SHARPDATAFLOW

Meridian Trade Supply Pty Ltd

Referring Accountant Briefing — Engagement Summary & Scope-of-Work Opportunities

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Contents

SECTION 01 · ENGAGEMENT AT A GLANCE

~$45k–$70k of Compliance and Advisory Work Surfaced — Most of It Yours

7	**4**	**$45–70k**	**8**
COMPLIANCE EXPOSURES · 5 IN YOUR SCOPE	RECONCILIATION FAILURES · $643K UNEXPLAINED	YEAR-1 FEE OPPORTUNITY · YOUR SCOPE	SCOPED WORK ITEMS · 3 REFER-ON

Thank you for referring Meridian Trade Supply. The PSS-Business diagnostic (companion report PSS-20260628-001) examined the full business but, by design, performed no tax, accounting, or audit work — it identified the issues and routed the technical execution back to you. This briefing translates the findings into a scoped opportunity register so you can quote and sequence the work.

Two items cannot wait. Payday Super commences 1 July 2026 — the payroll system must be confirmed ready before the first cycle. The NAB interest-cover covenant is breached at 1.22× (against 2.0×) with the facility 92.8% drawn — a 13-week cash flow and bank memo are needed within days, not weeks. Both sit in your domain and both are date-driven.

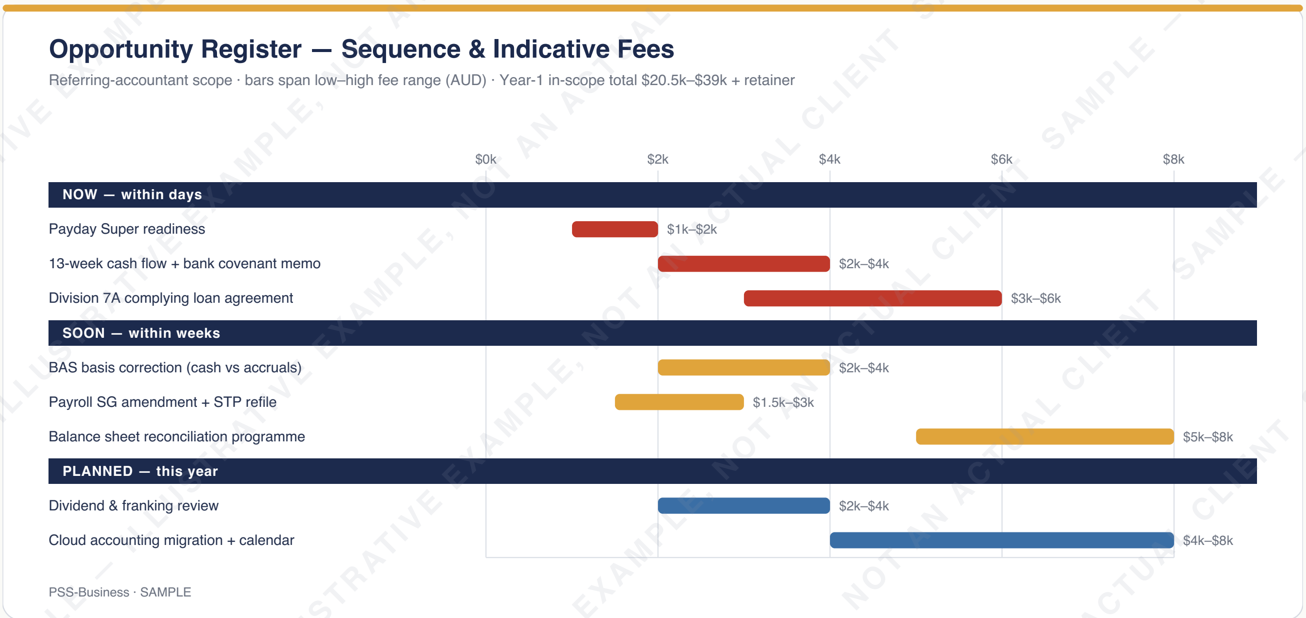
Where the engagement landed — the four reconciliation gaps that put the management accounts in question:

Reconciliation	Per Register	Per Balance Sheet	Unexplained Gap
Inventory register vs balance sheet	$1,089,576	$1,167,000	$77,424
Fixed asset register (WDV) vs balance sheet	$244,000	$392,000	$148,000
AP named creditors vs balance sheet creditors	$1,176,000	$1,490,000	$314,000
Cash flow closing vs balance sheet cash	$38,000	$142,000	$104,000

SECTION 02 · OPPORTUNITY REGISTER — YOUR SCOPE

Eight Engagements, Sequenced by Urgency, With Indicative Fees

Figure: Scoped engagements by urgency window, with indicative fee ranges (AUD).



Eight scoped engagements fall within registered tax agent and general-practice scope. Fee ranges are illustrative scoping guidance consistent with the engagement budget model — set against your own terms. Items 1–3 are date-driven and should be quoted first.

#	Work Item	What It Involves	Priority	Indicative Fee
1	Payday Super readiness	Confirm MYOB produces compliant payment reference numbers and processes the first payday-aligned remittance from 1 July 2026.	NOW	$1,000–$2,000
2	13-week cash flow + bank covenant memo	Prepare a rolling 13-week cash flow and covering memo for the NAB relationship manager, supporting proactive disclosure of the 1.22× interest-cover breach.	NOW	$2,000–$4,000
3	Division 7A complying loan agreement	$196k director loan grown from $142k with no agreement. Prepare a Section 109N complying agreement or repayment schedule before the relevant lodgement deadline.	NOW	$3,000–$6,000
4	BAS basis correction	Q4 FY25 BAS prepared on accruals while the entity is GST-registered on a cash basis. Correct, refile or adjust, and retain workings. Candidate for ATO voluntary disclosure.	SOON	$2,000–$4,000

#	Work Item	What It Involves	Priority	Indicative Fee
5	Payroll SG amendment + STP refile	Five of six records charged SG at 12.0% vs the 11.5% FY25 rate. Refile STP; reconcile the $20k gap between the $71k super payable and $51k computed obligation.	SOON	$1,500–$3,000
6	Balance sheet reconciliation programme	Full physical stocktake plus inventory, fixed asset, AP creditor and cash reconciliations. The covenant calculation itself depends on a reliable balance sheet.	SOON	$5,000–$8,000
7	Dividend and franking review	$260k dividend paid in a net-loss year. Review franking capacity, dividend documentation, and a sustainable distribution policy aligned to verified after-tax earnings.	PLANNED	$2,000–$4,000
8	Cloud accounting migration + compliance calendar	Migrate MYOB to a cloud platform with real-time read-only access; stand up an annual compliance calendar (BAS, monthly SG, insurance renewal, director-loan review, customs).	PLANNED	$4,000–$8,000 + retainer

Year-1 project fees in your scope total **$20,500–$39,000** (items 1–8, one-off components), plus an ongoing compliance-calendar advisory retainer estimated at $3,000–$5,000 per quarter. Items 1–3 are date-driven and should be quoted first; items 4–6 restore the integrity of the accounts (and the covenant calculation that depends on them); items 7–8 convert the relationship into recurring advisory work once the business is stabilised.

SECTION 03 · OUTSIDE YOUR SCOPE AND SUGGESTED NEXT STEP

Three Items Belong With Other Specialists — Flagged So You See the Full Picture

The following exposures fall outside the accounting and tax scope. They are listed so you have complete visibility and can coordinate the referrals — they are not work we expect you to perform.

Employment solicitor — contractor classification. Three install subcontractors (including J. Marsh, $94k per year, no other clients, Meridian-provided van, set hours) present characteristics consistent with deemed employment under CFMMEU v Personnel Contracting (2022). Superannuation guarantee and workers' compensation exposure flows from any reclassification — coordinate with your SG amendment work.

Commercial solicitor — supply agreements. Hanbit Refrigeration's exclusive agreement expired 31 March 2025 (38% of cost of goods sold); Shenzhen ColdChain (18%) has no written agreement. Together, 56% of cost of goods sold is contractually unprotected.

Customs broker — import entry and FX. Container HBRF-2025-019 carries a $15,576 declared-versus-invoice undervaluation and a $12,266 unbooked foreign-exchange loss — a customs duty and import-GST matter that intersects with the FX booking policy.

SECTION 04 · STRATEGIC PLAYS UNDER CONSIDERATION

Strategic Plays Under Consideration

Figure: Strategic plays selected against the binding constraint, grouped by horizon.

Eleven stabilise-stage plays are viable for Meridian; two — **Covenant-Holiday Bridge** and **Emergency 13-Week Cash Command** — extend the covenant and cash-flow work already underway in Section 2 and are worth raising with the director this week. No growth-stage plays are shown while the covenant position is unresolved (the diagnostic places Meridian in the stabilise band, and every item below is filtered to that band only). These are strategic options for you and the director to weigh, not additional scope for your firm.

Stabilise — Act now

Play	What it does
Covenant-Holiday Bridge	Trade a temporary covenant waiver for lender-visible cash discipline, buying runway without new capital.
Emergency 13-Week Cash Command	Running the business off a live 13-week cash forecast, updated weekly, converts cash from a lagging surprise into a managed daily control variable.
Director-Duty Solvency Firebreak	Formalising a solvency-monitoring cadence protects directors from insolvent-trading liability while forcing the hard cash decisions early.

Play	What it does
Creditor Standstill Orchestration	A short, co-ordinated creditor standstill freezes enforcement pressure long enough to execute a turnaround plan rather than being dismembered piecemeal.
Preferential-Creditor Triage	In an acute cash crunch, paying statutory and personally-guaranteed liabilities first protects the directors and the recovery, even ahead of ordinary trade creditors.
Financing and Payment-Terms Redesign	Redesigning how and when customers pay — deposits, milestone billing, embedded finance — can relieve a cash-flow crisis faster and more durably than chasing new sales.
Triage the Customer Book Like an Emergency Department	In a capacity crunch, ranking every open job by a triage rule rather than first-in-first-out protects cash and the customers who matter most.
Resolve the Grow-vs-Protect-Cash Contradiction via Prior Action	A cash-constrained business can pursue growth without spending cash by collecting the revenue before incurring the cost.
Pre-Mortem the Turnaround Before Committing Capital	Assuming the rescue plan has already failed and reasoning backward surfaces the fatal flaws while there is still time and cash to fix them.

Stabilise — Weigh in parallel

Play	What it does
Multi-Entity Restructure for Risk Isolation	Separating high-value assets and high-risk trading activities into distinct legal entities under a holding structure ring-fences the business so one liability event cannot bring down the whole.
Off-Peak Capacity Arbitrage into an Adjacent Segment	Selling idle off-peak capacity to a different customer segment at a different price point covers fixed costs without cannibalising core demand.

Considered and set aside for this cycle (people/capacity plays — revisit once the covenant position is stable): Owner Decision-Rights Ledger, Critical-Staff Retention Ringfence, Award & Wage Compliance Audit, Contractor-vs-Employee Reclassification, Documented Roles & Accountability Chart.

Your Client Stays Yours

This engagement is structured to send the technical execution back to you, not to compete with it. The diagnostic identifies and frames the work; your firm performs it under your own engagement terms and professional judgement. This briefing is advisory framing only and expresses no opinion on the financial statements — verify every finding under your own engagement before acting or advising the client.