RISK PROTECTOR

Your First Line of Defence Against Director Liability, ATO Enforcement and Asset Exposure

BUSINESS & DIRECTOR RISK IDENTIFIER TOOL — NO. 7

Cash Flow Warning Signals Check

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WHAT THIS TOOL DOES — AND WHAT IT DOES NOT DO

Most businesses that end in financial crisis do not collapse suddenly. The warning signals are almost always present months or even years before the situation becomes critical — but they are easy to explain away, defer or simply not see when you are focused on running the business day to day. Cash flow pressure is the single most reliable early indicator of a business moving toward insolvency, director liability and personal asset exposure. This tool is designed to help you see those signals clearly.

This is not a diagnostic. It does not measure the severity of what it finds or tell you what to do about it. What it does is reveal whether cash flow warning signals are already present in your business — signals that, left unaddressed, create a direct pathway from business financial stress to personal director liability. Your score at the end will tell you whether this needs to go further.

1	Read each question and tick **YES**, **NO** or **UNSURE** honestly. Answer based on your actual current position — not where you hope to be or where you were six months ago.
2	The **RISK column** shows the consequence level if your answer is NO or UNSURE. HIGH means a direct cash flow signal that connects to director liability. MEDIUM means a developing pressure point that needs monitoring.
3	Count your NO and UNSURE answers in the Score Summary at the end. Your HIGH risk gap total is your most important result.
4	If RED or AMBER risk gaps are present the next step is clear, free and waiting for you at the end of this tool.

SECTION 1 — Cash Flow Visibility & Control

Do you actually know where your cash is, where it is going and whether the trend is safe?

#	Question	YES	NO	UNSURE	RISK
1	Do you review a current cash flow statement for your business at least monthly — not just a bank balance but a full picture of inflows, outflows and projected position?	☐	☐	☐	HIGH
2	Do you have a rolling 90-day cash flow forecast that is updated regularly and that you actively use to manage decisions?	☐	☐	☐	HIGH
3	Is your business currently generating enough cash from operations to meet all its obligations — creditors, staff, ATO and finance — without relying on new borrowings or asset sales?	☐	☐	☐	HIGH
4	Has your business cash position been stable or improving over the last six months — with no sustained downward trend in available working capital?	☐	☐	☐	HIGH
5	Do you clearly understand the difference between your business being profitable on paper and being solvent in cash — and are you monitoring both separately?	☐	☐	☐	MEDIUM

SECTION 2 — Creditor & Payment Pressure Signals

Are creditors, suppliers or lenders beginning to apply pressure that signals your position is deteriorating?

#	Question	YES	NO	UNSURE	RISK
6	Are all trade creditors and supplier accounts being paid within their agreed terms — with no accounts on extended terms, payment arrangements or stop-supply notices?	☐	☐	☐	HIGH
7	Is your business free of any current overdue creditor demands, legal letters, statutory demands or wind-up threats from any supplier or creditor?	☐	☐	☐	HIGH
8	Are your bank or finance facilities operating within their approved limits — with no overdrawn accounts, limit breaches or informal lender conversations about your position?	☐	☐	☐	HIGH
9	Have you had no requests from creditors to accelerate payments, provide additional security or personally guarantee previously unsecured facilities in the last 12 months?	☐	☐	☐	HIGH
10	Is your debtor book healthy — with no significant concentration of overdue receivables that are affecting your ability to meet your own obligations?	☐	☐	☐	MEDIUM

SECTION 3 — ATO & Statutory Payment Signals

Are statutory obligations being met on time — or are deferred tax and super payments masking a deeper cash problem?

#	Question	YES	NO	UNSURE	RISK
11	Is your business meeting all ATO payment obligations — PAYG, GST and superannuation — on time and in full without deferral, arrangement or delay?	☐	☐	☐	HIGH
12	Has your business never used ATO obligations as a source of informal working capital — deferring tax or super payments to fund day-to-day operations?	☐	☐	☐	HIGH
13	Are all employee superannuation contributions being paid by the quarterly due date — not just accrued but actually remitted to the fund?	☐	☐	☐	HIGH
14	Is your business free of any current ATO payment arrangement, deferred debt agreement or informal understanding with an ATO officer about outstanding obligations?	☐	☐	☐	HIGH
15	Are all employee entitlements — wages, leave and termination payments — fully funded and payable from current cash without delay if required?	☐	☐	☐	MEDIUM

SECTION 4 — Working Capital & Liquidity Signals

Does your business have enough liquid resources to absorb a financial shock without collapsing?

#	Question	YES	NO	UNSURE	RISK
16	Does your business maintain a working capital buffer — liquid assets available to absorb unexpected costs, revenue shortfalls or creditor demands without triggering a crisis?	☐	☐	☐	HIGH

17	If your largest client reduced or stopped payments for 60 days, could your business continue to meet all its obligations without external assistance?	☐	☐	☐	HIGH
18	Is your business free of any reliance on director loans, shareholder advances or personal injections of cash to fund ongoing operations?	☐	☐	☐	HIGH
19	Have you not needed to refinance, extend or restructure any business debts in the last 12 months to manage cash flow pressure?	☐	☐	☐	MEDIUM
20	Is your stock, work in progress or project pipeline converting to cash within normal trading terms — with no significant buildup of slow-moving or unrealised revenue?	☐	☐	☐	MEDIUM

SECTION 5 — Director Personal Exposure from Cash Flow Stress

Does your business's cash flow position create a direct pathway to your personal liability?

#	Question	YES	NO	UNSURE	RISK
21	Are you confident that the current cash flow position of your business does not create a risk of insolvent trading — where the company is incurring debts it cannot pay from available resources?	☐	☐	☐	HIGH

YOUR SCORE SUMMARY

Count your answers and enter the totals below. Your HIGH risk NO and UNSURE answers are the most important number on this page.

✓ YES ANSWERS	✗ NO ANSWERS	? UNSURE ANSWERS
________ *questions ticked*	________ *questions ticked*	________ *questions ticked*

HIGH RISK QUESTIONS ANSWERED NO OR UNSURE — QUESTIONS 1, 2, 3, 4, 6, 7, 8, 9, 11, 12, 13, 14, 16, 17, 18, 21

My count: ______ out of 16 HIGH risk questions

Each HIGH risk gap means a cash flow warning signal is present in your business that connects directly to director liability, ATO enforcement or creditor action. Cash flow problems that are not addressed structurally almost always escalate — they do not correct themselves over time.

WHAT YOUR SCORE MEANS

Score	What It Means
0 HIGH gaps	Your business cash flow position shows no obvious HIGH risk warning signals based on your answers. Review this tool every 12 months or immediately if revenue drops significantly, a major client is lost or creditor pressure begins to build.
1 to 3 HIGH gaps	Real cash flow warning signals are present in your business. These signals are the early indicators of a business moving toward financial stress — and financial stress in a business creates a direct pathway to personal director liability through insolvent trading, ATO enforcement and creditor action. The structural complexity involved in properly managing these signals goes well beyond standard cash flow advice from an accountant.

4 to 8 HIGH gaps	Multiple serious cash flow warning signals exist simultaneously in your business. Each one compounds the others. When cash flow pressure combines with ATO obligations being deferred, creditor payment terms stretching and working capital shrinking, the speed at which a business moves from stressed to insolvent can be alarming. At that point your personal assets — not just business assets — become directly at risk. This situation requires forensic structural attention, not just cash flow management.
9 or more HIGH gaps	Your business is showing critical cash flow warning signals across multiple areas simultaneously. The line between business financial stress and personal director liability is very thin at this level of exposure. Insolvent trading, ATO enforcement, creditor legal action and personal guarantee calls can all be triggered by a business in this position. The options available to you to protect your personal position narrow dramatically the longer these signals remain unaddressed. This requires immediate specialist attention.

IF YOUR SCORE HAS IDENTIFIED RED OR AMBER GAPS

The cash flow warning signals this tool has helped you identify do not sit in isolation. They connect directly to your ATO obligations, your trust structure, your personal guarantees and your director duty position. Cash flow stress that is not addressed at a structural level — not just a financial management level — almost always escalates into a personal liability event. Understanding your full structural position is the only way to know how exposed you really are.

There is one clear, free and completely confidential next step available to you right now.

The Risk Protector A13 Structural Exposure Assessment

The A13 is the only free forensic structural assessment of its kind available to Australian directors. It examines your cash flow position in the full context of your entity structure, your trust, your ATO obligations, your personal guarantees and your director duty exposure — and tells you precisely what the structural gaps are and what a solution pathway looks like.

HOW TO GET STARTED — IT IS FREE AND THERE IS NO OBLIGATION:

Visit **www.riskprotector.com.au** and click the **GET MY FREE A13 ASSESSMENT** button.

We will send the A13 Structural Exposure Assessment form directly to you.

No obligation. No cost. Absolute discretion.

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This tool is a self-awareness resource only. It is not a diagnostic, not advice and does not replace a professional structural assessment. Risk Protector Pty Ltd provides strategic advisory services only. Not legal or financial advice. Covered by $50M Professional Indemnity Insurance.

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