
ALL 5 SME PILLARS · ONE PDF

The Master SME Guide

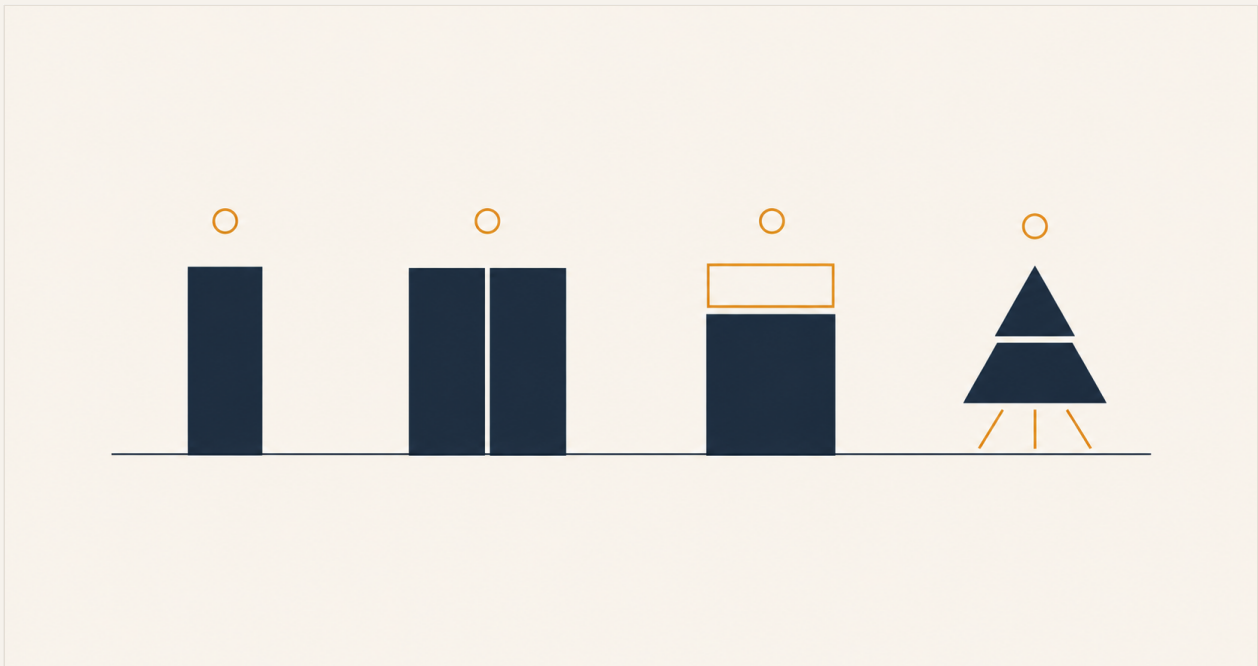
Five plain-English guides for Australian owners — structure, tax, tradies, cash flow, and tech — bundled into one printable companion. Every worked example, every checklist, every framework, in the order you need them.

- | | | |
|-----------|--|----------------|
| 01 | Business structures
Sole trader vs partnership vs company vs trust — tax brackets, costs, liability, and when to switch. | 6 PAGES |
| 02 | SME tax handbook
BAS, GST, PAYG, fringe benefits, the EOFY toolkit, and the 2025-26 ATO compliance landscape. | 6 PAGES |
| 03 | Quote, Invoice & Get Paid (Tradies)
Templates, the late-payment chase script, and the deductions tradies actually claim. | 6 PAGES |
| 04 | The 13-Week Cash Flow Pack
The forecast structure, the Monday 15-minute routine, and the seven red flags to act on. | 6 PAGES |
| 05 | Cyber baseline + SaaS audit
The 7-control security baseline and the SaaS spend trimmer for Australian SMEs. | 6 PAGES |

FOR AUSTRALIAN FOUNDERS · 2025-26 EDITION

Choosing Your Business Structure

A practical toolkit for picking — or revisiting — the legal entity that quietly compounds in your favour for decades.



EDITION
2025-26 (Australia)

FORMAT
6-page toolkit

PAIRS WITH
Pillar 1 article

SECTION ONE

The four structures at a glance

Australia recognises four main legal structures for operating a business. Variants exist, but in practice almost every Australian SME runs as one of these. Use this page as the orientation map; the rest of the toolkit goes deeper.

STRUCTURE A

Sole Trader

WHAT IT IS You and the business are the same legal entity. Income flows straight to your personal return.

BEST FOR Low-risk service work, income under ~\$80k, single operator, testing a new idea.

AVOID IF You hold inventory, employ staff, sign large contracts, or own assets worth protecting.

RUN COST \$800-\$2,000 / year accountant. No ASIC fees.

STRUCTURE B

Partnership

WHAT IT IS Two or more people share a business under a partnership agreement. Each partner is taxed personally.

BEST FOR Long-trusted family pairs, regulated professional partnerships, short joint ventures.

AVOID IF You're partnering for convenience. You're liable for your partner's debts too, jointly and severally.

RUN COST \$1,500-\$3,000 / year accountant. Partnership return adds complexity.

STRUCTURE C

Pty Ltd Company

WHAT IT IS A separate legal entity. The company owns the business. You own shares in the company.

BEST FOR Growth-oriented SMEs, businesses with employees or inventory, founders who want to retain profits.

AVOID IF Income is low and risk is genuinely minimal. Compliance overhead exceeds the asset-protection benefit.

RUN COST \$611 setup + \$329 ASIC/yr. \$2,500-5,000/yr accountant.

STRUCTURE D

Discretionary Trust

WHAT IT IS A trustee (often a company) holds business assets for beneficiaries. Income is distributed each year.

BEST FOR Family businesses, income splitting between adult beneficiaries, asset protection at scale.

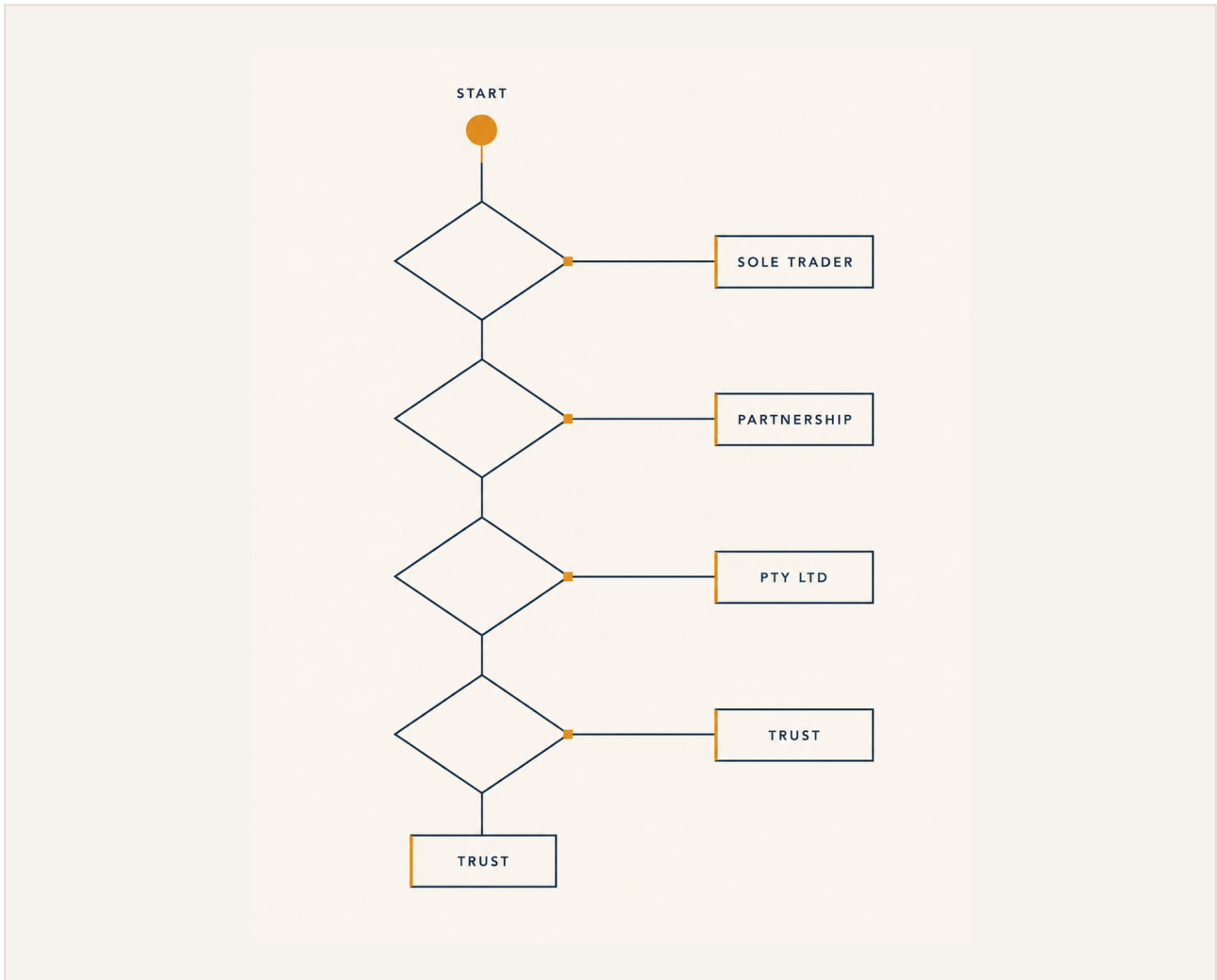
AVOID IF You're a single operator. Complexity and accounting fees outweigh the benefits at low income.

RUN COST \$1.5k-3.5k setup. \$4k-8k/yr accountant. Trust deed required.

SECTION TWO

The decision tree

Most founders pick the wrong structure because they answer the wrong first question. This tree walks the decision in the right order — risk, then partners, then scale, then tax — so the structure that emerges is the one that fits, not the one that was easiest to set up.



HOW TO READ THIS TREE

Answer each question honestly about today, not the business you hope to have in three years. If a "yes" or "no" feels forced, stop — that's the question to take to a registered tax agent. The tree returns the structure that's right for now; revisit it whenever you tick a box on Page 5.

SECTION THREE

Side-by-side comparison

The honest numbers and obligations behind each structure in 2025–26 dollars. Use this when you want the specifics — not the marketing pitch your accountant uses on the homepage.

DIMENSION	SOLE TRADER	PARTNERSHIP	PTY LTD	TRUST
SETUP COST	ABN free	ABN free + agreement (\$500–\$2k)	\$611 ASIC (direct)	\$1.5k–\$3.5k + corporate trustee
ANNUAL ASIC FEE	None	None	\$329	\$329 (if corporate trustee)
ACCOUNTANT FEES / YR	\$800–\$2,000	\$1,500–\$3,000	\$2,500–\$5,000	\$4,000–\$8,000
TAX RATE	Personal (0–45%)	Personal (per partner)	25% BRE / 30% std	Distributed at beneficiary rate
PERSONAL LIABILITY	Unlimited	Joint & several, unlimited	Limited to shares	Limited via corporate trustee
ASSET PROTECTION	None	None	Strong (subject to director duties)	Very strong
RETAIN PROFITS	No — all to personal return	No — all to partners	Yes — taxed at 25%/30%	Distributable but not retainable tax-free
INCOME SPLITTING	Not possible	Fixed by agreement	Limited (PSI rules apply)	Flexible across beneficiaries
IDEAL INCOME RANGE	\$0–\$80k	Case-by-case	\$80k+ if liability	\$200k+ with family
EXIT / SALE PATH	Sells goodwill only	Sells partnership interest	Sells shares (premium multiples)	Trust deed dictates

Figures and concessions reflect the 2025–26 Australian tax year and ASIC fee schedule. Always validate with a registered tax agent before acting — fees and thresholds change every July.

SECTION FOUR

When to revisit your structure

Most founders pick a structure at startup and never revisit. That's how a sole trader ends up paying tens of thousands of avoidable tax — and how a Pty Ltd carries ASIC fees for a business that should have been wound down two years ago. Tick any box below and it's time for a 30-minute conversation with a registered tax agent.

The trigger checklist

- Your net business income is on track to reach **\$100,000** and you're not drawing it all personally.
- You're about to hire your **first employee** — or your second.
- You're **holding inventory worth \$30,000+** at any time, or signing contracts that put significant assets on the line.
- You're bringing on a **co-owner, business partner, or major investor**.
- You're about to **buy commercial property** or substantial equipment in the business's name.
- Business income predictably exceeds personal living needs by **\$30,000+** annually (i.e. you could retain profits).
- Customer contracts **name you personally**, not the business — your personal assets are exposed.
- You're building a **brand, IP, or customer book** that you might want to sell later.

WORKED EXAMPLE

James, \$150k profit, \$80k of inventory

James runs a Shopify store doing \$400,000 revenue and \$150,000 net profit in 2025–26. He holds \$80,000 of inventory and ships 30 orders a day from a small warehouse. As a sole trader he'd pay ~\$39,840 (income tax + Medicare). As a Pty Ltd (BRE 25%) the company pays \$37,500. Apparent saving: \$2,340 — negligible.

The real reason James went Pty Ltd: his inventory and supplier and 3PL contracts are held by the company, not by him personally. A defective product, a warehouse dispute, a customer injury — none of them reach his house. The structure earns its keep on liability, not tax.

SOLE TRADER

\$39,840

tax + Medicare on \$150k

PTY LTD (BRE)

\$37,500

company tax on \$150k

ASSET SHIELD

\$80,000

inventory in company

WHERE TO GO FROM HERE

Next steps & further reading

This toolkit is the homework. The next conversation is with a real tax agent who can read your specific numbers, risk profile, and timeline. Below are the tools and articles that go deeper.

COMPANION ARTICLE

Australian business structures, explained in plain English

The 5,000-word pillar article this toolkit summarises. Worked examples for each structure in 2025–26 dollars, plus when to choose hybrids.

[Read on lkbusinessadvisory.com.au](https://lkbusinessadvisory.com.au) →

INTERACTIVE TOOL

Sole Trader vs Pty Ltd calculator

Drop in your projected revenue and expenses to see live after-tax take-home under each structure. Built around the 2025–26 brackets, with franking-credit logic for Pty Ltd.

[Try the calculator](#) →

DIAGNOSTIC

Business Health Score

12-question diagnostic across cash flow, tax, operations, market, tech, and governance. Your structure is one of the levers it surfaces.

[Take the assessment](#) →

WEEKLY BRIEFING

The LK Brief

Plain-English tax and business notes for Australian SMEs and tradies. Free, no spam, one email per week.

[Subscribe](#) →

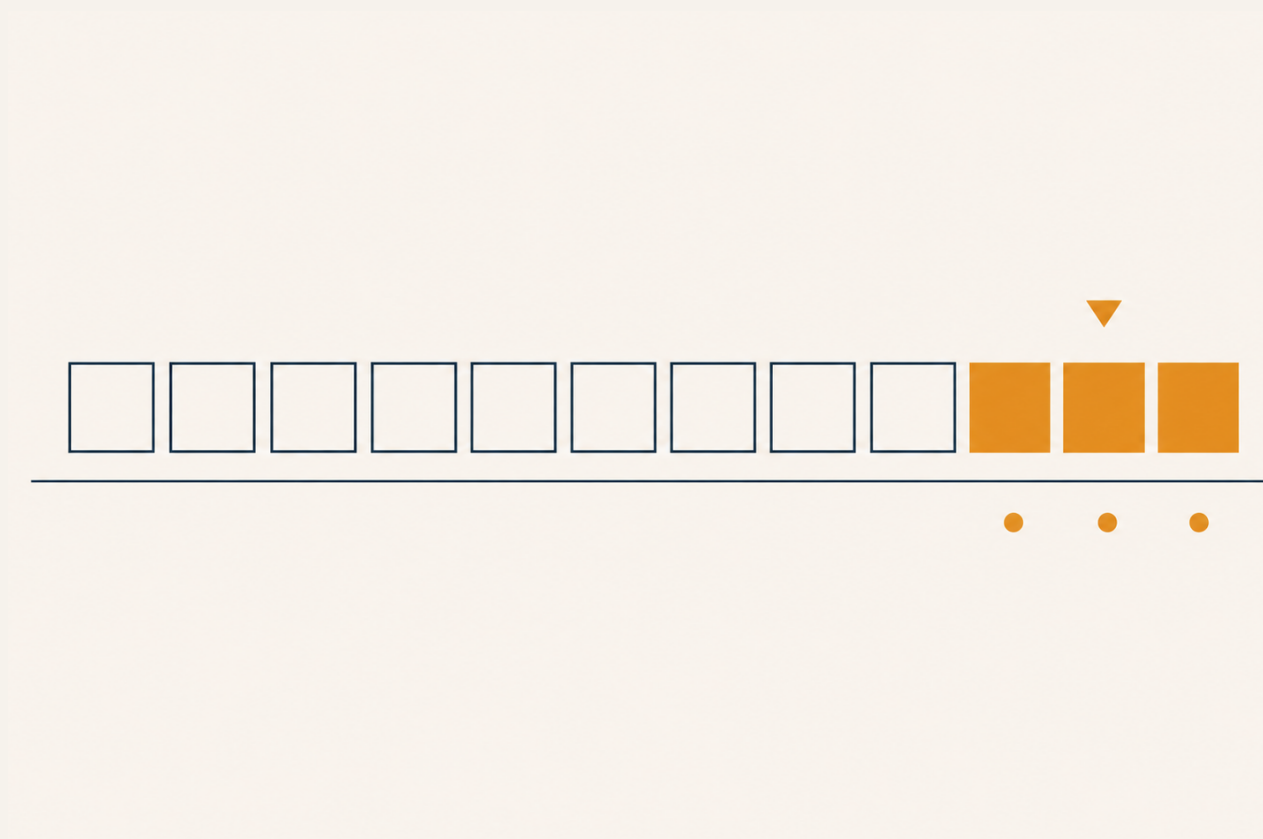
Structure is the quiet decision. Most founders make it once, in the first month, when they know least about their own business. The good ones revisit it every two years — usually after the first time a customer, a partner, or the ATO reminds them why it mattered.

LK EDITORIAL STANDARDS · 2025-26 FRAMEWORK

FOR AUSTRALIAN SMES · 2025-26 EDITION

The EOFY Toolkit

A 90-day plan, a weekly reserve calculator, and the ATO traps to avoid. Survive June 30 without the panic.



EDITION
2025-26 (Australia)

FORMAT
6-page toolkit

PAIRS WITH
Pillar 2 article

SECTION ONE

The 90-day EOFY plan

Most SMEs treat June 30 as a deadline. The owners who don't panic treat it as a project that started on April 1. Three months, three focused efforts, in this order.

Print this. Tick as you go.

APRIL · THE AUDIT MONTH

- Reconcile every bank account against Xero/MYOB. No unmatched transactions.
- Confirm every invoice issued in the year is in the books. Cross-check against your sent-folder.
- Chase every overdue invoice. Anything more than 60 days old: decide to write off or pursue.
- List every business asset purchased this year over \$300. Note date, cost, purpose.
- Confirm your separate GST/PAYG reserve balance covers what you'll owe in July's BAS.

MAY · THE PLANNING MONTH

- Book a 30-minute call with your registered tax agent. Yes, before EOFY. Yes, even if you "always do it in July".
- Decide whether to bring forward any planned asset purchases under the instant asset write-off threshold.
- Calculate your concessional super contribution headroom. Plan top-up by June 25 (allow 5 days to clear).
- Identify deductible expenses you can prepay before June 30 (insurance, subscriptions, professional fees).
- If incorporated: confirm your director's resolution paperwork is up to date for the year.

JUNE · THE EXECUTION MONTH

- Process planned asset purchases and prepayments by **June 25** (not June 30 — bank processing).
- Make super contributions by **June 25** for them to count this financial year.
- Conduct stocktake at close of business June 30 if you hold inventory. Document and photograph.
- Issue final invoices for work completed but not yet billed. Recognise income in the right year.
- Back up your accounting file. Export PDF copies of every reconciled bank statement.

SECTION TWO

The weekly reserve calculator

"Scrambling at BAS time" is the most common SME tax pain in Australia, and the fix is one habit: every time money lands, sweep a fixed percentage to a separate account before you do anything else. Use the table below to set your sweep rate. Open a second bank account today if you don't have one. Name it "Tax".

YOUR SITUATION	GST SWEEP	INCOME TAX SWEEP	SUPER SWEEP	TOTAL OF EVERY \$
SOLE TRADER · UNDER \$75K REVENUE	0% (not registered)	15-20%	0% (optional)	15-20¢
SOLE TRADER · \$75K-\$135K	9% of net sales	20-25%	10% if self-paying	30-40¢
SOLE TRADER · \$135K+	9% of net sales	30-35%	10-15%	40-50¢
PTY LTD · BRE	9% of net sales	25% on profit	12% on director wages	30-40¢
PTY LTD · STANDARD RATE	9% of net sales	30% on profit	12% on director wages	35-45¢
PTY LTD WITH EMPLOYEES	9% of net sales	25-30% on profit	12% on all wages	40-50¢

GST is roughly 9% of net (ex-GST) sales because you collect 10% and remit it less input credits — call it ~9% as a planning figure. Income tax sweep is a planning percentage for your worst-case outcome; you'll true it up at year-end. Super is shown at the 2025-26 rate of 12%.

WORKED EXAMPLE

Mark, a Pty Ltd electrician with 2 staff

Mark's company invoices \$30,000 (incl. GST) in a typical week. Every Monday, before any other transfer, he sweeps three amounts from the operating account to dedicated holding accounts:

GST HOLDING

\$2,727

~9% of ex-GST sales

INCOME TAX HOLDING

\$3,500

~25% of expected profit margin

SUPER HOLDING

\$1,200

12% of weekly wages payable

When the quarterly BAS arrives, the money is already there. No personal-card emergency, no payment plan, no compounding interest. Two minutes a week.

SECTION THREE

Concessions that quietly pay

Most eligible SMEs leave these on the table because no one told them to claim. None require complex planning. All require you to do something *before* June 30.

CONCESSION	WHAT IT DOES	ACTION BY JUNE 30	TYPICAL VALUE
INSTANT ASSET WRITE-OFF	Immediate deduction for eligible asset purchases under the threshold, instead of depreciating over years.	Buy and have asset installed ready for use.	Hundreds to thousands per asset.
PREPAID EXPENSES	Claim a deduction this year for an expense paid this year but covering up to 12 months ahead (insurance, subscriptions, rent).	Pay the invoice before June 30.	Equal to your marginal rate × prepaid amount.
CONCESSIONAL SUPER TOP-UP	Personal deductible super contribution up to your annual cap. Reduces taxable income.	Contribution must be received by your fund by June 30 (allow 5 business days).	Marginal rate × top-up; often \$5k-\$15k of tax.
SMALL BUSINESS CGT CONCESSIONS	Reduces or defers capital gains tax on the sale of active business assets (including the business itself).	Eligibility check before signing. Not last-minute.	50-100% reduction on qualifying gains.
TRADING STOCK VALUATION	You can value end-of-year stock at cost, market value, or replacement value — whichever gives the best tax outcome.	Stocktake at June 30 with values recorded.	Marginal rate × valuation difference.
BAD DEBT WRITE-OFF	Deduction for invoices you've genuinely tried and failed to collect within the year.	Document collection attempts; write off in the books before June 30.	Marginal rate × written-off amount.
LOSS CARRY-BACK (COMPANIES)	Eligible companies can carry tax losses back against previously-taxed profits to claim a refund.	Confirm eligibility with agent at tax time.	Up to the company tax paid in prior years.



The timing trap

"I'll just do it on June 30" doesn't work. Banks take 1-5 business days. ATO super contributions take longer. Plan for everything to be done by **June 25**.



The "I'll just buy something" trap

The instant asset write-off saves your marginal rate × cost. If you don't actually need the asset, you've spent 100¢ to save 30¢. Only bring forward purchases you'd make anyway.

SECTION FOUR

The five most expensive ATO traps

ATO debt collection actions hit multi-year highs in 2025. These are the traps that put owners on the back foot — and once you're on the back foot with the ATO, the catch-up rarely happens. Avoid all five.

TRAP	HOW IT BITES	THE FIX
GST CLASSIFICATION ERRORS	Claiming GST credits on input-taxed sales (residential rent, financial services) or GST-free purchases (basic food, medical). Triggers back-taxes plus interest on review.	If unsure whether a sale or purchase has GST in it, ask your agent before lodging. Don't guess.
LATE BAS LODGEMENT	Penalties accrue automatically. Three missed lodgements typically triggers an ATO debt-collection contact.	Lodge on time even if you can't pay in full. Lodgement and payment are separate ATO processes.
CONTRACTOR VS EMPLOYEE MISCLASSIFICATION	Treating an employee as a contractor to avoid super and PAYG. The ATO's "common law" test ignores what the contract says — it looks at the actual relationship.	If the worker is essentially full-time, you direct their hours, and they have no other clients — they're an employee. Pay accordingly.
SUPER GUARANTEE CHARGE (SGC)	Missing the quarterly super deadline by one day triggers SGC: lost deduction + admin fee + nominal interest. Compounds fast.	Pay super 7 days before the quarterly deadline. Always.
DIRECTOR PENALTY NOTICES (PTY LTD)	If your company doesn't pay PAYG withholding, super guarantee, or GST on time, the ATO can issue a Director Penalty Notice making you personally liable for the company debt.	Lodge on time even when you can't pay. DPN protection requires lodgement within 3 months of due date.

The owners who slept best last June were the ones who'd already moved GST and PAYG money to a separate account. Tax discipline is one habit, set up once. Tax panic is what happens when you don't.

LK EDITORIAL STANDARDS · 2025-26 FRAMEWORK

WHERE TO GO FROM HERE

Next steps & further reading

This toolkit covers what you can do alone. The annual conversation with a registered tax agent is still essential — but you'll arrive at it organised.

COMPANION ARTICLE

The SME tax handbook (Australia, 2025-26)

The full pillar article: brackets, GST rules, super obligations, structure considerations, and worked examples for every common SME situation.

[Read on lkbusinessadvisory.com.au →](https://lkbusinessadvisory.com.au)

INTERACTIVE TOOL

Sole Trader vs Pty Ltd calculator

Drop in your projected revenue and expenses to see live after-tax take-home under each structure. Built around the 2025-26 brackets.

[Try the calculator →](#)

DIAGNOSTIC

Business Health Score

Two of the 12 questions sit in Taxation Strategy. Take five minutes to find out where your tax discipline ranks against the median Australian SME.

[Take the assessment →](#)

FIND AN AGENT

Registered tax agent lookup

Use the Tax Practitioners Board public register to verify any agent before you engage them. Free, official.

[Check the TPB register →](#)

General information only, not personal tax advice. Tax rates, concessions, and thresholds are accurate for the 2025-26 Australian tax year at time of publication. Always engage a registered tax agent for decisions specific to your business.

FOR AUSTRALIAN TRADIES · 2025-26 EDITION

Quote, Invoice & Get Paid

A field pack for Australian tradies. Quote and invoice templates, deductible-expense checklist, and a four-step late-payment script that actually works.



EDITION
2025-26 (Australia)

FORMAT
6-page field pack

PAIRS WITH
Pillar 3 article

SECTION TWO · ALL ATO-REQUIRED FIELDS, READY TO FILL.

The invoice template

TAX INVOICE		INVOICE # _____	
[YOUR BUSINESS NAME] · ABN: _____		ISSUE DATE _____	
		DUE DATE _____	
BILL TO		SITE / JOB REF	
_____		_____	
CLIENT ABN (IF KNOWN)	QUOTE REF #		
_____	_____		
DESCRIPTION OF GOODS / SERVICES	QTY / HRS	RATE (EX-GST)	AMOUNT
_____	_____	_____	_____
_____	_____	_____	_____
		Subtotal (ex-GST)	_____
		GST (10%)	_____
		Deposit received	_____
		AMOUNT DUE	_____
PAYMENT DETAILS			
Bank: _____ · BSB: _____ · Account: _____ · Reference: [Invoice #]			
TERMS			
Payment due within 7 days of issue. Late payments accrue 1.5% per month or part thereof. Goods remain the property of [your business] until paid in full. By paying, you accept the original quoted terms.			

THE 7-DAY DISCIPLINE

"Net 30" sounds professional. It also funds your customer's working capital instead of yours. Australian tradies who switched to "net 7" with a 1.5% monthly late fee report average days-to-paid dropping from 47 to 11. Customers pay on whatever timeline you train them to.

SECTION THREE · WHAT THE ATO ACCEPTS. TICK WHAT YOU BOUGHT.

The tradie deduction checklist

Tick. Total. Take it all to your agent.**TOOLS & EQUIPMENT**

- Hand tools, power tools, ladders, work-specific tech (instant write-off if under threshold per item; depreciated if over)
- Repairs and servicing of business tools
- Replacement consumables (drill bits, blades, fasteners) — fully deductible
- Toolboxes, tool belts, storage

VEHICLE (LOGBOOK OR CENTS-PER-KM METHOD)

- Fuel · servicing · tyres · rego · insurance — apportioned by business-use %
- Vehicle depreciation (if you own it) or lease payments (if you lease)
- Roadside assist · GPS subscription · car wash where used for business
- Trailer purchase or hire

PPE & WORK CLOTHING

- High-vis vests · steel-cap boots · hard hats · safety glasses · gloves
- Wet-weather gear and sun protection (hats, sunscreen) used outdoors at work
- Branded uniforms with business logo · laundry of these items (\$1/load deduction)

INSURANCE & LICENSING

- Public liability insurance · contract works insurance
- Tool insurance · professional indemnity (where applicable)
- Trade licence renewals · ticket renewals (working at heights, white card, etc.)
- Workers compensation premiums (if you employ)

PHONE, INTERNET, SOFTWARE

- Mobile bill apportioned by business use %
- Internet (home office portion) · accounting software · job scheduling software
- Cloud storage for site photos and contracts

TRAINING & PROFESSIONAL

- Trade certifications · refresher courses · industry conferences (related to current work)
- Industry publications · trade magazine subscriptions
- Accountant and bookkeeper fees

SECTION FOUR · TRADIES WHO USE THIS SCRIPT CUT DAYS-TO-PAID FROM 47 TO 11.

The four-step late-payment script

Day 1

FRIENDLY
NUDGE

Same-day SMS or email when invoice falls due

"Hi [Name], just a quick reminder that invoice #[X] for [job] is due today. Bank details are on the invoice — happy to chase up if anything's missing. Cheers."

Day 7

FORMAL
EMAIL

Plain-text email with invoice re-attached

"Hi [Name], invoice #[X] is now 7 days overdue. I've reattached it for convenience. As per our agreed terms, late-payment interest of 1.5%/month begins from today. Please let me know if there's an issue I can help with — otherwise I'd appreciate payment by [date 3 days out]. Thanks."

Day 14

PHONE
CALL

Call during business hours. Don't leave a voicemail and never call back.

"Hi [Name], it's [Your name] from [business]. Calling about invoice #[X] which is now 14 days overdue. What's the holdup, and when can I expect payment?" — Listen. Get a specific date. Confirm by SMS within an hour: "Confirming you'll pay on [date]. Thanks."

Day 30

LETTER
OF
DEMAND

Formal letter (email + post). Final step before debt collection or tribunal.

"Dear [Name], Invoice #[X] for \$[amount] remains unpaid 30 days past due. This letter is formal notice that unless the full amount plus accrued interest of \$ [interest] is received by [date 7 days out], I will refer the matter to [debt-collection service / state small-claims tribunal]. Late payments to small business above \$5,000 may also be reported to credit reporting agencies. Regards, [Your name]."

You can't outwork a payment culture you allow. Every customer learns from the second invoice how seriously you treat your own terms. The script isn't about being aggressive — it's about being consistent.

LK EDITORIAL STANDARDS · 2025-26 FRAMEWORK

WHERE TO GO FROM HERE

Next steps & further reading

The templates and scripts in this pack are the operational layer. The business layer — structure, tax, insurance — lives in the pillar article and tools below.

COMPANION ARTICLE

Tradie tax & business guide (Australia, 2025-26)

The full pillar article: ABN setup, GST registration, deductions in depth, business insurance, structure for tradies, super and PAYG.

[Read on lkbusinessadvisory.com.au →](https://lkbusinessadvisory.com.au)

INTERACTIVE TOOL

Sole Trader vs Pty Ltd calculator

Most tradies start sole trader. When does switching to a Pty Ltd actually pay back the extra accounting fees? Run your real numbers.

[Try the calculator →](#)

DIAGNOSTIC

Business Health Score

12-question SME diagnostic. Two of the questions cover cash buffer and per-job margin — exactly where most tradies are quietly leaking money.

[Take the assessment →](#)

RESOURCE

The EOFY Toolkit

90-day EOFY plan, weekly tax reserve calculator, and the top ATO traps to avoid this June 30.

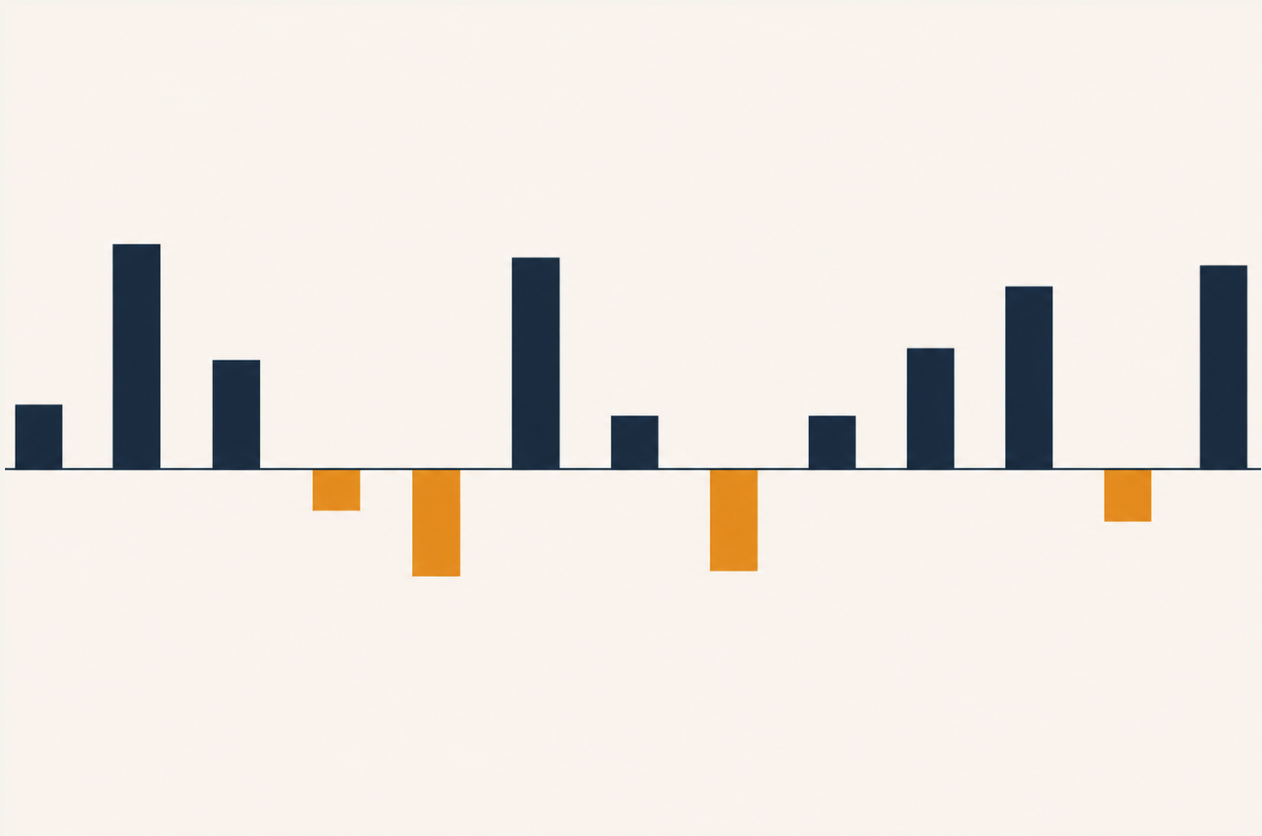
[Download →](#)

General information only, not personal tax, legal, or financial advice. Templates are starting points and should be reviewed by a registered tax agent and (for substantial work) a lawyer familiar with construction or trade contracts in your state.

FOR AUSTRALIAN SMES · 2025-26 EDITION

The 13-Week Cash Flow Pack

The printable forecast template plus the weekly routine that turns surprise shortfalls into known events you can borrow, invoice, or negotiate around.



EDITION
2025-26 (Australia)

FORMAT
6 pages + Excel

PAIRS WITH
Pillar 4 article

SECTION ONE · A ROLLING FORECAST TELLS YOU WHICH FRIDAY WILL HURT, WITH WARNING.

Why 13 weeks, and not annual

13**One quarter ahead**

13 weeks is the longest period over which most SME cash flows are reasonably predictable. Beyond that, you're guessing; below that, you can't see far enough to act.

1x**Weekly cadence**

Daily is too granular. Monthly is too coarse. Weekly matches the rhythm of when bills land, when payroll runs, and when customer payments actually arrive.

~

Rolling, not static

Every Monday you drop the past week and add a new week 13. The forecast always covers the next 13 weeks, never the same 13 weeks twice.

\$**Cash, not accrual**

Forecasts the money in your bank account, not your P&L position. An invoice raised in week 1 might not become cash until week 8 — the forecast tracks the cash date, not the invoice date.

The owners who never get caught short aren't the ones with more revenue. They're the ones who know on Monday what Friday will look like — and have eight weeks of warning when something's about to break.

LK EDITORIAL STANDARDS · 2025-26 FRAMEWORK

SECTION TWO · SAME FOUR BLOCKS, ALWAYS IN THE SAME ORDER.

The forecast structure

A Opening cash balance

The single number that anchors everything: how much money is in your operating bank account on Monday morning of week 1. From this number, every other figure either adds or subtracts. Pull it from the bank, not from Xero — bank balance is what's available, accounting balance is what the books say.

B Cash inflows (when the money lands)

Money coming in, dated by when it actually hits your account — not when you invoiced. Group by source: customer receipts, GST refund, tax refund, loan drawdown, asset sale. For unpaid invoices, use realistic payment dates based on each customer's actual track record, not their stated terms.

C Cash outflows (when the money leaves)

Money going out, dated by when it leaves your account. Group by category: payroll (incl. super), rent & utilities, suppliers, tax (BAS, PAYG instalments, super), loan repayments, owner drawings, other. Distinguish fixed (payroll, rent) from variable (suppliers tied to revenue).

D Net & closing balance

Inflows minus outflows = net cash for the week. Add to opening balance = closing balance. The closing balance of week 1 becomes the opening of week 2 — and so on for 13 weeks. Any week where the closing balance dips below your safety threshold is the week to act on now, not when it arrives.

SECTION THREE · PRINT ON A4. ONE PER QUARTER. PEN AND PAPER STILL BEAT UNREAD DASHBOARDS.

Printable blank — 13-week forecast

BUSINESS: _____ FORECAST START: _____

\$ IN YOUR ACCOUNT	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12	W13
A · OPENING BALANCE													
Opening cash (bank)													
B · CASH INFLOWS													
Customer receipts													
GST refund													
Other (loan, sale, etc.)													
Total inflows													
C · CASH OUTFLOWS													
Payroll + super													
Rent & utilities													
Suppliers / COGS													
BAS / PAYG / Super													
Loan repayments													
Owner drawings / wages													
Other													
Total outflows													
D · NET & CLOSING													
Net cash (in - out)													
Closing balance													

The closing balance of each week becomes the opening balance of the next. Any week where closing drops below your safety threshold (say, 4 weeks of fixed outflows) is the week to act on now. The working Excel file calculates all subtotals, nets, and balances automatically — see Page 6 for the link.

SECTION FOUR · 15 MINUTES A WEEK TURNS A FORECAST INTO A STEERING WHEEL.

The Monday 15-minute routine

- 1 Pull the actuals**
Open your bank and your accounting software. Find last week's actual opening and closing balance. Note any variance versus what you forecast.

- 2 Drop week 1, add week 14**
Last week becomes history. The new week 13 (i.e. 13 weeks from this Monday) gets added. Always 13 weeks ahead.

- 3 Update the next 4 weeks**
For the immediate horizon, refine inflows (which customers will actually pay, when) and outflows (any new invoices, supplier bills you've received). These are the weeks you can still influence.

- 4 Scan for red flags**
Run your eye across the closing-balance row. Any week below your threshold? Circle it. That's the week you act on this morning — not the week it arrives.

- 5 Act on one thing**
If there's a red flag: chase an overdue invoice, talk to a supplier about extending terms, defer a discretionary expense, or talk to your accountant. Forecasts that don't trigger action are wallpaper.

7 red flags to watch for

Any one means dig in. Two or more in the same week means the routine becomes daily until resolved.

- ! Closing balance dips below 4 weeks of fixed outflows**
Your safety threshold. One late-paying customer puts you in personal-card territory.
- ! Customer receipts forecast missed by more than 20% three weeks in a row**
Customers slowing payment, or you're over-optimistic about timing. Both need fixing.
- ! Net cash negative for 4+ consecutive weeks**
If it's structural not seasonal, you're funding the business with the bank balance.
- ! BAS week shows shortfall**
If you didn't sweep tax money to a separate account, BAS week hurts. Fix the sweep habit.
- ! Owner drawings consuming more than 60% of net cash**
Sustainable in good months. Dangerous as a default — no buffer for investment or downturns.
- ! Single customer is more than 30% of forecast inflows**
Concentration risk. One phone call away from a broken forecast.
- ! You're skipping the Monday update**
The week you skip is usually the week you needed it most.

WHERE TO GO FROM HERE

Next steps & further reading

The blank template on Page 4 is for printing and physical work. The Excel companion file does the maths for you and re-rolls each week with a single update.

WORKING FILE

13-Week Cash Flow Forecast (Excel)

The same template as Page 4 with all formulas, subtotals, nets, and rolling balances built in. Edit one cell, the whole forecast updates. Comes with an example pre-filled so you can see how it works before clearing it out.

[Open Pillar4-Cash-Flow-Forecast.xlsx →](#)

COMPANION ARTICLE

Cash flow for Australian SMEs (2025-26)

The full pillar article: why 80% of SMEs face cash flow shocks, how to read your own numbers, late-payment management, and choosing the right finance facility for working capital.

[Read on lkbusinessadvisory.com.au →](https://lkbusinessadvisory.com.au)

DIAGNOSTIC

Business Health Score

Two of the 12 questions sit in Financial Fundamentals: do you hold 90 days of cash buffer, and do you know margins by line. Take five minutes for the full diagnostic.

[Take the assessment →](#)

RESOURCE

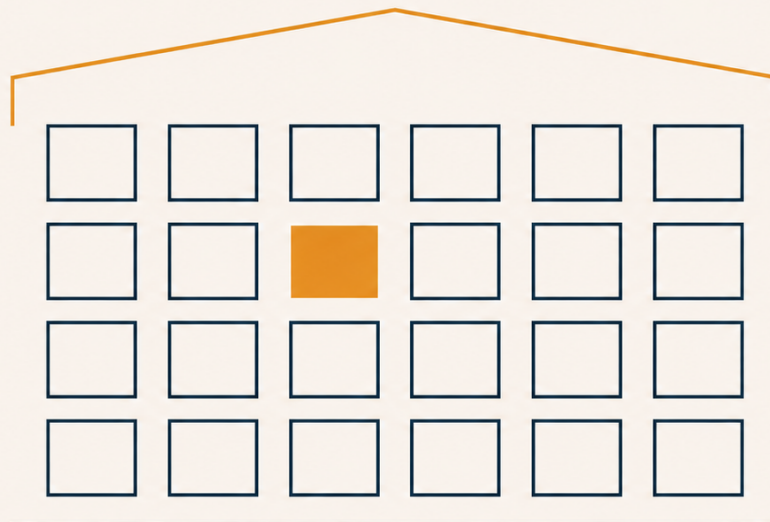
The EOFY Toolkit

The reserve calculator inside the EOFY Toolkit is the partner to this pack. Together they answer "when will

FOR AUSTRALIAN SMES · 2025-26 EDITION

Cyber Baseline & SaaS Audit

Sixty minutes of work that stops most cyber incidents. Plus the audit template that turns "we use a few tools" into a defensible inventory.



EDITION
2025-26 (Australia)

FORMAT
6-page toolkit

PAIRS WITH
Pillar 5 article

SECTION ONE · 18% OF AUSSIE BUSINESSES HAD A CYBER LOSS LAST YEAR. MOST MISSED ONE OF THESE.

The 60-minute cyber baseline

Print. Tick. Don't skip any.

IDENTITY (DO THIS FIRST)

- Multi-factor authentication (MFA)** enabled on every business email account — for you and every staff member. Use an authenticator app (Microsoft, Google, Authy), not SMS.
- MFA on every banking and credit-card login.** Most banks now require it but check secondary cards and merchant accounts.
- MFA on accounting** (Xero, MYOB, QuickBooks) for every user. This is where the money lives.
- MFA on cloud storage** (Google Drive, OneDrive, Dropbox) — for every user, including contractors.
- Password manager deployed** (1Password, Bitwarden, LastPass). Every staff member gets an account. Unique generated passwords for every login.

DEVICES

- Operating system updates set to automatic on every laptop, desktop, and phone used for work.
- Disk encryption enabled (BitLocker on Windows, FileVault on Mac) on every laptop. Catastrophic if a laptop is stolen and isn't encrypted.
- Screen lock (auto-lock after 5 minutes) on every laptop and phone.
- Reputable antivirus / endpoint protection installed on every Windows machine (built-in Defender is acceptable for most SMEs).

BACKUPS (THE RECOVERY LAYER)

- Automated daily backups of accounting file to an off-site location (cloud or external service). Local-only backups die with the ransomware.
- Customer database and CRM exported regularly to a location separate from the live system.
- Critical documents (contracts, invoices, signed quotes) backed up to cloud storage with version history (Google Drive, OneDrive, Dropbox all do this).
- Restore test conducted in the last 90 days.** A backup you've never restored is hope, not insurance.

ACCESS & OFFBOARDING

- Every staff member and contractor has their own individual login for every system (no shared accounts).
- Written offboarding checklist exists: when someone leaves, every access is revoked the same day.
- Quarterly review of who has access to what — surprise people often still have access months after they should.

SECTION THREE · THREE CADENCES. A BACKUP YOU'VE NEVER RESTORED IS A THEORY.

The backup verification routine

W

WEEKLY

Confirm the backup ran

Open your backup service dashboard (Xero file backup, cloud-storage version history, whatever you use). Confirm yesterday's backup completed successfully and that the file size is roughly what you'd expect. 60 seconds of work. Catches the silent failures that build up over months.

M

MONTHLY

Spot-restore one file

Pick any one document from your backup that you haven't touched in a few weeks. Restore it to a test location. Open it. Confirm it works. Five minutes of work. Catches the cases where backups appear to be running but contain corrupted or empty data.

Q

QUARTERLY

Full restore drill on the critical system

Once a quarter, simulate losing your most critical system (usually accounting). Restore the full backup to a fresh location, log in, run a balance check. The first time you do this you will find at least one thing that doesn't work as expected. That's the point — better to find it now than during a real incident.

IF THE WORST HAPPENS**Your first 60 minutes after a breach****0-5 min****Contain**

Disconnect the affected device from the network (unplug ethernet, switch off Wi-Fi). Do not power it down — forensics may need the memory state.

5-15 min**Lock the doors**

Change passwords on your most critical accounts from a clean device: email first (because email controls password resets for everything else), then banking, then accounting.

15-30 min**Document**

Write down everything you know: when you first noticed, what you saw, what actions you've taken. Take screenshots. You'll need this for your insurer and possibly the police.

30-60 min**Notify and engage**

Contact your cyber insurer (if you have one — most don't and should). Report to the Australian Cyber Security Centre at [cyber.gov.au](https://www.cyber.gov.au). If customer data was exposed, you may have notification obligations under the Notifiable Data Breaches scheme — talk to a lawyer fast.

SECTION FOUR · FIVE CATEGORIES. SET UP ONCE.

The minimum SME cyber stack

CATEGORY	WHY IT MATTERS	COMMON SME OPTIONS (2025-26)	TYPICAL \$/YR
Password manager	Unique strong password per login, shared securely with the team.	1Password Business · Bitwarden Teams · Dashlane Business	\$60-\$120 / user
Authenticator app (MFA)	Stops 99%+ of credential-theft attacks.	Microsoft Authenticator · Google Authenticator · Authy · Duo	Free-\$36 / user
Cloud backup with version history	Recoverable copies of every file, surviving ransomware.	Microsoft 365 / OneDrive Business · Google Workspace · Dropbox Business · Backupify	\$144-\$300 / user
Endpoint protection	Detects and blocks malware on every device.	Microsoft Defender (built in) · Bitdefender · CrowdStrike Falcon Go · SentinelOne	\$60-\$240 / device
Email security & phishing filter	Blocks the phishing emails that start most SME breaches.	Microsoft 365 Defender · Google Workspace · Mimecast · Proofpoint Essentials	\$48-\$180 / user

Most SMEs running Microsoft 365 Business Premium or Google Workspace Business Plus already have four of these five categories built in. Audit what your existing subscription includes before buying anything new — you may have paid for protection you never enabled.

You don't have an IT problem. You have a habits problem with an IT vocabulary. The owners who never get breached aren't the technical ones. They're the ones who treated cyber baseline like locking the front door at night — boring, daily, non-negotiable.

LK EDITORIAL STANDARDS · 2025-26 FRAMEWORK

WHERE TO GO FROM HERE

Next steps & further reading

The baseline above is the floor. The pillar article goes further: choosing the right accounting platform, AI usage policies, vendor risk, and what good incident-response planning looks like for SMEs.

COMPANION ARTICLE

Australian SME tech & software (2025-26)

The full pillar article: cloud accounting choice, security stack for SMEs, AI in operations, vendor risk, and the rise of SME-targeted ransomware.

[Read on lkbusinessadvisory.com.au](https://lkbusinessadvisory.com.au) →

OFFICIAL GUIDANCE

Australian Cyber Security Centre — Small Business Hub

Free, government-backed guidance, alerts, and the Small Business Cyber Security Guide. Worth bookmarking; subscribe to their alerts.

[Visit cyber.gov.au](https://cyber.gov.au) →

DIAGNOSTIC

Business Health Score

Two of the 12 questions sit in Tech Infrastructure: MFA coverage and backup resilience. Take five minutes for the full diagnostic across all six dimensions.

[Take the assessment](#) →

RESOURCE

The 13-Week Cash Flow Pack

The companion pack for Pillar 4. The Excel template assumes you've done the baseline above — because the file lives in cloud storage that's properly backed up.

[Download](#) →

General information only, not personal cyber, legal, or insurance advice. Specific product recommendations reflect common 2025-26 options; evaluate against your own threat model and budget. For meaningful breach exposure, engage a qualified cyber security professional or MSP.