

## Data Input: Breakeven Analysis

Business Name:	Example Repair Services
For year ended:	30 June 2018

GST Exclusive

Owner's Desired Income (before tax)	
Desired income excluding wages	\$50,000
Estimated investment in business	\$120,000
Desired rate of return on investment (ROI)	10%

Operating Expenses		
Wages - owner		\$60,000
Wages - staff		\$230,000
Wages - on costs (super, workcover)	10%	\$29,000
Depreciation		\$20,000
Bookkeeping fees <sup>(1)</sup>		\$8,000
Insurance - business and personal <sup>(2)</sup>		\$15,000
Major expense - Name	Advertising	\$20,000
Major expense - Name	Rent	\$60,000
Other operating expenses		\$150,000
<b>Total operating expenses</b>		<b>\$532,000</b>

Finance Expenses	
Total or average debt	\$100,000
Estimated interest rate	7%

Other Key Data	
Number of full time equivalent (FTE) tradies	6.5
Standard weekly hours per FTE	38
Average weeks available per FTE <sup>(3)</sup>	45
Standard annual hours per FTE	1710
Target hours to be sold as % of total available hours	65%

<b>Owner: Total Income (desired income, ROI and wages)</b>	<b>\$122,000</b>
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**Note 1:** It is critical that the startup allow for a bookkeeper to get control and keep control of finances from day 1

**Note 2:** A full review of your need is vital: business expense cover, life, TPD, trauma, income protection

**Note 3:** Calculated as: 52 weeks LESS: 4 annual leave, 2 public holidays, 1 sick = 45 weeks

<b>Example Repair Services</b>		
<b>Breakeven gross profit target</b>		
	<b>For year ended:</b>	<b>30-Jun-18</b>
	<b>Variable</b>	<b>\$</b>
<b>Your desired income</b>		
Income (excluding wages) before tax		\$50,000
<b>Return on investment</b>		
Invested funds	\$120,000	
Rate of return	10%	\$12,000
<b>Desired income before tax</b>	(a)	<b>\$62,000</b>

<b>Operating expenses</b>		
Wages - owner		\$60,000
Wages - staff		\$230,000
Wages - on costs (super, workcover)		\$29,000
Insurance - business & personal		\$15,000
Depreciation		\$20,000
Advertising		\$20,000
Rent		\$60,000
Other operating expenses		\$150,000
<b>Total operating expenses</b>	(b)	<b>\$532,000</b>

<b>Interest on debt</b>	(c)	<b>\$7,000</b>
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<b>Gross profit for year:</b>	(a+b+c)	<b>\$601,000</b>
<b>Weekly gross profit target (based on 52 weeks)</b>		<b>\$ 11,558</b>

<b>Target hours to be sold next year</b>		<b>7,225</b>
<b>Target hours to be invoiced every week</b>		<b>139</b>
<b>Target rate per hour</b>		<b>\$ 83.19</b>