Many financial institutions, such as your bank, investor or even your accountants, will look at certain ratios to gauge the health of your business. Of particular importance to them is how these metrics change over time. (This is the main reason your bank may ask for regular management accounts when giving you an overdraft.)

Metrics	
Debtor Days *Measure of how quickly you are collecting your debts.*	(Debtors / Turnover) * 365 Over 60 and you should worry
Working Capital	Net Current Assets = Current Assets - Current Liab.
Working Capital to Sales	Working Capital / Turnover (FTSE 100: 8.5%)
Current Asset Ratio	Current Assets / Current Liabilities (Textile 1.8, Food 1.3 etc))
Cash Surplus	Debtors + Cash – Current Liabilities
Acid Test	(Debtors + Cash) / Current Liabilities (<1 oops; >2 not using cash properly)
Debt Ratio	Total Debt / Net Worth (FTSE 100 1.17)
Gross Profit Margin	Gross Profit / Turnover (Retail 100%, manufacturing 20%)
EBIT Margin *"Earnings before Interest & Tax"*	EBIT / Turnover
Retained Earnings Margin	Retained Earnings / Turnover