



USAID
FROM THE AMERICAN PEOPLE

USAID FIRMS PROJECT

Pre-feasibility Study Report

Poultry Farm

July 2014

This publication was produced for review by the USAID. It was prepared by KPMG Taseer Hadi & Co. under an assignment commissioned by Chemonics International under the USAID Firms Project.



USAID
FROM THE AMERICAN PEOPLE

USAID FIRMS PROJECT

Pre-feasibility Study Report

Poultry Farm

Data Page

Contract Number:	GBTI II Task Order No. EEM-4-07-07-00008-00
Contractor Name:	Chemonics International, Inc.
Name of the Component:	<Business Enabling Environment (BEE) or Value Chain Development (VCD)>
USAID Technical Office:	Office of the Economic Growth and Agriculture; USAID Pakistan
Date of Report:	July, 2014
Document Title:	Pre-feasibility report on Animal Fattening Project DRAFT
Author's Name:	KPMG Taseer Hadi & Co. Chartered Accountants
Study Design and Methodology:	KPMG Taseer Hadi & Co. Chartered Accountants
Photo Credits:	N/A
Editing:	N/A
SOW Title and Work Plan & Action ID:	USAID Pakistan FIRMS Project Technical support to conduct pre feasibility studies of various projects that fall under high economic growth sectors, Value Chain Development Component Work Plan Level: 22190, Action ID number: 7351, SOW no. 2305
Project Area:	Khyber Pakhtunkhwa, Pakistan
Key Words:	Pre-feasibility report, financial pre-feasibility, poultry feasibility

Abstract:

The USAID Pakistan Firms project aims to assist the Khyber Pakhtunkhwa Board of Investment and Trade (KPBOIT) in promoting investment and trade in the province. In an effort to achieve this aim preliminary feasibility studies have been conducted in order to highlight the investment opportunities available for international and domestic investors. The focus of these preliminary feasibility studies has been kept on the high economic growth sectors in KPK.

This report is a part of series of pre-feasibility studies conducted for identified projects. The information used for the preparation of this report has been gathered from various reliable sources including economic and statistical surveys carried out by the government of Pakistan. Competitor's data and industry averages have been used as a basis for the preparation of preliminary financial projections.

This report provides a financial and economic analysis of the opportunities available in the sector and identifies the potential technical strengths and constraints that may be encountered by the investor(s) in undertaking the identified project. It aims to help the reader develop an understanding of the operational aspects of the sector and its growth potential in the country particularly in the Khyber Pakhtunkhwa province. An outline for a business plan has been prepared for the identified project which identifies the operational requirements (equipment, human resource, infrastructure etc.). The analysis is supported by preliminary financial projections for the first ten years of the business.

Acronyms

GDP	Gross Domestic Product
HR	Human Resource
IT	Information Technology
IRR	Internal Rate of return
KIBOR	Karachi Inter Bank Offer Rate
KPK	Khyber Pakhtunkhwa
KPBOIT	Khyber Pakhtunkhwa Board of Investment and Trade
NGO	Non-Governmental Organization
NPV	Net present Value
PKR	Pakistani Rupee
ROI	Return on Investment
US or USA	United States of America
USAID	United States Agency for International Development
USD	United States Dollar

Contents

EXECUTIVE SUMMARY	1
RESULTS OF FINANCIAL PRE-FEASIBILITY	1
1 PROJECT BACKGROUND AND RATIONALE	3
1.1 INTRODUCTION	3
1.2 INTRODUCTION TO KPBOIT	3
1.3 OVERVIEW OF POULTRY SECTOR IN PAKISTAN.....	4
1.4 OVERVIEW OF POULTRY FARM PROJECT	5
2 FINANCIAL PRE-FEASIBILITY.....	6
2.1 PROJECT DESIGN ASSUMPTIONS.....	6
2.2 PROJECT COST ASSUMPTIONS.....	6
THE ESTIMATES FOR BUILDING AND STRUCTURES COSTS ARE BASED ON ESTIMATED AREA REQUIRED AND PER SQUARE FEET COST. FOLLOWING IS THE BREAK DOWN OF BUILDING COSTS:.....	7
2.3 OPERATING COSTS AND REVENUES	8
2.4 PROJECT RETURNS.....	8
3 APPENDIX I: INDICATIVE FINANCIAL STATEMENTS.....	10
3.1 PROJECTED BALANCE SHEET	10
3.2 PROJECTED INCOME STATEMENT.....	12
3.3 PROJECTED CASH FLOWS STATEMENT.....	14

List of Tables

TABLE 1: PROJECT CAPITAL COST	6
TABLE 2: PLANT & MACHINERY	7
TABLE 3: BUILDING & STRUCTURES	7
TABLE 4: OPERATING ASSUMPTIONS	8
TABLE 5: COST ASSUMPTIONS	8

Disclaimer

The financial projections used in this study should be viewed as approximations and the provincial government of Khyber Pakhtunkhwa, Khyber Pakhtunkhwa Board of Investment and Trade (BOIT) and/or their consultants will have no liability, whatsoever, in relation to financial projections included in this study. These projections assume that the project will be professionally marketed, managed and maintained under international standards. The investors may undertake their own study prior to making investment decision.

Executive Summary

Chemonics International is implementing the USAID Pakistan Firms Project that works to develop a dynamic internationally competitive business sector to accelerate sales, increase exports, investment, job growth and produce higher value added products and services. Within the business enabling component, the project has initiated an assistance program for the Khyber Pakhtunkhwa Board of Investment and Trade (KPBOIT) to help it meet its mandate promoting investment and trade in the province. The KPBOIT was created with a mandate to advocate specific investment friendly reforms and advise the KP government regarding the provision of adequate infrastructure facilities for making the KP Province business environment more conducive to international investment.

The Khyber Pakhtunkhwa Board of Investment and Trade (KPBOIT) is considering development of a poultry farm on large scale in KP province. Total land area to be provided for the project is estimated at six acres.

The project will be offered to the investor(s) selected through competitive bidding process. Identification of land will be the responsibility of the investor. Construction and operations of the farm will be managed by the investors. The construction of poultry farm would be subject to pre-conditions with respect to design approval, minimum standards to be followed, etc

This pre-feasibility has been based on a series of assumptions with respect to design, size, costs, revenues, returns etc. However, these are indicative only and the investors might require to carry out their own feasibility studies.

Results of financial pre-feasibility

The results of this financial pre-feasibility indicate that construction of a poultry farm project at a total area of 6 acres comprising of 2 sheds, 1 feed store, office building, staff and labor residence, will be a profitable financial investment.

The results of this financial pre-feasibility indicate that the project is capable of generating following results:

- **Equity IRR of 17.15% and**
- **Project IRR of 17.88%**

Following are the key assumptions/considerations for the investors which were used in this pre-feasibility and which form basis of projected returns from the project:

- **Total project capital cost is estimated at around PKR 66.89 million**, financed through 40% equity and 60% debt. **Total equity contribution will be required at PKR 26.75 million.**
- The cost of equity has been assumed at 15%.
- Poultry farm building covering area of 48,500 sq. ft. will comprise of a 2 sheds, 1 feed store, boundary wall, office block, staff and labor residence.
- Each flock will comprise of 60,000 chicken stored in sheds constructed.
- Total number of 406,980 birds will be available for sale with hatchery and mortality ratio of 2% and 5% respectively in subsequent year.
- Cost estimates are based on cost structures in comparable poultry farms in the country.

1 Project background and rationale

1.1 Introduction

Commercial poultry is the second largest industry of Pakistan and includes layers, broilers, and their products, i.e., eggs and meat. This sector generates employment (direct/indirect) and income for about 1.5 million people. The poultry sector is one of the most organized and vibrant segments of the agriculture industry of the country.

The Khyber Pakhtunkhwa Board of Investment and Trade (KPBOIT) has endeavored to explore potential of a large scale poultry farm project in the province.

1.2 Introduction to KPBOIT

Khyber Pakhtunkhwa Board of Investment and Trade (KPBOIT) is established for the promotion of trade and investment activities in Khyber Pakhtunkhwa (KPK). Government of Khyber Pakhtunkhwa is committed to bring economic prosperity in the Province through industrial and trade development and delegated this role to KP-BOIT.

KP-BOIT has accepted this challenging task towards achievement of its mission under the leadership of a dynamic Board Members comprising of eminent people of public and private sectors.

High motivation and commitment is there to achieve the vision to flourish the investment and trade in Khyber Pakhtunkhwa making it most favorite investment destination for investors.

Our land is blessed with abundance of natural resources of Oil & Gas, Hydel Power Generation, Tourist Destinations, Mines and Minerals along with Agriculture. The Province is located at an outstanding geographical location.

KPBOIT is striving for exploiting the tremendous potential of the Province into reality and is focused on meeting its important objective of facilitating local and foreign investors desirous of benefiting from this huge potential of the KPK. Our aim is creating an attractive business environment through proactive policy advocacy both at the Provincial and Federal level. Another important role of awareness among investors is to the tremendous opportunities available for investment in KPK and therefore facilitating them for undertaking such investment as a joint venture partners.

We also act as a focal point of contact for both foreign and domestic investors providing information and assistance in coordination with other Government Departments and Agencies.

KPBOIT's objectives are:

- To flourish and revive the investment climate of Khyber Pakhtunkhwa and to make it a lucrative investment friendly destination.
- To provide one window operation facility to investors by proactively engaging with all stakeholders to ensure successful investments.
- To act as a bridge between investors and all related government and semi Government Departments/Organizations.
- Advise the Provincial Government to create environment for investment through advocacy of specific investment friendly and comprehensive Public Private Partnership policies.

1.3 Overview of Poultry Sector in Pakistan

Poultry sector is one of the important and vibrant segments of agriculture in Pakistan. This sector has contributed 1.3 percent in GDP during 2013-14 while it's contribution in agriculture and livestock value added stood at 6.1% and 10.8 % respectively. Poultry meat contributes 28.0% of the total meat production in the country. The current investment in Poultry Industry is more than Rs. 200.00 billion (source: Pakistan Economic survey 2013-14).

Poultry sector has shown a robust growth @ 8-10 percent annually which reflects its inherent potential. The poultry value added at current factor cost has increased from Rs. 121.7 billion (2012-13) to 130.7 billion (2013-14) showing an increase of 7.4% as compared to previous year (source: Pakistan Economic Survey 2013-14).

In Pakistan the consumption of white meat has gradually increased in recent years due to growing health awareness in masses. The cheapest source of animal protein available in Pakistan is broiler meat. Broiler birds are reared in lesser time than any other source of animal protein.

Poultry Development Policy envisions sustainable supply of wholesome poultry meat; eggs and value added products to the local and international markets at competitive prices and aimed at facilitating and support private sector-led development for sustainable poultry production. The strategy revolves around improving regulatory framework; disease control and genetic improvement in rural poultry; hi-tech poultry production under environmentally – controlled housing; processing and value addition; Improving bio-security; need based research and development and framers training & education. It envisages poultry sectors growth of 15-20% per annum.

1.4 Overview of Poultry Farm Project

Broiler meat is a rich source of protein with an ever growing demand. A large scale broiler farm of 60,000 birds is suggested in this pre-feasibility study as an attractive economic size to enter this business.

In the proposed broiler farm, the Day Old Chicks (DOCs) are raised on high protein and energy feed in a conventional open housing system for a period of six weeks (All in-All out system).

After six weeks, the birds are sold on live body weight basis to traders, wholesale markets or sold directly to the shopkeepers in the urban markets. With ever increasing demand for white meat, broiler farming can be a profitable venture. Annually, seven flocks of birds are raised on the farm, depending on area climate.

In this pre-feasibility study, all the calculations have been based on a flock size of 60,000. A total number of seven flocks are estimated to be produced per year. There will be a lag time of two weeks for cleaning and disinfection (e.g. fumigation) on the farm.

Rural and peri-urban areas around major cities are suitable for setting up a broiler farm. Setting up a farm at an isolated place will minimize the risk of disease. Proximity of the farm to the city enables the investor to establish links with the market for buying farm inputs and selling of grown-up birds, swiftly. Sub-urban and rural areas around big cities e.g. Peshawar, Swabi, Mardan, Swat, Nowshehra etc are recommended for starting a broiler farm.

Marketing of chickens follow traditional channels of distribution. Generally, grown-up birds are distributed in the market through market agents and intermediaries such as Arhti and wholesalers. In some cases, the middleman provides DOCs and other farm inputs (feed, vaccination, medication etc.) to the broiler farmers under a contract to buy back mature birds from them.

Birds are transported to the urban market and are sold to retailers or market-street poultry shops. Few poultry meat processing plants process raw poultry meat into dressed chicken, quality cuts or other forms to the market. The integrated processing units distribute frozen and dressed chicken packed in whole or cut-ups to the consumer through retail shops under their brand names. Major domestic markets include all major cities across the province. The wholesale and retail price of poultry meat is determined daily on consumer's demand and supply situation.

2 Financial Pre-feasibility

2.1 Project design assumptions

The project aims at the establishment of a large scale poultry farm comprising of flock size of 60,000 birds with up to seven flocks per year.

The project can be established near any large cities of the province as there is ever increasing demand for poultry products.

For the proposed project, total estimated land of 6 acres has been assumed for building two sheds, one feed store, setting up of plant and machinery, office area, staff residence and boundary wall.

A total number of 40 days (around seven weeks) have been estimated for processing of each flock and a two weeks' time for cleaning and fumigation of the farm has been estimated between each flock completion period.

2.2 Project cost assumptions

Key set cost elements comprise of land acquisition cost, building & structures, plant & machinery, furniture, vehicles for transporting one day chicks/ feed etc. Total project set up cost is estimated at PKR 66.89 million. Following is the breakup of project set up cost:

Table 1: Project Capital Cost

Project Capital Cost	PKR
Land (6 Acres)	-
Building and Structures	38,350,000
Plant and Machinery	19,550,000
Office Furniture	250,000
Office Equipment	325,000
Vehicles	2,000,000
Interest During Construction	5,418,362
Seed money for set-up	1,000,000
Total Capital Cost	66,893,362

The project is assumed at a debt to equity ratio of 60:40 resulting in total equity contribution of around PKR 26.75 million and debt financing of around PKR 37 million.

Following are the key machinery requirements for the project along with estimated costs (based on construction and operations of two sheds):

Table 2: Plant & Machinery

Plant and machinery	PKR
Cilos with hopper/motor (2Nos)	1,000,000
Generator 100 KVA (1Nos)	2,500,000
Brooders (2Nos)	800,000
Cone Fans (20 Nos)	900,000
Feeding system (2 Nos)	2,000,000
Drinking system (2 Nos)	2,000,000
Cooling pads (2 Sets)	500,000
Feed Line Motors 2 HP (4 Nos)	500,000
Cooling pads motors 2HP (4 Nos)	500,000
Misc. Items per shed (2 Nos)	500,000
Tools etc (Set)	300,000
Control panel (2 Nos)	300,000
Lights and electrical work (2 Nos)	800,000
Transformer 100 KVA	1,500,000
Electricity to site 1000 yards (Spans)	2,500,000
Weigh bridge (Nos)	550,000
Tube well	2,400,000
	19,550,000

The estimates for building and structures costs are based on estimated area required and per square feet cost. Following is the break down of building costs:

Table 3: Building & Structures

Building and Structures			
	Area SFT	PKR/ SFT	PKR
Shed 1	20,000	700	14,000,000
Shed 2	20,000	700	14,000,000
Feed Store	2,000	1,000	2,000,000
Boundry wall	2,000	800	1,600,000
Office block 1	1,500	1,500	2,250,000
Staff Residence	1,500	1,500	2,250,000
labor residence	1,500	1,500	2,250,000
Total	48,500		38,350,000

2.3 Operating costs and revenues

Following are the key operating assumptions used in the feasibility study:

Table 4: Operating Assumptions

Operating assumptions	
Chicken per Flock - Year 1	60,000
Chicken per Flock - Year 2 onwards	60,000
No of Days per Flock	40
No of lag days per Flock	15
No of Flocks Per year	7
Extra birds supply by hatchery	2%
Mortality ratio	5%
Average weight per bird for sale (KG)	1.85
Feed conversion ratio (to gain 1KG Wt.)	1.90
Vaccination Cost (per bird per cycle PKR)	5.00

Following cost assumptions are used in the feasibility study:

Table 5: Cost Assumptions

Cost assumptions	
Cost price of Day old Chicken (PKR)	32.50
Feed Cost per 50 KG bag	1,750
Electricity cost per month	100,000
Diesel cost PKR per Ltr	110
Annual escalation in cost	10%

Based on the prevalent market prices, sale price of PKR 118 per kg has been assumed in the feasibility study. An annual growth of 10% has been assumed for project revenues.

2.4 Project returns

Based on cash flow projections prepared after taking into consideration project set up costs and operating results, the project is expected to generate following returns:

Project IRR	17.88%
Project NPV @15%	7,010,134
Equity IRR	17.15%
Equity NPV @15%	3,133,506

Assumptions

For calculation of IRR and net present value of the project, no terminal value has been used owing to production cycle of the project. Cost of equity has been assumed at 15%.

Appendix I: Indicative Financial Statements

Projected balance sheet

POULTRY FARM

BALANCE SHEET

Amounts in PKR

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed Assets	65,893,362	61,763,362	57,633,362	53,503,362	49,373,362	45,243,362
Current Assets						
Stocks in trade	-	4,780,964	5,259,060	5,784,966	6,363,463	6,999,809
Trade debts	-	5,354,965	5,890,461	6,479,507	7,127,458	7,840,204
Cash & bank balances	1,000,000	(353,306)	2,978,344	7,147,289	12,233,120	18,322,823
	1,000,000	9,782,623	14,127,865	19,411,763	25,724,041	33,162,837
Total Assets	66,893,362	71,545,985	71,761,227	72,915,125	75,097,403	78,406,199
Share Capital & Reserves						
Share capital	26,757,345	26,757,345	26,757,345	26,757,345	26,757,345	26,757,345
Retained earnings	-	1,918,312	5,057,355	9,550,149	15,544,494	23,204,648
	26,757,345	28,675,657	31,814,700	36,307,494	42,301,839	49,961,993
Long term debt	37,046,904	33,540,761	29,561,288	25,044,587	19,918,130	14,099,602
Current liabilities						
Creditors/ liabilities	-	5,823,424	6,405,767	7,046,343	7,750,978	8,526,076
Current portion - long term deb	3,089,113	3,506,143	3,979,473	4,516,702	5,126,456	5,818,528
	3,089,113	9,329,568	10,385,240	11,563,045	12,877,434	14,344,604
Total equity & liabilities	66,893,362	71,545,985	71,761,227	72,915,125	75,097,403	78,406,199

POULTRY FARM BALANCE SHEET					
Amounts in PKR					
	Year 6	Year 7	Year 8	Year 9	Year 10
Fixed Assets	41,113,362	36,983,362	32,853,362	28,723,362	24,593,362
Current Assets					
Stocks in trade	7,699,790	8,469,769	9,316,746	10,248,421	11,273,263
Trade debts	8,624,224	9,486,647	10,435,311	11,478,843	12,626,727
Cash & bank balances	25,511,451	33,902,840	43,610,394	63,265,403	84,782,662
	41,835,466	51,859,256	63,362,451	84,992,666	108,682,652
Total Assets	82,948,828	88,842,619	96,215,814	113,716,028	133,276,014
Share Capital & Reserves					
Share capital	26,757,345	26,757,345	26,757,345	26,757,345	26,757,345
Retained earnings	32,713,198	44,273,149	58,110,262	74,475,656	92,787,339
	59,470,543	71,030,494	84,867,607	101,233,001	119,544,684
Long term debt	7,495,573	(0)	(0)	-	-
Current liabilities					
Creditors/ liabilities	9,378,683	10,316,552	11,348,207	12,483,027	13,731,330
Current portion - long term debt	6,604,029	7,495,573	-	-	-
	15,982,712	17,812,125	11,348,207	12,483,027	13,731,330
Total equity & liabilities	82,948,828	88,842,619	96,215,814	113,716,028	133,276,014

Projected income statement

POULTRY FARM INCOME STATEMENT					
Amounts in PKR					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	97,728,107	107,500,918	118,251,010	130,076,111	143,083,722
Costs					
Cost price of Day old Chicken	15,315,300	16,846,830	18,531,513	20,384,664	22,423,131
Feed Cost	55,075,586	60,583,145	66,641,459	73,305,605	80,636,165
Electricity costs	1,320,000	1,452,000	1,597,200	1,756,920	1,932,612
Generator cost	4,239,840	4,663,824	5,130,206	5,643,227	6,207,550
Brooder cost	2,090,880	2,299,968	2,529,965	2,782,961	3,061,257
Vaccination Cost	2,238,390	2,462,229	2,708,452	2,979,297	3,277,227
Staff salary costs	4,392,000	4,831,200	5,314,320	5,845,752	6,430,327
Land lease	600,000	660,000	726,000	798,600	878,460
Depreciation	4,130,000	4,130,000	4,130,000	4,130,000	4,130,000
	89,401,996	97,929,196	107,309,115	117,627,027	128,976,729
Margin	8,326,111	9,571,723	10,941,895	12,449,084	14,106,993
Other costs					
Admin & general expenses	250,000	275,000	302,500	332,750	366,025
Vehicle expenses	100,000	110,000	121,000	133,100	146,410
Financial costs	5,418,362	5,001,332	4,528,003	3,990,774	3,381,019
	5,768,362	5,386,332	4,951,503	4,456,624	3,893,454
Profit before tax	2,557,749	4,185,391	5,990,392	7,992,460	10,213,539
Tax	639,437	1,046,348	1,497,598	1,998,115	2,553,385
Profit after tax	1,918,312	3,139,043	4,492,794	5,994,345	7,660,154

POULTRY FARM					
INCOME STATEMENT					
Amounts in PKR					
	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	157,392,094	173,131,304	190,444,434	209,488,877	230,437,765
Costs					
Cost price of Day	24,665,444	27,131,988	29,845,187	32,829,706	36,112,676
Feed Cost	88,699,782	97,569,760	107,326,736	118,059,410	129,865,351
Electricity costs	2,125,873	2,338,461	2,572,307	2,829,537	3,112,491
Generator cost	6,828,305	7,511,135	8,262,249	9,088,474	9,997,321
Brooder cost	3,367,383	3,704,121	4,074,534	4,481,987	4,930,186
Vaccination Cost	3,604,949	3,965,444	4,361,989	4,798,188	5,278,007
Staff salary costs	7,073,360	7,780,696	8,558,766	9,414,642	10,356,106
Land lease	966,306	1,062,937	1,169,230	1,286,153	1,414,769
Depreciation	4,130,000	4,130,000	4,130,000	4,130,000	4,130,000
	141,461,402	155,194,542	170,300,997	186,918,096	205,196,906
Margin	15,930,692	17,936,761	20,143,437	22,570,781	25,240,859
Other costs					
Admin & general	402,628	442,890	487,179	535,897	589,487
Vehicle expense	161,051	177,156	194,872	214,359	235,795
Financial costs	2,688,948	1,903,446	1,011,902	-	-
	3,252,626	2,523,493	1,693,953	750,256	825,282
Profit before tax	12,678,066	15,413,269	18,449,484	21,820,525	24,415,578
Tax	3,169,516	3,853,317	4,612,371	5,455,131	6,103,894
Profit after tax	9,508,549	11,559,951	13,837,113	16,365,394	18,311,683

Projected cash flows statement

POULTRY FARM

CASH FLOW STATEMENT

Amounts in PKR

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Profit before taxation	-	2,557,749	4,185,391	5,990,392	7,992,460	10,213,539
Adjustment of non-cash items						
Depreciation	-	4,130,000	4,130,000	4,130,000	4,130,000	4,130,000
Financial charges	-	5,418,362	5,001,332	4,528,003	3,990,774	3,381,019
	-	12,106,111	13,316,723	14,648,395	16,113,234	17,724,558
Working capital changes						
current assets	-	(10,135,929)	(1,013,593)	(1,114,952)	(1,226,447)	(1,349,092)
current Liabilities	-	5,823,424	582,342	640,577	704,634	775,098
	-	(4,312,504)	(431,250)	(474,375)	(521,813)	(573,994)
	-	7,793,607	12,885,472	14,174,019	15,591,421	17,150,563
Taxes paid	-	(639,437)	(1,046,348)	(1,497,598)	(1,998,115)	(2,553,385)
Interest paid	(5,418,362)	(5,418,362)	(5,001,332)	(4,528,003)	(3,990,774)	(3,381,019)
Cash flow from Operations	(5,418,362)	1,735,808	6,837,792	8,148,419	9,602,532	11,216,160
Capital expenditure	(60,475,000)					
Equity	26,757,345					
Debt	40,136,017	(3,089,113)	(3,506,143)	(3,979,473)	(4,516,702)	(5,126,456)
Total cash generated	1,000,000	(1,353,306)	3,331,649	4,168,946	5,085,831	6,089,703
Opening cash	-	1,000,000	(353,306)	2,978,344	7,147,289	12,233,120
Closing cash	1,000,000	(353,306)	2,978,344	7,147,289	12,233,120	18,322,823

POULTRY FARM					
CASH FLOW STATEMENT					
Amounts in PKR					
	Year 6	Year 7	Year 8	Year 9	Year 10
Profit before taxation	12,678,066	15,413,269	18,449,484	21,820,525	24,415,578
Adjustment of non-cash items					
Depreciation	4,130,000	4,130,000	4,130,000	4,130,000	4,130,000
Financial charges	2,688,948	1,903,446	1,011,902	-	-
	19,497,014	21,446,715	23,591,386	25,950,525	28,545,578
Working capital changes					
current assets	(1,484,001)	(1,632,401)	(1,795,642)	(1,975,206)	(2,172,726)
current Liabilities	852,608	937,868	1,031,655	1,134,821	1,248,303
	(631,394)	(694,533)	(763,986)	(840,385)	(924,424)
	18,865,620	20,752,182	22,827,400	25,110,140	27,621,154
Taxes paid	(3,169,516)	(3,853,317)	(4,612,371)	(5,455,131)	(6,103,894)
Interest paid	(2,688,948)	(1,903,446)	(1,011,902)	-	-
Cash flow from Operations	13,007,156	14,995,418	17,203,127	19,655,009	21,517,260
Capital expenditure					
Equity					
Debt	(5,818,528)	(6,604,029)	(7,495,573)	-	-
Total cash generated	7,188,628	8,391,389	9,707,553	19,655,009	21,517,260
Opening cash	18,322,823	25,511,451	33,902,840	43,610,394	63,265,403
Closing cash	25,511,451	33,902,840	43,610,394	63,265,403	84,782,662

USAID Firms Project
info@epfirms.com