

A serious business, making science fun



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What is Little House of Science?

The Little House of Science franchise offers entrepreneurs like you a proven opportunity to target £78,000 in Year One and to grow quickly to target over £145,000.

Little House of Science offers weekly after-school maths and science workshops for children ranging from 3 to 11 years of age as well as experiential sessions for babies and toddlers from 6 months.

We differ from others because we take our sciences seriously, whilst making our classes fun. Our little scientists get **hands-on** learning sophisticated maths and science, instead of just watching us make things go 'pop' and 'bang'.

Little House of Science has proven that parents prefer to choose after-school classes their children will learn from and grow in. Of course, parents also want their children to enjoy the extra activities they are paying for – but with so many choices available they want value for money too.

Little House of Science offers parents that value for money because our workshops are designed to develop children's love and understanding of the sciences and so to accelerate their achievement and performance in school in our subjects. The interesting thing we have learned is that children want the same thing.

Children are more intelligent than our competitors give them credit for; they know the difference between simply being entertained and developing new skills that benefit them. Youngsters certainly want to have fun but they're also naturally curious and have a real hunger to learn.

So our children enjoy our workshops and feel more rewarded by getting involved and 'doing' maths and science for themselves instead of watching an adult do it for them.

Thus our reputation has grown quickly as a company with a serious interest in our children – making Little House of Science a better choice for parents and for their children.

Little House of Science has partnered with leading institutions such as The Institute of Physics for our annual Little Science Award – which is open to all nationally. Professor Brian Cox OBE supported us by signing the Awards for the winners of the Little Science Award 2015. Little House of Science has also had specially arranged family days together with the Science Museum in London.



The main Little House of Science programmes

Franchisees enjoy higher potential turnover because we have more programmes than our competition. These include:



Little Discovery (Age 6-12 months and 12-24 months):

These experiential sessions help babies to learn and develop by stimulating their senses with new sounds and rhythms, materials, objects, colours and shapes. At the same time, we start to introduce them to numbers, animals, plants, bugs, stars and more.



Little Maths, Rhythm & Shapes (Ages 2-3 years and 3-4 years):

This programme is also based on an experiential learning, using activities, music, rhythm and shapes to help build children's confidence in understanding quantities and to build from learning numbers 1 to 10. In these classes we also introduce children to the sea world, transport, arctic animals, bugs, planets, dinosaurs and more.



Little Science (Ages 3-4, 4-7 and 5-8 years)

Little science is a weekly project-based workshop class that uses fun and interactive learning, hands-on props and experiments in small groups to help children develop their knowledge of important sciences about life, the Earth, space, motion and gravity and great scientists including Galileo, Leonardo da Vinci and Newton. We recognise that children have a hunger to learn so we cover topics as challenging as understanding sound, electromagnetism, the brain, life-cycles and sessions include a take home project and ongoing parental notes.



More Little House of Science programmes

More programmes for franchisees to profit from include:



Big Science (Ages 8-11 years)

Big science is the next step for our young scientists and also offers weekly project-based workshops but in them we nurture a deeper understanding of science to build on what children have learned at school. These sessions are taught by qualified science teachers and include even more practical demonstration, interactive learning and hands-on experiments for further analysis of Life, Earth and Physical sciences and engineering. Big Science encourages children to ask more questions and so feeds their growing curiosity and enjoyment of science. Take home projects and parental notes are also included.



The LHS Academy (Ages 12-13+)

Coming soon, the LHS Academy provides high-level tutoring that enhances and develops scientific understanding to support older children in-line with the GCSE syllabuses in Chemistry, Physics, Biology and Maths they are about to start.



Little House of Science - Science fairs and shows

As well as our own scheduled classes, Little House of Science also runs science fairs, events, and one-off shows in schools and nurseries.

These special events are lucrative in their own right and can introduce an entire school to everything that Little House of Science offers in its other programmes.



Even more Little House of Science programmes

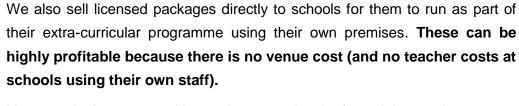
Even more programmes for franchisees to profit from include:





We have created fantastic activities, projects and demonstrations that have become extremely popular for children's birthday parties. Parents love our party packages because they are a worthwhile way to keep children entertained. Our parties can also provide good income for franchisees because if one child in a class wants one, many of their friends will too.

Licensed and in-school programmes



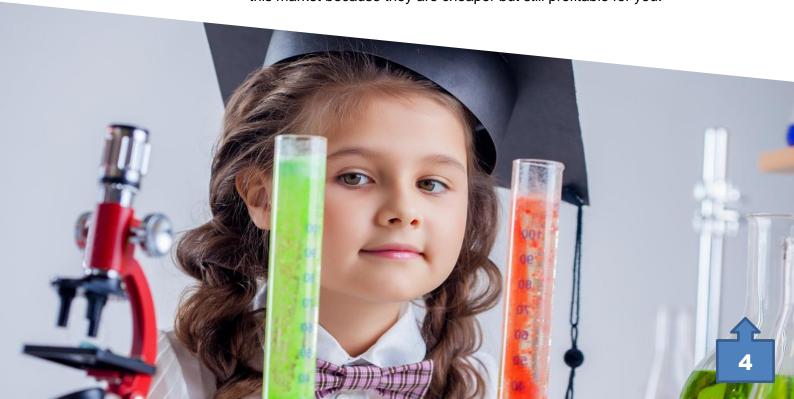
Licenses don't compete with our classes and make financial sense because:

- a) We don't promote licenses to schools we'd target for our own classes;
- b) We get Little House of Science to far more children in those schools than we could with our own classes alone;
- c) Schools pay for the licenses upfront and then recharge classes to parents, so these sales bolster your cash flow.
- d) The schools can charge less so our classes reach a larger market.

There are over 16,700 primary schools in the UK serving about 4.5m primary-age pupils; if just 1 pupil in every class of 20 were enrolled in any after-school science workshop then **more than 15,000 weekly classes would be needed.**

In-school and licensed programmes mean you can serve a **larger share** of this market because they are cheaper but still profitable for you.





Our history and team

Little House of Science was founded in London by three successful women who recognised the demand from parents and children for a more serious approach to learning maths and science that was still fun.

As mums and godparent to one boy and three girls between them, the three directors (Veronika Covington, Liliana Crachilova and Elisabeth Keck) wanted their own children to explore and discover the world around them in an environment that was more active, hands-on and stimulating than anyone else was offering in the market.

They thus created Little House of Science to bring a higher standard of science to their community in

a more robust format.

Starting with just a handful of workshops, Little House of Science was an instant hit and grew quickly to 27 classes serving up to around 320 students after its first year – and it hasn't stopped growing since.

All three partners also have substantial business experience that they share with franchisees.

Veronika Covington and Elisabeth Keck were founders and co-directors of The Center for Interactive Financial Training (CIFT) offering direct and online training to the City. When they sold CIFT to concentrate on this business, it was valued at £15m.

The team of consultants and solicitors advising head office are all Affiliate Members of the British Franchise Association and dedicated to ensuring that this ethical franchise meets and exceeds all the codes of ethics of the BFA.

So, by joining Little House of Science, you get the best of both worlds: A team that is passionate about teaching better science that also has the proven commercial skills to help ensure your business can be highly successful.





What is the franchise?

Little House of Science is just as serious about the opportunity we offer franchisees, as we are about making learning fun.

With us, you can have a bigger and more profitable business:

Ours is a management franchise:

- We are looking for franchisees with the desire to run a growing business.
- You can build a large business of 10 to 40 weekly classes and 100 to 600 students.
- You will grow a team of teachers to host those classes, with our help.
- Because you don't need to be present in those classes, you can open and fill many more classes than other franchises.
- Classes are hosted at select third-party venues, so you don't need premises and can run many classes at the same time.
- We can charge more in the market because parents know we offer better value.
- So your business can be bigger and your profits higher.

We have proven that by focussing on developing your company, teaching team, host venues and classes you can be more successful than if you were limited to the few students you could teach yourself.

Of course, the business is personally rewarding too: It's very satisfying to become a leader in an ethical business that benefits your community and its children.

It's simple to join us

We offer **everything** you need to create a leading Little House of Science business, in one simple and affordable Franchise Package.

You get fantastic support and care

At Little House of Science, we are absolutely committed to developing higher standards of national after-school education because parents deserve the very best for their children.

We ensure this by giving all of our franchisees the highest level of support and care – not only when you join but every day in your new business.

We are not interested in just selling a franchise – we want to help you build a very successful company, so your students get the best.

Want to start with even less cost and less risk?

If you have the skills or experience to teach, you can start your business without any staff by teaching the first classes yourself.

Then, when you have a couple of classes started and doing well, we can help you recruit teachers, so you can then concentrate on management and growing your business!



Advantages over other businesses:

- Initial investment is low and returns can be high because you don't need to start with premises or much special equipment or stock.
- Ours is a 'turnkey' franchise that includes everything you need to start trading in one package, so you don't waste time and money setting up.
- Because we are serious about working with the best franchisee partners, we will return your investment (less costs incurred) should you change your mind during training or at any stage before your package is delivered.
- Little House of Science is proven and you can come to see classes in action before you commit to joining us.
- Because classes don't depend on your own availability, your business is more sustainable.
- You can enjoy the profits from your business and spend more quality time with your own family, because your classes and income continue even when you're away.
- Your business may be worth more to sell in the future, because once you have built it up, the buyer can take over and continue growing without your input.
- We have a vested interest in your success, so you get better ongoing support and care from us than you might from many other franchises.

Advantages over other kid's franchises:

- Parents AND children prefer our hands-on classes to 'whizz-bang' displays others offer.
- As a management franchise, your Little House of Science can be more lucrative.
- We set you up to succeed as a serious corporation with high potential returns.
- We include 210 schools to target in each territory when you start – but you can easily add more.
- We operate programmes from age 6 months through to 11 years, so kids stay with us.
- You can earn **both** from your own classes and by selling packages directly into schools.
- Your own classes will target higher income families, whilst in-school packages and shows can be cheaper and so cover more of the mass market.
- We have developed summer and schoolholiday programmes and annual spreadpayment plans so your cash flow is less affected outside term-time.
- Our business has been encouraged by the support and participation of famous scientists and major scientific institutions that parents and their children know – which helps bolster your sales and demonstrates how much more serious we are about our science.



Financial Rewards

An ethically-founded quality business deserves to make serious money. We believe you can only offer the best education-enhancing service if your business is strong and profitable.

With Little House of Science you can make more because:

- Parents are willing to pay more because their children really benefit.
- Parents sign up for a whole term or year not just one class at a time.
- Workshops cover ages up to 11yrs, so you can earn throughout a child's primary education.
- Our holiday classes, events and activities mean your income continues when school's out.
- Parents commit by term or year (except for holiday programmes) with payment upfront or by monthly instalment, so cash flow is attainable throughout the year.
- You can sell licensed content directly to schools you can't yet cover with your own classes.
- You will enjoy additional income from parties and Little House of Science merchandise.

Potential turnover:

This table gives an indication of different levels of turnover depending on the number of classes running, number of students enrolled and licenses sold¹. Our own business actually grew to 23 classes after its first full year with fees of up to £275 per child per term (figures below modelled on a lower fee).

Item	Example Yr.1	Example Yr.2	Example Yr.3
Workshops	10	20	25
Terms	3	3	3
Average class size	12	12	12
Average term fee/child	£ 200	£ 200	£200
Class income	£ 72,000	£ 144,000	£ 180,000
License sales	5	15	20
License fee per term/child	£ 100	£ 100	£ 100
Average class size	10	10	10
License income	£ 5,000	£ 15,000	£ 20,000
Parties	£ 900	£ 2,300	£ 3,400
Total Sales p.a	£ 77,900	£ 161,300	£ 203,400

To be conservative, additional sales of holiday activities and merchandise are not included above.

¹ The figures quoted in this prospectus are as indicative examples only and are based on proven sales of the company-owned pilot unit in London up to 27 classes before license and party income and modelled thereafter. Any figures quoted in this prospectus are not intended to suggest what any one franchisee will actually make because that may vary with local demand, conditions and the activity of the franchisee and are subject to change against current sales and market prices, which may have changed since going to press.

Potential Profits

The profit you can make will depend on how efficiently you run your business and the costs in your local area. We will of course help you to operate as economically as possible to retain our high standards.

The following is an example of potential profits for a single private session at different prices to reflect different potential fees in different parts of the country.

(The first column shows London prices and costs, the other columns show potential pricing and costs adjusted for regional wealth compared with London).

Example City	London	Oxford	Southamp ton	Leeds	Cardiff
Relative wealth compared to London (index)	100	91	82	68	56
London (maex)					
Income					
Average fee per child per term	£ 240	£ 218	£ 197	£163	£134
Average class size	12	12	12	12	12
Income per term for each class	£ 2880	£ 2616	£ 2364	£ 1956	£ 1608
Number of sessions per term	10	10	10	10	10
Income per session	£ 288	£ 262	£ 236	£ 196	£ 161
Per session costs	£	£	£	£	£
Teachers & Assistants including	55	50	45	38	31
teaching, preparation & NI					
Venue	30	25	20	20	20
Consumables	27	27	27	27	27
Other	5	5	5	5	5
Total costs per session	£ 117	£ 107	£ 97	£ 90	£ 83
Gross profit per session	£ 171	£ 155	£ 139	£ 106	£ 78
Gross profit percent (in this	59%	59%	59%	54%	48%

The above details all variable costs and direct staff costs before the costs of marketing and running your home office.

The above is for your own private lessons; the profitability from sales of licensed content will vary depending on the price you negotiate with the schools you sell into. If you were to sell at around £150 (per student, per term) as we do and a school bought licenses for 10 students, then you may turnover around £1,500 per term per class and thus about £150 per session. Providing only standard consumables, your gross profit could target around £120 per licensed session if without teaching costs.

Regional pricing

We are happy to adjust pricing so that it works for you in your city.

In London, we charge up to £275 per child per term, but have high costs. The above table shows you will still be profitable in other cities even at £134, (half our charge).

We'll help you to set an attractive price for the best balance between retaining our premium image and getting you high sales.

Is it difficult to run?

Every new business requires hard work and dedication to grow into something that provides the standard of living and rewards you may aspire to. Little House of science is no different.

At the same time, our business model is simple and we have systemised everything to make things as easy as possible:

- We provide everything you need in one affordable turnkey package.
- We train you over 3 weeks in every aspect of running your business.
- We assist you finding and recruiting your teaching team.
- · We train your teaching team.
- We provide all the lesson plans and consumables.
- We can help you choose and negotiate with venues.
- We support your launch, provide launch marketing and can even accompany you on your first sales of licensed content to schools.
- We visit to support organisation of your first workshop sessions.
- We are available all day, every day, to offer the support and advice you need.
- Office and customer systems, including invoicing and payments are all computerised and easy to use.





If you are willing to put in the hard work, running your new business will not be difficult.



Who are you looking for?

We are looking for entrepreneurial individuals and families who are ambitious and seeking to develop healthy returns from the business of making learning science fun.

Do I need any experience?

You don't need any experience or specific experience of teaching or science to succeed in Little House of Science.

As management franchisee, you will concentrate on building your business and we will help you choose and recruit a team that will hold the classes and teach the science.

(Although you can start by teaching classes yourself, to keep costs down).

You need to be personable, approachable, genuinely interested in excellent children's education and to be a good manager of people, organisation and time.

We are looking for people with real passion to make a difference and to succeed, whatever their experience.

What does it cost?

We charge only £6,080 + VAT to join the franchise for your initial territory of around 210 schools.

To that you will need to add our turnkey package of all the set up equipment, services, marketing and training you need, which is another £16,600+VAT

Total is thus £22,680 + VAT (£27,220 including VAT, but you will get the VAT back, once registered).

We can assist you to approach the banks for funding and you will find that they are very willing to lend 50% to franchisees (subject to status).

Thus you may only need £11,340 + VAT.

Our Management Service Fees are only 8% of your turnover and advertising levies only 1%.

Or consider our lower-priced 'Discovery' package!

If you prefer your new business to concentrate on the simpler youngest classes (i.e. 0-3yrs) without any older (4yrs+) classes, we can offer this for just £14,950+VAT, so you would only need £7,500 + VAT as your investment (if 50% loaned).

You will still get the same care and excellent training in the future (at a future fee).

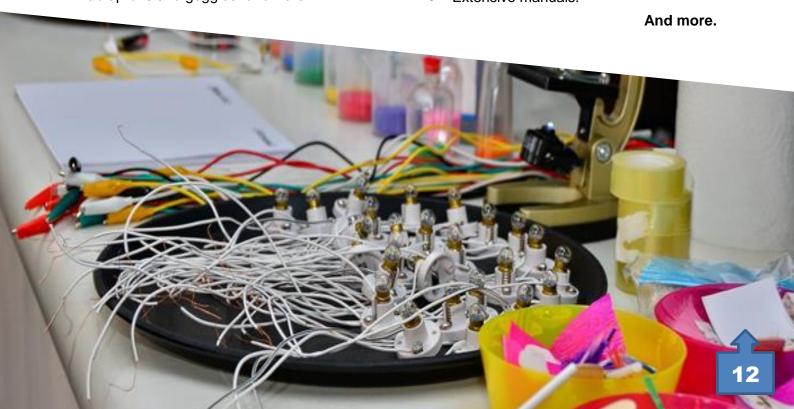


What do I get for my money?

We want you to concentrate on building a successful new business and so we provide everything you need to start trading (up to our recommended levels) in our package to save you money and time. **Including**:

- Office software.
- Management software.
- Software support and training.
- Printer.
- Laminator.
- Workshop cases and teacher courier bags.
- Lab PPE sets.
- Initial pack of 60 lesson plans.
- Risk assessments pack.
- 2 microscopes.
- Volcano experiment kit.
- Plasma ball.
- Newtonian Wheel.
- Party equipment.
- Initial party pack of consumables.
- Show and science-fair equipment.
- Experiential equipment pack.
- Initial stock of class materials.
- Little Maths kit.
- Little Science experiment kits (pipettes, petri dishes, magnifiers, beakers, magnets, text books, etc.)
- Lab aprons and goggles for children.

- Stationery.
- Venue assistance and approval.
- Corporate Set Up.
- VAT registration.
- DBS checks for you and staff.
- First aid course per teacher.
- Accounts package and training.
- Leaflet holders (for sessions).
- Plastic banners.
- A-board.
- Branded decals, posters and etc.
- Vehicle livery (magnetic, for teachers)
- Adult lab coats.
- Uniforms (for teachers).
- Security badges (for teachers)
- · Launch marketing event.
- Launch advertising.
- 20,000 leaflets.
- Social media and online setup.
- · General stationery.
- 3 weeks franchisee training.
- 4 teacher-induction training courses.
- Extensive manuals.



Territories and exclusivity

The standard joining fee gives you a territory of 210 schools (about 67,500 primary-school aged population) to launch up to 10 of your own classes to start with. You can easily expand your territory at any time for a one-off cost of £608+VAT per 21 schools (= 1 additional private class).

Your territory is completely exclusive. You will be the only Little House of Science business in your territory that can advertise, hold classes and sell our licensed content, products and services.

Can I grow my business?

We intend to rollout up to 120 franchisees in territories containing all 16,700+ primary schools in the UK.

We would prefer to encourage and work with the best franchisees to establish 40 classes each (i.e. each covering a territory of 840 schools) or more. If every franchisee grew to 40 classes, we could cover the country with less than half the number of franchisees. So we would be very interested to support you, when you are ready to get bigger.

The standard initial joining fee gives you license to develop 10 of your own classes but you can pay one-off fees to add more classes whenever you like. There is no limit on the number of licensed-content packages you sell into schools in your territory.

Those that want to expand across a larger region can simply buy into the territories around them and we can also discuss option agreements to hold those territories until you are ready to expand.

On the other hand, there is no pressure from us to grow if you want to stay with one territory and the first 10 classes.

Can I sell my business?

Yes, our contract allows you to sell your business whenever you want, as long as we can approve the new buyer.

Because this is a lucrative management franchise that doesn't depend on your involvement with classes or teaching, you may enjoy quite a good return should you decide to sell it in the future.



How will you look after me?

An ethical franchisor should only really make its money when its franchisees are successful – that is why we charge no minimum monthly fee and no annual fee.

Our main income is from the management fees we charge to support you; as they are a percentage of your turnover, it's in our interest to help you develop the best performance.

We support you in all of the following ways:

- Completely transparent discussions about our existing business and the pricing of the franchise.
- Provision of a third-party to assist you throughout your consideration of our franchise.
- Assistance approaching the banks for funding and finance.
- A franchise agreement drawn up by a solicitor affiliated to the British Franchise Association.
- Extensive business training and mentoring including professional third party training.
- Induction training for your teaching team.
- Mentoring in your territory when you start, so you are cared for until you are confident.
- An ongoing CPD training program and loyalty program for your staff.
- Initial six-month business coaching program to get your business started in the best possible way over the first 6 months.
- Monthly visits to discuss and assist your development.
- Quarterly business development meetings.
- Annual business review and planning.
- Assistance with finding and recruiting your staff.
- Technical and advisory database to assist in your day to day operation and to solve common operational questions.
- Ongoing analysis and benchmarking of performance so that we can work to support the opportunities, trends or threats you face.
- 24/7 access to business, operational and technical support from the support office.
- A dedicated relationship manager to care for your needs and interaction with us and our suppliers.
- Anything else you may need on a fair and mutually beneficial basis, when you need it.



Want to learn more?

There is no cost or obligation to finding out more.

In fact, there's no hard-sell at all. We aren't interested in just recruiting franchisees – we only want to expand with likeminded partners that will be successful and so reinforce the quality of our brand.

You can contact us to learn more or to simply book a place on one of our fun and informative Little House Discovery Days, which we hold once a month in London.

Our discovery days are completely free, informal and well attended, so they won't cost you anything and you won't be alone.

At them, we present the opportunity and financials in more detail, give you a chance to see what we do and to meet our team and provide a tasty lunch while we answer any further questions.

Get in touch

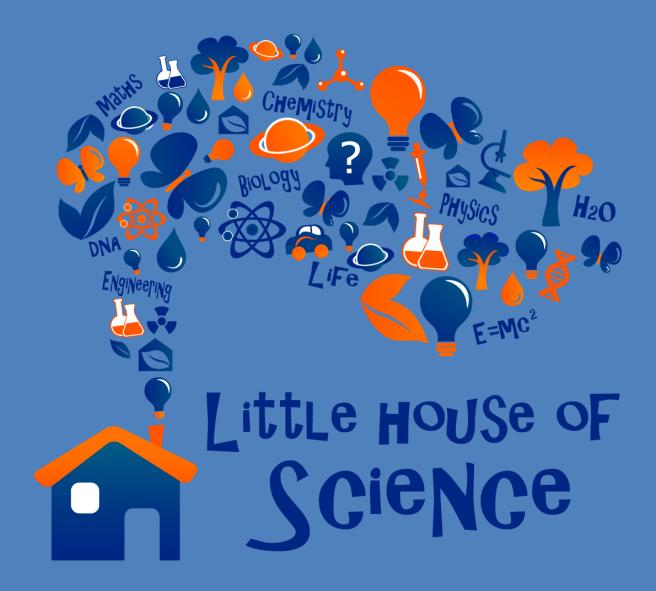
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