

**SEASONS ORCHARDS LIMITED**

**BUSINESS PLAN**

**FOR**

**ESTABLISHMENT**

**OF**

**OVACADO FARMING PROJECT**



## PROJECT SUMMARY

- 1.1 **APPLICANT** : SEASONS ORCHARDS LIMITED
- 1.2 **NATURE OF PROJECT** : AVOCADO FARMING
- 1.3 **PROJECT SPONSOR** : SEASONS ORCHARDS LIMITED
- 1.4 **DATE OF INCORPORATION** : 29<sup>TH</sup> NOVEMBER 2017
- 1.5 **PROJECT LOCATION** : HAGAFILO, NJOMBE
- 1.6 **CAPACITY** : 180 TONS PER YEAR
- 1.7 **OBJECTIVE** : APPLYING TIC CERTIFICATE
- 1.8 **LOAN AMOUNT** : US\$ 300,000
- 1.9 **INTEREST RATE** : 8%
- 1.10 **REPAYMENT PERIOD** : 4 YEARS

## 2.0 EXECUTIVE SUMMARY

### Description of the Company

**SEASONS ORCHARDS LIMITED** is locally Company incorporated under Company Act of 2002, with certificate of incorporation **No.139662** dated 29<sup>th</sup> November 2017.

The company share capital is Tsh 20,000,000/= divided into 50 shares with main objectives:

- To engage in commercial farming of agricultural crops, and horticultural products
- To carry on business of all kinds and deal in any such products either in raw form or processed just to mention few.

**SEASONS ORCHARDS LIMITED** Project is planning to involve the following:

- Purchasing tractors
- Purchasing irrigation systems
- Purchasing harvester, loaders
- Purchasing machinery/equipment
- Purchasing information technology infrastructure and other equipment to support the project
- Purchasing generators
- Purchasing trucks, pick up, minibus
- Purchasing various building materials etc.

Project document presents proposals by **SEASONS ORCHARDS LIMITED**, a locally registered company the project promoters are confident of

mobilizing financial resources through owners' equity of **US\$210,000** and loan from financial institution **US\$300,000**

This study is a guiding tool for establishing mixed farming project and will be presented to TIC for obtaining certificate of incentives to facilitate smooth implementation of the project.

## 2.1 Project Location

The project will be located at **Hagafilo village, Njombe, Tanzania.**

## 2.2 The Project Sponsors

**SEASONS ORCHARDS LIMITED** will be sponsoring this project. The Company is jointly owned by two shareholders from Lebanon.

Name of shareholder	%Share	Nationality	Date of birth
Liban Mohamud Emial:contact@seasons -orchards Tel:254729750212 Kenya, Nairobi,LibanAbdullah,Mohamud,+254	16	Kenyan	10 <sup>th</sup> February 1986
Ismail Sulahudin Yussuf Emial:sy@seasons -orchards Tel:254722326850 Kenya,Nairobi,Plot No.230,House No.2,General WaruingeStret, Eastlrih	4	Kenyan	14th July 1989
Unallotted shares	80	Tanzania	

### 2.3 The Project Objectives

The project main objectives are:

- Cultivation of avocado for export

### 2.4 Objective of Study

The purpose of this study is to work out the project viability technically and financially.

### 2.5 The Project Rationale

The project is consistent with overall government economic policy and strategies on agricultural development. The project aims at contributing to the implementation of the country's strategic development framework as expressed in the Millennium Development Goals (MDGs), Tanzania Development Vision 2025, National Strategy for Growth and Reduction of Poverty (2005) popularly known by its Kiswahili acronym- MKUKUTA, Tanzania's Poverty Monitoring Master Plan and **Kilimo kwanza initiatives**.

The company has acquired parcel of land at Hagafilo village, Njombe , the land is suitable for horticulture including avocado,the land is suitable for mechanized farming and irrigation , to make project successful ,project will require the following infrastructure to mention few ;

- Buildings
- Tractors
- Plough
- Harrow
- Planter

- Mowers
- Insecticide sprayer/duster
- Harvester
- Irrigation system
- Cold room
- Refrigerated trucks
- Packaging machines etc.

The project will increase the current crop production and increase exports.

## **2.7 The Role of Private Sector**

Tanzania like other countries in Africa decided to shift from closed economy dominated by government to open economy where all sector of economy are dominated b private sector. From the following facts the government has been obliged to change from being the key player to a facilitator in all sector of economy. This new role of the government has led to a more conducive and attractive environment to the private sector to join and invest in the agriculture sector.

Private investment in the agriculture Sector will go a long way in increasing the establishment of new agribusiness industries, thus contributing in adding value to agricultural produce.

## **2.8 Tanzania Avocado**

Avocados have become Tanzania's latest green gold, bringing in at least US\$12m annually, up from almost zero five years ago, and local website.

Less than a decade ago, avocado exports didn't exist. But data from Tanzania's private sector horticultural apex body, the Tanzania Horticultural Association (Taha), as well as the Avocado Catalogue 2020 report, show that exports jumped from 1,877 metric tons (MT) in 2014 to 9,000 MT in 2019.

Taha's chief development manager, Anthony Chamanga, said that farm-gate prices also rose from Sh450 (US\$0.19) in 2014 to Sh1,500 (US\$0.65) in 2020.

It is understood that the government and Taha jointly worked to establish a facility in Njombe where farmers can store their fresh produce and is also a hub to connect with buyers.

"Driven by dynamics in a global surge in prices and demand, the cultivation and trading of avocados is rapidly gaining traction among the local farmers, replacing coffee production in some areas," he said.

There are over 10,000 avocado growers in the country, the report shows.

The majority of exports go to Europe, which received 85% of Tanzanian avocado shipments. France imported the most, followed by the Netherlands and the U.K.

Tanzania is the third largest avocado produce in Africa, after South Africa and Kenya. The main varieties are Hass and Fuerte.

The harvest period is from January to March, and May to August. Plantation altitudes range from 1,100 to 1,900 meters above sea level.

In a presentation at the World Avocado Congress in Colombia last September, Zac Bard of Westfalia Fruit predicted that Africa's avocado production could rise as quickly as the South American country's has over the last few years if the conditions are right.

### **3.0 Back Ground of Agriculture Industry in Tanzania**

Agriculture is the foundation of the Tanzanian economy. It accounts for about half of the national income, three quarters of merchandise exports and is source of food and provides employment opportunities to about 80 percent of Tanzanians. It has linkages with the non-farm sector through forward linkages to agro-processing, consumption and export; provides raw materials to industries and a market for manufactured goods.

Agriculture in Tanzania is dominated by smallholder farmers (peasants) cultivating an average farm sizes of between 0.9 hectares and 3.0 hectares each. About 70 percent of Tanzania's crop area is cultivated by hand hoe, 20 percent by ox plough and 10 percent by tractor. It is rain fed agriculture. Food crop production dominates the agriculture economy 5.1 million ha. are cultivated annually, of which 85 percent is under food crops. Women constitute the main part of agricultural labour force. The major constraint facing the agriculture sector is the falling labour and land productivity due to application of poor technology, dependence on

unreliable and irregular weather conditions. Both crops and livestock are adversely affected by periodical droughts.

Irrigation holds the key to stabilizing agricultural production in Tanzania to improve food security, increase farmers' productivity and incomes, and also to produce higher valued crops such as vegetables and even flowers.

### **3.1 Urban Agriculture:**

Urban agriculture has flourished as a household – level initiative to cope with economic hardships encountered as a result of raising cost of living. Urban agriculture that consists of raising and growing of vegetable and food crops is found in Tanzanian towns and cities where the ready markets for Agricultural products are found. Producers of vegetables, milk, broilers' meat and eggs sell to private households and to school, hotels, hospitals, bars, cafeterias and restaurants.

### **3.2 Agriculture Performance:**

The macro economic reforms have and continue to have had significant impact on the Agriculture sector. The economic reforms have lead to the opening up of the sector to private investment in production and processing, input importation and distribution and agricultural marketing. Most of production and processing and marketing functions have been assigned to the private sector. The Government has retained regulatory and public Support functions or facilitation role.

Farmers are free to sell their crops to cooperatives or private traders. Due to competition, normal producer prices for food & export crops have increased as such farmers can now sell their produce much faster. Farmers are no longer confined to a single source for their essential inputs for crops and livestock.

The Government recognizes the pivotal role of the agricultural sector both in terms of economic growth and poverty reduction. Also the strong influence of factors outside the sector such as infrastructure, rural financial services, land ownership and good governance is recognized.

**Priority actions include:**

- The pursuit of macroeconomic policies that will motivate investment in agriculture by small holders and large – scale commercial farmers.
- Creation of an enabling environment and provide proactive support to private operators, farmers organizations, NGOs and CBOs supplying inputs and credit to small farmers and ensuring a strong regulatory mechanism.
- Concentration of budgetary allocations in agriculture research and extension.
- Provision of special support to investments in agricultural processing particularly in fruits and vegetables

### 3.3 Potentials in the Agricultural Sector:

Tanzania is well endowed with a variety of farming systems with climatic variations and agro-ecological conditions of which crops can be grown.

**The major staples include;** maize, sorghum, millet, rice, wheat pulses (mainly beans), cassava, potatoes, bananas and plantains

**Export crops;** coffee, cotton, cashew nut, tobacco, sisal, pyrethrum, tea, cloves, horticultural crops, oil seeds, Spices and flowers

### 3.4 Agro – Ecological Zones (AEZ):

Coastal plains

Eastern plateaus and mountain blocks

Southern Highlands

Northern rift zone and volcanic highlands

Central plateau

Rukwa – Ruaha rift valley

Inland Sedimentary

Ufipa and

Western highlands

### 3.5 Farming Systems:

There are 10 farming systems

#### i. Banana/Coffee/Horticulture system

Found in Kagera, Kilimanjaro, Arusha, Kigoma and Mbeya regions.

- Tree crop
- High intensive land use
- Volcanic soils with high fertility

- Land scarce

**ii. Maize/Legume system:**

Found in Rukwa, Ruvuma, Arusha, Kagera, Shinyanga, Iringa, Mbeya, Kigoma, Tabora, Tanga, Morogoro, Kahama, Biharamulo

- Land not scarce
- Shifting cultivation
- Maize & legumes, beans and groundnuts intercropped  
Arabic coffee.

**iii. Cashew/Coconut/Cassava System:**

Found in coast region; eastern Lindi and Mtwara:

- Low rainfall
- Low soil fertility
- Cassava, coconut and cashew
- Land is not scarce
- Shifting cultivation

**iv. Rice/Sugar cane system:**

Found in alluvial river valleys

- Rice and Sugarcanes

**v. Sorghum/Bulrush millet/Livestock system:**

Found in Sukumaland; Shinyanga and rural Mwanza

- Sorghum, millet, maize and cotton, oilseeds and rice
- intense population pressure
- declining soil fertility

**vi. Tea/Maize/ Pyrethrum system:**

Found in Njombe and Mufindi districts in Iringa region

- Tea, Maize, Irish potatoes, beans, wheat, pyrethrum, wattle trees and sunflower

**vii. Cotton/Maize system:**

Found in Mwanza, Shinyanga Kagera, Mara, Singida, Tabora and Kigoma, Morogoro, Coast, Mbeya, Tanga, Kilimanjaro and Arusha.

- Cotton, sweet potatoes, maize, sorghum and groundnuts
- Intensive cultivation
- Livestock kept

**viii. Horticulture based system:**

Found in Lushoto district; Tanga region, Morogoro rural; Morogoro region and Iringa rural in Iringa region.

- Vegetables, (cabbages, tomatoes, sweet pepper, cauliflower lettuce and indigenous vegetables) and fruits, (pears, apples, plums, passion fruits and avocado
- Maize, coffee, Irish potatoes, tea and beans.

**ix. Wet – rice and irrigated system**

- Occupies river valleys and alluvial plains, Kilombero, Wami Valleys, Kilosa, Lower Kilimanjaro, Ulanga, Kyela, Usangu and Rufiji.

**x. Pastoralists and Agro pastoralist System**

Found in semi-arid areas i.e. Dodoma, Singida, parts of Mara and Arusha; Chunya districts, Mbeya and Igunga district in Tabora.

- Deep attachment to livestock and simple cropping system
- Shifting cultivation of sorghum millet

- Moderate population density 30 per sq. Km of 26
- Limited resource base and poor and variable rainfall

### **3.6 Irrigation:**

Tanzania has a potential for attaining sustainable irrigation development in order to assure basic food security, improve the national standards of living and also contribute to economic growth of the country. There is:

- Availability of water resources e.g. small and big rivers and lakes.
- Available irrigatable land at 1.0 million ha. but currently only 150,000 hectares are cultivated under irrigation
- National Irrigation Development Plan and Agriculture Policy are in place
- Potential revenue can be tapped from irrigation water as user charge.

### **3.7 Support Services and Information:**

#### **i. Research:**

Research remains a core function of the government.

The Government encourages more private sector involvement independently or jointly in research planning and funding.

In order to increase investments in research on a sustainable basis the government encourages the active participation by commodity/crop agencies in research funding and planning; from cooperative societies, unions and commodity boards.

Appropriate mechanisms established to collect and administer such funds.

Private sector is encouraged to participate in funding research and where necessary to own and manage research in particular enterprises. Government funding is directed mainly to food crop, livestock, resource management and engineering research.

The government encourage the private sector as well as the Non-Governmental Organizations (NGOs) where feasible, to participate in research particularly in the areas of testing of drugs, development of special technologies and seed processing.

**ii. Training:**

Agricultural training is not remained a monopoly of the government but private sector is encouraged to carry out specialized training.

**iii. Extension Service:**

Extension services delivery is not be a monopoly of the government. Private sector participation for collaborative efforts promoted and where necessary private sector is allowed to own and manage extension services for specific enterprises such as beef, dairy, poultry, small ruminants, horticulture, tobacco and other subsectors which call for special attention. In areas where private sector offer extension services by providing funding, planning, monitoring and evaluation, the government will play a coordinating role.

**iv. Seeds:**

Private sector is allowed to produce, distribute and market seeds. Production of breeder seed is done at research institutes, foundation seed production on five foundation seed farms now under the

Department of Research and Development, and certified production by contract growers vested in Arusha, Morogoro, Iringa Regions. Tanzania Seed Company (TANSEED) is involved in both foundation seed farms and certified seed production. The Tanzania Official Seed Certification Agency (TOSCA) is responsible for quality control from the foundation seed farm stage up to the sale of certified seed to the farmers. The Main Seeds produced are hybrid and composite maize, sorghum, beans, wheat and sunflower.

Private Companies involved in seed production and distribution are Cargill Hybrid Seeds, Pioneer Hybrid International and Paunar and Rotian Seeds Company.

#### **4.0 Project Management and Manpower requirements**

For efficient planning, managing and running of project activities, the company will be under managing director assisted by Directors of Administration and Finance, Director of Farms, Production and Technology Development, Director of Business Development and Marketing. The project management will be answerable to board of directors who will be responsible for policy issues. **SEASONS ORCHARDS LIMITED** will create employments of **230** employees

<b>Employment</b>	<b>Foreign Skilled</b>	<b>Local Skilled</b>	<b>Local Unskilled</b>	<b>Total</b>
Women	2	8	50	60
Men	2	18	150	170
<b>TOTAL</b>	<b>4</b>	<b>26</b>	<b>200</b>	<b>230</b>

## **5.0 Project description**

Significant measures have been taken to liberalize the Tanzania economy so that to encourage private sector to take a lead in Tanzania economic growth; The Government of Tanzania embarked on adjustment program to give the private sector the leading role. That is why **SEASONS ORCHARDS LIMITED** came up with a proposal to establish mixed farm project to utilize farms owned by the company.

It is expected that the project involves avocado plantation for export.. The project to be completed within five years' time and the company will apply to be exempted from paying import duty and VAT on Capital good and deemed capital good, the project will contribute significantly toward agriculture sector in Tanzania.

### **5.1 Project capacity**

The project is projecting to produce at least **180 tons** of avocados per year

### **5.2 Selling price**

Expected price is US\$ 2500 per ton

## **6.0 Targeted Markets.**

The targeted market of the project is UAE, Europe and china market where the company has already established market.

### **6.1 Supply and Competition**

The project is not expecting to face any competition within and outside the country, taking the fact that there is high demand for organic avocado produces and other farms produces in Tanzania market.

## 6.2 Monitoring and Evaluation

The Management has full commitment to ensuring good quality of agricultural produces from **SEASONS ORCHARDS LIMITED** use of new technology in agriculture and value addition will be more emphasized. Thus, the management philosophy is through business process, management will strive to ensure compliance to standards and quality of produce.

## 7.0 Project Investment Cost

The estimated capital investment cost of the project is US\$ **510,000** out of which US\$ **300,000** will be loan from financial institutions, the project to be implemented in phases

### SEASONS ORCHARDS LIMITED COST STRUCTURE

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	70,000.00
Machinery & Equipment	120,000.00
Motor Vehicles	100,000.00
Furniture & Fixtures	5,000.00
Others	75,000.00
Working Capital	140,000.00
<b>TOTAL</b>	<b>510,000.00</b>

## 7.1 Financing Pattern

The project will be financed by equity **US\$ 210,000** and loan **US\$ 300,000**, the cost of loan is projected to be 8% and to be repaid with 4 years.

## **7.2 Project Operating Costs**

In order to realize its intended objective, the project will have to meet the operating costs which are estimated to 65% of total revenue.

## **7.0 Aspect of Project Sustainability**

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed. The peace and tranquility that exists in Tanzania is another aspect of assured business sustainability.

## **8.0 Monitoring and Evaluation**

The monitoring and evaluation tools will be applied in running this project as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth operation.

## **9.0 Financial Analysis**

### **9.1 Considerations and Assumptions:**

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

Revenues have been conservatively estimated based on experience of the promoters and trends in the agriculture industry.

### **9.2 Financial Statements:**

### **9.3 Projected school Revenue**

For projection purposes, it is assumed that the economic life of the project is 6 years, and that revenue from agriculture project commence from the first year of operation. **Refer appendix (II)**

#### 9.4 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 6 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US\$ in first year **US\$70,316 to US\$311,260** in the 6year, **for the details refer appendix (III)**

#### 9.5 Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow from 1<sup>st</sup> year, accumulated cash flow grows from **US 127,365.00** in the 1<sup>st</sup> year, to **US\$800,214** in 6<sup>th</sup> year, **for the details refer appendix (IV)**

#### 9.6 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Total shareholders' equity increases from first year from **US\$ 210,000** up to **US\$ 348,031.14** 6<sup>th</sup> year of project operation, **for the details refer appendix (V)**

#### 9.7 Projected payback period

Total investment is **US\$ 510,000** cash accumulation in year 4 is **US\$ 613,363** which is more than the initial investment by **US\$ 103,363**, the project payback Period is within 4years,

The project has a relatively short payback period. It is remarkably impressing for a big project being recovered within 4 Years, **for the details refer appendix (VI)**

## **9.9 Projected Risks**

Since the project will be using irrigation scheme; no major risks have been identified for this kind of project so far. Unless a change in the country's political and economic stability and global changes affect agribusiness global market

## **10.0 Implementation**

Project implementation is expected to be relatively very short once TIC approval is received. Currently, the company is finalizing acquiring of land in Kigamboni

## **11.0 Economic Aspect of the Project**

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

### **(i) Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that **SEASONS ORCHARDS LIMITED** is going to provide additional employment of **230** people. This is a significant contribution coming from investors.

### **(ii) Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax, VAT, Pay as you earn etc during the project's 7 years covered under our project review.

## **12.0 Conclusion & Recommendation**

### **12.1 Conclusion**

- (i) The project is profitable and contributes to government revenue by way of taxes.
- (ii) The project provides employment to **230**
- (iii) The project is an encouraging sign to prove that we have investors who have confidence with Tanzania and are ready to invest such large sums of investment despite the odds of the sector in question.

### **12.2 Recommendation**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implement and be given all the support required by all the concerned Government, Ministries and Agencies, including the Tanzania Revenue Authority, TRA, and the Tanzania Investment Centre – (TIC). The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable

## APPENDIX I

## SEASONS ORCHARDS LIMITED COST STRUCTURE

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	70,000.00
Machinery & Equipment	120,000.00
Motor Vehicles	100,000.00
Furniture & Fixtures	5,000.00
Pre exp	0.00
Others	75,000.00
Working Capital	140,000.00
<b>TOTAL</b>	<b>510,000.00</b>

## APPENDIX II

## SEASONS ORCHARDS LIMITED FIXED ASSETS SCHEDULE (US\$)

NAME OF ASSETS	1	2	3	4	5	6
Land and Buildings	70,000	68,600	67,228	65,883	64,566	63,274
Machinery, Tools & Equipment	120,000	90,000	60,000	30,000	0	-30,000
Motor Vehicles	100,000	80,000	64,000	51,200	40,960	32,768
Furniture & Fixtures	5,000	4,500	4,050	3,645	3,281	2,952
<b>Total</b>	<b>295,000</b>	<b>243,100</b>	<b>195,278</b>	<b>150,728</b>	<b>108,806</b>	<b>68,995</b>
DEPRECIATION	1	2	3	4	5	6
Land and buildings	1,400	1,372	1,345	1,318	1,291	1,265
Machinery tools & Equipment	17,148	12,861	8,574	4,287	0	-4,287
Motor Vehicles	20,000	16,000	12,800	10,240	8,192	6,554
Furniture & Fixtures	500	450	405	365	328	295
<b>ANNUAL DEPRECIATION</b>	<b>39,048</b>	<b>30,683</b>	<b>23,124</b>	<b>16,209</b>	<b>9,811</b>	<b>3,827</b>

## APPENDIX III

## SEASONS ORCHARDS LIMITED PROJECTED INCOME &amp; EXPENDITURE STATEMENT" US \$"

	1	2	3	4	5	6
Revenue	450,000.00	472,500.00	496,125.00	520,931.25	546,977.81	574,326.70
<b>Cost of Sales</b>	292,500.00	307,125.00	322,481.25	338,605.31	355,535.58	373,312.36
<b>Profit before Depreciation &amp; Interest</b>	<b>157,500.00</b>	<b>165,375.00</b>	<b>173,643.75</b>	<b>182,325.94</b>	<b>191,442.23</b>	<b>201,014.35</b>
<b>Interest</b>	18000	13500	9000	4500	-	-
<b>Depreciation</b>	<b>39,048</b>	<b>30,683</b>	<b>23,124</b>	<b>16,209</b>	<b>9,811</b>	<b>3,827</b>
<b>Gross Profit</b>	<b>100,452.00</b>	<b>121,192.00</b>	<b>141,519.75</b>	<b>161,616.94</b>	<b>181,631.23</b>	<b>197,187.35</b>
Tax (30%)	30,135.60	36,357.60	42,455.93	48,485.08	54,489.37	59,156.20
<b>Profit After Tax</b>	<b>70,316.40</b>	<b>84,834.40</b>	<b>99,063.83</b>	<b>113,131.86</b>	<b>127,141.86</b>	<b>138,031.14</b>
Accumulated Profit	70,316.00	106,673.60	149,129.53	197,614.61	252,103.98	311,260.18

## APPENDIX IV

## SEASONS ORCHARDS LIMITED PROJECTED CASH FLOW US\$

	0	1	2	3	4	5	6
<b>SOURCES:</b>							
Profit before interest and depreciation	0	157,500.00	165,375.00	173,643.75	182,325.94	191,442.23	201,014.35
Equity	210,000.00						
Loan	300,000.00						
<b>Total Sources</b>	<b>510,000.00</b>	<b>157,500.00</b>	<b>165,375.00</b>	<b>173,643.75</b>	<b>182,325.94</b>	<b>191,442.23</b>	<b>201,014.35</b>
<b>Applications:</b>							
Capital expenditure	295,000.00	-	-	-	-	-	-
working Capital & Others	215,000.00	-	-	-	-	-	-
Cash	0	127365	129,018.00	131,180.00	133,840.00	136,953.00	141858
Tax	-	30,135.60	36,357.60	42,455.93	48,485.08	54,489.37	59,156.20
<b>Sub total</b>	<b>510,000.00</b>	<b>157,500.60</b>	<b>165,375.60</b>	<b>173,635.93</b>	<b>182,325.08</b>	<b>191,442.37</b>	<b>201,014.20</b>
<b>Total applications</b>	<b>510,000.00</b>	<b>157,500.60</b>	<b>165,375.60</b>	<b>173,635.93</b>	<b>182,325.08</b>	<b>191,442.37</b>	<b>201,014.20</b>
Accumulated cash		127,365.00	256,383.00	387,563.00	521,403.00	658,356.00	800,214.00

## APPENDIX V

## SEASONS ORCHARDS LIMITED PROJECTED BALANCE SHEET US \$

	0	1	2	3	4	5	6
<b>Fixed Assets</b>							
Opening balance	-	295,000	243,100	195,278	150,728	108,806	68,995
<b>Total Long-term Assets</b>	-	295,000.00	243,100.00	195,278.00	150,728.00	108,806.00	68,995.00
<b>Less depreciation</b>	-	-	-	-	-	-	-
<b>Closing balance</b>	-	295,000.00	243,100.00	195,278.00	150,728.00	108,806.00	68,995.00
Working capital	215,000.00	215,000.00	215,000.00	215,000.00	215,000.00	215,000.00	215,000.00
Accumulated cash	-	127,365.00	256,383.00	387,563.00	521,403.00	658,356.00	800,214.00
<b>Total assets</b>	<b>215,000.00</b>	<b>637,365.00</b>	<b>714,483.00</b>	<b>797,841.00</b>	<b>887,131.00</b>	<b>982,162.00</b>	<b>1,084,209.00</b>
Financed by							
Equity	210,000	210,000	210,000.00	210,000.00	210,000.00	210,000.00	210,000.00
Net profit	-	70,316.40	84,834.40	99,063.83	113,131.86	127,141.86	138,031.14
Total equity	210,000.00	280,316.40	294,834.40	309,063.83	323,131.86	337,141.86	348,031.14
Loan	-	300,000	225,000	150,000	75,000	0	0
<b>Total debts</b>	-	<b>300,000.00</b>	<b>225,000.00</b>	<b>150,000.00</b>	<b>75,000.00</b>	-	-
<b>Total equity and debts</b>	<b>210,000.00</b>	<b>580,316.40</b>	<b>519,834.40</b>	<b>459,063.83</b>	<b>398,131.86</b>	<b>337,141.86</b>	<b>348,031.14</b>

## SEASONS ORCHARDS LIMITED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	70,316.40	39,048	109,364.40	109,364.40
2	84,834.40	30,683.00	115,517.40	224,881.80
3	99,063.83	23,124.00	122,187.83	347,069.63
4	113,131.86	16,209.00	129,340.86	476,410.49
5	127,141.86	9,811.00	136,952.86	613,363.35