

CHRISTIAN SERVICE UNIVERSITY COLLEGE – KUMASI

DEPARTMENT OF BUSINESS STUDIES

BACHELOR OF BUSINESS ADMINISTRATION

INFANT WORLD GROUP

BUSINESS PLAN

BY

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TWUMASI AMPOFO

DECEMBER 2011

CHRISTIAN SERVICE UNIVERSITY COLLEGE – KUMASI

**DEPARTMENT OF BUSINESS STUDIES
BACHELOR OF BUSINESS ADMINISTRATION
INFANT WORLD GROUP
BUSINESS PLAN**

**A BUSINESS PLAN SUBMITTED TO THE DEPARTMENT OF BUSINESS
STUDIES OF CHRISTIAN SERVICE UNIVERSITY COLLEGE, KUMASI
IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE
COURSE**

CSAD 443 TEAM BUSINESS PROPOSAL

BY

**YVONNE ODURO
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DENISE ANN FOSU
EMMANUEL MARFO
TWUMASI AMPOFO**

DECEMBER, 2011

STATEMENT OF AUTHENTICITY

I have read the Christian service university college's regulations relating to plagiarism and certify that this business Plan is all my work and does not contain any acknowledged work from any other source. I also declare that I have been under supervision for this Business Plan herein submitted.

Name of students	Index Numbers	signature	Date
1.....
2.....
3.....
4.....
5.....

Certified by

.....

(Supervisor)

signature

Date

Certified by:

.....

(Head of Business studies Department)

signature

Date

I. EXECUTIVE SAMMURY

Infant Funworld Group , an after school service provider will be located at Kwadaso Estate-Kumasi to relieve working parents the burden of taking care of their wards after school whilst they are at work or pursuing higher education. The initial investment for the project is 25,000 US Dollars equivalent to 40000 Ghana cedis with the prevailing rate at 1.60. The plan covers a three year period that is from 2011-2013.

The vision and mission of Infant Funworld Group is to provide care services in a unique way whilst maximum shareholders wealth.

INFANT FUNWORLD GROUP would increase shareholders value by 5% and seek to maintain a profit margin of about 10% over the three year period. Growth objective will be in two forms-clients and infrastructure. The client base in projected to grow by 20% annually. An expansion programme is being looked at in the third year to make the organization earn a 10% growth in value to be able to be amongst the best in the industry.

Strategically, the price of our services compared to our competitors is very moderate. The use of modern play toys, learning modules, Closed Circuit Television (CCTV) CAMERAS gives the organization a technological advantages over other players in the industry.

The key financial attainments of this plan have been tested and proven to be achievable. Infant Funworld Group would break even in sales by the second year of operations with an amount of GH¢128,038.55.

To ascertain the true value of our profits within the three years of plan, the Net Present Value (NPV) was calculated on the cash inflows at a discount rate of 12.5%. This resulted in an amount of GH¢40352.51 . However, the NPV rules states that accept all projects that have a positive NPV. With reference to the results the project can categorically be classified as viable and hence the need to be pursued. The plan also sought to ascertain when the project could pay back the initial capital committed. At the same discount rate of 12.5% the discounted payback period would be 2.35years.

There are possible risks to be encountered by the business such as human resources, property loss, liability loss and external economic forces. The company plan to mitigate these risks by designing appropriate risk management methods.

In summary, the plan has extensively dealt with the likelihood of any external threat and/or opportunities so that they would not come as a shock or otherwise to the organization. Moreover the internal strengths and weakness has been highlighted to make this plan achieve the utmost of its corporate objectives in line with good management practices.

II. VISION

To be an excellent, innovative, growing and enduring business, providing first class child care services to children after school and on weekends.

III. MISSION

To provide safe home care for children and relieve working parents of the burden of caring for their wards after school, during working hours and on weekends by providing first class child care service in a serene environment and at the same time seeking to maximize shareholders value.

IV. CORPORATE VALUES

- Integrity – We revere honesty, adhere to the highest ethical standards, provide timely, accurate and complete child care services, encourage disclosure of bad news and welcome disagreements.
- Excellence – We strive constantly to improve on our services in order to meet and exceed the highest expectations of our customers, agents, shareholders, stakeholders and the general public. We teach and encourage our staff to improve on performance and to reduce the costs of what we do for customers. We base their rewards on results and promotion on ability.
- Professionalism – We will respect all people, value their differences and deal with them in the way we want to be deal with. This requires us to know ourselves and to understand others.

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1.0 ORGANISATION

1.1 BUSINESS HISTORY:

This business idea was conceived by five (5) friends who sought to provide a helping hand for working parents who attend school after work, presumable part-time students. Most of them have no house helps or idle old parents to take care of their wards after and during their working hours. It becomes a big challenge as to who would take care of their wards after normal school sessions (after 3:00pm), during weekends and holidays. It is on this basis that a group of students teamed up with the aim to undertake this project to relieve parents of the afore-mentioned burden, help kids with their homework, provide them with dinner and engage them in healthy activities.

1.2 NAME, LOCATION AND ADDRESS OF THE COMPANY

Company Name: INFANT FUNWORLD GROUP

Location: Kwadaso Estate-Kumasi

Address: INFANT FUNWORLD GROUP

P. O. Box KW 1985

Kwadaso-Kumasi

Website: www.infantworldgroup.com.gh

E-mail: info@infantfunworld.com.gh

Tel/Fax: 028 4999335

1.3 Date & Place of Registration

The company was registered on the 6th june, 2011 at the Registrar's General Department, Accra under the companies Act 152 (1963).

1.4 Plans for financing the business:

- A contribution equally by four shareholders, thus 20% each of the GH¢40,000

- Our bankers

1. Bank Of Africa Ghana Ltd

No 10 Mission Rd

Adum-Kumasi.

2. MultiCredit Savings and Loans Ltd

Bantama Branch

Kumasi.

1.5 Legal Advisor/Solicitor:

S K Boafo

Adum-Kumasi

1.6 Business Promoters/shareholders

Name	Educational Qualification
Yvonne Oduro	Undergraduate-BBA- Banking and Finance option

Denise Ann Fosu	Undergraduate-BBA- Banking and finance option
Agyeman Prempeh-Duah	Undergraduate-BBA- Banking and finance option
Emmanuel Marfo	Undergraduate-BBA- Accounting option
Twumasi Ampofo	Undergraduate BBA Accounting option

1.7 Business Strategy

1.7.1 Growth Objectives

- To grow client base by 20% annually in the 3-year period
- To establish another branch within the three year period.
- To increase kids intake from 80 to 120 by the end of the third year.

1.7.2 Financial objectives:

- To increase shareholders value by 5% annually
- To maximize profit by 10% annually
- To break even by the end of the second year

2.0 PRODUCT IDEA AND REALISATION OF SCHEDULE

2.1 PRODUCT IDEA

Infant Funworld group provides after school child care services and entertainment based programmes for children of ages 6months – 15years. Our major competitors such as Naggies Angels educational center take in babies and toddlers, but their operation hours start at 7:00am and ends at 5:00pm. This will give us an edge over them because we will operate from 3:00pm till the last person is picked. Also Creative Kids', one of our major competitors operates from 7:00am till the last person is picked but is limited to only babies and toddlers below the ages of 4years. Meanwhile, our services will embrace the ages of our competitors, way up to about 15yrs.

Hardly do our competitors organize entertainment programme such as fun games, but as part of our core objectives we will frequently hold such programmes on weekends and on public holidays.

2.1.2 Inbound logistics:

Playing Equipments – these will include the toys, bouncing castles and other playing modules.

Furnishing – these will comprise of furniture for classrooms and offices, other office equipment such as fax machines, telephones, printer, CCTV for security Operations etc.

Kitchen Equipment – comprising cooking utensils, water dispenser, refrigerator, plates, cups, cutlery etc.

2.1.3 Outbound logistics:

These are intangible benefits to be derived from the services offered by Infant Funworld Group through the following ways;

Lively and knowledgeable kids.

Happy and satisfied parents and guardians.

2.1.4 Marketing and Sales

Infant Funworld group provide high quality child care ensuring that kids who become part of Kidz family become more than they were through acquisition of knowledge and building social relationship with other kids.

In creating customers, Infant Funworld group will drop leaflets and handbills with information on its services at targeted offices, banks, ministries, supermarkets, various schools within the metropolis and at Komfo Anokye teaching hospital. We will also introduce our services to heads of basic schools in the targeted areas. We will build very good relationship with parents and also attend to their complaints and grievance in a more rapid and effective way, such as organizing PTA meetings to resolve nagging issues.

As a sales plan we will use advertising tools like flyers, leaflets, posters, hanging of banners at the Central business district, placement of a sign post and radio advertisement like live presenter mentions (LPM)

As a pricing strategy Infant Funworld group will charge a little lower than what exist in the market with reference to that of its main competitor (Creative Kidz).

Strategically, Infant Funworld group intends to use its pricing and high quality to be offered to position itself in the minds of its target market and the general public as a whole.

2.1.5 Service

In achieving customer delight we intend to offer an effective customer service such as receiving clients in a more professional way and offer prompt response to customer complaints. We will build a very cordial relationship with parents. Our premises will be washed and disinfected after every working day.

Equipment such as computers and printers will be checked and serviced on quarterly basis. In addition to this playing budgets for the kids will be maintained on monthly basis.

2.1.6 Procurements

We will have a three (3) member procurement committee comprising the general Manager, Operations Manager and the Financial Manager. We will invite at least three (3) quotations from our suppliers any time we intend to make purchases of items for the organization. The committee members will do an evaluation of the quotations and select the best based on quality and price. Awards letters will then be issued to the winners of the bids. We will follow this procedure in hiring the premises, buying equipments and other consumables. The award will have a validity period of three weeks.

2.1.7 Technology Development

Infant Funworld group will install fully equipped CCTV cameras which will help boost the security situation in and around the premises.

Infant Funworld group will purchase some of its items on the internet as part of its commitment to keep its operations abreast with modern trends worldwide

Infant Funworld group will use a Transaction processing system (TPS) for the capturing of personnel information on our clients, payments, expenditures, attendance of pupils and employees etc.

2.1.9 Infrastructure:

Management will establish a management information system (MIS) that will link all the units together in the form of an intranet for effective capturing and sharing of data and also for decision making. The internet will also be used to transfer documents and letters from one office to the other in the form of attachment through e-mail. Intercom telephone services will be established to ensure effective verbal communication within the organization. The Accounting & Finance section will use Business Operating system (BOP) for effective handling of operations.

2.2 REALISATION OF SCHEDULE:

With Business operations to begin on the December 3rd , 2011, below is the schedule for preparation.

June – September 2011; setting up Infrastructure on an already acquired Land belonging to one of the share holders. This is mainly wooden Infrastructure.

October; purchases of logistics and other peripherals

November 2011; staff recruitment, marketing and advertizing.

The group chose to begin operations in December because it is a festive month and working parents more especially spend less time in the house. Working late and catering for their wards become a big burden for such people. Others may also find themselves engaged in overtime and end of semester examinations. This product designed to relieve working parents the burden of catering for the wards whiles away would achieve its maximum aim beginning from this period

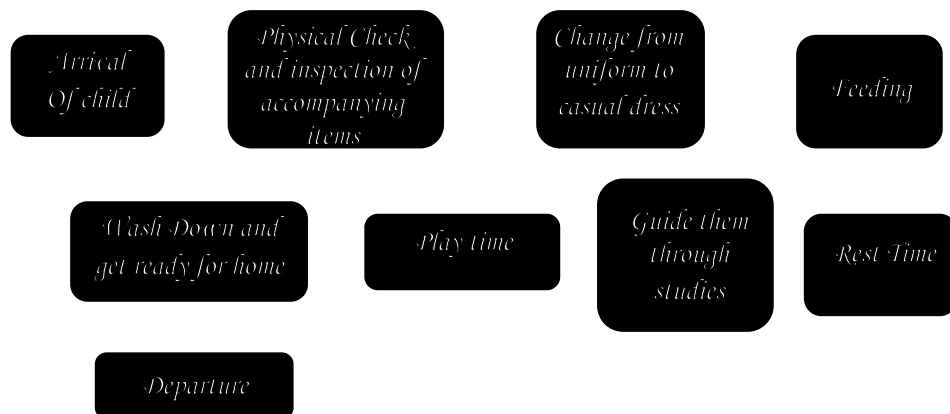
- **Operations**

The office will be opened at 8:00am for registration, enquiries and/or complaints. The other key personnel will prepare in advance to await the arrival of the kids from 3:00pm and beyond.

Prospective clients and our existing clients can pick registration forms at the front desk and fill. The forms will then be submitted to the Administrative manager after payment of appropriate fees at the Finance manager's office. On arrival of clients/kids from school, the attendants will take care of them by way of feeding, serving of snacks and ushering them to their respective

cubicles to change into casual dresses. The teachers will group the kids according to their educational standard to help them with their assignments if the need be or supervise them as they interact with the computer and or the other playing modules. At the end of the operational hours, pupils will be handed over to the authorized people we have in our management information system. The operations manager will leave the premises after the last child has left.

OPERATIONS SUMMARY



3.0 MANAGEMENT TEAM

Infant Funworld group is an after school programme that seeks to take care of children after school. There has been shareholders decision to recruit people with management expertise with different educational backgrounds in the helm of affairs. It must therefore be emphasized that all managers except the Business manager have been employed on contract basis

3.1 Passive CV of managers:

- **Ms ELIZABETH BAIDOO - Business Manager**

Holds certificate A in teaching with 20 years of lower primary teaching and 5 years of being a Head mistress. Even though currently retired holds Bachelor of Education first degree from cape coast university and a master of philosophy degree from university of Ghana.

Duties:

- Responsible for running the company. Manages the business, exercising executive stewardship of the company's physical, financial and human resources.
- Responsible for the organization of the company, and for the appointment of senior/functional managers
- Ensure that such action is taken as is necessary to ensure the timely and effective implementation of the policies and strategies set by the Board and decisions taken by or on behalf of the Board.
- Planning for organizational expansion
- Will be the face and the main spokesperson of the school

- **SELINA POKUAA KOOMSON – Human Resource manager**

Selina holds HND secretariat and management from Kumasi polytechnic, BBA Human Resource management from Wisconsin university. She has 5 years working experience as a Human resource officer of Amal Bank and currently administrative manager of a private law firm.

Duties:

- Will have a responsibility to recruit qualification and suitable personnel
- Human Capital Management
- Handling rewards and compensation
- Will be in charge of correspondence
- Implementation of management decisions
- Maintaining institution health and safety protocol

- **KWABENA OKYERE KWAKYE – Operations Manager**

Bsc Land Economy and MBA Strategic management from KNUST. Formerly Head of operations in three Ecobank branches in Ghana and currently a private Business man.

Duties

- Development of systems to facilitate overall institutions operation
- Coordination of activities of the operational areas
- Ensure that the right quality of service is provided to our clients
- Ensure that basic inputs such as food items, toiletries, playing equipments etc are provided for effective and efficient management of the school

- Academic scheduling

- **NANA AGYEMAN PREMPEH- Finance Officer**

HND Accountancy from Accra Poly, Bachelor of commerce from university of cape coast, CA- UK. Nsana currently works as an auditor with Adofo and Associates

Duties:

- Maximizing returns on investments and improving cash flow management
- Develop and implement risk management policies
- Liaise with statutory bodies such as SSNIT, IRS, and VAT etc.
- Ensure that proper accounting records are kept
- **HALEEMA TWUMASIWAA AKYIREM- Marketing and customer relations manager**

Bachelor of Arts Psychology from university of Ghana and MBA Marketing from KNUST. Haleema has worked as a relations nd marketing officer in Bank of Africa for 6 years and currently Head of Business development at their Adum Business office.

Duties:

- Oversee all marketing, advertising and promotional activities
- Establish marketing strategies to meet the school's objectives
- Evaluate customer research
- Analyze market conditions, competitors' data and implement marketing plan charges and when needed
- Logistical planning for the institution-wide events

3.2 Other Key Personnel

Category	Number	Qualification	Duties
Matron	1	Catering/I	<ul style="list-style-type: none"> - Supervise the preparation of meals/snacks for the pupils - Will be in charge of purchases of food items
Cooks	2	MSLC	<ul style="list-style-type: none"> - Prepare meals and snacks for the children
Attendant	2	i. Retired teacher ii. Retired nurse	<ul style="list-style-type: none"> - Take care of the pupils way of bathing, feeding and administering of first aid
Teachers (part-time)	2	Cert 'A'	<ul style="list-style-type: none"> - Help pupils with their homework - Offer extra-tuition to pupils - Provide guidance and counseling to pupils
Admin Secretary	1	DBS Secretary	<ul style="list-style-type: none"> - In charge of the front desk and receive Parents and clients - Will be responsible for the efficient management of the office and will report to all the other functional managers
Security	2	MSLC	<ul style="list-style-type: none"> - Maintaining law and order within the school's premises - Will direct traffic at the main entrance of the

			school
Cleaners	2	JHS	<ul style="list-style-type: none"> - Will sweep and dust the school's premises - Seek to the maintenance of the washrooms and toilets to meet the highest hygienic standards

3.3 Principal Stakeholders

Parents; They will be our main clients/customers

Department of Social Welfare; They are the main regulatory authority under the Ministry of Women and Children's Affairs and as such since our project deals with children there is the need to register with the department.

Bankers; Our bankers will monitor the performance of our institution so as to make sure we are in a good standing to repay any credit that will be extended to us.

External Auditors; To ensure the school adhere to the generally accepted Accounting Principles in the preparation of the schools accounts so that other parties such as potential investors can study and make meaningful judgment out of it.

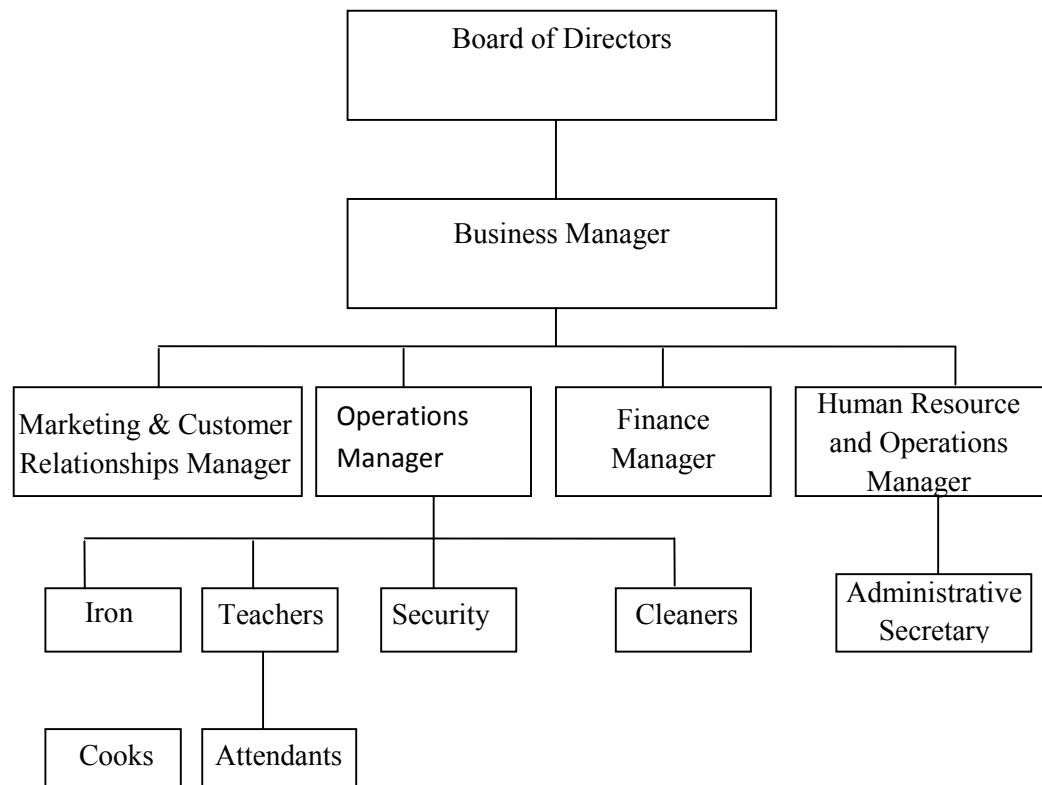
Employees; Will have a direct contact with our clients and provide efficient and effective services to parents, thereby helping the school to attain its objective.

Board of Directors; Play supervisory role to the management team. Our three members Board of directors will be made up of Ms Elizabeth Aidoo (Retired educationist and Business manager of Infant Funworld Group) Dr.Joshua Arthur (Pediatrician, KATH) and Yvonne oduro a share Holder of Infant Funworld Group.

Ghana Education Services; As a regulatory body in charge of education

Kumasi Metropolitan Assembly – Provide operational permits and health certificate to the cooks

3.4 ORGANIZATIONAL CHART



4.0 MARKET ANALYSIS

4.1 – Industry Analysis

The industry is primarily dominated by private entrepreneurs scattered in urban towns and cities as major players. Working families with tight schedules form majority clientele in the child care services industry. Child care services are more often than not provided by already existing private schools and house helps. Some parents also hire part-time teachers to help their wards after school with their homework.

The industry is a growing one and serves as one source of curtailing illiterate and semi-literate unemployment in Ghana as majority of the people engaged in this sector needs short period of orientation to perform.

Most of the players in this industry operate in temporal structures, their private residences and fully equipped structures. They are able to provide the same services with the same facilities e.g. A teacher who teaches 10 children in a classroom will be able to use the same facilities if the pupils increase to 20. The industry's requirement is such that it requires intense labour depending on the location or size.

The industry is being regulated by the Ministry of Education (M.O.E) / the Department of Social Welfare and Kumasi Metropolitan Assembly. The afore-mentioned bodies approve and authorize eligible players to be in the market. The M.O.E and Department of Social Welfare inspect facilities and provide market players with operational certificates. The market players also pay taxes to the KMA by way of property tax.

The industry does not anticipate any major government policy to have direct negative impact on their operations. Strategically, Infant Funworld Group intend to provide a unique service by way of quality homecare, go an extra mile to offer educational services to pupils after their normal school hours and as a new entrant we believe that the quality of our services will be a major threat to already existing market players.

4.2 Target Market.

Target market will mainly be children of working parents. We expect children of both sexes, with ages ranging from six months to 15 years. We will admit Ghanaians and foreigners.

4.3 Major Competitors

Some of our competitors are Holy Trinity Lutheran School cre`che-Kwadaso Estate, Nagies Angel's – Santasi roundabout and Creative Kids, Danyame.

Infant Funworld Group has identified Creative Kids as our main competitor because unlike others they provide after school services for babies and toddlers till about 9:00pm or to when the last child is picked. As part of their operations, the school does not go on vacations but only take a breather during public holidays.

4.4 Market Segmentation

Infant Funworld Group will segment based on the following,

- a. Demographic – Under this, Infant Funworld Group will segment according to the income levels of the target market (Working parents). Thus workers within medium and high level income bracket who can afford the cost of service being rendered.
- b. Psychographic – Infant Funworld Group will take into consideration the lifestyle of our target market. E.g. Parents with long working hours and excessive pressure at work and part-time students.
- c. Infant Funworld Group will consider taking care of children over the weekend, especially for parents who may want to travel without their children.

4.4.1 Strength:

Well experienced management team from different professional background with skills relevant for their duties. Other key personnel at Infant Funworld Group have been taken through diverse skills training and are up to the tasks for their various fields of work at Infant Funworld Group.

Organization structure which ensures an effective channel of communication at Infant Funworld Group enhances performance. Strategic location at Nhyiaeso puts Infant Funworld Group ahead of its competitors to enjoy a greater size of the market because of the location serenity.

4.4.2 Weakness:

Inability to provide a means of transport to pick the Kids from their respective schools, attend to emergencies and drop staff after working hours is a major weakness. Lack of goodwill as a new entity is another weakness since patronage depends on level of prior knowledge to some extent.

4.4.3 Opportunities:

The current trend of more workers seeking higher education, the increasing number of part-time and weekend courses, the increasing population rate and busy working schedules of working couples, Infant Funworld Group stands to tap into these opportunities to its benefits.

4.4.4 Threats:

Infant Funworld Group envisage encountering the following threats; the entrants of new competitors who might bring into the industry a more advanced technology or other facilities to woo our customers

4.4.5 Political:

The political environment has been stable since the return to constitutional rule in 1992. This is conducive for the growth of our business since there is no threat of confiscation and expropriation of assets. Policies of government in Ghana have been a mixture of socialist and capitalist ideas and this is good for a business like ours. Business of this nature enjoys tax holiday for 3 years and this is good for us. The current government's policy to reduce

expenditure is likely to affect the disposal income of our client but looking at it in the long term, it will improve the health of our economy meaning a better future for us.

4.4.6 Economic:

The economy grew 7.3% as at 2008. Proposed GDP for 2000 is 4.7 and target for 2010 is 7.2% and we anticipate economic growth to peak next year as a result of the oil boom. An increased economic growth will increase consumers spending power which in affect will mean that our clients will be able to afford our services. On the other hand if the economy is not able to grow as predicted, it will mean that some of the clients will not be able to access our services.

The Bank of Ghana (BOG) prime rate is 12.5% and the average base rate on the market is 19.95% but the average actual interest rate is 28%. An increase or decrease in these rates will affect our suppliers/business partners who might have taken loans from banks to finance their operations.

4.4.7 Social:

In our society, the cultural beliefs frown upon parents leaving their wards in the care of ‘strangers’ but would prefer their extended family members to assume those roles. However with our society getting more and modernized, people are moving towards the nuclear family system and hence would prefer to patronize our service. Also some people who believe in superstition e.g. Witchcraft, would not want their close family members to take care of their wards for fear of impacting an evil spirit into them. We believe most people who fall within this category would patronize our services rather than with their parents-in-law.

More to it, with a growth in population we stand to gain an advantage by having a ready market because families will keep on giving birth which means the cycle of our business growth will continue forever. The safety of one's kids cannot be under-estimated. Physical injuries, social vices like being raped by house helps, security men etc can jeopardize the future of one's wards. Infant Funworld Group can thus capitalize on this opportunity to provide safe, home tailored care for these kids.

4.4.8 Technological:

The company intends to establish computer laboratories and also have learning modules like E-toys. We will also install bouncing castles, horses and CCTV cameras. Changes in these technologies on the market can affect us since our competitors might go in for the advance ones and might take our market from us. With the advent of advanced technologies like internet, computerized video games ,satellite TV etc, if children are not guided they will not benefit from it. Infant Funworld Group as an organization hopes to provide them with the necessary guidance and monitoring to prevent them from misusing the facility.

5.0 FINANCIAL ANALYSIS

5.1.1 Financial Assumptions

The following are the assumptions underlying the financial statements and analysis.

1. The statement have been prepared in accordance with the international financial reporting standards (FRS) and its interpretation as issued by international accounting standards board (IAS)
2. The financial statements are prepared under the historical cost
3. Non-current assets are stated at their historical cost
4. Depreciation of noncurrent assets are calculated on cost at a rate of 10% and accumulated depreciation deducted yearly.
5. A discount rate of 12.5% was used for the NPV analysis.

5.1.2 RISK ANALYSIS

The company is exposed to the following risks

5.1.3 Human Resources Risk

The company faces the risk of employee turnover if our competing companies pay more salaries and other incentive than us. Infant Funworld group also faces the risk of death, illness and disability to employees (and even families) for which we have agreed to pay compensation. These mishaps can lead to indirect losses like overtime allowances for some employees. We also face the risk of theft and pilfering of items by employees.

5.1.4 Property loss risk

The company faces risk of damage and theft of playing equipments, furnishings and kitchen equipments. The rented premises can also be gutted by fire or experience structural damages. Infant Funworld group also faces the risk of the cost of replacing stolen, damaged and economically depreciated items.

5.1.5 Liability Loss Exposures

The institution faces potential legal liability losses as a result of our relationship with our clients and employees. Settlements, judgment and legal costs associated with liability suits can impose substantial loss on the company.

5.1.6 Loss from external economic forces

This loss can arise from changes in input and output prices. Large depreciation of the cedi against the major international currencies can make the price of imported items very expensive and will eventually affect fees. High inflation can eat away the disposable income of clients and affect the patronage of our services, thereby affecting cash inflow.

5.1.7 Risk Management:

The company will employ the following Risk management methods.

5.1.8 Loss Control

The staff members will be taken through safety training and how to use the equipment to prevent injuries. They will also be advised to take good care of themselves as a loss prevention measure. Fire extinguishers will be installed at vantage points and staff trained on how to use them when there is fire outbreak as a loss reduction measure. Smoke detectors will also be installed at high risk areas in building. Cooking of food will be done once a day in the afternoon. All equipments (playing, kitchen and furnishings) will be checked quarterly for mechanical fault and serviced. The firm will give incentives to workers to prevent employee turnover. The Marketing manager will be tasked to keep very good relationship with the parents to prevent liability suits.

5.1.9 Loss Financing

As a loss financing measure (Retention), the firm will set some money aside to pay extra duty allowance to workers who will have to work for long hours as a result of resignation. Staff will be compensated for accidental injuries out of the retention amount.

The company will organize educational events as a diversification measure in addition to the after school programme. The finance officer will be tasked to look for

information on expected losses for us to put in place measures to reduce/prevent them.

5.2 STATEMENT OF FINANCIAL POSITION

INFANT FUNWORLD GROUP PROJECTED STATEMENT OF FINANCIAL POSITION FOR 3 YEARS ENDING 2011, 2012, 2013

	<u>2011</u>	<u>2012</u>	<u>2013</u>
	GH¢	GH¢	GH¢
NON CURRENT ASSETS	15,000.00	20,000.00	22,000.00
DEPRECIATION	(1,500.00)	(3,500.00)	(5,700.00)
	<u>13,500.00</u>	<u>16,500.00</u>	<u>16,300.00</u>
<u>CURRENT ASSETS</u>			
CASH/BANK	7,440.00	12,524.00	23,090.00
		<u>29,024.00</u>	<u>39,390.00</u>
CURRENT LIABILITIES			
TRADE CREDITORS		(360.00)	(356.00)
	<u>20,940.00</u>	<u>28,664.00</u>	<u>39,034.00</u>
FINANCED BY:			
CAPITAL	40000.00	40000.00	40000.00
INCOME SURPLUS	940.00	8,664.00	19,034.00
	<u>40,940.00</u>	<u>48,664.00</u>	<u>59,034.00</u>

5.3 CASH FLOW STATEMENT

INFANT FUNWORLD GROUP PROJECTED CASH FLOW STATEMENTS FOR A 3 YEARS ENDING 2011, 2012, 2013

INFLOWS	2011	2012	2013
<u>OPERATING INCOME</u>	GH¢	GH¢	GH¢
REGISTRATION/ADMISSION	8,000.00	2,000.00	2,000.00
FEES	57,600.00	72,000.00	86,400.00
YEARLY FEES	<hr/>	<hr/>	<hr/>
	65,600.00	74,000.00	88,400.00

OUT FLOWS

OPERATING EXPENSES

SANITATION EXPENSES	(4,500.00)	(5,310.00)	(6,270.00)
SALARIES	(34,920.00)	(38,412.00)	(42,253.00)
RENT	(2,400.00)	(2,400.00)	(2,400.00)
FOOD/SNACKS	(12,000.00)	(15,000.00)	(18,000.00)
ADMINISTRATIVE			
EXPENSES	(1,000.00)	(1,500.00)	(2,250.00)

ADVERTS	(1,000.00)	(200.00)	-
UTILITIES	(1,000.00)	(1,180.00)	(1,392.00)
MAINTENANCE	(400.00)	(480.00)	(576.00)
INSURANCE	(800.00)	(1,000.00)	(1,200.00)
TELECOM EXPENSES	(600.00)	(800.00)	(1,000.00)
S. S. F.	(4,540.00)	(4,994.00)	(5,493.00)
	(63,160.00)	(68,916.00)	(80,834.00)
<u>INVESTMENT ACTIVITIES</u>			
ASSETS ACQUISITION	(15,000.00)	(5,000.00)	(2,000.00)
<u>INVESTMENT INCOME</u>			
		5,000.00	5,000.00
NET SURPLUS/LOSS	<u>(12,560.00)</u>	<u>5,084.00</u>	<u>10,566.00</u>
INITIAL CAPITAL/OPENING BAL	40,000.00	27,440.00	32,524.00
CLOSING BALANCE	(12,560.00)	5,084.00	10,566.00
NET CASH INFLOW	<u>27,440.00</u>	<u>32,524.00</u>	<u>43,090.00</u>

5.4 STATEMENT OF COMPREHENSIVE INCOME

INFANT FUNWORLD GROUP PROJECTED STATEMENT OF COMPREHENSIVE INCOME FOR 3 YEARS ENDING 2011, 2012, 2013

	SCH	2011	2012	2013
		GH¢	GH¢	GH¢
OPERATION INCOME				
REGISTRATION.ADMISSION FEES	1	8,000.00	2,000.00	2,000.00
YEARLY FEES	2	57,600.00	72,000.00	86,400.00
INVESTMENT INCOME		-	5,000.00	5,000.00
		65,600.00	79,000.00	93,400.00
 <u>OPERATION EXPENSES</u>				
SANITATION EXPENSES	3	(4,500.00)	(5,310.00)	(6,266.00)
SALARIES	4	(34,920.00)	(38,412.00)	(42,253.00)
RENT	5	(2,400.00)	(2,400.00)	(2,400.00)
FOOD/SNACKS	6	(12,000.00)	(15,000.00)	(18,000.00)
ADMINISTRATIVE EXPENSES	7	(1,000.00)	(1,500.00)	(2,250.00)
ADVERTS		(1,000.00)	(200.00)	-
UTILITIES	8	(1,000.00)	(1,180.00)	(1,392.00)
MAINTENANCE	9	(400.00)	(480.00)	(576.00)
INSURANCE	10	(800.00)	(1,000.00)	(1,200.00)
TELECOM EXPENSES	11	(600.00)	(800.00)	(1,000.00)

S. S. F.	12	(4,540.00)	(4,994.00)	(5,493.00)
DEPRECIATION	13	(1,500.00)	(2,000.00)	(2,200.00)
		<hr/> (64,660.00)	<hr/> (71,276.00)	<hr/> (83,030.00)
NET SURPLUS		<hr/> 940.00	<hr/> 7,724.00	<hr/> 10,370.00
		<hr/>	<hr/>	<hr/>

STATEMENT OF EQUITY

2011

NET PROFIT	940.00
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2012

SURPLUS B/F	940.00
NET SURPLUS FOR THE YEAR	7,724.00
	<hr/> 8,664.00 <hr/>

2013

SURPLUS B/F	8,664.00
NET SURPLUS FOR THE YEAR	10,370.00
	<hr/> 19,034.00 <hr/>

5.5 BREAK EVEN POINT IN SALES

Break Even point is sales = $\frac{\text{Fixed Cost} \times \text{Sales}}{\text{Sales} - \text{Variable cost}}$

BEP sales = $\frac{F \times S}{S - V}$

BEP sales = $\frac{22680 \times 65600}{65600 - 53980}$

= $\frac{1,487,808,000}{11,620}$

BEP sales = **₱128,038.55**

5.6 NET PRESENT VALUE (NPV) ANALYSIS

Using Prime rate of 12.5% as the Discount factor = $1 / (1+r)^t$

Year	Cash flow (GH¢)	Discount factor	Present values (PV)	Cumulated Discounted Cash flow
0	(40000.00) x	1.00	(40,000.00)	(40,000.00)
2010	27,440.00x	0.888889	24,391.11	(15608.89)
2011	32,524.00x	0.790123	25697.96	10089.07
2012	43,090.00 x	0.702331	30263.44	40352.51

$$NPV = \text{GH¢}40352.51$$

NPV is GH¢ 40352.51, this means that the project is viable because according to the NPV rule, a project is viable when the NPV is positive and should be rejected when NPV is negative.

The discounted payback period is 2.35 years; this means that a discount rate of 12.5% the project will be able to pay back in 2.35years.

CONCLUSION

Based on our financial statements and analysis, the project is environmentally friendly, financially viable as NPV (GH¢40352.51), economically profitable and socially appreciated. It is therefore recommended to be accepted

APPENDIX

1. Schedule of Income and Expenditure

INFANT FUNWORLD GROUP

SCHEDULE OF INCOME AND EXPENDITURE

		GH¢
2011 ADMISSION FEE OF GH¢100.00 PER NEW		
1. ENTRANT (100 X 80)		8,000.00
2012 ADMISSION FEE OF GH¢100.00 PER NEW		
ENTRANT (100 X 20)		2,000.00
2013 ADMISSION FEE OF GH¢100.00 PER NEW		
ENTRANT (100 X 20)		2,000.00
2. 2011 SCHOOL FEES	(60 X 8 X 12)	57,600.00
2012 SCHOOL FEES	(60 X 100 X 12)	72, 000.00
2013 SCHOOL FEES	(60 X 120 X 12)	86,400.00
3. SANITATION	18% ANNUAL INCREASE	
	10% ANNUAL INCREASE	
4. SALARIES	(SEE SCHEDULE)	

5. RENT	GH¢2400.00 PER YEAR
	GH¢0.50 PER CHILD
6. FOOD/SNACKS	A DAY OF 6 A WEEK
	50% ANNUAL
7. ADMIN. EXPENSES	INCREASE
	18% ANNUAL
8. UTILITIES	INCREASE
	20% ANNUAL
9. MAINTENANCE	INCREASE
	GH¢200.00 ANNUAL
10. INSURANCE	INCREASE
	GH¢200.00 ANNUAL
11. TELECOM EXPENSES	INCREASE
	13% ANNUAL
12. S. S. F.	INCREASE ON SALARIES
	10% FLAT RATE ON
13. DEPRECIATION	COSTS OF ASSET

2. Salary Projections

INFANT FUNWORLD GROUP SALARY PROJECTIONS FOR 3 YEARS ENDING 2011, 2012, 2013

2011

SENIOR STAFF

POSITION	NO.	SALARY	PERIOD	AMOUNT
		GH¢		GH¢
GENERAL MANAGER	1	300.00	12	3,600.00
FINANCE OFFICER	1	300.00	12	3,600.00
HUMAN RESOURCE AND ADMN.				
OFFICER	1	300.00	12	3,600.00
OPERATIONS OFFICER	1	300.00	12	3,600.00
MARKETING OFFICER	1	300.00	12	3,600.00
		1,500.00		18,000.00

JUNIOR STAFF

MATRON	1	250.00	12	3,000.00
COOKS	2	100.00	12	2,400.00
ATTENDANTS	2	100.00	12	2,400.00
TEACHERS	2	100.00	12	2,400.00
ADMINISTRATIVE				
SECRETARY	1	200.00	12	2,400.00
SECURITY	2	100.00	12	2,400.00
CLEANERS	2	80.00	12	1,920.00
		930.00		16,920.00

TOTAL **34,920.00**

2012

SENIOR STAFF

POSITION	NO.	SALARY	PERIOD	AMOUNT
GENERAL MANAGER	1	330.00	12	3,960.00
FINANCE OFFICER	1	330.00	12	3,960.00
HUMAN RESOURCE OFFICER	1	330.00	12	3,960.00
OPERATIONS OFFICER	1	330.00	12	3,960.00
MARKETING OFFICER	1	330.00	12	3,960.00
		1,650.00		19,800.00

JUNIOR STAFF

MATRON	1	275.00	12	3,300.00
COOKS	2	110.00	12	2,640.00
ATTENDANTS	2	110.00	12	2,640.00
TEACHERS	2	110.00	12	2,640.00
ADMINISTRATIVE SECRETARY	1	220.00	12	2,640.00
SECURITY	2	110.00	12	2,640.00
CLEANERS	2	88.00	12	2,112.00
		1,123.00		18,612.00

TOTAL **38,412.00**

2013

SENIOR STAFF

POSITION	NO.	SALARY	PERIOD	AMOUNT
GENERAL MANAGER	1	363.00	12	4,356.00
FINANCE OFFICER	1	363.00	12	4,356.00
HUMAN RESOURCE OFFICER	1	363.00	12	4,356.00
OPERATIONS OFFICER	1	363.00	12	4,356.00
MARKETING OFFICER	1	363.00	12	4,356.00
		1,815.00		21,780.00

JUNIOR STAFF

MATRON	1	302.50	12	3,300.00
COOKS	2	121.00	12	2,640.00
ATTENDANTS	2	121.00	12	2,640.00
TEACHERS	2	121.00	12	2,640.00
ADMINISTRATIVE SECRETARY	1	242.00	12	2,640.00
SECURITY	2	121.00	12	2,640.00
CLEANERS	2	96.80	12	2,112.00
		1,125.00		20,473.20

TOTAL **42,253.20**

3. Break Even Analysis

	GH¢	GH¢
Sales		65,600
Cost of Sales:		
Sundry Expenses	4,500.00	
Salaries	28,920.00	
Food & Snacks	12,000.00	
Administrative Expenses	1,000.00	
Adverts	1,000.00	
Utilities	1,000.00	
Maintenance	400.00	
Insurance	800.00	
Telecom Expenses	600.00	
S. S. Contribution	3760.00	(53980.00)
Contribution		11620.00
Fixed Cost:		
Salaries	6,000.00	
Rent	2,400.00	
S.S Contribution	780.00	
Fixed Assets	13,500.00	(22680.00)
Net Profit/Loss		(11,060.00)

