

**CHRISTIAN SERVICE UNIVERSITY COLLEGE-KUMASI**

**DEPARTMENT OF BUSINESS STUDIES  
BACHELOR OF BUSINESS ADMINISTRATION**

**LIFEGATE CHILDCARE EDUCATION CENTRE  
BUSINESS PLAN**

**BY**

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GIFTY ASUMING**

**DECEMBER, 2011**

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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**

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## ❖ **Executive Summary**

LifeGATE Childcare Education is a private partnership organization that is eager to provide childcare service to the people of Kumasi Metropolis. The school is located at Adum on Osei Tutu I Street near Cocobod Jubilee House.

LifeGATE Childcare Education will provide premier childcare services and activity based curriculum designed for kids ages six (6) months to (5) years aimed at enhancing traditional day care methodologies and integrating extracurricular interests such as arts and crafts, dance, theatre etc into one comprehensive program.

LifeGATE Childcare Education will embark on two main strategies in differentiating ourselves from our competitors. The first is pricing structure where LifeGATE Childcare Education service will be priced at 5% to 10% less than the larger commercial run facilities. Staff of LifeGATE Childcare Education will be given successive in-service training and motivation to attain the best employee award in child care education. This will help staff impart the best in them to the kids. Have excellent employee in child care, interaction with both children and parents can be a better chance to turn them into loyal customers and stay with LifeGATE for long.

LifeGATE Childcare Education will be concentrating on two distinct target customer segments. The main one will be full-time working parents who cannot combine childcare with daily business activities and the drop-ins. The full time is expected to have a steady growth rate of 55% (53.1%) of the revenue after the first year in operation. The drop-ins is also expected to have a growth rate of 45% (44.7%) of

revenue at the end of the first year. LifeGATE is expected to have a population of 280 by the end of three years, all other things being equal.

LifeGATE Childcare Education hopes to compete favourably with its numerous competitors such as Naggies Angels, International Community and Alice Memorial among others. Consequently, founders hope to employ some experienced professionals in various fields of the society to form the management team. Ms. Jacqueline Assibey, a Paediatrician of the Komfo Anokye Teaching Hospital, Mrs. Diana Bediako, a tired educationist from Bekwai Municipal Education Directorate who has experience in Early Childhood Development, Sales, Marketing Management and Guidance and Counseling, Mr. Francis Owusu Afriyie, the Headmaster of R/C JHS Opon Valley and has experience in information technology and childcare education.

LifeGATE Childcare Education aims to prepare its children to excel as young leaders who will be committed, courageous, trustworthy, creative and accountable to the society they will serve.

Through our experience workers and well structured put in place LifeGATE will reach a sustainable profit over the next three years with GH¢441,870.80 in sales by year three.

However, LCCE will break even within the first year of operation with total sales of GH¢138,000, Net cash flow of GH¢43,436.30 and profit of GH¢3,816.60 all within the first year of operation.

❖ **Background of LifeGATE Childcare Education**

LifeGATE will be owned by five partners. However due to financial problem LifeGATE will focus on one main activity that is childcare education. It will start its operations on September, 2012.

❖ **Mission**

The mission is to provide outstanding early year's education for children through creative play and learning experience by basically nurtured children to respond to the contemporary development in the world of education through mentoring, child play, teaching and training moulding by a motivated workforce in a relaxed environment.

❖ **Vision Statement**

To be recognized as the leading childcare education in the Kumasi Metropolis.

❖ **Core Values**

Our care values are:

**Courage** – we build confident in children through question and answering approach.

**Commitment** – we are dedicated to helping the current generation of children to have a better life by maturing them through relationship with our co-workers and the communities in which we operate.

**Trust** - we believe each other's ability and potentials.

**Accountability** – we are committed to using all funds and resources wisely with respect and accountability.



❖ **Marketing Objective**

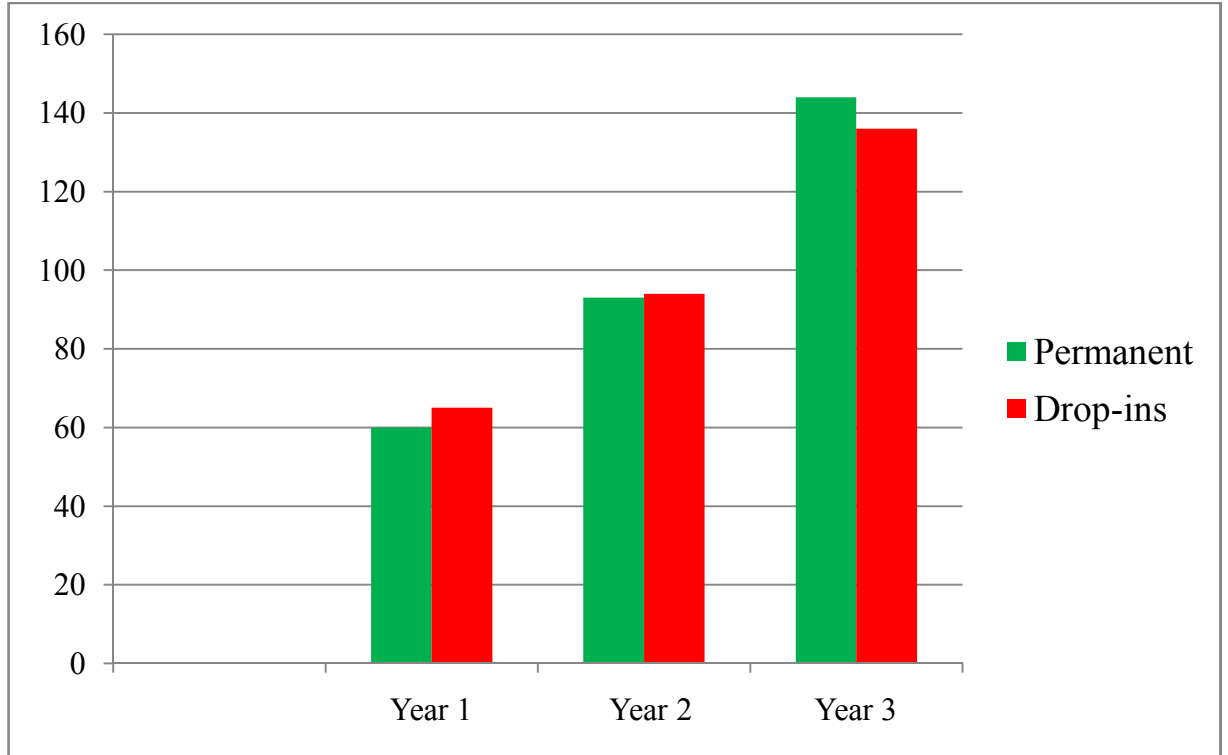
- a. Development of each child’s unique qualities and capabilities.
- b. Increase sales by 20% annually for the next three years, achievable through intense marketing activities.
- c. To be the number one service provider in the childcare service industry.

❖ **Growth Rate**

Notwithstanding the educational growth in Ghana and its impact on the economy since 1983, when Ghana experienced its economic down turn due to coup d’état, deportation of Ghanaian citizenry from Nigeria and Libya as well as wide spread of fire outbreak in all part of the country among others. Ghana has made a tremendous progress in reshaping economic growth. For example, between 1983 and 2000, the average growth rate was 4.5% and this accelerate to 5.6% and 6.2% in 2004 and 2006 respectively (World Bank 2007) Report. As a result of this Ghana has been on track to reduce poverty by half of the 1990 level, well before the target date at 2015 for the Millennium Development Goals (Conombe and Woden, 2007:2)

LifeGATE Childcare Education will be established based on these analyses. The Full-Time Child Care Department is expected to enjoy a steady growth of 55% after the first year in existence while the Drop-ins Department is expected to grow at a rate of 45%.

Potential Customers	Year 1	Growth Rate	Year 2	Year 3
Permanent	60	55%	93	144
Drop-ins	65	45%	94	136



Expected Growth Rate

## 1.0 ORGANIZATION

### 1.0.1 Company Name, Address and Location

“LifeGATE Childcare Education” (LCCE) is our registered business name with parental satisfaction our priority as our motto. LifeGATE will also register its business logo. LifeGATE is a limited liability company, guaranteed by owners share. It is owned by Alexander Osei-Poku, Francis Sowah, Daniel Oduro, Dorothy Adu and Gifty Asuming.

LifeGate Childcare Education will be located at Adum on the Osei Tutu I avenue near COCOBOD Jubilee House.

LifeGate child care education center will boast of separate rooms for Pediatrics office, arts and craft, theater and dance information technology, library, clinic (infant care), administration and cafeteria. The organization will be providing childcare education to the people in Kumasi Metropolis

### 1.0.2 Organization Assets

#### Finance

LCCE has moderate capital of GH¢136,800.00 which in effect makes us not so vulnerable by our competitors.

#### Employees

LCCE will be manage by train educated and experience workers who will be able to handle kids in a manner that will delight parent or our target audience in a whole.

## Building

LCCE has spacious and child friendly structures that is to say our kids will have enough places to sleep, run, play etc. and this will make LCCE attractive to our target audience or parents.

## Transportation

LCCE will acquire mini civilian Toyota bus that will be used to convey children in and out during it operation to make it very easy for parents who cannot drop their children before they go to their various work place to be at ease since LCCE will be doing the transportation themselves.

### 1.0.3 Business Strategy

#### Tactics

Push: LCCE aims to lobby through the support of regional education director of Kumasi and a recognized pediatrics in the region to issues word of statement in favour of LCCE which aims at inducing or convincing parents or target audience to bring their kids of LCCE.

Pull: LCCE will target radio stations within the metro and will also use bill boards, banners, leaflets and many more in communicating to its target audience or customers.

#### Profile

LCCE will develop a suitable logo and colours that will be attractive enough to make our target audience be easily identified with LCCE.

## 1.2 Realisation of Schedule

<b>S. No</b>	<b>Activity</b>	<b>Period</b>	<b>Responsibility</b>
1.	Location	February 2012	Interim School Management Committee
2.	Registration	May 2012	Legal Adviser
3.	Recruitment	June 2012	Management Team
4.	Launching	August 2012	Board of Directors
5.	Operation	September 2012	Teachers

## 2.0 PRODUCT IDEA

Education helps to provide the manpower needs of every country in the world. Both formal educations have been described by Dogbe (1964) as the bed rock on which societies are built. It has therefore become imperative for governments, cooperate bodies and other individuals in both developed and developing countries to play important roles in educating the citizenry.

LifeGATE Childcare Education (LCCE) is however, committed to alleviate the plights of parents in the sight of combining routine or daily business activities and taking care of their wards at the same time. Again, since children's intelligent quotient (iq) is very fast for knowledge acquisition, LifeGATE Childcare Education is poised to unearth God given talents to children at their early stage of life and to develop and guide them to fulfill their dreams. This brings to the fore the institution of the LifeGATE Childcare Education.

### 3.0 MANAGEMENT TEAM

The opening Management Team of LifeGATE Childcare Education will consist of the Board of Directors, Founders, a Pediatrician, a nurse and two head teachers.

#### 3.0.1 Board of Directors

1. Hon. Francis Sowah (Co. founder) - Chairman
2. Mrs. Theodorea Jackson (Retired Educationist) - Vice Chairperson
3. Mr. Kwame Dzokoto (aka Efiewura Kwame Dzutoto)-  
(Head of Marketing – Hello FM) - Member
4. Dr. Jacqueline Assibey (Pediatrician – KATH) - Member
5. Mrs. Diana Bediako (Head Teacher) - Member
6. Alexander Osei-Poku (Co-founder) - Member
7. Daniel Oduro (Co-founder) - Member
8. Gifty Asuming (Co-founder) - Member
9. Dorothy Adu (Co-founder) - Member

#### 3.0.2 A Brief Profile of members of LCCE Management Team

Head Teacher – Mrs. Diana Bediako

**Qualification** - She holds a Bachelor of Education (Early Childhood Development Education) Winneba 2005, a Diploma in Marketing and also holds a certificate in Career Guidance and Counseling.

**Experience** - She has spent eight years at Alice Memorial Day Care Centre. During her tenure, as Head Mistress in-charge of Management, Marketing and Sales

Department, she helped the business to grow from GH¢88,000 to GH¢350,000 in its yearly revenue.

**Duties** - She will be in-charge of the day-to-day administration of the school. She will also be responsible for co-ordination of all activities of her subordinates. Having background in Sales, Marketing, Management and Counseling, she will help to market, manage and counsel the kids.

**Assistant – Mr. Francis Owusu Afriyie**

**Qualification** – He holds a Bachelor of Education in Psychology (University of Cape Coast) 2001.

**Experience** – He has a five – year working experience as Assistant Finance Officer from Angel Educational Complex where he was able to increase operating profits by 25%.

**Duties** – He will help the Head Mistress for the day –to-day administration of the school. He will also handle issues in relation to the recruitment, dismissal, promotion, demotion of staff. He will also play an intermediary role between LifeGATE children and their parents again he will psyche children up and motivate children in tier development.

The present management team requires Child Care Development Associate credentials to support our value proposition and preparation for 2012 Ghana Education Services (GES) child care requirements. Currently, Mrs. Diana Bediako, the Headmistress of



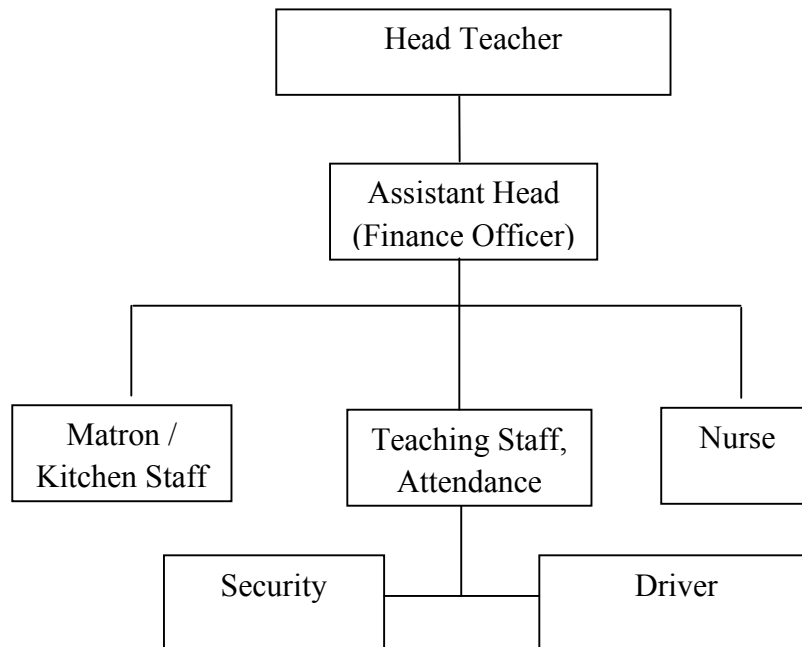
LifeGATE Childcare Education is the only member of the management team who has this credential.

The two Head Teachers, Mrs. Diana Bediako and Francis Owusu Afriyie, have perfect credentials in the education industry that will benefit LifeGATE Childcare Education in the following ways:

- ❖ Clients will be brought from previous employers, and
- ❖ The experience each has will attract new clients.

Mrs. Diana Bediako has broad experience in Sales, Marketing and Management as well as Counseling within the child care industry. Owusu Antwi Nimo also has experience in the area of Finance, Accounting and Administration as well as child care sector.

### 3.0.3 LifeGATE Childcare Education Organogram



Line of authority of LifeGATE Childcare Education

## 4.0 **MARKETING ANALYSIS**

### 4.1 **Business Systems & Operations**

#### **Enrolment**

LifeGATE will admit children between the ages of six (6) months to five (5) years at the early Childhood Development Department, considering the qualification.

LifeGATE Childcare Education will demand the following authentic documents as a prerequisite for admission:

- ❖ Certificate of birth
- ❖ Baptism certificate duly attested
- ❖ Passport size photograph
- ❖ Parents Name
- ❖ Residential Address
- ❖ Contact Numbers of parents

Parents will complete registration forms, application and medical information forms and returned them to the school. The document should be attached with medical examination report signed by a qualified medical doctor from any government hospital. Management will register all children admitted in order to know the total population of children in LifeGATE Childcare Education.

#### **Medical Examination**

LifeGATE Childcare Education will employ the services of a pediatrician, who will give a periodic examination on the children at the school's clinic. In addition to this, a

nurse will be employed to administer first aids and other medical care. Parents and guardians who would want their children to be weighed can do so by supplying the necessary documents on their children to management.

### Breast Feeding

Maternal mothers who join the drop-ins customer chain would be allowed to breastfeed their babies with comfort. Management shall provide mini bus to convey nursing babies intermittently to their mothers at the designated places.

### Meals

LifeGATE Childcare Education will have its own kitchen which is well furnished with full complement of cookery and cutlery to provide nutritious meal to children in a hygienic and a very conducive environment.

### Security

LifeGATE Childcare Education will put in place a -24 hour security to do monitoring and evaluation exercise to protect the school premises. Parents or guardians are permitted to pick their wards from school themselves. Nonetheless, they are to make acquaintance to management, other people who may be delegated to pick their children to school when the parents are not able to do so. Parents need to inform LifeGATE management on any changes made by them as far as children picking from school is concerned. Inasmuch as LifeGATE management shall be held responsible for any unforeseen circumstances which may happen to children, parents or guardians shall also be held responsible for the same subject matter.

## Financing

LifeGATE Childcare Education will be financed by the following five shareholders, who will raise Ninety Thousand US Dollars (\$90,000) which is equivalent to One Hundred and Thirty-Six Thousand and Eight Hundred Ghana Cedis (GH¢136,800.00).

Table 1: List of Shareholders and their contribution

Name of Shareholders	Contribution by Cheque	
	Dollar (\$)	GH¢
Hon. Francis Sowah	18,000	27,360.00
Alexandar Osei-Poku	18,000	27,360.00
Daniel Oduro	18,000	27,360.00
Gifty Asuming	18,000	27,360.00
Dorothy Adu	18,000	27,360.00
<b>Total</b>	<b>90,000</b>	<b>136,800.00</b>

## 4.2 Environmental Analysis

### 4.2.1 Competitors

#### New Entrants

Apart from difficulty to set up basic structures and also finding a suitable location for operation all other documentary processed are flexible.

#### Consumer or Customers

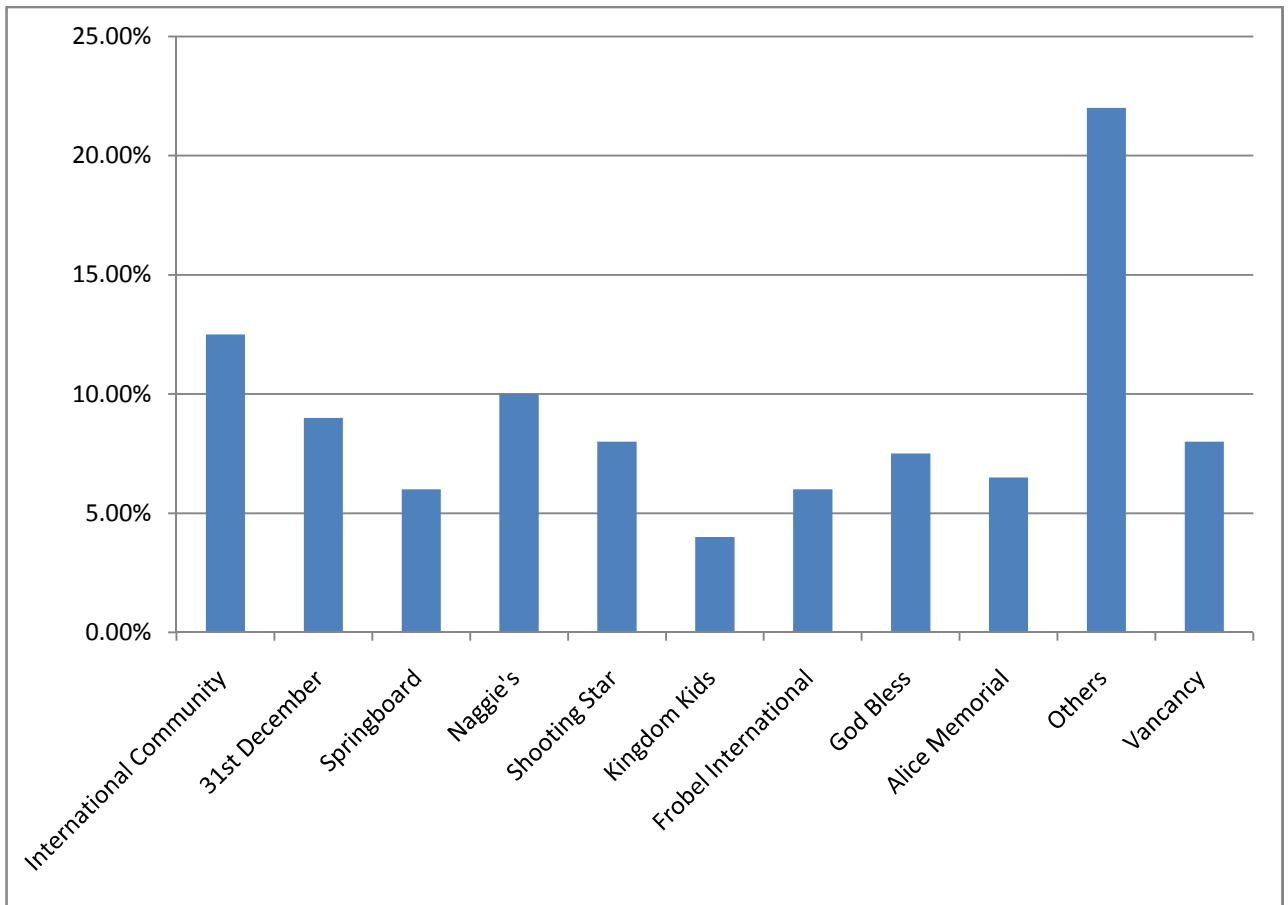
A cursory survey of our target customers shows that parents are ready to listen or send their kids to crèche provided they are convinced of its safety and reliability of which LCCE can assure parents or customers who are willing to bring their wards to our institution looking at the infrastructures and logistics that will be put in place.

### 4.2.2 Market Rivalry

#### Competition between LCCE and our competitors

LifeGATE Childcare Education is in competition with the following schools; Naggie's Angels 10%, 31<sup>st</sup> December Day Care 9%, Springboard International 6%, International Community School 12.5%, Kingdom Kids International 4%, Shooting Star Academy 8%, Froebel International 6%, God Bless International 8.5%, Alice Memorial 6.5%, others 22% and a vacancy estimation of 8%.

Figure 1: Pictorial bar chart showing Competitors analysis



### Major competitors

- International community

Strength: Already established in market with a very conducive environment.

Weakness: High fees (not targeting the middle income customers).

- Naggie's Angels

Strength: Located at a very strategic position. Good facilities

Weakness: nuisance of vehicular traffic.

## Supplier

Due to the abundant of suppliers on daily deliverables we can conclude that LCCE can be managing them to its advantage.

Political: The recent political stability enjoys by the nation opens the door of business in the nation and for that matter Kumasi Metro to be specific. Parent can easily sent their children to school without the fear of kidnapping or any unfortunate incident.

Economical - Successful operation within the country has created the vacuum of the opportunities for the working class citizens to increases their needs of disposable income this has made it possible for parents to afford quality and affordable service for their children or kids hence the operation of LCCE.

Socio Cultural: Due to the economic pressure and social responsibilities of parents to their families nursing mothers are in a hurry to secure assistance of professional teachers or nannies who can offer childcare assistance as well as education so that they can concentrate on their business activities without thinking about the problem of who to take care of their children since they already know how professionals these nannies are when it comes to childcare.

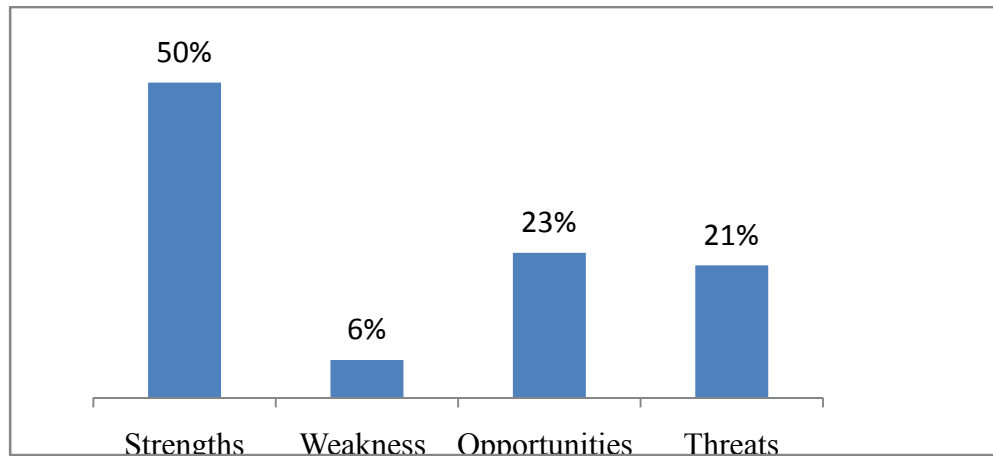
Technological: The introduction of flexible playing materials including child computer, singing object etc have made it possible for professionals in childcare and training to be able to handle kids who has been entrusted under our care.

### 4.2.3 SWOT Analysis

<b>Strength</b>	<b>Weakness</b>
<ul style="list-style-type: none"> <li>• Strategically located</li> <li>• Trained motivated and experience employees</li> <li>• Spacious and environmental friendly building facilities</li> <li>• Milled competitive rivalry that can make business stand.</li> <li>• Competitive or moderate pricing of our fees which can make it affordable to parents and guardians.</li> <li>• Flexible terms of payment.</li> </ul>	<ul style="list-style-type: none"> <li>• New in the system</li> <li>• Inadequate funds to create new campuses.</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Stable environment to work within</li> <li>• Flexible documentary processes for accreditation</li> <li>• Desire by parents to send their kids to pre-schools education care services.</li> <li>• High level of working class disposable income.</li> </ul>	<ul style="list-style-type: none"> <li>• Labour turnover</li> <li>• Change of educational policies due to change of political powers or government.</li> </ul>



Fig. 2: Pictorial bar chart to show LCCE SWOT Analysis



### 4.3 Market Segmentation

LifeGATE will be segmented by demographic. It will focus on meeting the needs for childcare services within the Kumasi Metropolis. Children between the age of six months to five years will be admitted on either full time or part-time (drop Ins) from Monday to Friday from 6:30am to 6:30pm.

### 4.4 Target Market

LifeGATE Childcare Education (LCCE) has dual market segments;

- ❖ Parents or Guardians (permanent) who are either in a full time job or part time job and cannot blend child care with daily business activities.
- ❖ Drop-Ins

## 4.5 Marketing Mix

### 4.5.1 Product

LCCE aim at providing affordable child care that is quality and accessible which will show a through reflection of what LCCE promise it target audience or customers.

### 4.5.2 Pricing

LCCE will price our product in such a way that middle income earners can afford to pay. For this reason LCCE will be using the penetration type of pricing by pricing our services five to ten percentage below other commercial operators.

### 4.5.3 Promotional Strategy

Management of LCCE will promote the name of school through advertising. We will advertise through electronic media example radio and word of mouth (public relation). Banners, Bill Boards, Leaflets and Brochures will be also used in communicating to our target audience.

### 4.5.4 Place

LCCE will be using brochures, leaflets, text messages and internet in reaching out to our target audience.

Physical evidence: LCCE has procured the following facilities: child computers, merry go round, well structured building, seesaw, vehicles and many more.

Process: LCCE will be using our mini civilian bus to convey the children to and from the center.

People: LCCE will employ staff who are well established in their area of study and have more experience in the childcare industry.

## 5.0 RISK ANALYSIS

Financial Risk

Human Risk

Property Loss Risk

Financial Risk

Due to the weakness of Ghanaian currency, high interest rate means less money in the system which may affect LCCE in a sense that the company may not be able to apply for loans from our bankers. People may not patronize our services due to movement in prices.

Human Risk

Human risk factor is anticipated in analyzing as absenteeism, resignations, death and strikes could negatively affect normal functioning of every business. For instance, resignation or death of a founder could seriously affect the business. LCCE will indemnify life insurance policies for workers of the organization in order to mitigate some of these problems.

Property Loss Risk

The organization faces the risk of damage and theft. The office premises can be gutted by fire or experience structural damages. The staff members will be taken through safety training and how to use all the equipment to prevent injuries. They will be advised to take good care of themselves as a loss prevention measure. Fire

extinguishers will be installed at advantage points and staff will be taking through fire outbreak training for staff to know how to use the fire extinguisher when it happens as a loss reduction measure. Our property will be insured by Vanguard Assurance Company Limited, Kumasi branch.

## Risk Management

Loss Control

Loss Financing

Loss Control: Loss control is actions that reduce the expected cost of losses by reducing the frequency and/or severity of losses that may occur. LCCE use the below strategies to control our losses;

- ❖ There shall be frequent safety talk to constantly remind employees of our safety policies.
- ❖ Assets such as building and vehicles will be periodically maintained to prevent any unforeseen damages in the future.
- ❖ Drivers will be given extensive training on safety, such as limiting the number of hours driven in a day.

Loss Financing: This is a means of obtaining funds to offset losses that may occur. LCCE has purchased an insurance contract from Vanguard Assurance Company Limited for all our assets and employees. The company will also make sure that all its employees are covered under the National Health Insurance Scheme.

## 5.1 Projected Income Statement

The company (LifeGATE Childcare Education) is expected to continue its steady growth in profitability over the next three years of operation. Below is the income statement that depicts the first year of operation in the year (2012).

### **LifeGATE Childcare Education Projected Income Statement for the year ending 2012**

	<b>GH¢</b>
Sales Revenue (note 1)	138,000.00
Cost of Sales (note 2)	<u>49,500.00</u>
<b>Gross Profit</b>	<b>88,500.00</b>
Less:	
General & Administrative Expenses (note 3)	<u>84,683.40</u>
<b>Net Surplus</b>	<b><u><u>3,816.60</u></u></b>

## 5.2 Break Even Analysis

		<b>GH¢</b>
Total Fixed Cost		70,059.00
Total Variable Cost		59,052.03
No. Of children		125.00
Selling Price Per Unit	138,000/125	1,104.00
Variable Cost Per Unit		472.42
No. Of Children to Break Even	$\frac{70,059.00}{1,104 - 472.42}$	
	$\frac{70,059.00}{631.58}$	110.9
		111
		Children
Sales to Break Even	111 x 1,104	122544
	$\frac{122,544.00}{138,000.00} \times 12 \text{ months}$	10.6

Break Even = 11months

**LifeGATE Childcare Education**

**5.3 Projected Cash Flow Statement for the year ending 2012 , 2013 and 2014**

	<b>2012</b>	<b>2013</b>	<b>2014</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Cash Inflow			
Capital	136,800.00	–	–
Registration Fees	4,200.00	2,310.00	3,570.00
Sales Revenue	133,140.00	241,272.00	437,350.40
<b>Total Cash Inflow</b>	<b>274,140.00</b>	<b>243,582.00</b>	<b>440,920.40</b>
Cash Outflow			
Cost of Sales (Direct Cost)	47,000.00	86,112.40	157,343.96
Non Current Assets	98,566.00	–	–
Rent	16,401.00	–	–
Administrative Expenses	2,031.00	2,234.10	2,457.51
Salaries	45,547.52	70,965.02	85,158.03
Legal / Registration	3,775.00	–	–
Statutory Deduction (SSF)	5,921.18	7,105.42	8,526.50
Utilities	1,300.00	1,650.00	1,815.00
Insurance	2,915.00	2,915.00	2,915.00
Advertisement	3,250.00	2,000.00	1,500.00
Stationary	1,055.00	1,160.50	1,276.55
Fire Extinguishers	70.00	73.50	77.18
Cleaning and sanitation	1,672.00	1,839.20	2,023.12
Repairs/Maintenance	510.00	561.00	617.10
Bank Charges	690.00	1,221.87	2,209.35
<b>Total Outflow</b>	<b>230,703.70</b>	<b>177,838.01</b>	<b>265,919.30</b>
<b>Net Cash Flow</b>	<b>43,436.30</b>	<b>65,743.99</b>	<b>175,001.10</b>

## LIFEGATE CHILD CARE EDUCATION

### 5.4 Projected Statement of Financial Position for the year ending 2012

Non Current Assets:	<b>GH¢</b>	<b>GH¢</b>
Property, Plant and Equipment (note 4)		88,086.30
Current Assets:		
Trade Receivables	660.00	
Prepayments	10,934.00	
Cash and Cash Equivalent	43,436.00	
		<u>55,030.00</u>
		<b>143,116.30</b>
Equity and Liabilities		
Capital and Surplus:		
Stated Capital		136,800.00
Net Surplus		3,816.60
Current Liabilities:		
Trade Payable		<u>2,499.70</u>
		<u><b>143,116.30</b></u>



## APPENDIX

### NOTE 1

#### DIRECT SALES

	<b>YEAR1</b>	<b>YEAR2</b>	<b>YEAR3</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Unit Price			
full-Time (month)	110.00	132.00	158.40
Drop- Ins (month)	70.00	84.00	100.80
Other	—	—	—
<b>Total</b>	<b><u>180.00</u></b>	<b><u>216.00</u></b>	<b><u>259.20</u></b>

	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Unit Price -year			
full-Time (year)	1,320.00	1,584.00	1,900.80
Drop-Ins (year)	840.00	1,008.00	1,209.60
Other	—	—	—
<b>Total</b>	<b><u>2,160.00</u></b>	<b><u>2,592.00</u></b>	<b><u>3,110.40</u></b>

	<b>YEAR1</b>	<b>YEAR2</b>	<b>YEAR3</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Unit Price – Cumulative			
Full-Time (year)	79,200.00	147,312.00	273,715.20
Drop-Ins (year)	54,600.00	94,752.00	164,585.60
Registration Fees	<u>4,200.00</u>	<u>2,310.00</u>	<u>3,570.00</u>
<b>Total</b>	<b><u>138,000.00</u></b>	<b><u>244,374.00</u></b>	<b><u>441,870.80</u></b>

## NOTE 2

### Cost of Sales

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Full-Time Child (months)	33	39.6	47.52
Drop-In Child (hour)	1.65	1.98	2.38
Other	-	-	-
<b>Total</b>	<b>34.65</b>	<b>41.58</b>	<b>49.90</b>
Full-Time Child (months)	396.00	475.20	570.24
Drop-In Child (months)	396.00	475.20	570.24
Other	-	-	-
<b>Total</b>	<b>792.00</b>	<b>950.40</b>	<b>1,140.48</b>
Direct Unit Cost (Cumulative)			
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Full-Time Child (Yearly)	23,760.00	44,193.60	82,114.56
Drop-In Child (Yearly)	5,740.00	44,668.80	78,254.40
Other	-	-	-
<b>Total</b>	<b>49,500.00</b>	<b>88,862.40</b>	<b>160,368.96</b>

### NOTE 3

#### Administration and General Expenses

	<b>GH¢</b>
Administrative Expenses	2,031.00
Salaries	45,547.52
Stationery	1,055.00
Advertisement	3,250.00
Cleaning and Sanitation	1,672.00
Repairs / Maintenance	510.00
Utilities	1,300.00
Insurance	2,915.00
Statutory Deductions (SSF)	5,921.18
Legal / Registration	3,775.00
Bank Charges	690.00
Fire Extinguishers	70.00
Rent	5,467.00
Depreciation	<u>10,479.70</u>
	<b><u><u>84,683.40</u></u></b>

#### NOTE 4

##### Property, Plant and Equipment

	<b>Cost</b>	<b>Depreciation</b>	<b>NBV</b>
	<b>GHC</b>	<b>GHC</b>	<b>GHC</b>
Building	37,401.00	1,246.70	36,154.30
Computers	6,825.00	1,365.00	5,460.00
Furniture and Fittings	7,770.00	1,554.00	6,215.00
Vehicles	30,000.00	3,000.00	27,000.00
Office Equipment	16,570.00	3,314.00	13,256.00
	<b>98,566.00</b>	<b>10,479.70</b>	<b>88,085.30</b>

## NOTE 5

### Break Even Analysis

	<b>GH¢</b>
<b>Fixed Cost</b>	
Renovation Works	16,401.00
Non-Current Assets	31,790.00
Legal / Registration	5,775.00
Art Supplies	8,261.00
Medicine Kits	1,001.00
Mat and Pillows	<u>6,831.00</u>
<b>Total Fixed Cost</b>	<b>70,059.00</b>
<b>Variable Cost</b>	
Administration	2,431.00
Salaries	30,528.00
Statutory Deduction	3,968.64
Stationery	1,155.00
Advertisement	2,750.00
Utilities	1,500.00
Insurance	2,915.00
Repairs / Maintenance	510.00
Cleaning and Sanitation	1,672.00
Bank Charges	552.00
Depreciation	10,479.70
Taxes / Levies	550.69
Fire Extinguisher	<u>40.00</u>
<b>Total Variable Cost</b>	<b>59,052.03</b>

## Personnel Plan

Head Mistress	6,600.00	7,920.00	9,504.00
Assistant Head (Finance Office)	5,400.00	6,480.00	7,776.00
Nurse	4,600.00	5,520.00	6,624.00
Teaching/care staff (8)( GH¢250)	20,000.00	24,000.00	28,800.00
Matron	2,203.20	2,643.84	3,172.61
Security (2)	3,084.48	3,701.38	4,441.65
Kitchen Staff (2)	1,456.64	1,747.97	2,097.56
Drivers (2)	<u>2,203.20</u>	<u>2,643.84</u>	<u>3,172.61</u>
	<b><u>45,547.52</u></b>	<b><u>54,657.03</u></b>	<b><u>65,588.43</u></b>

## Cost Structure

LifeGATE start-up costs will include:

- Renting of five bedroom house and appropriate renovations to bring it up to recommended standard.
- Tables and chairs
- Office furniture and equipment
- Sleeping mats and pillows
- Outdoor playground set
- Toys
- Art supplies
- Medicine Kits
- Cleaning supplies
- Storage bins
- Laundry facilities
- Computer system with printer, CD-RW and Internet connection
- Copier and fax machine
- TV and VCD / DVD
- Stationery
- Legal fees / registration
- Advertisement costs
- Fire extinguishers
- Brochures
- Cars

## Basis of Costing

Proposed Sales Annual increment is 20% per annum.

## Expenditure

Management strongly believes that to satisfy our client well, direct expenses (cost of sales) are expected to go up by 20% per annum while other indirect expenditure will also increase by 10% per annum.

## Salaries

Wages and salaries annual increment will be 20% per annum to motivate LifeGATE Childcare Education staff. At the same time, statutory deduction at a rate of 13% based on annual salaries.

## Bank Charges

Bank Charges at 0.50% per annum on annual gross sales.

## Account Receivable

Management assumes that at the end of every year, six (6) parents or guardians will owe the school.

## Account Payable

It is expected that LifeGATE will owe its suppliers 5% of the total supplies by the end of year.



## Depreciation

All non-current assets of the school will be depreciated as follows:

❖ Building	30 years
❖ Vehicles	10 years
❖ Furniture and Fittings	5 years
❖ Computers	5 years
❖ Office Equipment	5 years

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