

Financial Capability Assessment for a Maritime Area Consent

Guidance and Application Form Templates

November 2023

Tracking amendments to Guidance Notes

Version No.	Date	Amendment	Reason
1	09/08/2023	N/A	
2	16/11/2023	2.7 6.4 to 6.8	Info on timing of MAC and planning Update on special funding arrangements

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1. Introduction

- 1.1 The Maritime Area Planning (“MAP”) Act 2021 (the “Act”) is the primary legislation that regulates the use and occupation of the Irish maritime area, replacing exiting State and development permission regimes with one State consent, a Maritime Area Consent (“MAC”) and one development permission (planning permission), which includes a single environmental assessment. In conjunction, a new regulatory authority has been established, The Maritime Area Regulatory Authority (“MARA”) whose functions¹ are set out in the Act, overseeing the new State consent regime.
- 1.2 The Act² states that any proposed maritime usage of the Irish maritime area requires a MAC prior to applying for development permission, except for those usages listed in Schedule 3 of the Act. In addition, the Act³ also states that a MAC is required for all proposed maritime usages which are not subject to the granting of development permission, except for those usages listed in Schedule 4 of the Act.
- 1.3 Separately, the Act⁴ highlights usages which do not require a MAC but must obtain a maritime licence from MARA.
- 1.4 The relevant planning authorities sanctioning development includes the coastal / local authorities and An Bord Pleanála (“ABP”).
- 1.5 The Act⁵ lists specific maritime usages which are subject to ABP approval for the granting of development permission. These usages are not exhaustive and may be updated due to future events and / or changes to the assigned planning authority. Separately, there are additional circumstances stated in the Act⁶ where the granting of development permission will be overseen by ABP e.g., any part of an area subject to a MAC application which sits either in the outer maritime area, or partly on land, or crosses over areas that are within the remit of more than one coastal / local authority.
- 1.6 A Relevant Person may be a MAC applicant, or the holder of a MAC, and can be either a body corporate or an individual.

A body corporate can only make a MAC application if it meets the following criteria⁷:

- a) A company.
- b) A European Economic Area company within the meaning of Part 21 of The Companies Act⁸, 2014.
- c) A public body.
- d) Engaged principally in non-commercial activities or works.

¹ Maritime Area Planning Act, 2021: <https://www.irishstatutebook.ie/eli/2021/act/50/enacted/en/html>

² Section 75 of the Act: <https://www.irishstatutebook.ie/eli/2021/act/50/section/75/enacted/en/html>

³ Section 76 of the Act: <https://www.irishstatutebook.ie/eli/2021/act/50/section/76/enacted/en/html>

⁴ Schedule 7 of the Act: <https://www.irishstatutebook.ie/eli/2021/act/50/schedule/7/enacted/en/html>

⁵ Schedule 10 of the Act: <https://www.irishstatutebook.ie/eli/2021/act/50/schedule/10/enacted/en/html#sched10>

⁶ Section 285 of the Act: <https://www.irishstatutebook.ie/eli/2021/act/50/enacted/en/pdf>

⁷ Section 79 of the Act: <https://www.irishstatutebook.ie/eli/2021/act/50/section/79/enacted/en/html#sec79>

⁸ The Companies Act, 2014: <https://www.irishstatutebook.ie/eli/2014/act/38/enacted/en/html>

- 1.7 In order for a Relevant Person to be granted a MAC, MARA will determine if the Relevant Person is a fit and proper person, having regard for the following considerations⁹, as summarised below:
- a) Provision of letters of reference.
 - b) Non conviction of an indictable offence including fraud or dishonesty.
 - c) Where a Relevant Person is a body corporate, directors should not be subject to disqualification orders.
 - d) Where a Relevant Person is an individual, they have not been adjudicated as bankrupt or subject to bankruptcy proceedings.
 - e) Where a Relevant Person is a body corporate, it should not have:
 - (i) commenced or is subject to a winding-up order
 - (ii) proposed a compromise or arrangement that is sanctioned under The Companies Act, 2014¹⁰ or the Companies Act¹¹, 1963, or
 - (iii) subject to the appointment of a receiver.
 - f) Where the Relevant Person is a body corporate incorporated outside of Ireland, events corresponding to those referred to in 1.7(c) and 1.7(e) should not have occurred.
 - g) Has the required technical knowledge and qualifications to undertake the proposed maritime usage.
 - h) Ability to meet financial commitments or obligations related to a MAC project.
 - i) The Relevant Person's past performance with regards to the granting of:
 - (i) a MAC
 - (ii) development permission
 - (iii) a licence, or
 - (iv) an authorisation.

- 1.8 In accordance with the conditions set out in the Act¹², the holder of a MAC must ensure that they remain a fit and proper person for the duration that a MAC is held, taking account of the considerations highlighted in Section 1.7. Separately, a number of additional conditions may be attached to a MAC, as highlighted in the Act¹³ which the Relevant Person must comply with, in order to receive or continue to hold a MAC.

- 1.9 As per Section 1.7(h), a Relevant Person should be in a position to meet, or continue to meet, any financial commitments or obligations that MARA reasonably considers will be incurred in relation to a MAC.

Accordingly, the Relevant Person will be required to undergo a financial capability assessment, applying various tests whereby the Relevant Person is expected to meet specific thresholds, with the aim of assisting MARA in determining if the Relevant Person is deemed a fit and proper person from a financial perspective.

- 1.10 Therefore, the purpose of this document is to provide guidance on the process that MARA will employ to assess the financial capability of a Relevant Person in the context of the Act, (the "Guidance"), and will apply to all Relevant Persons from the date of publication.

⁹ Schedule 2(2) of the Act: <https://www.irishstatutebook.ie/eli/2021/act/50/schedule/2/enacted/en/html>

¹⁰ Section 453 of The Companies Act, 2014: <https://www.irishstatutebook.ie/eli/2014/act/38/section/453/enacted/en/html>

¹¹ Section 201 of the Act of 1963: <https://www.irishstatutebook.ie/eli/1963/act/33/section/201/enacted/en/html>

¹² Schedule 6(2) of the Act: <https://www.irishstatutebook.ie/eli/2021/act/50/schedule/6/enacted/en/html#sched6>

¹³ Schedule 6(1) of the Act: <https://www.irishstatutebook.ie/eli/2021/act/50/schedule/6/enacted/en/html#sched6>

1.11 The Guidance is designed to ensure that the financial capability assessment process is:

- a) robust - to ensure the State adequately addresses its risk
- b) proportionate - to the risk presented to the State by the Relevant Person and a MAC project
- c) transparent - regarding the requirements of the Relevant Person, and
- d) efficient - with information requirements being clear to the Relevant Person at the outset.

1.12 It is important to note that this Guidance document is:

- a) for guidance purposes only and MARA may, at its absolute discretion, elect to depart from the approach set out in this Guidance
- b) supplementary to the Act, which takes precedence over this Guidance
- c) not a substitute for any regulation or law and does not have a binding legal effect
- d) not a substitute for any other financial assessments that may be carried out by another regulator, and
- e) made specifically and exclusively for the purposes set out within; and will be kept under review by MARA and may be amended as deemed appropriate by MARA.

2. Approach

2.1 Introduction

- 2.1.1 The financial capability of a Relevant Person will be assessed by applying the financial tests and thresholds as set out in Sections 4 and 5 of this Guidance. A Relevant Person that meets the required thresholds will be deemed capable of meeting its Project Costs i.e., any cost or financial commitment in respect of a MAC project (refer to the Glossary).
- 2.1.2 Where a Relevant Person does not meet any one of the financial test thresholds, the onus is on the Relevant Person to demonstrate to MARA that this does not impact on its ability to meet its Project Costs. Where this is the case, MARA may request further information and undertake a more detailed review of the Relevant Person's financial capability.
- 2.1.3 The findings from the financial capability assessment will form part of the overall determination of a Relevant Person's fit and proper status taking account of the considerations highlighted in Section 1.7 and conditions attached to a MAC. It should be noted that irrespective of the findings from the financial assessment, the determination of a Relevant Person as a fit and proper person from a financial capability perspective is at the sole and absolute discretion of MARA.

2.2 When this guidance applies

- 2.2.1 In accordance with the Act and conditions attached to a MAC, a financial capability assessment will be required in respect of:
- a) **a new MAC application:**
 - (i) The Act¹⁴ sets out that in determining a MAC application, the Relevant Person must be a fit and proper person (on application and throughout the assessment process).
 - b) **changes to an existing MAC:**
 - (i) Assignment or transfer of interest in a MAC (where the existing holder retains an interest in a MAC, both parties will be subject to a financial capability assessment based on the revised structure).
 - (ii) A proposed material amendment to a MAC, resulting in significant impact/change to associated costs and/or risk profile of the MAC project.
 - (iii) Where a Change of Control occurs.
 - c) **other circumstances may include:**
 - (i) Non-compliance with conditions attached to a MAC i.e., inability to maintain fit and proper status while holding a MAC.
 - (ii) Changes to legislation.

The circumstances highlighted above are not exhaustive and the Guidance may be applied in other situations where financial resources are required by a Relevant Person to meet its Project Costs in respect of a MAC.

2.3 Form of the Relevant Person

- 2.3.1 A Relevant Person who is a body corporate, can be incorporated under Irish Law or an

¹⁴ Schedule 5(5) of the Act: <https://www.irishstatutebook.ie/eli/2021/act/50/schedule/5/enacted/en/html#sched5>

incorporated non-Irish company. All MACs held by non-Irish companies must have permanent representation in Ireland which is fully authorised to act for the company or has the ability to enter into binding agreements in its name.

- 2.3.2 Where an application is submitted on behalf of another entity, the party committed to delivering the MAC project is deemed to be the Relevant Person for the purposes of the financial capability assessment.

2.4 Basis of financial capability assessment

- 2.4.1 In order to determine the financial capability of a Relevant Person, MARA will apply a number of financial tests to assess the ability of the Relevant Person to meet all Project Costs that may arise. The applied tests are summarised below:

- (i) **Going Concern:** Indicates the overall financial health of a company and its ability to continue trading for the foreseeable future.
- (ii) **Turnover ratio:** Measures the scale and capacity of a company by its turnover from trading activities over a set period, as a multiple of total Project Costs.
- (iii) **Profit after Tax Margin:** Assesses the amount of residual profit earned by a company after deducting all expenses and tax, as a percentage of turnover.
- (iv) **Current Ratio:** Indicates a company's ability to pay its short-term obligations using its short-term assets.
- (v) **Interest Cover:** Assesses the amount of profit before deducting interest and tax, available to cover interest expenses.
- (vi) **Gearing:** Measures a company's financial leverage and provides details on its funding structure i.e., amount of funding sourced from lenders compared to shareholders.
- (vii) **Financial Resources:** Assesses the cash available to a company, including cash reserves and undrawn funds from credit facilities, which the Relevant Person has access to fund a MAC project.
- (viii) **Net Assets:** Determines if a company has assets greater than its liabilities, indicating that the company has brought in more income than it has paid out in expenses.

- 2.4.2 Refer to Sections 4 and 5 for further details on the financial capability assessment tests.

2.5 Self-assessment

- 2.5.1 In line with the aims of the Guidance e.g., transparency, robustness, and to ensure a consistent streamlined process whereby applications are processed in a timely manner, MARA requires the Relevant Person to carry out the financial capability tests based on a self-assessment approach before submitting to MARA.

- 2.5.2 In the Appendices of the Guidance are a number of templates including the financial capability tests which must be completed on a self-assessment basis. This approach allows the Relevant Person to identify where additional information or explanations are required to demonstrate their financial capability.

2.6 Information requirements

- 2.6.1 As part of the financial capability assessment the Relevant Person should provide all required information as set out in Section 3. MARA reserves the right to not accept applications, in cases where information is missing.

2.7 Timing of MAC Application

2.7.1 Where the proposed maritime usage is subject to the granting of development permission, the Relevant Person should only submit a MAC application in circumstances where the development permission application can be made within a reasonable timeframe. Where applicable, MARA may attach conditions to a MAC which may include specific timelines in respect of a development permission application. Failure to meet these timelines may result in a MAC being terminated.

2.8 Reliance on another entity

2.8.1 In order to prove financial capability, a Relevant Person may rely on the resources of another entity(s) or undertaking(s), which may be a parent or a non-parent company (“Supporting Entity”). Where this is the case, the financial capability assessment will be carried out on the Supporting Entity(s) and not the Relevant Person.

2.8.2 A Relevant Person may rely on more than one Supporting Entity and each entity will be assessed on a pro rata basis, taking account of their share of Project Costs, to ensure that the required thresholds are met.

2.8.3 Where a Supporting Entity(s) is relied on to meet financial test thresholds, a Supporting Entity guarantee must be submitted as part of the financial assessment with specific requirements discussed further in Section 3. This type of support does not negate the responsibility of the Relevant Person to provide all necessary documentation (including that of any Supporting Entity) upfront to MARA. This approach ensures that MARA has a single point of contact for the purposes of communication.

2.9 Relevant Persons with investment grade credit rating

2.9.1 In the case of a Relevant Person or Supporting Entity with an investment grade credit rating, MARA will take account of the rating when assessing the outputs from the financial capability assessment. Evidence of the rating should be provided in addition to the financial information requirements as set out in Section 3 of this Guidance.

2.9.2 The credit rating should be from a recognised rating agency and should fall within their investment grade classification, for example, no lower than BBB- for Standard & Poor’s (“S&P”), Baa3 for Moody’s, BBB for Fitch, etc.

2.10 Consortia

2.10.1 Where a consortium has applied for or been granted a MAC, each party whose resources are relied upon will be deemed to be a Relevant Person. As a result, all parties will be required to provide the information outlined in Section 3.

2.10.2 Each consortium member will undergo a financial capability assessment on a pro rata basis, taking account of each party’s share of Project Costs.

2.11 Multiple MACs

2.11.1 Where a Relevant Person has applied for and / or been awarded more than one MAC, the financial resources test will factor in all Outstanding Project Costs for all MAC projects which have yet to reach build completion.

2.11.2 Where a Relevant Person is a member of a consortium involved in multiple MAC projects or

MAC applications, the Relevant Person's share of all Outstanding Project Costs in each MAC project or application, will be factored into the financial resources test of the Relevant Person.

2.12 Specific funding arrangements

- 2.12.1 MARA will consider all types of credible funding arrangements and does not wish to unnecessarily deter any Relevant Person from proposing specific or innovative funding methods. It is noted that certain funding arrangements may not be evidenced within the financial capability assessments as set out in Section 5 of this Guidance.

To assist a Relevant Person, Section 6 of the Guidance sets out some examples of the funding options which may represent mitigating actions where financial assessment thresholds have not been met. The onus is on the Relevant Person to provide all relevant details and supporting documentation plus assurances on funding arrangements.

2.13 Post balance sheet events

- 2.13.1 A Relevant Person, in making a MAC application, is required to provide a written statement confirming that since the date of the latest submitted financial information, there has not been:
- a) any material adverse change in financial or trading position which may impact the assessment of financial capability as set out within this Guidance
 - b) any material adverse post balance sheet event that may impact the assessment of financial capability as set out within this Guidance, and
 - c) any contingent liabilities or significant losses which may impact the assessment of financial capability as set out within this Guidance.

2.14 Insurance

- 2.14.1 While the assessment of insurance cover is outside the scope of the Guidance, MARA requires confirmation from the Relevant Person that the appropriate insurances are in place to deliver a MAC project, including details on specific insurance policies. MARA reserves the right to request evidence of insurance where it is deemed necessary.

3. Information requirements

3.1. Introduction

- 3.1.1. A Relevant Person (including a consortium member) is required to provide the information as set out within this Guidance. Where information is not provided, MARA reserves the right to not accept an application, however, missing information should be submitted in a timely manner following clarification.
- 3.1.2. The provision of self-assessment templates included within the Appendices of this Guidance allows the Relevant Person to provide additional information and explanations for extenuating circumstances or mitigating actions.

3.2. Source documentation

- 3.2.1. A Relevant Person is required to submit statutory audited financial statements for the last two financial periods which have been filed with the Companies Registration Office (or equivalent for non-Irish based companies) that:
 - a) contains an income statement, balance sheet and statement of cash flows for the latest and a comparable prior period
 - b) provided in, or translated to, English, and
 - c) prepared under Irish GAAP, IFRS, or GAAP of the jurisdiction in which the Relevant Person is registered.
- 3.2.2. Where a Relevant Person does not have statutory audited financial statements or where the most recent filed audited financial statements are older than 12 months, the Relevant Person is required to provide the latest available management financial statements which are either:
 - a) accompanied by a letter of comfort from the directors of the Relevant Person, stating that the accounts provide a true and fair statement of the Relevant Person's financial position, or
 - b) where Project Costs are greater than €10m, reviewed and validated by a registered accountant.
- 3.2.3. If a Relevant Person is relying on a Supporting Entity, the requirements listed above apply to both the Relevant Person and the Supporting Entity. As highlighted in Section 2.8, where the Relevant Person is relying on the resources of a Supporting Entity to meet any of any of the financial test thresholds, only the Supporting Entity will be subject to the financial capability assessment. However, any anomalies in the financial situation of the Relevant Person may require further analysis and may be factored into MARA's overall assessment of the MAC application.

3.3. Self-assessment and other requirements

- 3.3.1. To enable the financial capability assessment, the Relevant Person is required to provide the following information as set out below:
 - (i) **Relevant Person Information** – Name, address and contact details, including information concerning place of registration, principal place of business and the year of establishment. Refer to Appendix A.
 - (ii) **Supporting Entity Information** – Where applicable, company name, registration number, jurisdiction and legal form of the entity. Refer to Appendix B.

- (iii) **Consortium Information** – Details on all consortium members’ roles and the percentage/share of the MAC Project Costs to be completed by each member. Refer to Appendix C.
- (iv) **Authorised Liaison** – A non-Irish registered Relevant Person must appoint a contact, who is registered in Ireland, to act as an authorised representative in liaising with MARA. Refer to Appendix D.
- (v) **Overview of the MAC project** – A high-level description of the MAC project, an overview of the project delivery plan including annual workstreams and Project Costs by workstream, and the expected percentage completion of the project by year. Refer to Appendix E.
- (vi) **Rehabilitation Costs** – Details on estimated rehabilitation costs, broken down by workstream. Refer to Appendix F.
- (vii) **Outstanding Project Costs** – Details on Outstanding Project Costs relating to all MACs held by the Relevant Person, and / or all MAC applications submitted by the Relevant Person. Refer to Appendix G.
- (viii) **Details of funding arrangements** – Description and supporting information/documents on proposed funding arrangements to cover Project Costs, including the completion of a sources and uses table, providing a forecast of available funding, split across each funding instrument i.e., debt, equity, cash etc., on an annual basis over the build period. Refer to Appendix H.
- (ix) **Documentation list** – A list of all documents submitted by the Relevant Person in respect of the financial capability assessment. Refer to Appendix I.
- (x) **Post balance sheet events** – A statement confirming that there have been no material adverse changes in the financial circumstances of the Relevant Person after the balance sheet date of the latest financial statements provided. Where this is not the case, the Relevant Person should provide details along with supporting documentation. Refer to Appendix J.
- (xi) **Insurance** – Details on insurance in place relevant to the MAC project, including terms of specific policies. Refer to Appendix K.
- (xii) **Going Concern** – Details on going concern status of the Relevant Person, including reason(s) for any qualification and rectification actions. Refer to Appendix L.
- (xiii) **Financial capability assessment** – Completed self-assessment templates with all calculations/inputs clearly referenced to supporting documentation e.g., audited financial statements. Refer to Appendix M.
- (xiv) **Supporting Entity Guarantees** – Signed Supporting Entity Guarantee in the format attached to the Guidance. Refer to Appendix N.

3.4. Information required when relying on a Supporting Entity

- 3.4.1. A Relevant Person relying on the resources of a Supporting Entity is required to provide the source documentation specified in Section 3.2, in respect of the Supporting Entities.
- 3.4.2. Where a Relevant Person proposes to rely on a Supporting Entity, an executed legally binding guarantee in the form as set out in Appendix N, must be provided by the Supporting Entity, whereby guaranteeing the payment of MAC annual levies up to build completion, in the event that the Relevant Person is unable to meet this financial commitment.
- 3.4.3. Where the Supporting Entity is not incorporated in Ireland, a legal opinion should be submitted with the guarantee. The opinion should be provided by an authorised law firm that is legally allowed to act in the jurisdiction in which the Supporting Entity is incorporated and / or domiciled in and state that the guarantee is enforceable. Separately, an Irish law firm should also provide an opinion on the guarantee to ensure its enforceability in the Irish State.

4. Financial tests

4.1. Overview of financial tests

- 4.1.1. The financial capability assessment of a Relevant Person considers the ability of the Relevant Person to deliver a MAC project by applying a range of financial tests. The applied tests assess the financial performance of the Relevant Person in each of the last two financial periods, to ensure that they are of good financial standing and solvent, in addition to having sufficient scale and income generation to deliver a MAC project.
- 4.1.2. Due to the broad range of body corporates and the varying sizes of potential projects subject to a MAC, the guidance aims to apply financial tests and thresholds which are proportionate to the scale of the MAC project being undertaken.
- 4.1.3. Accordingly, various financial tests have been assigned across two groups, whereby the total Project Costs¹⁵ to reach build completion or commencement of operations for a MAC project, determine which group a Relevant Person falls under and the corresponding tests that will form the basis of the financial capability assessment:
- Group 1 – Up to €10m.
 - Group 2 – Greater than €10m.
- 4.1.4. The table below sets out the financial assessment tests applied under each group.

	Group 1 Thresholds	Group 2 Thresholds
Going Concern	Unqualified Opinion with No Statement of Material Uncertainty	Unqualified Opinion with No Statement of Material Uncertainty
Turnover Ratio	Not Applicable	2.0x
Profit after Tax Margin	3%	3%
Current Ratio	1.0x	1.0x
Gearing	60%	60%
Interest Cover	2.5x	2.5x
Financial Resources	Equal to total Outstanding Project Costs	Equal to total Outstanding Project Costs
Net Assets	Greater than zero	50% of Project Costs

- 4.1.5. MARA reserves the right to apply tests from a higher grouping where it is deemed appropriate when carrying out a financial capability assessment of a Relevant Person.
- 4.1.6. A Relevant Person should confirm the total amount of Project Costs either at Financial Close (“FC”) date or at the earliest possible date prior to commencement of the main construction phase of a MAC project. Where the total amount of Project Costs has varied as per those

¹⁵ Due to the timing of the MAC application i.e., pre-planning, some contractual arrangements relating to project construction may still be under discussion. Where this is the case, the Relevant Person should provide a best estimate for all Project Costs based on latest discussions, industry knowledge/standard and experience in delivering similar projects.

submitted at the application stage, details should be provided, setting out the reason for the movement along with supporting documentation. Where the variation in the total amount of Project Costs is deemed to be material, MARA reserves the right to carry out more analysis which may include reassessing the Relevant Person from a financial perspective.

- 4.1.7. All Relevant Persons will be required to undergo financial capability assessment tests with the exception of Local Authorities and / or individuals.
- 4.1.8. Where a Relevant Person does not meet any one of the financial assessment thresholds, MARA may consider extenuating circumstances or mitigating actions highlighted by the Relevant Person, while taking account of the proposed funding arrangements to fund the Relevant Person's Project Costs.
- 4.1.9. While Local Authorities are not subject to financial capability assessment tests, all Appendices attached to the Guidance should be completed bar those relating to the financial tests i.e., Appendix M. Separately, a letter of assurance signed by the relevant approving authority should be provided, confirming available and / or sanctioned funding to cover all Project Costs.
- 4.1.10. Similarly, an individual must complete all of the Appendices attached to the Guidance with the exception of Appendix M. Also, a letter of assurance from a qualified accounting / tax professional that is registered with a recognised professional body should be provided, stating that the individual has sufficient funds and / or funding arrangements in place to cover all Project Costs.

4.2. Use of Project Finance

- 4.2.1. Where a Relevant Person indicates that a Project Finance structure (as defined in the Glossary of this Guidance) has been adopted and that FC has been achieved (likely to be limited in number at the MAC application stage, as projects using this type of funding structure generally require development permission pre FC, which can only be sought once a MAC has been obtained), and the delivery entity i.e., Special Purpose Vehicle ("SPV") has been fully funded, some of the financial tests may not apply as set out in Section 5. Also, where the fully funded SPV does not have two years of financial statements, for those tests which still apply, the calculations will be based on the most recent available financial accounts.
- 4.2.2. Under the scenario highlighted in Section 4.2.1, the Relevant Person will be expected to provide evidence, demonstrating that its funding arrangements meet the definition of a Project Finance structure.

4.3. Ongoing assessment of fit & proper status

- 4.3.1. A Relevant Person is required to remain a fit & proper person for the duration that a MAC is held. Accordingly, the Relevant Person should have sufficient financial strength / capability to build, maintain and operate a MAC project. As a result, the Relevant Person is required to confirm on an annual basis, that they still meet the financial test thresholds carried out at the MAC application stage and as set out in Section 5. Where a MAC project has reached build completion, the financial resources test is excluded from the annual confirmation (all other tests still apply), however, the Relevant Person should confirm that it has sufficient cash/funds available to meet all post build completion costs including debt service requirements where applicable.

- 4.3.2. Where the holder of a MAC is an individual, they will be required to confirm on an annual basis that they have sufficient funds or financing arrangements in place to meet all Project Costs and / or costs post build completion including debt service requirements where applicable. MARA reserves the right to ask for a letter of assurance from a qualified accounting / tax professional that is registered with a recognised professional body, confirming the that the individual continues to be a fit and proper person from a financial perspective post receipt of a MAC.
- 4.3.3. MARA reserves the right to carry-out / request ad hoc financial capability assessments on a Relevant Person, where it is deemed necessary, during the period that a MAC is held.

4.4. **Rehabilitation costs**

- 4.4.1. In accordance with the Act¹⁶, a MAC holder is obliged to rehabilitate the maritime area before the expiration of the MAC. In line with the requirement for the Relevant Person to remain a fit & proper person, details on estimated rehabilitation costs should be provided in Appendix F. Also, the Relevant Person will be required to reserve cash on an annual basis from 5 years prior to the end date of the associated maritime area being rehabilitated, for the purposes of ensuring that all rehabilitation costs can be met.

¹⁶ Section 96 of the Act: <https://www.irishstatutebook.ie/eli/2021/act/50/section/96/enacted/en/html#sec96>

5. Application of financial capability assessment thresholds

5.1. Financial Capability Assessment

- 5.1.1. The financial capability tests assess the Relevant Person's financial performance over the last two financial periods, its available funding including cash, scale of operations and ability to generate income. The assessment includes confirmation of the Relevant Person's Going Concern status, calculation of turnover ratio, profit after tax, current ratio, capital structure (Gearing), interest cover, financial resources and net assets. The application and findings from the tests will assist MARA in determining that the Relevant Person is in good financial health and capable of covering all Project Costs.

5.2. Going Concern

An established company with a strong track record of solvency is more likely to be capable of meeting its financial commitments and liabilities. The Going Concern status of a company is a good indicator of its solvency and financial health. Depending on the jurisdiction of the Relevant Person, the statutory accounts may include an independent auditor's report on Going Concern status. The accounts may also include a director's report outlining the Relevant Person's performance and any issues affecting it during the relevant period. MARA will review information which includes, but is not limited to, the auditor's and director's report statements on Going Concern.

Expectation:

Unqualified opinion with no statement of material uncertainty related to going concern.

Evaluation guidance: If there are extenuating circumstances, the Relevant Person is expected to provide detailed reasoning and evidence as to why its financial capability is not significantly impacted. It will be at the sole discretion of MARA whether such reasoning and evidence is deemed acceptable.

Exclusions: None

5.3. Turnover Ratio

The Turnover Ratio assesses the level of turnover from trading activities a company generates as a multiple of total Project Costs, in order to determine if the company has sufficient scale, cash generation ability and funding to deliver a MAC project. MARA will calculate the Turnover Ratio as follows:

- a) $\text{Turnover Ratio} = \text{all trading revenue earned} / \text{total Project Costs}$

Expectations:

- a) Group 2 tests should show a minimum Turnover Ratio of 2.0 times.

Consortium members will be assessed on a pro-rata basis against the expected Turnover Ratio level. For example, where a MAC project involves two parties, each assuming a 50% share of Project Costs, both parties will be expected to meet the required Turnover Ratio based on 50% of total Project Costs (i.e., If total Project Costs are €50m, both parties will apply €25m for total Project Costs in their Turnover Ratio calculation).

Evaluation guidance: Where the Relevant Person does not meet the Turnover Ratio, it may be an indicator that the Relevant Person has limited trading revenues to support its working capital and funding requirements for the MAC project. As a result, the Relevant Person will be expected to provide evidence demonstrating its financial capability to meet its Project Costs, with reference to specific funding arrangements as set out in Section 6. It will be at MARA's sole discretion as to whether this explanation is satisfactory.

Exclusions: The Turnover Ratio test does not apply to and will not be assessed in respect of MAC projects using a Project Finance structure that have achieved FC. The purpose of this exclusion is to recognise that SPVs are unlikely to earn revenue until commencement of operations.

5.4. Profit after Tax Margin

Profit after Tax Margin measures the residual profit available to a company after deducting all expenses and tax, as a percentage of turnover. MARA will calculate the Profit after Tax margin as follows:

a) Profit after Tax Margin = (turnover – all income statement expenses and tax) / turnover

The higher the Profit after Tax Margin, the more capable a company is of funding its liabilities while also earning a return for its shareholders.

Expectation:

a) Profit after Tax Margin should be equal to or greater than 3%.

Evaluation guidance: Where the Relevant Person has a Profit after Tax Margin of less than 3%, it may signify that the Relevant Person has limited headroom to manage any increases in its cost base, financial shocks or contingent liabilities. Where there are extenuating circumstances, the Relevant Person will be expected to provide detailed reasoning and evidence as to why its financial capability is not significantly impacted. It will be at MARA's sole discretion as to whether such reasoning and evidence is satisfactory.

Exclusions: The Profit after tax margin test does not apply to and will not be assessed in respect of MAC projects using a Project Finance structure that have achieved FC. The purpose of this exclusion is to recognise that SPVs are unlikely to earn profit until commencement of operations.

5.5. Current Ratio

The Current Ratio is a measure of a company's ability to pay its short-term liabilities using its short-term assets. MARA will calculate the Current Ratio as follows:

b) Current Ratio = current assets / current liabilities

The higher the Current Ratio is compared to a set threshold, implies that a company has sufficient current assets to cover its current liabilities.

Expectation:

b) Current Ratio of equal to or greater than 1.0 times.

Evaluation guidance: Where the Relevant Person has a Current Ratio of less than 1.0 times it may signify a liquidity issue for the Relevant Person in covering its current liabilities and may indicate that the Relevant Person is not financially viable. Where there are extenuating circumstances, the Relevant Person will be expected to provide detailed reasoning and evidence as to why its financial capability is not significantly impacted (including how working capital requirements are financed by adequate short-term funding arrangements). It will be at MARA's sole discretion as to whether such reasoning and evidence is satisfactory.

Exclusions: None

5.6. Gearing

It is important to understand the Relevant Person's capital structure to the extent that operations are funded by third parties (lending institutions) compared to shareholders. A Gearing ratio calculation will be used to determine the Relevant Person's capital structure. MARA will calculate the Gearing ratio as follows:

a) $\text{Gearing} = \text{total debt} / (\text{total debt} + \text{equity})$

This ratio measures the total amount of debt against total capital in the business, which includes both debt and shareholder's equity. The ratio indicates the level of funding risk to which a business is exposed. A Relevant Person with a high level of debt, carries a greater risk as the debt will have to be serviced. Also, a high Gearing ratio may suggest that the Relevant Person could have difficulty in raising additional funds in the future.

The Gearing ratio takes into account all of the debt owed by the Relevant Person, however, some of the debt on the Relevant Person's balance sheet could include intra-group debt. A Relevant Person may feel that the inclusion of intra-group debt would misinterpret their true capital structure. Accordingly, the Relevant person should quantify the amount of intra-group debt while also providing an explanation on its nature, such that MARA can take this into consideration when performing the assessment.

Expectations:

a) Gearing of 60% or less.

Evaluation guidance: Where the Relevant Person's Gearing ratio exceeds the threshold set out above, MARA will expect additional information to evidence that the Relevant Person is able to service its debt obligations as and when they fall due without putting undue stress on the financial capability of the Relevant Person. This may include historic debt service cover ratios evidencing that the debt obligations can be met. It will be at MARA's sole discretion as to whether such reasoning and evidence is satisfactory.

Exclusions: The Gearing test does not apply to and will not be assessed in respect of MAC projects using a Project Finance structure that have achieved FC. The purpose of this exclusion is to allow for maximum efficiency in the use of project financing, provided the SPV is fully funded.

5.7. Interest Cover Ratio

The Interest Cover ratio measures a company's profits before applying interest and tax, as a multiple of total interest expenses. MARA will calculate the Interest Cover ratio as follows:

a) $\text{Interest Cover} = \text{earnings before interest and tax} / \text{total interest expenses}$

The higher the Interest Cover ratio compared to a set threshold, implies that a company is generating sufficient earnings to meet all of its interest obligations, and is more capable of buffering any short-term fall in profits which could affect its ability to make interest payments.

The Interest Cover ratio takes into account interest expenses relating to all debt owed by the Relevant Person, however, some of the debt on the Relevant Person's balance sheet could include intra-group debt. A Relevant Person may feel that the inclusion of intra-group debt would misinterpret their true capital structure. Accordingly, the Relevant person should quantify the amount of intra-group debt and associated interest expenses while also providing an explanation on its nature, such that MARA can take this into consideration when performing the assessment.

Expectations:

- a) Interest Cover of 2.5 times or greater.

Evaluation guidance: Where the Relevant Person's Interest Cover ratio is less than the 2.5 times, MARA will expect additional information to evidence that the Relevant Person is able to service its interest expense obligations as and when they fall due, without putting undue stress on the financial capability of the Relevant Person. This may include historic interest cover ratios evidencing that debt obligations can be met. It will be at MARA's sole discretion as to whether such reasoning and evidence is satisfactory.

Exclusions: The Interest Cover ratio test does not apply to, and will not be assessed in respect of, MAC projects using a Project Finance structure that have achieved FC. The purpose of this exclusion is to allow for maximum efficiency in the use of project financing, provided the SPV is fully funded.

5.8. Financial Resources

A company's Financial Resources represent the level of liquid assets which a company can access immediately. MARA will calculate Financial Resources as follows:

- a) Financial Resources = cash and cash equivalents + Undrawn Credit Facilities

Undrawn Credit Facilities should only be included if they are committed undrawn facilities and from a financial institution with a credit rating that is investment grade or higher. Each element of the calculation should be clearly identifiable.

Expectation:

- a) Financial Resources equal to or greater than total Outstanding Project Costs.

MARA notes that depending on the date which the calculation is performed, the Relevant Person may have certain or once-off obligations due in that period which could have a negative effect on its available cash. Where this is the case, the Relevant Person should highlight this in the calculation which MARA may take into consideration when performing the assessment.

Consortium members will be assessed on a pro-rata basis against the expected Financial Resources level. For example, where a MAC project involves two parties, each assuming a 50% share of all Project Costs, both parties will be expected to have minimum Financial Resources of 50% of total Outstanding Project Costs (i.e., total Outstanding Project Costs are €50m, both parties must have minimum Financial Resources of €25m, in each of the prior two years).

Evaluation guidance: Where the Relevant Person does not have the expected Financial Resources, it may be an indicator that the Relevant Person will not be able to fund its total Outstanding Project Costs. As a result, the Relevant Person will be expected to provide additional information to evidence its financial capability, which should include reference to specific funding arrangements as set out in Section 6. It will be at MARA's sole discretion as to whether such reasoning and evidence is satisfactory.

Exclusions: The Financial Resources test does not apply to, and will not be assessed in respect of, MAC projects using a Project Finance structure that have achieved FC. The purpose of this exclusion is to allow for maximum efficiency in the use of project financing, provided the SPV is fully funded.

5.9. Net Assets

The Net Assets calculation determines if a company's total assets exceed its total liabilities. MARA will calculate Net Assets as follows:

a) Net Assets = total assets – total liabilities

A positive Net Assets value demonstrates that the Relevant Person's business has excess assets compared to liabilities and is an indicator that over time, the company has brought in more income than it has paid out in expenses. The greater the excess of assets over liabilities, the better the Relevant Person's financial position and potential to continue trading into the foreseeable future.

Expectations:

- a) Group 1 assessments should show positive Net Assets.
- b) Group 2 assessments should show minimum Net Assets totalling 50% of Project Costs.

In the case of Group 2, consortium members will be assessed on a pro-rata basis against the expected Net Asset level. For example, where a MAC project involves two parties, each assuming a 50% share of all Project Costs, both parties will be expected to have minimum Net Assets of 50% of the applied threshold (i.e., total Project costs are €50m, both parties must have a minimum Net Assets of €25m, in each of the prior two years).

Evaluation guidance: Where the Relevant Person's Net Assets value is below the set threshold, it could potentially indicate that the Relevant Person may find it difficult to overcome any unforeseen financial shocks or contingent liabilities due to limited resources. Where there are extenuating circumstances, the Relevant Person is expected to provide detailed reasoning and evidence as to why its financial capability is not significantly impacted. It will be at MARA's sole discretion as to whether the reasoning and evidence is satisfactory.

Exclusions: None

- 5.10. Where a Relevant Person is unable to comply with any of the financial test thresholds, this will not automatically result in the Relevant Person failing the financial capability assessment. However, the onus is on the Relevant Person to provide sufficient explanations along with supporting evidence of extenuating circumstances or mitigating actions, which should include reference to specific funding arrangements to address non-compliance. In considering non-compliance, the response from the Relevant Person should provide MARA with the necessary comfort that all Project Costs relating to the MAC project can be met.

6. Special funding arrangements

- 6.1. As highlighted in Section 2.12, MARA considers all types of credible funding arrangements, and does not intend to unnecessarily deter any Relevant Person proposing specific or innovative funding methods. Separately, it is noted that certain funding arrangements may not be evidenced within the financial capability assessment tests detailed in Section 5.
- 6.2. This section sets out some of the funding arrangements which may represent mitigating actions in relation to the financial capability tests and the type of evidence that may be required. In such circumstances, the onus is on the Relevant Person to supply additional information to provide MARA with the necessary assurance.
- 6.3. The additional information or proof of actions undertaken by a Relevant Person will be reviewed by MARA to ensure that the Relevant Person has the necessary financial resources in place to cover its Project Costs.
- 6.4. Examples of funding arrangements and the associated expectations are provided below:
 - a) **Issue of Share Capital:** Funds may be raised through the issue of new share capital and fully committed underwriting agreements may be acceptable provided they are underwritten by a financial institution or stock brokerage with a minimum investment grade credit rating. All related share capital documentation should be made available for review.
 - b) **Loan Arrangements:** Funds may be sourced from commercial third-party debt providers, investment banks, multilateral lending institutions etc. If interest or capital payments are required before the MAC project completion date, the Relevant Person will need to provide further information on how they plan to service the debt. All related loan documentation should be made available for review.
 - c) **Cash Flows:** A Relevant Person may intend to fund its Project Costs using forecast cashflows. Where this is the case, the Relevant Person should provide evidence demonstrating its historic track record in generating sufficient cashflows and / or details of sale proceeds to be received from asset sales used to fund / part fund Project Costs.
 - d) **Line of Credit:** A Relevant Person may put in place a credit facility with a financial institution (e.g., a bank) which can be drawn down or repaid over an agreed period. The borrower can access and avail of this facility at any time providing the maximum amount of the facility is not exceeded. All related line of credit documentation should be made available for review.
 - e) **Letter of Credit:** A Relevant Person may obtain or provide a letter of credit from a financial institution (e.g., a bank) guaranteeing the payment of costs on time where the Relevant Person is unable to cover its Project Costs. All related letter of credit documentation should be made available for review.
 - f) **Grants:** Funding may be available through State or EU level grants to assist in the implementation of local and EU policies across sectors. All related grant documentation should be made available for review.
 - g) **Bonding:** A Relevant Person may be required to put in place bonding thus providing greater assurance that a MAC project will be completed on time and to the required specifications. To obtain a bond, a Relevant Person is likely to undergo extensive background and financial checks by a recognised surety which backs the bond. In cases

where it is difficult to financially assess a Relevant Person, MARA may rely on these checks to form an opinion on the Relevant Person's financial capability. All related bonding documentation should be made available for review.

- h) An escrow agreement:** A Relevant Person may be requested to put in place an arrangement where it reserves / deposits cash equivalent for some / all of its Project Costs with a third person (escrow agent) or in a reserve account. The funds can only be paid out to beneficiaries, when specific conditions are met, which in this case are costs relating to the MAC project(s). All related escrow documentation should be made available for review.
- 6.5. It should be noted that executed funding arrangements may mitigate any noncompliance with financial test thresholds, and as a result, the Relevant Person where possible should look to have funding in place prior to making a MAC application.
- 6.6. Where a Relevant Person indicates that funding has yet to be finalised, details on its proposed funding approach i.e., use of third-party debt, Project Finance, share capital issuance etc., should be provided. Additionally, all relevant funding documentation should also be provided such as draft terms sheets, draft funding/underwriting agreements, letters of support, and any other contractual arrangements. It will be at the sole discretion of MARA as to whether the supplied information provides sufficient evidence on the Relevant Person's ability to fund Project Costs.
- 6.7. In cases where a MAC is granted in advance of funding arrangements being finalised, the funding process must be completed and evidenced through a copy(s) of executed documentation within a reasonable time period, either from receipt of development permission where required or from the date of the granting of a MAC. Failure to meet reasonable timelines may result in a MAC being terminated.
- 6.8. Where applicable, MARA may attach additional conditions to a MAC prior to funding arrangements being finalised, which may include specific timelines regarding the issuance of a developed funding proposal, receipt of non-binding expressions of interest, confirmation of grant funding eligibility, receipt of investment/credit committee approved term sheets etc. Failure to meet these timelines may result in a MAC being terminated.

7. Queries and feedback

7.1. Queries

- 7.1.1. To facilitate the timely processing of applications and to avoid incomplete submissions, the Relevant Person should direct any queries relating to information requirements or any other requests to MARA (MAC@mara.gov.ie) as early as possible in the process.

7.2. Request for clarification

- 7.2.1. MARA reserves the right to request clarifications on any matter set out in a MAC Application. If this is necessary, a Relevant Person will be informed as soon as possible after the receipt of a MAC application.

7.3. Feedback

- 7.3.1. Once MARA has made a preliminary determination of the overall assessment it will inform the applicant in writing if it is minded to grant, part grant, grant with conditions or refuse an application. The applicant may then submit further information within a period specified in the notice. MARA will inform all applicants of its final decision in writing and publish the relevant details on its website.

8. Glossary

Term	Definition
ABP	An Bord Pleanála
Act of 2000	The Planning and Development Act 2000
The Act	Maritime Area Planning Act 2021
Assignment	The assignment of more than 20% of any interest in a MAC by the holder of a MAC to another entity.
Change of Control	The sale or transfer of 20% or more of the shares or voting rights in respect of a Relevant Person or a Supporting Entity – excluding a listed company with a market capitalisation of more than €100 million.
COD	Commercial operations date means the date that a project achieves commercial operation
Consortium	A group of parties submitting a combined application for a MAC
Current Ratio	Current assets / current liabilities
European Economic Area	An area of free trade and free movement of peoples comprising the member states of the European Union, in addition to Norway, Iceland and Liechtenstein.
Financial Close	The date where funding to achieve build completion / commercial operation of the MAC project is secured and available for drawdown.
Financial Resources	Cash and cash equivalents + Undrawn Credit Facilities
Gearing	Total debt / (total debt + equity)
Going Concern	An operating entity that is expected to continue to function as such and remain viable in the foreseeable future.
Guidance	The Maritime Area Consent Financial Capability Assessment Guidance
Interest Cover Ratio	Earnings before interest and tax / total interest expenses

MAC	Maritime Area Consent
MAP Act	Maritime Area Planning Act, 2021
MARA	Maritime Area Regulatory Authority
Net Assets	Total assets - total liabilities
Outstanding Project Cost	Any cost/financial commitment including capital, financing and other but excluding contingent liabilities, associated with a MAC application or a granted MAC, which has not yet been incurred/expensed up to the date of build completion or COD.
Profit after Tax Margin	(Turnover – all income statement expenses and tax) / turnover
Project Cost	Any cost/financial commitment including capital, financing and other but excluding contingent liabilities, in respect of a MAC project.
Project Finance	The use of an SPV to deliver, fund, build and operate a MAC project – including via the use of limited or non-recourse finance.
Relevant Person	The applicant for, or holder of, a MAC
Supporting Entity	Where a Relevant Person is relying on the resources of another entity / entities or undertakings with which it is directly or indirectly linked.
Taxes	Corporation tax, capital gains tax, VAT, rates, stamp duty and any other taxes. For the avoidance of doubt, consent levies are not Taxes for the purposes of this Guidance.
Turnover Ratio	All trading revenue earned / total Project Costs
Undrawn Credit Facilities	Committed facilities that are available to be drawn down from a financial institution with a credit rating that is investment grade or higher.

9. Appendices

Appendices	
Appendix A	Relevant Person Information
Appendix B	Supporting Entity Information
Appendix C	Consortium Information
Appendix D	Authorised liaison
Appendix E	Overview of the MAC project
Appendix F	Rehabilitation costs
Appendix G	Outstanding Project Costs
Appendix H	Details of funding arrangements
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Appendix K	Insurance
Appendix L	Going Concern
Appendix M	Financial capability assessment
Appendix N	Supporting Entity Guarantees

Appendix A – Relevant Person information

The Relevant Person is required to complete this template. Answers in all the applicable templates should be written in BLOCK LETTERS and where options are given, insert in the box(es) as appropriate.

Relevant Person information	
Name	
Address	
Contact number	
Email address	
Company registration number	
Place of registration	
Year of establishment	

Legal form of the Relevant Person	
Is your company a:	
Private Limited Company	<input type="checkbox"/> Yes <input type="checkbox"/> No
Public Limited Company	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other (incl. individuals)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Please provide details of 'Other'	

Relevant Person structure	
Is the Relevant Person a single applicant or a consortium	<input type="checkbox"/> Single <input type="checkbox"/> Consortium
If a Consortium, will the consortium be a single purpose entity formed solely to undertake the MAC project?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If a Consortium, is there a legal agreement that defines rights and liabilities of each member of the consortium? (If yes, please provide details of the agreement in the space provided below)	<input type="checkbox"/> Yes <input type="checkbox"/> No

Appendix B – Supporting Entity Information

Where a Relevant Person has outlined that it will be relying on a Supporting Entity, the Relevant Person(s) will be required to complete this template.

Supporting Entity information	
Name	
Address	
Contact number	
Email address	
Company registration number	
Place of registration	
Year of establishment	

Legal form of the Supporting Entity		
Is your company a:		
Private Limited Company	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Public Limited Company	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Other	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Supporting Entity structure		
Is the Supporting Entity a parent company or non-parent company	<input type="checkbox"/> Parent	<input type="checkbox"/> Non-parent
If a non-parent, is there a legal or binding agreement between the third-party Supporting Entity and the Relevant Person? (If yes, please provide details of the agreement in the space provided below)	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Appendix C – Consortium information

If the Relevant Person is part of a Consortium, please provide details of the name of each member, a description of the relationship between the participants and the percentage of the Project Costs each member will carry out.

Company name	Role within the consortium	% of the MAC Project Costs covered

Appendix D – Authorised liaison

If the Relevant Person(s) is not registered or domiciled in Ireland, they are required to appoint an authorised liaison that is registered in Ireland to facilitate communication with the Irish authorities. If applicable, details of the authorised liaison must be provided below.

Relevant Person's authorised liaison	
Name	
Address	
Contact number	
Email address	

Appendix E – Overview of the MAC project

The Relevant Person is required to provide an overview of the MAC project, to include:

- a) a high-level description of the MAC project
- b) details on the MAC project delivery plan, including specific workstreams, annual activities and timelines
- c) details on all Project Costs aligning with the workstreams and timelines as per the requirement set out in (b) above. Where costs have yet to be finalised, the Relevant Person should provide a best estimate for the relevant costs based on latest discussions, industry knowledge/standard and experience in delivering similar projects, and
- d) the extent (in percentage terms) that the MAC project will be completed in each year.

MAC Project Overview

Appendix G – Outstanding Project Costs

Where the Relevant Person has applied for and / or been awarded more than one MAC, the Financial Resources test will be based on total Outstanding Project Costs, as defined in the Glossary of this Guidance.

The Outstanding Project Costs for each MAC project must be inputted in the table below to arrive at the total Outstanding Project Costs. The MAC project subject to this application should be entered into the first line of the table.

MAC	Outstanding Project Costs
Total Outstanding Project Costs	

Appendix H – Details of funding arrangements

The Relevant Person is required to disclose how they intend to meet their Project Costs for the MAC project.

Type of funding arrangement for the MAC project	
Is this funding arrangement a;	
-Project Finance arrangement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
-Other arrangement?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If applicable, please state the type of 'Other' arrangement?	
Details of the proposed funding arrangement for the MAC project	
Explain below, the type of funding arrangement being proposed, identify associated funding partners and describe the process to be undertaken before all conditions for funding are satisfied.	

The Relevant Person is required to populate the Sources and Uses of Funds table below relating to the MAC project, by year and in line with the MAC project timelines. Additional rows or columns should be added as required.

Summary Sources and Uses of Funds						
Sources of Funds (prior to build completion/COD)	<u>Year</u> 1	<u>Year</u> 2	<u>Year</u> 3	<u>Year</u> 4	<u>Year</u> 5	<u>Total</u>
Senior Debt						
Subordinated Debt						
Shareholder Loans						
Grants						
Preferred Equity						
Ordinary Equity						
Cash						
Working Capital facility						
Other sources - (add rows as required)						
Total sources						
Uses of Funds (prior to build completion/COD)						
Capital Costs						
Planning and design costs						
Project management and overheads						
EPC / Construction costs						
Plant, machinery and equipment						
Contingency						
Other capital costs (add rows as required)						
Financing						
Senior Debt						
Subordinated Debt						
Shareholder Loans						
Preferred Equity						
Other Sources - (add rows as required)						
Taxes						
Corporation tax						
Other taxes (add rows as required)						
Other Costs						
MAC consent levies						
Net foreign exchange costs						
Other costs (add rows as required)						
Total Uses						
Net Sources and Uses of Funds						

Note 1: The above cost and funds categories, as well as the timing, are indicative only. The Relevant Person should tailor these categories and the years, to accurately represent the funding strategy and cost profile specific to a MAC project.

Note 2: The above figures must be specified on a nominal basis (i.e., including inflation) and inclusive of VAT.

Appendix I – Documentation list

The Relevant Person is required to list details of all financial documentation that they provide to MARA and should include the documentation title, date, and note the findings of any independent audit and assurance opinion.

Document title	Financial period	Independent verification
[Example: Statutory Accounts filed with the Companies Registration Office]	[Example: 01/01/2022 – 31/12/2022]	[Example: Full Independent Audit]

Appendix J – Post-balance sheet events

The Relevant Person is required to provide a written statement confirming that since the balance sheet date of the latest financial information submitted for the purposes of this application, there has not been:

- a) any material adverse change in financial or trading position which may impact the assessment of financial capability as set out within this Guidance
- b) any material adverse post balance sheet event which may impact the assessment of financial capability as set out within this Guidance, and
- c) any contingent liabilities or significant losses which may impact the assessment of financial capability as set out within this Guidance which would require disclosure.

Accompanying information should be provided where applicable.

Written Statement

Appendix K – Insurance

The Relevant Person is required to provide a written statement confirming that all relevant insurances are in place to deliver a MAC Project, including details on specific policies in place.

Written Statement

Appendix L – Going Concern

If the audited financial statements, provided by the Relevant Person, are qualified with a disclaimer or adverse opinion, state:

- a) whether rectification action has been taken
- b) whether the underlying reason for the qualification will affect the Relevant Person's ability to undertake the proposed works, and
- c) if the qualification is a material concern which would have an impact on the Relevant Person's trading and financial performance.

Written Statement

Appendix M – Financial capability assessment

Each Relevant Person is required to complete the following financial capability self-assessment at the MAC application stage. The tables below should be completed as follows:

- a) All calculations are to be shown in Euro.
- b) Where relevant, reference the applicable exchange rate and source.
- c) Perform each test as per the formula provided.
- d) Clearly show workings behind all calculators.
- e) Refer to the relevant section(s) of the financial statements for each component part of a calculation (e.g., Current Assets - €x. Reference: 20XX Annual Report – Pg XX – Line description – Amount).
- f) No adjustments should be made to the figures disclosed in the financial statements.

Financial capability self-assessment				
Tests	Formula	Workings	Answer	Reference
Turnover Ratio	All trading revenue earned / total Project Costs			
Profit after Tax margin	(Turnover – all income expenses and tax) /turnover			
Current Ratio	Current assets / current liabilities			

Financial capability self-assessment				
Tests	Formula	Workings	Answer	Reference
Gearing	Total debt / (total debt + equity)			
Interest Cover Ratio	Earnings before interest and tax / total interest expenses			
Financial Resources	Cash and cash equivalents + Undrawn Credit Facilities			
Net Assets	Total assets – total liabilities			

Appendix N – Supporting Entity guarantee

Guarantee template to be attached at a later date.