



Created by RHONDA ABRAMS

Excerpted from **Business Plan In A Day**

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# PROFIT AND LOSS PROJECTION

## Produce your Income Statement

Your Income Statement, also referred to as a Profit and Loss (P&L) statement, is the most widely relied upon of your financial statements. It summarizes the amount of money taken in and the amount of money spent over a designated period of time. This summary of revenue and expenditures reveals whether your company is profitable. It is read from top to bottom, with the first line showing total overall sales. Each subsequent line shows expenses that are deducted from your income until you get to the number at the end representing your profit or loss: your “bottom line.”

Your Income Statement provides the quickest overview of your company’s profitability. Investors and lenders are naturally interested to know when you’re going to be profitable and how much money you’ll be making.

To prepare your Income Statement, gather detailed information about your sales and expenses. Feel free to change the terms/language on the specific lines—especially in the expenses section—to mirror the categories you use to maintain your own accounts.



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INCOME STATEMENT					
	January	February	March	April	May
<b>For Year</b> _____					
<b>INCOME</b>					
<b>Gross Sales</b>					
(Commissions)					
(Returns and allowances)					
<b>Net Sales</b>					
(Cost of Goods)					
<b>GROSS PROFIT</b>					
<b>OPERATING EXPENSES</b>					
<b>General and Administrative Expenses</b>					
Salaries and wages					
Employee benefits					
Payroll taxes					
Professional services					
Marketing and advertising					
Rent					
Equipment rental					
Maintenance					
Depreciation					
Insurance					
Telephone service					
Utilities					
Office supplies					
Postage and shipping					
Travel					
Entertainment					
Interest on loans					
Other:					
Other:					
<b>TOTAL OPERATING EXPENSES</b>					
<b>Net income before taxes</b>					
Provision for taxes on income					
<b>NET PROFIT AFTER TAXES</b>					

