

## Appendix A

### MICHAEL'S BUSINESS CENTRE

INCOME STATEMENT - For the year ending December 31, 1999

Month	Jan 1	Feb 2	Mar 3	Apr 4	May 5	June 6	July 7	Aug 8	Sept 9	Oct 10	Nov 11	Dec 12	Total
Sales	\$ 16,000	\$ 16,000	\$ 22,000	\$ 22,000	\$ 27,500	\$ 27,500	\$ 27,500	\$ 28,500	\$ 35,000	\$ 35,000	\$ 38,500	\$ 39,500	\$ 335,000
Discounts (est @ 1%)	<u>(160)</u>	<u>(160)</u>	<u>(220)</u>	<u>(220)</u>	<u>(275)</u>	<u>(275)</u>	<u>(275)</u>	<u>(285)</u>	<u>(350)</u>	<u>(350)</u>	<u>(385)</u>	<u>(395)</u>	<u>(3,350)</u>
Net Sales	15,840	15,840	21,780	21,780	27,225	27,225	27,225	28,215	34,650	34,650	38,115	39,105	331,650
Cost of Sales													
Opening inventory	-	1,912	2,824	2,578	2,332	2,275	2,217	2,160	2,409	2,154	2,399	2,219	-
Paper & Copier Material	<u>13,000</u>	<u>12,000</u>	<u>15,000</u>	<u>15,000</u>	<u>19,000</u>	<u>19,000</u>	<u>19,000</u>	<u>20,000</u>	<u>24,000</u>	<u>24,500</u>	<u>26,500</u>	<u>27,500</u>	<u>\$ 234,500</u>
Ending inventory	<u>(1,912)</u>	<u>(2,824)</u>	<u>(2,578)</u>	<u>(2,332)</u>	<u>(2,275)</u>	<u>(2,217)</u>	<u>(2,160)</u>	<u>(2,409)</u>	<u>(2,154)</u>	<u>(2,399)</u>	<u>(2,219)</u>	<u>(2,345)</u>	<u>(2,345)</u>
	11,088	11,088	15,246	15,246	19,058	19,058	19,058	19,751	24,255	24,255	26,681	27,374	236,845
Gross Profit	4,752	4,752	6,534	6,534	8,168	8,168	8,168	8,465	10,395	10,395	11,435	11,732	94,805
as a %	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.29
Expenses													
Salaries	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,334	3,334	3,334	3,334	40,000
Other wages	750	750	750	750	750	750	750	750	750	750	750	750	9,000
Benefits	204	204	204	204	204	204	204	204	204	204	204	204	2,450
Rent & equipment leases	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
Promotion	2,000	275	275	275	275	275	275	270	270	270	270	270	5,000
Maintenance	250	250	250	250	250	250	250	250	250	250	250	250	3,000
General and office expenses	300	300	300	300	300	300	300	300	300	300	300	300	3,600
Telephone and utilities	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Insurance	166	166	166	166	166	166	166	166	166	166	166	166	1,992
Depreciation	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>	<u>9,000</u>
	9,753	8,028	8,028	8,028	8,028	8,028	8,028	8,023	8,024	8,024	8,024	8,024	98,042
Income (loss)	(5,001)	(3,276)	(1,494)	(1,494)	139	139	139	441	2,371	2,371	3,410	3,707	1,453
Income taxes	<u>(1,150)</u>	<u>(754)</u>	<u>(344)</u>	<u>(344)</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>102</u>	<u>545</u>	<u>545</u>	<u>784</u>	<u>853</u>	<u>334</u>
Net Income	<b>\$ (3,851)</b>	<b>\$ (2,523)</b>	<b>\$ (1,150)</b>	<b>\$ (1,150)</b>	<b>\$ 107</b>	<b>\$ 107</b>	<b>\$ 107</b>	<b>\$ 340</b>	<b>\$ 1,826</b>	<b>\$ 1,826</b>	<b>\$ 2,626</b>	<b>\$ 2,855</b>	<b>\$ 1,119</b>

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break-even point