TRUST ACCOUNT SOLUTIONS

SAMPLE PROFIT AND CASH REVIEW · BOOKKEEPING

Saltbush Realty Pty Ltd

Saltbush made $214,000 profit in FY26, yet its bank balance fell by $96,000 and dropped to $14,180 at the end of February. Here's where the cash went, and the $101,000 to $162,000 a year we'd go after first.

Illustrative figures only. Saltbush Realty is a fictional agency.

FY26 profit before tax	Change in the bank over FY26	Lowest month-end balance	Found in this review, each year
$214,000	**–$96,000**	**$14,180**	**$101k–$162k**
9.6% of income · FY25 $291,000	$182,350 down to $86,350	February 2026	Fees not charged plus costs to cut

Saltbush is a profitable agency. It earned $2,236,000 in FY26 and kept $214,000 of it. The squeeze comes after profit: in FY26 more went out in drawings, tax and loan repayments than the business made in cash, so the bank balance went backwards.

Costs still matter, because they set how much room there is. The agency needs about $160,100 a month to run, and management fees bring in about $88,700 a month, 55% of that. The rest has to come from sales, which arrive in lumps. Below are the fees Saltbush is entitled to but isn't charging, then the costs that can come down, most valuable first.

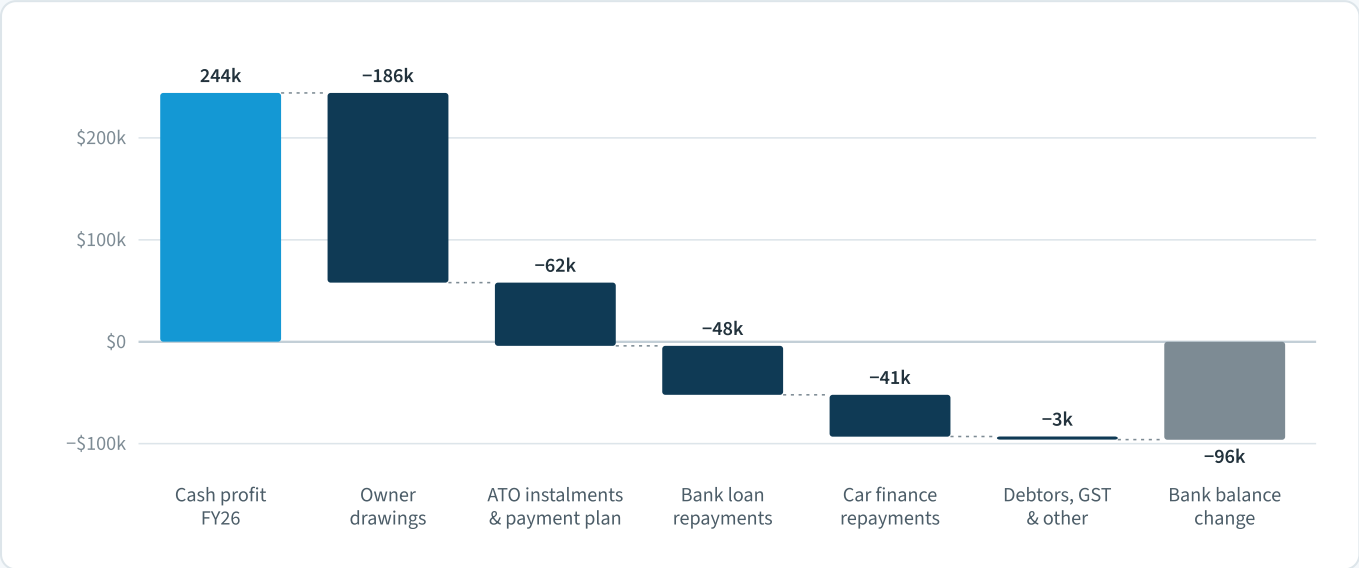
How We Built This Review

- **Every expense account, line by line.** We read the Xero file by supplier for FY25, FY26 and July to October 2026, and checked that the lines add to Xero's totals.
- **The trust account against the agreements.** We compared the fees charged in the property management software with each owner's signed management agreement. For our trust accounting clients we already hold this data.
- **The balance sheet, month by month.** Loans, tax, drawings and debtors show where the cash went, which the profit and loss can't.

- **The books themselves.** GST codes, reconciliations and balances that don't agree with the bank, the lender or the ATO.

1 · CASH

Where the Cash Went in FY26

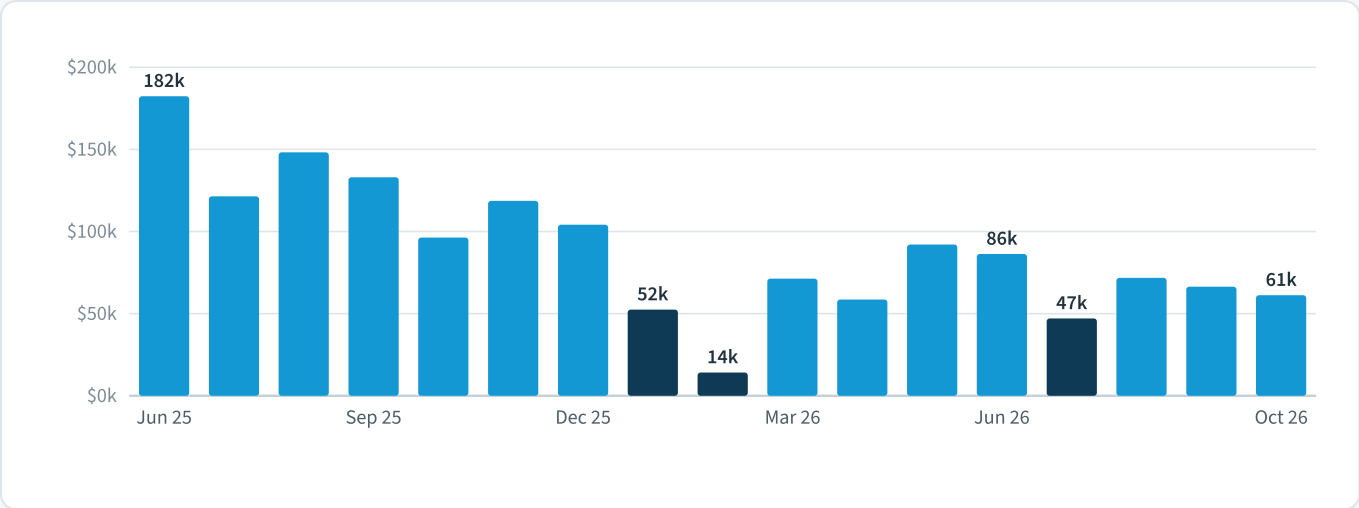


Cash in Cash out Net change in the bank

Cash profit is the FY26 profit of $214,000 with depreciation of $30,000 added back, because depreciation isn't a payment. "Debtors, GST timing and other" is the balancing figure.

- **Owner drawings: $186,000**, paid in 21 amounts from $2,000 to $28,000, usually the day after a big settlement. They're booked to the director's loan account, which stood at $231,400 at 31 October. A loan like this falls under Division 7A, so it needs a plan with your accountant.
- **ATO: $62,000.** PAYG instalments of $36,000, and $26,000 off a payment plan for an old BAS debt. $18,600 is still owing on the plan, and the ATO charges interest on it.
- **Bank loan: $48,000 of principal**, plus $24,000 of interest. The loan paid for a rent roll, the repayment is $6,000 a month, and $364,000 was owing at 31 October.
- **Car finance: $41,000 of principal** on three cars, on top of their running costs (section 3).

Month-End Bank Balance, June 2025 to October 2026



Business cheque account at each month end. The three lowest months are in navy. Each one follows a quiet month for settlements, a BAS payment or a large drawing.

2 · INCOME YOU'RE MISSING

Fees You're Entitled To but Not Charging

This is the part a general bookkeeper can't do, because they never see the trust account. We matched every fee charged to owners in FY26 against the signed management agreements and the sales campaign records.

WHAT WE FOUND	FY26
Letting fees not charged. 31 of 128 new leases had no letting or advertising fee, although the signed management agreement includes one.	$8,370
Old management fee rate. 19 owners signed the July 2025 fee increase, but their ledgers were never updated and they are still charged the old rate.	$7,980
Monthly admin fee not set up. 52 owner ledgers have no monthly administration fee set up, although their agreements include $5.50 a month.	$3,432
Portal upgrades not recharged. Premium portal listings on 9 sales campaigns were paid by the agency and never invoiced to the vendor.	$4,950
Fees not charged in FY26	**$24,732**

Before anything is charged, each item is checked against the owner's agreement. A few will turn out to be discounts the principal agreed to, so we count $20,000 to $25,000 a year. Most of the fix is a settings change in the property management software.

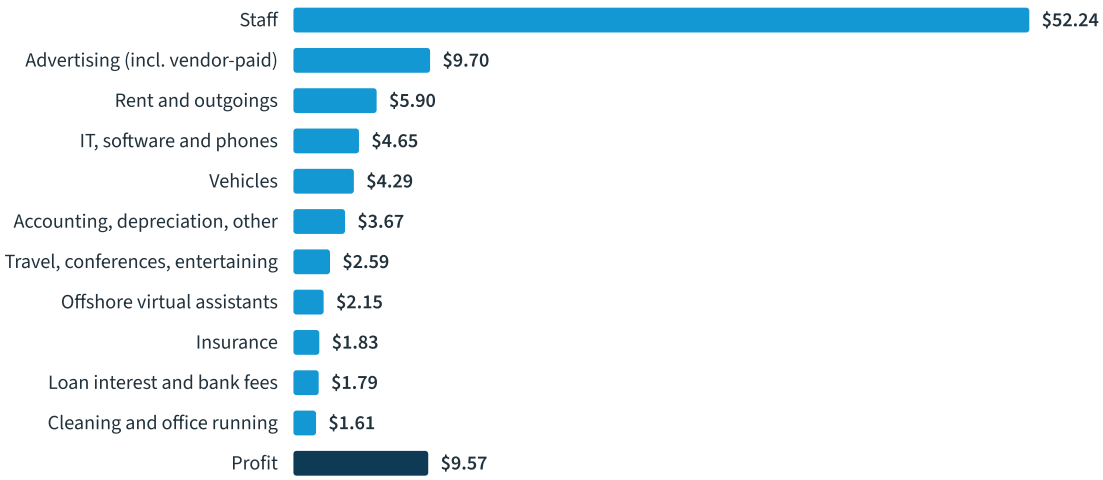
3 · COSTS

Costs to Cut, Most Valuable First

#	COST	FY26	YEARLY SAVING	WHEN
1	**Brand advertising.** Radio $21,600, letterbox drops $14,400, sports club and school sponsorships $9,500 and a local magazine $8,500. None of it is recovered from vendors, and nobody can name a listing it won. Pause radio and the magazine, keep a smaller letterbox run, and track where each new listing came from.	$54,000	$20,000–$35,000	Act now
2	**Vehicles.** Three cars on finance with $118,400 owing at 31 October, plus fuel $21,400, servicing $9,800, registration $5,600, insurance $7,200, finance interest $9,400, tolls and parking $11,400 and car allowances $31,200. Two salespeople get a car allowance and also fill up on the business fuel card ($6,300 in FY26). Stop the double-up, and sell or hand back the third car, which is mostly parked.	$96,000	$18,000–$30,000	Act now
3	**IT, software and phones.** Two IT support firms ($16,800 and $8,400) for one office. E-signature software paid twice, once direct and once through a reseller ($2,200). The old trust accounting software is still billing $220 a month, 14 months after the switch. Three property data subscriptions ($11,800) where one would do. And 19 mobile plans for 15 staff.	$104,000	$14,000–$22,000	Next
4	**Travel, conferences and entertaining.** Conferences and awards nights $19,800, flights and accommodation $16,400, client and staff entertaining $13,600 and meals $8,200. Set a yearly budget and approve conference travel in advance. Check the fringe benefits tax position on entertaining with your accountant.	$58,000	$10,000–$20,000	Next
5	**Cleaning and office running.** Two cleaning contractors. A second one started in October 2025 and the first was never stopped ($12,500 and $9,900). Office supplies, coffee and plants come to another $13,600.	$36,000	$8,000–$10,000	Next
6	**Offshore virtual assistants.** Two offshore VAs at about $24,000 each, up from one last year. Each role should replace a local cost, not add to it. Price TAS's virtual assistant service for trust and admin work before adding a third.	$48,000	$5,000–$10,000	Next
7	**Insurance.** Professional indemnity $22,400, management liability $6,800, office package $6,400 and cyber $3,100, paid monthly through premium funding, which added $2,300 of interest. Get competing quotes before renewal and pay annually if cash allows.	$41,000	$3,000–$5,000	At renewal
8	**Bank, card and merchant fees.** Merchant fees of $6,800 on card payments at the front counter are not passed on. Two credit cards with annual fees, $1,900 of international transaction fees and $2,400 of late and dishonour fees.	$16,000	$3,000–$5,000	At renewal
	Costs that can come down		**$81,000–$137,000**	

Savings are ranges, because some depend on decisions only the principal can make. Add the fees in section 2 and the total is $101,000 to $162,000 a year.

Where Each $100 of Income Went



The Two Biggest Costs

- **Staff: $1,168,000, 52% of income.** Wages and super $831,000, and $296,000 of commission paid to salespeople (28.5% of sales commission earned). This is where the money is, and it's also where cuts hurt most. Hold the line: before replacing anyone who leaves, check whether the team, better use of the software, or a TAS virtual assistant can take on the work.
- **Rent: $132,000 a year.** The lease runs to September 2027 with a five-year option. Three desks and a meeting room sit empty most days, so look at the space you need before you take up the option.

4 · CASH PLANNING

Cash That Isn't a Cost

Cutting costs adds room. The FY26 numbers show the bigger lever is how much leaves the business, and when.

- **Set a fixed monthly drawing**, reviewed each quarter against a 13-week cash forecast, instead of drawing after each settlement. $13,000 a month would be $156,000 a year, $30,000 less than FY26.
- **Move GST and PAYG into a separate account every week.** GST and PAYG withholding owed at 31 October came to $48,900. That's the ATO's money sitting in the business account, and it's how the old payment plan started.
- **Plan the FY26 company tax now.** It isn't provided for in the books. Ask your accountant for an estimate and start setting it aside.
- **Ask the bank about the loan term.** A longer term lowers the $6,000 monthly repayment. It costs more interest over the life of the loan, so it's a cash decision, not a profit one.

5 · COLLECTIONS

Money to Bring In Now

ITEM	AMOUNT	WHAT TO DO
Commercial leasing fee, invoiced February 2026	$7,200	Still unpaid. Chase it this week.
Vendor advertising, withdrawn listing, March 2026	$4,200	The campaign ran and the vendor withdrew. Send a final notice.
Two owner invoices for renovation supervision, 2025	$2,200	Deduct from rent if the agreement allows, or chase.
Supplier paid twice, August 2026	$1,840	Ask for a refund or a credit on the next invoice.
Repeating bill for a photography package cancelled in March	$1,600	Xero kept paying $200 a month. Stop the repeating bill and ask for a refund.
To bring in	**$17,040**	

6 · INCOME

Steady Fees, Lumpy Sales

INCOME	FY25	FY26	CHANGE
Property management fees	1,012,000	1,064,000	+5%
Sales commission	1,126,000	1,038,000	−8%
Advertising recovered from vendors	104,000	96,000	−8%
Other fees and interest	31,000	38,000	+23%
Total income	**2,273,000**	**2,236,000**	**−2%**
Profit before tax	291,000	214,000	−26%

- **Management fees grew 5%** to $88,700 a month on about 540 managed properties. They're the steady base, and they cover just over half the running costs.
- **Sales commission fell 8%**, and it moves a lot from month to month: January 2026 brought in $31,200 and March 2026 brought in $146,800.
- **July to October 2026 profit was $58,400**, against $79,600 for the same months of 2025, mostly because of slower sales.

7 · BOOKKEEPING

Books to Fix

1. **Post depreciation and loan interest every month.** They're only booked at 30 June, so each monthly report overstates profit by about $4,500.
2. **Reverse GST claimed on overseas software.** Four subscriptions charge no GST, but $1,180 of GST was claimed on them in FY26. Fix it before the next BAS.
3. **Move personal costs out of the business.** A gym membership, streaming services and a family phone ($2,960) belong in the director's loan account.
4. **Agree the bank loan to the lender's statement.** Xero shows $3,412 more owing than the bank does, because the interest and principal split was never posted.
5. **Reconcile the credit cards.** 46 card lines are more than 60 days old.
6. **Agree super payable to the clearing house.** They differ by $1,206. Under Payday Super this has to tie out every pay run.

8 · NEXT STEPS

Questions for the Principal

- Which of the three cars does the business need, and who drives them?
- Has the radio or magazine advertising won a listing you can name?
- Were the lower management fees for those 19 owners deliberate?
- What fixed monthly drawing would work for you?
- Which IT firm knows your systems best?
- Would a 13-week cash forecast, updated each week, help you plan drawings and tax?

TRUST ACCOUNTING | BOOKKEEPING | VIRTUAL ASSISTANTS

Want to See This for Your Agency?

We already look after trust accounting for agencies across Australia and New Zealand. We also do agency bookkeeping in Xero, and a review like this is where we start. **Your first review is free.**

- **Accounts payable:** bills entered, checked and set up for your approval.
- **Payroll:** commissions, super and Single Touch Payroll.
- **Bank and card reconciliations**, kept up to date each week.
- **A monthly report** with profit against budget and a cash-flow forecast.
- **BAS:** we help prepare it for your accountant to review and lodge. We're not BAS agents.
- **Your fees checked** against your management agreements, because we already see your trust account.

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Sample report prepared by Trust Account Solutions, November 2026. Saltbush Realty Pty Ltd is a fictional agency and every figure is illustrative. The findings are the kinds we see in real agency books. Amounts exclude GST. Comments on tax are pointers for your accountant, not tax advice.