

DEF Ceramics Business Plan 2021-2025



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EXAMPLE

DEF Ceramics Business Plan

Executive Summary

Opportunity

Problem

The issue for DEF Ceramics is that of creating and sustaining a market-related range of ceramic and porcelain products with as little spillage and rework as possible, and doing it with a tight number of well-trained workers and minimum layers of management. Over the years, spilling and rework as well as wrong mixer recipes have been used, increasing cost of production sometimes as high as 15%, whilst untrained and overpaid workers, staff and management have added to the labour administrative costs. The factory mixers and kilns have been financially depreciated over time, but not replaced adding, to a high maintenance cost. It has thus become extremely difficult to compete with the local- and industrial markets.

Solution

The major problems to focus on is seen to be:

- Reduction of spillage, rework and the use of wrong mixer recipes
- Lower mixer and kiln maintenance, with possible replacement and better and better workflow
- Worker, staff and management investigation with regard to numbers and costs
- General on-the-job training
- Maintaining a competitive price, taking the above into account.

Market

The marketing plan must start off by assessing both the local and international markets with regard to the range of products to be sold, their cost of production, pricing and quality. Further issues to be addressed include:

- What are our strengths, weaknesses, threats and opportunities with regard to this market
- What are our growth prospects and for which products
- Are we still a marketable entity
- Unfold a marketing campaign addressing our plans and follow up
- Arrange a customer meeting their major concerns are heard
- Produce an effective and efficient complaints system.
- Look at growing our dedicated and contracted customers.

Competition

Currently, we are outclassed with regard to quality and price in the local market. We also have temperature resistant plastics penetrating about 30% of the market at both a higher quality and lower cost per unit and price to the customer.

Why Us?

Ceramic and porcelain products have an increased resistance to shocks and scratches meaning the products will last longer and remain in better condition. Ceramic and porcelain products are easy to clean and common household chemicals can cause no harm. Ceramic and porcelain products are solid and durable. Ceramic is more chemically resistant, so doesn't rust like steel. If manufactured effectively and efficiently, it should be a relative inexpensive product and easily available.

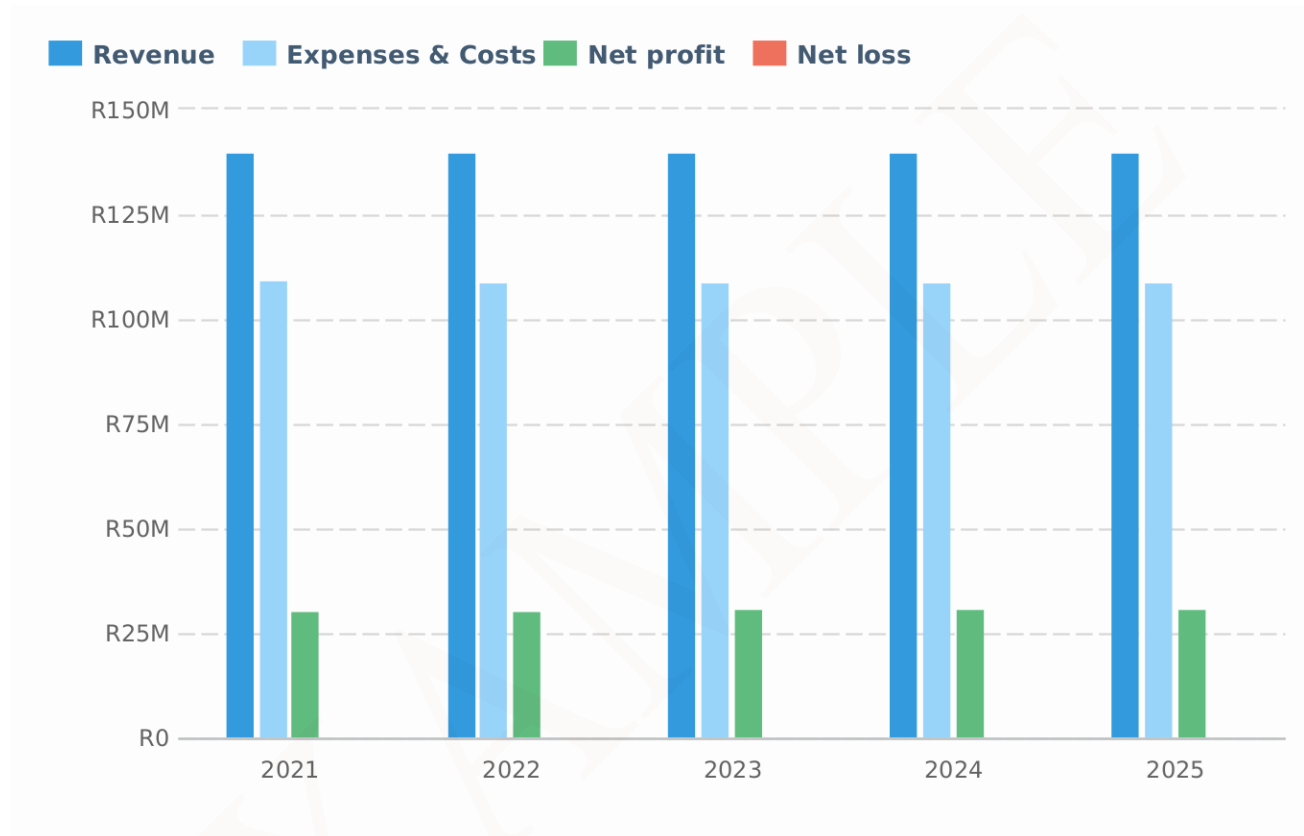
Expectations

Forecast

The financial goals we are aiming to achieve have to be seen as a more streamlined flow and use of resources, specifically in a 10% reduction in staff, and

an initial investment in year 1 of R 10 million to accommodate asset upgrading and 40% reduction of waste.

Financial Highlights by Year



Financing Needed

An initial investment of R 10 million is required from the Holding Company to initiate improvement.

DEF Ceramics Business Plan Detail

Opportunity

Problem & Solution

Problem Worth Solving

The issue for DEF Ceramics is that of creating and sustaining a market-related range of ceramic products with as little spillage and rework as possible, and doing it with a tight number of well-trained workers and minimum layers of management. Over the years, spilling and rework as well as wrong mixer recipes have been used, increasing cost of production sometimes as high as 15%, whilst untrained and overpaid workers, staff and management have added to the labour administrative costs. The factory mixers and kilns have been financially depreciated over time, but not replaced adding, to a high maintenance cost. It has thus become extremely difficult to compete with the local- and industrial markets.

Our solution

The major problems to focus on is seen to be:

- Reduction of spillage, rework and the use of wrong mixer recipes
- Lower mixer and kiln maintenance, with possible replacement and better and better workflow
- Worker, staff and management investigation with regard to numbers and costs
- General on-the-job training
- Maintaining a competitive price, taking the above into account.

Target Market

The target market is both local and international. It is selling of manufactured ceramic flutes, couplings, fittings and toilet-ware to wholesalers and the construction and building industry. Currently, the market share is 20% of the local industry and less than 0.4% of the international industry.

DEF Ceramics cater for the superior quality customers in supplying porcelain Insulators, Heating Bobbins, Bushings, and Tubes and other ceramics. It has become a serious demand for customers looking for Higher Standard Insulators and Better Quality product in which we specialized in.

Competition

Current alternatives

Currently, we are outclassed with regard to quality and price in the local market. We also have temperature resistant plastics penetrating about 30% of the market at both a higher quality and lower cost per unit and price to the customer.

Our advantages

Ceramic products have an increased resistance to shocks and scratches meaning the products will last longer and in better condition. Ceramic products are easy to clean and common household chemicals can cause no harm. **Ceramic** products are solid and durable. Ceramic is more chemically resistant, so doesn't rust like steel. If manufactured effectively and efficiently, it should be a relative inexpensive product and easily available.

Execution

Marketing & Sales

Marketing Plan

The marketing plan must start off by assessing both the local and international markets with regard to the range of products to be sold, their cost of production, pricing and quality. Further issues to be addressed include:

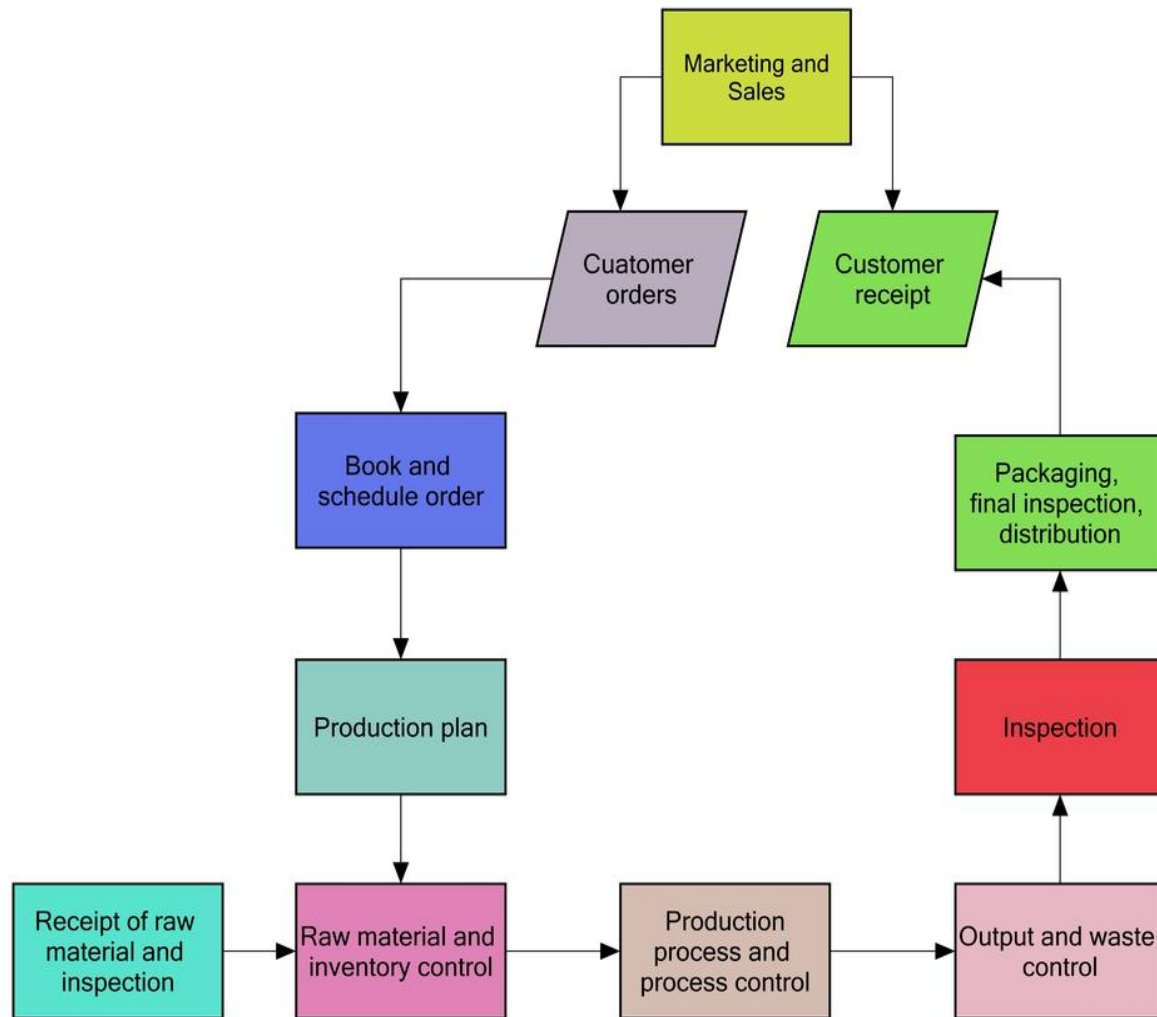
- What are our strengths, weaknesses, threats and opportunities with regard to this market
- What are our growth prospects and for which products
- Are we still a marketable entity
- Unfold a marketing campaign addressing our plans and follow up
- Arrange a customer meeting their major concerns are heard
- Produce an effective and efficient complaints system.
- Look at growing our dedicated and contracted customers.

Operations

Locations, Facilities and Process Flow

DEF Ceramics is situated in the industrial area of Roodepoort, Gauteng, South Africa. It covers a space of five thousand square meters. On its premises there is a factory, packing and quality assurance, two administration buildings, a maintenance building and a receipt- and distribution center. It is situated well within reach of some of its major wholesalers.

DEF Ceramics process flow is shown below from what the customer wants to what the customer gets:



All porcelain products and Insulators are manufactured as per IEC & SABS standards and specifications. We also manufacture as per our customers special design and requirements. All our batches are electrically tested on site in our testing lab and stamped as approved before dispatching.

Technology

The technology used is mainly an Microsoft Excel spreadsheet for orders Microsoft Access for customers, suppliers and personnel and Quickbooks for financial matters, including payroll and salaries.

Equipment & Tools

The factory has four mixers, four kilns and tables that facilitate the flow of the production process. There are various measurement equipment and a mold issue store that formats the various shapes of the ceramics.

Milestones & Metrics

Milestones Table

Milestone	Due Date	Who's Responsible	Details
Replace 3 of the 4 kilns	July 26, 2021	John Doe	A budget needs to be approved by the board of Directors
Replace the mixers with automatically controlled mixers	August 26, 2021	Anne Anyone	A budget needs to be approved by the board of Directors.

Key metrics

Performance measures that will be monitored include the cost per product, sales on a daily basis, the waste report and the key performance indicators for each employee.

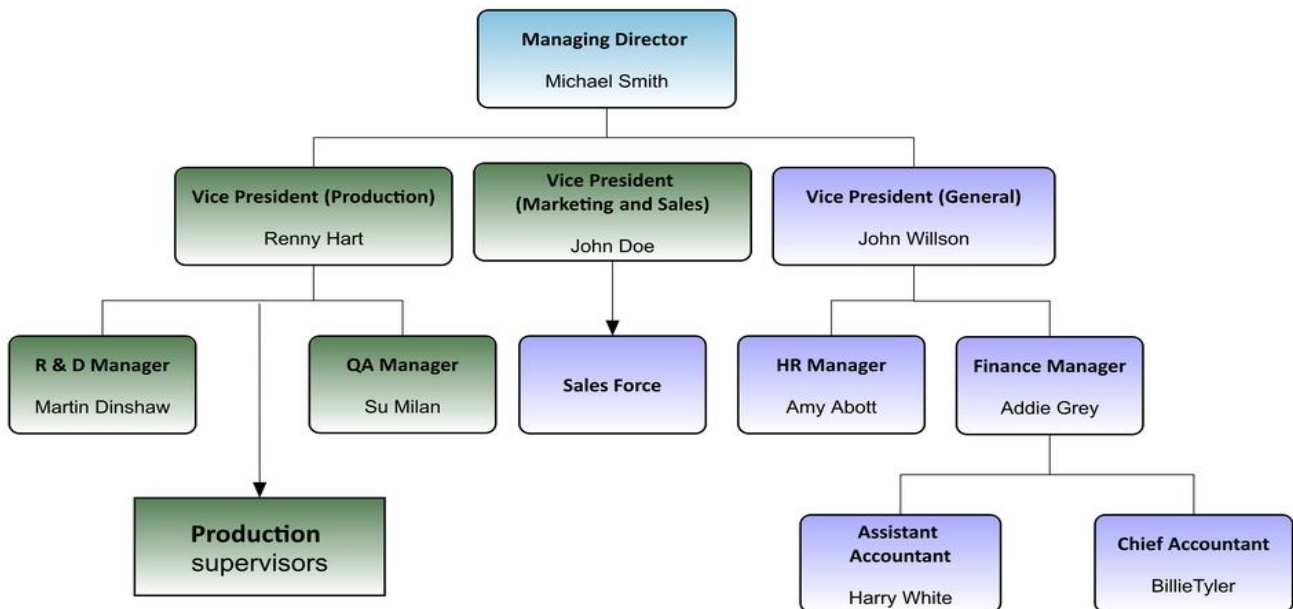
Company

Overview

Ownership & Structure

This company is wholly owned by the XYZ Holding Comany. The Managing Director has a ten per cent share of the Holding Company.

Organization Chart
- DEF Ceramics



Company history

DEF Ceramics was founded in 1945 and started producing insulators and ceramic components of all sectors of industries which had previously been imported. In 1997 it started to manufacture porcelain for the Power Line manufacturing enterprises in Southern Africa.

Team

Management team

The management team consists of the Managing Director, the Vice-presidents of Production-, Marketing and Sales and General Activities, including the Quality Manager and the Research and Development Manager. The team covers a sixty year experience of manufacturing and selling ceramics and porcelain.

Advisors

DEF Ceramics co-opt the expertise of quality consultants, productivity consultants and union consultants. A start has been made to obtain the services of a Material Requirements Planning (MRP) system to better control the use of resources.

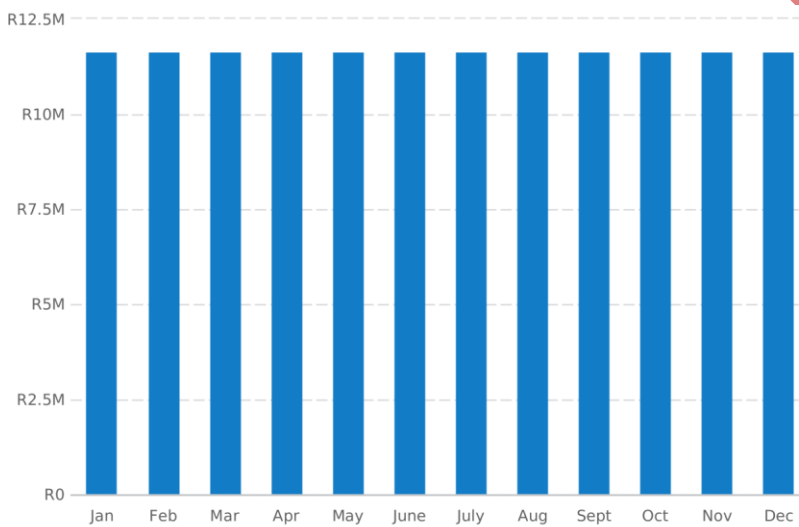
EXAMPLE

Financial Plan

Forecast

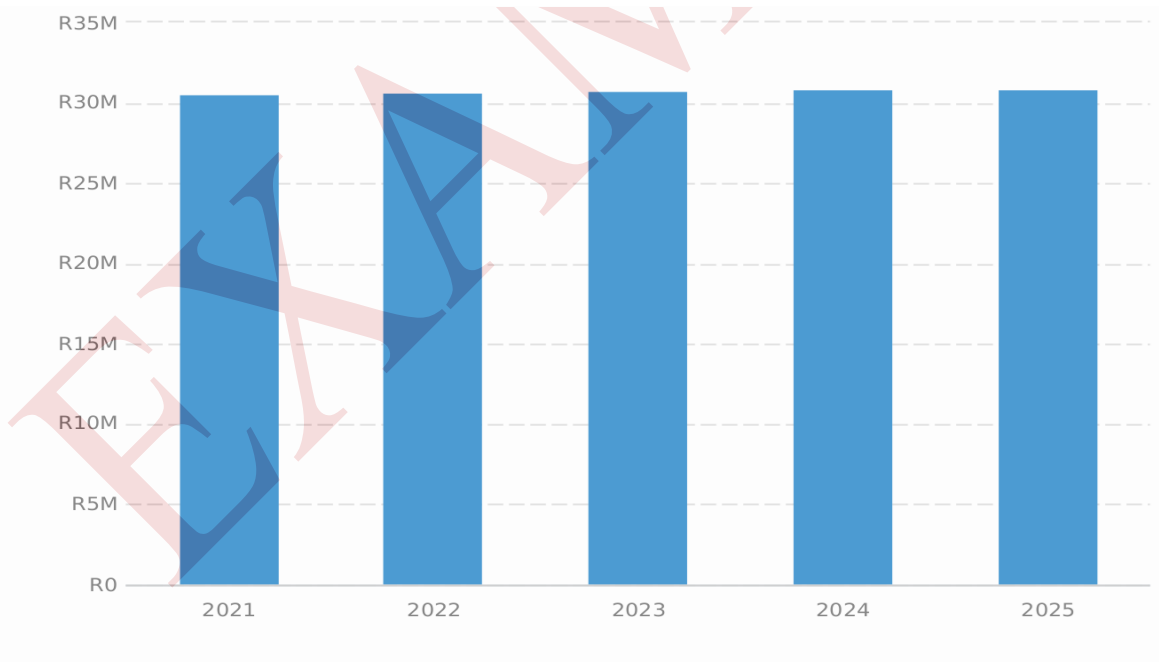
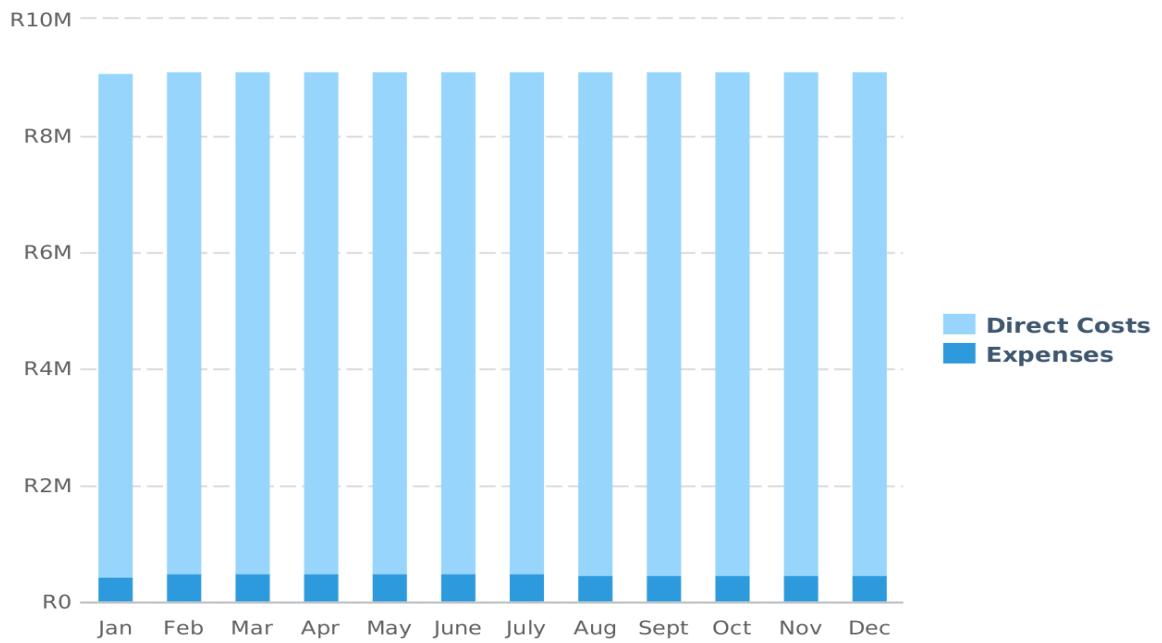
Key assumptions

Revenue by Month



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Expenses by Month



Net Profit (or Loss) by Year

Financing Statements

Projected Profit and Loss

	2021	2022	2023	2024	2025
Revenue	R139,890,000	R139,890,000	R139,890,000	R139,890,000	R139,890,000
Direct Costs	R103,518,600	R103,518,600	R103,518,600	R103,518,600	R103,518,600
Gross Margin	R36,371,400	R36,371,400	R36,371,400	R36,371,400	R36,371,400
Gross Margin %	26%	26%	26%	26%	26%
Operating Expenses					
Total Operating Expenses					
Operating Income	R36,371,400	R36,371,400	R36,371,400	R36,371,400	R36,371,400
Interest Incurred	R398,453	R279,759	R110,067	R1,244	
Depreciation and Amortization					
Gain or Loss from Sale of Assets					
Income Taxes	R5,395,942	R5,413,746	R5,439,200	R5,455,524	R5,455,710
Total Expenses	R109,312,995	R109,212,105	R109,067,867	R108,975,368	R108,974,310
Net Profit	R30,577,005	R30,677,895	R30,822,133	R30,914,632	R30,915,690
Net Profit / Sales	22%	22%	22%	22%	22%

Projected Balance Sheet

	2021	2022	2023	2024	2025
Cash	R52,866,901	R80,245,851	R107,606,997	R138,239,489	R169,155,365
Accounts Receivable	R0	R0	R0	R0	R0
Inventory					
Other Current Assets					
Total Current Assets	R52,866,901	R80,245,851	R107,606,997	R138,239,489	R169,155,365
Long-Term Assets					
Accumulated Depreciation					
Total Long-Term Assets					
Total Assets	R52,866,901	R80,245,851	R107,606,997	R138,239,489	R169,155,365
Accounts Payable	R0	R0	R0	R0	R0
Income Taxes Payable	R5,395,942	R5,413,746	R5,439,200	R5,455,524	R5,455,710
Sales Taxes Payable	R9,792,300	R9,792,300	R9,792,300	R9,792,300	R9,792,300
Short-Term Debt	R3,316,749	R3,486,441	R298,464		
Prepaid Revenue					
Total Current Liabilities	R18,504,991	R18,692,487	R15,529,964	R15,247,824	R15,248,010
Long-Term Debt	R3,784,905	R298,464	R0	R0	R0
Long-Term Liabilities	R3,784,905	R298,464	R0	R0	R0
Total Liabilities	R22,289,896	R18,990,951	R15,529,964	R15,247,824	R15,248,010
Paid-In Capital					
Retained Earnings		R30,577,005	R61,254,900	R92,077,033	R122,991,665

Earnings	R30,577,005	R30,677,895	R30,822,133	R30,914,632	R30,915,690
Total Owner's Equity	R30,577,005	R61,254,900	R92,077,033	R122,991,665	R153,907,355
Total Liabilities & Equity	R52,866,901	R80,245,851	R107,606,997	R138,239,489	R169,155,365

EXAMPLE

Projected Cash Flow Statement

	2021	2022	2023	2024	2025
Net Cash Flow from Operations					
Net Profit	R30,577,005	R30,677,895	R30,822,133	R30,914,632	R30,915,690
Depreciation & Amortization					
Change in Accounts Receivable	R0	R0	R0	R0	R0
Change in Inventory					
Change in Accounts Payable	R0	R0	R0	R0	R0
Change in Income Tax Payable	R5,395,942	R17,804	R25,454	R16,324	R186
Change in Sales Tax Payable	R9,792,300	R0	R0	R0	R0
Change in Prepaid Revenue					
Net Cash Flow from Operations	R45,765,247	R30,695,699	R30,847,587	R30,930,956	R30,915,876
Investing & Financing					
Assets Purchased or Sold					
Net Cash from Investing					
Investments Received					
Dividends & Distributions					
Change in Short-Term Debt	R3,316,749	R169,691	(R3,187,976)	(R298,464)	

Change in Long-Term Debt	R3,784,905	(R3,486,441)	(R298,464)	R0	R0
Net Cash from Financing	R7,101,654	(R3,316,749)	(R3,486,441)	(R298,464)	R0
Cash at Beginning of Period	R0	R52,866,901	R80,245,851	R107,606,997	R138,239,489
Net Change in Cash	R52,866,901	R27,378,950	R27,361,146	R30,632,492	R30,915,876
Cash at End of Period	R52,866,901	R80,245,851	R107,606,997	R138,239,489	R169,155,365

EXAMPLE

Appendix

Profit and Loss Statement (With monthly detail)

2021	Jan '21	Feb '21	Mar '21	Apr '21	May '21	June '21	July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21
Total Revenue	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500
Total Direct Costs	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550
Gross Margin	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950
Gross Margin %	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%
Operating Expenses												
Operating Income	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950
Interest Incurred		R41,667	R40,591	R39,512	R38,428	R37,339	R36,245	R35,149	R34,045	R32,939	R31,827	R30,711
Depreciation and Amortization												
Gain or Loss from Sale of Assets												
Income Taxes	R454,643	R448,392	R448,554	R448,716	R448,878	R449,041	R449,206	R449,370	R449,536	R449,702	R449,868	R450,036
Total Expenses	R9,081,193	R9,116,609	R9,115,695	R9,114,778	R9,113,856	R9,112,930	R9,112,001	R9,111,069	R9,110,131	R9,109,191	R9,108,245	R9,107,297
Net Profit	R2,576,307	R2,540,891	R2,541,805	R2,542,722	R2,543,644	R2,544,570	R2,545,499	R2,546,431	R2,547,369	R2,548,309	R2,549,255	R2,550,203
Net Profit / Sales	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%

DEF Ceramics

2022	Jan '22	Feb '22	Mar '22	Apr '22	May '22	June '22	July '22	Aug '22	Sept '22	Oct '22	Nov '22	Dec '22
Total Revenue	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500
Total Direct Costs	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550
Gross Margin	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950
Gross Margin %	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%
Operating Expenses												
Operating Income	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950
Interest Incurred	R29,590	R28,465	R27,335	R26,199	R25,060	R23,916	R22,767	R21,612	R20,454	R19,290	R18,122	R16,949
Depreciation and Amortization												
Gain or Loss from Sale of Assets												
Income Taxes	R450,204	R450,373	R450,542	R450,713	R450,883	R451,055	R451,228	R451,400	R451,575	R451,749	R451,924	R452,100
Total Expenses	R9,106,344	R9,105,388	R9,104,427	R9,103,462	R9,102,493	R9,101,521	R9,100,545	R9,099,562	R9,098,579	R9,097,589	R9,096,596	R9,095,599
Net Profit	R2,551,156	R2,552,112	R2,553,073	R2,554,038	R2,555,007	R2,555,979	R2,556,955	R2,557,938	R2,558,921	R2,559,911	R2,560,904	R2,561,901
Net Profit / Sales	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%

2023	Jan '23	Feb '23	Mar '23	Apr '23	May '23	June '23	July '23	Aug '23	Sept '23	Oct '23	Nov '23	Dec '23
Total Revenue	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500	R11,657,500
Total Direct Costs	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550	R8,626,550
Gross Margin	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950
Gross Margin %	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%
Operating Expenses												
Operating Income	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950	R3,030,950
Interest Incurred	R15,770	R14,588	R13,399	R12,206	R11,009	R9,805	R8,598	R7,385	R6,166	R4,944	R3,715	R2,482
Depreciation and Amortization												
Gain or Loss from Sale of Assets												
Income Taxes	R452,277	R452,455	R452,632	R452,812	R452,991	R453,172	R453,352	R453,535	R453,718	R453,901	R454,085	R454,270
Total Expenses	R9,094,597	R9,093,593	R9,092,581	R9,091,568	R9,090,550	R9,089,527	R9,088,500	R9,087,470	R9,086,434	R9,085,395	R9,084,350	R9,083,302
Net Profit	R2,562,903	R2,563,907	R2,564,919	R2,565,932	R2,566,950	R2,567,973	R2,569,000	R2,570,030	R2,571,066	R2,572,105	R2,573,150	R2,574,198
Net Profit / Sales	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%	22%

	2021	2022	2023	2024	2025
Total Revenue	R139,890,000	R139,890,000	R139,890,000	R139,890,000	R139,890,000
Total Direct Costs	R103,518,600	R103,518,600	R103,518,600	R103,518,600	R103,518,600
Gross Margin	R36,371,400	R36,371,400	R36,371,400	R36,371,400	R36,371,400
Gross Margin %	26%	26%	26%	26%	26%
Operating Expenses					
Operating Income	R36,371,400	R36,371,400	R36,371,400	R36,371,400	R36,371,400
Interest Incurred	R398,453	R279,759	R110,067	R1,244	
Depreciation and Amortization					
Gain or Loss from Sale of Assets					
Income Taxes	R5,395,942	R5,413,746	R5,439,200	R5,455,524	R5,455,710
Total Expenses	R109,312,995	R109,212,105	R109,067,867	R108,975,368	R108,974,310
Net Profit	R30,577,005	R30,677,895	R30,822,133	R30,914,632	R30,915,690
Net Profit / Sales	22%	22%	22%	22%	22%

Balance Sheet (With Monthly Detail)

2021	Jan '21	Feb '21	Mar '21	Apr '21	May '21	June '21	July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21
Cash	R13,846,975	R17,394,241	R20,941,507	R24,488,773	R28,036,039	R31,583,305	R35,130,571	R38,677,837	R42,225,103	R45,772,369	R49,319,635	R52,866,901
Accounts Receivable	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Inventory												
Other Current Assets												
Total Current Assets	R13,846,975	R17,394,241	R20,941,507	R24,488,773	R28,036,039	R31,583,305	R35,130,571	R38,677,837	R42,225,103	R45,772,369	R49,319,635	R52,866,901
Long-Term Assets												
Accumulated Depreciation												
Total Long-Term Assets												
Total Assets	R13,846,975	R17,394,241	R20,941,507	R24,488,773	R28,036,039	R31,583,305	R35,130,571	R38,677,837	R42,225,103	R45,772,369	R49,319,635	R52,866,901
Accounts Payable	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Income Taxes Payable	R454,643	R903,035	R1,351,589	R1,800,305	R2,249,183	R2,698,224	R3,147,430	R3,596,800	R4,046,336	R4,496,038	R4,945,906	R5,395,942
Sales Taxes Payable	R816,025	R1,632,050	R2,448,075	R3,264,100	R4,080,125	R4,896,150	R5,712,175	R6,528,200	R7,344,225	R8,160,250	R8,976,275	R9,792,300
Short-Term Debt	R3,168,465	R3,181,666	R3,194,923	R3,208,236	R3,221,603	R3,235,027	R3,248,506	R3,262,041	R3,275,633	R3,289,282	R3,302,987	R3,316,749
Prepaid Revenue												
Total Current Liabilities	R4,439,133	R5,716,751	R6,994,587	R8,272,641	R9,550,911	R10,829,401	R12,108,111	R13,387,041	R14,666,194	R15,945,570	R17,225,168	R18,504,991
Long-Term Debt	R6,831,535	R6,560,291	R6,287,917	R6,014,407	R5,739,758	R5,463,965	R5,187,023	R4,908,926	R4,629,671	R4,349,252	R4,067,665	R3,784,905
Long-Term Liabilities	R6,831,535	R6,560,291	R6,287,917	R6,014,407	R5,739,758	R5,463,965	R5,187,023	R4,908,926	R4,629,671	R4,349,252	R4,067,665	R3,784,905

Total Liabilities	R11,270,668	R12,277,043	R13,282,504	R14,287,048	R15,290,670	R16,293,366	R17,295,133	R18,295,968	R19,295,865	R20,294,822	R21,292,833	R22,289,896
<hr/>												
Paid-In Capital												
Retained Earnings												
Earnings	R2,576,307	R5,117,198	R7,659,003	R10,201,725	R12,745,369	R15,289,939	R17,835,438	R20,381,869	R22,929,238	R25,477,547	R28,026,802	R30,577,005
Total Owner's Equity	R2,576,307	R5,117,198	R7,659,003	R10,201,725	R12,745,369	R15,289,939	R17,835,438	R20,381,869	R22,929,238	R25,477,547	R28,026,802	R30,577,005
<hr/>												
Total Liabilities & Equity	R13,846,975	R17,394,241	R20,941,507	R24,488,773	R28,036,039	R31,583,305	R35,130,571	R38,677,837	R42,225,103	R45,772,369	R49,319,635	R52,866,901

EXAMPLE

DEF Ceramics

2022	Jan '22	Feb '22	Mar '22	Apr '22	May '22	June '22	July '22	Aug '22	Sept '22	Oct '22	Nov '22	Dec '22
Cash	R46,621,867	R50,169,133	R48,320,457	R51,867,723	R55,414,989	R58,962,255	R62,509,521	R66,056,787	R69,604,053	R73,151,319	R76,698,585	R80,245,851
Accounts Receivable	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Inventory												
Other Current Assets												
Total Current Assets	R46,621,867	R50,169,133	R48,320,457	R51,867,723	R55,414,989	R58,962,255	R62,509,521	R66,056,787	R69,604,053	R73,151,319	R76,698,585	R80,245,851
Long-Term Assets												
Accumulated Depreciation												
Total Long-Term Assets												
Total Assets	R46,621,867	R50,169,133	R48,320,457	R51,867,723	R55,414,989	R58,962,255	R62,509,521	R66,056,787	R69,604,053	R73,151,319	R76,698,585	R80,245,851
Accounts Payable	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Income Taxes Payable	R5,846,146	R6,296,519	R1,351,119	R1,801,832	R2,252,715	R2,703,770	R3,154,998	R3,606,398	R4,057,973	R4,509,722	R4,961,646	R5,413,746
Sales Taxes Payable	R816,025	R1,632,050	R2,448,075	R3,264,100	R4,080,125	R4,896,150	R5,712,175	R6,528,200	R7,344,225	R8,160,250	R8,976,275	R9,792,300
Short-Term Debt	R3,330,569	R3,344,447	R3,358,382	R3,372,375	R3,386,427	R3,400,537	R3,414,706	R3,428,934	R3,443,221	R3,457,567	R3,471,974	R3,486,441
Prepaid Revenue												
Total Current Liabilities	R9,992,740	R11,273,016	R7,157,576	R8,438,307	R9,719,267	R11,000,457	R12,281,879	R13,563,532	R14,845,419	R16,127,539	R17,409,895	R18,692,487
Long-Term Debt	R3,500,966	R3,215,845	R2,929,535	R2,642,032	R2,353,332	R2,063,428	R1,772,317	R1,479,993	R1,186,450	R891,685	R595,691	R298,464
Long-Term Liabilities	R3,500,966	R3,215,845	R2,929,535	R2,642,032	R2,353,332	R2,063,428	R1,772,317	R1,479,993	R1,186,450	R891,685	R595,691	R298,464
Total Liabilities	R13,493,706	R14,488,860	R10,087,111	R11,080,339	R12,072,598	R13,063,885	R14,054,196	R15,043,524	R16,031,869	R17,019,224	R18,005,586	R18,990,951

DEF Ceramics

Paid-In Capital													
Retained Earnings	R30,577,005	R30,577,005	R30,577,005	R30,577,005	R30,577,005	R30,577,005	R30,577,005	R30,577,005	R30,577,005	R30,577,005	R30,577,005	R30,577,005	R30,577,005
Earnings	R2,551,156	R5,103,268	R7,656,341	R10,210,379	R12,765,386	R15,321,365	R17,878,321	R20,436,258	R22,995,179	R25,555,090	R28,115,994	R30,677,895	
Total Owner's Equity	R33,128,161	R35,680,273	R38,233,346	R40,787,384	R43,342,391	R45,898,370	R48,455,325	R51,013,263	R53,572,184	R56,132,095	R58,692,999	R61,254,900	
Total Liabilities & Equity	R46,621,867	R50,169,133	R48,320,457	R51,867,723	R55,414,989	R58,962,255	R62,509,521	R66,056,787	R69,604,053	R73,151,319	R76,698,585	R80,245,851	

EXAMPLE

DEF Ceramics

2023	Jan '23	Feb '23	Mar '23	Apr '23	May '23	June '23	July '23	Aug '23	Sept '23	Oct '23	Nov '23	Dec '23
Cash	R74,000,817	R77,548,083	R75,681,603	R79,228,869	R82,776,135	R86,323,401	R89,870,667	R93,417,933	R96,965,199	R100,512,465	R104,059,731	R107,606,997
Accounts Receivable	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Inventory												
Other Current Assets												
Total Current Assets	R74,000,817	R77,548,083	R75,681,603	R79,228,869	R82,776,135	R86,323,401	R89,870,667	R93,417,933	R96,965,199	R100,512,465	R104,059,731	R107,606,997
Long-Term Assets												
Accumulated Depreciation												
Total Long-Term Assets												
Total Assets	R74,000,817	R77,548,083	R75,681,603	R79,228,869	R82,776,135	R86,323,401	R89,870,667	R93,417,933	R96,965,199	R100,512,465	R104,059,731	R107,606,997
Accounts Payable	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Income Taxes Payable	R5,866,023	R6,318,478	R1,357,364	R1,810,176	R2,263,167	R2,716,339	R3,169,691	R3,623,226	R4,076,944	R4,530,845	R4,984,930	R5,439,200
Sales Taxes Payable	R816,025	R1,632,050	R2,448,075	R3,264,100	R4,080,125	R4,896,150	R5,712,175	R6,528,200	R7,344,225	R8,160,250	R8,976,275	R9,792,300
Short-Term Debt	R3,500,966	R3,215,845	R2,929,535	R2,642,032	R2,353,332	R2,063,428	R1,772,317	R1,479,993	R1,186,450	R891,685	R595,691	R298,464
Prepaid Revenue												
Total Current Liabilities	R10,183,014	R11,166,373	R6,734,974	R7,716,308	R8,696,624	R9,675,917	R10,654,183	R11,631,419	R12,607,619	R13,582,780	R14,556,896	R15,529,964
Long-Term Debt	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Long-Term Liabilities	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Total Liabilities	R10,183,014	R11,166,373	R6,734,974	R7,716,308	R8,696,624	R9,675,917	R10,654,183	R11,631,419	R12,607,619	R13,582,780	R14,556,896	R15,529,964

DEF Ceramics

Paid-In Capital												
Retained Earnings	R61,254,900	R61,254,900	R61,254,900	R61,254,900	R61,254,900	R61,254,900	R61,254,900	R61,254,900	R61,254,900	R61,254,900	R61,254,900	R61,254,900
Earnings	R2,562,903	R5,126,810	R7,691,729	R10,257,660	R12,824,611	R15,392,583	R17,961,584	R20,531,614	R23,102,680	R25,674,785	R28,247,935	R30,822,133
Total Owner's Equity	R63,817,803	R66,381,710	R68,946,629	R71,512,561	R74,079,511	R76,647,484	R79,216,484	R81,786,514	R84,357,580	R86,929,685	R89,502,835	R92,077,033
Total Liabilities & Equity	R74,000,817	R77,548,083	R75,681,603	R79,228,869	R82,776,135	R86,323,401	R89,870,667	R93,417,933	R96,965,199	R100,512,465	R104,059,731	R107,606,997

EXAMPLE

DEF Ceramics

	2021	2022	2023	2024	2025
Cash	R52,866,901	R80,245,851	R107,606,997	R138,239,489	R169,155,365
Accounts Receivable	R0	R0	R0	R0	R0
Inventory					
Other Current Assets					
Total Current Assets	R52,866,901	R80,245,851	R107,606,997	R138,239,489	R169,155,365
Long-Term Assets					
Accumulated Depreciation					
Total Long-Term Assets					
Total Assets	R52,866,901	R80,245,851	R107,606,997	R138,239,489	R169,155,365
Accounts Payable	R0	R0	R0	R0	R0
Income Taxes Payable	R5,395,942	R5,413,746	R5,439,200	R5,455,524	R5,455,710
Sales Taxes Payable	R9,792,300	R9,792,300	R9,792,300	R9,792,300	R9,792,300
Short-Term Debt	R3,316,749	R3,486,441	R298,464		
Prepaid Revenue					
Total Current Liabilities	R18,504,991	R18,692,487	R15,529,964	R15,247,824	R15,248,010
Long-Term Debt	R3,784,905	R298,464	R0	R0	R0
Long-Term Liabilities	R3,784,905	R298,464	R0	R0	R0
Total Liabilities	R22,289,896	R18,990,951	R15,529,964	R15,247,824	R15,248,010
Paid-In Capital					
Retained Earnings		R30,577,005	R61,254,900	R92,077,033	R122,991,665
Earnings	R30,577,005	R30,677,895	R30,822,133	R30,914,632	R30,915,690
Total Owner's Equity	R30,577,005	R61,254,900	R92,077,033	R122,991,665	R153,907,355

Total Liabilities & Equity	R52,866,901	R80,245,851	R107,606,997	R138,239,489	R169,155,365
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EXAMPLE

Cash Flow Statement (With Monthly Detail)

2021	Jan '21	Feb '21	Mar '21	Apr '21	May '21	June '21	July '21	Aug '21	Sept '21	Oct '21	Nov '21	Dec '21
Net Cash Flow from Operations												
Net Profit	R2,576,307	R2,540,891	R2,541,805	R2,542,722	R2,543,644	R2,544,570	R2,545,499	R2,546,431	R2,547,369	R2,548,309	R2,549,255	R2,550,203
Depreciation & Amortization												
Change in Accounts Receivable	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Change in Inventory												
Change in Accounts Payable	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Change in Income Tax Payable	R454,643	R448,392	R448,554	R448,716	R448,878	R449,041	R449,206	R449,370	R449,536	R449,702	R449,868	R450,036
Change in Sales Tax Payable	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025
Change in Prepaid Revenue												
Net Cash Flow from Operations	R3,846,975	R3,805,308	R3,806,384	R3,807,463	R3,808,547	R3,809,636	R3,810,729	R3,811,827	R3,812,929	R3,814,036	R3,815,148	R3,816,264
Investing & Financing												
Assets Purchased or Sold												
Net Cash from Investing												
Investments Received												

DEF Ceramics

Dividends & Distributions												
Change in Short-Term Debt	R3,168,465	R13,202	R13,257	R13,312	R13,368	R13,423	R13,479	R13,535	R13,592	R13,648	R13,705	R13,762
Change in Long-Term Debt	R6,831,535	(R271,244)	(R272,374)	(R273,509)	(R274,649)	(R275,793)	(R276,942)	(R278,096)	(R279,255)	(R280,419)	(R281,587)	(R282,760)
Net Cash from Financing	R10,000,000	(R258,042)	(R259,118)	(R260,197)	(R261,281)	(R262,370)	(R263,463)	(R264,561)	(R265,663)	(R266,770)	(R267,882)	(R268,998)
Cash at Beginning of Period	R0	R13,846,975	R17,394,241	R20,941,507	R24,488,773	R28,036,039	R31,583,305	R35,130,571	R38,677,837	R42,225,103	R45,772,369	R49,319,635
Net Change in Cash	R13,846,975	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266
Cash at End of Period	R13,846,975	R17,394,241	R20,941,507	R24,488,773	R28,036,039	R31,583,305	R35,130,571	R38,677,837	R42,225,103	R45,772,369	R49,319,635	R52,866,901

2022	Jan '22	Feb '22	Mar '22	Apr '22	May '22	June '22	July '22	Aug '22	Sept '22	Oct '22	Nov '22	Dec '22
Net Cash Flow from Operations												
Net Profit	R2,551,156	R2,552,112	R2,553,073	R2,554,038	R2,555,007	R2,555,979	R2,556,955	R2,557,938	R2,558,921	R2,559,911	R2,560,904	R2,561,901
Depreciation & Amortization												
Change in Accounts Receivable	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Change in Inventory												
Change in Accounts Payable	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Change in Income Tax Payable	R450,204	R450,373	(R4,945,400)	R450,713	R450,883	R451,055	R451,228	R451,400	R451,575	R451,749	R451,924	R452,100
Change in Sales Tax Payable	(R8,976,275)	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025
Change in Prepaid Revenue												
Net Cash Flow from Operations	(R5,974,915)	R3,818,510	(R1,576,302)	R3,820,775	R3,821,915	R3,823,059	R3,824,208	R3,825,362	R3,826,521	R3,827,685	R3,828,853	R3,830,026
Investing & Financing												
Assets Purchased or Sold												
Net Cash from Investing												
Investments Received												
Dividends & Distributions												

DEF Ceramics

Change in Short-Term Debt	R13,820	R13,877	R13,935	R13,993	R14,052	R14,110	R14,169	R14,228	R14,287	R14,347	R14,407	R14,467
Change in Long-Term Debt	(R283,939)	(R285,122)	(R286,310)	(R287,503)	(R288,701)	(R289,903)	(R291,111)	(R292,324)	(R293,542)	(R294,765)	(R295,994)	(R297,227)
Net Cash from Financing	(R270,119)	(R271,244)	(R272,374)	(R273,509)	(R274,649)	(R275,793)	(R276,942)	(R278,096)	(R279,255)	(R280,419)	(R281,587)	(R282,760)
Cash at Beginning of Period	R52,866,901	R46,621,867	R50,169,133	R48,320,457	R51,867,723	R55,414,989	R58,962,255	R62,509,521	R66,056,787	R69,604,053	R73,151,319	R76,698,585
Net Change in Cash	(R6,245,034)	R3,547,266	(R1,848,676)	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266
Cash at End of Period	R46,621,867	R50,169,133	R48,320,457	R51,867,723	R55,414,989	R58,962,255	R62,509,521	R66,056,787	R69,604,053	R73,151,319	R76,698,585	R80,245,851

2023	Jan '23	Feb '23	Mar '23	Apr '23	May '23	June '23	July '23	Aug '23	Sept '23	Oct '23	Nov '23	Dec '23
Net Cash Flow from Operations												
Net Profit	R2,562,903	R2,563,907	R2,564,919	R2,565,932	R2,566,950	R2,567,973	R2,569,000	R2,570,030	R2,571,066	R2,572,105	R2,573,150	R2,574,198
Depreciation & Amortization												
Change in Accounts Receivable	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Change in Inventory												
Change in Accounts Payable	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Change in Income Tax Payable	R452,277	R452,455	(R4,961,114)	R452,812	R452,991	R453,172	R453,352	R453,535	R453,718	R453,901	R454,085	R454,270
Change in Sales Tax Payable	(R8,976,275)	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025	R816,025
Change in Prepaid Revenue												
Net Cash Flow from Operations	(R5,961,095)	R3,832,388	(R1,580,170)	R3,834,769	R3,835,967	R3,837,169	R3,838,377	R3,839,590	R3,840,808	R3,842,031	R3,843,260	R3,844,493
Investing & Financing												
Assets Purchased or Sold												
Net Cash from Investing												
Investments Received												
Dividends & Distributions												

DEF Ceramics

Change in Short-Term Debt	R14,526	(R285,122)	(R286,310)	(R287,503)	(R288,701)	(R289,903)	(R291,111)	(R292,324)	(R293,542)	(R294,765)	(R295,994)	(R297,227)
Change in Long-Term Debt	(R298,464)	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0	R0
Net Cash from Financing	(R283,939)	(R285,122)	(R286,310)	(R287,503)	(R288,701)	(R289,903)	(R291,111)	(R292,324)	(R293,542)	(R294,765)	(R295,994)	(R297,227)
Cash at Beginning of Period	R80,245,851	R74,000,817	R77,548,083	R75,681,603	R79,228,869	R82,776,135	R86,323,401	R89,870,667	R93,417,933	R96,965,199	R100,512,465	R104,059,731
Net Change in Cash	(R6,245,034)	R3,547,266	(R1,866,480)	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266	R3,547,266
Cash at End of Period	R74,000,817	R77,548,083	R75,681,603	R79,228,869	R82,776,135	R86,323,401	R89,870,667	R93,417,933	R96,965,199	R100,512,465	R104,059,731	R107,606,997

EXAMPLE

	2021	2022	2023	2024	2025
Net Cash Flow from Operations					
Net Profit	R30,577,005	R30,677,895	R30,822,133	R30,914,632	R30,915,690
Depreciation & Amortization					
Change in Accounts Receivable	R0	R0	R0	R0	R0
Change in Inventory					
Change in Accounts Payable	R0	R0	R0	R0	R0
Change in Income Tax Payable	R5,395,942	R17,804	R25,454	R16,324	R186
Change in Sales Tax Payable	R9,792,300	R0	R0	R0	R0
Change in Prepaid Revenue					
Net Cash Flow from Operations	R45,765,247	R30,695,699	R30,847,587	R30,930,956	R30,915,876
Investing & Financing					
Assets Purchased or Sold					
Net Cash from Investing					
Investments Received					
Dividends & Distributions					
Change in Short-Term Debt	R3,316,749	R169,691	(R3,187,976)	(R298,464)	
Change in Long-Term Debt	R3,784,905	(R3,486,441)	(R298,464)	R0	R0
Net Cash from Financing	R7,101,654	(R3,316,749)	(R3,486,441)	(R298,464)	R0
Cash at Beginning of Period	R0	R52,866,901	R80,245,851	R107,606,997	R138,239,489
Net Change in Cash	R52,866,901	R27,378,950	R27,361,146	R30,632,492	R30,915,876
Cash at End of Period	R52,866,901	R80,245,851	R107,606,997	R138,239,489	R169,155,365