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Business Plan
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Payschool Pty Ltd

An Australian Proprietary Company

SUPER, SIMPLE SCHOOL PAYMENTS

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FORWARD LOOKING STATEMENTS

This Memorandum contains certain forward-looking statements concerning the Company's future operations, economic performance, financial condition, and financing plans, including such things as business strategy and measures to implement that strategy, competitive strengths, and goals, growth of the Company's business and operations, and references to possible future success.

These statements are based on certain assumptions and analyses made by the Company in light of the Company's experience and its perception of historical trends, current conditions, and expected future developments, as well as other factors the Company believes are appropriate in the circumstances. Such forward-looking statements are subject to risks, uncertainties, and other factors, which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. The most significant of such risks, uncertainties and other factors are discussed under the heading "Risk Factors" of this Memorandum. Consequently, all the forward-looking statements made in this Memorandum are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company or its business or operations.



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2013 Startup and expansion plan

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TABLE OF CONTENTS

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EXECUTIVE SUMMARY	2
Introduction.....	3
The Concept	3
Mission Statement	4
Vision	4
Industry	4
Expansion Plan.....	5
Key Operational Processes	5
Sales Forecast Summary	5
Business Model.....	6
Capital Requirements.....	6
Start-up Summary.....	6
Marketing Activities Summary.....	6
PRODUCT	6
Features	7
MARKET RESEARCH & ANALYSIS	7
Market Size and Growth Projections	8
Target Market Segment.....	9
Customer Analysis	9
Target Customers.....	9
Innovation, Competitive Advantage & Unique Selling Point.....	9
MARKETING PLAN	10
Entry and Growth Strategy	10
Promotion	10
Online Advertising.....	10
Free Publicity in Web Pr Sites	11
MANAGEMENT TEAM	11
Organizational Chart	11
Management Team	11-12
EXIT STRATEGY	13
Acquisition.....	13
Initial Public Offering (IPO)	13
Strategic Merger (Friendly Sale)	13
THE FINANCIAL PLAN	14
Profit and Loss Statement.....	14
Balance Sheet.....	15
Cash Flow Statement.....	16
Sales Forecast	16
Ratios.....	17
RISK FACTORS	18

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EXECUTIVE SUMMARY

PaySchool is an Australian-based, Proprietary Limited enterprise focused on development and delivery of an easy payment system for parents and schools. The Company aims to achieve a preminent position in this channel based on the concept of cultivating an atmosphere where both consumer segments (parents and schools) have a user-friendly portal which they can make and receive payments through a safe encrypted system.

The business model of the Company is formed on thorough research by the founders of the Company which has shown a demonstrated need for the PaySchool technology, and has been conceived on the concept of effective services, combined with a loyal and recurring customer base. The Company's primary goals is to establish a safe online payment portal while creating a process which is easier for parents and schools to carry out transactions accurately, easily and effectively.

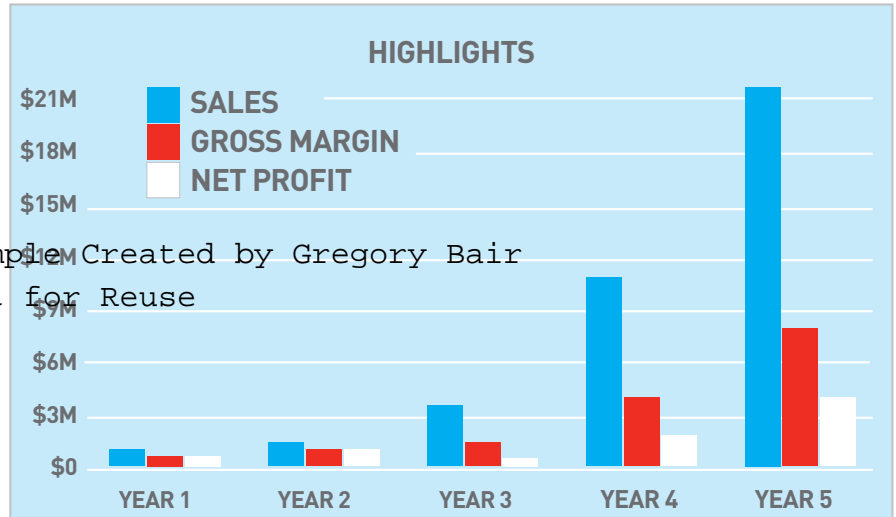
The Company can be thought of as the 'PayPal' for schools. The Company strives to build a strong place for itself in the Australian Education sector and further grow the Company's reach into other geographic locations.

The following confidential materials have been collected and prepared for your review outlining this unique and profitable business opportunity.

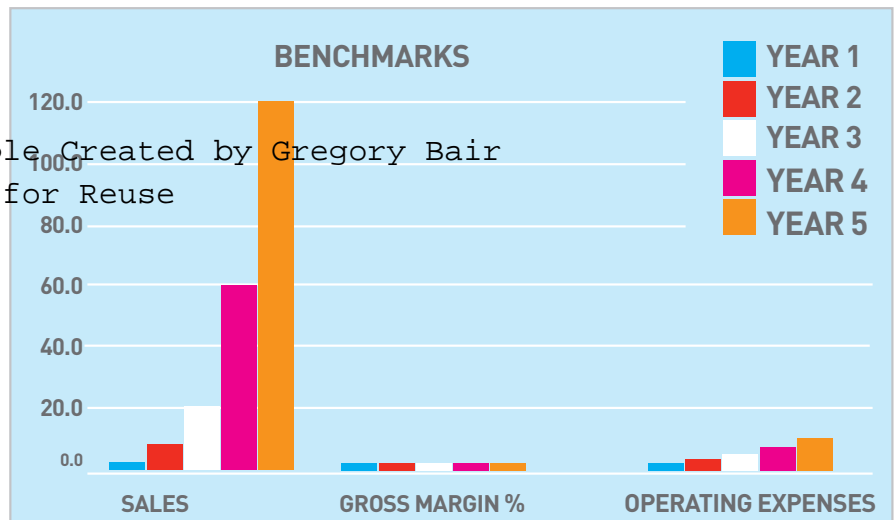
The Company invites you to read on and witness the very bright future of PaySchool Pty Ltd.

Rohan Johnson

Director



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Introduction

Smartphone and online payments are set to become the most popular banking methods globally within five years. As millions manage their financial affairs through smartphones, tablets and computers, individuals are thinking more about money and paying bills online. School payments will be no exception and PaySchool is forecasting rapid expansion and growth. We anticipate an increase of 1000% over the next five years as schools change the way they collect money from parents.

PaySchool's Director of Operations, Rohan Johnson said "The rapid growth in digital transactions is one of several game-changing forces affecting the education sector." Websites currently dominate consumer interactions with their bank. The volume of transactions currently is three times the number of face-to-face bank transactions. However with Smartphone adoption in Australia being amongst the fastest in the world, the next wave of growth is tipped to be in mobile transactions.

Using smartphones to make payments for small school purchases, including tuition, lunches, lessons and all general activities facilitated by schools, is a natural and inevitable progression. PaySchool has developed an outstanding platform for facilitating these transactions, and as such is well poised to capitalise on industry changes now underway.

A MasterCard study earlier this year said mobile payments in Australia were ready to 'take off' – and young parents were most willing to use mobile devices for payments. The expected number of customers using mobile banking is set to more than triple to 5.2 million in the coming years. Smartphones are heavily used today to transfer money or pay bills, but it is the low-value payments, such as paying for a school lunch, which are tipped to be the catalyst for the massive growth predicted in the coming years.

The concept

Started in 2012, PaySchool Pty Ltd ("PaySchool" or the "Company") is poised to become a leading Australian online school payment gateway. This mobile payment channel is rapidly expanding in usage, acceptance and participation and the Company's revenue model is robust.

This Memorandum (the "Memorandum") has been prepared for perusal and to showcase the Company's technology, operations and the associated and expected financials for the period of 2013-2017. The Company is an Australian Proprietary Limited Company, which offers online payment gateway services for school services. The Company is currently in a growth and expansion mode in an effort to become the leading payment system for schools in Australia.



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PaySchool's services are described in detail below:

PaySchool – PayPal for schools

PaySchool streamlines the payment process for schools and teachers by allowing parents to order and pay online. The secure online system creates a cashless environment, removing the ongoing burden of cash accountability, counting and handling. A burden currently worn by teachers, managers and school office staff.

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Via Payschool schools can facilitate orders, lunches, uniform purchases, general activities, school excursions, fundraising and donations online. The school operates its own cloud-based portal retaining total control over menus, product items and activities offered to students. Online ordering will save school staff man-hours every day by removing the need to collate paper orders and collect cash. The school lunch menu and uniform list will be online and orders will be automatically processed with payments credited weekly to the school's nominated bank account.

The technology

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The PaySchool technology is simple and free. Students and parents simply register for the service via the integrated website or mobile website to immediately begin ordering & paying for school items. PaySchool offers users a time-saving, hassle-free way for parents and schools to interact with each other via the latest cloud-based technology.

Payment options & processing

Once a child is registered, parents and students are able to start using PaySchool's gateway instantly. When an order is made the payment is processed via a parent's credit or debit card, and the parent is emailed a confirmation order and receipt.

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PaySchool payments are processed via Australia Post's SecurePay payment gateway service in conjunction with Westpac Bank. Payments are processed in a secure environment from the browser to the financial institution using industry standard SSL 128-bit RC4 encryption technology. For ongoing orders credit card details are held by SecurePay using the latest encryption technology.

Parents:

PaySchool allows parents to make payments to their child's school using a credit or debit card. All transactions are handled through a secure website allowing one-off and future orders to be paid for, as well as parental consent to be given for activities.

Schools:

Schools can benefit from increased efficiency in handling and recording payments through PaySchool, as well as saving administrator time. The system also increases security as there is little need for children to carry cash to school or for staff to make trips to the bank. Full reporting is available, allowing tracking of payment schedules.

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PaySchool benefits schools which are looking to improve efficiency and better communicate with parents. By offering a sophisticated system like Payschool there is also great scope for schools to reach their full potential. PaySchool offers payments by parents, and to eradicate outdated and costly manual systems.

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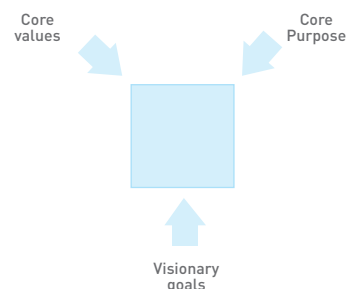
Mission statement

The mission of PaySchool is to develop a creative and user-friendly online portal which simply and effectively manages payment options for students and schools while generating high returns to the business owners, encouraging a friendly and fair work environment; all in a fully transparent manner which supports their company, industry and community.

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Vision

The Company's vision is a combination of Core Values and Core Purpose.



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Core values

The following represents the Company core values:

- Empower customer service and user experience
- Pioneering Concept in online school payment gateway
- Sophisticated school web stores for the Australian marketplace
- Management with innovation and teamwork
- Meeting our Social Responsibilities by creating value for stakeholders and customers

Core purpose

The core purpose of PaySchool is clearly represented in the phrase 'efficient and safe payment solutions'. The following represents the Company's core purpose:

- Suggest innovations in various application uses
- Provide schools with an innovative means to stay in touch with parents
- Help clients educate themselves with the various PaySchool payment options
- Inspire the Company's employees to provide an excellent experience for users
- Inspire the Company's customers to create loyalty and to understand the benefits of PaySchool

Visionary goals

Two primary types of visionary goals are adopted...Role Model and Target.

Role model

PaySchool strives to grow and prosper in a fashion similar to other successful payment gateways and other indirect payment portals. In this regard we have a keen desire to provide unique services, be a responsible corporate citizen, while growing profits and maintaining user satisfaction.

Target

The Company's target goals are established by the Founders and include:

- Maintaining customer satisfaction and generate more and more satisfied and happy website users by creating value for them
- Inspiring new and creative iPhone and Android applications with better, user-friendly interfaces
- Growing profits
- Expanding into new geographical markets

Industry

It is estimated that there are between 2.5 & 5 million cash transactions conducted within the schools system every week during term.

About one in three children (1.2 million students) attend private schools. The Private Schools industry is forecast to be valued at \$16.7 billion in 2012-13, up 4.0% over the previous year. Private or non-government school enrolments are split between Catholic schools and independent schools, which include religiously affiliated schools and special schools such as Montessori and Steiner schools. Private schools rely on federal government subsidies for about 60% of their funding, generating the rest of their income from tuition fees, donations and in some cases, income from affiliated religious organisations. Private schools are mostly operated on a not-for-profit basis.



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New payment systems make online payments in Australia easier

Ecommerce in Australia has been behind the USA and other western markets in terms of technology and marketshare participation. However, according to Emarketer's recent projection, online sales will hit \$13 billion in Australia in 2013, up from \$10.1 billion in 2011. This suggests momentum is building. One of the reasons for this continued growth is the evolution of the online payment systems in Australia. Online merchant services and PayPal are starting to provide improved solutions for online retailers. OMC's David Twigg says "The main enemy of ecommerce is the often cumbersome sales sequence. Reducing the number of clicks a purchaser has to make in order to place an order is the only way to reduce this attrition". This is why MasterCard's new launch of PayPass into Australia (as well as the UK, Canada and the USA) looks like it will shake the market. "New online payment technology is long overdue here in Australia. NFC enabled chips in Smartphone's seemed to be a bouncing ball so the major payment processors have an opportunity to fill the void" says Twigg.

PayPass is a digital wallet concept where payment details are stored in the form of credit card and shipping details, allowing a purchaser to simply select from their wallet and purchase with limited data entry and clicks. The Commonwealth and Westpac banks have endorsed the technology to be used with their customer's MasterCard, providing a genuine alternative to PayPal which has become a standard payment option in Australia, as well as the rest of the world.

This launch comes on the heels of Forrester Research's recent report about alternative payment methods which said by 2016 non-credit card payments will account for 23% of online transactions in the USA; the main non-credit card payment processors being PayPal and Google Checkout. Recently the US Commerce Department released an estimate that e-Commerce sales rose by 15.4% year-on-year in the 1st quarter of 2012 to \$50.27 Billion.

The main focus amongst big Ecommerce brands however is the growing trend and challenges ahead with mobile ecommerce. PayPal's Mobile Express Checkout is getting strong reviews in the space as it reduces clicks in order to transact on a mobile device.

Expansion plan

The Company expects after the initial launch, revenues will aggressively expand during the following 3 years of operation. The Company intends to implement a diverse marketing strategy throughout the Australian market, effectively targeting an existing customer base of parents and schools who require online payment services. Once membership and traffic to the site are established and growing in Australian markets, the Company will initiate revenue generation from advertising and additional offerings. Additional revenue will be generated by offering school communication packages, PaySchool+ products and selling banner ads throughout the website.

Initially PaySchool will launch their web-based platform and mobile website for use with Android and iOS platforms. Subsequent apps for iPhone and Android smartphones will be developed in 2014. New features for the same will be released on a regular basis, making the website even simpler to use and navigate. The ultimate goal is to increase the number of members and revenue, make the website the primary destination for various types of online school payments and the very best online portal for safe and secure payments.

Key operational processes

The key day-to-day processes which the business performs to serve customers are as follows:

- Product Development: Clients manage their own products/ prices
- Sales and marketing: "Fast Class " competition, production of school newsletter, competitions, documentation for new student welcome packs, banner ads for school website
- Finance and admin: Simplified accounting and reporting
- Customer Service: IT questions answered