

APPENDIX K

Financial Viability Analysis



GARNET K JOHNS B.Com. F.C.A.

• BUSINESS ADVISOR • CHARTERED ACCOUNTANT

6 January 2015

The Directors
Endo-Technik-Nord Pty Ltd
43 Holbeche Road
ARNDELL PARK NSW 2148

Dear Directors,

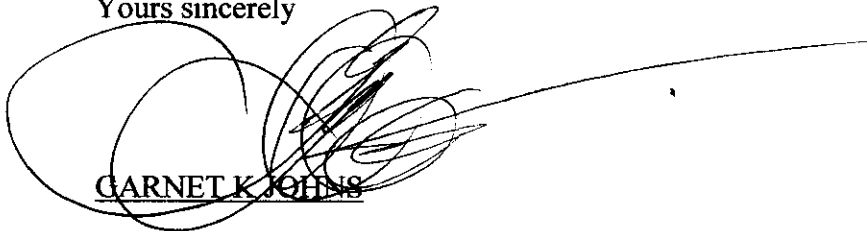
RE: ABATTOIR CONSTRUCTION

In response to your request for an analysis of current slaughtering costs versus costs related to the proposed construction of an onsite abattoir, I have prepared the attached summary.

The attached analysis indicates that the construction of an onsite abattoir would result in annual savings of \$162,950.

Please note that the above analysis has been prepared entirely from information provided by you and for the sole purpose of inclusion in the company's planning proposal application to be lodged with Kiama Municipal Council. I also advise that the above costings have not been subject to an audit or review.

Yours sincerely



GARNET K JOHNS

Encl.



Liability limited by
a scheme approved
under Professional
Standards Legislation

48/61-65 Glencoe Street Sutherland NSW 2232
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ENDO TECHNIK NORD PTY LIMITED
ABATTOIR COSTINGS
KIAMA MUNICIPAL COUNCIL PLANNING APPLICATION

	Description of Outgoings	Quantitiy	Charge per Unit	Total Cost
CURRENT COSTS FOR TWO ANIMALS				
	Slaughter Charge	2	235	470
	Transport to Hawkesbury	1	750	750
	Labour to transfer to Wilberforce	1	470	470
	Labour to swap Truck Tray to Cage	1	141	141
	Labour to swap Cage to Coolroom	1	141	141
	Labour to swap Coolroom to Tray	1	141	141
	Labour to pick up Carcass	1	376	376
	labour to Steam Clean Coolroom	1	47	47
	Transport Cost to Rose Valley	1	1000	1000
	Total Cost			3536
	Cost per Animal			1768
	Total Slaughter per annum	120	\$	212,160
PROPOSED COST WITH ONSITE ABATTOIR				
	Meat Inspector	120	60	7200
	Butcher	120	60	7200
	Cost of Funds (est \$350,000)			17500
	Depreciation of Plant & Buildings			30000
				61900
	Less: Recoveries			
	Hides	120	100	12000
	Hog Skins purchases saved			690
				12690
	Total Slaughter per annum	120	\$	49,210
TOTAL COST SAVING	Per Annum		\$	162,950



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6 January 2015

• BUSINESS ADVISOR • CHARTERED ACCOUNTANT

The Directors
Endo-Technik-Nord Pty Ltd
43 Holbeche Road
ARNDELL PARK NSW 2148

Dear Directors,

RE: RESTAURANT OPERATION

As requested by you I have completed the attached projections relating to the economic viability of construction and operation of a restaurant onsite at Rose Valley Road, Rose Valley.

These projections are highly dependent on the volume of patronage of the restaurant as many of the costs involved are fixed and do not vary significantly with turnover. It is therefore critical that the volume of weekly covers is attained as early as possible and that they are maintained in the future.

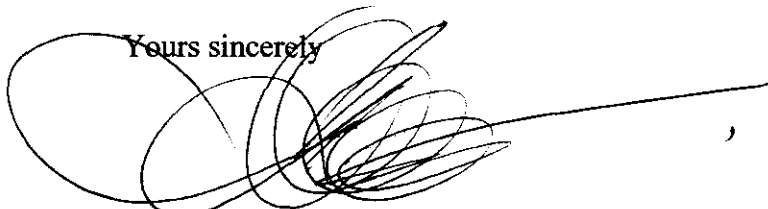
The projections include assumptions that the restaurant is open for lunch on five days and open for dinner over two sessions for three days per week. Any changes to these opening hours would significantly alter the economic viability of the restaurant.

Operating costs have been estimated based upon actual amounts provided by you and relate directly to the costs incurred by a currently operating, successful restaurant business.

The projections result in annual net operating income of \$176,400 which is likely to attract a high calibre restaurant operator.

Please note that the above analysis has been prepared entirely from information provided by you and for the sole purpose of inclusion in the company's planning proposal application to be lodged with Kiama Municipal Council. I also advise that the above costings have not been subject to an audit or review.

Yours sincerely



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ENDO TECHNIK NORD PTY LIMITED
RESTAURANT PROJECTIONS
PROJECTED INCOME AND EXPENDITURE
JANUARY 2015

AVERAGE SPEND	\$70.00	
GROSS WEEKLY INCOME		\$39,200.00
EXPENDITURE		
Salaries & Wages	\$13,720.00	
Food Costs	\$9,408.00	
Beverage Costs	\$7,840.00	
Insurance, Power, Rent & Maintenance	\$4,704.00	
		\$35,672.00
NET WEEKLY OPERATING INCOME		\$3,528.00
ANNUAL ESTIMATED NET INCOME		
ASSUMING CLOSED FOR 2 WEEKS PER YEAR		\$176,400.00

ENDO TECHNIK NORD PTY LIMITED
RESTAURANT PROJECTIONS
ESTIMATED WEEKLY COVERS
JANUARY 2015

MAXIMUM SEATING

80

DAY	LUNCH	DINNER EARLY SITTING	DINNER LATE SITTING	TOTAL GUESTS
MONDAY	CLOSED	CLOSED	CLOSED	0
TUESDAY	CLOSED	CLOSED	CLOSED	0
WEDNESDAY		20 CLOSED	CLOSED	20
THURSDAY		20 CLOSED	CLOSED	20
FRIDAY		40	70	70
SATURDAY		40	80	80
SUNDAY		60	40	40
TOTAL WEEKLY COVERS				560