



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>              |         |          |       |       |     |

