MERCURY MARINER LTD

P.O.BOX

MWANZA– TANZANIA

BUSINESS PLAN
FOR
FISH MAWS PROCESSING AND PACKAGING

MARCH,2022

BRIEF SUMMARY PROJECT

COMPANY:	**MERCURY MARINER LIMITED**
LOCATION:	PLOT NO. 167BLOCK ‘C’ ILEMELA MUNICIPALITY MWANZA
CONTACT PERSON:	BAI MEI
OBJECTIVE:	TO ESTABLISHMENT A PROJECT FOR FISH MAW PROCESSING AND PACKAGING
FINANCING:	INVESTORS’ EQUITY USD 350,000 AND LONG TERM LOAN OF USD 150,000
BENEFITS:	TECHNOLOGY TRANSFER, JOBS CREATION, GOVERNMENT INCOME. FOREIGN EARNINGS
CAPACITY:	PROCESSING CAPACITY OF TWO TONS A DAY AND THE STORAGE CAPACITY FOR BOTH FRESH AND DRIED FISHMAWS IS 8 TONS PER DAY
IMPLEMENTATION PERIOD:	3 YEARS

SECTION ONE: BACKGROUND

1.0 INTRODUCTION

MERCURY MARINER LIMITED is registered in Tanzania under Companies Act 2002 with Certificate of Incorporation **No.155335955** issued on **02ND March; 2022**.The project promoters are Mr. LUO MINGFENG with experience in Nile Perch fish maw processing and export both in China. He holds 25% of Mercury Mariners issued and subscribed shares and BAI MEI with 25% of issued shares and has enough experience in the field and OU KUAN who holds 37.5%. The Directors are now well prepared to venture into fish maws processing and packaging for export market. The business plan has been prepared for **MERCURY MARINER LIMITED** for fish maws processing and packaging. The proposed project is estimated to cost about US$ 500,000. The project is sponsored by USD 350,000 and long term loan of USD 150,000

1.1 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds. The company is currently owned by 2 shareholders, namely:-

Name of shareholders	**% Of Shares**	**Nationality**
LUO MINGFENG Room 3202, Singga Commercial Centr,144-151 Connaught Road West Hongkong China	25%	Chinese
BAI MEI No.2 Huxin Street,Qinglong District,Yunyang Country,Chongqing China	25%	Chinese
OU. KUAN Maoming No 33 Zhonghai Fujan Village.Gaodi Street, Maogang District Guangdong Province, China	37.5%	Chinese

1.1 LOCATION.

The project head office will be located at **Plot No. 167Block 'C' Ilemela Municipality Mwanza Tanzania**

1.2 OBJECTIVE OF STUDY

The main objective of this study is to work out the technical and commercial feasibility of the project.

1.4 Manpower Required

The project will employ total of 150 employees, only 10 will be foreigners the remaining 140 local

Employment	**Foreign Skilled**	**Local Skilled**	**Local Unskilled**	**Total**
Women		3	125	128
Men	10	7	05	022
TOTAL	**10**	**10**	**130**	**150**

2.0 OVER VIEWS OF FISH MAWS IN EST AFRICA

Fish maws in Uganda, Tanzania and Kenya are mainly traded fresh, dried and frozen. Fresh maw dominates the local and regional trade, where it is processed and exported by majorly Chinese companies as dry maw. Most of the maw which is obtained by the fish factories after filleting is sold as fresh maw to the maw processors for drying. Sometimes some of the fish processing companies export maw in frozen state. The most preferred maws are extracted from Nile perch of four (4) kilograms and above, yielding maws equivalent to or more than 80 grams. Most of the maws are exported to China through Hong Kong, whereas some are exported to Japan. Most fish maws are extracted in fish factories after filleting. This is followed by cleaning off all the fats, and placing in containers ready for sale. At the maw factory, the maw is cleaned once again and dried in the sun, packaged into gunny bags, weighed, and labeled ready for export. Maw worth US$40 Million is reported to have been exported from Uganda in 2017. There are about 17 regional traders of maw and 20 exporters from Uganda. Some maw smuggled from Tanzania and Kenya is exported through Uganda. Tanzania, earned more than $42 Million from maw export in 2017. Tanzania has eleven maw processing factories operated by Chinese located in Mwanza. Tanzania has only one licensed local trader located in Bukoba, with collection centers in Bukoba, Mwanza and Musoma; who exports maw to Uganda. Several local traders also work in partnership with Ugandans to illegally export maw from Tanzania. Kenya exported maw worth US$ 5.6 million in 2017.Maws were sold as separate products from fish in

Uganda until a directive by Directorate for Fisheries Resources requiring all maws to be handled in gazetted factories and sold to recognized and licensed fish maw processors and exporters was issued in February 2018. In Tanzania, Kenya and Uganda it has always been a requirement not to remove maws from the fish before supply; as the factories can't purchase fish without a maw. The arrangement between factories and fish suppliers where factories would give back their maw to fish suppliers seemed to liberalize maw trade in Uganda. This caused a perception in Tanzania and Kenya that the Uganda's regulatory system favored maw trading. The absence of Chinese buyers in Kisumu (Kenya), strict licensing system for regional exporters and taxation system in Tanzania; as well as the perceive laxity in regulatory system associated with maw trade in Uganda resulted into maws being smuggled to Uganda. The growth of maw businesses has increased the profits of fish processing companies who in addition to selling fish and fishery products gain from increased prices of maw. Maw industry has also benefited a few trusted maw factory agents and their middlemen, who in the process of searching for maw to supply to Chinese companies have created a lucrative artisanal maw trade sector. The growth of maw trade has also benefited some maw collectors and extractors. Majority of maw businesses are run by personnel aged 35 years and above. The contribution of youth in the maw industry is minimal. However, maw trade and processing businesses offer opportunities for

10women employment since they are considered to be trust worthy in handling the highly valued product. Being agents of Chinese Maw factories offers far better opportunities for business growth to traders as compared to other maw enterprises. This is so due to working capital provided by the Chinese Maw companies to agents to continuously supply maw. The existing physical and quality infrastructure in the entire maw chain is too weak to support and sustain production of world quality maw export products. Also the lack of maw handling, product and process standards impacts the quality of the maw. Artisanal processing of maw can be viable and profitable when right equipment and techniques and skills are used to produce products of similar quality to those from Chinese factories. Tanzania and Uganda enforce regulations relating to trading of maw through issuance of maw trade license. This is not the case in Kenya where maw trade is licensed under one general license for fish and fishery products. There is ambiguity in enforcement mechanisms. In Tanzania, the government has issued an enforcement guideline under the Fisheries Regulations requiring trading in maw of sizes: 15-27cm. This requirement

is strictly enforced in Tanzania. In Uganda, no specific sizes of maw have been indicated for regulating maw trade, yet enforcement officers confiscate any maw considered to be from illegal sized fish. In Kenya, no enforcement is in place regarding the sizes of maw. This ambiguity in enforcement has forced some maw chain actors to operate underground in Tanzania and Uganda. This entwined with the weakness in enforcement and porous nature of the regional borders has encouraged smuggling of maw across borders. Currently, the actors in upstream side of the fish chain such as fishing crew, boat owners and fish suppliers to the fish factories are not benefiting the increasing prices for maw. This is so, since they have to supply whole fish (with maw) to the factories, who sell the maw without rewarding the fish suppliers in terms of increased prices for fish delivered. In order to optimize benefits from the maw trade and processing businesses in the region, equal profit sharing mechanism should be devised to rationalize the benefits accruing from increasing prices of maw so that benefits can trickle down to all maw and fish chain actors instead of benefiting few. Such mechanisms include governments, development partners and stakeholders recognizing maw as a tradable product separate from fish, developing a maw trade regulation requiring fish factories to return maw to fish suppliers if they cannot pay for it, streamlining the licensing of maw trade to include the lower actors in the value chain, increasing awareness among lower chain actors such as fishing crew, boat owners, fish suppliers and agents regarding the value of maw, Imparting skills to the lower chain actors on trading and proper handling of maw.

2.1 FISH

The main product of the proposed project is:

Processes and packaged fish maws, The Company expects to sources Nile Perch fish maws from licensed fish suppliers and Fish Processing Factories in Mwanza who shall have a supply contract with MERCURY MARINER LIMITED. The processing chain will be rapid to avoid any temperature abuse and shall monitor as per the directives and guidelines by the Fisheries.

Production:

The current work force is 5% namely the Company's Directors only and will further be increased when we start operations

2.2 MARKETS

Products to be exported to the mentioned below countries, the promoters are well versed in the business with well-established market contacts:

- Hong Cong
- Thailand
- Singapore
- Vietnam

3.3 EXTRACTION OF FISH MAWS

Maw extraction takes place in different places which include: Island fishing camps where the fishing crew extract maw from fish consumed during the fishing expedition .During fishing where crew members extract maws from some of the fish caught Homes from fish bought for domestic consumption Landing sites where the extractors who operate extraction facilities offer services to fish crew, boat owners and other members of the community Cold rooms where fish is stored by local traders before being transported to the local market Landing beaches where some maw traders examine and sort out fish suspected to have larger maws among fish landed Islands where maw traders camp and get access to large fish landed by the crew Slaughter facilities operated by individuals where local traders take fish for maw extraction at a fee Fish processing factories where all fish delivered have their maw removed. Maw extraction requires high level of experience and skill to avoid damage. To gain experience and skill one has to work alongside a skilled extractor. Experience has shown that individuals who have been involved in gutting fish turn out to be better maw extractors. To join the extraction business one needs to have basic gutting skills to become a maw extractor. Fish from which maw is to be removed should be handled with care during transportation and movement. It should not be thrown around, or else the maw will burst and have its value reduced. However, in artisanal operations it is not uncommon for fish to be thrown around hence resulting into the bursting of maw before extraction**.**

To remove the maw, a slit/cut is made on the abdominal side using a sharp knife. Caution is taken to ensure that outer skin is only cut to avoid damaging the gut material with the maw which is located on the underside. Using the fingers the maw is properly located and pulled out carefully by cutting the attachment on head side of the fish. Maw is not normally cleaned immediately after removal. However, depending on the location of the market, it is either sold immediately as is, or placed in water/ice as it is transported to the market. Fish from which maw is to be removed should be handled properly

to avoid spoilage as it affects the maw quality. The existing time-temperature abuse and prolonged holding of maw in water awaiting sale are major malpractices with a potential effect on the safety and quality of maw. It is alleged that some traders hold maws in water for a long time in order to increase its weight; that is why the water is squeezed out by the buyer before weighing the maw.

3.4 PROCESSING

There are two types of maw processors -the artisanal and factory processors. The artisanal maw processors fall in two categories. There are freelancing individual maw collectors who do not have agency with particular trader/middlemen. Some do not have facilities for cold chain to hold the maw until they are sold. Such traders find it convenient to clean and drythe maws until the market conditions improve. In Tanzania such traders switch markets between the local agents of Chinese companies located in Mwanza and regional traders from Uganda. In Kenya, artisanal processors sell their maws to agents of Chinese companies in Uganda based in Kisumu or middlemen of agents in Nairobi. The other category of artisanal processors is middlemen traders/agents of Chinese maw factories who dry the maw of low quality that cannot be bought in fresh form by the maw processors or regional buyers. They have indicated that drying low quality maws attracts fairer prices. The artisanal maw processors receive maw from extractors based at the landing site. The extractors receive maw from fish (both reject and non-reject) brought by boat owners, crew members or any other members of the community who buy fish for own consumption. The artisanal processors can also receive maw collected from suppliers of fish in the local market and individual homes.In artisanal processing the maws can be handled in two different ways depending on the intended product. When the fresh maw is the intended product, the maw is first cleaned by squeezing to remove fat and any water. When the dried maw is the intended product, the freshly extracted maw is cleaned; turned inside out, damaged maws are first repaired by stitching, carefully placed on finger-like pieces of holding materials made out of wood. The maws are placed on racks or spread on ground and/or on top of the roof to allow sun drying. Thereafter, they are weighed and placed in polyethene or gunny bags awaiting collection by traders and/or agents. The artisanal maw extraction and processing is still rudimentary as most of the actors are not using the basic hygiene principles, recommended processing equipment, trained staff/personnel, and appropriate processing facilities.

3.7 MAW TRADERS

Detailed information on maw trade was obtained in Tanzania. A total of 20 maw traders including extractors and collectors were interviewed 12 of who were exclusively running a maw business. Most (75%) of them were in the age group of 41-50. Two thirds of these (66.7%) had only attained the primary level of education; a quarter (25%) had O-level education and others (8%) had no any formal education. Males were 75% and females 25%. Those that operated as individuals were 66.7% and as group/team/company were 33.3%. In the three countries of Uganda, Kenya and Tanzania three distinct categories of maw traders were identifiable along the value chain.

i. Maw extractors and collectors

Extractors remove maw from the fish brought by clients whose fish is for consumption or sale. They also buy maw in small quantities from crew members, boat owners and other community members. In Tanzania, some maw extractors have an operating license. In this category there are also small maw collectors who buy maw from fishers or maw extractors at the landing sites. Some of these operate as itinerant traders who buy from homes. They operate small working capital and hence they can only trade in small quantity of maws. Sometimes their working capital is provided by maw traders who cannot give them a lot of money out of fear of misuse. The majority of "home to home" maw collectors do not have operating license and therefore considered to be operating illegally. These traders do not weigh or measure maw using any scientific criteria but rather estimate the sizes based on length.

ii. **(ii) Maw traders who buy from extractors and collectors**

These are mainly agents of middlemen who collect maws for factory agents or regional traders. They employ 2-3 people who keep the collection center open all day and work till late in night with female constituting 50%. They are given capital by the middlemen to assist in maw collection, but some operate independently. They operate collection centers which are basically one room located conveniently near landing sites and markets where maw is extracted or collected. They have digital balances for weighing the maw. They do not have cold chain facilities of their own but rather rely on cold storage organized by the middle men to whom they sell maw. All the fresh maws bought each day is taken to the storage facilities.

iii. **Middlemen of maw factories or regional Traders**

These are locals who collect maw on behalf of factory agents and/or regional exporters. They may invest their own capital for collecting maw in larger quantities. They may also receive some capital from the factory agents and regional traders. They also devise several strategies such as working with small traders mentioned in (ii) above to open up buying centers in localities where maw extraction and collection takes place. They also deploy maw extractors at landing sites and "home to home" itinerant maw collectors to maximize maw quantities. They operate cold chain facilities for receiving fresh maw. They receive daily maw collections from all the buying centers in the neighborhoods for preservation. The collected maws are sold directly to factories or through the factory agents. Alternatively, they can be exported to the region through a licensed regional exporter. They have work force ranging between 3-10 workers 50% of them being females.

iv. Maw factory agents or regional exporters

These work in collaboration with trusted middlemen whom they give working capital to source for maw to keep the factories operational. Majority of workers are women with the ratio of men to women being 1-2 to 8-9 (or approximately 90% women). They also operate maw handling facilities for receiving maw from all the middlemen and individual traders. The major players in the processing and export of maw are Chinese companies. The Chinese maw processors offer cash to trusted agents in Uganda, Tanzania and Kenya to look for maw. There is stiff competition for maw in Uganda because of large number of maw processors. Therefore factory agents in Uganda seek partnership with traders in the region to bring the quantities of maws. Given that the maw trade in the region is not fully formalized, Ugandan agents have deployed their proxies –who are Ugandans entering in informal partnerships with Kenyans and Tanzanians to collect maw. In Tanzania, factory agents work with middlemen located in the regional cities such as Bukoba, Musoma and Mwanza to obtain the required quantities. Likewise the Ugandan agents work through a licensed regional exporter who has middle men operating in those cities. However, there are some Ugandan agents (number not established) who work with middle men in Tanzania to smuggle maw into Uganda. The most important market for maw according to Tanzanian traders is Uganda. The only licensed regional exporter of maw from Tanzania to Uganda is Shafik who operates in Bukoba. The major traders of Maw in Uganda are listed in Annex A. Most of the maws traders are interlinked and do not necessarily obtain the maw from one source. Most

middlemen and factory agents operate as family businesses or companies whereas maw extractors, collectors and traders; largely run their businesses individually.

v. Fish suppliers/fish factory agent

The fish suppliers sell fish with maws to factories or extract maw and sell the fish to the local market. They either supply directly to the factories or indirectly as sub-agents of the fish factory agents. In all the three countries, all the fish sold to the factory must contain maw. Until recently, directives issued on February 2018, fish factories used to give back maws to suppliers of fish in Uganda. They employ 3-20 workers majority of whom (90%) are women working as casual workers. The casual laborers are mainly employed as cleaners with a few (1-2) working as supervisors. Then the suppliers would look for market for the maw after selling the fish. Most fish suppliers complain of low or stagnant prices of fish yet maw prices continue to increase. This is why some of the fish suppliers/factory agents prefer to sell fish to the local market where they are able to extract maw before sale.

3.8 FISH FACTORY MAWS

Fish factories extract, clean and sell maw which they consider as by products. They sell the maw to maw processing factories located in Mwanza in Tanzania or Uganda. Some fish processors export frozen maw which makes up for almost half (45%) of the maws exported. They employ 10-20 workers, 95% of whom are women. Women work as casual laborers and are involved in cleaning of maw. One to two among the workers are involved as supervisors.

ii) Artisanal Maw Processor

The artisanal processors buy maw from collectors at the landing sites, remove fat, clean, repair/or mend the damaged ones, process by drying and sell to middlemen or agents of maw exporters in Tanzania or Uganda. These are mainly men of aged above 30 years. They run their businesses individually sometimes with assistance of family members.

iii) Maw factory processors/ Exporters

The maw factories process and export mainly to China. They process fresh maws sourced from fish factories, maw factory agents or maw suppliers. The Chinese factory operators have financial partnerships based on trust with the local maw suppliers. This has led to the Chinese maw processing factories contracting several maw agents to supply them with maws. These processing companies prefer to employ women in all sections of the industry; from

cleaning to, turning the maw inside out, stitching, drying and packaging. Majority of women (90%) serve as casual laborers. Few women work as supervisors. In most maw businesses in Kenya, Uganda and Tanzania most maw traders have low levels of education and some are not educated at all. For instance in Tanzania the wages for unskilled workers fall are 5000-10000Tshs per day ($2.2-4.4) and for skilled workers 10,000-20,000Tshs ($4.4-8.7). In Uganda the unskilled workers are paid 5000-10,000 daily ($1.3-2.7) and for skilled10,000-12,000 per day $2.7-3) irrespective of whether male or female. In Uganda there are twenty one(21) recognized maw export companies which are included in Annex B1. In Tanzania, there are ten (10) Chinese maw processors/exporters that operate maw drying facilities in Mwanza. They are listed in Annex B2. In all the listed 10 companies, only five are approved. Maw imports into Uganda are charged a duty of 6% with exception of those which are in transit. Some of the maw traders in Tanzania export through Uganda. This is attributed to the perceived limited bureaucracies affecting maw trade, processing and export in Uganda. This is combined with the method of determining legal maw sizes reported in grams in Uganda as opposed to length in Tanzania. It was also reported that the Chinese exporters in Tanzania regrade the maw in grades different from the categories they buy the maw. Based on the study, overall it is estimated that there is a total of 1,473 maw business operators in the riparian countries of Lake Victoria. These comprise of 557 extractors (240 in Uganda, 33 in Kenya, 284 in Tanzania); 557 collectors (240 in Uganda, 33 in Kenya, 284 in Tanzania); 278 middlemen (120 in Uganda, 16 in Kenya, 142 in Tanzania); 50 agents of Chinese Factories (17 in Uganda and 33 in Tanzania) and 31 Maw exporters (20 in Uganda and 11 in Tanzania). The Ugandan agents also operate in Kenya because there are no Chinese maw factories in Kisumu. A total of about 2,651 people work as employees in the maw value chain in the riparian countries of Lake Victoria. Of these 1,349 people are employed in maw businesses in Uganda, 62 in Kenya, and 1,240 in Tanzania. About 90-95 % of them are women. They earn all together approximately USD 2.41 Million per annum. They constitute skilled labor(USD 0.35million) and unskilled labor(USD Million 1.79.3.3.2 Maw supply and marketing channels Uganda plays a central role in the regional trade of maw. Most of the maws produced in Kenya are exported through Uganda. Conversely, most of the maws produced in Tanzania are directly exported to Hong Kong, China and Japan; although some of the companies export through Uganda .

4.0 ASPECTS OF PROJECT SUSTAINABILITY

The project sponsors having studied market conditions are convinced that the project will be able to operate undisturbed provided the government rules and regulations are adhered by players in the fisheries business

4.1 QUALITY CONTROL SYSTEM

The required quality control system will be employed ensuring that products produced maintain the same standard and shall be monitored as per the Directives and guidelines given by the Fisheries Department

4.2 ENVIRONMENT PROTECTION

The company intends to make environment friendly, the company will save the country's environment in particular and global environment in general.

5.0 PROJECT INVESTMENT COST

The estimated capital investment cost of the project is **US$ 500,000** out of which **US$ 350,000** will be owners' equity while the remaining **USD 150,000** will be on loan,

PARTICULAR	**US$**
Land and Buildings	150,000.00
Machinery & Equipment	100,000.00
Motor Vehicles	50,000.00
Furniture & Fittings	10,000.00
Pre exp	20000.00
Others	20,000.00
Working Capital	150,000.00
TOTAL	**500,000.00**

For the project to be a reality a total investment amounting to US**$ 500,000** is needed exclusive the already paid rental fee of Tshs 144,000,000/= for business premise

5.2 FINANCING PATTERN

The project will be financed by equity US**$ 350,000 and US$ 150,000** long term loan

6.0 FINANCIAL ANALYSIS

6.1 Considerations and Assumptions:

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

6.2 **Financial Statements:**

6.3 Projected lodge Revenue

For projection purposes, it is assumed that the economic life of the project is five years, and that revenue from retreading business commence from the first year of operation.

MERCURY MARINER LIMITED SALES PROJECTED REVENUE LTD

	1	**2**	**3**	**4**	**5**	**6**
Revenue	827,450	995,370	1,185,,750	1,275,188	1,490,297	1,562,550

6.4 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US$ **211,365** in first year to US $ **296,100** in the 6 year, **Refer appendix III**

6.5 **Projected payback period**

Total investment is US $ **500,000** cash accumulation Third year is **754,136.5** which is more than the initial investment by US$ **254,134.5** the project payback Period is within 3 years. The project has a relatively short payback period. It is remarkably impressing for a project whose investment is as big as US$ **500,000** being recovered within 3 years. **Refer appendix IV**

6.6 Projected loan repayment pay

Total investment loan is US $**150,000** to be repaid within 4 years with the interest charge of 9% .**Refer appendix V**

7.0 ECONOMIC ASPECTS

Implementation of this project will have the following social and economic values:

- The project is an ideal option for utilization business opportunity available in foreign market.
- The project will create employment for 15 people on permanent contract basis as well as on temporary basis.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.
- The project will have transfer of knowledge and skills as far as assembling sector are concerned.

8.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once project has been approved, it is estimated that implementation of the projected will be as follows:-

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	March 2022
2	Renovation industrial premises	April – May 2022
4	Assembling plant and other equipments ordering	May to June 2022
5	Installation of machines	June 2022
6	Testing operations	June 2022
7	Commercial Operations	July 2022

9.0 CONCLUSION AND RECOMMENDATIONS

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.

APPENDIX (I)

MERCURY MARINER LIMITED COST STRUCTURE

PARTICULAR	**US$**
Land and Buildings	150,000.00
Machinery & Equipment	100,000.00
Motor Vehicles	50,000.00
Furniture & Fittings	10,000.00
Pre exp	00.00

Others	40,000.00
Working Capital	150,000.00
TOTAL	**500,000.00**

APPENDIX (II)

MERCURY MIRINER LIMITED PROJECTED REVENUE

	1	**2**	**3**	**4**	**5**	**6**
Revenue	827,450	995,370	1,185,,750	1,275,188	1,490,297	1,562,550

APPENDIX (III)

MERCURY MARINER LIMITEDPROJECTED INCOME & EXPENDITURE STATEMENT US$

	1	**2**	**3**	**4**	**5**	**6**
Revenue	827,450	995,370	1,185,750	1,275,188	1,490,297	1, 562,550
Operating costs	500,000	621,000	795,450	877,018	1,081,047	1,127,550
Profit before Depreciation &Interest	**327,450**	**374,370**	**390,450**	**398,170**	**409,250**	**435,000**
Interest	13,500	10,120.5	6,741	3,379.5	0	0
Depreciation	12,000	12,000	12,000	12,000	12,000	12,000
Net Profit	**301,950**	**352,250**	**371,709**	**382,790.5**	**397,250**	**423,000**
Tax (30%)	90,585	105,675	111,512.7	114,837.15	119,175	126,900
Profit After Tax	**211,365**	**246,575**	**260,196.3**	**267,953.35**	**278,075**	**296,100**

APPENDIX (IV)

MERCURY MARINER LIMITED PROJECTED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	**211,365**	**12,000**	223,365	223,365
2	**246,575**	**12,000**	258,575	481,940
3	**260,196.5**	**12,000**	272,196.5	754,136.5
4	**267,953.35**	**12,000**	279,953.35	1,034,089.85
5	**278,075**	**12,000**	290,075	1,324,164.85
6	**295,100**	**12,000**	307,100	1,631,264.85

APPENDIX (V)

MERCURY MARINER LIMITED PROJECTED LONG TERM LOAN REPAYMENT

	Repayments US$

Year	Principle	Loan Interest (4%)	Total Amount Paid	Princ. Loan Balance
0	**-**			**150,000.00**
1	**37,500**	**13,500**	**37,500**	**112,500.00**
2	**37,500**	**10,120.5**	**37,500**	**75,000.00**
3	**37,500**	**6,741**	**37,500**	**37,500.00**
4	**37,500**	**3,379.5**	**37,500**	**-**
5	**-**	**-**	**-**	**-**
6	**-**	**-**	**-**	**-**
TOTAL	**150,000**	**33,741**		

APPENDIX (VI)

MERCURY MARINER LIMITED PROJECTED FIXED ASSETS US$

NAME OF ASSETS	**1**	**2**	**3**	**4**	**5**	6
Land And Buildings	100,000	10,000	10,000	10,000	10,000	10,000
Machinery, Tools & Equipment	50,000	10,000	10,000	10,000	10,000	10,000
Motor Vehicles	50,000	-	-	-	-	-
Furniture & Fixtures	5,000	3,000	1,000	1,000	-	-
Total	**205,000**	**23,000**	**21,000**	**21,000**	**20,000**	**20,000**
DEPRECIATION	**1**	**2**	**3**	**4**	**5**	6
Land and buildings	3,000	3,000	3,000	3,000	3,000	3,000
Machinery tools &	3,000	3,000	3,000	3,000	3,000	3,000

Equipment						
Motor Vehicles	4,000	4,000	4,000	4,000	4,000	4,000
Furniture & Fixtures	2,000	2,000	2,000	2,000	2,000	2,000
ANNUAL DEPRECIATION	**12,000**	**12,000**	**12,000**	**12,000**	**12,000**	**12,000**