Financial statements and their predicative capability for running the company EKKL Inc.

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ABSTRAKT

Bakalářská práce se zabývá účetními výkazy a jejich vypovídací schopností o Šízení společnosti EKKL, a.s.

Teoretická část krátce představuje pojem finanční analýza, popisuje základní účetní výkazy a základní finanční ukazatele.

Praktická část specifikuje analyzovanou společnost a prezentuje finanční analýzu společnosti provedenou prostřednictvím popsaných metod.

Závěr práce shrnuje výsledky finanční situace firmy EKKL, a.s. a jsou navrhnuta doporučení vedoucí ke zlepšení stávajícího stavu ve firmě.

Klíčová slova: finanční analýza, rozhodování, výkaz zisků a ztrát, ukazatel, rentabilita, aktivita, zadluženost, likvidita

ABSTRACT

The bachelor thesis deals with financial statements and their predicative capability of running the company EKKL Inc.

The theoretical part gives a brief introduction to the concept of financial analysis, describes the basic financial statements and financial indicators.

The practical part specifies the analyzed company and presents its financial analysis carried out by means of the described methods.

The conclusion summarizes results of financial status of the company and some recommendations for improving are proposed.

Keywords: financial analysis, balance sheet, income statement, indicator, profitability, assets utilization, solvency, liquidity
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I state that the handed version of the bachelor thesis and the electronic version uploaded into the IS/STAG are identical.
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INTRODUCTION

While doing their business, current companies are obliged to use two financial statements made according to the law of the particular country. One of them, a balance sheet, gives information about the assets and liabilities of an organization and also makes possible to review its financial situation. The second one, the income statement, reports the company’s financial performance over a specified period of time. These statements’ information and findings are used for realizing of the financial analysis.

Financial analysis is a system of financial indicators. The main aim of this process is to discover strengths and weaknesses of a corporation, summarize the findings and propose a set of possible measures for another expansion of the company. The analysis is used by managers, investors, business partners or state institutions. However, many managers are worried about using the financial analysis for different reasons such as distrust of the analysis, some mistrust of it or doubts about the findings. It is necessary to refuse these doubts. A good manager has to analyze the situation of an organization permanently. It is a base of evaluation, gives a feedback about economy and provides another development of a particular company.

This bachelor thesis presents the financial analysis of a Czech building organization EKKL Inc. This corporation interests me not only because of the fact that it is owned by my relatives. First and foremost, this company has successfully expanded its business activities in the Czech Republic as well as abroad. These are the reasons for asking the owners for the permission to write the financial analysis of the company. According to given financial statements from years 2005, 2006, 2007 and 2008 the bachelor thesis has been written. The thesis is divided into two parts – theoretical and practical.

The theoretical part gives a brief introduction to the concept of financial analysis and then describes facts and terms connected with the term financial analysis. The practical part specifies a particular company and then presents its financial analysis carried out by means of the described methods.
The aim of this bachelor thesis is to present a financial analysis of financial statements from years 2005 – 2008 of a particular company.
I. THEORETICAL PART
1 FINANCIAL ANALYSIS

There are many ways how to define the term of financial analysis. Financial analysis means a systematic obtained data study. It is a summary of a company financial management past, present and future. It represents a relevant part of business management system. Financial analysis findings are very important for the strategic and tactical financial decision-making. For that reason, it should belong to the basic skills of every single financial manager. Except the financial management, the analysis has an impact on a company in general. Considering the fact that its processing reveals weaks and strengths of a company, financial analysis can also be a part of so-called SWOT analysis.

Financial analysis mainly relies on public available information or on the given data such as press releases, statements, money-market information. In the first place, however, it is closely associated with financial accounting. The accounting provides data and information through the financial statements – balance sheet, income statement and statements of cash flows. These are the main financial analysis sources. The analysis measures the obtained data and make it possible to reach certain findings related to the economy and financial situation of the company. The result of the analysis made is an analyst's judgement on the financial credibility and reliability of the company.

1.1 Purpose and goals of financial analysis

Financial analysis belongs to the significant tools of financial management. It assesses the past and present management development from different points of view and provides documents for future decisions. It is possible to use the financial analysis indicators for identification of key factors influencing performance of a company.¹

Financial analysis is an indivisible part of financial management because it works as a feedback of what a company has achieved in the particular business areas and what precondi-

tions a company has successfully achieved. Nevertheless, it also provides a feedback of situations that a company wanted to avoid or those that a company didn’t expect.²

The purpose of financial analysis is to express financial situation of a company globally which means to line up all the elements and to assess some of them, eventually (solvency, liquidity). The main goal of financial analysis is to provide so-called financial health of a company by means of suitable tools.

² Knápková, Výkonnost podniku z pohledu finančního manažera, 24.
2 SOURCES OF FINANCIAL ANALYSIS

The main sources for the financial analysis are accounting and its financial statements. However, when carrying-out the analysis, data of some other sources should be used. The amount varies depending up the goals of the analysis. The sources are divided into three categories:

**Accounting**
- financial statements (balance sheet, income statement, statement of cash flows)
- manager accounting statements
- annual statements

**Other data of a company**
- statistical statements
- internal instructions
- pay rules

**External data**
- special press
- statistical annual report
- data of capital markets

2.1 Financial statements

Financial statements represent the basic source of data for carrying-out the financial analysis. Among the major financial statements belong:
- balance sheet
- income statement

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- statement of cash flows
- statement of changes in owner's equity

2.1.1 Balance sheet

A balance sheet is a valuable source of information about the financial condition of an entity. It represents one of the basic financial statements serving as the analysis basis. It is drawn in order to meet the needs of a company financial management. The balance sheet method makes it possible to monitor changes in the assets and liabilities in time. According to the instant of time when it is drawn, the balance sheet divides into:

- starting balance sheet drawn at a company establishment
- balance opening drawn at the beginning of a new accounting period
- final balance sheet drawn to the final day of an accounting period and at the close of business activity of a company
- extra drawn during an accounting period when an unusual situation occurs

Assets is property of a company

An assets structure represents a detailed property structure of a company. The assets are total economic resources available in a certain instant of time. They are divided into categories according to their liquidity from the least liquid to the most ones.

A. Fixed assets
   I. Intangible fixed assets
   II. Tangible fixed assets
   III. Long-term financial assets

B. Current assets
   I. Inventory

---


II. Long-term receivables
III. Short-term receivables
IV. Short-term financial assets
C. Others
   I. Accruals

**Liabilities in financial sources**

Financial company structure represents a company capital lay-out from which the property is financed. Liabilities are divided into the equity and other sources.

A. Equity
   I. Registered capital
   II. Capital funds
   III. Retained earnings
   IV. Profit/loss in last years
   V. Profit/loss in current year (+/-)

B. Other sources
   I. Reserves
   II. Long-term payables
   III. Short-term payables
   IV. Bank loans and financial accommodations

C. Others
   I. Accruals

**2.1.2 Income statement**

An income statement is a financial statement that reports the results of operations for a period of time. Although it may be prepared for an individual or nonbusiness entity, the income statement is most often associated with a business entity. Income statement can report
either the expected operating results of a future period or the actual operating results of a past period.⁶

The stepped layout of the income statement gives a better view of a company economy. It is easier to monitor changes in the particular income statement elements.

\[
\text{Revenues from sold goods} - \text{Expenses on sold goods} = \text{Sale margin}
\]

\[
\text{Revenues from disposal of the own products and services} + \text{Change in intercompany inventories of self-production} + \text{Activation} - \text{Production consumption} = \text{Added value}
\]

\[
\text{Personnel expenses, taxes and fees, depreciations and other operating expenses} - \text{Other operating expenses} = \text{Operating profit/loss}
\]

\[
\text{Financial revenues} - \text{Financial expenses} + \text{Profit/loss from financial operations} - \text{Income tax on ordinary income} = \text{Operating profit/loss ordinary activity}
\]

\[
\text{Extraordinary revenues} - \text{Extraordinary expenses} - \text{Income tax on extraordinary income} = \text{Operating profit/loss extraordinary activity}
\]

\[
\text{Profit/loss of current accounting period (+/-)} + \text{Profit/loss of current accounting period (+/-)}
\]

2.2 Users of financial analysis

Information connected with a company financial situation are interesting for plenty of various subjects. These are for example:

- Managers
- Investors
- Business partners
- Employees
- Banks and other creditors
- Government

According to Holečková, each group has its specific interests. However, there is one common thing – all of them need to know for being able to operate.

Investors

The primary users of financially-account information included with the financial statements are stockholders and owners (co-partners, company owners) who have payed their own funds into the company. Potential investors considering paying their funds in the company want to know if their decision is correct.

Managers

Managers use the financial analysis findings expecially for the long-term strategic and supervisory financial company management. These information help managers divide up the financial sources, provide the optimal assets structure, provide a suitable financial sources allocation or distribute net profits. Due to the financial analysis data, managers are able to form the financial plan and monitore the financial situation of their suppliers, customers and competition.

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7 Jaroslava Holečková. Finanční analýza firmy. [Praha: Aspi publishing, 2008]
**Business partners**

The business partners are suppliers and customers. The suppliers are interested in the ability of the company to cover commitments. On the other hand, the customers want to make sure if the company meets an obligation.

**Employees**

The most important firmness for every employee is his job. That is the reason why employees need to be constantly notified of the situation of a corporation. They are naturally interested in its prosperity and financial stability.

**Banks and other creditors**

Banks and other creditors need information about financial situation of a particular company for their own decision-making. According to the findings, they decide about giving a credit or not, and about its conditions.

**Government**

A state and its authorities need financially-account data for the tax lability observance control, statistical purposes, for grant distribution or for the state economic policy building.

Among other financial data users belong tax consultants, potential investors, brokers, clients, analysts, statisticians, journalists or the general public. Financial analysis should be objective, accurate and it should contain as up-to-date information as possible.
3 METHODS

There are two basic techniques for creating a financial analysis — an absolute indicators analysis and a ratio indicators analysis. Choice of an indicator type depends on the aim of a particular analysis. Nevertheless, just one indicator will probably not answer all the asked questions.

3.1 Absolute indicators

The absolute indicators analysis is divided into two basic methods:

- Vertical analysis
- Horizontal analysis

3.1.1 Vertical analysis

Structure analysis. Sometimes it is called percentual analysis. Vertical analysis as a tool to evaluate each financial statement item or group of items in terms of a specific base amount. This base amount is commonly defined as 100%. Two important tools of vertical analysis are common-size statements and graphical analyses. In common-size statements, each item is expressed as a percent of a base amount. The base amount for the balance sheet is usually total assets and the base amount for the income statement is usually net sales.8

3.1.2 Vertical analysis

Trend analysis. It can be called line-by-line analysis. Horizontal analysis as a tool to evaluate changes in financial statement data across time. Two important tools of horizontal analysis are comparative statements and trend analysis. Comparative statements show amounts

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for two or more successive periods, often with changes disclosed in both absolute and percent terms. Trend analysis is used to reveal important changes occurring from one period to the next.9

3.2 Subtractive indicators

Subtractive indicators serve to the financial analysis and to operating the financial situation of a company with focus on liquidity.

Among the most significant subtractive indicators belongs the net working capital. It is defined as a division between the current assets and the short-term other sources and it has a great impact on the financial solvency of a company. It measures a potential reserve to cash. If a firm is supposed to be liquid, some needed amount of the liquid capital is necessary. Construction of the net working capital is based on distinction of the current and fixed assets. It is also based on distinction of the capital blocked in the long term and in the short term.10

\[ \text{Net working capital} = \frac{\text{current assets}}{\text{current liabilities}} \]

3.3 Ratio indicators

Ratio analysis provides clues and symptoms of underlying conditions. Ratios, properly interpreted, identify areas requiring further investigation. A ratio expresses a mathematical relation between two quantities such as a percent, rate, or proportion.11 Ratios are divided into:


10 Knápková, *Výkonnost podniku z pohledu finančního manažera*, 25.

Profitability ratios

- they show the return of a company earnings on its investment

Assets utilization ratios

- measure the productivity of using a company’s assets

Liquidity ratio

- measures how easily a firm can lay its hands on cash

Leverage ratio

- show the high of valuation by investors\(^{12}\)

3.3.1 Profitability

Profitability represents a measure of a company to make gains by using the invested capital.

Return on assets

\[
\text{Return on assets} = \frac{\text{Net Income}}{\text{Total Assets}} \times 100\% 
\]

This indicator is allowed to be the key measure of profitability. It measures the net income and the total assets no matter how they are financed. It does not matter if it is the equity or the other sources.

Return on equity

\[
\text{Return on equity} = \frac{\text{Net income}}{\text{Equity}} \times 100\% 
\]

The return on equity ratio is the basic and very frequented indicator. It evaluates a return of shareholders' equity.

Return on sales

\[ \text{Return on sales} = \frac{\text{Net income}}{\text{Sales}} \times 100(\%) \]

The indicator compares profitability of a company to sales. It says what profit falls on 1 CZK of sales. The ratio should always grow in time.

Gross profit margin

\[ \text{Gross profit margin} = \frac{\text{EBIT}}{\text{Sales}} \]

EBIT  Earning Before Interests and Tax

When using the operating profit instead of the net one, the ratio is called gross profit margin. It often assesses the main subject of business.

3.3.2 Profitability

The assets turnover ratios measure a company ability to use the paid-in capital. These indicators work with the balance sheet and the income statement as well. They are called inter-statements and are divided into:

Turnover

\[ \text{Turnover} = \frac{\text{Sales}}{\text{Total assets}} \]

or

\[ \frac{\text{Total expenses}}{\text{Total Liabilities}} \]
A turnover expresses how many times a particular item is used in a given period. The result should be as high as possible.

**Time of turnover (period)**

\[ Period = \frac{365}{\text{Turnover}} \]

The period shows the number of days in which an item is turned (used.) Contrary to the turnover, the period should be as short as possible.

**Inventory turnover**

\[ \text{Inventory turnover} = \frac{\text{Costs of goods sold}}{\text{Average inventory}} \]

The indicator measures capital persistence in the non-monetary part of the fixed assets in inventory. The result expresses how many times the inventories are change into cash during the year.

**Inventory period**

\[ \text{Inventory period} = \frac{\text{Inventory}}{\text{Credit sales}} \times 360 \]

The ratio expresses how long the current assets are in the form of inventory. The period should be as short as possible.

**Receivables turnover**

\[ \text{Receivables turnover} = \frac{\text{Credit sales}}{\text{Receivables}} \]

It expresses an average time of paying of receivables.
Receivables period = Receivables / Credit sales : 360

The indicator shows cash persistence in the non-monetary part of the current assets in receivables.

Payables turnover

Payables turnover = Sales / Short-term payables

Payables period

Payables period = Payables / Credit sales : 360

The ratio expresses a behavior of a company to its suppliers. The better situation is if the receivables period is shorter than the payables period.

3.3.3 Liquidity

Liquidity indicators provide information about a company’s ability to cover its short-term financial liabilities. Liquidity means a totality of all possible assets which a company could use for meeting its obligations. There are three types of liquidity:

- current liquidity (current ratio)
- quick liquidity (quick ratio, Acid-test)
- cash liquidity (Cash ratio)

Current ratio

Current ratio = Current assets / Short-term liabilities
The ratio of the current assets to current liabilities measures the margin of liquidity. Rapid decreases in the current ratio sometimes signify trouble. However, they can be misleading.\(^\text{13}\)

The result indicates how much more current assets a company has, compared to the current liabilities.

**Quick liquidity**

\[
\text{Quick ratio} = \frac{(\text{Current assets} - \text{Inventory})}{\text{Current liabilities}}
\]

This type of liquidity is known as the acid-test ratio. It focuses on the quick assets such as cash, accounts receivable rather than the current assets.\(^\text{14}\) The recommended value is from 1 to 1.5, better slightly above 1.

**Cash liquidity**

\[
\text{Cash ratio} = \frac{\text{Financial assets}}{\text{Current liabilities}}
\]

The cash ratio reflects an ability of a company to satisfy the creditors by paying the commitments by cash. The current financial assets are a company’s most liquid assets.

### 3.3.4 Leverage

The leverage ratios express a fact that a company uses other sources for running the business. The indicators assess an extend of financing a company’s property structure by other sources.

---

\(^{13}\) Braley, *Principles of corporate finance*, 826.

Debt ratio

\[ \text{Debt ratio} = \frac{\text{Total debt}}{\text{Total assets}} \]

Financial leverage is usually measured by the ratio of long-term debt to total long-term capital. Since long-term lease agreements also commit the firm to a series of fixed payments, it makes sense to include the value of lease obligations with the long-term debt.\(^{15}\)

Equity debt rate

\[ \text{Equity debt rate} = \frac{\text{Other sources}}{\text{Equity}} \]

The indicator expresses a rate of the other sources on the equity. The value should be slightly lower than 1.

Interest coverage

\[ \text{Interest coverage} = \frac{\text{EBIT}}{\text{Interest Charges}} \]

EBIT  Earnings Before Interest and Taxes

The ratio expresses how many times the operating profit is higher than the interests. The amount of interest and its concern in profit is a significant indicator of a company strength.

\(^{15}\) Braley, *Principles of corporate finance*, 824.
II. PRACTICAL PART
4 EKKL INC.

Firm name: EKKL Sport Surfaces Ltd., then EKKL Inc.

Firm domicile: Kroměříž, Altýr 582, Czech Republic

Legal form: Ltd., then Inc.

Authorized capital: 1 000 000 CZK, 10 000 000 CZK since 2007

Subject of enterprise: construction of buildings, their changing and removing specialist retail wholesale

Number of employees: 30

4.1 Characteristics and main goals of the company

EKKL Sport Surfaces Ltd. was established in 1990. The firm realizes built structures designed for special usage. It constructs, recovers and provides sport surfaces and equips courts for all kinds of sports.

In 2007 the company management decided to change the legal form from a limited company to an incorporated one and it also changed the accounting period. Since 2007 every accounting period starts on May, 1 and ends on April, 30 instead of January, 1 to December, 31.

The main firm objective is its permanent prosperity. The company management and employees are aware of conditions for the prosperity achieving. It is not easy to establish itself in trade of building industries. The basic premise how to achieve success in such a closely-specialty area is goodwill. Therefore, the company management has decided to specify its attitude to consumer requirements and to requirements of other interested parties by setting up an integrated management system.

This effective management system includes the company management strategy, it is a tool of realizing high-quality products (buildings), plans and effects the permanent company devel-
opment. The integrated management system policy and the company strategy are the initial point for gaining the particular objectives and goal-seeking values.

4.2 SWOT analysis

SWOT analysis is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project or in a business venture. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favourable and unfavourable to achieve that objective.¹⁶

Strengths

- technical facilities
- skilled employees
- maximum attention paid to every order
- certificates gained for the company running and the special surfaces
- integrated management system policy
- abroad expansion
- high-quality procedures and principles
- team work
- high assignment
- attention paid to working environment and protection of health at work
- customer interface and communication

- web pages

**Weaknesses**

- seasonal labour
- employees’ company management dissatisfaction
- overtime
- employees often change their place of business
- company services often available only for customers of property
- wrong placement of the firm domicile

**Opportunities**

- company development
- continuous goodwill creation
- new investors
- new customer segments
- services and product line extension
- weaknesses improvement or elimination

**Threats**

- new competition
- abroad competition
- price war
- new products placed on the market by competition
- salary growth
- skilled employees leaving
4.3 Business strategy

The main company objective is its permanent prosperity. Among other strategy items belong an effort to satisfy as great number of employees as possible, goodwill building and providing of the maximum consumer satisfaction with the product and service quality.
5 METHODS

There are two basic techniques for creating a financial analysis: an absolute indicators analysis and a ratio indicators analysis. Choice of an indicator type depends on the aim of a particular analysis. Nevertheless, just one indicator will probably not answer all the asked questions.

5.1 Absolute indicators

The basic information about the property and financial structure of the company have been taken from the balance sheet.

5.1.1 Vertical and horizontal analysis of the balance sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>absolute</td>
<td>%</td>
<td>absolute</td>
<td>%</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>26 006</td>
<td>100,0</td>
<td>42 801</td>
<td>100,0</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>58</td>
<td>0,2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>58</td>
<td>0,2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Current assets</td>
<td>25 412</td>
<td>97,7</td>
<td>42 521</td>
<td>99,3</td>
</tr>
<tr>
<td>Inventory</td>
<td>1 723</td>
<td>6,6</td>
<td>6 184</td>
<td>14,4</td>
</tr>
<tr>
<td>Long-term receivables</td>
<td>2 524</td>
<td>9,7</td>
<td>6 321</td>
<td>14,8</td>
</tr>
<tr>
<td>Short-term receivables</td>
<td>10 154</td>
<td>39,0</td>
<td>25 282</td>
<td>59,1</td>
</tr>
<tr>
<td>Short-term financial assets</td>
<td>11 011</td>
<td>42,3</td>
<td>4 734</td>
<td>11,1</td>
</tr>
<tr>
<td>Accruals</td>
<td>536</td>
<td>2,1</td>
<td>280</td>
<td>0,7</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>26 005</td>
<td>100,0</td>
<td>42 801</td>
<td>100,0</td>
</tr>
<tr>
<td>Equity</td>
<td>8 141</td>
<td>31,3</td>
<td>12 519</td>
<td>29,2</td>
</tr>
<tr>
<td>Registered capital</td>
<td>1 000</td>
<td>3,8</td>
<td>1 000</td>
<td>2,3</td>
</tr>
<tr>
<td>Reserve funds, ...</td>
<td>100</td>
<td>0,4</td>
<td>100</td>
<td>0,2</td>
</tr>
<tr>
<td>Profit/loss for the last period</td>
<td>95</td>
<td>0,4</td>
<td>7 041</td>
<td>16,5</td>
</tr>
<tr>
<td>Profit/loss for the current period</td>
<td>6 946</td>
<td>26,7</td>
<td>4 378</td>
<td>10,2</td>
</tr>
<tr>
<td>Other sources</td>
<td>17 498</td>
<td>67,3</td>
<td>30 042</td>
<td>70,2</td>
</tr>
<tr>
<td>Short-term payables</td>
<td>17 498</td>
<td>67,3</td>
<td>13 273</td>
<td>31,0</td>
</tr>
<tr>
<td>Bank loans</td>
<td>0</td>
<td>0,0</td>
<td>16 769</td>
<td>39,2</td>
</tr>
<tr>
<td>Accruals</td>
<td>366</td>
<td>1,4</td>
<td>240</td>
<td>0,6</td>
</tr>
</tbody>
</table>

Table 1. Vertical analysis of the balance sheet \( \text{EKKL Inc. [own source]} \)
When looking at the assets side in the balance sheet of EKKL Inc., it is obvious that an overwhelming majority of the property structure is formed by the current assets. The company does not own almost any long-term assets. This is the reason why a rate of the fixed assets is minimal. The current assets constituent is formed by continually growing amount of short-term receivables which is not a positive fact for the company. Total assets are growing during the analyzing period. However, this is also caused by a great number of the short-term receivables.

Looking at the liabilities side shows that the company is constantly profitable. In 2008, the registered capital grew rapidly due to changing the legal form Ltd. to Inc. The growing number of equity is positive, too. Nevertheless, the other sources are still greatly exceeding the equity. This is due to the short-term payables and, in 2006 and 2008, due to an extended bank loan to the partners. On the other hand, it must be said that there are no long-term payables during which means that the company is able to cover its commitments in time.

### Table 2. Horizontal analysis of the balance sheet of EKKL Inc. [own source]
### 5.1.2 Vertical and horizontal analysis of the income statement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(in CZK thousand)</td>
<td>absolute</td>
<td>%</td>
<td>absolute</td>
<td>%</td>
</tr>
<tr>
<td>Revenues from sold goods</td>
<td>2 940</td>
<td>1.8</td>
<td>10 706</td>
<td>6.0</td>
</tr>
<tr>
<td>Production</td>
<td>157 266</td>
<td>97.6</td>
<td>168 077</td>
<td>93.4</td>
</tr>
<tr>
<td>*Revenues from disposal of own products &amp; services</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>*Change in own production inventories</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>*Activation</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>Interest revenues</td>
<td>26</td>
<td>0.2</td>
<td>98</td>
<td>0.5</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>362</td>
<td>0.2</td>
<td>362</td>
<td>0.2</td>
</tr>
<tr>
<td>Other financial revenues</td>
<td>605</td>
<td>0.4</td>
<td>692</td>
<td>0.4</td>
</tr>
<tr>
<td>REVENUES</td>
<td>161 199</td>
<td>100.0</td>
<td>179 935</td>
<td>100.0</td>
</tr>
<tr>
<td>Expenses on sold goods</td>
<td>2 260</td>
<td>1.5</td>
<td>9 181</td>
<td>5.2</td>
</tr>
<tr>
<td>Production consumption</td>
<td>135 837</td>
<td>88.1</td>
<td>143 018</td>
<td>81.5</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>278</td>
<td>0.2</td>
<td>646</td>
<td>0.4</td>
</tr>
<tr>
<td>Depreciations of IA &amp; TA</td>
<td>29</td>
<td>0.0</td>
<td>58</td>
<td>0.0</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>10 972</td>
<td>7.1</td>
<td>20 188</td>
<td>11.5</td>
</tr>
<tr>
<td>Income tax on ordinary activities</td>
<td>2 810</td>
<td>1.8</td>
<td>1 431</td>
<td>0.8</td>
</tr>
<tr>
<td>Taxes and fees</td>
<td>147</td>
<td>0.1</td>
<td>297</td>
<td>0.2</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>1 339</td>
<td>0.9</td>
<td>347</td>
<td>0.2</td>
</tr>
<tr>
<td>Other financial expenses</td>
<td>581</td>
<td>0.4</td>
<td>391</td>
<td>0.2</td>
</tr>
<tr>
<td>EXPENSES</td>
<td>154 253</td>
<td>100.0</td>
<td>175 557</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Table 3. Vertical analysis of the income statement* EKKL Inc. [own source]
In term of the attained revenues, it is evident that the revenues from disposal of the own products and services are significant. The greatest growth was in 2008 when most orders were realized. Therefore, this sum represents a large part of the total revenues.

However, owing to the great production, the production consumption forming the total expenses constituent is also high. The analysis shows a rising trend of the personnel expenses as well. This is caused by the company development and increases in number of employees. While building corporations in general use to hire workers of other firms, EKKL Inc. prefers and relies on its employees.

As it was already said, the company does not own almost any long-term assets. That is why the depreciations are also minimal. The interest expenses are growing especially due to the bank loans.

### Table 4. Horizontal analysis of the income statement Š EKKL Inc. [own source]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel expenses</td>
<td>10 972</td>
<td>20 188</td>
<td>33 908</td>
<td>84,0</td>
</tr>
<tr>
<td>Income tax on ordinary activities</td>
<td>2 810</td>
<td>1 431</td>
<td>2 590</td>
<td>1 685</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-49,1</td>
<td>81,0</td>
<td>-34,9</td>
</tr>
<tr>
<td>Taxes and fees</td>
<td>147</td>
<td>297</td>
<td>375</td>
<td>102,0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>297</td>
<td>102,0</td>
<td>-20,8</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>1 339</td>
<td>347</td>
<td>665</td>
<td>713</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-74,1</td>
<td>91,6</td>
<td>7,2</td>
</tr>
<tr>
<td>Other financial expenses</td>
<td>581</td>
<td>391</td>
<td>124</td>
<td>952</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-32,7</td>
<td>-68,3</td>
<td>667,7</td>
</tr>
<tr>
<td>EXPENSES</td>
<td>154 253</td>
<td>175 557</td>
<td>192 983</td>
<td>311 028</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13,8</td>
<td>9,9</td>
<td>61,2</td>
</tr>
</tbody>
</table>

### Table 5. Profit or loss 2005-2006 Š EKKL Inc. [own source]

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit or loss</td>
<td>9984</td>
<td>6056</td>
<td>11987</td>
<td>7862</td>
</tr>
<tr>
<td>Financial profit or loss</td>
<td>-228</td>
<td>-247</td>
<td>284</td>
<td>-1</td>
</tr>
<tr>
<td>Profit or loss for the current period (+/-)</td>
<td>6 946</td>
<td>4 378</td>
<td>9681</td>
<td>6176</td>
</tr>
<tr>
<td>Profit or loss before tax</td>
<td>9 756</td>
<td>5 809</td>
<td>12271</td>
<td>7861</td>
</tr>
<tr>
<td>Profit or loss before tax and interest costs</td>
<td>10 034</td>
<td>6 455</td>
<td>13064</td>
<td>8798</td>
</tr>
<tr>
<td>Interest costs</td>
<td>278</td>
<td>646</td>
<td>793</td>
<td>937</td>
</tr>
<tr>
<td>Income tax on ordinary activities</td>
<td>2 810</td>
<td>1 431</td>
<td>2590</td>
<td>1685</td>
</tr>
</tbody>
</table>
5.2 Subtractive indicators

<table>
<thead>
<tr>
<th>(in CZK thousand)</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Working Capital</td>
<td>7914,00</td>
<td>29248,00</td>
<td>10511,00</td>
<td>36076,00</td>
</tr>
</tbody>
</table>

*Table 6. Net Working Capital – EKKL Inc. [own source]*

The Net Working Capital has a great impact on the financial ability of a company. In the case of the analyzed firm, the ratio indicates some encouraging information. There are positive numbers in the whole monitoring period and the values have an increasing trend. It means that the amount of the current liabilities is lower than the amount of the current assets which is the source of financing these liabilities.

5.3 Ratio indicators

5.3.1 Profitability

<table>
<thead>
<tr>
<th>(in CZK thousand)</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on assets (%)</td>
<td>26,71</td>
<td>10,23</td>
<td>20,08</td>
<td>9,34</td>
</tr>
<tr>
<td>Return on equity (%)</td>
<td>85,32</td>
<td>34,97</td>
<td>89,76</td>
<td>38,36</td>
</tr>
<tr>
<td>Return on sales (%)</td>
<td>4,34</td>
<td>2,45</td>
<td>4,96</td>
<td>1,99</td>
</tr>
<tr>
<td>Gross profit margin (%)</td>
<td>6,23</td>
<td>3,39</td>
<td>6,14</td>
<td>2,52</td>
</tr>
</tbody>
</table>

*Table 7. Profitability ratios – EKKL Inc. [own source]*
The return on assets ratio measures a rate of total assets. The indicator is supposed to grow in time. In case of the analyzed company it varies, therefore the condition is not fulfilled. On the contrary, the profitability is lowest in the last period.

Contrary of the previous one, the return on equity ratio evaluates a rate regardless of the sources. The results show even more how a company manages its sources. This indicator is supposed to be greater than the return on assets ratio. It has managed to fulfill this condition.

Concerning the return on sales, a satisfying fact is there are positive values in the whole analyzed period. Although the sales do not show the greatest amount in these years, they have a significant share in profit. The period 2008 reflects an opposite trend even though the sales are significant compared to the last periods, they have a lower share in profit. For that reason, the return is lower as well.

### 5.3.2 Assets turnover

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory turnover</td>
<td>93,00</td>
<td>28,90</td>
<td>22,91</td>
<td>29,20</td>
</tr>
<tr>
<td>Receivables turnover</td>
<td>12,64</td>
<td>5,66</td>
<td>5,05</td>
<td>5,89</td>
</tr>
<tr>
<td>Payables turnover</td>
<td>9,16</td>
<td>13,47</td>
<td>5,22</td>
<td>10,55</td>
</tr>
<tr>
<td>Inventory period (days)</td>
<td>3,87</td>
<td>12,45</td>
<td>15,72</td>
<td>12,33</td>
</tr>
<tr>
<td>Receivables period (days)</td>
<td>28,49</td>
<td>63,64</td>
<td>71,29</td>
<td>61,10</td>
</tr>
<tr>
<td>Payables period (days)</td>
<td>39,32</td>
<td>26,73</td>
<td>69,00</td>
<td>34,12</td>
</tr>
</tbody>
</table>

*Table 8. Assets turnover*  
*EKKL Inc. [own source]*

The inventory value grows every year. The inventory turnover indicator is quite constant, except the period 2005. The high turnover reflects that inventories are not kept in stock so much. The company should be particular in not to keep inventories in stock for a long time. The inventories in stock hold needed financial sources.

The receivables period ratio indicates an average period of amortization. It predicate about quality of consumers. The short-term receivables are high and have an increasing trend. The receivables period is two months in average. This fact is not positive for the company.
Concerning the payables period, it should be longer or the same as the receivables period is. In this case, this condition is not fulfilled. Moreover, the receivables period is twice as long in average. The company covers its commitments earlier than it takes in the receivables.

5.3.3 Liquidity

<table>
<thead>
<tr>
<th>(in CZK thousand)</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Recommended values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liquidity (%)</td>
<td>1,45</td>
<td>3,20</td>
<td>1,28</td>
<td>2,22</td>
<td>1,5 - 2,5</td>
</tr>
<tr>
<td>Quick liquidity (%)</td>
<td>1,35</td>
<td>2,74</td>
<td>1,05</td>
<td>1,86</td>
<td>1 - 1,5</td>
</tr>
<tr>
<td>Cash liquidity (%)</td>
<td>0,63</td>
<td>0,36</td>
<td>0,02</td>
<td>0,07</td>
<td>0,2 - 0,5</td>
</tr>
</tbody>
</table>

*Table 9. Liquidity ratios – EKKL Inc. [own source]*

The liquidity ratio reflects a company’s ability to cover its commitments. The indicators measure what could be paid and what have to be paid. The current liquidity shows how many more current assets a company has compared to the short-term payables. Except 2006, the ratio fulfills the recommended values. According to this ratio, the company’s ability to settle up its debts is on a good level.

The recommended value of the quick liquidity ratio is 1 1.5 or better slightly higher than 1%. Looking at the analysis, this is satisfied only in 2007.

Cash liquidity means an ability to settle a receivable by paying in cash. The results fulfill the recommendation only in the last two periods. In the first two years, the number is greater due to the low value of the short-term payables.

5.3.4 Leverage

<table>
<thead>
<tr>
<th>(in CZK thousand)</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt (%)</td>
<td>67,28</td>
<td>70,19</td>
<td>77,58</td>
<td>73,07</td>
</tr>
<tr>
<td>Debt rate (%)</td>
<td>2,15</td>
<td>2,40</td>
<td>3,47</td>
<td>3,00</td>
</tr>
<tr>
<td>interest coverage (%)</td>
<td>3591,37</td>
<td>937,46</td>
<td>1511,60</td>
<td>839,06</td>
</tr>
<tr>
<td>Equity debt rate</td>
<td>2,15</td>
<td>2,40</td>
<td>3,47</td>
<td>3,00</td>
</tr>
<tr>
<td>Self-financing factor (%)</td>
<td>31,30</td>
<td>29,25</td>
<td>22,36</td>
<td>24,36</td>
</tr>
</tbody>
</table>

*Table 10. Leverage ratios – EKKL Inc. [own source]*
The leverage ratios are used for detection of the amount of risk which a company runs in a particular equity and other sources structure. A certain amount of leverage is usually useful for a company.

In the analyzing company, the total debt of the company is not very positive. It ranges from 67 to 78% whereas the recommendation is from 30 to 60%. However, some encouraging information could be the declined ratio value in the last year, compared to the previous period.

Equity debt rate indicator itself does not have big predicative ability. The value should be slightly lower than 1. Because of the stable earnings the analyzed corporation, the constantly higher number is tolerable

5.4 Evaluation of the financial analysis findings

The aim of the work has been to realize the financial analysis of EKKL Inc., and eventually to recommend a set of measures. For realizing of the analysis, the absolute, subtractive and ratio indicators have been used.

The absolute indicator analysis has revealed that the company does not own almost any fixed assets. The majority of the property structure is formed by the current assets. Undoubtedly, a positive finding is the constant profitability of the corporation. The fact that EKKL Inc. does not have any long-term payables is very encouraging as well. Nevertheless, the other assets still exceed the equity anyway. The majority of revenues rises from the revenues from disposal of the own products and services. On the other hand, due to this situation the production consumption is also great.

From the ratio analysis findings it is obvious that the company does not fulfill the recommended values of the return of assets but it manages its sources very well. The return on sales indicator has revealed positive values. However, it has also revealed that a high number of sales do not have to signify a high return. Assets turnover ratios have shown a favourable time of the inventory period and the fact that the company covers its commitments in time which is positive information for possible customers. Nevertheless, the analysis has revealed a great number of the short-term receivables and great receivables period which is not encouraging for the company. EKKL Inc. fulfills the given values of the current liquidity and it is able to cover it commitments. Considering the quick and cash liquidity ratios, the
values are fulfilled only in a part of the analyzing period. The firm analyses a higher leverage than the recommendation is.

5.5 Set of measures

The recommended set of measures results from the findings of the realized analysis.

The company should still reduce its solvency. It would be proper to stop increasing of inventories in stock because of the fact that the inventories hold a lot of financial sources. An attention should be paid to the high receivables period. It is necessary to improve the recovering tools and to establish some stricter steps.
CONCLUSION

The main task of this bachelor thesis was to carry-out the financial analysis and to find out a predicative capability of the financial statements – the balance sheet and the income statement - on running the company EKKL Inc. in the years 2005-2008. The analysis was realized with the view of revealing financial situation of the company. On the basis of the findings, a set of some possible measures should have been recommended.

The thesis is divided into the two main parts – theoretical and practical.

In the theoretical part, the term of financial analysis was introduced and a purpose and main goals of the analysis were explained. Then the sources of data useful for realizing of the financial analysis and possible users of the findings were specified. Finally, the methods and indicators of the analysis used in the practical part were described. The attention was focused on the absolute indicators (vertical and horizontal analysis), the subtractive indicator (net working capital) and the ratio indicators (profitability, liquidity, leverage and assets turnover).

In the practical part, the analyzed company EKKL Inc. was introduced. It is a Czech building company established in 1990. Concerning the Czech Republic, the firm belongs among the top corporations running their business in this corporate sector. Nevertheless, EKKL Inc. does its business not only within the Czech Republic. It has expanded abroad and gained contracts in some foreign countries such as Slovakia or even Kazakhstan.

In the second part of the practical section, the financial analysis carried out by means of the described methods was presented. For realizing of the analysis, the balance sheets and income statements of the company were used. On the findings of the analysis, the summary was made and a set of possible measures was recommended.

In terms of the realized financial analysis, the company’s strengths as well some possible difficulties have been already pointed out. In 2007 the company management decided to change the legal form from a limited company to an incorporated one. According to the financial analysis findings, the decision seems to be correct so far.

The most important and very positive information is that the corporation indicated constant profitability in all the analyzed years. Profit is one of the main indicators for measuring of financial health of a business subject.
The absolute ratio analysis of the balance sheets has revealed that the significant part of the property structure is formed by the current assets. The company does not own almost any fixed assets. The finding that EKKL Inc. does not have any long-term payables is other very positive information, especially for all the possible investors and customers. However, the total other assets are still exceeding the equity anyway.

The Net working capital ratio indicates positive numbers in the whole monitoring period and the values have an increasing trend. It means that the amount of the current liabilities is lower than the amount of the current assets which is the source of financing these liabilities.

Looking at the vertical and horizontal analysis of the income statements, it is obvious that the company rises majority of revenues rises from the revenues from disposal of their own products and services. On the other hand, due to this situation the production consumption is also high.

Regarding the ratio analysis findings, it is obvious that the company does not fulfill the recommended values in the return of assets but it manages its sources very well. The positive values have been indicated in the return on sales as well. On the other hand, the return on sales ratio has also revealed that a high number of sales do not have to signify a high return. Assets turnover ratios have shown a favourable time of the inventory period. This analysis finding has expressed a company’s ability to cover its commitments in time. Nevertheless, there is a great number of the short-term receivables and also a high value of the receivables period indicator which is not encouraging for the company at all. EKKL Inc. fulfills the given values of the current liquidity and, it was said before, it is able to cover it commitments. The quick and cash liquidity ratio values are fulfilled only in a part of the analyzing period. The firm analyses a higher leverage than the recommendation is.

On the basis of the realized analysis, a set of measures was recommended.

The company should still continue in reducing its solvency. It would be proper to stop increasing of inventories in stock and a big attention should be paid to the high receivables period. It is necessary to improve the recovering tools and to establish some stricter steps for recovering the receivables.

At the end, it is good to say that EKKL Inc. runs its business well. However, it is necessary to monitor the variations and fluctuations and try to eliminate them as much as possible.
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APPENDICE II  Income statement (2005 - 2008)
APPENDICE III  Company projects
**APPENDICE I: BALANCE SHEET (2005 - 2008)**

<table>
<thead>
<tr>
<th>(in CZK thousand)</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>26 006</td>
<td>42 801</td>
<td>48 215</td>
<td>66 094</td>
</tr>
<tr>
<td>Fixed assets</td>
<td>58</td>
<td>0</td>
<td>0</td>
<td>41</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>58</td>
<td>0</td>
<td>0</td>
<td>41</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>25 412</td>
<td>42 521</td>
<td>47 917</td>
<td>65 666</td>
</tr>
<tr>
<td>Inventory</td>
<td>1 723</td>
<td>6 184</td>
<td>8 522</td>
<td>10 689</td>
</tr>
<tr>
<td>Long-term receivables</td>
<td>2 524</td>
<td>6 321</td>
<td>135</td>
<td>5 304</td>
</tr>
<tr>
<td>Short-term receivables</td>
<td>10 154</td>
<td>25 282</td>
<td>38 520</td>
<td>47 682</td>
</tr>
<tr>
<td>Short-term financial assets</td>
<td>11 011</td>
<td>4 734</td>
<td>640</td>
<td>1 991</td>
</tr>
<tr>
<td>Accruals</td>
<td>536</td>
<td>280</td>
<td>296</td>
<td>387</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>26 005</td>
<td>42 801</td>
<td>48 216</td>
<td>66 094</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>8 141</td>
<td>12 519</td>
<td>10 780</td>
<td>16 102</td>
</tr>
<tr>
<td>Registered capital</td>
<td>1 000</td>
<td>1 000</td>
<td>1 000</td>
<td>10 000</td>
</tr>
<tr>
<td>Reserve funds, ...</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Profit/loss for the last period</td>
<td>95</td>
<td>7 041</td>
<td>0</td>
<td>-74</td>
</tr>
<tr>
<td>Profit/loss for the current period</td>
<td>6 946</td>
<td>4 378</td>
<td>9 680</td>
<td>6 176</td>
</tr>
<tr>
<td><strong>Other sources</strong></td>
<td>17 498</td>
<td>30 042</td>
<td>37 406</td>
<td>48 298</td>
</tr>
<tr>
<td>Short-term payables</td>
<td>17 498</td>
<td>13 273</td>
<td>37 406</td>
<td>29 590</td>
</tr>
<tr>
<td>Bank loans</td>
<td>0</td>
<td>16 769</td>
<td>0</td>
<td>18 708</td>
</tr>
<tr>
<td>Accruals</td>
<td>366</td>
<td>240</td>
<td>30</td>
<td>1 694</td>
</tr>
</tbody>
</table>
APPENDICE II: INCOME STATEMENT (2005 - 2008)

<table>
<thead>
<tr>
<th>(in CZK thousand)</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from sold goods</td>
<td>2 940</td>
<td>10 706</td>
<td>1 942</td>
<td>6 035</td>
</tr>
<tr>
<td>Production</td>
<td>157 266</td>
<td>168 077</td>
<td>199 131</td>
<td>308 574</td>
</tr>
<tr>
<td>*Revenues from disposal of own products &amp; services</td>
<td>0</td>
<td>0</td>
<td>193 330</td>
<td>306 173</td>
</tr>
<tr>
<td>*Change in own production inventories</td>
<td>0</td>
<td>0</td>
<td>-1 345</td>
<td>2 401</td>
</tr>
<tr>
<td>Activation</td>
<td>0</td>
<td>0</td>
<td>7 146</td>
<td>0</td>
</tr>
<tr>
<td>Interest revenues</td>
<td>26</td>
<td>98</td>
<td>143</td>
<td>210</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>362</td>
<td>362</td>
<td>390</td>
<td>707</td>
</tr>
<tr>
<td>Other financial revenues</td>
<td>605</td>
<td>692</td>
<td>1 058</td>
<td>1 867</td>
</tr>
<tr>
<td><strong>REVENUES</strong></td>
<td>161 199</td>
<td>179 935</td>
<td>202 664</td>
<td>317 204</td>
</tr>
<tr>
<td>Expenses on sold goods</td>
<td>2 260</td>
<td>9 181</td>
<td>1 810</td>
<td>4 092</td>
</tr>
<tr>
<td>Production consumption</td>
<td>135 837</td>
<td>143 018</td>
<td>173 817</td>
<td>268 434</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>278</td>
<td>646</td>
<td>793</td>
<td>937</td>
</tr>
<tr>
<td>Depreciations of IA &amp; TA</td>
<td>29</td>
<td>58</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>10 972</td>
<td>20 188</td>
<td>12 809</td>
<td>33 908</td>
</tr>
<tr>
<td>Income tax on ordinary activities</td>
<td>2 810</td>
<td>1 431</td>
<td>2 590</td>
<td>1 685</td>
</tr>
<tr>
<td>Taxes and fees</td>
<td>147</td>
<td>297</td>
<td>375</td>
<td>297</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>1 339</td>
<td>347</td>
<td>665</td>
<td>713</td>
</tr>
<tr>
<td>Other financial expenses</td>
<td>581</td>
<td>391</td>
<td>124</td>
<td>952</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td>154 253</td>
<td>175 557</td>
<td>192 983</td>
<td>311 028</td>
</tr>
</tbody>
</table>
APPENDICE III: COMPANY PROJECTS

Multifunction sports hall: Most

Tennis court: Praha, Stvanice

Athletic stadium: Trnava