|  |  |  |  |
| --- | --- | --- | --- |
| John Readings Pty Ltd.Profit and Loss 202x |   |   |  (all numbers in $000) |
|   |   |   | Amount | % of Sales  |
| Revenue |   |   |   |   |
| Gross Sales |   |   | $287,500  |   |
|  Less Sales Returns & Allowances |   | 22,500 |   |
| Net Sales |   |   | $265,000  | 100% |
|   |   |   |   |   |
| Cost of Sales |   |   |   |   |
| Beginning Inventory |   |   | $31,800 | 12% |
|  Plus Goods Purchased/Manufactured |   | 119,250 | 45% |
| Total Goods Available |   |   | $151,050  | 57% |
|  Less Ending Inventory |   |   | 47,700 | 18% |
| Total Cost of Goods Sold |   |   | $103,350  | 39% |
| Gross Profit (Loss) |   |   | $161,650  | 61% |
|   |   |   |   |   |
| Operating Expenses |   |   |   |   |
|  |   |   |   |   |
|  Salaries & Wages |   |   | $37,000  | 10% |
|  Payroll Taxes\* |   |   | 1,795 | 0.5% |
|  Insurance |   |   | 5,300 | 2% |
|  Rent |   |   | 15,900 | 6% |
|  Utilities |   |   | 7,950 | 3% |
|  Depreciation & Amortisation |   |   | 3,650 | 1% |
|  Office Supplies/ equipment |   |   | 7,950 | 3% |
|  Furniture & Equipment |   |   | 10,600 | 4% |
|  Transportation (Vehicle costs) |  |  | 5,300 | 2% |
|  Bookstore Fitouts (32 @$1.1M) |  |  | 35,200 | 14% |
| Total Operating Expenses |   | $114,745 | 22% |
| Net Income Before Taxes |   |   | $46,905  | 22% |
|  Taxes on Income |   |   |  13,133 | 7% |
| Net Income After Taxes |   |   | $33,772  | 13% |
| Extraordinary Gain or Loss |   |   | $0  | 0% |
| Income Tax on Extraordinary Gain |   |   | 0 | 0% |
| Net Income  |  |  | **$33,772**  | **13%** |

NOTES:

There are approx. 138 bookstores to be upgraded to include a café with average cost estimate @ $1.1M per café built. Café upgrades planned to occur over next 4 years.

\*Calculated at Vic rates of 4.85%