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A PRACTICAL USE OF A FINANCIAL ANALYSIS IN A MIDDLE-SIZE BUILDING ENTERPRISE OF A REGIONAL SIGNIFICANCE

PRAKTICKÉ VYUŽITÍ FINANČNÍ ANALÝZY VE STŘEDNÍM STAVEBNÍM ZÁVODU REGIONÁLNÍHO VÝZNAMU

Abstract

This contribution engages in a theme of a financial analysis and its practical use in the examined middle-size building enterprise of the regional significance. The article can be divided into two main parts namely theoretical and practical ones. While the theoretical part includes the basic data concerning the financial analysis and the examined building enterprise, the practical part is aimed at structural, proportional, horizontal and vertical analyses. The contribution sets itself a goal to prove the fact that the financial analysis represents a significant source of information for a management of the enterprise.

Introduction

This case study is intent on the problems of a practical use of a financial analysis in a middle-size building enterprise of a regional significance and it is a part of the forming dissertation thesis on the topic “Modelling of The Development of The Value of The Middle-Size Enterprise in The Real Competition of The Czech Republic”. It goes out from the fact that the financial analysis represents a significant source of information for a management because it gives information about a total economy and a financial situation of an enterprise. While in the introductory of the study the basic concepts connected with the solving problems are explained and the basic data about the examined building enterprise are stated, the practical part devotes its attention to the structural analyses of resources and the analyses of proportional ratios of the examined building enterprise as well as the horizontal and vertical analyses of accounting statements and proportional ratios. The aim of the contribution is on the basis of own experience to prove that the financial analysis enables to analyse the present development of an enterprise as well as variants of its future development and it become thus a necessary basis for managerial decisions.

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The Terminology Connected with The Solving Problems

- Financial Analysis – gives information about a total economy and a financial situation of an enterprise.
- Horizontal Analysis – consists in comparisons of absolute values of coincident ratios in a time succession and their percentage analysis in a time.
- Vertical Analysis – subjects accounting statements to an analysis by columns which means that particular items are expressed in percentage in relation to an absolute ratio namely vertically (in a given column).
- Proportional Analysis (Analysis of Proportional Ratios) – represents a system of chosen proportional ratios which is one of basic instruments of a financial management and deciding of an enterprise.
- Profitability Ratios – are a significant source of information about a state and a development of a productive strength of an enterprise.
- Turnover Ratios – express an ability of an enterprise to use invested financial means and therefore they are considered to be ratios of an activity.
- Debt Ratios – express a fact that an enterprise uses debts for financing its assets and activities which affects a profitability of a partner's capital as well as a risk.
- Fixed Assets Coverage – demonstrates a proportion of covering stable assets by means of an equity (I. SKSA) and a long-termed capital (II. SKSA)
- Liquidity Ratios – serve for judging a financial stability of an enterprise.
- Balance – records a state of a property (assets) and resources of their financing (liabilities) by means of a balance form to a certain date (to a so – called balance day).
- Statement of A Profit and A Loss – gives a survey about returns and expenses of particular activities of an enterprise and examines a creation of economic earnings.
- Cash Flow – informs of monetary flows (receipts and expenses) to a date of a compilation of an accounting conclusion.

The Basic Data about The Examined Building Enterprise

- A title: X₁ s.r.o.
- A law form: a corporation with a limited liability
- An object of an activity: A production of steel constructions of halls
Complete realizations of constructions including complete repairs and reconstructions
Carpentry, slatery, locksmithery and tinsmithery
Constructions of family houses, industrial halls and agricultural objects
- A region of an activity: a region of Pardubice
- A year of an establishment: 1992
- A management of an enterprise: 2 managers
- A number of employees: 55

- A holder of a certificate: ČSN ISO 9001:2001

The Structural Analyses of Resources of The Examined Building Enterprise X1 s.r.o. during The Years 2007 – 2015

I. The Balances of The Examined Building Enterprise X₁ s.r.o. during The Years 2007 - 2015

Table 1: The Balances (X₁ s.r.o.) (data in thousands Czech crowns)

(Source: *The Balances of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015*)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total assets	28 805	27 239	23 109	22 220	22 950	23 100	23 650	24 150	25 113
B. Fixed assets	9 664	9 704	9 544	9 350	9 420	8 870	8 710	8 300	8 210
B. II. A long - termed material property	9 664	9 704	9 544	9 350	9 420	8 870	8 710	8 300	8 210
B. II.1. Lands	650	650	650	650	650	650	650	650	650
B. II. 2. Buildings	7 520	7 520	7 520	7 520	7 520	7 520	7 520	7 520	7 520
B. II. 3. Separate movable things and sets of movable things	850	872	860	830	840	500	400	100	30
B. II. 8. Given advance payments on a long-termed material property	644	662	514	350	410	200	140	30	10
C. Circulating assets	18 489	17 356	13 558	12 700	13 380	14 180	14 910	15 830	16 870
C. I. Stocks	3 339	2 643	3 726	2 720	2 850	2 970	3 100	3 250	3 480
C.I. 1. A material	735	786	890	880	910	930	950	980	1 020
C. I. 2. An incomplete production and pre-made products	2 604	1 857	2 836	1 840	1 940	2 040	2 150	2 270	2 460
C. III. Short – termed claims	5 091	11 131	7 995	8 270	8 480	8 620	8 880	9 120	9 380
C. III. 1. Claims from business relations	4 870	10 920	7 870	7 910	8 205	8 420	8 610	8 990	9 120
C. III. 7. Short – termed given advance payments	221	211	125	360	275	200	270	130	260

C. IV. A short- termed financial property	10 059	3 582	1 837	1 710	2 050	2 590	2 930	3 460	4 010
C. IV.1. Money	1 020	882	640	550	670	770	840	990	1 030
C. IV. 2. Accounts in banks	9 039	2 700	1 197	1 160	1 380	1 820	2 090	2 470	2 980
D. The other assets – transient accounts of assets	652	179	7	170	150	50	30	20	33
D.I. A time difference	652	179	7	170	150	50	30	20	33
D.I. 1. Expenses of future periods	652	179	7	170	150	50	30	20	33
Total liabilities	28 805	27 239	23 109	22 220	22 950	23 100	23 650	24 150	25 113
A. An equity	7 994	8 053	10 063	7 335	7 410	7 520	7 630	7 770	8 190
A. I. A primary capital	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
A. I. 1. A primary capital	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
A. III. Reserve funds, an indivisible fund and the other funds from earnings	228	228	228	228	228	228	228	228	228
A. III. 1. A lawful reserve fund	228	228	228	228	228	228	228	228	228
A. IV. Economic Earnings Last Years	6 645	6 766	6 825	5 989	6 032	6 123	6 194	6 292	6 632
A. IV. 1. Non- divided Earnings Last Years	6 645	6 766	6 825	5 989	6 032	6 123	6 194	6 292	6 632
A.V. Economic Earnings (+/-)	121	59	2 010	118	150	169	208	250	330
B. Debts	20 205	18 808	12 746	11 957	11 622	12 363	12 645	12 910	14 010
B. II. Long- termed obligations	1 719	460	122	107	312	383	495	580	680
B.II.10. A postponed tax obligation	1 719	460	122	107	312	383	495	580	680
B. III. Short – termed obligations	15 486	14 848	9 624	8 850	7 810	8 980	8 650	9 330	9 830
B. III. 1. Obligations from business relations	8 820	7 920	7 750	6 250	5 920	6 190	6 920	6 310	6 850

B. III. 5. Obligations to employees	1 890	1 910	1 000	1 250	890	1 060	920	1 250	980
B. III. 6. Obligations from a social security and a health insurance	661,5	668,5	350	437,5	311,5	371	322	437,5	343
B. III. 7. A state-tax obligations and subsidies	270	250	260	280	230	250	240	270	290
B. III. 11. The other obligations	3 844,5	4 099,5	264	632,5	458,5	1 109	248	1 062,5	1 367
B. IV. Banking credits and stopgaps	3 000	3 500	3 000	3 000	3 500	3 000	3 500	3 000	3 500
B. IV. 2. Short-termed banking credits	3 000	3 500	3 000	3 000	3 500	3 000	3 500	3 000	3 500
C. The other liabilities	606	378	300	2 928	3 918	3 217	3 375	3 470	2 913
C.I. A time difference	606	378	300	2 928	3 918	3 217	3 375	3 470	2 913
C.I.1. Expenditures of future periods	606	378	300	2 928	3 918	3 217	3 375	3 470	2 913

II. The Statements of A Profit and A Loss of The Examined Building Enterprise X₁ s.r.o. during The Years 2007 - 2015

Table 2: The Statements of A Profit and A Loss (X₁ s.r.o.) (data in thousands Czech crowns)

(Source: The Statements of A Profit and A Loss of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015)

Returns and expenses	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total returns	89 324	81 106	62 622	45 679	49 247	53 061	60 044	55 817	63 532
Total expenses	89 177	81 121	60 636	45 537	49 067	52 858	59 794	55 517	63 136
A Value Added	26 473	27 031	21 093	13 704	14 774	15 918	18 013	16 745	19 060
Earnings before Interest and Taxes	699	347	2 773	682	749	771	831	895	952
Economic Earnings from financial operations	-703	-625	-770	-330	-510	-480	-210	-150	-318
Earnings before Taxes	156	60	2 010	142	180	203	250	300	396
Earnings after Taxes	121	59	2 010	118	150	169	208	250	330
Receipts from own performances and services	84 271	79 662	58 903	43 520	47 994	51 500	57 220	54 590	61 980

A consumption of a material and energy	30 482	29 843	18 138	15 250	15 620	15 635	13 750	14 500	14 381
Services	31 992	23 566	23 313	10 613	13 234	18 196	27 723	23 563	31 456
Personal expenses	25 063	25 764	17 638	18 850	19 380	17 350	16 650	15 920	16 002
Depreciations	620	694	531	602	599	703	710	605	533
The other operating returns	355	250	239	217	102	90	80	79	60
The other operating expenses	27	22	48	32	28	24	29	22	9
Financial returns	11	192	3	3	1	11	7	6	112
Financial expenses	714	817	773	190	206	950	932	907	755

III. The Cash Flows of The Examined Building Enterprise X₁ s.r.o. during The Years 2007 - 2015

Table 3: The Cash Flows (X₁ s.r.o.) (data in thousands Czech crowns)

(Source: The Cash Flows of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015)

The operating area	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Cash Flow from the operating activity	- 11 596,8	- 6 371,1	- 1 485,6	- 513,4	- 1 522,7	- 3 648,5	- 2 413,1	- 3 499,0	- 3 468,1
The investment area	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Cash Flow from the investment activity	1 610,5	4 100,8	3 990,5	3 870,6	3 610,1	3 470,3	2 530,5	1 990,3	1 570,0
The financial area	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Cash Flow from the financial activity	102,8	99,4	-50,0	-150,5	-20,5	10,4	50,5	89,3	110,3

The Analyses of Proportional Ratios (The Proportional Analyses) of The Examined Building Enterprise X₁ s.r.o. during The Years 2007 – 2015

I. Profitability Ratios (ROS, RVK, RK₂)

Table 4: Profitability Ratios (ROS, RVK, RK₂) (data in %)

(Source: The Balances and The Statements of A Profit and A Loss of The Examined Building Enterprise X₁ s.r.o., 2007 – 2015)

Years	Return on Sales (ROS)	Return on Equity (RVK)	Return on Total Capital (RK ₂)
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2007	0,14	1,51	0,42
2008	0,07	0,73	0,22
2009	3,41	19,97	8,70
2010	0,27	1,61	0,53
2011	0,31	2,02	0,65
2012	0,33	2,25	0,73
2013	0,36	2,73	0,88
2014	0,46	3,22	1,04
2015	0,53	4,03	1,31

II. Turnover Ratios (OZÁS, OPOHL, OVK, OK)

Table 5: Turnover Ratios (OZÁS, OPOHL, OVK, OK)

(Source: The Balances and The Statements of A Profit and A Loss of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015)

Years	Inventory Turnover (OZÁS)	Total Receivables Turnover (OPOHL)	Equity Turnover (OVK)	Total Capital Turnover (OK)
2007	25,24	16,55	10,54	2,93
2008	30,14	7,16	9,89	2,92
2009	15,81	7,37	5,85	2,55
2010	16,00	5,26	5,93	1,96
2011	16,84	5,66	6,48	2,09
2012	17,34	5,97	6,85	2,23
2013	18,46	6,44	7,50	2,42
2014	16,80	5,99	7,03	2,26
2015	17,81	6,61	7,57	2,47

III. Debt Ratios (SFN, SZ)

Table 6: Debt Ratios (SFN, SZ) (data in %)

(Source: The Balances of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015)

Years	Equity Ratio (SFN)	Debt Ratio (SZ)
2007	27,75	70,14
2008	29,56	69,05
2009	43,55	55,16
2010	33,01	53,81
2011	32,29	50,64
2012	32,55	53,52
2013	32,26	53,47
2014	32,17	53,46
2015	32,61	55,79

IV. Fixed Assets Coverage (I. SKSA, II. SKSA)

Table 7: Fixed Assets Coverage (I. SKSA, II. SKSA) (data in %)

(Source: The Balances of The Examined Building Enterprise X_1 s.r.o., 2007 - 2015)

Years	I. Grade of Fixed Assets Coverage (I. SKSA)	II. Grade of Fixed Assets Coverage (II. SKSA)
2007	82,72	100,51
2008	82,99	87,73
2009	105,44	106,72
2010	78,45	79,59
2011	78,66	81,97
2012	84,78	89,10
2013	87,60	93,28
2014	93,61	100,60
2015	99,76	108,04

V. Liquidity Ratios (L_1, L_2, L_3)

Table 8: Liquidity Ratios (L_1, L_2, L_3) (data in %)

(Source: The Balances of The Examined Building Enterprise X_1 s.r.o., 2007 - 2015)

Years	Cash-position Ratio (L_1)	Quick Ratio (L_2)	Current Ratio (L_3)
2007	54,41	81,95	100,02
2008	19,52	80,19	94,59
2009	14,55	77,88	107,40
2010	14,43	84,22	107,17
2011	18,13	93,10	118,30
2012	21,62	93,57	118,36
2013	24,12	97,20	122,72
2014	28,06	102,03	128,39
2015	30,08	100,45	126,56

The Horizontal Analyses of The Accounting Statements and The Proportional Ratios of The Examined Building Enterprise X_1 s.r.o. during The Years 2007 – 2015

I. The Horizontal Analyses of The Balances of The Examined Building Enterprise X_1 s.r.o. during The Years 2007 – 2015

Table 9: The Horizontal Analyses of The Balances (X_1 s.r.o.) (data in %)

(Source: The Balances of The Examined Building Enterprise X_1 s.r.o., 2007 -2015)

	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Total assets	-5,4	-15,2	-3,8	3,3	0,7	2,4	2,1	4,0
B. Fixed assets	0,4	-1,6	-2,0	0,7	-5,8	-1,8	-4,7	-1,1
B. II. A long - termed material	0,4	-1,6	-2,0	0,7	-5,8	-1,8	-4,7	-1,1

property								
B. II.1. Lands	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
B. II. 2. Buildings	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
B. II. 3. Separate movable things and sets of movable things	2,6	-1,4	-3,5	1,2	-40,5	-20,0	-75,0	-70,0
B. II. 8. Given advance payments on a long-termed material property	2,8	-22,4	-31,9	17,1	-51,2	-30,0	-78,6	-66,7
C. Circulating assets	-6,1	-21,9	-6,3	5,4	6,0	5,1	6,2	6,6
C. I. Stocks	-20,8	41,0	-27,0	4,8	4,2	4,4	4,8	7,1
C.I. 1. A material	6,9	13,2	-1,1	3,4	2,2	2,2	3,2	4,1
C. I. 2. An incomplete production and pre-made products	-28,7	52,7	-35,1	5,4	5,2	5,4	5,6	8,4
C. III. Short – termed claims	118,6	-28,2	3,4	2,5	1,7	3,0	2,7	2,9
C. III. 1. Claims from business relations	124,2	-27,9	0,5	3,7	2,6	2,3	4,4	1,4
C. III. 7. Short – termed given advance payments	-4,5	-40,8	188,0	-23,6	-27,3	35,0	-51,9	100,0
C. IV. A short-termed financial property	-64,4	-48,7	-6,9	19,9	26,3	13,1	18,1	15,9
C. IV.1. Money	-13,5	-27,4	-14,1	21,8	14,9	9,1	17,9	4,0
C. IV. 2. Accounts in banks	-70,1	-55,7	-3,1	19,0	31,9	14,8	18,2	20,6
D. The other assets – transient accounts of assets	-72,5	-96,1	2328,6	-11,8	-66,7	-40,0	-33,3	65,0
D.I. A time difference	-72,5	-96,1	2328,6	-11,8	-66,7	-40,0	-33,3	65,0
D.I. 1. Expenses of future periods	-72,5	-96,1	2328,6	-11,8	-66,7	-40,0	-33,3	65,0
Total liabilities	-5,4	-15,2	-3,8	3,3	0,7	2,4	2,1	4,0

A. An equity	0,7	25,0	-27,1	1,0	1,5	1,5	1,8	5,4
A. I. A primary capital	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
A. I. 1. A primary capital	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
A. III. Reserve funds, an indivisible fund and the other funds from earnings	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
A. III. 1. A lawful reserve fund	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
A. IV. Economic Earnings Last Years	1,8	0,9	-12,2	0,7	1,5	1,2	1,6	5,4
A. IV. 1. Non-divided Earnings Last Years	1,8	0,9	-12,2	0,7	1,5	1,2	1,6	5,4
A.V. Economic Earnings (+/-)	-51,2	3306,8	-94,1	27,1	12,7	23,1	20,2	32,0
B. Debts	-6,9	-32,2	-6,2	-2,8	6,4	2,3	2,1	8,5
B. II. Long-termed obligations	-73,2	-73,5	-12,3	191,6	22,8	29,2	17,2	17,2
B.II.10. A postponed tax obligation	-73,2	-73,5	-12,3	191,6	22,8	29,2	17,2	17,2
B. III. Short – termed obligations	-4,1	-35,2	-8,0	-11,8	15,0	-3,7	7,9	5,4
B. III. 1. Obligations from business relations	-10,2	-2,1	-19,4	-5,3	4,6	11,8	-8,8	8,6
B. III. 5. Obligations to employees	1,1	-47,6	25,0	-28,8	19,1	-13,2	35,9	-21,6
B. III. 6. Obligations from a social security and a health insurance	1,1	-47,6	25,0	-28,8	19,1	-13,2	35,9	-21,6
B. III. 7. A state-tax obligations and subsidies	-7,4	4,0	7,7	-17,9	8,7	-4,0	12,5	7,4
B. III. 11. The other obligations	6,6	-93,6	139,6	-27,5	141,9	-77,6	328,4	28,7
B. IV. Banking credits and stopgaps	16,7	-14,3	0,0	16,7	-14,3	16,7	-14,3	16,7

B. IV. 2. Short- termed banking credits	16,7	-14,3	0,0	16,7	-14,3	16,7	-14,3	16,7
C. The other liabilities	-37,6	-20,6	876,0	33,8	-17,9	4,9	2,8	-16,1
C.I. A time difference	-37,6	-20,6	876,0	33,8	-17,9	4,9	2,8	-16,1
C.I.1. Expenditures of future periods	-37,6	-20,6	876,0	33,8	-17,9	4,9	2,8	-16,1

II. The Horizontal Analyses of The Statements of A Profit and A Loss of The Examined Building Enterprise X₁ s.r.o. during The Years 2007 - 2015

Table 10: The Horizontal Analyses of The Statements of A Profit and A Loss (X₁ s.r.o.) (data in %)

(Source: The Statements of A Profit and A Loss of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015)

Returns and expenses	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Total returns	-9,2	-22,8	-27,1	7,8	7,7	13,2	-7,0	13,8
Total expenses	-9,0	-25,3	-24,9	7,8	7,7	13,1	-7,2	13,7
A Value Added	2,1	-22,0	-35,0	7,8	7,7	13,2	-7,0	13,8
Earnings before Interest and Taxes	-50,4	699,1	-75,4	9,8	2,9	7,8	7,7	6,4
Economic Earnings from financial operations	11,1	-23,2	57,1	-54,5	5,9	56,3	28,6	-112,0
Earnings before Taxes	-61,5	3250,0	-92,9	26,8	12,8	23,2	20,0	32,0
Earnings after Taxes	-51,2	3306,8	-94,1	27,1	12,7	23,1	20,2	32,0
Receipts from own performances and services	-5,5	-26,1	-26,1	10,3	7,3	11,1	-4,6	13,5
A consumption of a material and energy	-2,1	-39,2	-15,9	2,4	0,1	-12,1	5,5	-0,8
Services	-26,3	-1,1	-54,5	24,7	37,5	52,4	-15,0	33,5
Personal expenses	2,8	-31,5	6,9	2,8	-10,5	-4,0	-4,4	0,5
Depreciations	11,9	-23,5	13,4	-0,5	17,4	1,0	-14,8	-11,9
The other operating returns	-29,6	-4,4	-9,2	-53,0	-11,8	-11,1	-1,3	-24,1
The other operating expenses	-18,5	118,2	-33,3	-12,5	-14,3	20,8	-24,1	-59,1
Financial returns	1645,5	-98,4	0,0	-66,7	1000,0	-36,4	-14,3	1766,7
Financial expenses	14,4	-5,4	-75,4	8,4	361,2	-1,9	-2,7	-16,8

III. The Horizontal Analyses of The Cash Flows of The Examined Building Enterprise X₁ s.r.o. during The Years 2007 - 2015

Table 11: The Horizontal Analyses of The Cash Flows (X₁ s.r.o.) (data in %)

(Source: The Cash Flows of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015)

The operating area	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Net Cash Flow from the operating activity	154,9	-123,3	134,6	196,6	139,6	-33,9	45,0	-0,9
The investment area	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Net Cash Flow from the investment activity	154,6	-2,7	-3,0	-6,7	-3,9	-27,1	-21,3	-21,1
The financial area	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15
Net Cash Flow from the financial activity	-3,3	-150,3	-201,0	86,4	150,8	385,1	76,7	23,6

IV. The Horizontal Analyses of The Profitability Ratios of The Examined Building Enterprise X₁ s.r.o. during The Years 2007 - 2015

Table 12: The Horizontal Analyses of The Profitability Ratios (ROS, RVK, RK₂) (data in %)

(Source: The Balances and The Statements of A Profit and A Loss of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015)

Years	The Horizontal Analysis of Return on Sales (ROS)	The Horizontal Analysis of Return on Equity (RVK)	The Horizontal Analysis of Return on Total Capital (RK ₂)
2007/2008	-0,07	-0,78	-0,20
2008/2009	3,34	19,24	8,48
2009/2010	-3,14	-18,36	-8,17
2010/2011	0,04	0,41	0,12
2011/2012	0,02	0,23	0,08
2012/2013	0,03	0,48	0,15
2013/2014	0,10	0,49	0,16
2014/2015	0,07	0,81	0,27

V. The Horizontal Analyses of The Turnover Ratios of The Examined Building Enterprise X₁ s.r.o. during The Years 2007 - 2015

Table 13: The Horizontal Analyses of The Turnover Ratios (OZÁS, OPOHL, OVK, OK) (data in %)

(Source: The Balances and The Statements of A Profit and A Loss of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015)

Years	The Horizontal Analysis of Inventory turnover (OZÁS)	The Horizontal Analysis of Total Receivables Turnover (OPOHL)	The Horizontal Analysis of Equity Turnover (OVK)	The Horizontal Analysis of Total Capital Turnover (OK)
2007/2008	19,4	-56,7	-6,2	-0,3
2008/2009	-47,5	2,9	-40,8	-12,7
2009/2010	1,2	-28,6	1,4	-23,1
2010/2011	5,3	7,6	9,3	6,6
2011/2012	3,0	5,5	5,7	6,7
2012/2013	6,5	7,9	9,5	8,5
2013/2014	-9,0	-7,0	-6,3	-6,6
2014/2015	6,0	10,4	7,7	9,3

VI. The Horizontal Analyses of The Debt Ratios of The Examined Building Enterprise X₁ s.r.o. during The Years 2007 – 2015

Table 14: The Horizontal Analyses of The Debt Ratios (SFN, SZ) (data in %)

(Source: The Balances of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015)

Years	The Horizontal Analysis of Equity Ratio (SFN)	The Horizontal Analysis of Debt Ratio (SZ)
2007/2008	1,81	-1,09
2008/2009	13,99	-13,89
2009/2010	-10,54	-1,35
2010/2011	-0,72	-3,17
2011/2012	0,26	2,88
2012/2013	-0,29	-0,05
2013/2014	-0,09	-0,01
2014/2015	0,44	2,33

VII. The Horizontal Analyses of The Fixed Assets Coverage of The Examined Building Enterprise X₁ s.r.o. during The Years 2007 - 2015

Table 15: The Horizontal Analyses of The Fixed Assets Coverage (I. SKSA, II. SKSA) (data in %)

(Source: The Balances of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015)

Years	The Horizontal Analysis of I. Grade of Fixed Assets Coverage (I. SKSA)	The Horizontal Analysis of II. Grade of Fixed Assets Coverage (II. SKSA)
2007/2008	0,27	-12,78
2008/2009	22,45	18,99
2009/2010	-26,99	-27,13
2010/2011	0,21	2,38

2011/2012	6,12	7,13
2012/2013	2,82	4,18
2013/2014	6,01	7,32
2014/2015	6,15	7,44

VIII. The Horizontal Analyses of The Liquidity Ratios of The Examined Building Enterprise X₁ s.r.o. during The Years 2007 - 2015

Table 16: The Horizontal Analyses of The Liquidity Ratios (L₁, L₂, L₃) (data in %)

(Source: *The Balances of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015*)

Years	The Horizontal Analysis of Cash-position Ratio (L ₁)	The Horizontal Analysis of Quick Ratio (L ₂)	The Horizontal Analysis of Current Ratio (L ₃)
2007/2008	-34,89	-1,76	-5,43
2008/2009	-4,97	-2,31	12,81
2009/2010	-0,12	6,34	-0,23
2010/2011	3,70	8,88	11,13
2011/2012	3,49	0,47	0,06
2012/2013	2,50	3,63	4,36
2013/2014	3,94	4,83	5,67
2014/2015	2,02	-1,58	-1,83

The Vertical Analyses of The Accounting Statements of The Examined Building Enterprise X₁ s.r.o. during The Years 2007 – 2015

I. The Vertical Analyses of The Balances of the Examined Building Enterprise X₁ s.r.o. during The Years 2007 – 2015

Table 17: The Vertical Analyses of The Balances (X₁ s.r.o.) (data in %)

(Source: *The Balances of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015*)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total assets	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
B. Fixed assets	33,5	35,6	41,3	42,1	41,0	38,4	36,8	34,4	32,7
B. II. A long - termed material property	33,5	35,6	41,3	42,1	41,0	38,4	36,8	34,4	32,7
B. II.1. Lands	2,3	2,4	2,8	2,9	2,8	2,8	2,7	2,7	2,6
B. II. 2. Buildings	26,1	27,6	32,5	33,8	32,8	32,6	31,8	31,1	29,9
B. II. 3. Separate movable things and sets of movable things	3,0	3,2	3,7	3,7	3,7	2,2	1,7	0,4	0,1

B. II. 8. Given advance payments on a long-termed material property	2,2	2,4	2,2	1,6	1,8	0,9	0,6	0,1	0,0
C. Circulating assets	64,2	63,7	58,7	57,2	58,3	61,4	63,0	65,5	67,2
C. I. Stocks	11,6	9,7	16,1	12,2	12,4	12,9	13,1	13,5	13,9
C.I. 1. A material	2,6	2,9	3,9	4,0	4,0	4,0	4,0	4,1	4,1
C. I. 2. An incomplete production and pre-made products	9,0	6,8	12,3	8,3	8,5	8,8	9,1	9,4	9,8
C. III. Short – termed claims	17,7	40,9	34,6	37,2	36,9	37,3	37,5	37,8	37,4
C. III. 1. Claims from business relations	16,9	40,1	34,1	35,6	35,8	36,5	36,4	37,2	36,3
C. III. 7. Short – termed given advance payments	0,8	0,8	0,5	1,6	1,2	0,9	1,1	0,5	1,0
C. IV. A short-termed financial property	34,9	13,2	7,9	7,7	8,9	11,2	12,4	14,3	16,0
C. IV.1. Money	3,5	3,2	2,8	2,5	2,9	3,3	3,6	4,1	4,1
C. IV. 2. Accounts in banks	31,4	9,9	5,2	5,2	6,0	7,9	8,8	10,2	11,9
D. The other assets – transient accounts of assets	2,3	0,7	0,0	0,8	0,7	0,2	0,1	0,1	0,1
D.I. A time difference	2,3	0,7	0,0	0,8	0,7	0,2	0,1	0,1	0,1
D.I. 1. Expenses of future periods	2,3	0,7	0,0	0,8	0,7	0,2	0,1	0,1	0,1
Total liabilities	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
A. An equity	27,8	29,6	43,5	33,0	32,3	32,6	32,3	32,2	32,6
A. I. A primary capital	3,5	3,7	4,3	4,5	4,4	4,3	4,2	4,1	4,0
A. I. 1. A primary capital	3,5	3,7	4,3	4,5	4,4	4,3	4,2	4,1	4,0
A. III. Reserve	0,8	0,8	1,0	1,0	1,0	1,0	1,0	0,9	0,9

funds, an indivisible fund and the other funds from earnings									
A. III. 1. A lawful reserve fund	0,8	0,8	1,0	1,0	1,0	1,0	1,0	0,9	0,9
A. IV. Economic Earnings Last Years	23,1	24,8	29,5	27,0	26,3	26,5	26,2	26,1	26,4
A. IV. 1. Non-divided Earnings Last Years	23,1	24,8	29,5	27,0	26,3	26,5	26,2	26,1	26,4
A.V. Economic Earnings (+/-)	0,4	0,2	8,7	0,5	0,7	0,7	0,9	1,0	1,3
B. Debts	70,1	69,0	55,2	53,8	50,6	53,5	53,5	53,5	55,8
B. II. Long-termed obligations	6,0	1,7	0,5	0,5	1,4	1,7	2,1	2,4	2,7
B.II.10. A postponed tax obligation	6,0	1,7	0,5	0,5	1,4	1,7	2,1	2,4	2,7
B. III. Short – termed obligations	53,8	54,5	41,6	39,8	34,0	38,9	36,6	38,6	39,1
B. III. 1. Obligations from business relations	30,6	29,1	33,5	28,1	25,8	26,8	29,3	26,1	27,3
B. III. 5. Obligations to employees	6,6	7,0	4,3	5,6	3,9	4,6	3,9	5,2	3,9
B. III. 6. Obligations from a social security and a health insurance	2,3	2,5	1,5	2,0	1,4	1,6	1,4	1,8	1,4
B. III. 7. A state-tax obligations and subsidies	0,9	0,9	1,1	1,3	1,0	1,1	1,0	1,1	1,2
B. III. 11. The other obligations	13,3	15,1	1,1	2,8	2,0	4,8	1,0	4,4	5,4
B. IV. Banking credits and stopgaps	10,4	12,8	13,0	13,5	15,3	13,0	14,8	12,4	13,9
B. IV. 2. Short-termed banking credits	10,4	12,8	13,0	13,5	15,3	13,0	14,8	12,4	13,9

C. The other liabilities	2,1	1,4	1,3	13,2	17,1	13,9	14,3	14,4	11,6
C.I. A time difference	2,1	1,4	1,3	13,2	17,1	13,9	14,3	14,4	11,6
C.I.1. Expenditures of future periods	2,1	1,4	1,3	13,2	17,1	13,9	14,3	14,4	11,6

II. The Vertical Analyses of The Statements of A Profit and A Loss of The Examined Building

Enterprise X₁ s.r.o. during The Years 2007 - 2015

Table 18: The Vertical Analyses of The Statements of A Profit and A Loss (X₁ s.r.o.) (data in %)

(Source: The Statements of A Profit and A Loss of The Examined Building Enterprise X₁ s.r.o., 2007 - 2015)

Returns	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total returns	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
Receipts from own performances and services	94,3	98,2	94,1	95,3	97,5	97,1	95,3	97,8	97,6
The other performances	5,3	1,3	5,5	4,2	2,3	2,7	4,6	2,1	2,1
The other operating returns	0,4	0,3	0,4	0,5	0,2	0,2	0,1	0,1	0,1
Financial returns	0,0	0,2	0,0	0,0	0,0	0,0	0,0	0,0	0,2
Expenses	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total expenses	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
A consumption of a material and energy	34,2	36,8	29,9	33,5	31,8	29,6	23,0	26,1	22,8
Services	35,9	29,1	38,4	23,3	27,0	34,4	46,4	42,4	49,8
Personal expenses	28,1	31,8	29,1	41,4	39,5	32,8	27,8	28,7	25,3
Depreciations	0,7	0,9	0,9	1,3	1,2	1,3	1,2	1,1	0,8
The other operating expenses	0,0	0,0	0,1	0,1	0,1	0,0	0,0	0,0	0,0
Financial expenses	0,8	1,0	1,3	0,4	0,4	1,8	1,6	1,56	1,2

Conclusions

In the theoretical part of the case study the basic concepts connected with the problems of a financial analysis were explained and the basic data about the examined building enterprise were stated.

The practical part of the contribution contains the structural analyses of resources and the proportional analyses of the examined building enterprise X₁ s.r.o. as well as the horizontal and vertical analyses of accounting statements (balances, statements of a profit and

loss, Cash Flows) and proportional ratios (Profitability Ratios, Turnover Ratios, Debt ratios, Fixed Assets Coverage, Liquidity Ratios). From the ascertained values of these analyses it stands to reason that the building enterprise reached the best economic results in the period before a financial crisis. The impact of the financial crisis which hit the Czech republic at the end of the year 2008 showed itself up particularly during the years 2009 – 2011 when the enterprise showed the least significant economic results; it is then possible to say that it had a so-called survival strategy. From the year 2011 the economic results of the building enterprise improved gradually namely until the year 2015 which is the last examined year.

On the basis of the ascertained results the fact that the financial analysis represents a significant source of information for a management was acknowledged. It was proved that the financial analysis enables to analyse the present development of an enterprise as well as variants of its future development, further on to judge effects of internal and external environments of an enterprise and to interpret results including a proposal in a financial planning and running an enterprise.

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The Balances of The Examined Building Enterprise X₁ s.r.o. during The Years 2007-2015.

The Cash Flows of The Examined Building Enterprise X₁ s.r.o. during The Years 2007-2015.

The Statements of A Profit and A Loss of The Examined Building Enterprise X₁ s.r.o. during The Years 2007-2015.