

Business Management HL Internal Assessment Research Proposal

Should Spanish Tutors Hong Kong consider introducing online lessons?

Session: May

Word Count: 494

Research Question:

Should Spanish Tutors Hong Kong consider introducing online lessons?

Rationale:

Spanish Tutors Hong Kong currently offer linguistic tutoring through two main methods: a teach-at-home service or at either of their two branches, located in Hong Kong. The business has been steadily expanding in proportion with the growing demand for tutoring services in Hong Kong. As a result, the firm are consistently operating at maximum capacity, thus why they are considering the introduction of online lessons.

Theoretical Framework:

1.7 Lewin's Force Field Analysis – Exploring the restraining and driving forces of the introduction of online lessons and their effects on the firm

3.5 Ratio Analysis – Using profitability, efficiency, liquidity ratios to evaluate the current financial position of the firm, whether it is feasible to introduce online lessons

1.7 Fishbone diagram – A visual representation in order to exemplify the causes and effects of the communication problems faced by the firm and analyse whether online lessons would improve or exacerbate these issues.

Methodology:

Data Collection	Rationale Link
Primary Data: <ul style="list-style-type: none"> • Interview: Director of STHK • Questionnaire: Customers of STHK • Observation: STHK center 	Interview: <ul style="list-style-type: none"> • Current difficulties which provoke consideration for change Questionnaire: <ul style="list-style-type: none"> • Feedback regarding the service provided and opinions on online tutoring Observation: <ul style="list-style-type: none"> • Tally-chart of number of students in each lesson and number of late arrivals
Secondary Data: <ul style="list-style-type: none"> • Profit and Loss account • Balance Sheet 	Gain insight into the financial position of the company: identify areas of downfall, success

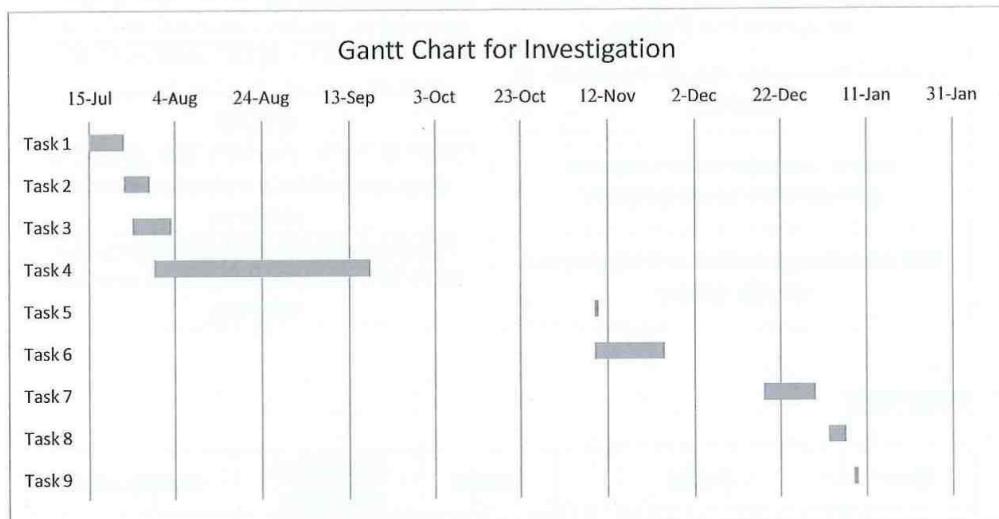
Planning:

Anticipated Difficulties	Anticipated Solutions
Bias information from the director in the interview impeding upon the validity of the conclusions	Provide a letter of confidentiality to give him greater confidence in conveying truthful information
Limited information provided from survey responses and director	Include fewer, though more open questions to maximize quality qualitative responses
Financial documents may be inaccurate or obsolete	Use the most recently produced and audited accounts the firm is willing to provide
Lack of available information on performance of competitors	Obtain as much secondary data as possible from competitor's website and social platforms
Bias data of observation as it is done in a specific season	Visit the center multiple times to gain a more fair, accurate measure to improve reliability

Action Plan:

Date	Action	Source	Anticipated difficulties	Modifications
15 th July	1. Draft questions for surveys and interview director	Director	May need to change question after interview	Changed analytical tools to suit new title
23 rd July	2. Send out surveys and collect all secondary data	Director, Customers	-	Rescheduled interview with director
25 th July	3. Analyse primary and secondary data	-	-	-
25 th July	4. Write up investigation	-	-	-
9 th November	5. First Draft due			
9 th November	6. Make edits based on the draft feedback	Director	May need to carry out new research based on feedback	-
18 th December	7. Finalizing write up and formatting document	-	-	Re-formatted the force field analysis structure

2 nd January	8. Discuss results of the investigation with the firm	Director	-	Changed meeting to a skype meeting due to director being overseas
8 th January	9. Final IA due			



Acknowledgements:

I would like to thank the entire team at *Spanish Tutors Hong Kong*, especially the director and owner of the firm, Mr. i _____ for his invaluable assistance with this investigation. I would also like to extend my gratitude to the customers of Spanish Tutors Hong Kong who took the time to fill out the questionnaire. Lastly, I would like to thank my teacher for her valuable guidance.

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Executive Summary

The director of the firm has conveyed his skepticism with the growth potential of the firm, as the company were operating at near maximum occupancy and had a shortage of teachers to fulfill the growing demand. The director was worried about the lack of new students he could enroll without comprising quality, thus proposed the introduction of online lessons to combat this issue. Thus leading to the question: "Should Spanish Tutors Hong Kong consider introducing online lessons?"

Following this, primary research was conducted through: observations during changeover of lessons, questionnaires sent to customers and an interview with the director of the firm. This information was utilized in Lewin's force field analysis and the fishbone diagram. Secondary data was gathered from a profit and loss account and a balance sheet in order to produce a ratio analysis to gauge the financial position of the firm.

The conclusion suggests that: the firm's optimal profitability and liquidity ratios in tandem with opportunities to expand their market segment through accessing international markets and increase low-cost revenue streams to strengthen profitability, justifies the introduction of online lessons. However, it is recommendable to conduct further market research to test the solidarity of the aforementioned recommendations.

Word Count: 199

Introduction

Spanish Tutors Hong Kong (STHK) is a private limited company, with one shareholder¹ – founded by David Cornado on August 5th 2014 – specialising in spanish tutoring services to a wide demographic of customers: ranging from 4-50-year-old students, across a variety of occupations (students to bankers)².

The firm currently rents two branches in the Tsim Sha Tsui and Central district of Hong Kong, with a total of 8 teaching classrooms across both branches. STHK currently employs a total of 5 full-time and 5 part-time staff with all tutors being first-language speakers. The firm also offers a teach-at-home service for students for a higher price. The customer base of STHK has been steadily increasing in proportion with growing demand for linguistic tutoring in Hong Kong. Due to this growing demand and the limited capacity of the current branches, the owners are considering the introduction of online lessons in order to grow the firm³; hence the research question: **Should Spanish Tutors Hong Kong consider introducing online lessons?**

Methodology

This investigation combined three primary and two secondary sources of data in the production of a well-advised conclusion. The interview with the director provided a detailed outline of the objectives of the company and their current performance. The observation carried out at both branches was used to tally the frequency of late classes and number of lessons over maximum capacity. The questionnaire was used to gauge the consumers' opinion on the quality of the tutoring and their predicament on online lessons.

For secondary sources, the profit and loss account (P/L) and balance sheet of STHK were accessed for use in the ratio analysis. The reliability of the P/L account will be more significant than the company profile (from company website) due to the potential bias of information on the website. STHK's final accounts are also externally audited which increases the validity of the conclusions.

¹ Appendix 1.2

² Appendix 1.2

³ Appendix 1.2

Main Results and findings

The questionnaire displayed a widespread satisfaction amongst customers with the current service provided by STHK. Approximately 60% of the customers have been taking lessons at the center for more than one year⁴ and 100% of them said they were satisfied with the quality of the lessons⁵. Despite 90% of customers answering they would not prefer online lessons over face-to-face lessons, more than 50% showed interest in the added flexibility of online lessons⁶.

Based on observation at both of the firm's branches, there was an average of 2 lessons starting late each day at the central branch and 1 at the Tsim Sha Tsui branch⁷. There were also in a single day, approximately 3 classes which were carried out over the maximum occupancy of the room⁸.

The interview with the director revealed the efficiency of the firm in being able to meet their objectives – largely accredited to their flat organizational structure⁹. His predicament on online lessons lies within his desire to remain competitive and retain students who travel overseas¹⁰. He also states a primary reason as reducing rent costs, leading to "bigger margins"¹¹.

⁴ Appendix 1.6

⁵ Appendix 1.6

⁶ Appendix 1.6

⁷ Appendix 1.1

⁸ Appendix 1.1

⁹ Appendix 1.2

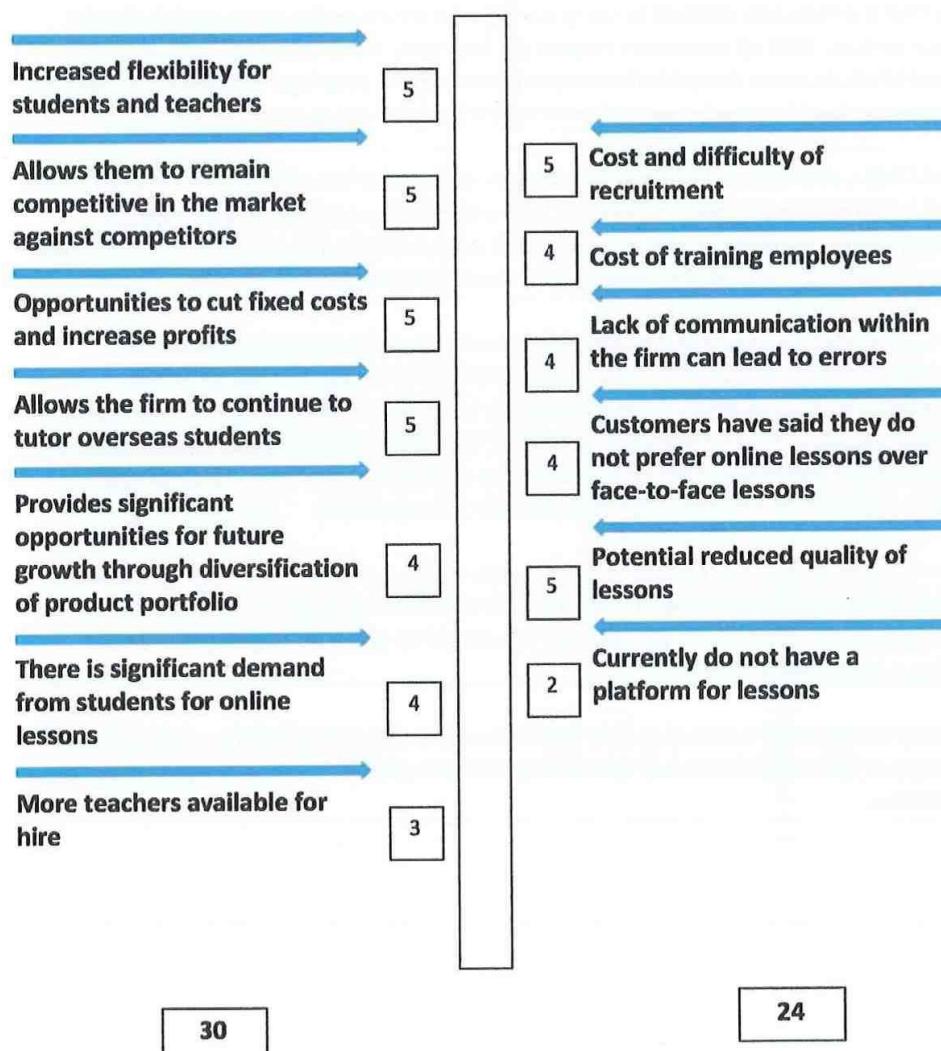
¹⁰ Appendix 1.2

¹¹ Appendix 1.2

Analysis and Evaluation

Figure 1.1: Lewin's Force-Field Analysis

A force field analysis is utilized with the purpose of analyzing the driving and restraining forces as to whether STHK should introduce online lessons. Each factor is ranked out 5 in terms of significance and the sum is calculated to determine whether the change should occur.



The director stated his primary reason for the consideration of online lessons is that rent costs would be eliminated thus improving their profitability; it would also increase the firm's flexibility as lessons could be conducted outside office hours thus producing a very high ranking of 5/5. The lack of geographical barriers associated with this option strengthens the pool of potential tutors, STHK would be able to expand its non-core workforce and hire more skilled tutors.

Despite this, the cost of training and recruiting employees will be a predominant cost as they need to learn how to administer the lessons at a high quality. The director has said that he may find it potentially difficult to carry out lessons online in the same quality that he does face-to-face. 80% of customers responded that they were 'very satisfied' with the service of STHK. If tutors do not fulfil the quality demand it may lead to students moving to competitors or lead to poor image, which is why it has a very high ranking of 5/5.

Many of STHK's students study overseas⁴ with an online platform they will be able to retain customers and develop loyalty to the firm. This could also encourage word-of-mouth promotion among students in other countries. If they cannot retain many customers, they may have to increase advertising expenditure to counter-act the loss of sales.

Online lessons also provide opportunities of diversifying their product portfolio by introducing online lectures at a low cost for multiple users to log-on; based on the questionnaire, customers had expressed interest in lower priced lessons this may option will allow them to appeal to new market segment by appealing to wider socio-economic and geographical demographics. Although another marketing mix may need to be devised to target this segment, which could increase the cost of investment.

Based on observations, the number of late lessons were omnipresent at both branches.⁵ Managing online lessons in tandem with their current lessons could increase the likelihood of communication errors which the director has stated as being an ongoing problem⁶; producing a high ranking of 4/5.

The driving forces were ranked 6 points higher than the restraining forces, underscoring the significance of both qualitative and quantitative factors prompting the change in favor of online lessons.

⁴ Appendix 1.2

⁵ Appendix 1.1

⁶ Appendix 1.2

Figure 1.2: Ratio Analysis (HKD\$)⁷

A ratio analysis is a quantitative tool used to determine whether the current financial position of STHK is strong enough to support the introduction of online lessons.

Gross Profit Margin

$$\frac{\text{Gross profit}}{\text{Total Revenue}} \times 100$$

$$\frac{\$541,189}{\$1,233,401} \times 100 = 43.88\%$$

Current ratio

$$\frac{\text{Current assets}}{\text{Current liabilities}}$$

$$\frac{\$87,791}{\$18,433} = 4.76$$

Gearing Ratio

$$\frac{\text{Loan Capital}}{\text{Capital Employed}} \times 100$$

$$\frac{\$0}{\$98,442} \times 100 = 0$$

Net Profit Margin

$$\frac{\text{Net profit}}{\text{Total Revenue}} \times 100$$

$$\frac{\$100,875}{\$1,233,401} \times 100 = 8.17\%$$

Return on capital employed

$$\frac{\text{Net Profit before interest and tax}}{\text{Capital Employed}} \times 100$$

$$\frac{\$100,875}{\$98,442} \times 100 = 102\%$$

Their gross profit margin is relatively healthy but is still out of the optimal >50% range, which shows the potential lack of profitability. This thesis is further supported by a very poor net profit margin of just 8.17%. Other than the cost of revenue, operating expenses have been extremely high for the firm and thus leaving them with little available profit for growth. Given that these accounts only cover for the first two years of operation; the low net profit margin can be explained by the high amount of one-off, start-up costs that are common among small firms. The implementation of online lessons will be able to accelerate the firm's growth and allow them to employ economies of scale to reduce costs

The current ratio is extremely positive, showing they are in a very healthy cash flow position and would not be in financial risk if they were to introduce online lessons. Their gearing ratio is also very positive as they have no borrowed money from external sources. If they opted to acquire a short-term business development loan to finance online lessons, STHK's liquidity indicates they would easily be able to repay the loan. Nevertheless, due to their

⁷ Appendix 1.3/1.4/1.5

size, they may find difficulties in acquiring a loan, which is a compelling strategy to support the desired long-term growth the director wishes to achieve⁸.

If the implementation of online lessons moves forward, there may be a decrease in working capital as they will fund growth measures such as: the opening of new centers or marketing of new products from working capital. STHK currently allows customers to pay at the end of each month⁹, this means if cash reserves were depleted they would struggle to maintain emergency capital. Additionally, variable costs would increase in direct proportion to an increase in number of lessons, which could make them further vulnerable to unforeseen changes in consumer demand.

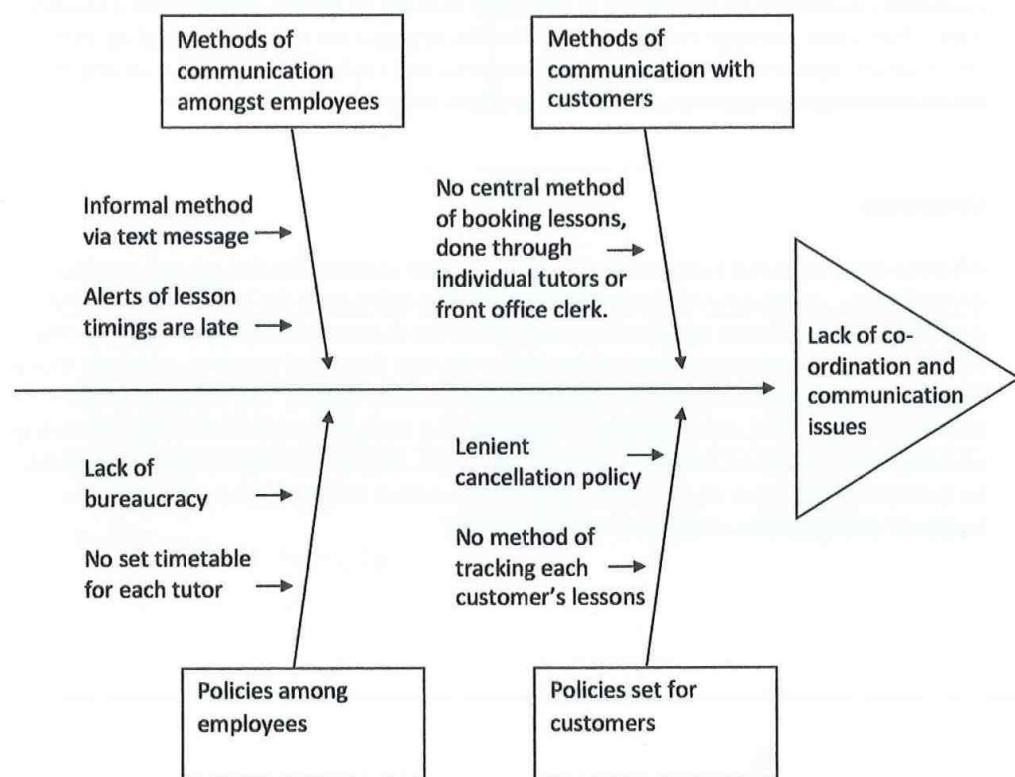
Overall, a strong resisting factor lies within the sub-par net-profit margin. However, they hold a high gross profit margin and a substantial current ratio, indicating healthy working capital to fund day-to-day costs and still have a sufficient buffer if they were to incur any emergency situations.

⁸ Appendix 1.2

⁹ Appendix 1.1

Figure 1.3: Fishbone Diagram

A fishbone diagram analyses the root causes and effects of a problem faced by STHK. This tool will determine whether STHK are facing too many underlying problems to introduce online lessons and whether the change will improve or exacerbate the directors main concern: communication¹⁰.



STHK currently do not use a centralized method of reserving lessons, instead lessons are booked through the individual tutors¹¹ and there is no timetable or shared schedule for tutors to check when lessons are. This poor internal communication can be extremely demotivating for tutors, which may reduce the quality of the lessons as a result of the tutor being quite frustrated or distracted. Online lessons would exacerbate this problem as not only would tutors have to balance more lessons but they would also have no method of checking whether the lesson is online or in the center, which could lead to an increase in number of tutors being late.

¹⁰ Appendix 1.2

¹¹ Appendix 1.2

The current method of communication amongst tutors is through instant-messaging, as a result of their flat organizational structure.¹² This lack of formality and bureaucracy can lead to information not being acted upon correctly which could be costly in the long run. Online lessons would have a neutral effect on this issue, as they do not affect the methods of internal communication employed by the firm.

Previous conflicts have arisen due to disagreements about the total cost of the invoice for customers as there is no method of tracking the number of lessons attended by a student other than a text message confirmation. With the aggregation of problems highlighted in the diagram, the firm should divert their resources and capital to focusing on solving these issues before contemplating on introducing online lessons.

Conclusion:

All three tools provided substantiated indications that support the change to introduce online lessons. In the Lewin's force field analysis, the exhaustive list of quantitative and qualitative driving forces significantly outweighed the forces resisting online lessons. The fishbone diagram identified areas of weakness that the firm must target to improve, though there were no major concerns that should prevent online lessons. The strong financial backing the firm have, characterized by high liquidity and gross profitability indicate strong revenues that should be maintained moving forward. However, STHK's overall susceptibility to external threats such as consumer demand and online competitors may leave them fragile to diseconomies of scale or reduced profits.

¹² Appendix 1.2

Recommendations:

1. The driving forces significantly outweigh the restraining forces in the Lewin's force field analysis indicating the firm should implement online lessons. But for this to be successful, the firm should focus on eliminating key problems identified in the fishbone analysis through creating a centralized booking method and formalizing methods of internal communication.
2. The current financial position of STHK supports the implementation of online lessons as a method of diversification. Based on the directors' estimations¹³, introducing online lessons will be relatively inexpensive. However, it is recommendable to carry out further research to estimate the costs of training and developing the platform for lessons. It is also feasible to acquire a short-term business development loan to fund this as the current net-profit-margin is outside of the ideal range.
3. The primary concern of online lessons would be the added competition for the firm¹⁴, this, in conjunction with the restraining forces in Lewin's force analysis showed this to be a highly ranked factor. STHK should consider carrying out further study through "Porter's five forces" to gain a greater understanding of the opportunities and threats from competitors.

Limitations:

The validity of application of the profit/loss statement to this investigation was limited given the obsolescence of the financial information. The firm would have achieved significant cost deductions through employing various economies of scale within the past 18 months and thus yield different figures. Additionally, the rankings of the Lewin's force field analysis are merely predictions based on historical data and information received from various stakeholders, the reliability of recommendations are thus not guaranteed.

A downfall of the primary research lied within the questionnaire as it was difficult to obtain a numerous, high quality responses – which limited the scope of this research. In addition, the potential bias of responses from the director may impede upon the accuracy of the analysis.

¹³ Appendix 1.2

¹⁴ Appendix 1.2

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Appendix 1.1:**Observation from Spanish Tutors Hong Kong:**

Key:

• = outcome

- = no value (no students)

01/09/ – Central

Session time:	Number of lessons starting late (5 is maximum)					
	0	1	2	3	4	5
4pm-5pm			•			
5pm-6pm	•					
6pm-7pm	•					
7pm-8pm		•				
8pm-9pm	•					

Session time:	Number of students per room (maximum occupancy)				
	Room 1 (4)	Room 2 (3)	Room 3 (2)	Room 4 (2)	Room 5 (2)
4pm-5pm					
5pm-6pm					-
6pm-7pm					-
7pm-8pm		-			
8pm-9pm	-			-	-

30/09/ – Tsim Sha Tsui

Session time:	Number of lessons starting late (5 is maximum)					
	0	1	2	3	4	5
4pm-5pm				•		
5pm-6pm	•					
6pm-7pm			•			
7pm-8pm	•					
8pm-9pm			•			

Session time:	Number of students per room (maximum occupancy)				
	Room 1 (6)	Room 2 (3)	Room 3 (4)	Room 4 (1)	Room 5 (2)
4pm-5pm					
5pm-6pm				-	-
6pm-7pm	-				
7pm-8pm				-	-
8pm-9pm		-	-	-	

18/10/ – Central (heavy traffic day)

Session time:	Number of lessons starting late (5 is maximum)					
	0	1	2	3	4	5
4pm-5pm					•	
5pm-6pm			•	-		
6pm-7pm			•	-		
7pm-8pm	•					
8pm-9pm		•				

Session time:	Number of students per room (maximum occupancy)				
	Room 1 (4)	Room 2 (3)	Room 3 (2)	Room 4 (2)	Room 5 (2)
4pm-5pm					
5pm-6pm					-
6pm-7pm					
7pm-8pm	-		-		
8pm-9pm			-	-	

14/11/ – Tsim Sha Tsui

Session time:	Number of lessons starting late (5 is maximum)					
	0	1	2	3	4	5
4pm-5pm		•				
5pm-6pm			•			
6pm-7pm			•			
7pm-8pm		•				
8pm-9pm	•					

Session time:	Number of students per room (maximum occupancy)				
	Room 1 (6)	Room 2 (3)	Room 3 (4)	Room 4 (1)	Room 5 (2)
4pm-5pm	 (meeting)				
5pm-6pm	-				
6pm-7pm		-			
7pm-8pm					-
8pm-9pm				-	

Appendix 1.2: Interview with Director**1. What are the business' aims? What do you want to achieve out of this business?**

The business aim is to provide high quality Spanish lessons to students in Hong Kong with individualized lessons adapted to everyone's specific needs. To be able to learn how to manage a growing business trying to satisfy all parties (teachers and clients) and keeping a profitable business.

2. What is the type of business? How big is the business? Are you a profit or non profit entity? What type of business structure do you employ?

It is a limited company currently owned by 1 shareholder. The company provides Spanish lessons in any location in Hong Kong. With 1 branch in Kowloon side, 1 branch on the island side where private and small group lessons take place (maximum size is 6 students) and also we send teachers to the student's home if they request (at an extra cost). The students pay monthly at the end of every month depending on the lessons taken at various rates from 150 HKD per hour (the cheapest for adult's class of 6 students package in which they enroll for a whole course) to a maximum of 980 HKD per hour for private lesson with the most qualified tutor for advanced level lessons. Total currently there are approximately a bit more than 300 students in total but the business started 4 years ago with only 50 students. It is a profit entity. It is a very simple model. There is one reception staff which handles all the incoming new enquiries (first approach) and the payments, the business director and former teacher (in charge of talking to the students to see what type of lessons fit the most as well as in charge of coordinating the lessons and training the teachers, and a team of 15 teachers self organized in which each of them takes responsibility of their own lessons and the communication with the students on day to day basis).

3. How has the business progressed from the time you have opened till now? How has your growth been?

The growth has been through 2 major sources. One is word of mouth and the other is through google search engine search and advertising. The business has been steadily growing at a rate of approximately 80 new students every year steadily. Nowadays it is growing faster because we increased our advertising budget in google and also because the website is better positioned in the search engine than 3 years ago.

4. Have you been successful in meeting your objectives?

Yes, definitely. Now we need to go through some changes because the business is growing and we need to establish a better structure and organization.

5. How many lessons do you have? Would you say you operate at maximum capacity or near maximum capacity?

We are operating at almost maximum capacity. That is determined by the availability of the teachers and the occupancy of the classrooms. We have changed our office location 3 times in three years and we have opened a new branch last year because we were operating at maximum capacity and the business couldn't grow more without relocation. Regarding the teachers, we have been increasing our staff at a rate of 1 new teacher every 3-4 months because other teachers were busy already.

6. What are your thoughts on online lessons? What made you consider online lessons?

Online lessons have advantages and inconveniences. The main advantage is that you save rental costs, which gives you bigger margins for the lessons. However, many students prefer face to face lessons and the price that they might be willing to pay would be lower. Online the competition is fierce because you compete with the whole world! Many of our student's study overseas so online lessons are a good way to continue with the lessons. In addition, students are willing to do later times since they are doing lesson at home and they don't have to come to office, plus it saves rental costs. Online lessons also allow us to remain competitive with some other tuition centers who are taking up this approach.

7. How do you think online lessons may enhance your business? Profitability? Awareness? Accessibility? Customer Satisfaction?

It will be a new source of income which won't carry many expenses, the only expense would be the salary of the teacher while saving on rental costs which are very high in Hong Kong - It might be a challenge because is harder to teach online as well.

8. How would you describe your primary audience? What types of people typically take lessons?

Main audience are local students pushed by the parents that want to provide their kids with a competitive advantage the day that they enter the labor world and they find a job. On the other hand, there are kids and adults that just learn for pleasure but they represent a smaller portion.

9. How is the financial position of the company? How is your working capital?

The company doesn't hold any debts and It has enough cash flow to run smoothly currently. However, the company doesn't have enough spare capital, funds to consider other major investments like having a fully owned office instead of renting.

10. Do you have any external investors? What are your main sources of finance?

Currently there are no external investors but they could be considered for example in order to fully own the office of one of our branches and avoid the rental costs. They could be considered in order to go through a major expansion like trying to replicate the business in another company. All the students pay monthly so there is a constant source of money coming and no loans are needed to keep up the regular functioning of the business.

11. How would you say the lessons are? How satisfied are customers after lessons in your opinion?

Generally speaking, students are very satisfied with the quality of the lessons. We only hire qualified and native teachers. However, as the business grows more problems due to lack of coordination arise and we had some complaints recently due to teachers forgetting their time of the lesson or misunderstandings between the students and the organization.

12. What are your objectives/aims for the future? How do you plan to expand the business?

So far since the business is relatively new it has been growing continuously but it should anticipate a future stagnation on the number of students and find new ways to find new students. However, one of our main aims is to open up more centers in Hong Kong and possibly in other areas of the world.

Appendix 1.3: Income statement for STHK (15/08/14 - 31/03/16)

SPANISH TUTORS HONG KONG LIMITED			
DETAILED INCOME STATEMENT			
FOR THE PERIOD FROM 15 AUGUST 2014			
(DATE OF INCORPORATION) TO 31 MARCH 2016			
[For management purposes only]			
	15/08/2014 to 31/03/2015 HK\$	01/04/2015 to 31/03/2016 HK\$	Total HK\$
Revenue			
Tuition fee income	279,578	953,823	1,233,401
Cost of revenue			
Tutors fee	119,410	509,449	628,859
Textbooks	12,324	51,029	63,353
	131,734	560,478	692,212
Gross profit	147,844	393,345	541,189
Other income			
Bank interest income	1	1	2
	147,845	393,346	541,191
Operating expenses			
Accounting fee	-	6,000	6,000
Advertising	22,889	33,702	56,591
Auditor's remuneration	-	9,000	9,000
Bank charges	750	-	750
Business registration fee	2,250	2,250	4,500
Depreciation	14,868	21,976	36,844
Director's quarters expenses	-	42,000	42,000
Director's remuneration	-	60,000	60,000
Local travelling	-	630	630
Messing	4,917	8,762	13,679
Office supplies	621	1,934	2,555
Overseas travelling	27,897	41,417	69,314
Preliminary expenses	1,720	-	1,720
Printing and stationery	3,500	10,270	13,770
Rent	5,500	92,740	98,240
Repairs and maintenance	2,113	11,038	13,151
Sundry expenses	1,026	1,226	2,252
Telecommunication	2,878	6,442	9,320
	(90,929)	(349,387)	(440,316)
Profit before taxation	56,916	43,959	100,875

Page 1

Appendix 1.4: Balance Sheet for STHK (31/03/16)

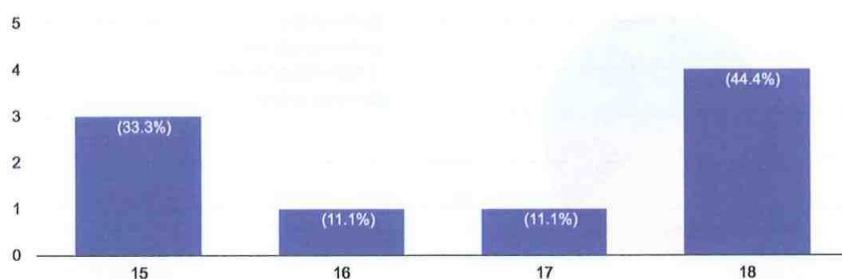
	Note	2016 HK\$
ASSETS		
Non-current assets		
Property, plant and equipments	7	29,084
Current assets		
Deposits and prepayments		61,000
Amount due from a director	8	5,844
Bank balances		20,947
		87,791
Current liabilities		
Accrued expenses		15,000
Income tax payable		3,433
		18,433
Net current assets		69,358
NET ASSETS		
CAPITAL AND RESERVES		
Share capital	9	1,000
Retained earnings	10	97,442
TOTAL EQUITY		98,442
Approved and authorised for issue by the Board of Director on 29 NOV 2016		
 Cornado Muste, David Chairman		
The accompanying Accounting Policies are attached.		

Appendix 1.5 Basic Income statement – (15/08/14 – 31/03/16)

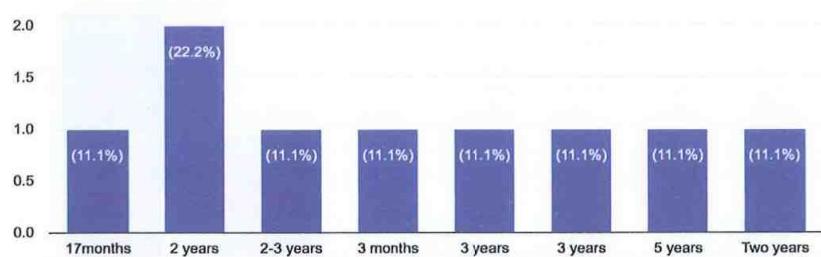
	Note	15/8/2014 to 31/3/2016 HK\$
Revenue	3	1,233,401
Cost of revenue		<u>(692,212)</u>
Gross profit		541,189
Other income	3	2
Operating expenses		<u>(440,316)</u>
Profit before taxation	4	100,875
Taxation	6	<u>(3,433)</u>
Profit for the period		<u>97,442</u>

Appendix 1.6 – Questionnaire to customers

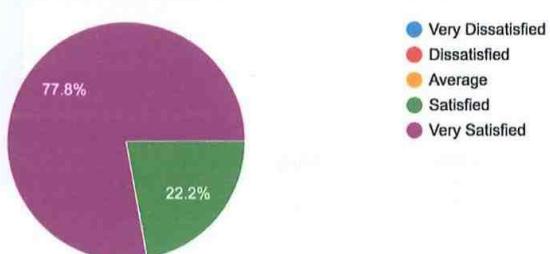
How old are you?



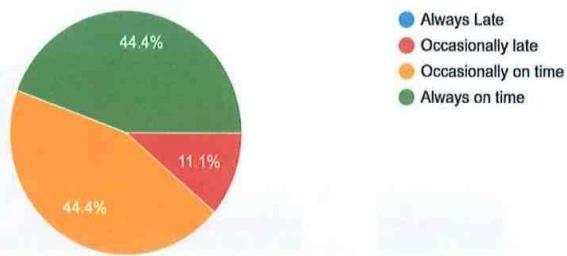
How long have you been taking lessons at Spanish Tutors Hong Kong?
(Answer in months/years)



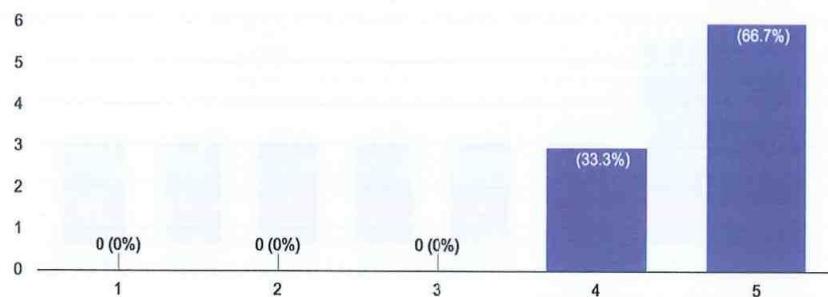
How satisfied are you with the current level of teaching at Spanish Tutors Hong Kong?



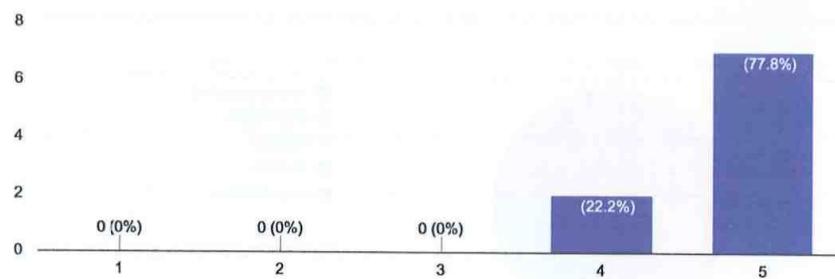
How is the current changeover time between lessons? (Do your lessons start on time?)



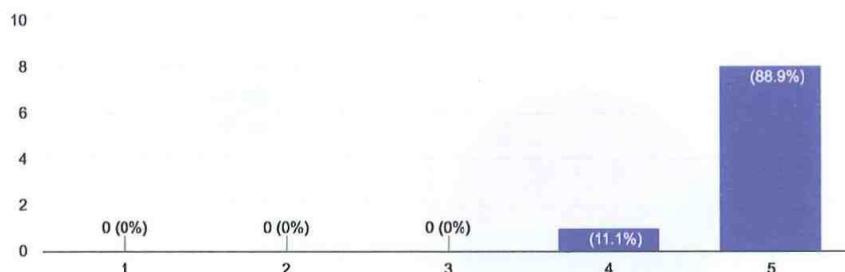
How organised/prepared are the teachers for lessons?



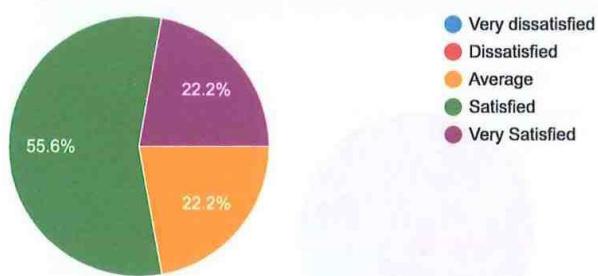
How are the current teaching resources?



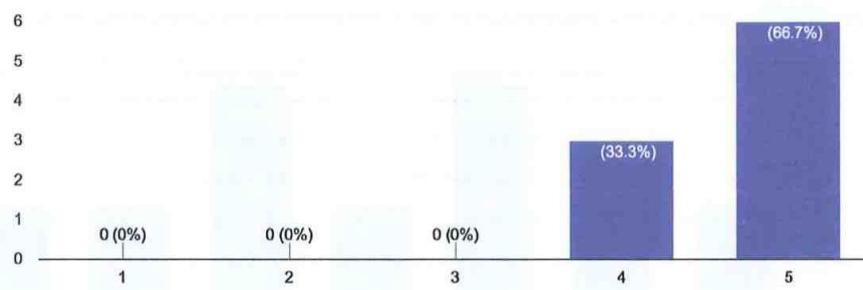
How convenient is the current location of Spanish Tutors Hong Kong?



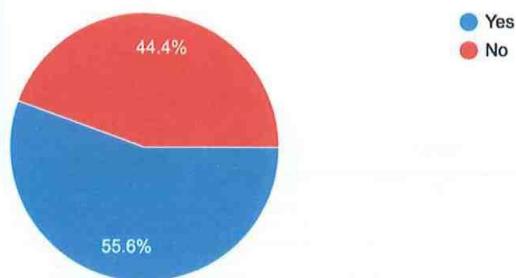
How satisfied are you with the current prices of lessons at STHK?



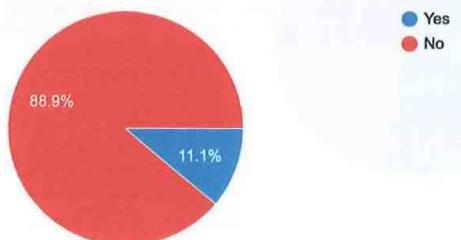
How highly do you value face-to-face/physical interaction between student and teacher in teaching environments?



Would you consider taking online lessons with Spanish Tutors Hong Kong?



Would you prefer online lessons over face-to-face lessons?



Any other thoughts or opinions on online lessons?

