

Your Business Plan is Ready

Courtesy of Qabam (Pvt) Ltd

Note:

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1.0 Executive Summary

This business plan outlines a cleaning detergents manufacturing and selling company. The company is located in the Free State Province of South Africa. The cleaning detergents being produced by Sparkling Clean Pvt Ltd are intended for home and commercial uses thus broadening the target market. This business plan has been prepared to raise capital of **R21, 084**. This capital fund will be used to purchase equipment, initial inventory and cover operational costs.

The Market

Cleaning detergents are in huge demand because they are used every day in homes, schools, businesses and industries. Although this might be the case we intend to target fast food and restaurant joints in particular. Fast food outlets and restaurants are required by law and consumers to keep their premises meticulously clean for obvious health reasons hence they need these cleaning detergents on a regular basis.

The Company

Sparkling Clean, Pvt Ltd boasts a strong founding team and experienced board of advisors. Our primary advisor, Qabam Digital Agency, brings 10 years of industry experience and networked relationships to accelerate market penetration of the product line. Sparkling Clean will manufacture the cleaning detergents on its own and will not outsource any steps in the manufacturing, packaging and sales. Sparkling Clean will be in control of all aspects of the business at all times eliminating risks associated with outsourcing and relying on 3rd parties.

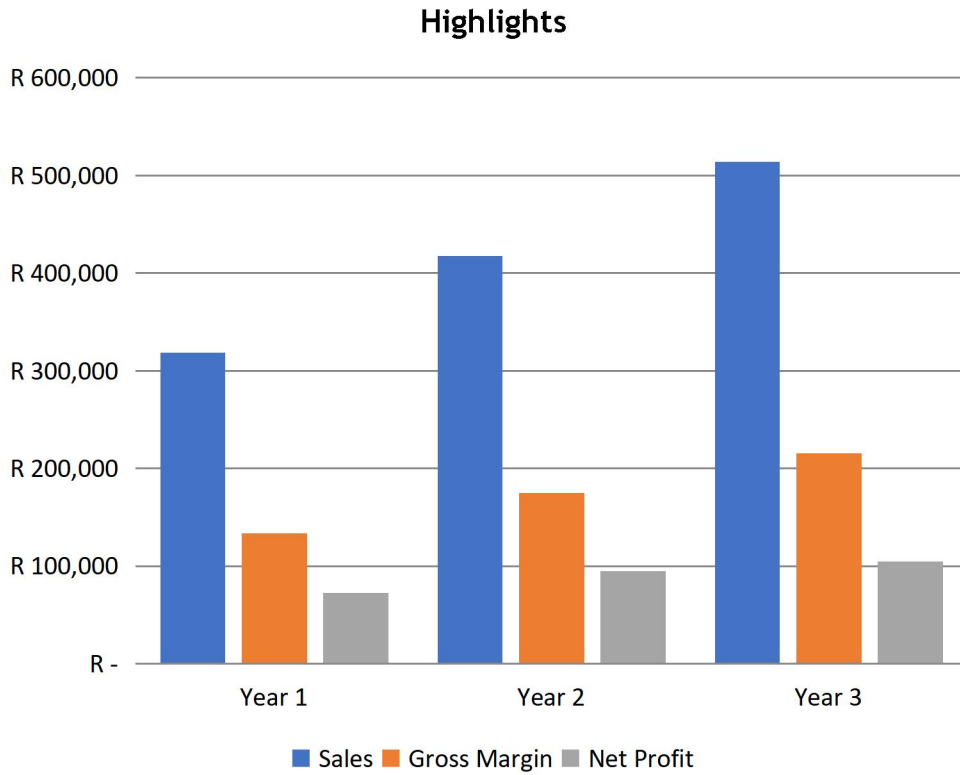
The executive team will first target the Free State Province and eventually the Gauteng Province using direct sales and existing distributor channels to penetrate the market. Initial capital will be used to produce and market Sparkling Clean cleaning detergents.

Sparkling Clean, Pvt Ltd will follow three concise strategies to achieve the desired growth:

- Develop a strong branding campaign to build awareness, positive perception and sales of our products within our target markets.
- Continue to develop new products to satisfy an ever growing set of markets.

Based on detailed financial projections, Sparkling Clean, Pvt Ltd will require **R24, 084** in start-up capital and will generate positive cash flow in its first month of operation of Year 1. By the end of Year 3 the company will be generating **R513 912** in sales with sizeable net profit. Sparkling Clean, Pvt Ltd offers investors a company with substantial growth potential, cushioned by revenue generating stability.

Chart: Highlights



1.1 Mission

Our mission is to create value for customers and shareholders by continually improving health and reducing preventable illnesses through the use of our cleaning detergents.

1.2 Keys to Success

- Complementary relationships with organizations interested in keeping their premises clean and hygienic.
- Readily available detergents with a 1 hr or less delivery time

1.3 Objectives

- Acquire all equipment needed to begin operations by August 30th.
- Become the specialty cleaning detergent provider of choice for restaurants and fast food joints across the Free State by December of Year 1.
- Achieve sales of R1 million by the end of Year 6.

2.0 Company Summary

Sparkling Clean, Pvt Ltd was founded in Free State, Ventersburg, and created as a Limited Liability Company. Sparkling Clean, Pvt Ltd develops and markets common house hold cleaning detergents to businesses and directly to consumers interested in maximizing cleanliness. The company will be based in Ventersburg South Africa.

2.1 Company Ownership

The founder Mamotse MaRoodt Mafabatho will retain 100% of the equity in the company.

2.2 Start-up Summary

Total funding required to get the business started is estimated at R21 786, of which the founder will invest R3000. An additional R16 786 investment necessary to develop the products and effectively bring Sparkling Cleans' products to an initially limited geographic region is sought from other investor(s).

The key elements in the start-up plan for the company are:

- Acquiring of equipment / assets
- Funding of working capital requirements and promotional materials for the principal operating activities of the company.

- Establishing a strong brand image early to position ourselves in the market.

The founder already has knowledge of producing these detergents having attained and completed a course and training in this regard.

Chart: Start-up

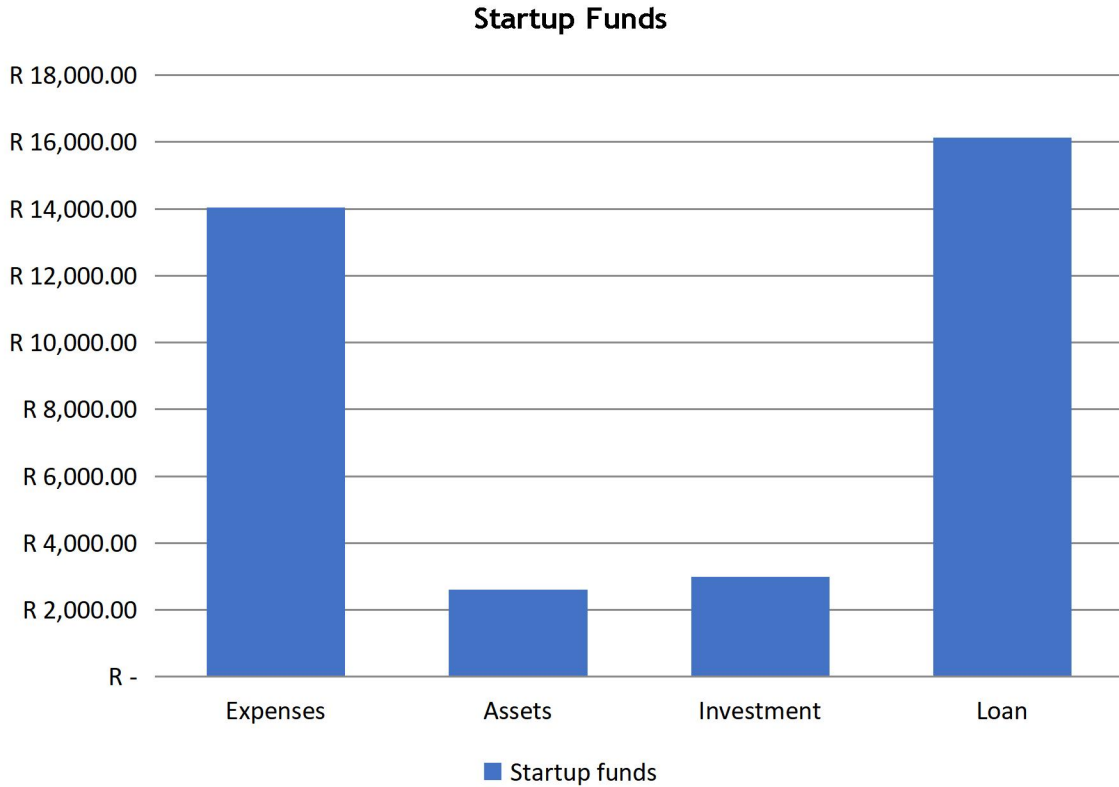


Table: Start-up

<i>Start-up</i>	
Requirements	
Start-up Expenses	
Certification	R500
Marketing	R300
Other	R0
Total Start-up Expenses	R800
Start-up Assets	
Cash Required	R3000
Start-up Inventory	R17684
Other Current Assets	R0
Long-term Assets	R2600
Total Assets	R23284
Total Requirements	R24084

Table: Start-up Funding

<i>Start-up Funding</i>	
Start-up Expenses to Fund	R800
Start-up Assets to Fund	R23284
Total Funding Required	R24084
Assets	
Non-cash Assets from Start-up	R20284
Cash Requirements from Start-up	R3000
Additional Cash Raised	R0
Cash Balance on Starting Date	R3000
Total Assets	R23284
Liabilities and Capital	
Liabilities	
Current Borrowing	R0
Long-term Liabilities	R0
Accounts Payable (Outstanding Bills)	R0
Other Current Liabilities (interest-free)	R0
Total Liabilities	R0
Capital	
Planned Investment	R0
Mamotse MaRoodt Mafabatho	R3000
Other Investor(s)	R21084
Additional Investment Requirement	R0
Total Planned Investment	R24084
Loss at Start-up (Start-up Expenses)	(R800)
Total Capital	R23284
Total Capital and Liabilities	R23284
Total Funding	R24084

2.3 Company Locations and Facilities

The management team of Sparkling Clean, Pvt Ltd will initially use a residential apartment in Ventersburg to run operations. When we exceed a cumulative target of R10 000 we will move to rented building.

3.0 Products

We will produce and sell cleaning detergents. Sparkling Cleans' products will be competitive on the market since they will deliver desired results. We will adopt both B2B (Business to Business) and B2C (Business to Consumer) models with our priority clients being restaurants and fast food joints.

3.1 Product Description

Sparkling Clean will offer four cleaning detergents at the start with the intention to add more as we get established in the market.

1. Handy Andy
 2. Pine Gel
 3. House Hold Bleach
 4. Fabric Softener
- The products will sell in 2litre quantities.

3.2 Competitive Comparison

- Sparkling Cleans' products offer a high value alternative to other expensive brands.
- Readily available and deliverable within 1hr

3.3 Sales Literature

In order to sell our product while creating familiarity and a positive brand image, it will be necessary to develop brochures and literature to emphasize the beneficial attributes of businesses purchasing our products. These will be delivered in person, during a sales presentation and by direct mail.

3.4 Sourcing

The key to our success is manufacturing our detergents in-house thereby minimizing costs as much as possible. Similar to any commodity, economies of scale require the products to be produced, packaged and distributed in large batches. Initially, we estimate the costs of sourcing raw materials to be R13 238. These inventory amounts should be sufficient for Sparkling Clean, Pvt Ltd to meet the customer demand for the duration of the first month in operation using estimated sales projections.

Utilizing her production and distribution knowledge, Mamotse MaRoodt Mafabatho the owner will use existing established relationships in the industry to help mix, package and distribute the product line.

3.5 Future Products

Additional products, manufactured to comply with regulatory minimums for strength and effectiveness in their respective target markets will be developed to increase our catalogue of products we offer.

4.0 Market Analysis Summary

There is tremendous demand for cleaning detergents in restaurants and fast food joints since cleanliness is a requirement from the health department for these types of businesses to remain operational. The target market will not be limited to these two businesses only and will also branch out to cover other businesses, hospitals and direct consumers who need these detergents for personal use in homes.

Considering the large scope of our potential markets, we feel it is imperative to focus our limited resources on a particular geographic region where we can establish demand for our product and as such we will focus our efforts in the Free State Province. After successful market penetration, we will begin our expansion drive tapping into areas further away from us.

4.1 Market Segmentation

Sparkling Cleans' cleaning products will target restaurants and fast food joints. They will first be introduced in Ventersburg, Free State, before sequential expansion to other areas. There are currently 117 restaurants and fast food joints facilities in the Free State Province. After successful implementation in Free State, we will begin expansion into the Gauteng Province. There are 3 213 facilities in the Gauteng Province.

4.2 Industry Analysis

The Industrial and Institutional detergents industry, of which we are a part, is quite fragmented, but contains several well known main competitors, Chemrix, LamaB, Atlehang, and Werner BrushWare. The good thing is that all are located outside the Free State Province and this will be our advantage. The industry is stable and growing; between 2018 and 2019 it grew by an average of 4% annually jumping to an all time high of 29% caused by the Covid 19 Pandemic in the period 2020 till current. Though there is fierce competition for market share among the existing popular detergents offerings, the demand ensures every business gets something.

4.2.2 Competition and Buying Patterns

Commercial customers select detergents based on the necessary minimum safety regulations for the intended user; restaurant and hospital regulations require anti-bacterial/microbial. Customers typically select a product based on price, availability, and convenience. We will carry out our marketing and approach all end users directly cutting out distributors and "middle-man".

4.2.3 Main Competitors

Traditional detergent producers

The largest current detergent producer, Chemrix Lab, consistently achieves strong sales, and has enjoyed strong market share in the commercial markets. Producing a wide variety of soap products, Chemirix has maintained 18% in market share over the last decade. The other commercial detergent providers include LamaB, Atlehang, and Werner BrushWare.

4.2.4 Industry Participants

The detergents industry is highly fragmented. There are more than forty different Institutional detergents products that compete in the market with new entrants springing up everywhere.

4.3 Target Market Segment Strategy

Our initial market will consist of very small to medium fast food joints which are registered business or not. With time we will move to large restaurants and fast food outlets with a more professional setting requiring larger quantities. Within these organizations we will target decision level managers with the power to implement use of our product in those locations.

4.3.1 Market Needs

It is a standard requirement by the department of Health of South Africa that all outlets that sell food maintain a certain level and standard of cleanliness on their premises. Health inspectors pay periodic visits to such establishments to ensure they comply with this directive. In homes good personal hygiene is important to keep the house clean and germ free.

- **Restaurants:** "Food borne illness kills over 10,000 people each year. Over 70% of all outbreaks originate in food service operations and, as many as 40% are the result of poor food service and cross-contamination. Each year over 10 million estimated cases of food poisoning occur in the South Africa alone. South Africa spends between \$1.6 and \$2 billion annually on health care and lost productivity resulting from food borne illness.

This background information highlights why there is a need for our products.

4.3.2 Market Trends

There has been a recent effort by the Food and Drug Association, the Center for Disease Control, the National Restaurant Organization, and others to promote education to increase cleanliness awareness since the onset of the Covid 19 Pandemic. The focus of these programs is to educate and encourage preventative control measures and encourage hygiene to reduce chances of germs, bacteria's and viruses like the Corona virus incubating on surfaces for a long periods leading to their spread. This has led to greater awareness in our target markets about maximizing cleanliness and minimizing preventable illness.

4.3.3 Market Growth

The demand for fast food will continue to grow with normalcy returning to the hospitality industry after suffering a huge knock from the Covid 19 pandemic. However the return to normalcy curtails a higher demand in cleanliness which directly translates to a boom in the detergents niche.

6.0 Management Team

The founder will handle financial responsibilities of the company. She will be responsible for finding, attaining and managing new accounts. She will also be responsible for making direct sales, marketing, and all other operational tasks involved with making this company successful and as the CEO will oversee all company decisions.

Founder Profile:

Mamotse MaRoodt Mafabatho: President/Founder/CEO

Mamotse MaRoodt Mafabatho will oversee operations in all aspects of the business. In addition to managing client relationships, marketing and product expansion, Ms Mafabatho will be responsible for hiring new personnel as the business grows. Ms. Mafabatho holds a National Certificate of Environment Practice and some vast entrepreneurship knowledge.

Board of Advisors:

Qabam Digital Agency: With over ten years as business consultants, Qabam Digital Agency will avail some of its best consultants to help provide insight on the best decisions to take. Qabam Digital Agency uses a quantitative approach to business management and will recommend decisions based on collected data.

6.1 Personnel Plan

In order to free up enough capital to continue operations and possible expansion, our executive team will not receive more than a living wage salary until the product is well into the black. We understand that as a new product we will need technical support and legal advice; this will be currently outsourced to various consultants.

All sales for the first year of operation will be closed by the executive management team. Starting from the second year, we will employ a Sales Associate who will handle sales transactions. His/her compensation will be a combination of fixed salary and commission on sales. For the purposes of financial planning, we combined the Sales Associate's compensation into an aggregate forecast.

To be flexible in meeting the customer demand, we plan to stock a minimum amount of product in a rented warehouse. At the beginning, all incoming product stock will be accepted and later dispatched to customers by the company's executive team. Starting in the second year, we plan to hire a full-time Inventory Manager to handle these tasks.

Table: Personnel

<i>Personnel Plan</i>	Year 1		Year 2		Year 3	
Mamotse MaRoodt Mafabatho	R	24,000	R	36,000	R	60,000
Total People		1		1		1
Total Payroll	R	24,000	R	36,000	R	60,000

7.0 Financial Plan

Based on market research, we expect the business to begin growing at 3% per month for the first 12 months, then at a yearly rate of 33% for the next two years. Due to our low initial investment costs, we can maintain the operations of the business with the cash buffer we will have from start up. In addition, we will almost immediately have a positive cash flow, allowing us the flexibility to cover any unforeseen expenses.

7.1 Important Assumptions

Sales

- We have assumed no payroll expense for the startup period.
- Sales will be made on both cash and credit basis, the industry standard. Although we do plan to sell some of our product (mostly for product promotion purposes) to the government agencies who usually demand substantially longer payment terms, our major target group will remain commercial entities. As such, we assume, on average, a 20-day collection schedule for credit purchases.
- Customers will pay for all relevant shipping charges.
- To be flexible in meeting the customer demand, we plan to maintain a minimal stock of product at a rented warehouse and dispatch it from there.
- Once we make the decision to address additional market segments, we will begin increasing our marketing and sales expenses to represent the expected increase in costs associated with developing packaging, advertisements, additional promotions, and creating awareness of our products in the differing markets.

Market

- Initial target markets include all restaurants and fast food outlets in the Free State Province.
- Projections related to consumer acceptance were estimated using market surveys.

7.2 Key Financial Indicators

Sales - Our sales are projected to grow at a consistent rate of 33% yearly, and we believe this accurately reflects the realistic growth our product would be capable of attaining if we can properly utilize existing channels of distribution and gain social acceptance.

Gross Margin - As we grow, become more efficient, and gain economies of scale we begin to see a slight growth in our margins.

Operating Expenses - In 2023 and 2024 we see an increase in the number of operating expenses that we will incur. We begin incurring larger costs involving advertising, promotion, marketing, and payroll expenses.

Inventory Turnover - We will begin operations with a preliminary purchase of R13 238 raw materials. Our preliminary forecast suggests that for us to be flexible in meeting customer demand we will need to maintain a minimal inventory stock at a rented warehouse. We estimate that, on average, we will keep two weeks' worth of inventory on hand.

Collection days - We will collect our accounts receivable on an average of 20 days. In 2023 and 2024 we will have the cash to cover unexpected costs or expenses so that we may decide to allow a longer collection period.

7.4 Projected Cash Flow

Overall, our business is expected to generate sufficient cash flows. Our cash balance will, among other things, depend on the level of inventory we decide to keep at a rented warehouse. At the moment, our projections in this respect are preliminary and we expect to fine-tune them as the demand for our products grows

Chart: Cash

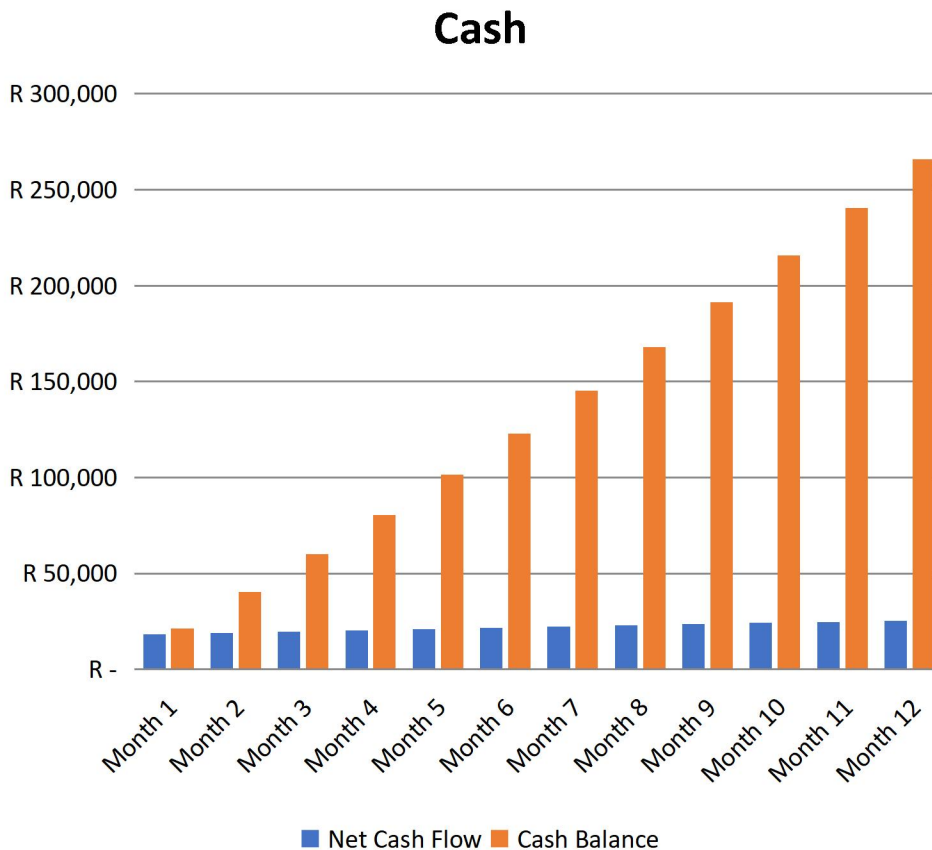


Table: Cash Flow

<i>Pro Forma Cash Flow</i>	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	R106,248	R137,689	R169,591
Cash from Receivables	R212,496	R279,551	R344,321
Subtotal Cash from Operations	R318,744	R417,240	R513,912
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	R0	R0	R0
New Current Borrowing	R0	R0	R0
New Other Liabilities (interest-free)	R0	R0	R0
New Long-term Liabilities	R0	R0	R0
Sales of Other Current Assets	R0	R0	R0
Sales of Long-term Assets	R0	R0	R0
New Investment Received	R0	R0	R0
Subtotal Cash Received	R318,744	R417,240	R513,912
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	R24,000	R36,000	R60,000
Bill Payments	R31,762	R38,807	R45,574
Subtotal Spent on Operations	R55,762	R74,807	R105,574
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	R0	R0	R0
Principal Repayment of Current Borrowing	R0	R0	R0
Other Liabilities Principal Repayment	R0	R0	R0
Long-term Liabilities Principal Repayment	R0	R0	R0
Purchase Other Current Assets	R0	R0	R0
Purchase Long-term Assets	R0	R0	R0
Dividends	R0	R0	R0
Subtotal Cash Spent	R55,762	R74,807	R105,574
Net Cash Flow	R262,982	R342,433	R408,388
Cash Balance	R265,982	R608,415	R1,016,763

7.5 Projected Profit and Loss

Our profit and loss projections reflect our expectation that monthly fixed costs will remain constant over the course of the first year.

Chart: Profit Monthly

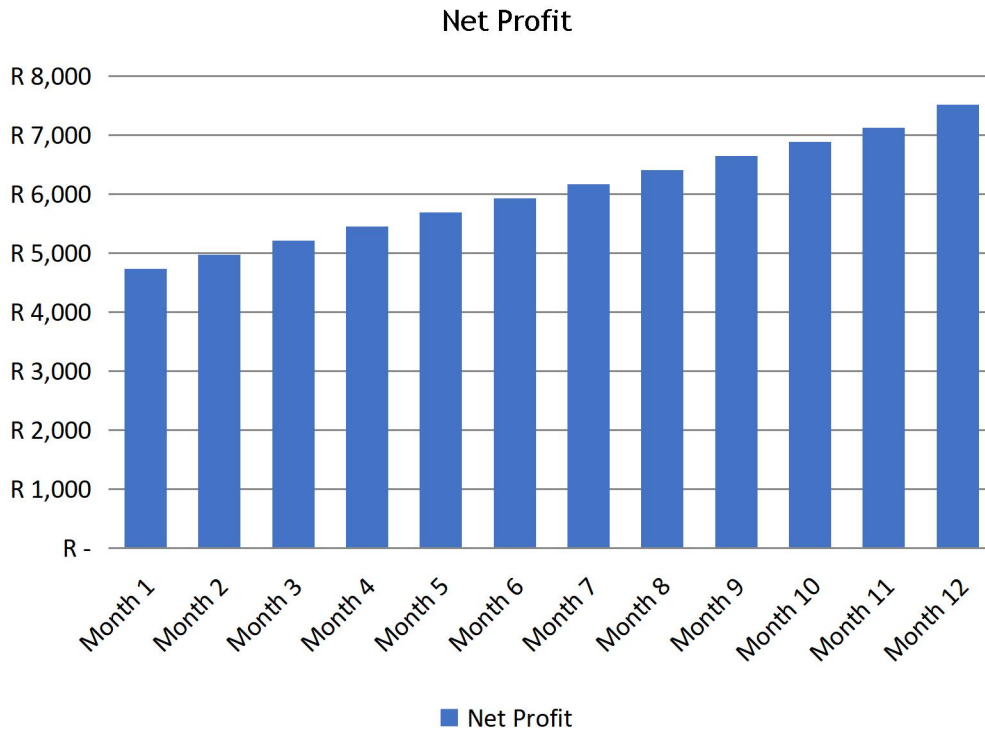


Chart: Profit Yearly

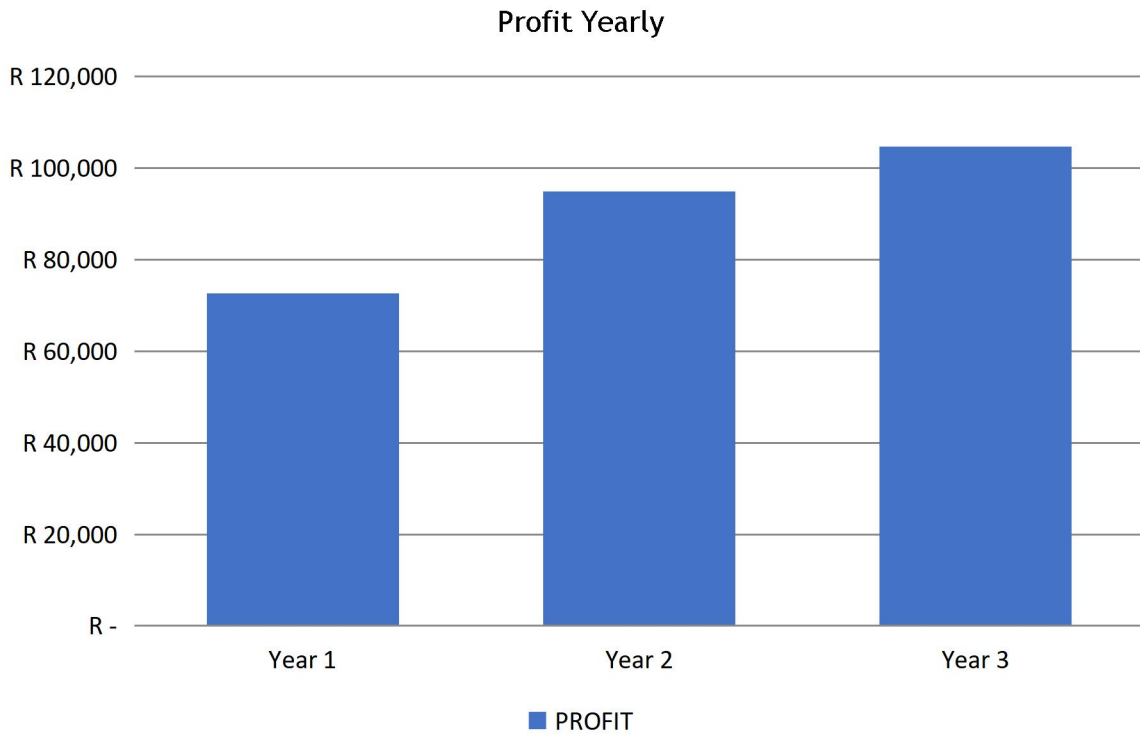


Chart: Gross Margin Monthly

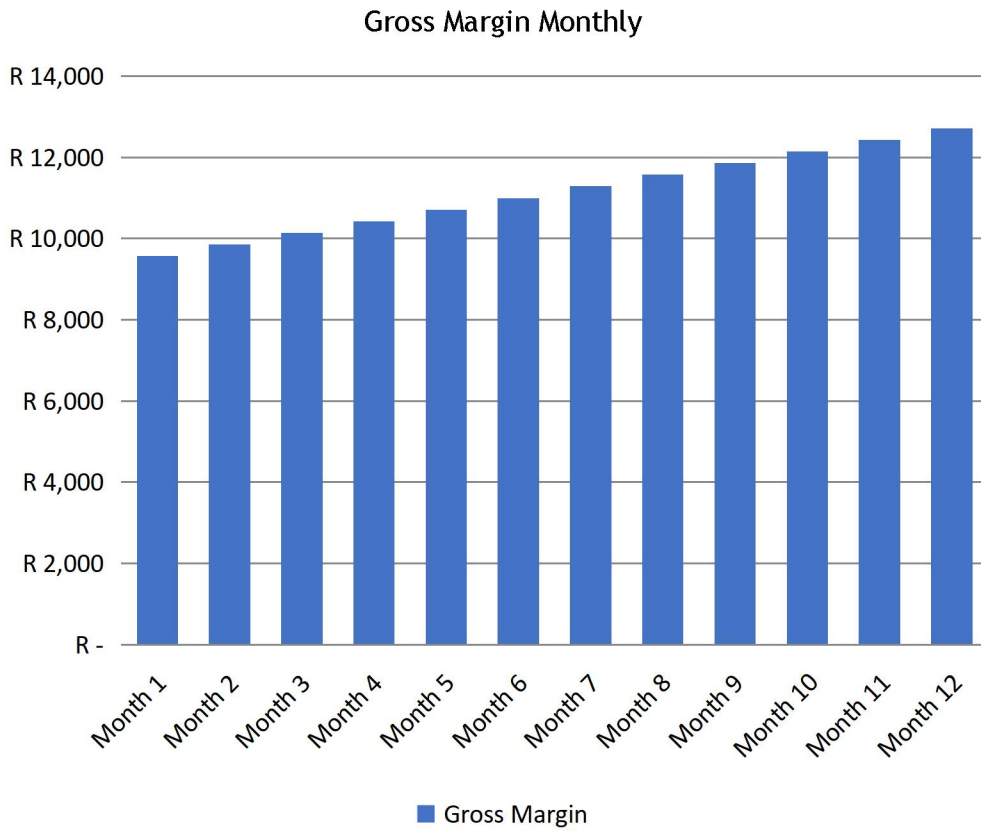


Chart: Gross Margin Yearly

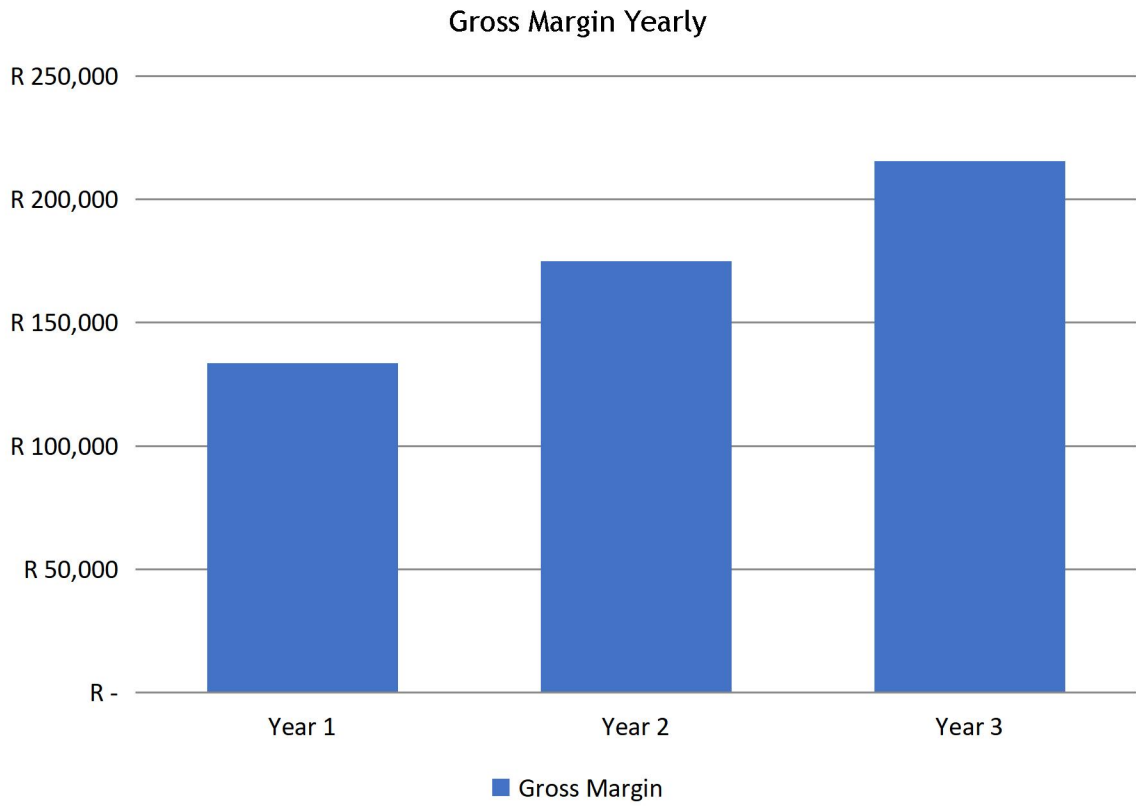


Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>	Year 1	Year 2	Year 3
Sales	R318,744	R417,240	R513,912
Direct Cost of Sales	R185,074	R242,264	R298,395
Other	R0	R0	R0
Total Cost of Sales	R185,074	R242,264	R298,395
Gross Margin	R133,670	R174,976	R215,517
Gross Margin %	41.94%	41.94%	41.9%
Expenses			
Payroll	R24,000	R36,000	R60,000
Payroll Taxes	R0	R0	R0
Depreciation	R5,196	R5,196	R5,196
Marketing	R3,600	R3,600	R3,600
Utilities	R6,000	R6,000	R6,000
Total Operating Expenses	R38,796	R50,796	R74,796
Profit Before Interest and Taxes	R94,874	R124,180	R140,721
EBITDA	R100,070	R129,376	R145,917
Interest Expense	R0	R0	R0
Taxes Incurred	R22,312	R29,207	R35,974
Net Profit	R72,562	R94,974	R104,747
Net Profit/Sales	22.8%	22.8%	20.4%

7.6 Projected Balance Sheet

As sales increase we expect that inventory turnover rate to increase.

Our only significant Accounts Payable will be Inventory, which are a direct reflection of the level of inventory on hand. We will be paying off our Accounts Payable in accordance with sale of inventory. Therefore, as we begin to sell more detergents, we will be increasingly capable of meeting our obligations in a timelier manner, ensuring that we have enough cash on hand to cover our short term liabilities.

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	R265,832	R608,265	R1,016,603
Other Current Assets	R18,000	R18,000	R18,000
Total Current Assets	R283,832	R626,265	R1,034,603
Long-term Assets			
Long-term Assets	R5,200	R5,200	R5,200
Accumulated Depreciation	R5,198	R5,198	R5,198
Total Long-term Assets	R2	R2	R2
Total Assets	R283,834	R626,267	R1,034,605
Liabilities and Capital	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	R274,273	R617,038	R1,025,307
Current Borrowing	R0	R0	R0
Other Current Liabilities	R0	R0	R0
Subtotal Current Liabilities	R274,273	R617,038	R1,025,307
Long-term Liabilities	R0	R0	R0
Total Liabilities	R274,273	R617,038	R1,025,307
Paid-in Capital	R3,000	R3,000	R3,000
Retained Earnings	(R3,400)	(R3,400)	(R3,400)
Earnings	R7,361	R9,229	R9,698
Total Capital	R6,961	R8,829	R9,298
Total Liabilities and Capital	R283,834	R626,267	R1,034,605
Net Worth	R6,961	R8,829	R9,298

Appendix

Table: Sales Forecast

<i>Sales Forecast</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales												
House Hold Bleach	R4,896	R5,004	R5,112	R5,220	R5,328	R5,436	R5,544	R5,652	R5,760	R5,868	R5,976	R6,084
Fabric Softener	R6,528	R6,672	R6,816	R6,960	R7,104	R7,248	R7,392	R7,536	R7,680	R7,824	R7,968	R8,112
Handy Andy	R6,528	R6,672	R6,816	R6,960	R7,104	R7,248	R7,392	R7,536	R7,680	R7,824	R7,968	R8,112
Pine Gel 2Litres	R13,056	R13,344	R13,632	R13,920	R14,208	R14,496	R14,784	R15,072	R15,360	R15,648	R15,936	R16,224
Total Sales	R31,008	R31,692	R32,376	R33,060	R33,744	R34,428	R35,112	R35,796	R36,480	R37,164	R37,848	R38,532
Cost of Sales	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Direct Cost of Sales	R18,004	R18,401	R18,799	R19,196	R19,593	R19,990	R20,387	R20,784	R21,182	R21,579	R21,976	R22,373
Other	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Subtotal Direct Cost of Sales	R18,004	R18,401	R18,799	R19,196	R19,593	R19,990	R20,387	R20,784	R21,182	R21,579	R21,976	R22,373

Appendix

Table: Personnel

<i>Personnel Plan</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Mamotse Mafabatho	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000
Total People	1	1	1	1	1	1	1	1	1	1	1	1
Total Payroll	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000

Appendix

Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	31,008	31,692	32,376	33,060	33,744	34,428	35,112	35,796	36,480	37,164	37,848	38,532
Direct Cost of Sales	R18,004	R18,401	R18,799	R19,196	R19,593	R19,990	R20,387	R20,784	R21,182	R21,579	R21,976	R22,373
Other	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Total Cost of Sales	R18,004	R18,401	R18,799	R19,196	R19,593	R19,990	R20,387	R20,784	R21,182	R21,579	R21,976	R22,373
Gross Margin	R13,004	R13,291	R13,577	R13,864	R14,151	R14,438	R14,725	R15,012	R15,298	R15,585	R15,872	R16,159
Gross Margin %	41.94%	41.94%	41.94%	41.94%	41.94%	41.94%	41.94%	41.94%	41.94%	41.94%	41.94%	41.94%
Expenses												
Payroll	R3,000	R3,000	R3,000	R3,000	3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000
Depreciation	R433	R433	R433	R433	R433	R433	R433	R433	R433	R433	R433	R433
Marketing	R300	R300	R300	R300	R300	R300	R300	R300	R300	R300	R300	R300
Utilities	R500	R500	R500	R500	R500	R500	R500	R500	R500	R500	R500	R500
Total Operating Expenses	R 4,233	R4,233	R4,233	R4,233	R4,233	R4,233	R4,233	R4,233	R4,233	R4,233	R4,233	R4,233
Profit Before Interest and Taxes	R8,771	R9,058	R9,344	R9,631	R9,918	R10,205	R10,492	R10,779	R11,065	R11,352	R11,639	R11,926
EBITDA	R9,204	R9,491	R9,777	R10,064	R10,351	R10,638	R10,925	R11,212	R11,498	R11,785	R12,072	R12,359
Interest Expense	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Taxes Incurred	R2,171	R2,218	R2,266	R2,314	R2,362	R2,410	R2,458	R2,506	R2,554	R2,601	R2,649	R2,697
Net Profit	R6,600	R6,839	R7,078	R7,317	R7,556	R7,795	R8,034	R8,273	R8,512	R8,751	R8,990	R9,229
Net Profit/Sales	21.3%	21.6%	21.9%	22.1%	22.4%	22.6%	22.9%	23.1%	23.3%	23.5%	23.8%	24.0%

Appendix

Table: Cash Flow

<i>Pro Forma Cash Flow</i>	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash Received												
Cash from Operations												
Sales	R31,008	R31,692	R32,376	R33,060	R33,744	R34,428	R35,112	R35,796	R36,480	R37,164	R37,848	R38,532
Subtotal Cash from Operations	R31,008	R31,692	R32,376	R33,060	R33,744	R34,428	R35,112	R35,796	R36,480	R37,164	R37,848	R38,532
Additional Cash Received												
Sales Tax, VAT, HST/GST Received	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	R31,008	R31,692	R32,376	R33,060	R33,744	R34,428	R35,112	R35,796	R36,480	R37,164	R37,848	R38,532
Expenditures	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Expenditures from Operations												
Cash Spending	R3,000	R3,000	R3,000	R3,000	3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000
Bill Payments	R2,971	R3,018	R3,066	R3,114	R3,162	R3,210	R3,258	R3,306	R3,354	R3,401	R3,449	R3,497
Subtotal Spent on Operations	R5,971	R6,018	R6,066	R6,114	R6,162	R6,210	R6,258	R6,306	R6,354	R6,401	R6,449	R6,497
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	R5,971	R6,018	R6,066	R6,114	R6,162	R6,210	R6,258	R6,306	R6,354	R6,401	R6,449	R6,497
Net Cash Flow	R25,037	R25,674	R26,310	R26,946	R27,582	R28,218	R28,854	R29,490	R30,126	R30,763	R31,399	R32,035
Cash Balance												
	R290,869	R316,543	R342,853	R369,798	R397,380	R425,598	R454,453	R483,943	R514,069	R544,832	R576,230	R608,265

Appendix

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Assets	Starting Balances												
Current Assets													
Cash		R290,869	R316,543	R342,853	R369,798	R397,380	R425,598	R454,453	R483,943	R514,069	R544,832	R576,230	R608,265
Other Current Assets		R18,000	R18,000	R 18,000	R 18,000	R 18,000	R18,000	R18,000	R18,000	R18,000	R18,000	R18,000	R18,000
Total Current Assets		R308,869	R334,543	R360,853	R387,798	R415,380	R443,598	R 472,453	R501,943	R532,069	R562,832	R594,230	R626,265
Long-term Assets													
Long-term Assets		R2,600	R2,600	R 2,600	R 2,600	R2,600	R 2,600	R2,600	R2,600	R2,600	R2,600	R2,600	R2,600
Accumulated Depreciation		R433	R866	R1,299	R1,732	R2,165	R2,598	R433	R866	R1,299	R1,732	R2,165	R2,598
Total Long-term Assets		R2,167	R1,734	R1,301	R868	R435	R2	R2,167	R1,734	R1,301	R868	R435	R2
Total Assets		R311,036	R336,277	R362,154	R388,666	R415,815	R443,600	R474,620	R503,677	R533,370	R563,700	R594,665	R626,267
Liabilities and Capital		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Liabilities													
Accounts Payable		R302,236	R327,238	R352,876	R379,149	R406,059	R435,805	R464,386	R493,204	R522,658	R552,749	R583,476	R617,438
Current Borrowing		R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Other Current Liabilities		R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Subtotal Current Liabilities		R302,236	R327,238	R352,876	R379,149	R406,059	R435,805	R464,386	R493,204	R522,658	R552,749	R583,476	R617,438
Long-term Liabilities		R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Total Liabilities		R327,238	R352,876	R379,149	R406,059	R435,805	R464,386	R493,204	R522,658	R552,749	R583,476	R617,438	\$77,422
Paid-in Capital		R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000	R3,000
Retained Earnings		R-800	R-800	R-800	R-800	R-800	R-3,000	R-800	R-800	R-800	R-800	R-800	R-3,400
Earnings		R6,600	R6,839	R7,078	R7,317	R7,556	R7,795	R8,034	R8,273	R8,512	R8,751	R8,990	R9,229
Total Capital		R8,800	R9,039	R9,278	R9,517	R9,756	R7,795	R10,234	R10,473	R10,712	R10,951	R11,190	R8,829
Total Liabilities and Capital		R311,036	R336,277	R362,154	R388,666	R415,815	R443,600	R474,620	R503,677	R533,370	R563,700	R594,665	R626,267
Net Worth		\$122,500	\$118,536	\$114,915	\$111,791	\$109,386	\$108,026	\$108,181	\$110,531	\$116,065	\$126,215	\$143,060	\$169,611

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