



BUSINESS PLAN

Fish Processing Project

Y & P INVESTMENT COMPANY

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1.0 Executive Summary

1.1 Introduction

This project involves establishment of a modern Nile Perch fish processing plant on Lake Victoria at Ilemela, Mwanza. Y&P Investment Company Limited is a limited liability company incorporated in 2002. The company owns 3.39 hectares on the shores of Lake Victoria at Ilemela, Mwanza city strategically located and suitable for fish production activities.

The company has developed the site with a 100MT/day flake ice production facility, 20MT per batch blast freezers, office buildings, and warehouses, at a cost of US\$2,037,846.00.

The new plant will produce frozen products, and enable Y & P to enter new export markets while also diversifying into higher value added products. The rich Ilemela fishing grounds coupled with the rationale of cutting down transport costs made Ilemela, Mwanza an ideal location for the new plant.

1.2 The Company

Y&P Investment Company Limited is a limited liability company incorporated in Tanzania under Cap 212 of the Companies Ordinance with Certificate of Incorporation No. 44035 issued on 24th July 2002.

1.3 Sustainability of Fishery

Historical catch statistics of fish landed in Tanzanian waters of Lake Victoria are not available. Therefore a variety of sources have been combined to collect sufficient data to ascertain that it is unlikely that Tanzanian waters are currently being overexploited. In addition, several internationally funded projects and initiatives within the Tanzanian Directorate of Fisheries have been implemented which are significantly improving management of the resource and collection of reliable data.

In 1993 IUCN (Local to Global Markets, IUCN, 1993) estimated total Tanzanian landings at approximately 44% of the total catch in Lake Victoria, with Kenya at 29% and Uganda at 27%. Extrapolating from 1993 catch data from Uganda and Kenya, Tanzania's catches can be estimated at roughly 150,000 tonnes. These figures correlate with the EU funded Lake Victoria Fishery Research Project (LVFRP) estimates of total Lake Victoria catches at roughly 500,000 tones per annum with Kenya's and Uganda's catch rates remaining stable with moderate fluctuations of between 1% and 5%. In 1998 the Tanzanian Directorate of Fisheries reported a total catch of around 125,000 tonnes. From this one can infer that Tanzanian catch rates have also remained relatively stable. The Tanzanian Directorate of Fisheries has recently implemented a number of initiatives aimed at improving fisheries management. These include:

- Banning beach seine nets;

- Banning mesh sizes below 5 inches;
- Banning mechanized trawling;
- Creation of fishing zones and seasons to protect breeding areas;
- Enhanced lake patrols (acquisition of patrol boats) to control illegal fishing, small mesh nets, seine fishing, and fish poisoning;

1.4 Environmental Management

Wastewater from the plant will be treated by a mechanical treatment plant involving screening; grit chamber; skimming tanks; primary sedimentation; clarifier; secondary settlement; and aeration.

Minimal solid waste will be generated during processing. Solids settled during effluent treatment and from the plant floor will be sold to fish meal producers in Mwanza. Sewage generated on site will be stored in a septic tank and periodically removed by municipal authorities.

Water to the plant will be supplied by the city and by two onsite boreholes. Water used for fish processing will be tested on a daily basis to maintain compliance with WHO standards. Plant power supply will be from the national grid. A standby generator, equipped with secondary containment for associated fuel storage tanks, will be maintained. All cold storage equipment will be CFC-free.

Strict hygiene and housekeeping measures will be implemented to prevent cross contamination. Equipment and machinery will be disinfected and sanitized; piping will be insulated to prevent condensate dripping onto product; no lighting or glass will be exposed (to prevent contamination); different lines will be maintained for different operations; tables will be washed after each fish is filleted; and replacement sterile knives will be used if a filleted fish is rejected. Staff will be provided with uniforms and appropriate safety equipment. All employees will receive medical checkups every 6 months at a private medical clinic. The plant Housekeeper will be responsible for ensuring sick employees do not enter the plant and to make sure hygiene routines are followed. The Ministry of Health will conduct random inspections and all export products will be inspected prior to shipment.

1.5 The Market

The international market for chilled and frozen Nile perch fillets is strong. The main export markets for Tanzanian processed Nile perch are in Europe, in particular Holland, Italy and Germany. Other markets lie in the Far East, Middle East, Australia and the United States of America. Products to these markets include frozen and chilled fish and, more recently, head-on gutted fish.

Additional Nile perch products, such as belly flaps, maws and off-cuts may also be exported. Maws have a ready market in the Far East, while belly flaps, off-cuts and Nile perch oil are exported to Kenya, and dried head cuts are exported to DRC.

1.6 Objectives

1. To establish Nile perch processing line at the Ilemela site, Mwanza in order to produce 213,600 kilograms of fillet annually, with projected net income (before taxes) in excess of \$600,000.
2. To increase production at an annual rate of 5% by increasing the number of processed fish per minute from 10 in the first year.
3. Achieve targeted market share of 0.15% in the first production year to 0.5% by the end of year five.
4. Y & P will take advantage of the current poor production of dried Nile perch by products, and establish a modern fish drying plant to get a strong command of this market.
5. Develop foreign markets, through vigorous marketing.

1.7 Mission

To be ranked the most sustainable fish processor in Tanzania.

1.8 Keys to Success

Y & P's keys to success will include:

1. A high level of quality in its product line.
2. The project ability to penetrate the export market
3. Maintaining and growing its referral networks to generate new and repeat sales.
4. Better competitive position with respect to well – established and equipped business.
5. Improving efficiencies of operations.
6. Better purchasing power and profit making ability
7. Good opportunity in expanding market size

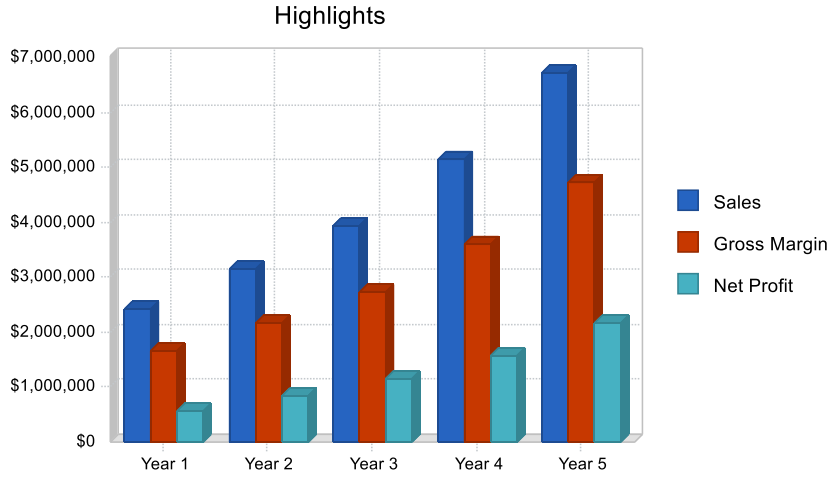
1.9 Amount of Financing Required

The total investment requirement of the proposed business intervention is estimated at US\$ 5,000,000.00. It will finance this amount as indicated below:

Loan: US\$2,500,000.00
Equity: US\$2,500,000.00

Y & P INVESTMENT COMPANY

Chart: Highlights



1.10 Loan Repayment

The loan will be availed at 9% for a 5 years term with a two years moratorium. Loan repayment will be as indicated below:

Year	interest Only	Principal & Interest	Total
1	\$208,175.00		\$208,175.00
2	\$169,285.00		\$169,285.00
3		\$414,575.00	\$414,575.00
4		\$453,465.00	\$453,465.00
5		\$496,003.00	\$496,003.00
6		\$542,531.00	\$542,531.00
7		\$593,038.00	\$593,038.00

2.0 Company Summary

Y&P Investment Company Limited is a limited liability company incorporated in 2002. The company owns 3.39 hectares on the shores of Lake Victoria at Ilemela, Mwanza city strategically located and suitable for fish production activities.

The company has developed the site with a 100MT/day flake ice production facility, 20MT per batch blast freezers, office buildings, and warehouses, all recently valued at US\$1,900,000.00.

2.1 Company Ownership

The following are the shareholders of Y & P Investment Company Limited:

1. Madina E. A. Chenge
2. Prince A. Chenge
3. Tinnar A. Chenge

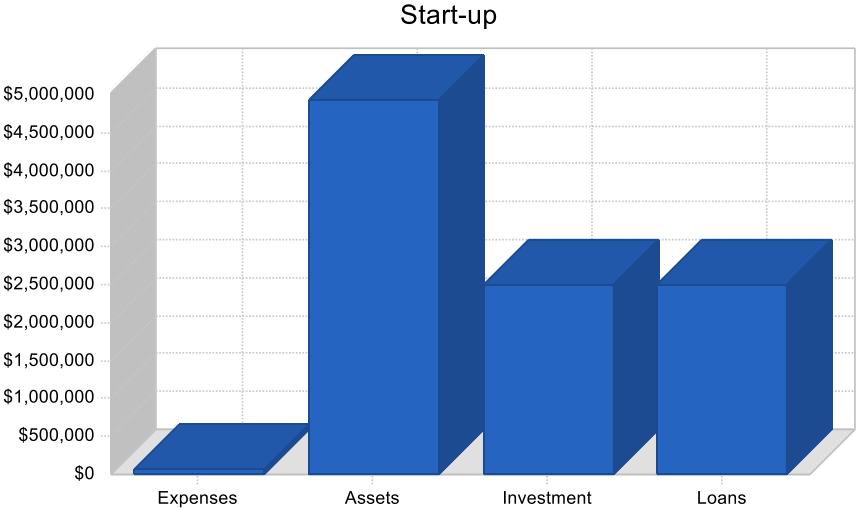
2.2 Start-up Summary

The following table and chart show the start-up costs for the project.

Table: Start-up

<i>Start-up</i>	
Requirements	
Start-up Expenses	
Consultancy services	\$50,000
Insurance	\$5,000
Total Start-up Expenses	\$55,000
Start-up Assets	
Cash Required	\$470,000
Start-up Inventory	\$500,000
Long-term Assets	\$3,975,000
Total Assets	\$4,945,000
Total Requirements	\$5,000,000

Chart: Start-up



2.3 Company Locations and Facilities

The company is located on Plot No. 129/1 Block 'C' Ilemela, mwanza, measuring 3.39 hectares.

3.0 Products

The company intends to process the major commercial fish species in Lake Victoria, the Nile perch. The Nile perch, mainly exported to the EU, constitutes up to 90% of foreign exchange earnings from fish products. The main importing countries in the EU are the Netherlands, Belgium, and the United Kingdom. Other export markets include Australia, USA, Egypt, Israel, Hong Kong, Singapore and Japan (EC and USAID 2002, UIA 2002).

3.1 Product Description

Besides frozen fillets, the company will also deal in dried and salted Nile perch and its by products which are exported to Zaire and Nigeria. The company will also trade in dried swim bladders which are sold to clients in the United Kingdom and the Far East.

3.2 Competitive Comparison

The processing plant will be well equipped with modern technologies and professionals with decade of experience in the industry. The factory has been designed to meet the European Union standard. The company will ensure that it gets an approved HACCP system and ISO certification.

3.3 Sales Literature

The business will begin with a general corporate brochure establishing the positioning. This brochure will be developed as part of the start-up expenses. Literature and mailings for the initial market forums will be very important.

3.4 Technology

The company will use manual production system to better meet the current needs in the domestic and international market.

4.0 Market Analysis Summary

The Tanzanian fisheries sector is now globalised, heavily influenced by international competition and extremely dynamic. Between 1997 and 2000, the industrial export fisheries experienced significant problems, notably in relation to its need to meet the European food quality/safety requirements. Consequently, a temporary ban was imposed on fish exports from Tanzania to the European Union (EU). Given the nature of the participants in this sector, the impact of periodic denial of access to export markets, undoubtedly has a significant negative socio-economic impact on the country. The temporary ban on fish exports to the EU led to an investment in quality assurance infrastructure in an attempt to satisfy the needs of the market. This paid off when the ban was lifted in late 1999. Since then, fish exports have continuously expanded and have sometimes surpassed coffee the major agricultural export.

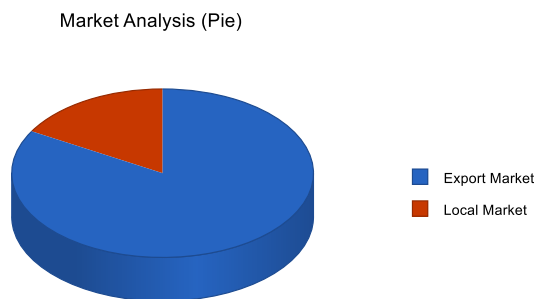
4.1 Market Segmentation

For the reason of high demand of fish products in the EU, Middle East and Some African Countries, the products of the project will mainly be sold to the export market and about 20% of its production is expected to be supplied to the local market of Tanzania.

Table: Market Analysis

<i>Market Analysis</i>		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential Customers	Growth						CAGR
Export Market	10%	500	550	605	666	733	10.04%
Local Market	3%	100	103	106	109	112	2.87%
Total	8.94%	600	653	711	775	845	8.94%

Chart: Market Analysis (Pie)



4.2 Target Market Segment Strategy

Y & P primarily focuses on its target market, the export market, through direct selling via its various relationship and referral networks. In addition, a significant amount of investment will be made in advertising to promote product awareness. Direct selling is far more effective in closing sales as well as in terms of sales and marketing costs.

Y & P will use the tool of product demonstrations at its site to close sales. Potential clients' travel costs to Y & P's site for product demonstrations will be covered by Y & P. Product demonstrations are a critical step in the sales process. This is the opportunity to prove the capabilities of Y & P products, educate the potential client, and establish a relationship.

4.2.1 Market Needs

To export high priced niche products will require excellent processing, marketing and distribution facilities and skills.

4.2.2 Market Trends

There are strong trends in the food market toward natural, healthy products. Niche groups of consumers will pay a premium for this type of product because it delivers benefits to them. The niche demand is of course for prime processed/added value products. Costs of establishing and servicing niche markets are high, so the product features (which include delivery, presentation, consistency, innovation, continual improvements) must all be excellent to command a high enough price.

4.2.3 Market Growth

The industry is project to grow steadily post COVID-19 pandemic.

4.3 Industry Analysis

The fish market is projected to register a CAGR of 4.8% during the forecast period (2022 - 2027). The COVID -19 outbreak impacted the production, processing, and distribution due to labour shortages and lockdown restrictions. The global fish trade has become restrained due to regulations aimed at containing the pandemic. Fresh fish supply chains were severely impacted by the closure of the food service sectors (e.g. hotels, restaurants, and catering facilities, including scholl and work canteens). The processing sector also faced closures due to the reduced/lost consumer demand.

Global fish production peaked at around 177.8 million metric ton in 2019, with aquaculture representing nearly 52.0% of the word's fish production. Fisheries and acquaculture are increasingly becoming a primary source fo protein, foreign exchang, livelihoods, and well-being of the population in the Asia-Pacific region.

Organic fishery and aquaculture products represent a niche market in Europe.

4.3.1 Competition and Buying Patterns

Y & P faces approximately 7 major competitors in Mwanza. Product presentations are a critical part of the buying process, especially when a buyer is working with a smaller, less known company.

4.3.2 Main Competitors

Main competitors include Tanzania Fish Processors, Victoria Perch, Nile Perch, Nature Fish, Pesca Perch, and Delsh Food. All the plants have installed capacities of 25 MT per day.

5.0 Web Plan Summary

Y & P's website will be a dynamic marketing tool for the company that serves the needs of business development, sales, and recruiting. The company site will provide information about Y & P's products for target customers and potential business partners, such as new product updates. As the company grows, its recruiting needs can be addressed by posting career opportunities and FAQs about the company. Y & P.com will also communicate company news to create and maintain positive public relations with the community and investors. The goal will be to implement a functional and professionally designed website that can be adapted to meet the company's growing needs.

5.1 Website Marketing Strategy

We will maintain a two-way link between our website and our clients. In addition to using the page as a sales tool, we will develop a monthly newsletter.

5.2 Development Requirements

The website will be initially developed with few technical resources. The company will maintain a simple, classy, yet Internet focused site.

6.0 Strategy and Implementation Summary

Y & P's strategy is to profitably and efficiently utilize present and future fish processing technology in its operations.

6.1 SWOT Analysis

The following SWOT analysis captures the key strengths and weaknesses within the company, and describes the opportunities and threats facing the operation.

6.1.1 Strengths

- A large market
- Experienced owner-operator
- Access to fish
- Best location

6.1.2 Weaknesses

- Limited Capital

6.1.3 Opportunities

- Growing market
- Venture into fish farming thus diversifying risk
- Export market opportunities

6.1.4 Threats

- Low market prices for fish
- Change in government regulations

6.2 Marketing Strategy

Y & P intends to maintain an extensive marketing campaign that will ensure maximum visibility for the business in its targeted market.

6.2.1 Pricing Strategy

Pricing of our products must remain initially competitive with our rivals.

6.2.2 Promotion Strategy

Internet Marketing

The company's website will be a dynamic marketing tool for the company. The website will provide information about our products for target customers.

Participating in Major Industry Events

We will also participate in major industry events, including both national and international shows.

6.3 Sales Strategy

Our strategy focuses first on maintaining the identity with the high-end buyer who appreciates the best available quality, but is also very demanding regarding fish products.

6.3.1 Sales Forecast

The following chart and table show our present sales forecast. We have assumed working on one 8-hour shift per day for 5 days per week.

Y & P INVESTMENT COMPANY

Table: Sales Forecast

<i>Sales Forecast</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Unit Sales					
Fillets (Kg)	213,600	281,952	352,440	465,221	614,091
Fish frames (Kg)	53,400	70,488	88,110	116,305	153,523
Fish skin (Kg)	42,720	56,390	70,488	93,044	122,818
Fish maws (swim bladders) (kg)	10,680	14,098	17,622	23,261	30,705
Fish body oil (Kg)	32,040	42,293	52,866	69,783	92,114
Flake ice (tons)	18,000	22,500	28,125	35,156	43,945
Head (Kg)	123,888	163,532	204,415	269,828	356,173
Animal feed waste (Kg)	102,528	135,337	169,171	223,306	294,764
Total Unit Sales	596,856	786,590	983,237	1,295,905	1,708,133
Unit Prices	Year 1	Year 2	Year 3	Year 4	Year 5
Fillets (Kg)	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90
Fish frames (Kg)	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
Fish skin (Kg)	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26
Fish maws (swim bladders) (kg)	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Fish body oil (Kg)	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94
Flake ice (tons)	\$29.80	\$29.80	\$29.80	\$29.80	\$29.80
Head (Kg)	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81
Animal feed waste (Kg)	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
Sales					
Fillets (Kg)	\$1,260,240	\$1,663,517	\$2,079,396	\$2,744,803	\$3,623,140
Fish frames (Kg)	\$42,720	\$56,390	\$70,488	\$93,044	\$122,818
Fish skin (Kg)	\$11,107	\$14,662	\$18,327	\$24,191	\$31,933
Fish maws (swim bladders) (kg)	\$427,200	\$563,904	\$704,880	\$930,442	\$1,228,183
Fish body oil (Kg)	\$30,118	\$39,755	\$49,694	\$65,596	\$86,587
Flake ice (tons)	\$536,400	\$670,500	\$838,125	\$1,047,656	\$1,309,570
Head (Kg)	\$100,349	\$132,461	\$165,576	\$218,561	\$288,500
Animal feed waste (Kg)	\$9,228	\$12,180	\$15,225	\$20,098	\$26,529
Total Sales	\$2,417,362	\$3,153,369	\$3,941,712	\$5,144,391	\$6,717,260
Direct Unit Costs	Year 1	Year 2	Year 3	Year 4	Year 5
Fillets (Kg)	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65
Fish frames (Kg)	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22
Fish skin (Kg)	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07
Fish maws (swim bladders) (kg)	\$11.20	\$11.20	\$11.20	\$11.20	\$11.20
Fish body oil (Kg)	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26
Flake ice (tons)	\$8.34	\$8.34	\$8.34	\$8.34	\$8.34
Head (Kg)	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23
Animal feed waste (Kg)	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03
Direct Cost of Sales					
Fillets (Kg)	\$352,867	\$465,785	\$582,231	\$768,545	\$1,014,479
Fish frames (Kg)	\$11,962	\$15,789	\$19,737	\$26,052	\$34,389
Fish skin (Kg)	\$3,110	\$4,105	\$5,132	\$6,774	\$8,941
Fish maws (swim bladders) (kg)	\$119,616	\$157,893	\$197,366	\$260,524	\$343,891
Fish body oil (Kg)	\$8,433	\$11,131	\$13,914	\$18,367	\$24,244
Flake ice (tons)	\$150,192	\$187,740	\$234,675	\$293,344	\$366,680
Head (Kg)	\$28,098	\$37,089	\$46,361	\$61,197	\$80,780
Animal feed waste (Kg)	\$2,584	\$3,410	\$4,263	\$5,627	\$7,428
Subtotal Direct Cost of Sales	\$676,861	\$882,943	\$1,103,679	\$1,440,429	\$1,880,833

Chart: Sales Monthly

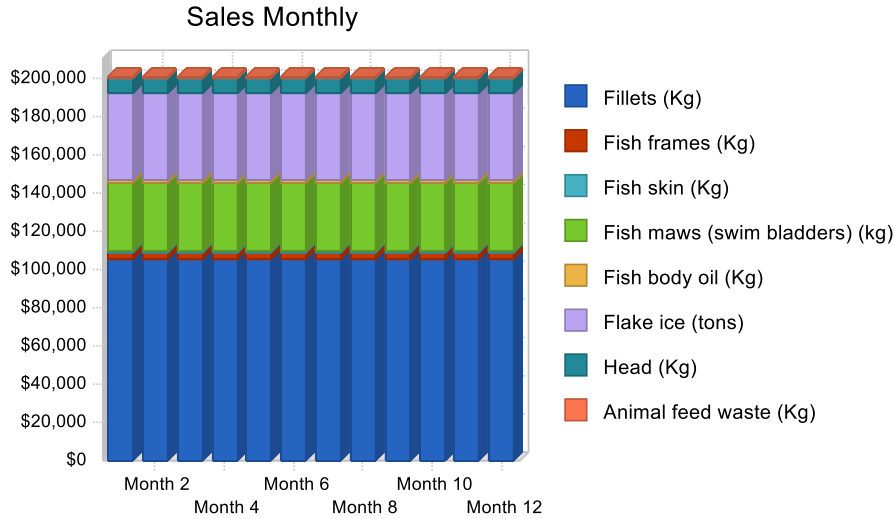
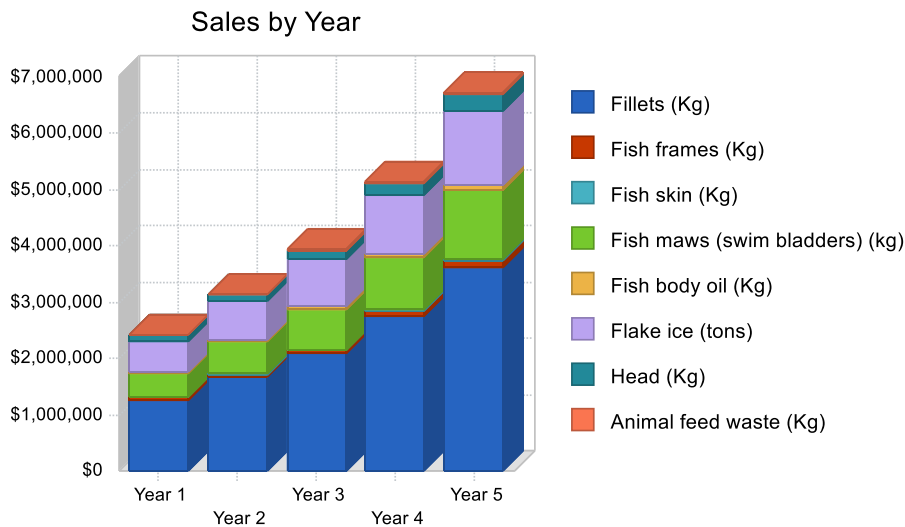


Chart: Sales by Year



6.3.2 Competitive Edge

We have done our homework and we have been able to highlight some factors that will give us competitive advantage in the marketplace; some of the factors are effective and reliable fish processing processes that can help us sell our products at competitive prices, good network and excellent relationship management.

Lastly, our employees will be well taken care of, and their welfare package will be amongst the best in the industry meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our objectives as a standard fish processing and packaging plant.

7.0 Management Summary

The organization and management of the project is designed in line with the requirements of adopting automated fish processing plant. The major structural components of the organization involve a general assembly, management team, three divisions (Production, Processing, and Marketing). Much emphasis is given to capacity building as the machines are automated and require a well organized skill transfer program. The production, marketing and financial aspect of the project will also be managed in line with relevant legal provisions and ethical standards of the country.

Our success can be assured by the many different people who are employed at Y & P in this project. Our in-house teams encompass the spectrum of experience and expertise – all of which will combine to enable us to provide exceptional service throughout.

Our staff are skilled and knowledgeable in a variety of different fields, including fisheries and microbiology, human resources, administration, maintenance and training, and we are able to draw on all the skills needed for fish processing from within the Y & P ranks.

7.1 Personnel Plan

As the personnel plan shows, Y & P expects to make significant investments in processing technology.

Y & P INVESTMENT COMPANY

Table: Personnel

<i>Personnel Plan</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Production Personnel					
Production Manager	\$7,800	\$7,995	\$8,195	\$8,399	\$8,609
Biosecurity Manager	\$5,400	\$5,535	\$5,673	\$5,815	\$5,960
Ice Flakes Operators	\$9,000	\$9,225	\$9,455	\$9,692	\$9,934
Production Personnel	\$18,000	\$18,450	\$18,911	\$19,384	\$19,868
Packaging Supervisor	\$3,960	\$4,059	\$4,160	\$4,264	\$4,371
Packaging Staff	\$6,000	\$6,150	\$6,303	\$6,461	\$6,622
Technicians	\$19,256	\$19,737	\$20,230	\$20,736	\$21,255
Cleaners	\$10,800	\$11,070	\$11,346	\$11,630	\$11,921
Cold Room Operators	\$15,000	\$15,375	\$15,759	\$16,153	\$16,557
Subtotal	\$95,216	\$97,596	\$100,032	\$102,534	\$105,097
Sales and Marketing Personnel					
Marketing & Sales Manager	\$10,200	\$10,455	\$10,716	\$10,984	\$11,259
Marketing Officer, Local	\$6,600	\$6,765	\$6,934	\$7,107	\$7,285
Marketing Officer, Export	\$4,800	\$4,920	\$5,043	\$5,169	\$5,298
Subtotal	\$21,600	\$22,140	\$22,694	\$23,261	\$23,842
General and Administrative Personnel					
General Manager	\$14,400	\$14,760	\$15,129	\$15,507	\$15,894
Office Administrator	\$3,000	\$3,075	\$3,151	\$3,230	\$3,311
Finance & Administration Manager	\$10,200	\$10,455	\$10,716	\$10,984	\$11,258
HR Manager	\$7,800	\$7,995	\$8,194	\$8,399	\$8,609
Accountant	\$7,800	\$7,995	\$8,194	\$8,399	\$8,609
Cashiers	\$6,000	\$6,150	\$6,303	\$6,461	\$6,622
Office Attendants	\$3,600	\$3,690	\$3,782	\$3,876	\$3,973
Drivers	\$5,760	\$5,904	\$6,051	\$6,202	\$6,357
Cleaners	\$5,760	\$5,904	\$6,051	\$6,202	\$6,357
Security Staff	\$7,680	\$7,872	\$8,068	\$8,270	\$8,477
IT Personnel	\$5,400	\$5,535	\$5,673	\$5,815	\$5,960
Procurement Manager	\$9,000	\$9,225	\$9,455	\$9,692	\$9,934
Procurement Assistants	\$6,000	\$6,150	\$6,303	\$6,461	\$6,622
Assistant Accountants	\$9,000	\$9,225	\$9,455	\$9,692	\$9,934
Subtotal	\$101,400	\$103,935	\$106,525	\$109,190	\$111,917
Total Payroll	\$218,216	\$223,671	\$229,251	\$234,985	\$240,856

8.0 Financial Plan

The following sections will outline the Financial Plan of the project.

8.1 Start-up Funding

Total start-up expenses and assets required will be funded as shown in the Start-up Funding table, below.

Table: Start-up Funding

<i>Start-up Funding</i>	
Start-up Expenses to Fund	\$55,000
Start-up Assets to Fund	\$4,945,000
Total Funding Required	\$5,000,000
Assets	
Non-cash Assets from Start-up	\$4,475,000
Cash Requirements from Start-up	\$470,000
Cash Balance on Starting Date	\$470,000
Total Assets	\$4,945,000
Liabilities and Capital	
Liabilities	
Long-term Liabilities	\$2,500,000
Total Liabilities	\$2,500,000
Capital	
Planned Investment	
Owner	\$2,500,000
Total Planned Investment	\$2,500,000
Loss at Start-up (Start-up Expenses)	(\$55,000)
Total Capital	\$2,445,000
Total Capital and Liabilities	\$4,945,000
Total Funding	\$5,000,000

8.2 Important Assumptions

Table 7.1 summarizes key financial assumptions, including 45-day average collection days, sales entirely on invoice basis, expenses mainly on net 30 basis, 35 days on average for payment of invoices, and present-day interest rates.

Table: General Assumptions

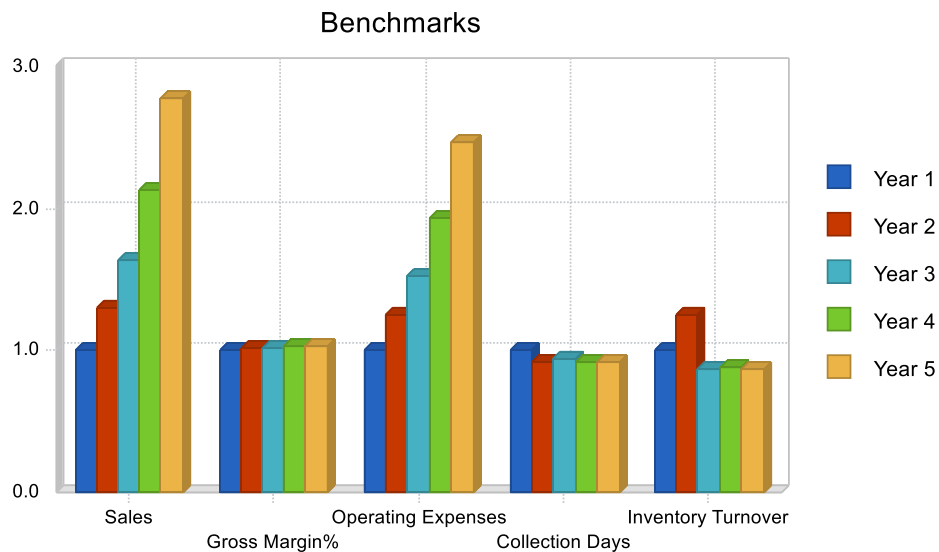
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<i>General Assumptions</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Plan Month	1	2	3	4	5
Current Interest Rate	9.00%	9.00%	9.00%	9.00%	9.00%
Long-term Interest Rate	9.00%	9.00%	9.00%	9.00%	9.00%
Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%

8.3 Key Financial Indicators

The following benchmark chart indicates the project's key financial indicators for the first five years. We foresee major growth in sales and operating expenses, and a bump in our collection days as we spread the business during expansion.

Chart: Benchmarks



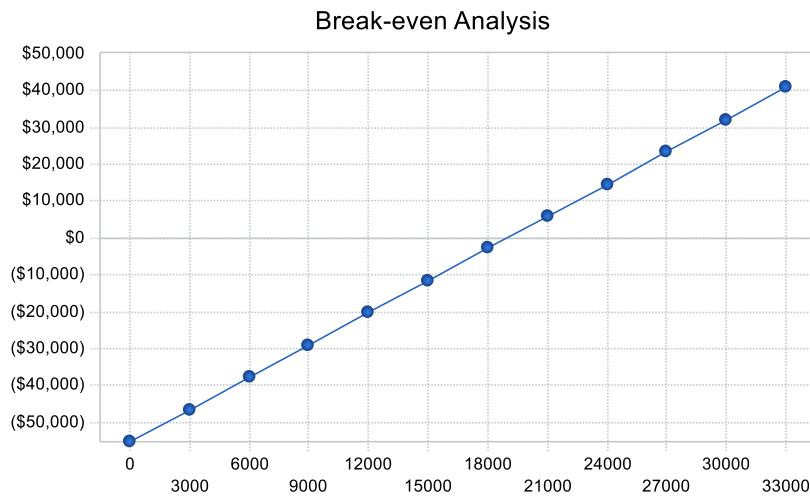
8.4 Break-even Analysis

The Break-even Analysis is based on the average of the first-year figures for total sales by units, and by operating expenses. These are presented as per-unit revenue, per-unit cost, and fixed costs. These conservative assumptions make for a more accurate estimate of real risk.

Table: Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Units Break-even	18,970
Monthly Revenue Break-even	\$76,833
Assumptions:	
Average Per-Unit Revenue	\$4.05
Average Per-Unit Variable Cost	\$1.13
Estimated Monthly Fixed Cost	\$55,320

Chart: Break-even Analysis



8.5 Projected Profit and Loss

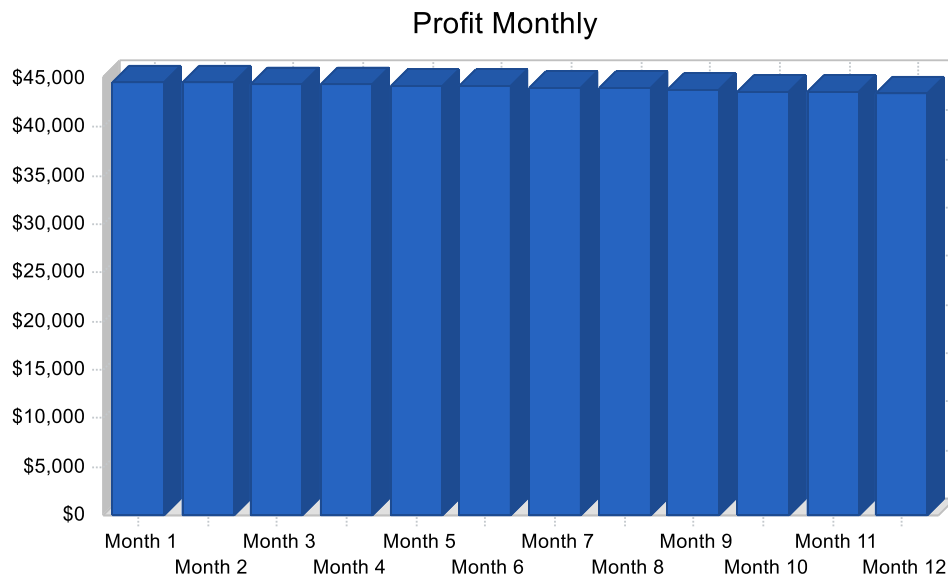
As the Profit and Loss table shows, the company expects to continue its steady growth in profitability over the next three years of operations.

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Table: Profit and Loss

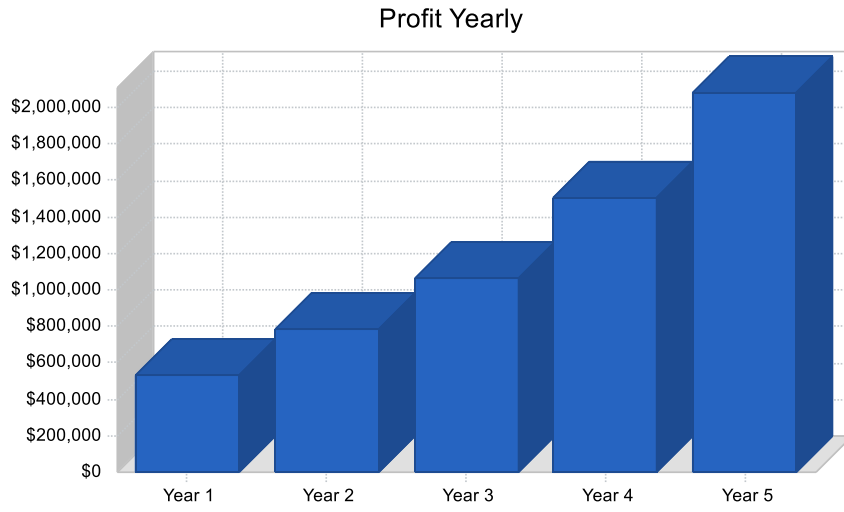
<i>Pro Forma Profit and Loss</i>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	\$2,417,362	\$3,153,369	\$3,941,712	\$5,144,391	\$6,717,260
Direct Cost of Sales	\$676,861	\$882,943	\$1,103,679	\$1,440,429	\$1,880,833
Production Payroll	\$95,216	\$97,596	\$100,032	\$102,534	\$105,097
Total Cost of Sales	\$772,077	\$980,539	\$1,203,711	\$1,542,963	\$1,985,930
Gross Margin	\$1,645,284	\$2,172,830	\$2,738,000	\$3,601,427	\$4,731,330
Gross Margin %	68.06%	68.91%	69.46%	70.01%	70.44%
Operating Expenses					
Sales and Marketing Expenses					
Sales and Marketing Payroll	\$21,600	\$22,140	\$22,694	\$23,261	\$23,842
Advertising/Promotion	\$24,174	\$31,534	\$39,417	\$51,444	\$67,173
Total Sales and Marketing Expenses	\$45,774	\$53,674	\$62,111	\$74,705	\$91,015
Sales and Marketing %	1.89%	1.70%	1.58%	1.45%	1.35%
General and Administrative Expenses					
General and Administrative Payroll	\$101,400	\$103,935	\$106,525	\$109,190	\$111,917
Depreciation	\$21,756	\$28,380	\$35,475	\$46,300	\$60,455
Cost of fish purchased	\$362,604	\$473,005	\$591,257	\$771,659	\$1,007,589
Energy & utilities	\$48,347	\$63,067	\$78,834	\$102,888	\$134,345
Supplies, packages & other costs	\$20,548	\$26,804	\$33,505	\$43,727	\$57,097
Payroll Taxes	\$1,091	\$1,118	\$1,146	\$1,175	\$1,204
Administration & general	\$12,087	\$15,767	\$19,709	\$25,722	\$33,586
Property operation & maintenance	\$21,756	\$28,380	\$35,475	\$46,300	\$60,455
Accounting	\$1,209	\$1,577	\$1,971	\$2,572	\$3,359
Insurance	\$7,252	\$9,460	\$11,825	\$15,433	\$20,152
FF & E replacement reserve	\$19,339	\$25,227	\$31,534	\$41,155	\$53,738
Legal	\$677	\$883	\$1,104	\$1,440	\$1,881
Total General and Administrative Expenses	\$618,066	\$777,604	\$948,360	\$1,207,561	\$1,545,778
General and Administrative %	25.57%	24.66%	24.06%	23.47%	23.01%
Total Operating Expenses	\$663,840	\$831,278	\$1,010,470	\$1,282,265	\$1,636,793
Profit Before Interest and Taxes	\$981,445	\$1,341,552	\$1,727,530	\$2,319,162	\$3,094,537
EBITDA	\$1,003,201	\$1,369,933	\$1,763,006	\$2,365,461	\$3,154,992
Interest Expense	\$225,000	\$225,000	\$206,344	\$167,282	\$124,556
Taxes Incurred	\$226,933	\$334,966	\$456,356	\$645,564	\$890,994
Net Profit	\$529,511	\$781,587	\$1,064,830	\$1,506,316	\$2,078,986
Net Profit/Sales	21.90%	24.79%	27.01%	29.28%	30.95%

Chart: Profit Monthly



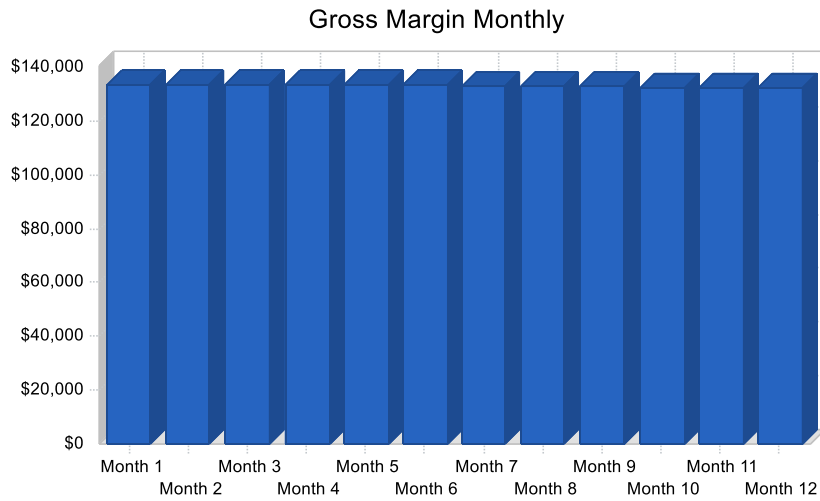
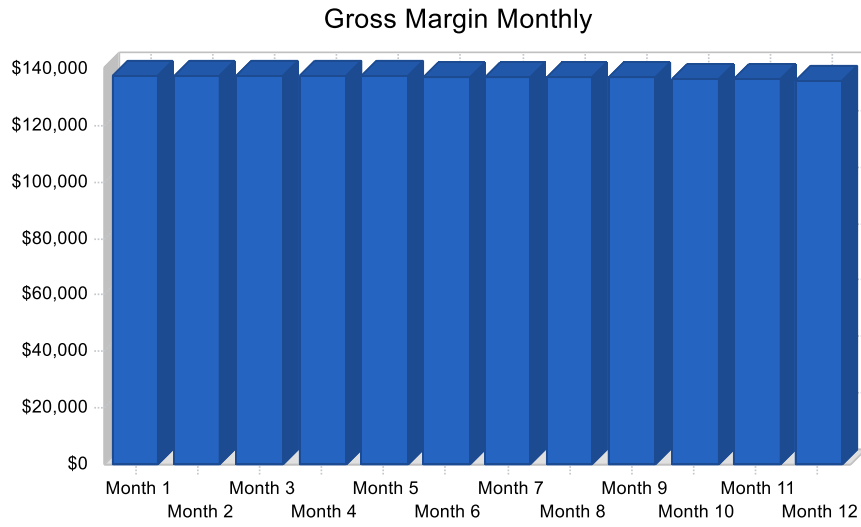
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Chart: Profit Yearly



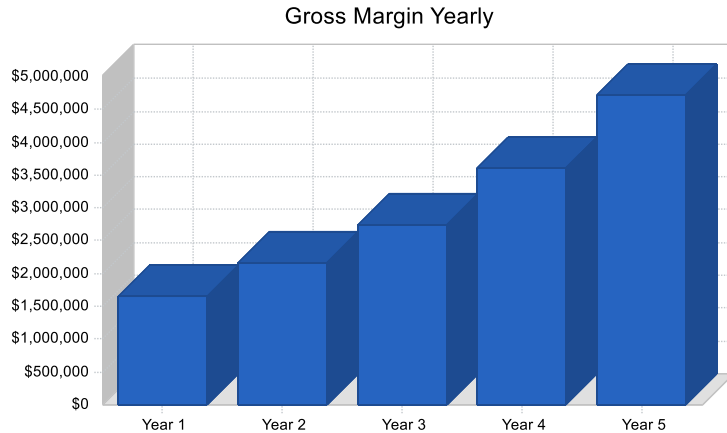
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Chart: Gross Margin Monthly



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Chart: Gross Margin Yearly



8.6 Projected Cash Flow

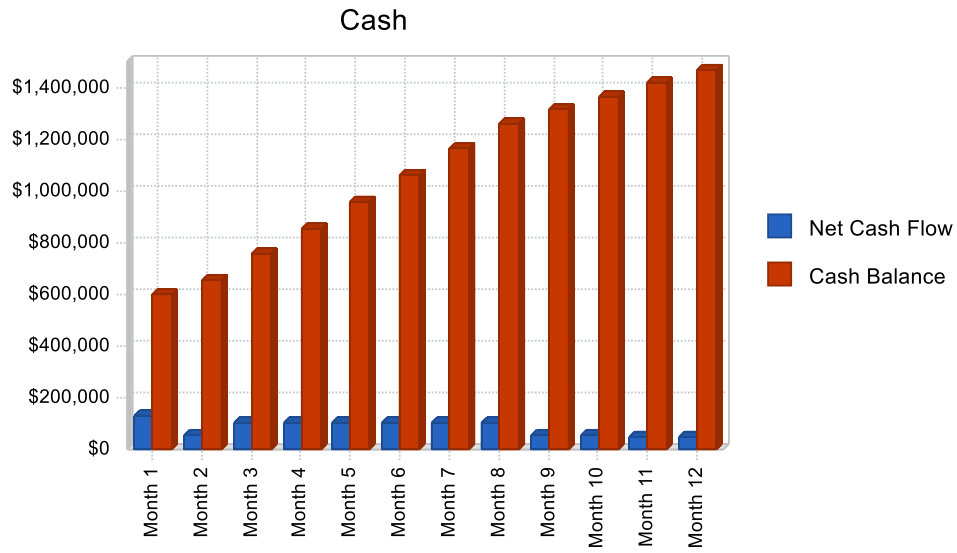
The cash flow projection shows that provisions for ongoing expenses are adequate to meet the needs of the company as the business generates sufficient cash flow to support operations.

Table: Cash Flow

<i>Pro Forma Cash Flow</i>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Received					
Cash from Operations					
Cash Sales	\$1,813,021	\$2,365,027	\$2,956,284	\$3,858,293	\$5,037,945
Cash from Receivables	\$505,296	\$758,186	\$953,128	\$1,236,821	\$1,614,871
Subtotal Cash from Operations	\$2,318,317	\$3,123,213	\$3,909,412	\$5,095,114	\$6,652,816
Additional Cash Received					
Sales Tax, VAT, HST/GST Received	\$435,125	\$567,606	\$709,508	\$925,990	\$1,209,107
Subtotal Cash Received	\$2,753,442	\$3,690,820	\$4,618,920	\$6,021,104	\$7,861,922
Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5
Expenditures from Operations					
Cash Spending	\$218,216	\$223,671	\$229,251	\$234,985	\$240,856
Bill Payments	\$1,094,739	\$2,310,557	\$2,653,574	\$3,433,889	\$4,421,269
Subtotal Spent on Operations	\$1,312,955	\$2,534,228	\$2,882,824	\$3,668,874	\$4,662,126
Additional Cash Spent					
Sales Tax, VAT, HST/GST Paid Out	\$435,125	\$567,606	\$709,508	\$925,990	\$1,209,107
Long-term Liabilities Principal Repayment	\$0	\$0	\$414,575	\$453,465	\$496,003
Subtotal Cash Spent	\$1,748,080	\$3,101,834	\$4,006,908	\$5,048,329	\$6,367,235
Net Cash Flow	\$1,005,362	\$588,986	\$612,012	\$972,775	\$1,494,687
Cash Balance	\$1,475,362	\$2,064,347	\$2,676,359	\$3,649,135	\$5,143,822

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Chart: Cash



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8.7 Projected Balance Sheet

The balance sheet shows healthy growth of net worth, and strong financial position. The monthly estimates are included in the appendix.

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>					
	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash	\$1,475,362	\$2,064,347	\$2,676,359	\$3,649,135	\$5,143,822
Accounts Receivable	\$99,045	\$129,201	\$161,501	\$210,777	\$275,221
Inventory	\$73,139	\$333,294	\$399,222	\$544,004	\$710,673
Total Current Assets	\$1,647,545	\$2,526,842	\$3,237,082	\$4,403,916	\$6,129,715
Long-term Assets					
Long-term Assets	\$3,975,000	\$3,975,000	\$3,975,000	\$3,975,000	\$3,975,000
Accumulated Depreciation	\$21,756	\$50,137	\$85,612	\$131,911	\$192,367
Total Long-term Assets	\$3,953,244	\$3,924,863	\$3,889,388	\$3,843,089	\$3,782,633
Total Assets	\$5,600,789	\$6,451,705	\$7,126,470	\$8,247,004	\$9,912,349
Liabilities and Capital	Year 1	Year 2	Year 3	Year 4	Year 5
Current Liabilities					
Accounts Payable	\$126,277	\$195,607	\$220,116	\$287,801	\$370,161
Subtotal Current Liabilities	\$126,277	\$195,607	\$220,116	\$287,801	\$370,161
Long-term Liabilities	\$2,500,000	\$2,500,000	\$2,085,425	\$1,631,960	\$1,135,957
Total Liabilities	\$2,626,277	\$2,695,607	\$2,305,541	\$1,919,761	\$1,506,118
Capital					
Paid-in Capital	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Retained Earnings	(\$55,000)	\$474,511	\$1,256,098	\$2,320,928	\$3,827,244
Earnings	\$529,511	\$781,587	\$1,064,830	\$1,506,316	\$2,078,986
Total Capital	\$2,974,511	\$3,756,098	\$4,820,928	\$6,327,244	\$8,406,230
Total Liabilities and Capital	\$5,600,789	\$6,451,705	\$7,126,470	\$8,247,004	\$9,912,349
Net Worth	\$2,974,511	\$3,756,098	\$4,820,928	\$6,327,244	\$8,406,230

8.8 Business Ratios

The table follows with our main business ratios. We do intend to improve gross margin, collection days, sales and labour controls.

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Table: Ratios

<i>Ratio Analysis</i>	Year 1	Year 2	Year 3	Year 4	Year 5	Industry Profile
Sales Growth	n.a.	30.45%	25.00%	30.51%	30.57%	0.00%
Percent of Total Assets						
Accounts Receivable	1.77%	2.00%	2.27%	2.56%	2.78%	0.00%
Inventory	1.31%	5.17%	5.60%	6.60%	7.17%	0.00%
Other Current Assets	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Total Current Assets	29.42%	39.17%	45.42%	53.40%	61.84%	100.00%
Long-term Assets	70.58%	60.83%	54.58%	46.60%	38.16%	0.00%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Current Liabilities						
Current Liabilities	2.25%	3.03%	3.09%	3.49%	3.73%	0.00%
Long-term Liabilities	44.64%	38.75%	29.26%	19.79%	11.46%	0.00%
Total Liabilities	46.89%	41.78%	32.35%	23.28%	15.19%	0.00%
Net Worth	53.11%	58.22%	67.65%	76.72%	84.81%	100.00%
Percent of Sales						
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Gross Margin	68.06%	68.91%	69.46%	70.01%	70.44%	0.00%
Selling, General & Administrative Expenses	46.16%	44.12%	42.45%	40.73%	39.49%	0.00%
Advertising Expenses	1.00%	1.00%	1.00%	1.00%	1.00%	0.00%
Profit Before Interest and Taxes	40.60%	42.54%	43.83%	45.08%	46.07%	0.00%
Main Ratios						
Current	13.05	12.92	14.71	15.30	16.56	0.00
Quick	12.47	11.21	12.89	13.41	14.64	0.00
Total Debt to Total Assets	46.89%	41.78%	32.35%	23.28%	15.19%	0.00%
Pre-tax Return on Net Worth	25.43%	29.73%	31.55%	34.01%	35.33%	0.00%
Pre-tax Return on Assets	13.51%	17.31%	21.35%	26.09%	29.96%	0.00%
Additional Ratios						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Net Profit Margin	21.90%	24.79%	27.01%	29.28%	30.95%	n.a
Return on Equity	17.80%	20.81%	22.09%	23.81%	24.73%	n.a
Activity Ratios						
Accounts Receivable Turnover	6.10	6.10	6.10	6.10	6.10	n.a
Collection Days	57	53	54	53	53	n.a
Inventory Turnover	3.46	4.34	3.01	3.05	3.00	n.a
Accounts Payable Turnover	9.67	12.17	12.17	12.17	12.17	n.a
Payment Days	27	25	28	26	27	n.a
Total Asset Turnover	0.43	0.49	0.55	0.62	0.68	n.a
Debt Ratios						
Debt to Net Worth	0.88	0.72	0.48	0.30	0.18	n.a
Current Liab. to Liab.	0.05	0.07	0.10	0.15	0.25	n.a
Liquidity Ratios						
Net Working Capital	\$1,521,268	\$2,331,234	\$3,016,965	\$4,116,115	\$5,759,554	n.a
Interest Coverage	4.36	5.96	8.37	13.86	24.84	n.a
Additional Ratios						
Assets to Sales	2.32	2.05	1.81	1.60	1.48	n.a
Current Debt/Total Assets	2%	3%	3%	3%	4%	n.a
Acid Test	11.68	10.55	12.16	12.68	13.90	n.a
Sales/Net Worth	0.81	0.84	0.82	0.81	0.80	n.a
Dividend Payout	0.00	0.00	0.00	0.00	0.00	n.a

Appendix

Table: Sales Forecast

Sales Forecast													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Unit Sales													
Filletts (Kg)	32%	17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800	17,800
Fish frames (Kg)	25%	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450	4,450
Fish skin (Kg)	20%	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560	3,560
Fish maws (swim bladders) (kg)	5%	890	890	890	890	890	890	890	890	890	890	890	890
Fish body oil (Kg)	15%	2,670	2,670	2,670	2,670	2,670	2,670	2,670	2,670	2,670	2,670	2,670	2,670
Flake ice (tons)	5%	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Head (Kg)	58%	10,324	10,324	10,324	10,324	10,324	10,324	10,324	10,324	10,324	10,324	10,324	10,324
Animal feed waste (Kg)	48%	8,544	8,544	8,544	8,544	8,544	8,544	8,544	8,544	8,544	8,544	8,544	8,544
Total Unit Sales		49,738	49,738	49,738	49,738	49,738	49,738	49,738	49,738	49,738	49,738	49,738	49,738
Unit Prices													
Filletts (Kg)		\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90	\$5.90
Fish frames (Kg)		\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
Fish skin (Kg)		\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26
Fish maws (swim bladders) (kg)		\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Fish body oil (Kg)		\$0.94	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94
Flake ice (tons)		\$29.80	\$29.80	\$29.80	\$29.80	\$29.80	\$29.80	\$29.80	\$29.80	\$29.80	\$29.80	\$29.80	\$29.80
Head (Kg)		\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81	\$0.81
Animal feed waste (Kg)		\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09	\$0.09
Sales													
Filletts (Kg)		\$105,020	\$105,020	\$105,020	\$105,020	\$105,020	\$105,020	\$105,020	\$105,020	\$105,020	\$105,020	\$105,020	\$105,020
Fish frames (Kg)		\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560
Fish skin (Kg)		\$926	\$926	\$926	\$926	\$926	\$926	\$926	\$926	\$926	\$926	\$926	\$926
Fish maws (swim bladders) (kg)		\$35,600	\$35,600	\$35,600	\$35,600	\$35,600	\$35,600	\$35,600	\$35,600	\$35,600	\$35,600	\$35,600	\$35,600
Fish body oil (Kg)		\$2,510	\$2,510	\$2,510	\$2,510	\$2,510	\$2,510	\$2,510	\$2,510	\$2,510	\$2,510	\$2,510	\$2,510
Flake ice (tons)		\$44,700	\$44,700	\$44,700	\$44,700	\$44,700	\$44,700	\$44,700	\$44,700	\$44,700	\$44,700	\$44,700	\$44,700
Head (Kg)		\$8,362	\$8,362	\$8,362	\$8,362	\$8,362	\$8,362	\$8,362	\$8,362	\$8,362	\$8,362	\$8,362	\$8,362
Animal feed waste (Kg)		\$769	\$769	\$769	\$769	\$769	\$769	\$769	\$769	\$769	\$769	\$769	\$769
Total Sales		\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447
Direct Unit Costs													
Filletts (Kg)	28.00%	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65	\$1.65
Fish frames (Kg)	28.00%	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22	\$0.22
Fish skin (Kg)	28.00%	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07	\$0.07
Fish maws (swim bladders) (kg)	28.00%	\$11.20	\$11.20	\$11.20	\$11.20	\$11.20	\$11.20	\$11.20	\$11.20	\$11.20	\$11.20	\$11.20	\$11.20
Fish body oil (Kg)	28.00%	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26
Flake ice (tons)	28.00%	\$8.34	\$8.34	\$8.34	\$8.34	\$8.34	\$8.34	\$8.34	\$8.34	\$8.34	\$8.34	\$8.34	\$8.34
Head (Kg)	28.00%	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23
Animal feed waste (Kg)	28.00%	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03

Appendix

Direct Cost of Sales													
Fillets (Kg)	\$29,406	\$29,406	\$29,406	\$29,406	\$29,406	\$29,406	\$29,406	\$29,406	\$29,406	\$29,406	\$29,406	\$29,406	\$29,406
Fish frames (Kg)	\$997	\$997	\$997	\$997	\$997	\$997	\$997	\$997	\$997	\$997	\$997	\$997	\$997
Fish skin (Kg)	\$259	\$259	\$259	\$259	\$259	\$259	\$259	\$259	\$259	\$259	\$259	\$259	\$259
Fish maws (swim bladders) (kg)	\$9,968	\$9,968	\$9,968	\$9,968	\$9,968	\$9,968	\$9,968	\$9,968	\$9,968	\$9,968	\$9,968	\$9,968	\$9,968
Fish body oil (Kg)	\$703	\$703	\$703	\$703	\$703	\$703	\$703	\$703	\$703	\$703	\$703	\$703	\$703
Flake ice (tons)	\$12,516	\$12,516	\$12,516	\$12,516	\$12,516	\$12,516	\$12,516	\$12,516	\$12,516	\$12,516	\$12,516	\$12,516	\$12,516
Head (Kg)	\$2,341	\$2,341	\$2,341	\$2,341	\$2,341	\$2,341	\$2,341	\$2,341	\$2,341	\$2,341	\$2,341	\$2,341	\$2,341
Animal feed waste (Kg)	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$215	\$215
Subtotal Direct Cost of Sales	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405

Appendix

Table: Personnel

<i>Personnel Plan</i>		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Production Personnel													
Production Manager		\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650
Biosecurity Manager		\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450
Ice Flakes Operators		\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750
Production Personnel		\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Packaging Supervisor		\$330	\$330	\$330	\$330	\$330	\$330	\$330	\$330	\$330	\$330	\$330	\$330
Packaging Staff		\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Technicians		\$900	\$990	\$1,089	\$1,198	\$1,318	\$1,450	\$1,595	\$1,755	\$1,931	\$2,124	\$2,336	\$2,570
Cleaners		\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900
Cold Room Operators		\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
Subtotal		\$7,230	\$7,320	\$7,419	\$7,528	\$7,648	\$7,780	\$7,925	\$8,085	\$8,261	\$8,454	\$8,666	\$8,900
Sales and Marketing Personnel													
Marketing & Sales Manager	2.50%	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850
Marketing Officer, Local	2.50%	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550	\$550
Marketing Officer, Export	2.50%	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Subtotal		\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
General and Administrative Personnel													
General Manager		\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Office Administrator		\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Finance & Administration Manager		\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850	\$850
HR Manager		\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650
Accountant		\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650
Cashiers		\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Office Attendants		\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Drivers		\$480	\$480	\$480	\$480	\$480	\$480	\$480	\$480	\$480	\$480	\$480	\$480
Cleaners		\$480	\$480	\$480	\$480	\$480	\$480	\$480	\$480	\$480	\$480	\$480	\$480
Security Staff		\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640	\$640
IT Personnel		\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450	\$450
Procurement Manager		\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750
Procurement Assistants		\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Assistant Accountants		\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750
Subtotal		\$8,450	\$8,450	\$8,450	\$8,450	\$8,450	\$8,450	\$8,450	\$8,450	\$8,450	\$8,450	\$8,450	\$8,450

Appendix

Total People	64	64	64	64	64	64	64	64	64	64	64	64
Total Payroll	\$17,480	\$17,570	\$17,669	\$17,778	\$17,898	\$18,030	\$18,175	\$18,335	\$18,511	\$18,704	\$18,916	\$19,150

Appendix

Table: Profit and Loss

<i>Pro Forma Profit and Loss</i>												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Sales	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447
Direct Cost of Sales	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405	\$56,405
Production Payroll	\$7,230	\$7,320	\$7,419	\$7,528	\$7,648	\$7,780	\$7,925	\$8,085	\$8,261	\$8,454	\$8,666	\$8,900
Total Cost of Sales	\$63,635	\$63,725	\$63,824	\$63,933	\$64,053	\$64,185	\$64,330	\$64,490	\$64,666	\$64,859	\$65,071	\$65,305
Gross Margin	\$137,812	\$137,722	\$137,623	\$137,514	\$137,394	\$137,262	\$137,117	\$136,957	\$136,781	\$136,588	\$136,376	\$136,142
Gross Margin %	68.41%	68.37%	68.32%	68.26%	68.20%	68.14%	68.07%	67.99%	67.90%	67.80%	67.70%	67.58%
Operating Expenses												
Sales and Marketing Expenses												
Sales and Marketing Payroll	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Advertising/Promotion	1.00%	\$2,014	\$2,014	\$2,014	\$2,014	\$2,014	\$2,014	\$2,014	\$2,014	\$2,014	\$2,014	\$2,014
Total Sales and Marketing Expenses		\$3,814	\$3,814	\$3,814	\$3,814	\$3,814	\$3,814	\$3,814	\$3,814	\$3,814	\$3,814	\$3,814
Sales and Marketing %		1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%
General and Administrative Expenses												
General and Administrative Payroll		\$8,450	\$8,450	\$8,450	\$8,450	\$8,450	\$8,450	\$8,450	\$8,450	\$8,450	\$8,450	\$8,450
Marketing/Promotion	3.50%											
Depreciation	0.90%	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813
Cost of fish purchased	15.00%	\$30,217	\$30,217	\$30,217	\$30,217	\$30,217	\$30,217	\$30,217	\$30,217	\$30,217	\$30,217	\$30,217
Energy & utilities	2.00%	\$4,029	\$4,029	\$4,029	\$4,029	\$4,029	\$4,029	\$4,029	\$4,029	\$4,029	\$4,029	\$4,029
Supplies, packages & other costs	0.85%	\$1,712	\$1,712	\$1,712	\$1,712	\$1,712	\$1,712	\$1,712	\$1,712	\$1,712	\$1,712	\$1,712
Payroll Taxes	15.00%	\$87	\$88	\$88	\$89	\$89	\$90	\$91	\$92	\$93	\$94	\$95
Administration & general	0.50%	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007	\$1,007
Property operation & maintenance	0.90%	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813	\$1,813
Accounting	0.05%	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101
Insurance	0.30%	\$604	\$604	\$604	\$604	\$604	\$604	\$604	\$604	\$604	\$604	\$604
FF & E replacement reserve	0.80%	\$1,612	\$1,612	\$1,612	\$1,612	\$1,612	\$1,612	\$1,612	\$1,612	\$1,612	\$1,612	\$1,612
Legal	0.10%	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56	\$56
Total General and Administrative Expenses		\$51,502	\$51,502	\$51,503	\$51,503	\$51,504	\$51,505	\$51,505	\$51,506	\$51,507	\$51,508	\$51,510
General and Administrative %		25.57%	25.57%	25.57%	25.57%	25.57%	25.57%	25.57%	25.57%	25.57%	25.57%	25.57%
Other Expenses:												
Total Operating Expenses		\$55,316	\$55,317	\$55,317	\$55,318	\$55,319	\$55,319	\$55,320	\$55,321	\$55,322	\$55,323	\$55,325
Profit Before Interest and Taxes		\$82,495	\$82,405	\$82,305	\$82,196	\$82,075	\$81,943	\$81,797	\$81,636	\$81,459	\$81,265	\$81,017

Appendix

EBITDA	\$84,308	\$84,218	\$84,118	\$84,009	\$83,888	\$83,756	\$83,610	\$83,449	\$83,272	\$83,078	\$82,865	\$82,630
Interest Expense	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750	\$18,750
Taxes Incurred	\$19,124	\$19,096	\$19,067	\$19,034	\$18,998	\$18,958	\$18,914	\$18,866	\$18,813	\$18,755	\$18,691	\$18,620
Net Profit	\$44,622	\$44,558	\$44,489	\$44,412	\$44,328	\$44,235	\$44,133	\$44,020	\$43,896	\$43,761	\$43,611	\$43,447
Net Profit/Sales	22.15%	22.12%	22.08%	22.05%	22.00%	21.96%	21.91%	21.85%	21.79%	21.72%	21.65%	21.57%

Appendix

Table: Cash Flow

<i>Pro Forma Cash Flow</i>												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Cash Received												
Cash from Operations												
Cash Sales	\$151,085	\$151,085	\$151,085	\$151,085	\$151,085	\$151,085	\$151,085	\$151,085	\$151,085	\$151,085	\$151,085	\$151,085
Cash from Receivables	\$0	\$1,679	\$50,362	\$50,362	\$50,362	\$50,362	\$50,362	\$50,362	\$50,362	\$50,362	\$50,362	\$50,362
Subtotal Cash from Operations	\$151,085	\$152,764	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447	\$201,447
Additional Cash Received												
Sales Tax, VAT, HST/GST Received	18.00%	\$36,260	\$36,260	\$36,260	\$36,260	\$36,260	\$36,260	\$36,260	\$36,260	\$36,260	\$36,260	\$36,260
Subtotal Cash Received		\$187,346	\$189,024	\$237,707	\$237,707	\$237,707	\$237,707	\$237,707	\$237,707	\$237,707	\$237,707	\$237,707
Expenditures	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Expenditures from Operations												
Cash Spending	\$17,480	\$17,570	\$17,669	\$17,778	\$17,898	\$18,030	\$18,175	\$18,335	\$18,511	\$18,704	\$18,916	\$19,150
Bill Payments	\$2,704	\$81,126	\$81,099	\$81,070	\$81,037	\$81,002	\$80,962	\$82,586	\$130,872	\$130,819	\$130,762	\$130,699
Subtotal Spent on Operations	\$20,184	\$98,696	\$98,768	\$98,848	\$98,935	\$99,032	\$99,137	\$100,921	\$149,383	\$149,523	\$149,678	\$149,849
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out		\$36,260	\$36,260	\$36,260	\$36,260	\$36,260	\$36,260	\$36,260	\$36,260	\$36,260	\$36,260	\$36,260
Subtotal Cash Spent		\$56,445	\$134,957	\$135,029	\$135,108	\$135,196	\$135,292	\$135,398	\$137,181	\$185,643	\$185,784	\$185,938
Net Cash Flow		\$130,901	\$54,068	\$102,678	\$102,599	\$102,511	\$102,415	\$102,309	\$100,526	\$52,064	\$51,923	\$51,769
Cash Balance		\$600,901	\$654,969	\$757,647	\$860,246	\$962,757	\$1,065,172	\$1,167,482	\$1,268,007	\$1,320,072	\$1,371,995	\$1,423,764

Appendix

Table: Balance Sheet

<i>Pro Forma Balance Sheet</i>													
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Assets	Starting Balances												
Current Assets													
Cash	\$470,000	\$600,901	\$654,969	\$757,647	\$860,246	\$962,757	\$1,065,172	\$1,167,482	\$1,268,007	\$1,320,072	\$1,371,995	\$1,423,764	\$1,475,362
Accounts Receivable	\$0	\$50,362	\$99,045	\$99,045	\$99,045	\$99,045	\$99,045	\$99,045	\$99,045	\$99,045	\$99,045	\$99,045	\$99,045
Inventory	\$500,000	\$443,595	\$387,190	\$330,785	\$274,380	\$217,974	\$161,569	\$105,164	\$98,759	\$92,354	\$85,949	\$79,544	\$73,139
Total Current Assets	\$970,000	\$1,094,857	\$1,141,203	\$1,187,476	\$1,233,670	\$1,279,776	\$1,325,786	\$1,371,691	\$1,465,811	\$1,511,470	\$1,556,989	\$1,602,352	\$1,647,545
Long-term Assets													
Long-term Assets	\$3,975,000	\$3,975,000	\$3,975,000	\$3,975,000	\$3,975,000	\$3,975,000	\$3,975,000	\$3,975,000	\$3,975,000	\$3,975,000	\$3,975,000	\$3,975,000	\$3,975,000
Accumulated Depreciation	\$0	\$1,813	\$3,626	\$5,439	\$7,252	\$9,065	\$10,878	\$12,691	\$14,504	\$16,317	\$18,130	\$19,943	\$21,756
Total Long-term Assets	\$3,975,000	\$3,973,187	\$3,971,374	\$3,969,561	\$3,967,748	\$3,965,935	\$3,964,122	\$3,962,309	\$3,960,496	\$3,958,683	\$3,956,870	\$3,955,057	\$3,953,244
Total Assets	\$4,945,000	\$5,068,044	\$5,112,577	\$5,157,037	\$5,201,418	\$5,245,711	\$5,289,908	\$5,333,999	\$5,426,307	\$5,470,153	\$5,513,858	\$5,557,409	\$5,600,789
Liabilities and Capital		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Current Liabilities													
Accounts Payable	\$0	\$78,423	\$78,397	\$78,369	\$78,337	\$78,303	\$78,265	\$78,224	\$126,511	\$126,461	\$126,405	\$126,345	\$126,277
Subtotal Current Liabilities	\$0	\$78,423	\$78,397	\$78,369	\$78,337	\$78,303	\$78,265	\$78,224	\$126,511	\$126,461	\$126,405	\$126,345	\$126,277
Long-term Liabilities	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Total Liabilities	\$2,500,000	\$2,578,423	\$2,578,397	\$2,578,369	\$2,578,337	\$2,578,303	\$2,578,265	\$2,578,224	\$2,626,511	\$2,626,461	\$2,626,405	\$2,626,345	\$2,626,277
Paid-in Capital	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Retained Earnings	(\$55,000)	(\$55,000)	(\$55,000)	(\$55,000)	(\$55,000)	(\$55,000)	(\$55,000)	(\$55,000)	(\$55,000)	(\$55,000)	(\$55,000)	(\$55,000)	(\$55,000)
Earnings	\$0	\$44,622	\$89,180	\$133,669	\$178,081	\$222,408	\$266,643	\$310,776	\$354,796	\$398,692	\$442,453	\$486,065	\$529,511
Total Capital	\$2,445,000	\$2,489,622	\$2,534,180	\$2,578,669	\$2,623,081	\$2,667,408	\$2,711,643	\$2,755,776	\$2,799,796	\$2,843,692	\$2,887,453	\$2,931,065	\$2,974,511
Total Liabilities and Capital	\$4,945,000	\$5,068,044	\$5,112,577	\$5,157,037	\$5,201,418	\$5,245,711	\$5,289,908	\$5,333,999	\$5,426,307	\$5,470,153	\$5,513,858	\$5,557,409	\$5,600,789
Net Worth	\$2,445,000	\$2,489,622	\$2,534,180	\$2,578,669	\$2,623,081	\$2,667,408	\$2,711,643	\$2,755,776	\$2,799,796	\$2,843,692	\$2,887,453	\$2,931,065	\$2,974,511