**GSA/NP/02/19 - EGNOS GEOSTATIONARY SBAS PAYLOAD SERVICE - GEO-4**

**Annex 6 to the TIP: Template financial statements relating to the selection stage**

Issue: Version 1.0

Date: 21/08/2019

**Introduction**

The purpose of this document is to provide the GSA with financial indicators on the basis of which the GSA will determine whether the Candidate has the economic and financial capacity necessary to implement the contract.

As the financial situation of Candidates may be very diverse, these indicators may not be, in some circumstances, sufficient to assess this capacity. Therefore, if the Candidates do not comply with the criteria specified below, the GSA will request the Candidates to provide additional clarifications. The GSA will then perform a global assessment of the Candidates’ economic and financial capacity to implement the contract.

**Explanation – please read carefully before completing the financial capacity forms**

***Simplified balance sheet and profit and loss account:***

Candidates shall fill in the *Simplified balance sheet and profit and loss account* (table 1) including entries for all legal entities involved - members of the consortium. Within the form, financial data based on the company’s / organisation’s financial statements are collected in a standardised form.You should complete this form carefully. Given its complexity, it is recommended that the form be completed by a professional accountant or an auditor. The data reported will be used to evaluate the financial viability of the company/organisation. Thus it is very important that data reported are accurate. The GSA may wish to cross check the data with those reported in the official certified accounts. For this purpose, apart from the present document duly filled-in by each applicant, the GSA requests copies of the full financial statements corresponding to the last three audited years.

A description of the balances required by the template (account grouping) can be found at the end of this Annex.

Please clarify the currency used in the simplified balance sheet and profit and loss account. All balances should be introduced in positive (+), with an only exception made for the “Profit (+) or loss (-) for the exercise”. Candidates shall finally indicate if they are a profit, non profit or public entity.

***Abbreviations t0, t-1 and t-2 :***

The abbreviation *t0* represents the last certified financial statements; *t-1 and t-2 are* the two last financial statements prior to the last certified one. Consequently, the *closing date t0* is the closing date of the last certified historical balance sheet.

|  |
| --- |
| **Table 1** |
| ***Simplified balance sheet and profit and loss account*** |
| **Legal entity no1** |  |  |  |  |
| **Name** | **Type of entity (profit/non-profit/public)** | **AMOUNT t0**  | **AMOUNT t-1**  | **AMOUNT t-2**  |
|  |  | Currency in  | Currency in  | Currency in  |
|  | Own funds |  |  |  |
|  | Capital |  |  |  |
|  | Current assets |  |  |  |
|  | Current liabilities |  |  |  |
|  | Long term liabilities |  |  |  |
|  | Annual Turnover |  |  |  |
|  | Depreciation and Amortization |  |  |  |
|  | Net operating profit |  |  |  |
|  | Profit or loss for the exercise (+/-) |  |  |  |

***Continue with as many entries as necessary***

Name:

Signature:

Date:

**Please fill in the last three columns according to the data provided in Table 1. Such data will be cross-checked within the GSA against the annual accounts of the entity. Please add tables as needed in order to include all members of the consortium.**

Checks within the GSA are performed in an overall basis, and only one single assessment is provided per company.

|  |
| --- |
| **Table 2** |
| **Financial capacity assessment** |
| **Name of Legal entity no1** |  |  |  |  |
| **RATIO** | **FORMULA** | **ASSESSMENT** | **AMOUNT t0**  | **AMOUNT t-1**  | **AMOUNT t-2**  |
| Own funds | Own funds | Should be positive for at least 2 periods |  |  |  |
| Retained Earnings | Own funds – capital | Should be positive for at least 2 periods |  |  |  |
| Working capital | Current assets – current liabilities | Should be positive for at least 2 periods |  |  |  |
| Gross operating surplus | operating profit + depreciation | Should be positive for at least 2 periods |  |  |  |
| Profit or loss of the year (P&L) | From financial statements | Should be positive for at least 2 periods |  |  |  |
| Self-financing capacity (SFC) | P&L + depreciation & amortisation | Should be positive for at least 2 periods |  |  |  |
| Financial independence | Own funds / total liabilities | Should be greater than 0.15 for at least 2 periods |  |  |  |
| Indebtedness | Own funds / non-current debts  | Should be greater than 0.3 for at least 2 periods |  |  |  |
| Debt coverage | Non-current debts/SFC | Should be smaller than 5 for at least 2 periods |  |  |  |
| Profitability | Gross operating surplus / turnover | Should be greater than 0.06 for at least 2 periods |  |  |  |

 **Evaluation of the economic and financial capacity of the tendered based on the above-mentioned indicators by the GSA**

The GSA will evaluate the economic and financial capacity of the Candidate based on the above-mentioned indicators as follows:

* If the Candidate complies with at least 7 indicators above, the Candidate is considered as meeting the criteria for assessment of his economic and financial capacity according to this document;
* If the Candidate complies with 6 or less indicators above, the GSA reserves its right to require the Candidate to provide further clarifications. The GSA will evaluate Candidate’s clarifications and make final decision whether the Candidate meets the criteria for assessment of his economic and financial capacity according to this document.

Name: Signature: Date:

|  |
| --- |
| **Table 3** |
| **TURNOVER RELATED TO THE SERVICES OBJECT OF THE CONTRACT**  |
| **DESCRIPTION** | **AMOUNT t0** | **AMOUNT t-1** | **AMOUNT t-2** |
| Overall turnover |  |  |  |
| Turnover related to the services object of the Contract |  |  |  |
| % of turnover related to the services object of the Contract with regard to overall turnover |  |  |  |

Name:

Signature:

Date:

**DESCRIPTION OF BALANCES**

* **Own funds:** Equity of the company.
* **Capital:** Investment by the business owners.
* **Current assets:** Assets in the balance sheet that are reasonably expected to be converted in liquidity within one year.
* **Current liabilities:** Liabilities the maturity of which is less than one year.
* **Long term liabilities:** Liabilities the maturity of which is equal or greater than one year.
* **Turnover:** The annual sales volume net of all discounts and sales taxes.
* **Depreciation and amortization:** Value of the expense of fixed assets depreciation and amortization for the reporting period.
* **Net operating profit:** Operating revenue (minus) operating expenditure (minus) depreciation and amortization – for a given period.
* **Profit or loss:** Ending balance of the profit and loss account for the exercise.