

OLYMPIC PETROLEUM (T) LIMITED

BUSINESS PLAN

FOR

(FUEL TRANSPORTATION PROJECT)

PREPARED FOR

OLYMPIC PETROLEUM (T) LIMITED.

Dar es Salaam

1.0. EXECUTIVE SUMMARY.

OLYMPIC PETROLEUM (T) LIMITED is a privately owned total fuel solutions provider incorporated in Tanzania with certificate of incorporation No. 84665 dated 20th July 2011. The Company engages in fuel logistics within Tanzania and neighboring regions.

The project promoters are well established internationally, the project is owned by three shareholders one being Tanzanian and two Kenyans both having more than ten years' experience in working in fuel Logistics and Transportation and the like. Having been in the business for over 10 years the directors are now well prepared for establishment and operating large fuel transportation and logistics business in Tanzania as they see a very bright future in the oil transportation industry.

This document has been prepared to serve as a business plan for guidance for **OLYMPIC PETROLEUM (T) LIMITED** for the oil transportation and logistics business. The implementation of this project will comprise of the following activities: -

- The purchase of 25 Fuel Tankers trucks and 25 trailers within 5 years to be implemented between 2020- 2025
- The purchase Pick up 5 for road patrol
- The purchase of 2 staff bus
- The purchase of mobile trucks 5 to be used for garage
- The purchase of 5generator
- The purchase of 2Welding Machine
- The purchase of Tyre retread plant
- The purchase of Pumb's for garage use
- The purchase of communication sets radio
- The purchase of 2 folk lift
- Purchase of 2 cranes
- Equipping the company with relevant facilities

The proposed project on completion is estimated to cost about US\$ **8,725,000**. The **20%** of these investment owners' equity and cash generated from business while the rest of **80%** will be sought from foreign and local banking institutions.

OLYMPIC PETROLEUM (T) LIMITED COST STRUCTURE

Land and Building	200,000
Plant and Machinery	300,000
Motor vehicles	7,000,000
Furniture and Fittings	5,000
Others	20,000
Working capital	1,200,000
Total	8,725,000

1.1 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds. The company number of share issues is 200,000 with aggregate nominal value of Tsh 200,000,000/= The company is owned by 3 shareholders, namely: -

Name	Shares %	Nationality	Date of Birth
Ally Mohamud Adon Plot No. 234,Block U, Kenyeta Street,Kenyata Road,Nyamagana P. o. Box 33101 MWANZA	60	Tanzanian	25 th September 1979
Jabril Mohamud Omar Jabavu Road, Kiliman, Nairobi, Kenya	20	Kenyan	1 st January 1973
Ibrahim Mohamud Odon Jabavu Road, Kiliman, Nairobi, Kenya	20	Kenyan	1 st January 1982

1.2 Location.

The project head office will be located at Plot No. 1002, Tuangoma, Kigamboni, Dar es Salaam, Tanzania .

1.3 Targeted Markets.

The targeted markets of the project are land locked neighboring countries such as DRC, Rwanda, Burundi, Uganda, Malawi; Zambia etc. the directors already negotiated contracts with various companies in the mentioned countries. The mentioned countries depends on Tanzania port for handling fuel which is transported by road to respective

countries , in order to link these countries that **OLYMPIC PETROLEUM (T) LIMITED** has resolved to invest in the fuel transport industry so as to provide a solution that would lead to stimulating the said intraregional trade. The project is expected to offer a challenge to the business community to enhance intraregional trade between Tanzania and these countries.

Why land locked countries prefer to use Dar es Salaam Port

- **Strategic location**

Dar es Salaam port is the most preferable seaport due to its strategic positioning; it is more convenient, secure, quick and easy to be used by neighboring countries

- **Easy connection world wide**

Dar es Salaam Port is gateway to the world, the port have capacity and ability to transport any cargo

- **Productivity**

Now it is renowned for its security, efficient and reliability using most modern technology.

- **Capacity**

Dar es Salaam Port has the capacity to handle more than 10million tons of cargo such as general cargo 3.1 million tons, container 9,619,876 TEUs) 1.milion tones and liquid bulk 6.0 million tons.

In 2017 international Container Terminal Services limited handled 500,000 containers about 45% of cargoes were transit to land locked countries. This is good news for OLYMPIC PETROLEUM (T) LIMITED which is planning to embark in the transportation and logistics businesses

2.0 PROJECT DETAILS

2.1 INTRODUCTION

Tanzania is the largest country in East Africa that is geographically strategically located in relation to her neighbors. Because of the above-mentioned factor, the country's transportation system is also used to serve landlocked neighbors, i.e. countries of Uganda, Rwanda, Burundi, Eastern D. R. of Congo, Northern parts of Zambia, Malawi and some northern parts of Mozambique.

The transport sector plays a critical role in the social and economic development of a country. Transport provides links between centers of production and those of consumption, markets, in the economic sectors such as agriculture, industry mining and tourism. It facilitates the flow of goods and people along the import/export corridors that link the coastal ports and landlocked countries. Transport equally provides access to employment, health,

education, recreation and other services. Therefore, one is rightly justified to conclude that "without a good transportation system the development of a country is impossible. What roads and railways are to a country's development is like what the blood system is to the human body'

It is quite gratifying to note that the Government of Tanzania realizes the role of the transport sector for its economic and social development, and as a result has developed a Transport Sector Programme which will be very instrumental in improving the business and investment environment in the transport sector.

It is alleged that poor transport and communication infrastructure are the major causes of low levels of intraregional trade in Eastern Africa. It is in view of this that, despite this poor infrastructure, **OLYMPIC PETROLEUM (T)**

LIMITED has resolved to assist to provide a solution to stimulate the said intraregional trade and domestic market in particular.

In summary, we can say that **OLYMPIC PETROLEUM (T) LIMITED** has a major objective the following: -

- To promote trade between Tanzania and her neighbors
- To procure foreign currency for the country in the course of its business transactions.
- To provide extra employment to more people in the sector.

3.0 THE PROJECT

The project's objective is to purchase a total of 25 Fuel Tankers trucks and trailers within 5 years to be implemented between 2020- 2025.

This study is based on the 25 Fuel Tankers trucks and 25 trailers.

Some of selected item's cost highlighted below -

- Expected revenue for each trip US\$ 6,500
- Operating 65% of revenue
- Each vehicle to carry 20 trips per year
- One fuel tank and trailer carrying capacity is 40,000 litres

3.1 PROJECT CAPACITY

- **OLYMPIC PETROLEUM (T) LIMITED** is planning to have 25 fuel tanker and trailers with carrying capacity
- One truck to operate 15 trips per year
- One trip carrying 40,000 litres
- Carrying capacity per year is 150,000,000 litres

4.0 INVESTMENT AND FINANCING

For the project to be a reality a total investment amounting to US\$ 8,725,000 is needed to finance the project.

The project will be financed partially by shareholders equity amounting to US\$ **1,745,000** and foreign loan US\$ **6,980,000**

a) Office and Packing yard

The project is going to construct office, parking yard and garage and storehouse costing to US\$ 200,000

b) Machinery and Equipment

Is anticipated that the company will to be spent some amount to purchase of various garage machinery and equipments. The equipment for the mechanical workshop will include things like a diesel pump, lathe and panel beating and spray facilities, tyre retreating plants. Also, to be included is the purchase of a welding and grinding machine, compressors, both mobile and stationery, iron sheet folding

machine, folk lift, crane and other general tools and equipment US\$ 300,000

c) **Motor Vehicles**

The project will need 25 Fuel tankers and trailers at the estimated cost of US\$7,000,000

d) **Office Furniture: US\$5,000**

Office furniture such as office tables, chairs, telephone, fax, machines, file cabinets, sofa chairs etc.

e) **Other cost**

These will cover things like company registration, expenses spent by **OLYMPIC PETROLEUM (T) LIMITED** in exploring the viability of the project, especially the market/client identification exercise done in those countries targeted to be served. This Pre-operational cost item also covers the architectural designs of the warehouse and yard and other engineering services. Also included under this item are issues like consultancy fees, legal fees and recruitment and training costs of personnel US\$ 20,000

f) Initial Working Capital

Calculations been made on working capital requirements US\$
1,200,000

5.0 FINANCING PATTERN

The financing pattern being considered is that involving the purchase of 25 fuel tankers and trailers. The project will be financed both by equity and loan. Loan contribution will constitute 6 while remaining amount will be in the form of equity and cash generated from business equivalent to 20%. The loan will be negotiated and acquired from financial institutions. The project sponsors expect to procure this loan on the following terms and conditions: -

Loan Amount	:	US\$ 6,980,000
Interest Rate	:	6 % annually
Repayment period	:	Seven years

6.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once TIC approval is received. Currently, the supplier of the trucks has already been identified and supply is awaiting word from the project promoters.

7.0 MANPOWER AND ORGANIZATION STRUCTURE

The project will be managed by a Board of Directors of **OLYMPIC PETROLEUM (T) LIMITED**. The Board, like all other boards is responsible for the formulation and supervision of company policies and guidelines. The project's day to day operations will be under the supervision of Managing Director

The project's employee requirement is estimated to be 69 people in number, as shown below: -

MAN POWER REQUIREMENT US\$

	CATEGORY	NO
1	Drivers	27
2	Others	15
3	Mechanics Experts	3
4	Mechanics Normal	6
6	Accountant/Manager	1
7	Director	3
8	Manager Transport and Logistics	1
9	Manager Mechanics	1
10	Others	12
	SUB TOTAL	69

Employees Distribution Summary

Employment	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women	1	7	5	13
Men	4	45	10	56
TOTAL	5	52	15	69

To ensure timely delivery of consignments, provision of goods service to customers, Management will provide on the

job training in the field of motor vehicle maintenance and will provide bonus and other incentives as a means of instilling and boosting employee work morale.

8.0 SWOT Analysis

Strengths

- The zeal, strong commitment, passion of the young directors and vast experience in same field.
- Highly educated with entrepreneurial & leadership skills.
- The required knowledge in harvesting the new areas and expanding the customer base
- Willingness to serve the fellow businessmen across the Africa for affordable prices
- Interested to increase the employment opportunities.

Weaknesses

- Lack of Capital investment for this huge project
- High-rate of interest on bank loans
- Labour Turnover

- High cost of vehicles maintenance charges
- Long queues / delays at the borders in the name of documentation.

Opportunities

- Increasing the demand for fuel road Transportation
- Increasing the importation & mining works which need movement of cargo preferably by road.
- Recent market surveys reveal the fact of the need for more trucks

Threats

- The usage of other means of transportation such as rail
- Cut throat competition among transporters
- Threat of possible high inflation rates
- Unpredictable increase in fuel rates & other operational costs for spares & tyres

Roles and Responsibilities of Top and Key Level management

Managing Director & Director

The Managing Directors, being the shareholders of the OLYMPIC PETROLEUM (T) LIMITED, will be responsible for the implementation of the business plan and managing other functions in general.

Project Manager

- Responsible for important functions like planning, executing, leading, organizing and controlling the fleet in optimum level
- Increase the customer base and liaising for memorandum of understanding with major customers.
- Co-ordinate with other functional heads to remove the bottle-necks.
- Periodical meetings directors to reviews the policies
- Update the information on local Government's laid down policies & taxes.

Operational Manager

- Execute the management's policies
- Control the fleet through GPRS
- Arrange the fleet as per the requirement of the customers
- Liaison with Workshop & Finance managers for smooth movement of trucks and timely funds management.

Finance Manager

- Ensure recording of all transactions and submit timely MIS
- Plan for periodical meetings for presenting the MIS for optimum information
- Presenting the Financials in a best possible way with best combinations such as route-wise & customer-wise.

Admin & Personnel Manager

- Employ the right candidate for right position
- Keep the employment cost under control while keeping the staff in good humour.
- Periodical medical check-up for all drivers including eye-test

- Rotate the drivers and prepare the duty roaster in such a way drivers get enough rest while on duty.
- Liaison with Finance Manager for timely salaries & other benefits.
- Introduce the incentive system to encourage the staff for better performance.
- Review the Salary structure to match with inflation rate.

9.0 **PROJECT OPERATING COSTS**

The company has estimated operating cost to be 65% of total revenue.

10.0 MARKET AND MARKETING

The project's earmarked clientele is in the land locked neighboring countries of Malawi, Zambia, Democratic Republic of Congo, Burundi, Rwanda and even Uganda. Management has already explored these markets and is confident it can conduct profitable business.

The project management plans for all vehicles several trips per month. The number of trips and the cost of trip are determined by both the trip's destination and nature of road involved. All in all, a total of **one truck will conduct 15 trips** per year.

The routes are priced according to distance and the status of the road in question. It has however been conservatively assumed that all foreign destinations will have a flat rate charge of **US\$ 6500 for trip**.

The number of trips assumed here, is just a conservative estimate. With the expected improvement of the roads and in general operations coupled with the driver's gaining experience in long distance travels, the number of trips per truck will be raised. This will have a tremendous impact on the Company's expenditure and earnings.

11.0 FINANCIAL ASPECTS FOR THE PROJECT

(i) Projected Profit and Loss Statement

The attached Appendix I shows the projected income for the 11years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$579,565** in the 1st year to **US\$ 9,508,521** in the 9th year,

(ii) Projected Cash Flows

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 1,181,615** in the first year to **US\$ 15,343,569** at the end of 9th years,

(iii) Projected Balance Sheet

The project's assets cash flows are shown in Appendix III. Owners' equity grow from **US\$ 1,745,000** in the first year to **US\$ 3,524,457** at the end of 9th years of the project's operations,

(iv) Payback Period

Total investment is **US\$ 8,725,000** cash accumulation in 8th year **US\$ 9,022,679** which is more than the initial investment by **US\$1,197,679** the project payback Period is exactly 8 years.

12.0 ECONOMIC ASPECTS OF THE PROJECTS

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 **OLYMPIC PETROLEUM (T) LIMITED** is going to provide additional employment to **69** people all of whom will be nationals. This is a significant contribution coming from foreign investors.

(ii) Revenue to the Government

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

(iii) Foreign Exchange Earning

Since the project's clientele is mostly towards neighboring countries the project will thus earn foreign currency for the United Republic of Tanzania. Out of all project expected cargo overhauling transactions will be settled in foreign currencies. In this study we have assumed that the project will be paid in foreign currency

13.0 CONCLUSION

- (i) The project is profitable and contributes to government revenue by way of taxes.
- (ii) The project provides employment to **69** people all of whom are national Tanzanians.
- (iii) The project is an encouraging sign to prove that we have foreign investors who have confidence in

their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

15.0 RECOMMENDATION

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented 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 technically feasible, economically viable and socially acceptable.

OLYMPIC PETROLEUM (T) LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5	6	7	8	9
Revenue	3,575,000	3,932,500	4,325,750	4,758,325	5,234,158	5,757,573	6,333,331	6,966,664	7,663,330
Operating cost	2,145,000	2,359,500	2,595,450	2,854,995	3,140,495	3,454,544	3,799,998	4,179,998	4,597,998
Profit before Depreciation & Interest	1,430,000	1,573,000	1,730,300	1,903,330	2,093,663	2,303,029	2,533,332	2,786,665	3,065,332
Interest	418,800	349,000	279,200	209,400	139,600	69,800	0	0	0
Depreciation	183,250	523,250	523,250	523,250	523,250	523,250	523,250	523,250	523,250
Net Profit before Tax	827,950	700,750	927,850	1,170,680	1,430,813	1,709,979	2,010,082	2,263,415	2,542,082
Tax (30%)	248,385	210,225	278,355	351,204	429,244	512,994	603,025	679,025	762,625
Profit After Tax	579,565	490,525	649,495	819,476	1,001,569	1,196,986	1,407,058	1,584,391	1,779,457
Accumulated Profit	579,565	1,070,090	1,719,585	2,539,061	3,540,630	4,737,616	6,144,673	7,729,064	9,508,521

APPENDIX II

OLYMPIC PETROLEUM (T) LIMITED PROJECTED CASH FLOWS US\$

	-	1	2	3	4	5	6	7	8	9
SOURCES:										
Profit before interest and depreciation	-	1,430,000	1,573,000	1,730,300	1,903,330	2,093,663	2,303,029	2,533,332	2,786,665	3,065,332
Equity	1,745,000									
Loan	6,980,000	-	-	-	-	-				
Total Sources	8,725,000	1,430,000	1,573,000	1,730,300	1,903,330	2,093,663	2,303,029	2,533,332	2,786,665	3,065,332
Applications:										
Capital expenditure	7,505,000	-	-	-	-	-				
working Capital & Others	1,220,000	-	-	-	-	-				
Cash	-	1,181,615	1,362,775	1,451,945	1,552,126	1,664,419	1,790,035	1,930,307	2,107,640	2,302,707
Tax	-	248,385	210,225	278,355	351,204	429,244	512,994	603,025	679,025	762,625
Total applications	8,725,000	1,430,000	1,573,000	1,730,300	1,903,330	2,093,663	2,303,029	2,533,332	2,786,665	3,065,332
Accumulated cash		1,181,615	2,544,390	3,996,335	5,548,461	7,212,880	9,002,915	10,933,222	13,040,862	15,343,569

OLYMPIC PETROLEUM (T) LIMITED PROJECTED BALANCE SHEET US\$

APPENDIX III

		1	2	3	4	5	6	7	8	9
Fixed Assets	-									
Opening balance	-	7,505,000	7,321,750	7,138,500	6,955,250	6,772,000	6,588,750	6,405,500	6,222,000	6,038,750
Total Long-term Assets	-	7,505,000	7,321,750	7,138,500	6,955,250	6,772,000	6,588,750	6,405,500	6,222,000	6,038,750
Less depreciation	-	183,250	183,250	183,250	183,250	183,250	183,250	183,250	183,250	183,250
Closing balance	-	7,321,750	7,138,500	6,955,250	6,772,000	6,588,750	6,405,500	6,222,250	6,038,750	5,855,500
Working capital	1,220,000	1,220,000	1,220,000	1,220,000	1,220,000	1,220,000	1,220,000	1,220,000	1,220,000	1,220,000
Accumulated cash	-	1,181,615	2,544,390	3,996,335	5,548,461	7,212,880	9,002,915	10,933,222	13,040,862	15,343,569
Total assets	1,220,000	9,723,365	10,902,890	12,171,585	13,540,461	15,021,630	16,628,415	18,375,472	20,299,612	22,419,069
Financed by										
Equity	1,745,000	1,745,000	1,745,000	1,745,000	1,745,000	1,745,000	1,745,000	1,745,000	1,745,000	1,745,000
Net profit	-	579,565	490,525	649,495	819,476	1,001,569	1,196,986	1,407,058	1,584,391	1,779,457
Total equity	1,745,000	2,324,565	2,235,525	2,394,495	2,564,476	2,746,569	2,941,986	3,152,058	3,329,391	3,524,457
Long term loan	6,980,000	-	-	-	-	-	-	-	-	-
Total equity and debts	8,725,000	2,324,565	2,235,525	2,394,495	2,564,476	2,746,569	2,941,986	3,152,058	3,329,391	3,524,457

OLYMPIC PETROLEUM (T) LIMITED PAYBACK PERIOD OLYMPIC PETROLEUM (T) LIMITED

APPENDIX IV

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	1,412,005	183,250.00	1,595,255.00	1,595,255.00
2	579,565	183,250.00	762,815.00	2,358,070.00
3	490,525	183,250.00	673,775.00	3,031,845.00
4	649,495	183,250.00	832,745.00	3,864,590.00
5	819,476	183,250.00	1,002,726.00	4,867,316.00
6	1,001,569	183,250.00	1,184,819.00	6,052,135.00
7	1,196,986	183,250.00	1,380,236.00	7,432,371.00
8	1,407,058	183,250.00	1,590,308.00	9,022,679.00
9	1,584,391	183,250.00	1,767,641.00	10,790,320.00

OLYMPIC PETROLEUM (T) LIMITED PROJECTED LONG TERM LOAN REPAYMENT

APPENDIX V

Year	Principle	Loan Interest (6%)	Total Amount Paid	Loan Balance
0				
1	1,163,333	418,800	1,582,133	6,980,000
2	1,163,333	349,000	1,512,333	5,816,667
3	1,163,333	279,200	1,442,533	4,653,334
4	1,163,333	209,400	1,372,733	3,490,001
5	1,163,333	139,600	1,302,933	2,326,668
6	1,163,333	69,800	1,233,133	1,163,335
TOTAL	8,143,331	1,465,800	9,609,131	2

OLYMPIC PETROLEUM (T) LIMITED FIXED ASSETS US\$

APPENDIX VI

NAME OF ASSETS	1	2	3	4	5	6	7	8	9
Land And Buildings	200,000	196,000	192,000	188,000	184,000	180,000	176,000	172,000	168,000
Machinery, Tools & Equipment	300,000	296,250	292,500	288,750	285,000	281,250	277,500	273,750	270,000
Motor Vehicles	7,000,000	6,825,000	6,650,000	6,475,000	6,300,000	6,125,000	5,950,000	5,774,750	5,599,750
Furniture & Fixtures	5,000	4,500	4,000	3,500	3,000	2,500	2,000	1,500	1,000
Total	7,505,000	7,321,750	7,138,500	6,955,250	6,772,000	6,588,750	6,405,500	6,222,000	6,038,750
DEPRECIATION	1	2	3	4	5	6	7	8	9
Land and buildings	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Machinery tools & Equipment	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Motor Vehicles	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,250	175,000
Furniture & Fixtures	500	500	500	500	500	500	500	500	500
ANNUAL DEPRECIATION	183,250	183,250	183,250	183,250	183,250	183,250	183,250	183,500	183,250

PROJECT IMPLEMENTATION SCHEDULE

It is expected that the Project will be take 15 months to implement as shown below:-

	ACTIVITY	PERIOD
1.	Processing TIC Certificate of Incentive	October 2020
2.	Funds Mobilization	Octo – Jan 2021
3.	Ordering of Vehicles	Feb 2021 – May 2024
5.	Arrival of Vehicles	March 2021– June 2024
6.	Trial Operations	March 2021
7.	Commercial Operations	May 2021

OLYMPIC PETROLEUM (T) LIMITED PROJECTED DEPRECIATION SCHEDULE

US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8	9	10
Land And Buildings	200,000	196,000	192,000	188,000	184,000	180,000	176,000	172,000	168,000	164,000
Machinery, Tools & Equipment	500,000	493,750	487,500	481,250	475,000	468,750	462,500	456,250	450,000	443,750
Motor Vehicles	20,500,000	19,987,500	19,475,000	18,962,500	18,450,000	17,937,500	17,425,000	16,912,500	16,400,000	15,887,500
Furniture & Fixtures	5,000	4,500	4,000	3,500	3,000	2,500	2,000	1,500	1,000	500
Total	21,205,000	20,681,750	20,158,500	19,635,250	19,112,000	18,588,750	18,065,500	17,542,250	17,019,000	16,495,750
DEPRECIATION	1	2	3	4	5	6	7	8	9	10
Land and buildings	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Machinery tools & Equipment	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
Motor Vehicles	512,500	512,500	512,500	512,500	512,500	512,500	512,500	512,500	512,500	512,500
Furniture & Fixtures	500	500	500	500	500	500	500	500	500	500
ANNUAL DEPRECIATION	523,250	523,250	523,250	523,250	523,250	523,250	523,250	523,250	523,250	523,250

