

Financial Assessment

Company/Entity Information

Company/Entity Name	<input type="text"/>	Registered Number	<input type="text"/>
		DUNS Number	<input type="text"/>
Parent Name	<input type="text"/>	Registered Number	<input type="text"/>
		DUNS Number	<input type="text"/>
Reason for Assessment	<input type="text"/>	Requestor	<input type="text"/>
Procurement	<input type="text"/>	Category	<input type="text"/>
Lot Details (if applicable)	<input type="text"/>	Threshold Score	<input type="text"/>
Information Received	<input type="checkbox"/> Financial Accounts	<input type="checkbox"/> Management Information	<input type="checkbox"/> Forecast / Financial Projections
	<input type="checkbox"/> Other (please specify)		
Audit Status of Information	<input type="text"/>		<input type="text"/>

Assessment Summary

	Risk Analysis			
Very High Risk	<input type="text"/>			
	<input type="text"/>			
Medium Risk	<input type="text"/>			
	<input type="text"/>			
Very Low Risk	<input type="text"/>			
	<input type="text"/>			
	Profitability	Solvency	Liquidity	Efficiency

Result of Financial Risk Analysis



Recommendation

V Low Risk Recommended actions if applicable

Commentary to summarise assessment and support outcome.

Document Approval

	Assessment		QA / Approval
Name	<input type="text" value="xxxxxxx"/>		<input type="text" value="xxxxxxx"/>
Position	<input type="text" value="Financial Analyst"/>		<input type="text" value="Head of Commercial Finance"/>
Date	<input type="text" value="xxxxxxx"/>		<input type="text" value="xxxxxxx"/>

D&B Rating			Failure Score	
D&B Comments				
County Court Judgements				
Insolvency Proceedings				
Other Legal/Director Issues				

SIC Codes:		
Businesses with a higher financial strength rating		Industry average - Failure Score

Values stated in £'s	Period End Date		% change
Income Statement			
Turnover			
Cost of Sales			
Gross Profit / (Loss)	-	-	
Admin Expenses			
Operating Profit / (Loss)			
Interest Payable			
Net Profit / (Loss)			
Statement of Financial Position			
Non-Current Assets			
Current Assets			
Trade Debtors			
Net Cash & Equivalents			
Stock			
Current Liabilities			
Trade Creditors			
External Borrowings			
Group Borrowings			
Net Assets			
Working Capital	-	-	
Capital Employed	-	-	

	Period End Date	
Profitability Ratios		
ROCE (Operating Profit)		
Gross Profit Margin		
Operating Profit Margin		
Net Profit Margin		
Solvency Ratios		
Gearing (external)		
Gearing (internal)		
Interest Cover (Op Profit)		
Liquidity Ratios		
Current Ratio		
Quick Ratio		
Efficiency Ratios		
Debtor Days		
Creditor Days		

Risk Interpretation		
Profitability		
Solvency		
Liquidity		
Efficiency		

Risk Impact	Analysis Comments

Financial Assessment - Notes & Guidance

The purpose of this document is to provide a limited assurance engagement regarding the bidders financial health based on the most recent two years accounts. The accounts assessed must be that of the bidding entity or nominated guarantor. The financial information is requested from the bidding entity, if this is not provided a copy of the accounts can be sourced from Companies House. Alternative information can be accepted and reviewed in accordance with published procurement ITT documentation.

Income Statement / Profit and Loss

(a) Turnover	Input	Can also be called "Revenue" or "Sales"
(b) Cost of Sales	Input	Can also be called "Operating Expenses/Costs" or "Direct Costs"
(c) Gross Profit	Calculated	Turnover - Cost of Sales
Admin Expenses	Input	Can also be called "Indirect Costs" or "Overheads" - Includes Distribution Costs
(d) Operating Profit	Input	Enter loss as a negative, This is profit before interest and tax
(e) Interest Payable	Input	Interest and charges associated with cost of borrowing
(f) Net Profit	Input	Profit after all expenditure and distributions (interest, tax, dividends etc.)

Statement of Financial Position / Balance Sheet

Non-Current Assets	Input	Includes Intangible Assets (e.g. Goodwill) and Tangible Assets (e.g. Property, Plant & Equipment)
(g) Current Assets	Input	Includes cash, debtors<1 year, stock and investments
(h) Trade Debtors	Input	Can also be called "Receivables"
(i) Stock	Input	If no stock then enter zero
(j) Current Liabilities	Input	All creditors < 1 year
(k) Trade Creditors	Input	Can also be called "Payables"
(l) External Borrowings	Input	Loans, debentures, overdraft, finance lease/hire purchase (excluding those with group companies)
(m) Group Borrowings	Input	Amounts owed to group
Net Assets	Input	Sometimes called "Net Worth", "Capital Employed" or "Shareholders' Funds/Equity"
Working Capital	Calculated	Current Assets - Current Liabilities
(n) Capital Employed	Calculated	Total Assets - Current Liabilities

Accountancy Ratios

			Red	Amber	Neutral	Green
ROCE (Operating Profit)	(d)/(n)	How effectively the company is using both equity and debt to generate a return	<0%	<6%	<18%	>18%
Gross Profit Margin	(c)/(a)	What return is the company making from sales and direct costs	<2%	<10%	<20%	>20%
Operating Profit Margin	(d)/(a)	What return is the company making after direct and Indirect Costs, excluding interest and tax	<0%	<2%	<5%	>5%
Net Profit Margin	(f)/(a)	What return is the company making after all expenditure	<0%	<1.5%	<4%	>4%
Gearing (external)	(l)/(n)	What extent is the business reliant on external debt	>75%	>50%	>20%	<20%
Gearing (internal)	(m)/(n)	What extent is the business reliant on internal debt	>75%	>50%	>20%	<20%
Interest Cover	(d)/(e)	How well does operating profit cover interest costs	<0	< 1.5	< 4	>4
Current Ratio	(g)/(j)	How well do the current assets cover current liabilities	<1	<1.5	<2	>2
Quick Ratio	(g)-(i) (j)	Stricter version of the above, excludes stock as this cannot always be converted into cash quickly	<0.7	<1	<1.2	>1.2
Debtor Days	(h)/(a) x 365days	How quickly does the company collect its debt	>90	>70	>50	<50
Creditor Days	(k)/(b) x 365days	How quickly does the company pay its suppliers	>90	>70	>50	<50

The analysis consists of applying standard accounting ratios to understand a bidders financial health. The risk impact and final outcome are not calculated using a formula, this is the professional opinion of the Commercial Finance Team. The report is quality assured by FCCA Head of Commercial Finance Team or other qualified colleague.

This document is produced to give the procurement function a professional opinion and make recommendations. However, the conclusion arrived at within this document is not mandated and the responsibility remains with the category over how to progress with the tender.