

Cash and Working Capital Checklist



Cash flow is critical to any retail business. At the heart of most difficulties is the shortage of cash or refinancing options. Retail businesses that have insufficient funds to invest in stock, refurbish stores or keep pace with rent demands may find it difficult to obtain additional financing:

- Can you meet all short-term liabilities?
- What are the potential scenarios where cash would be required?
- Have you stress-tested your cash flow forecasts?
- Have you got enough headroom over banking covenants and debt facilities?
- Is a loan arrangement coming to an end?
- If you have loan arrangements maturing, have you started looking at refinancing options?

- How would new financing terms differ from current terms?
- Could you renegotiate payment terms with suppliers?

Being able to keep stock levels sufficient to fulfil orders is critical. For more information on the issues raised in this checklist, visit kpmg.co.uk/retailtoolkit or email retailtoolkit@kpmg.co.uk to arrange an informal discussion.

Other checklists in this series (click to download):
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Visibility and Control
Stakeholder Management
Value Preservation
Retail Strategy