RISK PROTECTOR

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

BUSINESS & DIRECTOR RISK IDENTIFIER TOOL — NO. 8

Pre-Sale Business Readiness Check

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WHAT THIS TOOL DOES — AND WHAT IT DOES NOT DO

Selling a business is one of the most financially significant events in a director's life — and one of the most structurally dangerous. A business sale surfaces every liability, structural gap and compliance failure that has been quietly accumulating for years. What a buyer's due diligence finds, what a vendor warranty claim can reach back to, and what personal guarantees survive a sale are questions that most directors have never properly answered before they begin the sale process. This tool is designed to help you see what a buyer will find before they find it.

This is not a diagnostic. It does not measure the severity of what it finds or tell you how to address it. What it does is reveal whether your business has structural, financial or compliance vulnerabilities that will either kill a sale, reduce your price, expose you to post-sale liability or trigger personal guarantee obligations at settlement. 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 as if a sophisticated buyer's solicitor is asking the question — not as you would answer informally.
2	The **RISK column** shows the consequence level if your answer is NO or UNSURE. HIGH means a direct sale risk, price reduction exposure or personal liability trigger. MEDIUM means a developing vulnerability that needs attention before sale.
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 — Structural Cleanliness Before Sale

Is your business structure clean enough to survive due diligence without triggering price reductions or deal collapse?

#	Question	YES	NO	UNSURE	RISK
1	Is your trading company completely free of assets that should be excluded from the sale — IP, property, equipment or investments that belong to you personally or to a separate entity?	☐	☐	☐	HIGH
2	Are all director loan accounts in the company at zero or in credit — with no outstanding amounts owed by the company to directors or by directors to the company?	☐	☐	☐	HIGH
3	Is your company free of any related-party transactions, cross-guarantees or intercompany arrangements that a buyer's due diligence would flag as problematic?	☐	☐	☐	HIGH
4	Are all assets that are being sold clearly titled in the name of the entity that is the subject of the sale — with no title disputes, encumbrances or third-party claims?	☐	☐	☐	HIGH
5	Has your business structure been reviewed by a specialist in the last three years specifically for sale readiness and structural cleanliness?	☐	☐	☐	MEDIUM

SECTION 2 — ATO & Compliance Cleanliness

Will the ATO position of your business survive the scrutiny of a sale — or will it cost you at settlement?

#	Question	YES	NO	UNSURE	RISK
6	Are all ATO lodgements — tax returns, BAS, superannuation — fully current with no outstanding obligations for any period prior to sale?	☐	☐	☐	HIGH
7	Is your company completely free of any ATO debt, payment arrangement, deferred obligation or informal understanding about outstanding tax liabilities?	☐	☐	☐	HIGH
8	Are all employee superannuation contributions fully paid and current — with no outstanding SGC obligations that would survive the sale as a liability?	☐	☐	☐	HIGH
9	Are all employee entitlements — accrued leave, long service leave and any termination obligations — fully provisioned and disclosed in the financial statements?	☐	☐	☐	HIGH
10	Has the company never been subject to an ATO audit, review or compliance investigation that resulted in an unresolved finding or undisclosed adjustment?	☐	☐	☐	MEDIUM

SECTION 3 — Financial Records & Representations

Can your business financials withstand the scrutiny of a sophisticated buyer without material adjustments?

#	Question	YES	NO	UNSURE	RISK
11	Are your last three years of financial statements prepared by a qualified accountant — accurate, consistent and free of material errors or unexplained adjustments?	☐	☐	☐	HIGH
12	Does the revenue and profit history of your business accurately reflect sustainable ongoing earnings — with no one-off items, related-party transactions or normalisation adjustments that inflate the headline figures?	☐	☐	☐	HIGH
13	Are all add-backs and owner benefit adjustments in your financials clearly documented, commercially justifiable and capable of withstanding buyer scrutiny?	☐	☐	☐	HIGH
14	Is your debtor book current and collectable — with no significant aged debtors, disputed amounts or related-party receivables included in the working capital position?	☐	☐	☐	MEDIUM
15	Are all contracts, leases and key agreements transferable to a buyer — with no change of control clauses, consent requirements or third-party approval conditions that could block or delay the sale?	☐	☐	☐	HIGH

SECTION 4 — Personal Guarantee & Liability Survival After Sale

Which of your personal obligations survive the sale — and are you prepared for what remains?

#	Question	YES	NO	UNSURE	RISK
16	Do you know exactly which personal guarantees — on finance, leases, supplier accounts and other facilities — will survive the sale and remain your personal obligation after settlement?	☐	☐	☐	HIGH

17	Have you negotiated — or do you have a plan to negotiate — the release of all personal guarantees as a condition of or concurrent with the sale?	☐	☐	☐	HIGH
18	Are you aware of all vendor warranty and indemnity obligations you will carry after settlement — and do you understand the scope, duration and financial exposure of each?	☐	☐	☐	HIGH
19	Is the business free of any pending litigation, unresolved disputes or threatened claims that could result in post-sale liability flowing back to you personally?	☐	☐	☐	HIGH

SECTION 5 — Key Person & Operational Risk

Does your business have vulnerabilities that will reduce its value or kill a sale when a buyer looks closely?

#	Question	YES	NO	UNSURE	RISK
20	Does your business operate without excessive dependence on you personally — meaning a buyer can reasonably expect the business to continue generating revenue after you depart?	☐	☐	☐	HIGH
21	Are all key customer relationships, supplier agreements and intellectual property assets formally documented and transferable — not dependent on personal relationships or informal arrangements that would not survive a change of ownership?	☐	☐	☐	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, 15, 16, 17, 18, 19, 20, 21

My count: ______ out of 18 HIGH risk questions

Each HIGH risk gap is a structural, financial or compliance vulnerability that a buyer's due diligence will find. Every one of them will either reduce your sale price, delay settlement, trigger a warranty claim after sale or expose you to personal liability that survives the transaction.

WHAT YOUR SCORE MEANS

Score	What It Means
0 HIGH gaps	Your business appears to be in a strong structural position for sale based on your answers. Review this tool again 12 months before any planned sale process begins and immediately if your financial position, key contracts or ATO obligations change materially.
1 to 3 HIGH gaps	Real pre-sale vulnerabilities exist in your business that a buyer's due diligence will find. Each gap creates one of three outcomes — a price reduction, a deal condition that delays or complicates settlement, or a post-sale warranty claim that reaches back to you personally. Addressing these gaps correctly before a

	sale requires structural, legal and financial expertise that goes well beyond standard sale preparation advice.
4 to 8 HIGH gaps	Multiple serious pre-sale vulnerabilities exist simultaneously in your business. A sophisticated buyer's due diligence team will find these gaps systematically. The combined effect of structural issues, ATO compliance gaps, personal guarantee survival obligations and warranty exposure can result in a sale price that is materially lower than your expectations, a transaction that collapses at due diligence, or personal liability that follows you for years after settlement. This requires forensic structural preparation before any sale process begins.
9 or more HIGH gaps	Your business carries critical pre-sale vulnerabilities across multiple areas simultaneously. Proceeding to a sale process with this level of exposure risks the transaction failing entirely, a dramatically reduced sale price, personal liability through vendor warranties and surviving guarantees, and ATO or creditor claims that surface after settlement. This is not a situation where standard sale preparation is sufficient. It requires immediate forensic structural work to clean and protect your position before any buyer engagement begins.

IF YOUR SCORE HAS IDENTIFIED RED OR AMBER GAPS

The pre-sale vulnerabilities this tool has helped you identify are not just sale preparation problems. They are structural, financial and compliance issues that connect directly to your ATO position, your personal guarantees, your trust structure and your director liability — both before and after the sale. A business sale that proceeds without addressing these gaps at a structural level almost always results in a worse outcome than the seller anticipated.

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 pre-sale 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 gaps are and what a solution pathway looks like before any buyer engagement begins.

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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