

A Financial Analysis of a Selected Company

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ABSTRAKT

Tato bakalářská práce je zaměřena na finanční analýzu společnosti HON – okna, dveře s.r.o. v letech 2021 až 2023. Cílem práce je posoudit finanční situaci podniku, zhodnotit vývoj vybraných ukazatelů a identifikovat oblasti, ve kterých by mohlo dojít ke zlepšení. Práce je rozdělena na dvě části – teoretickou a praktickou. Teoretická část se věnuje obecným východiskům finanční analýzy, účetním výkazům a klíčovým finančním ukazatelům. Praktická část je zaměřena na samotný profil společnosti a provádí vertikální a horizontální analýzu rozvahy a výkazu zisku a ztráty, dále analýzu rentability, likvidity, zadluženosti a aktivity. Závěrem práce jsou shrnuty klíčové poznatky, získané během finanční analýzy a formulována doporučení, která mají přispět ke zlepšení finanční stability a výkonnosti společnosti.

Klíčová slova: finanční analýza, finanční zdraví, poměrové ukazatele, vertikální analýza, horizontální analýza, účetní výkazy, rozvaha, výkaz zisku a ztráty

ABSTRACT

This bachelor's thesis focuses on the financial analysis of the company HON–okna, dveře s.r.o., over the period from 2021 to 2023. The objective of the thesis is to assess the company's financial position, evaluate the development of selected financial indicators, and identify areas with potential for improvement. The thesis is divided into two parts - theoretical and practical. The theoretical part outlines the general principles of financial analysis, financial statements, and key financial ratios. The practical part is dedicated to the company's profile and includes vertical and horizontal analysis of the balance sheet and income statement, along with an analysis of profitability, liquidity, leverage, and activity. In conclusion, the thesis summarises the key findings obtained through the financial analysis and provides recommendations aimed at enhancing the company's financial stability and overall performance.

Keywords: financial analysis, financial health, financial ratios, vertical analysis, horizontal analysis, financial statements, balance sheet, income statement

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INTRODUCTION

The financial analysis serves as a comprehensive method for the evaluation of a company's economic situation and financial health. Its primary objective is to provide relevant financial data to support effective decision-making regarding the company's operations.

The aim of this bachelor's thesis is to analyse the financial situation and provide suggestions of improvements of HON-okna, dveře s.r.o., a company classified under CZ NACE in the sector C, manufacturing, division 16, which covers the manufacture of wood, products of wood and cork, articles of straw and wicker materials, except furniture. The analysis is conducted for the years from 2021 to 2023, based on data available in financial statements.

The thesis is divided into theoretical and practical parts. The theoretical part is divided into three chapters: financial analysis, financial statements and methods and indicators of financial analysis. It provides the necessary theoretical background for understanding the terminology required for understanding and conducting the practical part of the thesis. The practical part introduces the company itself and presents the financial analysis. Financial analysis includes vertical and horizontal analysis of the balance sheet and income statement, and the analysis of selected ratio indicators such as profitability ratios, liquidity ratios, leverage ratios and activity ratios.

The thesis concludes with an evaluation of the company's financial health and provides recommendations for improving its financial position based on results from financial analysis.

I THEORETICAL PART

1 FINANCIAL ANALYSIS

Financial analysis is a system of collecting and examining data from financial statements. These statements include an evaluation of the company's past performance and present condition as well as forecasts of its future financial conditions (Růčková 2019, 11).

Financial analysis is a comprehensive tool used to evaluate a company's financial health. It assesses whether the company is sufficiently profitable, has an appropriate capital structure, uses its assets effectively and is able to repay its obligations on time. Continuous knowledge of the company's financial situation enables the management team to make informed decisions about securing financial resources, determining the optimal financial structure, allocating surplus funds, extending trade credit, and distributing profits (Vochozka 2020, 33; Knápková et al. 2017, 17-18).

Understanding the company's financial situation as well as past performance is crucial for anticipating future developments and conducting accurate valuation (Koller, Goedhart, and Wessels 2020, 239).

Financial analysis plays an integral part in financial management. It assesses and provides feedback on the company's progress over time in various areas. Companies use financial analysis results to predict the company's future, giving valuable insights into profitability, financial stability, operational efficiency, and potential risks. These results benefit the company and external stakeholders who are economically, financially, or otherwise connected to the enterprise. Financial analysis is vital for managers in both short-term and long-term financial management. It includes a variety of methods and approaches that contribute to addressing different decision-making challenges. Financial analysis can be used to make investment plans, finance long-term assets, select an optimal capital structure, or prepare financial plans (Knápková et al. 2017, 17-18).

Results from the financial analysis are needed not only for company managers and investors but also for business partners, international organisations, government institutions, employees, auditors, competitors, stockbrokers and the public (Knápková et al. 2017, 17-18).

Before conducting a financial analysis, the most important part is to carefully consider the target user, as each interested group values different types of information. Business owners prioritise the evaluation of return on investment, with a clear focus on profitability, return on capital and the company's overall performance (Knápková et al. 2017, 17-18).

In contrast, creditors focus primarily on their business partners' liquidity and ability to settle debt obligations. Government institutions place significant importance on a company's ability to generate profits, pay taxes, and support the state budget. The competitors' main aim is to gather specific data from the companies that perform well in the market, analyse them, draw conclusions, and adopt efficient practices. Investors pay close attention to a company's financial health and stability because these insights may play a key role in future investment decisions. Employees primarily concentrate on opportunities connected with higher wages and information about the company's profitability and liquidity because these factors ensure long-term stability and business activity (Knápková et al. 2017, 17-18).

1.1 Functions of financial analysis

The role of financial analysis varies based on its intended use. In general, several aspects can be distinguished depending on the circumstances. According to Kubíčková and Jindřichovská (2015, 12-13), these include the following:

- Descriptive function – serves as a tool to expand, complement, and simplify the description of business processes using previous years' accounting data by calculating values and evaluating the return on capital or labour productivity and the company's earnings.
- Valuation function – this function compares various indicators. Allows comparison with other companies and factors such as industry sector average values and national economy, enabling an assessment of a company's financial condition. Comparing the company's achieved return on investment with recommended values and competitors' values.
- Explanatory function – this function explains why certain factors influenced outcomes and to what extent these factors have impacted the phenomena. For example, decreased productivity or increased operational costs were caused by inefficient use of resources or that low demand was influenced by high prices.
- Predictive function – financial analysis allows the determination of a company's future developments through the analysis of calculated data. For example, assessing whether the company will thrive or face difficulties in the following period.

According to Kubíčková and Jindřichovská (2015, 13), different approaches to financial analysis can be distinguished according to the perspective of scope and focus.

- Analysis of accounting data for the past accounting period – focuses on identifying fundamental factors and relationships between reported data, usually to evaluate them with planned values.
- Analysis of accounting data over several periods - crucial to evaluate problems that persist, monitor developing trends, implement corrective measures, introduce strategy improvements, and value the business.
- Analysis of accounting data - involves the examination of accounting data to determine and forecast probable future developments.

1.2 Users of financial analysis

A company interacts with both internal and external users who are interested in its operations, performance, and overall value (Brealey et al. 2022, 588-591). These stakeholders include employees, customers, suppliers, communities, the government, and regulatory bodies, all of whom may be affected by the company's actions (Brealey et al. 2022, 611). Managers and top executives use information about a company's financial health, while other users (internal and external) rely on this data to make decisions and evaluations (Vochozka 2020, 33).

The importance of internal and external users of financial analysis depends widely on the specific objectives of the analysis. Internal users such as company management, employees and owners rely on financial data to manage the company's day-to-day operations and drive long-term business growth. External users, including investors, banks and suppliers, evaluate the company's financial health, creditworthiness, and investment potential, which is essential for acquiring capital and financing (Růčková 2019, 11-13).

1.2.1 Internal users

Internal users of financial analysis consist of directors and company management, employees and owners.

- Directors and company management use the financial analysis results and apply them to a company's short-term and long-term decisions, including managing the structure of assets and capital, determining profit distribution and supervising other

key corporate decisions (Kubíčková and Jindřichovská 2015, 11). Management evaluates the company's solvency in the short-term period, the structure of the company's funding sources and financial independence. Liquidity is analysed because it indicates the company's ability to meet its short-term obligations. Assessing profitability is vital as it enables managers to anticipate future strategic decisions. Managers utilise financial analysis outputs to plan and set the company's future goals (Růčková 2019, 13; Vochozka 2020, 33).

- Employees rely on the company's overall financial health, particularly on information related to job security, salaries and long-term stability (Knápková et al. 2017, 17). Employees also appreciate career development and professional opportunities, which can potentially enhance their engagement with the company and increase their motivation at work (Kubíčková and Jindřichovská 2015, 11; Vochozka 2020, 33).
- Owners (shareholders) use financial analysis to draw conclusions about the return on invested capital, evaluate the overall performance and decision-making of the company's management, make decisions about profit distribution, and analyse the long-term business strategies for the company's valuation (Luca 2008, 51-52).

1.2.2 External users

External users are entities that operate outside the company. Since they are not involved in its internal decision-making processes, financial statements serve as their primary source of information about the company's performance and operations (Luca 2008, 50-54). External users involve investors, banks and other creditors, suppliers, government and its agencies, competitors and the general public.

- Investors use financial analysis to evaluate profitability indicators, liquidity ratios, earnings trends and overall financial health of the company to determine the potential for future returns before making investment decisions. They are mainly interested in the company's profitability as they seek to minimise risks associated with their investments (Knápková et al. 2017, 17; Kubíčková and Jindřichovská 2015, 11).
- Banks and other creditors rely on financial analysis results, with an emphasis on liquidity and leverage indicators to assess creditworthiness and solvency. They seek

to determine whether the company can meet its debt obligations on time, including loan repayments and interest payments (Kubíčková and Jindřichovská 2015, 11; Vochozka 2020, 33).

- Suppliers are primarily interested in the company's short-term liquidity and its ability to meet its financial obligations as well as other responsibilities, including adherence to payment deadlines. Financial data can be used to assess the company's future prospects, which may potentially influence their decisions regarding future cooperation.
- Government and its agencies use financial analysis results for statistics on the national level, evaluations of the national economy and for developing state policies (Kubíčková and Jindřichovská 2015, 11).
- Competitors use financial analysis results to compare them with their own, make conclusions, potentially make improvements, take inspiration from other companies, and try to avoid the mistakes made by others in the industry (Luca 2008, 52-54; Vochozka 2020, 33).

1.3 Data sources for financial analysis

Financial analysis requires data collection to ensure the accurate evaluation and achieve meaningful outcomes (Knápková et al. 2017, 18). The primary data sources for a financial analysis are financial statements. It is necessary to use additional supplementary data sources while conducting financial analysis, which depends on the objective of the analysis, such as evaluating financial health, assessing investment opportunities, identifying risks or predicting future performance (Kubíčková and Jindřichovská 2015, 17).

The fundamental sources of data include statement of financial position, income statement, cash flow statement and statement of changes in equity. Another valuable source of information could be an annual report and notes to the financial statements. Additional data can be obtained from reports made by management, executives, auditors, and the company's statistics on production, demand, sales, or employment. Other sources include economic statistics, stock market reports, expert commentary in specialised publications and independent evaluations and forecasts (Knápková et al. 2017, 18).

Sources of data for financial analysis are, according to (Kubíčková and Jindřichovská 2015, 17) categorised as:

- Accounting records - financial statements, including balance sheets, income statements, statements of changes in equity, and additional disclosures, such as notes on financial statements. Documents used in managerial accounting include cost reports and financial planning analyses. Annual reports include additional data not contained in financial statements. Securities prospectuses, which contain financial statements supplemented with additional information related to the company's future development plans or investment risks.
- Other data from the corporate information system - data contained within statistical and operational records, in the company's internal guidelines and in regulations of various types.
- External data - data included in the commercial register, in the information presented on the capital market, in the professional press, and in statistical yearbooks.

To utilise the data derived from the conceptual understanding of the business system, managers and analysts must analyse the valuable information and monitor the financial health of the company and its operational performance (Helfert 2001, 37).

2 FINANCIAL STATEMENTS

Financial analysis relies on input data derived from financial statements (Knápková et al. 2017, 21). Financial statements are official documents that record a company's business activities and financial results. They are released to provide valuable insights about business performance to subjects with a potential interest in them (Alexander 2018, 13).

The three primary financial statements are the Balance Sheet, the Income Statement, and the Notes to the FS. Significant complements are the Statement of Cash Flow, Statement of Changes in Equity and Annual Report prepared by large entities. To analyse financial outcomes, a proper understanding of those statements is necessary (Ministry of Finance of the Czech Republic 2020; Alexander 2018, 13).

Financial statements are prepared using accounting records maintained by bookkeeping personnel who ensure the systematic documentation and tracking of financial transactions within the company. These transactions must be appropriately classified and recorded over time to secure accurate financial reporting and to provide a structured representation of the company's financial position (Young, Cohen, and Bens 2019, 1).

While financial statements serve accounting and tax-related purposes, they may not necessarily contain data that fully depicts the company's economic situation. Additional factors such as financial ratios, the company's market position and business strategy require careful evaluation to gain a thorough insight. The main limitation of financial statements is their dependence on previous financial data, which does not provide the company's accurate financial state (Knápková et al. 2017, 21; Alexander 2018, 13-14).

Financial statements function as a medium for managers to facilitate communication with stakeholders, primarily business investors involved in a company, but not for corporate decision-making (Young, Cohen, and Bens 2019, 1).

Decree No. 500/2002 Coll. for entrepreneurs, which implements certain provisions of Act No. 563/1991 Coll., on accounting, as amended, guides companies on how to prepare financial statements (Šteker and Otrusínová 2021, 36-37).

The decree includes the extent and manner of preparing financial statements, along with the detailed specification of certain items in the balance sheet, income statement, notes to the financial statements, the cash flow statement and the statement of changes of equity. Additionally, it provides consolidation methods, and structure, along with a

detailed definition of certain items in the consolidated financial statements. It also includes the arrangement and classification of balance sheet items, items in the profit and loss statement by the classification of nature, items in the profit and loss statement by the classification of function and the structure of the standard chart of accounts (Šteker and Otrusínová 2021, 36-37).

2.1 Balance sheet

The balance sheet is the primary financial statement of any business entity and provides information about what assets the company owns and from what sources these assets are financed. The balance sheet is prepared as of a specific date, and the principal balance rule is that assets must equal the sum of debts and equity (Knápková et al. 2017, 24; Helfert 2001, 38).

This enables analysts to assess the company's capability to cover its short-term operating expenses and upcoming financial debts and allocate profits to owners. Analysts should be cognizant that different measurement techniques may be applied concerning various items and debts. It is important to comprehend that understanding various measurement challenges will encourage a smoother analysis process (CFA Institute 2017, 218).

A company's financial position is defined by three key components: assets, debts, and equity. The balance sheet, also known as the statement of financial position or statement of financial condition, provides a reality of the entity's current financial standing. Outlines the entity's assets, debts and the owner's equity (CFA Institute 2017, 218-219).

According to Czech rules of financial reporting, in the balance sheet, three sections are outlined under assets for the accounting period related to different financial categories: gross, adjustments and net. Gross represents the condition of individual asset items in active accounts valued as per the accounting laws. Adjustments reflect the total of allowances and depreciation to particular asset accounts. Net expresses the difference between gross and adjustments (Šteker and Otrusínová 2021, 247).

Assets from previous years are reported only in the net value section. Two sections, such as current and previous accounting periods, are presented on the liabilities side (Šteker and Otrusínová 2021, 247).

According to Fridson and Alvarez (2022), the balance sheet is important. but has some limitations. The balance sheet is theoretically designed to summarise the value of all a company's assets, determining their values is often challenging in practice, because some valuable elements, such as human capital, cannot be easily quantified and are omitted from the statement. This may limit the completeness of the financial picture.

2.1.1 Assets

Assets represent items owned and controlled by a company that provide future financial benefits (CFA Institute 2017, 218). Assets are classified in the balance sheet based on factors such as their holding period and liquidity, which refers to the ease with which they can be converted into liquid funds. The significance of this asset division lies in ensuring the ability to settle due debts (Knápková et al. 2017, 21).

Assets are in the balance sheet structured into three basic categories:

- A Fixed assets
- B Current assets
- C Accruals

Fixed assets

Fixed assets represent long-term resources that remain in use for more than one year and are valued based on the assessment determined by the accounting body. Accounting bodies acquire these assets not for immediate resale but for future use as a part of their business activities to generate advantages in the form of revenue or an increase in asset value. The consumption of fixed assets is systematically recognised over time through depreciation rather than being expensed within one accounting cycle. Depreciation serves as a tool for allocating the value of fixed assets into the expenses of the specific accounting periods during which the assets are employed to produce revenue (Šteker and Otrusínová 2021, 41; Damodaran 2014, 1-2).

Some fixed assets, such as lands and securities, are not depreciated because they do not wear out. Instead, they increase in value over time (Šteker and Otrusínová 2021, 41). Fixed assets include elements such as intangible fixed assets, tangible fixed assets and long-term financial assets. These long-term resources are valued either by acquisition cost, reproduction acquisition cost, or by the accounting entity, which determines its value independently based on its own costs (Šteker and Otrusínová 2021, 41; CFA Institute 2017, 218).

Current assets

Current assets represent short-term assets the company is expected to convert into liquid funds within 12 months, typically within one operating cycle, which involves processing raw materials or semi-products into final goods. This process also includes offering the items for sale and collecting payments from customers (Young, Cohen, and Bens 2019, 25).

Current assets are not depreciated like fixed assets; however, the adjustments column is still employed in the balance sheet section. This column does not track depreciation but adjustments, which represent a temporary reduction in an asset's value as a consequence of the decline in market prices or the overall value of assets (Knápková et al. 2017, 31).

As required by Decree No. 500/2002 Coll, specific items must be included on a balance sheet separately, but only under the condition that they are material. This includes inventories, trade and other receivables, short-term financial assets and cash and cash equivalents (CFA Institute 2017, 223).

Inventories represent the material in inventories, work in progress and semi-products of own production, finished products of own production and goods purchased with the intention of resale. They are used in the inventory turnover ratio to determine how fast inventory is sold. Low turnover indicates overstocking, while high turnover suggests efficient management. Receivables can be categorised into short-term and long-term according to their maturity period. Long-term receivables are classified as current assets, even if their maturity period exceeds one year. These include trade receivables or receivables from shareholders. Used to examine the company's cash conversion cycle. Short-term financial assets enable short-term investing of surplus funds to maximise returns and support the availability of short-term corporate liquidity. It includes securities tradable on the money market, such as short-term bonds or bills of exchange acquired for the purpose of trading. Short-term financial securities are included in liquidity analysis, specifically while examining the quick ratio, which measures the company's ability to meet its short-term financial obligations. Cash equivalents consist of securities, cash and funds held in bank accounts. Cash equivalents represent the company's available liquid funds and its ability to meet short-term obligations without relying on external financing (CFA Institute 2017, 219-230; Knápková et al. 2017, 30-31).

2.1.2 Liabilities

The side of liabilities represents the company's sources of financing. Liabilities represent a company's obligations toward entities. A liability emerges when a company receives value and, in return, commits to pay the supplier a set price by the agreed maturity date (Young, Cohen, and Bens 2019, 27; Růčková 2019, 26).

According to Knápková et al. 2017, 33 the financial structure on the liabilities side is composed of the following:

- A. Equity
- B+C. Debt
- D. Deferrals

Equity

Equity represents an internal source of financing for a company's assets. In the context of international accounting, equity is defined as the difference between total assets and debts. A business entity acquires equity from its owners (through contributions to registered capital) as well as through its own operations (generating profit after taxation) (Šteker and Otrusinová 2021, 125).

According to Knápková et al. (2017, 35-38), equity consists of registered capital, share premium and capital funds, funds from earnings, profit/loss from previous years, and profit/loss from the current year.

Debts

Provisions, along with long-term and short-term debts, form an integral part of a company's financial structure. Debts are held by a company for a specified period, and once they become due, they must be settled. Provisions are financial amounts set aside, intended to cover the company's future expenses or obligations. They may include provisions for repairs of tangible assets or warranty-related claims (Knápková et al. 2017, 38; Šteker and Otrusinová 2021, 157).

Long-term debts refer to trade obligations arising from trade transactions with a maturity exceeding one year. These typically include bonds issued by the company, long-term advances from customers, long-term notes payable or long-term loans (Knápková et al. 2017, 38).

Short-term debts include obligations that must be settled within a year. Short-term debts include obligations to suppliers, short-term notes payable and customer prepayments, as well as debts to employees (wages) or institutions (social security contributions), dues owed to business partners or shareholders and short-term loans (Knápková et al. 2017, 38).

2.2 Income statement

The income statement is also known as the profit and loss statement or the statement of earnings (Ittelson 2020, 46). The income statement provides an overview of the company's financial performance over a given accounting period by summarising its revenues and expenses. It can be structured in either a horizontal or vertical format (Šteker and Otrusínová 2021, 247; Kubičková and Jindřichovská 2015, 28).

Revenues represent the total earnings a company generated during an accounting period, regardless of whether the cash has been received over that period. Expenses are specified as financial amounts the company has incurred to generate revenue, regardless of whether the actual payment over an accounting period has occurred.

A company's financial performance is determined by subtracting total expenses from total revenues. This calculation reflects the overall profitability of the business. A company either reports a net profit or a net loss (Knápková et al. 2017, 40-41).

The final result can be either operating or financial. Operating profit/loss is calculated by summing all operating revenues and deducting all operating expenses. Financial profit/loss is calculated as the difference between financial revenues and financial expenses. By adding the operating and financial results, the profit/loss before tax is calculated. When income tax is subtracted, the result is the profit/loss after tax. After deducting the item "transfer profit/loss to partners," the profit/loss of the current accounting period is calculated (Knápková et al. 2017, 46-49).

In financial analysis, several indicators can be used to measure the company's profitability at various stages of the income statement. These metrics include:

- EAT (earnings after tax) represents net profit or loss after deducting income tax, referred to as net profit/loss
- EBT (earnings before tax) indicates profit before taxation and is calculated as the sum of operating and financial results.

- EBIT (earnings before interest and taxes) represents operating profit before interest and tax deduction.
- EBITDA (earnings before interest, taxes, depreciation and amortisation) measures operating performance before deducting interest, taxes, depreciation, and amortisation (Knápková et al. 2017, 48).

2.3 Statement of changes in equity

The statement of changes in equity is a financial report that provides details on the company's arrangement of equity items while providing a detailed overview of all equity-related changes during the accounting period, e.g., the statement provides an overview of equity changes of both the current and the previous accounting periods (Růčková 2019, 38; Šteker and Otrusínová 2021, 250-251).

The statement of changes in equity reflects variations arising from transactions with owners and other equity-related transactions. Instead of focusing on revenues and expenses, it tracks changes in equity components, such as retained earnings, share capital, and revaluation reserves. It operates as an additional statement to the balance sheet, specifically detailing changes on the equity side (Růčková 2019, 38; Šteker and Otrusínová 2021, 250-251).

2.4 Cash flow statement

The cash flows play an important role in evaluating the company's liquidity. The cash flow statement monitors the cash transfers within the course of business over a specific time frame. The cash flow report tracks all the company's transactions that result in deposits. It shows the cash available at the beginning of the accounting period, cash received during the accounting period, cash spent during that period and the cash at the end of the period (Ittelson 2020, 64).

It is important to define cash available to understand the elements of cash flow in detail. This includes money available in the bank account and cash in transit. Additionally, it is necessary to define cash equivalents. These are liquid assets that can be easily converted into cash when necessary. Examples include liquid tradable securities, short-term receivables, and loans with a maturity not exceeding 3 months (Knápková et al. 2017, 52).

The cash flow statement can be divided into operating, investing, and financial activities. The company generates cash through them. Operating activities are considered the most important part as they allow for determining the actual cash earned during the accounting period and identifying the possible factors that influence cash generation, such as working capital and its components (Růčková 2019, 35-37; Kubíčková and Jindřichovská 2015, 29-31). Operating activities involve cash outflows, such as payments to suppliers and covering employee wages (Ittelson 2020, 66). Another method of generating cash is through financial activities, which focus on external financing, mainly the changes in long-term capital cash flows associated with the movement of equity (Růčková 2019, 35-37; Kubíčková and Jindřichovská 2015, 29-31).

Financial activities generate cash through selling stock or acquiring funds through borrowing money. Financial activities that lead to cash outflows involve interest and principal repayments on debt and paying dividends to shareholders (Ittelson 2020, 66).

Investing activities represent cash payments related to the acquisition of investment assets, the arrangement of these payments, and the income from the sale of investment assets (Růčková 2019, 35-37; Kubíčková and Jindřichovská 2015, 29-31). It is important to note that investment activities lead to cash outflows, such as making capital investments and paying tax obligations to government authorities (Ittelson 2020, 66).

Cash flow for a given accounting period can be either positive or negative. Positive reflects that the company generated more inflows than outflows, which results in having more cash at the end of the period than it had at the beginning. Negative cash flow reveals that the company's outflows exceed inflows and has less cash available at the end of the period. Continuous negative cash flow is connected to the risk of running out of cash and not being able to meet short-term obligations as they arise (Ittelson 2020, 66).

It is important to note that a company may report profitability on the income statement but still face liquidity problems and insufficient cash to meet short-term debts. The cash flow statement provides an accurate overview of the company's liquidity while detailing the cash and cash equivalents available (Knápková et al. 2017, 51-52).

Another important aspect of cash flow is that it is not affected by depreciation, which, as reported in the cash flows, remains the same regardless of whether the company applies the accumulated or straight-line depreciation method (Růčková 2019, 38).

2.5 Notes to the Financial Statement

The Notes to the financial statements contain important information beneficial when conducting financial analysis. They disclose asset and liability valuation methods, containing several approaches the company uses for adjusting asset values, such as depreciation and allowances. The notes also explain the method used to convert foreign currency values into Czech koruna and the approach used while determining the fair value of specific assets and liabilities. Receivables and liabilities covered by collateral are also disclosed (Knápková et al. 2017, 62-63; Young, Cohen, and Bens 2019, 9).

Information about the sum of extraordinary revenues and expenses in relation to their disclosure and origin is also provided. The notes give relevant details about prepayments, deposits, loans and credits provided to the members of the governing bodies of the accounting entity, including the defined interest rates and key terms relating to them. They also emphasise the information not recognised in the balance sheet, such as liabilities or contingent liabilities. The average number of employees during the specified period of accounting is also featured (Knápková et al. 2017, 62-63; Young, Cohen, and Bens 2019, 9).

Furthermore, the notes to the financial statements provide additional information on the total gross short-term trade receivables, recorded as of a specific date (Justice.cz, n.d).

3 METHODS AND INDICATORS OF FINANCIAL ANALYSIS

Financial analysis methods are techniques used to evaluate a company's financial performance and overall financial health. These methods typically involve analysing financial statements, including the income statement, balance sheet and cash flow statement, to gain insights into the company's financial outlook.

Methods of financial analysis are categorised into elementary and higher-level approaches. Elementary methods include the analysis of absolute indicators, analysis of financial resource funds, ratio indicator analysis, analysis of indicator systems, and methods for evaluating cross-company comparisons. Higher-level methods include mathematical-statistical and non-statistical approaches, among others, for example, methods based on alternative set theory, methods of formal mathematical logic or expert systems (Kubičková and Jindřichovská 2015, 66-67).

Methods of financial analysis include analysis of absolute, differential, and ratio indicators. Absolute indicators use information directly from financial statements. The balance sheet can be classified among static indicators as it provides information about the financial position at a specific time. The income statement is a flow indicator because it presents a report based on expenses and revenues within a specific period, providing an overview of the company's performance. Differentiated indicators can be derived from the difference in static indicators. If data is put in comparison to another, it yields ratio indicators (Knápková et al. 2017, 71-87; Růčková 2019, 45-47).

Selecting an appropriate method is essential for meaningful outcomes. The decision should be based on its feasibility, cost-effectiveness and reliability. The method must be feasible and correspond to the company's predefined goal. A thorough analysis demands scrutiny, time and skilled labour, and it involves various expenses that should be in proportion to the expected return while remaining cost-effective. Reliability is an important factor in financial analysis methods because the more reliable the input data, the more reliable the results derived from the analysis should be (Růčková 2019, 43).

3.1 Analysis of absolute indicators

Absolute or differential development indicators, also referred to as trend indicators, are based on data drawn directly from financial statements. The analysis involves the examination of specific items in the balance sheet or income statement and monitoring

their variations over multiple periods (Kubíčková and Jindřichovská 2015, 84). These indicators are primarily assessed using methods such as horizontal and vertical analysis.

3.1.1 Horizontal analysis

The horizontal analysis provides insights into the company's financial position development (Kubíčková and Jindřichovská 2015, 66-83). It is carried out by comparing individual items in the balance sheet or income statement across multiple reporting periods (Kubíčková and Jindřichovská 2015, 83-85).

$$\text{absolute change} = \text{current period value} - \text{previous period value}$$

$$\% \text{ change} = \frac{(\text{absolute change} \times 100)}{\text{previous period value}}$$

The method is calculated by subtracting the previous period's values from the current one, dividing the result by the previous value, and expressing it as a percentage (Knápková et al. 2017, 71).

3.1.2 Vertical analysis

Vertical analysis expresses each financial statement component as a proportion of the total amount for the same period. The calculated results are then presented in percentages and compared with other components (Kubíčková and Jindřichovská 2015, 92-93).

According to Bragg (2017, 54-55), each item in the income statement is expressed as a percentage of gross sales, and each item on the balance sheet is expressed as a percentage of total assets. This approach facilitates the comparison of financial statements over time and enables a clearer interpretation of proportional relationships between account balances, as relative values (percentages) are more comprehensible than absolute figures.

3.2 Ratio analysis

Ratio indicators play a key role in financial analysis. This method uses data from the balance sheet and income statement, expressing selected items in relative terms. It enables the calculation of many useful performance metrics. The most widely recognised financial ratios are profitability, liquidity, leverage and activity. Results from ratio analysis can be compared with those from previous years to analyse trends, evaluate financial stability, and track the company's financial progress (Knápková et al. 2017, 87; Růčková 2019, 56).

3.2.1 Profitability

Profitability, known as the return on invested capital, evaluates the company's ability to generate new resources and earn profit by utilising invested capital. These ratio indicators are calculated based on the information derived from the income statement and the balance sheet. The numerator typically represents an item related to the financial result or the specific type of capital, and revenue is represented in the denominator. Shareholders and potential investors use results calculated from the profitability ratio. Those results are also relevant to other stakeholder groups (Knápková et al. 2017, 100; Růčková 2019, 60-61).

Return on sales (ROS)

The return on sales (ROS) indicator measures the company's ability to generate profit based on its level of sales or revenue. The profit in the numerator can be earnings before tax (EBT), net profit or earnings before interest and taxes (EBIT). The indicator reflects the profit margin, an important metric for evaluating business performance. ROS shows how much profit is generated per unit of sales. It indicates a company's ability to produce output at lower costs than the market price or to enhance profitability by implementing higher pricing strategies (Knápková et al. 2017, 100; Kubíčková and Jindřichovská 2015, 127-129).

$$ROS = \frac{\text{profit}}{\text{sales}}$$

Return on assets (ROA)

The return on assets is an indicator that measures how effectively a company uses its assets to generate profit and evaluates its overall profitability and operational efficiency. Using earnings before interest and taxes (EBIT) in the numerator is effective, as it measures the company's financial performance without the influence of financial obligations or tax expenses (Knápková et al. 2017, 101-102; Růčková 2019, 62).

$$ROA = \frac{\text{EBIT}}{\text{assets}}$$

Return on equity (ROE)

The return on equity (ROE) measures the profitability of the capital invested by the company's owners. The result of the metric calculated should exceed the interest rates on long-term deposits. The difference between the deposit interest rate and ROE is known as

the risk premium. It serves as compensation for owners who undertake risk (Knápková et al. 2017, 102-103).

$$ROE = \frac{\text{net profit}}{\text{equity}}$$

3.2.2 Liquidity

Liquidity represents the company's ability to meet its short-term debt obligations as they come due. Available payment resources are placed in the numerator, and current debts are in the denominator. A lack of liquidity leads to the company's inability to benefit from potentially profitable opportunities that arise. Persistent difficulty in meeting financial obligations can result in financial instability and bankruptcy risk (Knápková et al. 2017, 93-94; Růčková 2019, 57-58).

Current ratio

The current ratio reveals how many times a company's current assets can cover its current debts. It is crucial to consider the structure of receivables, particularly overdue and uncollectible ones, which should not be included in the calculation. It is also important to consider the structure of inventory, as unsellable stock should not be included in the ratio calculation since it does not contribute to the company's liquidity. According to Knápková et al. (2017, 94) and Kubíčková and Jindřichovská (2015, 133), the suggested value of the current ratio ranges between 1,5 and 2,5. The problem may arise when the ratio result is equal to 1, then, the corporate liquidity is considerably risky, specifically when current debts exceed the turnover of current assets. (Knápková et al. 2017, 94-95; Růčková 2019, 58-59).

$$\text{current ratio} = \frac{\text{current assets}}{\text{current debts}}$$

Quick ratio

The quick ratio, also known as the acid test, measures the company's short-term liquidity. It uses liquid assets to evaluate the business's ability to cover its short-term debts but excludes inventories because they cannot be quickly turned into cash. The recommended value of the indicator typically ranges between 1 and 1,5. If the ratio falls below 1, the business must rely on the potential sale of inventory to meet its obligations (Knápková et al. 2017, 95; Růčková 2019, 58-59). According to Kubíčková and Jindřichovská (2015, 145), the values should range within the established interval from 0.5-1.5.

$$\text{quick ratio} = \frac{\text{current assets} - \text{inventories}}{\text{current debts}}$$

Cash ratio

The cash ratio compares cash and bank accounts to current debts. The suggested values for this indicator remain between 0,2 and 0,5. It is important to note that higher levels indicate inefficient use of financial resources (Knápková et al. 2017, 95). According to Růčková (2019, 58) a value between 0.9 and 1.1 is considered optimal. For the Czech Republic, this range is often extended toward the lower end, with some sources suggesting a value of 0.6. According to the Ministry of Industry and Trade, a value lower than 0.2 is considered a critical threshold.

$$\text{cash ratio} = \frac{\text{cash} + \text{bank accounts}}{\text{current debts}}$$

3.2.3 Leverage

Leverage indicators express the level of financial risk a company is exposed to, based on the proportion and structure of its equity and external financing. It is important to emphasise that as the company's leverage increases, the financial risk must be managed to meet its obligations regardless of its current financial standing. Since external capital is more affordable than equity, a certain level of debt can be even beneficiary for the company (Knápková et al. 2017, 87-88; Damodaran 2014, 2).

Debt ratio

This ratio is a key metric for evaluating a company's level of indebtedness. It is important to consider the industry classification and the company's ability to cover interest obligations arising from its debts while assessing indebtedness. The suggested values for this indicator remain between 30- 60% (Knápková et al. 2017, 88). According to Růčková (2019, 68), the higher the indicator's value, the greater the level of risk for the creditors.

$$\text{debt ratio} = \frac{\text{debts}}{\text{total assets}}$$

Equity ratio

The equity is calculated as a proportion of a company's own resources to its total resources. A higher equity ratio reflects lower financial risk and, therefore, greater stability, while a lower equity ratio indicates a higher reliance on borrowed capital (Kubičková and Jindřichovská 2015, 143).

$$\text{equity ratio} = \frac{\text{equity}}{\text{total assets}}$$

Debt to equity ratio

The debt to equity ratio is calculated as the proportion of total debts to equity. The result of this ratio is important, as it helps banks determine whether to approve a loan. This indicator suggests the extent to which the creditors' claims may be at risk. When analysing indebtedness, the structure of funds in terms of maturity is important to consider, as current debts expose the company to higher risk due to their near-term repayment obligations (Knápková et al. 2017, 89).

As stated by Kubičková and Jindřichovská (2015, 144), a debt to equity ratio exceeding 1 (or 100%) implying that the company's equity is insufficient to cover all its debts, a ratio below 1 (or 100%) suggests that the company's capital is adequate to settle its debts.

$$\text{debt to equity ratio} = \frac{\text{debts}}{\text{equity}}$$

3.2.4 Activity

Activity indicators assess how effectively a company utilises invested resources. They are expressed as turnover rates of the individual asset and debt components or in the form of their turnover ratio. Activity indicators include several metrics, such as asset turnover, inventory turnover, accounts receivable turnover and accounts payable turnover. Two indicators are used to indicate a company's performance: the turnover ratio, which measures how effectively assets are utilised, and the average turnover period, which measures the time required to complete each turnover process (Knápková et al. 2017, 107; Kubičková and Jindřichovská 2015, 70).

Asset turnover ratio

The asset turnover ratio measures the efficiency of a company in generating revenue by utilising its assets. Generally, the higher the value of this indicator, the better it is for the business. The minimum recommended value is 1. However, considering the specifics of the industry is crucial because it affects the metric (Knápková et al. 2017, 107).

$$\text{asset turnover ratio} = \frac{\text{sales}}{\text{total assets}}$$

Inventory turnover ratio

The inventory turnover ratio indicates how frequently a company's inventory is converted into other forms of current assets. It covers the entire cycle from acquiring the inventory through production and sales of goods to replenishment (Kubíčková and Jindřichovská 2015, 153-154).

$$\text{inventory turnover ratio} = \frac{\text{sales}}{\text{inventory}}$$

Inventory turnover period

The inventory turnover period indicates the time required for inventory to complete a restocking cycle. This metric indicates the time required for financial resources invested in inventory to be converted into the form of cash, primarily through sales (Taušl Procházková and Jelínková 2018, 142-143).

$$\text{inventory turnover period} = \frac{\text{inventory}}{\frac{\text{sales}}{360}}$$

Receivables turnover period

The receivables turnover period indicates a company's average time to collect payments for goods and services sold (Taušl Procházková and Jelínková 2018, 142-143). The longer the receivables collection period, the more likely the company will require additional financing, increasing its financial costs (Knápková et al. 2017, 108).

$$\text{receivables turnover period} = \frac{\text{receivables}}{\frac{\text{sales}}{360}}$$

II PRACTICAL PART

4 COMPANY PROFILE

HON-okna, dveře s.r.o. is a Czech manufacturing company based in Opava that has maintained family tradition in the production of construction elements since 1924. The company specialises in manufacturing and installing wooden and wood-aluminium windows and entrance doors. Its product portfolio includes a wide range of products, such as euro windows, casement and box windows, and wooden entrances. French terraces and sliding doors are also among the products that this company produces. The company emphasises custom production and delivering high-quality, tailor-made products and services according to customer requirements, contributing to its long-term sustainability and financial stability (HON-okna, dveře, s.r.o. 2025).

HON-okna, dveře s.r.o. is purchasing raw materials, producing finished products and selling them to customers. The company's customers comprise approximately 30% of final consumers and 70% distribution network consisting of construction companies. The company is classified as a small enterprise under Czech law according to total assets, its annual turnover and number of employees.

Table 1 Net turnover period in thousands of CZK

	2021	2022	2023
<i>Net turnover</i>	60 369	70 142	65 328

(source: own elaboration)

Table 1 shows the net turnover of HON-okna, dveře s.r.o. for the period 2021-2023. The company experienced an increase in turnover in 2022 compared to 2021. The net turnover slightly decreased in 2023, which was caused due to a decline in revenues from own products and services. Despite the decline, the net turnover remains above the 2021 level.

4.1 Industry classification

According to the Czech Statistical Classification of Economic Activities in the European Community (CZ-NACE), the company is classified into sector C (manufacturing) and division 16, which covers the manufacture of wood, products of wood and cork, articles of straw and wicker materials, except furniture (Český statistický úřad 2025).

5 FINANCIAL ANALYSIS OF HON-OKNA, DVEŘE S.R.O.

This chapter presents the financial analysis of HON - okna, dveře s.r.o. It is initiated with the vertical and horizontal analyses of the balance sheet and income statement. This is followed by the calculation and interpretation of selected financial ratios, including profitability, liquidity, leverage, and activity indicators. These analyses provide an assessment of the company's financial health and performance over the period from 2021 to 2023.

5.1 Vertical and horizontal analysis of the balance sheet

Vertical and horizontal analyses provide insights into the structure and development of financial statements. Vertical analysis expresses each item as the proportion of the total, and the horizontal analysis tracks the development of individual items over time. This section focuses on the evaluation of the balance sheet of HON-okna, dveře s.r.o., over a three-year period, with an examination of assets and liabilities independently.

Table 2 Structure of assets in thousands of CZK

	2021	2022	2023
<i>Total assets</i>	37 948	29 276	26 536
<i>Fixed assets</i>	13 405	12 908	12 584
<i>Intangible fixed assets</i>	0	0	66
<i>Tangible fixed assets</i>	13 405	12 908	12 518
<i>Current assets</i>	23 654	15 838	13 664
<i>Inventory</i>	9 306	9 470	6 527
<i>Receivables</i>	2 627	2 339	4 149
<i>Financial assets</i>	11 721	4 029	2 988
<i>Cash</i>	136	144	387
<i>Bank accounts</i>	11 585	3 885	2 601
<i>Accruals</i>	889	530	288

(source: own elaboration)

As shown in Table 2, the analysis begins with a structural breakdown of the company's assets.

Table 3 Vertical analysis of assets in %

	2021	2022	2023
<i>Total assets</i>	100	100	100
<i>Fixed assets</i>	35.32	44.09	47.42
<i>Intangible fixed assets</i>	0	0	0.25
<i>Tangible fixed assets</i>	35.32	44.09	47.17
<i>Current assets</i>	62.33	54.10	51.49
<i>Inventory</i>	24.52	32.35	24.60
<i>Receivables</i>	6.92	7.99	15.64
<i>Financial assets</i>	30.89	13.76	11.26
<i>Cash</i>	0.36	0.49	1.46
<i>Bank accounts</i>	30.53	13.27	9.80
<i>Accruals</i>	2.34	1.81	1.09

(source: own elaboration)

The overall structure of total assets in the company HON - okna, dveře, s.r.o. is primarily composed of current assets, whose share declined over the period. When a company has a higher proportion of current assets compared to fixed assets, it indicates a more liquid asset structure. This means that a larger part of the company's resources is tied up in short-term assets. In this case, the largest portion of current assets is represented by financial assets, particularly bank accounts. However, the proportion of financial assets within the asset structure has declined over the years, which has negatively affected the company's liquidity.

The proportion of inventory within current assets was stable. The share of receivables within the asset structure rose, which indicates an increased volume of outstanding receivables. The proportion of fixed assets rose, mainly due to tangible fixed assets. The rising development supports the company's stability and long-term growth.

In summary, the vertical analysis of HON-okna, dveře s.r.o. revealed a slight shift from a more liquid structure towards an investment-focused one. The higher share of fixed assets is a positive sign because it supports long-term development. The decline in the proportion of financial assets and the growing receivables structure challenge the short-term liquidity.

Table 4 Horizontal analysis of assets in %

	2021-2022	2022-2023
<i>Total assets</i>	-22.85	-9.36
<i>Fixed assets</i>	-3.71	-2.51
<i>Intangible fixed assets</i>	0	0
<i>Tangible fixed assets</i>	-3.71	-3.02
<i>Current assets</i>	-33.04	-13.73
<i>Inventory</i>	1.76	-31.08
<i>Receivables</i>	-10.96	77.38
<i>Financial assets</i>	-65.63	-25.84
<i>Cash</i>	5.88	168.75
<i>Bank accounts</i>	-66.47	-33.05
<i>Accruals</i>	-40.38	-45.66

(source: own elaboration)

The horizontal analysis of assets revealed a continued downward trend in the total assets, with a 22.85% decrease in 2022, followed by a further decline of 9.36% in 2023. The decline indicates a reduction in the company's total asset volume over the analysed period. This slight decrease in value is attributed to the depreciation of assets.

Current assets underwent significant adjustments, as they dropped by 33.04% in 2022, followed by a decrease of 13.73% in 2023. This decline was primarily caused by the significant drop in financial assets (65.63% in 2022 and 25.84% in 2023). The decline occurred mainly in bank account balances, which dropped by 66.47% in 2022 and 33.05% in 2023. This reflects a notable decline in liquid assets, which leads to the company's weakened short-term liquidity, a threat of difficulties to cover operational expenses or short-term debts. Receivables declined by 10.96% in 2022 and rose significantly by

77.38% in 2023. The development was driven by increased sales on credit and slower customer payments. It should be noted that receivables consisted only of short-term receivables. Inventory increased slightly by 1.76% in 2022 but then fell by 31.08%. Cash increased in 2022 by 5.88% and then in 2023 sharply by 168.75%, which indicates a greater amount of liquid funds. Accruals declined consistently in both periods (40.38% in 2022 and 45.66% in 2023).

The company experienced a continuous decline in total assets, mainly due to a reduction in current assets, especially financial assets - bank balances. The notable increase in receivables (short-term) in 2023 signals delayed payments from customers and therefore a higher volume of credit sales. This has also resulted in decreased liquidity. It is recommended for the company to strengthen its liquidity by improving receivables collection. It is also optimal to maintain sufficient cash reserves for unexpected situations.

Table 5 Structure of liabilities in thousands of CZK

	2021	2022	2023
<i>Total liabilities</i>	37 948	29 276	26 536
<i>Equity</i>	10 414	12 059	14 658
<i>Registered capital</i>	3 875	3 875	3 875
<i>Capital funds and share premium</i>	5 120	5 120	5 120
<i>Funds from earnings</i>	437	437	437
<i>Profit/loss – previous years</i>	-1 411	983	2 638
<i>Profit/loss – current year</i>	2 393	1 644	2 598
<i>Other sources</i>	27 534	17 213	11 878
<i>Payables</i>	27 534	17 213	11 878
<i>Long term payables</i>	4 839	3 250	2 228
<i>Short term payables</i>	22 695	13 963	9 650
<i>Accruals</i>	0	4	0

(source: own elaboration)

The company's liabilities are presented in Table 5, which outlines their structure.

Table 6 Vertical analysis of liabilities in %

	2021	2022	2023
Total liabilities	100.00	100.00	100.00
Equity	27.44	41.19	55.24
<i>Registered capital</i>	10.21	13.24	14.60
<i>Capital funds</i>	13.49	17.49	19.29
<i>Funds from earnings</i>	1.15	1.49	1.65
<i>Profit/loss – previous years</i>	-3.72	3.36	9.94
<i>Profit/loss – current year</i>	6.31	5.62	9.79
Other sources	72.56	58.80	44.76
Payables	72.56	58.80	44.76
<i>Long term payables</i>	12.75	11.10	8,40
<i>Short term payables</i>	59,81	47,69	36.37
Accruals	0.00	0.01	0.00

(source: own elaboration)

As shown in Table 6, the largest component of total liabilities was represented by other sources, which include both long-term and short-term payables. Other sources represent debts towards third parties. If a company has a large proportion of other sources, it indicates a high level of debt towards third parties. It is important to reduce the share of other sources over time, as this shift allows the company to focus more on self-financing rather than relying on debt financing. It is essential to mention that the company has a higher proportion of short-term payables, which require sufficient liquidity. On the other hand, the structure of long-term payables is smaller, which means the company must plan its finances carefully to meet these future obligations. A higher share of long-term payables generally reflects more stable and strategic financial planning.

Another important component of total liabilities is equity. Equity consists of registered capital, capital funds, funds from earnings, profit/loss from previous years, and profit/loss from the current year. The registered equity share remained unchanged, as well as shares of capital funds and funds from earnings (as seen in Table 5). It is vital for the company to maintain a higher proportion of equity and rely more on self-financing sources.

This approach strengthens financial stability and reduces dependence on external sources. Although debt financing is often cheaper than equity, it is important for the company to be aware of this but avoid taking on excessive debt. In 2021, the structure of profit/loss from previous years was negative, which is an unfavourable sign as it indicates that the company had accumulated losses from past periods.

In summary, it is important for the company to rely more on self-financing rather than excessive debt financing. The company is taking the right steps to reduce its debts, which still represent a significant portion of its capital structure. The company decreased its short-term payables. Short-term payables are considered riskier due to the need for adequate liquid resources. While long-term payables are more secure, the company must plan its financing carefully to ensure it can meet these future debts. If the company's goal is to strengthen its financial independence, it should consider increasing its equity. However, the company should first consider to what extent it aims to rely on self-financing, as equity is generally more expensive than debt financing. Companies with limited internal resources tend to grow slowly. It is also important to state that interest on loans is tax-deductible, which makes debt financing more tax-efficient.

Table 7 Horizontal analysis of liabilities in %

	2021-2022	2022-2023
Total liabilities	-22.85	-9.36
<i>Equity</i>	15.80	21.55
<i>Profit/loss – previous years</i>	-169.67	168.36
<i>Profit/loss – current year</i>	-31.30	58.03
Other sources	-37.48	-30.99
Payables	-37.48	-30.99
<i>Long term payables</i>	-32.84	-31.45
<i>Short term payables</i>	-38.48	-30.89

(source: own elaboration)

Table 7 displays the horizontal analysis of the balance sheet between the years 2021 and 2023. The company reduced its debt, as can be seen in the decrease in total liabilities by 22.85% in 2022, followed by a further decline of 9.36% in 2023. By reducing the debt, the

company strengthened its capital structure and started to rely more on internal sources of financing. In contrast, equity rose by 15.80% in 2022 and then continued to grow by 21.55% in 2023. By increasing the company's equity, the company maintains greater financial stability and is viewed as trustworthy by creditors and investors. Table 7 reveals that the line profit/loss - previous years dropped by 169.67% in 2022, which indicates the shift from retained profit to accumulated loss. The following year experienced a recovery of 168.36%. Profit/loss – current year declined by 31.30% in 2022, followed by an increase of 58.03% in 2023.

Other sources fell sharply by 37.48% in 2022 and then continued to decline by 30.99% in 2023. The drop was driven by the company's reduced reliance on external financing, mainly in the form of long-term and short-term payables. This trend indicates that the company increased its equity over the years and lowered its debts to reduce its financial dependence on external sources of financing, which is a positive sign.

The horizontal analysis of liabilities showed a clear improvement in the financial situation between 2021-2023. The company reduced its debt, maintained greater financial independence and improved its stability.

5.2 Vertical and horizontal analysis of the income statement

It is important to note that the income statement provides an overview of profit generation (expenses and revenues) over an accounting period. This chapter presents vertical and horizontal analyses of the income statement.

Table 8 Structure of revenues in thousands of CZK

	2021	2022	2023
Total revenues	60 571	70 369	65 552
<i>Revenues from own products and services</i>	59 352	64 307	58 169
<i>Revenues from sold goods</i>	0	5 196	6 547
Other operating revenues	916	527	500
<i>Revenues from disposals of fixed assets</i>	0	238	0
<i>Revenues from disposals of materials</i>	911	289	350
<i>Other operating revenues</i>	5	0	150
Other financial revenues	101	113	112

(source: own elaboration)

Table 8 outlines the structure of the company's total revenues.

Table 9 Vertical analysis of revenues in %

	2021	2022	2023
Total revenues	100	100	100
<i>Revenues from own products and services</i>	97.99	91.39	88.74
<i>Revenues from sold goods</i>	0.00	7.38	9.99
Other operating revenues	1.51	0.75	0.76
<i>Revenues from disposals of fixed assets</i>	0.00	0.34	0.00
<i>Revenues from disposals of materials</i>	1.50	0.41	0.53
<i>Other operating revenues</i>	0.01	0.00	0.23
Other financial revenues	0.17	0.16	0.17

(source: own elaboration)

Table 9 presents a vertical analysis of the income statement. Revenues from own products and services form the largest share of total revenues, which is expected as HON-okna, dvere s.r.o. operates in the manufacturing sector and generates most income through the

production and sale of its own products. Revenues from sold goods represent only a small part of total revenues. These were goods that the company resell and does not produce itself.

By continuously increasing the share of revenues from its own products, the company can strengthen its potential for future growth. The company should continue to prioritise its own production, as it forms the strongest and most stable source of revenue.

Table 10 Horizontal analysis of revenues in %

	2021-2022	2022-2023
<i>Total revenues</i>	16.18	-6.85
<i>Revenues from own products and services</i>	8.35	-9.54
<i>Revenues from sold goods</i>	0	26.00
<i>Other operating revenues</i>	-42.47	-5.12
<i>Revenues from disposals of fixed assets</i>	0	-100.00
<i>Revenues from disposals of materials</i>	-68.28	21.11
<i>Other operating revenues</i>	-100.00	0
<i>Other financial revenues</i>	11.88	-0.88

(source: own elaboration)

Table 10 presents the horizontal analysis of the income statement and provides useful insights into the development of revenues over a three-year period. Total revenues rose by 16.18% in 2022. This upward trend indicates a period of growth. However, in 2023, total revenues declined by 6.85%, which suggests a slight slowdown, reduced demand and therefore lower production activity. Revenues from own products and services rose by 8.35% in 2022 but then dropped by 9.54% in 2023.

Other operating revenues dropped by 42.47% in 2022 and then experienced a further 5.12% decrease in 2023. This income includes revenues from disposals of fixed assets, disposals of materials, and other operating revenues. It is beneficial for the company to focus on the sale of its own products and services, rather than relying on irregular revenues. However, selling surplus items such as unused assets can bring the company occasional income.

Table 11 Structure of expenses in thousands of CZK

	2021	2022	2023
<i>Total expenses</i>	57 976	68 499	62 730
<i>Production consumption</i>	41 406	50 456	39 741
<i>Expenses on sold goods sold</i>	0	3 989	4 630
<i>Consumption of material and energy</i>	38 215	43 575	31 231
<i>Services</i>	3 191	2 892	3 880
<i>Change in inventory of own products</i>	-974	-1 558	3 332
<i>Capitalisation</i>	0	0	-8
<i>Personnel expenses</i>	14 359	15 779	16 129
<i>Valuation adjustments in operating area</i>	1 660	2 734	2 383
<i>Other operating expenses</i>	598	141	110
<i>Interest expense and similar expenses</i>	64	167	129
<i>Other financial costs</i>	639	510	508
<i>Income taxes</i>	224	270	406

(source: own elaboration)

Table 11 provides an overview of the structure of expenses from 2021 to 2023.

Table 12 Vertical analysis of expenses in %

	2021	2022	2023
<i>Total expenses</i>	100	100	100
<i>Production consumption</i>	71.42	73.66	63.35
<i>Expenses on sold goods</i>	0.00	5.82	7.38
<i>Consumption of material and energy</i>	65.92	63.61	49.79
<i>services</i>	5.50	4.22	6.19
<i>Change in inventory of own products</i>	-1.68	-2.27	5.31
<i>Capitalisation</i>	0.00	0.00	-0.01
<i>Personnel expenses</i>	24.77	23.04	25.71
<i>Valuation adjustments in operating area</i>	2.86	3.99	3.80
<i>Other operating expenses</i>	1.03	0.21	0.18
<i>Interest expense and similar expenses</i>	0.11	0.24	0.21
<i>Other financial costs</i>	1.10	0.74	0.81
<i>Income taxes</i>	0.39	0.39	0.65

(source: own elaboration)

Table 12 presents the vertical analysis of expenses of the HON- okna, dveře s.r.o. The largest proportion of total expenses was represented by production consumption in all three years, specifically by the consumption of material and energy. Production consumption changes with the volume of production. Higher production leads to higher production-related expenses. Negative values in the item of proportion of change in inventory of own products indicate that more products were sold than produced, while a positive value signals that production exceeded sales.

Personnel expenses were another important component of total expenses, which represented a significant part. These include wages and salaries, social security contributions, health insurance, and other social expenses related to the company's business activities. An increased share of this category indicates that the company allocated more resources to personnel-related costs linked to production. Valuation

adjustments in the operating area accounted for a small but consistent portion of total expenses.

It is recommended that the company continue to optimise its production-related costs, particularly material and energy consumption, as it enhances the cost efficiency. Attention should also be paid to personnel expenses, to ensure that they correspond with the company's level of productivity. While valuation adjustments remained stable, monitoring is advised to ensure that asset values accurately reflect current economic conditions.

Table 13 Horizontal analysis of expenses in %

	2021-2022	2022-2023
<i>Total expenses</i>	18.15	-8.42
<i>Production consumption</i>	21.86	-21.24
<i>Expenses on sold goods</i>	-	16.07
<i>Consumption of material and energy</i>	14.03	-28.33
<i>Services</i>	-9.37	34.16
<i>Change in inventory of own products</i>	59.96	-313.86
<i>Personnel expenses</i>	9.89	2.22
<i>Valuation adjustments in operating area</i>	64.70	-12.84
<i>Other operating expenses</i>	-76.42	-21.99
<i>Interest expense and similar expenses</i>	160.94	-22.75
<i>Other financial costs</i>	-20.19	-0.39
<i>Income taxes</i>	20.54	50.37

(source: own elaboration)

Table 13 presents the horizontal analysis of expenses between 2021 and 2023. Total expenses increased by 18.15% in 2022. The increase was followed by a decrease of -8.42% in 2023. The decline in total expenses was caused by the reduction in production activity. The expenses on sold goods change are not calculable due to a zero-base value in the previous, but they then rose by 16.07% in 2023. The growth relates to the company's expanding resale of goods, especially the higher volume of goods purchased for sale. Consumption of material and energy rose by 14.03% in 2022, which was driven by increased production activity and increased revenues from its own products and services. It

is worth mentioning that services declined by 9.37% in 2022 and then rose by 36.16% in 2023. Change in inventory of own products increased by 59.96% in 2022 but then decreased sharply by 313.86% in 2023.

Personnel expenses rose by 9.89% in 2022 and by 2.22% in 2023. The growth is connected to increasing salaries, hiring new employees or granting bonuses to employees. Valuation adjustments in operating rose by 64.70% in 2022 and then decreased sharply by 12.84%. Other operating expenses declined by 76.42% in 2022 and further by 21.99% in 2023, which indicates the reduction of operating costs and improvement of cost efficiency. Interest and similar expenses rose by 160.94% in 2022 and decreased by 22.75% in 2023.

To improve cost efficiency, it is recommended that the company focus on stabilising its production-related costs and maintaining a balanced proportion between production and sales volumes. It is also advisable to monitor interest costs in order to minimise exposure to potential future financial risks.

5.3 Analysis of selected ratio indicators

This section presents a calculation and analysis of selected financial ratios based on data extracted from the company's balance sheet and income statement. The analysis is conducted over the years from 2021 to 2023 and focuses on profitability, liquidity, activity, and leverage indicators. The interpretation of these indicators enables a company to make strategic decisions and contributes to more effective financial management.

5.3.1 Analysis of profitability ratios

The analysis of profitability ratios measures how effectively the company uses its invested capital to generate profit and enhance its financial performance.

Table 14 Analysis of ROA in %

	2021	2022	2023
ROA	7.06	7.10	11.80

(source: own elaboration)

Table 14 shows the development of the return on assets (ROA). The ROA remained relatively stable between 2021 and 2022. There was only a slight increase from 7.06% to

7.10%. However, in 2023, ROA rose from 7.10% to 11.80%, which reflects an efficient utilisation of the company's assets.

Table 15 Analysis of ROE in %

	2021	2022	2023
ROE	22.97	13.63	17.72

(source: own elaboration)

Table 15 indicates that return on equity (ROE) declined sharply in 2022, falling from 22.97% to 13.63%. This drop was caused by a decline in net profit. Although ROE rose in 2023, reaching 17.72%, it still remained below the 2021 level. This indicates efficient utilisation of equity capital.

Table 16 Analysis of ROS in %

	2021	2022	2023
ROS	4.01	2.36	4.03

(source: own elaboration)

The return on sale (ROS) decreased from 4.01% in 2021 to 2.36% in 2022, as shown in Table 16. This indicates reduced profitability from revenues. In 2023, the ROS rebounded to 4.03%, which slightly exceeded the 2021 level. The improvement indicates a company's profitability recovery.

5.3.2 Analysis of liquidity ratios

Liquidity refers to a company's capacity to settle its short-term debts as they come due. Liquidity ratios assess the company's financial flexibility, short-term solvency, and ability to cover current debts using liquid assets. Therefore, it is recommended that the company maintain a sufficient amount of liquid assets to ensure the prompt repayment of its short-term debts.

Table 17 Analysis of Current ratio

	2021	2022	2023
<i>Current ratio</i>	1.04	1.13	1.41

(source: own elaboration)

From Table 17 is evident that the current ratio has a steady increase in the observed period, rising from 1.04 in 2021 to 1.13 in 2022, and the value also increased slightly in 2023, reaching 1.41. The value in 2021-2023 is, according to Knápková et al. (2017, 94-95), considered a highly risky level of liquidity. As reported by Knápková et al. (2017, 94-95) and Kubičková and Jindřichovská (2015, 132-133), the recommended range for this indicator lies between 1.5-2.5. However, none of the observed values meet this recommendation, as they all fall below the suggested level. It is important to note that the current ratio has been slightly increasing, which indicates that the company is enhancing its capability to cover short-term debts with the use of current assets.

Table 18 Analysis of quick ratio

	2021	2022	2023
<i>Quick ratio</i>	0.63	0.45	0.73

(source: own elaboration)

Table 18 clearly illustrates that the value of the quick ratio was 0.63 in 2021, decreased to 0.45 in 2022 and increased again to 0.73 in 2023. These values do not meet the recommended interval of 1.0-1.5, which Růčková (2019, 59), as well as Knápková et al. (2017, 95), suggest. The values fall within the range of 0.5-1.5 suggested by Kubičková and Jindřichovská (2015, 134).

Table 19 Analysis of cash ratio

	2021	2022	2023
<i>Cash ratio</i>	0.51	0.28	0.30

(source: own elaboration)

The cash ratio reached 0.51 in 2021, decreased to 0.28 in 2022, and slightly increased to 0.30 in 2023. These values are considered acceptable and indicate an efficient use of

financial resources, according to Knápková et al. (2017, 95), as they fall within the recommended range of 0.2 to 0.5. However, it does not meet the interval suggested by Růčková (2019, 58), who recommends a range of 0.9 to 1.1. Nevertheless, the results for all three periods are not considered critical, as they remain above the minimum threshold of 0.2 defined by the Ministry of Industry and Trade.

5.3.3 Analysis of leverage ratios

Leverage ratios indicate the extent of financial risk a company is exposed to. Růčková (2019, 68) argues that the higher the indicator's value, the greater the level of risk for creditors.

Table 20 Analysis of debt ratio in %

	2021	2022	2023
<i>Debt ratio</i>	72.55	58.79	44.76

(source: own elaboration)

According to the data in Table 20, the debt ratio declined significantly over the observed period, dropping from 72.55% to 44.74%. Knápková et al. (2017, 88) stated that the debt ratio should remain between 30-60%. The year 2021, with a debt ratio of 72.55%, exceeds this threshold, indicating a high level of financial risk and reliance on external capital. In contrast, the values for 2022 and 2023 show a noticeable decline, from 58.79% in 2022 to 44.76% in 2023, which falls within the recommended interval. This reflects a significant improvement in the company's financial position and implies lower creditor and enhanced capital structure stability.

Table 21 Analysis of debt to equity ratio in %

	2021	2022	2023
<i>Debt to equity ratio</i>	264.39	142.73	81.03

(source: own elaboration)

The debt to equity ratio reached 264.39% in 2021, reflecting a strong reliance on external financing. In 2022, the ratio decreased to 142.73%, which, according to Kubíčková and Jindřichovská (2015, 144), still indicates that the company's equity is not sufficient to

cover its debts. However, this does not apply to 2023 because the ratio dropped to 81.03%. This value falls within the acceptable values, as the ratio does not exceed 100%, which reflects a company's stronger capital structure due to the growing share of equity and reduced debt, which indicates greater financial stability.

Table 22 Analysis of equity ratio in %

	2021	2022	2023
<i>Equity ratio</i>	27.44	41.19	55.23

(source: own elaboration)

From Table 22, it is evident that the equity ratio increased over the observed period. From 27.44%, which indicates a low level of equity financing and high financial risk, to 41.19% in 2022. This reflects a positive development, to 55.23% in 2023 and signals improvement in the company's financial stability.

5.3.4 Analysis of activity ratios

Activity indicators evaluate the efficiency with which a company uses its invested resources to support the generation of revenue.

Table 23 Analysis of asset turnover ratio

	2021	2022	2023
<i>Asset turnover ratio</i>	1.56	2.37	2.43

(source: own elaboration)

Table 23 shows that the asset turnover ratio increased from 1.56 in 2021 to 2.37 in 2022 and 2.43 in 2023. The minimum recommended value is 1, as stated by Knápková et al. (2017, 107). It is important to note that all three results exceed this threshold, which indicates an appropriate level of asset utilisation for the effective generation of revenue.

Table 24 Analysis of inventory turnover ratio

	2021	2022	2023
<i>Inventory turnover ratio</i>	6.37	7.33	9.91

(source: own elaboration)

The data from Table 24 suggest an increase in the inventory turnover ratio over the observed period. From 6.37 in 2021 to 7.33 in 2022, reaching 9.91 in 2023. This reflects increasing efficiency in converting inventory into revenues. In contrast, the lower value of this indicator signals excessive or hard-to-sell inventory. This can negatively affect the company's liquidity, as the company has financial resources tied up in inventory.

Table 25 Analysis of inventory turnover period

	2021	2022	2023
<i>Inventory turnover period</i>	56.44	49.05	36.30

(source: own elaboration)

The table above shows that the inventory turnover period decreased from 2021 to 2023, from 56.44 days in 2021 to 49.05 days in 2022 and 36.30 days in 2023. This downward trend implies faster inventory conversion, which leads to more effective inventory management and a lower level of tied-up capital in stock.

Table 26 Analysis of receivables turnover period

	2021	2022	2023
<i>Receivables turnover period</i>	15.93	12.11	23.07

(source: own elaboration)

As illustrated in Table 26, the receivables turnover period was 15.93 days in 2021 and then decreased to 12.11 days in 2022, which implies a faster collection of receivables and improved cash flow performance. However, in 2023, the period increased significantly to 23.07 days, which signals delayed payments from customers. Knápková et al. (2017, 108) state that a longer collection period increases the company's reliance on external financing and financial costs.

6 EVALUATION AND RECOMMENDATIONS

This section presents an evaluation and interpretation of the financial analysis conducted on HON-okna, dveře s.r.o from 2021 to 2023. It is based on the vertical and horizontal analyses of the balance sheet and income statement, as well as key financial ratios. The aim is to assess the company's financial health and stability, as well as to identify strengths and weaknesses and come up with suggestions for improvement.

Analyses of assets of HON-okna, dveře s.r.o. revealed several important trends over the three-year period. Vertical analysis revealed that the company's total assets were dominated by current assets, although their proportion declined over the three-year period. The decrease was caused by the drop in financial assets, specifically bank accounts. On the other hand, the increase in the company's fixed assets has been noticeable over the past three years. This indicates that the company has started to invest in its long-term development, which supports future growth. The company maintains a healthy balance between fixed and current assets. This contributes to both long-term stability and liquidity. Horizontal analysis of assets revealed that the inventory drop suggests improved inventory management. The rise in short-term receivables in 2023 signals a higher volume of credit sales, which negatively affects the company's liquidity. To improve this, the company is recommended to implement stricter credit control measures, which may include defined payment deadlines as well as consistent monitoring of outstanding receivables. It is also recommended for the company to maintain cash reserves, which ensures the ability to respond effectively to unexpected expenses, cover short-term liabilities and maintain operational continuity during periods of lowered income and delayed payments from customers.

Horizontal and vertical analyses of liabilities provided deeper insights into the company's capital structure. Vertical analysis of liabilities revealed that the company is taking the right steps to reduce its debts, which still represent a considerable share of the capital structure. It is highly recommended that the company continue to focus on increasing self-financing rather than excessive debt financing. The analysis also disclosed that the company successfully reduced its short-term payables. This is a good sign as the short-term payables place immediate pressure on a company's liquidity. By lowering them, the company reduced its short-term financial stress and improved its liquidity position.

If the company seeks to strengthen its financial independence further, then an increase in equity is recommended. However, it is also necessary to assess to what extent it is appropriate, as self-financing (equity) is more costly. On the other hand, debt financing offers certain advantages, such as tax advantages as interest expenses are tax-deductible.

It is worth mentioning that the horizontal analysis of liabilities revealed several signs related to the reduction of debt. The company also maintained stronger financial independence and improved its overall financial stability between 2021 and 2023.

Vertical and horizontal analysis of revenues demonstrated the company's continued strong reliance on its own production, which is a positive sign for the company's long-term profitability. It is suggested that the company continue to maintain or increase the share of revenues from its own production, because this supports its development and strengthens the business. Long-term success depends on stable sales performance and sustained market demand for the company's own production.

Analyses of expenses revealed that the biggest share of expenses is attributed to production consumption, especially consumption of material and energy, which naturally increases with the volume of production. Personnel expenses also played a significant role in the overall expenses structure. As production decreased between 2022 and 2023, the associated production costs declined, particularly material and energy consumption. It is advised for the company to further optimise its expenses related to production, especially those linked to material and energy consumption, as well as personnel expenses, which should be in line with the company's productivity levels. This can improve the company's overall cost efficiency.

The analysis of ratio indicators provided an overview of the company's financial performance. Profitability ratios were further examined by analyses of ROA, ROE and ROS. Analysis of ROA revealed the positive development, which reflects an efficient utilisation of the company's assets. The nature of the company's operations, which include the production of windows and doors, requires significant capital as well as material investment. Despite this, the company utilise its assets efficiently to generate profit. This reflects strong profit margins and well-defined pricing strategies. Analysis of ROE revealed a decline in 2022, which was caused by a decline in net profit. This was followed by an increase, which indicates efficient utilisation of equity capital and improved profitability. A healthy ROE indicates strong financial performance and efficient capital allocation. This is the reason why it is recommended that companies monitor this indicator

regularly. ROS also decreased slightly in 2022, which was caused by the fact that expenditures increased at a faster rate than revenues. In 2023, ROS rebounded, signalling profitability recovery. To improve ROS, it is highly recommended that the company focuses on cost control, particularly in areas related to production and operating expenses.

Insights into short-term solvency were gained through liquidity ratios, the current ratio, quick ratio, and cash ratio were analysed. It is important to note that the values of the current ratio did not fall within the recommended range suggested by the authors. According to the authors, a lower value of this indicator reflects a highly risky level of liquidity. The company is recommended to increase the availability of liquid assets and reduce its short-term debts. Quick ratio fluctuated over the analysed period. The values do not meet the recommended interval of 1.0-1.5, which Růčková (2019, 59), as well as Knápková et al. (2017, 95), suggest. According to them, the company must rely on the potential sale of inventory to meet its short-term obligations. According to Kubičková and Jindřichovská (2015, 134), the values calculated throughout the years fall between the suggested range. In this case, it is also recommended to increase liquid assets. As for the Cash ratio, a discrepancy among authors was observed, as the values recorded between 2021 and 2023 fall within the recommended range according to some, but not according to others. For example, according to Knápková et al. (2017, 95), the values are considered acceptable, while higher values of the cash ratio indicate inefficient use of financial assets. However, Růčková (2019, 58) recommends higher values of this indicator. On the other hand, the Ministry of Industry and Trade recommends a minimum threshold of 0.2. Based on this, the results for all three periods are not considered critical. Regarding the analysis of liquidity ratios, it is important to note that discrepancies among authors were identified. This leads to different interpretations of the results calculated. Therefore, the overall outcome is not entirely conclusive. It depends on the company which methodological approach it decides to apply.

Regarding the analysis of leverage ratios - debt ratio, debt to equity ratio and equity ratio were calculated to gain insights into the company's ability to manage its financial risk through the use of debt financing. The debt ratio decreased over the analysed period. According to Knápková et al. (2017, 88), the debt ratio should remain between 30-60%. It is important to note that in the first year (2021), the debt ratio exceeded the recommended thresholds, but it fell within the acceptable range in the following years. This is a positive

sign, as the company reduced its reliance on debt capital. It reflects a significant improvement in its financial position and an increased dependence on equity financing.

Debt to equity ratio indicates to what extent the company is financed by debt compared to equity. In 2021, the company strongly relied on debt financing, but the ratio decreased in the following years. The first two years, according to Kubíčková and Jindřichovská (2015, 144) indicated that the company's equity was not sufficient to cover its debts. This situation improved in 2023, when the ratio significantly decreased. To further improve the company's capital structure and reduce the debt to equity ratio, as well as its reliance on external financing, the company is recommended to increase its equity. Additionally, reducing dependence on debt and carefully managing future borrowings can also lead to a healthier debt to equity ratio and, in addition to strengthened financial stability. The fact that the company has taken steps to reduce its reliance on debt financing is a positive sign, as the ratio has decreased significantly. In terms of the equity ratio, its value increased over the analysed period, which is a positive development. This signals an improvement in the company's financial stability and a stronger reliance on equity financing.

Analysis of activity ratios provides insight about the asset turnover ratio, inventory turnover ratio, as well as inventory turnover period and receivables turnover period. The asset turnover ratio showed an increase over the years. According to Knápková et al. (2017, 107), the minimum recommended value is 1. This suggests improvement, as all three calculated results exceeded this threshold. The increase in this ratio implies that the company has improved its ability to utilise invested resources effectively. The inventory turnover period increased over the observed period. This indicates improved efficiency in converting inventory into revenues. It is recommended for the company to continue to increase this ratio, as a lower value may signal excessive or hard-to-sell inventory, which can negatively affect the company's financial resources. The inventory turnover period decreased over the observed years. This reflects faster inventory conversion. This leads to more effective inventory management and a lower level of capital tied up in stock. Therefore, this development is considered prosperous. The receivables turnover period fluctuated over the analysed period. The increase in 2023 was caused by the increased volume of receivables, which also indicates delayed payment from customers. The current receivables turnover period is considered a relatively good performance. Still, if the

company aims to shorten this period, it is recommended to implement stricter payment terms or encourage earlier payments.

The overall financial analysis of HON-okna, dveře s.r.o, which encompassed horizontal and vertical analysis of the balance sheet and income statement, along with selected ratio indicators covering profitability, liquidity, leverage, and activity, has shown that the company's financial situation has improved over the observed period. Improvements were observed in the capital structure and profitability indicators, while challenges in the areas of short-term liquidity and receivables management remained. Despite these, the company's position can be considered financially stable and well-positioned. Several recommendations have been proposed to enhance the financial position and support future development.

CONCLUSION

This bachelor's thesis aimed to evaluate the financial health and performance of the company HON-okna, dveře s.r.o., from 2021 to 2023, and provide recommendations for improvement in its overall performance.

The thesis was divided into two main sections: theoretical and practical. The theoretical part consists of three chapters: financial analysis, financial statements and methods and indicators of financial analysis, which provide the necessary background for understanding and applying these findings in the practical part.

The company's most important financial indicators were analysed in the practical part. Vertical and horizontal analysis of the balance sheet and income statement, along with the calculation of selected ratios of profitability, liquidity, leverage and activity, were included. Vertical analysis showed each item as a percentage of the total. Horizontal analysis showed how each item changed in value from year to year. Profitability ratios measured how effectively the company used its assets to generate profit. Liquidity measured its capability to cover its short-term debts. Leverage ratios indicated the extent of risk exposure and activity ratios evaluated the efficiency with which the company uses its resources to generate revenue. These methods were calculated to gain a deep understanding of the company's overall financial standing.

The financial analysis of HON-okna, dveře s.r.o. revealed an overall improvement in the company's financial health over the analysed period from 2021 to 2023. Positive developments were identified in the capital structure, profitability as well as asset efficiency. It is important to note that certain challenges, especially in the areas of short-term liquidity and receivables management, were revealed. Based on the financial analysis results, a set of recommendations was formulated with the aim of enhancing the company's financial stability and overall performance. Despite existing challenges, the company maintains a stable and solid financial position.

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LIST OF ABBREVIATIONS

CZ NACE	Czech Classification of Economic Activities
EAT	Earnings After Taxes
EBT	Earnings Before Taxes
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
ROS	Return on Sales
ROA	Return on Assets
ROE	Return on Equity
CZK	Czech Crown

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Appendix 1 - Balance sheet 2021

Označení a	AKTIVA b	Číslo řádku c	Běžné účetní období			Minulé úč. období
			Brutto 1	Korekce 2	Netto 3	
	AKTIVA CELKEM (A. + B. + C. + D.)	01	78 190	40 242	37 948	22 122
B.	Stálá aktiva (B.I. + B.II. + B.III.)	03	53 205	39 800	13 405	9 080
B.I.	Dlouhodobý nehmotný majetek (součet B.I.1. až B.I.5.2.)	04	1 515	1 515	0	7
2.	Ocenitelná práva	06	1 515	1 515	0	7
2.1.	Software	07	1 440	1 440	0	7
2.2.	Ostatní ocenitelná práva	08	75	75	0	0
B.II.	Dlouhodobý hmotný majetek (součet B.II.1. až B.II.5.2.)	14	51 690	38 285	13 405	9 073
1.	Pozemky a stavby	15	14 680	8 487	6 193	6 641
1.1.	Pozemky	16	160	0	160	160
1.2.	Stavby	17	14 520	8 487	6 033	6 481
2.	Hmotné movité věci a jejich soubory	18	36 604	29 798	6 806	2 139
5.	Poskytnuté zálohy na dlouhodobý hmotný majetek a nedokončený dlouhodobý hmotný majetek	24	406	0	406	293
5.1.	Poskytnuté zálohy na dlouhodobý hmotný majetek	25	60	0	60	0
5.2.	Nedokončený dlouhodobý hmotný majetek	26	346	0	346	293
C.	Oběžná aktiva (C.I. + C.II. + C.III. + C.IV.)	37	24 096	442	23 654	12 653
C.I.	Zásoby (součet C. I.1. až C.I.5.)	38	9 306	0	9 306	6 886
1.	Materiál	39	3 864	0	3 864	2 417
2.	Nedokončená výroba a polotovary	40	4 576	0	4 576	2 815
3.	Výrobky a zboží	41	866	0	866	1 654
3.1.	Výrobky	42	866	0	866	1 654
C.II.	Pohledávky (C.II.1 + C.II.2 + C.II.3)	46	3 069	442	2 627	1 244
2.	Krátkodobé pohledávky	57	3 069	442	2 627	1 244
2.1.	Pohledávky z obchodních vztahů	58	1 846	442	1 404	1 149
2.4.	Pohledávky - ostatní	61	1 223	0	1 223	95
4.3.	Stát - daňové pohledávky	64	654	0	654	0
4.4.	Krátkodobé poskytnuté zálohy	65	548	0	548	95
4.6.	Jiné pohledávky	67	21	0	21	0
C.IV.	Peněžní prostředky (C.IV.1. + C.IV.2.)	75	11 721	0	11 721	4 523
1.	Peněžní prostředky v pokladně	76	136	0	136	229
2.	Peněžní prostředky na účtech	77	11 585	0	11 585	4 294
D.	Časové rozlišení aktiv (D.1. + D.2. + D.3.)	78	889	0	889	389
1.	Náklady příštích období	79	889	0	889	389

Označení a	PASIVA b	Číslo řádku c	Stav v běžném účet. období	Stav v minulém účetním období
			5	6
	PASIVA CELKEM (A. + B. + C. + D.)	01	37 948	22 122
A.	Vlastní kapitál (A.I. + A.II. + A.III. + A.IV. + A.V. + A.VI.)	02	10 414	8 021
A.I.	Základní kapitál (A.I.1. + A.I.2. + A.I.3.)	03	3 875	3 875
1.	Základní kapitál	04	3 875	3 875
A.II.	Ážio a kapitálové fondy (součet A.II.1. + A.II.2.)	07	5 120	5 120
2.	Kapitálové fondy	09	5 120	5 120
2.1.	Ostatní kapitálové fondy	10	5 120	5 120
A.III.	Fondy ze zisku (A.III.1. + A.III.2.)	15	437	437
2.	Statutární a ostatní fondy	17	437	437
A.IV.	Výsledek hospodaření minulých let (+/-) (A.IV.1. + A.IV.2.)	18	-1 411	-7 649
1.	Nerozdělený zisk nebo neuhrazená ztráta minulých let (+/-)	19	-1 411	-7 649
A.V.	Výsledek hospodaření běžného účetního období (+/-)	21	2 393	6 238
B + C.	Cizí zdroje (součet B. + C.)	23	27 534	14 101
C.	Závazky (součet C.I. + C.II. + C.III.)	29	27 534	14 101
C.I.	Dlouhodobé závazky (součet C. I.1. až C.I.9.)	30	4 839	2 200
2.	Závazky k úvěrovým institucím	34	2 570	0
9.	Závazky - ostatní	41	2 269	2 200
9.3.	Jiné závazky	44	2 269	2 200
C.II.	Krátkodobé závazky (součet C. II.1. až C.II.8.)	45	22 695	11 901
2.	Závazky k úvěrovým institucím	49	897	949
3.	Krátkodobé přijaté zálohy	50	15 143	4 553
4.	Závazky z obchodních vztahů	51	3 965	4 237
8.	Závazky ostatní	55	2 690	2 162
8.3.	Závazky k zaměstnancům	58	775	611
8.4.	Závazky ze sociálního a zdravotního pojištění	59	422	351
8.5.	Stát – daňové závazky a dotace	60	1 303	1 081
8.6.	Dohadné účty pasivní	61	105	104
8.7.	Jiné závazky	62	85	15

Appendix 2 - Income statement 2021

Označení a	TEXT b	Číslo řádku c	Skutečnost v účetním období	
			běžném 1	minulém 2
I.	Tržby z prodeje výrobků a služeb	01	59 352	56 875
A.	Výkonová spotřeba (součet A.1. až A.3.)	03	41 406	37 235
2.	Spotřeba materiálu a energie	05	38 215	34 911
3.	Služby	06	3 191	2 324
B.	Změna stavu zásob vlastní činnosti (+/-)	07	-974	-1 531
D.	Osobní náklady (součet D.1. až D.2.)	09	14 359	12 424
D.1.	Mzdové náklady	10	10 380	9 450
2.	Náklady na sociální zabezpečení, zdravotní pojištění a ostatní náklady	11	3 979	2 974
2.1.	Náklady na sociální zabezpečení a zdravotní pojištění	12	3 717	2 719
2.2.	Ostatní náklady	13	262	255
E.	Úpravy hodnot v provozní oblasti (součet E.1. až E.3.)	14	1 660	1 195
E.1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku	15	1 218	1 195
1.1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku - trvalé	16	1 218	1 195
3.	Úpravy hodnot pohledávek	19	442	0
III.	Ostatní provozní výnosy (součet III.1 až III.3.)	20	916	997
2.	Tržby z prodaného materiálu	22	911	840
3.	Jiné provozní výnosy	23	5	157
F.	Ostatní provozní náklady (součet F.1. až F.5.)	24	598	555
2.	Prodaný materiál	26	507	481
3.	Daně a poplatky	27	39	37
5.	Jiné provozní náklady	29	52	37
*	Provozní výsledek hospodaření (+/-)	30	3 219	7 994
J.	Nákladové úroky a podobné náklady (součet J.1 + J.2.)	43	64	138
2.	Ostatní nákladové úroky podobné náklady	45	64	138
VII.	Ostatní finanční výnosy	46	101	112
K.	Ostatní finanční náklady	47	639	559
*	Finanční výsledek hospodaření (+/-)	48	-602	-585
**	Výsledek hospodaření před zdaněním (+/-)	49	2 617	7 409
L.	Daň z příjmů (součet L. 1 + L.2.)	50	224	1 171
L.1.	Daň z příjmů splatná	51	224	1 171
**	Výsledek hospodaření po zdanění (+/-)	53	2 393	6 238
***	Výsledek hospodaření za účetní období (+/-)	55	2 393	6 238
	Čistý obrat za účetní období = I. + II. + III. + IV. + V. + VI. + VII:	56	60 369	57 984

Appendix 3 - Balance sheet 2022

Označení a	AKTIVA b	Číslo řádku c	Běžné účetní období			Minulé úč. období
			Brutto 1	Korekce 2	Netto 3	Netto 4
	AKTIVA CELKEM (A. + B. + C. + D.)	01	71 312	42 036	29 276	37 948
B.	Stálá aktiva (B.I. + B.II. + B.III.)	03	54 060	41 152	12 908	13 405
B.I.	Dlouhodobý nehmotný majetek (součet B.I.1. až B.I.5.2.)	04	1 515	1 515	0	0
2.	Ocenitelná práva	06	1 515	1 515	0	0
2.1.	Software	07	1 440	1 440	0	0
2.2.	Ostatní ocenitelná práva	08	75	75	0	0
B.II.	Dlouhodobý hmotný majetek (součet B.II.1. až B.II.5.2.)	14	52 545	39 637	12 908	13 405
1.	Pozemky a stavby	15	14 680	8 936	5 744	6 193
1.1.	Pozemky	16	160	0	160	160
1.2.	Stavby	17	14 520	8 936	5 584	6 033
2.	Hmotné movité věci a jejich soubory	18	37 392	30 701	6 691	6 806
5.	Poskytnuté zálohy na dlouhodobý hmotný majetek a nedokončený dlouhodobý hmotný majetek	24	473	0	473	406
5.1.	Poskytnuté zálohy na dlouhodobý hmotný majetek	25	0	0	0	60
5.2.	Nedokončený dlouhodobý hmotný majetek	26	473	0	473	346
C.	Oběžná aktiva (C.I. + C.II. + C.III. + C.IV.)	37	16 722	884	15 838	23 654
C.I.	Zásoby (součet C. I.1. až C.I.5.)	38	9 470	0	9 470	9 306
1.	Materiál	39	2 471	0	2 471	3 864
2.	Nedokončená výroba a polotovary	40	5 586	0	5 586	4 576
3.	Výrobky a zboží	41	1 413	0	1 413	866
3.1.	Výrobky	42	1 413	0	1 413	866
C.II.	Pohledávky (C.II.1 + C.II.2 + C.II.3)	46	3 223	884	2 339	2 627
2.	Krátkodobé pohledávky	57	3 223	884	2 339	2 627
2.1.	Pohledávky z obchodních vztahů	58	2 853	884	1 969	1 404
2.4.	Pohledávky - ostatní	61	370	0	370	1 223
4.3.	Stát - daňové pohledávky	64	200	0	200	654
4.4.	Krátkodobé poskytnuté zálohy	65	170	0	170	548
4.6.	Jiné pohledávky	67	0	0	0	21
C.IV.	Peněžní prostředky (C.IV.1. + C.IV.2.)	75	4 029	0	4 029	11 721
1.	Peněžní prostředky v pokladně	76	144	0	144	136
2.	Peněžní prostředky na účtech	77	3 885	0	3 885	11 585
D.	Časové rozlišení aktiv (D.1. + D.2. + D.3.)	78	530	0	530	889
1.	Náklady příštích období	79	530	0	530	889

Označení a	PASIVA b	Číslo řádku c	Stav v běžném účet. období	Stav v minulém účetním období
			5	6
	PASIVA CELKEM (A. + B. + C. + D.)	01	29 276	37 948
A.	Vlastní kapitál (A.I. + A.II. + A.III. + A.IV. + A.V. + A.VI.)	02	12 059	10 414
A.I.	Základní kapitál (A.I.1. + A.I.2. + A.I.3.)	03	3 875	3 875
1.	Základní kapitál	04	3 875	3 875
A.II.	Ážio a kapitálové fondy (součet A.II.1. + A.II.2.)	07	5 120	5 120
2.	Kapitálové fondy	09	5 120	5 120
2.1.	Ostatní kapitálové fondy	10	5 120	5 120
A.III.	Fondy ze zisku (A.III.1. + A.III.2.)	15	437	437
2.	Statutární a ostatní fondy	17	437	437
A.IV.	Výsledek hospodaření minulých let (+/-) (A.IV.1. + A.IV.2.)	18	983	-1 411
1.	Nerozdělený zisk nebo neuhrazená ztráta minulých let (+/-)	19	981	-1 411
2.	Jiný výsledek hospodaření minulých let (+/-)	20	2	0
A.V.	Výsledek hospodaření běžného účetního období (+/-)	21	1 644	2 393
B + C.	Cizí zdroje (součet B. + C.)	23	17 213	27 534
C.	Závazky (součet C.I. + C.II. + C.III.)	29	17 213	27 534
C.I.	Dlouhodobé závazky (součet C. I.1. až C.I.9.)	30	3 250	4 839
2.	Závazky k úvěrovým institucím	34	1 740	2 570
9.	Závazky - ostatní	41	1 510	2 269
9.3.	Jiné závazky	44	1 510	2 269
C.II.	Krátkodobé závazky (součet C. II.1. až C.II.8.)	45	13 963	22 695
2.	Závazky k úvěrovým institucím	49	885	897
3.	Krátkodobé přijaté zálohy	50	7 388	15 143
4.	Závazky z obchodních vztahů	51	3 580	3 965
8.	Závazky ostatní	55	2 110	2 690
8.3.	Závazky k zaměstnancům	58	812	775
8.4.	Závazky ze sociálního a zdravotního pojištění	59	452	422
8.5.	Stát – daňové závazky a dotace	60	549	1 303
8.6.	Dohadné účty pasivní	61	0	105
8.7.	Jiné závazky	62	297	85
D.	Časové rozlišení pasiv (D.1. + D.2.)	66	4	0
1.	Výdaje příštích období	67	4	0

Appendix 4 - Income statement 2022

Označení a	TEXT b	Číslo řádku c	Skutečnost v účetním období	
			běžném 1	minulém 2
I.	Tržby z prodeje výrobků a služeb	01	64 307	59 352
II.	Tržby za prodej zboží	02	5 196	0
A.	Výkonová spotřeba (součet A.1. až A.3.)	03	50 456	41 406
A.1.	Náklady vynaložené na prodané zboží	04	3 989	0
2.	Spotřeba materiálu a energie	05	43 574	38 215
3.	Služby	06	2 893	3 191
B.	Změna stavu zásob vlastní činnosti (+/-)	07	-1 558	-974
D.	Osobní náklady (součet D.1. až D.2.)	09	15 779	14 359
D.1.	Mzdové náklady	10	11 375	10 380
2.	Náklady na sociální zabezpečení, zdravotní pojištění a ostatní náklady	11	4 404	3 979
2.1.	Náklady na sociální zabezpečení a zdravotní pojištění	12	4 105	3 717
2.2.	Ostatní náklady	13	299	262
E.	Úpravy hodnot v provozní oblasti (součet E.1. až E.3.)	14	2 734	1 660
E.1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku	15	2 292	1 218
1.1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku - trvalé	16	2 292	1 218
3.	Úpravy hodnot pohledávek	19	442	442
III.	Ostatní provozní výnosy (součet III.1 až III.3.)	20	527	916
1.	Tržby z prodaného dlouhodobého majetku	21	238	0
2.	Tržby z prodaného materiálu	22	289	911
3.	Jiné provozní výnosy	23	0	5
F.	Ostatní provozní náklady (součet F.1. až F.5.)	24	141	598
2.	Prodaný materiál	26	91	507
3.	Daně a poplatky	27	29	39
5.	Jiné provozní náklady	29	21	52
*	Provozní výsledek hospodaření (+/-)	30	2 478	3 219
J.	Nákladové úroky a podobné náklady (součet J.1 + J.2.)	43	167	64
2.	Ostatní nákladové úroky podobné náklady	45	167	64
VII.	Ostatní finanční výnosy	46	113	101
K.	Ostatní finanční náklady	47	510	639
*	Finanční výsledek hospodaření (+/-)	48	-564	-602
**	Výsledek hospodaření před zdaněním (+/-)	49	1 914	2 617
L.	Daň z příjmů (součet L. 1 + L.2.)	50	270	224
L.1.	Daň z příjmů splatná	51	270	224
**	Výsledek hospodaření po zdanění (+/-)	53	1 644	2 393

Označení a	TEXT b	Číslo řádku c	Skutečnost v účetním období	
			běžném 1	minulém 2
***	Výsledek hospodaření za účetní období (+/-)	55	1 644	2 393
	Čistý obrat za účetní období = I. + II. + III. + IV. + V. + VI. + VII:	56	70 143	60 369

Podpisový záznam

Appendix 5 - Balance sheet 2023

Označení a	AKTIVA b	Číslo řádku c	Běžné účetní období			Minulé úč. období
			Brutto 1	Korekce 2	Netto 3	Netto 4
	AKTIVA CELKEM (A. + B. + C. + D.)	01	70 954	44 418	26 536	29 276
B.	Stálá aktiva (B.I. + B.II. + B.III.)	03	56 118	43 534	12 584	12 908
B.I.	Dlouhodobý nehmotný majetek (součet B.I.1. až B.I.5.2.)	04	1 594	1 528	66	0
2.	Ocenitelná práva	06	1 594	1 528	66	0
2.1.	Software	07	1 519	1 453	66	0
2.2.	Ostatní ocenitelná práva	08	75	75	0	0
B.II.	Dlouhodobý hmotný majetek (součet B.II.1. až B.II.5.2.)	14	54 524	42 006	12 518	12 908
1.	Pozemky a stavby	15	14 817	9 391	5 426	5 744
1.1.	Pozemky	16	160	0	160	160
1.2.	Stavby	17	14 657	9 391	5 266	5 584
2.	Hmotné movité věci a jejich soubory	18	37 734	32 615	5 119	6 691
5.	Poskytnuté zálohy na dlouhodobý hmotný majetek a nedokončený dlouhodobý hmotný majetek	24	1 973	0	1 973	473
5.1.	Poskytnuté zálohy na dlouhodobý hmotný majetek	25	1 499	0	1 499	0
5.2.	Nedokončený dlouhodobý hmotný majetek	26	474	0	474	473
C.	Oběžná aktiva (C.I. + C.II. + C.III. + C.IV.)	37	14 548	884	13 664	15 838
C.I.	Zásoby (součet C. I.1. až C.I.5.)	38	6 527	0	6 527	9 470
1.	Materiál	39	2 859	0	2 859	2 471
2.	Nedokončená výroba a polotovary	40	3 427	0	3 427	5 586
3.	Výrobky a zboží	41	241	0	241	1 413
3.1.	Výrobky	42	241	0	241	1 413
C.II.	Pohledávky (C.II.1 + C.II.2 + C.II.3)	46	5 033	884	4 149	2 339
2.	Krátkodobé pohledávky	57	5 033	884	4 149	2 339
2.1.	Pohledávky z obchodních vztahů	58	4 502	884	3 618	1 969
2.4.	Pohledávky - ostatní	61	531	0	531	370
4.3.	Stát - daňové pohledávky	64	44	0	44	200
4.4.	Krátkodobé poskytnuté zálohy	65	392	0	392	170
4.6.	Jiné pohledávky	67	95	0	95	0
C.IV.	Peněžní prostředky (C.IV.1. + C.IV.2.)	75	2 988	0	2 988	4 029
1.	Peněžní prostředky v pokladně	76	387	0	387	144
2.	Peněžní prostředky na účtech	77	2 601	0	2 601	3 885
D.	Časové rozlišení aktiv (D.1. + D.2.+ D.3.)	78	288	0	288	530
1.	Náklady příštích období	79	288	0	288	530

Označení a	PASIVA b	Číslo řádku c	Stav v běžném účet. období	Stav v minulém účetním období
			5	6
	PASIVA CELKEM (A. + B. + C. + D.)	01	26 536	29 276
A.	Vlastní kapitál (A.I. + A.II. + A.III. + A.IV. + A.V. + A.VI.)	02	14 658	12 059
A.I.	Základní kapitál (A.I.1. + A.I.2. + A.I.3.)	03	3 875	3 875
1.	Základní kapitál	04	3 875	3 875
A.II.	Ážio a kapitálové fondy (součet A.II.1. + A.II.2.)	07	5 120	5 120
2.	Kapitálové fondy	09	5 120	5 120
2.1.	Ostatní kapitálové fondy	10	5 120	5 120
A.III.	Fondy ze zisku (A.III.1. + A.III.2.)	15	437	437
2.	Statutární a ostatní fondy	17	437	437
A.IV.	Výsledek hospodaření minulých let (+/-) (A.IV.1. + A.IV.2.)	18	2 628	983
1.	Nerozdělený zisk nebo neuhrazená ztráta minulých let (+/-)	19	2 628	981
2.	Jiný výsledek hospodaření minulých let (+/-)	20	0	2
A.V.	Výsledek hospodaření běžného účetního období (+/-)	21	2 598	1 644
B + C.	Cizí zdroje (součet B. + C.)	23	11 878	17 213
C.	Závazky (součet C.I. + C.II. + C.III.)	29	11 878	17 213
C.I.	Dlouhodobé závazky (součet C. I.1. až C.I.9.)	30	2 228	3 250
2.	Závazky k úvěrovým institucím	34	810	1 740
9.	Závazky - ostatní	41	1 418	1 510
9.3.	Jiné závazky	44	1 418	1 510
C.II.	Krátkodobé závazky (součet C. II.1. až C.II.8.)	45	9 650	13 963
2.	Závazky k úvěrovým institucím	49	930	885
3.	Krátkodobé přijaté zálohy	50	4 278	7 388
4.	Závazky z obchodních vztahů	51	2 623	3 580
8.	Závazky ostatní	55	1 819	2 110
8.3.	Závazky k zaměstnancům	58	792	812
8.4.	Závazky ze sociálního a zdravotního pojištění	59	440	452
8.5.	Stát – daňové závazky a dotace	60	492	549
8.7.	Jiné závazky	62	95	297
D.	Časové rozlišení pasiv (D.1. + D.2.)	66	0	4
1.	Výdaje příštích období	67	0	4

appendix 6 Income statement 2023

Označení a	TEXT b	Číslo řádku c	Skutečnost v účetním období	
			běžném 1	minulém 2
I.	Tržby z prodeje výrobků a služeb	01	58 169	64 307
II.	Tržby za prodej zboží	02	6 547	5 196
A.	Výkonová spotřeba (součet A.1. až A.3.)	03	39 741	50 456
A.1.	Náklady vynaložené na prodané zboží	04	4 630	3 989
2.	Spotřeba materiálu a energie	05	31 231	43 574
3.	Služby	06	3 880	2 893
B.	Změna stavu zásob vlastní činnosti (+/-)	07	3 332	-1 558
C.	Aktivace (-)	08	-8	0
D.	Osobní náklady (součet D.1. až D.2.)	09	16 129	15 779
D.1.	Mzdové náklady	10	11 686	11 375
2.	Náklady na sociální zabezpečení, zdravotní pojištění a ostatní náklady	11	4 443	4 404
2.1.	Náklady na sociální zabezpečení a zdravotní pojištění	12	4 101	4 105
2.2.	Ostatní náklady	13	342	299
E.	Úpravy hodnot v provozní oblasti (součet E.1. až E.3.)	14	2 383	2 734
E.1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku	15	2 383	2 292
1.1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku - trvalé	16	2 383	2 292
3.	Úpravy hodnot pohledávek	19	0	442
III.	Ostatní provozní výnosy (součet III.1 až III.3.)	20	500	527
1.	Tržby z prodaného dlouhodobého majetku	21	0	238
2.	Tržby z prodaného materiálu	22	350	289
3.	Jiné provozní výnosy	23	150	0
F.	Ostatní provozní náklady (součet F.1. až F.5.)	24	110	141
2.	Prodaný materiál	26	26	91
3.	Daně a poplatky	27	29	29
5.	Jiné provozní náklady	29	55	21
*	Provozní výsledek hospodaření (+/-)	30	3 529	2 478
J.	Nákladové úroky a podobné náklady (součet J.1 + J.2.)	43	129	167
2.	Ostatní nákladové úroky podobné náklady	45	129	167
VII.	Ostatní finanční výnosy	46	112	113
K.	Ostatní finanční náklady	47	508	510
*	Finanční výsledek hospodaření (+/-)	48	-525	-564
**	Výsledek hospodaření před zdaněním (+/-)	49	3 004	1 914
L.	Daň z příjmů (součet L. 1 + L.2.)	50	406	270
L.1.	Daň z příjmů splatná	51	406	270

Označení a	TEXT b	Číslo řádku c	Skutečnost v účetním období	
			běžném 1	minulém 2
**	Výsledek hospodaření po zdanění (+/-)	53	2 598	1 644
***	Výsledek hospodaření za účetní období (+/-)	55	2 598	1 644
	Čistý obrat za účetní období = I. + II. + III. + IV. + V. + VI. + VII:	56	65 328	70 143

Podpisový záznam