HYLLE ROYCE

exchange

Executive Summary & Business Development Proposal

Written by Glenn Greenhill

Monday 11th November 2013

Version 1.4 / 12-pages

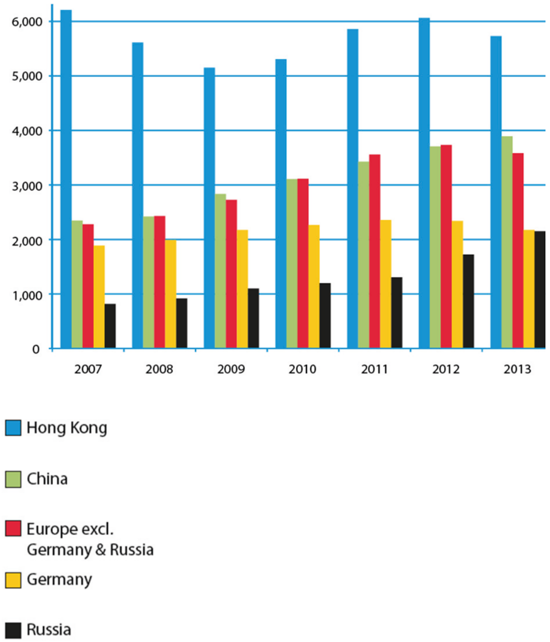
1.1 The Concept

The pupil population in UK independent fee-paying schools is 509,000. Today 26,000 (5%) of these are international pupils.

Last year, 57% of these international pupils came from China, Germany and Russia. This intake is increasing steadily.

H.R.Exchange will provide parents with the online capability to search, compare, evaluate and shortlist suitable schools for their children in the UK independent education sector.

Fig 20. Number of pupils from selected countries at ISC schools: 2007-2013



NOTE: This chart is published in the ISC 2013 Census which can be downloaded in pdf format from: http://www.isc.co.uk/research/Publications/annual-census/isc-annual-census-2013.htm

The service will enable parents to **fully engage** in the process of finding the right school for their child online.

Delivering the website to do this will involve the design and development of:

a) a unique suite of innovative and integrated databases…
…starting with the construction of an independent, centralised and standardised system of presentation and comparison of schools…

b) a carefully selected range of profiling tools…
….that collect statistical, attribute, character and personality information on both prospective pupils and past 'alumni' pupils. The output of quantitative and qualitative data will then be fed into…

c) an 'intelligent' data matching system…
….that produces a shortlist of options from which the parents can evaluate and choose.

This capability will use a combination of technology-driven processes - some tried and tested - some proprietary.

The mission is to identify the best possible match between child and school for the maximum benefit of the child's education, development and well-being.

The development, launch and testing phase of the initiative will target the steadily expanding 5% of the overall market.

This will provide proof of concept.

Roll-out of the service to UK parents and pupils - which is 95% of the market - could follow within 12-months.

HYLLE ROYCE
exchange

1.2 The Business Opportunity

To gain entry to the market - and minimse potential resistence - the initial offering will focus on the needs of international parents, permanently domiciled overseas, who wish to send their children to a full boarding school in the UK.

Optimum pupil placement is the overall challenge at a time when the average full boarding school fee is £27,600 per year.

H.R.Exchange combines elements of several different types of online enterprise including: E-Harmony & Match, Wikipedia, The Student Room, Linked In, Compare the Market and eBay.

The commercial process falls into a sequence of four distinct phases which can be defined as:

a) Pre-market: to attract prospect parents to a centralised resource - a comprehensive database of schools - to allow parents to perform sophisticated search processes.

b) For-market: to facilitate the profiling of their child - the prospect pupil - to establish academic achievement, interests, talents, personality, preferences and to gauge learning potential etc (NOTE: Off-line verification of identity - and allocation of an online identity/access code - will ensure anonymity and security for parent and child.)

c) In-market: to match the pupil to the most appropriate schools using both quantitative and qualitative data. The proprietary element of the matching process will use a blend of hard and soft selection techniques. All combined, this will produce for parents a shortlist of potential schools and a schedule of entry requirements.

d) After-market: to manage application and enrolment, provide a programme of tailored preparation of a pupil for a specific school(s), rehearsal entrance examinations, interview coaching.

This will be achieved with a mix of digital/online services and direct personal consultation services delivered via: online chat + email messaging + telephone + video conferencing.

This suite of cross-over services from digital to personal will provide support up to and even beyond enrolment if necessary.

Each one of these four phases provides opportunities to generate revenue with access fees ranging from £50 - £500. Therefore, if 2,500 online clients (just 10% of international parents) spend an average £300 it produces £750,000 revenue.

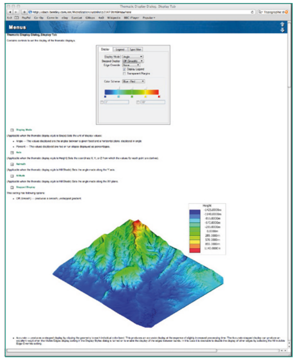
A small proportion of online clients will naturally migrate to becoming full service personal consultation clients. A tiny conversion rate of 0.5% produces 12 direct clients - an average fee of £25,000 - generates a further £300,000 revenue.

Fig 19. Non-British pupils with parents living overseas

Country	New to their school this year	%	Total non-British pupils	%
Hong Kong	1,871	16.8	5,732	22.1
Mainland China	1,746	15.7	3,891	15.0
Germany	1,216	10.9	2,174	8.4
Russia	1,056	9.5	2,150	8.3
Remainder of Europe EEA	826	7.4	1,940	7.5
Spain	850	7.6	1,235	4.8
Remainder of Europe non-EEA	455	4.1	1,024	4.0
Nigeria	440	3.9	1,007	3.9
Remainder of Far East	321	2.9	778	3.0
Thailand	234	2.1	591	2.3
Rest of Africa	210	1.9	580	2.2
Middle East	213	1.9	561	2.2
USA	214	1.9	557	2.1
South Korea	188	1.7	543	2.1
Japan	166	1.5	514	2.0
Malaysia	190	1.7	510	2.0
France	221	2.0	491	1.9
Central & South America	251	2.3	459	1.8
Central Asia	156	1.4	323	1.2
Australasia	81	0.7	217	0.8
India	68	0.6	145	0.6
Taiwan	46	0.4	144	0.6
Ireland	36	0.3	127	0.5
Rest of North America	56	0.5	117	0.5
Pakistan, Sri Lanka & Bangladesh	42	0.4	102	0.4
Total non-British pupils with parents living overseas	**11,153**		**25,912**	

NOTE: This chart is published in the ISC 2013 Census which can be downloaded in pdf format from: http://www.isc.co.uk/research/Publications/annual-census/isc-annual-census-2013.htm

2.1 Market Entry



Bentley Systems - with offices in London and Horsham UK - is the global leader dedicated to providing architects and geospatial professionals with comprehensive software solutions.

Their MicroStation 3d modeling application will be utilised to display pupil distribution - and other schools data - across a map of the UK - in the form of a topographic display.

This utilisation of dynamic info graphics will facilitate modeling of changes, trends, clashes and simulate alternative outcomes which all together can assist decision making and help to address strategic mangement issues.

Site: http://www.bentley.com/en-US/Products/MicroStation+Product+Line/Performance+Simulation.htm

Identifying the best school for a child from overseas must also be balanced with the need to achieve an even distribution of international pupils across schools, so that the experience and value of an English private education is not eroded.

Already, with international students making up just 5% of the total pupil population, a range of expansion related problems are beginning to emerge. Having access to detailed pupil distribution data could help manage and minimise these problems. Distribution issues could be addressed at source, by providing parents with detailed information, the problems are avoided.

Addressing this publicly might present a unique opportunity to attract news coverage. A degree of controversy and discussion on the topic - if managed well - will provide free awareness of H.R.Exchange and help position the brand.

It is an essential part of the task to find ways to manage the distribution of international pupils to maintain the cultural character which is intrinsic to the English Independent School education for which overseas parents are paying.

All 1,223 schools in UK membership of ISC completed the 2013 Census. There are now 508,601 pupils at ISC member schools, up slightly from 508,472 in 2012.

Of these (13.1%) 66,776 are boarding pupils; 37,171 boys and 29,605 girls. Over 85% of these - across all ages - are full boarding pupils.

The majority of international pupils are full boarding which means they make up one third of the resident pupil population.

UK Government, The Independent Schools Council and other professional organisations are all engaged in a wide range of inspection, evaluation and tracking activity. Of the data this produces it is not yet clear what is in the public domain and what is owned privately.

Retrospective analysis of the data collected from schools provides an understanding of trends and the overall financial picture. However, even though the data is very detailed, currently it is not used to provide a detailed picture.

There may be several reasons for this - the most significant is that schools are in competition with each other and have a constant need to find income. They have a historic culture of unilateral decision making which means there is a lack of practical cooperation between institutions and no coordination of efforts to respond to emerging trends.

Current recruitment channels - agents and exhibitions - attract more pupils from the same place to the same schools.

These factors combine to impede collaboration and the formulation of broad-scale strategic initiatives.

To overcome these problems, schools will be given the opportunity to provide up-to-date information directly to the Hylle Royce Exchange database. This could be done by allowing schools limited access to the online profile of their school.

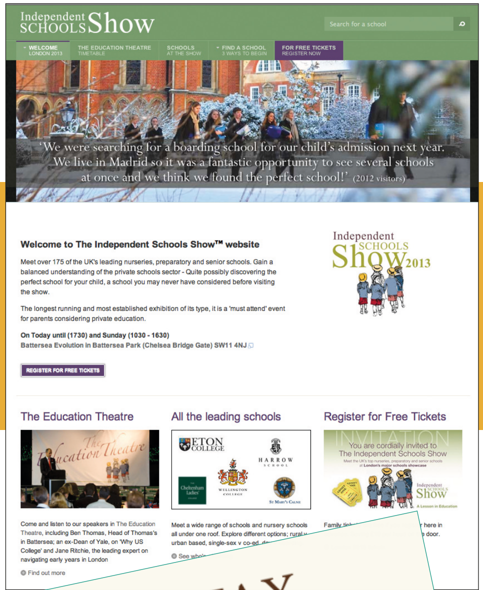
HYLLE ROYCE exchange

2.2 Addressing Consultancy Problems

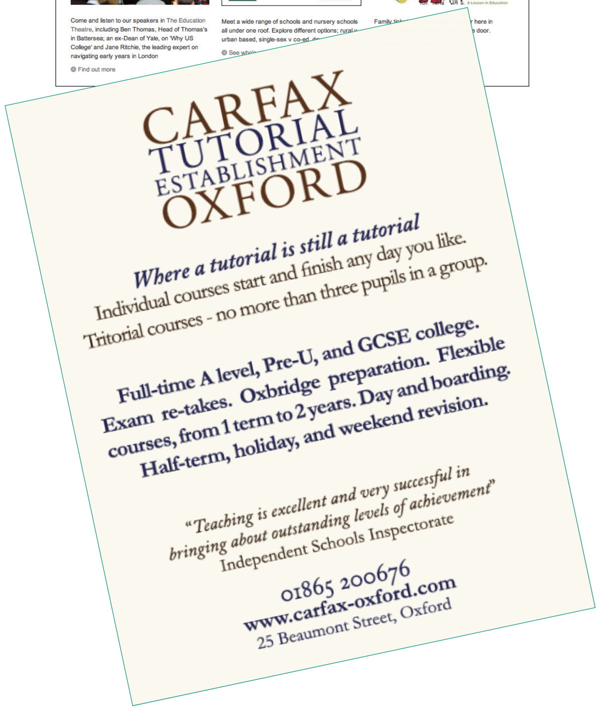
Marketing Problems: UK independent schools attract international parents through a mix of marketing channels; overseas campuses, agents and exhibitions, advertising leads to the same nationality of pupils going to the same schools.

Bias Problems: Information made available to parents is biased in favour of the school that is paying for the promotion. In some instances local agents receive substantial commissions or a percentage of fees from the school which means their advice cannot be regarded as objective simply because it is not independent.

Problems Of Suitability: These school specific channels of recruitment deny to parents the total range of school choices available. Parents are simply not being made aware. Therefore, finding optimum suitability of the institution for the child or the child for the institution is not being addressed comprehensively.



The significance of these problems has been verified through face-to-face consultation sessions with parents and potential pupils, school visits and expert advice.



Selection Problems: If parents are made aware of all that is available they then face the daunting challenge of identifying the 'right' school - from a considerable distance away - in another country - in another language - in another culture.

Complexity Problems: The complex mix of provisions, preferences and performance is overwhelming for parents to consider. Selection criteria include: religion, gender, culture, faculty, location and many, many more.

Acceptance Problems: Having found the 'right' school the prospective pupil must secure the offer of a place which may require special tutoring in language, culture and coaching for specific entrance examinations.

Cost Problems: Wealthy parents have the option of engaging a private education consultant for guidance and assistance. They can expect to pay consultation fees of anywhere between £5,000 and £50,000 to secure a place at a specific school.

Competition and Credibility Problems: At present there are about twenty companies based in the UK operating in this sector. It is estimated to be worth around £2-million per annum in consultation fees.

Service Quality Problems: Not all consultation clients receive the service for which they have paid because consultation firms simply do not have the level of information required to give the best possible advice.

By implementing the mechanism to turn data into valuable information for decision making Hylle Royce Exchange will gain recognition as the brand leader.

2.3 Reducing Financial Problems

Affordability Problems: Of course, not all overseas parents can afford to engage an independent consultant or for that matter school fees. At present access to information and routes to financial assistance are very limited.

Information Access Problems: The Independent Schools Council collects detailed information from a membership of 1,250 schools. The problem is that the data is not made available in a form to maximise the benefit to parents or schools.

Hylle Royce Exchange will provide a platform to ensure enrolment levels for schools, up to 3 years in advance, plus act as a clearing house for available school places.

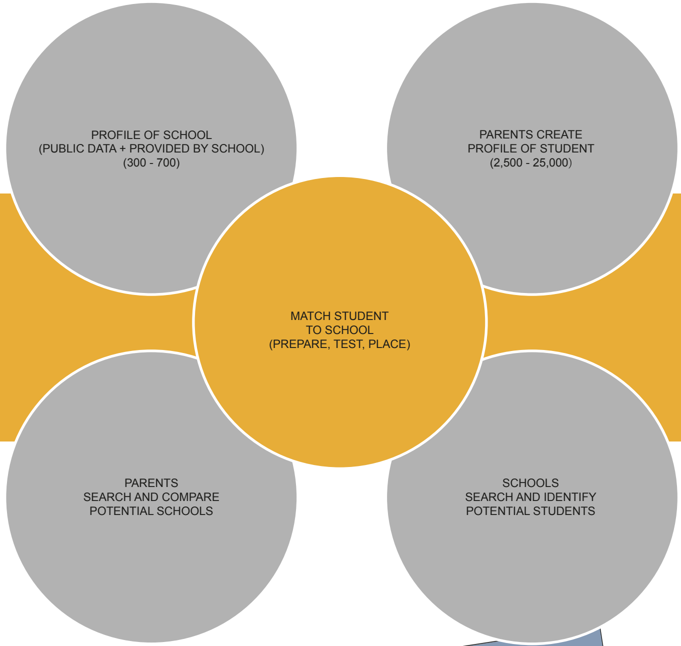
Distribution Problems: The number of international pupils is known but the distribution of the pupils across schools is not available. Unmanaged distribution of international pupils leads to concentrations of a single nationality in a few schools. The problem is exacerbated by existing marketing and recruitment methods. Overseas campuses, exhibitions and agents are the current main source of pupils. Because these recruitment methods are single location based - they attract a rising number of pupils of the same nationality - who are channelled into the same limited number of schools.

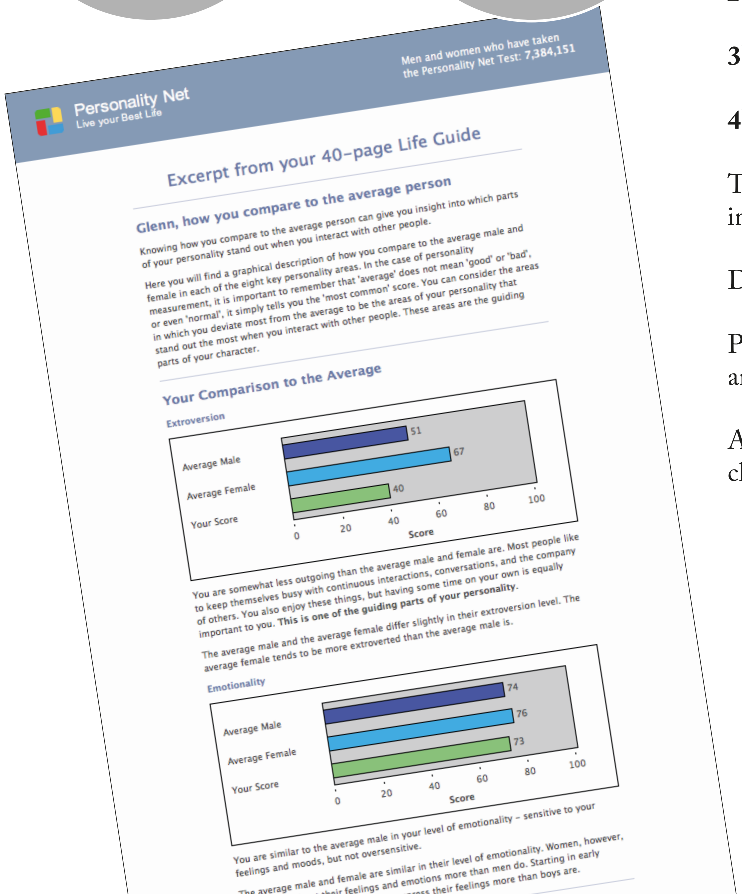
Revenue Problems: Schools are concerned to retain fee revenue. At present no infrastructure exists to facilitate the 'exchange' of students of different nationalities to achieve a more even - and truly multi-cultural - spread of pupils.

Satisfaction Problems: When the proportion of international students of a single nationality rises about a certain level the very essence of an English public school education is diluted. Parents may quickly be justified in claiming that the English cultural immersion - for which they are paying a considerable amount of money - is not being delivered.

Economic Problems: The numbers of pupils from overseas is estimated to rise significantly. This is being driven by schools' attempts to fill places which are no longer being taken by domestic demand. Due to financial pressures UK parents are increasingly being forced to opt for the affordable option of Government funded schools.

Management Problems: At this time school population data - and information across a range of other relevant placement criteria - does not exist in a structured matrix. Hylle Royce Exchange will provide a platform for this to take place. It could ensure enrolment levels up to three years in advance. The resourse will give schools more control and reduce the inherent unpredictability in schools' financial planning. The website could also be used as a 'clearing house' for available places.




Personality Net
Live your Best Life

Men and women who have taken the Personality Net Test: 7,384,151

Excerpt from your 40-page Life Guide

Glenn, how you compare to the average person

Knowing how you compare to the average person can give you insight into which parts of your personality stand out when you interact with other people.

Here you will find a graphical description of how you compare to the average male and female in each of the eight key personality areas. In the case of personality measurement, it is important to remember that 'average' does not mean 'good' or 'bad', or even 'normal', it simply tells you the 'most common' score. You can consider the areas in which you deviate most from the average to be the areas of your personality that stand out the most when you interact with other people. These areas are the guiding parts of your character.

Your Comparison to the Average

Extroversion

You are somewhat less outgoing than the average male and female are. Most people like to keep themselves busy with continuous interactions, conversations, and the company of others. You also enjoy these things, but having some time on your own is equally important to you. **This is one of the guiding parts of your personality.**

The average male and the average female differ slightly in their extroversion level. The average female tends to be more extroverted than the average male is.

Emotionality

You are similar to the average male in your level of emotionality – sensitive to your feelings and moods, but not oversensitive.

The average male and female are similar in their level of emotionality. Women, however, ... their feelings and emotions more than men do. Starting in early ... their feelings more than boys are.

3.1 A Suite of Solutions for Parents

The Hylle Royce Exchange website will empower parents across the globe, seeking the best possible education for their child, to engage directly in the school placement process.

This will be achieved using a combination of technology driven processes - some tried and tested and some proprietary - configured to provide a unique online utility.

Hylle Royce Exchange will provide online tools to perform functions in four categories:

1) to identify, compare and shortlist schools from a database of 300 at launch (growing to 750+)

2) to profile the potential pupil; education, personality, intellect, capabilities, talents, interests, ambitions, needs

3) to match the pupil to the most appropriate schools

4) to prepare the pupil for placement, entry exams plus language and cultural orientation

These services will be delivered through a combination of expertly tailored data fields, integrated databases, analysis tools, interactive training modules and a wide range of hard (quantitative) and soft (qualitative) selection functions.

Data output will be linked to automatically generated info-graphic displays to aid speed of understanding.

Providing output in a dynamic manner will allow instant interrogation of results and rapid editing of the selection criteria and processes to refine output results.

At any stage parents will be able to engage a Hylle Royce consultant for 'personal support' via online communication channels, by phone, video conference or face-to-face meeting.

HYLLE ROYCE
exchange

FT.com FINANCIAL TIMES Independent Schools 2011

FT.com Secondary Schools - Custom PDF download

Independent Schools rank 2011	School name	Area	Notes	Points/candidate 2011	% A*/A grades	% World Ranked University
1	Magdalen College School (Oxford)	Oxfordshire	-	470	91	93.5
2	South Hampstead High School	London north and east	-	454	83	90.8
3	North London Collegiate School	London west	IB	440	87	95.6
4	Oxford High School GDST	Oxfordshire	-	411	88	94.5
4	Wycombe Abbey School	Buckinghamshire	-	439	88	97.7
6	Westminster School	London north and east	PU	378	89	97.8
7	Guildford High School	Surrey	-	405	87	95.0
8	Lady Eleanor Holles School	London south	-	437	83	93.0
9	Royal Grammar School (Guildford)	Surrey	-	411	82	92.6
10	Concord College	Shropshire	-	445	78	90.7
11	Withington Girls' School	Manchester (Greater)	-	394	86	94.0
12	Tonbridge School	Kent	-	448	75	90.5
13	Haberdashers' Aske's Boys' School (Borehamwood)	Hertfordshire	-	392	82	94.6
14	City of London School for Girls	London north and east	-	389	83	95.6
15	St Helen and St Katharine	Oxfordshire	-	389	82	90.8
15	St John's College (Cardiff)	Wales	-	409	81	78.6
15	St Swithun's School	Hampshire	PU	390	79	92.0
18	Haberdashers' Aske's School for Girls (Borehamwood)	Hertfordshire	-	380	83	92.8
19	Caterham School	Surrey	-	426	75	79.1
20	St Albans High School for Girls	Hertfordshire	-	386	81	84.6
21	Perse School	Cambridge and Peterborough	PU	381	78	88.8
22	Hampton School	London south	-	422	75	85.9
23	James Allen's Girls' School	London south	-	415	73	90.4
24	Harrow School	London west	-	423	72	88.6
25	Brighton College	Sussex	-	407	77	75.6
26	Cheltenham Ladies' College	Gloucestershire	IB	430	73	92.5
26	Latymer Upper School	London west	-	397	74	85.5
28	St Catherine's School	Surrey	-	412	70	94.0
29	Loughborough High School	Leicestershire and Rutland	-	384	75	84.7
30	University College School	London north and east	PU	393	76	93.9
31	City of London Freemen's School	Surrey	PU	393	74	80.3
32	Badminton School	Somerset and Bristol	-	417	71	85.2
33	Notting Hill and Ealing High School	London west	-	382	76	91.5
34	St Mary's School (Snr) and St Margaret's School (Prep)	Wiltshire	-	381	74	89.3
35	Merchant Taylors' School	Hertfordshire	-	378	75	90.6
35	Putney High School	London south	-	383	73	87.3
37	St Albans School	Hertfordshire	-	396	72	83.8
38	Alleyn's School (Dulwich)	London south	-	378	71	84.5
38	Headington School	Oxfordshire	IB	424	70	88.6
40	Dulwich College	London south	PU	395	71	86.7
40	Godolphin and Latymer School	London west	IB	387	70	93.3
	[illegible]	North east (Northumberland, Tyneside, Teeside and Durham)	-	370	74	83.4

3.2 A Suite of Solutions for Schools

Opening up the market to more effective parent driven selection processes will achieve a more even distribution of international pupils across a much wider and more diverse range of schools.

By providing schools with the means to have an 'instant' overview of what is happening - as it is happening - it is possible for them to manage for better outcomes.

Development of the online capability has many potential benefits for schools and it could lead to:

Schools being able to **search for potential pupils to offer places and award bursaries**
Schools being able to **swap pupils to maintain the best quality experience**
Schools being able to **achieve even and broader cultural and ethnic diversity**
Schools being able to **preserve their national and philosophical culture**
Schools being able to **optimise their provision and protect their fees**

Pupil recruitment functions have the potential to generate substantial additional income.

The innovation is in providing a single, centralised online resource and a unique combination of functions.

A large proportion of information and data is in the public domain and available for free.

Some components of the service (such as personality profiling and data visualisation) will be built using existing software which can be re-purposed or re-configured to meet the specific requirements.

The Hylle Royce Exchange website can be built using existing technologies; the latest, the best and most robust.

It will be designed to be made available in several different languages and to be readily scalable.

HYLLE ROYCE exchange

Table 6. Changes to fees by school type and age group

Looking at ISC schools that participated in the Census in both 2012 and 2013, this table shows termly fees at different types of school and for different age groups.

	Boarding Fee	Day Fee (boarding schools)	Day Fee (day schools)	Day Fee (average)	Overall Average Fee
Sixth-Form	**£9,661**	**£5,916**	**£4,116**	**£4,495**	**£6,152**
	£9,227	*£5,620*	*£3,979*	*£4,335*	*£5,917*
	4.7%	5.3%	3.4%	3.7%	4.0%
Senior	**£9,110**	**£5,441**	**£3,999**	**£4,285**	**£5,090**
	£8,752	*£5,190*	*£3,848*	*£4,123*	*£4,886*
	4.1%	4.8%	3.9%	3.9%	4.2%
Junior	**£6,800**	**£4,232**	**£3,594**	**£3,657**	**£3,717**
	£6,511	*£4,029*	*£3,450*	*£3,511*	*£3,576*
	4.4%	5.0%	4.2%	4.1%	3.9%
Nursery		**£2,419**	**£2,593**	**£2,572**	**£2,572**
		£2,336	*£2,503*	*£2,482*	*£2,482*
		3.6%	3.6%	3.6%	3.6%
Overall	**£9,216**	**£5,086**	**£3,756**	**£3,964**	**£4,659**
	£8,820	*£4,843*	*£3,616*	*£3,816*	*£4,486*
	4.5%	5.0%	3.9%	3.9%	3.9%

Table 10. New pupils from overseas

This table shows the number of new non-British pupils whose parents live overseas by country/area of reside

New non-British pupils whose permanent homes are in:	HMC	SofH	GSA	IAPS	ISA	Total
France	112	30	22	67	29	221
Germany	861	228	91	253	113	1,216
Russia	490	180	96	243	236	1,056
Spain	293	77	160	383	68	850
Ireland	20	7	3	3	7	36
Remainder of Europe EEA	471	103	62	164	178	826
Remainder of Europe non-EEA	223	77	31	79	132	455
Nigeria	169	57	106	105	80	440
Rest of Africa	112	23	36	36	34	210
USA	78	38	27	58	41	214
Rest of North America	23	4	19	10	6	56
Central & South America	87	40	78	45	44	251
Middle East	96	25	19	42	67	213
Hong Kong	991	302	475	480	198	1,871
Mainland China	644	419	302	326	488	1,746
Taiwan	13	11	8	5	19	46
Japan	53	31	26	34	39	166
South Korea	54	27	21	40	65	188
Malaysia	75	57	24	14	35	190
Thailand	87	42	35	57	50	234
India	30	7	10	14	16	68
Pakistan, Sri Lanka & Bangladesh	7	6	8	11	18	42
Central Asia	37	11	11	20	98	156
Remainder of Far East	92	81	42	42	106	321
Australasia	21	8	20	13	31	81
Total new non-British pupils with parents living overseas	**5,139**	**1,891**	**1,732**	**2,544**	**2,198**	**11,153**
New non-British pupils as a % of all new pupils	**13.4%**	**19.9%**	**10.5%**	**6.4%**	**14.0%**	**11.3%**

NOTE: This chart is published in the ISC 2013 Census which can be downloaded in pdf format from: http://www.isc.co.uk/research/Publications/annual-census/isc-annual-census-2013.htm

4.1 The Scale of the Opportunity

Schools make very limited use of online technologies. Some organisations serving the sector have created 'school selection' portals which are primarily designed for UK parents who are at present 95% of the market.

In 2013 UK independent schools fee income is £8-billion per year. Of this total £600-million comes from the 22,000 international pupils attending full boarding schools.

1,223 UK independent schools
508,601 total 2013 pupil population
25,912 (5%) non-British pupils (parents living overseas)
22,673 of these are boarding pupils (which is 30% of all boarding pupils)
11,000+ new international pupils are enrolled each year (for an average of 2-years education).

Parents pay an average of £27,200 per pupil per year in fees. **Two years of education in the UK costs £54,400.** The domestic economy benefits from this growing source of income. Associated living expenditure on clothes, food, travel etc. probably doubles the total amount of income to th UK economy to over £1-billion per year.

The pupil placement process is open to a number of abuses, sharp practices, over-charging and misrepresentation by consultants. A number of schools have been fined for fee-fixing and and for operating like a cartel. Domestic economic pressures, changes in sources and volumes of demand and rapidly evolving educational needs mean that schools are constantly pre-occupied with their own individual short term concerns.

The 2012 intake of international pupils by country of origin was comprised as follows:
3938 Hong Kong + China + Far East
1056 Russia
1216 Germany
1090 Asia = Thailand, South Korea, Japan, Malaysia, India, Pakistan + others
1047 France + Europe EEA
850 Spain
650 Nigeria + Africa
455 Europe Non-EEA
387 USA + Australia + North America + Ireland
251 Central & South America
213 Middle East

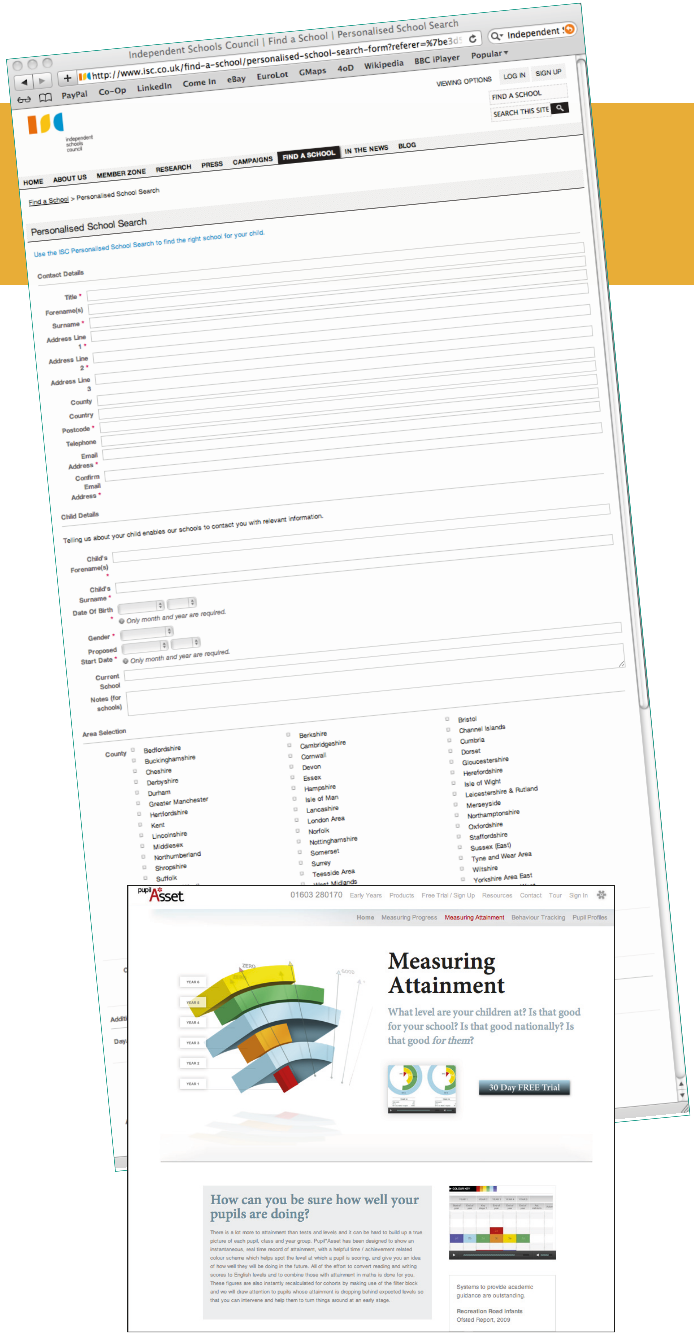
TOTAL 25,912 (11,153 international pupils were new to their school in 2013)

HYLLE ROYCE
exchange

The Good Schools Guide site is worth £22,000.

The Independent Schools Council website is worth an estimated £14,000.

Source: http://www.worthofweb.com



5.1 Competitive Advantages

Advice from various education experts indicates that independent schools do not have the means - or collaborative infrastructure - to conceive, design, agree, develop and deploy a concept of this scale and breadth at any speed.

News coverage and discreet conversations with senior decision makers in the sector would indicate that no comparable initiative exists or is planned.

The first and most valuable competitive advantage is to be FIRST to market.

Independent Schools have a long history and established internal culture of operating *'independently'*.

The Independent Schools Council gathers and process a huge amount of data but shows no signs of leveraging that data to provide a strategic commercial initiative to attract international pupils or address the needs of the domestic market.

The ISC annual census is specifically designed for reporting on statistical trends to decision makers in schools. Whilst publicly available, the census is not designed for use by parents it is similar to a company's annual report.

The Good Schools Guide, The FT performance charts and other ranking systems and charts do exist. They are primarily targeted at UK parents and do not offer in-depth analysis of schools.

The second competitive advantage is in offering a level of independent objectivity which could not be matched by an offering originating from an association of schools.

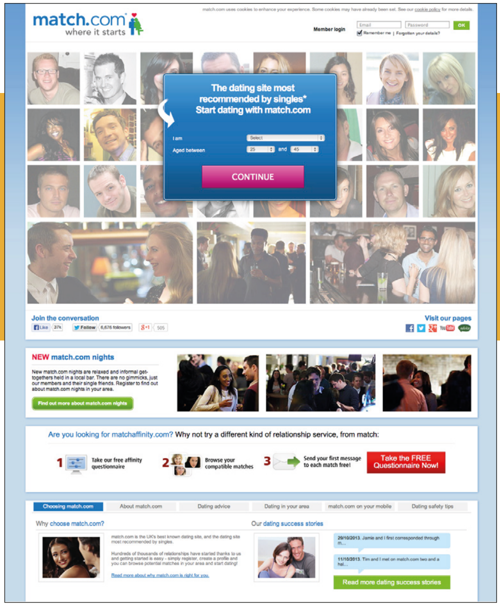
The third competitive advantage comes from providing a tool for parents in a pragmatic manner. By making a largely impenetrable process accessible - on an *'always-on'* basis - for all the dedicated parents who actually pay the fees.

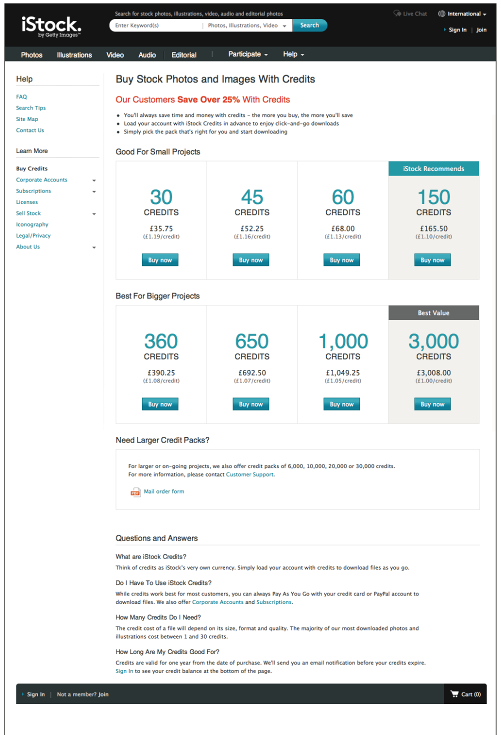
The the fourth competitive advantage will be through the development of a number of pupil and school 'profiling and matching' innovations.

The fifth competitive advantage is the unique combination of experience and abilities of the team:

Patrick Fullick
Glenn Greenhill
Peter Kirk
Toby Hudson
Guy Lane

6.1 A Rapidly Scalable Business Model





At launch, the Pre-Market, For-Market and In-Market phases of the service will be offered on a 'freemium' basis to a small number of carefully selected consultancy clients and parents.

This will allow time for the various components of the service to be live tested and perfected before going public.

Once live, users will be required to enrol and pay a preliminary access fee, after which they will be charged specific fees for accessing data or for executing processes.

This revenue model is successfully utilised by online relationship and dating sites.

The difference here is that to maintain independence and objectivity schools will not be charged to use the site. They will be incentivised to register and provide their data for free.

To establish and maintain brand and service credibility the website will not run any kind of advertising.

Income will be generated via a mix of fees covering online digital and personal consultancy services and several shades of combined or cross-over services inbetween.

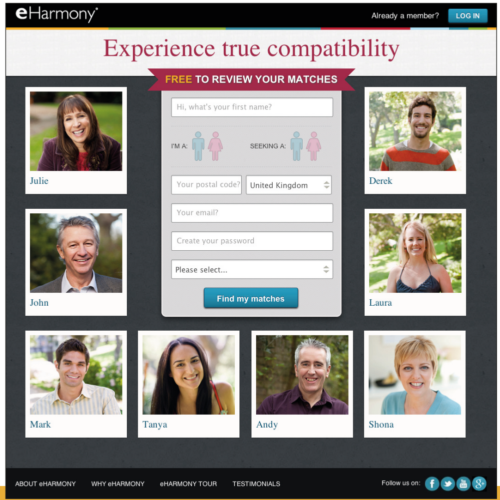
Parents will be able to purchase:
1) pupil profiling by module
2) school profiles
3) pupil specific tailored preparation programmes
4) test examinations
5) application and placement services
6) consultancy advice sessions both online and face-to-face

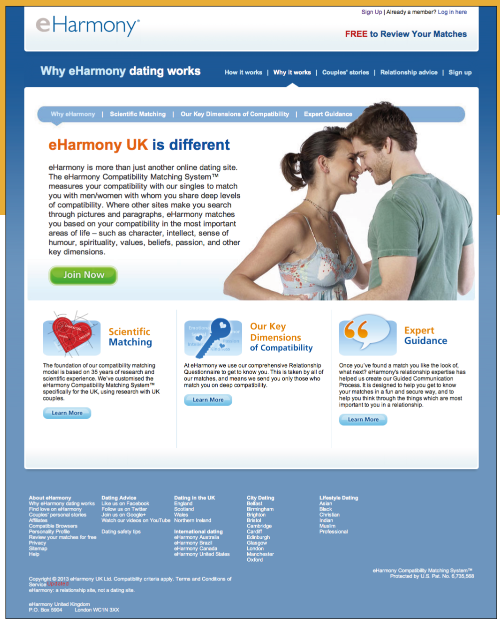
The payment collection model will use a system of online 'credits'. This will allow services to have the same 'credit value' in every country. Local currency to credit exchange rate can be allowed to vary without negative effects on profitability, user perceptions or the need for local pricing variations. This system is successfully utilised by a number of sites such as iStockphoto.

The cost to develop, design, build and host the site is estimated at £0,000 - £00,000.

Spring 2014 is the target launch date for the proposed new service.

HYLLE ROYCE
exchange





eHarmony is now worth an estimated £41.4-million and takes an average £380,000 per month.

Source: http://www.worthofweb.com

6.2 Revenue Targets

What is proposed here goes far beyond what others are charging in the education marketplace for downloadable guides, league tables, reports eg: £5 - £20. The average for online personality and career profiling services is between £50 - £150.

Online dating services provide a comparable revenue indicator. e-Harmony is positioned for those wishing to find a life partner for marriage whilst Match.com is positioned for dating. Their pricing structures are as follows:

eHarmony prices for three levels of membership are:
A 12-month BASIC plan will £12-month or around £120-year.
A 12-month TOTAL CONNECT plan will £20-month or around £240-year.
A 12-month PREMIUM plan will £26-month or around £312-year.

Match.com prices vary depending on how long of a subscription you sign up for. The more months you pay for in advance, the cheaper price-per-month you pay. Rates are:
£10-month for 6 months = £60
£12-month for 3 months = £36
£20-month for 1 month = £20

A customer base of 25,000 users, spending an average of £300, plus 12 personal consultancy clients produces total revenues of £1,050,000 within first 12-24 months of launch.

Hylle Royce Exchange Revenue Targets

Site access fees and service fees will range from £150 - £500.

Aquisition of 2,500 online clients (currently 10% of international parents) spending an average of £300 will produce a total of £750,000 revenue.

A small proportion of online clients will naturally migrate to becoming full service personal consultancy clients.

A conversion rate of 0.5% produces 12 direct personal consultancy clients - at an average fee of £25,000 per pupil placement - this generates a further £300,000 revenue.

Total revenue target £1,050,000 within 12- 24-months of launch.

HYLLE ROYCE exchange