

# Lobo Salon Business Plan



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# Table of Contents

- Executive Summary ..... 1**
- Introduction..... 1
- Mission..... 1
  - Chart: Highlights..... 2*
- Keys to Success..... 2
- Company Summary ..... 3**
- Start-up Summary..... 3
  - Table: Start-up..... 3*
  - Table: Start-up Funding..... 4*
  - Chart: Start-up..... 5*
- Products and Services ..... 6**
- Hair..... 6*
- Nails..... 6*
- Market Analysis Summary ..... 6**
- Management Summary ..... 7**
- Personnel Plan..... 7
  - Table: Personnel..... 7*
- Financial Plan ..... 8**
- Important Assumptions..... 8
- Projected Cash Flow..... 8
  - Chart: Cash..... 9*
  - Table: Cash Flow..... 9*
- Projected Profit and Loss..... 10
  - Chart: Gross Margin Monthly..... 10*
  - Chart: Gross Margin Yearly..... 12*
  - Table: Profit and Loss..... 13*
  - Chart: Profit Monthly..... 14*
  - Chart: Profit Yearly..... 15*
- Balance Sheet..... 16
  - Table: Balance Sheet..... 16*
- Appendix ..... i**
- Sales Forecast (With Monthly Detail)..... i
- Personnel (With Monthly Details)..... ii
- Profit and Loss Statement (With Monthly Detail)..... iii

Cash Flow Statement (With Monthly Detail) ..... iv  
Balance Sheet (With Monthly Detail) ..... v

# Executive Summary

## Introduction

Lobo Salon will be a full service beauty salon located in the heart of Johannesburg providing exceptional service and quality products to its client. We will strive to keep our customers happy by continuously delivering quality products and quality customer service to our customers in a relaxed environment at very affordable rates. At Lobo we also maintain a friendly work environment implementing a flatarchy business structure to encourage creative work and easy coordination within the team.

## Mission

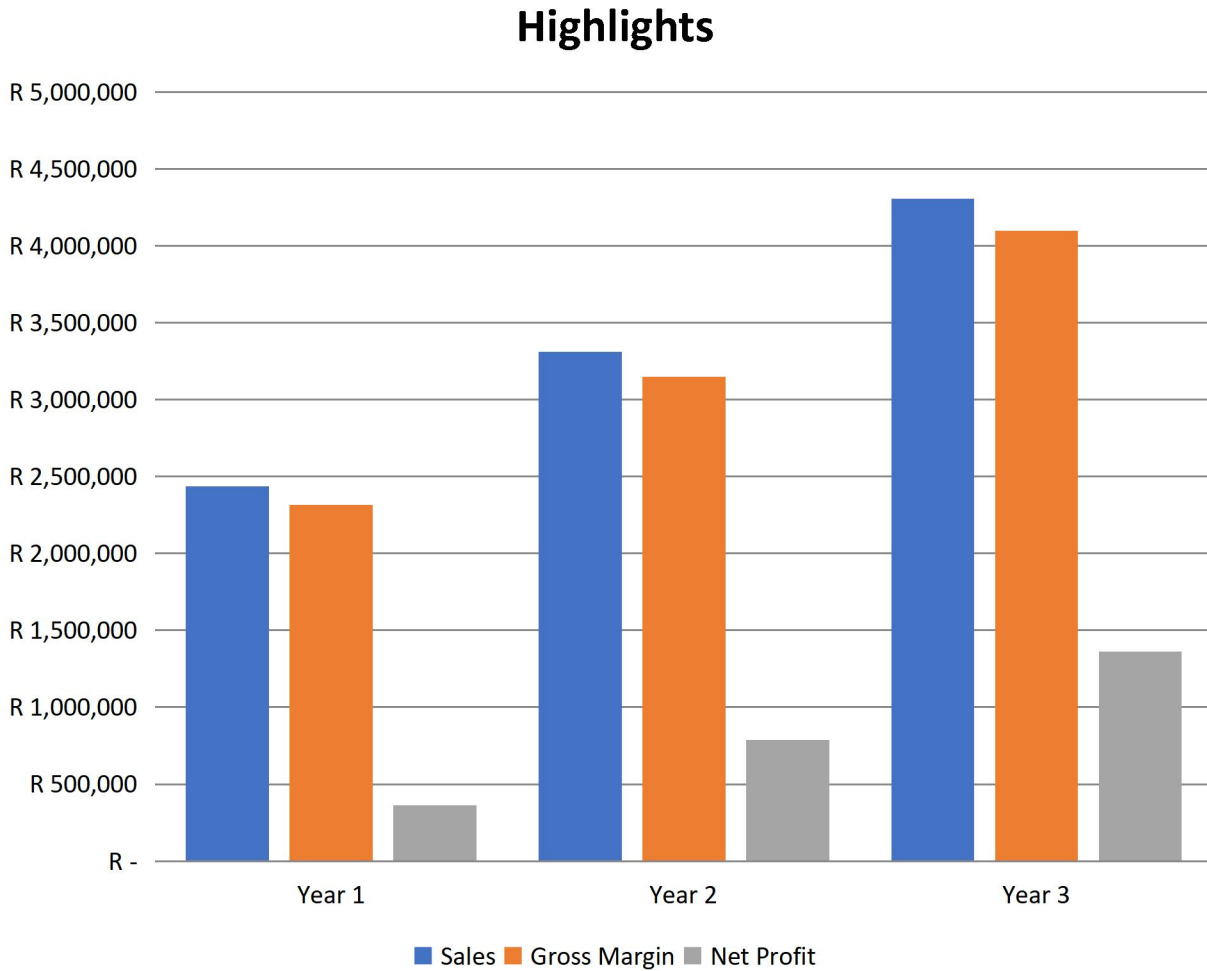
Our mission at Lobo is to supply products and services that enhance our clients' beauty at affordable prices in a relaxed environment.

The timing is right for starting this new venture. After spending more than a year on the lookout for a pristine spot to start a salon business, an opportunity has presented itself where shop space is up for lease in one of the busiest streets in Johannesburg CBD. Having worked in a salon and still currently working there, the demand from the owner's clients coupled with knowledge on how the salon business works derived from years of experience in the industry poises the chances of Lobo hair salon succeeding extremely high.

Alexis Digier, the owner of Lobo, has worked in different kinds of salon setups and has what it takes to make Lobo Salon a success. With a large client base and hands on experience she intends to bring on board only the best beauticians holding a cosmetology certificate to work by her side by first taking them on a probation basis. This will ensure the clients will get the very best results leading to repeat business and referrals as the Salon reputation grows.

To achieve our objectives, Lobo is seeking additional funding of R280 000.00. This loan will be paid from the cash flow of the business and will be collateralized by the assets of the company and personal property of the owner with an estimated value worth 2 times the amount being applied for.

**Chart: Highlights**



## Keys to Success

The keys to success in our business are:

- **Skill:** The level of expertise by our beauticians will be unparalleled and will ensure client satisfaction every time they visit our salon
- **Location:** Lobo salon will be located at a very busy spot marketing directly to hawkers and passerby's
- **Convenience:** We will offer a variety of services to ensure clients get all services they require in one place.

## Company Summary

Lobo Salon will upon commencement of operations sell a wide range of beauty services and products. We will provide quality hair, nail, along with top lines of beauty products. What will set Lobo apart from the competition is our commitment to providing all of these services in one convenient location.

The salon will be located at the corner of a busy street at 05 Delaroma, Johannesburg. The salon will utilize 1,540 square feet. The location is strategically situated on one of the busiest streets in Johannesburg. It is at the centre of Johannesburg CBD, with easy access from all parts of town.

## Start-up Summary

After being put on a waiting list by several rental Agents in Gauteng for a shop to lease, one has finally become available. The initial wish was to find an already set up salon to take over but since there were not available but in demand we decided to start one from the ground up. The start-up capital will be used for the design, leasehold improvements, and equipment of the salon.

Leasehold improvements will amount to approximately R38 773.00, and salon equipment will cost about R188 132.00. The owner will invest R20 000.00 for cash-on-hand at starting date.

**Table: Start-up**

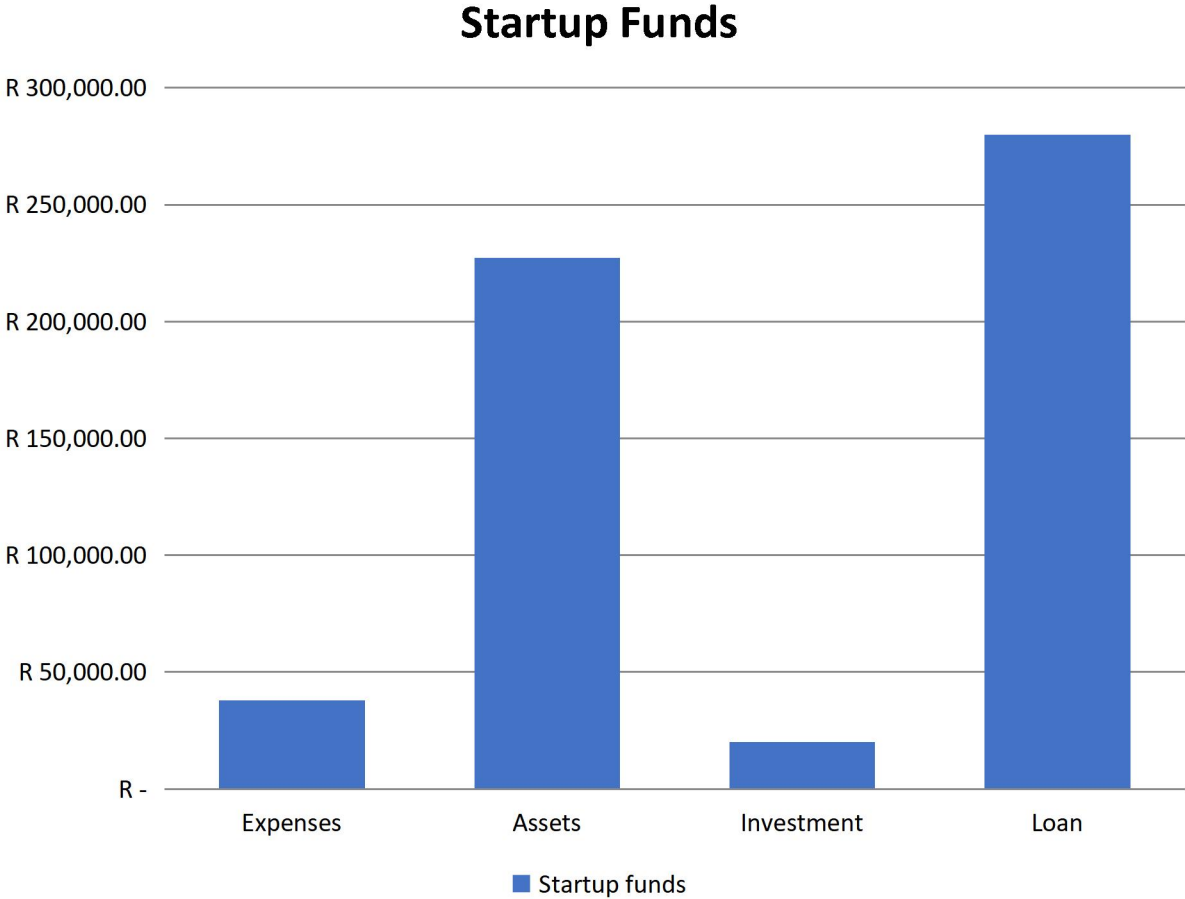
<i>Start-up</i>	
Requirements	
Start-up Expenses	
Rent deposit	R31,200
Other	R6,675
Total Start-up Expenses	R37,875
Start-up Assets	
Cash Required	R20,000
Other Current Assets	R15,000
Long-term Assets	R227,125
Total Assets	R262,125
<b>Total Requirements</b>	<b>R300,000</b>

**Table: Start-up Funding**

<i>Start-up Funding</i>	
Start-up Expenses to Fund	R37,875
Start-up Assets to Fund	R262,125
Total Funding Required	R300,000
 Assets	
Non-cash Assets from Start-up	R242,125
Cash Requirements from Start-up	R20,000
Additional Cash Raised	R0
Cash Balance on Starting Date	R20,000
Total Assets	R262,125
 Liabilities and Capital	
Liabilities	
Current Borrowing	R0
Long-term Liabilities	R280,000
Accounts Payable (Outstanding Bills)	R0
Other Current Liabilities (interest-free)	R0
Total Liabilities	R280,000
 Capital	
Planned Investment	
Owner	R20,000
Investor	R0
Additional Investment Requirement	R0
Total Planned Investment	R20,000
Loss at Start-up (Start-up Expenses)	(R37,875)
Total Capital	(R17,875)
 Total Capital and Liabilities	 R262,125
<b>Total Funding</b>	<b>R300,000</b>



Chart: Start-up



## Products and Services

Lobo Salon will function as one stop beauty spot offering almost all common classy beauty spa services. We will offer a wide range of services that include:

### Hair

- Cuts
- Relaxers
- Perms
- Colors
- Shampoo
- Conditioning
- Curling
- Reconstructing
- Weaving
- waving

### Nails

- Manicures
- Pedicures
- Polish
- Sculptured nails

## Market Analysis Summary

There are a number of salons like ours, but only one operates near us and is located 2 streets away from, others are mainly in the very high income parts of Johannesburg and surrounding areas. We intend to crush this competition by offering quality services and implementing some loyalty programs. We will offer affordable services so that we attract the middle income clients.

## Management Summary

Lobo Salon will be organized and managed in a creative and innovative fashion which follows a flatarchy structure to generate very high levels of customer satisfaction, and to create a working climate conducive to a high degree of personal development and economic satisfaction for employees.

Training classes to help improve employee product knowledge and skills will be conducted on a regular basis. As the business grows, the company will consider offering an employee benefit package to include health and vacation benefits for everyone.

## Personnel Plan

Lobo Salon will be organized and managed in a creative and innovative fashion which follows a flatarchy structure to generate very high levels of customer satisfaction, and to create a working climate conducive to a high degree of personal development and economic satisfaction for employees. Training classes to help improve employee product knowledge and skills will be conducted on a regular basis. As the business grows, the company will consider offering an employee benefit package to include health and vacation benefits for everyone.

**Table: Personnel**

<i>Personnel Plan</i>	Year 1	Year 2	Year 3
Receptionist	R78,000	R84,000	R90,000
Owner	R155,138	R210,788	R273,788
Stylist #1	R72,356	R98,311	R127,694
Stylist #2	R51,713	R70,263	R91,263
Stylist #3	R66,192	R89,936	R116,816
Stylist #4	R86,463	R114,699	R152,591
Stylist #5	R70,329	R95,557	R126,601
Stylist #6	R74,466	R101,178	R130,781
Stylist #7	R122,455	R166,382	R216,110
Barber #1	R49,644	R67,452	R87,612
Barber #2	R49,644	R67,452	R87,612

Total	R876,400	R1,166,017	R1,500,867
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## Financial Plan

Our goal is to be a profitable business beginning in the first month. The business will not have to wait long for clients to learn about it since the stylists will have an existing client base.

To assure the start-up funds lender that they will get a Return of Investment (ROI), the business owner is willing to collateralize the loan with personal properties worth 2 times the amount being applied for.

## Important Assumptions

The financials that are enclosed have a number of assumptions:

The assumption is that the business will begin operations at 40% of its Ideal Full Capacity. Revenues will grow at an annual rate of 20%, increasing by 1 - 2% month on month with jumps in certain periods influenced by external forces like holidays and other events. We anticipate this increase to stay steady throughout the following year to account for the normal flow of new clients coming into the salon.

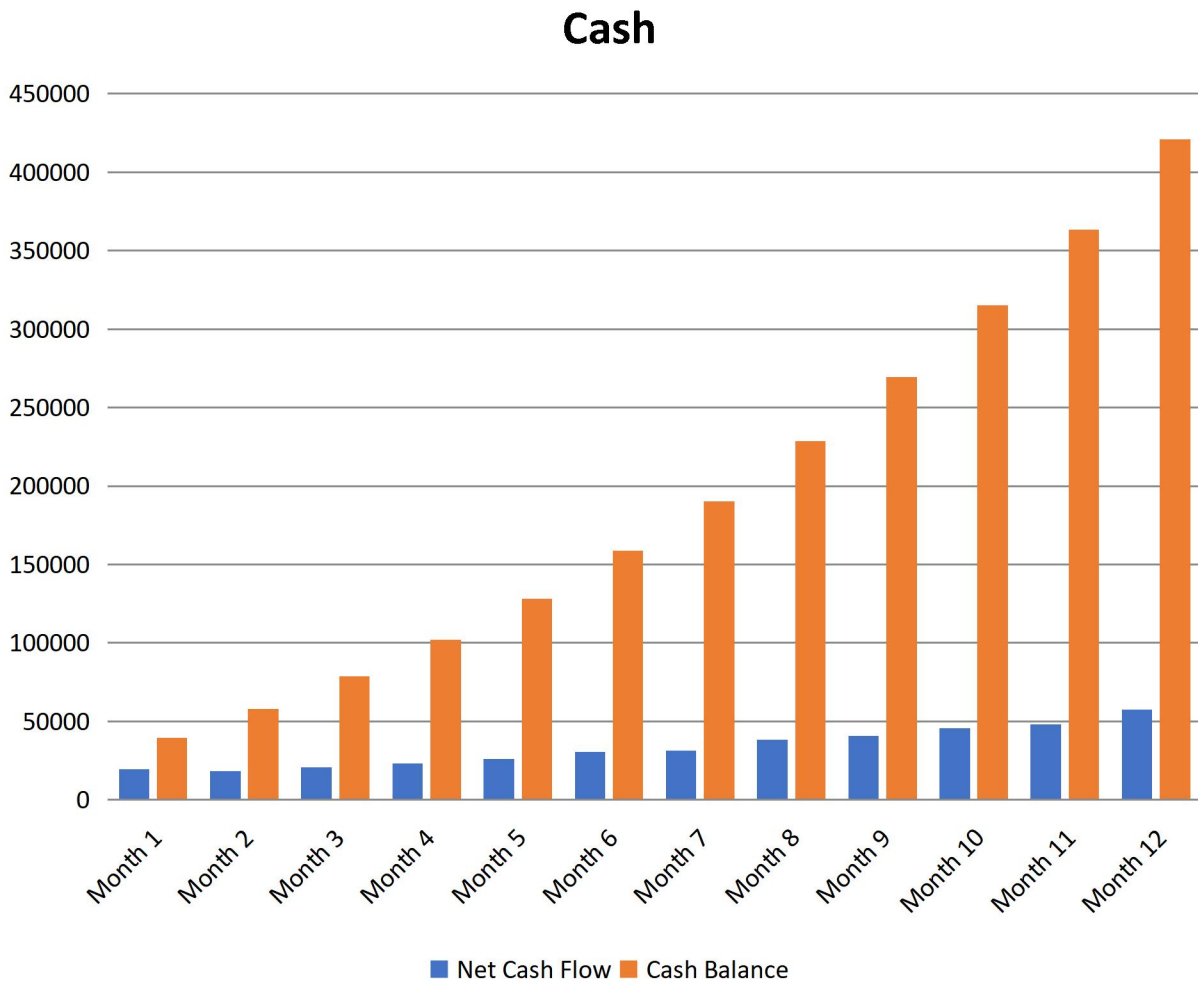
Estimates for sales revenue and growth are intentionally low using a lower cap price costing adopted by most salons targeting middle income class, while anticipated expenses are exaggerated to the high side to illustrate a worst case scenario.

We did not use cost of goods sold in our calculations of net service sales, but included all related recurring expenses, such as payroll and supplies, in the operating expenses area of the profit and loss table. The only direct costs in the sales forecast are for projected product sales.

## Projected Cash Flow

We expect to manage cash flow over the next three years simply by the growth of the cash flow of the business. The business will generate more than enough cash flow to cover all of its expenses.

**Chart: Cash**



**Table: Cash Flow**

<i>Pro Forma Cash Flow</i>			
	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	R2,434,801	R3,300,256	R4,302,227
Subtotal Cash from Operations	R2,434,801	R3,300,256	R4,302,227
Additional Cash Received			

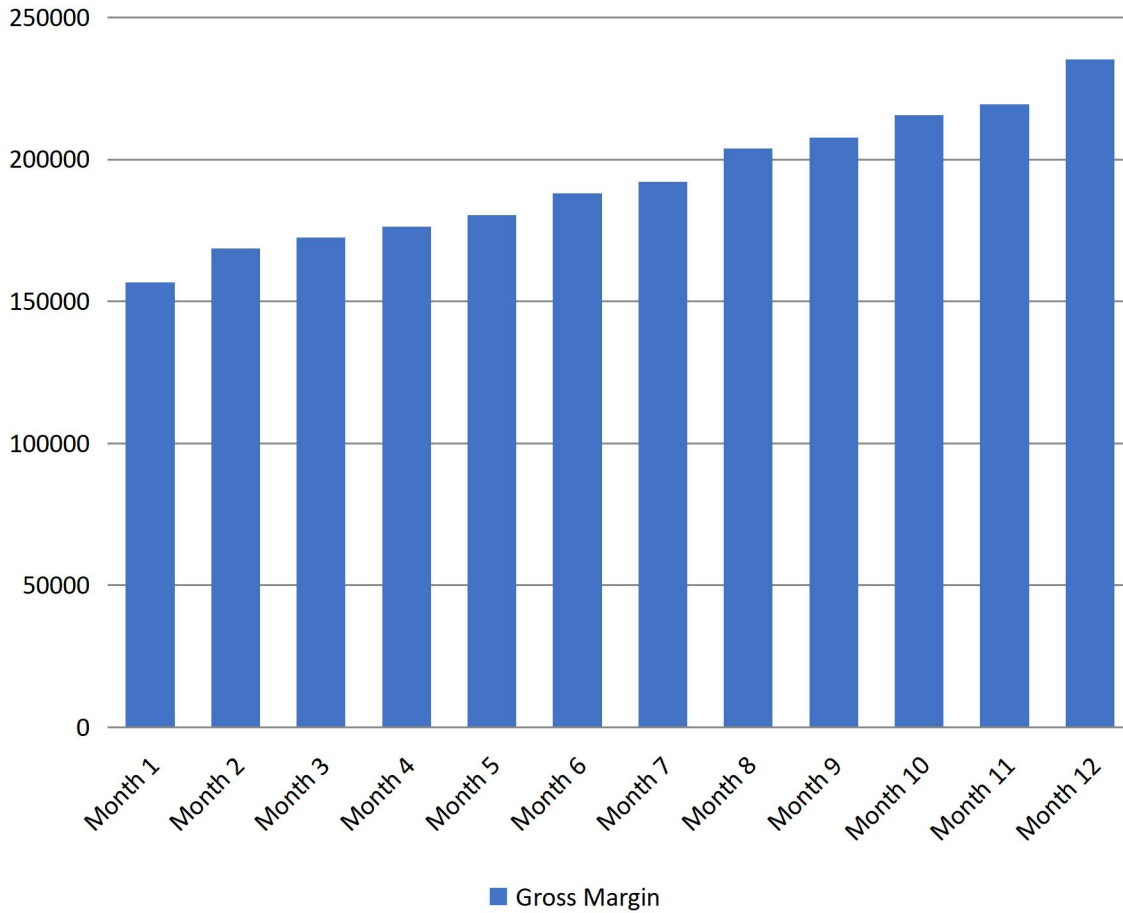
Sales Tax, VAT, HST/GST Received	R0	R0	R0
New Current Borrowing	R0	R0	R0
New Other Liabilities (interest-free)	R0	R0	R0
New Long-term Liabilities	R0	R0	R0
Sales of Other Current Assets	R0	R0	R0
Sales of Long-term Assets	R0	R0	R0
New Investment Received	R0	R0	R0
Subtotal Cash Received	R2,434,801	R3,300,256	R4,302,227
Expenditures	Year 1	Year 2	Year 3
Expenditures from Operations			
Cash Spending	R78,000	R84,000	R90,000
Bill Payments	R1,835,687	R2,200,976	R2,540,709
Subtotal Spent on Operations	R1,913,687	R2,284,976	R2,630,709
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	R120,000	R120,000	R120,000
Purchase Other Current Assets	R0	R0	R0
Purchase Long-term Assets	R0	R0	R0
Dividends	R0	R0	R0
Subtotal Cash Spent	R2,033,687	R2,404,976	R2,750,709
Net Cash Flow	R401,114	R895,280	R1,551,518
<b>Cash Balance</b>	<b>R421,114</b>	<b>R1,316,394</b>	<b>R2,867,912</b>

## Projected Profit and Loss

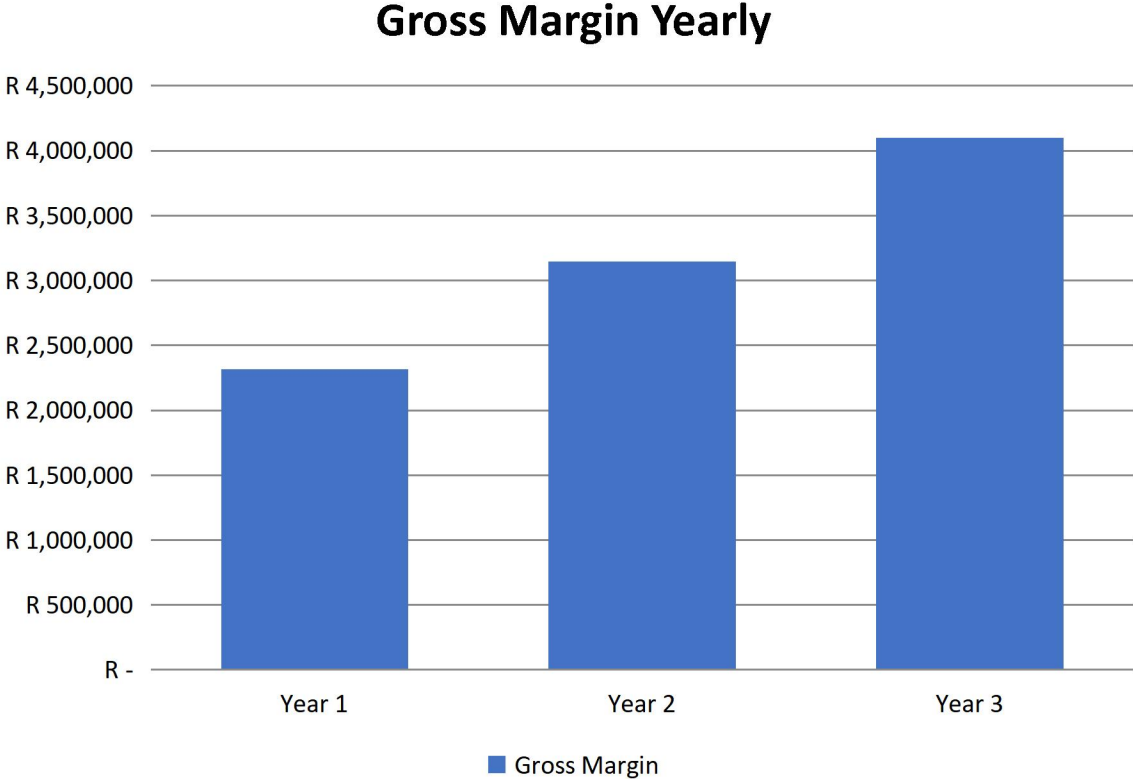
The following table shows our very conservative profit and loss projections for the next three years. The table includes the payments for all independently contracted stylists and technicians, as well for all regularly occurring supply expenses associated with service sales.

### **Chart: Gross Margin Monthly**

## Gross Margin Monthly



**Chart: Gross Margin Yearly**

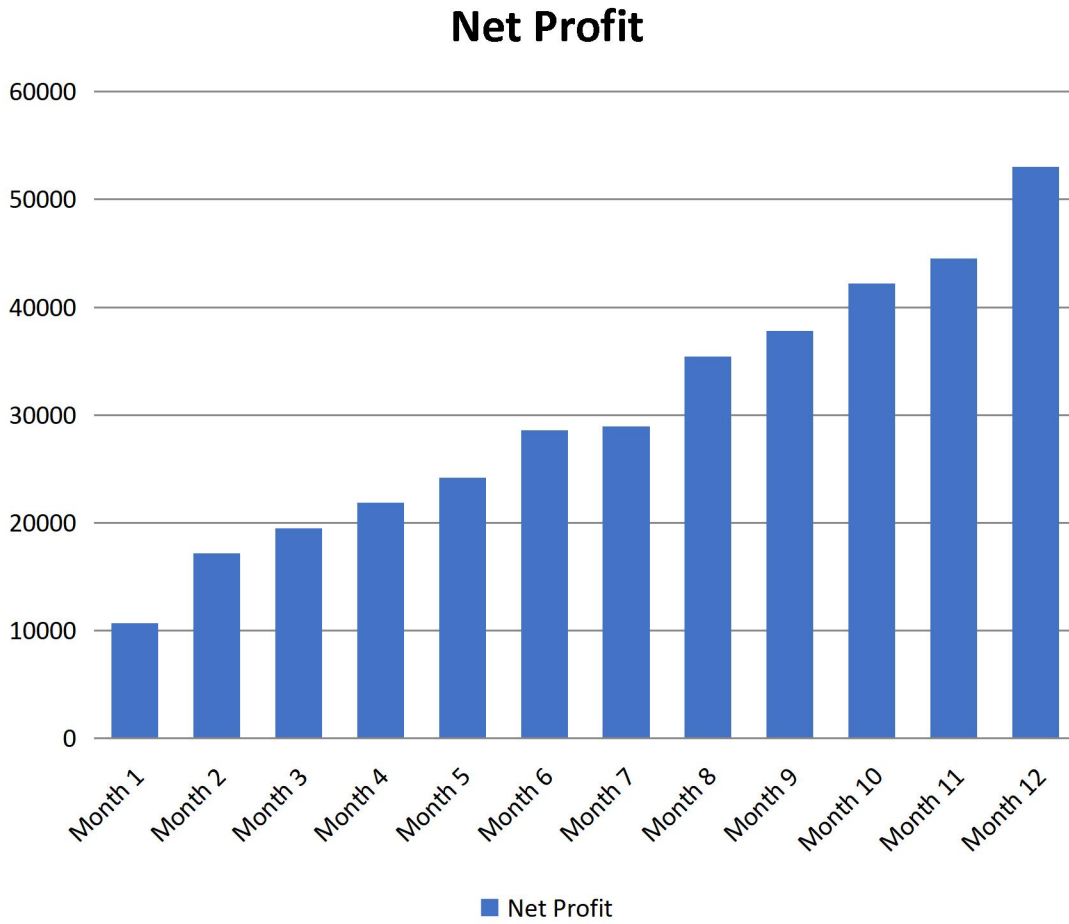




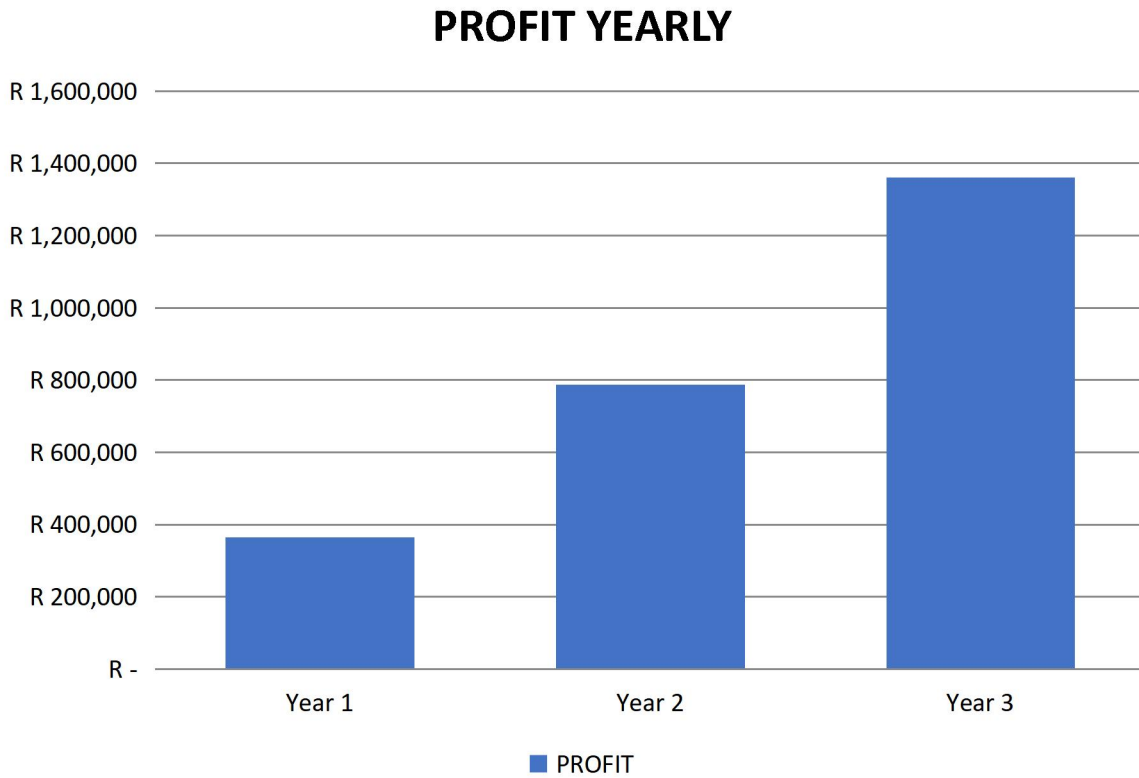
**Table: Profit and Loss**

<i>Pro Forma Profit and Loss</i>	Year 1	Year 2	Year 3
Sales	R2,434,801	R3,300,256	R4,302,227
Direct Cost of Sales	R118,119	R208,598	R160,599
Other Costs of Sales	R0	R0	R0
Total Cost of Sales	R118,119	R208,598	R160,599
Gross Margin	R2,316,602	R3,139,657	R4,093,629
Gross Margin %	95.1%	95.1%	95.1%
Expenses			
Payroll	R78,000	R84,000	R90,000
Marketing/Promotion	R24,000	R24,000	R24,000
Depreciation	R30,756	R30,756	R30,756
Rent	R374,400	R374,400	R374,400
Utilities	R45,600	R45,600	R45,600
Insurance	R15,384	R15,384	R15,384
Payroll Taxes	R0	R0	R0
Independently contracted stylists	R798,400	R1,082,017	R1,41,0867
Supplies	R132,000	R181,000	R132,000
Other	R90,613	R101,478	R0
Total Operating Expenses	R1,589,152	R1,938,635	R2,236,785
Profit Before Interest and Taxes	R727,449	R1,201,022	R1,856,844
EBITDA	R758,205	R1,231,778	R1,887,600
Interest Expense	R79,200	R36,000	R2,400
Taxes Incurred	R284,368	R382,600	R496,269
Net Profit	R363,881	R782,422	R1,358,175
<b>Net Profit/Sales</b>	<b>14.9%</b>	<b>23,7%</b>	<b>31,6%</b>

**Chart: Profit Monthly**



**Chart: Profit Yearly**



## Balance Sheet

As shown in the balance sheet, we expect a healthy growth in net worth.

**Table: Balance Sheet**

<i>Pro Forma Balance Sheet</i>	Year 1	Year 2	Year 3
<b>Assets</b>			
Current Assets			
Cash	R421,114	R1,316,394	R2,867,912
Other Current Assets	R15,000	R15,000	R15,000
Total Current Assets	R436,114	R1,331,394	R2,882,912
Long-term Assets			
Long-term Assets	R227,125	R227,125	R227,125
Accumulated Depreciation	R30,756	R61,512	R92,268
Total Long-term Assets	R196,369	R165,613	R134,857
Total Assets	R632,483	R1,497,007	R3,017,769
<b>Liabilities and Capital</b>	Year 1	Year 2	Year 3
Current Liabilities			
Accounts Payable	R425,633	R1,370,050	R2,889,955
Current Borrowing	R0	R0	R0
Other Current Liabilities	R0	R0	R0
Subtotal Current Liabilities	R425,633	R1,370,050	R2,889,955
Long-term Liabilities	R165,000	R45,000	R0
Total Liabilities	R590,633	R1,415,050	R2,889,955
Paid-in Capital	R20,000	R20,000	R20,000
Retained Earnings	(R31,200)	(R31,200)	(R31,200)
Earnings	R53,050	R93,157	R139,014
Total Capital	R41,850	R81,957	R127,814
Total Liabilities and Capital	R632,483	R1,497,007	R3,017,769
<b>Net Worth</b>	R41,850	R81,957	R127,814

# Appendix

## Sales Forecast (With Monthly Detail)

<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													
Owner	0%	R30,000	R32,250	R33,000	R33,750	R34,500	R36,000	R36,750	R39,000	R39,750	R41,250	R42,000	R45,000
Stylist #1	0%	R13,992	R15,041	R15,391	R15,741	R16,091	R16,790	R17,140	R18,190	R18,539	R19,239	R19,589	R20,988
Stylist #2	0%	R10,000	R10,750	R11,000	R11,250	R11,500	R12,000	R12,250	R13,000	R13,250	R13,750	R14,000	R15,000
Stylist #3	0%	R12,800	R13,760	R14,080	R14,400	R14,720	R15,360	R15,680	R16,640	R16,960	R17,600	R17,920	R19,200
Stylist #4	0%	R16,720	R17,974	R18,392	R18,810	R19,228	R20,064	R20,482	R21,736	R22,154	R22,990	R23,408	R25,080
Stylist #5		R13,600	R14,620	R14,960	R15,300	R15,640	R16,320	R16,660	R17,680	R18,020	R18,700	R19,040	R20,400
Stylist #6		R14,400	R15,480	R15,840	R16,200	R16,560	R17,280	R17,640	R18,720	R19,080	R19,800	R20,160	R21,600
Stylist #8	0%	R23,680	R25,456	R26,048	R26,640	R27,232	R28,416	R29,008	R30,784	R31,376	R32,560	R33,440	R35,520
Barber #1	0%	R9,600	R10,320	R10,560	R10,800	R11,040	R11,520	R11,760	R12,480	R12,720	R13,200	R13,440	R14,400
Barber #2		R9,600	R10,320	R10,560	R10,800	R11,040	R11,520	R11,760	R12,480	R12,720	R13,200	R13,440	R14,400
Product Sales		R10,400	R11,180	R11,400	R11,700	R11,960	R12,480	R12,740	R13,520	R13,780	R14,300	R14,560	R15,600
<b>Total Sales</b>		<b>R164,792</b>	<b>R177,151</b>	<b>R181,271</b>	<b>R185,391</b>	<b>R189,511</b>	<b>R197,750</b>	<b>R201,870</b>	<b>R214,229</b>	<b>R218,349</b>	<b>\$14,600</b>	<b>R230,709</b>	<b>R247,188</b>
Direct Cost of Sales													
Product Costs		R8000	R8,600	R8,800	R9,000	R9,200	R9,600	R9,800	R10,400	R10,600	R11,000	R11,200	R12,000
Other		R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
<b>Subtotal Direct Cost of Sales</b>		<b>R8000</b>	<b>R8,600</b>	<b>R8,800</b>	<b>R9,000</b>	<b>R9,200</b>	<b>R9,600</b>	<b>R9,800</b>	<b>R10,400</b>	<b>R10,600</b>	<b>R11,000</b>	<b>R11,200</b>	<b>R12,000</b>

## Personnel (With Monthly Details)

<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
<b>Receptionist</b>		<b>R6,500</b>	<b>R6,500</b>	<b>R6,500</b>	<b>R6,500</b>	<b>R6,500</b>	<b>R6,500</b>	<b>R6,500</b>	<b>R6,500</b>	<b>R6,500</b>	<b>R6,500</b>	<b>R6,500</b>	<b>R6,500</b>
Owner (Stylist)	0%	R10,500	R11,288	R11,500	R11,813	R12,075	R12,600	R12,863	R13,650	R13,913	R14,438	R14,700	R15,750
Stylist #1	0%	R4,897.2	R5,264	R5,387	R5,509	R5,632	R5,877	R5,999	R6,366	R6,489	R6,734	R6,856	R7,346
Stylist #2	0%	R3,500	R3,763	R3,850	R3,938	R4,025	R4,200	R4,288	R4,550	R4,638	R4,813	R4,900	R5,250
Stylist #3		R4,480	R4,816	R4,928	R5,040	R5,152	R5,376	R5,488	R5,824	R5,936	R6,160	R6,272	R6,720
Stylist #4		R5,852	R6,291	R6,437	R6,584	R6,730	R7,022	R7,169	R7,608	R7,754	R8,047	R8,193	R8,778
Stylist #5		R4,760	R5,117	R5,236	R5,355	R5,474	R5,712	R5,831	R6,188	R6,307	R6,545	R6,664	R7,140
Stylist #6		R5,040	R5,418	R5,544	R5,670	R5,796	R6,048	R6,174	R6,552	R6,678	R6,930	R7,056	R7,560
Stylist #7		R8,288	R8,910	R9,117	R9,324	R9,531	R9,946	R10,153	R10,774	R10,982	R11,396	R11,603	R12,432
Barber #1		R3,360	R3,612	R3,696	R3,780	R3,864	R4,032	R4,116	R4,368	R4,452	R4,620	R4,704	R5,040
Barber #2		R3,360	R3,612	R3,696	R3,780	R3,864	R4,032	R4,166	R4,368	R4,452	R4,620	R4,074	R5,040
<b>Total Payroll</b>		<b>R60,537</b>	<b>R64,590</b>	<b>R65,941</b>	<b>R67,292</b>	<b>R68,643</b>	<b>R71,345</b>	<b>R72,696</b>	<b>R76,748</b>	<b>R78,099</b>	<b>R80,801</b>	<b>R82,152</b>	<b>R87,556</b>

## Profit and Loss Statement (With Monthly Detail)

<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	R164,792	R177,151	R181,271	R185,391	R189,511	R197,750	R201,870	R214,229	R218,349	R226,589	R230,709	R247,188
Direct Cost of Sales	R8000	R8,600	R8,800	R9,000	R9,200	R9,600	R9,800	R10,400	R10,600	R11,000	R11,200	R12,000
Other Costs of Sales	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Total Cost of Sales	R8000	R8,600	R8,800	R9,000	R9,200	R9,600	R9,800	R10,400	R10,600	R11,000	R11,200	R12,000
Gross Margin	R156,792	R168,551	R172,471	R176,391	R180,311	R188,150	R192,070	R203,829	R207,749	R215,589	R219,509	R235,188
Gross Margin %	95.5%	95.2%	95.2%	95.2%	95.2%	95.2%	95.2%	95.2%	95.2%	95.2%	95.2%	95.2%
Expenses												
Payroll	R6,500	R6,500	R6,500	R6,500	R6,500	R6,500	R6,500	R6,500	R6,500	R6,500	R6,500	R6,500
Marketing/Promotion	R2,000	R2,000	R2,000	R2,000	R2,000	R2,000	R2,000	R2,000	R2,000	R2,000	R2,000	R2,000
Depreciation	R2563	R2,563	R2,563	R2,563	R2,563	R2,563	R2,563	R2,563	R2,563	R2,563	R2,563	R2,563
Rent	R31,200	R31,200	R31,200	R31,200	R31,200	R31,200	R31,200	R31,200	R31,200	R31,200	R31,200	R31,200
Utilities	R3,800	R3,800	R3,800	R3,800	R3,800	R3,800	R3,800	R3,800	R3,800	R3,800	R3,800	R3,800
Insurance	R1,282	R1,282	R1,282	R1,282	R1,282	R1,282	R1,282	R1,282	R1,282	R1,282	R1,282	R1,282
Payroll Taxes	15% R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Independently contracted stylists	R54,037	R58,090	R59,441	R60,792	R62,143	R64,845	R66,196	R70,248	R71,599	R74,301	R75,652	R81,056
Supplies	15% R10,000	R10,000	R10,000	R10,000	R10,000	R10,000	R12,000	R12,000	R12,000	R12,000	R12,000	R12,000
Other	R7,077	R7,231	R7,282	R7,333	R7,385	R7,487	R7,538	R7,692	R7,743	R7,846	R7,897	R8,102
Total Operating Expenses	R118,432	R122,666	R124,068	R125,470	R126,873	R129,677	R133,079	R137,285	R138,687	R141,492	R142,894	R148,503
Profit Before Interest and Taxes	R38,360	R45,885	R48,403	R50,921	R53,438	R58,473	R58,991	R66,544	R69,062	R74,097	R76,615	R86,685
EBITDA	R40,923	R48,448	R52,317	R53,484	R56,001	R61,036	R61,554	R69,107	R71,625	R76,660	R79,178	R89,248
Interest Expense	R8,250	R7,950	R7,650	R7,350	R7,050	R6,750	R6,450	R6,150	R5,850	R5,550	R5,250	R4,950
Taxes Incurred	R19,405	R20,798	R21,261	R21,725	R22,190	R23,118	R23,581	R24,973	R25,437	R26,365	R26,830	R28,685
Net Profit	R10,705	R17,137	R19,492	R21,846	R24,198	R28,605	R28,960	R35,421	R40,338	R42,182	R44,535	R53,050
Net Profit/Sales	6.5%	9.7%	10.8%	11.8%	12.8%	14.5%	14.3%	16.5%	18.5%	18.6%	19.3%	21.5%

## Cash Flow Statement (With Monthly Detail)

Pro Forma Cash Flow												
	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												
Cash Sales	R164,792	R177,151	R181,271	R185,391	R189,511	R197,750	R201,870	R214,229	R218,349	R226,589	R230,709	R247,188
Subtotal Cash from Operations	R164,792	R177,151	R181,271	R185,391	R189,511	R197,750	R201,870	R214,229	R218,349	R226,589	R230,709	R247,188
Additional Cash Received												
Sales Tax, VAT, HST/GST Received	0.00%	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
New Current Borrowing	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
New Other Liabilities (interest-free)	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
New Long-term Liabilities	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Sales of Other Current Assets	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Sales of Long-term Assets	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
New Investment Received	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Subtotal Cash Received	R164,792	R177,151	R181,271	R185,391	R189,511	R197,750	R201,870	R214,229	R218,349	R226,589	R230,709	R247,188
Expenditures												
Expenditures from Operations												
Cash Spending	R6,500.00	R6,500	R6,500	R6,500	R6,500	R6,500	R6,500	R6,500	R6,500	R6,500	R6,500	R6,500
Bill Payments	R128,774	R134,401	R143,916	R145,482	R147,050	R150,482	R154,047	R159,345	R160,911	R164,344	R165,911	R173,075
Subtotal Spent on Operations	R135,274	R140,900	R150,416	R151,982	R153,550	R156,982	R160,547	R165,845	R167,411	R170,844	R172,411	R179,575
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Principal Repayment of Current Borrowing	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Other Liabilities Principal Repayment	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Long-term Liabilities Principal Repayment	R10,000	R10,000	R10,000	R10,000	R10,000	R10,000	R10,000	R10,000	R10,000	R10,000	R10,000	R10,000
Purchase Other Current Assets	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Purchase Long-term Assets	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Dividends	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Subtotal Cash Spent	R145,274	R150,901	R160,416	\$161,982	R163,550	R166,982	R170,547	R175,845	R177,411	R180,844	R182,411	R189,575
Net Cash Flow	R19,518	R26,250	R20,855	R23,409	R25,961	R30,768	R31,323	R38,384	R40,938	R45,745	R48,298	R57,613



<b>Cash Balance</b>	R39,518	R65,768	R86,623	R110,032	R135,993	R166,761	R198,084	R236,468	R277,406	R323,151	R371,449	R429,062
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## Balance Sheet (With Monthly Detail)

<i>Pro Forma Balance Sheet</i>													
	Starting Balances	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Assets</b>													
<b>Current Assets</b>													
Cash	R20,000	R39,518	R65,768	R86,623	R110,032	R135,993	R166,761	R198,084	R236,468	R277,406	R323,151	R371,449	R429,062
Other Current Assets	R15,000	R15,000	\$15,000	R15,000	R15,000	R15,000	R15,000	R15,000	R15,000	R15,000	R15,000	R15,000	R15,000
<b>Total Current Assets</b>	<b>R35,000</b>	<b>R54,518</b>	<b>R80,768</b>	<b>R101,623</b>	<b>R125,032</b>	<b>R150,993</b>	<b>R181,761</b>	<b>R213,084</b>	<b>R250,468</b>	<b>R292,408</b>	<b>R338,151</b>	<b>R386,449</b>	<b>R444,082</b>
<b>Long-term Assets</b>													
Long-term Assets	R227,125	R227,125	R227,125	R227,125	R227,125	R227,125	R227,125	R227,125	R227,125	R227,125	R227,125	R227,125	R227,125
Accumulated Depreciation	R0	R2,536	R5,072	R7,635	R10,198	R12,761	R15,324	R17,887	R20,450	R23,013	R25,576	R28,139	R30,702
<b>Total Long-term Assets</b>	<b>R227,125</b>	<b>R224,589</b>	<b>R222,053</b>	<b>R219,490</b>	<b>R216,927</b>	<b>R214,364</b>	<b>R211,801</b>	<b>R209,238</b>	<b>R206,775</b>	<b>R204,112</b>	<b>R201,549</b>	<b>R198,986</b>	<b>R196,423</b>
<b>Total Assets</b>	<b>R262,125</b>	<b>R279,107</b>	<b>R302,821</b>	<b>R321,113</b>	<b>R341,959</b>	<b>R365,357</b>	<b>R393,562</b>	<b>R422,322</b>	<b>R457,143</b>	<b>R496,520</b>	<b>R539,700</b>	<b>R585,435</b>	<b>R640,505</b>
<b>Liabilities and Capital</b>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<b>Current Liabilities</b>													
Accounts Payable	R0	R4,602	R31,884	R57,821	R86,313	R117,359	R151,177	R189,832	R227,922	R272,382	R323,718	R380,100	R433,655
Current Borrowing	R0	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	R0
<b>Subtotal Current Liabilities</b>	<b>R0</b>	<b>R4,602</b>	<b>R31,884</b>	<b>R57,821</b>	<b>R86,313</b>	<b>R117,359</b>	<b>R151,177</b>	<b>R189,832</b>	<b>R227,922</b>	<b>R272,382</b>	<b>R323,718</b>	<b>R380,100</b>	<b>R433,655</b>
<b>Long-term Liabilities</b>	<b>R280,000</b>	<b>R275,000</b>	<b>R265,000</b>	<b>R255,000</b>	<b>R245,000</b>	<b>R235,000</b>	<b>R225,000</b>	<b>R215,000</b>	<b>R205,000</b>	<b>R195,000</b>	<b>R185,000</b>	<b>R175,000</b>	<b>R165,000</b>
<b>Total Liabilities</b>	<b>R280,000</b>	<b>R279,602</b>	<b>R296,884</b>	<b>R312,821</b>	<b>R331,313</b>	<b>R352,359</b>	<b>R376,177</b>	<b>R404,832</b>	<b>R432,922</b>	<b>R467,382</b>	<b>R508,718</b>	<b>R555,100</b>	<b>R598,655</b>
<b>Paid-in Capital</b>	<b>R20,000</b>	<b>R20,000</b>	<b>R20,000</b>	<b>R20,000</b>	<b>R20,000</b>	<b>R20,000</b>	<b>R20,000</b>	<b>R20,000</b>	<b>R20,000</b>	<b>R20,000</b>	<b>R20,000</b>	<b>R20,000</b>	<b>R20,000</b>
Retained Earnings	(R37,875)	(R31,200)	(R31,200)	(R31,200)	(R31,200)	(R31,200)	(R31,200)	(R31,200)	(R31,200)	(R31,200)	(R31,200)	(R31,200)	(R31,200)
Earnings	R0	R10,705	R17,137	R19,492	R21,846	R24,198	R28,605	R28,690	R35,421	R40,338	R42,182	R44,535	R53,050
Total Capital	(R17,875)	(R495)	R5,937	R8,292	R10,646	R12,998	R17,405	R17,490	R24,221	R29,138	R30,982	R33,335	R41,850
<b>Total Liabilities and Capital</b>	<b>R262,125</b>	<b>R279,107</b>	<b>R302,821</b>	<b>R321,113</b>	<b>R341,959</b>	<b>R365,357</b>	<b>R393,562</b>	<b>R422,322</b>	<b>R457,143</b>	<b>R496,520</b>	<b>R539,700</b>	<b>R588,435</b>	<b>R640,505</b>
<b>Net Worth</b>	<b>(R17,875)</b>	<b>(R495)</b>	<b>R5,937</b>	<b>R8,292</b>	<b>R10,646</b>	<b>R12,998</b>	<b>R17,405</b>	<b>R17,490</b>	<b>R24,221</b>	<b>R29,138</b>	<b>R30,982</b>	<b>R33,335</b>	<b>R41,850</b>

