**GOING CONCERN — CHECKLIST**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **YES/NO\*** | **Remarks** |
| ***1 Financial*** |  |  |
| 1.1 Does the company have net liabilities or net current liabilities? | No |  |
| 1.2 Has the company failed to negotiate finance to cover its borrowing requirements? (eg is it trading over its overdraft facility or is it having difficulty negotiating a time extension on its overdraft?) | No |  |
| 1.3 Has the company defaulted on any loan agreement or breached any covenant? | No |  |
| 1.4 Does the company have serious liquidity or cash flow problems? | No |  |
| 1.5 Has the company sustained major losses or experienced cash flow problems since the period end which could threaten the company’s continued existence? | No |  |
| 1.6 Has the company sold a substantial number of fixed assets which it is not intending to replace? | No |  |
| 1.7 Is the company seeking a major restructuring of its debt? | No |  |
| 1.8 Has the company experienced problems in obtaining and/or retaining normal terms of trade credit by suppliers? | No |  |
| 1.9 Does the company have major debt repayments which are due or are about to fall due where refinancing is necessary to meet the obligation? | No |  |
| 1.10 Is the company experiencing problems paying debts as they fall due? | No |  |
| ***2 Operational*** |  |  |
| 2.1 Have there been any fundamental changes in the market or technology to which the entity is unable to adapt adequately? | No |  |
| 2.2 Have there been any externally forced reductions in operations (for example, as a result of legislation or regulatory action)? | No |  |
| 2.3 Has the company lost any key management or staff? | Yes | Duly replaced |
| 2.4 Is the company experiencing any labour difficulties? | No |  |
| 2.5 Is the company relying on a few product lines and operating in a depressed market? | No |  |
| 2.6 Has the company lost any key suppliers or customers or have there been technical developments which could render a key product obsolete? | No |  |
| ***3 Other*** |  |  |
| 3.1 Is the company involved in any major litigation in which an adverse judgement could imperil the entity’s continued existence? | No |  |
| 3.2 Are there any issues which involve a range of possible outcomes so wide that an unfavourable result could affect the appropriateness of the going concern basis? | No |  |
| * 1. Are there any other factors which could adversely affect the appropriateness of the going concern basis? If Yes, specify: | No |  |
| ***4 Conclusion*** |  |  |
| 4.1 Complete the conclusion schedule on T2. | Yes |  |
| \* Delete as appropriate. |  |  |

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