

Practice and Revision Kit (SEPTEMBER 2022 EDITION)

Mock 3 Question 1 - Exhibit 4 - Appendix 1 (page 386)

The correct performance report should say:

Performance Report

Year to 30 June	20X5	20X4	Improvement year on year	Industry average
	\$m	\$m	%	%
Revenue	273	289	-6%	
Costs of sales	131	137		
Gross profit	142	152	-7%	
Administrative expenses	50	52		
Distribution expenses	28	29		
Selling and marketing expenses	51	52		
Operating profit	13	19		
Operating margin	4.8%	6.6%		11%
Exceptional costs	0	12		
Net financing costs	0	0		
Profit before tax	13	7	86%	