



**THE REPUBLIC OF SERBIA
SERBIAN BUSINESS REGISTERS AGENCY
REGISTER OF FINANCIAL STATEMENTS**

As per request of Entrepreneur BON 1323/20__ dated 18.06.20__, Serbian Business Registers Agency - Register of Financial Statements issues

**FULL SOLVENCY REPORT OF INDICATORS
FOR SOLVENCY EVALUATION
BON-1**

**Entrepreneur
City X, Street X**

The legal representative, the managing authority, the supervisory body of the legal entity in accordance with the law and the person responsible for bookkeeping and preparation of financial statements, as well as entrepreneur are responsible for true and fair presentation of financial position and performance of business of legal entity or entrepreneur.

The Business Registers Agency is responsible for identity with original data and for the consistent implementation of the Methodology for specifying data on solvency of enterprises, cooperatives, institutions and entrepreneurs and providing grades on solvency of enterprises.

User is not allowed to announce the issued document in its' original form, unless the document refers to that user.

Document is valid without the seal and the signature

SOLVENCY REPORT OF ENTREPRENEURS

FULL SOLVENCY REPORT OF INDICATORS FOR SOLVENCY EVALUATION

PART ONE - BASIC DATA *

1. Identification Data			
Basic identification number	1)		12345678
Tax identification number	2)		123456789
Business name	1)		Entrepreneur
Abbreviated business name	1)		Entrepreneur
Head office	1)		City X, Street X
2. Incorporation Data			
Year of incorporation	1)		2001
3. Predominant Activity Data**			
Activity code	1)	1051-Operation of dairies and cheese making	
Field of activity	1)	10-Manufacture of food products	
Sector	1)	C-PROCESSING INDUSTRY	
4. Size of Entrepreneur Data***			
Size of entrepreneur	3)		Small
5. Number of Employees			
Average number of employees at the end of the month	3)	t-2	t-1
		134	135
		143	143
6. Number of banks in which the entrepreneur has open accounts			
RSD accounts with banks (up to 3)	4)		1
Bank X		999-0000000000999-99	
Foreign currency accounts with banks (up to 3)			
Bank X		999-0000000000989-97	
7. Information about Founders			
Name and surname	1)	First Name A Last Name A	

Sources of data : 1) Serbian Business Registers Agency - Business Entities Register

2) Tax Administration

3) Serbian Business Registers Agency - Register of Financial Statements

4) National Bank of Serbia - Unique Accounts Register

* The latest up to date position

** Law on classification of activities , Legal Act on classification of activities

*** Accounting Law

PART TWO - SOLVENCY EVALUATION INDICATORS

- percentage is shown with one decimal point

- coefficients are shown with two decimal points

No.	Indicator Name	Indicator Level*	Years ¹⁾			Indicator Description
			t-2	t-1	t	
I FINANCIAL POSITION INDICATORS						
1. Assets Quality Ratios						
1	1.1. Fixed Asset Intensity	individual	63,3	65,6	60,2	Share of fixed assets in operating assets. Determined by industry. Indicates the degree of long-term assets that requires optimally financing by own or long-term borrowed funds.
		field average	39,6	35,5	35,6	
		sector average	36,2	34,4	34,3	
		total average	27,9	27,9	28,7	
2	1.2. Investment Intensity	individual	0,0	0,0	0,0	Share of long term financial investments in operating assets. Indicates the degree of long-term assets easily convertible into cash.
		field average	0,2	0,0	0,6	
		sector average	0,3	0,5	0,6	
		total average	0,3	0,3	0,4	
3	1.3. Current Asset Intensity	individual	36,7	34,4	39,8	Share of current assets in operating assets. Determined by industry; also liquidity indicator of entrepreneur.
		field average	60,0	62,1	61,7	
		sector average	63,3	64,1	64,2	
		total average	71,6	71,2	70,4	
4	1.4. Fixed Assets Write-off Rate	individual	13,2	9,9	10,0	Average fixed assets annual write-off rate. Its difference from standard level indicates presence of latent reserves or hidden losses.
		field average	9,1	8,9	8,5	
		sector average	9,5	9,5	9,2	
		total average	10,0	9,9	9,5	
5	1.5. Depreciation Expenses to Sales Ratio	individual	2,4	1,8	1,8	It refers to the use efficiency of engaged assets. A high value indicates an aggressive investment policy, while low value indicates the obsolescence of assets and restraint investment.
		field average	1,6	1,4	1,4	
		sector average	2,1	1,9	1,9	
		total average	1,3	1,3	1,3	
2. Activity Ratios						
6	2.1. Fixed Asset Turnover Ratio	individual	5,61	5,34	5,69	Shows amount of dinar investments in fixed assets that results in one dinar of sales. Its value indicates the degree of capacity utilization and can show their excessive size or insufficient equipment.
		field average	5,68	6,27	6,09	
		sector average	4,61	4,91	4,74	
		total average	7,97	7,73	7,27	
7	2.2. Total Asset Turnover Ratio	individual	3,52	3,44	3,58	Shows number of total assets turnover in a year. The value of inverse ratio shows single turnover period. Broadest indicator of business efficiency. Turnover slowdown indicates financial difficulties.
		field average	2,25	2,35	2,16	
		sector average	1,64	1,71	1,62	
		total average	2,21	2,16	2,06	
8	2.3. Receivables Turnover Ratio	individual	31,49	27,04	23,72	Indicates the collection speed of trade receivables.
		field average	9,65	10,21	9,10	
		sector average	7,05	7,76	7,35	
		total average	10,49	10,82	10,51	

Register of Financial Statements

No.	Indicator Name	Indicator Level*	Years ¹⁾			Indicator Description
			t-2	t-1	t	
9	2.4. Days Sales Outstanding (No. of days)	individual	12	13	15	Shows average period for the collection of trade receivables.
		field average	38	36	40	
		sector average	52	47	50	
		total average	35	34	35	
10	2.5. Inventory Turnover Ratio	individual	27,72	27,38	26,95	Provides information on the speed of inventory turnover.
		field average	7,65	8,36	7,60	
		sector average	4,46	4,63	4,41	
		total average	5,13	5,06	4,90	
11	2.6. Days Inventory Outstanding (No. of days)	individual	13	13	14	Shows average period of holding inventories and how efficient inventories are used.
		field average	48	44	48	
		sector average	82	79	83	
		total average	71	72	74	
12	2.7. Payables Turnover Ratio	individual	12,11	13,06	12,54	Indicates the speed of settlement of trade payables. Coverage of inventories by net working capital should correspond to receivables turnover settlement period. Varying trends for these two indicators show insufficient or excessive liquidity.
		field average	5,97	6,44	6,01	
		sector average	4,20	4,59	4,42	
		total average	5,06	5,17	5,10	
13	2.8. Days Payables Outstanding (No. of days)	individual	30	28	29	Shows average period of crediting of trade payables.
		field average	61	57	61	
		sector average	87	80	83	
		total average	72	71	72	
3. Capital Structure Ratios						
14	3.1. Equity Ratio	individual	27,1	32,0	27,6	Shows percentage of equity in total capital (own and borrowed capital). Its level is determined by a need for financing by own funds, as well as by justification of the use of borrowed capital.
		field average	33,7	30,5	30,0	
		sector average	33,2	32,2	32,5	
		total average	27,9	28,6	29,4	
15	3.2. Debt Ratio	individual	72,9	68,0	72,4	Shows percentage of borrowed capital in total capital (own and borrowed capital). The importance of rate is correlated with the need of own financing of fixed assets, justification of the use of borrowed capital and creditor protection.
		field average	66,3	69,5	70,0	
		sector average	66,8	67,8	67,5	
		total average	72,1	71,4	70,6	
16	3.3. Debt to Equity Ratio	individual	2,69	2,13	2,62	Shows the engagement of borrowed capital for every dinar of equity, which is particularly important in case of low profitability and increased operating risk. High value indicates high dependence on creditors.
		field average	1,97	2,28	2,33	
		sector average	2,01	2,11	2,08	
		total average	2,59	2,50	2,40	
4. Liquidity Ratios						
17	4.1. Equity to Permanent Assets Ratio	individual	0,43	0,49	0,46	Shows coverage of permanent assets by equity. As a rule its value should be about 1. It indicates the compliance of investments and way of financing.
		field average	0,84	0,80	0,79	
		sector average	0,91	0,90	0,91	
		total average	0,98	0,99	1,00	

No.	Indicator Name	Indicator Level*	Years ¹⁾			Indicator Description
			t-2	t-1	t	
18	4.2. Equity and Long-term Debt to Permanent Assets Ratio	individual	0,68	0,66	0,74	Shows coverage of permanent assets by equity and long-term liabilities. Slight deviation from 1 is tolerated, which indicates the ability of borrowed funds to be repaid without endangering liquidity.
		field average	1,13	1,18	1,20	
		sector average	1,15	1,18	1,23	
		total average	1,25	1,29	1,33	
19	4.3. Equity and Long-term Debt to Permanent Assets and Inventories Ratio	individual	0,59	0,57	0,62	Shows coverage of permanent assets and inventories with equity and long-term borrowed capital.
		field average	0,72	0,71	0,76	
		sector average	0,65	0,65	0,69	
20	4.4. Net Working Capital (in thousands of dinars)	individual	-27.844	-30.323	-22.887	Part of long term capital which is used for financing current assets. In normal conditions tends towards equality with inventories. Lower net working capital levels means that the turnover of current assets is faster than that of current liabilities.
		field	715.308	1.098.613	1.372.186	
		sector	2.185.837	2.746.835	3.827.651	
		total	7.593.663	9.907.561	13.039.850	
21	4.5. Net Working Capital to Inventories	individual	-213,1	-209,3	-144,1	Shows percent of inventories coverage by net working capital. As a rule it should be approximately 100. Less value means that turnover of current liabilities is slower than turnover of current assets.
		field average	21,9	27,3	34,7	
		sector average	20,1	22,3	29,1	
		total average	20,9	24,9	30,4	
22	4.6. Net Working Capital to Current Assets	individual	-55,2	-65,3	-39,8	Shows percent of current assets coverage by net working capital. Higher rate indicates greater ability to maintain liquidity.
		field average	8,3	11,0	12,6	
		sector average	8,9	10,3	12,9	
		total average	9,9	11,8	13,9	
23	4.7. Current Ratio	individual	0,64	0,60	0,72	Shows coverage of current liabilities by current assets. Normally it tends to 2, especially if inventories are covered by net working capital.
		field average	1,09	1,12	1,14	
		sector average	1,10	1,11	1,15	
		total average	1,11	1,13	1,16	
24	4.8. Quick Ratio (Acid Test)	individual	0,48	0,42	0,52	Shows coverage of current liabilities by cash, marketable securities and short-term receivables. Defining normal value is correlated with short-term liabilities turnover rate.
		field average	0,67	0,67	0,73	
		sector average	0,61	0,60	0,64	
		total average	0,59	0,60	0,63	
25	4.9. Cash Ratio	individual	0,04	0,08	0,14	Shows coverage of current liabilities by cash and marketable securities. Its level indicates ability to settle short-term liabilities; it correlates with short-term liabilities turnover rate.
		field average	0,10	0,10	0,12	
		sector average	0,11	0,11	0,13	
		total average	0,15	0,16	0,18	
26	4.10. Debt to Cash Flow	individual	4,45	4,46	11,59	Number of annual cash flows needed to repay liabilities. Value of 3-5 is considered tolerable.
		field average	7,00	8,70	8,42	
		sector average	6,99	7,97	7,87	
		total average	7,64	7,63	7,41	
27	4.11. Cash Flow (in thousands of dinars)	individual	22.484	20.617	9.021	Shows cash available for refinancing, additional investments and debt repayment. Investing through cash flow is permissible in case of excessive liquidity.

No.	Indicator Name	Indicator Level*	Years ¹⁾			Indicator Description
			t-2	t-1	t	
II PROFITABILITY RATIOS						
28	1. Return on Equity (ROE) before Tax	individual	37,5	30,7	0,8	Indicates earning power of equity before tax. Can be compared with projected and average rate in industry, sector or total levels.
		field average	21,1	19,4	22,2	
		sector average	23,6	21,4	22,3	
		total average	35,6	35,6	36,5	
29	2. Return on Equity (ROE) after Tax	individual	36,2	29,7	0,6	Indicates earning power of equity after tax, showing ratio of net result to equity. Can be compared with projected and average rate in industry, sector or total levels.
		field average	18,6	16,4	19,1	
		sector average	20,1	17,5	18,2	
		total average	26,3	25,2	25,6	
30	3. Return on Assets (ROA) before Tax	individual	11,8	10,2	1,4	Measures productivity of assets regardless of capital structures before tax, showing result before taxes plus interest paid to total assets. Can be compared with projected and average rate in industry, sector or total levels, as well as with ROE which should be higher.
		field average	8,2	7,0	7,6	
		sector average	8,7	7,6	7,8	
		total average	10,6	10,8	11,2	
31	4. Return on Assets (ROA) after Tax	individual	11,5	9,9	1,3	Measures productivity of assets regardless of capital structures after tax, showing net result plus interest paid to total assets. Can be compared with projected and average rate in industry, sector or total levels, as well as with ROE which should be higher.
		field average	7,3	6,0	6,6	
		sector average	7,5	6,3	6,5	
		total average	8,0	7,8	8,0	
32	5. Return on Investments (ROI)	individual	9,9	8,9	0,4	Shows profitability as a result of multiplying operating profit margin with total asset turnover ratio. Indicates the effectiveness of operating assets management.
		field average	7,4	6,3	6,7	
		sector average	8,0	7,0	7,3	
		total average	9,9	10,2	10,7	
33	6. Financial Leverage Effect	individual	3,15	3,00	0,46	Expresses as ROE in relation to ROA. If higher than 1, shows cost of borrowed funds is lower than return resulting from their use, meaning that their use is justified. If lower than 1, use of borrowed funds is not justified.
		field average	2,55	2,73	2,89	
		sector average	2,68	2,78	2,80	
		total average	3,29	3,23	3,20	
34	7. Operating Profit Margin	individual	4,4	3,6	0,7	Shows relation between operating result and sales, as well as how every dinar of sales generates dinars of operating profit.
		field average	3,9	2,5	3,1	
		sector average	5,4	4,1	4,3	
		total average	4,4	4,4	4,7	
35	8. Profit Margin	individual	2,8	2,6	0,1	It shows the rate of return unit sales. If the asset turnover ratio is lower this rate should be higher. It refers to the reasons for changes in ROE and ROA.
		field average	3,3	2,7	3,1	
		sector average	4,9	4,1	4,5	
		total average	4,5	4,7	5,2	
36	9. Net Profit Margin	individual	2,7	2,5	0,1	Shows relation between net result and sales.
		field average	2,9	2,2	2,7	
		sector average	4,2	3,4	3,7	
		total average	3,3	3,4	3,6	

No.	Indicator Name	Indicator Level*	Years ¹⁾			Indicator Description
			t-2	t-1	t	
37	10. Interest Coverage Ratio	individual	5,85	8,94	1,20	Shows relation between result before tax plus interest paid, to interest paid. Value higher than 1 is desirable. The higher this ratio is, the risk of interest repayment is lower.
		field average	11,14	9,61	9,35	
		sector average	13,22	13,38	13,53	
		total average	15,97	19,04	20,54	

Source of data: Serbian Business Registers Agency - Register of Financial Statements

¹⁾ indicators for the last three years

n/a Calculation of indicator is meaningless

* Averages are determined for entrepreneurs in the field of activity and sector in which they operate, as well as for all entrepreneurs

PART THREE - DATA ON FINANCIAL STATEMENTS AUDIT

Entrepreneur is not subject to audit

PART FOUR - DATA ON NON - LIQUIDITY

No.	Data Name	Last 6 months					
		mm-6/20__	mm-5/20__	mm-4/20__	mm-3/20__	mm-2/20__	mm-1/20__
1.	Number of days of non-liquidity, by month	0	0	0	0	0	0
2.	Number of days of non-liquidity in the current month	0					
3.	Longest continuous non-liquidity within last 6 months preceding the month in which the Report is given and for the current month including the day that precedes the day of Report preparing	-					
4.	Liquidity as of the day that precedes the day of Report preparing	Liquid					
5.	Blocked amount of the day that precedes the day of Report preparing	0,00					

Source of data: National Bank of Serbia - Debt Enforcement Department

PART FIVE - DATA ON THE PROHIBITION OF FUNDS DISPOSAL ON BANK ACCOUNTS

No.	Data name
1	No prohibition on funds disposal
2	Date

Source of data: National Bank of Serbia - Debt Enforcement Department

PART SIX - SOLVENCY REPORT REMARKS

t-2 - Data from the Regular Annual Financial Statement. Entrepreneur is not a subject to audit.

t-1 - Data from the Regular Annual Financial Statement. Entrepreneur is not a subject to audit.

t - Data from the Regular Annual Financial Statement. Entrepreneur is not a subject to audit.

Source of data: Serbian Business Registers Agency - Register of Financial Statements