



**MINISTRY
ENVIRONMENTAL AFFAIRS**

INTERNAL MEMO

Date:	11 January 2018	File no:	EDMS
To:	Director-General: Environmental Affairs	From:	MINISTRY
		Contacts	012 399 8752
Subject	JOB CREATION: EMPLOYMENT AND EQUITY- BUSINESS PLAN TYRES AND WATER (JPC ENERGY SYSTEMS)		

Dear Director General

Please find attached correspondence pertaining to the above-mentioned subject, addressed to Minister from JCP Energy System, Mr Paul Potgieter, for direct disposal.

Kindly provide our office with the copy of the response for our records.

Regards,

MS BOITUMELO SOBAYENI

DIRECTOR: OPERATIONAL SUPPORT

DATE: 2018.01.11

Subject: FW: JOB CREATION: EMPLOYMENT AND EQUITY
Date: Monday 08 January 2018 at 12:46:03 PM South Africa Standard Time
From: Claude Nadasen
To: Dinkwetse Mooketsi, Lincoln Seoloane
CC: Gail Ramutshila, Paul Daphne, Boltumelo Sobayeni
Attachments: image001.png, image002.png, BUSINESS PLAN TYRES & WATER Government Jan 2018.pdf

From: Deputy President
Date: Friday, January 5, 2018 at 4:05 PM
To: Paul Potgieter, Malebo Sibiyi
Cc: Gail Ramutshila, Claude Nadasen, Girly Kgoetego, Albi Modise, Lerato Kgomo, Nokuthula Mbatha, Solly Chauke, Tebogo Molokomme
Subject: RE: JOB CREATION: EMPLOYMENT AND EQUITY

Dear Mr Potgieter

We acknowledge with thanks receipt of your email and the request is noted. However, the Deputy President is unable to consider your request as it falls outside of his delegated responsibilities.

The request needs to be processed through the relevant Ministry for the Departments consideration.

Regards and Best Wishes for 2018

Ms Rahima Shaik

Director: Personal Support, Office of the Deputy President

The Presidency

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THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA



From: Paul Potgieter [<mailto:paul@jpcenergy.net>]

Sent: 04 January 2018 07:40 PM

To: Deputy President; Malebo Sibiyi

Cc: GRamutshila@environment.gov.za; Cnadasen@environment.gov.za; Gkgoetego@environment.gov.za; Amodise@environment.gov.za

Subject: JOB CREATION:EMPLOYMENT AND EQUITY

DEPUTY PRESIDENT

HONOURABLE PRESIDENT CYRIL RAMAPHOSA

Dear President,

AWARDING OF TYRE RECYCLE PROGRAMME TO JPC ENERGY SYSTEMS CC

1. JPC Energy Systems intends to enter into a joint venture with the National Government regarding the launching of community upliftment project schemes.

2. Therefore, we request that the Tyre Recycling programme (previously Redisa) to be awarded to JPC Energy Systems, to fulfil our Business Plan.

3. We believe this to be a winning formula in meeting the priorities for job creation, economic and technological development, entrepreneurial drive and the potential training and development of communities.

4. Only in the Coastal Regions, the two plants will complement each other; the heat product of plant one will be utilized as the heat source of plant two. All excess heat products of plant one will be sold for the benefit of the community.

5. The venture is aimed at:

Enhancing growth, creation of employment and equity, with economic empowerment.

Various job opportunities will be created that will have an enormous effect on the upliftment of communities.

Positions will be permanent and salaried staff consisting of skilled as well as unskilled personnel.

Reduce poverty through promoting opportunities for all.

Scholarships and Internships.

Reconstruction and development programmes which will include the transfer of skills and experience to all personnel.

Full ownership/shareholding (100%) of the entire establishment to all personnel and communities, which will be a sustainable business opportunity.

JPC Energy Systems shall perform duties as a Mentor to ensure sustainable Economic empowerment.

6. Our Country is confronted, amongst other challenges, by the high rate of unemployment. Whilst we understand that the major cause of unemployment is structural, the shortage of skills cannot be ignored therefor we are committed to Scholarship and Internship programmes.

7. We, emphasise the importance and urgency to restore dignity and a feeling of belonging for bread winners to support and care for their households by earning a living.

8. Total of 11,250 jobs shall be created for 30 Processing Plants, which will have an enormous impact on individual and household capacity to respond to opportunity.

9. Assuring you of our best intention in supporting the National Government to upkeep its high standards, vision and mission.

10. Your urgent attention and consideration regarding the above will be most appreciated, thanking you Sir.

Kind Regards

Paul Potgieter
073 455 6648



Setting sustainable solutions in motion

Email Disclaimer: <http://www.thepresidency.gov.za/pebble.asp?relid=97>

Subject: Re: JOB CREATION: EMPLOYMENT AND EQUITY

Date: Thursday 11 January 2018 at 9:14:14 AM South Africa Standard Time

From: Dinkwetse Mooketsi

To: paul@jpcenergy.net

CC: rahima@presidency.gov.za

Dear Mr Potgieter

On behalf of the Minister of Environmental Affairs, Dr B E E Molewa, MP, I acknowledge receipt of your correspondence in the above regard.

The content has been noted and will be referred to the relevant branch for appropriate attention.

Regards,

Dinkwetse Mooketsi

Office of the Minister

Department of Environmental Affairs

Tel: 012-399 8752

E-mail: dmooketsi@environment.gov.za



Setting sustainable solutions in motion

JPC
JENERGY SYSTEMS

BUSINESS PLAN



JPC Energy Systems cc

2008/226363/23

Vat Registration: 4680256197

Adv. Pat Huma

Paul Potgieter

Con Burger

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1. EXECUTIVE SUMMARIES

1.1 Used Tyres

South Africa are faced with the ever increasing pile of waste tyres that are hardly used for any other application. The pile is further increased by the importation of new and used tyres. The recycling of used tyres has become an increasing necessity. Waste tyres can be seen on dumping sites, in rivers – in fact everywhere. Waste Tyres are bulky and difficult to dispose.

According to a survey done by the South African Tyre Recycling Process (SATRP), 160,000 tons of scrap tyres are generated in South Africa each year and about 28 million used tyres are dumped illegally or burnt to recover the steel wire annually, which is sold as scrap metal. This amount is thought to increase by 9, 3 million annually (South African Tyre Manufacturing Conference Business Plan, 2005).

In South African eleven million tyres are scrapped every year and only 6% are recycled (Human, 2006). Less than 20% of the waste tyres are recycled to manufacture products such as floor-mats, floor linings (rubberize), insulators etc. (DACST, 2004).

The South African Government has identified this as a major area of an environmental concern.

1.2 Sea Water to Drinking Water

To run out of usable water is to be presented with a crisis of catastrophic proportions.

The Northern, Eastern and Western Cape regions becoming drier every year, this is going to result in permanent water restrictions.

Though the water crisis overlaps with the more widely-discussed problem of climate change, it is different in many ways. It is more acute and more concrete, in that it focuses on a single resource without which humanity cannot live. Its causes are less controversial. Its dimensions are more easily measured. And its catastrophic effects are playing out more clearly and more quickly.

To make sure supply stays ahead of demand, we need to talk about where we get water, how we use it, and what happens to it afterwards. We need methods for procuring usable water, not just from lakes and rivers and rain, but also from the sea.

2. BUSINESS CONCEPT

The summaries above, addresses two major and serious necessities;

A Public Private Propriety (PPP) is proposed whereby JPC Energy and the National Government form a business partnership in order to establish Processing Facilities in the Coastal Regions:

- **Processing Plant 1** - where tyres and municipal solid waste are transformed and converted into carbon char, fuel oil and products that can be used to generate electricity or heat:

Tyre Recycling Solutions (TRS) will capitalize on the opportunities in the recycling of waste tyres by erecting Waste Rubber and Plastic Conversion to Fuel Plants. The output products will be:

- Steel wire (scrap metal)
- Distilled fuel
- Carbon black.

The setup's initial capacity will be the recycling of 25 tons of waste rubber and plastic per working day. The products will be sold to scrap metal traders, transport companies and the ink and paint industry. All of these products are in demand. No difficulties are foreseen in the marketing of these products.

These compounds can then be turned into various products, including carbon char, oil and products that can be used to generate electricity. The pyrolysis system is also designed to treat other waste, including municipal solid waste, sewage and oil sludge, automotive shredder residuals, electronic waste, rubber, medical waste, plastics and agricultural waste.



The Processing Plant will comply with all environmental standards.

Production estimation:

Final Products	Application
Fuel Oil (45%-55%)	<ol style="list-style-type: none">1. Used as the heating material and sell it to cement factory, glass factory, ceramic factory, electric power factory, steel making factory, boiler factory, etc.2. Used in heavy oil generator for electricity generation.3. Deep process it into diesel oil with our distillation plant, colour and smell removal system, the final oil can be used in trucks, tractor, etc.
Carbon Black (30%-35%)	<ol style="list-style-type: none">1. Make it to pellet or briquette as heating material.2. Make it to N220, N330, N550 or N660 which is widely used in tire making industry.3. Make carbon to colour master batch and sell it to plastic industry.
Steel Wire (10%-15%)	<ol style="list-style-type: none">1. Sell to iron and steel factory directly.2. We supply more profitable solution for the steel wire which can be sold about USD460/ton.
Flammable Gas (8%-10%)	<ol style="list-style-type: none">1. Recycled into furnace to heat reactor instead of coal/wood/oil/natural gas.2. Storage the exceed gas to restart the next batch.

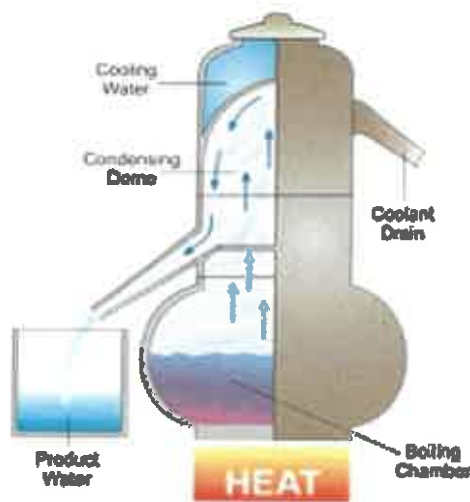
- **Processing Plant 2** - salt water is converted into drinking water, suitable for human consumption, by unique distillation technology:

Water that is saline contains significant amounts (referred to as "concentrations") of dissolved salts. In this case, the concentration is the amount (by weight) of salt in water, as expressed in "parts per million" (ppm). If water has a concentration of 10,000 ppm of dissolved salts, then one percent of the weight of the water comes from dissolved salts.

Parameters for saline water:

- Fresh water - Less than 1,000 ppm
- Slightly saline water - From 1,000 ppm to 3,000 ppm
- Moderately saline water - From 3,000 ppm to 10,000 ppm
- Highly saline water - From 10,000 ppm to 35,000 ppm

Ocean water contains about 35,000 ppm of salt.



As per Illustration above: Processing Plant - IP Protected.

Fuel oil and heating products produced from the tyre processing plant shall be utilized as the energy/heat source for the water processing plant.

Production estimation: \pm 5 million litre fresh water per month.
1 litre fuel equals 10 litre water.

The Processing Plant will comply with all environmental standards.

The water quality will be subjected to the guidelines as regulated by **SANS 241:2015 Drinking Water Standards**.

The output products will be: Drinking water, suitable for human consumption; and Sea salt.

The two facilities will operate parallel and complement each other:

- Ownership transfer - Local communities shall have 100% shareholding.
- Facilitate training and skills transfer to local unemployed and existing skilled/semi-skilled employees from previously disadvantaged societies.
- Establish a manufacturing facility.
- Establish installation and maintenance facility.
- Ownership transfer - Local communities shall have 100% shareholding.
- JPC to continue overseeing the PPP as a Mentor, to ensure sustainable economic empowerment.

2.1 JPC Energy Systems shall contribute the following:

- Professional Engineering, Manufacturing, Project Management with 27 years of knowledge and expertise.
- Our designs of the facilities, equipment, energy turbines and plants.
- Scholarship/Internship - training for 100 persons; employment and equity.
- Establish a running concern; manufacturing and sales.
- Full ownership/shareholding of the entire establishment to all personnel and communities, which will be a sustainable business opportunity.
- JPC Energy Systems shall perform duties as a Mentor to ensure sustainable economic empowerment.

2.2 National Government shall contribute the following:

- Capital/Grant funding to facilitate capital layout and bridging finance
- State/Municipal property where the plants and factory shall be erected or alternatively, existing vacant buildings close to the shoreline.
- Legal/legislation to assist and protect the interest of all shareholders.

3. COMPANY PROFILE

Established in 2008, JPC Energy Systems cc specializes in design, manufacture and installation of alternative methods of generating electrical power. Our manufacturing facility has implemented the industry leading methods and standards necessary to generate the highest quality of products and workmanship.

JPC Energy Systems applies the principles of engineering, physics and material science for the design, analysis, manufacturing and maintenance of mechanical systems.

We are familiar with the disciplines of core areas including mechanics, kinematics, thermodynamics, material science, structural analysis, and electricity. We use these core principles along with tools i.e. computer-aided design, and product lifecycle management to design and analyze our manufactured products.

3.1 Mission

To convert waste tyres into commercially viable products, utilizing environmentally friendly recycling and manufacturing methods and converting sea water into drinking water, suitable for human consumption, which resulted in a sustainable running concern wherein personal and indigenous local communities will be trained to manage and obtain shareholding and ownership.

3.2 Values

We are committed to putting our clients first. We are determined to provide unmatched levels of cost-effective service, and to foster long-term relationships with our clients. We are dedicated to maintaining professional standards in the industry. We are committed to our people and value them as our most important asset.

We are passionate about honesty, reliability and responsibility.

JPC Energy Systems is a fully incorporated BEE company that prides itself in the support of community upliftment project schemes.

We are committed to promoting and providing opportunities to various youth programmes; educating and encouraging South African youth through skills development. JPC Energy Systems believe that education is the answer to economic empowerment. To facilitate learning, JPC Energy Systems will mentor and provide scholarships in the areas of mechanical, civil, electronics, electricity and solar.

At JPC Energy Systems, we take our Corporate Social Responsibility seriously. We believe that our contribution to a sustainable future through innovation, education and empowerment, is paramount and this is reflected in how we conduct ourselves and our business on a daily basis.

3.3 Project Management

Our project management is the discipline of initiating, planning, executing, controlling, and closing the work of a team to achieve specific goals and meet specific success criteria.

- Initiation
- Planning and design
- Execution and construction
- Monitoring and controlling systems
- Completion

3.4 Strengths

The strength of JPC Energy Systems include:

- Outstanding reputation
- Quality - we guarantee all of our work, using the highest quality materials available and qualified engineers and technicians
- Customer care
- Experience - 27 years in the designing, development and manufacturing discipline, with a strong work ethic

3.5 Manufacturing Services

Our manufacturing process are the steps through which raw materials are transformed into a final product. These systems are high technology installations with wireless communication.

- Mechanical design and development
- Electrical design and development
- Software design and development
- Civil design and development
- Dynos: Design and development of sophisticated power absorption Measuring Equipment
- Traffic speed controller / Road electrical power generator
- Affordable Green Energy for domestic and rural use
- UPS's & Solar Power systems
- Municipalities : past and present projects

4. Quality Assurance

All manufacturing and installations are in accordance with SANS electrical specifications.

Electrical equipment used are SANS certified, or any of the following International quality Authorities:



5. PROJECT: FINANCIAL SUMMARY (Appendix A)

The first quarter shall be allocated to establish the following priorities:

- Acquiring appropriate factory and location
- Administration; Registration of the business, SARS - Income tax and Vat, etc.
- Setting up legal requirements
- Planning Floorplan and factory layout.
- Acquiring tooling
- Installation of equipment and machinery.
- Recruiting, appointing and training of scholars and staff.
- Procurement of materials, furniture, general and specialist tools.
- UIF, Workmen's Compensation, etc.

The first months of manufacturing and production (months 4 to 6) shall only run at breakeven capacity due to initiation and in-service training. During this period the last shortfalls in the production process will be ironed out.

After that it would be possible to achieve three eight hour shifts six days per week. In the first 24 months after the initial start-up, an income of R28 million with a net profit of R19 million before taxation and repayment of loans/capital will be possible.

A Budget for Capital, Income and Expenditure is included later in the plan.

5.1 Financial Objectives

Estimations are applicable to all the financials:

- Capital Layout and bridging finance for the first year estimated at R14 million.
- Gross Income for the plant in excess of R28 million in the first two years of full production.
- Total annual expenses estimated at Overhead costs (including cost of sales) estimated at R9 million.
- Total net income expected to be R19 million p.a.
- Repayment of the loan account and bank loans within 36 months.

5.2 Income and Management expenses

Income shall be generated from the sale of products.

Management/Mentor fees towards JPC is 10% on turnover

6. Keys to Success

The main keys to the success are:

- **Secure Supply** – Processing Plant needs to be certified as a recycler by the Government so that the delivery and supply of waste tyres can be done by the South African Tyre Recycling Project (“SATRP”)
- **Marketing** – Contractual arrangements for the sale of all the production of the plant
- **Management** – Strong senior management with extensive and broad-based experience.

6.1 Potential Risks

No unforeseen potential risks.

6.2 Market Segmentation

Local as well as International target markets in which shall compete, are:

- **National Government**
- **Provincial Government**
- **City Councils**
- **Municipalities**
- **Private Sector**
- **Agricultural entities**
- **Commercial and residential customers**
- **Boat Industry - light and medium boat crafts**
- **International markets**

Distilled fuel can be sold to mining industry, shipping industry and farming industry the calculations are based on the fact that they will buy the distilled fuel at a discounted price of 50% of pump fuel (herein calculated at a pessimistic R5 per litre).

The steel/scrap metal produced out of the recycling process can be sold to any scrap metal dealer. Steel is always in demand. The price of scrap metal is estimated at R600 per ton.

Black carbon is used by paint and ink manufacturers as well as the tyre manufacturers. If not sold locally, American buyers are willing and eager to purchase any amount of available black carbon. Carbon black can also be pressed into charcoal briquettes and used as a burning fuel.

Positive feedback has been received from the general market in regard to the project.

6.3 Financial Plan

It is anticipated that an amount of R14, 000,000 grant funding shall provide necessary capital for the following:

- Factory layout and preparation
- Tools & Equipment
- Scholarships - skills training for 240 individuals, 48 persons annually over a period of five years
- Bridging finance for the second and third quarter of the first year
- Manufacturing
- Testing facilities
- Installation
- Commissioning

6.4 Upliftment Project

It is proposed that:

- The Carbon Black is not sold as a product but used in an upliftment project
- The Carbon Black will be pressed into briquettes and used with an affordable stove/burner to supply to communities as part of the social responsibility upliftment.
- The income for carbon black has been reversed in the income statement.
- 12 500 household can benefit from this per month
- Each household get charged R10-00 per month to belong to this group. This will generate an income of R125 000 per month which will be used for upliftment initiatives.

7. PROJECT: COMPANY SUMMARY

The company structure and operation shall be as follows:

7.1 Proposed structure

Turnkey solution

- Tyre Recycling Solutions will handle a turnkey solution for:
- Forming of a company for the handling TRS and the operation
- Secure land for TRS
- Site preparation and installation of the plant
- Registration of the plant and the tyre dumping as a legal site
- Registration as an authorized recycler
- Project management
- Ongoing management and run of the business

7.2 Property, Ownership and Capital Injection

- It is proposed that the Registered Company shall be operated on a 50% basis with Government.
- It is proposed that 50% of the net profits will be rewarded to equity shares towards the employees.
- It is proposed that a property, where the factory and plant will be erected, is supplied by Government/Municipalities.
- The property should be accessible by tar road.
- Two Processing Plants of 600 sq. meters should be erected or in place.

7.3 Proposed Factory Structure

The factory floor plan shall incorporate the following areas:

- Offices for administration and management
- Technical area
- Manufacturing plant
- Storage area for products
- Receiving and dispatch area for products
- Recreational Area

7.4 Proposed (Identified) Site: St Helena Bay

The identified site at St Helena Bay is favourable due to the following:

- Vacant/abandoned Government Land
- Situated on the shore line in a non-residential area - industrial site
- Existing pier
- Easy access in/out from the main road
- Sufficient infrastructure for two processing plants, although neglected
- Sufficient storage area and facilities
- Insufficient/ no work opportunities for the local communities



8. Personnel Plan

The management philosophy shall be based on responsibility and mutual respect. Each individual shall make a unique contribution to the team. Each person shall be treated with respect and dignity. Individuals shall be recognized for their skills and contributions and shall be rewarded on merit.

Employees shall be encouraged to have a sense of security and pride in their scholarship, education and careers. Equal opportunities, career development and diversity in the team shall be provided for.

8.1 Scholarship / Internship

The Scholarship/Internship programme is a work experience programme targeting unemployed individuals. The programme shall provide individuals workplace experience or an opportunity to practice the work skills that they have studied and will practice in future. Learners with the following qualifications will be accommodated:

- National 1st Degree
- National Diploma
- National Senior Certificate
- Lower Education

As part of our commitment to the future of South African business, JPC Energy Systems shall in its role of Mentor enhance and provide opportunities for all learners to gain exposure and interactions required to practise the integration of knowledge, skills and attitude required in the workplace. Such workplace-based learning assists learners to gain work experience leading towards a qualification or part qualification.

The program shall assist learners in finding employment as well as equip them to become self-employed. Learners with disabilities will be encouraged to apply and will be accommodated.

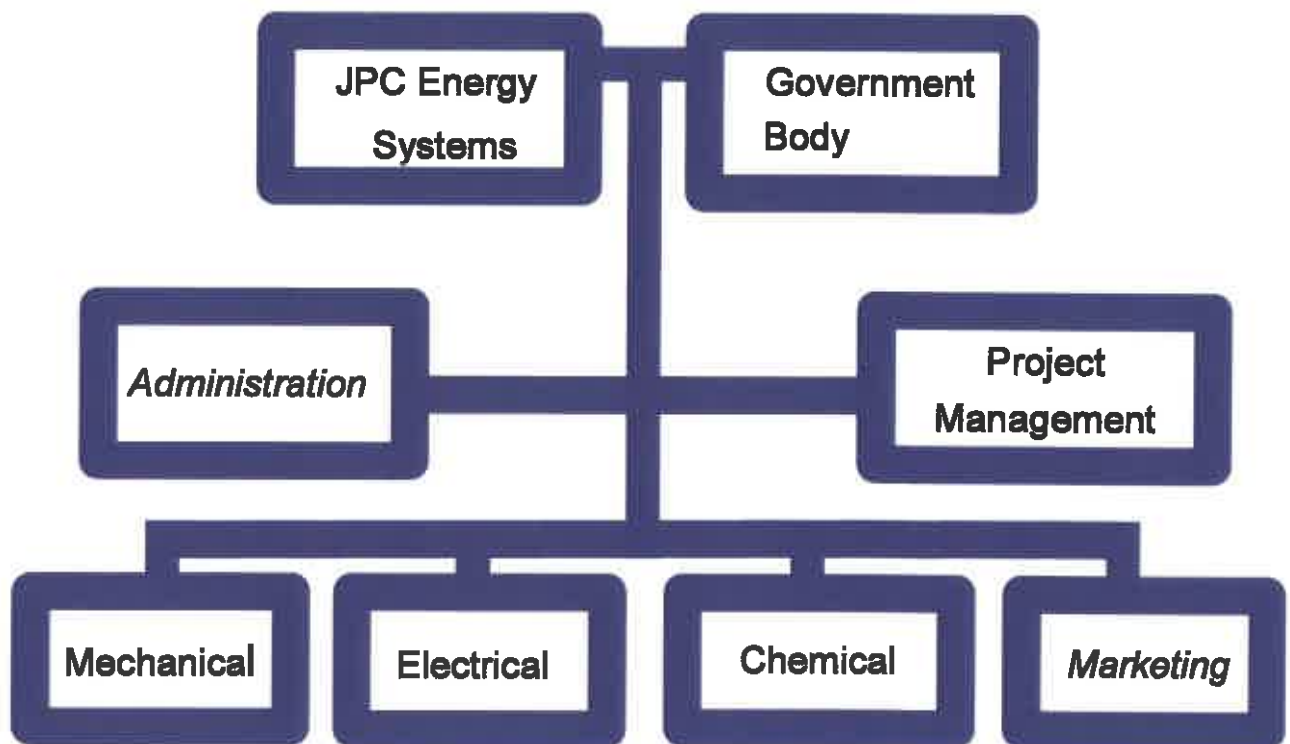
The Scholarship is a planned, structured, and managed programme that shall employed a group of 25 learners/students annually, 100 over a 4 year term.

8.2 Field of Disciplines:

48 leaners/students annually, 240 over a 5 year term;

•Mechanical 2xSkilled 2xSemi skilled	Research; Development; Manufacturing; Implementation; Commissioning
•Electrical 2xSkilled 2xSemi skilled	Research; Development; Manufacturing; Implementation; Commissioning
•Chemical 2xSkilled 2xSemi skilled	Research; Development; Manufacturing; Implementation; Commissioning
•Marketing 2xSkilled 2xSemi skilled	Develop research plan; Collection and interpretation of data; Provide management with relevant, accurate, reliable, valid, and current information.
•Business Administration 2xSkilled 2xSemi skilled	Bookkeeping; Accounting; Payroll; Data processing; General office
•Project Management 2xSkilled 2xSemi skilled	Project: Initiation; Planning and design; Execution; Construction; Monitoring; Controlling systems; Completion
•General Staff 4xUnskilled	General Maintenance and cleaning of buildings, ground and area. Attend courses in plumbing, building, carpentry, etc.
•Production Staff 20xUnskilled	Unskilled labourers will be trained to be skilled craftsmen

8.3 Organizational Structure



9. CONCLUSION

We believe this to be a winning formula in meeting the South Africa's requirements for job creation, economic and technological development, entrepreneurial drive and the potential to train and develop the community by:

- Enhancing growth, employment creation and equity.
- Various job opportunities will be created that will have an enormous effect on the upliftment of communities.
- Positions will be permanent and salaried staff consisting of skilled as well as unskilled personnel.
- Increase economic empowerment for all the people of South Africa.
- Reduce poverty through promoting opportunities for all.
- Scholarships and Internships.
- Reconstruction and development programmes which will include the transfer of skills and experience to all personnel.



10. CONTACT INFORMATION

Adv. Pat Huma: 076 330 4440
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Paul Potgieter: 073 455 6648
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Email: con@jpcenergy.net

Appendix A Financial Summary

Income and Management expenses

INCOME							
Description	Start-up 3 months	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2	Total
Sale of products:							
Sale of products:							
Steel 2,5 ton per day @ R600 per ton	0	108 000	108 000	108 000	108 000	432 000	864 000
Distilled fuel 9500l per day @ R4,50 per litre	0	3 078 000	3 078 000	3 078 000	3 078 000	12 312 000	24 624 000
Black carbon 10 ton per day @R1100 per ton	0	792 000	792 000	792 000	792 000	3 168 000	6 336 000
Upliftment projects:							
Donation of black carbon for project	0	-792 000	-792 000	-792 000	-792 000	-3 168 000	-63 36 000
Income from 12,500 households @R10	0	375 000	375 000	375 000	375 000	1 500 000	3 000 000
TOTAL TURNOVER	0	3 561 000	3 561 000	3 561 000	3 561 000	14 244 000	28 488 000

MANAGEMENT EXPENSES							
Description	Start-up 3 months	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2	Total
Salaries:							
Company management expenses (unforeseen)	30 000	30 000	30 000	30 000	30 000	120 000	270 000
1 x Plant Manager	60 000	60 000	60 000	60 000	60 000	240 000	540 000
1 x Waste tyre plant labourers	30 000	90 000	90 000	90 000	90 000	360 000	750 000
3 x Distillation plant labourers	15 000	45 000	45 000	45 000	45 000	180 000	375 000
1 x Admin staff	16 000	24 000	24 000	24 000	24 000	96 000	208 000
Management fees:							
7,5% on turnover	0	267 075	267 075	267 075	267 075	1 068 300	2 136 600
Running expenses:							
Electricity	15 000	45 000	45 000	45 000	45 000	180 000	375 000
Water	1 500	1 500	1 500	1 500	1 500	6 000	13 500
Rates	0	0	0	0	0	0	0
Telephones	8 000	12 000	12 000	12 000	12 000	48 000	104 000
Stationary	0	1 500	1 500	1 500	1 500	6 000	12 000
Computers & Internet	1 500	1 500	1 500	1 500	1 500	6 000	13 500
Legal	15 000	0	0	0	0	0	15 000
Flights	30 000	15 000	0	0	0	0	45 000
Travelling	30 000	5 000	0	0	0	0	35 000
Accommodation	30 000	0	9 000	0	9 000	9 000	57 000
Entertainment	2 000	6 000	6 000	6 000	6 000	24 000	50 000

Office entertainment	1 000	3 000	3 000	3 000	3 000	12 000	25 000
Maintenance on plants	0	0	0	30 000	30 000	120 000	180 000
Buy tyres 12,5 ton per day	0	360 000	360 000	360 000	360 000	1 440 000	2 880 000
Furniture	50 000	0	0	0	0	0	50 000
Finance charges 8% of capital	53 263	51 029	47 980	45 639	43 251	148 151	389 313
Rental	30 000	30 000	30 000	30 000	30 000	120 000	270 000
Rental deposit	20 000	0	0	0	0	0	20 000
TOTALE MANAGEMENT EXPENSES	408 263	1 017 604	1 003 555	1 022 214	1 028 826	4 063 451	8 543 913

INCOME BEFORE TAX	-468 263	2 543 396	2 557 445	2 538 786	2 532 174	10 180 549	19 844 087
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CAPITAL EXPENSES – PROJECTED BALANCE SHEET							
Description	Start-up 3 months	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2	Total
Purchase of plant as set out in business:							
Plant with installation, training and commissioning of the plant, as a turnkey solution	1 200 000	0	0	0	0	0	1 200 000
14% VAT	168 000	0	0	0	0	0	168 000
Cost for property:							
Property	0	0	0	0	0	0	0
Site preparation	500 000	0	0	0	0	0	500 000
Working capital	500 000	0	0	0	0	0	500 000
TOTAL WASTE TYRE CONVERSION PLANT & PROPERTY	2 368 000	0	0	0	0	0	2 368 000

PROJECTED CASH FLOW							
Description	Start-up 3 months	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year 2	Total
CASHFLOW FROM OPERATIONS							
Cash Inflow – Sales	0	3 561 000	3 561 000	3 561 000	3 561 000	14 244 000	28 488 000
Cash Outflow – Expenses	-438 263	-1 047 604	-1 033 555	-1 052 214	-1 058 826	-4 183 451	-8 813 913
Tax Outflow on Profits	0	0		0	-2 691 790	-2 816 954	-5 508 744
NET CASH INFLOW FROM OPERATIONS	-438 263	2 513 396	2 527 445	2 508 786	-189 617	7 243 596	14 165 342
CASHFLOW FROM CAPEX							
Cash Inflow – External Loan	2 700 000	0	0	0	0	0	2 700 000
Cash Inflow – Internal Loan	1 000 000	-250 000	-250 000	-250 000	-250 000	0	0
Repayment Loan	-164 239	-164 239	-164 239	-164 239	-164 239	-656 955	-1 478 149
Waste Tyre Conversion Plant & Property	-2 368 000	168 000	0	0	0	0	-2 200 000
NET CASH INFLOW FROM CAPEX	1 167 761	-264 239	-414 239	-414 239	-414 239	-656 955	-978 149
NETT CASHFLOW	729 498	2 996 655	5 109 861	7 204 498	6 600 559	6 586 640	19 187 193

Appendix B

Proposed: Plant Locations inclusive of Job Creation

We, emphasise the importance and urgency to restore dignity and a feeling of belonging for bread winners to support and care for their households by earning a living - "everyone on the system is earning".

Efficient and effective infrastructure. Full ownership/shareholding (100%) of the entire establishment to all personnel and communities, which will be a sustainable business opportunity.

Promote rural development to alleviating poverty by providing a welfare safety net for those unable to provide for themselves.

Whilst we understand that the major cause of unemployment is structural, the shortage of skills cannot be ignored therefor we are committed to Scholarship and Internship programmes.

- **Processing Plant 1** - where tyres and municipal plastic waste are transformed and converted into carbon char, fuel oil and products that can be used to generate electricity or heat.

Proposed Regions: Western Cape (St Helena Bay), Eastern Cape, Northern Cape, Kwa-Zulu Natal, Free State, Limpopo, Mpumalanga, North West and Gauteng. With the emphases on rural development and economic empowerment, location of Plants in Rural Communities to be identified.

- **Processing Plant 2** - salt water is converted into drinking water, suitable for human consumption, by unique distillation technology. In the Coastal Regions the two facilities will operate parallel and complement each other. The fuel oil produced by **Processing Plant 1** will be utilized as the heat source of plant two. All excess heat products of plant one will be sold for the benefit of the community.

Proposed Regions: Western Cape (St Helena Bay), Eastern Cape, Northern Cape Kwa-Zulu Natal.
Location of Plants in Rural Communities to be identified.

Population Density per Province

Rank	Province	Population (2011)	Area (km ²)	Density (per km ²)
1	<u>Gauteng</u>	12,272,263	18,178	675.1
2	<u>KwaZulu-Natal</u>	10,267,300	120,361	108.8
3	<u>Mpumalanga</u>	4,039,939	76,495	52.8
4	<u>Western Cape</u>	5,822,734	129,462	45.0
5	<u>Limpopo</u>	5,404,868	125,755	43.0
6	<u>Eastern Cape</u>	6,562,053	168,966	38.8
7	<u>North West</u>	3,509,953	104,882	33.5
8	<u>Free State</u>	2,745,590	129,825	21.1
9	<u>Northern Cape</u>	1,145,861	372,889	3.1
	South Africa	51,770,561	1,220,813	42.4

Processing Plants per Province

Total of 30 Processing Plants (Medium Enterprises) to be established:

Gauteng - 8
KwaZulu-Natal - 6
Mpumalanga - 2
Western Cape - 4
Limpopo - 3
Eastern Cape - 4
North West - 1
Free State - 1
Northern Cape - 1

Proposed Job Creation: Processing Plants

Management philosophy shall be based on responsibility and mutual respect. Each individual shall make a unique contribution to the team. Each person shall be treated with respect and dignity. Individuals shall be recognized for their skills and contributions and shall be rewarded on merit.

Employees shall be encouraged to have a sense of security and pride in their careers. Equal opportunities, career development and diversity in the team shall be provided for.

Positions will be permanent, salaried staff consisting of skilled as well as unskilled personnel:

- Project Management (General Manager + Operational Manager)
 - Business Administration
 - Marketing
 - Mechanical
 - Electrical
 - Chemical
 - Production Staff
 - General Staff
- } Technical Staff (operational manager will be appointed)

30 Processing Plants - 20 permanent job positions per plant.

Tyre/Waste Collectors - Duly registered as service providers with the Plant in their area of operation. Compensation to be defined in liaison with the Waste Management Bureau at the Department of Environmental Affairs. Collectors will not be subjected to limitations or quotas.

Total of 1,800 Micro Enterprises (60 per Plant)

Tyre/Waste Couriers - Duly registered as service providers with the Plant in their area of operation. Transportation from collection points to plant. Compensation to be defined in liaison with the Waste Management Bureau at the Department of Environmental Affairs. Couriers will not be subjected to limitations or quotas.

Total of 240 Micro Enterprises (4 per Depot)

Tyre/Waste Depots - Duly registered as service providers with the Plant in their area of operation. Act as a transit depot - receiving from Collectors and Couriers and despatch to plant. Compensation to be defined in liaison with the Waste Management Bureau at the Department of Environmental Affairs. Couriers will not be subjected to limitations or quotas.

Total of 90 Small Enterprises (3 per Plant)

Total of 11,250 jobs shall be created for 30 Processing Plants, which will have an enormous impact on individual and household capacity to respond to opportunity.

Proposed Compensation

Tyre levy of R2-30 per Kg shall be utilized to compensate the Labor force (Median weight per tyre 10Kg) and will be calculated as follows:

- Collectors - .80c per Kg - Unskilled
- Depots - .30c per Kg - 1x Semi Skilled & Unskilled
- Couriers - .50c per Kg - Semi Skilled
- Plants - .40c per Kg - Highly Skilled & Skilled
- JPC - .30c per Kg -
 - Professional Engineering, Manufacturing, Principal Project Management of 30 Plants
 - Establish running concerns; manufacturing and sales
 - Our designs of the facilities, equipment, energy turbines and plants (IP protected)
 - Scholarship/Internship - training of Staff; employment and equity
 - Perform duties as a Mentor to ensure sustainable economic empowerment.
 - Responsible for upliftment training programs for SMME's and other personnel
 - Audited Financial Management/Control of Tyre Levy disposal fees



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Setting sustainable solutions in motion