Accounting Firm Business Plan Sample — Canada

This **accounting firm business plan template and sample** presents **Alder Ledger Advisory Inc.**, a fictional Canadian company proposed for Hamilton, Ontario. It is clearly labelled a **SAMPLE**: no real business, client engagement, operating result or investment offer is depicted. Use this example to understand how ten connected sections turn an operating idea into an evidence-based financing discussion. Return to the sample business plan hub to compare other models.

All company details, commercial prices, demand, capacity, costs and financial projections are illustrative assumptions. They are not observed market statistics, professional advice or promises of revenue, profit, occupancy or financing approval. The appendix distinguishes the fictional operating choices from official research starting points. Confirm current rules for the actual application and premises.

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1. Sample executive summary

Alder Ledger Advisory Inc. proposes monthly bookkeeping, payroll processing and year-end preparation for owner-managed service businesses. Its initial customers are small service companies that need organized records and a predictable monthly close. The proposed Hamilton, Ontario location is fictional; no specific premises, supplier agreement or customer contract has been secured. The launch will remain within a defined scope and expand only when delivery resources and cash support the extra work.

The illustrative opening capitalization is CAD $120,000, comprising $90,000 owner equity and $30,000 requested borrowing. Installed assets use $30,000, stock $0 and opening cash $90,000. The reserve is held at financing close before additional pre-opening operating expenses. The request is conditional on actual quotations, due diligence, permissions and lender underwriting. No unapproved grant fills a funding gap.

Year 1 illustrates revenue of $324,000 and net income / (loss) of $23,568. Sales are driven by the units and prices in section 3, with paid owner work included in payroll. Management must validate demand, reconcile the first-year monthly cash schedule and resolve launch conditions before making commitments. These numbers teach the relationship between operations and capitalization; they are not forecasts for an actual company.

> *What a reviewer reads for: a specific offer, an achievable delivery model, a traceable funding requirement and clear conditions before spending. A polished narrative cannot replace verified demand or sufficient cash.*

2. Sample company overview

Alder Ledger is a fictional Ontario corporation founded by Mira Ellis, an invented accountant with eight years of bookkeeping, close-management and small-business reporting experience. It proposes a base in Hamilton, Ontario. The founder owns all opening shares. The person, biography, business and all operating details are invented and illustrative; no actual credentials, authorization, customer agreements or operating history are represented.

The launch covers bookkeeping, payroll administration and management reporting under written engagements. Audit, review and other public-accounting assurance work are excluded. Any later tax or regulated engagement requires a separate competence, licensing and insurance review. A client remains responsible for approving payroll and supplying complete source records; access to a bank feed does not authorize the firm to release client funds.

The founder will document ownership, signing authority, equity contributions and business banking before entering contracts. The fictional name is a teaching identifier and has not been checked for availability. Business receipts, customer obligations and owner funds must remain distinguishable in the accounting records. A founder's experience is relevant to execution but does not establish demand or replace competent help where the actual activity requires it.

Premises and major purchasing commitments follow due diligence rather than an unsupported opening date. A letter of intent should identify conditions, permitted use, landlord responsibilities and what happens if a necessary approval is refused. Installation, access, insurance, repairs and restoration terms affect the budget as well as the lease. The owner will obtain qualified advice on the actual structure and agreements before committing the reserve.

3. Sample services and revenue model

The primary unit is one earned client-month of recurring work. The model assumes an average of 30, 40 and 50 active monthly clients over twelve months, giving 360, 480 and 600 client-months. Net monthly fees are CAD $900, $925 and $950. These are fictional package prices, not market rates. Cleanup projects and tax filing fees are not a second revenue stream; no referral commissions or client funds are included in revenue.

Direct software seats, secure document processing and purchased file support are modeled at six per cent of revenue. Employee delivery time, owner review and employer costs are in payroll, not direct purchases. Engagement scope specifies transaction limits, payroll frequency, close deadlines and the treatment of incomplete records. Work beyond scope needs a separately approved change before it is added to the forecast.

Written customer terms will identify the unit sold, what is included, what costs extra, when delivery occurs and how a complaint or change is handled. A large sales total is useful only if the company retains enough contribution to cover paid work and overhead. Management will maintain a cost sheet for each offer showing net selling price, purchased inputs, staff time and the constraint that limits delivery. Included products are not counted again as add-on revenue.

The forecasts describe completed, earned sales rather than every enquiry received. Refunds, discounts, credits and uncollectible balances require explicit treatment. Growth in a secondary channel needs its own demand evidence, staffing and cash; it is not an automatic reward for primary sales. Before adding an offer, management will revisit training, insurance, stock, permissions and working capital so the new line does not weaken delivery of the original promise.

4. Sample market analysis

The Hamilton catchment is an initial relationship-building area rather than a claimed protected territory. Research will interview service-business owners about close delays, current adviser arrangements, record quality and willingness to pay for the defined monthly package. The owner will compare local practice offers and test a sample onboarding file; no interview, customer commitment or competitor finding is represented as completed.

Alternatives include in-house administrators, independent bookkeepers, accounting practices and owner-operated software. The fictional positioning is a documented monthly close with clear responsibilities and secure records. The plan does not claim that outsourcing guarantees lower tax, fewer errors or financing approval. Demand must support both the package scope and the work needed to onboard each client.

The evidence register will separate observed information from management assumptions. A supplier quotation supports purchase cost; it cannot prove customer demand. An interview describes that respondent's circumstances; it is not a representative market survey without a suitable method. Competitor prices require a date, scope and tax basis. National industry revenue cannot establish how many customers this particular operation can reach and serve profitably.

Use the TAM, SAM and SOM glossary to distinguish broad opportunity, reachable customers and the smaller share that practical launch capacity supports. Build the obtainable case from units, service time, buying frequency and net price. For each material forecast input, the owner will record its definition, evidence, uncertainty and next review date. Evidence that contradicts the concept should change the plan rather than be discarded to preserve the original revenue target.

> *Adaptation note: support the chosen customer, geography and delivery capacity with dated evidence. Keep fictional demand assumptions separate from researched facts.*

5. Sample operations plan

Year 1 assumes 360 client-months at eight delivery hours each, or 2,880 productive hours. Three paid delivery equivalents including the working founder provide 3,360 productive hours at an illustrative 1,120 each after training, leave, administration and review. Year 2 needs 3,840 hours and four equivalents; Year 3 needs 4,800 and five. Those are capacity assumptions to test on real files, not professional productivity benchmarks.

Onboarding begins with engagement acceptance, identity and authority checks, opening-balance review and secure record transfer. A preparer reconciles bank and payroll controls; a different authorized reviewer signs the close checklist. Missing records and unusual transactions go to the client for resolution. Payroll runs require client approval before release, and access to client systems follows least-privilege permissions.

The owner will confirm the actual use of professional titles, public-accounting licensing boundaries, privacy obligations, record retention and professional liability cover. The sample does not represent that its fictional founder holds a real designation or licence. System backups, multifactor access, a tested recovery procedure and a second payroll approver are readiness requirements before accepting recurring deadlines.

Opening follows named readiness gates: a viable operating site, acceptable contractual terms, required authorization, installed and tested systems, trained staff and a funded cash calendar. Each unresolved condition has an owner and a decision point. Rent, payroll preparation and finance charges can continue while a gate is delayed. A commercial launch announcement does not make an unresolved permission or supplier commitment disappear.

The operating workbook will translate annual capacity into weeks and months, allowing for training, absence, downtime and cancellations. At least one trial of the full delivery process will test the assumptions before volume commitments expand. The manager will keep a continuity file with supplier contacts, backup responsibilities,

system recovery and customer communication procedures. Alternatives count as usable capacity only when their availability, cost and scope are confirmed.

6. Sample marketing and sales plan

Alder Ledger will test a plain-language monthly-close checklist, local business introductions and educational workshops with a CAD $6,000 first-year marketing allowance inside overhead. No bank, lawyer or business association is represented as a referral partner. Discovery calls assess record volume and complexity before an engagement is priced and capacity reserved.

Retention is measured by completed closes, unresolved client queries, collection days and scope changes rather than by client count alone. Introductory meetings do not become earned client-months until work is delivered under an agreement. Published examples will use synthetic records and explain the service boundary; tax savings, audit outcomes and lending decisions are never promised.

The sales register distinguishes an enquiry, a qualified prospect, an agreed order or booking, completed delivery and collected cash. Forecasting every enquiry as a sale hides both conversion risk and the collection delay. Management reviews the cost of acquiring customers against contribution after delivery costs, not against gross receipts alone. Repeat business is tracked separately from new acquisition so existing accounts do not make an unproven advertising campaign look effective.

Campaigns have spending limits and review points. If an offer attracts demand for a time, product or service the team cannot deliver, that demand is not usable revenue. The owner will record the reason for lost business, customer credits and cancellations and adjust scope or scheduling accordingly. Proposed partnerships remain prospects until their obligations are agreed. Published claims must reflect actual service and evidence rather than invented reviews or endorsements.

7. Sample management and staffing

Mira controls acceptance, review standards and cash planning. Year 1 payroll of CAD $210,000 funds three paid delivery equivalents including a CAD $75,000 owner compensation envelope and employer costs. Years 2 and 3 budget four and five equivalents within CAD $280,000 and $350,000. The roster must leave time for review and client communication rather than treat all paid hours as billable.

A file owner prepares each close and a designated reviewer resolves exceptions before delivery. Payroll approval remains with the client, with a backup reviewer available for absence. An external adviser will review the firm’s own accounts and activity boundaries. Conflicts, access changes and missed deadlines are recorded and escalated rather than hidden by a clean-looking dashboard.

The payroll envelope must become a roster of paid positions, hours, wages, employer costs, leave and relief coverage before the plan is used. Contractor status requires an assessment of the real working relationship. The model does not assume that giving someone a contractor label removes employment responsibilities. Sensitive staff and customer records have role-based access, a retention policy and a response procedure appropriate to the actual operation.

A weekly management review compares delivered units, net price, direct cost, paid hours, overdue balances, cash and upcoming commitments. Each material variance receives a cause, an action and a responsible person. Increasing sales cannot repair a persistent collection failure, and cutting maintenance can make a capacity problem worse. The founder will delegate routine authority and identify who can approve urgent decisions during an absence rather than assume the owner is always available.

A compromised credential, incomplete opening records or a cluster of payroll deadlines can disrupt delivery. The owner will limit onboarding slots, retain paid review capacity and test file restoration. Losing one large client can

leave a fixed payroll cost; the downside forecast must test concentration and slower collections. Client money is never used to bridge the firm's working-capital gap.

8. Illustrative financial projections

All financial amounts, prices, volumes, percentages and projections below are illustrative assumptions, not market benchmarks, approved credit terms or promised results. Years 1–3 mean the first three operating years after an authorized opening. Annual totals do not establish adequate monthly liquidity. Sales exclude collected sales taxes; actual tax collected, recoverable purchase taxes and remittances require separate control accounts. Nonrecoverable taxes belong in the real cost quotes.

The opening schedule describes financing close before additional pre-opening operating expenses. Cash reserves must therefore cover actual legal work, hiring, training, deposits, advertising and carrying costs as well as the operating ramp. The model does not pretend those costs disappear. Itemize them before launch, determine whether they are expenses, deposits or assets, and replace the opening balances accordingly. The illustrative opening model has no receivables, supplier payables or customer deposits.

Illustrative opening sources and uses

Use	Amount	Source	Amount
Fit-out and equipment	$30,000	Owner equity	$90,000
Opening inventory at cost	$0	Requested borrowing	$30,000
Opening cash and reserves	$90,000	Grants assumed	$0
Total uses	$120,000	Total sources	$120,000

Illustrative financing-close capitalization, CAD

Illustrative revenue drivers

Line	Year 1	Year 2	Year 3
Primary annual units	360	480	600
Net revenue per primary unit	$900	$925	$950
Primary revenue	$324,000	$444,000	$570,000
Secondary revenue	$0	$0	$0
Total revenue	$324,000	$444,000	$570,000

Illustrative earned sales, CAD; units are defined in section 3

Illustrative three-year pro-forma income statement

Line	Year 1	Year 2	Year 3
Revenue	$324,000	$444,000	$570,000
Direct supplies, merchandise and channel costs	$19,440	$26,640	$34,200
Gross contribution before employee payroll	$304,560	$417,360	$535,800
Employee payroll, owner work and employer costs	$210,000	$280,000	$350,000
Rent and occupancy	$18,000	$18,900	$19,800
Other operating overhead	$42,000	$50,000	$60,000
EBITDA	$34,560	$68,460	$106,000
Depreciation	$3,000	$3,000	$3,000
Interest	$2,100	$1,890	$1,680
Profit / (loss) before tax	$29,460	$63,570	$101,320
Hypothetical tax provision	$5,892	$12,714	$20,264
Net income / (loss)	$23,568	$50,856	$81,056

Illustrative annual income statement, CAD

Direct costs follow the industry-specific assumptions in section 3. Employee payroll includes paid owner work and employer costs and is presented separately to avoid counting the same labour twice. Other operating overhead is an envelope for insurance, marketing, professional support, software, maintenance and activity-specific administration. Itemized quotes must replace it before a financing decision. No unpaid founder labour is used to make the business appear sustainable.

Depreciation is an illustrative accounting charge equal to ten per cent of the original installed asset pool annually; it is not a statutory tax allowance. Capital replacements start in Year 2 at three per cent of that original pool and are included in net assets. Interest is calculated on each year’s opening debt solely for this simplified illustration. Actual monthly interest and amortization will differ. Principal is a cash outflow and does not reduce accounting profit.

A hypothetical twenty per cent provision is applied only to positive annual pretax income, with no modeled loss carryforward. It is a teaching convention, not a statutory rate or tax opinion. The scenario assumes the company is taxed at entity level for this illustration; the actual entity, elections, owner obligations and jurisdiction require professional review. Taxes and interest are assumed paid in the year charged. There are no dividends, new borrowing, grants or asset-sale proceeds after financing close.

Illustrative working capital and cash flow

Year-end receivables are assumed at 8 per cent of earned revenue and supplier payables at 10 per cent of direct costs. Interest is assumed at seven per cent of each year's opening debt, with CAD $3,000 of annual principal. These inputs are fictional commercial timing and debt conventions, not approved credit terms or industry benchmarks.

Working capital follows the explicit assumptions below. Receivables are earned but uncollected sales; stock is carried at cost, not selling price. Supplier payables are obligations, not free revenue. Opening inventory stays unchanged at the end of Year 1, then rises to fifteen per cent and thirty per cent above the opening stock balance in Years 2 and 3. Those are stock-planning assumptions, not regulatory ratios or evidence of optimum inventory.

The working-capital cash movement equals the increase in supplier payables less increases in receivables and inventory. A positive movement supplies cash; a negative movement consumes it. This model assumes no customer deposits or trust balances. A real business taking advance customer money must schedule the corresponding service obligation rather than classify every deposit as additional earned sales. Cash must be reconciled to the bank and to restricted obligations before it is described as available to spend.

Line	Year 1	Year 2	Year 3
Opening cash	$90,000	$89,592	$130,668
Net income / (loss)	$23,568	$50,856	$81,056
Add back depreciation	$3,000	$3,000	$3,000
Working-capital cash movement	($23,976)	($8,880)	($9,324)
Operating cash flow	$2,592	$44,976	$74,732
Capital replacements paid	$0	$900	$900
Loan principal paid	$3,000	$3,000	$3,000
Closing operating cash	$89,592	$130,668	$201,500

Illustrative annual cash flow, CAD; capital and principal rows are outflows

Illustrative year-end balance sheets

Line	Year 1	Year 2	Year 3
Cash	$89,592	$130,668	$201,500
Accounts receivable	$25,920	$35,520	$45,600
Inventory at cost	$0	$0	$0
Fit-out and equipment, net	$27,000	$24,900	$22,800

Line	Year 1	Year 2	Year 3
Total assets	$142,512	$191,088	$269,900
Supplier payables	$1,944	$2,664	$3,420
Loan outstanding, total	$27,000	$24,000	$21,000
Owner share capital / contributed equity	$90,000	$90,000	$90,000
Cumulative retained earnings / (deficit)	$23,568	$74,424	$155,480
Total liabilities and equity	$142,512	$191,088	$269,900

Illustrative pro-forma balance sheets, CAD

The loan line combines current and longer-term portions to keep the teaching balance sheet compact. A lender submission should classify them using actual repayment dates. Retained earnings equal cumulative modeled net income with no distributions. Net assets equal original installed cost plus replacements less cumulative depreciation; cash comes directly from the cash-flow statement. These links are necessary checks, not a substitute for a complete accountant-reviewed financial package.

The monthly workbook must show the sequence hidden by annual totals: pre-opening spending, trading ramp, customer collection, stock purchases, payroll, tax and debt payments. Test the lowest week of cash as well as year-end balances. A company can show annual profit while lacking money for next Friday's payroll. A negative cash point requires committed funding, a genuinely avoidable cost reduction or a redesigned launch before obligations are accepted.

Illustrative break-even, repayment and combined downside

Using Year 2's channel mix, contribution before employee payroll is $417,360 divided by $444,000, or 94.0 per cent. Fixed operating expenses are $348,900. Dividing those costs by the contribution fraction gives EBITDA break-even revenue of about $371,170 annually. Adding Year 2 interest and principal gives a simplified cash debt-service sales threshold of about $376,372, before tax, replacement capital and working-capital movements. The staffing and capacity plan must support that activity; the calculation itself is not evidence of demand.

For a separately defined repayment cross-check, Year 2 operating cash flow after modeled tax, interest and working-capital movements is $44,976. Adding back $1,890 interest gives $46,866 before debt service and replacement capital. Dividing by $4,890 of principal plus interest gives illustrative coverage of 9.58 times. Deducting $900 replacement capital would leave $45,966 before debt service. This is a disclosed teaching calculation, not a lender's required definition or threshold.

A combined ten per cent Year 2 sales reduction at the same mix and ten per cent payroll overrun reduces EBITDA by approximately $69,736, leaving ($1,276) before remedial action. This assumes direct costs vary with sales while scheduled payroll and other fixed costs do not fall automatically. Also test an opening delay, slower collections and the specific risks in section 7. Rebuild monthly cash under the stressed assumptions rather than subtracting a profit variance from annual cash and assuming timing is harmless.

9. Sample funding request

The fictional request is CAD $30,000 borrowing plus $90,000 owner equity. Installed assets use $30,000, opening stock $0 and cash $90,000. Secure workstations, document systems and office fit-out use the installed-asset budget. There is no resale inventory. Opening cash supports client onboarding, paid review and collection delays. The lender file will include engagement templates, a workload roster, security controls, insurance quotes, founder experience and evidence of equity; unsigned recurring engagements are not contracted repayment.

The lender will review actual borrower evidence, site and operating conditions, supplier terms, payroll assumptions, equity sources and monthly cash forecasts. The seven per cent interest convention is purely illustrative; actual amortization, fees, security and guarantees require written terms. No future grant or unsigned contract fills a repayment gap. If the real costs exceed the envelope, management must revise scope or commit additional equity before accepting obligations.

Funding release should follow the actual readiness gates and dated invoices. Do not buy equipment that cannot be installed, promise service before qualified coverage exists or consume the reserve while an essential condition remains unresolved. If a lender offers less than the requested amount, the owner must reconcile the revised sources and uses and prove the smaller launch can work before accepting the facility.

A business plan cannot guarantee approval. The lender evaluates the actual borrower, evidence, repayment, security and its current requirements. The requested route and the owner's commercial ambition do not establish program eligibility. For help connecting your verified operating evidence and financial schedules, explore our business plan writing services; scope and deliverables need to be agreed for the real project.

10. Sample appendix and official-source register

The appendix makes the operating and financial case reviewable. Organize ownership and signing records, relevant resumes, premises terms, itemized supplier quotations, insurance, applicable permissions, staffing and training records, customer terms and the monthly workbook. Reference each attachment from the section it supports. Keep sensitive personal and commercially confidential documents in the receiving institution's designated secure channel rather than publishing them with a sample plan.

Maintain an assumptions index recording the input, unit, source, date, owner, uncertainty and review trigger. Mark each item as verified evidence, provisional quotation or management estimate. When a price, volume or payment term changes, update the narrative, financial statements and funding request together. A quote can expire, a premises condition can change and a prospective customer can decline; the evidence register should make those changes visible.

The official links below are research starting points for the stated topics, not a claim that this fictional operation has been licensed or that every current requirement has been verified. No regulatory fee, approval timeline, statutory tax rate or entitlement is reproduced. Confirm the current rules for the actual location, activities and transaction with the responsible authority and qualified advisers before relying on the plan.

- CPA Ontario — Regulations and guidance — Research professional practice and public-accounting boundaries; no fictional designation or licence is asserted.
- Office of the Privacy Commissioner of Canada — Businesses — Research applicable privacy duties for financial and payroll records.

Details deliberately left for verification include the actual site, product or service permissions, employment treatment, transaction taxes, financing conditions and the current official requirements. This sample quotes no regulatory rate or automatic approval entitlement. Use the related planning guide to frame further research, while keeping the company's assumptions separate from rules governing the actual application.

Final adaptation checks: confirm the exact scope and premises, verify demand, cost the roster, obtain current supplier terms, classify opening expenses and deposits, reconcile all three statements and test the lowest monthly cash point. Resolve any condition preventing lawful delivery before taking unconditional commitments. The PDF

reproduces this sample; a real submission requires the business's own evidence and the receiving lender's current checklist.

Frequently asked questions

What does this accounting firm business plan sample include?

It includes Alder Ledger Advisory Inc., a fictional company in Hamilton, Ontario, ten connected plan sections, an operating model, linked three-year CAD income statements, cash flow and balance sheets, a conditional funding request and a supporting-source register. Replace all fictional details with your own evidence.

How much funding does this fictional business need?

The scenario uses CAD $120,000 of opening capitalization: $90,000 owner equity and $30,000 requested borrowing. That is a teaching scenario, not a typical startup cost. Actual quotes, launch expenses, staffing and payment delays determine the real requirement.

Does this accounting firm sample include audit services?

No. The fictional launch is bookkeeping, payroll processing and management reporting. Audit, review and other assurance engagements are excluded. Confirm professional-title rules, competence, licensing, insurance and the scope of each actual engagement before accepting work.

Are the three-year financials a forecast or profit promise?

No. Every commercial input and statement is illustrative. The tables show how revenue drivers, costs, working capital, debt payments and capitalization connect. Neither profit nor financing approval is assured. Prepare a detailed monthly model and the further forecast horizon requested by the lender.

Can I download and adapt this accounting firm example?

Yes. The linked PDF reproduces the online sample. Use it as a structural reference, replace fictional company details and every commercial assumption, obtain current quotations and official confirmations, and reconcile the operating narrative and financial model before using the plan for a real decision.

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Founder of The Biz Plans, Toronto. MBA Finance & Strategy (UBC); 20+ years in corporate finance and consulting involving RBC, BMO, and CIBC. Since 2016, Atul has written bank-financing and investor business plans for Canadian startups and small businesses. About Atul · Professional plan writing services

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