT	250,000	136,500
COMPUTER AND EQUIPMENT	270,000	370,000
Renovation	500,000	100,000
Stationary	80,000	
Security	50,000	
WORKING CAPITAL	80000	54,500
Total Project Cost	1,650,000	1,000,000

OFFICE EQUIPMENT EXISTING

OFFICE EQUIPMENT	Qty	U.PRICE	Total	Qty	U.PRICE(RS.)	Total
PRINCIPAL OFFICE CHAIR AND TABLE	2	20,000	40000			
CHAIR AND TABLE FOR VISITORS	12	2000	24000			
CHAIR AND TABLES FOR STAFF	11	2500	27500			
CHIRS FOR STUDENTS	80	700	56000	100	1000	100,000
ROUND TABLES FOR STUDENTS	10	5,000	50000	20	5,500	110,000
CUPBOARDS	6	2,000	12000	6	2,500	15000

WHITE BOARDS	5	1600	8000	5	2000	10000
TABLES AND CHAIRS FOR COMPUTERS	5	1,500	7500	10	2,000	20,000
RECEPTION AREA TABLES	2	4,000	8000			0
NOTICE BOARD	2	1,500	3000			0
BOOK SHELVES	14	5000	70000	14	3,500	49000
LIGHTING			4000			
FANS	10	4000	40000	5	3,000	15000
UPS	1	50,000	50,000			
WATER DISPENSER	1	20000	20000	1	20000	20,000
Total FURNITURE AND FIXTURE			420,000	176	125,500	339000
Add: RENOVATION			500,000			100,000
TOTAL CAPITAL COST	00		920,000			439,000

SCHOOL OFFICE EQUIPMENT

-	Qty	U.PRICE	Total	Qty	U.PRICE	Total
UNDERLY		15,000	15,000		15,000	15,000
FIRE EXTINGUISHER	3	2,500	7,500	3	2,500	7500
REFRIGERATOR	0	0	0	1	50,000	50000
EXHAUST FAN	3	1,500	4500	3	2000	6000
VACUUM CLEANER	0	0	0	1	20,000	20000
WALL CLOCKS	5	600	3,000	5	600	3000
OTHER EQUIPMENTS(WIRING)		15,000	15,000		3,000	3,000
INDOOR GAMES EQUIPMENTS		25,000	25,000		25,000	25,000
KITCHEN EQUIPMENTS		30,000	30,000			
8 FEET SLIDES		25,000	25,000			
MONKEY BAR 6*6		15,000	15,000			
ZIG ZAG BRIDGE		15,000	15,000			
MONKEY JUMPING		15,000	15,000			
OTHERS		80000	80000		7,000	7,000
TOTAL			250,000			136,500

COMPUTER AND EQUIPMENT

COMPUTER EQUIPMENT	Qty	U.PRICE	Total	Qty	U.PRICE	Total
COMPUTERS/LAPTOP FOR LIBRARY	1	50,000	50,000	2	35,000	70,000
NETWORKING COST		20,000	20,000	0	0	0
Tablets	10	20,000	200,000	15	20,000	300,000
TOTAL	5		270,000			370,000

The keys to success in our business are:

Location: providing an easily accessible location for students and parents with the same area.

Fees; Suitable Fee is one of the key factors that give leverage to all lower

and middle level income families to pay easily.

We believe that the ethical way to conduct any business is the only way to success in business **Viable size**: The minimum viable size for this particular school is around 100 to 300 students.

ASSUMPTIONS:

1. Salaries are increased by 10% each year.
2. Utilities is increased at 10% yearly
3. Depreciation is calculated at 10%.
4. Interest is calculated at 3%
5. Loan Installment Monthly

