
THE NATIONAL ROLL-OUT PROSPECTUS FOR

JUST LAUNDRY



POWERED BY THE PEOPLE'S FUND

INTRODUCTION

The South African washing and dry-cleaning industry is part of the personal services sector which, according to Statistics South Africa, contributed 5.9% to the country's GDP. This prospectus will detail how you can participate in this industry by backing one of the most innovative laundry services in the country.

COMPANY OVERVIEW

Just Laundry, offers a next day laundry delivery service. You order directly from your mobile phone or any other internet connected device. They then come to your home, pick up your laundry; wash, Iron and fold it and then they return it back to you. All of this in 48 hours. They currently operate from Gauteng and have been growing their customer base to around 9 customers a day.

TRACK RECORD

They form part of the successful entrepreneurs to have come from our asset backed crowd funding campaigns on The People's Fund. Having successfully made a payment at 107% performance from what was projected. This was at annualized return of 19% on capital, clearly above anything on offer in the market.

At the start of the campaign, they were averaging around 5 customers a day with an average order amount of R450. This means their monthly revenue were around R65k. At time of writing this, they were moving closer to an average of 9 customers a day.

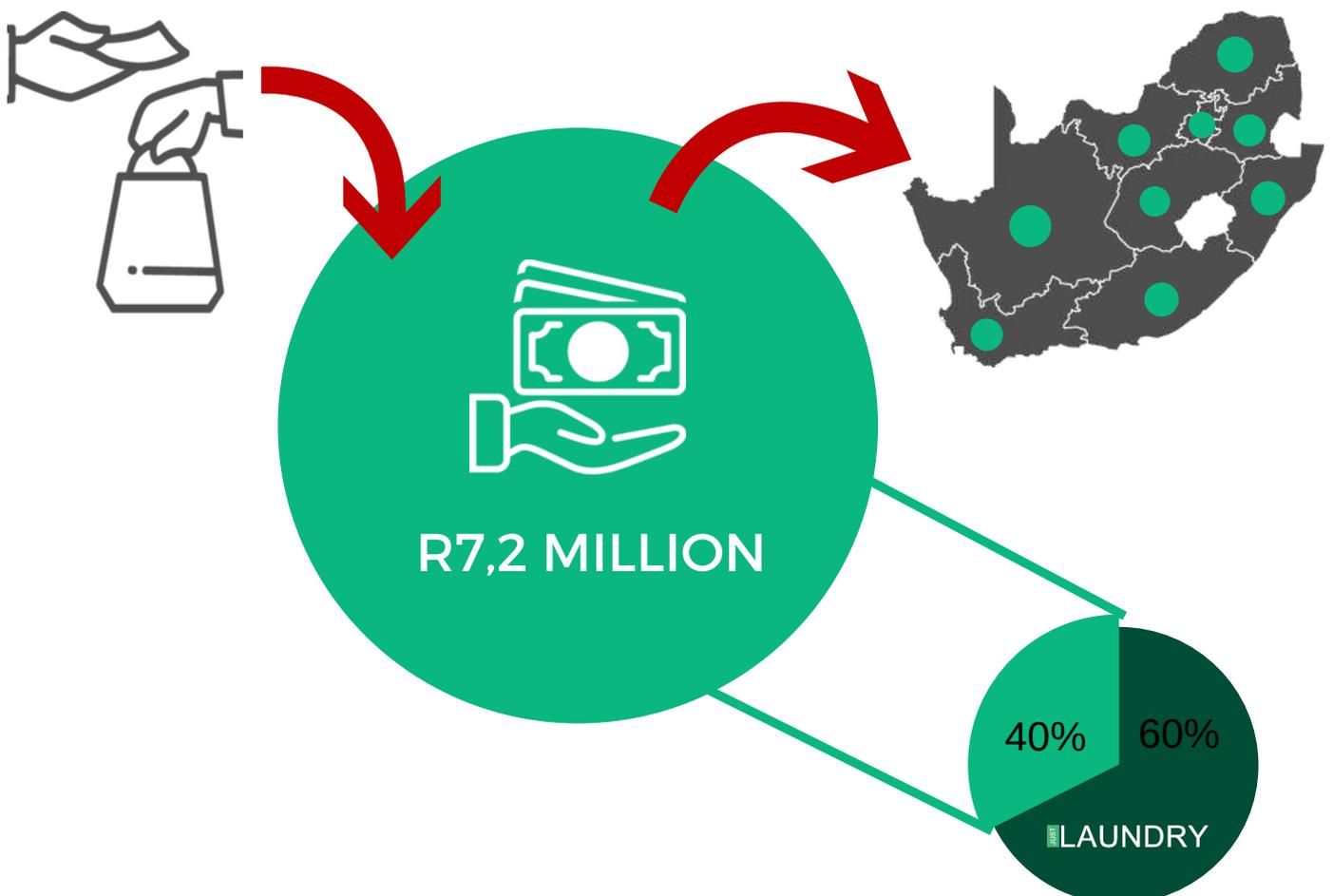


PROSPECTUS OVERVIEW

They own the equipment with which they do the laundry, including the vehicle. Due to this constraint, they operate in Gauteng only. This prospectus is about making them a national brand, and allowing you, the customer, ownership of this.

HOW THE CAMPAIGN WORKS

The mechanism is simple. You can buy a coupon for a Just Laundry Service from as little as R100 on The People's Fund. Every contribution will make part of the R7,2million pool required to launch the brand in the entire country (this number will be broken down later). The magic is that each contributor will be part of the Stokvel that will own 40% of Just Laundry, the company.



HOW THE R7,2MILLION IS BROKEN UP:

Each province will cost R750k to setup and cover the operational cost for a full year. The operational cost breakdown is covered below:

	Monthly	Annual
Manager	R 7 000	R 84,000.00
Washer (X2)	R 10 000	R 120,000.00
Driver	R 6 000	R 72,000.00
Petrol	R 5 000	R 60,000.00
Detergents	R 2 000	R 24,000.00
Rent	R 10 000	R 120,000.00
W & E	R 1 000	R 12,000.00
Other	R 2 000	R 24,000.00
	R 43 000	R 516,000.00

And the capex required to setup is demonstrated below

Item	Cost
Vehicle	R 150 000
washer	R 30 000
dryer	R 40 000
Iron	R 10 000
	R 230 000



Now the Gauteng shop has already been setup and in order to become a national brand, a similar exercise would need to be done for each province. That means for 8 provinces. This comes to a total cost of R6million (R750k times 8).

The total cost of advertising this campaign to the masses to ensure that it reaches others, like it has reached you, is R430k. Here is the breakdown below of the advertising spend:

Medium	Cost
Digital	R 45 000
Promoters	R 50 400
Print	R 54 000
Radio	R 180 000
Billboard	R 100 000
	R 429 400



Above all of this, we as The people's Fund charge 10% raising fee for all transactions that go through our platform for management of orders, communication, and crowd management. This comes to a cost of R600k. There is also R200k contingency for any emergency that may come up for the company. The total campaign size, thus is R7,2million (R6million for the infrastructure and operational costs for the organisation for a year).

PROJECTIONS & TARGETS

Our objective is that the crowd must have had their original spend paid back to them within 4 years. We expect that the first year would be used mostly for setup and establishment and we expect the company will not be profitable, or able to declare a dividend. Below we have broken down the break even analysis for the each franchise as well as the total revenue required for total breakeven.

Breakeven Analysis	
Operational costs Per Franchise	R 43,000.00
Billboard	R 50,000.00
Radio	R 100,000.00
Additional Cost of Scale	R 20,000.00
Total Per franchise	R 213,000.00
Total (9 Franchises)	R 1,917,000.00
Facebook	R 15,000.00
Google	R 15,000.00
Twitter	R 15,000.00
Account	R 6,000.00
Legal	R 10,000.00
Total	R 1,978,000.00



So, the operational breakeven is R2million per month. Below is a table explaining what this reflects to in customers. As stated before, the average order size is R450.

Total		R 1,978,000.00
Average Value of Sale		R 450.00
Break Even Customers PM (Total)		4396
Break Even Customers PW (Total)		1099
BE Customer PM (per franchise)		488
BE Customer PW (per franchise)		122

As can be seen, to break even, we would require 122 weekly customers per franchise. Put another way 17 customers per day. With a billboard in the busiest areas and radio advert on each of the regions best performing radio stations, coupled with the digital spend on Facebook, Twitter, google & LinkedIn; we expect this to be fairly easily achievable.

In order to make payback within 4 years (allowing for first year no dividend pay), we have calculated what revenue would be required. We calculated this on the dividend payout and assuming that the crowd owns 40% of the company through the Stokvel. The payback amount is R7,2million. We also assumed 30% corporate tax on revenues before a dividend is paid. Here is the calculation below, but the basics of it is that we would expect 172 weekly customers per franchise.

4 Year Payback	
Invested	R 7,200,000.00
Breakeven Revenue	R 23,736,000.00
Company profit for crowd payback (40% of Dividend)	R 20,000,000.00
Income tax accounting (At 30%)	R 28,571,428.57
3 year split	R 9,523,809.52
Ave. Rev For 3 years	R 33,259,809.52
Sales	73911
Monthly Sales	6160
Weekly	1540
Weekly Per Franchise	172
Daily Per Franchise	25

Please note these are merely projections and depending on how the market responds, this will change. The great thing about all of this, is that any performance above break even is a bonus for you, as you would have already received the Just Laundry Service for the money you spend.





HOW THE STOKVEL WILL WORK

After contributing on the platform, we will invite you into the Stokvel for Just Laundry, which will be managed on Stokfella, a FSCA registered company. On there we will distribute all dividend payments for members to collect. You will be allotted a balance in this Stokvel in proportion of what you had contributed to the campaign. TPF will take 10% lead investor carry for administering all of this. So of the 40% of the company that will be owned by the Stokvel, TPF will own 4%.

