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INTRODUCING OUR

# BUSINESS ANALYSIS REPORT

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INCLUDES:

- NORMALISED PROFIT & LOSS
- CASHFLOW & BALANCE SHEET
- PRICING MODEL
- BUSINESS ROADMAP
- CLIENT CASE STUDIES



At Trinity Advisory, we believe that good Accountants know numbers, but great Accountants know people.

As great Accountants, we are passionate about taking your business to the next level. We do this by analysing your previous years financial data, understanding your 'WHY' and transforming them into a comprehensive 'story' via our Business Analysis Report.

This allows us to prepare a five year forecast, identifying the right opportunities that will add PROFITABLE growth to your business, then we work with you to set up strategies and actions to achieve your lifestyle goals.

Our expert team help you make proactive data-driven decisions in your business, taking you from the trap of self-employment to the freedom of true business ownership.



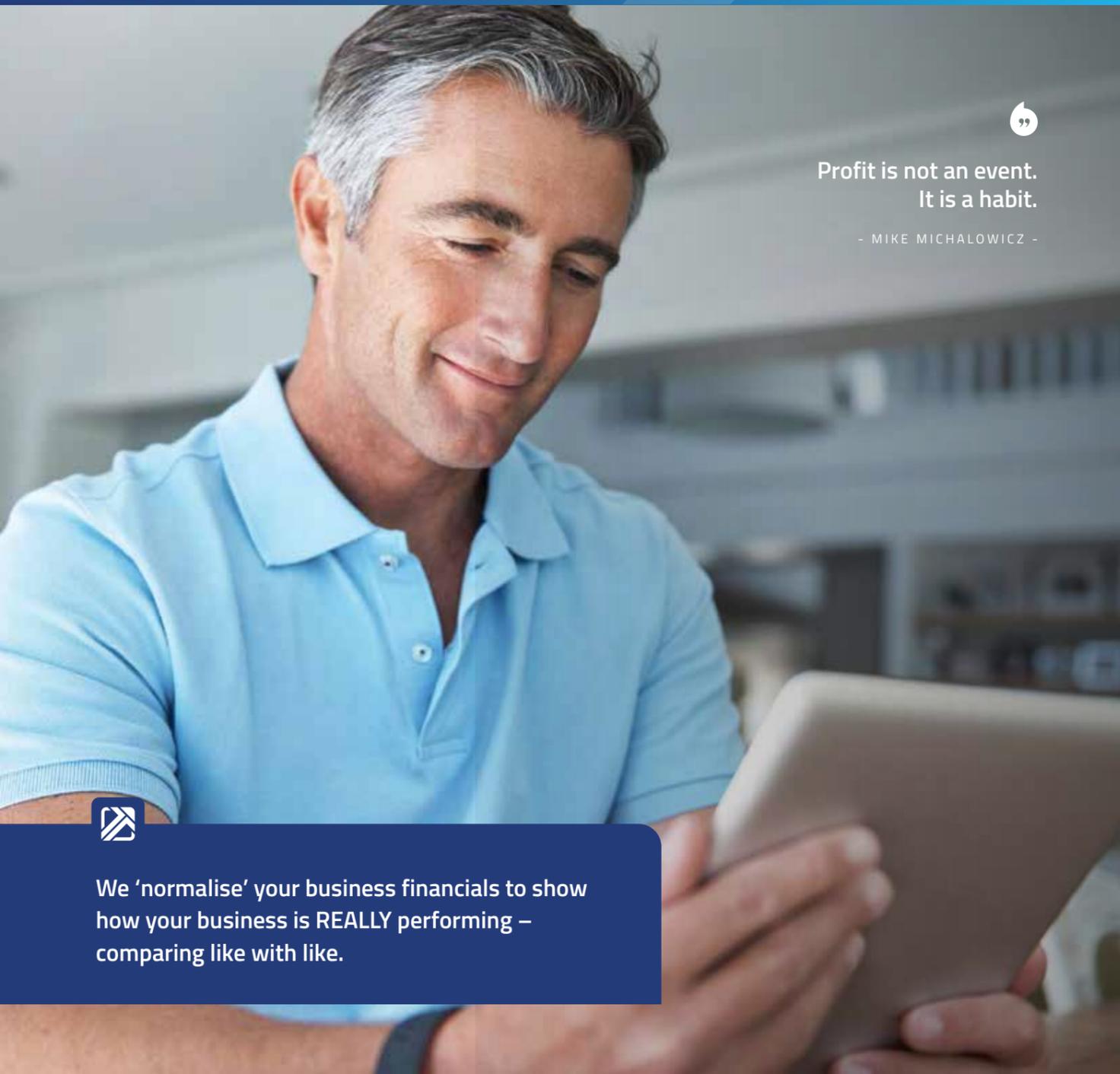
You can't manage what you don't measure.

- PETER DRUCKER -

Taking your business to the next level...



# Normalised Profit & Loss Report



Profit is not an event.  
It is a habit.

- MIKE MICHALOWICZ -



We 'normalise' your business financials to show how your business is REALLY performing – comparing like with like.

## Does your 'Profit & Loss' tell you the complete story?

The Normalised Profit & Loss is the foundation of our business advisory techniques. Using actual and budgeted numbers, we analyse the most important aspects of your business to identify potential opportunities, areas for improvement or concerns. We compare your business with how it was yesterday, to how it is today and, most importantly, where it should be in the future. Your business is benchmarked against others in your industry and this highlights opportunities for growth and increasing efficiencies.

**- Normalised Profit & Loss Report -**

Account	2022 Budget	2021	2020	2019	% of Revenue Budget	% of Revenue 2021	% of Revenue 2020	% of Revenue 2019	\$ Change 2022 Budget	\$ Change 2021	\$ Change 2020	% Change 2022	% Change 2021	% Change 2020	Benchmark
<b>Sales - Product 1</b>															
Opening WIP	102,733	312,813	235,113	164,758	8%	15%	14%	12%	(212,080)	77,700	70,315	-67%	33%	43%	
Sales - Product 1	1,980,000	1,479,236	1,346,011	1,170,862	81%	70%	82%	87%	804,794	130,225	174,530	34%	16%	15%	
Closing WIP	(120,990)	(762,733)	(372,873)	(335,113)	-3%	-5%	-19%	-17%	(17,257)	(210,365)	(77,793)	17%	-67%	33%	
<b>Total Sales - Product 1</b>	<b>1,861,743</b>	<b>1,686,316</b>	<b>1,267,241</b>	<b>1,180,507</b>	<b>86%</b>	<b>70%</b>	<b>75%</b>	<b>82%</b>	<b>277,417</b>	<b>416,365</b>	<b>196,737</b>	<b>29%</b>	<b>23%</b>	<b>18%</b>	
<b>Sales - Product 2</b>															
Sales - Product 2	495,000	436,303	363,328	346,303	23%	21%	22%	18%	46,897	73,025	116,830	11%	26%	47%	
<b>Total Sales - Product 2</b>	<b>495,000</b>	<b>436,303</b>	<b>363,328</b>	<b>346,303</b>	<b>23%</b>	<b>21%</b>	<b>22%</b>	<b>18%</b>	<b>46,897</b>	<b>73,025</b>	<b>116,830</b>	<b>11%</b>	<b>26%</b>	<b>47%</b>	
<b>Total Normalized Operating Revenue</b>	<b>2,447,793</b>	<b>2,122,619</b>	<b>1,630,569</b>	<b>1,526,810</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>205,114</b>	<b>491,940</b>	<b>283,739</b>	<b>15%</b>	<b>23%</b>	<b>21%</b>	<b>100%</b>
<b>Normalized Cost of Sales</b>															
<b>Inventory COGS - Product 1</b>															
Opening Inventory - Product 1	87,413	81,094	86,022	84,189	2%	3%	3%	3%	(14,811)	13,861	1,812	-10%	21%	3%	
Purchases	586,830	655,265	562,888	574,163	32%	32%	31%	34%	85,228	112,728	18,864	10%	26%	5%	
Closing Inventory - Product 1	(95,251)	(87,413)	(81,994)	(86,022)	-2%	-4%	-4%	-4%	(22,905)	(14,081)	(19,961)	-24%	-18%	-24%	
<b>Total Inventory COGS - Product 1</b>	<b>468,892</b>	<b>548,946</b>	<b>466,916</b>	<b>472,330</b>	<b>29%</b>	<b>29%</b>	<b>29%</b>	<b>34%</b>	<b>45,798</b>	<b>143,271</b>	<b>4,894</b>	<b>9%</b>	<b>28%</b>	<b>1%</b>	<b>31%</b>
<b>Inventory COGS - Product 2</b>															
Opening Inventory - Product 2	150,389	136,273	118,200	76,382	21%	21%	22%	21%	15,096	15,008	30,883	11%	16%	22%	
Purchases - Product 2	190,269	136,273	118,200	76,382	21%	21%	22%	21%	15,096	15,008	30,883	11%	16%	22%	
<b>Total Inventory COGS</b>	<b>716,230</b>	<b>685,416</b>	<b>605,116</b>	<b>548,712</b>	<b>29%</b>	<b>29%</b>	<b>30%</b>	<b>32%</b>	<b>60,894</b>	<b>158,279</b>	<b>45,477</b>	<b>9%</b>	<b>23%</b>	<b>18%</b>	<b>31%</b>
<b>Direct Employment Costs</b>															
Wages & Supervision	780,294	678,857	606,468	494,379	32%	32%	31%	30%	104,308	173,459	101,415	10%	34%	20%	
Other Employment Costs	24,478	12,200	12,200	8,800	1%	1%	2%	2%	11,173	1,150	2,200	84%	8%	21%	
Contracting Costs	33,842	31,229	48,819	40,408	1%	1%	3%	3%	2,614	(17,890)	8,511	8%	-28%	21%	
<b>Total Direct Employment Costs</b>	<b>838,614</b>	<b>722,286</b>	<b>667,487</b>	<b>443,587</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>	<b>34%</b>	<b>157,842</b>	<b>156,719</b>	<b>112,196</b>	<b>18%</b>	<b>28%</b>	<b>20%</b>	<b>38%</b>
<b>Total Cost of Sales</b>	<b>1,507,656</b>	<b>1,278,919</b>	<b>1,039,792</b>	<b>863,114</b>	<b>64%</b>	<b>60%</b>	<b>60%</b>	<b>67%</b>	<b>179,748</b>	<b>218,127</b>	<b>188,679</b>	<b>13%</b>	<b>26%</b>	<b>17%</b>	<b>66%</b>
<b>Normalized Fixed Operating Expenses</b>	<b>386,129</b>	<b>742,790</b>	<b>576,247</b>	<b>443,818</b>	<b>26%</b>	<b>35%</b>	<b>35%</b>	<b>29%</b>	<b>147,368</b>	<b>375,913</b>	<b>127,821</b>	<b>20%</b>	<b>36%</b>	<b>29%</b>	<b>24%</b>
<b>Normalized Variable Operating Expenses</b>															
Advertising & Marketing Expense	8,511	8,888	4,888	3,887	0%	0%	0%	0%	(3,144)	4,819	888	-12%	86%	22%	
Employment Expenses - Administration Staff	20,000	19,888	16,303	8,883	1%	1%	1%	1%	391	3,205	7,793	2%	20%	91%	
Insurance Expense	64,536	61,959	57,102	52,353	3%	3%	4%	4%	2,337	4,857	4,536	4%	8%	9%	
Motor Vehicle	8,588	8,006	4,877	3,489	0%	0%	0%	0%	581	128	1,388	11%	3%	40%	
Rentals & Fees	16,734	17,522	13,781	13,888	1%	1%	1%	1%	(786)	4,261	(935)	-4%	33%	-4%	
Repairs & Maintenance	22,890	20,790	16,303	14,489	1%	1%	1%	1%	2,392	3,265	1,265	11%	12%	20%	
Telephone & Internet Expense	88,876	88,876	52,887	47,879	3%	3%	3%	4%	6,228	3,883	4,798	14%	11%	13%	
Total Normalized Fixed Operating Expenses	217,898	282,316	173,848	136,816	9%	10%	11%	10%	14,733	28,345	21,812	7%	16%	16%	
<b>Total Normalized EBITDA</b>	<b>673,888</b>	<b>645,443</b>	<b>386,888</b>	<b>343,888</b>	<b>27%</b>	<b>29%</b>	<b>24%</b>	<b>22%</b>	<b>132,647</b>	<b>143,843</b>	<b>163,888</b>	<b>23%</b>	<b>26%</b>	<b>23%</b>	<b>24%</b>
<b>Normalized Depreciation &amp; Amortization</b>															
Amortization	2,895	3,895	3,254	818	2%	2%	2%	2%	0	875	2,254	2%	22%	27%	
Normalized Depreciation	70,200	60,200	45,200	45,200	2%	2%	2%	2%	10,000	15,000	0	17%	33%	0%	
<b>Total Normalized Depreciation &amp; Amortization</b>	<b>73,095</b>	<b>64,095</b>	<b>48,454</b>	<b>46,018</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>10,000</b>	<b>15,875</b>	<b>2,254</b>	<b>16%</b>	<b>33%</b>	<b>8%</b>	<b>4%</b>
<b>Total Normalized Operating Profit</b>	<b>388,391</b>	<b>478,744</b>	<b>348,875</b>	<b>347,882</b>	<b>24%</b>	<b>22%</b>	<b>21%</b>	<b>18%</b>	<b>122,647</b>	<b>127,968</b>	<b>168,888</b>	<b>28%</b>	<b>27%</b>	<b>41%</b>	<b>28%</b>
<b>Non-Operational Adjustments</b>															
<b>Government Grants</b>															
Cash Flow Boost	0	80,000	50,000	0	0%	2%	3%	0%	(80,000)	0	80,000	-100%	8%	0%	
Lease Impact	0	110,000	60,000	0	0%	1%	0%	0%	(110,000)	47,000	60,000	-100%	71%	0%	
Apportioned Reliefs - Subsidy	11,888	10,882	8,883	7,414	0%	0%	1%	1%	1,084	2,213	1,268	10%	26%	17%	
Total Government Grants	11,888	10,882	8,883	7,414	0%	0%	1%	1%	1,084	2,213	1,268	10%	26%	17%	
FDT Employee Contribution	2,309	2,323	3,362	4,208	0%	0%	0%	0%	48	(1,888)	(216)	2%	-10%	-8%	
<b>Total Non-Operational Revenue Adjustments</b>	<b>14,338</b>	<b>103,823</b>	<b>126,245</b>	<b>4,208</b>	<b>1%</b>	<b>0%</b>	<b>1%</b>	<b>0%</b>	<b>(195,488)</b>	<b>48,421</b>	<b>116,184</b>	<b>-81%</b>	<b>36%</b>	<b>27%</b>	<b>1%</b>
<b>Less: Non-Operational Expense Adjustments</b>															
Normalized Depreciation Adjustment	31,208	18,738	13,884	4,202	1%	1%	1%	0%	2,221	4,881	9,882	12%	38%	22%	
Depreciation	60,125	43,077	30,741	38,743	2%	2%	2%	3%	8,144	4,256	988	14%	11%	3%	
Normalized Depreciation Adjustment	(70,000)	(60,000)	(45,000)	(45,000)	-3%	-3%	-3%	-3%	(10,000)	(15,000)	0	-17%	-33%	0%	
<b>Total Normalized Depreciation Adjustment</b>	<b>1,183</b>	<b>3,712</b>	<b>8,389</b>	<b>(1,888)</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>-4%</b>	<b>(3,528)</b>	<b>(5,883)</b>	<b>10,888</b>	<b>-89%</b>	<b>-68%</b>	<b>-68%</b>	
<b>Employment Expenses - Related Party</b>															
Owner 1	188,000	188,000	171,409	98,000	8%	7%	8%	7%	44,700	21,950	22,900	20%	17%	33%	
Owner 2	188,000	188,000	171,409	98,000	8%	7%	8%	7%	44,700	21,950	22,900	20%	17%	33%	
<b>Total Non-Operational Expense - Related Party</b>	<b>376,000</b>	<b>376,000</b>	<b>342,818</b>	<b>196,000</b>	<b>15%</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>	<b>89,400</b>	<b>43,900</b>	<b>45,800</b>	<b>20%</b>	<b>17%</b>	<b>33%</b>	
Interest & Finance Charges	20,565	19,005	17,885	16,884	1%	1%	1%	1%	1,560	1,120	1,001	9%	6%	6%	
<b>Non-Reporting Items</b>															
Consulting Fees	1,888	1,820	1,760	880	0%	0%	0%	0%	18	70	780	1%	4%	80%	
Donations	2,250	1,200	780	388	0%	0%	0%	0%	1,050	420	380	88%	34%	101%	
Legal Fees	0	8,000	0	3,887	0%	0%	0%	0%	(8,000)	8,000	(3,887)	-100%	8%	-100%	
<b>Total Non-Reporting Items</b>	<b>4,138</b>	<b>9,020</b>	<b>2,540</b>	<b>4,268</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>(6,932)</b>	<b>8,420</b>	<b>(3,887)</b>	<b>-89%</b>	<b>21%</b>	<b>-82%</b>	
<b>Total Non-Operational Expense Adjustments</b>	<b>421,848</b>	<b>336,243</b>	<b>291,828</b>	<b>214,458</b>	<b>17%</b>	<b>16%</b>	<b>16%</b>	<b>16%</b>	<b>82,468</b>	<b>48,827</b>	<b>73,288</b>	<b>20%</b>	<b>18%</b>	<b>28%</b>	
<b>Total Non-Operational Adjustments</b>	<b>407,511</b>	<b>179,524</b>	<b>171,428</b>	<b>212,216</b>	<b>17%</b>	<b>8%</b>	<b>8%</b>	<b>16%</b>	<b>286,887</b>	<b>99,440</b>	<b>(48,788)</b>	<b>139%</b>	<b>-7%</b>	<b>-18%</b>	
<b>Accounting Profit (Loss) before Tax</b>	<b>188,880</b>	<b>309,220</b>	<b>177,447</b>	<b>135,666</b>	<b>8%</b>	<b>14%</b>	<b>11%</b>	<b>2%</b>	<b>(114,940)</b>	<b>128,773</b>	<b>141,881</b>	<b>-27%</b>	<b>71%</b>	<b>28%</b>	
<b>Less: Income Tax Expense</b>															
Income Tax Expense	40,888	70,480	34,389	0	2%	3%	2%	0%	(23,572)	34,071	34,389	-29%	139%	0%	
<b>Accounting Profit (Loss) after Tax</b>	<b>147,992</b>	<b>238,740</b>	<b>143,058</b>	<b>135,666</b>	<b>6%</b>	<b>11%</b>	<b>9%</b>	<b>2%</b>	<b>(91,368)</b>	<b>94,702</b>	<b>107,492</b>	<b>-40%</b>	<b>88%</b>	<b>28%</b>	

The above specified purpose report was prepared solely for the benefit of the client. Third-Party Advisory does not warrant responsibility to any other person or entity for the content of this special purpose report.

# Cash Flow & Balance Sheet

So, if I made that much profit... where has the money gone?

Most business owners are puzzled as to where their cash has gone in the business. Critical to sound financial management is knowing where the cash is in the business and how your operations are being funded.

Importantly you can determine what steps you need to take to control your cash flow going forward.



Revenue is vanity, profit is sanity, but cash is king.

- UNKNOWN -



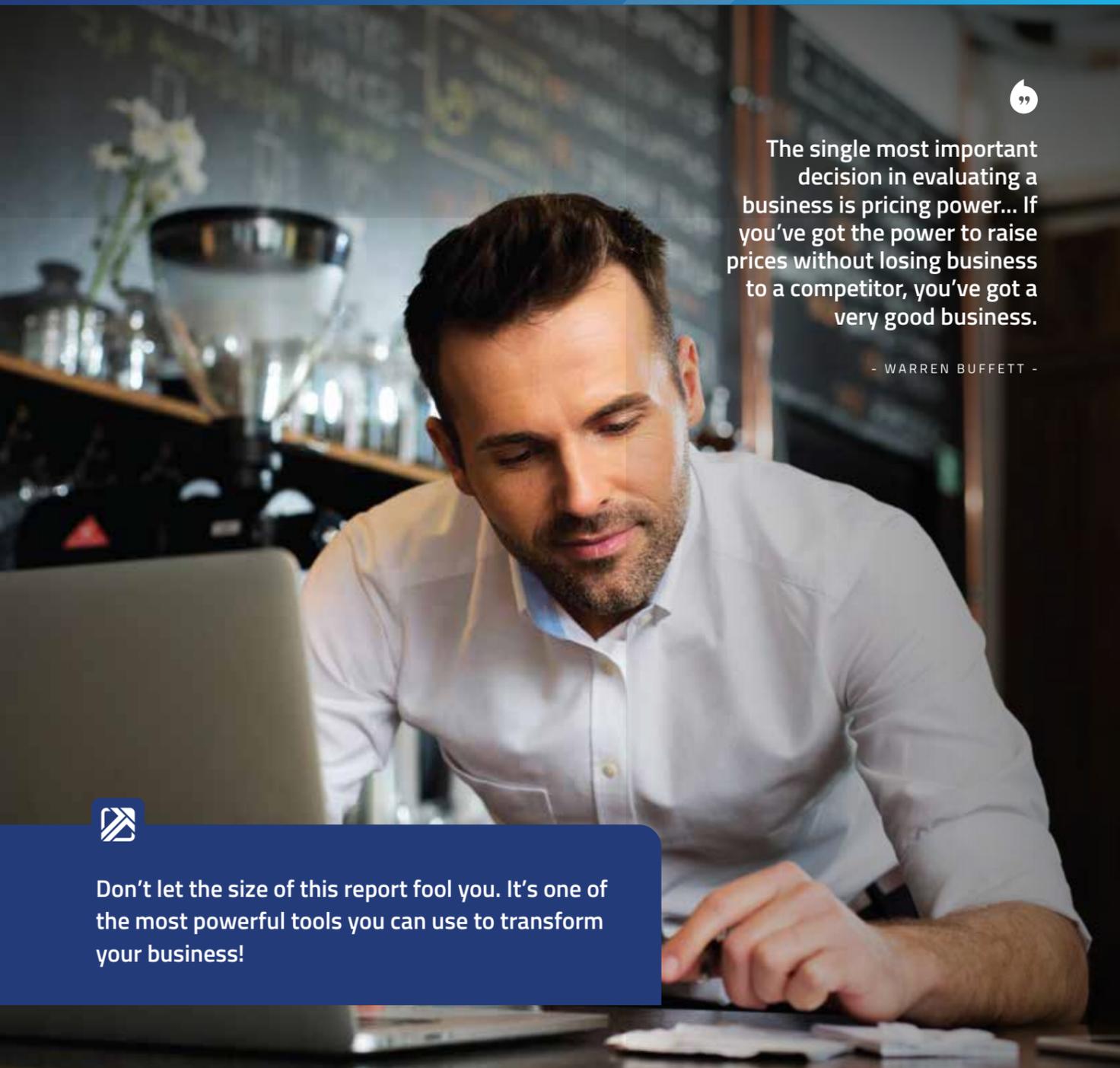
In layman terms, our analysis shows you how you are funding your operations and where your money is going.

## - Cash Flow & Balance Sheet -

Account	Trial Balance 2021	Trial Balance 2020	Trial Balance 2019	Trial Balance 2018	Cash Flow 2021	Cash Flow 2020	Cash Flow 2019	Cash Flow 2018
<b>Cash Flow</b>								
Accounting Profit	(833,324)	(503,504)	(351,334)	(328,192)	329,819	162,175	22,142	38,888
<b>Net Cash Profit Adjustments</b>								
Depreciation	(89,851)	(80,833)	(57,183)	(26,331)	9,018	23,480	39,862	2,389
Trade Debtors	84,181	25,462	35,354	27,599	(35,699)	(7,128)	9,234	(2,933)
Trade Creditors	(13,881)	(18,882)	(18,732)	(18,915)	(7,946)	1,277	(3,143)	(21,319)
Stock On Hand	81,227	81,864	86,632	84,159	(6,833)	(16,961)	(9,874)	34,829
Superannuation Payable	(22,030)	(12,338)	11,973	(5,908)	9,096	24,312	(18,882)	(2,845)
<b>Total Net Cash Profit</b>	<b>(763,688)</b>	<b>(607,991)</b>	<b>(328,831)</b>	<b>(266,660)</b>	<b>375,635</b>	<b>176,158</b>	<b>38,331</b>	<b>48,977</b>
<b>Balance Sheet Movements / Balances</b>								
<b>Fixed Asset Movement</b>								
Leasehold Improvements at Cost	86,898	48,389	23,055	21,095	(31,493)	(22,334)	(2,000)	(7,200)
Plant & Equipment	72,478	72,478	7,899	7,899	0	(84,376)	0	0
Vehicle	478,463	491,405	432,369	371,689	(78,358)	17,364	(148,688)	(62,907)
Intangible Assets Movements	7,803	16,723	13,850	5,538	2,526	3,127	(8,314)	(2,206)
GST / PAYG Movements	(44,307)	(87,693)	(27,320)	(54,969)	(23,336)	46,173	(27,448)	42,490
Income Tax Movements	(78,920)	(34,389)	0	(7,633)	42,561	34,389	(7,633)	3,381
Chattel Mortgages / Hire Purchase Movement								
2020 Wuzu D-Max	(34,894)	(43,455)	0	0	(8,560)	43,455	0	0
2019 Toyota Hilux	(23,038)	(29,013)	(42,052)	0	(6,000)	(13,038)	42,052	0
2019 Toyota Hiace	(23,424)	(29,498)	(48,180)	0	(5,994)	(18,794)	48,180	0
2018 Toyota Landcruiser	0	(89,786)	(95,448)	(71,441)	(89,786)	(11,980)	(93,969)	71,441
<b>Total Chattel Mortgages / Hire Purchase Movement</b>	<b>(81,327)</b>	<b>(162,749)</b>	<b>(146,680)</b>	<b>(71,441)</b>	<b>(99,340)</b>	<b>1,947</b>	<b>77,248</b>	<b>71,441</b>
<b>Owners Personal Drawings Account Movement</b>								
Owner 1	30,811	(18,025)	(78,432)	(11,325)	(34,630)	(60,426)	67,288	6,381
Owner 2	38,811	(18,025)	(78,432)	(11,325)	(34,630)	(60,426)	67,288	6,381
<b>Total Owners Personal Drawings Account Movement</b>	<b>73,622</b>	<b>(36,050)</b>	<b>(156,864)</b>	<b>(22,779)</b>	<b>(69,260)</b>	<b>(120,852)</b>	<b>134,576</b>	<b>12,762</b>
<b>Non Related Loans</b>								
Business Loans	0	(18,885)	(26,278)	(31,311)	(18,885)	(7,395)	(8,039)	(4,438)
Business Credit Card	(2,321)	(1,177)	(4,962)	(5,370)	1,144	(3,315)	(1,377)	1,276
Premium Funding Loans	(11,300)	(18,302)	(26,578)	0	(8,882)	(7,076)	29,578	0
<b>Total Non Related Loans</b>	<b>(14,621)</b>	<b>(38,364)</b>	<b>(57,818)</b>	<b>(37,681)</b>	<b>(26,623)</b>	<b>(18,786)</b>	<b>19,987</b>	<b>(3,162)</b>
<b>Total Balance Sheet Movements / Balances</b>	<b>483,323</b>	<b>264,343</b>	<b>73,688</b>	<b>112,182</b>	<b>(79,886)</b>	<b>(126,107)</b>	<b>37,668</b>	<b>34,797</b>
<b>Net Cash Flow</b>	<b>(280,365)</b>	<b>(343,648)</b>	<b>(255,143)</b>	<b>(154,478)</b>	<b>(42,251)</b>	<b>(49,949)</b>	<b>75,999</b>	<b>161,774</b>
<b>Bank Account Movements</b>								
Bank Account 1	18,850	13,363	2,524	12,090	(5,502)	(11,248)	9,346	(6,846)
Bank Account 2	273,321	264,841	172,877	188,278	(8,740)	(21,944)	(8,898)	(94,883)
Bank Account 3	5,064	24,773	78,644	0	18,709	83,871	(29,644)	0
Cash on Hand	120	120	120	120	0	0	0	0
<b>Total Bank Account Movements / Balances</b>	<b>297,365</b>	<b>303,097</b>	<b>254,165</b>	<b>190,488</b>	<b>6,467</b>	<b>(49,921)</b>	<b>(29,196)</b>	<b>(101,729)</b>
<b>Variance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The above special purpose report was prepared solely for the benefit of the client. Tully Accountants does not accept responsibility to any other person or entity for the content of this special purpose report.

# Your Business Pricing Model



“  
The single most important decision in evaluating a business is pricing power... If you've got the power to raise prices without losing business to a competitor, you've got a very good business.

- WARREN BUFFETT -



Don't let the size of this report fool you. It's one of the most powerful tools you can use to transform your business!

## Are you frightened to increase your prices for fear of losing customers?

This model uses your actual numbers and analyses what would happen if you raised your prices, how much more profit you can make before potentially losing customers, and how many customers you could afford to lose to maintain the same profit.

Conversely, if you always gave customers a discount or reduced your prices, how many additional customers would you have to obtain to maintain the same amount of profit. This model is critical to working out the best pricing strategy.

**- Pricing Model -**

Price Increase										
Price Increase	Extra Gross Profit from Price Increase	New Gross Profit	New Normalized Operating Profit	% Gross Profit Increase	% Normalized Operating Profit Increase	% of customers you would have to LOSE to have the SAME Gross Profit	New Gross Profit Margin %	New Normalized Operating Profit Margin %	New average sale price / hourly rate	
5%	\$ 106,100	\$ 848,880	\$ 822,844	54%	27%	-12%	58%	26%	\$	141.75
10%	\$ 212,200	\$ 954,980	\$ 888,944	29%	45%	-22%	41%	30%	\$	148.50
15%	\$ 318,300	\$ 1,061,080	\$ 955,044	4%	67%	-30%	4%	35%	\$	155.25
20%	\$ 424,400	\$ 1,167,180	\$ 1,021,144	57%	89%	-36%	46%	35%	\$	162.00
25%	\$ 530,500	\$ 1,273,280	\$ 1,087,244	71%	111%	-42%	48%	36%	\$	168.75
30%	\$ 636,600	\$ 1,379,380	\$ 1,153,344	86%	134%	-46%	50%	40%	\$	175.50
40%	\$ 848,800	\$ 1,591,580	\$ 1,325,444	114%	178%	-53%	54%	45%	\$	189.00
50%	\$ 1,061,000	\$ 1,803,780	\$ 1,537,544	143%	223%	-59%	57%	48%	\$	202.50
100%	\$ 2,122,000	\$ 2,864,980	\$ 2,588,644	280%	445%	-74%	68%	61%	\$	270.00

Discounts Provided										
Discount Provided	Loss of Gross Profit from Discounting	New Gross Profit	New Normalized Operating Profit	% Gross Profit Loss	% Normalized Operating Profit Loss	% of customers you would have to GAIN to have the SAME Gross Profit	New Gross Profit Margin %	New Normalized Operating Profit Margin %	New average sale price / hourly rate	
-5%	\$ (106,100)	\$ 836,880	\$ 770,844	-54%	-22%	17%	32%	18%	\$	128.25
-10%	\$ (212,200)	\$ 824,980	\$ 704,944	-29%	-45%	40%	26%	14%	\$	121.50
-15%	\$ (318,300)	\$ 813,080	\$ 639,044	-4%	-67%	75%	24%	9%	\$	114.75
-20%	\$ (424,400)	\$ 801,180	\$ 573,144	57%	-89%	133%	19%	5%	\$	108.00
-25%	\$ (530,500)	\$ 789,280	\$ 507,244	71%	-111%	250%	13%	3%	\$	101.25
-30%	\$ (636,600)	\$ 777,380	\$ 441,344	86%	-134%	599%	7%	-11%	\$	94.50
-40%	\$ (848,800)	\$ 759,580	\$ (17,556)	114%	-178%	N/A	-8%	-29%	\$	81.00
-50%	\$ (1,061,000)	\$ 741,780	\$ (184,656)	143%	-223%	N/A	-30%	-50%	\$	67.50

# Business Roadmap



The road to success is always under construction

- LILY TOMLIN -



We take the optimum margin derived from the Pricing Model, and show you the impact this will have.

## Is your business capable of delivering the lifestyle you've been planning for?

Our business growth analysis is our tool for the future and helps create the roadmap. Combining a number of variables, this modelling shows you what the business will look like in the future. It takes the guess work out of planning and lays the foundation for setting goals and objectives. It can answer questions such as;

- What will happen to my profit if I opened up a premises in the next few years?
- If I were to grow at the same rate, what would life look like in 5 years?
- What happens if I am able to control my costs over the next 5 years?
- What will happen to the value of my business over the next 5 years in preparation for retirement?

This report is revolutionary in helping you make the necessary changes to your business and help to achieve your business and lifestyle goals.

**- Business Roadmap -**

Business Roadmap	Past Periods		FY 2021		Future Periods					Break-Even FY 21 \$ 577,900
	FY 20A	FY 20A	FY 21A	FY 21F	FY 22F	FY 23F	FY 24F	FY 25F	FY 26F	
Revenue	\$ 1,346,930	\$ 1,430,639	\$ 2,121,679	\$ 2,447,800	\$ 2,815,000	\$ 3,152,800	\$ 3,531,100	\$ 3,933,600		
Monthly \$ Revenue	\$ 112,244	\$ 119,219	\$ 176,807	\$ 203,983	\$ 234,583	\$ 262,733	\$ 294,258	\$ 327,800		
Revenue % Growth from Prior Year	18%	23%	30%	35%	35%	35%	35%	35%		
Revenue \$ Growth from Prior Year	\$ 164,911	\$ 283,709	\$ 481,040	\$ 326,121	\$ 367,200	\$ 337,800	\$ 378,900	\$ 282,500		
Monthly \$ Revenue Increase	\$ 13,743	\$ 23,642	\$ 40,920	\$ 27,177	\$ 30,600	\$ 28,100	\$ 31,525	\$ 23,542		
Gross Profit	\$ 443,818	\$ 570,847	\$ 742,700	\$ 890,100	\$ 1,041,600	\$ 1,198,100	\$ 1,359,500	\$ 1,468,200		
Gross Profit Margin % / Trading Gross Profit %	33%	39%	35%	36%	37%	38%	39%	39%		
Fixed Costs	\$ 150,016	\$ 173,948	\$ 202,316	\$ 217,000	\$ 236,500	\$ 253,500	\$ 271,800	\$ 284,800		
Fixed Costs % Growth from Prior Year	40%	16%	16%	7%	9%	7%	7%	5%		
Fixed Costs % of Revenue	11%	12%	10%	9%	8%	8%	8%	7%		
EBITDA	\$ 293,800	\$ 396,900	\$ 540,483	\$ 673,100	\$ 805,100	\$ 944,600	\$ 1,087,700	\$ 1,183,400		
EBITDA % of Revenue	22%	28%	25%	27%	28%	30%	31%	31%		
EBITDA % Growth from Prior Year	0%	35%	30%	23%	20%	17%	15%	9%		
Less: Normalised Depreciation										
Normalised Depreciation	\$ 45,818	\$ 48,024	\$ 63,699	\$ 73,699	\$ 84,800	\$ 95,000	\$ 106,400	\$ 114,900		
Normalised Depreciation % of Revenue	3.4%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%		
Normalised Operating Profit	\$ 247,982	\$ 348,876	\$ 476,784	\$ 599,401	\$ 720,300	\$ 849,600	\$ 981,300	\$ 1,068,500		
Normalised Operating Profit % of Revenue	18%	24%	22%	24%	25%	27%	28%	27%		
Normalised Operating Profit % Growth from Prior Year	49%	41%	37%	26%	20%	18%	18%	9%		
Normalised Operating Profit \$ Change from Prior Year	\$ 131,005	\$ 100,894	\$ 127,868	\$ 122,657	\$ 130,899	\$ 129,300	\$ 131,700	\$ 87,200		
Less: Owners "Replacement" Wages										
Owner 1	\$ 120,000	\$ 130,000	\$ 135,000	\$ 140,000	\$ 152,600	\$ 163,587	\$ 175,365	\$ 183,783		
Owner 2	\$ 120,000	\$ 130,000	\$ 135,000	\$ 140,000	\$ 152,600	\$ 163,587	\$ 175,365	\$ 183,783		
Total Replacement Cost	\$ 240,000	\$ 260,000	\$ 270,000	\$ 280,000	\$ 305,200	\$ 327,174	\$ 350,731	\$ 367,566		
Plus: Private Expenditure	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000		
Adjusted Business Profit	\$ 32,982	\$ 113,876	\$ 211,784	\$ 344,400	\$ 440,100	\$ 547,430	\$ 655,570	\$ 725,930		
Business Multiplier	4	4	4	4	4	4	4	4		
Estimated Business Valuation	\$ 132,000	\$ 456,000	\$ 847,000	\$ 1,378,000	\$ 1,760,000	\$ 2,190,000	\$ 2,622,000	\$ 2,904,000		
Annual Wealth Creation	\$ 132,000	\$ 324,000	\$ 471,000	\$ 651,000	\$ 882,000	\$ 1,190,000	\$ 1,522,000	\$ 1,882,000		

# Client Case Studies

01

## BUILDING/CONSTRUCTION INDUSTRY

**Problem:** The Client had a stable building business but wanted advice on how to grow the business rapidly. The Client was experiencing margin pressure on tenders, and the current premises location and look wasn't reflective of his brand or aspirations.

**Solution:** We reviewed current and previous jobs and identified where he had gone well and not so well, which enabled the Client to make business improvements.

We helped him set KPI's in the business and what margin to aim for on materials and labour. Worked with his bookkeeper to improve the speed of his financial reporting, to assist in making better decisions.

Helped him with bank finance to purchase a better location. We visited various marketing companies with the Client to work on a branding and advertising niche.

**Outcome:** In the first 12 months the Client doubled his revenue and profits increased from \$175k to over \$400k. He no longer site supervises himself and is attracting higher spending Clients with strong margins. Jobs run without his day-to-day input. Instead, he focuses on winning new work. His profit will be over \$800k in FY22 and revenue over \$4m.

02

## CARPENTRY/CONSTRUCTION INDUSTRY

**Problem:** The Client started business as a sole trader and in recent years his wife joined him. Growth and profitability had been adversely impacted due to staff leaving and the need to upgrade equipment for efficiency to compete.

**Solution:** We met with the owners and staff to understand the bottlenecks / frustrations of using older equipment.

We benchmarked pricing and found the Client was "leaking" revenue by not charging for alterations to plans or mistakes made by builders.

We prepared financial documents so that the Client was able to obtain finance to purchase more modern equipment. We helped them change pricing schedules and attitude to charging for reworks.

We also moved the Client to a corporate structure for asset protection and operational benefits.

**Outcome:** In 6 months, the monthly turnover increased by 40% on the previous year, but more importantly, their gross profit margin increased from 24% to 37%. Their staff of 12 are much happier and they are now looking for bigger premises, due to capacity constraints, they are turning away work, even at the higher prices.

03

## AUTOMOTIVE INDUSTRY

**Problem:** The Client was deriving reasonable revenue (>\$2mil) however, due to high running costs, they were only running at a small profit. The accountant they had engaged for the last 10 years would repeatedly tell them that they should be happy as they had no tax to pay.

**Solution:** We went to their workshop and reviewed job cards, during which we identified a staff productivity issue, with hours worked not being charged out versus industry standards.

We reviewed internal systems and controls, then designed reports so that their staff were aware of their productivity.

We identified that their parts manager was making poor purchasing decisions by not sourcing alternative suppliers.

On our recommendation, they hired a new staff member for this role, who had valuable experience in the industry.

**Outcome:** In just over 2 years, the Client's profit increased from \$50K to \$350k. The cost of parts fell from 48% to 36% of revenue. The Client is now very happy to pay tax and is finding the process of applying for finance, to buy more equipment to grow the business, much easier.

04

## DIESEL INDUSTRY

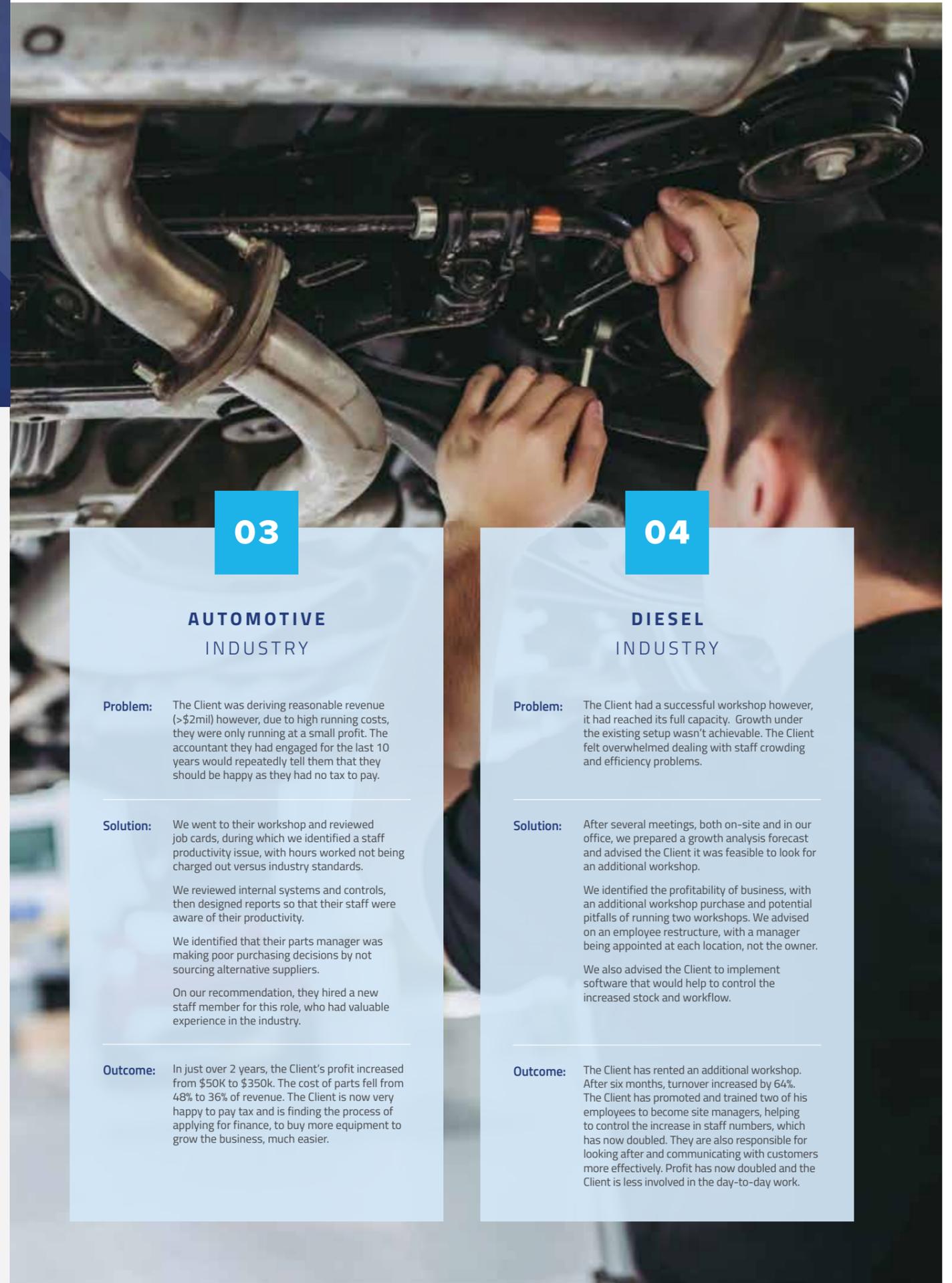
**Problem:** The Client had a successful workshop however, it had reached its full capacity. Growth under the existing setup wasn't achievable. The Client felt overwhelmed dealing with staff crowding and efficiency problems.

**Solution:** After several meetings, both on-site and in our office, we prepared a growth analysis forecast and advised the Client it was feasible to look for an additional workshop.

We identified the profitability of business, with an additional workshop purchase and potential pitfalls of running two workshops. We advised on an employee restructure, with a manager being appointed at each location, not the owner.

We also advised the Client to implement software that would help to control the increased stock and workflow.

**Outcome:** The Client has rented an additional workshop. After six months, turnover increased by 64%. The Client has promoted and trained two of his employees to become site managers, helping to control the increase in staff numbers, which has now doubled. They are also responsible for looking after and communicating with customers more effectively. Profit has now doubled and the Client is less involved in the day-to-day work.



05

### ELECTRICAL INDUSTRY

**Problem:** The Client was making less money than each of his employees and working twice as many hours. The Client was focused on increasing turnover and was taking on any work, believing this would make the business more profitable.

**Solution:** After a few meetings using reports from his job system, we helped the Client identify what his best and worst customers looked like, which then made his niche clear.  
We helped him understand pricing and margins and the impact on cash flow. We advised him to downsize his number of staff to align with his workload.  
We helped him to change his marketing strategy to target his ideal customers and spoke to his web designer. We also helped him to improve his sales scripts.

**Outcome:** In three years, the business has increased turnover from \$900k to \$2.5million, while keeping the gross profit margin above the industry average.

The Client comes in for quarterly meetings to review numbers, bounce around strategic ideas and set action plans. The Client has just turned 30 yrs old and has purchased his first commercial property.

06

### ENGINEERING/FABRICATION INDUSTRY

**Problem:** The Client was in business with family (not spouse or children) and they were considering dissolving the business due to tensions on how to run it. The business was doing okay, but with the right focus and investment, there was huge potential to take advantage of large upcoming contracts.

**Solution:** Firstly, we mediated between the family, arranged a fair sale from one party to another and a subsequent restructuring of the trading entity, in preparation for future contracts.  
Within the new entity, we advised the Client to change job management software.  
We advised the Client to increase staff pay to retain and attract the skilled labour needed to perform the work.  
We also helped the Client understand their hourly costs including all overheads.

**Outcome:** The Client has won a number of very large contracts, transforming the business from 8 to over 25 staff in one year, allowing for even larger contracts to be tendered for. Profit margins are up and this year they forecast net profit to be well over \$1m. The Client is in the process of buying a shed next to the one the business currently rents to handle expansion.

07

### SUPPORT SERVICES INDUSTRY

**Problem:** The Client had worked in the industry but was new to the business, and was looking for guidance and strategic advice. The Client's revenue had grown from zero to \$900k in only 6 months, but they were struggling to control costs. They were concerned about growing too big, too fast and then going insolvent.

**Solution:** We prepared weekly reports to help the Client understand the day-to-day running of the business and ensure that expenses, particularly wages and overtime, would not get out of control.  
We broke down the revenue to an hourly rate so that the Client could compare the hourly wage cost.  
We helped the Client through the process of getting a new lease signed to support expansion and provide unique experiences to their customers.

**Outcome:** The Client has continued to rapidly grow the business's revenue and profitability, forecasted to achieve \$2.5m revenue this year. The new building and its fit-out have allowed the Client to provide better and more unique services. They are planning on purchasing their custom-designed housing and day centres.

08

### SERVICE INDUSTRY

**Problem:** The Client's business had been stagnant for a few years, as they had lost focus and interest and were not sure what to do. They wanted someone to bounce ideas around with, but the current accountant was not providing advice beyond taxation and compliance.

**Solution:** Using Xero software, we showed the Client who their best customers are, then helped them plan to visit these customers and ask questions on how they could improve their service.  
As a result of the feedback they received, they made changes and began actively calling and visiting potential Clients in their niche to start forming new relationships.  
We helped the Client set quarterly targets and action plans, systemise processes and suggested changes to their marketing strategies.

**Outcome:** Having experienced positive results, the Client decided not to sell the business and instead has expanded to a new location and hired new staff to help run the business. Their profit has increased by \$200k pa, and they are now excited by and passionate about their business again. The Client has set up a Self Managed Super Fund to purchase their office premises, with plans to add more buildings in the future.

## At Trinity, our clients experience:

**PROGRESS.** Most accountants look at your past; we look at your future. We provide innovative strategies and solutions to future-proof your business. As Xero experts, we're committed to tools that enhance your business, give you more autonomy and help you thrive now and in the future.

**PERSONALITY.** We want to involve, educate and empower you to achieve your business and personal goals. We have the skills to bridge the financial gaps in your business, and the passion to truly engage and inspire you in the process.

**PROACTIVE.** We're not your 'typical accountant.' You know, the ones that contact you once at the End of Financial Year, and then again to send an invoice. We proactively seek solutions and improvements to create successful, sustainable and profitable businesses.

**SERVICE.** We pride ourselves on exceptional customer service and personalised client management. You're more than a number at Trinity Advisory, and our mission is to help the people behind the business achieve their lifestyle goals.

# OUR PASSION. YOUR POTENTIAL.

DYNAMIC | INSIGHTFUL | STRATEGIC



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