

EXHIBIT D

Overhead Expenses for Custom Blotter Company. Non-Franchised; Modest sales, Without 6% Royalty or 2% Ad Fee; + Adjustments [See Note]

6 Months to end Mar	2000 Oct	2000 Nov	2000 Dec	2001 Jan	2001 Feb	2001 Mar	00-01 6-Mths
Selling expenses (\$000):	The variable descriptions in blue can be changed						Tot/Avg
-Variable selling expenses as % sales *	12.0	12.0	12.0	12.0	12.0	12.0	12.0
-Variable selling expenses	1.2	1.6	2.0	2.5	3.0	3.1	13.4
-Advertising & brochures *	0.2	0.2	0.2	0.2	0.2	0.2	1.2
-Travel expenses							
-Public relations, exhibitions							
Total selling expenses (\$000)	1.4	1.8	2.2	2.7	3.2	3.3	14.6
Management/administration staff expenses:							Tot/Avg
-Clerical staff (Persons)	1.0	1.0	1.0	1.0	1.0	1.0	1.0
-Clerical payroll/benefits (\$000/pers/mth)	1.383	1.383	1.383	1.383	1.383	1.383	1.383
-Management staff (Persons)	1.0	1.0	1.0	1.0	1.0	1.0	1.0
-Management payroll/benefits (\$000/pers/mth)	2.667	2.667	2.667	2.667	2.667	2.667	2.667
Total management/admin staff exs (\$000)	4.1	4.1	4.1	4.1	4.1	4.1	24.3
General expenses (\$000):	The variable descriptions in blue can be changed						Total
-Office supplies etc.	0.1	0.1	0.1	0.1	0.1	0.1	0.6
-Mail, telephone, telex & fax	0.2	0.2	0.2	0.2	0.2	0.2	1.2
-Travel	1.0						1.0
-Computer supplies etc.	0.1	0.1	0.1	0.1	0.1	0.1	0.6
-Utilities	0.1	0.1	0.1	0.1	0.1	0.1	0.6
-Rent & property taxes	2.0	2.0	2.3	2.3	2.3	2.3	13.2
-Professional fees & audit							
-Miscellaneous expenses	0.2	0.2	0.2	0.2	0.2	0.2	1.2
Total general expenses (\$000)	3.7	2.7	3.0	3.0	3.0	3.0	19.4
Total overhead expenses (\$000)	9.2	8.5	9.2	9.7	10.3	10.4	57.2
Supplementary Data & Calculations:	* 8% royalty+ad fee deducted from sales expense, and dollars apportioned to line item brochures/advert.						

NOTE:

As there is no 8% franchise charge in Variable Selling Expenses, a compensating fixed expense is allowed for advertising and brochures, in this case \$200 per month, or \$2400 per year. A larger operation could budget more, as in the established operation depicted in the later section of this Tutorial.