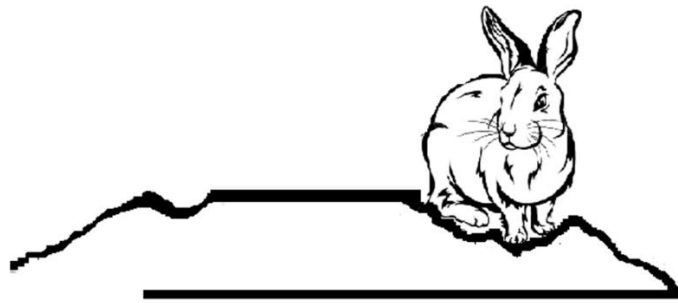


BUSINESS PLAN

DELEAH AGRI Pty (Ltd)



Compiled by : Deon van Vuuren & Nathan Leach

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COMPANY DETAILS

REGISTERED NAME:	DELEAH AGRI PTY (Ltd)
DIRECTOR(S):	Deon Jacques van Vuuren Nathan Alan Leach
REGISTRATION NUMBER:	2015 / 446183 / 07
BUSINESS ADDRESS:	15 Tarentaal Way Melkbosstrand Cape Town, 7441 South Africa
POSTAL ADDRESS:	15 Tarentaal Way Melkbosstrand Cape Town, 7441 South Africa
MOBILE NUMBER:	Deon van Vuuren: +27(0)823383080 Nathan Leach: +27(0)766014734
E-MAIL ADDRESS:	ks_savage@yahoo.com leachnathan@yahoo.com

EXECUTIVE SUMMARY

The purpose of this business plan is to raise **USD 3 750 000 (three million seven hundred and fifty thousand dollars)** to establish a turnkey Rabbitry farming operation in the Western Cape.

The business plan will demonstrate the viability of the business as well as its ability to repay the loan over a 12 year period.

Our marketing strategy and objectives is integrated into this business plan.

DELEAH AGRI (Pty) Ltd. is registered as a private company with two Directors; Deon Jacques van Vuuren and Nathan Alan Leach.

PRODUCTS AND SERVICES

The core of our project will be the production of Rabbit meat commercially for the **export market**, and eventually domestic market.

The project is Agricultural based. It is a fairly new concept in the South African Market with very little competition.

The project will be supported by **Coniglio Rabbit Meat** with whom a contract will be signed for not less than 10 years of production with the option of further expansion and new contracts.

DELEAH AGRI will be contracted as a contract farming enterprise.

MANAGEMENT TEAM

The business will be managed by the two directors, Deon Jacques van Vuuren and Nathan Alan Leach.

FINANCING

The owners are seeking to raise the USD 3 750 000 needed from international investors as a loan. The interest rate and loan agreement are to be further discussed during negotiation. This business plan assumes that the business will receive a 12 year loan with a 6% interest rate on USD.

EMPLOYMENT OF FUNDS

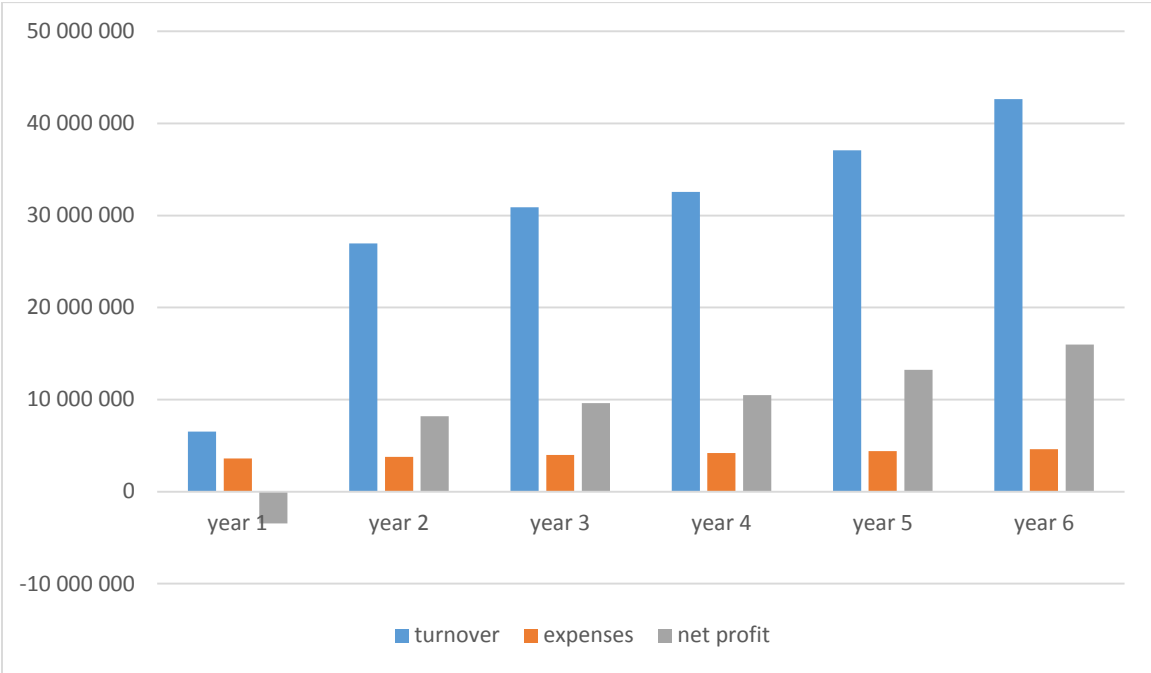
Funds will be utilized to purchase suitable farmland in the Western Cape region, as well as finance the complete turnkey operation.

SALES GRAPH

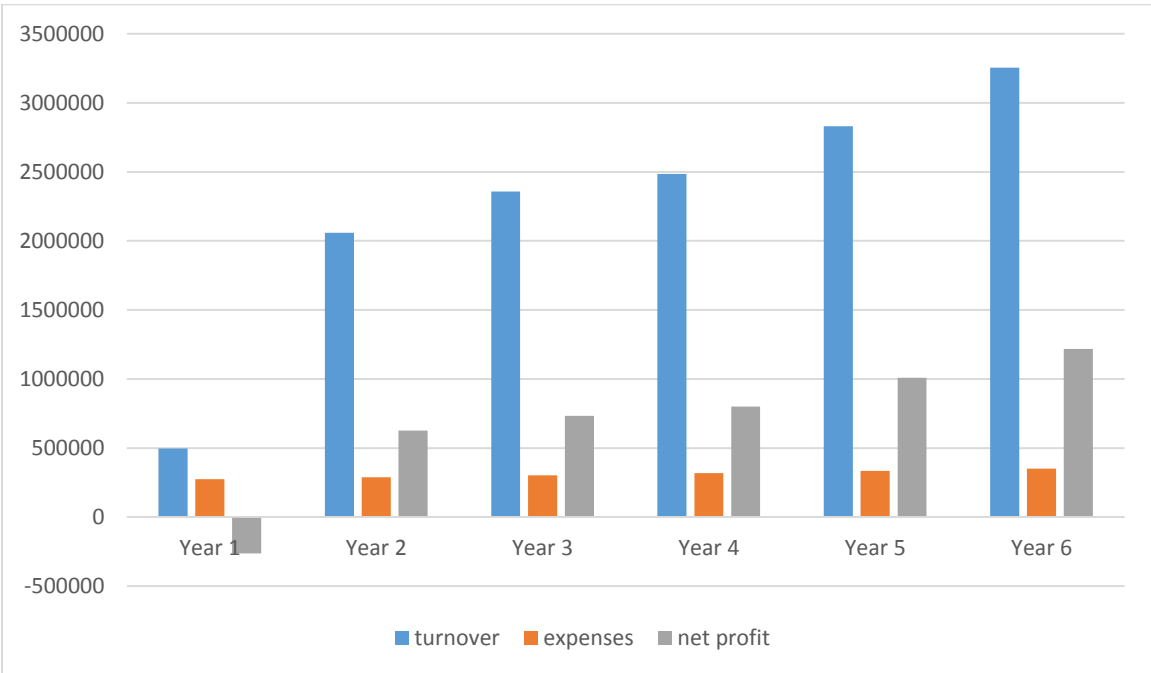
YEAR		TURNOVER	EXPENSES	NET PROFIT
1	R USD	6 509 581 496 915	3 605 180 275 196	(3 454 697) (263 709)
2	R USD	26 959 405 2 057 969	3 785 439 288 956	8 198 220 625 822
3	R USD	30 884 615 2 357 604	3 974 711 303 404	9 616 617 734 100
4	R USD	32 561 408 2 485 603	4 173 446 318 574	10 474 751 799 606
5	R USD	37 073 116 2 830 008	4 382 119 334 502	13 231 209 1 010 023
6	R USD	42 634 083 3 254 509	4 601 225 351 228	15 958 185 1 218 190
7	R USD	49 029 196 3 742 686	4 831 286 368 789	18 954 285 1 446 900
8	R USD	56 383 575 4 304 088	5 072 850 387 228	22 482 553 1 716 234
9	R USD	64 841 112 4 949 702	5 326 493 406 590	26 469 970 2 020 617
10	R USD	74 567 278 5 692 157	5 592 817 426 919	31 177 870 2 379 999
11	R USD	85 752 370 6 545 980	5 872 458 448 265	36 678 241 2 799 875
12	R USD	98 615 226 7 527 878	6 166 081 470 679	42 980 582 3 280 970

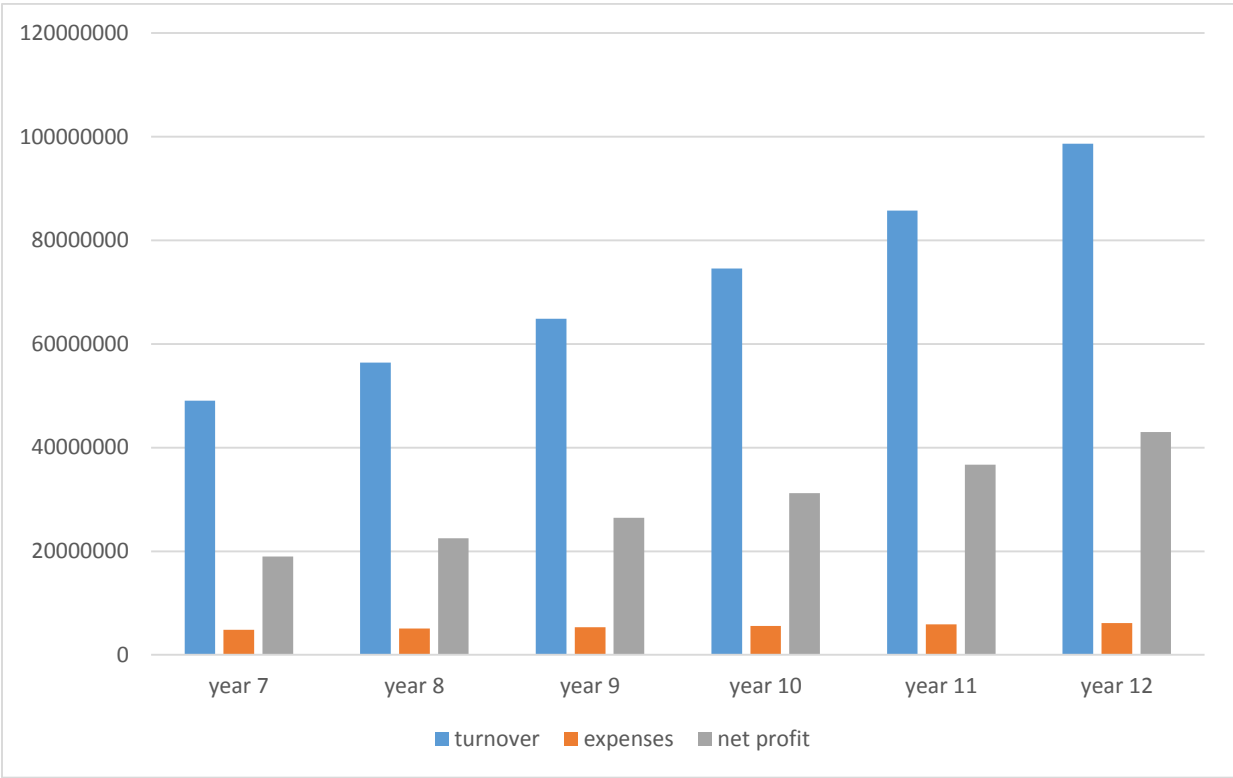
DELEAH AGRI Pty (Ltd) is prepared to offer the investor a 15% equity share in the venture over the term of the Loan (12 years) – based on Net Profit earned.

ZAR

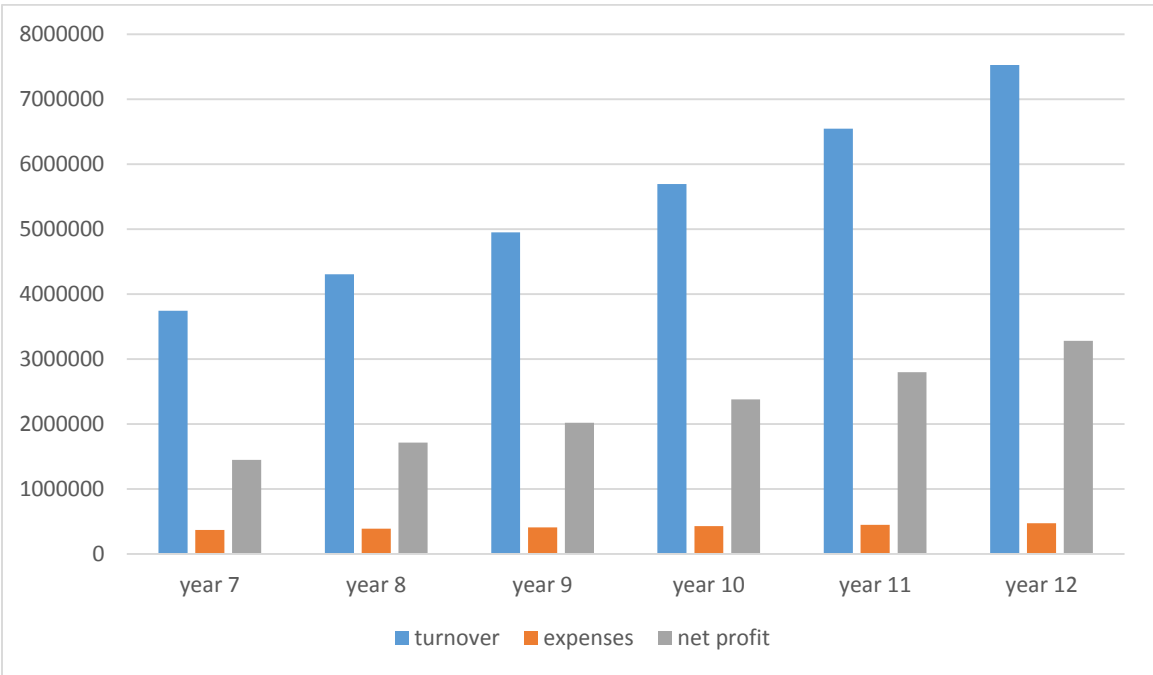


USD





USD



BREAKEVEN ANALYSIS – FIRST YEAR

Average Gross Sales: R258 165

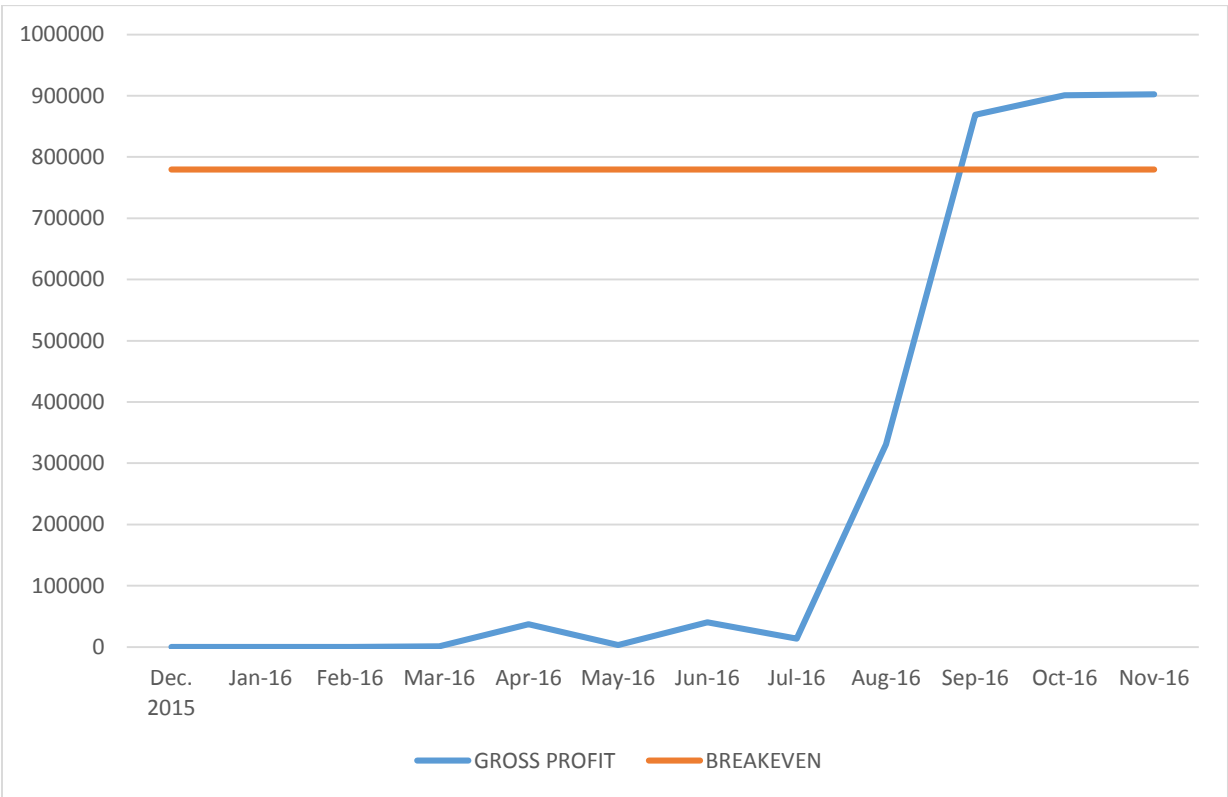
First year financials: Gross Profit R3 097 983 / 12

The business will reach breakeven point at Gross sales of: R779 818

First year expenses: R 3 605 180/ 12 = R300 431 + loan repayment: R 479 386

Margin of Safety: (R521 652)

Average Gross Sales R 258 165
 Minus breakeven: R 779 818



BREAKEVEN ANALYSIS – FIRST YEAR

Average Gross Sales: USD19 707

First year financials: Gross Profit USD236 487 / 12

The business will reach breakeven point at Gross sales of: USD59 527

First year expenses: USD 275 204/ 12 =

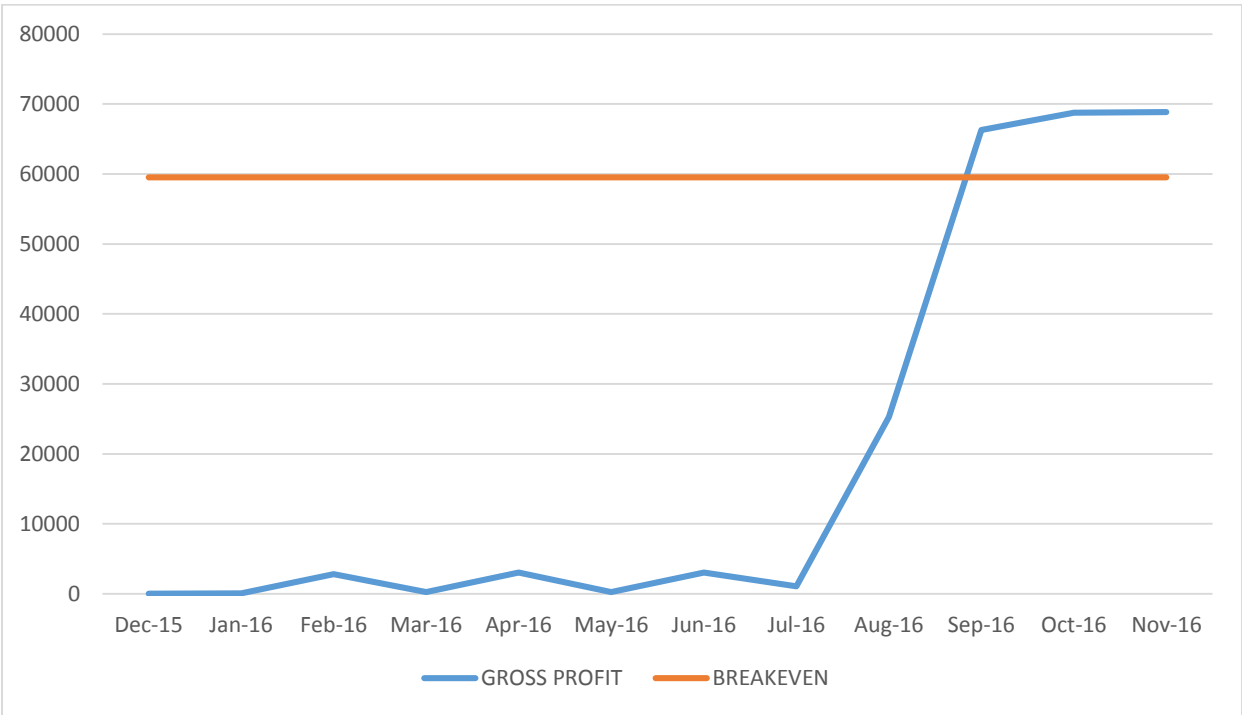
USD 22 933 + loan repayment: USD 36 594

Margin of Safety: (USD39 820)

Average Gross Sales USD 19 707

Minus breakeven: USD 59 527

USD



GOALS AND OBJECTIVES

SHORT TERM GOALS

- Secure and purchase agricultural zoned property to meet our requirements (Suitable hectare size, geographically zoned for transport purposes, not have had any micro-livestock production in the last 5 years, preferred with no existing permanent structures for keeping livestock in, with or without established irrigated cropping fields)
- Have completed the erecting and building of all breeding and grower housing facilities within 9 weeks after property registration and transfer. (This includes all watering systems, cage tiers and electrical installations in each building.)
- Have completed building of the sewerage and black water drainage system as well as the manure handling facility by the time the last stock shed is completed.
- The unit perimeter fencing be completed before the first breeding stock arrives into the unit.
- Achieve our first marketing sales of rabbits by middle of August 2016, with continuous weekly sales thereafter.
- Ensure by the end of the first year of operations that all aspects towards the farming activity are in place to reduce costs and improve profitability i.e. Wind turbines for electricity generation, solar powered borehole pumps, rain water harvesting facilities completed, established sufficient Lucerne pastures.
- That all employed staff are or have been trained and received their respective training completed, to meet the operational standards required to achieve productivity and profit.

LONG TERM GOALS

- Have our company reach status of largest commercial rabbit meat producer in South Africa, Africa as a whole, by the end of the second year.
- Encompassing latest technology in feed production. Invest of our profits towards a feed mill, producing our own pelleted feed for our own requirements and for sales targeting the rural subsistence farmer and their rabbit projects. (This would cut our immediate feed costs down by 23 - 28% annually) Dependent on availability of raw material, minerals and costs
- Establish 180 hectares of irrigated white and yellow maize crop. This would yield sufficient maize stock per annum for feed requirements and processing in the mill. (if we do not have the required size maize land available, there is the option of leasing such land for the purpose of growing our maize for feed production)
- Gear our production facility towards automated feeding systems.

- Expand our production facility by an extra 1000 Doe's by year end 5. We feel that this would be wise, so that by the time the market swings favorably towards rabbit consumption domestically and in our supermarkets, we have meat available to service that consumer market without breaking our contractual agreement with our contracting company.
- Be in a position to facilitate further educational, training, field days and workshops for emerging farmers that wish to enter the market of rabbit meat production, this in conjunction with our contractor to further drive the rabbit meat industry towards domestic markets and further export products.
- Have the ability to assist with upcoming young veterinarian students for internship periods of hands on experience with micro agriculture. A source of labor that is not costly to the company, but beneficial for the company in that the latest technical advancements in micro animal breeding is shared for further advancements.
- To eventually adopt complete Artificial Insemination over the whole breeding herd. Artificial insemination in rabbits at this point is still in its infancy and not viable to production, especially with only averaging a conception rate of 79% of the females inseminated as opposed to a natural service program where 90 -92% conception is achieved. In order for us to adopt such a program, it will require intensive training and that artificial insemination has been further developed in technique to ensure better conception rates for viability of the procedure and operation. This will also have a further positive influence on the decrease in costs towards labor, feeding, veterinary, replacement bucks and possible disease minimizing from constantly numerous cross copulations within the herd.
- An interest towards development, through trials with utilizing rabbit manure as an alternate feed source for free range pork production (Much the same as where chicken litter is being used in Cattle feeding regimes with feedlot fattening) However, this production of free range pork will not come into direct competition with our rabbitry, but will fill in a niche market that is fast growing amongst the consumers of free range products, i.e. free range eggs, free range chicken, Turkey, Duck, Lamb and venison products. Reputable affluent supply stores in South Africa can't get enough of free range stock and product in, the market is always available, as long as the product can be passed as hygienically processed and that the animal has not been processed, reared or treated inhumanly in its productive life.

A small farm abattoir, to facilitate the ease of processing rabbits and pork will be established, this also passed by the South African health inspectors and inspected at regular intervals for the handling of fresh meat produce, so that we can market direct to the consumer or more affluent food retail outlets and restaurants. This will also provide employment opportunities amongst our rural community and very much needed rural domestic income for rural economic viability

- Establish a small herd of Stud Breeding Cattle (Simmentaler & Beefmaster) Bulls and Heifers being bred for sales on auction to commercial Beef Ranchers.
- To increase the efficiency of our production by 10% a year.

KEY VALUES

To accomplish our mission we will strive towards the following:

- To position ourselves to take advantage of strategic opportunities and/or innovation that enables us to maximize profitability. By being a profitable business and striving for excellence, we will also benefit our area businesses and the community in general.
- We will take care of the needs and welfare of every rabbit in our production facility, ensuring a stress free production environment and the very best stockman-ship practices are maintained and given to the core of our business – our Rabbits.
- We will use environmentally sound methods in handling all of our resources and practices.
- We will seek excellence in all that we do. We will use all of our abilities to prevent problems instead of reacting to them.
- We will expand in a fiscally responsible way.
- We will foster team work, with the goal of enjoying what we do.
- We will recognize and prioritize the safety and welfare of every employee and every animal.
- Strive to remain an economically viable agricultural business. We want to control costs and
 - Lower the debt-to-asset ratio while keeping profits and returns in double-digit figures. Risk management will remain a top priority. To have the ability to anticipate and effectively respond to change and to challenge ourselves to better our business.
- To be perceived as being the best Commercial Rabbitry farm in South Africa, if not Africa.
- Operate effectively and efficiently as a producer of live rabbits for the rabbit meat industry and conduct business both responsibly and profitably, to benefit stakeholders in our business. We are committed to being a low-cost producer maintaining long-term growth.
- Exhibit honesty, integrity and transparency in all aspects towards the business development and business transactions.

SOCIO ECONOMIC DEVELOPMENT

Assist with setting up self-sustainable initiatives and projects with local rural population towards rabbit meat production, for own consumption and for extra income. Project to encompass strategy towards rural subsistence farmers producing rabbit meat and we buy back excess slaughter stock. (This can be an incentive scheme targeted at our immediate employees who will then have the experience and knowledge of basic rabbit farming)

Our goal is to Gear our production facility towards automated feeding systems. This will reduce labor cost substantially, increase production and profitability.

This will have a positive effect on our bottom line profit.

We will not leave any of our seasoned, trained and loyal labor force without any source of income, and as such the question of unemployment will be addressed in the following manner: We will make available for them the option towards self-sustainability with our incentive scheme towards rural subsistence rabbit production. Assisting them on buy back scheme, which keeps them self-employed and brings in income.)

Education promoting will be a very huge driving factor amongst our employees and their immediate families. By year end six of our project, we will have attained a constant continuous maximum production or bettered and would like to have in place a scholarship fund, from where we as the company can effectively finance young and upcoming students from amongst our rural community, towards secondary and tertiary educations with the aim of creating the opportunity for that student to focus on an agricultural diploma or degree and follow a career in agriculture. Commercial farming is fast becoming a dying industry, and so are up-coming emerging farmers from our youth. Our generation of children have no concept to what's involved and how much hard work goes into producing the plate of food that they eat from, there is also the unfortunate perception that farming is for the poor people and peasants and the youth in general have no idea where their food comes from. Again, it's one of those sayings of the minority feeding the majority. What are we going to face when the minority decide that they can't feed that majority, with their hard work and dedication towards ensuring food security and production??

DELEAH AGRI through its contract with Coniglio, can contribute greatly to the industry initiative by providing a platform that did not exist in the past.

In view of the **less than desirable Socio economic conditions** in our country and the huge gap between rich and poor, South Africa ranks as one of the most unequal countries in the world. This is a direct result of the apartheid laws instituted from 1948-1994. Much of the country's inequality stems from apartheid's effect on different races, but other factors also play an important role.

Our aim is to equipping these **marginalized individuals** or "school dropouts" with the necessary skills that will enable them to be employed in the commercial sector or to become entrepreneurs in their own right.

Our objective is to equip each person with a "**SKILL FOR LIFE**", turning them into proud, productive and dignified citizens.

BACKGROUND

In 2007 in South Africa, 2.8 million 18–24-year-olds (out of a total population of 48 million) were classified as being “not in education, employment or training” (or, NEET). Almost 1 million pupils needed multiple second-chance opportunities to complete school, while 800,000 who had obtained a final school leaving certificate required further education and training, and 1 million sought various employment, training and youth service opportunities. The situation is not improving, with the latest survey suggesting that the NEET figure now stands at 3.5 million!

This situation not only reflects a critical waste of talent but the possibility of serious social disruption and increase in crime and violence. A high proportion of young people were involved in the service delivery protests that hit the country in 2010.

Lack of educational opportunities:

Almost 1 million students leave school on completing grade 10 rather than grade 12. They represent an enormous waste of educational resources and also seem to be those most vulnerable to unemployment. They are clearly in need of a wide variety of “second chance” school opportunities, which should definitely include expansion of the further or post-school education sector.

Arguably even more alarming is the plight of the 750 000 students who complete grade 12 but are then unable to enhance their education any further. In terms of educational efficiency, they represent both a shocking “wastage of educational investment” and a missed opportunity, given that the South African Labour and Development Research Unit noted a marked increase in the rate of return on any form of post-school investment.

Exploring possible solutions

South Africa, like most other sub-Saharan African countries, has no significant post-school college sector linked to training schemes and employment opportunities. Although this kind of sector would potentially cater for “post-secondary” students, the present public higher education system (with some 800,000 enrolments) would have to be doubled in size to accommodate them. Such a sector could not therefore serve as a college system for university access, as the universities would not have the physical and human resources to cope with the influx.

The identification of 2.8 million young people between the ages of 18 and 24 who are not in education, employment or training (NEET) provided a reality check in assessing the performance of the education and training system as a whole.

This is where **DELEAH AGRI** aims to fill the gap.

While South Africa is not alone in confronting the problem of high levels of youth unemployment, its future is clearly in jeopardy when almost half (42%) of this age group have no prospects of becoming productively engaged in society.

General **Unemployment hovers at around 25% in SA**, and there was a large pool of unskilled labour which allowed mining and agriculture to follow a model of labour-intensive, low-income work.

"We haven't skilled our population properly over the last 18 years and our economy has moved towards trade, services and retail," according to Ms Holburn (ACT Government).

Inequality damages economies, is divisive and can lead to social unrest, according to Oxfam International.

SA is one of the world's most unequal societies, with a Gini coefficient of 0,63 in 2011 — a coefficient of zero means a country has complete equality and all households earn exactly the same.

"Whilst a certain level of inequality may benefit growth by rewarding risk takers and innovation, the levels of inequality now being seen (globally) are in fact economically damaging and inefficient," Oxfam said in a report released on the eve of the World Economic Forum in Davos.

The charity said the poorest people in the world could be lifted out of poverty several times over should the richest 100 billionaires give away the money they made last year.

"They limit the overall amount of growth, and at the same time mean that growth fails to benefit the majority. Consolidation of so much wealth and capital in so few hands is inefficient, because it depresses demand," the report, titled *The Cost of Inequality: How Wealth and Income Extremes Hurt Us All*, said.

"In SA inequality has gone up in the last 20 years, despite government's efforts (to reverse this trend)," he said.

Oxfam noted the World Economic Forum is highlighting inequality as one of the top global risks of 2013 and the International Monetary Fund terms inequality dangerous, divisive and a possible **route to civil unrest**.

VISION STATEMENT

As a team, we will achieve aggressive growth and fair return for our Investors, our company, our employee's and our community. We will accomplish this by exceeding the expectations of any and all domestic competitors in the production of rabbit meat, while conserving resources and preserving the quality of the environment. **DELEAH AGRI** will support these goals with a corporate philosophy of adhering to the highest ethical conduct in all its business dealings, treatment of its employees, and social and environmental policies

MISSION STATEMENT

To effectively produce a healthy and safe food product for food security, maximize profitability, and maintain our rural heritage and in keeping to our main objective in being the leading commercial producer of rabbit meat in South Africa, thereby building on our strong reputation, we will continue to grow our business and our people to ensure long-term success

COMPANY PROFILE**DEON JACQUES VAN VUUREN – DIRECTOR****EDUCATION**

- Diploma in Animal Husbandry
- National Technical Certificate (NTC) 3
- A.E.B. ‘O’ Levels – 1984 – Zimbabwe
- A.E.B. ‘M’ Levels – 1985 – Zimbabwe
- A.E.B. ‘A’ Levels – 1986 - Zimbabwe
- Cambridge Certificate – English Language - 1984 - Zimbabwe
- Matric - 1986 - Messina - South Africa

Qualified Fitter & Turner – 1991

Diesel / Petrol Engine Mechanical Experienced

CPO / US Marines Combat Medic Qualified

Ex-Med FPOS - I Medical Qualified

SECURITY INDUSTRY

Personal Protection Specialist

(VIP Consulting)

PSD Operator

Convoy Commander

Personal Security Detail (PSD) Team Leader

Security Operations Manager

Site Security Manager

HOSTILE ENVIROMENT WORK EXPERIENCE - IRAQ

November 2004 – to date Senior Site Security Manager/G4/G6 & Mt
Olive Group Security – Taaz Security

PREVIOUS AGRICULTURAL EXPERIENCE

Feb 1992 – May 1995 Assistant Farm Manager
Les De Jager – Lesdor Investments (Lion’s Den Harvesters), Chinhoyi, Zimbabwe.

DUTIES**TOBACCO** – 72 Hectares (178 Acres)

- Seed bed Preparations
- Planting
- Curing
- Grading

SOYA BEANS – 1200 Hectares (2965 Acres)

- Land Prep
- Fertilizing
- Planting
- Irrigating
- Harvesting

MAIZE – 4800 Hectares (11861 Acres)

- Land Prep
- Fertilizing
- Planting
- Irrigating & Dry Land
- Harvesting

WHEAT – 1200 Hectares (2965 Acres)

- Land Prep
- Fertilizing
- Planting
- Irrigating
- Arial Crop Spraying
- Harvesting

MANAGER OF WORKSHOPS

Labor Control – 130 General Workers – Paymaster

Handling of 5 000 head of beef cattle & 150 sow piggery unit, whilst section managers were on leave.

DOUGLAS & LYN BEAN

June 1995 – May 1998

Douglyn Farms Pvt (Ltd) Shamva, Zimbabwe

Piggery & Farm Livestock Manager

Gilt Edge Piggery = managed 800 Sow Piggery Unit.

Oversee and perform daily chores in Piggery

- Feeding
- Checking waters
- Sow condition
- Environment
- Monitor whole herd health
- Perform daily heat checks on sows and gilts
- Perform daily AI on sows and gilts
- Manage gilt inventory and gilt flow
- Determine cull sows, porkers and baconer sales and transportation

- Maintain unit cleanliness
- Monitor all breeding of Boars, Sows and Gilts
- Coordinate pre-farrow and post-farrow sow movements
- Assist farrowing personnel with farrowing & weaning days when necessary
- Monitor and order medication and supplies
- Routinely check and repair facilities and equipment
- Schedule all daily, weekly, and monthly tasks
- Monitor Manure pit status and timely removal of effluent
- Maintain and submit accurate whole farm production records weekly including computer breeding program
- Manage and perform autopsies on dead pigs and removal of carcasses
- Manage and evaluate all employees and complete employee performance evaluations
- Gilt & Boar Development
- Maintain vaccination schedules
- Monitor Piggery health status
- Organize gilt & boar scheduling, delivery and movements of sales

Manage & Maintain a Beef Cattle herd of 1 200 head

- 2 weekly dipping regime
- Assist cows with calf dropping problems
- Vaccinate all animals according to vaccination schedules
- Branding, dehorning and castrating of calves
- Maintain general herd health
- Muster for Market sales and delivery to abattoir
- General paddock & veld management

ANGLO-AMERICAN FARMS SOUTH AFRICA– SOETVELDE FARMS

July 1998 – Dec 2001

Magaliesburg Sire Line Unit – 800 Sow Unit.

- Oversee and perform daily chores
- Feeding
- Checking waters
- Sow condition
- Monitor whole herd health
- Perform daily heat checks on sows and gilts
- Responsible for all semen collection & processing
- Perform daily AI on sows and gilts
- Manage gilt & boar inventory and gilt flow
- Determine cull sows, cull boars and baconer for market and transportation
- Maintain unit cleanliness
- Monitor semen delivery, inventory and expiration date
- Coordinate Farrowing, pre-farrow and post-farrow sow movements
- Assist farrowing personnel with farrowing & weaning days when necessary
- Monitor and order medication and Feed supplies
- Routinely check and repair facilities and equipment
- Schedule all daily, weekly, and monthly tasks
- Monitor working condition on back-up generator
- Monitor manure pit status and timely removal of effluent
- Maintain and submit accurate whole farm production records weekly and monthly
- Manage and perform autopsies on dead pigs & removal of carcasses
- Manage and evaluate all department employees and complete employee performance evaluations
- Gilt & Boar Development
- Maintain vaccination schedules and implement
- Monitor health status
- Maintain isolation/acclimatization of gilts & Boars
- Organize gilt & Boar scheduling, delivery and movements to clients.
- Prepare all semen for client sales
- Determine annual & monthly budgets
- Assist employees with time management and production skills development
- Address any performance or attendance problems for employees and perform necessary discipline actions
- Maintain all applicable bio-security measures, kept in place and followed
- Chair staff meetings and training meetings as scheduled
- Report to Regional Director of Piggeries for Anglo American Farms

RICA MEATS – Richard Haas – Rica Farms – Magaliesburg, South Africa**January 2002 – May 2004****Piggery & Farm Manager – 600 Sow Unit**

Oversee and perform daily chores

- Feeding
- Checking waters
- Sow condition
- Environment
- Monitor whole herd health
- Perform daily heat checks on sows and gilts
- Monitor all servicing of sows & gilts
- Manage gilt & boar inventory and gilt flow
- Determine cull sows, cull boars and baconer for market and transportation
- Maintain unit cleanliness
- Coordinate Farrowing, pre-farrow and post-farrow sow movements
- Assist farrowing personnel with farrowing & weaning days when necessary
- Monitor and order medication and Feed supplies
- Routinely check and repair facilities and equipment
- Schedule all daily, weekly, and monthly tasks
- Monitor manure pit status, slurry dams and timely removal of effluent
- Maintain and submit accurate whole farm production records daily, weekly & monthly
- Manage and perform autopsies on dead pigs & removal of carcasses
- Manage and evaluate all department employees and complete employee performance evaluations
- Sow, Gilt & Boar Development
- Maintain vaccination schedules and implement
- Monitor health status
- Maintain isolation/acclimatization of gilts & Boars
- Determine annual & monthly budgets
- Assist employees with time management and production skills development
- Address any performance or attendance problems for employees and perform necessary discipline actions
- Maintain all applicable bio-security measures, kept in place and followed
- Chair staff meetings and training meetings as scheduled
- Report to CEO of Rica Meats

Feed Mill

- Ordering in of all feed raw material
- Ensure that multiple feed types are correctly milled, mixed and that feed recipes are followed
- Keep stock taking of feed monthly
- Ensure timely delivery of feed to piggery

General Farm Management

- Responsible for entire farms security.
- Maintenance of the Fencing, fallow lands that were leased out, boreholes, slurry dams.
- Mayor of the Farm employees living establishment.
- Attend all regional Farmers meetings

NATHAN ALAN LEACH – DIRECTOR**EDUCATION**

Last School Attended: Tableview High School, Cape Town.
 Highest Grade Passed: Matric
 Year: 2009

Elsenburg Agricultural Training Institute : 2010-2013

- Animal health
- Pasture management
- Mechanical engineering
- Veld management
- Dairy production
- Beef production
- Farm accountancy
- Welding and metalworking.
- Sheep production
- Soil classification

Cape Peninsula University of Technology: 2012-2014

Mechanical Engineering; S3 level

UNISA: 2014 – Too Current

Studying towards National Electrical Engineering Diploma.

Other Certified Qualifications:

Qualification attained: Advanced Cardiac Life Support
 Year completed: 2013
 Institution: P.E.C Cape Town

Qualification Attained: Basic Life Support for HCP
 Year completed: 2013
 Institution: P.E.C Cape Town

Qualification: Rigging and slinging
 Year completed: 2013
 Institution: Primeserv Cape Town

Qualification attained: Working at Heights
Year completed: 2013
Institution: Primeserv Cape Town

Qualification: Fire Fighting
Year completed: 2013
Institution: Primeserv Cape Town

Supplemental HSE course done online through Summit training:

- Accident investigation: determining the root cause.
- Accident investigation for healthcare.
- Accident investigations.
- Electrical safety.
- Electrical safety-Safe work practices.
- Eye safety
- Fire prevention and protection.
- Fire safety.
- Food safety and sanitation.
- H2S safety
- HACCP
- Hazard communications.
- Industrial ergonomics
- Personal protective equipment.

Farm work experience: In Study breaks

- Assisting in daily running the family farm
- Morning and evening milking,
- Accurate record keeping.
- Maintenance of milking machines
- Maintenance of farm vehicles
- Maintenance of implements
- Animal health and husbandry
- Feed formulating and mixing.
- Pasture management
- Crop and supplementary feed production.

- Land preparation.
- Irrigation management and repairs.
- Working out water requirements of various crops
- Early identification and treatment of sick animals.
- Breeding schedules.
- Dealing with staff issues.
- Buying in of concentrate feeds to supplement animal's diets.
- Buying in of bulk ingredients to mix feed for cattle.
- Build and maintain calf pens.
- Feeding of calves and mixing their milk powder.
- Assisting calving cows.

BUSINESS DESCRIPTION

OVERVIEW

The core of our project will be the production of

- Rabbit meat commercially for the **export market**, and
- Eventually domestic market.

Contract Opportunity

DELEAH AGRI will be contracted as a contract farming enterprise for **Coniglio Rabbit Meat** for not less than 10 years of production with the option of further expansion and new contracts.

In conjunction with the breeding and commercial production of rabbits for the meat industry, we will have extra sources of income generated through sustainable viable agricultural practices from the core of our enterprise.

- **Rabbit manure** – All Rabbit manure made available from the rabbit production will be contractually purchased off from us by **Coniglio Rabbit Meat**. This product firstly has to be handled and processed accordingly to the required standards set by **Coniglio Rabbit Meat** who have vested interests in the Bio-Fertilizer sector and to supply such sectors. I.e. Herbal farmers, Landscaping enterprises, flower and tree nurseries.
- **Lucerne, Soiled & Effluent water** - Through the separation of solid manure from Urine and Water generally used for flushing, cleaning and overspill from drinking, this water will be utilized in an irrigation scheme with the cultivating of Lucerne (pastures). With the alkalinity of the water from the urine and faecal matter, this “sewerage water” will be ideally suited for the growing of Lucerne for pastures. Lucerne is now better known as “Green Gold” amongst the dairy and Cattle ranching enterprises, and the current Lucerne market in South Africa can- not get enough of the product to service the milking and cattle fattening industries. Especially in the winter month seasons, where farmers are always having to source enough winter fodder for their livestock. Now more-so with the drought being experienced.
- **Pets Mince** – Rabbits naturally give birth to anything from 7 to 13 kits. With this amount of kit births it’s expected that on average at least 2 of these kits will be still born and at least 1 other kit will be born as a none-viable , depending on the litter size and amount born (Too weak to compete for teats amongst the litter) these still born and non-viable deaths generally

are not diseased and make up for a source of income in recouping costs of the Doe for kindling such still births and non-viable kits, towards her up keep, feeding and labor costs. **Pets mince is widely sought after**, especially if it's a cheap commodity through supplying Pet shops, direct purchasing from the public and or supplying the various large Pets food manufactures.

The three above products derived from just the rabbits will ensure a healthy and steady income and revenue generation to sustain the activities of the enterprise, be profitable and ensures the investor of an excellent rate of return on their invested finance of our company.

Additional income source

Products for all markets have been developed and tested.

Core products for export markets, special hospitality cuts and portions for the hospitality industry, retail ready products for the retail markets and special lines on request, rabbit bacon (racon), cold meats and "jerk rabbit" for festive occasion.

Adding value to core product and processing the by-products of rabbits can add significant benefit.

- A well-prepared skin can be worth as much or even more than the meat itself. Volumes are required to unlock these opportunities and a supply of a minimum of 5 000 to 20 000 units is required as often as they can be supplied.
- Coniglio have had request for 24 000 rabbit heads, enquires for 20 tons of core product for export per month,
- offers to take all raw skins on a monthly basis,
- request for rabbit urine,
- rabbit manure prove to be very popular to earth worm farmers and organic vegetable growers and
- Compost processors are adding value to the manure and sell it as an exclusive product.

Processes and methods are shared to empower and produce various Coniglio branded products fit for target markets while benefitting farmers within the group. Value-adding by local communities can be a key job creation factor in the sustainability of the Community Initiative

- All other pre weaning and post weaning mortalities of rabbits, we have established sources for the carcasses. We are in the process of negotiating on pricing per ton of carcasses to supply the various Raptor and Carnivorous animal farms with this source of protein – even if we were unable to source an income from this, we feel that for the good of the breeding

locations and enterprises that breed endangered birds of prey and carnivores, is to supply them with these carcasses to assist and ensure that their programs are well fed for the welfare of their animals and success of their enterprises.

Other forms of disposal of such carcasses is to incinerate the carcasses and use the ashes for fertilizer on our pastured lands or newly developed cultivated land. (Hence the saying “Ashes to Ashes, dust to dust”). Carcass ash holds many crucial elements to soil improvement and development i.e. calcium, phosphates, iron and zinc.

TECHNOLOGICAL FACTORS

We plan on a brand new start up with the latest technology available towards sustainable farming, keeping within the parameters of environmental control and impact.

Our envisaged aim would be to eventually have fully automated feeding systems in place to curtail on the feed loss percentages and labor costs. However for the moment to ensure that we are productive and that we can afford our rural settlement the opportunities of employment, economic growth and drive through with their education of being self- sustainable in the open market, it's important that we at DELEAH remain on course to reaching our set objectives of putting out more emerging farmers through our enterprise, having built up experience through our initiative for our rural domestic population, to realize the importance of local economic growth, stimulus, sustainability and their own generating of food security and earning extra monthly income.

POLICIES / REGULATIONS

**This is based on the international acknowledged 5 freedoms namely:
(Rabbits should always be kept under humane conditions)**

- Freedom from thirst, hunger and malnutrition
- Freedom from discomfort
- Freedom from pain, injury and disease
- Freedom to express normal behavior
- Freedom from fear and distress

An environmental impact study may have an influence towards the eventual outcome of the enterprise, however, an environmental impact study program initiated won't deter the operations from going ahead, as this study can take up to 18 months to conclude, where DELEAH will

adjust to the measures in the process to suit the needs of the environment, to ensure that a positive study is completed.

CODE OF PRACTICE

HEALTH

Care and Management

All rabbit facilities shall keep detailed records of births, purchases, sales, diseases, metabolic disorders, deaths and use of medicines or treatment.

- Each facility needs to have a competent keeper, skilled to recognize typical symptoms of ill health or stress and able to respond accordingly.
- In cases of severe illness or injury, the rabbit must be humanely euthanized.
- The keeper shall inspect the animals on a daily basis.
- Basic health care includes: • Regular toenail trimming;
- Regular check for ear mites;
- Regular check on foot pads;
- Regular check to ensure no damage to teeth or malocclusions ;
- Regular check of the inside of front feet. Rabbits with colds or snuffles wipe their noses with their feet and this leaves a residue which is easily spotted;
- Regular checks on lactating does, to ensure teat health.
- Cages shall be kept dry and hygienic and must be cleaned daily and all manure and urine removed.
- All rabbit units shall have an isolation quarantine area, away from the rest of the herd, where sick rabbits can be treated.

FEEDING

Feed and Water

Animals shall receive a diet in adequate quantities and of adequate nutritional quality, in order to meet their requirements for good health and welfare.

- Fresh water shall be available at all times. All water containers or nipples shall be checked daily to ensure they are clean and in good working condition.
- Hay must be available at all times
- Water and feed systems are hygienic and comfortably accommodate the number of animals in the colony without there being an overcrowding at the feed bowl, which can cause conflict and fighting

HOUSING

Accommodation

Rabbits can be kept indoors as well as out of doors and must be housed in secure hutches or colonies that provide:

Sufficient space to relax, stretch and move comfortably. The enclosure shall allow the rabbit to exhibit natural behavior, and shall allow the rabbit freedom of movement. (Recommended floor space is .45 x .900)

- Sufficient height for the rabbit to be able to sit up and look about with ears not touching the top of the cage. (Recommended height is .45)
- Protection from all predators.
- Shelter from adverse weather conditions.
- Protection from heat. The ideal temperature is 18 - 24°C
- Natural light, but not in direct sun. Rabbits shall not be subjected to unnatural lighting periods.
- A non-slip resting pad in hutches with wire floors. This resting area shall be comfortable and not discourage the rabbit from using it.
- Protection from sudden loud noises.
- Colonies on a concrete floor must have bedding such as hay, untreated wood shavings or a combination of both.

INDOOR FACILITIES

Special notes on the indoor setup:

- Enclosures shall be kept free from ammonia build-up.
- Enclosures shall be free of drafts, but well ventilated.

Outdoor Facilities

Special notes on the outdoor setup:

Weather protection has to ensure that rabbits stay dry and protected, even under extreme conditions.

- Additional predator control is required to prevent threats from raptors and dogs

Free Range Management is Acceptable if:

The area in which the rabbits run is completely secure and no rabbit can dig its way out. • The area is protected from predators including raptors, snakes, mongooses etc. • Rabbits shall be provided with shelter and protection from the elements. • Cleaning the runs must occur daily to ensure good hygiene practice is in place to avoid the spread of disease and parasites.

TRANSPORT**Transportation Guidelines.**

For rabbits that are being removed from permanent housing and therefore from food and water, the following applies.

- Rabbits shall be transported in secure, well ventilated crates, and shall be protected from heat.
- There shall be no over-crowding in the transport crate.
- Carrots or apple should be offered on a long journey to replace food and water.
- Rabbits shall only be loaded into crates no longer than 1 hour before they are being transported.
- Before rabbits are transported an emergency plan shall be in place. Driver shall have contact details of all relevant authorities and persons to assist without delay in case of any emergency i.e. breakdown/accident.
- Absorbent bedding shall be provided in each crate. If crates are stacked there must be drip trays between the layers.
- Rabbits should not be transported in the heat of the day
- On long trips, there should be a break every four hours for a check-up and rest.

PRODUCTION

Production Housing – Rabbits need to be protected from the elements and the more breeding animals the better housing will be required. Rabbits can be housed anywhere from under a veranda for a household farmer with 5 breeding animals to a properly designed Rabbitry that can house a thousand animals.

Equipment – Standard breeding equipment is available to all types of farmers and basic equipment like cages and water nipples are compulsory. (This allows all farmers to produce equally in relation to the size set up.)

Complementary equipment like

- feeders,
- stands,
- waste pans,
- drainage and sewer systems,
- Ventilation etc. normally depend on the size of breeding setup and the ease of production required.

Feeding methods

Feeding methods for the **commercial rabbit farming model is based on commercial feed. A new alternative feeding method developed will be used** in the community rabbit farming model and cut feed costs significantly and can also be applied by the commercial farmer.

Slaughter and processing

This function is fulfilled by professionals who are dedicated to our cause. Invested interest secures the facility and the services provided contribute to the sustainability of the facility. **There is no need for other facilities country wide as outbound products are collect and channeled through our own infrastructure based in the Western Cape.**

Abattoirs and processors are an important aspect of our development. Commercial or community abattoirs can assist farmers on any platform and align to make quality products available to the markets.

Quality management and animal well being

Producing a quality product and meeting the requirements for food safety and promoting the well-being is core to Coniglio's philosophy, regardless of production model. The overall quality of the product needs to be packaged not just dependent on the farmer. Quality in every aspect is required to present rabbit meat to markets and we have invested in infrastructure and certifications in order to ensure we can deliver what is needed.

Rabbit industry initiative and associated opportunities

The availability of basic infrastructure opens up opportunities for research, to develop industry standards, create jobs, and address food security issues, mass production and the uplifting of communities.

CONIGLIO RABBIT MEAT FARM (PTY) LTD – FARMERS CONTRACT.

The contract is focused on the commercial farmer and the opportunity to produce protein within the current infrastructure.

OBJECTIVES

The main objectives for Coniglio within the Commercial Farming Model are listed below:

SETUP COMMERCIAL FARMERS

- a commercial farmer sets up this opportunity with his/her own capital and setup a production unit aligned with his/her comfort level and resources. The opportunity can be in a trial phase or have full production status. The initiative of the farmer determines his size of involvement and whether it is a main or complementary activity. Individuals new to farming are also accommodated to experience the opportunity by trialing on a smaller scale
- The commercial farmers are allowed to expand at their own pace within the model structures but with clear minimum set goals to be commercially viable.

PROVIDE ONGOING SUPPORT AND INFRASTRUCTURE.

- Training, setup and production are supported to enable production and delivery of core product within the Infrastructure.

CREATE SUSTAINABLE COMMERCIAL CORE FARMING ACTIVITIES.

- Farmers are evaluated in time to identify core suppliers that can be expanded in line with the demand.

CONCEPT

- The basic concept is that the farmer is paid quickly for rabbits delivered either weekly or monthly. The buyback price is high to promote and stimulate interest. The price will be adjusted when volumes and demands determines the direction and is closely monitored to time the opportunity correctly.
- commercial production is related to the feeding of commercially produced pelletized feed but unlike other feeding methods applied in other sectors rabbits can be fed from primary food sources and an alternative feeding method is available to lower feed costs considerably

THE FARMER IS REQUIRED TO

- produce core product only

STRUCTURES

- Farmers are required to farm with compulsory basic equipment and breeding stock. This puts all farmers on an equal basis with the ability to produce quality grade meat to the system. All production is planned and an entry and exit point is in place to cater for all produced product.
- The farmers have the choice to acquire complimentary equipment to cut costs and to what level activities needs to be streamlined. This keeps everything clean cut and avoid any other issues that may arise due to inappropriate equipment and inferior breeding quality stock.
- The concept promotes animal health and humane farming methods as a foundation to all other aspects of this activity.

THE RESOURCES REQUIRED TO ENGAGE AS A COMMERCIAL FARMER

- Own capital and setup costs.
- Minimum doe breeding setup.
- Facility to house the activities.
- Basic infrastructure to support the farming activities.
- Ability to expand existing infrastructure.
- Infrastructure to deliver animals to abattoir. The infrastructure offered to support the farmer
- Contract to farm commercially - 10 years.
- Training and related support to the farming activity.
- Availability of suitable related equipment.
- Slaughter capacity for produced animals.
- Buyback at current per kilogram rate.
- Continuous development of products to supply to appropriate markets.

SUPPORT

- The support offered in this commercial model is of a well-established infrastructure that is continuously improved to stimulate and supply the demand. This function is handled by CONIGLIO RABBIT MEAT FARM (Pty) Ltd.
- Farmers benefit from the progress and existing structures while focusing on core farming activities. Rabbit meat has evaded the South African market for way too long and the niche

market alone is a massive market than can sustain this farming activity for a very long time, by balancing the supply and demand.

APPLICATION

- Contract farming is the only option available to Commercial Farmers and Coniglio does not engage with unstructured producers. This is necessary for us to meet our obligations and controls the quality of products produced for the various markets.

Coniglio has a responsibility to make provision for all contract farmed animals financially and from an animal welfare perspective and cannot accept unwanted or unfavorable farming methods that arise from untrained producers and ill-equipped farming activities that lack direction.

- The ability of the farmer to produce a quality product is key for the niche markets products are supplied to.
- A top quality export certified product is produced to maximize the demand and minimize the risks.

After 5 years or before a permanent integration will be explored to ensure a long lasting supply of protein from a proven supplier.

- Interested commercial farmers engage in rabbit farming activities while being supported to ensure the best chance of success and contribute to the CONIGLIO brand. The CONIGLIO commercial rabbit farming model offers interested farmers the opportunity to produce wholesome rabbit meat in a way that is sustainable.

CONCEPT – FEEDING

- The concept is built on the understanding of the digestive system of the rabbit and the importance of it in a commercial environment, the application and the favorable results thereof.
- Some sample scenarios would shed some light on how sensitive the digestive system of a rabbit is and intended to stress the importance thereof. “If two different brands of top quality feeds are fed to two top quality herds and the feed would be swopped around the following day it will cause a digestive upset throughout the heard. Or by substituting with an addition of various fresh feed in big enough quantities to stimulate growth or as an alternative to just provide basic nutrition will have the same results”. In nature rabbits have a choice to what greens they eat and naturally consume roughage to aid their digestive systems but in captivity they cannot exercise what comes naturally. This method aligns with their natural abilities to choose what they eat while keeping their digestive system healthy and contributes to the success of mass production as a farmed protein.
- The makeup of any one herd in production would be the same at any given point in time but constitutes of various animals with various nutritional requirements. **RABBITS CANNOT**

BE HUMANELY NURSED IN A FARMING ENVIRONMENT AND REQUIRES TO BE NURSED BY THE MOTHER.

- Apart from their extremely capable nurturing abilities the importance and well-being of the mother is just as important as the litter that is produced. A well nurtured mother for the production lifespan is of utmost importance. Going into any other detail will turn us into scientists and the appropriate credentials would be required to address the appropriate audience.
- The method simply provides the herd with the required nutrition while addressing individual requirements of the animals. this is done very cost effectively, humanely, in a natural way and through a natural unaltered feed while having a stable well balanced reaction on the digestive systems of the rabbit. This means they stay healthy and healthy animals are more productive.

THE COST OF FEED BECOMES ANOTHER FACTOR FOR SUSTAINABLE FARMING AND ALTHOUGH RABBIT MEAT IS EXPENSIVE AND NICHE IT IS ONLY PERCEIVED BY THE CONSUMER AS PRESENTED BY THE SUPPLIER.

- The status of the supplier effects the perception of the consumer and may cause consumers consume said products for various reasons. This sustains the fact that rabbits can be produced commercially with commercial produced feed sustainably. as it is placed in the high end market due to its portrayed value it could just as well be placed at the lower end of the markets now that we know how to keep the feeding costs 300% below the norm.
- The result is a transformation into mass production that will impact on the cost of quality protein. Moving new product up the ranks so that consumers can exercise their choice is very competitive and puts strain on the possibility to produce affordable protein in a commercial environment. With the massive productive ability, minimal resources, nutritious properties, cost effective feed and application method we open the opportunity for mass production and mass consumption and would like to direct it at where it is required. Farmed rabbit can now greatly impact on food security issues.

THE CONCEPT IS BASED ON THE FOLLOWING:

- A suitable feed that can be primarily produced by the farmer
- In combination with other primary produced products freely available
- With a suitable and cost effective application method
- That have the ability to achieve similar growth than with commercialized feeds.

THE METHOD HAS PRODUCED THE FOLLOWING RESULTS:

- Ability to produce any amount of fresh food consistently with an appropriate effort to feed ratio without requiring expensive or primary related resources.

- Combined with low cost effective locally primary produced resources freely available and that may vary from region to region.
- Equipment to support this feeding application as a primary method of feeding with minimal extra effort.
- lower feed costs up to 300 %
- Various positive effects on other aspects including productivity and animal health.
- Extremely cost effective production method.

APPLICATION

The application is a combination of available primary produced feed / raw material applied through utilizing specific equipment and in the correct relations to achieve the desired results. The application uses other available technology and is nothing new. The exiting part is that by using the same technology and application it is six times more effective when applied as part of a solution to feed rabbits. This effectively makes the food 6 times less expensive or means a 300% reduction in the cost of feed. A large unit can provide feed in abundance for rabbits but when compared to other livestock only basic requirements in terms of volumes with the same layout and effort.

CONCLUSION

The platform on which rabbit farming is based can now suddenly be looked upon differently and although it is currently not feeding the people the niche products sustain development, compliment sectors of the industry and created this feeding method. Rabbit meat is a gift from nature and can now be produced in quantities as no liability is created for any farmer who produces a quality product applying said methods and can slot in at the market at a price lower than chicken. This alternative feeding method can sustain this bold statement. Structured farmers and infrastructure is required to utilize this method for mass production but in the meantime commercial farmers can cut their feed costs considerably when compared to any other animal produced for protein and be assured of a long sustainable farming activity when using the ALTERNATIVE FEEDING METHOD.

Benefits of Rabbit Meat

- Rabbits, especially the European rabbits have been used for meat as far back as 1500BC
- Well-kept rabbits raised off the ground are one of the cleanest meats.
- In SA, rabbits are never fed with hormonal growth stimulants.
- Rabbit is the highest protein% of all meats. (U S D A circular # 549)

- Rabbit has only 795 calories per pound. As compared to Chicken 810, Veal 840, Turkey 1190, Lamb 1420, Beef 1440, Pork 2050.
- Cholesterol level in rabbit meat is much lower than chicken, turkey, beef, pork.
- Rabbit is more filling and easier to digest than other meats, meaning less is needed per meal. The meat has a high percentage of easily digestible protein. It contains the least amount of fat among all the other available meats.
- Rabbit meat has been used and is suitable for special diets, such as those for heart disease patients, diets for the aged, low sodium diets, weight reduction diets,
- As the world's human population grows there will be less land and water to raise food. The rabbit will play an increasing role in food production, due to the fact that rabbits can and do grow well.
- France is the world's largest producer and consumer of rabbit meat. In Hungary there are Rabbitries with over 10,000 does producing rabbits for export to Italy. China is fast becoming a competitor in the production of Rabbit meat.
- Most meat rabbit breeds can withstand cold weather down to -20 as long as they have hay or straw to burrow in, with appropriate shelter from the extreme weather, wind, snow etc. So electricity isn't as necessary to raise them.
- In emergencies, rabbits can be more easily moved out of an area as compared to larger livestock in similar numbers.
- Adding rabbit meat to your meal plan gives you a big boost in vitamin B-12 -- each 3-oz. serving provides 117.6 percent of the recommended daily intake. Vitamin B-12 plays a critical role in the function of your central nervous system and metabolism, as well as the formation of red blood cells. Your body has the ability to store a few years' worth of vitamin B-12, so eating rabbit supplies you with not just your daily requirements, but a little extra as well.
- Rabbit also serves as a rich source of vitamin B3, containing 35.8 percent of the amount you need each day. This vitamin, commonly known as niacin, aids in converting carbohydrates to energy and manufacturing a variety of sex hormones.
- Rabbit meat contains selenium, a mineral your body uses to make antioxidants and stimulate sperm production; each 3-oz. portion of meat contains 46.8 percent of the recommended daily value of selenium. MedlinePlus reports that some physicians may recommend incorporating more selenium into your diet to combat hardening of the arteries, as well as cancers such as stomach, lung, prostate and skin cancer.
- A 3-oz. serving of rabbit also provides you with 22.4 percent of the phosphorus you need in your daily meal plan. This mineral accounts for 1 percent of your total body weight and influences your body's ability to use carbohydrates and fats, as well as the repair of cells, tissues, bone metabolism and health.
- The sodium content of rabbit meat is comparatively less than other meats.
- Rabbit meat can be used in almost all recipes that Chicken is used in.

- The office of home economics, state relations of the U S Department of Agriculture has made extensive tests and have stated that domestic rabbit meat is the most nutritious meat known to man.
- It is one of the best white meats available on the market today.
- The ratio of meat to bone is high meaning there is more edible meat on the carcass of rabbit than even a chicken.
- Rabbit meat with the many health benefits does not have a strong flavor and is comparable to chicken but not identical.
- Rabbits are one of the most productive domestic livestock animal there is. Rabbits can produce 6 pounds of meat on the same feed and water as the cow will produce 1 pound of meat on the same feed and water.
- Rabbit meat also has 33% less sodium than chicken.

BUSINESS LOCATION

The core of our business will be situated in either one of the 3 agricultural zoned regions we deem satisfactory for our purposes of operating a successful and profitable enterprise.

Factors that influence such decisions:

- Geographical location in proportion to accessibility to Abattoir, suppliers, transport routes, socio-economic environment, availability of labor and available agricultural land.
- Most important is the price of the land available and the water quality and quantity (Underground water).
- Available Electricity from the National Grid.
- Rainfall, wind and general climate conditions of the area.
- Location of the nearest City, Town or Village.
- Future Government projects for the area that could hamper further development.
- Land distribution or claims for the indigenous population.

(Zero interest from Government for rural land distribution in the 3 regional sectors we have identified that are agricultural zoned and feel would benefit our business)

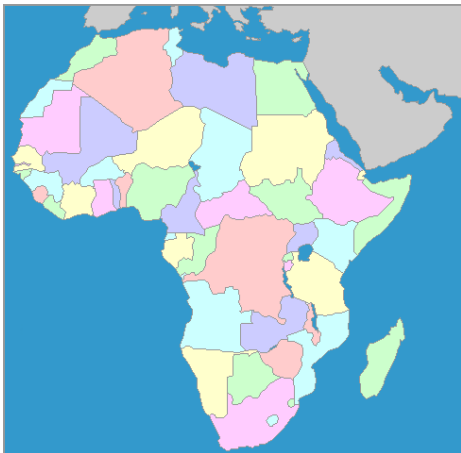
Below is indicated the agricultural zones on mapping and the areas where we have found that ideal agricultural zoned properties are for sale and affordable to meet our expectations.

Dependent on the location of the zoned land is what drives the purchase price, together with any improvements on the property as well as size in Hectares.

Generally the closer the land is towards the coast, the smaller the size of the farm and the more expensive per hectare. More towards the inland, farm properties become larger, cheaper and more remote. 2000 Hectares (4932 Acres) can be bought for R3, 000,000. Which is not uncommon or unheard of.

Western Cape Province as Situated within borders of South Africa

Africa



South Africa



REGIONAL ESTABLISHMENT OF PROJECT (See also page 91 attachments)



West Coast Region – Malmesbury, Darling, Paarl.

Central Western Cape Region – Tulbagh, Ceres, Worcester, Touws River, Matjiesfontein –No further North of Laingsburg.

No Further North or East of Laingsburg.

Eastern Region of Western Cape – Robertson, McGregor and Montagu

Suppliers

- Coniglio – for all rabbit equipment supplies, breeding stock, contracts and Consultation expertise and Veterinary services.
- Sen-Wes and Epol Animal feeds – Supply of Concentrated Rabbit Pellets and feed. Future supplies of raw material and mineral packs for self-feed production.
- Panar Seeds – For supply of quality proven Lucerne and maize seed.
- Kynock Fertilizer – For all our requirements in fertilizers for pasture maintenance, inline water Soluble irrigated fertilizing.

- Caltex Refinery Cape Town – All our diesel and Oil requirements.
- Agricultural Co-Ops – All our Herbicide, insecticide and disinfectant requirements, protective clothing and Baling String.

MANAGEMENT

The business will be run hands on by the two directors, Deon van Vuuren and Nathan Leach.

Duties

Deon van Vuuren

- Forward Planning & Project management.
- Negotiates directly with Primary Buyers and Sellers.
- Develop strategic marketing and sales plans to boost profits and efficiency.
- Compile quarterly reports to investors and feedback.
- Making Policy Decisions
- Budgeting and maintaining accurate financial Records
- Organizing sales and purchases of Livestock, farm equipment, crops & agricultural products.
- Handling paperwork and keeping administrative records.
- Recruiting, training/instructing and supervising farm workers.
- Making sure that work progresses satisfactorily.
- Ensuring compliance with government regulations and health and safety standards.
- Keeping an up to date knowledge of pests, diseases and technological advancements.
- Ensuring that the farm business is profitable and meets the projected financial targets.
- Ensuring that all farm related maintenance/repairs of the property, equipment and machinery is maintained.
- Responsible for day to day running of farm activities, including breeding of animals and their welfare.
- Deal with Labor issues and disputes. Effectively maintain work ethics, protocols and overall discipline. Final decision maker in disciplinary actions.
- Responsible for Safety and Security of all employees, animals and the property.
- Involves himself with community initiatives, rural development and community affairs, especially when this has a direct influence to the agricultural development of the region, collectively with the Regional Farmers Association and Western Cape Province Farmers Association.

Nathan Leach - Director

- Forward Planning & Project management.
- Negotiates directly with Primary Buyers and Sellers.
- Develop strategic marketing and sales plans to boost profits and efficiency.
- Compile quarterly reports to investors and feedback.
- Making Policy Decisions
- Budgeting and maintaining accurate financial Records
- Organizing sales and purchases of Livestock, farm equipment, crops & agricultural products.
- Handling paperwork and keeping administrative records.
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- Involves himself with community initiatives, rural development and community affairs, especially when this has a direct influence to the agricultural development of the region, collectively with the Regional Farmers Association and Western Cape Province Farmers Association.

EMPLOYEES

The business will provide employment to 29 full time employees of which 26 will be previously disadvantaged individuals from local communities.

2 x Managing Directors

1 x Farm Assistant Manager

1 x Farm Boss-man

2 x Unit Production Foreman

4 x Husbandry Technicians

16 x General Animal Stock Shed laborers.

1 x Tractor Driver/Cultivator/Irrigation & Manure Technician

1 x Heavy Vehicle Driver.

1 x General Workshop and Maintenance Technician.

Employment excludes any casual contractors which will be required from time to time.

Duties

- **Andre Kruse – Farm Manager**

- Upkeep of facilities, farm lands and equipment.
- Directly responsible for the cultivation, harvesting and overall management of pastured Lucerne.
- Responsible for the loading of slaughter livestock to market.
- Assisting in the day to day production of the Rabbitry, births, weighing, mating, supervising feeding and cleanliness of the Rabbitry.
- Treating of sick animals and administering appropriate medications, under guidance of Managing Directors.
- Responsible for updating all computer entries of the breeding herd.
- Fill in for sick and vacationing employees.
- General farm maintenance, fencing, workshops, servicing of equipment and machinery.
- Orders supplies of feed, repairs parts and general supplies.
- Directly responsible for management of the Manure facilities, separating, drying, bagging and deliveries of all manure off of the farm.
- Conduct employee evaluations periodically.
- Assist in annual budget meetings.
- Be relied upon for the day to day management and running of the farming activities in absence of any of the managing directors.
- Take charge of any breach of farm security and directly report to Managing Directors.
- Responsible for and managing of Fire response team and anything associated to veld fires.
- Maintain boundary fence fire breaks.
- Maintain a balanced work ethic with and amongst all the farm employees. Assist with labor disputes, disciplinary hearings and general employee management.
- Takes control over all stock taking and accounting of consumables used, balances and redundancies, bi-monthly and monthly. Stock takes monthly of all animals, births, sales and mortalities.
- Payroll Master.

Farm Boss-man

- The Farm Boss-man is the direct link between the Directors, the Assistant Farm manager and the General Farm staff.
- He will also be responsible for and be relied upon as the company representative to our local and regional rural communities under direction of the Company Director Managers.
- Will be a team player and contribute to managing the farm Staff in their duties and deliverables towards attaining maximum productivity.
- Collectively with the Assistant Farm manager maintain a responsibility of supervising and coordinating the general farm labor with giving them their daily tasks, ensuring that all farm activities are run smoothly, keeping an atmosphere of discipline amongst the general workers in their duties and ensuring that all Health and safety standards are met and maintained for the welfare of all employee's and animals alike.
- Collectively with the Assistant Farm manager take on responsibility of Farm stock take.
- Act as the eyes and ears for Managing Directors with regards to any grievances in and amongst the General Farm working labor. Be the immediate intermediator between the Management and Farm workers. Assist in general disciplinary action when required.
- Supervise breeding programs, irrigation and harvest operations.
- Develop work schedules and establish procedures.
- Maintain quality control and production records.
- Performs general farm duties and keeps the Work time Sheets up to date.
- Recognize and treat certain livestock health problems.
- Generally the Farm Boss-man is looked at as being the Farm community Mayor.

Unit Production Foreman

- Works directly under the leadership of the Farm Assistant Manager and Farm Boss-man.
- Responsible for all Mating's, Births and General welfare of all in house animals.
- Maintains accurate records and keeping of records of all breeding related activities.
- Supervises his subordinates in the general cleaning of their respective areas of responsibility.
- Responsible for the health of the animals, recognizing and treating of sick animals.
- Effectively ensures that all ventilation in the production houses are stable and consistent.
- Assists subordinates with their work load and stands in for absentees.
- Ensures that all animals are fed correctly and adjusts accordingly to requirements and needs.
- Keeps and maintains records of consumables (Feed quantities, Veterinary medicines, water consumption)
- Maintains work discipline and ethics.
- Accountable for Stock take and redundancies.
- Ensures that set targets are met with production.

Husbandry Technicians:

- Works directly under the leadership and supervision of the Unit Production Foreman.
- Maintains the overall health of the animals in his care, veterinary, feeding and watering.
- Assists with all the mating and births, identifies serviceable Doe's and pairs them off with appropriate buck.
- Does the pregnancy checks, identifies barren stock and re-mates returns.
- Assists with the cleaning and feeding.
- Ensures that all cages are secure and maintained.
- Keeps records of births, mortalities and mating's.
- Weighs growers periodically in preparation for market.
- Oversees that growers are loaded into transport crates efficiently and securely without injury and distressing the animals.
- Ensures that production set goals are attained and production program is followed.
- Keeps a well maintained and healthy working environment for both his sub ordinates and the animals in his care.
- Ensures that weaning procedures are followed and that animals are sexed and sized accordingly at weaning.

General Stock Laborers:

- Work under the supervision of their peers, Farm Boss-man, Unit Production Foreman and Husbandry Technicians.
- Solely responsible for maintaining clean cages, clean manure trays, clean breeding boxes and clean floors.
- Ensure that the Stock house is cleared of all urine and manure residue at least once a day and that flush pipes systems are kept clear and drained into the manure slurry channels for further manure treatment operations.
- Recognize ill and disease rabbits if any. Reports this through.
- Ensures that every water drinker is functional, makes sure that feed is accessible, and replenishes feed trays or bins.
- Reports through any and all damage to cages, feed bins, Tier Stands, water drinkers and pipes they find in the course of their duties.
- Assist fellow peers in servicing of animals, movement of animals and loading of animals.

Heavy Vehicle Truck Driver:

- Works directly under the supervision of the Managing Directors and Assistant Farm manager.
- Is solely responsible for upkeep, cleanliness and servicing of his vehicle.
- Responsible for the safe and timely transporting of all live farm animals to the Abattoir.
- Responsible for the Welfare of all live animals loaded on his truck and when being transported.
- Will ensure that on return from the abattoir that all transport crates are pressure washed out clean, disinfected and stored ready for next shipment of sales stock, including the truck and trailer.
- Will be called on for extra duties of deliveries with any contracts that the Managing Directors may secure for income towards the upkeep and maintenance of the truck and trailer.
- Will assist the Workshop Technician in all aspects to mechanical servicing.
- Will be relied upon to do farm order collections or deliveries with either the Heavy vehicle or small farm pick-up.
- Maintain a healthy safety driving standard at all times.
- Assist the Assistant farm Manager, Farm Boss-man with pastures development, irrigation and harvesting.

Tractor Driver/Cultivator/Irrigation & Manure Technician

- Ensures that his tractor and trailers are maintained and serviceable daily for overall general farm haulage.
- Assists with the servicing of the tractor, trailers and any tractor drawn implements.
- Responsible for the cultivation and preparation of fallow lands, to plant.
- Responsible to apply Herbicides and Insecticides to pastures or crops, adhering to the required safety standards for such applications.
- Responsible for the Irrigation equipment, irrigating of pastures and crops and keeping the crop clean and healthy.
- Directly responsible for the receiving of rabbit manure, the separation of solids from the liquids, drying process, bagging and storage of the manure.
- Keeps record of manure bags being loaded and transported off of the farm.
- Ensures that all irrigation pumps, manure pumps and water delivery systems are maintained.
- Ensures that waste water management systems do not overflow causing environmental impact issues.
- Ensures that all harvested product is loaded and stored properly and in the right condition settings for such storage.
- Assists with all loading of Manure bags and bales of fodder.

General Workshop and Maintenance Technician:**Our company and farm Jack of all Trades**

- Under guidance and supervision of the Assistant Farm Manager, Farm Boss-man, be responsible for the entire farms maintenance when required to do so.
- Maintaining up to date servicing schedules and carry them out on any Farm vehicles, truck & trailer, tractors and implements.
- Fixing of rabbit stands, cages, any and all plumbing, welding and basic electrical issues.
- Keep an accurate accountability schedule of all tools and machinery in workshop inventory.
- Maintains a positive health and safety standard towards any mechanical or electrical maintenance done.
- Manufactures new steel structures if and when required.
- Assists with the servicing and maintenance of all irrigation, water and manure treatment pumps and boreholes.
- Periodically inspects all mechanical and electrical equipment on the farm.

UNION

Employees will be allowed to join a Union of their choice. More than likely it will be with an agricultural union rather than with an Industrial union.

TRAINING

All DELEAH employees, from the Management Staff down to the General Laborer will receive pre and post operations training in their respective fields of employment through attending recognized educational training programs, earmarked for their educational upliftment, self-improvement, better understanding of the nature to their work, safety aspects, value of product and general operations. Certificates of course attendance and qualifying being issued for achievement. In house training will also be given in the form of on the job training.

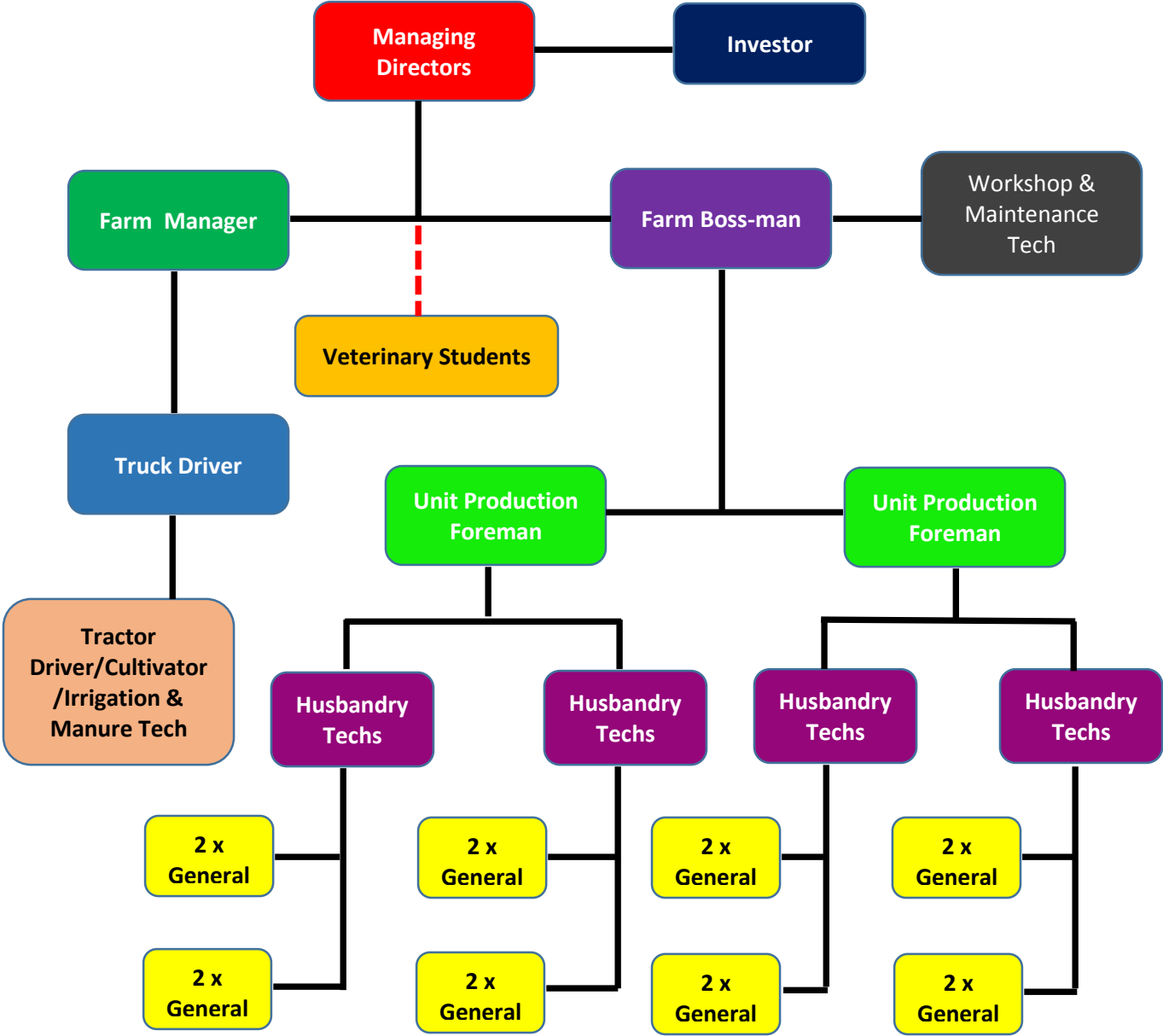
General farm labor within the rural areas and farming communities of South Africa come with mixed and varied experience in agriculture. We would like to draw from amongst the local rural population, future employee's that may have had some agricultural background from former employment in the industry and we also believe in giving the opportunity to those that are willing to learn and work hard to achieve their own personal goals.

Education overall would be a limiting factor in finding competent and already experienced labor. Our goal is to employ labor that our company can invest in their education and build up their experience and self-confidence, **this is why we have budgeted for training programs** to be attended for each employee before operations and production starts as well as throughout the years ahead.

TRAINING – Coniglio farmer’s contract

Training and a breeding course is attended before farming activities start and all aspects are covered. New farmers are well trained; supported and practical experience is gained on commencement of their farming activities. **Support is available 24/7 to all farmers on all platforms.** Special train-trainer programs are being developed for personnel involved with community support.

ORGANOGRAM



S.W.O.T ANALYSIS

STRENGTHS

- Niche Market.
- All Rabbit produce is sold under contract.
- Concentration can be completely directed towards Rabbit meat production with no worries of marketing the meat for contracted period of 10 years.
- Huge demand for Export of Rabbit meat to neighboring African countries and European markets.
- **The demand for cheaper source of protein will escalate domestically in the near future, which immediately puts our business in the right place at the right time.**
- The ability to increase production within a small space of time (Hence the saying “Breed like Rabbits”) turning the business into a multi-million Rand project within 3 years.
- Guaranteed meeting the investor’s return of Investment.
- **Increasing the potential of new emerging farmers into the agricultural industry.**
- **Community economic growth through initiatives of training, education, sponsoring and employment.**
- Achieving self-sustainability from electricity down to feed manufacturing.
- No direct commercial production of rabbit meat from competitors in the volumes and mass at the scale we want to produce.
- The ability to diversify the agricultural enterprise as the business grows, directing profits back into the business to ensure further increased Net capital profits.
- Increasing asset worth in the improvements brought onto the property.
- Growing the business into a model of success, and being recognized in the agricultural sector as the largest commercial Rabbitry in South Africa, producing healthy affordable and cheap protein.
- Being the largest contracted supplier to Coniglio, (Effectively being a one stop shop for them) this in turn is positive for Coniglio in that they can meet their demand on exports and cut the small non-productive producers out, which has created a logistical nightmare for them in receiving slaughter stock.
- Excellent support structure from the Contractor, with readily available equipment for production of rabbits, expertise in the field of IT support with their breeding program and data capturing, guaranteed to take every live available rabbit produced, timeously payments for stock received every 30 days in arrears, as well as manure payments.
- To develop a sustainable business, surviving off its own cash flow.

WEAKNESSES

- Rabbit farming is extremely **intensive and time sensitive**. This is why a higher than normal labor requirement is needed. – We can't get away from this fact, as rabbits have to be physically handled by keepers and stockman especially with movements from pens to pens for mating's, weaning and for loading to market. Our only available option to reducing the amount of handling procedures to keep labor to a minimum, is to ensure that the production line is established in such a way that the ease of handling the rabbits is at a bare minimum and set in place from the start. We have done this in our master plan for the structures minimizing labor requirements where normally it would require 8 pairs of hands per 500 breeding doe unit. Our operation will be equipped and run with 5 pairs of hands per 500 breeding doe unit.
 - **Disease Factors** – Like with any animal farming enterprise, disease influence almost the whole volume of production to such a scale that it's been known to “Break the bank”, resulting in business closure, entire herd irradiation, forcing projects of depopulation and repopulation (An extremely expensive option, as this influences complete restocking, restart, infrastructure demolishing and rebuilding, equipment replacement, and the immediate effected area to be quarantined and left to lay dormant for a period of time).
 - In South Africa we are fortunate that **Government regulations have been implemented towards prohibiting any import of live Rabbits from across the globe**. With such regulations the One (1) disease experienced across the rest of the globe namely:
 - **Rabbit Haemorrhagic Disease (RHD), also known as Rabbit Calicivirus Disease (RCD) or Viral Haemorrhagic Disease (VHD)Is NOT Existent within South African Borders and has not been diagnosed in any of the rabbit populations throughout South Africa within its borders.**
 - Another disease that effects rabbit productivity is **Protazoal Enteritis** better known as **Coccidiosis**. – This disease is commonly found within South Africa and the majority of all commercially productive Livestock farms. It's been known to have had extensive severe impacts on production and severely affected production output. (In other words from a disease perspective it's important that the property we wish to purchase has been unproductive with no domestic animals ever having been commercially produced on that said property for a period of at least 24 months.)
 - All other diseases that affect rabbits are most commonly found and treatable with little or no impact on production or costs.
- http://mysrf.org/pdf/pdf_rabbit/r13.pdf**

- To curb and to prevent any disease contamination within our Rabbitry the following protocols will be set in place apart from the daily cleaning and disinfecting of the Rabbitry housing.
- **Adopt an All In, All Out policy.** All progenies born in any one week period, will all be sold out in their specific sales period week. No rabbit may be carried forward an extra week or two because of being under-weight. This is why feeding regime, weighing programs and management are such extremely important factors.
- All personal (From The managing directors down to the General Laborers) will have an enforced policy of Showering in and Showering out of the rabbitry premises. This includes Veterinarians with scheduled farm visits, any Sales Reps, Contractors, casual labor and visitors. Any person no matter who, will shower in and shower out.
- The Rabbitry area of operations will be fenced in with only two entry and exit points in it. The fence has to be constructed as such from the ground upward to 8ft high, which will prevent any crawling in under it or jumping over it. For purposes of the gate entrances, there will be wheel dips in place with disinfectant to disinfect the wheels of any mobile vehicle. There will also be a high pressure tank with a hose to spray down any vehicle gaining entry with disinfectant (Non corrosive disinfectant).
- Dressing rooms provided for all employees. All work related clothing will be collected every day and washed appropriately every second day for work uniform changes.
- No food of any sort apart from Rabbit pellets may be brought into the secure areas of the Rabbitry. Dining facilities for the staff will be provided, with required refrigeration, crockery and cutlery supplied for purposes of eating their meals.
- Any staff suspected of or showing signs of any illness will not be tolerated to work within the Rabbitry confines or handle any rabbits. A casual laborer can be used in that person's absence.
- No children may gain access to the Rabbitry, unless authorized by Managing Directors.
- **Finding appropriate labor** willing to work. Our drive towards offering courses and education with incentives should swing this in our favor.
- **Location of the farm:** It's imperative that our location not be further than 3 hours' drive (Heavy Vehicle) away from the abattoir. The regions we have earmarked for our startup are all within the range of time mentioned. The roads/highways are very well maintained, there are numerous stop and go areas along these routes for resting periods and for checking on the loads being secure. Ease of access to nearest Diesel filling stations, Farmers Co-Ops, Breakdown facilities, Feed mills, Hospitals, Police Services and Schooling.

- **Eskom** (National Electricity Supplier) SA is having excessive electricity shortages and there seems to be no resolve to the problem in the very near future, due to the lack of infrastructure maintenance and costs thereof. Our solution to this continuous power crisis is that we aim at being self-sufficient with our electricity needs, with applying more sustainable energy concepts for our power needs. Short of a diesel generator (always advisable to have as back up in any farming environment) is to make use of Solar energy for heating purposes, Wind Turbines for generating electricity and solar powered pumps for water pumping and reticulation.
- Exceeding the world average of rabbit production in conceptions, live births, and mortalities. This would put extreme pressure on our ability to house these animals till sales. Would have an initial negative impact on our costs to sales, budget and forecasts, would have to increase or add housing facilities and employ extra labor. Positive side is that the Net profit margin would increase dramatically with improved production output setting new standards in production and achievements.

OPPORTUNITIES

Our core product is Rabbit Meat being almost 85% of all income to the business. Rabbit manure is a secondary income off from the rabbits (Both are fundamental to the success of our business from the start) Advantage being that we are contracted for this supply.

Lucerne cultivation and pets mince are by products off from our Rabbitry, enabling us as farmers to squeeze every possible cent out of the core production. Waste water for irrigation purposes (income from Lucerne pastures and pets mince from still births)

Future projects in our vision with profit capital injection to further escalate profit margin:

- Additional 1000 doe rabbitry to supply our own domestic market (Not contracted in)
- Free range products – free range pork meat and Venison (Wildlife).
- An Abattoir for our own processing of meat products.
- A small herd of Simmintaler and Beefmaster Stud cattle. Auctioning off for Cattle Ranchers to replenish their breeding herds with.
- Dependent on land size and hectares available – Lamb
- Various cash crops in Green Houses

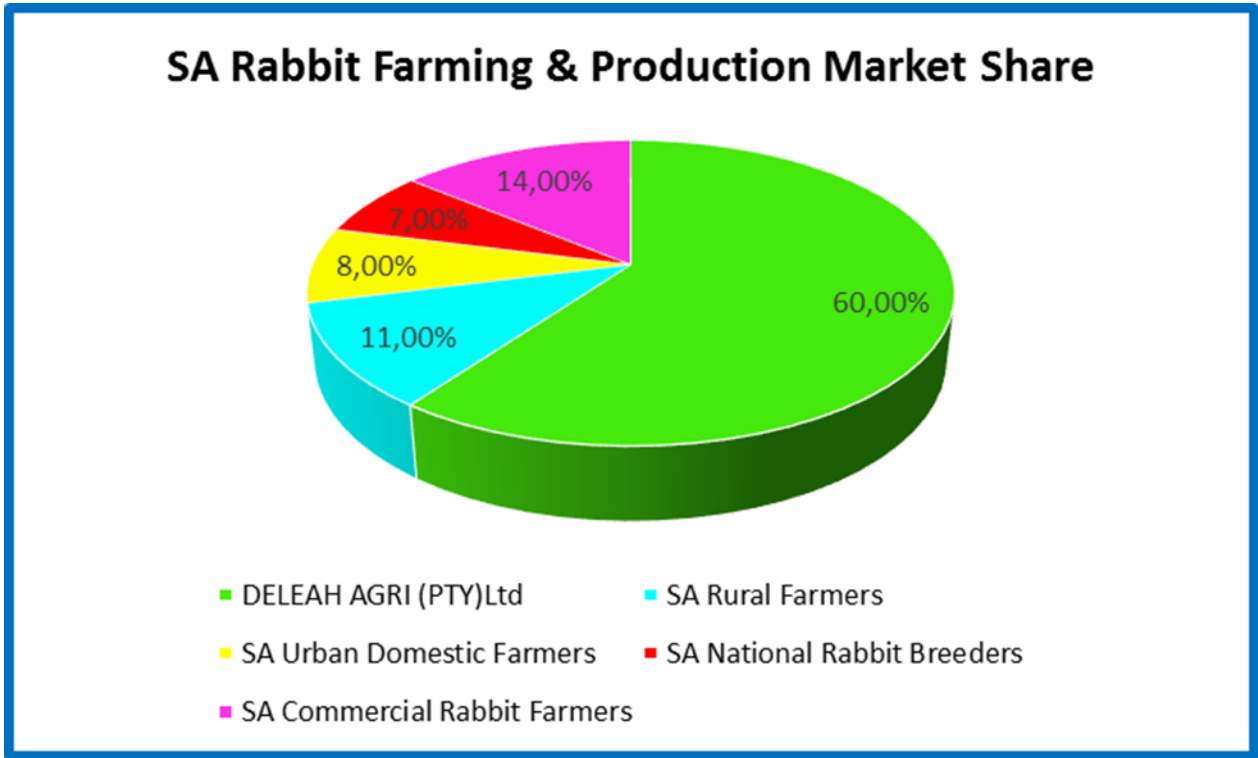
- Have our own feed mill and produce Rabbit Pellets for own use and local supply to the community. As well as mill growing and maintenance feeds for our stud herd of cattle.
- Be recognized as a training facility for up and coming emerging farmers and veterinarians.

THREATS

- Inconsistent, irregular, expensive and unreliable electrical supply from National Grid.
- Unforeseen disease factors.
- Farm labor and industrial strikes.
- Ever increasing Wage hikes.
- Droughts (Effecting water supply)
- Excessive fuel hikes.
- Shortage of raw materials in feed industry.
- Excessive feed price increases.
- Company tax increases
- The Rand Dollar exchange rate, which will influence the Capital & Interest rates of repayment annually.

MARKET SHARE

DELEAH expects to be the leaders in Commercial Rabbit meat production holding at least **60%** of the total market share domestically and for export out of South Africa.



COMPETITORS

Immediate competitors in our area are non-existent.

Provincially, competition is wholly based upon Rabbit farmers who breed breeding stock and for the pet industry, rural subsistence farmers who produce for their own domestic use. Our largest competitors would be small scale commercial rabbit farmers with units no larger than 400 breeding doe’s situated in the North West Province, Gauteng & KwaZulu-Natal provinces. This amounts to no more than eight such sized units with viable commercial production.

Our business and location will work extremely well in our favor in that.

- Our only competitors in Western Cape is only a 200 doe Unit, mainly breeding for stock replenishment, pets and for the rural farmer to farm his own rabbits for self-sustenance.

- Closest Commercial Rabbitry are in excess of 1 300km from our facility, this makes it extremely expensive to get their rabbits to the only registered abattoir for export of rabbit meat in South Africa, which is in Cape Town.
- Our location makes it easy to supply the only registered abattoir facility for export in South Africa, which is in Cape Town and no further than Three hours' drive from any of the proposed regions we have identified to set up the farming enterprise.

COMPETITIVE ADVANTAGES

Our core product is unique in that our company and enterprise will be the only existing commercial producing Rabbitry for bulk meat in South Africa supplying weekly to the only Export registered abattoir for rabbits in Cape Town. We envisage that we will be supplying at full production, an estimate of a minimum average of 550 Tons of rabbit meat per annum. This working on the world average figures from the largest rabbit meat producers being France and China.

Once Rabbit meat has been identified in the local market as a high value protein source and affordable, our company will have been established and at full production, not only to contractually fulfill our contract to Coniglio but to supply the local market.

Coniglio have and are investing exceptionally high revenue into their advertising and promoting of rabbit meat currently in the South African domestic market, and with chicken prices gone beyond the affordability range in price for protein, it's a matter of time before the local domestic market swings towards rabbit meat as a replacement protein source, which will become readily available and affordable for consumption.

See indicators of the benefits of rabbit meat in comparison to other meats available worldwide.

CUSTOMER ANALYSIS

Our initial customer for sales is Coniglio, contracted. Advantage is that they will take off of us every available live rabbit that we can produce. Coniglio are responsible for the marketing and advertising of all rabbit produce, thereby this alleviates us of having to market our rabbits and concentrate on fulfilling our contractual obligation for the next 10 years to Coniglio. Coniglio already have the monopoly of rabbit meat marketing in South Africa.

Lucerne bales will be available for purchase to any of the Milk producing farmers. Lucerne is a high demand product for the purposes of supplementary maintenance feeding regimes for milking cattle, Beef cattle, for winter seasons as supplement country wide, Drought stricken

areas for nature conservation, Game Ranchers and for small scale farmers who just don't have the hectares in land to feed their animals off on.

Pets mince is a byproduct of the Rabbitry. It's not a money spinner in the sense that it makes enormous profits. However, every cent we can squeeze out from any by product goes a long way to cost cut spending and recouping losses. The pets mince will be directly targeted towards the public, for their cats and dog's needs. Cash sales. We will also negotiate with Large Pet Food industries on supply of mince to their enterprises.

Commercially produced product is offered to niche markets that exist in the hospitality and retail industries.

- Hospitality Industry,
- Hotels,
- Restaurants
- Caterers,
- Shipping Agents,
- Wholesalers and Distributors,
- The Retail Industry,
- Butchers and Deli's,
- Supermarkets,
- Retail Chain Stores,
- Individuals,
- Processors and
- Fast Food Outlets.

Our attention will now extend to develop COMMUNITY MARKETs and demand for EXPORT product is overwhelming. What is interesting is that the same niche criteria exists in local, export and community markets.

THE MARKET

Several organizations such as the Food and Agriculture organization of the United Nations, the French National Institute for Agricultural Research (INRA), the United States Agency International Development (USAID), the Ministry of Agriculture in Kenya, the World Rabbit Science Association, the National Rabbit Project in Ghana, The Heifer project International (HPI) rabbit project in Cameroon, The Cecuri Rabbit Project in Benin Republic and other organizations in Egypt, Tunisia and Algeria have one common goal, and that is to stem the tide on high poverty and mal-nutrition. These organizations have emphasized the role of agricultural

activities, particularly in small livestock, Rabbits being identified as a tool to alleviate poverty and mal-nutrition. It is low-cost input, high return activity if sound management, stock-man-ship and training is given, and if the value chain in the market is established.

Not only is it a viable economic activity, but it can sustain a family's protein food needs cost effectively as well as be a source of much needed income.

Many of these projects are highly effective and supported and promoted by their governments. Great focus is placed on backyard rabbit farms, as this will be one of the major sectors that will benefit by these poverty alleviation activities. However, this activity of backyard farming could result in the breakout of deadly rabbit disease's and spread through the rabbit industry, due to poor management skills, inadequate housing structures, lack of education/training, ineffective hygiene practices, not having any veterinary services provided, droughts affecting self-grown feed quality, quantity and quality of drinking water for rabbits to consume and lastly constant vermin harassment.

The main breeds promoted for the commercial farming industry are:

- New Zealand Whites
- New Zealand Reds
- Californians

The above breeds of rabbit are commonly found in South Africa amongst pet owners, show breeders, the very few small scale rabbit farmers (>30 doe's) predominately with indigenous rural populations in subsistence farming practices for alternate income and high protein food source at affordable costs, as opposed to keeping Cattle, Goats, Sheep, Pigs, Chickens, Geese or Ducks. Currently in South Africa, there are fewer than twenty commercial & breeding rabbit farmers with units not larger than 400 production Doe's.

In early 2011 a renewed interest was observed in the possibility of commercial and rural rabbit farming, although the farmer was still confronted with challenges. The renewed interest was mainly fueled by the global financial crisis and prevailing food inflation experienced in South Africa. The need to find alternate cost effective, high production low input cost forms of protein and founding self-sustained nutritional agricultural activities became necessary.

In South Africa, more than half of the population lives under the poverty line and in rural areas. Support by the SA Government has been up to now, promoting strategies based on households, churches, correctional services and schools to grow their own vegetables and raise chickens.

Very little has been done to promote rabbit farming before 2011 in South Africa, although (there

is a perception that) input costs are very low, the protein and health benefits exceeds that of chicken and the fact that approx. 3.5kg of vegetable mass produces approx. 1kg of rabbit meat. (Take note on vegetable matter, not if rabbits are fed on Exceptional High concentrated balanced pelleted feeds manufactured by various reputable livestock Feed Mills). Vegetable matter being a lot easier to grow in subsistence farming practices and readily available through the domestic market for feeding rabbits. For commercial purposes, rabbit pellets will be fed, giving an FCR of 1.7kg - 2.8 kg feed for every 1 kg of Rabbit meat.

Rabbit meat has the ability to surprise markets in every positive way. It is highly marketable and the product lives up to what is portrayed. People are hungry literary and figuratively for a new product in the market to consume as basic protein and to explore to the best of their culinary ability. It is hard to imagine that a big opportunity still exists out there. Rabbit meat in South Africa and bordering countries, is and will be the NEW CHICKEN and the next craze and the markets are ready and represents 54,000,000 people domestically. It is an affordable protein, it will have meaning and contribute to enrich the lives of consumers. The reality is that by overlooking the potential of rabbit meat in South Africa, the demand for it just grows stronger and in fact is thriving around the world.

Rabbit is the 5th most slaughtered and consumed meat product globally in order after Chicken, Duck, Pork and Turkey/Goose. Superseding annual slaughter and consumption of Sheep, Goat, Cattle, Buffalo and Horse. Quality South African products have proven to be quite popular around the world and a quality protein fed on the best of natural resources will be no different.

This is an opportunity for Commercial farmers to engage in rabbit farming activities. The farmer is contracted to produce core product only and he/she is the responsible person behind his/her venture focusing only on his/her farming activities. The main objective is to produce quality core product destined for various markets. The commercial farmers are managed on a contractual basis and are the sole providers of Rabbit and manure to the Contracting Company.

(www.farmersweekly.co.za/article.aspx?id=18233&h=Meat-rabbits-good-for-the-bottom-line)

MARKETING ACTIVITIES

MARKETING METHODS

At this point of our start up, we don't anticipate any marketing strategy for now, as Coniglio have the monopoly to the Rabbit meat industry.

For our byproducts, local newspaper advertisements will be placed, advertisements in the various Farmers Magazines that are weekly editions, Internet based advertising on search engines.

When it comes to products such as Lucerne, it's the least concern for marketing as word gets out quickly amongst the livestock farmers that Lucerne bales are available in large quantities.

WEBSITE

We will design our own website with the help of a professional Web Master.

We will utilize the various search engines to promote and market our business. Our Web Master will compile a complete Internet Marketing Strategy and will host our website to ensure optimal visits from Internet users.

The internet has become a powerful marketing tool as more and more people make use of this mode to search for services

Web Plan Summary

The website will be used for:

- Marketing/Sales
- Administrative functions.

NEWSPAPER ADVERTISING - local

Newspapers are one of the traditional mediums used by businesses, both big and small alike, to advertise their businesses.

Advantages

- Allows you to reach a huge number of people in a given geographic area
- You have the flexibility in deciding the ad size and placement within the newspaper
- Your ad can be as large as necessary to communicate as much of a story as you care to tell
- Exposure to your ad is not limited; readers can go back to your message again and again if so desired.
- Free help in creating and producing ad copy is usually available

Quick turn-around helps your ad reflect the changing market conditions. The ad you decide to run today can be in your customers' hands tomorrow.

FACEBOOK

Being available online will allow us access to more readers and get the information through smoothly.

Over 10 million people own mobile phones and have access to the internet.

Johannesburg has the highest number of Facebook users currently at 816 000, South Africa has 3 904 420 users, the largest chunk being the 18-24 year old group amounting to 33% of the users.

This then makes our Facebook page worth having, through this we will be able to hear and see what our target market thinks. We will also be able to send information and news directly to the target market.

VEHICLE WRAPPING

Vehicle wraps are a very memorable way to spread your business's message. Vehicle wraps for sales, service and delivery vehicles are a powerful branding and marketing tool.

Attention Grabbing

Brightly coloured, attractive vehicle wraps make your company vehicles stand out from all the other cars on the road. Passing drivers won't pay much attention to a plain white van on the road, but they will notice a well-designed vehicle wrap. Colourful vehicle wraps are so engaging that peoples' eyes naturally gravitate towards them.

Reach a Wider Audience

Depending on how many vehicles you own, how often they are on the road and how far they travel; you can reach tens of thousands to over a hundred thousand viewers per month. You can reach a larger audience with a vehicle wrap than almost any other form of advertising. Many businesses gain more customers from their vehicle wraps than their websites.

Non-Aggressive Advertising

Unlike radio ads or print ads that interrupt a person's reading, vehicle wraps attract attention without disturbance. Potential customers can easily spot your message without significant distraction from what they're doing. Customers respond better to advertising that doesn't take an "in-your-face" approach. Many people enjoy striking vehicle wraps and don't mind the advertising.

Get Mobile

Vehicle wraps travel into the view of potential customers instead of you waiting for them to see your television commercial or run across your newspaper advertisement. As a business, you can non-intrusively reach out to customers over all the roads your vehicle or vehicles travel. The lead possibilities from mobile exposure are nearly endless.

FINANCE REQUIRED

LOAN AMOUNT	EXCHANGE RATE: ZAR/Foreign Currency
ZAR 49 125 000 (Forty Seven Million Five Hundred thousand Rand)	
US\$ 3 750 000 (Three Million Seven Hundred Thousand Dollars)	ZAR 13.10 / US\$ 1
£ 2 422 340 (Two Million Four Hundred & Twenty Two thousand, Three Hundred & forty Pounds)	ZAR 20.28 / £ 1
€ 3 435 400 (Three Million Four Hundred & Thirty Five Thousand, Four Hundred Euro's)	ZAR 14.30 / € 1

UTILIZATION OF FUNDS

		% of total
Buildings / Real Estate		
Purchase of Agricultural Property	ZAR 4 800 000	9,77%
Construction of Rabbitry Buildings	ZAR 15 850 000	32,26%
Modelling of Rabbitry outlay and Farm	ZAR 5 250 000	10,69%
Site preparation	ZAR 210 000	0,43%
Buildings (Office block, Change Rooms, Ablutions, Training Centre, Workshop Manure Shed)	ZAR 480 000	0,98%
Farm Labour Housing	ZAR 540 000	1,10%
Total Buildings / Real Estate	ZAR 27 130 000	55,23%
Property Improvements		
Wind Turbines	ZAR 1 050 000	2,14%
Boreholes	ZAR 295 000	0,60%
Fencing	ZAR 225 000	0,46%
Total Property Improvements	ZAR 1 570 000	3,20%
Capital Equipment List		
Furniture	ZAR 20 000	0,04%
Diesel Generator	ZAR 110 000	0,22%
30 Ton Horse & Trailer	ZAR 1 200 000	2,44%

2 x Farm Pick-up Vehicles	ZAR 260 000	0,53%
Manure Dump Trailers	ZAR 60 000	0,12%
Tractor x 1	ZAR 180 000	0,37%
Tractor Implements	ZAR 110 000	0,22%
Centrifugal pumps	ZAR 40 000	0,08%
Pressure pumps	ZAR 35 000	0,07%
Offloading Augers	ZAR 120 000	0,24%
Slurry Separator	ZAR 22 000	0,04%
Manure Drier	ZAR 80 000	0,16%
Air Compressor	ZAR 8 000	0,02%
Workshop Tools & Machinery	ZAR 75 000	0,15%
Water Pressure Washers	ZAR 20 000	0,04%
Breeding Boxes	ZAR 120 000	0,24%
Transport Crates	ZAR 185 000	0,38%
Irrigation Equipment	ZAR 380 000	0,77%
Walk in Cold Room	ZAR 35 000	0,07%
Total Capital Equipment	ZAR 3 060 000	6,23%
<u>Direct Cost of Sales</u>		
Pre-Opening Feed	ZAR 1 676 042	3,41%
1kg Plastic Bags	ZAR 162	0,00%
Baling String	ZAR 27 823	0,06%
Manure Bag Sewing String	ZAR 745	0,00%
Lucerne Seed	ZAR 42 000	0,09%
Diesel Fuel	ZAR 55 240	0,11%
Atrazine, Treflan - Herbicide	ZAR 16 200	0,03%
Fertilizers	ZAR 81 358	0,17%
Parathion - Insecticide	ZAR 17 400	0,04%
	ZAR 1 916 970	3,90%
Location Admin Expenses		
Rates & Taxes	ZAR 11 200	0,02%
Legal and accounting fees	ZAR 19 200	0,04%
Prepaid insurance	ZAR 86 500	0,18%
Utility Deposits	ZAR 48 000	0,10%
Total Location Admin Expenses	ZAR 164 900	0,34%
Opening Inventory		
Breeding Stock & Cages	ZAR 6 900 000	14,0%

40 x Contracts	ZAR 230 000	0,5%
Total Inventory	ZAR 7 130 000	14,5%
Opening Expenses		
Pre-Opening Salaries	ZAR 1 800 000	3,66%
Pre-Opening Wages	ZAR 348 000	0,71%
Pre-Opening Casual Labour Wages	ZAR 126 900	0,26%
Pre-Opening Labour Unemployment Fund	ZAR 7 890	0,02%
Pre-Opening Primary Staff Training	ZAR 46 000	0,09%
Pre-Opening Labour Training	ZAR 46 200	0,09%
Pre-Opening Professional Fees	ZAR 12 000	0,02%
Pre-Opening Electricity	ZAR 89 000	0,18%
Pre-Opening Telephone Services & Internet	ZAR 27 300	0,06%
Pre-Opening Office Supplies	ZAR 6 400	0,01%
Pre-Opening Fuels & Oils	ZAR 71 500	0,15%
Pre-Opening Vehicle Services	ZAR 17 300	0,04%
Pre-Opening Cleaning Equipment	ZAR 15 400	0,03%
Pre-Opening Cleaning Materials	ZAR 14 500	0,03%
Pre-Opening Protective Clothing	ZAR 19 200	0,04%
Pre-Opening Veterinary	ZAR 7 400	0,02%
Pre-Opening Equipment Purchases	ZAR 75 000	0,15%
Pre-Opening Petty Cash	ZAR 50 000	0,10%
Pre-Opening Hidden Costs	ZAR 42 000	0,09%
Pre-Opening Loan Interest Payment	ZAR 2 281 706	4,64%
Pre-Opening Loan Capital Repayment	ZAR 2 249 436	4,58%
Total Start-up Expenses	ZAR 7 353 132	15,0%
Reserve for Contingencies	ZAR 800 000	1,6%
Start-up Expenses		
Buildings / Real Estate	ZAR 27 130 000	55,23%
Property Improvements	ZAR 1 570 000	3,20%
Capital Equipment	ZAR 3 060 000	6,23%
Direct Costs	ZAR 1 916 970	3,90%
Location Administration Expenses	ZAR 164 900	0,34%
Opening inventory	ZAR 7 130 000	14,51%
Opening expenses	ZAR 7 353 132	14,97%
Contingency fund	ZAR 800 000	1,63%

Total Start-up Expenses	ZAR 49 125 002	100,00%

REPAYMENT CALCULATION

We have based our calculation on the following assumption:

R.....over 144 months (12 years) @ P 6% = US\$

- 12 x Annual Capital and interest Repayments of **6% on (US\$)** interest on the capital, compounded interest monthly for 12 months per annum over the 12 year loan period.
- 15 % Equity Share in the company. **(Negotiable)**

Exit Strategy

- IPO or Initial Public Offering
- Acquisition
- Sell the Company
- Mergers
- Liquidation

FIXED CONTRACT - Once we have managed to secure funding for the project, contracts will be finalized with Coniglio Rabbit Farm. (10 year contract, annual price/kg increase review and a further 10 year contract extension).

FARM PURCHASE – Once we have managed to secure funding for the project, suitable Agricultural zoned farms for livestock on the market will be sourced and an offer to purchase put in. (Currently Four well established farms have been earmarked, suitable for the project). Generally the Transfer and registration of agricultural property takes between 8 – 12 weeks. With most farm sales and purchases, agreements are reached between the seller and buyer for occupational rent whilst the period for registration and transfer of the property is in progress. This generally is an advantage for the buyer to commence with immediate operations of their project.

	Income per product (R) / Feed Cost					
	Manure	Fryers	Still borne 50g	Lucerne R115 / bale	Total Revenue	Feed Cost
Dec. 2015						
Jan 2016						
Feb	372					
March	1 860					
April	4 466			73 600		
May	5 664		1 080			
June	9 533		1 080	73 600		
July	25 915		3 240			
Aug	33 750	584 510	3 240	73 600		
Sept	67 419	1 753 607	3 240			
Oct	62 806	1 753 607	4 320	73 600		
Nov	65 023	1 753 607	3 240	73 600		
Total year 2016	276 808	5 845 331	19 440	368 000	6 509 581	R731 515
Total year 2017	1 020 193	25 275 780	47 952	615 480	26 959 405	10 090 429
Total year 2018	1 267 708	28 575 915	53 786	987 206	30 884 615	10 651 302
Total year 2019	1 470 666	29 949 258	63 450	1 037 232	32 561 408	11 126 202
Total year 2020	1 777 336	33 722 609	74 790	1 453 500	37 073 116	11 744 026

YEAR 1 (Cost of Sales breakdown) (R)

Cost of Sales	Dec 2015	Jan 2016	Feb 2016	March 2016	April 2016	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	TOTAL
FEED	-	-	4 186,98	20 934,90	50 243,76	63 720,72	107 248,68	291 545,10	379 692,18	758 469,60	706 567,68	731 515,68	3 114 125
1kg Plastic Bags	-	-	-	-	-	13,50	13,50	40,50	40,50	54,00	40,50	40,50	243
Baling String	-	-	-	-	9 297,60	-	9 297,60	-	9 297,60	-	9 297,60	9 297,60	46 488
Manure Bag Sewing String	-	-	1,86	9,31	22,33	28,32	47,67	129,58	168,75	337,10	314,03	325,12	1 384
Lucerne Seed	-	-	-	42 000,00	-	-	-	-	-	-	-	-	42 000
Diesel Fuel	-	-	-	8 200,00	15 680,00	-	15 680,00	-	15 680,00	-	15 680,00	15 680,00	86 600
Atrazine, Treflan - Herbicide	-	-	-	16 200,00	-	-	-	-	-	-	-	-	16 200
Fertilizers	-	-	-	81 357,84	-	-	-	-	-	-	-	-	81 358
Parathion - Insecticide	-	-	-	-	5 800,00	-	5 800,00	-	5 800,00	-	5 800,00	-	23 200
Total Cost of Sales	-	-	4 188,84	168 702,05	81 043,69	63 762,54	138 087,45	291 715,18	410 679,03	758 860,70	737 699,81	756 858,90	3 411 598 (52.40887%)
Turnover													6 509 581
Gross profit													3 097 983 (47.59113%)

Breakdown of Cost Of Sales Items: Feeding Cost
Dry Doe's Feeding @ 120g/day, kg per week
Lactating Doe's Feeding 210g/day, kg per week
Breeding Bucks Feeding 100g/day, kg per week
Teaser Bucks Feeding 100g/day, kg per week
Fryer's Feeding 110g/day, kg per week
Replacement Dry Dows Feeding @ 120g/day kg per week, kg per week
Other Cost Of Sales Items
Plastic Bags
Baling String
Lucerne seed
Diesel fuel
Atrazine, Treflan – Herbicide
Fertilizers
Parathion - Insecticide

Breeding stock

Coniglio quality breeding stock is supplied to farmers in all **Coniglio** models to ensure **equal production opportunities and quality products** to the markets.

Coniglio has the ability to set up 10 new farmers per month. This expands production with 9 tons per month and controlled to be in alignment with infrastructure to support the farming activities and markets.

Rabbit meat has the ability to surprise markets in every positive way. It is highly marketable and the product lives up to what is portrayed. We have tested and researched our markets and our conclusion is based on reactions when products were presented and sampled in various scenarios. People are hungry literary and figuratively for a new product in the market to consume as basic a protein and to explore to the best of their culinary ability. It is hard to imagine that a big opportunity still exist out there. **Rabbit meat in South Africa is the new chicken and the next craze and the markets are ready and represents 52 000 000 people.** If it is an affordable protein it will have meaning and contribute to enrich the lives of

consumers. The reality is that by overlooking the potential of rabbit meat in South Africa the demand for it just grows stronger and in fact is thriving around the world. Quality South African products have proven to be quite popular around the world and a quality protein fed on the best of natural resources will be no different.

EXPENSES

Expenses increased by 5% per annum in line with inflationary targets set by the Reserve Bank.

Tax Liability

It is assumed that the business will pay its tax liability every six months.

Profitability and Liquidity Ratios

Gross Margin:

The company will attain a very high gross profit margin of over 65.4%, which demonstrates that the project is a very profitable one.

Net Profit Margin:

Net Profit Margin is revenue made less all expenses paid; in this case the company shows a very high profit margin of almost 30.1, good net earnings for shareholders. Important to note is that profitability increased from a deficit in year one (1) to 43.6% in year 12.

Current Ratio:

This ratio indicates the company's ability to meet short term debt obligations. The higher the ratio, the more liquid the company is. This company has an average current ratio of 32.9, this demonstrates its liquidity to service debt and embark on further expansions. It's a company in financial good standing.

Return on Assets:

This shows the amount of return, in financial terms that the investment produces. It shows how attractive the investment is, compared to other risky and non-risk investments in the market. The 16.2% average clearly shows a return greater than the risk free money market rates that are currently being obtained in the market as well as most professional portfolio investments.

Debt-to-equity

The ratio reduces steadily over the 12 year period. A higher debt-to-equity ratio typically shows that a company has been aggressive in financing its growth with debt, which in this business, is not the case. The balance sheet declares a “cash flus” position – there are ample cash holding available to finance future growth which means lucrative returns for prospective investors. The business will be in a position to repay its debt much earlier if required by investors. Average ratio over the 12 year period: 0,2.

Equity Share

The business is in a perfect position to offer an investor an equity share of 15% (**Negotiable**)

Depreciation

Depreciation has not been included in the Income and Cash flow statements as it will distort and have a negative effect on the profitability (net profit) figures of the business. Depreciation has real value in audited financial statements as it reduces the tax liability of a company.

VAT

The financial forecast does not take VAT into consideration as it has no bearing on the profitability of the business.

Financial Ratios

RATIOS												
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Gross Margin	47,6%	61,6%	64,5%	64,8%	67,3%	67,9%	68,0%	68,3%	68,3%	68,5%	68,8%	69,0%
Net Profit	-53,1%	30,4%	31,1%	32,2%	35,7%	37,4%	38,7%	39,9%	40,8%	41,8%	42,8%	43,6%
Current Ratio	3,7	6,7	11,6	16,6	22,8	28,9	34,9	41,2	47,4	53,8	60,4	66,8
Return on Net Assets (RONA)	-8,1%	17,1%	17,7%	17,1%	18,7%	19,2%	19,3%	19,2% 4	18,9%	18,6%	18,3%	17,9%
Debt-to-equity	(13,4)	9,1	2,8	1,5	0,9	0,5	0,3	0,2	0,1	0,1	0,1	0,0

Cash Flow Forecast (R)

Income Statement & Cash Flow Report

	Dec-2015	Jan-2016	Feb-2016	Mar-2016	Apr-2016	May-2016	Jun-2016	Jul-2016	Aug-2016	Sep-2016	Oct-2016	Nov-2016	TOTAL
Turnover	-	-	372	1 860	78 066	6 744	84 213	29 155	695 099	1 825 346	1 893 256	1 895 470	6 509 581
Cost of Sales	-	-	195	975	40 914	3 534	44 135	15 280	364 294	956 643	992 234	993 394	3 411 598
Gross Profit	-	-	177	885	37 152	3 210	40 078	13 875	330 805	868 703	901 022	902 076	3 097 983
Gross Profit %	47,6%	47,6%	47,6%	47,6%	47,6%	47,6%	47,6%	47,6%	47,6%	47,6%	47,6%	47,6%	47,6%
Overheads													
Salaries	180 000	180 000	180 000	180 000	180 000	180 000	180 000	180 000	180 000	180 000	180 000	180 000	2 160 000
labour wages	-	-	14 100	22 500	30 900	39 300	47 700	56 100	64 500	72 900	72 900	72 900	493 800
casual labour wages	-	18 000	12 600	13 950	13 500	13 950	13 500	13 950	13 950	13 500	13 950	13 500	154 350
Labour Unemployment Insurance	441	441	582	666	750	834	918	1 002	1 086	1 170	1 170	1 170	10 230
primary staff training	46 000	-	-	-	-	-	-	-	-	-	-	-	46 000
labour training	-	-	6 600	6 600	6 600	6 600	6 600	6 600	6 600	-	-	-	46 200
Accounting fees	-	-	2 400	2 400	2 400	2 400	2 400	2 400	2 400	2 400	2 400	2 400	24 000
Professional Fees	-	-	-	3 000	-	3 000	-	3 000	-	3 000	3 000	-	15 000
agricultural insurance	-	6 500	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	106 500
electricity	-	5 000	8 000	10 000	13 000	15 000	10 000	10 000	9 000	9 000	9 000	9 000	107 000
telephone & internet	2 000	2 000	2 500	2 800	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	33 300
office supplies	-	2 000	1 000	500	300	500	300	1 000	500	300	500	300	7 200
fuels and oils	3 000	4 000	5 000	6 000	8 000	8 000	8 500	9 000	10 000	10 000	10 000	10 000	91 500
vehicle services	-	-	1 900	5 800	-	1 900	-	5 800	-	1 900	-	5 800	23 100
cleaning equipment	-	-	3 000	1 800	2 000	1 800	1 600	1 400	2 000	1 800	1 600	1 400	18 400
cleaning materials	-	-	2 000	2 000	1 500	2 000	1 500	2 000	1 500	2 000	1 500	2 000	18 000

protective clothing	-	-	3 200	3 200	3 200	3 200	3 200	3 200	-	-	-	-	19 200
Veterinary	-	-	600	800	1 200	800	1 200	800	1 200	800	1 200	800	9 400
equipment purchases	-	5 000	8 000	12 000	5 000	8 000	12 000	5 000	8 000	12 000	5 000	8 000	88 000
council and land taxation	-	-	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	1 400	14 000
Hidden Cost	-	-	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	6 000	60 000
Petty Cash	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	5 000	60 000
Total	236 441	227 941	273 882	296 416	293 750	312 684	314 818	326 652	326 136	336 170	327 620	332 670	3 605 180
Net Profit before Interest & Tax	(236 441)	(227 941)	(273 705)	(295 531)	(256 598)	(309 474)	(274 740)	(312 777)	4 669	532 533	573 402	569 406	(507 197)
Interest	245 625	244 456	243 282	242 101	240 915	239 722	238 524	237 320	236 109	234 893	233 670	232 442	2 869 059
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the year	(482 066)	(472 397)	(516 987)	(537 632)	(497 512)	(549 197)	(513 264)	(550 096)	(231 440)	297 640	339 732	336 964	(3 376 255)
Changes in Working Capital	7 358 814	6 987	28 886	29 869	(85 830)	97 214	(82 774)	64 734	(656 863)	(1 072 175)	(124 498)	53 249	5 617 613
Inventory	7 130 000	-	(189)	(786)	(38 619)	36 059	(39 177)	27 924	(349 507)	(561 490)	(66 450)	30 885	6 168 651
Debtors	-	-	(360)	(1 500)	(73 688)	68 804	(74 752)	53 282	(666 884)	(1 071 365)	(126 792)	58 930	(1 834 326)
Creditors	228 814	6 987	29 435	32 155	26 477	(7 649)	31 155	(16 472)	359 528	560 680	68 745	(36 566)	1 283 288
Investment & Financing	(233 761)	(234 930)	(236 105)	(237 285)	(238 472)	(239 664)	(240 863)	(242 067)	(243 277)	(244 494)	(245 716)	(246 945)	(2 883 579)
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	(233 761)	(234 930)	(236 105)	(237 285)	(238 472)	(239 664)	(240 863)	(242 067)	(243 277)	(244 494)	(245 716)	(246 945)	(2 883 579)
Annual Cash Flow	6 642 986	(700 340)	(724 205)	(745 048)	(821 813)	(691 647)	(836 900)	(727 429)	(1 131 580)	(1 019 029)	(30 482)	143 268	(642 221)
Cash Flow: Beginning of Period	800 000	7 442 986	6 742 646	6 018 441	5 273 392	4 451 579	3 759 932	2 923 031	2 195 602	1 064 022	44 993	14 511	800 000
Cash Flow: End of Period	7 442 986	6 742 646	6 018 441	5 273 392	4 451 579	3 759 932	2 923 031	2 195 602	1 064 022	44 993	14 511	157 779	157 779

Cash Flow Projections - Income Statement (R)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Turnover	6 509 581	26 959 405	30 884 615	32 561 408	37 073 116	42 634 083	49 029 196	56 383 575	64 841 112	74 567 278	85 752 370	98 615 226
Cost of Sales	3 411 598	10 358 262	10 965 913	11 448 432	12 131 147	13 685 541	15 689 343	17 901 785	20 567 601	23 488 693	26 754 739	30 570 720
Gross Profit	3 097 983	16 601 143	19 918 702	21 112 976	24 941 969	28 948 543	33 339 853	38 481 790	44 273 511	51 078 586	58 997 631	68 044 506
<i>Gross Profit %</i>	47,6%	61,6%	64,5%	64,8%	67,3%	67,9%	68,0%	68,3%	68,3%	68,5%	68,8%	69,0%
Expenses												
Salaries	2 160 000	2 268 000	2 381 400	2 500 470	2 625 494	2 756 768	2 894 607	3 039 337	3 191 304	3 350 869	3 518 412	3 694 333
labour wages	493 800	518 490	544 415	571 635	600 217	630 228	661 739	694 826	729 567	766 046	804 348	844 566
casual labour wages	154 350	162 068	170 171	178 679	187 613	196 994	206 844	217 186	228 045	239 448	251 420	263 991
Labour Unemployment Insurance	10 230	10 742	11 279	11 843	12 435	13 056	13 709	14 395	15 114	15 870	16 664	17 497
primary staff training	46 000	48 300	50 715	53 251	55 913	58 709	61 644	64 727	67 963	71 361	74 929	78 676
labour training	46 200	48 510	50 936	53 482	56 156	58 964	61 912	65 008	68 258	71 671	75 255	79 018
Accounting fees	24 000	25 200	26 460	27 783	29 172	30 631	32 162	33 770	35 459	37 232	39 093	41 048
Professional Fees	15 000	15 750	16 538	17 364	18 233	19 144	20 101	21 107	22 162	23 270	24 433	25 655
agricultural insurance	106 500	111 825	117 416	123 287	129 451	135 924	142 720	149 856	157 349	165 216	173 477	182 151
electricity	107 000	112 350	117 968	123 866	130 059	136 562	143 390	150 560	158 088	165 992	174 292	183 006
telephone & internet	33 300	34 965	36 713	38 549	40 476	42 500	44 625	46 856	49 199	51 659	54 242	56 954
office supplies	7 200	7 560	7 938	8 335	8 752	9 189	9 649	10 131	10 638	11 170	11 728	12 314
fuels and oils	91 500	96 075	100 879	105 923	111 219	116 780	122 619	128 750	135 187	141 947	149 044	156 496
vehicle services	23 100	24 255	25 468	26 741	28 078	29 482	30 956	32 504	34 129	35 836	37 627	39 509
cleaning equipment	18 400	19 320	20 286	21 300	22 365	23 484	24 658	25 891	27 185	28 544	29 972	31 470
cleaning materials	18 000	18 900	19 845	20 837	21 879	22 973	24 122	25 328	26 594	27 924	29 320	30 786

protective clothing	19 200	20 160	21 168	22 226	23 338	24 505	25 730	27 016	28 367	29 786	31 275	32 839
Veterinary	9 400	9 870	10 364	10 882	11 426	11 997	12 597	13 227	13 888	14 582	15 312	16 077
equipment purchases	88 000	92 400	97 020	101 871	106 965	112 313	117 928	123 825	130 016	136 517	143 343	150 510
council and land taxation	14 000	14 700	15 435	16 207	17 017	17 868	18 761	19 699	20 684	21 719	22 805	23 945
Hidden Cost	60 000	63 000	66 150	69 458	72 930	76 577	80 406	84 426	88 647	93 080	97 734	102 620
Petty Cash	60 000	63 000	66 150	69 458	72 930	76 577	80 406	84 426	88 647	93 080	97 734	102 620
Total Expenses	3 605 180	3 785 439	3 974 711	4 173 446	4 382 119	4 601 225	4 831 286	5 072 850	5 326 493	5 592 817	5 872 458	6 166 081
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) before Interest & Tax	(507 197)	12 815 704	15 943 991	16 939 530	20 559 851	24 347 318	28 508 567	33 408 940	38 947 018	45 485 768	53 125 172	61 878 424
Interest	2 947 500	2 772 781	2 587 579	2 391 265	2 183 171	2 183 171	2 183 171	2 183 171	2 183 171	2 183 171	2 183 171	2 183 171
Taxation	-	1 844 703	3 739 795	4 073 514	5 145 470	6 205 961	7 371 111	8 743 215	10 293 877	12 124 727	14 263 760	16 714 671
Profit / (Loss) for the year	(3 454 697)	8 198 220	9 616 617	10 474 751	13 231 209	15 958 185	18 954 285	22 482 553	26 469 970	31 177 870	36 678 241	42 980 582
<i>Net Profit %</i>	<i>-53,1%</i>	<i>30,4%</i>	<i>31,1%</i>	<i>32,2%</i>	<i>35,7%</i>	<i>37,4%</i>	<i>38,7%</i>	<i>39,9%</i>	<i>40,8%</i>	<i>41,8%</i>	<i>42,8%</i>	<i>43,6%</i>
<i>Interest Cover</i>	<i>(0,17)</i>	<i>4,62</i>	<i>6,16</i>	<i>7,08</i>	<i>9,42</i>	<i>11,15</i>	<i>13,06</i>	<i>15,30</i>	<i>17,84</i>	<i>20,83</i>	<i>24,33</i>	<i>28,34</i>

Cash Flow Projections - Cash Flow Statement (R)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Cash flows from operating activities												
Profit / (Loss) for the year	(3 454 697)	8 198 220	9 616 617	10 474 751	13 231 209	15 958 185	18 954 285	22 482 553	26 469 970	31 177 870	36 678 241	42 980 582
Interest	2 947 500	2 772 781	2 587 579	2 391 265	2 183 171	2 183 171	2 183 171	2 183 171	2 183 171	2 183 171	2 183 171	2 183 171
Taxation	-	1 844 703	3 739 795	4 073 514	5 145 470	6 205 961	7 371 111	8 743 215	10 293 877	12 124 727	14 263 760	16 714 671
<i>Adjustment for non-cash expenses:</i>												
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
<i>Changes in operating assets & liabilities</i>												
Inventory	6 849 595	(570 959)	(49 944)	(39 659)	(56 114)	(127 758)	(164 696)	(181 845)	(219 108)	(240 090)	(268 442)	(313 642)
Receivables	(535 034)	(1 680 807)	(322 620)	(137 819)	(370 825)	(457 066)	(525 626)	(604 470)	(695 140)	(799 411)	(919 323)	(1 057 221)
Payables	576 721	585 774	65 501	55 993	73 265	145 767	183 605	201 699	239 955	261 979	291 426	337 776
<i>Cash generated from operations</i>	<i>6 384 085</i>	<i>11 149 713</i>	<i>15 636 928</i>	<i>16 818 046</i>	<i>20 206 176</i>	<i>23 908 261</i>	<i>28 001 851</i>	<i>32 824 325</i>	<i>38 272 726</i>	<i>44 708 247</i>	<i>52 228 834</i>	<i>60 845 337</i>
Interest paid	(2 947 500)	(2 772 781)	(2 587 579)	(2 391 265)	(2 183 171)	(2 183 171)	(2 183 171)	(2 183 171)	(2 183 171)	(2 183 171)	(2 183 171)	(2 183 171)
Taxation paid	-	(1 844 703)	(3 739 795)	(4 073 514)	(5 145 470)	(6 205 961)	(7 371 111)	(8 743 215)	(10 293 877)	(12 124 727)	(14 263 760)	(16 714 671)
<i>Net cash from operating activities</i>	<i>3 436 585</i>	<i>6 532 228</i>	<i>9 309 553</i>	<i>10 353 267</i>	<i>12 877 535</i>	<i>15 519 128</i>	<i>18 447 568</i>	<i>21 897 938</i>	<i>25 795 677</i>	<i>30 400 348</i>	<i>35 781 902</i>	<i>41 947 495</i>
Cash flows from investing activities												
Purchases of property, plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-
<i>Net cash used in investing activities</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Cash flows from financing activities												
Proceeds from shareholders' contributions	-	-	-	-	-	-	-	-	-	-	-	-

Proceeds from loans	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of loans	(2 911 984)	(3 086 703)	(3 271 905)	(3 468 220)	(3 676 313)	(3 676 313)	(3 676 313)	(3 676 313)	(3 676 313)	(3 676 313)	(3 676 313)	(3 676 313)
<i>Net cash from financing activities</i>	<i>(2 911 984)</i>	<i>(3 086 703)</i>	<i>(3 271 905)</i>	<i>(3 468 220)</i>	<i>(3 676 313)</i>	<i>(3 676 313)</i>	<i>(3 676 313)</i>	<i>(3 676 313)</i>	<i>(3 676 313)</i>	<i>(3 676 313)</i>	<i>(3 676 313)</i>	<i>(3 676 313)</i>
Increase / (Decrease) in cash equivalents	524 601	3 445 525	6 037 648	6 885 047	9 201 222	11 842 815	14 771 256	18 221 625	22 119 364	26 724 036	32 105 589	38 271 182
Cash & cash equivalents at beginning of year	800 000	1 324 601	4 770 126	10 807 774	17 692 821	26 894 043	38 736 858	53 508 114	71 729 739	93 849 103	120 573 139	152 678 728
Cash & cash equivalents at end of year	1 324 601	4 770 126	10 807 774	17 692 821	26 894 043	38 736 858	53 508 114	71 729 739	93 849 103	120 573 139	152 678 728	190 949 910

Cash Flow Projections - Balance Sheet (R)

	Start-up	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Assets													
Property, Plant & Equipment	41 195 002	41 195 002	41 195 002	41 195 002	41 195 002	41 195 002	41 195 002	41 195 002	41 195 002	41 195 002	41 195 002	41 195 002	41 195 002
<i>Current Assets</i>													
Inventory	7 130 000	280 405	851 364	901 308	940 967	997 081	1 124 839	1 289 535	1 471 380	1 690 488	1 930 577	2 199 020	2 512 662
Receivables	-	535 034	2 215 842	2 538 462	2 676 280	3 047 105	3 504 171	4 029 797	4 634 266	5 329 406	6 128 817	7 048 140	8 105 361
Cash	800 000	1 324 601	4 770 126	10 807 774	17 692 821	26 894 043	38 736 858	53 508 114	71 729 739	93 849 103	120 573 139	152 678 728	190 949 910
	49 125 002	43 335 042	49 032 333	55 442 545	62 505 070	72 133 231	84 560 871	100 022 448	119 030 387	142 064 000	169 827 536	203 120 890	242 762 935
Equity & Liabilities													
Shareholders' Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained Earnings	-	(3 454 697)	4 743 523	14 360 140	24 834 891	38 066 100	54 024 285	72 978 570	95 461 124	121 931 093	153 108 963	189 787 204	232 767 786
Long Term Liabilities	49 125 002	46 213 018	43 126 315	39 854 409	36 386 189	32 709 876	29 033 563	25 357 251	21 680 938	18 004 625	14 328 312	10 651 999	6 975 686
<i>Current Liabilities</i>													
Payables	-	576 721	1 162 496	1 227 996	1 283 990	1 357 255	1 503 022	1 686 627	1 888 326	2 128 282	2 390 261	2 681 687	3 019 463
	49 125 002	43 335 042	49 032 333	55 442 545	62 505 070	72 133 231	84 560 871	100 022 448	119 030 387	142 064 000	169 827 536	203 120 890	242 762 935
<i>Current Ratio</i>		3,7	6,7	11,6	16,6	22,8	28,9	34,9	41,2	47,4	53,8	60,4	66,8
<i>Quick Ratio</i>		3,2	6,0	10,9	15,9	22,1	28,1	34,1	40,4	46,6	53,0	59,6	65,9
<i>Inventory Days</i>		30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0
<i>Debtors Days</i>		30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0
<i>Creditors Days</i>		30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0
<i>Debt / Equity</i>		(13,4)	9,1	2,8	1,5	0,9	0,5	0,3	0,2	0,1	0,1	0,1	0,0
<i>Return on Equity (ROE)</i>		100,0%	172,8%	67,0%	42,2%	34,8%	29,5%	26,0%	23,6%	21,7%	20,4%	19,3%	18,5%
<i>Return on Net Assets (RONA)</i>		-8,1%	17,1%	17,7%	17,1%	18,7%	19,2%	19,3%	19,2%	18,9%	18,6%	18,3%	17,9%

Cash Flow Projections - Loan Repayment Schedule (R)						
Interest Rate	6,0%					
Repayment Term	12					
Interest Only	No					
Year	Opening Balance	Additional Financing	Loan Repayment	Interest Charged	Capital Repayment	Closing Balance
0	-	49 125 002	-	-	-	49 125 002
1	49 125 002	-	5 859 484	2 947 500	2 911 984	46 213 018
2	46 213 018	-	5 859 484	2 772 781	3 086 703	43 126 315
3	43 126 315	-	5 859 484	2 587 579	3 271 905	39 854 409
4	39 854 409	-	5 859 484	2 391 265	3 468 220	36 386 189
5	36 386 189	-	5 859 484	2 183 171	3 676 313	32 709 876
6	32 709 876	-	5 859 484	1 962 593	3 896 892	28 812 985
7	28 812 985	-	5 859 484	1 728 779	4 130 705	24 682 279
8	24 682 279	-	5 859 484	1 480 937	4 378 548	20 303 732
9	20 303 732	-	5 859 484	1 218 224	4 641 260	15 662 472
10	15 662 472	-	5 859 484	939 748	4 919 736	10 742 736
11	10 742 736	-	5 859 484	644 564	5 214 920	5 527 815
12	5 527 815	-	5 859 484	331 669	5 527 815	-

FINANCIALS IN USD

**Cash Flow Projections - Income Statement
USD**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Turnover	496 915	2 057 969	2 357 604	2 485 603	2 830 008	3 254 509	3 742 686	4 304 088	4 949 702	5 692 157	6 545 980	7 527 878
Cost of Sales	260 428	790 707	837 093	873 926	926 041	1 044 697	1 197 659	1 366 548	1 570 045	1 793 029	2 042 346	2 333 642
Gross Profit	236 487	1 267 262	1 520 511	1 611 677	1 903 967	2 209 812	2 545 026	2 937 540	3 379 656	3 899 127	4 503 635	5 194 236
<i>Gross Profit %</i>	47,6%	61,6%	64,5%	64,8%	67,3%	67,9%	68,0%	68,3%	68,3%	68,5%	68,8%	69,0%
Expenses												
Salaries	164 885	173 129	181 786	190 875	200 419	210 440	220 962	232 010	243 610	255 791	268 580	282 009
labour wages	37 694	39 579	41 558	43 636	45 817	48 108	50 514	53 039	55 691	58 476	61 400	64 470
casual labour wages	11 782	12 371	12 990	13 639	14 321	15 037	15 789	16 578	17 407	18 278	19 192	20 151
Labour Unemployment Insurance	780	819	860	903	948	995	1 045	1 098	1 152	1 210	1 271	1 334
primary staff training	3 511	3 687	3 871	4 064	4 268	4 481	4 705	4 940	5 187	5 447	5 719	6 005
labour training	3 526	3 702	3 887	4 082	4 286	4 500	4 725	4 961	5 210	5 470	5 743	6 031
Accounting fees	1 832	1 924	2 020	2 121	2 227	2 338	2 455	2 578	2 707	2 842	2 984	3 133
Professional Fees	1 145	1 202	1 262	1 325	1 392	1 461	1 534	1 611	1 692	1 776	1 865	1 958
agricultural insurance	8 129	8 535	8 962	9 410	9 881	10 375	10 894	11 438	12 010	12 611	13 241	13 903
electricity	8 167	8 575	9 004	9 454	9 927	10 423	10 945	11 492	12 066	12 670	13 303	13 968
telephone & internet	2 541	2 668	2 801	2 942	3 089	3 243	3 405	3 575	3 754	3 942	4 139	4 346
office supplies	549	576	605	636	667	701	736	772	811	852	894	939
fuels and oils	6 984	7 333	7 700	8 085	8 489	8 914	9 359	9 827	10 319	10 834	11 376	11 945
vehicle services	1 763	1 851	1 944	2 041	2 143	2 250	2 363	2 481	2 605	2 735	2 872	3 015
cleaning equipment	1 405	1 475	1 549	1 626	1 708	1 793	1 883	1 977	2 076	2 180	2 289	2 403
cleaning materials	1 374	1 443	1 515	1 591	1 670	1 754	1 841	1 933	2 030	2 132	2 238	2 350

protective clothing	1 466	1 539	1 616	1 697	1 782	1 871	1 965	2 063	2 166	2 274	2 388	2 507
Veterinary	718	754	792	831	873	916	962	1 010	1 061	1 114	1 170	1 228
equipment purchases	6 716	7 052	7 404	7 775	8 163	8 572	9 000	9 450	9 923	10 419	10 940	11 487
council and land taxation	1 069	1 122	1 179	1 238	1 299	1 364	1 433	1 504	1 579	1 658	1 741	1 828
Hidden Cost	4 580	4 809	5 049	5 302	5 567	5 845	6 138	6 445	6 767	7 105	7 460	7 833
Petty Cash	4 580	4 809	5 049	5 302	5 567	5 845	6 138	6 445	6 767	7 105	7 460	7 833
0	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	275 196	288 956	303 404	318 574	334 502	351 228	368 789	387 228	406 590	426 919	448 265	470 679
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) before Interest & Tax	(38 709)	978 307	1 217 108	1 293 103	1 569 464	1 858 584	2 176 237	2 550 312	2 973 066	3 472 208	4 055 369	4 723 557
Interest	225 000	211 663	197 525	182 539	166 654	166 654	166 654	166 654	166 654	166 654	166 654	166 654
Taxation	-	140 822	285 483	310 958	392 787	473 740	562 683	667 424	785 795	925 555	1 088 840	1 275 933
Profit / (Loss) for the year	(263 709)	625 822	734 100	799 606	1 010 023	1 218 190	1 446 900	1 716 234	2 020 617	2 379 999	2 799 875	3 280 970
<i>Net Profit %</i>	-53,1%	30,4%	31,1%	32,2%	35,7%	37,4%	38,7%	39,9%	40,8%	41,8%	42,8%	43,6%
<i>Interest Cover</i>	(0,17)	4,62	6,16	7,08	9,42	11,15	13,06	15,30	17,84	20,83	24,33	28,34

Cash Flow Projections - Cash Flow Statement												
USD												
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Cash flows from operating activities												
Profit / (Loss) for the year	(263 709)	625 822	734 100	799 606	1 010 023	1 218 190	1 446 900	1 716 234	2 020 617	2 379 999	2 799 875	3 280 970
Interest	225 000	211 663	197 525	182 539	166 654	166 654	166 654	166 654	166 654	166 654	166 654	166 654
Taxation	-	140 822	285 483	310 958	392 787	473 740	562 683	667 424	785 795	925 555	1 088 840	1 275 933
<i>Adjustment for non-cash expenses:</i>												
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
<i>Changes in operating assets & liabilities</i>												
Inventory	522 870	(43 585)	(3 813)	(3 027)	(4 283)	(9 753)	(12 572)	(13 881)	(16 726)	(18 327)	(20 492)	(23 942)
Receivables	(40 842)	(128 306)	(24 628)	(10 520)	(28 307)	(34 891)	(40 124)	(46 143)	(53 064)	(61 024)	(70 177)	(80 704)
Payables	44 024	44 716	5 000	4 274	5 593	11 127	14 016	15 397	18 317	19 998	22 246	25 784
<i>Cash generated from operations</i>	487 343	851 132	1 193 668	1 283 830	1 542 466	1 825 068	2 137 557	2 505 685	2 921 594	3 412 855	3 986 946	4 644 695
Interest paid	(225 000)	(211 663)	(197 525)	(182 539)	(166 654)	(166 654)	(166 654)	(166 654)	(166 654)	(166 654)	(166 654)	(166 654)
Taxation paid	-	(140 822)	(285 483)	(310 958)	(392 787)	(473 740)	(562 683)	(667 424)	(785 795)	(925 555)	(1 088 840)	(1 275 933)
<i>Net cash from operating activities</i>	262 343	498 647	710 660	790 333	983 025	1 184 674	1 408 219	1 671 606	1 969 144	2 320 646	2 731 452	3 202 108
Cash flows from investing activities												
Purchases of property, plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-
<i>Net cash used in investing activities</i>	-	-	-	-	-	-	-	-	-	-	-	-
Cash flows from financing activities												

Proceeds from shareholders' contributions	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from loans	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of loans	(222 289)	(235 626)	(249 764)	(264 750)	(280 635)	(280 635)	(280 635)	(280 635)	(280 635)	(280 635)	(280 635)	(280 635)
<i>Net cash from financing activities</i>	<i>(222 289)</i>	<i>(235 626)</i>	<i>(249 764)</i>	<i>(264 750)</i>	<i>(280 635)</i>	<i>(280 635)</i>	<i>(280 635)</i>	<i>(280 635)</i>	<i>(280 635)</i>	<i>(280 635)</i>	<i>(280 635)</i>	<i>(280 635)</i>
Increase / (Decrease) in cash equivalents	40 054	263 021	460 896	525 583	702 390	904 039	1 127 584	1 390 972	1 688 509	2 040 011	2 450 817	2 921 474
Cash & cash equivalents at beginning of year	61 068	101 122	364 143	825 039	1 350 622	2 053 012	2 957 051	4 084 636	5 475 608	7 164 117	9 204 129	11 654 946
Cash & cash equivalents at end of year	101 122	364 143	825 039	1 350 622	2 053 012	2 957 051	4 084 636	5 475 608	7 164 117	9 204 129	11 654 946	14 576 420

Cash Flow Projections - Balance Sheet
USD

	Start-up	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Assets													
Property, Plant & Equipment	3 144 657	3 144 657	3 144 657	3 144 657	3 144 657	3 144 657	3 144 657	3 144 657	3 144 657	3 144 657	3 144 657	3 144 657	3 144 657
<i>Current Assets</i>													
Inventory	544 275	21 405	64 990	68 802	71 830	76 113	85 866	98 438	112 319	129 045	147 372	167 864	191 806
Receivables	-	40 842	169 148	193 776	204 296	232 603	267 494	307 618	353 761	406 825	467 849	538 026	618 730
Cash	61 068	101 122	364 143	825 039	1 350 622	2 053 012	2 957 051	4 084 636	5 475 608	7 164 117	9 204 129	11 654 946	14 576 420
	3 750 000	3 308 026	3 742 938	4 232 274	4 771 404	5 506 386	6 455 068	7 635 349	9 086 344	10 844 644	12 964 006	15 505 493	18 531 612
Equity & Liabilities													
Shareholders' Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained Earnings	-	(263 709)	362 113	1 096 213	1 895 819	2 905 842	4 124 032	5 570 931	7 287 165	9 307 782	11 687 781	14 487 655	17 768 625
Long Term Liabilities	3 750 000	3 527 711	3 292 085	3 042 321	2 777 572	2 496 937	2 216 302	1 935 668	1 655 033	1 374 399	1 093 764	813 130	532 495
<i>Current Liabilities</i>													
Payables	-	44 024	88 739	93 739	98 014	103 606	114 734	128 749	144 146	162 463	182 462	204 708	230 492
	3 750 000	3 308 026	3 742 938	4 232 274	4 771 404	5 506 386	6 455 068	7 635 349	9 086 344	10 844 644	12 964 006	15 505 493	18 531 612
<i>Current Ratio</i>		3,7	6,7	11,6	16,6	22,8	28,9	34,9	41,2	47,4	53,8	60,4	66,8
<i>Quick Ratio</i>		3,2	6,0	10,9	15,9	22,1	28,1	34,1	40,4	46,6	53,0	59,6	65,9
<i>Inventory Days</i>		30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0
<i>Debtors Days</i>		30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0
<i>Creditors Days</i>		30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0	30,0
<i>Debt / Equity</i>		(13,4)	9,1	2,8	1,5	0,9	0,5	0,3	0,2	0,1	0,1	0,1	0,0
<i>Return on Equity (ROE)</i>		100,0%	172,8%	67,0%	42,2%	34,8%	29,5%	26,0%	23,6%	21,7%	20,4%	19,3%	18,5%
<i>Return on Net Assets (RONA)</i>		-8,1%	17,1%	17,7%	17,1%	18,7%	19,2%	19,3%	19,2%	18,9%	18,6%	18,3%	17,9%

**Cash Flow Projections - Loan Repayment Schedule
USD**

Interest Rate	6,0%					
Repayment Term	12					
Interest Only	No					
Year	Opening Balance	Additional Financing	Loan Repayment	Interest Charged	Capital Repayment	Closing Balance
0	-	3 750 000	-	-	-	3 750 000
1	3 750 000	-	447 289	225 000	222 289	3 527 711
2	3 527 711	-	447 289	211 663	235 626	3 292 085
3	3 292 085	-	447 289	197 525	249 764	3 042 321
4	3 042 321	-	447 289	182 539	264 750	2 777 572
5	2 777 572	-	447 289	166 654	280 635	2 496 937
6	2 496 937	-	447 289	149 816	297 473	2 199 464
7	2 199 464	-	447 289	131 968	315 321	1 884 143
8	1 884 143	-	447 289	113 049	334 240	1 549 903
9	1 549 903	-	447 289	92 994	354 295	1 195 608
10	1 195 608	-	447 289	71 737	375 552	820 056
11	820 056	-	447 289	49 203	398 085	421 971
12	421 971	-	447 289	25 318	421 971	-
13	-	-	-	-	-	-

ATTACHMENTS (Reference Page 42)



SUPPORT GRAPHS ON INCOME

