

# Fact finding



Use this fact finder to help you determine your client's needs and goals when developing a business succession plan.

**Note:** Obtain the two most recent annual financial statements, corporate organizational chart, personal net worth statement listing all personal assets and the trust document if a trust exists.

1. Who owns what shares of what company(s)?  
Include a corporate organizational chart showing all companies.
2. Are these shareholders related? If so, how?
3. What is the current value of the business?  
If there is a holdco, what is the value of holdco, excluding the value of the business or opco?  
Ask for copies of financial statements. (2 years)
4. What is the adjusted cost base and paid-up capital of each class of shares of each company?  
(Likely need to obtain from tax advisor.)
5. Has the business owner(s) and spouse used up all of their lifetime capital gains exemption?
6. How is the business performing presently and how does the business owner think it will perform in the future?  
What is the expected future growth rate of the business?
7. How is the business owner compensated (salary vs dividends)?  
Ask for details (i.e. salary/dividend mix).

## Fact finding continued

8. If dealing with two or more shareholders, is there a buy-sell agreement in place?  
Ask for a copy.
  
9. Assuming a family-run business, do their wills indicate whom the shares go to at death?  
If they go to the spouse, who gets the shares when the spouse dies? Ask for copy of wills.
  
10. Are there any children who are not involved in the business? Will they become involved?  
If not, how are they dealt with in the will?
  
11. Will the spouse and/or family have a source of income when the shareholder/spouse dies or if the shareholder/  
spouse becomes disabled?
  
12. What are the business owner's plans for retirement? Is there currently a successor?  
If not, what will happen to the business?
  
13. Are there any key people?  
If so, who are they and what financial impact would a loss of that key person have on the business?
  
14. Are there any outstanding loans? If there is a line of credit, what is the highest it reaches in a given year?
  
15. Determine if there is any insurance owned corporately or personally, and establish when it was purchased,  
why it was purchased, how much coverage there is and the type of coverage.

