Ref. Ares(2022)5174239 - 15/07/2022

Criteria used for evaluation of economic and financial capacity

On the basis of the data from the 'Simplified Presentation' form in Annex VI B, a number of values and ratios will be calculated in order to evaluate the economic and financial capacity of the candidate.

The following values will be calculated:

Value	Formula/source	Unfavourable if:
own funds	from the balance sheet	negative
	own funds - paid-up capital	negative
working capital	permanent capital - fixed assets	negative
gross operating surplus	from the P&L accounts	negative
net result	from the P&L accounts	negative
self-financing capacity (SFC)	net result after tax + amortization – capitalized production	negative

Following ratios are calculated:

Ratio	Formula	Unfavourable if	Average if	Favourable if
general liquidity	current assets/short-term debts	below 1	between 1 and 1.25	Above 1.25
financial independence	own funds/total liabilities	below 0.20	between 0.20 and 0.40	above 0.40
indebtedness	own funds/medium & long-term debts (MLT)	below 0.30	between 0.30 and 0.60	above 0.60
coverage of deposits and borrowed funds by the SFC	SFC / MLT debts	below 0.25	between 0.25 and 0.50	above 0.50
profitability	gross operating surplus / turnover	below 0.10	between 0.10 and 0.20	above 0.20

Each type of evaluation has a corresponding scoring (number of points) as follows:

Scoring	
Unfavourable value/ratio	0 points
Favourable value	1 point
Average ratio	1 point
Favourable ratio	2 points

If, for some exceptional reason which the Commission considers justified, the candidate is unable to provide the references requested by the Commission, or if he feels that the financial viability check does not provide an accurate picture of his organisation's financial status, he may prove his economic and financial capacity by any other means which the Commission considers appropriate.