

Financial Ratios - Sustainable Financial Model

Measure	Previous 2013/2014	Current 2014/2015	Year 1 2015/2016	Year 2 2016/2017	Year 3 2017/2018	Year 4 2018/2019	Year 5 2019/2020	Year 6 2020/2021	Year 7 2021/2022	Year 8 2022/2023	Year 9 2023/2024	Year 10 2024/2025
Operating Balance Ratio excluding Capital items <i>(also known as Operating Performance Ratio)</i>	-16.43%	-17.54%	-7.22%	-7.22%	-4.00%	-3.69%	-2.85%	-2.97%	-4.60%	-4.61%	-4.62%	-5.22%
Unrestricted Current Ratio	1.95	1.38	1.56	1.82	2.00	2.17	2.46	2.64	2.97	3.39	3.70	4.08
Rates and Annual Charges Ratio <i>(also known as Rates & Annual Charges Coverage Ratio)</i>	53.79%	50.58%	56.04%	57.60%	57.93%	58.26%	58.62%	58.33%	58.62%	58.92%	58.94%	59.21%
Debt Service Ratio	6.63%	6.55%	6.37%	4.58%	3.60%	3.16%	3.06%	2.23%	1.97%	1.49%	1.03%	0.66%
Broad Liabilities Ratio	54.49%	68.56%	65.66%	52.52%	40.67%	28.29%	17.31%	8.52%	-2.81%	-15.43%	-25.35%	-37.53%
Asset Renewal Ratio	54.59%	66.62%	50.53%	44.55%	42.06%	39.15%	48.84%	38.37%	36.80%	37.47%	41.00%	35.39%

Financial Ratios - Base-Line Financial Model

Measure	Previous 2013/2014	Current 2014/2015	Year 1 2015/2016	Year 2 2016/2017	Year 3 2017/2018	Year 4 2018/2019	Year 5 2019/2020	Year 6 2020/2021	Year 7 2021/2022	Year 8 2022/2023	Year 9 2023/2024	Year 10 2024/2025
Operating Balance Ratio excluding Capital items <i>(also known as Operating Performance Ratio)</i>	-16.43%	-17.54%	-9.28%	-9.28%	-7.66%	-7.33%	-6.44%	-6.55%	-8.30%	-8.30%	-8.29%	-8.93%
Unrestricted Current Ratio	1.95	1.38	1.57	1.84	2.03	2.19	2.49	2.68	3.02	3.45	3.78	4.16
Rates and Annual Charges Ratio <i>(also known as Rates & Annual Charges Coverage Ratio)</i>	53.79%	50.58%	55.10%	55.90%	56.25%	56.60%	56.98%	56.65%	56.96%	57.27%	57.30%	57.58%
Debt Service Ratio	6.63%	6.55%	6.52%	4.78%	3.75%	3.29%	3.19%	2.32%	2.06%	1.56%	1.08%	0.69%
Broad Liabilities Ratio	54.49%	68.56%	69.17%	60.26%	50.96%	41.01%	32.44%	26.30%	17.18%	6.62%	-1.06%	-11.35%
Asset Renewal Ratio	54.59%	66.62%	44.44%	33.21%	30.72%	27.81%	37.50%	27.03%	25.46%	26.13%	29.66%	24.05%

Ratio Explanations

Operating Balance Ratio excluding capital items (i.e., net operating result before capital grants and contributions as percentage of operating revenue before capital grants and contributions).

Unrestricted Current Ratio (the unrestricted current assets divided by unrestricted current liabilities).

Rates and Annual Charges Ratio (rates and annual charges divided by operating revenue).

Debt Service Ratio (principal and interest debt service costs divided by operating revenue excluding capital grants and contributions).

Broad Liabilities Ratio (total debt plus cost to clear infrastructure backlogs as per Special Schedule 7 divided by operating revenue).

Asset Renewal Ratio (asset renewals expenditure divided by depreciation, amortisation and impairment expenses).