

BUSINESS PLAN

BLOOMELO EDUCATION PTE

BABY ELK

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EXECUTIVE SUMMARY

Baby Elk provides infant care services primarily for working parents across Singapore. The brand focuses on mid to high end target market and has a relatively high teacher: infant ratio. Baby Elk has plans for expansion beyond Singapore and has the vision to diversify revenue stream by offering child/ infant oriented products and services. We are seeking SGD 1.8 million over the next 3 years in order to expand.

Management:

Mrs. Erika is the founder and she has previous experience of managing infant care centers and also worked as educator before. The brand is operating with 1 center currently and has plans to expand to 4 centers along with 4 franchise based centers. There are about 10 personnel working at Baby Elk including Educators, Principal and other staff.

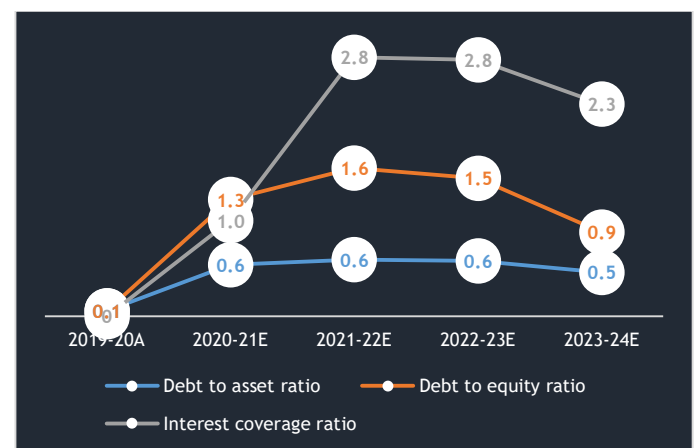
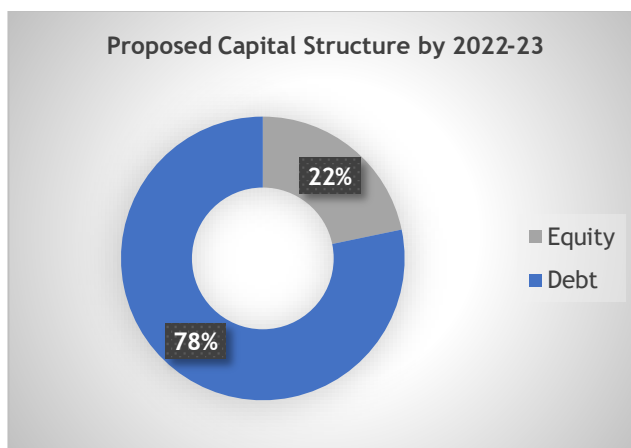
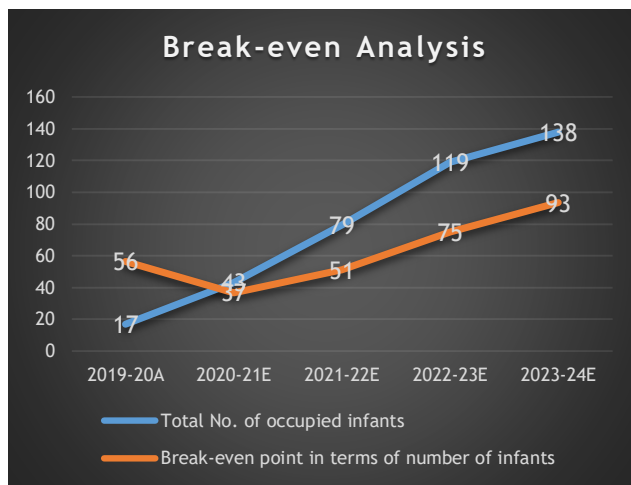
Marketing Plan:

We are focusing on digital marketing and our primary goal is brand awareness. Eventually we will also include traditional promotional tactics that are more efficient such as guerilla marketing.

Industry:

Child and infant care industry is booming across Singapore due to lucrative offerings from the Govt. Relative to child care, infant care has lower competition.

Financial Insights:



FINANCIAL SUMMARY

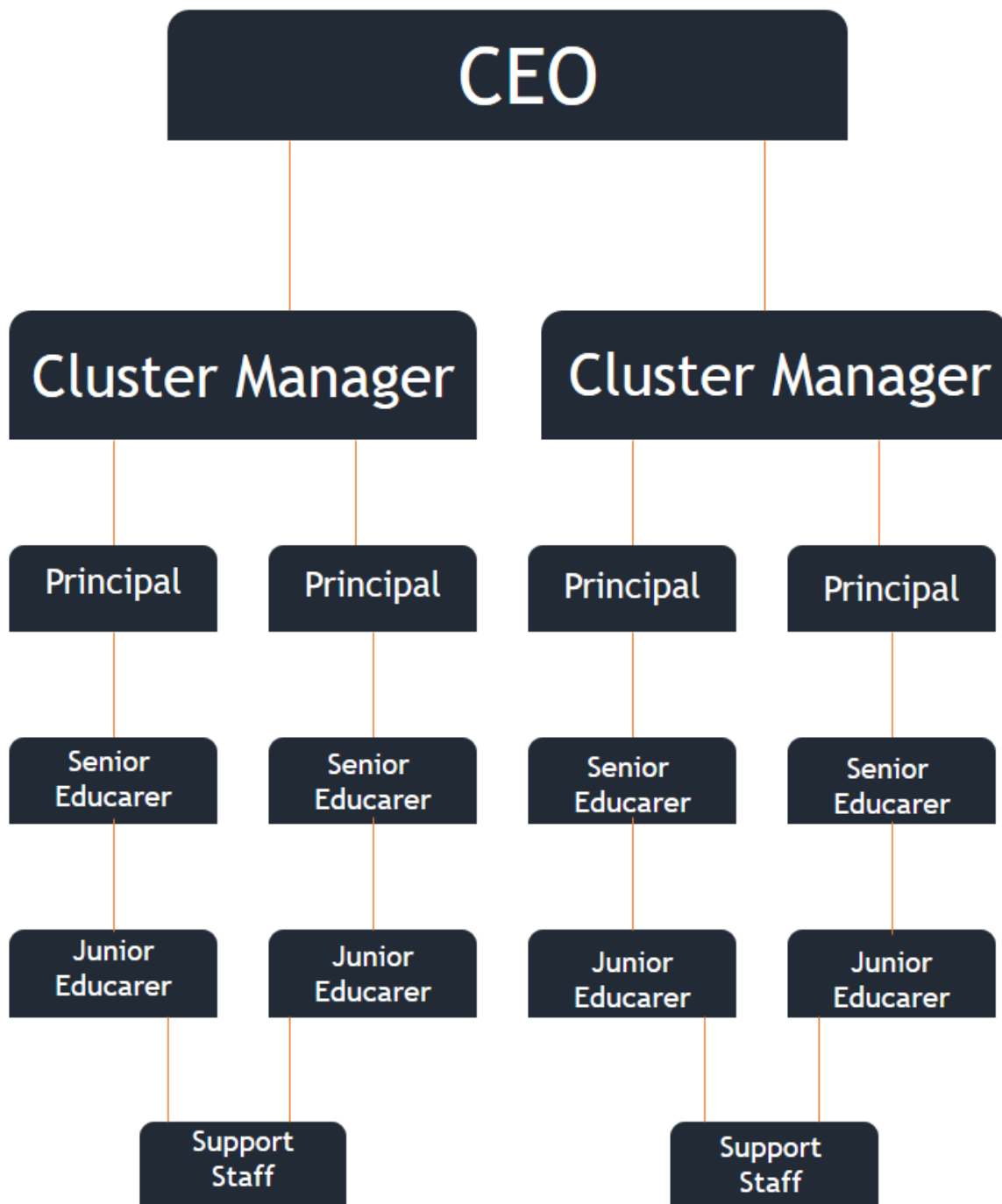
- **Capital structure:** Babyelk is completely financed by equity currently. The Company has plans to raise debt capital as the founders wish to maintain majority stake in the Business. We have plans to raise SGD 1.8 Mil. in debt over the years; 2020-2021, 2021-2022 and 2022-2023. Once we have enough traction in the industry then we will opt for capital raising process including IPO in order to mitigate leverage related risks. In addition we need the capital in order to expand the franchise model and achieve better economies of scale.
- **Capacity:** we are currently operating one center with maximum capacity of 24 infants. We plan to open 2nd center by 2020-2021 and also open the 1st franchisee operated center by this year. The 2nd center and franchisee owned centers will have an assumed capacity of 48 infants.
- **Income:** our plan for the next 4-5 years is achieving better economies of scale and better brand awareness and trust. The profit margins will eventually improve as we achieve better economies of scale. Brand awareness is required as we are focusing on the franchise based model. Initially we will have our own centers but gradually we will put more emphasis on franchising. This will mean lower capital required for further expansion which in turn will positively impact the cash flow.
- **Cash flow:** the net cash flow projections for the years- 2022-23 and 2023-24 are relatively lower and even negative as we are focusing on brand awareness. So initially the overall marketing budget will be relatively high. However this issue is temporary and as we focus on franchise based model then our overall cash flow will improve significantly.

SWOT:



OPERATIONAL OVERVIEW

Organogram:



Business Model:

Key Partners:	Key Activities:	Value Propositions:	Customer Relationships:	Customer Segments:
<ul style="list-style-type: none"> - Government regulators - Vendors for items such as grocery, toys, reading materials, freelancers, baby products, etc. - Franchisees; this is the most important partner for us as we plan to focus on franchisee based infant care centers. 	<ul style="list-style-type: none"> - Provide infant care services to working parents along with in-house doctor and safety services. - Manage & nurture human resources to be able to provide top notch infant care services. - Communicate with customers and potential customers regarding infant care services and content related to infant care to achieve marketing objectives. 	<ul style="list-style-type: none"> - Problem; the proportion of working mothers is increasing. In addition infant care service providers are lower in number relative to child care providers so there is a gap for good infant care service providers across Singapore. - Solution; affordable infant care center with trained care givers and experienced management. This will allow working parents focus on their careers and in turn Singapore Govt. will mitigate the issue of aging population and declining number of workforce. 	<ul style="list-style-type: none"> - Customer acquisition; content marketing, SEO, email marketing, Google Ad, Facebook advertisement, etc. - Customer retention; provide top notch infant care services, conduct activities such as monthly meet-up between parents and principal to provide feedback on individual kids. 	<ul style="list-style-type: none"> - Demographic; for men- 30 to 34 years of age and for women- 25 to 29 years of age. - Psychographic; forward thinking and career growth oriented people.
	Key Resources: <ul style="list-style-type: none"> - Centers for providing infant care facilities. - Key human resources such as principal for delivering core services. - IT resources such as app for CRM purposes - Appropriate licenses and regulatory approval. 		Channels: <ul style="list-style-type: none"> - Own centers; deliver infant care services following standard operating guideline (SOP) across all centers. - Franchisee centers; majority of the infants will be served through franchisee centers and SOP has to be followed across all centers to ensure uniform delivery of services. 	
Cost Structure:		Revenue Streams:		
<ul style="list-style-type: none"> - Facility Rent - Salaries - IT resources cost - Sales & marketing cost 		<ul style="list-style-type: none"> - Infant care service fees from own centers - Infant registration fees from own centers - Infant care service royalty fees from franchisees - Franchisee registration fees 		

MARKETING PLAN

Strategic Marketing Plan Summary:

Since Babyelk is a franchise based infant care company so over the next 5 years our marketing plan will put most emphasis on spreading brand awareness. The notable aspects of marketing plan will include description of products and services, integrated campaign plan, annual budget, competitive landscape and customer segmentation.

Marketing Objective:

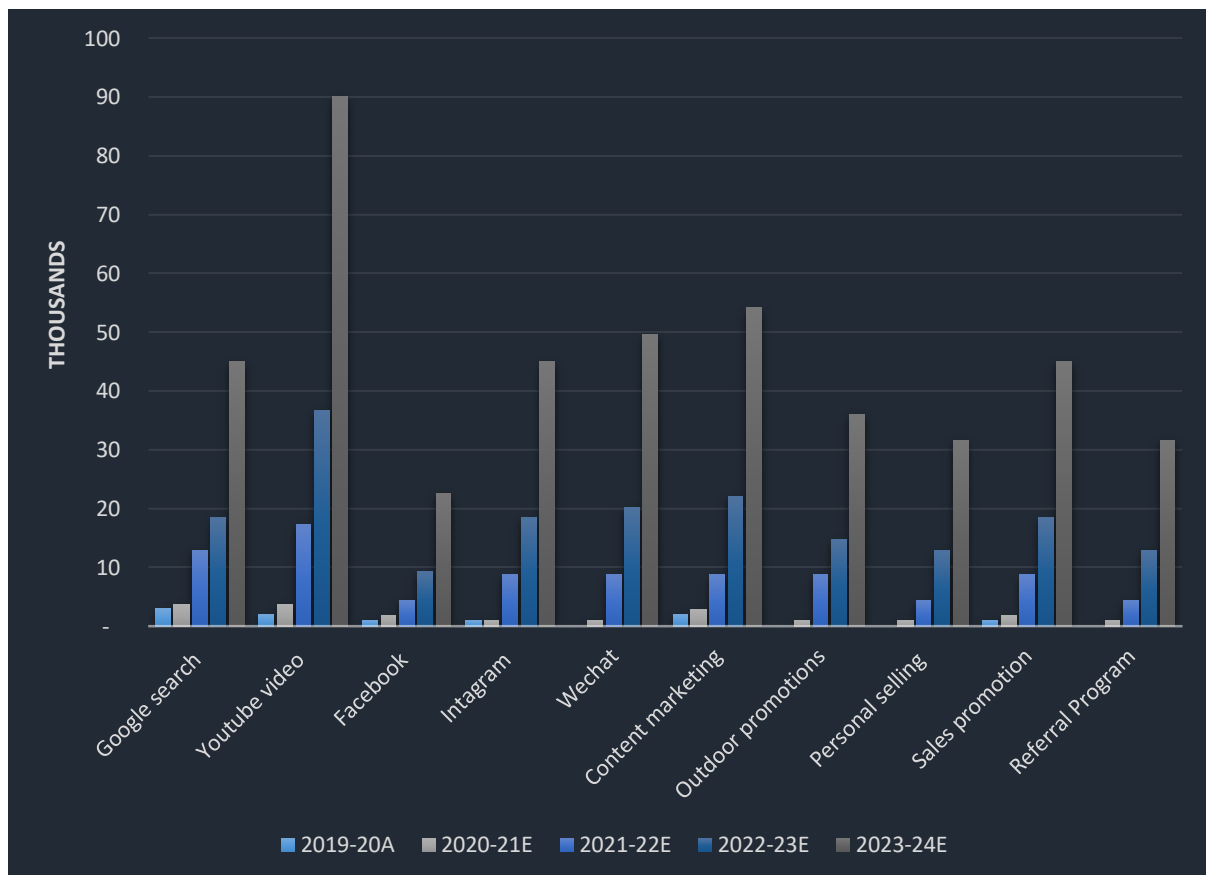
		2019-20A	2020-21E	2021-22E	2022-23E	2023-24E
Promotional Goals						
Google						
	The search Ads will help us increase brand awareness and web traffic. Only target Singapore residents.	Enhanced campaigns with more budget will provide greater brand awareness and more web traffic. Increase scope and target more locations such as Malaysia	Further increase budget to reach audiences across more locations. Target locations apart from south east Asia. Further increase web traffic, app installs and reduce bounce rate by introducing features such as virtual tour.	Further reduce bounce rate, increase potential customer reach and increase brand awareness. In addition reconnect with site visitors and repeat promotions to remind customers about brand presence to enhance brand positioning		Same as previous year
Youtube						
	Start video promotions on limited scale. Create testimonial videos and center tours to build brand trust.	Increase sales by promoting offers, benefits, brand image and USP. Reach greater number of audience provide more comprehensive messages as video is a better platform to provide more information in a shorter duration.	Increase frequency of promotions, target more audiences across more countries. The testimonial videos of parents will build more brand trust. Increase video variety and in different languages to attract audiences from different countries.	Promote display Ads in addition to video Ads. Increase reach, repetition and make the videos more informative to increase sales and attract greater number of potential franchisees.		Same as previous year
Facebook						
	Provide event updates, video promotions and enhanced brand positioning with	Enhanced campaign with more budget, posts and audience reach. This year onwards our goal from FB promotions will also be to increase sales	As we build more brand awareness by this year we plan to serve more customer queries. Proportion of campaigns targeting potential franchisees will	Better SEO results by posting more meaningful and relevant content. In addition increase video, post and other promotional views.		Same as previous year

	repeated promotions	apart from improving brand positioning and awareness	increase from this year.		
Instagram	Promotions on relatively small scale to attract young customers	Attract young audience, parents, to be parents, etc. The primary goal of this platform is to enhance brand awareness among future customers. This target market will boost revenues in near future.	Apart from achieving previous goals, we plan to increase customer engagement in terms of like, comments and similar actions.	Increase proportion of budget to reach more young audience and future customers.	Same as previous year
Wechat	N/ A	Attract Chinese audience which in turn will help attract Chinese franchisees	Same as previous year	Increase budget to target more potential Chinese franchisees	Same as previous year
Content marketing	Start blog on own site to begin informative brand awareness	Remind customers and potential customers of our brand presence, occasional offers, informative articles and similar elements to enhance brand positioning.	Provide informative video content and increase newsletter subscribers by providing valuable content to potential and existing customers	Increase email list size by at least 30% from previous year to reach more potential customers	Same as previous year
Outdoor promotions	N/ A	This channel will pull older group of audience and also be implemented as mass marketing strategy in order to attract large number of audiences	From this year onward we will implement guerrilla marketing strategies in order to grab mass attention and further enhance brand awareness. This strategy will help us reduce customer acquisition cost.	Increase budget to reach more potential customers and increase frequency as well for better brand positioning and to remind brand presence.	Same as previous year

Personal selling	N/ A	Collaborate with large organizations where we can easily find high concentration of working women. Increase sales efficiently	Increase sales force as we assume that coronavirus pandemic effect will decrease by this year. This sales force will attract more corporate clients for collaborations and more sessions will be conducted for working mothers by our sales personnel	Start promoting to high net worth investors across Singapore and China for attracting franchisee investment. So increase budget and conduct cross border recruitment.	Same as previous year
Sales promotion	SGD 300 off on monthly fees in order to increase capacity utilization	Provide discounts on long term fees advance payment to increase cash flow	Start franchisee discount programs under which franchisees with more investments and greater capacity centers will get discounts on registration fees + discounted royalty fee for 1st year.	Increase budget in order to accommodate more capacity	Same as previous year
Referral Program	N/ A	Parents and employees will be provided with perks for successful referrals. This will help us reduce customer acquisition cost	Start sales training program for all employees including educators to further enhance the referral program. This in turn will make every one of our employees into a sales person.	Start referral programs for 3rd party hospital employees. We plan to receive many referrals from hospital employees who frequently interact with parent or to-be parents.	Same as previous year

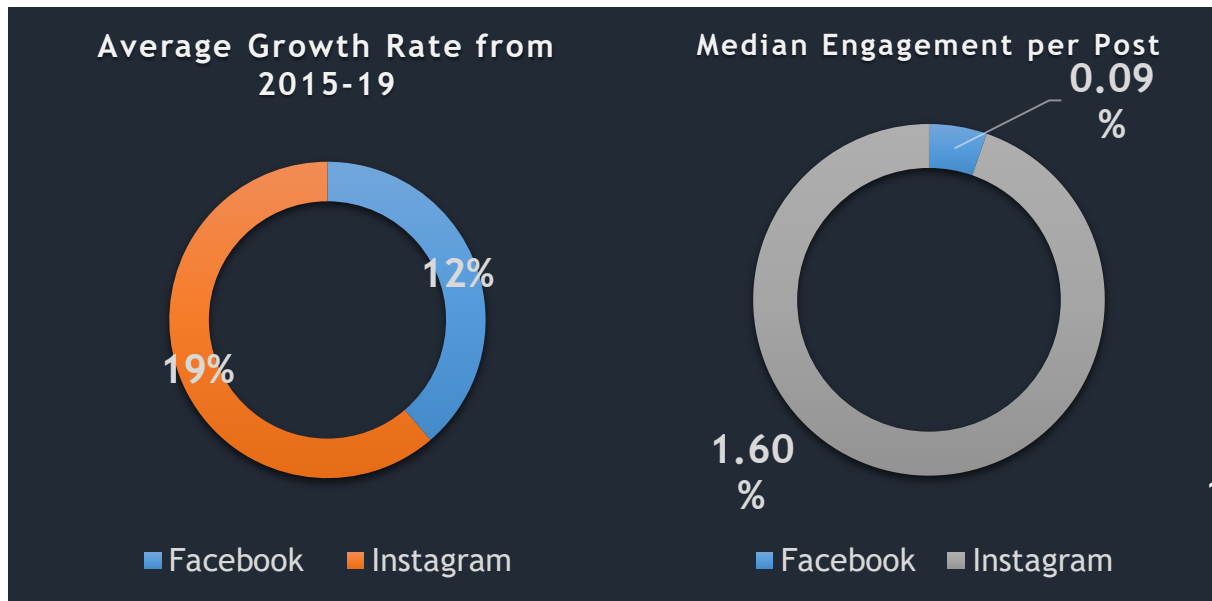
Sales & Marketing Budget:

All amounts in SGD	2019-20A	2020-21E	2021-22E	2022-23E	2023-24E
Category					
Google	2,889	3,689	12,962	18,357	45,079
Youtube video	1,926	3,689	17,283	36,715	90,158
Facebook	963	1,844	4,321	9,179	22,540
Instagram	963	922	8,642	18,357	45,079
Wechat	-	922	8,642	20,193	49,587
Content marketing	1,926	2,766	8,642	22,029	54,095
Outdoor promotions	-	922	8,642	14,686	36,063
Personal selling	-	922	4,321	12,850	31,555
Sales promotion	963	1,844	8,642	18,357	45,079
Referral Program	-	922	4,321	12,850	31,555
Total	9,631	18,443	86,416	183,573	450,792
% increase		91%	369%	112%	146%

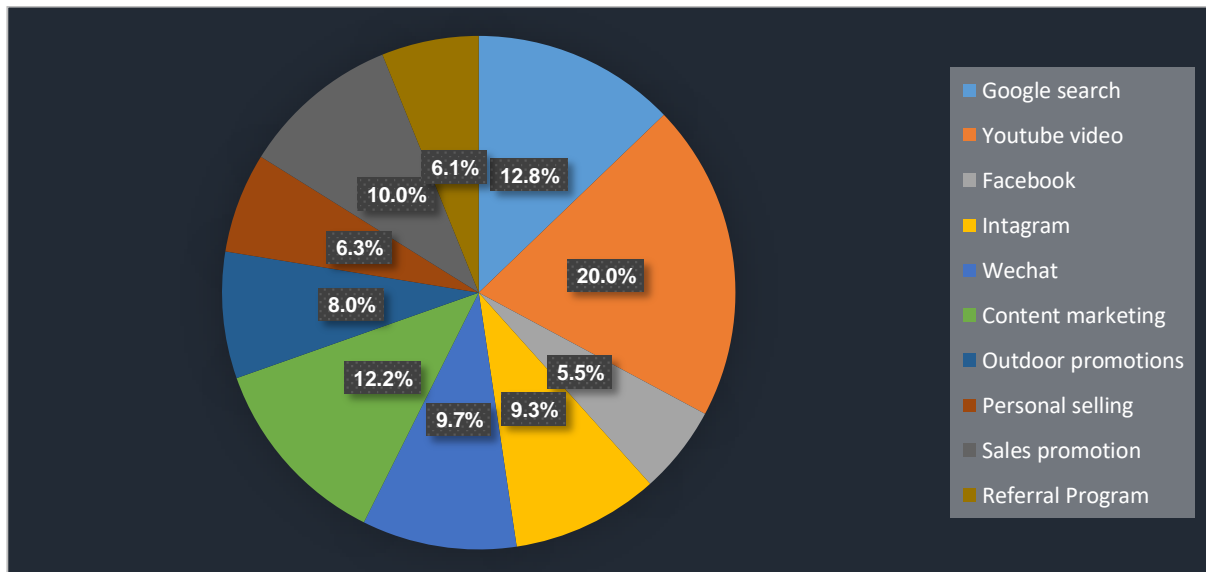


Above graphs explain our spending pattern on promotions across different channels over the next 4 years. The most important aspect is that we plan to grow our budget on certain channels more than others. The primary reason is we believe that user base for certain platforms will grow at the faster rate and user engagement in certain platforms is more than others. In addition there are certain group of customers that we want to attract and certain platforms host higher proportion of those customers.

Instagram vs Facebook:



We believe that over time Instagram will gain more traction so we plan to allocate resources accordingly.



The above chart represents our total budget allocation for different channels across 5 years. We have allocated maximum budget for Youtube as we believe that our messages will be more comprehensive through video commercials.

The second highest budget has been allocated for Google as we believe that we can reach relatively large number of customers from the platform. The most important aspect of Google is that potential customers are only exposed to promotions when they intend on buying a particular product or use a particular service. Thus we believe that ROI on Google will be better than other platforms.

We have allocated significant budget for content marketing as we need to create credible source of brand awareness for Babayelk as potential customers need to trust us to be able to send their children. We will create content through well-established blogs and use various sites to create content for our brand. We believe that when potential customers will be exposed to our brand messages through 3rd party sources then trust in our brand will increase significantly. We have strategically allocated budget for Wechat in order to attract Chinese clients.

Market Research:

We have mostly relied upon secondary market research. Our scope for primary research was limited due to the pandemic situation so we have conducted interviews of existing and potential customers. The most used secondary sources include Singapore Govt. platforms such as ECDA, department of statistics, etc. We have also used both national and international competitor websites for various findings. The key research questions included; what is the potential market size in Singapore and internationally? Who are the direct competitors? What is the growth potential of target market? What is the feasibility of starting centers across certain locations? Etc.

Value Proposition:

At Baby-Yelk we will provide a safe place for infants so that parents can work throughout the day with peace of mind.

- Customer: working mothers with decent monthly income to be able to afford infant care services.
- Problem: dual income couples unwilling to have kids due to lack of caring time. In addition as we plan to target Singapore primarily, the Country is facing low birth rate issue as women across Singapore are becoming more career oriented.
- Solution: provide safe place for newborns where they can stay as long as their parents are unavailable. In addition provide an environment where the newborns will learn various human skills through trained professionals and parents will receive activity updates throughout the day.
- Differentiators: our key differentiating factor or USP will be safety. Our brand positioning will be centered on this aspect. In addition we plan to have minimal turnover rate, trained care givers, in-house doctors and high staff to infant ratio will further boost our image of safety.

Competitive Analysis:

We are considering other infant care centers as our direct competitors and baby sitters, nanny and similar services providers as our indirect competitors.

Direct Competitors:

- **My First School:** this is a nonprofit organization and in terms of child and infant care services they have the highest number of searches on Google in Singapore.ⁱ It was founded back in 1977. They are operating more than 140 centers across Singapore. They offer both infant and child care services and their target group has an age bracket of 2 months to 6 years old. Following is their fees summary:

		Monthly Fees (before subsidy) in SGD	Registration in SGD	Annual Insurance in SGD	Uniform (4 sets) in SGD	Mattress Cover (2 sets) in SGD
	Singaporean	1,364.3				
Infant (From 2 months to 17 months)	Permanent Residents	1,705.3	85.6	5.4	107.0	17.12
	Foreigners	2,046.4				
Toddler (From 18 months to 30 months)	Singaporean	770.4	85.6	5.4	107.0	17.1
Playgroup (From 30 months to 3 years old)	Permanent Residents	963.0				
Nursery (For 4 years old)						
Kindergarten (For 5 to 6 years old)	Foreigners	1,155.6				

Source: My First Skool website ⁱⁱ

- **Learning Vision:** they have approx. 25 branches around Singapore and charge SGD 1,600 on an average. The Company caters to about 2,500 children.
- **Kinderland:** this center started its operations back in 1978 and operates through around 17 centers across Singapore. They offer two programs- infant, toddler and preschool. Kinderland also operates in Malaysia, Indonesia, Bangladesh, Cambodia, Vietnam and China.
- **Mindchamps:** it was founded almost two decades back. They operate around 40 centers all across Singapore. Their teacher to child ratio is relatively higher than other operators. They charge SGD 2300 for half day and SGD 2500 for full day infant care.
- **Cherie Hearts:** they offer the following programs; infant care (from 2 months), playgroup (18 months), pre- nursery (3 years old), nursery (4 years old), kindergarten 1 (5 years old), kindergarten 2 (6 years old) and pre- school. They operate through around 20 centers across Singapore. They charge SGD 1680 for full day infant care services and SGD 1280 for half day infant care services.
- **Star Learners:** they started their journey back in 2003. This brand operates through around 40 centers across Singapore.
- **Mulberry Learning:** The Company operates through 11 locations across Singapore. The Company also operates through international centers such as Australia, Panama and China. They have 12 brands and 50 schools in infant care, childcare and preschool.

Indirect competitors:

This will mostly cover nanny service providers and baby sitters. The reason for which we are considering this segment as indirect competitors is that this group serves to more affluent set of customers and their services delivery is also different. In a center kids develop certain social and communications skills by being around others but nanny and baby sitter services offer different environment.

- **Nannypro:** this company provides verified and trained nannies and caregivers. They offer full time nannies, flexible hour services (min- 4 hours), travel nanny and mother's helper. Fee structure:

Time Period	In SGD , minimum contract:1 month
Daily 9 hours (time: 8am to 6pm)	Trial rates: 205, 2650/ month
Daily 4 hours (time: 8am to 6pm)	Trial rate: 100, 1900/ month
Evening rate (min 4 hours, time: 6 pm to 10pm)	Trial rate: 140, 2400/ month
Overnight rate (daily 9 hours, time: 10pm to 7am)	Trial rate: 220, 3200/ month
One time registration fee	20% of regular fees

- **Nanny SOS:** this company was established back in 2011. Major services provided by this company includes confinement nanny services, babysitting services and pre-natal/ post- natal care. They charge SGD 2980/ month for confinement nanny service and SGD 2500- 3500 per month for babysitting services.
- **Others:** There are other service providers and agencies which connect parents with nannies and baby sitters. However major problem with such agencies is trust issue as the service providers on such platforms are not vetted as well as above mentioned platforms.

Brand Management:

We plan to invest significantly on brand management over the next four years through all our sales and marketing efforts. We are planning to implement an asset light strategy where most of our centers will be operated by franchisees. This in turn will provide more liquidity and as a result allow us to invest more on branding efforts.

- **Brand Positioning:** basically brand positioning is the art of having a particular distinctive image in the customers mind. We want to position ourselves as a safe haven for infants. Therefore all our marketing efforts are designed to convey the message of safety and position the babyelk brand as a safe place where working parents can keep their newborns without having to worry about them.
- **Brand Elements:** all our promotional campaigns will contain same elements; logo, color, fonts, message, etc. This will help us position our brand based on a uniform message of safety. We plan to design elements with bright colors, all the centers including that of franchisees will have uniform decorations.
- **4Ps:**
 - 📦 **Product:** we will deliver the best possible infant care services. We will only operate infant care centers under the Babyelk brand name unlike competitors who are serving multiple segments under a single brand name which in turn dilutes brand equity. Our services will comprise of pickup , care throughout the day, feeding for infants and all necessary services which are provided by an infant care center.
 - 💰 **Price:** we have provided SGD 300 off on all monthly fees to attract initial customer base. However as we move forward and our brand awareness increases then we will price our services differently for yearly, half- yearly and monthly plans. This will encourage customers to opt for long term plans and in turn will have positive impact on revenue and cash flow.

- 📍 **Place:** our centers will be located on appropriate locations that is suitable for working parents.
- 📍 **Promotion:** over the next 3 years we plan to use cost effective promotional campaigns and after three years once we have built significant brand awareness then to enhance brand recognition further we will opt for limited scale mass marketing campaigns such as outdoor campaigns. Singapore has a high internet penetration and smartphone usage rate so we believe that focusing on digital marketing campaigns will yield better results.
- **KPIs:** over the next 4 years key marketing KPIs include new customer acquisition and revenue increases. It is important to note that customer acquisition cost will remain high for next 4 years as we are planning to increase brand awareness and eventually when we are able to attract franchisees and as we become popular then the acquisition cost will come down.

IMC Plan:

Integrated Marketing Communication (IMC) plan is used to integrate all marketing and promotional efforts in order to convey a single message across all channels. This allows for better brand positioning and more efficient use of resources. At present Babyelk is conducting promotions on a limited scale. The Company plans to invest significantly in the coming years to implement 3 key objectives- increase brand awareness, grow digital presence, and build industry authority by having an enhanced brand image. In addition LFG plans to create a mix of both conventional and unconventional marketing tactics in order to achieve its goals.

Our IMC plan will be segmented into four categories; **advertising, sales promotion, public relations and personal selling.**

Advertising:

We have chosen a mix of outdoor, video, search, print and social media advertising. We believe that by focusing on digital channels we will be able to reach greater number of audiences at lower cost relative to conventional channels such as print advertisements.

📍 **Google:** massive reach, range of targeting, harness intent, efficiency, ease of budgeting and quicker than seo. There are 3.5 billion searches every day on Google. The sheer volume means potential to reach large number of audiences. The targeting tools provided by Google are also very useful. We can target potential customers based on their location, demographics, interest and other attributes. The most important targeting aspect is the ability to target using keywords. This means only people with the intent to use our services will be able to view our advertisement. This means better efficiency and ROI on marketing investment.

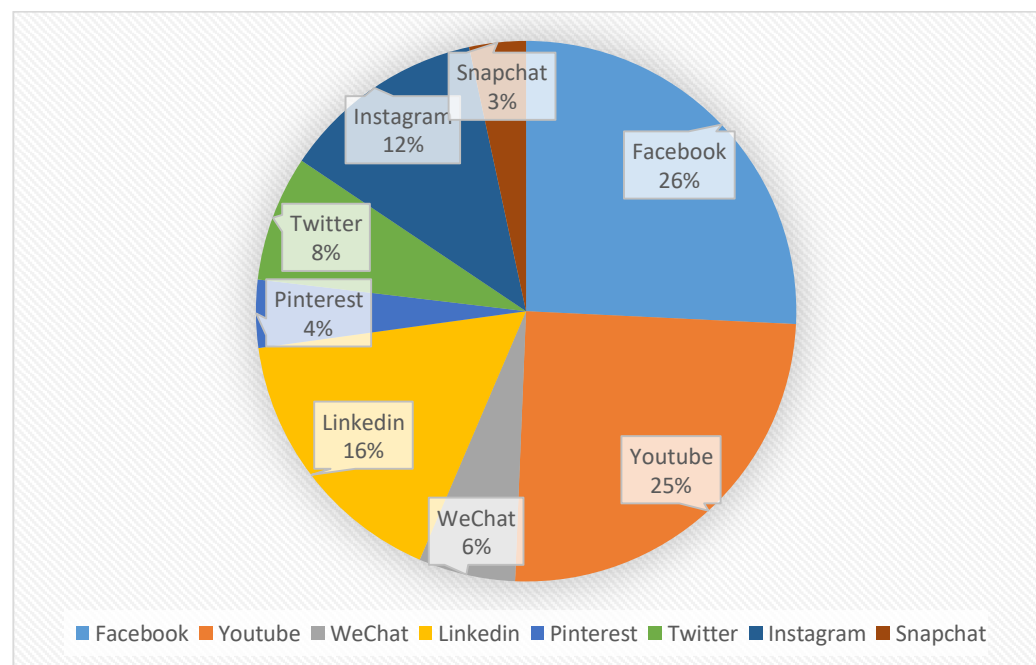
📍 **Youtube:** The potential customers can be targeted according to demographics and other attributes just as Google's search advertisements. This is also a very cost effective platform like Google. We plan to advertise video testimonials, brand profile video and also advertise through Youtube influencers. It is important to note that there are some common aspects between Google advertisements and Youtube advertisements; analytics tool which will allow us to get a clear idea of our promotional performances on the platforms. In addition Google and Youtube are from the same mother

Company so advertising on Google will automatically impact Youtube advertisement, for e.g- when someone searches with a keyword on Google then overlay advertisements related to that topic start appearing on Youtube videos. Therefore our promotional campaigns will be integrated across the platforms.

📊 **Facebook:** in Singapore there are 4.45 Mill. active Facebook users and this accounts for more than 70% of the Country's entire population. ⁱⁱⁱ Even though other platforms are growing at a significant rate but Facebook still has highest number of active users in Singapore.

📊 **Instagram:** in Singapore there are 2.1 Mill. Instagram users which makes the platform a useful tool for our promotions. According to our research people in general are shifting from Facebook to Instagram which makes it lucrative for promotions. The platform is quite similar to Facebook but one important aspect is that it caters to younger audiences with small attention time span. This is important as we can observe a shift in mass behavior and people have less tolerance for long duration aspects so this makes the platform well suited for future prospects.


Following graph represents top social media platforms across Singapore as of march 2020:




Source: statista

📊 **WeChat:** across Singapore there are 1 Mill. Wechat users and we have chosen this platform for its large Chinese audience pool. There were 1151 million active we chat users amongst which 90% are Chinese^{iv}. Chinese investments across various sectors in Singapore have increased exponentially over the past

years. It rose from 27th largest investor in Singapore in 2005 to 11th in 2018.^v Thus we believe that there is huge scope for investment from Chinese citizens in our franchise model. Therefore we have chosen Wechat as one of the digital marketing channels.

 **Content Marketing:** content marketing will work with our email marketing efforts. We plan to create unique articles and video content on a regular basis. The articles will be transmitted to existing and potential customers. These articles will provide relevant and appropriate information for parents or to-be parents. We hope to increase brand recognition capability of potential market through this activity as it will consistently remind our target market about our brand. Our other promotional activities will pull customers and encourage them to sign up for our newsletters which in turn will allow customers to receive messages relevant to our brand regularly.

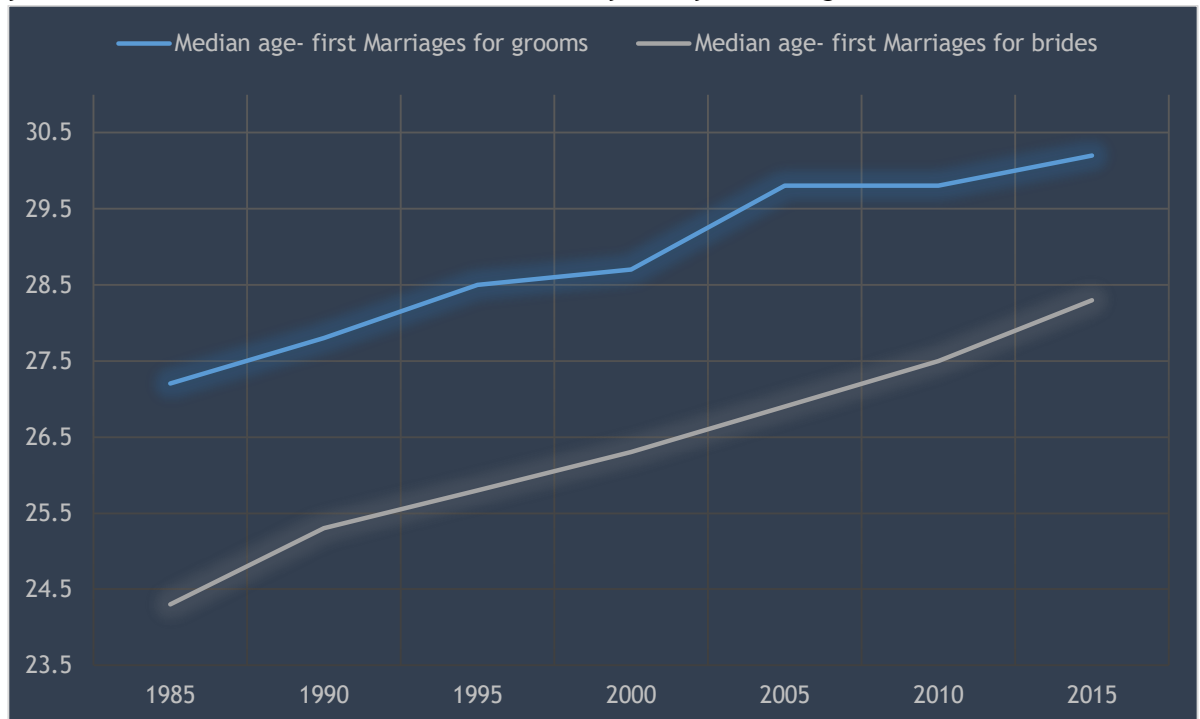
 **Outdoor Promotions:** we plan to implement guerrilla marketing for outdoor promotions. In this tactic our goal is to grab potential customer attention in a surprising manner. This is to ensure that they remember our brand and we can reach maximum number of potential customers with minimum investment. We plan to use bus benches, billboards, exteriors and interiors of buses, business vehicles, taxis and signage.

- **Sales Promotion:** We are currently offering SGD 300 off on regular fees of 1880 per month. This facility is only for first 3 to 6 months. We plan to start discount programs for long term commitments by customers. We plan to offer more discounts to customers who opt for yearly instead of monthly program. This way we will increase our cash flows and also allow us for better capacity planning.
- **Public Relations:** the objectives of the PR campaign will be to let someone else speak of our good attributes. The entity should be a credible source such as celebrity, magazine or newspaper. In order to maximize results we will use both paid and earned PR campaigns. We plan to outsource PR activities to dedicated and well established PR agencies. The whole objective of PR activities will be to spread our core message through credible voices and medium. Initially we plan to publish paid or organic articles on blogs, magazines and newspapers across Singapore. The articles will indirectly convey the message; we provide infant care services in a safe place. In addition we plan to perform CSR activities, host events for to-be parents, etc.
- **Personal Selling:** we plan to send sales representatives to various offices and conduct sessions to married and even interested singles to explain our services, convey our brand message and try to make them interested towards our brand. All staff will receive commission under our referral program and our existing customers will also receive discounts on yearly plan upon successful referral.

Market Segmentation:

Following profiling and segmenting of customers are to be mostly used for digital marketing purposes as it is easier to customize the target group on digital platform.

- **Geographic Segmentation:** we plan to choose locations appropriate for our target audience.
- **Demographic Segmentation:** in Singapore most men marry at the age of 30 and 34 years on the other hand women in the Country marry at the age of 25 to 29.^{vi}



Therefore we are planning to focus on this age group for our campaigns. In addition income is also an integral part of this segmentation. As of 2016 53.8 percent of married couples are dual income couples.^{vii} As of 2018 median household income in Singapore is SGD 9,293^{viii}, our goal is to target households with or above this median income.

- **Psychographic Segmentation:** we want to focus on people who are interested in higher education, career growth and forward thinking.

INDUSTRY ANALYSIS

Industry at a Glance:

Child care market in Singapore has witnessed significant growth over the period of 2013-2016. As of April 2019, there are 1,519 child care centers and 476 kindergartens in Singapore^{ix}. The growth has been supported by several factors including government initiatives, growing child population and increased working population in the country. Financial incentives are being offered to encourage couples to have more babies by defraying costs of raising young children by implementing schemes such as the Baby Bonus Scheme in 2001. Furthermore, rising awareness of the benefits of early learning to cognitive development in children has encouraged more parents to opt for day care centers. Major industry players include My First School, Learning Vision, Kinderland, Mindchamps, Cherie Hearts, Star Learners, etc. There are 223 centers under Partner Operators Scheme (POPs) as of April 2019 and total enrolment of 18,428 and there are 458 centers under Anchor Operators Scheme (AOPs) as of April 2019 and total enrolment of 46,060.

Industry Summary:

	2016	2017	2018
Class A (Infant Care)			
No. of centers	471	512	578
Enrolment	4,250	4,776	5,364
Average full day fees in SGD	1,476	1,499	1,516
Revenue in SGD	6,273,000	7,159,224	8,131,824
Class B (Child Care)			
No. of centers	1,324	1,389	1,479
Enrolment	101,905	109,542	118,296
Average full day fees in SGD	1,013	1,029	1,062
Revenue in SGD	103,229,765	112,718,718	125,630,352
Class C (Kindergarten)			
No. of centers	480	471	435
Enrolment	65,306	60,967	58,204
Average full day fees in SGD	317	317	357
Revenue in SGD	20,702,002	19,326,539	20,778,828
Total No. of centers	2,275	2,372	2,492
Total No. of enrolment	171,461	175,285	181,864
Total Revenue	130,204,767	139,204,481	154,541,004

Source: ECDA Singapore

General Industry Fee Structure:

Citizenship	Child Care (Above 18 months to 6 years) (Monthly)	Infant Care (2- 18 months) (Monthly Fees in SGD)
Singapore Citizens	770	1360
Permanent Residents	962.5	1700
Foreigners	1155	2040
Registration Fees	SGD 85.6 (non- refundable and non- transferable) is payable at time of registration	
Deposit	One month general program fee (exclusive of subsidy) is payable at time of registration	

Insurance (Child)	SGD 3.21 (annual) Payable at time of registration and subsequently at the beginning of each calendar year and is non-
Uniforms (minimum 3)	SGD 35/ set (via vendor at www.beauvoix.com)

Source: skool4kidz ^x

Three Categories of Licenses: In order to operate centers someone has to have either Class- A, Class- B or Class- C license. Operators can also work with a combination of licenses- A & B or A & C.

- Class A: Operators with this class of license can admit infants of 2 to 18 months of age. The operational time period is 12 hours or more.
- Class B: 18 months to below 7 year old kids can get enrolled into these centers. The operating time is 12 hours or more.
- Class C: These centers operate during school terms according to Govt. prescribed academic calendar. The operational period for such centers is 6 hours or less.

Government Incentives for the Industry:

In Singapore, families receive funds just within days of having a newborn child. The Baby Bonus comes in 3 stages: a cash gift, the first step grant, and dollar-for-dollar matching of savings for the newborn.

Subsidies:

Every child in Singapore receives cash gift irrespective of income of their parents. Additional funds will come in when he/she turns 6 months old, 12 months old, 15 months old and 18 months old. The govt. will provide SGD 8,000 for each of the 1st and 2nd child, for 3rd and subsequent children parents will receive SGD 10,000/ newborn.

The second component includes a SGD 3,000 First Step Grant. The government will match up to SGD 3,000 of savings each for your first and second children, SGD 9,000 each for the third and fourth children and SGD 15,000 each for the fifth and any subsequent children.


In order to encourage working mothers to have kids the Govt. provides SGD 600/month for infant care services and SGD 300/month for child care services. On the other hand non-working mothers receive a maximum of SGD 150/ month.

Childcare Subsidy	Benefits (per child)	Restrictions
Baby Bonus Cash Gift	\$8,000 (1st & 2nd child) \$10,000 (3rd child onwards)	None
Baby Bonus First Step Grant	\$3,000 credit to Child Development Account	None
Dollar-for-dollar matching Child Development Account	Up to \$3,000 (1st & 2nd child) Up to \$9,000 (3rd & 4th child) Up to 15,000 (5th child onwards)	None
Basic Childcare Subsidy	Up to \$600 (infant care) or \$300 (childcare) for working mothers	Child must be enrolled in ECDA-licensed center

	Up to \$150 for non-working mothers	
Additional Childcare Subsidy	Up to \$540 (infant care) Up to \$440 (child care)	Income ceiling: \$7,500* per household or \$1,875 per person For mothers and single fathers who work a minimum 56 hours a month
Kindergarten Fee Assistance Scheme (KiFAS)	20% to 99% of fees (capped at \$170 including GST)	Income ceiling: \$6,000 per household or \$1,500 per person Child must be enrolled in MOE or Anchor Operator kindergarten
Start Up Grant (SUG)	Up to \$240	Income ceiling: \$1,900 per household or \$650 per person Child must be enrolled in MOE or Anchor Operator kindergarten
Edusave contribution	\$200 a year (primary school) \$240 a year (secondary school)	For children age 7 and up

Source: Moneysmart

PRE-SCHOOL FEE SUBSIDIES: WHAT FAMILIES MIGHT PAY

				
Dual-income family with monthly household income of:	FAMILY A S\$3,000	FAMILY B S\$5,000	FAMILY C S\$8,000	FAMILY D S\$12,000
A FOR FULL-DAY CHILDCARE SERVICES BY AN ANCHOR OPERATOR, WITH FEES OF S\$770* PER MONTH				
BASIC SUBSIDY	S\$300			
Maximum additional subsidy	S\$467 (Compared to S\$400 today)	S\$340 (Compared to S\$100 today)	S\$190 (Not eligible today)	S\$80 (Not eligible today)
After enhanced subsidies, family pays	S\$3 (Compared to S\$70 today)	S\$130 (Compared to S\$370 today)	S\$280 (Compared to S\$470 today)	S\$390 (Compared to S\$470 today)
B FOR KINDERGARTEN SERVICES BY AN ANCHOR OPERATOR, WITH FEES OF S\$171* PER MONTH				
Maximum Kindergarten Fee Assistance Scheme (KIFAS)	S\$170 (Compared to S\$165 today)	S\$111 (Compared to S\$60 today)	S\$71 (Not eligible today)	S\$21 (Not eligible today)
After enhanced subsidies, family pays	S\$1 (Compared to S\$6 today)	S\$60 (Compared to S\$111 today)	S\$100 (Compared to S\$171 today)	S\$150 (Compared to S\$171 today)
C FOR FULL-DAY INFANT CARE SERVICES BY AN ANCHOR OPERATOR, WITH FEES OF S\$1,364* PER MONTH				
BASIC SUBSIDY	S\$600			
Maximum additional subsidy	S\$710 (Compared to S\$500 today)	S\$500 (Compared to S\$200 today)	S\$240 (Not eligible today)	S\$40 (Not eligible today)
After enhanced subsidies, family pays	S\$54 (Compared to S\$264 today)	S\$264 (Compared to S\$564 today)	S\$524 (Compared to S\$764 today)	S\$724 (Compared to S\$764 today)

Source: ECDA

A GOOD START FOR EVERY CHILD

MAKING QUALITY PRESCHOOLS MORE AFFORDABLE AND ACCESSIBLE

MORE FAMILIES TO PAY LESS FOR PRESCHOOL

1 More families to enjoy Additional Subsidy and Kindergarten Fee Assistance Scheme (KiFAS)

Increase monthly household income ceiling for means-tested subsidies to \$12,000*

2 Higher preschool subsidies across all eligible income tiers

Lower-income families will receive higher subsidies

3 Maintain fee caps for Anchor and Partner Operators

Lower fee cap for childcare Partner Operator scheme from Jan 2021. To lower fee caps further in the medium term so that full-day childcare expenses (before means-tested subsidies) is about primary school fees plus after-school fees



*Increase from the current monthly household income ceiling of \$7,500 for Additional Subsidy (to support working mothers for childcare and infant care at all ECDA-licensed childcare centres) and \$6,000 for KiFAS (for kindergartens run by Anchor Operators and MOE).

MORE FAMILIES TO BENEFIT FROM QUALITY AND AFFORDABLE GOVERNMENT-SUPPORTED PRESCHOOLS

1 Full-day preschool capacity has doubled to almost 180,000 places today, from 90,000 in 2012. This will grow to over 200,000 places over the next few years



2 The Partner Operator scheme will be extended to more childcare centres and a small number of quality kindergartens in 2021



3 By around 2025, 80% of preschoolers can have a place in a government-supported preschool operated by Anchor Operators, Partner Operators, or MOE. This is an increase from just over 50% today



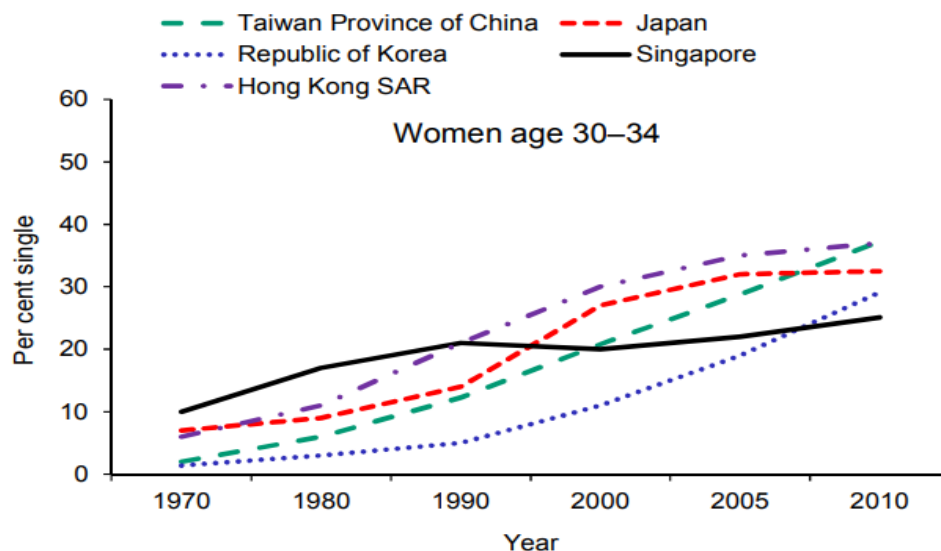
Source: ECDA

Effects of Govt. incentives on the industry:

Back in 1972 it was relatively easier for Singapore Govt. to implement the two child policy but recently the Govt. is desperate to increase their birth rate. The Govt. is providing various incentives for parents to have more children. Singapore has a plan to increase population to approx. 6.9 million by 2030.^{xi} The current population of Singapore is 5.6 million and their growth rate is approx. 0.5%. Thus according to Govt. plans there will be around 1.3 million newborns within the next 10 year period.

The government's incentives can be grouped into three categories- financial incentives, support for parents to combine work and family and policies to encourage marriage. Singapore's proportion of single women aged 30-34 relative to similar countries in terms of economy such as Japan, Republic of Korea, Hong kong, etc. is decreasing as a result of such measures. This indicates that the proportion of new born babies will be increasing as a result of this. In addition, due to economic development of the Country more women have become career centric, as a result the Govt. is offering more incentives for working mothers.

Following graph is a representation of proportion of single women in countries with similar economy:



Source: UN^{xii}

The above graph shows that proportion of single women across Singapore has been decreasing which indicates that potential for infant care services is likely to increase.

Porters Five Forces:

- **Threat of new entrant:** low. Achieving economies of scale is very important for this industry so it is difficult for new entrants to acquire large number of customers. It requires years of brand awareness campaigns and considerable investment.
- **Bargaining power of suppliers:** medium. The major suppliers for the industry can be considered as real estate and human resources. Most of the cost is incurred through these two categories. The level of difficulty to find new space and employees is medium.

- **Bargaining power of buyers:** low. The buyers has less options in terms of well-known or trust worthy brands. In addition there are even fewer well-known infant care centers. Therefore if buyers are looking for reliable services then they do not have too many options.
- **Threat of substitute services:** low. Substitute services include nanny and baby sitter services. These services are expensive relative to centers. In addition infants and children do not develop certain skills such as social skills which are essential for a child's growth. Therefore parents choose centers for holistic development of their newborns.
- **Competitive rivalry:** low. Infant care centers can charge a premium as their regulatory requirements are different and as service delivery is more sensitive. Therefore there are not many infant care centers across Singapore.

Industry Challenges:

The major challenge for the industry at present is coronavirus. The whole industry is jolted for this reason as parents are working from home, household earnings are decreasing and also parents are unwilling to send children to centers. The industry works on economies of scale due to large proportion of fixed cost. Therefore as occupancy rate remains low the industry will be adversely impacted in terms of profitability and sustainability. Also health and safety related costs have increased for the centers.

Industry Opportunities:

Health care professionals and other essential workers will need to use child care centers as they remain away for work. In addition as the pandemic situation eases proportion of dual income families is likely to increase to cover for lower savings and adverse economic conditions.

FINANCIAL ANALYSIS

Investment:

(all monetary amounts in SGD)	2019-20A	2020-21E	2021-22E	2022-23E	2023-24E
Investments					
Infant care centers	1st	2nd	3rd	4th	
Takeover asset	100,000	230,000	230,000	230,000	
Furniture and fixtures	30,000	40,000	40,000	40,000	
Leasehold improvements	40,000	50,000	50,000	50,000	
Rental deposit	28,000	56,000	56,000	56,000	
Misc. investments	25,000	50,000	50,000	50,000	
Total	223,000	426,000	426,000	426,000	
Capital Structure					
Founder's equity	500,000	-	-		
Loan	-	600,000	600,000	600,000	

Investment Related Assumptions: (all monetary amounts in SGD)

Takeover fee of 1st center	100,000
Takeover fees for 2nd and consecutive centers	230,000
Furniture & fixtures for 1st center	30,000
Furniture & fixtures for 2nd and consecutive centers	40,000
Leasehold improvement for 1st center	40,000
Leasehold improvement for 2nd, and consecutive centers	50,000
Rental deposit period in months	4
Rental deposit for 1st center	7,000
Rental deposit for 2nd and consecutive centers	14,000
Misc. investment for 1st center	25,000
Misc. investment for 2nd and consecutive centers	50,000
Capital Structure	
Owner's equity	500,000
Debt (please refer to debt amortization schedule for details)	
2020-21E	600,000
2021-22E	600,000
2022-23E	600,000

Non- Current Asset Schedule:

(all monetary amounts in SGD)	2019-20A	2020-21E	2021-22E	2022-23E	2023-24E
Takeover asset	100,000	330,000	560,000	790,000	790,000
Furniture & fixtures	30,000	70,000	110,000	150,000	150,000
Leasehold improvements	40,000	90,000	140,000	190,000	190,000
Misc. investment	25,000	75,000	125,000	175,000	175,000
Total non-current assets (at cost)	195,000	565,000	935,000	1,305,000	1,305,000
Total depreciable assets (at cost)	70,000	160,000	250,000	340,000	340,000
Capex	195,000	370,000	370,000	370,000	-
Capex/ Revenue	61%	40%	21%		
Depreciation expenses	7,000	16,000	25,000	34,000	34,000
Accumulated depreciation	7,000	23,000	48,000	82,000	116,000
NBV of depreciable asset	63,000	137,000	202,000	258,000	224,000

Assumptions related to Non- Current Asset Schedule:

Depreciation period in years	10
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Debt Amortization Schedule:

(all monetary amounts in SGD)	2019-20A	2020-21E	2021-22E	2022-23E	2023-24E
Loan	-	600,000	600,000	600,000	-
Total loan withdrawn till date	-	600,000	1,200,000	1,800,000	1,800,000
Interest paid	-	48,000	96,000	144,000	144,000
Principal repaid	-	120,000	240,000	360,000	360,000
Total repayment	-	168,000	336,000	504,000	504,000
Accumulated principal repaid	-	120,000	360,000	720,000	1,080,000
Total loan payable till date	-	480,000	840,000	1,080,000	720,000

Assumptions for Debt Amortization Schedule:

Loan interest rate	8%
Loan repayment tenure in years	5

Revenue Breakdown:

Revenue Breakdown (all monetary amounts in SGD)	2019-20A	2020-21E			2021-22E			2022-23E				2023-24E		
	1st	1st	2nd	1st	2nd	3rd	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Company owned infant care centers														
Average occupancy rate	70%	80%	50%	90%	70%	50%	95%	80%	70%	50%	95%	90%	80%	70%
No. of infants admitted	17	19	24	22	34	24	23	38	34	24	23	43	38	34
Total	17		43			79				119				138
Increase in no. of infants relative to previous year	-		26			36				40				19
Total monthly revenue from own infant care center	26,544	30,336	37,920	34,128	53,088	37,920	36,024	60,672	53,088	37,920	36,024	68,256	60,672	53,088
One time registration revenue	2,520		3,960			5,400				5,940				2,880
Total annual revenue from own centers	321,048		823,032			1,507,032				2,258,388				2,619,360
No of franchisee infant care centers		1st		1st	2nd	3rd	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Average occupancy rate			60%	80%	60%	60%	90%	70%	70%	60%	95%	90%	80%	70%
No. of infants in franchisee centers			29	38	29	29	43	34	34	29	46	43	38	34
Total monthly revenue from franchisee infant care			5,760	7,680	5,760	5,760	8,640	6,720	6,720	5,760	9,120	8,640	7,680	6,720
One time franchisee registration fees			30,000		30,000	30,000				30,000				
Total annual revenue from franchisees	-		99,120			290,400				364,080				385,920
Total annual revenue	321,048		922,152			1,797,432				2,622,468				3,005,280

Cost of Services Breakdown:

Cost of Services	2019-20A	2020-21E			2021-22E			2022-23E			2023-24E			
	1st	1st	2nd	1st	2nd	3rd	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Infant care centers														
No. of Principal	1	1	1	1	1	1	1	1	1	1	1	1	1	1
No. of Educarers	4	5	6	5	8	6	6	10	8	6	6	11	10	8
No. of Manager	1		1			1				1				1
No. of support staff	3	3	4	4	6	4	4	6	6	4	4	7	6	6
Annual salary of Principal	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Annual salary of Manager	72,000	72,000	-	72,000	-	-	72,000	-	-	-	72,000	-	-	-
Annual salary of Educarers	80,640	92,160	115,200	103,680	161,280	115,200	109,440	184,320	161,280	115,200	109,440	207,360	184,320	161,280
Annual salary of Support Staff	23,520	26,880	33,600	30,240	47,040	33,600	31,920	53,760	47,040	33,600	31,920	60,480	53,760	47,040
Annual salary for each center	224,160	239,040	196,800	253,920	256,320	196,800	261,360	286,080	256,320	196,800	261,360	315,840	286,080	256,320
Contribution to provident fund	38,107	40,637	33,456	43,166	43,574	33,456	44,431	48,634	43,574	33,456	44,431	53,693	48,634	43,574
Total annual salary	262,267		509,933			827,237				1,170,655				1,309,932
Monthly rent	7,000	7,000	14,000	7,000	14,000	14,000	7,000	14,000	14,000	14,000	7,000	14,000	14,000	14,000
Annual rent for each center	84,000	84,000	168,000	84,000	168,000	168,000	84,000	168,000	168,000	168,000	84,000	168,000	168,000	168,000
Total annual rent	84,000		252,000			420,000				588,000				588,000
Other expenses														
Annual groceries & refreshments expenses for each center	6,048	6,912	8,640	7,776	12,096	8,640	8,208	13,824	12,096	8,640	8,208	15,552	13,824	12,096
Annual app maintenance expenses	3,210		9,222			17,974				26,225				30,053
Depreciation of furniture & fixtures	7,000		16,000			25,000				34,000				34,000
Utilities	3,210		9,222			17,974				26,225				30,053
Total annual other expenses	19,469		49,995			89,461				129,217				143,786
Total Annual Cost of Services	365,736		811,928			1,336,697				1,887,873				2,041,718

Assumptions for Revenue and Cost Breakdown:

Assumptions	
Max. capacity of 1st center	24
Max. capacity of 2nd center	48
Max. capacity of 3rd center	48
Max. capacity of 4th center	48
Franchisee center Max. capacity	48
Monthly fees per infant and playgroup in own center in SGD	1,580
One time registration fee for own centers in SGD	150
Monthly fees from franchisee per infant in SGD	200
Upfront fees form franchisee in SGD	30,000
No. of Principal per center	1
Ratio of educarer to infants	4
Manager for up to 4 centers	1
Support staff to infant ratio	6
Monthly salary of principal in SGD	4,000
Monthly salary of manager in SGD	6,000
Monthly salary of educarer in SGD	1,600
Monthly salary of support staff in SGD	700
Rent of own center; 1st	7,000
Rent of own center; 2nd	14,000
Rent of own center; 3rd	14,000
Rent of own center; 4th	14,000
Monthly groceries cost/ infant	30
App maintenance expenses as % of revenue	1%
Contribution to WPPF	17%
Annual utility cost as % of total annual revenue	1%

S&A Expenses:

(all monetary amounts in SGD)	2019-20A	2020-21E	2021-22E	2022-23E	2023-24E
Marketing & Admin salary	4,816	13,832	26,961	39,337	45,079
Promotional expenses	9,631	18,443	89,872	183,573	450,792
Conveyance	1,605	2,305	21,569	34,092	45,079
Sales commission	3,210	9,222	17,974	26,225	30,053
Accounting & admin salary	4,816	13,832	26,961	39,337	45,079
Misc. expenses	803	2,766	7,190	10,490	15,026
Total Annual Selling and Admin Expenses	24,881	60,401	190,528	333,053	631,109

Assumptions for S&A Expenses:

Assumptions	
Sales commission	1%
Promotional expenses as % of sales, 1st year	3%
Promotional expenses as % of sales, 2nd year	2%
Promotional expenses as % of sales, 3rd year	5%
Promotional expenses as % of sales, 4th year	7%
Promotional expenses as % of sales, 5th year	15%
Marketing & admin salary as % of sales	1.5%
Accounting and admin salary as % of revenue	1.5%
Conveyance cost as % of sales, 1st year	0.5%
Conveyance cost as % of sales, 2nd year	0.3%
Conveyance cost as % of sales, 3rd year	1.2%
Conveyance cost as % of sales, 4th year	1.3%
Conveyance cost as % of sales, 5th year	1.5%
Misc. expenses as % of revenue, 1st year	0.25%
Misc. expenses as % of revenue, 2nd year	0.30%
Misc. expenses as % of revenue, 3rd year	0.40%
Misc. expenses as % of revenue, 4th year	0.40%
Misc. expenses as % of revenue, 5th year	0.50%

Promotional Budget:

(all monetary amounts in SGD)	2019-20A	2020-21E	2021-22E	2022-23E	2023-24E
Google search	2,889	3,689	13,481	18,357	45,079
YouTube video	1,926	3,689	17,974	36,715	90,158
Facebook	963	1,844	4,494	9,179	22,540
Instagram	963	922	8,987	18,357	45,079
Wechat		922	8,987	20,193	49,587
Content marketing	1,926	2,766	8,987	22,029	54,095
Outdoor promotions		922	8,987	14,686	36,063
Personal selling		922	4,494	12,850	31,555
Sales promotion	963	1,844	8,987	18,357	45,079
Referral Program		922	4,494	12,850	31,555
Total promotional budget	9,631	18,443	89,872	183,573	450,792

Income Statement:

(all monetary amounts in SGD)	2019-20A	2020-21E	2021-22E	2022-23E	2023-24E
Revenue	321,048	922,152	1,797,432	2,622,468	3,005,280
<i>growth %</i>		187.2%	94.9%	45.9%	14.6%
Cost of Revenue					
Rental expenses	84,000	252,000	420,000	588,000	588,000
Personnel expenses	262,267	509,933	827,237	1,170,655	1,309,932
Other expenses	19,469	49,995	89,461	129,217	143,786
Total Cost of Revenue	365,736	811,928	1,336,697	1,887,873	2,041,718
Gross Profit/ (Loss)	(44,688)	110,224	460,735	734,595	963,562
<i>margin</i>	-14%	12%	26%	28%	32%
Selling & Admin Expenses					
Marketing & Admin salary	4,816	13,832	26,961	39,337	45,079
Promotion campaign	9,631	18,443	89,872	183,573	450,792
Conveyance	1,605	2,305	21,569	34,092	45,079
Sales commission	3,210	9,222	17,974	26,225	30,053
Accounting & admin salary	4,816	13,832	26,961	39,337	45,079
Misc. expenses	803	2,766	7,190	10,490	15,026
Total S&A Expenses	24,881	60,401	190,528	333,053	631,109
<i>S&A expenses as % of sales</i>	8%	7%	11%	13%	21%
Operating profit/ (loss)	(69,569)	49,823	270,207	401,542	332,454
Interest expenses	-	48,000	96,000	144,000	144,000
Profit/ (loss) before tax	(69,569)	1,823	174,207	257,542	188,454
Tax expense	-	82	7,839	11,589	8,480
Net income/ (loss)	(69,569)	1,741	166,367	245,953	179,973
<i>margin</i>	-22%	0%	9%	9%	6%
Accumulated net profit	(69,569)	(67,828)	98,539	344,492	524,465

Cash Flow Statement:

(all monetary amounts in SGD)	Tied- up	2019-20A	2020-21E	2021-22E	2022-23E	2023-24E
No. of infant care centers		1	2	3	4	4
No. of infants		17	43	79	119	138
No of franchisee infant care centers			1	3	4	4
No. of infants in franchisee centers			29	96	139	161
Cash Flow from Operating Activities						
Net income		(69,569)	1,741	166,367	245,953	179,973
Depreciation from cost of sales		7,000	16,000	25,000	34,000	34,000
Accounts receivables for rental	3 months	28,000	84,000	140,000	196,000	196,000
Change in accounts receivables for		(28,000)	(56,000)	(56,000)	(56,000)	
Accounts payable for infant advance	1 month	26,544	68,256	125,136	187,704	218,040
Change in accounts payable		26,544	41,712	56,880	62,568	30,336
Net operating cash flow		(64,025)	3,453	192,247	286,521	244,309
Cash Flow from Investing Activities						
Takeover fees		(100,000)	(230,000)	(230,000)	(230,000)	-
Furniture & fixtures		(30,000)	(40,000)	(40,000)	(40,000)	-
Minor renovation		(40,000)	(50,000)	(50,000)	(50,000)	-
Misc. investment		(25,000)	(50,000)	(50,000)	(50,000)	-
Net cash flow used in investing		(195,000)	(370,000)	(370,000)	(370,000)	-
Cash Flow from Financing Activities						
Owner's equity		500,000				
Increase in loan			600,000	600,000	600,000	-
Loan repayment		-	(120,000)	(240,000)	(360,000)	(360,000)
Net cash flow from financing		500,000	480,000	360,000	240,000	(360,000)
Net cash flow		240,975	113,453	182,247	156,521	(115,691)
Beginning cash balance		-	240,975	354,428	536,675	693,196
Ending cash balance		240,975	354,428	536,675	693,196	577,505

Assumptions for Cash Flow Statement:

Monthly fees	1580
deposits for infants are considered as short term liability	

Balance Sheet:

(all monetary amounts in SGD)	2019-20A	2020-21E	2021-22E	2022-23E	2023-24E
Assets					
Takeover asset	100,000	330,000	560,000	790,000	790,000
Furniture & fixtures	30,000	70,000	110,000	150,000	150,000
Leasehold Improvements	40,000	90,000	140,000	190,000	190,000
Misc. investments	25,000	75,000	125,000	175,000	175,000
Total non-current assets	195,000	565,000	935,000	1,305,000	1,305,000
Accumulated depreciation	(7,000)	(23,000)	(48,000)	(82,000)	(116,000)
Net Non-current Assets	188,000	542,000	887,000	1,223,000	1,189,000
Cash	240,975	354,428	536,675	693,196	577,505
Accounts receivable	28,000	84,000	140,000	196,000	196,000
Total current assets	268,975	438,428	676,675	889,196	773,505
Total assets	<u>456,975</u>	<u>980,428</u>	<u>1,563,675</u>	<u>2,112,196</u>	<u>1,962,505</u>
Liability & Equity					
Accounts payable	26,544	68,256	125,136	187,704	218,040
Total current liabilities	26,544	68,256	125,136	187,704	218,040
Loan	-	480,000	840,000	1,080,000	720,000
Total liabilities	26,544	548,256	965,136	1,267,704	938,040
Founder's capital	500,000	500,000	500,000	500,000	500,000
Accumulated net profit	(69,569)	(67,828)	98,539	344,492	524,465
Total equity	430,431	432,172	598,539	844,492	1,024,465
Total liabilities & equity	<u>456,975</u>	<u>980,428</u>	<u>1,563,675</u>	<u>2,112,196</u>	<u>1,962,505</u>

Break-even Analysis:

(all monetary amounts in SGD)	2019-20A	2020-21E			2021-22E			2022-23E				2023-24E			
Company owned infant care centers	1st	1st	2nd	1st	2nd	3rd	1st	2nd	3rd	4th	1st	2nd	3rd	4th	
No. of infants & playgroup children	17	19	24	22	34	24	23	38	34	24	23	43	38	34	
Total No. of infants & children	17		43			79				119				138	
Max capacity	24	24	48	24	48	48	24	48	48	48	24	48	48	48	
Annual Max. capacity	24		72			120				168				168	
Fixed costs															
Annual rent	84,000	84,000	168,000	84,000	168,000	168,000	84,000	168,000	168,000	168,000	84,000	168,000	168,000	168,000	
Accounting & admin salary	4,816		13,832			26,961				39,337				45,079	
Annual app maintenance expenses	3,210		9,222			17,974				26,225				30,053	
Depreciation	7,000		16,000			25,000				34,000				34,000	
Total Fixed Costs	99,026		291,054			489,936				687,562				697,132	
Variable costs															
Salaries	224,160	239,040	196,800	253,920	256,320	196,800	261,360	286,080	256,320	196,800	261,360	315,840	286,080	256,320	
Contribution to provident fund	38,107	40,637	33,456	43,166	43,574	33,456	44,431	48,634	43,574	33,456	44,431	53,693	48,634	43,574	
Annual groceries & refreshments expenses for each center	6,048	6,912	8,640	7,776	12,096	8,640	8,208	13,824	12,096	8,640	8,208	15,552	13,824	12,096	
Utilities	3,210		9,222			17,974				26,225				30,053	
Marketing & admin salary	4,816		13,832			26,961				39,337				45,079	
Promotional campaign	9,631		18,443			89,872				183,573				450,792	
Conveyance	1,605		2,305			21,569				34,092				45,079	
Sales commission	3,210		9,222			17,974				26,225				30,053	

Misc. expenses				10,490	
	803	2,766	7,190		15,026
Total Variable Cost	291,591	581,275	1,037,289	1,533,364	1,975,694
Total Cost	390,617	872,329	1,527,225	2,220,926	2,672,826
Total annual revenue	321,048	922,152	1,797,432	2,622,468	3,005,280
Average variable cost/infant	17,357	13,455	13,097	12,907	14,317
Annual Revenue/ Infant	19,110	21,346	22,695	22,075	21,777
Total No. of occupied infants	17	43	79	119	138
Break-even point in terms of number of infants	56	37	51	75	93

THE END

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