

How to fill the balance sheet and profit and loss account

Part D has to be completed by all private candidates and their members in case of a consortium). Candidates considered as public bodies or international organisations shall not complete this form. Private candidates shall indicate if they are profit making or non profit making companies/organisations.

Within Part D, the financial data based on the company's/organisation's balance sheet are collected in a standardised form. Please find below a correspondence table giving an explanation on the regrouping of different accounts with respect to the **4th Accounting Directive**.

You should carefully complete this form. Given its complexity, we advise you to have the form completed by a professional accountant or an auditor. The data reported will be used to evaluate the financial viability of the company/organisation. Therefore it is very important that data reported are accurate. The Commission may wish to cross check the data with those reported in the official certified accounts.

The amounts have to be filled in euros (for financial statements established in other currencies please refer to EC InforEuro exchange rates available on [InforEuro: monthly accounting rate of the euro](#) according to the closing date of the statement)

Abbreviation t-1 and t0

The abbreviation *t0* represents the last certified historical balance sheet and profit and loss account; *t-1* is the balance sheet prior to the last certified one. Consequently, the *closing date t0* is the closing date of the last certified historical balance sheet; the *closing date t-1* is the closing date of the balance sheet prior to the last one. *Duration t0* is the number of months covered by the last historical balance sheet. *Duration t-1* is the number of months covered by the previous certified historical balance sheet.

Results

The data submitted will be used to calculate the following ratios:

- 1) *Quick Ratio = Current assets - Stocks - Debtors > 1 year / Short term debt (bank and non bank)*
indicates if the candidate could face his short terms obligations
- 2) *GOP Ratio = Interest / GOP*
compares the interest paid with the gross operation profit (Autonomy)
- 3) *Profitability (1) = GOP / Turnover*
measures the risk of the company in its business cycle (proportion of the economic surplus generated by the business activity)
- 4) *Profitability (2) = NOP (i.e. GOP - depreciation) / Turnover*
measures the risk of the company in its business cycle (after depreciation)
- 5) *Solvency = Total debt / Equity*
shows the proportion of external financing of the company (independence of the candidate from external financing)

** Activity ratio: *contract amount by year / turnover*
determines the importance of the market for the candidate and its ability to manage the complementary volume of activity

The financial data will be used to assess the applicant's liquidity, solvency, financial profitability, and the ability to meet obligations and manage the complementary volume of activity. Financial capacity assessment shall guarantee a selection of candidates with sound and sufficient financial resources allowing them to run their activities over the period of implementation of the contract. In cases where the financial performance of the applicant is not stable, the Commission may seek to safeguard the interest of the European Union by asking for a guarantee from a bank or financial institution equal to the amount of the pre-financing payment.

BALANCE SHEET	CORRESPONDANCE 4 th ACCOUNTING DIRECTIVE	
ASSETS	ASSETS / 4th ACCOUNTING DIRECTIVE (Article 9)	
1. Subscribed capital unpaid	A. Subscribed capital unpaid	A. Subscribed capital unpaid (including called capital)
2. Fixed assets	C. Fixed Assets	
2.1. Intangible fixed assets	B. Formation expenses as defined	B. Formation expenses as defined by national law C.I.1. Cost of research and development

	by national law C. I. Intangible fixed assets	C.I.2. Concessions, patents, licences, trade marks and similar rights and assets, if they were: (a) acquired for valuable consideration and need not be shown under C (I) (3); or (b) created by the undertaking itself C.I.3. Goodwill, to the extent that it was acquired for valuable consideration C.I.4. Payments on account
2.2. Tangible fixed assets	C.II. Tangible fixed assets	C.II.1. Land and buildings C.II.2. Plant and machinery C.II.3. Other fixtures and fittings, tools and equipment C.II.4. Payment on account and tangible assets in course of construction
2.3. Financial assets	C.III. Financial assets	C.III.1. Shares in affiliated undertakings C.III.2. Loans to affiliated undertakings C.III.3. Participating interests C.III.4. Loans to undertakings with which the company is linked by virtue of participating interest C.III.5. Investments held as fixed assets C.III. 6. Other loans C.III.7. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value)
3. Current assets	D. Currents assets	
3.1. Stocks	D.I. Stocks	D.I.1. Raw materials and consumables D.I.2. Work in progress D.I.3. Finished products and goods for resale D.I.4. Payment on account
3.2.1. Debtors due after one year	D.II. Debtors, due and payable after more than one year	D.II.1. Trade debtors D.II.2. Amounts owed by affiliated undertakings D.II.3. Amounts owed by undertakings with which the company is linked by virtue of participating interest D.II.4. Others debtors D.II.6. Prepayments and accrued income
3.2.2. Debtors due within one year	D.II. Debtors due and payable within a year	D.II.1. Trade debtors D.II.2. Amounts owed by affiliated undertakings D.II.3. Amounts owed by undertakings with which the company is linked by virtue of participating interest D.II.4. Others debtors D.II.6. Prepayments and accrued income
3.3. Cash at bank and in hand	D.IV. Cash at bank and in hand	D.IV. Cash at bank and in hand
3.4. Other current assets	D.III Investments	D.III.1. Shares in affiliated undertakings D.III.2. Own shares (with an indication of their nominal value or, in the absence of a nominal value, their accounting par value) D.III.3. Other investments
Total assets	Total assets	

LIABILITIES
4. Capital and reserves
4.1. Subscribed capital
4.2. Reserves
4.3. Profit and loss brought forward from the previous years
4.4. Profit and loss for the financial year
5. Creditors
5.1.1 Long term non-bank debt

LIABILITIES / 4th ACCOUNTING DIRECTIVE (Article 9)	
A. Capital and reserves	
A.I. Subscribed capital A.II. Share premium account	A.I. Subscribed capital A.II. Share premium account
A.III. Revaluation reserve A.IV. Reserves	A.III. Revaluation reserve A.IV.1. Legal reserve, in so far as national law requires such a reserve A.IV.2. Reserve for own shares A.IV.3. Reserves provided for by the articles of association A.IV.4. Other reserves
A.V Profit and loss brought forward from the previous years	A.V Profit and loss brought forward from the previous years
A.VI. Profit or loss for the financial year	A.VI. Profit or loss for the financial year
C. Creditors	
B. Provisions for liabilities and charges (> one year) C. Creditors (> one year)	B.1. Provisions for pensions and similar obligations B.2. Provisions for taxation B.3. Other provisions C.1. Debenture loans, showing convertible loans separately C.3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks C.4. Trade creditors C.6. Amounts owed to affiliated undertakings C.7. Amounts owed to undertakings with which the company is linked by virtue of participating interests C.8. Other creditors including tax and social security

		C.9. Accruals and deferred income
5.2.1. Long term bank debt	C. Creditors "credit institutions" (> one year)	C.2. Amounts owed to credit institutions C.5. Bills of exchange payable
5.1.2. Short term non-bank debt	B. Provisions for liabilities and charges (= one year) C. Creditors (= one year)	B.1. Provisions for pensions and similar obligations B.2. Provisions for taxation B.3. Other provisions C.1. Debenture loans, showing convertible loans separately C.3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks C.4. Trade creditors C.6. Amounts owed to affiliated undertakings C.7. Amounts owed to undertakings with which the company is linked by virtue of participating interests C.8. Other creditors including tax and social security C.9. Accruals and deferred income
5.2.2. Short term bank debt	C. Creditors "credit institutions" (= one year)	C.2. Amounts owed to credit institutions C.5. Bills of exchange payable
Total liabilities	Total liabilities	

PROFIT AND LOSS ACCOUNT
6. Turnover
7. Variation in stocks
8. Other operating income
9. Costs of material and consumables
10. Other operating charges
11. Staff costs
12. Gross operating profit
13. Depreciation and value adjustments on non financial assets
14. Net operating profit
15. Financial income and value adjustments on financial assets
16. Interest paid
17. Similar charges
18. Profit or loss on ordinary activities
19. Extraordinary income and charges
20. Taxes on profits
21. Profit or loss for the financial year

PROFIT AND LOSS ACCOUNT / 4TH ACCOUNTING DIRECTIVE (Article 23)	
1. Net turnover	1. Net turnover
2. Variation in stock of finished goods and in work in progress	2. Variation in stocks of finished goods and in work in progress
3. Work performed by the undertaking for its own purposes and capitalized. 4. Other operating income	3. Work performed by the undertaking for its own purposes and capitalized 4. Other operating income
5. (a) Raw materials and consumables 5. (b) Other external charges	5. (a) Raw materials and consumables 5. (b) Other external charges
8. Other operating charges	8. Other operating charges
6. Staff costs	6. (a) Wages and salaries 6. (b) social security costs, with a separate indication of those relating to pensions
Gross operating profit .	
7. Depreciation and value adjustments on non financial assets	7. (a) Value adjustments in respect of formation expenses and of tangible and intangible fixed assets 7. (b) Value adjustments in respect of current assets, to the extent that they exceed the amount of value adjustments which are normal in the undertaking concerned
Gross operating profit - Depreciation and value adjustments on non-financial assets	
Financial income and value adjustments on financial assets	9. Income from participating interests 10. Income from other investments and loans forming part of the fixed assets 11. Other interest receivable and similar income 12. Value adjustments in respect of financial assets and of investments held as current assets
Interest paid	13. Interest payable and similar charges
Similar Charges	
Profit or loss on ordinary activities	15. Profit or loss on ordinary activities after taxation
Extraordinary income and charges	16. Extraordinary income 17. Extraordinary charges
Taxes	14. Tax on profit or loss on ordinary activities 19. Tax on extraordinary profit or loss 20. Other taxes not shown under the above items
Profit or loss for the financial year	21. Profit or loss for the financial year