WORKSHEET THREE · ONE HOUR

Where the Money Goes

By the end of this session you can explain where a school group's money comes from, where it goes, and what is left — in your own words and with your own figures.

01 THE CHAIN

14 MIN

These seven words are not a list — they are one story, and each one leads to the next. Everything else on this sheet hangs off them.

installed capacity · enrolment · utilisation · revenue · faculty cost · hours per student · EBITDA

1.1 Complete the chain

______________________	the number of students you could teach if every seat were full
______________________	the number actually studying with you now
______________________	the percentage between those two
______________________	what the students pay you — mostly tuition
______________________	what you pay the teachers
______________________	teaching time delivered per student — the main driver of that cost
______________________	what is left from operating, before financing and accounting

1.2 The fact that explains everything else

> Faculty cost is largely **fixed**. You pay the teachers whether the seats are full or not.

So what does an empty seat cost you?

1.3 Say it

Using the seven words, explain the chain aloud in sixty seconds.

02 REVENUE

12 MIN

tuition fees	What students pay to study — almost always the bulk of the money
enrolment fees	One-off charges at sign-up or registration
ancillary income	Everything else: transport, meals, uniforms, exam fees
top line	Total revenue, before any costs are taken off
gross / net	Before deductions / after deductions
revenue, income, turnover	In most conversations, three words for the same thing

2.1 Talking about it

Revenue comes mainly from	tuition fees · enrolment income · a mix of tuition and ancillary services
Tuition accounts for	roughly eighty-five percent of revenue · the bulk of the top line
Revenue grew / fell by	eight percent year on year · four hundred thousand against last year
We generate	around four million in tuition · about half a million in ancillary income
That's before / after	discounts and scholarships · staff costs · tax

2.2 Meridian's revenue

Read the table, then say one sentence for each line below.

Tuition fees	**USD 3,740,000**
Enrolment fees	**USD 210,000**
Ancillary — transport, meals, exams	**USD 465,000**
Total revenue	**USD 4,415,000**

Total revenue	
Where it comes from	
Tuition as a share of it	

03 CAPACITY, COST AND LOAD

16 MIN

installed capacity	The total number of seats you have
utilisation / occupancy	The percentage of those seats that are filled
headroom	Unused capacity you could still sell
faculty cost	The total cost of your teaching staff
faculty cost ratio	Faculty cost as a percentage of revenue
fixed / variable cost	Cost that does not move with student numbers / cost that does
contact hours	Hours of actual teaching delivered
hours per student	Contact hours divided by enrolment
teaching load	How many hours a teacher is required to teach

3.1 Talking about it

Installed capacity is	four thousand one hundred seats · about a thousand per campus
We're running at	seventy-eight percent of capacity · just over half at Hillcrest
We've got headroom	at Hillcrest · of roughly nine hundred seats
Faculty cost sits at	fifty-two percent of revenue · just under two point three million
Cost per student is	around seven hundred and twenty dollars · slightly above last year
We deliver	roughly nineteen contact hours per student · twenty-four hours a week per class

3.2 Work it out

Meridian: capacity 4,100 seats · enrolment 3,187 · revenue USD 4,415,000 · faculty cost USD 2,295,000 · contact hours delivered 60,553.

	Figure	Say it in a full sentence
Utilisation		
Faculty cost ratio		
Faculty cost per student		
Hours per student		

04 EBITDA AND MARGIN

14 MIN

ee · **BIT** · dah four syllables, stress on the second

Earnings Before Interest, Taxes, Depreciation and Amortisation.

What the business earns from actually running, before financing and accounting decisions are applied. You strip those four things out so that one operation can be compared with another.

ALSO WORTH KNOWING EBITDA margin · operating profit · margin compression · EBITDA-positive · below the line

4.1 Talking about it

EBITDA stands at	nine hundred thousand · just under a million · seven hundred and ninety-five thousand
That's an EBITDA margin of	eighteen percent · around twenty percent · just under a fifth
We're tracking	below budget on margin · ahead of plan · more or less where we expected
Margin came under pressure	this year · because of faculty cost · after the discount scheme
We went EBITDA-positive	in FY26 · in our second year · once Riverside filled up

4.2 Meridian's EBITDA

Revenue USD 4,415,000. Total operating costs USD 3,620,000. Work out the EBITDA and the margin, then write both into one sentence.

EBITDA	
EBITDA margin	
Both, in one sentence	

4.3 Teach it back

Explain EBITDA to a colleague who does not work in finance.

05 HOMEWORK

Voice memo, 90 seconds. Walk through the chain from section 01 using your own institution's figures — capacity, enrolment, utilisation, revenue, faculty cost, hours per student, and what is left..