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Development of Foreign Trade on the
Example of a Small Business**

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Abstract

At present, the economies of European Countries that have undergone a transformation process after 1989, a significant number of companies those are subsidiaries of multinational or transnational corporations. These companies usually have a better starting point for penetrating the International Market. Foreign Trade Operations conducted with the use of the know-how of the parent company. The overall success of enterprises in these operations is primarily contingent on their performance. Profit of small enterprises in Slovakia is the source of the development of their International Activities. We discuss an example of small clothing company that is a subsidiary of the Italian Parent company and at the same time we present a framework for action and measures leading to an increase in the share of foreign markets with knitted products.

Keywords: foreign trade, performance, profit, knitted products

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Introduction

Enterprise in a market economy is a fundamental business entity that has its typical characteristics and properties. Business position arises from interactions with the enterprise environment. Both the enterprise and entrepreneurial activity are goal-oriented. Business goals constitute the starting base business strategy. By Kupkovič (2001) the existence of company is time limited business life cycle that begins and ends with the establishment of the demise of the company. For a business that operates in a specific competitive environment (Industry) it will result in Strategic Decision-Making Process (SDMP) to identify a suitable business strategy. There are a number of strategic alternatives of strategic management. In principle the choice of strategies is to minimize costs (cost leadership), strategy or differentiation strategy narrow focus. Vološin (2003) argues that the purpose of the enterprise in implementing the chosen business strategy should be to achieve sustainable competitive advantage. Mihalčová (2005) underlines, that strategy of small business can be successful only if the business is doing something else, or otherwise significantly better, or cheaper than competitors. It is difficult to give a full list of exceptional ability of small businesses, which form the basis of their business strategies. According Slávik (2005, p. 230) there are some typical areas that are relevant to small businesses, that:

- Quality is a key skill.
- Service quality is often guided.
- Location is a factor on which success often depends.
- Fill in a special segment is particularly important skill that is developed after a thorough analysis of the competitive situation.
- Flexibility and adaptability are the typical characteristics of a small business, enabling it to outperform bigger, often stiff and formal enterprises.
- Strong Customer Orientation, Reputation and Image.
- Personnel.
- Price is contradictory ability, powerful and fragile at the same time.

Proportion and importance of SMEs to the economies of individual countries is significant. Their prosperity is dependent on how you can evaluate the results so far and the success of business strategy. This is the basis for drafting a business plan with the objective of stimulating the production company.

Methodology of Work and Methods of Research

The object of investigation in this paper is a manufacturing company CESENA Košice Ltd (hereinafter “Company”). The Company is located at 4

Textilná, in Košice city. Company was founded on 9 January 2001 and the record was written in Commercial Register on 23 January 2001. Main activities of the company are:

- Production of textile, knitting products, clothing,
- Wholesale and retail trade in textiles, knitting products, clothing.
- Brokering.
- Business advice in relation to the purpose.

The average number of employees we have indicated in Table 1. Their allocation to managers (operational masters) and workers confirmed that gradually occurs to a greater decline in workers (in Table 1. indicated by abbreviation “W”) compared with Managers – Operational Supervisors – Masters (in Table 1 indicated by abbreviation “OS”). Within surveyed company there are in every operational unit 1-2 operational masters.

Table 1. *Numbers of Workers and Operational Supervisors - Masters at the End of the Years*

	Year	2008		2009		2010		2011		2012	
	Positions of employees	W	OS	W	OS	W	OS	W	OS	W	OS
Operations (Units)	Cutting room	12	2	10	2	7	1	7	1	6	1
	Single-needle guns	20	1	12	1	10	1	10	1	10	1
	Double-needle guns	16	1	12	1	11	1	9	1	9	1
	Chaining room	12	1	11	1	11	1	11	1	10	1
	Steaming room	14	1	11	1	7	1	7	1	6	1
	Packing room	18	2	18	2	12	2	12	2	10	1
Total Workforce		89		82		65		63		57	

Source: own processing

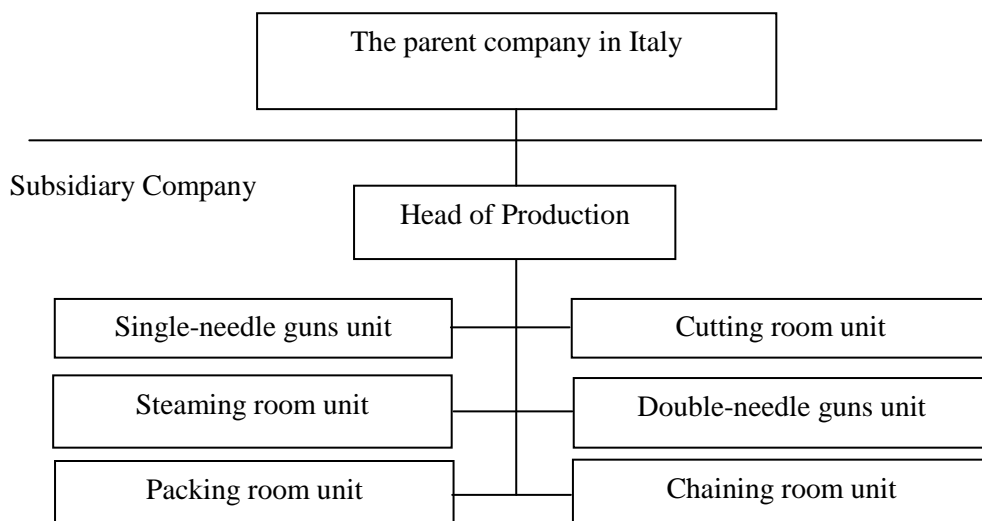
During the examination of profit and its impact on the development of foreign trade companies, we used qualitative and quantitative methods such are the analysis, comparison, Strong, Weak, Opportunities and Threats (SWOT) analyse as well as financial and economic analysis. We compared the company with three other companies to find out competitive position, in which it is located. Through financial and economic analysis, we found values of indicators such as liquidity, inventory turnover in respect of Sales and in terms of Costs, Time of Collection of receivables, repayment obligations in relation to sales and in terms of costs, turnover time of total assets and total turnover property. Based on the observed values for the parameters, we recommend further measures for sustainable development of company.

Information on Business Owners and Organizational Structure

The structure shareholder is simple. The company TRADING SpA ITALY has 100% of the share capital. The parent company is based in Italy. It was founded early sixties 20 century. It created their own line of men's and

women's knitted goods exported to European and American markets in 1967. The company TRADING SpA ITALY specializes in high quality knitwear leading internationally recognized brands. In its fixed assets has different equipment, thus producing confection products. It also specializes in knitting. We illustrated organizational structure of the company in Figure 1. It is basically a divisional structure. Relationships and responsibilities are clearly defined in it.

Figure 1. Organizational Structure



Source: own processing

Analyses of the Company

Company Assets and Machinery

The company CESENA Košice Ltd. owns properties (e.g. apartment, land), furniture (separate movable assets and sets of movable assets). The company is housed in rented premises with a total area of 1 823 m². The Company also owns a luxury apartment which is situated in the centre of Košice city in an apartment building on Hlavná ulica (English: Main Street). The apartment is occasionally used by executive representative of the company. The ownership of the property is also linked to co-ownership of the shared areas and common facilities and home-ownership to land at a rate of 648/10000. The total area of floor space is 109.92 square meters. Annual operating costs associated with the use of the apartment is 2 040,- EURO. The market price of this apartment is around 210 000,- EURO. Company assets are reported in Table 3 in rear part of the article.

The Economic Results of the Company

The economic results of the last completed year we reported on the balance sheet in Table 4. in rear part of the article. In Table 5 in rear part of the article we presented Income Statement for the months of October, November and December of that year, which will be refunded to the account of the company until the following year. Company for its business use two accounts in the bank TATRABANKA, a.s. One of them is driven by the social fund. Prepaid expenses are expenses that the company made in the current year, but relate to the following year. These are regular fees for telecom services, software support the accounting program and an adequate portion of of property insurance fee. On the liabilities side are legal provisions for unused vacation and liabilities. Current liabilities represent outstanding invoices to suppliers, wages and in December of that year and of Arrears Bill. Long-term liabilities consists Social Fund and long-term loan from the shareholder. The company creates Social Fund each month in the amount of 0.6% of the aggregate gross wages and draws on the purchase of mineral water during the hot summer days and the provision of meals in the form of food stamps at 6,- EURO for a luncheon ticket.

Of this balance can be expressed immediate liquidity for individual years. This in 2012 was 0.10, in 2011 reached 0.11 in 2010, the value of 0.12, in 2009, 0.15 in 2008 was 0.09. Cash ratio represents the ability to quickly convert assets into cash. The ideal situation would occur if it is equal to 1. The conclusion of the analysis is that the company does not have sufficient funds to cover its short-term debts.

Income statement (see Table 4.) constitutes the sale of products and services. At CESENA Košice Ltd. are mainly sales services it provides to the parent company only services. Consumption of materials, energy and other supplies, the cost of energy consumed, Water, Steam, Office Supplies, and other small Electrical Installation material. Services are interpreting costs, consulting, leasing, Security Service, Outdoor Lighting, and Maintenance, inspection of Elevators, Transport, Telephone, Health and Safety Services, and Payroll Processing and Shipping. Labour costs represent a minimum wage and remuneration determined on the basis of quality, quantity and attendance workers.

Indicator of turnover of stocks in relation to sales in 2012 was 5 days, which was caused by a fall in the value of inventories. Stock level since 2008 declined gradually from a value of 15 203,- EURO to 12 903,- EURO, then 6 775,- EURO. In 2011 it was 6514,- EURO and in 2012 it decreased to 6 457,- EURO. Inventory turnover in relation to the cost gradually declined and in 2012 was 4 days.

Time of collection of receivables by comparison contrary rose. This indicator tells about how many days it takes cashing services invoiced. The company took in 2012 to 7 days, until levied by payment of invoiced services.

When comparing the 2011 and 2012 repayment obligations in relation to sales rose to 121 days, but compared to 2010, representing a decrease of 112 days. This indicator quantifies the duration from the time of payment of the

obligation. The company CESENA Košice Ltd. by comparing the time of collection of receivables and payables, during the time periods examined previously collected the debts as paid its obligations.

One turnover of the company assets in 2012 lasted 74 days. Indicator turnover total assets reached a peak in 2008, representing that the 1,- EURO total assets of the company has produced 6, - EURO of revenues.

The Evaluation Company by Internal and External Analysis

CESENA Košice Ltd. products are made such semi-manufactured top men's knitted outerwear with numbering code under the Custom Tariff 61103091, 61051000, namely:

- men's sweaters,
- men's pullovers,
- men's shirts,
- men's polo shirts.

Summer production of CESENA Košice Ltd. semi-manufactured process begins in November and ends in March of the following year, so that during the summer months it was available in Italy. Winter production started up in late March and April and the last seasonal shipment of them to Italy take place around 20 September and early October.

The company CESENA Košice Ltd. in 2008 sold totally 110 877 units. In 2009 it shipped 96 358 and in 2010 company exported 86 180 units, a decrease of 24 697 units compared to 2008 and a decrease of 10 178 units compared to 2009. In 2011, it exported 81 234, and in 2012 only 78 478 pieces of clothing. Compared to 2008, in 2012 the exports declined in of 32 396 pieces of clothing. We explore these data in Table 3.

Table 3. *Numbers of Sold Units*

Year	2008	2009	2010	2011	2012
Sold units	110 877	96 358	86 180	81 234	78 478
Decline by comparison 2008	-	14 519	24 697	29 643	32 396
Decline by comparison 2009	-	-	10 178	15 124	17 880
Decline by comparison 2010	-	-	-	4 964	7 702
Decline by comparison 2011	-	-	-	-	2 756

Source: own processing

Price reflects the value of the service offered, which in the case of CESENA intended Parent Company in Italy. The company CESENA Košice Ltd. fixed price by the contract, which forms an integral attachment to works contracts No. 1 from 1 January 2001, as subsequently amended. The average price for one piece of outerwear men's clothing, for which the company CESENA Košice Ltd sold it in 2008, was €5.23. In 2009, the price dropped by 7.30% to €4.85 and in 2010 increased by 18.35% over the previous year to

€5.74 per piece. In 2011 the price was €5.79 per piece, and in 2012 it was €5.83 per piece.

Year 2009 was generally assessed as economically very poor. The situation in enterprises of textile and clothing industry in Slovakia was critical. Due to adverse economic developments three strategic companies of Textiles and Clothing in Slovakia Makyta Púchov Ltd, Chemlon Humenné, and Kežmarská spoločnosť Tatral'an Ltd. in bulk released their employees.

Sales of the company's CESENA Košice Ltd is made as simple knit tops men's clothing is sold exclusively parent company in Italy through carrier - KM Autodoprava. Company CESENA Košice Ltd. doesn't use an advertising essentially. However, the company can be found on the website through professional search engine WLW (2011, online), which in 2009 became a member of the international Group Bisnode. It is one of Europe's leading providers of B2B information. The company CESENA Košice Ltd. employs since 31 December 2010 permanent staff only. Employees are classified as:

- Production workers (some of them are Operational Supervisors – Masters),
- Workers in the warehouse and
- Clerks.

The average number of employees in 2012 was 57. We found out that foresees a further reduction of the number of employees expected in 2013 the company becomes soon a small businesses. In 2011 the company employed 63 people. In 2010 the number of employees was 65. From 2010 annual decline of the number of employees was lower compared with the significant decrease of 25 employees in 2009 and up to 33 employees compared with 2008. Employees are mostly people with secondary education. The company CESENA Kosice Ltd. along with parent company have prepared a cooperation agreement for the loan of an employee who acts as the responsible official Outfitter Department and Quality Control of CESENA Košice Ltd. This agreement is signed for an indefinite period and the company undertakes to obtain all documents required to obtain authorization for their stay in the territory of Slovakia. Travel Costs, Accommodation Costs and Benefit Costs (Telephone, Fuel) associated with worker residing in the territory of the Slovak Republic are covered by the Parent Company.

The company CESENA Kosice Ltd. paid in 2012 in wages 337549 EURO (monthly average €512.75). In 2011 the wages were 368216 EURO (€481.59 a month average). Employees in 2010 obtain from the company 347577 EURO. An average monthly wage per employee was €451.98. In 2009 there were total wages 438 702 EURO. Per employee it was on average €438.08 per month and in 2008 the company issued a total payment of 463586 EURO. An employed person earned average monthly salary €425.05.

Set of tangible fixed assets (office equipment) company is insured against damage caused by natural disaster and water damage from plumbing

installations up to 6 000, - EURO while the insured sewing machines up to 298 000, - EURO in insurance company UNION.

Knit and packaging material (for example, thread, wool, zippers, buttons, number size, composition) provides the parent company from Italy. Company CESENA Kosice Ltd. processed and send number of semi-manufactured cloths. Mothers company send back a truck with its subsidiary for the equal number of products. The company CESENA Košice Ltd. this leads to material off-balance sheet accounts 759 and 799, it is called inward processing. This material the company has also insured against damage caused by natural disaster and water damage from plumbing installations.

The external environment consists of living as well as working conditions, income, education and community. Competitive environment implies a more flexible and better meet the needs of customers than its competitors. Slovak textile industry is able to resist the Asian competition through higher quality, flexibility and reliability of supply. Slovak companies struggle with fierce competition focusing on logistics.

When comparing selected parameters, we examined the competitive position of companies that do business for their Parent Companies like the company CESENA Košice Ltd. The business is a product for the treatment of parent companies with products intended for export to foreign markets. Strong competitor to the company is company of Peter Babinec. Its size within competitors is the smallest, but it produces a wide range of products for the German market. The second competitor is a company Raul Produktion Ltd., which has the second highest number of employees. It has the widest range of knitted garments and accessories that are directed mainly to the Italian market. We recommend to Company CESENA Košice Ltd. better capacity utilization and investment to expand through product mix and innovation.

In addition to the exclusive supplier of raw materials and semi-finished products, which is the parent company, the company has entered into contracts with other suppliers providing services, including:

- Inspection contract – monthly cost €271.06.
- Agreement on providing personal service – monthly cost 500,- EURO.
- Contracts for transport – cost per trip 625,- EURO.
- Service Agreement Security and Health Protection in work and Fire Protection – monthly cost 70,- EURO.
- Terms of service provision – monthly cost 800, - EURO.
- Treaty sublease – monthly cost €8346.66.

Findings of the SWOT Analyse

Assessment of strengths and weaknesses, opportunities and threats of the company, we came to the result that:

The strength of CESENA Košice Ltd. competition is the high quality of its products. It is achieved by constantly monitoring the production quality head of clothing. The quality of the material supplied by the parent company also has the expertise and skill of staff of each department and experienced managers.

The weakness of CESENA Košice Ltd. is an inefficient production due to low capacity utilization. The company is too dependent on its parent company. The parent company limits and determines the width and quantity of production. The company is focused only on men's clothing knitted tops. Company lacks development department, which could come to market with a new range of products. The principal weaknesses include a lack of new partners, whether domestic or foreign markets, which could also provide fabrication services products in the months when the company is forced to pay their employees in Holidays or Public Holidays. It is a month of transition from Summer to Winter production and vice versa.

Opportunity given to all entrepreneurs was the enlargement of the EU. Abolition of trade barriers opened smooth export to new countries. Unfortunately strong influence from the Mother Company who controls all of the trade processes. Another opportunity is the geographical proximity of the countries, which could be an advantage in case that company CESENA Košice received more space for its own market activities in such territory.

Threat for the textile and garment industry is strong competition pressure Asian manufacturers. Risk to company may be worsening macroeconomic situation, leading to a reduction in the purchasing power of the population. Some risk is transporting goods over long distances. Although the company CESENA Kosice Ltd. is insured against it this risk is associated with the carriage risk of rising fuel prices, and the introduction of tolls.

The findings showed that the company CESENA Košice Ltd. is governing by alliance strategy. We may say that within the Company there are more weaknesses than strengths. The good thing is that the company is located in an attractive industry and the overall environment. Space in the market for textile products is under the influence of strong competition from Asian countries from year to year and lower position in the sector in relation to the crucial competition will continue to deteriorate. The strategy of CESENA Košice Ltd. should lie in the expansion of the business in order to survive in the market.

Results & Discussion

The main effort of CESENA Košice Ltd. should be aimed at increasing business. It is a recommended plan to establish a knitter. Improving the company promotion recommended except to update the web site also through action:

- Between 2013 and 2014 creating the image of the completion of a segment of customers and building new channels of communication with them.

- In 2015 and continue to specify the segment customers and to build it in order to maintain your position in the market.

Draft a business plan objectives for the company:

- Raise the standard of living of workers.
- The production possibilities expand construction knitter,
- Begin creating a new image of the company.
- Achieved independent status in the business activity of the parent company in order expansion.
- Solve the unstable financial situation and ensure the smooth running of the company in particular by extending knitting production.

The proposal aims to customers:

- Respond flexibly to customer requirements and offer a solution acceptable for both the company as well as for the customer in the spirit of the phenomenon of “customer driven company”.
- Expand the range of products and services (establishment knitter).
- Improve the quality of service, price advantage for regular clients and bonuses for larger orders.

The proposal aims in relation to employees:

- Create a qualified, accommodating and friendly team of people.
- Motivate translate into better performance (eg remuneration, corporate events, holiday trips).
- Reward for the good work results.
- Employee discounts.
- Staff development and career (long-term oriented activities to build potential talent and training of selected employees for future positions within the organization).

The proposal aims in relation to society:

- Achieve a stable position in the market.
- Obtain additional funding (after the onset knitter).
- Ensure good relationships with supplier firms.
- Expand the network of partners with high capacities from sampling.
- Regularly updated information on the website of the company.
- Improve company image, increase the level of management, to improve relations between management and employees and employees with each other to create value scale incentives (corporate identity).

Draft Description of Services and Production Process

Creating of knitting production would entail the provision of services to the parent company. This would be catered packaging materials (yarns and threads evaporation). Service would be provided under the Protocol to the execution of works No. 1 of 1 January 2001 which has concluded a subsidiary of the parent company. Production process by the company CESENA Košice Ltd. already started initial knitting. Production manager, who is of Italian parent company, has knowledge of textile production, but also on knitting production since worked in Italy for the position of manager knitting production. He was responsible for the planning of production, for control of the production process, for permission to launch the work and final inspection. Training of 4 employees on knitting machines in the months of September, October and November will be conducted by Production Manager along with Management.

Proposal for Planning of Investments

For the construction of knitter is appropriate to prepare a supplement to the Treaty on the sublease to 810 m², which is necessary to place two knitting machines, one supplementary machine and create additional storage. Available area is in the vicinity of CESENA Košice Ltd. The cost of renting of 1823 m² according to price at the end of 2012 would be €34181.25 representing a rent price €1.5625 per m² per month. Enhanced leased space 810 m² would be in the profit and loss account showed a monthly increase of €1265.63. Advances of energy will be increased by €150. Conclusion of the lease of available machines between subsidiary and the parent company should be 2 step construction knitters. This would be hiring, so not at the expense related to depreciation of fixed assets. Price for hiring would be reflected in the price of services for knitting. Knitting operated by 4 workers of clothing. One of them would be responsible for store thread and operated by three operators knitting machines in three-shift operation. Wage compensation for night work under § 123 of the Labour Code, an employee for each hour of night work gets Surcharge for Night work of at least 20% of the minimum wage. From 1 January 2012 average hourly minimum wage is €1.88. For the company the monthly payroll costs, including charges should increase by 90,- EURO.

We suggest for knitting fabric a price of €2. A knitting machine STOLL CMS 311 TC-L in one day or for three sifts operation ribbed knit to complete 70 units of products. Complete product consists of front, back and sleeves. Additional machine would work every other day, as a day knit collar 200 pieces. The average company CESENA Košice Ltd. could be a month to two knitting machines to knit prepare 2916 pieces of products, representing an increase of income per month of 5 832,- EURO at the proposed price.

Conclusion

In this paper we evaluate the results of business strategies and propose solutions and recommendations to the Business Plan. Changes in the Business Plan were to revive the company. Examining financial goals, we focused on the calculation of liquidity, inventory turnover time in relation to sales and in relation to the costs for collection of claims for repayment commitments in relation to sales and in respect of costs, turnover period total assets and total assets turnover.

The company CESENA Košice Ltd. carries on business under SK NACE 14390 Manufacture of other knitted and crocheted apparel. Recommendation for the construction knitter is supported by the fact that there aren't necessary administrative steps related to business expansion. Create a knitter unit will lead to better utilization of production capacity and reduce downtime in the months of September, October and November, when the company produces semi-manufactured pieces and less fully exploited its human resources.

In the discussion, we propose the main steps in establishing a knitter unit, costs and revenues associated with it. The parent company would consider the possibility to expand distribution of Košice branch, which would be significantly reflected in the figures in the income statement.

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Table 3. Property of the Company

Account	Name	Acquisition costs	Accumulated Depreciation	Depreciation of	Residual value
013	Software	750.45	750.45		0.00
021	Apartment in the centre of Košice city	34 358.62	8 659.91	97.40	25 698.71
021	double leaf gate	1 327.76	382.78	3.80	944.98
021	Gypsum partition	9 950.00	51,60	25,80	9 898.40
021	Electrical lighting	18 757.05	5 854,74	53,20	12 902.31
021	TOTAL	64 393.43	14 949.03	180.20	49 444.40
022	Sewing machine PFAFF 9 pieces	8 498.62	8 498.62		0.00
022	Sewing machine RIMOLDI 12 pieces	22 691.34	22 299.74	11.30	391.60
022	Chaining machines E 15 pieces	13 591.52	12 659.51	22.20	932.01
022	Chaining machines C 16 pieces	24 531.03	18 176.02	329.53	6 355.01
022	Chaining machines U 2 pieces	4 782.67	4 167.98	39.30	614.69
022	Buttoning machine REECE	1 500.56	1 500.56		0.00
022	Marker holes	675.26	675.26		0.00
022	Over loving machine 11 pieces	8 628.29	8 628.29		0.00
022	Ironing machines 3 pieces	3 226.22	3 226.22		0.00
022	Steaming machines 6 pieces	7 025.70	3 597.30	107.60	3 428.40
022	Cleaning pistol	1 764.99	1 764.99		0.00
022	Machine with cover stitch	675.26	675.26		0.00
022	Forklift	2 174.47	2 174.47		0.00
022	Handsaw 2 pieces	3 625.93	3 625.93		0,00
022	Over winding machine	788.51	788.51		0.00
022	Condensation dryer	1 143.91	645.79	17.50	498.12
022	Copier MINOLTA	660.00	96.60	13.80	563.40
022	Washing Machine 2 pieces	33 776.62	33 776.62		0.00
022	Dryer 2 pieces	20 708.74	20 708.74		0.00

022	Centrifuge	9 529,80	9 529,80		0,00
022	TOTAL	169 999.44	157 216.21	541.23	12 783.23
024	Kitchen set 2 completes	3 466.81	3 466.81		0.00
028	Table lamp 30 pieces	1 753.04	1 753.04		0.00
028	Electric shears 3 pieces	1 868.87	1 868.87		0.00
028	Fan 2 pieces	48.52	48.52		0.00
028	Truck - a small white 10 pieces	1 659,70	1 659,70		0,00
028	TOTAL	5 226,57	5 226,57		0.00
031	Land	11 060.21	11 060.21		11 060.21

Source: own processing based on the accounts of a company

Table 4. Balance sheet as at the end of the examine years

Page ASSETS	Line No	2012 net	2011 net	2010 net	2009 net	2008 net
TOTAL ASSETS	001	111457	111524	111 910	104 665	110 038
Fixed assets	002	76847	72467	73288	68160	80960
Intangible assets	003	0	0	0	0	0
Software	006	0	0	0	0	0
Property and equipment	012	76847	72467	73288	68160	80960
Grounds	013	11060	11060	11060	11060	11054
Buildings	014	49445	49445	49445	41399	43251
Separate movable	015	12854	12854	12783	15701	26655
Other tangible fixed assets	018	0	0	0	0	0
Current assets	031	41458	39758	38448	36264	28680
Resources	032	6457	6514	6775	12903	15203
Material	033	110	102	90	84	67
Work in progress	034	6785	7865	6685	12819	15136
Short-term receivables	047	11841	10476	9578	8348	6407
Trade receivables	048	1746	2547	1551	24	14
Tax assets and subsidies	053	7045	8012	8027	8324	6407
Financial accounts	055	24521	21458	22095	15013	7070
money	056	429	452	470	241	431
Bank accounts	057	24092	21006	21625	14772	6639
Accruals	064	213	198	174	241	398
Prepaid expenses	063	198	189	174	241	398
LIABILITY SIDE	číslo riadku	rok 2012 netto	rok 2012 netto	rok 2010 netto	rok 2009 netto	rok 2008 netto
EQUITY AND LIABILITIES	066	114259	113574	111910	104665	110038
Equity	067	-192564	-187249	-178644	-392694	-252738
Share capital	068	6639	6639	6639	6639	6639
Share capital	069	6639	6639	6639	6639	6639
Retained earnings	080	332	332	332	332	332
The statutory reserve	081	332	332	332	332	332

fund						
Profit for the period	087	-199535	-194200	-185 615	-399 665	-259 709
Responsibilities	088	301258	298745	290554	497359	362776
Provisions	089	4015	3578	3015	8516	5045
Legal reserves short	091	4015	3578	3015	8516	5045
Long-term liabilities	094	112456	108795	107030	389417	277302
Social fund liabilities	102	5798	6257	6906	6086	5112
Other long-term liabilities	103	124574	109472	100124	383331	272190
Current liabilities	105	198457	187579	180509	99426	80429
Trade payables	106	132478	135897	147810	46794	23767
Unbilled	107	2748	3587	1171	5652	4714
Liabilities to employees	111	18745	19742	20143	31675	32264
Social insurance liabilities	112	10457	11478	11339	14135	18954
Tax liabilities and subsidies	113	145	187	46	1170	730

Source: own processing based on the accounts of a company

Table 5. Income Statement at the end of examine years

Indicators	Line No	2012	2011	2010	2009	2008
Revenue from sale of goods	01	29	30	30	24	
Gross margin	03	29	30	30	24	
Production	04	421245	468754	488357	464864	587366
Revenues from sales of products and services	05	429875	465784	494491	467167	580130
Changes in inventory	06	-5874	-5148	-6134	-2303	7236
Consumables	08	144789	162457	187027	208346	211677
Material and energy consumption	09	45789	44875	43944	54238	52181
Service	10	148754	144783	143083	154108	159496
Added value	11	282460	290479	301360	256542	375689
Personal expenses	12	438748	465876	511524	635024	649505
Wages and salaries	13	337549	368216	347577	438702	463586
Social security costs	15	94632	108459	118033	145511	156509
The social cost	16	38892	41782	45914	50811	29410
Taxes and fees	17	175	183	207	164	33
Depreciation and impairment losses	18	7285	7532	8239	18491	20647
Sales of fixed assets and material	19	29781	31587	33600		6008
Net book value of fixed assets and material	20	131	149	19		3651
Other operating income	22	787	875	1413		
Other costs of operations	23	34	45		10	
Profit from operations	26	-161546	-179746	-183616	-397147	-292139
Interest income	38	21	20	16	20	33

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Foreign exchange gains	40	0	0	7	0	39 567
Foreign exchange losses	41	0	0	5	10	4 448
Other financial activities	43			2019	2524	2722
Profit from financial activities	46	-1867	-1987	-1996	-2514	32430
Profit from ordinary activities before tax	47	185421	189423	-185612	-399661	-259709
Income tax on ordinary activities	48	6	6	3	4	
Profit on ordinary activities after taxation	51	-182586	-189457	-185615	-399665	-259709
Profit for the period	59	-182580	-189451	-185612	-399661	-259709

Source: own processing based on the accounts of a company