BUSINESS PLAN · LARGE PRINT

Harbour Plumbing

Fixed-price plumbing services for coastal properties



PURPOSE	DATED	STATUS
Prepared for a loan application	**November 2026**	**Confidential**

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THE PLAN AT A GLANCE

R6.67M
REVENUE IN YEAR 3

R1.64M
NET PROFIT IN YEAR 3

978
CUSTOMERS WON IN YEAR 3

Month 1
BREAK-EVEN

	YEAR 1	YEAR 2	YEAR 3
Revenue	R4.06M	R5.77M	R6.67M
Gross profit	R1.98M	R2.83M	R3.48M
EBITDA	R943K	R1.69M	R2.22M
Net profit	**R692K**	**R1.24M**	**R1.64M**
Customers, year end	0	0	0
Cash, year end	R1.04M	R2.28M	R3.9M

All figures in rand, before VAT.

The plan in numbers

Revenue grows from R4.06M in year 1 to R6.67M in year 3. EBITDA turns positive in month 1 (Dec 2026) and stays positive, and net profit is R1.64M in year 3, 25% of revenue.

R6.67M

REVENUE IN YEAR 3

R1.64M

NET PROFIT IN YEAR 3

25% of revenue

978

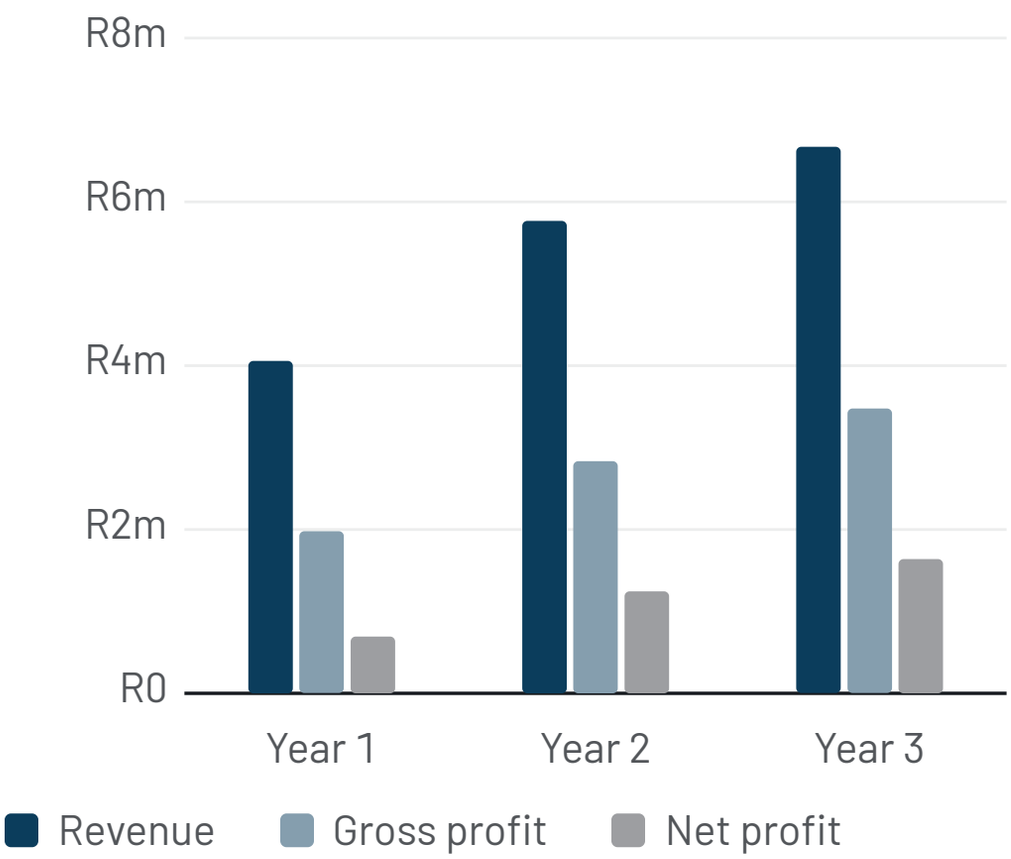
CUSTOMERS WON IN YEAR 3

Month 1

BREAK-EVEN

Dec 2026

THE PLAN IN NUMBERS, CONTINUED



	YEAR 1	YEAR 2	YEAR 3
Revenue	4,059,834	5,767,284	6,670,643
Gross profit	1,977,202	2,834,341	3,475,758
Gross margin	49%	49%	52%
EBITDA	943,454	1,690,496	2,221,011
Net profit	**692,191**	**1,244,575**	**1,639,885**
Net margin	17%	22%	25%

THE PLAN IN NUMBERS, CONTINUED

	YEAR 1	YEAR 2	YEAR 3
Customers won in the year	656	888	978
Cash at year end	1,044,361	2,281,550	3,904,351

All figures in rand, before VAT.

KEY MILESTONES

Month 1
Dec 2026

Break-even: EBITDA positive and staying so

Month 4
Mar 2027

Qualified Plumber and Gasfitter joins

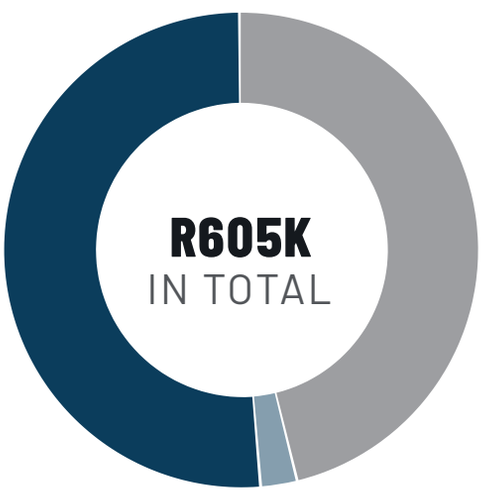
Month 4
Mar 2027

50 new customers a month

THE PLAN IN NUMBERS, CONTINUED

THE ASK

We ask for a loan of R453.500 over five years at about 13.3% a year, beside R151.500 the owners put in: 25% of the R605.000 the start needs. The repayment is R10.377 a month. EBITDA covers it 7.6 times in year 1, 13.6 in year 2 and 17.8 in year 3.



Equipment	**R280.000**
Other start-up costs	**R15.000**
Working capital and a reserve of two months' fixed costs	**R310.000**

Executive summary

We deliver fixed-price plumbing, gas fitting, and emergency repair services to homeowners and small businesses across the local area.

The opportunity

Sudden pipe bursts or blocked drains cause water damage and leave properties without functioning fixtures. 64.75 million people and companies assessed for tax in South Africa; about 323.754 of them maintain residential or commercial premises and book plumbing or gas fitting repairs each year. We need 978 as customers in year 3: about one in 330.

What we sell

Three packages: Blocked Drain Clearing at R2.800; Burst Pipes and General Plumbing Repairs at R3.500; and Hot Water System Replacement at R18.500. Add-ons: emergency after-hours callout at R1.250 and backflow prevention testing at R1.800.

EXECUTIVE SUMMARY, CONTINUED

How we win

Upfront fixed prices confirmed in writing before work begins for property owners who need fast local response. Upfront fixed prices confirmed in writing before work starts.

Who we serve

Homeowners and small business owners in coastal suburban districts. Three kinds buy most: the Distressed Homeowner, the Property Manager and the Suburban Renovator.

The business and the team

The business

A private company (Pty) Ltd, already trading; this plan starts in December 2026. Shop 4, 12 Pittwater Road, Manly NSW 2095. harbour-plumbing.sitepages.app.

THE BUSINESS AND THE TEAM, CONTINUED

The team

An owner and Lead Licensed Plumber leads the business. A qualified Plumber and Gasfitter joins in month 4 and a plumbing Apprentice in month 10.

OUR MISSION

To provide reliable, licensed plumbing and gas fitting services with complete upfront price clarity for local residential and commercial property owners.

OUR VISION

To be the local plumbing team known for rapid emergency response, transparent fixed pricing, and reliable trade work.

01

SECTION 01

The business

We deliver fixed-price plumbing, gas fitting, and emergency repair services to homeowners and small businesses across the local area.

IN THIS SECTION

Who we are 13

The business model 16

The problem we solve 20

Dec 2026
THE FIRST MONTH

3
PACKAGES, FROM R2.800

978
CUSTOMERS WON IN YEAR 3

Who we are

Upfront fixed prices confirmed in writing before work begins for property owners who need fast local response.

MISSION

To provide reliable, licensed plumbing and gas fitting services with complete upfront price clarity for local residential and commercial property owners.

VISION

To be the local plumbing team known for rapid emergency response, transparent fixed pricing, and reliable trade work.

WHO WE ARE, CONTINUED

WHAT WE HOLD TO

01

Upfront transparency

We quote every job in writing before starting work so invoices contain zero surprises.

02

Punctual response

We offer same-day visits for calls before midday and operate around the clock for emergency bursts.

03

Trade accountability

We back our fully licensed workmanship with a clear 12-month guarantee on every completed job.

04

Local reliability

We maintain dedicated coverage across our coastal zone to reach property emergencies quickly.

WHO WE ARE, CONTINUED

THE BUSINESS

NAME
Harbour Plumbing

LEGAL FORM
A private company (Pty) Ltd

REGISTRATION
CIPC registration as a private company (SARS then issues its income tax number), registration with SARS as an employer for PAYE and UIF (and SDL once the payroll passes R500 000 a year) and with the Compensation Fund, and VAT once over the threshold

WHERE
Shop 4, 12 Pittwater Road, Manly NSW 2095

STAGE
Already trading; this plan starts in December 2026

WEBSITE
harbour-plumbing.sitepages.app

PHONE
02 9000 1234

WHO WE ARE, CONTINUED

WHO RUNS IT

Owner and Lead Licensed Plumber

Manages operational oversight, completes high-priority trade jobs, quotes projects, and handles financial administration.

The business model

In one place: who we serve, what we offer them, how we reach and keep them, what it takes, and how the money works. The figures are year 2's.

CUSTOMER SEGMENTS

- The Distressed Homeowner
- The Property Manager
- The Suburban Renovator

THE BUSINESS MODEL, CONTINUED

WHAT WE OFFER

- Fixed upfront quotes issued in writing before work starts on any property.
- Same-day dispatch for callouts and round-the-clock coverage for emergency pipe bursts.
- Full 12-month guarantee on all completed plumbing, gasfitting, and replacement work.

CHANNELS

- Local Search Advertising
- Returning Customers
- Targeted Local Flyers

CUSTOMER RELATIONSHIPS

- Direct phone access to trade staff for instant triage during urgent pipe or gas emergencies.
- Transparent on-site fixed pricing that eliminates invoice disputes for property owners.
- Post-job follow-ups ensuring high satisfaction and recurring maintenance bookings.

THE BUSINESS MODEL, CONTINUED

KEY ACTIVITIES

- Clearing blocked sewer and stormwater lines using heavy mechanical gear.
- Replacing failed residential hot water units and fitting certified gas lines.
- Maintaining mobile stock levels and responding to urgent local service requests.

KEY RESOURCES

- Licensed lead plumber and certified trade staff operating fully equipped service vehicles.
- Specialised diagnostic trade gear including drain inspection cameras and gas leak detectors.
- Established local trade presence with registered operating licences and equipment.

KEY PARTNERS

- Wholesale plumbing and gas supply merchants delivering units and fixtures.
- Local equipment hire yards for specialized excavation or heavy jetting machinery.
- Subcontracted electrical trade partners for hot water system wiring completions.

THE BUSINESS MODEL, CONTINUED

COST STRUCTURE

- People: 29% of costs
- Marketing: 5% of costs
- Overheads and the rest: 66%

REVENUE STREAMS

- Monthly plans: 0% of revenue
- One-off sales: 100%
- Add-ons: emergency after-hours callout and backflow prevention testing
- Average monthly plan: R0

The problem we solve

What goes wrong for the people and businesses we serve, and what we do about each.

01

THE PROBLEM

Sudden pipe bursts or blocked drains cause water damage and leave properties without functioning fixtures.

OUR ANSWER

Blocked Drain Clearing: Clears obstructed pipes and underground stormwater drains using specialised equipment for a fixed fee.

02

THE PROBLEM

Hot water systems break down without warning, leaving households without warm water until a technician arrives.

OUR ANSWER

Burst Pipes and General Plumbing Repairs: Locates and repairs leaking pipes, faulty gas fittings, and broken fixtures with writing-confirmed pricing.

THE PROBLEM WE SOLVE, CONTINUED

03 THE PROBLEM

Property owners receive vague price estimates upfront and face unexpected charges on their final plumbing invoice.

OUR ANSWER

Hot Water System Replacement: Replaces dead hot water units completely with new system installation for an upfront agreed price.

> **WHAT MAKES IT WORK**
>
> **Upfront fixed prices confirmed in writing before work starts.**

02

SECTION 02

The market

Homeowners and small business owners in coastal suburban districts. 64.75 million people and companies assessed for tax in South Africa; about 323.754 of them maintain residential or commercial premises and book plumbing or gas fitting repairs each year. We need 978 as customers in year 3: about one in 330.

IN THIS SECTION

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Who buys	27
The competition	31
Strengths and threats	35

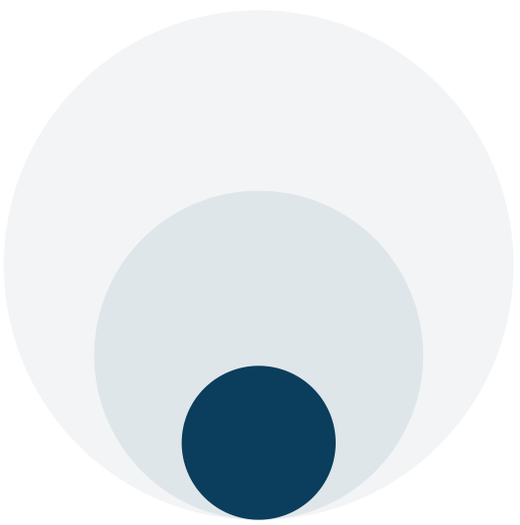
64.75m
PEOPLE AND COMPANIES ASSESSED FOR TAX

323.754
MAINTAIN RESIDENTIAL OR COMMERCIAL PREMISES AND BOOK PLUMBING OR GAS FITTING REPAIRS EACH YEAR

978
CUSTOMERS WE NEED IN YEAR 3

The market and its size

Homeowners and small business owners in coastal suburban districts in South Africa. Homeowners and small commercial operators across the immediate coastal trade area requiring plumbing maintenance.



64.75 million

people and companies assessed for tax in South Africa

323.754

likely to maintain residential or commercial premises and book plumbing or gas fitting repairs each year: 0.5% of them

978

customers we need to win in year 3: about one in 330

THE MARKET AND ITS SIZE, CONTINUED

How the market is sized

MARKET	NUMBER	HOW IT IS COUNTED	A YEAR AT OUR PRICES
The whole market	64,750,817	All people and companies assessed for tax in South Africa, from the official counts below	R400B
The market we can serve	323,754	The 0.5% of them likely to maintain residential or commercial premises and book plumbing or gas fitting repairs each year	R2B
Our share by year 3	978	Customers won in year 3; the figure is the plan's year-3 revenue	R6.67M

A year at our prices is what one customer pays in their first year on the average package: a one-off price once, or a monthly plan's twelve payments, weighted by the mix in the assumptions.

THE MARKET AND ITS SIZE, CONTINUED

What the counts are

WHAT IS COUNTED	NUMBER	YEAR
People	63,522,380	July 2026
Companies assessed for tax	1,228,437	December 2025
Counted in all	**64,750,817**	

WHAT IS COUNTED	SOURCE
People	Statistics South Africa, Mid-year population estimates 2026 (P0302)
Companies assessed for tax	National Treasury and SARS, Tax Statistics 2025, companies assessed for the 2023 tax year

> The plan does not depend on winning a large share of its market. It depends on the channels in section 04 bringing enough enquiries, and on enough of them becoming customers: both are measured every week on the working plan's graphs.

Why now

One change how property owners seek plumbing services, from a published source.

01

Plumbing service interest peaks annually in December.

Global search queries for plumbing services increase during the final month of the year. The busiest month records 1.44 times the view volume of the quietest month.

Wikimedia, English Wikipedia page views

Who buys

Three kinds of homeowners and small business owners in coastal suburban districts buy most. Each wants something different, worries about something different, and is reached in its own place.

01 The Distressed Homeowner

A local resident dealing with a sudden pipe burst or blocked sewer drain.

WANTS
A plumber on site immediately with no surprise charges on the invoice.

WORRIES ABOUT
Paying high hourly fees for slow work or waiting days for an appointment.

WHAT STARTS IT
A sudden pipe burst floods the laundry room.

WHERE WE REACH THEM
Local Search Advertising

WHO BUYS, CONTINUED

02 The Property Manager

A small business owner or landlord responsible for maintaining commercial and residential premises.

WANTS

Rapid replacement of failed infrastructure backed by a work guarantee.

WORRIES ABOUT

Work delays that cause tenant complaints or extended business downtime.

WHAT STARTS IT

The hot water system in a rented property fails completely.

WHERE WE REACH THEM

Returning Customers

WHO BUYS, CONTINUED

03 The Suburban Renovator

A local homeowner updating fixtures, gas connections, or bathroom plumbing.

WANTS

Licensed trade skills with written upfront fixed quotes before starting.

WORRIES ABOUT

Unqualified operators who perform sub-standard work that fails inspections.

WHAT STARTS IT

Upgrading older home gas lines and updating bathroom fixtures.

WHERE WE REACH THEM

Targeted Local Flyers

WHO BUYS, CONTINUED

What each buys

WHO	USUALLY BUYS	ONE-OFF	A MONTH	CHOSEN BY
01 The Distressed Homeowner	Blocked Drain Clearing	R2.800	–	45%
02 The Property Manager	Hot Water System Replacement	R18.500	–	20%
03 The Suburban Renovator	Burst Pipes and General Plumbing Repairs	R3.500	–	35%

Chosen by is the share of all new customers who take that package, from the assumptions.

The competition

Three kinds of competitor serve the same people and businesses. Each leaves a gap, and the business is built for it.

1 Sole trader plumbers

WHAT THEY CHARGE	AUD 100 callout fees to AUD 1 550 general jobs
THEIR STRENGTH	Low overhead costs and direct contact with the plumber.
WHERE THEY FALL SHORT	Limited capacity for same-day emergency calls during peak periods.

2 Large franchise plumbing operations

WHAT THEY CHARGE	AUD 450 annual plans up to AUD 3 000 major works
THEIR STRENGTH	Wide call center coverage and heavy digital advertising budgets.
WHERE THEY FALL SHORT	Higher pricing structures and impersonal customer communication.

THE COMPETITION, CONTINUED

3 Unlicensed handyman services

WHAT THEY CHARGE	AUD 100 low hourly rates
THEIR STRENGTH	Cheap initial pricing for minor surface repairs.
WHERE THEY FALL SHORT	Cannot legally execute gas fitting or major drainage infrastructure work.

Competing firms, counted

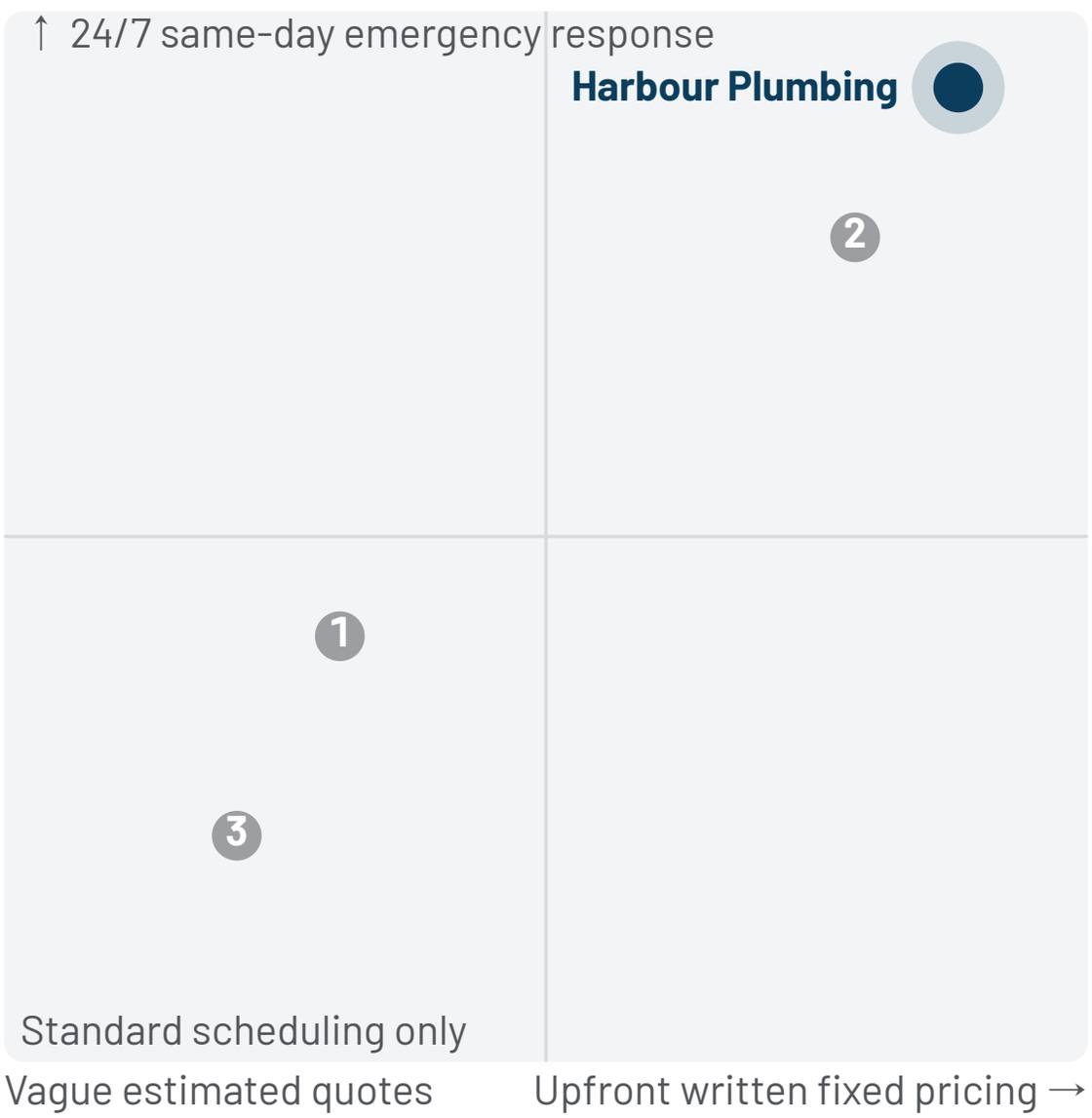
31.380

PLUMBING SERVICES

Australian Bureau of Statistics, Counts of Australian Businesses. Most are small firms: the work is won business by business.

Where we stand

The three kinds of competitor, numbered as on page 31, placed from vague estimated quotes to upfront written fixed pricing and from standard scheduling only to 24/7 same-day emergency response.



WHERE WE STAND, CONTINUED

Our edge

- Upfront fixed prices confirmed in writing before work starts.
- Waived R1.250 equivalent callout fee when the customer accepts the quoted job.
- Same-day visits for bookings placed before midday.
- Full 12-month guarantee on all completed plumbing and gas fitting work.

Strengths, weaknesses, opportunities and threats

What the business starts with, and what it watches. Each weakness and threat has its response in the risks.

STRENGTHS

- Owner holds 15 years of operating experience in the local area.
- Valid plumbing and gasfitting trade licence held by the business owner.
- Fixed upfront pricing eliminates billing disputes with property owners.

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS, CONTINUED

WEAKNESSES

- Operations rely on a small technical team during initial months.
- Vehicle capacity limits the number of simultaneous emergency calls.
- Marketing reach is tightly bound to immediate local postal codes.

OPPORTUNITIES

- Expand commercial maintenance contracts with local small businesses.
- Add dedicated trade apprentices to increase daily job completions.
- Target letterbox drops to residential streets undergoing home renovations.

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS, CONTINUED

THREATS

- Rising cost of vehicle fuel and replacement plumbing components.
- Competitor search advertising driving up digital customer acquisition costs.
- Severe weather events creating temporary bottlenecks in job scheduling.

03

SECTION 03

Services and pricing

Three packages: Blocked Drain Clearing at R2.800; Burst Pipes and General Plumbing Repairs at R3.500; and Hot Water System Replacement at R18.500. Add-ons: emergency after-hours callout at R1.250 and backflow prevention testing at R1.800. Prices are set as fixed upfront packages so residential and commercial customers know their exact commitment before work starts.

IN THIS SECTION

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How the work is delivered 43

R2.800
THE LOWEST PRICE

R6.185
THE AVERAGE ONE-OFF SALE

100%
OF YEAR-2 REVENUE FROM ONE-OFF SALES

What we sell

Each package is one price, paid once. Prices are set as fixed upfront packages so residential and commercial customers know their exact commitment before work starts.

PACKAGE 1

Blocked Drain Clearing

Homeowners and local businesses with blocked pipes or drains needing clearing.

R2.800

PAID ONCE

- On-site inspection and camera diagnostic
- High-pressure drain jetting or mechanical clearing
- 12-month workmanship guarantee

Chosen by 45% of new customers

WHAT WE SELL, CONTINUED

PACKAGE 2

Burst Pipes and General Plumbing Repairs

Customers with leaking pipes, faulty gas fittings, or broken fixtures.

R3.500

PAID ONCE

- Leak detection and pipe repair
- Gas fitting or fixture replacement
- 12-month workmanship guarantee

Chosen by 35% of new customers

PACKAGE 3

Hot Water System Replacement

Properties requiring full replacement of a failed hot water system.

WHAT WE SELL, CONTINUED

R18.500

PAID ONCE

- Removal and disposal of the old system
- Supply and installation of a new hot water system
- Gas or electrical connection and safety testing
- 12-month workmanship guarantee

Chosen by 20% of new customers

Add-ons and pricing

Two add-ons, and how the prices are set and paid.

Add-ons

Emergency after-hours callout

WHAT IT IS	Immediate dispatch for emergency burst pipes outside standard business hours.
PRICE	R1.250

Backflow prevention testing

WHAT IT IS	Annual backflow device testing and compliance certification for commercial properties.
PRICE	R1.800

How the prices work

- Drain clearing is set at R2.800 to cover equipment use and rapid clearance of local sewer or stormwater obstructions.

How the work is delivered

Four steps, in the order a customer goes through them.

01

5 MINUTES

Initial Enquiry

The customer calls the emergency line to report a plumbing failure, broken fitting, or system breakdown.

02

30 MINUTES

On-Site Inspection

A qualified plumber arrives at the property, evaluates the issue, and provides a fixed written quotation before touching any fixtures.

03

2 TO 4 HOURS

Job Execution

Upon quote approval, the plumber performs the required drain clearing, pipe repair, gas fitting, or unit replacement.

04

30 MINUTES

Testing and Handover

The plumber tests the pipe system or gas line for pressure and safety, cleans the work site, and issues the job certificate.

HOW THE WORK IS DELIVERED, CONTINUED

Quality we hold to

- Every repair or installation undergoes physical pressure and leak testing before the plumber leaves the site.
- The lead plumber inspects complex gas lines and bathroom renovation rough-ins before final sign-off.
- All jobs carry a strict 12-month guarantee covering both trade workmanship and fitted hardware components.

What we deliver with

The six tools the work is done with, and what each is for.

Online Bookings
Allows homeowners and local business owners to schedule standard maintenance visits directly from the website.

Print
Generates direct mail flyers highlighting upfront pricing and emergency response services for local neighbourhood distribution.

WHAT WE DELIVER WITH, CONTINUED

Honest Reporting

Tracks web traffic and booking conversion rates accurately to monitor paid advertisement efficiency.

Email Signatures

Provides standardized, branded email footers displaying licence details and contact numbers for the whole service team.

Fitted Service Vans

Mobile workshops equipped with high-pressure drain jetters, leak detection gear, and emergency pipe fittings.

Job Scheduling System

Coordinates plumber dispatch routes, emergency callouts, and daily site appointments across the territory.

04

SECTION 04

Marketing and sales

Three channels bring 968 enquiries and 656 new customers in year 1. Winning a customer costs R240 in marketing; a customer is worth R2.098.

IN THIS SECTION

From enquiry to customer 47

How we find customers 50

The first twelve months 54

Keeping customers 58

656
NEW CUSTOMERS IN YEAR 1

R240
TO WIN A CUSTOMER

8.7 : 1
A CUSTOMER'S VALUE TO THE COST OF WINNING THEM

From enquiry to customer

An incoming phone enquiry becomes a booked job when the customer agrees to the waiveable callout fee and accepts the upfront written quote on site.

968
enquiries in year 1

656
customers won: 68% of enquiries

0
on monthly plans at the year's end

FROM ENQUIRY TO CUSTOMER, CONTINUED

How a sale is made

- Local search ads target urgent queries like emergency plumbing or drain clearing, converting callers directly into immediate same-day site visits.
- Returning customers call the office line directly, securing priority placement on the daily dispatch schedule.
- Targeted local flyers reach residential letterboxes, prompting non-urgent calls for hot water upgrades and scheduled plumbing checks.

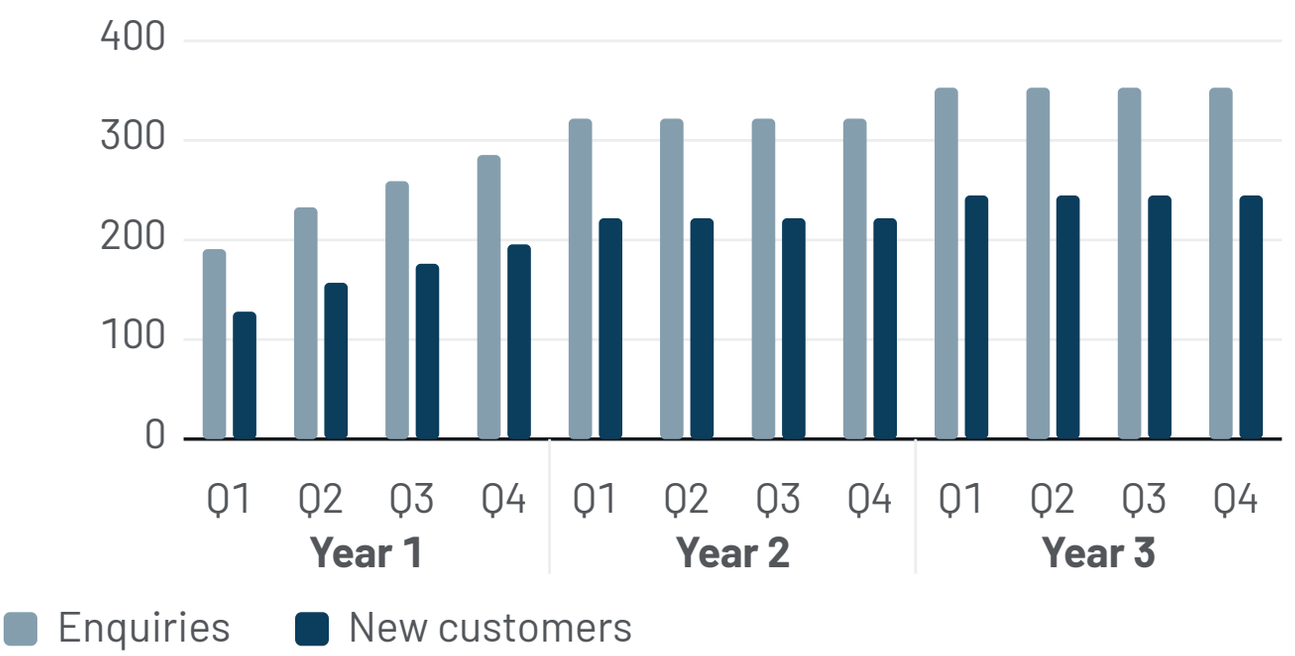
What a customer is worth

The average monthly plan	**R0**
What a customer adds each month, after their costs	**R0**
What a new customer adds in one-off sales, after their costs	**R2.098**
Cost to win a customer, years 1 to 3	**R240**
A customer's value	**R2.098**
Value against the cost to win	**8.7 : 1**

FROM ENQUIRY TO CUSTOMER, CONTINUED

Months to earn back the cost of winning	–
New customers a month that cover the fixed costs	**38**

A customer's costs are the direct costs of serving them, their delivery hours at the contract rate and card fees. Their value is their one-off sales. The cost to win one counts marketing and the launch. It is R278 a customer in year 1, R230 in year 2 and R223 in year 3.



By quarter, over the three years

How we find customers

Three channels. In year 1 they bring 968 enquiries and 656 customers, at R255 of marketing each.

CHANNEL	A MONTH, AT FULL PACE	YEAR-1 COST
Local Search Advertising	500 ad clicks	130,200
Returning Customers	22 repeat jobs	–
Targeted Local Flyers	2.000 flyers delivered	37,400
Year 1		**167,600**

CHANNEL	ENQUIRIES	CUSTOMERS	COST A CUSTOMER
Local Search Advertising	612	398	327
Returning Customers	180	153	–
Targeted Local Flyers	176	106	354
Year 1	**968**	**656**	**255**

HOW WE FIND CUSTOMERS, CONTINUED

How each channel works

Local Search Advertising

Pay-per-click advertisements target local residents searching online for emergency plumbers, blocked drains, and hot water replacement.

Returning Customers

Existing residential and commercial customers contact the business directly for repeat repairs and maintenance.

Targeted Local Flyers

Flyers highlighting fixed upfront pricing and emergency response services are delivered directly to local residential neighbourhoods.

The marketing budget

Where year 1's new customers come from, channel by channel, and what marketing costs in each of the three years.

New customers in year 1, by channel



Local Search Advertising	**61%**
Returning Customers	**23%**
Targeted Local Flyers	**16%**

THE MARKETING BUDGET, CONTINUED

Marketing, year by year

	MARKETING SPEND	SHARE OF REVENUE	NEW CUSTOMERS	SPEND A NEW CUSTOMER
Year 1	167,600	4%	656	255
Year 2	204,000	4%	888	230
Year 3	218,520	3%	978	223

The first twelve months

Each month has one focus. The actions are what gets done; the figures are the plan's for that month, and the weekly statistics show whether it worked.

01 DECEMBER 2026

Initial Operations and Local Search

Launch local search advertising campaigns and route all emergency incoming phone calls to the lead plumber.

50 enquiries
34 customers won to date
R9.200 marketing

02 JANUARY 2027

Flyer Distribution Launch

Begin letterbox flyer distribution across target residential suburbs emphasizing fixed upfront pricing.

69 enquiries
80 customers won to date
R12.900 marketing

THE FIRST TWELVE MONTHS, CONTINUED

03 FEBRUARY 2027

Repeat Customer Outreach

Contact previous residential customers to offer pre-winter hot water system checks and plumbing maintenance.

72 enquiries
128 customers won to date
R13.200 marketing

04 MARCH 2027

First Trade Hire

Hire the qualified plumber and gasfitter to expand daily callout capacity and handle secondary job routes.

75 enquiries
178 customers won to date
R13.500 marketing

05 APRIL 2027

Mid-Year Service Push

Increase search advertising budgets around cold weather pipe bursts and hot water system replacements.

78 enquiries
230 customers won to date
R13.800 marketing

06 MAY 2027

Commercial Account Outreach

Deliver introduction packs detailing backflow testing services to local small business owners.

81 enquiries
285 customers won to date
R14.100 marketing

Months seven to twelve

The second half of the first year, month by month, with the plan's figures for each.

07 JUNE 2027

Process Optimization

Review mobile inventory management across both service vans to reduce job travel times.

83 enquiries
341 customers won to date
R14.400 marketing

08 JULY 2027

Spring Renovation Campaign

Target local homeowners planning property upgrades with bathroom plumbing replacement offers.

86 enquiries
400 customers won to date
R14.700 marketing

MONTHS SEVEN TO TWELVE, CONTINUED

09 AUGUST 2027

Apprentice Recruitment

Hire the plumbing apprentice to assist on-site trade staff with heavy equipment and van stocking.

89 enquiries
461 customers won to date
R15.000 marketing

10 SEPTEMBER 2027

Pre-Peak Stocking

Bulk-order fast-moving hot water replacement units and drain clearance spares ahead of the busy season.

92 enquiries
524 customers won to date
R15.300 marketing

11 OCTOBER 2027

Summer Peak Management

Deploy maximum operational capacity to handle the annual December surge in local service requests.

95 enquiries
589 customers won to date
R15.600 marketing

12 NOVEMBER 2027

Annual Operations Review

Audit year-end trade revenue, evaluate advertising ROI, and set vehicle maintenance schedules for the next period.

98 enquiries
656 customers won to date
R15.900 marketing

Keeping customers, and growing with them

One-off sales carry the business, so the plan is built on customers coming back, and on the monthly plans some of them take.

0.0%

CUSTOMERS ON MONTHLY PLANS LEAVING A MONTH

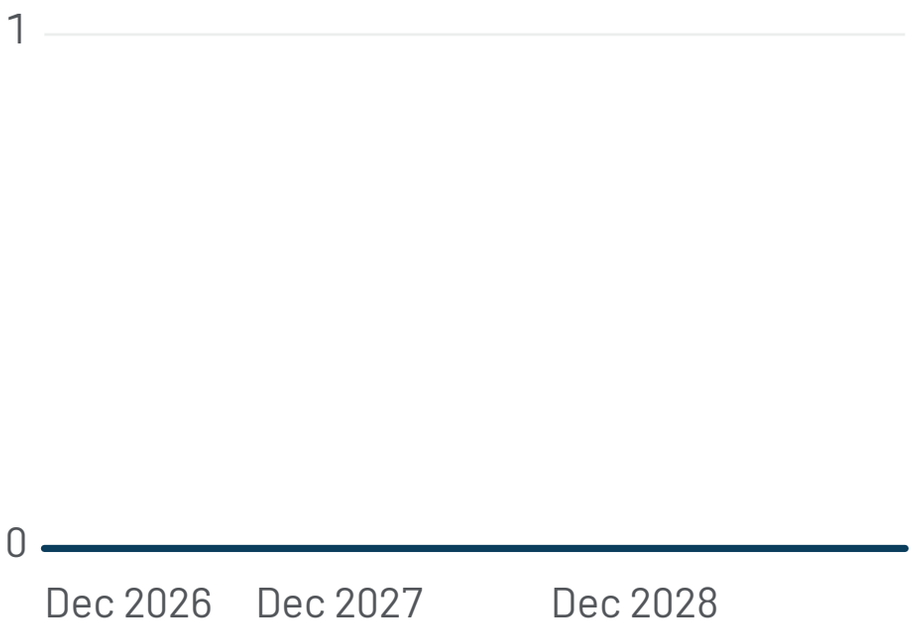
60 months

A MONTHLY PLAN'S AVERAGE LIFE

R0

MONTHLY BILLING BY MONTH 36

KEEPING CUSTOMERS, AND GROWING WITH THEM, CONTINUED



Customers on monthly plans, by month

KEEPING CUSTOMERS, AND GROWING WITH THEM, CONTINUED



What monthly plans bill each month

Keeping customers

- Customers receive a written 12-month workmanship guarantee on every completed job file.
- Annual reminder notices invite property owners to schedule routine gas safety and backflow prevention tests.
- Returning customers gain priority dispatch status during high-demand emergency periods.

KEEPING CUSTOMERS, AND GROWING WITH THEM, CONTINUED

Growing with them

- The business introduces routine backflow prevention testing packages to secure repeat commercial revenue.
- Upgrading existing customers from temporary drain clearances to complete hot water system replacements increases average job values.
- Adding an apprentice expands daily van capacity, allowing the business to take on larger multi-day bathroom renovation contracts.

OF EVERY 100 CUSTOMERS WHO START A MONTHLY PLAN

100
start

100
still with us after 12 months

100
still with us after 24 months

100
still with us after 36 months

05

SECTION 05

Operations and team

A private company (Pty) Ltd, already trading; this plan starts in December 2026. An owner and Lead Licensed Plumber leads the business. A qualified Plumber and Gasfitter joins in month 4 and a plumbing Apprentice in month 10.

IN THIS SECTION

How the business runs 63

The team 67

3
PEOPLE BY MONTH 36

259
DELIVERY HOURS A MONTH BY MONTH 36

R27.400
OVERHEADS A MONTH

How the business runs

Base of Operations

Operates out of Shop 4, 12 Pittwater Road, housing management offices, equipment storage, and spare parts inventory.

Operating Hours and Dispatch

Standard service runs Monday to Friday from 07:00 to 17:00, with continuous 24/7 emergency response for burst pipes.

Booking and Scheduling

Jobs arrive via incoming phone calls or online requests, entering the central job scheduling system for efficient geographic routing.

Suppliers and Fleet

Trade supplies are drawn daily from local plumbing merchants, transported directly to job sites in trade-fitted service vans.

Payments

Customers pay upon completion of the job.

Accounts and records

Bookkeeping is kept monthly by an outside accountant, who files the VAT return every two months; the business is registered for it already; the weekly statistics are kept every Thursday.

HOW THE BUSINESS RUNS, CONTINUED

Running costs a month

Workshop and office rent	**R12.000**
Vehicle running costs and insurance	**R8.500**
Public liability and professional indemnity insurance	**R2.800**
Telecommunications and administrative software	**R1.600**
Accounting and legal compliance fees	**R2.500**
Running costs a month	**R27.400**

Before people and marketing, which are in the team and the marketing plan. In rand, before VAT.

Terms, laws and insurance

The terms every customer agrees to, the laws the business keeps to, and the insurance it holds.

The terms customers agree to

- A call-out fee of R1.250 applies to site visits, which is waived entirely if the customer proceeds with the quoted job.
- All work is quoted in writing with fixed pricing confirmed before any physical repairs or installations begin.
- Every completed trade job carries a full 12-month guarantee on workmanship and installed materials.
- Prices rise once a year from year 2, by about 5%.

The laws we work under

- Tradespeople hold current local plumbing and gasfitting licences required to execute sanitary, drainage, and gas work
- All plumbing and drainage work complies strictly with standard national water supply and sewerage building codes
- Gas installations require official compliance certificates issued to property owners upon job completion

TERMS, LAWS AND INSURANCE, CONTINUED

- POPIA section 69 (Information Regulator): email and SMS marketing only with the person's consent, which may be asked for once, or to the business's own customers, whose details it took in a sale, about its own similar products or services, with a chance to object then and in every message; each message names the sender and gives an address to opt out
- The Consumer Protection Act (National Consumer Commission): every demand to stop and every registered pre-emptive block honoured, and no direct marketing to a consumer at home on Sundays or public holidays, on Saturdays before 09:00 or after 13:00, or on other days between 20:00 and 08:00, unless the consumer agreed otherwise
- The ARB Code of Advertising Practice (Advertising Regulatory Board): no misleading claims in our advertising

Insurance we hold

- Public liability insurance covering property damage or accidental injury during plumbing and gasfitting operations
- Comprehensive commercial motor vehicle insurance covering mobile service vans and onboard trade tools

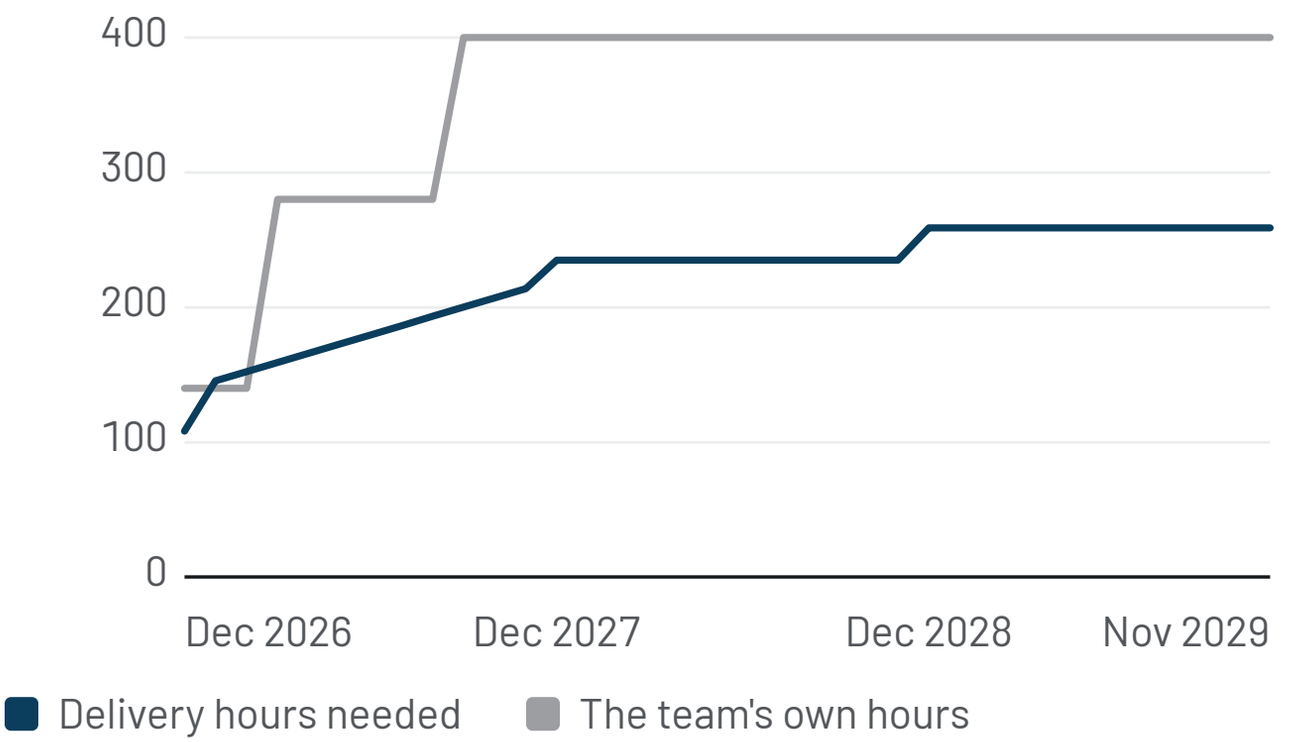
The team

An owner and Lead Licensed Plumber leads the business. Two more join between months 4 and 10. Work beyond the team's own hours is contracted at R450 an hour, so a busy month never waits for a hire.

ROLE	WHAT THEY DO	FROM
Owner and Lead Licensed Plumber	Manages operational oversight, completes high-priority trade jobs, quotes projects, and handles financial administration.	In place
Qualified Plumber and Gasfitter	Executes on-site plumbing repairs, drain clearing, and system replacements.	Month 4
Plumbing Apprentice	Assists qualified plumbers on site, manages equipment preparation, and maintains van stock.	Month 10



THE TEAM, CONTINUED



PEOPLE COSTS	YEAR 1	YEAR 2	YEAR 3
Owner's salary	504,000	576,000	660,000
Delivery team	330,000	568,560	585,617
Sales and administration	–	–	–
On-costs	18,348	25,180	27,404
Contracted delivery hours	8,069	–	–
People, in all	**860,417**	**1,169,740**	**1,273,020**

06

SECTION 06

Risks and the working plan

Six risks, each with its response. Then the plan as it is worked: 36 months of milestones, the first 90 days' actions, and six statistics graphed every week.

IN THIS SECTION

Risks 70

Milestones 73

The first 90 days 77

The scorecard 82

The weekly graphs 88

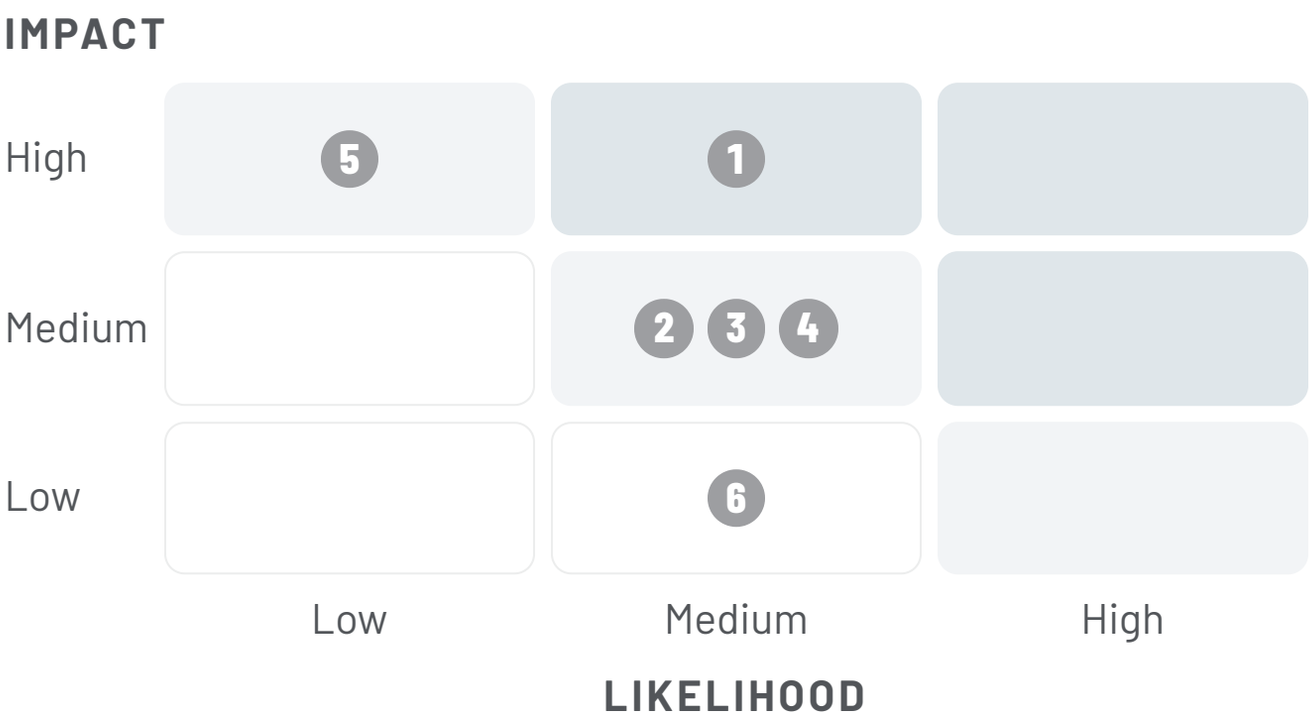
6
RISKS, EACH WITH A RESPONSE

10
ACTIONS IN THE FIRST 90 DAYS

6
STATISTICS GRAPHED WEEKLY

Risks and how we answer them

Each risk with how likely it is, how much it would hurt, and what the business does about it. The highest first.



> Each risk sits where its likelihood and its impact meet; the darker the cell, the more it matters. Under each risk, who answers for it. The owners review every risk each quarter against the plan's figures, and the darkest each month.

RISKS AND HOW WE ANSWER THEM, CONTINUED

1 Qualified Plumber and Gasfitter hire is delayed past month 4

Likelihood ■■□ Medium **Impact** ■■■ High

Who answers Owner

The lead plumber absorbs overtime work and shifts lower priority jobs until the position fills.

2 Ad clicks from local search advertising deliver fewer phone inquiries than expected

Likelihood ■■□ Medium **Impact** ■■□ Medium

Who answers Owner

Adjust online advertising search terms to focus tightly on urgent emergency plumbing terms.

3 Inaccurate initial job scoping leads to cost overruns on fixed price quotes

Likelihood ■■□ Medium **Impact** ■■□ Medium

Who answers Owner, then the qualified Plumber from month 4

Enforce a strict on-site checklist before providing the final upfront written quote.

The remaining risks

Risks 4 to 6, from the highest of them down.

4 Slow payment of invoices by commercial accounts impacts cash flow

Likelihood ■■□ Medium **Impact** ■■□ Medium

Who answers Owner

Require immediate payment upon job completion for residential customers and strictly cap payment terms for small business customers.

5 Vehicle breakdowns reduce on-site response capacity for emergency calls

Likelihood ■□□ Low **Impact** ■■■ High

Who answers Owner, then the qualified Plumber from month 4

Service trade vehicles on scheduled monthly maintenance programs and keep spare tooling ready.

THE REMAINING RISKS, CONTINUED

6 **Fewer direct bookings result from residential local flyer drops**

Likelihood ■■□ Medium **Impact** ■□□ Low

Who answers Owner

Reallocate print marketing effort toward neighbourhoods with older housing stock needing repairs.

Milestones: 36 months

What the plan expects to have happened, and when, and who answers for each. The figures come from the forecast; the weekly statistics show whether each is on its way. Tick each as it is done.

MILESTONES: 36 MONTHS, CONTINUED

Year 1

Dec 2026 – Nov 2027

☐ **Month 1** Dec 2026 **Owner**

Local search advertising launched for blocked drains and emergency callouts

☐ **Month 1** Dec 2026 **Owner**

Break-even: EBITDA positive from this month on

☐ **Month 2** Jan 2027 **Owner**

Targeted local flyer distribution commenced in primary residential suburbs

☐ **Month 4** Mar 2027 **Owner**

50 new customers a month

☐ **Month 4** Mar 2027 **Owner**

Qualified Plumber and Gasfitter joins

☐ **Month 6** May 2027 **Owner**

Preventative maintenance program established for commercial plumbing customers

☐ **Month 10** Sept 2027 **Owner**

Plumbing Apprentice joins

MILESTONES: 36 MONTHS, CONTINUED

☐ **Month 12** Nov 2027 **Qualified Plumber**

Second trade service van acquired and fully equipped with tools and stock

AT THE END OF YEAR 1

Customers won	Revenue	Net profit	Cash	People
656	**R4.06M**	**R692K**	**R1.04M**	**3**

Milestones: years 2 and 3

What the plan expects in its second and third years, and where each year ends.

Year 2

Dec 2027 – Nov 2028

☐ **Month 18** May 2028 **Owner**

Local trade print advertising expanded to secondary Northern Beaches suburbs

MILESTONES: YEARS 2 AND 3, CONTINUED

☐ **Month 24** Nov 2028 **Owner**

Annual plumbing compliance review completed across all active commercial accounts

AT THE END OF YEAR 2

Customers won	**888**
Revenue	**R5.77M**
Net profit	**R1.24M**
Cash	**R2.28M**
People	**3**

Year 3

Dec 2028 – Nov 2029

AT THE END OF YEAR 3

Customers won	**978**
Revenue	**R6.67M**
Net profit	**R1.64M**
Cash	**R3.9M**
People	**3**

The first 90 days

The actions that start the business, in order, each with who does it, when, and what done looks like. Tick each as it is done.

	ACTION	WHO	WHEN	DONE LOOKS LIKE
☐ 01	**Set up phone dispatch schedules and confirm trade licence displays for marketing materials**	Owner	Week 1	Phone line active and trade licence number displayed on operational documents
☐ 02	**Activate local search advertising targeting emergency plumbing and drain clearing search terms**	Owner	Week 1	Ad campaign active and tracking incoming search clicks

THE FIRST 90 DAYS, CONTINUED

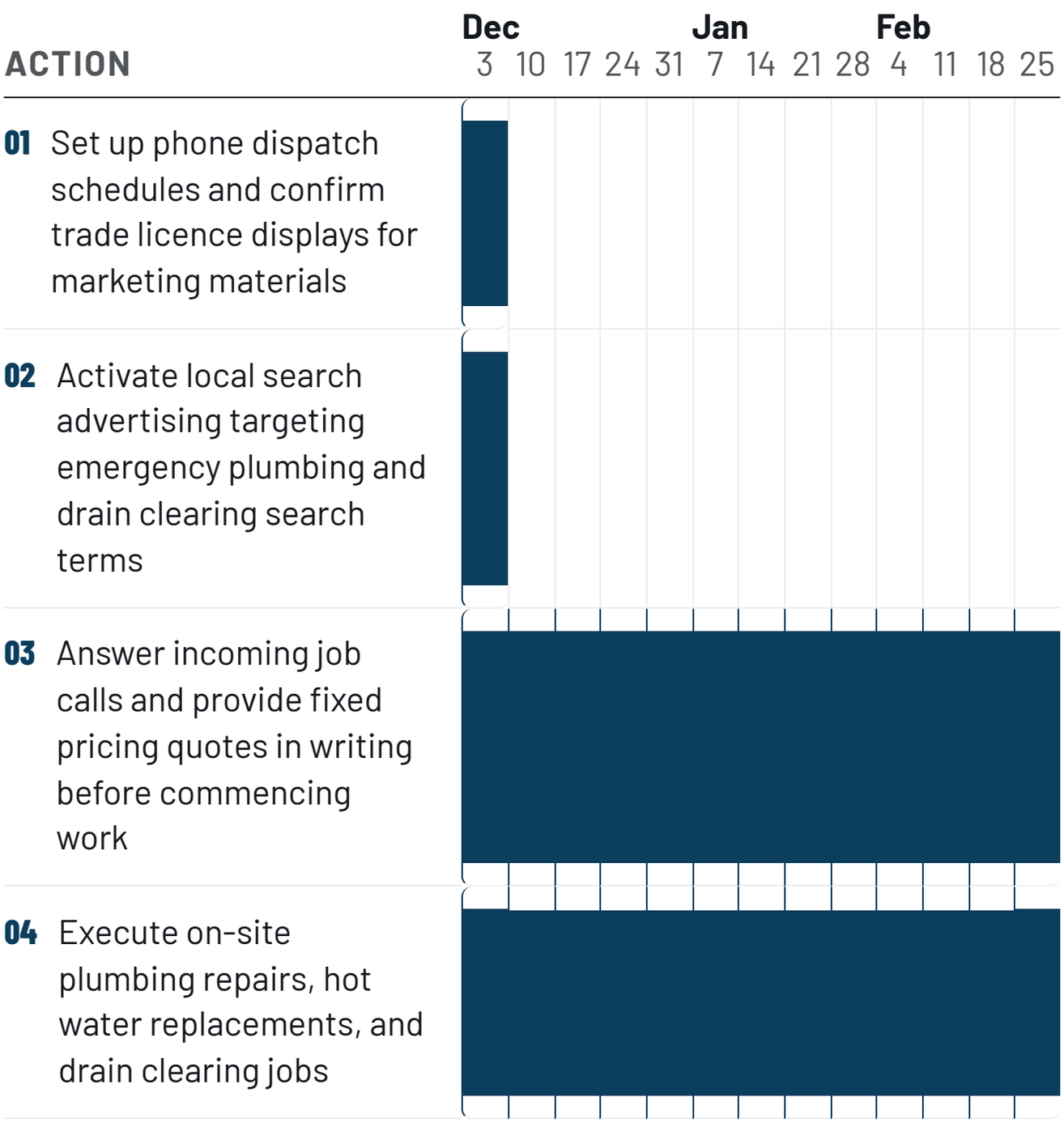
	ACTION	WHO	WHEN	DONE LOOKS LIKE
☐ 03	**Answer incoming job calls and provide fixed pricing quotes in writing before commencing work**	Owner	Every week	First 126 customers new customers booked and served with fixed quotes provided
☐ 04	**Execute on-site plumbing repairs, hot water replacements, and drain clearing jobs**	Owner	Every week	Work completed according to written fixed quotes with zero safety incidents
☐ 05	**Issue 12-month job guarantees to customers upon completion of plumbing tasks**	Owner	Every week	Written 12-month guarantee documentation delivered for every completed job
☐ 06	**Collect customer payments upon job completion and log completed invoice records**	Owner	Every week	Weekly revenue collected against completed jobs recorded in operational logs

THE FIRST 90 DAYS, CONTINUED

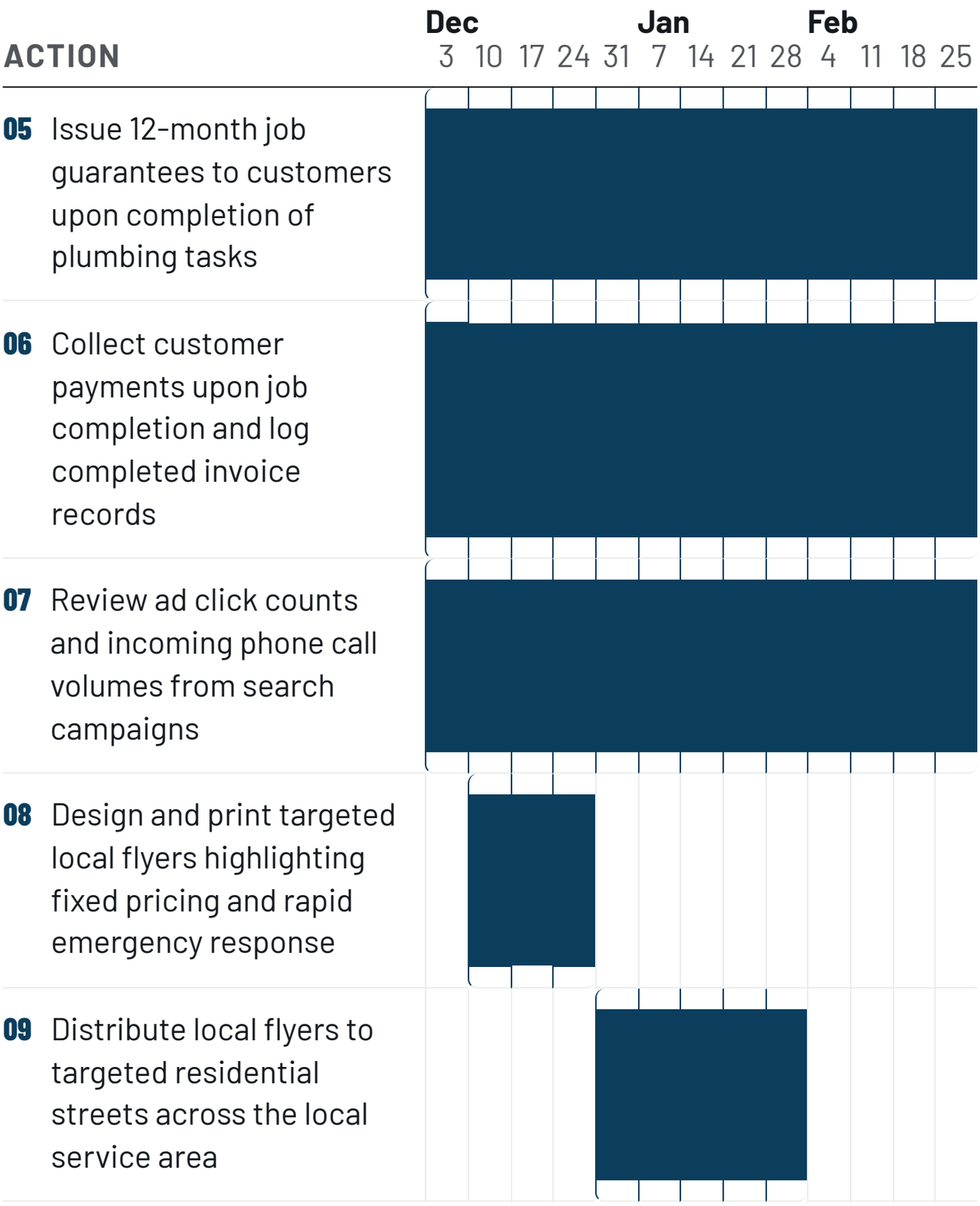
	ACTION	WHO	WHEN	DONE LOOKS LIKE
☐ 07	**Review ad click counts and incoming phone call volumes from search campaigns**	Owner	Every week	Weekly advertising summary logged and conversion rates calculated
☐ 08	**Design and print targeted local flyers highlighting fixed pricing and rapid emergency response**	Owner	Weeks 2–4	Print order received and ready for local distribution
☐ 09	**Distribute local flyers to targeted residential streets across the local service area**	Owner	Month 2	Initial batch of 2 000 local flyers delivered to residential letterboxes
☐ 10	**Contact past residential and small business customers to offer routine maintenance checks**	Owner	Month 2	Past customer contact list called and repeat maintenance visits scheduled

The 13 weeks

Each action across the weeks it is planned for, by the date each week ends: 03 Dec to 25 Feb.



THE 13 WEEKS, CONTINUED



THE 13 WEEKS, CONTINUED

ACTION	Dec 3	10	17	24	31	Jan 7	14	21	28	Feb 4	11	18	25
10 Contact past residential and small business customers to offer routine maintenance checks					■	■	■	■	■				

The scorecard

The statistics the business is run on. Each is counted for the week ending Thursday, written in the tally on page 86 and put on its graph (pages 88–93) the same day.

Local search ad clicks

WHAT COUNTS	Ad clicks received from local search campaigns
KEPT BY	Owner
THE PLAN, FIRST 13 WEEKS	1,088 in 13 weeks
PROPOSED SCALE	60 to 110, 5 a line

THE SCORECARD, CONTINUED

Phone job inquiries

WHAT COUNTS	Incoming phone calls requesting plumbing service or quotes
KEPT BY	Owner
THE PLAN, FIRST 13 WEEKS	188 in 13 weeks
PROPOSED SCALE	0 to 25, 5 a line

New customers served

WHAT COUNTS	Distinct customers receiving completed plumbing work
KEPT BY	Owner
THE PLAN, FIRST 13 WEEKS	126 in 13 weeks
PROPOSED SCALE	0 to 16, 2 a line

Plumbing service revenue

WHAT COUNTS	Total payment amounts received for completed jobs
KEPT BY	Owner
THE PLAN, FIRST 13 WEEKS	R779.089 in 13 weeks
PROPOSED SCALE	R0 to R90.000, R10.000 a line

THE SCORECARD, CONTINUED

Cash balance

WHAT COUNTS	Net bank balance available after operational expenses
KEPT BY	Owner
THE PLAN, FIRST 13 WEEKS	R507.077 at week 13
PROPOSED SCALE	R300.000 to R750.000, R50.000 a line

On-site billable trade hours

WHAT COUNTS	Hours spent actively delivering plumbing work on site
KEPT BY	Owner
THE PLAN, FIRST 13 WEEKS	400 in 13 weeks
PROPOSED SCALE	10 to 50, 5 a line

How the graphs are kept

Each graph shows 13 weeks: the first week and the twelve after it, by the date the week ends. The week's figure is plotted the day it closes, and the line between weeks is what is read: up, level or down.

THE SCORECARD, CONTINUED

A graph's scale runs from the lowest a week can be expected to go, a quiet week included, to the highest the plan expects in those weeks, with even lines between; for the money taken in, from a week with no sale to the week the largest sale is paid. It is set once and held: it is set again only when a week goes above its top or below its foot, and the graph notes the week that moved it.

Reading them

The dashed line is the plan. Where a week's figure sits against it, and which way the line is heading, decides the next week's actions: more of what raised it, and a fix for what dropped it.

Every quarter the actual figures go back into the forecast in section 07, and the next 90 days are written from them.

The weekly tally

Each week's figures, written in on the day the week closes and carried to the graphs on pages 88–93.

WEEK ENDING	LOCAL SEARCH AD CLICKS	PHONE JOB INQUIRIES	NEW CUSTOMERS SERVED
03 Dec			
10 Dec			
17 Dec			
24 Dec			
31 Dec			
07 Jan			
14 Jan			
21 Jan			
28 Jan			
04 Feb			
11 Feb			
18 Feb			
25 Feb			

THE WEEKLY TALLY, CONTINUED

WEEK ENDING	PLUMBING SERVICE REVENUE	CASH BALANCE	ON-SITE BILLABLE TRADE HOURS
03 Dec			
10 Dec			
17 Dec			
24 Dec			
31 Dec			
07 Jan			
14 Jan			
21 Jan			
28 Jan			
04 Feb			
11 Feb			
18 Feb			
25 Feb			

The weekly graphs

The first 13 weeks of the six statistics, one to a page and ready to keep. The dashed line is the plan; each week's actual figure is plotted beside it.

Local search ad clicks

Ad clicks received from local search campaigns



Proposed scale: 60 to 110, 5 a line

Week ending

THE WEEKLY GRAPHS, CONTINUED

Phone job inquiries

Incoming phone calls requesting plumbing service or quotes



Proposed scale: 0 to 25, 5 a line

Week ending

THE WEEKLY GRAPHS, CONTINUED

New customers served

Distinct customers receiving completed plumbing work



Proposed scale: 0 to 16, 2 a line

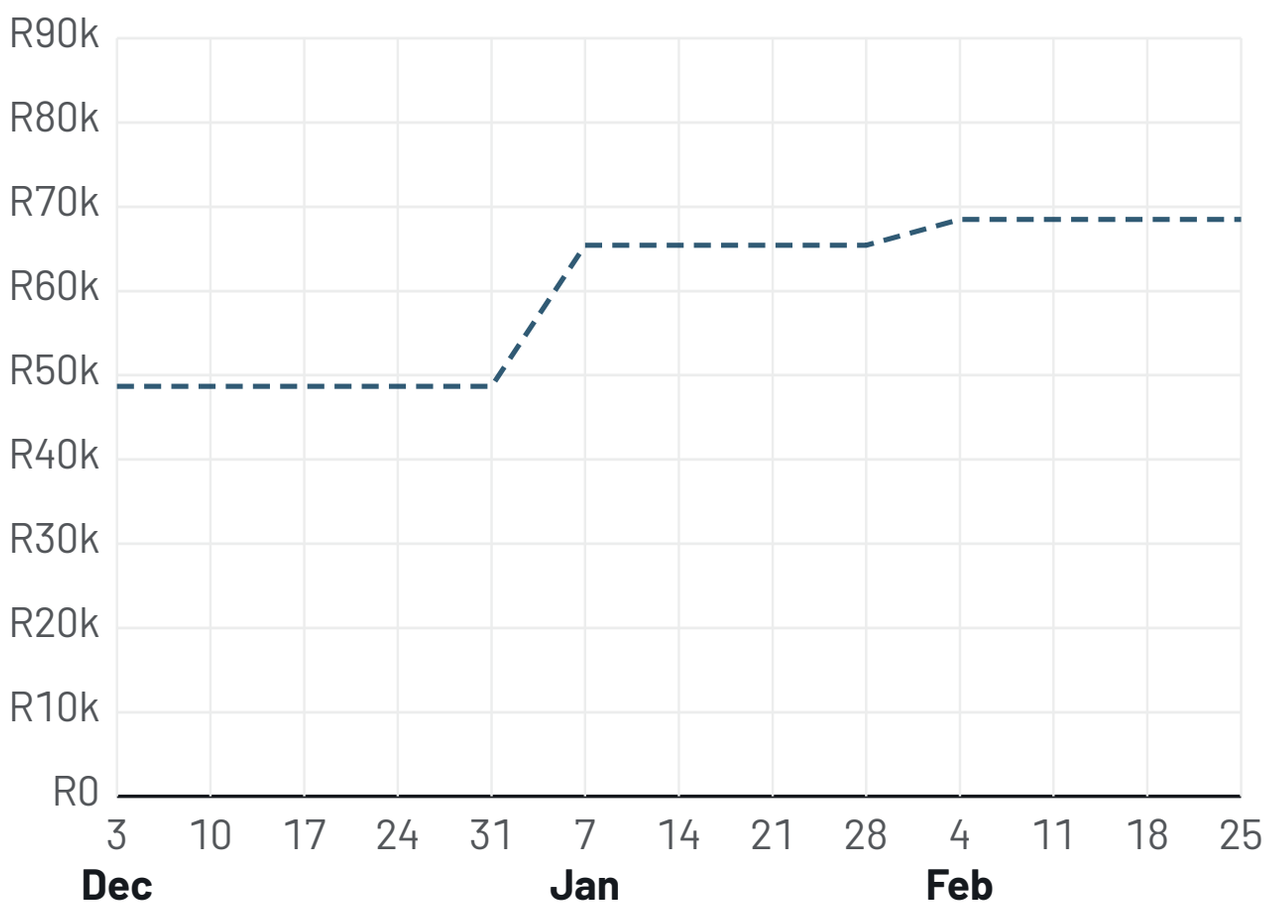
Week ending

The remaining graphs

The other three statistics, kept the same way: each week's figure is plotted beside the plan's dashed line.

Plumbing service revenue

Total payment amounts received for completed jobs



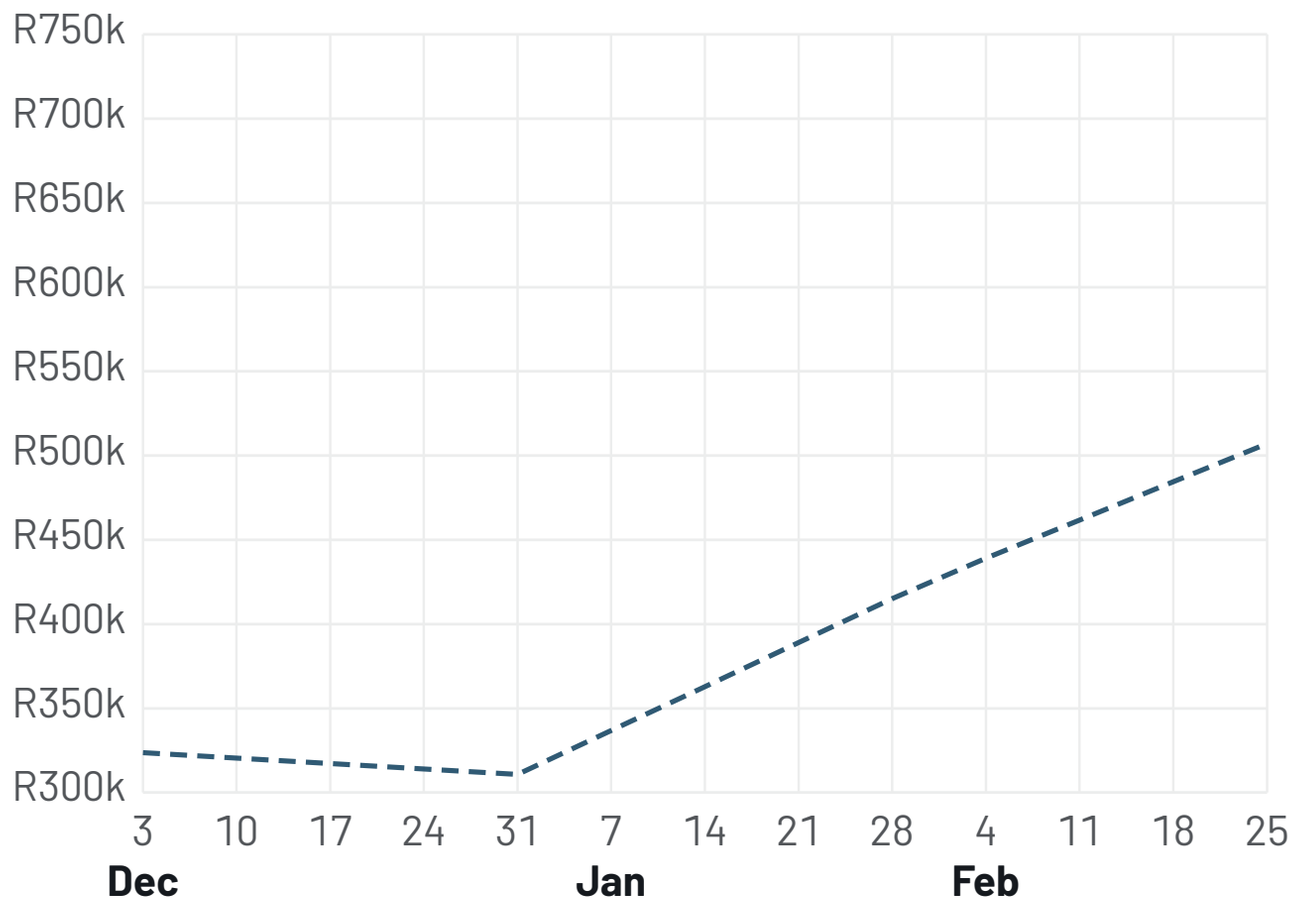
Proposed scale: R0 to R90.000, R10.000 a line

Week ending

THE REMAINING GRAPHS, CONTINUED

Cash balance

Net bank balance available after operational expenses



Proposed scale: R300.000 to R750.000, R50.000 a line Week ending

THE REMAINING GRAPHS, CONTINUED

On-site billable trade hours

Hours spent actively delivering plumbing work on site



Proposed scale: 10 to 50, 5 a line

Week ending

07

SECTION 07

The financial plan

Revenue of R4.06M, R5.77M and R6.67M over the three years. EBITDA turns positive in month 1, and net profit is R1.64M in year 3. The funding keeps the bank above a reserve of two months' fixed costs at its lowest point.

IN THIS SECTION

Start-up costs and funding	95	The ratios a lender checks	131
The assumptions	99	Break-even	135
Sales forecast	103	Funding	138
Profit and loss	105	Security, guarantees and debts	141
Year 1 by month	107	Scenarios	145
Cash flow	117	The back-up plan	149
Balance sheet	124		

R6.67M
REVENUE IN YEAR 3

Month 1
BREAK-EVEN

R605K
FUNDING, WITH THE LOAN

Start-up costs and funding

What is bought and paid before the first month, and where the money comes from. At its lowest point, in month 1, the bank still holds R310.849: at least two months' fixed costs.

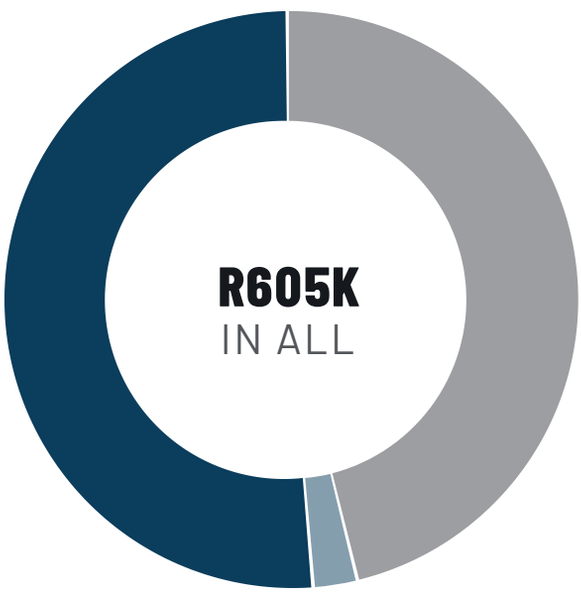
WHAT	HOW IT IS COUNTED	AMOUNT
Work vehicles and shelving fitout	Equipment, written off over 60 months	180,000
High-pressure drain jetter and camera inspection equipment	Equipment, written off over 48 months	65,000
Hand tools, power tools, and specialized gas testing gear	Equipment, written off over 36 months	35,000
Initial vehicle signage and website setup	A cost in month 1	15,000
Start-up costs in all		**295,000**

START-UP COSTS AND FUNDING, CONTINUED

Sources and uses

	AMOUNT	SHARE
SOURCES		
The owners put in	151,500	25%
A loan over five years	453,500	75%
Sources in all	**605,000**	**100%**
USES		
Equipment	280,000	46%
Other start-up costs	15,000	2%
Working capital and a reserve of two months' fixed costs	310,000	51%
Uses in all	**605,000**	**100%**

START-UP COSTS AND FUNDING, CONTINUED



Equipment	**R280.000**
Other start-up costs	**R15.000**
Working capital and a reserve of two months' fixed costs	**R310.000**

START-UP COSTS AND FUNDING, CONTINUED

The reserve

Fixed costs a month, the year-1 average	**R112.396**
Months of them kept in the bank	**2**
The reserve	**R224.791**
The bank at its lowest, in Dec 2026	**R310.849**

> Fixed costs are the owners' pay, the team, marketing and overheads. The funding is sized on two tests: in the expected case the bank never holds less than a reserve of two months' fixed costs, and in the cautious case (page 145) it still holds the next repayment. The reserve carries the business through a slow quarter without new money.

The assumptions

Every figure in the plan comes from these. Prices are rand, before VAT; the owner of the plan changes any of them and the plan follows.

Packages

PACKAGE	ONE-OFF	A MONTH	SHARE OF CUSTOMERS	HOURS, ONE-OFF	HOURS A MONTH
Blocked Drain Clearing	2,800	–	45%	2.5 h	0 h
Burst Pipes and General Plumbing Repairs	3,500	–	35%	3 h	0 h
Hot Water System Replacement	18,500	–	20%	5 h	0 h

THE ASSUMPTIONS, CONTINUED

Finding customers

CHANNEL	A MONTH: START → FULL	STARTS
Local Search Advertising	350 → 500	month 1
Returning Customers	8 → 22	month 1
Targeted Local Flyers	2.000 → 2.000	month 2

CHANNEL	ENQUIRIES PER UNIT	BECOME CUSTOMERS	COST EACH
Local Search Advertising	12%	65%	R22
Returning Customers	100%	85%	–
Targeted Local Flyers	0.8%	60%	R1.50

Customers and prices

Customers leaving a month	**0.0%**
Price rise each year, from year 2	**5%**
Card and payment fees	**1.5%**
One-off sales paid	**Upon completion of the job**

Costs, tax and funding

The assumptions behind what the business spends: its people, its costs, the tax it pays, and how it is funded.

People

Owner's salary, years 1 to 3	**42,000 · 48,000 · 55,000 a month**
Delivery hours the owners give a month	**140**
A contracted delivery hour	**R450**
On-costs on salaries	**2.2% in all: employer UIF at 1% of each salary up to R17 712 a month, the Skills Development Levy at 1% of pay once the payroll is expected to pass R500 000 a year, and the Compensation Fund's yearly assessment at its tariff for the industry (0.18% for a consultancy) on pay up to R668 000 a person, at least R1 621**
Wages and costs rise each year	**3%**

Costs

Overheads	**R27.400 a month**

COSTS, TAX AND FUNDING, CONTINUED

Start-up costs	**R295.000**

Tax

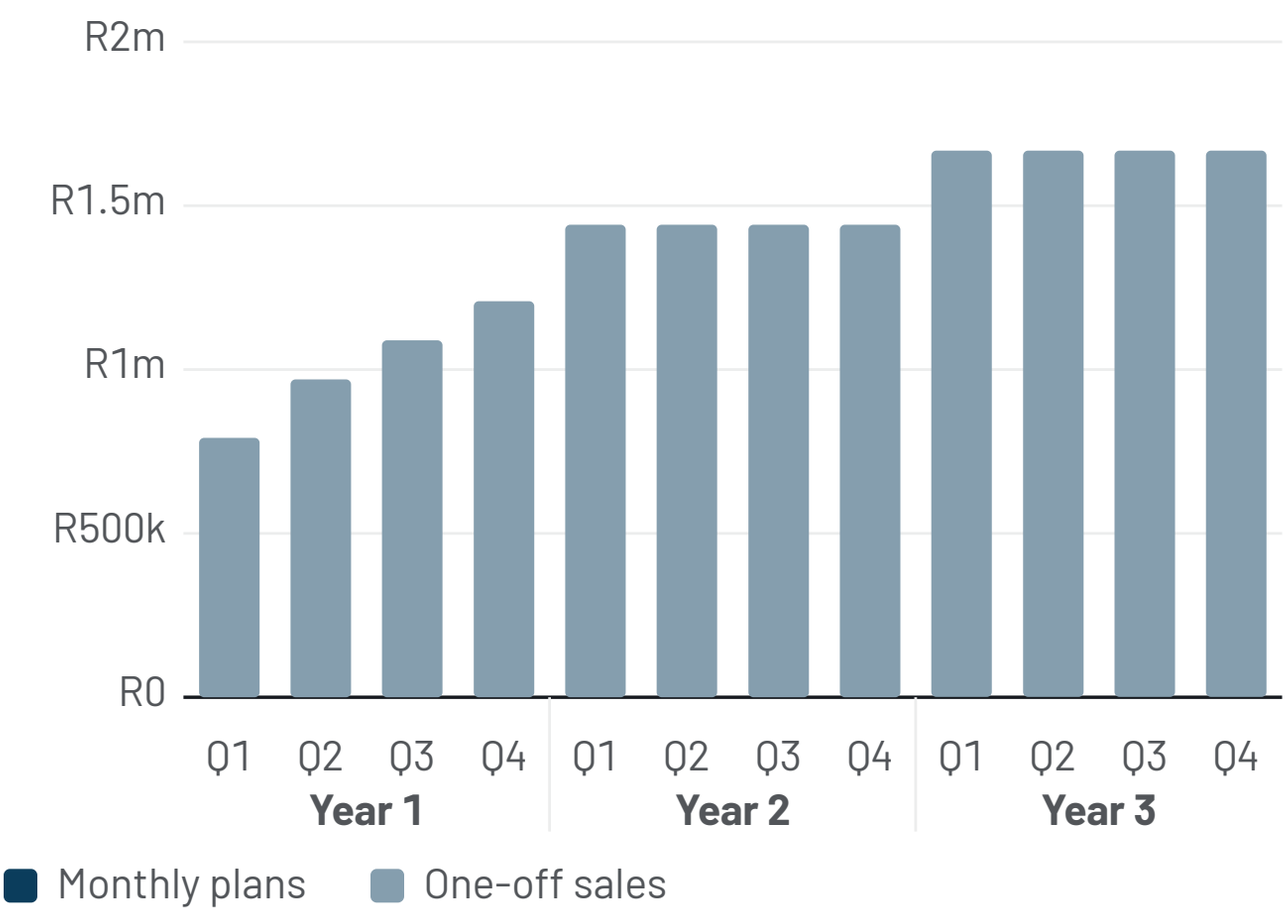
Tax on profit	**company tax at the small business corporation rates: nothing on taxable income up to R99 000, 7% to R365 000, 21% to R550 000 and 27% above it, for a company with gross income up to R20 million whose shareholders are all people (27% throughout for one that does not qualify)**
When it is paid	**Provisional tax: half the year's estimate by month 6, the rest by month 12; any top-up within 6 months after the year**
VAT	**15%, registered already; paid every two months, by the 25th of the month after it ends, or that month's last business day when filed on eFiling**

Funding

The owners put in	**R151.500**
A loan	**R453.500 over 5 years at 13.3%**
Reserve kept at the lowest point	**two months' fixed costs**

Sales forecast

Customers join from the channels in section 04 and choose packages in the mix in the assumptions. A one-off package is paid upon completion of the job.



	YEAR 1	YEAR 2	YEAR 3
Enquiries	968	1,288	1,412
New customers	656	888	978

SALES FORECAST, CONTINUED

	YEAR 1	YEAR 2	YEAR 3
Customers who left	0	0	0
Customers on monthly plans at year end	**0**	**0**	**0**
Monthly plans billing at year end	–	–	–
One-off sales	4,059,834	5,767,284	6,670,643
Monthly plans	–	–	–
Revenue	**4,059,834**	**5,767,284**	**6,670,643**
Growth on the year before		42%	16%

New customers by package

	YEAR 1	YEAR 2	YEAR 3
Blocked Drain Clearing	295	400	440
Burst Pipes and General Plumbing Repairs	230	311	342
Hot Water System Replacement	131	178	196
New customers in all	**656**	**888**	**978**

Profit and loss: three years

Gross margin of 49%, 49% and 52%: by year 3, most of each sale is kept. Net margin reaches 25% in year 3.

	YEAR 1	YEAR 2	YEAR 3
REVENUE			
One-off sales	4,059,834	5,767,284	6,670,643
Monthly plans	–	–	–
Total revenue	**4,059,834**	**5,767,284**	**6,670,643**
COST OF SALES			
Direct costs: plumbing fittings, replacement parts, hot water units, drain clearing consumables, and fuel	1,683,666	2,277,874	2,509,209
Contracted delivery hours	8,069	–	–
Delivery team	330,000	568,560	585,617
Card and payment fees	60,898	86,509	100,060
Total cost of sales	**2,082,632**	**2,932,943**	**3,194,885**
Gross profit	**1,977,202**	**2,834,341**	**3,475,758**
Gross margin	49%	49%	52%

PROFIT AND LOSS: THREE YEARS, CONTINUED

	YEAR 1	YEAR 2	YEAR 3
OPERATING EXPENSES			
Owner's salary	504,000	576,000	660,000
On-costs	18,348	25,180	27,404
Marketing	167,600	204,000	218,520
Overheads	328,800	338,664	348,824
Start-up costs	15,000	–	–
Total operating expenses	**1,033,748**	**1,143,844**	**1,254,747**
EBITDA	**943,454**	**1,690,496**	**2,221,011**
Depreciation	63,917	63,917	63,917
Interest	56,028	46,381	35,375
Profit before tax	**823,509**	**1,580,198**	**2,121,719**
Tax on profit	131,317	335,624	481,834
Net profit	**692,191**	**1,244,575**	**1,639,885**
Net margin	17%	22%	25%

All figures in rand, before VAT. Brackets are a loss. Tax is provided on each year's profit after losses carried forward.

Profit and loss: year 1 by month

The first year month by month: the costs come first and the revenue builds behind them. Months 1 to 6 here, 7 to 12 and the year's total on page 109.

	DEC 2026	JAN 2027	FEB 2027
REVENUE			
Total revenue	**210,909**	**283,554**	**296,824**
COST OF SALES			
Total cost of sales	**90,630**	**124,349**	**133,116**
Gross profit	**120,278**	**159,206**	**163,708**
OPERATING EXPENSES			
Owner's salary	42,000	42,000	42,000
On-costs	924	924	924
Marketing	9,200	12,900	13,200
Overheads	27,400	27,400	27,400
Start-up costs	15,000	–	–
Total operating expenses	**94,524**	**83,224**	**83,524**
EBITDA	**25,754**	**75,982**	**80,184**
Depreciation	5,326	5,326	5,326

PROFIT AND LOSS: YEAR 1 BY MONTH, CONTINUED

	DEC 2026	JAN 2027	FEB 2027
Interest	5,007	4,948	4,888
Profit before tax	**15,421**	**65,707**	**69,969**
Tax on profit	–	–	–
Net profit	**15,421**	**65,707**	**69,969**

	MAR 2027	APR 2027	MAY 2027
REVENUE			
Total revenue	**310,093**	**323,363**	**336,633**
COST OF SALES			
Total cost of sales	**165,251**	**170,953**	**176,655**
Gross profit	**144,842**	**152,410**	**159,977**
OPERATING EXPENSES			
Owner's salary	42,000	42,000	42,000
On-costs	1,628	1,628	1,628
Marketing	13,500	13,800	14,100
Overheads	27,400	27,400	27,400
Start-up costs	–	–	–
Total operating expenses	**84,528**	**84,828**	**85,128**
EBITDA	**60,314**	**67,582**	**74,849**

PROFIT AND LOSS: YEAR 1 BY MONTH, CONTINUED

	MAR 2027	APR 2027	MAY 2027
Depreciation	5,326	5,326	5,326
Interest	4,828	4,766	4,704
Profit before tax	**50,160**	**57,489**	**64,818**
Tax on profit	–	–	–
Net profit	**50,160**	**57,489**	**64,818**

Profit and loss: months 7 to 12

The second half of year 1, and the year's total.

	JUN 2027	JUL 2027	AUG 2027
REVENUE			
Total revenue	**349,902**	**363,172**	**376,442**
COST OF SALES			
Total cost of sales	**182,358**	**188,060**	**193,762**
Gross profit	**167,545**	**175,112**	**182,680**
OPERATING EXPENSES			
Owner's salary	42,000	42,000	42,000

PROFIT AND LOSS: MONTHS 7 TO 12, CONTINUED

	JUN 2027	JUL 2027	AUG 2027
On-costs	1,628	1,628	1,628
Marketing	14,400	14,700	15,000
Overheads	27,400	27,400	27,400
Start-up costs	–	–	–
Total operating expenses	**85,428**	**85,728**	**86,028**
EBITDA	**82,117**	**89,384**	**96,652**
Depreciation	5,326	5,326	5,326
Interest	4,642	4,578	4,514
Profit before tax	**72,149**	**79,479**	**86,811**
Tax on profit	–	–	–
Net profit	**72,149**	**79,479**	**86,811**

	SEPT 2027	OCT 2027	NOV 2027	YEAR 1
REVENUE				
Total revenue	**389,711**	**402,981**	**416,251**	**4,059,834**
COST OF SALES				
Total cost of sales	**213,464**	**219,166**	**224,868**	**2,082,632**
Gross profit	**176,247**	**183,815**	**191,382**	**1,977,202**

PROFIT AND LOSS: MONTHS 7 TO 12, CONTINUED

	SEPT 2027	OCT 2027	NOV 2027	YEAR 1
OPERATING EXPENSES				
Owner's salary	42,000	42,000	42,000	504,000
On-costs	1,936	1,936	1,936	18,348
Marketing	15,300	15,600	15,900	167,600
Overheads	27,400	27,400	27,400	328,800
Start-up costs	–	–	–	15,000
Total operating expenses	**86,636**	**86,936**	**87,236**	**1,033,748**
EBITDA	**89,611**	**96,879**	**104,146**	**943,454**
Depreciation	5,326	5,326	5,326	63,917
Interest	4,450	4,384	4,318	56,028
Profit before tax	**79,835**	**87,168**	**94,502**	**823,509**
Tax on profit	–	–	131,317	131,317
Net profit	**79,835**	**87,168**	**(36,816)**	**692,191**

Profit and loss: year 2 by month

The second year month by month: revenue of R5.767.284, against R4.059.834 in year 1. Months 13 to 18 here, 19 to 24 and the year's total on page 114.

	DEC 2027	JAN 2028	FEB 2028
REVENUE			
Total revenue	**480,607**	**480,607**	**480,607**
COST OF SALES			
Total cost of sales	**244,412**	**244,412**	**244,412**
Gross profit	**236,195**	**236,195**	**236,195**
OPERATING EXPENSES			
Owner's salary	48,000	48,000	48,000
On-costs	2,098	2,098	2,098
Marketing	17,000	17,000	17,000
Overheads	28,222	28,222	28,222
Total operating expenses	**95,320**	**95,320**	**95,320**
EBITDA	**140,875**	**140,875**	**140,875**
Depreciation	5,326	5,326	5,326

PROFIT AND LOSS: YEAR 2 BY MONTH, CONTINUED

	DEC 2027	JAN 2028	FEB 2028
Interest	4,251	4,183	4,115
Profit before tax	**131,297**	**131,365**	**131,433**
Tax on profit	–	–	–
Net profit	**131,297**	**131,365**	**131,433**

	MAR 2028	APR 2028	MAY 2028
REVENUE			
Total revenue	**480,607**	**480,607**	**480,607**
COST OF SALES			
Total cost of sales	**244,412**	**244,412**	**244,412**
Gross profit	**236,195**	**236,195**	**236,195**
OPERATING EXPENSES			
Owner's salary	48,000	48,000	48,000
On-costs	2,098	2,098	2,098
Marketing	17,000	17,000	17,000
Overheads	28,222	28,222	28,222
Total operating expenses	**95,320**	**95,320**	**95,320**
EBITDA	**140,875**	**140,875**	**140,875**
Depreciation	5,326	5,326	5,326

PROFIT AND LOSS: YEAR 2 BY MONTH, CONTINUED

	MAR 2028	APR 2028	MAY 2028
Interest	4,046	3,976	3,905
Profit before tax	**131,502**	**131,572**	**131,643**
Tax on profit	–	–	–
Net profit	**131,502**	**131,572**	**131,643**

Profit and loss: months 19 to 24

The second half of year 2, and the year's total.

	JUN 2028	JUL 2028	AUG 2028
REVENUE			
Total revenue	**480,607**	**480,607**	**480,607**
COST OF SALES			
Total cost of sales	**244,412**	**244,412**	**244,412**
Gross profit	**236,195**	**236,195**	**236,195**
OPERATING EXPENSES			
Owner's salary	48,000	48,000	48,000
On-costs	2,098	2,098	2,098

PROFIT AND LOSS: MONTHS 19 TO 24, CONTINUED

	JUN 2028	JUL 2028	AUG 2028
Marketing	17,000	17,000	17,000
Overheads	28,222	28,222	28,222
Total operating expenses	**95,320**	**95,320**	**95,320**
EBITDA	**140,875**	**140,875**	**140,875**
Depreciation	5,326	5,326	5,326
Interest	3,834	3,762	3,689
Profit before tax	**131,714**	**131,787**	**131,860**
Tax on profit	–	–	–
Net profit	**131,714**	**131,787**	**131,860**

	SEPT 2028	OCT 2028	NOV 2028	YEAR 2
REVENUE				
Total revenue	**480,607**	**480,607**	**480,607**	**5,767,284**
COST OF SALES				
Total cost of sales	**244,412**	**244,412**	**244,412**	**2,932,943**
Gross profit	**236,195**	**236,195**	**236,195**	**2,834,341**
OPERATING EXPENSES				
Owner's salary	48,000	48,000	48,000	576,000
On-costs	2,098	2,098	2,098	25,180

PROFIT AND LOSS: MONTHS 19 TO 24, CONTINUED

	SEPT 2028	OCT 2028	NOV 2028	YEAR 2
Marketing	17,000	17,000	17,000	204,000
Overheads	28,222	28,222	28,222	338,664
Total operating expenses	**95,320**	**95,320**	**95,320**	**1,143,844**
EBITDA	**140,875**	**140,875**	**140,875**	**1,690,496**
Depreciation	5,326	5,326	5,326	63,917
Interest	3,615	3,540	3,465	46,381
Profit before tax	**131,933**	**132,008**	**132,084**	**1,580,198**
Tax on profit	–	–	335,624	335,624
Net profit	**131,933**	**132,008**	**(203,540)**	**1,244,575**

Cash flow: year 1 by month

The funding arrives before the first month: R151.500 from the owners and a loan of R453.500, less R280.000 of equipment, so the first month opens with R325.000. The lowest point is R310.849 in Dec 2026.

	DEC 2026	JAN 2027	FEB 2027
Opening cash	325,000	310,849	426,151
Received from customers	210,909	283,554	296,824
VAT charged to customers	31,636	42,533	44,524
Cost of sales	(90,630)	(124,349)	(133,116)
Operating expenses	(94,524)	(83,224)	(83,524)
VAT on what is bought	(61,165)	(22,364)	(23,695)
Interest	(5,007)	(4,948)	(4,888)
Loan repaid	(5,369)	(5,429)	(5,488)
Tax on profit paid	–	–	–
VAT to or from SARS	–	29,529	–
Net cash flow	**(14,151)**	**115,302**	**90,636**
Closing cash	**310,849**	**426,151**	**516,788**

CASH FLOW: YEAR 1 BY MONTH, CONTINUED

	MAR 2027	APR 2027	MAY 2027
Opening cash	516,788	548,511	629,620
Received from customers	310,093	323,363	336,633
VAT charged to customers	46,514	48,504	50,495
Cost of sales	(165,251)	(170,953)	(176,655)
Operating expenses	(84,528)	(84,828)	(85,128)
VAT on what is bought	(23,730)	(24,600)	(25,471)
Interest	(4,828)	(4,766)	(4,704)
Loan repaid	(5,549)	(5,610)	(5,672)
Tax on profit paid	–	–	(65,659)
VAT to or from SARS	(40,998)	–	(46,688)
Net cash flow	**31,724**	**81,109**	**(22,850)**
Closing cash	**548,511**	**629,620**	**606,770**

	JUN 2027	JUL 2027	AUG 2027
Opening cash	606,770	704,654	759,758
Received from customers	349,902	363,172	376,442
VAT charged to customers	52,485	54,476	56,466
Cost of sales	(182,358)	(188,060)	(193,762)
Operating expenses	(85,428)	(85,728)	(86,028)
VAT on what is bought	(26,341)	(27,212)	(28,082)

CASH FLOW: YEAR 1 BY MONTH, CONTINUED

	JUN 2027	JUL 2027	AUG 2027
Interest	(4,642)	(4,578)	(4,514)
Loan repaid	(5,735)	(5,798)	(5,862)
Tax on profit paid	–	–	–
VAT paid to SARS	–	(51,168)	–
Net cash flow	**97,884**	**55,104**	**114,659**
Closing cash	**704,654**	**759,758**	**874,417**

	SEPT 2027	OCT 2027	NOV 2027	YEAR 1
Opening cash	874,417	927,508	1,044,634	325,000
Received from customers	389,711	402,981	416,251	4,059,834
VAT charged to customers	58,457	60,447	62,438	608,975
Cost of sales	(213,464)	(219,166)	(224,868)	(2,082,632)
Operating expenses	(86,636)	(86,936)	(87,236)	(1,033,748)
VAT on what is bought	(28,953)	(29,823)	(30,694)	(352,130)
Interest	(4,450)	(4,384)	(4,318)	(56,028)
Loan repaid	(5,927)	(5,992)	(6,059)	(68,492)
Tax on profit paid	–	–	(65,659)	(131,317)

CASH FLOW: YEAR 1 BY MONTH, CONTINUED

	SEPT 2027	OCT 2027	NOV 2027	YEAR 1
VAT paid to SARS	(55,648)	–	(60,128)	(225,101)
Net cash flow	**53,091**	**117,126**	**(273)**	**719,361**
Closing cash	**927,508**	**1,044,634**	**1,044,361**	**1,044,361**

Customers pay one-off prices upon completion of the job, so revenue is received in the month it is earned. Company tax is paid as provisional tax from the first year, on the year's own estimate: half within six months of the start of each year, the rest by the year's last working day, and anything the estimate missed as a voluntary top-up within six months after the year ends (by the last business day of September for a year to February), which prevents or reduces interest. The business is registered for VAT: it charges 15% on top of what customers pay, reclaims it on what it buys, insurance aside, and pays SARS the difference every two months, by the 25th of the month after it ends, or that month's last business day when filed on eFiling.

Cash flow: year 2 by month

Year 2 opens with R1.044.361 in the bank and closes with R2.281.550. Its lowest point is R1.213.439, in Dec 2027.

	DEC 2027	JAN 2028	FEB 2028
Opening cash	1,044,361	1,213,439	1,312,193
Received from customers	480,607	480,607	480,607
VAT charged to customers	72,091	72,091	72,091
Cost of sales	(244,412)	(244,412)	(244,412)
Operating expenses	(95,320)	(95,320)	(95,320)
VAT on what is bought	(33,511)	(33,511)	(33,511)
Interest	(4,251)	(4,183)	(4,115)
Loan repaid	(6,126)	(6,193)	(6,262)
Tax on profit paid	–	–	–
VAT paid to SARS	–	(70,324)	–
Net cash flow	**169,078**	**98,754**	**169,078**
Closing cash	**1,213,439**	**1,312,193**	**1,481,271**

CASH FLOW: YEAR 2 BY MONTH, CONTINUED

	MAR 2028	APR 2028	MAY 2028
Opening cash	1,481,271	1,573,189	1,742,267
Received from customers	480,607	480,607	480,607
VAT charged to customers	72,091	72,091	72,091
Cost of sales	(244,412)	(244,412)	(244,412)
Operating expenses	(95,320)	(95,320)	(95,320)
VAT on what is bought	(33,511)	(33,511)	(33,511)
Interest	(4,046)	(3,976)	(3,905)
Loan repaid	(6,331)	(6,401)	(6,471)
Tax on profit paid	–	–	(167,812)
VAT paid to SARS	(77,160)	–	(77,160)
Net cash flow	**91,918**	**169,078**	**(75,894)**
Closing cash	**1,573,189**	**1,742,267**	**1,666,373**

	JUN 2028	JUL 2028	AUG 2028
Opening cash	1,666,373	1,835,451	1,927,369
Received from customers	480,607	480,607	480,607
VAT charged to customers	72,091	72,091	72,091
Cost of sales	(244,412)	(244,412)	(244,412)
Operating expenses	(95,320)	(95,320)	(95,320)
VAT on what is bought	(33,511)	(33,511)	(33,511)

CASH FLOW: YEAR 2 BY MONTH, CONTINUED

	JUN 2028	JUL 2028	AUG 2028
Interest	(3,834)	(3,762)	(3,689)
Loan repaid	(6,543)	(6,615)	(6,688)
Tax on profit paid	–	–	–
VAT paid to SARS	–	(77,160)	–
Net cash flow	**169,078**	**91,918**	**169,078**
Closing cash	**1,835,451**	**1,927,369**	**2,096,447**

	SEPT 2028	OCT 2028	NOV 2028	YEAR 2
Opening cash	2,096,447	2,188,365	2,357,444	1,044,361
Received from customers	480,607	480,607	480,607	5,767,284
VAT charged to customers	72,091	72,091	72,091	865,093
Cost of sales	(244,412)	(244,412)	(244,412)	(2,932,943)
Operating expenses	(95,320)	(95,320)	(95,320)	(1,143,844)
VAT on what is bought	(33,511)	(33,511)	(33,511)	(402,130)
Interest	(3,615)	(3,540)	(3,465)	(46,381)
Loan repaid	(6,762)	(6,836)	(6,912)	(78,139)
Tax on profit paid	–	–	(167,812)	(335,624)

CASH FLOW: YEAR 2 BY MONTH, CONTINUED

	SEPT 2028	OCT 2028	NOV 2028	YEAR 2
VAT paid to SARS	(77,160)	–	(77,160)	(456,126)
Net cash flow	**91,918**	**169,078**	**(75,894)**	**1,237,189**
Closing cash	**2,188,365**	**2,357,444**	**2,281,550**	**2,281,550**

With year 1 on page 117, the cash flow runs month by month for the first 24 months, on the same terms.

Balance sheet and cash

On the plan's first day and at the end of each year, for what the plan puts in and earns. It balances: what the business owns equals what it owes plus what the owners have in it.

	YEAR 1	YEAR 2	YEAR 3
ASSETS			
Cash	1,044,361	2,281,550	3,904,351
Equipment, after depreciation	216,083	152,167	88,250
Total assets	**1,260,444**	**2,433,716**	**3,992,601**

BALANCE SHEET AND CASH, CONTINUED

	YEAR 1	YEAR 2	YEAR 3
LIABILITIES			
Loan	385,008	306,870	217,725
Tax owed on profit	–	–	–
VAT owed to SARS	31,744	38,580	46,724
Total liabilities	**416,752**	**345,450**	**264,450**
OWNERS' EQUITY			
Capital put in	151,500	151,500	151,500
Retained profit	692,191	1,936,766	3,576,651
Total equity	**843,691**	**2,088,266**	**3,728,151**
Liabilities and equity	**1,260,444**	**2,433,716**	**3,992,601**

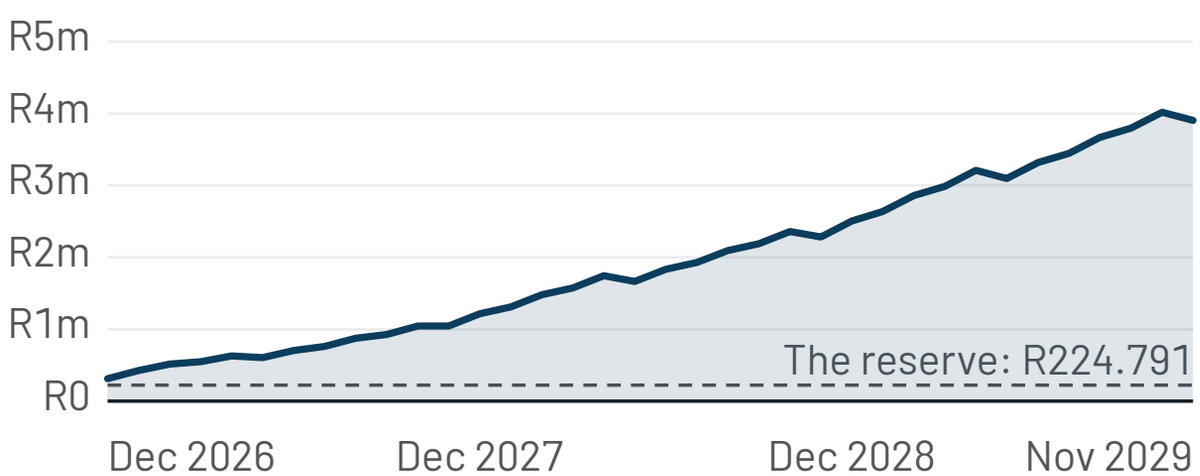
CASH, YEAR BY YEAR	YEAR 1	YEAR 2	YEAR 3
Opening cash	–	1,044,361	2,281,550
Funding put in	605,000	–	–
Equipment bought	(280,000)	–	–
Cash from operations, after interest and tax	787,852	1,315,328	1,711,945
Loan repaid	(68,492)	(78,139)	(89,144)
Closing cash	**1,044,361**	**2,281,550**	**3,904,351**

BALANCE SHEET AND CASH, CONTINUED

THE OPENING DAY

Cash	325,000
Equipment, at cost	280,000
Total assets	**605,000**
Loan	453,500
Capital put in	151,500
Liabilities and equity	**605,000**

The plan's first day, at the start of December 2026, before any sale in it. What the business already owns and owes, and any tax on profit made before then, is in its own accounts (page 153). The other start-up costs are paid in month 1.



Cash in the bank at each month's end, against the reserve the funding keeps

BALANCE SHEET AND CASH, CONTINUED

R3.73M

OWNERS' EQUITY, END OF YEAR 3

R218K

THE LOAN STILL OWED

0.07

DEBT TO EQUITY

what it owes for each rand the owners have in it

25.5

MONTHS OF FIXED COSTS IN THE BANK

Balance sheet: year 1 by month

What the business owns and owes at the end of each month of year 1. It balances every month, and month 12's is the year-end balance sheet on page 124.

	DEC 2026	JAN 2027	FEB 2027
Cash	310,849	426,151	516,788
VAT due back from SARS	29,529	–	–
Tax on profit paid in advance	–	–	–
Equipment, after depreciation	274,674	269,347	264,021
Total assets	**615,051**	**695,499**	**780,808**
Loan	448,131	442,702	437,214
Tax owed on profit	–	–	–
VAT owed to SARS	–	20,169	40,998
Total liabilities	**448,131**	**462,871**	**478,212**
Capital put in	151,500	151,500	151,500
Retained profit	15,421	81,128	151,097
Total equity	**166,921**	**232,628**	**302,597**
Liabilities and equity	**615,051**	**695,499**	**780,808**

BALANCE SHEET: YEAR 1 BY MONTH, CONTINUED

	MAR 2027	APR 2027	MAY 2027
Cash	548,511	629,620	606,770
VAT due back from SARS	–	–	–
Tax on profit paid in advance	–	–	65,659
Equipment, after depreciation	258,694	253,368	248,042
Total assets	**807,206**	**882,988**	**920,471**
Loan	431,665	426,054	420,382
Tax owed on profit	–	–	–
VAT owed to SARS	22,784	46,688	25,024
Total liabilities	**454,449**	**472,742**	**445,406**
Capital put in	151,500	151,500	151,500
Retained profit	201,257	258,746	323,565
Total equity	**352,757**	**410,246**	**475,065**
Liabilities and equity	**807,206**	**882,988**	**920,471**

	JUN 2027	JUL 2027	AUG 2027
Cash	704,654	759,758	874,417
VAT due back from SARS	–	–	–
Tax on profit paid in advance	65,659	65,659	65,659
Equipment, after depreciation	242,715	237,389	232,063
Total assets	**1,013,028**	**1,062,805**	**1,172,138**

BALANCE SHEET: YEAR 1 BY MONTH, CONTINUED

	JUN 2027	JUL 2027	AUG 2027
Loan	414,647	408,849	402,987
Tax owed on profit	–	–	–
VAT owed to SARS	51,168	27,264	55,648
Total liabilities	**465,815**	**436,113**	**458,634**
Capital put in	151,500	151,500	151,500
Retained profit	395,713	475,193	562,004
Total equity	**547,213**	**626,693**	**713,504**
Liabilities and equity	**1,013,028**	**1,062,805**	**1,172,138**

	SEPT 2027	OCT 2027	NOV 2027
Cash	927,508	1,044,634	1,044,361
VAT due back from SARS	–	–	–
Tax on profit paid in advance	65,659	65,659	–
Equipment, after depreciation	226,736	221,410	216,083
Total assets	**1,219,902**	**1,331,702**	**1,260,444**
Loan	397,060	391,067	385,008
Tax owed on profit	–	–	–
VAT owed to SARS	29,504	60,128	31,744
Total liabilities	**426,563**	**451,195**	**416,752**
Capital put in	151,500	151,500	151,500

BALANCE SHEET: YEAR 1 BY MONTH, CONTINUED

	SEPT 2027	OCT 2027	NOV 2027
Retained profit	641,839	729,007	692,191
Total equity	**793,339**	**880,507**	**843,691**
Liabilities and equity	**1,219,902**	**1,331,702**	**1,260,444**

The ratios a lender checks

Debt service cover is 13.58× in year 2, above the SBA's 1.15× test, and 17.84× in year 3.

13.58×

COVER IN YEAR 2

the SBA's test: 1.15×

9.50

CURRENT RATIO, YEAR 1

BDC: 1.0 or more

R934K

WORKING CAPITAL, YEAR 1

for the next 12 months (SBA)

None

DEBTOR DAYS, YEAR 1

BDC: 30 to 45

THE RATIOS A LENDER CHECKS, CONTINUED

Year by year, against what lenders publish

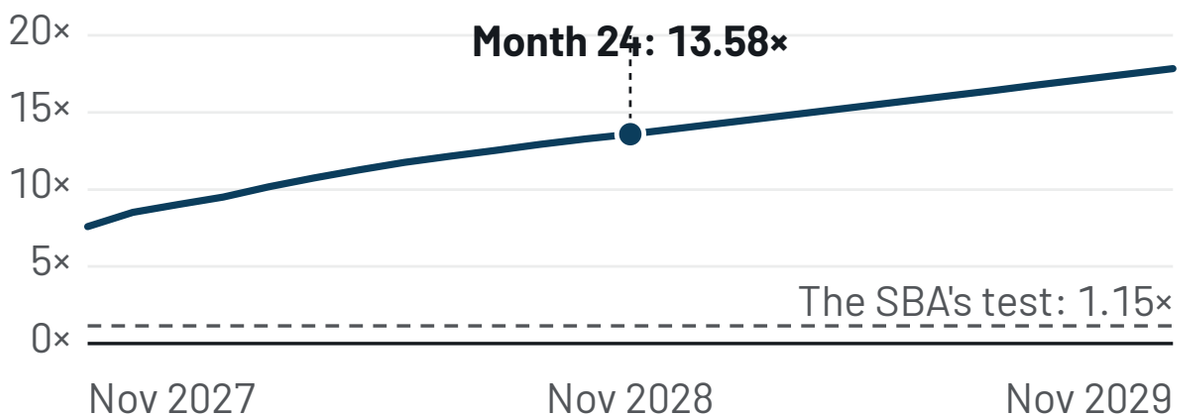
	YEAR 1	YEAR 2	YEAR 3
Debt service cover	7.58×	13.58×	17.84×
Cash margin of safety	36%	46%	52%
Current ratio	9.50	17.86	26.31
Working capital	934,478	2,153,825	3,755,926
Tangible net worth	843,691	2,088,266	3,728,151
Debt to tangible net worth	0.49	0.17	0.07
Debtor days	None	None	None

	A LENDER LOOKS FOR
Debt service cover	1.15× within two years (the SBA's test)
Cash margin of safety	20% or more (Standard Bank)
Current ratio	1.0 or more (BDC)
Working capital	Enough for at least the next 12 months (SBA)
Tangible net worth	Compared with the trade (SBA)

THE RATIOS A LENDER CHECKS, CONTINUED

	A LENDER LOOKS FOR
Debt to tangible net worth	Compared with the trade (SBA)
Debtor days	30 to 45 (BDC)

Figures are each year-end's balance sheet (page 124), with the loan's next 12 months of repayments counted as falling due. Customers pay one-off prices upon completion of the job, so nothing is owed at a year's end.



No lender in South Africa publishes a minimum, so the plan is tested at the SBA's floor for a standard 7(a) loan, 1.15× cover within two years: the one published in full.

THE RATIOS A LENDER CHECKS, CONTINUED

Debt service cover: the year's EBITDA over its interest and loan repayments.

Cash margin of safety: how far what customers pay in a year could fall and still cover the running costs and repayments.

Current ratio: cash and what customers owe, over what falls due within a year: tax owed, VAT owed and the next 12 months' repayments.

Working capital: cash and what customers owe, less what falls due within a year.

Tangible net worth: the owners' equity less anything intangible; the business owns nothing intangible, so the two are the same.

Debt to tangible net worth: everything the business owes, over its tangible net worth.

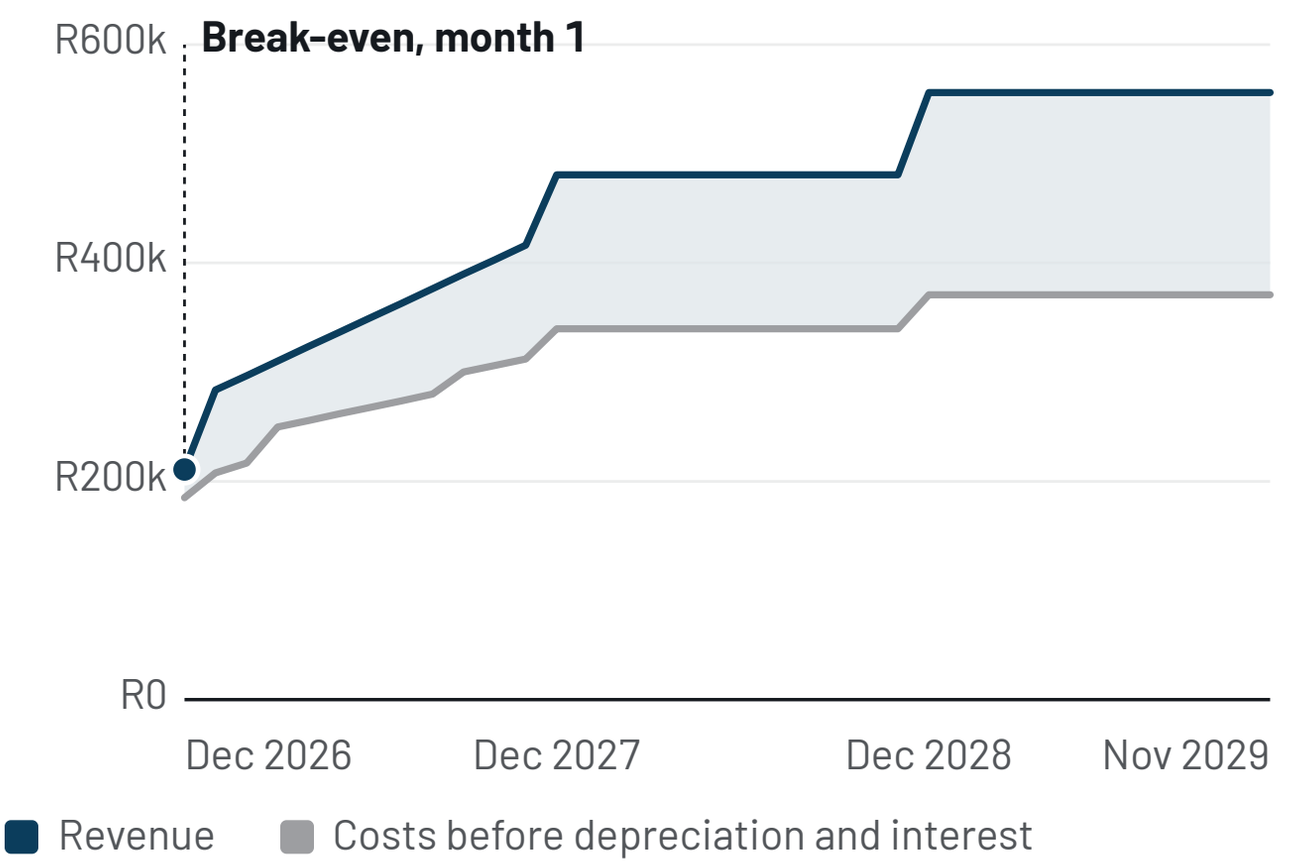
Debtor days: what customers owe at a year's end, as days of that year's revenue.

> The owners work these out every month from the books, as BDC advises, beside any covenant the lender sets.

Sources: US Small Business Administration, SOP 50 10 8.1, 2026; BDC, Financial ratios: 4 ways to assess your business, 2026; Standard Bank, Financial risk, 2026.

Break-even

Revenue passes the costs of running the business in month 1 (Dec 2026) and stays above them. One-off work brings the revenue in from the start.



BREAK-EVEN, CONTINUED

Fixed costs a month, at month 12	**R133.236**
What a new customer adds in one-off sales at month 12, after their costs	**R3.527**
New customers a month that cover the fixed costs	**38**
New customers in month 12	**67**

FROM THIS MONTH ON

EBITDA is positive	**Month 1, Dec 2026**
Profit before tax is positive	**Month 1, Dec 2026**
What customers pay covers the costs and the loan's repayments	**Month 1, Dec 2026**

> Break-even here is EBITDA: revenue against the costs of running the business, before depreciation, interest and tax. What customers pay counts in the month it arrives, against all that is paid out that month, the loan's repayments included, before tax on profit and VAT. Fixed costs are the owners' pay, the team, marketing and overheads. A customer's own costs are the direct costs of serving them and card fees: at month 12 the owner and the team give every hour the work takes, and their pay is in the fixed costs.

BREAK-EVEN, CONTINUED

	YEAR 1	YEAR 2	YEAR 3
What customers pay	4,059,834	5,767,284	6,670,643
What covers the running costs and repayments	2,592,414	3,113,245	3,227,242
Cash margin of safety	**36%**	**46%**	**52%**

How far what customers pay in a year could fall and still cover the running costs and the loan's repayments.

What moves break-even

ONE THING CHANGES	BREAK-EVEN	NET PROFIT, YEAR 3	THE BANK AT ITS LOWEST
The plan as written	Month 1	1,639,885	310,849
Prices 10% lower	Month 1	1,160,232	286,911
30% fewer enquiries	Month 2	750,443	269,211
Customers leave twice as fast	Month 1	1,639,885	310,849
Marketing costs a quarter more	Month 1	1,600,005	308,204

Each line changes one assumption and keeps the rest, with the same funding. Brackets are a loss, or the bank below zero.

The loan and its repayment

We ask for a loan of R453.500 over five years at about 13.3% a year, beside R151.500 the owners put in: 25% of the R605.000 the start needs. The repayment is R10.377 a month. EBITDA covers it 7.6 times in year 1, 13.6 in year 2 and 17.8 in year 3.

R453.500
THE LOAN

13.3%
A YEAR, OVER FIVE YEARS

R10.377
REPAID EACH MONTH

R151.500
THE OWNERS PUT IN
25% of the funding

Repayment, and how well the profit covers it

	OWED AT THE START	INTEREST	REPAID	OWED AT THE END	EBITDA	COVER
Year 1	453,500	56,028	68,492	385,008	943,454	7.58×
Year 2	385,008	46,381	78,139	306,870	1,690,496	13.58×
Year 3	306,870	35,375	89,144	217,725	2,221,011	17.84×

THE LOAN AND ITS REPAYMENT, CONTINUED

	OWED AT THE START	INTEREST	REPAID	OWED AT THE END	EBITDA	COVER
Year 4	217,725	22,819	101,700	116,025	2,221,011	17.84×
Year 5	116,025	8,495	116,025	–	2,221,011	17.84×
Over the term		**169,099**	**453,500**			

Cover is the year's EBITDA over its interest and repayments. Years 4 and 5, to the loan's last repayment, hold year 3's EBITDA with no growth.

What a lender looks at

Character The owners and how the business is run: who we are, page 13 and the team, page 67.

Capacity EBITDA covers the year's interest and repayments 13.6 times in year 2 and 17.8 times in year 3, and the same to the last repayment, with no growth after year 3: the table above.

Capital The owners put in R151.500, 25% of the funding.

Collateral The equipment it buys counts as R210.000 at the SBA's rates; the cash flow, the guarantees and the insurance carry the rest: security, guarantees and debts, page 141.

Conditions The market, page 23, why now, page 26 and the risks and their answers, page 70.

THE LOAN AND ITS REPAYMENT, CONTINUED

Where a business like this borrows in South Africa

- SEDFA, the state's small business lender (sefa, Seda and the CBDA, merged in 2024): loans from R50 000 to R15 million, repaid over 12 to 60 months
- The National Empowerment Fund's iMbewu Fund, for businesses at least 50.1% black-owned and run by their owners: R250 000 to R15 million at prime-linked rates
- Bank term loans, revolving loans and overdrafts, with the owners' personal suretyship; Standard Bank's term loan asks for two years' trading
- Asset finance for equipment, secured on the asset: instalment sale or lease from the banks and SEDFA

> The rate is the plan's estimate for a small business loan in South Africa; the lender sets the rate, the term and any security or guarantee. The funding keeps at least two months' fixed costs in the bank at its lowest point, in month 1, and the next repayment in the cautious case with the back-up plan's steps (page 149).

Security, guarantees and debts

A business that sells its skills owns little a lender can sell. At the SBA's rates (the ones a lender publishes in full; a lender in South Africa sets its own), what this one buys counts as R210.000 of security, 46% of the loan, so the loan rests on the cash flow, the owner's guarantee and the insurance.

R453.500

THE LOAN

R210.000

SECURITY, AT THE SBA'S RATES

46% of the loan

R243.500

THE SHORTFALL

carried by the cash flow and the guarantees

13.58×

COVER IN YEAR 2

the SBA's test: 1.15×

SECURITY, GUARANTEES AND DEBTS, CONTINUED

What it owns when the loan is drawn

WHAT IT OWNS	PRICE
Work vehicles and shelving fitout	180,000
High-pressure drain jetter and camera inspection equipment	65,000
Hand tools, power tools, and specialized gas testing gear	35,000
The loan	

WHAT IT OWNS	COUNTED AT	SECURITY
Work vehicles and shelving fitout	75%	135,000
High-pressure drain jetter and camera inspection equipment	75%	48,750
Hand tools, power tools, and specialized gas testing gear	75%	26,250
Security, at the SBA's rates		**210,000**
The loan		453,500
The shortfall		**243,500**

The SBA counts new equipment at no more than 75% of its price and furniture and fixtures at 10%. Customers pay one-off prices upon completion of the job, so the business is owed little at any time.

SECURITY, GUARANTEES AND DEBTS, CONTINUED

Who guarantees the loan

- A bank needs security before it lends: "When deciding on the security required, we look at both your personal and business assets" (Standard Bank).
- Absa's business term loan asks for the "Personal suretyship of the shareholders and/or directors or members", and a private company applying to Standard Bank completes a suretyship form: the owner will give a personal suretyship.
- "Very often, any equipment you want to buy with the loan can form part of the security you offer" (Standard Bank), and SEDFA may hold the assets its term loans and asset finance buy as security for the loan.

Insurance and succession

- **Business cover.** Public liability insurance covering property damage or accidental injury during plumbing and gasfitting operations and comprehensive commercial motor vehicle insurance covering mobile service vans and onboard trade tools (page 65).
- **Life cover.** On the owner, for the shortfall: R243.500. The owner holds it and pays for it, so it is not a cost in the forecast.
- **Succession.** If the owner could not work for a time, the work would be contracted at R450 an hour, as the plan already does past the team's own hours (page 67); the life cover repays the shortfall on a death.

SECURITY, GUARANTEES AND DEBTS, CONTINUED

The business's debts

DEBT	OWED	RATE	A MONTH	TERM	SECURITY
The loan this plan asks for	453,500	13.3%	10,377	5 years	The equipment it buys, and the guarantees

The business's debts so far are in its accounts, which go with this plan (page 153); this loan is added to them, and the owners' money goes in as capital, not as a loan.

Sources: US Small Business Administration, SOP 50 10 8.1, Appendix 19, 2026; Standard Bank, Financial risk, and What you'll need to apply for loans or finance, 2026; Absa, Grow your business with the right funding: Business Term Loan, 2026; SEDFA, Term Loan and Asset Finance, 2026.

Three scenarios

What happens if the business does worse than planned, or better. In the cautious case the bank's lowest point is still R10.560: the funding carries it.

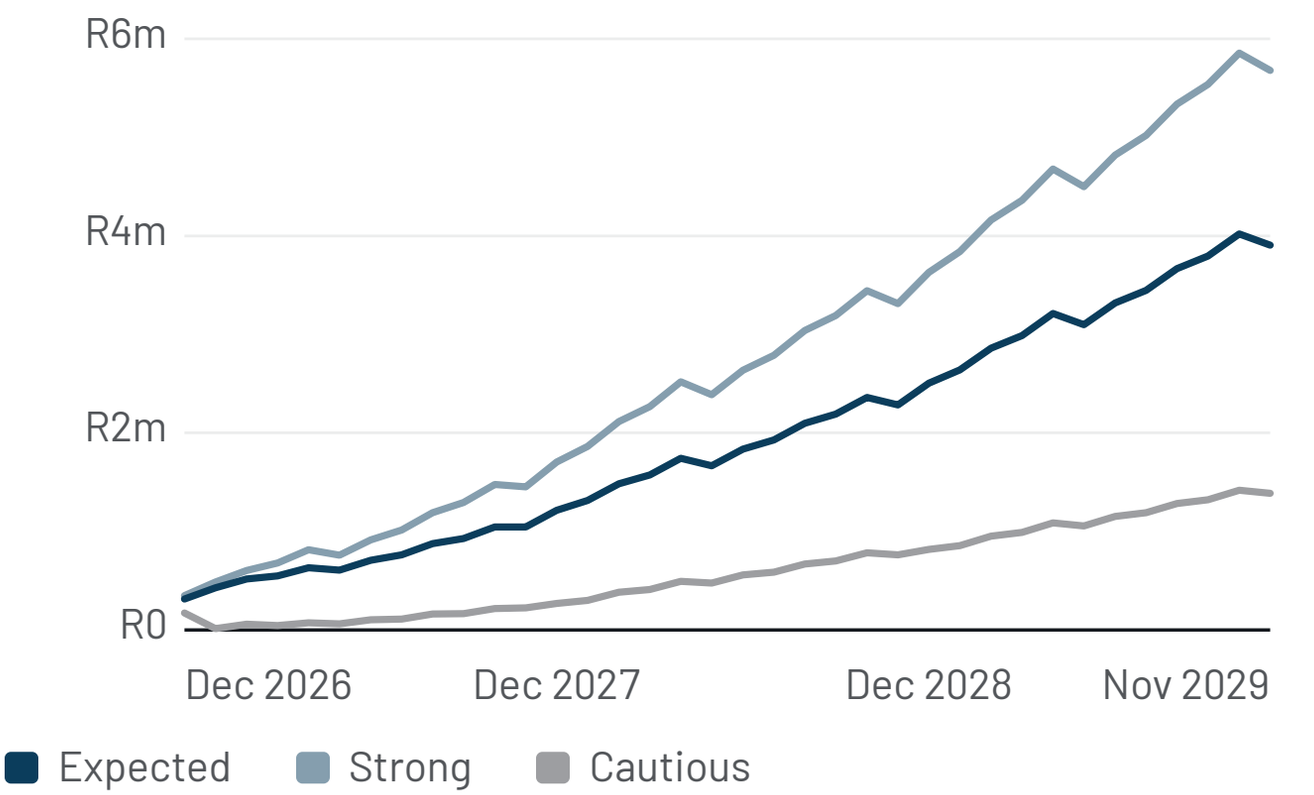
What changes

CAUTIOUS	The first customers a month late, 20% fewer won, no price rise, and paid 30 days after each bill
EXPECTED	The plan as written
STRONG	25% more customers won

	CAUTIOUS	EXPECTED	STRONG
Revenue, year 1	3,079,140	4,059,834	5,074,793
Revenue, year 2	4,394,121	5,767,284	7,209,105
Revenue, year 3	**4,840,376**	**6,670,643**	**8,338,304**
Net profit, year 1	260,170	692,191	1,090,261
Net profit, year 2	589,772	1,244,575	1,865,604
Net profit, year 3	**690,175**	**1,639,885**	**2,381,085**
Customers won in year 3	783	978	1,223

THREE SCENARIOS, CONTINUED

	CAUTIOUS	EXPECTED	STRONG
Break-even	Month 2	Month 1	Month 1
The bank at its lowest	**10,560**	**310,849**	**325,000**



Cash in the bank at each month's end, in each case

What would hurt most

Each of the cautious case's four changes on its own, set against the plan as written, and the signs the owners watch for every week. On its own, paid 30 days after each bill takes the bank lowest: to R68.304, against R310.849 in the plan.

Each change on its own, in order of how low it takes the bank

	REVENUE, YEAR 3	NET PROFIT, YEAR 3	THE BANK AT ITS LOWEST	BREAK-EVEN
The plan as written	**6,670,643**	**1,639,885**	**310,849**	**Month 1**
Paid 30 days after each bill	6,670,643	1,639,885	68,304	Month 1
The first customers a month late	6,670,643	1,639,885	172,054	Month 2
20% fewer customers won	5,336,515	1,046,924	283,090	Month 1
No price rise	6,050,470	1,193,949	310,849	Month 1
All four: the cautious case	**4,840,376**	**690,175**	**10,560**	**Month 2**

WHAT WOULD HURT MOST, CONTINUED

What the owners watch, and what they do

WHEN	WHAT THE OWNERS DO
New customers under the plan four weeks running	Move marketing money to the channels that win customers for the least, and review the offer and the follow-up.
Enquiries under the plan four weeks running	Put more into the channel that brings enquiries for the least, and answer every first contact the same day.
A customer paying after their terms	Call the day after a payment is missed, and hold the account until it is paid.
The bank heading under the reserve	Take the back-up plan's steps (page 149): hold the next hire and any pay rise, and draw less until the bank turns.
Delivery hours over the team's own two months running	Contract the overflow at R450 an hour and bring the next hire forward.

The back-up plan

If the business does not go to plan, the loan is still repaid: in the cautious case (page 145), two steps keep the next repayment in the bank every month. Without them its lowest point would be R10.560.

R10.377

REPAID EACH MONTH

R124.520 a year, for five years

R224.791

THE RESERVE

21 months of repayments

R10.560

BANK AT ITS LOWEST

with the steps, in Jan 2027

8.79×

COVER IN YEAR 3

with the steps

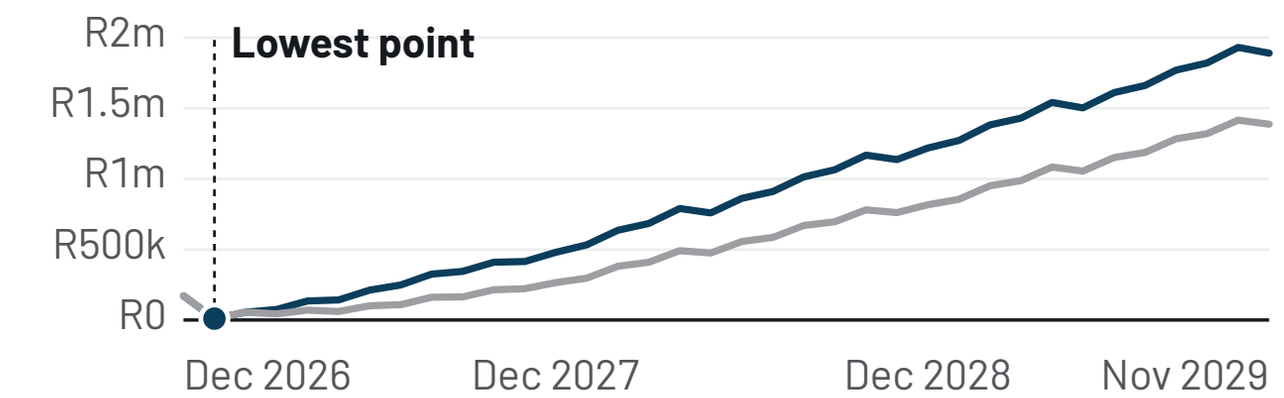
THE BACK-UP PLAN, CONTINUED

The steps, in order

THE STEP	WHAT IT MEANS HERE	SAVED
Each hire waits for the work	The qualified Plumber and Gasfitter starts in month 10 instead of 4; the plumbing Apprentice starts in month 26 instead of 10. A role starts once new customers served a month reach the number the plan hires it at, or sooner if contracting its hours would cost more than the role; until then, work past the team's hours is contracted by the hour.	418,830
Pay holds at year 1's	The owner stays on R42.000 a month, where the plan has R48.000 in year 2 and R55.000 in year 3.	233,016

Saved is the change in EBITDA over the 36 months, payroll costs included; a hire held is net of the hours contracted instead.

THE BACK-UP PLAN, CONTINUED



Cash in the bank at each month's end in the cautious case, worked out month by month as the forecast is

The repayments, with the steps

	LOAN PAYMENTS	EBITDA	COVER
Year 1	124,520	619,049	4.97×
Year 2	124,520	1,043,937	8.38×
Year 3	124,520	1,094,651	8.79×
Year 4	124,520	1,094,651	8.79×
Year 5	124,520	1,094,651	8.79×

Cover is the year's EBITDA over its interest and repayments; where it is under 1.00×, the reserve pays the rest. Years 4 and 5 hold year 3's EBITDA with the steps, with no growth.

THE BACK-UP PLAN, CONTINUED

Why it is realistic

- Every step is the owners' own and needs no one else's money: no new loan, no investor, no household income.
- The owners read new customers served and the cash balance every week on the weekly graphs (pages 88–93), so each step is taken when the figures show it, not on a date.
- The funding (page 138) is sized on this case as well as the expected one, and keeps a reserve of two months' fixed costs for a slow start.

What goes with this plan

Where this plan answers the sections of Standard Bank's business plan template, and the papers a lender in South Africa asks for with it, ticked where this plan holds them.

The sections of Standard Bank's business plan template

WHAT IT COVERS	IN THIS PLAN
Executive summary	**Page 9**
Business description	**Pages 13 and 39**
Mission statement	**Page 13**
Market opportunity	**Pages 23 and 27–32**
Business strategy	**Pages 16, 35 and 73**
Marketing plan	**Pages 47–55 and 58**
Operational plan	**Pages 43 and 63–68**
Financial overview: Start-Up Expenses	**Page 95**
Determining start-up capital	**Pages 117 and 138**
Cash flow	**Pages 117–124**
Income projection statement	**Pages 107–116**

WHAT GOES WITH THIS PLAN, CONTINUED

WHAT IT COVERS	IN THIS PLAN
Profit and loss statement	**Page 105**
Balance sheet	**Pages 124–131**

The papers that go with it

- [x] **A business plan, with sales and purchases budgets, a projected income statement and what the money is for**
  In this plan, pages 9, 103–106 and 138 · asked for by Standard Bank
- [x] **A cash flow forecast for at least the next 24 months**
  In this plan, pages 117–124 · asked for by Standard Bank
- [x] **The break-even point and the cash margin of safety, which the bank prefers at 20% or more, and back-up plans**
  In this plan, pages 135 and 149 · asked for by Standard Bank
- [ ] **Financial statements and management reports**
  From the accountant · asked for by Standard Bank
- [ ] **Six months' business bank statements**
  From the owners · asked for by Standard Bank
- [ ] **The director's statement of assets and liabilities, and a spouse's if married in community of property**
  From the owners · asked for by Standard Bank, NEF

WHAT GOES WITH THIS PLAN, CONTINUED

- [ ] **What the owner puts in, and from where: never other loans**
  From the owners · asked for by Standard Bank
- [ ] **Collateral details and a signed suretyship form**
  From the owners · asked for by Standard Bank
- [ ] **Certified IDs, company registration papers and a CV**
  From the owners · asked for by NEF
- [ ] **Credit bureau checks on the business and its owner**
  From the lender · asked for by Standard Bank

The request, in one place

The loan Page 138

R453.500 over five years at about 13.3% a year

Repaid Page 138

R10.377 a month, R124.520 a year

What it pays for Page 95

Equipment, R280.000; other start-up costs, R15.000; and working capital and a reserve of two months' fixed costs, R310.000

The owners put in Page 95

R151.500, 25% of the R605.000 the start needs

WHAT GOES WITH THIS PLAN, CONTINUED

Security Page 141

R210.000 at the SBA's rates, with the owner's guarantee and life cover for the shortfall

Cover Page 131

13.58× in year 2 and 17.84× in year 3, against the SBA's 1.15× test

If it does not go to plan Page 149

In the cautious case the owners' steps keep every repayment paid

Sources: Standard Bank BizConnect, Business plan template; Standard Bank, What you'll need to apply for loans or finance, 2026; Standard Bank BizConnect, Checklist: Documents for your business loan application; Standard Bank, Financial risk, 2026; National Empowerment Fund, How to apply for Funding: document checklist, 2025.

How the forecast is built

The forecast is built from the bottom up, month by month, for 36 months from Dec 2026. The marketing done each month brings enquiries at each channel's rate; enquiries become customers at its close rate; customers choose packages in the plan's mix, pay for each package upon completion of the job.

The work's hours are delivered by the owners and the team first, and contracted at R450 an hour beyond them. Prices rise 5% a year from year 2, wages and costs 3%.

Equipment is written off over its life; other start-up costs fall in month 1. Tax is provided at the small business corporation rates on each year's profit after losses carried forward, and paid on the dates under the monthly cash flow. Every figure is in rand and before VAT, which the cash flow and balance sheet carry on lines of their own.

The funding is sized on two tests: in the expected case the bank never holds less than a reserve of two months' fixed costs, and in the cautious case it still holds the next repayment with the back-up plan's steps (page 149), each from the month its figure is reached. The cautious case's sizes (page 145) are the plan's own. The loan is repaid in equal monthly instalments of principal and interest.

HOW THE FORECAST IS BUILT, CONTINUED

Words used in this plan

EBITDA
Revenue less the costs of running the business: profit before interest, tax and depreciation.

Break-even
The first month EBITDA is positive and stays so.

Debt service cover
How many times a year's EBITDA covers the loan's interest and repayments.

Gross margin
Gross profit as a share of revenue: what is kept of each sale after the cost of delivering it.

Net margin
Net profit, after every cost, interest and tax, as a share of revenue.

Cost to win a customer
Marketing and the launch, divided by the new customers won.

A customer's value
What a customer adds, after their own costs: their one-off sales.

One-off sale
A package paid for once, upon completion of the job.

The reserve
The months of fixed costs the bank never falls below.

HOW THE FORECAST IS BUILT, CONTINUED

Proposed scale
A graph's scale, set from the lowest a week can be expected to go and the highest the plan expects over 13 weeks, and held until a week goes past it.

Sources

1. Statistics South Africa, Mid-year population estimates 2026 (P0302)
2. National Treasury and SARS, Tax Statistics 2025, companies assessed for the 2023 tax year
3. Australian Bureau of Statistics, Counts of Australian Businesses
4. Wikimedia, English Wikipedia page views
5. SARS, Register for VAT, Tax periods for VAT vendors, and Obligations of a VAT vendor, 2026
6. SARS, Companies, Trusts and Small Business Corporations (SBC) rates, Provisional Tax, and Guide for Provisional Tax (GEN-PT-01-G01), 2026
7. US Small Business Administration, SOP 50 10 8.1, Appendix 19, 2026
8. Standard Bank, Financial risk, and What you'll need to apply for loans or finance, 2026

SOURCES, CONTINUED

9. Absa, Grow your business with the right funding: Business Term Loan, 2026
10. SEDFA, Term Loan and Asset Finance, 2026
11. BDC, Financial ratios: 4 ways to assess your business, 2026
12. Standard Bank BizConnect, Business plan template
13. Standard Bank, What you'll need to apply for loans or finance, 2026
14. Standard Bank BizConnect, Checklist: Documents for your business loan application
15. National Empowerment Fund, How to apply for Funding: document checklist, 2025
16. David Skok, Startup Killer: the Cost of Customer Acquisition, forEntrepreneurs, 2009
17. World Bank, World Development Indicators: official exchange rates, 2025

About the projections

This plan contains projections. They are estimates made on the assumptions in section 07, not promises of results, and actual results will differ. The plan is not financial, legal or tax advice; anyone lending to, investing in or relying on the business should take their own.

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Large print edition, set in Barlow at 18 pt.