



Business continuity and succession planning forms

These forms will help you identify your business protection needs so you can start putting measures in place to plan for the future well-being of your business if the worst happens.

Business continuity – liability audit form

| | | | | |
|-----------------------------------|---|---|---|---|
| Business name | | | | |
| Name | | | | |
| Liabilities to third parties | £ | £ | £ | £ |
| + | + | + | + | + |
| Liabilities to owners | £ | £ | £ | £ |
| + | + | + | + | + |
| Loss of profit x term to recovery | £ | £ | £ | £ |
| + | + | + | + | + |
| One-off expenses | £ | £ | £ | £ |
| Total | £ | £ | £ | £ |

These notes will help you complete the liability audit form. When completing this form, it's important to establish whether any of the lending is subject to personal guarantees.

Name – List here the names of the people who are key to your business. This could include business owners and people who have a major influence or impact on profit, for example individuals who may have specialist skills or unique relationships with third parties, or anyone else who would put the business at risk if they were to become ill unexpectedly or even die.

Liabilities to third parties – List here any loans and regularly used overdraft facilities. If you're a sole trader, you should consider any personal debts you have.

Liabilities to owners – If you're a partner, member of a limited liability partnership, shareholder or director, you may have made loans to the business, which will need to be repaid if you die or become critically ill. This could be a credit balance on a loan account, capital or current account.

Loss of profit x term to recovery – To get the information you need for this section, you could ask:

- What's the gross profit of the business?
- How much of that can be attributed to the business owners?
- How much profit can be attributed to another key person, for example a top sales person or someone with specialist skills or knowledge?
- How long would it take the business to recover from the loss of that particular key person?

One-off expenses – Even if it's only on a short-term basis, you should consider any recruitment costs to replace a key person. These may include advertising, agency fees and training costs.

Total – The need for cover will be apparent when you arrive at a total. This figure could also be indicative of benefit amounts.

Business succession – referral form

| | |
|--|--|
| Business name | |
| Business type | Limited company/Partnership/LLP |
| Do you and your co-owners have an agreement for the sale/purchase of each share of the business? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| What type of agreement do you have? | |
| Does the agreement cover transfer of shares on both death and critical illness? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Are enough funds in place if you or your co-owners die or become critically ill? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Where own life policies have been taken out are they subject to the appropriate business trust? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| What's the total value of your business? ¹ | |
| When were your succession arrangements last reviewed? | |

| Shareholders/Partners/Members | % share of business owned | Value of share owned |
|-------------------------------|---------------------------|----------------------|
| | | |
| | | |
| | | |
| | | |
| Total | 100% | |

Notes:

- Where we mention 'co-owners', this also includes partners of partnerships and members of limited liability partnerships.
- Where we mention 'share', this means the interest of a partner, member or shareholder.

¹ There are several methods to value a business and this may depend on business type and industry. The following provides a guideline only. We recommend you get professional advice.

| | |
|---|--|
| Net profit multiple (averaged for last three years) | <ul style="list-style-type: none"> • Business demonstrating good growth year on year – up to 10 times. • If trading position is fairly static but consistent – five to seven times. • If inconsistent trading position, or profits on the slide – up to five times. |
| Net profit new business | <ul style="list-style-type: none"> • Net profit as per business plan projections – up to five times. |
| Net asset value | <ul style="list-style-type: none"> • For stable businesses with significant tangible assets. This is the value of assets as stated in the accounts, less liabilities. |

| | Solicitor | Accountant |
|------------------|-----------|------------|
| Name | | |
| Name of practice | | |
| Address | | |
| Phone number | | |
| Email address | | |



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