

ASSESSMENT OF FINANCIAL STABILITY OF PJSC “DNEPRAZOT”

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In the current volatile economic situation in the country, there is a need in perfect studies of the financial condition of the company, one of the main elements of which is the analysis of financial stability. Financial stability is one of the main conditions for the development of life, the foundation of a stable condition, and ensuring a high level of competitiveness of any enterprise.

Therefore, a very relevant issue is the definition of indicators that allow assessing the financial sustainability of the enterprise, which is among the ten leading enterprises of chemical and petrochemical industry of Ukraine – PJSC “DNEPRAZOT”.

Despite numerous studies, there is no established methodology for determining the financial stability of enterprises, although most of the existing methods of assessment of financial stability, it all comes down to the definition of absolute and relative indicators of sustainability.

The main goal of this work is that based on existing methods for determining the financial status of enterprises to make calculations for the assessment of financial stability of one of the largest enterprises of chemical industry of Ukraine – PJSC “DNEPRAZOT” and to investigate the changes of financial stability in the period of 2013–2015 years.

Financial stability (stability) is one of the most important characteristics of the financial condition of the company.

After these calculations, we can draw the following conclusions:

– at the end of the 2013–2015 years, the autonomy ratio of PJSC “DNEPRAZOT” has a low value, below the standard; values of the indicators of financial dependence and autonomy shows that the company has a high level of dependence on borrowed sources of financing;

– performance agility is within the standard value at the end of 2013 and 2015 year, so it has a satisfactory value;

– the values of indicators of current and long-term commitments indicate a high proportion of current liabilities, namely, the satisfactory structure of borrowed capital of PJSC “DNEPRAZOT”;

– PJSC “DNEPRAZOT” low level of sufficiency of own working capital at the end of 2013 and 2015 year own capital is insufficient to cover even the fixed assets at the end of the 2014 year;

– the values of indicators of financing and financial sustainability show a low financial sustainability of the enterprise during the analysed period.

It is advisable to consider the multi-level scheme of a covering of stocks and costs in order to determine the absolute indicators of financial stability. To the extent of coverage and cost, determine the availability of sources for their formation.

There are four types of financial stability: absolute stability of a financial condition, normal resistance, precarious financial condition, the crisis of the financial state.

After the analysis, it is found that PJSC “DNEPRAZOT” acute lack of working capital throughout the study period, and the lack of long-term sources of funding as at the end of the 2014–2015 years.

On the basis of the study, there is made an analysis of the financial sustainability of the chemical enterprise of PJSC “DNEPRAZOT”. During the research period of 2013–2015, the Company has low financial stability and high level of dependence on borrowed sources of funding. There is a low level of

sufficiency of own working capital at the end of 2013 and 2015 year, while at the end of the 2014 year, own capital is insufficient to cover even non-current assets. Despite this, PJSC “DNEPRAZOT” is a satisfactory structure of borrowed capital (a high proportion of current liabilities), increased manoeuvrability has a reasonable value and within the normal. Financial stability of PJSC “DNEPRAZOT” deteriorated from normal at the end of the 2013 year to unstable financial condition at the end of the 2014–2015 years.