Schedule 3
Working capital

**Directors’ responsibilities**

1.1 The directors of the applicant issuer are required to perform the following as a minimum:

 (a) the financial director must prepare a working capital pack and a qualifying quorum of the board of directors, including the chairman of the audit committee (“the directors”) must approve the working capital pack;[[1]](#footnote-1)

 (b) the financial director must obtain written confirmation from facility providers confirming that all facilities are currently in place and that facility providers are not in the process of reviewing the facilities with a view to withdrawing them;

 (c) if there are renewable clauses underlying the provision of the facilities, then the financial director must obtain confirmation from the providers that there is no reason why the facilities would not be renewed subject to any reasonable obligation being satisfied; and

 (d) a resolution must be passed by the directors stating that the working capital available to the group is sufficient for its present requirements, that is, for at least the next twelve months from the date of issue of the relevant document. This resolution must be passed after due and careful enquiry has been made by the directors on the working capital requirements of the group for the next twelve months.

**Working capital pack**

1.2 The working capital pack must include the following:[[2]](#footnote-2)

 (a) a working capital forecast for at least the next 12 months (in compiling such working capital forecast it is a requirement that any other forecasts, such as income, expenditure, cash flows, statement of financial position and other items, are made that are necessary in preparing the working capital forecast);

 (b) a reconciliation of working capital projections to the applicant issuer’s current net cash/indebtedness position;

 (c) a review of cash flow projections and future commitments;

 (d) a review of contingent liabilities;

 (e) a review of off-the statement of financial position borrowings;

 (f) a review of, and commentary on, facility agreements;

 (g) an analysis of all key drivers impacting on the adequacy of the applicant issuers working capital (“assumptions”) and a discussion of all assumptions (historical and future) and their impact/potential impact on cash retained from/utilized by operating activities, cash generated by/utilised in investing activities and the cash effects of financing activities;

 (h) if the applicant issuer uses the auditors to produce the working capital pack then this must be stated in the working capital pack; and

 (i) if the applicant issuer used the auditors to produce the working capital pack it should include details of the work performed by the directors to evaluate the work of the audit.

1. [↑](#footnote-ref-1)
2. [↑](#footnote-ref-2)