1. The first 100 days (I): documents, the peg, cash, the close, the agreement

Appendix B, sections 1 to 5. Days count from the CFO's first day. The first covenant test falls inside the 100 days.

Company		**Closing date**	
CFO start date		**Day 100**	

Item	Owner	Date	Done
1. Documents to obtain			
QoE report with schedules and the bridge from the seller's figure to the QoE figure, reason for each adjustment			
Deal model in the version the investment committee approved, plan by year			
Credit agreement with schedules, form of compliance certificate, fee letters			
Purchase agreement, working capital schedule, accounting principles, dispute mechanism and deadlines			
Funds flow at closing, reconciled to sources and uses			
Management equity documents: units, vesting, co-investment			
Every supplier agreement with a rebate, tier or condition, and a one-page summary of each threshold			
Largest customer contracts, leases, insurance, last tax filings, auditor's last management letter			
Bank accounts, mandates and signatories as at closing			
2. The closing statement and the peg			
Delivered working capital rebuilt from the ledgers, not the seller's summary			
Gap to the peg explained: season first, findings second			
Physical count and aging of inventory; obsolete stock removed from opening inventory			
Rebate receivable confirmed with the suppliers who owe it			
Statement deadline and objection period in the calendar; evidence file opened			
3. Cash and treasury			
Every account listed with purpose and signatories; purposeless accounts closed			
Mandates replaced; no single person can release a payment			
Payment approval matrix approved by the board			
Change control on supplier bank details			
Daily cash report in week 1, 13-week cash flow within the month, owners by line			
Revolver drawing procedure tested before it is needed			
Every debt payment in the cash calendar; the year-end sweep understood			
4. The first close and the calendar			
First close run with the existing team and method, every step written down			
Two worst steps fixed before the second close			
Reporting calendar: flash, pack, board pack, lender package, each with its working day			
Rebate accrual policy agreed with the auditor and written down			
Reported EBITDA reconciled to covenant EBITDA every month			
5. The credit agreement			
Covenant EBITDA definition built line by line in the agreement's words; counsel on anything ambiguous			
Covenant grid on one page; each step-down in the calendar			
Dry run of the first certificate before the quarter ends			
Consents and baskets listed; notice obligations, defaults and grace periods read			

2. The first 100 days (II): team, systems, plan, board, lender

Appendix B, sections 6 to 10, and the evidence to hold on day 100.

Company		**Prepared by**	
Board meeting		**Date**	

Item	Owner	Date	Done
6. The team			
Controller and team assessed during the first close, on what they do			
Single points of knowledge named and documented (rebates, VMI billing, payroll, bank portal)			
First hire decided on the evidence of the first close and the first 13-week			
Segregation of duties: who creates a supplier does not pay it			
7. Systems			
No ERP project before two documented closes and a calendar that has held			
Inventory of systems and of the spreadsheets that carry real numbers			
Data for the 13-week exists: receivables by due date, open POs with delivery dates, run schedule			
ERP requirements written backwards from the calendar and the covenant definition			
8. The plan and the add-back register			
Plan restated as hypotheses, each with an owner, a monthly measure and a threshold			
Year-1 plan reconciled: reported + one-offs + monitoring fee = covenant EBITDA			
Closing cost moves confirmed in the run-rate			
Add-back register opened (see document 4)			
Thresholds that can move a year on the forecast page: rebate tiers, covenant step-downs			
9. The board			
Calendar, pack format and pre-read deadline agreed with the deal partner			
100-day plan written, presented, approved and minuted			
Delegation of authority approved			
Triggers for a call between meetings agreed			
10. The lender			
Portfolio team met in the first month			
Formats, certificate template, delivery channel and notice addresses confirmed			
First certificate delivered on time with both reconciliations			
Lender package and board pack show the same numbers			

Area	Evidence at day 100	Owner	Done
Peg	Closing statement sent, evidence file complete	CFO	
Cash	New mandates, approval matrix, 13-week in use	CFO, controller	
Close	Documented close, calendar held twice	Controller	
Covenant	First certificate prepared, delivery date set, definition model	CFO	
Team	Assessment written, first hire under way	CFO	
Systems	Inventory of systems, ERP requirements drafted	Controller	
Plan	Hypotheses with owners, add-back register open	FP&A; manager	
Board	100-day plan approved and minuted	CFO	
Lender	Contact made, reporting format agreed	CFO	

3. The closing statement and the peg

Chapter 3. Measure delivered working capital on the agreement's definitions and basis, then compare with the target. Brennock's figures in the second column.

Company		**Closing date**	
Statement due		**Objection period ends**	

Line	Basis (from the agreement)	Brennock ($m)	Your company
Receivables	52 days of Q4 sales, annualized	24.62	
Inventory	75 days of Q4 cost of goods, annualized	26.63	
Supplier rebates receivable	A full year, collected in Q1 of year 1	2.70	
Payables	45 days of Q4 cost of goods	(15.98)	
Delivered, seller's figures		37.97	
Peg (working capital target)	Average of 12 month-ends	39.50	
Shortfall before any finding (the season)	Peg - delivered	1.53	
Finding 1: obsolete stock carried at cost	Aged listing against sales history, branch views	0.60	
Finding 2			
Finding 3			
Delivered after findings		37.37	
Adjustment due to the buyer	Peg - delivered after findings	2.13	

Before the claim goes out	Owner	Date	Done
Definition of working capital read: which lines are in (rebates receivable? accruals?)			
Accounting principles for the closing statement read, with their order of priority			
Days measured on the same basis as the peg (season, annualization)			
Each finding supported by a count, a listing or a supplier confirmation			
Evidence file indexed so a third party could follow it			
Board told as soon as the evidence is complete; seller's likely objections listed			

At the exit, the same mechanism from the other chair (Chapter 15 and Case 3): which items count as debt, which as working capital, how the target is measured, and how the year-end rebate receivable is treated

4. The add-back register

Chapter 9. One line per adjustment between reported EBITDA and any other EBITDA the company reports; updated with each close; approved by the CFO. If a cost cannot be found in the ledger, it cannot be added back.

Company		**Period**	
Prepared by (controller)		**Approved by (CFO)**	

Item: description, start and end of the cause	Kind (B / R / F)	Q1	Q2	Q3	Q4	Clause relied on	Evidence	Owner	Buyer QoE would accept? (Y/N)
Example: year-3 headcount restructuring, Q4 year 3	B				0.60	One-off costs	Board minute, severance list, ledger code		Y
Example: monitoring fee	R	0.10	0.10	0.10	0.10	Monitoring fee	Sponsor invoices		Y
Example: run-rate synergies, add-on	F				0.84 (LTM)	Synergies, 18 months, capped	Synergy tracker by line		N

Kind: B = backward-looking cost with evidence; R = recurring add-back the documents allow; F = forward-looking run-rate (a promise, needs a cap and a date). Sign-off chain: the owner confirms the cost and why; the controller confirms it is booked, evidenced and not counted twice; FP&A prepares any run-rate; the CFO approves each line.

Judgments that move EBITDA without being add-backs (e.g. the Q1 year-3 rebate accrual at the high tier): what was decided, the range, who decided, the figure at the other end of the range

5. The supplier threshold tracker

Chapter 11 and Appendix C, page 3 of the pack. One line per program with a tier, a volume threshold or a condition. A threshold that appears in the pack gets watched.

Company		**Month**	
Prepared by		**Reviewed by**	

Program	Test and measurement period	Threshold ($m)	YTD purchases ($m)	Prior YTD ($m)	Gap to threshold ($m)	Rate in use	Accrual YTD	At the other tier	At stake
Example: Brennock core group, year 3, end of Q1	Core purchases vs prior year, like-for-like; add-on excluded; 3.0% / 1.5%	99.50 (year)	23.07	24.88	-1.81 (7.3% down)	3.0% (budget tier)	0.692	0.346	0.346

Each month	Owner	Date	Done
Every program with a threshold listed, with its test, period and year-to-date position			
The budget shows each threshold and the value of missing it			
The accrual policy for each program written, approved and applied the same way every quarter			
Storeroom consumption data (VMI) by customer reaches finance monthly			
Open purchase orders compared with the sales run-rate weekly			
The cash date of each rebate in the 13-week, at the tier actually reached			

6. The compliance certificate and its cushions

Appendix C, schedules 1 to 3. The certificate needs the first three lines of schedule 3; the board's covenant page needs all eight.

Company		**Test date**	
Prepared by		**Signed by**	

Schedule 1: covenant EBITDA ($m)	Brennock Y3 Q3	Brennock Y4 Q1	This quarter	Prior quarter
LTM reported EBITDA	15.08	14.70		
One-off costs	0.77	1.00		
Monitoring fee	0.40	0.40		
Pro forma acquisition EBITDA	0.00	0.00		
Unrealized synergies (18 months, capped)	0.84	0.00		
Covenant EBITDA	17.09	16.10		

Schedule 2: net debt at the test date ($m)	Brennock Y4 Q1	Ties to	This quarter
Term loan	67.75	Lender statement	
DDTL	15.72	Lender statement	
Revolver drawn	0.00	Lender statement	
Less: cash the definition allows to net	(9.25)	Bank statements	
Net debt	74.22		

Schedule 3: the test and the cushions	Formula	Brennock Y4 Q1	This quarter
Net leverage	Net debt / covenant EBITDA	4.61x	
Maximum net leverage	Grid for the year	5.00x	
Headroom	1 - leverage / maximum	7.8%	
Covenant EBITDA at breach	Net debt / maximum	14.84	
EBITDA cushion	Covenant EBITDA - EBITDA at breach	1.26	
Debt cushion	Maximum x covenant EBITDA - net debt	6.29	
Leverage on reported EBITDA alone	Net debt / LTM reported	5.05x	
Headroom on reported EBITDA alone	1 - that / maximum	-1.0%	

Before signing	Who	Date	Done
Four quarters of reported EBITDA equal the quarterly figures already sent to the lender			
Each add-back is in the register with evidence and approval, and inside its cap and time limit			
Each debt line ties to a lender or bank statement at the date; cash netted per the definition			
Next quarter's test projected: any step-down, any credit expiring, any rebate in the LTM			
Lender package and board pack show the same figures			

7. The 13-week cash flow

Chapter 5. Receipts and disbursements, week by week; the revolver drawn below the minimum cash and repaid first above it. Roll it every Monday; label every variance timing or permanent.

Company		**Quarter**	
Minimum cash		**Revolver commitment**	

$m	1	2	3	4	5	6	7	8	9	10	11	12	13	Qtr
Customer receipts														
Supplier payments (runs)														
Payroll														
Rent														
Other operating costs														
One-off costs														
Capex														
Tax														
Interest and amortization														
Net flow														
Opening cash														
Revolver drawn (+) / repaid (-)														
Closing cash														
Revolver balance														
Liquidity (cash + undrawn)														

Brennock, year 3 Q2 (Chapter 5)	Week 4	Week 8	Week 13	Quarter
Customer receipts	4.95	5.06	6.93	55.02
Supplier payments	-14.21	-14.21	-9.47	-47.35
Net flow	-9.58	-9.47	-6.12	-5.77
Revolver at the end of the week	0.85	4.89	2.13	peak 4.89

Variance this week (line)	Forecast	Actual	Timing or permanent	Explanation (same in week 9 as in week 4)

8. The flash, the monthly board pack and the lender package

Appendix C and Chapter 8. The reader who stops after page one should know whether the company is on plan, how much cash it has and how close it is to the covenant.

Company		**Month**	
Flash sent (working day)		**Pack sent (working day)**	

The flash: half a page, labeled unreconciled	Owner	Sent	Reconciled
Sales for the month and per working day, against budget and prior year			
Estimated gross margin, rebate accrual stated at the tier finance believes in			
Month-end cash, revolver drawn, liquidity			
Any event touching the covenant (large one-off, revolver draw)			
Direction of the full-year forecast, in one sentence			
Anything the sponsor should hear now rather than at the board			

Page	Contents	The question it answers	Ready
1	Summary: month and LTM, forecast, cash, covenant; three sentences	Where are we, in one page?	
2	P&L: platform and add-on, margin before rebates, rebates, fixed and variable opex	What drove the month?	
3	Rebates: purchases against each tier (document 5)	Is the accrual still right?	
4	Working capital: DSO, DIO, DPO, aging, rebate receivable	Where is the cash tied up?	
5	Cash and the 13-week, with the peak revolver and lowest liquidity inside the quarter	What happens inside the quarter?	
6	Covenant: LTM build, leverage, headroom, cushions, next test projected	How far from a breach, now and next?	
7	Forecast by driver, with the history of the forecast	What will the year look like?	
8	Value creation and integration: delivered vs in the run-rate	Are initiatives in the run-rate?	
9	Add-back register movements and evidence	What did we add back, and why?	
10	People, operations, risks, decisions stated as questions	What does the board need to decide?	

The lender package	Owner	Date	Done
Every figure in the lender package reconciles to a figure in the board pack; reconciliation on file			
Nothing goes to the lender that the sponsor has not seen first			
Deadlines and grace periods of each delivery met; late certificate = possible default			
Bad news not left out: covenant headroom, liquidity and the forecast are read over several quarters			