

GHANA WATER COMPANY LIMITED

ACTIVE BUSINESS

Address: GWCL Building, 28th February Road Ministries, Near Black star Square, Accra, GM194, Ghana
 (233) (268711872)
Telephone(s): (233) (302218240)
 (233) (30) (2666781)
 (233) (30) (2666787)
D-U-N-S Number: 64-373-9956

IDENTIFICATION & SUMMARY

IDENTIFICATION

Acronym(s):

GWCL

Hand Phone(s):

(233) (207385089)
 (233) (207385090)
 (233) (207385087)
 (233) (244336173)
 (233) (555123393)

Website:

www.gwcl.com.gh

Registration No.:

LI 1648

SUBSIDIARY OF:

MINISTRY OF SANITATION & WATER
 RESOURCES
 Ghana

Facsimile(s):

(233) (30) (2663552)

E-Mail:

info@gwcl.com.gh;
 gwcl@africaonline.com.
 gh

SUMMARY

Type of Business:

Private Limited Liability Company

Authorized Capital:

GHS 1,250,000.00

Line of Business:

Operates water supply systems

History:

Clear

Issued Capital:

GHS 1,250,000.00

SIC:

4941-0000 - Operates water supply systems

Start Date:

1999

Paid-up Capital:

GHS 1,250,000.00

Chief Executive:

Alexander Kwamena Afenyo-Marki
 Chairman

Control Date:

Jul 01, 1999

Imports:

Yes

Employees:

5,755 Estimated (Total)

CURRENCY

All amounts in this report are in local currency unless otherwise stated.



RISK EVALUATION

Risk Indicator	2
D&B Rating	EE2
Former Rating	O2

FINANCIAL SUMMARY

Long Term Debt 914,544

RISK ASSESSMENT

Risk Indicator



Low Risk (1)

High Risk (4)

Risk Level of the Company is : **LOW**

D&B Rating

Financial Strength	Risk Indicator
EE	2
Based on Capital	Good (Low Risk Expected)

Former Rating

Financial Strength	Risk Indicator
O	2
Based on net worth	Good

The Dun & Bradstreet Rating of EE2 indicates:

A Financial Strength Indicator of EE represents USD 60,000 to 120,000 (Based on the Issued Capital). The Credit Appraisal Indicator of 2 indicates an Overall condition which is Good

TRADE PAYMENTS

The D&B PAYDEX® is a unique indicator of payment performance weighted by the monetary value of the payment experiences as reported to D&B by trade references. A detailed explanation of how to read and interpret PAYDEX values can be found in the Appendices section of this report.

D&B PAYDEX: UNAVAILABLE

Paydex Score is unavailable, due to insufficient or unavailability of payment experiences for the Subject Company in D&B's file.

CURRENT INVESTIGATION



INVESTIGATION INFORMATION

On Oct 24, 2024, James A. Abbey, General Manager - Finance & Administration, declined all information.

Other Comments:

- All information in this report has been obtained through extensive secondary research
- A site visit to the subject company was conducted
- Due to confidentiality, the contact person was unable to reveal further information

HISTORY



REGISTRATION DETAILS

Legal Structure:	Private Limited Liability Company
Registered:	Jul 01, 1999
Registration Body:	Registry of Companies and Businesses
File Number:	LI 1648 Accra Ghana
Tax Registration Number:	714V000395
Registered Office:	GWCL Building 28th February Road, Ministries, Accra Ghana
Registry details provided by	search at local registry office

CAPITAL DETAILS

Shareholding Details Provided by	search at local registry office
Authorized Capital	GHS 1,250,000.00
Issued Capital	GHS 1,250,000.00
Paid-up Capital	GHS 1,250,000.00 as of Oct 24, 2024

CHANGES IN LEGAL NAME

The following changes were confirmed by the local registry office.

Original Name	GOVERNMENT PUBLIC UTILITY ORGANISATION
Changed to	Present Name
Date of Change	Jul 01, 1999

CORPORATE STRUCTURE



SHAREHOLDER(S)

The following details represent the Full Shareholders List.

ORDINARY SHARES

Name of Shareholder	Location	Shares Held	Amount	% Held
GOVERNMENT OF GHANA	Ghana			100
Total No. of shareholder:		1		
Shareholder as of:		Oct 24, 2024		

AUDITORS

STATE AUDIT ENTERPRISE CORPORATION

P.O. Box M.198, Accra, Ghana

DELOITTE & TOUCHE

P.O. Box 453, Accra, Ghana

GWCL INTERNAL AUDIT

SOLICITORS

Background Summary

The Subject operates in water supply, Import of water equipment and maintenance The Subject was created on 1 July 1999, following the conversion of Ghana Water and Sewerage Corporation into a state-owned limited liability company under the Statutory Corporations (Conversion to Companies) Act 461 of 1993 as amended by LI 1648. SUBJECT is a utility company, fully owned by the state. The company is responsible for potable water supply to all urban communities in Ghana.

BANKS



Information in this report may not represent the full extent of subject's bank relationships.

Banking relations are maintained principally with:-

Bank Name: **GHANA COMMERCIAL BANK GHANA LIMITED**

Branch: Head Office

Address: P.O. Box 134, Accra, Ghana

Telephone: (+233) 30 2224703

Bank Name: **CAL BANK GHANA LTD**

Branch: Head Office

Address: P.O. Box 14596, Accra, Ghana

Telephone: (+233) 30 2221056

Bank Name: **ECOBANK (GH) LIMITED**

Address: Ghana

Bank Name: **NATIONAL INVESTMENT BANK LTD**

Branch: Head Office

Address: P.O. Box 3726, Accra

Bank Name: AGRICULTURAL DEVELOPMENT BANK GHANA LTD

Branch: Head Office

Address: P.O. Box 4191, Accra, Ghana

Bank Name: SOCIETE GENERAL GHANA LTD

Branch: Head Office

Address: P.O. Box 13119, Kumasi, Ghana

Telephone: (+233) 30 2221743

No independent confirmations were obtainable from banker/(s).

LINKAGE



ULTIMATE PARENT

Name: GOVERNMENT OF GHANA

D-U-N-S: 55-264-7273

Location: Liberation Road, Adjacent to French Embassy, Accra
Ghana

PARENT

Name: MINISTRY OF SANITATION & WATER RESOURCES

D-U-N-S: 56-137-6037

Location: Starlets 91 Road, Accra
Ghana

Holds Shares in Subject: 100%

BRANCHES

Subject maintains 13 branch(es).

The principal branch location(s) are as follows:

Address: P.O. Box 767
Ashanti Kumsai Ghana

Location Type: Regional office

Address: P. O. Box M194
Accra Ghana

Location Type: Regional office

Other Details: Tel: 233 30 2246269

Address: P. O. Box DC 998
Dansoman Ghana

Location Type: Regional office

Other Details: 233-30-2774011 Fax 233-30 774715

Address: P. O. Box 163
Tema Ghana

Location Type:	Regional office
Other Details:	Tel - 233-30-3202832, 233-30-3202214
Address:	P.O. Box 88 Brong Ahafo Sunyani Ghana
Location Type:	Regional office
Address:	P.O. Box 377 Central Cape Coast Ghana
Location Type:	Regional office
Address:	P.O. Box 406 Eastern Koforidua Ghana
Location Type:	Regional office
Address:	P.O. Box 1840 Greater Accra Accra Ghana
Location Type:	Regional office
Address:	P.O. Box 5 Northern Tamale Tamale Ghana
Location Type:	Regional office
Address:	P.O. Box 41 Volta Ho Ghana
Location Type:	Regional office
Address:	P.O. Box 24 Upper East Bolga Ghana
Location Type:	Regional office
Address:	P.O. Box 39 Upper West Wa Ghana
Location Type:	Regional office
Address:	P.O. Box 255 Western Takoradi Ghana
Location Type:	Regional office
Address:	Master Control Room ,Adjacent to 37 Military Hospital Ghana
Location Type:	Liaison office

PRINCIPALS



CORPORATE DIRECTORS

Name	Patric Yao Boamah
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Name	Alexander Kwamena Afenyo-Marki
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Name	Ing.Clifford A. Braimah
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Name	Ewuntomah Zakaria
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Name	Noah Tumfo
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Name	Remy Bonpira Puoru
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Name	Akwasi Konadu
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Name	Jemima Toseafa
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Name	Joseph Obeng-Poku
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Name	Forster Kum-Ankama Sarpong
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Name	Vida Affum Duti
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Name	Ing. Irenious N. Buule
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EXECUTIVES

Name	Patric Yao Boamah
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Current Title	Chairman of the Board
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Active in daily operations	Yes
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Name	Alexander Kwamena Afenyo-Marki
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Associated With	He is currently a member of the International Bar Association, Commonwealth Lawyers Association, the Young Fraud Lawyers Association UK and the Association of Certified Fraud Examiners, the world's largest anti-fraud organization.
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Current Title	Chairman
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Education	Masters
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Name of Institute	Bradford University, United Kingdom
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Education	Bachelor of Law
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Name of Institute	Buckingham University, United Kingdom
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Active in daily operations	Yes
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Name	Ing.Clifford A. Braimah
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Current Title	Managing Director
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Education	Graduated from university Bachelor of Sciences
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Education	Graduated from university Masters of Sciences
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Name of Institute	Kwame Nkrumah University
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Active in daily operations	Yes
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Name	Ing. Jacob Z. Yendor
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Current Title	Deputy Managing Director Operations
Education	Graduated from university Bachelor of Sciences
Name of Institute	UNIVERSITY OF SCIENCE AND TECHNOLOGY, Ghana
Education	Graduated from university Certificate
Name of Institute	, Germany
Active in daily operations	Yes

Name	Ewuntomah Zakaria
Current Title	Member of the Board
Active in daily operations	Yes

Name	Noah Tumfo
Current Title	Member of the Board
Active in daily operations	Yes

Name	Remy Bonpira Puoru
Current Title	Deputy Managing Director Director
Education	Graduated from university Masters of Business Administration
Name of Institute	University of Ghana
Education	Graduated from university Bachelor of Sciences
Active in daily operations	Yes

Name	Kwame Ampofo Twumasi
Current Title	Member of the Board
Education	Graduated from university Bachelor of Economics
Education	Graduated from university Bachelor of Sociology
Education	Graduated from university Masters of Philosophy
Name of Institute	UNIVERSITY OF GLASGOW, United Kingdom
Active in daily operations	Yes

Name	Akwasi Konadu
Current Title	Member of the Board
Active in daily operations	Yes

Name Michael Ayesu

Current Title Executive Member of the Board

Active in daily operations Yes

Name Joseph Kweku Acolatse

Current Title Member of the Board

Active in daily operations Yes

Name Jemima Toseafa

Current Title Member of the Board

Active in daily operations Yes

Name Collins N. Nuamah

Current Title General Manager

Active in daily operations Yes

Name Joseph Obeng-Poku

Current Title Member of the Board

Active in daily operations Yes

Name Forster Kum-Ankama Sarpong

Current Title Member of the Board

Education Graduated from university in 2015
Doctorate of Management Studies

Name of Institute CHARTERED INSTITUTE OF PROFESSIONAL FINANCIAL MANAGERS, United States

Education Graduated from university
Masters of Business Administration

Name of Institute UNIVERSITY OF GHANA, Ghana

Education Graduated from university in 1991
Bachelor of Sciences

Name of Institute KNUST, Ghana

Active in daily operations Yes

Name Vida Affum Duti

Current Title Member of the Board

Active in daily operations Yes

Name Maria Aba Lovelace-Johnson

Current Title Member of the Board

Education Graduated from university
Bachelor

Name of Institute KAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, Ghana

Education Graduated from university
Masters of Sciences

Name of Institute UNIVERSITY OF UK

Education Graduated from university
Masters

Name of Institute GHANA INSTITUTE OF MANAGEMENT AND PUBLIC ADMINISTRATION, Ghana

Active in daily operations Yes

Name Naba Sigri Bewong

Current Title Member of the Board

Education Graduated from university
Masters

Name of Institute IMPERIAL COLLEGE OF SCIENCE AND TECHNOLOGY, Ghana

Active in daily operations Yes

Name Clement Alosebuno Kaba

Current Title Member of the Board

Active in daily operations Yes

Name Serena Kwakye-Mintah

Current Title Member of the Board

Education Graduated from university
Masters

Name of Institute GHANA INSTITUTE OF MANAGEMENT AND PUBLIC ADMINISTRATION

Active in daily operations Yes

Name Alex K. B. Bonney

Current Title Member of the Board

Active in daily operations Yes

OTHER DIRECTORSHIPS

Company Employed

GHANA BROADCASTING CORPORATION

DAILY GRAPHIC

EMPLOYMENT HISTORY

Period	Company Employed	Last Position Held
2018 - 2012	TRADES UNION CONGRESS OF GHANA	
Unknown	ORGANIZATION OF TRADE UNION OF WEST AFRICA	President
2012 - 2016	ORGANIZATION OF AFRICA TRADE UNION	Vice President

Name Ing. Irenious N. Buule

Current Title Deputy Managing Director
Operations Director

Education Graduated from university
Bachelor of Sciences

Name of Institute Kwame Nkrumah University of Science and Technology

Education Graduated from university
Masters of Sciences

Name of Institute Institute of Science & Technology, United Kingdom

Active in daily operations Yes

Name Rev. Canon S. L. Lamptey

Current Title chief Manager
Human Resources Administrator

Active in daily operations Yes

Name Jacob Z. Yendor

Current Title deputy Managing Director

Active in daily operations Yes

Name Peter De-Veer

Current Title deputy General Manager

Active in daily operations Yes

Name Ing. Cephas T. Oguah

Current Title chief Manager

Extra Title Information Corporate Planning

Education Graduated from university
Bachelor of Sciences

Education Graduated from university
Masters of Sciences

Active in daily operations Yes

Name Ing. Michael Botse-Baidoo

Extra Title Information Chief Manager (PPD)

Education Graduated from university
Bachelor of Civil Engineering

Name of Institute KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

Education Graduated from university
Masters of Business Administration

Name of Institute GHANA INSTITUTE OF MANAGEMENT AND PUBLIC ADMINISTRATION

Active in daily operations Yes

Name Ing. Richard Appiah Otoo

Extra Title Information Chief Manager (GIS)

Education Graduated from university
Bachelor of Civil Engineering

Name of Institute GHANA INSTITUTION OF ENGINEERS

Active in daily operations Yes

Name Jemima Toseafa

Extra Title Information Chief Manager (Legal Services)

Education Graduated from university
Bachelor of Law

Name of Institute UNIVERSITY OF GHANA, Ghana

Education Graduated from university
Masters

Name of Institute GHANA INSTITUTE OF MANAGEMENT AND PUBLIC ADMINISTRATION, Ghana

Active in daily operations Yes

Name Francis S. Boakye

Extra Title Information Chief Manager (Bus. Dev. & Audit)

Education Graduated from university
Masters of Business Administration

Name of Institute GIMPA

Active in daily operations Yes

Name Christian Siawor

Current Title chief Manager

Active in daily operations Yes

Name	Ing. Prosper K. Ofori
Extra Title Information	Chief Manager (Special Duties)
Education	Graduated from university Bachelor of Civil Engineering
Name of Institute	KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY
Active in daily operations	Yes

Name	James A. Abbey
Extra Title Information	Chief Manager (Finance)
Education	Graduated from university Masters
Name of Institute	UNIVERSITY OF GHANA BUSINESS SCHOOL
Active in daily operations	Yes

Name	Margaret N. M. Macauley
Extra Title Information	Chief Manager (Water Quality Assurance)
Active in daily operations	Yes

Name	Augustine Dayuo
Extra Title Information	Chief Manager (Lands & Estate)
Education	Graduated from university Bachelor of Sciences
Name of Institute	Kwame Nkrumah University of Science and Technology
Education	Graduated from university Bachelor
Name of Institute	Kwame Nkrumah University of Science and Technology
Active in daily operations	Yes

Name	William Afoakwa
Extra Title Information	Chief Manager (Commercial)
Active in daily operations	Yes

Name	Rafiu Adeoye
Extra Title Information	Chief Manager (Audit)
Active in daily operations	Yes

Name	Moses Atterh Pecku
Extra Title Information	Chief Manager (Human Resource & Administration)

Active in daily operations Yes

Name Jonas Anan

Extra Title Information Chief Manager (Materials)

Active in daily operations Yes

Name kwabena KYERE

Current Title Secretary

Active in daily operations Yes

Name Cynthia Afoley Ackah

Extra Title Information Chief Commercial Manager

Active in daily operations Yes

Name Moses Atterh Pecku

Current Title chief Manager

Extra Title Information Human Resource & Administration

Active in daily operations Yes

Name Stephen N. Dampare

Extra Title Information Chief Manager (Materials)

Active in daily operations Yes

Name Ing. Daniel Bampoh

Extra Title Information Chief Manager (Water Resources)

Active in daily operations Yes

Name Stanley Martey

Extra Title Information Chief Manager (Public Relations)

Active in daily operations Yes

OPERATIONS



LINE OF BUSINESS

4941 - 0000 Operates water supply systems

7389 - 9954 Provides water softener service

PURCHASES

Purchasing Territory

Imports from

United Kingdom

United States

Purchasing Terms

Import Terms

Letter of Credit

CUSTOMERS

Major Customer

Customer Type	General Public
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SUPPLIERS

Supplier Name	BIWAER
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Address	Surrey
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Country	United Kingdom
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Supplier Name	GHANA SUPPLY COMMISSION
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Address	Ministries P.O. Box M.35 Accra
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Country	Ghana
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Supplier Name	SURREY
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Country	United Kingdom
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EMPLOYEES

Employee(s) - Current

Total Employees	5,755 Estimated as at Oct 24, 2024
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Employees - Previous

Year: 2022

Total Employees 2,500

Year: 2020

Total Employees 3,000 Estimated

Year: 2015

Total Employees 3,324

Year: 2014

Total Employees 3,324

AMENITIES / FACILITIES

- 100 Truck(s)
- 50 Cars

ACRONYM(S)

- GWCL

PROJECTS



WORK COMPLETED

Client: KUMASI WATER SUPPLY PROJECT (ADDITIONAL WORKS)

Location: Ghana

Client: MAMPONG WATER SUPPLY PROJECT

Location: Ghana

Client: ATMA RURALS WATER SUPPLY PROJECTS

Location: Ghana

Client: NSAWAM WATER SUPPLY REHABILITATION AND EXPANSION PROJECT

Location: Ghana

Client: KPONG INTAKE REHABILITATION PROJECT

Location: Ghana

Client: ESSAKYIR WATER SUPPLY PROJECT

Location: Ghana

Client: PERI-URBAN WATER SUPPLY PROJECT

Location: Ghana

Client: KPONG WATER SUPPLY EXPANSION PROJECT

Location: Ghana

Client: TESHIE-NUNGUA DESALINATION PROJECT

Location: Ghana

WORK IN PROGRESS

Client: EARTHWATER MEGASHED WATER PROJECT

Location: Ghana

Client: KPONG - ACCRA WATER PURCHASE PROJECT

Location: Ghana

Client: KPONG-TEMA PROJECT (INDUSTRIAL WATER PROJECT)

Location: Ghana

Client: ASUTSUARE-TEMA-ACCRA WATER PROJECT

Location: Ghana

Client: SOGAKOPE-LOME WATER PROJECT

Location: Ghana

Client: AGORDOME WATER SUPPLY PROJECT

Location: Ghana

Client: ASSIN FOSU WATER SUPPLY PROJECT

Location: Ghana

Client: SEKONDI - TAKORADI WATER SUPPLY REHAB & EXPANSION PROJECT

Location: Ghana

Client: TECHIMAN WATER SUPPLY REHAB & EXPANSION PROJECT

Location: Ghana

Client: SUNYANI WATER SUPPLY PROJECT

Location: Ghana

Client: YENDI, SALAGA, BUIPE WATER SUPPLY REHAB & EXPANSION PROJECT

Location: Ghana

Client: MOBILE TREATMENT PLANT PROJECT

Location: Ghana

Client: REHAB AND EXPANSION OF TEN EXISTING WATER SYSTEMS PROJECT

Location: Ghana

Client: FEASIBILITY STUDY ON REPLACEMENT & RENEWALS OF DISTRIBUTION SYST

Location: Ghana

Client: NATIONWIDE REHABILITATION OF GWCL SYSTEMS

Location: Ghana

Client: WATER NETWORK MANAGEMENT ENHANCEMENT PROJECT

Location: Ghana

Client: SOLAR-POWERED BACK-UP PROJECT FOR 15 WATER SYSTEMS

Location: Ghana

LOCATION



CURRENT LOCATION

Type of Occupation: Occupied

Premises used as: Administrative office

ADDITIONAL CURRENT ADDRESSES

Mailing Address

Postal Box : M 194

Ministries

Accra

Ghana

FINANCIAL INFORMATION



COMPARATIVES

Comparative Figures(in Thousands of Ghanaian Cedi)

Particulars	Fiscal Dec 31, 2019	Fiscal Dec 31, 2018
Current Assets	743,572	1,125,926
Current Liabilities	1,547,168	1,259,472
Working Capital	-803,596	-133,545
Other Tangible Assets	11,878,890	12,509,362
Other Liabilities	3,949,643	934,501
Tangible Net-Worth	7,125,650	11,441,316
Annual Sales	901,957	914,660
Profit (Loss) After Tax	-2,620,348	-667,932
Inventory	180,861	141,630
Cash & Bank	20,707	56,598
Accounts Receivable	540,784	926,631
Fixed Assets	11,878,426	12,508,884

Accounts Payable	632,624	1,046,670
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PROFIT AND LOSS ACCOUNT

Figures in Thousands of Ghanaian Cedi

Particulars	Fiscal Dec 31, 2019 12 Month(s)	Fiscal Dec 31, 2018 12 Month(s)
Sales / Income	901,957	914,660
Less: Cost of Sales	-3,307,045	-1,412,133
Gross Profit	-2,405,088	-497,473
Net Operating Profit (Loss) after Depreciation Before Interest	-2,405,088	-497,473
Other Non-Operating Income	23,860	19,367
Total Financial Expenses	-70,614	-25,364
Profit (Loss) Before Tax before Extraordinary Items		
Plus (Minus) Extraordinary Items	-168,506	-164,462
Net Profit before Tax and after Extraordinary Items	-2,620,348	-667,932
Net Profit(Loss) after Tax	-2,620,348	-667,932
Net Profit After Tax and Extraordinary Items	-2,620,348	-667,932

Accounts are audited

RATIOS

Particulars	Dec 31, 2019	Dec 31, 2018
GROWTH TREND		
Sales Growth (%)	-1.39	
PROFITABILITY		
Return on Sales (%)	-	-
Return on Net Worth (%)	-	-
SOLVENCY		
Current Ratio	0.48	0.89
Quick Ratio	0.36	0.78
Total Liabilities to Net Worth Ratio (%)	77.14	19.17
Efficiency		
Collection Period (days)	216	365
Sales to Inventory (times)	5	6

PARTIAL ESTIMATES

Balance Sheet

PARTIAL ESTIMATES

Assets

Profit & Loss

	Financial performance Dec 31, 2014 Figures in Ghana Cedi 12 Month(s)	Financial performance Dec 31, 2015 Figures in Ghana Cedi 12 Month(s)
Revenue	276,834,972	38,399,788
Gross Profit (Loss)	73,636,029	4,816,035
Net Profit(Loss) before Tax	64,959,036	109,237,940
Net Profit(Loss) after Tax	68,746,194	115,219,025

APPENDICES



CUSTOMER SERVICE

Speed of Service	Typically 8 working days
SCN	202410155009230101
Order Date	Oct 15, 2024

Should you require any further information or have any questions, please contact your local Customer Service Centre.

Enquiries should always contain the below minimum details:

- Full company name and address
- Contact name and number
- SCN
- Order Date

The information in this report was last updated on Oct 28, 2024

D&B RATING GLOSSARY

D&B Rating - The D&B rating consists of two parts, the Financial Strength Indicator and the Risk Indicator.

For example: in the case of a **2A 4** rating, **2A** means the financial strength of the business and the **4** is the risk indicator.

The **Risk Indicator** is used in conjunction with the Financial Strength Indicator. The Risk Indicator reflects D&B's opinion of a company's health, stability and overall condition. It takes into consideration all significant elements of credit. Such classification is relative and is predicted on the broad and overall view point. Created from expert rules systems, the Risk Indicator is refreshed whenever data is loaded onto our databases. Please see the table below for the Risk Indicators and their corresponding values.

Risk Indicators

4	Significant level of risk	Take suitable assurances before extending credit	Assigned to concerns of known financial weakness. A number of years losses, higher than normal working capital deficit, a negative tangible net worth which is the worsening, court judgements, bad payments etc. This risk is associated with being a creditor of these concerns is high or significant
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3	Greater than average risk	Proceed with transaction but monitor closely	Assigned to concerns believed to be financially sound but with a history of slow payments or some losses or working capital deficit. The risk associated with being a creditor of these concerns is higher and would be classified as potentially slow payers or fair trade risk
2	Low risk	Proceed with transaction	This is assigned to financially sound concerns, having no known record of bad payments and paying suppliers quickly. The risk associated with being a creditor of these concerns would be low and they would be classified as ordinary trade risk
1	Minimal risk	Proceed with transaction - offer terms required	Assigned to companies of undoubted credit standing and financial strength. The risk associated with being a creditor of these concerns would be negligible or zero, the concern which pays bills promptly or discount.
-	Insufficient information to assign a risk indicator	No public information or D&B proprietary information available to indicate trading activity	Assigned to concerns where there is insufficient information to express any opinion on the condition, financial soundness or payment history of the concern. A concern with no telephone number will also be assigned a "-" condition

FINANCIAL STRENGTH INDICATOR

The **Financial Strength Indicator** is based on either the Net Worth or Issued Capital. The table below contains the possible values.

Financial Strength Indicator		Range	
Net Worth	Capital	From	To
5A	5AA	\$60 million	And above
4A	4AA	\$25 million	\$60 million
3A	3AA	\$12 million	\$25 million
2A	2AA	\$2.5 million	\$12 million
1A	1AA	\$1.2 million	\$2.5 million
A	AA	\$600,000	\$1.2 million
B	BB	\$345,000	\$600,000
C	CC	\$175,000	\$345,000
D	DD	\$120,000	\$175,000
E	EE	\$60,000	\$120,000
F	FF	\$35,000	\$60,000
G	GG	\$15,000	\$35,000
H	HH	0	\$15,000

Alternative Ratings Used

N	Financial Strength is negative
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O	Financial Strength is undisclosed
NB	New Business: less than 24 months
NQ	Out of Business: Business has ceased to trade

FINANCIAL RATING GLOSSARY

Name	Formula	Explanation
Current Ratio (x)	Total Current Assets / Total Current Liabilities	This ratio shows the cover by current assets of short term creditors, and the higher the ratio the more assurance there is that payment of creditors can be met
Solvency Ratio (%)	$((\text{Total Current} + \text{Deferred} + \text{Long Term Liabilities}) / \text{Tangible Net Worth}) \times 100$	From this can be seen the extent to which the company is financed by creditors and debt rather than permanent finance. The higher the ratio the more likely it is that the debt (either short term or long term) will be a burden to the company. The effect is higher interest charges, lower profits and a squeeze on liquidity to the disadvantage of creditors.
Fixed Assets to Net Worth (%)	$(\text{Total Fixed Assets} / \text{Tangible Net Worth}) \times 100$	The proportion of net worth that consists of fixed assets will vary greatly from industry to industry, but in general terms a company is under capitalised if fixed assets exceed net worth. In this case it is possible that the company has too much debt, and it should therefore be examined with care. If on the other hand fixed assets are much lower than net worth the company is over capitalised and is either extremely cautious or in a position to expand. Thus a ratio either well in excess of the median, or well below it, means that the company should be looked at with care.
Current Liabilities to Net Worth (%)	$(\text{Total Current Liabilities} / \text{Tangible Net Worth}) \times 100$	This contrasts the funds that creditors are temporarily risking with a company with the funds permanently invested by the owners. The higher the ratio the less security for creditors. Care should be exercised when selling to any company with creditors of less than one year exceeding two thirds of net worth
Asset Turnover (%)	$(\text{Turnover} / \text{Total Assets (including intangibles)}) \times 100$	This ratio measures how efficiently the company's management has been in generating sales from the assets at its disposal. The measure can vary considerably from industry to industry and should therefore be judged according to the industry norm.
Sales to net working capital (x)	Turnover / Net working capital	This ratio indicates whether a company is over trading (having an excessive volume of sales in relation to working capital). Companies with substantial sales gains often reach a level where their working capital becomes strained. Even if they maintain an adequate total investment for the volume being generated (assets to sales) that investment may be so centred in fixed assets or other non-current items that it will be difficult to continue meeting all current obligations. A ratio falling into either an extremely high or low position may indicate potential problems.

Explanation of PAYDEX

A score of 80 denotes that payments reported to D&B have generally been made within terms. Scores over 80 indicate that payments reported to D&B have been made earlier than terms. The chart below outlines the specific 0-100 score and what it means.

D&B PAYDEX®	Payment Habit
100	Anticipate
90	Discount
80	Prompt
70	15 days beyond terms
60	22 days beyond terms
50	30 days beyond terms
40	60 days beyond terms
30	90 days beyond terms
20	120 days beyond terms
0-19	Over 120 days beyond terms
UN	Unavailable

INTERPRETATION OF PAYMENT EXPERIENCE

Terminology	Definition
Date	The date of the paying record as of.
Paying Record	To indicate how promptness is the payment made.
High Credit	The highest outstanding amount in D&B Payment Database that is due to the same suppliers in the past 12 months.
Now Owes	The total outstanding amount due to a specific supplier as of the payment record date.
Past Due	The total outstanding payment not made as of the scheduled credit period and indicates slow payment.
Term	The credit term and days agreed by specific supplier.
Last Sale Day	The date at which the latest sales recorded.

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