

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.