BUSINESS PLAN

OF

Velocity Liquor Distributor (Pty) Ltd.

2022/786169/07

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1. Executive Summary

1.1 Business Concept

Velocity Liquor Distributor (Pty) Ltd. (hereafter known as VLD) is a newly established distribution business that operates in various industries, namely the Supply Chain and Distribution Industry and the Liquor Industry. The business is based in Ngqeleni and will offer liquor products in this area, as well as surrounding areas in the Eastern Cape Province.

The founder of VLD has gained experience through educating himself to identify a gap in the supply chain and distribution market of South Africa. The owner uses his own discretion and innovation to serve a market where there is a demand for the supply and distribution of liquor products.

With the founder's experience, favourable market conditions and VLD's unique competitive advantage, the opportunity for the business to grow year-on-year is a realistic possibility.

VLD will offer the following liquor products:

- Beer
- Ciders
- Brandy
- Whiskey

VLD's strategy will consist of lead generation, lead conversion, and client fulfilment. The business will run various marketing campaigns to generate leads and build the brand. A well-balanced sales approach will be followed to convert the generated leads into closed business. VLD will grow its employee base carefully, based on the need within the business, business growth, and time capacity. A management system will be created to make sure that operations in the business function smoothly.

VLD has a vision of acquiring as many clients as possible. The business aims to impact the economy of South Africa, through job opportunities and people empowerment. The founder of VLD feels very strongly about job creation and will make sure that this principle will be the cornerstone of the organisation.

Customer excellence will set VLD apart from its competition. The business prides itself on excellent customer relations and fast service delivery. VLD will enter the market in its start-up phase with a very competitive price, offering quality products and exceptional services.

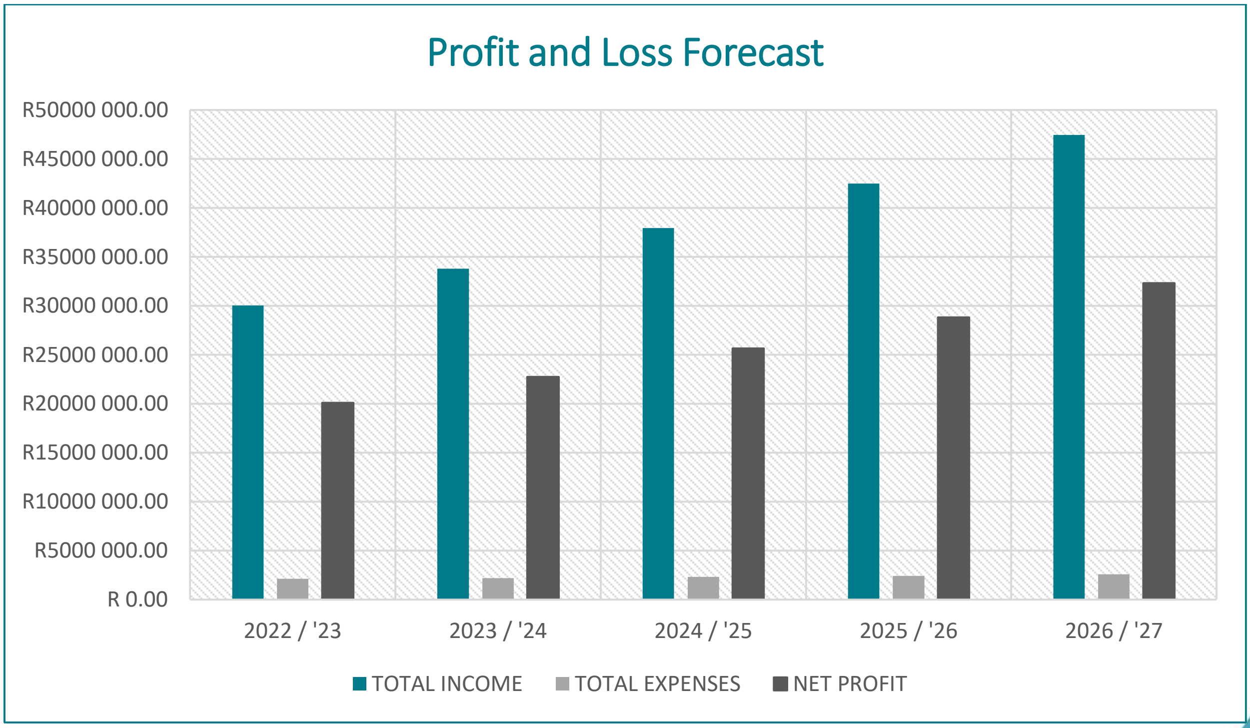
1.2 Financial Features

1.2.1 Funding Analysis

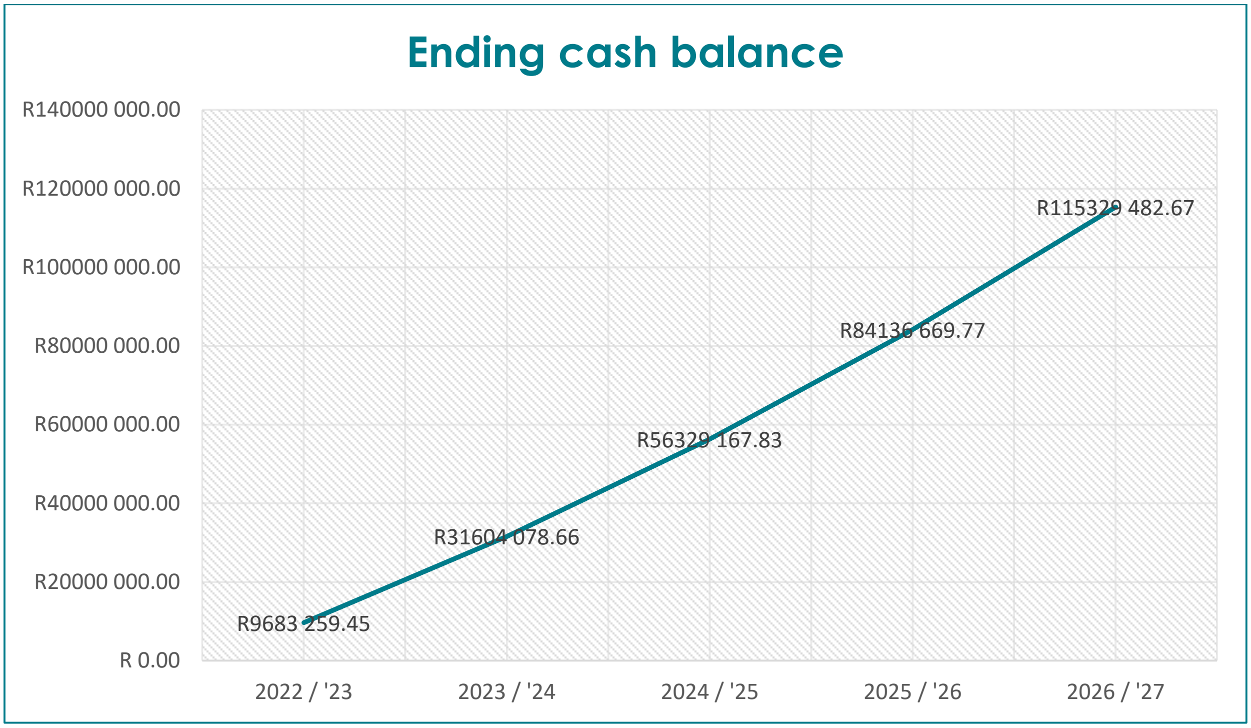
FUNDING	
Loan Amount	R1 550 000,00
Loan Term (months)	72
Annual Interest Rate	13,00%
Monthly Interest Rate	1,02%
Monthly Repayment	R30 532,37
Total Amount Payable	R2 198 330,88

LOAN USAGE	
Description	**Amount**
Fencing	R100 000,00
Warehouse Building	R150 000,00
Stock	R500 000,00
Small Delivery Truck	R800 000,00
Total Loan Cost	**R1 550 000,00**

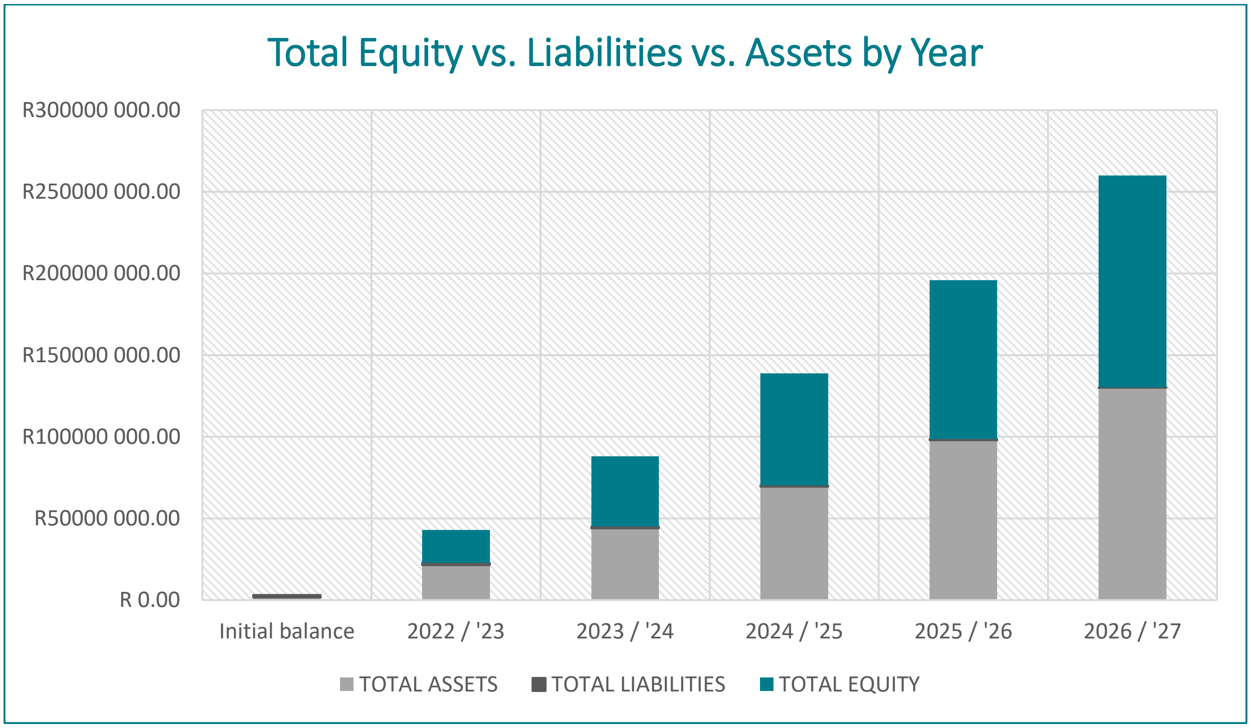
1.2.2 Projected 5 Year Profit and Loss Graph



1.2.3 Projected 5 Year Cash flow Graph



1.2.4 Projected 5 Year Balance Sheet Graph



2. Company Summary

2.1 Vision Statement

VLD's vision is to get as many clients as possible.

2.2 Mission Statement

VLD's mission is to deliver better services to customers to gain additional customers.

2.3 Growth Phases

2.3.1 Start-Up Phase

I. Goals in the start-up phase:
- Establishing the strategy.
- Business planning.
- Brand development.
- Establish marketing systems and department.
- Establish sales systems and department.
- Establish operations systems and department.
- Establish compliance and financial systems and department.
- Establish management systems and department.
- Employ staff to run various departments.
- Start-up funding application.
- Obtaining customers and delivering on schedule.

II. Timeframe:
- 6 Months.

2.3.2 Growth Phase

I. Goals in the growth phase:
- Advanced marketing systems.
- Advanced sales systems.
- Advanced operations systems.
- Advanced financial systems.
- Advanced management systems.
- Employ more staff to operate in the various departments.

- To more than triple the number of clients.

II. Timeframe:
- 1st – 4th Year.

2.3.3 Mature Phase

I. Goals in the mature phase:
- Increased management systems.
- Employ more staff to operate in the various departments.
- Expand business footprint in Ngqeleni.
- Expand business footprint in Eastern Cape.
- Have a second warehouse location.

II. Timeframe:
- 5th Year Onwards.

2.4 Business Culture

2.4.1 Values

- Job creation
- Profitability
- Business growth

2.4.2 Principles

- VLD will treat every person that encounters the business fairly.
- The business will keep its promises, vows, and service standards without compromise.
- VLD will honour its creditors.
- The business has an anti-corruption policy.

3. Products & Services

3.1 Industry Analysis

3.1.1 VLD's Operational Industry

VLD will operate in the following industries:

- Primary Industry: Supply Chain and Distribution.
- Secondary Industry: Liquor.

3.1.2 Industry Overview

The worldwide post-COVID-19 SCM market is expected to increase at a CAGR of 10.3%, from USD 23.2 billion in 2020 to USD 41.7 billion by 2026.

The retail & customer goods segment dominated the supply chain management market in 2019 and is expected to maintain its dominance in the coming years due to the increase in complexity of retail supply chain networks over time due to the presence of a large number of suppliers & logistics providers, channels, products, and value-added offerings.

Around 90% of South Africa's economically active population lives in and around the cities of Johannesburg, Cape Town, Durban, Pretoria, and Port Elizabeth. These five cities are the focal points of the country's economic activities and customer marketplaces.

The kind and type of imported items and commodities influence the distribution network within a certain sector. Local subsidiaries or joint venture partners, for example, distribute customer-oriented items to a set number of distributors, who then sell to wholesalers and/or retailers, who then sell to end-users.

Traditional sales channels used in developed nations are also common in South Africa.

Wholesalers - Established South African wholesalers frequently import industrial raw materials and/or custom items that require stock maintenance.

Retail organisations - Many customer products exporters sell directly to South African retail organisations, which include customer businesses, department shops, chain stores, and co-operative groups of independent retailers that handle wholesale purchasing, selling, and storage.

Customer Retail - South Africa has a wide range of retail outlets, including small general dealers, specialty stores that specialise in a single product line (such as clothing, electronics, or furniture), exclusive boutiques, chain stores (groceries, clothing, toiletries, and household goods), department stores, cash and carry wholesale retail outlets, and rural co-operative stores. Large-scale supermarkets, often known as hypermarkets, are found in suburban shopping malls and sell a wide range of customer items. Approximately 90% of customer trade inventory is sourced domestically by these businesses.

Franchises - Franchising is well established in South Africa, and the industry is growing rapidly. Non-food systems with a focus on service account for around 30% of South African franchisees. Building, office, and home services franchises are the most common, but there are also vehicle, restaurant, health, education, and training franchises accessible.

After-Sales Agents - It is best to establish an official after-sales agent in South Africa for technical equipment. Ideally, this agent should not import or advertise the goods in issue, but rather operate as the certified service agent due to its geographical reach, technical expertise, and market reputation. Appointing a suitable after-sales representative is critical in ensuring that the product establishes a reliable reputation in the South African market.

Agents and Distributors - The terms "agent" and "distributor" have very particular connotations in South Africa.

Agent: An "agent" is a person who, for and on behalf of a principal, either introduces a third party to the principal by seeking orders from the third party or settles contracts with the third party on the principal's behalf. A commission paid by the principal is the typical incentive for an agent.

Distributor: A "distributor" purchases and stocks a product. In exchange, the foreign corporation generally offers the distributor exclusive rights to sell the product in a certain area or to a specific customer. An arrangement with a distributor is similar to an agreement with an agency, except that the distributor is a principal, hence the pricing and delivery terms will differ. The same principles apply when hiring a distributor in South Africa as when appointing an agency. These are: (1) whoever the foreign business picks as a distributor must be well-versed in the market, and (2) considering South Africa's geographic extent, the foreign corporation should examine the distributor's capacity to deliver the product countrywide. South Africa is a vast country divided into nine provinces. Smaller agents sometimes operate on a regional scale since they lack the assistance of national infrastructure. To cover the country, a parent company may need to establish an agent in each of the big cities (Johannesburg, Cape Town, Port Elizabeth, and Durban). Larger organisations that hire agencies frequently have offices in each of the main cities, making any agency deal easier to manage.

Each industry sector in South Africa has a small number of big distributors but hundreds of minor distributors. Major distributors favour a foreign company's exclusive agent/distributor relationship. Most imports into South Africa are handled through the country's biggest airport in Johannesburg or one of the country's three ports: Durban, Cape Town, and Port Elizabeth. Johannesburg, which has bonded inland port status for customs and excise reasons, is the main distribution point.

Johannesburg

Johannesburg serves as South Africa's commercial centre. It serves as the country's transportation centre, housing all aviation, rail, and road facilities. It also features the busiest international airport on the continent, capable of handling 20 million people and 400,000 metric tons of cargo every year. The National Ports Authority of South Africa (NPA) is also headquartered in Johannesburg. Johannesburg is one of the few big cities in the world that is not located on an ocean or a major river. Despite this, it is home to Africa's largest and busiest "port" - City Deep, an export-import freight container terminal and bonded warehouse that handles 30% of South Africa's exports.

Durban

Durban is Africa's busiest ocean port, and the Durban Container Terminal is the largest and best equipped in the southern hemisphere. The terminal's location on South Africa's eastern coast makes it a vital centre for the whole southern African region of the Indian and South Atlantic Oceans, providing trade lines connecting North and South America with the Middle East, India, Asia, and Australia. The terminal serves as a vital link between ocean carriers and the markets of South Africa, Botswana, Zimbabwe, Zambia, and the Democratic Republic of the Congo. On the ground, there is direct access to surface transit via rail sidings, as well as quick access to South Africa's trunk road network. The facility handles around 4,000 ships every year, with a total gross tonnage of 81,700,000. Containers carried at Durban port account for 64% of all containers handled at South African ports. The port of Durban is now undergoing substantial renovations aimed at enhancing both efficiency and network capacity.

Cape Town

Cape Town, located at Africa's southernmost tip, is perfectly positioned as a transport hub terminal for South America and the Far East. West/East Africa trade has expanded significantly, making the Cape Town Container Point the preferred trans-shipment terminal. Currently, the terminal handles 3,161 vessels per year with a gross tonnage of 44,501,297.

Port Elizabeth

The Port Elizabeth Container Terminal is one of three specialist container-handling facilities located along South Africa's coast. Port Elizabeth serves the Eastern Cape region, with its major concentration on the demands and requirements of the motor vehicle and component industries, as well as numerous agricultural goods. The terminal provides value-added services such as container storage, packing and unloading, and logistics management. The terminal now handles 1,271 ships totalling 25,756,823 gross tons.

Express Delivery

Express delivery has experienced rapid growth in South Africa as a popular retail mode of distribution, with recent investments and development of this niche by leading global brands attesting to its prospects; e-commerce, as well as grocery home-delivery order services offered by department stores, have also been driving this. Because it is still somewhat more expensive than in other more developed economies, mobile compact goods for B2C transactions usually employ express delivery services. One key reason for this is that an increasing number of subcontractors to international service providers lack the required national delivery footprint. As a result, more expenses are borne by customers. Express supply of spares for vital maintenance of capital equipment in Africa has been an established industry in the mining and offshore industries, but this is presently undergoing a decline due to high prices.

3.1.3 Sources

- Trade.gov: https://www.trade.gov/south-africa

- Industry Week: https://www.industryweek.com/supply-chain/warehousing-and-distribution

- Globe Newswire: https://www.globenewswire.com/news-release/2021/02/16/2176132/0/en/The-Worldwide-Supply-Chain-Management-Industry-is-Expected-to-Reach-41-7-Billion-by-2026.html

- Allied Market Research: https://www.alliedmarketresearch.com/supply-chain-management-software-market

- Santander Trade: https://santandertrade.com/en/portal/analyse-markets/south-africa/distributing-a-product#:~:text=The%20main%20retailers%20in%20South,Holdings%20(South%20African%20retailer).

4. Market Analysis

4.1 Target Market Summary

I. VLD's Address.
Velocity Administrative Area.
Ngqeleni.
6240.

II. Market Location:
- Ngqeleni.
- Eastern Cape Province.

III. Market Description:

Business to Customer

- Age: 21 and older.
- Gender: Male and female.
- Household Income Status: Low to middle class.
- Customer WTP (Willing to Pay):
  - Beer Case: R180
  - Ciders: R150
  - Brandy: R1 600
  - Whiskey: R2 400

Business to Business

- Targeted Business Industry: Tavern.
- Targeted Market: Eastern Cape.
- Targeted Businesses: Taverns.
- Customer WTP (Willing to Pay):
  - Beer Case: R180
  - Ciders: R150
  - Brandy: R1 600
  - Whiskey: R2 400

4.1.1 Market Trends

I. Hyper Automation

Hyper automation is a framework for optimally combining a wide range of technology, such as historic legacy systems with freshly implemented tools and projected investments. Because the phrase signifies different things to different companies, supply chain leaders must first choose their own meaning. When used effectively, hyper-automation may promote cross-domain cooperation and act as an integrator for diverse and segregated activities.

II. Digital Supply Chain Twin

A digital supply chain twin (DSCT) is a digitised version of a physical supply chain. It is produced from all relevant data collected across the supply chain and operating environment. As a result, the DSCT serves as the foundation for all local and end-to-end decision-making.

"DSCTs are part of the digital theme," Titze explains, "which portrays an ever-increasing merging of the digital and physical worlds." "Connecting two worlds improve situational awareness and decision making."

III. Continuous Intelligence

One of the most significant possibilities for supply chain professionals to expedite their business' digital transformation is through continuous intelligence. It makes use of a computer's capacity to digest data considerably quicker than humans can. Supply chain leaders — or other systems — may examine the processed data, determine what is going on, and take quick action.

IV. Artificial Intelligence

Artificial intelligence (AI) in supply chain refers to a set of technological tools that may assist businesses in understanding complicated material, engaging in natural communication with people, improving human performance, and automating repetitive jobs.

Currently, AI is assisting supply chain executives in resolving long-standing issues such as data silos and governance. Its features provide greater visibility and integration across previously remote or disjointed networks of stakeholders.

V. 5G Networks

5G is a big step forward in terms of data speed and processing capabilities when compared to its predecessors. The pervasiveness of 5G increases its use in supply chains. Running a 5G network in a plant, for example, may reduce latency while improving real-time visibility and IoT capabilities.

VI. Immersive Experience

Immersive experience technology such as virtual, augmented, and mixed reality has the potential to change the course of supply chain management forever. These new interaction models augment human skills, and businesses are already reaping the advantages in use cases such as onboarding new employees via immersive on-the-job training in a secure, realistic virtual environment.

VII. Customer Preferences:
- Service excellence
- Quality products
- Affordable prices
- Value for money.
- Fast delivery
- Convenience
- Promotional offers

4.1.2 Competitor Analysis

Competitor 1: Libode Liquor Supplier.

Competitor 2: Boxer Liquors.

Competitor 3: Black Horse Liquors.

4.2 Business Model

4.2.1 Operational Model

The opportunity to provide high-quality liquor distribution services in the market will enable VLD to penetrate the market and get the business off the ground.

With VLD's competitive advantage of a better price and direct delivery, it could revolutionise the market significantly.

VLD aims to create a unique experience for each customer. The selling process begins with online and personal marketing to generate leads. A well-balanced sales approach will be followed to convert the generated leads into closed business. VLD will build a reputation for exceeding clients' expectations by being reliable, and professional, and offering its services most efficiently and effectively.

4.2.2 Competitive Advantage

I. Advantage: Direct Delivery.

VLD distributes high-quality liquor products at affordable prices that are delivered directly to the clients.

4.3 Products

4.3.1 Supply and Delivery

VLD sells and distributes high-quality and affordable liquor products to individuals aged 21 and above, as well as licensed taverns who have requested these products from the business. The business purchases the items required and delivers the products directly to the client within a specified timeframe upon the arrival of the products.

All of VLD's liquor products are procured from trusted and well-known South African and international suppliers.

The business distributes the following liquor products:

- Beer
- Ciders
- Brandy
- Whiskey

4.4 Marketing Strategy

4.4.1 Viral Marketing

VLD will focus on excellent service delivery standards to build a strong wave of viral marketing through social gatherings. Viral marketing is the best and most cost-effective form of marketing. Word of mouth produces immediate trust and doesn't cost money.

4.4.2 Social Media Marketing

I. Platform:
- Facebook.

II. Strategy:
- Social Media Ads: VLD will use 'Facebook Manager' to run advertisements on Facebook, which will generate traffic and create an online presence.
- Special Offers: Promotions and limited offers will be advertised on VLD's Facebook page.
- Client Engagement: The business will actively engage with its client base on social media.
- Brand Building: VLD will constantly create brand awareness through social media to build the brand in the Eastern Cape.

4.4.3 Traditional Marketing

I. Platform:
- Flyers.
- Posters.
- Business Cards.

II. Strategy:
- Brand Awareness: VLD will create brand awareness by setting up posters and distributing flyers at local shopping malls, centres and residential areas.
- Networking: The business owner will join business networking events and distribute business cards for personal marketing.

4.5 Sales Strategy

4.5.1 Strategy 1: Personal Sales Process

The personal sales process is the sales system that VLD will use to convert the leads generated through word of mouth and the various traditional marketing strategies mentioned in (3.5). The process consists of 4 steps, which lead to closed business.

Step 1: Introduction Meeting.

- An introduction meeting is scheduled with good prospects to discuss their requirements and needs.

Step 2: Establish Customers' Budget.

- The salesman establishes the customers' budget after the introduction meeting and draws up a few scenarios to fit the customers' requirements and needs.

Step 3: Sales Meeting.

- The second meeting is scheduled with the customer to give him/her a few options to choose from. During this meeting, the ideal outcome will be negotiated.

Step 4: Finalise Quote.

- The final quote is generated and sent to the customer.

4.5.2 Strategy 2: Online Sales Process

The online sales process is a sales system that the business will use to convert the leads generated through social media, Google, and email marketing channels. The process consists of 4 steps, which lead to closed business.

Step 1: Introduction Phone Call.

- An introduction phone call is done so that prospects' requirements and needs can be discussed.

Step 2: Establish Customers' Budget.

- On that first phone call, the sales rep will set up the customers' budget and explain a few options that fit the customers' requirements and needs.

Step 3: Follow Up Email.

- An email is sent to the client, explaining the options and process, which was discussed over the phone.

Step 4: Follow Up.

- Five working days after the first call, the client will be called to push for a possible conversion.

4.6 Operations Strategy

VLD will follow the process below to deliver its services.

I. Marketing:
- VLD will launch its marketing campaigns, and these include traditional, online and email marketing.
- Depending on the marketing channel the client was exposed to, the client will express their interest in the business.

II. Sales:
- The client will provide VLD with information on the products required and the ideal outcome that suits the client's needs will be discussed.
- Clients will have an option to either pay a deposit or the full amount due before the service is implemented. This will depend on the payment arrangement that the client makes with the business.

III. Operations:
- Upon receiving payment, the operations team will process the order.
- VLD will procure the liquor products from its trusted and well-known suppliers.
- Upon receiving the liquor products, VLD will deliver the products directly to the customer.

4.7 Operations Diagram

5. SWOT Analysis

Strengths	Weaknesses
Service Delivery Standards The business provides exceptional service with a professional attitude. The team is fully trained, with moral values and works together as a team. **Low Expenses** Operating expenses are still low because the business is still relatively new. This results in a low-risk opportunity for investment and partnership. **Profit** The business will be making most of its profits through the sale and distribution of its beer cases. **Management Experience** Management specialises in different areas of supply chain and distribution. This gives the business a broad perspective on a full-service delivery. **VLD's Competitive Advantage** VLD provides high-quality alcoholic items at reasonable costs, which are delivered directly to customers.	**Inexperience** VLD is a new business, and this could result in the market not providing opportunities or contracts to the business, but rather to a well-known business in the industry. **Business Growth** VLD will work hard to improve the current growth. The company is still new in the market with the potential to grow in the near future. **Operational Systems** Operation systems are not fully in place, but the systems will improve as the business grows.
Opportunities	**Threats**
Good Opportunities in the Industry Forecasts suggest that there is a strong demand in the industry, which is expected to develop in South Africa over the next 15 to 20 years. **Industry Trends** E-commerce strategy: Customers demand sales, direct delivery, and refund of items to be supplied concurrently.	**Competition** The supply chain and distribution industry is an extremely competitive industry in South Africa. Corporate companies with large marketing and operational budgets are making it difficult for start-up companies to enter the industry. **Industry Standards** Technology and quality standards in the supply chain and distribution industry are consistently improving. VLD will stay updated and evolve with the market.

Micro Business, Alternative Solutions and Bottom of the Tier Servicing Alternative business models and micro vendors are taking market share away from established organisations as a result of a mix of technical developments and economic independence becoming a reality in most nations. Furthermore, the so-called "bottom of the tier" market in the United States is growing increasingly sophisticated in terms of consumption habits, necessitating several items, much like conventional retail. These evolving demand patterns are anticipated to fundamentally test the local distribution networks, forcing supply chains to quickly adjust to smaller loads, more frequent drops, and sharply variable demand. Alternative and smaller solutions diversify the market while weakening consolidated demand, raising concerns about the sustainability of giant distribution centres and full truckload transportation. **Customer Preferences:** - Service excellence - Quality products - Affordable prices - Value for money. - Fast delivery - Convenience - Promotional offers	

6. Management Summary

6.1 Business Information

6.1.1 **Legal entity type:** Private Company (Pty) Ltd.

6.1.2 Company Name: Velocity Liquor Distributor (Pty) Ltd.

6.1.3 Registration number: 2022/786169/07

6.1.4 Bank Details: TBA

6.1.5 Income Tax Number: 9470673206

6.1.6 Main Contact Person: Shayne Barnyard

6.1.7 Contact Numbers: 064 09 0621

6.1.8 Email Address: shaynebar10@gmail.com

6.1.9 Physical and Postal Address:

Velocity Administrative Area

Ngqeleni

6240

6.2 Ownership

6.2.1 Shareholder

Name and Surname: Shayne Barnyard

Age: 47

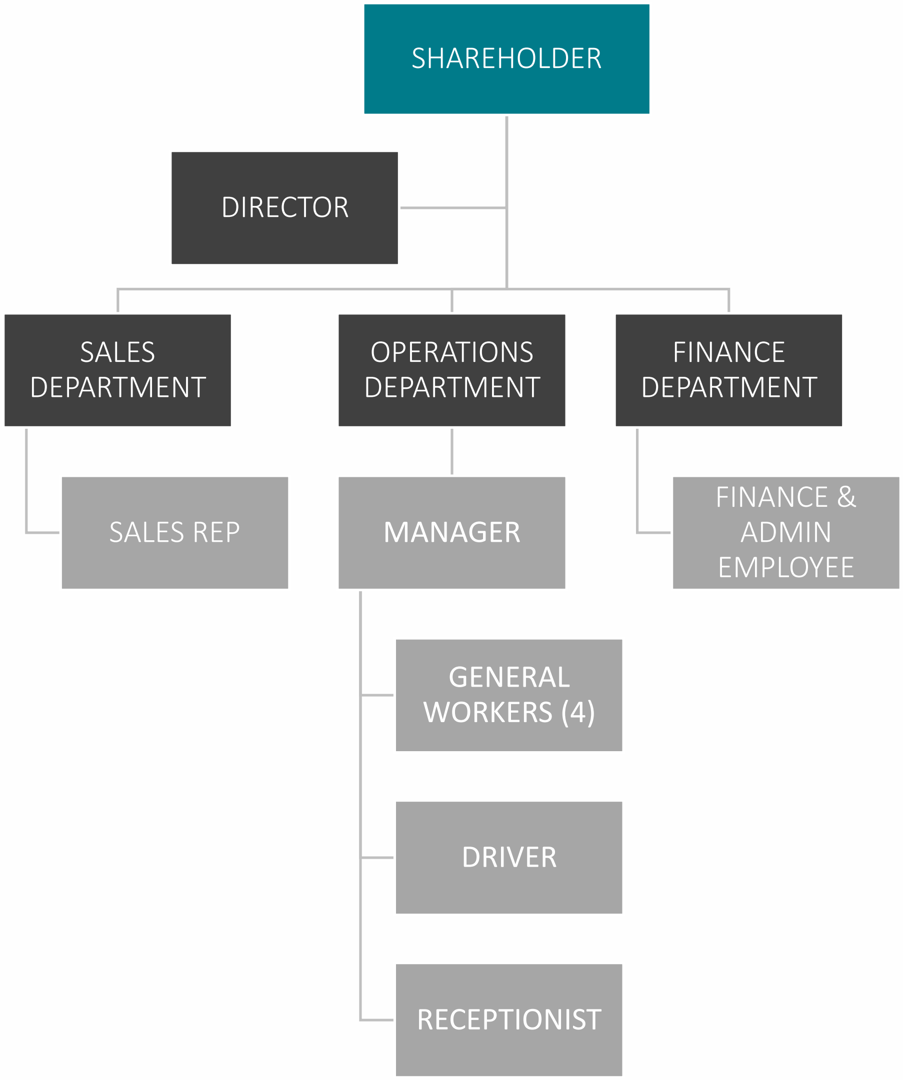
Gender: Male

ID Number: 7408287917083

Percentage Shares: 100%

Other Contribution of Value: Director

6.3 Organisational Chart



7. Financial Plan

7.1 Funding

FUNDING	
Loan Amount	R1 550 000,00
Loan Term (months)	72
Annual Interest Rate	13,00%
Monthly Interest Rate	1,02%
Monthly Repayment	R30 532,37
Total Amount Payable	R2 198 330,88

LOAN USAGE	
Description	**Amount**
Fencing	R100 000,00
Warehouse Building	R150 000,00
Stock	R500 000,00
Small Delivery Truck	R800 000,00
Total Loan Cost	**R1 550 000,00**

7.2 (5) Year Financial Projection

7.2.1 Financial Variables

COST OF ASSETS PURCHASED	
Cost of assets acquired	R1 550 000,00

ASSET DEPRECIATION	
Depreciative Years	10
Yearly Depreciation Value	R155 000,00

TAX	
Annual Tax Rate	28%

EXPENSES INCREASE	
Annual Inflation Rate	5,90%

BUSINESS GROWTH	
Assumed Business Growth	7,50%

CREDIT TERMS EXTENDED TO CUSTOMERS	
Days credit extended	30 days

7.2.2 (5) Year Profit and Loss Projection

FORECASTED FINANCIAL YEAR 2022 / '23									
Product Description	**Cost Price Per Unit**	**Number of Cases / Pallet**	**Pallets / Week**	**Markup on Cost Price**	**Selling Price Per Unit**	**Units Sold Annually**	**Annual Cost Per Product**	**Annual Revenue Per Product**	**Annual Profit Per Product**
Beer Case	R110,00	77,00	20,00	64%	R180,00	73920	R8 131 200,00	R13 305 600,00	R5 174 400,00
Cider	R100,00	100,00	5,00	50%	R150,00	24000	R2 400 000,00	R3 600 000,00	R1 200 000,00
Brandy	R1 320,00	112,00	5,00	21%	R1 600,00	26880	R35 481 600,00	R43 008 000,00	R7 526 400,00
Whiskey	R1 800,00	112,00	5,00	33%	R2 400,00	26880	R48 384 000,00	R64 512 000,00	R16 128 000,00
TOTALS							**R94 396 800,00**	**R124 425 600,00**	**R30 028 800,00**

PROFIT AND LOSS ASSUMPTION					
	2022 / '23	**2023 / '24**	**2024 / '25**	**2025 / '26**	**2026 / '27**
Annual cumulative price (revenue) increase	0,00%	7,50%	15,56%	24,23%	33,55%
Annual cumulative inflation (expense) increase	0,00%	5,90%	12,15%	18,76%	25,77%

INCOME					
Revenue	**2022 / '23**	**2023 / '24**	**2024 / '25**	**2025 / '26**	**2026 / '27**
Beer Case	R13 305 600,00	R14 303 520,00	R15 376 284,00	R16 529 505,30	R17 769 218,20
Cider	R3 600 000,00	R3 870 000,00	R4 160 250,00	R4 472 268,75	R4 807 688,91
Brandy	R43 008 000,00	R46 233 600,00	R49 701 120,00	R53 428 704,00	R57 435 856,80
Whiskey	R64 512 000,00	R69 350 400,00	R74 551 680,00	R80 143 056,00	R86 153 785,20
Total revenue	**R124 425 600,00**	**R133 757 520,00**	**R143 789 334,00**	**R154 573 534,05**	**R166 166 549,10**

Cost of Sales	2022 / '23	2023 / '24	2024 / '25	2025 / '26	2026 / '27
Beer Case	R8 131 200,00	R8 610 940,80	R9 118 986,31	R9 657 006,50	R10 226 769,88
Cider	R2 400 000,00	R2 541 600,00	R2 691 554,40	R2 850 356,11	R3 018 527,12
Brandy	R35 481 600,00	R37 575 014,40	R39 791 940,25	R42 139 664,72	R44 625 904,94
Whiskey	R48 384 000,00	R51 238 656,00	R54 261 736,70	R57 463 179,17	R60 853 506,74
Cost of goods sold	**R94 396 800,00**	**R99 966 211,20**	**R105 864 217,66**	**R112 110 206,50**	**R118 724 708,69**

Gross Profit	**R30 028 800,00**	**R33 791 308,80**	**R37 925 116,34**	**R42 463 327,55**	**R47 441 840,42**

TOTAL INCOME	**R30 028 800,00**	**R33 791 308,80**	**R37 925 116,34**	**R42 463 327,55**	**R47 441 840,42**

EXPENSES					
Operating expenses	**2022 / '23**	**2023 / '24**	**2024 / '25**	**2025 / '26**	**2026 / '27**
Personnel Plan	R1 392 000,00	R1 474 128,00	R1 561 101,55	R1 653 206,54	R1 750 745,73
Advertising and promotions	R12 000,00	R12 708,00	R13 457,77	R14 251,78	R15 092,64
Alarms	R12 000,00	R12 708,00	R13 457,77	R14 251,78	R15 092,64
Bank charges	R12 000,00	R12 708,00	R13 457,77	R14 251,78	R15 092,64
Cleaning	R60 000,00	R63 540,00	R67 288,86	R71 258,90	R75 463,18
Computers	R60 000,00	R0,00	R0,00	R0,00	R0,00
Depreciation	R155 000,00	R155 000,00	R155 000,00	R155 000,00	R155 000,00
Fuel and vehicle expenses	R72 000,00	R76 248,00	R80 746,63	R85 510,68	R90 555,81
Insurance	R120 000,00	R127 080,00	R134 577,72	R142 517,81	R150 926,36
Motor vehicle lease	R133 332,00	R141 198,59	R149 529,30	R158 351,53	R167 694,27
Security	R95 000,00	R100 605,00	R106 540,70	R112 826,60	R119 483,37
Telephone, postage and internet	R12 000,00	R12 708,00	R13 457,77	R14 251,78	R15 092,64
Total operating expenses	**R2 135 332,00**	**R2 188 631,59**	**R2 308 615,85**	**R2 435 679,19**	**R2 570 239,26**

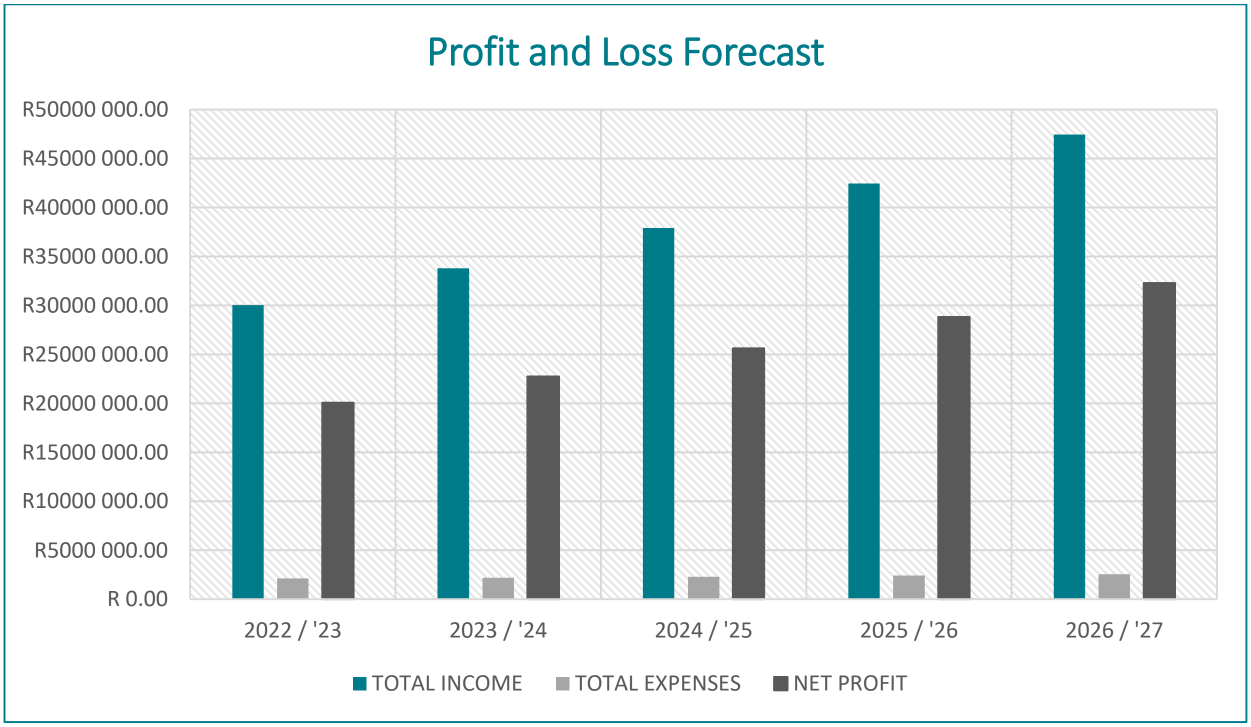
TOTAL EXPENSES	**R2 135 332,00**	**R2 188 631,59**	**R2 308 615,85**	**R2 435 679,19**	**R2 570 239,26**

NET PROFIT BEFORE TAX	**R27 893 468,00**	**R31 602 677,21**	**R35 616 500,49**	**R40 027 648,36**	**R44 871 601,16**

TAXES					
Income Tax	R7 810 171,04	R8 848 749,62	R9 972 620,14	R11 207 741,54	R12 564 048,32

TOTAL TAXES	**R7 810 171,04**	**R8 848 749,62**	**R9 972 620,14**	**R11 207 741,54**	**R12 564 048,32**

NET PROFIT	**R20 083 296,96**	**R22 753 927,59**	**R25 643 880,35**	**R28 819 906,82**	**R32 307 552,83**



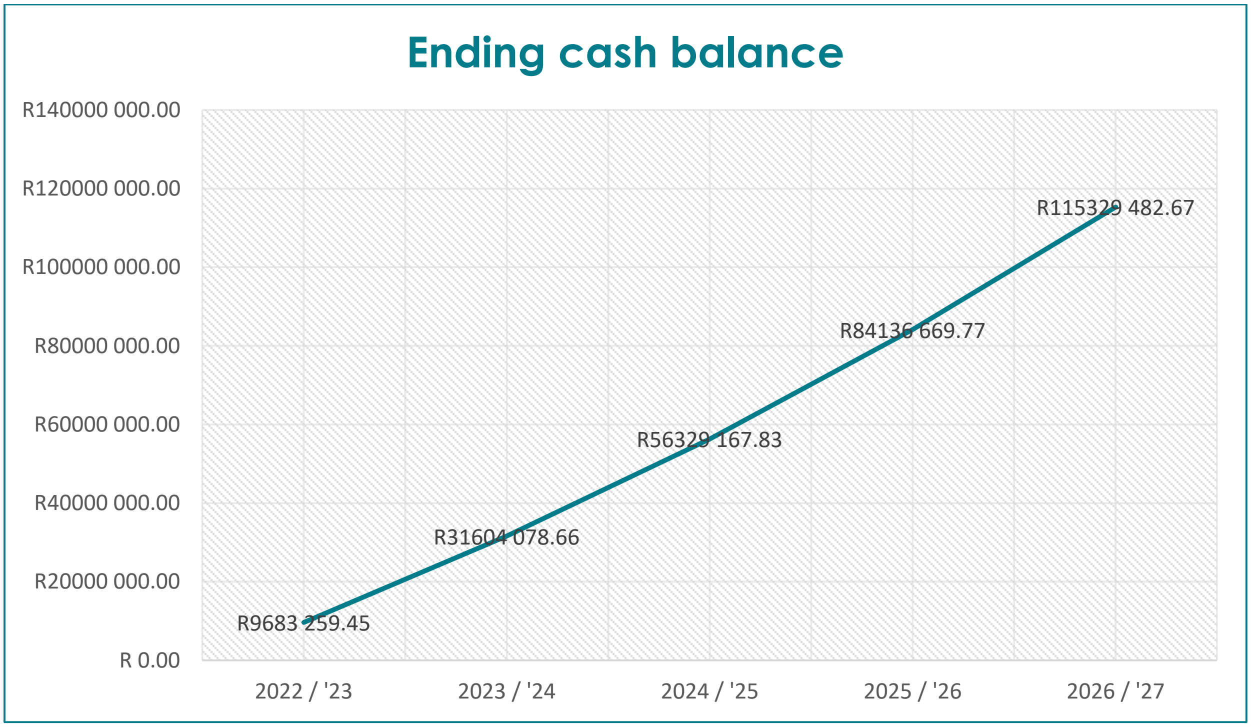
7.2.3 (5) Year Cashflow Projection

CASHFLOW						
Operating activities	**2022 / '23**	**2023 / '24**	**2024 / '25**	**2025 / '26**	**2026 / '27**	**Total**
Net income	R20 083 296,96	R22 753 927,59	R25 643 880,35	R28 819 906,82	R32 307 552,83	R129 608 564,56
Add: Depreciation	R155 000,00	R155 000,00	R155 000,00	R155 000,00	R155 000,00	R775 000,00
Less: Accounts receivable movement	-R10 368 800,00	-R777 660,00	-R835 984,50	-R898 683,34	-R966 084,59	-R13 847 212,43
Total operating activities	**R9 869 496,96**	**R22 131 267,59**	**R24 962 895,85**	**R28 076 223,48**	**R31 496 468,25**	**R116 536 352,13**

Investing activities	**2022 / '23**	**2023 / '24**	**2024 / '25**	**2025 / '26**	**2026 / '27**	**Total**
Capital expenditures	-R1 550 000,00	R0,00	R0,00	R0,00	R0,00	-R1 550 000,00
Total investing activities	**-R1 550 000,00**	**R0,00**	**R0,00**	**R0,00**	**R0,00**	**-R1 550 000,00**

Financing activities	**2022 / '23**	**2023 / '24**	**2024 / '25**	**2025 / '26**	**2026 / '27**	**Total**

Long-term debt/financing	R1 550 000,00	R0,00	R0,00	R0,00	R0,00	R1 550 000,00
Long-term debt/financing repayments	-R186 237,51	-R210 448,39	-R237 806,68	-R268 721,54	-R303 655,34	-R1 206 869,46
Owners Equity	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00
Total financing activities	**R1 363 762,49**	**-R210 448,39**	**-R237 806,68**	**-R268 721,54**	**-R303 655,34**	**R343 130,54**
Cumulative cash flow	**R9 683 259,45**	**R21 920 819,21**	**R24 725 089,17**	**R27 807 501,94**	**R31 192 812,90**	**R115 329 482,67**
Beginning cash balance	**R0,00**	**R9 683 259,45**	**R31 604 078,66**	**R56 329 167,83**	**R84 136 669,77**	
Ending cash balance	**R9 683 259,45**	**R31 604 078,66**	**R56 329 167,83**	**R84 136 669,77**	**R115 329 482,67**	



7.2.4 (5) Year Balance Sheet Projection

ASSETS					
Current Assets	**2022 / '23**	**2023 / '24**	**2024 / '25**	**2025 / '26**	**2026 / '27**
Cash and short-term investments	R9 683 259,45	R31 604 078,66	R56 329 167,83	R84 136 669,77	R115 329 482,67
Accounts receivable	R10 368 800,00	R11 146 460,00	R11 982 444,50	R12 881 127,84	R13 847 212,43
Total current assets	**R20 052 059,45**	**R42 750 538,66**	**R68 311 612,33**	**R97 017 797,61**	**R129 176 695,10**

Property, Plant and Equipment	**2022 / '23**	**2023 / '24**	**2024 / '25**	**2025 / '26**	**2026 / '27**
Cost Price	R1 550 000,00	R1 550 000,00	R1 550 000,00	R1 550 000,00	R1 550 000,00
Less Accumulated depreciation expense	R155 000,00	R310 000,00	R465 000,00	R620 000,00	R775 000,00
Total Property, Plant and Equipment	**R1 395 000,00**	**R1 240 000,00**	**R1 085 000,00**	**R930 000,00**	**R775 000,00**

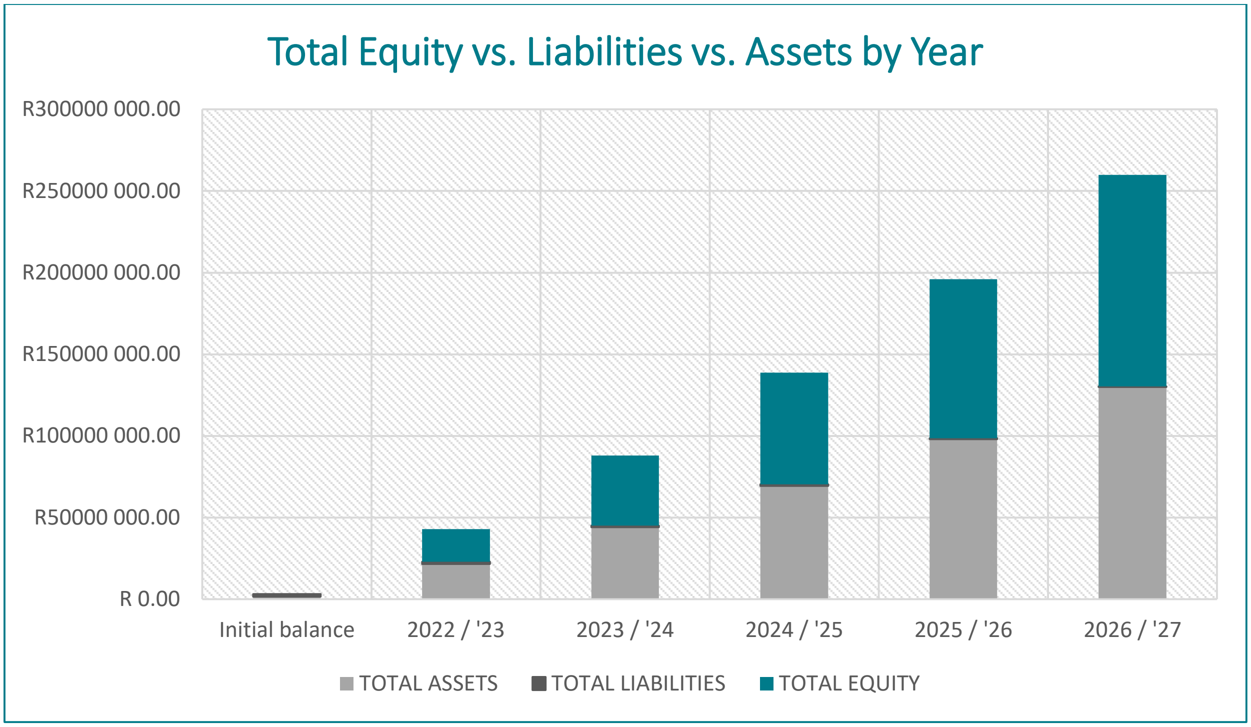
TOTAL ASSETS	**R21 447 059,45**	**R43 990 538,66**	**R69 396 612,33**	**R97 947 797,61**	**R129 951 695,10**

LIABILITIES					
Debt	**2022 / '23**	**2023 / '24**	**2024 / '25**	**2025 / '26**	**2026 / '27**
Long-term debt/loan	R1 363 762,49	R1 153 314,10	R915 507,43	R646 785,88	R343 130,54
Total Debt	**R1 363 762,49**	**R1 153 314,10**	**R915 507,43**	**R646 785,88**	**R343 130,54**

TOTAL LIABILITIES	**R1 363 762,49**	**R1 153 314,10**	**R915 507,43**	**R646 785,88**	**R343 130,54**

EQUITY					
EQUITY	**2022 / '23**	**2023 / '24**	**2024 / '25**	**2025 / '26**	**2026 / '27**
Owner's equity (contribution)	R0,00	R0,00	R0,00	R0,00	R0,00
Retained earnings	R20 083 296,96	R42 837 224,55	R68 481 104,90	R97 301 011,72	R129 608 564,56
TOTAL EQUITY	**R20 083 296,96**	**R42 837 224,55**	**R68 481 104,90**	**R97 301 011,72**	**R129 608 564,56**

TOTAL LIABILITIES AND EQUITY	**R21 447 059,45**	**R43 990 538,66**	**R69 396 612,33**	**R97 947 797,61**	**R129 951 695,10**



7.2.5 (5) Year Personnel Plan Projection

SALARIES				
Description	Employee Number	Number of people	Amount per month	Yearly Amount
Director	1	1	R30 000,00	R360 000,00
Manager	2	1	R10 000,00	R120 000,00
Administrative	3	1	R8 000,00	R96 000,00
Receptionist	1	1	R5 000,00	R60 000,00
Security Guards	4	6	R5 000,00	R360 000,00
Driver	1	1	R8 000,00	R96 000,00
General Workers	5	5	R5 000,00	R300 000,00
			Total:	**R1 392 000,00**