

CHECKLIST OF INFORMATION REQUIRED FOR ANNUAL BUSINESS REVIEW:



Rural Financial Counselling Service
NSW Southern Region

If you're in business and have any kind of commercial lending facility with significant debt (generally upwards of \$1 million), you would be familiar with Annual Bank Reviews.

Most people tend to break out in a sweat at the mere thought of an upcoming review – if for no other reason than it feels like an extra hassle in your already busy day. But remember it's not personal. Reviews are basically a financial health check of your business so banks can minimise their risk and ensure you are able to continue servicing your debt. It is also something bank managers must do to update their records, comply with duty of care and due diligence requirements.

Here at Rural Financial Counselling Service, we talk to many agribusiness operators and business owners who have lost too much time and stress to reviews. But reviews don't need to be difficult. Read our top tips for a stress-free annual bank review and use this checklist to help prepare.

- ✓ Final Tax Returns or personal income tax return if you are a sole trader operating under your own name.
- ✓ Financial Statements (prepared by an accountant) – Profit and Loss statement (P&L) and balance sheet showing profits, assets and liabilities Latest business activity statement (BAS).
- ✓ Latest Australian Taxation Office (ATO) tax portal statements.
- ✓ Summary of monthly living expenses - completed by all borrowers.
- ✓ Summary of current corporate structure (i.e. how your business is set up – sole trader, company, trust etc. Only relevant for complex structures consisting of more than two people).
- ✓ Lease agreements, if recently renewed.
- ✓ Insurance policies.
- ✓ Historical data – e.g. area of production, breakdown by crop, hectares, tonnes/ha and average price).
- ✓ Business snapshot/Year in review summary – outline of all of achievements, highlights, major investments over the past 12 months, and demonstrated understanding of the position of the business, expected changes and forecast for the next 12 months.
- ✓ Business plans – ideally a full plan with figures, timelines and projections but at the very least, a few notes around where you are headed and how you propose to get there.
- ✓ Succession plan – an outline of what processes are in place to ensure the business continues should anything unforeseen occur.

The Rural Financial Counselling Service can provide you with sample documents and templates for many of these items and we can guide you through your review preparations through our unique one-on-one financial coaching. To learn more about our free financial counselling service, jump on our RFCS website www.rfcsnsw.com.au or call 1800 319 458 to talk to somebody today.