
ICE-SKATING OUTDOOR RINK



Business Plan

Are you tired of indoor ice-skating rinks?
Introducing outdoor ice-skating rink which can be
used to enjoy your free time.



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Executive Summary

The Ice-rink brought to you by Leroy Solutions allows you to enjoy the time and space to skate freely with your family and friends. Unlike outdoor ice-rinks, what makes this special is the fact that it feels like a home away from home.

Do you enjoy ice-skating in Finland or Iceland? Leroy Solutions aims to provide an ice-rink which has no limitations. By skating in the outdoors, this offers you the freedom of nature and a good environment.

Our equipment and facilities have been created using supplies from upbroad. These supplies have been obtained from world class suppliers such as Alibaba. We assure you that our facilities are safe and secure.



Goals

Our goal is to capture enough people within the market. By increasing our market share, we will be able to attract more customers and offer top ice-skating services for our clients.

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| Goal 1: | Create a new outdoor ice-skating experience |
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| Goal 2: | Obtain most of the market share |
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| Goal 3: | Encourage ice-skating as this is a good mood stabilizer |
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Mission

Our mission at Leroy Solutions is to provide a world class ice-door rink which can be made accessible to the public. Increasing customer satisfaction and ice-skating experience.



Vision

Our vision at Leroy Solutions involves creating a world class ice-skating rink away from all buildings and motorways. A place which people can enjoy and have a good time amidst all the stresses of life.

Meet The Founder

The team consists of one person, but we are currently recruiting as many people as possible in order to begin our business.



Mpumelelo Leroy Ndlela

CEO/Founder

The CEO/Founder is an accountant with two degrees. The one degree from the University of Witwatersrand and Monash University. He is also also Alteryx Advanced Certified and completed his chartered accounting articles in 2021. Thereon, he has had the privilege of joining world-renowned companies where he obtained a great understanding in external auditing and financial accounting.

ICE-RINK ONE YEAR BUDGET

TOTAL DEVELOPMENT COSTS

Elements	Measurement	Quantity	Price per Quantity (Rands)	Cost (Rands)
Gallons of water	Gallons	15000		1696
Land	Meters	496	423.387	210000
Refigeration Compressor				9431
Ice surface	Meters	0.122564282	96.25	11.79681214
Corrugated Tube				675.6
Tile elements				2733
Ice-Skates		71	259	18 389
Skate Aids		20	200	5000
Ice resurfer				200 000
Total Development Costs				653 201

TOTAL OPERATING COSTS

Elements	Measurement	Quantity	Price per Quantity (Rands)	Cost (Rands)
Employees	Per Hour	3360	220	739 200
Electricity	KwH	520	4.51	28 142.4
Maintenance Costs	Fixed Cost			400 000
Marketing and Advertising	Fixed Cost			100 000
Insurance	Fixed Cost			120 000
Maintaining rental equipment				100 000
Total Operating Cost				1 487 342.4

TOTAL INCOME

Elements	Measurement	Quantity	Price per Customer (Rands)	Income (Rands)
Skates - Hire	Market Price	24000	600	14 400 000
Ice-Rink Customer revenue	Market Price	24000	300	7 200 000
Total Income				21 600 000

PROFIT

Profit				19 459 457
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BUDGET ASSUMPTIONS

THE FOLLOWING ASSUMPTIONS HAVE BEEN MADE RELATING TO THE BUDGET:

DEVELOPMENT COSTS

- LAND WITH 496 M2 AREA SIZE WILL BE USED FOR THE ICE-SKATING RINK.
- 15000 GALLONS OF WATER IS REQUIRED FOR THE ICE-SKATING RINK.
- 0.12256 ACRES OF ICE-SURFACE/COVERING MATERIALS WILL BE REQUIRED FOR THE ICE-SKATING RINK.
- THE LATEST ICE RESURFER MACHINE WHICH CAN BE USED IS A ZAMBONI MODEL 100 BASED ON MARKET RESEARCH. THIS CAN BE PURCHASED FROM GERMANY.

OPERATING COSTS

- EMPLOYEES WILL BE REQUIRED TO WORK 8 HOURS FOR 7 DAYS. THEY WILL BE PAID WAGES OF R67200 PER ANNUM. WE ANTICIPATE TO HIRE 11 EMPLOYEES.
- ELECTRICITY COSTS IN SOUTH AFRICA ARE R4.51 PER KWH. WE THUS ANTICIPATE TO MAKE USE OF 520 KWH ELECTRICITY PER ANNUM. THIS IS BASED ON MARKET RESEARCH.

INCOME

- BASED ON RESEARCH FROM THE USA, 24000 CUSTOMERS USUALLY VISIT ICE-SKATING RINKS ANNUALLY.
- ICE-SKATES ARE NORMALLY GBP25 IN THE UNITED KINGDOM, BASED ON EXPERIENCE AND RESEARCH. LEROY SOLUTIONS HAS ESTIMATED THAT A REASONABLE ICE-SKATING PRICE WILL BE R600 FOR EACH CUSTOMER.
- MARKET COMPETITORS SUCH AS NORTH GATE MALL USUALLY CHARGE R100 FOR SKATING. NORTH GATE IS AN INDOOR ICE-SKATING RINK WHICH LIMITS ENVIRONMENTAL EXPOSURE. LEROY SOLUTIONS AIMS TO PROVIDE AN OUTDOOR RINK WHICH WILL ENCOMPASS ENVIRONMENTAL AND OUTDOOR EXPOSURE. IN THE UNITED KINGDOM, ICE-SKATING RINKS NORMALLY CHARGE GBP25 PER SESSION. THUS THE CHARGE OF R300 FOR THE ICE-SKATING RINK SOUNDS LIKE A REASONABLE MARKET LENGTH PRICE.
- BASED ON IFRS 13, THIS IS AN INTERNATIONAL ACCOUNTING STANDARD WHICH HELPS DETERMINE A REASONABLE MARKET PRICE. THERE ARE LEVEL 1, LEVEL 2 AND LEVEL 3 PRICING STRATEGIES. LEVEL 1 PRICING STRATEGY IS BASED ON QUOTED AND MARKET RELATED PRICES, LEVEL 2 AND LEVEL 3 RELATE TO UNQUOTED MARKET RELATED PRICES. LEROY SOLUTIONS HAS MADE USE OF LEVEL 1 PRICING STRATEGIES BY ASSESSING ITS SELLING PRICE TO THE RELEVANT MARKET COMPETITORS.

PURPOSE OF THE BUDGET - ONE YEAR PLAN

THE BUDGET FOR THE ICE-SKATING RINK HAS BEEN PREPARED IN ORDER TO REQUEST FUNDING AMOUNTING TO R2 140 543. THIS EQUATES TO \$113 436.30.00

THIS FUNDING WILL BE USED TO COVER THE DEVELOPMENT AND OPERATING COSTS WHICH HAVE BEEN OUTLINED IN THE BUDGET FOR THE ICE-SKATING RINK.

BUSINESS FEASIBILITY - 5 YEAR PLAN

YEARS	PROFIT (RANDS)	PROFIT (DOLLARS)	FUNDING REPAYMENT (RANDS)	FUNDING REPAYMENT (DOLLARS)
YEAR 1	19 459 457	1 032 331.91	856 217.2	45 422.663
YEAR 2	19 459 457	1 032 331.91	856 217.2	45 422.663
YEAR 3	19 459 457	1 032 331.91	856 217.2	45 422.663
YEAR 4	19 459 457	1 032 331.91	856 217.2	45 422.663
YEAR 5	19 459 457	1 032 331.91	856 217.2	45 422.663
TOTAL	97 297 283	5 161 659.57	4 281 086	227 113.315

WHAT IS IN IT FOR THE INVESTOR?

- THE BUSINESS FEASIBILITY HAS NOT TAKEN INTO ACCOUNT ANY INFLATIONARY ADJUSTMENTS WHICH WOULD BE EXPECTED TO OCCUR OVER THE NEXT 5 YEARS.
- THE BUSINESS FEASIBILITY HAS ASSUMED THAT WITH EVERYTHING CONSTANT FOR THE NEXT 5 YEARS, A REPAYMENT PLAN FOR A 5 YEAR PERIOD CAN BE AGREED UPON.
- LEROY SOLUTIONS AIMS TO PROVIDE POTENTIAL INVESTORS 100% RETURN ON INVESTMENT.
- IF AN INVESTOR PROVIDES FUNDING OF R2 140 543 (\$113 436.30), THE INVESTOR IS GUARANTEED TO RECEIVE BACK R4 281 086 (\$227 113.315). THIS IS NEGOTIABLE.
- THE BUSINESS IS EXPECTED TO MAKE PROFITS OF R97 297 283 (\$5 161 659.57) OVER A 5 YEAR PERIOD AND THUS WOULD BE HAPPY TO PROVIDE THE INVESTORS WITH MORE RETURN THAN PROVIDED.

RISKS FACED BY THE BUSINESS

Finance Risks	
Risks	Mitigating Risks
The world is heading into a financial recession and thus Banks are more likely than not willing to provide loans. Loans which are being provided will be provided at a higher interest rate.	Providing the banks with a solid business plan which consists of a detailed plan on how the business expects to repay the loan irregardless of the expected repayment. Ensuring that the business is in a good and solid financial position.
Leroy Solutions has an increased risk in settling loans due to the fact that it has not been operating and generating revenue. Thus repayments made will only be made based on the profits which have been generated.	The provision of a solid business plan provides banks and other financial institutions with the validity that the business will be able to settle the loans irregardless of the repayments required.
The rise in inflation creates a bigger disadvantage for the settlement of the loans due to the increased increases expenses that the business is expected to incur.	The business expects to invest profits, thus using IFRS 9 hedging principles, interests made from these investments could be a mitigating factor in order to oppose inflation risks.
As the business grows, Leroy solutions will be required to employ more employees. This will result in increased operating expenses and decreased profits.	The company expects to rate employees based on key performance metrics, ensuring that employees are rewarded for the amount of work which they add to the business. Employees who are not performing well based on employee contracts can be retrenched and replaced with better performing employees.
The company may be subject to litigations in which it will be required to hire lawyers, this may come at a big cost to the company.	The company should be ready to cover any litigation costs. By having the correct lawyers, the company will be able to defend itself from any litigation concerns.
Operating Risks	
Risks	Mitigating Risks
The ice-skating rink will be situated outside and thus may be accessible to the community, theft and damage to the property may occur during this process.	The company will consider hiring security guards who can assist with keeping the premises safe and secure.
There is a risk that equipment could be heavily damaged and thus may need to be replaced.	The insurance obtained by the company will be able to assist in replacing any equipment which may be damaged. Maintenance of the equipment is also vital to ensure that the equipment is kept in good standing order.

MARKET RESEARCH ON ICE-SKATING DEVELOPMENT COSTS

- We performed further research to ascertain what the market length price of developing the ice-skating rink would be.
- We used Sports Venue Calculator to verify the development costs ensuring that we keep the size of the ice-skating rink on the business proposal agrees to the size of the ice-skating rink on Sports Venue Calculator.

DEVELOPMENT COSTS

	Sports Venue Calculator(Dollars)	Leroy Soutions (Dollars)
Synthetic Ice Rink	9170	12579.69
Aluminum band system	2618	
Synthetic ice cleaning machine	11800	11204
Operating materials	672	1310
Total	24260	25094

- The difference between a market related amount inorder to develop the ice-skating is \$834. This provides us with assurance of Leroy Solutions development costs as per the business plan and its accuracy.

DETAILED ACTION PLAN -DEVELOPMENT

- Purchase land which can be used to develop the ice-skating rink.
- Measure up a rectangle using a run string and paint to draw the lines.
- Use equipment to level property development and prepare the soil.
- Place the boards around the rink. We will require a hammer drill.
- Purchase drills and cutting machine in order to build the boards and place the brackets together.
- Add the yellow bumpers onto the boards. Place big boards around the rink and leave some area in order to add small boards. This will be the short opening which we can use to enter the ice-skating rink. (3/4) big boards and (1/4) small boards
- Clean the boards using a sprinkler.
- 5 ten foot sticks in order to put the netting up. This will help add netting all around. Buy foam part covers to protect the sticks.
- Ground harrow tool - this can help with strengthening the development of the boards.
- Take measurements of the rink to find the centre of the ice-rink.
- Add LED lightings from the boards to the rest of the rink. Use flags to mark the lights.
- Add the liner and unroll it across the middle of the rink to the other end. Unfold the lining across the whole rink and ensure no space is available.
- Fill up the rink with water. You can use a well or a basic hose.
- If wrinkle folds with water, it's important to get the water out by standing on top of the wrinkled lining.
- Ensure that water is between 6 to 8 inches of water. Takes about three full days to fill the rink.
- It takes about 5 to 6 days for the ice to freeze (Using an ice-freezer). You can use a power broom to level up the ice.
- Resurface the ice in order to freeze the ice and to level up the ice-rink.

In the event of using Ice-Tubes:

- Place tubes and fill them with glycol and then fill it up with water. The tubes will freeze the ice.
- Misting the ice using the ice-surfacer. There is a risk of the ice-skate becoming pink. White paint can be used to colour the pink ice.
- Finally, fill up the ice with water to ensure that the ice has been covered fully.

DETAILED ACTION PLAN - OPERATIONS

- Two employees who will be responsible for providing customers with Ice-Skating tickets.
- Two employees who will be responsible for providing customers with ice-skates.
- Two employees who will be responsible for safety regulations on the ice-skating rink.
- One employee responsible for the Ice-skating resurfer to freeze the water after customers have ice-skated.
- The founder will be responsible for marketing and advertising the ice-skating rink.
- Regular maintenance of the ice-skating resurfer will be performed annually.
- Customers will be given one hour each in order to ice-skate.
- Employees will be responsible to ensure that customers hand the ice-skates back once they are done ice-skating.
- Daily reconciliations will be performed to ensure that the appropriate amount of cash(revenue) has been correctly received and captured into our systems.
- Reconciliation between cash receipts and cash reflected into the bank account.
- The founder is responsible for paying insurance monthly to ensure that the operations are insured.
- The founder is also responsible for paying electricity and water bills on a monthly basis.

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