

Kyiv National University of Trade and Economics

Department of Economics and Business Finance

FINAL QUALIFYING PAPER

on the topic:

Diagnostics of an enterprise financial crisis

based on the data of LLC PUB DOROTHY, Kyiv

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INTRODUCTION

The relevance of the research. As of 2020, the development of Ukraine's economy is characterized by rapid changes in the internal and external environment of enterprises, which cause a high level of financial risks due to the international economic crisis caused by the Covid-19 pandemic and exacerbated by deteriorating economic situation and devaluation domestic currency.

The ability of companies (enterprises) to respond in a timely and adequate manner to external threats in the modern market environment and the development of measures to reduce their impact is the key to their successful operation in the domestic market.

Thus, the development of effective financial policy of the company, which is part of its financial security system, will protect the company from threats, which in turn will ensure not only its sustainable development, but also the formation of positive results of its financial activities.

Many works of foreign and domestic economists are devoted to the study of measures to bring the company out of the financial crisis: O.O. Tereshchenko, V.O. Vasilenko, L.O. Ligonenko, A.N. Pushkar, T.S. Khlebanova, B.C. Ponomarenko, O.M. Tridid, Yu.S. Shembel, A.M. Schtangret and others.

Despite the diversity and depth of research, most of them are devoted to the development and formation of financial levers and subsystems of economic security of the enterprise.

Among the existing unresolved problems of theoretical understanding of financial security of the company first of all we can mention the lack of a common point of view on determining the components of financial security of the enterprise and methods of their assessment, a small amount of work on accounting for the financial policy of the company.

Based on the above, the relevance of the topic of qualifying paper is emphasized, where the relevance of the paper is explained by the fact that the development of market relations in Ukraine promotes competition, and as a result,

rapidly growing range and size of production of goods and services.

Many companies face the question of overcoming the financial crisis. Where it is very important in this context to identify in time the emergence of a financial crisis in the enterprise and to form measures to overcome such a crisis.

To ensure a steady increase in profits in these conditions, businesses use various options to increase the customer base and increase sales, develop a new marketing strategy and more.

Therefore, the chosen topic of final qualifying paper is quite relevant today.

The purpose of the paper. The **purpose** of the research is to evaluate enterprise activity in financial crisis condition and to give the necessary proposals for overcoming the financial crisis.

The following **tasks** were set and solved in the final qualifying paper based on the formulated purpose:

- to explore theoretical aspects of the enterprise financial crisis;
- to conduct express diagnostics of enterprise financial state;
- to assess the enterprise financial state with statistical models;
- to evaluate the enterprise bankruptcy situation;
- to substantiate the counter-crisis measures for overcoming enterprise financial crisis.

The object of the research is the process of enterprise financial crisis diagnostics.

The subject of the research is theoretical, methodological, and practical aspects of enterprise financial crisis diagnostics.

The basis of the study is the financial condition of the company LLC PUB DOROTHY, which operates in the restaurant business and has financial problems that could cause a crisis.

Methods of the research. To solve the tasks set in the paper general and special research methods are used: methods of abstraction, induction, deduction, analysis, synthesis and logical analysis to study the dynamics and structure of indicators of financial condition; system method; historical and dialectical; logical

generalization to provide conclusions and recommendations; methods of statistical analysis, graphical analysis to present the results. The following techniques were used to write the paper: method of content analysis of scientific literature, methods of statistical data processing.

Information base of the research. The information base of the study is legislative and regulatory documents, articles related to the selected topic, bibliographic sources and Internet resources. The initial data for writing the final qualifying paper is the financial statements of LLC PUB DOROTHY.

Practical meaning. The results of the conducted research and the suggested ways of optimization can be taken into account and used by the enterprise in the further decision-making concerning crisis management of an enterprise.

Approbation. The results of the study were presented at the enterprise for their further application and published in the collection of master's articles "Economics and Finance of Enterprise" in an article on the topic: "Diagnostics of an enterprise financial crisis".

The structure of the final qualifying paper is determined by its purpose and tasks and includes introduction, three chapters, conclusions and proposals, references and appendices. Total amount of pages in the paper is 50 pages.

CHAPTER 1

THEORETICAL ASPECTS OF THE ENTERPRISE FINANCIAL CRISIS

Today an integral part of the effective functioning of domestic enterprises is the presence in them of sufficient financial resources designed to ensure processes are directly related to their production and business activities.

In the future, the ability of the enterprise to develop steadily in a crisis is determined by: stability of its financial condition; efficiency of its financial activity; resilience of enterprises to the impact of negative crisis factors.

All the above-mentioned in this area characterizes the level of crisis financial protection of enterprises.

Carrying out the theoretical analysis of scientific works related to the raised research topics, first of all it should be noted that now there is a certain difficulty in forming adaptive conceptual frameworks in the areas of financial security, crisis policy and methodological tools for financial security.

It is also worth noting that today in the scientific community there are different views on the definition of the theoretical interpretation of the essence of the concepts of “financial security” and “crisis financial policy”.

Accordingly, the scientifically sound of the above terms and the definition of the essence of financial security is a fundamental basis for understanding the effective operation of enterprises by ensuring, forecasting, preventing and counteracting various economic risks and dangers.

In recent years (2015-2020) on the basis of acquaintance with various criteria, factors and threats to financial security there is an adaptive process of systematization and conceptualization this idea as a scientific category. The analysis of modern scientific publications shows the diversity of scientific approaches, concepts and certain theories to determine the essence of the concept of “financial security”, provision and operation. Scientific variations of the interpretation of the essence of the concept of financial security of enterprises are given in table 1.1.

Table 1.1

Definition of the concept of “Financial Crisis” by different authors

Blank I. O., Sitnik G. V.	Regard the financial crisis of the enterprise as “one of the most serious forms of disturbance of its financial balance, reflecting cyclically occurring during its life cycle under the influence of various factors contradictions between the actual state of its financial potential and the required financial needs, which carries the most dangerous potential threats to its functioning” [12].
L. O. Ligonenko	Crisis equates to the aggravation of contradictions in the socio-economic system of the enterprise, which threatens its existence in the environment [24, 25].
American scientists	The category “crisis” is considered as an event that threatens the reputation of the company, or to continue its operation, which has certain consequences regardless of the size of the company, the quality of management, industry or location in which it is located [32].
A.D. Chernyavsky	“A crisis is a turning point in the functioning of any system, in which it is affected from the outside or from within, which requires a qualitatively new response.” [42]
V.O. Vasilenko	“The crisis is an extreme exacerbation of contradictions in the socio-economic system (organization), which threatens its viability in the environment” [15].

The study of approaches of different authors to the definition of financial crisis leads to the conclusion that this concept means the phase of unbalanced activities of the enterprise and the limited impact of its management on the financial relations arising in this enterprise. It represents the potential loss of survival is a chronic inability of financial support economic activity due to the influence, both internal and external environment. In practice, the crisis is usually determined by the threat of insolvency and bankruptcy of the enterprise, its activities in the non-profit zone, or lack of potential of the enterprise for successful operation.

The financial crisis of the enterprise is characterized by three main parameters, namely [14, p. 61]: causes; type of crisis; stage of crisis development.

The variety of such interpretations, the essence of the concept of “financial security of the enterprise” are direct evidence:

- the weight and complexity of the problem raised;
- incompleteness of the theoretical and methodological approach to processing this issue.

Thus, financial security in the modern scientific literature is considered:

- first, as a state of protection of the interests of the enterprise;
- secondly, as a state of efficient use of enterprise resources;
- thirdly, as a process of achieving a certain state of the enterprise;
- fourth, as a stable and dynamic system of providing financial resources.

Considering the existing theoretical approaches to the definition of “Financial security of the enterprise” should offer a generalized interpretation of the essence of the studied economic concept: “financial security of the enterprise” is a state of protection of financial interests of the enterprise from negative and internal acquires a positive value of financial indicators of its activities and, accordingly, ensures its stable development in the short and long term. The main tasks of financial security management of the enterprise are presented in Appendix E. In the economic development of modern enterprise special place should be given to its crisis financial policy. Crisis financial policy of the company is focused– formation and use of financial resources for the implementation of business enterprise strategic and tactical tasks to address crisis conditions within and ensure its proper functioning, which established the constituent documents (charter).

The crisis financial policy of the enterprise is determined by its owners. The executors of this crisis policy are financial services, production structures, individual departments, and employees of the enterprise.

Accordingly, to develop the financial policy of the enterprise, means to determine the tasks combined into measures that the enterprise must solve in the process of financial management [20]. In Appendix E. the basic requirements to the organization of development and creation of a subsystem of management of financial safety of the enterprise are presented.

The crisis financial policy of the enterprise is characterized by the fact that it covers three aspects of its activities (main, investment and financial), as well as the fact that its formation is determined by trends in both commodity and financial

markets.

The quality of crisis financial policy is influenced by such factors as the organization of financial management, the level of qualification of financial managers, the quality of information support, the degree of implementation of management accounting, the use of standard programs [19].

The main objectives of the crisis financial policy of the enterprise are presented in Appendix F.

The choice of one or another option of crisis financial policy of the enterprise may depend on many internal and external factors.

Internal factors influencing the crisis financial policy of the enterprise include: organizational and legal form of the enterprise, industry affiliation and type of activity, scale of enterprise activity, availability of automated information systems, organizational management structure, degree of financial management development at the enterprise.

External factors include the macroeconomic situation, market conditions, the degree of liberalization of legislation and many others.

According to the direction of activities distinguish between internal and external financial policies. The internal financial policy of the enterprise is aimed at optimizing financial relations and processes occurring within the enterprise.

Depending on the time factor in modern economic theory, there are long-term and short-term crisis financial policies of the enterprise. In most cases, long-term policy is aimed at a comprehensive search for resources for financial support of its development, taking into account the crisis factors, achieving the maximum possible financial potential, which should ensure long-term financial stability of the enterprise [20].

Short-term crisis policy of the enterprise is aimed at solving the most acute current financial problems that may arise in crisis situations, which improves the financial condition of the enterprise and increase its financial stability in the face of possible crisis effects in the short term [21].

The content of crisis policy includes the following priority links:

- 1) development of the most effective crisis concept of cash and financial flow management;
- 2) determination, taking into account the prospects of key crisis ways of distribution of financial resources of the enterprise in a specific time period;
- 3) determination of specifically planned crisis actions aimed at achieving the set goals (financial analysis and control, budgeting of costs and revenues, evaluation of the effectiveness of investment projects, etc.) [22].

Therefore, we can say that crisis policy is part of financial management and is part of the general economic policy of the enterprise.

In economic theory, it is common to classify the components of crisis policy of the enterprise according to the scheme shown in Appendix F. In an unstable economic situation, the financial policy of the enterprise can be described as a certain algorithm that serves as a factor in achieving the main goal and mechanisms.

Under such conditions, strict adherence to the planned stages of financial policy implementation is important. The content of crisis policy is multifaceted and is shown in Appendix G.

Stages of crisis policy are divided into long-term stages and short-term stages. The most significant difference is the extent to which cash flows depend on the time factor.

At present, it is very difficult to attribute the stage of control to a particular type of financial policy, especially in economic instability, when checking the correctness of each stage is strategically important for the continued existence of the enterprise [24].

According to modern economic theory, crisis policy is a purposeful use of financial resources to achieve high efficiency.

The company's crisis policy includes such areas as budget, investment, tax, monetary and crisis policy of the company, as well as crisis pricing policy and a number of other important aspects that are included in the management of the enterprise. It is worth noting that the above policies directly affect the financial

component.

Given the unstable economic conditions, the company's management should strictly adhere to the stages of financial policy, including the definition of strategically important areas of development, planning, development of financial management system and control at all stages of development and implementation of financial policy, which includes analysis of its effectiveness.

The conduct of a clear financial policy is an integral factor in the stable development of the enterprise in the presence of complex unstable economic conditions.

Thus, as a result of theoretical research, the tasks and organization of financial policy and financial security of the enterprise were established. The analysis showed that:

- crisis policy of the enterprise, is a component of financial management, which is part of the general economic policy of the enterprise;
- crisis financial security of the enterprise is a state of protection of enterprises financial interests with prevention of crisis situations, from negative influence of external and internal financial threats, and the most effective use of its resources, expressed in positive values of financial indicators, provides its stable development in short and long terms.

Crisis risk management tools of the organization is a set of tools, methods, levers, ways to exercise managerial influence [25].

In general, tools are understood as a set of tools used in a particular field. The composition of financial instruments to ensure the financial crisis security of the enterprise, determine its financial relations, include: actuarial calculations, organization of underwriting, forms and methods of reinsurance, franchise, methods of calculating the reserve for unearned premiums, investment policy [1, 5].

The tools that should ensure the effective implementation of the system's functions can be divided into two groups: financial methods (management of profits, costs, capital, financial accounting, financial analysis, financial planning,

financial regulation, etc.) and financial levers profit, income, financial sanctions, dividends, price, financial incentives, wages and others) [18, p. 126].

The International Organization for Standardization (ISO) has developed risk management standards that form tools for risk reduction, including standards, rules and methods for risk assessment [34].

The tools used to ensure the financial security of the enterprise are divided into two groups: internal and external. This distribution is based on two preconditions, namely, on the one hand, the company has economic independence and, therefore, can take certain measures to achieve financial security. On the other hand, its activities are influenced by the state, which has its own tools to influence the state of the enterprise.

In the system of methods of crisis security of the enterprise we consider it necessary to allocate the following groups:

- 1) financial methods;
- 2) economic methods;
- 3) methods of influencing the risk (minimization and elimination of threats to the financial security of the enterprise).

We consider such distribution expedient proceeding from the maintenance of methods.

Financial methods are considered to be different ways of influencing financial relations on the economic process, or on the process of ensuring financial security. These include: financial planning, financial forecasting, financial analysis, investment, taxation, financial incentives and liability, insurance, mortgage transactions, transfer transactions, trust transactions, lease, leasing, factoring, relations with shareholders, other business entities, bodies public administration. The effect of the methods is manifested by the formation and use of funds and ensuring the financial security of the enterprise [38].

The second group includes methods used to identify potential threat zones and assessments that take into account: potential threat zones, forecasting the possible negative consequences of the identified destructive factors and ensuring

the financial security of the enterprise.

These include:

- 1) planning methods: resource; target planning; extrapolation method; interpolative; statistical; factorial; normative; balance; matrix;
- 2) methods of analysis: horizontal analysis; vertical analysis; trend analysis; method of financial ratios; comparative analysis; factor analysis;
- 3) control methods: control of compliance of actual indicators with the planned ones, analysis of costs by accounting and reporting centers, analysis of capital value, determination of efficiency indicators by divisions.

The third group of methods – methods used to neutralize or minimize threats to the financial security of the enterprise. Among them are [30.]:

- 1) internal mechanisms for neutralizing financial risks;
- 2) risk insurance by insurance companies.

Internal mechanisms for neutralizing financial risks are a system of methods to minimize their negative consequences, which are selected and implemented within the enterprise itself.

The object of internal mechanisms of crisis neutralization are financial risks that are not subject to insurance, if they are accepted by the company due to objective necessity. In modern conditions, the internal mechanisms of neutralization cover most of the financial risks of the enterprise.

Models for forecasting and determining the probability of bankruptcy are presented in table 1.2 [3, 16, 26, 31].

Models of domestic scientists O. Tereshchenko and A. Matviychuk will be more acceptable for our country. All models of the probability of bankruptcy have a significant disadvantage: they do not take into account the state of development of the industry and the country.

For the most part, the causes of crises (from the point of view of the enterprise as a subject of economic activity) are divided into external (exogenous) and internal (endogenous). External factors are not related to the activities of the enterprise and depend on trends in the economy, political situation, the trajectory

of the global market.

Table 1.2.

Bankruptcy forecasting and detection models

Author	Model	Adequacy of results	Disadvantages
Model E. Altman	$Z=1,2 \times X_1 + 1,4 \times X_2 + 3,3 \times X_3 + 0,6 \times X_4 + 0,999 \times X_5$, where X_1 – working capital / total value of assets X_2 – retained earnings / total value of assets X_3 – operating profit / total value of assets X_4 – market value of shares / debt X_5 – net income (revenue)	The results do not correspond to the real financial situation	Does not meet the conditions of the Ukrainian market
Model G. Springgate	$Z=1,03 \times X_1 + 3,07 \times X_2 + 0,66 \times X_3 + 0,4 \times X_4$, where X_1 – working capital / total value of assets X_2 – profit before taxes and interest / total value of assets X_3 – profit before taxes / short-term liabilities; X_4 – sales volume / total asset value	Partial discrepancy with the assessment of financial condition	Does not meet the conditions of the Ukrainian market
Model O.O. Tereshchenko	$Z=1,5 \times X_1 + 0,08 \times X_2 + 10 \times X_3 + 5 \times X_4 + 0,3 \times X_5 + 0,1 \times X_6$, where X_1 – cash-flow / liabilities X_2 – balance sheet currency / liabilities X_3 – profit / balance sheet currency X_4 – profit / sales revenue X_5 – inventories / sales revenue X_6 – fixed capital turnover (sales revenue / currency balance)	Adequately describe the assessment of the probability of bankruptcy	Does not take into account the sectoral characteristics of enterprise development
Model A.V. Matviychuk	$Z=0,033 \times X_1 + 0,268 \times X_2 + 0,045 \times X_3 - 0,018 \times X_4 - 0,004 \times X_5 - 0,015 \times X_6 + 0,702 \times X_7$, where X_1 – current assets / non-current assets X_2 – net sales income / current liabilities X_3 – net sales income / equity X_4 – balance sheet / net sales income X_5 – (current assets – current liabilities) / current assets X_6 – (long-term liabilities + current liabilities) / Balance sheet X_7 – equity / (ensuring subsequent expenses and payments	Adequately describe the assessment of the probability of bankruptcy	Does not take into account the sectoral characteristics of enterprise development

External factors include: rising inflation, political instability in the country or in contracting countries, regulatory imperfections, adverse international developments, taxes and government pressure, fluctuations in foreign exchange markets, declining consumer purchasing power, underdevelopment of science and technology, market monopolization, increased competition, crisis in industry or related industries, threat of raiding, economic downturns, weak banking system, fluctuating market conditions, underdeveloped infrastructure, deteriorating demographic situation, natural environmental problems, etc.

Internal factors are directly related to the activities of the enterprise and arise mainly due to the inefficiency of the management staff, “passive” policy on innovation, production and technological problems, imperfect marketing policy and so on.

Endogenous factors include: inefficient management process (planning,

organization, motivation, control and regulation), inefficient management apparatus, inefficient organizational structure, lack of adequate quality resources (financial, material, labor, etc.), violation of procurement and sales processes, lack of skills of employees, poor planning and analytical activities, disruption of production and technological processes, weak investment orientation, insufficient investment support, low level of corporate culture, poor marketing research, weak innovation, declining market share, deteriorating financial and economic results (increased costs, reduced liquidity, profitability, etc.), etc. [39, p. 11].

Next, we should proceed to consider the main types of financial crisis, which are shown in Appendix G.

There are links between different types of crises – a strategic crisis creates a crisis of profitability, which, in turn, leads to a crisis of solvency. The logical result of the development of symptoms of the financial crisis is excessive debt, insolvency and bankruptcy of the enterprise.

Identifying the depth of the financial crisis allows you to choose effective ways to overcome it. It should be borne in mind that different types of crises are closely interrelated, both in terms of causes and results (strategic; crisis of profitability; liquidity). To rationally apply the appropriate approach to crisis actions, it is necessary to distinguish the depth of the crisis.

To identify the potential threat of bankruptcy and timely development of measures using special methods of forecasting testing and discriminant analysis.

Assessment of the financial stability of the enterprise should be carried out in the dynamics of the following stages: Stage 1 – analysis of absolute indicators; Stage 2 – analysis of relative indicators; Stage 3 – analysis of solvency indicators; Stage 4 – determining the margin of financial stability [13, p. 34].

Appendix H contains types of financial stability are considered and second stage of assessing financial stability which involves the calculation of a number of relative ratios [30].

Comparative indicators of financial independence are financial indicators, which are calculated by the ratio of the balance between assets and liabilities. The

analysis of relationships is carried out by comparing their significance with the standards and studying their dynamics over several years [19, p. 145].

Indicators for characterizing the financial stability of the enterprise are the following: the ratio of financial independence (autonomy); the ratio of financial intensity (dependence); self-financing (payment of debts with the help of own capital); the relationship of correlation between debt and equity (financial leverage); working capital security ratio and others. Absolute and relative indicators of financial stability are widely used in analytical work. This is the stage of analysis, which is of great importance for the management of financial stability in the enterprise [11, p. 112].

In the third stage, it is advisable to calculate the relative liquidity and solvency.

According to the “Methodology of integrated assessment of investment attractiveness of enterprises and organizations”, the assets of the enterprise depending on the speed of their conversion into cash are divided into 4 groups:

1. The most liquid assets (A1) – the amounts of all items of cash and cash equivalents. This group includes cash, short-term financial investments, securities that can be equated to money.
2. Fast-moving assets (A2) are assets that take time to convert into cash. This group includes finished goods, goods and receivables. The liquidity of these assets is different and depends on subjective and objective factors: the qualifications of financial workers, the solvency of payers, loan terms and more.
3. Slow-selling assets (A3) are items in Section II of the balance sheet asset that cover inventories, work in progress, turnover and other current assets.
4. Assets that are difficult to sell (A4) are assets that are intended to be used in economic activities over a long period. This group includes all items of section I of the balance sheet asset (“Non-current assets”) [22, p.22].

The process of bringing the company out of the financial crisis is often called reorganization in the economic literature. Rehabilitation is a set of successive interconnected measures of financial and economic, production and

technical, organizational, social nature, aimed at bringing the business entity out of the crisis and recovery, or achieving profitability and competitiveness.

Withdrawal of the company from the financial crisis involves the consistent implementation of appropriate measures.

The process of financial recovery begins with identifying and analyzing the causes of the financial crisis. Carrying out of such analysis allows, or to solve questions of expediency of process of reorganization, or, if it is impossible, to liquidate the enterprise completely [10, p.82].

To carry out the remediation process, it is necessary to define its goals and strategy. Based on a sound strategy, a system of remedial measures is developed, a program and a draft remediation plan are developed. The final stage is the implementation of this plan. Assessment of the financial condition of the enterprise and the causes of the financial crisis (according to the classical model of reorganization allows to draw a conclusion about the feasibility or inappropriateness of reorganization measures). If the production potential of the enterprise is destroyed, capital is lost, the balance sheet structure is unsatisfactory, then a decision is made to liquidate the entity, or its conservation.

In the case when the company has a real opportunity to restore solvency, liquidity and profitability, has sufficiently trained management staff, product markets, and production meets the priority areas of the economy, the decision is made to rehabilitate. An important analytical part of the classical model is the formation of strategic goals and tactics of rehabilitation [2].

Strategy is a generalized model of actions necessary to achieve goals through coordination and allocation of company resources. The ultimate goal of the rehabilitation strategy is to achieve long-term competitive advantages that have provided the company with a high level of profitability, and the essence of the strategy is to choose the best options for company development and investment policy optimization [28, p.134].

The next element of the classical model of recovery is the remediation project, which is developed on the basis of the remediation program and contains a

feasibility study, calculation of financial resources needed to achieve strategic goals, specific schedules and methods of mobilization. financial capital, investment terms and their payback. assessment of the effectiveness of rehabilitation measures, as well as the projected results of the project. It is advisable to develop a financial recovery project in several ways. To select a variant, the following criteria are proposed (ranked in order of importance) shown in Appendix J.

An important component of the remediation process is the coordination and quality control of the planned activities. Supervisors should promptly identify and use new reserves for remediation, as well as make objective, qualified decisions to overcome possible obstacles to the implementation of health measures.

Effective remediation control, synthesis of information and control functions can provide effective assistance here. The task of rehabilitation control is to determine the operational results and preparation of draft decisions on the use of identified reserves and overcoming additional obstacles [18, p. 97].

Thus, having studied the theoretical aspects of the financial crisis of the enterprise, we can say that the financial crisis means a phase of unbalanced activities of the enterprise and the limited impact of its management on the financial relations arising in this enterprise. The financial crisis of the enterprise is characterized by three main parameters: reasons; type of crisis; Stage of crisis development. The definition of such stability is carried out in four stages. At the first stage, the absolute indicators of financial stability are determined by the presence and possibility of costs from the company's reserve, the second stage of assessing financial stability involves the calculation of a number of relative ratios; at the third stage it is expedient to calculate relative indicators of liquidity and solvency. The final stage of the assessment is to determine the margin of financial stability, which characterizes the level of protection of the main activity that the company currently has, and which can be used in case of emergency. On the basis of such a step-by-step analysis, you can determine the financial stability of the enterprise, which will predict the best way to conduct business.

CHAPTER 2

DIAGNOSTICS OF THE LLC PUB DOROTHY FINANCIAL CRISIS STATE

2.1 Financial results analysis of the enterprise

LLC PUB DOROTHY operates in the restaurant market. The management mechanism of LLC PUB DOROTHY is formed under the influence of general features and regularities of market economy development typical for restaurants.

At the same time, this mechanism is determined by such features of enterprises as the predominance of small and medium enterprises in the structure of the industry and the speed of capital turnover; sensitivity to market infrastructure; individuality and non-standard technologies of production and services; dynamics of organizational forms and management structures.

Accordingly, the analysis of economic, financial and economic activities of LLC PUB DOROTHY is presented in table 2.1.

Table 2.1

The main indicators of financial and economic activity of LLC PUB DOROTHY 2017-2019, thousand UAH

Indexes	2017	2018	2019	Absolute deviation, thou UAH		Growth rate, %	
				2018/2017	2019/2018	2018/2017	2019/2018
Net income (revenue) from sales of products (goods and services)	2 592	6 955	7120	4363	165	168	2,3
Cost of sales of products (goods and services)	2 162	5 886	6320	3724	434	172	7,37
Gross profit	270	729	820	459	91	170	12,4
Commercial expenses	160	340	410	180	70	112,5	20,5
Net profit	216	644	751	428	107	198	16,6
The number of staff of the enterprise, people	13	13	13	0	0	0	0

From table 2.1 it is seen that 2018 was unprofitable for the company because, increased costs for sales, resulting in reduced profitability of the enterprise, in 2019 the company reduced the cost of sales as a result increased net profit and profitability of the enterprise. During the analyzed period, the number of staff did not change.

For the period from 2017 to 2019, an increase in the company's revenue is recorded. Graphically obtained results are presented in Fig.2.1.

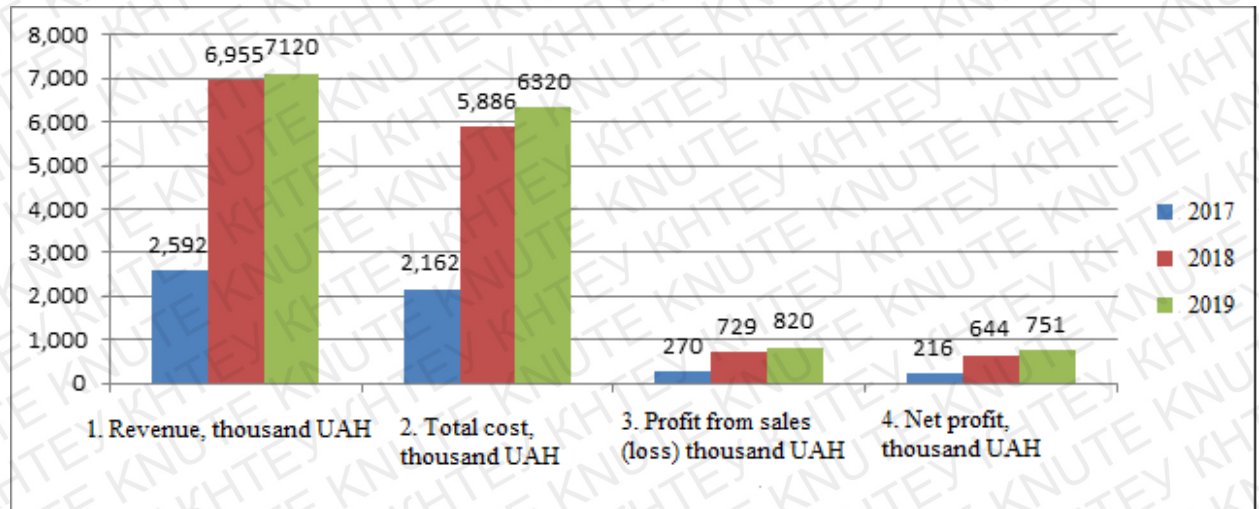


Fig.2.1. The main indicators of financial and economic activity of LLC PUB DOROTHY, 2017-2019

According to the data of fig.2.1. at the enterprise during 2017-2019 there is an increase in revenue from 2592 thousand UAH in 2017 to 7120 thousand UAH in 2019, however, the company's total cost increased from 2162 thousand UAH during this period in 2017 up to 6320 thousand UAH in 2019. Also during 2017-2019 the company has a positive dynamics of profit from sales in accordance with 270 thousand UAH in 2017 up to 820 thousand UAH in 2019, which indicates that the company received a profit for the specified period. Analyzing the net profit should be noted, its growth from 216 thousand UAH in 2017 up to 751 thousand UAH in 2019.

Graphically, the results of the dynamics of changes in commercial costs and the total financial result for the period 2017-2019. presented in Fig.2.2.

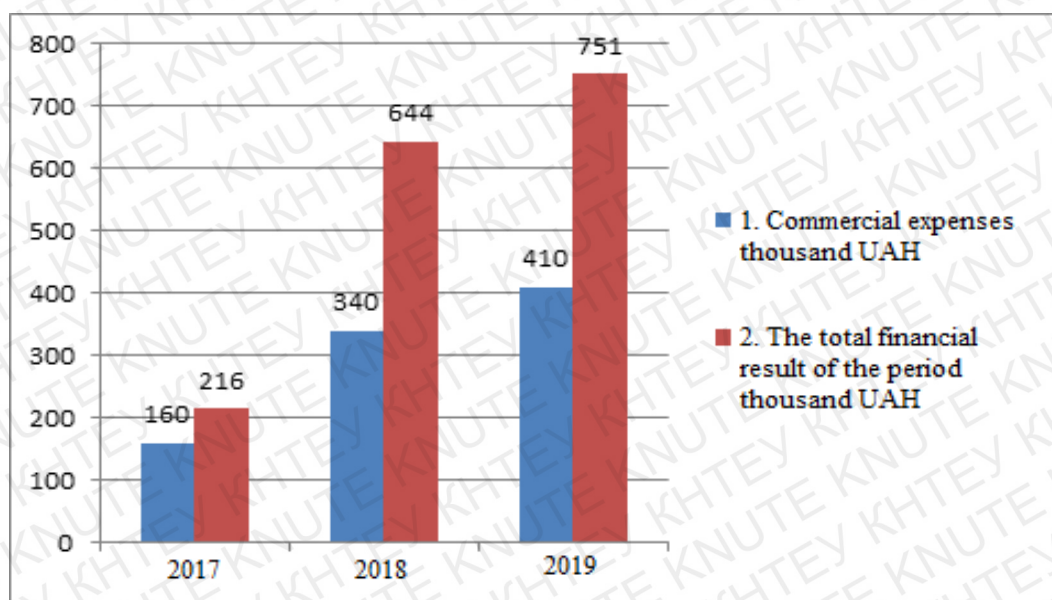


Fig.2.2. Dynamics of commercial costs and total financial result of LLC PUB DOROTHY, 2017-2019

From fig.2.2. it is seen that the company for the period 2017-2019. commercial expenses increased significantly from UAH 160,000, respectively. in 2018 up to 410 thousand UAH. in 2019 Also at the enterprise there is a positive dynamics of growth of the total financial result, respectively, from 216 thousand UAH. in 2018 up to 751 thousand UAH in 2019.

2.2 Express diagnostics of enterprise financial state

The results of the diagnosis of the coefficients of financial stability of LLC PUB DOROTHY are presented in table 2.2.

Table 2.2 shows that the financial stability of the selected enterprise is unstable, as evidenced by the data obtained.

The financial autonomy ratio for 2017-2019 has a tendency to increase, but the analysis showed that the readings of the spacecraft coefficient of the enterprise. far from the norm, which is for Ukrainian enterprises above 0.5. This indicates the weak formation of assets of LLC PUB DOROTHY at the expense of equity.

The ratio of financing for 2017-2019 also does not meet the normative values which should be more than 1, which indicates that most of the property of LLC PUB DOROTHY is formed from borrowed funds. In turn, this may indicate the danger of insolvency and complicate obtaining a loan. Although for the period 2017-2019 there is an increase in the ratio of financing.

Table 2.2

Dynamics of financial stability ratios of LLC PUB DOROTHY, 2017-2019

Indicator	2017	2018	2019	Absolute deviation, 2018/2017	Absolute deviation, 2019/2018
The financial autonomy ratio	0,27	0,41	0,419	0,14	0,09
The ratio of financing	0,373	0,688	0,67	0,315	-0,018
The debt ratio	2,68	1,45	1,49	-1,23	-1,23
The agile equity ratio	-1,68	-0,45	-0,49	1,23	-0,04

The debt ratio for LLC PUB DOROTHY for 2017-2019 does not meet the rate, which should be from 0 to 1, this indicates that the amount of debt of the entity is high compared to capital. During 2017-2019, there is an improvement in the state of the short circuit, indicating a gradual increase in the capital of the enterprise.

Table 2.3

**Classification of assets and liabilities of LLC PUB DOROTHY 2017-2019,
thousand UAH**

Characteristic	2017	2018		2019	
	thou UAH	thou UAH	Growth rate, % till 2017	thou UAH	Growth rate, % till 2018
A ₁ – the most liquid assets (cash + short-term investments)	-	11	100%	22	200%
A ₂ – quick-selling assets (receivables)	282	690	244%	790	114%
A ₃ – Slow-selling assets (group of items “Inventories” of section II)	522	1434	125	1484	116%
A ₄ – Hard-to-sell assets (Section I items “Non-current assets”)	-	-	-	-	-
L ₁ – The most urgent obligations (creditors)	579	1265	78%	1521	70,3%
L ₃ – Long-term liabilities (balance sheet item IV)	-	-	-	-	-
L ₄ – Permanent liabilities (articles of section III “Capital and reserves”)	10	10	103,37%	10	105,61%

The agile equity ratio for LLC PUB DOROTHY for 2017-2019 does not meet the norm, which means that the company's equity is not enough, as a result, it can not be used to finance the turnover of assets. We classify all assets and liabilities by groups for the analyzed period and show in table 2.3.

From the table 2.3 it is seen that the company has very few liquid assets, there is an increase in accounts payable, receivables of the company increases, which indicates the wrong credit policy of the company, this is due to the fact that buyers of LLC PUB DOROTHY do not pay on time. and thus increase the risk of insolvency of the enterprise.

The obtained results of diagnostics of solvency and liquidity ratios for LLC PUB DOROTHY are given in table. 2.4.

Table 2.4

Solvency and liquidity ratios of LLC PUB DOROTHY, 2017-2019

Indicators	2017	2018	2019	Absolute deviation 2018-2017	Absolute deviation 2019-2018
Absolute solvency ratio	0	0,0087	0,0144	+0,0087	+0,0057
The quick solvency ratio	0,487	0,554	0,534	+0,067	-0.02
Current solvency ratio	1,39	1,68	1,5	+0,29	-0,18
Balance sheet liquidity indicator	0,51	0,62	0,57	+0,11	-0,05

From table 2.4. it is seen that the company's Absolute solvency ratio does not meet the rate, which should be more than 0.2, as a result of 2017-2019 the company has a very weak ability to repay current liabilities through liquid current assets such as cash.

Intermediate solvency ratio meet the rate of 0.8, and indicates a low ability to repay credit obligations of the enterprise at the expense of its funds.

Current solvency ratio do not meet the norm and indicates a weak ability of the enterprise to restore normal current liquidity.

Absolute solvency ratio for 2017-2019 does not meet the norm, which indicates that the company is weakly repaying current (short-term) liabilities at the

expense of cash, current accounts and short-term financial investments.

Balance sheet liquidity indicator does not meet the norm, which indicates that the company does not have optimal liquidity.

The results of the diagnosis of business activity of LLC PUB DOROTHY are presented in table 2.5.

Table 2.5

Business activity ratios of LLC PUB DOROTHY, 2017-2019

Indexes	2017	2018	2019	Absolute deviation 2018/2017	Absolute deviation 2019/2018
Ratio of account receivable turnover	1,91	1,5	1,1	-0,41	-0,4
The turnover period of account receivables, days	191,1	243,3	331,82	+52,2	+88,52
Ratio of accounts payable turnover	0,93	0,79	0,59	-0,14	-0,2
The turnover period of account payable, days	66	58	57	-8	-1

From table 2.5. It is clear that all indicators of business activity do not meet the standards for the industry in which the company specializes as a result of the company is very weak efficiency of debt management of customers and other debtors, and a significant increase in debt, indicating the deplorable state of the enterprise.

Diagnosis of profitability ratios of LLC PUB DOROTHY the results are entered in table. 2.6.

Table 2.6

Profitability ratios of LLC PUB DOROTHY, 2017–2019

Indexes	2017	2018	2019	Absolute deviation 2018-2017	Absolute deviation 2019- 2018
Return on assets	6,44	4,73	3,118	-1,71	-1,61
Return on equity	22,93	12,69	7,95	-10,24	-4,74
Return on sale	9,6	9,54	8,68	-0,06	-0,86
Return on current expenses	16,2	20,4	17,36	+4,2	-3,04

The obtained profitability ratios do not meet the norm, which indicates the deplorable profitability of the enterprise and the threat of its bankruptcy.

Thus, it should be noted that the company has a negative dynamics of all indicators. The financial condition of LLC PUB DOROTHY is deteriorating every year.

A negative value of the return on sale indicates the degradation of the company. It can also be seen that the rate of asset turnover during the period under review has been steadily declining. This reduction is negative, so the company should pay attention to this indicator.

To assess the financial condition of the enterprise, it is also advisable to consider the effect of financial leverage over the past three years in table 2.7.

Table 2.7

**The effect of the financial leverage of the company LLC PUB
DOROTHY for 2017-2019**

Indicator	2017	2018	2019	Absolute deviation		Growth rate, %	
				2018/2017	2019/2018	2018/2017	2019/2018
Net result of investment operation, thousand UAH	-224,8	-99,4	-86,6	125,4	12,8	-55,78	-12,88
Economic profitability, %	-528,9	228,0	42,1	756,9	-185,9	-143,10	-81,55
Average interest rate on borrowed capital, %	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Tax oppression	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Differential of financial leverage, %	-528,9	228,0	42,1	756,9	-185,9	-143,10	-81,55
Financial leverage	8,9	-17,0	-4,6	-25,9	12,4	-291,75	-72,91
The effect of financial leverage, %	-3,9	2,0	0,4	5,9	-1,5	-150,95	-77,83

Accordingly, in the case when the value of the differential of financial leverage is greater than zero and its growth is observed in the dynamics, the

increase in the financial leverage ratio is positively considered, as it contributes to the growth of return on equity. In cases where the differential is less than zero or decreases in dynamics, a decrease in the financial leverage ratio is positive. In this case, the financial leverage differential in 2017 was negative, and in the dynamics until 2019 decreased.

In general, the company sees an increase in operating expenses in 2017 by 23.97%, and in 2018 they decreased by 14.6%. A negative value of the profitability indicator of product sales indicates the degradation of the company. In general, the company needs to pay attention to the financial situation and take measures to improve it.

As a result, during the diagnosis, the obtained numerical values of the solvency and liquidity ratios do not meet the norm for enterprises of Ukraine, which indicates a violation of the state of solvency of the enterprise. During the period 2017-2019, there is a gradual increase in the coefficient of autonomy. A gradual increase in the coefficient indicates an increase in the financial independence of the enterprise of the risk of financial difficulties, increases the guarantees of repayment of its obligations, but the actual value of the coefficient of autonomy does not fall into the category of stable. It should be noted that the coefficient of autonomy is important for investors and creditors – the higher the value of the coefficient, the lower the risk of losing investment and credit.

Thus, examining the financial condition of the enterprise, we can conclude that the number of administrative staff increased and production has decreased, in the structure of non-current assets the main share were fixed assets and long-term financial investments. The amount of receivables is growing at the enterprise. The growth of receivables is a negative factor, as it leads to a reduction in liquidity. Accordingly, the analysis showed that the readings of the financial autonomy ratio for 2017-2019 are far from the norm for this indicator, which is for enterprises of Ukraine above 0.5. The values of business activity indicators do not meet the norm, which indicates a weak business activity of the company and the threat of bankruptcy, although there is an annual improvement in these indicators. Although

the dynamics of change of indicators from 2017-2019 has a tendency to increase. The financial condition of the company in 2019 was significantly affected by the economic crisis in the restaurant industry of Ukraine, due to quarantine restrictions, due to the Covid pandemic 19. The main reasons for these deteriorations are problems in the management of warehousing, problems of financing the enterprise, as well as the crisis in the construction industry.

As a result, the company requires urgent regulation in the management of its financial stability.

2.3 Evaluation of enterprise bankruptcy situation

Consider whether there is a threat of bankruptcy for our chosen company LLC PUB DOROTHY.

Let's use the formula of E. Altman, which is based on the analysis of enterprises that have operated successfully, but have gone bankrupt, it is the most optimal and accurate for the conditions of the CIS (Commonwealth of Independent States) countries.

We immediately enter the obtained results in the summary information and calculation table 2.8.

Table 2.8

Z-Score Ratio dynamics of Altman's model of LLC PUB DOROTHY, 2017-2019

Indexes	Description	2017	2018	2019
K ₁	working capital/total assets	0,16	0,18	0,18
K ₂	working capital/total assets	0,19	0,2	0,21
K ₃	earnings before interest and taxes/total assets	0,11	0,095	0,1
K ₄	market value equity/book value of total liabilities	0,12	0,11	0,1
K ₅	sales/total asset	0,37	0,39	0,4
Z Account	$Z = 1,2 K_1 + 1,2 K_2 + 3,3 K_3 + 0,6 K_4 + K_5$	1,225	1,216	1,77

To estimate the probability of bankruptcy within two years by Altman's model, the algorithm contained in the following table 2.9.

Table 2.9

**Algorithm for the probability of bankruptcy of the company LLC
PUB DOROTHY according to the formula of E. Altman**

$Z < 1,81$	$1,81 < Z < 2,675$	$Z = 2,675$	$2,675 < Z < 2,99$	$Z > 2,99$
The probability of bankruptcy is very high	The probability of bankruptcy is average	The probability of bankruptcy is 0.5	The probability of bankruptcy is small	The probability of bankruptcy is insignificant

According the calculations of Z-Score by Altman's model the indicator Z is less than 1,81, which lead us to conclusion that probability of bankruptcy is very high. From dynamics of indicator we can see a positive growth and conclude improvment of financial stability. However, growth of this indicator is still on quite low level, that means that in nearest future risk of bankruptcy is high.

Growth of Z-score indicator is caused by improvement of indexes K_1 , K_2 , K_5 . At the same time decrease of indexes K_3 and K_4 are the reason of Z-Score low growth. That fact increases risk of bankruptcy on the enterprise.

The Z-Score ratio of the Springgate model is provided in table 2.10.

Table 2.10

**Z-Score Ratio dynamics of Springgate's model of LLC PUB
DOROTHY, 2017-2019**

Indexes	Description	2017	2018	2019
X1	working capital / total asset value	0,25	0,23	0,22
X2	profit before taxes and interest / total value of assets	0,29	0,33	0,35
X3	profit before taxes / short-term liabilities	0,21	0,19	0,18
X4	sales volume / total asset value	0,39	0,36	0,35
Z	Probability of bankruptcy	1,44	1,38	1,33

According the data of Z-Score by Springgate's model, Z value is bigger than 0.862 which means that the company is not a potential bankrupt. However, Z value is less than 2.451, that lead us to conclusion that risk of bankruptcy exists and we can't deny that fact. The reason of this tendency is caused by decreaseing values of indexes X_1 , X_2 and X_4 .

The dynamics of the Z-Score ratio by Tereshchenko's model are presented in table 2.11.

Table 2.11

**Z-Score Ratio dynamics of Tereshchenko's model of LLC PUB
DOROTHY, 2017-2019**

Indexes	Description	2017	2018	2019
X1	cash-flow/ liabilities	0,25	0,23	0,22
X2	balance sheet / liability	0,25	0,32	0,31
X3	profit / currency balance	0,21	0,2	0,18
X4	profit / sales revenue	0,38	0,363	0,345
X5	inventories / sales revenue	0,22	0,21	0,19
X6	fixed capital turnover (sales revenue / balance sheet currency)	0,38	0,35	0,34
Z	Probability of bankruptcy	1,89	1,81	1,79

According the calculstions of Z-Score by Tereshchenko's model Z value is bigger that 0.55. That means that the financial condition of the enterprise is satisfactory. However even in this model we can see decline of Z-Score, it is caused by decreasing of indexes X₁, X₃, X₄, X₅, X₆.

Calculation of the probability of bankruptcy by Matviychuk's model are provided in table 2.12.

Table 2.12

**Z-Score Ratio dynamics of Matviychuk's model of LLC PUB
DOROTHY, 2017-2019**

Indexes	Description	2017	2018	2019
X1	current assets / non-current assets	0,27	0,41	0,419
X2	net sales income / current liabilities	0,24	0,32	0,32
X3	net sales income / equity	0,212	0,195	0,183
X4	balance / net income from sales	0,4	0,37	0,36
X5	(current assets - current liabilities) / current assets	0,22	0,19	0,18
X6	(long-term liabilities + current liabilities) / Balance sheet	0,38	0,35	0,37
X7	equity / (ensuring subsequent costs and payments	0,38	0,37	0,35
Z	Probability of bankruptcy	2,34	2,05	1,82

According the data of Z-Score by Matviychuk's model $Z > 1,104$ indicates a satisfactory financial condition and low probability bankruptcy. But on this

cancellation we can also observe a decrease of Z index. This decrease is caused by decline of indexes X_3 , X_4 , X_5 , X_6 and X_7 .

In conclusion we can tell that different models of Z-Score ratio calculation shows us different results about enterprise financial stability and risk of bankruptcy. Keeping in mind that Matviychuk's and Tereshchenko's are more adapted to Ukrainian market conditions we can tell that risk of bankruptcy of LLC PUB DOROTHY is quite low. But in this case Altman's model shows us the most accurate results of enterprise financial stability. According to the results of this model risk of bankruptcy is significant.

CHAPTER 3

SUBSTANTIATION OF COUNTER-CRISIS MEASURES FOR OVERCOMING ENTERPRISE FINANCIAL CRISIS

The study and analysis of performance indicators allowed to identify the main reserves for improving the efficiency of the enterprise. These reserves can be grouped as follows:

1. Reserves to increase production and sales.
2. Reserves for improving the efficiency of use of fixed assets.
3. Reserves for the use of human resources.
4. Economical and mental development of the cost.
5. Reserves for accelerating the turnover of working capital.
6. Reserves to increase profits.

All these areas are interconnected. For example, an increase in output will increase indicators such as capital efficiency and productivity, which characterize the efficiency of fixed assets and human resources. It will also increase the ability to reduce the specific cost by reducing the share of fixed costs.

The growth of sales will increase profits and accelerate the turnover of working capital. In turn, accelerating the turnover of working capital and profit growth will improve the financial condition of the enterprise, as will reduce the need for borrowed capital and increase the amount of own funds.

Therefore, the implementation of measures to improve the efficiency of production activities should begin with the introduction of reserves to increase production. The implementation of this area is impossible without the use of various modern marketing approaches. First of all, it is necessary to direct the efforts of the marketing department to restore pre-crisis volumes of supply of products through Internet marketing (sales of restaurant products via the Internet) for export.

The following factors can have a negative impact on the sale of enterprise products:

- Decrease in purchasing power;
- Rising prices for transport services;
- Rising energy prices.

These factors can significantly increase the cost of production and, accordingly, reduce its competitiveness in the domestic market. It should be noted that these factors equally affect other producers in the industry, so you can predict the growth of prices in the industry as a whole under the influence of these factors.

The analysis revealed such reserves to reduce the cost of production of the enterprise as:

- Reduction of material costs by reducing the purchase price of ingredients. Contracts for the supply of basic products should not be concluded with intermediary organizations, but directly with manufacturers-suppliers. This will reduce the cost of raw materials by at least 25%.

- Reducing labor costs by improving the system of its accrual. The growth rate of wages should be 0.5% lower than the growth rate of labor productivity (for saddlery) or the growth rate of production of the enterprise, shop (for hourly wages).

- Reduction of equipment maintenance costs due to its upgrade.

Among other things, the purchase of new modern high-performance equipment will produce the required products.

All these proposals fit into the development strategy of the selected enterprise. This strategy sets before the employees of the enterprise Tasks in the areas of development:

1. Preservation of the market of traditional consumers and expansion of production volumes at the expense of participation in programs of development of Internet trade
2. expansion of the market of the offered production at the expense of increase of the made nomenclature and the organization of new products of restaurant (dishes);
3. formation of efficient warehousing, optimization of stocks, accounting,

storage and movement of finished products;

4. investing in development programs to reduce operating costs, improve product quality and competitiveness.

The calculation of dynamics change of the integrated indicator for selected enterprises for 2017-2019 are given in Appendix D. The results of this calculation are presented in table 3.1.

Table 3.1

Change of the integrated indicator for the selected enterprises for 2017-2019 LLC PUB DOROTHY

Integrated indicator	2017	2018	2019
	0,646	0,54	0,71

The results of table 3.1 indicate that the use of integrated indicator makes it possible to increase objectivity in assessing the probability of bankruptcy of the company LLC PUB DOROTHY by taking into account non-financial indicators that directly affect the financial condition of the enterprise. The dynamics as a whole confirms the real state of enterprises and correlates with the results of methods for assessing the probability of bankruptcy, which are most acceptable for domestic enterprises. The calculated values indicate the presence of crisis phenomena at enterprises during the analyzed period and the need for a mechanism of crisis management of the species depending on the individual values of the integrated indicator of the effectiveness of the mechanism of crisis management.

Profit growth reserves are quantitatively measurable opportunities to increase it by increasing sales, reducing costs for its production and sale, preventing non-operating losses, improving the structure of products. Reserves are identified at the planning stage and in the process of implementing plans. The definition of profit growth reserves is based on a scientifically sound method of their calculation, mobilization and implementation. There are three stages of this work: analytical, organizational and functional.

At the first stage, reserves are allocated and quantified; on the second develop a set of engineering, organizational, economic and social measures to

ensure the use of identified reserves; at the third stage practically implement measures and monitor their implementation.

When calculating the reserves for profit growth due to possible growth in sales, the results of the analysis of output and sales are used.

If the profit is calculated per ruble of marketable products, the amount of the reserve is its growth by increasing sales.

Comparison of the possible volume of sales established by results of marketing researches, with production possibilities of the enterprise allows to predict increase in volume of manufacture and realization of production of the enterprise by 5% next year.

We calculate the reserve to increase profits for 2019 by increasing the volume of production and sales of the selected enterprise:

$$NR_{2019} = 2573,64 \cdot 5\% = 128,68 \text{ thousand UAH.}$$

$$P_{2019} = 278,65 \text{ thousand UAH.}$$

$$V_{2019} = 2573,64 \text{ thousand UAH.}$$

$$NP_{(V)2019}^P = 128,68 \cdot \frac{278,65}{2573,64} = 13,9 \text{ thousand UAH.}$$

Now we calculate the reserve to increase profits for 2020 by increasing the volume of production and sales of the enterprise in a similar way.

$$NR_{2020} = 3603,1 \cdot 5\% = 180,15$$

$$P_{2020} = 392,66 \text{ thousand UAH.}$$

$$V_{2020} = 3603,10 \text{ thousand UAH.}$$

$$NP_{(V)2020}^P = 180,155 \cdot \frac{392,66}{3603,1} = 19,633 \text{ thousand UAH.}$$

Thus, having increased the volume of production by 5%, the company we considered in 2019 could increase its profit by 13.93 thousand UAH and in 2020 by 19.633 thousand UAH.

An important direction in the search for reserves for profit growth is to reduce the cost of production and sale of products, such as raw materials, fuel, energy, depreciation of fixed assets and other costs.

The costs of production and sales of products in general and by articles for

2019-2020 (actually and according to plan), are presented in table 3.2.

Table 3.2

**Costs of production and sales
in fact and according to the plan at the enterprise for 2018-2019,
thousand UAH**

Expense items	2018		2019		Deviation plan/fact	
	plan	fact	plan	fact	2018	2019
Production cost of production	1893,12	1874,23	2575,93	2517,82	-18,890	-58,110
Wages of production workers (basic and additional)	528,65	530,12	728,50	744,50	1,470	16,000
Other production costs	268,30	247,85	340,63	330,33	-20,450	-10,300
Commercial expenses	163,28	187,19	253,07	301,28	23,910	48,210
The total cost of production	2239,15	2294,99	3144,00	3210,44	55,840	66,440
Raw materials	793,12	773,06	1062,5	998,86	-20,060	-63,640
Transport and procurement costs	43,86	46,36	62,70	58,80	2,500	-3,900
Management costs	230,07	226,87	312,00	391,34	-3,200	79,340

After studying table 3.2, we can draw conclusions. In 2018, the costs of transport and procurement costs exceeded the amount specified in the plan by 2.5 thousand UAH. The amount of expenses for commercial expenses also exceeds the plan by UAH 23.91 thousand.

Analyzing the costs of 2019 you can see that the cost of commercial expenses again exceeds the plan by 48.21 thousand UAH. Also significantly exceeded the amount of management costs – by 79.34 thousand UAH. All of the above costs must be reduced.

In order to bring the costs of production and sales of articles by comparable values, we list them per 1 UAH of manufactured and sold products in table 3.2.

As the data in table 3.2 show, in 2020 there are reserves to reduce the cost of production by reducing transport – procurement and commercial costs.

It is possible to reduce costs by UAH. marketable products in 2020 can be calculated:

$$C_{r2019} = (0,019 + 0,078) - (0,011 + 0,063) = 0,02 \text{ UAH.}$$

Table 3.2

**Expenses listed for UAH 1 of marketable products
in fact and according to the plan at the enterprise**

Expense items	2018		2019		Deviation plan/fact	
	plan	fact	plan	fact	2018	2019
Production cost	0,106	0,104	0,097	0,092	-0,002	-0,005
Wages of production workers (basic and additional)	0,221	0,222	0,207	0,207	0,001	0,000
Other production costs	0,037	0,031	0,029	0,027	-0,006	-0,002
Commercial expenses	0,063	0,078	0,073	0,084	0,015	0,011
The total cost of production	0,956	0,959	0,895	0,891	0,003	-0,004
Raw materials	0,331	0,324	0,302	0,277	-0,007	-0,025
Transport and procurement costs	0,011	0,019	0,018	0,016	0,008	-0,002
Management costs	0,097	0,095	0,089	0,108	-0,002	0,019

As shown in table 2.15, in 2017 there are reserves to reduce the cost of production by reducing management and commercial costs.

In a similar way, a possible reduction in the cost of marketable products in 2021 is calculated.

$$C_{r2020} = (0,108 + 0,084) - (0,08 + 0,073) = 0,03 \text{ UAH.}$$

The cost of UAH 1 of marketable products in 2020 amounted to UAH 0.959. reduction of this amount by UAH 0.02. will increase the amount of profit. Calculate the reserve to increase the amount of profit by reducing the cost

$$NP_{C2019}^P = 0,02 \cdot (2573,64 + 128,68) = 0,02 \cdot 2702,32 = 81,07 \text{ thousand UAH.}$$

Costs per 1 UAH. marketable products in 2020 amounted to UAH 0.891. reduction of this amount by UAH 0.03. will increase the amount of profit. Calculate the reserve to increase the amount of profit by reducing the cost

$$NP_{C2020}^P = 0,03 \cdot (3603,10 + 180,15) = 0,03 \cdot 3783,25 = 113,50 \text{ thousand UAH.}$$

Based on the calculations, we can summarize. In 2020, the reserves to reduce the cost of production by reducing transport – procurement and commercial costs amounted to 81.07 thousand UAH.

As LLC PUB DOROTHY has serious problems with liquidity and solvency,

we will offer several measures to improve the situation. Among the many different measures that help increase solvency and maintain efficient economic activity are the following:

- 1) increase in revenue and a significant reduction in costs, which will increase the company's profits;
- 2) reducing the cost of production and costs, the source of coverage of which is profit, improves the solvency of the enterprise;
- 3) sale of some low-profit structural units and fixed assets. Thanks to this operation, the company can obtain investment resources for more profitable activities and refocus production;
- 4) lease fixed assets that are not fully used in the production process;
- 5) to restructure the assets of the enterprise, this is one of the important areas of strengthening the financial condition, as it is the mobilization of internal reserves, as well as a set of measures related to changing the structure and composition of balance sheet assets.
- 6) ensuring the smooth operation of the enterprise.

In addition to radical ways to increase the solvency of the enterprise, it is necessary to seek internal reserves to increase profitability and break-even by making fuller use of production capacity, improving the quality and competitiveness of goods, reducing their value, rational use of material, labor and financial resources, reducing unproductive costs and losses.

Table 3.3

Factors influencing the change in the liquidity of the enterprise

Factors influencing the increase in liquidity	Factors influencing the decrease in liquidity
1. Obtaining a long-term loan	1. Repayment of long-term loans
2. Capital investment	2. Cash payments
3. Profits	3. Losses
4. Depreciation deductions	4. Taxes on income from the valuation of assets
5. Reduction of receivables	5. Investments in fixed assets
6. Repayment of loans	6. Repayment of short-term loans
7. Sale of non-current assets	7. Use of reserve funds

As a result, in table. 3.3 shows the factors that affect the increase or decrease

in liquidity of the enterprise.

The next problem that exists at the enterprise and needs to be solved is the existence of a financial crisis. Therefore, the company needs to conduct crisis financial management.

When diagnosing the pre-crisis financial condition of the enterprise, the following financial management is interpreted as “weak signal management” and has mainly a preventive focus. The system of preventive measures of a preventive nature should include the following:

- reduction of scale of investments of risky directions of financial activity of the enterprise;
- strengthening actions in the field of internal and external insurance of financial risks;
- getting rid of part of the excess or unused business assets to accumulate additional financial reserves;
- money transfer of partners' debts and cash equivalents.

In general, we will form a plan of priority measures to improve the organizational and economic characteristics of the enterprise in table 3.4.

Table 3.4

**Action plan to improve the organizational and economic characteristics
of LLC PUB DOROTHY**

Activity	Deadline	Performer	Performance control
Search for external sources of equity financing	1 year	Accountant	Director
Control over the productivity of workers	Monthly	Manager	Director
Reducing the cost of production and costs, the source of coverage of which is profit	Monthly	Manager	Director
Restructure the company's assets	1 year	Manager	Director
Reduction of warehouse balances of finished products	2 months	Manager	Director
Use less expensive production components;	Monthly	Manager	Director
Cessation of production with low profitability as a stage of reducing the volume of production activities	3 months	Manager	Director

The measures presented in the table have recommendatory nature and are a priority, their implementation and adjustment should be carried out by the manager, and compliance with the control is carried out by the director. The list of these measures should change depending on the current situation at the enterprise.

There is no single recipe for bringing the company out of the crisis and, according to experts, the development and then implementation of a crisis management mechanism – this is not the same as joining a universal formula for overcoming a catastrophic situation to an enterprise that finds itself in a difficult financial and economic situation and stimulate the beginning of its smooth operation. The key role in the crisis management system is given to the maximum use of internal reserves of financial stabilization, but in case of their insufficiency it is necessary to consider and reorganize. One of the most important areas of crisis is an in-depth analysis of all aspects of the financial crisis and an understanding of what is needed to bring the company out of the current catastrophe. It is safe to assume that in this context, the key role is played by the financial diagnosis of the enterprise, building models and predicting the probability of bankruptcy.

Thus, the priority for the company is to improve liquidity and solvency and the formation of crisis management program. This program should include priority measures that will improve the financial condition of the enterprise, including: finding external sources of equity financing, reducing the cost of production and costs, the source of which is profit, reducing inventory of finished products and more. But it should be noted that there is no single approach to the withdrawal of the company from the financial condition, you need to regularly testify to all indicators and develop a unified system of remediation measures that will be effective for a particular company.

According to the financial statements presented in Appendixes A, B and C for the period 2017-2019, the company had very low financial performance.

Directly performed in section 2 analysis of the financial condition of the enterprise made it possible to identify problems and difficulties that arise in the financial condition of the organization, which have the following main

manifestations:

- lack of funds and low solvency – means that the company does not have enough funds to timely repay liabilities.
- low profitability of the enterprise leads to insufficient return on capital investment, which in turn leads to insufficient satisfaction of the interests of the owner; this means that the owner receives income that does not correspond to their investments, which may be due to the low quality of management of the organization.

Ways to improve the financial condition in our case is chosen based on the results of diagnosing the financial condition of the enterprise, and further forecasting changes in the financial condition, which should always be carried out after a comprehensive analysis of the enterprise to determine the future financial condition in the near future and develop appropriate measures.

Cash flow forecasting is the most important component of forecasting the financial condition.

Determining the main goal of enterprise development – is to increase profits by increasing the company's trading activities in the market of restaurant products.

The causes of problems and difficulties that arise in the financial condition of the enterprise::

- lack of potential opportunities to maintain an acceptable level of financial condition (or low profits);
- irrational management of the results of the enterprise.

As a result, based on the obtained data, a strategic algorithm is formed, which is presented in Fig.3.1.

Stage 1 of this algorithm “cost optimization” involves actions to stop the decline in profits.

In the case of the selected company, an effective mechanism is to create a system for effective management of sales costs.

Implementing this stage in the enterprise there is an opportunity to reduce costs, just starting to take them into account.

Analysis of the causes of costs, which will take the necessary measures to eliminate the causes of undesirable growth of costs.

Implementation of the 1st stage – involves the reorganization of inventory and replacement of inventory management system (CMS).

Stage 2 change in the structure of debt obligations of the enterprise involves a detailed analysis of these obligations.

Stage 3 involves reducing the outflow of cash by ranking suppliers according to their degree of importance.

Stage 4 is a means of increasing cash inflows and aims to minimize costs.

Stage 5 involves providing assistance to the main support groups – the bank, shareholders or owners.

Stage 6 implementation of marketing programs aimed at increasing sales.

Stage 7 involves the search for new methodological approaches in this area.

Stage 8 is carried out after a comprehensive analysis in order to determine the prospective financial condition of the enterprise in the near future and, as a consequence, the development of appropriate measures.

Stage 9 of the introduction of an effective system for forecasting cash flows is the most important component of forecasting the financial condition.

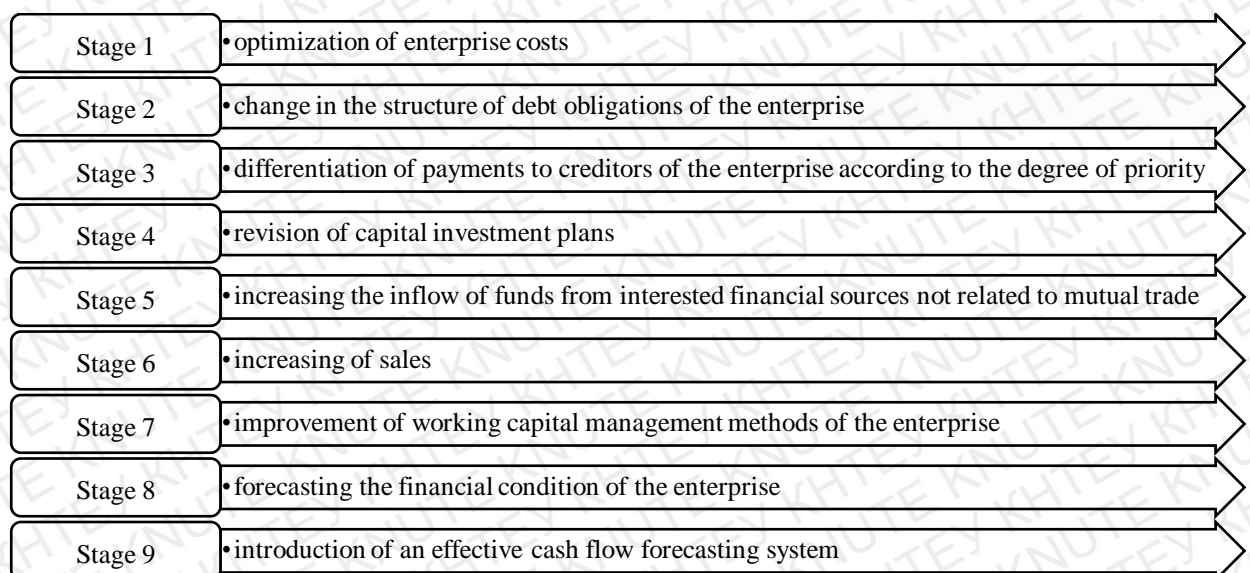


Fig. 3.1. strategic algorithm for improving the financial condition of a restaurant company (compiled by the author of this work)

Each of the above stages allows you to provide a separate implementation based on implementation measures and analytical and financial research.

In addition, the strategic selection takes into account the current trend of the industry in which the company operates. Based on which the calculation of the possibility of bankruptcy of the enterprise, which is 1 of the most important fundamentals in forecasting the future economic activity of the enterprise.

Thus, in this unit was developed a strategic algorithm aimed at improving the financial condition of enterprises, taking into account the scope of this enterprise.

To improve the financial condition, increase its solvency, the company needs, taking into account the specifics of the industry and the specific conditions of activity, to develop and implement a set of basic measures, among which are, of course, achieving profitability.

In this case, the company must take the following measures:

- to introduce a system of management accounting;
- optimize the level of stocks;
- reduce the cost;
- abandonment of the applied cost management system.

To reduce the cost of sales at the enterprise, the choice of a new method of cost management “ABC-analysis” is proposed.

In order to get the most out of ABC-analysis in the company's activities should be used in the company on a regular basis to ensure the ability to identify any trends in sales and respond to them in a timely manner.

Lack of control over the supply of construction products has led to a situation of low solvency of the enterprise with the overall growth of property.

The implementation of excess inventories will not only facilitate the structure of assets and increase their turnover, but will reduce the cost of production, because the storage of inventories requires additional costs. In addition, excess stock increases the company's dependence on creditors.

Thus, the reduction of inventories will affect the liquidity of the enterprise,

its financial condition, and the effectiveness of the table. 3.5.

Table 3.5

Change in cost with declining stocks of raw materials, 2019-2020, thousand

UAH

Types of material costs	2019	2020	Changes plan-fact	
			thou UAH	%
Basic materials (products)	5500	5500	-	0
Fuel and energy	1204	1204	-	0
Services of third-party organizations	8200	6000	-2560	-31,2
of them:				
Material storage costs	3080	1500	-1580	-19,2
Other materials	2360	1500	-860	-7,7
Transport services	2120	2000	-120	-4,3
Total:	20264	16709	-2560	-31,2
Cost	21558	18003	-1555	-8
Stocks of materials	5900	1500	-4440	-39,2

In table 3.5. shows changes in material costs and costs in general as a result of reducing inventories to the regulatory level. The table shows that the disposal of excess inventories reduces the cost of their storage by 19.2%. The saving of material resources will be 31.2%, which will reduce 39.2 and cost by 8%. The change in profit with a decrease in cost is shown in table 3.3. reducing the cost by 8% causes an increase in gross profit of 3.8 times. The sale of excess reserves and further growth of profits will affect the structure of the balance sheet of the enterprise.

First, the structure of property will change: stocks will decrease and funds from their sale will go to the accounts of the enterprise.

Secondly, as a result of cost reduction and profit growth, the company's equity will increase, and income tax will change the debt to the budget by 371 thousand UAH – all this will not only affect the structure of liabilities of the balance sheet, but also increase the amount of funding sources by 1545 thousand UAH.

In addition, the growth of profits will increase the inflow of funds, the amount of which will be 5900 thousand UAH. at the end of the reporting year.

Calculate the cost-effectiveness of improving the financial condition by reorganizing inventories and maintaining a new CPS led to the release of funds in the amount of 215 thousand UAH, which indicates an increase in costs for their storage and use. Therefore, it is advisable to reduce stocks by 45 thousand UAH. by grouping and compact placement in the warehouse of distributed goods

Duration of inventory turnover in 2020 was:

$$T_{pi} = 360 / (7211/215) = 10,5 \text{ days}$$

If you reduce stocks by 45 thousand UAH, the duration of turnover will be:

$$T_{pi} = 360 / (7211/170) = 8,5 \text{ days}$$

Therefore, the duration of inventory turnover will be reduced by 2 days and as a result:

$$\pm E = 7211/360 * (-2) = -10,01 \text{ thousand UAH.}$$

As part of the change in the structure of debt synthesis is being implemented, part of the mechanism for regulating the flow of receivables as a result of the amount of receivables decreased from 364 thousand UAH to 275 thousand UAH.

This statistical and computational operation led to a decrease in receivables, which in turn provoked the acceleration of working capital obtained on the basis of the fact that the turnover of the company released 89 thousand UAH.

As a result, the implementation of measures envisaged in the 2nd and 3rd stages of the strategy as a whole, has led to increased efficiency of financial and economic activities of the enterprise.

Next, we calculate the period of turnover of receivables for enterprises which in 2017 was: $360 / (7211/364) = 18,2 \text{ days}$;

If you reduce the receivables of the company to 275 thousand UAH. then the period of turnover will be: $360 / (7211/275) = 13,8 \text{ days}$;

Therefore, the duration of the turnover of receivables after the implementation of 2-3 stages of the debt strategy will be reduced by 4.4 days and as a result, will have such an economic effect:

$$\pm E = 7211/360 * (-4,4) = -4,55 \text{ thousand UAH.}$$

As a result of the implementation of stage 4, a decision was made to abandon

capital investments that exceed the financial capabilities of the enterprise, which resulted in a minimization of costs by 115 thousand UAH.

As a result of the 5th stage “increasing the inflow of funds from interested financial sources not related to mutual trade” was attracted 100 thousand UAH. which will be implemented on the marketing program of the enterprise aimed at increasing sales.

As a result of the 6-stage increase in sales we will be able to get 250 thousand UAH.

As a result of the 7-stage improvement of methods of management of working capital of the enterprise” it is possible to receive the received profit of 40 thousand UAH.

On the basis of forecast results we make the forecast balance concerning economic activity of the enterprise of the enterprise.

With the help of operating leverage, you can determine what sales revenue will provide the desired profit (given in table 3.6).

Table 3.6

**Calculation of indicators for assessing the quality level of financial results
2019-2020, thousand UAH**

Indicator	Forecast Baseline for 2019		Forecast option after implementation		Deviation 2020 to the forecast
	amount	% to revenue	amount	% to profit	
Sales revenue	4500	10	5600	12	2
Variable costs	345	15	350	12	-5
Fixed and conditionally fixed costs	2356	211	344	445	-4
Gross profit	1474	35%	1895	45%	+421

The table presents an analysis of the planned change in the financial performance of the enterprise with the introduction of the use of Internet marketing technologies (delivery of products by Internet orders) in a pandemic (presented in Table 3.7).

Thus, a positive trend in the change of all financial indicators of the enterprise is forecasted.

Table 3.7

Analysis of the planned change in the financial performance of the enterprise

Characteristic	Forecasted base indicators for 2020 without recommended changes	Forecasted base indicators for 2020 with recommended changes	Absolute deviation
The results of the diagnosis of solvency and liquidity ratios			
Absolute solvency ratio	3,4	4,2	0,8
Quick solvency ratio	1,5	1,7	0,2
Current solvency ratio	2,32	3,5	1,18
Balance sheet liquidity indicator	4,5	4,7	0,2
The results of calculating the coefficients of financial stability			
The financial autonomy ratio	0,356	0,65	0,294
The ratio of financing	0,48	0,62	0,14
Debt ratio	0,42	0,56	0,14
Agile equity ratio	0,49	0,69	0,2
The results of the diagnosis of business activity			
Ratio of account receivable turnover	389	310	-79
Turnover period of account receivables	632	290	-342
Ratio of account payable turnover	371	287	84
Turnover period of account payable	541	345	-196
Return on fixed assets	3,5	3,9	0,4
Diagnosis of profitability ratios			
Return on assets	0,7	0,8	0,1
Return on equity	0,56	0,7	0,14
Return on sale	0,32	0,62	0,3
Return on current expenses	0,44	0,64	0,2

Duration of inventory turnover in 2019 was: $365/(7120/215)=10,5$ days

If you implement improvements: $365/(7120/170)=8,5$ days

Therefore, the duration of inventory turnover will be reduced by 2 days and as a result:

$$\pm E = 7120/365 * (2) = 10,01 \text{ mln. UAH}$$

As a result, we can talk about the prospects for the implementation of the proposed measures in the restaurant business.

CONCLUSIONS AND PROPOSALS

Having studied the theoretical aspects of the financial crisis of the enterprise, we can say that the financial crisis means a phase of unbalanced activities of the enterprise and the limited impact of its management on the financial relations that arise in this enterprise. The financial crisis of the enterprise is characterized by three main parameters: reasons; type of crisis; Stage of crisis development. The definition of such stability is carried out in four stages. At the first stage, the absolute indicators of financial stability are determined by the presence and possibility of costs from the company's reserve, the second stage of assessing financial stability involves the calculation of a number of relative ratios; at the third stage it is expedient to calculate relative indicators of liquidity and solvency. The final stage of the assessment is to determine the margin of financial stability, which characterizes the level of protection of the main activity that the company currently has, and which can be used in case of force majeure. On the basis of such a step-by-step analysis, you can determine the financial stability of the enterprise, which will predict the best way to conduct business.

In the course of writing the work in its theoretical part it was found that the variety of interpretations, the essence of the concept of financial security of the company are direct evidence:

- the importance and complexity of the problem raised;
- incompleteness of the theoretical and methodological approach to processing this issue.

Considering the existing theoretical approaches to defining the definition of "Financial security of the company" in the work was a proposal for a generalized interpretation of the essence of the economic concept: "financial security of the company" – is a state of protection of financial interests of the company, expressed in positive values of financial performance, ensures its stable development in the short and long term.

Also in the work was Consider the regulatory framework for the legal

regulation of financial policy and financial security of the company.

Summarizing the problems of thematic orientation of the theoretical part of the work, there was a need for practical research on the financial security of modern companies based on the peculiarities of their financial policy.

In the practical part of the work was to study the activities of the restaurant company

As a result of the analysis of the basic financial indicators of activity of the Enterprise it was established that:

- all indicators of business activity do not meet the standards for the industry in which the company specializes. The ratio of account receivable turnover declined by 0.41 in 2018 comparing 2017 and also declined by 0.4 in 2019 comparing 2019. At the same time the turnover period of account receivables was increased by more than 140 days in 3 years. As a result of the company is very weak efficiency of debt management of customers and other debtors, and a significant increase in debt, indicating the deplorable state of the enterprise;

- financial stability of the enterprise is not stable. The debt ratio for LLC PUB DOROTHY for 2017-2019 does not meet the rate, which should be from 0 to 1, this indicates that the amount of debt of the entity is high compared to capital. During 2017-2019, there is an improvement in the state of the short circuit, indicating a gradual increase in the capital of the enterprise;

- the obtained profitability ratios do not meet the norm, which indicates the deplorable profitability of the enterprise and the threat of its bankruptcy. return on assets declined by 1.17 and 1.61 in 2018 and 2019 compared previous year accordingly.

It is also worth noting that the company has a negative dynamics of all indicators. The financial condition of the Company is deteriorating every year. The main reasons for these deteriorations are that: the company carries out its production and trade activities in a competitive environment; the company has a poorly developed system of cost management for sales; the company has problems in: managing warehousing and financing of its trading activities.

Also, the production and trade activities of the company were significantly affected by the crisis in the construction industry, which led to a decrease in demand for construction products sold by the company. As a result, the company requires urgent regulation in the management of its financial stability.

Based on the results of operational planning, the following conclusion can be made:

First, during the enterprise of the analyzed period there is an overfulfillment of the cost plan, which is a negative factor. Wages of production workers (basic and additional) is more than it was planned by 1.47 thousand UAH in 2018 and 16.00 thousand UAH in 2019. The fact result of commercial expenses exiding plan by 23.91 thousand UAH in 2018 and 48.210 thousand UAH in 2019. The total cost of production is exiding by 55.840 thousand UAH in 2018 and 66.440 thousand UAH in 2019 accordingly.

Second, the excess of the cost plan over revenues has a negative impact on the final financial results of the enterprise, ie profit.

Thus, based on the analysis of the financial planning system, we can conclude that the effectiveness of strategic and operational planning in the enterprise remain ineffective due to the excess of actual costs over planned.

Methodical approaches to bringing the company out of the financial crisis are based on the process of reorganization at the enterprise. To carry out the remediation process, it is necessary to define its goals and strategy. Based on a sound strategy, a system of remedial measures is developed, a program and a draft remediation plan are developed. The final stage is the implementation of this plan. A financial recovery plan can be made in the form of a business plan. Such a business plan is aimed at restoring solvency and achieving effective activities, taking into account the provided state support for rehabilitation measures.

Examining the financial condition of the enterprise, we can conclude that the number of administrative staff increased and production decreased, in the structure of non-current assets the main share were fixed assets and long-term financial investments. The amount of receivables is growing at the enterprise. The growth of

receivables is a negative factor, as it leads to a reduction in liquidity. In general, the company sees an increase in operating expenses in 2018 by 23.97%, and in 2019 they decreased by 14.6%. A negative value of the profitability indicator of product sales indicates the degradation of the company. In general, the company needs to pay attention to the financial situation and take measures to improve it.

The study of the probability of financial crisis of the company LLC PUB DOROTHY showed that the studied company has problems with solvency and liquidity. Therefore, it is advisable for the company in the near future to take measures aimed at accumulating the required amount of cash and cash equivalents or restructure the most urgent debts. It is also worth noting that the company has been in financial crisis for the past three years, and an integrated assessment of the financial situation indicates the approach of bankruptcy in the company.

The priority for the company is to improve liquidity and solvency and the formation of crisis management program. This program should include priority measures that will improve the financial condition of the enterprise, including: finding external sources of equity financing, reducing the cost of production and costs, the source of which is profit, reducing inventory of finished products and more. But it should be noted that there is no single approach to the withdrawal of the company from the financial condition, you need to regularly testify to all indicators and develop a unified system of remediation measures that will be effective for a particular company.

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APPENDICES

Appendix A

Додаток А

Додаток 1
до положення (стандарту) бухгалтерського обліку 25
"Фінансовий звіт суб'єкта малого підприємництва"

ФІНАНСОВИЙ ЗВІТ суб'єкта малого підприємництва

Підприємство	Товариство з обмеженою відповідальністю "ПАБ ДОРОТИ"	Дата(рік,місяць,число)	Коди
Територія	М.КИЇВ	за ЄДРПОУ	2018 01 01
Організаційно-правова форма господарювання	Товариство з обмеженою відповідальністю	за КОАТУУ	33236740
Вид економічної діяльності	Діяльність ресторанів, надання послуг мобільного харчування	за КОПФГ	8038200000
Середня кількість працівників, осіб	7	за КВЕД	240
Одиниця виміру:	тис. грн. з одним десятковим знаком		56.10
Адреса, телефон	вулиця Червоноармійська/Саксаганського, буд. 43/16, оф. Н/П 49, м. КИЇВ, 01004		2870530

1. Баланс на 31 грудня 2017 р.

Актив	Код рядка	На початок звітного року	На кінець звітного періоду
1	2	3	4
I. Необоротні активи			
Незавершені капітальні інвестиції	1005	-	-
Основні засоби	1010	128,3	128,0
первісна вартість	1011	498,2	511,8
знос	1012	(369,9)	(383,8)
Довгострокові біологічні активи	1020	-	-
Довгострокові фінансові інвестиції	1030	170,0	170,0
Інші необоротні активи	1090	-	-
Усього за розділом I	1095	298,3	298,0
II. Оборотні активи			
Запаси	1100	35,9	43,5
у тому числі готова продукція	1103	28,6	-
Поточні біологічні активи	1110	-	-
Дебіторська заборгованість за продукцію, товари, роботи, послуги	1125	-	-
Дебіторська заборгованість за розрахунками з бюджетом	1135	57,9	58,8
у тому числі з податку на прибуток	1136	-	-
Інша поточна дебіторська заборгованість	1155	14,4	8,8
Поточні фінансові інвестиції	1160	-	-
Гроші та їх еквіваленти	1165	0,4	0,4
Витрати майбутніх періодів	1170	-	2,0
Інші оборотні активи	1190	5,5	8,5
Усього за розділом II	1195	114,1	122,0
III. Необоротні активи, утримувані для продажу, та групи вибуття	1200	-	-
Баланс	1300	412,4	420,0

Пасив	Код рядка	На початок звітного року	На кінець звітного періоду
1	2	3	4
I. Власний капітал			
Зареєстрований (пайовий) капітал	1400	1 380,0	1 380,0
Додатковий капітал	1410	-	-
Резервний капітал	1415	-	-
Нерозподілений прибуток (непокритий збиток)	1420	(1 259,8)	(1 337,5)
Неоплачений капітал	1425	(-)	(-)
Усього за розділом I	1495	120,2	42,5
II. Довгострокові зобов'язання, цільове фінансування та забезпечення	1595	-	-
III. Поточні зобов'язання			
Короткострокові кредити банків	1600	-	-
Поточна кредиторська заборгованість за:			
довгостроковими зобов'язаннями	1610	-	-
товари, роботи, послуги	1615	36,6	32,0
розрахунками з бюджетом	1620	1,8	2,2
у тому числі з податку на прибуток	1621	-	-
розрахунками зі страхування	1625	4,8	2,7
розрахунками з оплати праці	1630	14,3	7,5
Доходи майбутніх періодів	1665	-	-
Інші поточні зобов'язання	1690	234,7	333,1
Усього за розділом III	1695	292,2	377,5
IV. Зобов'язання, пов'язані з необоротними активами, утримуваними для продажу, та групами вибуття	1700	-	-
Баланс	1900	412,4	420,0

2. Звіт про фінансові результати за Рік 2017

Стаття	Код рядка	За звітний період	За аналогічний період попереднього року
1	2	3	4
Чистий дохід від реалізації продукції (товарів, робіт, послуг)	2000	653,5	550,4
Інші операційні доходи	2120	107,6	-
Інші доходи	2240	-	-
Разом доходи (2000 + 2120 + 2240)	2280	761,1	550,4
Собівартість реалізованої продукції (товарів, робіт, послуг)	2050	(314,3)	(232,6)
Інші операційні витрати	2180	(523,0)	(542,6)
Інші витрати	2270	(-)	(-)
Разом витрати (2050 + 2180 + 2270)	2285	(837,3)	(775,2)
Фінансовий результат до оподаткування (2280 - 2285)	2290	(76,2)	(224,8)
Податок на прибуток	2300	(1,4)	(-)
Чистий прибуток (збиток) (2290 - 2300)	2350	(77,6)	(224,8)

Керівник	Голумбієвська Є.Л.
(підпис)	(ініціали, прізвище)
Головний бухгалтер	Архитюк Г.П.
(підпис)	(ініціали, прізвище)

Appendix B

Додаток Б

Додаток 1
до положення (стандарту) бухгалтерського обліку 25
"Фінансовий звіт суб'єкта малого підприємництва"

ФІНАНСОВИЙ ЗВІТ суб'єкта малого підприємництва

Підприємство

Товариство з обмеженою відповідальністю "ПАБ ДОРОТИ"

Територія Печерський район м. Києва
Організаційно-правова форма господарювання Товариство з обмеженою відповідальністю
Вид економічної діяльності Діяльність ресторанів, надання послуг мобільного харчування
Середня кількість працівників, осіб 3
Одиниця виміру: тис. грн. з одним десятковим знаком
Адреса, телефон вулиця Червоноармійська/Саксаганського, буд. 43/16, оф. Н/П 49, м. Київ, 01004

Дата(рік,місяць,число)

за ЄДРПОУ

за КОАТУУ

за КОПФГ

за КВЕД

Коди		
2019	01	01
33236740		
8038206000		
240		
56.10		

2870530

1.Баланс на 31 грудня 2018 р.

Актив		Форма № 1-м Код за ДКУД 1801006	
1	2	На початок звітного року 3	На кінець звітного періоду 4
I. Необоротні активи			
Незавершені капітальні інвестиції	1005	-	-
Основні засоби	1010	128,0	233,6
первісна вартість	1011	511,8	648,4
знос	1012	(383,8)	(414,8)
Довгострокові біологічні активи	1020	-	-
Довгострокові фінансові інвестиції	1030	170,0	170,0
Інші необоротні активи	1090	-	-
Усього за розділом I	1095	298,0	403,6
II. Оборотні активи			
Запаси	1100	43,5	99,5
у тому числі готова продукція	1103	-	-
Поточні біологічні активи	1110	-	-
Дебіторська заборгованість за продукцію, товари, роботи, послуги	1125	-	-
Дебіторська заборгованість за розрахунками з бюджетом	1135	58,8	76,8
у тому числі з податку на прибуток	1136	-	-
Інша поточна дебіторська заборгованість	1155	8,8	99,4
Поточні фінансові інвестиції	1160	-	-
Гроші та їх еквіваленти	1165	0,4	9,2
Витрати майбутніх періодів	1170	2,0	0,7
Інші оборотні активи	1190	8,5	9,8
Усього за розділом II	1195	122,0	295,4
III. Необоротні активи, утримувані для продажу, та групи вибуття			
Баланс	1300	420,0	699,0

Пасив		Код рядка 2	На початок звітного року 3	На кінець звітного періоду 4
1				
I. Власний капітал				
Зареєстрований (пайовий) капітал		1400	1 380,0	1 380,0
Додатковий капітал		1410	-	-
Резервний капітал		1415	-	-
Нерозподілений прибуток (непокритий збиток)		1420	(1 337,5)	(1 423,6)
Неоплачений капітал		1425	() (
Усього за розділом I		1495	42,5	(43,6)
II. Довгострокові зобов'язання, цільове фінансування та забезпечення				
III. Поточні зобов'язання				
Короткострокові кредити банків		1600	-	-
Поточна кредиторська заборгованість за:				
довгостроковими зобов'язаннями		1610	-	-
товари, роботи, послуги		1615	32,0	51,1
розрахунками з бюджетом		1620	2,2	2,2
у тому числі з податку на прибуток		1621	-	-
розрахунками зі страхування		1625	2,7	2,8
розрахунками з оплати праці		1630	7,5	2,4
Доходи майбутніх періодів		1665	-	-
Інші поточні зобов'язання		1690	333,1	684,1
Усього за розділом III		1695	377,5	742,6
IV. Зобов'язання, пов'язані з необоротними активами, утримуваними для продажу, та групами вибуття				
Баланс		1900	420,0	699,0

2. Звіт про фінансові результати за Рік 2018

Стаття		Код рядка	Форма № 2-м За звітний період	Код за ДКУД	1801007 За аналогічний період попереднього року
1	2	3	4		
Чистий дохід від реалізації продукції (товарів, робіт, послуг)	2000	642,9			653,5
Інші операційні доходи	2120	-			107,6
Інші доходи	2240	-			-
Разом доходи (2000 + 2120 + 2240)	2280	642,9			761,1
Собівартість реалізованої продукції (товарів, робіт, послуг)	2050	(211,9)	(314,3)
Інші операційні витрати	2180	(517,6)	(523,0)
Інші витрати	2270	-	(-)
Разом витрати (2050 + 2180 + 2270)	2285	(729,5)	(837,3)
Фінансовий результат до оподаткування (2280 – 2285)	2290	(86,6)			(76,2)
Податок на прибуток	2300	-			1,4
Чистий прибуток (збиток) (2290 – 2300)	2350	(86,6)			(77,6)

Керівник

(підпис)

Головний бухгалтер

(підпис)

Макаров А.А.

(ініціали, прізвище)

Буйнаровська Г.П.

(ініціали, прізвище)

Appendix C

Додаток В

Додаток 1
до положення (стандарту) бухгалтерського обліку 25
"Фінансовий звіт суб'єкта малого підприємництва"

ФІНАНСОВИЙ ЗВІТ
суб'єкта малого підприємництва

Підприємство

Товариство з обмеженою відповідальністю "ПАБ ДОРОТИ"

Територія Печерський район м.Києва

Організаційно-правова форма господарювання Товариство з обмеженою відповідальністю

Вид економічної діяльності Діяльність ресторанів, надання послуг мобільного харчування

Середня кількість працівників, осіб 4

Одиниця виміру: тис. грн. з одним десятковим знаком

Адреса, телефон вулиця Червоноармійська/Саксаганського, буд. 43/16, оф. Н/П 49, м. Київ, 01004

Дата(рік,місяць,число)

за ЄДРПОУ

за КОАТУУ

за КОПФГ

за КВЕД

Коди

2020	01	01
33236740		
8038200000		
240		
56.10		

2870530

1.Баланс на 31 грудня 2019 р.

Актив	Код рядка	На початок звітного року	На кінець звітного періоду
1	2	3	4
I. Необоротні активи			
Незавершені капітальні інвестиції	1005	-	-
Основні засоби	1010	233,6	195,7
первісна вартість	1011	648,4	648,4
знос	1012	(414,8)	(452,7)
Довгострокові біологічні активи	1020	-	-
Довгострокові фінансові інвестиції	1030	170,0	170,0
Інші необоротні активи	1090	-	-
Усього за розділом I	1095	403,6	365,7
II. Оборотні активи			
Запаси	1100	99,5	198,0
у тому числі готова продукція	1103	-	-
Поточні біологічні активи	1110	-	-
Дебіторська заборгованість за продукцію, товари, роботи, послуги	1125	-	-
Дебіторська заборгованість за розрахунками з бюджетом	1135	76,8	62,2
у тому числі з податку на прибуток	1136	-	-
Інша поточна дебіторська заборгованість	1155	99,4	59,0
Поточні фінансові інвестиції	1160	-	-
Гроші та їх еквіваленти	1165	9,2	11,8
Витрати майбутніх періодів	1170	0,7	1,5
Інші оборотні активи	1190	9,8	45,9
Усього за розділом II	1195	295,4	378,4
III. Необоротні активи, утримувані для продажу, та групи вибуття	1200	-	-
Баланс	1300	699,0	744,1

Пасив	Код рядка	На початок звітного року	На кінець звітного періоду
1	2	3	4
I. Власний капітал			
Зареєстрований (пайовий) капітал	1400	1 380,0	1 380,0
Додатковий капітал	1410	-	-
Резервний капітал	1415	-	-
Нерозподілений прибуток (непокритий збиток)	1420	(1 423,6)	(1 585,9)
Неоплачений капітал	1425	-	-
Усього за розділом I	1495	(43,6)	(205,9)
II. Довгострокові зобов'язання, цільове фінансування та забезпечення			
III. Поточні зобов'язання	1595	-	-
Короткострокові кредити банків	1600	-	-
Поточна кредиторська заборгованість за:			
довгостроковими зобов'язаннями	1610	-	-
товари, роботи, послуги	1615	51,1	51,0
розрахунками з бюджетом	1620	2,2	4,0
у тому числі з податку на прибуток	1621	-	-
розрахунками зі страхування	1625	2,8	4,3
розрахунками з оплати праці	1630	2,4	6,5
Доходи майбутніх періодів	1665	-	-
Інші поточні зобов'язання	1690	684,1	884,2
Усього за розділом III	1695	742,6	950,0
IV. Зобов'язання, пов'язані з необоротними активами, утримуваними для продажу, та групами вибуття	1700	-	-
Баланс	1900	699,0	744,1

2. Звіт про фінансові результати за Рік 2019

Стаття	Код рядка	За звітний період	За аналогічний період попереднього року
1	2	3	4
Чистий дохід від реалізації продукції (товарів, робіт, послуг)	2000	710,3	642,9
Інші операційні доходи	2120	150,0	-
Інші доходи	2240	-	-
Разом доходи (2000 + 2120 + 2240)	2280	860,3	642,9
Собівартість реалізованої продукції (товарів, робіт, послуг)	2050	(286,5)	(211,9)
Інші операційні витрати	2180	(673,2)	(517,6)
Інші витрати	2270	-	-
Разом витрати (2050 + 2180 + 2270)	2285	(959,7)	(729,5)
Фінансовий результат до оподаткування (2280 – 2285)	2290	(99,4)	(86,6)
Податок на прибуток	2300	-	-
Чистий прибуток (збиток) (2290 – 2300)	2350	(99,4)	(86,6)

Керівник

(підпис)

Головний бухгалтер

(підпис)

Макаров А. А.

(ініціали, прізвище)

Макаров А. А.

(ініціали, прізвище)

Appendix D

Table D.1

Step-by-step calculation of the integrated indicator of efficiency of the crisis management mechanism on the example of normalized indicators of the enterprise LLC PUB DOROTHY

Liquidity Group						
<i>Nº n/n</i>	<i>Indicator</i>	2017	2018	2019		Weights
1	Current solvency ratio	1,00	0,31	0,70	<i>X1</i>	0,45
2	Quick solvency ratio	1,00	0,58	0,56	<i>X2</i>	0,33
3	Absolute solvency ratio	1,00	0,71	0,67	<i>X3</i>	0,22
Integral indicator by Liquidity Group		1,00	0,49	0,65	<i>I_{liq}</i>	0,323
Financial Sustainability Group						
4	Equity concentration ratio	0,69	0,98	0,99	<i>X4</i>	0,613
5	Debt capital concentration ratio	0,69	0,61	0,00	<i>X5</i>	0,197
6	Coefficient of financial dependence	0,66	0,97	0,76	<i>X6</i>	0,112
7	Agile equity ratio	0,57	0,21	0,62	<i>X7</i>	0,066
8	Coefficient of financial independence	0,97	0,98	0,99	<i>X8</i>	0,0095
9	Self-sufficiency ratio	0,67	0,98	0,99	<i>X9</i>	0,001
10	Investment ratio	0,57	0,02	0,99	<i>X10</i>	0,00001
Integral indicator for the Financial Sustainability Group		1,00	0,68	0,85	0,74	0,278
Business Activity Group						
11	Ratio of assets turnover	1,00	0,71	0,65	<i>X11</i>	0,35
12	Ratio of account receivables turnover	1,00	0,16	0,00	<i>X12</i>	0,27
13	Load ratio of current assets	0,00	0,74	0,95	<i>X13</i>	0,22
14	Ratio of inventory turnover	1,00	0,50	0,50	<i>X14</i>	0,153
15	Return on assets, %	1,00	1,00	1,00	<i>X15</i>	0,0075
16	Return on equity, %	1,00	0,63	1,00	<i>X16</i>	0,0000002
17	Return on sale, %	1,00	1,00	0,72	<i>X17</i>	0,00002
Integrated indicator by Business Activity Group		0,32	0,78	0,54	0,52	0,26
Management Quality Group						
18	% defect	0,50	0,50	0,50	<i>X18</i>	0,683
19	Number of warranty claims	0,03	0,05	0,11	<i>X19</i>	0,2
20	Payment of fines and penalties, lawsuits in favor of third parties	0,01	0,01	0,00	<i>X20</i>	0,05
21	Number of days of unpaid wages on time	0,15	0,40	0,55	<i>X21</i>	0,03
22	Number of suppliers	0,97	0,92	0,97	<i>X22</i>	0,01
23	The number of machine days of downtime	0,79	1,00	0,80	<i>X23</i>	0,03
24	Staff turnover	0,19	0,05	0,19	<i>X24</i>	0,0013
Integral indicator by Management Quality Group		0,34	0,35	0,36		0,139

Appendix E

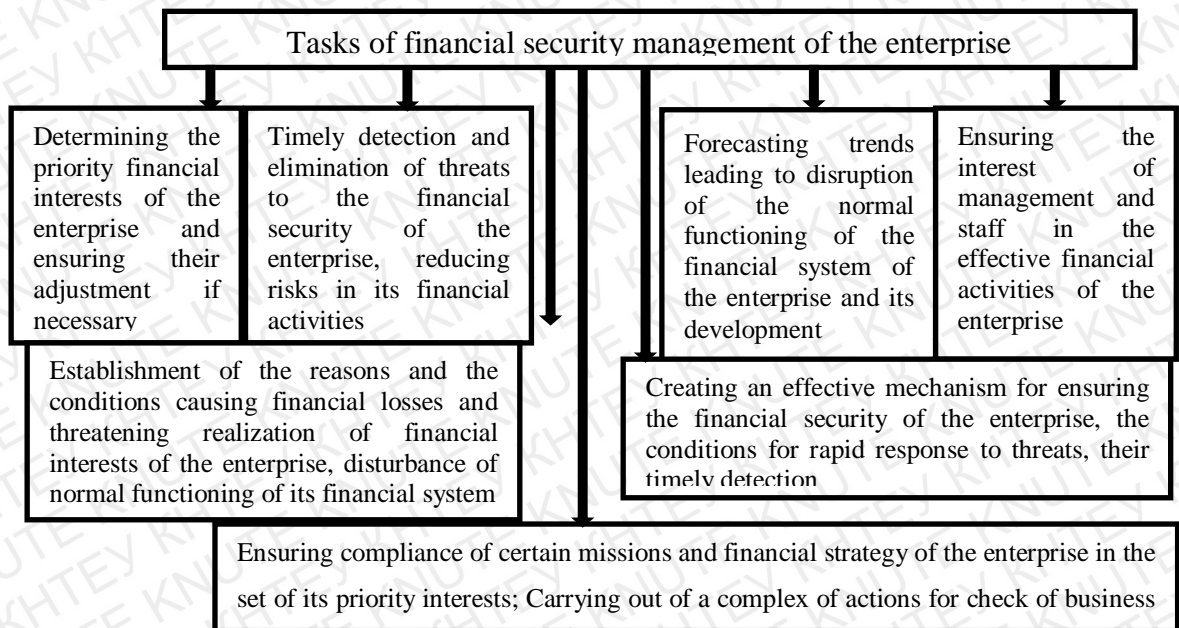


Figure E.1. The task of managing the financial security of an enterprise

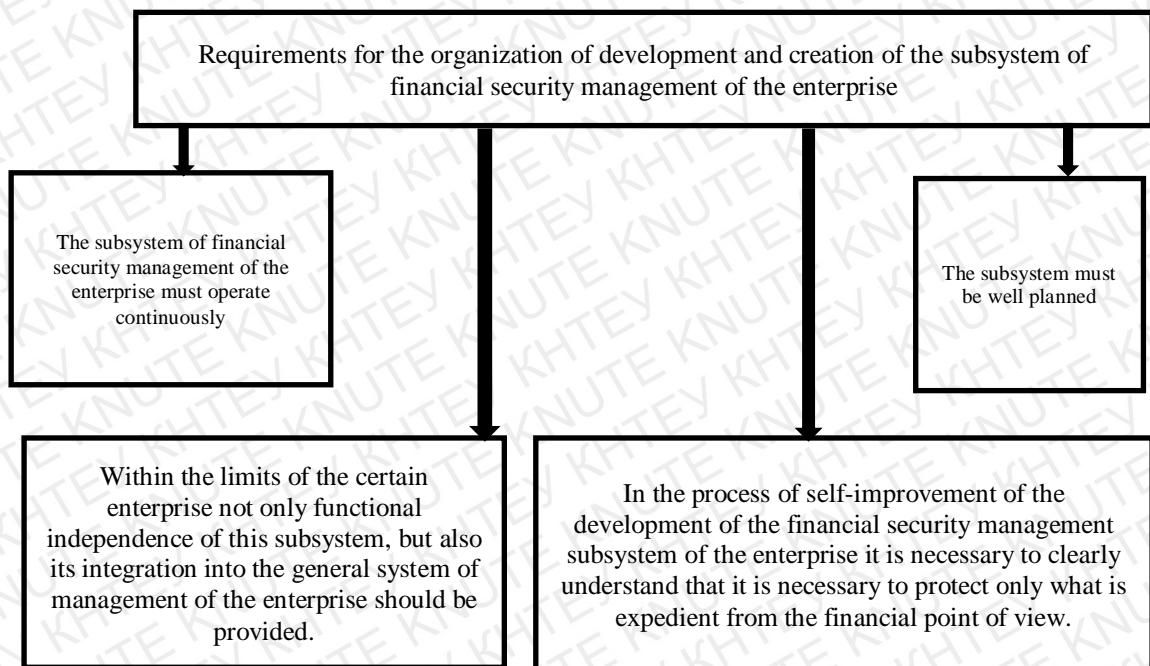


Figure E.2. Requirements for the organization of development and creation of a subsystem of financial security management of the enterprise in the conditions of financial crisis.

Appendix F

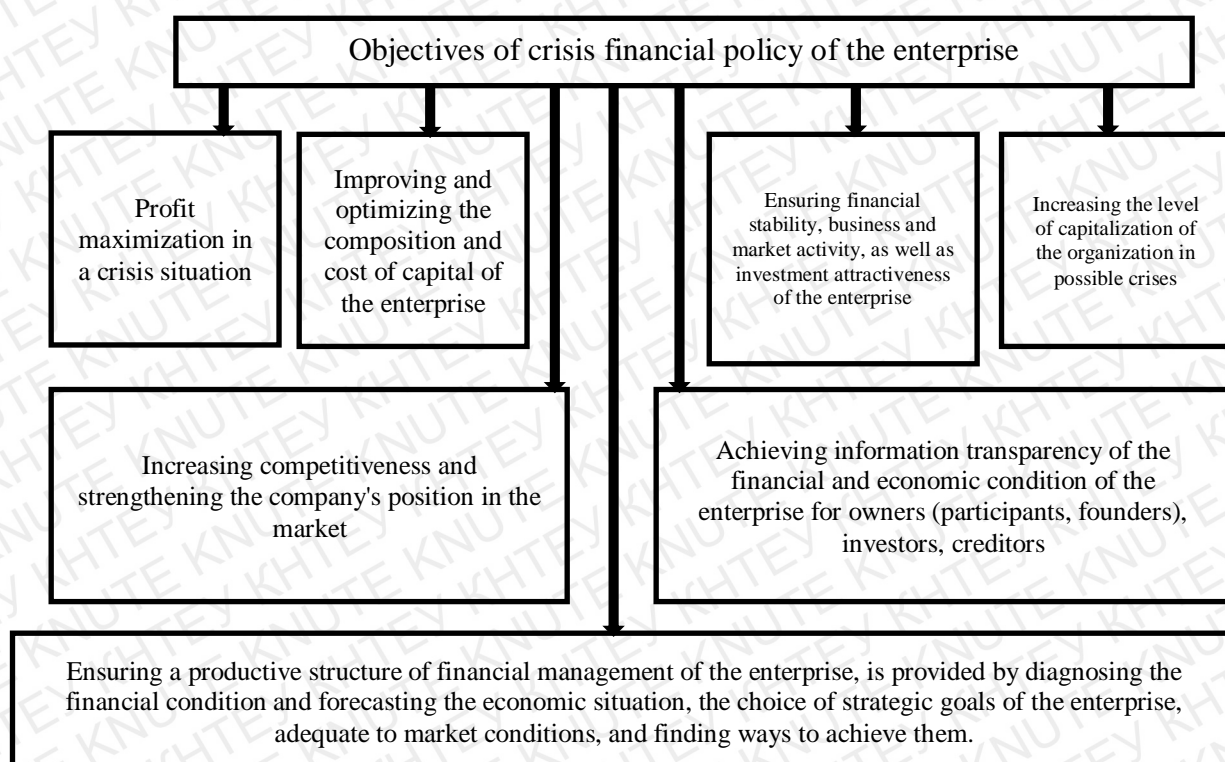


Figure F.1. Objectives of crisis financial policy of the enterprise.

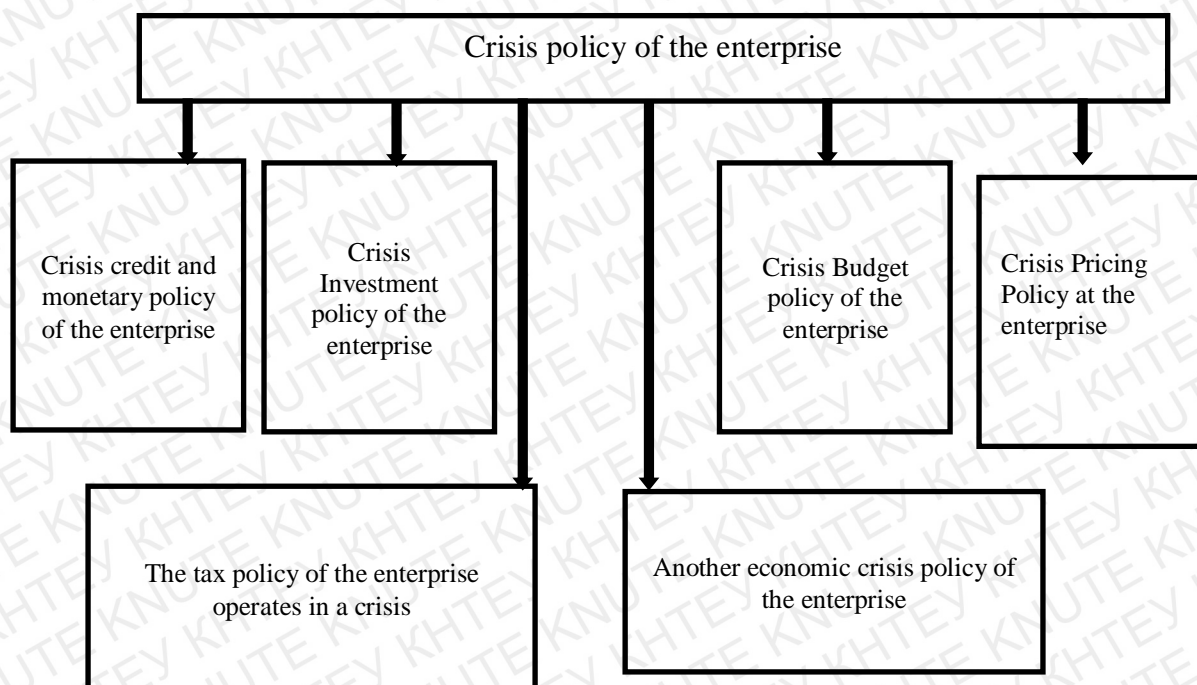


Figure F.2. Schematic classification of components of crisis policy of the enterprise

Appendix G

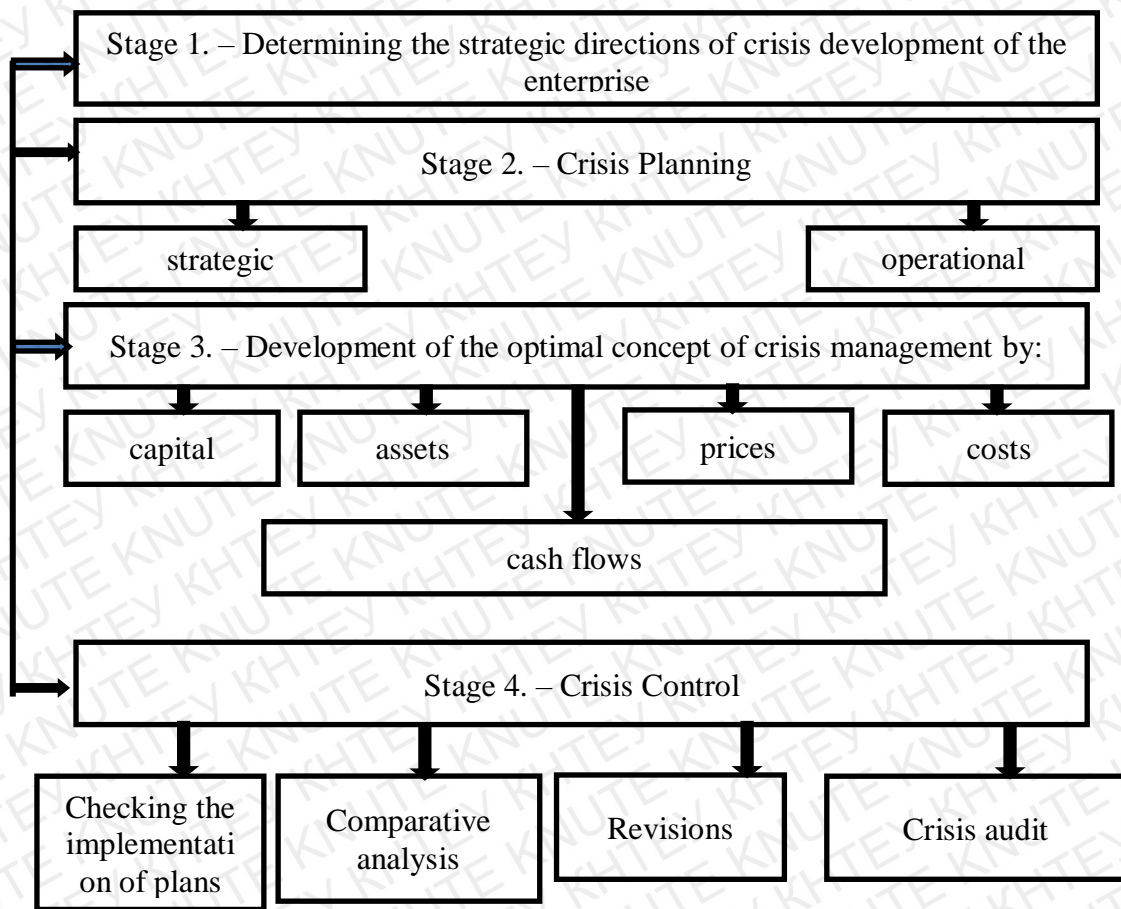


Figure G.1. Gradual content of crisis policy of the enterprise.

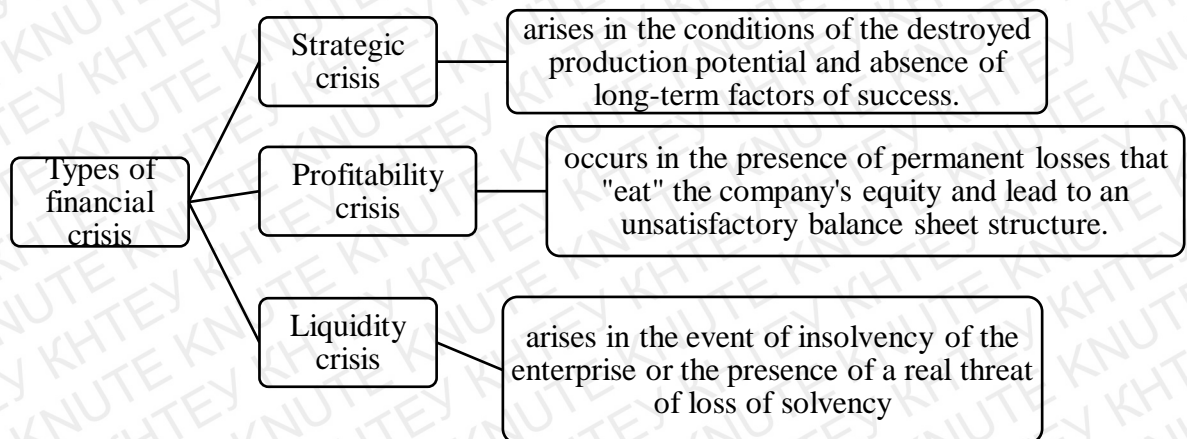


Figure G.2 The main types of financial crisis of the enterprise and their characteristics [36]

Appendix H

Table H.1

Types of financial stability

Type of financial stability	Values of coefficients			
	K _{B.o}	K _{a.d}	K _{a.k}	S
Absolute stability	≥ 0	≥ 0	≥ 0	1,1,1
Normal stability	< 0	≥ 0	≥ 0	0,1,1
Unstable financial condition	< 0	< 0	≥ 0	0,0,1
Crisis financial situation	< 0	< 0	< 0	0,0,0

Table H.2

Algorithm for calculating the relative indicators of financial stability of the enterprise

Indicator	Calculation algorithm	Normative Value
Capitalization ratios		
The financial autonomy ratio	Equity / Currency balance	$> 0,5$
Coefficient of financial dependence	Currency balance / Equity	< 2
Thr ratio of financing	Liabilities/ Equity	< 1
Financial risk ratio	Borrowed capital / Equity	$< 0,3$
Ratio of financial stability	Equity / Liabilities	> 1
Ratio of own working capital endowment	Equity working capital / Current assets	$> 0,1$
Inventories and costs endowment of working capital ratio	Equity working capital / Inventories and expenses	0,6 – 0,8
The ratio of inventories and costs to working capital	Inventories and expenses / Equity working capital	> 1
Agile equity ratio	Equity working capital / Equity	$> 0,5$
Agile functional capital ratio	Money and their equivalents + Current financial investments / Equity working capital	0-1
Coefficients of coverage		
Current debt ratio	Current liabilities / The total amount of borrowed capital	0,5-0,6
Investment coverage ratio	Equity + Long-term liabilities / Currency balance	0,75-0,9
Long-term investments coverage structure ratio	Long-term liabilities / Non-current assets	Growth
Coefficient of structure of long-term sources of financing:		
Long-term debt ratio;	Long-term liabilities / Equity + Long-term liabilities	0,4-0,5
Coefficient of financial independence of capitalized sources	Equity / Equity + Long-term liabilities	0,6-0,5
Loan endowment ratio	Financial result before tax + Financial expenses / Financial expenses	Growth

Appendix J

- 1) maximum profitability combined with minimum costs;
- 2) the risk of non-return of deposits;
- 3) methods of collecting receivables and current versions of the cancellation creditor long- and short-term liabilities;
- 4) readiness of staff for the proposed changes;
- 5) opportunities to quickly enter real and potential markets;
- 6) competitive products and their share in total production;
- 7) guarantees of social protection of personnel;
- 8) possible positive (negative) environmental consequences of the implementation of this version of the financial recovery project

Figure J.1 The main criteria when choosing a financial recovery project