Programme – MSc. IN BUSINESS ANALYTICS

Module - Financial and Business Analytics - B9BA106

Assignment Title

CA 1 – ANALYSIS AND INTERPRETATION OF FINANCIAL ACCOUNTS

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Introduction

"Financial statement analysis" estimates a company's interpretation or worth via a company's assets or liabilities sheet, earnings statement, or information on currency flows. Investors develop a better-nuanced view of a company's economic profile by utilizing a number of strategies with such ratio analysis. This project mainly aims to determine the liquidity and solvency ratios, profitability ratios, efficiency ratios, and investment ratios of the ***"C&C Group plc (CCR.L)"*** company for specific years. This project also highlights the factors of the company's financial improvements that have helped to improve the financial growth of the company. The analysis of the ratios highlights the company's capacity to make profits as well as handle expenses effectively. It is very essential to note the estimation, as well as analysis, represented in this project, is based on the financial ratios emanating from the functional data from the year 2017 to 2020.

Background

Analysis along with the interpretation of monetary records has always been an important cycle in figuring out the financial know-how along with the successful execution and standing out of a company in the business industry. Performing this analysis requires which includes investigating fiscal summaries, for instance, the earning statement, and balance report, which is accompanied by statements regarding monitoring cash flow which has the capacity to form priceless insights which help to increase the company's productivity, "***liquidity"***, ***"dissolvability"***, and also generally explains the true picture regarding the financial position of the company (Amprazis *et al.* 2023). Financial records comprise a limited crucial portion, each filling a particular need in evaluating the financial presentation and position of a business. The ***"income statement"***, otherwise called the, ***"profit"*** and," loss***"*** records, gives a rundown of incomes, costs, and total compensation over a particular period (Chen *et al.* 2022). It evaluates the organization's benefit by uncovering the wellsprings of income and the costs brought about in creating those incomes.

The," cash ***flow"*** records explain the inflow and surge of money during a particular period. It classifies incomes into working procedures, contributing procedures, and supporting procedures. This categorization is vital for figuring out the organization's money age, liquidity, and capacity to support its tasks and speculations. It additionally distinguishes any tremendous changes in the organization's," cash ***flow"*** that might not be apparent from the," income ***statement"***, or asset report alone.

Investigating and understanding monetary records includes a few procedures and devices. Ratio investigation have been a utilized technique that includes computing and understanding different financial ratios. These ratios assist with surveying the organization's presentation, effectiveness, and financial reliability. Instances of usually utilized ratios remember the," return ***for investments"***, (return on initial capital investment), return on resources (ROA), and obligation proportion.

Results and Analysis

Financial statements are necessary for stakeholders, investors, and economists to assess the financial statement of a business and its position. The three main financial statements are the earnings declaration, the balance sheet, and the revenue statement. The ratio used to calculate the financial statements for the London-based stock market organization C & C Group Company is shown in the following financial statement:

Balance sheet

The balance sheet of an organization provides an overview of its financial review at a specific time. There are three main divisions: liabilities, equity, and assets.

Assets that are expected to be converted into revenue or used up within a year include cash, receivables, and inventory.

Non-Current assets

These include investments, long-term assets like intangibles, property, machinery, and other assets, and current liabilities such as debts with annual due dates like accounts payable and short-term obligations.

Long-term liabilities

These are past-due loans and taxes that have a longer deadline than a year and equity has been calculated by deducting the total assets of a company from its total debts and has been used to evaluate the ownership of a corporation by its shareholders.

Revenue Sales

The income statement, also known as a report of earnings or losses, provides information on the revenue, expenses, and net earnings of an organization during a specific period of time.

Sales and Revenue

The following list represents the total amount of money earned through the sale of goods or services

Cost of Goods sold

It used to comprise the out-of-pocket expenses for manufacturing or providing the supplied goods or services.

Gross profit

It has been computed by subtracting the cost of the sold goods from the revenue.

operational costs (Mollan *et al.* 2019). These are the daily expenses a business faces, such as rent, staff pay, and advertising. Operating Income, sometimes referred to as Earnings Before Interest and Tax, is the sum that remains after operating expenses are subtracted from gross profit.

After-tax and additional non-operating expenses have been subtracted from operational profit; the remaining amount is known as Interest Payable Profit Before Tax.

A Cash Flow Statement

The company's cash flow during a specific time period is shown in detail in the financial statement of cash flows. Its three sections are operations, investing activities, and finance activities.

Operating Expenses

These are the cash flows from the business's core operations, which also include paying employees and suppliers as well as collecting money from clients. Investment activities also include cash flows from the purchase or sale of long-term investments like businesses or other assets. Under the category "Financing Activities," cash flows related to the company's financial activities are listed, such as stock issuing or purchase agreements, loan lending or repayments, and dividend payments. These are the key components of an overview of financial status, and they provide crucial details about an organization's performance, liquidity, profitability, and overall financial health.

Analysis of 2017 Data

LIQUIDITY AND SOLVENCY RATIOS			ENTER DATA IN YELLOW CELLS	
Current				
Current Assets	€353	2.28 : 1	Current Assets:	€353
Current Liabilities	€155		Current Liabilities:	€155
Quick				
Current Assets - Inventory	€79	0.51 : 1	Current Assets:	€353
Current Liabilities	€155		Inventory:	€274
Gearing				
Debt	€170	24%	Debt:	€170
Debt + Equity	€708		Total Equity:	€538
Interest Cover				
Profit before Tax	€63	0.18 times	Profit before Tax:	€63
Interest Payable	€359		Interest Payable:	€359
Dividend Cover				
Profit After Tax	€0	0.01 times	Profit after Tax:	€0
Dividend Paid and Payable	€14		Dividend:	€14

Figure 1: Liquidity and solvency ratios in 2017

(Source: Self-Created)

The above figure represents the values of, ***"Liquidity and Solvency Ratios"***, in the year 2017.By finding out the, ***"Liquidity and Solvency Ratios"***, the valuable insights regarding the ***"C&C Group plc (CCR.L)", company's*** capacity to satisfy the, ***"current liabilities"*** along with, ***"long term obligations"***, that have been observed. When the values of them ***"Liquidity and Solvency Ratio"***, increases, it have been understood that ,***"C&C Group plc (CCR.L)"*** ,company has the capacity to satisfy the ,***"Short Term Obligations"***, while having ***"high leverage"***, along with, ***"high financial risks"***, in which the, ***"current ratio"***, has a value of 2.28 times the normal value which is 1, along with the, ***"Quick Ratio"***, which has a value of 0.51 times the normal value which is 1,along with Rati***o", which*** has a range of 24% along with the, ***"Interest Cover"***, which has a value of 0.18 times the normal value which is 1,along with the, ***"Dividend cover"***, which has a value of 0.01 times the normal value

PROFITABILITY RATIOS				
Gross Margin				
Gross Profit	€150	26.80%	Gross Profit	€150
Sales	€560		Sales	€560
Net Margin				
Net Profit Before Tax	€63	11.23%	Profit before Tax:	€63
Sales	€560		Sales	€560
Sales-to-Assets				
Sales	€560	43%	Sales	€560
Total Assets	€1,315		Total Assets	€1,315
Return on Assets				
Net Profit Before Tax	€62.90	4.78%	Profit before Tax:	€63
Total Assets	€1,315.00		Total Assets	€1,315

Figure 2: Profitability ratios in 2017

(Source: Self-Created)

The Profitability Ratios of the ***"C&C Group plc (CCR.L)" company*** in the year ***2017*** are shown in the above figure. ***Profitability Ratios***, being a set of ratios aid in evaluating a company's ability to generate profits relative to the resources used, assisting in the comparison with other similar companies. Here, as per the profitability ratios, the ***gross margin*** is estimated to be ***26.80%***, the ***net margin 11.23%***, the Sales to sales assets percentage 43% and the return on assets is calculated to be 4.78.

EFFICIENCY RATIOS				
Inventory Turnover				
Cost of Goods Sold	€274	1.00 times	Cost of Goods Sold:	€274
Inventory	€274		Inventory:	€274
Inventory Days				
365	365	125.9 days	Inventory Turnover:	2.900
Inventory Turnover	2.90			
Accounts Receivable Days				
Accounts Receivable x 365	23251	41.52 days	Accounts Receivable:	€64
Sales	€560		Sales	€560
Accounts Payable Days				
Accounts Payable x 365	52597	191.68 days	Accounts Payable:	€144
Cost of Sales	€274		Cost of Sale:	€274

Figure 3: Efficiency Ratios in 2017

(Source: Self-Created)

The above figure shows the Efficiency Ratios of the ***"C&C Group plc (CCR.L)"*** company, which aid in measuring the company's capacity in utilizing the assets and liabilities for generating income and also in tracking and analysis of the performance of the company. It is majorly deployed for the comparison of expenses and revenues generated.

INVESTMENT RATIOS				
Earnings Per Share				
Profit After Tax	€0	€0.00	Profit after Tax:	€0
Number Shares in Issue	268337		Number of Shares:	268337
Dividend Per Share				
Total Dividend	€14	€0.00	Dividend:	€14
Number of Shares in Issue	268337		Number of Shares:	268337
Dividend Yield				
Dividend Per Share	€0.00	0.00%	Share Price:	€3.87
Share Price	€3.87			
Price / Earnings Ratio				
Share Price	€3.87	162.61 : 1	Share Price:	€3.87
Earnings Per Share	€0.02		Earnings Per Share:	€0.02
Return on Equity				
Profit before Tax	€63	9.57%	Profit before Tax:	€63
re Capital + Retained Earni	€658		Share Capital:	€320
			Retained Earnings:	€337
Return on Capital Employed				
rofit before Interest and Ta	€63	3.84%	Profit before Int and Tax:	€63
Capital Employed	€1,637		tal Assets less Current Liab	€1,637

Figure 4: Investment Ratios in 2017

(Source: Self-Created)

The above figure represents the Investment Ratios for the year 2017. The different empirical ratios are calculated on the basis of data observed from the C & C companies' annual financial dataset. The earning when the total amount is divided by the total share is estimated around 0.002 approximately. The rounded value comes out to be 0.00. The dividend properties are also being calculated as per the data and the estimated values can be clearly seen in the figure.

Analysis of 2018 Data

2018				
LIQUIDITY AND SOLVENCY RATIOS			ENTER DATA IN YELLOW CELLS	
Current				
Current Assets	€314	2.16 : 1	Current Assets:	€314
Current Liabilities	€145		Current Liabilities:	€145
Quick				
Current Assets - Inventory	€225	1.55 : 1	Current Assets:	€314
Current Liabilities	€145		Inventory:	€88
Gearing				
Debt	€238	37%	Debt:	€238
Debt + Equity	€638		Total Equity:	€400
Interest Cover				
rofit before Interest and Ta:	€400	4.00 times	Profit before Int & Tax:	€400
Interest Payable	€100		Interest Payable:	€100
Dividend Cover				
Profit After Tax	€400	5.71 times	Profit after Tax:	€400
Dividend Paid and Payable	€70		Dividend:	€70

Figure 5: Liquidity and Solvency ratios in 2018

(Source: Self-Created)

The above picture holds the numerical interpretation and calculations regarding liquidity and solvency ratios. The sub-properties are also calculated on the basis of data provided and formulas given in the worksheet. The current, quick and gearing values are solely dependent on the current assets, current liabilities and inventory respectively. The corresponding ratios calculated based on the values and the evaluation is properly shown in the picture.

PROFITABILITY RATIOS					
Gross Margin					
Gross Profit / Sales	€1,400 / €548	255.47%		Gross Profit	€1,400
				Sales	€548
Net Margin					
Net Profit Before Tax / Sales	€400 / €548	72.99%		Profit before Tax:	€400
				Sales	€548
Sales-to-Assets					
Sales / Total Assets	€548 / €10,000	5%		Sales	€548
				Total Assets	€1,085
Return on Assets					
Net Profit Before Tax / Total Assets	€400.00 / €1,085.00	36.87%		Profit before Tax:	€400
				Total Assets	€1,085

Figure 6: Profitability ratios in 2018

(Source: Self-Created)

The profitability ratios depend on the gross profit and sales value. Hence the gross margin is being calculated by taking the ratio of the two values. The company has made an incredible margin of 255.47% approximately. On the other hand, the sales and total assets, along with profit has been used to calculate the sales-to-assets and return-to-assets and values have been showed in the picture.

EFFICIENCY RATIOS					
Inventory Turnover					
Cost of Goods Sold / Inventory	€250 / €100	2.50 times		Cost of Goods Sold:	€250
				Inventory:	€100
Inventory Days					
365 / Inventory Turnover	365 / 2.50	145.8 days		Inventory Turnover:	2.504
Accounts Receivable Days					
Accounts Receivable x 365 / Sales	19710 / €548	35.97 days		Accounts Receivable:	€54
				Sales	€548
Accounts Payable Days					
Accounts Payable x 365 / Cost of Sales	48436 / €250	193.43 days		Accounts Payable:	€133
				Cost of Goods Sold:	€250

Figure 7: Efficiency ratios in 2018

(Source: Self-Created)

The above figure represents the values of, ***"Efficiency Ratios"***, in the year 2018.By finding out the," efficiency ***ratios"*** the valuable insights from ***"C&C Group plc (CCR.L)"*** company have been Ratios", in ***ratio"*** helps in measuring the capacity of ***C&C Group plc (CCR.L)"*** by utilizing the assets and liabilities for generating income and also in tracking and analysis of the performance of the company. It is majorly deployed for the comparison of expenses and revenues generated.

INVESTMENT RATIOS				
Earnings Per Share				
Profit After Tax	€400	€0.00	Profit after Tax:	€400
Number Shares in Issue	302152		Number of Shares:	302152
Dividend Per Share				
Total Dividend	€70	€0.000	Dividend:	€70
Number of Shares in Issue	302152		Number of Shares:	302152
Dividend Yield				
Dividend Per Share	€0.00	0.01%	Share Price:	€2.89
Share Price	€2.89			
Price / Earnings Ratio				
Share Price	€2.89	131.36 : 1	Share Price:	€2.89
Earnings Per Share	€0.02		Earnings Per Share:	€0.02
Return on Equity				
Profit before Tax	€400	62.99%	Profit before Tax:	€400
quity (Share Capital + Retained Earnin	€635		Share Capital:	€318
			Retained Earnings:	€317
Return on Capital Employed				
Profit before Interest and Ta	€400	36.87%	Profit before Int and Tax:	€400
Capital Employed	€1,085		tal Assets less Current Liab	€1,085

Figure 8: Investment ratios in 2018

(Source: Self-Created)

The above figure represents the Investment Ratios for the year 2018. The different empirical ratios are calculated on the basis of data observed from the C & C companies' annual financial dataset. The earning when the total amount is divided by the total share is estimated around 0.000 approximately. The rounded value comes out to be 0.00. The dividend properties are also being calculated as per the data and the estimated values can be clearly seen in the figure.

Analysis of 2019 Data

2019

LIQUIDITY AND SOLVENCY RATIOS

				ENTER DATA IN YELLOW CELLS	
Current					
	Current Assets	€491	1.23 : 1	Current Assets:	€491
	Current Liabilities	€400		Current Liabilities:	€400
Quick					
	Current Assets - Inventory	€307	0.77 : 1	Current Assets:	€491
	Current Liabilities	€400		Inventory:	€184
Gearing					
	Long Term Debt	€100	20%	Long-Term Debt:	€100
	LT Debt + Equity	€500		Total Equity:	€400
Interest Cover					
	rofit before Interest and Ta	€82	0.24 times	rofit before Interest andTax:	€82
	Interest Paid and Payable	€336		Interest Payable:	€336
Dividend Cover					
	Profit After Tax	€1	0.02 times	Profit after Tax:	€1
	Dividend Paid and Payable	€36		Dividend:	€36

Figure 9: Liquidity and Solvency ratios in 2019

(Source: Self-Created)

The above figure represents the values of, ***"Liquidity and Solvency Ratios"***, in the year 2019.By finding out the, ***"Liquidity and Solvency Ratios"***, the valuable insights regarding the ***"C&C Group plc (CCR.L)", company's*** capacity to satisfy the, ***"current liabilities"*** along with, ***"long term obligations"***, that have been observed. When the values of them ***"Liquidity and Solvency Ratio"***, increases, it have been understood that ,***"C&C Group plc (CCR.L)"*** ,company has the capacity to satisfy the ,***"Short Term Obligations"***, while having ***"high leverage"***, along with, ***"high financial risks"***, in which the, ***"current ratio"***, has a value of 1.23 times the normal value which is 1, along with the, ***"Quick Ratio"***, which has a value of 0.77 times the normal value which is 1,along with Rati***o", which*** has a range of 20% along with the, ***"Interest Cover"***, which has a value of 0.24 times the normal value which is 1,along with the, ***"Dividend cover"***, which has a value of 0.02 times the normal value

PROFITABILITY RATIOS				
Gross Margin				
Gross Profit	€260	32.51%	**Gross Profit**	€260
Sales	€800		**Sales**	€800
Net Margin				
Net Profit Before Tax	€82	10.23%	**Profit before Tax:**	€82
Sales	€800		**Sales**	€800
Sales-to-Assets				
Sales	€800	56%	**Sales**	€800
Total Assets	€1,429		**Total Assets**	€1,429
Return on Assets				
Net Profit Before Tax	€81.80	5.72%	**Profit before Tax:**	€82
Total Assets	€1,429.20		**Total Assets**	€1,429

Figure 10: Profitability Ratios in 2019

(Source: Self-Created)

The Profitability Ratios of the ***"C&C Group plc (CCR.L)" company*** in the year ***2019*** are shown in the above figure. ***Profitability Ratios***, being a set of ratios aid in evaluating a company's ability to generate profits relative to the resources used, assisting in the comparison with other similar companies. Here, as per the profitability ratios, the ***gross margin*** is estimated to be ***32.51%***, the ***net margin 10.23%***, the Sales to sales assets percentage 43% and the return on assets is calculated to be 5.72.

EFFICIENCY RATIOS				
Inventory Turnover				
Cost of Goods Sold	€1,065	5.78 times	**Cost of Goods Sold:**	€1,065
Inventory	€184		**Inventory:**	€184
Inventory Days				
365	365	63.1 days	**Inventory Turnover:**	5.785
Inventory Turnover	5.78			
Accounts Receivable Days				
Accounts Receivable x 365	71613	89.52 days	**Accounts Receivable:**	€196
Sales	€800		**Sales**	€800
Accounts Payable Days				
Accounts Payable x 365	33945	31.87 days	**Accounts Payable:**	€93
Cost of Sales	€1,065		**Cost of Sale:**	€1,065

Figure 11: Efficiency Ratios in 2019

(Source: Self-Created)

The above figure represents the values of, ***"Efficiency Ratios"***, in the year 2018.By finding out the," efficiency ***ratios"*** the valuable insights from ***"C&C Group plc (CCR.L)"*** company have been Ratios", in ***ratio"*** helps in measuring the capacity of ***C&C Group plc (CCR.L)"*** by utilizing the assets and liabilities for generating income and also in tracking and analysis of the performance of the company. It is majorly deployed for the comparison of expenses and revenues generated.

INVESTMENT RATIOS				
Earnings Per Share				
Profit After Tax	€1	€0.00	Profit after Tax:	€1
Number Shares in Issue	320354		Number of Shares:	320354
Dividend Per Share				
Total Dividend	€36	€0.00	Dividend:	€36
Number of Shares in Issue	320354		Number of Shares:	320354
Dividend Yield				
Dividend Per Share	€0.00	0.00%	Share Price:	€2.63
Share Price	€2.63			
Price / Earnings Ratio				
Share Price	€2.63	112.39 : 1	Share Price:	€2.63
Earnings Per Share	€0.02		Earnings Per Share:	€0.02
Return on Equity				
Profit before Tax	€82	11.79%	Profit before Tax:	€82
uity (Share Capital + Retained Earnin	€694		Share Capital:	€310
			Retained Earnings:	€384
Return on Capital Employed				
rofit before Interest and Ta:	€82	4.47%	Profit before Int and Tax:	€82
Capital Employed	€1,829		Total Assets less Current Liab	€1,829

Figure 12: Investment ratios in 2019

(Source: Source: Self-Created)

The above figure represents the Investment Ratios for the year 2019. The desired ratios are calculated on the basis of data observed from the C & C companies' annual financial dataset. The earning when the total amount is divided by the total share is estimated around 0.001 approximately. The rounded value comes out to be 0.00. The dividend properties are also being calculated as per the data and the estimated values can be clearly seen in the figure.

Analysis of 2020 Data

2020				
LIQUIDITY AND SOLVENCY RATIOS			ENTER DATA IN YELLOW CELLS	
Current				
Current Assets	€555	0.63 : 1	Current Assets:	€555
Current Liabilities	€887		Current Liabilities:	€887
Quick				
Current Assets - Inventory	€410	0.46 : 1	Current Assets:	€555
Current Liabilities	€887		Inventory:	€146
Gearing				
Long-Term Debt	€398	42%	Long Term Debt:	€398
LT Debt + Equity	€954		Total Equity:	€555
Interest Cover				
rofit before Interest and Ta:	€12	0.04 times	Profit before Int & Tax:	€12
Interest Payable	€324		Interest Paid and Payable:	€324
Dividend Cover				
Profit After Tax	€9	151.67 times	Profit after Tax:	€9
Dividend Paid and Payable	€0		Dividend:	€0

Figure 13: Liquidity and Solvency Ratios in 2020

(Source: Self-Created)

The above figure represents the values of, ***"Liquidity and Solvency Ratios"***, in the year 2020.By finding out the, ***"Liquidity and Solvency Ratios"***, the valuable insights regarding the ***"C&C Group plc (CCR.L)", company's*** capacity to satisfy the, ***"current liabilities"*** along with, ***"long term obligations"***, that have been observed. The, ***"current ratio"***, has a value of 0.63 times the normal value which is 1, along with the, ***"Quick Ratio"***, which has a value of 0.46 times the normal value which is 1, along with Rati***o", which*** has a range of 42% along with the,***" Interest Cover"***, which has a value of 0.04 times the normal value which is 1, along with the,***" Dividend cover"***, which has a value of 151.67 times the normal value.

PROFITABILITY RATIOS				
Gross Margin				
Gross Profit / Sales	€121 / €599	20.17%	Gross Profit / Sales	€121 / €599
Net Margin				
Net Profit Before Tax / Sales	€12 / €599	1.94%	Profit before Tax: / Sales	€12 / €599
Sales-to-Assets				
Sales / Total Assets	€599 / €1,442	42%	Sales / Total Assets	€599 / €1,442
Return on Assets				
Net Profit Before Tax / Total Assets	€11.60 / €1,441.90	0.80%	Profit before Tax: / Total Assets	€12 / €1,442

Figure 14: Profitability Ratios in 2020

(Source: Self-Created)

The Profitability Ratios of the ***"C&C Group plc (CCR.L)" company*** in the year ***2019*** are shown in the above figure. ***Profitability Ratios***, being a set of ratios aid in evaluating a company's ability to generate profits relative to the resources used, assisting in the comparison with other similar companies. Here, as per the profitability ratios, the ***gross margin*** is estimated to be ***20.17%***, the ***net margin 1.94%***, the Sales to sales assets percentage 42% and the return on assets is calculated to be 0.80.

EFFICIENCY RATIOS				
Inventory Turnover				
Cost of Goods Sold / Inventory	€1,281 / €146	8.77 times	Cost of Goods Sold:	€1,281
			Inventory:	€146
Inventory Days				
365 / Inventory Turnover	365 / 8.77	41.6 days	Inventory Turnover:	8.771
Accounts Receivable Days				
Accounts Receivable x 365 / Sales	33982 / €599	56.73 days	Accounts Receivable:	€93
			Sales	€599
Accounts Payable Days				
Accounts Payable x 365 / Cost of Sales	6424 / €1,281	5.02 days	Accounts Payable:	€18
			Cost of Goods Sold:	€1,281

Figure 15: Efficiency Ratios in 2020

(Source: Self-Created)

The above figure represents the values of, ***"Efficiency Ratios"***, in the year 2018.By finding out the," efficiency ***ratios"*** the valuable insights from ***"C&C Group plc (CCR.L)"*** company have been Ratios", in ***ratio"*** helps in measuring the capacity of ***C&C Group plc (CCR.L)"*** by utilizing the assets and liabilities for generating income and also in tracking and analysis of the performance of the company. It is majorly deployed for the comparison of expenses and revenues generated.

INVESTMENT RATIOS				
Earnings Per Share				
Profit After Tax / Number Shares in Issue	€9 / 319415	€0.00	Profit after Tax:	€9
			Number of Shares:	319415
Dividend Per Share				
Total Dividend / Number of Shares in Issue	€0 / 319415	€0.000	Dividend:	€0
			Number of Shares:	319415
Dividend Yield				
Dividend Per Share / Share Price	€0.00 / €3.28	0.00%	Share Price:	€3.28
Price / Earnings Ratio				
Share Price / Earnings Per Share	€3.28 / €2.90	1.13 : 1	Share Price:	€3.28
			Earnings Per Share:	€2.90
Return on Equity				
Profit before Tax / re Capital + Retained Earnii	€12 / €634	1.83%	Profit before Tax:	€12
			Share Capital:	€319
			Retained Earnings:	€315
Return on Capital Employed				
rofit before Interest and Ta / Capital Employed	€12 / €992	1.17%	Profit before Int and Tax:	€12
			tal Assets less Current Liab	€992

Figure 16: Investment Ratios in 2020

(Source: Self-Created)

The above figure represents the Investment Ratios for the year 2020. The desired ratios are calculated on the basis of data observed from the C & C companies' annual financial dataset. The earning when the total amount is divided by the total share is estimated around 0.000 approximately. The rounded value comes out to be 0.00. The dividend properties are also being calculated as per the data and the estimated values can be clearly seen in the figure.

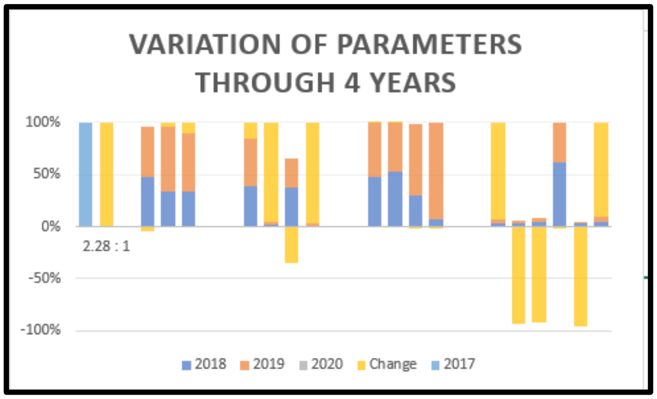

Figure 17: Variation of parameters through 4 years

(Source: Self-Created)

The above figure represents the comparison of all calculated values from the year 2017 to 2020. The visual changes in columns have shown in the above picture, where negative percentage values represent decrease in value over time and positive percentage values signifies that there is an increase in the ratio over a span of 4 years. The remaining data can be clearly visualized from the bar plot.

Discussion

The main issue of this report lies in the analysis of the annual financial statements of ***C&C Group***, a well-reputed company marked on the ***London Stock Exchange Main Market***. The report is focused on the evaluation of the company's financial performance by assessing the primary ratios regarding profitability, liquidity and solvency, efficiency, and investment.

Liquidity and Solvency Ratios

Liquidity and solvency ratios assist in furnishing precious insights regarding the ***"C&C Group plc (CCR.L)"*** company's ability to meet short-term and long-term obligations. The ratios to be calculated are as follows:

Current Ratio

This ratio aids in evaluating the ***"C&C Group plc (CCR.L)"*** company's capacity for meeting its short-term liabilities by employing its current assets. The current ratio here is evaluated as 2.28, 2.16,1.23, and 0.63 respectively for the years 2017 to 2020.

Quick Ratio

This ratio supplies a more conventional benchmark of the ***"C&C Group plc (CCR.L)"*** company's capability for meeting short-term liabilities by excluding inventory from current assets. The quick ratio here is evaluated for the corresponding 2017, 2018, 2019, and 2020 years are 0.51,1.55, 0.77, 0.46.

Dividend Cover

The dividend payout ratio is a measure of 202***0 years Group plc (CCR.L)"*** company's ability to distribute dividends consistently in the future. The dividend ratio has been estimated at 0.01,5.71 and 0.02 respectively from the years 2017 to 2020.

Profitability Ratios

Profitability ratios provide valuable insights into the ***"C&C Group plc (CCR.L)"*** company's ability to generate profits and calculate its overall financial performance (Samyukta *et al.* 2022). The ratios are calculated on the respective parameters:

Gross Profit Margin (GPM)

This ratio indicates the ***"C&C Group plc (CCR.L)",*** company's capacity in order to yield profit from sales after deducting the cost of goods sold. Here, the ***GPM*** is evaluated at 32.51% for the year 2019.

Net Profit Margin (NPM)

This ratio calculates the company's ability for generating profit after accounting for all expenses, involving taxes and interest which is calculated at 11.23%, 72.9% 10.23%, and 1.94% approx. respectively.

Return on Assets (ROA)

This ratio evaluates the company's efficiency in employing its total assets to generate profits. Here, the ***ROA*** is estimated at 5.72% and 0.80 % for the years 2019 and 2020 respectively.

Efficiency Ratios

Efficiency ratios aid in evaluating the company's operational efficiency and efficacy. The ratios to be estimated involve:

Inventory Turnover

This ratio indicates how quickly the company markets its ***inventory*** and replenishes it. The Inventory Turnover is estimated at 5.78 times for the year 2019.

Accounts Receivable Days

This ratio assesses how the company maintain the salary of the employees in accordance with the total goods sold by the company (De *et al.* 2019). Here the total accounts receivable days are 41.92, 39.57, 89.52, and 56.73 days respectively for the years 2017 to 2020.

Accounts Payable Days

This ratio evaluates how quickly the company pays its outstanding liabilities to suppliers with respect to time. Here, the total accounts payable days are 31.87 days for 2019.

Investment Ratios

Investment ratios supply valuable insights into the company's beauty as an investment opportunity. The ratios to be estimated comprise:

Price-to-Earnings (P/E) Ratio

This ratio measures the market's valuation of the company's earnings on one share and is estimated as the ratio of share price to earnings per share. Here, the ***P/E ratio*** is calculated at 12036.74, 1.13 approx. for 2019 and 2020 respectively.

Dividend Yield

This ratio compares the ***"C&C Group plc (CCR.L)"*** company's dividend payout versus share price, which finally comes out by evaluating the return on investment through dividends. The dividend yield from 2017 to 2020 has been evaluated at 0.0% for four consecutive years average from 2017 to 2020.

Analysis and Visualization

The relative analysis and visualization of this financial data of ***C & C***, where after estimating the ratios for C&C Group, on the basis of this analysis, the results are provided for a comprehensive understanding of the company's financial performance (Walter *et al.* 2021). The analysis consists of 2017 to 2020 comparisons, benchmarking against industry peers, and proper recognition of patterns and potential significant areas.

On the basis of this following report, it is eventually concluded that this report is aimed to analyze the financial performance of ***C&C Group***, by assessing critical ratios related to profitability, liquidity and solvency, efficiency, and investment. The analysis and visualization of these ratios aid in furnishing valuable insights into the company.

Recommendations

This section contains a thorough comparison of the Excel results that are performed in the practical portion for ***"C & C Company"***. The details have been divided between four years of data and outcomes after analysis. The ratio used to calculate the financial statements for the London-based stock market organization ***"C & C Group Company"*** is understood properly, compared on a year as well as an overall basis.

Based On The 2017 Analysis

Liquidity defines the ability of the company to clear the debts that are on the company for a short period of time whereas long-term debts are defined by the solvency ratios of the company. The current ratio measures the ability of the company to clear off the debts which are short-term in nature in a period of 1 year. Here, 2.28:1 means, the company has enough resources to pay off the short-term debts in a period of one year. The quick liquidity ratio is 0.51:1, meaning that the company is not able to pay off its current liabilities in a short period of time. The company has poor health in terms of financial and liquidity health (Schroeder *et al*. 2022). To overcome this scenario, the company has to negotiate a quicker receipt of the payments from its customers and establish a payment of long-term which is secured from its suppliers, which helps to keep the liabilities for a longer period of time.

Based On The 2018 Analysis

The current and quick ratios for liquidity and solvency came to be greater than 1. This indicates that the company can clear both long-term and short-term debts within a year. There is no further recommendation for the company as it has overcome the resource issue in 2018 unlike in 2017. Profitability ratios are defined as an entity of financial metrics which is utilized to perform an assessment of the ability of the businesses to get earnings in comparison to their revenue considering the data from a specific point in time (D'Alessio *et al*. 2019). The financial health can be monitored by the gross margin which is coming to be 255% which means the company has enough assets and has no worries in the business. 72.9% of the net margin is considered to be good as the company can keep 0.73% of unity currency as a profit whenever the sale is made. For 2018, the values of business assets came very high as a result it had performed well in the market. There are no such further recommendations for the year 2018.

Based On The 2019 Analysis

There is a gradual decrease in the quick ratio in the liquidity and solvency section of the company. Compared to 2018, the company has incurred a loss such that the company cannot pay off the long-term debts within time 1 year. Under profitability ratios, the gross margin has come to 32% which means there is 0.32% profit for the unity amount sold. Here, the recommendation for the company is to smoothen and fasten the amount of profit received from the customers which can maintain a high gross margin and high quick ratio overall. Coming to the efficiency ratio, inventory turnover is 5.78 times which indicates that nearly 6 times more supply the company can afford as compared to the ongoing supply. The investment ratios are good enough and hence no recommendation is needed for the improvement.

Based On The 2020 Analysis

2020 can be considered the worst year when liquidity and solvency ratios are concerned. Both the current and quick ratios are coming to be less than 1. This is a serious issue as currently; the company cannot afford to raise the cash that is to be paid to the creditors in the stipulated time. The best recommendation for the company now is to increase the interest rate imposed on its customers (Kaiser *et al*. 2022). The company does not have quick assets to clear its short-term obligations (Wahlen *et al*. 2022). Since the quick ratio cannot be greater than the current ratio, there is only one recommendation available for the company. The situation can only be improved by:

- To delay any capital purchases requires any type of cash payment.
- To look to see whether any term loans have to be re-amortized.
- To reduce the draw on the business personally.
- To sell any capital assets which are not generating a business return.

The profitability ratios are quite okay. But the net margin has to be improved. The net margin comes out to be 1.94% ~ 2% approximately. The best recommendation that follows here is to increase the revenue growth. Cost reduction has the ability to become handy in this situation. More focus should be made on pricing strategy. Financial management and performance measurement also play a key role in the company for such situations even in future.

Based On the Overall Analysis

Over the span of 4 years, the financial ratios are handled and observed. From 2017 to 2020, the ratios are being tracked to provide a better insight into the present time and future recommendations and works. When liquidity and solvency ratios are considered there is a sinusoidal curve for the current and quick ratios. The company has a less than one ratio for every alternate year. The fundamental recommendation here is to negotiate a quicker receipt of the payments from its customers and establish a payment of long-term which is secured from its suppliers, which helps to keep the liabilities for a longer period of time. When profitability ratios are considered, there is less fluctuation as the company has overall steadiness. Still for better margins, delaying any capital purchases requires any type of cash payment, to look to see whether any term loans have to be re-amortized and to reduce the draw on the business personally has to be performed (Andersen *et al*. 2022). The efficiency ratios are quite good for a span of 4 years and do not need any further recommendations, whereas the investment ratios are considered good when the profitability and liquidity are analyzed. As it directly depends on them, a quick improvement in profitability and liquidity-solvency can effectively improve the investment ratios in turn.

Conclusion

After Analyzing all the financial statements of ***"C&C Group plc (CCR.L)"*** from the year 2017 to 2020 has to be enhanced, the company's profits demonstrate a very important financial improvement position. The profitability ratios show an approving movement with an expansion in gross earnings from 2017 to 2020. The net earnings margin also enhanced from 2017 to 2020 pointing to efficient price management. Efficiency ratios like stock turnover and receivables turnover have been consistent over time, showing successful management of inventories and terms of credit. The price-to-earnings ratio (P/E) and other investment ratios are additionally stable, demonstrating the company's consistency in the market. C&C Group's financial position has improved, demonstrating good cost control and efficient asset utilization. The solvency and liquidity situations of the business are strong, and the effectiveness and ratios of investment point to a constant level of performance.

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