

Czech University of Life Sciences Prague
Faculty of Economics and Management
Department of Trade and Finance (FEM)



Master's Thesis

**Assessment of the Financial Position and Performance of the
Chosen Companies Operating in the Poultry Farming
Industry in the Russian Federation**

Tatiana Kareeva

DIPLOMA THESIS ASSIGNMENT

Bc. Tatiana Kareeva, BS

Economics and Management

Economics and Management

Thesis title

Assessment of the Financial Position and Performance of the Chosen Companies Operating in the Poultry Farming Industry in the Russian Federation

Objectives of thesis

The aim of this thesis is to assess and compare the financial position and performance of three chosen Russian companies in different regions operating in the same industry – poultry farming, by analyzing the financial statements of the companies with focus on the representation and changes of the reported assets, liabilities, expenses and revenues for a chosen period to identify the potential financial problems and the most significant factors influencing the profit from the company and industry point of view.

Methodology

Methodology for the literature overview is based on data collection from the relevant legal framework, specialized publications and other written or online sources. The practical part of the thesis will be based on the information gained from the published annual reports of the chosen companies. Vertical and horizontal analysis and ratio analysis of the financial statements will be used to assess the financial position and performance of the company and to prepare the practical part of the thesis. The methods of analysis, synthesis, comparison and deduction will be used to formulate the conclusions of the thesis.

The proposed extent of the thesis

60-80

Keywords

financial statements, financial analysis, financial position, balance sheet, assets, liabilities, equity, financial performance, Income statement, expenses, revenues, profit, poultry industry

Recommended information sources

- ALEXANDER, J. Financial Planning & Analysis and Performance Management. USA : John Wiley & Sons, Inc. Hoboken, 2018, 640 p., ISBN-13: 978-1119491484
- ELLIOTT B. Financial Accounting and Reporting. Harlow UK:Pearson, 2019, 928 p., ISBN-13 : 978-1292255996
- MAYNARD,J. Financial Accounting, Reporting, and Analysis. UK:OUP Oxford, 2017, 936 p., ISBN-13 : 978-0198745310
- PREOBRAZHENSKAYA, G. et al. Public perception of the role of accounting in a transition economy: the case of Russia. 2018, International Journal of Accounting, Auditing and Performance Evaluation, Vol.14 No.4, pp.338-363, e-ISSN 1740-8016
- Russian Federation. Ministry of finance. Federal Law on Accounting, dated December 6, 2011, No. 402-ФЗ, as amended
- Russian Federation. Ministry of finance. Order No. 34n of 29.07.1998. Position on accounting and financial statements in the Russian Federation., as amended
- SIVOVA, M. Form 2 of the balance – Income statement. Сивова Марина: Заполнение формы 2 бухгалтерского баланса, 2020, available online
- СОСКАЯ, А. РБУ (RAS) 4/99 – accounting statements of the organization (Соцкая Анастасия: ПБУ 4/99 – бухгалтерская отчетность организации), 2020, available online at nalog-nalog.ru
- TURISHCHEVA, T. et al. Review of the Key Requirements for the Financial Statements Complying With the International and Russian Accounting Standards. 2019, Proceedings Paper of 33rd International-Business-Information-Management-Association (IBIMA) Conference, Spain, pp. 3031-3039, ISBN:978-0-9998551-2-6
- VOROTNIKOV, V. Strong geographical imbalance on the Russian poultry market. 2020, available online at poultryworld.net
-

Expected date of thesis defence

2020/21 SS – FEM

The Diploma Thesis Supervisor

Ing. Enikő Lörinczová, Ph.D.

Supervising department

Department of Trade and Finance

Electronic approval: 9. 3. 2021

prof. Ing. Luboš Smutka, Ph.D.

Head of department

Electronic approval: 9. 3. 2021

Ing. Martin Pelikán, Ph.D.

Dean

Prague on 31. 03. 2022

Declaration

I declare that I have worked on my diploma thesis titled «Assessment of the Financial Position and Performance of the Chosen Companies Operating in the Poultry Farming Industry in the Russian Federation» by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 31 March 2022

Tatiana Kareeva

Acknowledgement

I would like to thank Professor Enikő Lőrinczová for the advice, important and valuable comments on the work, as well as support during my work on this dissertation.

Assessment of the Financial Position and Performance of the Chosen Companies Operating in the Poultry Farming Industry in the Russian Federation

Abstract

The financial condition of companies is an important indicator by which investors and partners determine the attractiveness of a particular company for investment. Financial analysis of a company is an important procedure in its activities.

The goal of any company is to make a profit. The most important factor in the functioning of any company is its financial condition. To assess the financial position and results of operations of the company, it is necessary to calculate the financial situation of companies, which will be based on the balance of companies, calculations of financial performance of selected companies based on the income statement (profit/loss). And also to compare such financial indicators as: ROE, ROA, ROS.

Diploma Thesis consists of a theoretical and practical part.

In the theoretical part discusses the basics of financial analysis of an enterprise based on accounting (financial) reporting data.

The practical part consists of an analysis of the financial situation and financial performance of the three selected poultry companies. According to the results of the study, the most significant factors affecting the profit of the selected companies (from the point of view of the company, from the point of view of the industry and the region) are proposed. The potential financial problems of the companies are also identified.

Keywords:

Financial statements, vertical analysis, horizontal analysis, financial stability, income, expenses, profitability, profit, loss, financial problems.

Posouzení finanční situace a výkonnosti vybraných společností působících v drůbežářském průmyslu v regionech Ruské federace

Abstraktní

Finanční situace společností je důležitým ukazatelem, kterým investoři a partneři určují atraktivitu konkrétní společnosti pro investice. Finanční analýza společnosti je důležitým postupem v její činnosti.

Cílem každé společnosti je dosáhnout zisku. Nejdůležitějším faktorem fungování každé společnosti je její finanční situace. K posouzení finanční pozice a výsledků hospodaření společnosti, je nutné vypočítat finanční situaci společnosti, která bude založena na rovnováze firmy, výpočty finanční výkonnosti vybrané společnosti na základě výkazu zisku a ztráty (zisk/ztráta). A také porovnat takové finanční ukazatele jako: ROE, ROA, ROS

Diplomová práce se skládá z teoretické a praktické části.

V teoretické části se zabývá základy finanční analýzy podniku na základě účetních (finančních) výkaznictví.

Praktická část se skládá z analýzy finanční situace a finanční výkonnosti tří vybraných drůbežářských společností. Podle výsledků studie jsou navrženy nejvýznamnější faktory ovlivňující zisk vybraných společností (z pohledu společnosti, z pohledu průmyslu a regionu). Jsou také identifikovány potenciální finanční problémy společností.

Slovo:

Účetní závěrka, vertikální analýza, horizontální analýza, příjmy, výdaje, ziskovost, zisk, ztráta, finanční problémy, region.

Table of content

1 Introduction.....	10
2 Objectives and Methodology	12
2.1 Objectives.....	12
2.2 Methodology	12
3 Literature Review	14
3.1 Accounting system in the Russian Federation.....	14
3.1.1 Statement of financial position – the balance sheet.....	17
3.1.2 Statement of financial performance – the Profit and Loss Statement	18
3.2 Financial analysis	18
3.2.1 Theoretical foundations of the analysis of the financial condition of enterprises ...	18
3.2.2 The main methods of analyzing the financial condition of the enterprise.....	21
3.2.3 Horizontal and vertical analysis	22
3.2.4 Coefficient analysis	22
3.2.5 Analysis of the probability of bankruptcy	24
3.3 General characteristics of the poultry industry	25
3.3.1 Poultry industry in the world	26
3.3.2 Poultry industry in the Russian Federation	27
4 Practical Part	30
4.1 Characteristics of the companies	30
4.2 Geography of activity and characteristics of the region in which it is located.....	33
4.3 Analysis of the financial position and financial results of LLS «Pticefabrika Akashevskaya»	35
4.3.1 Vertical and horizontal analysis of assets and liabilities of LLS «Pticefabrika Akashevskaya»	35
4.3.2 Coefficient analysis of LLS «Pticefabrika Akashevskaya»	41
4.3.3 Analysis of the probability of bankruptcy of LLS «Pticefabrika Akashevskaya» ..	45
4.4 Analysis of the financial position and financial results of LLS «Kurinoe carstvo».....	46
4.4.1 Vertical and horizontal analysis of assets and liabilities of LLS «Kurinoe carstvo»	46
4.4.2 Coefficient analysis of LLS «Kurinoe carstvo»	54
4.4.3 Analysis of the probability of bankruptcy of LLS «Kurinoe carstvo»	57
4.5 Analysis of the financial position and financial results of LLS «Stavropol Broiler».....	58
4.5.1 Vertical and horizontal analysis of assets and liabilities of LLS «Stavropol Broiler»	58
4.5.2 Coefficient analysis of LLS «Stavropol Broiler»	64
4.5.3 Analysis of the probability of bankruptcy of LLS «Stavropol Broiler»	66
5 Results and Discussion	68
5.1 Comparative assessment of the financial situation of LLC «Pticefabrika Akashevskaya», LLS «Kurinoe carstvo», LLS «Stavropol Broiler»	68
5.2 Comparative assessment of financial indicators of the analyzed poultry enterprises	71
5.3 Factors affecting profits in the poultry industry of LLC «Pticefabrika Akashevskaya», LLS «Kurinoe carstvo», LLS «Stavropol Broiler»	76
5.4 Potential financial problems in the poultry industry	77
6 Conclusion.....	80

7	References.....	82
8	List of tables, figures and abbreviations.....	87
8.1	List of tables	84
8.2	List of figures	86
8.3	List of abbreviations	86
	Appendix.....	87

1 Introduction

The financial condition of companies is an important indicator by which investors and partners determine the attractiveness of a particular company for investment. Financial analysis of a company is an important procedure in its activities.

The topic of the diploma thesis: Assessment of the Financial Position and Performance of the Chosen Companies Operating in the Poultry Farming Industry in the Russian Federation.

The goal of any company is to make a profit. The most important factor in the functioning of any company is its financial condition.

Any company is created in order to make a profit. And the most important factor in the functioning of any company is its financial condition. The poultry industry is currently one of the key sectors of agriculture. This industry has significant state support from the industry. As a result, the chosen industry is also relevant.

The financial condition implies the availability of resources necessary for the operation of the enterprise. The amount of the resource provision must be confirmed by the obligations. All the assets of the organization must be effectively used or placed, there must be a competent relationship between counterparties-sellers and buyers. At the same time, the solvency of the company is of great importance.

The availability of a sufficient number of labor, material and monetary resources of the organization ultimately determines the stability of the enterprise in the economic environment. The stability of the enterprise means that the organization is able to withstand negative market factors, timely covers debts at its own expense, and is competitive.

Financial condition is an indicator by which investors and partners determine the attractiveness of a particular company for investment. The analysis of the financial condition helps the company to make management decisions.

The period for which the financial analysis of enterprises is carried out analysis 2017-2020.

The information base of the study was the works of Russian and foreign scientists, materials of the periodical press and the Internet, statistical and management reports of state authorities of the Russian Federation, accounting reports of LLS «Kurinoe carstv», LLS «Pticefabrika Akashevskaya» and LLS «Stavropolskij brojler».

2 Objectives and methodology

2.1 Objectives

The purpose of this diploma thesis is to assess and compare the financial position and performance of three selected Russian companies in different regions operating in the same industry - poultry farming, by analyzing the company's financial statements with an emphasis on the presentation and changes in reported assets, liabilities, expenses and income for the selected period in order to identify potential financial problems and the most significant factors affecting profits from the point of view of the company, region and industry.

To achieve this goal, it is necessary to define the following list of issues:

- to study the concept, principles and methods of analyzing the financial condition of enterprises;
- study of the poultry industry in the Russian Federation;
- describe the regions in which the selected companies operate.;
- analyze the financial condition of the selected poultry companies;
- compare the results of financial indicators;
- identify the most significant factors affecting the profit of LLC «Pticefabrika Akashevskaya», LLS «Kurinoe carstvo», LLS «Stavropol Broiler»;
- identify potential financial problems and make recommendations to improve the financial situation.

2.2 Methodology

Methodology for the literature overview is based on data collection from the relevant legal framework, specialized publications and other written or online sources.

Methodology for the practical part of the diploma thesis will be based on the information gained from the published annual reports of the chosen company. Vertical and horizontal analysis and ratio analysis of the financial statements will be

used to assess the financial position and performance of the company and to prepare the practical part of the thesis. The methods of analysis, synthesis, comparison and deduction will be used to formulate the conclusions of the diploma thesis.

The practical part of the diploma thesis is based on case studies of three chosen companies operating in the poultry farming industry in different regions of Russia. The practical part assesses the financial position (state and changes of the balance sheet) and financial performance (changes of the income statement) of the monitored companies in years 2017-2020.

The chosen companies for the case studies are:

- LLS «Kurinoe carstvo», Russia, Lipetsk region;
- LLS «Pticefabrika Akashevskaya», Russia, the Republic of Mari El;
- LLS «Stavropolskij brojler», Russia, Stavropol Krai, Shpakovsky district.

3 Literature Review

The literature review consists of three parts. The first part examines the accounting system in the Russian Federation. The second part is devoted to the methods of financial analysis. The last part presents the features of the poultry industry in the world and the Russian Federation.

3.1 Accounting system in the Russian Federation

Accounting in the Russian Federation is regulated by a large number of regulatory and legislative documents. One of the important documents regulating accounting in Russia is the Federal Law «On Accounting». This law was approved by the State Duma № 402 dated 06.12.2011.

Accounting is a system of collecting, registering and summarizing information in monetary terms about the property, obligations of the organization and their movement through continuous, continuous and documentary accounting of all business transactions.

In Russia, the accounting system is based on a four-level system of regulatory legal acts.

The first level is laws, decrees of the President of the Russian Federation, resolutions of the Government of the Russian Federation establishing uniform legal and methodological standards for the organization and maintenance of accounting. The norms contained in other federal laws and affecting accounting and accounting reporting issues must comply with Federal Law № 129 of 21.11.1996 «On Accounting».

The second level is Accounting Regulations (Russian standards) approved by federal executive authorities and the Government of the Russian Federation. Currently, 24 Regulations (standards) on accounting have been issued (Appendix 1).

The third level - methodological guidelines, instructions, recommendations and other similar documents; are prepared and approved by federal bodies, ministries, other executive authorities, professional association of accountants on the basis and in the development of documents of the first and second level.

The fourth level is documents on the organization and maintenance of accounting in the context of certain types of property, obligations and business transactions that are developed for specific organizations. This includes working documents of organizations intended for internal use, approved by the head of the organization within the accepted accounting policy.

According to Sokolov Y.V (2019) the purpose of accounting is the formation of complete and reliable information about the activities of the organization.

The main objectives of accounting are

- formation of complete and reliable information about the activities;
- providing information necessary for internal and external users of accounting statements to monitor compliance;
- prevention of negative results of the organization is economic activity and identification of on-farm reserves to ensure its financial stability.

Basic accounting requirements:

1. Accounting of property, liabilities and business operations of organizations is conducted in the currency of the Russian Federation - in rubles.

2. The property owned by the organization is accounted separately from the property of other legal entities held by this organization.

3. Accounting is maintained by the organization continuously from the moment of its registration as a legal entity until reorganization or liquidation in accordance with the procedure established by the legislation of the Russian Federation.

4. The organization maintains accounting records of property, liabilities and business transactions by double entry on interconnected accounting accounts included in the working chart of accounting accounts.

5. All business operations and inventory results are subject to timely registration on accounting accounts without any omissions or withdrawals.

6. In the accounting of organizations, the current costs of production and capital investments are accounted for separately.

Next, the principles of accounting are considered.

The principle is the basis, the initial, basic position of accounting as a science, which determines all the statements that follow from it.

The basic principles of accounting can be considered as the following:

Principles-assumptions: continuity of the organization is activities; sequence of application of selected forms and methods; temporary certainty of the facts of economic activity (calculation method); continuity; confidentiality.

Principles-requirements: completeness of accounting; prudence; priority of content over form; reporting period; qualitative characteristics of reporting information (reliability, materiality, comparability).

Principles-rules: cost (monetary) assessment; double entry, rationality; the ability to control accounting data (evidence of records), etc.

The most important objects of accounting are the following.

Non-current assets - the property of the organization by composition and placement (asset): fixed assets, intangible assets, construction in progress, profitable investments in tangible assets, long-term financial investments, deferred tax assets.

Current assets: inventories, value added tax on acquired valuables, accounts receivable, short-term financial investments, cash.

Capital and reserves: authorized capital, additional capital and retained earnings (uncovered loss). At the same time, own shares purchased from shareholders are deducted from the authorized capital.

Non-current and current assets make up the active part of the balance sheet.

The passive part of the balance sheet reflects the property of the organization according to the sources of its formation (own and borrowed obligations).

In addition to the property of the organization and its obligations, the objects of accounting are business transactions and their results.

Business transactions are actions that reflect business facts, transactions, calculations, financial results, etc., as well as the composition and placement of property and sources of funds (own and borrowed).

3.1.1 Statement of financial position – the balance sheet

The balance sheet is one of the main forms of accounting statements. In accordance with International Financial Reporting Standards (IFRS), the balance sheet contains data on assets, liabilities and equity. In Russian accounting, it is a way of grouping assets and liabilities of an organization in monetary terms. The balance sheet characterizes the property and financial condition of the organization in monetary terms at the reporting date (Ilysheva N. N., Sinyanskaya E. R., 2017).

The balance sheet consists of two parts: the left side is called «Asset», the right – «Liability». The asset of the balance sheet reflects all the company is property, including real estate, financial investments, cars.

The liability of the balance sheet indicates the sources of formation of the company is assets, that is, its entire property. In the annual balance sheet of the organization, this may be equity (authorized or additional), attracted funds and external liabilities.

The balance sheet consists of five sections:

1. Non-current assets;
2. Current assets;
3. Capital and reserves;
4. Long-term obligations;
5. Short-term liabilities.

The balance sheet is one of the main documents, based on which you can analyze the results of the company is work, since it reflects all information about property and debts in monetary terms. The balance sheet is needed by the company itself, as well as for shareholders and the Federal Tax Service (FTS). The balance will also be required at the bank if the company plans to take out a loan.

As a general rule, the balance sheet is handed over only once a year: on any day from March 1 to March 31. Such deadlines for the submission of the balance sheet are also indicated in the accounting (Article 18 of the Law «On Accounting» dated 06.12.2011 № 402).

3.1.2 Statement of financial performance – the Profit and Loss Statement

The report on financial results is a form of accounting statements in Russia that characterizes the financial results of an organization is activities for the reporting period and contains data on income, expenses and financial results in the cumulative total from the beginning of the year to the reporting date. Until 2012, the name «Profit and Loss Statement» was used. Starting with the reporting for 2012, small business entities can use a simplified form of the report.

In Russia, in accordance with part 1 of Article 14 of Federal Law № 402, annual accounting (financial) statements consist of an accounting balance sheet, a report on financial results and appendices to them.

The financial results report shows the results of the organization is activities for the reporting period. The financial result shows the difference between income and expenses. If there are more revenues, a profit is obtained, and more expenses – a loss. The report contains data on income and expenses on an accrual basis from the beginning of the period to the reporting date.

As a standard, income and expenses are reflected in the statement of financial results on an accrual basis (the cash method is an exception for small businesses). Revenue is accrued when goods or services have been shipped to the buyer. Accrual accounting reflects income and expenses in the period in which they arose, even if cash receipts and payments were in another period.

In the report, income and expenses are reflected without VAT (Value Added Tax) and are divided into ordinary and other.

3.2 Financial analysis

3.2.1 Theoretical foundations of the analysis of the financial condition of enterprises

Financial analysis is a comprehensive economic analysis that aims to study the financial condition and financial performance of the company. One of the main sources of information for financial condition analysis is reporting.

The main purpose of the presentation of financial statements is to disclose information about the current financial position of the company, changes in the financial position as a result of the company's activities.

Let us take a closer look at the structure of the composition and types of users of financial statements, which is presented in Figure 1.

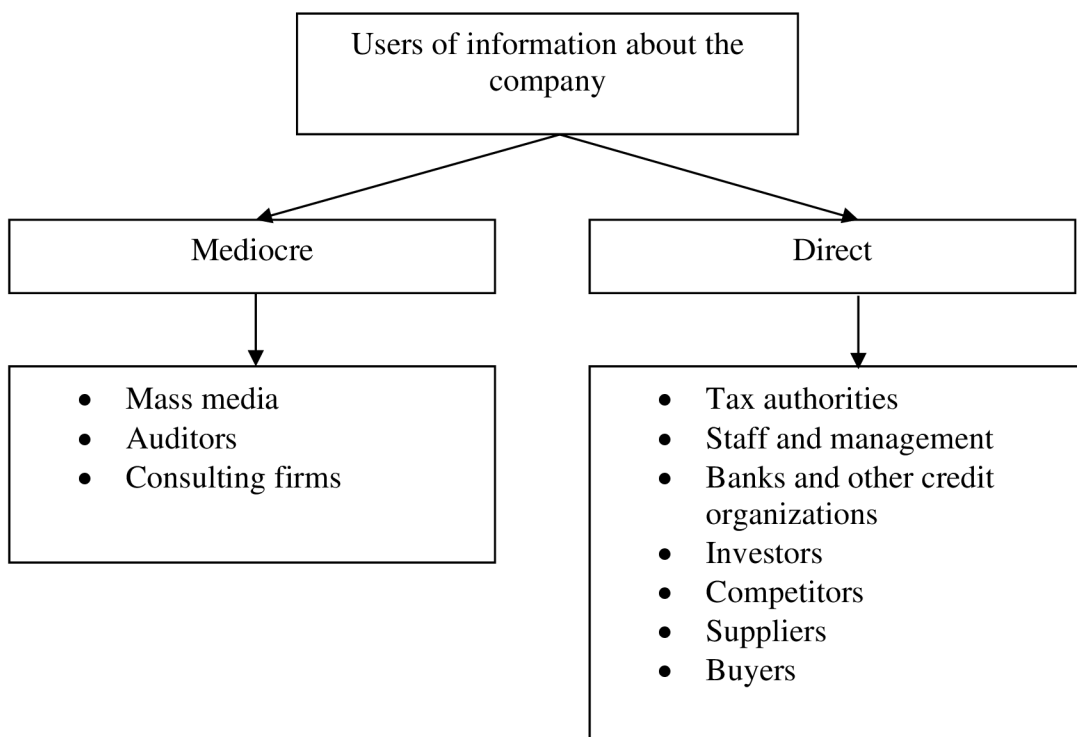


Figure 1 - Structure of the composition and types of users of the company's financial statements

All users of the organization's financial statements can be divided into internal and external.

The internal ones include: owners of the enterprise; senior management personnel; managers; heads of departments.

The requirements for the accounting statements of organizations and their composition are regulated by the following regulations:

- Federal Law № 402 dated 06.12.2011 «On Accounting»;
- Order of the Ministry of Finance of the Russian Federation № 66 dated 02.07.2010 «On forms of accounting statements of organizations»;

- Order of the Ministry of Finance of the Russian Federation dated 06.07.1999 № 43 «On approval of the Accounting Regulations «Accounting statements of organizations» (PBU 4/99).

Financial statements should be easy to understand. Relevance and reliability are the main parameters due to which reporting becomes useful when making management decisions. Reporting information is relevant if it is able to influence the result of the valuation or the decision that will be made at the present time or taking into account the forecast for the future.

The relevance of the information is influenced by the following factors:

- timeliness of data receipt by regulating the timing of comparison of the data of the reporting period, which are used for operational management of the economic activity of the enterprise;
- the significance and value of data for forecasting and comparing results.

The reliability of the reporting data is confirmed primarily by the data of all types of accounting (an inventory is carried out at the enterprise before the annual reporting is compiled in due time).

The reliability of information is influenced by the following factors:

- truthfulness;
- neutrality;
- discretion;
- possibility of verification.

The accuracy of financial statements is ensured by the correct reflection of synthetic and analytical accounting data in the relevant articles of the reporting forms. Completeness of reporting is the necessity and obligation to fill in all indicators of reporting forms. Timely reporting is essential for proper and timely management decision-making. Late provision complicates the management of the enterprise, leads to unreasonable decisions (Dmitrieva, I. M.,2020).

Responsibility for the timely provision, reliability, accuracy and completeness of reporting indicators is assigned to the head and chief accountant. The

methodological unity of the calculations of indicators lies in the fact that the same indicators in the reporting at all enterprises, regardless of the type of activity and form of ownership, must be determined using a single methodology.

Simplicity and clarity of reporting provides for the creation of such forms of reports that would be understandable not only to a narrow circle of specialists, but also to the entire workforce of enterprises, shareholders, investors. Accessibility and transparency of reporting implies the possibility of familiarizing a wide range of users with these reporting forms. Reporting should be rational, that is, it should contain a reasonable minimum amount of reporting indicators necessary for management.

The cost-effectiveness of reporting lies in the fact that the cost of labor and funds for reporting should be extremely minimal. Effectiveness – the need to analyze the reporting data, identify the shortcomings of the company's activities and internal reserves of production.

3.2.2 The main methods of analyzing the financial condition of the enterprise

Financial analysis is used to evaluate economic trends, determine financial policies, build long-term business plans, and identify projects for investment.

One of the most common ways to analyze financial data is to calculate ratios based on financial statement data for comparison with other companies data or with the company's own performance. Financial ratios fall into three main categories which include liquidity ratio, financial leverage ratio and profitability ratios.

Methods of financial analysis are designed to ensure the management of the financial condition of the enterprise. Among the main methods for analyzing the financial condition of an enterprise are: horizontal analysis; vertical analysis; coefficient analysis.

Let us consider the characteristics of the selected coefficients of financial analysis in more detail.

3.2.3 Horizontal and vertical analysis

Horizontal analysis is also known as trend analysis. This method shows data for a certain period and makes it possible to compare them. In this method, you can use one selected year as the base year, or you can take the previous year as the base year and always compare two years and see how a particular element changes from year to year. This method allows you to determine the trends in individual items and calculate the growth rate.

Vertical analysis is used to proportionally analyze the financial statements of individual items out of the total to determine their importance. This is useful for viewing the balance of proportions and the change in proportions from another year.

The purpose of vertical analysis is to calculate the share of individual items in the balance sheet and evaluate their dynamics in order to forecast structural changes in assets and sources of their coverage.

3.2.4 Coefficient analysis

Coefficient financial analysis is the calculation of ratios between individual indicators of an enterprise is activity (calculation of relative indicators, financial coefficients), the study of their level and dynamics of change.

According to the author Savitskaya G. A., it is the coefficient analysis of financial statements that gives the widest idea of the current financial position of an economic entity, since it takes into account the values of all articles of property and property rights of the organization and the sources of their formation, as well as indicators of the results of the economic activity of the enterprise.

There are several financial analysis coefficients.

For the purposes of the dissertation, the following coefficients will be used:

- ROE (return on equity);
- ROA (Return on assets);
- Current liquidity ratio;
- Quick liquidity ratio;
- Absolute liquidity ratio.

The return on assets ratio (ROA) is used by financial analysts to diagnose the performance of an enterprise in terms of profitability. The coefficient shows the financial return on the use of the company is assets (Dmitrieva, I. M.,2020).

The return on equity (ROE) ratio is of interest to business owners and investors. It shows how effectively the money invested in the company was used.

The return on sales ratio (ROS) is used by the head of the sales department, investors and the owner of the enterprise. The coefficient shows the efficiency of sales of the main products of the enterprise, it allows you to determine the share of cost in sales (Dmitrieva, I. M.,2020).

It should be noted that it is not important how many products the company sold, but how much net profit it earned net money from these sales.

Let is consider the formulas for calculating the three most important profitability coefficients and their normative values.

1) Return on assets (ROA), Standard > 0

$$\text{Return on Assets Ratio} = \frac{\text{Net Profit}}{\text{Assts}} \quad (1)$$

2) Return on equity (ROE), Standard > 0

$$\text{Return on equity ratio} = \frac{\text{Net Profit}}{\text{Equity}} \quad (2)$$

3) Return on sales (ROS), Standard > 0

$$\text{Return on Sales} = \frac{\text{Net Profit}}{\text{Revenue}} \quad (3)$$

The considered methods are used at all stages of the analysis of accounting (financial) statements, the result of which is the formation of generalizing indicators of the company is activity.

When forming these indicators, a study is carried out: technical, organizational and other conditions of the enterprise; the use of production resources (fixed assets, material resources, labor and wages); volume, structure and quality of products; costs and production costs. Most analytical methods are used in combination with various types of models that allow structuring and identification of the relationship between indicators.

3.2.5 Analysis of the probability of bankruptcy

The assessment of the probability of bankruptcy is the prediction of the possibility of deterioration of the solvency and liquidity of the organization . The analysis of the probability of financial insolvency of an organization solves the following tasks: identifies the financial situation of the company; determines whether it is possible to restore the solvency of the organization and from what sources; shows which ways out of the crisis can be applied. In the process of analysis, the assets and liabilities of the organization are evaluated, which makes it possible to identify signs of bankruptcy and the causes of their occurrence.

When assessing the probability of bankruptcy of a company, it is necessary to adhere to the following principles:

- the manager is recommended to develop security measures to prevent the financial insolvency of the company;
- a mechanism should be implemented in the organization to regulate the financial situation;
- the manager needs to develop a system of measures to resume operations and make a profit;

Thus, the analysis of the probability of bankruptcy allows not only to assess the risks, but also to develop a plan to overcome the crisis so that the company can restore its activities in the most sparing way.

Scientifically proven models are used to assess the probability of bankruptcy:

1) Altman model. It represents indicators that show what economic potential the company has and what are the results of its work over the past period. A qualitative methodology that helps to see how close an organization is to bankruptcy.

The Altman index allows you to assess the risk of bankruptcy of an enterprise, the level of financial stability of the enterprise, the safety margin of the enterprise, the activities of the company is management, to make comparisons with other enterprises, regardless of their size and industry affiliation. The built-in weights in the index allow us to take into account the divergence of the indicators of the economic efficiency of the enterprise.

2) The Taffler model is a method of predicting the bankruptcy of enterprises based on its financial indicators, proposed in 1977 by British scientists R. Taffler and G. Tishou. This model was developed by them based on the results of testing an earlier Altman model on the reporting data of British companies as more consistent with the new economic realities.

If the result when applying the model ranges from 0.2 to 0.3, the company is in the so-called «gray zone», that is, with a competent management policy and a favorable economic situation, it can easily move to the «green zone».

3.3 General characteristics of the poultry industry

Poultry farming is one of the areas that contributes to the country is economy and ensures its food security by supplying high-quality animal protein to the markets, which is necessary to support health.

In recent years, the poultry industry has been actively developing, innovations and new technologies are being introduced. At the same time, the level of consumption of poultry products is high and continues to increase constantly, which confirms the prospects of the entire poultry industry for at least the coming years (Saleeva, I.P.2017).

The main characteristic features of modern poultry farming are:

1. Significant fertility.
2. Precocity of individuals.

3. High profitability.

The main group includes well-established categories of breeds. They were formed due to long-term temporary selection, as well as the convenience of cultivation and maintenance. These include:

1. Chickens.
2. Geese.
3. Ducks.
4. Turkeys.
5. Guinea fowl.
6. Quail, etc.

Each type of bird occupies its own market segment depending on the demand and value of a particular product.

3.3.1 Poultry industry in the world

The poultry industry is one of the key sectors in agriculture. Today, this sector of the economy is actively developing in many countries of the world.

Among the leading countries in poultry farming, such as China, the USA, Japan and Russia can be distinguished (Saleeva, I.P.2017).

The production of broiler meat in the world in 2017 was 94.5 million tons, and in 2020 it may exceed 100 million tons. The United States remains the world leader, China is in second place, which is starting to increase production at a significant pace, and Brazil is in third place. Russia ranks fourth (excluding the EU as a single state) with an indicator of more than 4.7 million tons per year (Table 1).

Table 1 - World leaders in broiler meat production in 2015-2021, million tons

Country	2015	2016	2017	2018	2019	2020	2021
USA	18,21	18,51	18,94	19,36	19,94	20,24	20,47
China	13,56	12,45	11,60	11,70	13,75	14,60	15,30
Brazil	13,55	13,52	13,61	13,36	13,69	13,88	14,18

EU	10,89	11,56	11,91	12,26	12,56	12,20	12,60
Russia	4,22	4,33	4,68	4,68	4,67	4,72	4,71
India	3,26	3,46	3,76	4,06	4,35	4,00	4,20
Mexico	3,18	3,28	3,40	3,49	3,60	3,70	3,78
Thailand	2,69	2,81	2,99	3,17	3,30	3,25	3,34
Turkey	1,91	1,88	2,14	2,16	2,14	2,20	2,25
Argentina	2,09	2,12	2,15	2,07	2,17	2,19	2,22

Source: USDA, Federal State Statistics Service

Collection of Rossat «Agriculture, hunting and hunting economy, forestry in Russia». The statistical compilation presents data on the state of the agricultural sector in the Russian Federation in 2014-2018.

3.3.2 Poultry industry in the Russian Federation

Poultry farming is a very popular branch of agriculture both in Russia and in the world. In recent years, it has been actively developing, introducing innovations and new technologies. At the same time, the level of consumption of poultry products is high and continues to increase constantly, which confirms the prospects of the entire poultry industry for at least the next few years (Vorotnikova A.M., Mezina S.A., 2019)

In recent years, the Russian poultry industry has shown steady growth and development of the entire industry as a whole. It makes a significant contribution to the country's economy, which also indicates good prospects for the future.

Poultry farms in the Russian Federation breed about 17 egg breeds of poultry and 11 meat. Our own breeding production has appeared and is developing. In the country, the leading breeds are bred directly by domestic breeders.

On the territory of Russia, the poultry industry consists of (Vorotnikova A.M., Mezina S.A., 2019):

- more than 650 industrial organizations;
- 425 factories producing egg products;
- 130 factories are engaged in broiler breeding;
- 50 firms are engaged in the field of breeding production;
- 12 farms specialize in raising geese;
- 9 farms breed exclusively ducks;
- 5 are engaged in turkeys;
- 3-quails.

Gross production reaches fifty-five billion eggs and approximately two million tons of poultry meat.

Poultry farming in Russia as a whole is widespread in all districts and regions. Chickens are very unpretentious and can live normally in any climatic zones. But even this is not the main thing. Modern technologies make it possible to build poultry complexes even in the conditions of the Far North. Now it does not matter what the climate around. Poultry complexes are built from modern heat-insulating materials. Indoor automation creates ideal conditions for rapid growth and weight gain. Even sunlight is not used in the cage keeping of the bird. The computer controls artificial sunrise and sunset programs to speed up the metabolism and speed up the growth of the herd.

Perhaps, now the main criterion for opening a poultry enterprise is the presence of a number of large settlements for selling products and reducing transport costs (Vorotnikova A.M., Mezina S.A., 2019).

Each poultry farm or poultry enterprise has its own specification. Some farms are concentrated on the production of meat, someone on the production of eggs, someone on incubation. The bulk of the farmed poultry is chickens, but there are also leaders in the production of other types of poultry meat.

Large poultry farms that have managed to survive all the crises and other adverse economic factors are located in the following areas: Belgorod, Kostroma, Vologda, Novosibirsk, Tyumen, Altai Krai and Udmurtia.

A large new poultry farm has opened in the Leningrad Region, Smolensk and Moscow regions.

The Smolensk and Irkutsk regions, thanks to innovations and the transition to extruded feed, significantly increase the productivity of enterprises while reducing costs. The Ryazan, Pskov, Smolensk and Arkhangelsk regions significantly reduced meat production and began to specialize in the production of eggs.

The Kurgan region specializes in waterfowl – geese and ducks are mainly bred here.

Bashkortostan has become a leader in the breeding and production of turkey meat. Their products make up a large share of the total industry volume per year. A worthy second place in turkeys is taken by the Rostov region.

The Moscow region specializes in breeding guinea fowl.

The leaders in the production of quails are also the Moscow region and the Stavropol Territory.

The leaders in egg incubation are the Chelyabinsk and Tomsk regions. Their production volumes are approaching 60 million chickens per year.

Poultry farming in the early nineties experienced an unprecedented rise. During the year, 35 billion eggs and 1.700 tons of meat were produced. Then, by the beginning of the two thousandth, it almost fell into decline due to the change of the political regime in the country.

Modern Russian poultry farming has mostly recovered from the crises. It is steadily developing and modernizing.

In a couple of decades, the Russian poultry industry has every chance to become the leading agricultural industry in the country and fully cover the needs for such food products as eggs and poultry meat (Vorotnikova A.M., Mezina S.A., 2019).

4 Practical Part

The practical part of the diploma thesis is based on case studies of 3 chosen companies operating in the poultry farming industry in different regions of Russia. The practical part assesses the financial position (state and changes of the balance sheet) and financial performance (changes of the income statement) of the monitored companies in years 2017-2019.

The chosen companies for the case studies are:

- Pticefabrika Akashevskaya, Russia, the Republic of Mari El;
- Kurinoe carstvo, Russia, Lipetsk region;
- Stavropolskij brojler, Russia, Stavropol Krai, Shpakovsky district.

Consider the location of the selected companies on the map of the Russian Federation, which is shown in Figure 2.

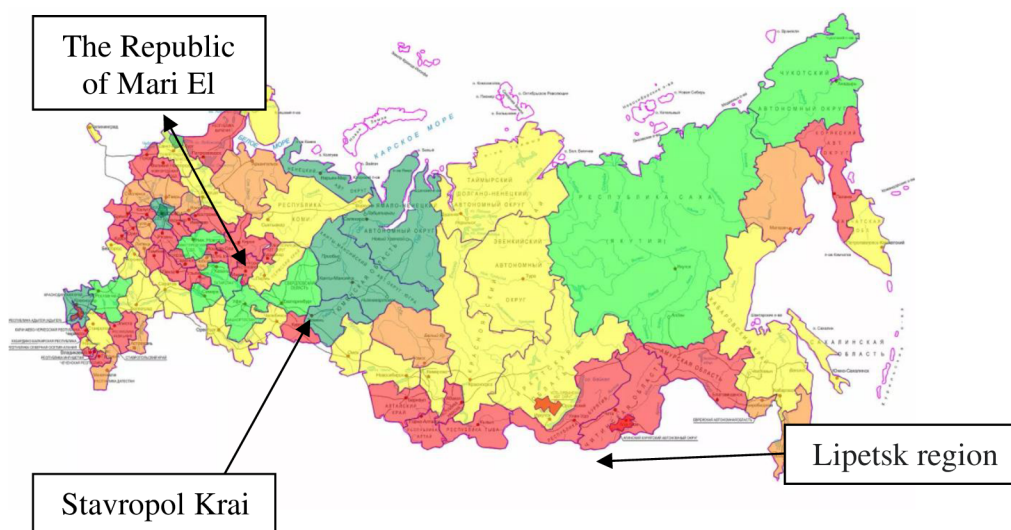


Figure 2 -The geography of the selected companies

4.1 Characteristics of the companies

1) LLS «Pticefabrika Akashevskaya»

LLS «Pticefabrika Akashevskaya» is a modern high-tech enterprise located in the ecologically clean region of Russia - the Republic of Mari El and is one of the largest in the Volga region.

The poultry farm is a full-cycle enterprise that includes the production of feed, the production of chickens of parental forms, the cultivation of broiler chickens, and the processing of poultry meat.

The product range includes more than 100 items of chilled and frozen broiler meat, semi-finished products, sausages and delicacies.

The poultry farm constantly updates the equipment to produce the most useful products from poultry meat.

Our goal is to obtain high-quality, safe and environmentally friendly products.

LSS «Pticefabrika Akashevskaya» located 23 km from the city of Yoshkar-Ola near the village of Abashevo.

The structure of the poultry farm includes: 21 poultry houses, a laboratory, a sanitary inspection room, a weighing room, a warehouse, a sewage pumping station, a feed shop and an office.

Areas of work of the poultry farm are egg production and broiler farming. The capacity of the poultry farm is 4 million heads of broilers with the production of 7.5 thousand tons of meat in live weight per year.

2) LLS «Kurinoe carstvo»

LLS «Kurinoe carstvo» - is a Russian enterprise for the production of broiler chicken meat. The company's headquarters are located in the city of Lipetsk.

The production complex of LLS «Kurinoe carstvo» includes two hatcheries, four poultry farms of the parent herd, ten broiler farms, a poultry processing plant, a feed mill and an elevator.

LLS «Kurinoe carstvo» during its existence has accumulated some experience in the technology of growing broiler chickens. Now it is one of the largest poultry producers in Russia.

All production sites of the Company are equipped with modern poultry farming equipment of European production. The technology of poultry farming is carried out under the supervision of highly qualified managers who are well aware of the world and domestic experience of poultry farming. All this allows the




company to successfully compete with both Russian manufacturers in the market of chilled products, and with imported freezing.

3) LLS « Stavropolskij brojler»

LLS «Stavropolskij brojler» is one of the four largest Russian producers of broiler chicken meat. The company is an integrated production facility that combines a feed mill, a breeding farm, an incubator, three broiler complexes, two meat processing plants, and a commercial service

The ultramodern equipment of feed mills allows to produce annually according to recipes in strict accordance with the growing programs more than a million tons of granulated and loose feed and 100% cover the needs of the entire poultry population.

Table 2 - Brief description of companies

Company name	АО «Kurinoe carstvo»	ООО «Pticefabrika Akashevskaya»	ООО «Stavropol'skij brojler»
Logo			
Date of foundation	2002	2005	2002
Location	Russia, Lipetsk region	Russia, Republic of Mari El	Russia, Stavropol Krai, Shpakovsky district
Industry	Food industry	Food industry	Food industry
Products	Manufacture of meat of chickens-broilers meat	Production broiler meat	Production broiler meat
Number of employees	6201	5792	4891
Sales of products to other cities in Russia	Produces and sells its products in the following regions: Bryansk region; Lipetsk region; Penza region; Moscow region (2 poultry farms); Voronezh Region; Tula region.	It sells chilled and frozen poultry meat, sausages and semi-finished meat products throughout Russia.	Distribution contracts cover the territories of the Southern, North Caucasus, Central, Volga and North-Western Federal Districts.

Source: Proprietary data processing based on public company data

4.2 Geography of activity and characteristics of the region in which it is located

1) LLS «Pticefabrika Akashevskaya»

LLS «Pticefabrika Akashevskaya» is able to sell chilled and frozen poultry meat, sausages and semi-finished meat products throughout Russia.

Currently, the company's sales offices are represented in the following regions:

- Yoshkar-Ola;
- Cheboksary;
- Kazan;
- Kirov;
- Ulyanovsk;
- Tolyatti;
- Syktyvkar;
- Ufa.

Characteristics of the region Republic of Mari El, Sovetsky district.

The poultry farm is located in one of the most ecologically clean regions of Russia, and the sites for growing poultry are located far from major highways and factories. The low level of air pollution, the absence of discharges of pollutants - in Mari El is a consistently positive environmental situation. Every year, new specially protected natural areas are created in the republic.

Currently, there are 48 specially protected natural areas on the territory of Mari El, including the National Park «Mari Chodra», the State Nature Reserve «Bolshaya Kokshaga», forests, groves and lakes. At the end of 2017, Rospatent filed an application for registration of the trademark «Made in Mari El». «Akashevo» plans to undergo mandatory laboratory tests on organoleptic and physico-chemical indicators in order to have the right to place the mark Made in Mari E on its products.

2) LLS «Kurinoe carstvo»

Poultry farms where chicken is grown LLS «Kurinoe carstvo» are located far from industrial cities in ecologically clean areas. Clean water and fresh air are the key to the production of environmentally friendly and useful products. Our chickens

drink the purest, non-chlorinated water, which has undergone additional filtration and ionization. All poultry farms strictly comply with food safety standards (ISO).

LLS «Kurinoe carstvo» is a large complex in the industry, which produces and sells its products in the following regions: Bryansk region; Lipetsk region; Penza region; Moscow region (2 poultry farms); Voronezh Region; Tula region.

All poultry farms operate according to the same standard of floor maintenance, where constant control over feeding, lighting, temperature and air conditions is provided, creating a favorable microclimate that helps prevent the occurrence of stressful situations for poultry. Modern equipment from the world is leading brands, which our poultry farms are equipped with, allows us to produce high-quality products that fully meet the high requirements of consumers.

Characteristics of the region:

LLS «Kurinoe carstvo» is located in the small quiet town of Yelets.

The ecological state of the city has its drawbacks. Every year, floating garbage accumulates in rivers near the production area. On the bank of the Bystraya Sosna River, you can find piles of household waste. This is most likely due to the fact that the city is not sufficiently organized garbage collection and residents are forced to create appropriate landfills. The fight for the ecology of the city is ongoing.

The main source of pollution is considered to be a sugar factory that discharged wastewater into the B. Sosna River, which led to a violation of the hydro chemical regime of the river.

3) LLS «Stavropolskij brojler»

Production facilities of LLS «Stavropol Broiler» are located in the most favorable regions of Russia for the development of the agro-industrial complex: Stavropol and Krasnodar Territories, Rostov, Tambov and Orenburg regions, the republics of Adygea, Kabardino-Balkaria and Karachay-Cherkessia.

Climatic conditions, transport availability, professional experience of local experts and high capacity of the consumer market the South and the Chernozem of Russia is attractive for the implementation of major investment projects in the agricultural sector and contribute to the successful progress and competitiveness.

The company's products are represented in most of the leading federal and regional retail chains in Russia. Distribution contracts cover the territories of the Southern, North Caucasus, Central, Volga and North-Western Federal Districts.

4.3. Analysis of the financial position and financial results of LLS «Pticefabrika Akashevskaya»

4.3.1. Vertical and horizontal analysis of assets and liabilities of LLS «Pticefabrika Akashevskaya»

The analysis of the financial position of the company includes vertical and horizontal analysis of balance sheet items: assets, liabilities and capital, in order to identify the most significant items (by vertical analysis) and changes over time (by horizontal analysis).

Vertical analysis is used to proportionally analyze the financial statements of individual items from the total amount to determine their importance. It clearly shows whether a particular item is growing or falling as a percentage of the total amount, and how this affects the total amount. A decrease in the percentage of one position does not actually indicate a loss of monetary value in relation to the amount, it may mean a more significant change in the other position in relation to the amount.

With the help of accounting data (Appendix 2), we will conduct a vertical analysis of the assets of the balance sheet of LLS «Pticefabrika Akashevskaya» for 2018 - 2020, which is presented in Table 3.

Table 3 - Vertical analysis of the assets of the balance sheet of LLS «Pticefabrika Akashevskaya» 2017-2020, million rubles.

Indicator name	2017	%	2018 r	%	2019	%	2020	%
ASSET								
I. NON-CURRENT ASSETS								
Intangible assets	2	0,01	870	1,51	580	1,41	503	1,19
Fixed assets	26 950	68,06	28 461	66,71	26 716	64,73	26 125	61,68
Financial investments	1 371	3,46	1 201 9	2,82	1 201	2,91	2 330	5,50
Deferred tax assets	0	0,00	699	0,00	0	0,00	0	0,00
Other non-current assets	3 068	7,75	2 904	6,81	6 636	16,08	7 269	17,16

Total for section I	31 393	79,28	33 213	77,85	35 135	85,1	36 228	85,53
II. CURRENT ASSETS								
Stocks	1 562	3,95	2 197 2	5,15	2 373	5,75	3 301	7,79
Value added tax (on purchase prices)	41 406	0,10	43	0,10	4	0,01	48	0,11
Accounts receivable	5 770	14,57	6 478	15,19	3 014	7,30	1 984	4,68
Financial investments (exc. cash equivalents)	446	1,13	0	0,00	0	0,00	0	0,00
Cash and cash equivalents	381	0,96	721	1,69	735	1,78	785	1,86
Other current assets	0	0,00	8	0,02	8	0,02	10	0,02
Total for section II	8 202	20,72	9 449	22,15	6 136	14,8	6 130	14,47
BALANCE	39 596	100,00	42 662	100,00	41 272	100,0	42 358	100,00

Source: compiled by the author independently on the basis of the balance sheet data of LLS «Pticefabrika Akashevskaya» for 2018-2020.

Table 3 presents the results of a vertical analysis of the assets of LLS «Pticefabrika Akashevskaya», which show changes in the ratio of items from year to year. These changes can be observed in items such as fixed assets, which include buildings, processing plants, machinery and equipment. The table shows that fixed assets account for the largest share of non-current assets and all assets in general. In 2018, fixed assets accounted for 66% of assets, in 2019 it decreased slightly and amounted to 64.7%, in 2020 – 61.6%.

Vertical analysis greatly simplifies the comparison of financial statements of one company with another in different industries. Table 4 presents a vertical analysis of the balance sheet liabilities.

Table 4 - Vertical analysis of the liabilities of the balance sheet of «Pticefabrika Akashevskaya», million rubles.

Indicator name	2017	%	2018	%	2019	%	2020	%
LIABILITY								
III. CAPITAL AND RESERVES								
Authorized capital (share capital)	9 146	23,10	6	0,02	6	0,02	6 946	0,02
Revaluation of non-current assets	0	0,00	641	1,50	692	1,68	692	1,63

Additional capital	0	0,00	1 131	2,65	1 131	2,74	1 131	2,67
Retained earnings (uncovered loss)	-9 006	-22,75	-232	-0,54	-1 936	-4,69	-3 928	-9,27
Total for section III	140	0,35	1 546	3,63	-105	-0,26	-2 096	-4,95
IV. LONG-TERM OBLIGATIONS								
Borrowed funds	23 700	59,86	25 885	60,68	25 253	61,19	32 199	76,02
Total for section IV	23 700	59,86	25 885	60,68	25 253	61,19	32 199	76,02
V. SHORT-TERM LIABILITIES								
Borrowed funds	14 256	36,00	14 244	33,39	14 950	36,22	10 985	25,93
Accounts payable	1 497	3,78	983	2,30	1 109	2,69	1 205	2,85
Deferred income	0	0,00	0	0,00	0	0,00	17	0,04
Estimated liabilities	5	0,00	5	0,00	65	0,16	47	0,11
Other liabilities	0	0,00	114	0,00	0	0,00	0	0,00
Total for section V	15 754	39,79	15 228	35,70	16 125	39,0	12 255	28,93
BALANCE	39 596	100,00	42 662	100,00	41 272	100,0	42 358	100,00

Source: compiled by the author independently on the basis of the balance sheet data of LLS «Pticefabrika Akashevskaya» for 2018 - 2020.

Based on the data obtained, it can be noted that the decrease in the amount of equity indicates that «Pticefabrika Akashevskaya» spends more than it earns, i.e. sells all profits.

The reason for the decline may be that the company is restructuring.

Next, consider the horizontal analysis of assets and liabilities, which is presented in Table 5 and Table 6.

Table 5 - Horizontal analysis of the assets of the balance sheet of LLS «Pticefabrika Akashevskaya», million rubles.

Indicator name	2018	2019	2020	Absolute deviation		Relative deviation	
				2019/2018	2020/2019	2019/2018	2020/2019
ASSET							
I. NON-CURRENT ASSETS							
Intangible assets	644	580	503	-64	-77	-9,94	-13,35
Fixed assets	28 461	26716	26125	-1744	-591 446	-6,13	-2,21
Financial investments	1 201	1 201	2 330	0	1 128	0,00	93,89
Deferred tax assets	6	0	0	-6	0	-100,00	0,00
Other non-current assets	2 904	6 636	7269	3 731	633	128,48	9,54

Total for section I	33 213	35135	36228	1922	1092	5,79	3,11
II. CURRENT ASSETS							
Stocks	2 197	2373	3301	176	927	8,03	0,39
Value added tax	43	4	48	-39	44	-90,37	10,51
Accounts receivable	6 478	3014	1984	-3464	-1030	-53,47	-0,34
Cash and cash equivalents	721	735	785	14	50	2,05	0,07
Other current assets	8	8	10	0, 148	1	1,69	0,13
Total for section II	9 449	6 136	6 130	-3 312	-6	-35,05	0,00
BALANCE	42 662	41 272	42 358	-1 389	1 085	-3,26	0,03

Source: compiled by the author independently on the basis of the balance sheet data of

«Pticefabrika Akashevskaya» for 2018 - 2020

Table 5 presents a horizontal analysis of the balance sheet assets, such as fixed assets, and changes in their shares from the total share and significance of this item for the company. The table above shows the changes in one row over three years (2018-2020). From 2017 to 2020, it was found that fixed assets decreased by 2.21%, which means that the poultry farm is reducing its machinery and equipment.

There is also a decrease in the indicator of accounts receivable in 2020 by -10,30082 thousand rubles.

At the reporting date, the share of accounts receivable decreased both in the value of current assets and in the total value of the organization's property. However, at the same time, the share of cash in the value of current assets has increased, therefore, the decrease in the share of accounts receivable is considered as a positive trend, indicating an increase in the liquidity of the organization.

Table 6 - Horizontal analysis of the liabilities of the balance sheet of «Pticefabrika Akashevskaya», million rubles.

Indicator name	2018	2019	2020	Absolute deviation		Relative deviation	
				2019/2018	2020/2019	2019/2018	2020/2019
LIABILITY							
III. CAPITAL AND RESERVES							
Authorized capital	6	6	6	0	0	0,00	0,00
Revaluation of non-current assets	641	692	692	50	0	7,91	0,00

Additional capital (without revaluation)	1 131	1 131	1 131	0	0	0,00	0,00
Retained earnings (uncovered loss)	-232	-1 936	-3 928	-1 704	-1 991	733,69	-0,04
Total for section III	1 548	-105	-2 096	-1 653	-1 991	-106,81	0,10
IV. LONG-TERM LIABILITIES							
Borrowed funds	25 885	25 253	32 199	-632	6 946	-2,44	27,51
Total for section IV	25 885	25 253	32 199	-632	6 946	-2,44	27,51
V. SHORT-TERM LIABILITIES							
Borrowed funds	14 244	14 950	10 985	705	-3 964	4,95	-26,51
Accounts payable	983	1 109	1 205	126	95	12,83	8,61
Deferred income	0	0	17	0	17	0	0
Estimated liabilities	5	65	47	64	-17	12964,8	-27,36
Other liabilities	114	0	0	-114	0	-100	0
Total for section V	15 228	16 125	12 255	896	-3 869	5,88	-23,99
BALANCE	42 662	41 272	42 358	-1 389	1 085	-3,25	2,63

Source: compiled by the author

Table 6 presents a horizontal analysis of the balance sheet liabilities. In the articles related to long-term liabilities, most of the total amount of long-term liabilities are borrowed funds. In 2020, the volume of borrowed funds increased significantly (by 6,946 million rubles. or 27.5%), which, on the one hand, indicates an increase in the financial instability of the enterprise and an increase in the degree of its financial risks, on the other hand, an active redistribution of income from the creditor to the debtor enterprise.

We will analyze the financial results of «Pticefabrika Akashevskaya».

Financial analysis is the study of the main indicators, coefficients that can give an objective assessment of the current financial condition of the enterprise in order to make management decisions.

It is known that the main purpose of any enterprise is to obtain and increase profits. Consequently, profit (loss) indicators are the end result of most types of financial analysis of companies' activities, and the analysis of financial results is no exception.

Using the data from the financial results report (Appendix 3), we will consider the dynamics of the financial performance indicators of «Pticefabrika Akashevskaya» for 2016-2020, which are presented in Table 7.

Table 7 - Dynamics of financial results of activity of «Pticefabrika Akashevskaya»

Indicator name	2017	2018	2019	2020	Change in absolute values			
					2019 to 2018		2020 to 2019	
					(+/-)	%	(+/-)	%
Revenue from the sale of goods	13 187	16176	20 274	20723	4 097	25,3	449	2,22
Cost price	11 236	12352	15 477	16730	3 124	25,3	1 252	8,09
Gross profit (loss)	1 951	3 823	4 796	3 993	973	25,4	-803	-16,75
Management expenses	263	286	340	353	53	18,6	13	3,96
Profit (loss) from sales	-1 239	-2931	-3 104	-2292	-172	5,9	811	-26,15
Interest receivable	28	13	24	10	11	83,9	-13	-55,78
Interest payable	3 781	3 535	3 776	3 935	240	6,8	159	4,22
Other income	1 670	1 620	801	1 132	-819	-50,6	331	41,40
Other expenses	1 370	1 382	1 018	1 492	-364	-26,3	474	46,58
Profit (loss)	-2 213	351	-864	-1991	-1 215	-345,9	-1 127	130,47
Current income tax	11 185	13 350	0	0	-13 350	-100,0	0	0,00
Net profit	-2 224	-365	-1 172	-1991	-807	220,7	-818	69,82

Source: compiled by the author.

Based on the data obtained, it can be seen that over the past year the value of revenue amounted to 20.723.575 thousand rubles. During the period under review (from December 31, 2015 to December 31, 2020), annual revenue grew rapidly (+9,438,640 thousand rubles). The increase in revenue was observed throughout the period under review.

The profit from sales for 2020 was 2.292.625 thousand rubles. For 5 years, the financial result from sales increased by 2.936.544 thousand rubles. In addition, the average (linear) trend also indicates an increase in the financial result from sales.

Paying attention to the line Management expenses, it can be noted that the organization took into account general economic (management) expenses as conditionally fixed, attributing them to the sold goods (works, services) according to the results of the reporting period.

Let's consider the dynamics of changes in revenue and net profit of of LLS «Pticefabrika Akashevskaya» during the entire analyzed period, which is shown in Figure 3.

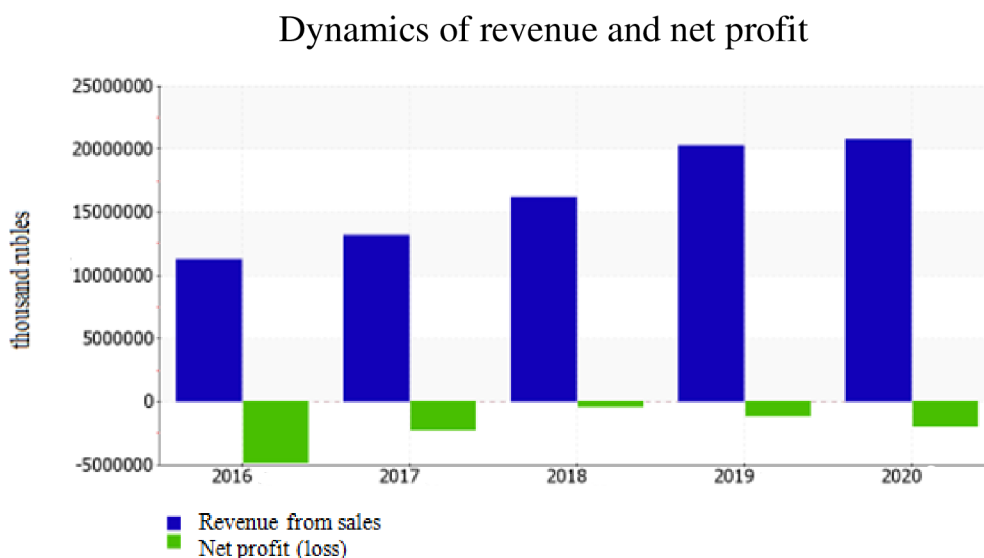


Figure 3 - Dynamics of revenue and net profit of «Pticefabrika Akashevskaya» for 2016 – 2020

4.3.2 Coefficient analysis of LLS «Pticefabrika Akashevskaya»

One of the most common ways of analyzing financial data is to calculate coefficients based on financial reporting data for comparison with data from other companies or with the company is own indicators.

Within the framework of this item, the following coefficients are calculated and analyzed:

- ROE (return on equity);
- ROA (Return on assets);
- Current liquidity ratio;

- Quick liquidity ratio;
- Absolute liquidity ratio.

To assess the liquidity of the balance sheet, the assets and liabilities of LLS «Pticefabrika Akashevskaya» were divided into 4 groups (Table 8).

Table 8 - Analysis of the balance sheet liquidity, million rubles.

Asset	2016	2017	2018	2019	2020
The most liquid assets (A1)	3 095	827	721	735	785
Fast-selling assets (A2)	9 565	5 770	6 487	3 023	1 994
Slow-selling assets (A3)	1 808	2 975	3 442	3 579	5 680
Hard-to-sell assets (A4)	27 948	30 021	32 011	33 933	33 898
Balance sheet: (A1+A2+A3+A4)	42 418	39 596	42 662	41 272	42 358
Passive	2016	2017	2018	2019	2020
Most urgent liabilities (P1)	2 785	1 497	983	1 109	1 205
Short-term liabilities (P2)	11 290	14 256	14 245	15 015	11 050
Long-term liabilities (P3)	27 752	23 700	25 885	25 253	32 199
Permanent liabilities (P4)	590	140	1 548	-105	-2 096
Balance sheet: (P1+P2+P3+P4)	42 418	39 596	42 662	41 272	42 358
Payment surplus or shortfall	2016	2017	2018	2019	2020
Most urgent obligations (P1)	309	-669	-262	-373	-419
Short-term liabilities (P2)	-1 724	-8 486	-7 758	-11 992	-9 056
Long-term liabilities (P3)	-25 943	-20 725	-22 442	-21 673	-26 519
Permanent liabilities (P4)	27 358	29 881	30 463	34 039	35 995

Source: compiled by the author

Analyzing the study period as a whole, we note that the most liquid assets are less than the most urgent liabilities, this indicates a low solvency of the organization at the time of drawing up the balance sheet. At the same time, compliance with the $A2 > P2$ inequality suggests that LLS «Pticefabrika Akashevskaya» may be solvent in the near future, taking into account timely settlements with creditors, receiving funds from the sale of products on credit. The inequality $A3 > P3$ is also feasible, which indicates future solvency for a period equal to the average duration of one turnover of working capital after the balance sheet date, with timely receipt of funds from sales and other payments (Table 9).

**Table 9-Analysis of liquidity ratios and financial stability of LLS
«Pticefabrika Akashevskaya»**

Indicators	Calculation formula	2017	2018	2019	2020
1	2	3	4	5	6
1. Absolute liquidity ratio	$\frac{\text{Cash + cash equivalents}}{\text{Current liabilities}}$ tends → 1 >> 0.5	0,05	0,05	0,05	0,06
2. Quick Liquidity ratio	$\frac{\text{Current assets – inventories}}{\text{Current liabilities}}$ > 1	0,42	0,47	0,23	0,23
3. Current liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$ >> 1	0,52	0,62	0,38	0,50

Source: compiled by the author

The absolute liquidity ratio shows the ability of an enterprise to pay off its obligations with the help of the most liquid assets. For 4 years (2017 – 2020), this coefficient is < 1, therefore LLS «Pticefabrika Akashevskaya» does not have sufficient funds to repay its debt. Lenders prefer a high cash ratio because it indicates that the company can easily repay its debt

The quick liquidity ratio based on the analysis is < 1. This means that the company must sell its long-term asset to pay off its current debt.

The current (total) liquidity ratio is a measure of the solvency of the organization, the ability to repay the current (up to a year) obligations of the organization.

In 2017-2020, the company's current liquidity ratio is below 1, which indicates that the company does not have enough liquid assets to cover its short-term liabilities. In each year, the company's current liquidity ratio is less than one, which indicates that the company does not have sufficient resources to repay debts.

Next, we will calculate the indicators of return on equity (Table 10) and return on assets (Table 11).

Return on equity is a coefficient equal to the ratio of net profit from sales to the average annual cost of equity. The data for the calculation is the balance sheet. The return on equity shows the amount of profit that an enterprise will receive per unit cost of equity.

Table 10 - Calculation of the return on equity indicator

Indicator	Calculation formula (ROE)	Calculation period		
		2018	2019	2020
Net profit (loss), million rubles	$\frac{\text{Net Income (annual)}}{\text{Shareholders' Equity}}$	-365	-1 172	-1 991
Equity, million rubles		-1 548	-105	-2 096
Return on equity		0,23	1,12	0,95

Source: compiled by the author

When assessing the ROE index of LLS «Pticefabrika Akashevskaya» turned out to be below the minimum, which tells the owners that it is not profitable to invest in the company. The investor should analyze the investment in other companies.

Return on assets (ROA) is a coefficient equal to the ratio of net profit to the amount of assets. The data for the calculation contains the Balance sheet and the Statement of Financial Results (previously the Profit and Loss Statement). This is a generalized indicator of profitability, reflecting the amount of profit per unit cost of capital. The return on assets characterizes the degree of efficiency of the use of the organization's property, the professional qualifications of the company's management. This indicator is called the profit margin.

Table 11 - Calculation of the return on assets indicator

Indicator	Calculation formula (ROA)	Calculation period		
		2018	2019	2020
Profit (loss) before taxation, million rubles	$ROA = \frac{\text{Net Income}}{\text{Total Assets}}$	-351	-864	-1 991
Asset value, million rubles		42 662	41 272	42 358
Return on assets		-0,82	-2,09	-4,70

Source: compiled by the author

Based on their data presented in Table 11, we note that the return on assets for the analyzed periods is negative.

Negative return on assets and negative return on sales is a signal for investors. Negative return on assets indicates that enterprises use their assets inefficiently and miss out on benefits or receive less of it.

4.4.3 Analysis of the probability of bankruptcy of LLS «Pticefabrika Akashevskaya»

The final stage in the analysis of the financial condition of LLS «Pticefabrika Akashevskaya» will be the analysis of the probability of bankruptcy.

Analysis of the possibility of bankruptcy is a rather significant process aimed at quickly establishing proximity to insolvency and using preventive measures.

Any of the methods can be effective, despite the fact that they use different factors.

We will analyze the probability of bankruptcy based on the Taffler and Sayfullin model, which is presented in Table 12 and Table 13.

Table 12 - Analysis of the probability of bankruptcy based on the R. Taffler model

Coefficient	Calculation	Value on 31.12.2020	Multiplier	Calculation formula (Value on 31.12.2020 x Multiplier)
X ₁	Profit before tax / Short-term liabilities	-0,16	0,53	-0,08
X ₂	Current assets / Obligations	0,14	0,13	0,02
X ₃	Short-term liabilities / Assets	0,29	0,18	0,05
X ₄	Revenue / Assets	0,49	0,16	0,08
Total Taffler's Z-score:				0,06

Source: compiled by the author

Conclusions: since in this case the value of the final coefficient was 0.06, the probability of bankruptcy can be estimated as high.

Another method of diagnosing possible bankruptcy of enterprises adapted to the conditions of the Russian economy is the model of R.S. Sayfullin and G.G. Kadykov. This five-factor model is presented in table 13.

Table 13 - Analysis of the probability of bankruptcy based on the model of R.S. Sayfullin and G.G. Kadykov

Coefficient	Calculation	Value on 31.12.2020	Multiplier	Calculation formula (Value on 31.12.2020 x Multiplier)
K ₁	The coefficient of provision with own funds	-6,25	2	-12,5
K ₂	Current liquidity ratio	0,5	0,1	0,05
K ₃	Asset turnover ratio	0,49	0,08	0,04
K ₄	Commercial margin (profitability of product sales)	0,11	0,45	0,05
K ₅	Return on equity	–	1	–
Total (R):				-12,36

Source: compiled by the author

Conclusions: According to the Sayfullin-Kadykov model, if the value of the final indicator $R < 1$, the probability of bankruptcy of the organization is considered high, if $R > 1$, then the probability is low. In this case, the value of the final indicator was -12.36. This means that there is a possibility of bankruptcy, the financial situation of the organization is unstable. However, it should be noted that this is a simplified model that does not take into account industry specifics. Taking into account more factors, the result may be different, a deeper analysis is required.

4.4 Analysis of the financial position and financial results of LLS «Kurinoe carstvo»

4.4.1 Vertical and horizontal analysis of assets and liabilities of LLS «Kurinoe carstvo»

Analysis of the financial position of LLS «Kurinoe carstvo» includes vertical and horizontal analysis of balance sheet items: assets, liabilities and capital, in order to identify the most significant items (vertical analysis) and changes over time (horizontal analysis).

Table 14 - Vertical analysis of assets of the balance sheet of LLS «Kurinoe carstvo», million rubles.

The name of the indicator	2017	%	2018	%	2019	%	2020	%
ASSET								
I. NON-CURRENT ASSETS								
Fixed assets	7 408	59,62	6 987	58,72	10 189	62,08	18 658	52,17
Profitable investments in tangible assets	29	0,24	142	1,20	140	0,86	115 865	0,32

Financial investments	993	8,00	992	8,34	1 091	6,65	1 058	2,96
Deferred tax assets	1	0,00	6	0,05	27	0,17	72	0,20
Other non-current assets	87	0,71	22	0,19	70	0,43	155	0,43
Total for section I	8 520	68,57	8 151	68,51	11 520	70,18	20 060	56,09
II. CURRENT ASSETS								
Stocks	1 308	10,53	1 381	11,61	2 497	15,21	8 786	24,56
Value added tax on acquired valuables	18	0,15	18	0,15	33	0,21	188	0,53
Accounts receivable	2 572	20,70	2 333	19,61	2 326	14,17	6 396	17,88
Financial investments	0	0,00	0	0,00	18	0,11	278	0,78
Cash and cash equivalents	1	0,01	10	0,09	3	0,02	11	0,03
Other current assets	5	0,04	4	0,04	15	0,09	45	0,13
Total for section II	3 905	31,43	3 747	31,49	4 894	29,82	15 706	43,91
BALANCE	12 426	100,00	11 899	100,00	16 414	100,00	35 767	100,00

Source: compiled by the author independently on the basis of the balance sheet data of LLS «Kurinoe carstvo» for 2018 - 2020.

Vertical analysis is used to proportionally analyze the financial statements of individual items from the total amount to determine their importance. It clearly shows whether a particular item is growing or falling as a percentage of the total amount, and how this affects the total amount.

The main features of vertical analysis are:

- calculation of relative indicators based on the values of absolute indicators (relative indicators allow you to smooth out external economic impacts that can have a strong impact on absolute indicators, thus revealing the results of the organization is own activities);
- calculation of indicators at different points in time (this allows you to track and predict structural changes in the composition of reporting in dynamics).

The advantages of vertical analysis are to study the results of financial and economic activity based on relative indicators,

Using the accounting data (Appendix 4), we will conduct a vertical analysis of the assets of the balance sheet of LSS «Kurinoe carstvo» for 2018 - 2020, which is presented in Table 15.

Conclusions:

Table 15 presents the results of a vertical analysis of the assets of LSS «Kurinoe carstvo», which show changes in the ratio of items for the period 2018 - 2020. These changes can be observed in such articles as fixed assets, financial investments. Other non-current assets.

The table shows that fixed assets account for the largest share of non-current assets and all assets in general. This indicator has a stable growth with a slight fluctuation.

Table 15 - Vertical analysis of the liabilities of the balance sheet of LLS «Kurinoe carstvo», million rubles.

The name of the indicator	2017	%	2018	%	2019	%	2020	%
PASSIVE								
III. CAPITAL AND RESERVES								
Authorized capital	400	3,22	400	3,36	405	2,47	1 554	4,35
Additional capital (without revaluation)	0	0,00	0	0,00	890	5,42	4 485	12,54
Reserve capital	20	0,16	20	0,17	20	0,12	77	0,22
Retained earnings (uncovered loss)	3 992	32,13	4 237	35,61	4 689	28,57	5 712	15,97
Total under section III	4 412	35,51	4 657	39,14	6 004	36,58	11 829	33,07
IV. LONG-TERM LIABILITIES								
Borrowed funds	4 059 762	32,67	3 440	28,91	2 588	15,77	4 906	13,72
Deferred tax liabilities	54	0,00	8	0,07	8	0,05	7	0,02
Other liabilities	0	0,00	0	0,00	0	0,00	66	0,19
Total for section IV	4 059	32,67	3 449	28,99	2 596	15,82	4 981	13,93
V. SHORT-TERM LIABILITIES								
Borrowed funds	2 556	20,57	2 649	22,26	2 055	12,52	10 639	29,75
Accounts payable	1 287	10,36	1 051	8,83	5 403	32,92	7 551	21,11
Deferred income	6	0,06	0	0,00	0	0,00	132	0,37
Estimated liabilities	103	0,83	92	0,78	354	2,16	633	1,77
Total for section V	3 953	31,82	3 792	31,87	7 813	47,60	18 957	53,00
BALANCE	12 426	100,00	11 899	100,00	16 414	100,00	35 767	100,00

Source: compiled by the author independently on the basis of the balance sheet data of LLS «Kurinoe carstvo» for 2018 - 2020.

In 2017, fixed assets accounted for 59.6% of assets, in 2018 it increased slightly and amounted to 58.72%, and in 2020 it amounted to 52.17%.

Vertical analysis greatly simplifies the comparison of financial statements of one company with another in different industries.

Table 19 presents a vertical analysis of the balance sheet liabilities.

Based on the data in Table 19, it can be seen that the authorized capital accounts for the largest share of capital and reserves.

The authorized capital of LSS «Kurinoe carstvo» increased by 4.35% at the end of 2020. The increase in the authorized capital gives the organization new resources for development.

Retained earnings (uncovered loss) have small fluctuations, namely, in 2020, this indicator amounted to 5.712 million rubles., which is 4.689 million rubles higher than in 2019. The amount of retained earnings may depend on the amount of dividends paid to the owners of the company, on changes in net profit; on the revision of tax rates.

The indicator of borrowed funds also has a positive trend, namely, in 2020, the indicator was 4,906 million rubles. An enterprise that increases the share of loans loses its attractiveness to investors.

Based on the balance sheet data of LSS «Kurinoe carstvo», we will conduct a horizontal analysis of the assets and liabilities of the balance sheet, the results of which are presented in Table 16 and Table 17.

Horizontal analysis means a method of comparing the values of the same indicators over a certain time period.

Conclusions based on the results of the analysis should be based on the analysis of the totality of indicators in their relationship.

All types of horizontal financial analysis are complemented by the study of the influence of individual factors on the change in the corresponding performance indicators.

Table 16 - Horizontal analysis of assets of the balance sheet of LLS «Kurinoe carstvo», million rubles.

The name of the indicator	2018	2019	2020	Absolute deviation		Relative deviation	
				2019/2018	2020/2019	2019/2018	2020/2019
ASSET							
I. NON-CURRENT ASSETS							
Fixed assets	6 987	10 189	18 658	3 202	8 468	45,82	83,11
Profitable investments in tangible assets	142	140	115	-2	-24	-1,60	-17,56
Financial investments	992	1 091	1 058	98	-33	9,97	-3,06
Deferred tax assets	6	27	72	21	44	355,79	0,00
Other non-current assets	22	70	155	48	85	214,40	120,61
Total for section	8 151	11 520	20 060	3 368	8 540	41,32	74,13
II. CURRENT ASSETS							
Stocks	1 381	2 497	8 786	1 115	6 289	80,78	2,52
Value added tax on acquired valuables	18	33	188	15	154	86,15	4,56
Accounts receivable	2 333	2 326	6 396	-7	4 070	-0,30	1,75
Financial investments (excluding cash equivalents)	0	18	278	18	260	0,00	0,00
Cash and cash equivalents	10	3	11	-6	7	-62,59	1,98
Other current assets	4	15	45	10	30	225,46	2,04
Total for section II	3 747	4 894	15 706	1 146	10 812	30,59	2,21
BALANCE	11 899	16 414	35 767	4 515	19 352	37,94	1,18

Source: compiled by the author independently on the basis of the balance sheet data of LLS «Kurinoe carstvo» for 2018 – 2020

The results of such an analytical study allow us to build dynamic factor models, which are then used in the process of planning financial indicators.

The main advantages of horizontal analysis are:

- the ability to establish a trend in the company's activities based on changes in indicators and the constancy of these changes over time;
- based on the results of the analysis, it is possible to compare companies that differ in the scale of their activities.

The disadvantages of this analysis include

1. Sensitivity to the choice of the base period. This disadvantage allows the analyst to manipulate indicators when forming conclusions based on the results of the analysis.

2. Sensitivity to changes in accounting and reporting standards. Changes in the accounting of indicators do not allow comparing data from different periods.

Table 16 presents a horizontal analysis of the balance sheet assets, such as fixed assets, and changes in their shares from the total share and significance of this item for the company. The table above shows the changes in one row over three years (2018-2020).

From 2017 to 2020, it was found that the company is fixed assets increased by 8.468 million rubles at the end of the reporting period, which means that in 2020 of LLS «Kurinoe carstvo» increases its machinery and equipment.

The inventory indicator for the reporting period in 2020 shows an upward trend, namely, in 2020, the amount of reserves amounted to 8.786 million rubles, which is 2.497 million rubles more than in 2019.

The increase in current assets indicates that sales are in full swing, revenue is stable.

Table 17 - Horizontal analysis of the liabilities of the balance sheet of LLS «Kurinoe carstvo», million rubles.

The name of the indicator	2018	2019	2020	Absolute deviation		Relative deviation	
				2019/2018	2020/2019	2019/2018	2020/2019
LIABILITY							
III. CAPITAL AND RESERVES							
Authorized capital	400	405	1 554	5	1 149	1,28	0,0003
Additional capital (without revaluation)	0	890	4 485	890	3 594	0,00	0,0000
Reserve capital	20	20	77	256	57	1,28	0,0063
Retained earnings (uncovered loss)	4 237	4 689	5 712	451	1 023	10,66	0,0002
Total for section III	4 657	6 004	11 829	1 347	5 824	28,93	0,0005
IV. LONG-TERM LIABILITIES							
Borrowed funds	3 440	2 588	4 906	-851	2 317	-24,76	89,53
Deferred tax liabilities	8	8	7	-657	-316	-7,45	-3,87
Other liabilities	0	0	66	0	66	0,00	0,00
Total for section IV	3 449	2 596	4 981	-852	2 384	-24,72	91,82
V. SHORT-TERM LIABILITIES							
Borrowed funds	2 649	2 055	10 639	-593	8 583	-22,38	417,49
Accounts payable	1 051	5 403	7 551	4 351	2 148	414,04	39,76
Deferred income	0	0	132	0	132	0	0
Estimated liabilities	92	354	633	261	278	282,32	78,78
Total for section V	3 792	7 813	18	4 381	11 143	106,00	142,63
BALANCE	11 899	16 414	35 767	4 515	19 352	37,94	117,89

Source: compiled by the author independently on the basis of the balance sheet data of LLS «Kurinoe carstvo» for 2018 – 2020.

Table 17 presents a horizontal analysis of the balance sheet liabilities. In the articles related to long-term liabilities, most of the total amount of long-term liabilities are borrowed funds. In 2020, the volume of borrowed funds increased significantly (by 10.639 million rubles), which indicates, on the one hand, an increase in the financial instability of the enterprise and an increase in the degree of its financial risks, on the other hand, an active redistribution of income from the creditor to the debtor enterprise.

Consider the analysis of the financial results of LLS «Kurinoe carstvo». Financial analysis is a comprehensive economic analysis that aims to study the financial condition and financial performance of an economic entity. Also, financial analysis helps to determine the causes of the unstable state of the enterprise and the search for ways to normalize it with the help of indicators characterizing solvency, financial stability, business

The main purpose of the presentation of financial statements is to disclose information about the current financial position of the company, changes in the financial position as a result of the company's activities. To do this, the information on the basis of which the reporting is formed must be reliable, relevant, timely, comparable, sufficient and accurate.

It is known that the main purpose of any enterprise is to obtain and increase profits.

Consequently, profit (loss) indicators are the end result of most types of financial analysis of companies' activities, and the analysis of financial results is no exception.

Using the data from the financial results report (Appendix 5), we will consider the dynamics of the financial performance indicators of LLS «Kurinoe carstvo» for 2018-2020, which are presented in Table 18.

Table 18 - Dynamics of financial results of the enterprise, thousand rubles.

Indicator	2018	2019	2020	Absolute deviation		
				2018 г./ 2017 г.	2019 г./ 2018 г.	2020 г./ 2019 г.
Revenue	9 657 325	17 206 908	37 262 079	805 133	7 549 583	20 055 171
Cost of sales	8 722 812	15 223 585	-33 262 971	1 113 905	6 500 773	-48 486 556
Gross profit (loss)	934 513	1 983 323	3 999 108	-308 772	1 048 810	2 015 785
Commercial expenses	80 038	241 242	624 762	-8 162	161 204	383 520
Management expenses	406 969	737 772	1 596 465	-30 620	330 803	858 693
Profit (loss) from sales	447 506	1 004 309	1 777 881	-269 990	556 803	773 572
Income from participation in other organizations	8 527	20 612	38 400	4 589	12 085	17 788
Interest receivable	675	1 153	10 315	-959	478	9 162
Interest payable	463 817	383 271	440 118	24 140	-80 546	56 847
Other income	458 243	360 020	600 005	67 000	-98 223	239 985
Other expenses	203 768	604 938	853 759	12 928	401 170	248 821
Profit (loss) before taxation	247 366	397 885	1 132 724	-236 428	150 519	734 839
Income tax	0	54 227	40 880	-27 208	54 227	-13 347
Current income tax	0	8 406	47 786	-27 208	8 406	39 380
Deferred income tax	0	62 633	6 906	0	62 633	-55 727
Change in deferred tax liabilities	8 761	0	0	8 723	-8 761	0
Change in deferred tax assets	6 004	0	0	5 940	-6 004	0
Other	1	0	11 184	-51 391	-1	11 184
Net profit (loss)	244 608	452 112	1 080 660	-160 688	207 504	628 548

Source: compiled by the author.

For the entire period under review, there was a rapid increase in revenue – 4.7 times (up to 37.262.079 thousand rubles). Revenue growth was observed throughout the period.

The value of profit from sales for the period from 01.01.2020 to 31.12.2020 amounted to 1.777.881 thousand rubles. Over the past 5 years, there has been a rapid 5.4-fold increase in the financial result from sales. In addition, the presence of the same trend during the period is confirmed by the linear trend.

Figure 4 below clearly shows the change in revenue and profit of LLS «Kurinoe carstvo» during the entire analyzed period.

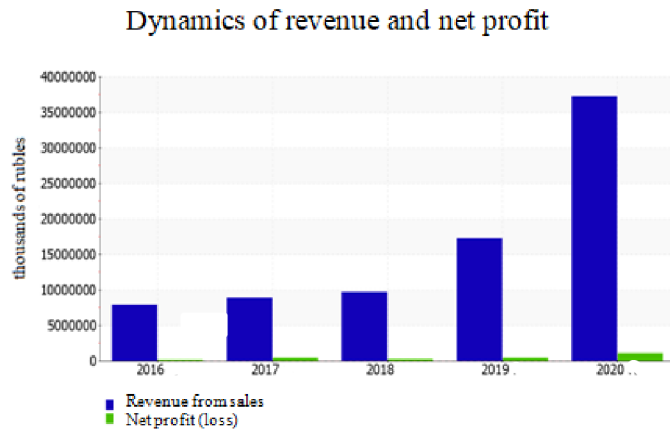


Figure 4 -Dynamics of revenue and net profit of LLS «Kurinoe carstvo» for 2016 – 2020

4.4.2 Coefficient analysis of LLS «Kurinoe carstvo»

The essence of coefficient analysis consists in the study and analysis of financial statements using a set of monetary indicators that characterize the position of the organization in the product market. The value of coefficient analysis lies in the description of the company according to some basic indicators that help to reliably judge its financial condition.

For coefficient analysis, the following coefficients were calculated and analyzed: ROE (return on equity); ROA (return on assets); Current liquidity ratio; Rapid Liquidity ratio; Absolute liquidity ratio.

Consider the analysis of liquidity indicators, the result of which is presented in Table 19.

Table 19-Analysis of liquidity ratios and financial stability of LLS «Kurinoe carstvo»

Indicators	Calculation formula	2017	2018	2019	2020
1	2	3	4	5	6
1. Absolute liquidity ratio	$\frac{\text{Cash} + \text{cash equivalents}}{\text{Current liabilities}}$ tends → 1 >> 0.5	0,0003	0,0028	0,0005	0,0006

2. Quick Liquidity ratio	$\frac{\text{Current assets} - \text{inventories}}{\text{Current liabilities}}$	> 1	0,0003	0,0028	0,0028	0,0153
3. Current liquidity ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	>> 1	0,9879	0,9881	0,6264	0,8286

Source: compiled by the author

1) The absolute liquidity ratio shows the ability of an enterprise to pay off its obligations with the help of the most liquid assets. For 4 years (2017 – 2020), this coefficient is < 1, therefore, LLS «Kurinoe carstvo» does not have sufficient funds to repay its debt. Lenders prefer a high cash ratio because it indicates that the company can easily repay its debt

2) The quick liquidity ratio based on the analysis is < 1. This means that the company must sell its long-term asset to pay off its current debt.

3) The current (total) liquidity ratio is a measure of the solvency of the organization, the ability to repay the current (up to a year) obligations of the organization.

For 4 years, this coefficient ranged from 0.62 to 0.99. For the reporting period, the indicator is almost equal to 1, which means that the company had sufficient current assets to repay its current liabilities.

However, during periods when the company's current liquidity ratio was 0.62, this indicates that the company does not have enough liquid assets to cover its short-term liabilities.

In each year, the company is current liquidity ratio is less than one, which indicates that the company does not have sufficient resources to repay debts.

Next, we will calculate the indicators of return on equity and return on assets (Table 20).

Return on equity is a coefficient equal to the ratio of net profit from sales to the average annual cost of equity.

The data for the calculation is the balance sheet.

The return on equity shows the amount of profit that an enterprise will receive per unit cost of equity.

Table 20 - Calculation of the return on equity and return on assets indicator

Indicator	Calculation formula (ROE)	Calculation period		
		2018	2019	2020
Net profit (loss), million rubles	$\frac{\text{Net Income (annual)}}{\text{Shareholders' Equity}}$	-365	-1 172	-1 991
Equity, million rubles		-1 548	-105	-2 096
Return on equity		0,23	1,12	0,95
Indicator	Calculation formula (ROA)	Calculation period		
		2018	2019	2020
Profit (loss) before taxation, million rubles	$\text{ROA} = \frac{\text{Net Income}}{\text{Total Assets}}$	-351	-864	-1 991
Asset value, million rubles		42 662	41 272	42 358
Return on assets		-0,82	-2,09	-4,70

Source: compiled by the author

When assessing the return on equity of LLS «Kurinoe carstvo» turned out to be below the minimum, which tells the owners that it is not profitable to invest in the company. The investor should analyze the investment in other companies.

Return on assets (ROA) is a coefficient equal to the ratio of net profit to the amount of assets. The data for the calculation contains the Balance sheet and the Statement of Financial Results (previously the Profit and Loss Statement). This is a generalized indicator of profitability, reflecting the amount of profit per unit cost of capital.

The return on assets characterizes the degree of efficiency of the use of the organization is property, the professional qualifications of the company is management. This indicator is called the profit margin.

Based on their data presented in Table 20, we note that the return on assets indicator for the analyzed periods is positive.

The growth of the return on assets indicator is related to:

- with an increase in the net profit of the organization;

- with an increase in tariffs for goods and services or a decrease in costs for the production of goods and services;
- with the growth of asset turnover.

4.4.3 Analysis of the probability of bankruptcy of LLS «Kurinoe carstvo»

The final stage in the analysis of the financial condition of LLS «Kurinoe carstvo» will be the analysis of the probability of bankruptcy.

Analysis of the possibility of bankruptcy is a rather significant process aimed at quickly establishing proximity to insolvency and using preventive measures.

Any of the methods can be effective, despite the fact that they use different factors.

Let us analyze the probability of bankruptcy, which is presented in Table 21.

Table 21 - Analysis of the probability of bankruptcy based on the Altman model

Coefficient	Calculation	Value on 31.12.2020	Multiplier	Calculation formula (Value on 31.12.2020 x Multiplier)
T ₁	The ratio of working capital to the value of all assets	-0,09	6,56	-0,6
T ₂	The ratio of retained earnings to the value of all assets	0,16	3,26	0,52
T ₃	The ratio of EBIT to the value of all assets	0,04	6,72	0,29
T ₄	The ratio of equity to debt	0,49	1,05	0,52
Altman's Z-account:				0,74

Source: compiled by the author

The estimated probability of bankruptcy, depending on the value of Altman's Z-account, is: 1.1 and less – high probability of bankruptcy; from 1.1 to 2.6 - average probability of bankruptcy; from 2.6 and higher - low probability of bankruptcy.

According to the results of calculations for LLS «Kurinoe carstvo», the value of the Z-account as of 31.12.2020 was 0.74. This means that there is a high probability of bankruptcy of LLS «Kurinoe carstvo». However, it should be noted that the conclusions obtained on the basis of Altman's Z-account cannot be considered unconditionally reliable – they are influenced by various factors, including the economic conditions of the country where the organization operates.

Another model of bankruptcy prediction was proposed by British scientists R. Toffler and G. Tishou. The Taffler model was developed based on the results of testing the Altman model in a later period and includes four factors: profit before tax, current assets, short-term liabilities, revenue.

Table 22 - Analysis of the probability of bankruptcy based on the R. Taffler model

Coefficient	Calculation	Value on 31.12.2020	Multiplier	Calculation formula (Value on 31.12.2020 x Multiplier)
X ₁	Profit before tax / Short-term liabilities	0,06	0,53	0,03
X ₂	Current assets / Obligations	0,66	0,13	0,09
X ₃	Current liabilities / Assets	0,53	0,18	0,1
X ₄	Revenue / Assets	1,04	0,16	0,17
Total Z-Taffler account:				0,39

Source: compiled by the author

The probability of bankruptcy according to the Taffler model: Z greater than 0.3 – the probability of bankruptcy is low; Z less than 0.2 - the probability of bankruptcy is high.

Since in this case the value of the final coefficient was 0.39, the probability of bankruptcy can be considered low.

4.5. Analysis of the financial position and financial results of LLS «Stavropol Broiler»

4.5.1. Vertical and horizontal analysis of assets and liabilities of LLS «Stavropol Broiler»

With the help of accounting data (Appendix 6), we will conduct a vertical analysis of the assets of the balance sheet of LLS «Stavropol Broiler» for 2018 - 2020, which is presented in Table 23.

Table 23 - Vertical analysis of assets of the balance sheet of LLS «Stavropol Broiler», thousand rubles.

The name of the indicator	2018	%	2019	%	2020	%
ASSET						
I. I. NON-CURRENT ASSETS						
Intangible assets	3 983	0,02	3 355	0,01	1 004 044	2,29

Research and development results	0	0,00	0	0,00	0	0,00
Financial investments (excluding cash equivalents)	3 030 244	11,47	2 972 392	9,86	10 897 636	24,86
Other non-current assets	185 441	0,70	258 990	0,86	973 584	2,22
Total for section I	13 982 695	52,92	13 144 781	43,60	27 630 587	63,03
II. CURRENT ASSETS						
Stocks	2 933 889	11,10	3 098 287	10,28	5 565 084	12,69
Value added tax on acquired valuables	1 620	0,01	6 397	0,02	9 786	0,02
Accounts receivable	8 644 027	32,71	13 064 867	43,33	8 646 323	19,72
Financial investments (excluding cash equivalents)	823 145	3,12	823 145	2,73	1 968 964	4,49
Cash and cash equivalents	33 411	0,13	9 937	0,03	15 676	0,04
Other current assets	4 035	0,02	3 239	0,01	1 715	0,00
Total for section II	12 440 127	47,08	17 005 872	56,40	16 207 548	36,97
Balance	26 422 822	100,00	30 150 653	100,00	43 838 135	100,00

Source: compiled by the author independently on the basis of the balance sheet data of LLS «Stavropol Broiler» for 2018 - 2020.

The balance sheet asset structure presented in Table 23 indicates that the non-current assets of Stavropol Broiler LLC are 52% in 2018, 43% in 2019, and 63% in 2020.

With regard to current assets, one can observe a tendency to increase their share, which indicates that LLS «Stavropol Broiler» is forming a more mobile asset structure that contributes to accelerating the turnover of the company's funds.

Non-current assets are mostly represented by financial investments and other non-current assets. Accounts receivable are increasing every year.

Table 24 - Vertical analysis of liabilities of the balance sheet of LLS «Stavropol Broiler», thousand rubles.

The name of the indicator	2018	%	2019	%	2020	%
LIABILITY						
III. CAPITAL AND RESERVES						
Authorized capital (share capital, authorized capital,	404 927	1,53	404 927	1,34	404 927	0,92

contributions of partners)						
Retained earnings (uncovered loss)	8 978 152	33,98	9 562 050	31,71	5 410 631	12,34
Total for section III	9 383 079	35,51	9 966 977	33,06	5 815 558	13,27
IV. LONG-TERM LIABILITIES						
Borrowed funds	4 551 135	17,22	8 412 290	27,90	20 074 235	45,79
Deferred tax liabilities	50 715	0,19	72 600	0,24	17 669	0,04
Other liabilities	412 760	1,56	346 025	1,15	343 583	0,78
Total for section IV	5 014 610	18,98%	8 830 915	29,29%	20 435 487	46,62%
V. SHORT-TERM LIABILITIES						
Borrowed funds	7 688 344	29,10	6 433 583	21,34	5 295 062	12,08
Accounts payable	3 925 239	14,86	4 600 105	15,26	11 798 633	26,91
Deferred income	0	0,00	0	0,00	1 465	0,00
Estimated liabilities	347 147	1,31	205 539	0,68	354 044	0,81
Other liabilities	64 403	0,24	113 534	0,38	137 886	0,31
Total for section V	12 025 133	45,51	11 352 761	37,65	17 587 090	40,12
Balance	26 422 822	100,00	30 150 653	100,00	43 838 135	100,00

Source: compiled by the author independently on the basis of the balance sheet data of LLS «Stavropol Broiler» for 2018 - 2020.

In the balance sheet liability, a decrease is observed along the lines

- retained earnings (uncovered loss) – 404.927 thousand rubles;
- deferred tax liabilities – RUB 17.669 thousand.

Among the positively changed balance sheet items, one can single out «borrowed funds» in liabilities. For 2020, borrowed funds amount to 20.074.235 thousand rubles. An increase in the share of borrowed funds on the one hand

indicates an increase in the financial instability of the enterprise and an increase in the degree of its financial risks, on the other hand, an active redistribution of income from the creditor to the debtor enterprise.

Next, consider the horizontal analysis of assets and liabilities, which is presented in Table 25 and table 26.

Table 25 - Horizontal analysis of assets of the balance sheet of LLS «Stavropol Broiler», thousand rubles.

The name of the indicator	2018	2019	2020	Absolute deviation	
				2019/2018	2020/2019
ASSET					
I. I. NON-CURRENT ASSETS					
Intangible assets	3 983	3 355	1 004 044	-628	1 000 689
Research and development results	0	0	0	0	0
Financial investments (excluding cash equivalents)	3 030 244	2 972 392	10 897 636	-57 852	7 925 244
Other non-current assets	185 441	258 990	973 584	73 549	714 594
Total for section I	13 982 695	13 144 781	27 630 587	-837 914	14 485 806
II. CURRENT ASSETS					
Stocks	2 933 889	3 098 287	5 565 084	164 398	2 466 797
Value added tax on acquired valuables	1 620	6 397	9 786	4 777	3 389
Accounts receivable	8 644 027	13 064 867	8 646 323	4 420 840	-4 418 544
Financial investments (excluding cash equivalents)	823 145	823 145	1 968 964	0	1 145 819
Cash and cash equivalents	33 411	9 937	15 676	-23 474	5 739
Other current assets	4 035	3 239	1 715	-796	-1 524
Total for section II	12 440 127	17 005 872	16 207 548	4 565 745	-798 324
Balance	26 422 822	30 150 653	43 838 135	3 727 831	13 687 482

Source: compiled by the author independently on the basis of the balance sheet data of LLS «Stavropol Broiler» for 2018 - 2020.

Table 25 presents a horizontal analysis of balance sheet assets, such as intangible assets, and changes in their shares from the total share and significance of this item for the company. The table above shows the changes in one row over three years (2018-2020). From 2018 to 2020, it was found that intangible assets increased.

At the reporting date, the share of accounts receivable decreased both in the value of current assets and in the total value of the organization's property. However, at the same time, the share of cash in the value of current assets has increased, therefore, the decrease in the share of accounts receivable is considered as a positive trend, indicating an increase in the liquidity of the organization.

In 2020, reserves increased by 2,466,797 thousand rubles. This shows that Stavropol Broiler has succeeded in converting stocks better than in the previous year.

Table 26 - Horizontal analysis of liabilities of the balance sheet of LLS «Stavropol Broiler», thousand rubles.

The name of the indicator	2018	2019	2020	Absolute deviation	
				2019/2018	2020/2019
LIABILITY					
III. CAPITAL AND RESERVES					
Authorized capital (share capital, authorized capital, contributions of partners)	404 927	404 927	404 927	0	0
Retained earnings (uncovered loss)	8 978 152	9 562 050	5 410 631	583 898	-4 151 419
Total for section III	9 383 079	9 966 977	5 815 558	583 898	-4 151 419
IV. LONG-TERM LIABILITIES					
Borrowed funds	4 551 135	8 412 290	20 074 235	3 861 155	11 661 945
Deferred tax liabilities	50 715	72 600	17 669	21 885	-54 931
Other liabilities	412 760	346 025	343 583	-66 735	-2 442
Total for section IV	5 014 610	8 830 915	20 435 487	3 816 305	11 604 572
V. SHORT-TERM LIABILITIES					
Borrowed funds	7 688 344	6 433 583	5 295 062	-1 254 761	-1 138 521
Accounts payable	3 925 239	4 600 105	11 798 633	674 866	7 198 528
Deferred income	0	0	1 465	0	1 465
Estimated liabilities	347 147	205 539	354 044	-141 608	148 505
Other liabilities	64 403	113 534	137 886	49 131	24 352
Total for section V	12 025 133	11 352 761	17 587 090	-672 372	6 234 329
Balance	26 422 822	30 150 653	43 838 135	3 727 831	13 687 482

Source: compiled by the author independently on the basis of the balance sheet data of LLS «Stavropol Broiler» for 2018 - 2020.

Table 26 presents a horizontal analysis of the balance sheet liabilities. In the articles related to long-term liabilities, most of the total amount of long-term liabilities are borrowed funds. In 2020, the volume of borrowed funds increased significantly (by 11,61,945 thousand rubles. or 27.5%), which, on the one hand, indicates an increase in the financial instability of the enterprise and an increase in the degree of its financial risks, on the other hand, an active redistribution of income from the creditor to the debtor enterprise.

We will analyze the financial results of LLS «Stavropol Broiler».

Financial analysis is the study of the main indicators, coefficients that can give an objective assessment of the current financial condition of the enterprise in order to make management decisions.

It is known that the main purpose of any enterprise is to obtain and increase profits.

Consequently, profit (loss) indicators are the end result of most types of financial analysis of companies' activities, and the analysis of financial results is no exception.

Using the data from the financial results report (Appendix 7), we will consider the dynamics of the financial performance indicators of Stavropol Broiler LLC for 2018-2020, which are presented in Table 27.

To assess the financial condition, we will analyze the financial results LLS «Stavropol Broiler».

Table 27 - Dynamics of financial results of the company, thousand rubles.

Indicator	2018 year	2019 year	2020 year	Change in absolute values			
				2019 / 2018		2020 / 2019	
				(+/-)	%	(+/-)	%
A	1	2	3	4	5	6	7
Revenue (net) from the sale of goods, products (works, services)	23 684 339	27 001 379	31 019 086	3 317 040	14,0	4 017 707	14,88
Cost of sales of goods, products, works, services	20 031 973	23 185 659	28 111 423	3 153 686	15,7	4 925 764	21,24
Gross profit (loss)	3 652 366	3 815 720	2 907 663	163 354	4,5	-908 057	-23,80

Commercial expenses	11 787	5 594	1 789	-6 193	0,0	-3 805	0,00
Management expenses	1 108 114	1 362 686	1 441 366	254 572	23,0	78 680	5,77
Profit (loss) from sales	2 532 465	2 447 440	1 464 508	-85 025	-3,4	-982 932	-40,16
Income from participation in other organizations	0	0	0	0	0,0	0	0,00
Interest receivable	322 725	374 087	296 971	51 362	15,9%	-77 116	-20,61
Interest payable	1 514 168	1 479 328	1 882 735	-34 840	-2,3%	403 407	27,27
Other income	439 365	886 215	264 906	446 850	101,7%	-621 309	-70,11
Other expenses	759 600	1 589 424	539 454	829 824	109,2%	-1 049 970	-66,06
Profit (loss) before taxation	1 020 787	638 990	-76 402	-381 797	-37,4	-715 392	-111,96
Current income tax	35 382	33 206	0	-2 176	-6,2	-33 206	-100,00
Net profit	951 230	583 898	-30 197	-367 332	-38,6	-614 095	-105,17

Source: compiled by the author.

Annual revenue for 2020 amounted to 31.019.086 thousand rubles, which is 7.334.747 thousand rubles, or 31% more than in 2018.

Over the past year, the profit from sales amounted to 1.464.508 thousand rubles. The financial result from sales decreased for 3 years by 1.067.957 thousand rubles, or by 40.1%.

4.5.2 Coefficient analysis of LLS «Stavropol Broiler»

Further, based on the data of the Dynamics of the financial results of the company is activities, a coefficient analysis for 2018 - 2020 was carried out.

Based on the available data, the analysis of the liquidity ratios of LLS «Stavropol Broiler» was carried out, which is presented in Table 28.

Table 28 - Analysis of liquidity ratios

Indicators	2018 year	2019 year	2020 year	Absolute deviation for the period		Growth rate for the period, %	
				(±)			
Absolute liquidity ratio	0,07	0,07	0,11	0,002	0,039	3,0	53,8
Quick liquidity ratio	0,79	1,22	0,60	0,434	-0,620	54,9	-50,6
Current liquidity ratio	1,03	1,50	0,92	0,463	-0,576	44,8	-38,5

Source: compiled by the author

1) The absolute liquidity ratio shows the ability of an enterprise to pay off its obligations with the help of the most liquid assets. For 3 years (2018 – 2020), this coefficient is < 1 , therefore Stavropol Broiler does not have sufficient funds to repay its debt. Lenders prefer a high cash ratio because it indicates that the company can easily repay its debt

2) The quick liquidity ratio based on the analysis is < 1 in 2018 and 2020. This means that the company must sell its long-term asset to pay off its current debt.

3) The current (total) liquidity ratio is a measure of the solvency of the organization, the ability to repay the current (up to a year) obligations of the organization.

In 2018 and 2019, the result of the current liquidity ratio was more than > 1 , which means that the company had sufficient current assets to repay its current liabilities. However, in 2020, the company's current liquidity ratio is below 1, which indicates that the company does not have enough liquid assets to cover its short-term liabilities. In each year, the company's current liquidity ratio is less than one, which indicates that the company does not have sufficient resources to repay debts.

Next, we will calculate the indicators return on equity (Table 29) and return on assets (Table 30).

Return on equity is a coefficient equal to the ratio of net profit from sales to the average annual cost of equity. The data for the calculation is the balance sheet.

The return on equity shows the amount of profit that an enterprise will receive per unit of the cost of equity.

Table 29 - Calculation of the return on equity indicator

Indicator	Calculation formula (ROE)	Calculation period		
		2018 year	2019 year	2020 year
Net profit (loss)	Net Income (annual)	951 230	583 898	-30 197
Equity capital		9 383 079	9 966 977	5 815 558
Return on equity	Shareholders' Equity	0,10	0,05	-0,005

Source: compiled by the author

Obviously, the higher this indicator, the better the return on equity of the company.

When assessing the return on equity of LLS «Stavropol Broiler», it turned out to be below the minimum. In 2020, there is a negative value of the indicator, which tells the owners that it is not profitable to invest in the company. The investor of the enterprise should analyze the investment in other companies.

The return on assets characterizes the degree of efficiency of the use of the organization is property, the professional qualifications of the company's management. This indicator is called the profit margin.

Table 30 - Calculation of the return on assets indicator

Indicator	Calculation formula (ROE)	Calculation period		
		2018 year	2019 year	2020 year
Net profit (loss)	$ROA = \frac{\text{Net Income}}{\text{Total Assets}}$	951 230	583 898	-30 197
Average value of assets		26 422 822	30 150 653	43 838 135
Return on assets		3,6	1,93	-0,06

Source: compiled by the author

Based on the data presented in Table 38, we note that the return on assets for the analyzed periods in 2018 and 2019 has a positive trend and is within the norm. However, in 2020, there is a negative value of the profitability indicator, which is a signal for investors. Negative return on assets indicates that enterprises use their assets inefficiently and miss out on benefits or receive less of it.

4.5.3 Analysis of the probability of bankruptcy of LLS «Stavropol Broiler»

The final stage in the analysis of the financial condition of LLS «Stavropol Broiler» was the analysis of the probability of bankruptcy.

Analysis of the possibility of bankruptcy is a rather significant process aimed at quickly establishing proximity to insolvency and using preventive measures.

Table 31 - Analysis of the probability of bankruptcy based on the Altmon model

Coefficient	Calculation	Value on 31.12.2020	Multiplier	Calculation formula (Value on 31.12.2020 x Multiplier)
T ₁	The ratio of working capital to the value of all assets	-0,03	6,56	-0,21
T ₂	The ratio of retained earnings to the value of all assets	0,12	3,26	0,4

T ₃	The ratio of EBIT to the value of all assets	0,04	6,72	0,28
T ₄	The ratio of equity to debt	0,15	1,05	0,16
Altman's Z-account:				0,63

Source: compiled by the author

According to the results of calculations for LLS «Stavropol Broiler», the value of the Z-account as of 31.12.2020 was 0.63. This value of the indicator indicates a high probability of bankruptcy of LLS «Stavropol Broiler».

However, it should be noted that the conclusions obtained on the basis of Altman Z-account cannot be considered unconditionally reliable – they are influenced by various factors, including the economic conditions of the country where the organization operates.

Another model of bankruptcy prediction was proposed by British scientists R. Toffler and G. Tishou. The Taffler model was developed based on the results of testing the Altman model in a later period and includes four factors.

Table 32 - Analysis of the probability of bankruptcy based on the R. Taffler model

Coefficient	Calculation	Value on 31.12.2020	Multiplier	Calculation formula (Value on 31.12.2020 x Multiplier)
X ₁	Profit before tax / Short-term liabilities	-<0,01	0,53	-<0,01
X ₂	Current assets / Obligations	0,43	0,13	0,06
X ₃	Current liabilities / Assets	0,4	0,18	0,07
X ₄	Revenue / Assets	0,71	0,16	0,11
Total Z-Taffler account:				0,24

Source: compiled by the author

In this case, the value of the final coefficient was 0.24, so it is not possible to draw an unambiguous conclusion about the threat of bankruptcy.

5 Results and Discussion

5.1 Comparative assessment of the financial situation of LLC «Pticefabrika Akashevskaya», LLS «Kurinoe carstvo», LLS «Stavropol Broiler»

Based on the data obtained in the practical part, a comparative assessment of financial results was carried out:

- LLS «Pticefabrika Akashevskaya», Russia, the Republic of Mari El;
- LLS «Kurinoe carstvo», Russia, Lipetsk region;
- LLS «Stavropolskij brojler», Russia, Stavropol Krai, Shpakovsky district.

An important stage in the comparative assessment of the financial situation is the vertical and horizontal analysis of the balance sheet. Let us consider the changes in the balance sheet items based on the results of vertical and horizontal analysis.

An important stage in the comparative assessment of the financial situation is the vertical and horizontal analysis of the balance sheet. Let's consider the changes in the balance sheet items based on the results of vertical and horizontal analysis.

1) LLS «Pticefabrika Akashevskaya»

In the vertical analysis of the balance sheet of LLS «Pticefabrika Akashevskaya», non-current assets made the most significant contribution to the total volume of assets. Fixed assets account for the largest share of non-current assets. It should be noted that in 2017 the indicator was 68% of assets, in 2018 - 66.8%, in 2019-2020 - 62%.

In the total assets of the balance sheet of LLS «Pticefabrika Akashevskaya», a significant volume is accounted for by reserves, which is 5.15% in 2018, 5.75% in 2019 and 7.79% in 2020. Poultry farm stocks are growing every period, this may mean overstocking when the company fails to sell products and it accumulates in warehouses. This may be due to the fact that the demand for products has fallen, and therefore the market coverage has decreased.

In the vertical analysis of the balance sheet liabilities, it can be seen that the company's authorized capital has decreased, which is 6 million rubles in 2020.

The following items to pay attention to are borrowed funds and creditors is debts (section 4 and section 5 of the balance sheet).

These indicators do not have an upward trend, but there are slight fluctuations in the indicators.

In the horizontal analysis of the assets and liabilities of the balance sheet, it can be seen that the changes affected many indicators. There was a decrease in intangible assets by 77 million rubles for 2020. The decrease in intangible assets indicates a decrease in the business activity of the enterprise due to the lack of investment in this type of assets;

Fixed assets decreased by 2.21%, which means that in 2020 Akashevskaya Poultry Farm is reducing its machinery and equipment.

There is a decrease in the indicator of accounts receivable in 2020 by - 10,30082 thousand rubles;

At the reporting date, the share of accounts receivable decreased both in the value of current assets and in the total value of the organization's property. The share of cash in the value of current assets has also increased. It is important to note that the decrease in the share of accounts receivable is considered as a positive trend, indicating an increase in the liquidity of the organization.

In the articles related to long-term liabilities, most of the total amount of long-term liabilities are borrowed funds. In 2020, the volume of borrowed funds increased significantly (by 6,946 thousand rubles. or 27.5%), which indicates an increase in the financial instability of the enterprise and an increase in the degree of its financial risks.

2) LLS «Kurinoe carstvo»

From the data of the vertical analysis of the balance sheet, it can be seen that fixed assets account for the largest share of non-current assets and all assets in general. This indicator has stable growth with a slight fluctuation, namely - 52.1% in 2020, 62.8% in 2019. In 2018, fixed assets accounted for 58.7% of assets, in 2019 the indicator increased and amounted to 62.08%, and in 2020 52.17%.

Inventories and accounts receivable account for the largest share of current assets. Since 2017, the stock index has been growing, namely: in 2017 – 10.53%, in 2018 - 11.61%, in 2019 - 15.21%, in 2020 - 24.56.

In the capital and reserves section, the largest volume is accounted for by additional capital (without revaluation) and retained earnings. It is important to note that the additional capital appeared in 2019 and at the end of 2020 amounted to 12.54% of the total liabilities. The appearance and increase of this indicator means that the company spends the funds of such capital on expanding production and improving air conditioning.

The increase in accounts payable occurred against the background of an increase in the company's reserves. Based on this, it can be concluded that the purchased stocks were purchased with deferred payment and the payment term at the time of compilation

In the horizontal analysis of assets and liabilities of the balance sheet, it can be seen that the company is fixed assets increased by 8.468.961 thousand rubles at the end of the reporting period, which means that in 2020 LLS «Kurinoe carstvo» increases its machinery and equipment.

The indicator of reserves for the reporting period in 2020 has an upward trend, namely, in 2020, the amount of reserves amounted to 8.786.121 thousand rubles, which is 6.289.030 thousand rubles more than in 2019.

The increase in current assets indicates that sales are in full swing, revenue is stable.

In the articles related to long-term liabilities, most of the total amount of long-term liabilities are borrowed funds. In 2020, the volume of borrowed funds increased significantly (by 2.317.727 thousand rubles), which indicates, on the one hand, an increase in the financial instability of the enterprise and an increase in the degree of its financial risks, on the other hand, an active redistribution of income from the creditor to the debtor enterprise.

3) LLS «Stavropolskij brojler»

A vertical analysis of the balance sheet assets shows that the company is non-current assets account for 52% in 2018, 43% in 2019 and 63% in 2020.

As for current assets, there is a tendency to increase their share. LLS «Stavropolskij brojler» forms a more mobile asset structure, which helps to accelerate the turnover of the company is funds.

Non-current assets are mainly represented by financial investments and other non-current assets. Accounts receivable are growing every year.

Retained earnings account for the majority of all balance sheet liabilities and amount to 12.34% in 2020. It is worth noting that this indicator has decreased, so in 2019 it was 31.7%. A decrease in the share of retained earnings indicates a drop in the business activity of the organization.

The stock index has an unstable trend, as at the end of 2020 it decreased and amounted to 12.08%. However, in 2019, the figure was 21.34%. A decrease in reserves means an increase in financial resources.

Accounts payable are increasing and account for 26.9% of all balance sheet liabilities for 2020.

Based on the horizontal analysis data, it can be seen that the share of accounts receivable decreased both in the value of current assets and in the total value of the organization's property in 2020. However, the share of cash in the value of current assets has increased, therefore, the decrease in the share of accounts receivable is considered as a positive trend, indicating an increase in the liquidity of the organization.

In 2020, reserves increased by 2.466.797 thousand rubles. This shows that the Stavropol broiler has succeeded in converting stocks better than in the previous one.

5.2 Comparative assessment of financial indicators of the analyzed poultry enterprises

The goal of every enterprise is profit. An important stage is a comparative assessment of profit indicators, which is presented in Table 33.

Table 33 - Comparative assessment of profit indicators , million rubles .

Indicators	LLS «Pticefabrika Akashevskaya»		LLS «Kurinoe carstvo»		LLS «Stavropolskij brojler»	
	2019	2020	2019	2020	2019	2020
Revenue	20 274	20 724	17 207	37 262	27 001	31 019
Gross profit (loss)	4 797	3 993	1 983	3 999	3 816	2 908
Profit (loss) from sales	-3 104	-2 293	1 004	1 778	2 447	1 465
Balance of other income/expenses	-217	-359	-245	-254	-703	-275
Profit (loss) before taxation	-864	-1991	398	1133	639	-76
Net profit	-1 173	-1 991	452	1 081	584	-30

Source: compiled by the author

Based on the presented data, we note that the situation at Akashevskaya Poultry Farm LLC has a negative situation in terms of profit (loss) from sales, as well as net profit.

There are several reasons why an enterprise has a negative or extremely low profit, and one part of them is temporary, and the other is long - term.

1) Temporary problems. The reasons for negative profits may include: a major lawsuit with another firm. At the moment, the company is conducting legal proceedings and is suffering losses in connection with this situation.

2) Long-term problems. The profit of the enterprise may be negative due to the wrong strategic choice in the field of the range of products.

A comparative assessment of absolute liquidity indicators for 2018-2020 for the three analyzed enterprises was carried out, the results of which are presented in Table 34.

Table 34 - Indicators of absolute liquidity of the enterprise

Indicators	2018	2019	2020
LLS «Pticefabrika Akashevskaya»	0,05	0,05	0,06
LLS «Kurinoe carstvo»	0,002	0,005	0,06
LLS «Stavropolskij brojler»	0,07	0,07	0,11

Source: compiled by the author

The absolute coefficient shows whether the company has enough cash to fulfill its short-term debt obligations. It is usually used to measure the liquidity of a company.

If a company has a cash ratio of less than 1, it means that the company has more current liabilities compared to cash and cash equivalents.

The most detailed results of the absolute liquidity indicators of enterprises are presented in Figure 5.

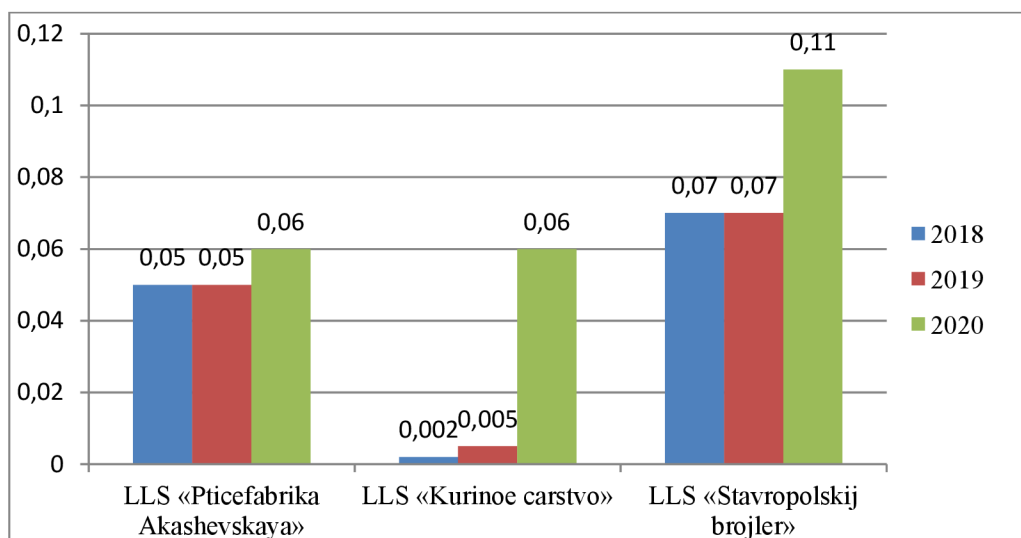


Figure 5 - Comparative assessment of the company's absolute liquidity ratios

A comparative assessment of current liquidity indicators for 2018-2020 for the three analyzed enterprises was carried out, the results of which are presented in table 35.

Table 35 - Indicators of the company's current liquidity

Indicators	2018	2019	2020
LLS «Pticefabrika Akashevskaya»	0,62	0,38	0,50
LLS «Kurinoe carstvo»	0,99	0,62	0,82
LLS «Stavropolskij brojler»	1,03	1,5	0,92

Source: compiled by the author

If the result of the current liquidity ratio is greater than 1, it means that the company has sufficient current assets to repay its current liabilities. A high current ratio is generally considered favorable for the company. Lenders are more willing to lend to those who can show that they have the resources to repay obligations.

LLS «Stavropolskij brojler» is comparatively better compared to Akashevskaya Poultry Farm JSC for consecutive three years. This indicates that

LLS «Stavropolskij brojler» has a solid asset base to repay its debt obligations and to fulfill its future obligations.

The most detailed results of the current liquidity indicators of enterprises are presented in Figure 6.

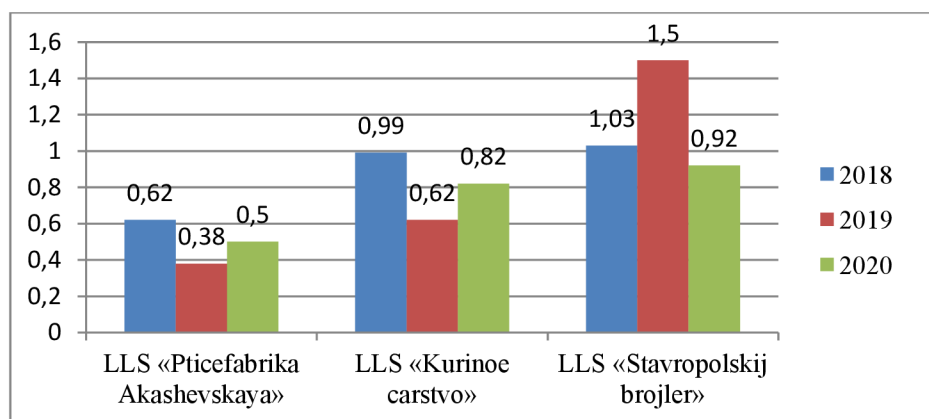


Figure 6 - Comparative assessment of the company's current liquidity ratios

Similarly, a comparative assessment of rapid liquidity indicators for 2018-2020 was carried out for the three analyzed enterprises, the results of which are presented in table 46.

Table 36 - Indicators of rapid liquidity of the enterprise

Indicators	2018	2019	2020
LLS «Pticefabrika Akashevskaya»	0,47	0,23	0,23
LLS «Kurinoe carstvo»	0,002	0,002	0,013
LLS «Stavropolskij brojler»	0,79	1,22	0,60

Source: compiled by the author

A company with a quick repayment ratio of less than 1 may not be able to fully repay its current liabilities in the short term, since a decrease in this ratio may

be due to an increase in short-term debt, a decrease in current assets, or a combination of both.

Thus, the analysis shows that the rapid growth ratio of the three companies is less than 1, which means that companies must sell their long-term assets to pay off their current debt.

An important step is to compare the coefficients of return on assets and return on equity (Table 37).

Table 37- Comparative assessment of profitability indicators

Indicators	LLS «Pticefabrika Akashevskaya»		LLS «Kurinoe carstvo»		LLS «Stavropolskij brojler»	
	2019	2020	2019	2020	2019	2020
Return on assets	-2,09	-4,70	2,75	3,02	1,93	-0,06
Return on equity	1,2	0,94	0,07	0,09	0,05	-0,005

Source: compiled by the author

Indicators of return on assets that grow over time. This indicates that the company is doing a good job of increasing its profits with every investment dollar spent. The result of this indicator indicates that the return on assets is deteriorating every year, which means that the company is not doing very well. This indicates that the company may not have invested properly. From the analysis, it was found that the return on assets of LLS «Pticefabrika Akashevskaya» decreases over the years. However, the other two companies have significantly higher values of the indicator.

Return on equity indicators are used to measure the effectiveness of a company. It shows whether the company's management is making the right decisions to generate income for shareholders.

According to the analysis, return on equity tends to decrease for three companies in the previous three years. In 2020, the indicator of LLS «Stavropolskij brojler» has a negative value.

5.3 Factors affecting profits in the poultry industry of LLC «Pticefabrika Akashevskaya», LLS «Kurinoe carstvo», LLS «Stavropol Broiler»

Profit is the most important indicator that characterizes the efficiency of production. Table 38 presents the factors affecting the profits of the analyzed poultry enterprises.

Tables 38 - Factors affecting the activities of the analyzed enterprises

Factors	LLS «Pticefabrika Akashevskaya»	LLS «Kurinoe carstvo»	LLS «Stavropolskij brojler»
Natural conditions	Moderately continental with long cold winters and warm summers.	The climate is temperate, according to general characteristics it belongs to the temperate continental.	The climate is temperate
Transport conditions	The presence of a roadway, restriction of access to water transport, lack of railway lines	Availability of carriageways, country roads, access to water transport and railway tracks	Availability of carriageways, main roads, access to water transport and railway tracks
State regulation	The stage of construction of a feed mill	The administration's ban on the construction of non-residential premises	Availability of feed mills
Sales of products to other cities/regions	Sells chilled and frozen poultry meat and meat semi-finished products throughout Russia.	Sales of products in the Bryansk region, Lipetsk region, Penza region, Moscow region, Voronezh region, Tula region.	Distribution contracts cover the territories of the Southern, North Caucasus, Central, Volga and North-Western Federal Districts.

Source: compiled by the author

An important step in the comparative assessment is to determine the regional characteristics of the analyzed enterprises and identify reserves for improving the efficiency of the enterprise.

In general, economic and political instability in Russia, instability of the Russian banking system, insufficient infrastructure development, as well as fluctuations in the global economy can negatively affect the Company's activities.

The above-mentioned factor leads to the following consequences, which may have a negative impact on the development of enterprises:

- insufficient development of political, legal and economic institutions;
- deterioration of the demographic situation;
- imperfection of the judicial system;
- inconsistency and frequent changes in tax and currency legislation;
- serious obstacles to the effective implementation of reforms by the bureaucratic apparatus;
- high dependence of the economy on the raw materials sector and the resulting sensitivity of the country's economy to the fall in world commodity prices;
- severe deterioration of infrastructure facilities in the field of energy and transport;
- low labor mobility.

In the process of comparative analysis of the regions of the selected companies, it can be noted that all three companies are in a favorable environmental situation, with a stable climate.

However, LLS «Pticefabrika Akashevskaya» does not have established communication routes (water transport, railway communication). This significantly reduces the company's ability to ship products to other cities/regions and significantly affects the company's profit margin.

There is also a problem with LLS «Kurinoe carstvo», since the local administration has imposed a ban on the construction of its own plant for the production of compound feed. This also affects the costs of the enterprise, which is a negative factor.

5.4 Potential financial problems in the poultry industry

Poultry meat production is one of the most profitable sectors of meat production at the moment. The consumption of poultry meat by the population of Russia is steadily growing, which is officially confirmed by the non-profit organization «Russian Poultry Union», namely: in 2017, all categories of farms produced 4 million 940 thousand tons of poultry meat in slaughter weight, which is 319 thousand tons, or 7% more than in 2016. As for the first half of 2018, poultry consumption increased by 1.3%.

As a result of the analysis of the financial condition of enterprises, the following risks were identified:

- natural factor(crop failure, which affects the cost of the components of compound feed, which feeds the bird.As a result, the increase in the cost of the carcass of a broiler chicken;
- increase in the cost of an incubation egg due to a jump in the euro exchange rate;
- influence of regional external factors (well-established communication routes, transport)
- deterioration of the demographic situation;
- inconsistency and frequent changes in tax and currency legislation;
- high dependence of the economy (dependence on the raw materials sector and the resulting sensitivity of the country's economy to the fall in world commodity prices.

Physical risks are contamination of products with various foreign substances and objects. Insufficient hygiene and control of waste, feed and foreign objects can easily get into the final product.

Chemical risks contamination of products with detergents, chemicals, etc. An important role is played by eliminating the risk of contamination of feed coming from suppliers (the presence of increased standards of pesticides and nitrates in these feeds).

Production risks include: decrease in the competitiveness of manufactured products due to an increase in the selling price, a decrease in quality; cost increase, due to increased prices for feed and feed additives; rising prices for basic heat and energy resources, fuel.

Biological factors are various kinds of microorganisms. Spoilage microorganisms (mold, yeast), for example: Salmonella, E. coli. Strict control measures are needed here, for the processing of meat, for the cleanliness of processing equipment and hygiene of workers.

Measures taken by the company to reduce production risks to a minimum:

- creation of optimal conditions for keeping poultry, reduction of internal technological losses;
- introduction of energy-saving technologies.

Measures taken by the company to reduce market risks to a minimum:

- increase of the branded retail network;
- maintaining a flexible pricing policy;
- conducting marketing activities on consumer loyalty to brand;
- expansion of the range of products.

Measures taken by the company to reduce financial risks: conclusion of contracts with fixed conditions for the provision of credit resources, with minimum lending rates.

6 Conclusion

1) The financial condition of companies is an important indicator by which investors and partners determine the attractiveness of a particular company for investment. Financial analysis of a company is an important procedure in its activities.

The financial position of the company can be assessed by analyzing the company's balance sheet, financial indicators - by analyzing the profit and loss statement. The balance sheet reflects the assets, capital and liabilities of the company as of a certain date. The profit and loss statement (profit and loss statement) reflects the expenses, income and profit of the company for a certain period of time.

The following indicators are used to assess the financial situation of enterprises:

- ROE (Return on equity);
- ROA (Return on assets);
- Current liquidity ratio;
- Quick liquidity ratio;
- Absolute liquidity ratio.

2) The thesis defines the methodology for assessing the financial condition of the enterprise, which consists of several stages.

At the first stage, the methodology provides for an assessment of the financial position of the enterprise using vertical and horizontal analysis.

At the second stage, the analysis of financial results is carried out using coefficient analysis, analysis of the probability of bankruptcy.

The final stage of the methodology is to identify risks.

3) The analysis of financial activity showed that LLS «Pticefabrika Akashevskaya» has an unstable financial condition and, according to the results of the analysis of the probability of bankruptcy, is on the verge of bankruptcy.

In this situation, it is necessary to pay close attention to the analysis of the financial condition of the enterprise on a quarterly basis.

The financial condition of LLS «Kurinoe carstvo» is in a more favorable position, however, it has critical indicators of solvency. The company will be able to increase these indicators by increasing production volumes and reducing costs.

4) Based on the results of the analysis of the financial condition LLS «Stavropolskij brojler», we note that the company has positive indicators, as well as positive dynamics of equity capital relative to the overall change in the assets of the organization.

7 References

1. Collection of Rosstat «Agriculture, hunting and hunting economy, forestry in Russia». The statistical compilation presents data on the state of the agricultural sector in the Russian Federation in 2014-2018.
https://rosstat.gov.ru/storage/mediabank/sh_2019.pdf
2. VOROTNIKOV.M., MEZINA S.A. - Comparative analysis of the accounting system in the Russian Federation
https://elibrary.ru/download/elibrary_35117170_66672646.pdf
3. ILYASHEVA N.N., SAVOSTINA O.V. Accounting: study guide / Yekaterinburg: Ural Publishing House, 2016 .-- 156 p. ISBN 978-5-7996-1820-9
4. MEDVEDEV V. Study guide / Publisher: DMK Press, 2013 - IFRS: translations into human. Issue 2. IFRS 1 "First Implementation of International Financial Reporting Standards" ISBN: 978-5-94074-908-0
5. KUZINA E. V. Accounting accounting: textbook. allowance / E. V. Kuzmina, N. V. Morozova. - SPb. : Publishing house of Polytechnic. University, 2018 .-- 296p. ISBN 978-5-7422-6118-6
6. DMITRIEVA I. M. Accounting with the basics of IFRS: textbook and workshop for universities / I. M. Dmitrieva. - 6th ed., Rev. and add. - Moscow: Yurayt Publishing House, 2020 .-- 319 p. - (Higher education). - ISBN 978-5-534-13537-4.
7. ILYASHEVA N. N., SINYANSKAY E. R., Reshetnikova O. E., / International standards of financial reporting: basic course: textbook. Manual - Yekaterinburg: Ural Publishing House. University, 2017 .-- 236 p. ISBN 978-5-7996-2087-5
8. BORODINA N. N. / Accounting in the agro-industrial complex: textbook. manual for students studying in the specialty "Accounting. accounting, analysis and audit" / M. : Knorus, 2006 (Tver. Polygraph. Combs. Det. Lit.). - 350 p. : ill., table; 24 cm; ISBN 5-85971-260-X (in the region)

9. MUKHIN, V.I. Methodological foundations of the study of sustainable development of enterprises of the industry subsystem/ V.I. Mukhin // Transport business of Russia. – 2012. – № 3.
10. POZHIDAEVA T.A. Methodology of calculation and analysis of net assets of the organization. // Economist's Handbook.– 2015
11. PALAMARCHUK A.S. Analysis and evaluation of business activity. Assessment of the profitability of the enterprise.//The Economist's Handbook. – 2015
12. SALEEVA, I.P. Innovative solutions and technologies for the production of broiler meat/ I.P. Saleeva // Applied economic research. - 2017.
13. SAVITSKAYA G.V. Complex analysis of economic activity of the enterprise: Textbook / G.V. Savitskaya. - Moscow: SIC INFRA-M, 2018.
14. SIVOVA, M. Form 2 of the balance – Income statement. Сивова Марина: Заполнение формы 2 бухгалтерского баланса, 2020, available online SOCKAJA, A. PBU (RAS) 4/99 - accounting statements of the organization (Соцкая Анастасия: ПБУ 4/99 - бухгалтерская отчетность организации), 2020, available online at nalog-nalog.ru
15. The State program for the development of agriculture and regulation of agricultural products, raw materials and food markets for 2008 - 2012 [Electronic resource] / Access mode: www.mcx.ru
16. The State Program for the development of agriculture and regulation of agricultural products, raw materials and food markets for 2013-2020 [Electronic resource]

8 List of tables, figures and abbreviations

8.1 List of tables

Table 1: World leaders in broiler meat production in 2015-2021, million tons

Table 2: Brief description of companies

Table 3: Vertical analysis of the assets of the balance sheet of LLS «Pticefabrika Akashevskaya» 2017-2020, million rubles.

Table 4: Vertical analysis of the liabilities of the balance sheet of «Pticefabrika Akashevskaya», million rubles.

Table 5: Horizontal analysis of the assets of the balance sheet of LLS «Pticefabrika Akashevskaya», million rubles.

Table 6: Horizontal analysis of the liabilities of the balance sheet of «Pticefabrika Akashevskaya», million rubles

Table 7: Dynamics of financial results of activity of «Pticefabrika Akashevskaya»

Table 8: Analysis of the balance sheet liquidity, million rubles.

Table 9: Analysis of liquidity ratios and financial stability of LLS «Pticefabrika Akashevskaya»

Table 10: Calculation of the return on equity indicator

Table 11: Calculation of the return on assets indicator

Table 12: Analysis of the probability of bankruptcy based on the R. Taffler model

Table 13: Analysis of the probability of bankruptcy based on the model of R.S. Sayfullin and G.G. Kadykov

Table 14: Vertical analysis of assets of the balance sheet of LLS «Kurinoe carstvo», million rubles.

Table 15: Vertical analysis of the liabilities of the balance sheet of LLS «Kurinoe carstvo», million rubles.

Table 16: Horizontal analysis of assets of the balance sheet of LLS «Kurinoe carstvo», million rubles.

Table 17: Horizontal analysis of the liabilities of the balance sheet of LLS «Kurinoe carstvo», million rubles.

Table 18: Dynamics of financial results of the enterprise, thousand rubles.

Table 19: Analysis of liquidity ratios and financial stability of LLS «Kurinoe carstvo»

Table 20: Calculation of the return on equity and return on assets indicator

Table 21: Analysis of the probability of bankruptcy based on the Altmon model

Table 22: Analysis of the probability of bankruptcy based on the R. Taffler model

Table 23: Vertical analysis of assets of the balance sheet of LLS «Stavropol Broiler», thousand rubles.

Table 24: Vertical analysis of liabilities of the balance sheet of LLS «Stavropol Broiler», thousand rubles.

Table 25: Horizontal analysis of assets of the balance sheet of LLS «Stavropol Broiler», thousand rubles.

Table 26: Horizontal analysis of liabilities of the balance sheet of LLS «Stavropol Broiler», thousand rubles.

Table 27: Dynamics of financial results of the company, thousand rubles.

Table 28: Analysis of liquidity ratios

Table 29: Calculation of the return on equity indicator

Table 30: Calculation of the return on assets indicator

Table 31: Analysis of the probability of bankruptcy based on the Altmon model

Table 32: Analysis of the probability of bankruptcy based on the R. Taffler model

Table 33: Comparative assessment of profit indicators , million rubles .

Table 34: Indicators of absolute liquidity of the enterprise

Table 35: Indicators of the company's current liquidity

Table 36: Indicators of rapid liquidity of the enterprise

Table 37: Comparative assessment of profitability indicators

Tables 38: Factors affecting the activities of the analyzed enterprises

8.2 List of figures

Figure 1: Structure of the composition and types of users of the company's financial statements

Figure 2: The geography of the selected companies

Figure 3: Dynamics of revenue and net profit of «Pticefabrika Akashevskaya» for 2016 – 2020

Figure 4: Dynamics of revenue and net profit of LLS «Kurinoe carstvo» for 2016 – 2020

Figure 5: Comparative assessment of the company's absolute liquidity ratios

Figure 6: Comparative assessment of the company's current liquidity ratios

8.3 List of abbreviations

ROE: Return on Equity

ROA: Return on Assets

LLS: Limited liability company

IFRS: International Financial Reporting Standards

FTS: Federal Tax Service

CY: Current Year

VAT: Value Added Tax

ISO: International Organization for Standardization

MT: Million Tonnes

Appendix

Appendix 1 – List of current accounting regulations adopted by the Ministry of Finance of the Russian Federation

Regulation number	Accounting Regulations	The regulatory act that approved the regulation
PBU 1/2008	Accounting policy of the organization	Order of the Ministry of Finance of the Russian Federation dated 06.10.2008 №106n
PBU 2/2008	Accounting of construction contracts	Order of the Ministry of Finance of the Russian Federation dated 24.10.2008 № 116n
PBU 3/2006	Accounting of assets and liabilities, the value of which is expressed in foreign currency	Order of the Ministry of Finance of the Russian Federation dated 27.11.2006 № 154n
PBU 4/1999	Accounting statements of the organization	Order of the Ministry of Finance of the Russian Federation dated 06.07.1999 № 43n
PBU 5/2001	Inventory accounting	Order of the Ministry of Finance of the Russian Federation dated 09.06.2001 № 44n
PBU 6/2001	Accounting of fixed assets	Order of the Ministry of Finance of the Russian Federation of 30.03.2001 №26n
PBU 7/1998	Events after the reporting date	Order of the Ministry of Finance of the Russian Federation dated 25.11.1998 № 56n
PBU 8/2010	Estimated liabilities, contingent liabilities and contingent assets	Order of the Ministry of Finance of the Russian Federation dated 13.12.2010 № 167n
PBU 9/1999	Income of the organization	Order of the Ministry of Finance of Russia dated 06.05.1999 № 32n
PBU 10/1999	Expenses of the organization	Order of the Ministry of Finance of the Russian Federation dated 06.05.1999 № 33n
PBU 11/2008	Related party information	Order of the Ministry of Finance of the Russian Federation dated 29.04.2008 № 48n
PBU 12/2010	Segment Information	Order of the Ministry of Finance of the Russian Federation dated 08.11.2010 № 143n
PBU 13/2000	Accounting for state aid	Order of the Ministry of Finance of the Russian Federation of 16.10.2000 № 92n
PBU 14/2007	Accounting for intangible assets	Order of the Ministry of Finance of the Russian Federation dated 27.12.2007 № 153n

PBU 15/2008	Accounting for borrowing costs and loans	Order of the Ministry of Finance of the Russian Federation dated 06.10.2008 № 107n
PBU 16/2002	Information on discontinued operations	Order of the Ministry of Finance of the Russian Federation dated 02.07.2002 № 66n
PBU 17/2002	Accounting of expenses for research, development and technological work	Order of the Ministry of Finance of the Russian Federation dated 19.11.2002 № 115n
PBU 18/2002	Accounting for corporate income tax calculations	Order of the Ministry of Finance of the Russian Federation dated 19.11.2002 № 114n
PBU 19/2002	Accounting for financial investments	Order of the Ministry of Finance of the Russian Federation dated 10.12.2002 № 126n
PBU 20/2003	Information about participation in joint activities	Order of the Ministry of Finance of the Russian Federation dated 24.11.2003 № 105n
PBU 21/2008	Changes in estimated values	Order of the Ministry of Finance of the Russian Federation dated 06.10.2008 № 106n
PBU 22/2010	Correction of errors in accounting and reporting	Order of the Ministry of Finance of the Russian Federation dated 28.06.2010 № 63n
PBU 23/2011	Cash Flow Statement	Order of the Ministry of Finance of the Russian Federation dated 02.02.2011 № 11n
PBU 24/2011	Accounting for the costs of natural resources development	Order of the Ministry of Finance of the Russian Federation dated 06.10.2011 № 125n

Source: www.consultant.ru/document/cons_doc_LAW_20081/7f678d1321c139704a2a4d31f0ccd5a03ec5fb51/

Appendix 2 – Balance sheet of LLC «Pticefabrika Akashevskaya», thousand rubles

The name of the indicator	Code	31.12.20	31.12.19	31.12.18	31.12.17	31.12.16
ASSET						
I. NON-CURRENT ASSETS						
Intangible assets	1110	503 271	580 800	644 870	2 940	3 498
Fixed assets	1150	26 125 152	26 716 598	28 461 270	26 950 071	27 945 110
Financial investments	1170	2 330 457	1 201 955	1 201 955	1 371 598	0
Deferred tax assets	1180	0	0	699	0	0
Other non-current assets	1190	7 269 902	6 636 589	2 904 722	3 068 676	0
Total for section I	1100	36 228 782	35 135 942	33 213 516	31 393 285	27 948 608
II. CURRENT ASSETS						
Stocks	1210	3 301 421	2 373 634	2 197 276	1 562 788	1 778 786
Value added tax on acquired valuables	1220	48 518	4 214	43 754	41 406	30 158
Accounts receivable	1230	1 984 242	3 014 324	6 478 486	5 770 620	9 565 540
Financial investments (excluding cash equivalents)	1240	0	0	0	446 289	0
Cash and cash equivalents	1250	785 836	735 826	721 049	381 670	3 095 437
Other current assets	1260	10 026	8 893	8 745	0	0
Total for section II	1200	6 130 043	6 136 891	9 449 310	8 202 773	14 469 921
Balance	1600	42 358 825	41 272 833	42 662 826	39 596 058	42 418 529
LIABILITY						
III. CAPITAL AND RESERVES						
Authorized capital (share capital, authorized capital, contributions of partners)	1310	6 946	6 946	6 946	9 146 946	7 372 566
Revaluation of non-current assets	1340	692 484	692 484	641 728	0	0
Additional capital (without revaluation)	1350	1 131 924	1 131 924	1 131 924	0	0
Retained earnings (uncovered loss)	1370	(3 928 222)	(1 936 794)	(232 315)	(9 006 707)	(6 782 128)
Total for section III	1300	(2 096 868)	(105 440)	1 548 283	140 239	590 438
IV. LONG-TERM LIABILITIES						
Borrowed funds	1410	32 199 752	25 253 072	25 885 694	23 700 955	27 752 075
Total for section IV	1400	32 199 752	25 253 072	25 885 694	23 700 955	27 752 075
V. SHORT-TERM LIABILITIES						
Borrowed funds	1510	10 985 479	14 950 286	14 244 889	14 256 425	11 278 591
Accounts payable	1520	1 205 235	1 109 591	983 346	1 497 939	2 785 649
Deferred income	1530	17 781	0	0	0	0
Estimated liabilities	1540	47 446	65 324	500	500	11 776
Other liabilities	1550	0	0	114	0	0
Total for section V	1500	12 255 941	16 125 201	15 228 849	15 754 864	14 076 016
Balance	1700	42 358 825	41 272 833	42 662 826	39 596 058	42 418 529

Appendix 3 – Report on the financial results of LLC «Pticefabrika Akashevskaya», thousand rubles

The name of the indicator	Code	2020	2019	2018	2017	2016
Revenue	2110	20 723 575	20 274 126	16 176 477	13 187 817	11 284 935
Cost of sales	2120	(16 730 109)	(15 477 276)	(12 352 703)	(11 236 520)	(11 237 563)
Gross profit (loss)	2100	3 993 466	4 796 850	3 823 774	1 951 297	47 372
Commercial expenses	2210	(1 347 182)	(1 352 364)	(605 018)	(447 609)	(388 821)
Management expenses	2220	(353 659)	(340 183)	(286 830)	(263 714)	(302 470)
Profit (loss) from sales	2200	2 292 625	3 104 303	2 931 926	1 239 974	(643 919)
Interest receivable	2320	10 854	24 544	13 345	28 472	262 327
Interest payable	2330	(3 935 530)	(3 776 050)	(3 535 193)	(3 781 232)	(4 437 499)
Other income	2340	1 132 842	801 169	1 620 832	1 670 006	4 133 542
Other expenses	2350	(1 492 219)	(1 018 030)	(1 382 239)	(1 370 614)	(4 113 375)
Profit (loss) before taxation	2300	(1 991 428)	(864 064)	(351 329)	(2 213 394)	(4 798 924)
Income tax	2410	0	(699)	(13 350)*	(11 185)	(6 518)
Current income tax (until 2020, this is page 2410)	2411	(0)	(0)	(13 350)	(11 185)*	(6 518)*
Deferred income tax	2412	0	(699)	0	0	0
Other	2460	0	(307 889)	(929)	0	(9 842)
Net profit (loss)	2400	(1 991 428)	(1 172 652)	(365 608)	(2 224 579)	(4 815 284)

Appendix 4 - Balance sheet of LLS «Kurinoe carstvo», thousand rubles

The name of the indicator	Code	31.12.20	31.12.19	31.12.18	31.12.17	31.12.16
ASSET						
I. NON-CURRENT ASSETS						
Fixed assets	1150	18 658 874	10 189 913	6 987 873	7 408 650	7 467 019
Profitable investments in tangible assets	1160	115 865	140 541	142 832	29 736	0
Financial investments	1170	1 058 074	1 091 506	992 557	993 969	993 969
Deferred tax assets	1180	72 226	27 922	6 126	122	57
Other non-current assets	1190	155 530	70 499	22 423	87 841	164 299
Total for section I	1100	20 060 569	11 520 381	8 151 811	8 520 318	8 625 344
II. CURRENT ASSETS						
Stocks	1210	8 786 121	2 497 091	1 381 266	1 308 540	1 049 608
Value added tax on acquired valuables	1220	188 209	33 824	18 170	18 104	12 231
Accounts receivable	1230	6 396 089	2 326 027	2 333 039	2 572 484	1 958 840
Financial investments (excluding cash equivalents)	1240	278 748	18 281	0	0	0
Cash and cash equivalents	1250	11 800	3 960	10 584	1 141	18 317
Other current assets	1260	45 916	15 098	4 639	5 549	336 980
Total for section II	1200	15 706 883	4 894 281	3 747 698	3 905 818	3 375 976
Balance	1600	35 767 452	16 414 662	11 899 509	12 426 136	12 001 320
LIABILITY						
III. CAPITAL AND RESERVES						
Authorized capital (share capital, authorized capital, contributions of partners)	1310	1 554 148	405 117	400 000	400 000	400 000
Additional capital (without revaluation)	1350	4 485 005	890 144	0	0	0
Reserve capital	1360	77 707	20 256	20 000	20 000	20 000
Retained earnings (uncovered loss)	1370	5 712 428	4 689 219	4 237 363	3 992 755	3 587 459
Total for section III	1300	11 829 288	6 004 736	4 657 363	4 412 755	4 007 459
IV. LONG-TERM LIABILITIES						

Borrowed funds	1410	4 906 406	2 588 679	3 440 623	4 059 762	4 551 793
Deferred tax liabilities	1420	7 842	8 158	8 815	54	92
Other liabilities	1450	66 914	0	0	0	0
Total for section IV	1400	4 981 162	2 596 837	3 449 438	4 059 816	4 551 885
V. SHORT-TERM LIABILITIES						
Borrowed funds	1510	10 639 230	2 055 920	2 649 007	2 556 241	2 301 025
Accounts payable	1520	7 551 828	5 403 078	1 051 086	1 287 305	758 921
Deferred income	1530	132 866	0	0	6 992	307 423
Estimated liabilities	1540	633 078	354 091	92 615	103 027	74 607
Total for section V	1500	18 957 002	7 813 089	3 792 708	3 953 565	3 441 976
Balance	1700	35 767 452	16 414 662	11 899 509	12 426 136	12 001 320

Appendix 5 - Report on financial results of LLS «Kurinoe carstvo», thousand

The name of the indicator	Code	2020	2019	2018	2017	2016
Revenue	2110	37 262 079	17 206 908	9 657 325	8 852 192	7 850 280
Cost of sales	2120	(33 262 971)	(15 223 585)	(8 722 812)	(7 608 907)	(7 016 618)
Gross profit (loss)	2100	3 999 108	1 983 323	934 513	1 243 285	833 662
Commercial expenses	2210	(624 762)	(241 242)	(80 038)	(88 200)	(76 548)
Management expenses	2220	(1 596 465)	(737 772)	(406 969)	(437 589)	(428 430)
Profit (loss) from sales	2200	1 777 881	1 004 309	447 506	717 496	328 684
Income from participation in other organizations	2310	38 400	20 612	8 527	3 938	8 110
Interest receivable	2320	10 315	1 153	675	1 634	1 290
Interest payable	2330	(440 118)	(383 271)	(463 817)	(439 677)	(504 550)
Other income	2340	600 005	360 020	458 243	391 243	752 412
Other expenses	2350	(853 759)	(604 938)	(203 768)	(190 840)	(415 741)
Profit (loss) before taxation	2300	1 132 724	397 885	247 366	483 794	170 205
Income tax	2410	(40 880)	54 227	0	(27 208)	(15 682)
Current income tax (until 2020, this is page 2410)	2411	(47 786)	(8 406)	(0)	(27 208)*	(15 682)*
Deferred income tax	2412	6 906	62 633	0	0	0
Change in deferred tax liabilities	2430	0	0	(8 761)	38	4 956
Change in deferred tax assets	2450	0	0	6 004	64	(5 656)
Other	2460	(11 184)	0	(1)	(51 392)	0
Net profit (loss)	2400	1 080 660	452 112	244 608	405 296	153 823
Total financial result of the period	2500	1 080 660	452 112	244 608	405 296	153 823

Appendix 6 - Balance sheet of LLS «Stavropol Broiler», thousand rubles

The name of the indicator	Code	31.12.20	31.12.19	31.12.18	31.12.17
ASSET					
I. NON-CURRENT ASSETS					
Intangible assets	1110	1 004 044	3 355	3 983	5 217
Research and development results	1120	0	0	0	198 085
Fixed assets	1150	14 755 323	9 910 044	10 763 027	11 493 271
Financial investments	1170	10 897 636	2 972 392	3 030 244	3 267 625
Other non-current assets	1190	973 584	258 990	185 441	279 745
Total for section I	1100	27 630 587	13 144 781	13 982 695	15 243 943
II. CURRENT ASSETS					
Stocks	1210	5 565 084	3 098 287	2 933 889	2 295 747
Value added tax on acquired valuables	1220	9 786	6 397	1 620	1 768
Accounts receivable	1230	8 646 323	13 064 867	8 644 027	8 777 136
Financial investments (excluding cash equivalents)	1240	1 968 964	823 145	823 145	318 677
Cash and cash equivalents	1250	15 676	9 937	33 411	85 220
Other current assets	1260	1 715	3 239	4 035	392
Total for section II	1200	16 207 548	17 005 872	12 440 127	11 478 940
Balance	1600	43 838 135	30 150 653	26 422 822	26 722 883
LIABILITY					
III. CAPITAL AND RESERVES					
Authorized capital (share capital, authorized capital, contributions of partners)	1310	404 927	404 927	404 927	404 927
Retained earnings (uncovered loss)	1370	5 410 631	9 562 050	8 978 152	8 225 007
Total for section III	1300	5 815 558	9 966 977	9 383 079	8 629 934
IV. LONG-TERM LIABILITIES					
Borrowed funds	1410	20 074 235	8 412 290	4 551 135	5 609 169
Deferred tax liabilities	1420	17 669	72 600	50 715	16 540
Other liabilities	1450	343 583	346 025	412 760	13 537
Total for section IV	1400	20 435 487	8 830 915	5 014 610	5 639 246
V. SHORT-TERM LIABILITIES					
Borrowed funds	1510	5 295 062	6 433 583	7 688 344	7 338 095
Accounts payable	1520	11 798 633	4 600 105	3 925 239	4 922 198
Deferred income	1530	1 465	0	0	0
Estimated liabilities	1540	354 044	205 539	347 147	164 435
Other liabilities	1550	137 886	113 534	64 403	28 975
Total for section V	1500	17 587 090	11 352 761	12 025 133	12 453 703
Balance	1700	43 838 135	30 150 653	26 422 822	26 722 883

Appendix 7 - Report on financial results of LLS «Stavropol Broiler»., thousand rubles

The name of the indicator	Code	2020	2019	2018
Revenue	2110	31 019 086	27 001 379	23 684 339
Cost of sales	2120	(28 111 423)	(23 185 659)	(20 031 973)
Gross profit (loss)	2100	2 907 663	3 815 720	3 652 366
Commercial expenses	2210	(1 789)	(5 594)	(11 787)
Management expenses	2220	(1 441 366)	(1 362 686)	(1 108 114)
Profit (loss) from sales	2200	1 464 508	2 447 440	2 532 465
Income from participation in other organizations	2310	319 402	0	0
Interest receivable	2320	296 971	374 087	322 725
Interest payable	2330	(1 882 735)	(1 479 328)	(1 514 168)
Other income	2340	264 906	886 215	439 365
Other expenses	2350	(539 454)	(1 589 424)	(759 600)
Profit (loss) before taxation	2300	(76 402)	638 990	1 020 787
Income tax	2410	46 205	(55 092)	(35 382)*
current income tax (until 2020, this is page 2410)	2411	(0)	(33 206)	(35 382)
deferred income tax	2412	46 205	(21 886)	0
Change in deferred tax liabilities	2430	0	0	1 346
Change in deferred tax assets	2450	0	0	(35 521)
Net profit (loss)	2400	(30 197)	583 898	951 230
FOR REFERENCE				
Total financial result of the period	2500	(39 395)	583 898	951 230