

## **Guidance notes for FIN073 ('Baseline Financial Resilience Report')**

### **Introduction**

The purpose of FIN073 ('Baseline Financial Resilience Report') is to ensure that the Financial Conduct Authority (FCA) receives regular information in a standard format to assist it in assessing the financial resilience of certain firms.

### **Consolidated reports**

This form should be completed by all *firms* except:

- a *firm* with *limited permission*;
- a *MIFIDPRU investment firm*;
- a *not-for-profit debt advice body*;
- a *PRA-authorised person*;
- a *supervised run-off firm*; and
- a *TP firm*.

This form should also be completed by:

- an *authorised electronic money institution*;
- an *authorised payment institution*;
- a *registered account information service provider*;
- a *small electronic money institution*;
- a *small payment institution*; and
- a *UK RIE*.

### **Currency**

All monetary values should be provided in Pound Sterling.

### **Data elements**

All data should be entered in full figures, not rounded (for example, to 000s).

### **Reporting period**

Firms should report as at the end of their financial quarter. This may not be the same as calendar quarter or UK fiscal quarter.

### **Basis of completion**

**1 – Total amount of liquid assets that you control or have unrestricted access to**

Firms should report the total liquid assets that they have unrestricted access to, as at the final day of their financial quarter, as a positive number. If they do not have access to any liquid assets, firms should report a zero.

'Control' or 'have unrestricted access to' means that the firm is able to decide when and how to access these without external input (e.g., from their parent or another member of their group).

Liquid assets are financial assets that firms have available to quickly meet their obligations. These include cash, available committed facilities and other high quality liquid assets listed below.

Cash includes coins and banknotes, unencumbered short-term deposits held at a credit institution (such as cash at bank), and reserves held in a central bank. It may include money received as part of a government-backed loan scheme but does not include client money.

Available committed facilities mean a credit facility which has been formally agreed between the firm and a lender, such as a loan or revolving credit facility with no material adverse change clause. Available committed facilities should be reported as positive values.

For the purposes of FIN073, only the following constitute high quality liquid assets:

- assets representing claims on, or guaranteed by, the UK government or the Bank of England;
- units or shares in a short-term Money Market Fund (MMF); and
- units or shares in a third country fund that is comparable to a short-term MMF.

A short-term MMF is a regulated money market fund that meets the definition of a 'short-term MMF' in article 2(14) of the Money Market Funds Regulation.

## **2 – Average monthly cash needs arising from fixed costs**

Fixed costs are costs that are unlikely to be reduced or eliminated. This is likely to include, for example, salaries, rents and business rates. Cash needs arising from fixed costs include all fixed costs that result in a cash outflow. When assessing the average monthly cash needs arising from fixed costs, firms should estimate their needs for a period of three months following the calculation and divide the result by 3 to find the monthly average.

## **3 – Net profit or loss in the last quarter**

This is the net profit or loss after tax over the relevant reporting period (financial quarter) with loss reported as a negative number. This should not be reported on a cumulative basis for the year but instead as the profit (loss) over the relevant reporting period.

## **4 – Revenue for the financial year to date**

Revenue is the total income generated before deducting any expenses for the financial year to date, even if this has not been audited. Revenue may be zero but cannot be negative. If you have not completed a full quarter, you should report a zero for that quarter.

This submission should be completed on a cumulative basis (capturing the amount for each available quarter) for the firm's current financial year up to the reporting date.

## **5 – Net asset or liability position at the end of the last financial quarter**

Net asset position is the total assets minus total liabilities at the end of the relevant reporting period (financial quarter). This should be reported as a negative number if the liabilities are greater than the assets.