

BUSINESS PLAN

KID'S CASTLE
CANADA

2024

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I. EXECUTIVE SUMMARY

Kid's Castle is an international school that was founded in British Columbia, Canada and opened its first location in India in 2005. The idea for the school was developed through The Canadian Education Centre Network, a non-profit organization that is supported by the Government of Canada and The Asia Pacific Foundation of Canada. The original purpose of Kid's Castle was to build schools that offered high-quality education to children living outside of Canada by utilizing Canadian-style education principles. Additionally, Kid's Castle aimed to serve as a way to encourage students to continue their education in Canada later in their lives.

Since first opening in 2005, Kid's Castle has now expanded to 526 schools in 35 different countries with over 51,000 students ranging in age from 0 to 18 years. In 2023, Kid's Castle will begin the process of opening its first school in Canada under the leadership of twin-brother entrepreneurs Devin and Lucas Lawrence who have obtained exclusive licensing rights for the Canadian expansion of Kid's Castle schools.

As cities and provinces across Canada continue to see major shortages in child care and early childhood education options, it is an opportune time for Kid's Castle to expand to Canada. Although the wait lists for children to get in to child care spots are long and demand for new centers is very high, Kid's Castle is not satisfied with simply providing a new option where children will be taken care of. Kid's Castle Canada strives to be an industry leader by providing high-quality bilingual education that focuses on educating and empowering children by using its highly-developed curriculum and proven education methods that have been tested around the world.

The first school in Canada is set to open in early 2024 in Saskatoon, Saskatchewan and will provide early childhood education and child care services for families with children ages 0-6. After the first school has been established in Saskatoon, Kid's Castle Canada plans to open additional schools throughout Canada. The short-term plans for expansion will include the opening of new schools for early childhood education with long-term expansion plans to focus on opening schools for older age groups. Some future schools will also have bilingual curriculums with English and languages besides French that are growing in Canada such as Mandarin, Hindi, and Tagalog.

Kid's Castle Canada is uniquely positioned to enter an industry that is not only in desperate need of more available spaces for children, but also lacking options with environments that encourage and maximize children's learning potential. As both the demand for early childhood education and the financial support from federal and provincial governments increase, Kid's Castle Canada plans to take the experience, resources, and educational techniques that made it so successful around the world and offer it to families in Canada where the company was first created.

II. BUSINESS OVERVIEW

Business Description

Kid's Castle is a Canadian company with schools in 35 different countries outside of Canada that began operating over 17 years ago. Entrepreneurs Devin and Lucas Lawrence have worked with Kid's Castle to obtain licensing rights and develop a plan to begin building schools within Canada.

While the global schools focus on providing education from ages 0-18 and also promote Canadian education abroad, Kid's Castle schools in Canada will initially focus on providing high-level early childhood education (ECE) and child care services for children ages 0-6 in English and French.

The first school will be located on the east side of Saskatoon and have a maximum capacity of 90 children with plans to open in early 2024 and plans to open additional locations in the years to follow.

Business Purpose

The original purpose behind Kid's Castle schools was to provide Canadian-style education to children throughout the world. The need for this service was recognized by the Canadian Education Centre Network (CECN) members who were working overseas and saw the demand for high-quality and bilingual education for parents who had either studied abroad themselves or had hopes to see their children study abroad in the future.

The purpose of the expansion of schools into Canada is to take a concept that has worked all around the world and provide it to the people of the country where it all started. With a growing need for child care and ECE options for Canadian families, along with the lack of suitable options for many parents, Kid's Castle Canada has a unique opportunity to enter the Canadian market and fill in multiple gaps that currently exist for parents with young children.

Business Concept

The concept behind Kid's Castle International was to provide high-quality education based on Canadian methods of education and to generate interest for students from other countries to attend Canadian schools later in life. The concept for Kid's Castle Canada is to simply focus on providing high-quality education for children in a safe, comfortable, organized, and fun environment where the students are excited to be and their parents are happy to bring them.

What sets Kid's Castle apart from other ECE centers and child care centers in Canada is its well-developed curriculum, its resources which have been developed through opening 526 other schools, and its focus on a broader, international form of education.

Students will be given the opportunity to learn about other countries and cultures and connect with students at other Kid's Castle schools around the world. Rather than having “pen pals,” students will be able to be “video pals” and have video calls from one classroom to another across the world.

Rather than try to create a new brand, new curriculum, and new educational methods, Kid's Castle Canada will utilize the experience, resources and techniques developed by Kid's Castle International to allow for a quicker process to opening the school with tried and tested operating and educational strategies.

Business Structure

Kid's Castle International is a privately-owned company and the new Canadian expansion will be structured as a non-profit organization which will be incorporated in Saskatchewan in early 2023.

Business Services

The primary service that will be provided by Kid's Castle Canada will be educational services and child care services for children ages 0-6.

The school in Saskatoon will begin as a bilingual school offering the full curriculum in English and French and provide weekly program hours from Monday to Friday, 7:30 am until 5:30 pm.

Kid's Castle Canada has an educational-based approach and prioritizes early childhood education as opposed to simply being a child care facility. Not only are the children being taken care of, but they are immersed in various forms of educational activities such as books, games, videos, team activities, and language practice.

The initial curriculum will be limited to French and English, however, Kid's Castle Canada has plans to expand to include language classes for other popular languages such as: Cree, Hindi, Tagalog, Mandarin, and Spanish. The expansion of language options will attract a broader client base and allow students to gain some exposure to local indigenous languages, exposure to common languages spoken around the world, and the most common languages among Canada's immigrant population.

Business Objectives

The main objective of Kid's Castle Canada is to provide high-quality child care and ECE services for children and establish itself as a leading education institution for young children.

The first facility will open in Saskatoon with plans for expansion into other cities and provinces throughout Canada. Once the first school in Saskatoon has been established and is operating smoothly, Devin and Lucas will begin the process of opening their second location and seeking out suitable options for additional locations across Canada.

Director Profiles

Kid's Castle's expansion into Canada will be led by twin brothers Devin and Lucas Lawrence. Originally from Manitoba, both brothers now reside in Saskatoon, Saskatchewan which is where they plan to open the first Kid's Castle school in Canada.

Devin and Lucas both have extensive business backgrounds and were inspired to begin the journey of opening a Kid's Castle school in Canada after their experience in seeking suitable child care options for their own children. Having been raised by a father who was a teacher, they had a high standard for education and knew what to look for in choosing the right child care for their children.

In their pursuit for suitable child care facilities for their children, they were disappointed with the lack of options and the quality of facilities that were available. Both having a business background, Devin and Lucas immediately realized that there was a void in the market and were inspired to take action and solve the issue for themselves and for other parents in their situation.

Devin and Lucas's plan to open a children's school in Saskatoon began to gain serious momentum when Devin coincidentally met the CEO of Kid's Castle International and they discussed the potential of expanding to Canada. Since then, they have obtained the exclusive licensing to open Kid's Castle facilities in Canada.

While Devin and Lucas are identical twins and have very similar backgrounds, goals, and life situations, one distinctive difference between them is their skill set. Devin is an analytical person who has strong problem-solving abilities, loves learning new things and digging into data to develop solutions for new problems. Lucas is artistic with a passion for creating and design which led him to starting his current company where he develops children's games, toys, and books that are designed to educate and empower children.

The brothers demonstrated their teamwork, entrepreneurship, and ability to utilize their complementary skill sets when they started a construction business together in Manitoba shortly after finishing high school. They ran the company together for ten years until moving to Saskatoon and venturing into different opportunities. Both brothers now run their own companies and have decided to team up to make Kid's Castle Canada a reality.

Devin Lawrence - Devin was born and raised in Manitoba and moved to Saskatoon in 2011 when the company he was working for had a major project at one of the major potash mines. Although he only planned on staying for one year, the project was extended for three more years and Devin ended up meeting his now wife in Saskatoon. He quickly developed an appreciation for the city and realized the benefits and potential that it presented.

After leading multiple large scaffolding and construction projects, Devin co-founded his own company in 2017 which specializes in scaffolding and scaffolding solutions for major projects in Manitoba and around Canada.



Devin led the development of a new digital system that tracks industrial scaffolding and recently was given a grant from the Government of Manitoba to develop a virtual reality construction training program.

Although Devin can be a bit of a workaholic and originally wasn't sure if he would ever have kids, he is now a proud "girl dad" and describes his daughter and fatherhood as the greatest gift he has ever been given. When he's not working, Devin can be found spending most of his time with his daughter and wife. He also enjoys learning new things, experimenting with new technology, playing chess and going camping when he gets a chance.

Lucas Lawrence - Lucas also grew up in Manitoba but moved to Saskatoon in 2021 after a little bit of convincing from his brother, Devin. Prior to moving to Saskatoon, Lucas ran the construction company that he and his brother built until 2015 when he was able to take his hobby and passion of designing and turn it into a business. Lucas now owns and operates a company that develops childrens' games, toys, and books. His products are sold in major retailers like Barnes & Noble and Spencer's Gifts. Lucas is passionate about creating products that are not only educational, but can empower and inspire the children who use them.



Although Lucas's career began in construction, he was able to use his entrepreneurial background to create his new business which is more aligned with his skills and passions. He is also excited to expand his existing business to incorporate more book publishing and to create a physical learning center for children as well.

Lucas currently lives in Saskatoon with his wife and two children. When he's not working, his favourite thing to do is spend time with his children and cherish every moment he has watching them grow. Lucas also makes time to walk his husky every day and likes to get in some traveling and skiing whenever he gets a chance.

Management Team

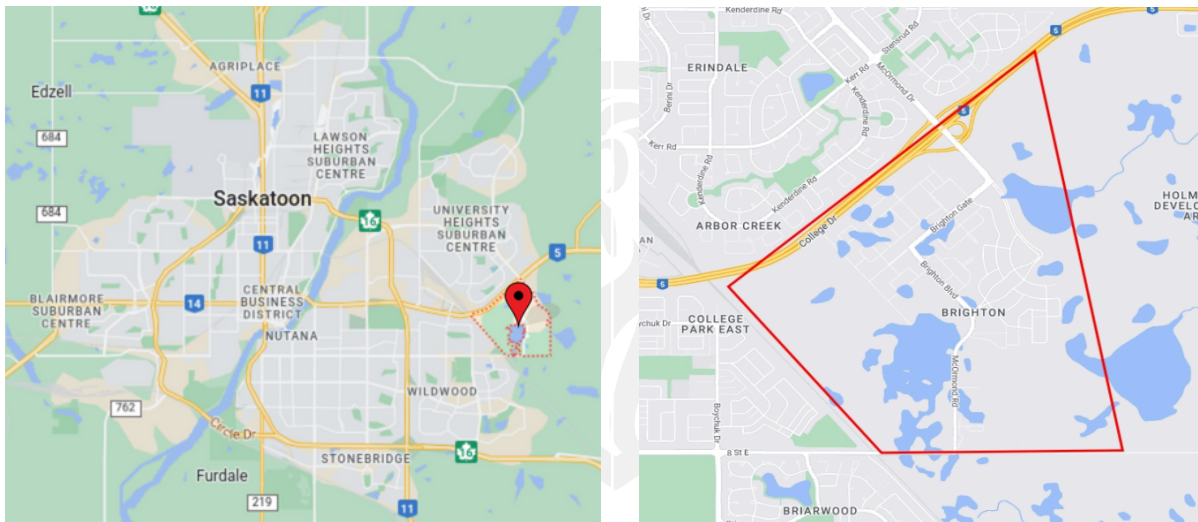
The first Kid's Castle school opened in Canada will be run by Sandy Richardson. Sandy has over 12 years of experience working as an educator in the early childhood education industry as well 7 years of experience in a managerial role in the industry. Sandy currently serves as a global trainer for Kid's Castle International. Her primary function is to travel around the world and train new Kid's Castle staff when new schools open. Her extensive experience in the industry along with her familiarity with the organization make her a perfect fit to be the director of the new Kid's Castle school in Saskatoon.

III. OPERATIONS STRATEGY

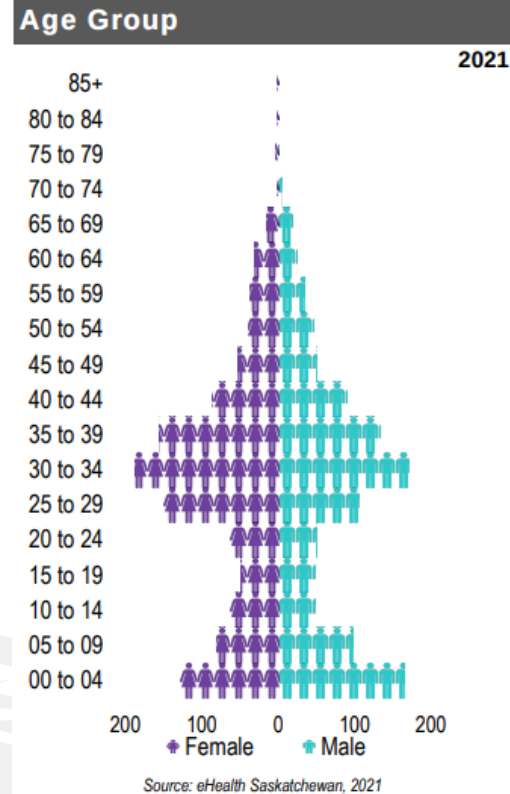
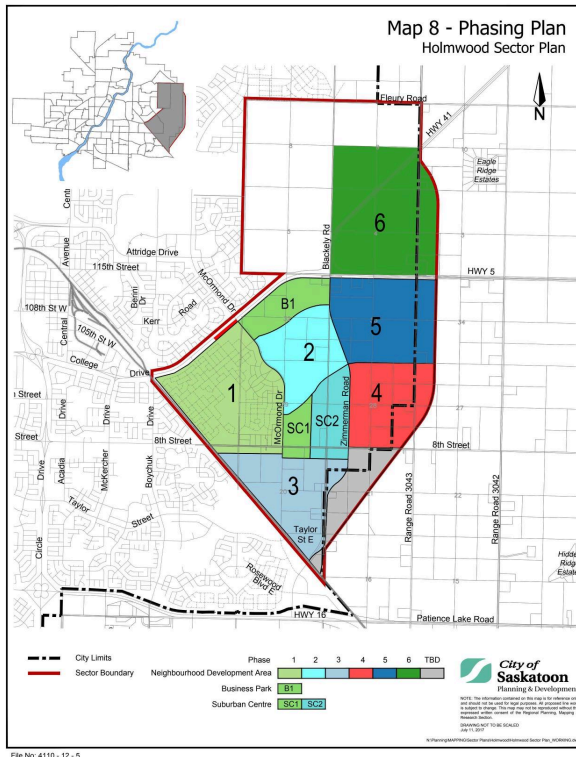
Location

Kid's Castle Canada's first educational facility will be located in Saskatoon, Saskatchewan which has a population of 282,900 as of 2021.¹ Saskatoon provides an ideal setting for the development of the first Kid's Castle school in Canada as it is a large enough city to support the school with a rapidly-growing population. Not only is the size of the city suitable, but the cost of startup is much more affordable than larger cities like Vancouver and Toronto. Additionally, Saskatoon is currently experiencing a major shortage in child care and ECE facilities for young children.

The facility will be located in the neighbourhood of Brighton which is a new development on the east side of the city. Brighton can easily be accessed from 8th street, College Drive (Highway 5) and McOrmond Drive. The neighbourhood is 867 acres and can accommodate 6,400 homes.²



The neighbourhood of Brighton offers a number of features that make it an ideal location for the first school. For starters, Brighton is newly developing and has available land for the construction of the school at a competitive price. Secondly, the neighbourhood already accommodates a population of over 2,200¹ residents with plans to expand to 16,633 residents by completion.³ Brighton is part of a greater expansion region known as “Holmwood” which is expected to have five additional phases built surrounding Brighton with a final population of 76,143.⁴



In terms of demographics, Brighton is considered upper-middle class and features many young families with diverse backgrounds and a population that has its largest segment of the population in the age groups of 25-45 and 0-9 which creates the ideal scenario for an ECE center.¹

While Brighton is still in the early stages of development, it already has an established commercial center featuring restaurants, shopping, a fitness center, health services providers and cinemas. Some of the main tenants include: Save-On-Foods, Dollarama, Shoppers Drug Mart, Tim Hortons, The Keg Steakhouse, and Motion Fitness.

Brighton also features parks, a spray park, sports fields, and future plans to include an outdoor amphitheater on a lake and a village center with 100,000 square feet of office space.²

With a young, growing population and no current elementary schools, residents of Brighton must either drive or have their children bused to schools in neighbouring communities. With only one child care and ECE facility available in Brighton, a new facility will be a welcome addition to the neighbourhood that plans to house over 16,000 residents by the time of completion.

¹ City of Saskatoon Planning and Development. "Neighbourhood Profiles 20th Edition." December 2021. Source: https://www.saskatoon.ca/sites/default/files/documents/community-services/planning-development/research/neighbourhood-profiles/neighbourhood_profiles_2019.pdf

² Dream Unlimited Corp. "Brighton Community." Source: <https://www.brightoncommunity.ca/>

³ Magus, Jay. City of Saskatoon. "Proposed Amendments to Brighton Neighbourhood Concept Plan." Source: <https://pub.saskatoon.ca/files/streams/ashx?DocumentId=9687>

⁴ City of Saskatoon Planning and Development. "Holmwood Sector Plan." February 2012. Source: https://www.saskatoon.ca/sites/default/files/documents/community-services/planning-development/future-growth/sector-planning/holmwood_sector_plan_2012_final.pdf

Facility

The Kid's Castle school in Saskatoon will be leased from a local property management company and feature 10,000 square feet of space.

The maximum capacity of students for the facility will be 90 children which will be made up of a mixture of three different groups:

1. Infants (ages 0 - 1.5 years)
2. Toddlers (ages 1.5 - 2.5 years)
3. Preschool (ages 2.5 - 5 years)

There will be a total of 5 different classrooms along with an office, staff room, kitchen, 6 washrooms, and storage space. The classrooms will all be equipped with televisions, chairs, and learning materials. One classroom will also serve as a nap room.

Parents will be able to drop their children off at the front door of the facility where administrative staff or educators will be present at all opening hours. Pickups will also be done at the front of the facility and all individuals must be registered in the Kid's Castle system prior to picking up children.

Suppliers

Being that Kid's Castle Canada is a service-based business, there is a limited necessity to rely on suppliers. The main supplies used will be toys, learning materials, and food which will be sourced by local suppliers and by Kid's Castle International.

Food - Kid's Castle Canada will mainly rely on Save-on-Foods grocery store for food which will be ordered and delivered weekly.

Learning materials - Kid's Castle Canada will be provided most learning materials from Kid's Castle International and also be able to purchase other supplies from local suppliers such as Dollarama, Walmart, Staples, and Michaels.

Business Timeline and Action Plan

The process of starting the first Kid's Castle school in Canada will begin in April of 2023 with plans of opening its doors in March of 2024. The initial stage will include securing financing and a suitable location for the school. Once construction to complete all necessary leasehold improvements has begun, the marketing campaign will begin in order to generate awareness of the school to families and to prospective staff.

Prior to the completion of construction, the search for qualified staff will begin and arrangements will be made for training staff. Upon completion of construction, enrollment numbers will be finalized and in-house staff training will begin.

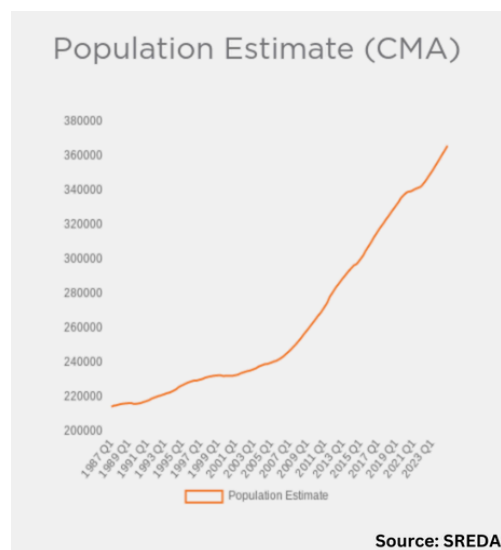
Assuming an adequate facility can be found for lease and does not need to be constructed, approximately one year will be needed from the initial securing of funding until the first day of classes.

In the event that a school must be built rather than leased, an additional 3-4 months will be added to the timeline.



Industry Overview

The early childhood education and child care industry in Saskatoon is growing rapidly as the population rises and as more families rely on child care compared to past generations. The city of Saskatoon currently has an estimated population of 282,000 and a Census Metropolitan Area (CMA) population estimate of 353,495 as of 2022.¹



As of February 2023, there are currently 696 regulated child care facilities in the province of Saskatchewan with 215 of them being in Saskatoon.² Of the 215 facilities, just 67 of them are designated child care facilities that predominantly operate out of elementary schools, community centers, or private child care centers. The majority of the facilities in Saskatoon are run out of residential homes which provide much lower capacity than the designated centers. There are currently 138 registered child care facilities in Saskatoon that operate out of residential homes.²

In August 2021, the Government of Saskatchewan announced its plans to provide \$1.1 billion in funding to subsidize child care costs in the province in order to reduce the average out-of-pocket expense to parents by 50% by the end of 2022. Additionally, the government stated plans to reduce daily costs to as low as \$10 per day on average per child by 2026. Aside from cost reduction, plans have also been outlined to add 28,000 more regulated spots for children across the province.¹

The biggest challenges facing ECE and child care centers in Saskatchewan is the lack of available spots for children and staff shortages. Centers throughout Canada are struggling to find and retain qualified workers due to low wages and lack of qualified early childhood education workers.³ To combat the shortages in child care facilities and ECE staff, the Governments of Canada and Saskatchewan have made investments to reduce the fees for child care, expand the number of facilities, increase the wages of ECE workers, and accelerate training opportunities for residents of Saskatchewan seeking to become qualified ECE workers.⁴

Currently in Saskatoon, all of the child care facilities receive government subsidies and the only two private centers that are franchises are The YMCA and Building Brains. Kid's Castle plans to be a leader in the industry by not only offering the highest quality of education and child care to families, but also by having several locations throughout Saskatchewan and Canada to build on its well-established international presence.



¹ Saskatchewan regional Economic Development Association. "Economic Indicators - Demographics." Source: <https://sreda.com/economic-indicators/#chartid-1114-custom-19763>

² Government of Saskatchewan. "Regulated Child Care Facilities in Your Community." Source: [https://www.saskatchewan.ca/residents/family-and-social-support/child-care/find-a-child-care-provider-in-my-community?userLat=52.1183&userLong=-106.6324&filter-f80F055F7-06C6-4F0B-9FF7-3F010A68CAF7\)=on](https://www.saskatchewan.ca/residents/family-and-social-support/child-care/find-a-child-care-provider-in-my-community?userLat=52.1183&userLong=-106.6324&filter-f80F055F7-06C6-4F0B-9FF7-3F010A68CAF7)=on)

³ CBC News. "Child-care costs are down and demand is up, but a shortage of spaces, staff persists." December 25, 2022. Source:

<https://www.cbc.ca/news/politics/canada-child-care-expansion-staff-1.6692683>

⁴ Balasky, Chelsey. Government of Saskatchewan. "Growing Early Childhood Education Sector Leads To Increased Demand For Workers In Saskatchewan." November 30, 2021.

Source: <https://www.saskatchewan.ca/government/news-and-media/2021/november/30/growing-early-childhood-educator-opportunities-leads-to-increased-demand-for-workers-in-saskatchewan>

⁵ Government of Saskatchewan. "Federal Funding for Early Learning and Child Care." Source: <https://www.saskatchewan.ca/residents/family-and-social-support/child-care/federal-funding-for-early-learning-and-child-care#:~:text=Access%20%E2%80%93%20Increasing%20the%20number%20of%20regulated%20spaces%20in%20the%20province%20by%202028%2C000%20by%202026>

Target Market

The target market for the first Kid's Castle location will mainly be residents of the east side of Saskatoon with children ages 0-6. The key neighbourhoods outside of Brighton that will be targeted include: Willowgrove, Erindale, Arbor Creek, Silversprings, University Heights, Briarwood, Rosewood, and Lakewood Urban Centre as they are all within close proximity of the school in Brighton.

Willowgrove - located directly north of Brighton, Willowgrove has a population of 8,523¹ with no plans for further expansion and currently has one ECE center with a 51-child capacity.

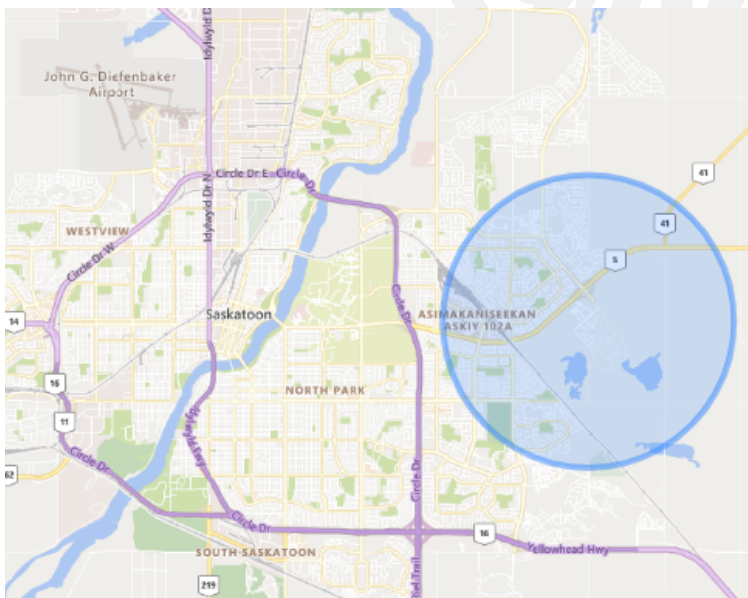
Erindale - located northwest of Brighton, Erindale has a population of 4,379¹ with no plans for expansion and currently has no ECE centers.

Arbor Creek - located directly west of Brighton, Arbor Creek has a population of 5,174¹ with no plans for further expansion and currently has no ECE centers.

Silversprings - located northwest of Brighton, Silversprings has a population of 5,126¹ with no plans for further expansion and currently has no ECE centers.

University Heights - located northwest of Brighton, University Heights Urban Centre has a population of 1,709¹ and is currently in the final stage of development that will bring the total population to an estimated 1,835.³ University Heights is currently home to Munchkin Mansion Early Childhood Education center which has capacity for up to 90 children.

Lakewood Urban Centre - located south of Brighton, Lakewood Urban Centre has a population of 2,487 with no plans for further expansion and is currently without an ECE center.



As the neighbourhood of Holmwood continues subsequent phases of expansion, the target market for Kid's Castle will grow significantly. With a current population of approximately 50,000 as of 2022 for Kid's Castle's target market will expand this to as many as 120,000.

Outside of the 3.5 kilometer radius of Brighton, there are several other neighbourhoods that can still serve as major target markets including Evergreen and Aspen Ridge. Both neighbourhoods are new developments in Saskatoon that

are within 6 kilometers of Brighton and have easy road access into Brighton.

Evergreen - located northwest of Brighton, Evergreen has a population of 8,832 with plans to expand to 12,622⁵ with one current ECE center with a 90-child capacity.

Aspen Ridge - directly north of Brighton, Aspen Ridge has a population of 1,126¹ with a projected population of 12,679.² The neighbourhood does not currently have an ECE center but The YMCA has plans to open a new location there in late 2023 or early 2024.

Pricing Strategy

Kid's Castle Canada will be positioned as a high-end child care facility that focuses on providing children with high-quality bilingual education as opposed to simply child care. Fees charged by Kid's Castle will be approximately \$200 - \$500 more per month compared to competitors.

While the higher fees may price some families out of the market, Saskatoon provides a large enough market, high enough demand, and willingness to pay the extra if parents feel their children are in the best situation possible and are well taken care of.

Monthly fee schedule

Category	Age Range	Rate	Capacity
Infant	0 - 1.5 years	\$1,550.00	12
Toddler	1.5 - 2.5 years	\$1,250.00	20
Preschool	2.5 - 5 years	\$1,200.00	40

Although the school in Saskatoon will have a maximum capacity of 90 children, it is expected that the average number of enrolled children will be 80 per month due to turnover. Before including subsidies, monthly prices will range from \$1,200 to \$1,500 depending on the age of the child. Kid's Castle will also offer part-time fees for parents who only want their children to attend on a part-time basis.

¹ City of Saskatoon Planning and Development. "Neighbourhood Profiles 20th Edition." December 2021. Source: https://www.saskatoon.ca/sites/default/files/documents/community-services/planning-development/research/neighbourhood-profiles/neighbourhood_profiles_2019.pdf

² City of Saskatoon Land Branch. "Aspen Ridge Neighbourhood Concept Plan." June 2018. Source: https://www.saskatoon.ca/sites/default/files/documents/community-services/planning-development/future-growth/sector-planning/aspen_ridge_concept_plan_amendment_june_2018.pdf

³ City of Saskatoon Planning and Development. "University Heights Sector Plan." August 2013. Source: <https://pub.saskatoon.escribemeetings.com/filestream.ashx?DocumentId=133272>

⁴ Boychuk Investments. Source: <http://www.boychukhomes.com/index.php/land-development-in-saskatoon.html>

⁵ City of Saskatoon Land Branch. "Evergreen Neighbourhood Concept Plan." June 200. Source: https://www.saskatoon.ca/sites/default/files/documents/asset-financial-management/saskatoon-land/Evergreen_Neighbourhood_Concept_Plan.pdf

Competition

With extremely long wait-lists and a growing demand for child care and ECE facilities in Saskatoon, several new facilities have opened up in recent years and there are plans for more in the future.

Currently, the main options located on the east side of Saskatoon are:

Munchkin Mansion - a local organization which features one main child care and ECE center in University Heights along with three other home facilities in Erindale, Arbor Creek, and Willowgrove. The main child care center opened in the spring of 2021 and has a capacity of 90 children from ages 6 weeks to 6 years.

YMCA - the YMCA has great international brand recognition and features five different child care centers throughout Saskatoon with plans for a sixth center to be opened in the neighbourhood of Aspen Ridge in late 2023 or early 2024. The location in Aspen Ridge is set to have a capacity of 74 children. The Brighton neighborhood also has a center which opened in 2021 and provides care for children ages 6 weeks to 6 years with a total capacity of 77 children.

Preston Early Learning Centre - this center is located in the neighbourhood of Willowgrove within the Willowgrove Public School and has 51 spaces for ages 6 weeks to 5 years. The organization has four other locations in Saskatoon that range in capacity from 21 to 90 children that are located in public schools or private child care homes. As of February 2023, the organization's website states that they have a waiting list of 700 children.

Evergreen Early Learning Centre - located at Sylvia Fedoruk & St. Nicholas School in Evergreen, this center accepts children ages 6 weeks to 6 years with 90 total spaces. As of February 2023, this center has 741 children on the waiting list according to their website.

CFS Early Learning Centre - this center is run by Catholic Family Services and is located in the neighbourhood of Rosewood. The center accepts children ages 6 weeks and older with a total capacity of 90 children.

Home facilities - Saskatoon's east side also features several different home-based child care centers for ages 0-6 that focus more on child care services rather than early childhood education services and have much lower child capacities than the larger centers like YMCA and Munchkin Mansion.

Building Brains - is an organization that started in Calgary which has a child care and ECE center located near the airport in Saskatoon. Building Brains also focuses on educating children rather than simply supervising them. Their facility takes children from ages 6 weeks to 6 years, has a capacity of 150 children and has been open since 2019. While building Brains is on the opposite side of the city that Kid's Castle plans to open, they are the largest competitor in the city and have the potential to expand to the east side based on their success and the demand for more facilities in Saskatoon.

While there is currently a variety of competitors for ECE and child care centers in Saskatoon, most of the competitors are full to capacity and have long waiting lists which means they are not currently competing for new students. Additionally, many of the families on their waiting lists would likely be open to switching to a new school as long as that new school offered similar services, with affordable prices, in a convenient location.

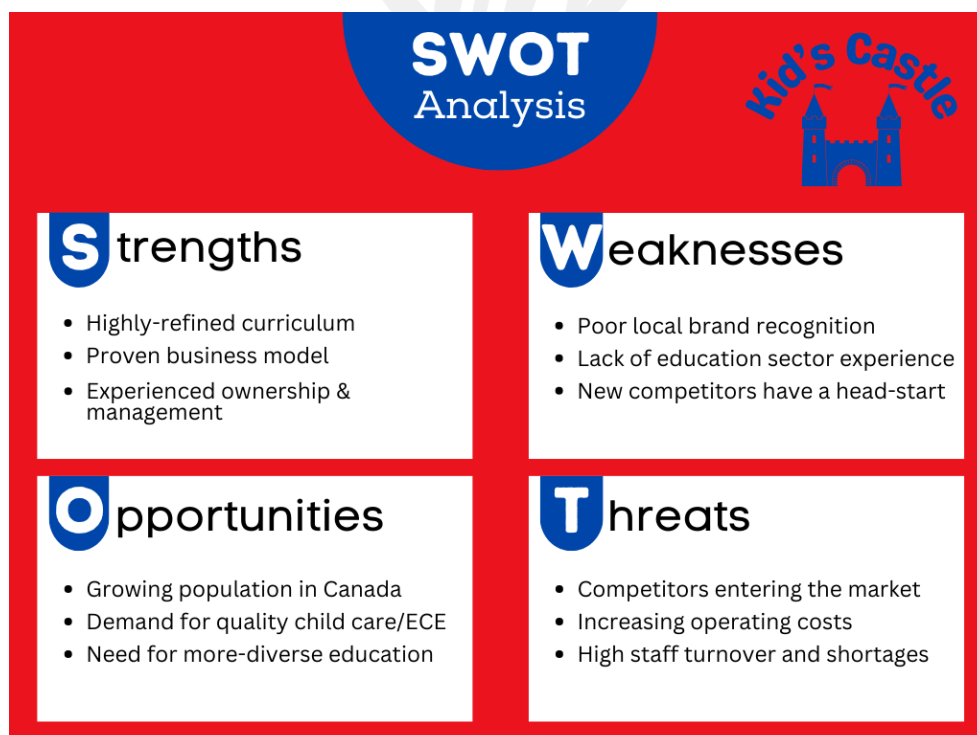
SWOT Analysis

The main strengths of Kid's Castle Canada are:

- 1) Kid's Castle Canada will not have to focus on developing and refining a curriculum as it has already been established, refined, and applied throughout the world, including schools in the United States which closely resemble the needs of Canadian schools.
- 2) The Kid's Castle school business model and curriculum have proven to be successful in dozens of different countries among different cultures with different needs, traditions, and goals.
- 3) The Kid's Castle Canada directors are highly experienced business operators and the education director is highly experienced in managing and training in the education sector for Kid's Castle International.

The main weaknesses are:

- 1) There is no local brand recognition of Kid's Castle schools in Saskatoon or across Canada. It is well known in other regions but is new to Canadians.
- 2) The directors, Devin and Lucas, have plenty of experience owning and operating businesses but are new to the education sector.
- 3) Some of the main competitors in Saskatoon already have established ECE centers and have begun expansion. Once a family has found a suitable center, they are unlikely to change. It is important for Kid's Castle to act quickly to begin operations while the demand for ECE centers is still very high and supply of centers remains low.



The main opportunities are:

- 1) Saskatchewan, Saskatoon, and many of the other provinces and cities across Canada are experiencing large population growth which creates more demand for child care and ECE facilities. Additionally, recent generations have become more dependent on child care than previous generations which creates a higher demand per capita for such facilities.
- 2) As parents to young children, Devin and Lucas have both experienced the lack of variety and quality of child care and ECE options in Saskatoon and have heard similar stories from other parents around the country. This creates a great opportunity to fill a much-needed deficiency in the market.
- 3) The Canadian population has not only seen major growth in recent decades, but there is now far more cultural diversity that exists. With this, there is a broader demand for services provided in child care and ECE centers.

Many parents want their children to learn languages that are not traditionally offered in Canada. Additionally, there has been a change in attitude among Canadians which has created more demand for French immersion even in non-French speaking provinces and also a desire to gain a better understanding and appreciation for Canada's Indigenous culture and languages such as Cree and Obijway. Kid's Castle Canada has a variety of different curriculums that can be combined to offer a variety of different cultural and language options to their students.

The main threats are:

- 1) There are other competitors that have already entered the market and are planning to expand, as well as new competitors who are planning to enter the market in the near future.
- 2) In the midst of growing inflation, supply shortages, and staff shortages, the operating costs of child care facilities are rising and unpredictable which could create challenges for providing accurate financial projections and for business operations.
- 3) Saskatchewan and other provinces in Canada are experiencing staff shortages in the early childhood education and childcare sector which will make it difficult to attract and retain qualified staff.

IV. MARKETING STRATEGY

Advertising Strategies

There are a number of different strategies that Kid's Castle Canada will utilize to attract new students to the school both prior to opening and during operations. The school is limited to 90 students and there is currently a shortage of ECE and child care facilities in Saskatoon which should provide Kid's Castle with a less-challenging start to finding new students compared to most other industries.

The main methods that will be utilized for advertising are as follows:

Neighbourhood groups - online options like Facebook and Nextdoor provide a free and useful way to share information regarding the new school to families that live in the surrounding neighbourhoods, along with demographics that have young children. This will be one of the main methods used to advertise Kid's Castle's school.

Community centers - aside from community associations online, Kid's Castle will also provide advertising in physical community centers such as libraries, soccer centers, and leisure centers. These facilities allow advertising in the form of posters which is another cost-effective method of reaching young families in the city.

Flyers - physical flyers can be easily designed and printed to be delivered to the homes of residents in the neighbourhood of the school, as well as surrounding neighbourhoods. Delivering flyers can be time consuming but it is an effective way to reach the residents who live in close proximity to the school.

Signage - being that the Kid's Castle school will be in a busy residential area, simply renting a physical sign to put on the land near the school will serve as a good method to catch the attention of parents in the neighbourhood.

Radio - while radio advertising is more expensive and more limited in terms of ability to select the target market, it can be utilized in the early stages of the school in order to gain attention and brand recognition across the city.

Word of mouth is also one of the most powerful forms of advertising that will come subsequent to the initial forms of advertising. Once Kid's Castle has developed local brand recognition and has students enrolled, it expects that many parents will refer the school to other young families looking for ECE centers for their children.

Given the current market conditions for child care and ECE centers, Kid's Castle will require much less spending and efforts for advertising compared to other industries like retail and restaurants. This allows Kid's Castle to allocate more of its advertising budget to attract qualified staff as it will likely present more of a challenge than attracting families with children to attend the ECE center.

V. HUMAN RESOURCES STRATEGY

Leadership

The Saskatoon school will be led by the Educational Director who will oversee all components of the educational side of the business. This includes: hiring, training, supervising and supporting staff. The Educational Director will report to Devin and Lucas and the board of directors once it has been established.

The expansion projects will be led by Devin and Lucas along with advice from the educational director and Kid's Castle International's advisory board and the board of directors for Canada.

Hiring

One of the biggest challenges for Kid's Castle's new school in Saskatoon will be finding and retaining good Early Childhood Educators (ECEs). The industry is experiencing demand for educators that cannot be matched and there is high turnover in the industry.¹

Upon startup of the school, it is expected that there will be 14 total Early Childhood Educator (ECE) staff with five of them being Level 1, an additional four Level 2, and five Level 3 educators. The ECE staff will be led by one director.

There are a number of different strategies that Kid's Castle Canada will utilize to attract qualified staff including job posting websites and approaching education centers.

Job sites - the two most popular websites for job postings in Saskatchewan are Indeed and Saskjobs. Both sites allow companies to post detailed listings for job openings and accept applications. Utilizing these websites is a great way to find job seekers in the Saskatoon area.

Social media - social media will be utilized to advertise to prospective staff in two main ways: the first will be by posting in various employment groups on Facebook, the second will be using paid advertisements to reach residents. The paid advertisements will consist of video advertisements and infographic images that will be posted to Youtube, Instagram, and Facebook.

Education centers - Kid's Castle will reach out directly to the educational centers that train students to become Early Childhood Educators.

Radio - like its competitors in Saskatoon, Kid's Castle will utilize radio advertisements to create brand recognition and attract new staff. Radio advertisements are often expensive and provide less-trackable feedback, however, they can be a great way to reach a broad market in a way that is less likely to be overlooked like some of the social media advertising strategies.

Billboards - physical billboards will also be used to gain brand recognition for both families of students and prospective staff. Billboards can be placed strategically throughout the city in areas that are most likely to catch the attention of the target market.

Due to shortages in ECE staff in Saskatchewan, Kid's Castle will have to offer attractive employment opportunities and ensure that it is competitive with other employers in the field. A number of different strategies can be explored and implemented to ensure an adequate number of qualified staff remain in place:

Competitive wages - part of providing the highest-quality ECE and child care facility in Saskatoon means that tuition fees are higher but also wages will be higher than the competitors to ensure the best staff are acquired and retained.

Benefits - regular benefits will be provided such as extended healthcare benefits and RRSP matching programs.

Referral programs - employees will also be given the option to make more money by referring other qualified educators.

Retention bonuses - an additional program can be implemented to provide employees with bonuses for keeping student turnover low. This program would not only ensure that employees are incentivized to provide the best care possible for the children, but help retain employees and children as well.

Support staff for the school will include an administrator and a chef. The administrator will be in charge of enrollment, overseeing cleaning contracts, food deliveries, and answering questions for parents of attendees and parents of prospective students. The chef's main functions will be preparing daily meals for children, maintaining the kitchen and equipment, and ensuring adequate food supply orders are made weekly.

In addition to ECE staff and support staff, cleaning services will be outsourced and provide daily facility cleaning.. Snow removal and maintenance will be outsourced or covered by the landlord.

Training

Thanks to the established resources provided by Kid's Castle International, the first Kid's Castle school in Saskatoon will be provided with an extensive training program including on-site training from Kid's Castle International staff. The trainers will come to Saskatoon for two weeks and provide the staff with extensive training on how to teach Kid's Castle's curriculum and apply Kid's Castle's educational techniques.

Aside from the in-house training, employees that begin before the initial opening will be provided with online training courses which they can complete prior to the in-house training provided by Kid's Castle International.

Requirements and Compensation

With a maximum capacity of 90 children and the expected average number of children to be 80, the school in Saskatoon will be required to have 14 staff on at all times in order to meet the required staff-to-child ratios set out by The Government of Saskatchewan.¹

Staff ratio requirement schedule

Category	Required Ratio	Expected Children	Staff Required
Infant	3:1	15	5
Toddler	5:1	20	4
Preschool	10:1	45	5

Staff will be cross-trained so that they can switch between different age groups in the event of staff shortages or to allow for shift rotations if they prefer to work with multiple age groups on a regular basis. Each level of Early Childhood Educator will have a different pay range which is based on their qualifications and responsibilities.

¹The Muttart Foundation. "Early Learning and Child Care in Saskatchewan." September 28, 2020. Source: <https://muttart.org/wp-content/uploads/2020/10/Early-Learning-and-Care-in-Saskatchewan.pdf>

Staff requirement and compensation schedule

Category	Staff	Rate /hr	Hrs/day	Daily	Monthly	Annual
ECE Level 1	5	\$17.00	8	\$680	\$13,600	\$163,200
ECE Level 2	4	\$18.00	8	\$576	\$11,520	\$138,240
ECE Level 3	3	\$25.00	8	\$600	\$12,000	\$144,000
Director	1	\$35.00	8	\$280	\$5,600	\$67,200
Total	13	-	104	\$2,126	\$42,720	\$512,640

VI. EXPANSION STRATEGY

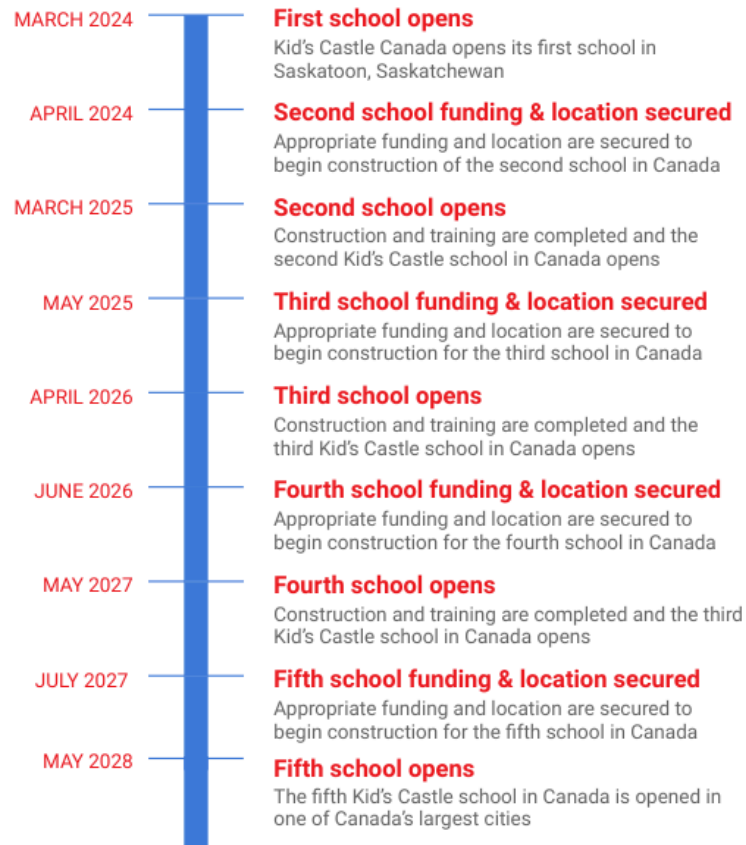
School Expansion

Although Kid's Castle International already operates 526 schools around the world, the school in Saskatoon will be the first in Canada and the beginning of a large plan for expansion throughout the country.

The plan for expansion will begin approximately one year after operation of the first school to ensure that the first school is running properly before making commitments to open a second school. If enough demand exists in Saskatoon for a second Kid's Castle school, the expansion will begin within the city rather than moving to another city or province. Opening a secondary school in Saskatoon reduces risk, simplifies the opening process and also allows for easy sharing of resources between schools.

Once a second school has opened in Saskatoon, Kid's Castle plans to continue expansion at a rate of one new school per year. The subsequent schools will either be built in Saskatoon, the surrounding area of Saskatoon, or other large centers within Saskatchewan like Regina or Prince Albert depending on demand and market conditions. After Kid's Castle has adequately served the province of Saskatchewan, it will expand to other provinces in Canada with hopes of opening a large center in one of the major cities like Vancouver or Toronto, approximately five years after its first opening in Saskatoon.

Expansion timeline:



While the first five years of operation in Canada will mostly focus on expansion within Saskatchewan followed by other provinces in later years, there are also plans to expand to providing educational centers for older age groups. Like Kid's Castle International, Kid's Castle Canada would eventually like to operate private schools to students ages 6-18 and allow its ECE facilities to serve as feeder schools to those private schools.

One additional expansion plan that Kid's Castle Canada would like to achieve is to provide bilingual schools that offer English and an alternate language other than French such as Mandarin Chinese, Hindi, or Tagalog depending on each region's demographic. The schools that provide bilingual curriculums using languages other than French as a secondary language will also include specific language classes outside of the main curriculum languages.

VII. FINANCIAL OVERVIEW

Capital Requirements

The main startup costs for Kid's Castle are expected to be the leasehold improvements made to the building to make it suitable for use as a child care and ECE facility. Outside of leasehold improvements, the other main startup costs will be advertising, wages for training, and acquiring teaching materials and equipment.

KID'S CASTLE CANADA		
Startup Cost Schedule		
March 2023		
Expenditure	Low	High
Franchise fee	\$55,000	\$55,000
Lease security deposit	\$10,000	\$15,000
Utility deposits	\$1,000	\$3,000
Leasehold improvements	\$55,000	\$165,000
Initial curriculum material	\$30,000	\$50,000
Computer equipment/software	\$15,000	\$30,000
Insurance	\$6,000	\$10,000
Office equipments/supplies	\$15,000	\$30,000
Signage	\$12,000	\$20,000
Training	\$13,000	\$31,000
Exterior furniture	\$52,000	\$78,000
Interior furniture	\$115,000	\$166,000
Grand opening advertising	\$15,000	\$15,000
Licenses and permits	\$3,000	\$5,000
Accounting and legal fees	\$3,000	\$5,000
Operating reserve	\$105,000	\$176,000
Total	\$505,000	\$854,000

In addition to capital requirements for startup expenditures, Kid's Castle Canada will require a reserve fund of between \$105,000 to \$176,000 upon the beginning of school operations to cover basic operating expenses such as rent, food, and wages which will account for approximately 75% of the annual spending

Devin and Lucas will provide an initial capital investment of \$100,000 and seek a business loan of \$750,000. In 2023, there will be no revenue and total expenditures of approximately \$700,000.

Cash Flow Projections

Using financials from a comparable school in Phoenix, Arizona along with adjustments for operating costs using Saskatoon rates, Kid's Castle Canada is expected to become cash-flow positive once classes begin. Due to the long wait lists for ECEs, Kid's Castle plans to have 80 students registered for the beginning of classes in January of 2024.

In 2023, there will be no revenue and the only cash inflows will be the \$80,000 provided by Devin and Lucas, as well as a \$700,000 business loan. A \$55,000 fee will be charged in 2023 as a Franchise Fee from Kid's Castle International and other licenses and permits are expected to be approximately \$4,000.

The main outflows for 2023 will include: wages for training staff, rent, leasehold improvements to prepare the facility, loan payments, materials and equipment and furniture. Once classes begin in 2024, expected monthly revenue will be just over \$100,000 assuming the school maintains 80 students out of the maximum capacity of 90. Monthly expenses will be approximately \$90,000 with the majority coming from food, rent and wages, followed by royalties, loan payments, and board salary.

Kid's Castle Canada is expected to pay royalties to Kid's Castle International in the amount of 6% of gross revenue. A monthly fee must be paid for the global advertising fund which is calculated at 2% of gross revenue. Kid's Castle International will also require a monthly fee for information technology expenses which is a flat fee of \$250 per school.

Expenses such as rent, utilities, janitorial, and loan payments will be paid monthly with a fixed value. Expenses such as food, supplies, and accounting will vary month-to-month and are averaged-out on the statements of cash flows.

Cash Flow Projection												
(January 1, 2023 - December 31, 2023)												
YEAR 1												
	1/2023	2/2023	3/2023	4/2023	5/2023	6/2023	7/2023	8/2023	9/2023	10/2023	11/2023	12/2023
Cash Inflow												
Infant Tuition	0	0	0	0	0	0	0	0	0	0	0	0
Toddler Tuition	0	0	0	0	0	0	0	0	0	0	0	0
Preschool Tuition	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	100,000	700,000	0	0	0	0	0	0	0	0
Total Inflow	0	0	100,000	700,000	0	0	0	0	0	0	0	0
Cash Outflow												
Rent	0	0	0	0	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Wages	0	0	0	0	0	0	0	0	0	42,720	42,720	42,720
Board Salary	0	0	0	0	3,359	3,359	3,359	3,359	3,359	3,359	3,359	3,359
Insurance	0	0	0	0	500	500	500	500	500	500	500	500
Utilities	0	0	0	0	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Janitorial	0	0	0	0	0	0	0	0	0	0	1,600	1,600
Supplies	0	0	0	0	0	0	0	0	0	0	300	300
Accounting	0	0	0	500	500	500	500	500	500	500	500	500
Advertising	0	0	0	0	0	600	600	600	600	600	600	600
IT Fee	0	0	0	0	0	0	0	0	250	250	250	250
Repairs/Maintenance	0	0	0	0	0	0	0	0	150	150	150	150
Loan Payment	0	0	0	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940
Leasehold Improvements	0	0	0	0	0	35,000	62,000	15,000	4,000	-	-	-
Franchise Fee	0	0	55,000	0	0	0	0	0	0	0	0	0
Deposits	0	0	0	0	12,000	2,000	0	0	0	0	0	0
Materials/Equipment	0	0	0	0	0	0	0	0	20,000	40,000	0	0
Licenses/Permits	0	0	0	1,000	1,500	550	0	0	0	0	0	0
Furniture	0	0	0	0	0	0	52,000	116,000	0	0	0	0
Total Outflow	0	0	55,000	7,440	37,900	62,550	139,000	156,000	49,400	108,120	70,020	70,020
Net Cash Flow	0	0	45,000	692,560	(37,900)	(62,550)	(139,000)	(156,000)	(49,400)	(108,120)	(70,020)	(70,020)
Closing Balance	0	0	45,000	737,560	699,660	637,110	498,110	342,110	292,710	184,591	114,571	44,551

Cash Flow Projection												
(January 1, 2024 - December 31, 2024)												
	YEAR 2											
	1/2024	2/2024	3/2024	4/2024	5/2024	6/2024	7/2024	8/2024	9/2024	10/2024	11/2024	12/2024
Cash Inflow												
Infant Tuition	23,250	23,250	23,250	23,250	23,250	23,250	23,250	23,250	23,250	23,250	23,250	23,250
Toddler Tuition	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Preschool Tuition	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total Inflow	102,250	102,250	102,250	102,250	102,250	102,250	102,250	102,250	102,250	102,250	102,250	102,250
Cash Outflow												
Rent	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Wages	42,720	42,720	42,720	42,720	42,720	42,720	42,720	42,720	42,720	42,720	42,720	42,720
Board Salary	3,359	3,359	3,359	3,359	3,359	3,359	3,359	3,359	3,359	3,359	3,359	3,359
Insurance	500	500	500	500	500	500	500	500	500	500	500	500
Utilities	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Food	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Janitorial	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Supplies	300	300	300	300	300	300	300	300	300	300	300	300
Accounting	500	500	500	500	500	500	500	500	500	500	500	500
Advertising	600	600	600	600	600	600	600	600	600	600	600	600
Royalties	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135
Advertising Fund	2,045	2,045	2,045	2,045	2,045	2,045	2,045	2,045	2,045	2,045	2,045	2,045
IT Fee	250	250	250	250	250	250	250	250	250	250	250	250
Repairs/Maintenance	150	150	150	150	150	150	150	150	150	150	150	150
Loan Payment	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940
Materials/Equipment	600	600	600	600	600	600	600	600	600	600	600	600
Licenses/Permits	0	0	250	0	0	0	0	0	0	0	0	0
Total Outflow	90,799	90,799	91,049	90,799	90,799	90,799	90,799	90,799	90,799	90,799	90,799	90,799
Net Cash Flow	11,451	11,451	11,201	11,451	11,451	11,451	11,451	11,451	11,451	11,451	11,451	11,451
Closing Balance	56,001	67,452	78,653	90,103	101,554	113,005	124,455	135,906	147,357	158,807	170,258	181,709

Cash Flow Projection												
(January 1, 2025 – December 31, 2025)												
YEAR 3												
	1/2025	2/2025	3/2025	4/2025	5/2025	6/2025	7/2025	8/2025	9/2025	10/2025	11/2025	12/2025
Cash Inflow												
Infant Tuition	23,250	23,250	23,250	23,250	23,250	23,250	23,250	23,250	23,250	23,250	23,250	23,250
Toddler Tuition	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Preschool Tuition	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total Inflow	102,250	102,250	102,250	102,250	102,250	102,250	102,250	102,250	102,250	102,250	102,250	102,250
Cash Outflow												
Rent	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Wages	42,720	42,720	42,720	42,720	42,720	42,720	42,720	42,720	42,720	42,720	42,720	42,720
Board Salary	3,359	3,359	3,359	3,359	3,359	3,359	3,359	3,359	3,359	3,359	3,359	3,359
Insurance	500	500	500	500	500	500	500	500	500	500	500	500
Utilities	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Food	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Janitorial	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Supplies	300	300	300	300	300	300	300	300	300	300	300	300
Accounting	500	500	500	500	500	500	500	500	500	500	500	500
Advertising	600	600	600	600	600	600	600	600	600	600	600	600
Royalties	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135	6,135
Advertising Fund	2,045	2,045	2,045	2,045	2,045	2,045	2,045	2,045	2,045	2,045	2,045	2,045
IT Fee	250	250	250	250	250	250	250	250	250	250	250	250
Repairs/Maintenance	150	150	150	150	150	150	150	150	150	150	150	150
Loan Payment	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940	5,940
Materials/Equipment	600	600	600	600	600	600	600	600	600	600	600	600
Licenses/Permits	0	0	250	0	0	0	0	0	0	0	0	0
Total Outflow	90,799	90,799	91,049	90,799	90,799	90,799	90,799	90,799	90,799	90,799	90,799	90,799
Net Cash Flow	11,451	11,451	11,201	11,451	11,451	11,451	11,451	11,451	11,451	11,451	11,451	11,451
Closing Balance	193,159	204,610	215,810	227,261	238,712	250,162	261,613	273,064	284,514	295,965	307,416	318,866

KID'S CASTLE CANADA 3-Year Income Statement

(January 1, 2023 - December 31, 2025)

INCOME					
Item	Rate	2023	2024	2025	3-YR TOTAL
Infant Tuition	1,550	0	279,000	279,000	\$558,000
Toddler Tuition	1,250	0	300,000	300,000	\$600,000
Preschool Tuition	1,200	0	648,000	648,000	\$1,296,000
Other	-				
Total Income		\$0	\$1,227,000	\$1,227,000	\$2,454,000

EXPENSES					
Item	Rate	2023	2024	2025	3-YR TOTAL
Rent	12,000	96,000	144,000	144,000	\$384,000
Wages	42,720	128,160	512,640	512,640	\$1,153,440
Board Salary	3,359	26,876	40,308	40,308	\$107,492
Insurance	500	4,000	6,000	6,000	\$16,000
Utilities	2,100	16,800	25,200	25,200	\$67,200
Food	12,000	0	144,000	144,000	\$288,000
Janitorial	1,600	3,200	19,200	19,200	\$41,600
Supplies	300	600	3,600	3,600	\$7,800
Accounting	500	4,500	6,000	6,000	\$16,500
Advertising	600	4,200	7,200	7,200	\$18,600
Royalties	6%	0	73,620	73,620	\$147,240
Advertising Fund	2%	0	24,540	24,540	\$49,080
IT Fee	250	1,000	3,000	3,000	\$7,000
Repairs/Maintenance	150	600	1,800	1,800	\$4,200
Loan Payment	5,940	53,463	71,284	71,284	\$196,032
Leasehold Improvements	-	116,000	0	0	\$116,000
Franchise Fee	55,000	55,000	0	0	\$110,000
Deposits	-	14,000	0	0	\$14,000
Materials/Equipment	-	60,000	7,200	7,200	\$74,400
Licenses/Permits	-	3,050	250	250	\$3,550
Furniture	-	168,000	0	0	\$168,000
Total Expenses		\$755,449	\$1,089,842	\$1,089,842	\$2,822,134

NET INCOME				
	2023	2024	2025	3-YR TOTAL
Net Income	-\$755,449	\$137,158	\$137,158	-\$368,134

KID'S CASTLE CANADA

Balance Sheet

As of December 31st

ASSETS

Current Assets	YEAR 1	YEAR 2	YEAR 3
Cash	\$44,551	\$181,709	\$318,866
Accounts receivable	\$0	\$0	\$0
Other	\$14,000	\$14,000	\$14,000
Total Current Assets	\$58,551	\$195,709	\$332,866
Fixed Assets			
Leasehold improvements	\$81,200	\$56,840	\$39,788
Equipment/Furniture	\$159,600	\$111,720	\$78,204
Accumulated depreciation	\$103,200	\$175,440	\$226,008
Intangible assets	\$55,000	\$55,000	\$55,000
Total Fixed Assets	\$399,000	\$399,000	\$399,000
TOTAL ASSETS	\$457,551	\$594,709	\$731,866

LIABILITIES AND SHAREHOLDER'S EQUITY

Liabilities	YEAR 1	YEAR 2	YEAR 3
Accounts payable	\$0	\$24,890	\$24,890
Taxes payable	\$0	\$20,574	\$20,574
Bank loan	\$631,528	\$605,284	\$577,068
Total Liabilities	\$631,528	\$650,747	\$622,531
Shareholder's Equity	YEAR 1	YEAR 2	YEAR 3
Retained earnings	-\$273,977	-\$156,039	\$9,335
Contributed capital	\$100,000	\$100,000	\$100,000
Total Shareholder's Equity	-\$173,977	-\$56,039	\$109,335
TOTAL LIABILITIES AND EQUITY	\$457,551	\$594,708	\$731,866