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ADVISORY REPORT

Meridian Studio Pty Ltd

August 2026

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1. Executive Summary

CASH	RUNWAY	REVENUE (MON)	NET MARGIN	OPEX RATIO	AR > 60
$335K	**3.77 mo**	**$443K**	**37.79%**	**20.07%**	**3.21%**
+$7.5K MoM	vs 4 mo goal	+62% vs Aug 25	vs 18% target	vs 25% target	vs industry
Amber	Amber	Green	Green	Green	Green

Bottom Line

Debtor days at 60 is now the off-track goal against a 30-day deadline — four months of the same call, no movement, and the window to act closes this quarter.

August revenue hit $443K (+2.3% MoM, +61.7% YoY) and cash grew $7.5K to $335K, but receivables climbed another $20K to $868K — the fourth straight month profit has outrun cash. The debtor-days goal deadline (30 Sep) is 30 days out with the metric still at 58% of target: collections on Wynnum Bay Hospitality and Bulimba Heritage Trust is the one action that changes this quarter's outcome.

- Cash $335K, up $7.5K MoM; runway 3.77 months, at-risk against the 4.0-month goal (94% of target).
- Net margin 37.79% and revenue up 61.7% YoY are strong, but verify direct-cost mapping before using it for pricing.
- Debtor days 60 (goal 35, red vs industry) — off track with the 30 Sep deadline 30 days away; $28K of AR sits over 60 days.

Top Actions This Month

ID	Action	Owner	Due	Outcome / why it matters	Supports goal
016	Escalate formal collections on Wynnum Bay and Bulimba Heritage	Sarah (owner)	15 Sep	Debtor days sit at 60 against the 35-day goal, 30 days from deadline; collections acceleration lifts runway from 3.77 mo to 6.0 mo by 30 Sep per the forecast.	Keep debtor days at or below 35
017	Verify direct-cost account mapping with the bookkeeper	Office manager	10 Sep	Net margin has read within a point of 38% for five months running; confirm before the figure is used in pricing.	Achieve 18%+ sustained net margin by Jun 2027
018	Clear Finesse Plastering Co and the 31-60 day AP band	Office manager	This week	$15K to Finesse Plastering Co sits 37 days overdue; creditor days at 79 remain red against the 30-45 day band.	—
019	Lock the month-by-month revenue plan against the $432K/mo pace	Sarah (owner)	30 Sep	Revenue is already above the $432K/month floor required for the $5.20M goal; formalise the plan to hold it.	Grow annual revenue to $5.20M

ID	Action	Owner	Due	Outcome / why it matters	Supports goal
020	Hold opex at the $89K/month target through September close	Sarah (owner)	30 Sep	Opex is on target this month (20.07% ratio); the opex-disciplined scenario adds only marginal cash — hold the line, don't relax it.	Hold 4+ months cash runway

Goals Progress

Of the 7 goals we set together, 4 on track, 2 at risk, 1 off track.

Goal	Target	Current	vs Target	vs Industry	Deadline
Keep debtor days at or below 35	≤35 days	60 days	Off track	Red	30 Sep 2026
Grow annual revenue to $5.20M	$5.20M	$4.88M	At risk	No benchmark	30 Jun 2027
Hold 4+ months cash runway	≥4.0 mo	3.77 mo	At risk	Amber	31 Dec 2026
Achieve 18%+ sustained net margin by Jun 2027	≥18%	37.79%	On track	Green	30 Jun 2027
Hold gross margin at or above 45%	≥45%	57.86%	On track	Amber	30 Jun 2027
Keep current ratio at or above 1.8	≥1.8	2.24	On track	Green	31 Dec 2026
Keep opex ratio at or below 25%	≤25%	20.07%	On track	Green	31 Dec 2026

Debtor days is off track and red against industry simultaneously — the deadline is 30 days out and the metric hasn't moved in four months, making this the single most urgent item in the pack. Revenue is at risk only on a trailing-12-month technicality: the current month ($443K) already clears the $432K/month floor required to hit $5.20M, so this is a pacing risk, not a demand problem. Cash runway is at-risk against the client's own 4.0-month target but sits in the amber band industry-wide, a target-short, industry-competitive gap that collections alone closes fastest.

Watch List

- Net margin has read within a point of 38% for five consecutive months while gross margin also barely moved — Top Action 017 escalates this from watch to verify.
- Creditor days at 79 remains red against the 30-45 day industry band even with zero AP currently over 60 days, the two reads still don't reconcile.
- Revenue concentration: Harbourline Property Group alone is 22% of trailing-12-month revenue, with the top three customers at 51%, a single-customer shock remains a live tail risk (see Section 12).

2. Decision Ledger

Zero of 15 prior actions closed this cycle; all 15 carry forward with limited or no movement visible in the data. This is the fourth cycle the debtor-days actions have been raised without resolution.

ID	Action	Owner	Status	Raised	This Cycle's Read
001	Investigate 19.9% MoM revenue contraction	Unassigned	Open	2026-03-31	Revenue has since risen 4 consecutive months to $443K — original concern resolved by trend, action stale.
002	Chase AR over-60 (ParkLane, Brennan)	Unassigned	Open	2026-03-31	Named parties no longer appear in this cycle's aged AR — superseded by Wynnum Bay/Bulimba Heritage exposure.
003	Audit opex against 20% target	Unassigned	Open	2026-03-31	Opex ratio now 20.07%, on target — action substantively closed, formally still open.
004	Verify COGS account mapping with bookkeeper	Unassigned	Open	2026-03-31	Gross margin 57.86%, unchanged for months — re-raised as Top Action 017.
006	Escalate Wynnum Bay collections (ORC1056)	Sarah (owner)	Open	2026-06-30	ORC1056 $140K still unpaid at 34 days; no payment visible this cycle.
007	Formal demand on Bulimba Heritage (ORC1063)	Sarah (owner)	Open	2026-06-30	$27K still outstanding at 68 days — unmoved since June.
008	Verify direct-cost mapping (net margin static)	Office manager	Open	2026-06-30	Net margin now 37.79%, still within a point of prior three readings.
009	Clear Finesse Plastering AP	Office manager	Open	2026-06-30	$15K still open at 37 days overdue — unresolved, now in 31-60 band.
010	Build month-by-month revenue plan	Sarah (owner)	Open	2026-06-30	Revenue at $443K already clears the $432K/month floor — plan not yet formalised.
011	Escalate collections, Wynnum Bay & Bulimba Heritage	Sarah (owner)	Open	2026-07-31	Debtor days still 60, no change from July — still pending.
012	Verify direct-cost mapping before margin used for pricing	Office manager	Open	2026-07-31	Still pending — data this cycle is neutral on progress.
013	Clear Finesse Plastering and 31-60 AP band	Office manager	Open	2026-07-31	$15K plus $2.2K SMART Agency, $182 Central Copiers all remain in the 31-60 band.
014	Build revenue plan to hold $433K/month pace	Sarah (owner)	Open	2026-07-31	August revenue $443K exceeds pace — plan itself still not documented.

ID	Action	Owner	Status	Raised	This Cycle's Read
015	Hold opex at $87K/ month target through August close	Sarah (owner)	Open	2026-07-31	Opex closed August at $89K, opex ratio held at 20.07% — target substantively met.

The debtor-days collections items (006, 007, 011) are the most time-sensitive: four cycles with zero named-debtor movement against a 30-day deadline on the client's own goal is the point where escalation must move from advisory recommendation to formal demand.

3. Engagement Scorecard

One quarter in, revenue is up 7% since we started and net margin has held essentially flat at a strong 37.8%, but debtor days and gross margin are the two honest reds in an otherwise green book.

Metric	At start	Last Q	Now	Industry	Status	Movement since we started
Revenue	$414K	—	$443K	n/a	Green	Up 7% since engagement start, unbenchmarked but growing.
Net margin	38.0%	—	37.8%	≥15.0%	Green	Held flat, comfortably above the industry mark — defended, not a fresh gain.
Gross margin	58.0%	—	57.9%	≥60.0%	Red	Essentially unchanged and still below the industry mark — no improvement to report.
Cash on hand	$313K	—	$335K	n/a	Green	Up 7% since start, unbenchmarked but trending the right way.
Cash runway	3.8mo	—	3.8mo	≥6.0mo	Red	No movement since start and still below the industry mark — the honest red.
Debtor days	60	—	60	≤35	Red	Zero movement in one quarter — the client's own 35-day goal is unmet and worsening in urgency as the 30 Sep deadline nears.
Current ratio	2.24	—	2.24	≥2.00	Green	Held steady, at/above the industry mark throughout — defended.

The quarter's honest story: revenue and cash both grew a genuine 7% with margin defended above benchmark, but debtor days and cash runway haven't moved an inch since engagement start, and gross margin sits below the industry mark with no improving trend. Debtor days is the one metric this scorecard says has had zero effect from advisory input so far — that's the item to watch hardest into next quarter.

4. Strategic Position

> Advisor-set trajectory against the owner's multi-year objectives — a judgement reviewed each quarter, not a reconciled figure. The financial sections are system-reconciled to your accounting records.

On balance the business is converging on two of its three multi-year destinations, with the third — reducing founder dependency, showing real but insufficient progress. The monthly numbers (strong margin, growing revenue, disciplined opex) are consistent with all three trajectories; the gap between "healthy this month" and "on track for 2028" sits entirely in structural questions the P&L doesn't answer.

Build a durable recurring-revenue base — On track. The retainer book is now around 30% of revenue and growing for two quarters running, supported this cycle by the pipeline note that roughly 40% of FY27 revenue is under retainer or multi-month engagement, the model is proven. On the destination maths, the $8.40M-by-June-2028 target from the current $4.88M trailing-12-month base needs 34.5%/yr compounding, with a next-12-month milestone of $6.56M trailing-12-month revenue; that pace is the quarter's real conversation, separate from the on-track verdict itself. Decision for the owner: which accounts convert to retainer next.

Reduce key-person dependency — Behind. The senior hire now leads two accounts unaided, genuine progress, but the founder remains the largest single delivery line against the destination of no one person exceeding 20% by 2028. Decision: what delivery work moves off the founder's desk next quarter.

Lift utilisation and margin discipline — On track. Utilisation is through 70% (operational update notes low-80s currently) and write-offs are down on scoped engagements, with net margin recovering toward the 15%+ target band, first cycle genuinely on trajectory. Decision: whether utilisation gains hold once the new senior designer is fully ramped.

Full strategic review continues in Section 14; next deep review due 31 October 2026.

5. Operational Update

Source. Client-reported context for the period — not independently reconciled. The financial sections are system-reconciled to your accounting records.

People: Headcount 21 (16 delivery / 5 studio operations), one senior designer joined mid-June, no leavers. Utilisation holding in the low 80s per cent. Revenue per FTE: $443K ÷ 21 = $21K/FTE this month. No industry benchmark applies for professional services in this pack, but at current headcount and pace the business is already tracking to $6.56M-scale run-rate implied by the retainer objective without adding heads.

Pipeline: 5 tenders submitted, 2 won — 40% win rate. Pipeline value $1.85M = 4.2 months at the $443K/mo run-rate, 0.36× the $5.20M annual revenue goal. Two of five proposals converted this month including the Halcyon rebrand retainer, directly feeding the recurring-revenue objective in Section 3.

Compliance: Professional indemnity and cyber policies current through March 2027 renewal; client engagement terms current on all active accounts.

Operations: Collections are the stated operational priority — debtors averaging around 60 days against 14-day terms, confirming the KPI read directly from the owner's own operational note.

6. KPI Traffic Light Review

Profitability

KPI	Value	Status	vs Industry	Commentary
Gross Margin %	57.86%	Green	Amber	On target for the business; below the typical industry benchmark — see note below.
Net Margin %	37.79%	Green	Green	Well above the 18% target; verify direct-cost mapping before using for pricing (Top Action 017).
Opex Ratio %	20.07%	Green	Green	Held steady for five straight months — discipline is working.
Revenue Growth (YoY) %	61.70%	Green	Green	Fourth consecutive month of revenue rises; comfortably clears the 10% goal.
Margin of Safety %	66.20%	Green	No benchmark	Revenue can fall $293K/month before overheads stop being covered — see Section 8 for the full break-even read.

Cash & Liquidity

KPI	Value	Status	vs Industry	Commentary
Cash Runway (months)	3.8 months	Amber	Amber	At 94% of the 4.0-month goal; collections is the fastest lever per Section 7.
Days Cash on Hand	113 days	Amber	No benchmark	113 days of opex covered today with zero new revenue — solid but not the 120+ green band.
Current Ratio	2.24	Green	Green	Comfortably above both the 1.8 goal and the 2.0 industry mark.

Working Capital

KPI	Value	Status	vs Industry	Commentary
Debtor Days	60 days	Red	Red	Off track against the 35-day goal, deadline 30 Sep — the pack's single most urgent metric.
Creditor Days	79 days	Red	Red	Above the 30-45 day industry band despite zero AP currently over 60 days — reconcile the two reads.
AR >60 (% of AR)	3.21%	Green	Green	$28K over 60 days — small share of book, but concentrated in two names (Section 10).
Cash Conversion Cycle	-19 days	Green	No benchmark	Negative CCC means suppliers are effectively funding part of the cycle; the debtor-days lever (60 days) is the largest component pulling this away from being even more negative.

People & Pipeline

KPI	Value	Status	vs Industry	Commentary
Revenue / FTE	$21K/ FTE	Amber	Amber	$443K revenue over 21 staff; reaching the $6.56M milestone implies roughly $26K/FTE at current headcount.
Proposal Win Rate	40%	Green	No benchmark	2 wins from 5 bids; comfortably above the 40% green threshold, supporting the retainer-base objective.

Not yet instrumented this cycle — data feeds not yet connected:

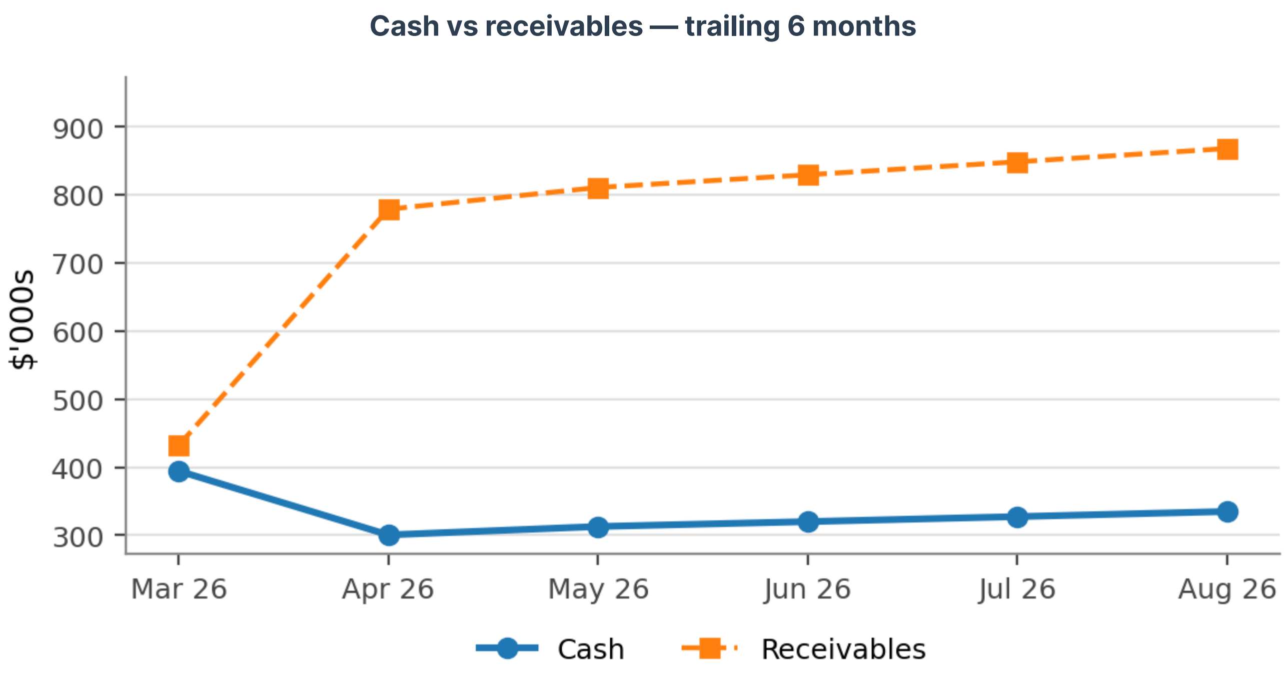
- **AP Over 60 Days (% of AP):** measures the share of payables aged beyond 60 days; matters for supplier-relationship and BIF-style payment-discipline risk in other industries, not yet connected for this client.

Note: the following are green because they meet your stated goal, though they currently sit below the typical industry benchmark — Gross Margin (on target for the business, but below the typical industry benchmark).

7. Cash & Liquidity

Month	Revenue	COGS	Opex	Net Profit	Cash	Driver
Mar 26	$496K	$222K	$158K	$116K	$395K	Opex spike to $158K, unexplained
Apr 26	$398K	$167K	$80K	$151K	$301K	Revenue contraction -$99K; opex normalised
May 26	$414K	$174K	$83K	$157K	$313K	Recovery begins, +$16K revenue
Jun 26	$423K	$178K	$85K	$161K	$320K	Steady climb, +$9.5K revenue
Jul 26	$433K	$181K	$87K	$166K	$327K	AR grew $19K, absorbing most of profit
Aug 26	$443K	$187K	$89K	$167K	$335K	AR grew $20K again; profit $167K vs $7.5K cash gain

Cash has risen four straight months from $301K to $335K, but the table's real story is in the gap between net profit and cash movement: August profit of $167K produced only $7.5K of cash growth because receivables absorbed $20K and the balance of profit sits in prior-month AR growth still working through. This is the same pattern flagged in July — it has not resolved.



The trajectory is healthy in direction but capped in speed by the receivables book: revenue is compounding nicely, margin is holding, and opex discipline is real, but every dollar of profit generated is currently splitting between genuine cash and a growing debtor balance. Days cash on hand sits at 113 days — solid cover if revenue stopped tomorrow, but it understates the pressure building in the ageing book, which is a client-goal problem (35-day target) more than a solvency problem right now.

Debt facilities

Facility	Type	Drawn	Limit	Headroom	Rate	Repayment/mo	Maturity
Studio overdraft	overdraft	$25K	$80K	$55K	11.20%	—	—

The business is drawing $25K against an $80K facility limit, leaving $55K of undrawn headroom at a drawn-weighted rate of 11.20%.

Committed cash

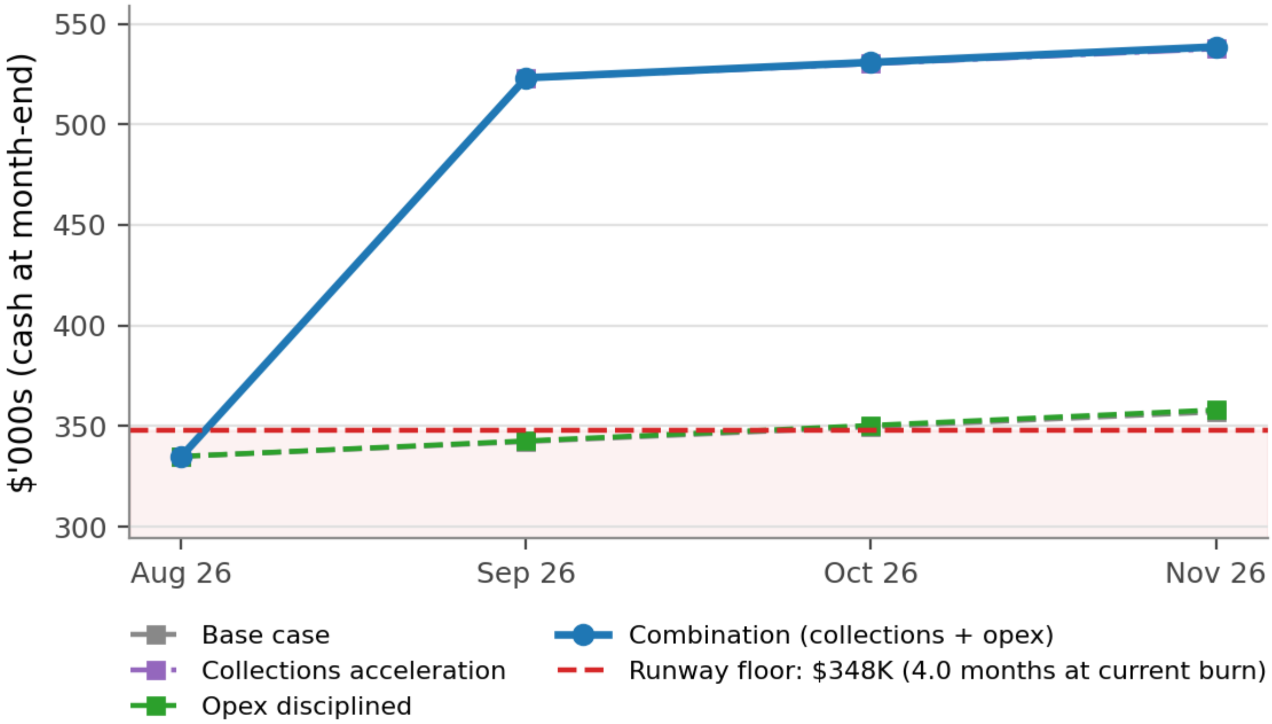
Item	Amount
Cash at bank	$335K
Less GST payable	-$28K
Less PAYG withholding	-$20K
Less Super payable	-$8.4K
Less Income tax payable	-$13K
Total committed	**-$70K**
Uncommitted, your working buffer	**$265K**

Of the $335K sitting at bank, $70K is already spoken for against GST, PAYG withholding, super and income tax obligations recorded in the accounts, leaving $265K as the genuinely uncommitted working buffer — the figure to plan against, not the headline cash balance.

8. Cash Forecast

Base case reaches the 4.0-month runway goal by 31 October, one month later than the client's own 4.0-month-by-31-December target requires as a floor — but the collections lever hits it a full two months sooner and with far more headroom.

90-day cash forecast — scenario comparison



Base case holds the trailing-3-month average net cash change of +$7.4K/month with no intervention. Cash builds from $335K to $342K (Sep), $350K (Oct, hits 4.0mo), $357K (Nov, 4.1mo). This technically clears the goal by 31 October but leaves no margin against a soft month or the debtor book compounding further.

Collections acceleration pulls debtor days from 60 back toward the 35-day goal, releasing about $180K at month +1 (half the excess debtor book). This lifts cash to $523K by September (6.0mo runway) and holds at $538K (6.2mo) by November — clearing the target immediately and with the largest margin of any lever.

Opex disciplined holds opex at the $89K/month target, adding only $328/month to net cash versus the recent run-rate. Runway reaches 4.0 months by October and 4.1 months by November — statistically identical to base case; opex is already close to target, so this lever alone changes little.

Combination (collections + opex) applies both levers together and is the modelled path recommended here: cash of $523K and runway of 6.0 months by 30 September, holding at $538K and 6.2 months by 30 November. No single lever beats collections alone by much, but stacking opex discipline on top costs nothing and adds a small buffer — this is the operating scenario to run against.

Resilience check

These are stress tests the plan must survive, not predictions.

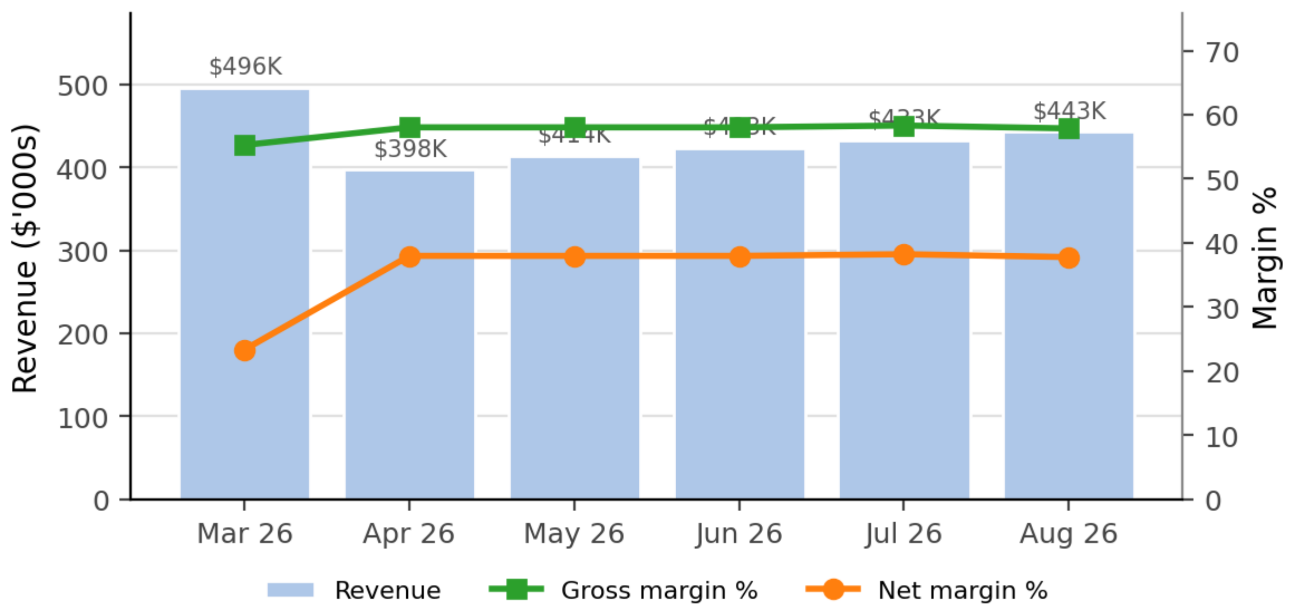
- **Largest customer stops**: Harbourline Property Group (22% of trailing-12-month revenue) stopping would remove about $57K/month of gross contribution at the current month's revenue and margin; monthly net cash swings from +$7.4K to -$49K; runway shortens to about 2.3 months from 3.9 on the same cash-to-overheads basis used above.
- **Gross margin -5pts**: a 5pt gross-margin compression at current revenue costs about $22K/month; monthly net cash swings from +$7.4K to -$15K; runway shortens to about 3.1 months from 3.9 on the same cash-to-overheads basis used above.
- **Debtors slip +30 days**: a 30-day collections slip traps about $443K (one month's billings, excluding GST) in receivables; cash on hand dips from $335K to -$108K before normalising, below zero: this shock alone exhausts cash.

The debtor-slip stress is the sharpest read in the pack: this book cannot absorb a further collections deterioration, which is precisely why the collections lever above is not optional.

9. Revenue & Profitability

August revenue reached $443K (+61.7% YoY from $274K August 2025), the fourth consecutive monthly rise, up $10K from July's $433K.

Revenue & margin trend — trailing 6 months



Data integrity — verify net margin before pricing use. Net margin has read within a point of 37.8-38.2% for five consecutive months, and gross margin has similarly held near 58%. At this level, well above the 8-15% professional-services norm, the most common cause is incomplete direct-cost data — a mapping gap between billed work and the direct-cost accounts. Verify the account mapping with the bookkeeper (Top Action 017) before using this figure for pricing or forward planning.

Net margin sits at 37.79% this month (37.99% trailing 3-month average) — strong and consistent, but the consistency itself is the flag: five months without material movement while revenue grew 61.7% is unusual enough to warrant the verification above before treating it as a genuine structural margin.

Break-even & safety margin

Break-even revenue is $150K/month at the current cost structure (avg monthly overheads $87K ÷ 58.1% gross margin, trailing 3 months). Margin of safety is 66.2%: revenue can fall $293K/month before overheads stop being covered. This uses the conservative convention of treating COGS as variable and overheads as fixed — a step change in either shifts the line.

Revenue concentration

Customer	T12M revenue	Share
Harbourline Property Group	$1.07M	22%
Civic & Co Architects	$830K	17%
Northbank Development Corp	$586K	12%
Aster Health Network	$439K	9%
Redgum Hospitality	$342K	7%
(All others)	$1.61M	33%
Total	**$4.88M**	**100%**

Harbourline Property Group is 22% of trailing-12-month revenue, with the top three customers combining for 51%. This concentration is the reason the resilience check in Section 7 models a customer-loss shock explicitly — see Section 12 for the formal risk flag.

Business shape

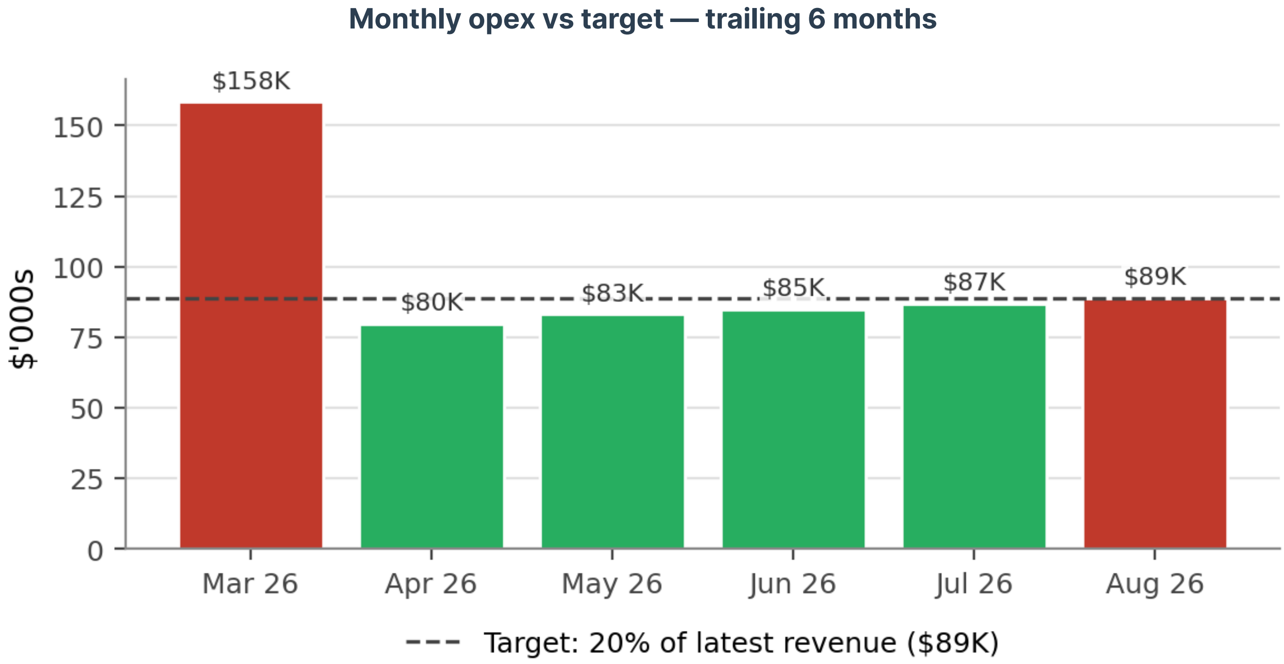
Measure	Value	Direction (3 mo)	Basis
Revenue per FTE	$232K	▲ +2%	21 people, attested
Gross profit per FTE	$124K	▲ +6%	the sharper of the two
Revenue per $1 of overhead	$4.98	–	operating leverage
Debt to equity	0.65x	▲ +2%	total liabilities per $1 of equity
Return on equity	169%	–	profit on owner funds
Asset turnover	3.25x	▼ -7%	revenue per $1 of assets

Direction compares with the position 3 months earlier.

Revenue per FTE is $232K annualised on 21 people (attested, not reconciled), while gross profit per FTE rose faster at 6% — the sharper measure since it only improves when the work itself is worth more, not just busier. Every $1 of overhead currently supports $4.98 of revenue ($443K on $89K of overheads this month). Return on equity of 169% ($1.54M trailing-12-month net profit on $907K of equity) is high by textbook standards but normal for an owner-operated company drawing profits rather than retaining them, which keeps equity small against earnings.

10. Expense Analysis

Opex discipline is the quiet win this cycle: the ratio has held at exactly 20.07% of revenue for five straight months.



COGS moved from $181K to $187K (42.1% of revenue, in line with recent months), while opex rose $2.0K to $89K — proportionate to the $10K revenue increase and holding the ratio flat. The March opex spike to $158K (31.9% of revenue) that was flagged in earlier cycles has not recurred; five consecutive months at 20.07% suggests that spike was a one-off, not a new baseline, though the original driver was never confirmed and remains an open item.

11. Working Capital & Ageing

Debtors over 60 days

Customer	Amount	Days overdue	Invoice
Bulimba Heritage Trust	$27K	68	ORC1063
Riverside Property Group	$736	63	ORC1012
Riverside Property Group	$279	89	ORC1002

Creditors over 60 days: none — the ageing data shows no AP over 60 days.

The $28K over-60 AR is small against the $868K total book (3.21%, green against industry), but it is entirely concentrated in two names, and Bulimba Heritage Trust has sat at $27K/68 days unmoved since June across three consecutive reporting cycles. The real working-capital story is not the over-60 bucket — it's the 31-60 day band, where Wynnum Bay Hospitality's $140K (ORC1056, 34 days) sits, driving the 60-day average debtor days that is off track against the client's own 35-day goal. Creditor days at 79 remains red against the 30-45 day industry band despite zero AP over 60 days; this is worth reconciling with the bookkeeper because the two reads point in different directions, either older paid invoices are skewing the average or the calculation window needs review.

Cash Conversion Cycle at -19 days (Section 5) is favourable overall, but debtor days at 60 is the component actively working against it; collecting Wynnum Bay and Bulimba Heritage Trust (Section 10 timeline above) is the lever that pulls the cycle further negative rather than the reverse.

12. Strategic Recommendations

1. Run a structured collections push on Wynnum Bay Hospitality and Bulimba Heritage Trust

Supports goal	Owner	By
Keep debtor days at or below 35	Sarah (owner)	30 Sep 2026

This is the fourth cycle this exact action has been raised with zero movement in either name. Wynnum Bay's $140K (ORC1056, 34 days overdue) plus Bulimba Heritage's $27K (ORC1063, 68 days overdue) together anchor the 60-day debtor average against a 35-day goal with a 30 September deadline — 30 days away. The Cash Forecast's collections-acceleration scenario shows releasing about $180K at month +1 takes runway from 3.77 months to 6.0 months by 30 September, the single largest and fastest modelled move available.

Lever	Potential	Cash Impact	Runway Delta
Collections acceleration	$180K released at month +1	+$180K	3.77 mo → 6.0 mo by 30 Sep
Opex disciplined	$328/month vs recent run-rate	negligible	3.77 mo → 4.0 mo by 31 Oct (no material change)
Combination of both	Both above	+$180K + minor opex gain	3.77 mo → 6.0 mo by 30 Sep

2. Verify the direct-cost account mapping before the 37.79% net margin is used for pricing

Supports goal	Owner	By
Achieve 18%+ sustained net margin by Jun 2027	Office manager	10 Sep 2026

Gross margin (57.86%) and net margin (37.79%) have both sat within a point of their prior five months' readings while revenue grew from $423K to $443K. That level of stability alongside strong revenue growth is the classic signature of an incomplete direct-cost feed rather than a genuinely stable cost structure. This is a data-integrity action with no quantifiable cash outcome until resolved — the risk is in using an unverified figure for tender or engagement pricing.

3. Formalise the month-by-month revenue plan against the $432K/month pace

Supports goal	Owner	By
Grow annual revenue to $5.20M	Sarah (owner)	30 Sep 2026

Revenue Goal Maths shows the current month ($443K) is already above the $432K/month floor required from here to reach $5.20M by 30 June 2027, with $876K already banked inside the goal-date window. This is a pacing and pipeline-mapping exercise, not a demand-generation problem — map the $1.85M pipeline (Section 4) to specific revenue months to give the goal a documented path rather than relying on the current run-rate holding by default.

4. Hold opex at the $89K/month target through September close

Supports goal	Owner	By
Hold 4+ months cash runway	Sarah (owner)	30 Sep 2026

Opex has held at exactly 20.07% of revenue for five consecutive months — the discipline is working and should not be relaxed. The forecast shows this lever alone adds only marginal cash on top of base case, but stacked with collections it is the modelled Combination path.

Lever	Potential	Cash Impact	Runway Delta
Opex disciplined alone	$328/month vs run-rate	negligible	3.77 mo → 4.0 mo by 31 Oct
Combination with collections	$180K + opex gain	+$180K	3.77 mo → 6.0 mo by 30 Sep

13. Risk Alerts

Debtor-days goal off track — 30-day deadline, four cycles unresolved. Debtor days sit at 60 against a 35-day goal due 30 September 2026 — 30 days away. This is the fourth consecutive month the same two names (Wynnum Bay Hospitality, Bulimba Heritage Trust) have been flagged with no material collection recorded. Left unaddressed past the deadline, the goal fails on the client's own terms even though the business remains solvent.

Revenue concentration — Harbourline Property Group at 22% of trailing-12-month revenue. Three customers individually exceed 10% of revenue, with the top three combining for 51%. The Section 7 resilience check shows this customer stopping would remove about $57K/month of gross contribution, swinging monthly net cash from +$7.4K to -$49K and shortening runway to about 2.3 months from 3.9 — a single-customer shock this book cannot fully absorb without intervention.

Creditor days red against industry despite no AP over 60 days. Creditor days read 79, well outside the 30-45 day industry band, yet zero AP currently sits over 60 days and Finesse Plastering Co ($15K, 37 days overdue) remains the largest open item. The two reads point in different directions — worth reconciling with the bookkeeper before relying on either for supplier-term decisions.

Debtors-slip stress would exhaust cash entirely. The Section 7 resilience check shows a further 30-day collections slip traps about $443K (one month's billings) in receivables, taking cash on hand from $335K to -$108K before normalising. With debtor days already at 60 and unmoved for four cycles, this is not a remote scenario — it is the direction the book is already drifting.

14. Meeting Agenda

1. Formal escalation on Wynnum Bay and Bulimba Heritage — go/no-go Decision / data needed from owner: Confirm whether to move from soft collections contact to formal demand letters on both accounts this week. Context: Four cycles with zero movement against a 30-day deadline (30 Sep), this is the last meeting before the deadline where a decision still changes the outcome.

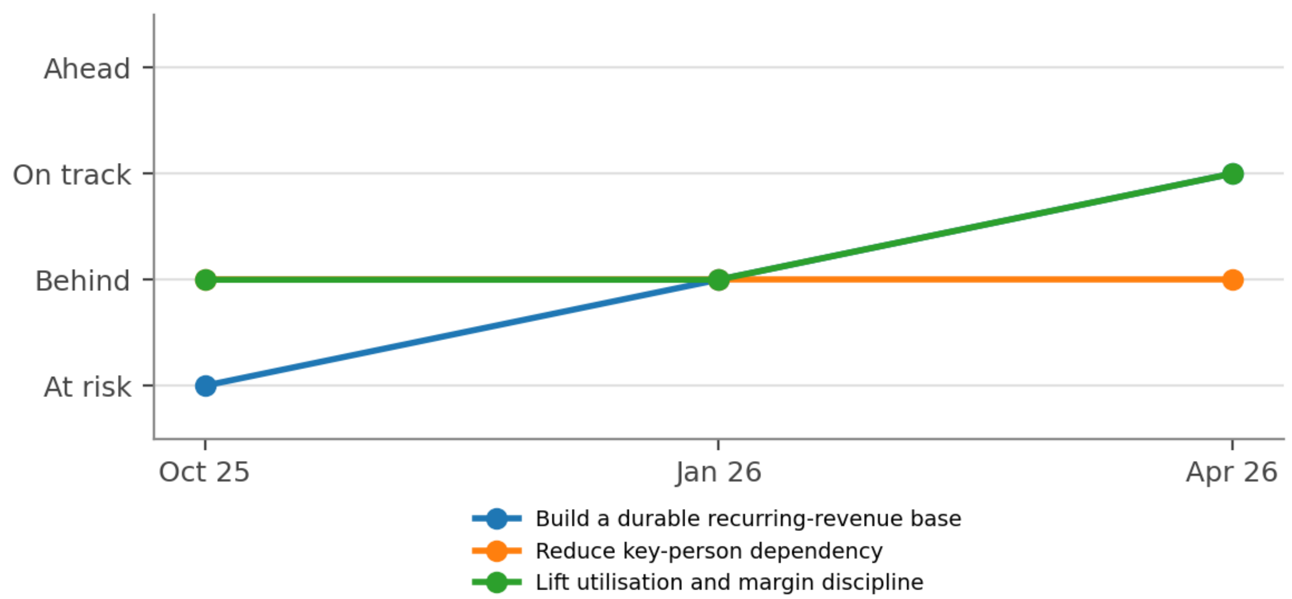
2. Net margin verification — sign-off to engage the bookkeeper Decision / data needed from owner: Confirm the office manager has scheduled the direct-cost mapping review and bring any known gaps in how project costs are coded. Context: Five months of near-identical 38% net margin risks being used in pricing decisions before it's confirmed reliable.

3. Revenue plan and pipeline mapping Decision / data needed from owner: Bring the $1.85M pipeline list with values and the two recently-won proposals (including the Halcyon retainer) so revenue months can be mapped against the $432K/month pace. Context: Revenue already clears the required floor, but the $5.20M goal has no documented month-by-month path — this closes that gap before it becomes urgent.

14. Strategic Outlook

> The multi-year view behind Section 3. Each objective is the owner's own stated destination; the trajectory verdict is an advisor judgement reviewed each quarter — directional, not a reconciled figure. The financial sections of this report are system-reconciled to your accounting records.

Strategic trajectory — advisor verdict by review cycle



Build a durable recurring-revenue base

By June 2028, at least 50% of revenue comes from contracted retainers and managed-service work rather than one-off project fees.

Category: Growth · **Target horizon:** Jun 2028 · **Current verdict:** On track · **Next review:** Jul 2026

Retainer book now ~30% of revenue and growing two quarters running; the model is proven and the trajectory supports the FY28 destination. Upgraded to on track.

No annual goals linked to this objective yet.

Review cycle	Verdict	Deep review
Oct 2025	At risk	Yes
Jan 2026	Behind	—
Apr 2026	On track	Yes

Reduce key-person dependency

By June 2028, no single person represents more than 20% of delivery and the founder is out of day-to-day client work.

Category: Resilience · **Target horizon:** Jun 2028 · **Current verdict:** Behind · **Next review:** Jul 2026

The senior hire now leads two accounts unaided, but the founder is still the largest single delivery line. Real progress, still short of the destination — held at behind.

No annual goals linked to this objective yet.

Review cycle	Verdict	Deep review
Oct 2025	Behind	Yes
Jan 2026	Behind	—
Apr 2026	Behind	Yes

Lift utilisation and margin discipline

By June 2028, sustained 75% billable utilisation at a 15%+ net margin, up from sub-10%.

Category: Profitability · **Target horizon:** Jun 2028 · **Current verdict:** On track · **Next review:** Jul 2026

Utilisation through 70% and write-offs down sharply on scoped engagements; net margin recovering toward the target band. First cycle genuinely on trajectory.

No annual goals linked to this objective yet.

Review cycle	Verdict	Deep review
Oct 2025	Behind	Yes
Jan 2026	Behind	—
Apr 2026	On track	Yes

Appendix A — Glossary

Finance terms used in this report. Owners can scan this once and skip on subsequent cycles.

Working Capital — Current assets less current liabilities: the short-term capital tied up running the business day to day. Rising working capital absorbs cash even when the business is profitable.

Cash-Conversion Cycle — The number of days between paying for inputs and collecting the cash from the resulting sale. The shorter the cycle, the less external funding growth requires.

Debtor Days (DSO) — Average days to collect outstanding receivables. Lower is stronger; a rising trend ties up cash and is an early warning of collection or customer-quality problems.

Creditor Days (DPO) — Average days to pay outstanding payables. Too low can signal paying faster than necessary (cash drain); too high can signal cash stretch or strained supplier relationships.

Cash Runway — Number of months current cash could cover operating expenses if revenue stopped entirely. A conservative resilience measure; a 3-month minimum is a common SME prudence floor.

Opex Ratio — Operating expenses as a percentage of revenue, excluding direct cost of sales. The overhead-discipline metric, independent of sales mix.

Gross Margin / Net Margin — Standard accounting definitions. Gross margin is revenue less direct cost of sales; net margin is profit after all expenses, as a percentage of revenue. Sustained margin trends matter more than any single month.

Current Ratio — Current assets divided by current liabilities. A liquidity check: comfortably above 1.0 means short-term obligations are covered by short-term assets.

EBITDA — Earnings before interest, tax, depreciation and amortisation. A proxy for operating cash generation before financing and non-cash items; useful for comparing operating performance across periods.

Appendix B — Methodology & Materiality

Rounding. Figures throughout the report are rounded to the nearest $K for readability. Percentages are reported to two decimals. Underlying values in the database are preserved at their full precision.

Materiality. Monthly movements smaller than $5K or 1% of revenue (whichever is greater) are not commented on individually unless they are part of a multi-month trend pattern. The threshold reflects the operational noise floor of an SME and prevents the report becoming a recitation of routine fluctuations.

KPI thresholds. Two sets of thresholds inform each KPI rating. Your own targets — taken from the goals agreed at the start of the engagement, are the canonical rating: where a goal exists for a metric, its green / amber / red status is driven solely by your position against that goal. Industry-calibrated benchmarks are the secondary reference, shown as the "vs industry" note beside each KPI; where no goal has been set for a metric, the industry benchmark rates it and the report says so. Where the two diverge, a KPI may sit green against your own target but below the industry norm, or vice versa, the report surfaces that explicitly rather than blending the two.

Forecasts. The 90-day cash forecast (the Cash Forecast section) is directional, not a commitment. Scenarios are built on trailing-3-month averages with deliberate, named assumption changes. They support the monthly review conversation and should not be used for external commitments (lender covenants, sale documentation) without further work.

Projected action outcomes. Where an action or risk in this report carries a quantified outcome ("about $X freed", "about +Y months runway", "the $Z exposure compounds"), that figure is a directional estimate restated from this period's reported balances and the cash-forecast scenarios — not an independent projection or a guarantee. It is intended to size the decision for the board conversation; the actual result depends on execution and conditions after the reporting date.

Point-in-time reconciliation. Figures are reconciled to source records on the date of generation shown in the footer. Subsequent ledger adjustments — backdated bills, journal corrections, late period-end accruals, are not retrofitted into prior reports. The authoritative current view always lives in the accounting system; each monthly report is a fixed snapshot of what the data said on its generation date.

Footer & Disclaimer

Prepared by: Thomas Fahy, Fahy Advisory **Client:** Meridian Studio Pty Ltd **Reporting period:** August 2026 **Report generated:** 1 September 2026 at 09:19 (Australia/Brisbane) **Data source:** Your accounting records, as at 1 September 2026.

Disclaimer. This report is generated from data extracted from your accounting records on the date shown above. Figures should be reconciled to source records before use in statutory, tax, lending, or commercial decisions. Recommendations reflect the data available at the time of generation and the stated business goals on file. They are advisory only and do not constitute regulated financial, legal, or tax advice. The advisor should be engaged directly for material decisions.

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