Sample Output

Dividend Policy Review

An anonymised, illustrative example of the quarterly dividend review LedgerLift produces for clients.

Notes on this sample

- Client name has been replaced with "Sample Client" — this is not a real business.
- Numbers are illustrative only, used to demonstrate the format and approach.
- The framework, structure, and methodology shown are exactly what LedgerLift delivers each quarter.
- Designed to be read by directors and shared with accountants where useful.

Sample Client – Dividend Policy Review

Q3 FY26 | For the Quarter Ended 31 March 2026

Executive Summary

No dividend payable this quarter.

Working capital shortfall of $1,000,000 against required reserves of $2,300,000.

YTD NPAT	Available WC	Shortfall	Revenue vs Forecast
$1,500,000	$1,250,000	($1,000,000)	110%
25% ahead of FY25	vs $2.30M required	Improved 49% from Q4 FY25	Above 90% threshold

Dividend Conditions:

- ✓ Assets > Liabilities
- ✗ Working Capital Sufficient
- ✓ Revenue Stable vs Forecast

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Earnings Performance (YTD)

	Q3 FY26 (Current)	Q2 FY26	Q1 FY26	Q4 FY25
EBITDA	$2,000,000	$900,000	$400,000	($50,000)
Less: D&A	$15,000	$8,000	$2,000	$7,000
EBIT	**$1,985,000**	**$892,000**	**$398,000**	**($57,000)**
Less: Net Interest	$6,000	$11,000	$7,000	$66,000
EBT	**$1,979,000**	**$881,000**	**$391,000**	**($123,000)**
Less: Tax (25%)	$494,750	$220,250	$97,750	($30,750)
NPAT	**$1,500,000**	**$660,000**	**$293,000**	**($92,000)**

The business has swung from a $92K loss at Q4 FY25 to a $1.5M profit at Q3 FY26 — a $1.6M turnaround in 9 months. NPAT margin has expanded from -2% to 23%.

Working Capital Position

What the business has

Cash	$1,940,000
Accounts Receivable	$735,000
Less: Short-term Liabilities	($1,425,000)
Available Working Capital	**$1,250,000**

What the business needs to keep

Working Capital (2.5x costs)	$1,275,000
Liquidity Reserve (2.0x costs)	$1,025,000
Total Reserves Required	**$2,300,000**

Short-Term Liabilities Breakdown | $1,425,000

Annual Leave Provision	Income Tax Provision	GST	Income Tax Payable
$460,000 32%	**$365,000** 26%	**$170,000** 12%	**$110,000** 8%
PAYG Withholding	Superannuation	Payroll Tax	Other (AP, Wages, Workcover)
$95,000 7%	**$90,000** 6%	**$75,000** 5%	**$60,000** 4%

Shortfall: ($1,000,000)

Available WC of $1,250,000 does not cover required reserves of $2,300,000

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Dividend Conditions

All conditions must be met before a dividend can be declared.



Assets > Liabilities

PASS

Net assets of $2.30M: balance-sheet condition met. Passed all 4 quarters.

Q3	Q2	Q1	Q4'25
✓	✓	✓	✓



Working Capital Sufficient

FAIL

Available WC of $1.25M falls short of $2.30M required reserves by $1.00M.

Q3	Q2	Q1	Q4'25
✗	✗	✗	✗



Revenue Stable vs Forecast

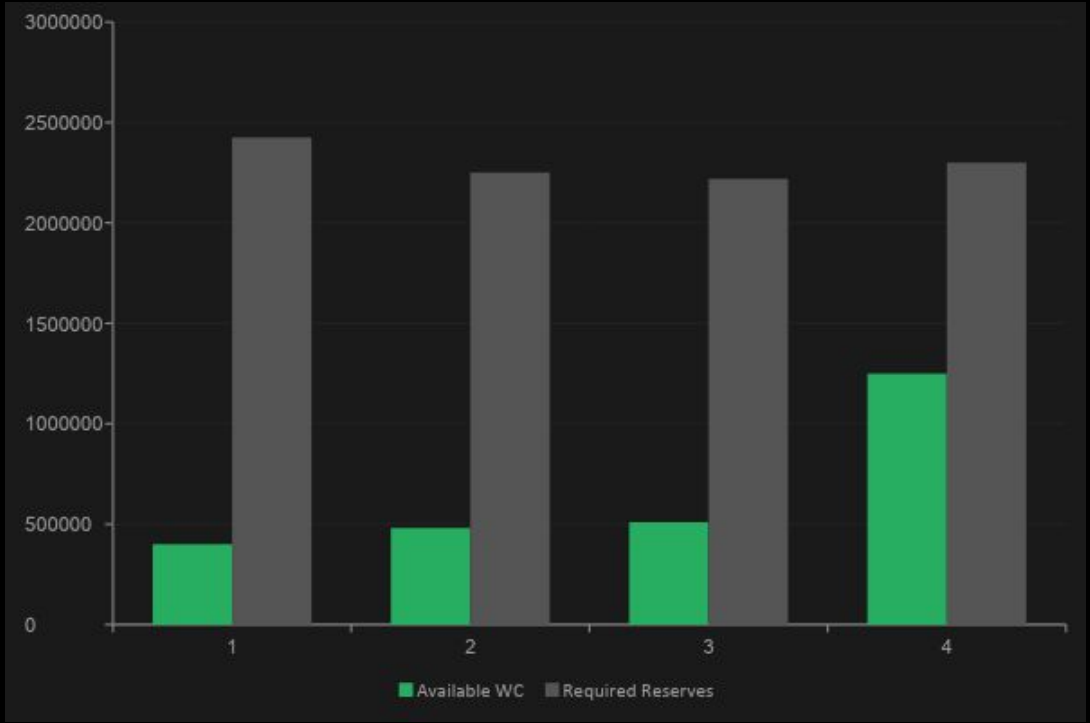
PASS

L3M actual revenue of $2.65M exceeds forecast of $2.40M by 10%.

Q3	Q2	Q1	Q4'25
✓	✓	✓	N/A

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Trend & Outlook



Shortfall Trend

Q4 FY25	**($2,025,000)**
Q1 FY26	**($1,775,000)** 12% improvement
Q2 FY26	**($1,710,000)** 4% improvement
Q3 FY26	**($1,000,000)** 39% improvement

At current trajectory (~$300–400K improvement per quarter), the business could reach dividend capacity by Q1–Q2 FY27.

The gap has narrowed by 49% over 3 quarters — from ($2.03M) to ($1.00M). Cash has grown from $1.07M to $1.94M, while monthly operating costs have declined from $537K to $510K.

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Capital Efficiency

Return on Equity

63%

-6% → 17% → 32% → 63%

Exceptional ROE growth

NPAT Margin

23%

-2% → 5% → 11% → 23%

Margin expansion each quarter

Distributable Profits

$2,300,000

$850K → $1.13M → $1.51M → $2.30M

Growing profit base for future dividends

Capital is being deployed effectively. ROE of 63% demonstrates strong returns on equity, while expanding margins show operational leverage. The business is building a growing profit base that will support dividends once working capital reserves are met.

Recommendation

No dividend is recommended for Q3 FY26.

The working capital condition is not satisfied. Available operating working capital of $1,250,000 does not meet the required reserves of $2,300,000 (2.5x WC + 2.0x Liquidity based on $510,000 average monthly costs).

Positive Signals

- ✓ Business is profitable — $1.5M NPAT YTD (23% margin)
- ✓ Shortfall narrowing consistently — 49% improvement over 3 quarters
- ✓ Revenue exceeding forecast by 10%
- ✓ Cash position strong at $1.94M (up 82% from Q4 FY25)
- ✓ At current trajectory, dividend capacity expected Q1–Q2 FY27

Next Steps

1. Populate franking credit balance from latest tax return
2. Confirm nil CAPEX commitments
3. Re-assess at Q4 FY26 (June 2026)

Thank you

For questions or further detail on this dividend assessment,
please contact your LedgerLift lead.

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