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**DIAGNOSTICS OF FINANCIAL STABILITY IN «ATB-MARKET» LLC
ДІАГНОСТИКА ФІНАНСОВОЇ СТІЙКОСТІ ТОВ «АТБ-МАРКЕТ»****Kravchenko V.P. / Кравченко В.П.***s.e.s., as.prof. / к.е.н., доц.*

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Abstract. *The paper considers the financial stability of the company. Diagnosis of financial stability is based on the reporting of the trading company. A system of indicators that characterize the changes is used. According to the results of the diagnosis, the financial situation was established as a crisis for the periods of the study. The indicators that influenced the inefficiency of economic activity are determined.*

Keywords: *financial condition, diagnosis of financial condition, liquidity, solvency, profitability, financial stability.*

Introduction.

Insufficient efficiency of financial management in the conditions of unstable economic development is a common feature for most domestic enterprises. For retailers, this problem is further relevant due to their strategic role in ensuring social balance [1]. Also, Russia's aggression against Ukraine threatens to shake the hryvnia exchange rate and the corresponding negative consequences for the financial stability of enterprises. After all, regardless of the military and economic situation of the country, retailers must timely and fully diagnose financial stability, as it depends on the development of the consumer market and, consequently, increase the welfare of the population.

The object of the study is the diagnosis of financial stability of ATB-MARKET LLC. The corporation's enterprises operate in such areas of business as retail, asset management, production and sale of food products [2].

Main text.

Diagnosis of the financial condition of the enterprise involves a systematic and comprehensive assessment of its activities using various methods of analysis. In turn, the methods of financial diagnostics are a set of scientific and methodological tools for studying the financial condition of the enterprise.

Diagnosis of the financial condition of the enterprise is part of the system of financial management of the enterprise, which is designed to inform management about the peculiarities of its operation in the current period.

To assess the financial condition of "ATB-MARKET" for 2018-2020, we use a system of indicators that characterize the changes. We will carry out the financial analysis on the basis of the reporting of the trading enterprise which are published on a site [3].

We study the assets of the enterprise and their structure with the help of horizontal analysis and find out the economic potential at the disposal of the property of ATB-MARKET LLC (Figure 1).

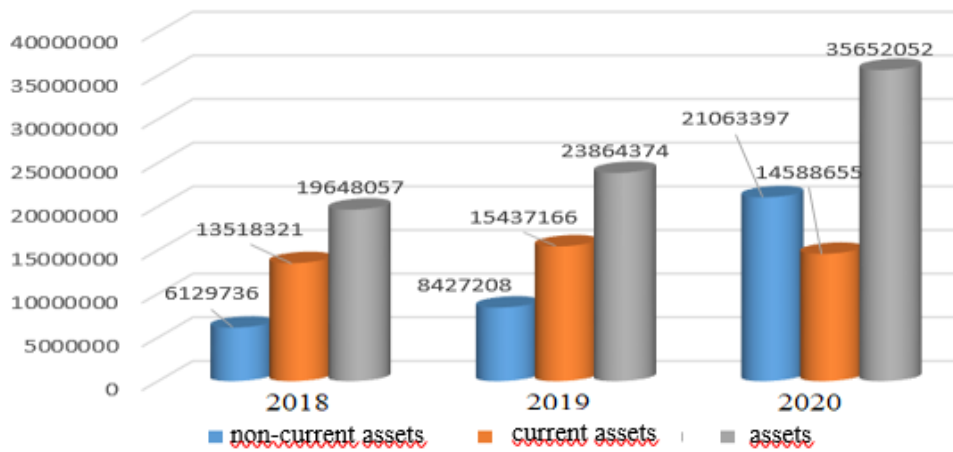


Figure 1 - Dynamics of assets of LLC "ATB-MARKET", thousand UAH

Author's development by source [3].

There is a strengthening of economic potential, as indicated by an increase in assets by 45% in 2020 compared to 2018. That is, the company increases the amount of available property.

The fact that income from the sale of goods and services deteriorates faster than assets, indicates a sufficient reserve of the current structure of assets:

(2018) Assets 19648057 > 85728719 Income; (2019) Assets 23864374 > 104910343 Income; (2020) Assets 35652052 > 123864431 Income.

The increase in the balance sheet is due to an increase in non-current assets in 2020 - 2.5 times, but there is a decrease in current assets by 5.5% compared to 2019. Current assets decreased due to: - reduction of cash by 2.6%, which may indicate the emergence of financial difficulties at the enterprise; - due to the reduction of receivables for goods, works, services by 33.4% - this can be considered a positive trend, as the acceleration of settlements is an important factor in accelerating the turnover of current assets.

In the liabilities of the balance sheet we will explore its own sources of financing assets, as well as the company's liabilities for loans, borrowings, accounts payable. Dynamics of funding sources of ATB-MARKET LLC for the period 2018-2020 in Figure 2.

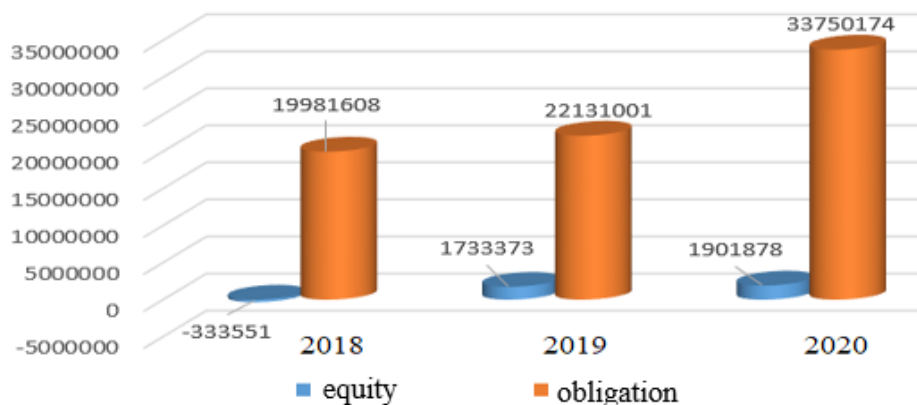


Figure 2 - Dynamics of sources of financing of LLC "ATB-MARKET", thousand UAH

Author's development according to the source [3].



According to fig. 2 increases the amount of available sources of funding to raise assets, due to an increase in short-term liabilities by 52.5%. Also, the dynamics of increase in equity as of 2020 by 9.72% compared to 2019 is observed. An increase in total liabilities leads to increased independence from external suppliers of financial resources, although it hinders the fuller disclosure of the company's existing potential.

Indicators of stability and solvency of LLC "ATB-MARKET" for the period 2019-2020 are considered.

Table 1 - Indicators of stability and solvency of LLC "ATB"

Indicator	2019	2020	Abs. increment, +, -	Rel. increase, %
Financial autonomy	0,07	0,053	-0,017	-24,3
Current liquidity	0,8	0,61	-0,18	-23,75

Author's development according to the source [3] in table 1.

According to the results obtained, at the end of 2020 the company is unable to finance at least part of its assets, while there is a reduction in the financial independence of the company, as evidenced by the dynamics of the coefficient of financial autonomy. The coefficient of financial autonomy characterizes the share of owners of ATB-MARKET LLC - 5.3% (1264811.82 thousand UAH) in the total amount of funds advanced to its activities 23864374 thousand UAH.

The current liquidity ratio characterizes the lack of working capital to repay their debts. The optimal value of the coefficient > 1 , our results < 1 , the trading company has an illiquid balance sheet. The value of current liquidity is below the regulatory limit, which may indicate the likelihood of loss of solvency in the near future.

Next we consider the dynamics of financial results (table 2).

Table 2 - Dynamics of financial results of LLC "ATB-MARKET"

Indicators	Year			Absolute increase (deviation), +, -		Relative increase (deviation), %		
	2018	2019	2020	2019 / 2018	2020 / 2019	2019 / 2018	2020 / 2019	2020 / 2018
Net income from sales of products (goods, works, services), thousand UAH	85728719	104910343	123864393	19181 624	18954050	22,37	18,07	44,48
Net financial result: profit (loss), thousand UAH	180 127	4405 437	5 768 666	4 225 310	1 363 229	2345,74	30,94	3102,55
Profit before interest and taxes (EBIT), thousand UAH	1026840	5358099	7032193	4331259	1674094	421,8	31,24	584,84

Author's development according to the source [3].



During the period under review, there is a tendency to increase net income from sales of goods and services by 44.48%, which indicates high competitiveness in a dynamic environment. The amount of the company's net profit is positive (3102.55 thousand UAH in 2020), which may indicate a well-thought-out business model. To better understand the ability of management to achieve its goals should consider profitability indicators (table 3).

Table 3 - Dynamics of profitability of LLC "ATB-MARKET"

Indicators	Year			Absolute increase (deviation), +, -		
	2018	2019	2020	2019 / 2018	2020 / 2019	2020 / 2018
Profitability of sales by gross profit (gross margin),%	22,2	24,16	25,12	1,96	0,96	2,92
Profitability (liabilities) of assets (EBIT in the numerator),%	-	31,35	27,9	-	-3,45	-
Profitability of sales on net profit (net margin),%	0,21	4,2	4,66	3,99	0,46	4,45

Author's development according to the source [3].

The calculated indicator of gross return on sales shows that in 2020 the company had the opportunity to increase operating profit by reducing administrative costs and marketing costs by 25.12%. Also, the gross profitability indicator shows a positive value in 2020. This indicates the need to further seek opportunities to increase sales of goods and services to maximize the final financial result. The return on assets at the end of 2020 was reduced by 3.45%, indicating that asset management was not effective enough. The indicator of profitability of sales on net profit shows that in 2020 4.66% of net profit came to the company in each hryvnia from the sale of products, goods, works and services.

The results of financial stability indicators are considered in table 4.

Table 4 - Indicators of financial stability. LLC "ATB-MARKET", thousand UAH

Indicators	Year			Absolute increase (deviation), +, -		
	2018	2019	2020	2019 / 2018	2020 / 2019	2020 / 2018
Excess or lack of own sources of stock formation	-11 085 989	-11 705 690	-25 585 227	-619 701	-13 879 537	-14 499 238
Excess or lack of own and long-term sources of stock formation	-8 892 394	-9 208 834	-15 618 757	-316 440	-6 409 923	-6 726 363
Excess or lack of the total value of the main sources of stock formation						
If the value of the indicators 1,2,3<0 stability factor is assigned to 0	(0;0;0)	(0;0;0)	(0;0;0)			

Author's development according to the source [3].



The results of financial stability show that the company had a shortage of its own sources of inventories in 2020 by (-25,585,227 thousand UAH) and this figure increased by 118.6% compared to 2019, and a lack of total capital sources formation of stocks on (-15 618 757 thousand UAH). Therefore, the financial condition of the company should be recognized as a crisis for the period 2018-2020.

Conclusions.

For the period 2018-2020 studied, it is possible to draw conclusions about the financial risk and low liquidity of ATB-MARKET LLC. In order to prevent bankruptcy, the company should change the strategy and tactics of management in the future in order to improve its financial condition, which was identified as a crisis.

The obtained results of the diagnosis of the financial condition of the company, taking into account the identified weaknesses, will allow to carry out its activities in the direction of their improvement, while maintaining the balance of own assets and liabilities in a constantly changing environment.

Literature:

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***Анотація.** У роботі було розглянуто фінансова стійкість ТОВ «АТБ-МАРКЕТ». Діагностика фінансової стійкості проведена на основі звітності торговельного підприємства. Використано систему показників, які характеризують зміни.*

Досліджено власні джерела фінансування активів, а також зобов'язання підприємства за кредитами, позиками, кредиторською заборгованістю.

Отримано результати показників: ліквідності, рентабельності, фінансової стійкості та платоспроможності.

За результатами проведеної діагностики встановлено фінансовий стан, як кризовий за періоди що досліджувалися. Визначено показники які вплинули на неефективність господарської діяльності.

***Ключові слова:** фінансовий стан, діагностика фінансового стану, ліквідність, платоспроможність, рентабельність, фінансова стійкість.*

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